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Saudi Arabia

Grain and Feed

Saudi Government Augments Feed Subsidy Program

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Report Highlights:
In April 2008, Saudi Arabia issued a revised animal feed subsidy list that consists of 19 energy and protein rich animal feed ingredients. Under the revised program, the government will provide rebates that range from $116 up to $560 per metric ton, depending on the type of imported feed.

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Saudi Government Augments Feed Subsidy Program

In April 2008, Saudi Arabia issued a revised animal feed subsidy list that consists of 19 energy and protein rich animal feed ingredients. Under the revised program, the government will provide rebates that range from $116 up to $560 per metric ton, depending on the type of imported feed. The rebate will be paid directly to the local importer. The expanded list added new feed items such as oats, canola meal, fish meal, alfalfa pellets, soy bean hulls, sunflower hulls, and rice bran. The subsidies on the two main feed ingredients, soybean meal (48 percent protein) and yellow corn, were increased from $133.33 per metric ton to $396 and $266.67, respectively.

The new subsidy program is in line with the Ministry of Agriculture's (MOA) recently issued National Animal Feed Strategic Plan which bases government subsidy levels on a feed ingredient's nutritional value, mainly energy and protein contents.

The following table shows animal feeds included in the decree and the subsidy rate per metric ton of each ingredient in U.S. dollars.

Feed Type	Amount
Fish meal (70 percent protein)	$562.27
Soybean meal (48 percent protein)	$396.00
Soybean meal (44 percent protein)	$361.33
Cotton seed meal (40 percent protein)	$353.60
Fish meal (60 percent protein)	$355.20
Canola meal (38 percent protein)	$317.07
White sorghum (11 percent protein)	$281.60
Yellow corn	$266.67
Palm Kernel meal	$258.37
Wheat bran (17 percent protein)	$252.00
Yellow sorghum	$250.13
Wheat bran (15 percent protein)	$247.20
Soybean hulls	$244.80
Alfalfa pellets (18 percent protein)	$236.00
Oath	$226.67
Alfalfa pellets (20 percent protein)	$205.87
Alfalfa pellets (17 percent protein)	$189.33
Rice bran	$117.07
Sunflower hulls	$116.27

To claim the feed subsidy, local importers must submit required documents such as purchase invoice, bill of lading, certificate of origin and phytosanitary certificate.

The government will continue to subsidize feed barely imports at $320 per metric ton. However, reducing dependence on feed barley imports remains a government goal. Emphasis is placed on feed concentrates that provide a balanced diet, are easily digested compared to barley, and reduce feed wastage. The MOA points out that when an animal consumes large quantities of barley, about 30 percent is eliminated without being digested, thereby providing no benefit in terms of weight gain or nutrition. The ministry hopes that the expanded list of subsidized feed ingredients will introduce new and better feed formulas that will sharply reduce barley imports, production costs, eliminate the need for local alfalfa production and save water. In calendar year 2007, Saudi Arabia imported 7.3 million metric tons of barley.

The MOA is optimistic that the new feed subsidy policy will encourage expansion of existing feed processors and establishment of new facilities to help provide local livestock with adequate quantities of more nutritional feed formulas.