



KAMARAJ IAS ACADEMY
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Open Market Sale Scheme

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Why is in news? Centre sells 1.66 LMT wheat and 0.17 LMT rice through Open Market Sale Scheme (D) in e-auction held recently

Under OMSS, the Food Corporation of India (FCI) sells surplus stocks of wheat and rice **at pre-determined prices through e-auction** in the open market.

Objective: To enhance the supply of food grains, especially wheat, during the lean season and thereby moderate the open market prices, specially in the deficit regions.

The **FCI conducts a weekly auction to conduct this scheme in the open market** using the platform of commodity exchange **NCDEX** (National Commodity and Derivatives Exchange Limited).

The State Governments/ Union Territory Administrations are also allowed to participate in the e-auction, if they require wheat and rice outside the Targeted Public Distribution Scheme (TPDS) and Other Welfare Schemes (OWS).

The **reserve price is fixed by the government**. In the tenders floated by the FCI, the bidders cannot quote less than the reserve price.

The present form of OMSS comprises 3 schemes as under:

Sale of wheat to bulk consumers/private traders through e-auction.

Sale of wheat to bulk consumers/private traders through e-auction by dedicated movement.

Sale of Raw Rice Grade 'A' to bulk consumers/private traders through e-auction.

FCI:

It is a **statutory body** set up under the **Food Corporation Act 1964**, in order to fulfil the following objectives of the Food Policy:

Effective price support operations for safeguarding the interests of the farmers.

Distribution of food grains throughout the country for a PDS.

Maintaining a satisfactory level of operational and buffer stocks of foodgrains to ensure National Food Security.

It comes under the **Ministry of Consumer Affairs, Food and Public Distribution**, Government of India.

Since its inception, FCI has contributed significantly to India's success in transforming its food security system from one that was focused on crisis management to one that is stable.

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