

MONITORING OF RUSSIA'S ECONOMIC OUTLOOK

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PRICE DYNAMICS ON GLOBAL FOOD MARKETS IN 2025 AND EXPECTATIONS FOR 2026

Denis Ternovsky, Doctor of Economic Sciences, Leading Researcher, Economic Policy Foundation

The FAO Food Price Index stood at 127.2 points at the end of 2025, which is 4.3% higher than in 2024, but 12.0% lower than the peak values of 2022. Prices stabilized after the crises caused by the pandemic and geopolitical tensions. Wheat prices at the end of 2025 were close to their long-term lows, with no discounts for Russian products on the world market – wheat prices from the Russian Federation are comparable to those of other exporters. Unlike grain, vegetable oils are showing steady growth: in 2025, their prices doubled compared to 2019, partly due to a reduction in the discount on palm oil. Meat prices remained stable at a high level, while dairy prices fell in the second half of the year. Sugar prices returned to the historically low levels of 2019–2020. Among the main food products imported by Russia, the highest growth since 2019 was seen in the prices of coffee and cocoa beans (a threefold increase), while the price of bananas fell to its base level after rising in 2022–2023. Forecasts for 2026 do not suggest any sharp price dynamics. In the long term, prices are expected to stabilize in nominal terms, with a downward trend in real terms.

At the end of 2025, the FAO Food Price Index¹ reached 127.2 points (based on the average level for 2014–2016 in nominal US dollars), which is 4.3% higher than in 2024. Overall, this trend reflects food prices reaching a plateau (124.5 points in 2023, 122.0 points in 2024, 127.2 points in 2025) after price crises related to the COVID pandemic and growing geopolitical tensions (144.5 points in 2022) (Fig. 1). Thus, despite the increase in the current year, global prices have fallen by 12.0% compared to the peak values of 2022.

The main foodstuffs that drove this index growth were grain and vegetable oils, with Russia and Ukraine supplying significant volumes to the global market at the beginning of 2022. Thus, grain accounts for 27.2% of the FAO food price index, while vegetable oils account for 13.5%. At the same time, in 2021, out of \$153.4 bn in global grain exports² (HS 10 – Cereals), Ukraine accounted for \$12.3 bn (4th place among the largest exporters, 8% of the

1 URL: <https://www.fao.org/worldfoodsituation/foodpricesindex/en>

2 URL: <https://www.trademap.org/Index.aspx>

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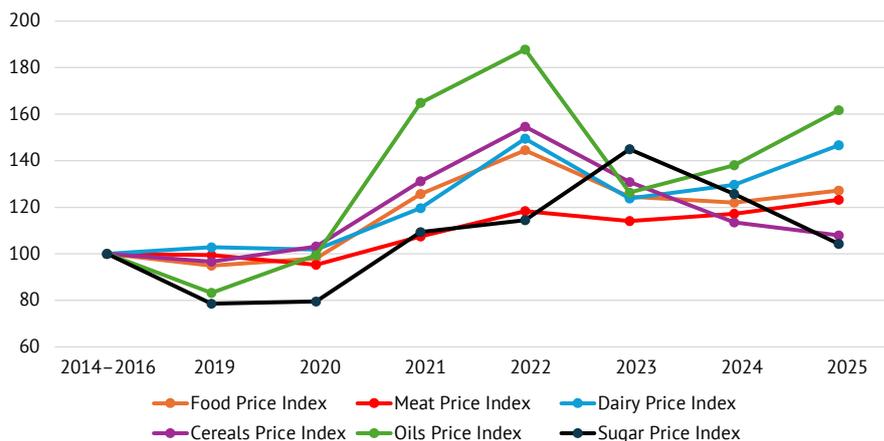


Fig. 1. Dynamics of the FAO Food Price Index and its components, 2014–2025

Source: FAO.



Fig. 2. Dynamics of export prices for Russian wheat in 2019–2025, USD/ton

Sources: FPMA, Russian Federation, Wheat (milling, 12.5%).

market), and Russia for \$9.2 billion (6th place, 6% of the market). In the fats and oils market (HS 15), Ukraine and Russia's shares in 2021 were 4.7% and 3.6%, respectively.

By the end of 2025, global grain prices were below the December 2020 level (the FAO grain price index in December 2025 was 107.3 points, compared to 116.4 points in December 2020). Prices for Russia's main grain export product, wheat, are also close to their long-term lows.

Unlike the energy market, discounts on Russian goods are not widespread on the global food market. Thus, the price ratios for similar wheat varieties from different producers are at similar levels (*Table 1*), and the differences between them, apart from country discounts, can be explained by uneven supply volumes.

