

**INDIAN ECONOMY****BANNING OF WHEAT EXPORT BY INDIA**

Recently, the Ministry of Commerce and Industry allows exporting wheat consignments registered with customs authority prior to ban order.

**About Present status of India's wheat exports**

- India is the world's second-biggest wheat producer.
- **India banned exports of wheat on May 13:** the Directorate General of Foreign Trade (DGFT) issued a notification banning exports of wheat with immediate effect to control price rise.
  - The restrictions would not apply in cases where prior commitments have been made by private traders through Letter of Credit as well as in situations where permission is granted by the government to other countries to meet their food security needs.
- **Recent order:** It has been decided that wherever wheat consignments have been handed over to Customs for examination and have been registered into their systems on or prior to 13 May, such consignments would be allowed to be exported.
- **Deendayal Port in Kutch district:** wheat is primarily transported to African countries, Bangladesh, South Korea and Yemen from here.
- **Export countries:** These ships will carry wheat to Brazil, Bangladesh, Oman and Indonesia.
  - The government also allowed a wheat shipment headed for Egypt.
  - Egypt has agreed to buy 5 lakh tonnes of wheat from India.
- **Export statistics:** In the current financial year 2022-2023, the government estimates about 45 lakh metric tonnes of wheat to have been contracted for exports.
- **Overall production:** Wheat production in India is expected to be lower than the earlier estimates.

**Why is demand for India's wheat expected to rise?**

- The disruption to global wheat supplies in turn has thrown open opportunities that India's grain exporters are eyeing, especially given the domestic surplus availability of the cereal.
- More countries are turning to India because of the competitive price, acceptable quality, availability of surplus wheat and geopolitical reasons.
- While the existing importers are buying more, new markets have emerged for Indian wheat. Exports this fiscal year are expected to be almost 10 million tonnes worth \$3 billion.

**Issues/ Reasons for this sudden decision by the Government**

- Wheat prices have been rising internationally on account of supply shortages due to the Russia-Ukraine war. The demand for Indian wheat has increased overseas.
- **Shipments stuck:** Over 4,000 wheat-laden trucks were stuck in a queue outside Kandla port and four ships, half loaded with wheat and no order to sail, were also stranded at the port.
- Due to a lower production and a higher demand from the private buyers, the government's procurement of wheat for the PDS is also expected to be much lower this year.
- The government had earlier restricted wheat exports to manage the overall food security situation in India.
  - Also, to support the needs of neighbouring and vulnerable countries that have been adversely affected by the sudden changes in the global market for wheat and became unable to access adequate wheat supplies.

**Significance for India**

- Higher exports would help India to bring down record inventories and provide Asian buyers with cheaper supplies amid a rally in global prices due to limited supplies from major exporters such as Russia and Canada.
- Opportunities for India: The opportunities included the export of food grain such as wheat and the possibility of manufactured goods being exported to destinations for which supplies had become unreliable.
- Surplus in production: India has reached out to more than 20 countries regarding exporting wheat, and is targeting a record 15 million tonnes of wheat for export this year.
  - India is expected to have a surplus this year, producing more than 111 million tonnes of the crop.
- There are already signs of increased purchases of wheat by private traders: given the lucrative export markets.
- Cost of Indian wheat is comparatively lower: While there has been a surge in global prices, India's wheat rates are relatively competitive.
- Export to other countries: In recent years, India has mainly exported wheat to countries including Bangladesh, which receives about half of India's shipments of the grain, the UAE and Sri Lanka.

**What is the future outlook?**

- The government is optimistic about the long-term export opportunities not only for wheat, but for all cereals including millets and superfoods.
- Trade sources say if Indian wheat prices remain competitive and geopolitical and weather conditions stay favourable, the scope is good for wheat exports.
- India has won the confidence of markets such as Sri Lanka and Bangladesh.
- It needs to establish itself in the new markets too and the government should facilitate it.

#### **About Wheat**

- It is the main cereal crop in India.
- Indian wheat is largely a soft/medium hard, medium protein, white bread wheat, somewhat similar to U.S. hard white wheat.
- Wheat grown in central and western India is typically hard, with high protein and high gluten content.
- It is Rabi Crop which is sown in October-December and harvested during April-June.
- Temperature: Between 23±3°C and for good tillering temperature should range between 16-20°C.
  - The best wheat is produced in areas favoured with cool, moist weather during the major portion of the growing period followed by dry, warm weather to enable the grain to ripen properly.
- **Rainfall:** 50 cm to 100 cm rainfall.
- **Soil Type:** Soils with a clay loam or loam texture, good structure and moderate water holding capacity are ideal for wheat cultivation.
- **Wheat growing states in India:** Uttar Pradesh, Punjab, Haryana, Madhya Pradesh, Rajasthan, Bihar and Gujarat.

