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Consumer price indices and food inflation

> September 2020 update

HIGHLIGHTS

- **Global and regional consumer price indices (CPI) measure food inflation for a group of countries at different geographical scales. The CPI of all items covers 204 countries, and the food CPI covers 198 countries.**
- **Annual food price inflation rates remained globally stable, between 1.9 percent and 4.5 percent during 2014–2019.**
- **During the COVID-19 pandemic, the consumer prices (for all items and food) fell down, especially between March and June 2020 in most regions.**

FAOSTAT CONSUMER PRICE INDEX

GLOBAL

Annual inflation rates of consumer prices of all items remained globally stable, between 1.9 percent and 4.0 percent during 2014–2019. The annual inflation rates of food consumer prices remained between 1.9 percent and 4.5 percent in the same period globally.

The consumer prices for all items fell down during the first months of the COVID-19 pandemic, starting in March 2020 for almost all regions. The main causes are attributed to the dramatic fall in crude oil prices, which lost 63.5 percent between January and April 2020, COVID-19 containment measures that abruptly froze industrial demand, dampened economic growth and introduced unprecedented uncertainty to markets. On the other hand, global food prices went up during the COVID-19 pandemic. The Americas and Oceania recorded increases between February 2020 and July 2020 (from 4.7 percent to 8.0 percent, and from 6.4 percent to 8.1 percent respectively). Africa and Asia recorded decreases in the same period from 12.7 percent to 9.7 percent, and from 10.3 percent to 8.1 percent respectively. In Europe, the food inflation rate was the same in February 2020 and July 2020 (1.9 percent), peaking at 3.4 percent in April 2020.

Another example of the COVID-19 impact was the international meat prices, measured by the Food and Agriculture Organization of the United Nations (FAO) Meat Price Index, which in May went down by 16 points (8.6 percent) from January 2020. The disaggregated index for the ovine meat registered the sharpest fall (-23.5 percent), followed by poultry meat (-11.8 percent), pig

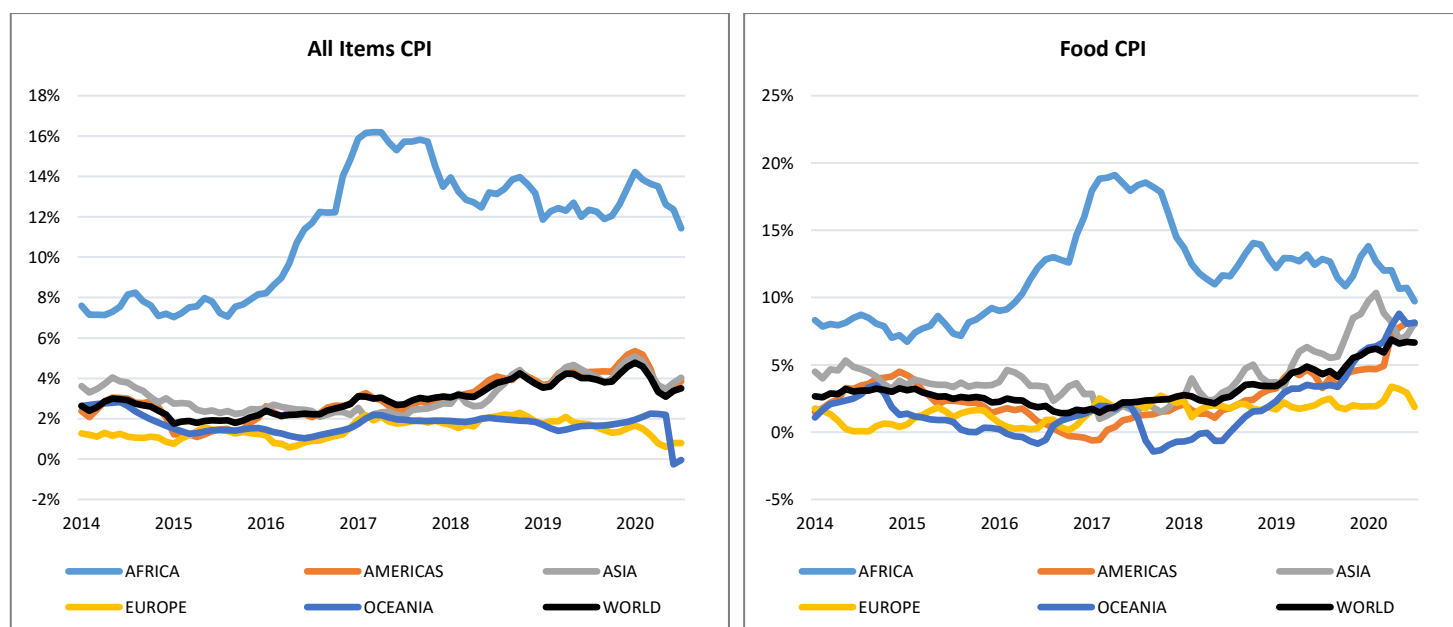
meat (-9.2 percent) and bovine meat (-4.1 percent). Since the beginning of the year, imports by China – the world’s largest meat importer – have eased, reflecting high stocks of meat in cold storage that resulted from imports made in preparation for the Lunar New Year celebrations, subsequently cancelled due to the emerging coronavirus crisis, which drastically reduced meat consumption (FAO, 2020).

Between 2014 and 2019, annual inflation rates of consumer prices of all items in most regions presented various trends. The most remarkable variation was recorded in Africa, where the inflation rate increased from 7.5 percent in 2014 to 15.5 percent in 2017 before decreasing to 12.3 percent in 2019. Conversely, Asia saw a significant decrease from 3.4 percent in 2014 to 2.4 percent in 2017, before increasing to 4.2 percent in 2019. The annual inflation rate for Latin America and the Caribbean nearly doubled from 7.2 percent in 2014 to 13.0 percent in 2019.

Between 2014 and 2019, annual inflation rates of food consumer prices had divergent trends in most regions. As with the annual inflation rates of consumer prices of all items, the most remarkable variation in the food consumer prices was recorded in Africa, where the inflation rate increased from 8.0 percent in 2014 to 17.9 percent in 2017 before decreasing to 12.4 percent in 2019. Asia saw a significant decrease from 4.3 percent in 2014 to 1.8 percent in 2017, before increasing to 5.7 percent in 2019. Latin America and the Caribbean experienced a decrease in the annual inflation rate from 6.5 percent in 2014 to 4.8 percent in 2017 and then started increasing up to 13.8 percent in 2019.

During the same period, Northern America, Europe and Oceania experienced a low inflation rate of consumer prices of all items and of food consumer prices (Figure 1).