After a sharp increase in 2021–2022, vegetable oil prices (according to the FAO vegetable oil price index) declined in 2023 and then began a steady rise, bringing them to a level significantly higher than before the crisis. In 2025, prices were 17.1% higher than in 2004, and prices had effectively doubled (+94.2%) compared to 2019 levels.

The increase in vegetable oil prices was largely due to a reduction in the discount on palm oil relative to other common types of vegetable oils (*Table 2*).

Price dynamics on global food markets in 2025 and expectations for 2026

Table 1

Comparison of average export prices for wheat supplied from Russia, France, and the United States, 2019–2025

Years	Average of monthly average prices, USD/t			Price ratio, %		
	France	Russia	USA	Russia/France	Russia/USA	France/USA
2019	208.9	211.7	211.0	101.4	100.4	99.0
2020	227.9	226.0	227.9	99.2	99.1	100.0
2021	293.2	287.7	285.1	98.1	100.9	102.9
2022	366.3	356.1	359.5	97.2	99.0	101.9
2023	269.7	257.7	262.4	95.5	98.2	102.8
2024	237.3	225.4	229.9	95.0	98.1	103.2
2025	234.7	237.3	218.9	101.1	108.4	107.2

Sources: FPMA, European Union (France), Wheat (grade 1, Rouen), Russian Federation, Wheat (milling, 12.5%), United States of America (Gulf), Wheat (US No. 2, Soft Red Winter).

Table 2

Price dynamics for vegetable oils and palm oil discount relative to other types of vegetable oils, 2019–2025

Years	Oil price, USD/ton				Ratio to the price of palm oil, %		
	Sunflower	Soybean	Rapeseed	Palm	Sunflower	Soybean	Rapeseed
2019	736	756	853	566	130	134	151
2020	880	829	906	715	123	116	127
2021	1430	1393	1497	1194	120	117	125
2022	1647	1686	1735	1364	121	124	127
2023	1007	1124	1036	964	104	117	107
2024	1061	1045	1062	1084	98	96	98
2025	1227	1212	1192	1207	102	100	99

Источники: FPMA, Palm oil (Crude, c.i.f. Rotterdam), Rape oil (Dutch, f.o.b. ex-mill), Soybean oil (Dutch, f.o.b. ex-mill), Sunflower oil (f.o.b. North West European Ports).

Thus, while in 2019 the price premium of palm oil over sunflower, soybean, and rapeseed oils ranged from 30% to 50%, by 2024–2025 prices for various types of oils had reached parity. It should be noted that there is no systematic discount associated with the deterioration of geopolitical conditions for either Russian wheat or oils exported by Russia.

By the end of 2025, there will be some stabilization in world prices for meat and dairy products. While in June 2025, the FAO dairy price index stood at 155.5 points, which is only slightly below the crisis level of June 2022 (158.2 points), by December it had fallen to 128.2 points, compared to 148.6 points in December 2022. Despite a sharp decline in the second half of 2025, dairy prices remain well above their pre-crisis levels of 2019. Meat prices remained relatively stable throughout 2025, but thanks to cumulative growth since 2021, they are also at a higher level compared to 2019.

Sugar became the leader in both relative price levels and price declines in 2025. In December 2025, the FAO sugar price index stood at 90.7 points, approaching the levels of 2019–2020, a period of historically low prices for this product. The highest price level in the last 25 years was observed in early 2011 – 183.2 points.

In addition to the main commodities and commodity groups included in the FAO Food Price Index, Russian consumers are also concerned about price dynamics for a number of imported products that are not produced by the

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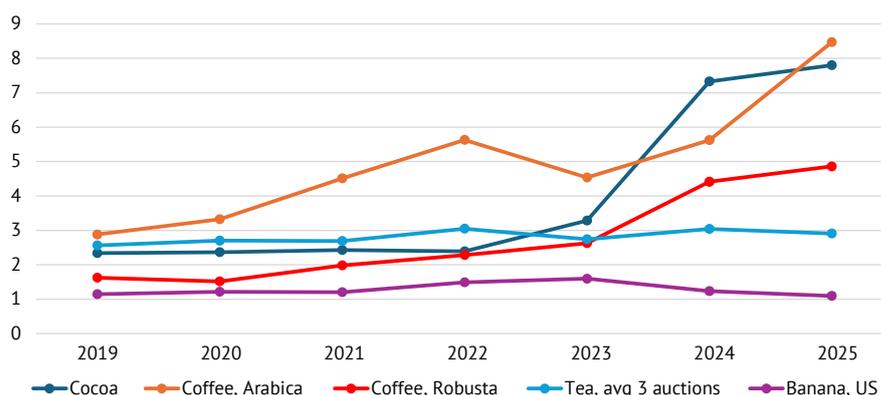


Fig. 3. World price trends for coffee, tea, cocoa beans, and bananas, 2019–2025, USD/kg

Sources: World Bank Commodity Price Data, Cocoa (ICCO), Coffee Arabica (ICO), Coffee Robusta (ICO), Tea, average three auctions, arithmetic average of quotations at Kolkata, Colombo and Mombasa/Nairobi, Bananas (Central & South America), major brands, US import price, free on truck (f.o.t.) US Gulf ports.

