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Продовольственная и
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Organización de las
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منظمة
الأغذية والزراعة
للأمم المتحدة

FAO REGIONAL CONFERENCE FOR LATIN AMERICA AND THE CARIBBEAN

Thirty-eighth Session

Georgetown, Guyana, 11–13 March and 18–21 March 2024

Global and Regional Food Security and Nutrition Outlook

Executive Summary

This document presents an overview of the current food security and nutrition situation in Latin America and the Caribbean, as well as the short- and medium-term outlook for food security. It focuses on the food security dimensions of availability, access and stability, as well as aspects of the dimension of utilization related to nutritional outcomes. The impacts of drivers such as climate variability and extremes, economic slowdowns and downturns, and conflict are considered. Following the introduction, Section II presents the global and regional trends in chronic food insecurity followed by an assessment of the acute food insecurity situation in food crisis countries. Global and regional indicators of the cost and affordability of a healthy diet are also presented, as well as an overview of the malnutrition context in the region. Section III discusses the agricultural outlook for the major food commodities in both the short- and medium-term and highlights emerging issues in the region.

Suggested action by the Regional Conference

The Regional Conference is invited to call upon Members to:

(a) take note of the information and analysis presented in this document and express concern about the deteriorating situation of food security in Latin America and Caribbean countries compared to the situation before the COVID19 pandemic;

(b) recognize the urgent need to work together to address the main drivers of undernourishment and food insecurity in the world – conflicts and geopolitical tensions, extreme and more frequent climatic events, economic slowdowns and downturns, and persistent inequalities – as well as the determinants of malnutrition in all its forms; and

(c) in this respect, to increase the effectiveness, inclusiveness and resilience of agrifood systems in the region and to respond to the challenges of eradicating hunger and ensuring food security and adequate nutrition, the Regional Conference recommends actions to be taken in four areas of intervention:

    i. **legal and institutional frameworks:** 1) strengthen legal and institutional frameworks to coordinate and implement plans with a gender and human rights

Documents can be consulted at www.fao.org.

perspective; 2) promote policies supporting employment, protecting livelihoods and reducing hunger; and 3) align trade policies with economic inclusion and the Sustainable Development Goals.

ii. **sustainable production, food supply and physical and economic access to food:** 1) enhance policies supporting family farming, focusing on sustainable practices and equitable access to land and water; 2) promote science, technology and innovation in agriculture; 3) improve supply chain infrastructure to minimize food loss and waste; and 4) strengthen social protection systems.

iii. **affordability and consumption of healthy diets:** 1) strengthen nutrition-sensitive social protection programmes in both rural and urban areas; 2) universalize and improve school feeding programmes, integrating family farming; 3) create food environments that reduce the consumption of highly processed food, increase the consumption of nutritious food and contribute to more affordable healthy diets; and 4) implement integrated One Health approaches for improved agricultural and human health.

iv. **climate resilient agrifood systems:** 1) strengthen emergency social protection systems that support vulnerable populations, and invest in early warning systems to anticipate and implement proactive actions to mitigate the impact of hazards and other crises affecting food security and livelihoods; 2) strengthen agriculture, forestry, fishing and livestock programmes to address climate change, including capacity building for resilience management and intensification of sustainable production, and the recovery of degraded landscapes, soils and aquifers; and 3) strengthen biodiversity programmes and policies.

(d) acknowledge the statistical work of FAO as the leading agency producing and disseminating data on food and agriculture, relevant for monitoring food security, and urge governments to provide up-to-date and complete data and statistics to FAO to allow timely assessments and analyses to inform policy decisions.

(e) provide guidance on FAO's future support to the region, as deemed appropriate.

Queries on the content of this document may be addressed to:

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I.   INTRODUCTION

1.   The assessment of the global and regional food security and nutrition situation presented in this document reflects a world that was beginning to recover from the COVID-19 pandemic when the war erupted in Ukraine, in early 2022, involving two major producers of agricultural commodities in the world, and sending shockwaves through commodity and energy markets. The pandemic, the ensuing economic rebound, the war in Ukraine, and the soaring prices of food, agricultural inputs and energy due in part to the war, have all played out differently across regions and populations, with differing impacts on hunger and food insecurity. Many countries were hit hard by higher food and energy import bills, while others benefitted from the higher prices. Many population groups were not buoyed up by the economic recovery or were bearing the brunt of higher food and energy prices – or both.

2.   This document presents an overview of the current food security and nutrition situation in the world and in Latin America and the Caribbean, as well as the short- and medium-term outlook for food security. As widely recognized, food security can be conceptualized as having four dimensions: availability, access, utilization and stability (Figure 1). This document focuses on the dimensions of

food availability, access, stability and some aspects of food utilization, as reflected by the indicators that describe the food security situation and a few selected indicators of malnutrition. The elements that influence the outlook of food security presented in this document are based on the analysis of aggregate supply and demand for food. While the impacts of drivers such as climate variability and extremes, economic slowdowns and downturns, and conflict are considered, other key drivers such as poverty and inequality are beyond the scope of the document.

3.   Following this conceptual framework, Section II presents the global and regional trends in chronic food insecurity followed by an assessment of the acute food insecurity situation in countries where specific food crises have been identified. Global and regional indicators of the cost and affordability of a healthy diet are also presented, as well as an overview of the malnutrition context in the region. Section III discusses the agricultural outlook for the major food commodities in both the short- and medium-term and highlights emerging issues in the region.

Figure 1.
Impacts of drivers on food security and nutrition are transmitted through agrifood systems
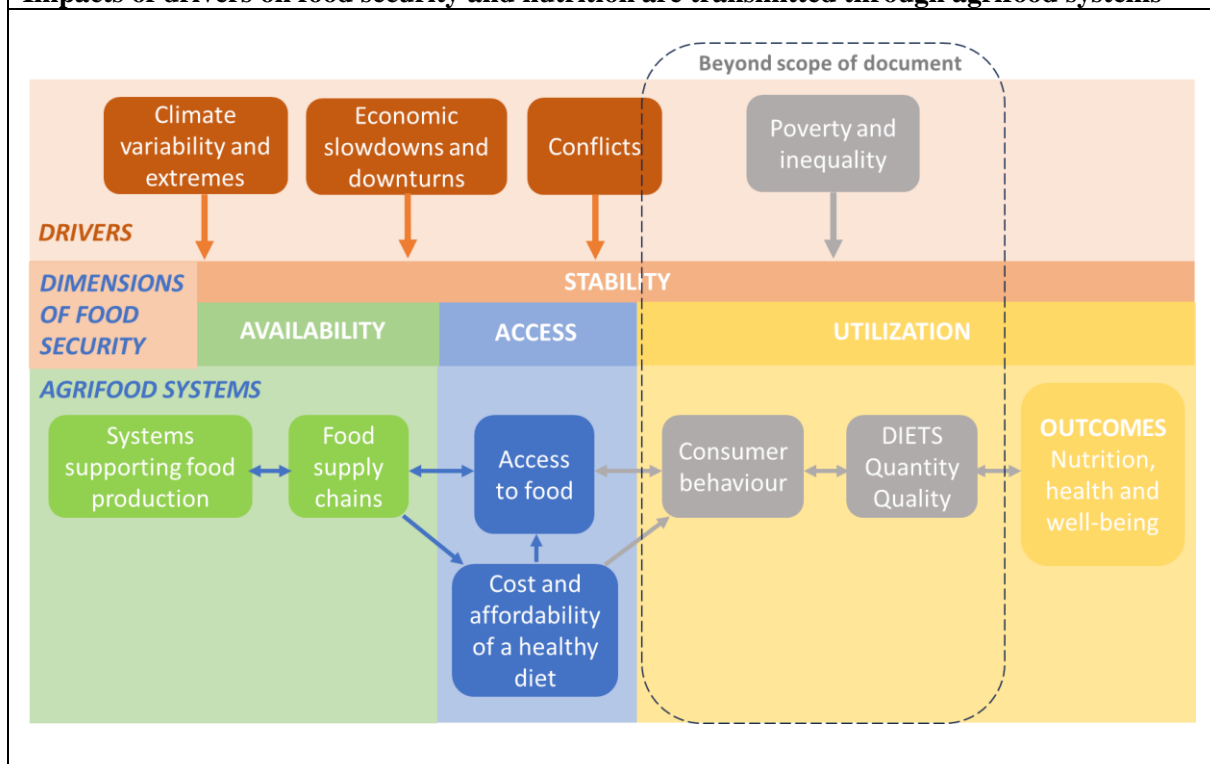
Source: Adapted from FAO, IFAD, UNICEF, WFP & WHO. 2020. *The State of Food Security and Nutrition in the World 2020. Transforming food systems for affordable healthy diets.* Rome, FAO; and from HLPE. 2017. *Nutrition and food systems*. A report by the High-Level Panel of Experts on Food Security and Nutrition of the Committee on World Food Security. Rome.

II. GLOBAL AND REGIONAL FOOD SECURITY AND NUTRITION SITUATION

II.1.   Trends in chronic food insecurity

4.   After rising sharply in the wake of the COVID 19 pandemic, the prevalence of undernourishment (PoU) at the global level remained relatively unchanged from 2021 to 2022. Hunger, as measured by the PoU indicator, affected around 9.2 percent of the world population in 2022 compared with 7.9 percent in 2019 (Figure 2). Formally, FAO estimates that between 691 and 783 million people in the world faced hunger in 2022. Considering a mid-range of about 735 million,

this implies that 122 million more people faced hunger in 2022 than in 2019, before the global pandemic.

