

United Nations Conference on Trade and Development

14th Multi-Year Expert Meeting on Commodities and Development

09-11 October 2023, Geneva

**OECD-FAO Agricultural Outlook 2023-2032
The outlook for global food and agricultural markets**

By

Sergio René Araujo-Enciso, Economist, Medium-term outlook
Markets and Trade Division
Food and Agriculture Organization of the United Nations

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

OECD-FAO Agricultural Outlook 2023-2032

The outlook for global food and agricultural markets



Sergio René Araujo-Enciso

Economist, Medium-term outlook
Markets and Trade Division

Food and Agriculture Organization of the United Nations

9 October 2023

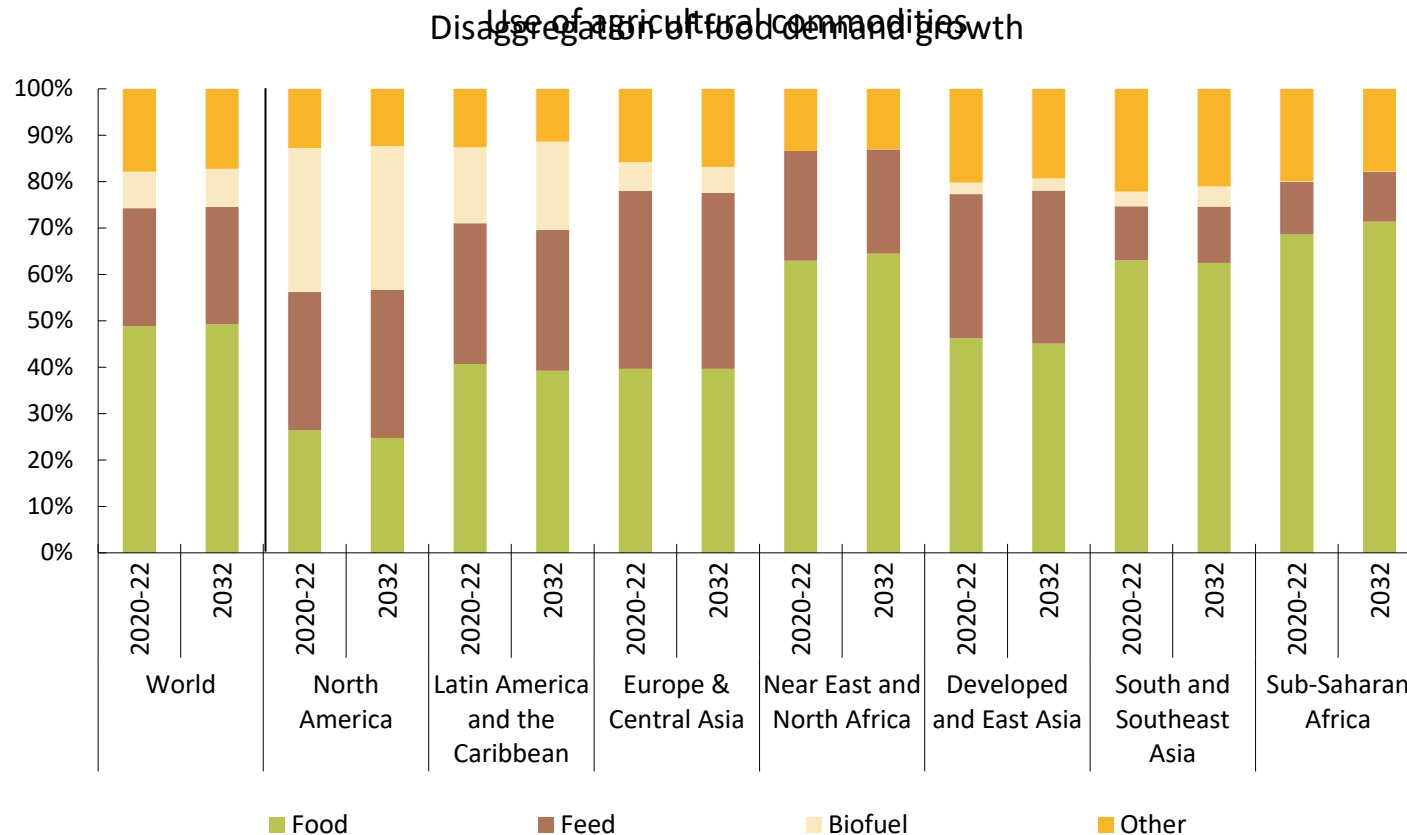
Macroeconomic and policy assumptions

