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Cabinet Extends DAP Special Package and Continuation of Crop Insurance Schemes

Context: Recently, Union Cabinet announced to extend the one-time special subsidy for Diammonium Phosphate (DAP) fertilizer and approved the continuation of two crucial agricultural insurance schemes, ensuring financial support and risk coverage for farmers in the upcoming years.

Key Cabinet Decisions:

- **Extension of DAP Special Package:**
 - » The Union Cabinet decided to extend the one-time special subsidy on DAP at a rate of ₹3,500 per metric tonne, effective from January 1, 2025, until further notice.
 - » The subsidy is aimed at maintaining the affordability of DAP fertilizer, a crucial input for crop production, thus ensuring its smooth availability to farmers.
 - » The tentative budget allocation for this special package is approximately ₹3,850 crore, signifying the government's commitment to farmer welfare despite global challenges.
- **Continuation of Crop Insurance Schemes:**
 - » The government approved the continuation of the Pradhan Mantri Fasal Bima Yojana (PMFBY) and Restructured Weather Based Crop Insurance Scheme (RWBCIS) until 2025-26, with a substantial financial allocation of ₹69,515.71 crore.
 - » These schemes are designed to offer risk coverage to farmers in the event of natural calamities, providing them financial stability during unforeseen crop losses.
 - » Additionally, the Cabinet also approved the setting up of the Fund for Innovation and Technology (FIAT), with ₹824.77 crore allocated for improving the technology and effectiveness of these insurance schemes.
- **Weather Information and Network Data System (WINDS):**
 - » To enhance weather-related data accuracy, the WINDS initiative will be implemented in 2024-25. This system will bolster weather forecasting and provide farmers with timely and precise weather updates to aid in better crop planning and risk

mitigation.

- **MoU on Non-Basmati White Rice Trade:**
 - » The Cabinet also approved a Memorandum of Understanding (MoU) between India's Ministry of Cooperation and Indonesia's Ministry of Trade for the trade of Non-Basmati White Rice (NBWR). The agreement allows for the trade of up to one million metric tonnes of NBWR annually, based on production and international market prices.

Continuation of

PM Fasal Bima Yojana and Restructured Weather Based Crop Insurance Scheme

Cabinet approves continuation of the two schemes till 2025-26

- Overall outlay of **₹69,515.71 Crore** from 2021-22 to 2025-26
- Cabinet has also approves creation of Fund for Innovation and Technology with Corpus of **₹824.77 Crore**
- Fund to be utilised towards funding technological initiatives under the scheme namely, **YES-TECH, WINDS, etc as well as R&D**
- Fund to cause
 - ▶ Large scale technology infusion in implementation of the scheme
 - ▶ Increasing transparency and claim calculation and settlement



Benefits of the Decisions:

- **Affordability of Fertilizers:** The special DAP subsidy will help farmers manage the rising costs of inputs, particularly fertilizers, ensuring that agricultural production remains economically viable. This will lead to improved crop yields, benefiting both farmers and the agricultural economy as a whole.
- **Financial Protection Against Natural Calamities:** By continuing the PMFBY and RWBCIS schemes, the government is providing farmers with a financial safety net in case of natural disasters. This ensures that farmers do not face crippling losses and can recover from damage to their crops, thus fostering financial stability in rural areas.
- **Technological Advancements in Insurance:** The creation of the FIAT and the implementation of WINDS will enhance the technological infrastructure of

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agricultural insurance, enabling more accurate weather predictions and smoother insurance claims processing. This ensures that farmers are better equipped to handle risks associated with unpredictable weather.

- **Economic Growth and Global Trade:** The MoU on non-basmati rice trade with Indonesia will open up new markets for Indian rice exporters, increasing trade opportunities and contributing to India's agricultural export growth. This is an important step towards strengthening India's position in global agricultural markets.

Experts on GM Crop Panels to Declare Conflict of Interest

Context: The Union Ministry of Environment, Forest, and Climate Change (MoEF&CC) has amended the rules governing the selection of experts for the Genetic Engineering Appraisal Committee (GEAC), which regulates genetically modified (GM) crops in India. The amendment mandates experts to disclose any potential conflicts of interest, ensuring impartial and transparent decision-making in the regulation of GM seeds.