Figure 2.
Prevalence of undernourishment in the world and in the Latin America and the Caribbean region and subregions, and the number of undernourished in Latin America and the Caribbean
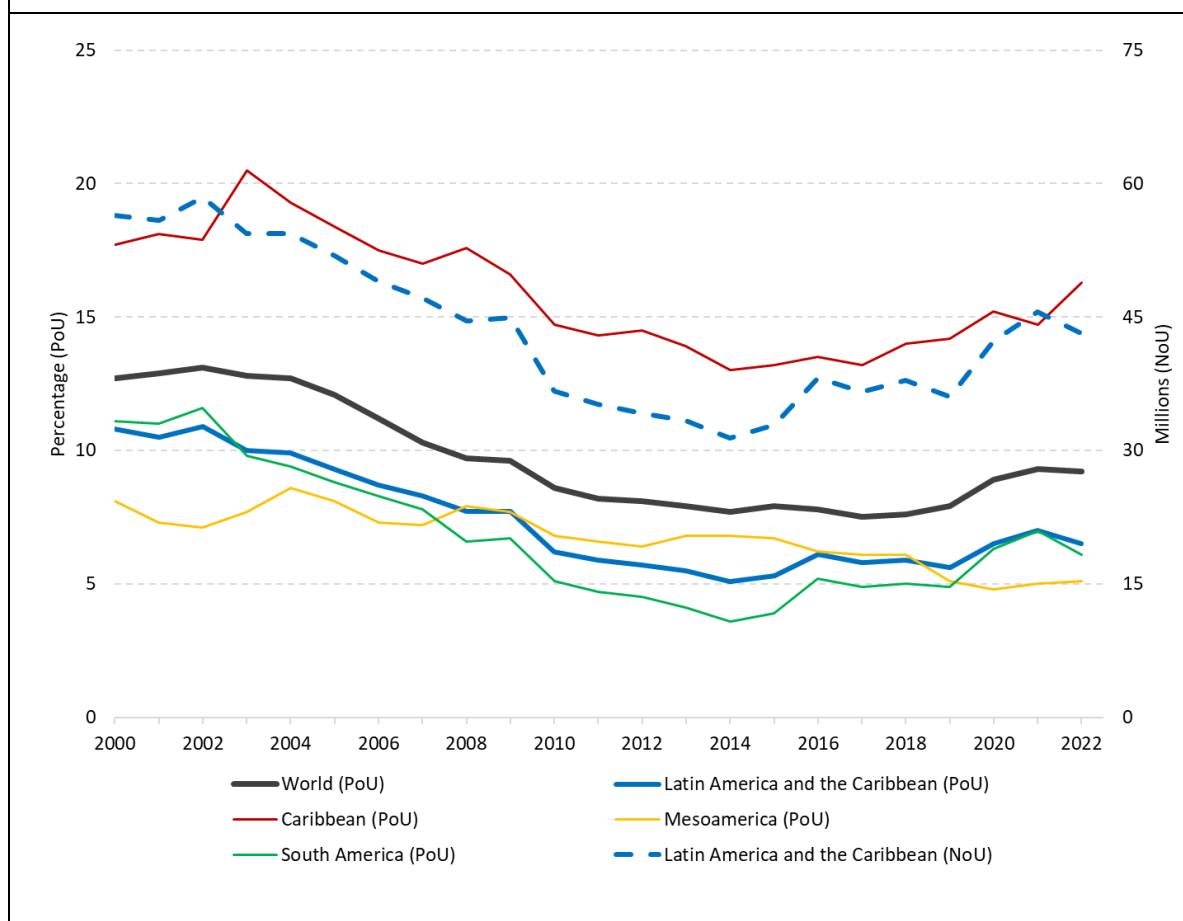
Source: Based on FAO. 2023. *Suite of Food Security Indicators*. In: FAOSTAT. Rome. [Cited July 2023]. https://www.fao.org/faostat/en/#data/FS

5.   The most recent series of PoU estimates for Latin America and the Caribbean points to a turnaround in the trend of hunger, which rose sharply in the region between 2019 and 2021 (Figure 2).Subsequently, the PoU is estimated to have dropped from 7.0 percent in 2021 to 6.5 percent in 2022 – implying a reduction of slightly more than 2.4 million in the number of people facing hunger in the region, though this is still 7.2 million more compared to the number estimated for 2019. This result derives from different trends in two subregions; FAO estimates that there was a rather sharp increase in the Caribbean subregion, from 14.7 percent estimated for 2021 to 16.3 percent for 2022, while notable improvements occurred in South America in the same period, where the PoU decreased from 7.0 percent to 6.1 percent, equivalent to 3.5 million fewer undernourished people, which means, however, still 6 million above 2019 levels.

6.   Figure 3 shows the PoU by country and subregion comparing the three-year average estimated for 2013-2015, before the launch of the 2030 Agenda for Sustainable Development, and for 2020-2022 – the most recent estimate. In 2020–2022, Haiti had the highest PoU in the region (45 percent) – more than double that of any other country in the region. The proportion of the population facing hunger was just below 20 percent in Bolivia (Plurinational State of) (19.4 percent), Honduras (18.7 percent),

and Nicaragua and the Venezuela (Bolivarian Republic of) (both close to 18 percent). Barbados, Cuba, Guyana, Mexico and Uruguay all had prevalence of hunger below 2.5 percent. Comparing the periods 2013-2015 and 2020-2022 reveals that Venezuela (Bolivarian Republic of), Haiti and Ecuador suffered from increases of 14.2, 6.3 and 5.3 percentage points respectively. On the other hand, in the same period, 11 countries in the region, seven of which are in Mesoamerica, achieved progress in reducing the prevalence of hunger.

Figure 3.

Prevalence of undernourishment in Latin America and the Caribbean by country and subregion (2013–2015 and 2020–2022)
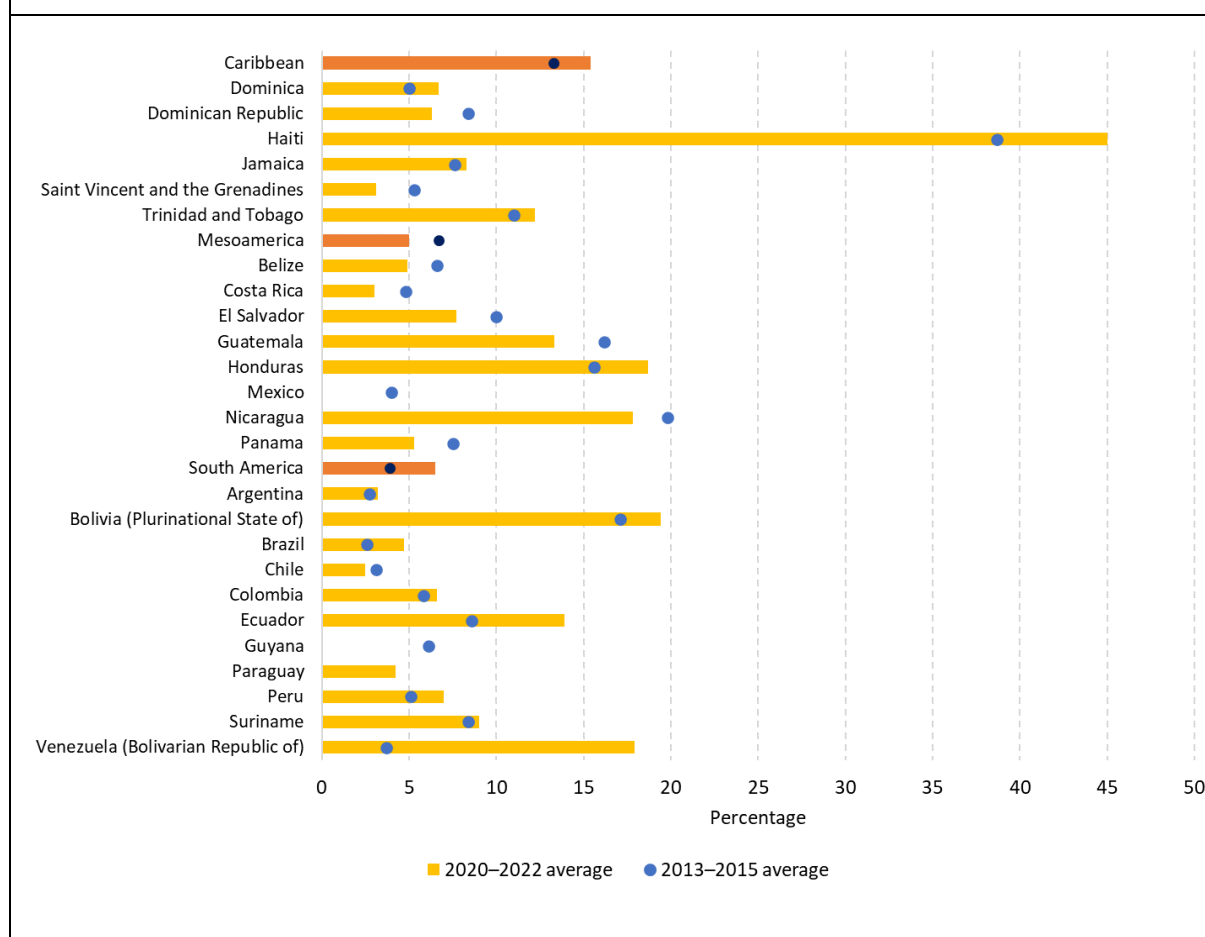
Notes: The PoU was below 2.5 percent for Paraguay in 2013–2015, for Guyana and Mexico in 2020–2022, and for Barbados, Cuba and Uruguay (not shown in figure) in both periods.
Source: FAO. 2023. *Suite of Food Security Indicators*. In: FAOSTAT. Rome. [Cited July 2023].
https://www.fao.org/faostat/en/#data/FS

7.   Looking forward, it is projected that almost 600 million people in the world will still be chronically undernourished in 2030, pointing to the immense challenge of achieving the global Sustainable Development Goals target to eradicate hunger. No substantial progress is expected to be made in Latin America and the Caribbean by 2030, where it is projected that the total number of undernourished will remain approximately the same.

8.   The prevalence of moderate or severe food insecurity based on the Food Insecurity Experience Scale (FIES) goes beyond hunger by considering broader constraints on people's ability to obtain sufficient food over the course of a year. Figure 4 shows the latest series of the prevalence of moderate or severe food insecurity, and severe food insecurity only, in the world, Latin America and the

Caribbean, and in its subregions. It reveals that the prevalence of moderate or severe food insecurity at the global level has remained practically unchanged for the second year in a row after increasing sharply from 2019 to 2020. According to the most recent estimates, about 29.6 percent of the global population – that is, 2.4 billion people – were moderately or severely food insecure in 2022. About 900 million of them (equivalent to 11.3 percent of the world population) were chronically food insecure at severe level.

Figure 4.