Figure 1. Consumer price inflation rates – Global and regions



Source: International Monetary Fund (IMF), United Nations Statistics Division (UNSD), Organisation for Economic Co-operation and Development (OECD) and national statistics’ websites, Statistics Division of the Food and Agriculture Organization of the United Nations (FAO) for the calculations

Table 1. Annual global and regional inflation rates of consumer prices of all items, 2014–2019 (percent)

	2014	2015	2016	2017	2018	2019
World	2.6	1.9	2.3	3.0	3.6	4.0
Africa	7.5	7.5	11.1	15.5	13.3	12.3
Eastern Africa	6.1	6.8	7.6	8.0	6.2	6.6
Middle Africa	4.4	5.8	15.1	21.3	17.7	18.1
Northern Africa	10.0	8.9	10.9	22.3	20.0	17.2
Southern Africa	6.0	4.4	6.5	5.1	4.4	4.0
Western Africa	7.1	8.2	13.1	14.2	10.7	9.9
Americas	2.6	1.4	2.4	2.8	3.7	4.3
Latin America and the Caribbean	7.2	6.6	6.9	5.7	8.2	13.0
Caribbean	2.9	1.0	1.3	2.9	2.9	2.7
Central America	3.9	2.5	2.7	5.4	4.5	3.4
South America	7.4	10.4	10.9	8.0	10.7	18.6
Northern America	1.6	0.2	1.3	2.1	2.4	1.8
Asia	3.4	2.5	2.4	2.4	3.3	4.2
Central Asia	9.4	9.3	12.3	9.2	10.2	10.7
Eastern Asia	2.2	1.2	1.2	1.3	1.7	1.8
South-eastern Asia	4.0	2.7	2.2	2.9	2.8	2.3
Southern Asia	7.3	6.0	5.0	3.6	6.0	11.6
Western Asia	4.3	3.7	4.1	5.0	7.2	6.2
Europe	1.1	1.3	0.9	1.9	1.9	1.7
Eastern Europe	4.3	8.9	4.1	3.5	3.2	4.0
Northern Europe	1.21	0.4	1.0	2.2	2.1	1.7
Southern Europe	0.0	-0.2	-0.1	1.5	1.3	0.5
Western Europe	0.7	0.2	0.3	1.3	1.7	1.3
Oceania	2.4	1.4	1.3	2.0	1.9	1.6

Source: International Monetary Fund (IMF), United Nations Statistics Division (UNSD), Organisation for Economic Co-operation and Development (OECD) and national statistics' websites, Statistics Division of the Food and Agriculture Organization of the United Nations (FAO) for the calculations

Note: Venezuela, South Sudan and Zimbabwe are excluded from the calculation of regional and global averages, due to their exceptionally high food price inflation rates.

Table 2. Annual global and regional inflation rates of food consumer prices, 2014–2019 (percent)

	2014	2015	2016	2017	2018	2019
World	3.0	2.7	1.9	2.1	2.8	4.5
Africa	8.0	7.9	11.8	17.9	12.5	12.4
Eastern Africa	6.2	9.2	9.8	10.8	4.1	4.5
Middle Africa	3.8	5.0	14.7	15.0	8.7	10.8
Northern Africa	10.8	8.7	11.3	27.6	19.6	18.3
Southern Africa	7.6	4.8	11.2	6.4	3.0	3.5
Western Africa	7.4	8.6	12.2	16.3	12.3	11.7
Americas	3.0	2.4	0.7	0.8	1.9	4.1
Latin America and the Caribbean	6.5	7.5	8.2	4.8	6.8	13.8
Caribbean	3.4	4.7	2.6	2.0	3.6	4.0
Central America	4.6	3.9	4.3	5.9	4.4	4.2
South America	7.5	9.3	10.3	4.3	7.6	18.1
Northern America	2.1	1.4	-1.2	-0.3	0.4	1.0
Asia	4.3	3.6	3.4	1.8	3.4	5.7
Central Asia	14.1	13.9	12.9	14.0	14.5	14.1
Eastern Asia	3.2	2.8	2.8	0.5	1.8	3.2
South-eastern Asia	5.1	4.0	4.2	1.6	3.1	2.1
Southern Asia	7.0	4.9	4.8	3.2	4.1	10.7
Western Asia	4.6	4.3	2.0	5.1	8.2	8.6
Europe	0.4	1.3	0.4	2.1	1.8	2.0
Eastern Europe	5.1	10.8	3.3	3.8	2.6	5.3
Northern Europe	-0.04	-1.6	-1.5	1.9	1.7	1.4
Southern Europe	-0.3	1.2	0.6	1.4	1.3	0.8
Western Europe	0.3	0.5	0.7	2.0	1.7	1.7
Oceania	2.2	0.3	0.2	0.6	0.3	3.6

Source: International Monetary Fund (IMF), United Nations Statistics Division (UNSD), Organisation for Economic Co-operation and Development (OECD) and national statistics' websites, Statistics Division of the Food and Agriculture Organization of the United Nations (FAO) for the calculations

Note: Venezuela, South Sudan and Zimbabwe are excluded from the calculation of regional and global averages, due to their exceptionally high food price inflation rates.

Monthly inflation rates of consumer prices of all items increased, with some fluctuations, from 3.5 percent in January 2019 to 4.6 percent in December 2019. All the regions except Europe experienced increases, before a big drop of monthly inflation rates in 2020 with the beginning of the COVID-19 pandemic. The global inflation rate was 3.5 percent in July 2020 – the same level as in January 2019.

The most remarkable decline in monthly inflation rates was recorded in Northern America, where the inflation rate decreased from 2.3 percent in December 2019 to 0.3 percent in April 2020. The inflation rate declined from 2.3 percent in December 2019 to 0.33 percent in April 2020 in the United States of America as many stores remained closed and people were forced to stay at

home due to lockdown restrictions; the inflation rate declined from 2.2 percent in December 2019 to -0.22 percent in April 2020 in Canada. A significant decrease from 1.7 percent in January 2019 to 0.8 percent in July 2020 was recorded in Europe. Latin America and the Caribbean experienced a remarkable decrease in the annual inflation rate from 14.6 percent in December 2019 to 13.0 percent in July 2020. Monthly inflation rates in Africa decreased from 14.2 percent in January 2019 to 11.4 percent in July 2020.

