FAO Food Price Index edges up amid weather, energy and geopolitical concerns

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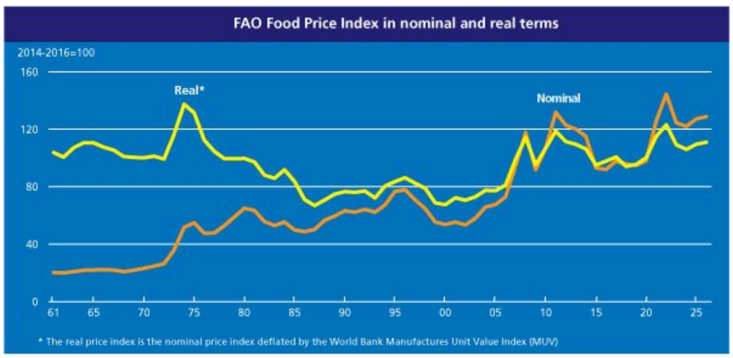
International quotations for sugar, cereals and vegetable oils offset declines for meat and dairy products



The benchmark measure of world food commodity prices edged up in July, as recent heatwaves and energy price dynamics pushed up quotations for cereals, vegetable oils and sugar, according to new data released Friday by the Food and Agriculture Organization of the United Nations (FAO).

The FAO Food Price Index, which tracks monthly changes in the international prices of a basket of globally-traded food commodities, averaged 131.1 points in July 2026, up 0.6 percent from its June level and 1.0 percent higher than its year-earlier level.

The FAO Cereal Price Index increased by 3.4 percent from June, reversing its May decline, to stand 6.9 percent above its July 2025 level. Global wheat prices surged by 5.8 percent amid heightened concerns over continued disruptions to Black Sea export flows and the likely impact of recent heatwaves on crop yields in several key producing countries. World maize prices increased by 3.6 percent, supported by concerns over hot and dry weather in parts of the United States of America and spillover effects from firmer energy markets amid heightened geopolitical tensions. The FAO All Rice Price Index held broadly steady in July 2026.

The FAO Vegetable Oil Price Index increased by 2.0 percent from June, reaching its highest level since June 2022. International quotations for palm oil rose, underpinned by firm demand from Indonesia’s biodiesel sector and higher crude oil prices, while world soy oil prices also increased on the back of persistently robust feedstock demand in the United States of America and stronger global import demand amid greater price competitiveness. Global sunflower and rapeseed oil prices declined.

The FAO Meat Price Index weakened by 2.8 percent from its record high in June, posting its first monthly decline this year. International poultry prices decreased due largely to lower quotations in Brazil amid ample export supplies, while pig meat quotations dipped amid abundant supplies in the European Union and subdued global demand. World bovine meat prices also eased, reflecting weaker import demand from Asia, while ovine meat prices rose to a new record high, supported by persistently tight exportable supplies in Oceania.

The FAO Dairy Price Index declined by 0.7 percent in July, with quotations for whole and skim milk powders dropping along with those for butter. Prices for internationally traded cheese rose for the first time in a year as tighter seasonal milk supplies in the European Union more than offset continuing price declines in Oceania and pressure from ample export supplies and intensified competition from the United States of America.

The FAO Sugar Price Index increased by 5.6 percent in July, erasing its June decline, due mainly to concerns about the potential impacts of persistent hot and dry weather on crop yields in the European Union and of El Niño-related weather conditions on production prospects in key producing countries in Asia. Expectations of stronger demand for ethanol in Brazil following a temporary increase in the mandatory ethanol blend in gasoline also provided support to prices, which however was partly mitigated by improving harvesting conditions in Brazil's key Center-South growing regions.