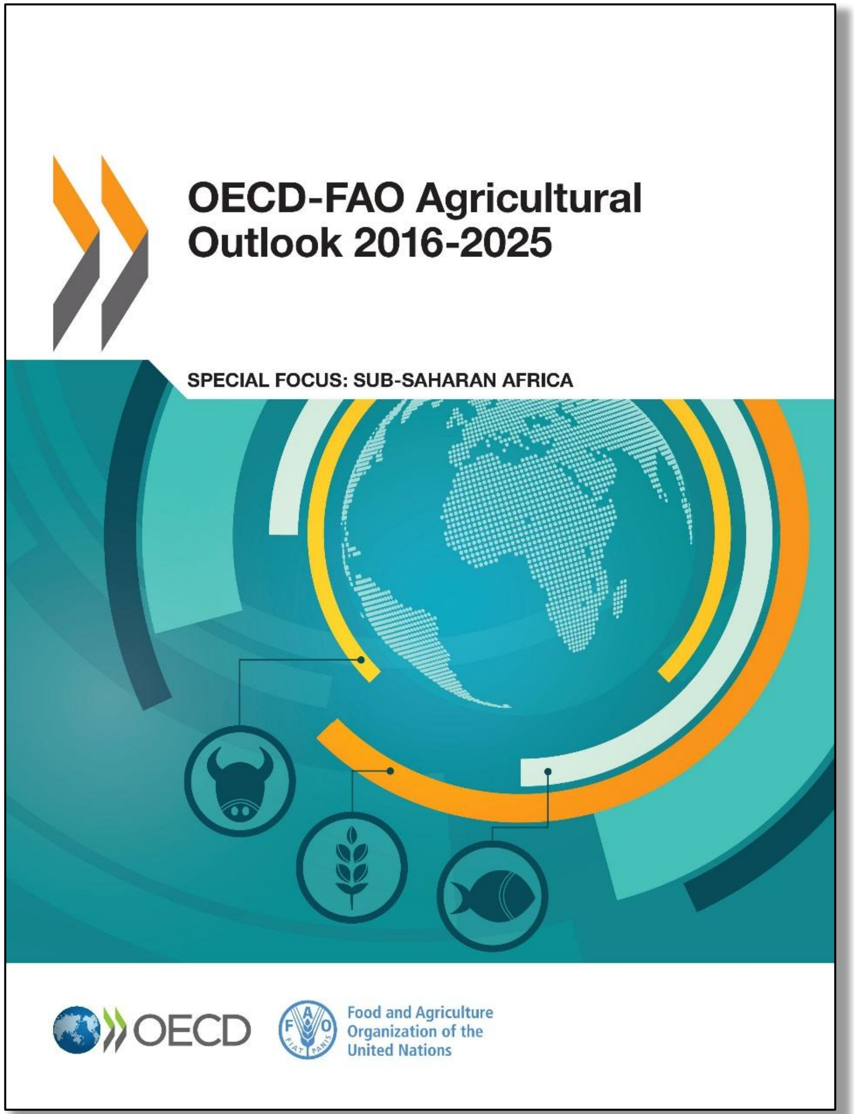


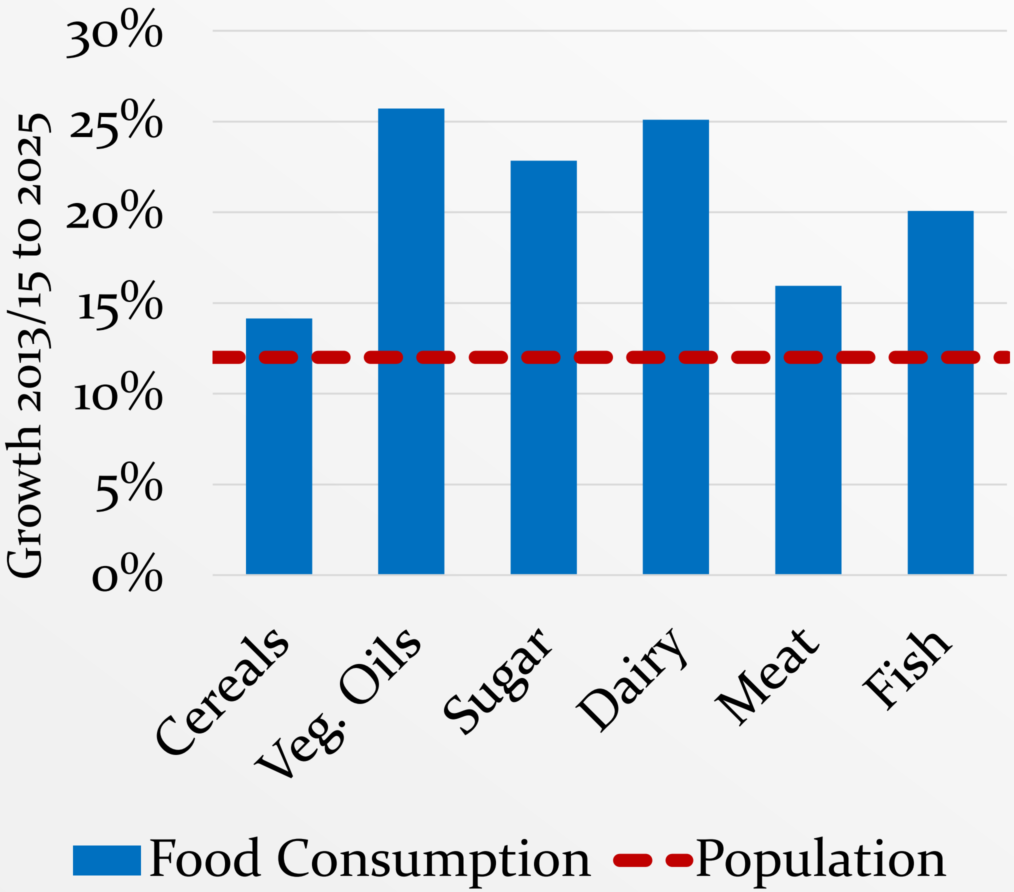
Launch of the OECD-FAO Agricultural Outlook 2016-2025

