



# Medium-term trends in global agriculture

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# Outline

- **Background to medium term projections in FAO**
- **Global commodity trends and developments**

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# Medium term projections

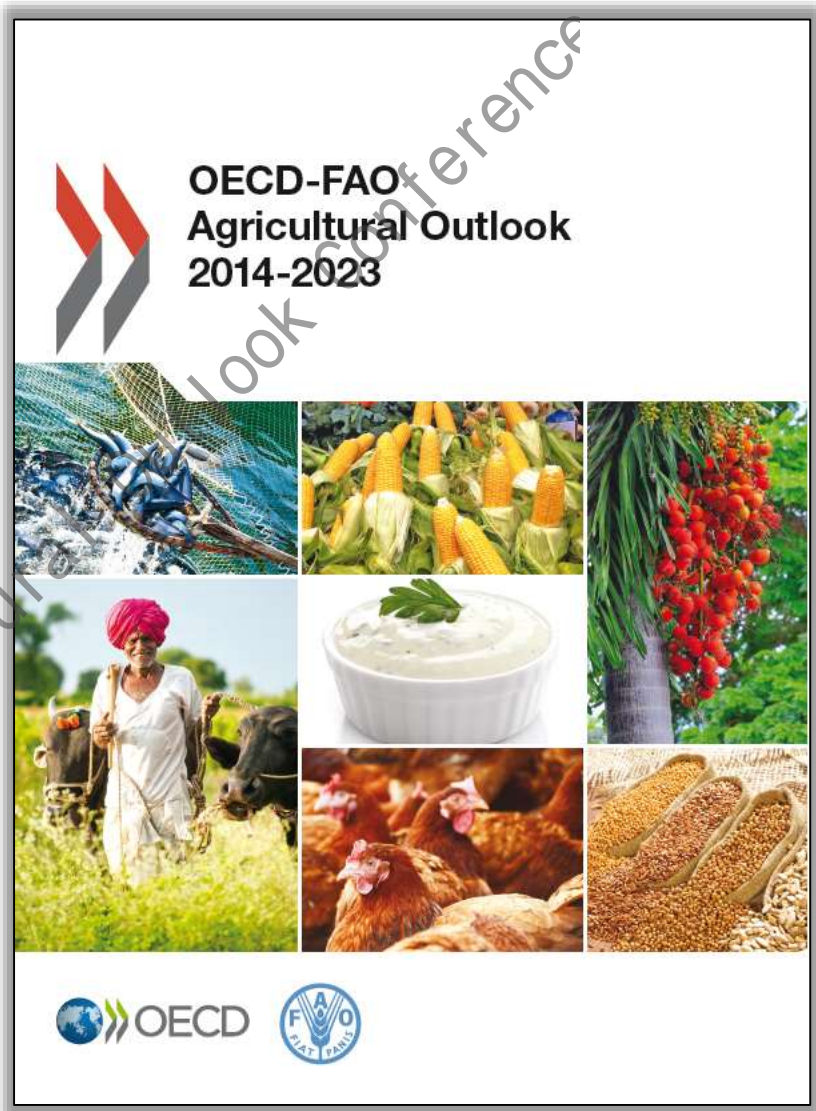
- Provide consensus analyses on the future evolution of international commodity markets.
- Develop increasingly integrated systems that link short, medium and long term projections.
- Publication of the annual “**OECD-FAO Agricultural Outlook**” in collaboration with OECD.
- Construct scenarios analyzing emerging market and policy issues using the Aglink-Cosimo model.



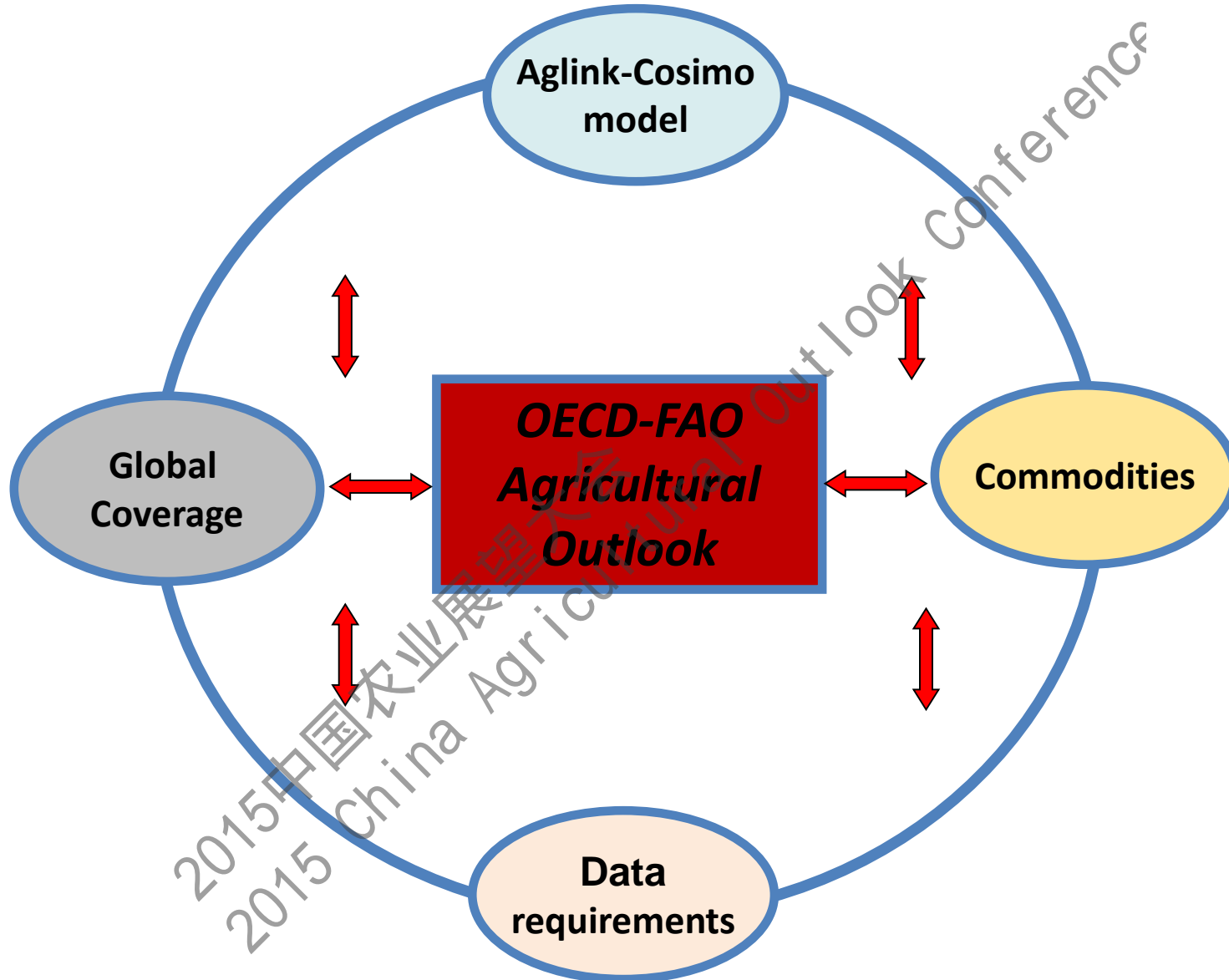
# OECD-FAO Agricultural Outlook



- **Joint OECD-FAO report prepared with country collaborators and international experts**
- **Model based baseline projection, not forecast**
- **Special theme chapter**



