

THE FRUITS AND VEGETABLES INDUSTRY SERIES

29 October 2024

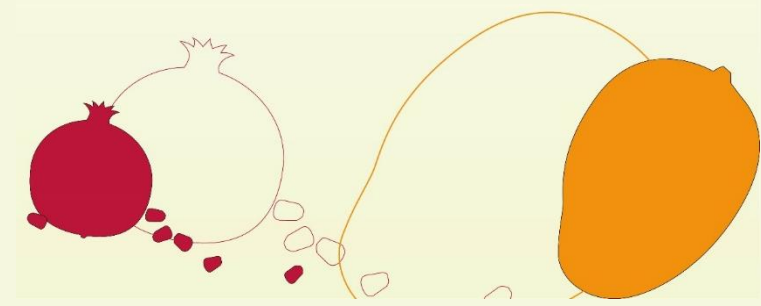


Session n°8

Market challenges and geopolitical issues affecting trade flows in Fruits and Vegetables (F&V)



FRUIT AND VEGETABLES SCHEME





OECD-FAO Agricultural
Outlook 2024-2033



OECD-FAO Agricultural Outlook 2024-2033

with a focus on fruits and vegetables

Marcel Adenäuer, OECD, TAD/ATM

OECD-COLEAD Fruit and Vegetables Industry Series

Session n°8 – Market challenges and geopolitical issues
affecting trade flows

in Fruits and Vegetables (F&V)

OECD-FAO Agricultural Outlook

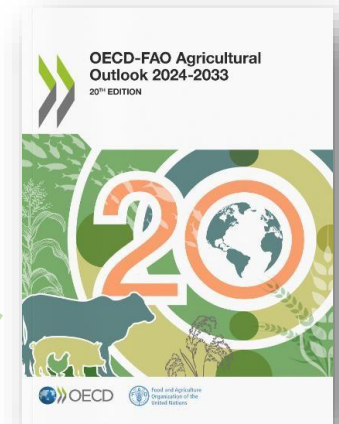
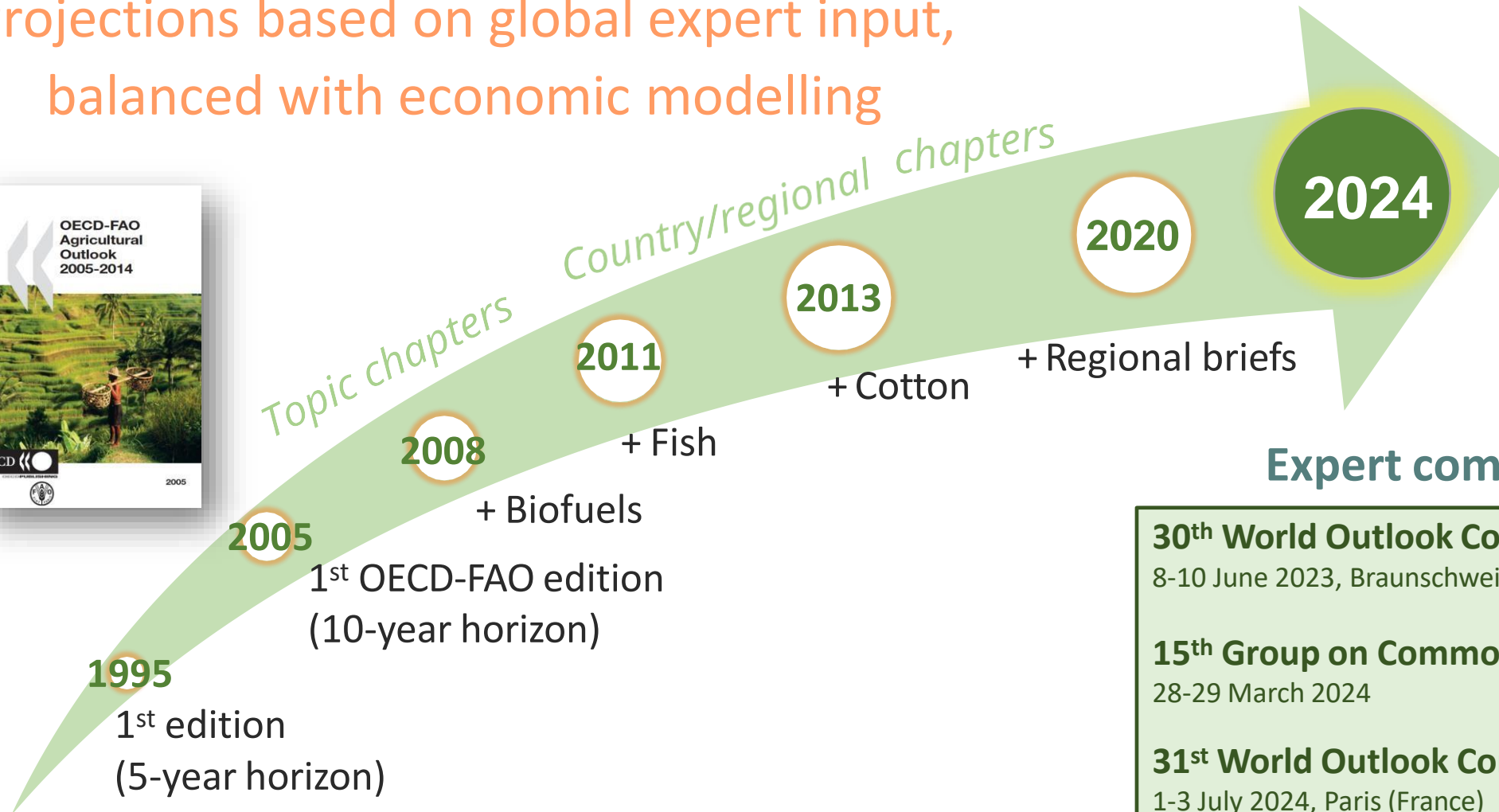
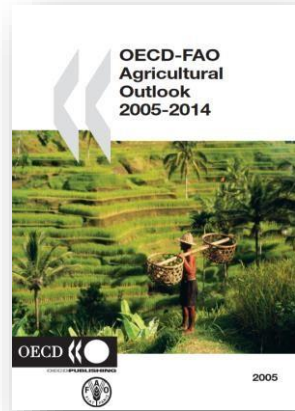
#AgOutlook



