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FAO REGIONAL CONFERENCE FOR ASIA AND THE PACIFIC

Thirty-seventh Session

**Colombo, Sri Lanka,
31 January-2 February 2024 and 19-22 February 2024**

**State of food and agriculture in the Asia and the Pacific region:
Global and regional food security outlook**

Executive Summary

This document presents an overview of the current food security situation in Asia and the Pacific, as well as the short- and medium-term outlook for food security. It focuses on the food security dimensions of availability, access, and stability, and the impact of drivers such as climate variability and extremes, economic slowdowns and downturns, and conflict. 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. Section III discusses the agricultural outlook for the major food commodities in both the short and medium terms, and highlights emerging issues in the region.

Suggested action by the Regional Conference

The Regional Conference is invited to call upon Members to:

- take note of the information and analysis presented in this document and express concern about the deteriorating situation of food security in Asia and Pacific countries if compared with the situation before the COVID-19 pandemic;
- 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;
- express appreciation for the statistical work of FAO as the leading agency producing 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; and
- provide guidance on FAO's future support to the region, as deemed appropriate.

This and other documents can be consulted at www.fao.org

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I. Introduction

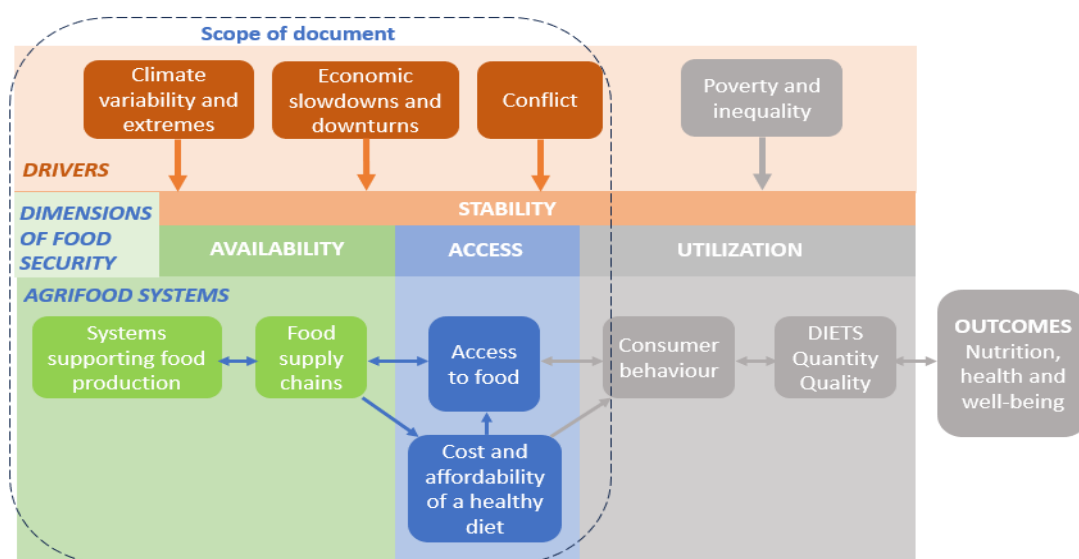
1. The assessment of the global and regional food security situation presented in this document reflects a world that was beginning to recover from the COVID-19 pandemic when the war erupted in Ukraine in early 2022, involving two major producers of agricultural commodities in the world and sending shockwaves 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 benefited 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 situation in the world and in Asia and the Pacific¹ as well as the short- and medium-term outlook for food security. As widely recognized, food security can be conceptualized by four dimensions: availability, access, stability, and utilization of food (Figure 1). This document focuses on the dimensions of availability, access, and stability, as reflected by the indicators used to describe the food security situation, and more importantly, by the elements that influence the outlook of food security presented in the document, which are based on the analysis of aggregate supply of and demand for food. At the same time, this analysis is influenced by the impact of drivers such as climate variability and extremes, economic slowdowns and downturns, and conflict. In this sense, the dimension of utilization and 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 food-crisis countries. Global and regional indicators of the cost and affordability of a healthy diet are also presented. Section III discusses the agricultural outlook for the major food commodities in both the short and medium terms, and highlights emerging issues in the region.

¹ The countries included in the Asia and the Pacific region in this document are: Afghanistan, Australia, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Cook Islands, Democratic People's Republic of Korea, Fiji, French Polynesia, India, Indonesia, the Islamic Republic of Iran, Japan, Kiribati, the Lao People's Democratic Republic, Malaysia, Maldives, the Marshall Islands, the Federated States of Micronesia, Mongolia, Myanmar, Nauru, Nepal, New Zealand, Niue, Pakistan, Palau, Papua New Guinea, the Philippines, the Republic of Korea, Samoa, Singapore, Solomon Islands, Sri Lanka, Thailand, Timor-Leste, Tonga, Tuvalu, Vanuatu and Viet Nam.

Figure 1. Impacts of drivers on food security are transmitted through agrifood systems



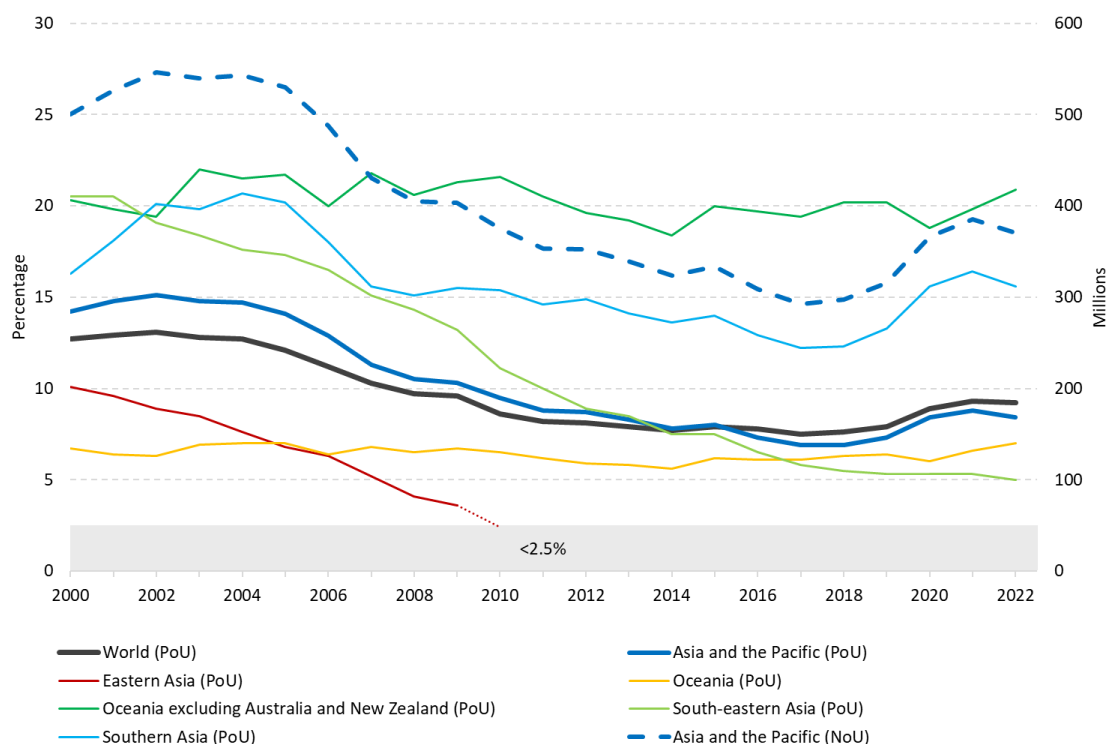
Source: Adapted from FAO, International Fund for Agricultural Development (IFAD), United Nations Children's Fund (UNICEF), World Food Programme (WFP) and World Health Organization (WHO). 2020. *The State of Food Security and Nutrition in the World 2020. Transforming food systems for affordable healthy diets*. Rome, FAO, <https://www.fao.org/3/ca9692en/ca9692en.pdf>; 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. <https://www.fao.org/3/I7846E/i7846e.pdf>

II. Global and regional food security situation

Trends in chronic food insecurity

4. After rising sharply in the wake of the COVID-19 pandemic, global hunger as measured by the prevalence of undernourishment (PoU), remained relatively unchanged from 2021 to 2022, affecting around 9.2 percent of the world population in 2022, compared with 7.9 percent in 2019 (Figure 2). It is estimated that between 691 and 783 million people in the world faced hunger in 2022. Considering the mid-range (about 735 million), 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 Asia and the Pacific region and subregions, and the number of undernourished in the region



Note: The PoU for Eastern Asia was below 2.5 percent from 2010 onwards.

