**1. Discuss the significance of regional air connectivity. In this regard, examine the initiatives taken by the government.**

Connectivity is the cornerstone for regional economic cooperation and integration and has the potential to unlock and integrate value chains across trade, transport, ICT, people ,energy and technology.

**SIGNIFICANCE OF REGIONAL AIR CONNECTIVITY:**

The UNESCAP report of 2014 themed "Regional connectivity for shared prosperity" lists air connectivity as a significant source of integrating places inaccessible by road and rail networks

India according to International Air Transport Association (IATA) is set to become the 4th largest civil aviation market by 2020.

The Deloitte report commissioned by MoCA has underlined the following economic benefits

Multiplier economic benefits: Direct by increase in employment opportunities, indirect by addition of supply chain of fuel suppliers, construction companies, inter modal transport .

Increase in labour market flexibility and spin off effect as factors of production move into hinterland as cities expand

Balanced regional development by increasing connectivity to urbanising centres will check influx of migrants and create more agglomerations.

Faster movement of cargo will prevent wastage of perishable goods and thus benefit the economy

Social cohesion – leading to cultural transmission and respect for other cultures will promote unity in diversity

Increased tourism potential as it is a demand driven sector connectivity will improve tourism to places such as North east, Sikkim, Leh , Ladakh etc.

Thus the Government designed the regional connectivity scheme as part of its National civil Aviation policy 2016 in order to

to make flying affordable for the masses

to promote tourism

increase employment

Promote balanced regional growth.

It also intends to put life into un-served and under – served airports

**FEATURES OF THE SCHEME:**

UDAN: Ude Desh ke Aam Nagrik to make flying affordable to the masses the DGCA has put a cap of 2500/- on economy seats on certain no. of seats in every flight in all air routes.

Airfares will be capped in the range of Rs.1,700-Rs.4,070 and will be revised every quarter based on the prevailing inflation rate.

The Airlines would also be required to maintain a frequency of minimum, three flights per week and maximum seven flights per week.

Airport Authority of India will be the implementing Agency for the Scheme.

The RCS route would have to include un-served airports i.e. airports where there is no scheduled commercial flight or under-served airports i.e. airports which have 7 or less scheduled commercial flights per week.

The RCS routes would cover a length between 200 to 800 km. But this criteria would not apply to hilly areas, islands, North-east region and for helicopter operations.

A Regional Connectivity Fund would be created to subsidise the operation of the RCS

Viability Gap funding would be given to the selected airlines. The VGF support for respective routes would be indexed to inflation and ATF prices which would be reviewed periodically. The VGF support would also be linked to the passenger volumes.

The Exit Mechanism for selected airlines would be made easy after a period of one year

The selected Airlines will enjoy a period of exclusivity on the awarded routes.

The Central Government will support the RCS Scheme by levying an excise duty of only 2% on Aviation Turbine Fuel (ATF) purchased at RCS Airports for a period of three years.

Along with it SAARC open sky policy programme and MoU's with major aircraft carriers along with creation of small 12 seater air , NM5 planes like SARAS are a help to boost connectivity and also economic growth and integration.

**Criticism:**

The NITI Aayog had earlier objected to the cross–subsidisation idea i.e. levies on trunk routes to fund connectivity to places where an airline would not otherwise wish to go. Such cross-subsidy, it reportedly felt, was unnecessary and costly, tampering with the way the market worked.

**BEST ANSWER : LINCOLN**

Connectivity is the key for all round development of a region. For development of various parts of our country and thus the country as a whole, connectivity in terms of roads, rail, air, water ways and digital is crucial.

Air connectivity is an important pillar because:

1) It is the fastest mode of transport.

2) Its speed play a critical role in responding to emergencies like disaster.

3) It creates spill over effect of leading to development of region around the airport.

4) It has huge potential of job creation in both aviation and allied sectors like maintenance.

5) India is poised to be 4th largest aviation market by 2020.

6) Air connectivity to border areas is critical for fast troop mobilization and faster response.

Initiatives taken so far

1) The civil aviation policy 2016 has Regional Connectivity scheme (Ude Desh Ke Aam Nagrik) which aims to connect under served areas and caps the ticket prices to such destination at 2500 / hour of flying.

