

GS Advanced Program 2023

Generic Booklet

Test Name/Code/No. :

Name			
Email ID.			
Roll No.			
Mobile No.		Date	8/12/2022

Allotted Time : 60 Minutes

Instructions to Candidates -

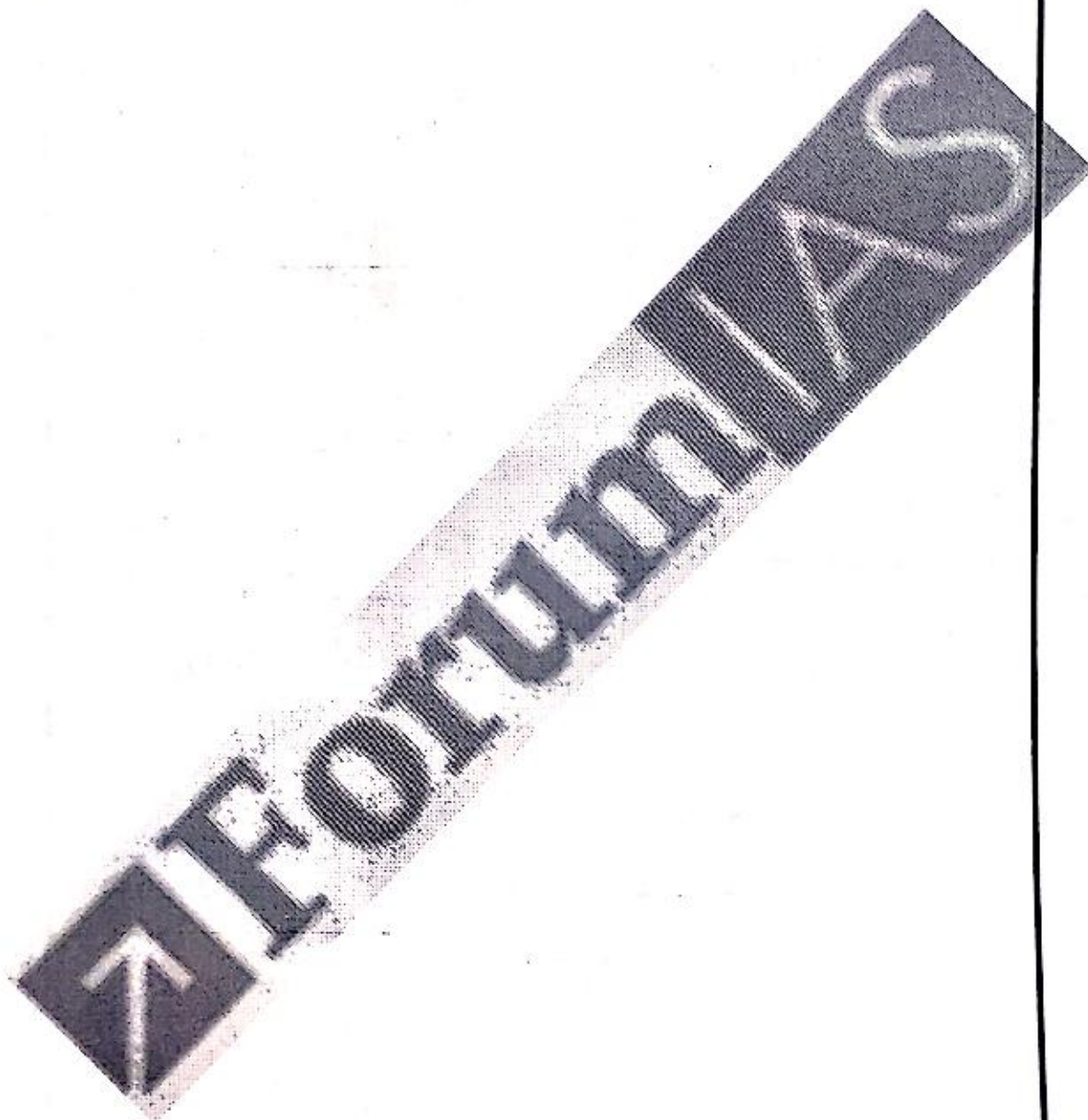
- There are 7 Questions in this Question paper.
- All Questions are Compulsory.
- For all updates, please visit the noticeboard -
<https://noticeboard.forumias.com/gsap-2023/>

