

Eaglewood Capital

INDIA URBAN FOOD-BASKET INDEX

October 17th, 2025



Key Insights

- Our India Urban Food-Basket fell to ₹979 (-2.6% w/w) while volatility rebounded to 48.65, signaling broad-based price moderation.
- Affordability improved to 1.47% (best since early July) and food WPI eased -1.99% y/y, implying near-term relief for consumer demand and a clearer path for consumption-driven earnings resilience across retail and FMCG names.
- Kharif sowing exceeded seasonal norms, buffer stocks remain ample across depots, and reservoir storage is near capacity, reducing upside risk to staples and lowering the chance of abrupt cost shocks to domestic supply chains.
- External tail risks keep policy and margin uncertainty alive: a softening currency despite central-bank support, a widening merchandise deficit driven by large bullion imports, and shifts in edible-oil sourcing imply that any FX or commodity shock would delay rate easing and squeeze margins for compress margins for firms with high import intensity or limited pricing power.

Weekly Index Pulse

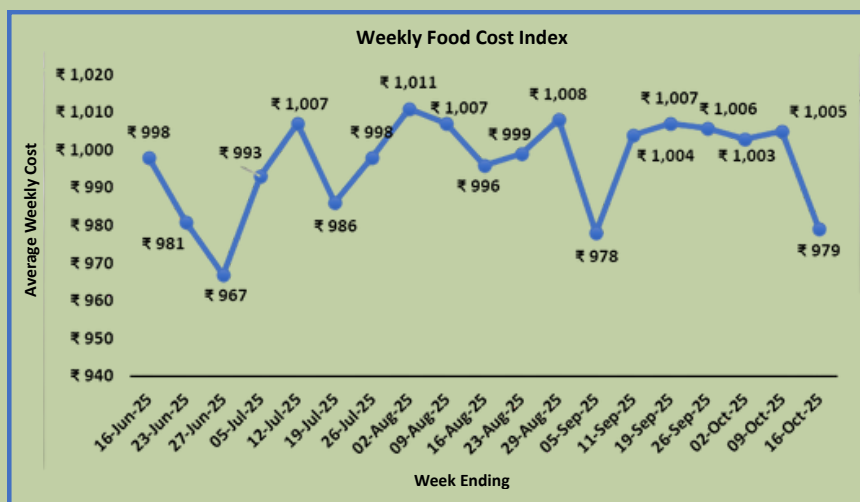
The week ending October 16 saw the India Urban Food-Basket Index retreat to ₹979, marking a 2.6 per cent decline from the previous week's ₹1,005 — its sharpest pullback in two months. The fall suggests broad-based price moderation, particularly across perishables and pulses, while proteins no longer exert the same upward pull on the basket. In effect, the movement captures a decisive cooling in household-level inflationary pressure.

The accompanying volatility reading rose to 48.65, rebounding from last week's 39.39 but still close to its long-term average of 49.7. Rather than renewed volatility, this reflects active price discovery, as regional supply conditions and logistical costs adjust unevenly in the post-monsoon period. This pattern — a falling index alongside steady volatility — suggests that while headline prices softened, underlying market activity remained fluid, with different cities and commodities adjusting at varied speeds.

Meanwhile, affordability strengthened to 1.47 per cent, its best reading since early July, pointing to a material gain in household purchasing power as cumulative savings from cheaper vegetables and dairy prices outweighed still-elevated meat and cooking oil prices.

For households, the lower index and stable volatility translate to short-term financial relief: grocery bills are easing without sharp week-to-week swings. Policymakers, however, may view the data as a transient reprieve. Supply-side vigilance, especially in perishables and proteins, will be critical to maintaining this fragile balance. Investors, for their part, can read the easing index as a sign of sustained consumer resilience rather than weakening demand. Price moderation hints at efficient pass-through and disciplined consumption patterns across urban centres.

In short, the latest readings mark a moment of balance rather than complacency: the food basket is lighter, volatility is normalised, and affordability is improving — but sustaining this equilibrium will depend on how supply chains absorb the next wave of festival and post-harvest dynamics.



Average 10-item basket prices across 21 cities from 16-Jun-25 to 16-Oct-25

Catalysts In Motion

This week's food-basket readings indicate a significant decrease in household expenditure, marking one of the sharpest week-on-week declines in recent months.

