

## 2017 global food prices highest since 2014 despite December decline

According to the latest FAO Food Price Index, global food prices declined in December, led by a decrease for vegetable oils and dairy products. The index stood at 169.8 points in December 2017, down 3.3% from November. However, the index averaged 174.6 points in 2017, up 8.2% from 2016 and reaching the highest annual average since 2014.



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The **FAO Dairy Price Index** declined 9.7% in December, with high export supplies and subdued demand weighing on the international prices of skim and whole milk powders as well as cheese and butter. Still, the subindex was 31.5% higher over the whole of 2017 than the previous year.

The **FAO Vegetable Oil Price Index** declined by 5.6% from November, as palm oil prices tumbled amid swelling stocks in Malaysia and Indonesia. That, in turn, pressured down soy oil quotations. Over 2017, the subindex ran 3% higher than the prior year.

The **FAO Sugar Price Index** also declined, marking a 4.1% drop from November due to seasonal factors and expectations of a large surplus in the year ahead. Sugar prices were 11.2% lower, on average, in 2017 than in 2016, due largely to a bumper harvest in Brazil, the world's leading producer.

The **FAO Cereal Price Index** remained broadly stable for the third consecutive month, with international wheat prices

weakening while those of maize and rice firming up. The Index was 3.2% higher over 2017 than in 2016, while still 37% below its 2011 peak.

The **FAO Meat Price Index** slipped slightly in December, with strong supply pressuring international prices for bovine meat down. For the year, the subindex registered a 9% increase from its 2016 level.

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