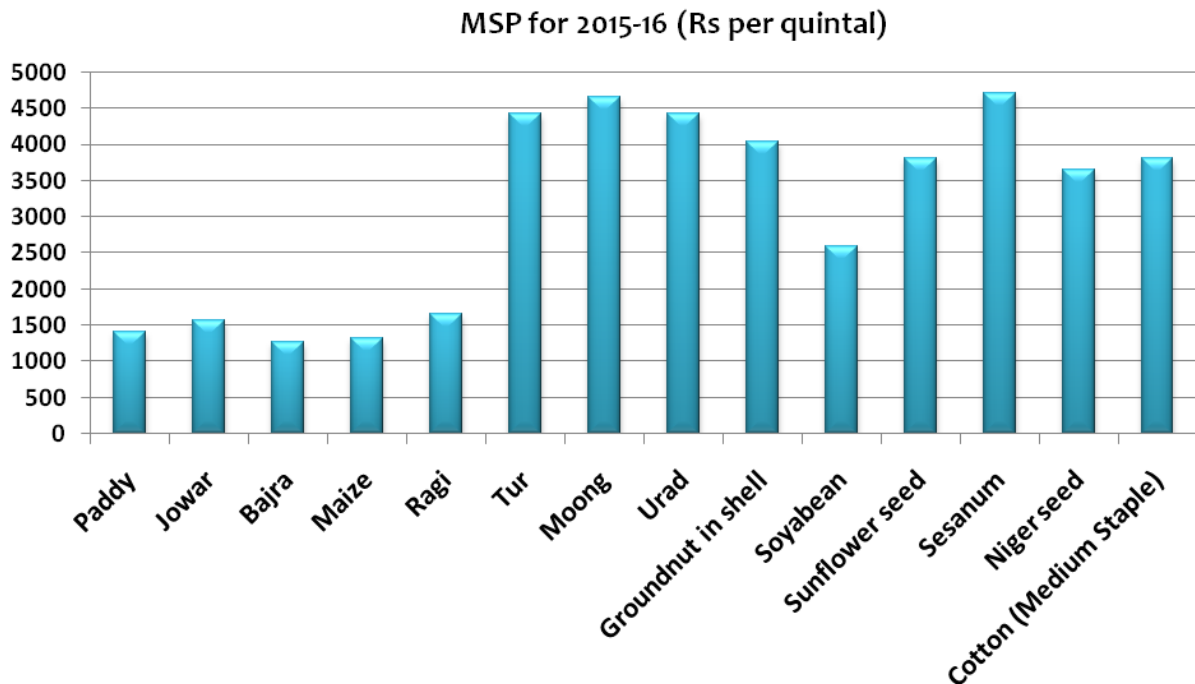


Sector Notes: Agriculture

Current scenario: Higher MSP to incentivizes Pulse production in India



The Cabinet Committee on Economic Affairs (CCEA), headed by Prime Minister Mr. Narendra Modi has sharply increased the minimum support price (MSP) for pulses by up to Rs 275 per quintal for this year to boost domestic output and check price rise, while making a modest increase of Rs 50 in paddy MSP to Rs 1,410 per quintal. MSP is the rate at which government buys the grain from farmers. This increase in pulses MSP is expected to give a strong price signal to farmers to increase acreage and invest for increase in productivity of pulses. India imports about 4 million tonnes of pulses, largely through private trade channel, to meet domestic shortfall in supply. With retail prices of pulses breaching Rs 100 per kg mark in most parts of the country because of short supply, an increase in MSP of lentils may encourage farmers to sow pulses. MSP is also a critical tool for achieving food security and will help to tackle shortages of key food items.

Future trends: Over the next few years as structural changes continue within the Indian economy, the share of agriculture is expected to go down. However, the government should focus on some crucial areas like rural infrastructure, better access to credit, and enabling value addition by farmers that will spur the agricultural economy to better growth rates than are being presently witnessed.

Policy news: The government has initiated various programmes like Mahatma Gandhi National Rural Employment Guarantee, Aajeevika-National Rural Livelihoods Mission and National Urban Livelihoods Mission that will help in boosting per capita monthly income

in the agricultural sector and has also approved a scheme aimed at providing better pricing to farmers, for improving the supply chain and reducing wastages.

Education

Current scenario: Female literacy should be actively promoted throughout India

	Literacy Rate (7 + Age group) 2011 (%)	Adult Literacy Rates(15+ Age Group) (%)
Total	73.0	69.3
Male	80.9	78.8
Female	64.6	59.3

India needs to promote female literacy which stood at 64.6 % in 2011 for the 7 + Age group and 59.3 % for the 15+ Age Group in the concerned period. Enrolment in Higher Education through Regular & Distance Mode in (2012-13) were 26096292 (88%) & 3532730 (12%) respectively, implying that coverage of distance mode education is still low. It needs to cover considerable ground towards promoting universal access to education. As a destination for higher education, India primarily attracted foreign students from Nepal, Bhutan, Afghanistan, Iran, Malaysia, Iraq, Sudan, Rwanda, Sri Lanka, and United States. However, public expenditure on education by the way of loans and advances was a modest 57 % in 2010-11.

Future trends: Foreign investment in higher education is the call of the day and is especially needed for development of universities, skill training centers and high-end research institutions, albeit under the PPP model. This would increase employability amongst the population and would lead to job creation. With 356 million 10-24 year-olds, India has the world's largest youth population despite having a smaller population than China.

Policy news:

- Union Human Resource Development Minister for India says that a new Education Policy will be ready by the 2015 year end.
- The Directorate of Education has posted the draft of proposed amendments to the Delhi School Education Act and Rules (DSEAR) 1973. The draft amendment bill covers fee hikes in private unaided schools — it proposes to set up a committee that will hear complaints — and nursery admissions criteria.