

Required Report: Required - Public Distribution

Date: September 10,2020

Report Number: SA2020-0013

Report Name: Poultry and Products Annual

Country: Saudi Arabia

Post: Riyadh

Report Category: Poultry and Products

Prepared By: Hussein Mousa

Approved By: Alan Hallman

Report Highlights:

Chicken meat production is expected to continue to rise as the Kingdom pursues a goal of 80% self-sufficiency by 2025. The current percentage exceeds 60%. 2020 Saudi chicken meat production is estimated at 930,000 MT. Production is forecast to increase to 950,000 MT in 2021. Saudi chicken meat imports in 2020 are likely to reach 550,000 MT and are projected at 625,000 MT for 2021. Brazil supplies most of Saudi Arabia's poultry imports. And Saudi Arabia is Brazil's second most important export market for chicken meat. U.S. exports of chicken meat to Saudi Arabia continue to be blocked by the Saudi ban on electric immobilization.

Executive Summary

Estimated Saudi 2019 and 2020 chicken meat production is increased to 800,000 and 930,000 MT, respectively, based on discussions with most significant chicken meat producers in the Kingdom. The production increases were driven by reductions in mortality and facility expansion. The government has been actively working to remove obstacles for producers to acquire and use land for poultry production, provides loans for equipment purchases, and has reformed its subsidy system for feed, livestock, and poultry.

Now that the Kingdom's domestic production exceeds the targeted 60 percent self-sufficiency level, the government is trying to increase the self-sufficiency level to 80 percent by 2025. Consultations and collaborations are ongoing between the Saudi Ministry of Environment, Water and Agriculture (MEWA), and domestic producers to reduce dependence on imports. Estimated 2020 and 2021 chicken meat imports are 550,000 and 625,000MT, respectively. Demand in 2020 has been supported by consumption at home. Demand in 2021 should benefit as business and travel resume after COVID related closures.

In January 2020, the Saudi government removed most subsidies on imported animal feed and, in the case of poultry, moved to subsidies based on production. Subsidizing meat production and chick placement rather than feed consumption should reward efficient and well-managed producers. The Saudi government continues to provide various types of assistance to domestic poultry farms.

An outbreak of bird flu (H5N8) in layer farms in early February 2020 reduced the country's table egg production by approximately 30 percent. Once stocks were depleted, the country experienced an egg shortage and the retail price of table eggs increased by more than 50 percent. The shortage was compounded by increased in-home consumption due to COVID 19. Normally a surplus egg producer, Saudi Arabia imported eggs from the Ukraine and several other countries to alleviate the shortage as flocks were restocked.

Production

Almost all poultry meat produced in Saudi Arabia is chicken meat - with the exception of about 1,500 MT of quail meat produced by Astra Farms in Tabuk.

Post increased Saudi 2019 and 2020 chicken meat production estimates based on discussions with most significant chicken meat producers in the Kingdom. The companies indicated that about 800,000 MT of chicken meat was produced in 2019, an increase of 11 percent compared to USDA's official estimate of 720,000 MT. Total Saudi chicken meat output is expected to reach 930,000 MT in 2020, more than 27 percent higher than USDA's official estimate of 730,000 MT.

Most of the increase in chicken meat production has been due to ongoing expansion at the four main producers: Watania, Fakieh, Alyoum (Almarai) and Tanmiah poultry farms. Medium size chicken producers such as Intaj, and Aseer CO-OP, and smaller farms such as Radwa and Golden Chicken, have also been increasing meat production. Expansion projects at existing farms and the establishment of new farms are projected to increase chicken meat output to 950,000 MT by the end of 2021 and sustain growth over the next few years.

According to the 2019 Agricultural Statistical Yearbook, the Saudi Ministry of Environment, Water and Agriculture (MEWA), issued two types of chicken meat production licenses in 2019:

1. Operational licenses for 107 projects with a production capacity of 482,952,194 chickens. No information was provided when the projects will be fully operational.
2. Construction licenses for the establishment of 77 new poultry farms with production capacity of 220,118,172 birds. No information was provided when the construction of the new projects will be completed.

