

**GS Advanced Program 2023****Generic Booklet**Test Name/Code/No. : **#28. (693 028)**

Name			
Email ID.			
Roll No.			
Mobile No.		Date	

Allotted Time : 60 Minutes**Instructions to Candidates -**

- There are 7 Questions in this Question paper.
- All Questions are Compulsory.
- For all updates, please visit the noticeboard -
<https://noticeboard.forumias.com/gsap-2023/>

Important -

- Answers must be attempted in the QCA Booklet only.
- To upload the Answer Copies please visit to "My Course" section on -
<https://academy.forumias.com/>
- Only those copies will be evaluated which will be submitted before the next class.


Q. No.	Grade/Score
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Overall Grade/Score	

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Q.1)

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Overall Grading (√)

Poor			Average			Good		
1	2	3	4	5	6	7	8	9

Q.2) In 2019 loan waivers were around 2% of GDP. Loan waiver refers to government waiving off loan liability of farmers and compensate banks through government funds.

Challenges with loan waivers

- ① Do not solve the structural problem. A 'band-aid' solution.
- ② Increases fiscal deficit of government.
- ③ Does not cover marginal & small farmers and only 15% avail institutional credit.
- ④ Leads to land fragmentation by large farmers to avail the benefit of waivers.
- ⑤ Nexus between farmers & bank employees.
- ⑥ An inverse relation between land holding and indebtedness i.e. marginal farmers more indebted (Agrarian Survey 2016)

- ⑦ Hampers credit culture and increases Bank's NPA NPA.

Alternative to loan waivers

High expert group ~~under~~^{by} RBI under M.K Jain recommended following.

- ① Structural change required - i.e investment in agriculture infrastructure; cold chain development.
- ② Increase money under PM Kisan
- ③ Increase coverage under PMFBY
- ④ Diversification of crops
- ⑤ MSP on and procurement on pulses, millets and oilseeds needs to be increased.

Economic Survey 2019 said that government intervention aggravates the distress of farmers rather than solving it. So alternatives needs to be explored.

Overall Grading (✓)

Poor			Average			Good		
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Q.3) of 319 mT of food grain products produce pulses form 27 mT. India is the largest producer and consumer of pulses in the world.

Role of pulses in ensuring food and nutritional security of India.

- ① cheap accessible source of protein
- for poor people and vegetarian population.
- ② Lower water intensive and crop.
- ③ high shelf-life - can solve the problem of food wastage pre-consumption.
- ④ Ecological advantage.
 - helps in nitrogen fixation
 - lower carbon footprint.
 - deep root roots, can survive drought climate extremes.
- ⑤ Helps in water dis retaining soil fertility.

Issues associated with pulses

- Production issue — farmers prefer cash crops over pulses.
- Price issues — frequently suffers from cobweb phenomena.
- Procurement issues — government procures less pulses under MSP.
- Demand issues — due to low availability and high prices demand is low.

Way forward

- Promotion of pulses production through higher MSP, more procurement.
- Pulses under PDS shops made mandatory.
- Quality and cheap seeds made available to farmers.

Government is promoting pulses production 'Integrated Mission on Pulses 2004'.

Overall Grading (✓)

Poor			Average			Good		
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Q.4) Nutritional Security refers to availability of required nutrients, vitamins, minerals in the food.

Bio-fortification refers to addition of nutrients in crops to increase the nutrients.

Bio-fortification in Millets & Nutritional Security

- Millets are drought resistance 'climate smart crop'.
- Have around 60 days of production cycle which is among the lowest.
- Input requirement is less.
 - No water irrigation required
- longer shelf life - Transportation to far places possible.
- Can be grown in any climatic conditions.
- High fiber content, low fat content.
- White for rice.

Issues with millets

Challenges in Bio-fortification of Millets

- production - challenge - preference for cash crops.
- Procurement - low government procurement.
- Low awareness.
- low R & D in millets.

