



CURRENT AFFAIRS



Argasia Education PVT. Ltd. (GST NO.-09AAPCAI478E1ZH)
Address: Basement C59 Noida, opposite to Priyagold Building gate, Sector 02,
Pocket I, Noida, Uttar Pradesh, 201301, CONTACT NO:-8448440231

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MINIMUM SUPPORT PRICE (MSP)

This article covers "Daily Current Affairs" and the topic details "Minimum Support Price (MSP)". This topic has relevance in the Agriculture section of the UPSC CSE exam.

For Prelims:

About MSP?

Objectives of MSP?

Crops Covered by MSP?

For Mains:

GS 3: Agriculture

MSP and its effects?

Why in the news?

The government has increased the minimum support price (MSP) for wheat to be sown in the upcoming 2023-24 rabi season. The MSP for wheat has been raised by Rs 150, reaching a level of Rs 2,275 per quintal. This marks the most substantial increment since the consecutive crop years of 2006-07 and 2007-08 when similar increments were observed.

Introduction to Minimum Support Price (MSP)

The Minimum Support Price (MSP) is a crucial policy in Indian agriculture. It represents the government's commitment to provide a minimum guaranteed price for various agricultural crops, which is aimed at ensuring the economic well-being of farmers. MSP is determined by calculating at least one-and-a-half times the cost of production incurred by farmers for a particular crop.

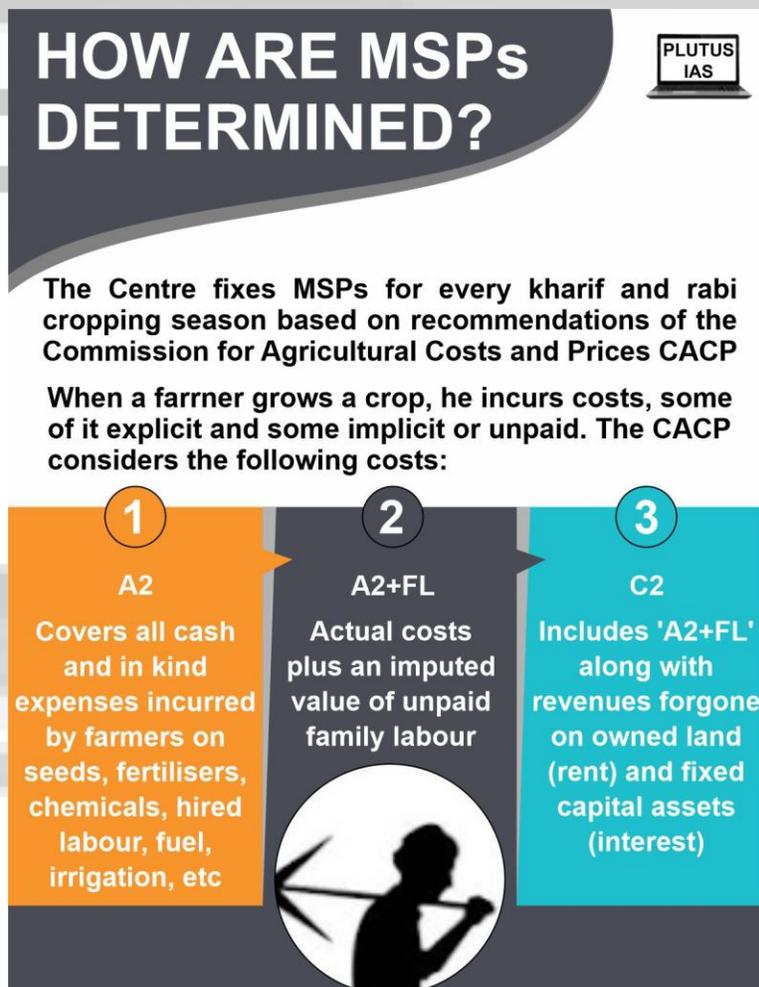
Objectives of MSP

- **Agricultural Price Stabilization:** MSP serves as a floor price, helping to stabilize agricultural commodity prices and preventing extreme fluctuations. This stability is essential for ensuring a steady income for farmers.
- **Crop Diversity:** MSP encourages farmers to diversify their crop cultivation by assuring them of fair prices for a variety of crops. This promotes crop diversification, reduces the risk of over-reliance on a single crop, and enhances agricultural sustainability.

