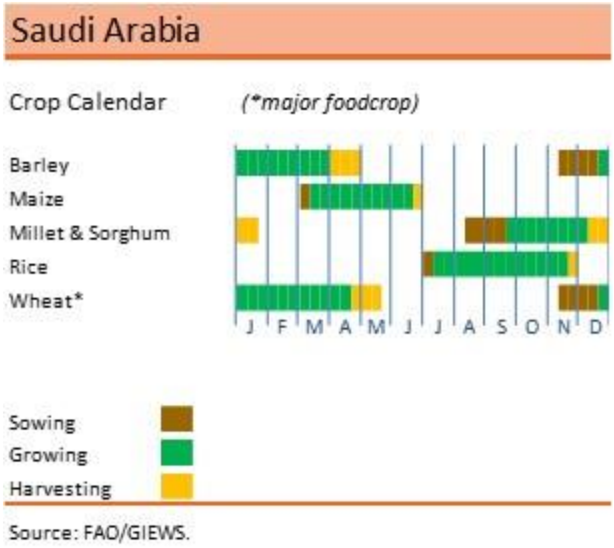
Food and Agriculture Organization of the United Nations

GIEWS Country Brief
Saudi Arabia

Reference Date: 18-November-2020

FOOD SECURITY SNAPSHOT

- **Wheat production gradually increased since 2018**
- **Cereal import requirements forecast at average level in 2020/21**
- **Food price inflation increases as value added tax rise implemented**



Wheat production gradually increased since 2018

Owing to natural and geographic conditions, crop production is limited to irrigated crops only. Since 2015, domestic wheat production, which on average used to be about 2.5 million tonnes from 500 000 hectares, was gradually phased out in an effort to stop the depletion of underground water reserves. However, in 2018, the Government reintroduced support for wheat production to provide forage producers with an alternative crop that is less water-intensive than alfalfa, the main green fodder crop.

The 2020 wheat crop, harvested in May, is estimated at about 500 000 tonnes. In May 2020, the Saudi Grains Organization (SAGO), the monopsony purchaser of wheat, was purchasing wheat at SAR 1 140 (equivalent to USD 304) per tonne, well above the international price of USD 220 per tonne (without freight). However, despite the high procurement price of wheat, many farmers still prefer to produce high protein alfalfa as its income per hectare is higher.

In light of the strong domestic demand for food and feed, the Government is encouraging agricultural investments abroad to produce commodities to be then imported. This initiative targets wheat, rice, barley, yellow maize, soybeans and green forage.

As of October 2020, locust numbers declined as a result of control operations against immature adults present in the southern Red Sea. Depending on rainfall, breeding is expected to occur in December in coastal areas.

Saudi Arabia

Cereal Production

	2015-2019 average	2019	2020 estimate	change 2020/2019
	000 tonnes			percent
Wheat	163	200	500	150.0
Sorghum	150	148	152	2.7
Maize	85	89	88	-1.1
Others	29	33	40	21.2
Total	427	470	780	66.0

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheet.

Average cereal imports forecast in 2020/21

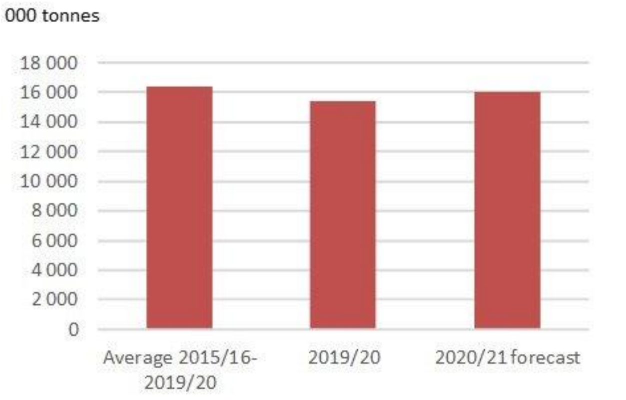
Cereal import requirements in the 2020/21 marketing year (July/June) are forecast at an average level of 16 million tonnes, about 500 000 tonnes above the previous year. Imports of barley and maize, mainly used for feed, constitute the bulk of the cereal imports and are forecast at 7 million tonnes and 4.5 million tonnes, respectively. Wheat imports are expected at a slightly below-average level of 3.2 million tonnes, while rice imports are forecast at an average level of about 1.3 million tonnes. The country strives to maintain its wheat stocks equivalent to six months of consumption.

Food price inflation steeply increased in July

The overall inflation rate increased from 2-4 percent in the first quarter of 2020 to 13-14 percent in the third quarter. The large increase in the food price inflation in July 2020 was caused by a rise in the value added tax from 5 to 15 percent in an effort to contain fiscal shortages. The decline in global oil prices has put pressure on the national budget. The oil sector contributes about 50 percent of the Gross Domestic Product (GDP) and oil revenues cover about 80 percent of country's budget expenses. As of October 2020, the Brent reference price recovered slightly from USD 30 per barrel in May 2020 to USD 40 per barrel, but it remained well below the levels needed to balance the budget deficit and the current account of USD 85 and USD 55 per barrel, respectively. The Government is also providing support to business affected by the COVID-19 pandemic and measures introduced to contain the spread of the virus. The economy is forecast to contract more than 5 percent in 2020, the biggest contraction since 1987.

Saudi Arabia

Cereals Imports



Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).
Source: FAO/GIEWS Country Cereal Balance Sheets.

Food and Agriculture Organization of the United Nations

GIEWS Country Brief
Saudi Arabia

Reference Date: 29-May-2020

FOOD SECURITY SNAPSHOT
- **Wheat production gradually increases**
- **Cereal import requirements forecast at average level in 2020/21**
- **Food price inflation rates increase**

Wheat production gradually increases

Owing to natural and geographic conditions, only irrigated crops are grown in the country. Since 2015, domestic wheat production, which used to be on average about 2.5 million tonnes from 500 000 hectares, was gradually phased out in an effort to stop the depletion of local water reserves. From 2018, the Government reintroduced support for wheat production to provide forage producers with an alternative crop. Wheat cultivation is deemed less water-intensive than alfalfa (the main green fodder crop) cultivation.

In 2019, about 200 000 tonnes of wheat were delivered to the Saudi Grains Organization (SAGO), the monopsony purchaser of wheat, although SAGO has been authorized by the Government to purchase up to 700 000 tonnes of wheat annually until 2024. As the Government strives to reduce domestic forage production, it is likely that more farmers will turn to producing wheat. Harvesting of the 2020 wheat crop is ongoing and production is forecast at about 500 000 tonnes. In the current season, SAGO's net purchasing price is SAR 1 140 (equivalent to USD 304) per tonne, well above the current international price of USD 220 per tonne (without freight). Many farmers still prefer to produce fodder crops as 1 tonne of high protein locally produced alfalfa is currently sold at more than USD 300 per tonne.

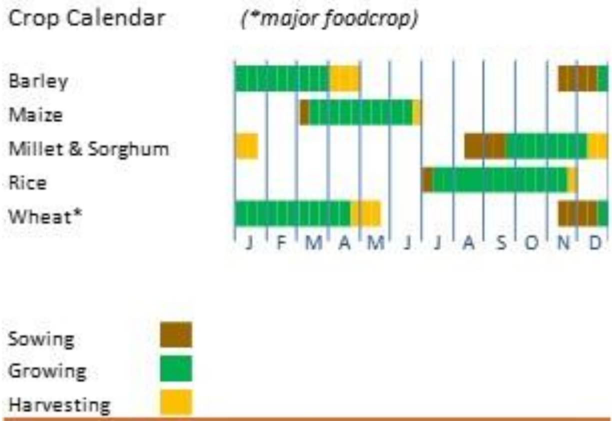
In light of the strong domestic demand for food and feed, the country is encouraging agricultural investments abroad for products to be then imported. This initiative targets wheat, rice, barley, yellow maize, soybeans and green forage.

As of May 2020, control operations were in progress against immature adult groups of desert locusts that formed in the Nafud Desert in the north and mature adult groups in the south near Yemen.

Average cereal imports forecast in 2020/21

Cereal import requirements in the 2020/21 marketing year (July/June) are forecast at an average level of 16 million tonnes,

Saudi Arabia



Source: FAO/GIEWS.

Saudi Arabia

Cereal Production

	2015-2019 average	2019	2020 forecast	change 2020/2019
	000 tonnes			percent
Wheat	163	200	500	150.0
Sorghum	150	148	152	2.7
Maize	85	89	88	-1.1
Others	29	33	40	21.2
Total	427	470	780	66.0

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheet.

about 500 000 tonnes above the previous year. Imports of barley and maize, mainly used for feed, constitute the bulk of the cereal imports and are forecast at 7 million tonnes and 4.5 million tonnes, respectively. Wheat imports are expected at a slightly below-average level of 3.2 million tonnes, while rice imports are forecast at an average level of about 1.3 million tonnes. The country strives to maintain its wheat stocks equivalent to six months of consumption. Most of the wheat is imported from the European Union.

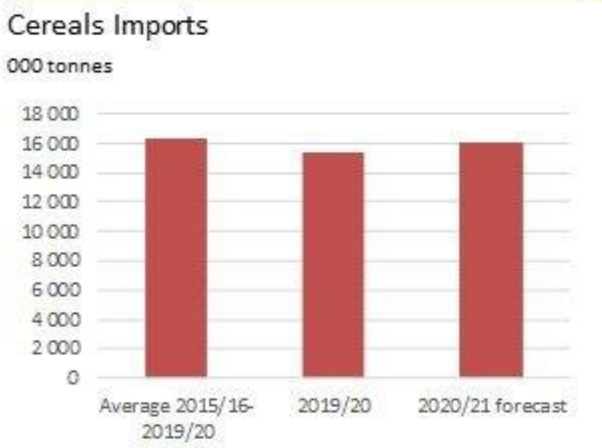
Food price inflation rates increase

The overall inflation rate increased from negative levels in 2019 to positive 0.7-1.5 percent between January and April 2020.

The food price inflation, which in 2019 remained below 3 percent, recorded a 6 percent year-on-year increase in April 2020, supported by increased demand during the lockdown. Wholesale prices of wheat flour for bakers and industrial users have not changed over the last 30 years, ranging between USD 0.27 and USD 0.33 per kg.

The decline in global oil prices is putting a pressure on the national budget. The oil sector contributes about 50 percent of the Gross Domestic Product (GDP) and oil revenues cover about 80 percent of country's budget expenses. As of May 2020, the Brent reference price remained around USD 30 per barrel, well below the levels of USD 85 and USD 55 per barrel, respectively, needed to balance the budget deficit and the current account. In order to decrease the current budget deficit, the Value Added Tax (VAT) is scheduled to increase from 5 to 15 percent in July. The Government also plans to suspend the monthly living allowance, introduced two years ago to offset the increase in living expenses, to (approximately USD 267) in June to 1.5 million State employees.

Saudi Arabia



Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).
Source: FAO/GIEWS Country Cereal Balance Sheets.

COVID-19 and measures adopted by the Government

To contain the spread of the disease, Mecca and Medina have been under complete lockdown since 1 April 2020 and, on 6 April, the lockdown was extended to the whole country. Curfews as well as bans on gatherings, religious functions and movement were introduced, while schools and borders were closed. Curfew violators can be fined up to SAR 500 000 (over USD 133 000). In addition, non-Saudi offenders risk being deported and permanently banned from entering the country. Economic activities, which can ensure social distancing, have resumed on 22 April 2020. Curfew easing started on 28 May allowing the movement within specified hours.

In March 2020, the Saudi Arabian Monetary Authority cut the repo rate at which the Central Bank lends to commercial banks from 1.75 to 1 percent. The King approved the raising of the debt ceiling from 30 to 50 percent of the GDP. A SAR 70 billion (USD 18.7 billion or 2.8 percent of the GDP) private sector support package was announced on 20 March 2020. The package includes the suspension of Government tax payments, fees and other dues to provide liquidity to the private sector and an increase in available financing through the National Development Fund. As the decline in global oil prices has decreased Government revenues, the authorities have announced that spending in non-priority areas of the 2020 budget will be reduced by SAR 50 billion (2 percent of the GDP) to accommodate some of these new initiatives within the budget envelope.

On 3 April 2020, the Government authorized the use of the an unemployment insurance fund (SANED) to support up to 60 percent of wages, within certain limits, to private sector companies who retain their Saudi staff (SAR 9 billion, 0.4 percent of the GDP) and eased restrictions on expatriate labour mobility and their contractual arrangements.

The Saudi Human Resources Development Fund announced the allocation of SAR 2 billion to support 100 000 job seekers in the private sector, in addition to offering and activating remote working tools as available and alternative options for regular work.

Food and Agriculture Organization of the United Nations

GIEWS Country Brief
Saudi Arabia

Reference Date: 13-September-2019

FOOD SECURITY SNAPSHOT

- **Wheat production gradually increases**
- **Cereal import requirements forecast at average level in 2019/20**
- **Inflation rates decrease**

Wheat production gradually increases

Owing to natural and geographic conditions, only irrigated crops are grown in the country. Domestic wheat production resumed in 2018 after three years of very limited cultivation with an output of about 10 000 tonnes per year. In 2007, a Government decree called for a gradual phase-out of domestic wheat production by 2015 in an effort to stop the depletion of local water reserves. Although no penalties were in place for farmers not complying with the phase-out programmes, State purchasing and support programmes were no longer in place. Farmers of phased-out crops were encouraged to engage in alternative sustainable production activities such as greenhouse farming or production of fruits and vegetables using advanced drip irrigation techniques.

From 2018, the Government policy reintroduced support for wheat production to provide forage producers with an alternative crop. Wheat cultivation is deemed less water intensive than alfalfa (the main green fodder crop) cultivation. Responding to concerns over water, the current plan calls for an about 40 percent reduction in green fodder production from 2018. The Government will monitor the impact of the wheat and green forage production policies on water levels and adjust them if needed.

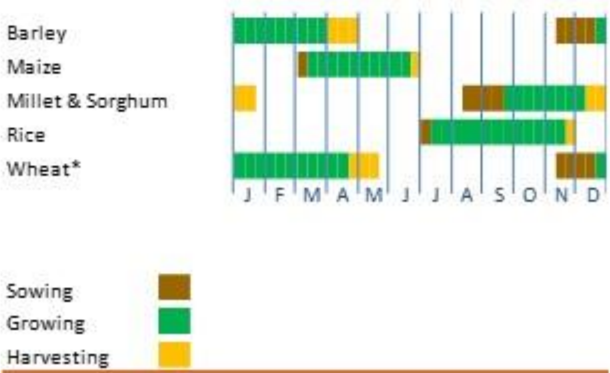
In 2019, about 700 000 tonnes of wheat were harvested (up 40 percent compared to 2018) from about 87 000 hectares. Before the decision to phase out wheat production, the country produced on average 2.5 million tonnes of wheat per year from about 500 000 hectares.

In light of the strong domestic demand for food and feed, the country is encouraging agricultural investments abroad for products to be then imported. This initiative targets wheat, rice, barley, yellow maize, soybeans and green forage.

Unusually good rains in August 2019 will allow breeding from September onwards and hopper bands may form in the southern coastal plains of the Red Sea. Immature adult groups were treated (3 900 hectares) in the southwest of the country.

Saudi Arabia

Crop Calendar *(*major foodcrop)*



Source: FAO/GIEWS.

Saudi Arabia

Cereal Production

	2014-2018 average	2018	2019 estimate	change 2019/2018
	000 tonnes			percent
Wheat	245	500	700	40.0
Sorghum	204	192	180	-6.3
Maize	83	84	89	6.0
Others	23	28	33	17.9
Total	555	804	1 002	24.6

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheet.

Average cereal imports forecast in 2019/20

Cereal import requirements in the 2019/20 marketing year (July/June) are forecast at 17.4 million tonnes, about 15 percent above the previous year and close to the five-year average. Imports of barley and maize, mainly used for feed, constitute the bulk of the cereal imports and are forecast at 7.7 million tonnes and 5.2 million tonnes, respectively. Wheat imports are expected at a slightly below-average level of 3.2 million tonnes, while rice imports are forecast at an average level of about 1.3 million tonnes. The country strives to maintain its wheat stocks equivalent to six to eight months of consumption.

