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Sugarcane Price Fixation

- The Sugarcane (Control) Order of 1966 confers power upon the State government to fix the remunerative/advised price at which sugarcane can be bought or sold, which shall always be higher than the minimum price fixed by the Central government.
- Even though a State cannot fix a "minimum price" if the Centre has already fixed it, the State is always welcome to fix the "advised price".
- The advised or remunerative price shall always be higher than the minimum price in accordance with the provisions of the Sugarcane (Control) Order, 1966, issued under Section 16 of the Uttar Pradesh Sugarcane (Regulation of Supply and Purchase) Act, 1953.
- A Constitution Bench of the Supreme Court recently held that both the Central and State governments have the power to fix the price of sugarcane under the Concurrent List of the Constitution.
- According to the judgment it is only when the advised price fixed by the State government is lower than the minimum price fixed by the Central government, the provisions of the Central enactments will prevail and the minimum price fixed by the Central government will prevail.
- So long as the advised price fixed by the State government is higher than the minimum price fixed by the Central government, the same cannot be said to be void under Article 254 of the Constitution.

Pricing Policy for Sugarcane

- The pricing of sugarcane is governed by the statutory provisions of the Sugarcane (Control) Order, 1966 issued under the Essential Commodities Act (ECA), 1955.
- Prior to 2009-10 sugar season, the Central Government was fixing the Statutory Minimum Price (SMP) of sugarcane and farmers were entitled to share profits of a sugar mill on 50:50 basis.
- As this sharing of profits remained virtually unimplemented, the Sugarcane (Control) Order, 1966 was amended in October, 2009 and the concept of SMP was replaced by the Fair and Remunerative Price (FRP) of sugarcane.

- States also announce a price called the State Advisory Price (SAP), which is usually higher than the SMP.

Minimum Support Price

- The MSP is the rate at which the government buys grains from farmers.
- Reason behind the idea of MSP is to counter price volatility of agricultural commodities due to the factors like variation in their supply, lack of market integration and information asymmetry.
- The MSP is fixed on the recommendations of the Commission for Agricultural Costs and Prices (CACP).
- Factors taken into consideration for fixing MSP include,

1. Demand and supply,
2. Cost of production (A2 + FL method)
3. Price trends in the market, both domestic and international,
4. Inter-crop price parity,
5. Terms of trade between agriculture and non-agriculture,
6. A minimum of 50% as the margin over cost of production,
7. Likely implications of MSP on consumers of that product.
8. The Commission also makes visits to states for on-the-spot assessment of the various constraints that farmers face in marketing their produce, or even raising the productivity levels of their crops.

- Based on all these inputs, the Commission then finalizes its recommendations/reports, which are then submitted to the government.
- The government, in turn, circulates the CACP reports to state governments and concerned Central Ministries for their comments.
- After receiving the feed-back from them, the Cabinet Committee on Economic Affairs (CCEA) of the Union government takes a final decision on the level of MSPs and other recommendations made by the CACP.
- The Food Corporation of India (FCI), the nodal central agency of the Government of India, along with other State Agencies undertakes procurement of crops.

Crops Covered under MSP

- Government announces minimum support prices (MSPs) for 22 mandated crops and fair and remunerative price (FRP) for sugarcane.
- The mandated crops are 14 crops of the kharif season, 6 Rabi crops and two other commercial crops.
- In addition, the MSPs of toria and de-husked coconut are fixed on the

basis of the MSPs of rapeseed/mustard and copra, respectively.

- The list of crops are as follows.
- **Cereals (7) -** paddy, wheat, barley, jowar, bajra, maize and ragi
- **Pulses (5) -** gram, arhar/tur, moong, urad and lentil
- **Oilseeds (8) -** groundnut, rapeseed/mustard, toria, soyabean, sunflower seed, sesamum, safflower seed and nigerseed

- Raw cotton
- Raw jute
- Copra
- De-husked coconut
- Sugarcane (Fair and remunerative price)
- Virginia flu cured (VFC) tobacco

National Commission on Farmers

- In 2004, the Union government formed the National Commission on Farmers (NCF) with MS Swaminathan as its chairman.
- The main aim of the committee was to come up with a sustainable farming system, make farm commodities cost-competitive and more profitable.
- It, in 2006, recommended that MSPs must be at least 50% more than the cost of production.
- It talked about the cost of farming at three levels:
    - A2: All the types of cash expenditure to generate the crop like seeds, manure, chemicals, labour costs, fuel costs and irrigation costs.
    - A2+FL: It includes A2 plus an imputed value of unpaid family labour.
    - C2: Under C2, the estimated land rent and the cost of interest on the money taken for farming are added to A2 and FL.

Article 254

- Article 254 of the Indian Constitution deals with the doctrine of repugnancy.
- Repugnancy here is a legal term that means inconsistency between two or more parts of a legal instrument.
- Article 254(1) has been neatly summarized by the Supreme Court in M. Karunanidhi versus Union of India as, “where the provisions of a Central Act and a State Act in the Concurrent list are fully inconsistent and absolutely irreconcilable, the Central Act will prevail and the State Act will become void in view of the repugnancy.
- If the doctrine of repugnancy most often means that federal law trumps state law.

- However, the magic of Article 254(2) is that it allows state law to prevail under certain circumstances.
- In simple terms this means assent by the President after a state legislature passes a bill.
- If the central government agrees, then the process is quite seamless. If it doesn’t, then states still have recourse to the Supreme Court.

