Prelim Bits 19-10-2019

Milk Adulteration

- National Milk Safety and Quality Survey 2018 was conducted by a third party across all States and UTs and recently released by FSSAI.
- According to the survey, Telangana, Madhya Pradesh and Kerala accounted for the highest number of cases of adulteration.
- 37% of the total samples tested failed to meet the prescribed quality and 10% of the processed milk samples were non-complaint.
- The adulterants like aflatoxin-M1, antibiotics and pesticides such as urea, hydrogen peroxide, detergent were found in the milk.
- The adulteration was mainly on account of low fat or low SNF (Solid Non-Fat) or both.
- Aflatoxin-M1 is more dominant in processed milk than raw milk, which is life threatening, usually through damage to liver.
- It comes in the milk through feed and fodder that are currently not regulated in the country
- Tamil Nadu, Delhi and Kerala were top three States where Aflatoxin residue was found the most.
- India is the world's largest producer of milk with the total estimated milk production in the country was 176.35 million tonnes during 2017-18.

UN Human Rights Council

- Venezuela has won a seat on the United Nations Human Rights Council, despite widespread criticism of its poor human rights record.
- It obtained one of the two seats allocated for Latin American countries and the other seat was won by Brazil.
- Brazil's far-right leader, Jair Bolsonaro has frequently expressed contempt for the concept of human rights.
- **UNHRC** – It was established in 2006 as part of the UN's reform process.
- It replaced the United Nations Commission on Human Rights.
- UNHRC is an inter-governmental body within the United Nations system, made up of 47 States.
- Members are elected by the UNGeneral Assembly with 3-year terms, with a maximum of 2 consecutive terms.
- They are responsible for promotion and protection of human rights.

- It meets 3 times a year to examine human rights violations worldwide.
- Its resolutions are not legally binding but carry moral authority.
- Last year, US has withdrawn from the council during its half-way of a 3-year term. It was the first such member to withdraw from the council.
- Recently, Venezuela and Brazil were elected among 14 members to the council for 3 years term.

International Coffee Organisation

- It is a London based body set up under the auspices of the United Nations in 1963 under the International Coffee agreement of 1962.
- It was formed to highlight the economic importance of coffee.
- It has 50 members which includes Exporting (44)and Importing (6) countries.
- India is in major exporting countries and European Union in importing countries.
- It represents 98% of world coffee production and 67% of world consumption.
- It organises "The World Coffee Conference" in which its 5th edition was held in India.
- The earlier conferences were held in London, Guatemala, Brazil and Ethiopia.
- In its recent report, it highlighted that the next wave of growth in international coffee industry will come from Asia, and India is expected to play a lead role in driving this growth.

Merchant Discount Rate

- MDR is the fee a merchant pays to Bank for providing debit and credit card services.
- It compensates the bank issuing the card, the bank which puts up the swiping machine (Point-of-Sale or PoS terminal) and network providers such as Mastercard or Visa for their services.
- The charges are usually shared in a pre-agreed proportion between them.
- RBI specifies the maximum MDR charges that can be levied on every card transaction.
- As per RBI rules, the merchant must pay the MDR out of his earnings and cannot pass it on to the customer.
- As per the recent RBI notification, with effect from January 2018, small merchants (Rs.20 lakh turnover) will pay a maximum MDR of 0.40 per cent of the bill value and others will pay 0.90 per cent.
- **Recent Developments -** The government has recently announced that MDR will not be imposed on customers as well as merchants on digital payments made to establishments having turnover in excess of Rs 50 crore.
- The order is directed to banks and other system providers and will be

effective from November 1.
- In line with this rule, amendments have been made in the income tax act as well as in the Payment and Settlement Systems Act 2007.

FATF's direction to Pakistan

- The Financial Action Task Force (FATF) gave a stern warning that it will be in the blacklist if it does not fulfil the global standards criteria on combating terrorist financing by February 2020.
- It retained Pakistan on the "grey list", which is accorded to it in 2018.
- It was previously placed on the grey list in 2012 and had been removed from the list in 2015 after it passed a National Action Plan (NAP) to deal with terrorism after the Peshawar School massacre in 2014.
- It was placed under severe restrictions in the years 2008-2012.
- Currently, Iran and North Korea are on the blacklist.
- **Implication -** Since it continues to be in the Grey List , it would be difficult for the country to get financial aid from the IMF, the World Bank, ADB and the European Union.
- The FATF is Paris based inter-governmental body established in 1989 to combat money laundering, terrorist financing and other related threats to the integrity of the international financial system.

Source: The Hindu, The Economic Times