# OECD-FAO Projection System







# Macroeconomic drivers of agricultural markets





# Key macroeconomic and policy assumptions

- Global population growth 1% p.a., but strong regional differences remain
- Moderate economic growth in the OECD area
- Slight slowdown in major emerging economies
- Crude oil reference price between \$64 and \$88
- US Dollar appreciates against most currencies
- Moderate inflation in most economies

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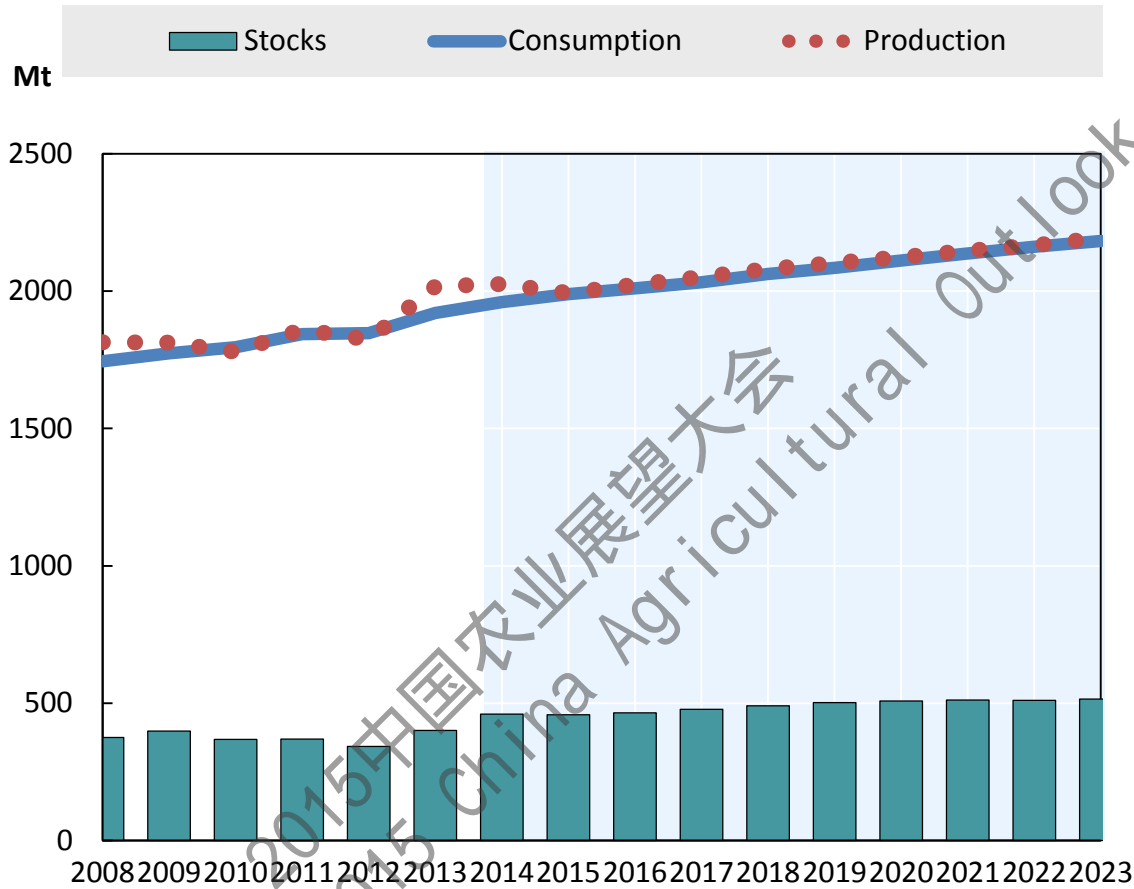
# CEREALS

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# Market Developments: Wheat and Coarse Grains



Global cereal market stays balanced and increases by 15%

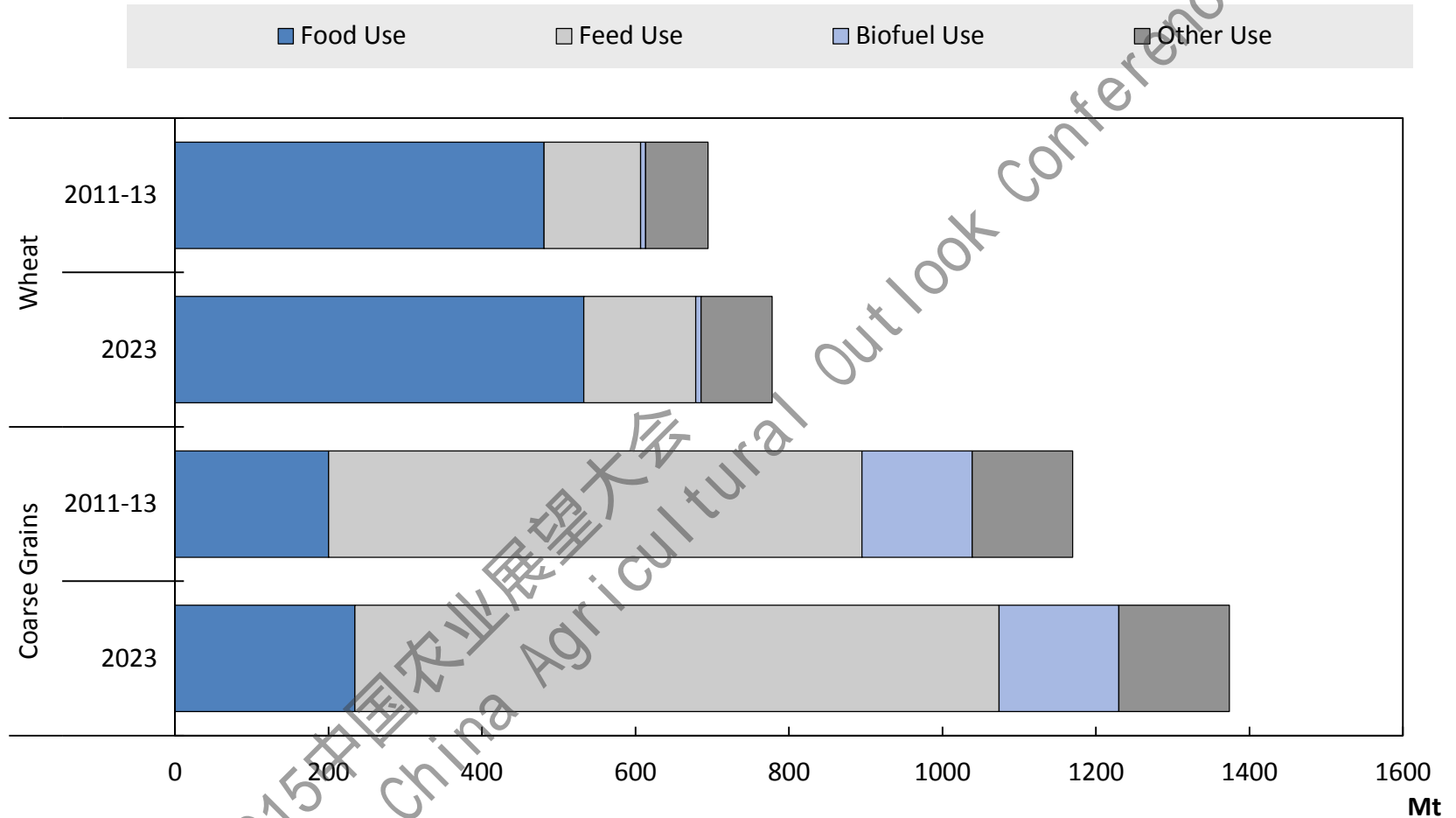
Driven by feed, while food consumption stagnates