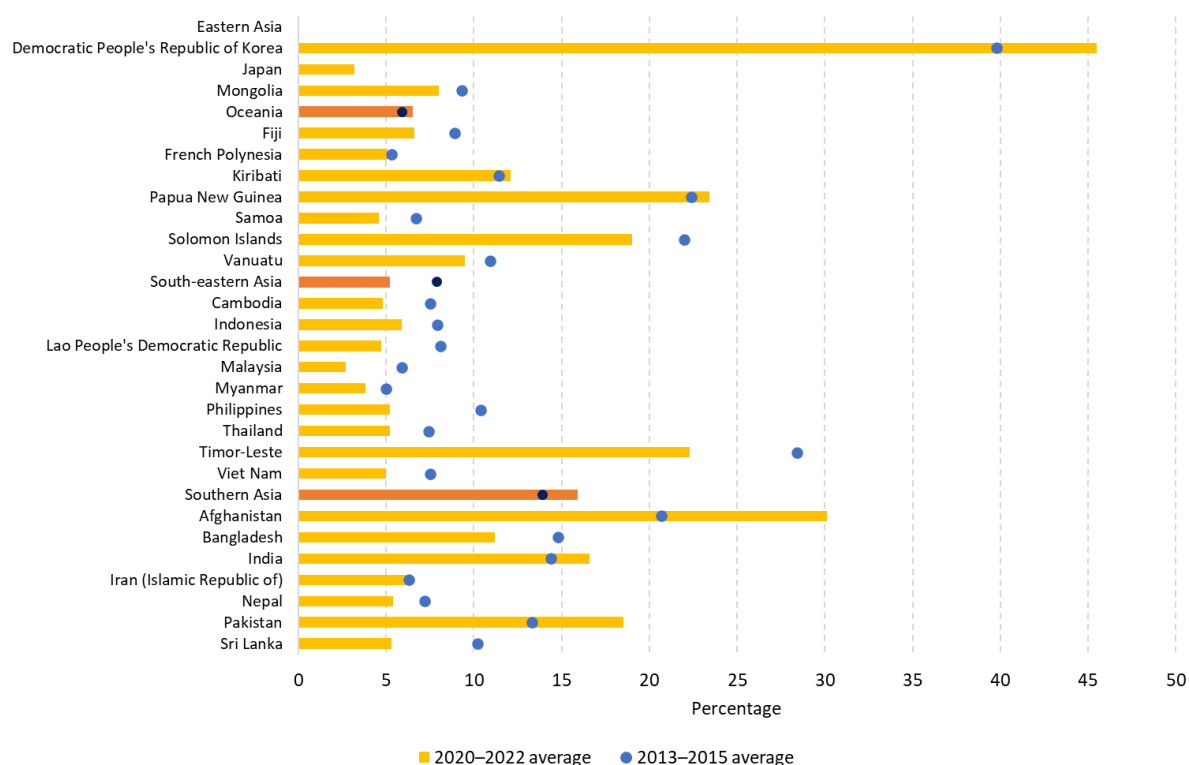
Source: Based on FAO. 2023. Suite of Food Security Indicators. In: *FAOSTAT*. Rome. [Cited July 2023].

<https://www.fao.org/faostat/en/#data/FS>

5. The PoU estimate for Asia and the Pacific for 2022 points to a turnaround in the trend of hunger, which had been on the rise in the region since 2018 (Figure 2). The PoU fell from 8.8 percent in 2021 to 8.4 percent in 2022 – a decrease of more than 14 million people, mostly in Southern Asia. However, this is still 55 million above pre-pandemic levels. Southern Asia and South-eastern Asia both experienced a turnaround, with the largest improvement in Southern Asia, where the PoU decreased from 16.4 percent in 2021 to 15.6 percent in 2022, equivalent to 12.4 million fewer people facing hunger. When compared with 2021, South-eastern Asia showed a reduction of 1.9 million undernourished people in 2022. Conversely, the proportion of the population affected by hunger increased in Oceania, from 6.6 percent in 2021 to 7.0 percent in 2022. For Oceania, excluding Australia and New Zealand, the increase was larger, from 19.8 percent to 20.9 percent in the same period.

6. Figure 3 shows the PoU by country and subregion for 2013–2015, before the launch of the 2030 Agenda for Sustainable Development, and for 2020–2022. The countries with highest percentages of undernourishment in 2020–2022 were the Democratic People’s Republic of Korea in Eastern Asia (above 45 percent) and Afghanistan in Southern Asia (30 percent). The other countries with high prevalences were: Papua New Guinea and Solomon Islands in Oceania; Timor-Leste in South-eastern Asia; and India and Pakistan in Southern Asia. While the food security situation has deteriorated notably in Afghanistan, the Democratic People’s Republic of Korea and Pakistan since 2013–2015, and less so in India, improvements have been seen in all countries in South-eastern Asia – most notably in the Philippines and Timor-Leste, with decreases of more than 5 percentage points between 2013–2015 and 2020–2022.

Figure 3. Prevalence of undernourishment in Asia and the Pacific by country and subregion (2013–2015 and 2020–2022)



Notes: The average PoU for Eastern Asia was below 2.5 percent in both periods.

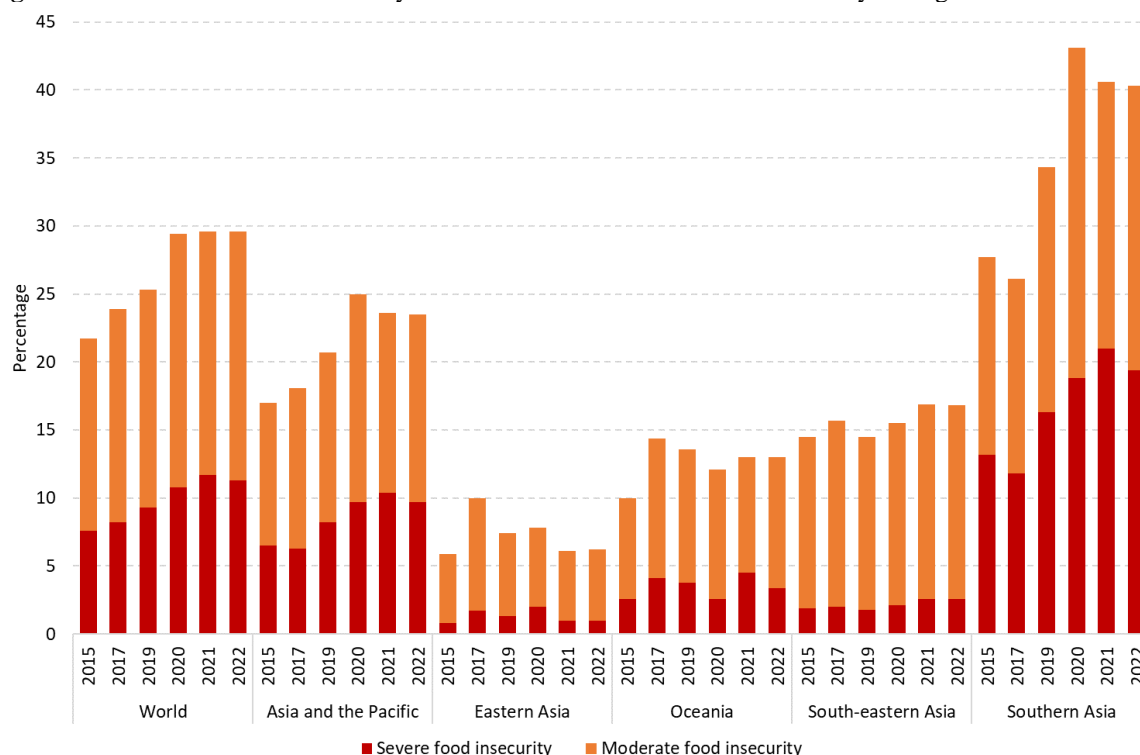
Source: FAO. 2023. Suite of Food Security Indicators. In: *FAOSTAT*. Rome. [Cited July 2023].