Food and Agriculture
Organization of the
United Nations

OECD-FAO Agricultural Outlook

Projections based on global expert input,
balanced with economic modelling



20th joint OECD-
FAO publication

Expert community

30th World Outlook Conference

8-10 June 2023, Braunschweig (Germany)

15th Group on Commodity Markets

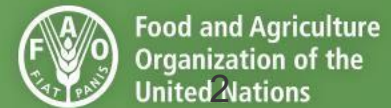
28-29 March 2024

31st World Outlook Conference

1-3 July 2024, Paris (France)

OECD-FAO Agricultural Outlook

#AgOutlook

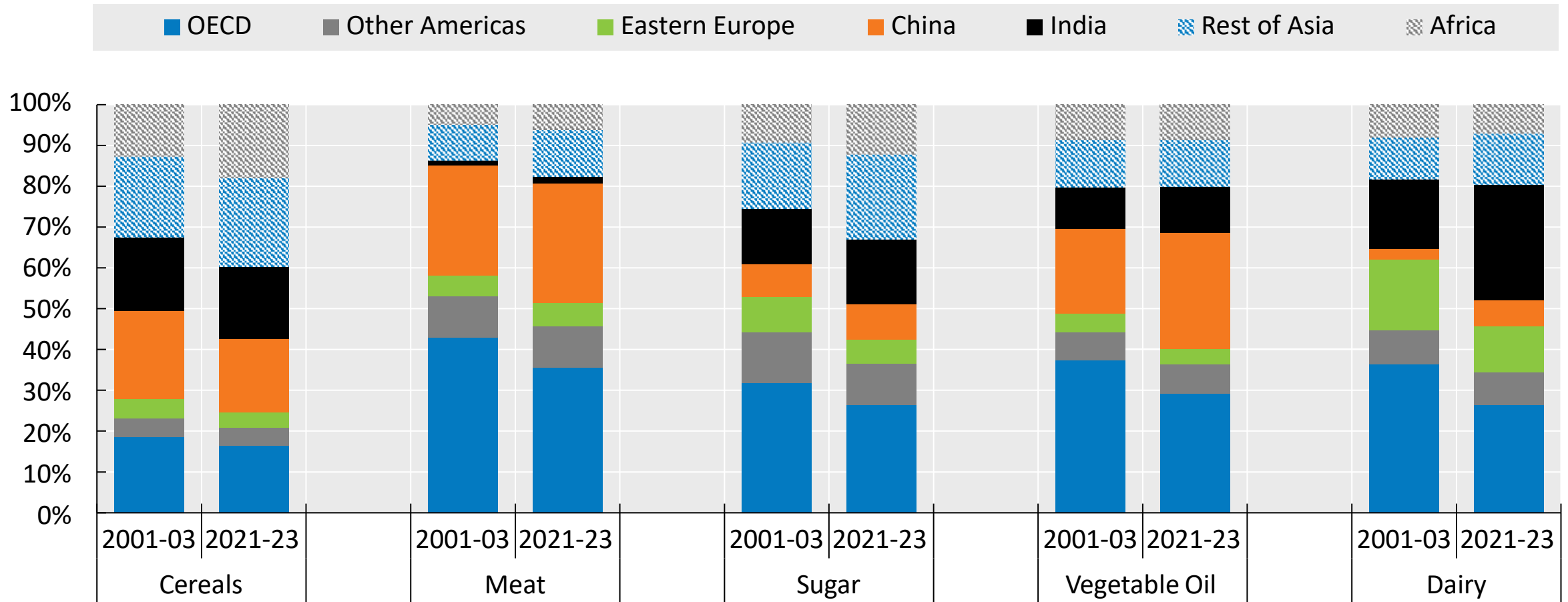


Key messages

- Emerging economies have increasingly driven global agricultural and fisheries market developments over the last 20 years and are expected to continue to do so over the next decade.
- The role of the People's Republic of China in driving global food and agricultural consumption is waning, whilst India and Southeast Asia are expected to gain influence, driven by their growing urban populations and increasing affluence.
- Calorie intake is expected to increase by 7% in middle-income countries, largely due to greater consumption of staples, livestock products and fats. Calorie intake in low-income countries will grow at 4%, too slowly to achieve the Sustainable Development Goal target of zero hunger by 2030 (SDG2).
