

The State of Food and Agriculture 2007

FAO Conference

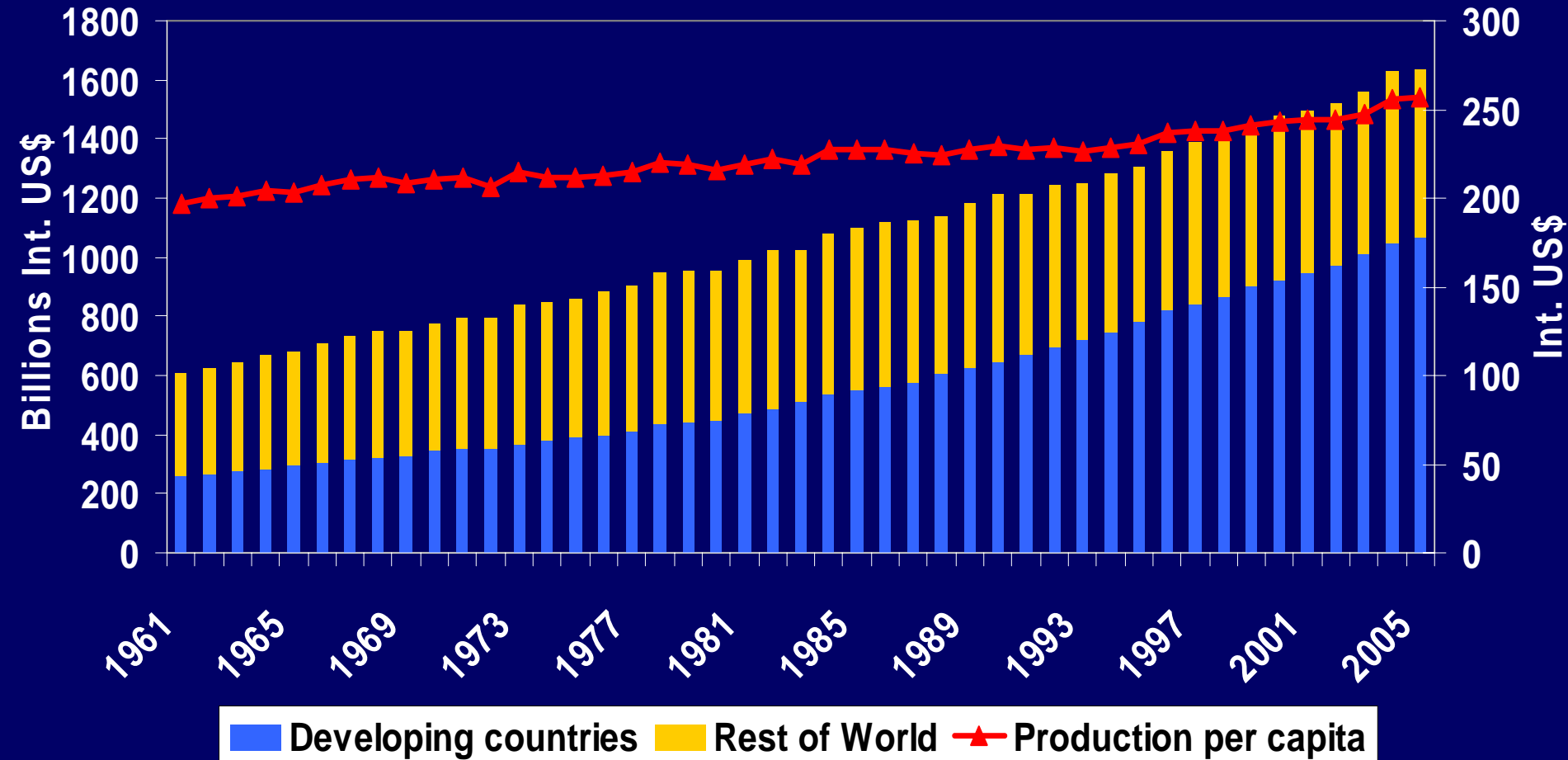
34th session

17-24 November 2007

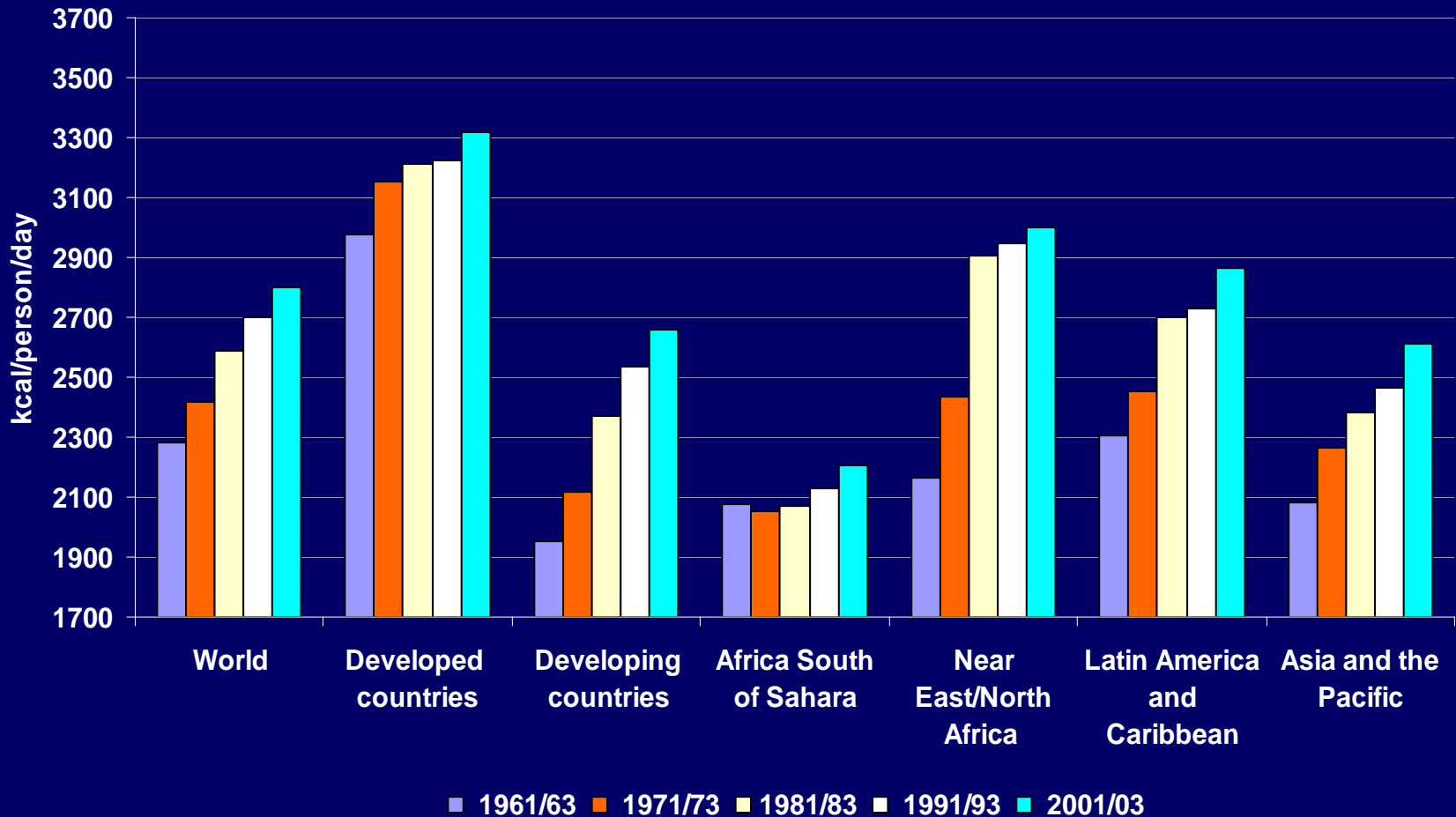
A historical perspective

Agricultural production has outpaced population growth