<https://www.fao.org/faostat/en/#data/FS>

7. It is projected that almost 600 million people in the world will be chronically undernourished by 2030, pointing to the immense challenge of achieving the Sustainable Development Goals target to eradicate hunger. However, progress is expected to be made in Asia and the Pacific, where the number of undernourished is projected to fall from the current 371 million to 202 million people by 2030.

8. The prevalence of moderate or severe food insecurity based on the Food Insecurity Experience Scale is an estimate of the proportion of the population facing moderate or severe constraints on their ability to obtain sufficient food over the course of a year. People face moderate food insecurity when they are uncertain of their ability to obtain food and have been forced to reduce, at times over the year, the quality and/or quantity of food they consume due to lack of money or other resources. Severe food insecurity means that individuals have likely run out of food, experienced hunger and, at the most extreme, have gone for days without eating, putting their health and well-being at serious risk.

9. Figure 4 shows the prevalence of food insecurity in the world, Asia and the Pacific and subregions. The prevalence of moderate or severe food insecurity at the global level remained unchanged for the second year in a row after increasing sharply from 2019 to 2020. About 29.6 percent of the global population – 2.4 billion people – were moderately or severely food-insecure in 2022, of whom about 900 million (11.3 percent of people in the world) were severely food-insecure.

Figure 4. Prevalence of food insecurity in the world and in Asia and the Pacific 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>

10. The prevalence of food insecurity in Asia and the Pacific, at both levels of severity, has been below global levels since 2015. Similar to the trend observed at the global level, a marginal decrease in food insecurity was registered in Asia and the Pacific between 2021 and 2022, where 23.5 percent of the population was facing moderate or severe food insecurity in 2022. The prevalence of severe food insecurity in the region was 9.7 percent, compared with 11.3 percent for the world.

11. Moderate or severe food insecurity remained virtually unchanged in all subregions of Asia from 2021 to 2022, although there are large differences in prevalence among them, with the highest levels in Southern Asia and the lowest in Eastern Asia. The percentage of people facing moderate or severe food insecurity ranged from 6.2 percent in Eastern Asia to 40.3 percent in Southern Asia, which is home to more than one-third of the world's moderately or severely food-insecure population – about 809 million people. Southern Asia also has the highest prevalence of severe food insecurity in the region, although this did decrease by 1.6 percentage points from 2021 to 2022, the equivalent of 28.7 million people.

12. In terms of numbers, 1.03 billion people – nearly 44 percent of the world's food-insecure people – lived in Asia and the Pacific, including 424.6 million people facing severe food insecurity.

13. Estimates of the prevalence of moderate or severe food insecurity for the period 2020–2022 show that Afghanistan, which is part of Southern Asia, had the highest prevalence in the Asia and the Pacific region – nearly 80 percent. Within this subregion, Pakistan and Iran had prevalences above 40 percent, and Nepal and Bangladesh had prevalences above 30 percent. In South-eastern Asia, the prevalence of moderate or severe food insecurity exceeded 40 percent in Cambodia and the Philippines, and was above 30 percent in the Lao People's Democratic Republic. Countries in Eastern Asia, on the other hand, showed the lowest prevalences. In Oceania, Kiribati had the highest prevalence (over 40 percent) of moderate or severe food insecurity.

14. The latest sex-disaggregated data show that, overall in the Asia and the Pacific region, women are more severely food-insecure than men, with Southern Asia accounting for the largest gap in prevalence of severe food insecurity between the two sexes. In 2022, Southern Asia also had the

highest prevalence of moderate or severe food insecurity for women (42.7 percent) compared to men (37.3 percent). Eastern Asia, on the other hand, had a higher prevalence of moderate or severe food insecurity among men (6.8 percent) as compared to women (5.6 percent) in 2022.

Acute food insecurity situation in food-crisis countries²

15. When considering all countries in the world classified as “food crisis” countries, 258 million people were estimated to be facing “high levels”³ of acute food insecurity in 2022. This includes 35 million people facing emergency levels and 376 000 in catastrophe.

16. Due to the evolving scope and changed/increased coverage of the various editions of the reports, it is difficult to compile consistent series of comparable figures over time. Nevertheless, it is worth noting that the total number of people facing high levels of acute food insecurity reported in the *Global Report on Food Crises (GRFC)* increased for the third year in a row, from 155 million in 2020 to 193 million in 2021, to 258 million in 2022.

17. In Asia and the Pacific, around 51 million people were estimated to be facing acute food insecurity at severity levels that correspond to that of Integrated Food Security Phase Classification (IPC) Phase 3 (“crisis”) or worse in five countries affected by major food crises in 2022.⁴ Of these, 19.9 million were in Afghanistan, 15.2 million in Myanmar, 8.6 million in the Balochistan, Khyber Pakhtunkhwa and Sindh regions of Pakistan, 6.27 million in Sri Lanka, and 1.28 million among the Rohingya refugees who lived in Cox’s Bazar, Bangladesh. The figure includes 8.7 million people in “emergency” (IPC Phase 4) across Afghanistan (6.08 million) and the three provinces of Pakistan included in the assessments (2.59 million).⁵ Myanmar and Sri Lanka, which have been categorized as major food crises for the first time with the 2023 edition of the GRFC, together accounted for over 21 million people facing high levels of acute food insecurity in 2022.