Domestic chicken meat production has exceeded the targeted 60 percent self-sufficiency level. And MEWA is collaborating with producers to increase the self-sufficiency level to approximately 80 percent by 2025. Local chicken meat production is being increased in several ways: (1) speeding up subsidy payments to producers (these are based on chicken meat produced and chicks produced), (2) reduced chicken mortality rates, and 3) significant government support to resolve obstacles to expansion - particularly the availability and speed of granting licenses for land. The farmers report MEWA's assistance in resolving impediments that prevented them from meeting planned expansion targets - such as high land prices, land ownership disputes and zoning/environmental restrictions.

The ministry is also reportedly providing veterinary services to farms that request help. Local poultry farmers, particularly larger and medium sized producers have implemented improved biosecurity procedures to reduce the risk of contagious poultry diseases. The improved measures have been credited with lowering the country's average chicken mortality rate from 25 percent a few years ago to less than 10 percent in recent years. Some well-managed chicken producers have achieved a 2.5 percent or lower mortality rate, which helped increase chicken meat output and significantly reduced production costs.

Currently, chicken meat production in Saudi Arabia is concentrated in about ten vertically integrated companies (four large companies: Watania, Fakieh, Almarai, Tanmiah, and 6 medium/small size farms). The ten firms control for up to 95 percent of production.

Saudi poultry farms are located in 12 provinces, but 88 percent of chicken meat production comes from six provinces. In 2018, Al-Qassim province (where Al-Watania Poultry Farm is based) accounted for about 34 percent of total Saudi chicken meat production, followed by Makkah with 15 percent, Riyadh with 15 percent, Aseer with 13 percent, and Hail with 12 percent. As Fakieh Poultry Farm is moving most of its poultry farms to Najran province, which currently accounts for approximately 1 percent of production, that province is expected to become an important poultry producer. The percentage of chicken meat produced in Hail province has been increasing due to the expansion of Almarai's Alyoum Poultry Farm.

Spent Chicken meat

It is believed that the quantity of spent hens used for food in Saudi Arabia is negligible. Smaller table egg producers sometimes sell live spent hens to customers who desire the flavor of gamier birds. Customers generally visit the farms to purchase the birds and then cook them for several hours. As such, spent hen meat does not make it to the supermarket shelves in the Kingdom.

In 2013, MEWA gave poultry growers the option of slaughtering spent hens for further processing, but stipulated that slaughtering of spent hens must be scheduled on different days from when younger chickens are slaughtered. Major poultry producers (which also dominate table egg production) prefer to kill the birds and bury them. The companies say that meat from the spent hens is tough and could negatively affect the quality and image of their poultry products if they include them in their product range. The companies also do not have separate slaughterhouses for spent hens and are concerned that processing spent birds meat on their normal processing lines might pass along a bad odor reportedly emitted from spent hens.

Production Costs

Chicken meat production costs in Saudi Arabia are relatively high because of the cost of controlling temperatures in chicken houses under extremely hot weather conditions, and heavy reliance on imported feed, vaccines, and equipment. In order to reduce production costs, the Saudi government (SAG) provides several types of production support. These include monthly production based direct financial subsidies to poultry producers, and interest-free loans and rebates on the purchase of certain poultry equipment.

Feed costs account for about 70 percent, on average, of chicken production costs in Saudi Arabia. Production costs for local chicken ranges between \$1.6 and \$1.87 per Kg, of dressed weight. This is sometimes higher than the retail price of imported chicken meat.

Animal feed subsidies have been critical to the development of Saudi Arabia's poultry sector. In January 2020, Saudi Arabia eliminated most feed import subsidies and introduced production based monthly financial payments to poultry producers. (Our summary of the changes can be found in this report.)

Chicken Production Cycles

The growing cycle for chickens in Saudi Arabia varies between 28 to 35 days, with an average daily weight gain of 50 grams. The average live weight for chicken when marketed is approximately 1,400 grams, while the average ready to cook chicken carcasses weigh approximately 1,050 grams. The average feed conversion ratio (FCR) is estimated at approximately 1.70.

