World Food Situation

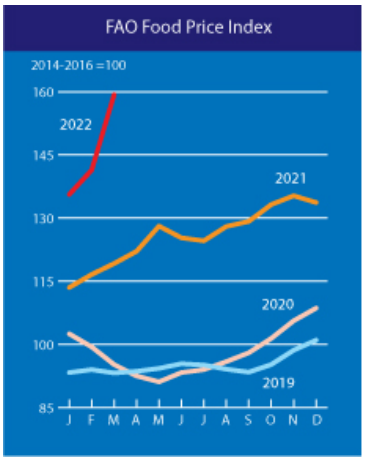
FAO Food Price Index

The FAO Food Price Index (FFPI) is a measure of the monthly change in international prices of a basket of food commodities. It consists of the average of five commodity group price indices weighted by the average export shares of each of the groups over 2014-2016. A feature article published in the June 2020 edition of the Food Outlook presents the revision of the base period for the calculation of the FFPI and the expansion of its price coverage, to be introduced from July 2020. A November 2013 article contains technical background on the previous construction of the FFPI.

Monthly release dates for 2022: 6 January, 3 February, 4 March, 8 April, 6 May, 3 June, 8 July, 5 August, 2 September, 7 October, 4 November, 2 December.

The FAO Food Price Index makes a giant leap to another all-time high in March

Release date: 08/04/2022



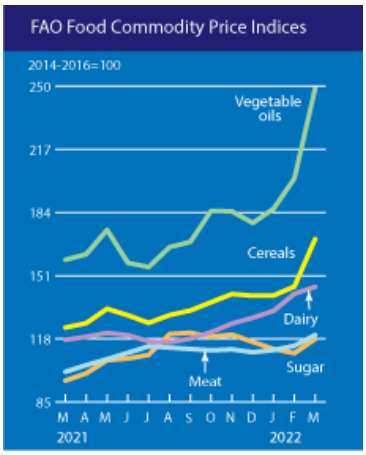
» The **FAO Food Price Index*** (FFPI) averaged 159.3 points in March 2022, up 17.9 points (12.6 percent) from February, making a giant leap to a new highest level since its inception in 1990. The latest increase reflects new all-time highs for vegetable oils, cereals and meat sub-indices, while those of sugar and dairy products also rose significantly.

» The **FAO Cereal Price Index** averaged 170.1 points in March, up 24.9 points (17.1 percent) from February, marking its highest level on record since 1990. This month's increase reflected a surge in world prices of wheat and coarse grains, largely driven by conflict-related export disruptions from Ukraine and, to a lesser extent, the Russian Federation. The expected loss of exports from the Black Sea region exacerbated the already tight global availability of wheat. With concerns over crop conditions in the United States of America (USA) also adding support, world wheat prices rose sharply in March, soaring by 19.7 percent. After climbing upwards by 20.4 percent in March, international coarse grain prices marked a record high, with maize, barley, and sorghum prices all reaching their respective highest levels on record since 1990. Significantly reduced maize export expectations for Ukraine, a major exporter, on top of elevated energy and input costs, underpinned a 19.1-percent increase in world maize prices month-on-month. Strength in maize markets influenced other coarse grains, with sorghum prices increasing by 17.3 percent, while supply uncertainties added further pressure on already tight barley markets, pushing barley prices up 27.1 percent from February. Meanwhile, contrasting trends across the various origins and qualities kept the March value of FAO's Rice Price Index little changed from February levels and still 10 percent below its year-earlier value.

» The **FAO Vegetable Oil Price Index** averaged 248.6 points in March, up 46.9 points (23.2 percent) from February and hitting a new record high. The sharp rise of the index was driven by higher sunflower, palm, soy and rapeseed oil prices. International sunflowerseed oil quotations increased substantially in March, fuelled by reduced export supplies amid the ongoing conflict in the Black Sea region. In the meantime, palm, soy and rapeseed oil prices also rose markedly, buoyed by rising global import demand in the wake of sunflower oil supply disruptions. Moreover, while world palm oil values received additional support from lingering supply tightness in major producing countries, soyoil prices were underpinned by concerns over reduced export availabilities in South America. Noticeably, volatile and higher crude oil values also lent support to international vegetable oil prices.