Prevalence of food insecurity in the world and in Latin America and the Caribbean by subregion
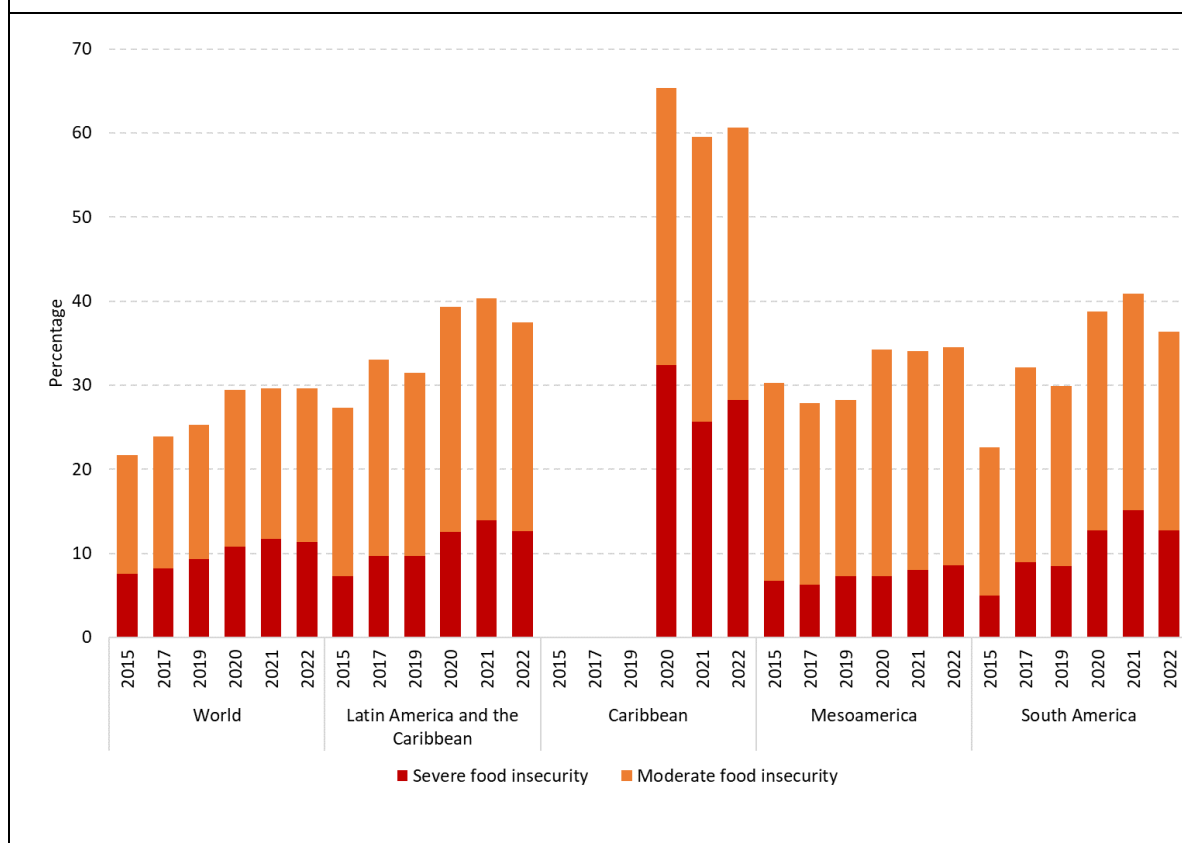
Source: Based on FAO. 2023. *Suite of Food Security Indicators*. In: FAOSTAT. Rome. [Cited July 2023]. https://www.fao.org/faostat/en/#data/FS

9.   Zooming in on Latin America and the Caribbean, it is noted that the prevalence of moderate or severe food insecurity in the region has been consistently above global levels since 2015. However, the region showed some progress, as the proportion of the population facing moderate or severe food insecurity decreased from 40.3 percent in 2021 to 37.5 percent in 2022, the equivalent of 16.5 million fewer people in one year. The improvement was mostly driven by a decrease in South America, from 40.9 percent in 2021 to 36.4 percent in 2022. In Mesoamerica and in the Caribbean, on the other hand, the food security situation did not improve from 2021 to 2022.

10.   In terms of numbers, 248 million people – which represent 10.5 percent of the world's total food-insecure people – lived in Latin America and the Caribbean in 2022. The figure includes 83 million people facing severe food insecurity.

11.   For the period 2020-2022, Haiti was the country with the highest prevalence of moderate or severe food insecurity (82.6 percent). Very high prevalence rates, corresponding to more than half of the national population, are found also in the Dominican Republic, Guatemala, Honduras and Jamaica. Bahamas, Costa Rica, Chile and Uruguay had prevalence below or close to 18 percent. When

compared with the 2014-2016 triennium, the trend shows that most of the countries in the region have suffered increases in the prevalence of moderate or severe food insecurity.

12.   Sex-disaggregated FIES data collected by FAO allow estimation of the prevalence of food insecurity among the adult male and female population separately. More women than men aged 15 years or older were facing food insecurity in Latin America and Caribbean in 2022, a gender gap already noted in the past. However, the gap narrowed by more than 2 percentage points compared to 2021 for moderate or severe food insecurity. Nevertheless, the gap in the region is still higher than it was before the COVID 19 pandemic; in 2019, the prevalence of moderate or severe food insecurity was 6.2 percentage points higher for women than men, compared to 9.1 percentage points in 2022. In South America and Mesoamerica, the gap in the prevalence of food insecurity between women and men in 2022 was just above 9 percentage points, while in the Caribbean the difference was much lower, at about 4 percentage points.

II.2.   Acute food insecurity situation in food crisis countries[1]

13.   Since 2016, the Global Report on Food Crises (GRFC) provides an overview of the world's food-crisis countries, requiring external humanitarian assistance as necessary. In the food-crisis countries and among the displaced population groups analysed for 2022 in the world, 258 million people have been estimated to be facing high levels[2] of acute food insecurity.

14.   In Latin America and the Caribbean, around 17.8 million people have been estimated to be facing high levels of acute food insecurity in 2022 among national residents of the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras and Nicaragua, and Venezuelan migrants and refugees hosted in Colombia and Ecuador. Of these, 4.72 million were in Haiti, a slightly higher figure compared to the assessment conducted in the same country in 2021. In Guatemala and Honduras, more than one fourth of the population residing in the areas covered by the Integrated Food Security Phase Classification (IPC) acute food insecurity assessments, was found to be in IPC Phase 3 or above. Guatemala and the Dominican Republic also experienced food crises, driven by global economic shocks, combined with weather extremes.

15.   Overall, acute food insecurity increased slightly from 12.76 million in 2021 to 13.08 million in 2022, due to increases in Haiti and Guatemala, and reductions in Nicaragua, Honduras and El Salvador.

16.   Economic shocks were the primary driver of acute food insecurity in the region, except for Haiti where conflict played a major role.

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[1] This section is based on the Global Report on Food Crises (GRFC) 2023 published in May and on the GRFC 2023 Mid-year update published in September. Both report assessments refer to the situation in 2022. Additional information on Hunger hotspots of highest high concern is derived from the FAO/WFP Hunger hotspot reports published in May and in October 2023.

[2] Food insecurity is considered to have reached "high levels" when it corresponds to Phase 3 ("crisis") or more according to the definitions set by the Integrated Food Security Phase Classification (IPC) analytic approach. See https://www.ipcinfo.org.

Figure 5.
Number of people facing high levels of acute food insecurity in 2022 in six countries/territories, and among displaced/refugee populations in Latin America and the Caribbean

Million
- <0.5
- [0.5–1]
-]1–3]
-]3–5]
-]5–10]
-]10–15]
- >15
- Data not meeting GRFC requirements/population not analysed
- Data gap
- Migrants/refugee populations (colour coding as above)

The boundaries and names shown and the designations used on these map(s) do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers and boundaries. Dashed lines on maps represent approximate border lines for which there may not yet be full agreement.

Source: *FSIN (Food Security Information Network) & Global Network Against Food Crises*. 2023. Global Report on Food Crises (GRFC) 2023. Rome. https://www.fsinplatform.org/global-report-food-crises-2023

II.3.   Trends in the cost and affordability of a healthy diet

17.   As an average, Latin America and the Caribbean recorded the highest cost of a healthy diet compared to other world's regions in 2021, standing at 4.08 purchasing power parity (PPP) dollars per person per day. The overall cost increased by over 12.7 percent from 2017 (3.62 PPP dollars), with a notable 5.3 percent rise from 2020 to 2021 (from 3.88 PPP dollars to 4.08 PPP dollars).

18.   Across the subregions, the highest cost – at 4.41 PPP dollars – was observed in the Caribbean, while average costs of a heathy diet were below the regional average in South America and Mesoamerica (at 3.82 and 3.62 PPP dollars, respectively). Between 2020 and 2021, an increase was observed across all subregions, with South America leading the way (+6.4 percent), followed by the Caribbean (+5 percent), and Mesoamerica (+4.1 percent).

19.   In 2021, it was estimated that 133.4 million people – or 22.7 percent of the population – were unable to afford a healthy diet in the region. Across the subregions, the largest number was in South America (83.8 million, or 20.6 percent of the population), followed by Mesoamerica (34.2 million, or 22.2 percent), and the Caribbean (15.4 million, or 57.0 percent).

20.   The combination of high costs and increased income inequality determined a deterioration in terms of affordability of healthy diets in parts of Latin America and the Caribbean. According to these estimates, overall, about 9 million more people in the region were unable to afford a healthy diet

in 2021 compared to 2017. This is a result of an increase in South America, with an additional 11 million, and in the Caribbean, with 1.8 million more people facing healthy diet unaffordability in 2021 compared to 2017, while Mesoamerica showed an improvement of 4 million people (Figure 6). Despite South America having the highest number, the Caribbean had the highest prevalence, with 57 percent unable to afford a healthy diet in 2021.

