OECD-FAO Agricultural Outlook
#AgOutlook

World oilseed and product markets: Prospects for the coming decade

Stephan Hubertus Gay, OECD

2018 China Agricultural Outlook Conference

20-21 April 2018; Beijing

Outline

1. OECD-FAO Agricultural Outlook
2. Outlook for oilseeds and products
3. Uncertainties

OECD-FAO Agricultural Outlook

- Joint OECD-FAO report published annually in June/July
- 10 year horizon
- Model based projection validated through global expert consensus
- Major commodities
- Global coverage
- Special theme chapter 2017: Southeast Asia
- Special theme chapter 2018: Middle East and North Africa

Oilseed complex: oilseeds

- soybeans
- rapeseed (canola)
- sunflower seed
- groundnuts (peanuts)

Other Oilseeds

- cottonseed
- coconut (copra)
- palm
- palm kernel

Oilseed complex: oilseeds

Vegetable oil
and
Protein meal

- soybeans
- rapeseed (canola)
- sunflower seed
- groundnuts (peanuts)

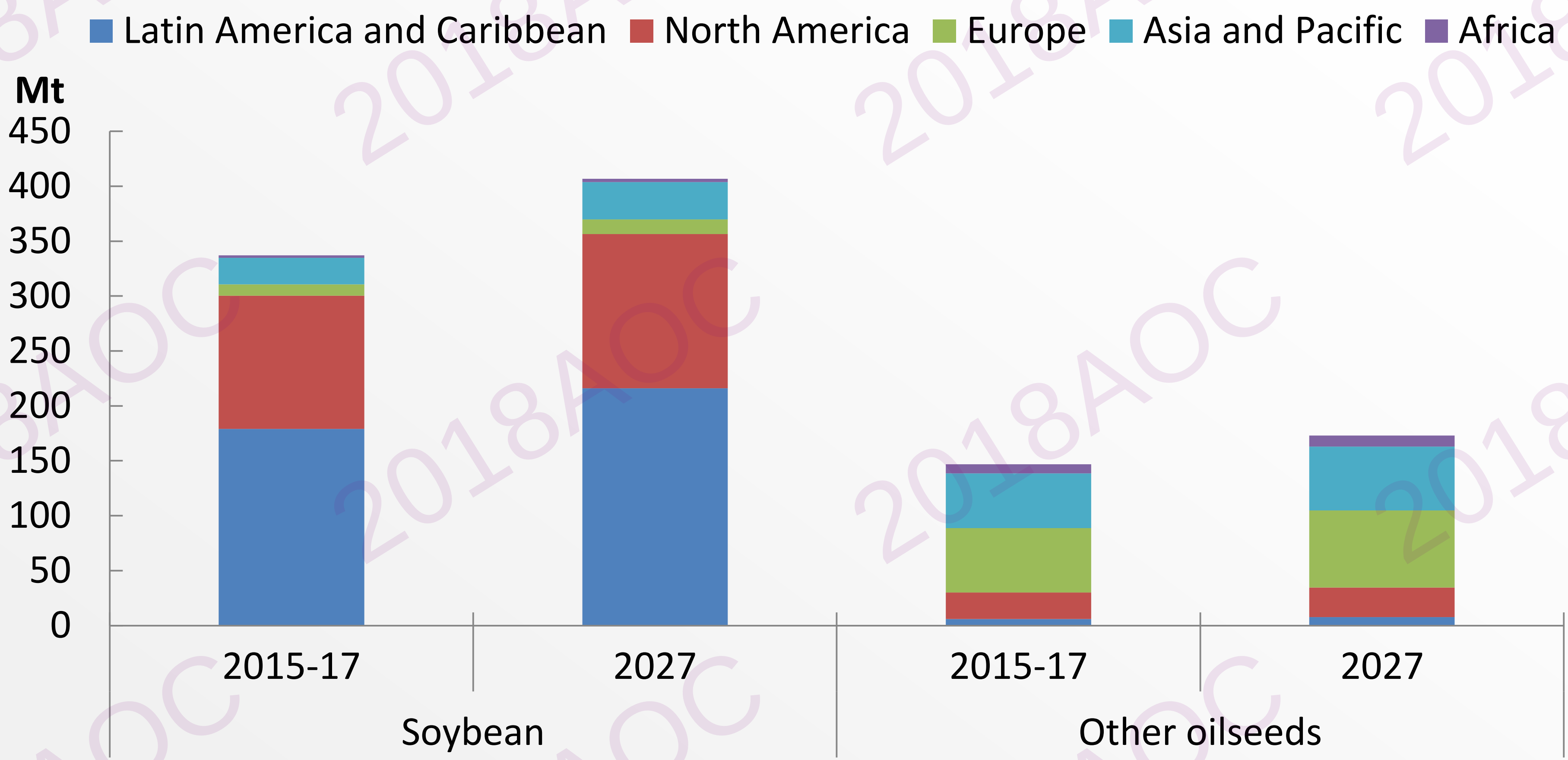
Oilseeds meal
and oil

- cottonseed
- coconut (copra)
- palm
- palm kernel

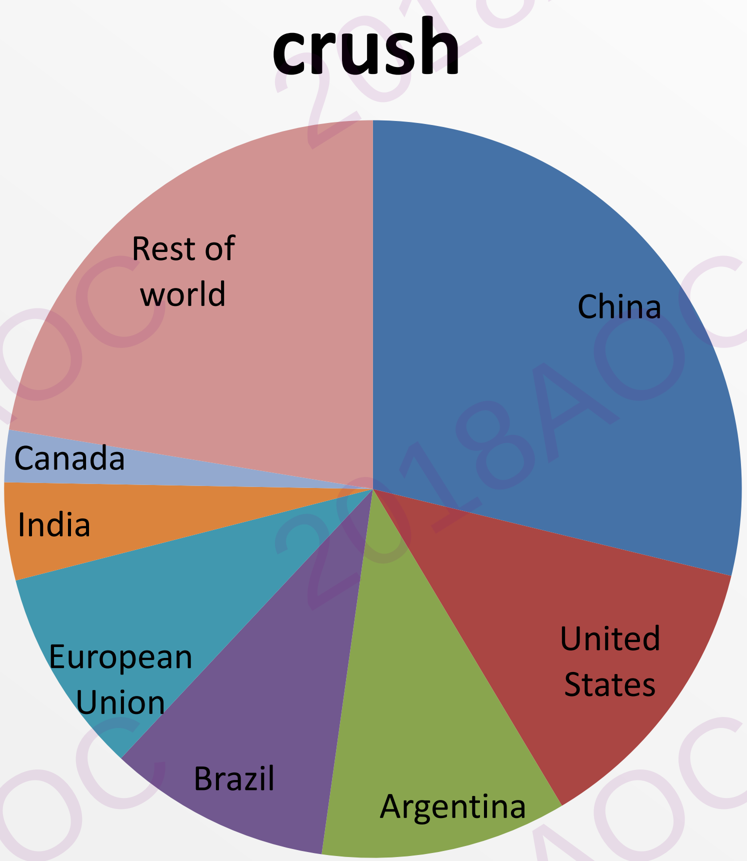
Current Situation

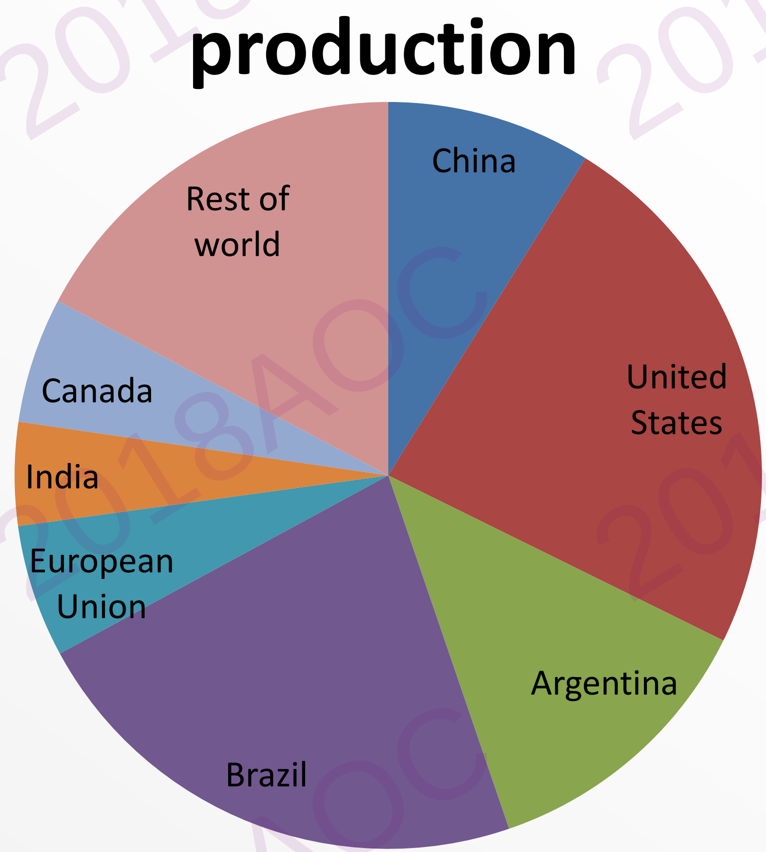
- Soybean output declined in 2017/18
  - El Niño compensatory production tapered off
  - Harvests from S. America and India below expectation due to weather
  - Brazil, China, Canada production up
- Soybean demand weaker given China's destocking of maize
- Protein meal demand as livestock feedstock remained stable
- Vegetable oil output greater
  - Demand for biodiesel levelling off
  - Per capita food demand growing globally

