

Required Report: Required - Public Distribution

Date: March 31, 2023

Report Number: SA2023-0002

Report Name: Grain and Feed Annual

Country: Saudi Arabia

Post: Riyadh

Report Category: Grain and Feed

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Report Highlights:

Recent available data indicates that Saudi Arabia imported approximately 2.7 million metric tons (MMT) of barley in the first six months of MY 2022/23 (July – December 2022), an increase of approximately 11% compared to the same period last year (2.46 MMT). However, due to heavy rain that improved the livestock pasture, the demand for imported barley is forecast to significantly decline for the remainder of this marketing year to 4 MMT. For the same reason, MY 2022/23 total corn consumption is estimated at approximately 3.6 MMT, down by approximately 5% from USDA’s official estimate of 3.8 MMT. Meanwhile, the demand for wheat and rice are expected to increase due to expansions in the food service sector, and this trend is expected to continue for the next several years.

EXECUTIVE SUMMARY

Since marketing year (MY) 2018/19, domestic wheat is produced on a voluntary basis by farmers with less than 50 hectares (HA) of farmland. Before each planting season, the Saudi Ministry of Environment, Water and Agriculture (MEWA) requests farmers choose between wheat or alfalfa and sell their product back to MEWA. Originally, MEWA expected farmers would produce up to 1.5 MMT of wheat each production season. However, since farmers earned more by producing alfalfa, MEWA has not been able to increase the quantity of locally grown wheat to more than 540,000 metric tons (MT). This trend is forecast to continue in MY 2023/24.

Wheat consumption for MY 2022/23 is 4.3 MMT, like USDA's official estimate and up 10% from MY 2021/22. The demand for wheat has been increasing between 5-10% annually over the past couple of years due to increased demand from the expanding food service sector; mainly from demand by labor camps across the country. Saudi Arabia issued seven international wheat import tenders for MY 2022/23 and purchased 4.67 MMT, which is expected to arrive by the end of June 2023. This is an increase of approximately 72% compared to the country's MY 2021/22 official wheat purchase data, and nearly 4% above USDA's official estimate of 4.5 MMT.

Meanwhile, total Saudi feed barley consumption for MY 2022/23 is estimated at 4 MMT, down by approximately 18% from USDA's official estimate of 4.9 MMT due to unusual heavy rain over the past four months that provided good pasture conditions for livestock farmers, which significantly reduced the demand for barley and processed feed.

Recent available data shows that the Kingdom imported approximately 2.7 MMT of barley in the first six months of MY 2022/23 (July – December 2022), an increase of approximately 11% compared to the same period last year (2.46 MMT). However due to improved pasture conditions, the demand for barley imports is forecast to significantly decline for the remainder of this marketing year to 4 MMT, which would be a long-time low for total imports.

MY 2022/23 total corn consumption is estimated at approximately 3.6 MMT, down by approximately 5% from USDA's official estimate of 3.8 MMT. This is mainly due to the good pasture conditions that reduced the demand for processed feed by livestock farmers. Recent corn suppliers' data for the first four months of MY 2022/23 indicates that Saudi Arabia imported approximately 1.38 MMT, an increase of 37% compared to last year. This trend is expected to reverse significantly for the remaining of the year mainly due to high stock levels and reduced demand by feed processors. Based on discussions with local corn importers and international corn traders, Post projects MY 2022/23 total Saudi corn imports at 3.9 MMT, slightly down from USDA's official estimate of 4 MMT.

Saudi rice consumption and imports in MY 2022/23 are estimated at approximately 1.3 MMT or the same as USDA's official estimate. Both domestic rice consumption and imports are projected to grow by 8% in MY 2023/24 due to expansions in the food service sector.

WHEAT

Production

In January 2023, SAGO, an agency within MEWA, was renamed as the General Food Security Authority (GFSA). The authority projects MY 2022/23 (July 2022 – June 2023) domestic wheat production at 600,000 MT, down 40% from the USDA's official estimate of 1000,000 MT. The wheat production areas were reviewed using an average yield of approximately 6 MT per HA. In Saudi Arabia, wheat is planted at the end of November until the second week of January, and it is delivered to GFSA from April to October. GFSA purchases all locally produced wheat at a set premium price compared to imports. The price is set annually, and GFSA will purchase locally produced wheat this year at a gross price of \$467 per MT.

Farmers, on 50 hectares of farmland, are a part of a voluntary program with MEWA and can produce either wheat, or alfalfa. Since MY 2020/21, MEWA has encouraged local farmers to produce up to 1.5 MMT annually for delivery to GFSA (the exclusive purchaser of domestic and imported wheat). However, it has been difficult for MEWA to convince local farmers to produce wheat at the maximum set production level since alfalfa is more profitable than wheat. Alfalfa produces for up to three years and yields between 6 - 9 cuts a year depending on planting region and weather conditions. As a result, farmers typically make more money producing alfalfa than wheat. While MEWA licenses local wheat production, currently, GFSA is the exclusive buyer of licensed producers.

Presently, there is no indication that MEWA will mandate increased domestic wheat production for MY 2023/24. Many experts believe farmers prefer producing alfalfa for at least one of the following three reasons:

- 1) Growers have more experience and knowledge with alfalfa than wheat.
- 2) Alfalfa is more profitable since it produces multiple cuts for up to three years per planted seed. (Currently, locally produced alfalfa is sold at more than \$300 per MT.)
- 3) The wheat crop is completely irrigated, but cooler temperatures and cloudy weather during most of the growing season significantly reduces wheat yields.

Traditionally, Saudi Arabia grows a hard-winter variety known as "Yecoro Rojo" that was developed by the International Maize & Wheat Improvement Center in cooperation with the Mexican Ministry of Agriculture in Mexico. GFSA prefers Saudi Arabian wheat compared to imported wheat due to its hard kernel and lower moisture content, two attributes that allow for extended storage times.

Government Purchase Price (GPP)

GFSA recently set a price of SAR1,750 (\$467) per MT as the GPP for domestic wheat production. Farmers will receive a net payment of approximately SAR1,662.50 (\$443) per MT after a 5% deduction for Zakhat (Islamic religious tax), and an additional 4% will be deducted in case of foreign matter (impurity). Last year, GFSA paid \$430.67 per MT for local wheat. The domestic purchase price is purposefully higher than international prices. The average CFR import price for GFSA purchased wheat for MY 2022/23 was \$405.10 (USD) per MT. The GFSA Board of Directors updates the local wheat purchase price for each production season in early January of each year.

