

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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**Date:** 5/8/2019

**GAIN Report Number:** 1903

## **Saudi Arabia**

### **Barley Trade Quarterly**

**May 2019**

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**Report Highlights:**

Sporadic and heavy rains this year continue to support good pasture conditions. Estimated Saudi feed barley imports for this marketing year remain at 6.5 million MT, similar to our estimate in the Saudi Grain and Feed Annual report issued early last month.

## Barley Trade Quarterly Report May 2019

On March 27, 2019, SAGO announced the signing of its fifth and last barley import contract with international grain exporters for this marketing year. It was to import 730,000 MT of barley for arrival in May and June 2019. As a result, Saudi Arabia's barley imports for MY2018/19 are expected to fall to 6.5 million MT from the approximately 7.9 million MT reported by SAGO in MY2017/18. This is 2 million MT less than USDA's official estimate for MY 2018/19. Good pasture conditions this winter due to sporadic and heavy rains is the main factor for the reduced demand for barley by traditional farms. The sporadic rains are expected to continue in May.

SAGO paid an average price of \$211.86 per MT for the barley it purchased at the end of March, which was \$55 per MT less than the average price it paid in early November 2018 when it purchased more than 1 million MT for January-February arrival. The reduced demand for barley by Saudi Arabia may have contributed to the reduction of feed barley prices on the international market.

<b>SAGO Barley Import Contracts for Marketing Year 2018/2019</b>		
Expected Shipment Arrival Period	Quantity Purchased in MT	Average per MT Price in USD
May-June 2019	730,000	\$211.86
Jan.-Feb.2019	1,020,000	266.83
Nov-Dec 2018	1,500,000	260.79
Sep-Oct 2018	1,740,000	226.47
Jul-Aug 2018	1,500,000	228.61
<b>Total MY 2018/19 Imports</b>	<b>6,490,000</b>	

Source: SAGO

Saudi barley imports in MY2019/20 are projected to increase and reach 8 million MT, an increase of about 21 percent over estimated MY2018/19 total imports. This is due to a significant reduction in the country's domestic forage production, which is expected to increase forage prices significantly.

In MY2017/18, Russia exported about 2.3 million MT of barley to Saudi Arabia, almost double the quantity it exported a year earlier. The Russian share of the barley market increased from 14.5 percent in MY2016/17 to 28.9 percent in 2017/18. Ukraine, long the dominant supplier of barley to the Kingdom, lost its leadership to Russia and exported 20 percent less barley. Germany maintained third place with 12.7 percent of the market, but exported about five percent less in 2017/18.

<b>Saudi Barley Imports in MT</b>				
Exporter	MY2016/17	Market Share	MY2017/18	Market Share

Russia	1,171,173	14.5%	2,291,825	28.9%
Ukraine	2,275,521	28.2%	1,813,051	22.8%
Germany	1,061,013	13.2%	1,010,566	12.7%
Romania	471,231	5.8%	788,451	9.9%
Argentina	910,805	11.3%	764,798	9.6%
France	863,823	10.7%	749,854	9.4%
Estonia	99,300	1.2%	259,862	3.3%
Netherlands	0	0.0%	66,000	0.8%
Canada	132,000	1.6%	66,000	0.8%
Denmark	66,000	0.8%	65,994	0.8%
Lithuania	147,354	1.8%	64,000	0.8%
India	22	0.0%	4	0.0%
Latvia	72,220	0.9%	0	0.0%
Australia	793,801	9.8%	0	0.0%
<b>Total</b>	<b>8,064,263</b>	<b>100%</b>	<b>7,940,405</b>	<b>100%</b>

Source: GTA

### Production, Supply and Demand Data Statistics:

Barley Market Begin Year Saudi Arabia	2017/2018		2018/2019		2019/2020	
	Jul 2017		Jul 2018		Jul 2019	
	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	1738	0	1538
Production	10	10	10	10	0	10
MY Imports	8000	7894	8500	6500	0	8000
TY Imports	7700	7700	8500	6500	0	8000
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	10354	10248	10339	8248	0	9548
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	8500	8500	8700	6700	0	7800
FSI Consumption	25	10	25	10	0	10
Total Consumption	8525	8510	8725	6710	0	7810
Ending Stocks	1829	1738	1614	1538	0	1738
Total Distribution	10354	10248	10339	8248	0	9548
Yield	5	5	5	5	0	5

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