No further build-up of stocks

Global trade grows faster than production, traditional exporters dominate



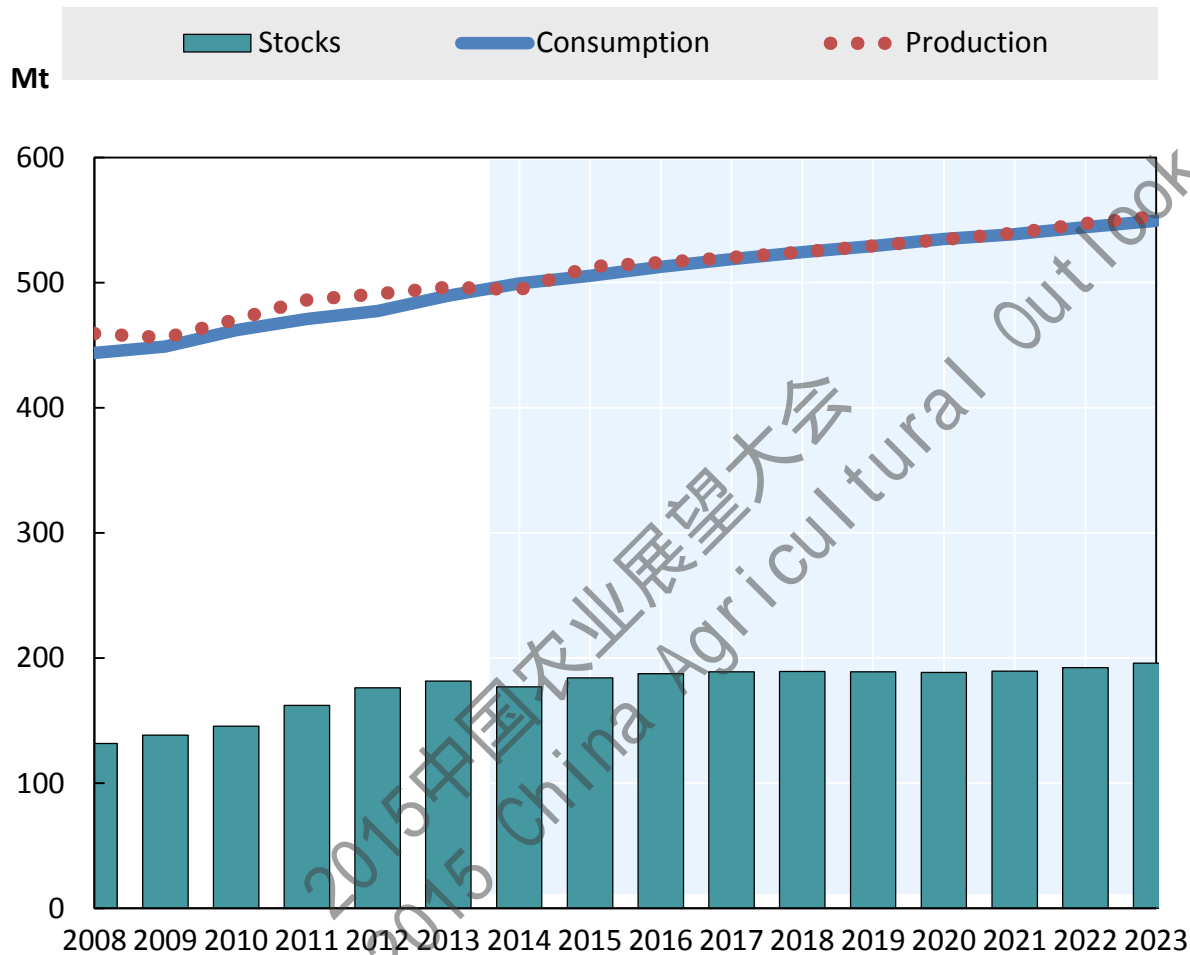
# Wheat and Coarse Grains utilisation



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# Market Developments: Rice



- Growth of the rice market will be sustained by developing countries
- Global per-capita food consumption stagnates
- Building up of stocks is projected to slow down
- International rice trade is expected to keep growing.





# OILSEEDS AND PRODUCTS



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# Oilseeds production

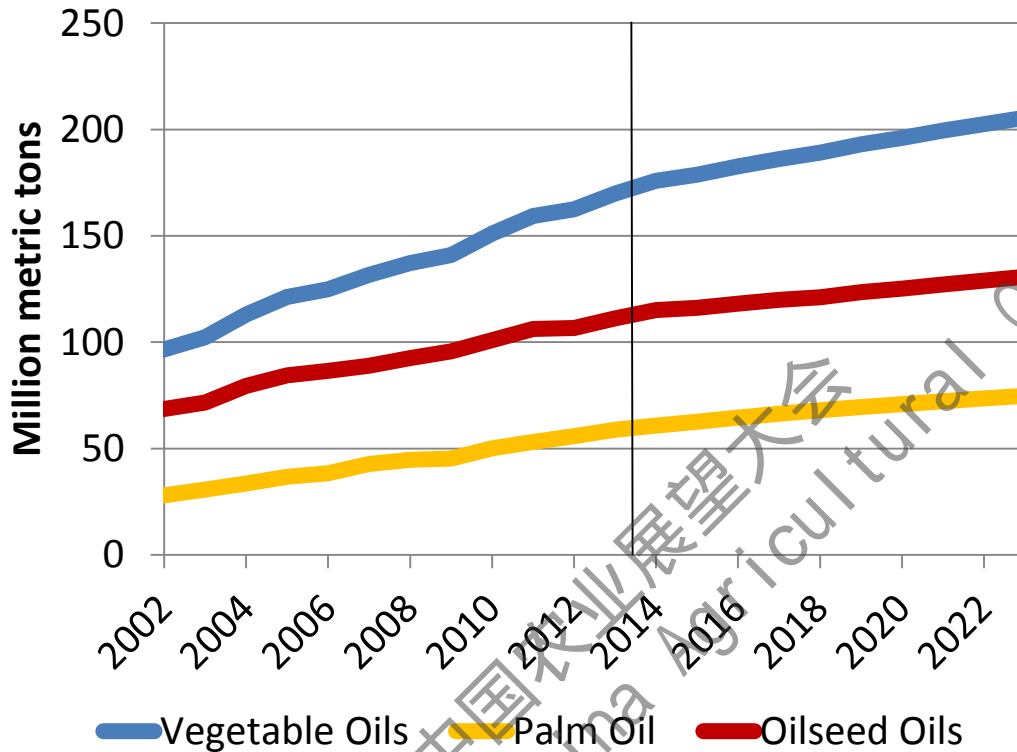
**Area:** increasing share - 15 mill ha expansion, 80% in developing countries,