#### **Bhalia Variety of Wheat**

- It is a variety of wheat that received GI certification in 2011.
- It has high protein content and is sweet in taste.
- The crop is grown mostly across the Bhal region of Gujarat which includes Ahmedabad, Anand, Kheda, Bhavanagar, Surendranagar, Bharuch districts.
- This variety is grown in rainfed conditions without irrigation.

### **IMPORTANT FACTS FOR PRELIM**

#### **1. Surat (Guided Missile Destroyer) & Udaygiri (Stealth Frigate)**

The Ministry of Defence launched two frontline warships of the Indian Navy – ‘Surat’ and ‘Udaygiri’ - at Mazagon Docks Limited (MDL).

#### **About**

- ‘Surat’ is the fourth Guided Missile Destroyer of P15B class, while ‘Udaygiri’ is the second Stealth Frigate of P17A class.
- Both warships have been designed in-house by the Directorate of Naval Design (DND) and built at MDL, Mumbai.
- The two warships will add might to the Indian Navy’s arsenal and represent to the world India’s strategic strength as well as the power of self-reliance.
- They are shining examples of India’s growing indigenous capability.
- The warships will be among the most technologically advanced missile carriers in the world that will cater to the present as well as future requirements.

#### **About Project 15B and P17A Frigates**

- The Project 15B class of ships are the next-generation stealth guided-missile destroyers of the Indian Navy, being built at the MDL, which are follow-on classes of the weapon intensive P15A (Kolkata Class) Destroyers.
- P17A Frigates are warships that are follow-on class of the P17 (Shivalik Class) Frigates with improved stealth features, advanced weapons & sensors and platform management systems.
  - Seven P17A Frigates are under various stages of construction at MDL and Garden Reach Shipbuilders & Engineers (GRSE).
- Indigenous construction of complex frontline platforms such as Destroyers and Frigates is in line with the Government’s vision on ‘Atma Nirbhar Bharat’.

#### **2. Fuel blending: new target, challenges ahead**

- The Union Cabinet advanced by five years its target for achieving 20% ethanol blending in petrol. The amended National Biofuel Policy-2018 has now set the new target for 2025-26 instead of 2030, apart from allowing more feedstock for production of biofuels and export of biofuels in specific cases.

#### **What is the biofuel policy?**

- Introduced in 2018, the National Biofuel Policy is aimed at reducing dependence on imports by encouraging fuel blending. With bioethanol, biodiesel and bioCNG in focus, its key parts include

Ethanol Blending Programme (EPB), production of second generation ethanol (derived from forest and agricultural residues), increasing capacity for production of fuel additives, R&D in feedstock, which is the starting material for ethanol production, and financial incentives for achieving these goals.

- After setting a 20% blending target for 2030 initially, the central government had announced premium rates for ethanol produced from sugar syrup, cane juice as well as B heavy molasses.
- Molasses is the sticky liquid formed during sugar production from cane juice, and depending on the percentage of sugar left, it is categorized as B heavy and C.
- Molasses is the feedstock used by sugar mills to produce ethanol.
- The policy also allows usage of excess rice or damaged foodgrains as feedstock for ethanol production.
- The National Biofuel Coordination Committee (NBCC), with the Union Minister for Petroleum and Natural Gas as its head, is the agency to coordinate this blending programme.

**What amendments have been made?**

- Recently, The 2018 policy was amended to introduce several changes.
- The most important amendment has been advancing the 20% blending date by five years from Ethanol Supply Year (ESY) 2030 to 2025-26.
- Introduction of more feedstock for production of biofuels; production of biofuels under the 'Make in India' programme in Special Economic Zones, Export Oriented Units; and permission to allow export of biofuels in specific cases are some other changes.
- Apart from addition of new members to the NBCC, the Committee has now been given the permission to change the policy which it earlier lacked.

**What does advancing the blending target mean?**

- Given the skyrocketing fuel prices, the blending programme has a dual purpose – to reduce the crude oil import bill and to allow consumers access to environment friendly fuel. For this, Oil Marketing Companies (OMCs) have already been mandated to buy ethanol from sugar mills and clear payments within 21 days.
- The decision would help sugar mills diversify their portfolios faster from just sugar production and become self-reliant in paying cane-growers.
- "This move has the potential to change the face of the sugar industry and make it self-reliant."

