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Saudi Arabia

Livestock

Saudi Arabia: Annual Livestock Report

1999

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Report Highlights:

Saudi stocks of sheep as of January 1, 1999 are placed at 12.3 million head, with 1999 imports estimated at 5.3 million head. The import ban on live sheep from Somalia and other East African countries was lifted in May, 1999, prompting a sudden surge in Somali imports. Live sheep imports are expected to decline slightly in 1999 and in the years ahead as local production continues to slowly climb upward. The market for imported mutton and lamb remains strong, with Australia and New Zealand remaining the dominant suppliers.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report

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Production: Live Sheep

The Saudi sheep flock at the beginning of 1999 was placed at 12.3 million head. About 85 percent of all sheep raised in the Kingdom is produced on traditional farms and by Saudi Bedouins. The balance is produced on modern farms, both corporate and family-owned operations. The largest corporate farms (large shareholding farms listed on the Saudi stock exchange) are NADEC (National Agricultural Development Company, HADCO (Al Hail Ag Development Company), and JADCO (Al Jouf Ag Development Company). The largest family-owned operations belong to Sulaiman Al-Rajhi, Al Mawashi-AlMukairish, Brothers Commercial Co. (BCC), and Al-Khorayef.

With over 300,000 producing ewes in one location, Sulaiman Al-Rajhi's operation is the largest specialized sheep farm in the Kingdom. AlMawashi-AlMukairish, the largest live sheep importer in the Kingdom (importing 1.4 million head in 1998), is the second largest commercial sheep producer. This company has about 200,000 producing ewes and plans to increase this number by 50 percent over the next 3years. Most large producers have expressed interest in expanding, in anticipation of a continued strong demand for locally-produced sheep. Locally-produced sheep command a higher price than imported sheep. Saudi’s population high growth rate of 3.75 percent is a contributing factor to the growing demand.

Locally- produced lambs are usually slaughtered at about 6 months. Sheep producers use most of their female lambs for replacement and expansion. The lamb crop is estimated at 80 percent of the ewe inventory.

Trade: Live Sheep

Imports of live sheep account for 22 percent of total supplies (see PSD Table). Sources place 1999 imports at about 5.3 million head. Imports in the year 2000 are expected to drop slightly, however, this is expected to be offset by a slight increase in local sheep production and greater imports chilled lamb and mutton.

Traditionally, large numbers of sheep are imported during the Muslim Holy month of Ramadan. During this period, more than 3 million sheep are slaughtered Kingdom-wide, with one third of this amount slaughtered by Pilgrims performing Haj.

PSD Table						
Country:	**Saudi Arabia**					
Commodity:	**Sheep (in thousands of head)**					
	1998		1999		2000	
	Old	New	Old	New	Old	New
Calendar Year Begin	01\1998		01\1999		01\2000	
TOTAL Beginning Stocks	11000	12200	11312	12312	0	12400
Ewes, Beginning Stocks	7700	8540	7918	8618	0	8680
Production (Lamb Crop)	6160	6832	6334	6895	0	6944
Intra EU Imports	0	0	0	0	0	0
Other Imports	6000	5400	6000	5340	0	5300
TOTAL Imports	6000	5400	6000	5340	0	5300
TOTAL SUPPLY	23160	24432	23646	24547	0	24644
Intra EU Exports	0	0	0	0	0	0
Other Exports	180	180	180	180	0	180
TOTAL Exports	180	180	180	180	0	180
Ewe Slaughter	2503	2562	2558	2700	0	2690
Lamb Slaughter	3265	3484	3357	3518	0	3506
Other Slaughter	5900	5335	5900	5190	0	5225
TOTAL Slaughter	11668	11381	11815	11408	0	11421
Loss	559	559	559	559	0	560
Ending Inventories	11312	12312	11651	12400	0	12483
TOTAL DISTRIBUTION	23719	24432	24205	24547	0	24644
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

On May 24, 1999, the Saudi Ministry of Agriculture and Water (MAW) lifted a 16-month ban on imports of livestock from Somalia, Ethiopia, Kenya, Tanzania, Zimbabwe, Djibouti and Yemen. The bans were the result of reports from the World Health Organization (WHO), citing the presence of Rift Valley Disease (RVD) in these countries. Ministry officials said its decision to lift the restrictions was based on recent WHO announcements declaring these countries free of the disease.

Somalia was the most hurt by the ban, having been the leading supplier of live sheep to the Kingdom for several years. Following the lifting of the ban, Somalia quickly resumed trade to the Kingdom, a move which caused a decrease in Saudi wholesale and retail prices. Based on the most recent Saudi Customs data, Somalia accounted for 39 percent of total sheep imports by Saudi Arabia in 1997. Low prices and proximity to the Kingdom (major Somali sea ports are only a few hours away from Saudi Red Sea port of Jeddah) have resulted in Somalia being the dominant supplier to the Kingdom.

