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Report Highlights:

Strong tourism, high petroleum rents, and an accompanying economic boom in the United Arab Emirates are forecast to grow the consumptive base and drive imports of wheat and rice higher in the coming marketing year. The mollification of high prices in global grain markets is reviving plans to expand UAE poultry and dairy production, supporting higher corn and barley consumption and imports. In marketing year 2023/24, Post forecasts consumption and imports of wheat higher by 3 percent, consumption and imports of rice higher by 5 percent, and consumption and imports of corn and barley higher by 7 percent.

Executive Summary

As a rentier state, the United Arab Emirates' economic health is significantly tied to petroleum prices, but diversification in the UAE economy over the past decade has grown the importance of the logistics, aerospace, and tourism sectors, all areas that were more susceptible to the global economic downturn caused by the coronavirus pandemic. While the pandemic caused UAE economic growth to noticeably contract and visitors to plummet, Russia's invasion of Ukraine has had the opposite impact, providing not only a floor to oil and gas prices, but enhancing the UAE's attractiveness as a no-judgement destination for tourism and investment. Strong economic growth driven by oil rents and a near doubling of visitors to the UAE from 2021 to 2022 have had a concomitant impact on demand for grain and feed. After a lull in livestock investments given high feed and other input costs in 2021, the UAE livestock industry is again set to expand. Consumption of fresh livestock products is growing, with healthy government coffers, a higher price ceiling, and more people in the UAE providing the demand pull that the UAE poultry and dairy industries have been anticipating. Planned investments and openings of new production and processing facilities in dairy and poultry will buoy consumption of barley and corn, while growing visitors and an expansion of the population will support increases in wheat and rice. Given a lack of local row crop production, the UAE will see no changes in exports, however the UAE's status as a major gateway economy will continue to support healthy re-export trade. The USDA Office of Agricultural Affairs in Dubai (OAA Dubai) sees the totality of these factors supporting modest increases in UAE imports of wheat, rice, corn, and barley, with all projected to rise in MY 2023/24.

Table 1: OAA Dubai Consumption and Import Forecast Changes

	Consumption		Imports	
	MY 2023/24	MY 2022/23	MY 2023/24	MY 2022/23
Wheat (Marketing Year (MY) is July to June)	1.65 MMT, up 3% or 50,000 MT	1.6 MMT, down, equal to USDA official estimates	1.750 MMT, up 3% or 50,000 MT	1.7 MMT, down, equal to USDA official
Rice (MY is January to December)	1.050 MMT, up 5% or 50,000 MT	1.0 MMT, unchanged, 100,000 MT higher than USDA official estimate	1.050 MMT, up 5% or 50,000 MT	1.0 MMT, unchanged, 100,000 MT higher than USDA official
Corn (MY is October to September)	440,000 MT, up 7% or 30,000 MT	410,000 MT, downward, 30,000 MT higher than USDA official estimate	460,000 MT, up 7% or 30,000 MT	430,000 MT, downward, 30,000 MT higher than USDA official
Barley (MY is October to September)	470,000 MT, up 7%, or 30,000 MT	440,000 MT, downward, 10,000 MT lower than USDA official estimate	480,000 MT, up 7% or 30,000 MT	450,000 MT, downward, equal to USDA official

Source: OAA Dubai, not USDA Official Data

Sources and Common Terms

Common Terms in this Report Include:

ADAFSA – Abu Dhabi Agriculture and Food Safety Authority

COVID-19 – Novel Coronavirus Disease or Pandemic

FAS – Foreign Agricultural Service

FSI – Food, Seed and Industrial

GADAS – Global Agricultural & Disaster Assessment System

GDP – Gross Domestic Product

ha – Hectare

IMF – International Monetary Fund

MT – Metric Ton

MMT – Million Metric Ton

MOCCA – Ministry of Climate Change and Environment

MY – Marketing Year

NECDMA - UAE's National Emergency Crisis and Disasters Management Authority

PS&D – Production, Supply, and Distribution

SSL – Container Steamship Line

TRQ – Tariff Rate Quota

TY – Trade Year

UAE – United Arab Emirates

UAECSC – UAE's Competitiveness and Statistics Center

USDA – U.S. Department of Agriculture

WPI – World Perspectives Incorporated

This report covers all wheat, rice, corn, and barley. Wheat numbers include the following HS codes: wheat grain (HS 1001), wheat flour (HS 1101), pasta (HS 190219, HS 190230), couscous (HS 190240) and bulgur (190430) and have been converted to the wheat grain equivalent. Rice figures include milled rice (HS 100630), broken rice (HS 100640), rough/paddy rice (HS 100610), brown rice (HS 100620) both converted to the milled equivalent. Corn is (HS 1005) and barley is (HS 1003).

Area Planted & Production

Commodities: Wheat, Rice, Barley, and Corn

The United Arab Emirates is an arid country with limited water resources and little natural water recharge. Demand for water is met through costly desalination programs and water recycling. Over the last couple of years, the UAE has carried out cloud seeding by identifying convective clouds and injecting small ice-like particles to modify the clouds, thus increasing the chance of precipitation. Non-hazardous natural salts such as potassium chloride and sodium chloride are used for cloud seeding (Figure 1). The UAE records an average of 100 mm of precipitation every year. There is some evidence that the UAE's cloud seeding is having an effect. During the last three years, the first quarter of the year has seen the highest recorded amount of rain fall in the country's history.

Figure 1: UAE Cloud Seeding



Despite limited water resources, the UAE government continues to look for emerging technologies that can support local production of certain strategic commodities. Several trials for certain grain varieties that can withstand heat, high salinity soil, and drought have been implemented. For more information about previous trials, please refer to FAS Dubai Annual Grain and Feed Reports for 2020 [here](#), 2021 [here](#) and 2022 [here](#).

Boosting Food Security through Increasing the UAE's local Agricultural Production and Agricultural Investments Abroad

The COVID-19 pandemic and Russia's invasion of Ukraine put a renewed impetus on improving food security for the United Arab Emirates. While the country is importing over 90 percent of its food needs and saving no efforts to secure these imports, increasing local food production is crucial for their food security.

Although none of the previous trials to grow certain grain commodities were successful in addressing the UAE's food security concerns, the country continues to implement more of these trials. In February 2023, the Emirate of Sharjah announced that the harvest of 400 hectares of wheat planted in the Mleiha region will start between March 15 to April 15, 2023. The farm is expected to produce around 1,600 tons of wheat annually, which is a small but significant step towards achieving the country's long-term goal of increasing its farming industry.

Figure 2: Wheat Farm in Mleiha, Sharjah, UAE



Sharjah's Department of Agriculture and Livestock stated that the project will be completed in three phases; the first phase will be on an area of 400 hectares, which has already completed, the second phase will be on an area of 880 hectares in 2024, and the third phase will reach its completion on an area of 1,400 hectares in 2025. The project also includes experimental fields of 35 different types of wheat from around the world, spread across two hectares to explore compatibility with Emirati soil and weather (Figure 2). Similar projects in the Arabian Gulf have failed, including Saudi Arabia's now ended experiment with wheat farming that led to severe depletion of ground water resources.

The UAE has been successful in the introduction of advanced hydroponic farming systems to increase its production of highly perishable leafy greens, and some fruits and vegetables. Growing indoors without soil has become a popular method of production in the UAE as it saves water and conserves land. However, growing row crops using this system is not economically viable.

In addition to the UAE's efforts to increase local agricultural production, the country is investing in agricultural production abroad. Abu Dhabi's largest government owned holding company (ADQ), purchased a 50 percent stake in Al Dahra, solidifying government control over the UAE's largest food conglomerate. Al Dahra manages or owns farmland across the world, including 20,000 ha in Serbia, 4,047 ha in Spain, 2,023 ha in Australia, and 4,047 ha in the United States. Please refer to FAS Dubai Annual Grain and Feed Reports for 2022 [here](#) for more details.

While negligible rainfall precludes the production of row crops like wheat, corn, rice, and barley, the UAE is making some progress in developing local production of field greens. Despite these advances, demand for grains will continue to be met through import and storage programs.

Consumption

Commodity: Wheat & Rice

UAE MY 2023/24 all wheat total consumption (July 2023–June 2024) is forecast to increase slightly by three percent or 50,000 MT to reach 1.650 MMT. Post has revised the MY 2022/23 wheat consumption estimate downward to 1.6 MMT, equal to the USDA official estimate.

UAE MY 2022/23 rice consumption (January 2024– December 2024) is forecast to increase by five percent or 50,000 MT to reach 1.050 MMT. Post estimates for rice consumption in MY 2022/23 remain unchanged at 1.0 MMT, higher by 10 percent or 100,000 MT from USDA’s official estimate. Post attributes the increase in wheat and rice consumption to continued economic growth, increasing tourism, a healthy hotel, restaurants and institutional (HRI) sector, and a growing population.

Recovering Economy with Strong Tourism Sector Grows Demand

The January 2023 IMF World Economic Outlook Update projects that global growth will fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024 (IMF Outlook Report [here](#)). However, IMF projected the UAE’s real GDP at 4.2 percent in 2023, the highest economic growth rate in the Arabian Gulf. Dubai’s tourism sector accounts for 10 to 20 percent of the UAE’s total GDP and is a significant source of demand for baked goods, fresh meat, and other products that rely heavily on imported grain and feed. According to data from the Dubai Government Statistics Center, the tourists visiting Dubai have almost doubled in 2022 to reach 14.360 million visitors compared to 7.280 million visitors in 2021 (Chart 1), an increase of 97 percent ([see the 2022 Report and the 2021 Report](#)).

