

13 Dec 2020:PIB Summary and Analysis

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1. MSP Operations during Kharif Marketing Season 2020-21

Context: In the ongoing Kharif Marketing Season (KMS) 2020-21, Government continues to procure Kharif 2020-21 crops at its MSP from farmers as per its existing MSP Schemes.

Details:

- The Government policy of procurement of Foodgrains has broad objectives of ensuring MSP to the farmers and availability of food grains to the weaker sections at affordable prices.
- It also ensures effective market intervention thereby keeping the prices under check and also adding to the overall food security of the country.
- FCI, the nodal central agency of Government of India, along with other State Agencies undertakes procurement of wheat and paddy under price support scheme.
- Coarse grains are procured by State Government Agencies for Central Pool as per the direction issued by Government of India on time to time.
- The procurement under Price Support is taken up mainly to ensure remunerative prices to the farmers for their produce which works as an incentive for achieving better production.

Paddy procurement.

- Punjab, Haryana, Uttar Pradesh, Telangana, Uttarakhand, Tamil Nadu, Chandigarh, Jammu & Kashmir, Kerala, Gujarat, Andhra Pradesh, Odisha, Madhya Pradesh, Maharashtra and Bihar have seen paddy procurement.
- This year's paddy procurement when compared to last year for the same time period, it is showing an increase of 21.07 % over last year.
- There has been a total purchase of 374.81LMT of paddy, Punjab alone has purchased 202.77 LMT, which is 54.10 % of total procurement in the country, Haryana is second on the list with 15% share.
- The above data indicated how important public procurement is to the farmers of Punjab and Haryana and this can explain why there is a large scale protest by the farmers of Punjab and Haryana over the farm acts which have cast doubts over MSP mechanism.

Pulses and Oilseeds procurement.

- Based on the proposal from the States, approval was accorded for procurement of 48.11 LMT of Pulse and Oilseeds of Kharif Marketing Season 2020 for the States of Tamil Nadu, Karnataka,

Maharashtra, Telangana, Gujarat, Haryana, Uttar Pradesh, Odisha, Rajasthan and Andhra Pradesh under Price Support Scheme (PSS)

- In Price Support Scheme (PSS), physical procurement of pulses, oilseeds and Copra will be done by Central Nodal Agencies with the proactive role of State governments.
- It is also decided that in addition to NAFED, Food Cooperation of India (FCI) will take up PSS operations in states /districts. The procurement expenditure and losses due to procurement will be borne by the Central Government as per norms.
- Further, sanction for procurement of 1.23 LMT of Copra (the perennial crop) for the States of Andhra Pradesh, Karnataka, Tamil Nadu and Kerala was also given.
- For other States/UTs, approval will also be accorded on receipt of proposals for procurement of Pulses, Oilseeds and Copra under PSS

Cotton

- Procurement operations of seed cotton (Kapas) under MSP are going on smoothly in the States of Punjab, Haryana, Rajasthan Madhya Pradesh, Maharashtra, Gujarat, Telangana, Andhra Pradesh, Odisha and Karnataka.

2. International Financial Services Centres Authority (IFSCA) Act, 2019

Background:

- The Union Budget 2020 saw Union Minister of Finance announce setting up of an International Bullion Exchange at the International Financial Services Centre in GIFT City, Gandhinagar, Gujarat.

Context:

- The International Financial Services Centre Authority (IFSCA) has that said it has notified bullion exchange regulations, paving the way for setting up the entire ecosystem for bullion trading, including bullion exchange, depository, clearinghouse.
- The regulations inter alia cover the Bullion Exchange, Clearing Corporation, Depository and Vaults.

Details:

- Government of India had notified the bullion spot delivery contract and bullion depository receipt (with bullion as underlying) as financial products and related services as financial services under the International Financial Services Centre
- Gujarat-headquartered IFSCA has been authorised to regulate all financial services at IFSCs.

Significance

- A move that could lead to better price discovery of gold, create more jobs and enhance India's position in the global bullion market.
- GIFT City would set up an international bullion exchange as an additional option for trade by global market participants.

3. International Bank applauds India's efforts towards river rejuvenation & cleanliness

Context: International Bank for Reconstruction and Development has lauded India's efforts in river rejuvenation.

Details

- A discussion was organized as a part of the 5th India Water Impact Summit by the National Mission for Clean Ganga (NMCG) and the Center for Ganga River Basin Management and Studies (cGanga).
- India Water Impact Summit is an annual event where several stakeholders get together to deliberate, debate and develop model solutions for some of the biggest water-related problems in the country.

IBRD's praise for India

- International Bank for Reconstruction and Development said that it is very proud of all the work done in India, especially in curbing open defecation.
- The paradigm shift in the way the problem of open defecation was tackled was well appreciated. The emphasis on educating and creating awareness about the perils of open defecation along with focusing on infrastructure has been the key to success.

River cleaning exercise.

- In a session on Digital Water, India has made its intentions clear to work with the U.S in building India's Digital foundation for the water sector
- Mr Ben Grumble, Secretary, Environment, Maryland who is part of the discussion said that "equity" of water is very essential and shared the success story of the US Clean Water Act.
- US companies are looking to partner with their Indian peers to accelerate innovative technologies and solutions into the Indian market, areas such as artificial intelligence to state-of-the-art infrastructure development approaches have been proposed.
- Interestingly, India too has launched 'Jal Jeevan Mission' with the goal of equal distribution of water to all.
- Another case study of the Thames river cleaning up was discussed and it was concluded that it was a good mix of policy and finance that lead to effective cleaning of the river.
- It is noteworthy that the Namami Gange Mission has the advantage of these two factors – policy and finance.
- The discussion was organised as a part of the 5th India Water Impact Summit by the National Mission for Clean Ganga (NMCG) and the Center for Ganga River Basin Management and Studies (cGanga).

Other relevant points that were raised during the summit concerning river conservation

- (i) river conservation must combine traditional knowledge with modern science;

- (ii) conservation of small rivers and water bodies should be carried out simultaneously with other economic and developmental activities;
- (iii) people need to be sensitized for water conservation;
- (iv) treated water should be locally used along with differential pricing; ‘
- (v) conservation of urban rivers and “nulla”s must be embedded in urban planning;
- (vi) environmental benefits must be included in development economics; and
- (vii) development is needed not only for humans but also for rivers and other ecosystems.