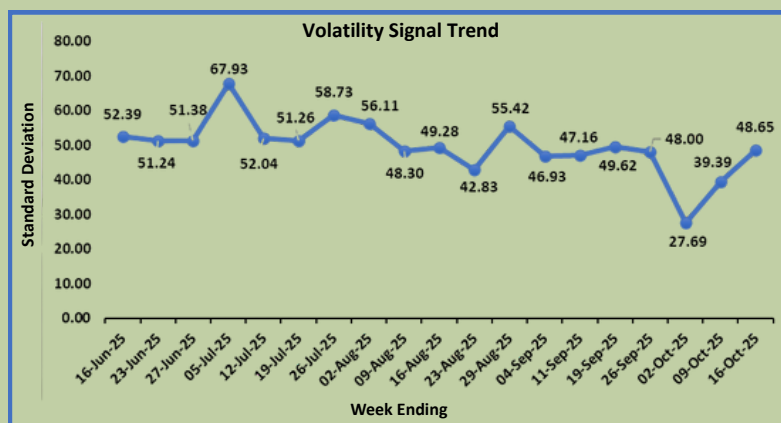
Tomato and onion prices have fallen while potato costs remained stable, noticeably easing overall price pressures as supply chains synchronized with post-monsoon arrivals; even secondary staples such as ginger and garlic recorded only marginal movements, underscoring renewed stability in perishables.

However, the moderation in food prices has not been universal. Fruits have emerged as a key pressure point, with inflation averaging 13.2% between January and September 2025, up sharply from 5.9% in 2024 — a jump of nearly 124% year-on-year, and the highest in five years. Weather disruptions and strong festive-season demand have fuelled this surge, even as vegetable prices have fallen by over 10% over the same period. The divergence between fruit and vegetable price trajectories underscores the uneven nature of food inflation, where weather-sensitive perishables continue to challenge household budgets despite broader disinflationary signals.

Pulses have continued to soften, extending the gradual correction that began in late September. The government's duty review on pulses has helped temper market expectations, reinforcing price discipline. The moderation, though measured, reflects improving trader sentiment. With supply pipelines normalising and arrivals from key growing belts gaining pace, pulses have emerged as a reliable source of respite in the food basket.

Concurrently, refiners have pivoted away from palm oil and toward cheaper soyoil, resulting in India's palm oil imports reaching a four-month low and easing input costs across the edible oil ecosystem. Combined with festive offers and GST-linked discounts lighting up quick-commerce platforms, these forces have collectively softened the effective cost of household essentials.

India's Wholesale Price Index (WPI) for food fell 1.99% year-on-year in September, while overall wholesale inflation eased to 0.13%, signalling a decisive cooling in upstream cost pressures. The moderation in input and logistics costs is now visibly translating to consumer prices, culminating in a week characterised by relief, stability, and well-timed festive tailwinds.



Volatility trend across 21 cities from 16-Jun-25 to 16-Oct-25

Signals From The Ground

India's food-supply fundamentals remain solid, underpinned by robust kharif output, comfortable buffer stocks, and healthy water reserves as the country transitions into the rabi season. Despite patchy rainfall across parts of eastern India, national-level indicators suggest that supply-side conditions are well aligned to support urban food-price stability through late October.

- Kharif Sowing and Crop Prospects:** Cumulative kharif acreage has now exceeded the season's normal sown area, according to the Agriculture Ministry. Rice acreage alone has crossed 4.4 million hectares, while pulses and coarse cereals have maintained their steady expansion amid favourable soil moisture and strong late-season sowing. Oilseeds, however, registered a modest decline in acreage, reflecting delayed rainfall in western and southern belts. Agmarknet arrivals point to healthy inflows of rice, pulses, and oilseeds into wholesale markets, providing a steady cushion to urban retail prices.
- Buffer Stock Management:** Data from the Centre for Food Security and Policy (CFSP) show that national grain inventories remain well above buffer norms, with a stock position of roughly 6.9 million tonnes across 15,100 depots. Reported coverage now spans all 19 DCP states and 452 districts, ensuring near-universal distribution capacity. The sustained surplus releases of rice and pulses continue to smooth local demand pressures, while active monitoring prevents regional shortages. These strong buffer positions remain a cornerstone of the current price stability in urban food markets.

