

**Required Report:** Required - Public Distribution

**Date:** October 26,2020

**Report Number:** SA2020-0019

**Report Name:** Barley Trade Quarterly

**Country:** Saudi Arabia

**Post:** Riyadh

**Report Category:** Grain and Feed

**Prepared By:** Hussein Mousa

**Approved By:** Alan Hallman

**Report Highlights:**

Poor pasture conditions and low barley prices led Saudi Arabia to increase barley imports in MY 2019/20 by 170,000 MT to 6.66 million MT. Imports are projected to decline to 6.2 million MT this marketing year.

## Trade:

The Saudi Grains Organization (SAGO) signed seven barley purchase contracts, for a total of 6.66 million MT, for deliveries in MY2019/20 - an increase of about 3 percent compared to MY2018/19 total purchases of 6.49 million MT.

Poor pasture conditions compared to last year, caused by poorer than expected winter rains, and advantageous prices likely caused SAGO to increase its barley purchases in MY2019/20. The last SAGO international barley import tender for MY2019/20 was issued on March 19, 2020 for 720,000 MT for delivery during May and June 2020. However, SAGO found the average per ton price of \$201.04 so attractive that it increased its purchase to 1.2 million MT- the largest single purchase by SAGO in MY2019/20. The average price of the March 19, 2020 barley purchase contract of \$201.04 was \$23.41 per MT cheaper than the \$224.45 the organization paid in January 2020. The reduced demand for barley by Saudi Arabia may have increased stocks in exporting countries and contributed to a significant reduction of feed barley prices on the international market.

<b>SAGO Barley Import Contracts for Marketing Years 2018/19 and 2019/20</b>			
<b>MY2018/19 Shipment Arrival Period</b>	<b>Metric Ton</b>	<b>MY2019/20 Shipment Arrival Period</b>	<b>Metric Ton</b>
May-June 2019	730,000	May-June 2020	1,200,000
Jan.-Feb.2019	1,020,000	Mar.-Apr.2020	900,000
Nov-Dec 2018	1,500,000	Feb.-Mar.2020	1,020,000
Sep-Oct 2018	1,740,000	Dec.2019 - Feb.2020	1,020,000
Jul-Aug 2018	1,500,000	Oct. - Dec.2019	780,000
		Aug. - Oct. 2019	900,000
		Jul. - Aug.2019	840,000
<b>Total MY2018/19 Imports</b>	<b>6,490,000</b>	<b>Total MY2019/20 Imports</b>	<b>6,660,000</b>

Source: SAGO

SAGO's total barley imports for MY2019/20 were 6.66 million MT, a decline of 11 percent compared to USDA's official estimate of 7.5 million MT. Saudi MY2020/21 barley imports are forecast to decline to 6.2 million MT, a fall of approximately 17 percent.

In MY2018/19, Ukraine exported approximately 2.33 million MT of barley to Saudi Arabia, accounting for 36 percent of total Saudi imports of roughly 6.5 million MT. Ukraine increased its exports in the marketing year by about 521,000 MT. The EU was the second largest supplier with 29.1 percent of the market, but its total exports fell by more than 1.1 million MT compared to a year earlier. Russia was the third largest barley supplier to the Kingdom with 1.5 million MT. But it exported approximately 34 percent less than a year earlier.

Saudi Barley Imports in MT				
Exporter	MY2017/18	Market Share	MY2018/19	Market Share
Ukraine	1,813,051	22.8%	2,333,885	36.0%
EU 28 Countries	3,004,726	37.8%	1,889,086	29.1%
Russia	2,291,825	28.9%	1,511,948	23.3%
Argentina	764,798	9.6%	582,164	9.0%
Australia	0	0.0%	66,000	1.0%
Canada	66,000	0.8%	0	0.0%
Other countries	4	0.0%	106,917	1.6%
<b>Total MY Imports</b>	<b>7,940,404</b>	<b>100%</b>	<b>6,490,000</b>	<b>100%</b>

Source: SAGO and TDM

**Production, Supply and Demand Data Statistics:**

Barley	2018/2019		2019/2020		2020/2021	
	Jul 2018		Jul 2019		Jul 2020	
Market Year Begins						
Saudi Arabia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2	2	2	2	2	2
Beginning Stocks (1000 MT)	1829	1829	1314	2029	1399	1689
Production (1000 MT)	10	10	10	10	10	10
MY Imports (1000 MT)	6500	6500	7500	6660	7500	6200
TY Imports (1000 MT)	5700	5700	7500	6660	7500	6200
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
<b>Total Supply (1000 MT)</b>	<b>8339</b>	<b>8339</b>	<b>8824</b>	<b>8699</b>	<b>8909</b>	<b>7899</b>
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	7000	6300	7400	7000	7500	6300
FSI Consumption (1000 MT)	25	10	25	10	25	10
Total Consumption (1000 MT)	7025	6310	7425	7010	7525	6310
Ending Stocks (1000 MT)	1314	2029	1399	1689	1384	1589
<b>Total Distribution (1000 MT)</b>	<b>8339</b>	<b>8339</b>	<b>8824</b>	<b>8699</b>	<b>8909</b>	<b>7899</b>
Yield (MT/HA)	5	5	5	5	5	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 Barley begins in October for all countries 2020/2021 = October 2020 - September 2021

**Attachments:**

No Attachments