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Food inflation up at 19%

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New Delhi: Food prices continued to rise, with the index for daily living cost rising to over 19% in the fourth week of November, year-on-year, mounting pressure on the government to rein in rates of essential items and RBI to tighten purse-strings. Potatoes, onions and pulses were the main elements driving food inflation north.

Data on Thursday showed prices went up nearly 2% in a week. Food inflation had stood at 17.47% for the week ended November 21. However, the overall wholesale price index-based inflation for the month ended October stood at 1.34%.

The RBI will review its current easy monetary policy stance on January 29, although RBI governor D Subbarao has said WPI (wholesale price index) is "quite modest" compared to consumer prices. "If inflationary pressure persists for a long time it can fuel inflationary expectations and monetary policy will have to take a nuanced view on this," the RBI governor had said on Wednesday.

As per latest data, potatoes cost more than double on an annual basis, while onions 23% more. Rates of other essential commodities like rice rose 11.75%, wheat 12.6% and pulses rose by 42%. At the same time, fruits were costlier by 13% while milk was 11.36% more expensive.