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Saudi Arabia

Poultry and Products Annual

2013

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Report Highlights:

Broiler meat production in Saudi Arabia is expected to reach 569,000 MT in 2013, about 25 percent higher than the production level in 2012. Saudi broiler production is projected to further rise in 2014 to 670,000 MT. The huge increase in local production is mostly due to ongoing expansion in broiler production operations by the three largest Saudi poultry producers. Saudi broiler meat imports in 2013 are expected to decrease to 760,000 MT, a decline of 6 percent, compared to imports in the previous year. In 2012, Brazil controlled 79 percent of the Saudi poultry import market with 628,627 MT, followed by France with an 18 percent market share and the U.S. with 1.5 percent. U.S. broiler exports to Saudi Arabia increased significantly in 2013 despite the very small number of the U.S. poultry suppliers that can satisfy the strict Saudi import requirements.

Note: Data included in this report is not official USDA data. Official USDA data is available at <http://www.fas.usda.gov/psdonlineonline>.

Executive Summary:

Broiler meat production in Saudi Arabia is expected to reach 569,000 MT in 2013, about 25 percent higher than production level in 2012. Our estimate of Saudi broiler meat production for 2012 has been revised downward (from 592,000 MT to 450,000 MT) due to high mortality rates in many Saudi poultry farms because of outbreaks of poultry diseases such as the New Castle Disease last year. For 2014, total broiler meat production is forecast to reach 670,000 MT, an increase of about 18 percent compared to the estimated production in 2013. The main reason for the large broiler production increases in 2013 and 2014 is ongoing production expansion projects worth about 11 billion SAR being undertaken by the three largest Saudi poultry producers, Al-Watania Poultry, Fakieh Farms and Almarai Company since 2010. Production cost of locally produced broiler meat currently ranges between 6 and 7 SAR (\$1.6-1.87) per Kg average dressed weight. Broiler meat remains the most competitive source of animal protein in Saudi Arabia, where total consumption is projected to reach 1.3 million MT in 2014, which represents an increase of 4 percent over the estimated consumption level in 2013.

Broiler meat imports into Saudi Arabia are expected to decline by 6 percent in 2013, to 760,000 MT, compared to 799,393 MT imported in 2012. The expected decline of poultry meat imports in 2013 is mostly due to the anticipated increase in the local broiler meat production and reduced demand by catering companies as a result of a much smaller number of Umra and Hajj pilgrims anticipated this year. Total broiler meat import in 2014 is projected to drop further in 2014, to 730,000 MT as local broiler production is expected to continue rising. It should be noted that relatively cheaper import prices of broiler meat in the world markets will provide incentive to import and will mitigate some of the impact of increased local production and reduced demand due to the lower numbers of Umra and Hajj visitors to Saudi Arabia in 2013.

Brazil has been the dominant supplier of broiler meat to Saudi Arabia for over two decades. In 2012, Brazilian chicken exports were estimated at 628,627 MT, about 79 percent of total Saudi poultry meat imports, followed by France with 18.4 percent market share, the U.S. with 1.5 percent and Argentina with 1.1 percent. The small U.S. market share is mostly due to the difficulties the U.S. poultry exporters face in meeting the Saudi import requirements, including birds must be fed on vegetable only protein sources and free of growth hormones. However, it should be noted that U.S. broiler exports to Saudi Arabia have increased drastically during the first 9 months of MY 2012/13 despite the limited number of U.S. poultry suppliers that can satisfy the strict Saudi requirements for poultry meat imports.

The average CIF price of imported broiler meat in August 2013 is estimated at \$2,113 per MT, a decline of \$162 per MT compared to \$2,275 in June 2013. The lower import prices as well as high stock levels at major Saudi cold stores have prompted most retail outlets and supermarket chains to heavily discount broiler prices, reaching as low as \$2.91 per kg in mid August, or about 18 percent lower than retail prices in June 2013.

