

NITIN SIR



TEST 04

MAINS MAXIMA 2024

FORTUNE IAS ACADEMY			
GS - PAPER III			
Name Of Candidate	NANDANAA G.P.		
Email Id	[REDACTED]@mail.com	Roll No	41107
Mobile No	[REDACTED]	Date	21/7/24

Time Allowed: Three Hours

Maximum Marks: 250

INDEX TABLE		INSTRUCTIONS	
Total marks	112.5	- Please do furnish Name, Email, Roll No, Mobile No and Test Code in answer sheets. - There are TWENTY questions printed in ENGLISH, all questions are compulsory. - Answers must be written in the medium authorized in the Admission Certificate which must be stated clearly on the cover of this Question-cum-Answer (QCA) Booklet in the space provided. No marks will be given for answers written in a medium other than the authorized one. - Answers to Question Nos. 1 to 10 should be in 150 words, whereas answers to Question Nos: 11 to 20 should be in 250 words. - Word limit in questions should be adhered to. Any page or portion of the page left blank in the Question-cum-Answer Booklet must be clearly struck off.	
Remarks:			
Start Time : 10		End Time : 1	
Mode Of Examination :		Online ☐ Offline ☒	

FORTUNE IAS ACADEMY

TABLE OF MARKS			REMARKS
Q NO	MAXIMUM MARKS	MARKS OBTAINED	
1	10		Question Understanding:
2	10		
3	10		Presentation(Neatness):
4	10		
5	10		Content:
6	10		
7	10		Innovation:
8	10		
9	10		Other suggestions:
10	10		
11	15		
12	15		
13	15		
14	15		
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18	15		
19	15		
20	15		

SECTION: A

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this margin

1. Explain the importance of Semiconductor Industry in India's overall industrial development. In what ways can the Indian Semiconductor Mission (ISM) create a robust ecosystem for the industry? (10 marks, 150 words)

Semiconductor is one of the most important industries in this techade of IR 4.0

Importance of semiconductor in Industry develop

- ① Self reliance of India to reduce import from south Korea, Taiwan
- ② Huge necessity for developing electronics products like smartphone
- ③ Harness Manufacturing based development 17% gdp → 30% gdp by 2030
- ④ Emulate East Asian Model semiconductor based development
- ⑤ Harness India's demographic dividend to ensure development

Taiwan
semiconductor
cluster

Export
Potential

1 Semiconductor mission for robust ecosystem

① Model FABs created through incentives

② PLI scheme for 4-5% interest subvention

③ DLI (Design linked Incentive)

④ Ensure 24x7 electricity - water supply for robust industry

⑤ Business incubators for young entrepreneurs

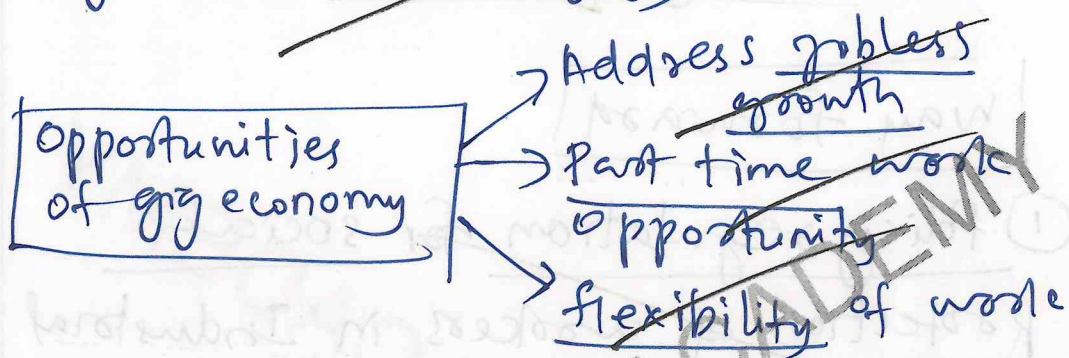
Issues → Raw material like silicon
unavailability
→ water crisis
160 litre water / layer of chip
→ Lack technology to harness potential

✓ chinese model
of incentivizing closed down
semi fabs to attract investment
to country can be harnessed
to ensure robust semiconductor
ecosystem

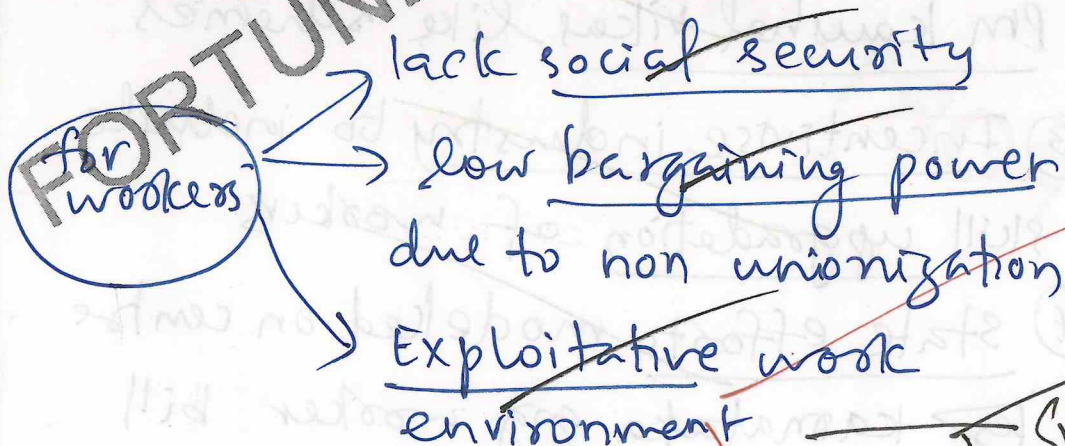
2. What is a "gig economy". Explain why there are concerns over the growing number of gig workers in Indian economy? (10 marks, 150 words)

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Indian workers in gig economy are expected to reach 25 million by 2025 (NITI Aayog)



Concerns over growing number of gig workers.



Informalization of economy - already 90% informal

No emphasis on skill upgrade of worker $\Rightarrow$ miss demographic dividend

for economy

Swiggy
Zomato

for
govt

→ Unable to regulate
→ Cannot be included in
formal employer employee
policy framework

way forward

- ① Policy regulation for social
protection of workers in Industrial
labour code
- ② Inclusion of gig workers in
PM Kaushal Vikas like schemes
- ③ Incentivise industry to include
skill upgradation of workers
- ④ State efforts modeled on centre
eg → Karnataka gig worker bill

California gig worker
policy which give equal social
protection to workers - both gig and
formal can be a model to harness
their potential in India's growth

3. Economic reforms, based on a balance between regulatory compliance and Ease of Doing Business, helps create successful partnerships with the private sector. Discuss in the context of recent reforms intended towards Ease of Doing Business in India. (10 marks, 150 words)

Candidates must not write on this margin

India aims to improve its industry by promoting Ease of doing business reforms (EoDB)

Balancing regulation & EoDB

- ① Freedom to industry without affecting citizen right
- ② Focus on sunrise industries to promote economic reforms.
- ③ Reducing Bureaucratic hurdle converting Red tape → Red carpet

Recent reforms

- ① Reducing regulatory hurdles to evoke Vivad se Vishwas
eg Mediation bill 2023
- ② Tax incentives, rewards for Investing eg DESH bill

③ Formalization of industry by reducing intra state hurdles

eg GST reforms

④ Beauvocrats being facilitators

eg faceless assessment of tax

⑤ Promote MSME by reducing hurdles

eg SAMADHAN for MSME

⑥ Reducing logistic, supply chain issues

eg National logistic policy

(14% gdp $\rightarrow$ 8% logistic cost)

⑦ Regulation & transformation of SEZ to Enclaves of Economy & Employment (3E's) - Babakalyani Committee

⑧ Bank reforms to reduce NPA

eg IBC code.

