Higher Food Prices

GS-Paper-3 Economy Inflation (Mains)

Recently, the Tata-Cornell Institute for Agriculture and Nutrition in New York has conducted a study titled “Pandemic Prices: Covid-19 Price Shocks and their Implications for Nutrition Security in India”. It analysed prices of cereals (wheat and rice) and non-cereals (onion, tomatoes, potatoes, five pulses and eggs) in 11 tier-1 and tier-2 cities from 1st March-31st May 2020 compared to the same period in 2019.

- Following the lockdown, all food groups witnessed a rise in prices, but the rise in prices was higher for non-cereals compared to cereals.
- After the lockdown was lifted, prices of cereals and non-cereals stabilised quickly while those of protein-rich pulses continued to remain high.

Data Analysis:

- **Wheat and Rice**: Retail prices were either stable or cheaper than weeks preceding the lockdown and last year.
- **Potato, Onions and Tomatoes**: The prices went high initially but later on stabilised. Onion prices went as high as 200-250%.
- **Eggs**: The prices fell initially (because of fear of coronavirus through poultry) but increased by March-end and then stabilised two months later.
- **Pulses**: The prices rose during the lockdown and continued to remain higher than the pre-Covid-19 levels.

**Concerns**: The relative stability in cereal prices and enhanced prices of pulses will most likely distort spending and consumption decisions resulting in a staple-based, protein-deficient diet hampering the food security in the country. The relatively higher prices of more nutritious food make it difficult for the poor and marginal population to access such nutrient-rich food. As a result, the proportion of such foods in the diets goes further down and is replaced by less nutritious and calorie-dense foods. It will worsen the nutritional status of women and children across India, and more so in the impoverished regions of the country. The study also criticised the amendment to the Essential Commodities Act, 1955 which deregulated cereals, edible oils, oilseeds, pulses, onions and potatoes.

- **Suggestions**: The government can ensure the provision of supplementary protein by timely interventions to stabilise the increase in prices.
  - Policies that insulate non-staple supply chains from price shocks and
fluctuations are necessary.
- Abolishing outdated restrictions to address farm sector bottlenecks is very important.

Food and nutrition security is ensured if all of the citizens of a nation have enough nutritious food available, all of them have the capacity to buy food of acceptable quality and there is no barrier on access to food. The right to nutritious food is a well-established principle of international human rights law. It has evolved to include an obligation for state parties to respect, protect and fulfil their citizens’ right to food and nutrition security.