PrepAlpine

The Next-Generation UPSC Institution

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GS Paper II: Current Affairs

1. Krishikul Model of Farm Income Augmentation (Beed, Maharashtra)

a. Introduction

Indian agriculture has long been marked by low and unstable farm incomes, fragmented landholdings, chronic water stress, and weak integration with markets. While policy discourse frequently invokes the goal of doubling farmers' income, credible, large-scale, and durable success stories on the ground have been limited.

Against this backdrop, the Krishikul initiative implemented in Beed district of Maharashtra by the Global Vikas Trust stands out as an exceptional case. What makes the model analytically significant is not merely the magnitude of income enhancement—exceeding a ten-fold increase per acre—but the *nature* of this transformation. The gains are not driven by short-term subsidies or relief measures; rather, they arise from a structural reorganisation of farming systems, integrating production, water security, finance, and markets.

b. Why Beed District Is a Critical Test Case

Beed district occupies a central place in the study of agrarian distress in India.

i. Structural Agrarian Vulnerabilities

- Located in the rain-shadow region of Maharashtra, Beed is chronically drought-prone.
- Agriculture has traditionally depended on low-value and high-risk crops such as soybean and cotton.
- Farmers have remained exposed to climatic uncertainty and price volatility, leading to unstable incomes.

ii. Acute Water Stress

- Excessive groundwater extraction pushed water tables to depths of nearly 400 feet in many areas.
- Irrigation became expensive, unreliable, and unsustainable.
- The outcome was widespread indebtedness, distress migration, and social vulnerability.

The fact that such a region could witness sustained and large-scale income enhancement makes the Krishikul experience analytically significant rather than anecdotal.

c. Core Philosophy of the Krishikul Approach

At the heart of the Krishikul model lies a clear insight:
Farm incomes cannot rise sustainably unless multiple constraints are addressed simultaneously.

i. Limits of Isolated Interventions

- Productivity gains alone are inadequate without water security.

- Crop diversification fails without institutional capacity and finance.
- Higher output does not translate into higher income without market access.

ii. Systems-Based Design

The initiative therefore adopted a holistic, systems-based approach, synchronising:

- Cropping pattern transformation
- Water resource regeneration
- Institutional and human capacity building
- Financial inclusion and risk mitigation

This integrated design explains the durability and scalability of outcomes achieved under the model.

d. Key Components of the Krishikul Model

i. Building Trust as the Foundation

- The intervention began with sustained engagement, not technology or finance.
- Field teams listened to farmers' concerns and acknowledged past policy failures.
- This trust-building helped overcome resistance to abandoning familiar crops.

Agricultural reform is as much a social and behavioural process as a technical one.

ii. Diversification towards High-Value Horticulture

- Farmers shifted from soybean and cotton to fruit-based horticulture.
- High-density plantation techniques were promoted, increasing output per acre.
- Fruit crops enabled earlier income realisation and higher value per unit of land.

In drought-prone regions with scarce land and water, such diversification represents a rational income-resilience strategy.

iii. Lowering Input Costs through Aggregation

- High entry costs were addressed through bulk procurement of quality saplings.
- Aggregation reduced sapling prices to nearly half of retail rates.
- CSR funding further subsidised costs for farmers.

This demonstrates the governance value of collective action and demand pooling, shielding farmers from exploitative input markets.

iv. Institutional Capacity through the Krishikul Campus

- A dedicated 25-acre Krishikul campus was developed using CSR resources.
- The campus functioned as a centre for training, experimentation, and demonstration.
- Farmers were trained in professional orchard management—pruning, nutrition, and pest control.

This ensured that productivity gains were sustained over time, rather than declining after initial adoption.

v. Addressing Water Scarcity through Groundwater Recharge

Water security, the most binding constraint, was addressed directly.

- Interventions included farm ponds, check dams, and vertical recharge structures (Global River Aquashafts).
- These structures enabled filtered surface water to percolate into aquifers, preventing siltation.
- Groundwater levels rose dramatically—from around 400 feet to nearly 50 feet in several areas.

