

Global agricultural, cereal prices up: World Bank

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Online Desk: The agricultural and cereal price indices closed 2 per cent higher than two weeks ago, the World Bank's latest food security update showed. The export price index closed 5 per cent higher, said the update, which was released on February 9. Maize, wheat, and rice prices closed 1 per cent, 2 per cent, and 5 per cent higher, respectively. Coffee, whose prices increased by 11 per cent during the last two weeks, drove the increase in the export price index.

On a year-on-year basis, maize and rice prices are 9 per cent and 16 per cent higher, respectively, and wheat prices are 3 per cent lower. Maize and wheat prices are 31 per cent and 14 per cent higher than in January 2021, and rice prices are 2 per cent lower. According to the Rome-based Agricultural Market Information System's February 2023 Update, fertiliser prices have decreased 40 per cent since hitting record nominal highs last spring, driven especially by recent drops in natural gas prices and the reopening of fertiliser plants in Europe. Despite this decrease, prices remain nearly twice their level of two years ago.

The International Food and Policy Research Institute (IFPRI) outlined eight major remaining concerns for global food security: historically high commodity prices, tight staple food markets, the impact of the war in Ukraine on spring planting, volatile fertiliser markets, adverse climatic conditions, global economic slowdowns, high food price inflation, and macroeconomic trends.

A blog by the IFPRI on the impacts of restrictive trade measures suggests that, although pressures that led to export restrictions have eased, and prices of key commodities have mostly fallen to pre-war levels, the Russia-Ukraine war continues, and markets remain volatile, raising concerns that countries could impose further restrictions.