

**1. Consider the following statements regarding the 'Globally Important Agricultural Heritage System (GIAHS)'**

1. The ultimate objective of this initiative is to identify and safeguard eco-friendly traditional farm practices and provide training to local communities of such identified GIAHS in modern farming methods
2. The status of GIAHS is accorded by UNESCO
3. Kuttanad below Sea Level Farming System is the only designated agriculture site with GIAHS status in India

**Which of the statements given above is/are INCORRECT?**

- a) 3 only
- b) 2 and 3 only
- c) 1 and 2 only
- d) 1, 2 and 3

Ans: D

**Explanation**

- **Statement 1 and 2 are incorrect:** In order to **safeguard and support the world's agricultural heritage systems**, an initiative for Globally Important Agricultural Heritage systems (GIAHS) was started by **Food and agriculture Organisation (FAO)** (not UNESCO) in 2002 when it began awarding such designations to **selected sites across the world**
- The ultimate objective is to **identify and safeguard** eco-friendly **traditional farm practices** and their associated landscapers, agricultural biodiversity and knowledge systems of the local communities (**training in modern farming methods is not relevant to this initiative** as it aims to safeguard the traditional farm practices)

(IAS Academy by IAS Officers)

- According to the Food and Agriculture Organization (FAO), GIAHS are "**outstanding landscapes of aesthetic beauty** that combine **agricultural biodiversity, resilient ecosystems** and a cultural heritage"
- The idea behind identifying GIAHS is to **increase understanding and awareness** among the public **regarding sustainable agricultural practices** and to conserve the economic, environmental and **socio-cultural goods and services** these systems provide to communities dependent on them, particularly the **small and marginal farmers, indigenous populations** etc
- These **ancestral agricultural systems constitute** the foundation for contemporary and future agricultural innovations and technologies. Their cultural, ecological and agricultural diversity is still evident in many parts of the world, **maintained as unique systems of agriculture.**
- There are **52 GIAHS sites in 21 countries**

**Objectives**

- To undertake **capacity building of local communities** in the conservation and management of such agricultural systems.
- Documentation and **cataloguing of indigenous knowledge** in agricultural systems
- To incentivize the local population towards conserving such systems by measures such as **eco-tourism, eco-labelling** etc
- To mitigate the risks to biodiversity and **traditional knowledge from climate change, land degradation** and other associated threats

**GIAHS sites in India**

- **Saffron Heritage of Kashmir:** It's a prominent Saffron Heritage Site in India where the communities **follow low-tillage agriculture.** Saffron is part of the cultural heritage of the Region, **associated with the famous Kashmiri cuisine,** its medicinal values and the rich cultural heritage of Kashmir

(IAS Academy by IAS Officers)

- **Koraput Traditional Agriculture:** Traditional systems in the Koraput Region are **strongly linked to the local traditional communities**. Being sustainable and integrated to its environment, the **traditional farming systems** of the local communities plays a role in **conserving the rich floristic diversity** consisting of about 2500 species of flowering plants.
- **Kuttanad below Sea Level Farming System:** It is the **only system in India** that favours rice cultivation **below sea level** in the land created by draining delta swamps in brackish waters
- ❖ Recently, the **first International Tea Day** was observed on 21st May after it was designated by the United Nations General Assembly in December 2019.
- ❖ So far, FAO has **designated 4 tea cultivation sites in China, Korea and Japan as Globally Important Agricultural Heritage Systems (GIAHS)**
  - Pu'er Traditional Tea Agro system (China)
  - Fuzhou Jasmine and Tea Culture System (China)
  - Traditional Tea-grass Integrated System (Japan)
  - Traditional Hadong Tea Agrosystem, Hwagae-myeon (Republic of Korea)

<http://www.fao.org/giahs/giahsaroundtheworld/designated-sites/asia-and-the-pacific/en/>

<https://indianexpress.com/article/lifestyle/food-wine/international-tea-day-facts-about-green-tea-recipe-health-benefits-types-6420425/>

**2. It is a system of agricultural production carried out according to an agreement between a buyer and farmers, which establishes conditions for the production and marketing of a farm product or products. Typically, the farmer agrees to provide**

(IAS Academy by IAS Officers)

agreed quantities of a specific agricultural product. These should meet the quality standards of the purchaser and be supplied at the time determined by the purchaser.

