**WORKSHEET 7: COMPARE GLOBAL AND LOCAL PRICES**

**What it is:** Global food prices fluctuate based on production in major surplus areas and many other factors. Commodities in your intervention area that are imported or markets that are well connected with global markets may be influenced by global prices.

**Data requirements:** Local price data (either your primary or secondary data); global commodity prices[[1]](#footnote-1); FAO food price indices[[2]](#footnote-2)

**How to compare local prices to global prices or indices**:

1. Unless you are certain that your data is in the same quantity and currency as the global data, it is probably easiest to simply look at two similar graphs side-by-side.
2. Create each graph using **the same timeframe on the *x*-axis**.
3. Look for similarities in trends between the two graphs.

**Example:**

Here we compare maize prices in Nigeria with global prices (US No. 2, Yellow, FOB U.S. Gulf as reported by USDA) and with the cereal price index compiled by FAO. We use the time period of the global food price crisis in 2008 to illustrate an extreme event.

**Interpretation:** We seethe same trend in all three graphs. We can assume the price increase witnessed in Nigeria was linked to the global food price spike for maize.

1. Global food prices for wheat, maize, rice, soybeans and oil are available from <http://www.foodsecurityportal.org/api/world-commodity-prices>. [↑](#footnote-ref-1)
2. FAO Food Price Indices are available at <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>. [↑](#footnote-ref-2)