

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: 2/10/2019

GAIN Report Number: SA1901

Saudi Arabia

Barley Trade Quarterly

Barley Trade Quarterly Report February 2019

Approved By:

Alan Hallman, US Embassy, Riyadh

Prepared By:

Hussein Mousa, US Embassy, Riyadh

Report Highlights:

Good pasture conditions this winter due to sporadic and heavy rains are reducing demand for barley by traditional farms. As a result, Saudi Arabian barley imports for MY2018/19 are expected to fall to 7.5 million MT from 8.0 million MT in MY2017/18. This is one million MT less than USDA's official estimate for MY 2018/19. The rains may continue beyond the end of this month.

Barley Trade Quarterly Report February 2019

The Saudi Arabia Grain Organization (SAGO) has signed eight barley purchase contracts for 5.4 million MT over the first eight months of this marketing year (July 2018-February 2019). This is an increase of approximately 17 percent over the same period last year. However, SAGO has not issued any barley import tenders since it purchased 1.02 million MT on November 5, 2018 for January and February arrival. SAGO's return to the international barley import market is being delayed by low demand for barley by traditional farmers. They feed the bulk of imported barley to sheep, goats and camels.

Pasture has been plentiful this winter because of sporadic and heavy rains. The sporadic rains may last beyond the end of this month. Pastures are expected to continue to offer good grazing opportunities until the end of April. This is expected to reduce total barley consumption by 800,000 MT to 7.7 million MT this MY compared to estimated consumption in MY2017/18. This is one million MT less than USDA's official estimate for MY 2018/19.

Based on discussions with trade contacts and domestic feed experts, Post estimates MY2018/19 total Saudi barley imports at 7.5 million MT, 500,000 MT less than last year's total imports or one million MT lower than USDA's official estimate of 8.5 million MT for MY2018/19.

Saudi barley imports in MY2019/20 are projected to continue to decline and reach 7.5 million MT. This is due to the expansion of domestic feed processing facilities and the acceptance of processed feed by traditional farms. Another factor driving the decline in barley demand in Saudi Arabia is the recently implemented Saudi decree that reduced domestic forage production by 70 percent for water conservation reasons. The reduction in domestic forage production is expected to decrease the demand for barley and increase hay imports as barley is jointly fed with forage in Saudi Arabia.

Revised Saudi Barley PSD Table

Barley Market Begin Year	2017/2018		2018/2019		2019/2020	
	Jul 2017		Jul 2018		Jul 2019	
Saudi Arabia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2	2	2	2	0	2
Beginning Stocks	2344	2344	1829	1844	0	1644
Production	10	10	10	10	0	10
MY Imports	8000	8000	8500	7500	0	7500
TY Imports	7700	7700	8500	7500	0	7500
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	10354	10354	10339	9354	0	9154
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	8500	8500	8700	7700	0	7400
FSI Consumption	25	10	25	10	0	10
Total Consumption	8525	8510	8725	7710	0	7410
Ending Stocks	1829	1844	1614	1644	0	1744
Total Distribution	10354	10354	10339	9354	0	9154
Yield	5	5	5	5	0	5