

**Required Report:** Required - Public Distribution

**Date:** October 12,2020

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**Report Name:** Barley Trade Quarterly

**Country:** Saudi Arabia

**Post:** Riyadh

**Report Category:** Grain and Feed

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**Report Highlights:**

Saudi barley import tenders for July-December 2020 are 17 percent less than the quantity of barley imported over the same period last year (2.945 million MT vs. 3.566 million MT). Increased domestic barley prices and price competitive compound feed are the likely reasons for the reduced demand for barley.

## **Barley Trade Quarterly October 2020**

The Saudi Arabia Grain Organization (SAGO) signed four barley purchase contracts for 2.945 million Metric Tons (MT) in the first six months of this marketing year (July 2020 – December 2020) - a decrease of 17 percent from approximately 3.566 million MT imported in the same period last year per supplying countries data. Higher domestic barley prices and competitively priced processed animal feed have decreased the demand for barley in the Kingdom.

### **Increased SAGO Price and Availability of Highly Competitive Processed Feed**

ARASCO, the largest Saudi animal feed processor, is currently selling its Wafi brand feed for approximately 12 percent less than barley. A 50 kg-bag of Wafi, the company's signature brand manufactured compound animal feed, has an ex-factory price at \$11.20 before the 15 percent VAT vs. \$12.53 for SAGO's barley of the same weight. It is likely that ARASCO is keeping the price of Wafi low as a temporary marketing measure to entice traditional livestock producers to feed Wafi. ARASCO has indicated that a kilo of Wafi replaces at least 1.5 kg of barley and results in greater weight gain. The increased use of processed feed will reduce the demand for feed barley and increase demand for corn.

### **Attachments:**

No Attachments