



FAO food price index steady in April

The FAO index of global food prices was steady in April after falls in sugar and rice prices offset gains in other foods with return to stability depending on boosting supplies, the United Nations Food and Agriculture Organisation (FAO) said.

The index, which measures monthly price changes for a food basket of cereals, oilseeds, dairy, meat and sugar, averaged 232.1 points in April, up from 231.0 in March when it fell from record highs following eight months of successive rises.

"A sliding dollar and increased oil prices are contributing to high food commodity prices, particularly grains," David Hallam, director of FAO's Trade and Market Division, said in a statement.

"With demand continuing strong, prospects for a return to more normal prices hinge largely on how much production will increase in 2011 and how much grain reserves are replenished in the new season," he said.

The FAO said it expected recovery in world cereals output in 2011 if more normal weather conditions prevailed and also saw the world wheat output rising 3.5 percent this year.

The FAO's Cereals Price Index, which includes prices of main food staples such as wheat, rice and corn, rose 5.5 percent to an average of 265.1 points in April.

The FAO Sugar Price Index averaged 348 points in April, 7 percent down from March. The FAO Oils/Fats Price Index fell to 259.1 points in April from 259.9 in March.

Reuters