

FAO Food Outlook predicts declining international trade in some basic foodstuffs

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Production prospects across most basic foodstuffs are favourable, but extreme weather events, rising geopolitical tensions and sudden policy changes pose risks for global food production systems and could potentially tip delicate demand-supply balances and dampen prospects for trade and global food security, according to a new report from the Food and Agriculture Organisation of the United Nations (FAO).

The latest Food Outlook, a biannual publication, offers updated forecasts for the production, trade, utilisation and stocks of major food staples.

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Trade volumes in coarse grains and rice are expected to decline in 2023/24, even as global maize output is forecast to post a significant increase driven by increased plantings in Brazil and the United States of America.

World trade in vegetable oils and fats is also expected to dip modestly, while global production and consumption are anticipated to expand.

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Trade volumes are also expected to decline in the coming year for sugar, dairy products, meat and fish, according to the report, which also offers a compendium of major policy developments in the food commodity sector since mid-May.

The Food Outlook also updates FAO's estimates for the global food import bill in 2023, forecast to reach \$2 trillion in 2023, some \$35.3 billion or 1.8 per cent higher than in 2022.

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Fruits and vegetables along with beverages and sugar account for the bulk of the increase, the lion's share of which is driven by high-income and upper-middle-income countries. Low-income countries, by contrast, are expected to see an 11 per cent contraction in their aggregate food import bill.

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Those developments often reflect world price trends, as international quotations for fruits, vegetables and sugars have surged while those for animal and vegetable oils have declined during the year. Nonetheless, the volume effect on the global food

import bill is predicted to exceed the price effect, although not for high-value or processed products such as coffee, tea, cocoa and spices.