Russian agricultural sector, including bananas, coffee, tea, and cocoa beans (Fig. 3). Indeed, the share of spending on hot beverages in consumer spending exceeds the share of spending on bread (1.147% vs. 1.131%), and spending on bananas exceeds spending on potatoes (0.394% vs. 0.388%).¹

Of the products listed, coffee beans and cocoa beans have seen the largest price increase since 2019, tripling in price. Despite continued growth in 2025, there are signs of a slowdown. In December 2025, the price of cocoa beans was 53.8% of the annual maximum, robusta was 72.3%, and arabica was 92.9%.

After a period of relatively high prices in 2022–2023, banana prices returned to their 2019 level, with a negative growth rate of -4.0%. Tea prices have shown positive dynamics since 2019 (+13.6%), but this is not comparable to coffee prices. In addition, tea prices fell by 11.2% in 2025, while Arabica rose by 50.6% and Robusta by 10.1%.

According to the OECD-FAO Agricultural Outlook 2025–2034² (Fig. 4), no sharp price dynamics are expected in 2026 for the main categories of food products. An increase of around 1% over the previous year is forecast for the main Russian agricultural exports: wheat, corn, and vegetable oils. The 3.1% increase in sugar prices is a compensatory reaction to the sharp decline in prices in previous years. At the same time, global prices for meat and dairy products are expected to decline slightly. It should be noted that this forecast, published in July each year, considers 2025 as the forecast period, i.e., it does not take into account price dynamics for a significant part of the current year. As a result, growth rate forecasts for the year following the year of publication of the forecast may be distorted. For more reliable estimates, the forecast values should be compared with the prices of the base period (2022–2024).

The World Bank's commodity price forecast,³ which largely takes into account price information for 2025, suggests that in 2026, global prices for agricultural products will fall by 2.2% compared to the previous year, including coffee and cocoa beans by 7.2%, vegetable oils and meal by 0.4%, and grain by 0.1%.

1 URL: https://rosstat.gov.ru/storage/mediabank/CPR_Sub_2026.xlsx

2 URL: https://www.oecd.org/en/publications/oecd-fao-agricultural-outlook-2025-2034_601276cd-en.html

3 URL: <https://www.worldbank.org/en/research/commodity-markets>

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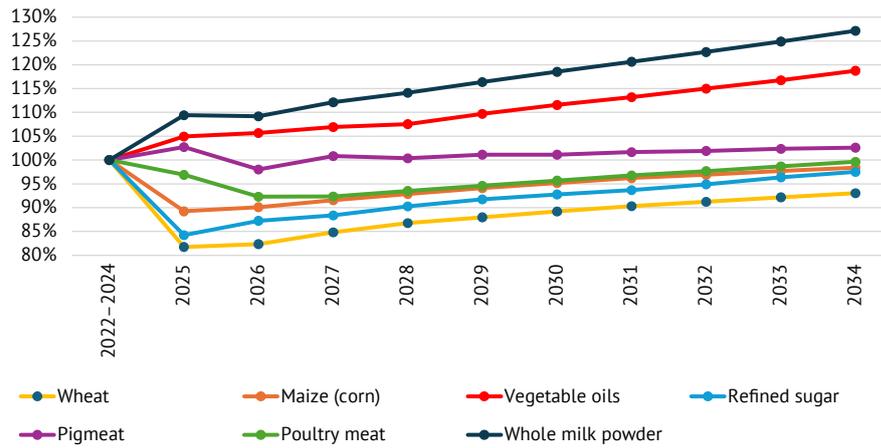


Fig. 4. Global price dynamics for selected food products in 2022–2024 and forecast for 2025–2034.

Sources: OECD-FAO Agricultural Outlook 2025–2034.

Looking ahead to 2034, the OECD-FAO Agricultural Outlook predicts that prices for most food commodities will not exceed or will be close to the average prices for 2022–2024. The exceptions are vegetable oils and milk powder, whose prices will be 118.7% and 127.1% of the base level, respectively. It should be noted that the OECD-FAO Agricultural Outlook forecast is compiled in nominal US dollars, which means negative or neutral dynamics of real food prices in the long term. ▲