2) The policy has open skies policy for SAARC nation and countries beyond 5000 Km on reciprocal basis.

3) India has signed bilateral agreements allowing Indian and foreign carriers to operate in either countries.

4) No Frill airport are being constructed which reduces the cost of implementation and maximising benefits.

5) Air Trips and helipad are being constructed. Aviation policy has provision to boost helicopter usage.

6) Advanced Landing Strips have been created in border areas like Daulat Beg Oldi for faster troop movements.

Some challenges exist like:

1) The lack of demand from private sector to connect some regions.

2) The Airport cost. The Hybrid Till model has been criticised and said to increase cost of operations.
3) Indiana airlines lag in using the seats allotted to foreign destinations under bilateral agreement but foreign airlines have fully utilised theirs.

Regional connectivity especially air connectivity is key for growth of our economy and development. Implementation of the existing policies effectively and addressing the mentioned concern will give boost to regional air connectivity.

## 2. Small and decentralized ports are vital for integrating the economy and boosting trade. Do you agree? Substantiate.

**Introduction**

India having a long coastline of 7500 km and abundance of rivers , Port development can boost economic growth and integrate the economy. There are 13 major ports and more than 150 small ports. The Sagarmala Project envisages port led development of our coastal regions. This is critical to development of the regions by fully utilizing the benefits of Blue Economy.

**Main Body**

In this a right mix of small and big ports are needed. Need for small decentralized ports are,

1) Small ports are easier to built with less land requirement and initial investment.

2) They will boost coastal shipping reducing stress on road and rail for freight movement, boosting internal trade.

3) The spillover effect of ports on local community is immense by creating regional jobs.

4) The area around the port can utilise other prospects of blue economy like fishing, tourism etc. with port as the anchor.

5) Smaller ports can be more sustainable environment wise.

6) Decentralization is key for allowing the port to have natural growth.

7) Mundra port a private decentralised port is the most profitable, handles more cargo that many Public sector ports.

8) Easier expansion and widening of facilities is possible due to decentraliastion.

9) Small ports will provide new locations for trade and will give access to new market locations in the country.

Small ports integration with Railway corridors, Road projects and hinterland connectivity will provide fillip to logistical movement with ease in the country.

But these are suffering from challenges such as,

High siltation in rivers pose challenges for inland water transport.

Outdate technology, multiple compliances, trade barriers , red tapism etc

**Conclusion**

For India to fully utilize its vast coastline for economic development then success of Sagarmala project is critical. Modernization, computerization & mechanization along with this scheme will result in economic development. It will not just boost trade but also be cheaper mode and less harmful for the environment.

**Best Answer: Arc59**

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## 3. Do you think national waterways in India must get greater policy attention? Critically examine.

**Water ways require create impetus in policy consideration because:**

Its is cheapest mode of transport. presently, logistics costs in India are estimated to account for as much as 18 percent of the country's GDP.

Road handle more than 6% 5of the freight today. Rail freight has capacity and cost constraint.it carries 27% of the freight. Thus, water ways will take pressure out of these 2 modes. It currently carries less than 0.25% of the total freight

They are environmentally friendly with minimal pollution.

It can create development of region around the waterway. It will have the effect of a highway.

Development of waterways will also boost tourism activity along these areas.

**Challenges:**

The rivers in peninsular India are non-perennial and run dry during summers, this is a mojor hurdle which makes it only seasonal.

Water way would add burden on water management with an extra dimension. Currently, irrigation, flood management and electricity generation are considered, waterway will add to complexity as certain level of water have to be always maintained.

Frequent dredging needs to be done to keep the ways operating, adding to cost.

India lacks adequate Human resource to construct and manage such waterways.

It will have negative impact on marine life.

Water sharing among states is a constant problem. Water ways will need connecting rivers adding to the disputes.

**Best Answer: Aritra**

India has a vast network of about 14,500 km of navigable and potentially navigable inland waterways which include rivers, lakes and canals. However, share of waterways in India's transport mix stands abysmally low at 0.6%, while that of US is 8.5 %, China at 8.7%, Bangladesh 32%.