Moderate economic growth and curbed inflation

- Population growth slows down to 0.8% p. a., strong regional differences remain.
- Global per-capita income growth to slow initially and then average 1.7% p.a.
- In OECD countries, inflation subsides and averages 4.4% p.a. over the decade.
- Crude oil prices projected at \$82/bbl in 2023, returning to \$98/barrel in 2032.
- Policies held fixed and weather does not fluctuate year-by-year. Climate change reflected in productivity and area projections.
- Consumer preferences continue on trend.
- Continued increase in productivity resulting in falling marginal production costs.

Trends in global use patterns

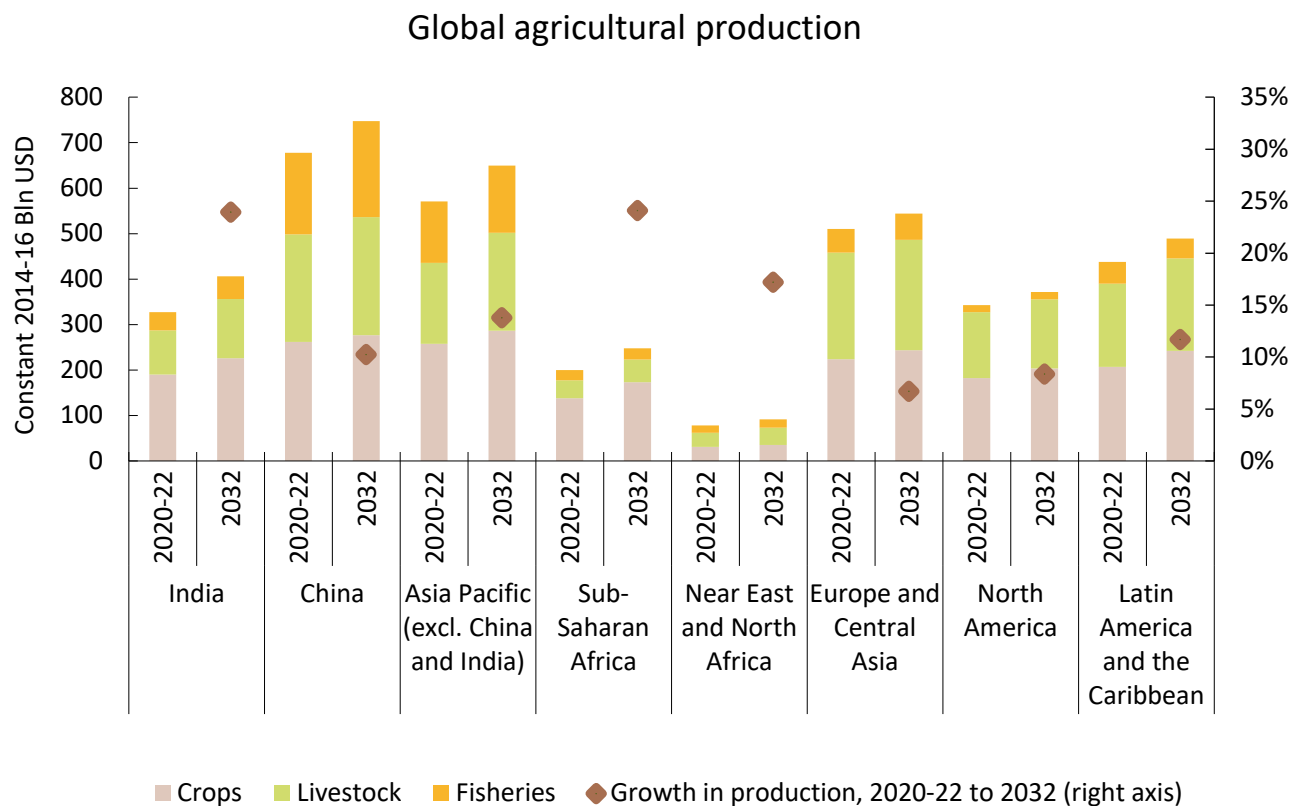
Use of agricultural commodities depends on economic development