Rome, Monday, 4 July 2016
Sheikh Zayed Centre
FAO Headquarters

Highlights of the Outlook

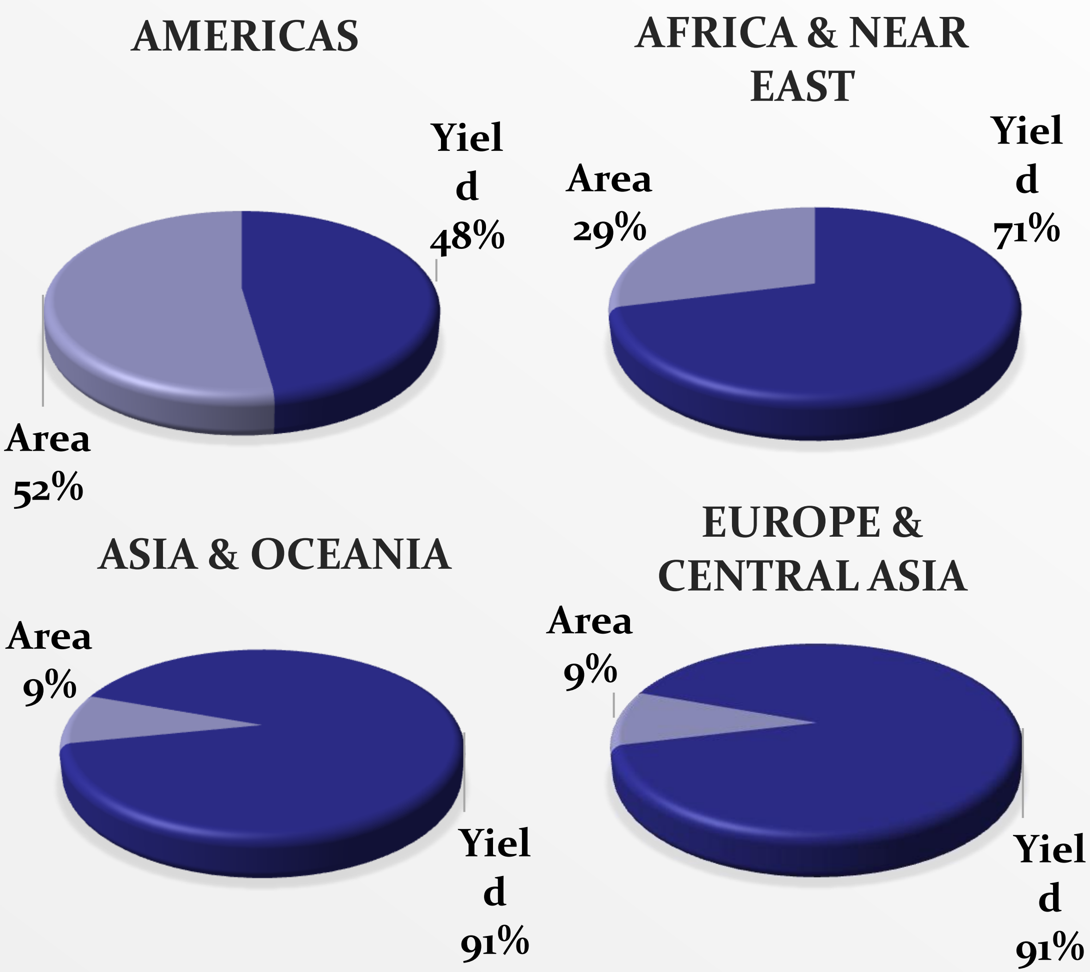
- Food demand is expected to grow progressively slower but its composition will change
- Global demand growth will be mainly satisfied through yield improvements
- With supply and demand growth broadly matched, real agricultural prices are projected to remain relatively flat