Development of waterways can accrue enormous benefits to our growing economy. Advantages Include:

i. Cost effectiveness: The cost of transporting 1 tonne of freight per kilometer is just Rs. 1.19, while the same is Rs. 2.28 through highways and Rs. 1.41 by railways.

ii. Fuel efficiency: 1 litre of fuel can move 24 tonnes of cargo by road, 85 tonnes by rail while a whopping 105 tonnes by water.

iii. Higher fuel efficiency also reduces the environmental impact of waterways transportation.

iv. Decongestion of roadways and railways: Heavy traffic on these transport routes results in slower movement of cargo therefore increases the cost of trade. Moreover, can definitely reduce the incidents of road accidents in India (2.5 million incidents of road accidents per year).

v. Huge employment generation potential (ship building industry, tourism). Furthermore, it can correct the regional imbalance in trade esp. in the eastern India, which has huge network of inland rivers.

Challenges

i. Environmental Concerns: Could result in aquatic habitat destruction due to dredging, sound and water pollution, oil spillage etc. Development of NW1 (Allahabad-Haldia) in R. Ganga could endanger the Dolphin population.

ii. Commercial inland waterways transportation requires a minimum water depth of 2.5-3 metres. Peninsular rivers of India have seasonal variation of water, many runs through rift valleys, ridges etc. While the Himalayan rivers passes though uneven topography, forms cascades and waterfall at places, prone to course shifting and meandering.

iii.High initial investment, periodic dredging costs etc.
With the passage of National waterways Act, 2016 a total of 111 rivers has been declared as national water ways and are being developed. Environmental challenges can be addressed through a comprehensive regulatory framework by the Inland Waterways Authority of India, like “working with nature” approach (0-discharge standards, noise control etc.). Govt. can adopt the PPP model, opt for financial assistance from World Bank, ADB, provide VFG to private sector etc.

India is estimated to become the second largest economy by 2050, therefore adding to the capacity of our vast multi-modal transport network in the country by developing the national waterways will be a step in the right direction.

## 4. Land reforms are important because not only they increase agricultural efficiency but also ensure social equity. Discuss.

**SYNOPSIS:**

Land reforms refers to a wide variety of specific programmes and measures to bring about more effective control and use of land for the benefit of the community as a whole.

The main objective of the land reforms programme is to do away with the existing inequalities in the system of landholding and to increase the agricultural productivity. The Five Year Plans aimed to remove the impediments for increase in agricultural production and elimination of exploitation and social injustice within the agrarian system so as to achieve equality and providing opportunities for all sections of the rural society.

The reforms can be majorly grouped into four categories:

All states passed the laws to abolish intermediaries, with varying provisions for resumption for self-cultivation.

Ceiling laws were established.

All laws provided heritable rights to the tenants. Eviction is possible only if tenants violates the conditions of the agreement or if the landowner wants the land back for self-cultivation.

Redistribution of land led to Land consolidation.

**IMPACT ON AGRICULTURAL EFFICIENCY:**

Abolition of zamindari led to land being with the tiller who with better realization of land, inputs and focus increased agricultural productivity

Land consolidation stopped fragmentation, gave the marginal farmers access to credit resources, mechanisation and led to cooperative farming in many areas

Similarly Tenancy reforms gave the security of tenure to the farmers and stopped forceful eviction, tenant had equal rights on the land which led him to plan better for farm seasons and led to better cropping patterns across the country. The reforms also coincided with the Green revolution across the country led to manifold increase in productivity.

Land ceiling acts across states led to redistribution of surplus land due to which many landless got land and were able to involve themselves in sustainable agricultural practices which increased land productivity

**IMPACT ON SOCIAL EQUITY:**

Land ceiling led to realisation of socialistic objectives of the directive principles enshrined in the constitution like Article 36 (prevention of concentration of wealth) and article 39( redistribution of resources)

A report by CDS (centre for developing societies) in states of West Bengal and Odisha shows that social standing of many marginalised caste farmers improved considerably and were able to participate in panchayat meetings in the village due to recognition of them as land holders.