Consumption

MY 2022/23 total wheat consumption is forecast at 4.3 MMT, up 10% from the previous year, but like USDA's official estimate. Demand for wheat increased between 5-10% annually over the past several years due to boosted demand from the food service sector. Hundreds of labor camps, the main driving force in the food service sector, are being established throughout Saudi Arabia to build several eye-catching, mega projects in Saudi Arabia. (For example, [NEOM](#) is one major development under construction, and it has a hefty price tag of \$1.1 trillion with an expected completion date of 2030.) Saudi Arabia is also constructing various luxurious resorts and other tourist's attractions on the Red Sea to attract more than 100 million visitors annually by 2030. All these projects mixed in with more tourists have already increased the demand for bread and other food ingredients used by the catering and food service sector.

This year, the number of foreign Hajj visitors is expected to return to pre-covid-19 levels, or roughly two million visitors. In 2019, Saudi Arabia launched a tourist visa program for the first time in its history; just months before the coronavirus pandemic decimated the industry. This year, an estimated 12 million people are expected to visit Saudi Arabia this year.

As a result, Saudi Arabian wheat consumption is projected to increase approximately 7% to 4.6 MMT in MY 2023/24. The demand for bread and other food products is projected to remain strong over the next few years. According to GFSa, no wheat is used as animal feed in the Kingdom. All wheat, both imported and produced locally, is used exclusively for human consumption. It is illegal to feed subsidized food wheat to livestock since the government provides monthly payments to livestock farmers to help reduce their animal feed expenses.

Wheat is mostly consumed in the form of a flat (pita) bread, or a local hamburger bun known as a "Samoli." Other western-style bread, such as French baguettes and pizza, are also popular. The annual per capita consumption of wheat in Saudi Arabia (total population – 35 million) was estimated at approximately 114 kg (or 91 kg of wheat flour) in MY 2021/22. White flour constitutes the bulk of wheat flour consumed in Saudi Arabia. However, in recent years, there has been a growing demand for whole-wheat flour due to its perceived health benefits, particularly by health-conscious consumers and those with health conditions, such as diabetes and obesity. It should be noted that Saudi Arabia has one of the highest diabetic and obesity rates in the world. As a result, the four flour mills currently operating in the Kingdom have increased their whole-wheat production in recent years to meet growing demand.

Trade

Currently, GFSa is the exclusive importer of subsidized food grade wheat in Saudi Arabia. However, MEWA is working to hand this responsibility to the Saudi Agricultural and Livestock Investment Company (SALIC), the agricultural arm of the Public Investment Fund (PIF) owned by the Kingdom's sovereign wealth fund. SALIC is expected to take over the responsibilities of wheat purchasing, operating wheat storage silos, and the maintenance of strategic stocks in the next few months. Currently, GFSa imports hard wheat directly through public tenders that are open to registered international exporters. It does not buy through grain brokers. GFSa purchases wheat from a wide range of origins,

including Australia, the EU, South America, the United States, Canada, Australia, and various Black Sea countries.

Saudi Arabia continues to encourage local companies to invest in foreign agricultural sectors to export their production to meet the Kingdom's food security needs. For years, SALIC has been the dominant investor with investments in Australia, Brazil, Canada, and Ukraine. The company was formed in 2009 and started investing in various foreign agricultural sectors in 2012 to secure food supplies from foreign markets. It is unclear how SALIC will operate when it becomes the exclusive importer of wheat in Saudi Arabia.

SALIC targets the following agricultural crops: wheat, rice, beef, yellow corn, soybeans, forage, poultry meat, etc. The company also has the mandate to import food products when shortages occur in Saudi Arabia. In MY 2019/20 and 2020/21, SALIC imported a total of 700,000 MT of wheat produced in Ukraine from its Continental Farmers Group to Saudi Arabia. The ongoing Russian war in Ukraine eliminated Ukrainian wheat exports to Saudi Arabia, thus negatively affecting SALIC's operations in Ukraine.

For MY 2023/24, the firm is expected to import 720,000 MT of wheat assigned to Saudi Arabian agricultural investors in other countries. Many anticipate the wheat will come using one of its joint venture international grain groups, such as G3 Global Grain Group, Olam Agri Holdings, or GB. To encourage more purchases, GFSA will pay a premium price for wheat supplied by a Saudi Arabian company. For example, a tender was recently issued to a Saudi agricultural investor for 720,000 MT of wheat for \$467.29 per MT (delivery period of August 2022 – February 2023) while the average per MT price was \$394.74. Detailed information on the Saudi foreign agricultural investments and the country's food security strategies are discussed at the end of this section.

GFSA issues two types of wheat import tenders:

- 1) International Wheat Market: GFSA issues import tenders to all international wheat suppliers to meet demand and sets a minimum protein level of 12.5%.
- 2) Exclusive Wheat Import Tender for Saudi Companies Farming in Foreign Countries: As the title indicates, this tender is only for Saudi Arabian companies operating farms in foreign countries. This MY, GFSA asked Saudi investors to supply up to 720,000 MT of wheat from their foreign farms. SALIC is expected to supply the quantity using its investments international grain exporting partners such as G3 Global Grain Group, Olam Agri Holdings or GB.

GFSA Wheat Purchase Data

GFSA issued seven international wheat import tenders for MY 2022/23 and purchased 4.67 MMT, which is expected to arrive by the end of June 2023. This is an increase of approximately 72% compared to GFSA's MY 2021/22 official wheat purchase data, and nearly 4% above USDA's official estimate of 4.5 MMT. The significant increase in the government's imports will be used to meet stronger demand while maintaining adequate strategic wheat reserve stocks. GFSA ended MY 2022/23 by purchasing approximately 1.01 MMT of wheat that is expected to arrive at Saudi seaports by the end of June 2023.

Total Saudi wheat imports for MY 2023/24 are forecast to increase approximately 5% over this year mainly due to stronger demand by the food service sector.

Table 1.
GFSa Wheat Purchase Tenders
(MY 2022/23 and MY 2021/22)

GFSa Wheat Purchase Tenders for MY 2022/23		Average per MT CFR Price	GFSa Wheat Purchase Tenders for MY 2021/22		Average per MT CFR Price
Shipment Arrival Date	Quantity in MT (12.5% protein)		Shipment Arrival Date	Quantity in MT (12.5% protein)	
Jul 2022	689,000	365.14	Aug – Sep 2021	562,000	299.55
Sep - Nov. 2022	625,000	422.47	Oct 2021	505,000	287
Nov 2022 - Jan.2023	495,000	441.93	Nov 2021	382,000	355.68
Aug 2022 - Feb.2023	720,000	467.29	Jan - Apr 2022	1,268,000	377.54
Nov 2022 -Feb.2023	566,000	371.61			
Mar - Apr. 2023	566,000	384.75			
Apr - Jun. 2023	1,009,000	382.56			
Total	4,670,000	Average CFR price per MT of the 7 tenders: \$405.10	Total MY2021/22 imports	2,717,000	Average CFR price per MT of the 4 tenders \$329.94

Source: GFSa

Saudi Wheat Imports Per Supplying Countries Customs Data

In MY 2021/22, Saudi Arabia imported 2.95 MMT of wheat, per supplier countries Customs data. Russia was the leading supplier with 26.6% market share, followed by Ukraine (25.5%), Brazil (22.9%), EU (18.8%), Australia (3.9%) and Canada (1.9%).