Inflation rates decrease

The overall inflation decreased from average levels of about 2 percent year on year in 2018 to negative levels between January and July 2019. The decrease is attributed to the declining impact of a value-added tax and fuel subsidy introduced in 2018. The food price inflation, which in 2018 fluctuated between 5 and 7 percent, recorded 0 percent year on year in July 2019. Wholesale prices of wheat flour for bakers and industrial users have not changed for over 30 years, ranging between USD 0.27 and USD 0.33 per kg.

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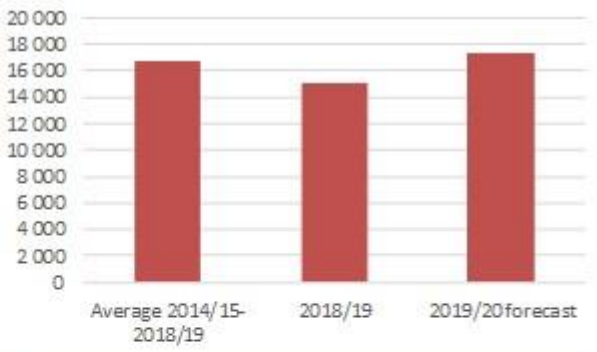
Saudi Arabia

Cereals Imports

000 tonnes



Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).

Source: FAO/GIEWS Country Cereal Balance Sheets.

Food and Agriculture Organization of the United Nations

GIEWS Country Brief
Saudi Arabia

Reference Date: 19-December-2018

FOOD SECURITY SNAPSHOT

- **Wheat production phased out in 2016, green fodder phasing out in 2019**
- **Cereal import requirements forecast to increase in 2018/19**
- **Subsidy cuts moving slower, new VAT scheme introduced in January 2018**

Wheat production phased out in 2016, green forage phasing out in 2019

To stop depletion of local water reserves, the country terminated its wheat cultivation by the end of the 2015/16 marketing year. The production of green fodder is expected to be phased out in 2019. Although no penalties are in place for farmers not complying with the phase-out programmes, State purchasing and support programmes are no longer in place. Farmers of phased-out crops are encouraged to engage in alternative sustainable production activities such as greenhouse farming or production of fruits and vegetables using advanced drip irrigation techniques.

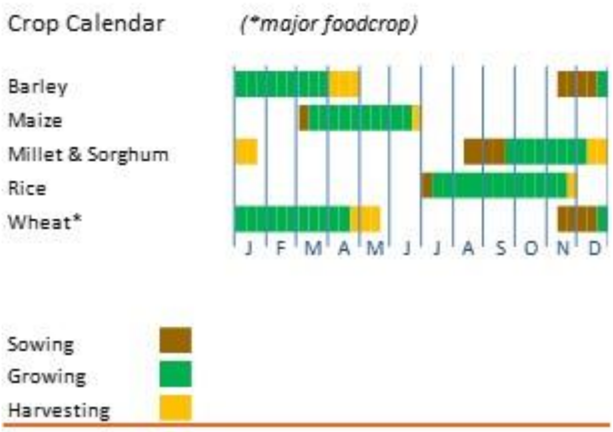
A small wheat and barley crop of no more than 10 000 tonnes, respectively for traditional specialty bakery products prevails.

In light of the decreasing domestic agricultural production and strong domestic demand for food and feed, the country is encouraging agricultural investments abroad for products to be then imported. This initiative targets wheat, rice, barley, yellow maize, soybeans and green forage.

Cereal imports to increase in 2018/19

Cereal import requirements in the 2018/19 marketing year (July/June) are forecast at 18 million tonnes, about 5 percent above the previous year and the five-year average. Imports of barley and maize, mainly used for feed, constitute the bulk of the cereal imports and are forecast at 8 million tonnes and 5 million tonnes, respectively. Wheat imports are expected to remain at an average level of 3.4 million tonnes, while rice imports are forecast at an average level of about 1.2 million tonnes. The country strives to maintain its wheat stocks equivalent to eight month of consumption.

Saudi Arabia



Source: FAO/GIEWS.

Saudi Arabia

Cereal Production

	2013-2017 average	2017	2018 estimate	change 2018/2017
	000 tonnes			percent
Wheat	282	10	10	0.0
Sorghum	187	170	192	12.9
Maize	85	80	84	5.0
Others	21	26	28	7.7
Total	576	286	314	9.8

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheet.

Subsidy cuts moving slower, new VAT scheme introduced in January 2018

In an effort to balance its budget, the Government made its first subsidy cuts in December 2015 and introduced an excise tax on selected products such as tobacco, soft and energy drinks in June 2017. In October 2017, the Government announced its intention to adopt a more flexible approach to its subsidy reform and introduce subsidy cuts more gradually in order to mitigate the impact of the fiscal policy on the stagnating national economy. In January 2018, in line with the Gulf Cooperation Council Unified VAT Agreement, the country introduced 5 percent VAT. Low and middle-income families affected by the price increases had the opportunity to register for cash transfers. According to reports, disbursal of monthly payments ranging from USD 80 to USD 250 per family started in December 2017.

Responding to the newly introduced VAT, the overall inflation increased from negative levels in 2017 to 3 percent from January 2018 to October 2018. The food price inflation in 2018 fluctuated between 5 and 7 percent, up from negative levels one year earlier. Prices of wheat flour have not changed for over 30 years, wholesaling 1 kg of consumer packed wheat flour between USD 0.27 and USD 0.33 per kg.

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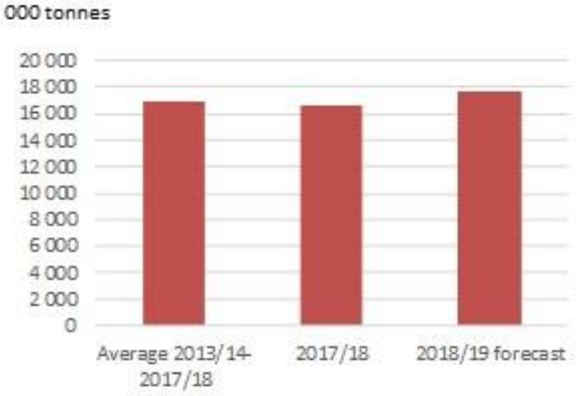
Saudi Arabia

Cereals Imports

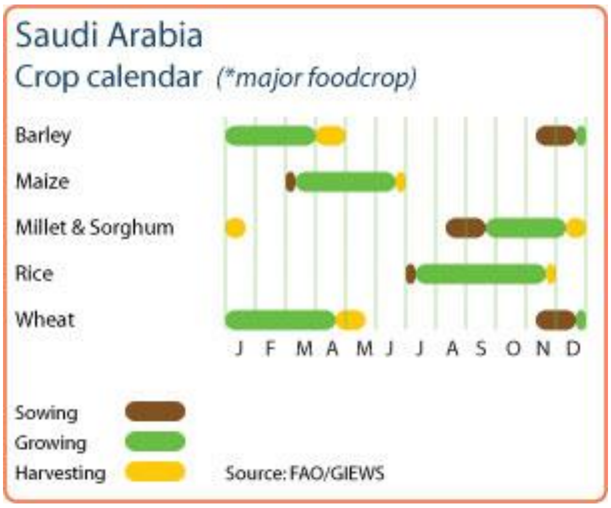


Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).
Source: FAO/GIEWS Country Cereal Balance Sheets.

GIEWS Country Brief
Saudi Arabia

Reference Date: 02-November-2017

FOOD SECURITY SNAPSHOT
- **Phasing out of wheat production completed in 2016, green fodder to be phased out by 2019**
- **Cereal import requirements forecast to increase in 2017/18**
- **Cash transfer programme to compensate cuts in universal subsidies to be implemented in 2017**



Wheat production phased out in 2016, green forage to be phased out by 2019

The country completely terminated its wheat cultivation by the end of the 2015/16 marketing year by gradually reducing wheat production quotas and purchase programmes for registered farmers. The measure was introduced because of the strong concern over the depletion of local water reserves, which were used to irrigate wheat production. Although no penalties were announced for farmers who continued growing wheat after 2015, State purchasing programmes are no longer in place. A small wheat crop of no more than 10 000 tonnes for traditional specialty bakery products prevails.

As some farmers have switched from wheat to forage crops, which consume more water than wheat, currently a three-year phase-out plan to terminate the local production of green fodder by 2019 is being also implemented. Farmers of phased-out crops are encouraged to engage in alternative sustainable production activities such as greenhouse farming or production of fruits and vegetables using advanced drip irrigation techniques.

In light of the decreasing domestic agricultural production and strong domestic demand for food and feed, the country is encouraging agricultural investments abroad for products to be then imported. This initiative targets wheat, rice, barley, yellow maize, soybeans and green forage.

Saudi Arabia
Cereal production

	2012-2016 average	2016	2017 forecast	change 2017/2016
	000 tonnes			percent
Wheat	411	10	10	0
Sorghum	205	265	265	0
Maize	86	80	80	0
Others	20	27	27	0
Total	721	382	382	0

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Cereal imports to increase in 2017/18

Cereal import requirements in the 2017/18 marketing year (July/June) are early forecast at 20.5 million tonnes, about 9 percent above the previous year and 3 million tonnes above the five-year average. Imports of barley and maize, mainly used for feed, constitute the bulk of the cereal imports and are forecast at 11 million tonnes and 4.2 million tonnes, respectively. The Government has been encouraging the use of processed feed instead of raw barley with the aim to reduce barley imports by

1.5 million tonnes by 2020. Wheat imports are expected to remain high at 3.9 million tonnes, while rice imports are forecast at an average level of about 1.3 million tonnes.

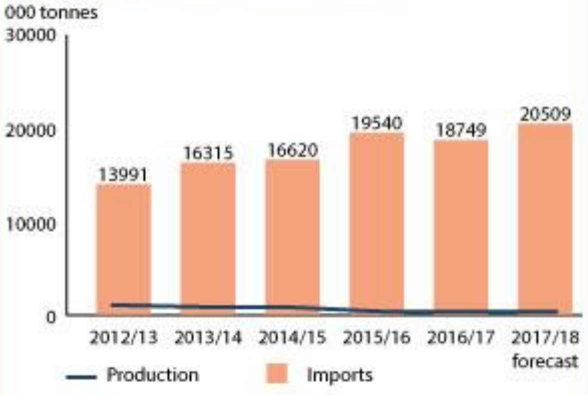
Subsidies to be replaced by cash transfer programme

In an effort to balance its budget, the Government made first subsidy cuts in December 2015 and introduced an excise tax on selected products (such as tobacco, soft and energy drinks) in June 2017. Low and middle-income families affected by the price increases had the opportunity to register for cash transfers. According to reports, disbursal of monthly payments averaging SAR 147 per beneficiary (equivalent to USD 40) should start in 2017, with modalities yet to be announced. As of October 2017, it was announced that the Government intends to adopt a more flexible approach to its subsidy reform and introduce subsidy cuts more gradually in order to mitigate the impact of the fiscal policy on stagnating national economy.

The overall inflation from January 2017 to September 2017 was negative, ranging between zero and 1 percent. The food price inflation recorded a decrease of 1.4 percent in September 2017, owing to strong US dollar to which the Saudi Riyal is pegged making food imports cheaper. Prices of wheat flour have not changed for over 30 years, wholesaling 1 kg of consumer packed wheat flour between USD 0.27 and USD 0.33 per kg.

Saudi Arabia

Total cereal production and imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

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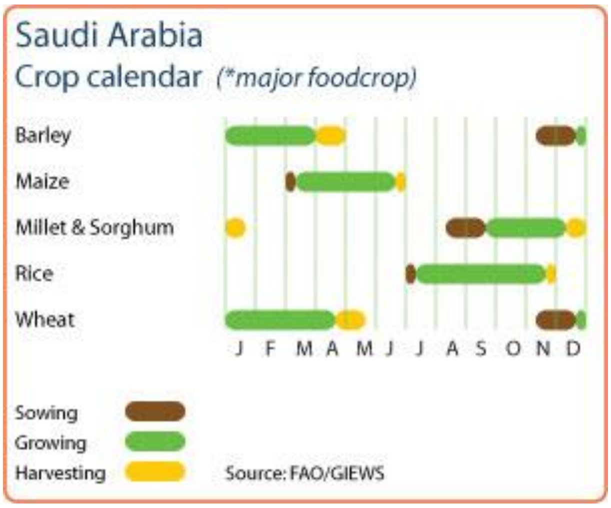
GIEWS Country Brief
Saudi Arabia

Reference Date: 22-June-2017

FOOD SECURITY SNAPSHOT

- **Phasing out of wheat production completed in 2016, green fodder to be phased out by 2019**
- **Cereal import requirements forecast to decline in 2016/17**
- **Cash transfer programme to compensate cuts in universal subsidies to be implemented in 2017**



Saudi Arabia

Cereal production

	2012-2016 average	2016	2017 forecast	change 2017/2016
	000 tonnes			percent
Wheat	411	10	10	0
Sorghum	205	265	265	0
Maize	86	80	80	0
Others	20	27	27	0
Total	721	382	382	0

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Wheat production phased out in 2016, green forage to be phased out by 2019

The country completely terminated its wheat cultivation by the end of the 2015/16 marketing year by reducing wheat production quotas and purchase programmes for registered farmers. The measure reflected strong concern over the depletion of local water reserves which were used to irrigate wheat production. As some farmers switched from wheat to forage crops which consume more water than wheat, currently a three-year phase-out plan to terminate the local production of green fodder by 2019 is being also implemented.

Farmers of phased-out crops are encouraged to engage in alternative sustainable production activities such as greenhouse farming or production of fruits and vegetables using advanced drip irrigation techniques. No penalties were announced for farmers who continued growing wheat after 2015 although State purchasing programmes are no longer in place. A small wheat crop of no more than 10 000 tonnes for traditional specialty bakery products is expected to prevail.

In light of the decreasing domestic production and strong domestic demand, the country is encouraging agricultural investments abroad for products to be then imported. This initiative targets wheat, rice, barley, yellow maize, soybeans and green forage.

Cereal imports to increase in 2017/18

Cereal import requirements in the 2017/18 marketing year (July/June) are early forecast at 20.4 million tonnes, about 7 percent above the previous year and 3 million tonnes above the five-year average. Imports of barley and maize, mainly used for feed, constitute the bulk of the cereal imports and are forecast at 11 million tonnes and 4.2 million tonnes, respectively. The Government has been encouraging the use of processed feed instead of raw barley with the aim to reduce barley imports by

1.5 million tonnes by 2020. Wheat imports are expected to remain high at 3.9 million tonnes, while rice imports are forecast at an average level of about 1.3 million tonnes.

Subsidies to be replaced by cash transfer programme

The Government is continuing with subsidy reforms to bring fuel and utilities prices closer to international benchmarks following the first cuts in December 2015. Low and middle income families affected by the increases could have registered for cash transfers from February 2017, with the first allowance to be paid in the month preceding the change in prices of energy and water products. The rate of allowances will be announced with every economic reform.

An excise tax on selected products, including a 50 percent tax on soft drinks and a 100 percent tax on tobacco and energy drinks, was implemented on 10 June 2017. The Gulf Cooperation Council countries are also set to implement a value-added tax of 5 percent on certain goods in January 2018.

The overall inflation from January 2017 to May 2017 was negative 1 percent. The food price inflation recorded a decrease of 2.3 percent in May 2017, owing to strong US dollar to which the Saudi Riyal is pegged making food imports cheaper. Prices of wheat flour have not changed for over 30 years, wholesaling 1 kg of consumer packed wheat flour between USD 0.27 and USD 0.33 per kg.

