Dearer food, a deficient monsoon, and a rate rise

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.

7.74 per cent

food inflation in September 2026, the highest in 21 months

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.

Shri Ajay Maken's office compiled this brief from the official records, and it is dated 22 October 2026.

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

Contents

Five findings from the minutes and the records 3

Food and Retail Inflation in 2026 4

What the Committee Had Before It, and the Same Months on One Base 5

The Repo Rate, Decision by Decision 6

What the Members Wrote on Food Prices and the Monsoon 7

What the Members Wrote on the Outlook 8

The Monsoon, and the Committee's Projections 9

Four Questions, and What the Minutes Answer 10

Annexure: How the Figures Were Made 11

Annexure: Sources 12

The Monetary Policy Committee met from 5 to 7 October 2026 and raised the repo rate. This brief sets out what the minutes of that meeting record about food prices, the monsoon and the rate rise, and reads them against the official figures and the Committee's own record.

Five findings from the minutes and the records

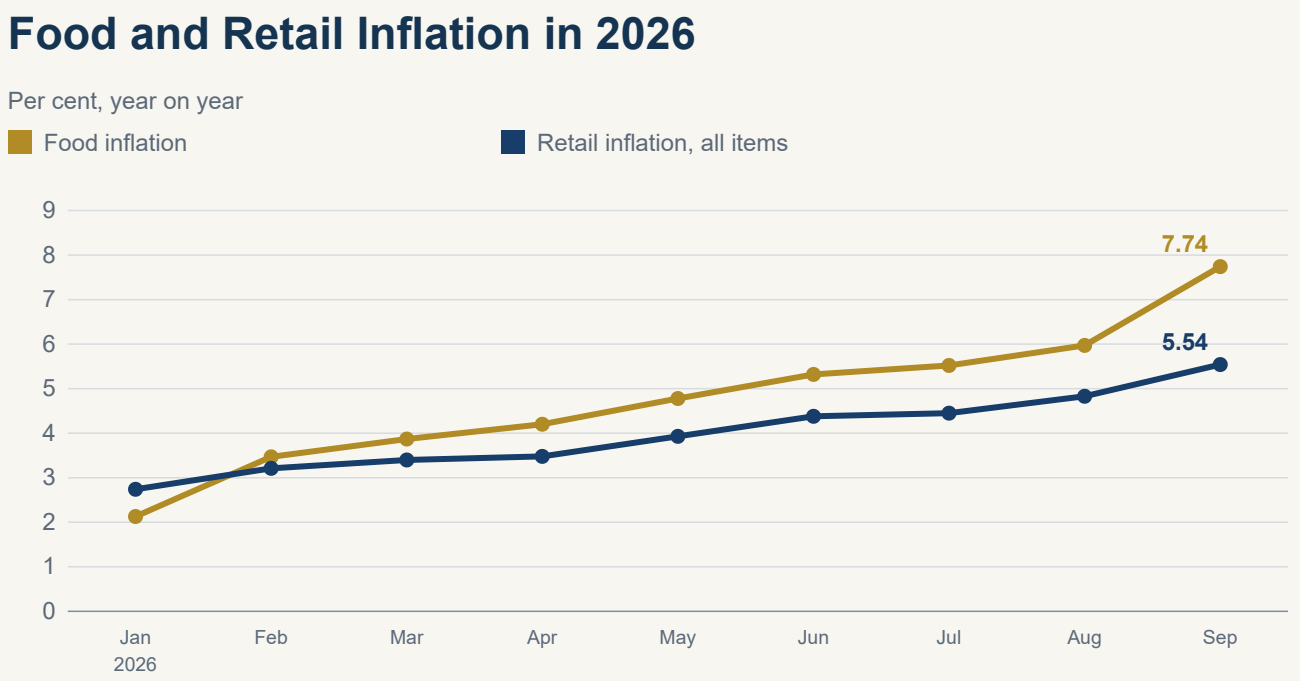
Food inflation reached 7.74 per cent in September 2026, the highest in 21 months, since December 2024. The Ministry of Statistics published that figure on 12 October 2026. Five days earlier, on 7 October, the Reserve Bank's Monetary Policy Committee had raised the repo rate by 25 basis points. All six 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.

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.

