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Report Highlights:

UAE's overall economic recovery will boost consumption and imports of grain and feed in MY 2022/23. The Ukraine conflict and other factors contributing to high commodity prices and food security may put downward pressure on UAE consumption in MY 2021/22. This will mainly include all wheat-based commodities and animal products due to price increases in corn and fertilizers. The Ukraine conflict should provide opportunities for U.S. wheat and corn exports to the UAE. Post forecasts UAE all wheat imports in MY 2022/23 to increase by 6 percent or 100,000 MT to reach 1.8 MMT. Rice Imports are forecast to increase by 11 percent or 100,000 MT to reach 1.0 MMT. Corn imports are forecast to increase by roughly 17 percent or 100,000 MT to reach 700,000 MT. UAE barley imports in MY 2022/23 are forecast to increase by 4 percent or 20,000 MT to reach 520,000 MT.

Executive Summary:

Wheat

UAE total wheat consumption in MY 2022/23 is forecast to recover by 9 percent or 150,000 MT to reach 1.750 MMT. The MY 2021/22 wheat consumption estimate has been revised downward to 1.6 MMT.

Post forecasts UAE all wheat imports in MY 2022/23 to increase by 6 percent or 100,000 MT to reach 1.8 MMT to meet the increase in domestic consumption. Post estimates all wheat imports in MY 2021/22 at 1.7 MMT. Wheat ending stocks to drop by 9 percent or 50,000 MT to reach 513,000 MT.

Rice

UAE rice consumption and imports are forecast to improve in MY 2022/23 by 11 percent or 100,000 MT to reach 1.0 MMT due to improved economic conditions. Post has revised MY 2021/22 rice consumption downward to 850,000 MT. Post has revised MY 2021/22 rice imports downward to 900,000 MT. MY 2021/22 rice ending stocks are forecast to remain stable at 200,000 MT as the UAE maintains its strategic grain reserve.

Corn

UAE total corn consumption in MY 2022/23 is forecast to increase by 15 percent or 90,000 MT to reach 680,000 MT. The MY 2021/22 corn consumption estimate has been revised downward at 590,000 MT.

Post forecasts UAE corn imports in MY 2022/23 to increase by roughly 17 percent or 100,000 MT to reach 700,000 MT. Post has revised UAE corn imports in MY 2021/22 downward by 14 percent. Post forecasts MY 2022/23 corn ending stocks to remain unchanged from the previous year at 20,000 MT.

Barley

Barley consumption in MY 2022/23 is expected to rise by 4 percent or 20,000 MT to reach 510,000 MT to meet the increase demand from the livestock sector. Post estimates UAE's total barley consumption in MY 2021/22 at 490,000 MT.

Post forecasts UAE barley imports in MY 2022/23 to increase by 4 percent or 20,000 MT to reach 520,000 MT compared to 500,000 MT estimated for MY 2021/22. No barley stocks are forecast in MY 2022/23.

Sources and Common Terms

Common Terms in this Report Include:

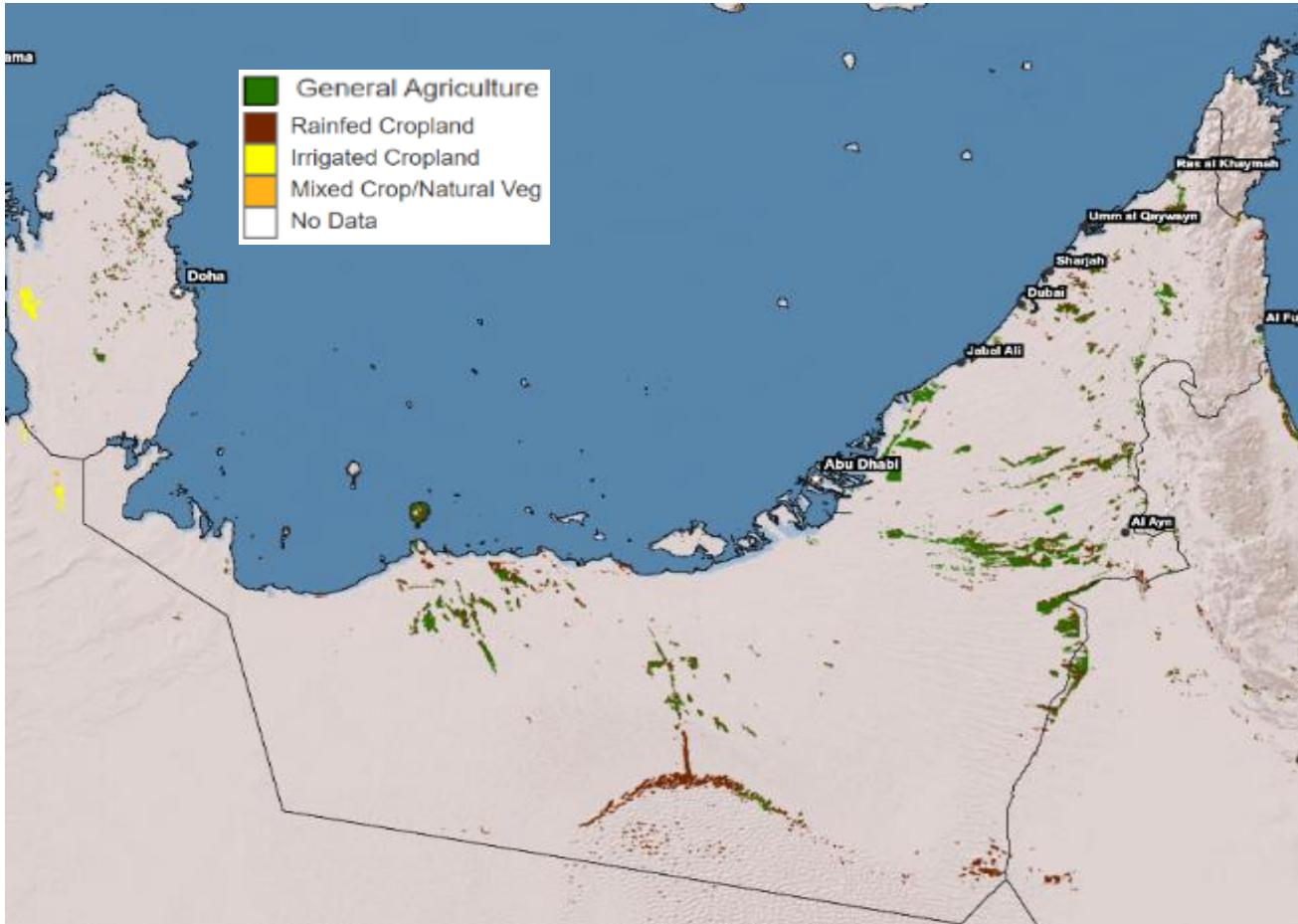
ADAFSA – Abu Dhabi Agriculture and Food Safety Authority
COVID-19 – Novel Coronavirus Disease or Pandemic
FAS – Foreign Agricultural Service
FSI – Food, Seed and Industrial
GADAS – Global Agricultural & Disaster Assessment System
GDP – Gross Domestic Product
ha – Hectare
IMF – International Monetary Fund
MT – Metric Ton
MMT – Million Metric Ton
MOCCAE – Ministry of Climate Change and Environment
MY – Marketing Year
NECDMA - UAE's National Emergency Crisis and Disasters Management Authority
PS&D – Production, Supply, and Distribution
SSL – Container Steamship Line
TRQ – Tariff Rate Quota
TY – Trade Year
TDM – Trade Data Monitoring
UAE – United Arab Emirates
UAECSC – UAE's Competitiveness and Statistics Center
USDA – U.S. Department of Agriculture
WPI – World Perspectives Incorporated

This report covers all wheat, rice, corn, and barley. Wheat numbers include the following HS codes: wheat grain (HS 1001), wheat flour (HS 1101), pasta (HS 190219, HS 190230), couscous (HS 190240) and bulgur (190430) and have been converted to the wheat grain equivalent. Rice figures include milled rice (HS 100630), broken rice (HS 100640), rough/paddy rice (HS 100610), brown rice (HS 100620) both converted to the milled equivalent. Corn is (HS 1005) and barley is (HS 1003). Unless otherwise noted, “EU” in this report refers to EU27+UK.

Area Planted & Production

Commodities: Wheat, Rice, Barley and Corn

Figure (1): UAE Crop Production and Average Rainfall



The United Arab Emirates is an arid country with limited water resources and little natural water recharge. Demand for water is met through costly desalination programs and water recycling. Negligible rainfall precludes the production of row crops like wheat, corn, rice, and barley. Demand for grains is met through import and storage programs.

Despite limited water resources, the UAE government continues to look for the new technologies that can support local production of certain strategic commodities. Several trials for certain grain varieties that can withstand heat, high salinity soil, and drought have been implemented. For more information, please refer to FAS Dubai Annual Grain and Feed Reports for 2020 [here](#) and 2021 [here](#).

To encourage wheat cultivation, local farmers have launched a voluntary initiative called “Emirates Wheat” through WhatsApp to distribute wheat seeds for free to other farmers. Every farmer is allocated wheat seeds to grow and then will donate a set amount to a new farmer after harvest. Currently, the wheat produced by this initiative is not marketed but consumed throughout the year by participating

farmers. The initiative started with 14 farms and now includes 145 farms participating in the project with expectations to produce 50 tons of wheat in 2022.

Small areas of the UAE are planted with field crops, most commonly corn. In 2019, according to ADAFSA, a total area of 3,629 ha was planted with field crops in the Emirate of Abu Dhabi producing around 161,506 MT of field crops. Out of this area, around 222 ha is planted with corn, yielding 4,105 MT ([ADAFSA Statistical Book 2019](#)). Based on reporting from Dubai Statistics Authority, the Emirates of Dubai grew around 75 ha of corn producing roughly 2000 MT in 2019 compared to 12 ha that produced an estimated 340 MT in 2018 ([Dubai Agriculture Statistics 2019](#)). For comparison, the United States normally plants around 39 million ha of corn.

