

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Saudi Arabia

Barley Trade Quarterly

November 2018

Approved By:

Alan Hallman, U.S. Embassy, Riyadh

Prepared By:

Hussein Mousa, U.S. Embassy, Riyadh

Report Highlights:

Saudi Arabia's barley imports for MY2018/19 are estimated at 8.5 million MT, up by approximately 12 percent from the USDA's official estimate of 7.6 million MT. The higher imports are needed to raise stock levels and meet demand. Last MY, Ukraine lost its dominance of the Saudi barley market to Russia. Russia exported about 2.3 million MT, followed by Ukraine with 1.8 million MT.

Quarterly Barley Report November 2018

The Kingdom's barley imports for MY 2018/19 are projected at 8.5 million MT, up by 900,000 MT compared to USDA's official forecast of 7.6 million MT. Post increased projected 2018/19 barley imports based on purchases of barley concluded by the Saudi Grains Organization (SAGO) for arrivals before the end December 2018. SAGO expects to receive more than 4.7 million MT of barley during the first six months of the current MY.

MY2017/18 total Saudi barley imports were about 8 million MT which is similar to the USDA official estimate but lower by about 2 percent to total imports about 8.1 million imported in MY2016/17.

SAGO signed three barley purchase contracts to import a total of 4,740,000 MT during July-December 2018, up about 32 percent from the same period last year. The organization increased imports for the first six months of this MY to build up stocks and insure consumption demands are met. Overall, SAGO is projected to import 8.5 million MT by the end of MY2018/19 to raise stock levels and meet demand.

This year's fall season started with heavy rains in most livestock raising regions. This is expected to reduce barley import demand for the second half of this MY. SAGO estimates domestic barley consumption at 8 million MT per year.

SAGO Feed Barley Purchase Contracts in MT	
July-December 2017	July-December 2018
3,600,000	4,740,000

Source: SAGO

Though SAGO's total barley purchase in July-December 2017 was 3.6 million MT, the actual total barley that arrived in Saudi was 4,376,509 MT according to supplies data. SAGO has indicated that it received about 800,000 MT of barley purchased in MY 2016/17 in September 2017, which puts total July-December 2017 imports close to export data provided by supplying countries of 4,376,509 MT.

SAGO tends to import large quantities of grains when prices are attractive. As such, the organization may import more than projected barley quantities if prices become more competitive.

Russia overtook Ukraine as the largest feed barley supplier to Saudi Arabia for the first time in MY2017/18. During that period, Russia exported about 2.3 million MT or approximately 28.9 percent of total Saudi imports of 7.94 million MT. Ukraine was the second largest supplier with about 22.8 percent, followed by Germany by at 12.7 percent and Romania by 9.9 percent.

Saudi Arabia's Barley Imports in MT				
Exporter	Jul 2016-June 2017		Jul 2017- June 2018	
Russia	1,171,173	14.5%	2,291,825	28.9%
Ukraine	2,275,521	28.1%	1,813,051	22.8%
Germany	1,061,014	13.1%	1,010,566	12.7%
Romania	471,230	5.8%	788,451	9.9%
Argentina	910,805	11.2%	764,798	9.6%
France	863,823	10.7%	749,854	9.4%
Australia	793,801	9.8%	0	0.0%
Estonia	99,300	1.2%	259,862	3.3%
Lithuania	147,354	1.8%	64,000	0.8%
Canada	132,000	1.6%	66,000	0.8%
Latvia	72,220	0.9%	0	0.0%
Other Countries	102,023	1.3%	131,998	1.7%
Total MY Imports	8,100,264	100.0%	7,940,405	100.0%

Source: Global Trade Atlas and USDA Data

Barley Market Begin Year	2016/2017		2017/2018		2018/2019	
	Jul 2016		Jul 2017		Jul 2018	
Saudi Arabia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2	2	2	2	2	2
Beginning Stocks	4059	4059	2344	2359	1529	2299
Production	10	10	10	10	10	10
MY Imports	8100	8100	8000	7940	7600	8500
TY Imports	8400	8400	7700	8000	7600	8500
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	12169	12169	10354	10309	9139	10809
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	9800	9800	8800	8000	8200	8000
FSI Consumption	25	10	25	10	25	10
Total Consumption	9825	9810	8825	8010	8225	8010
Ending Stocks	2344	2359	1529	2299	914	2799
Total Distribution	12169	12169	10354	10309	9139	10809
Yield	5	5	5	5	5	5

(1000 HA) ,(1000 MT) ,(MT/HA)

Not Official USDA Data