- 13% growth in use by 2032;
 - Bulk of the increase in middle-income countries;
- Food remains primary use
 - Share of animal-based food increases slowly;
- Feed use remains concentrated in higher income countries;
- Share of biofuel use expands.

Global agricultural production trends

Production of emerging economies expected to increase fastest

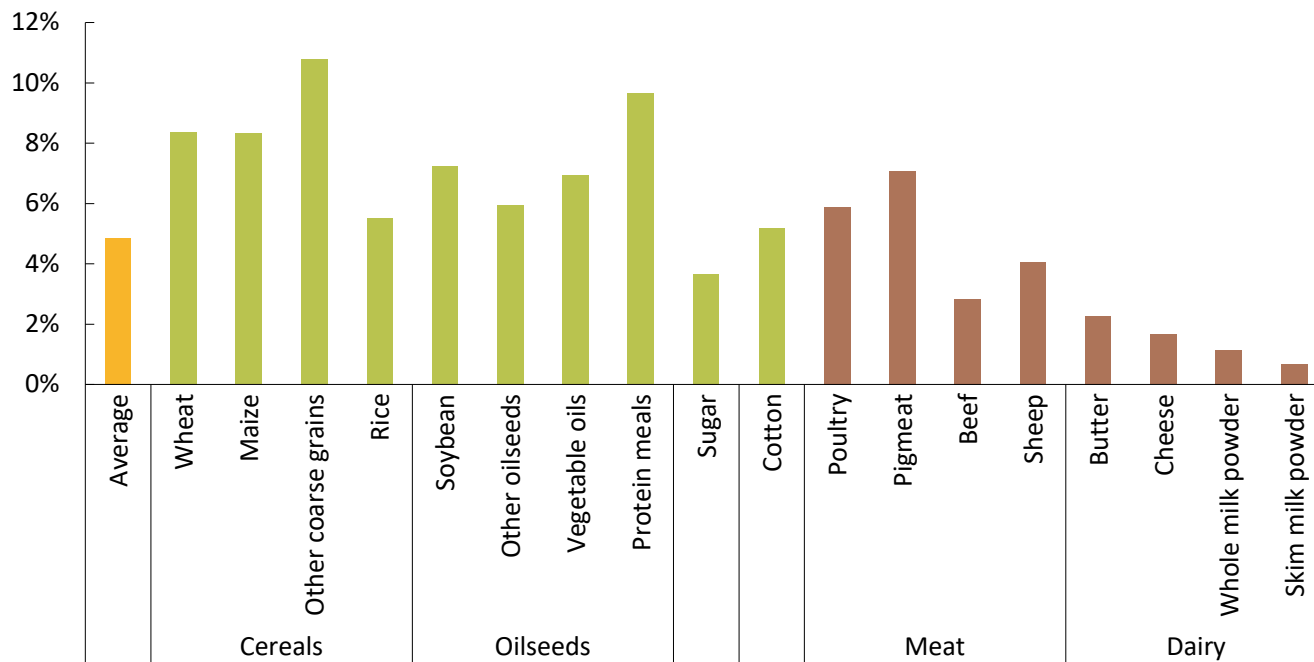


- Growth will mainly be located in middle- and low-income countries;
 - Almost 60% of increase originates in Asia;
- Yield improvements account for 80% of crop production growth;
- Livestock herds in middle- and low-income countries are expected to expand further.