Saudi Arabia currently exports broiler meat to several of the Gulf Cooperation Council countries. Saudi poultry exports to these countries are expected to reach 20,000 MT in 2013, an increase of 33 percent

compared to exports in 2012. These exports are projected to further rise to 30,000 MT in 2014, mainly due to a huge increase expected in local broiler production. It should be noted that in December 2012 the Saudi government lifted an export ban that has been imposed on domestic broiler meat exports since October 2012. The lifting of the poultry export ban was under a condition that the Saudi exporting company would have to reimburse the government for various production subsidies it receives, currently estimated at about 1,000 SAR/MT, before it is allowed to export.

Production:

Poultry production in Saudi Arabia in 2013 is estimated at 569,000 MT, an increase of about 25 percent over production in the previous year. Post's estimate for broiler meat production in 2012 has been revised downward, from 592,000 MT to 450,000 MT, to reflect reduced production that was a result of the mainly NCD outbreaks in Saudi Arabia last year. The NCD outbreaks led to high mortality rates that reached over 50 percent in many medium-size poultry farms and totally wiped out production in several small farms. Saudi poultry meat production for 2014 is projected to reach 670,000 MT, an increase of 18 percent over the production level estimated for 2013. The expected increase is due an ongoing expansion of broiler production projects at the three largest poultry producers in Saudi Arabia, Al-Watania Poultry, Fakieh Farms, and Almarai Company, as well as significant improvement in the NCD situation in the Kingdom. These companies currently account for more than 65 percent of total Saudi broiler meat production and have been engaged in massive expansion projects (total investment of 10.6 billion SAR) since 2010.

Al-Watania Poultry Farm (Al-Watania)

Al-Watania is the largest broiler producer in the Kingdom, accounting for about one third of national production. All of the company's facilities are located in one location in Buraydah and Qassim Province. In 2010, Al-Watania embarked on an ambitious expansion program to more than double its annual broiler production capacity from 165,600 MT in 2010 to 380,160 MT by 2015. The firm estimates its total broiler meat production for 2013 at about 221,000 MT a year, an increase of 33 percent compared to the 2010 production level. Al-Watania Farm is also working to increase its table eggs production by three folds, from one million eggs per day in 2010 to three million egg per day by the end of 2015. Al-Watania sells 80 percent of its broiler meat fresh\chilled and 20 percent frozen. The firm is the leading Saudi fresh broiler meat exporter to the GCC countries. Al-Watania has recently introduced a vacuum packaging technology to help extend shelf life of chilled broiler meat, becoming the first company in the Kingdom to use such technology for broiler meat packaging. Most of the company's broiler meat is sold whole bird, but there are significant quantities of chicken parts, particularly leg quarters, drumsticks, breast, offal, and thighs, that are sold by the company. Al-Watania is currently the leading poultry products processor in Saudi Arabia and it produces more than 150 fresh and frozen value added poultry products such as marinated chicken meat, sausages, hot dogs, chicken popcorn, meat balls, salami, chicken nuggets and a large range of microwavable ready products.

Al-Watania fast food chain Dajen restaurant was established in 1996 and currently has 14 outlets in major cities of the Kingdom. The restaurants sever grilled chicken, fried chicken, sandwiches, shrimps, fajita mex, salad and chicken nuggets.

Fakieh Poultry Farms (Fakieh)

Fakieh Poultry Farms is the second largest broiler meat producers in the Kingdom. It is also engaged in a massive broiler meat production expansion projects (\$800 million) to increase its annual production capacity from about 124,000 MT in 2010 to 288,000 MT by the end of 2015. In addition, it plans to increase table egg production from one million eggs in 2010 to 2.1 million by 2015. Unlike Al-Watania, Fakieh’s poultry farms are scattered around the Kingdom. The firm's expansion plan involves building its own poultry farms as well as signing agreements with existing smaller poultry farmers. Currently, 50 percent of Fakieh’s broiler meat production comes from its own farms while more than 130 contract farmers account for the other 50 percent. Under the contractual arrangement, Fakieh provides day-old chicks, feed, management know-how and medicine at cost to the contract growers. The farmers will raise the birds and sell them to Fakieh when they are ready for marketing at agreed prices. Eighty percent of Fakieh’s broiler meat is sold fresh and 20 percent frozen.

