

To tame wheat prices, Govt to review open market sale in Jan

FREE SUPPLY. It may also take a call on restoring ration quotas of some States

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The government will decide next month if it should resume the open market sale scheme (OMSS) for wheat during January-March, or release some quantity through the public distribution system by restoring the previous quotas of States. There has been a continuous surge in wheat and *atta* (flour) prices despite a ban on exports.

However, either of these options will depend on the larger issue of continuation of the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) in the next quarter. Under PMGKAY, which was introduced during the outbreak of the Covid pandemic, the Centre issues foodgrains free to those living



KEEPING A WATCH. The government suspended OMSS after wheat procurement hit a 15-year low in 2022-23

below the poverty line.

As the current OMSS policy is valid till December 31, the Food Ministry is likely to take a fresh look for 2023 only in February, sources said. However, prices have not come down despite higher sowing of wheat this rabi season, which should have prompted traders to re-

lease wheat stocks held back by them. Therefore, some intervention is required in the domestic wheat market, sources said.

LOW PROCUREMENT

The retail inflation in cereals (rice and wheat) during November was at 12.96 per cent, the second highest after

spices in the food basket. In February, the Centre announced the OMSS wheat policy, which fixed reserve prices — ₹2,200/quintal upto September 30 and ₹2,225/quintal during October-December.

However, after wheat procurement dipped to a 15-year low of 187.9 lt in the 2022-23 rabi marketing season (April-March), the government suspended OMSS.

“It is difficult to say at what price wheat will be offered as the government will have to see if offering the grain under OMSS at lower than economic cost or subsidised rate will benefit the consumers,” an official source said, adding that flour millers have expressed willingness to buy even at the economic cost of ₹2,588.70/quintal due to lower availability.