

International food commodity prices hold steady in December: UN FAO

According to United Nations' Food and Agricultural Organization, global food prices held broadly stable in December, with rising international cereal prices offsetting declining sugar and dairy quotations.

The FAO Food Price Index averaged 161.7 points in December 2018 compared to a revised level of 161.6 points in the November 2018.

The FAO Cereal Price Index increased by 1.8% in December 2018 from November 2018 and 9.6%(Y-O-Y). Wheat and maize prices rose during the month, due to weather effects in the southern hemisphere, while rice prices declined for the sixth successive month. Global suppliers of all the major cereals are more than sufficient and inventories are still ample.

The FAO Vegetable Oil Price Index rose by 0.4% in December 2018 ending ten consecutive months of decline, led by a rebound in palm oil prices. International soy oil prices continued to drift downward, impacted by ample supplies in the United States and weak demand in the European Union. The sub-index averaged 15 percent lower in 2018 than in the previous year, with palm oil prices posting the largest decline.

The FAO Meat Price Index posted an a 0.8% increase in December 2018, led by a recovery in pigmeat prices, which were supported by strong global import demand, especially from Brazil. The index was

down 2.2 percent on an annual basis.

The FAO Dairy Price Index declined by 3.3 in December 2018 from November 2018 marking its seventh successive monthly drop, led by lower price quotations for butter, cheese and whole milk powder. The index fell by 4.6% from 2017, as a result of declines in the prices of all dairy products during the second half of the year.

The FAO Sugar Price Index fell by 1.9% in the month, in part due to reportedly faster sugar production growth in India and in part to falling international prices of crude oil, which lower the demand for sugarcane to produce ethanol while boosting supplies for the production of sugar, notably in Brazil, the world's largest producer. Overall for 2018, the index fell by almost 22% from 2017.

Please contact for any query related to this mail to Mr. Sanjay Kumar Sharma, Research Trainee at sanjay.sharma@phdcci.in with a cc to Dr. S P Sharma, Chief Economist at spsharma@phdcci.in, and Ms. Megha Kaul, Economist, megha@phdcci.in, PHD Chamber of Commerce & Industry.

Regards,

Dr S P Sharma

Chief Economist

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

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PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in. CIN: U74899DL1951GAP001947

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