The outlook for global food and agricultural markets

By

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OECD-FAO Agricultural Outlook

- 10 year horizon
- Global coverage
- Major temperate climate commodities
- Model based projections validated through global expert consensus
- Scenario analyses
Global context and key assumptions

- **Population** will reach nearly 8.4 billion by 2027 (+1% p.a.)
  - Globally, population growth slowing – fewer people being added each year
  - Growth concentrated in emerging markets: SSA, India, MENA
- **Income** growth projected at ca. 3.5% p.a.
  - Important regional differences in total and per capita terms
- **Crude oil** reference price at $67 by 2027 (nominal)
- **Real currency depreciation** expected in major exporters of agricultural commodities
Projections of commodity prices

- Supply and demand fundamentals keep real international reference price trends slightly declining

- Most commodity group prices follow similar trends due to substitutability and complementarities
Consumption trends of select commodity groups

- Global consumption growth patterns shaped by changing set of drivers
- Biofuel landscape shifting towards emerging markets
  - U.S. and E.U. vs. Brazil, China, Indonesia
- Feed demand – developments in Asia
• Population growth will shape outlook for staples consumption ➔ saturation

• Preferences mark widening gap in consumption of animal based proteins
  ➢ Staples main source of protein in lower income economies
  ➢ Meat, fish and dairy in emerging markets and high income countries

• Fat and sugar consumption
  ➢ Growing with incomes and urbanization
  ➢ Health concerns: higher inc. countries
• Global value of agricultural production to grow ca. 15% by 2027
  ➢ Crop 14.5%
  ➢ Livestock 14.7%
  ➢ Fish 12.4%

• Regional variation in production growth outlook

• Most output growth will come from improvements in production intensity
Crop production

- Yield improvements will drive most crop production growth
  - 72% yield and 28% area harvested
- Maize, oilseeds:
  - Net area harvested growth in S. America, Africa, India
- Cotton, sugarcane:
  - Area expansion in India, Brazil
- Wheat, rice
  - Minimal area expansion
Crop production: Wheat outlook

• Yield expansions dominate given producer context
  ➢ E.U. — area constraints, sustained high yields
  ➢ India — investment in irrigation
  ➢ Black Sea – adoption of improved seeds, fertilizers

• Limitations to further growth
  ➢ Maize will remain more competitive as livestock feed
  ➢ E.U. — biofuel policies moving away from first generation feedstocks
  ➢ Stocks rising as production growth exceeds demand → 40% stocks to use by 2027
Agricultural net exports by regions

- Trade growth projected to slow to about half the previous decade’s rate
- Black sea region consolidates role in global wheat markets
- Main trade patterns persist:
  - Net exports rising from the Americas
  - Net imports to meet growing food demand in Africa
  - Ongoing market concentration

### Graph Details

- **Y-axis:** Billion constant dollars
- **X-axis:** Years (2004 to 2025)
- **Legend:**
  - Asia
  - Latin Am. & Caribbean
  - N. America
  - Sub Saharan Africa
  - E. Europe
  - N. Africa & Middle East
  - Oceania
  - W. Europe

### Chart Description

- The chart illustrates the trend of agricultural net exports by regions from 2004 to 2025.
- The data is represented in billions of constant dollars, with different colors and trend lines for each region.
- The chart shows the projected growth or decline in net exports, indicating potential shifts in trade patterns.
Key messages and policy challenges

Consumption
- Consumption growth in milk, sugar and oils
- Expanding public health concerns

Policies to combat malnutrition

Production
- Output gains mostly from yield increases
- Important sustainability challenges

Invest in sustainable productivity growth

Trade
- Trade growth to slow
- Increasing import dependencies
- Export trade to remain concentrated

Need for open and reliable markets

Prices
- Real prices for most commodities expected to fall
- Upside price risks higher than downside

Market information and risk management

Access the full database at: http://www.agri-outlook.org/data/

Contact us for further information at: est-projections@fao.org

Thank You