This revival of aquifers ensured reliable irrigation, anchoring the sustainability of the horticulture-based model and offering a practical illustration of sustainable water resource management.

vi. Formal Credit Backed by Risk Mitigation

- Banks were directly engaged to provide institutional credit.
- A First Loss Default Guarantee corpus was created to reduce lenders' risk.
- This reassured banks and expanded access to formal finance for small farmers.

The model highlights how innovative risk-sharing mechanisms can unlock rural credit without undermining financial discipline.

e. Measured Outcomes and Scale

The outcomes were independently evaluated by the Tata Institute of Social Sciences (2024).

i. Income Impact

- Per-acre income increased from approximately ₹38,000 to nearly ₹4 lakh.
- This represents a more than ten-fold rise, sustained over time.

ii. Scale of Intervention

- Coverage of ~43,000 acres
- Beneficiaries: ~30,000 farm families
- Villages covered: ~5,000
- Plantation of over 6 crore fruit trees

These figures place Krishikul among the largest NGO-led agricultural transformation initiatives in India.

f. The Structural Constraint of Market Access

Despite strong production-side gains, a critical limitation remains.

- Farmers currently receive only 25–33% of the final consumer price.
- Intermediaries capture most of the value.
- Absence of cold storage, grading, processing, and direct market access constrains income potential.

Without addressing this bottleneck, income growth risks plateauing despite higher output.

g. Way Forward: Integrating Farmers into the Value Chain

The next phase must shift from production to value-chain control.

i. Key Priorities

- Strengthening Farmer Producer Organisations (FPOs)
- Investment in cold chains, storage, and processing infrastructure
- Enabling branding and direct market access

ii. Role of the State and Partnerships

Scaling such models requires:

- Coordinated Centre–State support
- NGO and private sector partnerships
- Public investment and enabling policy frameworks

Only such coordination can convert local success into systemic transformation.

h. Comparative Perspective: Lessons from the White Revolution

The Krishikul experience parallels the Kheda milk experiment, which later scaled into the White Revolution.

- Initial pilot success
- Subsequent institutionalisation through NDDB and Operation Flood
- Strong state support and financing

Proven agricultural pilots require institutional backing and state involvement to achieve national impact.

Conclusion

The Krishikul model demonstrates that substantial and sustained farm income enhancement is achievable, even in ecologically fragile and drought-prone regions. Its strength lies in a holistic design that integrates cropping choices, water management, institutional capacity, finance, and markets.

For India to move beyond rhetorical commitments to farmer prosperity, such models must be scaled and institutionalised. True income transformation will occur only when farmers gain control not merely over production, but over the entire agricultural value chain.

In this sense, Krishikul is not just a success story—it is a template for future agricultural reform in India.

GS Paper III: Disaster Management

2. Economic Cost of Natural Disasters in India and the Role of Disaster Risk Financing

a. Introduction

Natural disasters in India can no longer be treated as isolated humanitarian emergencies. They have evolved into a permanent structural challenge to economic development. Climate change, rapid and unplanned urbanisation, environmental degradation, and rising population exposure have together increased both the frequency and intensity of disasters.

Empirical assessments indicate that India loses nearly 0.4 per cent of its Gross Domestic Product (GDP) every year due to natural disasters. Such recurring losses underline that disaster management is no longer limited to relief and rehabilitation. It has become a macroeconomic and fiscal issue, directly influencing growth prospects, public expenditure priorities, and long-term development planning.

b. Disaster Landscape in Emerging Asia

Emerging Asia—comprising India, China, and the ASEAN countries—is among the most disaster-prone regions globally.