The tourism sector is forecast to grow again in 2023 as the numbers of visitors to Dubai are expected to reach even higher levels than before the pandemic, at 16.730 million visitors. In 2020, during the pandemic, the number of visitors to Dubai dropped to a low 5.510 million. All local events, conferences, and international shows, including Gulfood, the world’s biggest annual food show have received or are expected to receive more visitors in 2023. From November 30 to December 12, 2023, Dubai will host the United Nations Climate Change Conference (COP 28) and in the first quarter of 2024 Abu Dhabi will host the 13th World Trade Organization’s Ministerial Conference. The UAE is expected to use both events as a catalyst to attract additional business and tourism.

Chart 1: Number of Visitors to Dubai 2015-2022



Source: Dubai Statistics Center - Government of Dubai

Growing Population Leads to Increased Demand

The IMF projects the UAE's population will be 10.755 million in 2023, an increase of 2 percent from 2022 estimates at 10.544 million (IMF UAE Projections Data [here](#)). Around 90 percent of the UAE's population are expats originating from nations all over the world and this trend is likely to remain unchanged. The UAE continues to strengthen its position as an ideal destination to live, work, and invest by introducing ten different types of new entry visas and residence permits. As foreign expatriates make up most of the the UAE's population and have been a mainstay of the economy for decades, the UAE is being deliberate in introducing new policies deemed to attract more foreigners and boost growth. In addition, the government introduced a retirement plan for non-Emirati employees, which will play a crucial role in enhancing the economic and social stability over the long-term (For more information, please refer to FAS Dubai Annual Grain and Feed Reports for 2022 [here](#)).

Stocks and Price Control System Temper Food Inflation

Russia's invasion of Ukraine and other factors contributing to high commodity prices and food security challenges (see USDA Report) put downward pressure on food and feed consumption in MY 2022/23. This included all wheat-based commodities and animal products due to price increases for corn and fertilizers. However, the UAE's food stocks, lasting for three to six months, have helped temper price increases while government price ceilings for certain basic food commodities remain strictly enforced and have been limiting the ability of wholesalers and retailers to pass on higher input costs to consumers without prior government approval. To comply with price ceiling requirements, wholesalers and retailers are pressuring importers, producers, and manufacturers to maintain prices despite increased costs throughout the supply chain. The UAE's price control system, the country's fiscal ability to secure grain imports, and its ability to diversify grain suppliers have all helped to moderate high prices negatively impacting local consumption.

Background on Wheat Consumption & Flour Milling

The UAE has a wheat milling capacity of 1.67 MMT per year and total storage capacity of around 920,000 MT (Table 2). Wheat milling and processing is driven by both re-export demand and local consumption. Diverse baked goods reflect the international origins of the UAE's population, with Arab, Eastern, and Western baked goods widely available. White medium hard accounts for 70 percent of wheat imported to the UAE; the remainder is a blend of white hard and soft. Soft red wheat is the least imported given its limited use in local baking.

Table 2: UAE's Wheat Flour Milling Capacity

Company	Flour Milling Capacity Per Annum	Storage Capacity
<i>Al Dahra "Etihad Mills"</i>	500,000 MT	300,000 MT
<i>Agthia "Grand Mills"</i>	300,000 MT	150,000 MT
<i>IFFCO</i>	500,000 MT	130,000 MT
<i>Al-Ghurair</i>	300,000 MT	300,000 MT
<i>Others</i>	70,000 MT	40,000 MT
Total	1.670 MMT	920,000 MT

Source: FAS Dubai Research

Figure 3: A Drawing of the Al Dahra Grain Silos at Fujairah Port



Background on Rice Consumption & Milling

Basmati and Jasmine rice are the two most popular rice varieties in the UAE. Most rice is bulk bag packaged and sold through hyper and supermarkets. Indian and Pakistani rice is prevalent but rice from other origins like the United States, Australia, Thailand, and the Philippines are widely available.

In 2016, Kohinoor was launched as a joint venture between Al Dahra Holdings and India's Kohinoor Foods; it is located in the Khalifa Industrial Zone in Abu Dhabi (Kizad) (Figure 4). Kohinoor's current milling capacity is 120,000 MT with 30,000 MT of storage. -The facility can handle the full processing cycle from milling, storing, packing and distribution not only within the UAE but also to foreign markets via Khalifa Port. Kohinoor imports semi-milled rice for processing and white rice for re-packaging and is the main supplier to the UAE government's subsidized rice program.

Figure 4: Kohinoor Rice Facility



Consumption Cont'd

Commodity: Corn & Barley

UAE MY 2023/24 corn consumption (October 2023–September 2024) is forecast to increase by 7 percent or 30,000 MT at 440,000 MT. Post has revised MY 2022/23 corn consumption estimate downward to 410,000 MT, higher by 30,000 MT from USDA's official estimate.

UAE MY 2023/24 barley consumption (October 2023–September 2024) is forecast to increase by 7 percent or 30,000 MT at 470,000. Post has revised MY 2022/23 barley consumption estimate downward to 440,000 MT, lower by 10,000 MT from USDA official estimates.

Post attributes the increase in corn and barley consumption to the growing demand from the livestock sector led by the poultry industry, as most corn imports go into feed for poultry production. The poultry industry is actively expanding production in 2023, and recent UAE government action to raise poultry meat and table egg prices by 13 percent will help the industry increase profitability after a couple of years challenged by higher input prices.

UAE's Government Approved 13 Percent Retail Price Increase for Poultry Meat and Eggs

Post attributes the increase in corn and barley consumption to higher demand from the poultry industry. In March 2023, the UAE's Ministry of Economy (MOE) approved a temporary 6-month price increase of 13 percent for the retail price of poultry meat and table eggs. The UAE has been reluctant to raise poultry and egg prices despite higher input costs and disrupted frozen supply due to global outbreaks of highly pathogenic avian influenza (HPAI). The inability of UAE producers to pass on higher input costs (imported feed, packaging, and fertilized eggs), challenged UAE poultry farm profitability and inhibited industry expansion. The government's substantial price increase will support the growth of the poultry industry. The decision by the Ministry to raise prices was driven by farmer advocacy, with many local companies noting losses incurred by higher input costs that they could not pass along to consumers.

Major poultry and eggs producer informed Post that the increase in poultry meat and egg prices is a relief for the industry and will support their expansion plans that had been on hold due to lower selling prices and higher costs. The producers confirmed that immediate production expansions will be effective this year as the construction of the production line and other production requirements were ready but waiting for improved market conditions.

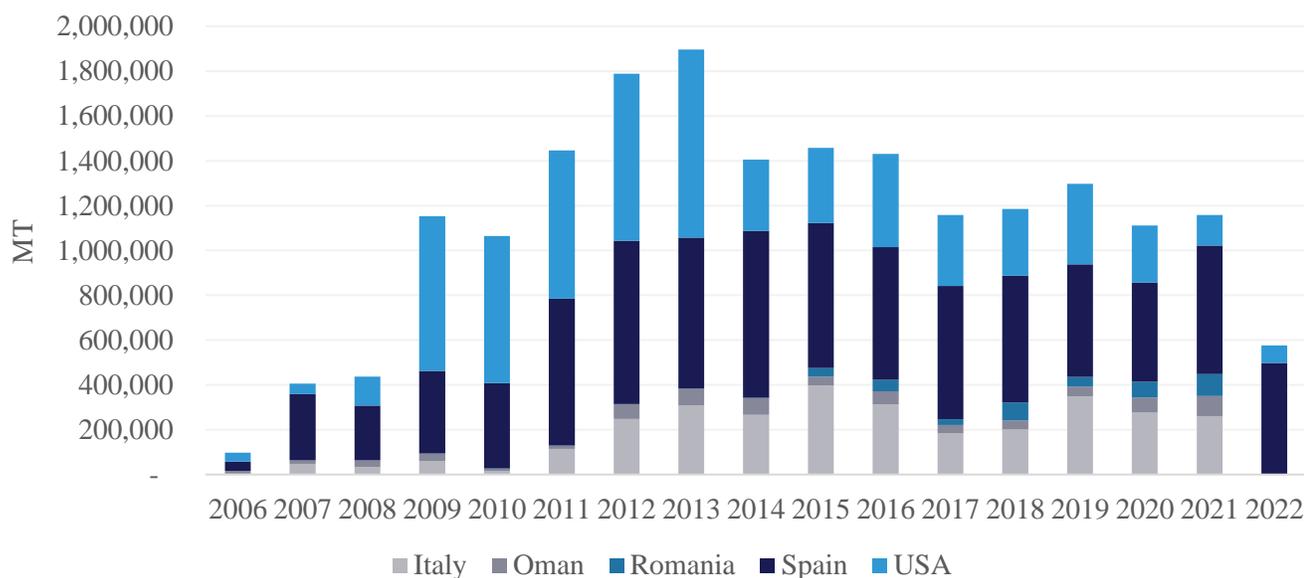
The UAE consumes around 3 MMT of grain and forage products annually. In addition to corn and barley, the UAE imports hay, soybean meal, and alfalfa to feed around 4.8 million head of cows, camels, sheep, and goats in addition to 44 UAE poultry farms producing meat and eggs for the country and other markets in the Gulf Cooperation Council (GCC). For more information on the poultry sector, please see the [2021 UAE Annual Poultry GAIN Report](#) and [2022 UAE Annual Poultry GAIN Report](#).