**Yield:** globally 1% growth per annum, strong regional difference

**Production:** US remains largest producer, Brazil getting very close, China and EU are loosing share



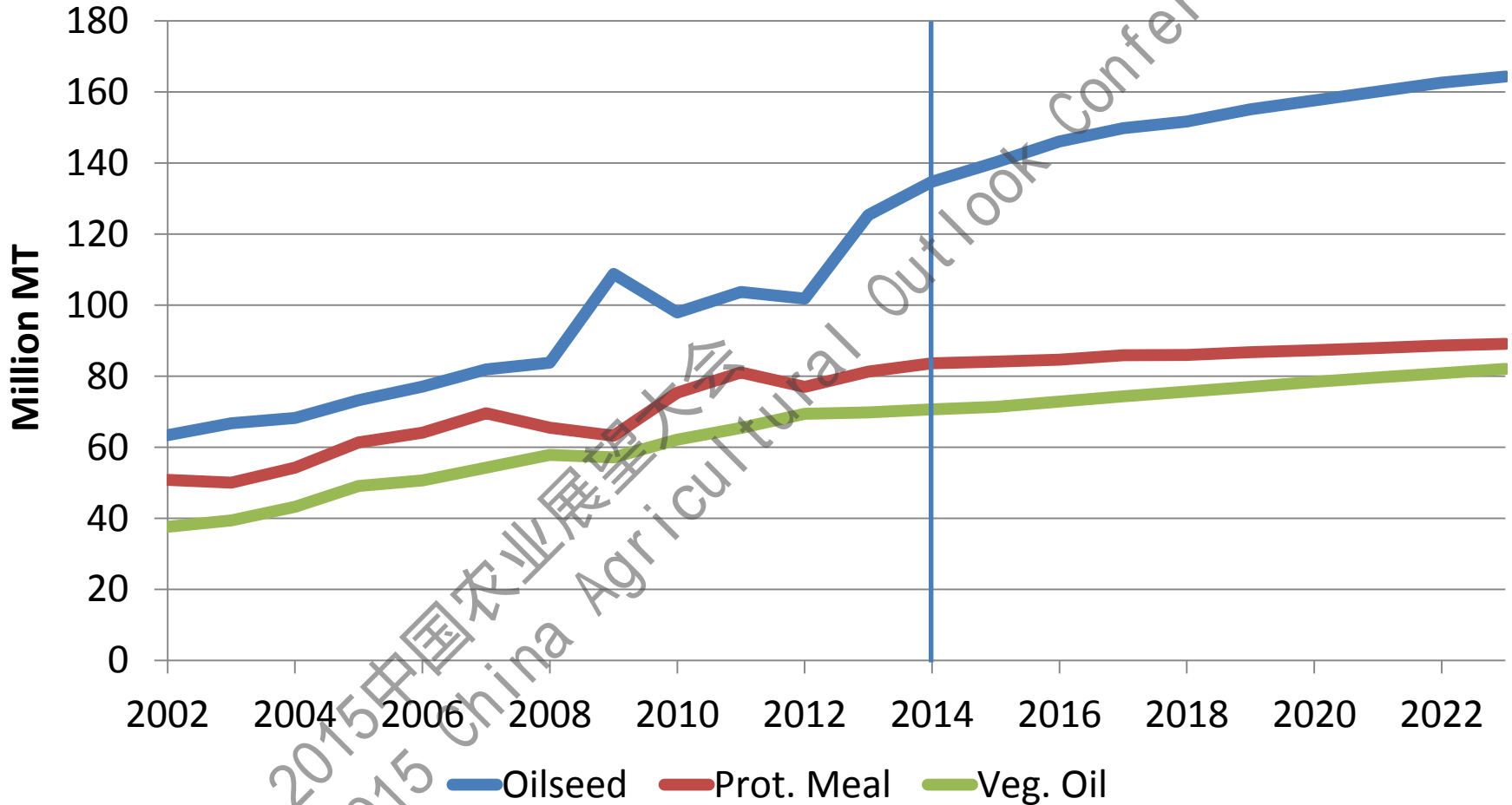
# Vegetable oil production



- Global production expands by 40 mill tons, or 24%
- Share of palm oil grows to 36%
- Marked slow down in in high-oil seeds production