- **Water Reserves:** Live storage across India's 150 major reservoirs stood at over 170 billion cubic metres (BCM) as of October 16, up from 159 BCM during the same period last year – a rise of roughly 6.9% year-on-year. With a full reservoir capacity above 180 BCM, this represents around 94% of total capacity, providing an ample water cushion for irrigation and ensuring strong momentum heading into the Rabi sowing window.
- **Rainfall and Irrigation Conditions:** Cumulative monsoon rainfall has reached about 106% of the Long-Period Average (LPA), according to the IMD's latest forecast. Central and southern India continue to record surpluses, helping sustain groundwater recharge and reservoir levels. However, the IMD projects continued October rainfall in eastern and northeastern states, which could temporarily disrupt late harvesting and transport. Overall, abundant rainfall and reservoir capacity ensure a secure agronomic backdrop.

Forward Outlook

The week ahead points to a cautiously optimistic landscape for urban households, policymakers, and investors. Domestic food-market fundamentals continue to act as a stabilising anchor: cumulative kharif sowing has exceeded seasonal norms, buffer stocks remain comfortably above target, and reservoir levels are ample at around 94% of capacity. These factors reinforce supply security through the late-October transition into the rabi season, suggesting that moderation in vegetable, pulse, and dairy prices is likely to persist.

The rupee, trading at ₹87.84/USD, has received support from a \$5-billion "life jacket" intervention by the Reserve Bank of India and repeated pre-market dollar sales, reflecting an active policy stance to counter currency pressures. Yet India's merchandise trade deficit widened to a 13-month high of \$32.15 billion in September 2025, primarily due to a sharp rise in gold (up to \$9.6 billion from \$5.14 billion) and silver imports ahead of the festival season. The surge in bullion demand has strained supply, particularly for coins and bars, while silver ETFs have seen strong global inflows, rallying over 50% year-to-date. U.S. exports have slipped to a four-month low due to tariffs, even as overall merchandise exports continue to record moderate growth, according to official government data.

Overall, the coming weeks are likely to follow a dual narrative: ample domestic supply supporting household spending, alongside external pressures that continue to pose uncertainty. For households this implies manageable grocery bills; for policymakers it underscores the need for supply-side vigilance and seamless logistics; for investors it suggests a cautiously constructive stance tempered by global risks. Sustaining this balance will hinge on the interaction of supply chains, festive demand, and currency movements through the rest of October and into the early rabi season.

Key Implications

Domestic disinflation has strengthened: the Basket fell to ₹979 (-2.6% w/w), affordability rose to 1.47%, and food WPI eased by 1.99% year-on-year, collectively signaling weaker near-term consumer price pressures and firmer household purchasing power. Robust kharif sowing, ample buffer stocks and near-full reservoir levels provide a durable supply anchor, materially reducing immediate upside risk to food inflation.

Offsetting risks remain material and could sustain imported inflationary pressures. Fruit inflation is elevated, the rupee remains soft, and large gold import bills have widened the trade deficit, keeping pass-through from external shocks and FX volatility elevated.

The balance of evidence permits conditional room for a neutral-to-gradually accommodative stance, but any easing should be phased and strictly data-dependent; rate adjustments must hinge on persistent domestic disinflation and sustained benignity in global commodity prices. If external conditions fail to stabilise, monetary policy should remain cautious to avoid premature loosening.

Disclaimer

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Methodology and Scope

Each week, we record the retail prices of ten everyday food items – from two kilos of onions to a dozen eggs, across 21 major Indian cities. By fixing these quantities and sourcing prices from the Blinkit app, we obtain a consistent benchmark of what urban families pay at checkout. Since food items comprise roughly 45% of India's CPI basket, even small swings in prices for these staples can reverberate through inflation metrics and influence the RBI's policy decisions.

By publishing this index weekly, we capture price inflections driven by factors like monsoon disruptions, supply bottlenecks, or currency swings well before they appear in official monthly CPI data. This week's update integrates the Aug 23 price point into our July series, producing precise week-over-week variances for more reliable trend analysis. We also monitor exchange rates and global oil prices—key non-food factors accounting for the remaining 55% of the CPI, ensuring our inflation assessment is exhaustive.

Appendix

This Urban Food-Basket Index tracks weekly changes in the prices of 10 common food items to provide early signals on inflation. The basket was formulated using standard quantities that an average household might purchase. Prices are collected from 21 cities nationwide via the Blinkit grocery app, using consistent product SKUs for each item.

A simple average across these cities is then calculated to yield the national basket cost. Week-on-week movements in the index (starting with a base measurement on June 16, 2025) are analyzed to identify emerging price trends and potential inflation risks.

