May 2020 saw moderate price variation in hard wheat, rice, cotton, coffee, natural gas, and crude oil.

For hard wheat, supply uncertainties due to unfavorable weather conditions in Europe likely contributed to moderate levels of price variability. There were also signs of a modest improvement in demand later in May, according to the AMIS Market Monitor.

Rice price variability increased in May, likely due to COVID-19-related disruptions. According to the recent USDA WASDE report, however, supply is set to outpace demand this year, eventually leading to high stock levels and lower price fluctuations in the upcoming months.

Cotton prices suffered from depressed demand related to COVID-19 ongoing lockdowns and social distancing measures, and there is still uncertainty about how fast retail outlets will reopen - likely leading to price variability.

Coffee prices have seen high levels of price variability in 2020 due to initial supply-side uncertainty and market tightening and subsequent disruptions downstream the value chain due to COVID-19 containment measures. Price variability has become less intense in May, with only 6 days registering extreme price variation and 11 as moderate. Despite this relative stability, prices continue to be variable. For more information on coffee price variability, read the IFPRI/ICO joint publication: https://ebrary.ifpri.org/utils/getfile/collection/p15738coll2/id/133746/filename/1333956.pdf.

Oil and natural gas prices showed some fluctuations in May after their mild recovery from previous months. As noted by the AMIS Market Monitor, the price upturn is a result of loosened COVID-19 related lockdowns combined with a slowdown in oil production.

The Excessive Food Price Variability Early Warning System was developed and is maintained by IFPRI’s Food Security Portal (FSP). It identifies periods of unusual price variability in world commodity markets (i.e. price variability that exceeds a pre-established estimated band). It is updated daily and uses a traffic light system that alerts about the number of days of high, moderate, or low price variability.

For all data, trends, and methods, see: http://www.foodsecurityportal.org/