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FAO Food Price Index dips by 0.5% in October

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International quotations for rice, wheat, palm oil and pig meat decline



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The benchmark for world food commodity prices declined moderately in October, down by 0.5 per cent from September with the index for dairy products the only one to rise, the Food and Agriculture Organisation of the United Nations (FAO) reported.

The FAO Food Price Index, which tracks monthly changes in the international prices of a set of globally traded food commodities, averaged 120.6 points in October, down 10.9 per cent from its corresponding value a year earlier.

The FAO Cereal Price Index declined by 1.0 per cent from the previous month. International rice prices dropped by 2.0 per cent amid generally passive global import demand, while those of wheat dropped by 1.9 per cent, weighed on by strong supplies from the United States of America and strong competition among exporters. By contrast, quotations for coarse grains rose slightly, led by maize due to thinning supplies in Argentina.

The FAO Vegetable Oil Price Index decreased by 0.7 per cent from September, as lower world palm oil prices, due to seasonally higher outputs and subdued global import demand, more than offset higher prices for soy, sunflower and rapeseed oils. Soy oil prices rose owing to a robust demand from the biodiesel sector.

The FAO Sugar Price Index declined by 2.2 per cent but remained 46.6 per cent above its year-earlier level. The October decline was mainly driven by a strong pace of production in Brazil, although concerns over a tighter global supply outlook in the year ahead capped the drop.

The FAO Meat Price Index declined by 0.6 per cent, as sluggish import demand especially from East Asia led to a fall in the international prices of pig meat, more than offsetting marginal increases in the prices of poultry, bovine and ovine meats.

In a contrasting trend, the FAO Dairy Price Index rose by 2.2 per cent in October, ending a nine-month decline. World milk powder prices rose the most on the back of surging import demand for both near and longer-term supplies as well as some

uncertainty over the impact of the El NiÃ±o weather conditions on the upcoming milk production in Oceania.