Poultry Disease Outbreaks

Controlling poultry diseases is a major challenge. According to industry contacts, the chicken mortality rate has declined significantly over the past five years - it is currently estimated at less than 8 percent. The high mortality in Saudi chicken farms was mostly due to outbreaks of viral diseases such as Newcastle Disease (NCD), Gumboro (IBD), Infectious Bronchitis (IB) and Avian Influenza (H9N2 subtype). Highly pathogenic avian influenza (H5N8) has occasionally been a major problem in the winter. In February 2020, H5N8 was found in Riyadh Province.

Consumption

Saudi 2020 chicken meat consumption is estimated at 1.48 million MT. This is a production driven increase of 19 percent from USDA's official estimate of 1.20 million MT. Underlying consumption, however, continues to rise due to population growth, COVID, and economic stress. The Saudi population is growing at approximately 2 percent as a high birth rate and incoming migrants are somewhat offset by migrant departures. The population is estimated at 34.2 million people in 2019 and is expected to exceed 40 million by 2030.

Chicken meat demand is projected to remain strong in 2021. It is the most affordable animal protein source, the population will continue to increase, and we expect the bans on religious and tourist travels to be lifted. The measures will invigorate the catering and hospitality sectors, boosting the demand for chicken meat by approximately 7 percent in 2021 - to 1.58 million MT.

Oil price and COVID driven economic contraction in 2020, as well as an increase in the VAT from 5 to 15%, have driven some substitution of poultry for other meats. Saudi COVID-19 lockdown restrictions drastically increased the demand for chicken meat as consumers initially depended on food cooked at home. Consumers are still cooking at home more than prior to COVID-19 for safety and to save costs. So demand for chicken meat is forecast to remain strong for the rest of this year and in 2021.

Saudi per capita poultry meat consumption in 2019 is estimated at 40kg - high compared to other animal proteins. Our estimates over or understate total and per capita chicken meat consumption in any particular year. While frozen chicken meat may be held as carry-over stocks, Saudi inventory data is not available, and this report assumes stocks to be zero. Saudi importers tend to purchase more than actual market needs when prices are attractive and sell when prices rise.

Demand Fluctuation

Historically, the Saudi poultry meat market is cyclical. Demand rises dramatically in the winter. It also rises during the Umrah and Hajj seasons (prior to Eid-al-Adha) - particularly in the cities of Makkah and Medina where visitors go to perform the Umrah and Hajj rituals. However, consumption declines significantly during the month of Ramadan and during the summer months when millions of Saudis and expatriate workers leave the Kingdom for vacations. In recent years, and under normal conditions, poultry meat consumption has been steadily rising because of its affordability and the perception that it is healthier than red meat.

Consumer Preference

Saudis consumers prefer locally produced fresh chicken meat. More than 80 percent of local chicken meat is sold chilled; many poultry producers have switched their chicken meat production lines from frozen to chilled products for its higher profit margins. They are higher partly because chilling saves freezing and cold storage charges. Consumers, particularly Saudis, do not mind paying as much as 50 percent more for fresh\chilled domestic chicken meat over frozen imported chicken meat. In general, Saudi consumers prefer 900 to 1,100 gram birds. They perceive large chickens (1,200 to 1,500 grams) as old and not tender. Hotels and restaurants prefer a lighter weight bird at the lowest possible price to serve whole, in halves or in quarters; they prefer to buy 900 to 1,000 gram birds. All chicken meat

imported into Saudi Arabia is frozen, and is mostly consumed by expatriate communities and the food service sector. Restaurants and catering companies generally prefer Brazilian frozen chicken as they offer smaller sized birds, which fit in rotisseries.

The Saudi government stipulates that companies that serve foods to government institutions should use more than 70 percent local content. Several Saudi catering companies contacted for this report indicate that they use 100 percent local chicken meat when catering to government institutions such as the military, hospitals and universities. As such, most of the locally produced frozen chicken meat is supplied to the catering sector and it is very rare to see the product sold in retail outlets.

The issue of Halal slaughter is not a major concern for most consumers in Saudi Arabia, as the government assures them that all imported meat products, including poultry, are slaughtered according to Islamic rituals. However, some Saudis tend to believe that domestically slaughtered chicken is are of a higher Halal standard than imported products from non-Muslim countries like Brazil and France. As such, they prefer to purchase domestically grown chicken meat at higher prices.