Way forward.

- Promotion of millets through PDS shops.
- Incentivising farmers to produce millets through higher MSP and procurement.
- Awareness among people through mass media about nutritional value of millets.

2023 has been declared as international year of millets. Promotion of millets through above reforms can help achieve nutritional security.

Overall Grading (✓)

Poor			Average			Good		
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Q.5)

Post green revolution, Indian agriculture transformed into intensive agriculture with need for HYV seeds, chemical fertilizers and irrigation facilities. To meet these requirements government started providing subsidy on food, fuel and fertilizer, electricity.

Role played by subsidies in affecting food systems

- ① Subsidy on fertilizer - NBS, neem based urea etc., helped farmers access chemical fertilizers. (80k cr 2022-23 budget).
- ② Subsidy on electricity - helped farmers access irrigation facilities and decreased dependence on monsoon.
- ③ Subsidy on food - Through PDS system provided solved the problem of accessibility, affordability and availability of food to around 67% of Indian population.

Issues with subsidy system

- Food Subsidy - at times leads to inclusion and exclusion error, poor quality of subsidised food.
 - burden on FCI due to less storage facility.
 - Increase in fiscal deficit of government.
- Food Fertilizer subsidy - overutilisation of Urea (8:3:1 instead of 4:2:1 NPK ratio), smuggling & black-marketing.
- Electricity Subsidy - led to over-exploitation of ground water, change in cropping pattern (e.g. - Punjab, Kanya-Rice)

Due to above issues, multiple commissions, committees have been formed to look into subsidy regime.

Also, violated WTO AA, Amber box subsidy of 10%.

Alternatives to Subsidies to Transform Food Systems

- ① Diversification of crops towards pulses and millets can enhance income of farmers and decrease vagaries of monsoon.
- ② Income support rather than price support. (DBT).
- ③ Better Infrastructure facilities in form of logistics, cold storage, warehouses.
- ④ Institutional credit to be increased for marginal and small farmers through collateral free loans upto 2L.
- ⑤ Increasing insurance coverage under PMFBY.

Subsidies form an important source of income for security for farmers but some alternatives can help decrease governments fiscal deficit.

Overall Grading (✓)

Poor			Average			Good		
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- Q.6) APMC markets have been formed by state governments in 1950s to ~~promote~~ facilitate trade of agriculture produce by farmers.

APMC market mechanism

- first sale by farmers at APMC mandis.
- Price of the sale to be decided by auction.
- Provision of basic facilities like toilets to be provided by APMC aggregators.
- To solve the issue of distress sale by farmers.

Issues with APMC market

- Formation of cartels among traders and pre-decided price instead of auction.
- Licence system to traders
 - inefficiency, nepotism & elimination of competition and barrier to entry of new traders.

- Conflict of Interest - APMC aggregator is the regulator as well as trader. Regulator role gets compromised in the of lucrative profit.
- Malpractices - delay in payment to farmers on fictitious reasons.
- Lack of quality check, processing, value addition infrastructure.
- Multiple fees and by APMC aggregators imposed on farmers. Increases cost for farmers.

Reforms to be taken

Certain reforms were suggested by central government through 'Model APMC Act'

- ① Not mandatory to sell at APMC ~~mand~~ Market - farmer can sell wherever he/she wants.

② Responsibility to APMC aggregator.

- Clear quality quantity and price declaration at entry gate.
- ^{full} Payment to farmer at the time of sale.
- Infrastructure for value addition, packaging etc.

③ Promotion of contract farming with proper grievance redressal mechanism.

④ Establishment of storage facilities and provision of Negotiable Warehousing receipts.

⑤ Infrastructure upgradation of APMC market through PPP model.

⑥ Incentive and licence of private sector and cooperatives for setting up APMC market.