**Is the new target achievable?**

- In order to achieve 20% blending, India would require a consistent supply of 1,500 crores litres of ethanol annually.
- Niti Aayog has talked about managing 760 crore liters from sugar and 740 crore litres from grains to meet this ethanol requirement.
- Once 20 per cent blending is achieved, 60 lakh tonnes of sugar would have to be diverted annually to produce the fuel additive.

**What is the current blending status?**

- As on May 2022, the all India average blending as per the Ministry of Petroleum and Natural Gas stands at 9.90%. Letters of Intent for supply of 468.56 crore litres of ethanol were issued at the start of this Ethanol Supply Year (December 2021 to November 2022), out of which 415.88 crore litres has been contracted and 186.21 crore litres supplied so far.
- Ethanol derived from sugarcane juice/sugar syrup and from C heavy molasses forms the bulk of this supply, with that from surplus rice and damaged foodgrains being a distant second. Around 16 lakh tonnes of sugar was subsumed to produce this ethanol.
- At present, the installed capacity that sugar mills have for ethanol production is 460 crore litres. It is expected that another 260 crore litres would be added to this once the 46 new distilleries become operational.
- These have already been approved under a new financial scheme where Centre provides 6% interest subvention for new projects.

**What are the roadblocks ahead?**

- While several in the sugar industry appear to be upbeat about the early deadline, many cooperative sugar mills have complained about a fund crunch. Banks, they claim, are reluctant to finance sugar mills given their weak balance-sheets.
- As a way out, mills have asked for tripartite agreements between OMCs, banks and cane suppliers to clear payments within 21 days.

**DAILY ANSWER WRITING PRACTICE**

**Q1. Section 124-A of the Indian Penal Code (IPC) has been weaponised as a handy tool against political rivals, to suppress dissent and free speech. Critically examine its need in a modern-day democratic India. (250 words)**

**Introduction**

According to the Section 124A of IPC, Sedition is an act that brings or attempts to bring into hatred or contempt, or excites or attempts to excite disaffection towards the Government established by law in India by words, either spoken or written, or by signs, or by visible representation, or otherwise. Colonial administrators used sedition to lock up people who criticised the British policies.

Claiming that it is “fully cognizant of the various views” being expressed on sedition law, the Centre Monday told the Supreme Court that it “has decided to re-examine and re-consider the provisions of Section 124A.

**Body**

**Background**

- The section 124A of Indian Penal Code is a pre- independence provision, which covers sedition charges against government.
- Various verdicts by Indian Judiciary have led to re-interpretation and re-examination of ‘sedition’ in light of Article 19 of the Constitution.
- There has been an effort to strike a balance between right to free speech and expression and power of State to impose reasonable restrictions (Article 19(2)).
- In 1962, the Supreme Court in Kedar Nath Singh vs. State of Bihar upheld Section 124A and held that it struck a “correct balance” between fundamental rights and the need for public order.
- The court had significantly reduced the scope of Sedition law to only those cases where there is incitement to imminent violence towards overthrow of the state.
- Further, the Court held that it is not mere against government of the day but the institutions as symbol of state.

**Should sedition be scrapped?**

- Against democratic norms: It stifles the democratic and fundamental right of people to criticize the government.
- Inadequate capacity of State Machinery: The police might not have the “ requisite” training to understand the consequences of imposing such a “stringent” provision.
- Possibility of Misuse: It has been used arbitrarily to curb dissent. In many cases the main targets have been writers, journalists, activists who question government policy and projects, and political dissenters.
- The draconian nature of this law as the crime is non-bailable, non-cognisable and punishment can extend for life—it has a strong deterrent effect on dissent even if it is not used.
- Used to gag press: The press should be protected so that it could bare the secrets of government and inform the people. Only a free and unrestrained press can effectively expose deception in government.

**Arguments in favour of Section 124A**

- Not really a draconian law: Now after the Supreme Court directions, its jurisdiction has been narrowed down. It can be applied only on grounds laid down by the court.
- Application is a part of reasonable restrictions: It is provided under the Article 19 (2).
- Does not really curb free speech: One can use any kind of strong language in criticism of the government without inviting sedition. However, such dissent should not be turned into some kind of persuasion to break the country.
- Threats to unity and integrity of nation due to presence of anti- national elements and divisive Forces such as naxals, separatists who are receiving support from inside and outside the country.
- Mere misuse cannot be a ground of repeal, rather provisions should be made where such misuse is eliminated.

