

Global recession impacts on buying behaviour

While the global recession will have a marked impact on what people eat, the demand for food worldwide will continue to increase as the human population expands towards some 9.2 billion in 2050. The rate of population growth is slowing and according to a Chatham House report, on current trends, it will stabilise in the year 2200 at around 10 billion.

Economic growth in advanced economies is contracting to between 1.5 and 2.0%. Slower growth is also evident in emerging and developing economies, falling to less than 7% in China and around 5% in India. However, according to an International Monetary Fund report, global growth is expected to recover in 2010.

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Faster growth in the developing economies is reducing poverty rates and slowly closing the income gap with high-income countries. However, economic growth must be shared amongst everyone to make lasting improvements.

According to the latest edition of the World Bank's Atlas of Global development, the proportion of people in developing countries living in extreme poverty has fallen from 42% in 1990 to slightly more than 25% in 2005. Nevertheless, about 1.4 billion people live on less than US\$1.5 a day. Recent rises in food and fuel prices will likely increase the number of poor people.

In the current recession, even developed countries have seen many consumers change their meat buying behaviour by not eating out as often and/or trading down in their meat choices. This has benefited poultry meat uptake to the detriment of sales of competitive meats. In developing nations, where the demand for meat is primarily driven by economic growth, some consumers are likely to have stopped buying meat, returning to a vegetarian diet.

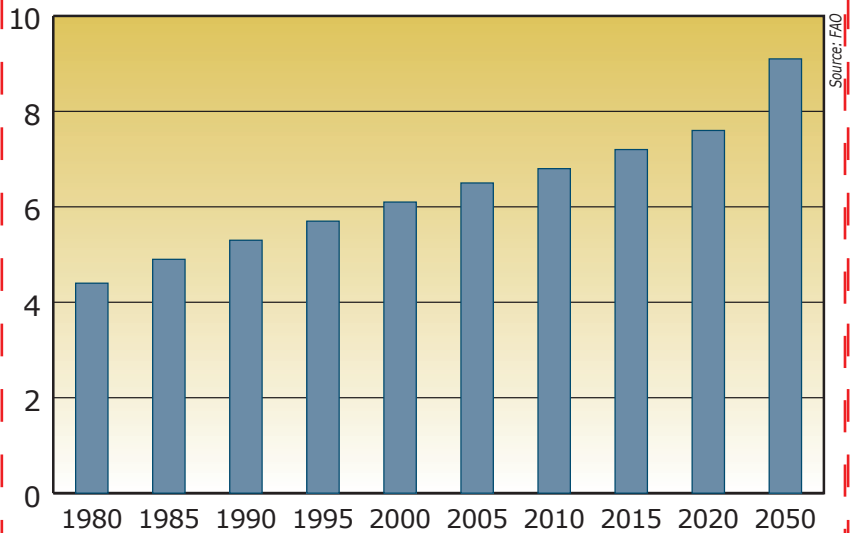
Gross National Income is considered a good measure of a country's ability to provide for the well being of its people. The World Bank classifies countries according to their average income or GNI/person, converted to US dollars using three-year average market exchange rates (see Atlas method data in accompanying table). However, when measuring differences in welfare any comparisons of income among economies should take into account

differences in domestic price levels, by using a purchasing power parity (PPP) exchange factor. This is the number of units of a country's currency required to buy the same amount of goods and services in their domestic market as a US dollar would buy in the USA. Hence, PPPs take into account differences in price levels, as developing countries usually have lower costs for services and non-traded goods.

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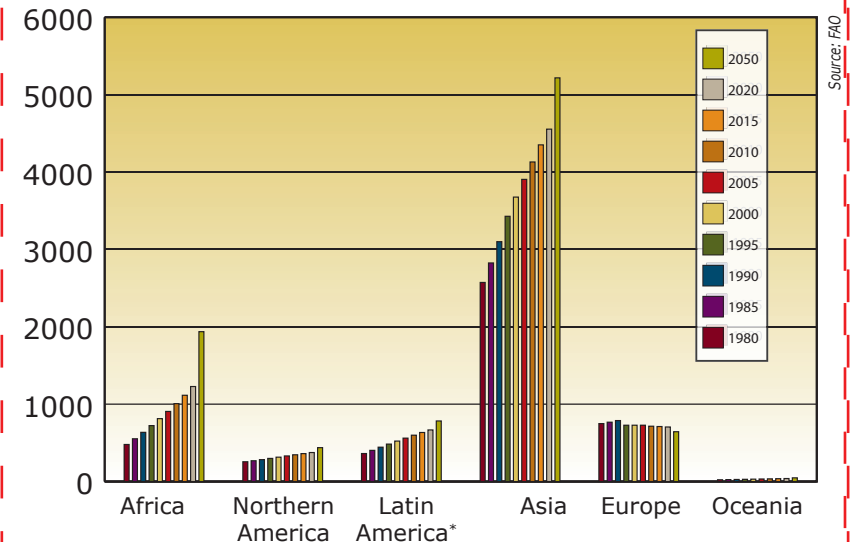
In the industrial world, increasing life expectancy has coincided with income growth and healthier lifestyles. But with a fertility rate of 1.7 births/woman - well below replacement level - the average age of the population will rise and the population size may fall in the absence of immigration. In developing countries life expectancy has increased steadily from 41 years in 1950 to 66 years in 2006. Fertility rates have

World human population (billions)



Caption

Regional human population (millions)



Caption

declined but at 2.7 births/woman they remain well above those in high-income countries, fuelling population growth as births exceed deaths. A failure to slow population growth in the poorest countries is likely to mean a lower quality of life for millions of people.

As the global economy has become more integrated the importance of trade has increased.