Key Amendments:

- The new rules require experts on the GEAC to disclose any financial, professional, or personal interests that could influence their decisions. This includes any direct or indirect affiliations with organizations related to GM crops.
- Experts with conflicts are expected to recuse themselves from discussions unless specifically requested to participate. Before joining the committee, experts must also submit a detailed form outlining their professional affiliations over the past decade to ensure transparency from the outset.

About GEAC:

- The Genetic Engineering Appraisal Committee is a statutory body formed under the Environment (Protection) Act, 1986. Its primary function is to review and assess proposals related to the release of GM organisms and products, such as GM crops. The committee evaluates environmental and safety risks associated with GM technologies. It is composed of experts from various fields, including science, environmental policy, and public health.

Conflict of Interest Provisions:

- The new conflict of interest provisions are designed to maintain the integrity of GEAC's decision-making process. Undisclosed conflicts could lead to biased recommendations, potentially favoring certain companies or technologies. Such biases could undermine the fairness of the committee's work and erode public trust, especially in matters as sensitive as GM crops. The updated rules aim to prevent such issues and ensure decisions are based solely on scientific evidence and public welfare.

Historical Context and Legal Developments:

- The issue of conflicts of interest in GM crop regulation has been ongoing. In 2013, activists raised concerns about a GEAC committee member's ties to Monsanto, a major biotechnology company. This led to calls for more transparency. In 2023, the Supreme Court directed the government to create a national policy on GM crops, emphasizing the need to address conflict of interest issues.

Implications:

- The disclosure of conflicts of interest will help prevent biased decision-making and protect public trust in GM crop regulations. It also ensures that the committee's decisions prioritize public health and environmental safety over private interests.

Revision of Wholesale Price Index (WPI) Base Year

Context: The Government of India has constituted a Working Group to revise the current series of the Wholesale Price Index (WPI) from its base year of 2011-12 to 2022-23. The revision aims to adapt the WPI to the structural changes in the economy, ensuring it remains a relevant and reliable indicator of price movements in the country.

Composition of the Working Group:

- The Working Group will be led by Prof. Ramesh Chand, Member of NITI Aayog, as the Chairman. The group consists of experts from various fields, including economic advisors, statisticians, representatives from government departments, economists, and members from industry and academia. Notably, several non-

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official economists have been included to bring diverse perspectives.

About Wholesale Price Index (WPI)

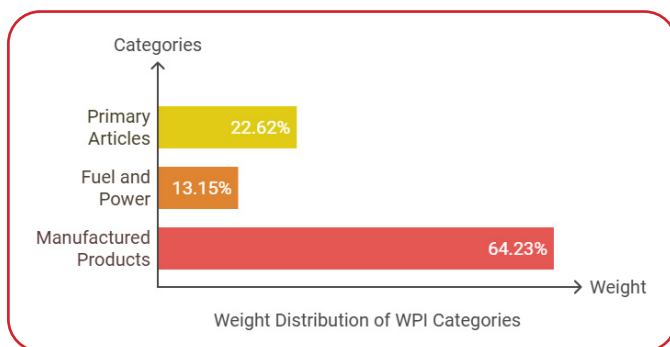
- The Wholesale Price Index (WPI) measures the changes in the prices of goods sold in bulk between businesses before they reach the consumer market. Published monthly by the Office of Economic Advisor, Ministry of Commerce and Industry, WPI helps track inflation trends in sectors like manufacturing and construction. A rise in WPI signals inflationary pressure, while a decline reflects lower inflation.

WPI vs. CPI:

- While WPI tracks wholesale price changes of goods, the Consumer Price Index (CPI) tracks the average price that households pay for goods and services. WPI is restricted to goods at the wholesale level, whereas CPI includes both goods and services. The Reserve Bank of India (RBI) now uses CPI for setting monetary policy, as it better reflects consumer inflation.

Revisions to WPI:

- In 2017, the WPI base year was revised from 2004-05 to 2011-12 to align with economic indicators like GDP and Index of Industrial Production (IIP). This update improved the accuracy of the WPI in reflecting structural changes in the economy.



