

Focus on Saudi Arabia

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[World Grain 18 March 2024](#)

RIYADH, SAUDI ARABIA — Saudi Arabia produced nearly double the wheat expected in the 2022-23 marketing year and is on track for similar results in 2023-24 as government purchase prices remain high.

Production totaled 1.18 million tonnes in 2022-23 and is estimated at 1.2 million tonnes in 2023-24, according to a report from the Foreign Agricultural Service (FAS) of the US Department of Agriculture (USDA). The government offered a purchase price of \$466.70 per tonne.

Still, the nation will need to import an estimated 4.63 million tonnes of wheat in 2022-23 and 4.8 million tonnes in 2023-24.

This February, Modern Mills Co. was the second of the nation's four recently privatized milling companies to complete an initial public offering. Privatization of the sector started in 2018, with the companies being sold by the Saudi Grains Association (SAGO) to consortiums of investors in 2020 and 2021.

Privatization is part of a larger plan to raise the contributions of the private sector to the gross domestic product, attract local and international investments and diversify the country's economy, which is the largest in the Middle East and the 18th largest in the world.

Diversification includes finding non-oil sources of income for the nation, which relies on oil for 87% of its budget revenues. Agriculture made its largest contribution ever to the GDP in 2022, reaching \$26.6 billion, an increase of 38% from the previous year.

The country has adopted multiple strategies and programs to promote sustainable agriculture and improve water management to preserve natural and environmental resources. It faces multiple challenges in expanding agriculture production, including a hot and dry climate with low precipitation, sandy soils with low fertility, high incidence of animal disease and pests and water scarcity.

Saudi Arabia is a net food importing country but is self-sufficient in some areas, including fresh milk, table eggs, dates and vegetables. It is a net importer of wheat, barley, corn and rice.