Land consolidation led to increased power of bargaining and resulted in collectivism which led to social and ultimately political consolidation which raised the social status of intermediate castes like Reddy's(AP), Jats (West UP) and Vokkaligas(Karnataka).

Tenancy reforms and abolition of zamindari system ended social oppression of the depressed classes and led to increase in stature of the erstwhile tenants leading to a more egalitarian society

Similarly the new age land reforms like Digitisation and issue of pattas for reclamation of wasteland(banjar) for socially disadvantaged classes like SC/ST, Single women have continued the process of realisation of the objective of socio- economic equality enshrined in the tenets of the Constitution.

**BEST ANSWER: BHAWANA**

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## 5. What are technology missions? Discuss their significance for the agricultural sector with the help of suitable examples.

**Introduction**

Technology Mission generally implies that projects have clearly defined objectives, scopes, and implementation timelines. They have measurable outcomes and service levels with the help of technology advancements in particular assigned sector. For the first time in 1987,Prime Minister Rajiv Gandhi and Sam Pitroda for decided these missions, they would focus on five critical areas which include drinking water, immunizations, literacy, oil seeds and telecommunications.

**Main Body**

These missions are funded jointly by Centre and State Govt. and other allied institutions. These missions aim at,

Improving production, productivity and quality of goods through various interventions during input, growth, harvest and post-harvest stages.

Developing infrastructure for processing and value addition to agricultural produce.

Creating employment in the rural economy

Reducing wastage of cereals, vegetable & fruits, etc. and ensuring food security.

In agriculture, technology missions are important since there is a need,

1) To increase productivity: productivity is extremely low due to lack of irrigation facilities, quality of seeds, fertilizers.

2) For more efficiency as we are facing acute shortage of land, water, increased subsidy burden and reduced soil quality.

3) To increase effectiveness of crops in line with the cropping pattern and not follow cereal-led agricultural growth.

4) To experience equitable growth since more than 55% are engaged in agriculture.

5) To build necessary forward and backward linkages for agriculture.

Various technology missions in Agriculture

National Mission on Agricultural Extension & Technology

National Mission on Oilseeds & Oil Palm

National Saffron Mission

Sub Mission on Agricultural Mechanization

Technology Mission on Citrus (for Vidarbha)

Technology Mission on Coconut

Technology Mission on Oilseeds, Pulses & Maize

National Oilseeds & Vegetable Oils Development Board

**Best Answer: Palash Luthra**

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**6. For the rural economy, animal rearing can become a cushion in times of distress. Don you agree? Substantiate.**

**Mixed Farming:**

Mixed farming is one which crop production is combined with the rearing of livestock. The live stock enterprises are complementary to crop production; so as to provide a balance and productive system of farming.

In mixed farming cow and buffaloes are included with crop production. If farmers are rearing cows, buffaloes, sheep goat, and fisheries with crop cultivation this type of farming is called diversified farming.

Livestock contributed 16% to the income of small farm households as against an average of 14% for all rural households. India has vast livestock resources. Livestock sector contributes 4.11% GDP and 25.6% of total Agriculture GDP.

**Source of Sustainable income:**

Livestock rearing, particularly in the rain-fed regions of the country, is also emerging as a key risk mitigation strategy for the poorest. It is a key livelihood and risk mitigation strategy for small and marginal farmers, particularly across the rain-fed regions of India

Rural poverty is less in states where livestock contributes more to farm incomes. As livestock is less prone to global warming and climate change, it can be considered more reliable than rain fed agriculture

When average land holdings have depleted to dangerously low levels – 80% of the farmers are small (1-2 hectares) and marginal (less than 1 hectare, these alone make 62%) farmers – animal rearing can provide alternative sources of livelihood. Productivity on such small holdings is very low

Livestock rearing has contributed significantly to the empowerment of women and an increasing role in decision making at both the household and village level.

Livestock provides livelihood to two-third of rural community.

**Challenges:**

Availability of quality nutrients through feed and fodder.

Disease Diagnosis, health and hygiene maintenance of livestock is affecting the production potential

Complicated management practices: It requires advanced management practices in terms of farm infra, techniques etc.