Trade

Imports

Total chicken meat imports for 2020 are projected at 550,000 MT, a decrease of nearly 8.5 percent compared to total imports of 601,000 MT imports last year. Improved economic conditions and higher available supplies are expected to increase chicken meat imports to 625,000 MT in 2021. The July 2020 Chinese decision to suspend a major Brazilian poultry slaughterhouse from exporting to China due to concerns about COVID-19, could make Brazilian chicken meat more price competitive and increase imports to Saudi Arabia. The Kingdom is the most important market for Brazilian chicken meat after China.

Supplying country trade data for January-June 2020 show exports of chicken meat to Saudi Arabia of 274,795 MT, a decrease of 16 percent over the same period in 2019. The main reason for the sharp decline is the COVID-19 restrictions that closed most restaurants, and hotels. Higher imports are expected in the second half of the year due to the lifting of most COVID-19 restrictions at the end of June. Brazil Customs data shows exports of 40,687 MT of chicken meat to Saudi Arabia in the month of July, approximately 20 percent more chicken than the average January-June export of 34,051 MT.

Brazil exported 244,994 MT of chicken meat to Saudi Arabia in Jan-July, 2020, a decrease of approximately 14 compared to the same period last year. Complete export data for major exporting countries for Jan-Jun 2020 shows that Brazil exported 74 percent of total Saudi chicken meat imports for the first six months of this year – or 274,795MT. In the same period, France exported 12 percent of the total exports followed by Ukraine (10 percent), Russia (2 percent) and Turkey (1 percent).

Ukraine exported chicken meat to Saudi Arabia for the first time in February 2020 since August 2019 when SFDA temporarily suspended imports of chicken meat from the country due to violations of SFDA food safety regulations. As of August 2020, only one Ukraine company with three locations is listed in SFDA's List of Livestock and Poultry Meat Supplying Countries.

Exporting Country	Saudi Arabia Chicken Meat Imports Per Supplying Countries Data			
	Quantity in MT			
	Jan-Jun 2019	Market Share	Jan-Jun 2020	Market Share
Brazil	243,028	74.1%	204,307	74.3%
Ukraine	37,728	11.5%	26,245	9.6%
EU	34,513	10.5%	31,616	11.5%
Russia	7,176	2.2%	6,231	2.3%
Turkey	3,445	1%	3,472	1.3%
Others	2,213	.07%	2,924	1%
Total	328,103	100%	274,795	100%

Source: TDM

SFDA's Ban on Poultry Electrical Immobilization Stops U.S. Poultry Meat Exports

The last U.S. poultry meat shipments arrived in Saudi Arabia at the end of May 2018. U.S. exporters are not able to meet SFDA's ban on electrical immobilization of poultry.

U.S. poultry addresses Saudi Arabia's halal concerns. Stunning, as employed by U.S. poultry producers is specifically designed to immobilize birds without causing death. Federal regulation 9 CFR § 381.90 requires that carcasses of poultry showing evidence of having died from causes other than slaughter be condemned, and FSIS inspectors enforce this regulation in all federally inspected poultry facilities. Electrical immobilization or stunning of poultry before slaughtering is generally practiced in the U.S. to facilitate efficient production, reduce waste, and improve animal welfare.

Other Issues Limiting U.S. Poultry Meat Exports to Saudi Arabia

When we are able to ship, the U.S. share of the Saudi imported chicken meat market has fluctuated between 1 and 3 percent. The low level is principally because of SFDA's poultry feed regulations. SFDA requires that imported poultry meat be accompanied by a government issued health certificate attesting that it is from poultry that was only fed vegetable protein and are free from growth hormones. In order for FSIS to issue the required animal protein free certification, exports of U.S. poultry and poultry products to the Kingdom must come from slaughter facilities that participate in the Agricultural Marketing Service's (AMS) Animal Protein Free Verification (APFV) Program for Poultry. There are reportedly several U.S. poultry producers that do not feed animal protein but do not participate in the APFV program. The conditions make it prohibitively expensive most U.S. poultry producers to service the Saudi market.

