



About the Excessive Food Price Variability Tool

The Food Security Portal's [Excessive Food Price Variability Early Warning System](https://www.foodsecurityportal.org) identifies periods of unusual price volatility in world food commodity markets. It is updated daily and uses a traffic light system that alerts about the number of days experiencing periods of high, moderate, or low price variability. The tool is based on a statistical model that formally models the fluctuations of commodity price returns (i.e. day-to-day percentage changes of commodity prices) using futures market prices closest to maturity. For all data, trends, and methods see: <https://www.foodsecurityportal.org>.

Highlight of the month

Price volatility was lower for the major food crops compared to last month – though prices for all but rice were pressured higher due to weather related factors. Notably, export restrictions were loosened in India, which has reduced price volatility – though not yet by enough to emerge from the current period of high price volatility.

Monthly Price Volatility Alerts for September 2024

Commodity	Last month	Last 3 months	Last 12 months	Summary of September food price volatility in global markets
Soft wheat	Yellow	Red	Red	Prices increased in September on supply concerns related to Black Sea tensions and dry conditions in major producing countries – as we enter a period of moderate price volatility.
Soybean	Green	Green	Red	Soybean prices continued the low volatility period despite production concerns in the US and Brazil, alongside robust global demand.
Rice	Red	Red	Red	While India's recent loosening of non-basmati rice export restrictions have improved prospects for global supplies, rice prices are still in a period of high volatility as defined by the number of days of extreme price returns in the last three months.
Hard wheat	Green	Green	Red	While hard wheat prices are still in a period of low price volatility overall, the number of days of extreme price returns has picked up recently on renewed concerns over Black Sea supplies and other factors.
Maize	Green	Green	Green	Maize prices are still in a period of low volatility. due to a robust production outlook and somewhat subdued import demand from China.
Cocoa	Red	Red	Red	The cocoa market remained highly volatile despite improved production outlook, influenced by favorable weather in top producing countries.
Coffee	Red	Red	Red	High price volatility persisted in the coffee market. This reflects ongoing concerns over crop conditions in Brazil, though rainfall conditions have recently improved.
Sugar	Red	Red	Red	Prices continued in high volatility amid tightening supplies. Rising oil prices sparked increased ethanol demand, tightening markets.
Cotton	Red	Red	Red	Cotton prices remained in a highly volatile period, primarily influenced by weather risk and a lower production outlook.

Red = At least 25% of the days in the specific period registered extreme price variations relative to that expected by the model; Yellow = At least 25% of the days in the specific period registered moderate price variations relative to that expected by the model; Green = A period characterized by a low price variability

Coefficient of price variation: A measure of unconditional market volatility (Sep-2024)

	Current month	Previous month	Year ago
Hard wheat futures daily prices	3.4%	7.3%	7.3%
Soft wheat futures daily prices	4.7%	7.2%	7.7%
Maize futures daily prices	4.0%	6.9%	4.7%
Rice futures daily prices	2.0%	9.1%	3.0%
Soybean futures daily prices	6.1%	8.1%	5.1%
Cocoa CJ NYB futures daily prices	9.6%	10.4%	3.6%
Coffee C Arabica NYB futures daily prices	5.0%	4.2%	3.5%
Generic Cotton N.2 futures daily prices	3.0%	3.2%	2.5%
No 11 Sugar NYB futures daily prices	7.7%	4.1%	5.1%

The coefficient of variation is the standard deviation of daily prices relative to the mean, and it is calculated for the 3 month period ending with the specified month. The latest date is 2024-09-30

The coefficient of variation is a simple measure of how much prices moved around during the month, including downward price movements. This measure complements the monthly price volatility alerts, which indicate periods where there are several days in which prices increased by more than what the model considers an extreme daily price increase.

Price movements in September were down across all major food commodities compared to the previous month.

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- The October edition of the [AMIS Market Monitor](#) is out now.
- The [mid-year-update](#) of the Global Report on Food Crises was released in September, highlighting changes in high levels of acute food insecurity since the 2023 peak.
- Visit the FSP's [Food Crisis Risk dashboard](#) for the latest data and alerts on potential and ongoing food crises.
- Keep an eye on food price trends for major global commodities with the FSP's [Excessive Food Price Variability Early Warning System](#).
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