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COMMITTEE ON COMMODITY PROBLEMS

Seventy-sixth Session

Rome, 11-13 October 2024

FAO's PROGRAMME OF WORK IN COMMODITY MARKETS AND TRADE UNDER THE FAO STRATEGIC FRAMEWORK 2022-31

Executive Summary

This document provides an overview of FAO's achievements in the areas of agricultural commodity markets and trade in the 2022-23 biennium, reviews major global development initiatives and trends that are likely to influence FAO's work and activities and presents the proposed priority areas of work in these domains in the 2024-25 biennium and beyond under the FAO Strategic Framework 2022-31.

Suggested action by the Committee

The Committee is invited to:

- review and comment on FAO's achievements in the work area of commodity markets and trade in 2022-23;
- review and advise on the global trends and developments identified to influence FAO's work in commodity markets and trade in the context of the FAO Strategic Framework 2022-31; and
- review the identified priorities for FAO's work in agricultural commodity markets and trade and provide guidance to guide future work activities and outputs in this area under the FAO Strategic Framework 2022-31.

Queries on the substantive content of the document may be addressed to:

Secretariat of the Committee on Commodity Problems (CCP)
Markets and Trade Division
Email: FAO-CCP@fao.org
Tel. (+39) 06 570 52723

I. INTRODUCTION

1. The 43rd Session of FAO Conference endorsed the Medium Term Plan (Reviewed) 2022-25 and Programme of Work and Budget 2024-25 and approved the 2024-25 Biennial Theme of water resources management for the *four betters*.
2. FAO's work is guided by the FAO Strategic Framework 2022-31, which seeks to support the 2030 Agenda for Sustainable Development through the transformation to MORE efficient, inclusive, resilient and sustainable agrifood systems *for better production, better nutrition, a better environment, and a better life*, leaving no one behind. Its 20 Programme Priority Areas (PPAs) articulate FAO's thematic and technical comparative advantage. Technical Priorities are elaborated and aligned with the relevant PPAs and Sustainable Development Goals (SDGs).
3. Beyond the 2024-25 biennium, and in line with the programming and budgeting cycle elaborated in the FAO Basic Texts, inputs on priorities from the 2024 sessions of the Technical Committees will guide FAO's programming for the 2026-27 biennium and support the review of the FAO Strategic Framework 2022-31 to be presented to the FAO Conference in 2025.
4. This document first provides an overview of achievements in commodity markets and trade in the 2022–23 biennium. It then outlines key global developments and trends, in the context of the *four betters* and highlighting related SDG targets, which will influence FAO's future work in commodity markets and trade. The final section outlines priority areas of FAO's work in commodity markets and trade in the context of the FAO Strategic Framework 2022-31.

II. ACHIEVEMENTS IN FAO'S WORK IN COMMODITY MARKETS AND TRADE IN 2022-23

A. Context changes and priority adjustments

5. The outbreak of the war in Ukraine in late February 2022, engaging two of the leading global producers and exporters of food and agricultural commodities, has had multiple implications for global markets, raising challenges for many countries, especially low-income food-deficit countries, at a time when the global economy was recovering from the impacts of the COVID-19 pandemic.
6. Already prior to the outbreak of the war, international food commodity markets were facing several challenges. International food commodity prices were soaring due to market fundamentals, high prices of energy, fertilizers and other agricultural inputs, and sudden changes in trade policy, particularly the imposition of export restrictions by some major exporting countries. Furthermore, disruptions caused by the COVID-19 pandemic had affected supply chains and led to delays in the delivery of goods and to rapid spikes in transportation costs worldwide.
7. The war aggravated this situation, with world food commodity prices, as measured by the FAO Food Price Index, reaching an all-time high in March 2022. International fertilizer benchmark prices, which began to increase in late 2021, continued their trend for several months, with many quotations attaining record highs in the first half of 2022. As a result, both the global food import bill and the global agricultural inputs import bill reached record high levels in 2022.
8. While the situation started to stabilize and international food prices decreased from their record levels as year 2023 progressed, domestic food prices remained elevated and even continued to climb in many countries, further jeopardizing the food security of the most vulnerable populations.
9. These challenges were exacerbated by rising conflicts and geopolitical tensions globally, more frequent extreme weather events, and economic setbacks. These factors introduced new risks and created increased uncertainties for global food and agricultural markets during the 2022-23 biennium.

10. FAO has responded swiftly by intensifying its market monitoring and assessment work and framing concrete policy proposals to address the increased challenges faced by international food and agricultural markets and trade. This has reinforced FAO's position as a leading global authority in providing timely, reliable and objective data and information on global agricultural markets and trade, contributing to enhancing market transparency and better and more coordinated policy decisions.

B. Key achievements in 2022-23

11. The following priority areas for the 2022-23 biennium were agreed by the Members at the 75th Session of the CCP held in July 2022:

- a) Commodity market monitoring, assessment and outlook.
- b) Food security monitoring and assessment and early warning.
- c) Food and agricultural trade.
- d) Responsible global value chains.
- e) Commodity Intergovernmental Groups (IGGs), as subsidiary bodies of the CCP.
- f) Other core activities, namely the production of the flagship publication *The State of Agricultural Commodity Markets* (SOCO) and FAO's engagement in the Group of Twenty (G20) and Group of Seven (G7) processes.

Commodity market monitoring, assessment and outlook

12. The table below presents the key technical areas of emphasis in 2022-23.

| Programme Priority Areas (PPAs) | SDG Targets | Technical Areas of Emphasis |
|---|-----------------|--|
| BP2: Blue Transformation | 2.1, 2.2, 14.6 | Analysis and medium-term outlook of fisheries markets and trade |
| BN1: Healthy Diets for All | 2.1, 2.2 | Estimates and short-term forecasts of primary elements of national commodity balances |
| BN5: Transparent Markets and Trade | 2.b, 2.c, 17.11 | Market intelligence, including monitoring, analysis, and short- and medium-term outlooks for commodity markets |
| BE1: Climate Change Mitigating and Adapted Agrifood Systems | 2.4, 13.1, 13.2 | Analysis of the impact of climate change and mitigation strategies for specific commodities |

13. FAO continued to support decision-making processes and the formulation of appropriate policies and strategies through the provision of timely, credible and objective data and information for major food and agricultural commodities publicly accessible to governments and all interested actors. In this regard, FAO continued its regular monitoring work, reporting on food commodity prices and presenting comprehensive assessments of food commodity markets. Furthermore, FAO strengthened its monitoring and assessment work to cover fertilizer markets. In addition, responding to the current events and emerging issues, FAO provided a series of briefings and other information products.

14. The Agricultural Market Information System (AMIS), the G20 initiative launched in 2011 and hosted by FAO, has contributed to enhancing market transparency through its regular and timely market monitoring activities and products, including the publication of the monthly AMIS Market Monitor, while its Rapid Response Forum has provided a unique platform for policy dialogue and coordination of responses among the AMIS participant members. In response to new challenges, the

programme of work of AMIS has been expanded to cover vegetable oil and fertilizer markets and the monitoring of trade shipping disruptions.

