What is Open Market Sale Scheme (OMSS)?

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About Open Market Sale Scheme (OMSS):

- 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 can not 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**.

Key facts about Food Corporation of India (FCI):

- It is a **statutory body set up in 1965** (under the **Food Corporation Act, 1964**) against the **backdrop of major shortage of grains**, especially wheat, in the country.
- It comes under the ownership of the **Ministry of Consumer Affairs, Food and Public Distribution**, Government of India.
- **Headquarters: New Delhi**
- FCI was **mandated with three basic objectives:**
    - to **provide effective price support to farmers**;
    - to **procure and supply grains to PDS** for distributing subsidized staples to economically vulnerable sections of society;
    - **keep a strategic reserve** to stabilize markets for basic foodgrains;

Q1) What is Targeted Public Distribution System (TPDS)?

TPDS is operated under the joint responsibility of the Central and the State/Union Territory (UT) Governments. The Central Government is responsible for procurement, allocation and transportation of foodgrains. The operational responsibilities for allocation and distribution of foodgrains within the States/UTs, identification of eligible beneficiaries, issuance of ration cards to them and supervision over and monitoring of functioning of Fair Price Shops (FPSs) rest with the concerned State/UT Governments.

Source: Centre checks price rise by discontinuing sale of rice, wheat to States under OMSS