Figure 6.
Number of people unable to afford a healthy diet in Latin America and the Caribbean by subregion in 2017 and 2021
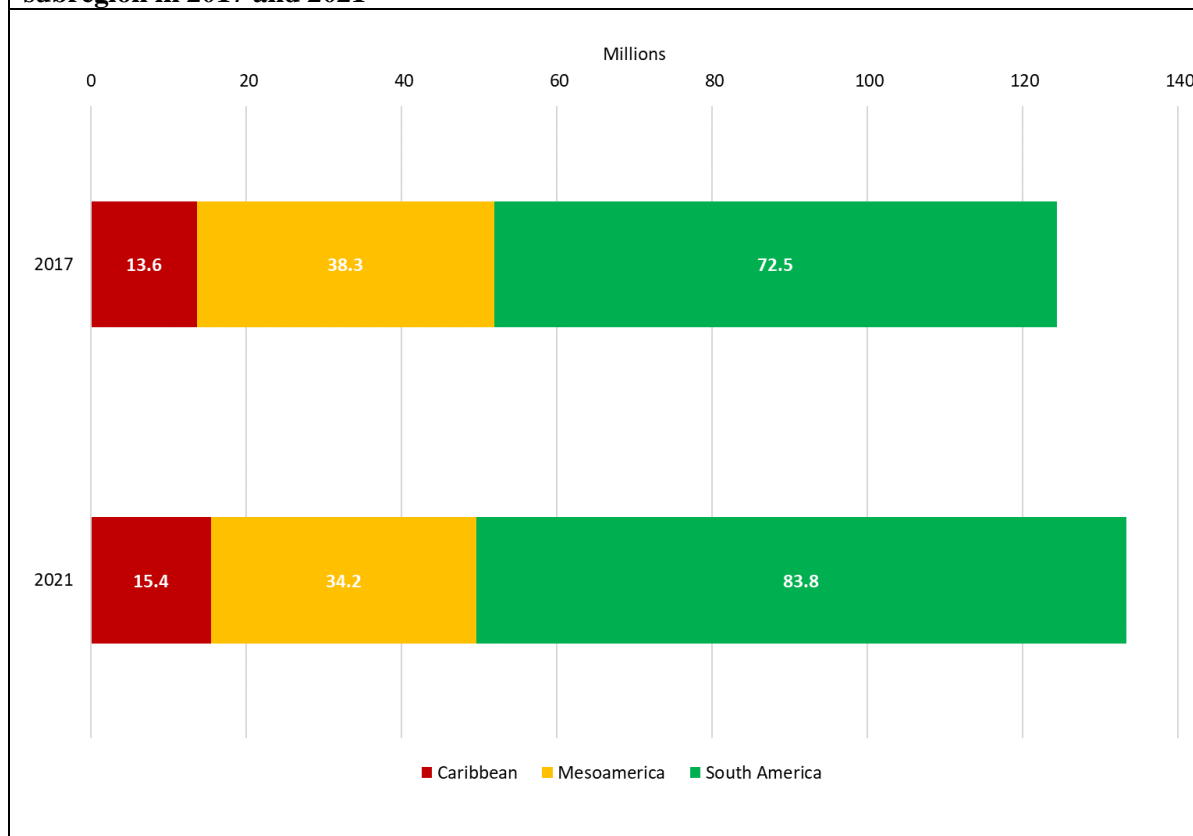
Source: FAO. 2023. *Cost and Affordability of a Healthy Diet (CoAHD).* In: FAOSTAT. Rome. [Cited July 2023]. https://www.fao.org/faostat/en/#data/CAHD
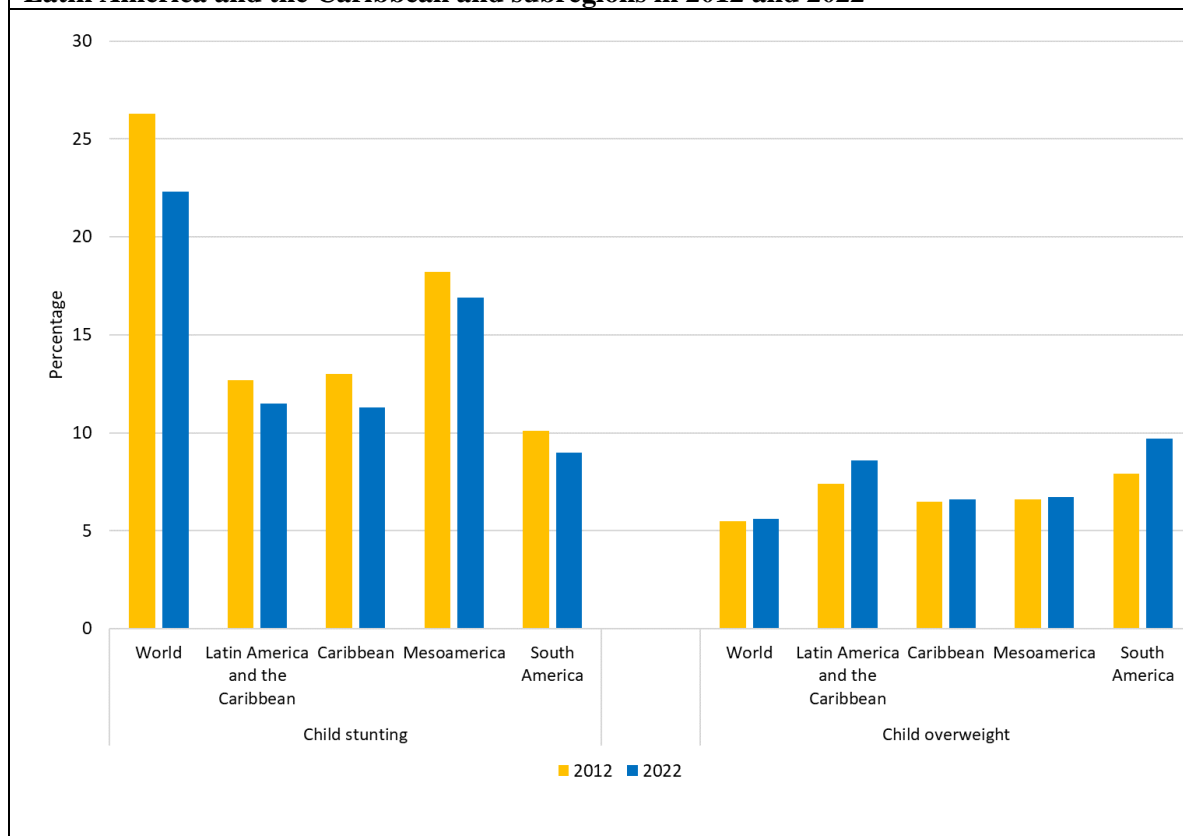
II.4.   Malnutrition

21.   Stunting is a global indicator of nutrition that refers to a low height in relation to age and reflects one or more past prolonged episodes of malnutrition. Globally, stunting affected 22.3 percent of children under five years of age in 2022. In Latin America and the Caribbean, the prevalence was 11.5 percent – about half the global prevalence (Figure 7). The region has achieved significant reductions since 2000, although the decline has slowed. Between 2000 and 2012, the prevalence of stunting in the region decreased by nearly 5 percentage points, compared to a reduction of 1.2 percentage points in the period 2012-2022. The prevalence of stunting in 2022 was 9 percent in South America, 16.9 percent in Mesoamerica and 11.3 percent in the Caribbean. In 2022, 5.7 million children under five years of age were stunted in the region, of which 2.8 million are in South America, 2.5 million in Mesoamerica, and 400 000 in the Caribbean.

22.   The region is affected by a double burden of malnutrition, with a growing number of children affected by overweight. In 2022, the prevalence of overweight among children under five years of age in Latin America and the Caribbean was 8.6 percent, or 3 percentage points above the global estimate of 5.6 percent. In addition, overweight among children under five years of age in the region has been increasing faster than the world estimate. Between 2012 and 2022, the increase in the region was

1.2 percentage points compared to an increase of 0.1 percentage point globally. Furthermore, between 2020 and 2022, although overweight among children under five years of age did not change at the global level, in the region it increased from 8.3 to 8.6 percent. The greatest increase was seen in South America (0.4 percentage point), while the prevalence increased slightly in Mesoamerica (0.2 percentage point) and remained stable in the Caribbean.

Figure 7.
Prevalence of stunting and overweight in children under 5 years of age in the world and in Latin America and the Caribbean and subregions in 2012 and 2022

Source: UNICEF, WHO & World Bank. 2023. *UNICEF-WHO-World Bank: Joint child malnutrition estimates - Levels and trends (2023 edition)*. [Cited 24 April 2023]. https://data.unicef.org/resources/jme-report-2023

III. GLOBAL AND REGIONAL AGRICULTURAL OUTLOOK

III.1.   Global outlook

Current market situation and short-term outlook

23.   In 2023, the FAO Food Price Index continued to trend downward, albeit slowly, reflecting drops in the world prices of grains, vegetable oils, dairy products and meat due to ample export availabilities, coupled with subdued global import demand. Meanwhile, world sugar prices increased, driven by concerns over tighter global supply in the 2023/24 season.

Figure 8.
FAO Food Price Index (left) and Price Indices for commodity groups (right)
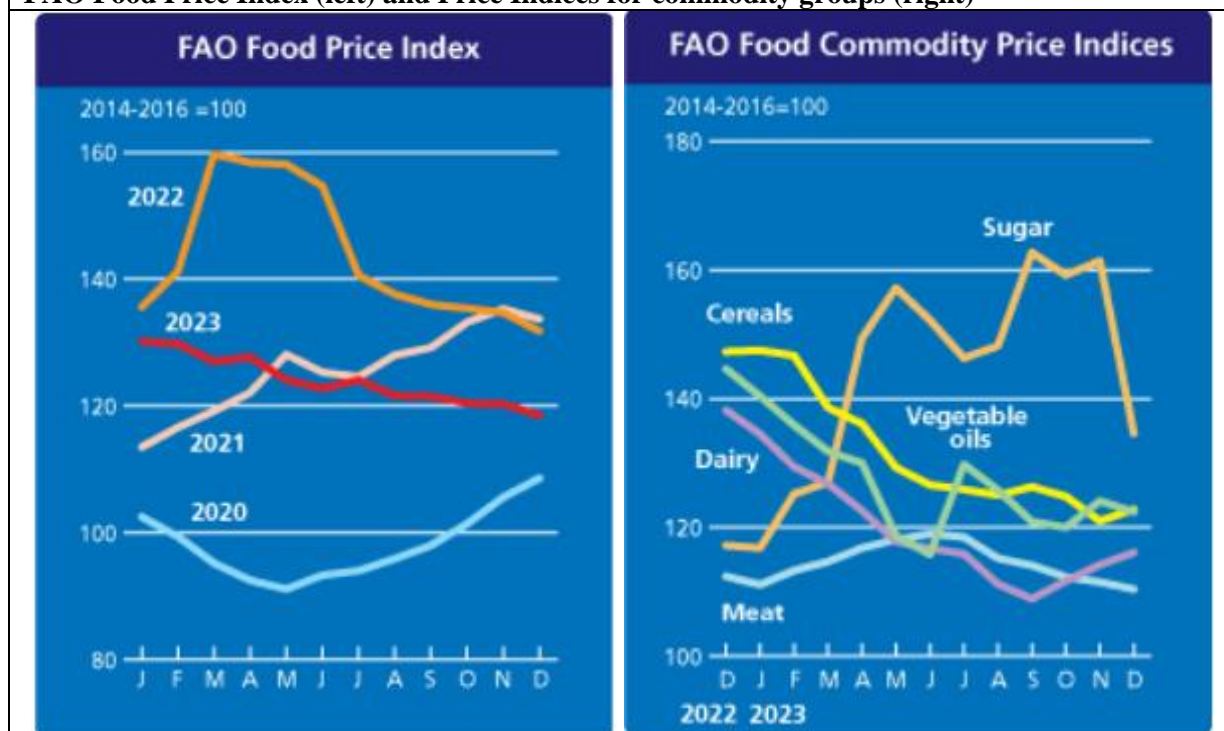
Source: FAO. 2024. *Food Price Index*. https://www.fao.org/worldfoodsituation/foodpricesindex/en/

24.   FAO forecasts suggest that world wheat supply will remain comfortable in the 2023/2024 seasons, mainly reflecting large carry-over stocks, despite an expected downturn in global production from the previous year's record level. As for coarse grains, an anticipated rebound in maize production is expected to boost global supplies, utilization and stocks.