Fakieh is the first poultry farm to open and operate its own fast food chain that uses exclusively broiler meat produced on its poultry farms. Fakieh’s first chicken fast food outlet under its own brand name “Taza Barbecue Chicken” was first opened in 1989 and now has more than 100 outlets throughout the Kingdom, and branches in Kuwait, Jordan, Qatar, Egypt, Oman, Yemen, and the United Arabia Emirates. Fakieh’s poultry meat processing plant is expected to start operations before the end of 2013.

Almarai Poultry Farm (Almarai)

Almarai Poultry is owned by Almarai Dairy Farm, the largest vertically integrated dairy farm in the Middle East. Almarai Poultry started its broiler production business in 2009 by purchasing the former Hail Agricultural Development Company (HADCO) poultry farm. Since acquiring HADCO, the company has been engaged in a major broiler meat production investment projects estimated at 4.1 billion SAR (\$1.1 billion). The new investment will increase its brand broiler meat (Alyoum) production from 20,000 MT in 2009 to 150,000 MT by 2015. In 2012, Almarai reportedly produced 60,000 MT, an increase of three folds its production level in 2009. Almarai does not produce table eggs and does not work with contract farmers, with all of its production facilities located in the Hail Province. Almarai’s broiler meat production is mostly sold fresh\chilled and currently exported to several of the GCC countries.

Broiler Meat Production Estimates

The official Ministry of Agriculture (MOA) estimates the number of broiler production projects in Saudi Arabia in 2011 at 389 farms located in 13 regions of the Kingdom. Total broiler meat production was estimated at about 510,000 MT in that year. About ninety percent of Saudi broiler production comes from five provinces, with Qassem province accounting for 27 percent followed by Makkah (22 percent), Riyadh (15 percent), Aseer (13 percent) and the Eastern Province (12 percent). The table below shows domestic broiler meat production in Saudi Arabia in the period 2007 to 2011.

Commercial Broiler Production and Number of Farms during (2007-2011)

Year	Production in MT	Number of Broiler Producing Farms
2007	490,405	372
2008	427,228	375
2009	476,348	375
2010	425,500	363

2011	509,397	389
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Source: MOA's Agricultural Statistical Yearbook 2012

Production Cost

Production costs for local broiler farmers are very high due to heavy dependence on imported feed ingredients, poultry equipment and medicine and the high costs of temperature control for the extreme hot weather year-around throughout the Kingdom. To compensate for the high production costs, the Saudi government (SAG) has been providing various subsidies to poultry producers, including interest free loans, rebates on costs of selected poultry equipment as well as import subsidies for animal feed. Feed cost accounts for about 70 percent of broiler meat production costs in Saudi Arabia. The sharp fluctuation in the prices of poultry feed such as corn and soybean meal in the world market often makes locally produced broiler meat less competitive than imported products from Brazil and France. To offset the impacts of increasing international feed grain prices on domestic broiler farms, the SAG provides import subsidies for 31 animal feeds, range between \$49.33 and \$202.13 per MT, based on the energy and protein contents of each feed ingredient. Production cost for locally produced broiler currently ranges between 6 SAR (\$1.6) and 7 SAR (\$1.87) per Kg average dressed weight. It is estimated that the value of various subsidies offered to domestic broiler producers to be around 2 SAR (\$0.53) per kg.

Broiler Production Cycles

The growing cycle for broilers in the Kingdom varies between 28 to 35 days, with an average bird weight gain of 50 grams per day. The average live weight for broilers when marketed is about 1,350 grams, while the average ready to cook broiler carcasses weight when marketed is one kg. The feed conversion ratio (FCR) is between 1.55 kg to 1.70 kg

Other Poultry Production

Almost all poultry production in Saudi Arabia is broiler meat, with the exception of about 1,000 MT of quail meat produced by the Astra Farms. Before 2007, spent hens used to be sold live in thousands of retail shops across the Kingdom. However, in August 2007, the SAG banned live chicken sales in order to reduce the risk of possible human infection with poultry related diseases. Currently, most of the spent chickens are killed and mechanically buried. Recently, however, the MOA has given options to poultry growers to slaughter spent chickens for further processing, but stipulated that slaughtering of the spent chickens must be scheduled in different days from when broilers are slaughtered.

