

Rayat Shikshan Sanstha's



# CHANDRAROOP DAKALE JAIN COLLEGE OF COMMERCE

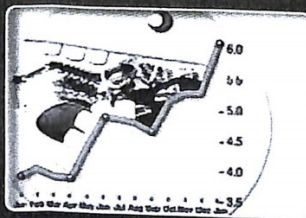
[www.cdjcollege.com](http://www.cdjcollege.com) , [www.cdjlibrary.co.nr](http://www.cdjlibrary.co.nr)

(Re-accredited by NAAC with 'A' Grade under the new scheme)  
(ISO Certification 9001:2008)



## NATIONAL LEVEL SEMINAR ON

## ENVIRONMENTAL PROBLEMS OF RURAL ECONOMY



Sponsored by : U. G. C - University Grant Commission, New Delhi

ISBN-978-81-930865-5-1

Publisher

Principal, C. D. Jain College of Commerce, Shirampur, Dist. Ahmednagar.

21	<b>Inflation – Impact on Indian Economy &amp; Agriculture</b> Prof. Khandagale Deelip P.	78
22	<b>Inflation In Recent Years (2014-2015)</b> Prof. Shaikh Shaukat Dadamia Prof . Pradip S. Yadav	81
23	<b>Inflation – Problems and Remedies in Indian Economy</b> Prof. Mengal S.G.	84
24	<b>Inflation in India,</b> Dr. Anupama Dceepak Gandhi	89
25	<b>Food Inflation in India - causes and Trends</b> Khandre Swapnali Ramesh, Dr. Bhosale R.D.	91
26	<b>Inflation and Its Impact on Indian Economy</b> Prof. Sayyed Sadik Bashir, Dr. Sanjay Vaidya	94
27	<b>Food Inflation in India</b> Prof. Chandratre Y. V., Dr. Bhor L. D.	97
28	<b>Inflation in India: Causes and Impact</b> Jadhav Mangesh Dagadu, Dr. S. N. Gawali	100
29	<b>Inflation: Service Sector</b> Dr. S. R. Bakhale	104
30	<b>Impact of GST on Indian Economy</b> Prof. Mrs. Gujar Pornima Sachin	107
31	<b>Inflation Impact on Agricultural Sector</b> Dr. S. N. Gawali	110
32	<b>Inflation in India: Role of Monetary Policy</b> Dr. Naresh Madhavi	115
33	<b>A View on Indian Inflation</b> Dr. Tajane Umesh A., More Yogita Subhash	119
34	<b>A Study of Impact of RBI policy rates on inflation</b> Prof. Zalake A.S	122
35	<b>Inflation and Role of RBI in Next 5 Years</b> Dr. S.N. Gawali, Prof. Yuvaraj M. Waghare	126
36	<b>A Research on Inflation in India-Causes and its Impacts</b> Prof. Bhausahab S. Waghmare	128
37	<b>Agricultural Price Policy in India</b> Prof. Garule G.L., Prof. Sherkar S.A.	133
38	<b>Inflationary Trend Boost to Gold Demand</b> Gaikwad Yogita Suresh, Dr. Adik B. R.	136
39	<b>Inflationary Trend in India- Food Inflation</b> Dr. Mahejabin D. Sayyad	140
40	<b>Inflation- Causes and Remedies</b> Dr. Shinde Suresh Sukdeo	146
41	<b>Inflation and Economic Recovery : External Trade and Investment</b> Dr. Vikhe Archana Anil	150
42	<b>Understanding Inflation and Controlling It</b> Prof. Dr. B.B. Nighot, Prof . Pradip S. Yadav	154
43	<b>Inflation: Causes and Impact</b> Dr. Kadam Pramodini, Miss. Jagtap Mangal B.	157

## Food Inflation in India - causes and Trends

**Khandre Swapnali Ramesh**  
Research Scholar  
S.M.B.S.T. College,  
Sangamner  
Swapnalikhandre@gmail.com  
Ph. 9158577735

**Dr. Bhosale R.D.**  
M.G.V. College, Yeola,  
Nashik

- **Abstract :-**

Inflation in India is said to be very sensitive to the agricultural production and particularly the food grain production. The originating cause of inflation in India case is the fall in agricultural or food grains production, creating a situation of food shortage inflation which through its spread to other sectors causes the general price level to move up. This paper aims to put light on the causes of food inflation in India. The study examines that the both demand and supply factor have contributed to the recent surge in food inflation in India.

