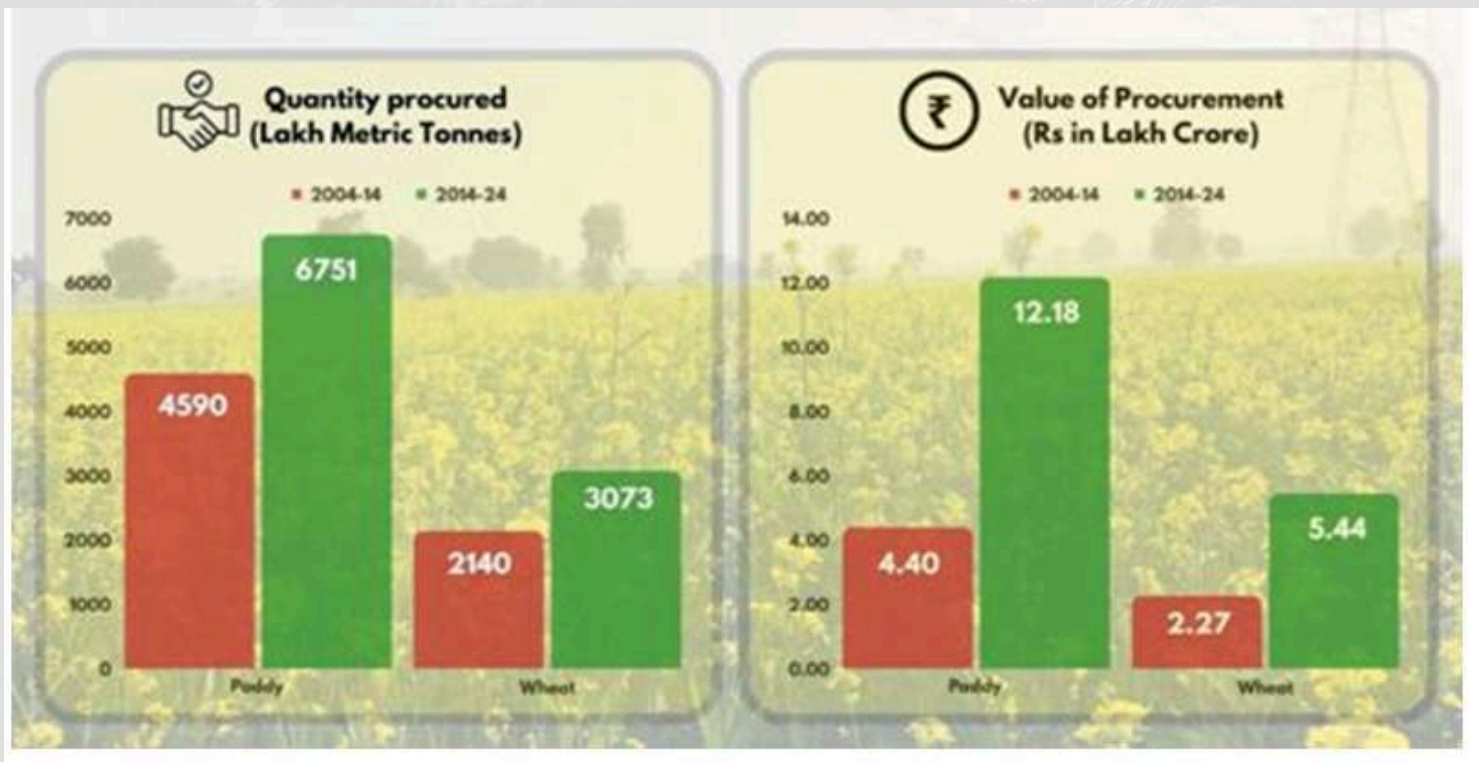


1 Minimum Support Price (MSP) (Source: The Hindu)

Minimum Support Price (MSP) is a mechanism through which the government supports farmers by purchasing their crops at a pre-determined price. This assured price encourages farmers to invest in quality seeds and technology without fear of distress sales.



What do you need to know?

- The government announces MSPs for 22 mandated crops.
- **It is announced based on the recommendations of the Commission for Agricultural Costs & Prices (CACP).**
- Cereals and coarse cereals are procured by the Food Corporation of India (FCI) and designated State Agencies.



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22 Mandated Crops

14 Kharif Crops

Paddy	Urad
Jowar	Groundnut
Bajra	Soyabean
Maize	Sunflower Seed
Ragi	Sesamum
Tur (Arhar)	Nigerseed
Moong	Cotton

6 Rabi Crops

Wheat	Masur (lentil)
Barley	Safflower
Gram	Rapeseed & Mustard

2 Commercial Crops

Jute	Copra
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Source: Ministry of Agriculture and Farmers Welfare

2 Coal Gasification (Source: The Hindu)

Coal gasification is a process that transforms Coal into a Synthetic gas (Syngas), consisting of mixture of gasses such as Carbon monoxide (CO), Hydrogen (H₂), Carbon dioxide (CO₂), Methane (CH₄) and Water vapor (H₂O).

- Syngas can be used to produce a wide range of Fertilizers, Fuels, solvents and synthetic materials.

Process

- **Preparation:** Coal is crushed into a fine powder to increase its surface area and enhance chemical reactions during processing.
- **Gasification Reactor:** The crushed coal is introduced into a high-temperature and high-pressure reactor along with limited oxygen or air and steam.
- **Chemical Reactions:** In the absence of sufficient oxygen for complete combustion, the coal undergoes a series of complex chemical reactions.
- **Gas Cleaning:** The raw syngas produced from the reactor contains impurities like tar, sulfur, and dust. These impurities need to be removed through a gas cleaning process before the syngas can be used further.



Advantages

- Gasification boosts efficiency to 50%+ in integrated gasification combined cycle (IGCC) plants versus 30–40% in traditional coal plants, via gas turbine plus steam recovery.
- It cuts local pollutants (sulfur, particulates) through pre-use cleaning and enables >90% CO₂ capture potential.
- Applications include power, hydrogen, liquids (CTL), and chemicals, reducing oil import reliance



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3 Current Account Deficit (CAD) (Source: The Hindu)

Current Account Deficit or CAD is the shortfall between the money flowing in on exports, and the money flowing out on imports

- It is part of the Balance of Payments (BoP).

Components of CAD

- **Trade Balance:** The difference between exports and imports of physical goods (e.g., oil, electronics, gold).
- **Invisibles:** Trade in services like IT, tourism, banking, and shipping.
- **Net Income:** Profit, dividends, and interest payments moving into or out of the country.
- **Net Transfers:** Unilateral transfers such as worker remittances (money sent home by citizens abroad), gifts, and foreign aid.

Causes of CAD

- **High Import Dependency:** Significant dependence on imported crude oil.
- **Gold Imports:** High demand for physical gold and silver.
- **Global Commodity Prices:** Rising commodity prices increase the cost of imports.
- **Weak Export Growth:** Slow growth in exports compared to imports.

Impact on the Economy

- Depreciation of domestic currency.
- Depletion of the Forex Reserve
- Causes inflation of goods.