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
1	
2	
3	
4	
5	
6	
7	
Overall Grade/Score	

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Q.1)

Agriculture Exports contributes to 15% of the total Exports of India in which masine product, Basmati & non-Basmati Rice are prominent

Recent challenges due to supply chain disruption (Ukraine - Russia war), high inflation has posed challenges. Agricultural Exports have tackled these challenges through:

Challenges

- Food crisis due to shortage as supply chains disrupted
Russia } → sunflower
Ukraine } → wheat
- Nationalistic, protectionism amidst the crisis, COVID pandemic
- oil prices had domestic impact on fertiliser, agriculture products

Coping Mechanism

- waivers through export deals were done (Ex) Black sea grain export deal to release food grains and phasing out of export bans at WTO Ministerial
- Involvement of world food programme (WFP), FAO, WB
- Agricultural export is exploiting new markets, new sourcing regions for completing the requirement

Steps need to be taken

- Infrastructure creation for agricultural exports such as cold storage, quick custom clearance at ports to deal with challenges
- Response to sanitary & phytosanitary issues & technical barriers by countries
- Attracting private investment in agriculture supply chain so as to reduce the arbitrariness
- Collaboration with countries — (x) India's supply chain resilience initiative with Australia & Japan

Agricultural exports are crucial today due to integrated nature of world economy & comparative advantage that has been working in leading the agriculture production

Global challenge to agricultural supply chains need concrete response. As India has held G20 presidency, there is need for expeditious response to this issue

Overall Grading (✓)

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

Q.2) Farm loan waivers ~~are~~^{is} the one time exercise to relieve farmers from distress of loan repayment. Such loan waivers has become a frequent exercise especially post polls.

Benefits of farm loan waivers

- Rising input cost of Agriculture activity is leading to poor profits. This issue has been prominent that leads to low capacity to repay loans
- Social distress and farmer suicide cases are rampant
- Poor insurance penetration especially in events of droughts & floods
- High price volatility, cobweb phenomenon due to poor awareness.

But all problems can't be solved by loan waivers such as: →

- Poor productivity ⇒ needs investment in agriculture & loan waivers actually erode government funds despite need for capital investment

- Infrastructure, Backward & forward linkages issues

⇒ can't be solved though loan waivers

- Low Income of farmers → Need for allied activities, venturing into non-farm sources
- Small Landholdings → 86% of all farmers are small & marginal with less than 2 hectares land. While loan waivers are mostly helping large farmers.

In fact farm loan waivers create issues of state indebtedness, reduces capital investment scope, hampers credit culture and deters even those who are in capability of repayment.

It is better to ~~not~~ take other alternatives such as: →

- Empower self help groups, Gram sabhas to develop credit quality of farmers.
- Reforms in APMC, MSP, NAM
- contract farming, collective farming & export of agriculture produce for attracting invest & high returns.

Loan waivers are sub-optimal solution not intended to solve root cause rather just an end support. Holistic action is needed,

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Poor			Average			Good		
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Q.3) Pulses play crucial role in India's economy as well as health.

- PULSES
- FOOD
SECURITY

↓

availability of food
along with accessibility
& affordability in
right quantity

NUTRITIONAL
SECURITY

↓

qualitative
aspects of the
food
- Protein ~~availability~~ source for India is prominently pulses due to majority vegetarianism & food habits
 - can help in reducing maternal & infant mortality of India
 2018-19 ⇒ maternal mortality 97/1,00,000 live births
 infant mortality 27/1,00,000
 - Scope for introducing in PDS, Midday meal as high stunting (35%), high wasting (19%) in India as per National family health survey-5
 - Resistant to droughts, can help in improving farm incomes thereby Rural progress
 - shelf life is more than other crops

ISSUES

- yield of pulses is low because of non-availability of HV seeds as Research & Development Investment is poor
- long Duration crops → susceptible to pests & diseases
- skewed MSP & no open procurement of pulses
- Marginal & unirrigated lands are currently growing pulses
- Lack of awareness & incentive for farmers to grow → Dependency on imports for fulfilling need.