Saudi Chicken Meat Imports for 2018-2019

In 2019, Saudi Arabia imported 609,220 MT of chicken meat, down by approximately 3 percent from a year earlier. The moderate decline in chicken meat imports in 2019 was mainly due to supplying

country's (mainly Brazil and France) difficulties in meeting SFDA's ban on poultry stunning enforced at the beginning of June 2018.

In 2019, Brazil exported 444,560 MT of chicken meat, or 73 percent of total Saudi imports, down by 8 percent from a year earlier. France was the second largest supplier with 62,683 MT, or 10 percent of the market, down by 25 percent from 2018. It was followed by Ukraine with 45,497 MT or 7 percent of total imports, up by 77 percent from 2018. UAE was a distant fourth with 3 percent of the market. Last commercial U.S. chicken meat was exported to Saudi Arabia in May 2018. The 260 MT reported for 2019 was likely exported to the U.S. military commissaries or misreported.

Exporting Country	Saudi Arabia Chicken Meat Imports			
	Quantity in MT			
	2018	Market Share	2019	Market Share
Brazil	485,142	77%	444,560	73%
France	83,797	13%	62,683	10%
Ukraine	25,640	4%	45,497	7%
UAE	11,111	2%	19,655	3%
USA	8,724	1%	260	0%
Argentina	7,324	1%	9,376	2%
Russia	3,195	1%	12,205	2%
Turkey	2,163	0%	4,384	1%
Other Countries	3,643	1%	10,600	2%
Total	630,739	100%	609,220	100%

Source: TDM and USDA

Chicken Parts

While most poultry meat consumption in Saudi Arabia is in the form of whole chicken, demand for chicken parts has soared due to expansion of catering, fast food outlets, casual dining, and hotels. In 2019, imported chicken parts accounted for 33 percent of total Saudi chicken meat imports or 203,246 MT. Brazil maintained its dominance of the Saudi chicken part import market with 72 percent of the market or 145,542 MT, followed by the UAE at 9 percent, Ukraine (8 percent), Russia (4 percent), and Argentina (3 percent).

Important factors in the continued increase in demand for chicken parts (such as leg quarters and breast and deboned chicken meat) are increased demand by households of working-couples, expansion of Shawarma restaurants (a popular Middle Eastern style sandwich), rising demand for ready-to-cook poultry meals, and the continuing growth of hypermarkets and supermarkets.

Chicken Parts: HS Codes 020713 and 020714 in MT				
Reporting Country	2018	Market Share	2019	Market Share
Brazil	150,667	84%	145,542	72%
UAE	9,871	6%	18,336	9%
United States	8,302	5%	73	0%
Ukraine	4,920	3%	16,845	8%
Turkey	1,654	1%	4,368	2%
Argentina	423	0%	6,640	3%
Russia	227	0%	7,883	4%
Other	2,856	2%	3,559	2%
Total	178,920	100%	203,246	100%

Source: TDM

According to trade contacts, dark chicken meat accounts for about 70 percent of total chicken part imports and the balance is chicken breast. U.S. fast food chains such as McDonald's, KFC and their local rivals such as Al-Beck, Herfy, and Kudu depend mostly on imported chicken parts. Western casual dining restaurants including Chili's, Apple Bees, Fuddruckers, and TGI Fridays use significant quantities of chicken parts - particularly chicken breast. A large part of imported deboned chicken is destined for Shawarma restaurants. Shawarma is made of boneless chicken meat or beef mixed with pickles, lettuce and mayonnaise wrapped with pita bread.

Import Prices

The average C&F price for Brazilian whole frozen chicken meat has been increasing since January 2020. It increased to \$1,675 per MT in August, an increase of approximately 10 percent compared to \$1,525 per MT in January 2020. On the other hand, the FOB price of EU whole frozen chicken meat (mostly French) have been appreciating since January - reaching \$1,520 per MT in June, an increase of 9 percent over January reported price of \$1,392 per MT.