**Conclusion**

The guidelines of the SC must be incorporated in Section 124A as well by amendment to IPC so that any ambiguity must be removed. Only those actions/words that directly result in the use of violence or incitement to violence should be termed seditious. The state police must be sufficiently guided as to where the section must be imposed and where it must not. Need to include provisions where the government can be penalized, if it misuses the section. This will ensure that section 124 A of IPC strikes a balance between security and smooth functioning of state with the fundamental right of freedom of speech and expression.

**DAILY QUIZ**

Q1. Which among the following statement(s) is/are true with respect to the Indian economy?

1. Demonetisation is the act of stripping money of its legal tender status.
2. An increase in the Cash Reserve Ratio by the Reserve Bank of India increases the money multiplication in the market
3. Haircut reflects the borrower’s perception of the risk of falls in the value of assets.

Select the correct option using the code given below:

- (a) 1 and 3 only      (b) 2 and 3 only      (c) 1 and 2 only      **(d) only 1**

Q2. Consider the following statements:

1. 'Surat' is the fourth Guided Missile Destroyer of P15B class, while 'Udaygiri' is the second Stealth Frigate of P17A class.

2. Both warships have been designed by the Dassault Aviation of France.

Which of the statements given above is/are correct?

- (a) Neither 1 nor 2      (b) 2 only      (c) 1 and 2 only      **(d) only 1**

Q3. With reference to Bhalia Variety of Wheat, consider the following statements

1. It is a variety of wheat that received GI certification from Punjab.

2. This variety is grown in rainfed conditions without irrigation.

3. It has high protein content and is sweet in taste.

Which of the given above statements is/are correct?

- (a) 1 and 3 only      **(b) 2 and 3 only**      (c) 1 and 2 only      (d) 1, 2 and 3

Q4. In context of monkeypox disease, consider the following statements:

1. It is a viral zoonotic disease that occurs primarily in tropical rainforests.

2. All the symptoms of the disease are similar to those of smallpox.

Which of the statements given above is/are correct?

- (a) Neither 1 nor 2      (b) 2 only      (c) 1 and 2 Both      **(d) only 1**

Q5. With reference to the fostering effective energy transition report, consider the following:

1. It is released by the International atomic energy agency (IAEA)

2. The report builds on the trends from the Energy Transition Index (ETI)

Which of the statements given above is/are correct?

- (a) Neither 1 nor 2      **(b) 2 only**      (c) 1 and 2 Both      (d) only 1

Q6. Examine the following statement with reference to National Commission For backward classes and choose the incorrect statement

1. Immediately after the supreme court judgement under Mandal Case 1992 National Commission for Backward classes given the constitutional status.

2. The members of National Commission for Backward classes appointed by President

Select the correct statement/s using the codes given below

- a) 1 only**      b) 2 only      c) Both 1 and 2 only      d) Neither 1 nor 2

Q7. Consider the following statement/s

1. Constitutionally both Parliament and state legislatures have simultaneous power to legislate on GST.

2. GST Council is a constitutional body

Choose the correct statement using the codes given below

- a) 1 only      b) 2 only      **c) Both 1 and 2**      d) Neither 1 nor 2

Q8. Which of the following statement/s is/are not correct regarding National policy on Bio fuel

1. National Biofuel Policy is aimed at reducing dependence on imports by encouraging fuel blending

2. Recently Union Cabinet delayed the target of ethanol blending from 2025-26 to 2030 by five years its target for achieving 20% ethanol blending in petrol.

Select the correct answer using the codes given below

- a) 1 only      **b) 2 only**      c) Both 1 and 2      d) Neither 1 nor 2

Q9. Recently in the news, HadCRUT4 is related to ?

a) A group of Satellite systems used to track climate change and related aspects.

b) An Early Warning System that gives information related to sudden the rise of 'Suspended Particulate Matters' in the atmosphere.

c) The new technology of the filter system introduced for the industrial chimneys.

**d) Collection of combination of global land surface temperature data set.**

Q10. What is the significance of places called Thol, Bhindawas and Wadhwana, that were in the news recently ?

a) Saline Lakes

b) Glaciers

**c) Ramsar sites**

d) rivers in North East India