

# FAO Food Price Index

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In news

Global food commodity price index rises for the seventh straight month in December

## Key updates

- According to the Food and Agriculture Organization (FAO), The FAO Food Price Index (FFPI) averaged 107.5 points in December 2020, up 2.3 points (2.2 percent) from November, marking the seventh month of consecutive increase.
- Except for sugar, all sub-indices of the FFPI registered modest gains in December, with the sub-index of vegetable oil again rising the most, followed by that of dairy, meat and cereals.
- For 2020 as a whole, the FFPI averaged a three-year high of 97.9 points, 2.9 points (3.1 percent) higher than in 2019, but still well below its peak of 131.9 points registered in 2011.

## About the FAO Food Price Index (FFPI)

- The FAO Food Price Index (FFPI) **is a measure of the monthly change in international prices of a basket of food commodities.**
- **The FAO Food Price Index tracks changes in the international prices of the most globally traded food commodities**
- FFPI was introduced in 1996 to monitor the developments in world agricultural commodity market
- It consists of the average of five commodity groups price indices weighted by the average export shares of each of the groups over 2014-2016. It includes;
  - FAO Cereal price index

- FA0 Vegetable oil price index
- FA0 Dairy price index
- FA0 Meat price index
- FA0 Sugar Price index

## About FA0

- The Food and Agriculture Organization (FA0) is a specialized agency of the United Nations that leads international efforts to defeat hunger.
- The goal of FA0 is to achieve food security for all and make sure that people have regular access to enough high-quality food to lead active, healthy lives. With over 194 member states, FA0 works in over 130 countries worldwide.
- In Quebec City, Canada, the first session of the newly created United Nations established the Food and Agriculture Organization (FA0) as a specialized UN agency.
- Now it is headquartered in Rome.
- The 1961 Freedom From Hunger Campaign is a milestone for FA0, in that it significantly contributed to turning the organization from a technical agency into a development organization.
- Launched with a five year mandate of raising global awareness about hunger, malnutrition and possible solutions to them, the Campaign is repeatedly extended until the early 1980s.
- In 1963, FA0 and the UN General Assembly adopted parallel resolutions that established the World Food Programme to deliver urgent food aid in real time to affected areas.
- In 1979, The 20th session of the FA0 Conference took the unanimous decision of observing World Food Day annually on the 16th October, in honour of the founding of FA0.

## Objectives of FA0

- Help eliminate hunger, food insecurity and malnutrition
- Make agriculture, forestry and fisheries more productive and sustainable
- Reduce rural poverty
- Enable inclusive and efficient agricultural and food systems
- Increase the resilience of livelihoods to disasters