

Foreword

The food and agriculture systems fulfil a wide range of functions vital to the well-being of humanity. Being at the heart of global food security, they are expected to provide the world with adequate and reliable supplies of safe, healthy and nutritious food. They are also crucial for the livelihoods of billions of people, including many of the world's poorest, providing direct employment and income and contributing to the broader rural and overall economic development. To continue to fulfil these key roles, agricultural productivity has to increase in a sustainable manner.

The 2016 edition of the OECD-FAO Agricultural Outlook provides an assessment of the medium-term prospects of global agriculture. The report highlights that for the sector to meet the expanding demand for food, feed and raw products for industrial uses, significant production growth is needed. This expansion will have to take place in the face of declining land and water availability for many areas in the world, compounded by the effects of climate change. It is clear that the majority of growth will have to come from more efficiency in agricultural production, but also from improvements throughout the wider value chain.

The international community has recognised the key role of agriculture in addressing society's goals. Agriculture is a key sector for the achievement of many goals in the 2030 Agenda for Sustainable Development, which aims to end poverty and hunger and promote prosperity and people's wellbeing, while protecting the environment. This Outlook outlines how agriculture can actively contribute to the attainment of these goals.

While improvements to the global availability of, and access to, food are expected in the coming years, many countries will continue to be burdened with undernourishment and face increasingly complex issues of various forms of malnutrition, as was highlighted by the 2014 Second International Conference on Nutrition's Declaration. Moreover, stability and reliability of food supplies are also at risk in a diverse range of geographical regions and climate zones, due primarily to the effects of climate change. Recognising the vulnerability of food production systems to the adverse impacts of climate change, 195 countries agreed to take measures under the Paris Agreement reached at the 21st Conference of the Parties (COP21) in December 2015. Agriculture and the food chain will need to adapt to the changing climate and contribute to the mitigation efforts.

This Outlook also confirms the increasing role of trade in global food security, as food supply and demand will be more and more geographically separated. Reliable trade relations between import dependent countries and their suppliers are of vital importance. The Nairobi Package, adopted at the 10th WTO Ministerial Conference in December 2015, contains decisions that constitute an important step in the reform of agricultural trade, in particular concerning export competition and issues such as the elimination of export subsidies and disciplines on export credits, food aid and state-trading enterprises.

All these wide-ranging expectations for food and agriculture were at the heart of the discussions and the shared goals expressed by Ministers at the OECD Agriculture Ministerial held in April 2016,

under the theme of “Better policies to achieve a productive, sustainable and resilient global food system”.

This year’s edition of the Outlook includes a special focus on the prospects and challenges for agriculture in Sub-Saharan Africa. The region is home for nearly 1 billion people, and agriculture remains a crucial sector for providing livelihoods to the majority of households. The report provides comprehensive projections for agricultural production and demand for more than 20 agricultural commodities particularly important to Sub-Saharan Africa. The Outlook is generally positive, yet the challenge of feeding rapidly rising populations remains formidable. The region has to overcome the challenge of low productivity of agricultural resources in the face of rapid urbanisation, increased globalization, the impacts of climate change, changing diets and the need for creating employment opportunities. The Outlook identifies some strategic priorities for ensuring that the region can take advantage of the opportunities and face the challenges ahead to achieve sustainable agri-food systems.

We believe that our collaborative effort on the annual production of the Agricultural Outlook, and also on the recently published OECD-FAO Guidance for Responsible Agricultural Supply Chains, enhance stakeholders’ understanding of the complexity of agriculture and the food system in general. This work provides a plausible scenario of world agriculture over the coming decade, which can serve to inform and support efforts by governments and other actors in taking appropriate action to the benefit of our societies.



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Preface

The Agricultural Outlook, 2016-2025, is a collaborative effort of the Organisation for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization (FAO) of the United Nations. It brings together the commodity, policy and country expertise of both organisations and input from collaborating member countries to provide an annual assessment of prospects for the coming decade of national, regional and global agricultural commodity markets. The special feature on Sub-Saharan Africa has been prepared in collaboration with analysts associated with the Regional Network of Agricultural Policy Research Institutes (ReNAPRI) and Bureau for Food and Agricultural Policy (BFAP). However, OECD and FAO are responsible for the information and projections contained in this document, and the views expressed in the special feature do not necessarily reflect those of ReNAPRI and BFAP.