Local Chicken Meat Retail Prices

Over the past few years imported chicken prices have risen making locally produced chicken meat more competitive. The increase in imported chicken prices over the past several years has made local chicken meat more competitive than ever before. During the last week of August 2020, it was observed that per kg prices of domestic fresh chicken meat were equal or very closely priced with imported Brazilian and French frozen chicken meat. A kilo of local fresh domestic chicken meat was selling at \$4.25 while Perdix (a brand of imported Brazilian chicken) and French Doux were selling at \$4 and \$4.25, respectively. Chicken meat remains the most price competitive animal protein source in Saudi Arabia. Imported commercial beef is sold for up to \$12 per kg while a kilo of lamb is sold for up to \$15.70.

Import Requirements

Saudi Poultry Meat Import Regulations:

1. **Ban on Poultry Stunning:** Chicken must be slaughtered without the use of electrical immobilization or stunning.
2. **Hormone Free Certification:** The official health certificate must include a statement confirming that the poultry meat was tested and found to be free from hormones by the responsible government agency of the exporting country.
3. **Ban on Animal Protein Feeding:** SFDA poultry meat regulations require that the government health certificate accompanying shipments of poultry meat must clearly indicate that the birds slaughtered were not fed animal protein, animal fats, or any animal byproducts. In order for FSIS to issue the required animal protein free certification, exports of U.S. poultry and poultry products to the Kingdom must come from slaughter facilities that participate in the Agricultural Marketing Service's (AMS) Animal Protein Free Verification (APFV) Program for Poultry. Information about the APFV program and Official Listing of Eligible Suppliers to Saudi can be found on [at this link](#).
4. **Quality Standards:** Imported poultry meat and products must meet all existing Gulf Standards Organization's (GSO) poultry meat quality standards and specifications.
5. **Halal Certificate:** Poultry slaughtering has to take place in an officially licensed slaughterhouse and in accordance with Islamic slaughtering procedures: GSO 993/2015 "Animal slaughtering Requirements According to Islamic Law".
6. **Certificate of Islamic Slaughter:** A certificate of Islamic slaughter must be issued for all poultry meat and products entering the Kingdom of Saudi Arabia. This certificate is currently issued in the United States by Halal Certifiers accredited by the Makkah based Muslim World League (MWL). The certificate must be attested by the Saudi Embassy or Consulate in the U.S. before the poultry meat is shipped to Kingdom. Saudi Arabia is currently revising its accreditation and certification system. Current certificates are valid through March 1, 2021. Several important details about the transition need to be confirmed. And we will publish a comprehensive report by September 30.
7. **Laboratory Test:** All poultry meat and products imported will be checked and tested at Saudi ports of entry to ascertain that they meet all of the above requirements.

Exports

In 2019, Saudi Arabia exported 41,410 MT of chicken meat to 22 countries in the Middle East and Africa. The UAE is the leading importer of Saudi chicken meat. Last year it imported 42 percent or 17,370 MT. This was followed by Bahrain with 23 percent, Kuwait 11 percent, Brazil 8 percent and Yemen 6 percent.

The Saudi government maintains a \$533 per MT export tax on exports of poultry to recover part of the production subsidies that it provides to domestic chicken producers. The export duty, which was imposed at the end of 2012, made Saudi chicken meat prices more expensive in export markets. However, some consumers in the importing countries are willing to pay the higher price because it is fresh and guaranteed Halal.

Saudi Arabia Chicken Meat Exports				
MT				
Reporting Country	2018	Export Share	2019	Export Share
UAE	12,483	41%	17,370	42%
Bahrain	9,154	30%	9,596	23%
Yemen	3,614	12%	2,541	6%
Brazil	1,448	5%	3,176	8%
Oman	627	2%	1,111	3%
Kuwait	237	1%	4,395	11%
Congo (DROC)	971	3%	1,418	3%
Other	1,876	6%	2,207	5%
Total	30,410	100%	41,814	100%

Source: TDM

Stocks

The government does not hold strategic poultry stocks. And stock data is not publicly available. For PS&D table calculations we set beginning and ending stocks at zero – holding them constant. Stocks are, however, sometimes significant.

Policy

On January 1, 2020, the Saudi government stopped paying animal feed import subsidies (except for some types of forage.) And it implemented a new animal feed subsidy regime that provides direct monthly financial subsidies to livestock and poultry farmers based on production.

