**GOVERNMENT OF INDIA**
**MINISTRY OF FINANCE**
**DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA**
**UNSTARRED QUESTION NO. 1028**
TO BE ANSWERED ON 28.07.2026/ *Shravana 6, 1948 (Saka)*

## Impact of inflation on household expenditure

1028. Shri ABDUL WAHAB:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has assessed the impact of persistent inflation on household expenditure, savings and purchasing power, particularly among low and middle-income families, if so, the details thereof;
(b) the retail inflation rate for essential food commodities during the last five years and the principal factors contributing to food inflation, year-wise;
(c) the fiscal measures, including tax reductions, duty rationalisation and subsidies, undertaken to reduce prices of essential commodities; and
(d) the outcome of such measures, indicating the extent of price moderation achieved and the mechanism for periodic review?

**ANSWER**
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

**(a):** The retail inflation has not been persistent in the country; rather, it has declined steadily from 5.4 per cent in 2023-24 to 2.1 per cent in 2025-26. Owing to the commodity price shock and elevated global energy prices stemming from the West Asia Crisis, a seasonal pickup in vegetable prices, and the expected unfavourable El Niño conditions, retail inflation rose to 3.9 per cent in Q1 of 2026-27. However, it is still below the Reserve Bank of India’s (RBI) inflation target of 4 per cent. Further, the share of private final consumption expenditure has remained mostly constant at 56.5–56.7 per cent of GDP (base year 2022-23) during this period. The Household savings as a percentage of GDP improved from 20.58 per cent in 2023-24 to 21.70 per cent in 2024-25 (the latest year for which data is available).

**(b) to (d):** Food inflation is driven by a combination of factors, including adverse weather events affecting crop production, supply chain disruptions, seasonal shortages, increase in global commodity prices, higher input costs, and fluctuations in international energy prices. The Consumer Food Price Index (CFPI), which recorded a deflation of 0.3 per cent in the previous year, increased to 4.8 per cent in the first quarter of the current year, mainly on account of higher prices of protein-rich foods and select vegetables. The Government continuously monitors the prices of essential commodities and undertakes fiscal, administrative and supply-side measures to contain inflation, particularly to protect low- and middle-income households. Daily price monitoring is complemented by regular reviews by the Inter-Ministerial Committee (IMC), which recommends measures, including import-export policy interventions, to improve domestic availability. Some of the recent measures include, market release of pulses and onions from the buffer stocks that are maintained under the Price Stabilisation Fund (PSF) to nudge prices lower; extension of duty rationalization for the import of Tur and Urad under the 'Free Category' till 31.03.2027; reduction of Basic Customs Duty (BCD) on crude palm oil, crude soybean oil and crude sunflower oil from 20 per cent to 10 per cent in June 2025; on whole Tur to Nil with effect from 4 March 2023; and reduction of Agriculture Infrastructure and Development Cess (AIDC) on Masur to Nil from 13 February 2022 to 7 March 2025; These sustained interventions have helped moderate price pressures, with year-on-year prices of most of the 38 essential commodities remaining broadly stable or exhibiting a deflationary trend over the last five years, except for edible oils and a few other commodities. The details are at Annexure.

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**Annexure**

**Annexure referred to in reply to part (b) to (d) of the Lok Sabha Unstarred Question No. 1028 on "Impact of inflation on household expenditure" to be answered on 28.07.2026**

| **Sl No.** | **Commodities** | **Annual Inflation (per cent)** | | | | |
|---|---|---|---|---|---|---|
| | | **2021-22** | **2022-23** | **2023-24** | **2024-25** | **2025-26** |
| 1. | Rice | 1.20 | 5.08 | 11.87 | 4.12 | -2.04 |
| 2. | Brinjal | - | - | - | - | -3.39 |
| 3. | Black Pepper | - | - | - | - | -6.55 |
| 4. | Coriander | - | - | - | - | 3.19 |
| 5. | Cummin Seed | - | - | - | - | -21.33 |
| 6. | Red Chillies | - | - | - | - | -21.37 |
| 7. | Turmeric | - | - | - | - | -29.07 |
| 8. | Banana | - | - | - | - | -4.12 |
| 9. | Wheat | -3.17 | 13.34 | 5.69 | 4.76 | 1.03 |
| 10. | Atta (wheat) | -1.21 | 15.28 | 7.06 | 3.58 | 1.96 |
| 11. | Gram Dal | 7.19 | -2.95 | 8.30 | 13.90 | -4.42 |
| 12. | Tur Dal | 5.44 | 3.58 | 29.60 | 11.04 | -23.59 |
| 13. | Urad Dal | 2.60 | -0.56 | 10.12 | 6.00 | -7.32 |
| 14. | Moong Dal | -2.75 | -0.03 | 9.84 | 2.33 | -4.46 |
| 15. | Masoor Dal | 17.59 | 4.00 | -2.37 | -2.50 | -2.20 |
| 16. | Groundnut Oil | 16.74 | 6.27 | 0.32 | 0.46 | 0.38 |
| 17. | Mustard Oil | 36.34 | 0.38 | -15.53 | 4.74 | 16.22 |
| 18. | Vanaspati Oil | 37.54 | 9.63 | -14.14 | 5.76 | 15.05 |
| 19. | Soya Oil | 38.16 | 4.84 | -16.59 | 1.88 | 11.04 |
| 20. | Sunflower Oil | 35.60 | 6.29 | -18.55 | -0.96 | 14.94 |

| Sl No. | Commodities | Annual Inflation (per cent) | | | | |
|---|---|---|---|---|---|---|
| | | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
| 21. | Palm Oil | 33.58 | -0.06 | -18.56 | 9.16 | 13.66 |
| 22. | Potato | -31.07 | 17.48 | -7.38 | 41.52 | -24.56 |
| 23. | Onion | -9.78 | -17.05 | 30.67 | 25.28 | -35.42 |
| 24. | Tomato | -4.46 | 10.17 | 26.25 | -4.38 | -11.33 |
| 25. | Sugar | 2.37 | 2.52 | 4.09 | 2.84 | 4.74 |
| 26. | Gur | -1.03 | 2.95 | 5.26 | 5.19 | 3.47 |
| 27. | Milk | 4.78 | 8.69 | 7.78 | 1.42 | 0.53 |
| 28. | Tea Loose | 18.38 | -0.66 | -0.86 | -2.06 | -0.59 |
| 29. | Salt | 9.57 | 12.84 | 7.47 | -0.70 | -2.87 |
| 30. | Bajra | - | - | - | - | -1.83 |
| 31. | Jowar | - | - | - | - | -4.98 |
| 32. | Maida | - | - | - | - | 1.44 |
| 33. | Ragi | - | - | - | - | -2.85 |
| 34. | Suji | - | - | - | - | 1.10 |
| 35. | Besan | - | - | - | - | -2.92 |
| 36. | Desi Ghee | - | - | - | - | 5.93 |
| 37. | Butter | - | - | - | - | -4.88 |
| 38. | Eggs | - | - | - | - | -3.30 |

Note: ‘–’ indicates that data are not available, as monitoring of the prices of these essential commodities commenced only recently.
Source: Department of Consumer Affairs