Production of soybeans and other oilseeds

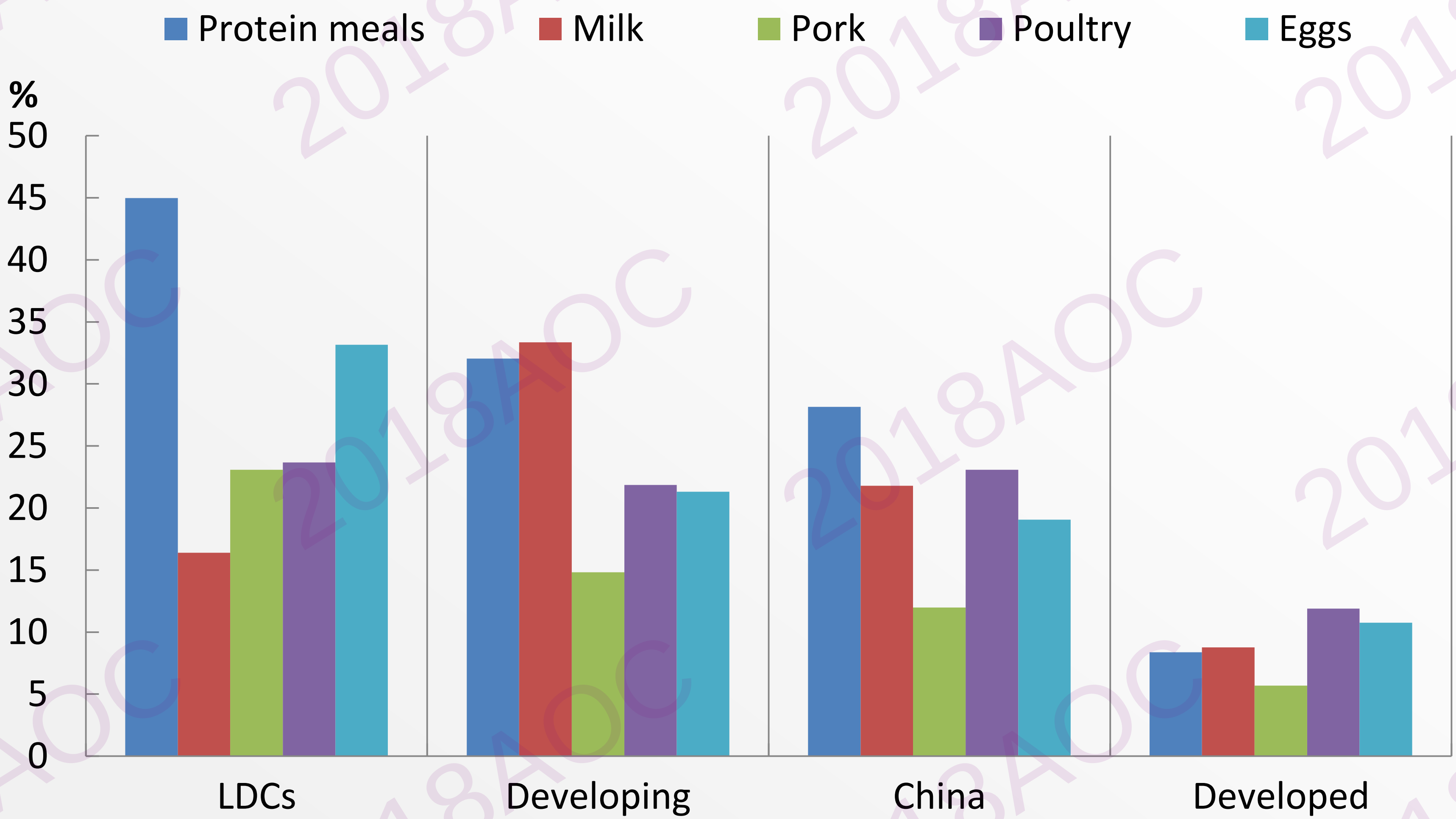


Global oilseed crush –