i. Scale and Frequency

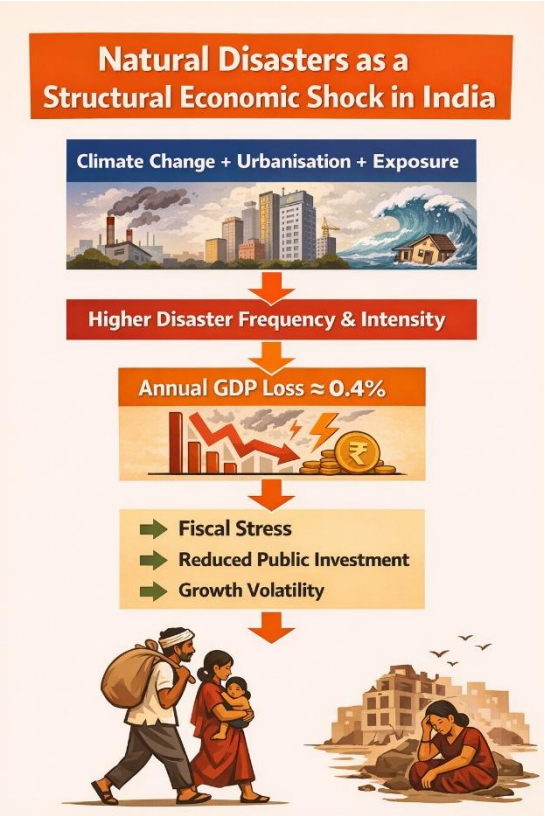
- The region has experienced close to 100 natural disasters annually over the past decade.
- Nearly 80 million people are affected every year, reflecting high exposure levels.
- Rapid infrastructure expansion into hazard-prone zones has amplified economic losses.

ii. Changing Nature of Risk

- Climate variability is increasing disaster intensity.
- Dense populations magnify the human and economic impact.
- Urban growth without adequate planning has raised vulnerability.

c. Types of Natural Disasters and Regional Variation

Natural disasters are broadly classified into hydrological, meteorological, climatological, and geophysical hazards, each with distinct spatial patterns.



i. India's Disaster Profile

- Hydrological hazards dominate—riverine floods, flash floods, and landslides.
- Meteorological risks, such as cyclones and heatwaves, have increased, especially in coastal and urban regions.
- Geophysical risks, mainly earthquakes, are concentrated in the Himalayan belt and the North-East.

ii. Comparative Regional Exposure

- The Philippines and Vietnam face higher cyclone exposure.
- China and Indonesia experience greater seismic and volcanic risks.

Disaster risk reduction strategies must be hazard-specific and region-specific, rather than uniform across countries or regions.

d. Rising Economic Losses from Disasters

The economic cost of disasters has risen sharply across Emerging Asia.

i. Long-Term Loss Trends

- Between 1980 and 2024, disaster-related losses amounted to hundreds of billions of dollars in the region.
- India's average annual loss from 1990 to 2024 remained close to 0.4 per cent of GDP.

ii. Developmental Implications

- Reduced fiscal space for productive investment.
- Diversion of public expenditure away from health, education, and infrastructure.
- Disproportionate impact on poor and vulnerable communities.

Thus, disasters function as a systemic drag on inclusive growth and poverty reduction, reinforcing existing inequalities.

e. India's Global Risk Position

The World Risk Index 2025 places India among the highest-risk countries globally, ranking second in Emerging Asia after the Philippines.

Components of Risk

- Exposure: Large population living in hazard-prone areas.
- Vulnerability:
  - Structural susceptibility (informal housing, fragile infrastructure)
  - Limited coping capacity
  - Constraints on long-term adaptive capacity

Despite improvements in response mechanisms, these structural factors ensure that even moderate hazards translate into large-scale economic losses.

f. Why Disaster Risk Financing Has Become Essential

India's traditional disaster management approach has relied heavily on post-disaster relief and reconstruction funding.

Limitations of Relief-Centric Models

- Delays in fund mobilisation.
- Ad hoc budget reallocations.
- Increased fiscal stress after major disasters.

Over time, disasters have come to be recognised as sudden fiscal shocks, disrupting development planning and public finances. This has elevated the importance of disaster risk financing.

g. Concept of Disaster Risk Financing

Disaster Risk Financing (DRF) refers to financial strategies that ensure the timely, predictable, and adequate availability of funds after disasters, while minimising economic disruption.

i. Core Features

- Emphasis on ex-ante financial preparedness rather than only ex-post relief.
- Faster recovery and reduced long-term development losses.
- Enhanced fiscal and economic resilience.

ii. Key Instruments

- Disaster response funds and fiscal reserves
- Insurance and reinsurance mechanisms
- Risk pooling arrangements
- Catastrophe bonds
- Contingent credit lines

h. Strengthening India's Disaster Risk Finance Framework

A robust disaster risk financing architecture must address both financial preparedness and risk reduction.

