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**Food Price Inflation in India:
A Commodity-wise Analysis of the Causal Factors**

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In this paper, we examine the causes of high inflation experienced in thirteen food commodities in India during 2008 to 2010. It is found that a majority of the commodities were subject to high prices due to domestic supply-side constraints. They include pulses, fruits, vegetables, meat, fish, oilcakes, spices, tea, coffee and sugar. Rising input cost turns out to be the primary reason for high prices of milk and egg. The high inflation of rice was caused by a complex interplay of factors. We find very little evidence to support the popular view that the higher food prices in recent years was the outcome of a “secular shift” in food consumption pattern towards high-value agriculture products. The developments in the global economy influenced domestic food price scenario mainly through passing on of world oil price increases. High cost food imports played only a limited role.

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