Table 2.
Saudi Wheat & Wheat Products Imports
(Per Supplying Countries Customs Data)

Exporter	MY 2021/22	Market Share	MY 2020/2021	Market Share
Russia	784,361	26.6%	123,520	4.5%
Ukraine	750,897	25.5%	154,921	5.6%
Brazil	676,084	22.9%	141,068	5.1%
EU	553,963	18.8%	1,870,136	68.0%
Australia	113,640	3.9%	435,348	15.8%

Canada	56,497	1.9%	0	0.0%
Other Countries	12,085	0.4%	25,954	0.9%
Total	2,947,527	100.0%	2,750,947	100.0%

(Source: Trade Data Monitor, LLC)

GFSA Import Facilities

GFSA receives imported wheat at four seaports in the Kingdom with a total combined daily unloading capacity of 46,000 MT. The three seaports on the Red Sea (the Jeddah Islamic, Diba “Gazan” and Yanbu seaports) can each unload 12,000 MT per day while the King Abdul Aziz Seaport on the Arabian Gulf can unload 10,000 MT per day.

Stocks

GFSA owns and operates silo complexes in major cities around Saudi Arabia. Total silo capacity in the Kingdom was 3.45 MMT by the end of 2020. GFSA owns and operates silos with a total storage capacity of 2.705 MMT while the four private flour mills have a combined storage capacity of 745,000 MT. The silos are in 14 locations throughout Saudi Arabia. The authority considers the world wheat supply to be reliable and no longer strives to maintain strategic wheat reserves equal to annual consumption. Although GFSA does not release its actual wheat reserve stock levels, it is believed to maintain stocks for at least six months.

Policy

In November 2018, Saudi Arabia partially rescinded a ban on domestic wheat production, which was in place since crop year 2015/16 over concerns of the country’s scarce aquifer water resource reserve. Saudi’s decision to reduce domestic forage cultivation by 42.5% eliminated large producers from domestic forage production, although smaller-sized farmers were exempt from this regulation. Domestic wheat and forage production are completely dependent on irrigation. MEWA estimated that approximately 10.75 MMT of forage was produced in Saudi Arabia in 2015/16.

Following a major cut in local forage production in 2018/19, the government offered medium and smaller sized producers three options:

- 1) Terminate forage production altogether and receive financial compensation.
- 2) Produce forage on 50 HA.
- 3) Produce wheat on 50 HA.

Farmers who opted to produce wheat, or forage, must obtain licenses from MEWA and should only produce the crop they are licensed to grow until 2025. If a farmer wishes to switch between the two crops, they must reapply for a new license after two production seasons, and only licensed farmers can produce wheat or forage. Any unlicensed farming of the two crops will result in a severe financial punishment. GFSA was authorized by the government to purchase up to 1.5 MMT of locally

produced wheat until 2023/24 to achieve this goal, and MEWA is willing to increase the production area for small farmers if they wish to increase their wheat production.

Many experts believe the government will renew their domestic wheat production policy in 2025, allowing the Kingdom to produce up to 20% of its wheat consumption demand annually to retain wheat production know-how and technology.

Food Security

As discussed earlier, SAGO was renamed as GFSA at the beginning of 2023. The new organization will focus on creating an abundant food supply in Saudi Arabia, build strategic reserves for targeted food and feed products (e.g., wheat, barley, cooking oil, sugar), and maintain an adequate food level for emergencies. It is unclear how these objectives will be achieved, particularly if GFSA or the private sector is responsible for maintaining strategic stocks of targeted products.

GFSA will conduct 20 activities to achieve its objectives. Below are some highlights:

1. Coordinating with all agencies concerned with the food security system.
2. Providing an appropriate investment environment to enhance food security.
3. Designing an early warning system for food security.
4. Developing and updating an emergency response plan related to the food security.
5. Developing a strategic stock plan.
6. Issuing licenses for storage facilities for targeted commodities.
7. Measuring levels of food loss while setting targets to reduce waste.
8. Developing awareness programs to reduce food loss and waste.
9. Monitoring and collecting data for a new food security system.
10. Monitoring commodities in the strategic stock plan.

GFSA has a Secretariat General with committee members from numerous ministries (e.g., MEWA, the Ministry of Commerce, the Ministry of Education, the Ministry of Health, the Ministry of Human Resources and Social Development, the Agricultural Development Fund, Saudi Ports Authority, Zakat, Tax, and Customs Authority, the Saudi Food and Drug Authority, General Directorate of Civil Defense, the Secretariat General of the National Risk Council, the General Food Security Authority, the Federation of Saudi Chambers, and SALIC). Over the next several months, SALIC is expected to take over the responsibilities from GFSA for purchasing wheat while operating storage silos to maintain a strategic stock level. SALIC is the agricultural arm of the PIF, which is owned by the Kingdom's sovereign wealth fund.

Strategic Commodities Targeted by GFSA

These products are estimated to account for 90% of the agricultural products consumed in Saudi Arabia and include: wheat, yellow corn, barley, soybean meal, rice, sugar, cooking oil, green forage, milk, chicken meat, red meat, fish, dates, vegetables (cucumber, onions, potatoes, and tomatoes), and fruit (watermelons, bananas, lemons, and oranges).

For Saudi Arabia to meet its food security demands, in 2008 it issued a food security plan known as “King Abdullah’s Initiative for Saudi Agricultural Investment Abroad” (King Abdullah’s Initiative). King Abdullah’s Initiative focuses on guaranteeing the food supply for Saudi Arabia to build up strategic stock levels for selected grains to avoid a future food crisis. In 2016, with support from various stakeholders, MEWA revamped King Abdullah’s Initiative and launched a new comprehensive strategy called the KSA Food Security Strategy and Implementation Plan.

MEWA assigned the supervision of the Kingdom’s food security strategy to GFSA. One of the focal pillars of the plan encourages Saudi companies to invest in foreign countries to export part of their agricultural production to the Kingdom. The Saudi government provides incentives such as exclusive import tender at profitable purchase prices to the Saudi private sector (companies and individuals) to produce strategic crops to meet domestic demand as well as build up storage reserves.