Table 3. Monthly global and regional inflation rates of consumer prices of all items (percent)

	2019												2020						
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
World	3.5	3.6	4.0	4.2	4.2	4.0	4.0	3.9	3.8	3.8	4.2	4.6	4.8	4.6	4.0	3.3	3.1	3.4	3.5
Africa	11.9	12.3	12.4	12.3	12.7	12.0	12.4	12.3	11.9	12.0	12.6	13.4	14.2	13.9	13.6	13.5	12.6	12.4	11.4
Eastern Africa	5.4	4.6	4.8	5.7	6.4	6.4	6.7	6.9	6.9	8.5	9.4	9.4	9.3	10.8	10.4	9.9	9.1	9.8	9.8
Middle Africa	17.0	17.7	17.9	17.9	17.8	18.0	18.0	18.2	18.2	18.3	18.5	19.5	18.1	17.8	17.8	17.8	16.6	15.9	15.0
Northern Africa	16.8	18.1	18.2	17.5	18.3	16.3	17.3	17.1	15.9	15.6	16.7	18.5	20.7	19.1	18.8	18.9	17.0	16.6	14.1
Southern Africa	3.9	4.1	4.5	4.3	4.3	4.4	3.9	4.2	4.0	3.6	3.5	3.9	4.2	4.4	3.9	2.8	2.1	2.2	3.2
Western Africa	10.0	9.9	9.9	10.0	10.1	9.9	9.8	9.4	9.7	10.0	10.2	10.2	10.6	10.6	10.6	10.6	10.7	10.3	10.2
Americas	3.7	3.7	4.2	4.5	4.4	4.2	4.3	4.3	4.3	4.3	4.8	5.2	5.3	5.2	4.5	3.3	3.1	3.6	3.9
Latin America and the Caribbean	11.2	11.6	12.7	13.3	13.6	13.0	12.9	13.1	13.2	12.9	13.7	14.6	14.7	14.4	14.0	13.0	12.6	12.8	13.0
Caribbean	1.9	2.2	2.4	2.5	2.5	2.4	2.5	2.7	3.1	3.2	3.6	3.9	4.0	3.7	3.1	2.7	2.8	3.6	4.1
Central America	4.0	3.7	3.8	4.2	4.1	3.8	3.6	3.0	2.8	2.8	2.8	2.7	3.0	3.3	3.0	2.0	2.5	2.9	3.2
South America	15.8	16.6	18.2	18.9	19.4	18.7	18.5	19.0	19.1	18.6	19.8	21.0	21.0	20.3	19.8	13.5	12.7	12.7	12.4
Northern America	1.5	1.5	1.9	2.0	1.8	1.7	1.8	1.8	1.7	1.8	2.1	2.3	2.5	2.3	1.5	0.3	0.1	0.6	0.9
Asia	3.6	3.6	4.2	4.5	4.7	4.4	4.2	4.1	3.8	4.0	4.5	4.9	5.1	4.8	4.2	3.7	3.5	3.8	4.0
Central Asia	9.6	9.8	10.0	10.3	10.6	10.9	10.9	11.7	11.3	11.3	10.9	10.6	10.2	9.8	9.8	10.1	9.7	10.2	10.7
Eastern Asia	1.2	1.0	1.5	1.9	2.0	1.9	1.9	1.8	1.8	2.3	2.8	2.9	3.5	3.3	2.7	1.9	1.4	1.4	1.6
Southern Asia	10.0	10.7	12.0	12.9	13.2	13.0	11.2	11.0	11.0	10.6	11.3	12.2	10.8	10.0	8.6	8.1	7.9	8.3	8.2
South-eastern Asia	2.2	2.1	2.2	2.3	2.6	2.5	2.5	2.4	2.1	2.0	2.1	2.6	2.8	2.7	2.2	1.4	2.5	2.8	2.7
Western Asia	7.8	7.5	7.8	7.8	7.6	6.3	6.7	6.3	4.1	3.9	4.9	5.8	6.2	6.3	6.3	6.5	6.8	8.2	9.4
Europe	1.8	1.9	1.9	2.1	1.8	1.8	1.7	1.6	1.4	1.3	1.3	1.5	1.7	1.5	1.2	0.8	0.6	0.8	0.8
Eastern Europe	3.9	4.2	4.4	4.5	4.5	4.2	4.3	4.1	3.7	3.5	3.4	3.3	3.2	3.1	3.1	3.0	2.8	3.1	3.3
Northern Europe	1.8	1.8	1.8	2.0	1.9	1.8	1.8	1.6	1.5	1.4	1.5	1.3	1.7	1.5	1.3	0.7	0.5	0.7	1.0
Southern Europe	0.9	1.0	1.1	1.2	0.8	0.6	0.4	0.4	0.2	0.1	0.3	0.6	0.8	0.5	0.1	-0.3	-0.5	-0.3	-0.5
Western Europe	1.4	1.5	1.4	1.7	1.3	1.5	1.4	1.3	1.1	1.0	1.0	1.5	1.5	1.5	1.0	0.6	0.4	0.5	0.4
Oceania	1.7	1.5	1.4	1.5	1.6	1.6	1.7	1.7	1.7	1.7	1.8	1.8	2.0	2.1	2.2	2.2	2.2	-0.3	0.0

Source: International Monetary Fund (IMF), United Nations Statistics Division (UNSD), Organisation for Economic Co-operation and Development (OECD) and national statistics' websites, Statistics Division of the Food and Agriculture Organization of the United Nations (FAO) for the calculations

Note: Monthly inflation rates are year-over-year inflation rates. Venezuela, South Sudan and Zimbabwe are excluded from the calculation of regional and global averages, due to their exceptionally high food price inflation rates.

Between January 2019 and May 2020, monthly inflation rates of food consumer prices increased from 3.4 percent to 6.7 percent.

At the regional level, significant increases in monthly inflation rates took place between January 2019 and July 2020 in Latin America and the Caribbean (from 11.7 percent to 18.4 percent), Asia (from 3.7 percent to 8.1 percent), Northern America (from 0.8 percent to 4.5 percent) and Oceania (from 2.3 percent to 8.1 percent). Monthly inflation rates in Europe increased marginally from 1.7 percent in January 2019 to 1.9 percent in July 2020. They declined in Africa from 12.2 percent in January 2019 to 9.7 percent in July 2020.