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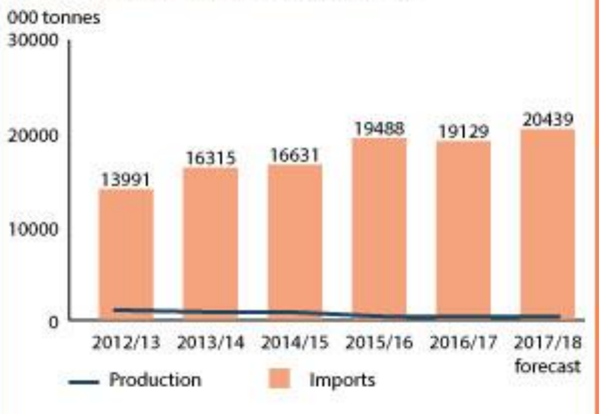
Saudi Arabia

Total cereal production and imports



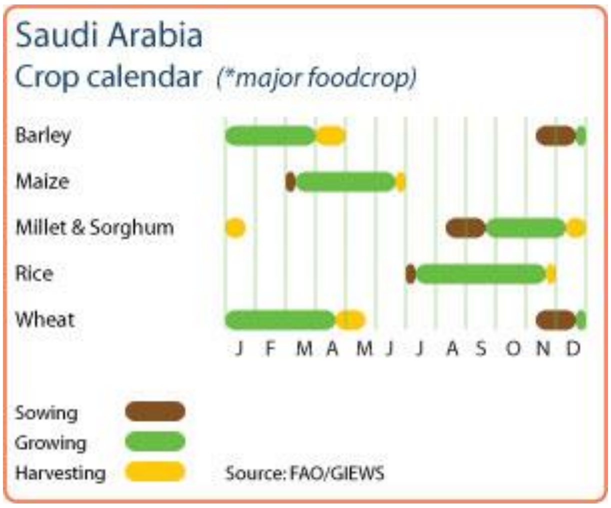
Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

Food and Agriculture Organization of the United Nations

GIEWS Country Brief
Saudi Arabia

Reference Date: 23-February-2017

FOOD SECURITY SNAPSHOT
- **Phasing out of wheat production completed in 2016**
- **Cereal import requirements forecast to decline in 2016/17**
- **Cash transfer programme to compensate cuts in universal subsidies to be implemented in 2017**



Saudi Arabia

Cereal production

	2011-2015 average	2015	2016 estimate	change 2016/2015
	000 tonnes			percent
Wheat	619	30	10	-67
Sorghum	265	265	265	0
Maize	82	80	80	0
Others	25	27	27	0
Total	991	402	382	-5

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Wheat production phased out in 2016

Saudi Arabia implemented the 2007 Government decree to completely terminate wheat cultivation by the end of the 2015/16 marketing year by gradually reducing wheat production quotas and purchase programmes for registered farmers. The measure reflected strong concern over the depletion of local water reserves which were used to irrigate wheat production.

However, some farmers reportedly switched from wheat to forage crops which consume more water than wheat. In December 2015, the Ministry of Agriculture was instructed to issue a three-year phase-out plan to terminate the local production of green fodder by 2019. The Government estimates that the termination of green fodder production would save about 7 billion cubic metres of water annually. It is foreseen that the plan will be implemented in 2016/17.

Wheat farmers are encouraged to engage in alternative sustainable production activities such as greenhouse farming or production of fruits and vegetables using advanced drip irrigation techniques. No penalties were announced for farmers who continued growing wheat after 2015 although State purchasing programmes are no longer in place. A small wheat crop of no more than 10 000 tonnes for traditional specialty bakery products is expected to prevail.

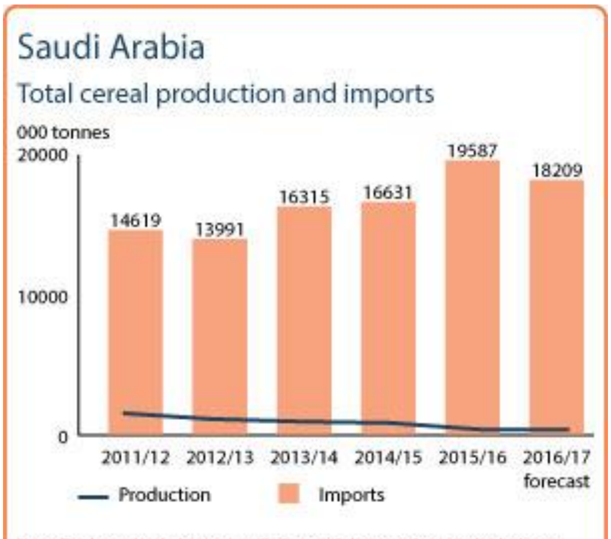
In light of decreasing domestic production and strong domestic demand, the country is encouraging agricultural investments abroad for products to be then imported. This initiative targets wheat, rice, barley, yellow maize, soybeans and green forage.

Cereal imports to decrease in 2016/17

Cereal import requirements in the 2016/17 marketing year (July/June) are forecast at 18.2 million tonnes, about 8 percent below the previous year and 2 million tonnes above the five-year average. Imports of barley and maize, mainly used for feed, constitute the bulk of the cereal imports and are forecast at

9.4 million tonnes and 3.5 million tonnes, respectively. The Government has been encouraging the use of processed feed instead of raw barley with the aim to reduce barley imports by 1.5 million tonnes by 2020. Wheat imports are expected to remain high at 3.8 million tonnes, while rice imports are forecast at an above-average level of almost 1.5 million tonnes.

From October 2016, the Saudi Grains Organization (SAGO) took over the exclusive right to import and manage the local distribution of feed barley from the Saudi Grain and Fodder Company to increase transparency. SAGO also maintains the exclusive authority of the Government agency to import subsidized milling wheat as well as to own and operate wheat silos in the country.



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

Cash transfer programme to compensate cuts in universal subsidies to be implemented in 2017

In addition to a 50 percent increase in petrol prices from January 2016, in December 2016 the Government announced that local fuel prices will be linked to benchmark oil prices or to the average of gasoline and diesel prices on the international market. Low and middle income families affected by the increases can register for cash transfers from February 2017, with the payments starting in June. The rate of allowances will be announced with every economic reform.

An “excise tax on harmful products”, including a 50 percent tax on soft drinks and a 100 percent tax on tobacco and energy drinks, will be implemented from the second quarter of 2017.

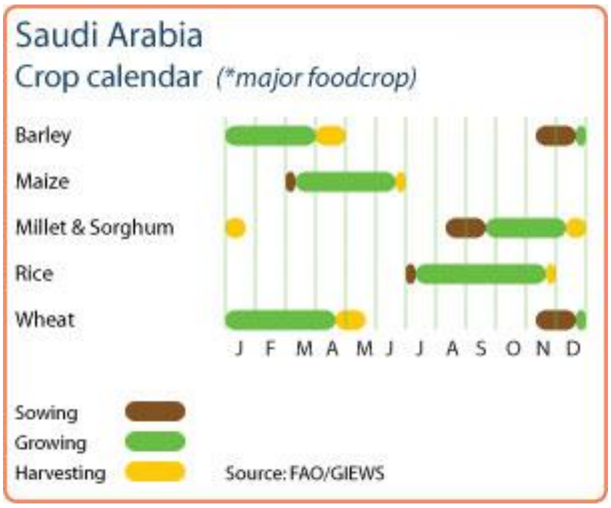
The overall inflation increased from its average of 2.2 percent in 2015 to 4.2 percent in the first half of 2016, but eased to 1.7 percent in December 2016. Food price inflation recorded a decrease of 4.3 percent in December 2016. Prices of wheat flour have not changed for over 30 years, wholesaling 1 kg of consumer packed wheat flour between USD 0.27 and USD 0.33 per kg.

Food and Agriculture Organization of the United Nations

GIEWS Country Brief
Saudi Arabia

Reference Date: 17-January-2017

FOOD SECURITY SNAPSHOT
- **Phasing out of wheat production completed in 2016**
- **Cereal import requirements forecast to decline in 2016/17**
- **Cash transfer programme to compensate cuts in universal subsidies to be implemented in 2017**



Saudi Arabia

Cereal production

	2011-2015 average	2015	2016 estimate	change 2016/2015
	000 tonnes			percent
Wheat	619	30	10	-67
Sorghum	265	265	265	0
Maize	82	80	80	0
Others	25	27	27	0
Total	991	402	382	-5

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Wheat production phased out in 2016

Saudi Arabia implemented the 2007 Government decree to completely terminate wheat cultivation by the end of the 2015/16 marketing year by gradually reducing wheat production quotas and purchase programmes for registered farmers. The measure reflected strong concern over the depletion of local water reserves which were used to irrigate wheat production.

However, some farmers reportedly switched from wheat to forage crops which consume more water than wheat. In December 2015, the Ministry of Agriculture was instructed to issue a three-year phase-out plan to terminate the local production of green fodder by 2019. The Government estimates that the termination of green fodder production would save about 7 billion cubic metres of water annually. It is foreseen that the plan will be implemented in 2016/17.

Wheat farmers are encouraged to engage in alternative sustainable production activities such as greenhouse farming or production of fruits and vegetables using advanced drip irrigation techniques. No penalties were announced for farmers who continued growing wheat after 2015 although State purchasing programmes are no longer in place. A small wheat crop of no more than 10 000 tonnes for traditional specialty bakery products is expected to prevail.

In light of decreasing domestic production and strong domestic demand, the country is encouraging agricultural investments abroad for products to be then imported. This initiative targets wheat, rice, barley, yellow maize, soybeans and green forage.

Cereal imports to decrease in 2016/17

Cereal import requirements in the 2016/17 marketing year (July/June) are forecast at 18.1 million tonnes, about 8 percent below the previous year and 2 million tonnes above the five-year average. Imports of barley and maize, mainly used for feed, constitute the bulk of the cereal imports and are forecast at 9.4 million tonnes and 3.5 million tonnes, respectively. The

Government has been encouraging the use of processed feed instead of raw barley with the aim to reduce barley imports by 1.5 million tonnes by 2020. Wheat imports are expected to remain high at 3.8 million tonnes, while rice imports are forecast at an above-average level of almost 1.5 million tonnes.

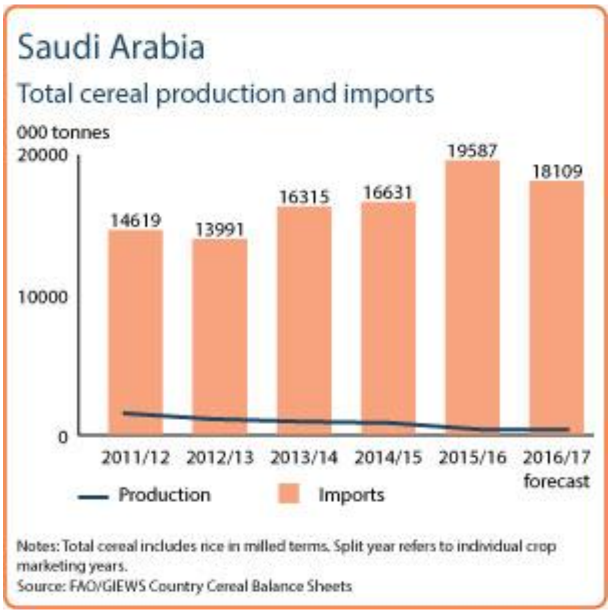
From October 2016, the Saudi Grains Organization (SAGO) took over the exclusive right to import and manage the local distribution of feed barley from the Saudi Grain and Fodder Company to increase transparency. SAGO also maintains the exclusive authority of the Government agency to import subsidized milling wheat as well as to own and operate wheat silos in the country.

Cash transfer programme to compensate cuts in universal subsidies to be implemented in 2017

In addition to a 50 percent increase in petrol prices from January 2016, in December 2016 the Government announced that local fuel prices will be linked to benchmark oil prices or to the average of gasoline and diesel prices on the international market. Low and middle income families affected by the increases can register for cash transfers from February 2017, with the payments starting in June. The rate of allowances will be announced with every economic reform.

An “excise tax on harmful products” – including a 50 percent tax on soft drinks and a 100 percent tax on tobacco and energy drinks – will be implemented from the second quarter of 2017.

The overall inflation increased from its average of 2.2 percent in 2015 to 4.2 percent in the first half of 2016, but eased to 2.3 percent in November 2016. Food price inflation in June 2016 recorded a decrease of 2.6 percent in November 2016. Prices of wheat flour have not changed for over 30 years, wholesaling 1 kg of consumer packed wheat flour between USD 0.27 and USD 0.33 per kg.



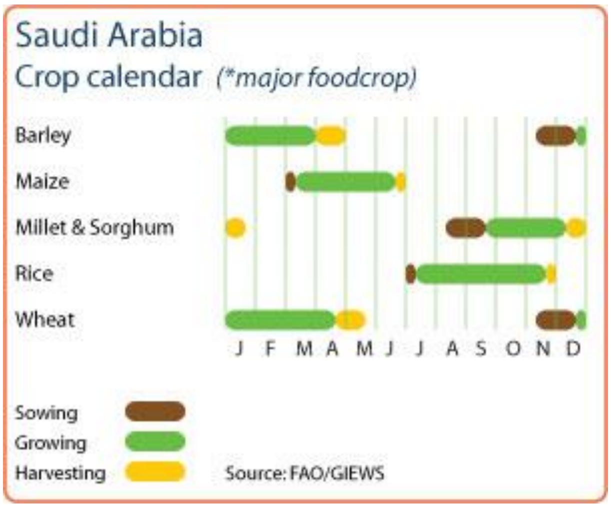
Food and Agriculture Organization
of the United Nations

GIEWS Country Brief
Saudi Arabia

Reference Date: 06-September-2016

FOOD SECURITY SNAPSHOT

- **Phasing out of wheat production completed**
- **Cereal import requirements forecast stable in 2016/17**
- **Plans to gradually cut some subsidies implemented, food prices mostly stable**



Saudi Arabia

Cereal production

	2011-2015 average	2015	2016 forecast	change 2016/2015
	000 tonnes			percent
Wheat	619	30	10	-67
Sorghum	265	265	265	0
Maize	82	80	80	0
Others	25	27	27	0
Total	991	402	382	-5

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Wheat production phased out

Saudi Arabia implemented the 2007 Government decree to completely terminate wheat cultivation by 2016 by gradually reducing wheat production quotas for registered farmers. The measure reflected strong concern over the depletion of local water reserves which were used to irrigate wheat production.

Some farmers reportedly switched from wheat to forage crops which consume more water than wheat. In December 2015, the Ministry of Agriculture was instructed to issue a three-year phase-out plan to terminate local production of green fodder by 2019. The Government estimates that the termination of green fodder production would save about 7 billion cubic metres of water annually.

Wheat farmers are encouraged to engage in alternative sustainable production activities such as greenhouse farming or production of fruits and vegetables using advanced drip irrigation techniques. No penalties were announced for farmers who continued growing wheat after 2015. A small crop of no more than 10 000 tonnes for traditional specialty bakery products is expected to prevail.

Furthermore, in November 2015 the Saudi Grain Silos and Flour Mills Organization (GSFMO) was restructured and renamed the Saudi Arabia Grains Organization (SAGO). SAGO maintains the exclusive authority of the Government agency to import subsidized milling wheat, as well as to own and operate wheat silos in the country. The restructuration set up four milling companies that will be privatized via a bidding process. Mills would be allowed to import wheat for non-subsidized flour. SAGO will also act as a regulator of the wheat milling sector, including setting wheat flour quality regulations, inspecting mills and regulating the competition among private millers.

In light of decreasing domestic production and strong domestic demand, Saudi Arabia is encouraging agricultural investments and production abroad for re-export to Saudi Arabia. This initiative targets wheat, rice, barley, yellow maize, soybeans and green forage.

