Open Market Sales Scheme (Domestic)

FCI releases wheat and rice at predetermined prices in the open market from time to time to enhance the supply of wheat and rice especially during the lean season to moderate the open market prices. The expectation of Govt. is that the benefit of open sale in terms of assured supply at reasonable price to the RFMs & traders should be passed on to the consumers.

Presently FCI is undertaking sale of wheat and Raw Rice Grade ‘A’ to bulk consumers/private traders through e-auction.

SALIENT FEATURES OF THE SCHEME ARE:-

1) The State Governments/ Union Territory Administrations are also allowed to participate in the e-auction, if they require wheat and rice outside TPDS & OWS, without empanelment and submission of EMD. State Governments have to register for e-auction with service provider through FCI Regional Office and obtain the user id and password for participation in the bids. The States are allowed to participate as a single unit.

The Minimum and maximum quantity of wheat per buyer shall be 50 MT and 5000 MT respectively. The maximum quantity for State Govt. Agencies in one tender is 40,000 MT.

The minimum and maximum quantity of Raw Rice Grade-A that a bulk consumer/trader can bid in an e-auction conducted by a Region for a State/UT is 50 MT and 3500 MT respectively. The maximum quantity of rice that a State Govt. can bid in single e-auction is 25,000 MT.

The present form of OMSS(D) comprises of 3 schemes as under:

(i) Sale of wheat to bulk consumers/private traders through e-auction.
(ii) Sale of wheat to bulk consumers/private traders through e-auction by dedicated movement.
(iii) Sale of Raw Rice Grade ‘A’ to bulk consumers/private traders through e-auction.
2) **Prices: For fixing the reserve price, part of incidentals is loaded on to MSP of wheat and rice.**

(i) **Wheat:** The reserve price of wheat for Madhya Pradesh, Punjab and Haryana for first, second, third and fourth quarter of FY 2019-20 has been fixed as Rs. 2080/-, Rs. 2135/-, Rs. 2190/- and Rs. 2245/- per quintal, respectively. For other states, railway freight, ex-Ludhiana to the nearest railhead and road transportation cost from railhead to depot, where sale is undertaken, will be added to arrive at the reserve price. This reserve price includes loading and handling charges for all types of sales.

No sale will be done under OMSS in procuring States during procurement period of wheat in that State.

As per the OMSS (D) policy communicated by Ministry of CAF&PD, reserve price of wheat is subject to revision every quarter. Due to these provisions, there will be situations when the lifting of a tender finalized in one quarter takes place in subsequent quarter. In such case the differential amount @ Rs. 55/- per Quintal in the reserve price of the quarter of allotment and the quarter of lifting shall be defrayed by the tenderer(s) notwithstanding the lifting period restricted to unlifted quantities.

(ii) **Raw Rice Grade ‘A’:** Reserve Price of Grade ‘A’ rice will be taken as Rs. 2785/- per Quintal for auction upto 30th September, 2019. From 1st October 2019, it will be taken as Rs. 2785/- per Quintal or MSP derived price (MSP of Gr ‘A’ Paddy X (1.5)), whichever is higher.

Sale of rice will be undertaken throughout the year, but there would be no sale under OMSS(D) in procuring states during procurement of paddy in those States.

3) **Dedicated movement of wheat under OMSS (D):** The sale of wheat is also being undertaken through dedicated movement since 2014. For the year 2019-20, guidelines for sale through dedicated movement will be communicated separately.