The above description refers to?

- a) Corporate farming
- b) Collective farming
- c) Contract farming
- d) Cooperative farming

Ans: C

**Explanation**

**Contract farming**

- Contract farming can be defined as **agricultural production carried out according to an agreement between a buyer and farmers**, which establishes conditions for the production and marketing of a farm product or products.
- Typically, the farmer agrees to provide agreed quantities of a **specific agricultural product**. These should meet the **quality standards of the purchaser** and be supplied at the time determined by the purchaser.
- In turn, the buyer commits to purchase the product and, in some cases, to support production through, for example, the **supply of farm inputs, land preparation and the provision of technical advice**.

**Advantages**

- Contract farming is looking towards the **benefits both for the farm-producers as well as to the agro-processing firms**
- Makes **small scale farming competitive** - small farmers can access technology, credit, marketing channels and information while lowering transaction costs
- **Assured market for their produce** at their doorsteps, reducing marketing and transaction costs

(IAS Academy by IAS Officers)

- Optimally utilize their installed capacity, infrastructure and manpower, and **respond to food safety and quality concerns of the consumers.**
- The price fixation is done by the **negotiation between the producers and firms.**

**Challenges**

- Contract farming arrangements are often criticized for being **biased in favor of firms or large farmers**, while exploiting the poor bargaining power of small farmers.
- Problems faced by growers like undue quality cut on produce by firms, **delayed deliveries at the factory, delayed payments**, low price and pest attack on the contract crop which raised the cost of production.
- Lack of enforceability of contractual provisions can result in **breach of contracts by either party.**
- **Single Buyer - Multiple Sellers (Monopsony)**

**Corporate farming**

- Corporate farming is the **practice of large-scale agriculture on farms owned or greatly influenced by large companies.**
- This includes **corporate ownership of farms** and selling of agricultural products, as well as the roles of these companies in influencing agricultural education, research, and public policy through funding initiatives and lobbying efforts

**Collective farming**

- Collective farming is a type of "agricultural production in which **multiple farmers run their holdings as a joint enterprise**". The process by which farmland is aggregated is called collectivization

**Cooperative farming**

- It refers to a farming system, in which each **member-farmer remains the owner of his land** individually, but farming is done jointly by pooling their resources. It is a subset of Collective farming

- ❖ Recently, the Odisha Government has promulgated an ordinance allowing investors and farmers to enter into agreement for contract farming, in view of the continuing uncertainties due to the pandemic

<https://vikaspedia.in/agriculture/market-information/contract-farming-a-mechanism-of-alternative-marketing>

<https://www.thehindu.com/news/national/other-states/covid-19-impact-odisha-promotes-contract-farming-system/article31644389.ece>

**3. Which of the following is/are the beneficiaries of Pradhan Mantri Ujjwala Yojana (PMUJ)?**

1. Below Poverty Line (BPL) households
2. Forest dwellers
3. People residing in Islands

**Select the correct answer using the codes given below**

- a) 1 and 2 only
- b) 1 only
- c) 1 and 3 only
- d) 1, 2 and 3

**Ans: D**

**Explanation**

- Pradhan Mantri Ujjwala Yojana is a scheme of the **Ministry of Petroleum & Natural Gas** for **providing LPG connections to women from Below Poverty Line (BPL) households.**
- Providing LPG connections to BPL households will ensure **universal coverage of cooking gas in the country.** This measure will **empower women and protect their health.**

**(IAS Academy by IAS Officers)**

- It will reduce drudgery and the time spent on cooking. It will also provide **employment for rural youth in the supply chain of cooking gas.**

**Target beneficiaries**

- Under the scheme, an **adult woman belonging to a poor family** not having LPG connection in her household, is an eligible beneficiary under the expanded scheme
- Release of LPG connection under this Scheme shall be in the **name of the women belonging to the BPL family**