15. FAO's partnership with the Organisation for Economic Co-operation and Development (OECD) to provide an annual medium-term outlook for major agricultural commodity markets has continued and strengthened. The 2022 edition of the *OECD-FAO Agricultural Outlook* provided comprehensive baseline projections up to 2032 and included a scenario assessing the productivity growth level required to achieve the Sustainable Development Goal 2 (SDG 2) target on zero hunger as well as the reduction in agricultural greenhouse gas (GHG) emissions by 2030. It also included a scenario assessing the impact of the war in Ukraine on global food markets and world food security. The 2023 edition, in addition to providing baseline projections to 2032, introduced a separate analysis comparing the changing costs of fertilizers with the costs of other inputs. Furthermore, it provided improved estimates for food consumption by incorporating, for the first time, calculation methods to project food loss and waste. In parallel, research and development continued to enhance the modelling capabilities of the Aglink-Cosimo system and its add-on tools.

Food security monitoring and assessment and early warning

The table below presents the key technical areas of emphasis that FAO worked on in 2022-23.

| Programme Priority Areas (PPAs) | SDG Targets | Technical Areas of Emphasis |
|---|---------------------|--|
| BP5: Digital Agriculture | 1.4, 5.b, 9.c, 17.8 | Deployment of digital public goods at global and country level and provision of technical assistance |
| BN5: Transparent Markets and Trade | 2.b, 2.c | Food security monitoring and early warning |
| BE1: Climate Change Mitigating and Adapted Agrifood Systems | 2.4 | Use of innovative risk management tools such as satellite imaging |
| BL4: Resilient Agrifood Systems | 1.5, 2.4 | Evidence building to promote and facilitate informed and timely policy decisions |

16. FAO continued to report on the food security situation in developing countries through the core activities of the Global Information and Early Warning System on Food and Agriculture (GIEWS). In this regard, during the 2022-23 biennium, numerous updates and special alerts were published, including on Argentina, Haiti, Lao People's Democratic Republic, Myanmar, Sri Lanka, the Sudan and Ukraine, as well as on El Niño, while the triannual Crop Prospects and Food Situation report provided regional assessments of food production as well as the list of countries requiring external assistance for food. Moreover, 10 Crop and Food Security Assessment Missions (CFSAMs) were carried out over the biennium. The methodology used to conduct the CFSAMs has been improved, including through the use of Earth Observation images to estimate crop yields.

17. During the reporting period, the Agricultural Stress Index System (ASIS), a global agricultural drought monitoring facility, operated continuously, with timely distribution of ASIS outputs every 10 days through various platforms, including the GIEWS Earth Observation website, FAO Hand-in-Hand Geospatial Platform, Google Earth Engine, and ArcGIS Living Atlas. ASIS has also been enriched with new indicators on drought intensity, historic frequency and probability forecast. A country-specific version of ASIS has been deployed in nine countries aiming to strengthen their national early warning systems.

18. The coverage of the Food Price Monitoring and Analysis (FPMA) Tool in terms of countries, markets and commodities has also expanded, while significant improvements have been introduced regarding automation of the data input process. During the 2022-23 biennium, national versions of the FPMA Tool were deployed in Angola, Benin, North Macedonia and Tajikistan and a regional version was deployed for Central America. Each year, 10 FPMA bulletins were published providing updated information on food prices, including warnings for price anomalies.

19. Furthermore, following the global trend of shifting humanitarian frameworks from post-shock emergency relief to prevention, mitigation and risk reduction and to improve multi-risk understanding of agrifood systems and livelihoods, FAO has continued strengthening its early warning efforts towards more consensus-based analyses and closer to early action as a preventive measure. In this context, FAO has enhanced its leadership and technical collaboration with the Global Network against Food Crises (GNaFC) and the Food Security Information Network (FSIN). In 2022-23, FAO significantly contributed to the production of the *Global Report on Food Crises* and its mid-year updates and regional overviews for West and East Africa and coordinated the publication of the *Hunger Hotspots* report with the World Food Programme (WFP).

Food and agricultural trade

The table below presents the key technical areas of emphasis that FAO worked on in 2022-23.

| Programme Priority Areas (PPAs) | SDG Targets | Technical Areas of Emphasis |
|---|------------------|--|
| BP2: Blue Transformation | 2.1, 2.2, 14.6 | Capacity building and analytical products on issues relevant to fisheries trade |
| BP5: Digital Agriculture | 1.4, 17.8 | Evidence building to promote adoption of digital solutions for trade and agriculture |
| BN1: Healthy Diets for All | 2.1, 2.2 | Evidence building on the links between trade and healthy diets |
| BN5: Transparent Markets and Trade | 2.b, 10.a, 17,11 | Evidence building and dialogue facilitation on issues relevant to international and regional trade. Capacity building on issues related to markets, trade and Global Value Chains |
| BE1: Climate Change Mitigation and Adapted Agrifood Systems | 2.4 | Evidence building on the linkages between trade policies and climate-related policy objectives |
| BL1: Gender Equality and Rural Women's Empowerment | 2.3 | Evidence building and dialogue facilitation promoting participation of women in agrifood trade |

20. During the 2022-23 biennium, FAO continued producing evidence-based analyses and facilitating policy dialogue on agricultural and fisheries trade, agriculture, and food security at the global and regional levels. Products included a set of eight Trade Policy Briefs on various topical and emerging issues in agricultural and fisheries trade to support preparation for the 13th World Trade Organization (WTO) Ministerial Conference, technical notes on trade and nutrition and assessments of the impacts of digital solutions on agricultural trade.

21. FAO also produced numerous reports that fostered trade policy discussions. These included a report on the trends of inclusion of environment-related provisions linked to the agriculture, fisheries,

and forestry (Ag-ERPs) in regional trade agreement, a report examining the impacts of these provisions on environmental outcomes, and a technical note on the key linkages between agrifood trade and gender equality.

22. FAO continued providing capacity development support and facilitating knowledge sharing to boost trade-related capacities of countries. Following a significant update of the content of the two courses on “Agriculture in International Trade Agreements” and “Trade, Food Security and Nutrition” that were already available through the FAO e-learning Academy, multiple facilitated e-learning courses were conducted targeting policy makers within agriculture and trade disciplines in several regions and in different languages.

23. FAO also provided backstopping to capacity development activities at country and regional levels, including practical training on specific technical topics such as data collection on stockholding procedures (size, location, and private sector engagement) and analysis of wheat tender prices.

24. Technical dialogue events on agrifood trade were also facilitated through FAO’s support to expert networks. The Agricultural Trade Expert Network (ATEN) in Europe and Central Asia is part of FAO’s Regional Initiative on Transforming Food Systems and Facilitating Market Access and Integration. The Network organized different events at country and regional levels besides its annual regional meetings to facilitate the generation and exchange of knowledge. Following the establishment of a network in the Near East and North Africa region in 2022, a similar initiative has been launched in Latin America and the Caribbean (LAC) to bring together specialists and experts with experience in conducting research and delivering training programmes on agricultural trade and trade policy.