- Agriculture's global greenhouse gas (GHG) emissions intensity is expected to decline, as growth will be based on productivity improvements rather than cultivated land and livestock herd expansions, although direct emissions from agriculture will still increase by 5%.
- Halving food loss and waste has the potential to reduce global agricultural GHG emissions by 4% and the number of undernourished people by 153 million by the year 2030.
- Well-functioning international agricultural commodity markets will remain important for global food security, as 20% of calories are traded and rural livelihoods can benefit from participation in markets and global agrifood value chains.
- A slight fall in real international reference prices for main agricultural commodities is projected over the next ten years but this may not be reflected in local retail food prices.

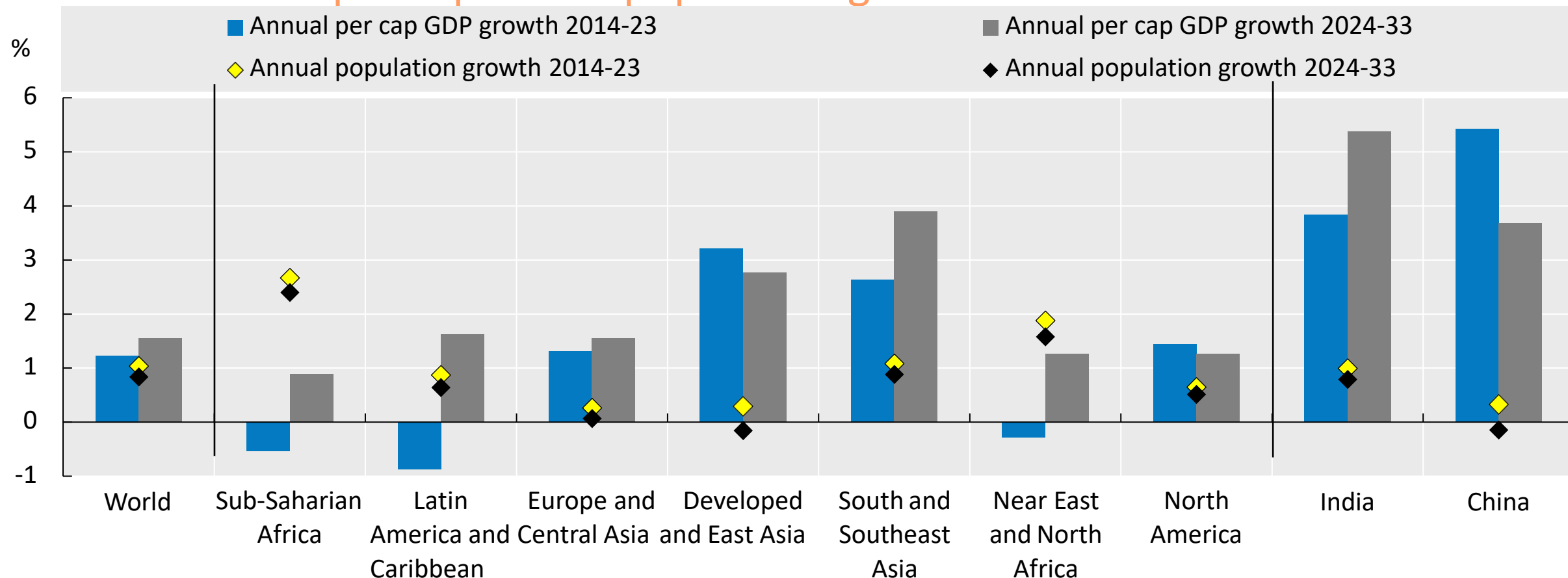


Over the last 20 years the importance of emerging economies for global food consumption increased



