

**AN ANALYSIS OF RISING FOOD PRICES
IN INDIA SINCE 2001**

ROOPA B

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ABSTRACT

India's food prices have risen at the fastest pace in ten years causing immense hardship to the people of the country. This paper focuses on the issue of the consistent rise in food prices in India since 2001.

The objective of this paper has been to analyse the trends in food prices since 2001 in India. This paper studies the phenomenon with a two pronged approach: from a global perspective and a domestic India-centric perspective. The common underlying factors responsible for the rise have been determined and studied in relation to their impact on food prices. The paper focuses on identifying the determinant that can best explain the astronomical rise in domestic food prices. The policy measures taken by the government to tackle the issue have been discussed in this paper. The success of these measures has also been critically examined.

The methodology adopted has been that of a regression analysis conducted on the dependence of the CPI on its various determinants. The conclusion that we have drawn is that internal factors such as money supply and minimum support prices have contributed to the rise. Moreover, the measures taken by the government have not had the desired impact of curbing the price rise.