

January 13, 2026

India's Food Security Path – Strength amidst Global Challenges

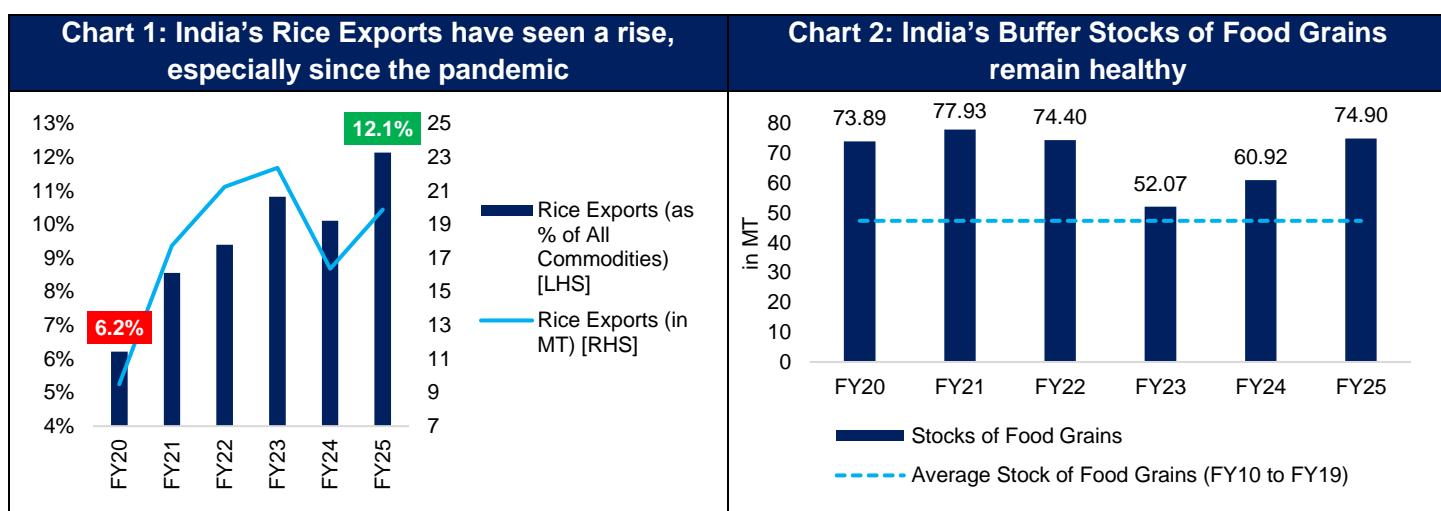
What's the Point?

- As per our Union Minister of Agriculture, India has become the world's largest producer of rice in FY25, surpassing China, with India standing at 150.18 million tonnes, compared to China's 145.28 million tonnes. This is of prime significance since production of rice accounts for nearly 42% of the total production of food grains as of FY25.
- Although urbanization is accelerating, agriculture remains vital, employing nearly 55% of the population and keeping India largely food-surplus. Strong crop production lifts rural incomes, reinforces food security, and helps reduce poverty; at the macro level, higher output supports consumption, stabilizes inflation, and drives growth. Looking ahead, projections suggest that by 2034, India's share of the global food-insecure population could fall from about 13% to under 1%, further strengthening this positive trajectory.

Factors leading to the Rise in India's Agriculture Production and Exports in the recent times

Favourable and well-distributed rains and record sowing have created a conducive environment for higher food grain output. Government measures like higher Minimum Support Prices (MSPs), better irrigation led by Pradhan Mantri Krishi Sinchayee Yojana, and assured procurement have helped farmers expand food grain output by using seeds of better quality and modern farming methods.

Large buffer stocks (as per Food Corporation of India) cushioned domestic markets, enabled steady Public Distribution System supplies, and gave India the confidence to lift temporary exports curbs, especially on rice, since 2024. Rice exports, which stood at an average of 21.79 million tonnes (MT) for FY22 and FY23, witnessed a 24% drop in FY24 to 16.36 MT. With the Government slowly lifting the curbs, rice exports have risen 21% between FY24 and FY25 to 19.87 MT. With record rice reserves on hand and diversified basmati / non-basmati demand, India's role as a reliable supplier strengthened even as Asian prices eased, reinforcing resilience at home and leadership abroad.



