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Report Name: Barley Trade Quarterly

Country: Saudi Arabia

Post: Riyadh

Report Category: Grain and Feed

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Report Highlights:

High cost and freight (CFR) world barley prices have drastically reduced the demand for barley in Saudi Arabia, and contributed to the increased demand for domestically processed animal feed. For MY2021/22, Post projects total Saudi barley imports at 3.87 million metric tons (MMT), which is a 44 percent decline compared to 6.9 MMT imported in MY2020/21.

Barley Trade Quarterly Report August 2022

Partial exporting countries data for MY2021/22 shows that from July 2021 to May 2022, Saudi barley imports totaled approximately 3.87 MMT, down by 44 percent compared to 6.88 MMT during the same period from the previous year. No country registered barley exports to Saudi Arabia in June 2022, and importers also confirmed that no shipment arrived at Saudi seaports this past June. As such, Post projects total Saudi barley imports at approximately 3.867 MMT for MY2021/22, down by 44 percent from the total imports of 6.9 MMT in MY2020/21.

During MY2021/22, Australia was the dominant feed barley supplier to Saudi Arabia (Kingdom) at 2.55 MMT, accounting for a 65.9 percent market share and only a negligible decrease (23,844 MT) in the quantity it exported last year. The EU-27 was a distant second supplier of barley accounting for a 14.9 percent market share or 574,645 MT, down by 55 percent compared to last year. The EU-27's last barley exports to the Kingdom was in October 2021. Ukraine and Russia were the third largest suppliers to Saudi Arabia in MY2021/22 with each country supplying 9.6 percent of the Kingdom's total barley imports. While Ukraine's exports increased slightly in MY2021/22, Russia's exports decreased by 86 percent from the previous MY. Ukraine's last barley shipment to Saudi Arabia was in November 2021 while Russia's last export was a month earlier.

Saudi Barley Imports in MT				
Exporter	July 2021 - May 2022	Market Share	July 2020 - May 2021	Market Share
Australia	2,550,899	65.9%	2,574,743	37.4%
EU - 27	574,645	14.9%	1,282,168	18.6%
Ukraine	372,776	9.6%	334,225	4.9%
Russia	370,619	9.6%	2,687,723	39.1%
Other Counties	149	0.0%	310	0.0%
Total MY Imports	3,869,088	100%	6,879,169	100%

Source: Trade Data Monitor

Price and Demand for Barley

The extremely high barley price in the domestic market has reportedly drastically decreased the overall demand for barley. As of July 31, the price for 50 kg of barley was \$21.87, inclusive of a 15 percent VAT or \$437.33 per MT at packing terminals. Historically, traditional livestock farmers switch between barley and processed feed depending on the price difference. Basically, farmers purchase processed feed if the price is significantly lower than barley.

Currently, [ARASCO](#) (the largest processed feed producer in the country) is selling 50 kg of its processed feed ("Wafi") at \$18.71, inclusive of a 15 percent VAT. The price is \$3.16 lower than the price of barley of the same weight. The significant price difference between Wafi and barley has reportedly increased the daily sales of the processed feed by more than 25 percent over the past few weeks. ARASCO has been able to keep its processed feed price lower than grain barley because it uses mainly corn and soybeans as ingredients in its Wafi production, and the price of both commodities decreased significantly over the past few months. Yellow corn, which is the main ingredient of Wafi, is currently imported to the Kingdom at \$290 CFR per MT while Australian barley is offered for \$320.

Wafi is ARASCO's signature produced feed and is marketed as a complete livestock (camel, sheep, and goats) feed consisting of cereals, wheat bran, soybean meal, molasses, alfalfa, minerals, and vitamins.

Saudi Barley Production, Supply and Demand Table August 2022

Barley Market Year Begins Saudi Arabia	2020/2021		2021/2022		2022/2023	
	Jul 2020		Jul 2021		Jul 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2	2	2	2	2	2
Beginning Stocks (1000 MT)	1016	1016	1002	1212	988	970
Production (1000 MT)	11	14	11	14	12	14
MY Imports (1000 MT)	7000	6907	4500	3869	4700	5000
TY Imports (1000 MT)	6100	6907	4500	3869	4700	5000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	8027	7937	5513	5095	5700	5984
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	7000	6700	4500	4100	4900	5000
FSI Consumption (1000 MT)	25	25	25	25	25	25
Total Consumption (1000 MT)	7025	6725	4525	4125	4925	5025
Ending Stocks (1000 MT)	1002	1212	988	970	775	959
Total Distribution (1000 MT)	8027	7937	5513	5095	5700	5984
Yield (MT/HA)	5.5	7	5.5	7	6	7

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Barley begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Attachments:

No Attachments