Month	Food inflation, per cent	Retail inflation, per cent
January 2026	2.13	2.74
February 2026	3.47	3.21
March 2026	3.87	3.40
April 2026	4.20	3.48
May 2026	4.78	3.93
June 2026	5.32	4.38
July 2026	5.52	4.45
August 2026	5.97	4.83
September 2026	7.74	5.54

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.

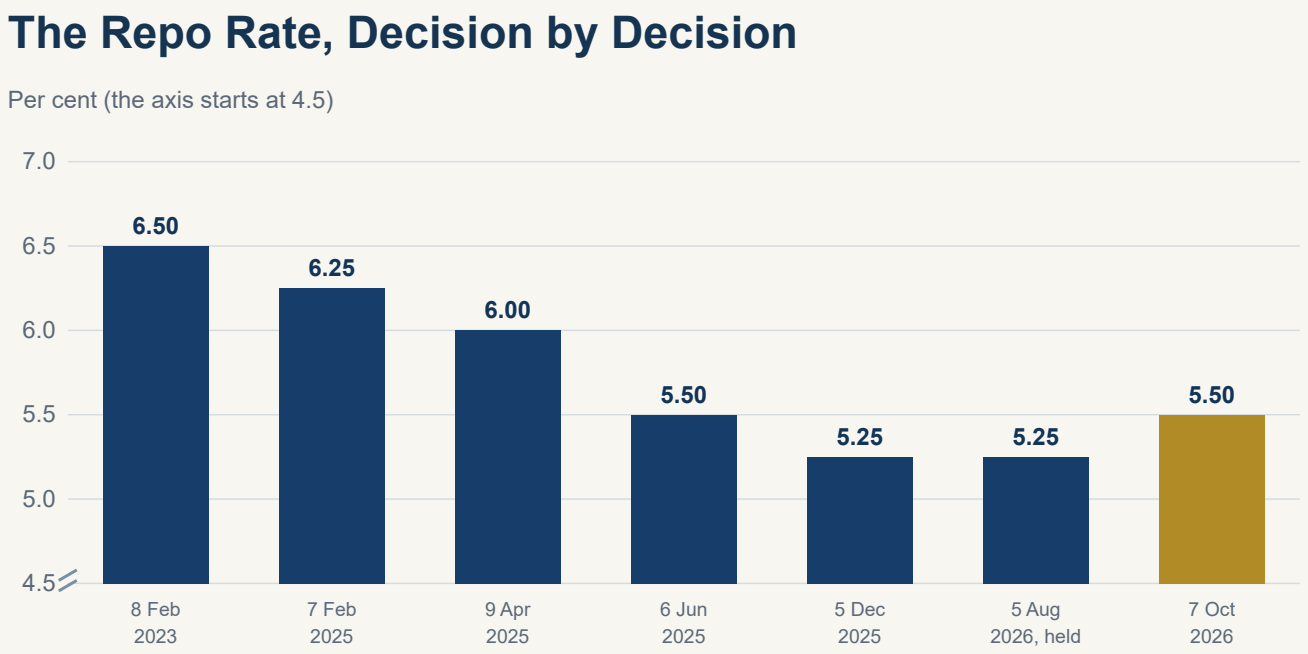
Year	January index	September index	Rise, per cent
2025	101.67	103.74	2.0
2026	104.45	109.49	4.8

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 14 September 2026; MoSPI, CPI release of 12 October 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.

Effective date	Repo rate, per cent	Source
2023-02-08	6.50	Handbook of Statistics 2025-26, Table 40
2025-02-07	6.25	Handbook of Statistics 2025-26, Table 40
2025-04-09	6.00	Handbook of Statistics 2025-26, Table 40
2025-06-06	5.50	Handbook of Statistics 2025-26, Table 40
2025-12-05	5.25	Handbook of Statistics 2025-26, Table 40
2026-08-05	5.25	Resolution of the Committee, August 3 to 5, 2026
2026-10-07	5.50	Resolution of the Committee, October 5 to 7, 2026

The Committee also changed its stance to calibrated tightening. Paragraph 18 of the minutes explains the change in these words: "It only signals that given the current conditions, rate cuts are off the table in the near term and policy action ahead can only be a rate hike or a pause, depending on the evolving conditions and the outlook."

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.