China is main crusher but not main producer

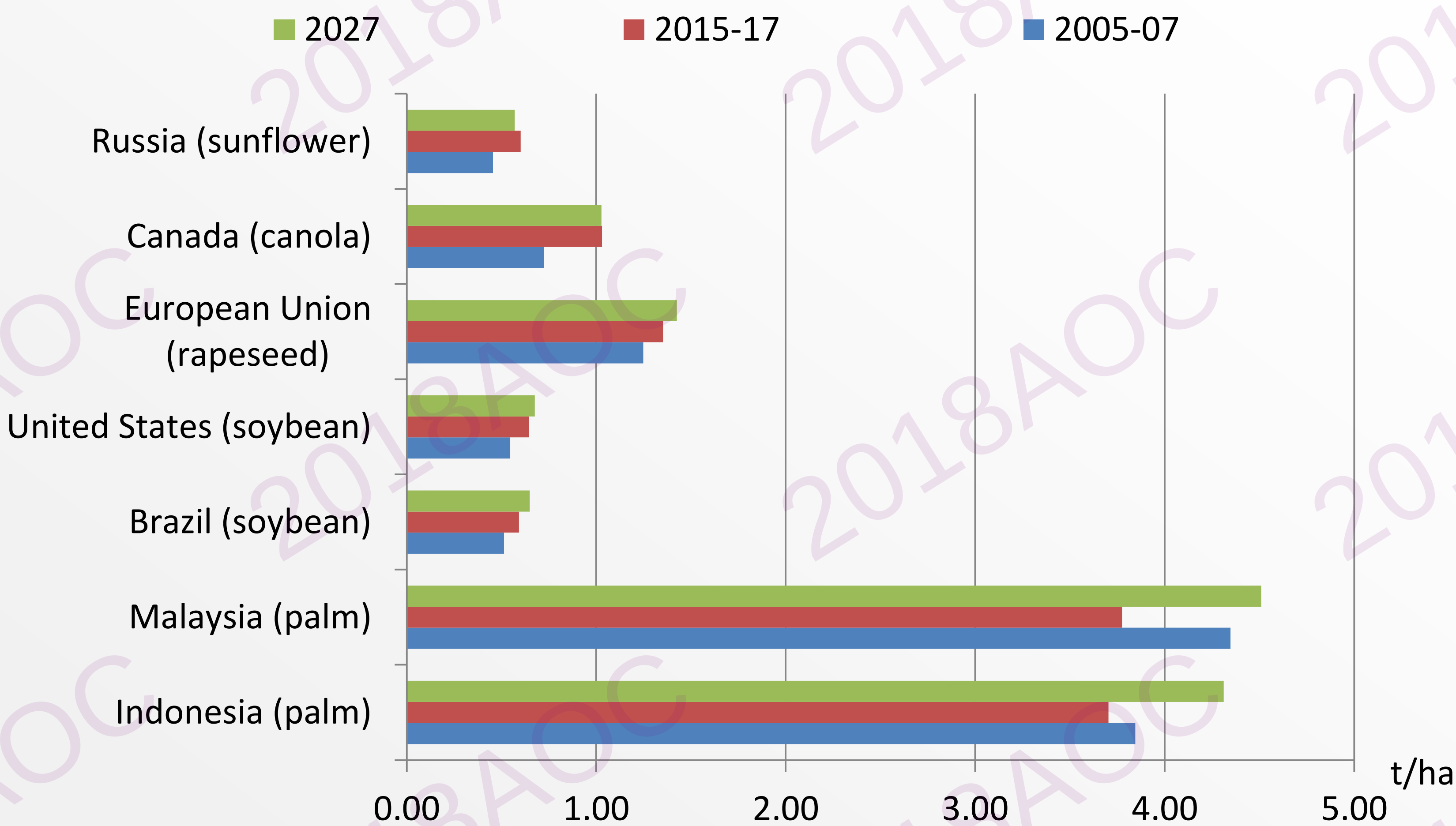




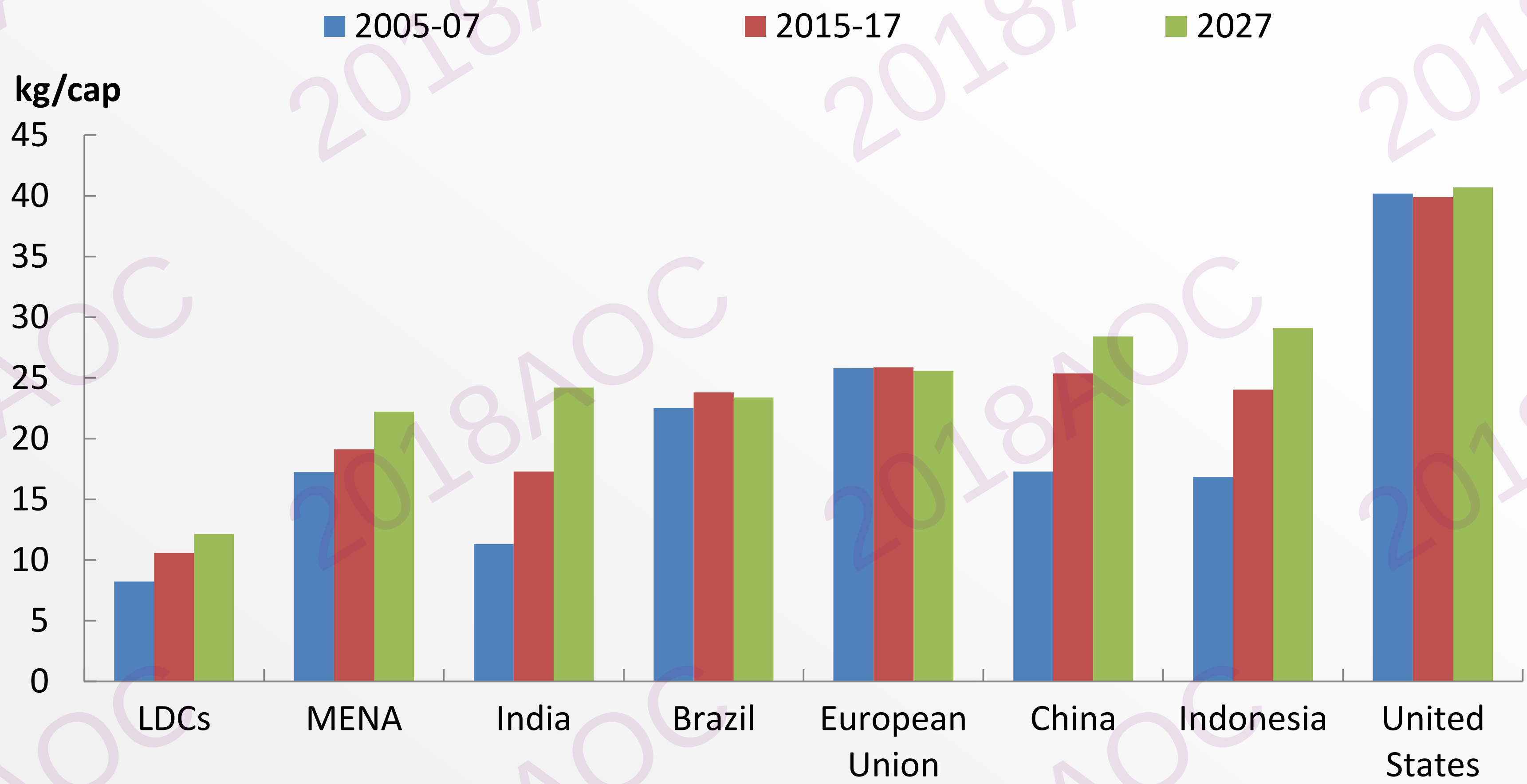
Protein meal consumption and animal production: Growth over outlook (2027 vs. 2015-2017)



