

Global food price index rises for second consecutive month – UN agency

Global food prices rose for the second consecutive month with the index for these commodities averaging 172.8 points in March, 1.1 per cent higher than in February, the United Nations food security agency announced Thursday.

According to the UN Food and Agriculture Organization, the rise was driven by “robust increases” in the prices of cereals (165.6 points) and dairy products (197.4 points), averaging 2.7 per cent and 3.3 per cent higher, respectively, than their prices the previous month.

Wheat prices increased mostly on weather worries, including prolonged dryness in the United States of America and cold wet conditions in parts of Europe. Similarly, maize – another major cereal – saw its prices rise on back of strong global demand and deteriorating crop prospects also in Argentina.

FAO also anticipates that 2018 world maize and wheat production could decline based on early forecasts. Worldwide wheat output could drop to 750 million tonnes, about 1 per cent below its near-record level of the previous year.

In 2017, worldwide cereal production, including wheat, hit a record level, up 33 million tonnes from 2016, to nearly 2,646 million tonnes globally.

Price indices for sugar and vegetable oils, however, recorded declines in March, averaging 186 points and 156.8 points, respectively. The meat price index (169.8 points) remained almost unchanged from February.