Cereal imports to remain stable in 2016/17

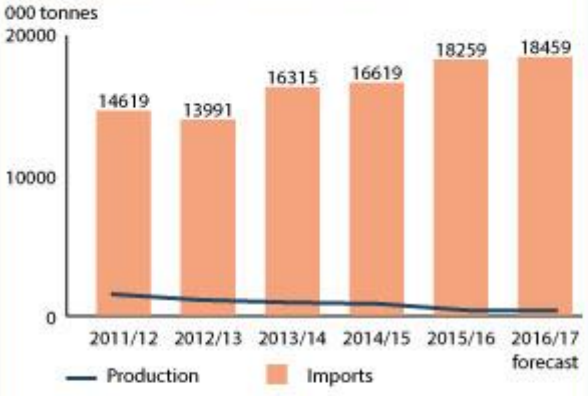
Cereal import requirements in the 2016/17 marketing year (July/June) are forecast at 18.5 million tonnes, about the same as in the previous year and 2 million tonnes above the five-year average. Imports of barley and maize, mainly used for feed, constitute the bulk of the cereal imports and are forecast at 9.7 million tonnes and 3.5 million tonnes, respectively. The Government has been encouraging the use of processed feed instead of raw barley to reduce barley imports by 1.5 million tonnes by 2020. Wheat imports are also expected to remain high at 3.8 million tonnes, while rice imports are forecast at an above-average level of almost 1.5 million tonnes.

Plans to gradually cut some subsidies announced, food prices mostly stable

In December 2015 the Government announced that it plans to gradually cut subsidies, starting with a 50 percent increase in petrol prices from January 2016, in an effort to counter decreases in oil revenues. Other increases included rises in electricity and water bills as well as increases of tobacco prices in March 2016. Consequently, the overall inflation increased from its average of 2.2 percent in 2015 to 4.2 percent in the first half of 2016. Food price inflation in June 2016 recorded a decrease of 0.1 percent. Prices of wheat flour have not changed for over 30 years, wholesaling 1 kg of consumer packed wheat flour between USD 0.27 and USD 0.33 per kg.

Saudi Arabia

Total cereal production and imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

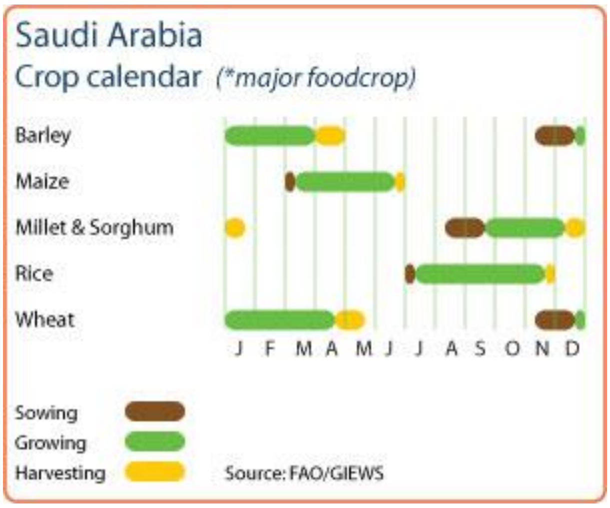
GIEWS Country Brief

Saudi Arabia

Reference Date: 21-March-2016

FOOD SECURITY SNAPSHOT

- **Phasing out of wheat production completed**
- **Cereal import requirements forecast at high levels in 2015/16**
- **Plans to gradually cut some subsidies announced, food prices mostly stable for now**



Wheat production phased out

Saudi Arabia implemented the 2008 Government decree to completely terminate wheat cultivation by 2016 by gradually reducing wheat production quotas for registered farmers. The 2014 crop was the last locally grown crop purchased. The measure reflects strong concern over the depletion of local water reserves which were used to irrigate wheat production. Some farmers reportedly switched from wheat to forage crops which consume more water than wheat. In December 2015, the Ministry of Agriculture was instructed to issue a three-year phase out plan to terminate local production of green fodder by 2019. The Government estimates that elimination of green fodder production would save about 7 billion cubic meters of water annually.

No penalties were announced for farmers who continue growing wheat after 2015. A small crop of no more than 30 000 tonnes for traditional specialty bakery products is expected to prevail. Wheat farmers are encouraged to engage in alternative sustainable production activities such as greenhouse farming or production of fruits and vegetables using advanced drip irrigation techniques.

Saudi Arabia

Cereal production

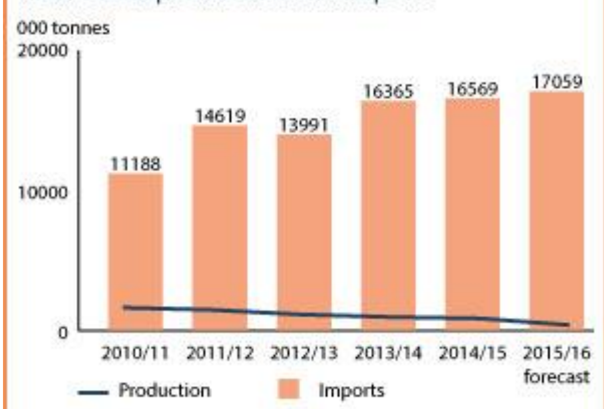
	2010-2014 average	2014	2015 estimate	change 2015/2014
	000 tonnes			percent
Wheat	848	500	30	-94
Sorghum	267	265	265	0
Maize	82	80	80	0
Others	26	26	27	4
Total	1 224	871	402	-54

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Elsewhere, in November 2015 the Saudi Grain Silos and Flour Mills Organization (GSFMO) was restructured and renamed the Saudi Arabia Grains Organization (SAGO). SAGO maintains the exclusive authority of the Government agency to import subsidized milling wheat, as well as to own and operate wheat silos in the country. The restructuration set up four milling companies that will be privatized via a bidding process. Mills would be allowed to import wheat for non-subsidized flour.

At the end of 2014 the total combined storage capacity of GSFMO silos was 3.1 million tonnes, compared to about 1 million tonnes in 2011. Contracts were signed for additional silos bringing the total capacity to 3.7 million tonnes by the end of 2016.

In light of decreasing domestic production, strong domestic demand and environmental concerns, Saudi Arabia is encouraging agricultural investments and production abroad for re-export to Saudi Arabia. This initiative targets wheat, rice, barley, yellow maize, soybeans and green forage.



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

Cereal imports to remain high in 2015/16

Cereal import requirements in the 2015/16 marketing year (July/June) are forecast at 17.1 million tonnes, about 0.5 million tonnes more than in the previous year and well above average. Imports of barley and maize, mainly used for feed, constitute the bulk of the cereal imports and are forecast at 8 million tonnes and 3.5 million tonnes, respectively. The Government has been encouraging the use of processed feed instead of raw barley to reduce barley imports by 1.5 million tonnes by 2020. Wheat imports are also expected to remain high at 3.3 million tonnes (although slightly lower than the 3.45 million tonnes imported in 2014/15 due to high stocks), while rice imports are forecast at an above-average level of almost 1.5 million tonnes.

Plans to gradually cut some subsidies announced, food prices mostly stable for now

In December 2015 the Government announced that it plans to gradually cut subsidies, starting with a 50 percent increase in petrol prices from January 2016, in an effort to counter decreases in oil revenues. Consequently, the overall inflation increased from its average of 2.2 percent in 2015 to 4.3 percent in January 2016 and 4.2 percent in February 2016. Food price inflation in January 2016 recorded an increase of 1.3 percent. Prices of wheat flour have not changed for over 30 years, wholesaling 1 kg of consumer packed wheat flour between USD 0.27 and USD 0.33 per kg.

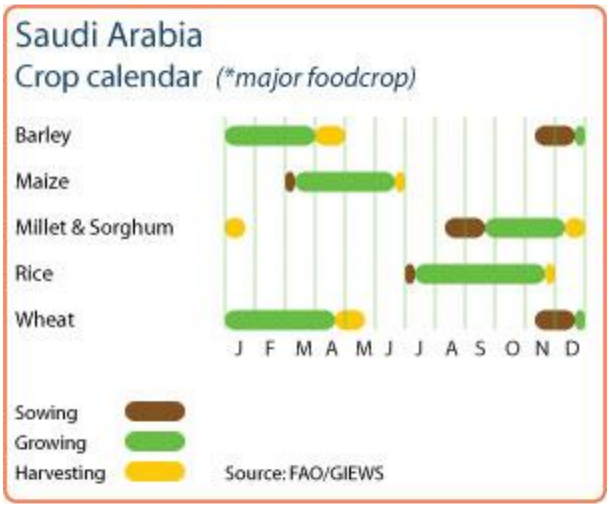
GIEWS Country Brief

Saudi Arabia

Reference Date: 09-October-2015

FOOD SECURITY SNAPSHOT

- **Phasing out of wheat production completed**
- **Cereal import requirements forecast at high levels in 2015/16**



Wheat production phased out

In Saudi Arabia, harvesting of winter grains concluded in May. The Saudi Grain Silos and Flour Mills Organization, implementing the 2008 Government decree to completely terminate its cultivation by 2016, reaffirmed that the 2014 crop was the last locally grown crop purchased. The measure reflects strong concern over the depletion of local water reserves which are used to irrigate wheat production. Some farmers reportedly switched from wheat to forage crops which consume more water than wheat. The Government is considering a decree to phase out local green forage production.

No penalties were announced for farmers who continue growing wheat after 2015. A small crop of about 30 000 tonnes for traditional specialty bakery products is expected to prevail. Wheat farmers are encouraged to engage in alternative sustainable production activities such as greenhouse farming or production of fruits and vegetables using advanced drip irrigation techniques.

Elsewhere, the GSFMO received a Government approval to privatize its nine flour mills and some of its storage facilities while maintaining the exclusive authority of the Government agency to import subsidized milling wheat, as well as to own and operate wheat silos in the country. The new mills could import wheat to produce non-subsidized specialty flours.

In light of decreasing domestic production, strong domestic demand and environmental concerns, Saudi Arabia is encouraging agricultural investments and production abroad for re-export to Saudi Arabia. This initiative targets wheat, rice, barley, yellow maize and green forage.

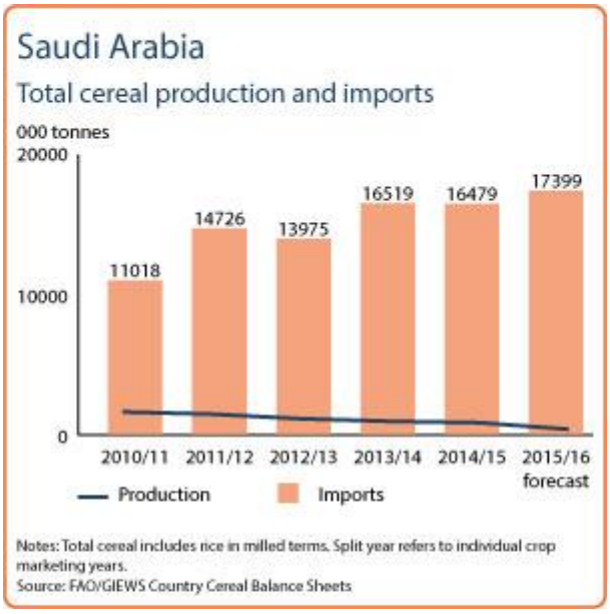
Saudi Arabia
Cereal production

	2010-2014 average	2014	2015 forecast	change 2015/2014
	000 tonnes			percent
Wheat	848	500	30	-94
Sorghum	267	265	265	0
Maize	82	80	80	0
Others	26	26	27	4
Total	1 224	871	402	-54

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Cereal imports to remain high in 2015/16

Cereal import requirements in the 2015/16 marketing year (July/June) are forecast at 17.4 million tonnes, about 1 million tonnes more than in the previous year and well above average. Imports of barley and maize, mainly used for feed, constitute the bulk of the cereal imports and are forecast at 8.5 million tonnes and 3.6 million tonnes, respectively. The Government has been encouraging the use of processed feed instead of raw barley to reduce barley imports by 1.5 million tonnes by 2020. Wheat imports are also expected to remain high at 3.8 million tonnes, while rice imports are forecast at an above-average level of almost 1.5 million tonnes.



Subsidies maintain stable food prices

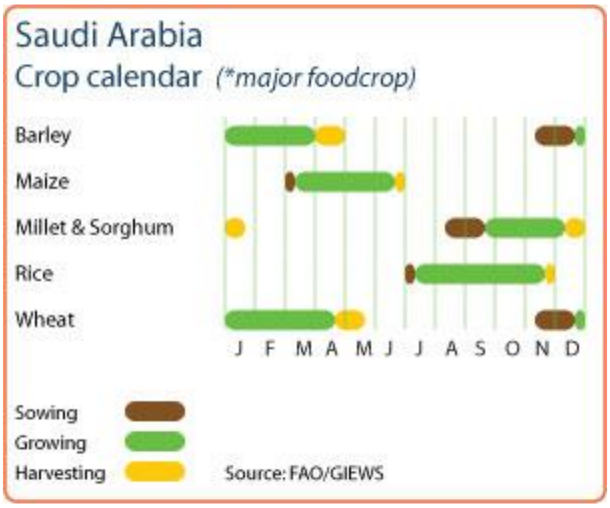
Owing to the Government's price subsidies on a range of basic goods, such as food and electricity, the overall inflation rate remains relatively low at about 2.1 percent in August 2015 (year-on-year). Food and beverages prices in the second quarter of 2015 remained stable compared to the first quarter of 2015 and increased by 1.6 percent compared to the corresponding quarter of 2014.

GIEWS Country Brief

Saudi Arabia

Reference Date: 06-May-2015

FOOD SECURITY SNAPSHOT
- **Phasing out of wheat production continues**
- **Cereal import requirements forecast at high levels in 2015/16**



Wheat production gradually phasing out

In Saudi Arabia, harvesting of winter grains is currently underway. Production of the 2015 wheat crop is forecasted at 400 000 tonnes, some 20 percent lower than in 2014. This follows the adoption of the 2008 decree that aims at phasing out domestic wheat production progressively so as to completely terminate its cultivation by 2016. The measure reflects strong concern over the depletion of local water reserves, which are used to irrigate wheat production.

The Government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016. In 2016, the Saudi Grain Silos and Flour Mills Organization (GSFMO) are planning to stop purchasing locally-produced wheat.

With increased reliance on imports to satisfy domestic food and feed requirements, Saudi Arabia plans to raise the storage capacity of its grain silos, so as to bring its strategic reserves closer to the annual wheat consumption by the end of 2015. There are new wheat silos under construction, bringing the total GSFMO wheat storage capacity to about 3.7 million tonnes by the end of 2015, up from 2.1 million tonnes in 2011.

Elsewhere, a study on how to restructure the GSFMO is underway with plans to privatize its flour mills, while maintaining the exclusive authority of the Government agency to import subsidized milling wheat, as well as to own and operate wheat silos in the country.

In light of decreasing domestic production, strong domestic demand and environmental concerns, Saudi Arabia is encouraging agricultural investments and production abroad for re-export to Saudi Arabia. This initiative targets wheat, rice, barley, yellow maize and green forage.

Saudi Arabia

Cereal production

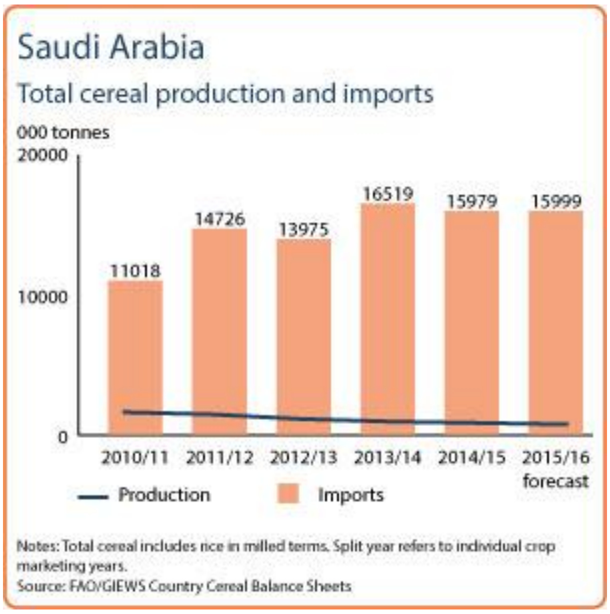
	2010-2014 average	2014	2015 forecast	change 2015/2014
	000 tonnes			percent
Wheat	848	500	400	-20
Sorghum	267	265	265	0
Maize	82	80	80	0
Others	26	26	27	4
Total	1 224	871	772	-11

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Cereal imports to remain high in 2015/16

Cereal import requirements in the 2015/16 marketing year (July/June) are forecast at 16 million tonnes, about the same as in the previous year, but well above average. Similarly, wheat imports would also remain high at 3.5 million tonnes.

