

Govt to release 25 lt wheat under OMSS

REINING IN PRICES. Sales to be done via auctions at a reserve price of ₹2,325/quintal for FAQ produce

Our Bureau

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The Centre has decided to allow the Food Corporation of India (FCI) to offload 25 lakh tonnes (lt) of wheat in the market under the Open Market Sales Scheme (OMSS) through e-auction to flour mills and other manufacturers of wheat products, processors and end users, the Food Ministry said on Thursday.

The government said the decision had been taken to moderate wheat prices in the open market. According to data maintained by the Consumer Affairs Ministry, retail inflation was 3 per cent and 5 per cent in wholesale in November 2024, compared with the year-ago period. The current all-India average retail price of wheat is ₹31.94/kg and that of wholesale is ₹2,901/quintal.

The Food Ministry said the reserve price had been

fixed at ₹2,325/quintal for fair and average quality (FAQ) and ₹2,300/quintal for the category under relaxed specifications (URS) as per the OMSS policy which is valid until March 31, 2025.

LOW QUANTITY

However, industry sources said the quantity is very low to run the scheme until March 31 next year as weekly there may be a demand for 3-4 lt and the government would have to offer minimum 48 lt for 16 weeks if they start the first auction from December 11. "There may be 2-2.5 lt offer every week to run the scheme for 11-12 weeks whenever it starts from next month as the Food Ministry has not specifically asked when to start the e-auction and for how long it will continue," an official source said.

Trade sources said the FCI had started working out the reserve prices of wheat



CONTROLLING INFLATION. The decision has been taken to moderate wheat prices in the open market REUTERS

for different locations after adding the freight cost. Unlike last year, when there was uniform price of wheat under OMSS, the policy announced in July stipulated that transportation costs will be added.

The OMSS policy says, "The quantum of stocks to be offloaded and timing of e-

auction, considering stocks holding at the relevant point of time may be decided by the FCI in consultation with the (Food) Ministry."

The Food Ministry had earlier earmarked about 50 lt for weekly auction under OMSS for this year as against close to 100 lt sold last fiscal.

However, when the Min-

istry took the proposal before the Committee of Ministers in September, it was decided to partially restore wheat entitlements of beneficiaries under the Public Distribution System (PDS) by allocating 35 lt of the grain until March 31, 2025, starting from October 1.

In 2022, some beneficiaries were told to get some more rice in place of wheat after there was a shortage in the government stock to meet the full demand.

Exporter Rajesh Paharia Jain said it is a good move by the government to cool the local prices. If not, it will stop any upward rally.

Though the process may continue for the next 16 weeks, total auctions could be 10-12 and offer could be around 2 lt per week, trade sources said. Currently, the government has 222.64 lt (as of November 1) of wheat stock under the Central Pool, nearly 4 lt higher than the year-ago period.