

1. Consider the following statements

1. Pradhan Mantri Kisan Sampada Yojana is a comprehensive package aiming to create modern infrastructure with efficient supply chain management from farm gate to retail outlet.
2. It is an umbrella scheme with its period coterminous with the cycle of 14th finance commission.

Which of the following statements are correct?

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

Answer: C

Pradhan Mantri Kisan Sampada Yojana

It is a comprehensive package aiming to create modern infrastructure with efficient supply chain management from farm gate to retail outlet.

It is an umbrella scheme with its period coterminous with the cycle of 14th finance commission.

Issue : PMKSY

2. Which of the following are component schemes under Pradhan Mantri Kisan Sampada Yojana ?

1. Mega Food Parks.
2. Integrated Cold Chain and Value Addition Infrastructure.
3. Infrastructure for Agro-Processing Clusters.
4. Creation of Backward and Forward Linkages.

5. Food Safety and Quality Assurance Infrastructure.

- (a) 1, 2, 3, 4 and 5
- (b) 1, 2 and 3 Only
- (c) 1, 3 and 4 only
- (d) 1, 2, 3 and 4 only

Answer: A

Seven component schemes under PMKSY:

- Mega Food Parks.
- Integrated Cold Chain and Value Addition Infrastructure.
- Infrastructure for Agro-Processing Clusters.
- Creation of Backward and Forward Linkages.
- Creation/Expansion of Food Processing & Preservation Capacities.
- Food Safety and Quality Assurance Infrastructure.
- Human Resources and Institutions.

Issue : Components of PMKSY

3. Agricultural and Processed Food Products Export Development Authority (APEDA) functions under which of the following ministry ?

- (a) Ministry of agriculture and farmers welfare
- (b) Ministry of Commerce and Industry
- (c) Ministry of environment forest and climate change
- (d) None of the above

Subject: Economics
Topic: Agriculture

Answer: B

The Agricultural and Processed Food Products Export Development Authority (APEDA) was established by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act, 1985. It functions under the Ministry of Commerce and Industry.

Issue : APEDA

4. Consider the following statements

1. The downstream stage of the production process involves searching for and extracting raw materials.
2. The upstream stage in the production process involves processing the materials into a finished product.

Which of the following statements are correct?

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

Answer: D

Upstream stage: The upstream stage of the production process involves searching for and extracting raw materials. The upstream part of the production process does not do anything with the material itself, such as processing the material. This part of the process simply finds and extracts the raw material. Thus, any industry that relies on the extraction of raw materials commonly

has an upstream stage in its production process.

Downstream stage: The downstream stage in the production process involves processing the materials collected during the upstream stage into a finished product. The downstream stage further includes the actual sale of that product to other businesses, governments or private individuals. The downstream process has direct contact with customers through the finished product.

Issue : Upstream and Downstream

5. Which of the following statements are correct?

1. Agreement on Agriculture is a treaty of United Nations .
2. The agreement focuses on elimination of the so-called 'trade distorting' agricultural subsidies.

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

Answer: B

Agreement on Agriculture

- It is a treaty of the World Trade Organization.
- It was negotiated during the Uruguay Round of the General Agreement on Tariffs and Trade, and entered into force with the establishment of the WTO on January 1, 1995.
- The agreement focuses on elimination of the so-called 'trade distorting' agricultural subsidies.

Subject: Economics
Topic: Agriculture

Issue : Agreement on Agriculture

6. All domestic support measures considered to distort production and trade (with some exceptions) fall in

- (a) Green box
- (b) Amber box
- (c) Blue box
- (d) None of the above

Answer: B

All domestic support measures considered to distort production and trade (with some exceptions) fall into the amber box as all domestic supports except those in the blue and green boxes.

These include measures to support prices, or subsidies directly related to production quantities.

Issue : Amber box

7. Which of the following statements are incorrect?

1. Green box include environmental protection and regional development programmes.
2. Amber box include measures to support prices, or subsidies directly related to production quantities.

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

Answer: D

Green Box: subsidies that do not distort trade, or at most cause minimal distortion.

They are government-funded and must not involve price support.

They also include environmental protection and regional development programmes.

“Green box” subsidies are therefore allowed without limits, provided they comply with the policy-specific criteria.

Amber Box: All domestic support measures considered to distort production and trade (with some exceptions) fall into the amber box as all domestic supports except those in the blue and green boxes.

These include measures to support prices, or subsidies directly related to production quantities.

Issue : Different types of Subsidies

8. Peace clause which allowed food security programmes was introduced in

- (a) Uruguay
- (b) Bali
- (c) Nairobi
- (d) None of the above

Answer: B

Developed countries criticised the developing and LDC's food security programmes (public stock holding programmes) as a trade distorting subsidy. Since the negotiation went on among countries a temporary peace clause was introduced in Bali Package 2013.

Subject: Economics
Topic: Agriculture

The 'peace clause' said that no country would be legally barred from food security programmes even if the subsidy breached the limits specified in the WTO agreement on agriculture.

This 'peace clause' was expected to be in force for four years until 2017, by the time a permanent solution to the problem was found.

Issue : Bali peace clause

9. Which of the following statements are correct regarding Agreement on Agriculture?

1. The developed countries have to limit their domestic support within 15% and developing countries to limit within 20% of total agriculture production.
2. The de minimis level or domestic support subsidies of total agriculture production to be calculated from base year 1986 –1988.

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

Answer:

The developed countries have to limit their domestic support (covered under amber box subsidies) within 5% and developing countries to limit within 10% of total agriculture production. The de minimis level or domestic support subsidies of total agriculture production to be calculated from base year 1986 –1988.

Issue : Agreement on Agriculture

10. The Agreement on Agriculture deals with which of the following?

1. Market access
2. Domestic support
3. Export subsidies
4. Dispute settlement

- (a) 1, 2, 3 and 4
(b) 2 and 3 Only
(c) 1, 2 and 3 Only
(d) 1 and 4 Only

Answer: C

The Agreement on Agriculture has three major pillars. They are:

1. Market access
2. Domestic support (subsidies)
3. Export subsidies/competition

Issue : Agreement on Agriculture