Imports of U.S. Forage Fail to Recovery from COVID-19 Disruptions

The UAE is a major investor in the U.S. forage industry, with farms, storage, packing and transportation infrastructure through their ownership of Al Dahra ACX Global. At one time, Al Dahra was the largest forage exporter in the United States. However, as reported to Post, management changes at the company came at the same time as major pandemic disruptions to U.S. container availability and markets. These factors severely lowered Al Dahra's U.S. exports and the exports of U.S. forage to the Arabian Gulf

overall. Since 2019, U.S. forage exports to the UAE have fallen by 62 percent and show no signs of recovering (Chart 2). U.S. market share has largely been replaced by Spain and Italy, with a small amount also going to Romania. This rapid market change shows the long-term impacts of pandemic disruptions and presages likely permanent changes to UAE forage imports.

Chart 2: Top Global Exports of Forage to the UAE



Source: United Nations Comtrade

UAE’s Livestock Expansion is Crucial for Food Security

In March 2022, Al-Rawabi company, one of the UAE’s major dairy and juice producers, signed a lease agreement to establish a production dairy farm facility in Khalifa Industrial Zone Abu Dhabi (KIZAD). The dairy farm will be the home of 10,000 Al-Rawabi cows which will produce 23 million liters of fresh milk in the first operational year. The facility will include milk parlors, a dairy plant, and a feed factory. The Abu Dhabi Investment Office has developed a [pipeline of investment projects worth AED 1 billion \(\\$272 million\)](#) for the private sector to enhance the food security and agriculture sustainability system in the Emirate of Abu Dhabi. Among these projects is the Agthia Group’s new farm for conducting research and improving forage products; the farm will include a new poultry processing facility. Another project is the opening of a dairy processing plant for sheep and goat milk by the Al Suwaidi and Al Ghurair Groups. More details about these projects can be found [here](#).

Abu Dhabi Feed Subsidy Program Remains to Support Animal Production

Given most livestock production in the UAE occurs in Abu Dhabi, ADAFSA operates a fixed-price feed subsidy program through the Agthia Group and National Fodder. Emirati farmers located in Abu Dhabi and government owned agribusinesses can purchase both fodder and feed grain for a discount based on the difference between a government set fixed price and the current prevailing market price. More than 1.2 MMT of subsidized feed is distributed every year under this feed subsidy program.

There are five local manufacturers of chicken feed in UAE, one in Dubai, another in Abu Dhabi and others in Sharjah, Ras Al Khaimah, and Fujairah. Most manufacturing companies import raw materials and adjust the ratio of the feed ingredients based on the age of the bird, breed, and market demand. The

three main types of poultry feed that are available in the UAE and Dubai are concentrates, roughages, and blended feeds, with most ingredients of animal feed in the local market imported from abroad.

Ending Stocks and Carryout

Wheat: Post forecasts MY 2023/24 wheat ending stocks to remain stable at 397,000 MT. Post has revised downward wheat stocks for MY 2022/23 at 397,000 MT, equal to USDA official estimates. In cooperation with industry, the UAE government intends to maintain large stocks in accordance with the federal strategic food reserve law that minimum of three months' stock is mandatory.

Rice: Post forecasts MY 2023/24 rice ending stocks at 300,000 MT. Post has revised upward rice stocks in MY 2022/23 at 300,000 MT, equal to USDA official estimate. Rice ending stocks are stable as the UAE maintains its strategic food reserve of 3-months of supply to combat global food price inflation. However, majority of the stock is carry-over maintained by traders and millers from the previous to the following marketing year.

Corn: Post forecasts MY 2023/24 corn ending stocks to remain unchanged from the previous year at 16,000 MT. At least 50 percent of these stocks are carry-over maintained by feed mills and traders with the remainder apportioned to food security reserves. Post have revised downward corn stocks in MY 2022/23 at 16,000 MT, equal to USDA official estimate.

Barley: Post forecasts no ending stocks for barley in MY 2023/24. Barley's total supply is anticipated to be consumed domestically.

Learning from the 2008 food crisis, the Arab Spring, the COVID-19 Pandemic, and Russia's war on Ukraine, over the last decade the UAE has taken many steps to improve its food security including maintaining food and feed reserves. For more information about UAE efforts and policies on food security please refer to FAS Dubai Annual Grain and Feed Reports [here](#).

Trade

Countries like the UAE, which depend heavily on imports, fear the political impacts of food insecurity, and have learned from the price spikes in 2007 and 2008. The COVID-19 pandemic, Russia's war on Ukraine and their impact of supply chains was a real test of the UAE government's ability to manage food price inflation and available supply. The UAE emerged from the pandemic and the ongoing conflict in Ukraine in a strong position with ample supply and while prices have risen, inflation has been nominal when compared to others globally.

The UAE is a rentier state with government revenues that closely track global oil prices. The surge in oil prices driven by the war in Ukraine have buoyed UAE coffers, mollifying price increases in other commodities. However, long-term instability in the international grain trade continues to be a major vulnerability for the UAE. The Emirates Food Security Council played a vital role with the support of local traders in securing food and feed commodities during the pandemic and after Russia's invasion. Russia and Ukraine account for 26 percent of global wheat exports, 16 percent of global corn exports, and 30 percent of global barley exports. Please refer to USDA's Grain World Market and Trade reports [here](#) for more information on the ongoing impact of the war on prices and supply.

In July 2022, Turkey brokered an international agreement through the United Nations to allow for the continued export of Ukrainian grain through the Black Sea. The agreement allowed Ukraine to resume shipments of grain from three key Ukrainian ports in the Black Sea (Odesa, Chernomorsk and Yuzhny) to meet continued demand from the global market. The UAE continues to rely on this trade corridor for certain commodities, not only grains but also chicken meat.

After Russia’s invasion of Ukraine, the UAE turned to India as a major supplier of wheat. While India has become the UAE’s largest supplier, the Grain Corridor Agreement may mollify concerns and cause the Black Sea region to again become the largest supplier to the UAE. Traders have reported to Post that despite the UAE’s large imports of Indian wheat, the change in quality has significantly affected operations. One wheat miller indicated to Post that after the change in origins, foreign matter rose significantly, well above 10 percent from a 90,000 MT shipment they purchased last year. Contacts have reported that high FM from new origins has caused damage to equipment, requiring wheat to be milled multiple times before it was suitable for sale or further processing. These factors when combined with variable production in India, will likely temper long-term imports of Indian wheat.

Since the Black Sea agreement prices have backed off wartime highs. The agreement was set to expire on March 18, 2023, its recent renewal should assuage fears of a return of higher prices (Table 3).

Table 3: Select Origin Prices USD per Metric Ton

	June 2022	March 2023	Change Lower
Argentina	\$492	\$357	\$135
Australia	\$455	\$339	\$116
Canada	\$483	\$348	\$135
EU	\$419	\$300	\$119
Russia	\$430	\$295	\$135
United States	\$483	\$364	\$119

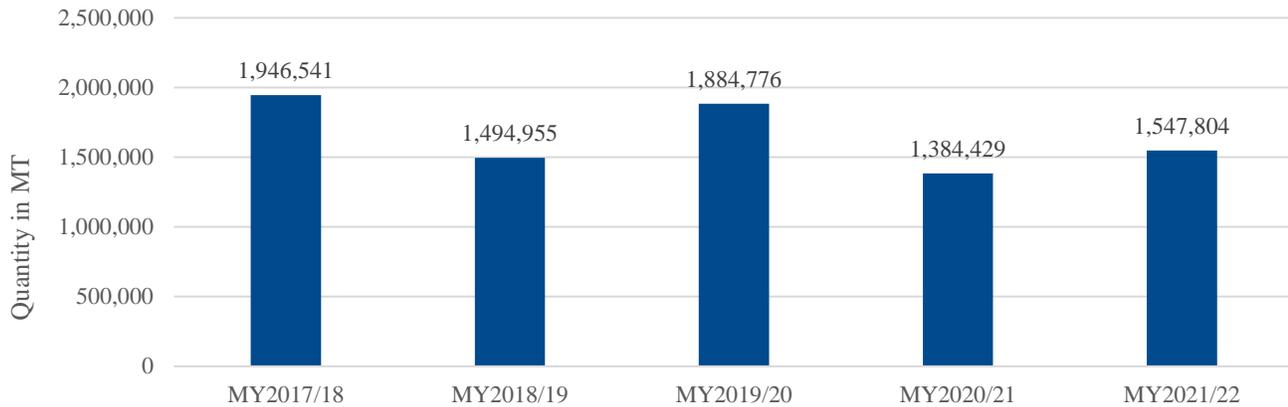
Source: FAS Dubai Research

Imports

UAE MY 2023/24 all wheat imports (July 2023 – June 2024) are forecast to increase by 3 percent or 50,000 MT to 1.750 MMT. Post has revised all wheat imports in MY 2022/23 downward to 1.7 MMT, equal to USDA official estimates. Post attributes this increase to rising domestic consumption as a result of the growing population and improved tourism sector. Around 92 percent of the UAE’s wheat imports are raw products with the remainder comes in the form of wheat products such as flour, pasta, and couscous.