There is need for →

- Employ biotechnology to create disease resistant seeds & increase yields of pulses
- Support policy for pulses
- Robust Commodity Exchanges to curb future volatility faced in pulses
- using cooperatives, Kisshi Vigyan Kendras for awareness

PM-AASHA program focused on pulses but its budget was reduced, There is need for consistent support as nutritional security of India can improve India's economy, health & society

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Q.4)

High cereal based diet has created the issue of hidden hunger or nutrient deficiency. millets are small grained cereal crops which are more nutritious than rice & wheat.

Biofortification is the process of improving nutritive quality of food crops by using technologies such as Genetic Engineering, or selective breeding.

Biofortification needs in millets as a sustainable solution for nutritional security millets are adaptable to hostile, drought conditions that are need of the hour. It's biofortification can further enhance the nutritive quality.

millets are also rich fodder crops that holds potential for boosting livestock productivity

inexpensive, accessible source of nutrients

low input intensive and can be grown in a various climatic conditions as well

Cost-benefit of including biofortified millets is high as millets can easily curb micronutrient deficiencies

Issues

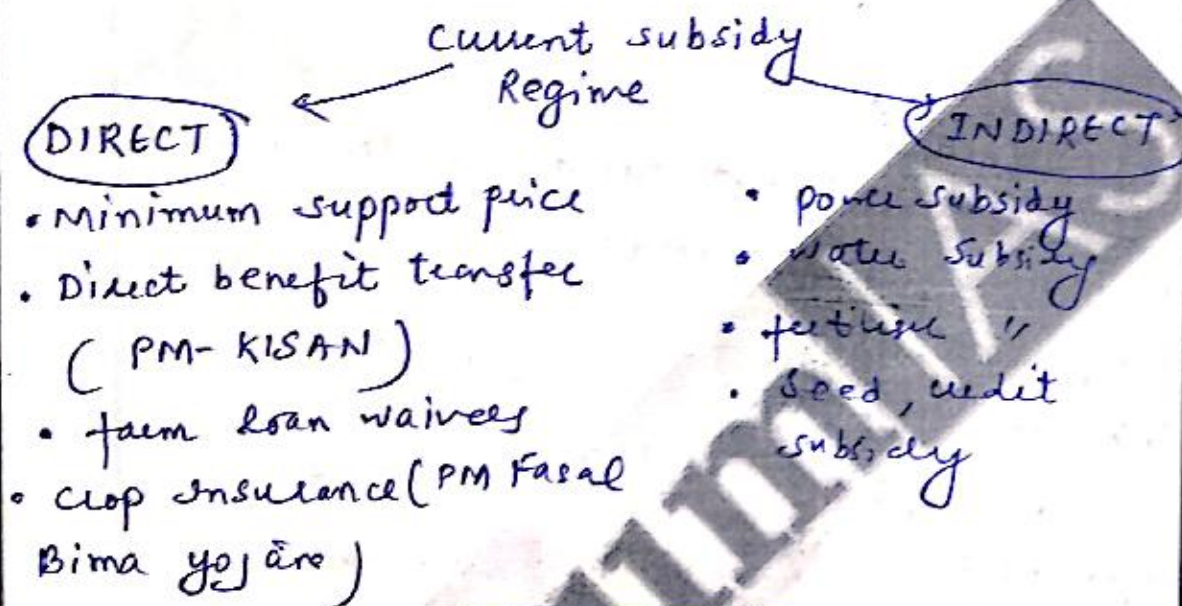
- Millets are seen as inferior, poor man's food and have less inclusion in staple diets
- Difficulty in using millets as they are coarse & difficult to mould into dough as gelatinous content is less
- Poor Research & Development, investment in millets. (India → just 0.7% of GDP)
- value addition & food processing of millets is prerequisite to establish food chain of millets

India's suggestion was accepted & 2023 has been declared as International year of millets. There is need for more focus on bio fortification by involving private investors & expertise along with International collaboration

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Poor			Average			Good		
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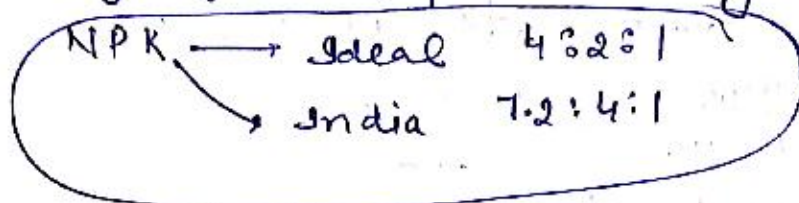
Q.5) Subsidies are the government support provided for making food production financially feasible for poor & small farmers & remunerative venture.