Total and per capita agricultural production

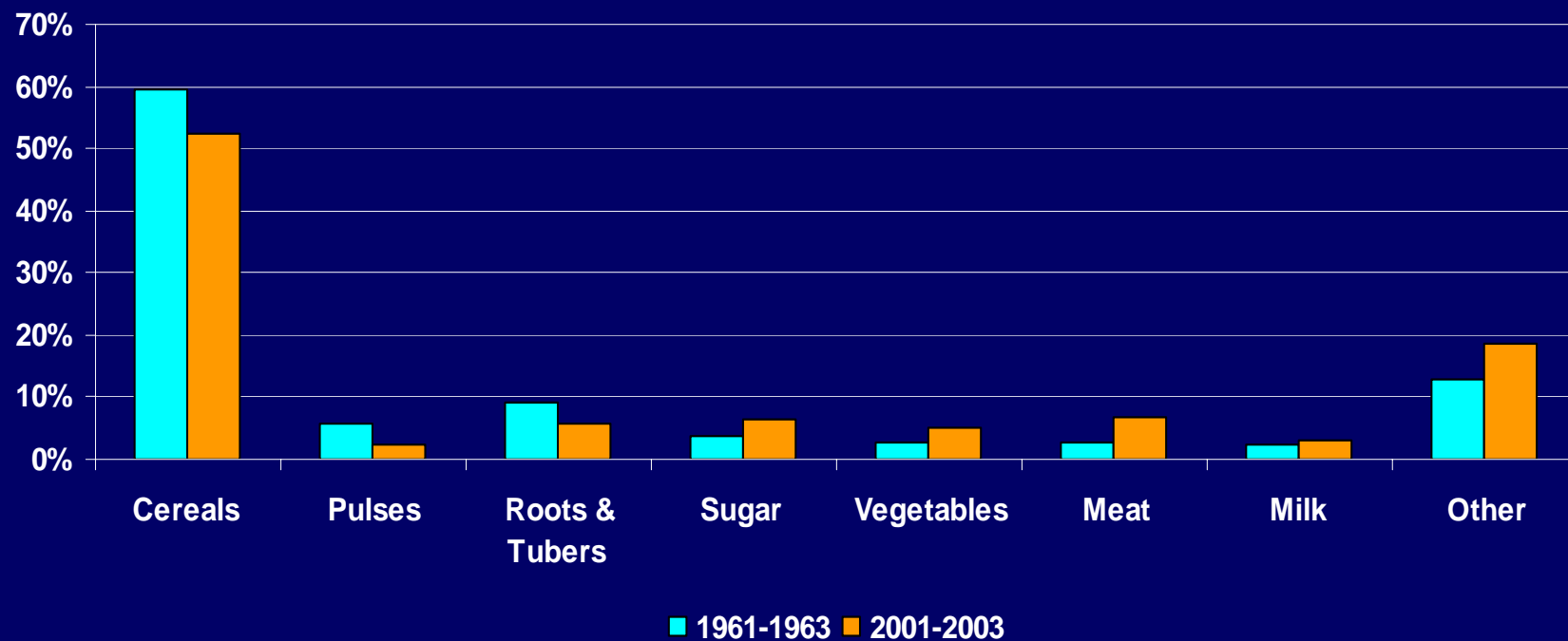


Food consumption per capita



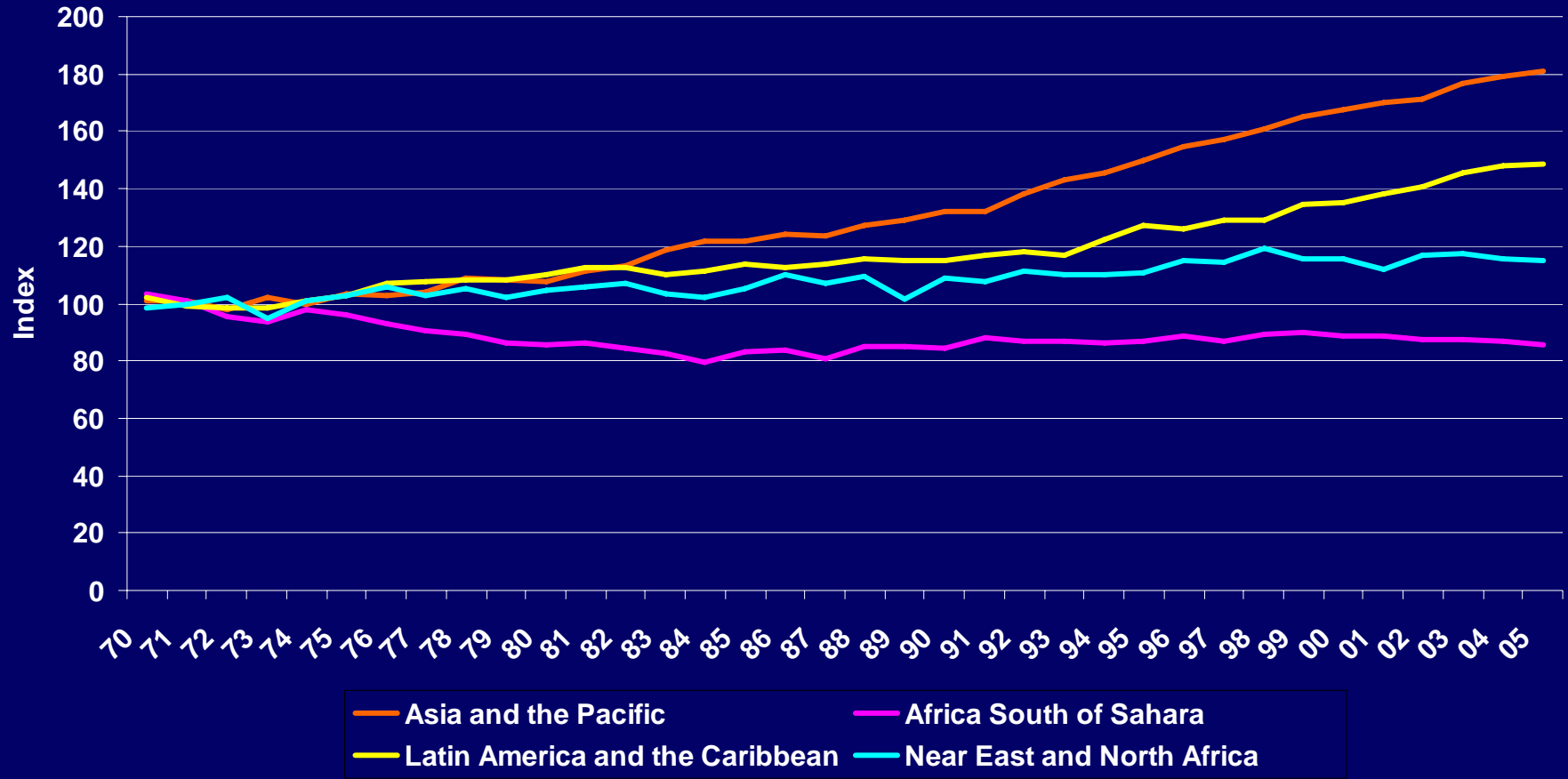
Changing composition of consumption in developing countries

