Q14

Elucidate the importance of buffer stocks for stabilizing agricultural prices in India. What are the challenges associated with the storage of buffer stock? Discuss.

UPSC Civil Services Mains 2024 · GS III · 15 marks · Farm Subsidies and PDS

Issues related to direct and indirect farm subsidies and minimum support prices; Public Distribution System - objectives, functioning, limitations, revamping; issues of buffer stocks and food security; Technology missions; economics of animal-rearing.

Facts & figures for this PYQ only.

Numbers move. Confirm the latest Budget, Economic Survey or census round. This sheet is for revision, not a substitute for the model answer.

https://wrapexams.com/upsc/mains-answers/gs-3/2024/elucidate-the-importance-of-buffer-stocks-for-stabilizing-agricultural-prices-in-india-what-are-the-challenges-associated-with-the-storage-of-buffer-stock-discuss/

FCI

Food Corporation of India, the main Central agency for procurement, storage and movement of rice and wheat.

MSP

Minimum support price, the procurement floor that fills the cereal buffer in surplus belts.

National Food Security Act (NFSA)

National Food Security Act, 2013, the statutory PDS off-take that regularly draws down the buffer.

OMSS

Open Market Sale Scheme, used to sell public grain into the market when retail prices rise.

CAP storage

Cover and Plinth: grain stacked under tarpaulin, cheaper than silos and more exposed to weather and pests.

Price Stabilisation Fund

A Union instrument for market intervention in pulses, onion and similar items that cereal FCI stocks do not cover.