# Trade in seeds and products





# MEAT

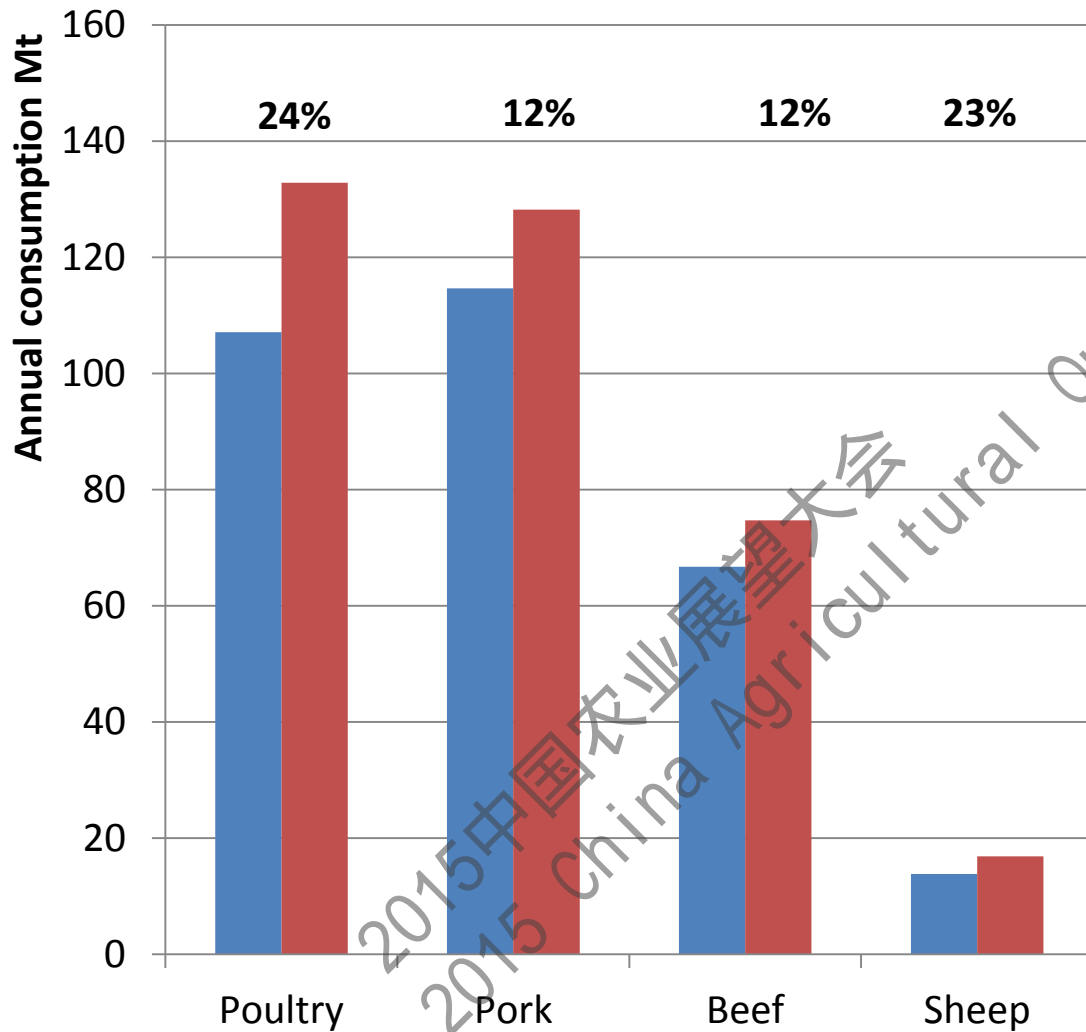
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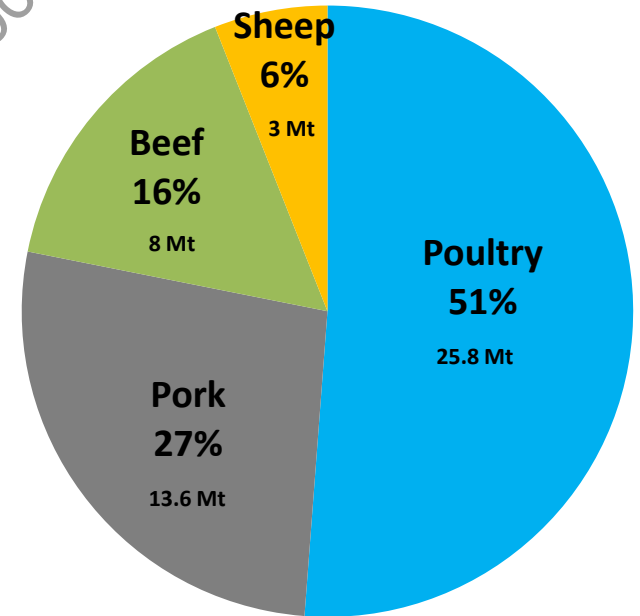


# Global meat consumption

■ 2011-13 ■ 2023

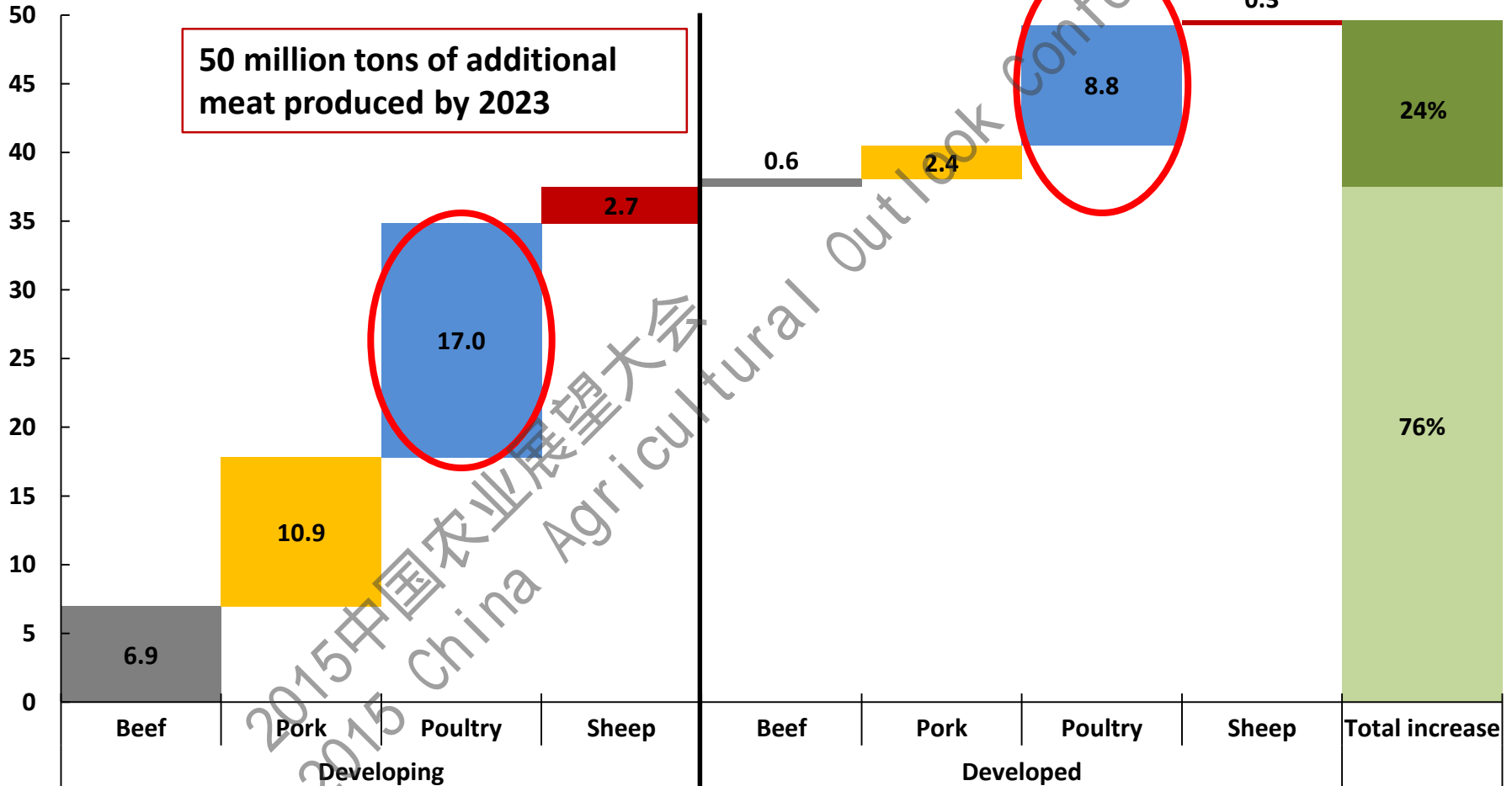


50 million tons additional meat consumed by 2023



# Meat production

Mt (c.w.e or r.t.c)