What the Members Wrote on Food Prices and the Monsoon

The minutes of 5 to 7 October 2026 carry the statement that each member wrote. Five of the six members wrote at least one sentence on food prices, the monsoon or the weather in their own statements. The Governor's statement in the minutes, paragraphs 51 to 56, has no such sentence. It speaks of the second round effects of the supply shock. Where a sentence carries a dash, it is cut there with three dots, and the whole sentence is in the minutes.

Member	Paragraph	The member's words
Dr. Nagesh Kumar	25	The inflationary outlook, on the other hand, remains challenging due to a combination of factors, including the deficient monsoon, rising crude oil prices, precious metals prices remaining at elevated levels, and exchange rate depreciation, leading to a revision of the forecast for headline inflation for 2026-27 by 20 basis points from 5.0% at the last policy to 5.2% and core inflation by 10 basis points to 4.4%.
Shri Saugata Bhattacharya	27	El Niño led weather disruptions have resulted in an increase in prices of many agricultural commodities, particularly of edible oils, sugar and, to an extent, cereals.
Prof. Ram Singh	39	Current inflation is primarily due to supply-side factors, rising fuel, food, and commodity prices, and their effects.
Prof. Ram Singh	40	Coming on the heels of stress on the farm sector due to below-normal rains and El Niño, rising input costs and global uncertainty, significant rate hikes would hurt profit margins and the sustainability of capex plans of large and small firms.
Shri Indranil Bhattacharyya	43	Inflation is clearly on the rise, averaging about 5.8 per cent in the immediate three quarters, driven by food and fuel prices.
Shri Indranil Bhattacharyya	44	Therefore, the inflation outlook merits greater attention, given supply side pressures from crude and food prices are unlikely to relent quickly.
Dr. Poonam Gupta	49	Domestically, weather-related adversities and global oil and commodity prices may continue to put upward pressure on headline inflation.

The resolution in the minutes names the monsoon in paragraph 13, in these words: "The near-term outlook on inflation points towards continued pressures from supply side on account of the deficient monsoon, ongoing El Niño conditions and high energy and other commodity prices, the pass through of which is still continuing." In paragraph 12 it says: "Food price increases have become more broad based along with notable spikes in certain items such as sugar and onion."

Sources: Read on 21 and 22 October 2026. RBI, MPC minutes of October 5 to 7, 2026.

What the Members Wrote on the Outlook

The members also wrote about where inflation is going and what the Committee may do next. The Committee projects retail inflation of 6.0 per cent for October to December 2026, and these are the members' own sentences on that outlook, each with its paragraph.

