

## CORPORATE OFFICE

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# CURRENT AFFAIRS

**Date:** 4 - July 2023

## OPEN MARKET SALE SCHEME (OMSS)

*This article covers "Daily Current Affairs" and the topic details "Open Market Sale Scheme". The topic "Open Market Sale Scheme" has relevance in the Food Security section of the UPSC CSE exam.*

### **For Prelims:**

*What is OMSS?*

### **For Mains:**

*GS 3: Food Security*

*Implementation and Process*

*Recent Revisions in OMSS?*

*About FCI?*

### **Why in the news?**

States have been looking at alternative ways of procuring wheat and rice in the aftermath of the Food Corporation of India's (FCI) quantity restrictions followed by the refusal to allow states to procure the two food grains through its Open Market Sale Scheme (OMSS).

### **What is OMSS?**

It is a scheme implemented by the Food Corporation of India (FCI) to facilitate the sale of surplus food grains, generally wheat and rice from the central pool in the open market. The OMSS serves several purposes and objectives, including:

- **Enhancing food grain supply during lean seasons:** The OMSS ensures that there is an adequate supply of food grains in the market, particularly during periods of scarcity or low production.
- **Moderating open market prices and controlling inflation:** By releasing surplus food grains into the open market, the OMSS helps stabilize prices and prevent excessive inflation in the food grain market.
- **Ensuring food security and availability in deficit regions:** The sale of surplus food grains through the OMSS helps meet the food requirements of regions that may have a deficit in production or availability of grains.
- **Facilitating the sale of surplus food grains from the central pool:** The FCI maintains a central pool of food grains, and the OMSS provides a mechanism to sell the surplus grains from this pool to various buyers in the open market.

### **Implementation Process:**

- The FCI conducts e-auctions for traders, bulk consumers, and retail chains to purchase specified quantities of food grains at pre-determined prices.

- States can procure additional food grains through OMSS for distribution under the National Food Security Act, 2013.
- Auctions are conducted weekly on the National Commodity and Derivatives Exchange Limited (NCDEX) platform.

### **Recent Revisions in OMSS?**

- Maximum allowed quantity per bid has been reduced from 3,000 metric tonnes to a range of 10-100 metric tonnes.
- Aim is to promote wider participation and encourage small and marginal buyers, curbing retail prices and ensuring a level playing field.
- The Centre has decided to discontinue the sale of rice and wheat from the central pool to the states under OMSS.
- Private bidders are also prohibited from selling their OMSS supplies to states.
- Purpose is to control inflation, maintain adequate stock levels, and streamline distribution and allocation of food grains.

### **State Reactions:**

- Karnataka and Tamil Nadu criticized the Centre's decision.
- Karnataka temporarily replaced its free grain distribution scheme for below-poverty-line families with cash transfers due to difficulties in procuring sufficient rice at a reasonable cost in the market.

### **The Food Corporation of India (FCI):**

- Established in 1965 under the Food Corporations Act of 1964 to manage the food security system in India.
- Maintains buffer stocks of food grains for ensuring food security during scarcity or crisis.
- distributes food grains in the country for the public distribution system.
- Conducts e-auctions as one of the methods to dispose of surplus food grains.

**Source:**

<https://www.thehindu.com/news/national/explainer-open-market-sale-scheme-supply-to-states-discontinued/article67023932.ece>

### **Q.1 With reference to the provisions made under the National Food Security Act, 2013, consider the following statements: (2018)**

1. The families coming under the category of 'below poverty line (BPL)' only are eligible to receive subsidised food grains.
2. The eldest woman in a household, of age 18 years or above, shall be the head of the household for the purpose of issuance of a ration card.
3. Pregnant women and lactating mothers are entitled to a 'take-home ration' of 1600 calories per day during pregnancy and for six months thereafter.

**Which of the statements given above is/are correct?**

- (a) 1 and 2 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 3 only

**Answer: (b)**

**Q.2 Which of the following is responsible for the implementation of the Open Market Sale Scheme (OMSS) for surplus food grains in India?**

- (a) Food Safety and Standards Authority of India (FSSAI)
- (b) Food Corporation of India (FCI)
- (c) Ministry of Agriculture and Farmers Welfare
- (d) National Agricultural Cooperative Marketing Federation of India (NAFED)

**Answer: (b)**

**Q.3 Discuss the role and significance of the Food Corporation of India (FCI) in ensuring food security in India. Analyze its functions, challenges faced, and the measures taken to address those challenges.**

**Rishabh**

## **NATO AND NATO PLUS**

*This article covers "Daily Current Affairs" and the topic details "NATO and NATO Plus". The topic "NATO and NATO Plus" has relevance in the "International Relations and Current events of international importance" sections of the UPSC CSE exam.*

### **For Prelims:**

*What is NATO and who are its recent members?*

*What is NATO Plus and whether India is a part of it?*

### **For Mains:**

*GS 2: International Relations*

*Potential benefits and risks of India joining NATO Plus for Indian geopolitical interests*

### **Why in the news?**

Recently in March 2023, NATO and the U.S. House Select Committee expressed interest in engaging India more closely.