Responsible global value chains

The table below presents the key technical areas of emphasis that FAO worked on in 2022-23 in the area of responsible global value chains.

| Programme Priority Areas (PPAs) | SDG Targets | Technical Areas of Emphasis |
|---|----------------|--|
| BP5: Digital Agriculture | 17.8 | Test the use of blockchain technology to promote more transparent and responsible value chains. |
| BN5: Transparent Markets and Trade | 2.b, 2.c, 10.a | Facilitation of multi-stakeholder dialogue and development of innovative tools for sustainable trade and responsible business conduct |
| BE1: Climate Change Mitigating and Adapted Agrifood Systems | 13.b | Pilot innovative approaches to facilitate greenhouse gas (GHG) emissions measuring and reduction in agrifood value chains |
| BL1: Gender Equality and Rural Women’s Empowerment | 5.a | Capacity building activities to support addressing key gender-related issues in global fruit value chains and promote the adoption of gender-related international standards in agricultural supply chains |
| BL4: Resilient Agrifood Systems | 1.5, 2.4 | Capacity building activities and multi-stakeholder collaboration to strengthen resilience along agricultural supply chains |
| BL6: Scaling up Investment | 2.a | Dialogue facilitation and other advocacy activities to promote the use of risk-based due diligence and responsible investment and business practices by value chain operators |

25. FAO developed a proof of concept (PoC) for a blockchain tool to provide to customers and consumers information on bananas produced in a more environmentally friendly manner throughout the supply chain. This PoC was presented to the members of the World Banana Forum (WBF), which is a multistakeholder collaboration platform hosted and facilitated by FAO.

26. FAO facilitated multistakeholder dialogue and supported the development of innovative tools for responsible agricultural value chains, including a business handbook on deforestation and due diligence to help agricultural producers and companies operating in agrifood supply chains to combat deforestation and forest degradation. In addition, webinars, capacity development sessions and workshops were held.

27. FAO developed tools to help fruit producers and traders to measure carbon and water footprints and held validation and training sessions with producers in nine countries. Furthermore, innovative capacity-building materials, including videos, were produced.

28. Training materials were produced, and country-specific training sessions and global webinars were organized to promote gender equity, prevention of gender-based violence, women safety, and women's empowerment in the banana industry. Guidelines for the safe employment of women in the industry were developed. Together with the OECD, FAO produced a brief on integrating the gender perspective into supply chain due diligence and provided capacity development support to address gender issues in global fruit value chains and promote the adoption of gender-related international standards in agricultural supply chains.

29. FAO produced guidelines to help developing countries increase the resilience of their agricultural supply chains and held a workshop on this topic with financial support from the Government of Japan. Working papers were published and new webpages were created on the resilience of agricultural supply chains.

30. FAO facilitated multistakeholder dialogue and conducted advocacy activities to promote the use of risk-based due diligence and responsible investment and business practices through various activities, including promoting the uptake of the *OECD-FAO Guidance for Responsible Agricultural Supply Chains*. It facilitated discussions on due diligence in the OECD-FAO Advisory Group for Responsible Agricultural Supply Chains and various other international fora. A side event on global value chains and sustainable agricultural development was organized during the 75th Session of the CCP in July 2022 and an intersessional event titled "Towards more sustainable and resilient agrifood systems: The importance of responsible global value chains" was organized in October 2023.

Commodity Intergovernmental Groups (IGGs)

The table below presents the key technical areas of emphasis that FAO worked on in 2022-23 under the Commodity Intergovernmental Groups (IGGs), which are subsidiary bodies of the CCP.

| Programme Priority Areas (PPAs) | SDG Targets | Technical Areas of Emphasis |
|------------------------------------|-----------------------|---|
| BN5: Transparent Markets and Trade | 2.b, 2.c, 10.a, 17.11 | Implement the UN resolutions on tea, cotton and natural plant fibres and service the IGGs |

31. With the support of FAO, two resolutions were adopted by the United Nations General Assembly (UNGA) at its 74th Session. The first resolution (A/RES/74/241) established the observance of the International Tea Day on 21 May of each year, while the second resolution (A/RES/74/240) on "Natural plant fibres and sustainable development" encouraged the sustainable production and use of natural plant fibres. Furthermore, the UNGA, at its 75th Session, adopted Resolution A/RES/75/318 establishing the observance of the World Cotton Day on 7 October each year.

32. FAO supported the implementation of these UN resolutions on tea, cotton, and national plant fibres by:

- a) Organizing the observance of the International Tea Day for 2022 and 2023. The observance was organized for the first time in-person in FAO in 2023. Both events were attended by the FAO Director-General.
- b) Leading the preparation and organization of the observance of World Cotton Day in FAO in 2022 and co-leading, with the United Nations Industrial Development Organization (UNIDO), the organization of the observance of World Cotton Day 2023 in Vienna. The FAO Director-General attended both events. An information note emphasising the role of women in the cotton sector was produced specifically for the World Cotton Day 2023.
- c) Preparing and submitting a report in 2022 to the UNGA Second Committee, focusing on the market trends and policy developments affecting natural fibres, namely jute, abaca, coir, kenaf and cotton.

33. The 24th Session of the Intergovernmental Group on Tea (IGG/Tea) was held virtually on 23 February 2022. The report of the Session was endorsed by the 75th Session of the CCP in July 2022. It is also noted that during 2022-23, and at the request of the IGG/Tea Members, FAO produced a report on the carbon footprint analysis of the tea value chain and another report examining the evolution of international tea trade using a network analytical approach.

34. The 31st Session of the Intergovernmental Group on Oilseeds, Oils and Fats was held virtually on 4 and 5 March 2021 and concluded on 5 July 2022. The report was endorsed by the 75th Session of the CCP in July 2022.

35. The Joint Meeting of the Intergovernmental Group on Hard Fibres and the Intergovernmental Group on Kenaf, Jute and Allied Fibres was not organized in Bangladesh in 2023 at the request of the Government. The Joint Meeting was held in 2024 and hosted by Brazil.

Other core activities

The table below presents the key technical areas of emphasis that FAO worked on in 2022-23 under “other core activities”, which namely include the production of the flagship publication *The State of Agricultural Commodity Markets (SOCO)* and FAO’s engagement in the G20 and G7 processes.

| Programme Priority Areas (PPAs) | SDG Targets | Technical Areas of Emphasis |
|------------------------------------|------------------|--|
| BN5: Transparent Markets and Trade | 2.b, 10.a, 17.11 | Support policy coordination under intergovernmental processes and build evidence on global drivers of sustainable development in relation to markets and trade |

36. In 2022, FAO supported the G20 process under the Presidency of Indonesia, providing technical inputs and evidence-based policy advice to inform G20 Members’ deliberations in their efforts to foster global food security. In addition to the G20 work on agriculture, FAO also supported the discussions of the G20 Framework Working Group, under the Finance track, in formulating the response to rising global food, fuel and fertilizer prices. In this context, FAO was tasked with producing a mapping exercise of ongoing policy responses to growing food insecurity. FAO, together with the World Bank, delivered a technical paper to the incoming G20 Presidency of India. FAO and the WTO also produced a joint note on the latest developments on global fertilizer markets and policy responses, which was published in November 2022 in conjunction with the G20 Leaders’ Summit in Bali, Indonesia. The FAO Director-General attended the G20 Agriculture Ministers’ Meeting, held in Bali on 28 September 2022.

37. In 2023, under the G20 Presidency of India, FAO provided significant inputs in support of the membership deliberations and adoption of the Deccan High Level Principles on Food Security and Nutrition. FAO also supported the discussions on the contribution of millets to global food security and nutrition. The Director-General participated in the G20 Agriculture Ministers' Meeting held in Hyderabad, India, from 15 to 17 June 2023.

