

Market Intelligence Report

(Rice Sector in the Kingdom of Saudi Arabia)

Overview:

The Kingdom of Saudi Arabia (KSA) is the largest economy in the region with GDP up to 1.1 Trillion US dollars in 2022. Saudi Arabia is an oil-based economy with strong Government controls over major economic activities however, the economy is undergoing a transformation to reduce oil dependence, diversify income sources, and enhance competitiveness under Vision 2030.

Saudi Arabia's Food & Beverage industry is one of the largest in the Middle East Region. Saudi Arabia offers good business opportunities for food manufacturers as it is, for the most part, dependent on food imports to feed its population of almost 35 million. Total investments in the Saudi food manufacturing sector are expected to exceed \$70 billion by the end of 2030 (Currently valued at \$28 billion, Source: The Saudi Food Show), making it a major producer of high value food products in the region. Furthermore the food market is expected to grow annually by 4% 2023-2028. This opens an excellent potential for food exporters as a large range of products can be supplied into the Saudi Arabian market, especially when it comes to fresh agricultural products such as meat, dairy products, fruit and vegetables.

The sector has experienced a tectonic shift with the ongoing changes in Saudi society and a young population demanding novel food experiences. Healthy food options, such as vegan/plant-based foods are becoming quite popular among consumers in Saudi Arabia.

Rice has emerged as a fundamental component of Saudi Arabian cuisine, particularly in traditional dishes like Kabsa (a spiced rice and meat dish) and Mandi (slow-cooked meat with rice). These dishes are deeply ingrained in Saudi culture and are often served on all important occasions.

Though Saudi Arabia is one of the largest consumers of rice in the Middle East but there is no rice production here due to the barren land and water scarcity in Saudi Arabia, and the country relies on imports to meet its domestic demand.

Rice consumption in Saudi Arabia:

Saudi Rice consumption in 2025 (January – December 2025) is projected at 1.6 MMT, an increase of approximately six percent over the 2024 estimate. Two main factors attributed to the significant surge in domestic rice consumption:

1. An increase in tourism. In 2023, total inbound tourists were estimated at 27 million, an increase of approximately 63 percent over the 16.6 million visitors in 2022. The government projects 70 million international tourists will visit Saudi Arabia by 2030.
2. An increase in the labor force. Saudi Arabia is bringing in millions of workers to facilitate the construction of several billion-dollar projects throughout the country.

Post anticipates, demand for rice will remain strong over the next several years to meet the increasing number of consumers in the country. Historically, demand for rice and other food products peaks during Ramadan and the Hajj season.

The rice variety in demand in Saudi market keep on changing in the last few years. Earlier Pakistani variety PK-385 with long grains and aroma was quite popular but currently following are different varieties are considered consumer's favourite

Basmati Rice:

Saudi Arabia is a long grain rice market, mostly basmati. Rice is a staple food in Saudi Arabia that is served for lunch and dinner. A traditional dish called "kabsah" is widely consumed in both Saudi and expatriates' homes and nearly all residents of the country include rice as a major part of their daily diet. Most of the estimated 14 million expatriates living in Saudi Arabia (from the Indian subcontinent and other Asian countries) are considered as the biggest users of rice.

Basmati Rice is currently the most popular rice variety in the Saudi market. Most consumers in Saudi Arabia prefer aged basmati rice and Saudi rice importers store new harvested basmati rice for several months to improve the cooking quality of the rice and to maintain the quality of their branded rice. According to some importers, newly harvested basmati rice is very soft and sticky if cooked before it is aged, and the aging process improves the quality by maintaining several key attributes (e.g., fluffy, fragrant, and long grain). Each year, major Saudi importers market their aged rice for several months before they offer the New Year products. It is not unusual to find basmati rice stored for several years in Saudi houses for aging purposes and as a reserve stock.

American Rice:

The American long-parboiled and medium-grain Calrose rice varieties are well known, but Saudi consumers' preference has shifted to basmati varieties in recent years. While basmati rice is mostly consumed in the eastern, central, and western regions of Saudi Arabia, American rice is popular in the southern region. It is also very popular in restaurants that prepare kabsah dishes.

Rice Demand in Saudi Arabia:

Saudi rice imports (Jan. – Dec. 2025) are projected at 1.62 million tons, an increase of approximately four percent over the 2023/24 estimate. Saudi rice imports are projected to increase approximately five percent over the next several years due to expansions in the food service sector. There are more than 1500 different varieties of rice. However, in Saudi Arabia, "Basmati" rice is most frequently consumed, followed by American rice and Calrose rice.

