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Report Highlights:

The General Food Security Authority (GFSA), an agency of the Saudi Ministry of Environment, Water and Agriculture (MEWA), purchased approximately 1.2 million metric tons (MMT) of locally produced wheat in MY2022/23. This doubles earlier estimates of 600,000 MT and is a result of high government prices offered to local farmers. If prices remain high, farmers will continue to produce wheat so production in MY2023/24 is projected at a similar level. Meanwhile, total Saudi wheat imports are forecast to reach 4.8 MMT, an increase of 3 percent over the previous year. Saudi barley imports for MY2023/24 are forecast to decrease 28 percent to 3 MMT due to significant reductions in the local livestock farming sector. However, Saudi MY2023/24 total corn imports are projected to increase 33 percent to 4.8 MMT because of expansions in the poultry production sector.

Wheat

Production:

The GFSA, an agency of MEWA, recently announced that it purchased a total to 1.18 MMT of local wheat in MY2022/23 (July 2022 – June 2023), which doubles earlier estimates of 600,000 MT. The main reason for this drastic increase in domestic wheat production is the high government purchasing price ($466.70 per MT) offered to local farmers. Analysts indicate wheat farmers significantly increased their profits this past year, and as long as government purchase prices remain high, domestic wheat production is projected to remain near 1.2 MMT. GFSA has a mandate to purchase up to 1.5 MMT of locally produced wheat annually, and Post anticipates wheat production could remain high for several years.

Consumption:

In MY2022/23 domestic wheat consumption is estimated at 4.5 MMT and projected to increase 3 percent annually.

Trade:

In MY2022/23, GFSA (the only wheat importer in the Kingdom) imported 4.63 MMT of wheat. Post anticipates similar wheat imports in MY2023/24 and are projected to only increase 3 percent to 4.8 MMT.

Saudi Wheat Production, Supply and Demand (PSD) Table

Wheat	**2021/2022**		**2022/2023**		**2023/2024**	
Market Year Begins	**Jul 2021**		**Jul 2022**		**Jul 2023**	
Saudi Arabia	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	65	90	60	197	60	200
Beginning Stocks (1000 MT)	2473	2473	2047	2017	3349	3173
Production (1000 MT)	590	540	625	1180	600	1200
MY Imports (1000 MT)	3052	3052	5260	4626	4900	4800
TY Imports (1000 MT)	3052	3052	5260	4626	4900	4800
TY Imp. from U.S. (1000 MT)	4	0	4	0	0	0
Total Supply (1000 MT)	6115	6065	7932	7823	8849	9173
MY Exports (1000 MT)	168	168	183	150	200	200
TY Exports (1000 MT)	168	168	183	150	200	200
Feed and Residual (1000 MT)	0	0	0	0	0	0
FSI Consumption (1000 MT)	3900	4000	4400	4500	4600	4700
Total Consumption (1000 MT)	3900	4000	4400	4500	4600	4700
Ending Stocks (1000 MT)	2047	2017	3349	3173	4049	4273
Total Distribution (1000 MT)	6115	6185	7932	7823	8849	9173
Yield (MT/HA)	9.0769	6	10.4167	11.8	10	12

(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 2023/2024 = July 2023 - June 2024

Barley

Production:

There is no feed barley production in the Kingdom.

Consumption:

Post estimates domestic barley consumption for MY2022/23 to 3.8 MMT and projects consumption to decline 17 percent to 3.1 MMT in MY2023/24. This represents a 56 percent decline compared to a decade ago when annual barley consumption averaged approximately 7 MMT. Over the past three years, the continued decline in local barley consumption can be attributed to the following:

1) High Barley Prices: Compared to other animal feed alternatives, barley was too expensive and encouraged producers to seek other feed options. Many experts attribute high prices to fewer government barley subsidies, which was implemented in January 2020, and the ongoing war in Ukraine that tightened the international barley supply.

2) Fewer Operations: Over the past several years, high prices forced an estimated 30 percent of the sheep and goat farmers to liquidate their farming businesses.

