Dearer food, a deficient monsoon, and a rate rise

In this report: Food and Retail Inflation in 2026; What the Committee Had Before It, and the Same Months on One Base; The Repo Rate, Decision by Decision; Four Questions, and What the Minutes Answer.

Food inflation reached 7.74 per cent in September 2026, the highest in 21 months, since December 2024. The Ministry of Statistics published that figure on 12 October 2026. Five days earlier, on 7 October, the Reserve Bank's Monetary Policy Committee had raised the repo rate by 25 basis points. All six members voted for the rise, which took the rate to 5.50 per cent. The Reserve Bank published their minutes on 21 October 2026. They show that five of the six members, in their own statements in the minutes, named food prices, the monsoon or the weather.

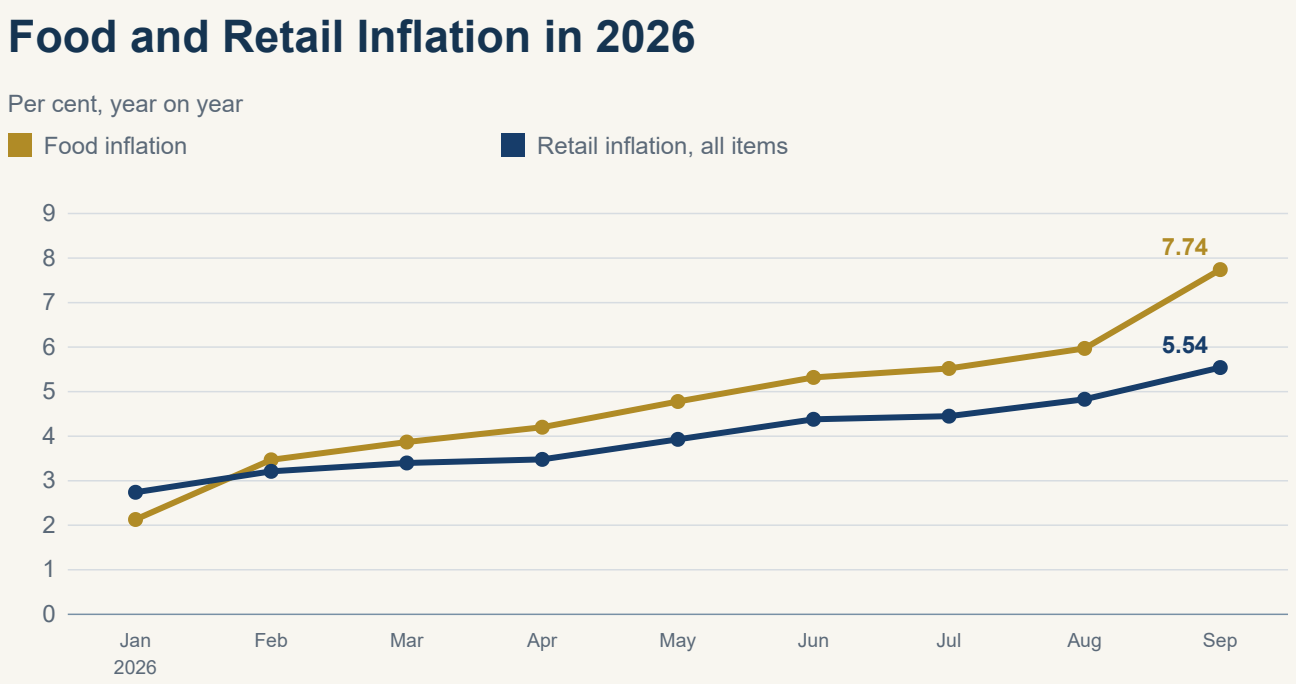
Retail inflation rose in every month from February to September 2026. It went from 2.74 per cent in January to 5.54 per cent in September, which was the highest in 23 months.

Finding	What the official records show
The vote	All six members voted to raise the repo rate by 25 basis points, which took it to 5.50 per cent. The Committee also changed its stance to calibrated tightening. Two members, Dr. Nagesh Kumar and Prof. Ram Singh, wanted the stance kept at neutral.
Food and the monsoon in the minutes	In their own statements in the minutes, five of the six members named food prices, the monsoon or the weather. The resolution names the deficient monsoon and El Niño among the sources of continued pressure on inflation.
Food and retail inflation	Food inflation was 2.13 per cent in January 2026 and 7.74 per cent in September 2026. Retail inflation on all items rose in each month from February until it reached 5.54 per cent in September.
What comes next	The Committee projects retail inflation of 6.0 per cent for October to December 2026, and paragraph 18 of its minutes says that the new stance signals that rate cuts are off the table in the near term.
The monsoon	On 29 May 2026, the India Meteorological Department forecast that the season's rainfall was likely to be 90 per cent of its long period average, with a model error of plus or minus 4 per cent. It put the chance that rainfall would be below normal or less at 84 per cent. The season ended 13 per cent below that average, as footnote 16 of the Governor's policy statement of 7 October 2026 records.

