

# Global food prices 'drop 7% in 2012': UN agency

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Women buy vegetables in a market in Bangui, Central African Republic last month. Global food prices fell by 7.0 percent in 2012 from the level the previous year, the UN's Food and Agriculture Organisation said on Thursday, assuaging worries a few months ago that the world could be heading for a food crisis.

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The FAO added that prices had fallen in December for the third month in a row.

The Rome-based FAO's Food Price Index averaged 212 points in 2012, a drop of 7.0 percent owing largely to falls in the prices of sugar, dairy products and oil.

According to the FAO's index, a monthly measure of changes in a basket of food commodities, prices dropped in December by 1.1 percent to 209 points, down for the third month from the 263 points registered in August.



Shoppers buy vegetables at a supermarket in Hefei, east China's Anhui province. The Rome-based FAO's Food Price Index averaged 212 points in 2012, a drop of 7.0 percent owing largely to falls in the prices of sugar, dairy products and oil.

"The result marks a reversal from the situation last July, when sharply rising prices prompted fears of a new [food crisis](#)," said Jomo Sundaram from FAO's Economic and Social Development Department.

"But international coordination...as well as flagging demand in a stagnant international economy, helped ensure the price spike was short-lived and calmed markets so that 2012 prices ended up below the previous year's levels," he said.

The sharpest declines registered in 2012 were sugar (17.1 percent), [dairy products](#) (14.5 percent) and oils (10.7 percent), while price declines were much more modest for [cereals](#) (2.4 percent) and meat (1.1 percent).

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