Crops Covered by MSP

The Commission for Agricultural Costs & Prices (CACP), an attached office of the Ministry of Agriculture and Farmers Welfare, is responsible for recommending MSPs for various crops. These crops can be categorized as follows:

- **Mandated Crops:** MSPs are recommended for 22 mandated crops, which include 14 crops of the kharif season (summer), 6 Rabi crops (winter), and 2 other commercial crops. These mandated crops are the primary focus of MSP implementation.
- **Sugarcane (Fair and Remunerative Price, FRP):** In addition to the mandated crops, the government also fixes the Fair and Remunerative Price (FRP) for sugarcane to support sugarcane farmers.
- **Derivative MSPs:** In some cases, the MSPs for certain crops like toria and de-husked coconut are determined based on the MSPs of related crops, such as rapeseed/mustard for toria and copra for de-husked coconut.



MSP and its effects:

- **Enhancing Farmers' Income and Livelihood:** MSP acts as a financial safety net for farmers, ensuring that they receive a reasonable income, even in the face of market volatility and unfavorable conditions.

- **Income Redistribution:** The increase in farmers' income due to MSP can lead to a rise in rural purchasing power, potentially reducing income inequality between rural and urban populations.
- **Food Security:** MSP guarantees a consistent supply of essential agricultural products, contributing to food security by maintaining stable prices for consumers.
- **Inflationary Pressure:** An elevated MSP can exert inflationary pressures, as the higher costs of procurement may result in increased consumer prices for agricultural goods.
- **Fiscal Burden:** The government's substantial financial commitment to procuring crops at MSP can strain fiscal resources, potentially impacting fiscal deficit targets.
- **Trade Balance and Exports:** A higher MSP may elevate domestic prices, potentially affecting the competitiveness of exports and trade balances.
- **Distorted Crop Selection:** Farmers may prioritize crops covered by MSP, potentially leading to an overproduction of certain crops while neglecting others in their agricultural practices.
- **Supply Chain Efficiency:** MSP-driven procurement can place stress on storage and distribution systems, potentially resulting in wastage and inefficiencies in the agricultural supply chain.
- **Market Distortions:** A heavy reliance on MSP may discourage private sector investment in agriculture due to market uncertainties and government intervention.
- **Policies and Regulations:** MSP necessitates government intervention in agricultural markets, potentially influencing the dynamics of free-market forces.
- **Rural-Urban Linkages:** MSP's impact on rural income can influence patterns of rural-urban migration and urban development. This linkage between rural and urban areas is affected by MSP policies.

Commission for Agricultural Cost & Prices (CACP):

- The Commission for Agricultural Cost & Prices (CACP) is a statutory panel operating under the Ministry of Agriculture & Farmers' Welfare, Government of India.
- This expert body is responsible for proposing Minimum Support Prices (MSPs) for the notified Kharif and Rabi crops to the Cabinet Committee on Economic Affairs (CCEA).
- The primary goal of the Commission is to encourage farmers to embrace modern technology, enhance resource utilization, and boost productivity.
- It's worth noting that the recommendations made by the CACP are not obligatory for the Government.

Source:

[Increase in MSP for wheat: A political hike | The Indian Express](#)

Q.1 Which of the following statements about the Commission for Agricultural Cost & Prices (CACP) is/are correct?

1. CACP is a constitutional body operating independently of the government.
2. It is responsible for recommending Minimum Support Prices (MSPs) for both Kharif and Rabi crops.
3. The primary aim of the Commission is to encourage farmers to adopt modern technology and improve productivity.
4. The recommendations of CACP are binding on the Government of India.

ANSWER: B

Q.2 Consider the following statements regarding Minimum Support Prices (MSPs) and Fair and Remunerative Prices (FRP):

1. The government fixes Fair and Remunerative Prices (FRP) for sugarcane.
2. Derivative MSPs are determined based on the MSPs of related crops.
3. MSPs are primarily recommended for 22 mandated crops, including those of the Kharif season.

How many of the above statement/s is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

ANSWER: C

Q.3 How does the Minimum Support Price (MSP) policy in India impact the trade-off between ensuring farmers' income security and the potential market distortions it can create? Provide analysis of the economic, social, and political implications of the MSP policy on Indian agriculture and its stakeholders.

Rishabh

APPOINTMENT AND TRANSFER OF JUDGES OF HIGH COURTS

This article covers "Daily Current Affairs" and the topic details "Appointment and Transfer of Judges of High Courts". This topic has relevance in the "Polity and Governance" section of the UPSC CSE exam.