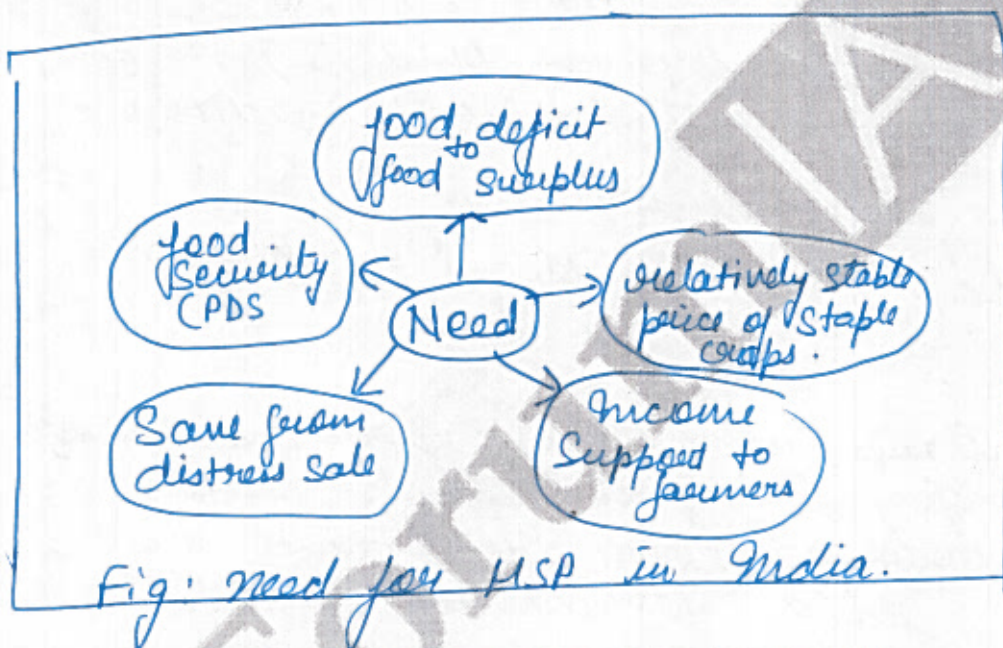
APMC forms an important part of agricultural marketing structure. Above reforms needs to be taken to solve the associated challenges of APMC market.

Overall Grading (✓)

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Q.7)

MSP, Minimum Support Price refers to the price that government declares for procurement of certain agricultural products from farmers if market price is lower than the expense incurred by farmer.



India's agriculture troubles

① Increasing Input cost.

- Seeds - due to coming of HYV, GM crops, terminator gene.
- fertilizer - need for chemical fertilizer to increase productivity.
- and also Requirement for irrigation facilities.

- ② → Climate change
- Increasing pest, diseases in crops.
 - Irratic rainfall - 50% area rained in Indian agriculture.

③ Credit Issue.

- 85% farmers are small and marginal farmers only 15% have access to institutional credit.

④ Low farm mechanisation

- about 40% which U.S has 95%
China 57%.

Other issues like low export competitiveness, monocropping, fragmented land, issues with marketing and insurance also plague Indian Agriculture.

Legalizing MSP - a panacea?

Positives - will secure farmers from distress sale, an income support to farmers.

Issues

- ① will lead to decrease in crop diversification and cropping pattern shift towards rice and wheat.

- ② Only 6% farmers are ^{able to avail benefit} under MSP.
- ③ Increase burden on water resources.
- already depleting groundwater in Punjab, Haryana.
- ④ Increase burden of Government (fiscal deficit), Also FCI low storage capacity will lead to wastage of crop food.

Alternatives to MSP

- ① Promotion of pulses, millets, oilseeds - crop diversification.
- ② Shift from price support to income support (DBT)
- ③ Increasing insurance coverage under PMFBY.
- ④ Infrastructure development - storage facility, cold chain facility.
A shift towards diversification in form of livestock rearing, farm mechanisation etc is required. PM Kisan is a step in right direction.

Overall Grading (✓)

Poor			Average			Good		
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