

Agriculture commodity price on exports drop significantly

According to the Food and Agriculture Organisation's (FAO) latest [food price index](#), global agricultural food commodity prices fell sharply in July, as all the major traded items experienced notable declines led by dairy and sugar. The index averaged 168.8 points, 3.7% below their June level, the biggest monthly drop since late last year. The index had been steadily rising in 2018 until June.



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The **dairy price index** led the slide, declining by 6.6%, with butter and cheese quotations dropping faster than those for whole and skim milk powders.

The **sugar price index** fell by 6% to a nearly three-year low, largely driven by improved production prospects in India and Thailand, both important sugar-producing countries. Expectations of lower output in Brazil, the world's largest producer and exporter, limited the fall in international sugar prices.

The **cereal price index** declined by 3.6% from June and is now below its year-ago level. Export quotations for wheat, maize and rice all declined, although wheat and maize values edged higher towards the end of July.

The **vegetable oil price index** was 2.9% lower, its sixth consecutive monthly decline, and is now at its lowest level since January 2016. Part of the July slide was driven by spillover weakness from the soybean market, which is affected by the trade dispute between China and the United States of America. Rapeseed oil values trended upwards, however, buoyed by improved demand from biodiesel producers and negative crop prospects in the European Union.

The **meat price index** declined 1.9% from its June value, which was revised up in the wake of higher beef export prices from Brazil due to a truck drivers' strike.

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