The demand for rice to remain strong for several reasons:

- Rice is a staple food.
- The country does not produce rice.
- The need to maintain high-strategic stock reserves.
- An expected high demand when regular travel resumes to Saudi Arabia.

Rice Imports in Saudi Arabia:

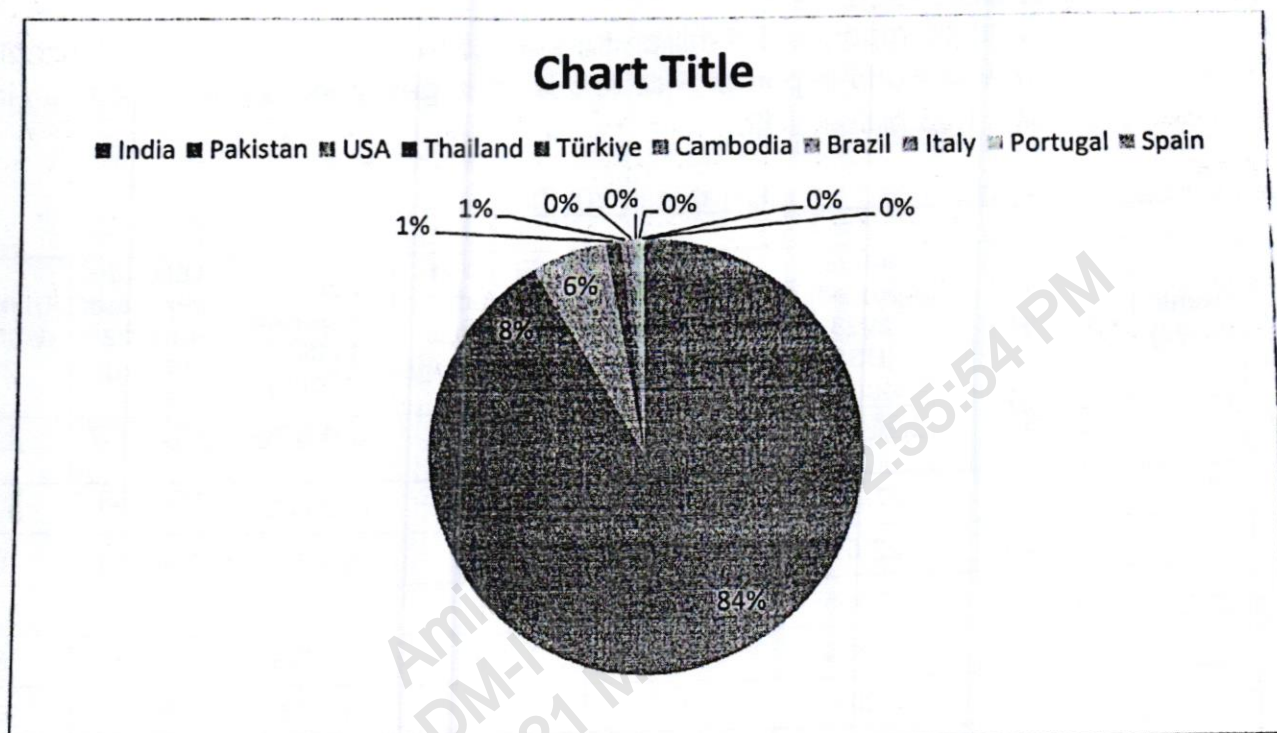
Saudi Arabia imported 1.5 million tons of 1.53 million US\$ in 2023. Saudi Arabia represents 4.7% of world import of Rice and is 3rd largest importer of rice with an import value of around 1.53 billion US\$.

