



Wheat Production In Saudi Arabia (A Three Decade Story)

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A- Saudi Arabia (general information: a quick look

Location : In the south western part of Asia, it occupies 4/5 of the Arabian Peninsula (center of the world).

Area : 2.24 million sq.km

Population: around 28m (70% Saudis, 30% non-Saudis), annual growth rate 2.46%.

Capital: Riyadh (main cities: Jeddah, Makkah, Madina , Dammam).

Language: Arabic

Currency: Saudi Riyal (\$= 3.75 SR).

Economy: Free and open economy, Oil is the main sector (accounts for roughly 45% of budget revenues, 45% of GDP, and 90% of export earnings).

Total GDP: (\$ 600 billion in 2008) (G20).

GDP growth: (6 % in 2008)

GDP per capita: (\$ 21300 in 2008)

Trade: Exports (\$ 330 billion in 2008)
Imports (\$ 108 billion in 2008)

International

Organizations: (FAO, IFAD, OPEC)
WTO (2005)



B- The Agricultural Resources.

- 1- Land resources.**
- 2- Water resources.**
- 3- Human resources.**
- 4- Capital resources.**

B- The Agricultural Resources:

1- Land resources:

Status and relative importance of Agric. Land resources in the Kingdom(2009).

Total area of the Kingdom (Thousand hectares)	224,000
Area suitable for agriculture. (Thousand hectares)	48,899
Percentage of Land area suitable for agric. Out of Kingdom 's total area (%)	21,7
Area of agric. Land (Farms) (Thousand hectares)	4,987
Percentage of agric . Land area to the Kingdom 's total area (%)	2,2
Percentage of agric. Land area to the land area suitable for agric (%)	10,2
Total area of pasture Land (Thousand hectares)	170,000
Total forestry area (Thousand hectares)	2,700
Percentage of forestry area to the total Kingdom's area (%)	1,2

Notices:

- Small size holdings are in south and southwestern regions.
- Big size holdings are in central and northern regions.
- Most lands of low organic contents, therefore using chemical fertilizers.

B- The Agricultural

Resources

2- Water resources.

- No lakes or rivers.
- Very low rainfall (less than 100 mm. annually).
- Underground water is the main water source for agriculture.
- Water is highly considered as a scarce and limiting resource.
- The national water demand by source and use as follows.

Million CM

Water Resource	Water consumption 2004			Expected water demand 2009		Total
	Agricultural	Non – Agric.	Total	Agricultural	Non – Agric.	
Renewable surface and ground water	6260	240	6500	6640	260	6900
Non - Renewable ground water	10990	1410	12400	8060	1210	9270
Desalinated water	—	1070	1070	—	1650	1650
Reclaimed waste water	240	20	260	330	50	380
Reclaimed Agric. Water	40	—	40	60	—	60
Total	17530	2740	20270	15090	3170	18260

Source: Ministry of Economy and Planning, 2006

C . Wheat production in Saudi Arabia: (A Three decade Story)

- It is a story of positive government intervention.
- It is a story of positive response from the private sector.
- It is a story of real challenge (to produce wheat in harsh and changing climatic conditions attaining high level of productivity and reaching self-sufficiency in short period)

.The story in sequence: (at glance)

- **In 1972 the government has established the Grain Silos and Flour Mills Organization (GSFMO) with a main objective of importing wheat to produce wheat flour and other by products.**
- **Up to 1978, wheat was produced in Saudi Arabia in small quantities using local varieties.**
- **In 1978, the government has started to enhance local wheat production by using new imported seeds through a generous price support program.**
- **Since then, the government represented by GSFMO guaranteed the purchasing supported price for all wheat production.**

. Wheat price developments:

- 600 USD per ton in 1978.
- 933 USD per ton in 1979.
- 933 USD per ton in 1985 (for small farmers).
- 800 USD per ton in 1985 (for big farmers of more than 500 ton).
- 533 USD per ton in 1986.
- 533 USD per ton in 1988 (for all farmers).
- 400 USD per ton in 1988 (for agric. companies).
- 400 USD per ton in 1996 (for farmers only).
- 266 USD per ton in 2005 (for farmers and companies).

. Wheat production developments.

Year	Area (ha)	Production (ton)	Year	Area (ha)	Production (ton)
1978	59912	120225	1993	764151	3429982
1979	66998	140767	1994	581510	2646023
1980	67227	141732	1995	368509	1647956
1981	73502	187231	1996	273842	1200000
1982	151059	416735	1997	403371	1794901
1983	245071	817497	1998	385340	1734600
1984	404079	1401644	1999	483861	2057471
1985	587423	2134930	2000	419220	1787542
1986	566416	2289995	2001	424168	2081870
1987	601700	2648773	2002	498507	2436443
1988	726370	3267391	2003	516747	2524279
1989	780402	3452428	2004	523061	2775678
1990	770616	3580344	2005	488876	2648472
1991	896148	4035497	2006	468271	2630394
1992	924409	4123656	2007	450330	2558502
			2008	240838	1372775

D . Tough Decisions to end the story:

- **As a result of the increasingly huge and wide range debates and discussions in the Saudi society in the last few years concerning water security and the importance of conserving water for the needs of current as well as future generations, tough and serious decisions have been issued to reduce water usage in agriculture and to use it more efficiently in all purposes.**
- **Among such decisions the recent Council of Ministers Resolution No.335 dated 19/11/2007 which contains 21 procedures all aiming to utilize water more properly and to regulate its uses in agriculture through some actions such as;**
 - **The GSFMO should gradually refrain from purchasing the locally produced wheat in a period not exceeding 8 years, with an annual reduction rate of 12.5% (which means phasing out wheat production within 8 years).**
 - **To continue not exporting the locally produced wheat.**

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- An aerial photograph showing a vast agricultural landscape in a desert region. The foreground and middle ground are dominated by large, circular, green irrigation fields, likely part of a center pivot system. These fields are arranged in a grid-like pattern, separated by light-colored dirt roads or canals. The background shows a flat, arid plain extending to the horizon under a clear sky. The overall scene depicts a significant agricultural investment in an otherwise dry environment.
- **The Ministry of Agriculture should continue not licensing wheat, barley and animal feed projects.**
 - **To take care of those farmers who might be negatively affected by the new policies.**
 - **As a result of this decision the GSFMO has started at the end of 2008 to import wheat for the first time since the last three decades. Up to now 880,000 tons of wheat has been contracted for, of which 220,000 tons have been already reached the Kingdom.**

A photograph of a vast field of golden wheat, with the stalks and heads of grain clearly visible. The sky above is a pale, clear blue. The text "Thank you for your attention" is overlaid in the upper half of the image.

Thank you for your attention

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