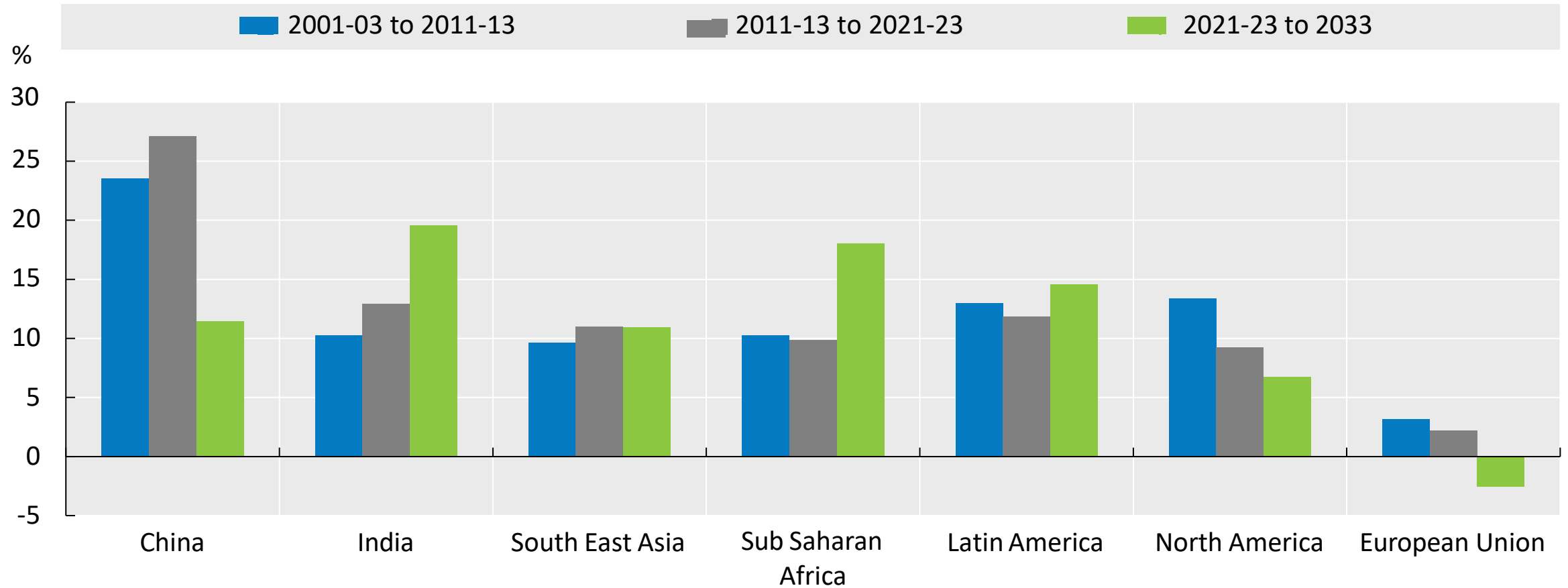
Macro-economic driver for the Agricultural Outlook

Annual GDP per capita and population growth rates



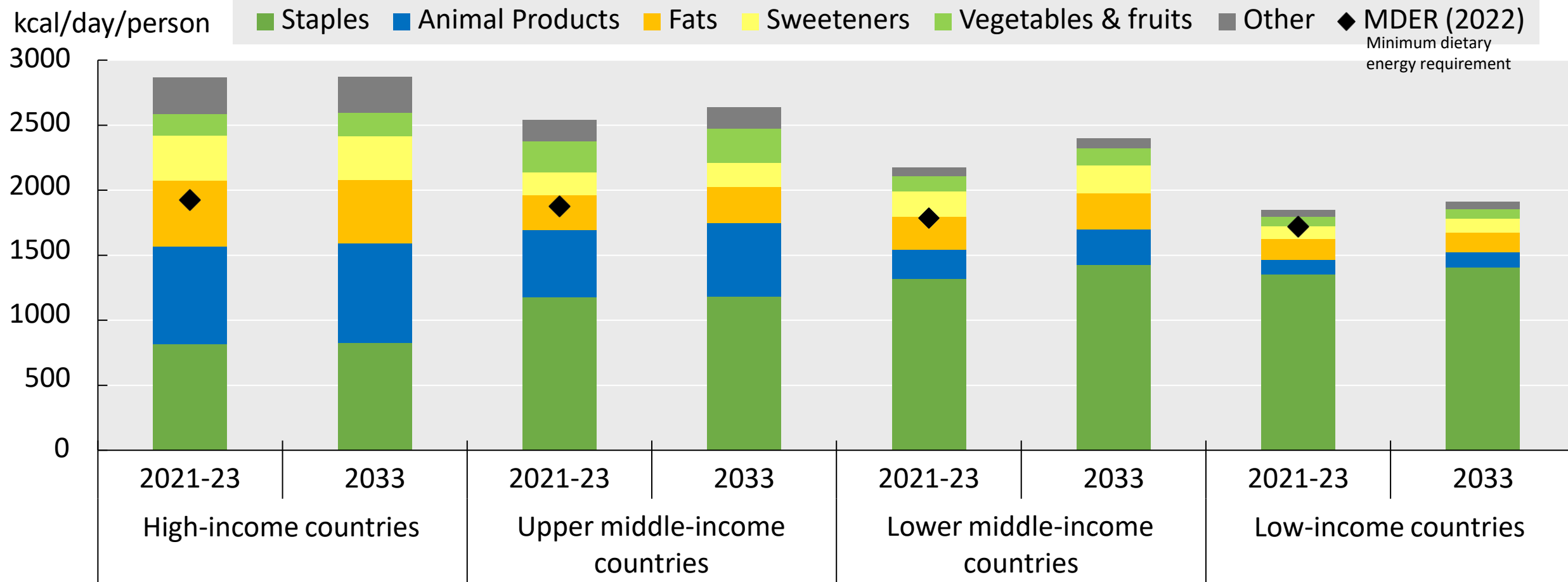
A larger share of additional consumption from India compared to China