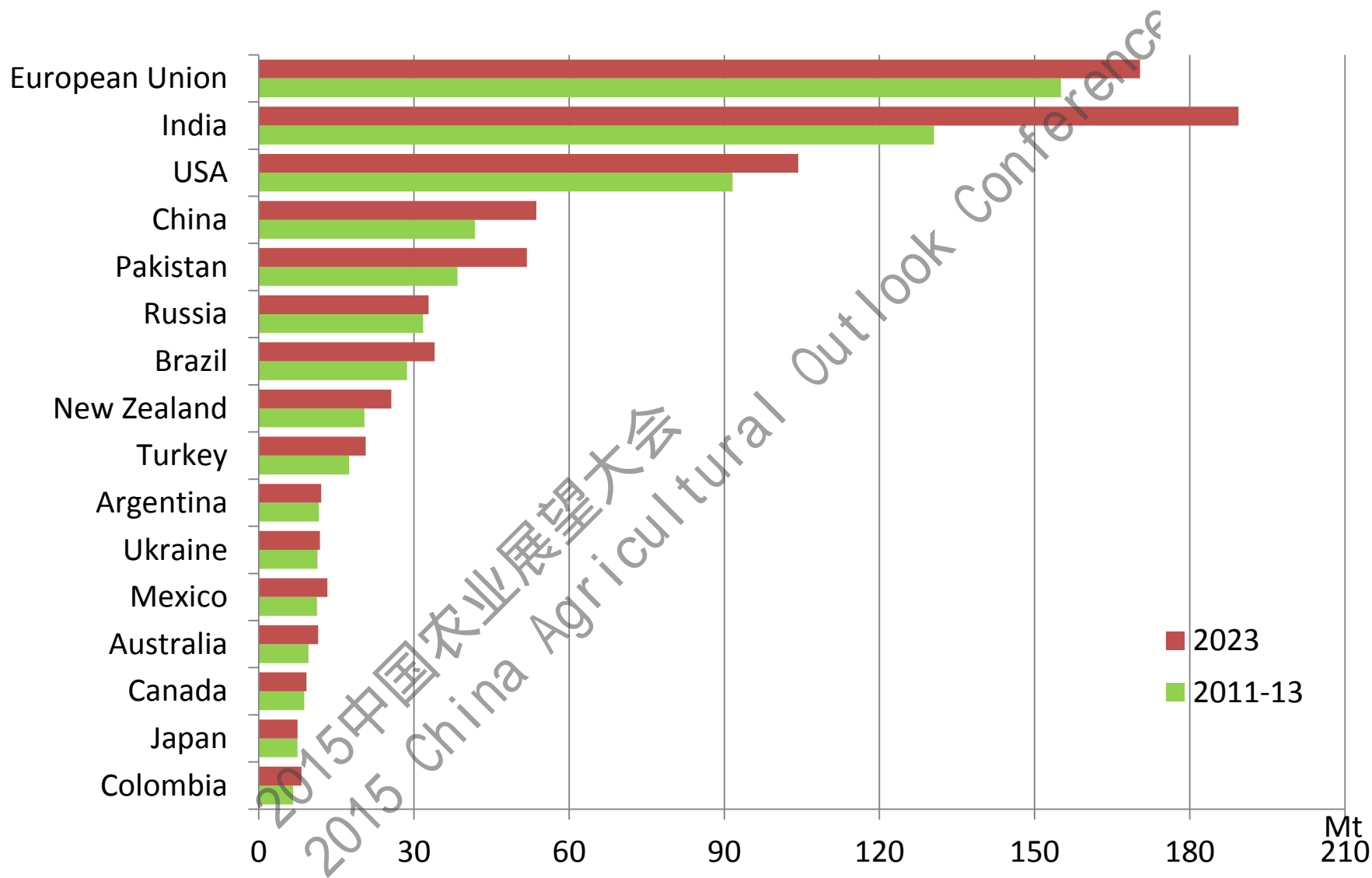


# DAIRY PRODUCTS

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# Milk production





# Dairy consumption

- 70% of milk consumed as fresh, rising trend
- Dairy gains in global popularity, but regional differences remain
- Per capita demand of dairy products continues fast growth in developing countries
- Flat demand in developed countries, only cheese demand growing

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# SUGAR



# Global trends - Sugar

- Higher share of sugarcane production going to ethanol
- Global sugar production and consumption to grow mainly in developing countries
- Prices to continue to be volatile
- Relative profitability of sugar vs. ethanol and developments in other sweeteners are important drivers
- Brazil continues to dominate global sugar exports, Indonesia and China main importers

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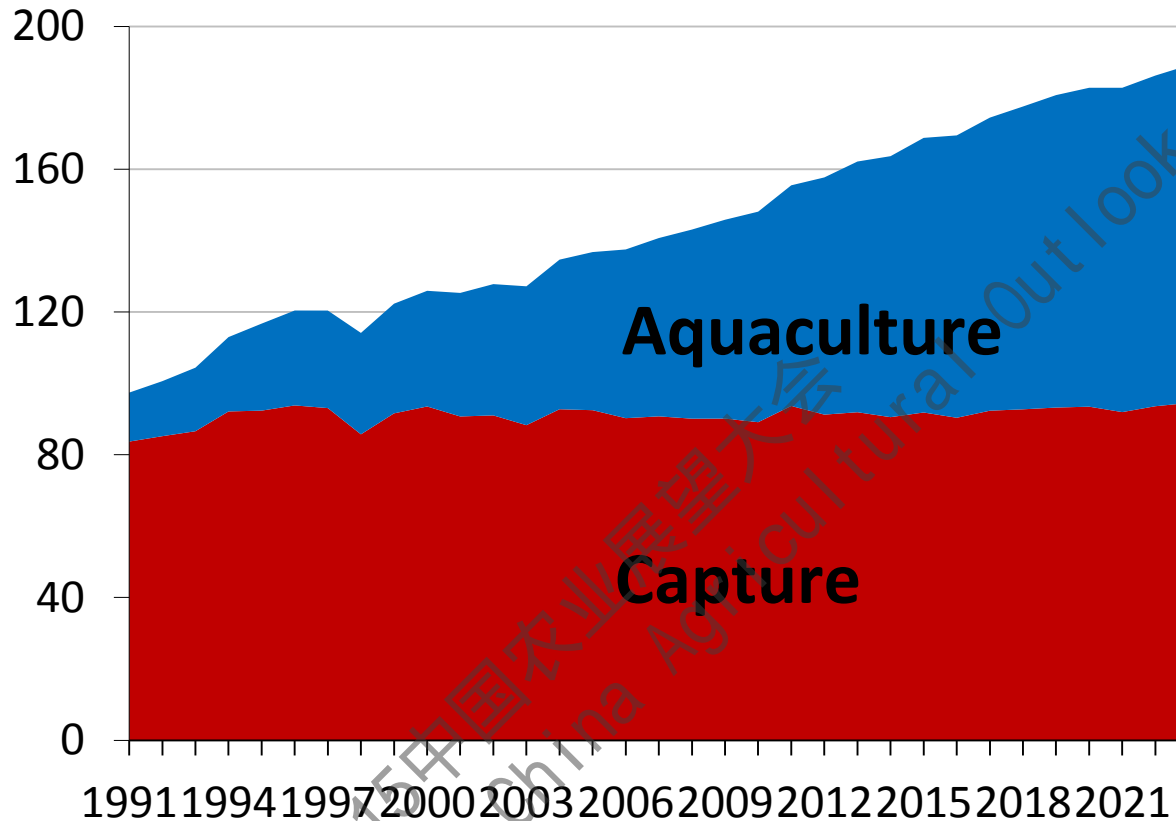
# FISHERIES AND AQUACULTURE