25.   Global rice production is forecast to recover in 2023/24. However, against a backdrop of high international prices and an intensification of rice export restrictions (most notably from India), world rice utilization is expected to stagnate in 2023/24, while international trade in rice in 2024 remains close to the 2023 reduced level. World rice reserves at the close of the 2023/24 marketing seasons are anticipated to recover, but with much of the expansion concentrated in a few countries, most notably in India.

26.   World oilseeds production is anticipated to expand in 2023/24, reaching a new record high, propelled by soybean and sunflower seeds, while trade in vegetable oils and oilmeals is forecast to stagnate due to ample stocks in importing countries, notwithstanding potentially higher consumer demand for vegetable oils and feed industry demand for oilmeals.

27.   International sugar markets are seen to be heading towards a production deficit in the 2023/24 (October/September) season, with global output forecast to fall below last season's bumper level, and world consumption expected to continue expanding, albeit moderately. As a result, sugar inventories are predicted to decline. World trade in sugar is forecast to contract slightly in 2023/24 because of expected reduced availabilities in key exporting countries. Concerns over a tighter global supply outlook in the current season has exerted upward pressure on world sugar prices in recent months.

28.   Global production of milk and meat is forecast to expand in 2023, reflecting favourable production conditions in leading producer countries. However, international trade in dairy products and meat will likely contract due to lower purchasing power, caused by high inflation and sluggish economic growth.

Figure 9.
Global cereal production, utilization and stocks
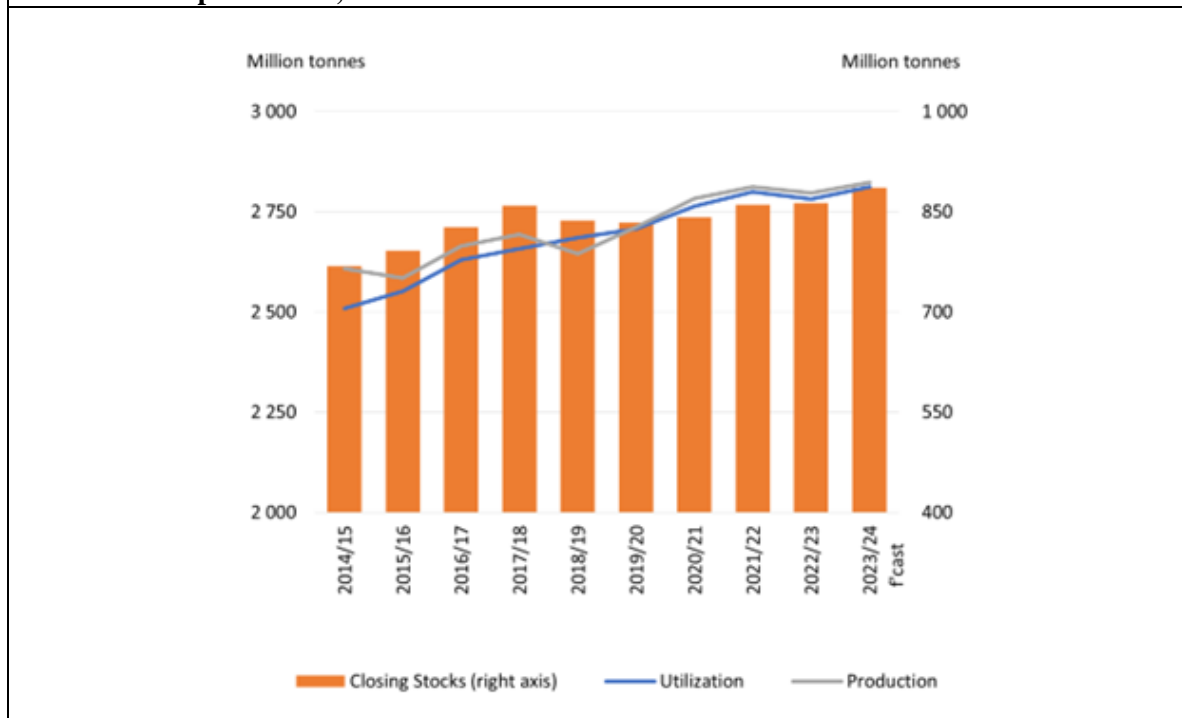
Source: FAO. December 2023. *Cereal Supply and Demand Brief*.
https://www.fao.org/worldfoodsituation/fao-cereal-supply-and-demand-brief/en

29.   Elevated national food prices, weak currencies and lower economic growth prospects continue to constrain access to food for many net-food-importing developing countries and vulnerable communities. Policy-induced uncertainties, especially export restrictions, have further hindered access and availability of food for the most vulnerable.

30.   Adverse weather conditions, especially associated with the ongoing El Niño event, including droughts, excessive rainfall and floods, pose heightened risk to food production in various areas (Figure 10).

31.   Conflicts, geopolitical tensions and ongoing wars undermine food production worldwide, further aggravating concerns over food availability and access in many countries. The war in Ukraine lowered the sown area under wheat in the country, while the cessation of the Black Sea Grain Initiative in mid-July complicated logistics.

32.   Challenging logistics at some prominent points of origin, including low water levels on key inland waterways and marine passages, such as the Mississippi River in the United States of America, the Tapajós River in Brazil and the Panama Canal, constrained food trade. Recent developments in the Middle East also raised concerns about potential disruptions at major commercial chokepoints, especially the Suez Canal.

33.   Transboundary animal diseases, especially African swine fever and avian influenza, continue to constrain livestock activities worldwide, despite implementing measures to control their spread and minimize impacts on trade by using the regionalization approach (continue to accept products from non-affected regions of a country even after a disease outbreak).

Figure 10.
Correlation between vegetation conditions in croplands and El Niño events (Spearman correlation coefficient)

Spearman's correlation coefficient

■ <-0.30 ■ -0.30 - -0.10 ■ -0.10 - 0.10 ■ 0.10 - 0.30 ■ >0.30 ■ No data
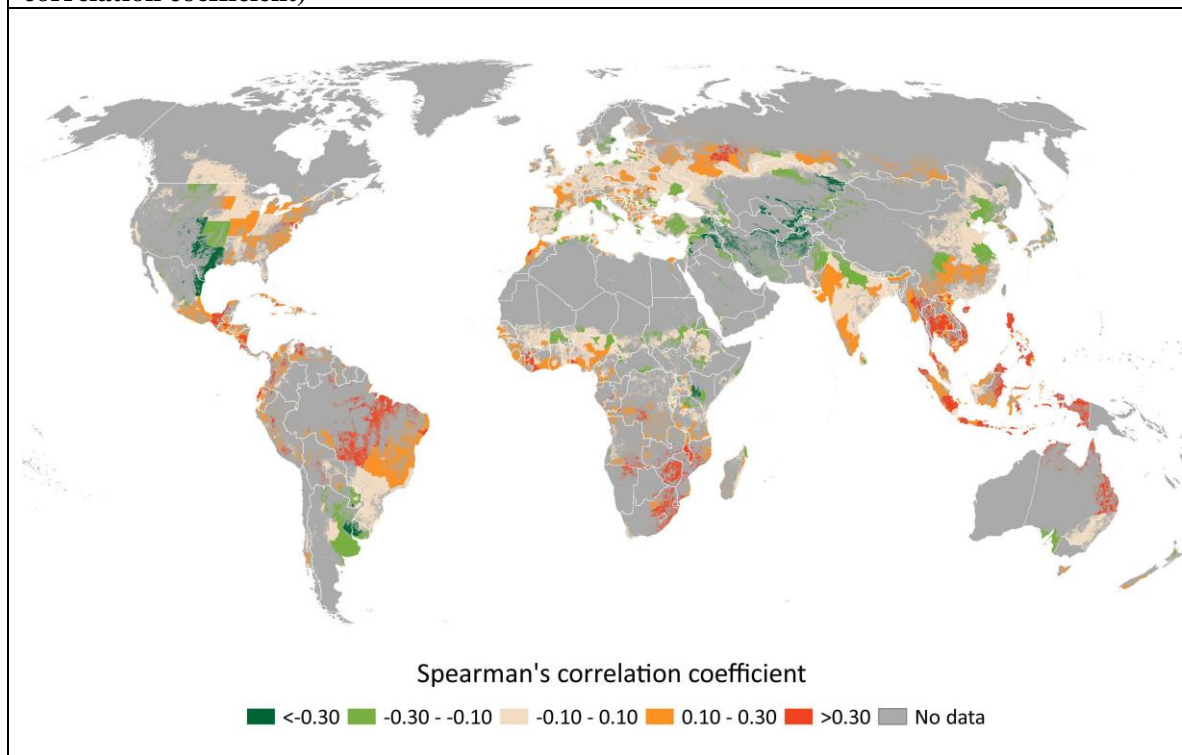
Source: FAO. 2023. *El Niño to return in 2023 following a three-year La Niña phase*, GIEWS update, 26 April 2023.

Medium-term outlook

34.   Over the decade, up to 2030, the evolving energy and nutrition requirements of a growing and increasingly affluent global population are expected to be the key drivers of demand for agricultural commodities. The macroeconomic assumptions underlying the projections suggest a slowdown in global population growth per capita income growth in most parts of the world and reduced inflation over the next ten years.

35.   Globally, food remains the primary use for basic agricultural commodities, accounting for 49 percent of quantities consumed at the global level. Global food consumption is projected to increase by 1.3 percent per year. Population growth will continue to be the main factor shaping food demand at the global level, driven predominantly by the increasing consumption requirements of rising populations in Sub-Saharan Africa, India and the Near East and North Africa region.

