

Food prices slightly down in May: FAO

ROME, June 6 (Xinhua) -- The United Nations Food and Agriculture Organization (FAO) said here Thursday that world food prices slightly decreased in May thanks to dropping dairy and sugar prices. FAO's World Food Price Index, which measures monthly price changes for a basket of five commodity groups, averaged 215.2 points last month, a slight decrease from 215.8 points a month earlier. The index fluctuates within a narrow band of 210 to 216 points every month since July 2012. Powdered milk prices in May dropped 12 percent, leading to a 3.5-percent decline in dairy prices. In March and April, dairy prices saw a 25-percent spike. The organization attributed the stability in dairy prices to producers adapting to the dry weather in the southern hemisphere, and other producing areas taking advantage of the higher prices by ramping up exports. By contrast, cereal prices rose 1.9 percent in May, mostly due to higher maize prices. But rice and wheat prices were little changed compared with April. Meat prices as well as oil and fat prices were flat last month, while sugar prices fell by 1 percent due to bumper harvests in Brazil. Food prices could rise again over the next several months, FAO predicted, saying the world grain production would slow down over the summer months due to weather issues, which could lead to an index rise above the 216-point level for the first time in nearly a year. The next FAO World Food Price Index will be released on July 4.