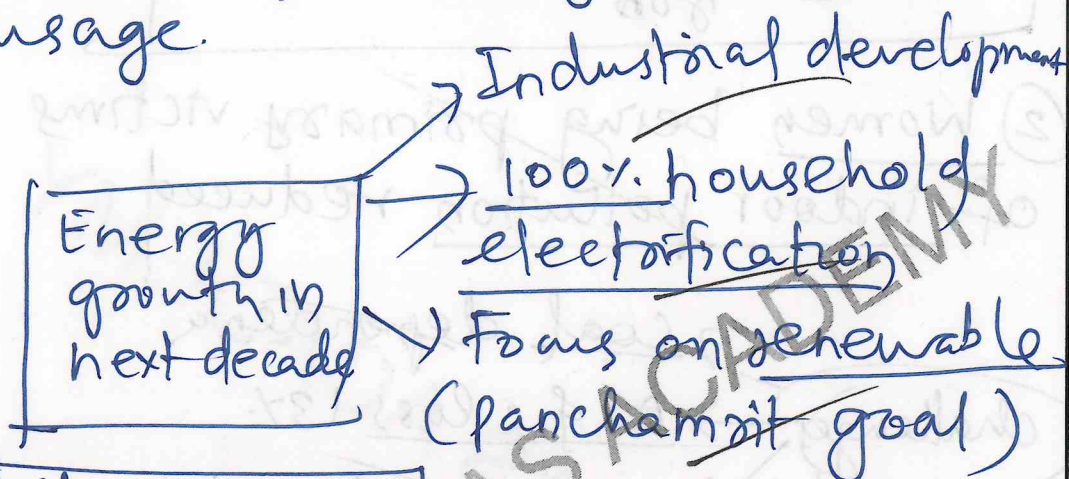
2

Though issues are still there, India should focus on transforming from regulator to facilitator to reach desired rank of Ease of doing Business

4. "India is likely to account for 25% of global energy demand growth over the next two decades". In this scenario, how far will clean energy ensure sustainable economic development? (10 marks, 150 words)

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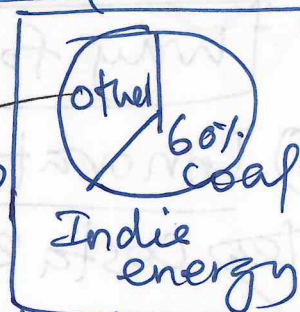
India account for 18% global population harness just 6% global energy usage.



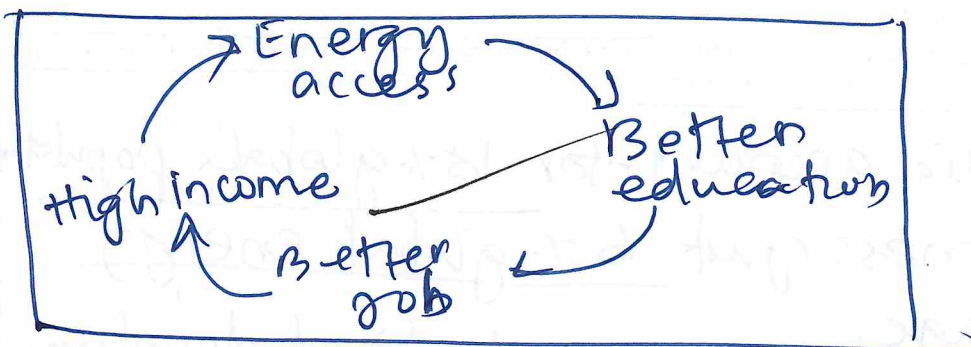
Clean energy ensuring sustainable economy

ECONOMIC
① Reduce energy induced emission from coal

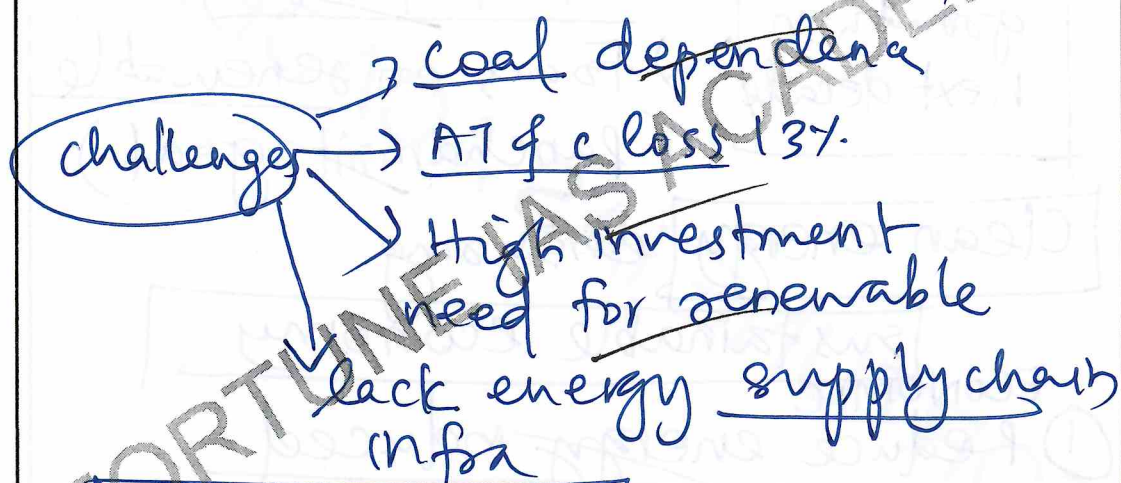
② Reduce indoor pollution which reduce lifecycle of rural people & productivity



