October retail inflation 6.09%: Tamil Nadu tops large states

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News

According to data released on 12 November 2026 by the National Statistics Office (NSO) of the Ministry of Statistics and Programme Implementation (MoSPI), all-India retail inflation (Consumer Price Index – CPI) rose to 6.09% in October 2026 from 5.54% in September. This is the highest since October 2024 (6.21%) and the first time in two years that it has crossed 6%, the upper limit of the RBI's tolerance band. Food inflation rose from 7.74% to 8.94%; over the year onion prices rose about 116%, garlic 61% and ginger 48%. Rural inflation was 6.63% and urban inflation 5.41%. Among states with a population above 50 lakh, Tamil Nadu ranked first at 7.29%, followed by Telangana (7.26%), Andhra Pradesh (7.25%), Madhya Pradesh (7.19%) and Odisha (7.17%). Across all States/UTs, Puducherry was the highest at 7.96% and Mizoram the lowest at 2.85%.

Key facts for the exam

Point	Details
Released by	NSO, MoSPI – 12 Nov 2026
All-India CPI inflation	Oct 6.09% (Sep 5.54%)
Food inflation	8.94% (Sep 7.74%)
Rural / Urban	6.63% / 5.41%
Top large states	Tamil Nadu 7.29%; Telangana 7.26%; Andhra Pradesh 7.25%

Point	Details
Highest / lowest overall	Puducherry 7.96% / Mizoram 2.85%
Main driver	Onion +116%, garlic +61%, ginger +48%
CPI base year	2024 = 100 (from Jan 2026 data)
RBI target	4% (±2%: 2%–6% band)

Background

- Consumer Price Index (CPI): the NSO releases Rural, Urban and Combined CPI on the 12th of every month. From January 2026 data a new series with base year 2024 is in use (earlier 2012). Prices are collected weekly from 1,407 urban markets (including online markets) and 1,465 villages. The CPI-IW for workers is compiled by the Labour Bureau, and the Wholesale Price Index (WPI) by the Office of the Economic Adviser, DPIIT, Ministry of Commerce and Industry.
- Legal basis – flexible inflation targeting: under Section 45ZA of the Reserve Bank of India Act, 1934 (amended in 2016), the Central Government, in consultation with the RBI, sets the inflation target once every five years – currently 4% with a ±2% tolerance band. Under Section 45ZB a six-member Monetary Policy Committee (MPC) chaired by the Governor decides the repo rate. If inflation stays above 6% (or below 2%) for three consecutive quarters, it is a failure to meet the target, and the RBI must report the reasons and remedies to the Centre (Section 45ZN).
- Economic concepts: a price rise caused by excess demand is 'demand-pull inflation'; one caused by supply-side factors such as crop damage or higher production costs is 'cost-push inflation'. When the index for the same month last year was very low, this year's rate looks higher – the 'base effect'. Very low inflation in October 2025 together with the present rise in food prices is said to have pushed the rate up.
- Geography: Maharashtra is India's top onion producer; Lasalgaon in Nashik district is one of Asia's largest onion markets. Monsoon variations and poor storage often make onion prices volatile. Experts say storage, faster distribution and market intervention are needed to control prices of perishables.

Tamil Nadu link: With 7.29% inflation, Tamil Nadu ranked first in October among states with a population above 50 lakh. Puducherry, surrounded by Tamil Nadu, was the highest of all States/UTs (7.96%). The southern states of Tamil Nadu, Telangana and Andhra Pradesh occupy the top three places.

Frequently asked questions

What is this news about?

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What are the key facts to remember for the exam?

Released by: NSO, MoSPI – 12 Nov 2026; All-India CPI inflation: Oct 6.09% (Sep 5.54%); Food inflation: 8.94% (Sep 7.74%); Rural / Urban: 6.63% / 5.41%.

What is the background to this news?

Consumer Price Index (CPI): the NSO releases Rural, Urban and Combined CPI on the 12th of every month. From January 2026 data a new series with base year 2024 is in use (earlier 2012).

Practice questions (with answers)

1. RBI's inflation target is measured using which index?

A) Wholesale Price Index

B) CPI-Industrial Workers

C) CPI-Combined

D) GDP deflator

Answer: C – Explanation: CPI-Combined (rural + urban), released by the NSO. It replaced WPI as the key measure on the Urjit Patel Committee's 2014 advice.

2. Under Section 45ZA of the RBI Act, 1934, who fixes the inflation target?

A) RBI Governor

B) Monetary Policy Cttee

C) Centre, consulting RBI

D) Finance Commission

Answer: C – Explanation: The Centre, in consultation with the RBI, once every five years – now 4% (±2%). The MPC only decides the repo rate.

3. What is the base year of the new Consumer Price Index series used from January 2026 data?

A) 2012

B) 2024

C) 2011-12

D) 2022-23

Answer: B – Explanation: 2024 = 100 (earlier 2012). Prices are collected weekly from 1,407 urban markets and 1,465 villages.

4. Which body compiles and releases India's Wholesale Price Index (WPI)?

A) Economic Adviser, DPIIT

B) NSO, MoSPI

C) Reserve Bank of India

D) Labour Bureau

Answer: A – Explanation: The Office of the Economic Adviser, DPIIT (Commerce & Industry Ministry). The NSO issues CPI; the Labour Bureau issues CPI-IW.

5. A rise in onion prices because crop damage cut supply is an example of which type of inflation?

A) Demand-pull inflation

B) Cost-push inflation

C) Stagflation

D) Disinflation

Answer: B – Explanation: A supply shock = cost-push inflation. Excess demand causes demand-pull; rising prices with stagnant growth is stagflation.

Sources: MoSPI CPI Press Release, October 2026 (12 Nov 2026, State-wise table) and September 2026 (methodology, base year); PTI (12 Nov 2026); RBI Act, 1934 (ss. 45ZA, 45ZB, 45ZN). © Shanmugam IAS Academy.