- Food imports into Africa, the Near East and Asia increasingly important for food security
- We need to do more to meet the SDGs

Diverse consumption trends of major food groups



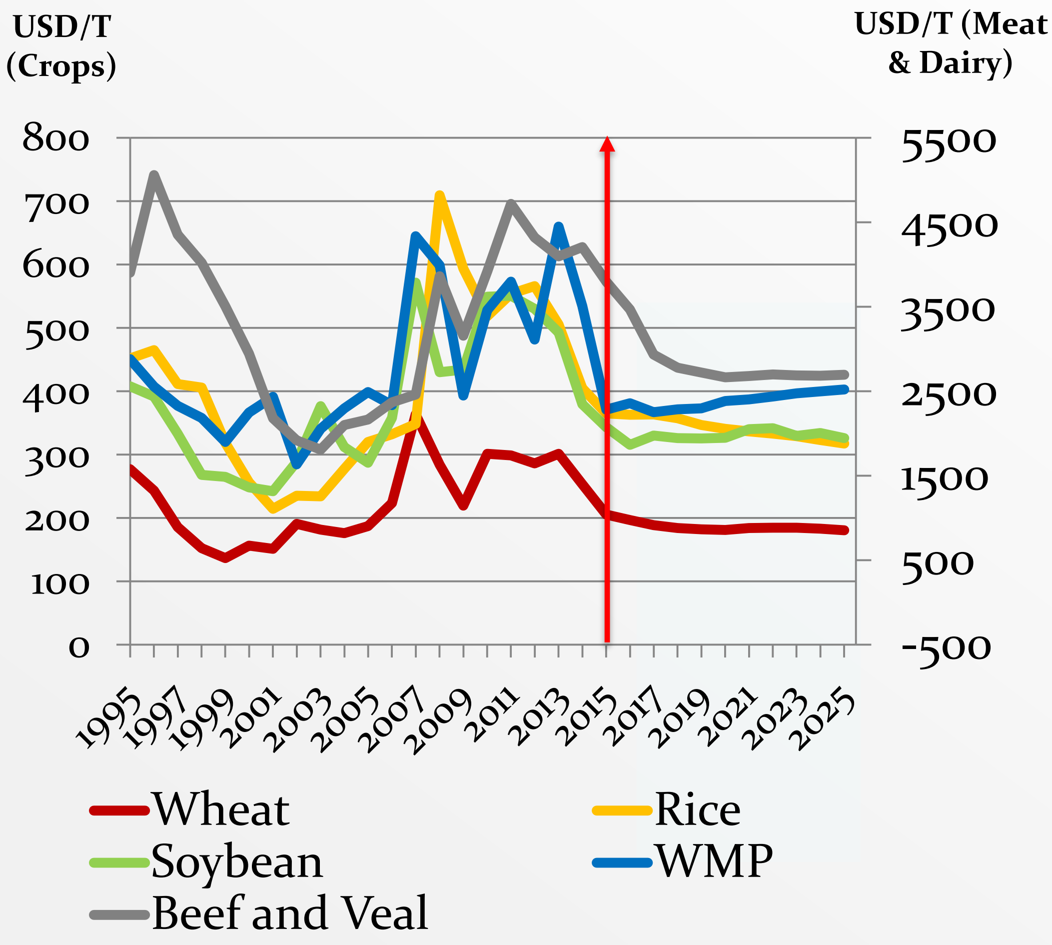
- Strong demand growth for meat, fish and dairy products
- Food consumption of cereals stagnates
- Shift toward livestock products induces additional need for feed crops, particularly coarse grains and protein meals
- Strong increase in sugar and vegetable oil consumption