share in additional calories consumed between 2 periods

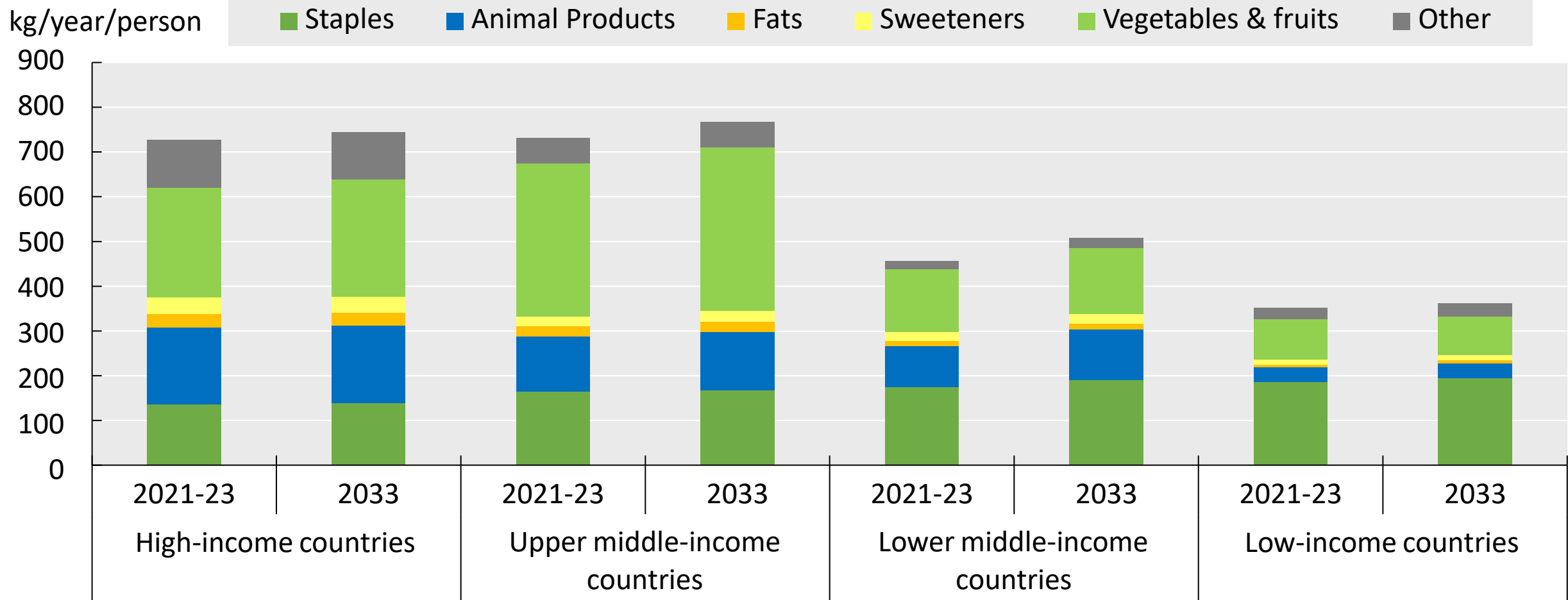


Calorie intake is rising but dietary diversification remains slow

Contribution of food groups to total daily per capita calorie intake

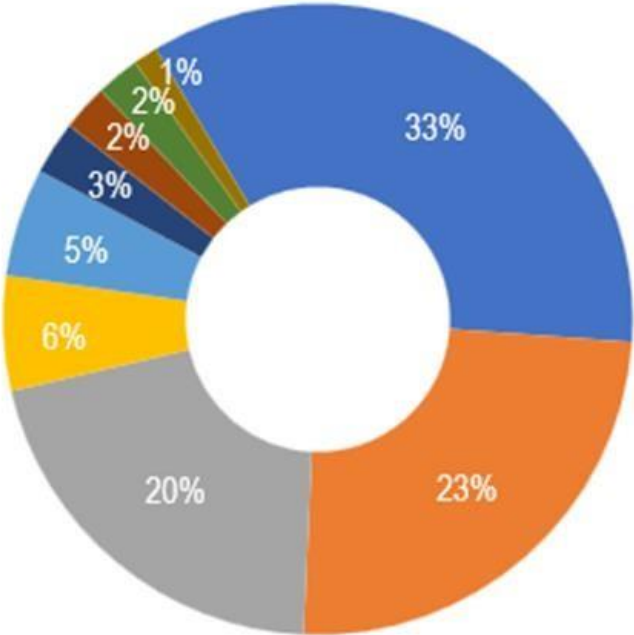


Contribution of food groups to total annual per capita consumption

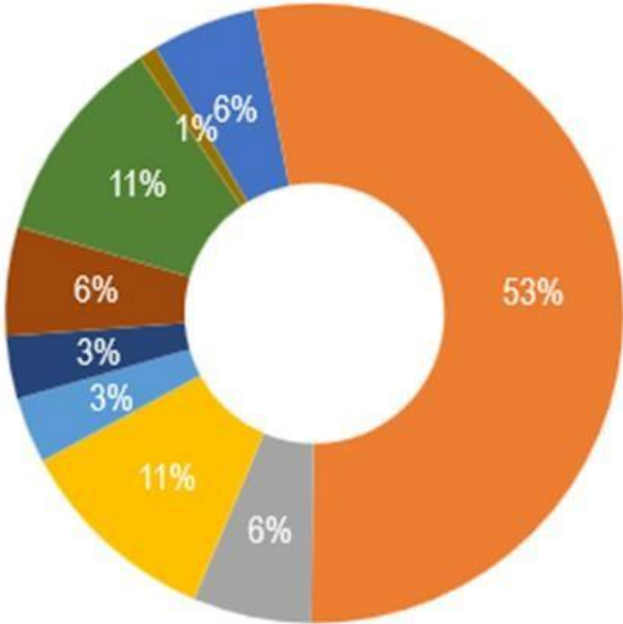


