

Global food prices ease again as dairy, meat, sugar and oils decline: FAO Index hits third straight monthly drop

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The FAO Food Price Index (FFPI) averaged 125.1 points in November 2025, extending its downward trend for the third consecutive month and slipping 1.2 per cent below October’s revised figure. At a time when global inflation pressures are cooling and supply chains show greater resilience, the index now sits 2.1 per cent lower than a year ago and a striking 21.9 per cent below its March 2022 peak, reinforcing a broad softening across global food commodities.

Cereals were the lone upward mover, with the FAO Cereal Price Index rising 1.8 per cent month-on-month. Wheat prices climbed 2.5 per cent, buoyed by potential Chinese interest in U.S. supplies, renewed geopolitical tension in the Black Sea, and expectations of reduced plantings in the Russian Federation—even as global supply conditions remain generally comfortable. Maize, barley and sorghum followed wheat higher, supported by firm Brazilian demand and rain-disrupted harvests in Argentina and Brazil. Rice, however, slipped 1.5 per cent, pressured by peak-season harvests and subdued import appetite across Indica and fragrant varieties.

The FAO Vegetable Oil Price Index fell 2.6 per cent, hitting a five-month low as palm, rapeseed and sunflower oils all moved downward. Palm oil weakened sharply on stronger-than-expected Malaysian output, while sunflower oil softened amid rising Black Sea supplies. Soy oil bucked the trend with a mild uptick, supported by robust biodiesel demand—especially in Brazil—but falling crude oil prices capped gains.

Global meat prices eased again, with the FAO Meat Price Index down 0.8 per cent. Abundant poultry supplies from Brazil and intensified export competition weighed heavily, while pig meat prices fell on ample EU availability and softer Chinese demand

following new import duties. Beef prices held broadly steady after the U.S. scrapped import tariffs, easing pressure on Australian exporters. Ovine meat was the exception, rising on firm global demand.

Dairy prices posted their fifth straight monthly decline, with the FAO Dairy Price Index dropping 3.1 per cent. Stronger milk output in Europe and Oceania, coupled with comfortable butter and SMP inventories, exerted pressure across all dairy commodities. Butter and whole milk powder registered the steepest declines amid aggressive export competition, while cheese remained relatively resilient thanks to solid Asian and Near Eastern demand.

Sugar extended its sharp retreat, falling 5.9 per cent month-on-month and nearly 30 per cent year-on-year, reaching its lowest level since late 2020. Strong Brazilian production—despite seasonal slowdown—combined with promising harvests in India and Thailand, reinforced confidence in global sugar availability and accelerated the price correction.

Across commodities, November's readings point to a global market recalibrating from the shocks of war, weather and supply chain dislocation. While grains remain sensitive to geopolitics and biofuel demand, the overall picture suggests a food system slowly stabilizing—and giving consumers, governments and markets much-needed breathing room.