



Open Market Sale Scheme (Domestic) Policy

[Source: PIB](#)

Why in News?

The Ministry of Consumer Affairs, Food & Public Distribution announced key revisions to the [Open Market Sale Scheme \(Domestic\) \(OMSS\(D\)\) policy for 2024-25](#). These changes aim to improve [food security](#) and support [ethanol production](#) in India.

What is the Open Market Sale Scheme (Domestic) Policy?

- **About:** The OMSS involves the periodic **sale of surplus food grains (wheat and rice)** from the central pool managed by the [Food Corporation of India \(FCI\)](#).
 - The grains are sold to dealers, bulk consumers, and retail chains through e-auctions at prices set by the **Ministry of Consumer Affairs, Food & Public Distribution**.
 - The scheme helps **curb inflation and stabilize food grain prices** meeting the needs of the [Targeted Public Distribution System \(TPDS\)](#) and **Other Welfare Schemes**.
- **Eligible Buyers:** Wheat is sold to Processors, Atta Chalkis, and Flour Millers, while rice is sold to traders.
 - States can also procure food grains through the OMSS, beyond their [National Food Security Act \(NFSA\), 2013 allocation](#), without participating in auctions.
- **Auction Process:** Bidders can participate through **e-auctions**, with a minimum of 10 metric ton (MT) and a maximum of 100 MT for wheat and a minimum of 10 MT and maximum of 1000 MT for rice.
- **Revisions to the OMSS(D):** The Centre reduced the reserve price of **FCI rice under OMSS by Rs 550 to Rs 2,250** per quintal for **states and ethanol producers to boost sales, support ethanol production, and enhance food security**.

Food Corporation of India (FCI)

- **Establishment:** The FCI is a **statutory body** established under the **Food Corporation's Act, 1964**.
- **Key Roles:**
 - **National Food Security Act (NFSA):** FCI procures grains to fulfill **NFSA, 2013** requirements and distributes them at **Central Issue Prices to economically vulnerable sections**.
 - **Public Distribution System (PDS):** Delivers food grains to State Governments and agencies for distribution through [Fair Price Shops](#).
 - Promotes nutritional security through the [distribution of fortified rice](#).
 - **Market Interventions:** Stabilizes food prices and mitigates inflation through procurement and [OMSS \(Open Market Sale Scheme\)](#).
 - Provides a safety net for farmers by ensuring [Minimum Support Prices \(MSP\)](#).
- **Headquarters:** **Headquartered in New Delhi**, FCI operates through a nationwide network with Zonal, Regional, and District Offices.
- **Reforms By FCI:**
 - **Direct Benefit Transfer (DBT):** Implemented the **"One Nation, One MSP"** policy for transparent farmer payments.

- **Digital Procurement:** Computerized food grain procurement nationwide for faster and transparent operations.
- **Modernized Storage:** Transitioned from traditional storage to scientifically managed depots and silos.
- **Integrated Supply Chain Management:** Streamlined operations through the ANNA DARPAN portal.
- **AI-Based Grain Analysis:** Introduced [Automatic Grain Analyzers](#) for transparent procurement.
- **Digital Quality Labs:** Linked quality control labs with centralized dashboards for real-time data.
- **Storage and Transit Loss Reduction:** Reduced storage loss from **0.17% in 2013-14 to a net gain of 0.22% by 2023-24** and Cut transit losses from **0.46% to 0.16% over the same period.**
- **Decentralized Procurement (DCP):** Increased state participation in DCP for both rice and wheat.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q1. With reference to the provisions made under the National Food Security Act, 2013, consider the following statements: (2018)

1. The families coming under the category of 'below poverty line (BPL)' only are eligible to receive subsidised food grains.
2. The eldest woman in a household, of age 18 years or above, shall be the head of the household for the purpose of issuance of a ration card.
3. Pregnant women and lactating mothers are entitled to a 'take-home ration' of 1600 calories per day during pregnancy and for six months thereafter.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 3 only

Ans: (b)