Consumption:

Broiler meat consumption in Saudi Arabia is expected to reach 1.25 million MT in 2013, and projected to increase by 4 percent to 1.3 million MT in 2014. This increase is mostly due to rising demand and relatively lower prices of poultry meat compared to other sources of animal protein. In 2012, the total poultry meat consumption was estimated at about 1.2 million MT, with per capita consumption estimated at 44 kg per year. The Saudi poultry market has a cyclical nature, with consumption rising sharply during the holy month of Ramadan, when a large number of Umra visitors arrive in Saudi

Arabia to spend most of the month in the vicinities of the two holy cities as well as during the Hajj season. Consumption of chicken meat and other food products decreases significantly during summer months, from June up to the end of August, when millions of Saudis and expatriates depart the Kingdom for vacation.

Broiler meat consumption in Saudi Arabia has been steadily rising in recent years for its perceived healthier diet compared to red meat. Although the majority of broiler consumption in Saudi Arabia is in the form of whole birds, demand for chicken parts such as leg quarters and breast has been steadily rising. This is mostly due to increased demand by households of working couples, where the wives do not have sufficient time to cook the tradition poultry dishes. Sales of marinated and ready-to-cook chicken parts have also been rising. The continued growth in the number of hypermarkets and supermarket outlets throughout the Kingdom has also helped in increasing the overall demand for poultry meat.

Saudis consumers prefer domestically grown fresh broiler chickens. As the result, more than 80 percent of locally grown broiler meat is sold chilled. Because of this consumer preference, domestic broiler meat producers have begun to convert most of their broiler meat production from frozen to chilled. A decade ago, Al-Watania poultry farm used to produce 80 percent of its broiler meat frozen and 20 percent chilled. Consumers' preference for fresh/chilled broilers has forced the company to reverse its production policy, where the company currently produces 80 percent fresh\chilled and 20 percent frozen. The firm has a plan to increase the percentage of its fresh\chilled broiler meat production to 90-95 percent in the next couple of years. Fakieh has also plans to increase its fresh\chilled broiler production from the currently 80 percent to more than 90 percent in the next few years. All of Almarai broiler meat production is marketed fresh\chilled. Most of the medium size poultry farms produce at least 90 percent of their broiler meat fresh\chilled, as it is more profitable for the companies and the Saudi consumers do not mind paying more for the fresh\chilled broiler meat versus the frozen products.

The issue of Halal slaughter is not a major concern for most poultry consumers in Saudi Arabia, as they are assured by the government that all imported meat products, including poultry are from animals slaughtered according to Islamic rituals. However, Saudis tend to believe that domestically slaughtered broiler meat is of higher Halal standards than those imported from non-Muslim countries like Brazil and France. All imported broiler meat to Saudi Arabia is frozen and consumed mostly by the expatriates community and institutional customers. In general, Saudi consumers prefer 900 to 1,100 grams birds. They perceive large broilers (1,200 to 1,400 grams) as being aged and not tender meat. Hotels and restaurants prefer 900 to 1,000 grams to serve whole, in halves or in quarters and they prefer to buy a lighter weight birds at the lowest possible price. Brazilian frozen broiler meat is the most preferred imported chicken by restaurants as they offer plenty of smaller sized birds, which fit in rotisseries used by restaurants.

Rising Demand for Chicken Parts

The demand for imported chicken parts has been soaring for the past several years due to growing demand by the fast expanding fast food outlets, casual dining, hotels and catering sector. According to trade data, Saudi chicken parts imports increased by about 220 percent in the last five years, from 52,611 MT in 2007 to 169,124 MT in 2012, with Brazil supplying 93 percent and the U.S. a distant second with 6.4 percent of these imports. According to trade contacts, dark broiler meat accounts for

about 70 percent of total broiler parts imports and the balance is chicken breast. Fast food chains such as KFC, McDonald's and their local rivals such as Al-Beck, Herfy, and Kudu depends mostly on imported chicken parts. Western casual dining restaurants including Chili's, On the Border, Apple Bees, Fuddruckers, and TGI Fridays use significant quantities of chicken parts particular chicken breast. A significant quantity of deboned chicken is imported to produce Shawarma, Middle Eastern style popular sandwich, which contains boneless chicken meat or beef mixed with pickles, lettuce and mayonnaise wrapped with pita bread.