Sound cropping scheme: as crops should be chosen which can give year-round harvest.

Good cattle in suitable number, as smaller numbers will make it uneconomical.

Transport facility: good access to markets both for purchasing inputs as well as selling the produce and products is required as most of these items are perishable in nature.

Marketing facilities: Efficient market facilities are necessary for fair price discovery, otherwise these facilities will not be remunerative to the farmers.

**Best Answer: AKS.**

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## 7. The agricultural price policy objectives need revision so that apart from addressing the existing demand supply situation, it also takes into account a qualitative superior crop mix. Discuss

**SYNOPSIS:**

The stability of agriculture price is essential since the higher agriculture prices affect purchasing power of consumers and greater input cost to the industrial users. The reduction in the purchasing power of the consumer has implication on demand for industrial goods.

**The broad objectives of agriculture price policy in India are:**

To set remunerative prices with a view to encourage higher investment and production in the agriculture

To set the prices at levels so that the consumers are not adversely affected.

Agriculture prices should be such that the terms of trade between agriculture and non-agriculture sector is not adversely affected.

To set price in such a manner so that optimal crop mix can be achieved.

The agricultural price policy has two instruments

a) Minimum support prices and procurement prices

b) Buffer stocks

The policy has been instrumental in creating a fairly stable price environment for the farmers to induce them to adopt new production technology and thereby increase the output of food grains. The subsidized distribution of food grains has helped in improving economic access to food.

**NEED FOR REVISION IN AGRICULTURAL PRICE POLICY:**

However, the present price policy has certain shortcomings the price policy has to evolve a qualitatively superior crops mix i.e. to provide incentive for growth of crops which are nutritionally superior or the crops where the country has comparative advantage. In India this aspect of agricultural price policy has remained largely neglected.

The policy followed today is that of 1970's where prices were fixed to encourage production of crops where superior technology was available now with Green revolution 2.0, hidden hunger (lack of micro nutrients) and the recent pulses shortage as there is no incentive to produce pulses and coarse grains production levels have fallen significantly by more than 2MT (11%) and the subsequent price rise is a result of this skewed pricing regime.

**WAY FORWARD:**

First, there is a need to create should create a buffer stock of around two to three million tonnes from domestic production and/ or imports, and release it whenever pulse prices spike. Given that domestic consumption of pulses is around 23 million tonnes, this level of stocking is the minimum that is needed to stabilize prices.

Second, the government needs to create a crop-neutral incentive structure for farmers, which is at present skewed in favor of rice, wheat and sugarcane. Much of the subsidies on fertilizers, power, and irrigation go to these crops. These subsidies amount to more than Rs 10,000/ hectare. If the same amount were given to pulse growers, they would be incentivized to produce more.

The Abhijit Sen Committee also recommended the Price policy to be region wise based on three parameters namely growth pattern, competitiveness and trade response

There is also a need for periodic review in a transparent manner and also there is a need to establish state agricultural price commissions to monitor just like Karnataka and the information asymmetry should be countered by effective usage of extension agencies

Though there is an urgent need to revise the price policy it should be consciously followed by long term agricultural improvement strategies like mechanization, diversification, effective land reforms (digitization, pattas) and comprehensive insurance policies to reap the full benefits of this revision.

**BEST ANSWER: AKS**

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## 8. The existing food management and distribution framework in India is faced with many anomalies and challenges. Elucidate. What steps can be taken to address them?

**Introduction**

The food management and distribution in India involves procurement by FCI, storage in godowns and distribution through PDS and other government programs. Even though India has one of the largest food procurement and distribution system in the world, the twin objective of procurement of food grain at MSP prices and providing the subsidized food grain to the eligible household through PDS are largely defeated.

**Main Body**

The shanta Kumar committee constituted to suggest reforms in Food Corporation Of India highlighted the problems that prevails in the Food procurement and public distribution system of the Country. The system faces following challenges,

1) Procurement –

Skewed MSP leads to high procurement of wheat and rice and less procurement of other goods.

Spatial distribution of procurement is skewed towards few states like Punjab and Haryana.