36.   Globally, staple foods are expected to remain the most significant source of calories. Consumption of higher value foods will primarily expand in response to rising incomes in emerging markets. Particularly in Asia and the Latin America and Caribbean region, animal proteins are expected to increase their share of protein consumption.

37.   Growth in global consumption of animal products necessitates a higher feed use of crops. Low- and middle-income countries are expected to account for the bulk of the increase, as these countries move to more commercialized and feed-intensive livestock production systems (Figure 11).

38.   Growth in total global agricultural production is expected at 1.1 percent per year. Production growth will mainly be driven by increased land productivity, more efficient herd management and higher feed intensity (Figure 12).

39.   Trade in primary agricultural commodities and processed products is projected to grow in line with production over the next decade. The COVID-19 pandemic led to worldwide disruptions in commerce, but trade in the agricultural commodities has proven to be resilient (Figure 13).

40.   Aside from conflict and geopolitical tensions, at present, the most severe threat to the consumption of agricultural commodities – and the consumption of food in particular – is posed by the adverse economic repercussions of persistently high inflation rates and a potential global recession.

41.   Despite recent easing, the risk of continued uncertainties could alter production decisions, limit input use and subsequently depress yield growth, eventually threatening global food security. The production of agricultural commodities also remains vulnerable to plant and animal diseases. In addition, in the longer-term, climate change and environmental policies may cause market disruptions and reshape global patterns of production.
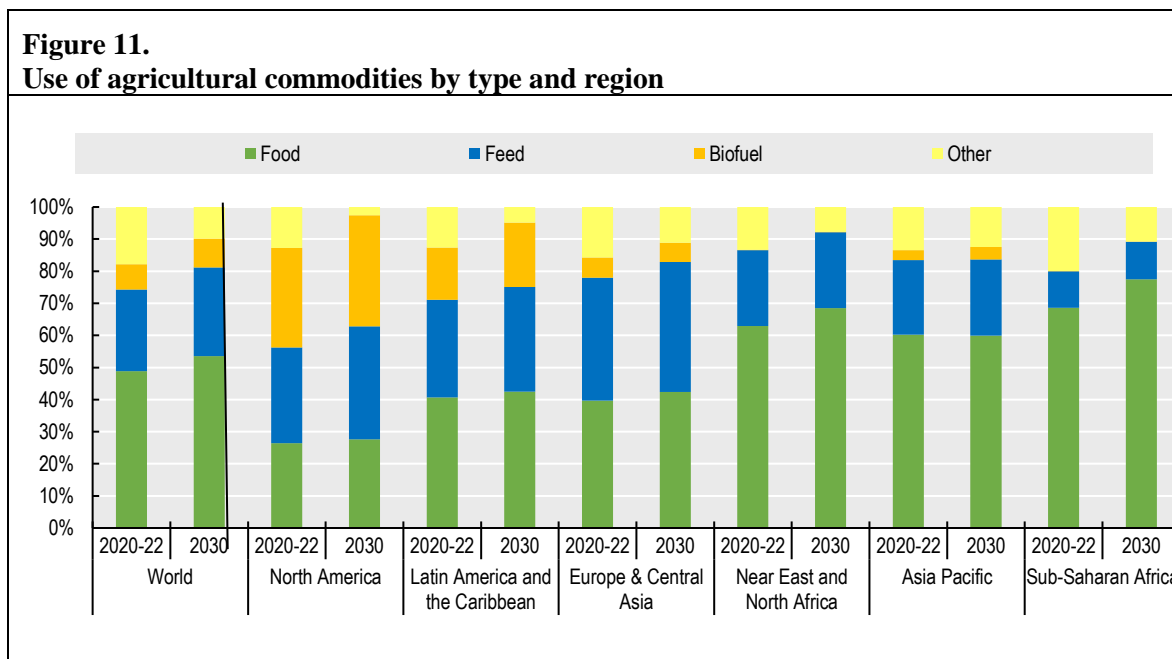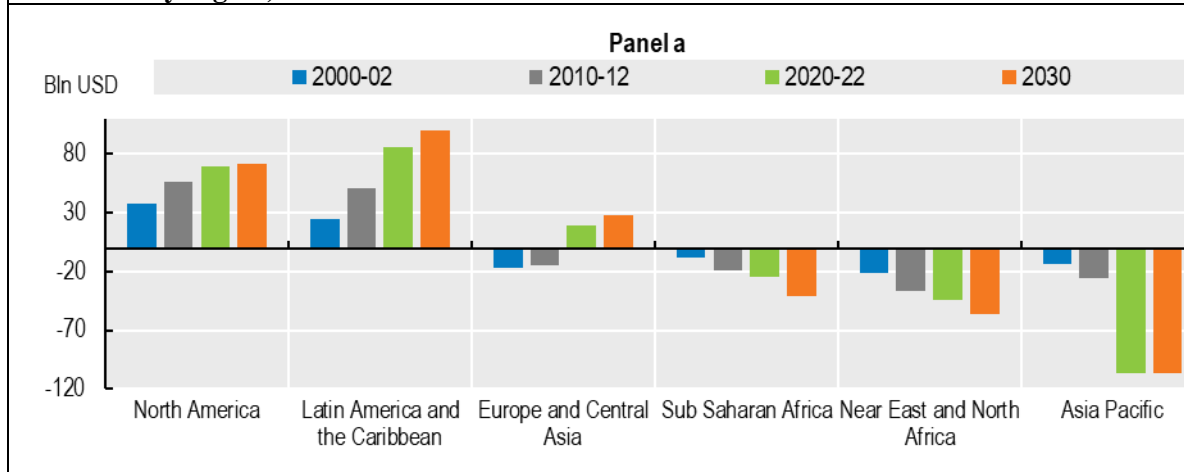
Figure 11.
Use of agricultural commodities by type and region

Source: OECD/FAO. 2023. *OECD-FAO Agricultural Outlook 2023-2032*. Paris, OECD Publishing.

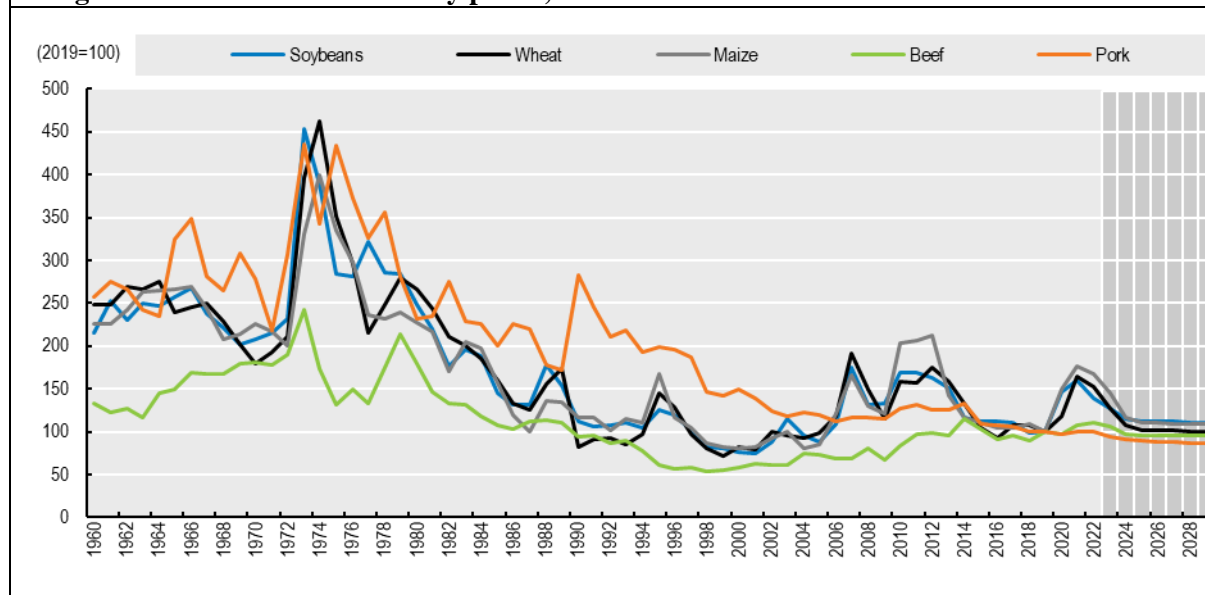**Figure 12.**
Trends in global agricultural production
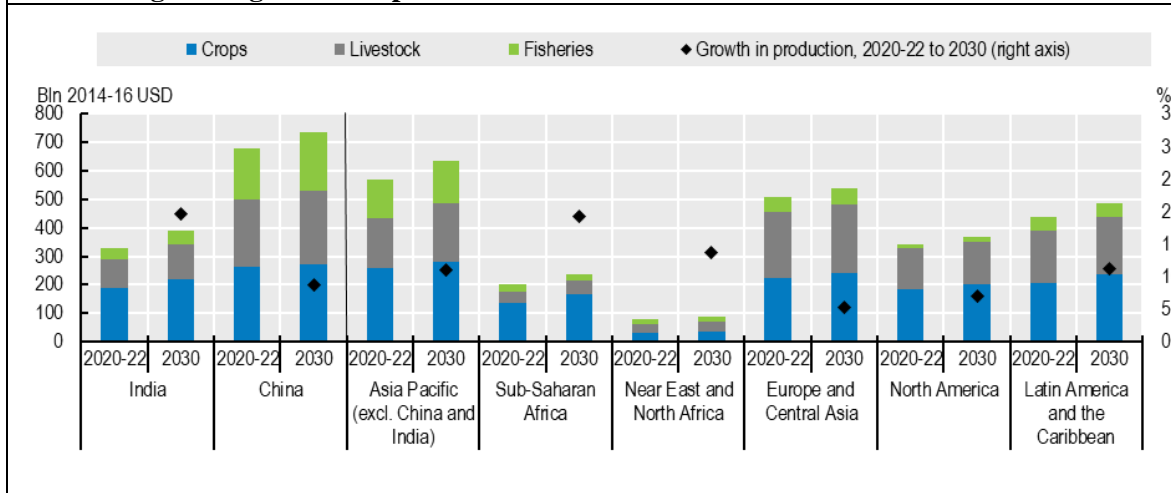
Source: OECD/FAO. 2023. *OECD-FAO Agricultural Outlook 2023-2032*. Paris, OECD Publishing.

Figure 13.
Net trade by region, in constant value

Source: OECD/FAO. 2023. *OECD-FAO Agricultural Outlook 2023-2032*. Paris, OECD Publishing.