Change in proportion of total calories derived from key food commodities

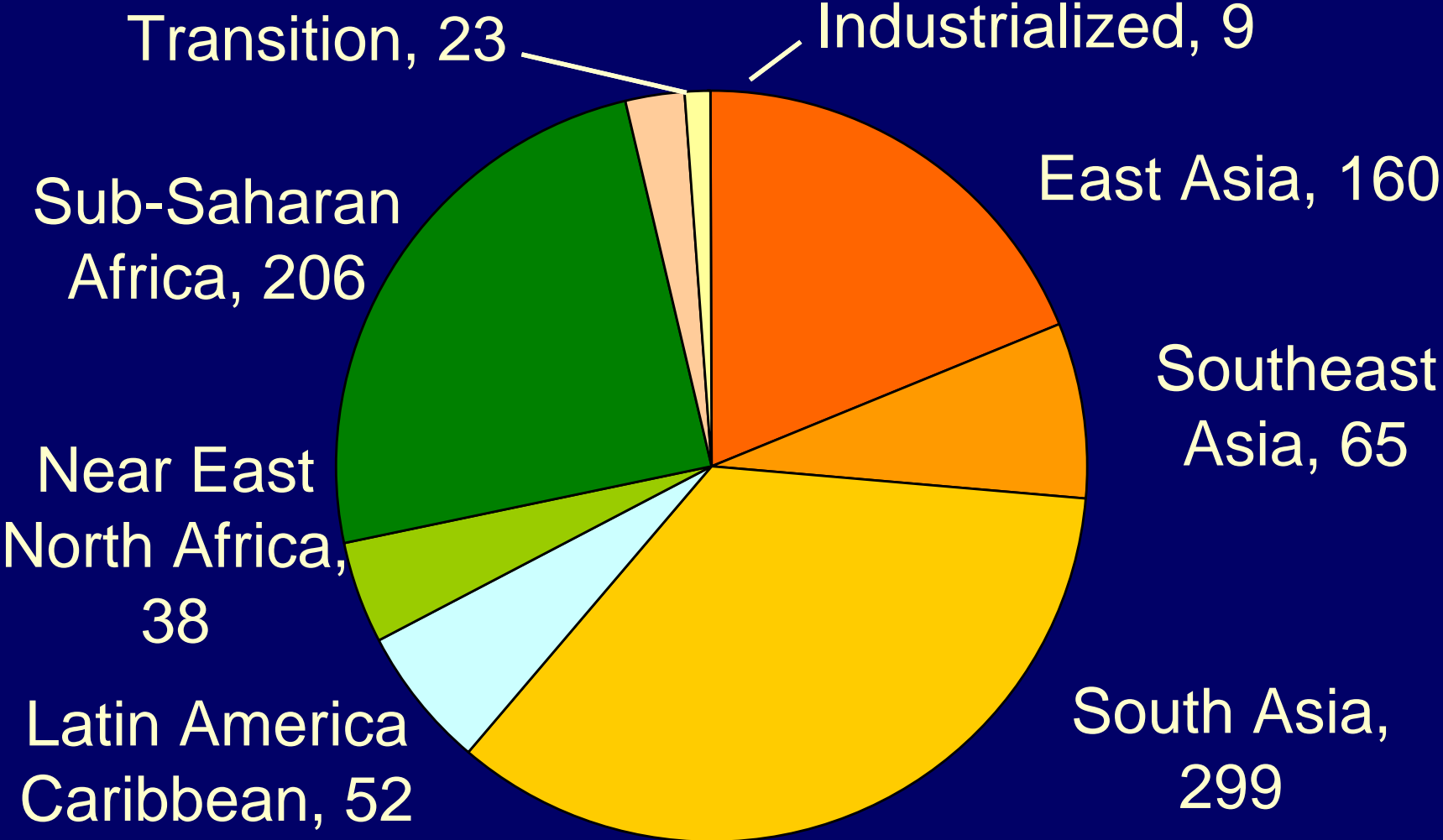


Not all developing regions have made equal progress

Per capita food production (1970-72 = 100)