**Initially, the Government covered the following categories under the Scheme**

- Beneficiaries listed in the SECC 2011 list
- **All SC/STs households beneficiaries of Pradhan Mantri Awas Yojana(PMAY) (Gramin)**
- Antyoday Anna Yojana (AAY) beneficiaries
- **Forest dwellers**
- Most Backward Classes (MBC)
- Tea & Ex-Tea Garden Tribes
- **People residing in Islands**
- People residing in river islands

**Benefits to the citizens**

- Under the scheme, **five crore LPG connections are to be provided to BPL households in the initial period**, later it was expanded to 8 crore connections
- The Scheme provides a financial support of Rs 1600 for each LPG connection to the BPL households, **interest free loan to purchase stove and refill by Oil Marketing Companies.**
- The administrative cost of Rs. 1600 per connection, which includes a cylinder, pressure regulator, booklet, safety hose, etc. would be borne by the Government

(IAS Academy by IAS Officers)

- ❖ As part of the **economic response to COVID-19**, the Government of India has launched a pro-poor scheme “Pradhan Mantri Garib Kalyan Package” (PMGKP)
- ❖ Under this scheme, **Ministry of Petroleum and Natural Gas is providing free of cost LPG cylinders to over 8 crore PMUY beneficiaries** for 3 months
- ❖ As on 20.5.20, Oil Marketing Companies (OMCs) have delivered total 679.92 cylinders to PMUY beneficiaries under the package. The beneficiaries were given funds in advance through Direct Benefit Transfer (DBT) in their accounts, so that there was no difficulty in availing this facility

<https://vikaspedia.in/energy/policy-support/pradhan-mantri-ujjwala-yojana>

<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1625736>

**4. Which of the following statements is/are correct regarding the Monetary Policy Committee (MPC)?**

1. It decides the RBI's benchmark interest rates
2. It is a 12-member body including the Governor of RBI and is reconstituted every year
3. It functions under the chairmanship of the Union Finance Minister

**Select the correct answer using the codes given below**

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

**Ans: A**

**Explanation**

**Monetary Policy**

(IAS Academy by IAS Officers)

- Monetary policy refers to the **use of monetary instruments** under the control of the central bank to regulate magnitudes such as **interest rates, money supply and availability of credit** with a view to achieving the ultimate objective of economic policy.

**Monetary Policy Committee (MPC)**

- Monetary Policy Committee (MPC) has been instituted by the Government of India under **Section 45ZB of the RBI Act determines the policy interest rate** required to achieve the inflation target

**Functions**

- **Statement 1 is correct:** The MPC is entrusted with the **responsibility of deciding the different policy rates including** Marginal Standing Facility (MSF), **Repo Rate, Reverse Repo Rate**, and Liquidity Adjustment Facility

**Composition of MPC**

- **Statement 2 is incorrect:** The committee will have **six members**. Of the six members, the government will nominate three. **No government official will be nominated to the MPC.**
- The other three members would be from the **RBI with the Governor of RBI being the ex-officio chairperson**. Deputy governor of RBI in charge of the monetary policy will be a member, as also an executive director of the central bank

**Selection and term of members**

- The government nominees to the MPC will be selected by a **Search-cum-Selection Committee** under Cabinet Secretary with RBI Governor and Economic Affairs Secretary and three experts in the field of economics or banking or finance or monetary policy as its members.
- Members of the MPC will be appointed for a **period of four years** and shall not be eligible for reappointment

**How decisions are made?**

- **Decisions will be taken by majority vote** with each member having a vote.

(IAS Academy by IAS Officers)

- **Statement 3 is incorrect: The RBI Governor will chair the committee.** The governor, however, will not enjoy a veto power to overrule the other panel members, but will have a **casting vote in case of a tie**
- ❖ **RBI announced another set of measures for strengthening the Economy** in the uncertain times ushered in by the COVID-19 pandemic. This follows the earlier sets of measures announced by RBI on April 17, 2020 and on March 27, 2020.
- ❖ **The repo rate has been reduced by 40 basis points from 4.4% to 4.0%.** The reverse repo rate has been reduced from 3.75% to 3.35%

## CONTAINING THE ECONOMIC FALLOUT

RBI announced more measures to revive an ailing economy hit by the Covid-19 pandemic

### FOR BORROWERS

#### KEY RATES REDUCED

##### Repo rate

The rate at which banks borrow from RBI has been reduced by 40 basis points from **4.4% to 4.0%**