As discussed earlier, SALIC is the dominant Saudi firm with [investments](#) in several major producing and exporting countries such as Australia, Brazil, Canada, and Ukraine. SALIC has been exporting wheat to Saudi since MY 2019/2020 from its overseas farms. Wheat produced in Ukraine comes from SALIC’s owned Continental Farmers Group that is in the western part of the country. Unfortunately, the Russian war in Ukraine has stopped wheat exports from that farm to Saudi Arabia. SALIC does not own farms in Canada but is a partner in the G3 Global Grain Group with Bunge.

Other leading Saudi investors in foreign farming sectors include:

- 1) Al Rajhi International for Investment Company (www.raii.net/en). Al-Rajhi has agricultural-related investments in Egypt, Sudan, and the Ukraine.
- 2) Almarai Company (owner of Fondomonte Argentina and Arizona). Fondomonte Argentina produces green fodder and grains while Fondomonte Arizona is dedicated to green forage production and exports to Almarai Dairy Farms in Saudi Arabia.

Saudi Arabia uses three different mechanisms to cover its wheat security needs:

- a) Local production.
- b) Imports from Saudi companies located in other countries.
- c) Imports from the international market.

Flour Mill Privatization

As previously mentioned, Saudi Arabia privatized its four flour milling companies. Below is detailed information on the four privatized wheat milling companies:

- I. **First Mills Company:** Headquartered in the Red Sea city of Jeddah, the First Mills Company has flour mills in western, central, northern, and eastern Saudi Arabia. The company was sold to the Raha Al-Safi consortium led by the Saudi company Al-Mutlaq Group. The consortium includes another two Saudi firms (Al-Safi and Abunayyan Holding) and one UAE company (Essa Al Ghurair Investment). The First Mills Company has 4,200 MT of wheat milling and 900 MT of feed processing capacity per day.

- II. **Second Mills Company:** Headquartered in Riyadh, the Second Mills Company has mills in central, southern, and northern Saudi Arabia. This company has 4,350 MT of daily wheat milling capacity.
- III. **Third Mills Company:** Headquartered in the southern city of Khamis Mushait, the Third Mills Company was sold to a consortium made up by Al-Rajhi, a Saudi company, and two UAE companies (Al Ghurair Foods and Masafi). The company has flourmills in southern, western, and northern Saudi Arabia. The Third Mills Company has 3,451 MT of wheat milling and 1,400 MT of animal feed processing capacity per day.
- IV. **Fourth Mills Company:** The Dammam based Fourth Mills Company has flourmills in eastern, western, and central Saudi Arabia. It has a daily wheat and animal feed milling capacity of 3,150 MT and 300 MT, respectively.

Wheat Subsidy

While there is an interest in ending the wheat subsidy while supporting low-income Saudis directly, it is not known when or if that will occur. If it does, there may be more opportunities for higher-quality wheat and product differentiation. Until a royal decree changing the wheat subsidy policy is issued, the privatized flour mills will continue to receive wheat from GFSA to mill and distribute at subsidized rates. Most of the revenue from the private mills is expected to come from milling fees, and privatized mills can import wheat for non-subsidized flour. This could be used for premium products, but volumes are expected to be small.

GFSA 's Current Role After Privatization

Privatization of the wheat import industry is an ongoing process. GFSA will remain the sole importer of subsidized milling wheat and will maintain ownership and operation of most of the wheat silos across the country. GFSA will manage the strategic wheat reserves and ensure the Kingdom's food security objectives. GFSA is expected to privatize only a part of its grain storage silos to provide a smooth transition for the new flourmills. GFSA 's post-flour mill privatization roles will include the following:

- Issue import permits for unsubsidized wheat to interested flour mills.
- Establish regulations related to wheat flour quality.
- Inspect flour mills to ensure compliance with quality regulations.
- Encourage and regulate competition among private flour mills.
- Ensure enough wheat flour is produced and delivered.

Marketing

Licensed bakeries and supermarkets and almost all industrial users purchase their flour directly from GFSA 's flourmills or from assigned agents in their respective areas. There are more than 525 appointed distributors, and they serve approximately 11,700 establishments, of which 6,500 are licensed bakeries. The distributors provide packaged flour to licensed bakeries in 45-kg sacks and to retailers in one, two, five and 10-kg sacks. Industrial users purchase in bulk (metric tons).

Market Development Activities

Since the resumption of wheat imports in 2008, the U.S. Wheat Associates (USWA) regional office has coordinated market development and trade servicing activities in Saudi Arabia. Though no recent market development activities have been conducted, USWA has conducted several capacity-building activities including seminars, training, and exchange programs to assist GFSA 's purchasing staff better understand U.S. wheat varieties. USWA has also offered workshops on: wheat purchasing, risk management, contract terms, quality specifications, wheat inspections as well as freight and shipping costs.

Prices

Flour prices to bakers and industrial clients have not changed for the past four decades, but the wholesale price of consumer-packed flour increased by 50% from \$0.27/kg to \$0.40/kg in 2017. Large bakeries and industrial users purchase wheat flour directly from the four flourmills while smaller bakeries and retailers receive their assigned quotas from GFSA appointed distributors. GFSA's wholesale prices vary based on the flour type and extraction rate. Bakers purchase at prices from \$5.30 to \$8 per 45 kg based on flour extraction rates and flour type. Industrial users purchase in bulk between \$117.30 and \$160 per MT. Prices to bakers and industrial clients have not changed for decades.

Exports

Saudi Arabia does not export wheat. However, in MY 2020/2021, Saudi Arabia exported approximately 140,000 MT of wheat (such as wheat flour, macaroni, pasta, and spaghetti) to other Arab countries. The demand in Yemen for wheat products has been very strong in recent years and similar quantity exports are forecast to increase this year.

Table 3.
Production, Supply Demand and Distribution:

Wheat Market Year Begins	2021/22		2022/23		2023/24	
	Jul 2021		Jul 2022		Jul 2023	
Saudi Arabia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	100	90	165	100	0	100
Beginning Stocks (1000 MT)	2593	2593	2177	2017	0	2827
Production (1000 MT)	600	540	1000	600	0	600
MY Imports (1000 MT)	3052	3052	4500	4660	0	4900
TY Imports (1000 MT)	3052	3052	4500	4600	0	4900
TY Imp. from U.S. (1000 MT)	4	0	0	0	0	0
Total Supply (1000 MT)	6245	6185	7677	7277	0	8327
MY Exports (1000 MT)	168	168	150	150	0	150
TY Exports (1000 MT)	168	168	150	150	0	150
Feed and Residual (1000 MT)	0	0	0	0	0	0

FSI Consumption (1000 MT)	3900	4000	4300	4300	0	4600
Total Consumption (1000 MT)	3900	4000	4300	4300	0	4600
Ending Stocks (1000 MT)	2177	2017	3227	2827	0	3577
Total Distribution (1000 MT)	6245	6185	7677	7277	0	8327
Yield (MT/HA)	6	6	6.0606	6	0	6
(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 Wheat begins in July for all countries. TY 2023/24 = July 2023 - June 2024						

BARLEY

Production

Saudi barley production is estimated at approximately 25,000 MT and is used for human consumption and there is no feed barley production in the Kingdom. Locally grown barley is mainly used in specialty food items, such as soups and traditional Saudi dishes during the fasting month of Ramadan. A small quantity is used by households for barley tea.

