The Food and Agriculture Organization of the United Nations (FAO) Food Price Index, which measures the monthly change in international prices of a basket of food commodities, consists of the average of five commodity group price indices (cereals, dairy, meat, oils and sugar), weighted with the average export shares of each of the groups for 2014–2016. Since January 2000, it went up 43.5 points to 96.1 points in August 2020 (see Figure 42). The FAO Food Price Index surged in 2007/2008 during the food security crisis that saw the price of cereals reach record levels, especially rice and wheat. Food prices soared again in late 2010 and early 2011 (especially sugar and dairy). Overall, the period of sustained high prices lasted much longer than in the previous commodity price booms and busts with the return to the pre-surge price levels only five years later, in January 2016. The FAO Food Price Index declined during the early phase of the COVID-19 pandemic reflecting uncertainties faced by commodity markets. However, it increased for three months in a row between June and August 2020 to its highest value since February 2020. An important factor to note is that the overall trend of the FAO Food Price Index can mask a wide discrepancy of movements across sectors, as shown in Figure 43.

The market fundamentals of supply and demand, as well as exchange rates dynamics, drive the evolution of international prices. The indices for vegetable oils and sugar show great volatility since the beginning of 2017, with most recently a sharp drop during the first months of 2020 as the COVID-19 pandemic disrupted international food markets. In contrast, the indices for dairy, cereals and oils appear less volatile.

The FAO Fish Price Index measures the monthly changes in international prices of a basket of fisheries and aquaculture commodities. The index consists of the average of five commodity group price indices (whitefish, salmon, tuna, other pelagic fish and shrimps) weighted by the average export shares of each of the groups for the 2014–2016 period. Since January 2000, it went up from 65.9 to 91.1 points in May 2020. It showed several fluctuations during the overall period with higher prices experienced in 2008, 2011, 2013, 2014 and from 2016 to early 2019 (see Figure 44). Alternatively, the index dropped in 2012, 2015 and early 2020. Being an average, it masks wide differences among species and across the aquaculture and capture fisheries sector, in addition to the dynamics of

Source: FAO

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