There is disagreement in available data sources with regards to imports. Given strong economic growth in the UAE supported by various factors including tourism, oil rents, etc., Post analysis supports the higher import quantities. Post forecast that UAE imports will continue their V-shaped recovery from COVID-19 and then the disruption in global grain caused by the Ukraine conflict. According to data from Trade Data Monitor, LLC (TDM) UAE all wheat imports increased by 163,375 MT or 12 percent to 1.547 MMT in MY 2021/22 compared to 1.384 MMT in the previous marketing year (Chart 3). Current available data from July to December 2022 puts UAE all wheat imports at 598,994 MT. UAE government source data (UAECSC) report imports of all wheat at 1.508 MMT for MY 2021/22, below TDM numbers.

Chart 3: UAE's Wheat Imports from World



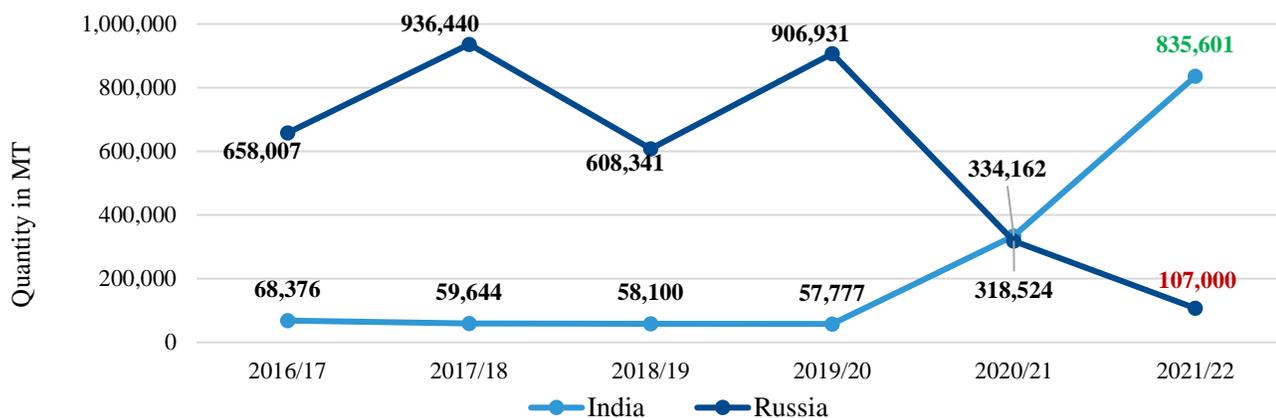
Source: Trade Data Monitor, LLC

Securing food commodities is a top priority for UAE’s government as part of its food security strategy. Given the UAE’s fiscal strength, the main food security challenge will not be grain prices but the availability of commodities from other origins. Fiscal strength will allow the UAE to continue to diversify wheat origins so long as oil rents remain high.

Russia Export Ban Drives UAE to Import Wheat from India and India Export Ban Drives UAE to Import Broken Rice from Pakistan

In 2020, Russian put in place export restrictions, including export quotas and taxes, that curbed exports to the UAE and the Arabian Gulf. Russia’s invasion of mainland Ukraine caused further disruption in Black Sea supply. To fill this void, the UAE has turned to India as their major supplier. In MY 2021/22, India’s all wheat exports to UAE increased by 150 percent, up by nearly 500,000 MT from the previous marketing year, and 770 thousand MT from the year prior. In contrast, Russia’s wheat exports to the UAE have dropped significantly over the last two marketing years, falling by nearly 800,000 MT (Chart 4).

Chart 4: UAE's Wheat Imports from India and Russia



Source: Trade Data Monitor, LLC

India has a complex agricultural economy and history of market interference driven by balancing the needs of its large population with highly variable production. On May 13, 2022, due to a record rise in Indian wheat prices, New Delhi announced a ban on wheat exports. On the same day, the UAE’s

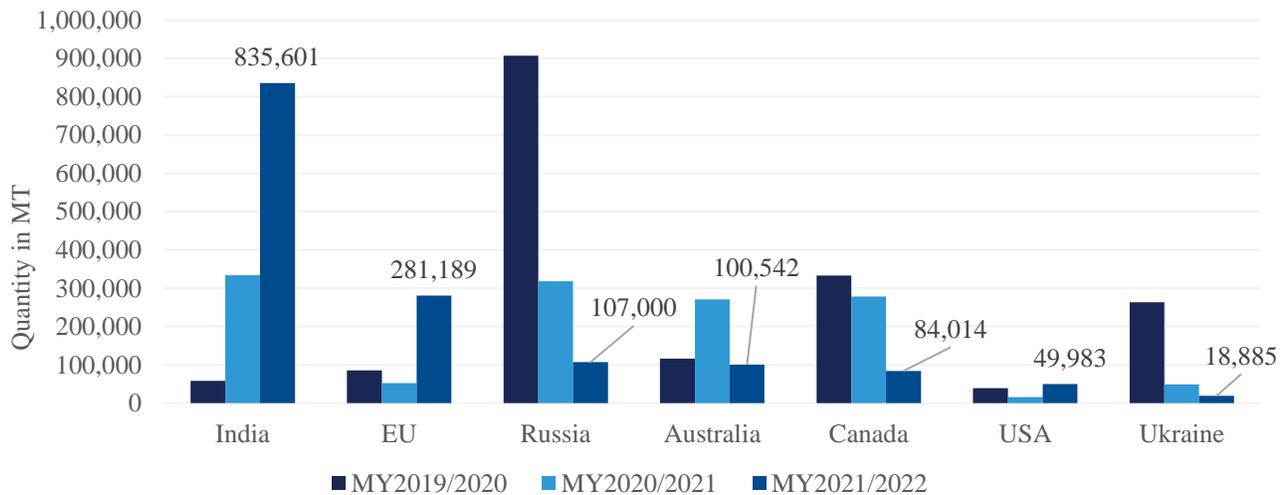
Ministry of Economy and India announced an understanding that the UAE would be exempted from any export ban. The UAE promised not to re-export any Indian origin wheat or wheat flour in return for the exemption, and UAE traders must provide documentation to verify compliance.

On September 9, 2022, India then announced a ban on the exports of broken rice (HS 100640) and applied a 20 percent export tariff on paddy rice (HS 100610), brown rice (HS 100620) and white rice that is neither basmati nor parboiled (HS 10063090). Because the UAE’s rice imports are mostly of the basmati varietal, there was nominal impact on the UAE’s imports of table rice. But the ban did have a large impact on the UAE’s imports of broken rice from India, with volume dropping by 55 percent in MY 2021/22. The UAE fulfilled these quantities from Pakistan, with imports of 6,133 MT in MY 2021/22 compared to 2,007 MT in MY 2020/21. There was little impact of the Indian rice export tariff on paddy rice (HS 100610) and brown rice (HS 100620) because the UAE normally imports these varieties from Pakistan.

Other Major Wheat Suppliers

In MY 2021/22, besides India the UAE also diversified to other sources. The EU’s wheat exports to the UAE increased by 437 percent or 228,912 MT to reach 281,189 MT compared to just 52,277 MT in the marketing year prior. India and the EU represented 72 percent of the UAE’s total wheat imports in MY 2021/22, and took market share from previous majority suppliers, including Russia, Australia, Canada, and Ukraine. The year prior India and the EU represented a mere 28 percent of total UAE wheat imports. The UAE and the EU enjoy a long history of trade, with local industry noting that EU origins are often priced favorably due to proximity and lower logistical costs (Chart 5).

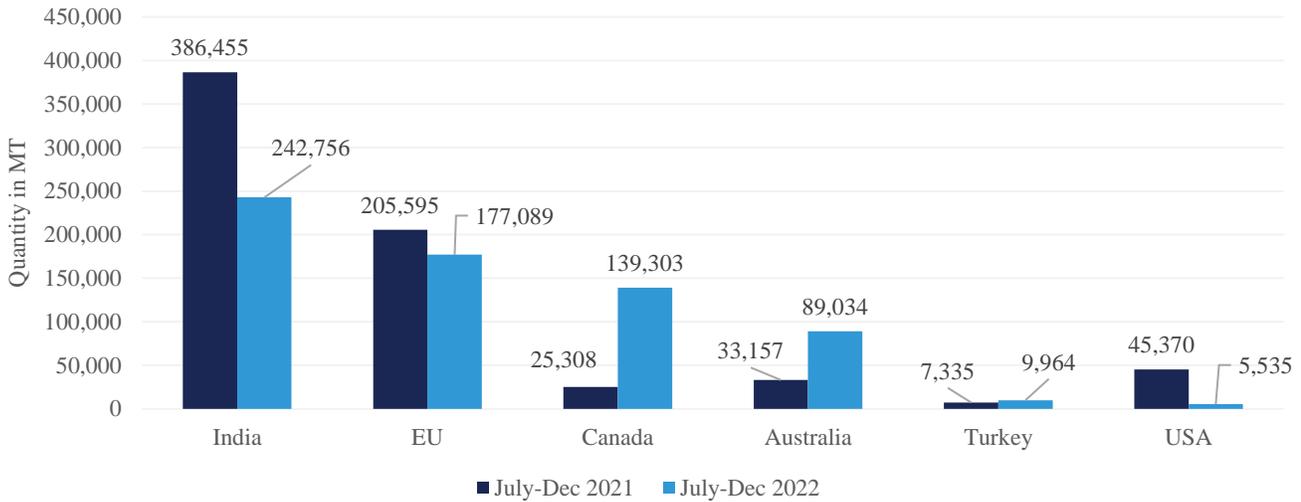
Chart 5: Major Wheat Suppliers to UAE



Source: Trade Data Monitor, LLC

Looking forward, a return to the UAE’s traditional wheat origins is likely. India’s total exports from July through December 2022 are lower by 143,699 when compared to the same time last year, while Canada and Australia have both increased exports over the same comparable period (Chart 6).