Calculation of WPI:

- WPI is calculated using a weighted average of prices from a basket of goods, categorized into three groups:
 - » **Primary Articles (22.62%):** Includes raw goods like food and agricultural products.
 - » **Fuel and Power (13.15%):** Includes energy products such as oil and coal.
 - » **Manufactured Products (64.23%):** Includes industrial products and machinery.
- The WPI tracks 697 items in total, including 117 primary

goods, 16 fuel items, and 564 manufactured products.

Significance:

- The revision of the WPI base year is crucial for keeping the index aligned with the evolving structure of the Indian economy. The updated index will offer a more accurate reflection of price changes, supporting better economic decision-making for policy, business, and financial planning.

India – Maldives Relationship

Context: On January 3, 2025, External Affairs Minister (EAM) Dr. S. Jaishankar met with the Maldives' Foreign Affairs Minister, Abdulla Khaleel, at Hyderabad House in New Delhi. During this meeting, both leaders exchanged Memoranda of Understanding (MoUs) to strengthen bilateral ties between India and the Maldives.

Key Memoranda of Understandings:

- MoU on High Impact Community Development Projects:** India and the Maldives signed a Memorandum of Understanding (MoU) for Phase-III of High Impact Community Development Projects (HICDPs), funded by India's grant assistance. This follows up on agreements made during President Muizzu's visit in October 2024.
- Promotion of Local Currencies for Cross-Border Transactions:** EAM Jaishankar welcomed a new framework agreement to promote the use of local currencies in cross-border transactions, highlighting continued cooperation between the two nations in various sectors.

Implications of this MoUs:

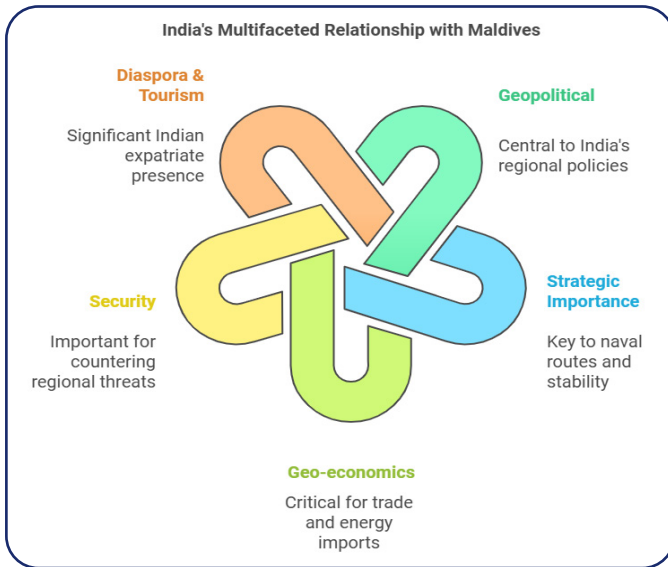
- India to implement High Impact Community Development Projects (HICDPs) in the Maldives, funded through India's grant assistance, strengthening ties under India's Neighbourhood First Policy and Vision SAGAR.
- Enhanced India-Maldives cooperation contributes to regional stability and maritime security.
- High-level visits between leaders signify improved relations, focusing on debt relief, economic cooperation, and peace.
- Strengthened ties bolster India's role in ensuring security and prosperity in the Indian Ocean region.

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the Indian Ocean, it is vital for safeguarding freedom of navigation and regional stability.

- **Geo-economics:** Maldives is along major sea lanes, critical for India's trade and energy imports. India became Maldives' largest trade partner in 2023.
- **Security:** Maldives is vital for countering terrorism, piracy, and China's strategic influence in the Indian Ocean.
- **Diaspora & Tourism:** Large Indian expatriate workforce and a popular tourism destination.

Challenges in Bilateral Relations

- **Anti-India Sentiments:** Growing calls to reduce Indian military presence and halt infrastructural projects, fueled by the "India Out Campaign."
- **Chinese Influence:** Increased Chinese investments and infrastructure projects like the Sinamale Bridge raise concerns for India.
- **Radicalization:** Growth of Islamist extremist groups, potentially threatening India's security.
- **Misunderstandings:** Speculation over projects like the Uthuru Thila Falhu Harbour fueling mistrust.