Production growth through intensification and efficiency gains, but regional differences



- Increase in demand projected to be mainly satisfied through productivity gains
- Large yield gaps in many developing countries
- Limited scope to increase agricultural area sustainably
- Slower yield growth expected in main producing countries

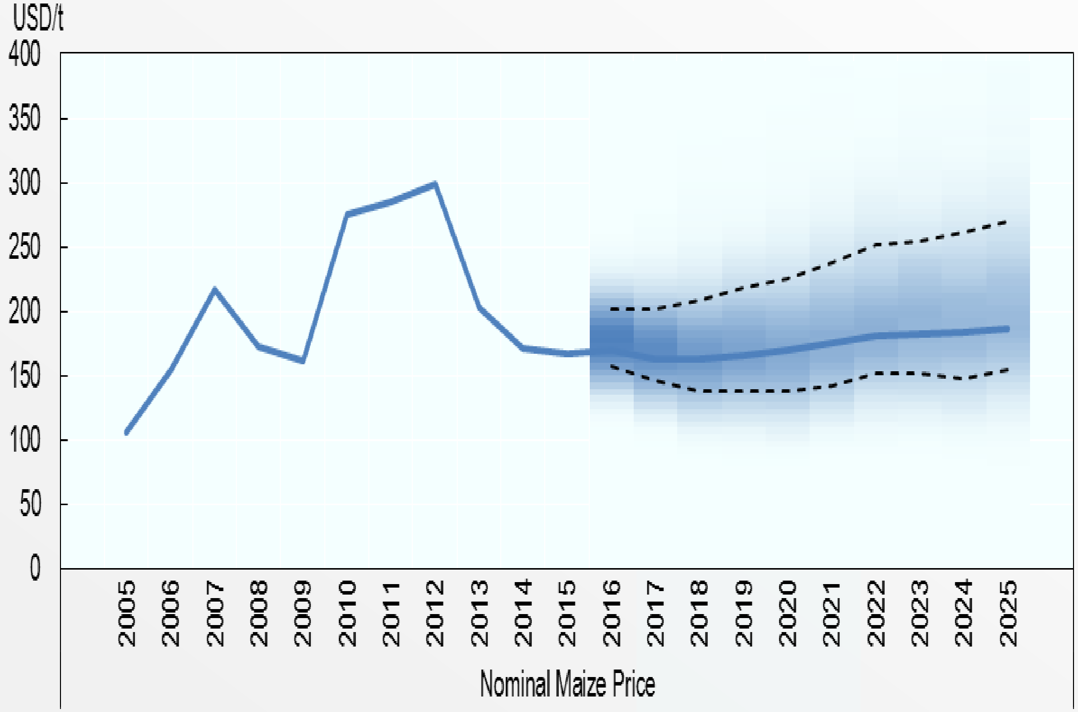
Market fundamentals point to stabilisation of real prices