Table 4: Monthly global and regional inflation rates of food consumer prices (percent)

	2019												2020						
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
World	3.4	3.8	4.4	4.5	4.9	4.6	4.3	4.5	4.1	4.9	5.5	5.7	6.1	6.2	5.9	6.9	6.6	6.7	6.7
Africa	12.2	12.9	12.9	12.7	13.2	12.4	12.9	12.7	11.4	10.8	11.6	13.1	13.8	12.7	12.0	12.0	10.7	10.7	9.7
Eastern Africa	3.6	2.5	2.0	2.7	3.8	4.3	5.2	6.3	6.4	7.2	8.0	8.2	7.3	8.3	8.8	8.7	6.9	7.9	8.9
Middle Africa	9.7	10.3	10.5	10.3	10.3	10.5	10.7	10.8	11.0	11.3	11.7	12.4	13.3	14.3	15.4	15.4	15.5	15.7	16.0
Northern Africa	19.5	21.8	21.6	20.6	21.2	19.0	19.9	18.9	15.0	12.7	14.1	17.8	19.5	15.6	13.4	12.9	9.6	9.6	6.6
Southern Africa	2.9	3.0	3.2	3.0	3.5	3.7	3.5	4.1	4.1	3.7	3.7	3.9	3.7	4.1	4.1	4.3	4.2	4.2	4.3
Western Africa	11.5	11.5	11.5	11.6	11.8	11.5	11.3	11.1	11.5	12.0	12.4	12.4	12.9	13.1	13.2	13.7	13.9	13.8	13.9
Americas	3.3	4.0	4.6	4.2	4.7	4.3	3.3	4.0	3.4	4.3	4.5	4.6	4.7	4.7	4.9	7.3	7.8	8.1	8.0
Latin America and the Caribbean	11.7	13.0	14.5	15.5	15.6	14.5	11.1	14.7	11.4	14.0	14.9	16.1	16.2	16.0	16.1	16.7	16.7	15.7	18.4
Caribbean	2.1	2.4	3.0	3.3	3.6	3.7	4.3	4.9	5.6	5.7	6.1	6.5	6.7	6.5	6.0	5.7	5.2	5.7	6.1
Central America	5.1	4.4	4.0	4.6	5.2	5.5	5.3	3.8	3.6	4.0	3.4	2.6	3.0	5.1	5.9	6.1	6.8	6.3	5.8
South America	15.1	17.2	19.6	20.7	20.5	18.7	13.7	19.6	14.8	18.3	19.7	21.9	21.7	20.6	20.2	21.0	20.8	19.6	23.7
Northern America	0.8	1.4	1.6	0.9	1.4	1.1	0.9	0.7	0.8	1.2	1.2	0.9	0.9	0.9	1.2	4.1	4.7	5.5	4.5
Asia	3.7	3.4	4.9	6.0	6.3	6.0	5.8	5.5	5.6	7.0	8.5	8.8	9.8	10.3	8.9	8.2	6.9	7.2	8.1
Central Asia	12.8	13.2	13.4	13.7	13.9	13.9	14.4	15.2	14.4	14.5	15.3	15.5	14.3	13.5	13.4	14.6	14.9	17.3	19.5
Eastern Asia	0.8	0.3	2.0	3.2	3.8	4.5	4.5	4.0	4.7	7.2	9.1	8.7	10.7	12.0	10.0	8.3	6.0	5.8	6.9
Southern Asia	5.7	8.0	10.3	12.4	12.7	11.4	11.1	10.8	11.1	11.2	12.3	14.6	14.2	11.8	9.6	7.4	6.3	7.2	6.8
South-eastern Asia	4.4	2.2	1.6	1.7	1.9	1.8	1.4	1.6	2.0	2.1	2.4	2.7	2.7	3.3	3.4	4.1	3.5	3.6	3.6
Western Asia	13.7	12.9	13.8	14.2	13.1	8.9	8.2	8.1	4.9	4.2	5.0	6.1	5.2	6.6	6.8	11.1	13.0	14.4	17.7
Europe	1.7	2.2	1.9	1.7	1.9	2.0	2.3	2.5	1.9	1.7	2.0	1.9	1.9	1.9	2.3	3.4	3.2	2.9	1.9
Eastern Europe	4.3	5.2	5.3	5.4	6.3	5.8	6.2	6.0	5.3	5.0	4.9	4.3	4.1	3.7	4.2	5.1	4.6	4.9	4.7
Northern Europe	1.0	1.3	1.2	1.0	1.2	1.7	1.7	1.9	1.6	1.3	1.8	1.5	1.5	1.4	1.5	1.8	2.2	1.4	1.1
Southern Europe	0.9	1.6	1.1	0.6	0.5	0.3	0.7	0.7	0.6	0.8	1.0	1.1	1.1	0.9	1.5	3.1	2.8	2.7	1.9
Western Europe	1.6	2.0	1.4	1.4	1.4	1.7	2.2	2.5	1.5	1.2	1.6	1.7	1.8	2.1	2.6	3.9	3.6	3.2	1.3
Oceania	2.3	2.9	3.2	3.2	3.5	3.4	3.4	3.5	3.4	4.1	5.2	5.9	6.3	6.4	6.7	7.9	8.8	8.1	8.1

Source: International Monetary Fund (IMF), United Nations Statistics Division (UNSD), Organisation for Economic Co-operation and Development (OECD) and national statistics' websites, Statistics Division of the Food and Agriculture Organization of the United Nations (FAO) for the calculations

Note: Monthly inflation rates are year-over-year inflation rates. Venezuela, South Sudan and Zimbabwe are excluded from the calculation of regional and global averages, due to their exceptionally high food price inflation rates.