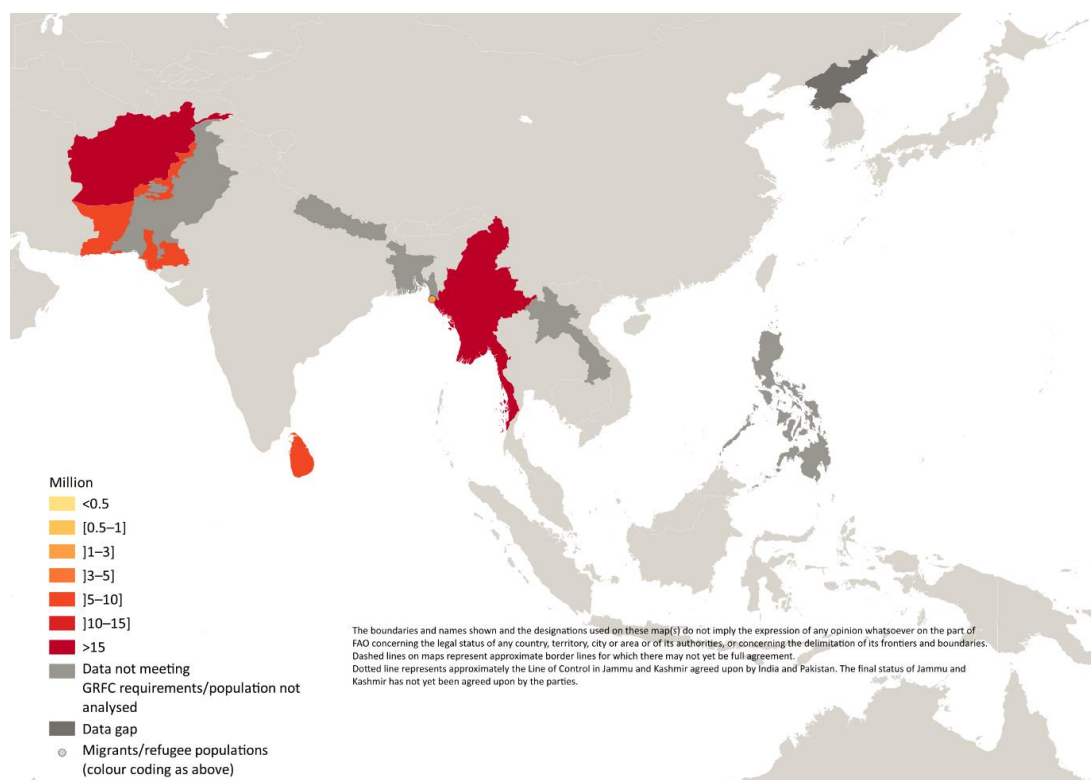
² This section is based on the Global Report on Food Crises (GRFC) 2023 published in May and on the GRFC 2023 Mid-Year Update published in September. Both report assessments that refer to the situation in 2022. Additional information on hunger hotspots of highest and high concern is derived from the FAO/WFP Hunger Hotspots reports published in May and in October 2023.

³ Food insecurity is considered to have reached “high levels” when it corresponds to IPC phase 3 (“crisis”) or more according to the definitions set by the IPC analytic approach. See <https://www.ipcinfo.org>.

⁴ These include: Afghanistan, Myanmar, Sri Lanka and selected population groups or territories in Bangladesh (the Rohingya refugees hosted in Cox’s Bazar) and in Pakistan (Balochistan, Khyber Pakhtunkhwa and Sindh). Other countries in Asia and the Pacific that requested assistance in 2022 were: the Democratic People’s Republic of Korea, the Lao People’s Democratic Republic, Nepal, the Philippines and Tajikistan. However, no suitable data was available to produce estimates of acute food-insecure people in these countries. For details, see [FSIN and Global Network Against Food Crises. 2023](#).

⁵ In Afghanistan, no populations were in IPC Phase 5 (“catastrophe”) during the November 2022–March 2023 peak period, but there were over 20 000 people in this phase in March–May 2022.

Figure 5. Number of people facing high levels of acute food insecurity in 2022 in five countries/territories in Asia and the Pacific affected by major food crises



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

18. Compared to the previous assessment for 2021, in Afghanistan, there was a decrease of 2.9 million people facing high levels of acute food insecurity, largely thanks to scaled-up efforts of humanitarian partners during the March–May lean season.⁶ In the three provinces of Pakistan, in the last quarter of 2022, the number of people in IPC Phase 3 or above increased largely due to the impact of floods on food production, prices and livelihoods, but also because more districts were included in the analysis, so that the total analysed population increased by 1.2 million.⁷ In Cox’s Bazar, Bangladesh, the number of Rohingya refugees estimated to face high levels of acute food insecurity, remained similar each year (1.28 million in 2022) since more than 700 000 sought refuge there in 2017.⁸

19. More recent information from hunger hotspots of highest concern⁹ reveals that, as of August 2023, the number of people facing acute food insecurity at severity levels that correspond to IPC Phase 3 or worse appears to have been reduced significantly in Sri Lanka. Economic shocks, on the other hand, are still the primary driver of acute food insecurity in all four countries in Asia for which 2023 data is available – Afghanistan, Bangladesh, Pakistan and Sri Lanka. Conflict in parts of Afghanistan and the lingering effects of weather extremes in Bangladesh and Pakistan also contribute to acute food insecurity. No data is available for Myanmar to provide an update of the situation in 2023.

⁶ <https://reliefweb.int/report/afghanistan/afghanistan-humanitarian-needs-overview-2023-january-2023>.

⁷ <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1156103/?iso3=PAK>

⁸ <https://humanitarianaction.info/plan/1143>

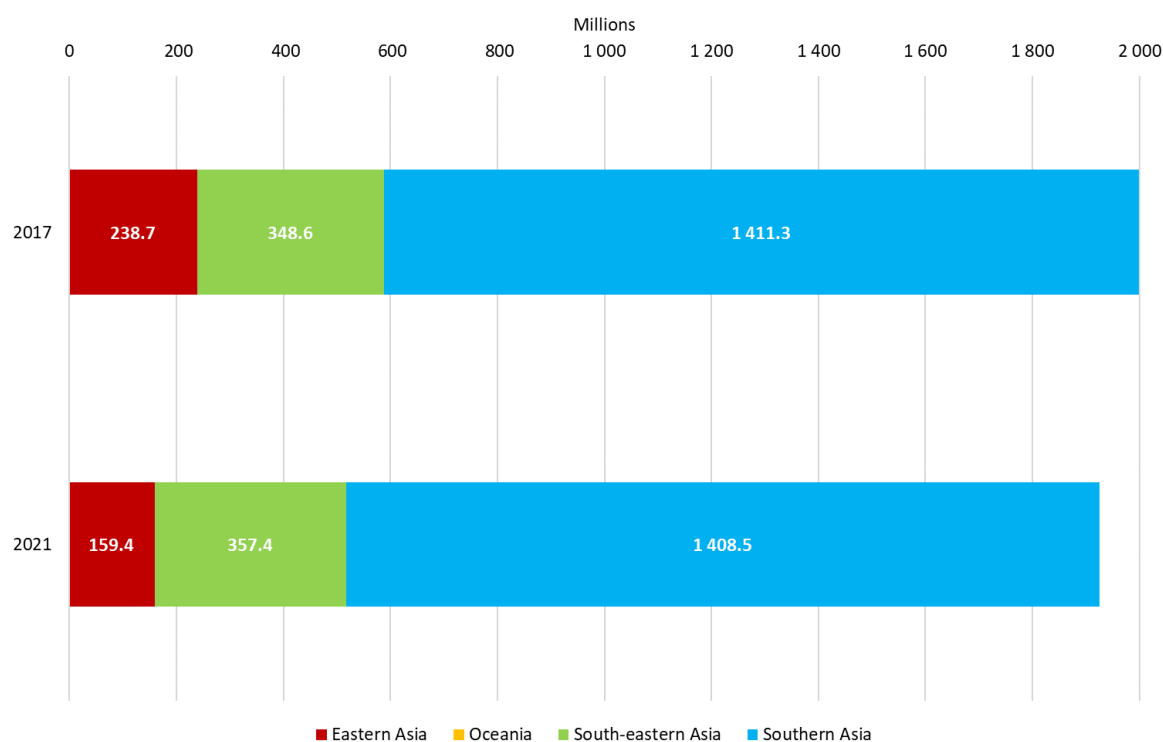
⁹ See WFP and FAO. 2023. *Hunger Hotspots. FAO-WFP early warnings on acute food insecurity, June 2023 to November 2023 outlook*. Rome. <https://doi.org/10.4060/cc6206en> and WFP and FAO. 2023. *Hunger Hotspots. FAO-WFP early warnings on acute food insecurity: November 2023 to April 2024 outlook*. Rome. <https://doi.org/10.4060/cc8419en>

Evolution of the cost and affordability of a healthy diet

20. In 2021, the average cost of a healthy diet in Asia and the Pacific was estimated at 4.15 purchasing power parity (PPP) dollars per person per day, representing a notable increase compared to 2017 (3.64 PPP dollars). Between 2020 and 2021, the cost grew higher in the region (5.3 percent), moving from 3.94 PPP dollars to 4.15 PPP dollars. This surge affected all subregions, with Southern Asia leading the way with a 6.9 percent increase, followed by Oceania (excluding Australia and New Zealand) (5.2 percent), South-eastern Asia (4.8 percent), and Eastern Asia (4.1 percent).