- Prices to remain overall flat, but to change in relative terms
- Relative price changes reflect adjustments in the composition of demand and differences in supply conditions
- But need for vigilance - markets remain subject to shocks that cause volatility and disruptions

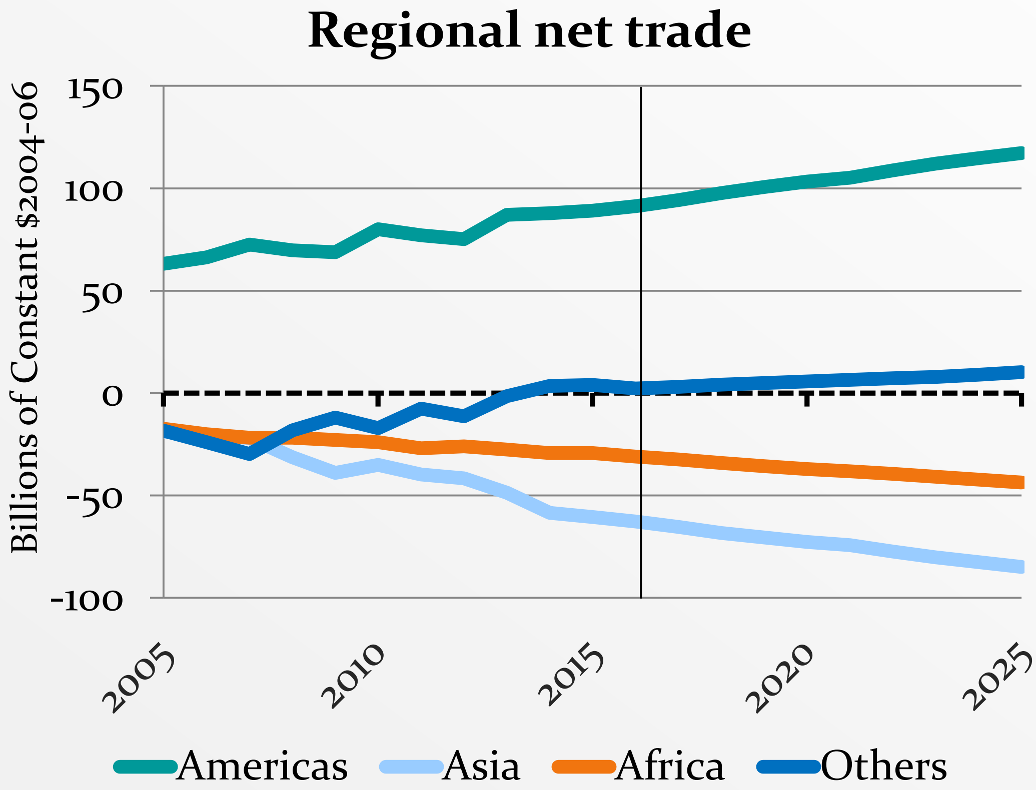
There is a substantial risk of a major price swing in the next ten years

80% probability range for maize price



- Volatility from oil prices, economic growth, exchange rates and yield variations
- Climate change will add to them
- Policy-induced uncertainty not included but will compound volatility
- A crisis more likely when the wrong *policies* compound volatility

