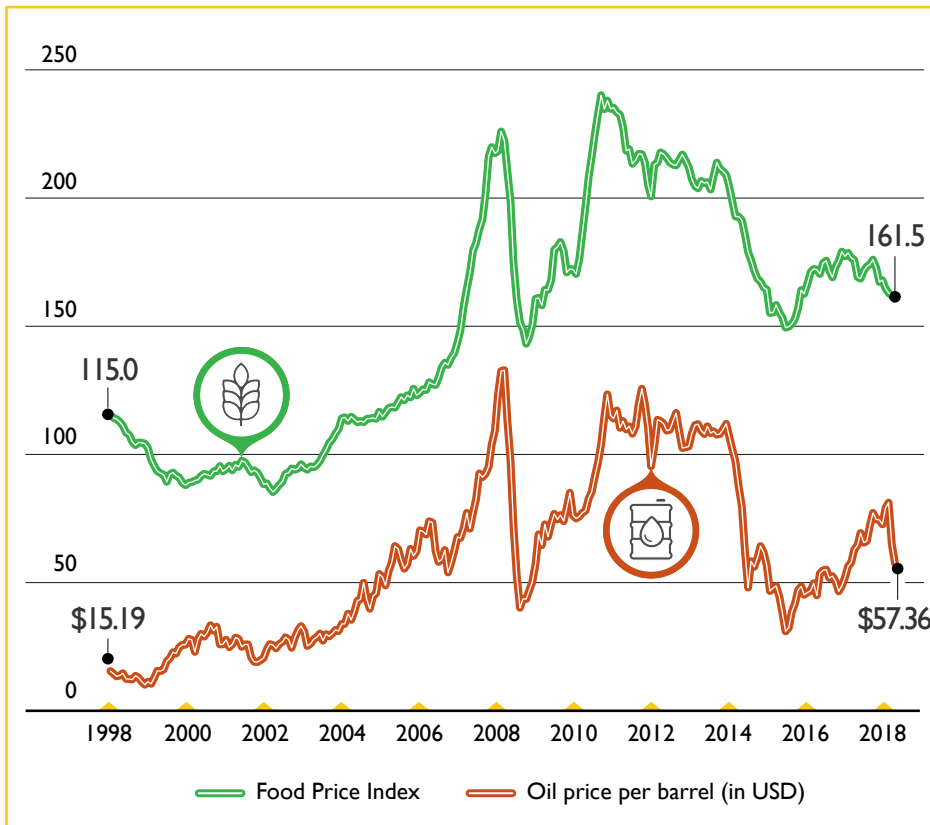


20-Year Comparison

Oil and food prices



Price fluctuations for a barrel of Brent crude oil (in US dollars) and for food commodities (Food Price Index in points). This index measures monthly changes in international prices of a basket of food commodities (cereals, oilseeds, dairy products, meat and sugar).

Oil and food prices dance in tune

The price of crude oil and food have developed almost in parallel since the turn of the millennium. This is due to the high energy input used in the production of agricultural commodities. Industrial agriculture is still heavily reliant on fossil fuel energy, e.g. for the manufacture of fertilisers and pesticides or for producing and running farm machinery. Fossil fuels are also used to process, package, distribute and prepare food. Today's food system is based on a mechanism that transforms fossil fuels, via crop plants, into calories for people. The recent oil price crash in reaction to the coronavirus pandemic also led to a decline in global food prices. In April 2020, the price of a barrel of oil fell to 18 US dollars, which was mirrored by the Food Price Index dropping to an average of 165.5 points, the lowest level since January 2019.

Sources

- 1 EIA US Energy Information Administration (2020). Europe Brent Spot Price FOB, Monthly. <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RBRT&f=M>
- 2 FAO (2020). FAO Food Price Index. Monthly Food Price Indices (2002-2004=100). <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>