Boosting Food Security through UAE's Agricultural Production Investments Abroad

Limited land and water resources has pushed Emiratis to invest in production abroad. On May 13, 2020, Abu Dhabi's largest government owned holding company (ADQ), which is one of the region's largest holding company with direct and indirect investments in more than 90 companies locally and internationally, purchased a 50 percent stake in Al Dahra, solidifying government control over the UAE's largest food conglomerate. Al Dahra manages or owns farmland across the world, including 20,000 ha in Serbia, 4,047 ha in Spain, 2,023 ha in Australia, and 4,047 ha in the United States.

In September 2021, Louis Dreyfus Company (LDC) announced the completion of the sale of a 45 percent equity stake in LDC to ADQ for an estimated \$800 million. Investments in LDC and Al Dahra have solidified the UAE as a major player in both the production and marketing of agricultural commodities globally. Currently, there is limited integration between the investments in Al Dahra and LDC, however ADQ has intentions to eventually find economies of scale. Rival Saudi Arabia's acquisition of a 35.43 percent stake in agricultural commodity firm Olam shows the ambitions of Arabian Gulf countries to move away from a direct investment model to stable supply through strategic acquisition of existing commodity firms.

Consumption

Commodity: Wheat & Rice

Post Dubai forecasts UAE total wheat consumption in MY 2022/23 to increase by 9 percent or 150,000 MT to reach 1.750 MMT. Post attributes this increase to economic and population growth. The MY 2021/22 wheat consumption estimate has been revised downward to 1.6 MMT compared to 1.7 MMT previously forecast. Post's new estimate is lower by 50,000 MT.

UAE rice consumption is forecast to grow slightly in MY 2022/23 by 11 percent or 100,000 MT to reach 1.0 MMT on continued strong economic growth. Post has revised MY 2021/22 rice consumption downward to 850,000 MT.

Post attributes the increase in MY 2022/23 wheat and rice consumption to an improvement in economic conditions due to increases in tourism, HRI and food and beverage sector activity. Both a growing population in the UAE and strong fuel oil markets will support the UAE economy over the coming year. However, if world food prices continue to increase, Post does anticipate that sustained high prices may curb demand, especially as the UAE considers policy responses like recently announced [price controls](#).

Prices Impacting Grain Consumption in MY2021/2022

The Ukraine conflict and other factors contributing to high commodity prices and food security ([see USDA Report](#)) will put downward pressure on UAE consumption. This will mainly include all wheat-based commodities and animal products due to the price increase of corn and fertilizers. This world price crisis appeared one month before the beginning of the Muslim month of Ramadan 2022, from early April to early May, when food consumption greatly increases. During Ramadan, the UAE government through its Consumer Protection Department prevents any increases in food prices by monitoring the local markets and retailers. Although prices of some food commodities have increased during March and April, basic food commodities including wheat bread and rice are at the same level they were prior to Russia's war on Ukraine.

Traders indicated to Post that the UAE's food stocks, lasting for three to six months, have helped temper price increases in the short-term. In addition, government price ceilings for certain basic food commodities remain strictly enforced and are limiting the ability of wholesalers and retailers to pass on price increases to consumers. In order to comply with price ceiling requirements, wholesalers and retailers are pressuring importers, producers, and manufacturers to maintain prices despite increased costs throughout the supply chain. In the UAE, retailers and wholesalers have significant negotiating power due to controlling valuable consumer facing retail space. As world food prices remain high, cost increases will eventually become too much to bear leading to the exit of intermediary players in the market and pressuring the UAE government to raise price ceilings. This has already occurred in the UAE poultry industry in 2021, where high prices led to industry consolidation and retarded planned production increases (please read the USDA 2021 poultry report [here](#)); sustained high grain, feed, and oilseed prices could have the same impact over the coming year. High petroleum prices may help the UAE offset food price increases by increasing subsidies, especially through government-controlled cooperative grocery stores and municipal society retailers where Emirati citizens receive discounts, however, the food import and trading space in the UAE will consolidate if price ceilings are maintained at current levels.

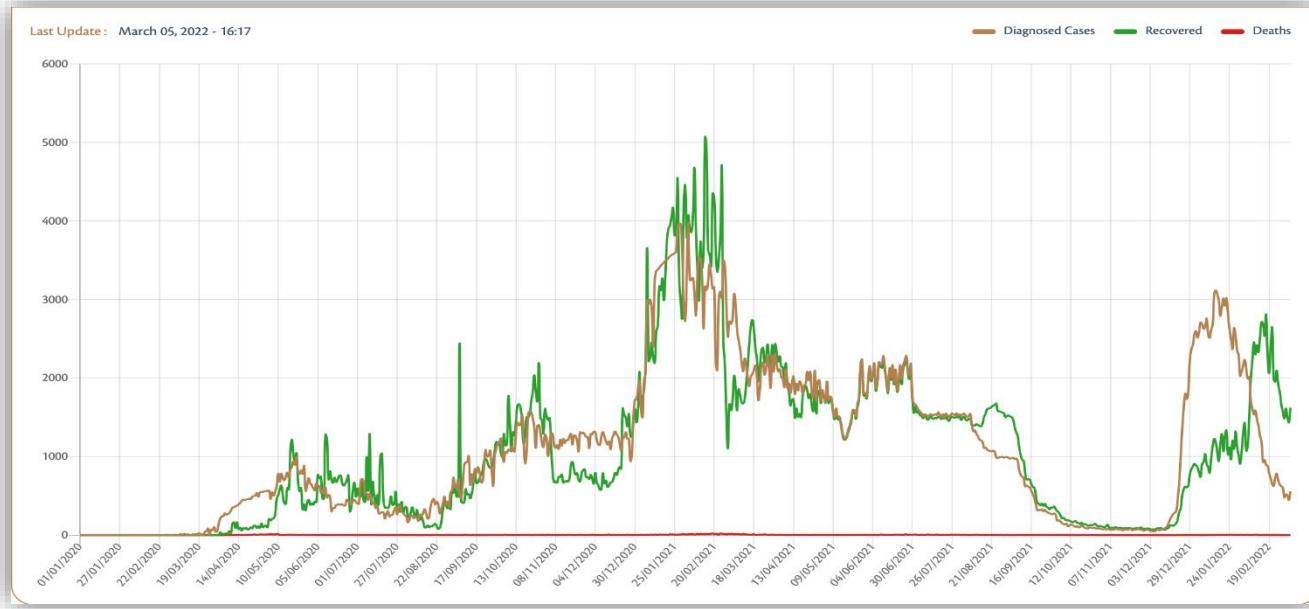
The rise in global wheat prices will not just impact consumption of bread but will include other large categories in the UAE such as pasta and packaged cereals. If wheat prices continue to increase or remain at current levels, Post expects a significant segment of UAE consumers to substitute wheat for rice in their normal diets. Unlike other Arab countries where bread is the staple, rice is the preferred food staple in the UAE and rice prices remain comparatively affordable. High feed costs in corn and barley are likely to reduce or at least limit increases on livestock production in the UAE, where nearly 100 percent of all feed is imported.

Grain and Feed Demand Supported by Strong Tourism, Growing Population and Economy

The relaxation of pandemic countermeasures and the high percentage of fully vaccinated people are helping the food and beverage, hotel and restaurant industries grow, and tourism return to pre-COVID levels. This is supportive of demand especially for milled wheat and other food grains. On February 26, 2022, the UAE's NECDMA announced the relaxation of most COVID-19 countermeasures, dropping requirements to wear masks outdoors, and for incoming travelers to have a negative PCR test. The UAE's low level of cases and strong pandemic response is viewable in Chart (1).

Dubai's recovering tourism sector will increase demand for food products, supporting imports of grain and feed. According to UAE government data, each year Dubai's tourism sector accounts for 10 to 15 percent of the UAE's total GDP and is a significant source of demand for baked goods, fresh meat, and other products that rely heavily on imported grain and feed. In 2021, Dubai's tourism sector began to recover from the pandemic as numbers of visitors increased by 1.770 million to reach 7.280 million visitors in Dubai versus 5.510 million in 2020 (Chart 2), according to the Dubai Government Statistics

Chart (1): Covid-19 in the UAE



Ukrainian travelers represent only 4 percent on average of the total pre-pandemic tourists. In 2021, Dubai received 444,000 visitors from Russia, representing only 6 percent of total visitors and 112,000 visitors from Ukraine, representing only 1.5 percent of visitors. In February 2021, following Russia's attack on Ukraine, Dubai-based carrier Emirates announced that its partner airlines, Fly Dubai and S7, have suspended certain flights to Russia, Ukraine and Belarus. Until flights resume, the UAE is unlikely to see many visitors from these countries.

Prior to the pandemic, around 35 percent of travelers to Dubai came from India, Saudi Arabia, the United Kingdom, and Oman. With fewer COVID-19 cases and the resumption of flights to India, the number of visitors is expected to further increase in 2022. In March 2022, Emirates Airlines announced that as of April 1 it will resume pre-pandemic service frequency to India, equating to roughly 170 weekly flights to nine Indian cities. Given ethnic Indians represent the largest group of expatriate workers and visitors the resumption in flights is indicative of the strong recovery in the HRI sector. Around 910,000 Indian visitors visited Dubai in 2021 compared to 1.970 million Indians in 2019 prior to the COVID-19 pandemic.

As foreign residents make up the majority of the UAE's population and a mainstay of the economy for decades, the government of Dubai has placed new policies to attract more foreigners to boost growth. In 2022, Dubai started issuing five-year multi entry tourist visas for employees of international companies. In addition, non-Emirati employees working in Dubai's government and public sector will be enrolled in the Emirate's new savings retirement scheme in phases. This retirement plan will play a crucial role in enhancing the economic and social stability and attract more foreign workers to stay in Dubai over the long-term. Many resident workers who left the UAE during the initial months of the coronavirus outbreak due to business closures and subsequent unpaid leave are now returning.

According to the IMF, the UAE's economic recovery is gaining momentum, assisted by the early and strong health responses, continued supportive macroeconomic policies, and a rebound in tourism and domestic activity related to the delayed Expo 2020. Overall GDP growth is projected at 2.2 percent in 2021 and 3 percent in 2022 ([Check the IMF Report Here](#)). The report indicated that the UAE moved quickly to address the health and economic effects of the pandemic. Widespread testing and containment measures helped limit the initial spread of the virus, while early vaccination efforts have resulted in rates of inoculation among the highest globally. Fiscal and macro-financial support have provided relief to hard-hit sectors, SMEs, those in need, and the financial system over the past year.