38. The 2022 edition of the flagship publication *The State of Agricultural Commodity Markets* (SOCO 2022) was launched in July 2022. Addressing the theme "The geography of food and agricultural trade: Policy approaches for sustainable development", the report examined how trade policies, based on both multilateral and regional approaches, can address today's challenges for sustainable development. The findings highlighted that food and agricultural trade policies should aim to safeguard global food security, address the trade-offs between economic and environmental objectives, and strengthen the resilience of the global agrifood system to shocks, such as conflicts, pandemics, and climate extremes. SOCO 2022 also showed that both multilateral and regional trade agreements can facilitate the process of making trade an avenue for growth, but the gains from trade are distributed unevenly, and inequalities may increase. In this regard, when global environmental impacts, such as climate change, are considered, a multilateral approach would be preferable.

C. Accelerators and cross-cutting themes

39. FAO's work on markets and trade through the provision of data and information, capacity development, support to the formulation and implementation of multilateral and regional trade agreements, innovative policy and technical approaches and novel business models, and information and communication technologies (ICTs) and digital solutions to increase market integration and participation in trade, promotes more equal access to resources, information and services, addressing the different dimensions of inclusion. This work also contributes to tackling inequalities within and among countries, by improving market transparency and reducing uncertainty and price volatility to stimulate investment, enabling more equitable participation in markets, global value chains and international trade, contributing to end hunger, achieve food security and improved nutrition, and promoting sustainable agriculture.

40. FAO's work on commodity markets and trade includes the well-established global market intelligence and early warning systems, databases and reports. Moreover, AMIS played a crucial role in enhancing market transparency, by providing timely and credible assessments of supply and demand dynamics and reducing information asymmetry, and promoting policy coordination and responses, by providing a platform for dialogue. Another dataset developed in 2022-23 is the Ag-ERPs database, which is novel repository of environment-related provisions for agriculture, fisheries and forestry in RTAs.

41. Regarding the complements' accelerator, FAO supports the WTO Members through the provision of regular updates and background documents at WTO Committees that are relevant to FAO's mandate as well as by building evidence on issues of interest to the WTO Members. This way, FAO contributes to strengthening the capacities of countries to be well equipped and ready to deliberate on issues related to agricultural and fisheries trade agreements.

42. Furthermore, a broad range of capacity development activities, in the field of trade and responsible value chains were conducted to strengthen human and institutional capacities in developing countries. These activities were undertaken in collaboration with government authorities as well as international and regional partners, leveraging their expertise and knowledge.

43. FAO's efforts aimed at enhancing the participation of women, youth and disadvantaged groups in markets and value chains so they can benefit from expanding global agricultural markets and trade. This should contribute to reducing inequality and increasing inclusivity.

D. Improved ways of working, and gaps and lessons learned

44. FAO strengthened efficiency and effectiveness in the area of markets and trade through improved ways of working, including through transformative partnerships. In this regard, FAO is actively collaborating with research institutions, such as the University of Valencia and Nasa Harvest, to develop yield forecast models and integrate these results into national monitoring systems. The availability of in-season, objective and quantitative yield estimates enables government and actors along the agricultural supply chain to make more informed decisions based on increasingly accurate supply outlooks, enhancing market efficiencies.

45. The outbreak of the COVID-19 pandemic and the war in Ukraine highlighted the importance of up-to-date and credible data and information, the development and maintenance of complete and integrated databases to avoid fragmentation and ensure consistency, and the adoption of innovative and digital tools to improve data collection timeliness and access to different data sources.

46. One of the learned lessons is the importance of establishing market intelligence and early warning systems at country and regional levels and providing capacity development support to countries. In this regard, FAO will endeavour to enhance its data collection methods and continue to provide up-to-date and objective data and information, analyses, market outlooks and early warnings, integrating new technology and digital tools, and support countries in developing their capacities.

47. FAO continued scaling up the development and use of digital tools and innovation platforms on data to provide Members and other actors with timely and accurate data in more cost-efficient and faster ways in support of national and international decision-making processes. This effort will need to continue in a dynamic way to take full advantage of new technologies and digital innovations.

III. GLOBAL TRENDS AND DEVELOPMENTS RELEVANT TO COMMODITY MARKETS AND TRADE

A. Medium-term prospects for agricultural commodity markets and trade¹

48. Over the last 20 years, the consumption of agricultural commodities has expanded, driven mainly by population and income growth in low- and middle-income economies. These countries have also rapidly increased their production capacity through technology and innovation advances and by increasing the use of their natural resources. The resulting shifts in agricultural production and consumption locations have led to changes in international agricultural trade patterns.

49. The Outlook baseline projections suggest that the influence of the People's Republic of China, India and Southeast Asian countries on global agrifood systems will continue to grow over the coming 10 years. However, while China contributed 28 percent of global consumption growth in the previous decade, its share of additional demand over the coming decade is projected to fall to 11 percent, due to a stabilisation of nutrition patterns, slower income growth and declining population. In the meantime, India and Southeast Asian countries are projected to account for 31 percent of global consumption growth by 2033, driven by their growing urban populations and increasing affluence.

50. Total use of agricultural and fisheries products is projected to grow by 1.0 percent annually over the next decade, located largely in low- and middle-income countries. Global food consumption is projected to increase by 1.2 percent annually due to population and income growth. In most regions, the growth of feed use of crops is expected to outpace growth in direct food use, driven by the projected shift to higher shares of animal-derived foods in diets and the resulting expansion and intensification of livestock production.

¹The content of this section is based on the OECD/FAO (2024), *OECD-FAO Agricultural Outlook 2024-2033*, Paris and Rome, <https://doi.org/10.1787/4c5d2cfb-en>. The report was launched on 2 July 2024.

51. In middle-income countries, average daily per capita calorie intake will increase by 7 percent by 2033, driven by greater consumption of staples, livestock products and fats. In low-income countries, average calorie intake is expected to grow by only 4 percent. Income constraints in these countries are also hampering the transition to more nutrient- and protein-rich diets based on animal products, fish and seafood, vegetables and fruits, leading to a continuing heavy reliance on staples. Dietary preferences in high-income countries reflect growing concerns over the links between diets, health and sustainability, as evidenced by a slightly declining intake of fats and sweeteners, as well as shifting and stabilising protein intake over the coming decade.

52. Over the coming decade, the carbon intensity of agricultural production is projected to continue to fall across the seven regions covered by the Outlook report, as direct agricultural GHG emissions grow more slowly than agricultural production. However, despite this relative decoupling, expansion in agricultural production is estimated to lead to a 5-percent absolute increase in direct GHG emissions.

53. Growth in crop production is projected to be driven primarily by productivity increases on existing land, rather than an expansion of cultivated land. Similarly, a significant proportion of the growth in livestock and fish production is also expected to result from productivity gains, although herd expansions will also contribute to production growth. Despite these expected productivity improvements, particularly in low- and middle-income countries, significant productivity gaps are projected to persist, challenging farm incomes and food security and increasing countries' dependence on food imports and world markets.