For Prelims:

What are the procedure and criteria for the appointment of High Courts Judges?

For Mains:

GS2: Polity and Governance

Issues related to High Courts

Why in the news?

The central government has recently issued a notification regarding the transfer of 16 high court judges and the appointment of 17 new judges in different high courts.

Background Information

The High Courts of India play a crucial role in the country's judicial system, serving as the second-highest judicial authority below the Supreme Court of India. These courts are essential pillars of the nation's federal structure and are established under Part VI, Chapter V, of the Indian Constitution. The High Courts are responsible for administering justice at the state or union territory level, depending on their jurisdiction.

Appointment of Judges of HCs

The appointment of judges in the High Courts is primarily governed by the Indian Constitution, specifically under Articles 217 and 224. These articles lay down the framework for the appointment, eligibility, and terms of High Court judges.

- **Eligibility Criteria:**
 - The candidate must be a citizen of India.
 - The candidate must have attained the age of 35 years.
 - The candidate must have been a judge of a subordinate court in India for at least 10 years or an advocate of a High Court for at least 10 years.
- **Appointment:** By the President of India, after consultation with
 - Chief Justice of India
 - Governor of the state (or the administrator of the Union Territory, as applicable)
 - Chief Justice of the concerned High Court.



Case	Key Rulings
Second Judges case	High Court judges require the Chief Justice of India's opinion for appointment. The Chief Justice of India plays a pivotal role in the appointment process.
Third Judges case	Mandated that the Chief Justice of India consult a collegiums of two senior-most Supreme Court judges for High Court appointments. The Chief Justice of India's sole opinion isn't sufficient for the consultation process.
99th Constitutional Amendment & NJAC Act	Aimed to replace the Collegium System with the National Judicial Appointments Commission (NJAC). The Supreme Court declared the 99th Constitutional Amendment and the NJAC Act unconstitutional in 2015.
Fourth Judges case (2015)	Reinstated the earlier collegium system. NJAC was viewed as a threat to judicial independence.

- **Oath:** before the state's Governor or their designate.
- **Tenure and terms of service:**
 - HC Judges serve until the age of 62.
 - They may resign by writing to the President.
 - Removal by the President requires a Parliament recommendation.
 - Judges leave office when appointed to the Supreme Court or transferred to another High Court.

Transfer of HC Judges:

- **Article 222** of the Constitution allows for the relocation of a Judge, including the Chief Justice, from one High Court to another High Court.

- After consulting the Chief Justice of India, the **President** can transfer a High Court judge. Upon transfer, they receive additional compensatory allowance as determined by Parliament.
- In **1977**, the Supreme Court ruled that transfers should be exceptional, based on public interest rather than punishment.
- In **1994**, the Supreme Court stressed the need for judicial review to prevent arbitrary transfers, but only the transferred judge can challenge it.

Challenges associated with High Courts of India

- **Vacancies:** As of 2023, there are 347 vacant positions in the High Courts across India against a total strength of 1,114.
- **Caseload:** The High Courts are overburdened with cases. In 2022-23, the High Courts disposed of 5.3 million cases, but the pendency of cases remains high. As of August 4, 2023, there are 6.2 million pending cases in the High Courts.
- **Infrastructure:** The High Courts are facing a shortage of infrastructure, including courtrooms, chambers, and libraries. This makes it difficult for judges to discharge their duties effectively.
- **Technology:** The High Courts are not fully equipped with the latest technology. This makes it difficult for judges to manage their work efficiently.
- **Independence:** The independence of the judiciary is under threat from the government. The government has been trying to interfere in appointing judges and undermining the Collegium system.

Sources:

[Govt notifies 16 transfers, 17 new appointments of judges across HCs | Latest News India](#)

Q1. With reference to Judges of High Courts, consider the following statements:

1. The President of India appoints the Judge of a High Court.
2. The judge of the High Court resigns by writing to the Chief Justice of India.
3. High court judges serve until the age of 62.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) None

Answer: (c)

Q2. Consider the following:

1. The candidate must be a citizen of India.
2. The candidate must have attained the age of 35 years.
3. The candidate must have been a judge of a subordinate court in India for at least 10 years or an advocate of a High Court for at least 10 years.
4. The candidate must be a distinguished jurist.

How many of the above are eligibility criteria for the Judge of the High Court?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All Four

Answer: (c)

Q3. What is the procedure for the Appointment of Judges of High Courts? Analyse the challenges faced by the High Courts of India.

Gaurav