Trade:

Imports

Although available dinning trade data indicates that Saudi Arabia broiler meat imports increased by about 18 percent to 378,694 MT during the period January-May 2013, compared to 310,426 MT imported in the same period in 2012, post expects that poultry meat imports for the entire 2013 to decline by 6 percent to 760,000 MT, compared to 799,393 MT imported in 2012. The expected decline in the total broiler meat import in 2013 will be mostly due to a significant increase in local broiler meat production as well as reduced consumption because of a much smaller number of Hajj pilgrims in Saudi Arabia. The Saudi government has significantly reduced the number of visas it issues to pilgrims coming to perform Hajj this year to help avoid overcrowding at Makkah Grand Mosque, which has been undergoing huge expansion work, reducing significantly the demand for chicken meat by catering companies operating in Makkah and Medina. For 2014, total poultry imports are expected to further decline to 730,000 MT, as local broiler production continues to rise as result of expansion of several broiler production farms.

Major Saudi broiler meat importers indicated that the surge in the broiler meat imports for January-May of 2013 was to compensate for the huge decline in broiler meat stock levels at the end of 2012 and beginning of 2013 because of sharp drop in domestic broiler meat production in 2012 that reduced supplies and sharply increased retail prices. The increased imports have boosted stock levels at domestic cold stores and helped sharply reduce retail prices of imported broiler meat. Nowadays, broiler meat stocks are so high that major supermarket chains offer regular discounts that range between 15 to 27 percent for cardboard boxes containing ten chickens.

Demand for Turkey Meat

Saudi Arabia's turkey meat imports are very small. In 2012, Saudi turkey imports totaled 1,817 MT, compared to 2,416 MT imported in 2011. Most of the imported turkey meat is used to process value added turkey products such as salami, bologna, smoked turkey breast, and honey roasted turkey. The rest is imported for distribution to upper class supermarkets for sale during Thanksgiving, Christmas and New Year holidays.

Major Broiler Meat Exporters to Saudi Arabia:

Brazil has remained the dominant broiler meat supplier to Saudi Arabia for the past two decades, followed by France, the United States and Argentina. In 2012, Brazil supplied 628,627 MT of frozen

chicken, about 79 percent of total Saudi broiler meat imports and increased its share by about 1 percent compared to 2011.

In 2012, French broiler meat exports reached 147,677 MT, a decrease of about 0.5 percent compared to 2011, while imports from the U.S. (all broiler parts) increased by about 146 percent from 4,829 MT in 2011 to 11,865 MT in 2012. Argentina exported 9,008 MT in 2012, an increase of 17 percent compared to a year earlier.

The U.S. poultry meat market share in the huge Saudi imported broiler meat market has been very small because of the difficulties that U.S. poultry meat exporters face meeting SAG's requirements that imported poultry meat must come from poultry fed on vegetable only protein and must be free from growth hormones. These conditions are very difficult for most U.S. poultry producers to satisfy.

Saudi Arabia Broiler Meat Imports		
Calendar Year: 2011 - 2012		
Exporting Country	Quantity in MT	
	2011	2012
Brazil	622,643	628,627
France	148,385	147,677
United States	4,829	11,865
Argentina	7,686	9,008
Other	1,958	2,216
Reporting Total	785,501	799,393

Source: Global Trade Atlas

Local Broiler Meat Price:

Chicken meat has been the most competitive source of animal protein in the Kingdom. A kilo of imported frozen chicken is sold for about \$2.91 compared to imported Pakistani chilled beef and lamb, which are sold for \$9.33 and \$10.40 per kg, respectively. Locally produced frozen chicken are sold for about \$3.45 per kg compared to domestically produced veal and lamb, which are sold for \$13.32 and \$16.27 per kg, respectively.

Retail prices of imported poultry meat has been declining since the beginning of summer vacation that started at the mid of June. The price of imported frozen chicken dropped by about 18 percent, from \$3.53 in June to about \$2.91 per kg by mid of August. The average price of domestically produced frozen chicken went down by about 14 percent from \$4 to \$3.45 per kg in the same period. The price of locally produced fresh boiler meat was down slightly by \$0.13 to \$4 during the same period. Three major reasons could explain the significant decline in broiler meat prices over the past three months:

1. High broiler meat stock at cold stores in major cities because of reduced demand during summer vacation.
2. The Saudi government's decision to reduce the number of Umra visitors during the month of Ramadan this year, which reduced demand by catering companies working in the vicinities of the two Holy Mosques of Makkah and Medina.
3. About \$162 decline in CIF prices of imported broiler meat from June and August.