54. Agricultural trade is expected to continue to grow in line with production and consumption, with approximately 20 percent of all calories traded globally before being consumed. The COVID-19 pandemic and rising geopolitical tensions have highlighted the vulnerability of agricultural trade. While the traded share of production is projected to stabilise over the next decade, the volumes of commodities traded globally are expected to grow further, seeing shipments increase between net exporting and net importing regions in the coming decade. Latin America and the Caribbean, North America, Europe and Central Asia are all projected to reinforce their positions as major net exporters of agricultural commodities, thereby creating additional opportunities for farmers to benefit from the participation in global food supply chains. Net imports by Asia and Africa should continue to expand, as demand growth is projected to outpace growth in production. This highlights the importance of well-functioning international markets and open trade to ensure global access to safe and nutritious food, while supporting income generation across agricultural industries and mitigating the impact of localised shocks, such as production shortfalls and extreme weather events.

55. Based on the supply and demand baseline projections, real international reference prices for the main agricultural commodities are expected to fall slightly over the next 10 year, assuming no deviation from stable weather conditions, macroeconomic and policy assumptions, and continued technological improvements. However, these lower real international commodity prices may not be reflected in local retail food prices, due to domestic inflation and currency devaluation as well as high domestic logistics and processing costs sustaining or widening the wedge between international and domestic prices of food products. This may pose challenges to livelihoods and threaten the food security of vulnerable people.

B. Global trends and developments

56. The world is far off track to achieve SDG 2 target on zero hunger, with the global prevalence of undernourishment persisting at nearly the same level over the last three consecutive years after having risen sharply in the wake of the COVID-19 pandemic. According to the 2024 edition of *The State of Food Security and Nutrition in the World* (SOFI), launched on 24 July 2024, between 713 and 753 million people are estimated to have faced chronic hunger in 2023, equivalent to one in every 11 people globally. If current trends continued, it is projected that about 582 million people would be chronically undernourished in 2030.

57. Regional trends vary significantly. The percentage of the population facing hunger continued to rise in Africa (20.4 percent), remained stable in Asia (8.1 percent) – though still representing a huge challenge as the region is home to more than half of hungry people worldwide – and showed progress in Latin America (6.2 percent). From 2022 to 2023, hunger increased in Western Asia, the Caribbean, and most African subregions.

58. Moreover, according to the 2024 edition of the *Global Report on Food Crises (GRFC)*, published on 24 April 2024, around 281.6 million people, or 21.5 percent of the analysed population, faced high levels of acute food insecurity in 59 countries/territories affected by food crises in 2023. The share of the analysed population that faced high levels of acute food insecurity in 2023 was marginally lower than in 2022, when it stood at 22.7 percent. However, the number of affected people increased by 24 million since 2022, marking the fifth consecutive year of rising numbers. The year-on-year increase is mainly explained by expanded country coverage as well as deteriorations in some countries and territories, outweighing improvements in others.

59. For four consecutive years, the prevalence of acute food insecurity has remained stubbornly high, ranging between 21 and 23 percent. Thirty-six countries/territories have featured in the GRFC reports for the past eight years, highlighting the difficulty of exiting acute food insecurity conditions once they become acute; nineteen of them are categorized as both protracted and major food crises.

60. In July 2023, the UN Secretary-General convened the UN Food Systems Summit Stocktaking Moment (UNFSS+2), to build on the momentum of the 2021 Food Systems Summit and create a conducive space for countries to review progress on the commitments to action and identify successes, enduring bottlenecks and priorities, with the objective to close the implementation gap by effectively and efficiently utilizing the Means of Implementation for food systems transformation. It was also an opportunity to further socialize the powerful role of sustainable, equitable, healthy and resilient food systems as critical SDG accelerators and advocate for urgent action at scale, building on the latest evidence that sustainable food systems contribute to better and more sustainable outcomes for people, planet and prosperity leaving no one behind.

61. The Political Declaration arising from the High-level Political Forum on Sustainable Development (HLPF), held from 10 to 19 July 2023, and the SDG Summit, convened on 18-19 September 2023, and endorsed by the UN General Assembly, reinforced commitments to the 2030 Agenda while noting that “*progress on most of the SDGs is either moving much too slowly or has regressed below the 2015 baseline*”. The declaration summarized progress and gaps and challenges and launched calls to action to turn the world towards a resilient and sustainable path by 2030.

Trends and developments for better production

62. The COVID-19 pandemic revealed the importance of the availability of timely and more data and information as well as of digital technologies for the resilience and sustainability of our agrifood systems. More information and advancements in ICTs can play a pivotal role in the needed transformation towards more efficient, inclusive, resilient and sustainable agrifood systems, as they can increase transparency and traceability in markets and value chains, guide policy decisions, boost productivity and crop yields, and reduce the use of agricultural inputs.

63. Sustainable agricultural techniques, including new technologies and digital innovations, can increase productivity and resilience, reduce greenhouse gas (GHG) emissions, and improve food security and food safety. At the same time, technological innovations in agriculture, such as precision agriculture, blockchains and advances in biotechnology, can optimize crop yields, enhance transparency in food supply chains and help address market failures, facilitating farmers’ integration in global value chains and markets by reducing information asymmetry and enhancing transparency.

64. Moreover, digital platforms for farmers can facilitate their access to market and price information, weather forecasts, and agricultural advice, while e-commerce platforms for agriculture can connect farmers directly with consumers, reducing intermediaries and increasing profitability.

65. However, digital technologies can also be disruptive, modifying or displacing value chain activities and products. Therefore, their long-term transformative impacts and the related risks require continuous research and analysis to better anticipate disruptive effects, mitigate adverse impacts and promote positive outcomes.

Trends and developments for better nutrition

66. Trade has the potential to expand consumer choices and contribute to healthy diets ensuring sufficiently available quantities of diverse, nutritious foods all year round. Imports may be a source of not only minimally processed nutritious foods with a longer shelf life that can contribute to offsetting seasonal scarcity of perishable foods, but also of highly processed foods of high energy density and minimal nutritional value. Trade can contribute to positive nutrition outcomes through its support to livelihoods and income generation, particularly those engaged in primary food production. Increased globalization of the food supply increases exposure to various food hazards.

67. The relationship between trade and food security and nutrition has gained attention on both the trade and development agendas, with trade recognized as one of the means for achieving the SDGs. Understanding the nutrition and health implications of agricultural and trade policies is crucial to enabling healthy diets and combating all forms of malnutrition worldwide. Aligning trade policies with interventions for better nutrition is key, as these policies now often have political and economic objectives only, and changes in agricultural subsidies and tariffs may not be optimized to enable access to healthy diets and ultimately improve nutritional outcomes.

68. As recommended at the Second International Conference on Nutrition (ICN2) in 2014, the United Nations General Assembly, in 2016, proclaimed the period 2016-2025 as the UN Decade of Action on Nutrition (“Nutrition Decade”), committing UN Member States to the sustained and coherent implementation of policies, programmes and increased investments to eliminate malnutrition in all its forms, everywhere, leaving no one behind. The Nutrition Decade is co-led by FAO and the World Health Organization (WHO), and its [Work Programme](#) stresses that trade policies and trade agreements should support nutrition policies and programmes and should not negatively impact the right to adequate food.

69. Despite this recognition, important gaps exist in the evidence of the linkages between trade policies and agreements and nutrition issues. With this in mind, the FAO flagship publication *The State of Agricultural Commodity Markets (SOCO) 2024* report explores the linkages between nutrition, diets and food trade and provide evidence of how trade affects food supply and food prices, which in turn, can influence dietary patterns and contribute to nutritional outcomes. Coherence between trade and nutrition policies is essential in the efforts aimed at enhancing access to nutritious foods and enabling the consumption of healthy diets for improved nutrition.