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# Total fishery production

Mt lw



- Global production expected to increase on account of aquaculture
- Global fish consumption to increase by 20%
- 30% of all fish products are traded, slower trade in food

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# COTTON

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# Global trends - Cotton

- Stronger cotton consumption growth
- Ending stocks decline
  - China's policy a crucial driver
- Global textile industry continues to shift
- Exporters' shares move toward Brazil and India. China dominates imports

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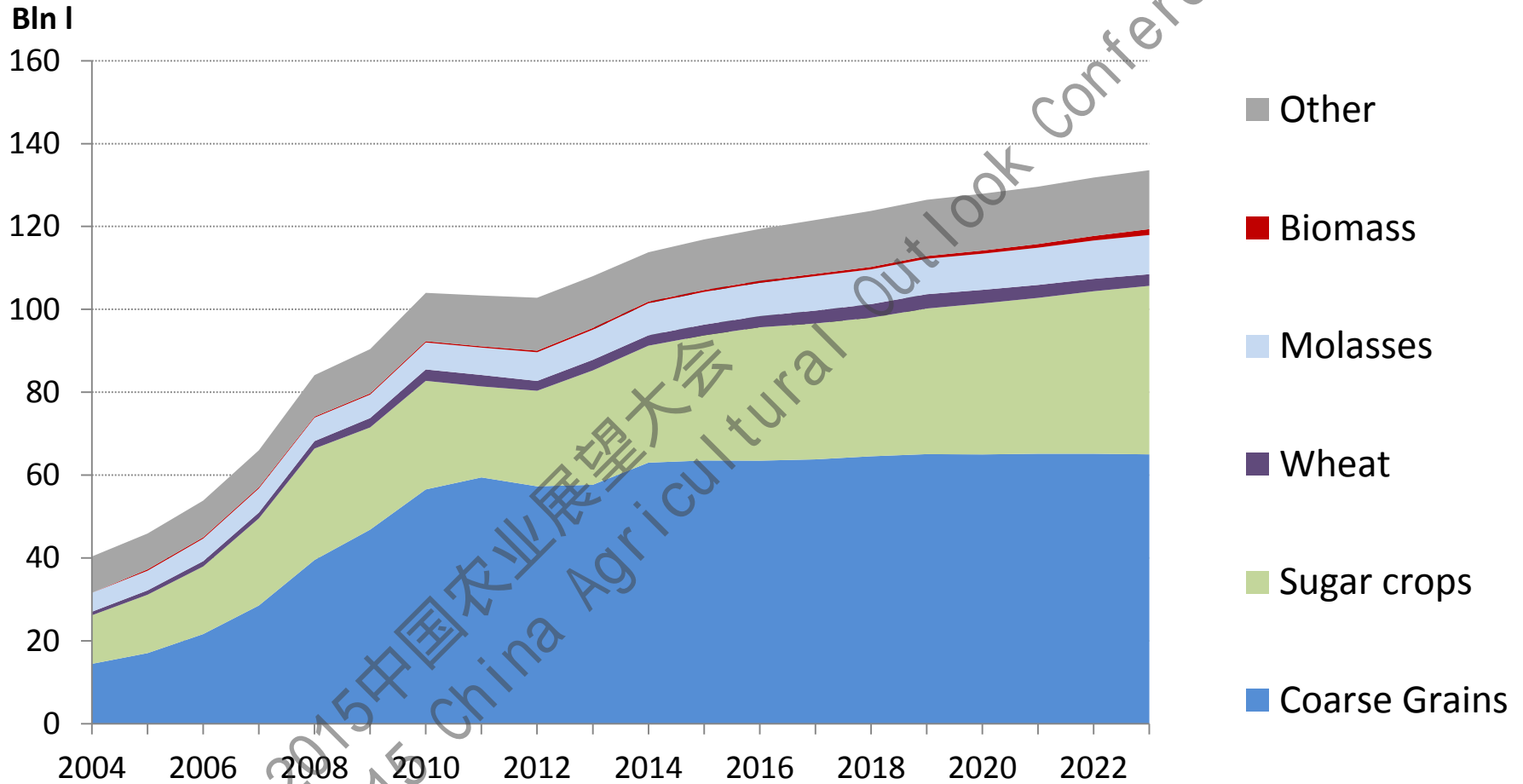


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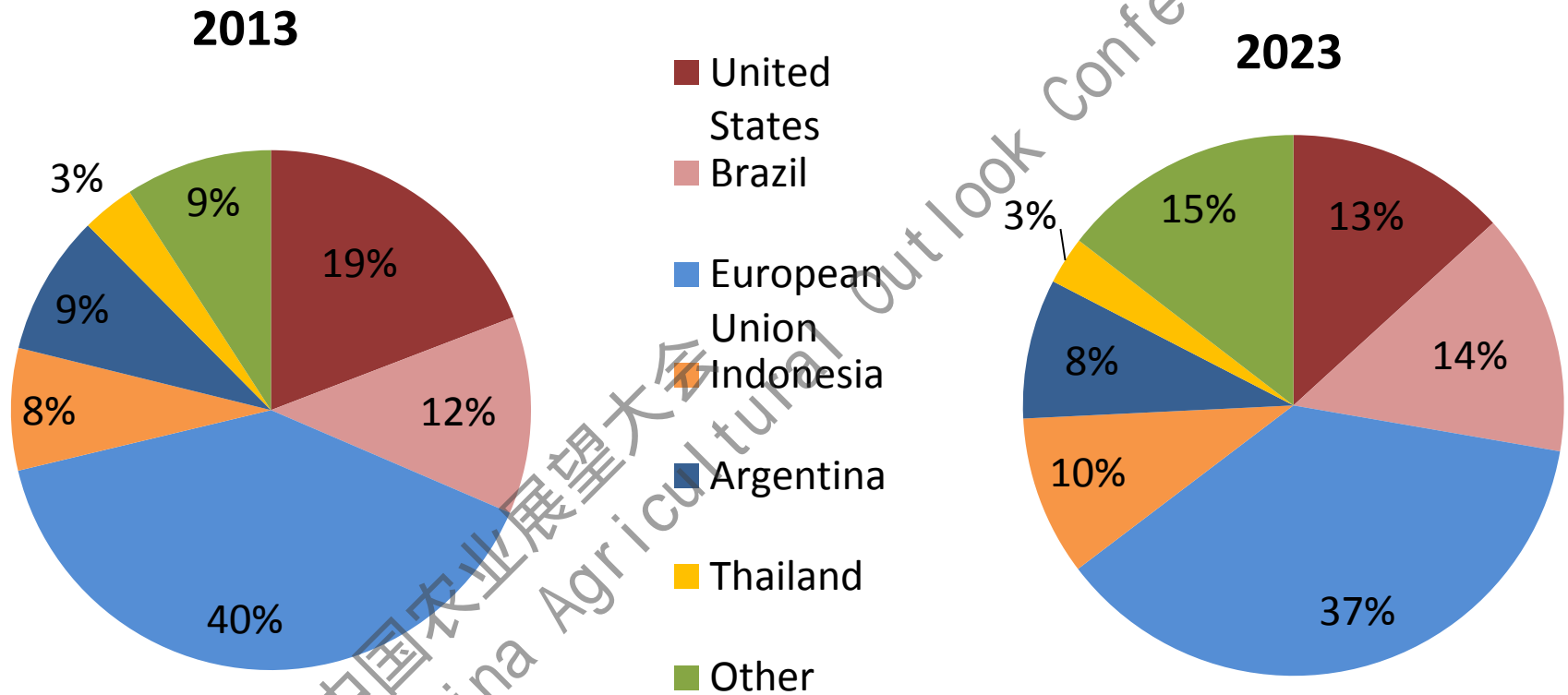
# Biofuels