Significance of Maldives for India

- **Geopolitical:** Maldives is central to India's Neighbourhood First Policy (NFP) and SAGAR, crucial for regional security.
- **Strategic Importance:** Located at key chokepoints in

Power Packed News

Tourist tax implemented in Russia

- Russia has implemented a tourist tax from January 1, 2025, which is a significant step towards strengthening regional tourism infrastructure. Under this tax, tourists staying in hotels and other accommodation will have to pay an additional 1% of the cost of the stay. This rate will be increased to 3% by 2027.
- This tax will replace the previously applicable resort fee. The initiative was introduced in July 2024 as part of amendments to the Russian Tax Code. Many tourism-dominated regions have already adopted it.
- Also, Russia has removed export duty on anthracite, coking coal and thermal coal. This step has been taken to boost coal exports and make the industry competitive.
- Implementing tourist tax and removing coal duty, both steps are part of Russia's plan to diversify and strengthen its economy.



Chhattisgarh's Green GDP scheme

- Chhattisgarh has become the first state in the country to link the ecosystem services of forests to Green GDP. The scheme aims to link the environmental contributions of forests such as clean air, water conservation, biodiversity and carbon absorption to economic progress.
- 44% of the state's land is covered by forests, which are the basis of livelihood for millions of people. Tendu leaves, honey, medicinal plants and other products obtained from forests contribute significantly to the rural economy.
- The initiative focuses on valuing forest ecosystem services and incorporating them into the formal economic schemes of the state. It aims to establish a balance between economic development and ecological sustainability.

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- The idea of Green GDP is an innovative approach to better utilize the natural resources of Chhattisgarh and ensure their sustainability.

Bhuvnesh Kumar becomes CEO of UIDAI

- Recently on 1 January 2025, Bhuvnesh Kumar took over as the CEO of the Unique Identification Authority of India (UIDAI). He is also serving as Additional Secretary in the Ministry of Electronics and Information Technology.
- UIDAI, which operates Aadhaar, is an important institution of India. So far 1.41 billion citizens have been registered in Aadhaar. Over 1.07 billion updates and corrections have been made.
- Aadhaar has been used in over 127 billion routine authentications and over 21.8 billion e-KYC processes.
- Mr Kumar replaced Amit Agarwal, who is now the Secretary, Department of Pharmaceuticals. The use of Aadhaar has brought transparency and efficiency in government schemes.
- With the appointment of Mr Kumar, further improvement in managerial and technical functions related to Aadhaar is expected.

Romania and Bulgaria join Schengen Area

- On 1 January 2025, Romania and Bulgaria gained full membership in the EU's Schengen Area. With this, land border controls have been removed in these countries. This move will enable free movement for over 425 million European citizens.
- The Schengen Area is the world's largest free movement area. It now includes 25 of the 27 EU member states, except Cyprus and Ireland. Romania and Bulgaria partially joined the region in March 2024, but then the facility was limited to air and sea travel only. Now it is also available for land route.
- This initiative will not only strengthen the economic and social relations of these countries but will also strengthen the internal unity of the European Union.



India's first coastal-aquatic bird census

- India's first coastal-aquatic bird census was conducted from 3 to 5 January 2025 in Jamnagar, Gujarat. The event was jointly organized by the Forest Department and the Gujarat Bird Conservation Society (BCSG).
- The Marine National Park and Sanctuary located in Jamnagar has more than 300 species of local and migratory birds, including more than 50 aquatic birds.
- The census organised expert talks, bird count activities and knowledge-sharing sessions. This initiative is an important step towards marine biodiversity and conservation. Located in the Gulf of Kutch, this protected area is India's first marine national park, which also plays an important role in the conservation of the mangrove ecosystem.

Botanist K.S. Manilal passes away

- Renowned botanist K.S. Manilal passed away on January 1, 2025 at the age of 86. He was famous for translating the Latin treatise "Hortus Malabaricus" into English and Malayalam.
- Hortus Malabaricus documents the flora of the Malabar region. It is an important resource for students and researchers of botany.
- Manilal, former head of the botany department of Calicut University, published over 200 research papers and several books. He was awarded the Padma Shri in 2020. His contributions will continue to be an inspiration for excellence in botany.



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