Trends and developments for a better environment

70. Agrifood systems have the potential to actively contribute to global climate change mitigation efforts, but substantial endeavours are essential in adaptation to achieve increased productivity with reduced resource consumption. Even in a world striving for limited global warming at 1.5 °C, significant adaptations are imperative for our agrifood systems, as evidenced by recent global trends, particularly in low- and middle-income countries. These regions face an above-average increase in challenges and are already falling behind in terms of agricultural productivity. However, it's imperative to recognize that the agrifood system doesn't exist in isolation. It is intricately woven into the fabric of the broader economy. Notably, a quarter of the total emissions generated by agrifood systems is linked to energy production.

71. FAO has developed a [global roadmap](#) for achieving SDG 2 without breaching the 1.5 °C threshold, strategically targeting ten pivotal domains where immediate action is imperative. The roadmap notes that international trade should support resource efficiency and act as a resilience strategy. For example, improved food labelling to provide consumers with information, at point-of-

purchase, about the nutrient composition and the environmental and social features associated with the production of a food item is proposed as one of the possible solutions.

72. The FAO roadmap stands as a testament to the imperative of international coordination, a vital step in this transformative journey. The ongoing process initiated at COP 28 marks the genesis of a collaborative effort, essential in steering our global course toward a future where sustenance, equity, and environmental stewardship converge harmoniously.

73. Natural disasters and climate change-induced crises are reinforcing the trend towards more and deeper regional trading patterns, a development that has already been underway for some time. In fact, Regional Trade Agreements (RTAs) not only have rapidly increased in terms of numbers but have also evolved in terms of directly referencing sustainable development and environmental issues and including environment-related provisions. The total number of environmental related provisions included in the 318 active RTAs notified to the WTO that entered into force between 1995 and 2022 increased from 30 to 5 807 provisions. While the trend of their inclusion - in absolute terms - fluctuated significantly from year to year, the average number of such provisions per RTA increased steadily, from 8 in 1995-2001 to 28 in 2019-2022.

Trends and developments for a better life

74. The multiple threats to food security and nutrition, the multifaceted challenges and drivers behind global food insecurity, their negative and cumulative impacts, and the links between shocks, poverty and hunger reveal the fragility of our agrifood systems and their exposure and vulnerability to crises highlighting the need for inclusive growth, women's empowerment and youth engagement.

75. Through its National Dialogues, the 2021 UN Food Systems Summit resulted in National Pathways for Food Systems Transformation that are clear visions of what governments, together with different stakeholders, expect of food systems by 2030. At the same time, at the global level, the Summit process has given rise to several inclusive multi-stakeholder initiatives to support Members in delivering on national pathways and achieving the 2030 Agenda 2030 and the SDGs.

76. The UNFSS+2 has provided several key outcomes and recommendations that can contribute to a better life globally. The Summit strengthened national pathways as countries reaffirmed and strengthened their commitments to transforming food systems by implementing national pathways. These pathways focus on sustainability, resilience, and inclusivity in food systems. It also renewed pledges from governments, private sector, and international organizations to invest in sustainable agriculture, food security, and nutrition initiatives.

77. International trade plays an important role in increasing the resilience of agrifood systems as it can be a crucial enabler of agrifood systems transformation and contribute to better livelihoods. Nevertheless, there is no doubt that trade also brings risks and can increase inequalities both within and among countries. As such, a better understanding of both the complex linkages between trade and sustainability outcomes and the simultaneous impacts of policy approaches on all parts of the agrifood system is necessary. It is also important to ensure that trade facilitates anticipatory action and access to output and input markets, especially in emergency situations.

IV. PRIORITY AREAS OF WORK IN COMMODITY MARKETS AND TRADE IN 2024-25 AND BEYOND

78. The identified priority areas of work in commodity markets and trade for 2024-25 are largely consistent with those of the 2022-23 biennium, as they reflect FAO's basic attributes and core functions. However, some adjustments are made, including adding contributions to new PPAs under the priority areas of work, to better align the priorities with the vision of the FAO Strategic Framework 2022-31 and consider recent developments as well as lessons learned during the 2022-23 biennium.

A. Commodity market monitoring, assessment and outlook

79. The provision of up-to-date, reliable and impartial data and information is essential to enhance market transparency and inform policy decisions, particularly in times of increased market uncertainty and crises. Under this priority area, FAO will continue to collect, analyse, monitor and disseminate data and information on global agricultural commodity markets, conduct market analysis and assessment, produce short-term forecasts, generate medium-term projections, and conduct simulation analysis to assess the impacts of alternative scenarios regarding future trends and developments. Data collection, analysis and dissemination will remain a core area of focus and support.

Table 1: Relationship between PPAs, SDG targets and technical areas of emphasis for commodity market monitoring, assessment and outlook

| Programme Priority Areas (PPAs) | SDG Targets | Technical Areas of Emphasis |
|------------------------------------|-----------------|---|
| BP2: Blue Transformation | 2.1, 2.2, 14.6 | - Enhance global and regional fisheries trade and market opportunities and facilitate informed policy decisions for fisheries products through the provision of market outlook and medium-term projections. |
| BP3: One Health | 3.d | - Improve understanding and awareness of countries on the impact of diseases and antimicrobial resistance on global food security and nutrition. |
| BN1: Healthy Diets for All | 2.1, 2.2 | - Produce estimates and short-term forecasts for primary elements of commodity balances. - Enhance knowledge and understanding of policymakers on the importance of healthy diets through improved availability of data and information. |
| BN4: Reducing Food Loss and Waste | 12.3 | - Conduct analysis on food loss and waste (FLW). - Enhance knowledge and understanding of FLW through better information and evidence. |
| BN5: Transparent Markets and Trade | 2.b, 2.c, 17.11 | - Improve FAO's market intelligence service through strengthened market monitoring and assessments, short-term outlook and medium-term projections, and more timely analysis. - Develop methodologies and tools to improve the collection of data and promote the use of standardized methods to enhance consistency and comparability across countries. - Conduct more analytical studies to enhance knowledge and promote a better understanding of emerging issues in global commodity markets. - Strengthen AMIS as a global public good and further develop its products and work, including on vegetable oil and fertilizer markets. |

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| | | <ul style="list-style-type: none"> - Strengthen the Aglink-Cosimo modelling system to better analyse future trends and assess impacts on global commodity markets - Develop a new data platform and dissemination tools to improve Members' access to data and information through a user-friendly interface. - Support countries in their capacity development efforts through training programmes, workshops and seminars, and technical assistance. |
| BE1: Climate change Mitigating and Adapted Agrifood Systems | 2.4, 13.1, 13.2 | <ul style="list-style-type: none"> - Conduct analysis on the impact of climate change on specific commodities, assessing impacts on production and trade flows. - Provide technical evidence to support countries in developing adaptation and mitigation policies and strategies. |
| BL6: Scaling up Investment | 10.2 | <ul style="list-style-type: none"> - Conduct analysis and provide evidence to promote investment in sustainable agrifood systems. - Support strategic investment planning to foster the needed transformation of agrifood systems through modelling work and knowledge sharing. |

B. Food security monitoring and assessment and early warning

80. The programme of work under this priority area reflects the increased emphasis on adopting a comprehensive approach that encompasses real time information and evidence building to promote and facilitate informed and timely policy decisions, supported by integration of digital solutions and tools to strengthen food security monitoring and early warning and enable early action. The work activities under this priority area are mainly conducted by the Global Information and Early Warning System on Food and Agriculture (GIEWS).