REGIONAL FOCUS

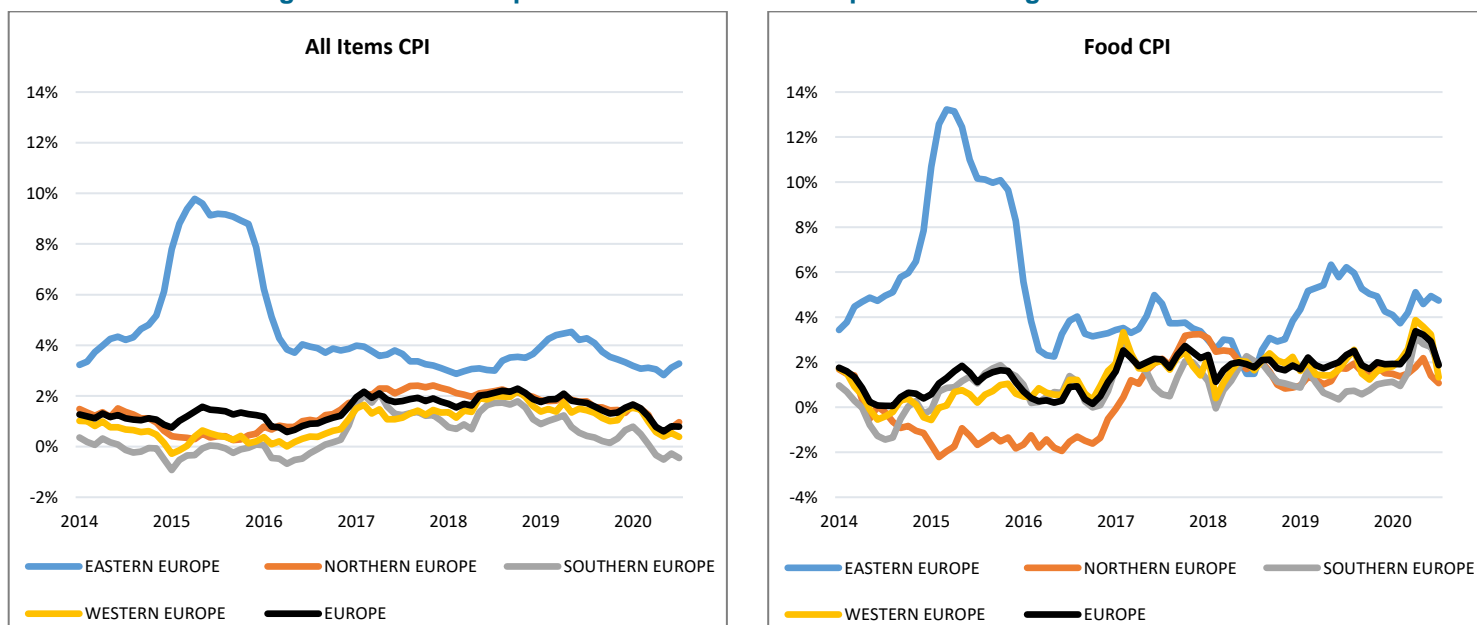
Europe

In Europe, annual inflation rates of consumer prices of all items were generally low, ranging from 1.1 percent to 1.9 percent over the course of 2014 to 2019. During this period, annual inflation rates of food consumer prices varied between 0.4 percent and 2.1 percent.

The recorded inflation in Europe was largely due to price increases in Eastern Europe, especially in the Russian Federation, Ukraine, Belarus and Romania, due to conflicts, political tensions and import restrictions in 2015 (Farrell, 2014). In particular, Ukraine's conflict with the Russian Federation has led to soaring inflation.

On the contrary, consumers in other regions of Europe experienced steady or in some cases even declining annual inflation rates of consumer prices of all items and of food consumer prices from 2014 to 2019 (Table 2 and Figure 2).

Figure 2. Consumer price inflation rates – Europe and sub-regions



Source: International Monetary Fund (IMF), United Nations Statistics Division (UNSD), Organisation for Economic Co-operation and Development (OECD) and national statistics' websites, Statistics Division of the Food and Agriculture Organization of the United Nations (FAO) for the calculations

Americas (excluding Venezuela)

In Northern America, the annual inflation rate of food consumer prices fell between 2014 and 2019 from 2.1 percent to 1.0 percent (Table 2). The decline was largely due to structural reasons, particularly the progressive reduction of production costs – commodity prices, transportation and processing costs – that drives lower retail food prices. In 2016, the pressure on prices was due to the rising production of meats, eggs and dairy. This was especially the case of eggs, as the industry recovered from the outbreak of Highly Pathogenic Avian Influenza (HPAI) that killed 11 percent of egg-laying birds in 2015 (Ramos, MacLachlan and Melton, 2017). Retail egg prices declined by 21.1 percent in 2016. During this period, annual inflation rates of consumer prices of all items experienced a big drop from 1.6 percent in 2014 to 0.2 percent in 2015 before increasing to 1.8 percent in 2019, driven by the downward pressure on energy prices and the fall in fuel prices in 2015 in Canada, while temporary factors that pushed up inflation in 2014 dissipated (Parkinson, 2014). Gasoline prices increased 7.9 percent in 2019 after sliding 2.1 percent in 2018, energy prices moved up 3.4 percent in 2019 after slipping 0.3 percent in 2018 (US Inflation Calculator, 2020). Demand shocks and problems with supply chains contributed to increased volatility in import, export, producer and consumer prices in the months following the onset of the COVID-19 pandemic in the United States of America. Meat, fish, dairy, and eggs were especially affected by the shifting economy brought on by the pandemic (Mead *et al.*, 2020).

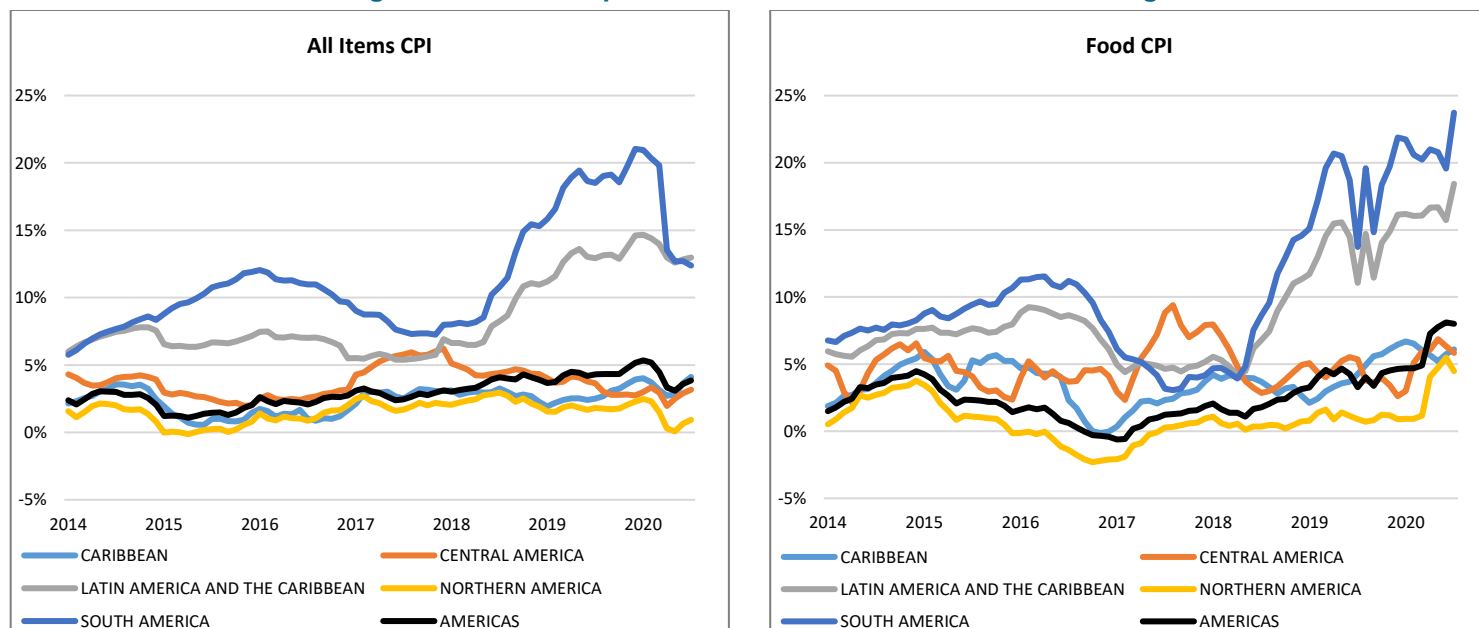
In Latin America and the Caribbean, the annual inflation rate of food consumer prices experienced a mild decline from 6.5 percent in 2014 to 4.8 percent in 2017. After this period, food inflation showed a remarkable increase to 6.8 percent in 2018 and to 13.8 percent in 2019 (Table 2). This variability was large due to South America, where the annual food price inflation dropped to its lowest point in 2017, owing to the sharp decline (around 11 percent) in the annual food inflation rate of Brazil, boosted by an exceptional harvest season. On the contrary, Mexico experienced a high inflation rate in the same year (IMF, 2018).

