

Food price inflation exceeds overall inflation in 59.8% of 164 countries

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Domestic food price inflation remains high in many low- and middle-income countries. Currently, 68.8 per cent of low-income countries experience inflation above 5 per cent, with rates also elevated in lower-middle-income (46.7 per cent), upper-middle-income (33 per cent), and high-income countries (10.9 per cent). Food price inflation exceeds overall inflation in 59.8 per cent of the 164 countries with available data.

According to the World Bank, since the last update, agricultural, export, and cereal price indices have increased by 12 per cent, 25 per cent, and 1 per cent, respectively. Notably, cocoa and coffee prices surged by 28 per cent and 26 per cent, while maize and wheat rose by 3 per cent and 2 per cent, with rice prices decreasing by 2 per cent. Year-on-year, maize is down 9 per cent, rice 10 per cent, and wheat 2 per cent, though maize and rice prices are higher than their January 2020 levels.

The December 2024 Market Monitor reports lower global prices for wheat, maize, rice, and soybeans compared to 2023, indicating a relatively stable market amid climate uncertainties. The FAO's November 2024 Food Outlook highlights mixed trends, with declines in wheat, maize, and sugar, while dairy, fisheries, meats, oilseeds, and rice outputs are expected to grow. Food production remains vulnerable to weather disruptions, geopolitical conflicts, and policy changes.

Globally, 343 million people are acutely food insecure, a 10 per cent increase from 2023, with 1.9 million on the brink of famine primarily in Gaza, Sudan, Haiti, and Mali. Conflict, economic conditions, and climate issues drive food insecurity, with 65 per cent of affected individuals in fragile or conflict-affected areas.

Following Russia's invasion of Ukraine, trade restrictions have surged, worsening the global food crisis. As of December 2024, 17 countries have implemented 22 food export bans and 8 have enacted 12 export-limiting measures.