i. Data-Driven Risk Assessment

- Reliable disaster loss databases.
- Hazard-specific and region-specific risk mapping.
- Informed fiscal planning and prioritisation.

ii. Shift towards Proactive Financing

- Greater use of insurance and risk transfer mechanisms.
- Reduced dependence on emergency budget reallocations.
- Improved fiscal stability during shocks.

iii. Integration with Development Planning

- Climate-resilient infrastructure development.
- Risk-sensitive urban planning.
- Investment in early warning systems and community preparedness.

iv. Multi-Level Governance

- Coordination between the Centre and States.
- Partnerships with the private sector.
- Engagement with domestic and international financial institutions.

Conclusion

The persistent loss of nearly 0.4 per cent of GDP every year due to natural disasters demonstrates that disasters are not peripheral events but a central determinant of India's economic trajectory. As climate risks intensify, disaster management must move beyond a relief-oriented framework to one centred on risk reduction and financial resilience.

Strengthening disaster risk financing can safeguard development gains, reduce fiscal volatility, and support a more resilient growth path. While natural hazards may be unavoidable, their economic impact can be substantially mitigated through foresight, planning, and sound financial preparedness.

Reader's Note — About This Current Affairs Compilation

Dear Aspirant,

This document is part of the PrepAlpine Current Affairs Series — designed to bring clarity, structure, and precision to your daily UPSC learning.

While every effort has been made to balance depth with brevity, please keep the following in mind:

1. Orientation & Purpose

This compilation is curated primarily from the UPSC Mains perspective — with emphasis on conceptual clarity, analytical depth, and interlinkages across GS papers.

However, the PrepAlpine team is simultaneously developing a dedicated Prelims-focused Current Affairs Series, designed for:

- factual coverage
- data recall
- Prelims-style MCQs
- objective pattern analysis

This Prelims Edition will be released separately as a standalone publication.

2. Content Length

Some sections may feel shorter or longer depending on topic relevance and news density.
To fit your personal preference, you may freely resize or summarize sections using any LLM tool (ChatGPT, Gemini, Claude, etc.) at your convenience.

3. Format Flexibility

The formatting combines:

- paragraphs
- lists
- tables
- visual cues

—all optimised for retention.

If you prefer a specific style (lists → paras, paras → tables, etc.), feel free to convert using any free LLM.

4. Monthly Current Affairs Release

The complete Monthly Current Affairs Module will be released soon, optimized to a compact 100–150 pages — comprehensive yet concise, exam-ready, and revision-efficient.

5. Join the PrepAlpine Discord Community

Be part of India's Smartest UPSC Peer Ecosystem → https://discord.gg/hqTQDSHb

What You'll Experience

- **Peer-to-Peer Discussions**
  Subject-wise channels for GS papers, Ethics, Economics, Polity, Geography, Environment, and Optional subjects.

- **Focused Study Circles**
  Deep-dive groups for Optionals (PSIR, Sociology, Geography, Anthropology, etc.) and critical GS themes.

- **Insight Threads**
  Collaborative micro-notes, doubt resolutions, PYQ-linked discussions, and peer-reviewed clarity.

- **Community Sessions**
  Weekly "Open Mic" sharing sessions where learners discuss strategies, mistakes, breakthroughs, and lessons from their UPSC journey.

- **An Evolving Learning Culture**
  A serious, supportive, and intelligent peer environment — no noise, no clutter. Learning grows here through interaction, reflection, and structured peer collaboration.

"From Isolation to Interaction — Learn the UPSC Way, the Smart Way."

6. Suggest Topics for Coverage

If you feel any important theme is missing or under-covered, simply post it in the "Suggestions" channel on our Discord server.

Our content team regularly reviews inputs and includes relevant suggestions in upcoming Monthly Current Affairs Modules.

Beyond daily updates, the PrepAlpine Discord functions as a complete UPSC learning ecosystem — offering free peer mentorship, structured discussions, practice threads, AI-powered micro-learning tools, and a community of serious aspirants working together.

Together, these resources embody the PrepAlpine vision:

Better Content. Smarter Mentorship. Intelligent Preparation.