

TODAY'S IMPORTANT CURRENT AFFAIRS

UPSC

Date: 19.09.2024

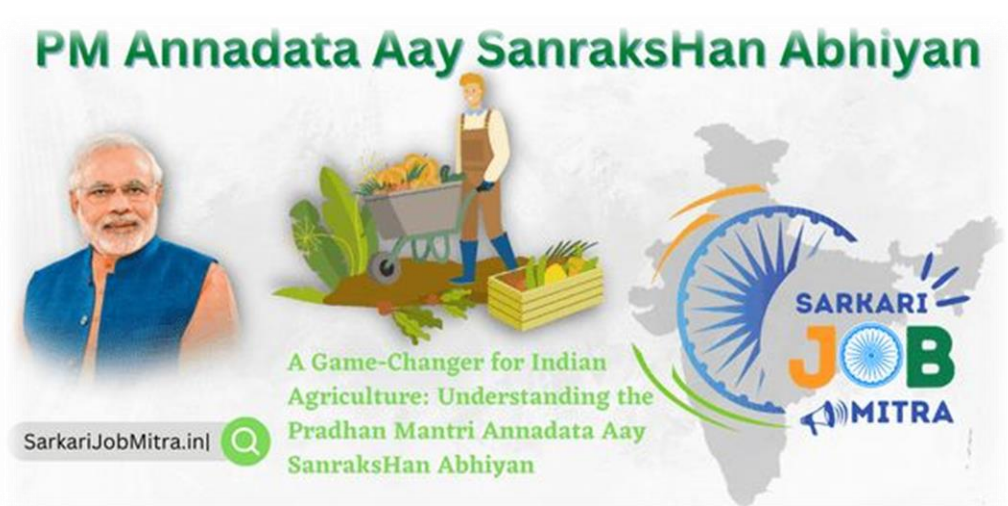
1. Pradhan Mantri Annadata Aay Sanrakshan Abhiyan

Source: The post is based on the article published in “The Hindu” on 19th, Sep 2024.

In News: The Prime Minister Shri Narendra Modi has approved the continuation of schemes of **Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA)** to provide remunerative prices to farmers and to control price volatility of essential commodities for consumers. The total financial outgo will be Rs. 35,000 crore during 15th Finance Commission Cycle upto 2025-26.

Syllabus: Mains – GS III (Economy – Agricultural Scheme)

Introduction: The Government has approved a new umbrella scheme “Pradhan Mantri Annadata Aay Sanrakshan Abhiyan” (PM-AASHA) which will provide Minimum Support Price (MSP) assurance to farmers.



- The Scheme is aimed at ensuring remunerative prices to the farmers for their produce as announced in the Union Budget for 2018.
- The increase in MSP can improve farmer’s income by strengthening procurement mechanism in coordination with the State Governments.

Components of PM-AASHA:

Price Support Scheme (PSS):

- ◆ The Price Support Scheme (PSS) is being implemented by the Government of India to ensure that farmers receive a stable and remunerative price for their agricultural produce.
- ◆ The scheme is operational when the market price of agricultural commodities falls below the minimum support price (MSP) set by the government.
- ◆ The PSS is implemented by the Department of Agriculture & Cooperation through the National Agricultural Cooperative Federation of India (NAFED), the central nodal agency. NAFED procures oilseeds, pulses, cotton, milling copra, ball copra, and de-husk coconut under the PSS
- ◆ In this way prices of the main commodities are procured and protect the farmers against the economic loss in farming.
- ◆ Price supports cause larger production and smaller consumption (since consumers will buy less of any good as its price rises), resulting in overproduction at the support price.
- ◆ The procurement of notified pulses, oilseeds & copra at MSP under Price Support Scheme will be on 25% of national Production of these notified crops from 2024-25 season.
 - However, this ceiling will not be applicable in case of Tur, Urad & Masur for 2024-25 season as there will be a 100 % procurement of Tur, Urad & Masur during in 2024-25 season as decided earlier.
- ◆ The Government has renewed and enhanced the existing government guarantee to Rs.45,000 crore for procurement of notified pulses, oilseeds & copra at MSP from farmers.
- ◆ This will help in more procurement of pulses, oilseeds & copra by Department of Agriculture and Farmers Welfare (DA&FW) from farmers at MSP including Pre-registered farmers on eSamridhi portal of National Agricultural Cooperative Marketing Federation of India (NAFED) and eSamyukti portal of National

Cooperative Consumers' Federation of India (NCCF) whenever prices fall below MSP in the market.

