

SEMINAR NOTICE

Topic: *Inflationary Impact of Mandatory Food Fortification in India: Evidences from Major Food Items.*

Speaker: **Dr. Amarnath Tripathi, Institute of Economic Growth**

Date & time: Friday, August 18, 2017 at 3.30 p.m.

Venue: A.M. Khusro Room, Institute of Economic Growth,
University of Delhi Enclave, North Campus, Delhi - 110 007

Chair: Prof. C.S.C. Sekhar, Institute of Economic Growth

All are welcome.

(Sabyasachi Kar)
Seminar Convenor

Abstract:

Fortification being one of the most cost effective strategies to improve the nutritional quotient of the population, the government of India has been contemplating the inclusion of fortified foods in the safety net programmes. Food Safety and Standards Authority of India (FSSAI) had commissioned the Institute of Economic Growth (IEG) to conduct a study in order to understand the impact of mandatory fortification in wheat flour, edible oil, rice and milk and double fortified salt on inflation. The main findings suggest that the quantity of food item to be fortified, which varies significantly, determines the total expected demand for each micronutrient. Between 2016 and 2022, total demand for micronutrients for salt is expected to increase by 1.08 per cent annually, total demand for micronutrients used for wheat flour fortification is expected to increase by 1.09 per cent annually, and total demand for edible oil micronutrients is expected to increase by 1.12 per cent annually over the same period. It is estimated that due to fortification there will be an increase of 0.15 per cent in the retail price of edible oil. For wheat flour, when three basic micronutrients (iron, folic acid, and Vitamin B12) are used, the retail price is expected to increase by 0.29 per cent. Both of the commodities will have very minuscule increase in price. For salt, retail price will increase by 9 per cent over the current level of price if double fortification of salt is made mandatory. Moreover, due to very low weight of salt in the commodity consumption basket the impact will be negligible. The study thus arrives at the conclusion that there is a marginal increase in retail prices of the selected food items due to fortification, hence there will be no significant impact on inflation. The study calculated less than 0.10 per cent impact on inflation because of fortification.

