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Food prices continue to soar, up 13.6%

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New Delhi: Food prices in the last week of October 2009 rose by 13.68% from that a year ago. As against this, in the previous week, annual food inflation was 13.39%. According to the latest data released by government on Thursday, prices of potato have doubled during the one-year period ending October 31, 2009, while onions became expensive by 42.58%.

High food prices also pushed up inflation of primary articles — items that are not processed — by 9.16%. Pulses were dearer by 22.73%. Despite all the claimed made by the government, food prices continue to rise week-on-week basis also. The government will release the monthly data on wholesale prices-based inflation of all the commodities, which would reflect price movement in manufacturing, on November 14.

With Rabi harvest in March 2010, prices of food articles are expected to come down. Planning Commission deputy chairman Montek Singh Ahluwalia said, "Food price inflation by the end of the current fiscal would be significantly lower than what it is right now. Prices of vegetables are expected to ease in the coming months."

Crisil principal economist D K Joshi said that pressure on food prices would continue for some more time before starting to ease on news of Rabi crop. Among other items, prices of rice increased by 16.63% and milk by 10.3%.

On the other hand, non-food items, which include fibre, oil seeds and minerals, declined by 0.17%. The index of fuel, power, light and lubricants decreased by 1.71%. Prices of light diesel oil fell by 3% and naphtha and furnace oil by 2% each during the week.

At the same time, prices of bajra increased 35%, fruit and vegetables by 2% and jowar, wheat and arhar by 1% each during the week under review. However, the prices of fish-marine declined by 3% and tea by 1%. Among non-food articles, fodder prices increased by 7%, groundnut seed 2% and raw cotton by 1%.