**Key words:-** Inflation, food inflation, causes of food inflation, trends in food inflation

- **Introduction :-**

A continuous rise in the general price level over a period of time has been the most common feature of both developed and developing countries. Inflation is the most serious macro economic problems. Confronting the less developed countries inflation is a condition, when cost of services coupled with goods rise and the entire economy seems to go haywire. Inflation reduces the value of money and makes it difficult for the common people. When inflation rising in economy people have to spend more to maintain the standard of living. So inflation is eating up the saving of an average man.

- **Food inflation and it's causes :**

High food inflation has emerged as a major economic challenge in recent times. Economics survey 2009-10 reports suggested a high double digit increase in food inflation with sign of inflation spreading to various other sectors as well. Each episode of food articles and food product inflation was proceed by a supply shortfall. According to Bhattacharya and Abhijit Sen food inflation in India during the period 2006-13 was one of the highest among emerging market economics and nearly bauble the inflation witnessed in India during the previous decade.

Both demand and supply factors have contributed to the recent surge in food inflation in India. On the demand side, rising per capita income and diversification of Indian diets has raised the demand for high values. Food products and thereby added to inflation any pressures. Increase the demand relative to the supply of the commodity results in upward pressure in commodity prices. Other hand supply side factors like rise in prices of key inputs minimum support prices and fiscal deficits have also impacted the prices of various commodities. Agricultural wage inflation is found to be a universal driver of food commodities inflation as well as the aggregate food inflation. The rise in

international food prices is also enhanced to domestic prices impact of international prices, factors that have exacerbated the demand supply mismatch and the role played by rise in prices of key inputs.

● **Trends in food Inflation :-**

The consumer food price index (CEPI) basket comprises various categories such cereals, pulses, vegetables, fruits milk and eggs, meat and fish food inflation remained high during 2010-11 to 2013-14. Supply side constrains have been causing inflationary spurts from time to time in particular in pulses, edible oils and vegetables.

CEPI- based inflation averaged 11.8 percent during 2012-13 to 2013-14 and thereafter declined sharply to 6.4 percent in 2014-15 and further eased to 4.6 percent in April-December 2015-16 Table 1.4 show that cereal inflation declined significantly from 13.2 percent in 2013-14 to 5.2 percent in 2014-15 and 1.7 percent in 2015-16. The prices of most protein based commodities such as egg, meat, fish, milk too eased significantly during April-Dec 2015-16. The only exception was the pulses and products category with an average price rise of 29.6 percent during the current year due to Shortfall in production of tur and gram. The prices of potato and onion were volatile during 2014-15 and 2015-16, yet overall inflation in vegetables remained low.

Table 1.1

**Inflation in CPI food groups (In percent)**

	Weights	Weights	2012-13	2013-14	2014-15	2015-16 (Apr-Dec) P
Base	2010	2012	2010	2010	2012	2012
<b>Food (CFPI)</b>	<b>42.7</b>	<b>39.1</b>	<b>12.2</b>	<b>11.3</b>	<b>6.4</b>	<b>4.6</b>
Cereals and products	14.6	9.7	10.5	13.2	5.2	1.7
Meat and fish	2.9	3.6	12.2	12.1	6.3	5.9
Egg*	-	0.4	-	-	3.2	1.2
Milk and products	7.7	6.6	10.4	8.7	10.3	5.7
Oils and fats	3.9	3.6	16.6	1.8	2.4	3.9
Fruits	1.9	2.9	7.5	11.2	13.9	2.3
Vegetables	5.4	6.0	20.6	26.0	3.4	1.0
Pulses and products	2.7	2.4	12.3	4.2	7.9	29.6
Sugar and confectionery	1.9	1.4	12.5	-0.7	-0.4	-9.5
Spices	1.7	2.5	3.1	7.2	8.6	9.5

Source: CSO.