### **What is the North Atlantic Treaty Organization (NATO)?**

North Atlantic Treaty Organization (NATO) is a **military alliance between 31 North Atlantic countries -29 European and two North American**. The headquarters of NATO is located in **Brussels, Belgium**.

- NATO was formed in 1949 to defend its members against attack. It was created in the aftermath of World War II, and its members agree to defend each other if one is attacked.
- NATO's fundamental purpose is to guarantee the freedom and security of its members through political and military means.

### **Member Countries of NATO:**

- **12 Founding Members**– Belgium (1949), Canada (1949), Denmark (1949), France (1949), Iceland (1949), Italy (1949), Luxembourg (1949), Netherlands (1949), Norway (1949), Portugal (1949), United Kingdom (1949), United States (1949),
- **Later Joinees**- Greece (1952), Türkiye (1952), Germany (1955), Spain (1982), Czechia (1999), Hungary (1999), Poland (1999), Bulgaria (2004), Estonia (2004), Latvia (2004), Lithuania (2004), Romania (2004), Slovakia (2004), Slovenia (2004), Albania (2009), Croatia (2009), Montenegro (2017), **North Macedonia (2020), Finland (2023).**
- **Presently, four partner countries have declared their intent to join NATO: Bosnia and Herzegovina, Georgia, Sweden, and Ukraine.**

### **What is NATO Plus?**

NATO Plus is an alliance between **NATO and five US allies, namely Australia, Japan, New Zealand, South Korea, and the United Kingdom.**

- The alliance was formed to **enhance global defense cooperation and counter China.**
- The alliance will focus on sharing intelligence, conducting joint exercises, and developing new technologies.
- NATO Plus is seen as a way to strengthen NATO's presence in the Indo-Pacific region and to counter China's growing military power.
- Although the term "**NATO Plus**" is not an officially recognized or established concept within NATO itself, it has been used in discussions and debates about the potential expansion of the alliance.

### **Benefits for India of joining such grouping:**

- India will have the opportunity to **engage in joint exercises and training alongside NATO forces.**
- **Access to NATO's intelligence and surveillance capabilities** will be available to India.
- **Collaborative efforts with NATO on research and development** projects will be possible for India.
- India's ties with other countries in the Asia-Pacific region will be further enhanced through this collaboration.

### **Geopolitical Implications:**

#### **1. Impact on Relations with Russia and China:**

- Joining any NATO framework would create discontent among Russia and China.
- India's solid strategic partnership with Russia, which has been instrumental in addressing regional security challenges and moderating China's stance, would be at risk.
- Despite Russia's increasing reliance on China, Moscow remains a valuable partner for India.

#### **2. Concerns about aligning with the U.S.:**

- While it may be tempting to align with a U.S.-led alliance due to China's threats, there could be adverse consequences.
- Joining a military framework would limit India's freedom of action and hinder its ability to pursue an independent policy towards China.

### 3. **Challenges to India's strategic autonomy:**

- India has traditionally maintained a policy of strategic autonomy, allowing it to engage with nations and blocs based on its own interests.
- Joining NATO would necessitate aligning defense and security policies with the alliance's objectives, which may undermine India's autonomy.
- This decision could strain relationships with neighboring countries, regional organizations, and restrict India's flexibility in engaging with other regional powers.

### **What is India's stand?**

- India's **External Affairs Minister has firmly rejected the notion of India adopting the NATO template.**
- India's primary **focus should be on addressing its specific regional dynamics**, which encompass various security challenges such as border disputes, terrorism, and regional conflicts.
- While NATO possesses capabilities to address some of these issues, its broader geopolitical agenda spanning from Eurasia to the Indo-Pacific may divert resources and attention away from India's immediate concerns, rendering it less beneficial for India.
- **Currently, India's engagement through the Quad** (comprising India, Japan, Australia, and the U.S.) appears **more promising than the lure of NATO Plus.**

**Source:**  
India should refuse America's 'NATO Plus' bait

**Gaurav Nikumbh**