The government provides up to \$187 million in direct production based subsidies to the poultry industry annually. The subsidies are listed in the table below. The government believes that paying subsidies based on production will incentivize producers to establish good biosecurity and adopt technology to increase efficiency and productivity. The exchange rate for one USD is 3.75 Saudi riyals (SAR).

Saudi Production Based Poultry Subsidies		
Poultry Type	Subsidy in SAR per Month	Production Unit
Broiler parent chick	SAR0.40	Per chick
Layer parent chick	SAR0.20	Per chick
Broiler chick	SAR0.14	Per chick
Broiler meat	SAR0.65	Per kg
Table eggs	SAR15	Per carton of 360 eggs

Source: TDM

The Kingdom has encouraged the establishment of new chicken farms and the expansion of existing ones by offering various types of production support. These include direct production subsidies, interest-free loans, and rebates on the purchase of certain poultry equipment.

Marketing

Saudi Arabia has an extensive infrastructure for poultry meat distribution. Poultry producers and importers generally have adequate storage facilities, including refrigerated trucks and cold storage. Poultry meat and products are available in both wholesale and retail outlets throughout the Kingdom. Major poultry farms and importers sell their products to retailers, wholesalers and directly to consumers through their own nationwide cold store outlets. Consumers may purchase poultry meat in cardboard boxes containing ten chickens from wholesalers or in individual pieces from retail stores and supermarkets. Commercial customers purchase their poultry supplies either from importers/distributors, poultry farms, or both.

Note: MEWA classifies poultry production farms as either specialized (commercial) or traditional. Commercial farms account for 99.8 percent of total Chicken meat produced in Saudi Arabia. As such, the PSD table in this report includes only chicken meat produced on commercial farms.

Chicken Meat Production, Supply and Demand Data Statistics:

Meat, Chicken Market Year Begins	2019		2020		2021	
	Jan 2019		Jan 2020		Jan 2021	
Saudi Arabia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	720	800	730	930	0	950
Total Imports (1000 MT)	609	609	475	550	0	625
Total Supply (1000 MT)	1329	1409	1205	1480	0	1575
Total Exports (1000 MT)	42	42	35	30	0	50
Human Consumption (1000 MT)	1287	1367	1170	1450	0	1525
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	1287	1367	1170	1450	0	1525
Total Use (1000 MT)	1329	1409	1205	1480	0	1575
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	1329	1409	1205	1480	0	1575
(1000 MT)						

Not Official USDA Data

Table Eggs

Saudi Arabia is a surplus table egg producer and a significant exporter to GCC countries. It has been exporting eggs for more than two decades. Currently available data shows that the Kingdom produced more than 5.2 billion table eggs in 2018, an increase of about one percent compared to 2017. In 2019, the Kingdom exported 5,822 MT of table eggs a decrease of 8 percent compared to total exports in 2018. The eggs were exported to the GCC countries- 58 percent to Bahrain, 22 percent to UAE, 15 percent to Oman and 4 percent to Kuwait.

The Saudi table egg sector is highly developed and has been relatively more successful than the chicken sector. This year, however, an outbreak of the highly pathogenic H5N8 bird flu virus decimated several layer farms in early February 2020. The outbreak reduced table egg production by approximately 30 percent and caused acute shortages during the COVID-19 lockdown. The shortages caused the price of table eggs to hike by up to 70 percent. In response SFDA relaxed table egg facility registration requirements. Traders and the state owned Saudi Agricultural and Livestock Investment Company (SALIC), imported hundreds of containers of table eggs from the Ukraine, EU and Turkey. Also, several shipments of organic eggs were imported by a retailer from the United States. The table eggs shortage was overcome by late June.

Saudi Table Eggs Exports MT				
Importer	2018	Market Share	2019	Market Share
Bahrain	3,317	77%	2,199	58%
UAE	966	22%	836	22%
Oman	0	0%	559	15%
Kuwait	10	0%	141	4%
Yemen	17	0%	29	0%
Jordan	5	0%	39	1%
Egypt	11	0%	0	0%
Total	4,326	100%	3,803	100%

Source: TDM

Attachments:

No Attachments