SOCIAL EFFECT
① Energy access & human development integrally connected



② Women being primary victims of indoor pollution reduced



way forward

① Innovative financing of renewable
 → Costa Rica green bond → 90% renewable

② Role of Local self govt

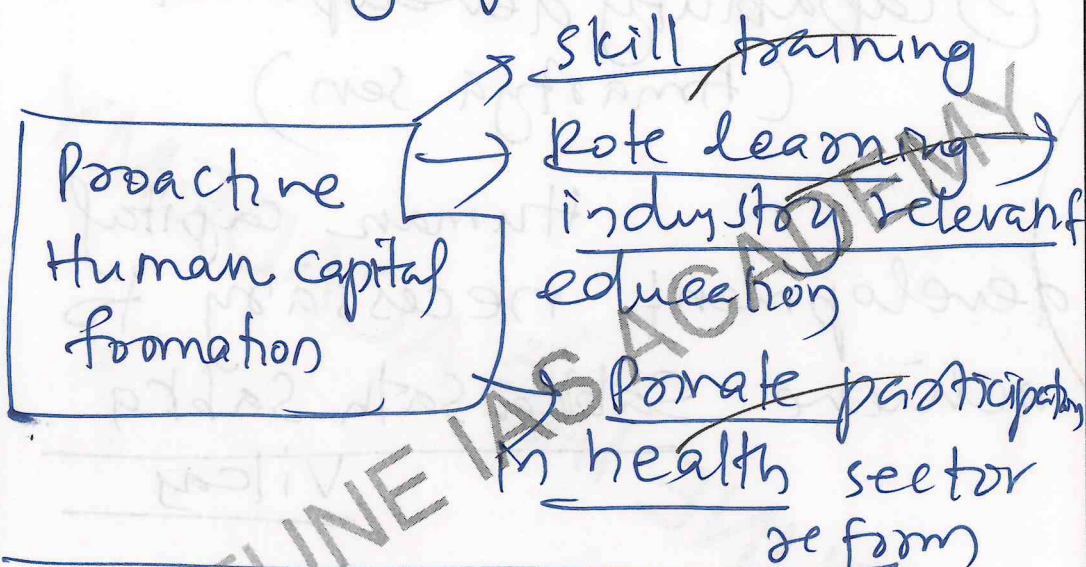
→ Indore - ₹20 crore solar bond

India's promise of 50% renewable by 2030 in panchamrit ensure SDG 7 clean energy

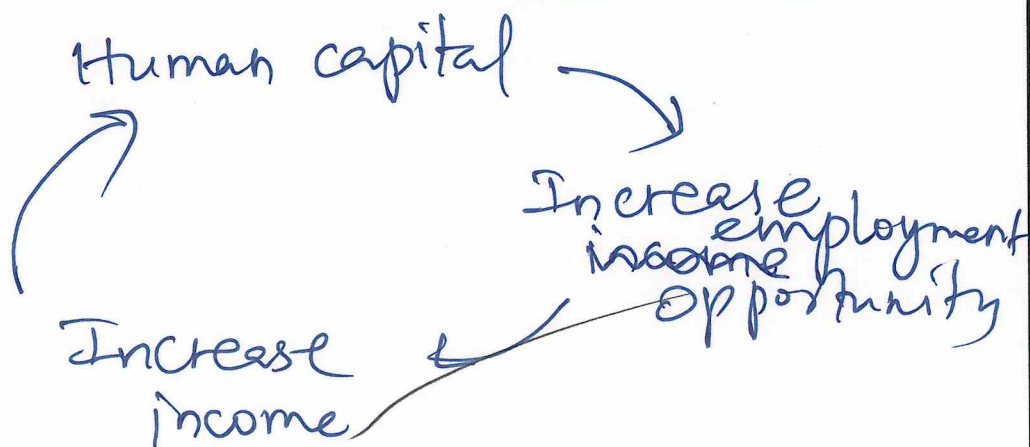
5. A proactive, empowerment-based approach which focuses on human capital formation is key to achieving inclusive growth and poverty elimination. Discuss. (10 marks, 150 words)

Candidates must not write on this margin

Human capital formation is essential for India to harness its demographic dividend



Human capital formation
→ Inclusive growth



Poverty elimination

- ① education opportunity
- ② Reduce health expenditure
- ③ Capability development
(Amartya Sen)

2

Human capital
development necessary to
achieve Sabka Sath Sabka
Vitay

6. Changes are inevitable in the colonial-era infrastructure of Indian Railways that not only looks shabby but also creates safety challenges for the passengers. Explain. (10 marks, 150 words)

Candidates must not write on this margin

Indian railways is the 4th largest railway network in India world which is depended heavily by people as well as freight movement

Inevitability of change

I. Shabby looks

- ① disincentivize people from railway route & push to air like mode of transport
- ② Represent the lack of civil sense of citizens
- ③ Lead to easy corrosion & degradation of infrastructure

II Safety challenges

- ① Frequent accidents lead to human & economic loss

eg Kangra express accident

- ② Improper KAVACH system allocation → can't prevent tragedies
- ③ Locopilots like railway staffs overworked → high chance of negligence & accident

Way forward

- Bibek Debroy Committee

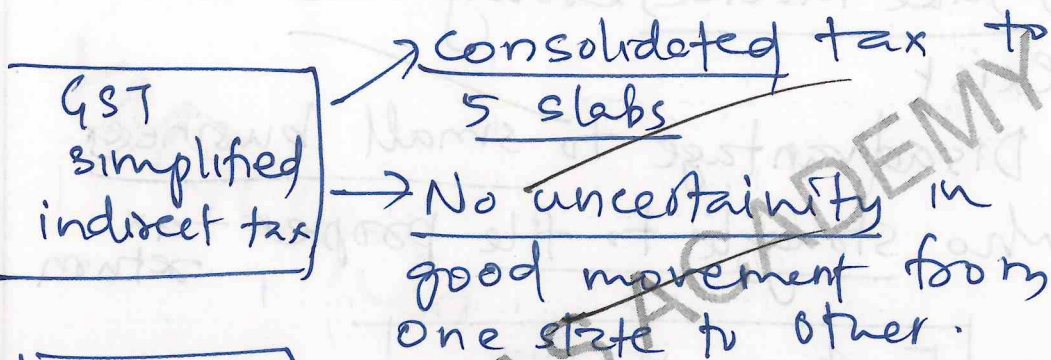
- ① Establish Railway Regulatory Authority for proper regulation
 - ② PPP as a mode to ensure competition & private participation
 - ③ Focus on core functions and give non core functions like Canteen to private players
 - ④ Reduce cross subsidization to make freight transport profitable
- Promoting safety features like KAVACH & infra upgradation is necessary to ensure railway stay as popular mode of transport

52

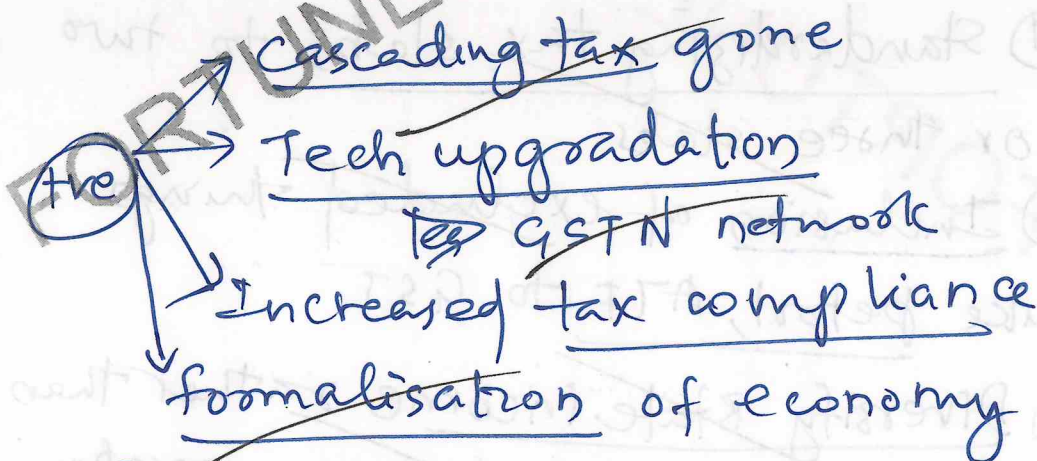
7. The Goods and Services Tax (GST) was a landmark reform aimed at simplifying the indirect tax system in India. However, there are ongoing discussions about further reforms. Critically examine the impact of GST on the Indian economy. (10 marks, 150 words)

Candidates must not write on this margin

GST was introduced to achieve aim of One nation One tax and thus boost economic integration



Impact of GST on economy



(-ve) impacts.

- FISCAL FEDERALISM
- ① Reduced tax revenue of state govt
 - ② Issue over GST compensation

- ③ loss to manufacturing states
as it is destination based

IMPLEMENTATION

- ① Complexity of five tax slabs
② fake invoice, away bills still
exist
③ Disadvantage to small business
who struggle to file proper tax
return

Further Reforms

- ① Standardizing tax slabs to two
or three slabs
② Inclusion of excluded things
like petrol, ATF to GST
③ Diversify state income rather than
over reliance on GST compensation
④ More GST Appellate tribunals
for easy case resolution.