3) Less Waste: Livestock farmers became more rational and preferred alternative feed options that produced less waste compared to barley.

4) Processed Feed: Consumption of processed feed increased significantly over a short period due to its more competitive price and presumed high nutritional value. (A local processed feed is $0.53 per kg cheaper than grain barley.)

Trade:

Post estimates the total Saudi barley imports for MY2022/23 to 4.1 MMT and projects imports to decline 28 percent to 3 MMT in MY2023/24. So far in 2023, Russia has been the sole supplier of barley to Saudi Arabia. Australia returned to the Chinese market while Ukraine has been unable to ship grain to international markets, including Saudi Arabia, because of the continued war with Russia. As the local feed processing sector continues to expand and livestock farmers benefit from different feed options, Post anticipates barley imports will continue to decrease.

Saudi Barley PSD Table

Barley	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
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)	1002	1002	991	993	980	1282
Production (1000 MT)	14	14	14	14	10	12
MY Imports (1000 MT)	4200	4102	4300	4100	4100	3000
TY Imports (1000 MT)	4700	4102	4900	4100	4100	3000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	5216	5118	5305	5107	5090	4294
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	4300	3800	4100	3100
FSI Consumption (1000 MT)	25	25	25	25	25	25
Total Consumption (1000 MT)	4225	4125	4325	3825	4125	3125
Ending Stocks (1000 MT)	991	993	980	1282	965	1169
Total Distribution (1000 MT)	5216	5118	5305	5107	5090	4294
Yield (MT/HA)	7	7	7	7	5	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 2023/2024 = October 2023 - September 2024

Corn

Production

Approximately 15,000 MT of corn is produced annually for human consumption in the Kingdom.

Consumption:

MY2022/23 total corn consumption was estimated at approximately 3.4 MMT and projected to increase 29 percent to 4.4 MMT in MY2023/24 because of significant expansions in the local poultry farming sector. There was also an increased interest by the local livestock feed processors due to competitive international prices.

Corn continues to be a very important feed grain for poultry farms and accounts for approximately 60 percent of poultry feed formulations. It is also a key feed grain used by commercial feed processors and the domestic dairy industry. Compared to other feed options, processors often swap corn in and out of operations depending on the price. As long as the price is competitive and locally processed feed replaces barley, Post projects corn consumption to increase significantly over the next several years. Currently, the Cost and Freight (CFR) for corn in Saudi Arabia is between $240 and $255 per MT compared to $320 per MT a year ago. 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.

Trade:

Post projects MY2022/23 total Saudi corn imports to remain steady at 3.6 MMT and predicts imports to reach 4.8 MMT in MY203/24 because of expansions in the Saudi poultry farming sector. Attractive international corn prices have also increased demand by local livestock feed processors. Meanwhile, corn from Latin America continues to dominate the Saudi market due to its competitive price and presumed quality.

Saudi Corn PSD Table

Corn	**2021/2022**		**2022/2023**		**2023/2024**	
Market Year Begins	**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	2	2
Beginning Stocks (1000 MT)	329	329	415	800	430	815
Production (1000 MT)	15	15	15	15	15	15
MY Imports (1000 MT)	4071	4071	3600	3600	4700	4800
TY Imports (1000 MT)	4071	4071	3600	3600	4700	4800
TY Imp. from U.S. (1000 MT)	764	0	0	0	0	0
Total Supply (1000 MT)	4415	4415	4030	4415	5145	5630
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	3400	3400	4500	4400
FSI Consumption (1000 MT)	200	215	200	200	200	215
Total Consumption (1000 MT)	4000	3615	3600	3600	4700	4615
Ending Stocks (1000 MT)	415	800	430	815	445	1015
Total Distribution (1000 MT)	4415	4415	4030	4415	5145	5630
Yield (MT/HA)	7.5	7.5	7.5	7.5	7.5	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 2023/2024 = October 2023 - September 2024

Rice:

No update. The rice section in Post's 2023 Grain and Feed Annual report (March 2023) is still valid.

Attachments:

No Attachments