**Chart 6: Major Wheat Suppliers to the UAE
July to December 2021/2022**



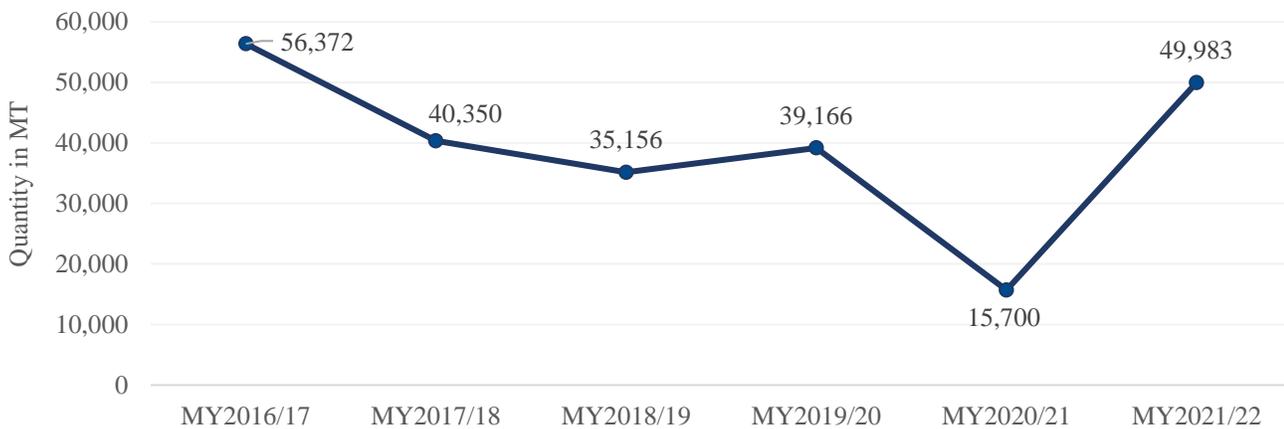
Source: Trade Data Monitor, LLC

Russian and Ukrainian wheat exports have dropped significantly since Russia’s annexation of Crimea in 2014. Prior to the conflict, Russia was the number one wheat supplier to the UAE while Ukraine was the third largest supplier. In MY 2021/22, Russia’s wheat exports to UAE dropped further, falling by 66 percent or 211,524 MT to reach 107,000 MT. This compares to 906,931 MT in MY 2019/20, only two years ago. Ukraine’s wheat exports to the UAE likewise dropped by 61 percent over the same period.

U.S. Exports of Wheat to UAE Remain Stable

Post forecasts U.S. exports of all wheat to the UAE in MY 2023/24 to remain unchanged at 50,000 MT. The Russian export control measures and Russia-Ukraine war provided opportunities for U.S. wheat exports to fulfill shortages from Ukraine and Russia. In MY 2021/22, U.S. exports of all wheat to UAE increased by 34,283 MT or 218 percent to 49,983 MT compared to only 15,700 MT in the previous marketing year (Chart 7). From July 2022 through January 2023, U.S. all wheat exports to the UAE were 5,677 MT compared to 3,733 MT same period of previous marketing year.

Chart 7: U.S. Wheat Exports to UAE



Source: Trade Data Monitor, LLC

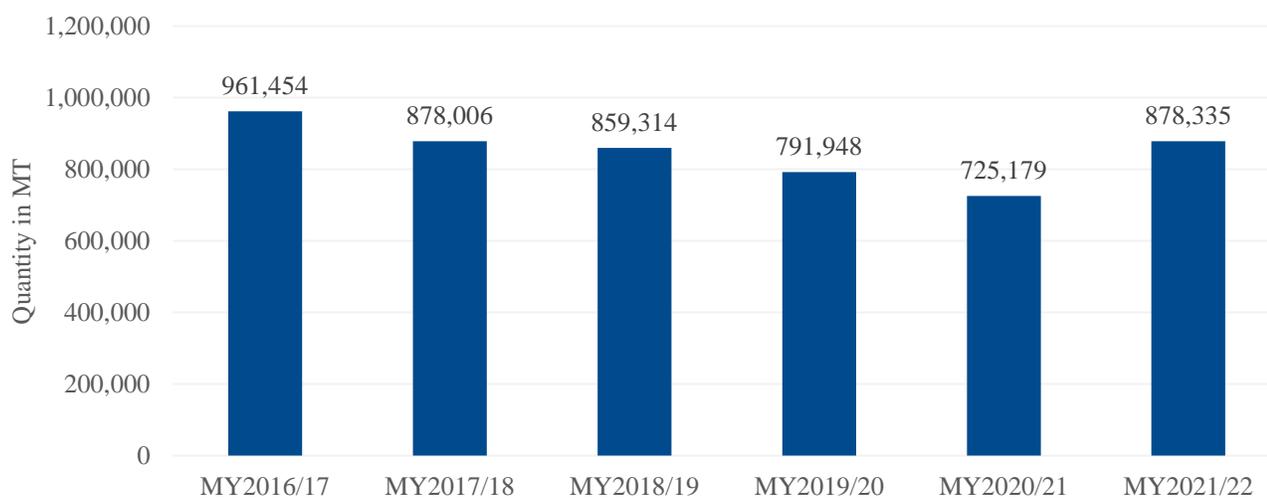
Most U.S. wheat exports to the UAE take place during the second half of the marketing year or the first half of the calendar year (January to June). UAE flour producers appreciate the quality of U.S. wheat compared to other origins and will regularly buy at least one cargo for blending purposes. UAE traders cite distance, the lack of regular vessel strings, inability to do grocery boats, and unload at multiple ports of call, as major reasons the United States remains a minority exporter.

Rice Imports Projected Higher

UAE MY 2023/24 rice imports (January 2024 – December 2024) are forecast to increase by 5 percent or 50,000 MT to 1.050 MMT. Post estimates for MY 2022/23 rice imports remain unchanged at 1.0 MMT, higher by 100,000 MT than USDA official estimates. Post attributes this increase to strong local consumption and the UAE government’s mandatory policy to keep stocks for at least 3 months. Around 98 percent of the UAE’s rice imports are milled and semi-milled while the other two percent are brown and broken rice.

According to data from Trade Data Monitor, LLC, in MY 2021/22, UAE total rice imports from the world increased by 21 percent to reach 878,335 MT compared to 725,179 MT in the previous year (Chart 8).

