

World Food Prices Hit Near 2-Year High in January



United Nations, February 6 (RHC)-- World food prices rose to a near two-year high in January and look set to be higher and more volatile in 2017, according to the United Nations food agency -- the Food and Agriculture Organization, the FAO.

In January, the index, which measures monthly price changes for a basket of cereals, oilseeds, dairy products, meat and sugar, averaged 173.8 points, a high not seen since February 2015. The 2.1 percent monthly rise was driven by surges in sugar quotations and export prices for cereals and vegetable oils.

FAO Senior Economist Abdolreza Abbassian said outside factors including concerns about U.S. President Donald Trump's trade policy in North America would probably contribute to more volatility in food prices.

"Uncertainties are going to create problems for international markets, in terms of where Mexico will source its corn, would the current trend continue with its closest (trade) partner, the United States," Abbassian said.

Relations between major grain exporters Russia and Ukraine could also have an impact, he said, adding food prices overall were likely to be broadly firmer but more volatile this year than in 2016.



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