



# 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)**