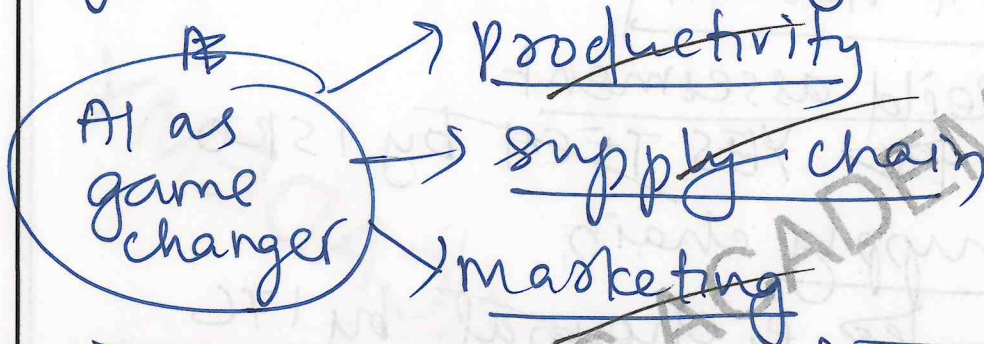
Further reforms in
GST can ensure more formalisation
of economy which is a stepping
stone to \$5 trillion economy

Making
GST
Good & Simple
Tax

8. Artificial intelligence (AI) is emerging as a potential game-changer in the agricultural sector. Discuss how AI-based technologies can be leveraged to improve farm productivity and livelihoods of farmers in India. (10 marks, 150 words)

Candidates must not write on this margin

In era of Industry 4.0, AI need to be harnessed for agriculture productivity



[AI for productivity] & [livelihood]

* Pre sowing

① Data Analytics to get market information $\Rightarrow$ Inflation assessment

② Weather updates for climate smart Agriculture
 $\Rightarrow$ Sugabandi bot

③ Sowing - till Harvest

① Monitoring farm

$\Rightarrow$ IoT device for watering

② weed management

for done

③ Efficient agri system
for Aeroponics, vertical farm

* Post Harvest

① Yield assessment

for YES TECH by ISRO

② supply chain

for e choupal by ITC

③ Marketing for e NAM

→ digital divide (55% rural no internet)

Issues → digital illiteracy (just 40%)
→ capital intensive

Govt through

FPOs, cooperatives can

ensure credit & capital access
to ensure AI adoption for
sustainable farming

9. Elaborate how technological advancement can be leveraged to improve the effectiveness of land reform measures in India (10 marks, 150 words).

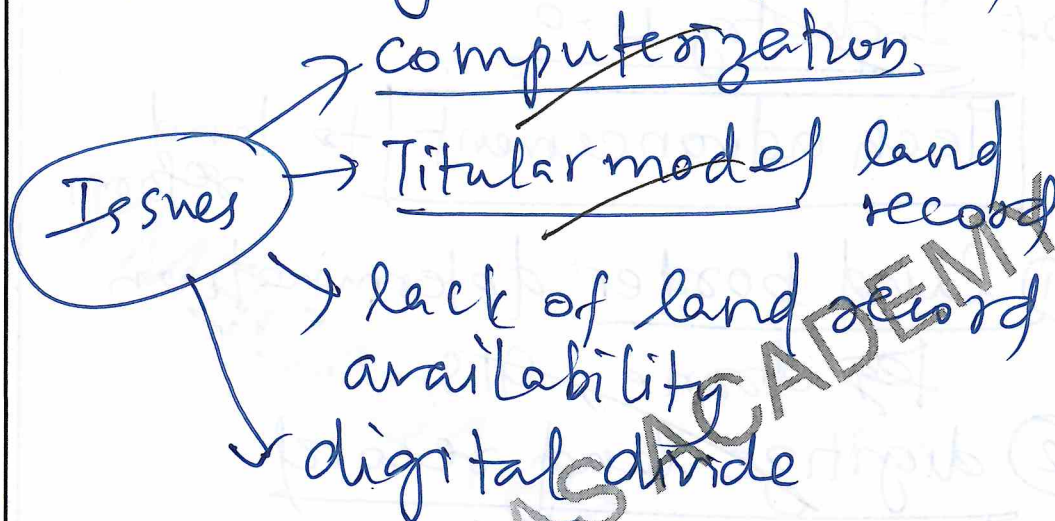
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Technology can be used for efficient land reforms in era of Industry 4.0

Tech advancement to land reform

- ① land border determination
eg drone, GIS
- ② digitize land record
eg SVAMITVA scheme
- ③ Tamper proofing records
eg Andhra - Block chain for land record proof
- ④ land acquisition
eg Bhoomi Kashi portal
- ⑤ land dispute redressal
eg GIS based dispute resolution.

⑥ Finding breaching land ceiling $\rightarrow$ Data Analytics of family ownership of land



Way Forward

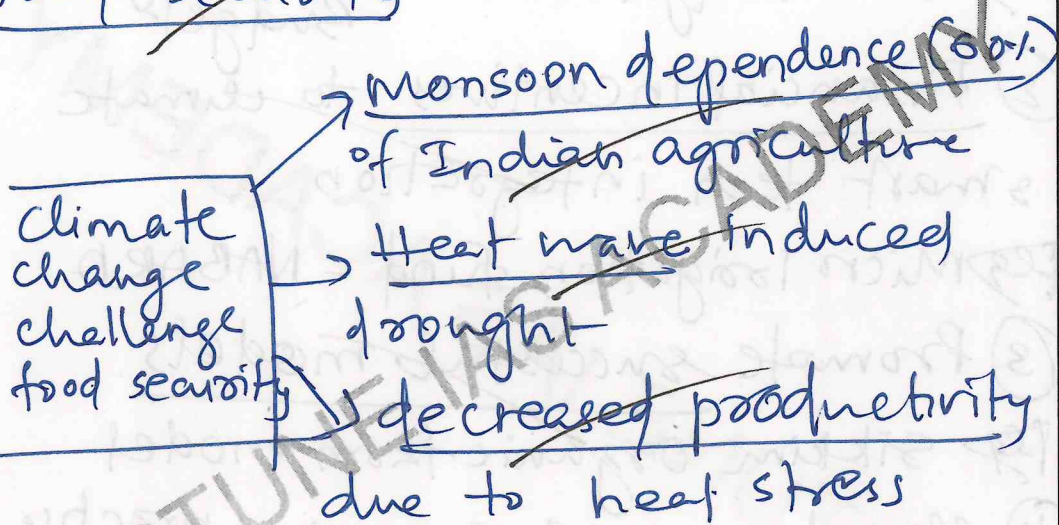
- ① Capacity building local self govt $\rightarrow$ computerize
- ② PPP in land record management capacity building
- ③ Training staff in digital capability

5
Use of technology along with proper land records can leverage a successful land reforms 2.0 which is inclusive

10. Climate change is posing a significant challenge to global food security. In this context, discuss the potential of climate-smart agriculture (CSA). Enumerate steps taken by the government in this regard (10 marks, 150 words)

Candidates must not write on this margin

IPCC A6 says that climate induced disasters are going to affect severely to developing countries like India's food security



Potential of Climate smart Agriculture

- ① Reduce economic effect on farmer
eg Integrated farming give diversified income
- ② Help adapting to the changing time
eg Mulching to reduce moisture loss
- ③ Shift to climate smart agriculture
reduce resource needs
eg Rice intensification in Torpura

need less water availability

Steps taken by Govt

① Promoting sustainable agriculture through incentives.

→ Zero budget natural farming in Budget

② Financial incentives to climate smart tech integration

→ Micro Irrigation fund - NABARD

③ Promote successful models.

→ Sikkim organic farm model

④ Climate smart cropping practice

→ Millets - Shree Anna promoted

Way forward → Promote FPO, Cooperatives to take up CSA

→ Awareness to farmers through training classes

5 Green growth, a priority of Budget '23

(Saptarishi) should be promoted

for a climate Resilient Agriculture

SECTION: B

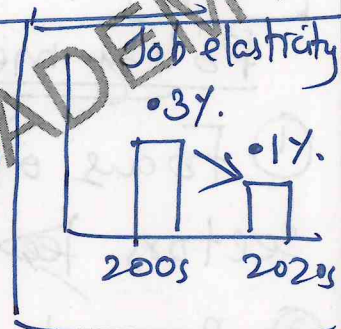
11. Why is it argued that India has been experiencing "jobless growth"? What steps have been taken to address this issue? Suggest remedial measures to create more jobs in the economy. (15 marks, 250 words)

Candidates must not write on this margin

Job elasticity of India is 0.1% with 1% increase in GDP which signify jobless growth

Experiencing jobless growth

- ① Informalisation of economy - 90% Informal workers
~~25 million gig workers by 2025 (NITI Aayog)~~



- ② Low female labour force participation - just 37% Vs China 60%

- ③ India skill paradox → high demographic dividend
 → Just 13% with formal skill training (PLFS)
(75% in Germany)

- ④ Unemployable graduates

50.3% not directly employable
(Skill India report)

⑤ Brain drain to European countries
→ loss of human resource

⑥ Reduced enthusiasm to startup, entrepreneurship ⇒ Job seeker > Job creator

Steps to address jobless growth
Policy measures

① Focus on labour intensive sectors
→ textile, leather etc

② Promote sunrise sectors for job creation
→ food processing

③ Skill training youth with industry necessity skills

→ Apprenticeship model Germany

④ Promote entrepreneurship culture
through hand holding, business incubator, credit access.