Cities	Tomato (1Kg)		
	Price	Qty	Std. Price
Delhi	31	500	62
Lucknow	32	500	64
Jaipur	34	500	68
Kanpur	32	500	64
Varanasi	27	500	54
Bangalore	17	500	34
Chennai	17	500	34
Hyderabad	18	500	36
Kochi	21	500	42
Kolkata	33	500	66
Patna	40	500	80
Bhubaneshwar	23	500	46
Ranchi	26	500	52
Mumbai	23	500	46
Ahmedabad	26	500	52
Surat	22	500	44
Pune	23	500	46
Vadodara	25	500	50
Indore	26	500	52
Raipur	26	500	52
Jabalpur	27	500	54

Cities	Onion (2Kg)		
	Price	Qty	Std. Price
Delhi	34	1000	68
Lucknow	29	1000	58
Jaipur	31	1000	62
Kanpur	28	1000	56
Varanasi	31	1000	62
Bangalore	28	1000	56
Chennai	30	1000	60
Hyderabad	29	1000	58
Kochi	35	1000	70
Kolkata	33	1000	66
Patna	33	1000	66
Bhubaneshwar	28	1000	56
Ranchi	30	1000	60
Mumbai	23	1000	46
Ahmedabad	28	1000	56
Surat	22	1000	44
Pune	23	1000	46
Vadodara	27	1000	54
Indore	22	1000	44
Raipur	27	1000	54
Jabalpur	28	1000	56

Cities	Potato (1kg)		
	Price	Qty	Std. Price
Delhi	28	1000	28
Lucknow	29	1000	29
Jaipur	29	1000	29
Kanpur	28	1000	28
Varanasi	30	1000	30
Bangalore	37	1000	37
Chennai	34	1000	34
Hyderabad	43	1000	43
Kochi	54	1000	54
Kolkata	38	1000	38
Patna	29	1000	29
Bhubaneshwar	23	1000	23
Ranchi	29	1000	29
Mumbai	36	1000	36
Ahmedabad	46	1000	46
Surat	35	1000	35
Pune	31	1000	31
Vadodara	46	1000	46
Indore	27	1000	27
Raipur	31	1000	31
Jabalpur	30	1000	30

Cities	Ginger (200gm.)		
	Price	Qty	Std. Price
Delhi	37	200	37
Lucknow	35	200	35
Jaipur	28	200	28
Kanpur	30	200	30
Varanasi	27	200	27
Bangalore	30	200	30
Chennai	25	200	25
Hyderabad	26	200	26
Kochi	31	200	31
Kolkata	36	200	36
Patna	32	200	32
Bhubaneshwar	31	200	31
Ranchi	28	200	28
Mumbai	25	200	25
Ahmedabad	30	200	30
Surat	33	200	33
Pune	26	200	26
Vadodara	29	200	29
Indore	27	200	27
Raipur	32	200	32
Jabalpur	30	200	30

Cities	Garlic (200gm.)		
	Price	Qty	Std. Price
Delhi	30	200	30
Lucknow	35	200	35
Jaipur	30	200	30
Kanpur	30	200	30
Varanasi	30	200	30
Bangalore	19	100	38
Chennai	33	200	33
Hyderabad	35	200	35
Kochi	25	100	50
Kolkata	28	200	28
Patna	30	200	30
Bhubaneshwar	34	200	34
Ranchi	28	200	28
Mumbai	38	200	38
Ahmedabad	34	200	34
Surat	48	200	48
Pune	37	200	37
Vadodara	31	200	31
Indore	25	200	25
Raipur	23	100	46
Jabalpur	18	100	36

Cities	Chicken (1kg)		
	Price	Qty	Std. Price
Delhi	184	500	368
Lucknow	179	450	398
Jaipur	195	500	390
Kanpur	184	500	368
Varanasi	181	500	362
Bangalore	165	450	367
Chennai	195	500	390
Hyderabad	157	450	349
Kochi	159	450	353
Kolkata	159	450	353
Patna	148	500	296
Bhubaneshwar	195	500	390
Ranchi	189	500	378
Mumbai	144	450	320
Ahmedabad	195	500	390
Surat	189	450	420
Pune	169	450	376
Vadodara	141	450	313
Indore	182	500	364
Raipur	195	500	390
Jabalpur	189	500	378