Lack of awareness of public procurement is also an issue.

2) Storage –

Due to absence of storage centers nearby farms, farmers are forced to sell their produce at lower prices to middlemen.

In case of rice and wheat, over procurement leads to rot in FCI godowns.

3) Distribution –

PDS system in many states is marred with corruption and spillage throughout the supply chain.

The intended beneficiaries either do not receive or receive less than the stipulated amount – About 20% leakage mentioned in the economic survey 2016-17

The following steps need to be taken –

1) MSPs of different goods should be normalized to bring about a balance in the supply.

2) Cold storages shall be made available nearby farms on a large scale throughout the country. Wherever they are not present, arrangement shall be made for procurement nearby right after the harvest so that middlemen are eliminated.

3) Spillage in PDS can be removed through Aadhaar linkage. Chhattisgarh model of PDS shall encourage competitive federalism.

4) The procurement can be based on the state quota or can be decentralized at the state level itself.

5) As suggested by Shanta Kumar committee the bifurcation of the procurement and distribution function can help in making each function more efficient.

**Conclusion**

Government has taken steps like setting up cold storages and mega-food processing centers nearby farms, approval of options in agricultural commodities by SEBI, introduction of e-NAM, new model APMC Act, integrating mid day meal with Aadhaar etc. Implementation of these steps needs to be intensified to address these challenges at a faster pace.

**Best Answer: oliver27**

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## 9. What do you understand by the JAM number trinity? What possible solutions does it offer to address the large leakages endemic to the Public Distribution System in India? Explain.

**JAM TRINITY:**

It is an abbreviation for Jan Dhan Yojana, Aadhaar and Mobile number. The government is pinning its hopes on these three modes of identification to deliver direct benefits to India's poor. Until now, the government has operated a multitude of subsidy schemes to ensure a minimum standard of living for the poor. These take convoluted routes to deliver affordable products or services to them. So, we have the MGNREGA, operated through the panchayats, which pays minimum wages to rural workers. The Centre and States supply rice, wheat, pulses, cooking oil, sugar and kerosene at heavily subsidised prices through the PDS. Then, sectors such as power, fertilisers and oil sell their products to people below market prices.

Such subsidies cost the exchequer quite a bit. Yet, as they make their winding way through the hands of intermediaries, leakages, corruption and inefficiencies eat away large parts.

This is where the government hopes that the JAM trinity can help. With Aadhaar helping in direct biometric identification of disadvantaged citizens and Jan Dhan bank accounts and mobile phones allowing direct transfers of funds into their accounts, it may be possible to cut out all the intermediaries.

Economic Survey divides JAM into three components-

Identification or First-Mile:  Identification of beneficiaries by government

Transfer or Middle-Mile: Transfer of fund to beneficiaries by government

Access or Last-Mile: Access of fund by beneficiaries

Money wasted in inefficient distribution of subsidies is money that is not available for other developmental activities of the government. According to the Economic Survey, about ₹3.78 lakh crore or 4.2 per cent of GDP, is currently spent on key subsidies.

The Survey has some compelling numbers on why the current system of price subsidies is a leaky bucket. In some cases, by simply selling goods below cost, the government ends up delivering unintended benefits to the rich. Three-fourths of the subsidised LPG cylinders, for instance, are used by the richer half of the population. Corporation water is subsidised, but 60 per cent of the poor get their water from public taps. Over 15 per cent of PDS rice, 54 per cent of wheat and 48 per cent of the sugar is lost in leakages.

Still thanks to subsidies, the government runs up big deficits year after year, is perpetually short of cash to fund new projects and borrows big all the time. But the poor don't see any material improvement in their quality of life.

However, JAM has following challenges:

Lesser penetration of bank branches for more accounts under PMJDY

Flaws of Banking correspondent model.

Question raised on Aadhar due to lack of secrecy ,ineffective cyber security mechanism, overlapping with National Population Register etc.

Biometric authentication fails, especially in aged persons and manual labourers, this had led to exclusion of exclusion of the intended beneficiaries.

Mobile confined to about 600 million users (Jan 2015), many marginalized sections (example Tribal ) are not able to avail it's benefits .

