

Publication: The Times Of India Lucknow; Date: Jul 16, 2010; Section: Times Business; Page: 18



Food inflation up at 12.8% on supply delay

TIMES NEWS NETWORK

New Delhi: Food inflation rose to 12.81% for the week ended July 3 on the back of supply disruptions due to monsoon showers and high fuel costs but inflation for fuel and related items slid to 14.27% in the week from over 18% in the previous week on account of the base effect.

Food inflation was at 12.63% in the previous week and has been declining over the preceding two weeks. For the week under review, rice, wheat, pulses and onions became costlier in the range of 0.03-3.8% on a week-on-week basis as there was supply disruption due to flooding in parts of the country which impeded transportation. But potatoes became cheaper by 0.85% and fruits by 0.91%.

Analysts said the rise in food inflation was expected as the hike in fuel prices affected delivered price of vegetables and fruits. The fuel price hike will take time to be reflected fully in a few weeks. The new crop is also yet to come into the market. On Wednesday, FM Pranab Mukherjee had expressed the hope that inflation would ease after the Kharif season is over. The analysts expect prices to moderate by October when the new crop flows into market and the low base of last year is over.