Background on Wheat Consumption & Flour Milling

The UAE has a wheat milling capacity of 1.67 MMT per year and total storage capacity of roughly 920,000 MT (Table 1). Wheat milling and processing is driven by both re-export demand and local consumption. Diverse baked goods reflect the international origins for the UAE's population, with Arab, Eastern, and Western baked goods widely available. White medium hard accounts for 70 percent of wheat imported to the UAE; the remainder is a blend of white hard and soft. Red wheat is the least imported given its limited use in local baking.

Table (1): UAE's Wheat Flour Milling Capacity

Company	Flour Milling Capacity Per Annum	Storage Capacity
<i>Al-Dahra "Etihad Mills"</i>	500,000 MT	300,000 MT
<i>Agthia "Grand Mills"</i>	300,000 MT	150,000 MT
<i>IFFCO</i>	500,000 MT	130,000 MT
<i>Al-Ghurair</i>	300,000 MT	300,000 MT
<i>Others</i>	70,000 MT	40,000 MT
Total	1,670 MMT	920,000 MT

Source: FAS Dubai Research

Background on Rice Consumption & Milling

Basmati and Jasmine rice are the two most popular rice varieties in the UAE. Most rice is bulk bag packaged and sold through hyper and supermarkets. Indian and Pakistani rice is prevalent but rice from other origins like the United States, Australia, Thailand, and the Philippines are widely available.

In 2016, Kohinoor was launched as a joint venture between Al Dahra Holdings and India's Kohinoor Foods; it is located in the Khalifa Industrial Zone in Abu Dhabi (Kizad). Kohinoor's current milling capacity is 120,000 MT with 30,000 MT of storage. The facility can handle the full processing cycle from milling, storing, packing and distribution not only within the UAE but also to foreign markets via Khalifa Port. Kohinoor imports semi-milled rice for processing and white rice for re-packaging and is the main supplier to the UAE government's subsidized rice program.

Consumption Cont'd

Commodity: Corn & Barley

In MY 2022/23, Post forecasts UAE total corn consumption to increase by 15 percent or 90,000 MT to reach 680,000 MT. Post attributes this increase to growing livestock production. Despite higher input prices, the UAE continues to invest heavily in opening new livestock facilities. Post has revised UAE total corn consumption in MY 2021/22 downward at 590,000 MT.

In MY 2022/2023, barley consumption is expected to increase slightly by 4 percent or 20,000 MT to reach 510,000 MT to meet the increase demand from livestock sector. Post estimates UAE total barley consumption in MY 2021/22 at 490,000 MT.

Post Dubai forecasts UAE's poultry production in 2022 to remain stable at 56,000 MT due to higher input costs and price ceiling curbing growth. Many companies both independent and government backed are planning flock increases to fulfill food security goals. For more information please see the [2021 UAE Annual Poultry GAIN Report](#).

In March 2022, Al-Rawabi company, one UAE's major dairy and juices producers, signed a lease agreement to establish a production dairy farm facility in Khalifa Industrial Zone Abu Dhabi (KIZAD). The dairy farm will be the home of 10,000 Al-Rawabi cows which expect to produce 23 million liters of fresh milk in the first operational year. The facility will include milk parlors, a dairy plant and a feed factory.

The Abu Dhabi Investment Office has developed a [pipeline of investment projects worth AED 1 billion \(\\$272 million\)](#) for the private sector to enhance the food security and agriculture sustainability system in the Emirate of Abu Dhabi. Among these projects is the Agthia Group's new farm for conducting research and improving forage products; the farm will include a new poultry processing facility. Another project is the opening of a dairy processing plant for sheep and goat milk by the Al Suwaidi and Al Ghurair Groups. More details about these projects can be found [here](#).

The UAE consumes around 3 MMT of grain and forage products annually. In addition to corn and barley, the UAE imports hay, soybean meal, and alfalfa to feed around 4.8 million head of cows, camels, sheep, and goats in addition to 44 UAE poultry farms producing meat and eggs for the country and other markets in the Gulf Cooperation Council (GCC).

Abu Dhabi Feed Subsidy Program Remains to Support Animal Production

Given most livestock production in the UAE occurs in Abu Dhabi, ADAFSA operates a fixed-price feed subsidy program through the Agthia Group and National Fodder. Emirati farmers located in Abu Dhabi and government owned agribusinesses can purchase both fodder and feed grain for a discount based on the difference between a government set fixed price and the current prevailing market price. More than 1.2 MMT of subsidized feed is distributed every year under this feed subsidy program.

Ending Stocks and Carryout

Wheat: Post forecasts MY 2022/23 ending stocks to drop by 9 percent or 50,000 MT to reach 513,000 MT. Post has revised upward wheat stocks in MY 2021/22 at 563,000 MT. The projected drop in ending stocks is a result of overhang driven by a rush to import during the pandemic. In cooperation with industry, the UAE government intends to maintain large stocks in accordance with the new federal strategic food reserve law.

Rice: Post forecasts MY 2022/23 rice ending stocks at 200,000 MT. Rice ending stocks are largely stable as the UAE maintains its strategic food reserve of 3-months of supply to combat global food price inflation.

Corn: Post forecasts MY 2022/23 corn ending stocks to remain unchanged from the previous year at 20,000 MT. At least 50 percent of these stocks are carry-over maintained by feed mills and traders with the remainder apportioned to food security reserves.

Barley: Post forecasts no ending stocks for barley in MY 2022/23. Barley's total supply is anticipated to be consumed domestically.

UAE Government Confirm Sufficient Grain Stocks Amid International Supply Challenges

UAE's Minister of Economy, Abdulla Bin Touq Almarri, told local media that the country maintains a strategic reserve of food to insure ample supply. He confirmed that despite significant supply challenges, the UAE has moved forward with its food stockpile monitoring program. Other Ministry's senior officials have separately reported that the UAE's strategic reserves of wheat and grain is sufficient for a long period of time and will help the UAE avoid food shortages. Senior UAE officials continue to monitor the impact of the situation in Russia and Ukraine on world supply chains and stress that the UAE's food security strategy is based on diversifying origins and importing from alternative markets.

The Emirates Food Security Council chaired by H.E. Mariam Almheiri, Minister of Climate Change and Environment, held its first meeting this year on March 25, 2022. The meeting explored several important mechanisms to enhance the UAE's food security and mitigate the impact of the international conflicts and rising commodity prices. On March 29, 2022, Dubai Municipality announced that it monitors imported food in all outlets of the Emirate and the numbers show that food imports to the emirate are highly stable. The Municipality confirmed that they are working to further diversify the origins of foodstuffs and simplified the food import procedures to facilitate the smooth movement of food staples.

Learning from the 2008 food crisis and the Arab Spring, over the last decade the UAE has taken many steps to improve its food security. In 2017, the UAE established the Ministry of Food and Water Security (MoFWS) (merged with MOCCAE in 2021) to focus on research and development, food waste, nutrition, and trade. In late 2019, the UAE established the “Food Security Council” chaired by the MoFWS and comprised of other representatives to review food regulations and propose policies to improve food security.

After the onset of the coronavirus pandemic, the UAE government reexamined its strategic food reserve plan. On February 19, 2020, members of the Federal National Council passed [Law Number 3](#) updating the UAE's strategic food reserve with stricter penalties for violators. The law was signed and published by the Emiratis on March 30, 2020 and designated the Ministry of Economy (MOE) as the legal authority in charge of the updated strategic reserve program. The goal of the law is to maintain a 3 to 6 months stockpile of food reserves to handle any uncertainty in supply chains or large price increases. MOE is coordinating with other competent authorities to establish a database of food suppliers and traders and provide incentives for participation.

Trade

Countries like the UAE, which depend heavily on imports, fear the political impacts of food insecurity and have learned from the price spikes in 2007 and 2008. The COVID-19 pandemic and its impact of supply chains was a real test of the UAE government's ability to manage food price inflation and supply. The UAE emerged from the pandemic in a strong position with ample supply and while prices have risen, inflation has been nominal when compared globally.

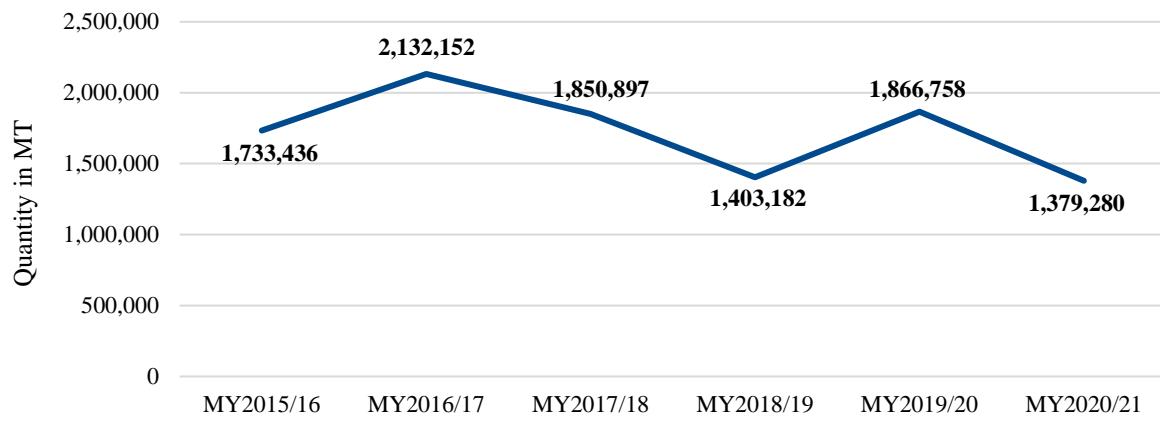
Just as the UAE hoped to put pandemic related food supply shocks behind it, Russia invaded Ukraine introducing yet higher prices and disrupting supply from the Black Sea Region. UAE traders report that Ukraine is unable to offer grain or oilseed shipments to the Middle East, but Russia has continued to offer. Russia grain movements through the Black Sea have also been affected by higher insurance costs and some shipping carriers are imposing war risk surcharges. Traders in UAE also note that sanctions imposed by several major countries, including removing Russia from the SWIFT banking system are making commercial transactions challenging and risky. According to USDA's recent [Grain: World Markets and Trade Report](#), Russia and Ukraine account for 26 percent of wheat global exports, 16 percent of corn global exports and 30 percent of barley global exports. Please refer to USDA's monthly reports for more information on the ongoing impact of the war on prices and supply.

