

# SMART

## Journal of Business Management Studies

(An International Serial of Scientific Management and Advanced Research Trust)

ISSN 0973-1598 (Print) ISSN 2321-2012 (Online) Vol. 7 No.1 January– June 2011

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### *Editorial*

#### **Causes of Food Inflation**

The food prices after 2005, increased at a much faster rate than Non-Food prices, except in 2008 when the prices of commodities spiked in India and in the Global Market. The Food and Non-Food Prices showed a disparate movement after January 2009. On an annual basis, food prices in 2009 increased by more than 12% over 2008. It is important to point out that food inflation in wholesale prices since 2005 has been accelerating, and it was close to 20% in January 2010 accelerating in food inflation and the abnormally high level of food prices towards the end of 2009 were caused by several factors relating to a stock in supply, trade, global prices, food management, speculative activities and demand. To control food inflation, India need to have a effective food management strategy to deal with them our government explore various options for prices stabilization like maintaining buffer stocks and using trade. Besides, huge investment need to be made in expanding storage capacity for various type of foods in both the public as well as private sectors. More importantly, there is a need to change regulation in food market to encourage and involve the private sector in the food and market, trade and stock management for price stabilization along with active participation of public agencies. The risk of such players resorting to hoarding and speculative trade can be checked by establishing a Food Market Regulator. Lastly, India need to set up a strong institutional mechanism for an early warning system relating to food demand, supply and price situation. These measures would help the common people of India in the long run.

The Thirteen Issue (vol-7, No-1) of the SMART Journal of Business Management Studies consists of ten articles, written by authors of repute, on different themes of contemporary relevance. I hope readers would find the journal academically challenging and journal academically challenging and strategically stimulating.

**Date: 10.01.2011**

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