



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

We are no longer in a period of high price volatility for several food commodities, including wheat, maize, and soybean. Use in the Panama Canal is approaching normal levels, and demand is generally slack. However, weather and geopolitics remain important factors to monitor.

Monthly Price Volatility Alerts for August 2024

Commodity	Last month	Last 3 months	Last 12 months	Summary of August food price volatility in global markets
Soft wheat	●	●	●	August was a period of low volatility for soft wheat, characterized by soft demand and solid supply prospects overall, despite some concerns over European production.
Soybean	●	●	●	Soybean prices entered a period of low volatility due to abundant supply and relatively low demand.
Rice	●	●	●	Despite favorable supply prospects and expectations of India easing in part export restrictions, rice prices are still in a period of high volatility.
Hard wheat	●	●	●	Hard wheat prices mirrored the low volatility seen in soft wheat, reflecting abundant global supply.
Maize	●	●	●	Maize prices experienced a period of low volatility. Favorable conditions in the U.S. and Brazil outweighed possible concerns over dry conditions in Europe and Russia, and there was lower import demand from China.
Cocoa	●	●	●	The cocoa market remained highly volatile, primarily due to supply concerns in West Africa. Below-average rainfall in Ivory Coast, the world's top cocoa producer, led to a significant decline in shipments compared to the same period last year.
Coffee	●	●	●	High price volatility persisted in the coffee market, driven by adverse weather conditions in major producing countries. A lack of adequate rainfall and concerns over excessive dryness and reduced yields in Brazil, contributed to further market volatility.
Sugar	●	●	●	High price volatility continued in the sugar market, driven by excessive heat, drought, and declining production in key producing countries such as Brazil and Thailand.
Cotton	●	●	●	The cotton market remained highly volatile despite slack demand prospects.

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 (Aug-2024)

	Current month	Previous month	Year ago
Hard wheat futures daily prices	7.3%	9.0%	6.0%
Soft wheat futures daily prices	7.2%	9.4%	7.1%
Maize futures daily prices	6.9%	6.5%	11.9%
Rice futures daily prices	9.1%	10.2%	7.3%
Soybean futures daily prices	8.1%	4.7%	4.6%
Cocoa CJ NYB futures daily prices	10.4%	10.9%	4.4%
Coffee C Arabica NYB futures daily prices	4.2%	6.5%	7.1%
Generic Cotton N.2 futures daily prices	3.2%	5.6%	3.6%
No 11 Sugar NYB futures daily prices	4.1%	3.3%	3.8%

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 2024-08-30

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 August were similar to the previous month across most commodities with the exception of

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