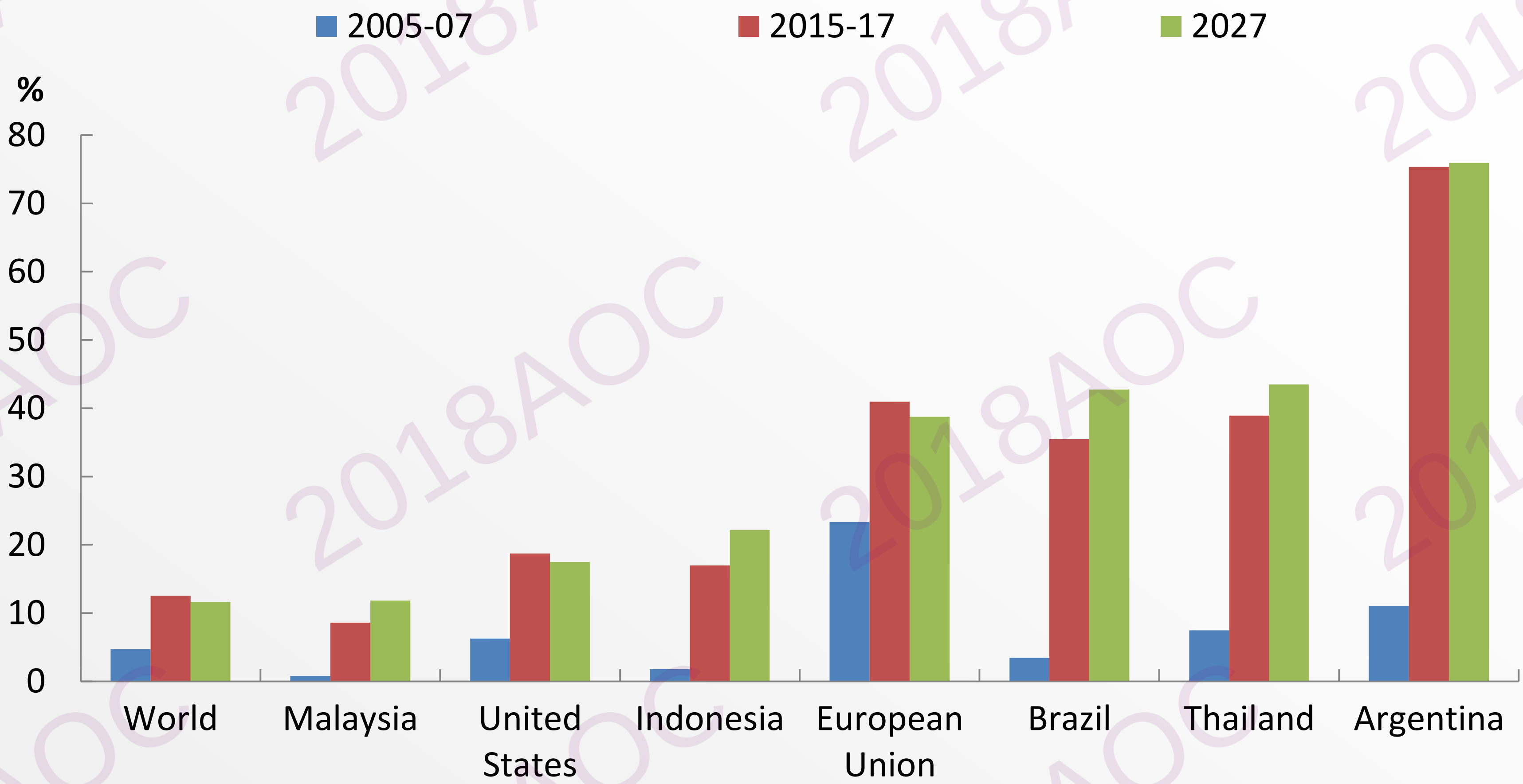
Vegetable oil production per hectare much higher for palm oil than for oilseeds