Resistance among masses to adapt new changes.

**Best Answer: Kartik**

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## 10. What are the demand drivers for the food processing industry in India? Also discuss the present set of challenges being faced by the industry.

**SYNOPSIS:**

Food processing industry is one of the largest industries in India and ranks fifth in terms of production, consumption and exports. In 2015-16, the food processing industry constituted 11.8% of India's manufacturing sector GDP.

Key drivers of Indian Food Processing Industry:

1)Strong demand growth

The demand for processed food is increasing due to increasing disposable income, urbanisation, young population and nuclear families; leading to changing lifestyle and increasing expenditure on health and nutritional foods.

2) Flourishing Farm Sector

India is bestowed with a diverse agro-climatic conditions; large agriculture sector with cost competitiveness. With the increased linkages of primary sector with secondary sector; Investment opportunities to arise in agriculture, food infrastructure, and contract farming.

3)Increasing investments

The food processing sector is a sunrise sector and government sees it as a future driver of Indian economy. Government has launched various infrastructure development schemes to increase investments in food processing infrastructure like Mega food park scheme with strong backward and forward linkages (Hub and spoke model) ,Sampada scheme for agro processing and maketing

4)Rapid growth in organized retail, a catalyst for the food industry

Increased consumer spend as organized retail and hypermarkets

Employment generation and higher tax revenue

Productivity gains across entire supply chain through dis-intermediation and superior technology

5) Global shift to outsourcing from India across products/ services including food

6) De-regulation and liberalization of the Indian economy, driven by central and state governments

It has the potential to bring in FDI and latest global technologies and best practices

Challenges of the Indian Food Processing Sector:

FICCI report of 2014 says of the country's total agriculture and food produce, currently only 3% is processed currently in comparison to 40% in countries such as Malaysia and Thailand. There are several challenges which span across the entire value chain and are as follows:

1)Productivity Issues

A major area of concern is food production itself. Despite being an agrarian economy and one of the largest producers of vegetables, fruits, wheat etc., it is unfortunate that the productivity of crops is quite low relative to international standards.

2)Availability of Skilled Resources

Human resource development needs to cover the entire gamut from basic infrastructure, education, vocational and technical guidance to qualified professionals in the sector.

3)Supply Chain Deterrents

Long and fragmented supply chains leading to high wastage and high costs especially due to seasonality, perishability and variability of produce.

4)Deadlocks in Infrastructure

Indian export- related infrastructure for agro-produce is grossly inadequate, especially at sea ports and airports. More than 30 percent of the produce is lost due to poor post-harvesting facilities and lack of cold chain infrastructure.

5)Low Adherence to Quality Standards

Unavailability of basic standardization and certification infrastructure. Given the size of the industry, there is a huge gap in the availability of laboratories, trained manpower, and certification agencies. The recent Maggi controversy and the role of FSSAI was under severe scrutiny.

6)Low level of Linkages between Industries

Low level of interaction between industry and research institutes are one of the major problems. In order to improve farm productivity, continuous introduction and implementation of innovative technologies calls for existence of a strong R&D network. While investments are being made in this regard, the efforts have not been as rewarding.

Given the changes in the Indian landscape, the packaged foods segment holds immense promise and a concerted move to develop India's Food Processing sector will be a force

multiplier in creating large-scale employment, enhancing farm incomes and combating agro-wastages.

**BEST ANSWER: RSP**

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## 11. What is the 'hub and spoke model' of mega food parks being followed to promote the food processing industry in India? What are its advantages? How is it beneficial to the rural economy? Discuss.

**Introduction**

The biggest challenge before the food processing industry in India is the lack of an integrated institutional arrangement that brings the interested parties together for optimum output. The scheme of developing Mega Food Parks introduced under 12th FYP follows Hub and spoke model of developing food processing industry.

**Main Body**

The Hub and spoke model is a system of collection by which several local centres are connected to a single head centre like the spokes of a wheel connected to its centre. The hub and spoke model of being followed for the mega food parks includes the following centers –

1) Collection centers (CCs) – These are present close to the farms and collect raw material from farmers/SHGs right after harvest.