Scenario simulation on fertiliser price impact

Increases in fertiliser costs directly affect crop prices

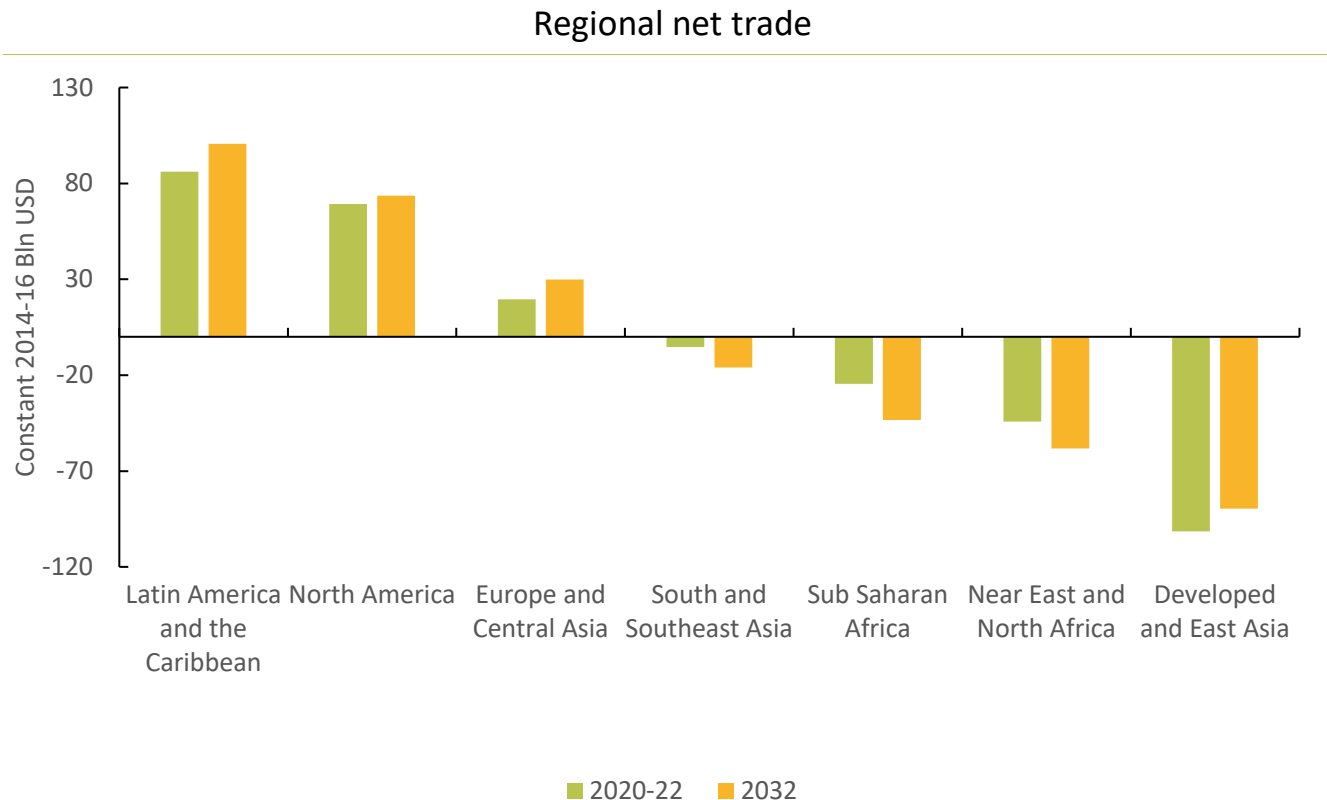
Change in agricultural commodity prices due to a 25% increase in fertilizer prices



- Each 1 percent increase in fertilizer prices raises agricultural prices by 0.2 percent on average;
- Impact most significant on cereals, poultry and pork;
- Impact on producers depends on their fertilizer use efficiency.