The dramatic increase in Argentina's food prices contributed to the pattern of CPI (food) from 2017 to 2019 in the region. In 2018, Argentina's economy was hit hard by a series of external and internal factors, resulting in a significant depreciation of the peso in 2019, followed by soaring food prices (World Bank, 2020).

Annual inflation rates of consumer prices of all items decreased from 7.2 percent in 2014 to 5.7 percent percent percent in 2017; after this period, the inflation rate increased to 8.2 percent in 2018 and 13.0 percent percent in 2019. Several factors cause these patterns in regional inflation, including movements in exchange rates, changes in the prices of public goods, fiscal consolidation processes and variations in energy prices. For the highest-inflation economies, the use of monetary financing has played a key role in the surge in inflation and the high levels it has reached (ECLAC, 2019). In South America, substantial supplies and depreciating currencies kept maize quotations relatively low throughout 2019/20, but prices plummeted even further in early 2020 as COVID-19 disrupted ports and value chain operations.



Figure 3. Consumer price inflation rates – Americas and sub-regions



Source: International Monetary Fund (IMF), United Nations Statistics Division (UNSD), Organisation for Economic Co-operation and Development (OECD) and national statistics' websites, Statistics Division of the Food and Agriculture Organization of the United Nations (FAO) for the calculations

Asia

In Asia, the annual inflation rate of food consumer prices fell from 4.3 percent in 2014 to 1.8 percent in 2017, to increase again to 3.4 percent in 2018 and 5.7 percent in 2019 (Table 2).

Between May 2014 and February 2017, Asian consumers experienced an overall slowdown in their food price inflation rate, from a peak of 5.3 percent to 1.5 percent in October 2017. In 2018, the food price inflation rate experienced a mild upward trend, reaching 2.6 percent in January and further increasing to 5.0 percent in October, with a slight decrease in between. In 2019, the food price inflation rate experienced a remarkable increase from 3.7 percent in January to 8.8 percent in December 2019 and 10.3 percent in February 2020. It then declined to 6.9 percent in May 2020 before increasing again to 8.1 percent in July 2020. The food price inflation rate of East Asia remained the lowest in Asia from 2014 to 2018, then began to increase from April 2019 (Figure 4).

From 2014 to 2019, most of the decline recorded in food price inflation rates in Asia was due to structural reasons, notably the progressive reduction of agricultural commodity prices. This was caused by slowing food prices in China and India, which are the main drivers in East Asia and South Asia. However, with the slowdown in economic growth and ongoing trade restrictions, particularly with the United States of America, China has also witnessed a rapid rise in food prices since the beginning of 2019. The annual food inflation rate in 2019 is almost three times higher than in 2018, driven by the remarkable increase in fruit and vegetable prices as well as pork meat prices due to swine flu (Stevenson and Bradsher, 2019). As a result, the annual food price inflation rate in Asia reached 5.7 percent in 2019, despite the sharp decrease in South-eastern Asia.

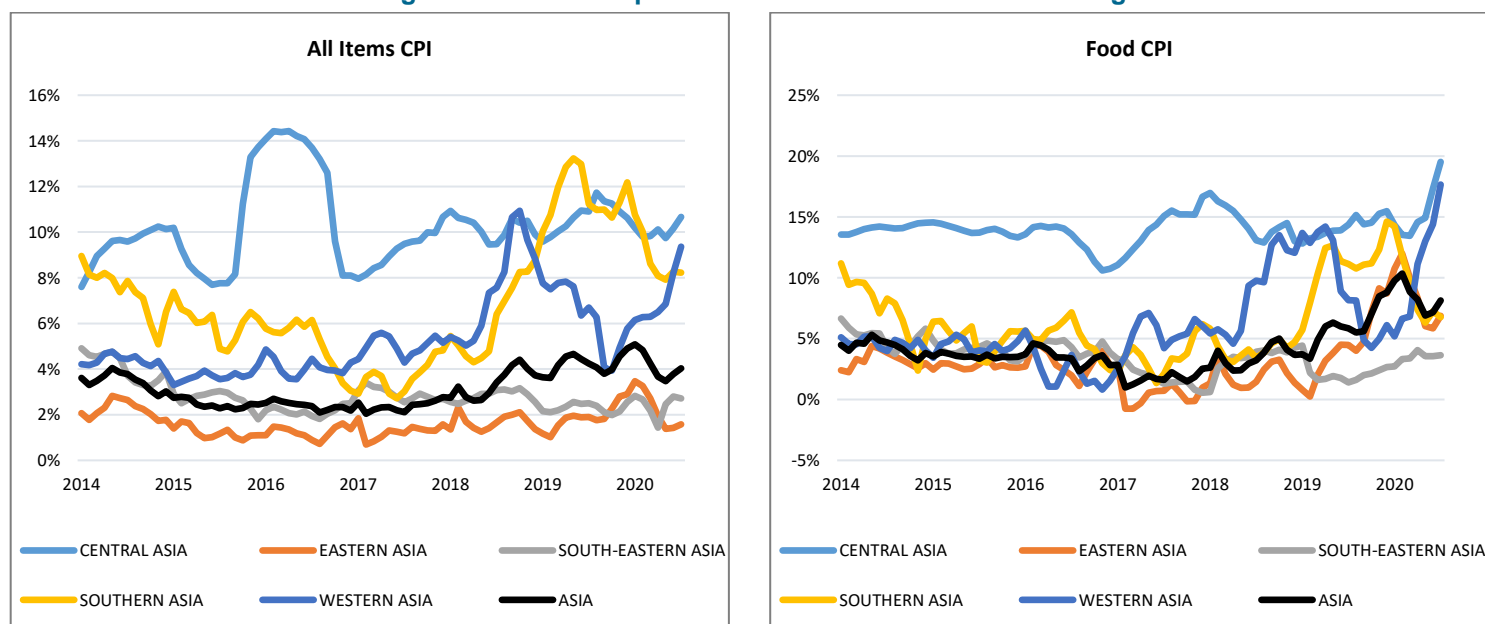
In Western Asia, the economic situation in the Syrian Arab Republic and Yemen continued to worsen, as both countries face humanitarian crises. Furthermore, geopolitical tensions continue to impact negatively on neighbouring economies, particularly Jordan and Lebanon. Several signs of resilience were observed in these economies, and Turkey has experienced a mild recovery from the recession in 2019 (United Nations, 2020).