Notes: P: Provisional; \*Egg, which was part of the subgroup 'egg, fish and meat' in the 2010 series, has been treated as a separate subgroup in the 2012 series.

Both WPI based foods inflation and the CPI based food inflation have been moving in tandem. Table 1.2 shows that inflation in WPI food articles which was high at 2.8 percent in 2013-14 declined significantly to 6.1 percent in 2014-15 and further to 3.0 percent in April- Dec 2015-16. The decline in food articles inflation during 2015-16 so far was mainly on account of a fall in the prices of cereals, vegetables, fruits, milk, egg, fish and meat. However a spike in the prices of pulses on account of low domestic production kept food grain prices high.

**Table No. 1.2**  
**Inflation in WPI food groups (In percent)**

	Weights	2012-13	2013-14	2014-15	2015-16 (Apr-Dec)P
<b>All food</b>	<b>24.3</b>	<b>9.3</b>	<b>9.4</b>	<b>4.9</b>	<b>1.9</b>
<b>Food articles</b>	<b>14.3</b>	<b>9.9</b>	<b>12.8</b>	<b>6.1</b>	<b>3.0</b>
Foodgrains	4.1	14.6	9.1	4.0	6.7
Cereals	3.4	13.4	12.8	3.6	-0.3
Pulses	0.7	19.6	-5.5	5.9	39.5
Vegetables	1.7	17.2	40.2	-6.1	-4.3
Fruits	2.1	1.3	7.5	19.0	1.1
Milk	3.2	7.2	6.0	10.0	3.7
Egg, meat & fish	2.4	14.1	12.8	2.4	0.9
Condiments & spices	0.6	-11.8	17.2	21.7	14.8
<b>Food products</b>	<b>10.0</b>	<b>8.1</b>	<b>3.2</b>	<b>2.4</b>	<b>-0.4</b>
Sugar	1.7	11.3	-2.4	-0.3	-13.2
Edible Oils	3.0	9.1	-0.8	-1.3	2.6

Source: Office of Economic Adviser, DIPP.

Note: P : Provisional

• **Conclusion :-**

India is experiencing high Rate of growth in the last two decade but the growth has been coupled with high Rate of food price inflation. The growth has been very uneven across sectors with agriculture remained high during 2010-11 to 2013-14. Both demand and supply side factor affecting to food inflation increase in food inflation with sign of inflation spreading to various other sector as well. So food inflation is badly affected to the middle man and also farmer.

• **Reference :-**

- 1) Economic Survey 2015-16.
- 2) Savneet Kaur (July 2013):- Inflation impact on Indian economy and agriculture, IJS& E Research Volume-4, Issue- 7
- 3) Handbook of statistics on Indian Economy, Various issues, R.B.I.
- 4) Thangzason, Josh, Sebastian, Sharma, Analytics of food inflation in India, RBI working paper series.
- 5) Development Policy Division Planning commission, Govt. of India, New Delhi, Report, May 2012.
- 6) K.P.M. Sundaram & Rudra Dutta (2004), Indian Economy, S. Chand and Co. Ltd. New Delhi.
- 7) www.google.co.in

# International Journal of Business and Rural Development Studies (IJBRDS)

---

Volume 5, Number 1, (2017)

*Not found*

## CONTENTS

Micro-financing groups a medium to manage inequality and evaluate empowerment of women in rural areas of Nadia, West Bengal

pp. 1-6

Sharmistha Bhattacharjee

Rural Entrepreneurship: Dairy Business

pp. 7-11

Ghotekar D. B.

[UP]

© All rights are reserved with **Research India Publications**  
Contact

Home Journals