



The Secretariat of the Organization for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization (FAO) of the United Nations has collaboratively published the **Agricultural Outlook 2023-2032** on July 2023. The report-making involved the commodities experts from the OECD and FAO to produce an annual assessment of global, regional, and national agricultural commodity prospects for the coming decade. The summaries of this Agricultural Outlook are divided into several commodities with the details as follows:

1. Cereals

Over the next 10 (ten) years, the growth of cereal demand is expected to be slower than in the past decade due to the lower demand. Moreover, in many countries, the human food consumption per capita in cereals is approaching saturation levels, thus constraining growth in overall demand.

Global production of cereals is projected to increase from its current level by about 320 Metric Ton/MT to 3.1 billion MT by 2032, mostly from maize and rice. The increase is expected to originate primarily in Asian countries to contribute 45% of the global growth.

In addition, Africa, where maize and other coarse grains will be the primary drivers of growth, is expected to contribute larger shares to the global growth of cereal production than over the past decade. It is expected that world cereal trade will increase by 11% with a total of 530 MT by 2032. Wheat will contribute to 43% of this growth, while the rest will come from maize 34%, rice 20%, and other coarse grains 3%.

2. Oilseeds and Oilseed Products

Food use of vegetable oils will account for 57% of total consumption in 2032, driven by population growth and increased per capita use of vegetable oil in Lower and Middle-income countries. The use of vegetable oil for biodiesel, currently about 16% of global vegetable oil use, is projected to grow globally, especially in emerging markets like Indonesia, Brazil, and the United States. Meanwhile, the use of vegetable oil for biodiesel will decrease in the European Union (EU).

As the second-largest user of protein meal, the consumption in the EU is expected to decline due to the slow growth of animal production. While in Southeast Asia, the increase of animal production is projected to increase the import demand for protein flours.

3. Sugar

Over the next decade, world per-capita sugar consumption is projected to increase supported by income growth in low and middle-income countries in Asia and Africa. Sugar is projected to remain the most consumed caloric sweetener still accounting for 80% of the global sweetener utilization despite general efforts to find the substitute.

Over the outlook period, sugar production is expected to expand mainly in the main sugarcane-producing countries. Sugarcane, which grows mostly in tropical and sub-tropical regions, will continue to account for more than 85% of the aggregate sugarcane crop.

4. Meat

The Outlook expects downward pressure on the growth of meat demand amid high and rising consumer costs and weak income growth. This is expected to continue in the upcoming decades due to the reduced purchasing power.

Over the projection period, it is expected that global average per capita demand for meat will increase by 2%, from the 2020-2022 base period to 2032. The increased consumption in Middle-income countries will account for a significant share of this rise.

Global herd and flock expansion, combined with continuous improvements in animal breeding, management, infrastructures, and technology will increase production over the outlook period, particularly in upper middle-income countries and will drive the growth in global meat production to reach 382 MT by 2032.

5. Dairy and Dairy Products

Milk and dairy products are vital sources of nutrition and provide livelihoods for millions of people in dairy value chains across the world. As income and population increase, more dairy products are expected to be consumed over the medium term. The key locations of this strong demand growth are India, Pakistan, and several African countries.

6. Fish

Fish consumption for food is expected to grow over the next decade, but at a slower rate than in the previous decade due to a lack of demand in Asian countries as the main consumers of aquatic food. This slow-down is caused by the competition in the meats market with the rising number of pork consumption in China.

7. Cotton

Over the next decade, world demand for raw cotton is foreseen to grow by 1.8% due to the increased population and increased income growth in Middle and Low-income countries. Raw cotton demand will continue depend on developments in the textiles and apparels sectors, and on competition from substitutes. It is expected that Asian countries such as Bangladesh and Vietnam will lead the growth in demand for the lint cotton.

Over the next decade, global lint cotton production is projected to grow and reach by 28.1 MT in 2032 and will be mostly dominated by higher yields and to a lesser extent by the expansion of the harvested area. Yield growth is expected to be driven by improvements in genetics, better agricultural practices, new technologies, and digitalization supporting precision agriculture.

Reference:

- OECD-FAO Agricultural Outlook 2023-2032

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