Shares of food loss and waste by commodity, 2021-2023

■ Vegetables ■ Cereals ■ Fruit ■ Pulses, roots and tubers ■ Dairy ■ Meat ■ Sweeteners ■ Oilseed products ■ Other animal food products



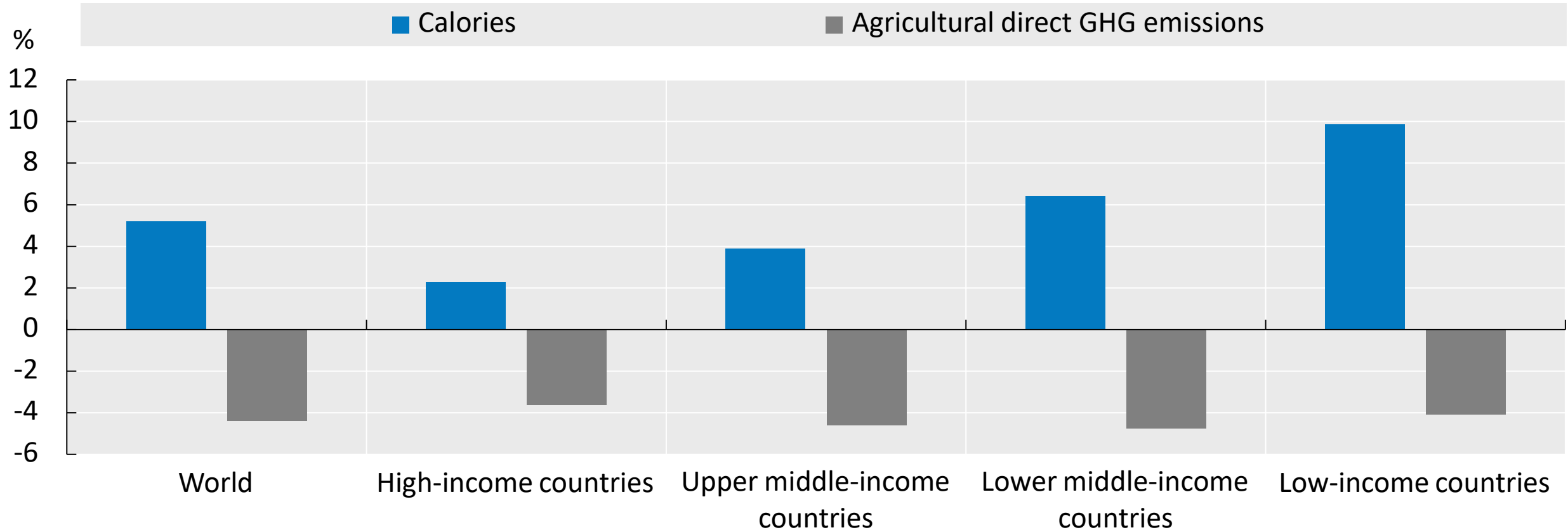
Shares as quantity



Shares as calories

Halving food loss and waste has the potential to reduce global agricultural GHG emissions by 4% and increase calorie intake by the year 2030