Consumption

Imported barley is used exclusively for animal feed as there is no beer production in Saudi Arabia. Total Saudi feed barley consumption for MY 2022/23 is estimated at 4 MMT, down by approximately 18% from USDA's official estimate of 4.9 MMT due to a wave of heavy rain from December 2022-March 2023. The downpour flooded several cities but provided good pasture in the countryside for livestock farmers, significantly reducing the demand for barley and processed feed. Traditionally, the demand for barley decreases when pasture conditions are good, and its price becomes very high compared to processed feed and hay.

There is no credible data available on the total number of livestock in the country. It has been reported that livestock farmers have been underreporting the number of their livestock to qualify for a significant direct cash transfer that the Saudi government has been giving low-income Saudi citizens since 2017 under its "Citizen Account Program." Each qualified family member above the age of 18 with low income, or unemployed, receives SAR 3,500, or \$933.33, every month while a small farmer that owns 300 sheep receives \$639 per month. This animal feed subsidy was implemented in January 2020 and gives direct monthly per head payments to small livestock farmers. Small farmers have a maximum of 300 animals from each of the four livestock categories (sheep, goats, camels, and cattle).

The total subsidy budget for this category is \$320 million a year. Livestock producers, the dominant users of barley, receive monthly per head subsidies of \$2.13 for goats and sheep, \$10.67 for camels, and \$16 per head for cattle. The direct monthly payments to livestock producers are intended to help farmers purchase the feed of their choice among available alternatives, particularly between grain barley and

processed feed, while the Citizen Account Program (\$933.33 every month) is used to augment the recipient's monthly cost of living expenses.

Another reason for the reported declining demand for barley is the continued exit of recreational farmers (e.g., those who own a few hundred sheep or goats) who departed due to higher farming costs. However, other experts believe demand is down because farmers are reducing waste, thus buying less barley, and purchasing alternative feeds such as processed feed. Barley consumption is projected to increase by 7% in MY 2022/23 due to an expected lower import price this marketing year. Historically, barley consumption increases when prices are very competitive.

Approximately, 80% of imported barley is fed to sheep, camels, and goats without further processing by mixing it with green forage. Dairy farms use limited quantities of barley in their feed formulations. Traditionally, white barley has been the preferred animal feed for Bedouins. Barley uses in poultry feed is estimated at less than 5% of total imported barley.

Sheep and goats consume the largest portion of imported barley, followed by camels. When it is readily available at competitive prices, barley is often used in place of forage products, although animals require a certain level of forage in their diets to remain healthy. Historically, local feed processors have lobbied the Saudi government to cease direct or indirect subsidies to keep the domestic feed barley prices lower than processed feed. The government is currently encouraging the expansion of existing feed meals and establishment of others to reduce the country's heavy reliance on feed barley but to achieve this goal, the government may need to devise a way to curb barley imports drastically to compel livestock farmers use processed feed – creating more employment opportunities for Saudi nationals.

Trade

In April 2021, the Saudi government handed back the barley imports and distribution business to the private sector to purchase and sell barley at competitive prices. GFSA has issued imports and distribution licenses to 11 local potential barley importers and traders of which four have already commenced barley imports. However, persistently high international barley prices and high freight costs have curtailed the barley imports of three companies. Currently, the Jeddah based United Feed Company (UFC), is the only consistent importer of barley to Saudi Arabia and has a lion's share in the imported barley market.

Recent available data shows that the Kingdom imported approximately 2.7 MMT of barley in the first six months of MY 2022/23 (July – December 2022), an increase of approximately 11% compared to the same period last year (2.46 MMT). Imports were up mainly due to available supplies from Australia and improvements in freight logistics. Due to improved pasture conditions, the demand for barley imports is forecast to significantly decline for the remainder of the marketing year bring total MY2022/23 total Saudi barley imports to 4 MMT, a longtime low total imports figure by Saudi Arabia

Table 4.
July - December 2022: Saudi Barley Imports

Jul-Dec 2022 Saudi Barley Imports			Jul-Dec 2021 Saudi Barley Imports	
Report Country	Quantity	Market Share	Quantity	Market Share
Australia	1,679,242	62%	1,137,938	46%
EU	1,041,404	38%	574,645	23%
Ukraine			372,776	15%
Russia			370,619	15%
Other Countries			60	0%
Total	2,720,646	100%	2,456,038	100%

(Source: Trade Data Monitor, LLC)

In the first six months of MY 2022/23, Saudi Arabia imported barley from two sources (Australia and EU). Australia accounted for 62% of the total imports supplying approximately 1.17 MMT of barley to Saudi Arabia, accounting for 62% of total Saudi imports (2.72 MMT).

In MY 2021/22, Saudi Arabia imported about 4.1 MMT of feed barley, a decrease of 68% below total imports a year earlier (6.9 MMT). Australia dominated with a 68% market share, followed by the EU at 14%, and Ukraine and Russia with 9% each. The huge decrease in imports is attributed to the drastic cuts from the black sea suppliers and the reduced demand for barley due to the exit of many recreational farmers with less than 100 sheep. Some farmers also exited the business due to higher barley prices mixed in with a low fixed government monthly cash payment.

Table 5.
July 2020 – June 2022: Saudi Barley Imports

Jul 2020-Jun 2021 Saudi Barley Imports			Jul 2021-Jun 2022 Saudi Barley Imports	
Report Country	Quantity	Market Share	Quantity	Market Share
Australia	2,602,580	38%	2,784,222	68%
EU	1,282,168	19%	574,669	14%
Ukraine	334,225	5%	372,776	9%
Russia	2,687,723	39%	370,619	9%
Other Countries	331	0%	149	0%
Total	6,907,027	100%	4,102,435	100%

(Source: Trade Data Monitor, LLC)

Domestic Barley and Processed Feed Prices

Currently, a 50-kg of barley is sold for \$20.55 inclusive of the 15% VAT at packing terminals while the same quantity was locally processed feed (wafi) is sold at \$19.01 in March 2023. While UFC has barley packing facilities in most regions of the Kingdom and sells the 50 kg barley at a single price, ARASCO has two feed processing facilities located in the central and eastern regions of the country, and as such its processed livestock feed is only competitive in central, eastern, and the western regions.