⑤ Promote reverse brain drain
by incentivizing ²⁴ diaspora to come back

Remedial measures taken

- ① Credit access to MSMEs through PSL norms, loan in 5 minutes portal
- ② Capital investment (3.9% GDP) to crowd in investment
- ③ Promote manufacturing sector through Make in India
PLI
Atmanirbhar Bharat
- ④ Rozgar melas for mass job allocation.
- ⑤ Urban Employment guarantee schemes eg Rajasthan
- ⑥ Skilling initiatives like PM Kaushal Vikas Yojana

Youth transforming
to job creators are necessary
to overtake jobless growth and
achieve Viksit Bharat by 2047

12. India continues to show resilience against the backdrop of a challenging global environment, according to World Bank's latest India Development Update (IDU). Discuss. (15 marks, 250 words)

Candidates must not write on this margin

Indian economy has gone through multitude of challenges in past decade.



India shown resilience against/- global environment

- ① Controlled Inflation despite major supply chain disruptions
- ② Fiscal deficit to reach 4.5% gdp by 2025
- ③ Increased household expenditure shown the bounceback of economy

④ Agriculture sector shown
resilience in midst of pandemic
though Industry & service sector
a dip during covid.

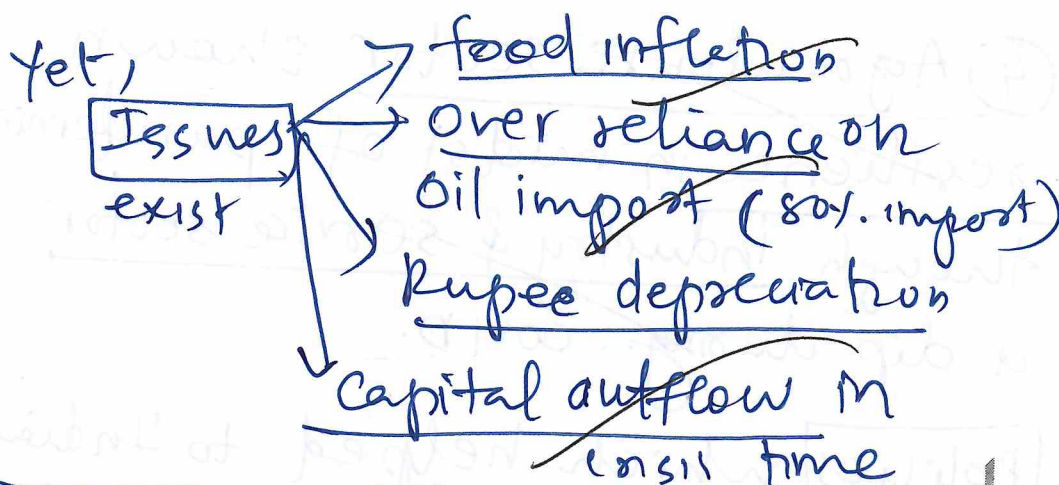
Policies which helped to Indian
economy's resilience

① Counter cyclical fiscal policy
to increase govt expenditure
eg Increased capital expenditure

② Inclusive growth, ensuring
resilience of every strata of
population eg PM Garib kalyan
Yojana

③ RBI - Monetary policy measures
controlling inflation keeping in
mind growth

④ Incentive to private sector
to avoid economy slowdown
eg Corporate²⁷ tax cut.



Way forward

- ① self reliant export led economy
to overcome supply chain disruption
→ India 23% export to gdp vs Vietnam 107%
- ② focus on labour intensive
sectors for job creation → textile,
leather
- ③ Manufacturing sector - focus
on infant industries to be promoted
(Economic Survey)
- ④ possibility of Universal Basic
Income for inclusiveness in crisis

1

India has shown the
world on how to bounceback
after challenges to be fifth largest
economy in world

13. India's remarkable pace of digitalization has significantly impacted the country's economic growth, however challenges to inclusive participation in the digital economy still persist. What measures can be adopted to make digital economy more inclusive? (15 marks, 250 words)

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55% of India's transactions are now digital which emphasize the extent of India's digitization.

Impact of digitization on
ECONOMY economic growth

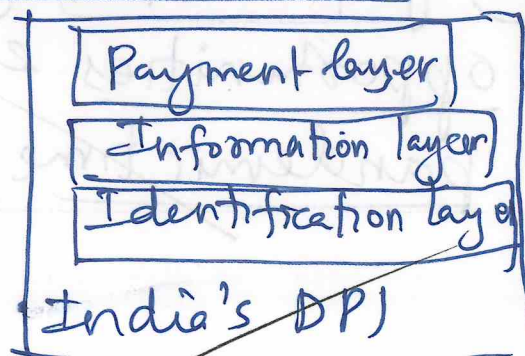
① Formalization of economy due to digital transactions

② Financial inclusion fuelled by JAM Trinity - 80% Indians have bank account now

SERVICE DELIVERY

① Exclusion of ghost beneficiaries due to direct benefit transfer
for PM Kisan ₹6000 directly

② Digital public infrastructure fuel convenience



SOCIO ECONOMIC GROWTH

- ① Better health management
eg COVIN for vaccine
- ② Reduce learning gap
eg PM-DIKSHA for classes

Challenges to inclusive participation

Digi divide

- ① lack of digital accessibility
55% rural area don't have internet (NITI Aayog)
- ② lack infrastructure like computer in rural area

gender gap

- ① 20% gender gap in Indian women's phone accessibility
- ② girl children got less education opportunities especially in pandemic time → learning poverty

Candidates
must not
write on
this margin

Measures for inclusive digital economy

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- ① Inclusive innovation to combat digit infra challenges $\rightarrow$ UPI 123 offline.
- ② Infrastructure development especially in rural India for accessibility $\rightarrow$ BharatNet
- ③ Promote digital literacy in the model of India's literacy mission $\rightarrow$ National Digital literacy mission
- ④ Ensure private participation in digital accessibility $\rightarrow$ Project Loon

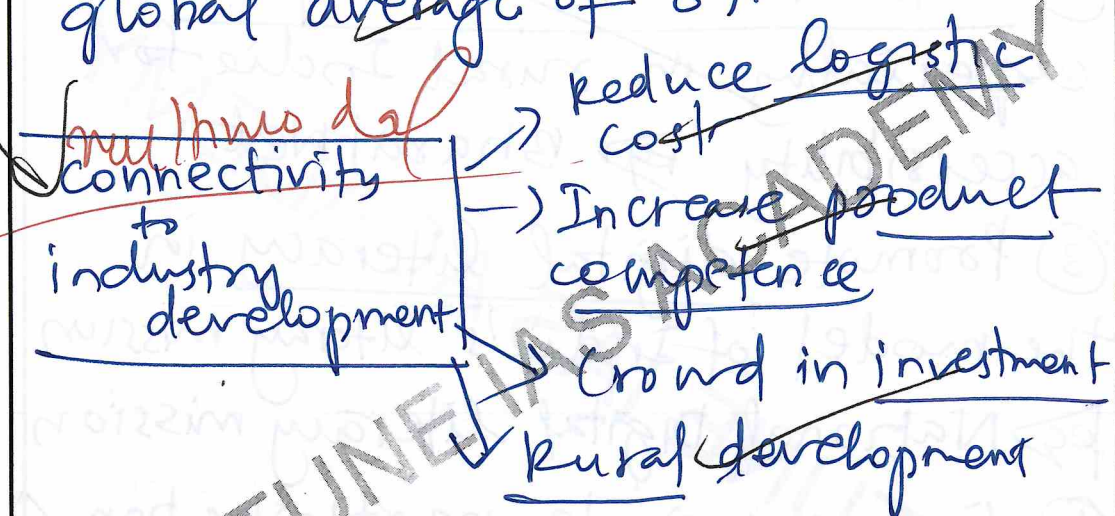
⑤ Community centres like school, panchayat as centres of digital inclusive training