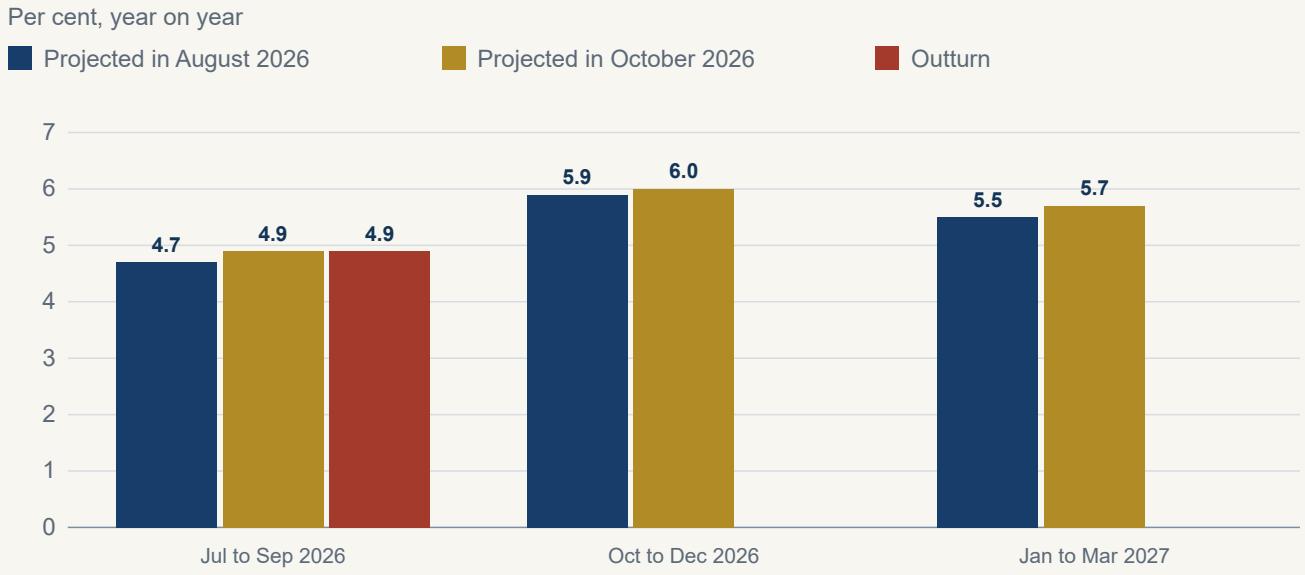
Member	Paragraph	The member's words
Shri Saugata Bhattacharya	29	Data increasingly suggests that price pressures are getting entrenched into the economic system.
Shri Saugata Bhattacharya	29	Input prices, recorded in Wholesale Price Indices, have been printing close to 9% yoy.
Shri Saugata Bhattacharya	32	In this context, might the broad monetary policy environment in India now be too accommodative? Inflation risks and financial markets suggest it is.
Prof. Ram Singh	36	Furthermore, the RBI's September household survey showed the 3-month median inflation expectation jumped to 9.9%, reflecting households' anticipation of a higher cost of living.
Prof. Ram Singh	37	Headline CPI inflation is expected to remain elevated, averaging almost 5.8 per cent over the next three quarters, nudging the upper limit of the FIT tolerance band.
Prof. Ram Singh	37	Additionally, at the current repo rate level, the projected inflation trajectory will render the real rate negative, generating perverse saving-consumption trade-offs.
Prof. Ram Singh	38	For now, there is a case for incremental, mild repo rate hikes, not high-for-long rates.
Shri Indranil Bhattacharyya	44	Given the present global and domestic circumstances, rate cuts are not an option in the near term.
Dr. Poonam Gupta	47	Yet, with projections indicating the likelihood of headline inflation hitting the upper tolerance limit of 6 per cent, one may not want to wait for more definitive evidence of generalisation, and instead be mindful of the fact that monetary policy works with a lag.
Dr. Poonam Gupta	49	Under these circumstances, it is conceivable that a further increase in the policy rate might be needed to keep inflation low and inflationary expectations anchored.
Shri Sanjay Malhotra	52	Headline CPI is projected to touch the upper tolerance band in Q3 and remain significantly above 5 per cent in the next two quarters.
Shri Sanjay Malhotra	53	In terms of the diffusion index, there are increasing signs of generalisation of inflation as 37 per cent of the commodities in the CPI basket had inflation above 4 per cent in August ... it was merely 20 per cent in March.

Sources: Read on 21 and 22 October 2026. RBI, MPC minutes of October 5 to 7, 2026; RBI, MPC resolution of 7 October 2026.

The Monsoon, and the Committee's Projections

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.

The Committee's Inflation Projections for 2026-27



Sources: the Committee's resolutions (Reserve Bank of India) and MoSPI's consumer price index releases, worked out by the office of Shri Ajay Maken.

Blue bars are the projections of August 2026 and gold bars those of October 2026. The red bar averages the three monthly rates that the Ministry published for July to September 2026. The other two quarters have not yet ended, so they have no red bar.

Quarter	Projected, December 2025	Projected, August 2026	Projected, October 2026	Outturn
July to September 2026	4.0	4.7	4.9	4.9
October to December 2026	none	5.9	6.0	the quarter has not ended
January to March 2027	none	5.5	5.7	the quarter has not ended

When it met from 3 to 5 August 2026, the Committee held the repo rate at 5.25 per cent. It also projected that retail inflation would be 4.7 per cent for July to September. Those three months averaged 4.9 per cent, and September alone was 5.54 per cent.

Sources: Read on 21 and 22 October 2026. IMD, monsoon forecast of 29 May 2026; RBI, the Governor's policy statement of 7 October 2026; RBI, MPC resolution of 5 December 2025; RBI, MPC resolution of 5 August 2026; RBI, MPC resolution of 7 October 2026; MoSPI, CPI release of 12 October 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".

On what monetary policy can do about inflation that comes from the supply side, the resolution of 7 October 2026 says: "As regards supply side inflation, monetary policy primarily acts by curtailing second round effects (inflation expectations and firm level pricing behaviour, etc.), which take time to manifest and are difficult to extract from available data."

Footnote 13 of the Governor's policy statement of 7 October 2026 records that onion prices rose by about 85 per cent between the end of June and the end of September 2026.

