

World food prices up in March

International prices for vegetable oils, dairy products, and meat surged in March, driving up the benchmark index for global food commodity prices by 1.1%, marking the first increase in seven months. The Food and Agriculture Organization of the United Nations (FAO) reported that the [FAO Food Price Index](#), which monitors monthly shifts in international prices of various globally traded food items, averaged 118.3 points in March, indicating a 7.7% decrease from its level one year earlier.



Source: Source: ©stokkete via [123RF](#)

The **vegetable oil price index** led the increase in March, rising 8.0% from February and reaching a one-year high as quotations for palm, soy, sunflower and rapeseed oils all rose. International palm oil prices increased due to seasonally lower outputs in leading producing countries and firm domestic demand in southeast Asia, while those for soy oil recovered from multi-year lows, boosted by robust demand from the biofuel sector, particularly in Brazil and the United States of America.

The **dairy price index** increased for the sixth consecutive month, up 2.9% from February, led by rising world cheese and butter prices.

The **meat price index** also increased, rising 1.7% from the previous month, with international prices up for poultry, pig and bovine meats.

By contrast, the **cereal price index** declined by 2.6%, averaging 20% below its March 2023 value. The drop was led by decreasing global wheat export prices, which declined due to ongoing strong export competition – underscored by cancelled purchases by China – among the European Union, the Russian Federation and the United States of America. Maize export prices edged upwards in March, partly due to logistical difficulties in Ukraine, while the **all rice price index** dipped by 1.7% amid subdued global import demand.

The **sugar price index** declined by 5.4% from February, with the drop mainly driven by an upward revision to the 2023/24 sugar production forecast in India and the improved pace of the harvest in Thailand.

World cereal output seen up in 2023/24

FAO also released a new [Cereal Supply and Demand Brief](#) on Friday, raising its forecast for world cereal production in 2023/24 to 2 841 million tonnes, reflecting expectations of greater outputs of maize, rice and wheat.

Global cereal utilisation in 2023/24 is pegged at 2,828 million tonnes, a 1.3% increase from the 2022/23 level. World cereal stocks are forecast to end the 2024 season at 894 million tonnes, a 2.3% increase from the outset of the year, pointing to a worldwide cereal stocks-to-use ratio of 31.0%.

World trade in cereals is forecast to rise 1.7% from the previous year to 485 million tonnes in 2023/24. International trade in coarse grains is expected to expand from 2022/23, while wheat and rice trade will likely contract.

FAO also adjusted its forecast for global wheat production in 2024, now standing at 796 million tonnes, marking a 1.0% increase from 2023.

For coarse grain crops, sowing will begin soon in the northern hemisphere, while harvests have already begun south of the equator. While Argentina's output is expected to rebound after the drought-impacted outturn of 2023, smaller outputs are expected in Brazil and across Southern Africa.

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