Imports

Post forecasts UAE all wheat imports in MY 2022/23 to increase by 6 percent or 100,000 MT to reach 1.8 MMT. Post attributes this increase to rising domestic consumption as a result population and economic growth, especially expansion in the HRI sector. Post estimates all wheat imports in MY 2021/22 at 1.7 MMT. Around 92 percent of the UAE's wheat imports are raw product with the remainder coming in the form of wheat products such as flour, pasta, and couscous.

According to TDM, the UAE all wheat imports dropped by 487,478 MT or 26 percent to 1.379 MMT in MY 2020/21 compared to 1.866 MMT in the previous marketing year (Chart 4). From July through December 2021, UAE all wheat imports dropped by 95,192 MT or 14 percent at 554,987 MT compared to 650,179 MT during same period of 2020. However, the UAE CSC reported UAE imports of all wheat at 1.574 MMT in MY2020/21 and 901,575 MT from July through December 2021.

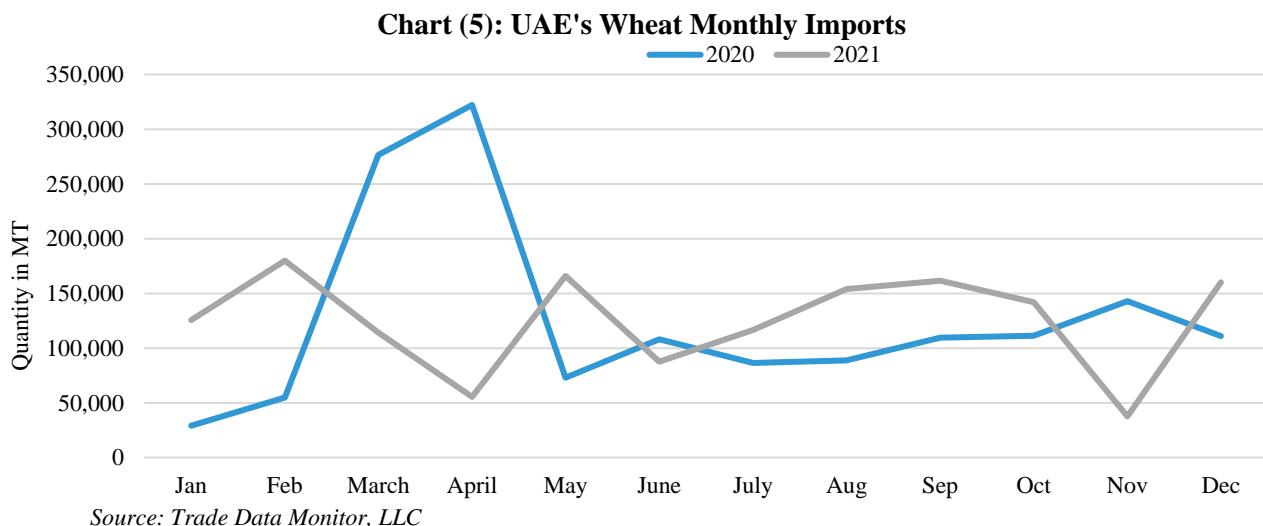
Chart (4): UAE's Wheat Imports from World



Source: Trade Date Monitor, LLC

During the first quarter of 2020 (second half of MY 2019/20), the UAE government acted quickly to secure additional wheat stocks fearing global supply uncertainties related to the pandemic. From March to April of MY2019/20, the UAE imported 598,571 MT of wheat representing 32 percent of the UAE's total wheat imports at 1.866 MMT in MY 2019/20 (Chart 4). From March to April of MY 2020/21 UAE wheat imports were at 169,715 MT compared to 295,888 MT during the same months in MY 2018/19.

Post expects that the UAE government will repeat the same scenario during the first half of 2022 (second half of MY 2021/22) to secure additional wheat stocks fearing the global supply uncertainties related to the war in Ukraine. Securing food commodities is a top priority for UAE's government as part of its food security strategy. Given the UAE's fiscal strength, the main food security challenge won't be grain prices but the availability of the commodities from other origins. This fiscal strength, which has been supported by the recovery in fuel oil prices, will support the government to compete with other international buyers at supplying origins that will need to fill the gap caused by disrupted Russian and Ukrainian exports.



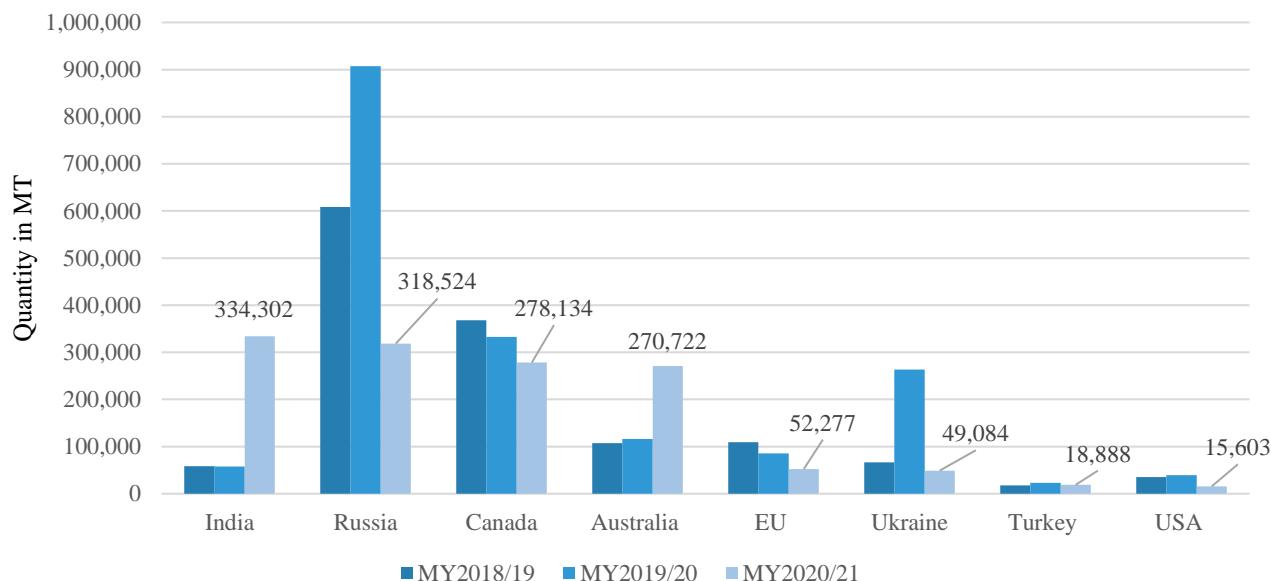
Russian Export Restrictions Shift UAE Wheat Origins

In 2020, the Russian government announced export restrictions on grains that included export quotas and taxes. The government renewed these restrictions and announced again an 11.0 MMT grain export quota from February 15 to June 30, 2022, of which wheat will account for 8.0 MMT. Corn and barley are also among the commodities that are subject to this quota regime. In light of a smaller crop and food price inflation, Russia began a floating export tax in June 2021 which they update on a weekly basis. The formula-based export tax is set at 70 percent of the difference between \$200/ton and a calculation based on export contracts registered to the Moscow Exchange. The tax has escalated from \$28/ton (June 2-8, 2021) to reach a high of over \$98/ton (January 12-18, 2022). In December 2021, the Russian government approved a plan that would tax exports at progressively higher rates. Exports within the proposed quota will still be subject to the export tax.

Although Russian exporters rushed to market their wheat before the quota implementation on February 15, 2022, a pattern that will likely be followed again every year if the quota regime continues, the UAE decided to avoid the risk and uncertainty by looking for other alternative origins. This is in accordance with the first pillar of the UAE National Food Security Strategy which is to facilitate global agribusiness trade and diversify international food sources to have at least 3-months of secure supply.

As a result, Russia's all wheat exports to UAE in MY 2020/21 dropped by 588,407 MT or 65 percent to reach 318,000 MT compared to 906,931 MT in MY 2019/20 and 608,341 MT in MY 2018/19 (Chart 6). From July through December 2021 (first half of MY 2021/22), Russia's wheat exports to the UAE were at 32,193 MT compared to 309,884 MT in the same period of 2020. The UAE's alternative suppliers were mainly India and Australia in MY 2020/21. India, the EU, and the United States have supplied the majority of wheat exported to UAE during the first half of MY 2021/22 (July-December 2021). India was able to absorb the majority of UAE wheat demand in MY 2020/21, the first half of MY 2021/22 and is expected to continue to be the top supplier in MY 2022/23 following the uncertainties in the Black Sea market.

Chart (6): Major Wheat Suppliers to the UAE

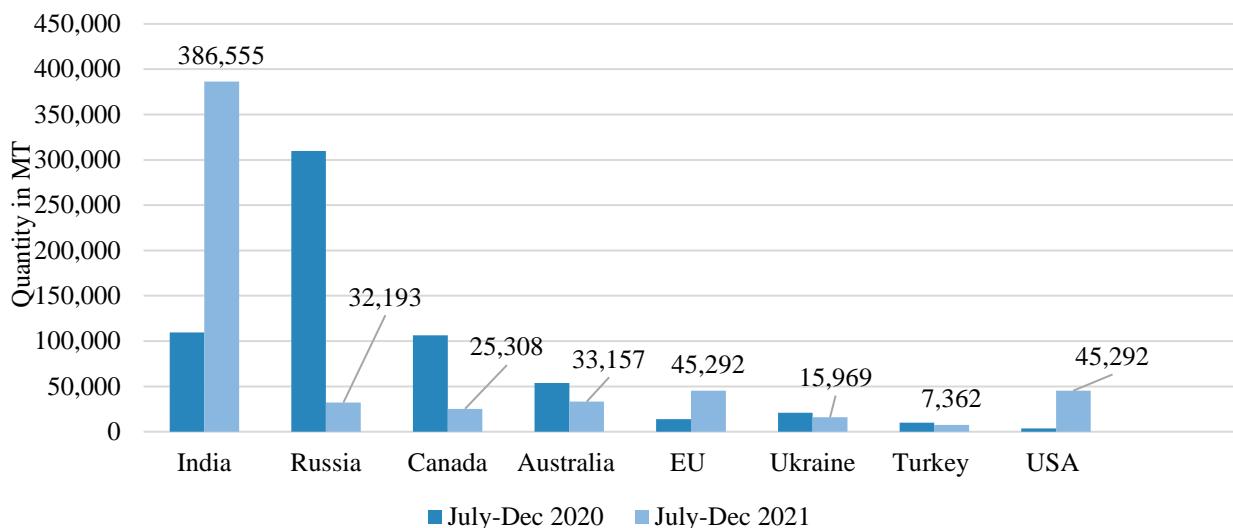


Suppliers	MY 2018/19	MY 2019/20	MY 2020/21
India	58,100	57,777	334,302
Russia	608,341	906,931	318,524
Canada	367,885	332,788	278,134
Australia	107,232	116,120	270,722
EU	109,072	85,306	52,277
Ukraine	66,731	263,495	49,084
Turkey	17,385	23,099	18,888
USA	35,156	39,166	15,603