Need for Repurposing subsidies

- Overexploitation of Resources → such as groundwater in Northern areas (Pb, HR)
- fiscal burden & deficit due to uncapped subsidies (Ex) DISCOMS under stress due to power supply
- skewed cropping patterns due to such subsidies. Rice-wheat system has been created
- distort supply & demand → (Ex) urea used in excess due to supply at low cost

- Environmental concerns associated with huge fertiliser, power subsidy.



Steps needed

- Switching from input based subsidies especially those without cap or needs so as to curb harmful impacts
- Minimum support price should be linked on price deficiency reimbursement to reduce transportation, storage & distribution cost. Decentralised procurement (Shantakumal committee)
- Capital investment in agriculture is poor leading to low productivity. Subsidies should be replaced by investment to some extent
- Grading or need based subsidy by adequate focus to poor & marginal & small farmers. As majority of benefits reach large farmers.
- Focus on allied sectors such as fisheries, poultry, cattle rearing

India faces an international compulsion of reducing amber box subsidies. ~~For~~ moving towards unconditional direct benefit transfers require robust technological & financial infrastructure.

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Q.6) Agriculture produce marketing committees (APMC) are geographically delineated markets setup by state governments & where any production of that area shall be brought for sale. These APMC / Mandis have notified products and are operated by commission agents.

Objective of APMC was to induce transparency and protecting farmers from whims & fancies of traders along with protecting consumers by providing fair price.

Shortcomings in APMCs

- monopoly of trading in APMC deprives farmers from other remunerative customers
- cartelisation of agents in APMC → leading to procurement at lower prices
- Dual Role → Regulator & Market leading to vested interest of market members & chairpersons are nominated by agents making farmers susceptible

- ↳ Blocking of payments by agents
- ↳ High license fee makes market controlled by elitist persons
- ↳ poor infrastructure facilities in APMCs such as grading, storage (cold storage), value-addition.

CHALLENGES

- ↳ 'Agriculture' is a state subject which denies any uniformity in regulation
- ↳ APMC license fee is an important source of revenue for state governments which makes them hesitant to go against the reforms
- ↳ Poor technological integration in such market denies good use of APMCs

Reforms needed

Model
APMC
act

- ↳ alternate markets along with APMC
- ↳ displaying prices, quantity, same day payment
- ↳ public private partnership in post harvest, cold storage i.e. management of market
- ↳ contract farming

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Other Reforms

- Excluding Horticulture from APMCs
- Electronic auction platform
- allowing anyone to trade in APMC market

APMCs have remained contentious issue.
 There is need for coordination & cooperation with centre & states to reform APMCs

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Q.7) Minimum support price implies the minimum price that a farmer must be provided for his/her produce and in the wake of lower prices, procurement by government will be done. While ~~there~~ ~~ex~~ there exists MSP for 23 crops, open procurement happens only for Rice & wheat.

Presently

No statutory Recognition & Compulsion to provide MSP

Legalising MSP

Benefit

→ legal sanctity to farmer's price for the crop thereby protecting farmers from market volatility

→ limited no of crops (wheat & Rice) procured by government that too from restricted regions

→ stability in market, protecting from excessive middlemen in the process.

Issues with legalising

- Government doesn't have machinery to procure itself or means of enforcing such statutory dictate
- Fiscal issues associated with legalising as FCI is already under excessive debt
- WTO limits imposed will be a major challenge to
- large farmer benefit more from MSP than too from limited crops
- Non-acceptability of crops in the event of excessive crashing of prices
- Environmental cost in case of skewed cropping

There is need for a sustainable solution to the issues of agrarian crisis. There is need to invest in infrastructure, promoting non farm incomes of the farmers, increasing productivity,

institutional credit etc. MSP works
just cushioning but is not sustainable
in long run

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Poor			Average			Good		
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