Imports of barley and maize, mainly used for feed, are forecast at 7.5 million tonnes and 3.5 million tonnes, respectively. The Government has been encouraging the use of processed feed instead of raw barley to reduce barley imports by 1.5 million tonnes by 2020. Import requirements of rice, a basic staple food which is totally imported, are forecast at an above-average level of almost 1.5 million tonnes.



Subsidies maintain stable food prices

Owing to the Government's maintenance of price subsidies on a range of basic goods, such as food and electricity, the overall inflation rate remains relatively low at about 2.4 percent in December 2014 (year-on-year). Food and beverages prices in the last quarter of 2014 increased by 1.9 percent (latest data available) compared to the third quarter of 2013, and by 3.1 percent compared to the corresponding quarter of 2013.

GIEWS Country Brief

Saudi Arabia

Reference Date: 27-October-2014

FOOD SECURITY SNAPSHOT

- Phasing out of wheat production continues
- Cereal import requirements forecast at high levels in 2014/15

Wheat production gradually phasing out

In Saudi Arabia, land preparation for winter grains is currently underway. Production of the 2014 wheat crop, harvested last May, is estimated at 500 000 tonnes, some 17 percent lower than in 2013. This follows the adoption of the 2008 decree that aims at phasing out domestic wheat production annually and completely terminating wheat production by 2016 because of a strong concern over the depletion of local water reserves in irrigated wheat production. In line with the decree, wheat planted area gradually decreased from 450 000 hectares in 2007 to about 83 000 hectares in 2014. A similar decree is being considered to phase-out forage production as some farmers shifted from wheat to even more water demanding forage crops.

The Government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016. In 2016, the Saudi Grain Silos and Flour Mills Organisation (GSFMO) are planned to stop purchasing locally produced wheat.

With increased reliance on trade to satisfy domestic food and feed requirements, Saudi Arabia plans to raise the storage capacity of its grain silos to bring its strategic reserves closer to annual wheat consumption by the end of 2015. There are new wheat silos under construction, bringing the total GSFMO wheat storage capacity to about 3.7 million tonnes by the end of 2015, up from 2.1 million tonnes in 2011.

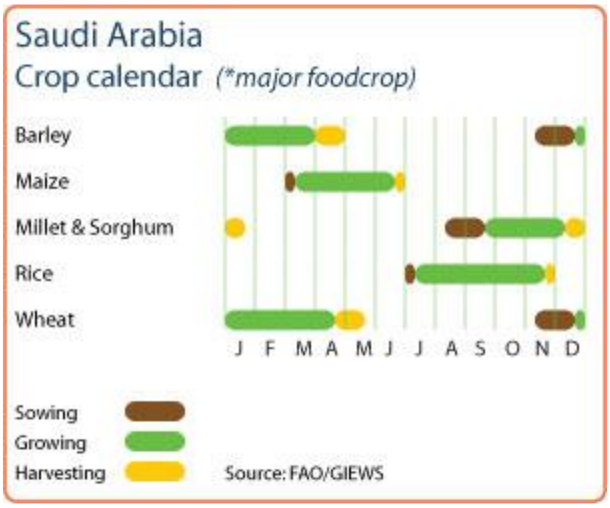
Elsewhere, a study on how to restructure the GSFMO is underway with plans to privatize its flour mills while maintaining the exclusive Government agency to import subsidized milling wheat, as well as to own and operate wheat silos in the country.

In light of decreasing domestic production, strong domestic demand and environmental concerns, Saudi Arabia is encouraging agricultural investments abroad and re-exporting products to Saudi Arabia. This initiative targets wheat, rice, barley, yellow maize and green forage.

Cereal imports to remain high in 2014/15

Cereal import requirements in 2014/15 (July/June) are forecast at 16.1 million tonnes, about the same as in the previous year, but well above average. Similarly, wheat imports would also remain high at 3.5 million tonnes to maintain current milling demand levels.

Imports of barley and maize, mainly used for feed, are forecast at 8.5 million tonnes and 2.7 million tonnes, respectively. The Government has been encouraging using processed feed instead of raw barley to reduce barley imports by 1.5 million tonnes by 2020. Import requirements of rice, a basic staple food which is totally imported, are forecast at an above-average level of about 1.3 million tonnes.

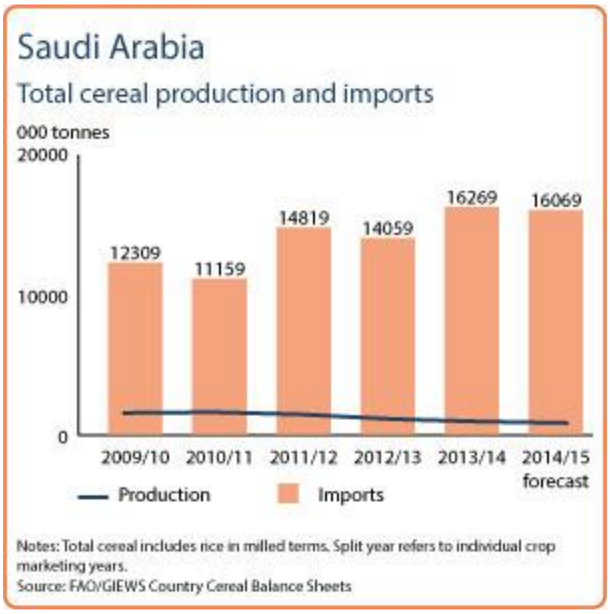


Saudi Arabia

Cereal production

	2009-2013 average	2013	2014 forecast	change 2014/2013
	000 tonnes			percent
Wheat	978	600	500	-17
Sorghum	263	265	265	0
Maize	99	80	80	0
Others	26	28	26	-7
Total	1 366	973	871	-10

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



Subsidies maintain stable food prices

Owing to the Government's maintenance of price subsidies on a range of basic goods, such as food and electricity, the overall inflation rate remains relatively modest at a level of about 2.8 percent in September 2014 (year-on-year). Food and beverages prices in the second quarter of 2014 increased by 0.2 percent (latest data available) compared to the last quarter of 2013, and by 3.1 percent compared to the corresponding quarter of 2013.

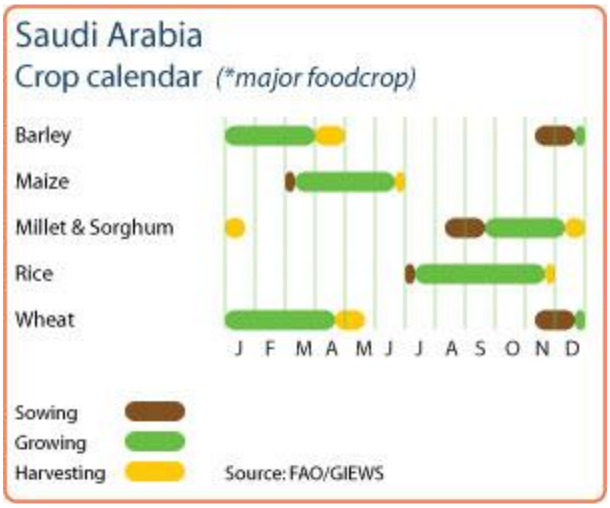
GIEWS Country Brief

Saudi Arabia

Reference Date: 19-August-2014

FOOD SECURITY SNAPSHOT

- Phasing out of wheat production continues
- Cereal import requirements forecast at high levels in 2014/15



Wheat production gradually phasing out

Production of the 2014 wheat crop, harvested last May, is estimated at 500 000 tonnes, some 17 percent lower than in 2013. This follows the adoption of the 2008 decree that aims at phasing out domestic wheat production annually and completely terminating wheat production by 2016 because of a strong concern over the depletion of local water reserves in irrigated wheat production. In line with the decree, wheat planted area gradually decreased from 450 000 hectares in 2007 to about 83 000 hectares in 2014. A similar decree is being considered to phase-out forage production as some farmers shifted from wheat to even more water demanding forage crops.

The Government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016. In 2016, the Saudi Grain Silos and Flour Mills Organisation (GSFMO) are planned to stop purchasing locally produced wheat.

With increased reliance on trade to satisfy domestic food and feed requirements, Saudi Arabia plans to raise the storage capacity of its grain silos to bring its strategic reserves closer to annual wheat consumption by the end of 2015. There are new wheat silos under construction, bringing the total GSFMO wheat storage capacity to about 3.7 million tonnes by the end of 2015, up from 2.1 million tonnes in 2011.

Elsewhere, a study on how to restructure the GSFMO is under way with plans to privatize its flour mills while maintaining the exclusive Government agency to import subsidised milling wheat, as well as to own and operate wheat silos in the country.

In light of decreasing domestic production, strong domestic demand and environmental concerns, Saudi Arabia is encouraging agricultural investments abroad and re-exporting products to Saudi Arabia. This initiative targets wheat, rice, barley, yellow corn and green forage.

Saudi Arabia

Cereal production

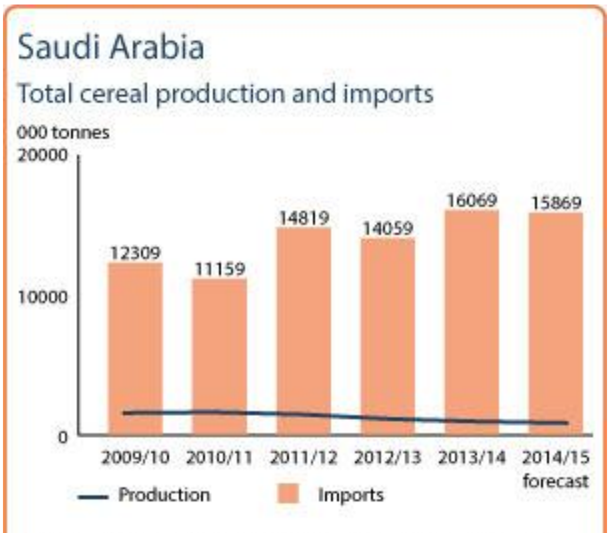
	2009-2013 average	2013	2014 forecast	change 2014/2013
	000 tonnes			percent
Wheat	978	600	500	-17
Sorghum	263	265	265	0
Maize	99	80	80	0
Others	26	28	26	-7
Total	1 366	973	871	-10

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Cereal imports to remain high in 2014/15

Cereal import requirements in 2014/15 (July/June) are forecast at 15.9 million tonnes, about the same as in the previous year, but well above average. Similarly, wheat imports would also remain high at 3.3 million tonnes to maintain current milling demand levels.

Imports of barley and maize, mainly used for feed, are forecast at 8.5 million tonnes and 2.7 million tonnes, respectively. The Government has been encouraging using processed feed instead of raw barley to reduce barley imports by 1.5 million tonnes by 2020. Import requirements of rice, a basic staple food which is totally imported, are forecast at an above-average level of about 1.3 million tonnes.



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

Subsidies maintain stable food prices

Owing to the Government's maintenance of price subsidies on a range of basic goods, such as food and electricity, the overall inflation rate remains relatively modest at a level of about 2.6 percent in July 2014 (year-on-year). Food and beverages prices in the second quarter of 2014 increased by 0.2 percent (latest data available) compared to the last quarter of 2013, and by 3.1 percent compared to the corresponding quarter of 2013.

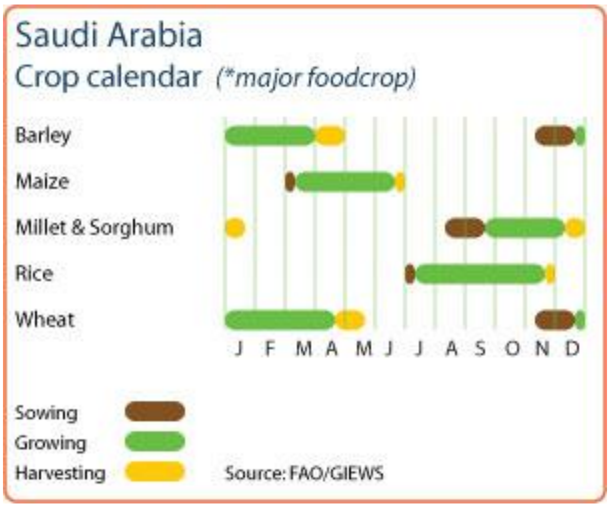
GIEWS Country Brief

Saudi Arabia

Reference Date: 28-January-2014

FOOD SECURITY SNAPSHOT

- Further reduction in wheat production is forecast in line with Government's policy
- Cereal import requirements forecast at high levels in 2013/14



Wheat production gradually phasing out

Planting of the winter crops to be harvested from April 2014 is completed. In line with the adoption of the 2008 decree that aims at phasing out domestic wheat production annually and completely terminating wheat production by 2016, lower planted area is expected. The 2013 wheat crop, estimated at 600 000 tonnes, is some 23 percent lower than in 2012. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016.

Saudi Arabia plans to raise the storage capacity of its grain silos by some 30 percent over the next three years from the current 2.52 million tonnes of wheat (an equivalent of ten months of consumption although a six months equivalent is actually maintained).

In light of decreasing domestic production, strong domestic demand and environmental concerns, Saudi Arabia is encouraging agricultural investments abroad and re-exporting products to Saudi Arabia. This initiative targets wheat, rice, barley, yellow corn and green forage.

Saudi Arabia

Cereal production

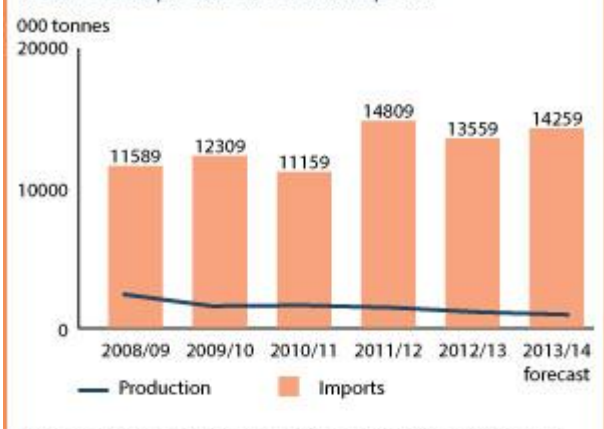
	2008-2012 average	2012	2013 forecast	change 2013/2012
	000 tonnes			percent
Wheat	1,256	780	600	-23
Sorghum	260	265	265	0
Maize	115	80	80	0
Others	27	27	28	4
Total	1,658	1,152	973	-16

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Cereal imports to remain high in 2013/14

Cereal import requirements in 2013/14 (July/June) are forecast at 14.3 million tonnes, about 5 percent less than the previous year, but well above average. Similarly, wheat imports would also remain high at 3 million tonnes to maintain current milling demand levels and to expand the use of feed quality wheat as a substitute for barley and yellow maize in animal rations.

Reports indicate that the Saudi Grain Silos and Flour Mills Organization (GSFMO) announced it will diversify its sources for importing wheat and will not rely on a particular supplier to guard against shortages of wheat supply in the world markets and provide its wheat import needs at best prices. Responding to growing demand for biscuits and other sweet foods, in addition to the usual hard wheat varieties with higher protein and gluten levels, Saudi Arabia started tenders for soft wheat. The first shipment of 60 000 tonnes arrived from France, the first time a large amount of French wheat to be imported to the country.



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

Imports of barley and maize, mainly used for feed, are forecast at 7.6 million tonnes and 2.3 million tonnes, respectively. Import requirements of rice, a basic staple food which is totally imported, are forecast at an above average level of about 1.3 million tonnes.

Subsidies maintain stable food prices

Owing to the Government's maintenance of price subsidies on a range of basic goods, such as food and electricity, the overall inflation rate remains relatively modest at a level of about 3.7 percent in the first three quarters of 2013 (base year of 2007). Food and beverages prices in the second quarter of 2013 increased by 1.5 percent (latest data available) compared to the first quarter of 2013, and by 6.2 percent compared to the corresponding quarter of 2012.