Source: Trade Data Monitor, LLC

In MY 2020/21, India's wheat exports to the UAE increased by 478 percent or 276,525 MT to reach 334,302 MT compared to 57,777 MT in MY 2019/20. Australia's wheat exports to the UAE increased by 154,602 MT or 133 percent to reach 270,722 MT in MY 2020/21, compared to 116,120 MT in MY 2019/20. From July through December 2021, India's wheat exports to the UAE were at 386,554 MT compared to 109,656 MT during same period of 2020. EU's wheat export to the UAE were 205,595 MT compared to 13,763 MT during the same period of 2020 and U.S. wheat exports were at 45,292 MT compared to 3,623 MT during the same period of 2020 (Chart 6).

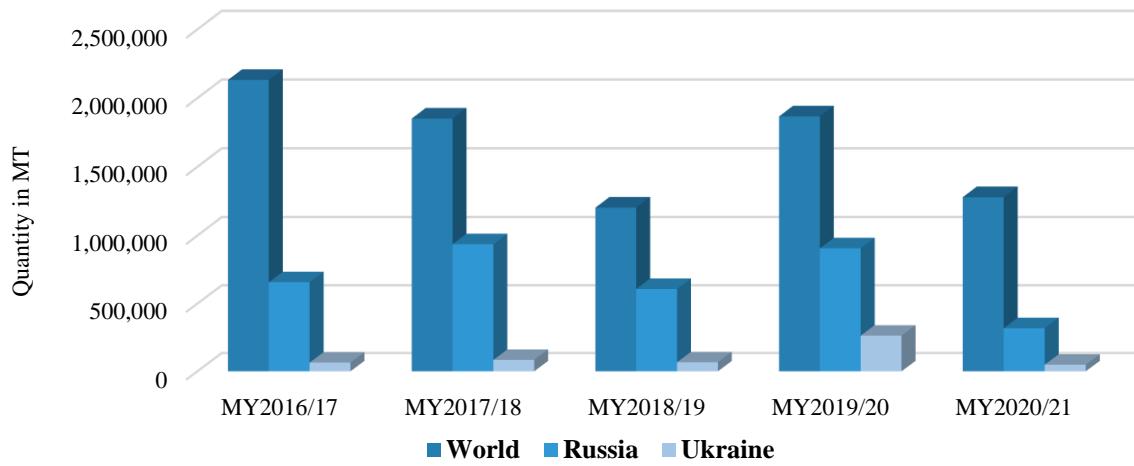
**Chart (7): Major Wheat Suppliers to the UAE
Second Half of 2020 and 2021**



Source: Trade Data Monitor, LLC

In MY 2020/21, Russia was the second largest wheat supplier to UAE. Russia's wheat exports to UAE dropped by 588,407 MT or 65 percent to reach 318,000 MT versus 906,931 MT in MY 2019/20. Exports from July to December 2021 dropped by 90 percent or 277,691 MT to 32,193 MT compared to 309,884 MT from July to December 2020 (Chart 7). The drop of Russian wheat exports was due to Russian export taxes and quotas implemented in 2021.

Chart (8): UAE's Wheat Imports from Russia & Ukraine



Source: Trade Data Monitor, LLC

In MY 2020/21, Ukraine was the sixth largest wheat supplier to the UAE. Ukraine's wheat exports to the UAE dropped by 214,411 MT or 81 percent to reach 49,084 MT versus 263,495 MT in MY 2019/20. Exports from July to December 2021 dropped by 24 percent or 5,102 MT to reach 15,969 MT, versus 21,071 MT from July to December 2020. Ukraine's wheat exports represent only 4 percent of UAE's total wheat imports in MY 2020/21.

In March 2022, local Indian media reports indicated that India has signed contracts to export 500,000 MT of wheat with FOB prices ranged between \$340/MT to \$350/MT. Traders indicated that they have received inquiries from buyers seeking alternatives to Black Sea cargos. India has large inventories, and traders are keen to capitalize on any export opportunity.

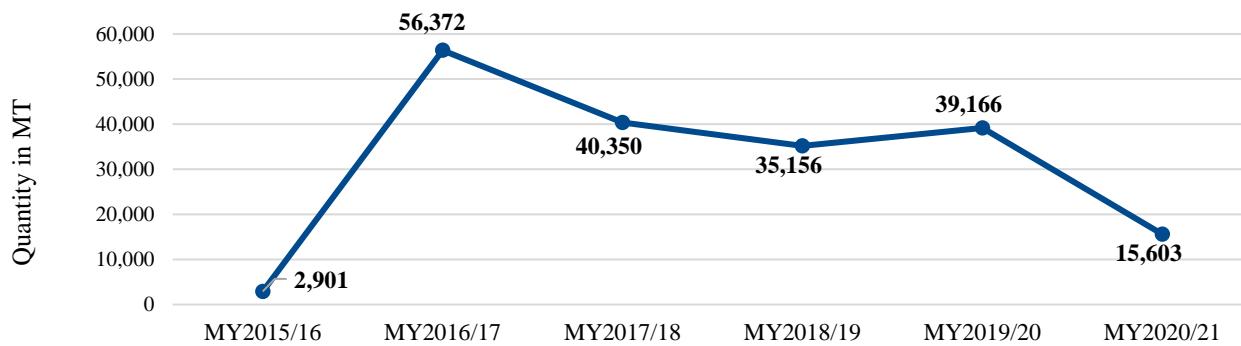
U.S. Exports of Wheat to UAE again at Trend

Post forecasts U.S. exports of all wheat to the UAE in MY 2022/23 to remain stable at 150,000 MT. Post has revised upward U.S. all wheat exports to UAE to 150,000 MT compared to previous estimate at 50,000 MT. From July 2021 through February 2022, U.S. exports of all wheat to UAE were 47,170 MT compared to 3,749 MT from July 2020 to February 2021. In MY 2020/21, U.S. rice exports to UAE were at 15,603 MT compared to 39,166 MT for MY 2019/20 (Chart 9).

The Russian export control measures provided opportunities to the U.S. wheat exports in the first half of MY 2021/22 (July-December 2021). With the Russia-Ukraine war, the U.S. wheat exports are expected to increase to fulfill the shortages from Ukraine and Russia during the second half of the marketing year (Jan-June 2022). However, continued production challenges in the United States are likely to put a ceiling on U.S. market share.

Most U.S. wheat exports to the UAE take place during the second half of the marketing year or the first half of the calendar year (January to June). UAE flour producers appreciate the quality of U.S. wheat compared to other origins. However, high prices of U.S. wheat limits UAE flour producers' willingness to expand their imports from the United States. The U.S. remains at a persistent freight disadvantage to other origins in the Black Sea, Europe, and Asia. Cargoes from India take only two weeks via ship, compared to four to eight weeks from the United States.

Chart (9): U.S. Wheat Exports to UAE



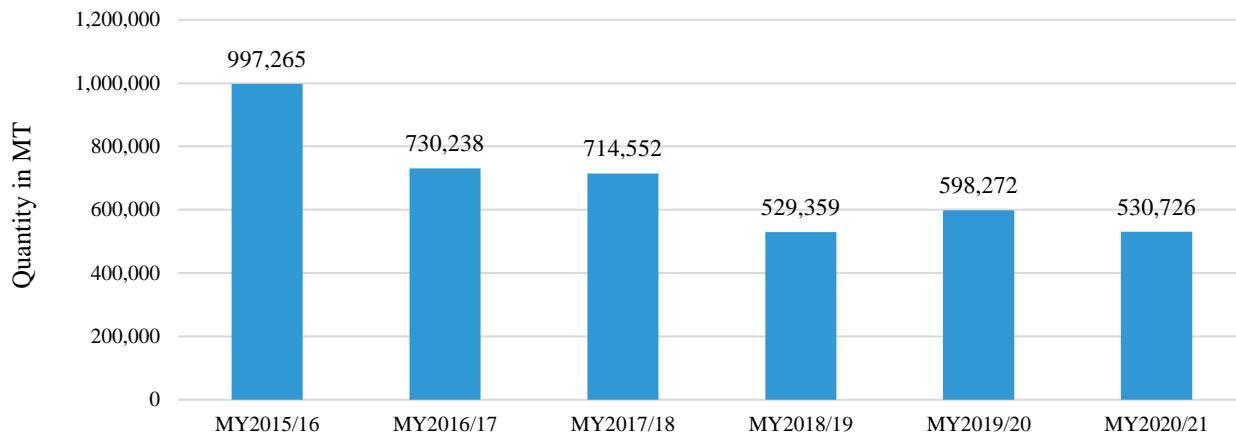
Source: Trade Data Monitor, LLC

Rice Imports Projected Higher

Post forecasts UAE rice imports in MY 2022/23 to increase by 11 percent or 100,000 MT to reach 1.0 MMT. Post attributes this increase to a recovery in local consumption and the UAE government's mandatory policy to keep stocks for at least 3 months. Post has revised the MY 2021/22 estimate downward by 22 percent or 250,000 MT to 900,000 MMT. Post attributes the drop to lower demand due

to COVID-19. Around 98 percent of the UAE's rice imports are milled and semi-milled while the other two percent are brown and broken rice. According to TDM, in MY 2020/21, UAE total rice imports from the world dropped by 11 percent (Chart 10).