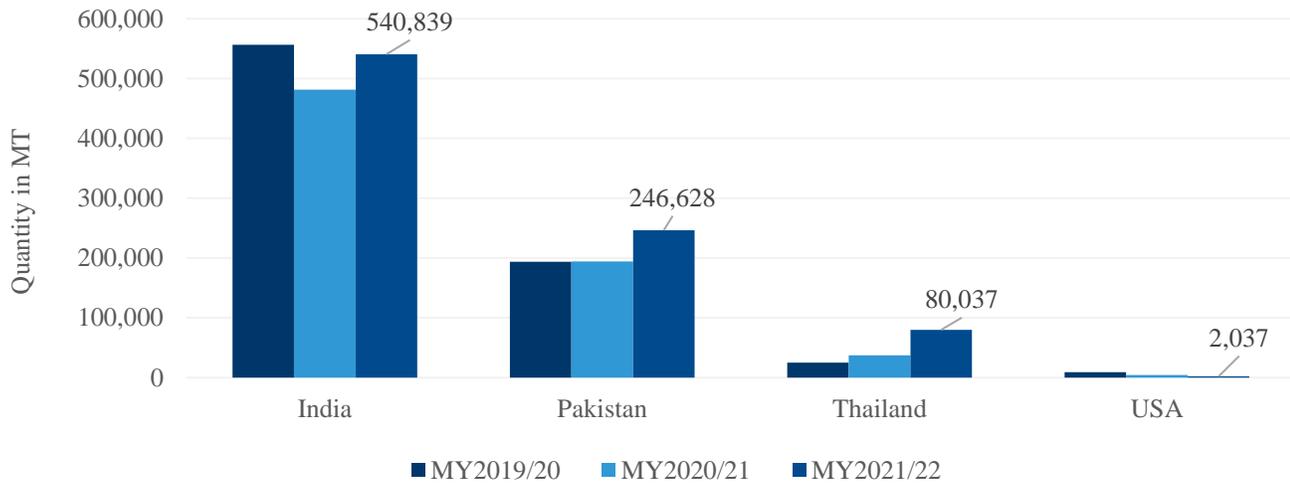
Chart 8: UAE's Rice Imports from World



Source: Trade Data Monitor, LLC

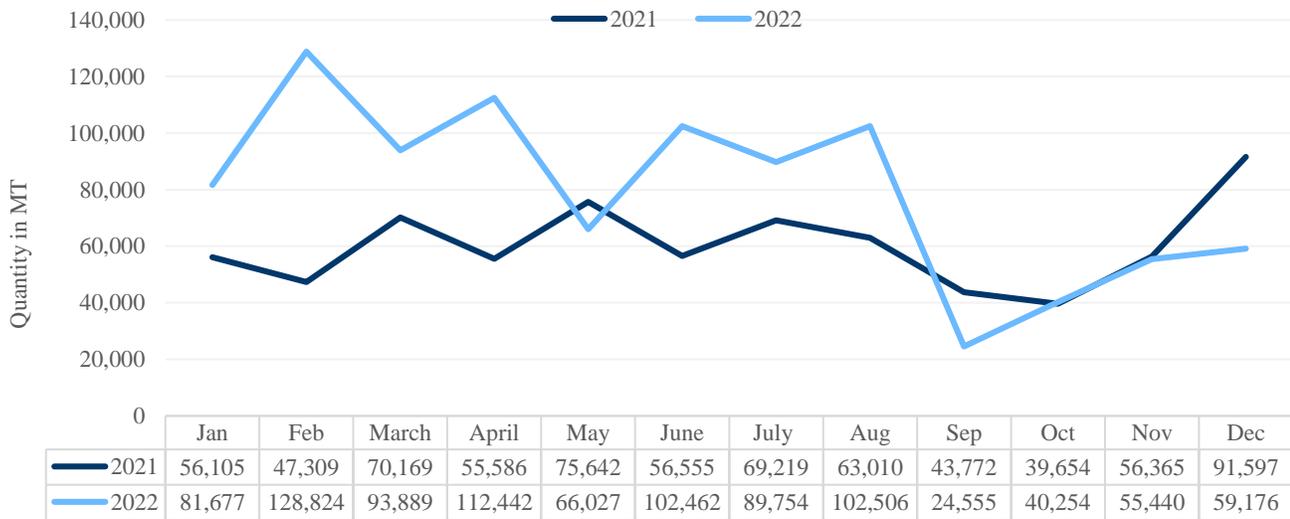
Indian and other Asian expatriates represent most of the UAE population and prefer rice that originates from their home countries. According to data from Trade Data Monitor, LLC, India, Pakistan, and Thailand were the major rice suppliers to the UAE in MY 2021/22. India’s rice exports increased by 12 percent over the least marketing year and represent 61 percent of the UAE’s total rice imports. Pakistan, the second largest supplier, increased exports by 27 percent. Thailand’s rice exports to the UAE increased by the largest amount, at 113 percent in MY 2021/22. The United States had the fifth largest reported exports to the UAE, ending lower than the previous marketing year (Chart 9). Other suppliers include Bahrain, Turkey, the EU, Sri Lanka, and Saudi Arabia. However, many other countries like Egypt participate in the UAE’s porous rice trade.

Chart 9: Major rice Suppliers to UAE



Source: Trade Data Monitor, LLC

Chart 10: UAE's Rice Monthly Imports

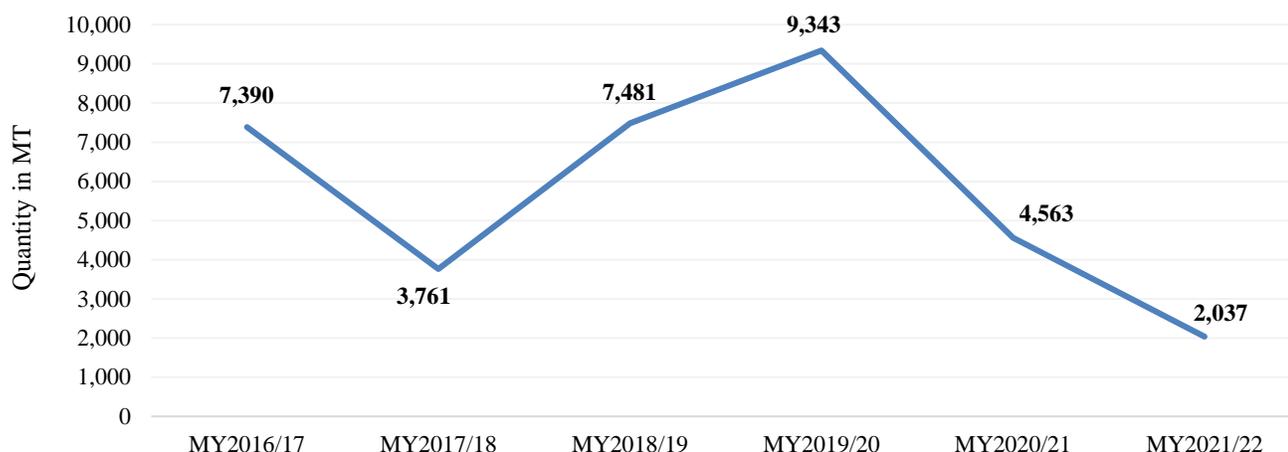


Source: Trade Data Monitor, LLC

U.S. Rice Exports to UAE Dropped

Post forecasts U.S. exports of rice to the UAE in MY 2023/24 to remain modest at 5,000 MT. In MY 2021/22, the U.S. was the fifth largest rice supplier to the UAE with total exports at 2,037 MT, lower by 2,526 MT or 55 percent from previous marketing year exports at 4,563 MT (Chart 11). For the last 15 years, U.S. exports of rice to the UAE have ranged between 3,000 MT and 11,000 MT.

Chart 11: U.S. Rice Exports to UAE



Source: Trade Data Monitor, LLC

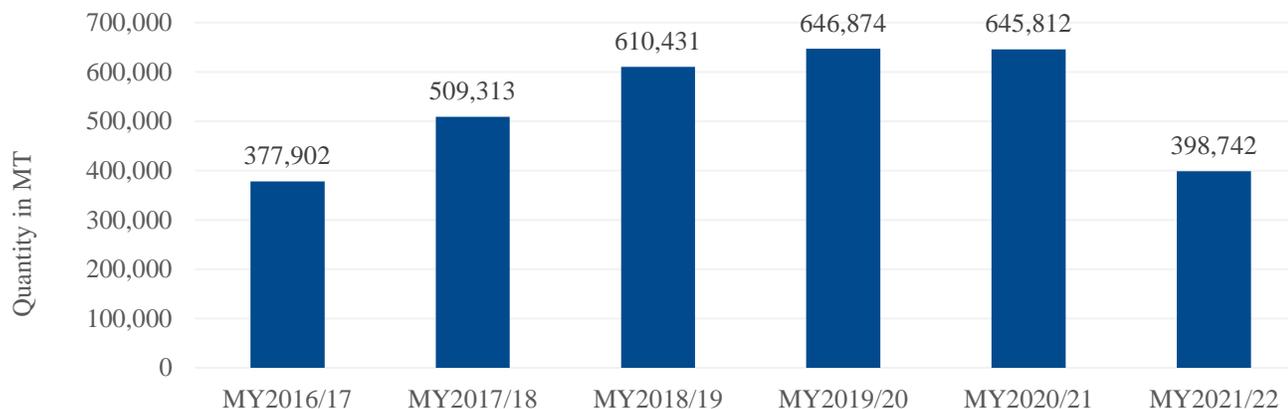
U.S. rice prices in UAE hypermarkets are often higher by 13 to 15 percent when compared to the same varieties from other origins. These higher prices are due primarily to shipping costs.

Corn Imports Increase to Meet the Increased Demand from Livestock Sector

UAE MY 2023/24 corn imports (October 2023–September 2024) are forecast to increase by 7 percent or 30,000 MT to 460,000 MT. Post attributes this increase to growing demand from the dairy and poultry industries. Post has revised MY 2022/23 corn estimates for the UAE downward to 430,000 MT, higher by 30,000 MT than USDA official estimates.

According to Trade Data Monitor, LLC data, the UAE’s corn imports from the world dropped by 38 percent in MY 2021/22 (Chart 12). As noted in the poultry report, the UAE experienced a contraction in domestic production driven by high input prices. The drop in corn imports was accompanied by an increase in poultry meat imports in MY 2021/22. According to available data and post analysis, frozen poultry imports reached record levels in MY 2021/22, offsetting a fall in production not just in the UAE, but in other nearby countries.