21. Out of the 3.1 billion people in the world who were unable to afford a healthy diet in 2021, 1.9 billion, or 61 percent, were found in Asia and the Pacific. In spite of the substantial number, there was an improvement in 2021 as the diet was out of reach for 73 million fewer people compared to 2017. Breaking it down by subregion, Southern Asia showed the highest number (1.4 billion) and proportion (72 percent) of people unable to afford a healthy diet in 2021, far above the regional average of 46 percent. South-eastern Asia followed with 357.4 million people, or 55 percent of people, unable to afford a healthy diet, indicating an increase of 8.8 million compared to 2017 (Figure 6).

Figure 6. Number of people unable to afford a healthy diet in Asia and the Pacific by subregion in 2017 and 2021



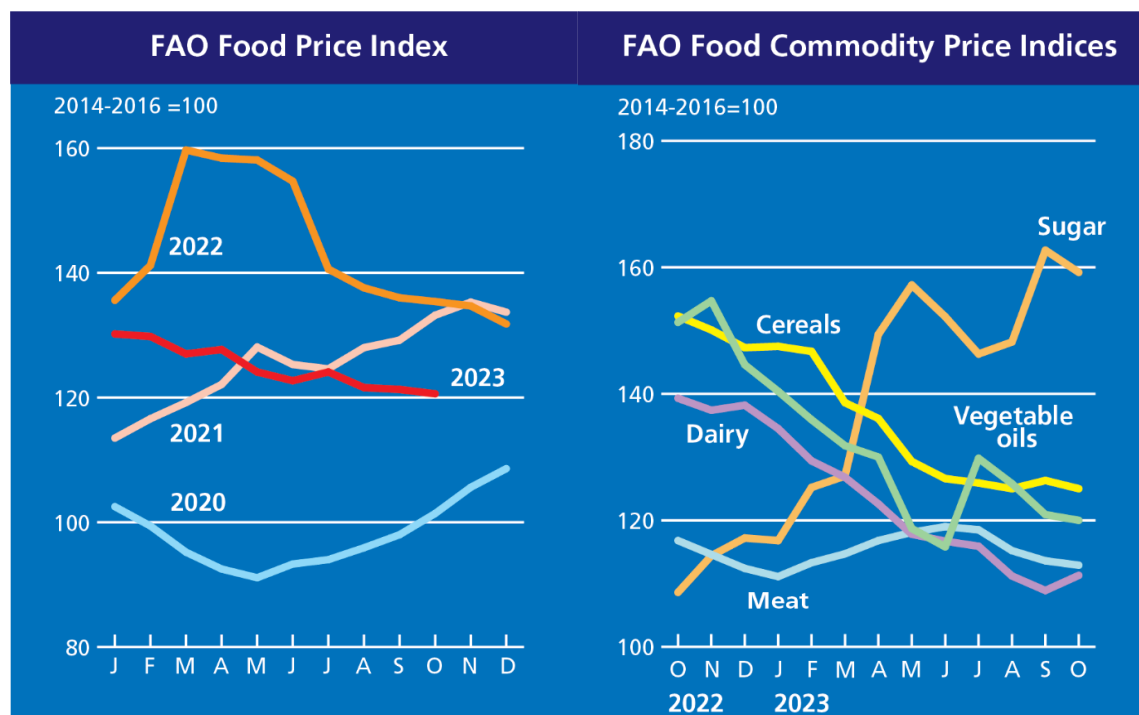
Source: FAO. 2023. Cost and Affordability of a Healthy Diet (CoAHD). In: *FAOSTAT*. Rome. [Cited July 2023]. <https://www.fao.org/faostat/en/#data/CAHD>

III. Global and Regional Agricultural Outlook

III.1. Global Outlook

Current market situation and short-term outlook

22. 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 2023-2024 seasons.

Figure 7. FAO Food Price Index (left) and Price Indices for commodity groups (right)

Source: FAO. 2023. Food Price Index.

<https://www.fao.org/worldfoodsituation/foodpricesindex/en/>

23. FAO forecasts suggest that the world's 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.

24. In the 2023-2024 marketing seasons, global rice production is forecast to recover, with expectations for utilization to stagnate on subdued import demand and rice export restrictions (most notably in India), and a recovery in reserves concentrated in a few countries. International trade in rice in 2024 is forecast to remain stable at the 2023 reduced level.

25. World oilseeds production is anticipated to expand in 2023-2024, 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.

26. Regarding livestock products, 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 8. Global cereal production, utilization and stocks

Source: FAO. November 2023. Cereal Supply and Demand Brief. <https://www.fao.org/worldfoodsituation/fao-cereal-supply-and-demand-brief/en>

27. Historically high national food prices, weak national 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 to and availability of food for the most vulnerable.

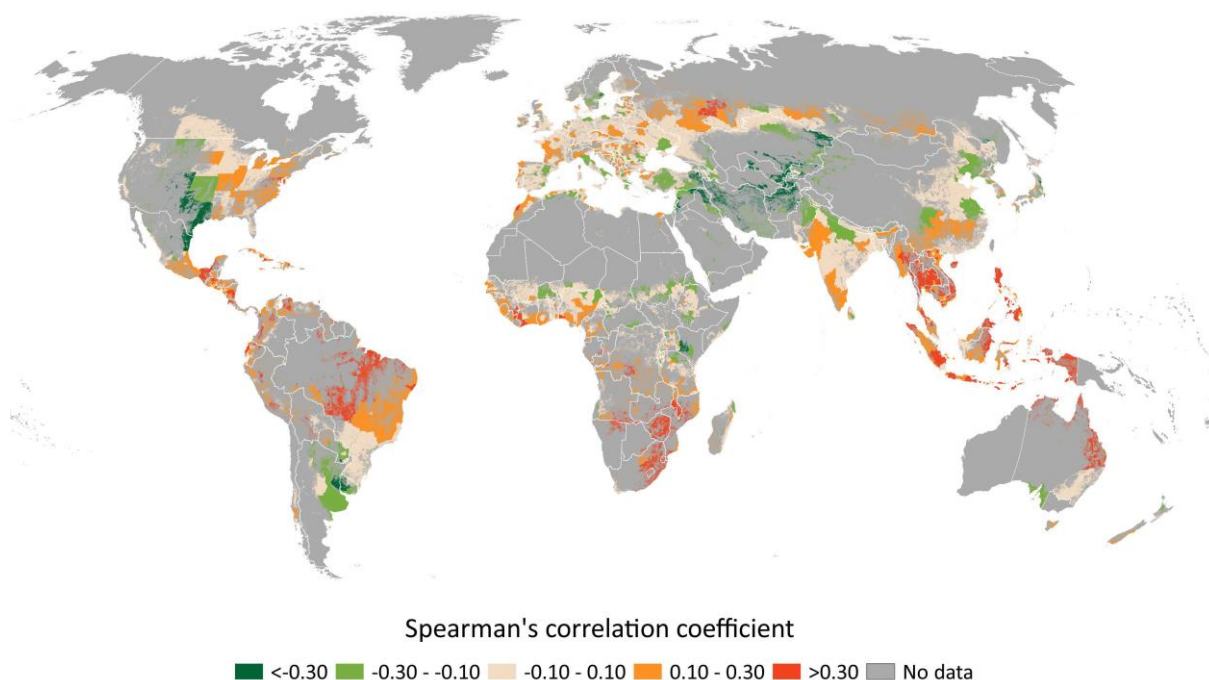
28. Adverse weather conditions, especially associated with the ongoing El Niño event, are expected to intensify the lingering impacts of droughts, excessive rainfall and floods, lowering yields and constraining food production worldwide (Figure 9).

