

Required Report: Required - Public Distribution

Date: April 20, 2022

Report Number: SA2022-0004

Report Name: Barley Trade Quarterly

Country: Saudi Arabia

Post: Riyadh

Report Category: Grain and Feed

Prepared By: Hussein Mousa

Approved By: Mark Ford

Report Highlights:

Saudi Arabian barley imports totaled approximately 2.63 million metric tons (MMT) during the eight months of the marketing year (MY) 2021/2022, which is a decrease of approximately 41 percent compared to the same time period last year. Since the start of the war in Ukraine, Australia has become the exclusive barley supplier to Saudi Arabia and many traders anticipate that trend will continue over the next year.

Quarterly Analysis - Barley

Available data from exporting countries shows that during the eight months of MY 2021/2022 (July 2020-Feb 2021), Saudi barley imports totaled approximately 2.63 MMT, a decrease of approximately 41 percent compared to the previous MY. During that period, Australia was the leading feed barley supplier to the Kingdom with 55 percent of the market share followed by the European Union (EU) at 20 percent. Ukraine and Russia were both at 13 percent. Since the start of the war in Ukraine, Australia has become the exclusive barley supplier to Saudi Arabia. Many traders anticipate that trend will continue over the next year and informed Post that Australia will supply even more of Saudi Arabia's demands due to a huge barley crop this MY, improvements in freight shipments, and competitive prices compared to the EU.

The current cost and freight (CFR) price per metric ton (MT) for Australian barley at Saudi Arabian seaports ranges between \$415 - 420, an increase of \$100 per MT compared to prices before the war started between the two Black Sea countries. Some Saudi importers have reportedly purchased several vessels of Australian barley for arrival between July - September. Currently, the price of barley from the EU is \$450 per MT for a July - August arrival.

Table 1.

July 2021 - Feb 2022 Saudi Barley Imports (Metric Tons)			July 2020 - Feb 2021 Saudi Barley Imports (Metric Tons)	
Supplier	Quantity	Market Share	Quantity	Market Share
Australia	1,608,532	55%	1,458,466	29%
EU 27	574,645	20%	1,216,168	24%
Ukraine	372,776	13%	334,225	7%
Russia	370,619	13%	1,978,579	40%
Other	60	0%	266	0%
Total	2,926,632	100%	4,987,704	100%

Source: Supplying Countries Export Data

Imported Barley Versus Locally Produced Animal Feed

Currently, a 50-kg of barley is sold for \$21.16 inclusive of the 15% value added tax (VAT) at packing terminals while the same quantity was sold for \$19.32 in February 2022 while ARASCO (Arabian Agricultural services company) maintained the wholesale price of its 50-kg bag of "Wafi" compound feed at least 7 Saudi Riyal (SAR), or \$1.87 USD, below the price of barley of the same weight. ARASCO maintains a lower price to educate livestock farmers about the cost savings and weight gain benefits of its feed compared to grain barley. ARASCO says a 1-kg of its processed complete feed (Wafi) replaces 1.5 kg of grain barley. According to various experts, replacing grain barley with processed feed will benefit livestock farmers by lowering the overall costs in the long term since processed feed is consumed more easily than barley. The Saudi Ministry of Environment, Water and Agriculture (MEWA) reports that more than 30 percent of

raw barley fed to livestock is discharged without being digested; thereby, providing no benefit to animals in terms of weight gain or nutrition.

Table 2.
Production, Supply and Distribution

Barley Market Year Begins Saudi Arabia	2020/2021		2021/2022		2022/2023	
	Jul 2020		Jul 2021		Jul 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2	2	2	2	0	2
Beginning Stocks (1000 MT)	1016	1016	1002	1212	0	1001
Production (1000 MT)	11	14	11	14	0	14
MY Imports (1000 MT)	7000	6907	5800	5200	0	6000
TY Imports (1000 MT)	6100	6907	5400	5200	0	6000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	8027	7937	6813	6426	0	7015
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	7000	6700	5800	5400	0	5800
FSI Consumption (1000 MT)	25	25	25	25	0	25
Total Consumption (1000 MT)	7025	6725	5825	5425	0	5825
Ending Stocks (1000 MT)	1002	1212	988	1001	0	1190

Total Distribution (1000 MT)	8027	7937	6813	6426	0	7015
Yield (MT/HA)	5.5	7	5.5	7	0	7

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

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Barley begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Attachments:

No Attachments