Chart 12: UAE Corn Imports from World

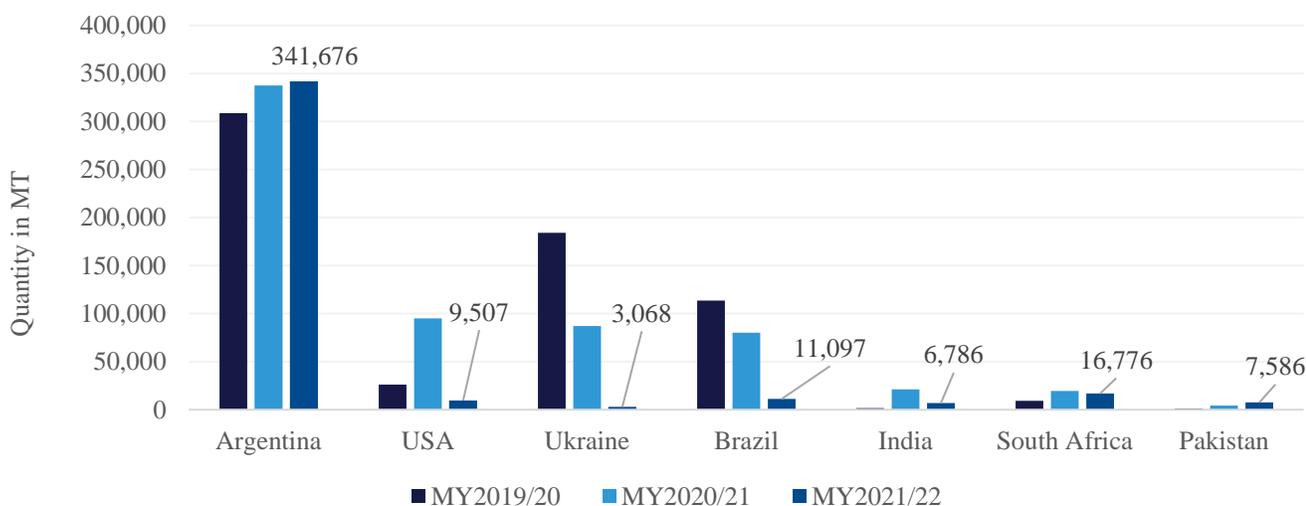


Source: Trade Data Monitor, LLC

Due to competitive prices, Argentina was the major corn supplier to the UAE in MY 2021/22, representing 86 percent of UAE’s total corn imports, with a modest 1.5 percent increase from the previous marketing year. South Africa was the second largest supplier and is new to exporting corn to the UAE at volume. Brazil and U.S. corn exports to the UAE in MY 2021/22 dropped by 86 percent and 90 percent respectively (Chart 13). Traders report they prefer South American origins for corn due to the ease of booking multiple cargos and more logistical flexibility. Like wheat, Russia’s invasion of Ukraine has had a deleterious impact on the UAE’s imports of Ukrainian corn. Ukraine’s corn exports dropped by 96 percent in MY 2020/21.

Argentina corn exports to world are expected to be the lowest since 2017, as production has been heavily impacted by the drought. With Argentinian less likely to export corn this year, the UAE will turn to other sources such as Brazil and India to fill the gap in available supply.

Chart 13: Corn Major Suppliers to UAE



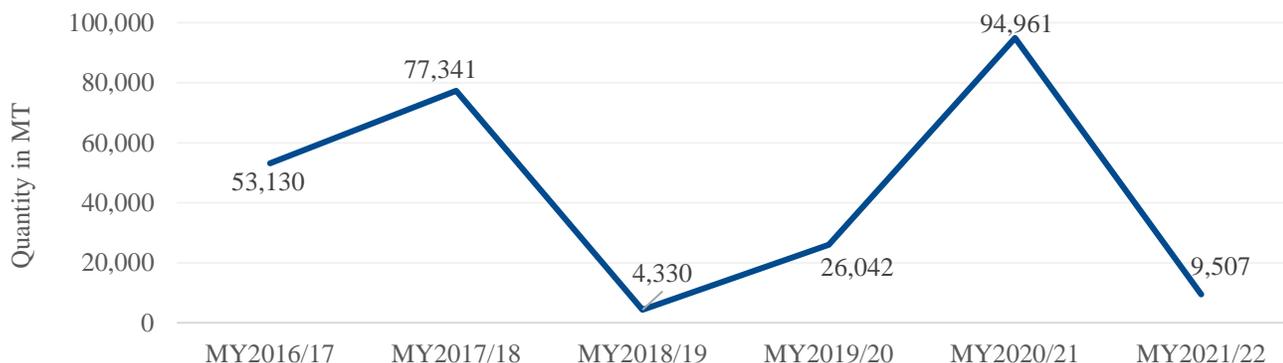
Source: Trade Data Monitor, LLC

U.S. Corn Exports Fill the Gap During Global Volatility

Post forecasts U.S. corn exports to the UAE in MY 2023/24 to remain stable. Post has revised U.S. corn exports estimates in MY 2022/23 downward from 100,000 MT to 10,000 MT. Lower prices offered by other suppliers, mainly Argentina, have limited U.S. competitiveness in the UAE market. From October 2022 through January 2023, U.S. corn exports to UAE were at 1,912 MT. However, the drought in Argentina may provide room for U.S. corn exports to the UAE in MY 2022/23.

In MY 2020/21, the U.S. was UAE’s second largest corn supplier with 15 percent market share and U.S. corn exports to the UAE reached their highest volume in recent history, increasing by 68,997 MT or 265 percent (Chart 14). The increase in U.S. exports in MY 2020/21 was due to a drop in Ukrainian and Brazilian exports. From October 2022 through January 2023, U.S. corn exports to UAE were at 1,912 MT compared to 2,416 MT from October 2021 to January 2022. There are no sales currently reported in the USDA Export Sales Query system, however the United States will likely not see forward interest for corn by UAE importers until later in the marketing year prior in the fall, when harvest pressure makes the U.S. a more competitive origin.

Chart 14: U.S. Corn Exports to UAE



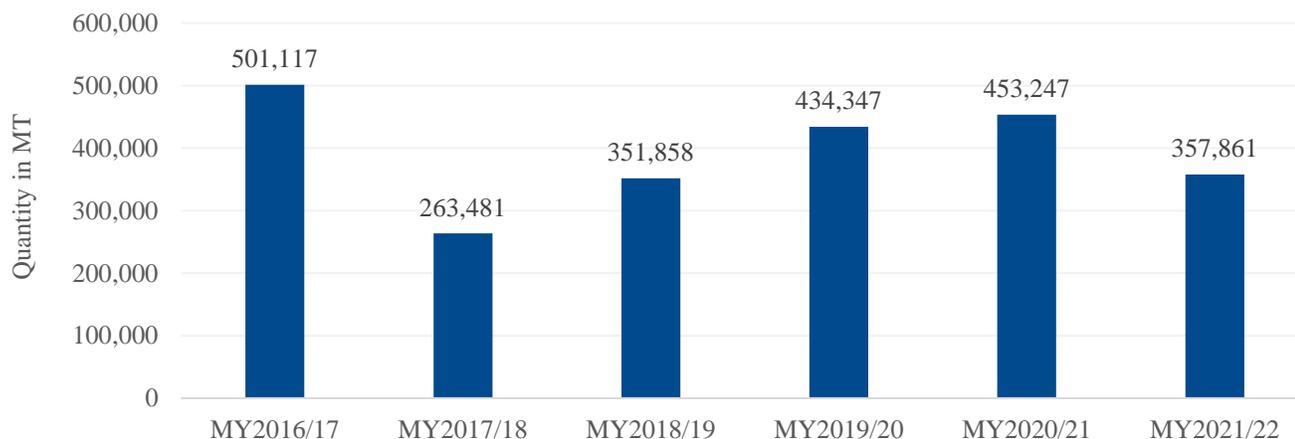
Source: Trade Data Monitor, LLC

Barley Imports:

UAE MY 2023/24 barley imports (October 2023–September 2024) are forecast to increase by 7 percent or 30,000 MT to 480,000 MT. Post attributes this increase to the expected high demand from the growing dairy and poultry industries. Post has revised MY 2022/23 barley estimates downward to 450,000 MT, equal to USDA official estimates.

According to TDM, the UAE’s Barley imports from the world dropped in MY 2021/22 (Chart 15). Like corn, barley imports are price sensitive, given their use in feed rations. MY 2021/22 has seen barley higher priced when compared to corn, and thus has impacted to the downside UAE barley imports.

Chart 15: UAE Barley Imports from the World

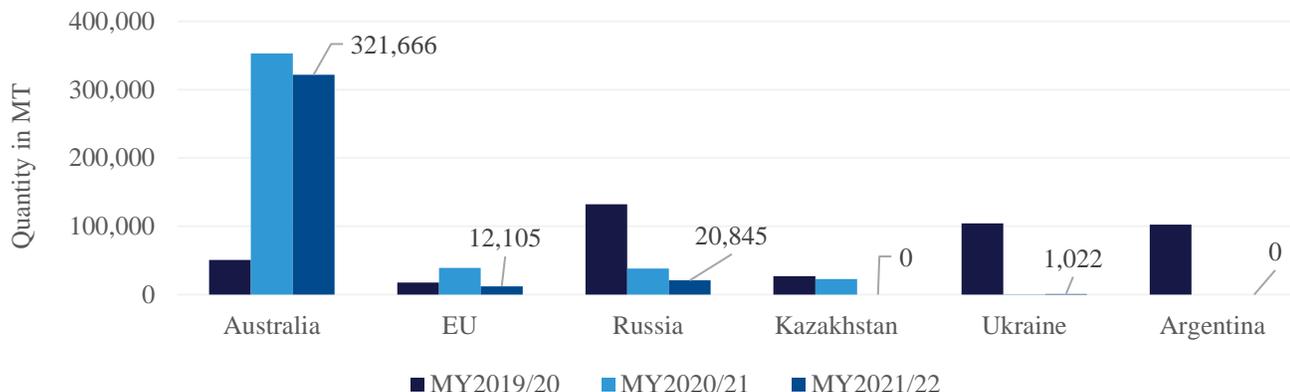


Source: Trade Data Monitor, LLC

In MY 2021/22, Australia was the major supplier of barley to UAE with total exports of 321,666 MT, representing 90 percent of UAE’s total barley imports. Australia exports dropped by 31,140 MT or 9 percent in MY2020/21. Russia was the second largest supplier in MY 2021/22 representing 6 percent of UAE’s total barley imports but dropped its market share dropped by 45 percent in MY 2021/22. The EU was the third largest supplier with total exports at 12,105 MT in MY 2021/22, representing just 3 percent of UAE’s total barley imports. In a major change, Argentina reported zero exports in MY

2021/22. The overall fall in barley imports was due to less availability at origins and a general shift away from the UAE importing from Russia. U.S. barley has difficulty competing in the UAE market due to both a freight disadvantage and issues of identity preservation (Chart 16).