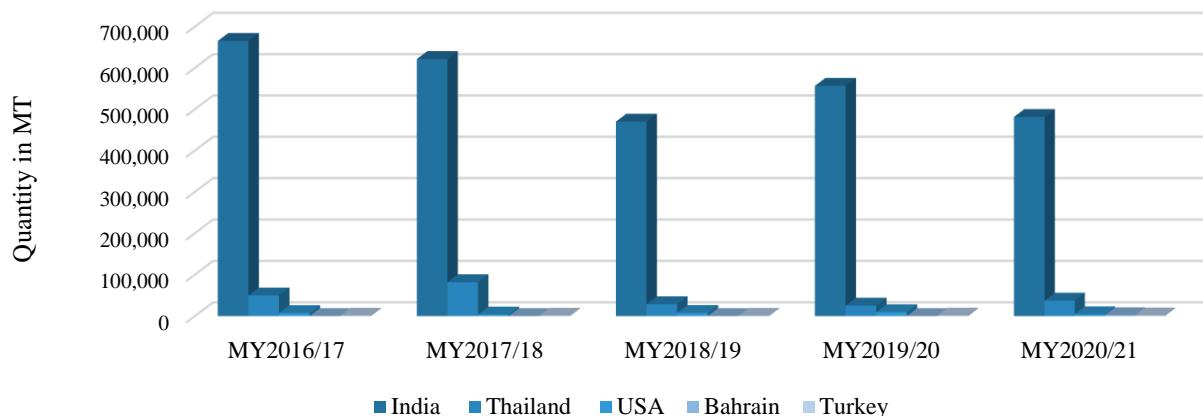
Chart (10): UAE's Rice Imports from World



Source: Trade Data Monitor, LLC

Around 91 percent of UAE's total rice imports in MY 2020/21 were sourced from India. Indian and other Asian expatriates represent the majority of UAE population and prefer rice that originates from their home countries. According to TDM data, India's rice exports to the UAE in MY 2020/21 were at 481,389 MT compared to 556,694 MT in MY 2019/20. Thailand had the second largest reported exports to the UAE at 37,464 MT in MY2020/21 compared to 25,209 MT in MY 2019/20. The United States had the third largest reported exports to the UAE, ending lower than the previous marketing year at 4,463 MT in MY 2020/21 compared to 9,343 MT in MY 2019/20 (Chart 11). Other suppliers include Bahrain, Turkey, the EU, Sri Lanka, Saudi Arabia and others. However, many other countries like Egypt participate in the UAE's porous rice trade.

Chart (11): Major Rice Suppliers to the UAE

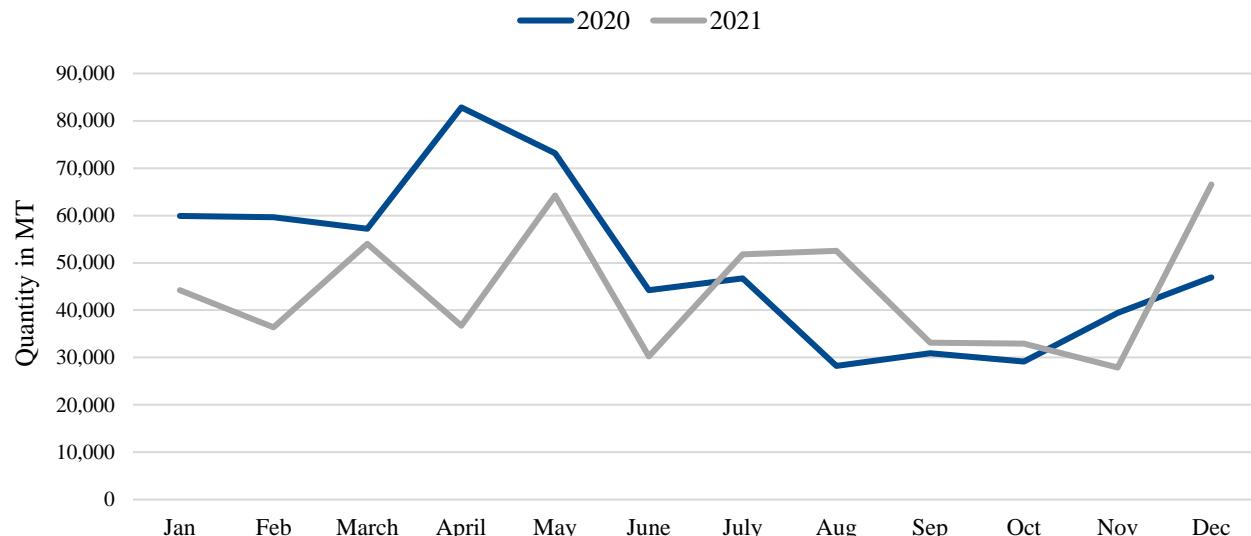


	MY2016/17	MY2017/18	MY2018/19	MY2019/20	MY2020/21
India	665,302	621,504	469,909	556,694	481,389

Thailand	49,886	82,070	28,853	25,209	37,464
USA	7,390	3,761	7,481	9,343	4,463
Bahrain	9	49	0	98	1,994
Turkey	983	828	705	1,303	1,531

Source: Trade Data Monitor, LLC

Chart (12): UAE's Rice Monthly Imports

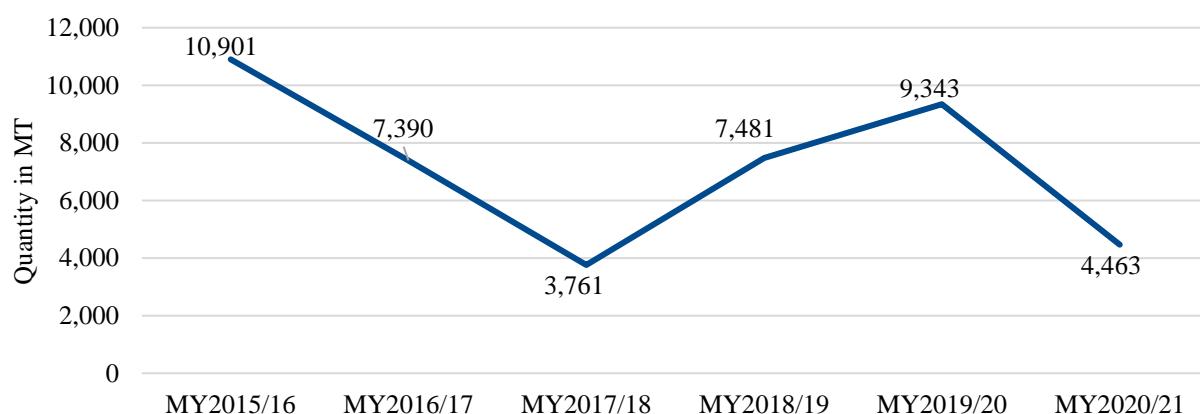


Source: Trade Data Monitor, LLC

U.S. Rice Exports to UAE Dropped

Post forecasts U.S. exports of rice to the UAE in MY 2020/21 to remain modest at 5,000 MT. In MY 2020/21, the U.S. was the third largest rice supplier to the UAE with total exports at 4,463 MT, lower by 4,880 MT or 52 percent from previous year exports at 9,343 MT (Chart 13). For the last 15 years, U.S. exports of rice to the UAE have ranged between 3,000 MT and 11,000 MT.

Chart (13): U.S. Rice Exports to UAE



Source: Trade Data Monitor, LLC

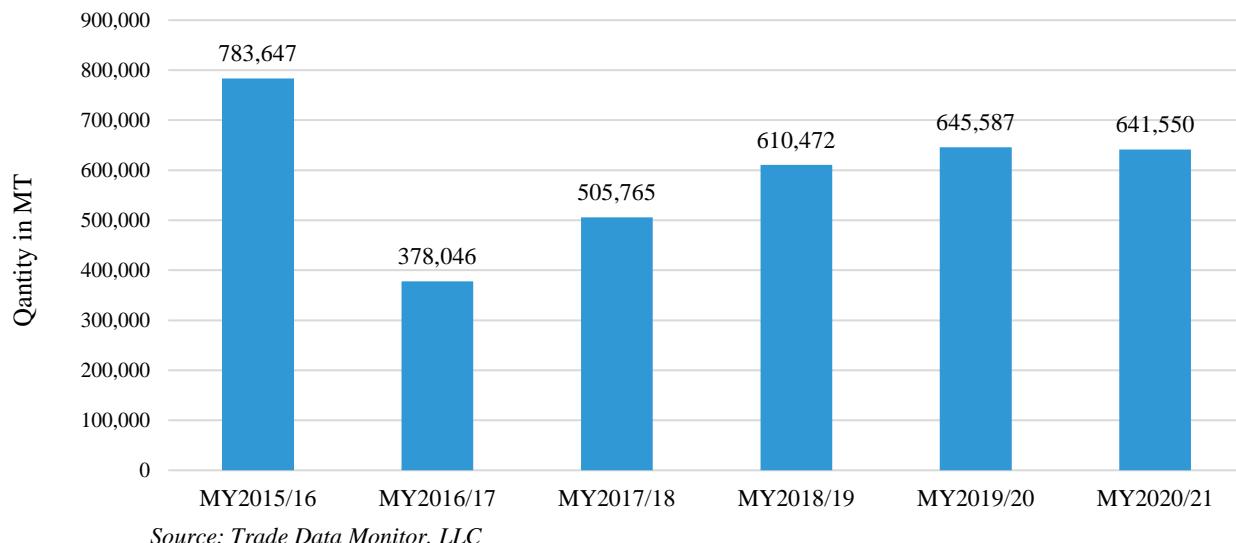
Depending on the variety and origin, local rice prices range between AED 18 to AED 50 per 5kg package (\$4.90 to \$13.61 per 5kg package). U.S. rice prices in UAE hypermarkets are often higher by 13 to 15 percent compared to the same varieties from other origins due primarily to higher shipping costs, supply shortages, and drought. Various Indian rice varieties are available in the UAE, but basmati rice is dominant.

Corn Imports Increase to Meet the Increased Demand from Livestock Sector

Post forecasts UAE corn imports in MY2022/23 to increase by roughly 17 percent or 100,000 MT to reach 700,000 MT. Post attributes this increase to expected high demand from the growing dairy and poultry industries. Post has revised UAE corn imports in MY2021/22 downward by 14 percent or 100,000 MT at 600,000 MT.