(Fig. 1.1) Rice Imports in Saudi Arabia in 2023:

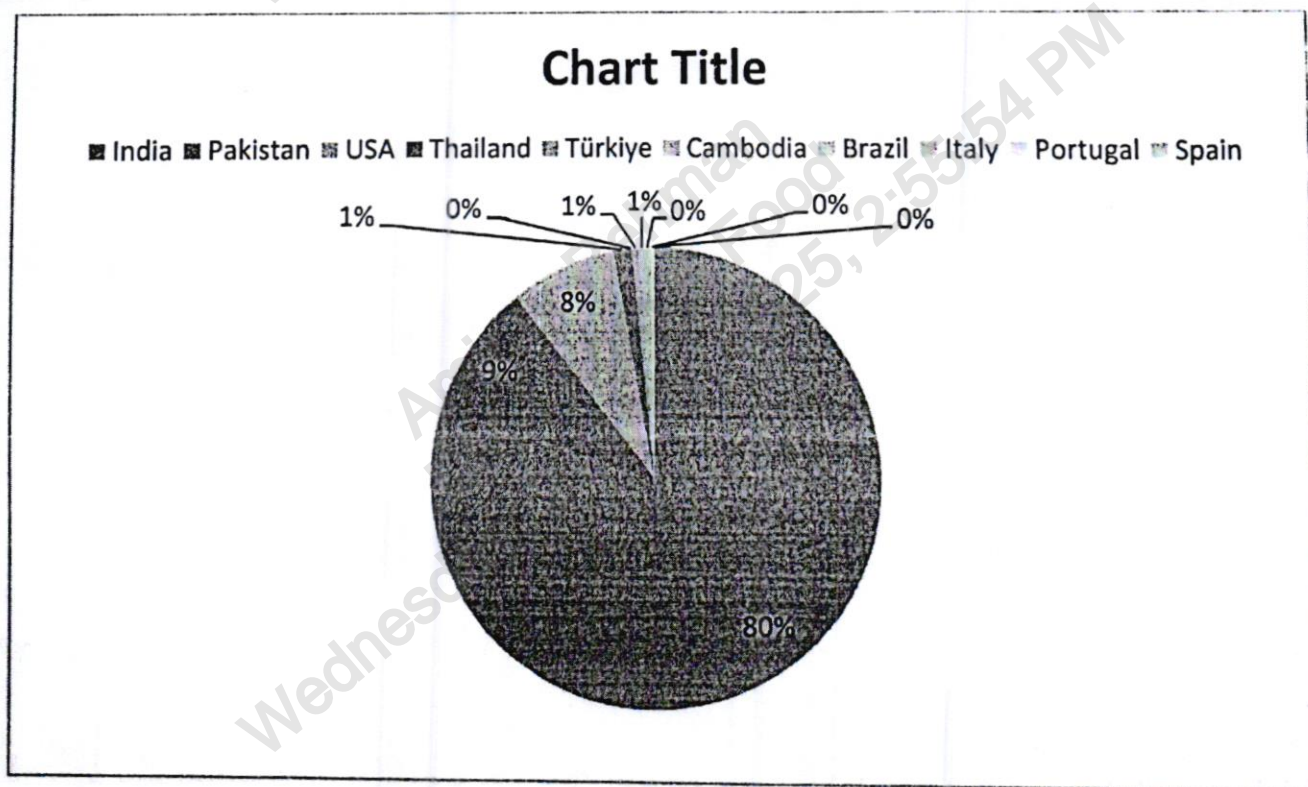
Rank (2023)	Exporters	Value imported in 2023 (USD Thousand)	Value imported in 2022 (USD Thousand)	Share in Saudi Arabia's imports (%) (2023)	Quantity imported in 2023 (Tons)	Quantity imported in 2022 (Tons)	Unit value (USD/unit) 2023
--	Total	1,534,388	1,387,972	100	1,511,114	1,333,827	1,015
1.	India	1,279,903	1,040,583	83.4	1,234,603	977,268	1,037
2.	Pakistan	122,096	120,894	8	135,147	144,243	903
3.	USA	87,065	101,441	5.7	85,659	90,185	1,016
4.	Thailand	18,294	16,937	1.2	26,273	20,852	696
5.	Türkiye	9,203	497	0.6	8,873	621	1,037
6.	Cambodia	5,148	6,887	0.3	7,470	8,193	689
7.	Brazil	4,794	5,774	0.3	7,289	8,314	658
8.	Italy	3,405	4,816	0.2	2,326	3,695	1,464
9.	Portugal	2,010	3,309	0.1	1,575	3,432	1,276
10.	Spain	1,908	743	0.1	1,454	532	1,312

Source: ITC, Trade Map.

Import Share in Saudi Rice Market, 2023



Import Share in Saudi Rice Market, 2022



India continues to dominate the Saudi rice market in 2023 and exported 1.23 million tons of rice to Saudi Arabia, an increase of 26 percent over the previous year and accounted for approximately 83 percent of the Kingdom's rice imports.

