

**GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION**

**LOK SABHA
UNSTARRED QUESTION NO.5501
TO BE ANSWERED ON 5TH APRIL, 2023**

CHANGES TO OPEN MARKET SALE SCHEME

**5501. SHRIMATI GODDETI MADHAVI:
SHRI ADALA PRABHAKARA REDDY:**

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the Government intends to make changes to the Open Market Sale Scheme that has been described by experts to be extremely ad-hoc and slow in its orientation;**
- (b) if so, the details thereof;**
- (c) if not, the reasons therefor; and**
- (d) the details of other such measures being taken to ensure the financial betterment of the FCI processes?**

**A N S W E R
MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND
CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SADHVI NIRANJAN JYOTI)**

(a) to (d): The excess stocks over and above the revised buffer and strategic reserve norms of foodgrains in central pool are offloaded through Open Market Sale Scheme (Domestic) [OMSS(D)].

OMSS(D) policy is formulated every year and reviewed time to time based on the surplus stock position in central pool, prevailing market prices. Reserve price for sale of wheat and rice is fixed taking into consideration Minimum Support Price, excess stocks above stocking buffer norms, prevalent market prices etc. It is successfully implemented since last 8 years.

OMSS(D) Policy intends to control the inflation by offloading the surplus foodgrains and to ensure that the wheat and rice are available to consumers at the affordable price as per policy of Government of India. Sale of wheat and rice in open market under OMSS(D) Policy is being conducted in a very transparent manner, wherein sale of foodgrains is conducted through online e-auction to the empanelled parties and Release Orders for the quantity sold are issued promptly to the successful bidders after deposition of cost by them.

Government of India has also allowed sale of surplus Rice stocks for the production of Ethanol under the Bio-fuel policy.

In addition to the above, following actions have been taken for the betterment of FCI processes:

- **Developed AI based grain analyzer eliminating human discretion in quality assessment of food grains. This will not only increase transparency of FCI functioning but also help to optimize manpower deployment and utilization.**
- **Digitization of workflow through e-Office in 198 FCI offices across the country up to divisional offices completed with 12000 plus users making FCI a less paper organization.**
- **Contracts for construction of 34.87 LMT SILO capacity under Hub and Spoke model awarded giving fillip to conversion into more efficient handling of grains in bulk.**
- **Open storage of food grains (CAP storage) eliminated**
- **Third party assessment of all warehouses carried out and Phase wise up gradation of FCI warehouses to highest standards in progress.**
- **Mechanization of handling of bags initiated to reduce dependence on manual labour and improve operational efficiency. New system introduced in 23 depots so far.**
- **All bills from stakeholders like CWC/SWC/State Governments /Private suppliers etc., are accepted online only and payments are also made online ensuring transparency and improving service delivery.**
- **Process initiated to rationalize manpower of FCI based on the recommendations of study conducted by Center for Good Governance (CGG).**
- **Tracking of trucks engaged in transportation of food grains from one depot of FCI to another using tamper proof technological solutions under implementation.**
- **High Security seals has been introduced for railway wagons which resulting in substantial saving on account of transit loss.**
- **To meet the working capital requirement, FCI relies upon various sources of funds such as Subsidy, GoI Guaranteed bonds, Cash Credit limit, Ways and Means advances and short term Loans. FCI borrowings stood at Rs.3,28,153 crore at the end of FY2019-20, which was reduced to Rs.40,151 crore as on 28.02.2023. Further, DFPD has provided the subsidy to FCI for FY 2022-23, which has resulted reduction of borrowings.**