Chart 16: Barley Major Suppliers to UAE



Source: Trade Data Monitor, LLC

Exports

The UAE is a major regional center in the international container trade, with large container ports in Jebel Ali, Sharjah, and Khalifa. Many products never get unloaded at the UAE’s large freezones; some are lightly processed before being re-exported. Due to low tariffs and tax agreements both within the GCC and Arab League, many traders in the UAE import products only to quickly resell them to other markets. All of this heavily impacts trade and consumption numbers.

Around 1,200 wooden ships at Dubai Creek and Deira Ports support the UAE’s grain exports and re-export trade with Asian and East African countries. Vessel weight capacity ranges between 75 to 3000 tons. The port of Deira accounts for the largest percentage of these small ships at 650, followed by Dubai Creek with 550 ships. Customs authorities estimate that 10 to 15 percent of UAE trade is done through these channels, with rice being one of the principal commodities loaded and shipped. These wooden ships are also used to deliver Indian basmati rice to Iran. Indian exporters sell basmati rice to Iran through Iranian agents in the UAE who pay in Emirati dirham.

Wheat Exports to Remain Stable

Post forecasts MY 2023/24 UAE wheat exports to remain unchanged from MY 2022/23 volumes at 100,000 MT. Most UAE wheat exports are wheat flour and pasta.

In MY 2021/22, UAE all wheat exports to the world dropped by 51,497 MT or 35 percent to 93,961 MT compared to 145,458 MT in the previous marketing year. Post attributes the fall in wheat exports to the UAE-India agreement preventing shipment onward of Indian wheat products from the UAE. Exports from July through December 2022 recovered to 79,572 MT compared to 47,030 MT during the same period in 2021. The recovery in UAE wheat exports is likely due to the UAE changing import origins away from India and to other origins that allow for re-export. Around 78 percent of the UAE’s exports were wheat, 7 percent were wheat flour, and the remaining 15 percent were pasta.

Saudi Arabia was the UAE’s top wheat importing country with total imports of 28,878 MT, representing 31 percent of UAE’s total exports in MY 2021/22. The Philippines was the second largest importer with total imports of 20,018 MT, representing 21 percent of UAE’s total exports followed by Bahrain with total imports of 16,211 MT, representing 17 percent of UAE’s total wheat exports. Other importing countries include Zimbabwe, Jordan, Taiwan Kenya, the United States and Japan. The United States reported 1,093 MT of wheat products imported from the UAE in MY 2021/22, a fall from MY 2020/21 at 2,734 MT.

From July through December 2022, Sri Lanka has replaced the Philippines entirely and become the number one export destination for UAE wheat, reporting 31,036 MT of imports. Saudi Arabia remains a large destination at 17,260 MT and then Bahrain at 9,194 MT. The United States reported a recovery to 3,408 MT of imports from the UAE during the same period.

Rice Exports to Remain Zero

Post forecasts UAE rice exports to remain at zero in MY 2022/23 as the UAE actively stems exports and safeguards its domestic rice supply. Post would note that while exports will remain zero, re-exports remain high given the UAE’s centrality to global food trade flows, especially to the Middle East and North Africa.

In MY 2021/22, UAE rice exports to the world dropped by roughly 7,692 MT or 19 percent to approximately 32,675 MT compared to 40,367 MT in the previous marketing year. UAECSC reports total exports of rice were minimal but re-exports were up in MY 2021/22.

Table 4: UAE Total Rice Re-Exports by Major Destination MY 2021/22 in Metric Tons

Country	UAE Rice Exports	Percent Total Exports
Zimbabwe	24,160	74%
Kenya	2,320	7%
Cote d’Ivoire	2,008	6%
United Kingdom	1,967	6%

Source: Trade Data Monitor, LLC

UAE Corn Exports Unchanged

In MY 2022/23, Post forecasts UAE corn exports to remain unchanged at 20,000 MT. In MY 2021/22, the UAE’s exports of corn increased by 1,575 MT or 230 percent to 2,257 MT compared to 682 MT in the previous marketing year. The increase in UAE’s corn exports was due to higher demand from neighboring countries Saudi Arabia and Bahrain, but total corn exports from the UAE to other countries remains nominal, with most UAE corn consumed or processed locally.

Table 5: UAE Total Corn Exports by Major Destination MY 2021/22 in Metric Tons

Country	MY 2021/22	MY 2020/21
Saudi Arabia	1,148	159
Bahrain	642	48
Ethiopia	411	390

Source: Trade Data Monitor, LLC

UAE Barley Exports Unchanged

Post forecasts UAE exports and re-exports of barley in MY 2021/22 to remain unchanged at 10,000 MT. In MY 2021/22, the UAE's exports of barley increased to reach 39,652 MT compared to 1,435 MT in the previous marketing year. From 2018 to 2021, all of the UAE's barley exports were destined for Bahrain. In MY 2021/22, Saudi Arabia was the major importer of UAE's barley at 37,142 MT, representing 94 percent of UAE's total barley exports. The remaining six percent or 1,435 MT were imported by Bahrain. From October through December 2022, UAE barley exports were 770 MT and re-exports were at 84 MT. UAE corn and barley exports are mainly imported by local traders and distributors who sell these imported goods to foreign buyers once the product has officially entered the UAE and is recorded as "imports".

For questions on any information found in this report, please contact the Regional Office of Agricultural Affairs at the United States Consulate in Dubai, United Arab Emirates. To learn more about what our office does, watch this [video](#).

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**United States
Department of
Agriculture**

Wheat Production, Supply, and Distribution Trade						
Wheat	2021/2022		2022/2023		2023/2024	
Market Begin Year	Jul 2021		Jul 2022		July 2023	
United Arab Emirates	USDA Official	*New Post	USDA Official	*New Post	USDA Official	*New Post
Area Harvested	0	0	0	0	0	
Beginning Stocks	475	475	397	397	0	397
Production	0	0	0	0	0	0
MY Imports	1547	1547	1700	1700	0	1750
TY Imports	1547	1547	1700	1700	0	1750
TY Imp. from U.S.	50	50	0	50	0	0
Total Supply	2022	2022	2097	2097	0	2147
MY Exports	100	100	100	100	0	100
TY Exports	100	100	100	100	0	100
Feed and Residual	125	125	150	150	0	150
FSI Consumption	1400	1400	1450	1450	0	1500
Total Consumption	1525	1525	1600	1600	0	1650
Ending Stocks	397	397	397	397	0	397
Total Distribution	2022	2022	2097	2097	0	2147

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

**Note: This is not USDA official data*

Rice Production, Supply, and Distribution Trade

Rice, Milled	2021/2022		2022/2023		2023/2024	
Market Begin Year	Jan 2022		Jan 2023		Jan 2024	
United Arab Emirates	USDA Official	*New Post	USDA Official	*New Post	USDA Official	*New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	150	150	300	300	0	300
Milled Production	0	0	0	0	0	0
Rough Production	0	0	0	0	0	0
Milling Rate (.9999)	0	0	0	0	0	0
MY Imports	1000	1000	900	1000	0	1050
TY Imports	1000	1000	900	1000	0	1050
TY Imp. from U.S.	2	2	0	5	0	5
Total Supply	1150	1150	1200	1300	0	1350
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Consumption and Residual	850	850	900	1000	0	1050
Ending Stocks	300	300	300	300	0	300
Total Distribution	1150	1150	1200	1300	0	1350

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

**Note: This is not USDA official data*

Corn Production, Supply, and Distribution

Corn	2021/2022		2022/2023		2023/2024	
Market Begin Year	Oct 2021		Oct 2022		Oct 2023	
United Arab Emirates	USDA Official	*New Post	USDA Official	*New Post	USDA Official	*New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	16	16	16	16	0	16
Production	0	0	0	0	0	0
MY Imports	395	395	400	430	0	460
TY Imports	395	395	400	430	0	460
TY Imp. from U.S.	0	10	0	10	0	0
Total Supply	411	411	416	446	0	476
MY Exports	5	5	20	20	0	20
TY Exports	5	5	20	20	0	20
Feed and Residual	390	390	380	410	0	440
FSI Consumption	0	0	0	0	0	0
Total Consumption	390	390	380	410	0	440
Ending Stocks	16	16	16	16	0	16
Total Distribution	411	411	416	446	0	476

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

**Note: This is not USDA official data*

Barley Production, Supply, and Distribution Trade						
Barley	2021/2022		2022/2023		2023/2024	
Market Begin Year	Oct 2021		Oct 2022		Oct 2023	
United Arab Emirates	USDA Official	*New Post	USDA Official	*New Post	USDA Official	*New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	337	337	450	450	0	480
TY Imports	337	337	450	450	0	480
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	337	337	450	450	0	480
MY Exports	0	0	0	10	0	10
TY Exports	0	0	0	10	0	10
Feed and Residual	337	337	450	440	0	470
FSI Consumption	0	0	0	0	0	0
Total Consumption	337	337	450	440	0	470
Ending Stocks	0	0	0	0	0	0
Total Distribution	337	337	450	450	0	480

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

**Note: This is not USDA official data*