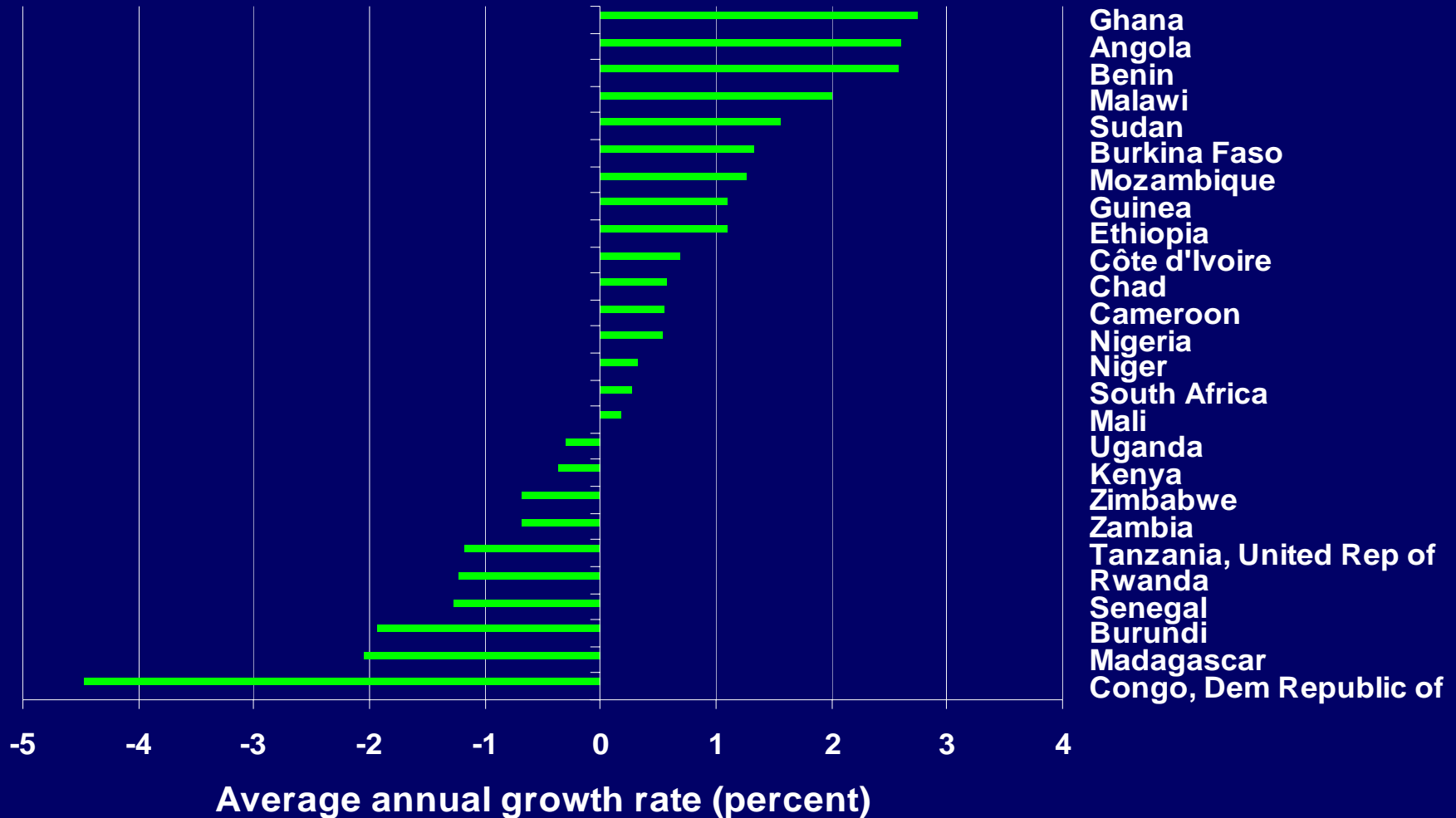


More than 850 million people are chronically undernourished



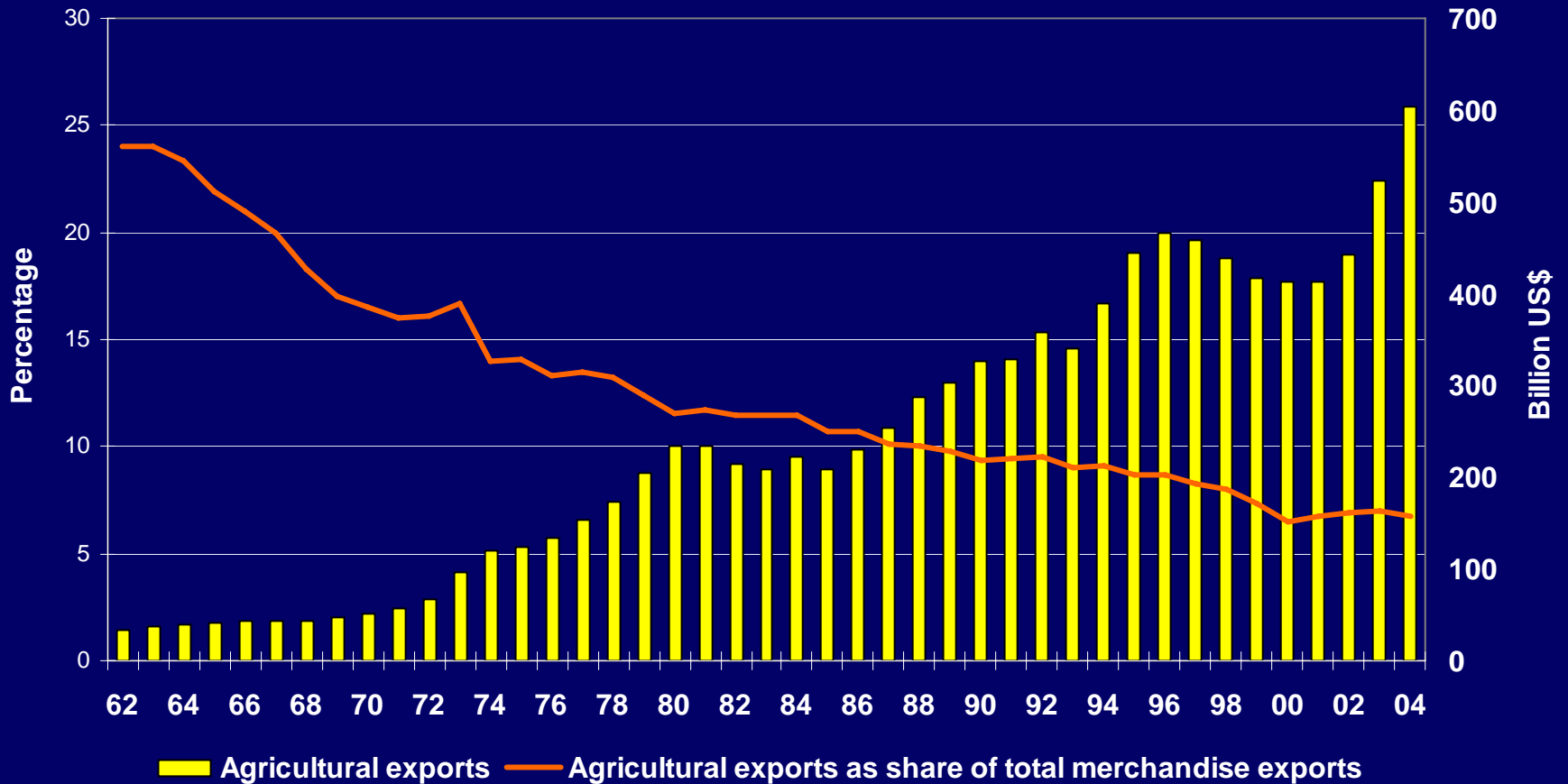
Turn around in Sub-Saharan Africa?

