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## **Saudi Arabia**

### **Livestock**

# **Australia Resumes Exports of Live Sheep to Saudi 2000**

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#### **Report Highlights:**

**After an absence of 9 years, Australia resumed exports of live sheep to Saudi Arabia. The first of two shipments (each 70,000 head) arrived Jeddah Islamic Port on January 29, 2000; the second on March 7. While Saudi Arabia never actually banned Australian sheep from entering the Kingdom, repeated rejections by the Saudi Quarantine Service caused the Australian sheep industry to abandon the Saudi market. The recent shipments to the Saudi market were successful because of significant improvements in quality control by the Australians. Before 1991, Australia was the leading supplier of live sheep to the Kingdom.**

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## **Australia Resumes Exports of Live Sheep to Saudi Arabia**

### ***Summary:***

On January 29, 2000, a vessel laden with 70,000 live sheep from Australia entered Jeddah Islamic Port, representing the first shipment of live sheep from Australia in 9 years. The stock was consigned to Al Mawashi-Al Mukearish, the leading livestock importer in Saudi Arabia. A second vessel also with 70,000 head arrived Jeddah Port on March 7. Both shipments were examined by the Saudi Quarantine Department, declared disease-free, and allowed entry.

While Saudi Arabia never actually banned Australian sheep from entering the Kingdom, repeated rejections of Australian sheep by the Saudi Quarantine Service resulted in substantial financial losses to Australian shippers, causing Australian exporters to abandon the Saudi market. Sources at the Quarantine Department indicate that Australian sheep were rejected mainly because of a mouth disease, commonly known as "Scabby".

During its 9 year absence from the market, Australia held several rounds of talks with Saudi officials in an effort to reach an agreement or trade protocol regarding its livestock exports to the Kingdom. The parties failed to reach an agreement. Officials of the Saudi Ministry of Agriculture and Water (MAW ) maintained throughout the discussions, according to sources, that livestock from all origins must undergo identical testing and that no nation should be given preferential treatment.

The success of the recent Australian shipments to Saudi Arabia was the result substantial tightening of quality controls and significant improvement in conditions aboard vessels transporting the livestock. According to sources, some measures adopted included a reduction in the density of sheep per vessel and the placement of veterinarians aboard ship.

Per trade sources, shipments of Australian sheep are expected to arrive Jeddah Port on a regular basis, with at least 5 more vessels expected to arrive by June 2000. Sources indicate that live sheep exports to the Kingdom was a \$70 million business for the Australians before the stoppage. The resumption of Australian sheep exports to Saudi Arabia will increase competition in the Saudi live sheep market and should assist in stabilizing local prices of live sheep, which can vary by up to 40 percentage points during key holiday seasons.

### ***Trade:***

The Kingdom currently depends on imports for about 30 percent of its live sheep requirements. Official 1998 Saudi trade statistics place live sheep imports at 3.8 million head, however trade sources believe Saudi Arabia brings in between 5 and 6 million head annually.

Large numbers of sheep are imported by Saudi traders prior to the Eid al Adha or Haj season, which occurs from the 10<sup>th</sup> to the 12<sup>th</sup> of the Islamic month of Dhu al-Hijjah, or March 16-18 of this year. Sources estimate that about 3 million sheep are slaughtered in Saudi Arabia (1.2 million in the Holy City of Mecca alone) during the Haj Season.

The Saudi government established the "Kingdom of Saudi Arabia's Sacrificial Meat Utilization Project" (KSMUP) in order to provide Pilgrims visiting the Holy cities of Mecca and Medina sufficient quantities of sheep meat slaughtered according to Islamic ritual. It is estimated that one-half of the 2.5 million Haj Pilgrims visiting the Holy cities of Mecca and Medina this year will authorize the KSMUP to serve as their proxy in slaughtering sheep, for their own consumption and for distribution to needy people in the Kingdom and other countries. Sources indicate that the KSMUP has sufficient stocks to offer sheep for sale at 340 Saudi Riyals, or \$90.67 per head. Purchase coupons are currently on sale throughout the Kingdom at branches of Al-Rajhi Banking & Investment Company.

**Table: Saudi Imports of Live Sheep, CY 1997-1998 (Metric Tons)**

Country	1997	1998
Somalia	1,607,949	453,649
Sudan	829,335	1,350,522
Jordan	718,593	366,381
Syria	335,926	387,213
Yemen	141,380	13,652
Romania	132,778	174,248
Turkey	131,436	180,229
New Zealand	103,934	202,556
Other	114,132	257,867
<b>Total imports</b>	<b>4,115,463</b>	<b>3,386,317</b>

**Source:** Saudi official customs data.

**Tariff Rate:** No duty is paid on imported live sheep, beef, mutton and lamb meat.

**Import Regulations:**

Despite the fact Saudi Arabia imports a very large number of live animals, especially sheep, there are no written regulations governing the importation of these animals. According to the Director of the Plant and Animal Quarantine Department of the Saudi Ministry of Agriculture and Water, Saudi import regulations are based on oral instructions from the Minister of Agriculture and Water.

The official but unpublished "regulations" governing imports of live sheep are as follows:

1. Shipment of live animals must be accompanied by the following certificates:
  - A. Certificate of Origin.
  - B. Health Certificate stating the animals are free from infectious diseases. It should also include specific language stating the animals are free of brucellosis and that the animals tested negative for brucellosis not more than 30 days prior to the date of shipment to Saudi Arabia.
2. The above mentioned certificates must be attested by a Saudi Embassy or Consulate in the country of origin.
3. The animals must be shipped directly from the country of origin to Saudi Arabia.
4. Sheep for slaughter must be less than three years of age at the time of arrival in Saudi Arabia.
5. In the case of mixed shipments, animals must be loaded and placed in separate holds or compartments of the vessel according to species.
6. Upon arrival at a Saudi port, the imported animals are subjected to a rigorous health screening by Saudi Quarantine Officials. This screening involves both visual examination and laboratory tests to ensure the animals are free of disease and meet the age requirement as noted above. Animals are not released unless they satisfactory pass this screening.

***Opportunities for the United States:***

Saudi Arabia is expected to remain a significant import market for many years. Saudi importers often express interest in U.S. sheep, but refrain from placing orders because of high prices, relative to traditional and nearby suppliers.

END REPORT