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Q69

Consider the following statements: 1. In the case of all cereals, pulses and oil-seeds, the procurement at Minimum Support Price (MSP) is unlimited in any State/UT of India. 2. In the case of cereals and pulses, the MSP is fixed in any State/UT at a level to which the market price will never rise. Which of the statements given above is/are correct? (a) 1 only (b) 2 only (c) Both 1 and 2 (d) Neither 1 nor 2 Official key: D.

UPSC Civil Services Prelims 2020 · General Studies · 2 marks · Economy

Indian economy, budget, schemes - Prelims GS Paper I.

Explanation

(a)

1 only. MSP procurement is not unlimited for all cereals, pulses and oilseeds in every UT.

(b)

2 only. MSP is not a ceiling the market can never exceed.

(c)

Both. Both fail.

(d) Official key

Neither. **Open-ended procurement** is mainly paddy and wheat (plus some cotton/others in practice), not every pulse and oilseed everywhere. Market prices can and do rise above MSP.

Summary

Official key is (d) neither. MSP is a floor the government offers, not a cap, and not an unlimited buy of every cereal, pulse and oilseed in every State.

Related possible facts

These can be asked in a future Prelims paper.

Open-ended procurement

Mainly rice and wheat via FCI/State agencies.

PM-AASHA

The oilseed/pulse procurement patch - not a universal unlimited buy.

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