Imports Prices

In August 2013, the average CIF per MT price for both Brazilian and French broilers meat at Jeddah port was \$2,113, a decrease of \$162 per MT compared to the CIF price of \$2,275 in June. The drop in the import price is attributed to the usually reduced demand for chicken meat during summer vacation season, depreciation in the Brazilian Real against the U.S. dollar (SAR is pegged to the USD), increased Brazilian exportable broiler meat stocks and the continued traditional cut-throat competition among Brazilian and French suppliers.

Import Tariff

The customs duty on imported chicken is 5 percent ad valorem.

Poultry Meat Import Requirements

1. **Hormone Free Certification:** The Saudi Food and Drug Authority (SFDA) requires that the responsible government agency of exporting countries include in official health certificates accompanying exported poultry meat a statement confirming that the poultry meat was tested and found to be totally free from hormones.
2. **Ban on Animal Ruminant Feeding:** SFDA poultry meat regulations require that government health certificate accompanying shipments of poultry meat must clearly indicate that the birds slaughtered had not been fed with animal protein, animal fats, or any animal byproducts. On July 5, 2012, FSIS updated its Export Library entry for Saudi Arabia to include the new SFDA requirements. In order for FSIS to issue the required animal protein free certification, exports of U.S. poultry and poultry products to the Kingdom should come from slaughter facilities that participate in the Agricultural Marketing Service's (AMS) Animal Protein Free Verification (APFV) Program for Poultry. Information about this program can be found at [AMS' Website](#).
3. **Quality Standards:** Imported poultry meat and products must meet all existing Gulf Standards Organization's (GSO) poultry meat quality standards and specifications. An Appendix to this report lists all current GSO technical regulations or standards related to poultry meat.

4. Halal Certificate: Poultry slaughtering has to take place in an officially licensed slaughterhouse and in accordance with Islamic slaughtering procedures: GS 993/1998 “Animal slaughtering Requirements According to Islamic Law”.
5. Certificate of Islamic Slaughter: A certificate of Islamic slaughter must be issued for all poultry meat and products entering the Kingdom of Saudi Arabia. This certificate is issued by Islamic Centers in the United States approved by the Saudi Embassy or Consulates. The certificate must be attested by the Saudi Embassy or Consulate in the U.S. before the poultry meat is shipped to Saudi Arabia.
6. Laboratory Test: All poultry meat and products imported will be tested at Saudi ports of entry to ascertain that they meet all of the above requirements.

Saudi Poultry Exports

The ongoing expansion in domestic broiler meat production is expected to increase Saudi 2013 broiler meat exports to 20,000 MT, an increase 33 percent compared to estimated exports in 2012. Exports in 2014 is projected to reach 30,000 MT due to the continued sharply increase in the domestic broiler meat production next year. Most Saudi broiler meat exports are fresh\chilled and destined for the five GCC countries (UAE, Qatar, Bahrain, Kuwait and Oman).

In October 2012, the SAG banned exports of domestically produced broiler meat following an acute shortage of broiler meat in the local market that increased retail prices by up to 40 percent. In December 2012, various measures by the government and the private sector helped stabilize the Saudi broiler meat market and allowed the government to announce a conditional lifting of the export ban. The SAG stipulated that domestic broiler meat producers interested in exporting domestically produced broiler meat pay back \$533 per MT for various government subsidies they receive to produce the chicken. The refund requirement has reportedly reduced the profit margins of Saudi broiler meat exporters but has not caused them to discontinue exporting.

Stocks:

There are no government stock holding programs in the Kingdom. Thus, the beginning and ending stock levels of broiler met in PS&D are set at zero.

Policy:

Domestic broiler meat production is one the targeted strategic agricultural products that are strongly supported by the SAG in order to help bolster food security. The SAG’s has been encouraging a drastic expansion in domestic broiler meat output in order to help the country attain the maximum possible self-sufficiency level. To achieve this goal, the government continues to provide various subsidies and grants interest free loans to new viable poultry farms.