Per-capita agricultural production growth rates, 1990-2004

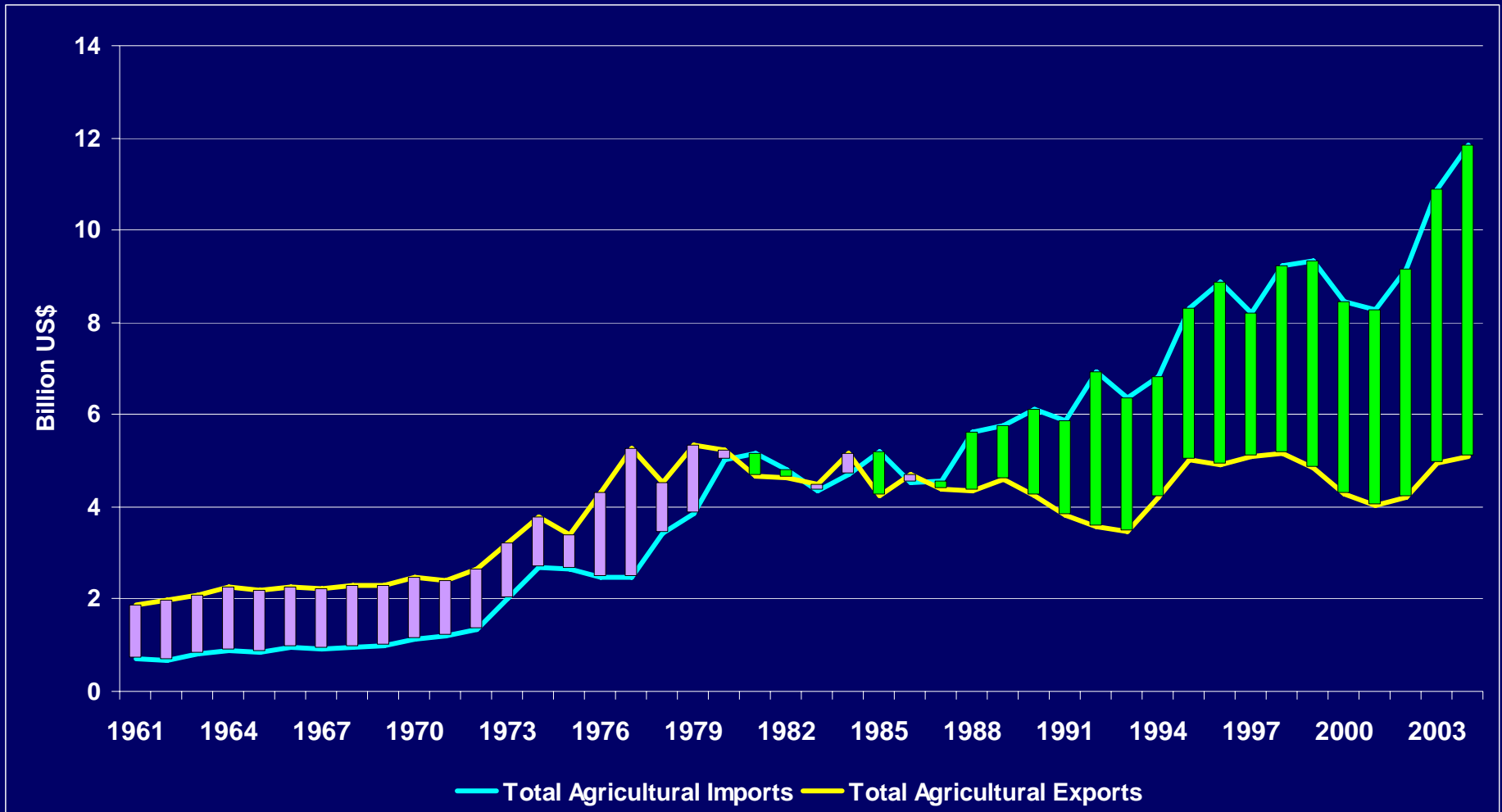


Global agricultural exports

Global agricultural exports



The agricultural trade deficit of LDCs is widening



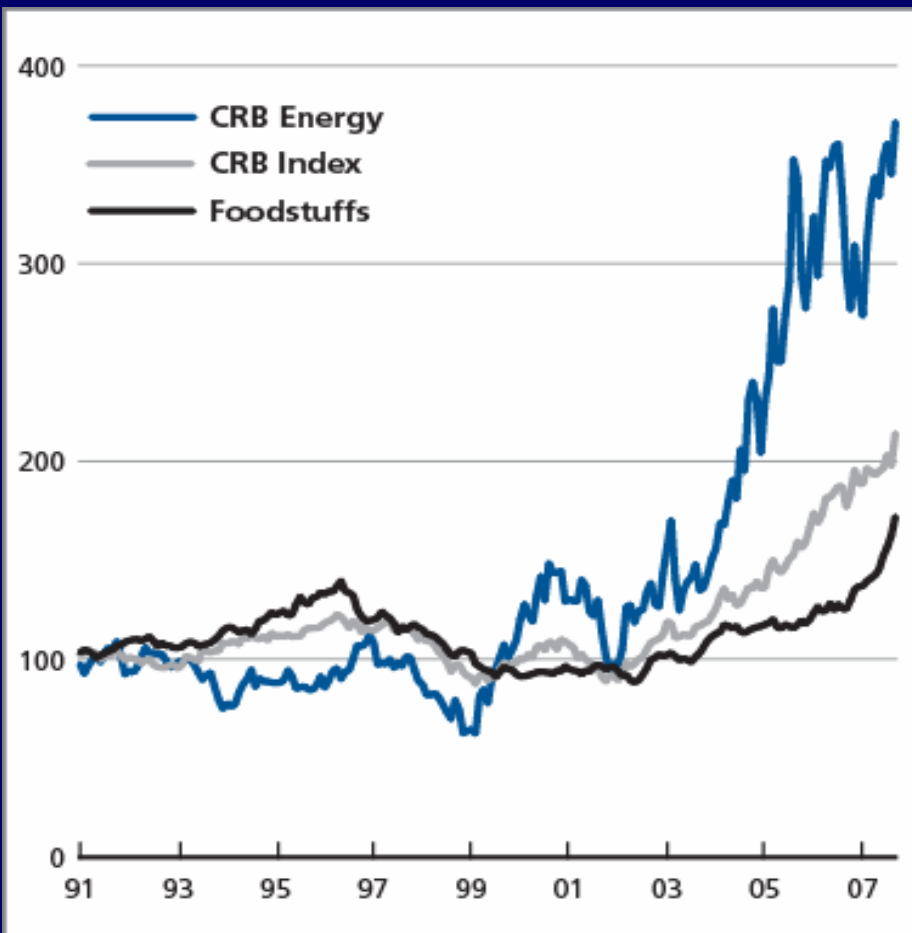
Diversification into non-traditional export

- growing rapidly
- dominated by a few countries
- usually tied to narrow range of products
- most countries have limited opportunities in this market