» The **FAO Dairy Price Index** averaged 145.2 points in March, up 3.7 points (2.6 percent) from February, marking the seventh consecutive monthly increase and lifting the index 27.7 points (23.6 percent) above its value a year ago. The upward trend of dairy product prices persisted, mainly supported by the tightening of global markets due to inadequate milk output in Western Europe and Oceania to meet global demand. Quotations for butter and milk powders rose steeply, underpinned by a surge in import demand for near- and long-term deliveries, especially from Asian markets, and solid internal demand in Western Europe. Meanwhile, cheese markets were also facing a tight supply situation due to strong internal demand in Western Europe, but the index value eased marginally, reflecting the impacts of currency movements.

» The **FAO Meat Price Index*** averaged 120.0 points in March, up 5.5 points (4.8 percent) from February, also reaching an all-time high. In March, pig meat prices registered the steepest monthly increase on record since 1995, underpinned by supply shortfalls of slaughter pigs in Western Europe and a surge in internal demand in light of the upcoming Easter holidays. International poultry meat prices firmed, fuelled by reduced supplies from leading exporting countries following avian flu outbreaks, further impacted by



Ukraine's inability to export poultry meat amid the ongoing conflict. Bovine meat prices also firmed as the tight supply of slaughter-ready cattle persisted in some key producing regions, while global demand remained solid.

» The **FAO Sugar Price Index** averaged 117.9 points in March, up 7.4 points (6.7 percent) from February, reversing most of the previous three months' decline and reaching levels more than 20 percent above those registered in the corresponding month last year. The March rebound in international sugar price quotations was mainly prompted by the sharp increase in international crude oil prices, which raised expectations of a greater use of sugarcane for ethanol production in Brazil in the upcoming season. Additional support to world sugar prices was lent by the sustained strengthening of the Brazilian Real against the US Dollar, which tends to restrain producer selling due to lower returns in local currency. However, the good harvest progress and favourable production prospects in India, a major sugar exporter, contributed to easing the price hike and prevented larger monthly price increases.

** Unlike for other commodity groups, most prices utilized in the calculation of the FAO Meat Price Index are not available when the FAO Food Price Index is computed and published; therefore, the value of the Meat Price Index for the most recent months is derived from a mixture of projected and observed prices. This can, at times, require significant revisions in the final value of the FAO Meat Price Index which could in turn influence the value of the FAO Food Price Index.*

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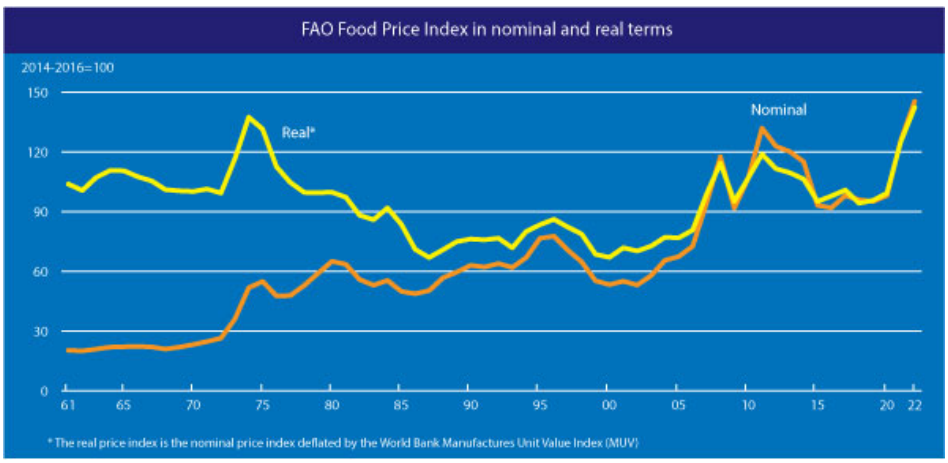