Empowering Indians through digital inclusivity can spur a revolution in India's VPI revolution model

14. Multimodal connectivity is a key pillar of India's industrial development. Examine the role of PPP model in the development of multi-modal connectivity, discussing the pros and cons of the model. (15 marks, 250 words)

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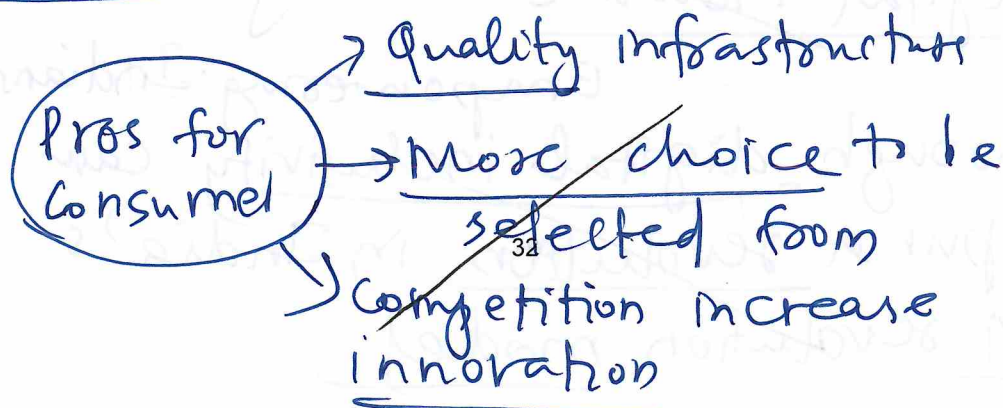
Multimodal connectivity is envisaged as a way to reduce India's logistic cost from 14% GDP to global average of 8%.

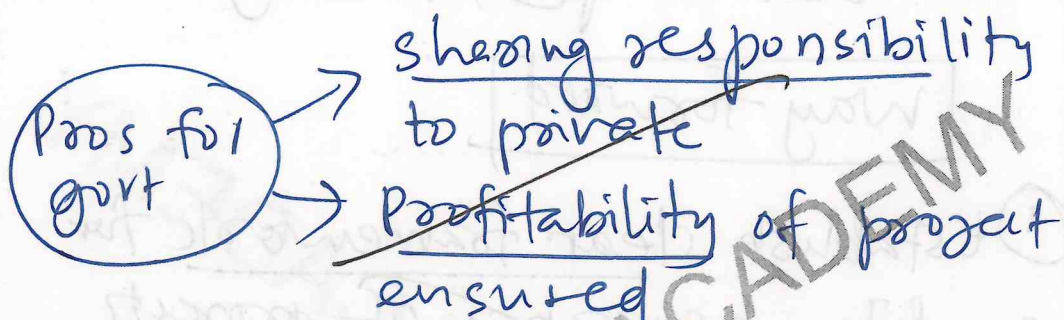
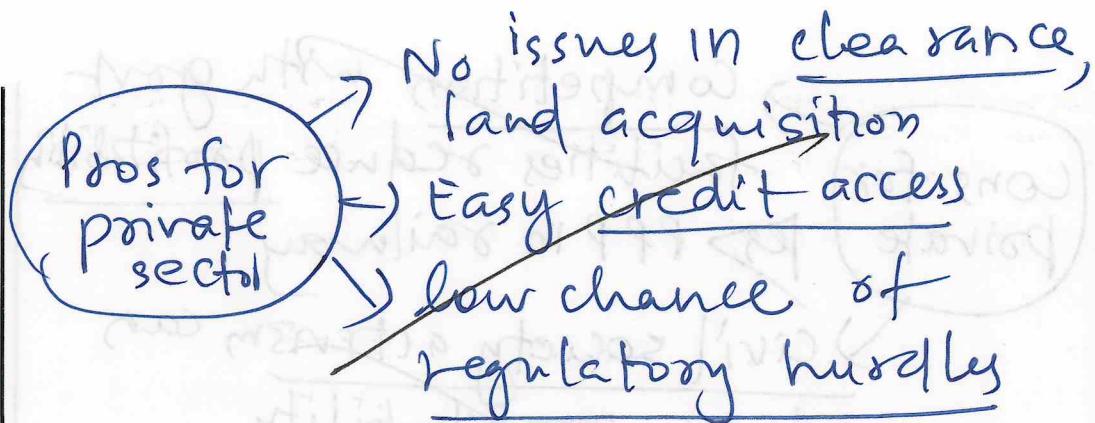


Role of PPP in multimodal connectivity

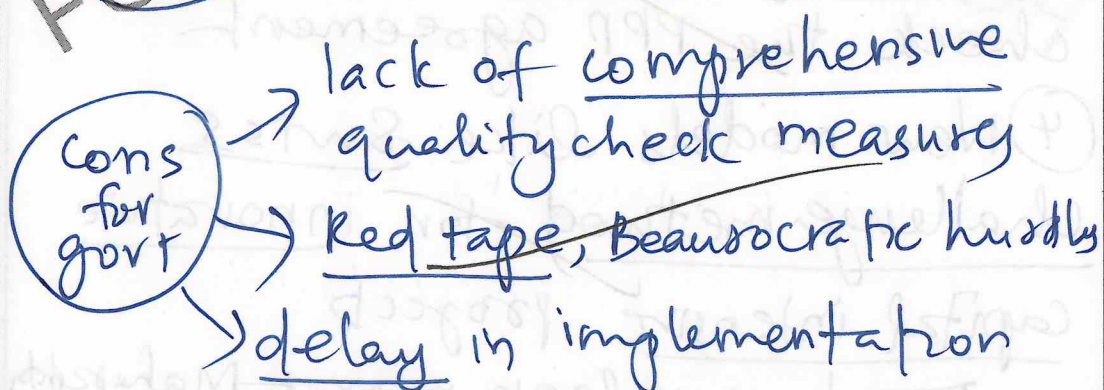
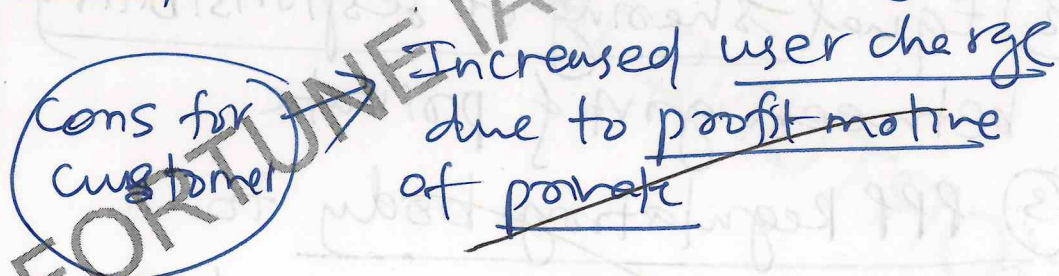
- ↳ EPC model
- ↳ HAM model
- ↳ Swiss challenge model

Pros of PPP in connectivity





Cons of PPP in connectivity



1 out of 5 infra projects in PPP delayed more than five years

Cons for
private

→ Competition with govt facilities reduce profitability

→ PPP in railway

→ Civil society activism can reduce profitability

Way forward

① Establish clear framework for quality assurance of projects taken

② Equal sharing of responsibility between govt & private

③ PPP regulatory body to check the PPP agreement

④ New models like Swiss challenge method for innovative capital intensive projects

→ hyper loop project Maharashtra
PPP is a sustainable

model to ensure India's multimodal connectivity and thus reduce logistic cost to 8% gdp global average

15. "The past decade saw inequality dip with inclusive growth". Analyze in light of India's experience. (15 marks, 250 words)

Candidates must not write on this margin

Inequality refers to sharing of fruits of development not equally among people.