Price Stabilization Fund (PSF):

- This scheme will help in protecting consumers from extreme volatility in prices of agri-horticultural commodities by maintaining strategic buffer stock of pulses and onion for calibrated release to discourage hoarding, unscrupulous speculation;
- Procurement of pulses at market price will be done by Department of Consumer Affairs (DoCA) including Pre-registered farmers on eSamridhi portal of NAFED and eSamyukti portal of NCCF whenever prices rule above MSP in the market.
- The interventions under PSF scheme have been undertaken in other crops such as Tomato and in subsidized retail sale of Bharat DaIs, Bharat Atta and Bharat Rice.

Price Deficiency Payment Scheme (PDPS):

- Under Price Deficiency Payment Scheme this scheme (PDPS), it is proposed to cover all oilseeds for which MSP is notified.
- In this direct payment of the difference between the MSP and the selling/modal price will be made to pre-registered farmers selling his produce in the notified market yard through a transparent auction process.
- All payment will be done directly into registered bank account of the farmer.
- This scheme does not involve any physical procurement of crops as farmers are paid the difference between the MSP price and Sale/modal price on disposal in notified market.
- The support of central government for PDPS will be given as per norms.
- The coverage has been enhanced from existing 25% of state production of oilseeds to 40% and also enhanced the implementation period from 3 months to 4 months for the benefits of farmers.
- The compensation of difference between MSP and Sale/Modal price to be borne by Central Government is limited to 15% of MSP.

Pilot of Private Procurement & Stockist Scheme (PPPS):

- It has also been decided that participation of private sector in procurement operation needs to be piloted so that on the basis of learnings the ambit of private participation in procurement operations may be increased.
- Therefore in addition to PDPS, it has been decided that for oilseeds, states have the option to roll out Private Procurement Stockist Scheme (PPSS) on pilot basis in selected district/APMC(s) of district involving the participation of private stockiest.
- The pilot district/selected APMC(s) of district will cover one or more crop of oilseeds for which MSP is notified. Since this is akin to PSS, in that it involves physical procurement of the notified commodity, it shall substitute PSS/PDPS in the pilot districts.
- The selected private agency shall procure the commodity at MSP in the notified markets during the notified period from the registered farmers in consonance with the PPSS Guidelines, whenever the prices in the market fall below the notified MSP and whenever authorized by the state/UT government to enter the market and maximum service charges up to 15% of the notified MSP will be payable.

Market Intervention scheme(MIS):

- Market Intervention scheme (MIS) with changes will provide remunerative prices to farmers growing perishable horticulture crops.
- The Government has increased the coverage from 20% to 25% of production and has added a new option of making differential payment directly into the farmers' account instead of physical procurement under MIS.
- The TOP (Tomato, Onion & Potato) crops, to bridge the price gap in TOP crops between producing states and consuming states during peak harvesting time, the Government has decided to bear the transportation and storage expenses for the operations undertaken by Central Nodal Agencies like NAFED & NCCF which will not only ensure remunerative prices to farmers but also soften the prices of TOP crops for consumers in the market.

Way forward:

- ✓ Steps should be taken to improve facilities at procurement centres, such as drying yards, weighing bridges, etc.
- ✓ More godowns should be set up and maintained properly for better storage and reduction of wastage.
- ✓ The procurement centres should be in the village itself to avoid transportation costs.
- ✓ Hence, the Government must reinforce the procurement infrastructure which was a key recommendation of the Centre's NITI Aayog for the success of this well intentioned scheme for the farmer's welfare.

2. Price hikes about 13% by Tea Industry

In News: Price hikes about 13% by Tea Industry

Recently, the tea industry has seen a rise in price of around 13% for the Assam and West Bengal teas due to a drop in tea production in 2024.

Exam Point of View: [GS III - Indian Economy - Agriculture Resources \(Tea Industry\)](#)

West Bengal,
Tamil Nadu,
Kerala,
Karnataka

Sikkim,
Uttarakhand,
Meghalaya,
Manipur,
Nagaland,
Mizoram
Tripura

Why reforms are needed?

Extreme weather events and climate change are being held responsible for causing production losses and reforms are needed for its sustainable development.