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FAO food price index

		Food Price Index [1]	Meat [2]	Dairy [3]	Cereals [4]	Vegetables Oils [5]	Sugar [6]
2004		**65.6**	**67.6**	**69.8**	**64.0**	**69.6**	44.3
2005		**67.4**	**71.8**	**77.2**	**60.8**	**64.4**	61.2
2006		**72.6**	**70.5**	**73.1**	**71.2**	**70.5**	91.4
2007		**94.3**	**76.9**	**122.4**	**100.9**	**107.3**	62.4
2008		**117.5**	**90.2**	**132.3**	**137.6**	**141.1**	79.2
2009		**91.7**	**81.2**	**91.4**	**97.2**	**94.4**	112.2
2010		**106.7**	**91.0**	**111.9**	**107.5**	**122.0**	131.7
2011		**131.9**	**105.3**	**129.9**	**142.2**	**156.5**	160.9
2012		**122.8**	**105.0**	**111.7**	**137.4**	**138.3**	133.3
2013		**120.1**	**106.2**	**140.9**	**129.1**	**119.5**	109.5
2014		**115.0**	**112.2**	**130.2**	**115.8**	**110.6**	105.2
2015		**93.0**	**96.7**	**87.1**	**95.9**	**89.9**	83.2
2016		**91.9**	**91.0**	**82.6**	**88.3**	**99.4**	111.6
2017		**98.0**	**97.7**	**108.0**	**91.0**	**101.9**	99.1
2018		**95.9**	**94.9**	**107.3**	**100.8**	**87.8**	77.4
2019		**95.1**	**100.0**	**102.8**	**96.6**	**83.2**	78.6
2020		**98.1**	**95.5**	**101.8**	**103.1**	**99.4**	79.5
2021		**125.7**	**107.7**	**119.1**	**131.2**	**164.9**	109.3
2021	March	**119.2**	100.8	117.5	123.9	159.3	96.2
	April	**122.1**	104.3	119.1	126.2	162.2	100.0
	May	**128.1**	107.4	121.1	133.7	174.9	106.8
	June	**125.3**	110.7	119.9	130.3	157.7	107.7
	July	**124.6**	114.1	116.7	126.3	155.5	109.6
	August	**128.0**	113.4	116.2	130.4	165.9	120.5
	September	**129.2**	112.7	118.1	132.8	168.6	121.2
	October	**133.2**	112.0	121.5	137.1	184.8	119.1
	November	**135.3**	112.5	126.0	141.4	184.6	120.2
	December	**133.7**	111.0	129.0	140.5	178.5	116.4
2022	January	**135.6**	112.1	132.6	140.6	185.9	112.7
	February	**141.4**	114.4	141.5	145.3	201.7	110.5
	March	**159.3**	120.0	145.2	170.1	248.6	117.9

1 Food Price Index: Consists of the average of 5 commodity group price indices mentioned above, weighted with the average export shares of each of the groups for 2014-2016: in total 95 price quotations considered by FAO commodity specialists as representing the international prices of the food commodities are included in the overall index. Each sub-index is a weighted average of the price relatives of the commodities included in the group, with the base period price consisting of the averages for the years 2014-2016.

2 Meat Price Index: Based on 35 average export unit values/market prices of four meat types (bovine, pig, poultry and ovine) from 10 representative markets. Within each meat type, export unit values/prices are weighted by the trade shares of their respective markets, while the meat types are weighted by their average global export trade shares for 2014-2016. Quotations for the two most recent months may consist of estimates and be subject to revision.

3 Dairy Price Index: Computed using 8 price quotations of four dairy products (butter, cheese, SMP and WMP) from two representative markets. Within each dairy product, prices are weighted by the trade shares of their respective markets, while the dairy products are weighted by their average export shares for 2014-2016.

4 Cereals Price Index: Compiled using the International Grains Council (IGC) wheat price index (an average of 10 different wheat price quotations), the IGC maize price index (an average of 4 different maize price quotations), the IGC barley price index (an average of 5 different barley price quotations), 1 sorghum export quotation and the FAO All Rice Price Index. The FAO All Rice Price Index is based on 21 rice export quotations, combined into four groups consisting of Indica, Aromatic, Japonica and Glutinous rice varieties. Within each varietal group, a simple average of the relative prices of appropriate quotations is calculated; then the average relative prices of each of the four rice varieties are combined by weighting them with their (fixed) trade shares for 2014-2016. The Cereal Price Index combines the relative prices of sorghum, the IGC wheat, maize and barley price indices (re-based to 2014-2016) and the FAO All Rice Price Index by weighing each commodity with its average export trade share for 2014-2016.

5 Vegetable Oil Price Index: Consists of an average of 10 different oils weighted with average export trade shares of each oil product for 2014-2016.

6 Sugar Price Index: Index form of the International Sugar Agreement prices with 2014-2016 as base.