# Ethanol production by feedstock



# Biodiesel production by geographic area



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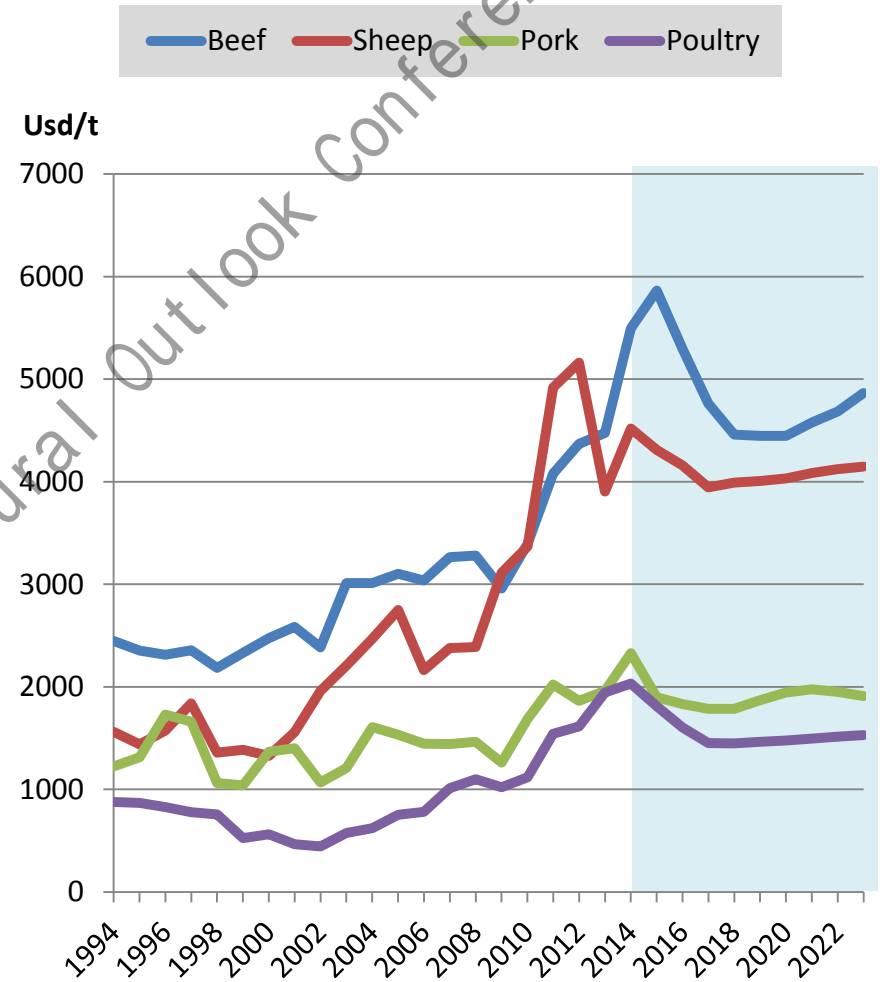
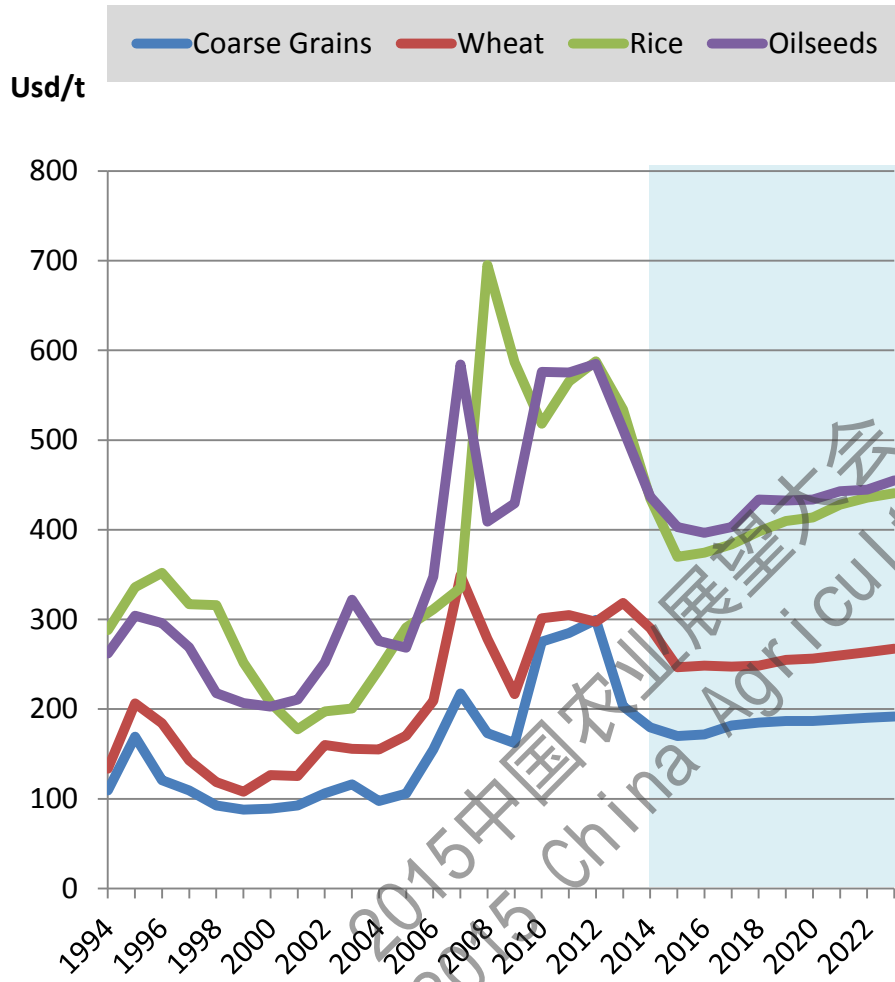


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# PRICES



# Nominal Prices







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