Globally the number of undernourished people would decline by 153 million



Two (groups of) fruits get further attention in the Outlook

- Bananas
- Tropical fruits

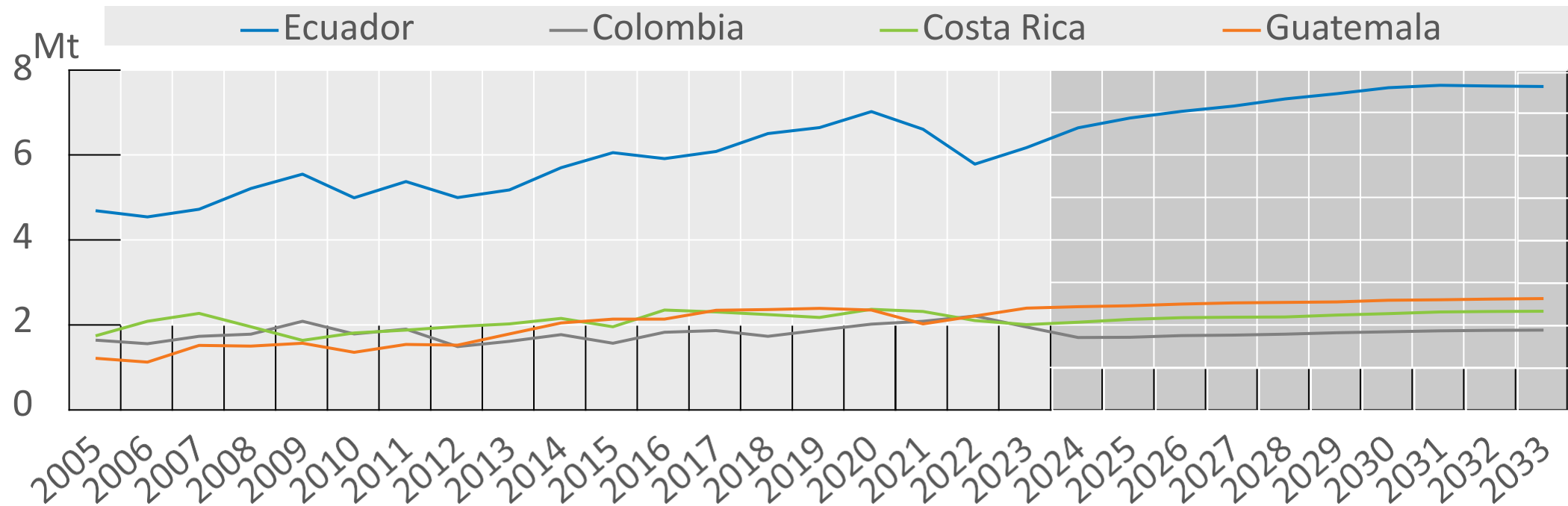
Bananas in 2023

- Global banana trade recovered in 2023, with exports reaching 19.2 Mt, though weather disruptions impacted key exporters differently, benefiting Ecuador and Guatemala but hurting Colombia, Mexico, and others.
- Reduced fertilizer use and plant diseases, especially Banana Fusarium Wilt TR4, caused production losses in several countries.
- Strong import demand in the EU and U.S. led to price increases of 8-15%, helped by lower freight costs and favorable exchange rates, with a positive outlook for 2024.

Bananas in the next decade

- Global banana production is projected to grow from 135 Mt to 160 Mt by 2033, with moderate annual growth of 1.5%, driven mainly by population dynamics, particularly in Asia, where India will lead with 43 Mt.
- Latin America and the Caribbean's production is expected to reach 37 Mt by 2033, fueled by rising demand from the EU, U.S., and China, with key exporters like Ecuador and Guatemala benefiting if weather and disease risks are managed.
- Global banana exports are projected to reach 22.6 Mt by 2033, with increased demand supporting growth, especially in the European Union, U.K., and from Africa, led by Ivory Coast.

Fig 11.3 Exports of bananas by the four major LAC exporters



Tropical fruits in 2023

- **Mangoes, Mangosteens, and Guavas** : Global exports of mango, mangosteen, and guava grew by 1% to 2.3 Mt in 2023, driven by higher exports of mangosteens from Thailand and mangoes from Brazil, Peru, and Mexico, with mangoes accounting for 85% of shipments.
- **Pineapples**: Global exports grew by 4% to 3.2 Mt in 2023, driven by favorable weather and lower freight costs in Costa Rica, the largest exporter, with shipments primarily to the U.S. and EU.
- **Avocados**: Global exports surged by 20% to 3 Mt in 2023, led by strong supply growth from Mexico, Peru, and Kenya, alongside high import demand in the U.S. and EU.
- **Papayas**: Global exports contracted by 3% to 0.365 Mt in 2023, with Mexico's exports declining due to adverse weather, while U.S. demand, the largest importer, remained solid.