Cabinet Committee on Economic Affairs

- Chaired by the Prime Minister, CCEA lays down the priorities for public sector investment and considers specific proposals for investment of not less than specific levels (Rs. 3 Billion at present) as revised from time to time.
- It has a mandate to review economic trends on a continuous basis, as also the problems and prospects, with a view to evolving a consistent and integrated economic policy framework for the country.
- It also directs and coordinates all policies and activities in the economic field including foreign investment that require policy decisions at the highest level.

Nutrient Based Subsidy Scheme

- Government provides fertilizers, Urea and 21 grades of P&K fertilizers to farmers at subsidized prices through fertilizer manufacturers/importers.
- In accordance to its farmer friendly approach, the Govt is committed to ensure the availability of P&K fertilizers to farmers on affordable price.
- The subsidy on P&K fertilizers is being governed by NBS Scheme from 2010.
- Nutrient Based Subsidy (NBS) Scheme is being implemented , since 2010 by the Department of Fertilizers, Ministry of Chemicals & Fertilizers.
- Under NBS, a fixed amount of subsidy decided on an annual basis, is provided on each grade of subsidized Phosphatic & Potassic (P&K) fertilizers depending on its nutrient content.
- The NBS scheme, was sought to deregulate subsidy on non-urea fertilizers and expected to reduce the subsidy burden substantially.
- While the NBS certainly did not lead to any decline in subsidy on fertilizer, it did lead to worsening of soil nutrient quality, along with shortages and price increases in all three types of major nutrients, namely Nitrogenous, Phosphoric and Potassic.
- An undesirable outcome has been the change in fertilizer mix.
- As against the recommended Nitrogen (N): Phosphorous (P): Potassium

(K) ratio of 4:2:1, the NPK ratio in 2013-14 was 8.2:3.2:1.

- The environmental damage caused by the inappropriate use of fertilizers is certainly a matter of serious concern in many states.
- Recently Union government has cut the subsidy for non-urea fertilizers this year to ₹22,186 crore.
- That is about 3% lower than the ₹22,875 crore which was the estimated expenditure on the nutrient based subsidies in 2019-20.
- The Cabinet Committee on Economic Affairs decided to reduce the subsidy for nitrogen-based fertilizers to ₹18.78 per kg, for phosphorous-based fertilizers to ₹14.88 per kg, and set the subsidy for potash-based fertilizers at ₹10.11 per kg.
- And while the subsidy for sulphur-based fertilizers had been raised last year to ₹ 3.56 per kg, from ₹2.72 per kg, this year it has been slashed to just ₹2.37 per kg.
- The CCEA also approved the inclusion of a complex fertilizer, ammonium phosphate, under the nutrient-based subsidy scheme.
- The subsidy component on retail price of fertilizers is announced at the beginning of the fiscal and subsequent changes in raw material cost, import price and currency fluctuations get reflected in the retail price.

Judgement on Tribal Reservations

- A five-judge Constitution Bench of the Supreme Court held it unconstitutional to provide 100% reservation for tribal teachers in schools located in Scheduled Areas across the country.
- According to the judgement it is an obnoxious idea that tribal only should teach the tribal.
- When there are other local residents, why they cannot teach is not understandable, the action defies logic and is arbitrary.
- The court held that 100% reservation is discriminatory and impermissible and noted the opportunity of public employment is not the prerogative of few.
- A 100% reservation to the Scheduled Tribes has deprived Scheduled Castes and Other Backward Classes also of their due representation.
- The court referred to the Indira Sawhney judgment, which caps reservation at 50%.

Remittance Prices Worldwide

- Remittance Prices Worldwide is a resource report sponsored by the World Bank Group.

- It provides data on the cost of sending remittances from 48 remittance sending countries and 105 receiving countries.
- Information provided includes exchange rate and transfer fees, as well as the speed of transfer.
- Globally, sending remittances costs an average of 6.79 percent of the amount sent.
- This figure is used to monitor the progress of the global effort for reduction of remittance prices.
- According to recent report global remittances are projected to decline sharply by about 20 percent in 2020 due to the economic crisis induced by the COVID-19 pandemic and shutdown.
- The projected fall, which would be the sharpest decline in recent history, is largely due to a fall in the wages and employment of migrant workers, who tend to be more vulnerable to loss of employment and wages during an economic crisis in a host country.

UN English Language Day

- English is one of the two working languages of the UN, along with French.
- It has also become the lingua franca of international relations.
- English Language Day at the UN is celebrated on 23 April, the date traditionally observed as both the birthday and date of death of William Shakespeare.
- The Day is the result of a 2010 initiative by the Department of Global Communications, establishing language days for each of the Organization's six official languages.
- The purpose of the UN's language days is to celebrate multilingualism and cultural diversity as well as to promote equal use of all six official languages throughout the Organization.
- Under the initiative, UN duty stations around the world celebrate six separate days, each dedicated to one of the Organization's six official languages.
- The days are as follows:

1. Arabic (18 December)
2. Chinese (20 April)
3. English (23 April)
4. French (20 March)
5. Russian (6 June)
6. Spanish (23 April)

- Language Days at the UN aim to entertain as well as inform, with the goal of increasing awareness and respect for the history, culture and achievements of each of the six working languages among the UN community.

Source: The Hindu, PIB, Live mint