High transportation costs and availability of green forage makes wafi noncompetitive in northern provinces such as Tabuk and Al-Jouf. In those provinces, the wholesale price of wafi is like barley and is not desirable by livestock farmers. ARASCO (Arabian Agricultural Services Company) has maintained the wholesale price of its 50-kg bag of “wafi” compound feed at a significantly lower price compared to barley at the same weight. The company maintains a lower price policy to educate livestock farmers about the cost and weight gain benefits of its feed compared to grain barley, but farmers prefer barley due to easy transportation and storage.

According to some experts, replacing barley with processed feed reportedly benefits livestock farmers in two ways:

- According to ARASCO, one kilo of “Wafi” is equal to 1.5 kilos of grain barley.
- Processed feed is more fully digested, nutritional, and better for weight gain. (Note: MEWA reports that more than 30% of raw barley fed to livestock is discharged without being digested; thereby, providing no benefit to animals in terms of weight gain or nutrition.)

Stocks

No official stock level is available, but importer facilities estimate a stock level of approximately 20% of total consumption.

Table 6.
Production, Supply and Demand Data Statistics:

Barley Market Year Begins	2021/22		2022/23		2023/24	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Saudi Arabia						
Area Harvested (1000 HA)	2	2	2	2	0	2
Beginning Stocks (1000 MT)	1002	1002	988	993	0	982
Production (1000 MT)	11	14	12	14	0	12
MY Imports (1000 MT)	4200	4102	4700	4000	0	4500
TY Imports (1000 MT)	4700	4102	4700	4000	0	4500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	5213	5118	5700	5007	0	5494
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)	4200	4100	4900	4000	0	4400
FSI Consumption (1000 MT)	25	25	25	25	0	25
Total Consumption (1000)	4225	4125	4925	4025	0	4425

MT)						
Ending Stocks (1000 MT)	988	993	775	982	0	1069
Total Distribution (1000 MT)	5213	5118	5700	5007	0	5494
Yield (MT/HA)	5.5	7	6	7	0	6
(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 2023/24 = October 2023 - September 2024						

CORN

Production

Saudi Arabia produces about 15,000 MT of corn annually with an average yield of nearly 6 MT per HA. Domestic corn production has been consistent over the past several years because Saudi corn growers do not receive government support, neither through direct production subsidies nor by government-guaranteed prices. Saudi's government policy discourages the domestic production of water-intensive crops, including feed corn.

Corn planting occurs twice a year in the spring and summer. The spring planting is in March with harvest in August while the summer planting is the last week of June with harvest from mid-November until the end of December. Approximately 60% of corn production is from the summer crop.

Consumption

Imported corn is primarily used for animal feed. Approximately 200,000 MT is used in the production of food processing ingredients, such as starch and sweeteners. Domestically grown corn is used as corn-on-the-cob or milled for flour by small neighborhood flourmills. Corn continues to be a very important feed grain for poultry farms, and it accounts for approximately 60% of poultry feed formulations. It is also a key feed grain used by domestic dairy farms and commercial feed processors.

Feed accounts for approximately 70% of broiler meat production costs. Over the past several years, the Saudi poultry sector has hit near-record high feed costs driven by the convergence of a tight supply of main feed ingredients (corn and soybean meal) and record freight costs (eased in recent months). The recent significant decrease in the feed corn prices has been a welcome sign by the poultry industry, and they hope for a continued reduction in freight prices over the next few months when feed from North and South America becomes available. A typical local poultry ration is made up of 60% corn, 30% soybean meal, and 10% other ingredients. Corn is preferred because it is highly digestible and a good source of dietary energy while soybean meal is preferred for its high protein content.

MY 2022/23 total corn consumption is estimated at approximately 3.6 MMT, down by approximately 5% from USDA's official estimate of 3.8 MMT. This is mainly due to great pasture-like conditions that reduced the demand for processed feed by livestock farmers. According to numerous local feed producers, the demand for processed feed has been down by approximately 25% over the past three months, and this situation is expected to continue for at least the next couple of months.

The increased feed costs also contributed to reductions in the demand for processed feed. To reduce higher costs, larger feed processors increased the use of fiber sources (e.g., wheat bran, alfalfa, and soy hulls) to reduce the need for corn. Historically, commercial livestock feed processors increased their corn usage up to 40% when corn prices were in the range of \$230 - \$240 per MT. The current reported CFR Saudi port of entry price is approximately \$340 per MT. Processors switch to barley and other grains alternatives if their prices are significantly lower than the price of corn. Corn consumption is projected to increase to 3.9 MMT in MY2023/24 due to anticipated commissioning of new or expanded poultry farms that have been constructed.

Industrial Use

The Middle East Food Solution Company (MEFSCO), which is a joint venture between ARASCO and Cargill, is the most important end-user of corn and manufactures starch-based products for Saudi Arabia market and the MENA region. MEFSCO's plant produces starches, sweeteners, glucose, high fructose corn syrups and other food processing ingredients for confectioneries, juices, and bakeries. Based in Al-Kharj, MEFSCO depends on imported corn and crushes approximately 200,000 MT of corn annually. The factory produces 3,000 MT of corn gluten feed (CGF) and 1,000 MT of corn gluten meal (CGM) daily, which are shipped to local dairy farms.

Trade

In January 2020, the Saudi government stopped providing direct per MT corn import subsidies to importers to purchase corn from international markets. However, it still provides up to \$187 million, annually, as a direct production-based subsidy to the poultry industry of which approximately \$112 million is used to purchase corn from local corn importers or directly from the international market. However, poultry farms claim that the current production-based subsidy is not good enough to balance the increased CFR cost of imported corn.

Available feed corn suppliers' data for the first four months of MY 2022/23 indicates that Saudi Arabia imported approximately 1.38 MMT, an increase of 37% compared to last year. This trend is expected to significantly decrease for the remaining MY due to higher stock levels and reduced demand by feed processors. Based on discussions with local corn importers and international corn traders, Post projects total Saudi corn imports for MY 2022/23 at 3.9 MMT, slightly down from USDA's official estimate of 4 MMT.

Brazil supplied 786,092 MT or 57% of the total corn imported to Saudi Arabia in the first four months of this marketing year, followed by Argentina at 26% and the United States at 11%. Demand for U.S. corn is high when its prices are at least \$10 per MT cheaper or when shortages occur throughout South America. However, corn is preferred from Brazil and Argentina due to low moisture content and fewer broken kernels. Both are preferable attributes in the animal feed industry. Many Saudi importers feel that this is due to different drying methods (South American corn is sun dried while U.S. corn is machine dried.)

Table 7.