Cities	Eggs (15 Qty.)		
	Price	Qty	Std. Price
Delhi	134	10	201
Lucknow	132	10	198
Jaipur	132	10	198
Kanpur	132	10	198
Varanasi	132	10	198
Bangalore	91	10	137
Chennai	116	10	174
Hyderabad	119	10	179
Kochi	122	15	122
Kolkata	103	12	129
Patna	106	12	133
Bhubaneshwar	125	10	188
Ranchi	108	12	135
Mumbai	94	10	141
Ahmedabad	110	12	138
Surat	86	10	129
Pune	92	10	138
Vadodara	108	12	135
Indore	99	10	124
Raipur	88	10	132
Jabalpur	133	12	166

Cities	Milk (2 Ltrs)		
	Price	Qty	Std. Price
Delhi	30	500	120
Lucknow	30	500	120
Jaipur	27	500	108
Kanpur	29	500	116
Varanasi	29	500	116
Bangalore	27	500	108
Chennai	28	500	112
Hyderabad	29	500	116
Kochi	27	450	108
Kolkata	30	500	120
Patna	29	450	116
Bhubaneshwar	30	500	120
Ranchi	30	500	120
Mumbai	29	500	116
Ahmedabad	29	500	116
Surat	28	500	112
Pune	29	500	116
Vadodara	28	500	112
Indore	28	500	112
Raipur	28	500	112
Jabalpur	28	500	112

Cities	Chana Dal (500gm)		
	Price	Qty	Std. Price
Delhi	59	500	59
Lucknow	59	500	59
Jaipur	62	500	62
Kanpur	71	500	71
Varanasi	71	500	71
Bangalore	59	500	59
Chennai	58	500	58
Hyderabad	60	500	60
Kochi	64	500	64
Kolkata	71	500	71
Patna	71	500	71
Bhubaneshwar	71	500	71
Ranchi	71	500	71
Mumbai	70	500	70
Ahmedabad	59	500	59
Surat	65	500	65
Pune	59	500	59
Vadodara	69	500	69
Indore	65	500	65
Raipur	70	500	70
Jabalpur	70	500	70

Cities	Masoor Dal (500gm)		
	Price	Qty	Std. Price
Delhi	59	500	59
Lucknow	73	500	73
Jaipur	72	500	72
Kanpur	73	500	73
Varanasi	73	500	73
Bangalore	62	500	62
Chennai	60	500	60
Hyderabad	64	500	64
Kochi	63	500	63
Kolkata	73	500	73
Patna	76	500	76
Bhubaneshwar	71	500	71
Ranchi	75	500	75
Mumbai	60	500	60
Ahmedabad	61	500	61
Surat	68	500	68
Pune	59	500	59
Vadodara	75	500	75
Indore	72	500	72
Raipur	73	500	73
Jabalpur	73	500	73

National Average	
16-Jun-25	₹ 998
23-Jun-25	₹ 981
27-Jun-25	₹ 967
05-Jul-25	₹ 993
12-Jul-25	₹ 1,007
19-Jul-25	₹ 986
26-Jul-25	₹ 998
02-Aug-25	₹ 1,011
09-Aug-25	₹ 1,007
16-Aug-25	₹ 996
23-Aug-25	₹ 999
29-Aug-25	₹ 1,008
05-Sep-25	₹ 978
11-Sep-25	₹ 1,004
19-Sep-25	₹ 1,007
26-Sep-25	₹ 1,006
02-Oct-25	₹ 1,003
09-Oct-25	₹ 1,005
16-Oct-25	₹ 979

Volatility	
16-Jun-25	52.39
23-Jun-25	51.24
27-Jun-25	51.38
05-Jul-25	67.93
12-Jul-25	52.04
19-Jul-25	51.26
26-Jul-25	58.73
02-Aug-25	56.11
09-Aug-25	48.30
16-Aug-25	49.28
23-Aug-25	42.83
29-Aug-25	55.42
04-Sep-25	46.93
11-Sep-25	47.16
19-Sep-25	49.62
26-Sep-25	48.00
02-Oct-25	27.69
09-Oct-25	39.39
16-Oct-25	48.65

Affordability %	
16-Jun-25	1.50%
23-Jun-25	1.47%
27-Jun-25	1.45%
05-Jul-25	1.49%
12-Jul-25	1.51%
19-Jul-25	1.48%
26-Jul-25	1.50%
02-Aug-25	1.52%
09-Aug-25	1.51%
16-Aug-25	1.50%
23-Aug-25	1.50%
29-Aug-25	1.51%
05-Sep-25	1.46%
11-Sep-25	1.51%
19-Sep-25	1.51%
26-Sep-25	1.51%
02-Oct-25	1.51%
09-Oct-25	1.51%
16-Oct-25	1.47%

