

FAO and OECD foresee the agricultural and livestock production and export situation of Latin America and the Caribbean region over the next decade

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The Food and Agriculture Organization of the United Nations (FAO) and the Organization for Economic Co-operation and Development (OECD) published the new OECD-FAO Agricultural Outlook 2019-2028. The report states that the export of agricultural and fishery products of Latin America and the Caribbean region will increase from 23% to 25% by the year 2028. Although, the growth rate of production will increase slowly, but the region will be able to increase their production of crops by 22%,

livestock by 16%, and fishery by 12%, over the next ten years.

The abovementioned joint report from FAO and OECD states that the region's agricultural production will continue to grow, but slowing demand from both domestic sources and foreign markets is expected to contribute to slower growth over the next decade. Despite slower growth, the region will still see 22% growth for crops and 16% growth for livestock in the next ten years, seven and two percentage points faster than the global average, respectively.

Increased exports from the region will also limit the overall slowdown in production, so trade openness will remain of great importance to Latin American and Caribbean countries. Export growth will also slow down, but the region's comparative advantage in many agricultural products means it stands to capture a greater share of global markets.

For commodities, such as maize, rice and beef, stronger demand growth overseas than domestically means that a greater share of production will be destined for export in the coming decade. While overall trade in agricultural and fisheries commodities will continue to expand over the coming decade, the pace will be slower –at around 1.3 percent annually– than the 3.3 percent average pace of the past 10 years.

According to the report, agriculture and fisheries production in Latin America and the Caribbean have grown by an average of 2.7% per year (in constant 2010 US dollars, including forestry) over the past two decades. Currently, Latin American and the Caribbean accounts for 14 percent of global agricultural production and 23 % of agricultural and fisheries commodities exports.

Cereal production growth expected to slow

Cereal production growth is expected to slow in the coming decade, with annual growth rates around half those observed in the past two decades for the major cereal producing countries.

By 2028, the region is expected to produce 233.5 megatons (Mt) of maize (18% of world total), 22.1 Mt of coarse grains (3% of world total), 21.4 Mt of rice (4% of world total) and 37.3 Mt of wheat (11% of world total).

Soybean production will continue to grow over the next decade, and further land use expansion for soybeans is projected at the expense of pasture, although a third of the increase in harvested area will come from double cropping. But the annual production growth rate for the region as a whole is expected to decline from 6.9% in the previous two decades to 2.8% for the coming decade.

Average annual growth in beef and veal production will slow down slightly in the coming decade to 1.2% per year, compared to 1.4% in the previous two decades. Fish production is projected to grow by 12% over the coming decade.

Changes in domestic food demand; more meat, fruits and vegetables, less staples

The report forecasts an increased domestic demand for animal-based proteins. Per capita beef, veal and pig meat consumption are expected to grow around 10% in the coming decade (12% fish, 15% poultry). Thus, by 2028, poultry consumption, at 34.2 kg per capita per year, will account for 42.1% of total meat consumption. This is 14.8 percentage points higher than in the mid-90s.

FAO and OECD forecast increased consumption of fruits, vegetables, meats, dairy, and fish relative to staples such as maize wheat, rice and beans. Maize per capita consumption is expected to decline by 4.3% in the coming decade.

Sustainable agricultural and better food systems

According to the FAO-OCDE report, the challenges for the future in Latin America and the Caribbean lie in ensuring that future agricultural growth is more sustainable and more inclusive than it has been in the past, in a context of slower demand and lower international prices.

Ensuring a more sustainable and inclusive pathway for future agricultural growth will depend on developments in the areas of nutrition, social and environmental protection and support for livelihoods, since rural poverty, hunger and obesity are on the rise in the region.

The report indicates that there are “strong growth opportunities” in the region to produce high-value fruits and vegetables, which provide better opportunities for smallholders and family farmers and healthier diets for the population. Targeted policies could help farmers and consumers reap these opportunities, while protecting the region’s natural resource base.

Improved food systems and innovative food security and nutrition policies are also needed to stem the recent rise in hunger as well as the decades long increase in obesity, as the region has the second highest prevalence of overweight or obese individuals in the world today, just behind North America.

Source: <http://www.fao.org/americas/noticias/ver/en/c/1200912/>