29. 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, while the cessation of the Black Sea Grain Initiative in mid-July increased freight costs.

30. Challenging logistics at some prominent points of origin, including low water levels in 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.

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

Figure 9. Correlation between vegetation conditions in croplands and El Niño events (Spearman correlation coefficient)



Source: FAO, *El Niño to return in 2023 following a three-year La Niña phase*. Global Information and Early Warning System (GIEWS) update. 26 April 2023.

Medium-term outlook

32. Over the decade 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 alongside a decline in the population of China. Meanwhile, global economic growth will result in per capita income growth in most parts of the world. Projected rates of inflation are expected to slow down over the next ten years.

33. 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.

34. 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.

35. Growth in global consumption of animal products requires 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 10).

36. Based on ongoing investments in technology, infrastructure and training, growth in total global agricultural production is expected to be 1.1 percent per year. Most of this growth will occur in middle- and low-income countries. Global crop production growth will mainly be driven by increased productivity rather than increased land use.

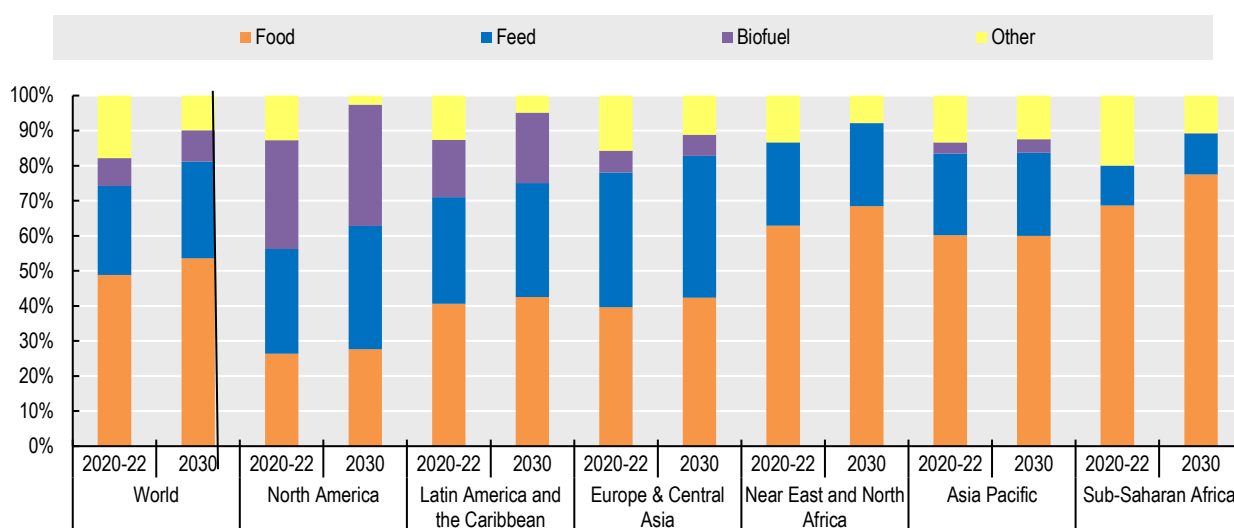
37. Similar to the trends in crop production, a large share of the projected growth in livestock and fish production will result from improvements in per animal productivity resulting from more efficient herd management and higher feed intensity.

38. 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 11).

39. 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.

40. 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 the longer term, climate change and environmental policies may cause market disruptions and reshape global patterns of production (Figure 12).

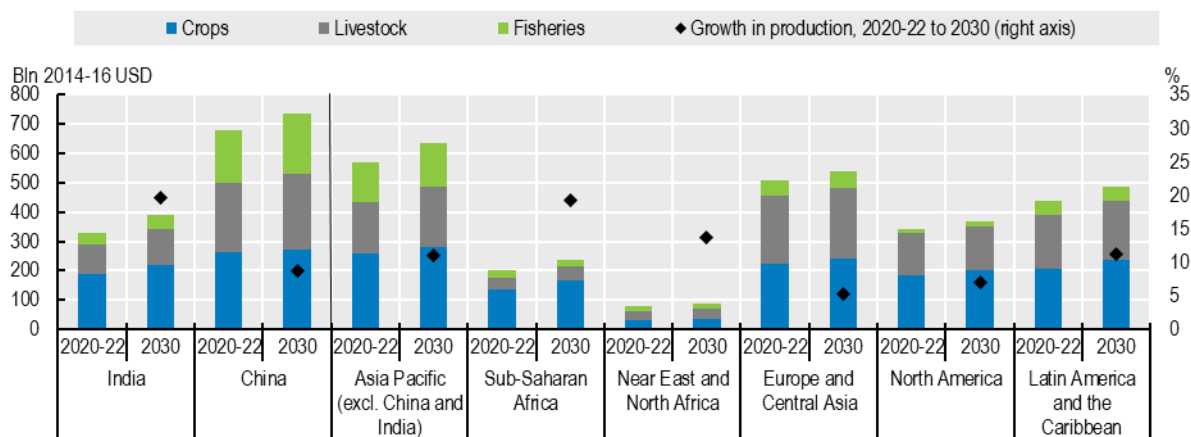
Figure 10. Use of agricultural commodities by type and region



Note: the shares are calculated as use in calorie equivalent.

Source: Organization for Economic Co-operation and Development (OECD)/FAO. 2023. *OECD-FAO Agricultural Outlook 2023–2032*. OECD Publishing, Paris. <https://doi.org/10.1787/08801ab7-en>

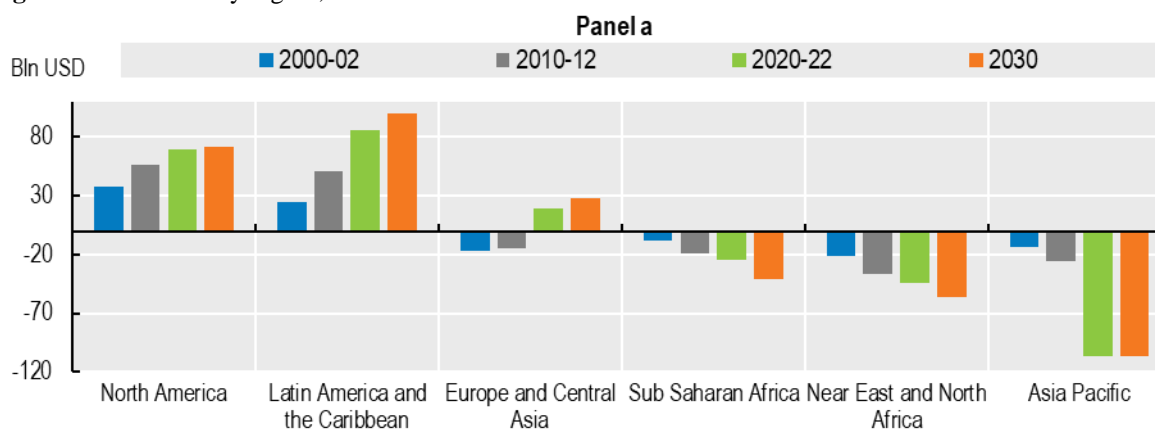
Figure 11. Trends in global agricultural production



Note: Estimates are based on historical time series from the FAOSTAT Value of Agricultural Production domain which are extended with the Outlook database. The remaining products are trend extended. The Net Value of Production uses own estimates for internal seed and feed use. Values are measured in constant USD of the period 2014-2016.