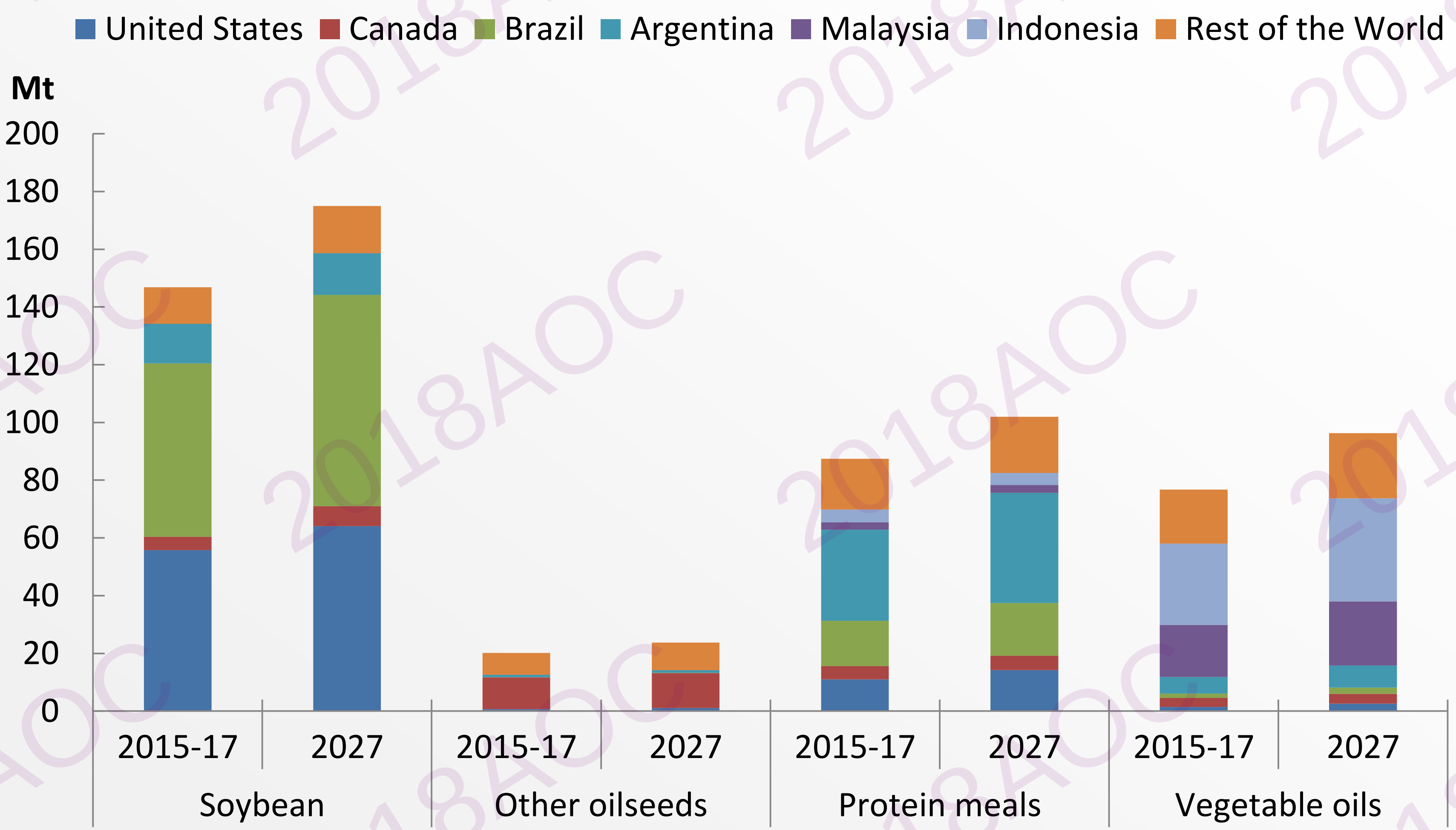
Levelling off of per capita food availability of vegetable oil