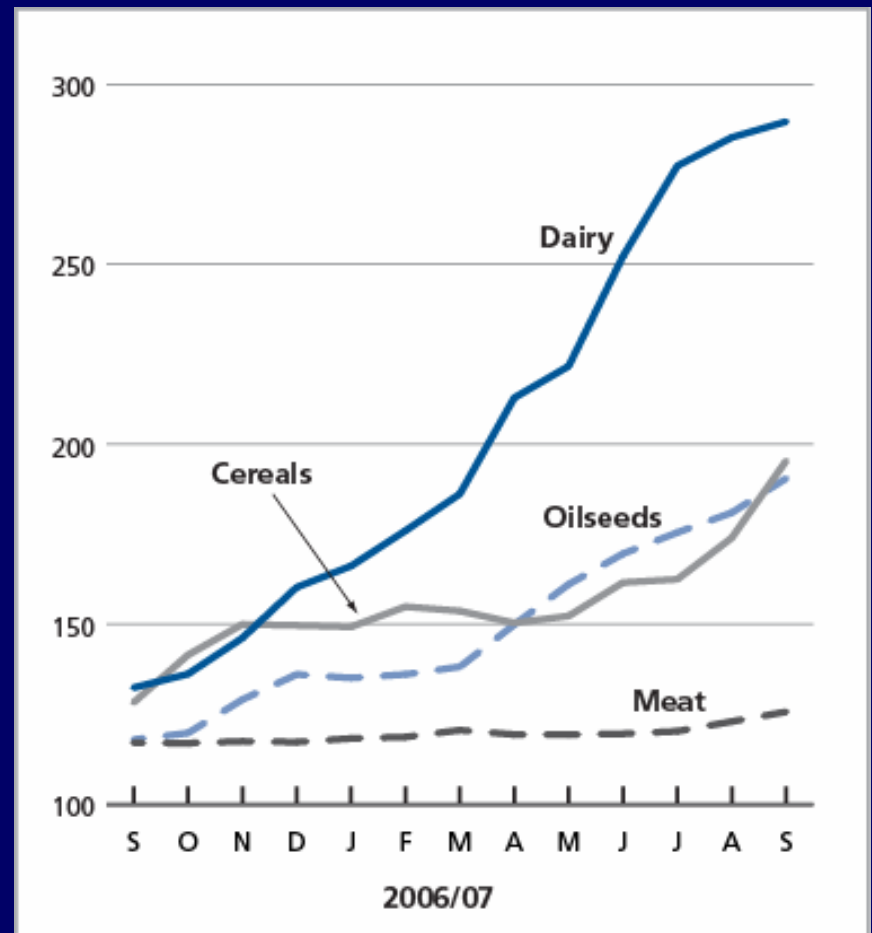
Rising commodity prices – a short term spike or a structural change in demand?

Prices of foodstuffs have risen sharply

FAO food price index and CRB commodity and energy indices (1998-2000=100)

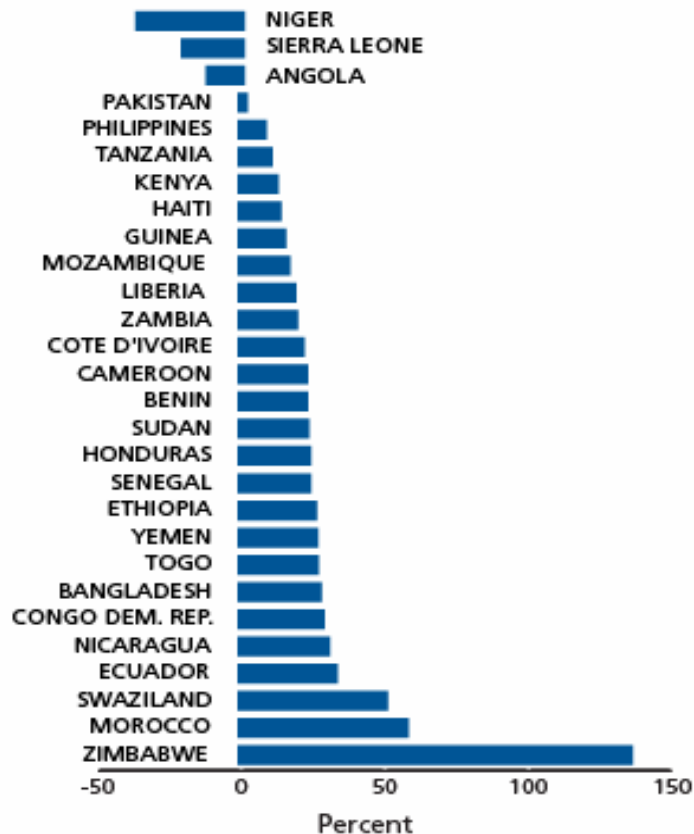


FAO price indices for selected commodities (1998-2000=100)

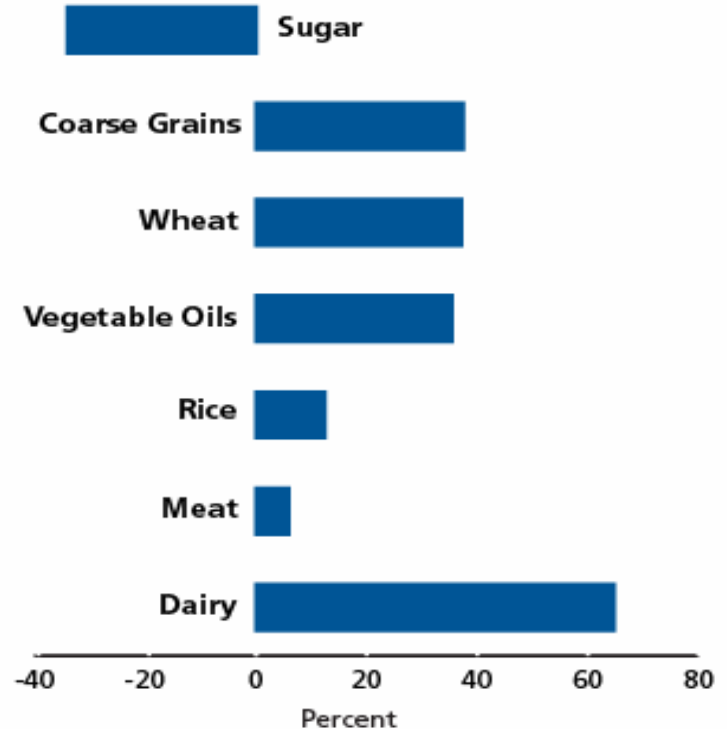


Food price increases imply substantial costs for many countries

Forecast changes in food import bills of selected LIFDCs: 2007 over 2006 (%)



Forecast changes in global food import bills by type: 2007 over 2006 (%)