The baseline projection is not a forecast about the future, but rather a plausible scenario based on specific assumptions regarding the macroeconomic conditions, the agriculture and trade policy settings, weather conditions, longer term productivity trends and international market developments. The projections of production, consumption, stocks, trade and prices for the different agricultural products described and analysed in this report cover the years 2016 to 2025. The evolution of markets over the outlook period is typically described using annual growth rates or percentage changes for the final year 2025 relative to a three-year base period of 2013-15.

The individual commodity projections are subject to critical examination by experts from national institutions in collaborating countries and international commodity organisations prior to their finalisation and publication in this report. The risks and uncertainties around the baseline projections are examined through a number of possible alternative scenarios and stochastic analysis, which illustrate how market outcomes may differ from the deterministic baseline projections.

The complete Agricultural Outlook, including more detailed commodity chapters, the full statistical annex and fully documented Outlook database, including historical data and projections, can be accessed through the OECD-FAO joint internet site: www.agri-outlook.org. The published Agricultural Outlook 2016-2025 report provides: an overview of global agriculture and prospects; an in-depth analysis of the outlook for Sub-Saharan Africa agriculture and a consideration of some of the challenges facing the sector; and two-page snapshots for each commodity with associated statistical tables. The more detailed commodity chapters are contained in the OECD's iLibrary version of the report.

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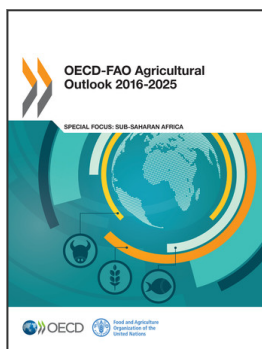
At the OECD, the baseline projections and *Outlook* report were prepared by members of the Agro-Food Trade and Markets Division of the Trade and Agriculture Directorate: Marcel Adenäuer, Jonathan Brooks (Head of Division), Annelies Deuss, Armelle Elasri (publication co-ordinator), Gen Furuhashi, Hubertus Gay (*Outlook* co-ordinator), Céline Giner, Gaëlle Gouarin, Pete Liapis, Claude Nenert, Graham Pilgrim and Grégoire Tallard. The OECD Secretariat is grateful for the contributions provided by visiting experts Selebogo Leshoro (South African Department of Agriculture, Forestry and Fisheries), John Saunders (Lincoln University, New Zealand), and Junye Zhao (Chinese Academy of Agricultural Sciences). The organisation of meetings and document preparation were provided by Helen Maguire and Özge Taneli-Ziemann. Technical assistance in the preparation of the *Outlook* database was provided by Eric Espinasse and Frano Ilicic. Many other colleagues in the OECD Secretariat and member country delegations provided useful comments on earlier drafts of the report.

At the Food and Agriculture Organization of the United Nations, the projections were prepared by economists and commodity officers from the Trade and Markets Division (EST) under the leadership of Boubaker Ben-Belhassen (EST Division Director) and with the overall guidance of Kostas Stamoulis (Assistant Director-General *ad interim*, Economic and Social Development Department). The core projections team consisted of ElMamoun Amrouk, Sergio René Araujo Enciso, Pedro Arias, Emily Carroll, Merritt Cluff, Hannah Fried, Yasmine Iqbal, Holger Matthey (Team Leader) and Jorge Soguero Escuer. Commodity expertise was provided by Abdolreza Abbassian, Concepcion Calpe, Kaison Chang, Michael Griffin, Shirley Mustafa, Adam Prakash, Shangnan Shui, and Peter Thoenes. We thank visiting expert Tracy Davids from the Bureau for Food and Agricultural Policy at the University of Pretoria. Stefania Vannuccini from the FAO Fisheries and Aquaculture Department contributed, with technical support from Pierre Charlebois. Advice on fishmeal and fish oil issues was provided by Enrico Bachis from the Marine Ingredients Organisation (IFFO). Research assistance and database preparation were provided by Claudio Cerquiglini, Julie Claro, Emanuele Marocco and Marco Milo. This edition also benefited from comments made by other colleagues from FAO and member country institutions and was closely reviewed by Günter Hemrich, Michelle Kendrick, Brave Ndisale, Coumba Sow, Kostas Stamoulis and Rob Vos. FAO's James Edge, Yongdong Fu, Pedro Javaloyes, Jessica Mathewson and Juan Luis Salazar provided invaluable assistance with publication and communication issues.

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