

FCI finds no takers in rice e-auction

E-auctions of wheat & rice were ordered to check retail prices

HARIKISHAN SHARMA
New Delhi, July 9

DAYS AFTER THE Centre discontinued sale of rice to states including Karnataka under the Open Market Sale Scheme - Domestic (OMSS-D) and asked the Food Corporation of India (FCI) to e-auction grains in the market to control rising prices, it turns out there are not many buyers last week with FCI receiving bids for only 170 metric tonne despite 3,86,000 metric tonne of rice on offer.

In the e-auction on July 5, FCI offered to sell 3,86,000 metric tonne of rice across 19 states and NEF (North East Frontier) region, a maximum of 1,50,000 metric tonne was for Punjab, followed by Tamil Nadu (49,000 metric tonne)

and Karnataka (33,000 metric tonne).

FCI, however, received bids in three states — Maharashtra (70 metric tonne), Gujarat (50 metric tonne) and Karnataka (40 metric tonne) — and the NEF Region (10 metric tonne), according to information available on the website of M Junction Services Ltd, a platform through which the FCI conducted the auction.

No sale happened in the remaining 16 states of Himachal Pradesh, Arunachal Pradesh, Tamil Nadu, Punjab, Bihar, Jammu & Kashmir, Andhra Pradesh, Odisha, Nagaland, Delhi, Kerala, Uttar Pradesh, West Bengal, Jharkhand, Uttarakhand, and Rajasthan. In these auctions, only private players can participate, and not state governments.

The weighted average selling price of rice was ₹3,175.35 per quintal against the reserve price of ₹3,173 per quintal

TEPID RESPONSE



■ FCI receives bids for only 170 metric tonne despite 3,86,000 metric tonne of rice on offer

■ FCI got bids in 3 states — Maharashtra (70 metric tonne), Gujarat (50 metric tonne) and Karnataka (40 metric tonne)

across the country.

An email seeking response from the ministry on the e-auction response remained unanswered.

Less than a month ago, the Karnataka government had sought 2,28,000 metric tonne from FCI to provide 10 kg food grains per person per month to all BPL families free of cost under the Anna Bhagya scheme. In two letters dated

June 12, FCI had agreed to supply around 2,22,000 metric tonne. A day later, the Union Ministry of Consumer Affairs, Food and Public Distribution, directed FCI against selling grains to state governments. On June 14, the FCI cancelled its orders to allocate rice to Karnataka.

FCI chairman and managing director KK Meena had on June 23 that the Centre had

directed the FCI to conduct the e-auctions of wheat and rice to check inflationary trends in prevailing retail prices as a part of market intervention.

In response to a query by *The Indian Express* on June 14, the Union Food Ministry had said, "In order to ensure that the inflationary trends are kept under control while ensuring adequate stock levels in the Central pool it has been decided to exclude State Govts' scheme from the ambit of OMSS(D), this time."

Data available on the Department of Consumer Affairs website does show that the all-India daily average retail price of rice on July 8 at ₹40.15 per kg on July 8 is 9.94% higher than ₹36.52 a year ago.

The all-India daily average wholesale price of rice was recorded at ₹3,522.54 per quintal, which is 10.52% higher than ₹3,187.25 per quintal a year ago.

Officials said if other states

start demanding additional quantities of rice for their schemes like Karnataka, it will become very difficult to meet their demands. Besides, pointing to the NSSO survey of 2011-12, they said, the monthly per capita consumption of rice stood at 5.622 kg in rural areas of the state and 5.213 kg in urban areas. The all-India average monthly consumption stood at 5.976 in rural areas and 4.487 kg in urban areas.

Before June 13, states were allowed to purchase rice (including fortified rice) from FCI for their own schemes at the rate of ₹3,400 per quintal (pan India). The states were allowed to purchase rice without participating in e-auction.

Information on FCI website shows that the state purchased 1,16,000 metric tonne of rice without participating in e-auctions under the OMSS till May 25 in 2023, of which 97% (1.12 metric tonne) was purchased by Karnataka.