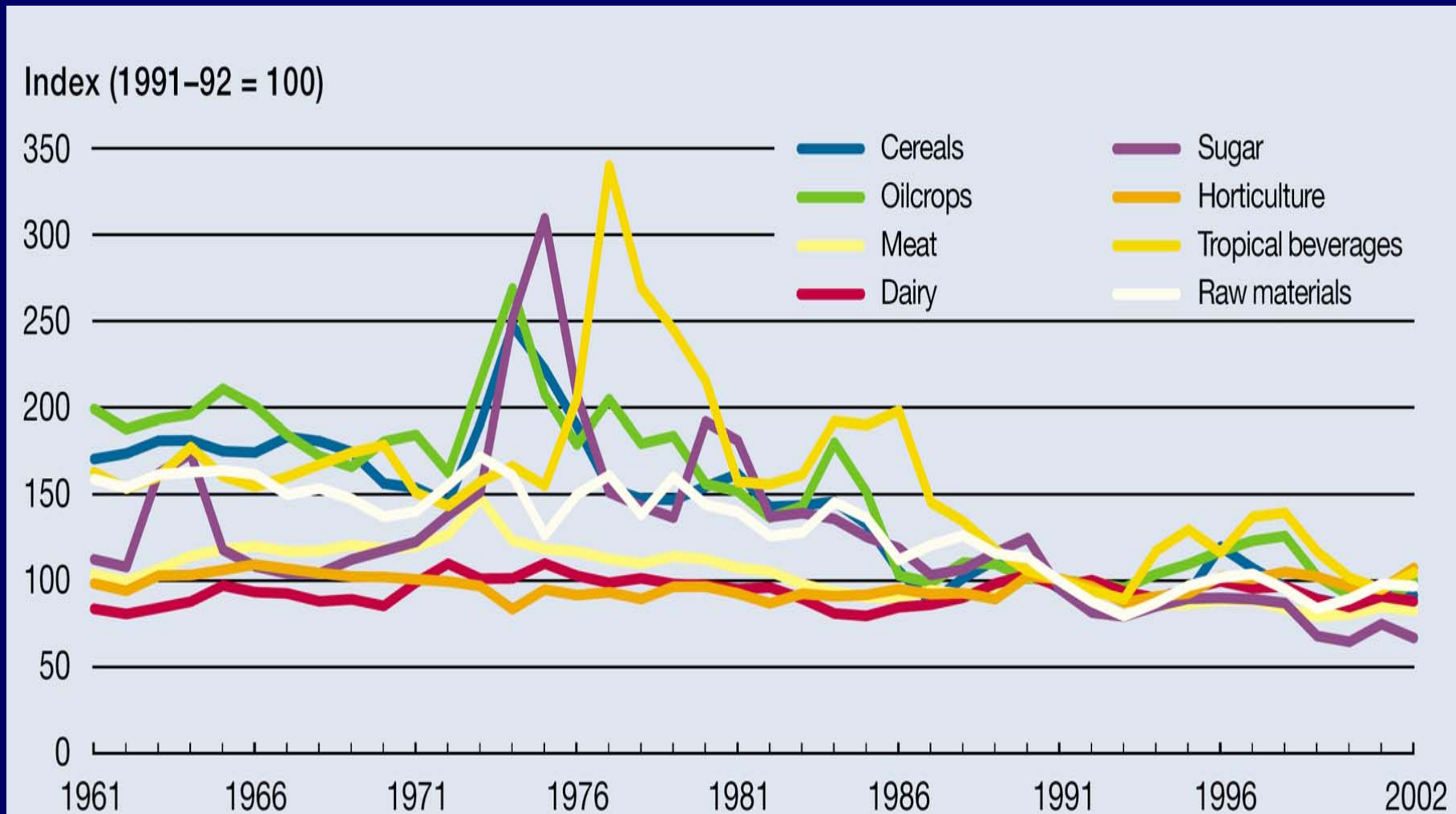


High food prices and biofuels, are they related?

- As energy prices rise, costs of agricultural inputs increase, putting pressure on agricultural prices
- Increased demand for commodities for biofuel production puts pressure on their price
- The link weakens as rising commodity prices make them too expensive as a source of fuel

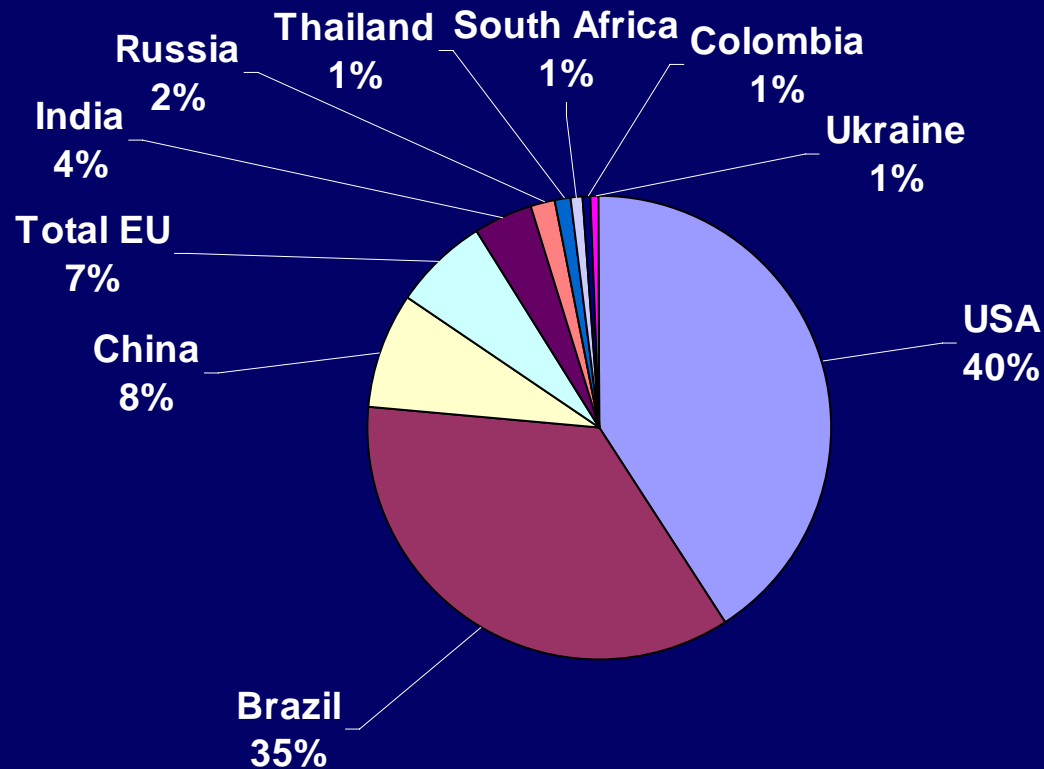
Long run commodity prices have been declining – will this trend continue?