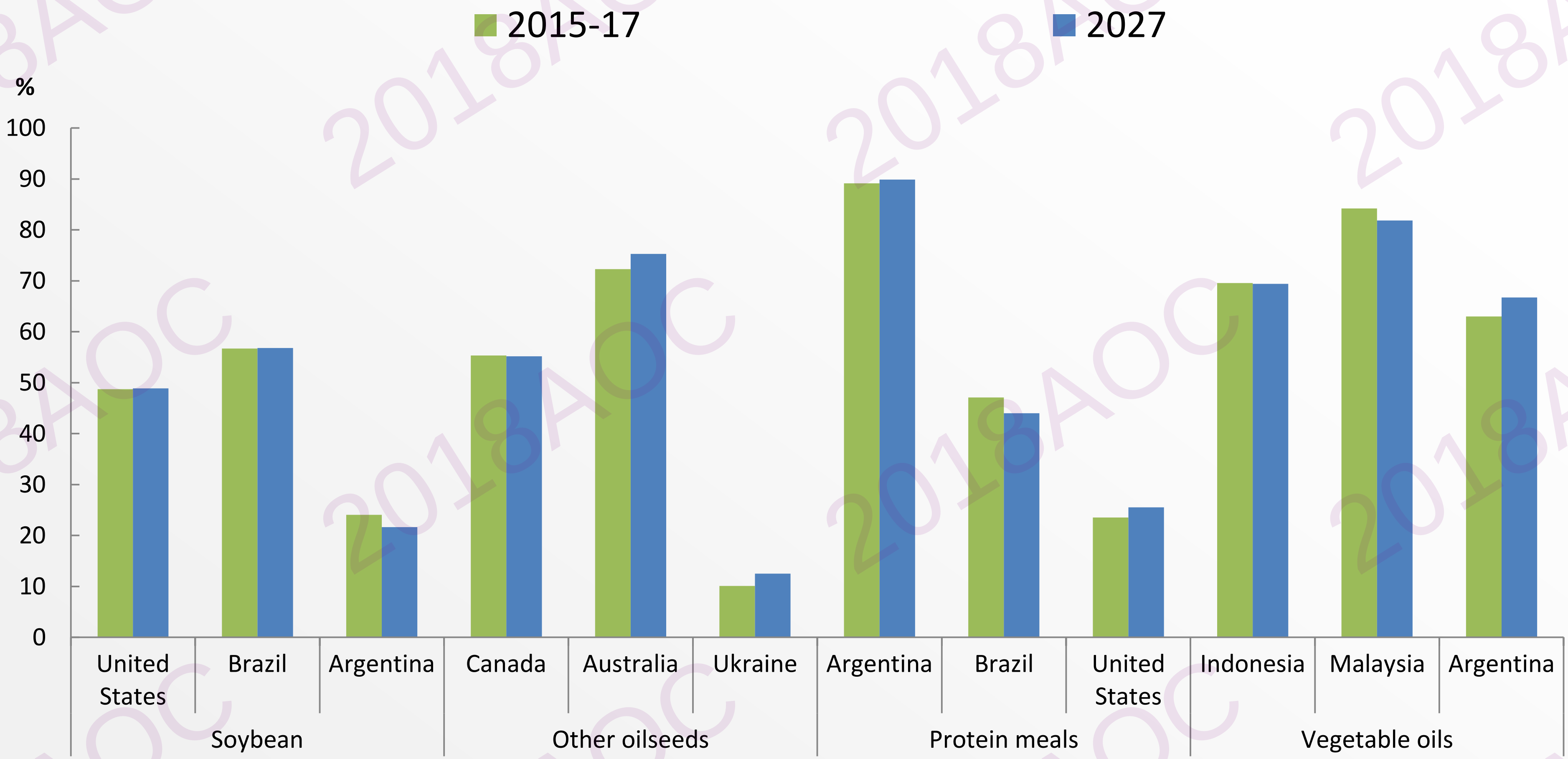
Vegetable oil share in biodiesel: Global decline but growing in emerging markets



Concentration of exports: the Americas and Southeast Asia dominate



Share of exports in production in the main three exporting countries



The figure only shows the direct share of exports and does not include the export of further processed products, which would lead to higher exports shares.

Uncertainties

- Covariance between weather and global output high given concentration of production in few regions
- Prices of competing commodities will affect land allocated to soybean, demand for protein meal
- Growing importance given to sustainable production; environmental policies, certifications will condition production approaches and levels
- Vegetable oil output growth assumes palm oil productivity will expand
- Changes in trade regimes can alter trade flows and even market balances

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)

BETTER POLICIES FOR BETTER LIVES

Food and Agriculture Organization of the United Nations