

## **Emerging economies will continue driving agricultural markets over the coming decade but with regional shifts projected**

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**Paris/Rome** – Emerging economies have increasingly driven global agricultural market developments over the last 20 years and are projected to continue to do so over the next decade, but with regional shifts linked to changing demographics and new economic affluence, according to a report released today by the Organisation for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization of the United Nations (FAO).

The [OECD-FAO Agricultural Outlook 2024-2033](#) is the key global reference for medium-term prospects for agricultural commodity markets, and this year's edition marks the 20<sup>th</sup> edition of the joint publication. For two decades, the report has analysed trends in the demographic and economic drivers of agricultural commodity supply and demand, projected the shifts in production and consumption locations, and assessed the resulting changes in international agricultural trade patterns.

A notable shift expected over the coming decade is the increasing role of India, Southeast Asia and Sub-Saharan Africa and the declining role played by China. While China accounted for 28 percent of growth in global consumption of agriculture and fisheries in the previous decade, its share of additional demand over the coming decade is projected to fall to 11 percent, attributed not only to a declining population and slower income growth but also to a stabilisation of nutrition patterns.

India and Southeast Asian countries are projected to account for 31 percent of global consumption growth by 2033, driven by their growing urban population and increasing affluence. Among predominantly low-income regions, Sub-Saharan Africa is projected to contribute a sizeable share of additional global consumption (18 percent), primarily due to population growth-driven demand for food.

Total agricultural and fisheries consumption (as food, feed, fuel and other industrial raw materials) is projected to grow by 1.1 percent annually over the next decade, with nearly all of the additional consumption projected to occur in low- and middle-income countries. Food calorie intake is expected to increase by 7 percent in middle-income countries, largely due to greater consumption of staples, livestock products and fats. Calorie intake in low-income countries will grow at 4 percent, too slowly to achieve the Sustainable Development Goal target of zero hunger by 2030.

“This Outlook has served as a valuable reference for policy planning, providing a sound evidence base and data for medium-term prospects for agricultural commodity markets. Over the coming decade, the volumes of agricultural commodities traded globally is expected to increase between net exporting regions and net importing regions, but with regional shifts reflecting increased global consumption in India and Southeast Asian countries,” OECD Secretary-General Mathias Cormann said. “Well-functioning agricultural markets, reducing food loss and waste, and more productive and less polluting forms of production will remain critically important for global food security and to ensure rural livelihoods can and do benefit from global agrifood value chains.”

“The Outlook confirms the need to implement strategies that bridge productivity gaps in low- and middle-income countries to increase domestic production and boost farmers' incomes,” said FAO Director-General QU Dongyu.

Growth in crop production is projected to be driven primarily by productivity increases on existing land rather than an expansion of the cultivated area, leading to a decline in agriculture's global

greenhouse gas (GHG) emissions intensity. Similarly, a significant proportion of the growth in livestock and fish production is also expected to result from productivity improvements, although herd expansions will also contribute to production growth. Direct emissions from agriculture are therefore projected to increase by 5 percent over the projection period.

Despite these expected productivity improvements, particularly in least productive countries in Africa and Asia, significant productivity gaps are projected to persist, challenging farm incomes and food security and increasing countries' requirements for food imports. Technological gaps, limited input use and natural climatic conditions remain some of the key factors underpinning disparities in agricultural productivity.

Well-functioning international agricultural commodity markets will remain important for global food security, as 20 percent of calories are traded and rural livelihoods can benefit from participation in markets and global agrifood value chains.

The underlying causes behind the peaks in international agricultural prices experienced in 2022 are subsiding and real international reference prices for main agricultural commodities are projected to resume their slight declining trend over the next 10 years; however, this report notes that this may not be reflected in local retail food prices.

This year's Outlook features a scenario that simulates the impact of halving food losses along supply chains and food waste at the retail and consumer levels by 2030. The scenario projects a potential 4 percent reduction in global agricultural GHG emissions by 2030, distributed relatively evenly across countries regardless of income levels. It also projects food prices to fall, resulting in increased food intake in low- and lower middle-income countries by 10 percent and 6 percent respectively, potentially reducing the number of undernourished people by 153 million (-26 percent) by 2030. While the scenario highlights potential benefits for consumers and the environment, it also points to challenges for producers, as lower producer prices and decreased production would notably impact their livelihoods.

As with previous editions, the Outlook offers decadal projections for cereals, oilseeds, vegetable oils, sugar, meat, fish, dairy products, as well as cotton, roots and tubers, pulses, bananas and tropical fruits and biofuels. The market projections are the bases for indicators on nutrition and greenhouse gas emissions from agriculture. Commodity highlights based on the dedicated chapters include:

- Cereal demand is projected to continue to be led by food use, closely followed by feed use. In 2033, 41 percent of all cereals will be directly consumed by humans, 36 percent will be used as animal feed, while the remainder will be processed into biofuel and other industrial products.
- Yield challenges are projected to persist for oilseeds, with major producers experiencing slow growth or declines in yield, notably in Indonesia and Malaysia for palm oil, and the European Union and Canada for rapeseeds.
- Poultry meat will dominate the growth of the meat sector, primarily due to its relative affordability and perceived nutritional advantages. It is projected to account for 43 percent of total meat proteins consumed by 2033.
- World milk production is projected to grow at 1.6 percent per year over the next decade, faster than most other important agricultural commodities. Most of the growth will occur in India and Pakistan.
- Over 85 percent of the additional projected fish production will stem from aquaculture, elevating its share in global fish production to 55 percent by 2033.

Information and data from the Outlook, including the main conclusions, is freely accessible at: [www.agri-outlook.org](http://www.agri-outlook.org). You are invited to include this Internet link in reports on the Outlook. For further information, contact [Lawrence Speer](#) in the [OECD Media Office](#) or [Christopher Emsden](#) at FAO News and Media.

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