GIEWS Country Brief

Saudi Arabia

Reference Date: 23-August-2013

FOOD SECURITY SNAPSHOT

- Further reduction in wheat production is forecast in line with Government's policy
- Cereal import requirements forecast at high levels in 2013/14

Wheat production gradually phasing out

The winter grain harvest is completed and production of the 2013 wheat crop, estimated at 600 000 tonnes, is some 23 percent lower than in 2012. This decline follows the adoption of the 2008 decree that aims at phasing out domestic wheat production annually and completely terminating wheat production by 2016. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016.

Saudi Arabia plans to raise the storage capacity of its grain silos by some 30 percent over the next three years from the current 2.52 million tonnes of wheat (an equivalent of ten months of consumption although a six months equivalent is actually maintained).

In light of decreasing domestic production, strong domestic demand and environmental concerns, Saudi Arabia is encouraging agricultural investments abroad and re-exporting products to Saudi Arabia. This initiative targets wheat, rice, barley, yellow corn and green forage.

Cereal imports to remain high in 2013/14

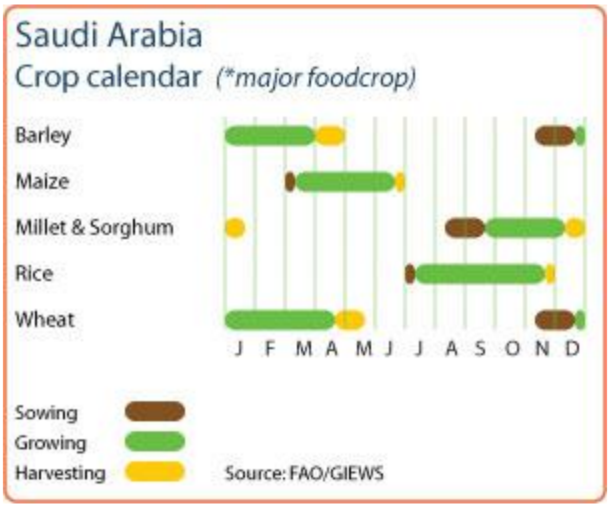
Cereal import requirements in 2013/14 (July/June) are forecast at 14.3 million tonnes, about 5 percent less than the previous year, but well above average. Similarly, wheat imports would also remain high at 3 million tonnes to maintain current milling demand levels and to expand the use of feed quality wheat as a substitute for barley and yellow maize in animal rations.

Responding to growing demand for biscuits and other sweet foods, in addition to the usual hard wheat varieties with higher protein and gluten levels, Saudi Arabia started tenders for soft wheat. The first shipment of 60 000 tonnes is arriving from France, the first time a large amount of French wheat is imported to the country.

Imports of barley and maize, mainly used for feed, are forecast at 7.6 million tonnes and 2.3 million tonnes, respectively. Import requirements of rice, a basic staple food which is totally imported, are forecast at an above average level of about 1.3 million tonnes.

Subsidies maintain stable food prices

Owing to the Government's maintenance of price subsidies on a range of basic goods, such as food and electricity, the overall inflation rate remains relatively modest at a level of about 3.7 percent in July 2013 (base year of 2007). Food and beverages prices in the second quarter of 2013 increased by 1.5 percent compared to the first quarter of 2013, and by 6.2 percent compared to the corresponding quarter of 2012.

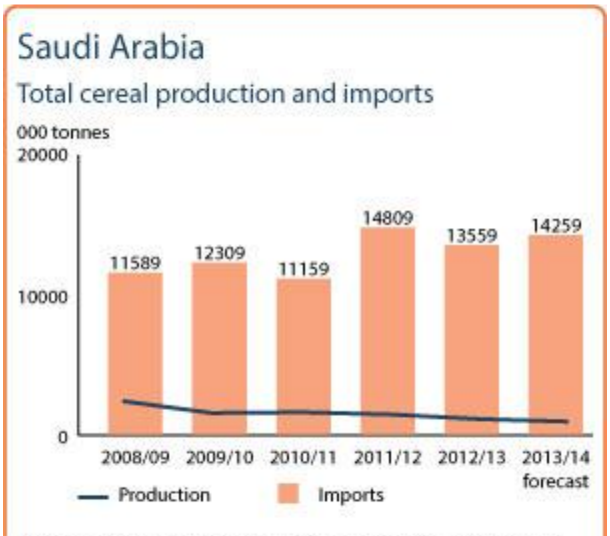


Saudi Arabia

Cereal production

	2008-2012 average	2012	2013 forecast	change 2013/2012
	000 tonnes			percent
Wheat	1,256	780	600	-23
Sorghum	260	265	265	0
Maize	115	80	80	0
Others	27	27	28	4
Total	1,658	1,152	973	-16

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

GIEWS Country Brief

Saudi Arabia

Reference Date: 17-May-2013

FOOD SECURITY SNAPSHOT

- Further reduction in wheat production is forecast in line with Government's policy
- Cereal imports forecast at high levels in 2012/13

Wheat production gradually phasing out

Production of the 2013 wheat crop, currently harvested, is estimated at 700 000 tonnes, some 10 percent lower than in 2012, following the adoption of the 2008 decree that aims at phasing out domestic wheat production by 12.5 percent annually and terminating wheat production by 2016. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016.

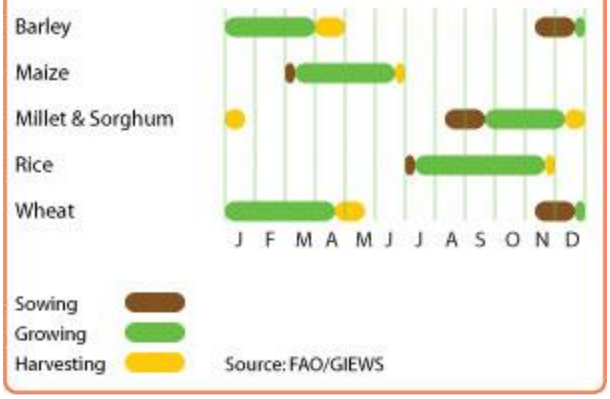
Saudi Arabia plans to raise the storage capacity of its grain silos from the current 2.52 million tonnes of wheat (an equivalent of ten months of consumption although a six months equivalent is actually maintained) by some 30 percent over the next three years. The government plans to increase the country's strategic capacity and reserve of wheat to cover a consumption level of one year.

In light of decreasing domestic production, strong domestic demand and environmental concerns, Saudi Arabia is encouraging agricultural investments abroad and re-exporting products to Saudi Arabia. This initiative targets wheat, rice, barley, yellow corn and green forage.

Control operations are underway for locust in the northwest near Tabuk.

Saudi Arabia

Crop calendar *(*major foodcrop)*



Saudi Arabia

Cereal production

	2008-2012 average	2012	2013 forecast	change 2013/2012
	000 tonnes			percent
Wheat	1,256	780	700	-10
Sorghum	260	265	265	0
Maize	115	80	80	0
Others	27	27	28	4
Total	1,658	1,152	1,073	-7

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

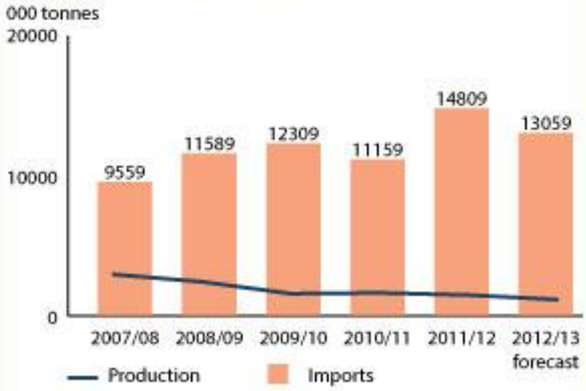
Cereal imports to remain high in 2012/13

Cereal import requirements in 2012/13 (July/June) are forecast at 13 million tonnes, about 10 percent less than the previous year, but well above average. Similarly, wheat imports would also remain high at 2.2 million tonnes to maintain current milling demand levels and to expand the use of feed quality wheat as a substitute for barley and yellow maize in animal rations.

Imports of barley and maize, mainly used for feed, are forecast at 7.5 million tonnes and 2.1 million tonnes, respectively. Import requirements of rice, a basic staple food which is totally imported, are forecast at an above average level of about 1.3 million tonnes.

Saudi Arabia

Total cereal production and imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

Subsidies maintain stable food prices

Owing to the Government's maintenance of price subsidies on a range of basic goods, such as food and electricity, the overall inflation rate remains relatively modest at a level of about 3.9 percent in March 2013 (base year of 2007). Food and beverages prices in the first quarter of 2013 increased by 0.8 percent compared to the fourth quarter of 2012, and by 3.9 percent compared to the corresponding quarter of 2012.

GIEWS Country Brief

Saudi Arabia

Reference Date: 11-October-2012

FOOD SECURITY SNAPSHOT
- Further reduction in wheat production is forecast in line with Government’s policy
- Cereal imports forecast at high levels in 2012/13

Wheat production gradually phasing out

Production of the 2012 wheat crop, harvested last April/May, is estimated at one million tonnes, some 9 percent lower than in 2011, following the adoption of the 2008 decree that aims at phasing out domestic wheat production by 12.5 percent annually and terminating wheat production by 2016. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016.

Saudi Arabia plans to raise the storage capacity of its grain silos from the current 2.52 million tonnes of wheat (an equivalent of 10 months of consumption) by 27 percent over the next three years, increasing the country's strategic reserve of wheat to cover 1 year of consumption.

In light of decreasing domestic production and strong domestic demand, Saudi Arabia is encouraging agricultural investments abroad. Agricultural investment framework agreements were signed with the Philippines (January 2010), Ethiopia (January 2012), and Sudan (September 2012).

High cereal import requirements in 2012/13

Cereal import requirements in 2012/13 are forecast at 12.8 million tonnes, about 6 percent less than previous year. Wheat imports in marketing year 2012/13 (July/June) are forecast at 2.3 million tonnes in order to maintain current demand levels for milling purposes and to expand the use of feed quality wheat as a substitute of barley and yellow maize in animal rations.

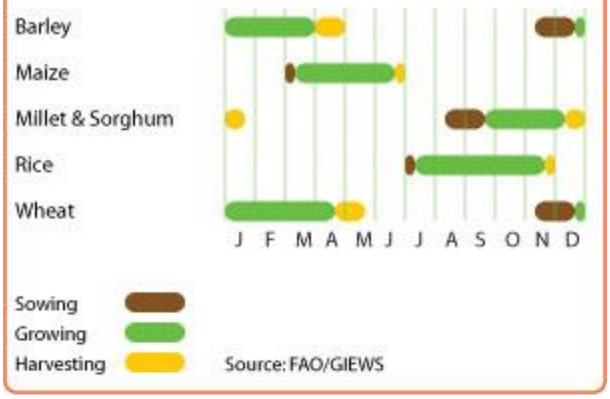
Imports of barley and maize, mainly used for feed, are forecast at 7.2 million tonnes and 2.2 million tonnes, respectively. Import requirements of rice, a basic staple food which is totally imported, are forecast at above average level of about 1.3 million tonnes.

Subsidies maintain stable food prices

Owing to the Government’s maintenance of price subsidies on a range of basic goods, such as food and electricity, the overall inflation rate is forecast to remain relatively modest at a level of about 4.8 percent in 2012. Food and beverages prices in the second quarter of 2012 increased by 0.9 percent compared to the first quarter of 2012, and by 4.6 percent compared to the corresponding quarter of 2011.

In September 2012, Saudi Arabia inaugurated the Observatory of Basic Food Commodities to provide the necessary information and data relating to quantities and prices of strategic food commodities locally and globally as well as impact on food security system.

Saudi Arabia
Crop calendar *(*major foodcrop)*



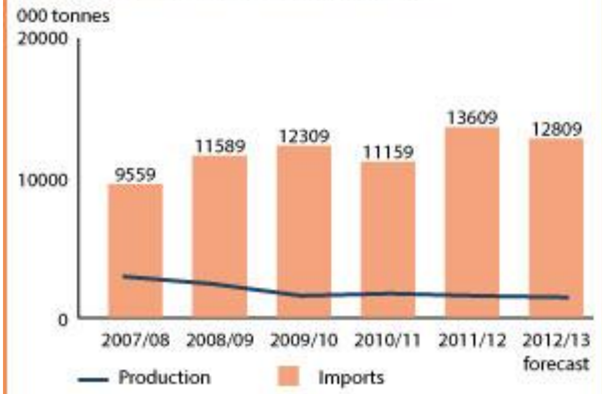
Source: FAO/GIEWS

Saudi Arabia
Cereal production

	2007-2011 average	2011	2012 estimate	change 2012/2011
	000 tonnes			percent
Wheat	1,611	1,100	1,000	-9
Sorghum	254	265	265	0
Maize	164	180	180	0
Others	28	26	27	4
Total	2,057	1,571	1,472	-6

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Saudi Arabia
Total cereal production and imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

GIEWS Country Brief

Saudi Arabia

Reference Date: 03-April-2012

FOOD SECURITY SNAPSHOT

- Further reduction in wheat production is forecast
- Imports of wheat and coarse grains in 2011/12 forecast at high level

Wheat production gradually phasing out

Production of 2012 irrigated wheat crop, to be harvested from mid-April, is forecast at one million tonnes following the adoption of the 2008 decree that aims at gradually phasing out all water-intensive agricultural crops by 2016. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016. To save water, the country also stopped subsidies to barley production in 2003.

High cereal import requirements in 2011/12

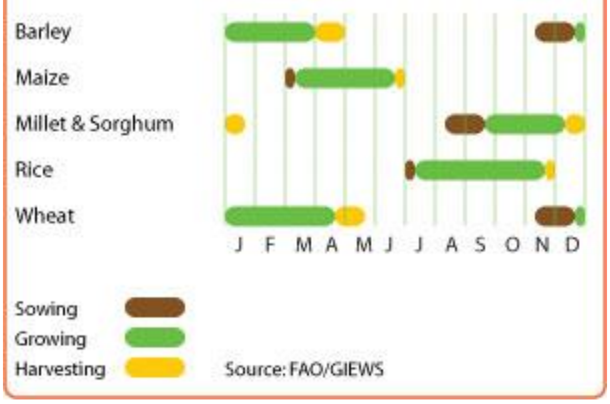
Cereal import requirements in 2011/12 are forecast at a high level of about 12.9 million tonnes, about 16 percent more than previous year. Wheat imports in marketing year 2011/12 (July/June) are forecast at record 2.3 million tonnes in order to maintain current demand levels for milling purposes and to expand the use of feed quality wheat as a substitute of barley and yellow maize in animal rations. Imports of barley and maize, mainly used for feed, are forecast at 7.3 million tonnes and 2.0 million tonnes, respectively. Import requirements of rice, a basic staple food which is totally imported, are forecast at above average level of about 1.3 million tonnes.

Subsidies helped to control inflation in 2011

In 2011, despite fast-rising narrow money growth due to generous Government's handouts to Saudi citizens, the overall inflation rate was relatively modest at level of about 5 percent as in 2011, reflecting the maintenance of price subsidies on a range of basic goods, such as food and electricity. In 2012, inflation is expected to remain at the same level of previous year.