Table 2: Relationship between the PPAs, SDG targets and technical areas of emphasis for food security monitoring and assessment and early warning

| Programme Priority Areas (PPAs) | SDG Targets | Technical Areas of Emphasis |
|------------------------------------|---------------------|--|
| BP5: Digital agriculture | 1.4, 5.b, 9.c, 17.8 | <ul style="list-style-type: none"> - Develop digital public goods at the global and country level to promote informed and timely policy decisions and interventions to protect agricultural livelihoods and enhance food security and nutrition. - Develop innovative tools to guide effective anticipatory actions to mitigate the impacts on climate-related hazards on rural livelihoods. |
| BN5: Transparent Markets and Trade | 2.b, 2.c | <ul style="list-style-type: none"> - Monitor food supply and demand conditions and other key indicators for assessing overall food security situation around the globe. |

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| | | <ul style="list-style-type: none"> - Producer regular reports on crop production, consumption and trade flows, focussing on regional developments and on low-income food deficit countries (LIFDCs). - Monitor and analyse price developments and report regularly on international prices, domestic price trends and price anomalies at country level. - Support country capacity development in food security and early warning systems, including through the deployment of the Agricultural Stress Index System (ASIS) and the Food Price Monitoring and Analysis (FPMA) tool. |
| BL4: Resilient Agrifood Systems | 1.5, 2.4 | <ul style="list-style-type: none"> - Issue updates, alerts and early warnings on impending food crises to guide timely and proper interventions and allow early action by countries and the international community. - Strengthen the methodologies used to conduct the Crop and Food Security Assessment Missions, through enhanced use of geospatial tools and high-resolution Earth Observation images to estimate crop yields. - Strengthen involvement in international and regional early warning platforms and working groups to promote early warning based on consensus and foster links to early action. |

C. Food and agricultural trade

81. Given the importance of agricultural trade and trade policies for food security, FAO will continue to assist Members in trade policies and trade agreements through the provision of data and evidence, supporting capacity development, and facilitating topical dialogue events. In addition to the core activities, FAO will strengthen its work on trade and sustainability and trade and gender, two major topics that are gaining increased attention.

Table 3: Relationship between the PPAs, SDG targets and technical areas of emphasis for food and agricultural trade

| Programme Priority Areas (PPAs) | SDG Targets | Technical Areas of Emphasis |
|---------------------------------|----------------|--|
| BP2: Blue Transformation | 2.1, 2.2, 14.6 | <ul style="list-style-type: none"> - Enhance understanding and raise awareness of countries on the role of trade policies and trade agreements for fisheries products, including through the flagship report <i>The State of World Fisheries and Aquaculture</i> (SOFIA). - Promote increased awareness of market access requirements and opportunities to enhance access of fisheries and aquaculture products to global markets. |

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| | | <ul style="list-style-type: none"> - Assist countries in the implementation of the WTO Agreement on Fisheries Subsidies, as appropriate and in line with FAO's mandate. |
| BP5: Digital Agriculture | 1.4, 17.8 | <ul style="list-style-type: none"> - Promote the digitalization of agricultural trade for a more efficient and inclusive trading system. - Build evidence to foster the digitalization of agrifood trade for women in Asia and the Pacific and reduce the gender digital gap in trade. |
| BN1: Healthy Diets for All | 2.1, 2.2 | <ul style="list-style-type: none"> - Strengthen the evidence and understanding of policy makers on the impacts of trade policy approaches related to labelling for better nutrition and healthy diets. |
| BN5: Transparent Markets and Trade | 2.b, 10.a, 17,11 | <ul style="list-style-type: none"> - Enhance the provision of data, information and analytical products on food and agricultural trade to inform and guide policy decisions. - Strengthen analysis and evidence building on trade policy approaches that reduce trade costs and promote trade efficiency and inclusivity. - Deepen analytical work, in close collaboration with relevant stakeholders, and support policy dialogue events on the linkages between agrifood trade and environmental sustainability. - Support human and institutional capacity development in food and agricultural trade, trade policies and trade agreements, including through e-learning courses. - Increase knowledge and awareness raising on trade-related matters at regional level through the provision of technical support to Regional and Subregional Offices. - Provide technical support to the agricultural trade expert networks in the Eastern Europe and Central Asia, the Latin America and Caribbean, and the Near East and North Africa regions. - Support countries and regional economic communities (RECs) in Africa in the implementation of the African Continental Free Trade Area (AfCFTA). - Organize policy dialogue events on emerging agrifood trade issues to promote the sharing of knowledge and experiences as well as a better coordination of policy responses. - Strengthen collaboration with WTO, in line with FAO's mandate and competence. |
| BE1: Climate Change Mitigation and Adapted Agrifood Systems | 2.4 | <ul style="list-style-type: none"> - Promote analysis and evidence building on the linkages between trade policies and climate change related policy objectives to support enhanced policy coherence. |

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| | | - Strengthen assessments of the impacts of climate variability on food production and agricultural trade, including through better methodologies and modelling systems. |
| BL1: Gender Equality and Rural Women's Empowerment | 2.3 | - Conduct analysis, support evidence building and promote dialogue among stakeholders to promote gender equality and increase the participation of women in international agrifood trade. |
| BL4: Resilient Agrifood Systems | | - Enhance the knowledge and understanding of stakeholders on the trade-offs between economic, social and environmental sustainability objectives through more analysis and studies. |

D. Responsible global value chains

82. FAO is committed to enhancing the resilience and sustainability of global agricultural value chains to enhance the economic, social and environmental viability of agrifood systems. This requires increasing the efficiency and inclusivity of global value chains. Furthermore, it is critical to promote responsible global value chains as they can enhance the livelihoods of both farmers and workers, for instance by ensuring fair wages, safe working conditions and equitable market access. In this context, FAO will continue to support sustainable production and trade and responsible business conduct and due diligence in global value chains.

Table 4: Relationship between the PPAs, SDG targets and technical areas of emphasis for responsible global value chains

| Programme Priority Areas (PPAs) | SDG Targets | Technical Areas of Emphasis |
|------------------------------------|----------------|--|
| BP5: Digital Agriculture | 17.8 | <ul style="list-style-type: none"> - Promote best practices and technological innovations to control the spread of pests and diseases in plant and tree cultivation. - Support country capacity development in the use of digital tools and innovations to control pests and diseases. |
| BN5: Transparent Markets and Trade | 2.b, 2.c, 10.a | <ul style="list-style-type: none"> - Promote best practices and technological innovations to control the spread of pests and diseases in plant and tree cultivation. - Support advocacy and knowledge sharing to promote the use of the Principles for Responsible Investment in Agriculture and Food Systems of the Committee on World Food Security (CFS) and the OECD-FAO Guidance for Responsible Agricultural Supply Chains. - Strengthen analysis and evidence building and support capacity development to improve knowledge and policies on issues related to the banana and tropical fruit value chains and trade. - Continue facilitating and supporting the World Banan Forum and its diverse activities, including |