Saudi Corn Imports for the First Four MY (Metric Tons)				
Exporter	Oct-22 - Jan 23	Market Share	Oct 21 – Jan 22	Market Share
Brazil	786,092	57%	320,749	37%
Argentina	352,730	26%	252,834	29%
US	154,967	11%	283,335	33%
Paraguay	76,948	6%	0	0%
Other Countries	5,185	0%	5,087	1%
Total	1,375,922	100%	862,005	100%

(Source: Trade Data Monitor, LLC)

In MY 2021/22, Saudi Arabia imported 4.1 MMT, approximately 26% over total imports in MY 2021/22. Argentina was the largest exporter of corn to the Kingdom in that year and accounted for 56% of total Saudi corn imports. Brazil was second with 22% and the United States was the third largest exporter with 19%.

Table 8.
Saudi Corn Imports for Two MY's

Saudi Corn Imports (Metric Tons)				
Exporter	Oct 21 – Sep 22	Market Share	Oct 20 – Sep 21	Market Share
Argentina	2,271,681	56%	1,733,133	57%
Brazil	906,809	22%	512,146	17%
US	769,355	19%	724,580	24%
Paraguay	106,151	3%	14,393	0%
EU-27	8,083	0%	28,903	1%
Other	8,423	0%	2,987	0%
Total	4,070,502	100%	3,016,142	100%

(Source: Trade Data Monitor, LLC)

Stocks

There is no official data on corn stock levels in Saudi Arabia, but major feed processors indicate they keep at least a three-month supply to ensure the supply chain isn't interrupted due to market, transportation, or other logistical issues.

Imports of Distillers Dried Grains with Solubles (DDGS) - HS code 230800

In MY 2021/22, Saudi Arabia imported 6,035 MT of DDGS, and similar products. This is a drastic increase compared to 157 MT imported a year earlier. The EU supplied almost all the imports with the United States exporting only 56 MT. There are two groups of customers for DDGS in Saudi Arabia:

1. **Dairy Farmers:** Most farmers import and use it for dairy rations when prices are competitive to that of corn. The dairy sector is the main user of DDGS in Saudi Arabia and routinely imports DDGS to reduce costs while producing higher milk rates.
2. **Local Feed Processors:** Demand for DDGS in this industry materializes if the price is comparable to that of other fiber sources. Most local processors use DDGS as a source of fiber in their feed formulation to replace other sources, such as hulls and straw.

Table 9.
Vegetable Materials and Vegetable Waste, Vegetable Residues and By-Products Used in Animal Feed, Including Products in the Form of Pellets, Nesoi (230800)

Exporting Country	Oct 2021 - Sep 2022 (MT)
EU	5,951
U.S.	55
UK	3
Total	6,034

(Source: Trade Data Monitor, LLC)

The demand for DDGS and CGF was substantial when the Saudi government used to subsidize their imports (\$99 and \$91 per MT, respectively). The subsidies were stopped in January 2020, but a couple of Saudi livestock feed producers are still importing Brazilian DDGS indirectly through a Dubai based grain importer. Their combined annual imports are estimated at approximately 10,000 MT, which is not reported on the above table compiled from Trade Data Monitor, LLC. data. This marketing year, the companies have planned to import approximately 10,000 MT of DDGS directly from the United States.

The Saudi animal feed market depends heavily on corn and soybean meal for its feed formulations and DDGS is mostly used as a replacement for fibers and prices should be competitive. According to local feed processors, if DDGS prices are comparable to that of hulls, it is preferred due to its richer nutritional attributes. According to sources, a local major livestock meal processor reportedly imports wheat bran for less than \$200 CFR per MT.

Table 10.
Production, Supply and Demand Data Statistics:

Corn Market Year Begins	2021/22		2022/23		2023/24	
	Oct 2021		Oct 2022		Oct 2023	
Saudi Arabia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2	2	2	2	0	2
Beginning Stocks (1000 MT)	329	329	412	800	0	915
Production (1000 MT)	12	15	12	15	0	15
MY Imports (1000 MT)	4071	4071	4000	3900	0	4200
TY Imports (1000 MT)	4071	4071	4000	3900	0	4200

TY Imp. from U.S. (1000 MT)	767	0	0	0	0	0
Total Supply (1000 MT)	4412	4415	4424	4715	0	5130
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)	3800	3400	3800	3600	0	3900
FSI Consumption (1000 MT)	200	215	200	200	0	215
Total Consumption (1000 MT)	4000	3615	4000	3800	0	4115
Ending Stocks (1000 MT)	412	800	424	915	0	1015
Total Distribution (1000 MT)	4412	4415	4424	4715	0	5130
Yield (MT/HA)	6	7.5	6	7.5	0	7.5

(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 Corn begins in October for all countries. TY 2023/24 = October 2023 - September 2024

RICE

Production

There is no rice production in Saudi Arabia, and the country relies on imports to meet its domestic needs.

Consumption

Saudi Arabia is a long grain rice market, mostly basmati (long grain white rice and parboiled “sella” basmati rice). Rice is a staple food in Saudi Arabia that is served for lunch and dinner. A traditional dish called “kabsah” is widely consumed in Saudi homes and nearly all Saudis include rice as a major part of their daily diet. Most of the estimated 12 million expatriates living in Saudi Arabia (from the Indian subcontinent and other Asian countries) are also large consumers of rice. Rice is one of the most competitively priced grains that is abundantly available in Saudi Arabia. A price for a kilo of Indian basmati rice ranges between 60 cents to \$3.71 per kg depending on its variety and grade, which was taken from a major retailer in Riyadh in March 2023. U.S. parboiled long grain rice is sold for \$1.97 per kg while Australian Calrose rice was sold for \$1.13.

Saudi rice consumption in MY 2022/23 is estimated at approximately 1.27 MMT, slightly below USDA’s official estimate, but the Kingdom’s total rice consumption is projected to increase approximately 9% to 1.4 MMT in MY 2023/24. The main factors for the significant increase are expansion of the food service industry (mainly the catering sector) to feed the increasing demand by labor camps and a growing number of religious and tourist visitors. Historically, demand for rice and other food products peaks in the month of Ramadan and Hajj season.

In 2022, the Saudi population was estimated at approximately 35 million with a per capita rice consumption of approximately 37.1 kg. Rice consumption decreased significantly when several million expatriates left the Kingdom in 2016-2018 because of a government crackdown on illegal immigrants.

Saudi Arabia also introduced an expatriate monthly residence tax that is being levied at \$107 (USD) per family number.

Basmati (aromatic rice from the Indian subcontinent) is the most popular rice variety in the Saudi market. The American long-parboiled and medium-grain Calrose rice varieties are well known, but Saudi consumers' preference has shifted to basmati varieties in recent years. While Indian basmati rice is mostly consumed in the eastern, central, and western regions of Saudi Arabia, American rice is popular in the southern region. It is also very popular in restaurants that prepare kabsah dishes.