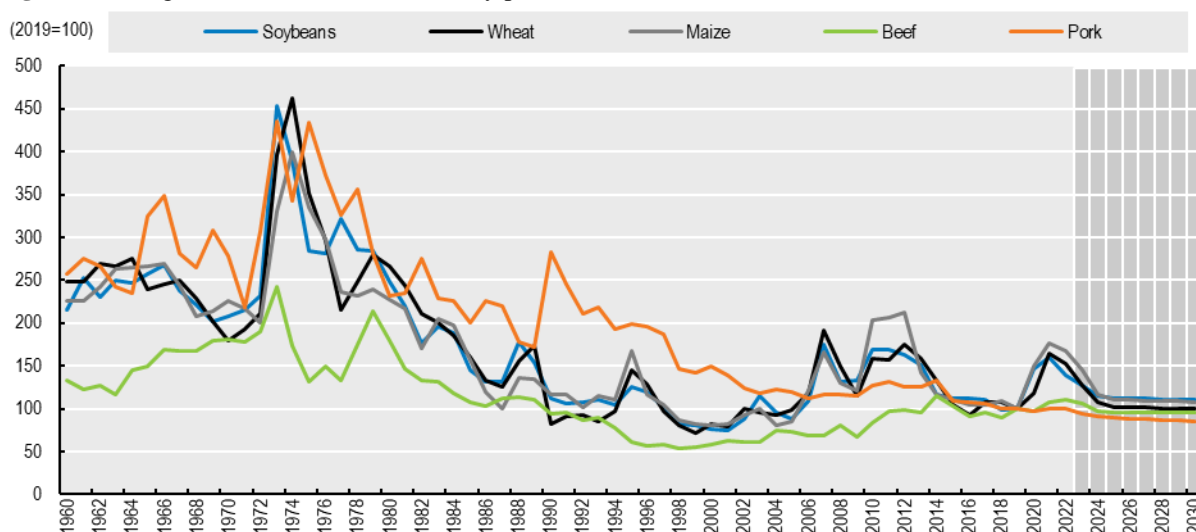
Source: OECD/FAO. 2023. *OECD-FAO Agricultural Outlook 2023–2032*. OECD Publishing, Paris. <https://doi.org/10.1787/08801ab7-en>

Figure 12. Net trade by region, in constant value



Note: Net trade (exports minus imports) of commodities covered in the Agricultural Outlook, measured in constant 2014–16 USD. Net trade figures include intra-regional trade but exclude intra-European Union trade.

Source: OECD/FAO. 2023. *OECD-FAO Agricultural Outlook 2023–2032*. OECD Publishing, Paris. <https://doi.org/10.1787/08801ab7-en>

Figure 13. Long-term evolution of commodity prices, in real terms

Note: Historical data for soybeans, maize and beef from World Bank, "World Commodity Price Data" (1960-1989). Historical data for pork from United States Department of Agriculture (USDA) QuickStats (1960-1989).

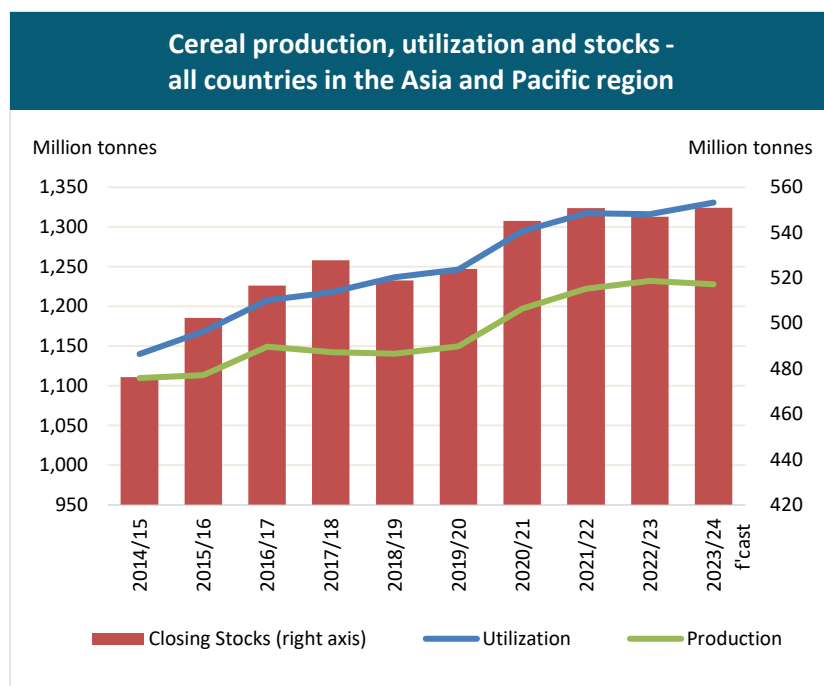
Source: OECD/FAO. 2023. *OECD-FAO Agricultural Outlook 2023–2032*. OECD Publishing, Paris.

<https://doi.org/10.1787/08801ab7-en>

III.2. Regional Outlook

Current market situation and short-term outlook

41. In the Asia and the Pacific region, cereal production is forecast at 593 million tonnes in 2023, about 1 percent above last year's output and 2 percent above the three-year average between 2020-2021 and 2022-2023, reflecting a 3 percent increase expected in coarse grains production (mainly maize) offset by a slight decline in wheat production.

Figure 14. Cereal production, utilization and stocks in the region

Source: FAO. November 2023. Cereal Supply and Demand Brief. <https://www.fao.org/worldfoodsituation/fao-cereal-supply-and-demand-brief/en>

42. In the 2023-2024 marketing seasons, rice production in the region is forecast to expand by 1.1 million tonnes to 469.7 million tonnes (milled basis), driven by a production recovery in Pakistan and upturns in Cambodia, Myanmar and Sri Lanka, together with anticipated expansions in Bangladesh and Viet Nam, and offset by reductions in some Southern and Southeast Asian producers. Rice utilization is expected to remain stable at 442.0 million tonnes while closing stocks are expected to increase to an all-time high of 187.0 million tonnes. Rice imports are expected to remain high for the fourth successive year in 2024 at 20.4 million tonnes, sustained by efforts to increase stockpiles. Production of millet, a food commodity gaining prominence as a climate-smart and nutritious alternative to other cereals, is forecast at 15 million tonnes, accounting for 50 percent of total world production.

43. The production of oilseeds, vegetable oils and oilmeals is forecast to decline somewhat in 2023-2024 due to sub-optimal weather conditions in some producing areas, while the utilization will likely expand moderately. With ample stocks accumulated during the previous season, imports of oilseeds and vegetable oils are expected to drop marginally, particularly in China and India, respectively.

44. Meat production in the Asia and the Pacific region is expected to increase by 2.4 percent in 2023 to nearly 154 million tonnes, driven principally by rising pig meat production in China. Price-driven consumer preferences for meat will likely increase poultry and ovine meat imports. Reflecting abundant supplies and competitive prices, Oceania is expected to increase shipments.

45. Milk yield improvements, especially in large-scale dairy farms and rising herd numbers, will likely drive milk output in India and China, raising total milk production by 2.3 percent to 403 million tonnes. Higher domestic production, ample inventories in China, the world's largest dairy importer, and sluggish economic growth and currency depreciations could lower dairy imports elsewhere. The region's exports could rise by 1.7 percent to 26 million tonnes, driven by higher shipments from New Zealand due to abundant supplies and robust global demand.

46. Much of the increase in the production of staple food commodities, mainly wheat and rice, was driven by attractive producer prices, prompted by minimum guaranteed prices, and increased availability and access at reduced prices of inputs.

47. Planting of the mostly irrigated 2024 winter wheat crop is ongoing under generally adequate soil moisture conditions, with increases in the area planted above average in leading producer countries, especially China, based on strong domestic demand in line with the recovery in economic activities, and India and Pakistan on high domestic prices and adequate water availability. However, lower yields in some countries due to an erratic distribution of monsoon rains could partially offset these gains.