According to TDM, in MY2020/21, UAE's corn imports from the world dropped slightly by less than one percent or 4,037 MT to reach 641,550 MT compared to 645,587 MT in MY2019/20 (Chart 14).

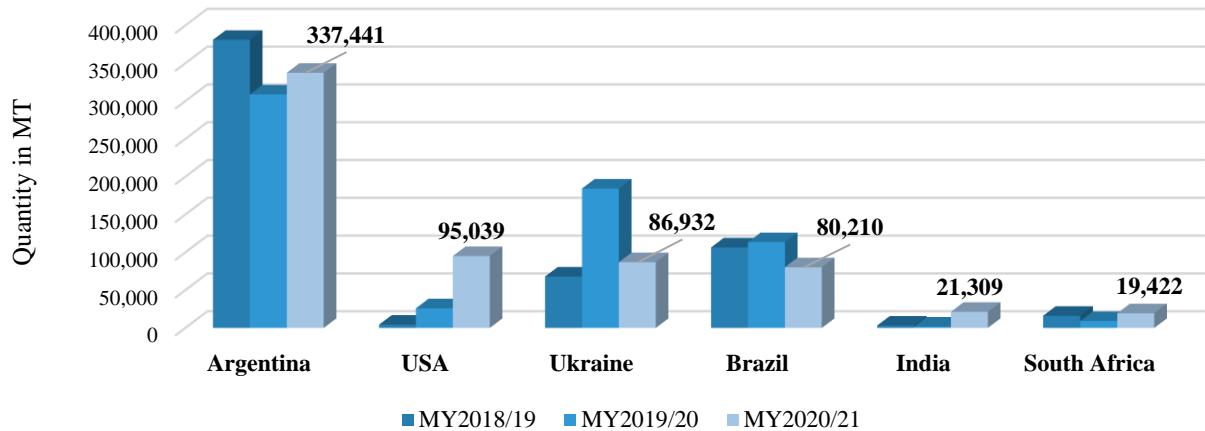
Chart (14): UAE Corn Imports from World



Source: Trade Data Monitor, LLC

Due to the competitive prices, Argentina was the major supplier for the UAE market with total exports of 337,441 MT in MY 2020/21, representing 53 percent of UAE's total corn imports, with 28,611 MT or 9 percent increase from previous marketing year at 308,830 MT. The United States was the second largest supplier with total exports of 95,039 MT, representing 15 percent of UAE's total corn imports, with 86,997 MT or 265 percent increase from MY 2019/20 exports of 26,042 MT. Other suppliers include Ukraine at 13 percent or 86,932 MT, Brazil at 12 percent or 80,210 MT, India at 3.3 percent or 21,309 MT and South Africa at 3 percent or 19,422 MT (Chart 15). From October 2021 through January 2022, U.S. corn exports to UAE were at 3,152 MT compared to 3,402 MT same period of 2021 compared to 11,097 MT of exports from Brazil during the same period and 93,574 MT from Argentina from October 2021 through February 2022.

Chart (15): Corn Major Suppliers to the UAE



Source: Trade Data Monitor, LLC

Table (2): Corn Major Suppliers to the UAE

	MY2018/19	MY2019/20	MY2020/21
Argentina	381,014	308,830	337,441
USA	4,330	26,042	95,039
Ukraine	67,925	184,270	86,932
Brazil	106,495	113,485	80,210
India	3,142	1,754	21,309
South Africa	16,107	9,173	19,422

Source: Trade Data Monitor, LLC

U.S. Corn Exports to the UAE Boomed and are Forecast to Continue

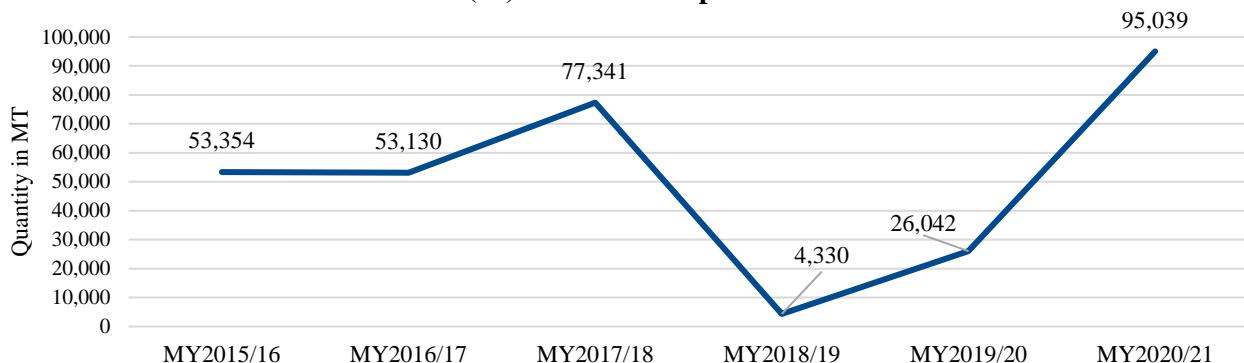
Post forecasts U.S. corn exports to the UAE in MY 2022/23 to remain stable at 100,000 MT. Post has revised U.S. corn exports estimates in MY 2021/22 upward from 30,000 MT to 100,000 MT due to higher expectations of strong U.S. exports to fill the gap resulting from the absence of Ukraine as one of UAE's major corn suppliers.

According to USDA's recent [Grain: World Markets and Trade Report](#), Argentina (UAE's top corn supplier) and Brazil (UAE's fourth largest corn supplier) are both forecast to have record corn production in their 2021/22 (March 2022-Feb 2023) marketing years; however, these corn supplies will not be available to the world market for another few months. With Brazil normally beginning harvest of its heavily exported second crop in June or July, a higher percentage of late-planted corn in Argentina could push overall South American corn availability to later in the calendar year. In addition, the ongoing military action in Ukraine (UAE's third largest corn supplier) will give the United States, as the world's largest and also residual supplier of corn, the opportunity to fill the gap until at least the South American exports are fully online.

U.S. corn exports to the UAE steadily increased over the last five years reaching their highest volume in the last decade at 95,039 MT in MY 2020/21. However, lower prices offered by other suppliers, mainly Argentina, Ukraine, and Brazil have limited U.S. competitiveness in the UAE market. In MY2020/21, the U.S. was UAE's second largest corn supplier with 15 percent market share. U.S. corn exports to UAE reached their highest volume and increased by 68,997 MT or 265 percent at 95,039 MT

compared to 26,042 MT in MY 2019/20 (Chart 16). From October 2021 through February 2022, U.S. corn exports to UAE were at 3,948 MT compared to 24,542 MT from October 2020 to February 2021. Post expects that with the ongoing war and Ukraine's inability to resume corn exports, U.S. corn will substitute Black Sea supply.

Chart (16): U.S. Corn Exports to UAE



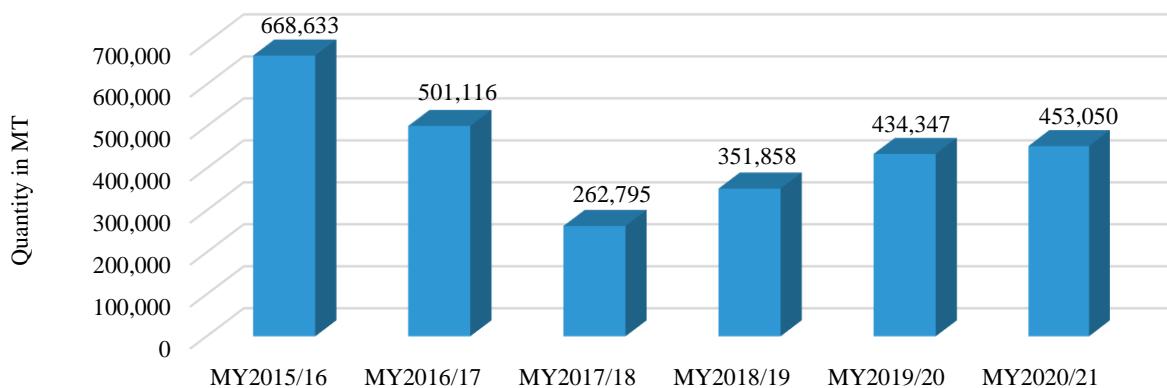
Source: Trade Data Monitor, LLC

Barley Imports:

Post forecasts UAE barley imports in MY 2022/23 to increase by 4 percent or 20,000 MT to reach 520,000 MT compared to 500,000 MT estimated for MY 2021/22. Post attributes this increase to the expected rise in demand from an expanding livestock sector.

According to TDM, the UAE's Barley imports from the world increased slightly in MY 2020/21 by 18,703 MT or 4 percent at 453,050 MT compared to 434,347 MT in MY 2019/20 (Chart 17). The UAE CSC reported UAE imports of barley at 458,083 MT in MY 2020/21. From October through December 2021, UAE imports of barley were at 54,162 MT.