Saudi Arabia

Crop calendar (*major foodcrop)



Saudi Arabia

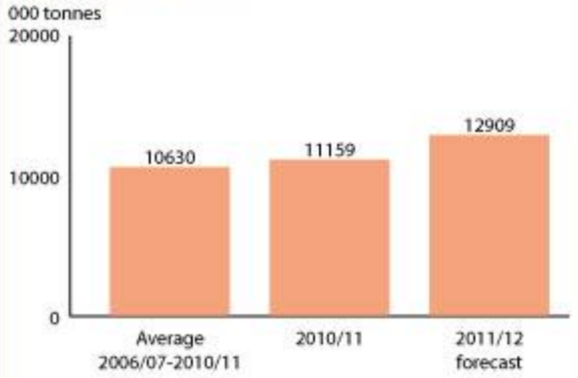
Cereal production

	2007-2011 average	2011	2012 forecast	change 2012/2011
	000 tonnes			percent
Wheat	1 569	1 100	1 000	-9
Sorghum	256	265	266	0
Maize	159	165	166	1
Others	32	31	32	3
Total	2 015	1 561	1 464	-6

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets

Saudi Arabia

Total cereal imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

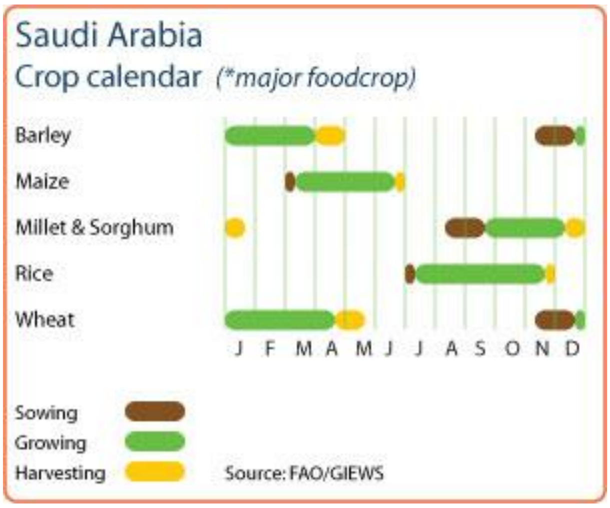
GIEWS Country Brief

Saudi Arabia

Reference Date: 17-October-2011

FOOD SECURITY SNAPSHOT

- Further reduction in wheat production is estimated
- Imports of wheat and coarse grains in 2011/12 forecast at high level



Wheat production gradually phasing out

Production of 2011 wheat and barley crops, harvested earlier this year, have further decreased following the adoption of the 2008 decree that aims at gradually phasing out all water-intensive agricultural crops by 2016, including wheat. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016. To save water, the country also stopped subsidies to barley production in 2003.

High cereal import requirements in 2011/12

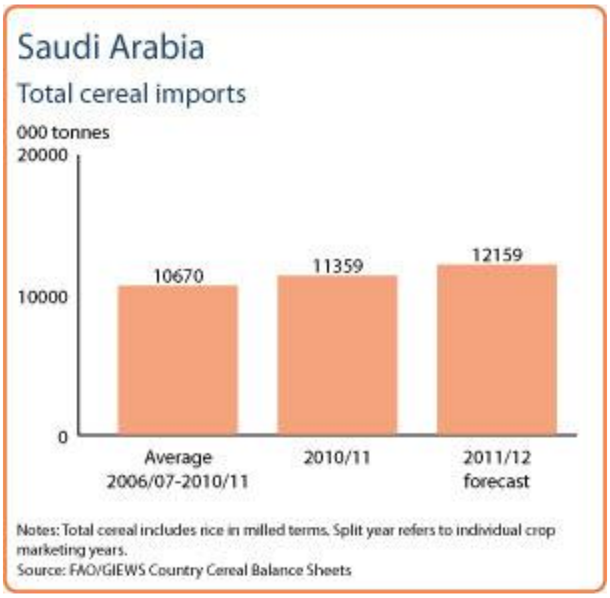
Cereal import requirements in 2011/12 are forecast at a high level of about 12 million tonnes. To maintain current demand levels and with the aim to gradually expand national reserves to one year's consumption (by 2014), the country's wheat imports in marketing year 2011/12 (July/June) are forecast at 2 million tonnes. Imports of barley and maize, mainly used for feed, are forecast at 6.7 million tonnes and 2.2 million tonnes, respectively. Import requirements of rice are forecast at an average level of about 1.15 million tonnes.

Saudi Arabia

Cereal production

	2006-2010 average	2010	2011 forecast	change 2011/2010
	000 tonnes			percent
Wheat	1 887	1 260	1 100	-13
Sorghum	252	267	250	-6
Maize	91	95	91	-4
Others	35	33	34	3
Total	2 265	1 655	1 475	-11

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



GIEWS Country Brief

Saudi Arabia

Reference Date: 5-May-2011

FOOD SECURITY SNAPSHOT

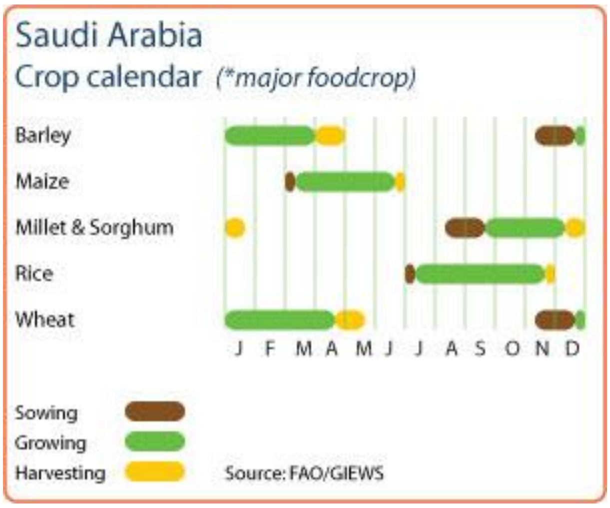
- Further reduction in wheat area and production
- Imports of wheat and coarse grains in 2010/11 forecast at high level

Wheat production gradually phasing out

Harvesting of 2011 wheat and barley crops has just started and production is expected to decrease further following the adoption of the 2008 decree that aims at gradually phasing out all water-intensive agricultural crops by 2016, including wheat. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016. To save water, the country also stopped subsidies to barley production in 2003.

High cereal import requirements in 2010/11

Cereal import requirements in 2010/11 are forecast at a high level of about 12 million tonnes. To maintain current consumption levels and with the aim to gradually expand national reserves to one year's needs, the country's wheat imports in marketing year 2010/11 (July/June) are forecast at 1.8 million tonnes. Imports of barley and maize, mainly used for feed, are forecast at 6.7 million tonnes and 2.2 million tonnes, respectively. Import requirements of rice are forecast at an average level of about 1.2 million tonnes.

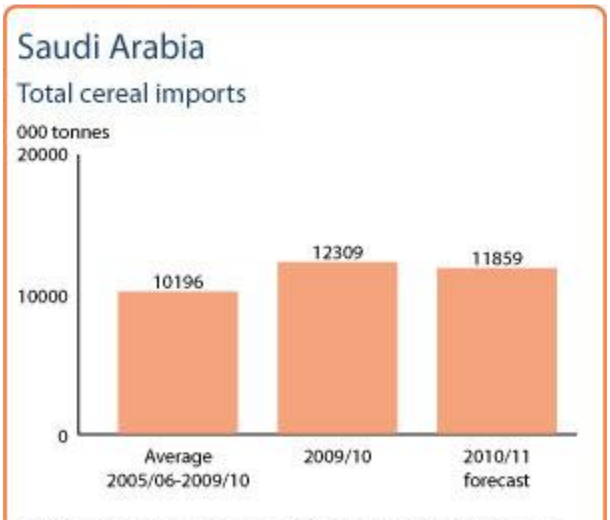


Saudi Arabia

Cereal production

	2005-2009 average	2009	2010 estimate	change 2010/2009
	000 tonnes			percent
Wheat	2 068	950	1 260	33
Rice (paddy)	0	0	0	0
Barley	31	25	25	0
Others	248	295	275	-7
Total	2 437	1 368	1 655	21

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

GIEWS Country Brief

Saudi Arabia

Reference Date: 3-February-2011

FOOD SECURITY SNAPSHOT

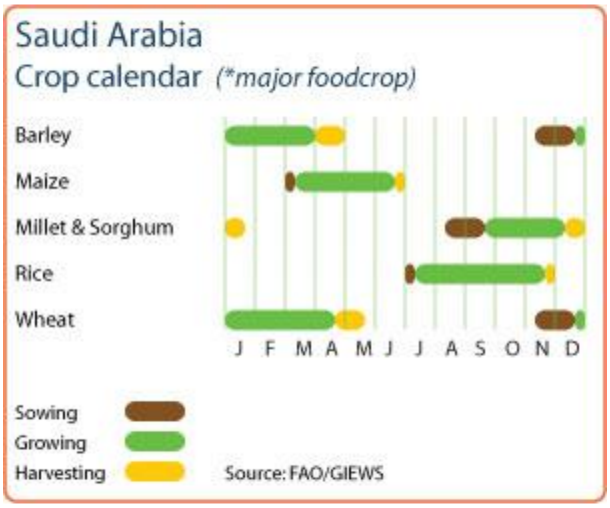
- Wheat production gradually being reduced.
- Imports of wheat and coarse grains forecast at record levels in 2010/11.

Wheat production gradually phasing out

Sowing of 2011 wheat and barley crop to be harvested in April-May has been recently completed. Production is expected to decrease following the adoption of the 2008 decree that aims at gradually phasing out all water-intensive agricultural crops by 2016, including wheat. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016. To save water, the country also stopped subsidies to barley production in 2003.

Early forecast of cereal import requirements in 2010/11 at record levels

Cereal import requirements in 2010/11 are forecast at record 12 million tonnes. To maintain current consumption levels and with the aim to gradually expand national reserves to one year's needs, the country's wheat imports in marketing year 2010/11 (July/June) are forecast to reach a record 2.2 million tonnes. Imports of barley and maize, mainly used for feed, are forecast at 7.1 million tonnes and 2 million tonnes, respectively. Import requirements of rice are forecast at an average level of 900 000 tonnes.

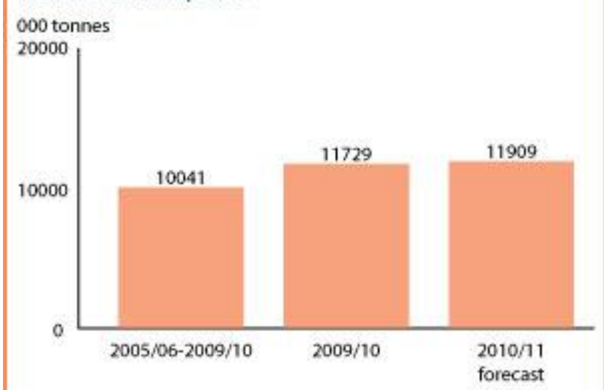


Saudi Arabia

Cereal production

	2005-2009 average	2009	2010 forecast	change 2010/2009
	000 tonnes			percent
Wheat	2078	1000	700	-30
Sorghum	240	287	267	-7
Maize	90	98	95	-3
Others	39	33	33	0
Total	2447	1418	1095	-23

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

GIEWS Country Brief

Saudi Arabia

Reference Date: 13-October-2010

FOOD SECURITY SNAPSHOT

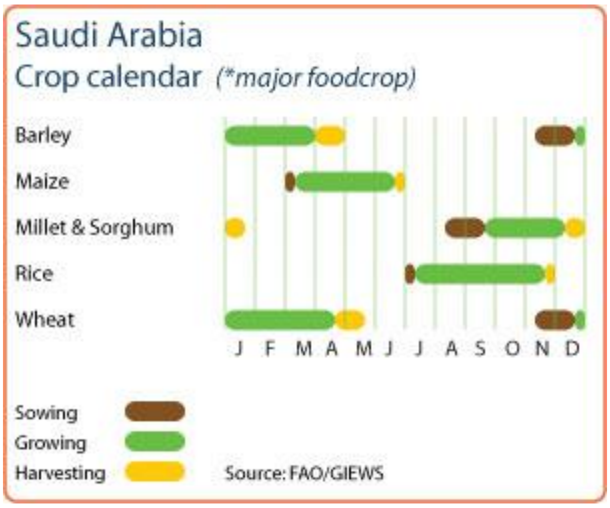
- Wheat production gradually being reduced.
- Imports of wheat and coarse grains expected to reach record levels in 2010/11.

Wheat production gradually phasing out

The sowing of the wheat crop to be harvested in April-May 2011 is about to start. Cereal production in 2010 is estimated at about 1.1 million tonnes, 23 percent down on 2009. The reduction follows the adoption of the 2008 decree that aims at gradually phasing out all water intensive agricultural crops by 2016, including wheat. The country will compensate the reduction in local wheat production by increasing imports. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016. To save water, the country also stopped subsidies to barley production in 2003.

Early forecast of cereal import requirements in 2010/11 at record levels

The cereal import requirement in 2010/11 is forecast at record 11.9 million tonnes. To maintain the annual wheat consumption requirement levels at some 2.6 million tonnes, the country’s wheat imports in marketing year 2010/11 (July/June) are likely to reach a record 2 million tonnes. In 2016, when wheat production is expected to be phased out, imports of wheat are expected to exceed 3 million tonnes. Imports of barley and maize, used mainly for feed, are forecast at 7 million tonnes and 2 million tonnes, respectively. The good pasture conditions in Northern areas of the country may result in some import reduction of coarse grains. Import requirements of rice are forecast at an average level of 900 000 tonnes.

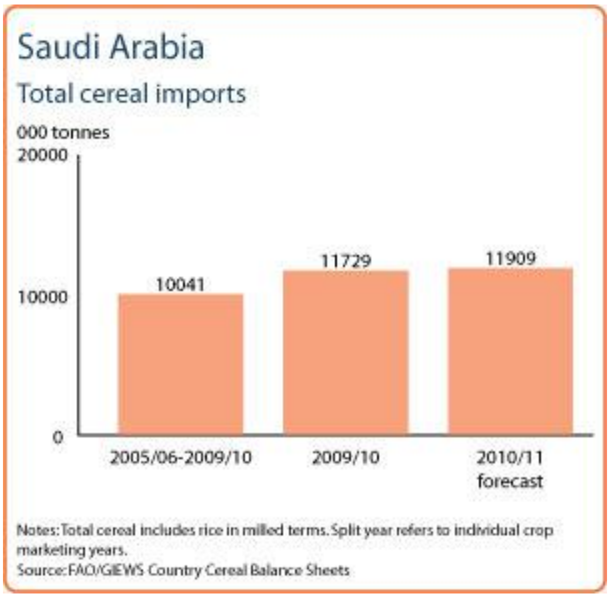


Saudi Arabia

Cereal production

	2005-2009 average	2009	2010 forecast	change 2010/2009
	000 tonnes			percent
Wheat	2078	1000	700	-30
Sorghum	240	287	267	-7
Maize	90	98	95	-3
Others	39	33	33	0
Total	2447	1418	1095	-23

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



GIEWS Country Brief

Saudi Arabia

Reference Date: 06-September-2010

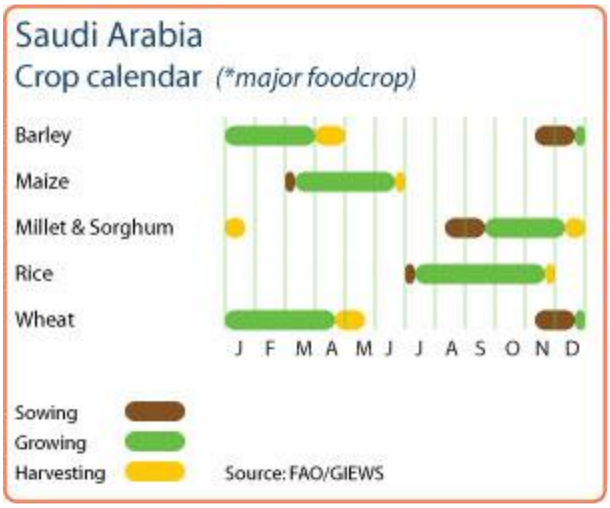
FOOD SECURITY SNAPSHOT
- Wheat production gradually reduced.
- Imports of wheat and coarse grains expected at record levels in 2010/11.

Wheat production gradually phasing out

Harvesting of the 2010, mostly irrigated wheat crop, has been completed by the end of May and production is estimated at about 700 000 tonnes, 30 percent down on 2009. The reduction follows the adoption of the 2008 decree that aims at gradually phasing out all water intensive agricultural crops by 2016. The country will compensate the reduction in local wheat production by increasing imports. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016. To save water, the country also stopped subsidies to barley production in 2003.