Source: Blinkit

Average Price of Items								
Food Item	16-Jun-25	23-Jun-25	27-Jun-25	05-Jul-25	12-Jul-25	19-Jul-25	26-Jul-25	02-Aug-25
Tomato (1kg)	₹ 58	₹ 56	₹ 58	₹ 62	₹ 66	₹ 61	₹ 75	₹ 87
Onion (2kg)	₹ 61	₹ 61	₹ 61	₹ 63	₹ 65	₹ 66	₹ 64	₹ 62
Potato (1kg)	₹ 33	₹ 32	₹ 32	₹ 33	₹ 34	₹ 34	₹ 33	₹ 33
Ginger (200gm.)	₹ 22	₹ 20	₹ 20	₹ 21	₹ 21	₹ 21	₹ 22	₹ 24
Garlic (200gm.)	₹ 39	₹ 39	₹ 39	₹ 39	₹ 39	₹ 38	₹ 39	₹ 38
Chicken (1kg)	₹ 365	₹ 360	₹ 352	₹ 360	₹ 373	₹ 362	₹ 365	₹ 366
Eggs (15Qty.)	₹ 160	₹ 159	₹ 152	₹ 154	₹ 156	₹ 152	₹ 148	₹ 147
Milk (2ltr.)	₹ 122	₹ 115	₹ 115	₹ 123	₹ 115	₹ 113	₹ 113	₹ 114
Chana Dal (500gm.)	₹ 65	₹ 65	₹ 65	₹ 66	₹ 67	₹ 65	₹ 65	₹ 66
Masoor Dal (500gm.)	₹ 73	₹ 74	₹ 73	₹ 72	₹ 73	₹ 74	₹ 74	₹ 73

Average Price of Items								
Food Item	09-Aug-25	16-Aug-25	23-Aug-25	29-Aug-25	05-Sep-25	11-Sep-25	19-Sep-25	26-Sep-25
Tomato (1kg)	₹ 83	₹ 85	₹ 86	₹ 74	₹ 63	₹ 54	₹ 50	₹ 54
Onion (2kg)	₹ 61	₹ 62	₹ 65	₹ 67	₹ 63	₹ 62	₹ 60	₹ 62
Potato (1kg)	₹ 33	₹ 33	₹ 34	₹ 33	₹ 34	₹ 34	₹ 34	₹ 34
Ginger (200gm.)	₹ 26	₹ 28	₹ 30	₹ 31	₹ 30	₹ 30	₹ 30	₹ 30
Garlic (200gm.)	₹ 39	₹ 40	₹ 38	₹ 38	₹ 38	₹ 38	₹ 35	₹ 38
Chicken (1kg)	₹ 368	₹ 352	₹ 350	₹ 367	₹ 352	₹ 376	₹ 355	₹ 376
Eggs (15Qty.)	₹ 146	₹ 146	₹ 146	₹ 148	₹ 148	₹ 153	₹ 144	₹ 153
Milk (2ltr.)	₹ 114	₹ 112	₹ 112	₹ 112	₹ 113	₹ 116	₹ 115	₹ 115
Chana Dal (500gm.)	₹ 63	₹ 65	₹ 65	₹ 66	₹ 64	₹ 67	₹ 68	₹ 67
Masoor Dal (500gm.)	₹ 73	₹ 73	₹ 73	₹ 74	₹ 73	₹ 73	₹ 73	₹ 73

Average Price of Items			
Food Item	02-Oct-25	09-Oct-25	16-Oct-25
Tomato (1kg)	₹ 54	₹ 57	₹ 52
Onion (2kg)	₹ 62	₹ 62	₹ 57
Potato (1kg)	₹ 34	₹ 35	₹ 34
Ginger (200gm.)	₹ 28	₹ 31	₹ 30
Garlic (200gm.)	₹ 38	₹ 40	₹ 35
Chicken (1kg)	₹ 379	₹ 377	₹ 367
Eggs (15Qty.)	₹ 153	₹ 122	₹ 157
Milk (2ltr.)	₹ 114	₹ 115	₹ 115
Chana Dal (500gm.)	₹ 62	₹ 68	₹ 65
Masoor Dal (500gm.)	₹ 71	₹ 72	₹ 68