Prices: Live Sheep

In August 1999, the retail price for a 20 kilogram live sheep from Somalia averaged US $35. Jordanian, Syrian and Turkish sheep were twice as expensive than Somali sheep. Local sheep usually commands a higher price than imported sheep during any season. During the high demand season (Ramadan and Haj holidays) prices increase by up to 40 percent. The average live weight of Somalian sheep ranges between 20 and 25 kilograms. Local sheep and those imported from Sudan, Turkey, Syria and Jordan often weigh over 40 kilograms (live weight).

Trade Matrixes: Live Sheep

SAUDI LIVE SHEEP IMPORTS: CY 1997-1999

COUNTRY	1997	1998	1999
SOMALIA	1,607,949	450,000	1,200,000
SUDAN	829,335	1,000,000	900,000
JORDAN	718,593	800,000	740,000
SYRIA	335,926	450,000	400,000
YEMEN	141,380	50,000	100,000
ROMANIA	132,778	250,000	200,000
TURKEY	131,436	200,000	170,000
NEW ZEALAND	103,934	250,000	300,000
OTHER	114,132	1,950,000	1,290,000
TOTAL IMPORTS	4,115,463	5,400,000	5,300,000

SOURCE: 1997 date was obtained from Saudi Ccustoms. 1998 and 1999 data are based on trade sources and ATO estimates.

Tariffs: Live Sheep
No duty is paid on imported live sheep, beef, mutton and lamb meat.

Market Development Opportunities for the United States: Live Sheep
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.

Sheep Meat: Lamb and Mutton

PSD Table						
Country:	Saudi Arabia					
Commodity:	**Lamb & Mutton Meat**					
	1998		1999		2000	
	Old	New	Old	New	Old	New
Calendar Year Begin	01\1998		01\1999		01\2000	
Slaughter (Reference)	11668	11381	11815	11408	0	11421
Beginning Stocks	8	8	8	9	0	9
Production	197	193	200	194	0	194
Intra EC Imports	0	0	0	0	0	0
Other Imports	55	60	57	65	0	70
TOTAL Imports	55	60	57	65	0	70
TOTAL SUPPLY	260	261	265	268	0	273
Intra EC Exports	0	0	0	0	0	0
Other Exports	2	2	2	2	0	2
TOTAL Exports	2	2	2	2	0	2
Human Dom. Consumption	230	245	235	252	0	257
Other Use, Losses	20	5	20	5	0	5
TOTAL Dom. Consumption	250	250	255	257	0	262
Ending Stocks	8	9	8	9	0	9
TOTAL DISTRIBUTION	260	261	265	268	0	273
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Consumption

Sheep meat with rice (Kabsa) is a main dish served in Saudi and Arab homes. Upper class Saudi consumers generally prefer meat from local sheep. Price is an important factor for low to moderate income Saudis as well as most Arab and Asian expatriates, who usually buy imported sheep or mutton.

In general, the bulk of imported frozen meat is distributed to institutional customers (restaurants, hotels, etc.), with chilled meat distributed through retail outlets to consumers.

Trade: Sheep Meat

Australia is the largest supplier of chilled/frozen sheep meat to Saudi Arabia, followed by New Zealand. Based on Customs data from Australia and New Zealand, Australia exported 20,031 metric tons and New Zealand at 15,827 metric tons, respectively, to Saudi Arabia in 1998. Imports of lamb and mutton meat are forecast to increase by 8 percent in 1999 and in the year 2000, resulting from increased demand. Traders attribute the recent surge in chilled lamb meat demand to the fact that it is significantly cheaper compared to fresh meat: $3 per kilogram for chilled lamb versus $5 per kilogram for fresh lamb meat of a comparable quality. Though expatriate residents are the prime consumers of chilled lamb in the Kingdom, in recent years an increasing number of Saudis have become regular consumers.

Trade Matrixes

Commodity: Lamb and Mutton Meat (In metric tons)			
Country	**1997**	**1998**	**1999**
Australia	22,813	20,031*	25,000
New Zealand	16,198	15,827*	19,000
Sudan	4,455	5,600	6,700
India	3,256	4,000	4,200
Other Countries	2,963	14,542	10,100
Total	**49,685**	**60,000**	**65,000**

SOURCE: 1997 data was obtained from Saudi Customs. Data for 1998 is based on Australian and New Zealander Customs data and trade sources. Estimates for 1999 was based on trade sources and ATO estimates. A conversion factor of 1.53 was used to convert trimmed boneless meat to carcass weight.