Sources: Read on 21 and 22 October 2026. RBI, MPC minutes of October 5 to 7, 2026; MoSPI, CPI release of 12 October 2026; RBI Handbook of Statistics 2025-26, Table 40; RBI, MPC resolution of 7 October 2026; IMD, monsoon forecast of 29 May 2026; RBI, the Governor's policy statement of 7 October 2026.

Food and Retail Inflation in 2026

Food inflation was 2.13 per cent in January 2026 and 7.74 per cent in September 2026. Retail inflation on all items rose in each month from February until it reached 5.54 per cent in September.



Source: MoSPI, consumer price index releases, rates as published, worked out by the office of Shri Ajay Maken.

The gold line is food inflation and the blue line is retail inflation on all items, both measured year on year for India as a whole. Both lines rise through 2026, and the food line rises faster.

Sources: Read on 21 and 22 October 2026. MoSPI, CPI release of 12 October 2026.

What the Committee Had Before It, and the Same Months on One Base

When the Committee met, the latest published rate of retail inflation was August's. The resolution in the minutes gives it as 4.8 per cent, up from 4.5 per cent in July. The Ministry published September's figures on 12 October 2026, after the meeting, and they showed food inflation at 7.74 per cent and retail inflation at 5.54 per cent.

August 2026, per cent	Published 14 September 2026, before the meeting	Final, published 12 October 2026
Retail inflation	4.82	4.83
Food inflation (Consumer Food Price Index)	5.95	5.97

The table gives August's final figures, which the Ministry published on 12 October 2026. The August figures before the Committee were those of 14 September 2026: 4.82 per cent for retail inflation and 5.95 per cent for food inflation. Food inflation here is the Ministry's Consumer Food Price Index for India as a whole. September's figures are provisional, as the Ministry marks them.

On the Ministry's 2024 base, the all-items consumer price index rose by 4.8 per cent between January and September 2026, from 104.45 to 109.49. Over the same nine months of 2025, on the same base, it rose by 2.0 per cent, from 101.67 to 103.74.

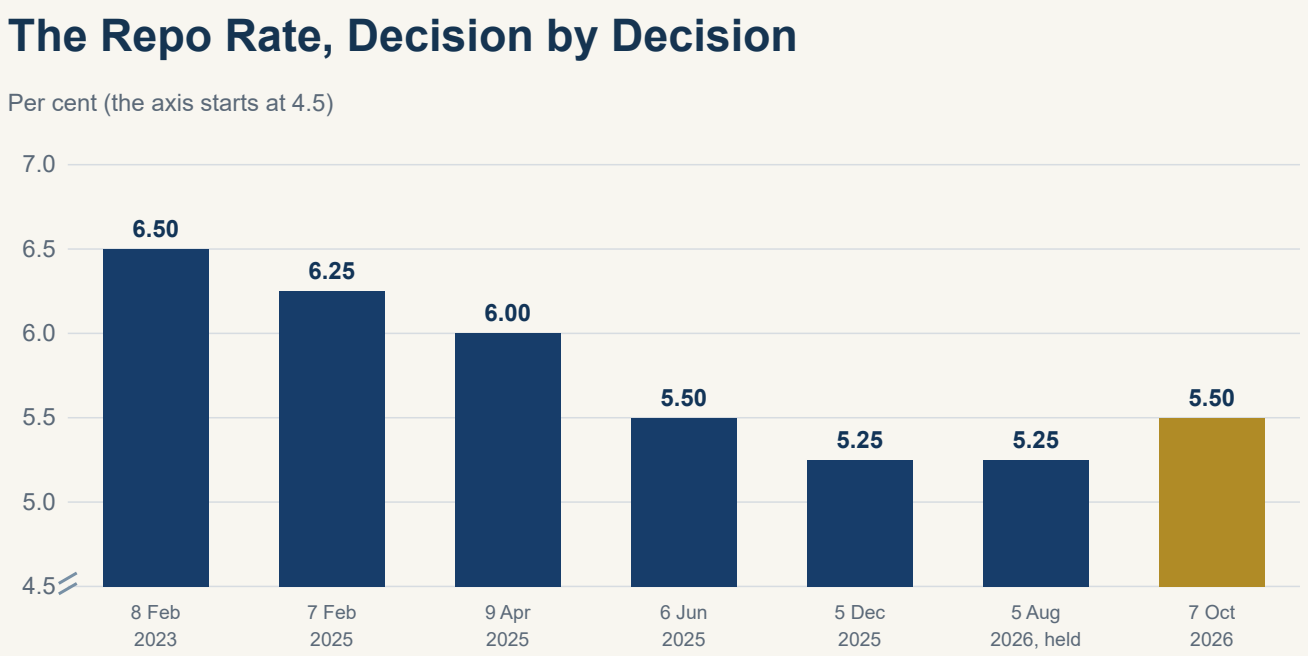
Year	January index	September index	Rise, per cent
2025	101.67	103.74	2.0
2026	104.45	109.49	4.8