Figure 14.
**Long-term evolution of commodity prices, in real terms**

Source: OECD/FAO. 2023. *OECD-FAO Agricultural Outlook 2023-2032*. Paris, OECD Publishing.

III.2. Regional outlook

Current market situation and short-term outlook

42.   In the Latin America and Caribbean region, cereal production is forecast at 289 million tonnes in 2023, as a slight year-on-year reduction in maize output was offset by an increase in wheat production. The 2023 cereal production is at 4.0 percent above the three-year average between 2020/21 and 2022/23, due largely to an expansion of maize plantings, which resulted in an above-average maize production. While above-average cereal production is attained in South America in 2023, the output is estimated to be below average in Mesoamerica and the Caribbean, chiefly due to adverse weather conditions.

Figure 15.
Cereal production, utilization and stocks in the region
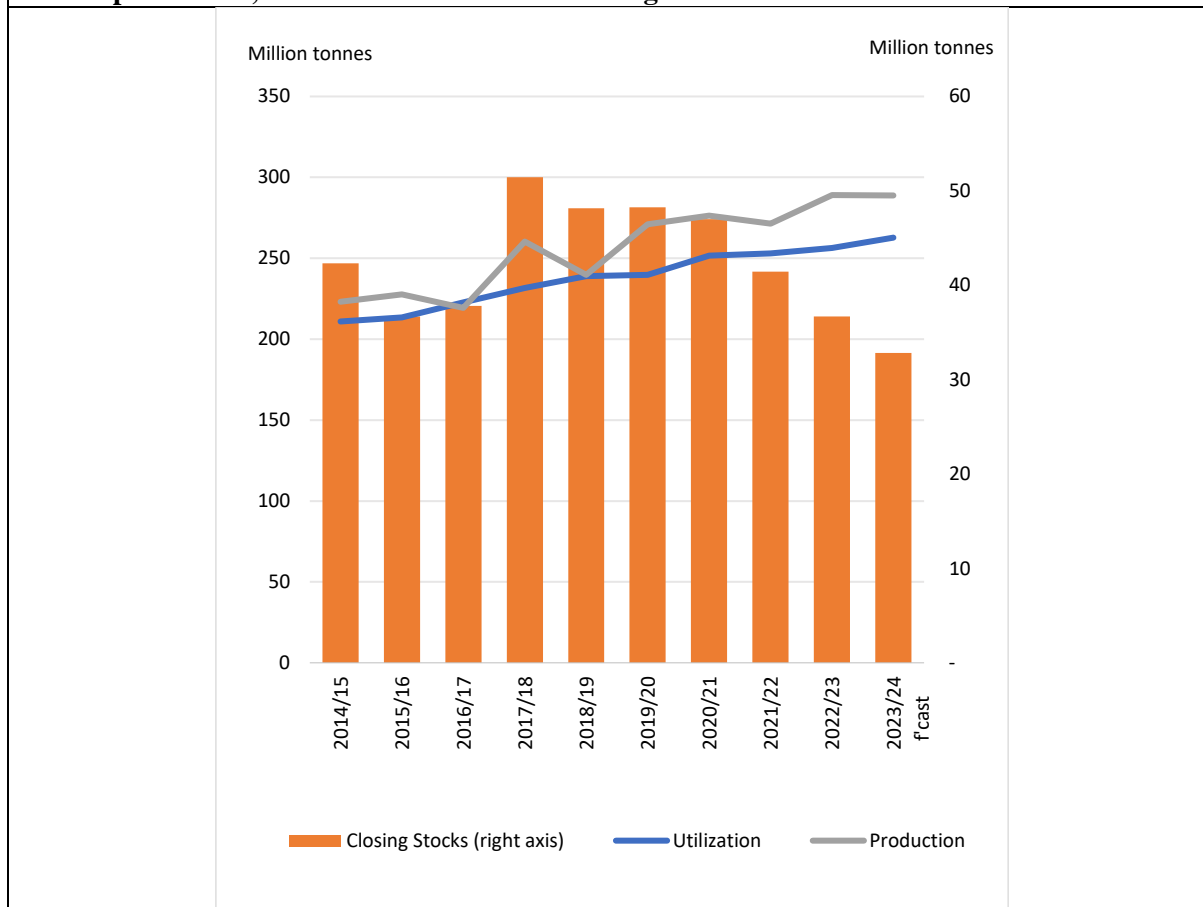
43.   Rice production in the region is forecast to fall to a four-year low of 17.9 million tonnes (milled basis) in 2023/24, owing to the combined effects of La Niña-induced dryness in early 2023, the successive emergence of the El Niño event, competition with imports and persistently high production costs. Although this output shortfall could drive regional imports up to 4.7 million tonnes in 2024, tight supplies in most of the region's South American exporters and high international rice prices could curb import growth. The ensuing supply tightness is expected to lower the region's rice utilization to a four-year low, while its reserves slump to their lowest since 2014/15.

44.   The production of oilseeds complex is forecast to increase to record highs in 2023/24 mainly due to continued area expansion, despite suboptimal weather conditions, particularly in Brazil, while the utilization is also anticipated to expand. Amid expectations of abundant supplies, exports of oilseeds and the derived products are forecast to rise moderately, while stock replenishments are also likely.

45.   The Latin America and the Caribbean region plays a key role in the world sugar market, with Brazil being the world's largest sugar producer and exporter. Although the preliminary forecast for the 2023/24 season points to a slight decline in production compared to the 2022/23 bumper level, current market conditions in Brazil are likely to sustain another large crop in 2023/24. In addition, the production outlook for the current season is favourable elsewhere in the region, including in the second largest regional producer, Mexico. On the demand side, consumption is expected to increase slightly, while trade is anticipated to contract moderately, because of expected lower availabilities in Brazil.

46.   Meat production is expected to increase by 2.4 percent in 2023 to nearly 61 million tonnes, driven principally by rising production in Brazil, especially poultry meat, helped by lower feed prices and ample maize supplies. Meat exports from the region will likely increase, given high exportable availabilities, to nearly 13 million tonnes, accounting for 31 percent of global meat trade.

47.   Milk production is anticipated to rise by around 1 percent in 2023 to nearly 89 million tonnes, reflecting notable production expansions in Brazil and Mexico, driven by favourable weather conditions, lower feed costs and robust internal demand. Despite higher production, lower international dairy product prices and more robust demand from the food processing sector will likely induce more dairy imports in 2023. Meanwhile, dairy exports may drop due to tight supplies, especially from Argentina.

48.   Above-average production of staple food commodities, mainly maize, was driven by attractive producer prices and sustained demand. A year-on-year decline in costs of agricultural inputs provided additional support. However, in several countries, adverse weather conditions such as prolonged dryness and torrential rains affected crop production, with a negative impact on agricultural livelihoods of small-holder farmers.

49.   Planting of the 2024 maize crop is ongoing under mixed conditions. While adverse weather conditions slowed down the maize planting in Brazil and Mexico, increased soil moistures improved the planting progress in Argentina.

50.   Weather forecasts indicate a high likelihood of continuing below-average precipitation amounts in the first quarter of 2024 in southern Mexico and most of Mesoamerica, including El Salvador, Guatemala, Nicaragua and parts of Honduras, due to the prevailing El Niño event, possibly moderating food production prospects.

51.   Low levels of international and domestic maize prices are expected to result in a five-percent contraction of maize planting in Brazil, the region's major producer. This may erode the advantage that milk and meat producers enjoyed in 2023 over lower feed prices. The potential for animal disease outbreaks in commercial livestock and poultry farms remains a concern, although the region has hitherto sustained disease-free status, largely owing to extensive biosafety measures and surveillance programmes implemented.

52.   While international food prices have fallen significantly, high retail food prices, albeit decreasing, remain a concern in the region. Many fundamental factors that sustain high food prices, including high fertilizer and energy costs and their broader availability and access, continue to challenge production prospects in many countries across the region.

Medium-term outlook

53.   The Latin America and Caribbean population is expected to reach almost 700 million by 2030, of which 84 percent could reside in urban settings. In the medium term, per capita gross domestic product is expected to rise by 1.6 percent per annum, to approach USD 10 165 per capita by 2030. It is anticipated that the share of agriculture and fish production in total economic activity will decline to around 7 percent by 2030. The current cycle of high food prices, combined with elevated inflation and slower income growth in the short term could significantly impact food security in the coming decade.

54.   By 2030, the average per capita intake is expected to reach 3 000 kcal/person per year, but growth is slow at only 3 percent for this period. In a region challenged by the double burden of persistent food insecurity and malnutrition in all its form, the projected reduction in sugar consumption of 1.25 kg per person per year by 2030 reflects a shift to increased health awareness. Per capita protein consumption is expected to reach 86.5 g/person/day, an increase of almost 3 g/person from current levels, largely based on animal products, which account for two-thirds of the growth in protein availability.

55.   Agricultural and fish production in the region is projected to expand by 11 percent by 2030. Almost 70 percent of this growth is expected to come from crop production (+14 percent), compared to a gain of 9 percent in the livestock sector and a contraction of 6 percent in the value of fish

production (Figure 16). Total land used for agriculture is expected to rise by 6.5 million hectares (ha), reversing a historic trend of decline (Figure 17). Yield and efficiency gains are instrumental to the 12 percent increase in the net value of production per hectare of cropland, as well as a 6 percent reduction in the fertilizer per calorie produced.