Source: Centre for Monitoring Indian Economy (CMIE), Directorate General of Commercial Intelligence and Statistics (DGCIS)

Healthy Production and Rising Buffer Stocks – What is India's global standing in Food Security?

Globally, the basic concept of food security is to ensure that all people, at all times, should get access to the basic food for their active and healthy life and is characterized by availability, access, utilization and stability of food.

As per the International Food Security Assessment (IFSA) Report 2024-34, Asia's food security improved in 2024, supported by economic growth and lower prices of commodities like vegetable oils, wheat, corn, etc., reducing the share of global food-insecure populations to about 19%. By 2034, rising incomes and better access could cut this further to roughly 5.5%, marking a two-thirds reduction despite ongoing production-demand gaps.

India has played a major role in shaping Asia's food-security indicators. While our nation accounts for ~13% of global food-insecure population in 2024, strong policies like the National Food Security Act, Public Distribution System, and nutrition programs are improving access and stability. By 2034, continued reforms in crop insurance, climate-resilient farming, and input subsidies are expected to cut India's share of global food-insecure population from ~13% to under 1%, making it the biggest contributor to Asia's reduction in food insecurity.

| Food Insecure (% of Population) | | | | Population Insecure (in million) | | | | Food Gap (kcal per capita per day) | | | |
|---------------------------------|-------|-------|------|----------------------------------|-------|-------|------|------------------------------------|------|------|------|
| 2021-23* | 2023 | 2024 | 2034 | 2021-23* | 2023 | 2024 | 2034 | 2021-23* | 2023 | 2024 | 2034 |
| 20.0% | 18.8% | 13.3% | 0.5% | 269.5 | 253.7 | 181.5 | 7.7 | 270 | 265 | 245 | 158 |

Source: IFSA (2024-34), USDA. *These are the estimated calibrated average results for 2021, 2022, 2023

Lower Inflation key for Food Security

As of December 2025, India's overall Consumer Price Index (CPI) remains benign at 1.7%, with food inflation at some of its lowest levels in the recent times, at -0.8%. This low inflation print and healthy food grain production should ultimately bode well for India's food security.

| Apr-Dec Period | Overall CPI | Food and Beverages Inflation | Cereals and Products |
|----------------|-------------|------------------------------|----------------------|
| 2021-22 | 5.2% | 3.5% | -0.6% |
| 2022-23 | 6.8% | 7.0% | 9.3% |
| 2023-24 | 5.5% | 6.8% | 11.7% |
| 2024-25 | 4.9% | 7.6% | 7.6% |
| 2025-26 | 1.7% | -0.8% | 2.5% |
| December 2025 | 1.3% | -1.9% | -0.4% |

Source: CMIE

Conclusion

India's inflation outlook appears more stable going forward, with headline inflation expected to move structurally lower than the past. A higher food grain production will help in keeping prices low, thereby increasing food security. Since Food and Beverages account for nearly 46% of the CPI basket, a higher food security will help the Reserve Bank of India to further ensure that food inflation remains stable. This improved stability strengthens India's ability to meet domestic needs while reducing vulnerability to external shocks.

With temporary export curbs lifted, rice and other food grain shipments are likely to rise. Export prices often exceed MSP, creating an opportunity to boost farmer incomes while maintaining adequate buffer stocks for domestic supply. In a world marked by geopolitical uncertainty, India's combination of strong food security and growing export competitiveness offer a steady platform for economic stability and a global trade strength.

Sources: CMIE, DGCIS, RBI, IFSA (USDA, 2024-34), Press Information Bureau and other publicly available information

About Tuesday's Talking Point (TTP): TTP is an effort by HDFC AMC to guide key conversations in the Indian financial markets and investing ecosystem. We aspire to do this by providing relevant facts, along with our perspective on the issue at hand. Please provide your feedback at this link: <https://forms.office.com/r/Cr8JNjMGWk>

Disclaimer: Views expressed herein are based on information available in publicly accessible media, involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied herein. The information herein is for general purposes only. Stocks/Sectors/Views referred are illustrative and should not be construed as an investment advice or a research report or a recommendation by HDFC Mutual Fund ("the Fund") / HDFC Asset Management Company Limited (HDFC AMC) to buy or sell the stock or any other security. HDFC AMC is not indicating or guaranteeing returns on any investments. Past performance may or may not be sustained in the future and is not a guarantee of any future returns. The recipient(s), before taking any decision, should make their own investigation and seek appropriate professional advice.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.