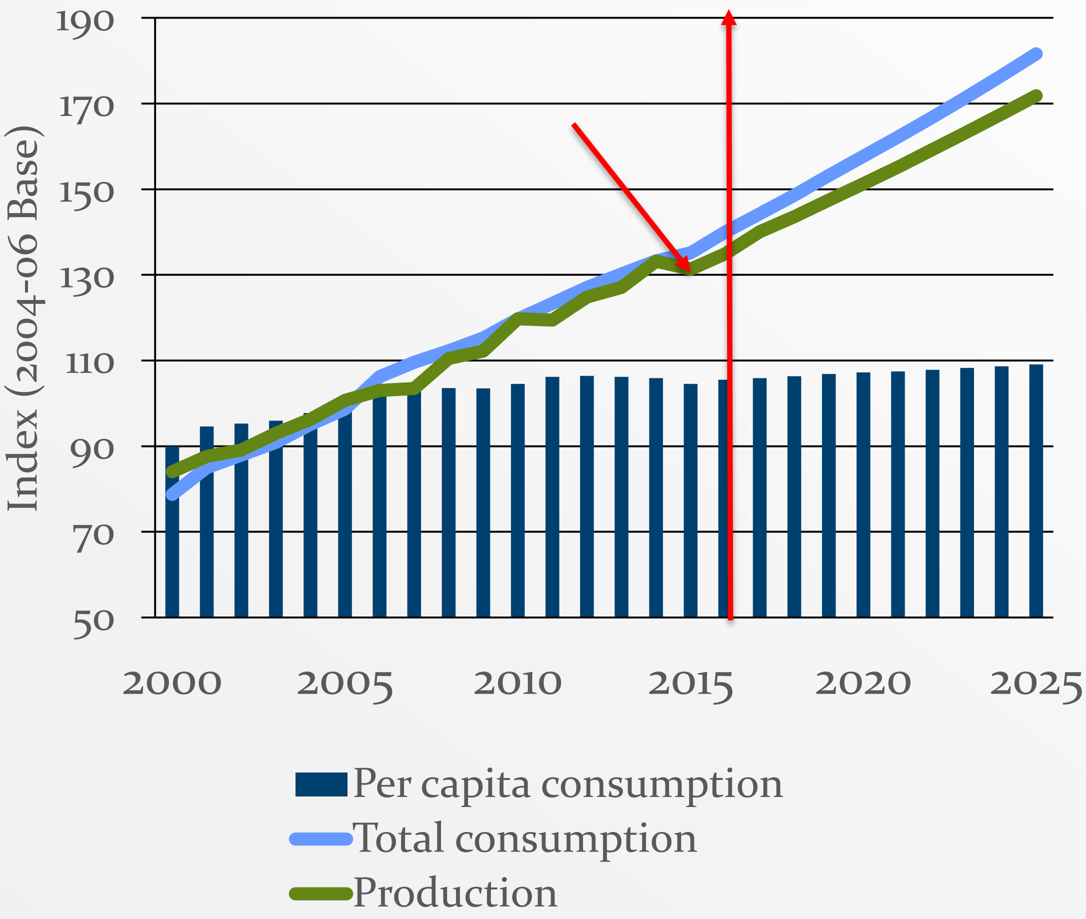
Trade important for food security



- Agricultural trade expected to expand, but at about half the rate of the previous decade
- Global exports will be highly concentrated
- Imports more dispersed, but China remains critical market
- Increasing food import dependency of resource poor regions

Note: Agriculture and fisheries products included in the Outlook

Sub-Saharan Africa: Outlook to 2025



- Total agricultural production is projected to expand by 2.6% p.a., an increasing share will come from improved productivity
- Growth in food demand of more than 3% p.a. expected, driven by population growth, leaving per capita gains modest
- Need for imports is especially high for vegetable oils (50%), poultry meat (36%) and sugar (23%), all with an increasing trend

Sub-Saharan Africa: Key actions

- Addressing low productivity of agricultural resources
- Diversification and commodity dependence
- Inclusive development
- Resilience to climate change
- Stable policies and institutions
- Enabling environment for private investment
- Expansion of intra-regional trade

We must do better!

- Outlook maps out a most likely baseline.
- Staying on this path would not eradicate hunger; but would reduce it from around 800 to 640 million.
- The SDGs can only be achieved if rural poverty, food security and nutrition, sustainable agriculture and climate change are properly addressed by the global community.
- Outlook confirms that we must do better and take action now to meet SDG2 by 2030.

Thank you for your attention

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Or visit our web page:

www.agri-outlook.org