

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Required Report - public distribution

**Date:** 10/26/2017

**GAIN Report Number:** SA1706

## Saudi Arabia

### Barley Trade Quarterly

**October 2017**

**Approved By:**

Alan Hallman, U.S. Embassy, Riyadh

**Prepared By:**

Hussein Mousa, U.S. Embassy, Riyadh

**Report Highlights:**

Saudi Arabia's barley imports for MY 2017/18 are projected at 7.8 million MT, a decrease of 13 percent compared to the official USDA estimate of 9 million MT. Based on export data from supplying countries, post reduced estimated total Saudi barley imports for MY 2016/17 of 10.5 million MT to 7.6 million MT. The two main causes of the decline in Saudi barley imports are the large carryover stocks from record high imports in MY 2015/16 and an increase in consumption of processed livestock feed.

## Quarterly Barley Report October 2017

The Kingdom's barley imports for Marketing Year (MY) 2017/18 are projected at 7.8 million Metric Tons (MT), down by 1.2 million MT compared to USDA's official forecast of 9 million MT. Based on data from exporting countries, post reduced its estimate of total Saudi barley imports for MY 2016/17 by 38 percent, to 7.6 million MT, from USDA's official forecast of 10.5 million MT. In MY 2015/16, the Kingdom's barley imports reached a record high of 11.2 million MT, contributing to large carryover stocks in MY2016/17. Another reason for decreased import demand is a reported increase in consumption of domestically produced processed livestock feed.

The Saudi Grains Organization's (SAGO) four recent barley purchase contracts cover imports of 3.6 million MT during the first six months of MY 2017/18. SAGO is expected to import about 4.2 million MT of barley in the second half of MY 2017/18.

### SAGO Barley Purchases July-December 2017

Arrival at Saudi Ports	Quantity in MT	Average CIF Prices in USD	Seller's Option Origins
Jul-Aug.2017	1,500,000	176.47	Australia, the Americas, EU, and Black Sea
Sep.-Oct.2017	900,000	204.99	Australia, the Americas, EU, and Black Sea
Oct-17	660,000	203.37	Australia, the Americas, EU, and Black Sea
Nov.-Dec.2017	540,000	216.87	Australia, the Americas, EU, and Black Sea
<b>Total July-Dec 2017 SAGO barley purchases:</b>		<b>3,600,000 MT</b>	

Source: SAGO

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.

Saudi Arabia's Barley Imports in MT				
Exporter	Jul 2015-June 2017		Jul 2016- June 2017	
Ukraine	2,329,800	20.9%	2,275,521	30.1%
Russia	2,374,739	21.3%	1,171,173	15.5%
Germany	1,550,705	13.9%	1,061,013	14.0%
Argentina	1,633,489	14.7%	910,805	12.0%
France	673,900	6.1%	863,823	11.4%
Romania	873,208	7.8%	471,231	6.2%
Australia	773,256	6.9%	291,975	3.9%
Lithuania	250,347	2.2%	147,354	1.9%
Canada	65,553	0.6%	132,000	1.7%
Estonia	295,622	2.7%	99,300	1.3%
Latvia	186,443	1.7%	72,220	1.0%
Other Countries	122,023	1.1%	66,023	0.9%
<b>Total MY Imports</b>	<b>11,129,085</b>	<b>100%</b>	<b>7,562,438</b>	<b>100%</b>

Source: GTA and USDA

### Revised Saudi Barley PSD Table

Barley Market Begin Year Saudi Arabia	2015/2016		2016/2017		2017/2018	
	Jul 2015		Jul 2016		Jul 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2	2	2	2	2	2
Beginning Stocks	3074	3074	4059	4974	4044	3974
Production	10	10	10	10	10	10
MY Imports	11200	11200	10500	7600	9000	7800
TY Imports	10400	10400	10000	7600	9000	7800
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	14284	14284	14569	12584	13054	11784
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	10200	9300	10500	8600	10300	8100
FSI Consumption	25	10	25	10	25	10
Total Consumption	10225	9310	10525	8610	10325	8110
Ending Stocks	4059	4974	4044	3974	2729	3674
Total Distribution	14284	14284	14569	12584	13054	11784
Yield	5	5	5	5	5	5
<b>(1000 HA) ,(1000 MT) ,(MT/HA)</b>						