48. Weather forecasts indicate a high likelihood of below-average precipitation between November 2023 and March 2024 in several countries, including parts of Indonesia, the Philippines, Timor-Leste and Sri Lanka, due to the prevailing El Niño event. This could moderate prospects for producing staple food commodities, including wheat, rice, and vegetable oils and oilseeds. Given the limited prospects for economic growth in leading economies, there is uncertainty over the feed demand from the livestock sector, possibly negatively impacting vegetable oil and oilseed production.

49. While producer prices of staple food commodities have improved, producer prices of livestock farmers have remained unattractive, especially for smallholders, due to persistently high feed, feed ingredients and energy costs, and their limited access (see Figure 13). While lower producer margins have led to increased meat production this year amidst the early sale of animals for slaughter, smallholders' exit from the industry could dent production prospects in the months ahead.

50. While international food prices have fallen significantly, high retail food prices, especially rice, remain a serious concern in the region. Many fundamental factors that drove food price increases, including high feed, fertilizer and energy costs, and their broader availability and access, continue to challenge production prospects in many countries.

Medium-term outlook

51. The population of the region is expected to expand by 193 million people by 2030, intensifying resource pressures, and making productivity gains and sustainability key policy objectives. Average per capita income growth to 2030 is expected to be 1.4 percent per year. Rising income will be a key driver of demand in low- and medium-income countries, while consumer preferences may be more important in the high-income countries of the region. Urbanization estimates suggest that by 2030, 55 percent of people in the region will reside in urban settings, which contributes to dietary change and to agrifood systems transformation.

52. By 2030, average calorie availability for consumption is projected to increase by 177 kcal/person/day to approach 2950 kcal despite high inflation and the surging cost of living. Rice consumption per capita is projected to level off at the regional level. By contrast, per-capita wheat consumption is set to increase. Meat consumption is projected to rise to 24 kg/capita in 2030, but there remains significant divergence within the region. Fish consumption is expected to grow to 28 kg/capita. Dairy consumption will also expand by 20 percent (see Figure 16).

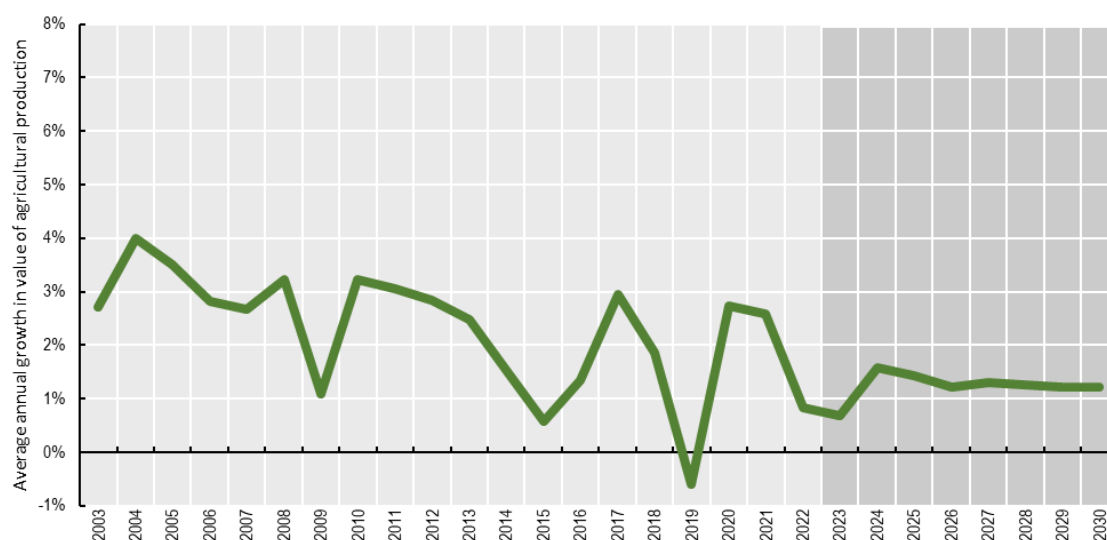
53. The total value of agricultural and fish production in the region is projected to expand by 12 percent by 2030 (see Figure 15). The region remains a major contributor to global grain output, notably in rice and wheat. It also contributes significantly to global vegetable oil production, much of which is obtained from palm oil output in Malaysia and Indonesia, whose combined production will grow by 9 percent to 2030. The pig herd has largely been rebuilt, and medium-term pigmeat production growth reflects large-scale intensification in the sector.

54. The region's 22 percent growth in milk production is attributed predominantly to an expansion in cow numbers. Nearly 70 percent of global fish output will continue to be produced by the region, mostly from a combination of capture fisheries and aquaculture production in China.

55. The region is the largest net importer of agricultural commodities, accounting for over 40 percent of global imports. Net imports are trending higher over the medium term as demand outpaces supply. The region is also a major exporter, contributing 20 percent of global agricultural exports. Rice exports are projected to rise to 54 metric tonnes. Net exports of vegetable oil from the region are projected to contract slightly by 2030. Being the main fish producer in the world, the region is a growing exporter of fish and fish products.

56. The main challenges facing the region relate to its ability to sustainably increase productivity and innovation, particularly in the face of resource limitations, climate change risks, and the region's growing population. In some areas, water resources have reached critically low levels and parts of the region are highly vulnerable to climate change. Growth in crop production will need to result from productivity enhancements and intensification, but there are mounting environmental and food safety concerns. Among the major threats specific to meat production are animal diseases such as African swine fever and avian influenza.

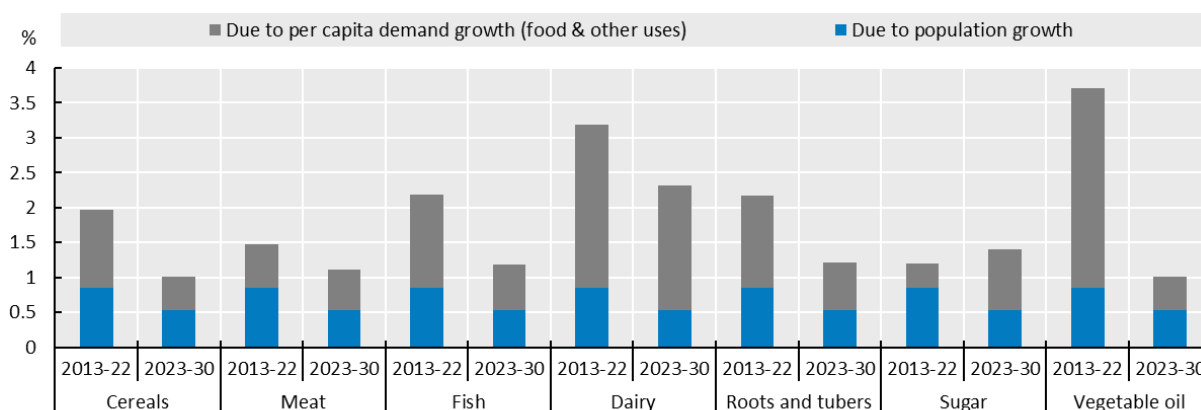
Figure 15. Growth in agricultural production in Asia and the Pacific



Note: Estimates are based on historical time series from the FAOSTAT Value of Agricultural Production domain which are extended with the Outlook database. The remaining products are trend-extended. The Net Value of Production uses own estimates for internal seed and feed use. Values are measured in constant 2014–2016 USD. Source: OECD/FAO. 2023. *OECD-FAO Agricultural Outlook 2023–2032*. OECD Publishing, Paris.

<https://doi.org/10.1787/08801ab7-en>

Figure 16. Demand growth for key commodity groups in Asia Pacific, 2013-2022 and 2023-2030



Note: The population growth component is calculated assuming that per capita demand remains constant at the level of the year preceding the decade. Growth rates refer to total demand (for food, feed and other uses).

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

<https://doi.org/10.1787/08801ab7-en>