

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Saudi Arabia**

### **Barley Trade Quarterly**

**April 2018**

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**Report Highlights:**

The Saudi Grains Organization (SAGO) has concluded its barley purchases for marketing year (MY) 2017/18. It expects to import 8 million MT of barley this MY. Post projects that Saudi barley imports will decline by about six percent to 7.5 million MT in MY2018/19, but consumption may be further reduced by policy decisions on forage production. The United States has not exported barley to Saudi Arabia since MY2012/13, when U.S. producers shipped 58,696 MT. Ukraine and Russia continue to dominate the Saudi barley market.

## Barley Trade Quarterly Report April 2018

SAGO issued eight international barley import tenders in MY2017/18 to import a total of 7.3 million MT by June 30, 2018. SAGO also received approximately 700,000 MT of barley purchased in MY2016/17 early in MY2017/18. Total imports for MY2017/18 are estimated at 8 million MT, similar to USDA's official estimate and a one percent decline from the prior year. Post projects Saudi barley imports for MY2018/19 at 7.5 million MT, a six percent decline compared to this MY.

### SAGO Barley Purchase Contracts July 2017-June 2018

Barley Arrival Period	Quantity in MT	Price in USD per MT	Origin
May-June 2018	1,002,000	249.23	Australia, North & South America, EU, Black Sea
Apr.-May2018	960,000	243.47	Australia, North & South America, EU, Black Sea
Feb.-Mar.2018	1,002,000	216.73	Australia, North & South America, EU, Black Sea
Jan.-Feb.2017	723,000	215.11	Australia, North & South America, EU, Black Sea
Nov.-Dec.2017	540,000	216.87	Australia, North & South America, EU, Black Sea
Oct-17	660,000	203.37	Australia, North & South America, EU, Black Sea
Sep.-Oct.2017	900,000	204.99	Australia, North & South America, EU and Black Sea
Jul.-Aug.2017	1,500,000	176.47	Australia, North & South America, EU and Black Sea
<b>Total July 2017-June 2018 expected imports</b>		<b>7,287,000 MT</b>	
<b>Total barley imports in MY 2017/2018</b>		<b>7,987,000=7,287,000 MT+700,000 MT purchased in MY2016/17 but imported in MY2017/18</b>	

Source: SAGO

Trade data from barley supplying countries shows that for the first seven months of MY2017/18 (Jul 2017-Jan 2018) that Saudi Arabia imported a total of 4,772,483 MT, an increase of 13 percent, compared to 4,209,876 MT imported in the same period of the previous year. However, 700,000 MT imported in the first seven months of this MY was purchased in MY2016/17.

According to data from exporting countries, during the first seven months of MY2017/18 Ukraine maintained its dominance of the Saudi barley trade with 35 percent of the market. They were followed by Russia with 30 percent and Romania – a distant third with 10 percent. Ukraine's market share fell in the first seven months of MY2017/18 compared to same period last year. Both Russia and Romania increased their market share.

Barley is generally fed in conjunction with hay in Saudi Arabia, and the government of Saudi Arabia has announced measures to reduce the production of hay as a means of conserving water. The Saudi government is also supporting the growth of the processed animal feed industry in Saudi Arabia. If the measures limiting hay, principally alfalfa, production go into effect as announced, this fall barley consumption and imports may fall further than forecasted.

<b>Saudi Barley Imports in MT</b>
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Supplying Country	Jul 2016-Jan 2017		Jul 2017-Jan 2018	
Ukraine	1,871,566	44%	1,673,241	35%
Russia	926,677	22%	1,452,570	30%
Romania	305,641	7%	474,264	10%
Germany	468,979	11%	322,234	7%
Argentina	350,900	8%	325,523	7%
France	109,393	3%	264,789	6%
Estonia	0	0%	193,862	4%
Canada	0	0%	66,000	1%
Latvia	72,220	2%	0	0%
Australia	104,500	2%	0	0%
<b>Total</b>	<b>4,209,876</b>	<b>100%</b>	<b>4,772,483</b>	<b>100%</b>

Source: Global Trade Atlas

Barley Market Begin Year Saudi Arabia	2016/2017		2017/2018		2018/2019	
	Jul 2016		Jul 2017		Jul 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2	2	2	2	0	2
Beginning Stocks	4059	4059	2344	2359	0	2359
Production	10	10	10	10	0	10
MY Imports	8100	8100	8000	8000	0	7500
TY Imports	8400	8400	8000	8000	0	7500
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	12169	12169	10354	10369	0	9869
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	9800	9800	8800	8000	0	7500
FSI Consumption	25	10	25	10	0	10
Total Consumption	9825	9810	8825	8010	0	7510
Ending Stocks	2344	2359	1529	2359	0	2359
Total Distribution	12169	12169	10354	10369	0	9869
Yield	5	5	5	5	0	5

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