The annual consumer price index of Western Asia increased between 2014 and 2019 from 4.6 percent to 8.6 percent, with a slight decrease in 2016. However, inflation trends varied among West Asian economies, depending on country-specific factors.

A significant increase in food inflation was recorded in Turkey in March 2017, due to a rise in prices of fresh fruits and vegetables. Significant increases were also recorded for red and white meats, as well as for rice and legumes (Hürriyet Daily News, 2017). The food price inflation rate in Turkey reached 31 percent in January 2019, in part reflecting a rise in import prices due to the depreciation of the Turkish lira. The Syrian Arab Republic's economy continued to deteriorate amid the ongoing conflict that began in 2011, as well as the drop in value of the Syrian lira, and the inflation rate in food prices reached 67 percent in July 2016. Meat, poultry and dairy products have the highest inflation of all consumer goods.

Annual inflation rates of consumer prices of all items fell between 2014 and 2017 from 7.3 percent to 3.6 percent, before increasing to 6.0 percent in 2018 and to 11.6 percent in 2019 in Southern Asia (Table 1). The economic situation in the Islamic Republic of Iran started to deteriorate at the end of 2018, because of the depreciation of the Iranian rial. The inflation rate increased from 10 percent in June 2018 to 52 percent in May 2019, then fell gradually to 19 percent in April 2020. Domestic demand spikes and temporary export restrictions escalated causing price rises in March and April 2020 for rice.

Figure 4. Consumer price inflation rates – Asia and sub-regions



Source: International Monetary Fund (IMF), United Nations Statistics Division (UNSD), Organisation for Economic Co-operation and Development (OECD) and national statistics' websites, Statistics Division of the Food and Agriculture Organization of the United Nations (FAO) for the calculation

Africa (excluding South Sudan and Zimbabwe)

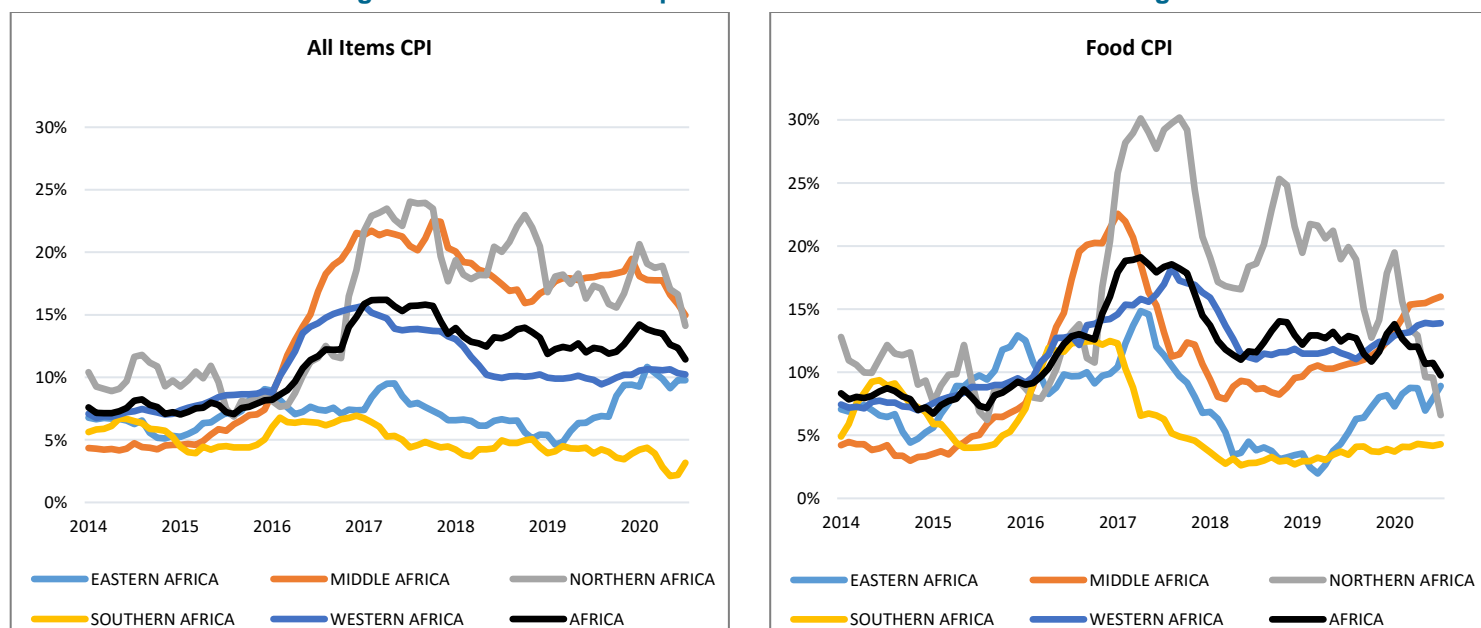
In Africa, the inflation rate in food prices doubled from 8.0 percent in 2014 to 17.9 percent in 2017, before falling to 12.4 percent in 2018 and 12.3 percent in 2019. The most remarkable increase in food price inflation rates was recorded in Northern Africa, where inflation rates more than doubled from 10.8 percent in 2014 to 27.6 percent in 2017 before falling to 18.3 percent in 2019, driven mainly by Egypt. The inflation rates of consumer prices of all items in Northern Africa reached 22.3 percent in 2017, up from 10.0 percent in 2014. The reason of the high inflation rate in 2017 is the deterioration of the Egyptian pound, due to the flotation of the currency pound vis-a-vis the US dollar (the Egyptian pound devalued from 7 EGP for 1 USD in January 2014 to 17 EGP for 1 USD in November 2016).

Western Africa recorded an increase in annual inflation rates of food prices from 7.4 percent in 2014 to 16.3 percent in 2017 before recording a decrease to 11.7 percent in 2019. The decrease of food prices in this region was driven by Mali, whose inflation slowed to an estimated 1.7 percent in 2018 due to lower prices of foodstuffs and imported oil products (AfDB, 2020) (Table 2 and Figure 5). Nigeria also contributed to the change because of the sharp depreciation of the national currency and falling foreign exchange reserves (due to the collapse in oil prices) that pose significant challenges to the country's ability to maintain its import capacity. Despite the Government's efforts to boost domestic production and curb imports, wheat imports by Nigeria remain high due to its limited land suitability for wheat cultivation, coupled with a fast-growing population and strong demand for wheat flour-based products.