History of tea in India:



India is one of the largest tea producers in the world, although over 70 percent of its tea is consumed within India itself. A number of renowned teas, such as Assam and Darjeeling, also grow exclusively in India. The British East India Company began large-scale production of tea in Assam *in the early 1820's*. The first Tea Committee was established in 1834 by Governor General of India, William Bentinck India's tea

industry is a lucrative business, and there is especially a global demand for Assam black tea. For example, since 2006, the TATA corporation has been buying up small farms in Assam with the support of a \$7 billion investment from the World Bank. Assam is the largest tea-producing state in India.

Apart from Assam, the other major tea-producing states in India are West Bengal, Tamil Nadu, Kerala, and Karnataka. Tea is also grown in other states of India such as Sikkim, Uttarakhand, Meghalaya, Manipur, Nagaland, and Mizoram. which amount of **97%** of India's total tea production. According to the annual report of 2019 - 2020 Assam, Tripura, West Bengal, Tamil Nadu, Karala, Himachal Pradesh are also known as tea producing states.

The Assam Valley and Cacher are the two tea producing regions in Assam. In West Bengal Dooars, Terai and Darjeeling are the three major tea producer regions. The Southern part of India produces about 17% of the country's total production with the major producing states being Tamil Nadu, Kerala and Karnataka.

In India, the tea industry is a major labour-intensive employment generation sector. The tea industry in India requires abundant cheap and skilled labour.

Major Export

Majority of the tea exported out of India is **black tea** which makes up about **96% of the total exports**. **Assam, Darjeeling, and Nilgiri tea** are considered one of the **finest** in the world. **Russia, Ukraine, Belarus, Azerbaijan, and Kazakhstan**, which are key buyers of Indian tea. India exports tea to more than 25 countries throughout the world

Global Tea Industry

India is the **second-largest producer** of tea globally after China. India ranks among the **top 5 tea exporters** globally, contributing approximately **10%** of the total global tea exports. **China, India, Kenya, and Sri Lanka** are the leading tea producers and exporters. These countries account for **82%** of global tea production and **73%** of global tea exports.

Tea Industry under Indian Economy:-

The Tea industry in India contributes 3.22% to the country's GDP. The tea industry is a significant contributor to India's Economy in many ways like, Foreign Exchange, Employment, Production and Export (Domestic and Global).

Government Initiatives

"Tea Board of India"

The "Tea Board of India" was set up in 1953 for the development of the tea industry in India and it started functioning in 1954. The board is located at Kolkata and has several offices across India. It was set up under **section 4 of the Tea Act, 1953** and it is a Statutory Body, which is attached to the Ministry of Commerce and Industry. The board is constituted of 31 members including chairman from members of parliament and others. The board is reconstituted every three years. The Tea board of India has three overseas offices namely London, Dubai and Moscow.

The responsibilities of the board are increasing production and productivity, improving the quality of tea, market promotion and welfare measures for plantation workers and supporting research and development.

It also conducts market survey, analyses, indentifies, tracks consumer behaviour and provides relevant and accurate information to importers and exporters. The Tea board provides subsidies to domestic exporters to participate in international fairs and exhibitions.

"Tea Development and Promotions Schemes"

It was launched in November 2021 by the Tea Board of India for the period of 2021 - 2026. The objective of this Scheme is to enhance the productivity and quality of tea production in India. There are seven important components to this scheme.

- 1) Plantation Development of Small Tea Farmers
- 2) Creation of Section specific actions plan for North East India
- 3) Supporting the tea producers and trader in market promotion activities.
- 4) Worker's welfare
- 5) Research and Development activities
- 6) Regulatory Reforms
- 7) Establishment Expenses.

Previous or Model Questions

Q1. With reference to the "Tea Board" in India, consider the following statements: (2022)

1. The Tea Board is a statutory body.
2. It is a regulatory body attached to the Ministry of Agriculture and Farmers Welfare.
3. The Tea Board's Head Office is situated in Bengaluru.
4. The Board has overseas offices at Dubai and Moscow.

Which of the statements given above are correct?

- (a) 1 and 3 (b) 2 and 4 (c) 1 and 4 (d) 1 and 4

Q2. Consider the following states

1. Andhra Pradesh 2. Kerala 3. Himachal Pradesh 4. Tripura.

Who many of the above are generally known as tea producing states?

- (a) Only one state (b) Only two states
(c) Only three states (d) All four states