Reductions in tariff and non-tariff barriers have helped spur trade but many sanitary and phytosanitary barriers to trade remain. These

are costly to both consumers in developed countries and producers in developing countries.

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By 2050 the population will total nine billion, almost three billion more than today. The demand for food will continue to grow because of population growth, increasing incomes and changes in dietary habits and the industrial demand for commodities such as corn and soybean. Food consumption patterns in

developing countries are changing as incomes rise. More input-intensive and higher priced meat products are replacing traditional meals, which were based on cereals and vegetables.

Producing more food will require more efficient use of agricultural inputs – land water and soil fertility.

Fresh water supplies are declining. With the projected growth in population and economic activity, the share of the world's population facing water shortages will increase more than fivefold by 2050, according to the Atlas.

Growth in human population and gross national income/person/year by region/country

	Population (000)			Atlas Method (\$)	GNI/ person PPP (Int \$)
	2000	2010 ^(f)	2015 ^(f)	2007	2007
WORLD	6085574	6842917	7219424	-	-
AFRICA	812468	1006902	1115357	-	-
ASIA	3675797	4130381	4351000	-	-
EUROPE	728463	725784	721110	-	-
LATIN AMERICA*	522931	598770	634103	-	-
NORTHERN AMERICA	314968	346062	360903	-	-
OCEANIA	30947	35018	36951	-	-
AFRICA	812468	1006902	1115357	-	-
Algeria	30463	35420	38085	3620	7640 ^b
Angola	13841	18327	20947	2560	4400
Benin	7197	9793	11217	570	1310
Botswana	1754	1729	1690	5840	12420
Burkina Faso	11292	15314	17678	430	1120
Burundi	6486	9099	10617	110	330
Cameroon	14856	17685	19040	1050	2120
Cape Verde	451	567	628	2430	2940
Central Afr Rep	3777	4333	4647	380	740
Chad	8216	11130	12832	540	1280
Comoros	699	907	1019	680	1150
Congo Dem Rep	50052	67129	78016	140	290
Congo Rep	3438	4633	5441	1540	2750 ^b
Côte d'Ivoire	16735	19777	21553	910	1590
Djibouti	715	859	930	1090	2260
Egypt	67285	81133	88175	1580	5400
Equatorial Guinea	449	563	627	12860	21230
Eritrea	3557	5128	5840	230	520 ^b
Ethiopia	68525	86998	97155	220	780
Gabon	1272	1498	1605	6670	13080
Gambia	1316	1706	1889	320	1140
Ghana	19867	24312	26562	590	1330
Guinea	8434	10485	11890	400	1120
Guinea-Bissau	1366	1835	2133	200	470
Kenya	30689	38956	44194	680	1540
Lesotho	1788	1768	1744	1000	1890
Liberia	3065	3800	4381	150	290
Libyan Arab Jam	5306	6439	7018	9010	14710 ^b
Madagascar	16195	21151	23813	320	920
Malawi	11512	14348	15998	250	750
Mali	11647	15617	18093	500	1040
Mauritania	2645	3520	3988	840	2010
Mauritius	1186	1298	1344	5450	11390
Morocco	29231	33832	36152	2250	3990
Mozambique	17911	21620	23513	320	690
Namibia	1894	2132	2248	3360	5120

	Population (000)			Atlas Method (\$)	GNI/ person PPP (Int \$)
	2000	2010 ^(f)	2015 ^(f)	2007	2007
Niger	11782	16430	19283	280	630
Nigeria	117608	145991	160931	930	1770
Réunion	724	838	886	^a	^a
Rwanda	8025	10125	11262	320	860
Saint Helena	5	5	5	^a	^a
Sao Tome and Prn	140	174	192	870	1630
Senegal	10343	13082	14538	820	1640
Seychelles	77	84	88	8960	15450 ^b
Sierra Leone	4509	6132	6897	260	660
Somalia	7012	9590	10970	^a	^a
South Africa	45610	47819	47902	5760	9560
Sudan	32902	40254	44035	960	1880
Swaziland	1023	1010	992	2580	4930
Tanzania Rep	34763	41838	45598	400 ^c	1200
Togo	5364	6977	7847	360	800
Tunisia	9563	10639	11140	3200	7130
Uganda	24309	34569	41918	340	920
Western Sahara	300	429	526	^a	^a
Zambia	10702	12673	13841	800	1220
Zimbabwe	12595	13402	13804	340 ^a	^a
ASIA	3675797	4130381	4351000	-	-
Afghanistan	23735	35642	41401	^a	^a
Armenia	3082	2981	2970	2640	5900
Azerbaijan Rep	8143	8741	9083	2550	6260
Bahrain	672	791	852	19350 ^a	34310 ^b
Bangladesh	128916	154960	168158	470	1340
Bhutan	1938	2414	2684	1770	4980
Brunei Darusm	333	414	453	26930 ^a	49900 ^a
Cambodia	12744	15530	17066	540	1690
China	1281060	1362425	1401237	2360	5370
Cyprus	786	881	927	24940	26370
Georgia	4720	4299	4183	2120	4770
India	1021084	1183293	1260366	950	2740
Indonesia	209174	235755	246813	1650	3580
Iran Islamic Rep	66365	74283	79917	3470	10800
Iraq	25075	32534	36473	^a	^a
Israel	6084	7315	7838	21900	25930
Japan	127034	128457	127993	37670	34600
Jordan	4972	6338	6956	2850	5160
Kazakhstan	15033	14802	14877	5060	9700
Korea DP Rep	21862	22907	23299	^a	^a
Korea Rep	46779	48566	49092	19690	24750
Kuwait	2230	3047	3381	31640 ^a	49970 ^a
Kyrgyzstan	4952	5567	5852	590	1950
Laos	5279	6604	7306	580	1940