With an estimated nine percent of the market, Pakistan remained the second largest rice exporter to Saudi Arabia. Pakistani basmati rice is known for its superior quality and should remain integral in the Saudi market for years to come.

The United States was the third largest exporter of rice to Saudi Arabia with approximately six percent market share last year. MY 2022/23, U.S. rice exports were 85,659 MT, an increase of approximately 13 percent over the previous year.

Pakistan's position in imports of rice in Saudi Arabia:

Pakistan produced 9 million tons rice (3M tons Basmati and 6 M tons non-Basmati) in 2023. After consumption of around 2M tons Basmati/Super Basmati and 1M tons of non-Basmati including PK-386, C-9, PK-86 in the local market, rest of the excess production was available for export. However, Pakistan represents merely 8-9% of total rice imports in Saudi Arabia. Pakistan exported 135 thousand tons of rice of total value of 122,000 US Dollars to Saudi Arabia which is a market for 15 M tons rice.

Comprehensive analysis of Pakistani Rice Exports to Saudi Arabia in 2023:

HS-Code	Product Label	Value in 2023, USD Thousand	Value in 2022, USD Thousand	Share in Saudi Arabia's imports, % (2023)	Quantity imported in 2023 (Tons)	Quantity imported in 2022 (Tons)
'100630	Semi-milled or wholly milled rice, whether or not polished or glazed	120,682	118,577	8	132,098	142,076
'100640	Broken rice	1,351	96	100	2,987	126
'100620	Husked or brown rice	63	2,047	15	62	1,857
Total	--	122,096	120,720	8	135,147	144,059

Source: Trademap2023

(https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c586%7c%7c682%7c%7c1006%7c%7c%7c6%7c1%7c1%7c2%7c2%7c1%7c1%7c1%7c%7c1)

The total quantity of the Rice Export to the Saudi Arabia from Pakistan in 2023 decreased approximately six percent from last year. However, the total Value of Export increase 1.13% compared to 2022, suggesting and overall increase in the price per ton. Pakistan's Rice valued at average 838 US\$/Ton in 2022, which increased to 903 US\$/Ton in 2023 (7.75% increase in average price per ton). India, despite the Export

ban to control domestic prices, was able to increase its share from 80% in 2022 to 84% in 2023. India has dominated rice exports over the past decade due in part to low local prices and high domestic stocks, which allows the country to offer rice at discounts.

Competitors in Saudi Rice Market:

India: Historically, India has been the largest rice exporter to Saudi Arabia accounting for more than 75 percent of total imports annually. Some of the main factors that contributed to India's continued dominance are:

1. **Varieties of rice:** The country's capability to offer various varieties (basmati and non-basmati) and grades of rice that meets consumer's needs.
2. **Competitive price:** Competitive prices of Indian rice make it a most favourite choice of importers and consumers
3. **Long standing trade relationship:** India has long-standing trade relationships with Saudi Arabia, including a well-established rice export infrastructure and extensive knowledge of the Indian rice farming in the Saudi importers. Major Saudi rice importers have a strong relationship with Indian farmers and rice processing/packing facilities in the country. This helps ensure a steady and reliable supply of rice to the Saudi market
4. **Favourable Trade Agreement:** Trade agreements and policies between India and Saudi Arabia have facilitated easier importation of Indian rice into Saudi Arabia, often resulting in favorable terms and conditions.

During his visit to India in February 2019, Saudi Crown Prince announced that the Kingdom would be investing US \$100 billion in India in diversified sectors such as energy, refining, petrochemicals, infrastructure, agriculture, minerals and mining, manufacturing, education and health in the forthcoming years. In this reference, Ministry of Finance, India signed a MoU with the Saudi Ministry of Energy, Industry and Mineral Resources in February 2019 to invest in India's National Investment and Infrastructure Fund Limited (NIIF). Subsequent to the Framework Agreement signed between Invest India and Ministry of Investment (Formerly SAGIA) in February 2019, the Invest India Team has visited the Kingdom multiple times and held kingdom wide interactions with the major players in the Kingdom in diversified sectors.