Regional net trade of major agricultural commodities

The share of internationally traded production is stabilising

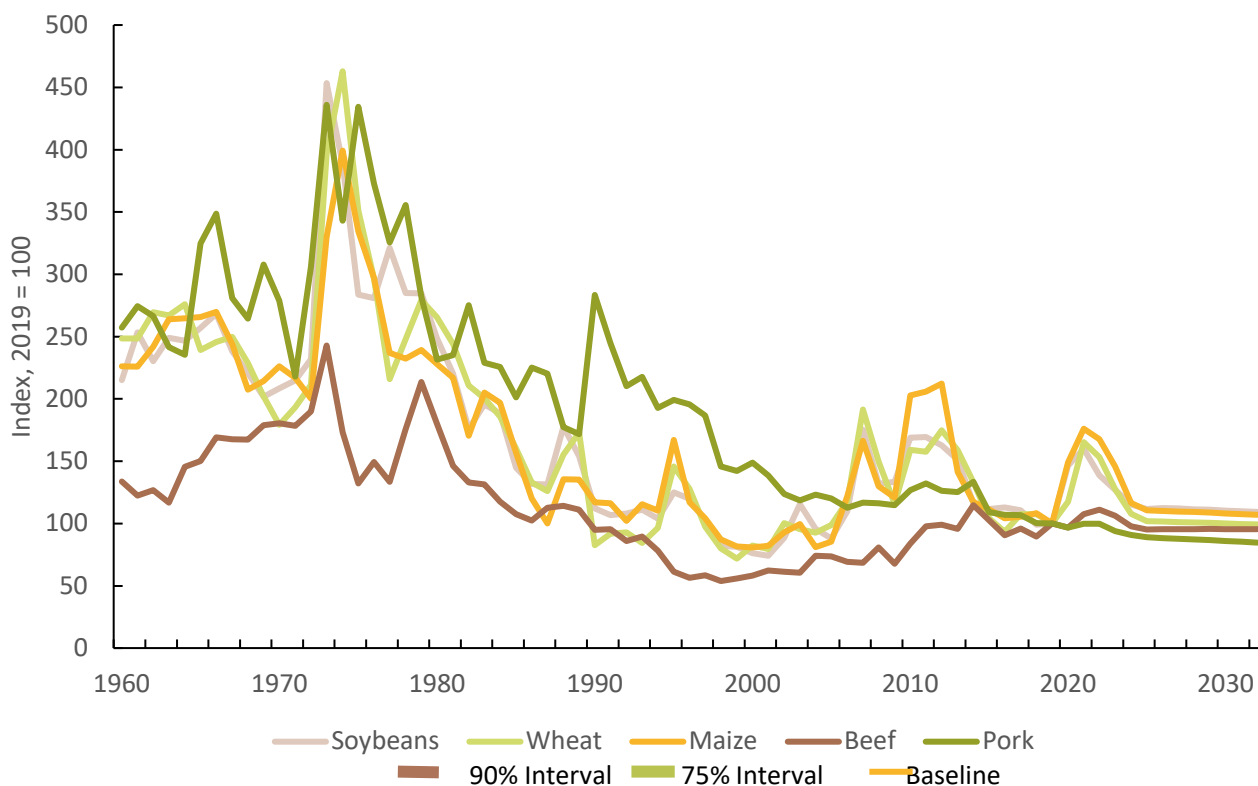


- Share of internationally traded production will remain at about 23%;
- Growing separation of supply and demand between regions;
- Latin America and the Caribbean maintains 50% share of net exports;
- Chinese net imports projected to decline by 14%.

Global reference prices and uncertainties

Real agricultural prices return to declining trend

Baseline and stochastic intervals for selected international reference prices
Real international reference prices of main agricultural commodities



- Current price correction expected to end in 2024-25;
- Market fundamentals bring real agricultural prices back to declining trend;
- Domestic consumer price trends may deviate;
- Evaluation of uncertainties indicates a wide range of potential future prices.

Special features and additional resources

The publication provides special features, regional briefs and commodity chapters

- Box 1.1. Food loss and waste: Definitions, global estimates and drivers
- Box 1.2. Gender and food systems
- Box 1.3. From globalisation to regionalisation
- Regional Briefs for seven geographical regions
- Specialised chapters for nine commodity groups

Thank you.

Visit our website: www.agri-outlook.org

Contact us at: EST-Projections@fao.org and TAD.Contact@oecd.org