Tropical fruits in the next decade

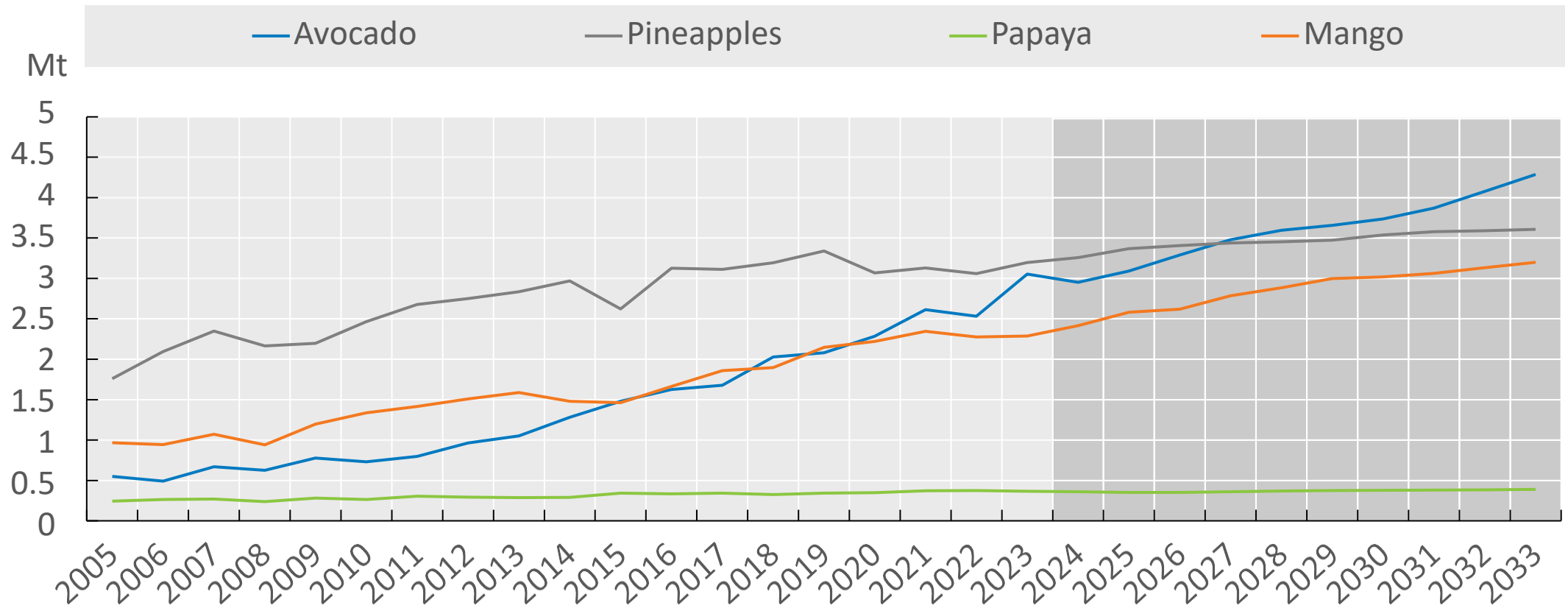
Mangoes, Mangosteens, and Guavas: Global production is projected to grow 3.6% annually, reaching 86 Mt by 2033, led by strong domestic demand in Asia, especially in India. Exports are set to rise to 3.2 Mt, driven by demand from the U.S., China, and the EU.

Pineapples: Production is expected to grow 1.5% annually to 35 Mt by 2033, with Asia remaining the largest producer. Exports are projected to reach 3.6 Mt, mainly driven by demand from the U.S., EU, and China.

Avocados: Production is projected to grow 3.5% annually, reaching 14 Mt by 2033, with Latin America leading. Exports are expected to reach 4.3 Mt, making avocados the most traded tropical fruit by 2025, driven by demand from the U.S. and EU.

Papayas: Production is set to grow 1.5% annually to 17 Mt by 2033, primarily for domestic consumption in Asia. Exports are expected to reach nearly 0.4 Mt, with growth hindered by the fruit's perishability but aided by innovations in transport technologies.

Fig 11.4 Global exports of the four major tropical fruits



Visit us at

www.agri-outlook.org

For inquiries or further information, please contact:

Hubertus Gay

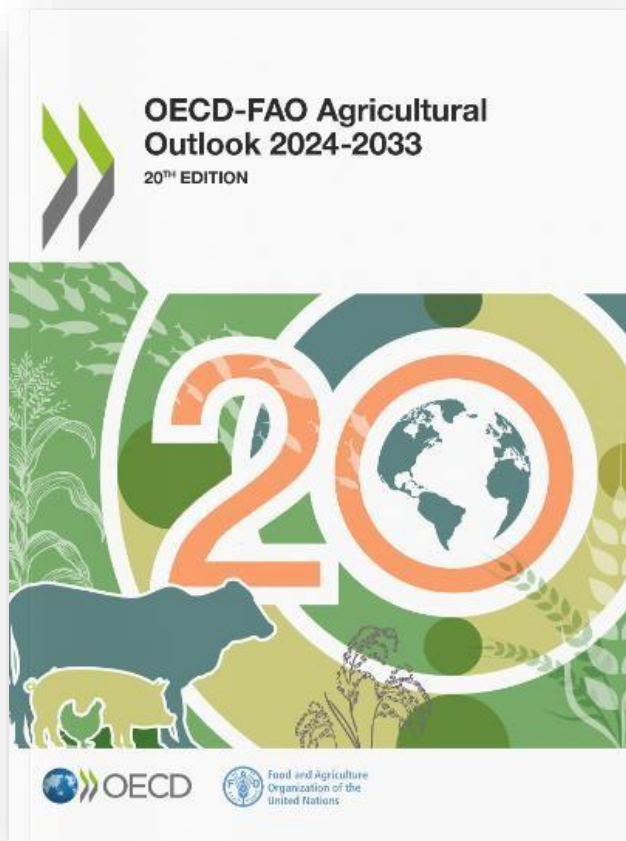
tad.contact@oecd.org

Trade and Agriculture Directorate
(OECD)

Holger Matthey

EST-Projections@fao.org

Trade and Markets Division
(FAO)



OECD-FAO Agricultural Outlook
#AgOutlook





THE FRUITS AND VEGETABLES INDUSTRY SERIES

Thank you



FRUIT AND VEGETABLES SCHEME



The OECD-COLEAD Fruits and Vegetables Industry Series focuses on market access conditions and opportunities for the fruit and vegetable sector, especially for fruit and vegetables producers and exporters from ACP-countries. This activity is supported by the Fit For Market Plus programme, implemented by COLEAD within the Framework of Development Cooperation between the Organisation of African, Caribbean and Pacific States (OACPS) and the European Union.