Kingdom has identified India as the best destination to source commodities like Rice, Red Meat, Sugar, Infant Milk Powder, seafood etc. As purchase of agricultural lands by a foreign entity is not allowed, the Saudi Agricultural & Livestock Investment Company (SALIC), owned by Public Investment Fund is acquiring stakes in Indian exporter companies, for ensuring food security. SALIC has taken minority stake (33%) in LT foods -an Indian multinational rice brand. Further, SALIC has acquired a 33% stake in Daawat Foods Limited through its subsidiary United Farmers Investment Company, for a value of \$17.23 million.

5. High demand: Indian rice brands have developed strong reputation in the Saudi market. The Consumers prefer to purchase Indian rice (as quoted by Al-Mohaidib group during the meeting)

USA: The U.S. rice export is forecast to increase significantly this year due to abundant supply of U.S. Calrose (medium-grain rice) rice variety at a very competitive rate compared to the previous year. Although supplies are tight in the United States, there is strong demand for an estimated 20,000 MT of additional U.S. parboiled rice in the Saudi market.

Other Countries: All other countries account for a share 2.9% of total Saudi Rice Market. They lack to impose any challenge in the market. However, the significant increase in share of Rice Market by Turkey (i.e. 1328.82% increase in 2023 compared to 2022) needs to be considered.

SWOT Analysis:

SWOT Analysis of Pakistani Rice in Saudi Arabia

Strengths

- High Quality Rice
- Among top 10 producers of Rice World-wide
- Amount top 05 exporters of Rice World-wide
-

Weakness

- High average price per ton
- Adverse image portrayed by disruption in supply change
- Political and Socio-Economic challenges face by Pakistan
-

Opportunities

- Ban on export of non-basmati Rice in India had created a vacuum in Saudi Rice Market Share and motivated Saudi rice importers to diversify the rice suppliers
- Anticipated increase in annual demand in Saudi Rice Market
- Expectation of bumper rice Crop in Pakistan in 2024 with upto 20 Metric ton production
-

Threats

- Monopoly of India in Saudi Rice Market
- Entrance of other countries (i.e. Turkey) in Saudi Rice Market
- Highly competitive prices of rice in Saudi Rice Market
- High demand of Indian Basmati Rice in Saudi Arabia due to positive perception by the public and inclination of Saudi importers

Top Rice Importers/Companies in Saudi Arabia:

S. No.	Company Name	Market Share
1.	Mayar Foods, Al Muhaidab Group	These companies hold 55% of the Rice Market Share in Saudi Arabia
2.	Babaker (Abu Kass)	
3.	Omar Kassem AlEsayi Marketing Co. Ltd.	
4.	Al Shalan Trading Est.	
5.	Subwhite	

Top Rice Products in Saudi Arabia:

S. No.	Product Name	Company	Rice import Country
1.	Green Farms	OKAM	Pakistan/ USA
2.	Punjab Al-Muhaidab	Mayar Foods (Al-Muhaidab Group)	India
3.	Al-Walimah	Mayar Foods (Al-Muhaidab Group)	India
4.	Abu Kass (Mazza, Amber & Classic)	Babaker	India
5.	Al-Aila Long Grain	Mayar Foods (Al-Muhaidab Group)	India
6.	Taj Al-Hind Product Chain	Saeed Ahmed Al-Mahroos & Sons Co.	India
7.	Abu Hussain	Saeed Ahmed Al-Mahroos & Sons Co.	Pakistan
8.	Abu Seyoof	Abu Seyoof	USA
9.	Royal Umbrella	Royal Umbrella	Thailand
10.	Bont Long Grain American	Bonta Viva	USA

Comments/Recommendations:

In order to increase the export of Pakistani rice to Saudi Arabia, following strategic steps are recommended.

1. Understand Market Requirements

- **Quality Standards:** Ensure that Pakistani rice meets the quality and safety standards required by Saudi Arabia.

2. Build Relationships and Partnerships

- **Trade Associations:** Engage with trade associations and export promotion agencies in both Pakistan and Saudi Arabia.
- **Local Agents:** Partner with local agents or distributors in Saudi Arabia who understand the market and can facilitate connections. This trust based long term partnership can enable us to enhance our rice export share in this market.

3. Enhance Product Quality and Variety

- **Consistency:** We should focus on maintaining consistent quality in terms of grain size, color, aroma and taste.
- **Varieties:** Explore introducing different varieties. For instance, Pakistani rice variety 385 was very much in demand in the Saudi market but Pakistan is no more producing it due to less profit involved in it. We should introduce diversification in our varieties by collaborating research departments of Agricultural Universities/institutes in Pakistan.