In September 2004, the SAG introduced a subsidy scheme for local broiler meat producers to help them construct cold storage facilities, buy refrigerated trucks, screeners, grading and packaging equipment. The MOA leases lands for establishments of slaughter houses or poultry farms at subsidized rate, while

the Saudi Agricultural Development Fund (ADF) provides interest free loans to build the needed facilities. Over the past several decades, ADF has provided loans valued at \$773 million to poultry farms.

The current list of animal feed products eligible for import subsidy consists of 31 animal feed ingredients, including yellow corn, soybean meal, Dried Distillers Grain with Soluble (DDGS), Corn Gluten Feed (CGF) and sorghum. The import subsidy rates are calculated according to energy and protein levels of each feed ingredient. This means, the higher the protein and energy levels a feed ingredient contains, the more subsidy that government pays for the import of that particular feed ingredient. For example, imported soybean meal (48% Protein and 2,450 energy units) receives the highest subsidy rate of \$202.13 per MT. On the other hand, imported barley straw (2% protein and 1500 energy per MT) receives the lowest government import subsidy rate of \$49.33. The SAG estimates that locally produced broiler meat receives on average about \$0.53 per kg of overall government subsidy.

Marketing:

Saudi Arabia has an extensive infrastructure for poultry meat distribution. Poultry producers and importers have generally adequate storage facilities, including refrigerated trucks and cold storage.

Poultry meat and products are available in both wholesale and retail outlets throughout the Kingdom. Major poultry farms and importers sell their products to retailers, wholesales and directly to consumers through their own nationwide cold stores outlets. Consumers may purchase poultry meat in cardboard boxes containing ten chickens from wholesalers or on a piece basis from retail stores and supermarkets. Commercial customers purchase their poultry supplies either from importers/distributors, poultry farms, or both.

Production, Supply and Demand Data Statistics:

Poultry, Meat, Broiler Saudi Arabia	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Inventory (Reference)	0	0	0	0		0
Slaughter (Reference)	0	0	0	0		0
Beginning Stocks	0	0	0	0		0
Production	590	450	640	569		670
Total Imports	799	799	807	760		733
Total Supply	1,389	1,249	1,447	1,329		1,403
Total Exports	30	15	10	20		30
Human Consumption	1,359	1,197	1,437	1,252		1,315
Other Use, Losses	0	42	0	57		58
Total Dom. Consumption	1,359	1,239	1,437	1,309		1,373
Total Use	1,389	1,254	1,447	1,329		1,403
Ending Stocks	0	0	0	0		0
Total Distribution	1,389	1,254	1,447	1,329		1,403

MIL HEAD, 1000 MT, PERCENT, PEOPLE, KG						

Note: this data is Not Official USDA Data,

Source: GTA data and OAA Riyadh's estimates

Note: The Saudi Ministry of Agriculture (MOA) classifies poultry production farms as either specialized (commercial) or traditional. Commercial farms account for 99.8 percent of total broiler meat produced in Saudi Arabia. As such, the PSD table in this report includes only broilers produced on commercial farms.

Appendix: List of GSO technical regulations and standards for poultry meat processing and handling.

GSO has issued the following technical regulations and standards related to slaughtering and processing of poultry meat for implementation in the seven member countries, Saudi Arabia, United Arab Emirates, Kuwait, Qatar, Oman, Bahrain and Yemen.

- GSO 322:1994 Chilled chicken
- GSO 986:1998 Frozen chickens
- GSO 993:1998 Animal slaughtering requirements according to Islamic law
- GSO 1328:2002 Processed meat: Poultry sausage
- GSO 1327:2002 Processed meat: Minced chicken meat
- GSO 1389:2002 Chilled and frozen domesticated birds and rabbits
- GSO 713:1997 Hygienic regulations for poultry processing abattoirs and their personnel
- GSO 9/2007 Labeling of prepackaged food stuffs

The above copyrighted documents can be purchased for the GSO headquarters in Riyadh by logging to the following link:

<http://www.gso.org.sa/standards/public/standardsList.seam>