

Voluntary Report – Voluntary - Public Distribution

Date: March 24, 2021

Report Number: SA2021-0003

Report Name: Saudi Arabia Extends Shelf-Life for US Beef

Country: Saudi Arabia

Post: Riyadh

Report Category: Livestock and Products, Policy and Program Announcements, Food Service - Hotel Restaurant Institutional, Retail Foods, Promotion Opportunities

Prepared By: Hussein Mousa

Approved By: Mark Ford

Report Highlights:

On February 2, 2021, the Saudi Food and Drug Authority (SFDA) increased the shelf life for U.S. chilled beef from 70 to 120 days. This measure is expected to help U.S. exporters save at least \$4 per kg while providing Saudi importers with the flexibility to purchase larger quantities of U.S. beef. Since 2016, Post has been seeking a longer shelf life for U.S. beef, and this announcement is a welcome sign for many beef importers in Saudi Arabia. In 2020, the United States exported approximately \$10 million in U.S. beef to Saudi Arabia, and that number is expected to significantly increase over the next several years.

SFDA Increases Shelf Life for Chilled Beef

After nearly four years of seeking a longer shelf life for U.S. beef, SFDA finally made the long-awaited update to its SFDA.FD 150 -1: 2018 “Expiration Dates for Food Products – Part 1: Mandatory Expiration Dates.” The new regulation (listed as: SFDA.FD 150 -1: 2121) has been fully implemented and increases the shelf life for chilled beef, buffalo, and camel meat from 70 to 120 days from the date of slaughter if the meat is vacuum-packed under a modified atmosphere. The old regulation set 70 days for livestock meat if it was vacuum-packed in plastic containers, and 90 days if meat was packed under a carbon dioxide atmosphere. In the past, U.S. beef exporters were not able to fully use the 90 days expiration period since packing beef under a carbon dioxide atmosphere is not practiced by the U.S. beef industry. As such, U.S. beef exports had only a 70-day shelf-life period. The new regulation increases the shelf life of U.S. beef by an additional 50 days, and this measure is expected to significantly increase U.S. beef exports to Saudi Arabia. (The SFDA.FD 150 -1: 2121 regulation is available in Arabic and can be purchased at the SFDA technical regulations and standards website at this link: [regulations store](#).)

According to various U.S. beef exporters and Saudi importers, this announcement is a welcome sign on many fronts. Specifically, it helps the following:

- (1) Lower Transportation Costs: U.S. beef can now be exported exclusively by sea, which will reduce transportation costs by at least \$4 per kg compared to air shipments and improve U.S. beef competitiveness in the Saudi market.
- (2) Ageing Process Equals Better Flavor: U.S. beef now has an extra 45–50 days, from the date of slaughter until it reaches warehouses in Saudi Arabia. The additional time is expected to improve the quality and flavor.
- (3) More Time to Sell: Saudi importers now have at least 70 days to sell U.S. beef compared to only a couple of weeks from the previous regulation. The additional time should improve profitability as a longer shelf life eliminates the need for panic selling at discounted prices.
- (4) Larger Orders for U.S. Beef: Saudi Importers can now place larger orders for U.S. beef, which is expected to benefit both the consumer and the U.S. beef industry. Various establishments now have the flexibility to promote more U.S. beef throughout the year.

Outlook for U.S. Beef in Saudi Arabia

In 2019, total U.S. beef exports to Saudi Arabia reached a record \$14 million since SFDA lifted its ban on U.S. beef imports at the end of 2016. This was an increase of approximately 30 percent compared to 2018. Unfortunately, in 2020, the value decreased to approximately \$10 million due mainly to various COVID-19 lockdown measures that drastically reduced demand by five-star hotels as well as casual and fine dining restaurants.

Saudi Arabia is a blossoming market for U.S. beef exports due to an over-sized, expanding, and resilient hotel, restaurant and institutional (HRI) industry. Post anticipates demand for U.S. beef will be driven

by this sector as well as an expected return of several million religious pilgrims, tourists, and public events (e.g., international conventions, weddings, and conferences) throughout 2021. Post expects record level U.S. beef exports to Saudi Arabia over the next several years.

Post Contacts

FAS Riyadh maintains an extensive network of food and agricultural contacts in Saudi Arabia and can provide a list of relevant Saudi food and agricultural product importers to U.S. exporters upon request. U.S. suppliers can also contact post to be matched with prospective importers, assistance clearing consignments of U.S. products, or for information on the market. For additional information on this announcement or for any other assistance, please contact FAS Riyadh at the following:

Post Contact Information

Office of Agricultural Affairs, U.S, Embassy,
Tel: 966-11-488-3800 Ext. 4351
Internet E-Mail Address: Agriyadh@usda.gov

OAA Riyadh Reports

OAA Riyadh reports on the Saudi food industry can be found at [this link](#).

Attachments:

No Attachments.