Real prices for commodity group

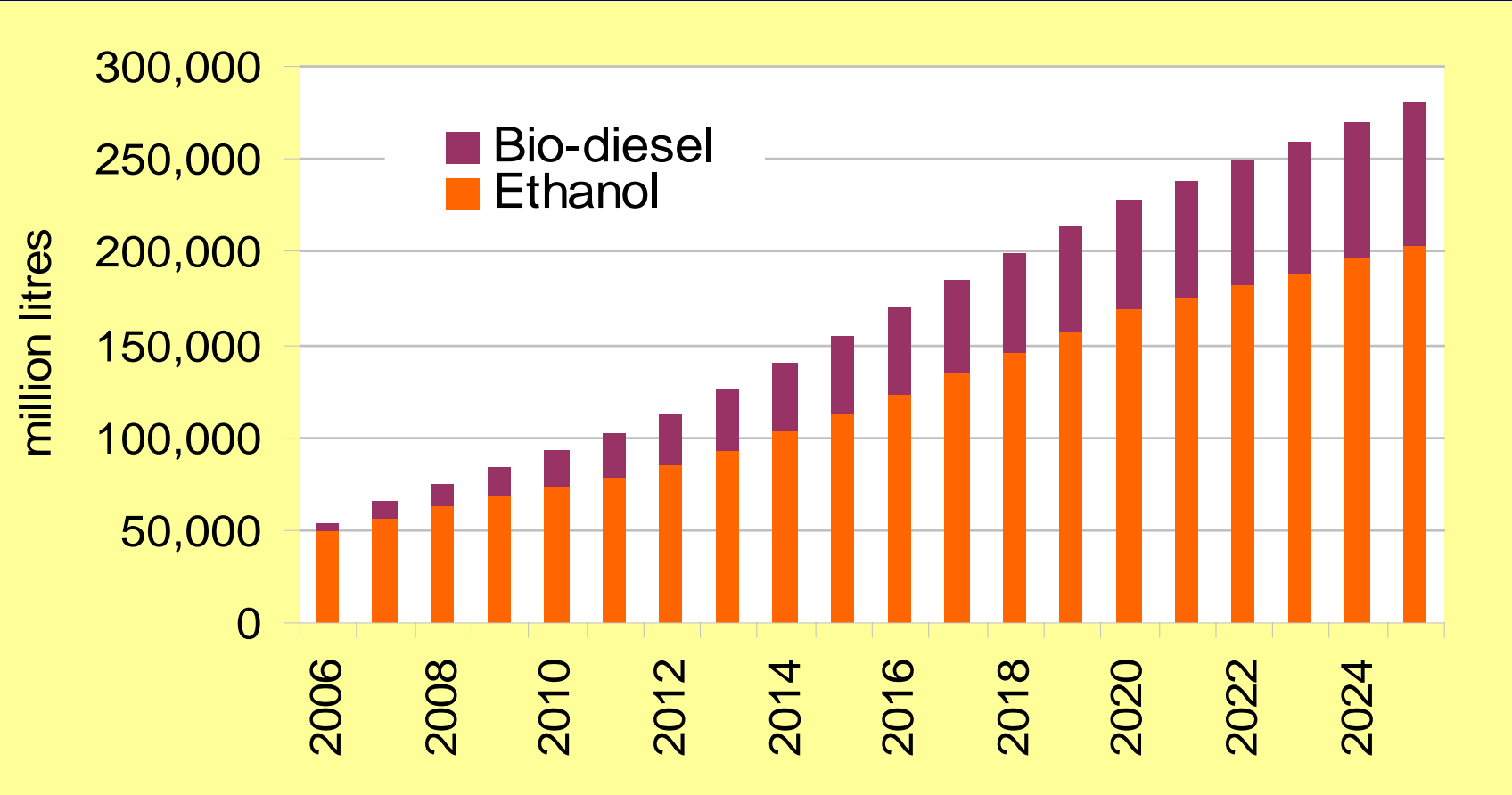


Top 10 Ethanol producers, 2006

World Ethanol Production was 49,786,300 cubic meters in 2006



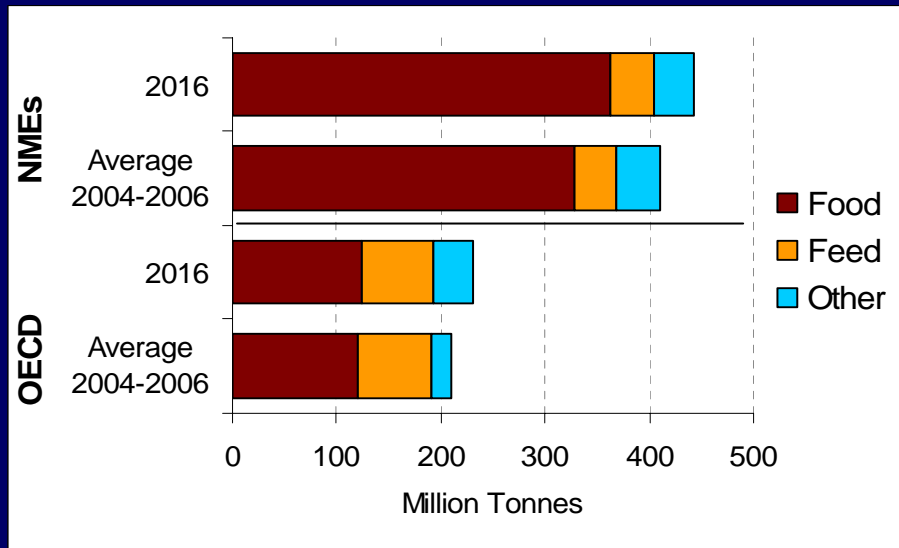
Global biofuel production could expand 5-fold by 2025



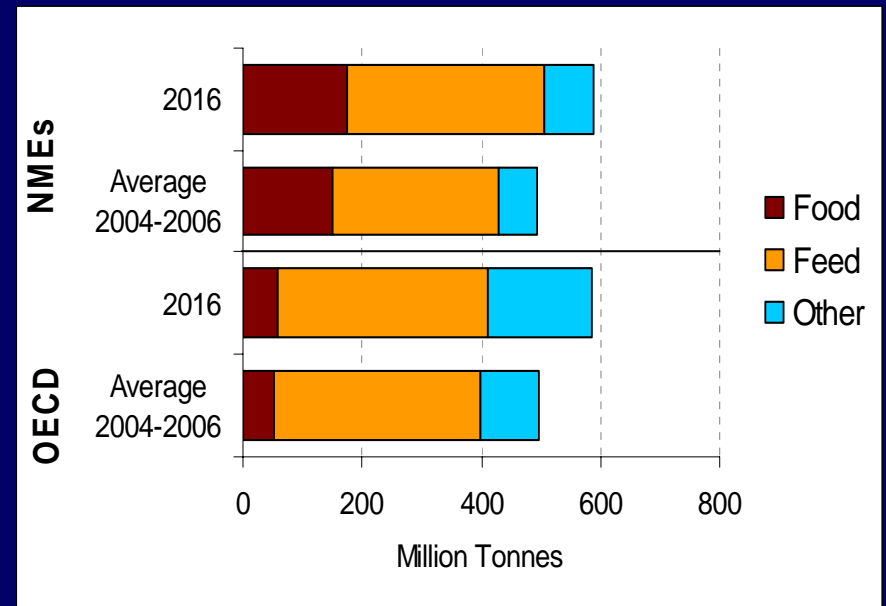
Source: Prakash, Adam. 2007. "Grains for food and fuel – at what price?"

Projected grain utilization in OECD and non-OECD countries

Wheat



Coarse Grains



Future challenges

Opportunities and challenges in the future

- ▶ Bioenergy
- ▶ Climate change
- ▶ Rapid urbanization
- ▶ Growing resource depletion
- ▶ Integrating into global markets

Agriculture is back on the agenda
....perhaps a new opportunity for LDCs