

Global food prices continue to rise in July

According to a United Nations report, global food prices continue their upward trajectory for the second consecutive month in July, led by vegetable oils and dairy products.



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The Food and Agriculture Organization's (FAO) Food Price Index averaged 94.2 points in July, a 1.2% increase from June and nearly 1.0% higher than July 2019. The [FAO Food Price Index](#) tracks international prices of the most commonly traded food commodities.

The **vegetable oil price index** increased 7.6% since June to reach a five-month high, with international quotations for the key oils rising amid, in the case of palm oil, likely production slowdowns, revived global import demand and protracted migrant labor shortages.

The **dairy price index** rose 3.5% in the month, with all products from butter and cheese to milk powders rising.

The **cereal price index** was practically unchanged from June, although maize and sorghum prices registered sharp increase - influenced by large purchases by China from the United States of America - while those of rice fell, reflecting prospects of large 2020 harvests. Wheat prices changed little amid slow trade activity.

The *sugar price index* rose 1.4%, as strong sugar crush numbers from Brazil only partly mitigated the effects of rising

energy prices and the prospects of lower sugar production in Thailand due to a severe drought.

The **meat price index**, in contrast, declined by 1.8% in July and averaged 9.2% below its level of July 2019. Pig and bovine meat quotations both fell in the month as global import demand volumes remained below export availabilities, despite the coronavirus-induced disruptions to the industry in key exporting regions.

Poultry meat prices increased, influenced by production cuts in Brazil triggered by high feed costs and concerns over future demand.

The price coverage of the FAO Food Price Index was expanded and rebased in July 2020. The feature article of the latest [Food Outlook](#) explains details on this revision.

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