Inequality dip in past decade

Reasons

Role of 1991 LPG reform

→ BPO boom

→ Service industry growth

→ Increased job creation

Role of technology

→ digital access as a leveller

→ PM DIKSHA for education

→ financial inclusion

→ UPI revolution

Role of Govt

→ Social security measures

→ PM Garib kalyan

→ Direct Benefit transfer

→ PM Kisan.

Evidences of inequality dip and
inclusive growth.

- ① Poverty reduction - 25 crore
people escaped poverty in last
decade (NITI Aayog)
- ② Growth of household expenditure
resilience post covid
- ③ Increased tax buoyancy of
India 23% tax to gap
- ④ Financial inclusion - 80% Indians
own bank account
- ⑤ Health parameters
60% → 47% out of pocket
expenditure

Yet, Issues persist

- ① Inequal wealth distribution
1% Indians own 40% wealth
- ② Gender inequality (Oxfam)
just 37% female LFPR Vs
60% China

- ③ Digital divide deepening
55% rural India doesn't have
internet connection
- ④ Informal economy 90%
- ⑤ Jobless growth 0.1% job
elasticity with 1% increase in gdp

Way forward

- ① Targeted delivery of social
security measures
- ② Focus on labour intensive
sectors like textile, leather
- ③ Export led development for
inclusion $\Rightarrow$ India export to gdp
23% Vs Vietnam 107%
- ④ Address digi divide $\Rightarrow$ BharatNet
- ⑤ Address Female LFPR $\Rightarrow$ Palna
Creche
scheme.

India should focus on every
sector to ensure Sabka Sath
Sabka Vikas

16. What are the major issues plaguing India's manufacturing sector? Examine how the Production-Linked Incentive (PLI) scheme can contribute to the development of India's manufacturing. (15 marks, 250 words)

Candidates must not write on this margin

India's manufacturing sector is stagnant at 17% gdp since 1991 (Against 30% in East Asian economies)

Issues in India's manufacturing

- ① Focus on capital intensive sector
- ② leapfrogging from Agriculture to service sector directly
- ③ Use of outdated technology for manufacturing → export competence ↓
- ④ Inverted duty structure reducing the profit realisation
- ⑤ Dwarf MSMEs which refuse to large industries in fear of loss of incentives & regulatory compliances → Missing middle (Economic Survey)

Product linked Incentive (PLI) to Manufacturing

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Positives

- ① selection of high output sectors like Automobile, pharma
- ② ~~→~~ Attract global investment to India's manufacturing
- ③ Technology transfer helps to achieve self-reliance
- ④ Increased competition lead to innovation in manufacturing
- ⑤ Promote export oriented growth
- ⑥ Self reliance in sectors like Semiconductor

Issues

- ① few selected sectors limit growth to them

② few selected players can cause
inequal profit distribution

eg → only 10 companies selected
in mobile manufacturing

③ 'Assemble in India' promoted by
companies rather than Make in
India

④ Rent seeking behaviour

eg → Samsung approached govt
for diluting certain clauses of PLI

Way forward

① Expanding PLI to more sectors
covering more companies

② special incentive to domestic
companies to match up
global competence

③ Focus on labour intensive
sectors for job elasticity

More schemes like
PLI should be introduced to
reach 17% → 30% GDP through
manufacturing Atmanirbhar
Bharath

17. How are developing countries protecting their economic interests in multilateral trade and investment forums? What are the challenges faced by India in WTO negotiations? (15 marks, 250 words)

Candidates must not write on this margin

India has been advocating for equity of developing countries (global south) in multilateral forums throughout G20 captaincy.

Developing countries protecting

their interest

① Through groupings of developing
eg G33, G4

② Negotiations eg Bali peace clause

③ Dispute redressal forums

eg WTO dispute redressal forum
for India-US domestic content issue

④ Cooperation with like minded
countries as lobbying

eg India-South Africa in
Covid vaccine IPR waiver.

⑤ Support from developing

countries through diplomacy
~~for~~ France's support to India

Challenges faced by India in
WTO negotiation

① * Allegation against India
supporting trade distortion

↳ MSP issue

↳ FCI procurement

② * Subsidies provided by India
opposed by WTO developed
countries

↳ Remission of Export

↳ Subsidizing IUU fishing

③ * Domestic content requirement

Issue ~~for~~ India Vs US in SDAT
panel issue

④ * Allegation of India's protectionism

↳ Atmanirbhar Bharat

↳ Make in India

* Allegation of IPR regime
violation by India
eg COVID Vaccine issue

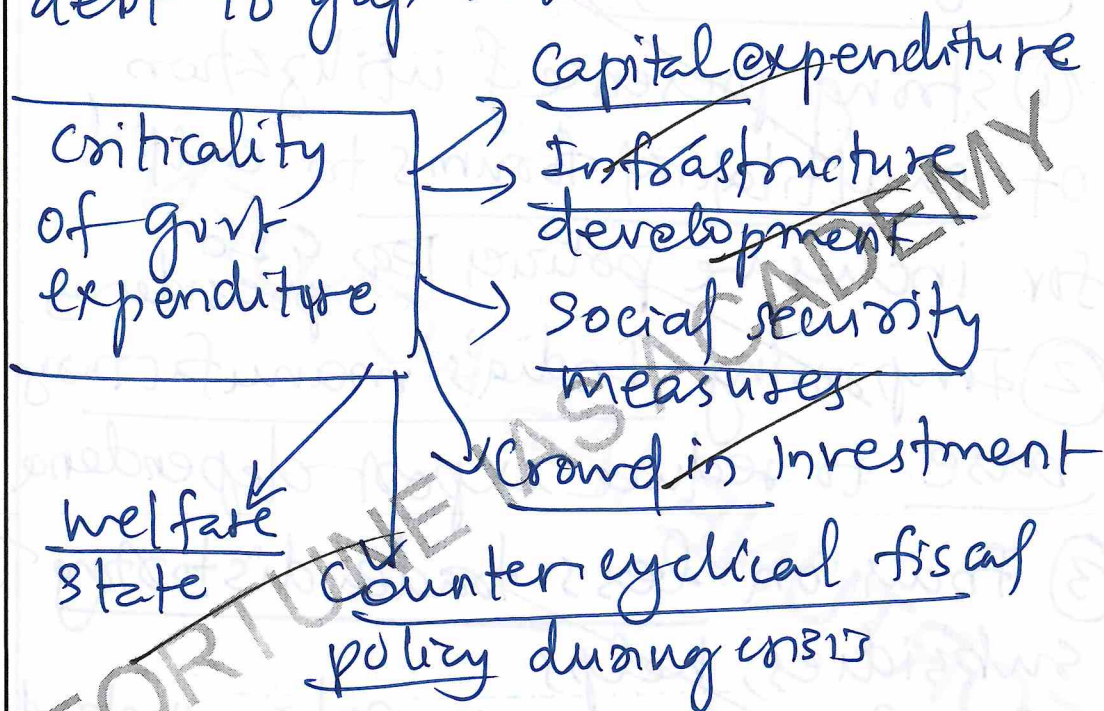
Way Forward

- ① strong presence & utilization
of multilateral forums to call
for inclusive policies eg 420
presidency
 - ② Improving India's manufacturing
base to reduce export dependence
 - ③ Focus on less trade distorting
subsidies, helps
eg Price deficient policy instead
of MSP by NITI Ayog
 - ④ Promoting a more open
world trade regime by
abolishing unsustainable subsidies
- India should
continue to raise voice to protect
global south to emerge as
Vishwaguru.