##### Reverse repo rate

The rate at which RBI borrows from banks -- reduced from **3.75%** to **3.35%**

#### MORATORIUM ON PAYMENT OF LOANS

Moratorium on payment of term loans extended by another 3 months to August 31. (Interest for six months -- from March to Aug -- will be treated as a loan to be repaid in this financial year)

- Will make loans cheaper and give borrowers a break from monthly loan repayment

### FOR STATES

Rules relaxed for states to borrow more from the Consolidated Sinking Fund -- a buffer fund maintained by states

- Will release an additional **₹13,300 crore** for states to repay their borrowings

### FOR EXPORTS AND IMPORTS

- Maximum period of loans sanctioned by banks to exporters increased from 1 year to 15 months
- Line of credit of ₹15,000 crore to EXIM Bank to facilitate and promote foreign trade
- Time to make import payments extended

- Will help spur imports and exports that were down by 58% and 60% in April



"The macroeconomic impact of the pandemic is turning out to be more severe than initially anticipated... GDP growth in 2020-21 is estimated to remain in negative territory, with some pick-up in growth impulses from second half of 2020-21."

**SHAKTIKANTA DAS**, RBI governor

[https://www.rbi.org.in/scripts/FS\\_Overview.aspx?fn=2752](https://www.rbi.org.in/scripts/FS_Overview.aspx?fn=2752)

<https://pib.gov.in/PressReleasePage.aspx?PRID=1626058>

(IAS Academy by IAS Officers)

5. 'Gadgil Committee Report' and 'Kasturirangan Committee Report', sometimes seen in the news, are related to

- a) Constitutional reforms
- b) Ganga Action Plan
- c) Interlinking of rivers
- d) Protection of Western Ghats

Ans: D

**Explanation**

- ❖ States surrounding the Western Ghats have pushed for the quick declaration of the region as an **Ecologically Sensitive Area**, in an interaction with Union Minister for Environment, Forests and Climate Change
- ❖ Chief Ministers, cabinet ministers and state government officers of six states – **Kerala, Karnataka, Goa, Maharashtra, Gujarat and Tamil Nadu** made this appeal in a video conference to discuss issues relating to notification of **Ecologically Sensitive Area (ESA) pertaining to Western Ghats.**

**Eco-Sensitive Areas**

- They are located **within 10 kms around Protected Areas, National Parks and Wildlife Sanctuaries**
- ESAs are **notified by the Ministry of Environment, Forest and Climate Change (MoEFCC)** under Environment Protection Act 1986
- The basic aim is to **regulate certain activities** around National Parks and Wildlife Sanctuaries so as to **minimise the negative impacts** of such activities on the fragile ecosystem encompassing the protected areas.

**Gadgil Committee**

- **The Western Ghats Ecology Expert Panel (WGEEP)**, also known as the Gadgil Commission was an environmental research commission appointed by the Ministry of

(IAS Academy by IAS Officers)

Environment and Forests of India. The commission submitted the report to the **Government of India on 31 August 2011**

- It **defined the boundaries of the Western Ghats** for the purposes of ecological management.
- It proposed that this **entire area be designated as ecologically sensitive area (ESA)**.
- Within this area, smaller regions were to be identified as ecologically sensitive zones (ESZ) I, II or III based on their existing condition and nature of threat.

**Kasturirangan Committee**

- **None of the six concerned states agreed with the recommendations of the Gadgil Committee.** So, in August 2012, then Environment Minister constituted a **High-Level Working Group on Western Ghats under Kasturirangan** to “examine” the Gadgil Committee report
- The Kasturirangan report seeks to bring **just 37% of the Western Ghats under the Ecologically Sensitive Area (ESA)**
- A ban on mining, quarrying and sand mining.
- **No new thermal power projects**, but hydro power projects allowed with restrictions.
- A ban on new polluting industries
- Building and construction projects up to 20,000 sq m were to be allowed but townships were to be banned.
- Forest diversion could be allowed with extra safeguards.

<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1625885>

<https://indianexpress.com/article/india/six-states-surrounding-western-ghats-push-for-declaration-of-region-under-esa-6422926/>