56.   Greenhouse gas emissions from agriculture are expected to rise by 2.6 percent, both crop and livestock products, accounting for almost 18 percent of the global emissions from agriculture by 2030, higher than its share in total output. Nevertheless, emissions per unit value of output are set to decline consistently.
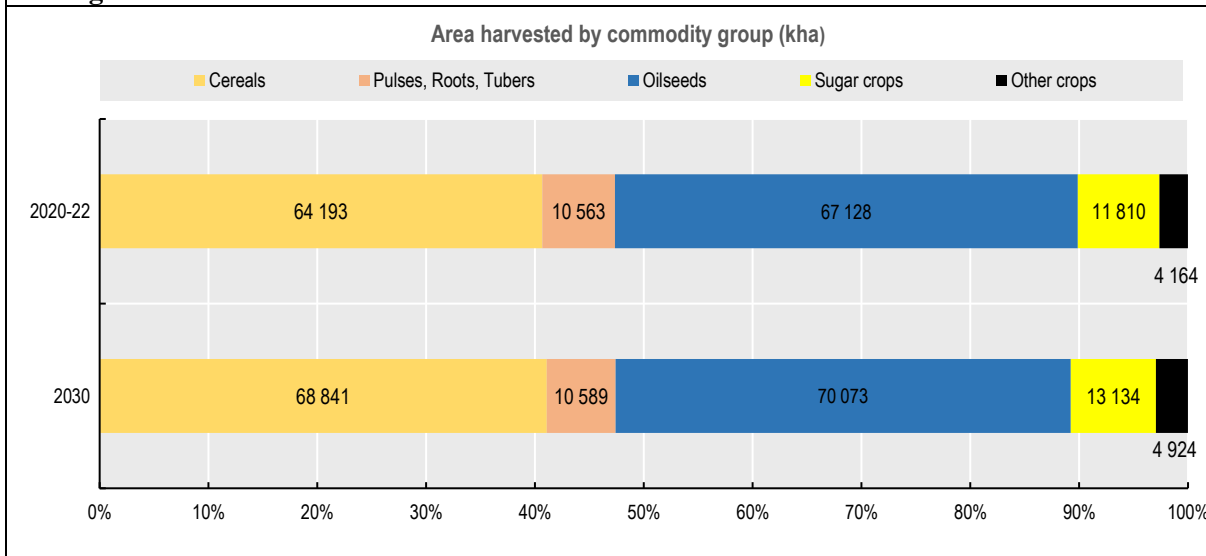
57.   Latin America and the Caribbean is the largest net exporter amongst all FAO regions accounting for a share of 18 percent in global exports by 2030, following an expected expansion of 16 percent in its trade surplus for agricultural products. The share of exports in total agricultural production has increased consistently and is expected to reach 34 percent by 2030 (Figure 19).

58.   The region is a major contributor to global agriculture. With expected growth in the coming decade, predominantly export-led, input-use efficiency and the success of its climate change mitigation and adaptation strategies will be critical to maintain and grow competitiveness. The region's robust export orientation also makes it vulnerable to increasing volatility, tighter financial conditions and weaker global import demand. An increasing focus on development of domestic supply chains and the heightened awareness of environmental sustainability among some importers may influence trade policy and subsequent export prospects.
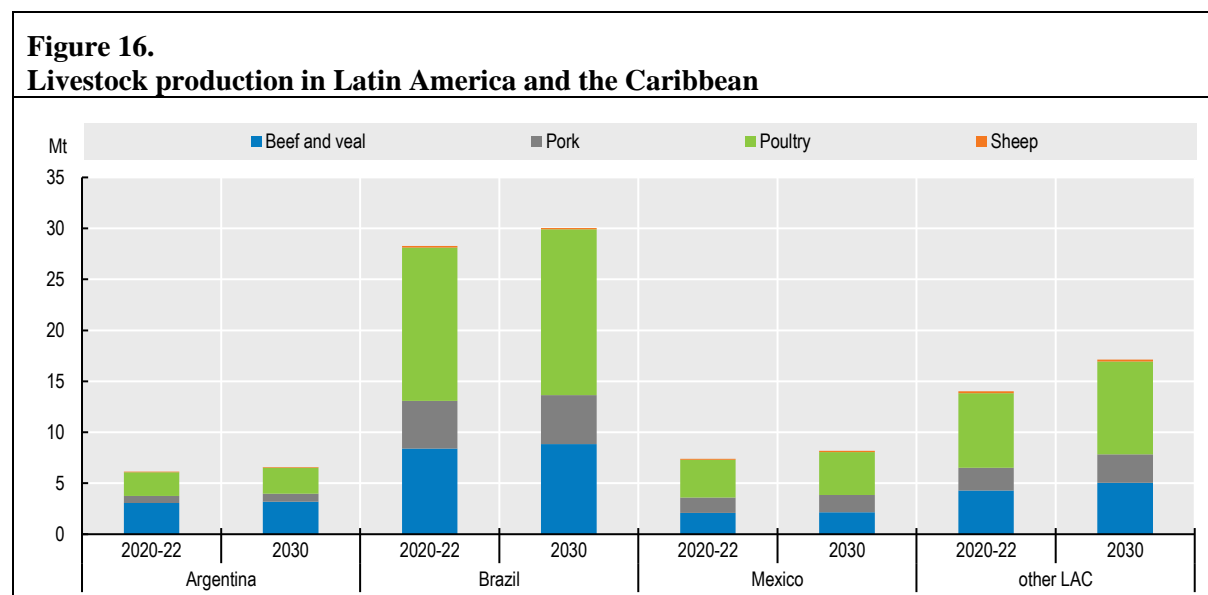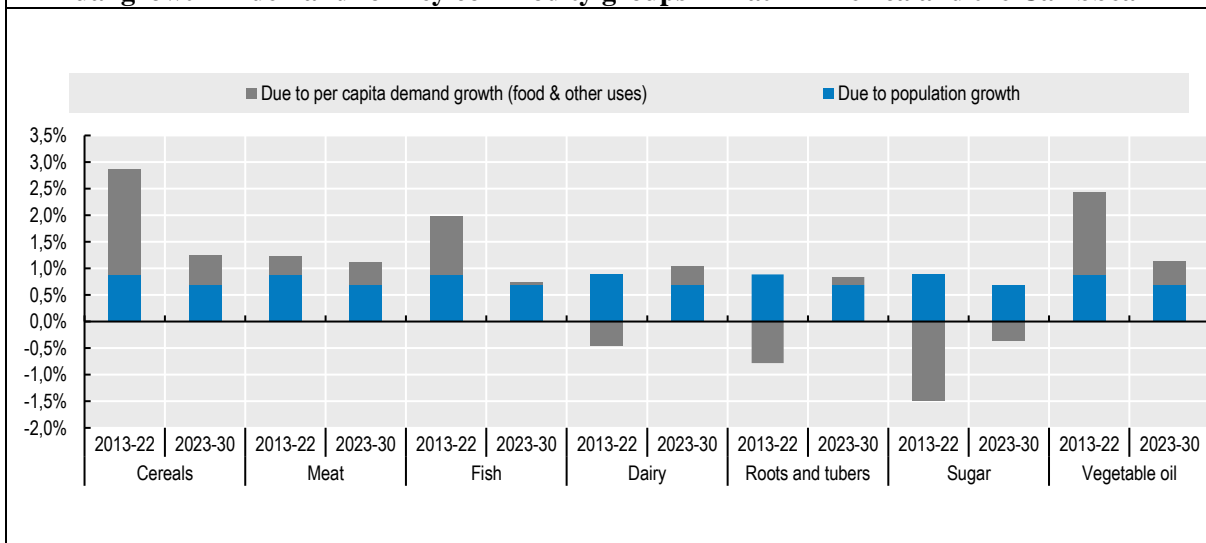

Figure 16.
Livestock production in Latin America and the Caribbean

Source: OECD/FAO. 2023. *OECD-FAO Agricultural Outlook 2023-2032*. Paris, OECD Publishing.

Figure 17.
Change in area harvested and land use in Latin America and the Caribbean

Area harvested by commodity group (kha)

■ Cereals ■ Pulses, Roots, Tubers ■ Oilseeds ■ Sugar crops ■ Other crops

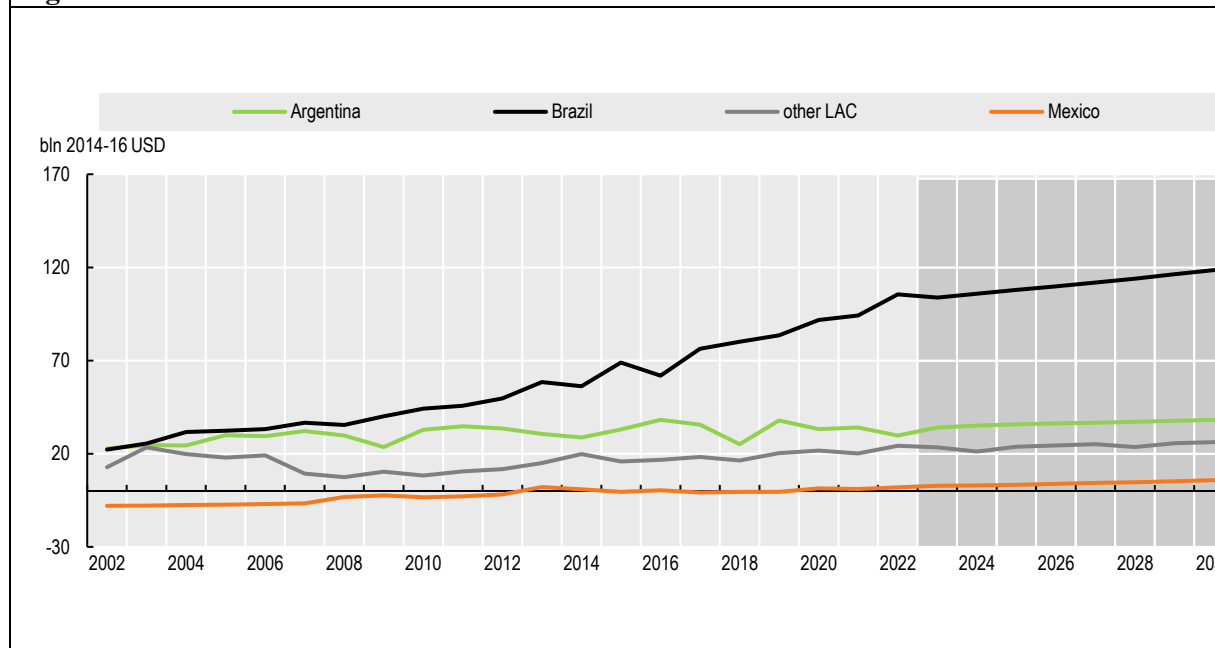| Period	Cereals	Pulses, Roots, Tubers	Oilseeds	Sugar crops	Other crops
2020-22	64 193	10 563	67 128	11 810	4 164
2030	68 841	10 589	70 073	13 134	4 924

Source: OECD/FAO. 2023. *OECD-FAO Agricultural Outlook 2023-2032*. Paris, OECD Publishing.

Figure 18.
Annual growth in demand for key commodity groups in Latin America and the Caribbean

■ Due to per capita demand growth (food & other uses) ■ Due to population growth

Source: OECD/FAO. 2023. *OECD-FAO Agricultural Outlook 2023-2032*. Paris, OECD Publishing.

Figure 19.
Agricultural trade balances in Latin America and the Caribbean

Source: OECD/FAO. 2023. *OECD-FAO Agricultural Outlook 2023-2032*. Paris, OECD Publishing.