

# Facing the future of agriculture: Market outlook, environmental challenges and policy priorities

As global agricultural systems face mounting pressures from climate change, market volatility and shifting consumer expectations, the Forum for the Future of Agriculture convened its 2025 Market Outlook Workshop on 6–7 November in Brussels. The two-day event brought together economists, policymakers, sector representatives and modellers to examine the OECD-FAO Agricultural Outlook (2025–2034) and explore how agriculture can respond to intersecting economic, environmental and geopolitical challenges. Discussions highlighted the need to align productivity with sustainability, ensure long-term policy coherence, and support farmers as key actors in delivering food security and climate objectives.



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Bence TÓTH (DG AGRI) emphasised that food security challenges persist despite high production levels, with access, affordability and food waste remaining major concerns. He also highlighted the pressure on policymakers to deliver rapid analysis in a volatile context. HANIOTIS added that high gas prices continue to disadvantage European fertiliser producers and called for greater uptake of precision fertilisers and improved food waste measurement.

Panellists acknowledged that modelling remains essential but increasingly difficult under uncertainty. For example, food waste reduction scenarios may appear universally beneficial, yet closer analysis can reveal income losses for farmers. Policymakers therefore need tools that combine technical robustness with real-world relevance.

## Day 1: Markets in a shifting global landscape

Opening the workshop, moderator Lee Ann JACKSON stressed the importance of evidence-based policymaking in an increasingly disrupted global environment. She noted that agriculture is shaped by forces well beyond the farm gate, requiring long-term thinking and robust analysis.

Tassos HANIOTIS, Special Advisor for Sustainable Productivity at the Forum and Senior Guest Research Scholar at IIASA, outlined major structural shifts affecting agriculture. These include growing trade tensions, the dual role of agriculture as both an emitter and carbon sink, and declining reliance on scientific evidence in policymaking. He questioned whether the long-term decline in real agricultural prices may be reversing and warned that geopolitical instability and climate impacts could undermine market stability.

## The global baseline and modelling challenges

In the first session, Máximo TORERO, Chief Economist at the FAO, described the OECD-FAO Agricultural Outlook as a critical tool for anticipating long-term trends and disruptions. Marcel ADENÄUER (OECD) explained the baseline assumptions underpinning the Outlook, including slowing population growth, steady economic expansion and increasing regional divergence in diets. While agricultural emissions are projected to rise in absolute terms, emissions intensity is expected to decline.

## Arable crops and livestock under pressure

The second session focused on arable crops. Thomas CHATZ-OPOULOS (OECD) described the sector as mature, with productivity gains sustaining output but slowing demand and increasing market concentration creating vulnerability. Oilseed yields remain volatile due to climate impacts, while biofuel growth is expected mainly in emerging economies.

Iliana AXIOTIADES (Coceral) warned against growing policy interventionism and stressed the difficulty of balancing sustainability goals with food security. Tiffanie STEPHANI (Yara) highlighted the potential to improve nutrient efficiency, noting





that European farmers could increase nitrogen use efficiency by up to 20% through better practices.

Alexander DÖRING (FEFAC) argued for stronger cross-sector collaboration, from feed to food systems, and stressed that livestock should be seen as part of climate solutions rather than solely as a problem. Glauco BERTOLDO illustrated Brazil's integrated approach to food, feed, fuel and carbon, underpinned by decades of research and innovation-driven, low-subsidy production.

The livestock session highlighted a sector at a crossroads. Marcel ADENÄUER (OECD) noted that while global meat consumption will continue to grow, the pace is slowing in high-income regions. Productivity gains will reduce emissions intensity, but total emissions are still expected to rise. Ignacio Pérez DOMÍNGUEZ (EC) pointed to progress in decoupling production and emissions through sustainable intensification.

Sabrina KOGLER (DG AGRI) raised concerns about shrinking grasslands due to declining livestock numbers, with implications for biodiversity and climate regulation. MEP Benoît CASSART warned that relocating production abroad would simply export emissions and undermine EU objectives, stressing the need for stable CAP support.

## Risks and uncertainty

The final session of Day 1 explored what could go wrong. Joseph GLAUBER (IFPRI) highlighted escalating trade tensions and questioned the resilience of the global trading system. John BAFFES (World Bank) warned that fertiliser prices have decoupled from energy prices and that climate impacts may be masked in yield data. Alan MATTHEWS cautioned that rising interest in food sovereignty and protectionism could fragment markets over time.

## Day 2: Environment, policy and the path forward

Day 2 shifted focus to environmental impacts and policy responses. Cédric DU MONCEAU (Committee of the Regions) called for cooperation over competition and urged policymakers to move beyond GDP towards footprint-based indicators. HANIOTIS defended open markets and warned that climate policy must remain socially viable to maintain political support.

Ana Luisa BARBOSA (JRC) presented findings from the EcAMPA study, highlighting that protecting peatlands offers significant emission reductions with limited production impacts. While carbon pricing is effective, it also carries trade-offs, including higher food prices and livestock decline. Tamas KRISZTIN (IIASA) underlined the importance of multi-model approaches to better capture uncertainty and integrate biodiversity and land-use considerations.

## Farmers and policymakers on the front line

Anne-Catherine DALCQ, Walloon Minister for Agriculture, highlighted the growing impact of climate extremes on farmers and warned that the transition must not lead to unaffordable food. Leonard MIZZI (DG INTPA) described converging crises in developing countries and called for better-aligned trade and development policies.

Liam MACHALE (Irish Farmers' Association) and Jurgen TACK (ELO) both stressed that while innovation is happening on farms, short policy cycles and limited access to finance hinder long-term investment. The workshop concluded with a call for courage, stability and trust, recognising that while challenges are significant, the tools and partnerships to address them already exist.