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## Inflation at 1.5%, but food prices go through roof

### Potatoes Cost Double, Onions Dearer By 50% And Pulses 23%

#### TIMES NEWS NETWORK

New Delhi: Even as the overall inflation rate remains at around 1.5%, prices of food articles have gone up by 13.4% in the last one year. That statistic, officially released on Thursday, is bad news for the aam admi, but details of specific commodities like potatoes, onions and pulses show that it is even worse.

As decided earlier, the government discontinued the release of a weekly data on price rise of all commodities. Instead, it released a data on price increases in select commodities. According to the latest data, the prices of potatoes have doubled over the last 12 months, onions are 50% more expensive and the prices of pulses have gone up by over 23% on average.

The bad news doesn't end there. Food and agriculture minister Sharad Pawar has already said it is unlikely that the prices will ease in the next three months. He anticipates the situation to change for the better only when the rabi crops are harvested early next summer.

Contributing to the spike in food prices has been a weak monsoon, which is expected to lead to foodgrain production falling by around 21 million tonnes in the current kharif season compared to kharif 2008. Rice production is estimated to fall by over 15 million tons and the output of coarse cereals by 5.5 million tons.

As usual, the price rise in the food articles has affected the middle and lower-middle class people adversely. Senior economist with HDFC Bank D K Joshi said the fall in agriculture production was one of the main reasons behind the price rise. He added that the situation had worsened because some traders were exploiting the conditions. "The present price rise will affect the standard of living of poor people," he said.

A government economist said the Centre should release more foodgrains in the market to control the price rise.