2) Primary processing centers (PPCs) – These collect goods from CCs and do contain preliminary processing equipment like for washing, salting etc. The CCs act as spokes for a PPC hub.

3) Central Processing Centers (CPCs) – These centers are spread over large areas of about 50 acres and contain a conglomeration of processors who collect their raw materials from the PPCs and sell their product to retail consumers. Here, the PPCs act as spokes for the CPC hub.

Advantages

– Clearly demarcated task domains; reduces confusion and increases efficiency.

– Acts as the agent providing forward and backward linkage.

– Traceability and transparency due to an inventory based system.

– While the bigger cities, being the PHCs, attract the front-end business, the smaller adjacent towns receive the transmitted prosperity.

– It gives impetus to innovation, R&D in this sector.

– Increase in export can limit CAD.

Benefits to rural economy

1) Better farm gate prices to farmers, increased remunerative prices.

2) Increase of productivity of soil due to investment and high quality seeds in farms.

3) Provide opportunities to women by giving impetus to SHGs. Therefore help in women empowerment and social transformation.

**Conclusion**

Some of the concerns arise in the form of lack of enough supporting infrastructure, bureaucratic inertia in finalizing and operationalising the parks and uneven distribution of the same across different states which need to be addressed at the earliest. The food processing sector is one of the growth engines out of 25 sectors identified for the “Make in India” initiative this mega food park scheme helps in realizing the potential of the food processing industry.

**Best Answer: RSP**

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## 12. Discuss the scope/ potential of poultry and meat industry in India. Also identify its upstream and downstream requirements. What are the main challenges that the industry is facing today?

**Scope of Poultry and meat Industry in India:**

In spite of big potential of the large livestock population, meat industry in India has not taken its due share although India has acquired Number One position in the world contributing 13% of the world milk production. The meat production, which jibes well with dairying, is placed at No. 8 position in the world. India produces about 4.9 million tones of meat annually valued at US $ 4,600 millions, and has grown @ 4.5% during the last two decades. However, during the last five years, this segment has been growing very fast at the rate of 27% annually and has a good future given the present attention by the Government and Private Entrepreneur.

The share of bovine meat in the total meat production in India is about 60% as against small ruminants (15%), pigs (10%) and poultry (12%). To produce the above quantities, the extraction rates in cattle are about 6%, buffaloes 11%, sheep 33%, goat 38% and pigs 84%.

India exports, both frozen and fresh chilled meat to more than 54 countries in the world. Last year (2001-2002) export was 243,560 MT. The major export was of deboned and deglanded buffalo meat, which accounts for 98% of the total meat exports. The rest of the meat exported is from sheep, goat and poultry. Meat is produced from animals procured from disease free zones and processed in the state of the art processing plants following world class sanitary and phytosanitary measures and certified with HACCP and ISO-9002. There is, however, very little processing of meat (1%) for ready to eat meat products.

There are around 10 fully integrated eco-friendly processing plants in the country with processing capacity of producing 50,000 to 120,000 tones of meat per annum. Six more fully integrated meat plants are already in the process of construction. Meat industry has shown a tremendous change in the last one decade with the establishment of the eco-friendly fully integrated processing plants and in the next ten years, there will also be great change with the establishment of the feedlots as a backward integration to the processing plants. With the Government of India taking up FMD control programme in three Zones in the country (North, Central and South) consisting of 56 Districts, it is assumed that India is poised with a major breakthrough in the meat and dairy product exports in the international markets.

**Upstream requirements:**

Availability of healthy and disease-free cattle and poultry as infected meat will attract export ban

Presence of state of the art Abattoirs

Quality fodder for the cattle, poor fodder will not provide good quality meat

Development of veterinary infrastructure

Downstream requirements:

Good Strorage facility, inclusing the cold storages

Good Processing and packaging facilities, which can increase the shelf life and prevent contamination

Good Transport facilities, which can reduce the transportation time, as meat is highly perishable item

Markets for the sale of produce, Indian meat exports have to face competition from other countries like China, Bangladesh and Vietnam

**Best Answer: Palash Luthra.**

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