Most consumers in Saudi Arabia prefer aged basmati rice and Saudi rice importers store new harvested basmati rice for several months to improve the cooking quality of the rice and to maintain the quality of their branded rice. According to some importers, newly harvested basmati rice is very soft and sticky if cooked before it is aged, and the aging process improves the quality by maintaining several key attributes (e.g., fluffy, fragrant, and long grain). Each year, major Saudi importers market their aged rice for several months before they offer the new year products. It is not unusual to find basmati rice stored for several years in Saudi houses for aging purposes and as a reserve stock.

Trade

Private companies freely import rice into Saudi Arabia. However, in recent years, SAGO, which was recently renamed as GFSA, implemented strategies with major rice importers to assure adequate rice reserves are kept at importer's warehouses. Rice does not face a tariff and is not subsidized. Most major Saudi rice importers purchase the new Indian rice crop by December each year and complete their imports by June. Meanwhile, imports from other countries, such as the United States, last throughout the year.

Due to claims of rampant use of various pesticides in the Indian rice farming sector, SFDA legislated that all Indian rice imports must be accompanied by a Certificate of Conformity for Food Products Exported to the Kingdom of Saudi Arabia. The certificate is issued by SFDA and the Saudi Arabian Standardization Organization (SASO) and recognizes the testing, inspection, and certification bodies, such as such as TUV Austria. The company must testify that "*the goods stated below as declared on the attached invoice have been subjected to laboratory tests prior to export and found to be in compliance with the approved technical regulations and/or standards in the Kingdom of Saudi Arabia.*" Thus far, this conformity certificate is required only on rice imports from India.

MY 2022/23 Saudi rice imports (Jan. – Dec. 2022) are estimated at 1.3 MMT, the same as USDA's official estimate. Saudi rice imports are projected to increase by approximately 9% in MY 2023/24 due to expansions in the food service sector.

India continued to dominate the Saudi rice market in MY 2022/23 and exported 1.01 MMT of rice to Saudi Arabia, an increase of 11% over the previous MY and accounted for approximately 78% of the Kingdom's rice imports. Historically, India has been the largest rice exporter to Saudi Arabia accounting for more than 75% of total imports annually. Some of the main factors that contributed to its continued dominance are:

- a) The country's capability to offer various varieties (basmati and non-basmati) and grades of rice that meet consumer's needs.
- b) Competitive prices.
- c) Saudi importers extensive knowledge of the Indian rice farming and trade sectors, and
- d) Most major Saudi rice importers have a strong relationship with Indian farmers and rice processing/packing facilities in the country.

With an estimated 10% of the market, Pakistan remained the second largest rice exporter to Saudi Arabia. Rice exports from Pakistan increased approximately 29% from last year. Pakistani basmati rice is known for its superior quality and should remain integral in the Saudi market for years to come.

The United States was the third largest exporter of rice to Saudi Arabia with approximately 8% market share last year. In MY 2021/22, U.S. rice exports were 74,542 MT, a decrease of approximately 23% from the previous year mainly due to insufficient supplies of both long grain parboiled and Calrose (medium-grain rice) rice varieties.

Table 11.
Saudi Rice Imports for MY 2021-2022 & MY 2020-2021

Saudi Rice Imports MY 2021/22 and 2020/2021				
(Metric Tons)				
Exporter	2022	Market Share	2021	Market Share
India	1,012,564	78%	909,204	76%
Pakistan	147,279	11%	114,408	10%
U.S.	74,542	6%	96,961	8%
Thailand	14,636	1%	21,354	2%
EU	8,940	1%	4,812	0%
Brazil	8,438	1%	6,346	1%
Cambodia	7,747	1%	6,234	1%
Other	26,000	2%	42,414	4%
Total	1,300,146	100%	1,201,733	100%

(Source: Trade Data Monitor, LLC)

Stocks

There are no government maintained strategic rice reserves. However, GFSA encourages local rice importers to maintain a strategic stock level of approximately six months. As a result, major rice importers hold several months of strategic stocks in their warehouses. A strategic stock of more than six months is usually kept by most major rice importers to assure that all commitments to customers (e.g., catering companies, the food service industry, and retailers) are met without any interruptions. The ageing requirement of long-grain white basmati rice increases the stock level to up to ten months.

Overall, it is the practice of nearly all major Saudi importers to maintain several months of rice reserves, and it is also not unusual for individual households to store several kilograms of basmati rice for ageing purposes to increase the quality of the rice. Post anticipates the demand for rice to remain strong for several reasons:

- Rice is a staple food.
- The country does not produce rice.
- The need to maintain high-strategic stock reserves.
- An expected high demand when regular travel resumes to Saudi Arabia.

Competition

Currently, U.S. rice is facing relatively new challenges from Brazil, some East Asian countries (Cambodia and Vietnam) and some EU countries (Portugal, Italy, and Spain). Of particular concern is the labeling of Brazilian rice as American rice. In Saudi Arabia people associate America with the United States of America and labelling a Brazilian rice variety as “American Rice” has created some confusion among end-users. As a result, significant marketing activities along with competitive prices will help the United States maintain and increase its market share in Saudi Arabia. USA Rice is conducting several marketing activities to raise awareness of U.S. rice quality and increase demand.

Many of the Saudi rice companies that import from India allocate a significant part of their marketing budgets to promote their own brand names, mostly on social media and FM radios. Indian and Pakistani rice exporters often participate in domestic food shows in Jeddah and Riyadh where they provide buyers with point-of-sale materials. Promotions coupled with product tastings are also occasionally organized in local supermarkets.

Table 12.
Production, Supply and Demand Data Statistics:

Rice, Milled Market Year Begins	2021/22		2022/23		2023/24	
	Jan 2022		Jan 2023		Jan 2023	
Saudi Arabia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	383	383	383	383	0	413
Milled Production (1000 MT)	0	0	0	0	0	0
Rough Production (1000 MT)	0	0	0	0	0	0
Milling Rate (.9999) (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	1300	1200	1300	1300	0	1400
TY Imports (1000 MT)	1300	1200	1300	1300	0	0
TY Imp. from U.S. (1000 MT)	75	0	0	0	0	0
Total Supply (1000 MT)	1683	1583	1683	1683	0	1813
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Consumption and Residual (1000 MT)	1300	1200	1300	1270	0	1400
Ending Stocks (1000 MT)	383	383	383	413	0	413

Total Distribution (1000 MT)	1683	1583	1683	1683	0	1813
Yield (Rough) (MT/HA)	0	0	0	0	0	0

(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 Rice, Milled begins in January for all countries. TY 2023/24 = January 2024 - December 2024

Attachments:

No Attachments