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.

Annexure: How the Figures Were Made

Every quotation in this brief is copied from the Reserve Bank's own minutes, resolutions and statements as published on its website, and each was found again, word for word, in the saved copy when this brief was built.

A member is counted as writing on food prices or a food item, or on the monsoon or the weather, when a sentence of the member's statement in the minutes names one of these words: for food, food and words beginning with it, vegetables, pulses, cereals, onions, tomatoes, potatoes, edible oils, sugar, spices, eggs, meat, milk, poultry, protein items and perishables; for the monsoon or the weather, the monsoon, rain or rainfall, El Niño or La Niña, the weather, heat waves, and climatic factors, climate events or climate shocks. A sentence that names only the crops, sowing or reservoirs is not counted. Nor is a sentence that names food only as the part left out of a measure, such as core inflation excluding food or CPI excluding items of food.

The inflation figures are the Ministry of Statistics' published rates for India as a whole, year on year. From January 2026 the Ministry publishes on a new base year, 2024, and every 2026 figure here is on that base. The count of months since a higher rate reads the rates as the Ministry published them, each on its own base.

The outturn for a quarter is the average of the three monthly rates that the Ministry published. The Reserve Bank may compute its quarterly figure from the average index instead, and that figure can differ in the second decimal.

The repo rate's path is read from the Reserve Bank's Handbook of Statistics 2025-26, Table 40, and from the Committee's resolutions of August and October 2026.

Figure	Where it is read
Food and retail inflation	MoSPI's monthly consumer price index releases, as published
The repo rate	The Reserve Bank's Handbook of Statistics 2025-26, Table 40, and the Committee's resolutions
The Committee's projections	The Committee's resolutions of December 2025, August 2026 and October 2026
The members' words	The minutes of 5 to 7 October 2026, published on 21 October 2026, statements of each member
The monsoon	The IMD's forecast of 29 May 2026 and footnote 16 of the Governor's policy statement of 7 October 2026
The index on the 2024 base	Annexure IV of MoSPI's release of 12 October 2026
August 2026 before the meeting	MoSPI's release of 14 September 2026

Each row names the official record that stands behind one kind of figure in this brief.

Sources: Read on 21 and 22 October 2026. MoSPI, CPI release of 12 October 2026; MoSPI, CPI release of 14 September 2026; RBI Handbook of Statistics 2025-26, Table 40; RBI, MPC resolution of 5 December 2025; RBI, MPC resolution of 5 August 2026; RBI, MPC resolution of 7 October 2026; RBI, MPC minutes of October 5 to 7, 2026; IMD, monsoon forecast of 29 May 2026; RBI, the Governor's policy statement of 7 October 2026.

Annexure: Sources

Every figure and every quotation in this brief comes from the official records below. Each is linked to its public address.

Source	Date
MoSPI, press release of 12 October 2026, CPI for September 2026 (PIB 2322244)	2026-10-12
MoSPI, press release of 14 September 2026, CPI for August 2026 (PIB 2310058)	2026-09-14
RBI, Handbook of Statistics on Indian Economy 2025-26, Table 40, Major Monetary Policy Rates	2026-09-07
RBI, Resolution of the Monetary Policy Committee, December 3 to 5, 2025	2025-12-05
RBI, Resolution of the Monetary Policy Committee, August 3 to 5, 2026	2026-08-05
RBI, Resolution of the Monetary Policy Committee, October 5 to 7, 2026	2026-10-07
RBI, minutes of the meeting of October 5 to 7, 2026	2026-10-21
IMD, Updated Long Range Forecast for the 2026 south-west monsoon, 29 May 2026 (PIB 2266479)	2026-05-29
RBI, the Governor's policy statement of 7 October 2026 (Governor's Statement, press release 2026-2027/1266)	2026-10-07

The analysis is this brief's own, and so is any error in it.

Sources: Read on 21 and 22 October 2026. MoSPI, CPI release of 12 October 2026; MoSPI, CPI release of 14 September 2026; RBI Handbook of Statistics 2025-26, Table 40; RBI, MPC resolution of 5 December 2025; RBI, MPC resolution of 5 August 2026; RBI, MPC resolution of 7 October 2026; RBI, MPC minutes of October 5 to 7, 2026; IMD, monsoon forecast of 29 May 2026; RBI, the Governor's policy statement of 7 October 2026.