Early forecast of cereal import requirements in 2010/11 at record levels

Cereal import requirements in 2010/11 are forecast at record 11.9 million tonnes. In fact, to maintain the annual wheat consumption requirement levels at some 2.6 million tonnes, the country's imports in marketing year 2010/11 (July/June) are likely to reach a record 2 million tonnes. In 2016, when wheat production is expected to be phased out, imports of wheat are expected to exceed 3 million tonnes. Imports of barley and maize, used mainly for feed, are forecast at 7 million tonnes and 2 million tonnes, respectively. The good pasture conditions in Northern areas of the country may result in some import reduction of coarse grains. Import requirements of rice are forecast at an average level of 900 000 tonnes.

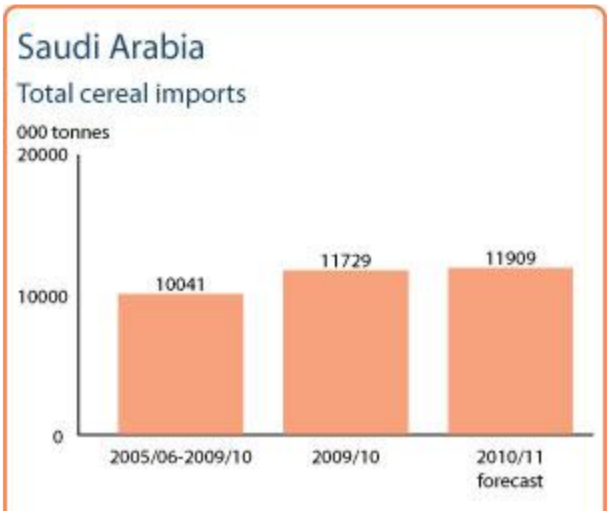


Saudi Arabia

Cereal production

	2005-2009 average	2009	2010 forecast	change 2010/2009
	000 tonnes			percent
Wheat	2078	1000	700	-30
Sorghum	240	287	267	-7
Maize	90	98	95	-3
Others	39	33	33	0
Total	2447	1418	1095	-23

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

GIEWS Country Brief

Saudi Arabia

Reference Date: 13-July-2010

FOOD SECURITY SNAPSHOT

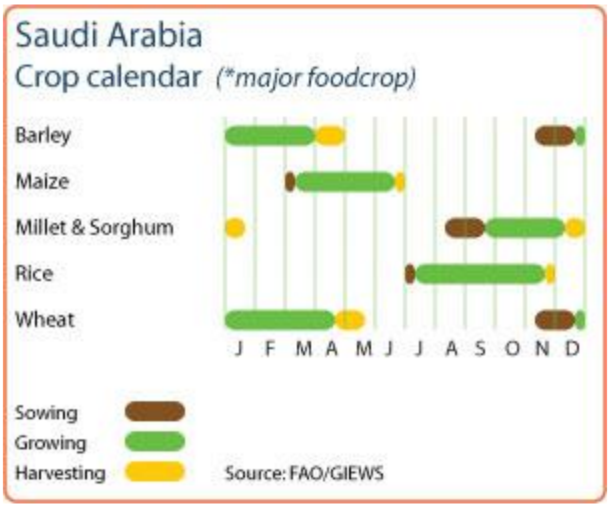
- Wheat production gradually reduced in order to save water.
- Imports of wheat and coarse grains expected to reach record levels in 2009/10.

Wheat production gradually phasing out

Harvesting of the 2010 mostly irrigated wheat crop has been completed by the end of May and production is estimated at about 700 000 tonnes, 30 percent down on 2009. The reduction follows the adoption of the 2008 decree that aims at gradually phasing out all water intensive agricultural crops by 2016. The country will compensate the reduction in local wheat production by increasing imports. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016. To save water, the country also stopped subsidies to barley production in 2003.

Cereal imports in 2009/10 estimated at record levels

To maintain the annual wheat consumption requirement levels of some 2.6 million tonnes, the country's imports in the last marketing year 2009/10 (July/June) are estimated at record 1.8 million tonnes. In 2016, when wheat production is expected to be phased out, imports of wheat could reach more than 3 million tonnes. Imports of barley and maize used mainly for feed are estimated at 7.4 million tonnes and 1.7 million tonnes, respectively. The good pasture conditions in Northern areas of the country may result in some import reduction of coarse grains. Imports of rice are estimated at about 1.1 million tonnes.

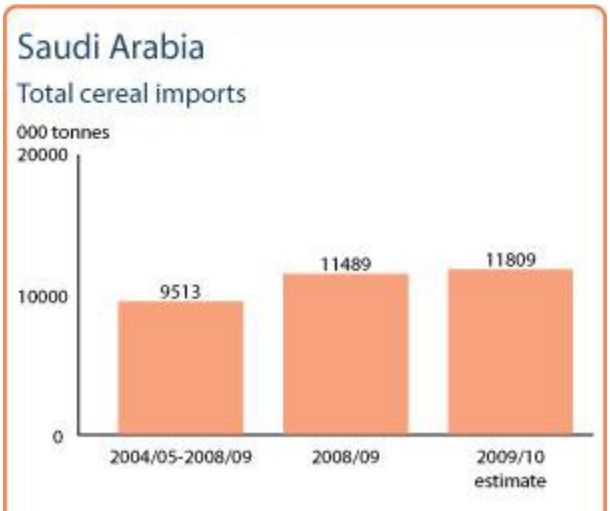


Saudi Arabia

Cereal production

	2005-2009 average	2009	2010 forecast	change 2010/2009
	000 tonnes			percent
Wheat	2078	1000	700	-30
Sorghum	240	287	267	-7
Maize	90	98	95	-3
Others	39	33	33	0
Total	2447	1418	1095	-23

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

GIEWS Country Brief

Saudi Arabia

Reference Date: 09-June-2010

FOOD SECURITY SNAPSHOT

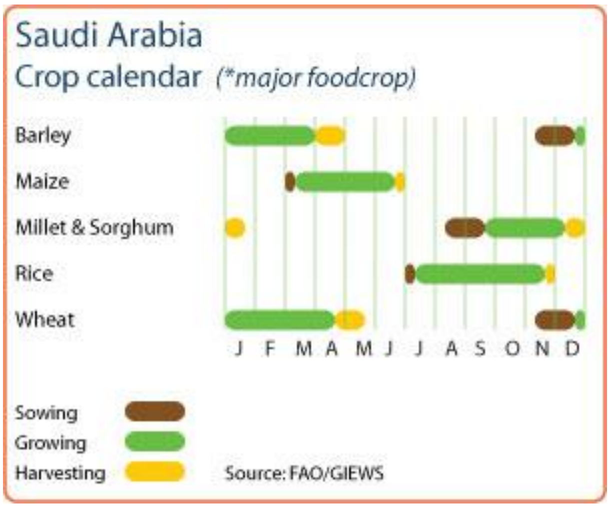
- Wheat production gradually reduced in order to save water.
- Imports of wheat and coarse grains expected to reach record levels in 2009/10.

Wheat production gradually phasing out

Harvesting of the 2010 mostly irrigated wheat crop has just been completed and production is estimated at about 700 000 tonnes, with a 30 percent decrease from the previous year, following the reduction in planted area. This follows the adoption of the 2008 decree that aims at gradually phasing out all water intensive agricultural crops by 2016. The country will compensate the reduction in local wheat production by increasing imports. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016. To save water, the country also stopped subsidies to barley production in 2003.

Cereal imports in 2009/10 expected to hit record levels

To maintain the annual wheat consumption requirement levels of some 2.6 million tonnes, the country is expected to import a record 1.7 million tonnes in marketing year 2009/10 (July/June). In 2016, when wheat production is expected to be phased out, imports of wheat could reach more than 3 million tonnes. Imports of barley and maize to be exclusively used for feed are estimated at 7.4 million tonnes and 1.9 million tonnes, respectively. The good pasture conditions in Northern areas of the country may result in some import reduction of coarse grains. Imports of rice are estimated at about 1.1 million tonnes.

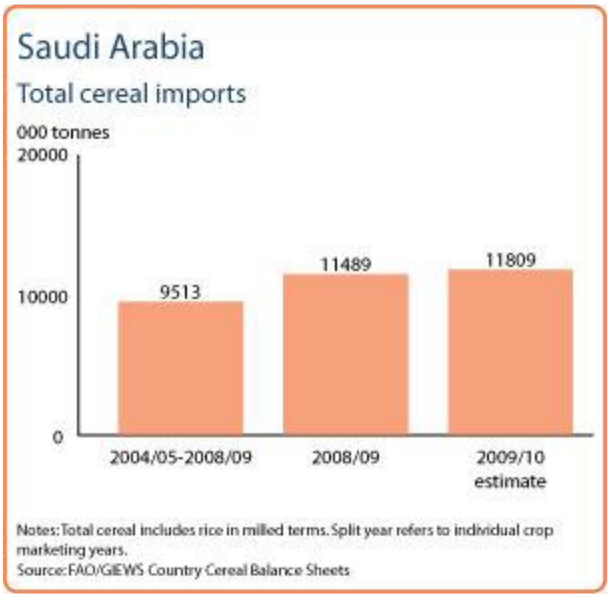


Saudi Arabia

Cereal production

	2005-2009 average	2009	2010 forecast	change 2010/2009
	000 tonnes			percent
Wheat	2078	1000	700	-30
Sorghum	240	287	267	-7
Maize	90	98	95	-3
Others	39	33	33	0
Total	2447	1418	1095	-23

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



GIEWS Country Brief

Saudi Arabia

Reference Date: 29-March-2010

FOOD SECURITY SNAPSHOT

- Wheat production gradually phased out to save water.
- Imports of wheat and coarse grains expected to reach record levels in 2009/10.

Wheat production gradually phasing out

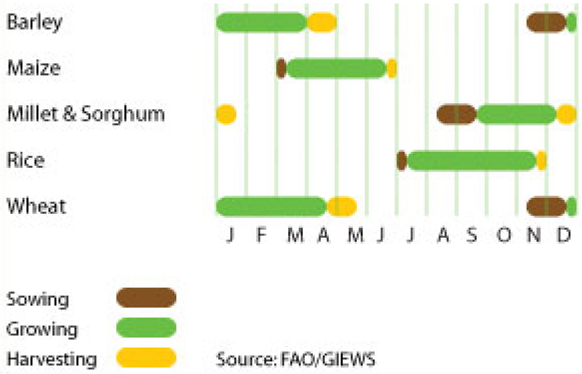
Harvesting of 2010 mostly irrigated wheat crop is about to start by mid-April. Production is forecast at about one million tonnes, with a decrease of 42 percent from the previous year, following the reduction in planted area. This follows the adoption of the 2008 decree that aims at the gradual elimination of water intensive agricultural crops by 2016. Until then, the country will augment the percentage reduction in local wheat production by importing a similar percentage from the international market. The government intends to maintain the guaranteed purchase price for locally grown wheat at USD 267 per tonne until 2016. To save water, the country stopped barley production in 2003.

Cereal imports in 2009/10 expected to hit record levels

To maintain the annual wheat consumption requirement levels of some 2.6 million tonnes, the country is expected to import a record 1.7 million tonnes in marketing year 2009/10 (July/June). In 2016, when wheat production is expected to be phased out, imports of wheat could reach more than 3 million tonnes. Imports of barley and maize, estimated at a high of 7.4 million tonnes and 1.9 million tonnes, respectively. The long standing imports subsidy program and the high domestic demand following poor pasture conditions are the main reasons behind the increase in import demand. Imports of rice are estimated at about 1.1 million tonnes.

Saudi Arabia

Crop calendar *(*major foodcrop)*



Source: FAO/GIEWS

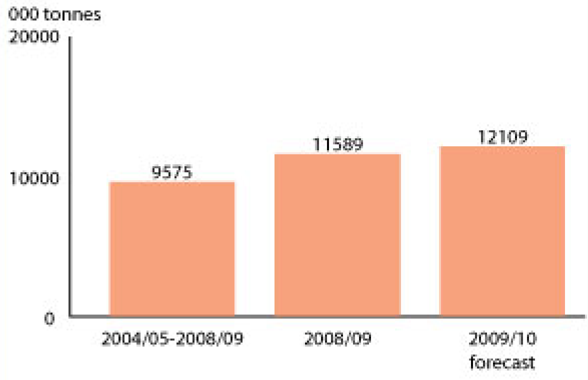
Saudi Arabia

Cereal production

	2004-2008 average	2008	2009 estimate	change 2009/2008
	000 tonnes			percent
Wheat	2472	1700	1200	-29
Sorghum	239	220	287	30
Maize	81	80	98	22
Others	48	33	33	0
Total	2841	2033	1618	-20

Note: percentage change calculated from unrounded data.

Total cereal imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.
Source: FAO/GIEWS Country Cereal Balance Sheets

GIEWS Country Brief

Saudi Arabia

Reference Date: 01-February-2010

FOOD SECURITY SNAPSHOT

- Wheat production gradually phased out to save water
- Imports of wheat and feed crops expected to be record in 2009/10

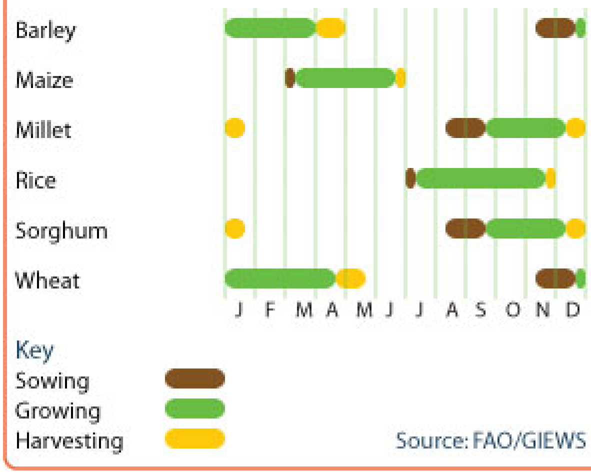
Wheat production decreases by law since 2008

Planting of the 2010 mostly irrigated wheat crop has been recently completed. Planted area is estimated at 210 000 ha, some 12.5 percent less than in 2009, following the 2008 decree aiming at the phased elimination of water intensive agricultural crops such as wheat and alfalfa by 2016. Until then, the country will augment the percentage reduction in local wheat production by importing a similar percentage from the international market. The government intend to maintain the guaranteed purchase price for locally grown wheat at USD 267 per metric ton until 2016. To save water, the country stopped barley production in 2003.

Cereal imports in 2009/10 will be record

To maintain the annual wheat consumption requirement level of some 2.6 million tonnes, the country, for the first time since the 1980s, began large imports, amounting to 1.3 million tonnes, in marketing year 2008/09. In 2016, when wheat production is expected to be entirely terminated, imports of wheat could reach more than 3 million tonnes. Imports of rice in 2009/10 marketing year are estimated at about 1.1 million tonnes. Imports of barley and maize, used almost entirely as animal feed, are estimated at 7.4 million tonnes and 1.9 million tonnes, respectively.

Crop calendar
Saudi Arabia



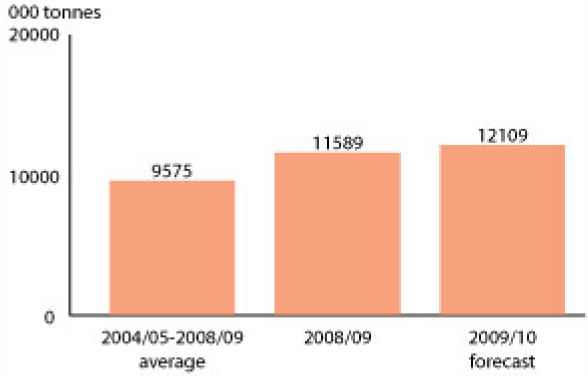
Saudi Arabia

Cereal production

	2004-2008 average	2008	2009 forecast	change 2009/2008
	000 tonnes			percent
Wheat	2472	1700	1200	-29
Sorghum	239	220	287	30
Maize	81	80	98	22
Others	48	33	33	0
Total	2841	2033	1618	-20

Note:percentage change calculated from unrounded data.

Total cereal imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.

Source: FAO/GIEWS Country Cereal Balance Sheets