Chart (17): UAE Barley Imports from World

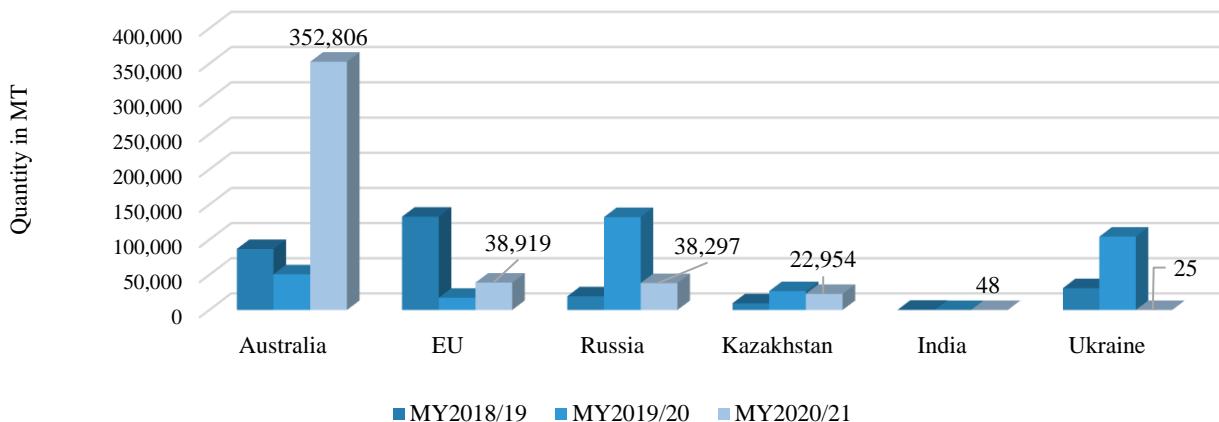


Source: Trade Data Monitor, LLC

In MY 2020/21, Australia was the major supplier of barley to UAE with total exports of 352,806 MT, represent 78 percent of UAE's total barley imports. Australia exports increased by 301,986 MT or 595 percent from MY 2019/20 exports of 50,820 MT. The EU was the second largest supplier with total

exports of 38,919 MT in MY 2020/21 representing 9 percent of UAE's total barley imports. EU barley exports to UAE have increased by 21,424 MT or 122 percent in MY 2020/21 from the previous marketing year at 17,495 MT. Russia was the third largest supplier with total exports at 38,297 MT in MY 2020/21, representing 8 percent of UAE's total barley imports. Russian barley exports to the UAE in MY 2019/20 were at 132,237 MT, lower by 93,940 MT or 71 percent. Other suppliers include Kazakhstan with total exports of 22,954 MT in MY 2020/21, representing 5 percent of the UAE's total barley imports. U.S. barley has difficulty competing in the UAE market due to both a freight disadvantage and issues of identity preservation (Chart 18).

Chart (18): Barley Major Suppliers to UAE



Source: Trade Data Monitor, LLC

Exports

The UAE is a major regional center in the international container trade, with large container ports in Jebel Ali, Sharjah, and Khalifa. Many products never get unloaded at the UAE's large freezones; some are lightly processed before being re-exported. Due to low tariffs and tax agreements both within the GCC and Arab League, many traders in the UAE import products only to quickly resell them to other markets. All of this heavily impacts trade and consumption numbers.

Around 1,200 wooden ships at Dubai Creek and Deira Ports support the UAE's grain exports and re-export trade with Asian and East African countries. Vessel weight capacity ranges between 75 to 3000 tons. The port of Deira accounts for the largest percentage of ships at 650, followed by Dubai Creek with 550 ships. Customs authorities estimate 10 to 15 percent of UAE trade is done through these channels, with rice being one of the principal commodities loaded and shipped. These wooden

ships are also used to deliver Indian basmati rice to Iran. Indian exporters sell basmati rice to Iran through Iranian agents in the UAE who pay in Emirati dirham.

Wheat Exports Stable

Post forecasts MY 2022/23 UAE wheat exports to remain unchanged from MY 2021/22 volumes at 100,000 MT. The majority of UAE wheat exports are wheat flour and pasta.

In MY 2020/21, UAE all wheat exports to the world increased by 8,723 MT or 10 percent to 92,734 MT compared to 84,011 MT in the previous marketing year. Exports from July through December 2021 were at 44,136 MT compared to 50,508 MT during the same period in 2020. UAECSC reported total exports of all wheat at 141,221 MT and 88,110 MT of re-exports in MY 2020/21. From July through December 2021, UAECSC reported 83,854 MT of exports and 39,985 MT of re-exports. Around 70 percent of these exports were wheat flour, and the remaining 30 percent were pasta.

Saudi Arabia was the UAE's top importing country with total imports of 33,860 MT, representing 36 percent of UAE's total exports in MY 2020/21. Bahrain was the second largest importer with total imports of 16,372 MT followed by the Philippines with total imports of 10,706 MT and Ethiopia with total imports of 9,809 MT. Other importing countries include Taiwan, Jordan, the United States, Sri Lanka, Japan, Ghana and others. The United States reported 2,734 MT of wheat products imported from the UAE in MY 2020/21 compared to 2,695 MT in MY 2019/20.

From July through December 2021, Saudi Arabia reported 13,094 MT of imports from the UAE, followed by Philippines at 11,411 MT, Bahrain at 8,469 MT and then Taiwan at 3,160 MT. The United States reported 723 MT of imports from the UAE during the same period.

Rice Exports to Remain Zero

Post forecasts UAE rice exports to remain at zero in MY 2022/23 as the UAE moved to stem exports and safeguard domestic rice supply amid the pandemic.

In MY 2020/21, UAE rice exports to world increased by 2,476 MT or 40 percent to 8,709 MT compared to 6,233 MT in previous marketing year. UAECSC reported total exports of rice at 2,067 MT and 61,788 MT of re-exports in MY 2020/21 compared to 1,066 MT of exports and 54,677 MT of re-exports in MY 2019/20. The increase in UAE rice exports was due to the increase in demand from importing countries, including the United States, Ghana, the United Kingdom, and Senegal. In MY 2020/21, the United States was UAE's top rice importer with total imports of 3,900 MT, represented 45 percent of UAE's total rice exports, compared to 591 MT in previous marketing year 2019/20, an increase of 3,309 MT.

UAE Corn Exports Unchanged

In MY 2022/23, Post forecasts UAE corn exports to remain unchanged at 20,000 MT. In MY 2020/21, the UAE's exports of corn dropped by 2,475 MT or 80 percent to 630 MT compared to 3,105 MT in previous marketing year. The drop in UAE's corn exports was mainly due to lower demand from Bahrain. UAE corn exports to Bahrain dropped to 48 MT in MY 2020/21 compared to 2,167 MT during the previous marketing year. Other top UAE's corn importers were Ethiopia with total imports of 390 MT in MY 2020/21 compared to zero imports in MY 2019/20 and Saudi Arabia with total imports of 159 MT in MY 2020/21 compared to 387 MT in MY 2019/20. The UAECSC reported UAE exports of

corn at 18,937 MT and 53,719 MT of re-exports in MY 2020/21 while exports from October through December 2021 were 516,146 MT and re-exports were 22,425 MT.

UAE Barley Exports Unchanged

Post forecasts UAE exports and re-exports of barley in MY 2021/22 to remain unchanged at 10,000 MT. In MY 2020/21, the UAE's exports of barley increased by 517 MT or 36 percent to 1,435 MT compared to 918 MT in previous marketing year. For the last four years, all of the UAE's barley exports were destined for Bahrain. UAE CSC reported UAE exports of barley at 44,439 MT and 38,375 MT of re-exports in MY 2020/21. From October through December 2021, UAE barley exports were 4,289 MT and re-exports were at 28,734 MT. UAE corn and barley exports are mainly imported by local traders and distributors who sell these imported goods to foreign buyers once the product has officially entered the UAE and is recorded as "imports".

Attachments:

No Attachments

For questions on any information found in this report, please contact the Regional Office of Agricultural Affairs at the United States Consulate in Dubai, United Arab Emirates. To learn more about what our office does, watch this [video](#).

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**United States
Department of
Agriculture**

Wheat Production, Supply, and Distribution Trade

Wheat	2020/2021		2021/2022		2022/2023	
	Market Begin Year	Jul 2020	USDA Official	*New Post	USDA Official	*New Post
United Arab Emirates						
Area Harvested	0	0	0	0	0	0
Beginning Stocks	713	713	475	563	350	563
Production	0	0	0	0	0	0
MY Imports	1387	1500	1500	1700	1700	1800
TY Imports	1387	1500	1500	1700	1700	1800
TY Imp. from U.S.	16	16	0	150	0	150
Total Supply	2100	2213	1975	2263	2050	2363
MY Exports	100	100	100	100	100	100
TY Exports	100	100	100	100	100	100
Feed and Residual	125	150	125	150	150	150
FSI Consumption	1400	1400	1400	1450	1500	1600
Total Consumption	1525	1550	1650	1600	1650	1750
Ending Stocks	475	563	300	563	300	513
Total Distribution	2100	2213	1975	2263	2050	2363
(1000 HA), (1000 MT), (MT/HA)						

*Note: This is not USDA official data

Rice Production, Supply, and Distribution Trade

Rice, Milled	2020/2021		2021/2022		2022/2023	
	Market Begin Year	Jan 2021	USDA Official	*New Post	USDA Official	*New Post
United Arab Emirates						
Area Harvested	0	0	0	0	0	0
Beginning Stocks	150	150	150	150	250	200
Milled Production	0	0	0	0	0	0
Rough Production	0	0	0	0	0	0
Milling Rate (.9999)	0	0	0	0	0	0
MY Imports	750	750	900	900	1000	1000
TY Imports	750	750	900	900	1000	1000
TY Imp. from U.S.	0	4	0	5	0	5
Total Supply	900	904	1050	1050	1250	1200
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Consumption and Residual	750	704	800	850	900	1000
Ending Stocks	150	150	250	200	350	200
Total Distribution	900	904	1050	1050	1250	1200
(1000 HA), (1000 MT), (MT/HA)						

*Note: This is not USDA official data

Corn Production, Supply, and Distribution

Corn	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
United Arab Emirates	USDA Official	*New Post	USDA Official	*New Post	USDA Official	*New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	28	30	20	30	20	20
Production	0	0	0	0	0	0
MY Imports	642	650	500	600	500	700
TY Imports	642	650	500	600	500	700
TY Imp. from U.S.	95	95	0	100	0	100
Total Supply	670	680	520	630	520	720
MY Exports	20	20	20	20	20	20
TY Exports	20	20	20	20	20	20
Feed and Residual	630	630	480	590	480	680
FSI Consumption	0	0	0	0	0	0
Total Consumption	630	630	480	590	480	680
Ending Stocks	20	30	20	20	20	20
Total Distribution	670	680	520	630	520	720
(1000 HA), (1000 MT), (MT/HA)						

**Note: This is not USDA official data*

Barley Production, Supply, and Distribution Trade

Barley	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
United Arab Emirates	USDA Official	*New Post	USDA Official	*New Post	USDA Official	*New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	519	470	400	500	450	520
TY Imports	519	470	400	500	450	520
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	519	470	400	500	450	520
MY Exports	0	10	0	10	0	10
TY Exports	0	10	0	10	0	10
Feed and Residual	519	460	400	490	450	510
FSI Consumption	0	0	0	0	0	0
Total Consumption	519	460	400	490	450	510
Ending Stocks	0	0	0	0	0	0
Total Distribution	519	470	400	500	450	520
(1000 HA), (1000 MT), (MT/HA)						

**Note: This is not USDA official data*