Both rows are on the Ministry's 2024 base and cover the same months, January to September, so the difference between them is not a change of base or of season. The index is the all-items consumer price index for India as a whole, from Annexure IV of the release of 12 October 2026.

Sources: Read on 21 and 22 October 2026. MoSPI, CPI release of 12 October 2026; MoSPI, CPI release of 14 September 2026; RBI, MPC minutes of October 5 to 7, 2026.

The Repo Rate, Decision by Decision

The Committee cut the repo rate four times in 2025, when it went from 6.50 per cent to 5.25 per cent, which was a total of 125 basis points. It held the rate at 5.25 per cent in August 2026, but it raised the rate to 5.50 per cent when it announced its decision on 7 October 2026.



Source: Reserve Bank of India, Handbook of Statistics 2025-26, Table 40, and the Committee's resolutions of August and October 2026, worked out by the office of Shri Ajay Maken.

Each bar shows the repo rate set by one decision, and the gold bar is the rise of 7 October 2026. The axis starts at 4.5 per cent, and the bar for August 2026 marks the decision that held the rate.

Two members, Dr. Nagesh Kumar and Prof. Ram Singh, wanted the stance kept at neutral, and both of them voted for the rise. Dr. Kumar wrote in paragraph 26: "In view of the continued geopolitical and trade policy uncertainties, I feel that a neutral stance remains appropriate." Prof. Singh wrote in paragraph 39: "I do not favour shifting the stance from neutral to tightening mode, as it may signal an extended cycle of rate hikes."

Sources: Read on 21 and 22 October 2026. RBI Handbook of Statistics 2025-26, Table 40; RBI, MPC resolution of 5 August 2026; RBI, MPC resolution of 7 October 2026; RBI, MPC minutes of October 5 to 7, 2026.

Four Questions, and What the Minutes Answer

The Reserve Bank published the minutes on 21 October 2026, which is the fourteenth day after the meeting, as Section 45ZL of the Reserve Bank of India Act, 1934 requires. They carry the resolution, each member's vote and each member's statement.

The question	What the minutes answer
What each member wrote on food prices and the monsoon	In their own statements in the minutes, five of the six members wrote at least one such sentence. The Governor's statement in the minutes, paragraphs 51 to 56, has none. The resolution names the deficient monsoon and El Niño.
Why two members wanted the stance kept at neutral	Dr. Nagesh Kumar cites "the continued geopolitical and trade policy uncertainties". Prof. Ram Singh writes that a change of stance "may signal an extended cycle of rate hikes".
Whether any member's statement in the minutes gives the season's shortfall of 13 per cent below the long period average	No member's statement in the minutes gives that figure, and neither does the resolution. Dr. Nagesh Kumar writes of "the deficient monsoon", and Prof. Ram Singh of "below-normal rains".
What the members expect for October to December 2026	The Committee projects 6.0 per cent. The Governor writes in the minutes that headline CPI is "projected to touch the upper tolerance band in Q3", and Dr. Poonam Gupta writes of "the likelihood of headline inflation hitting the upper tolerance limit of 6 per cent".

Food inflation rose in every month from February to September 2026, and the monsoon ended 13 per cent below its average. Paragraph 18 of the minutes says that the new stance signals that rate cuts are off the table in the near term, and that the next action can only be a rise or a pause.

Sources: Read on 21 and 22 October 2026. RBI, MPC minutes of October 5 to 7, 2026; RBI, MPC resolution of 7 October 2026; RBI, the Governor's policy statement of 7 October 2026.