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| | | combating the spread of the Fusarium wilt Tropical Race 4 disease, promoting occupational, health and safety (OHS) of banana workers, and strengthening gender equity in the banana sector. |
| BE1: Climate Change Mitigating and Adapted Agrifood Systems | 13.b | <ul style="list-style-type: none"> - Develop innovative approaches and promote multistakeholder collaboration to facilitate the measurement and reduction in GHG emissions in agricultural value chains. - Encourage company-led environmental due diligence aimed at measuring and reducing GHG in agricultural supply chains in low- and middle-income country contexts, with a focus on major globally traded commodities. |
| BL1: Gender Equality and Rural Women's Empowerment | 5.a | <ul style="list-style-type: none"> - Promote the occupational, health and safety (OHS) of female workers, narrowing the gender wage gap, and increasing job opportunities for women along specific value chains (e.g. bananas, avocados and pineapples). - Support capacity development activities and the adoption of gender-related international standards in agricultural supply chains, including through the preparation of training materials and the organization of workshops. |
| BL4: Resilient Agrifood Systems | 1.5, 2.4 | <ul style="list-style-type: none"> - Develop guidelines through multistakeholder approaches to assist countries in formulating and implementing appropriate policies that increase the resilience of agricultural supply chains to external shocks. - Support country capacity development efforts to strengthen resilience along the supply chains. |
| BL6: Scaling up Investment | 2.a | <ul style="list-style-type: none"> - Support responsible investment and business conduct, risk-based due diligence, and Environmental and Social Governance (ESG) risk management in agricultural supply chains, through technical briefs, training materials and facilitation of dialogue among stakeholders. - Conduct and disseminate analysis on the impact of certification schemes on poverty and food security in exporting countries to guide policy formulation and investment decisions. |

E. Governance and intergovernmental processes

83. FAO is committed to supporting governance and intergovernmental processes with the aim to foster a more efficient, inclusive, resilient and sustainable global agrifood system. FAO's work under this priority area includes the servicing of the Committee on Commodity Problems and its subsidiary bodies, support to the implementation of relevant United Nations resolutions, technical support to the G20 and G7 processes, and the production of the flagship report *The State of Agricultural Commodity Markets* (SOCO).

Table 5: Relationship between the PPAs, SDG targets and technical areas of emphasis for governance and intergovernmental processes

| Programme Priority Areas (PPAs) | SDG Targets | Technical Areas of Emphasis |
|------------------------------------|-----------------------|--|
| BN5: Transparent Markets and Trade | 2.b, 2.c, 10.a, 17.11 | <ul style="list-style-type: none"> - Service the Committee on Commodity Problems (CCP), including support to the Bureau and intersessional activities. - Service the Intergovernmental Group (IGG) on Tea, the IGG on Hard Fibres and the IGG on Jute, Kenaf and Allied Fibres, including intersessional meetings and activities. - Implement the relevant United Nations resolutions, namely on tea, cotton and natural plant fibres, and lead the celebration of the International Tea Day (on 21 May of each year) and World Cotton Day (on 7 October of each year). - Support FAO's involvement in the G20 and G7 processes and provide technical support to the G20 and G7 presidencies, including in collaboration with other FAO divisions and offices, as appropriate. - Produce the biennial flagship publication <i>The State of Agricultural Commodity Markets</i> (SOCO), addressing topical thematic subjects related to commodity markets and trade and sustainable development. The 2024 edition of SOCO is dedicated to the theme on trade and nutrition. |

F. Accelerators and cross-cutting themes

84. FAO will continue to monitor and report on global agricultural trade and provide analytical and policy relevant information, while maintaining its comprehensive market intelligence service of major agricultural commodities. FAO will further enhance its analytical capacity and streamline its products and services to better address emerging issues and respond to the demand by Members.

85. To accelerate progress and realize the *four betters* under the Strategic Framework 2022-31, the Organization applies the four accelerators in all programmatic interventions, including in the area of commodity markets and trade:

- **Technology:** FAO's work will promote a wide uptake of tools through leveraging traditional and new technology and innovation. Digital public tools, such as ASIS and the FPMA tool, will continue to be deployed at the global and country levels to promote informed and timely policy decisions.
- **Innovation:** Innovative technical and policy solutions to support digitalization in agrifood trade will be strengthened and promoted, harnessing ICTs, including through partnerships with research institutes. This includes Earth Observation data and technologies, innovative policies and regulatory frameworks, such as market-oriented services and partnerships, and innovative processes that strengthen multistakeholder mechanisms and networks.

- **Data:** FAO’s work on commodity markets and trade includes the well-established global market intelligence and early warning systems and associated databases and reports. The Organization maintains comprehensive balance sheets for the major commodities and analyses and disseminates data and information provides market outlooks on a regular basis. FAO also hosts the Agricultural Market Information System (AMIS), which aims to enhance food market transparency and promote the coordination of policy responses.
- **Complements:** FAO will continue to support the development of country human capital and institutional capacities in agricultural commodity markets and trade with the objective to improve data availability and access to information, enhance market transparency, build technical evidence, and guide policy decisions in a timely manner. Furthermore, FAO will continue to provide a neutral forum for policy dialogue, sensitize key actors in global value chains, and further develop new tools and e-training courses and platforms.

86. The cross-cutting themes of gender, youth and inclusion are critical areas to be considered across all of FAO’s programmatic areas of work to achieve the objectives of the Strategic Framework 2022-31. In this regard, knowledge products produced by FAO in the area of commodity markets and trade will consider differentiated outcomes for different groups of people, identify the nature and sources of inequalities, and provide appropriate and targeted policy recommendations. In addition, FAO will aim to promote the participation of women, young people, and disadvantaged groups, including small-scale actors and marginalized and poor segments of the populations facing specific challenges, such as Indigenous Peoples, in global value chains to reduce inequality and ensure that they all benefit from the expanding global agricultural markets and trade.

V. Improved ways of working

87. FAO’s work under the Strategic Framework 2022-31, namely under the PPA BN5 on “Transparent Markets and Trade”, aims to maximize the contribution of commodity markets and trade to global food security and nutrition, while fostering sustainable development outcomes.

88. Great emphasis will be placed on the use of new technologies and digital tools across all activities, maintaining and strengthening FAO’s leadership in innovation in food and agriculture. For example, more dynamic platforms for sharing information will be created, while the benefits of digitalization and artificial intelligence applications targeted towards food security monitoring and assessment will continue to be developed and promoted to achieve greater and wider impacts and contribute to the needed agrifood systems transformation. To achieve this, FAO will reinvigorate existing collaborations on specific technical priorities within the commodity markets and trade field and emphasize partnering, including with the private sector, to facilitate the adoption of new technologies and innovative business models and promote sustainable trade and global value chains.

89. Globalization and growing volumes of traded agricultural commodities have increased the chances that agricultural production in one place affects the human, animal, and plant health in other regions. Internationally recognized standards developed by standard-setting bodies such as the Codex Alimentarius Commission or the International Plant Protection Convention (IPPC), both housed at FAO, ensure that transboundary threats to food security are limited. The FAO Strategic Framework 2022-31 constitutes the basis for a stronger engagement of all relevant units within the Organization, with the objective to strengthen capacities and consideration of matters in line with comprehensive approaches, such as the One Health approach. Collaboration with other United Nations and international development agencies in the framework of FAO’s normative and technical work will continue and be further strengthened.