

Global food prices up 2.7% in November

The latest Food and Agriculture Organisation (FAO) [Food Price Index](#), which tracks monthly changes in the international prices of commonly-traded food commodities, has averaged 177.2 points over the month, up 2.7% from October and 9.5% from the same period a year earlier.



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The **vegetable oil price** rose by 10.4% in November, as palm oil price quotations rose amid robust global import demand, increased use for the production of biodiesels and expectations of possible supply shortages next year. Rapeseed and soy oil values also rose.

The **meat price** increased by 4.6%, its largest month-on-month increase in more than a decade. Price quotations for bovine and ovine meats rose the most, buoyed by strong import demand, especially from China ahead of year-end festivities. Pig and poultry meat prices also rose.

The **sugar price** rose by 1.8% from October, buoyed by mounting indications that world sugar consumption in the coming year will surpass production - which is being hampered by less-than-ideal growing conditions in Thailand, India, France and the United States of America.

The **cereal price**, by contrast, declined by 1.2% amid stiff competition among the world's leading wheat exporters. Rice values also fell while U.S. maize export prices remained under downward pressure even as those for Argentina and Brazil

were generally firmer.

The **dairy price** rose marginally from October, nudged up as milk production in Europe entered its seasonal low and global demand remained strong.

Record cereal production expected for 2019

FAO also released a new worldwide cereal production forecast for 2019, anticipating an all-time high harvest of 2,714 million tonnes, which would be 2.1% higher than in 2018.

The latest upward revision, contained in the new [Cereal Supply and Demand Brief](#) also released today, reflects higher-than-previously predicted coarse grain yields in China, the Russian Federation and Ukraine.

World output of coarse grains including maize is now forecast at 1,433 million tonnes, marginally short of the record level registered in 2017. After an upward revision for the European Union, global wheat production in 2019 is now forecast to rise by 4.8% from 2018 to reach 766.4 million tonnes. World rice production is likely to reach 515 million tonnes, a mere 0.5% drop from the record set in 2018, with Egypt, Madagascar and Nigeria all poised to spearhead a rebound for African rice production this season.

FAO's world cereal utilization forecast for 2019/20 stands at 2 709 million tonnes, up around 21 million tonnes from the previous season. World cereal stocks at the close of seasons in 2020 are now expected to reach 863 million tonnes. At this level, the global cereal stock-to-use ratio would approach a relatively high level of 31%, underscoring a comfortable global supply situation.

World trade in cereals in 2019/20 is forecast at 416 million tonnes, some 1.1 percent higher than in 2018/19.

Weather hits cereal harvests in East and Southern Africa

There are 42 countries today in need of external assistance for food, according to FAO's quarterly [Crop Prospects and Food Situation](#) report, also released today.

Compared to the September issue of the same report, Zambia, affected by drought conditions and record-high staple food prices, has been added to the list, which includes Afghanistan, Bangladesh, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Congo, Democratic People's Republic of Korea, Democratic Republic of Congo, Djibouti, Eritrea, Eswatini, Ethiopia, Guinea, Haiti, Iraq, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Niger, Nigeria, Pakistan, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Syrian Arab Republic, Uganda, Venezuela, Yemen, Zimbabwe.

The report also provides details on floods that followed earlier severe dryness, cutting harvest expectations in East Africa, and adverse weather conditions that caused a steep production decline in Southern Africa. Unfavourable harvests and significantly high staple food prices in Zimbabwe, set against an economy that has sharply deteriorated, will likely almost double the number of food-insecure people in the country during the first three months of 2020.

While the cereal output of Low-Income Food-Deficit Countries (LIFDCs) in Africa is expected to decline due to adverse weather that of LIFDCs in Asia is projected to increase, notably in Afghanistan and Syria.