18. While government expenditure is critical for meeting the needs of a developing economy, high public debt can have dire consequences. What are the major issues associated with a high public debt? (15 marks, 250 words)

Candidates must not write on this margin

IMF Article 4 paper issued
warning about India's 81%
debt to gdp ratio.



Dire consequences of high debt
on govt - Issues

- ① Increased fiscal deficit
- ② Govt borrowing reduce money in market $\Rightarrow$ slow down economy
- ③ Reduce credit availability

to private sector

On Citizen

- ① Reduce social security spending of govt ~~by 1.9% gdp~~ on health
(3% envisioned)
- ② Inflationary pressure reduced people's purchasing power
- ③ Intergenerational equity as the debt taken now need to be paid in future.

On private sector

- ① Currency fluctuation lead to capital flight
- ② Credit become costly $\Rightarrow$ need external commercial borrowing with high interest
- ③ Reduce FDI inflow which affect development.

Way Forward

FRBM Act

- ① Reach debt to gdp target
40% for centre & 20% for state
- ② Defined escape clause to
reduce ambiguity
- ③ legal sanction to impose FRBM
Act
Other
- ① Ensure debt money spend
on capital expenditure than
revenue
- ② Diversify govt income source
- ③ No compromise on social
security spending

Indian Fiscal Council

Recommended by NK Singh in
US Budget office model can be
established to ensure debt
sustainability

19. Critically analyze the proposal of legalizing Minimum Support Price (MSP) for crops in India. Suggest alternative mechanisms to ensure farmer welfare and incentivize agricultural production (15 marks, 250 words)

Candidates must not write on this margin

food subsidy including MSP
expenditure account $\frac{2\% \text{ GDP}}{\text{(Budget '23)}}$

Legalizing MSP proposal

Positives

for Farmer

- ① Protection from uncertain price fluctuations
- ② Money to invest in productivity of agricultural field
- ③ Increase bargaining power and thus less exploitation by private sector

for govt

- ① Ensure procurement to be distributed by NFSA PDS
- ② Buffer stock against food inflation
- ③ Food security ensured.

Negatives

for economy

- ① distort market due to oversupply of food grains
- ② food inflation affect purchasing power of common citizen.

for govt

- ① Huge fiscal deficit 27-gdp
- ② FCI procurement cost
140% procurement $\rightarrow$ waste food
to feed 8 crore people per year (FCI)

for farmer

- ① Only 6% rich farmers benefited by MSP (shantakumar committee)
- ② Only 10% farmers know about MSP pre sowing (NITI Aayog)

for environment

- ① Promote unsustainable agri
 $\rightarrow$ Rice in semi arid and punjab

Alternative Mechanism

- ① Price deficient realization instead of MSP (NITI Aayog)
- ② Promote cooperative farming, private sector led commercial farming for better price realization for farmer eg Ganeshda Potato farming model for chips industry
- ③ Promote crop diversification
1 hectare diversification → 1 lakh
income increase of farmer
(Dalwai panel)
- ④ Diversify MSP to climate resilient crops like millet eg MSP on Niger seed
- ⑤ Awareness to poor farmers on methods of price realization
MSP regime should be reduced phase wise with farmer-FPO-industry collaborative talks

Candidates
must not
write on
this margin

MP
Phanindra
Bhargava
Yojana

OK

20. Discuss India's food processing sector's potential to improve farmers' incomes, create employment opportunities, and enhance nutritional security. Evaluate the key steps taken by the government in this regard (15 marks, 250 words)

Candidates must not write on this margin

India's food processing contributes to 12% GDP despite India being top food producer

India's food processing potential

I Farmers' income

- ① Reduce post harvest wastage (40%)
of food that to income
- ② Can focus on industry needed food processing oriented cultivation
eg Horticulture products

II Create Employment

- ① labour intensive sector which improve employment elasticity
- ② Sunrise sector which can attract foreign investment

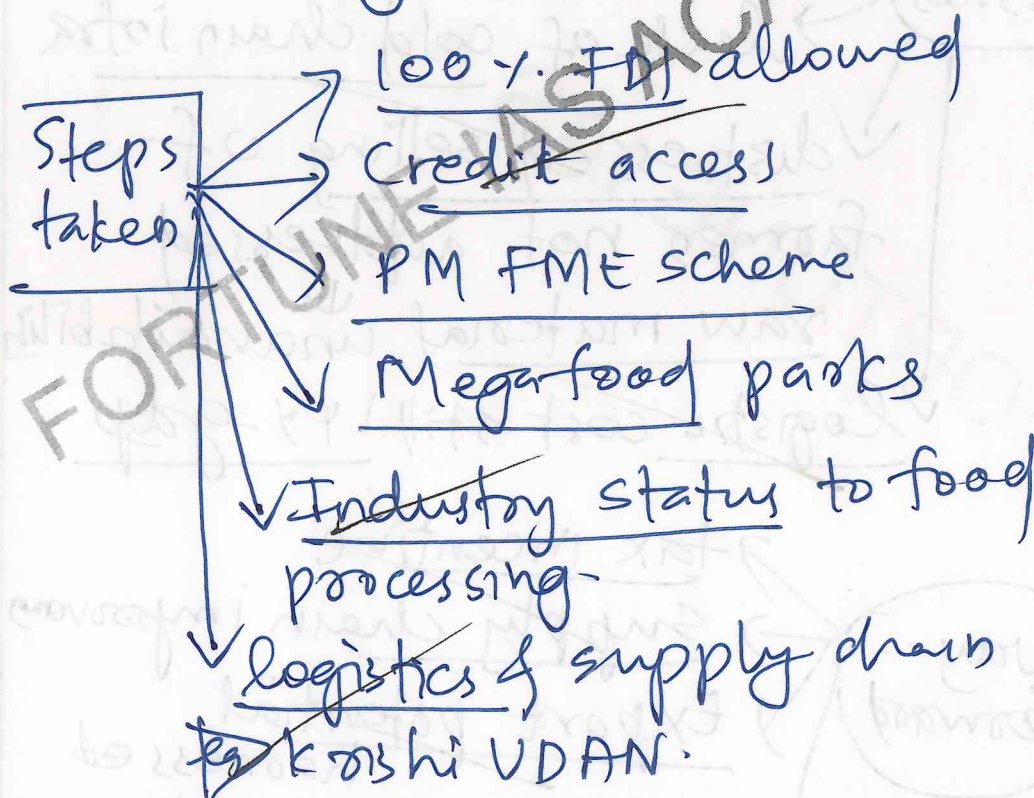
III Nutritional security

① changing dietary pattern
due to urbanization addressed
Focus on quinoa like urban
millets

② Address nutritional deficiency
of vulnerable — 50% women anaemic
(NFHS)

Vitamin A fortified Rice

Evaluating steps taken



Evaluating steps

farms to non farm
labour movement

Candidates
must not
write on
this margin

export
to FPI

Positives

→ Improved credit access
to sector

→ Promote entrepreneurship
opportunities in sector

→ Solve land availability
issues through food parks

Issues

→ Supply chain issue
affect perishable

→ Lack of cold chain infra

→ Distressed selling of
farmers not addressed

↓
raw material unavailability

→ Logistic cost still 14% GDP

Way forward

→ Tax incentive

→ Supply chain improvements

→ Export potential
harnessed

→ Behaviour change to
shift from cereal → protein
base food
culture

India needs to ⁵² harness
food to food model through
food processing opportunity harness