Middle Africa recorded an increase in annual inflation rates of consumer prices of all items from 4.4 percent in 2014 to 21.3 percent in 2017 before falling to 18.1 percent in 2019. This increase in 2017 is driven by the increase in the inflation rate in the Democratic Republic of the Congo to 10.0 percent in December 2016 to 33 percent in December 2017. Angola also contributed the change in food prices for the region. Nominal retail prices of food in Angola have been increasing since early 2018, mainly reflecting a significant and sustained depreciation of the national currency. The low cereal harvest in 2019 has been an additional contributory factor to the high price levels.



Figure 5. Food consumer price inflation rates – Africa and sub-regions



Source: International Monetary Fund (IMF), United Nations Statistics Division (UNSD), Organisation for Economic Co-operation and Development (OECD) and national statistics' websites, Statistics Division of the Food and Agriculture Organization of the United Nations (FAO) for the calculations

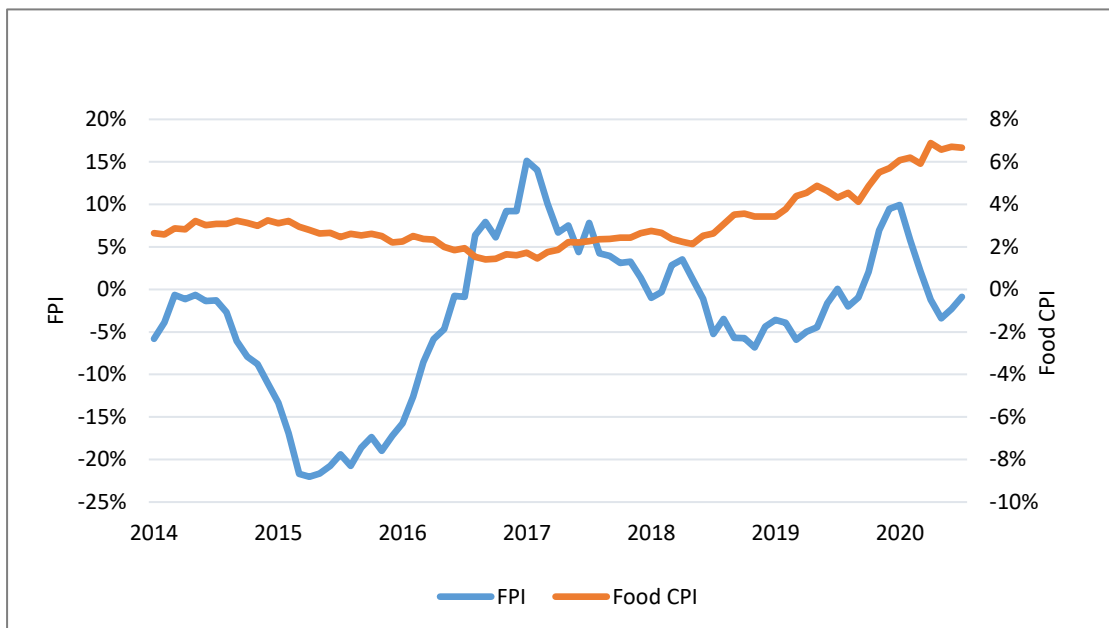
Agricultural commodity prices and food consumer price inflation rates

The FAO Food Price Index (FPI) is a measure of the monthly change in international prices of a basket of food commodities. It consists of the average of five commodity group price indices, weighted with the average export shares of each of the groups for 2002–2004.

A comparison of the historical trend of the agricultural commodity prices inflation rates measured by the FPI¹ against the food consumer price inflation rates measured by the global food shows that the volatility in the FPI is not fully transmitted to the global food CPI (Figure 6).

¹ The FAO Food Price Index is a measure of the monthly change in international prices of a basket of food commodities. It consists of the average of five commodity group price indices, weighted with the average export shares of each of the groups for 2014–2016.

Figure 6. FPI and food CPI inflation rates



Source: International Monetary Fund (IMF), United Nations Statistics Division (UNSD), Organisation for Economic Co-operation and Development (OECD) and national statistics' websites, Statistics Division of the Food and Agriculture Organization of the United Nations (FAO) for the calculations

Download data at: <http://www.fao.org/faostat/en/#data/CP>

EXPLANATORY NOTES

- > Global and regional consumer price indices (CPI) measure food inflation for a group of countries at different geographical scales: sub-regional (e.g. Middle Africa), regional (e.g. Africa) and global (all countries). The CPI of all items covers 204 countries, and the food CPI covers 198 countries worldwide. The imputation rate was 16 percent for food CPI and 7 percent for CPI all items.
- > Venezuela and South Sudan and Zimbabwe are not included in regional or global analysis as the unusual inflation rates there could distort the picture.
- > Monthly inflation rates are annual year-over-year inflation or percentage change over the corresponding month of the previous year.
- > Household final consumption expenditure (including non-profit institutions serving households) weights in 2015 are used for aggregating food CPI and CPI of all items at global and regional levels, which may better reflect the impact of food inflation on consumers than gross domestic product (GDP) weights. The use of GDP weights also

gives higher importance to countries less exposed to food insecurity, as consumers in countries with higher GDP tend to be richer, spend a lower proportion of their income on food, and benefit from an economic environment characterized by lower and less volatile consumer price inflation.

- > The sources of official country CPIs include the International Monetary Fund (IMF), the UN Statistics Division (UNSD), Organisation for Economic Co-operation and Development (OECD), the Central Bank of Western African States (BCEAO), the Eastern Caribbean Central Bank (ECCB), the United Nations Conference on Trade and Development (UNCTAD), UNdata, and national statistical office websites. We gratefully acknowledge the Statistics Division of the International Labour Organization (ILO) for their methodological and technical guidance on the compilation of global and regional food inflation indices. In 2015, the IMF took over from the ILO the responsibility for compiling an international database of official national CPIs, as per an agreement between the IMF, the ILO and FAO.
- > Data gaps on food CPI and CPI of all items are filled using statistical estimation procedures to have full data coverage for all countries for food CPI and CPI of all items from January 2000 to July 2020.
- > Global and regional CPI (all items and food) should be interpreted with caution due to conceptual and methodological differences across countries in the compilation of their official CPIs.
- > Country and regional consumer price indices are updated in FAOSTAT on a quarterly basis. The next release presenting global and regional trends will be in December 2020.

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