

Agribusiness in Middle East region (UAE, Kuwait and KSA Country Report)

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Abstract: The countries of the Middle Eastern region have responsibly taken up agriculture and allied activities in their national development plans and have invested in strategic agribusiness areas. These countries are dependent on food imports and this trend will continue primarily triggered by their limited natural resource availability and adverse climatic condition unfavorable for agriculture. However, in spite of these constraints these countries are working out strategies to combat climate change and adapt to the challenges.



“Give me agriculture and I will give you civilization”-H.H. Sheikh Zayed bin Sultan Al-Nahyan, Father of the Nation (United Arab Emirates)

The countries of the Middle Eastern region have responsibly taken up agriculture and allied activities in their national development plans and have invested in strategic agribusiness areas. These countries are dependent on food imports and this trend will continue primarily triggered by their limited natural resource availability and adverse climatic condition unfavorable for agriculture. However, in spite of these constraints these countries are working out strategies to combat climate change and adapt to the challenges. Food security today not only involves production, supply, transport, food handling and management, but also quantity and quality of consumption at the end use of the supply chain. Overall, nutritional value in foods consumed is an issue that needs enormous attention as the changes in food consumption patterns have led to health concerns like increase in rates of diabetes and obesity. Trends like producing high value agricultural products, organic farming, hydroponics, green house/ covered agriculture are catching up in the region. Finding sustainable alternatives like reducing water and energy consumption, producing fresh water through desalinization, treating wastewater for agricultural reuse and to manage natural resources is critical. Right policy framework, developing markets, improvement in logistics and storage, saving water resources, new technology development, building research capacities, and capacity development are areas of interest.

In United Arab Emirates (UAE), the population has increased from 1.5 million in the 1970s to more than 9.3 million in 2017. This puts pressure on the limited internal food supply of the country, and adds to the annual bill for imported food to more than US\$1.5 billion. According to the World Bank, Agriculture contributed to only 0.7 % of UAE’s GDP in 2015. UAE has come up with its first national agricultural policy with a view to making agriculture more environmentally sustainable, efficient and profitable. The policy is made in alignment with the country’s Vision 2021 plan, which aims at improving the welfare of UAE citizens, and making UAE one of the world’s leading countries. It promotes better use of the country’s limited natural resources, mainly water, as renewable water is scarce and rising sea levels are increasing groundwater salinity. The policy focuses on making the agri-food system more efficient, profitable, environmentally sustainable and resilient to climate change. The objective is to ensure the availability of diverse agricultural products, ensuring the safety and quality of local and imported foods, strengthening producers’ capacity to add value along the food chain and having risk management mechanisms in place. The policy also looks at improving knowledge and national data on critical issues like water consumption, increasing the level of awareness among farmers and consumers in the areas of sustainability and ensuring effective coordination and implementation of the agricultural policy at all levels. This will help enable policy environment for effective investments and provide insights into monitoring, evaluation and learning. Measures like replacement of production subsidies that distort markets with smart subsidies, installing water meters on farms and incentivizing farmers to save water can help this resource sensitive area to adapt to the challenges. More can be done to help farmers identify markets; invest in appropriate technologies and improve production of high-value food products. Fishing is another area that holds good opportunity to contribute towards food security. According to the Ministry of Economy, the UAE contributes 75,000 tonnes of fish per year. The UAE leads regional per-capita consumption rankings at 24 kg per year which almost 5 kg higher than the global average. The Globally Important Agricultural Heritage Systems (GIAHS) initiative designated Al Ain and Liwa oasis as models of historical agricultural systems and palm groves and in March 2015 added it to the growing number of ecosystems. Food wastage is an important area of concern. The Gulf Cooperation Council nations are

considered as one of the top regions in creating food wastage. According to Abu Dhabi Waste Management Centre, one third of the UAE's total waste comes from food remains. Recycling much of that waste for animal feed and composting can solve a part of the problem. In Dubai, 38% of the daily-consumed food is wasted; while in Abu Dhabi, 33% of waste generated each year is food.

The pioneering food security strategy of Kuwait is reflected in its achievement of the Millennium Development Goals target of halving the number and proportion of undernourished people in the country. With a sharp decline in oil prices and increasing youth unemployment, Kuwait is considering ways of transforming its economy from being less dependent on oil profits. The region is suffering from extreme summer temperature, which reached 54 degree Celsius in 2016 along with adversities like seasonal shifts and decline in rainfall. According to the World Bank, Agriculture contributed to only 0.631 % of Kuwait's GDP (2015). About 154 000 ha have been judged as potentially cultivable land. Around 90 percent of Kuwait's land is considered not agriculturally viable. Further, there are 114 km² of damaged land due to the 1991 war. The agricultural areas are located in Wafra in the south of Kuwait, Al-Abdali in the north of Kuwait and Al-Sulaibiya in the center. Natural water resources are minimal, presently desalinated seawater and brackish groundwater is utilized for agriculture. Though supplemental irrigation has contributed to increase in agricultural production and greenery development in Kuwait, it adversely affected the long- term sustainability and has resulted in the degradation of land and water resources in the country. Since Agriculture in Kuwait is limited due to scarce availability of water and arable land, so Kuwait is aiming at enhancing the country's rich aquaculture and water sectors. Structural challenges relating to high population growth and changing patterns in food consumption has led to a heavy reliance on imported food. External factors like global and regional developments like volatility in global food prices, fluctuations in world food supplies, effects of climate change, political instability, conflicts and war along with Internal factors like political challenges , food programmes and agricultural subsidies are areas of strategic importance to the country. Climate change adaptation is inevitable as it is linked to water availability, livelihood, food security, health and wellbeing. Since, Kuwait is dependent on food, imports the country is focusing on food security via improved logistics. Livestock production is an important component of the agricultural sector and contributes about 67 percent to total agricultural GDP, as compared to 23 percent for plant production and 10 percent for fisheries. Many projects are planned currently in the next few years in areas of fisheries, water, management, animal production, animal health, technical capacity development etc. for achieving food security and agricultural development. In a recent effort, Kuwait has released 165, 000 fishes into territorial waters to enhance food security aiming to increase fish stocks. The country has engaged in efforts to cut water consumption while improving nutrition and food security in the Gulf Cooperation Council (GCC) countries.

The Qatar National Food Security Programme (QNFSP) was developed in line with the principles of the Qatar National Vision 2030 with its focus on people, community, economy and environmental development. QNFSP's objective is to develop a sustainable food security policy for Qatar by increasing and enhancing domestic agricultural production, and strengthening the reliability of food imports. The Programme will use solar desalination of seawater, which will then be used for its agricultural production. Qatar plans to diversify its economy while preserving its natural resources to ultimately achieve food security. Food and Agriculture Organization (FAO) has a Country Programming Framework 2013-2016, which focuses on three priority areas for technical cooperation. These are strategic planning and policy development, enhancement of agricultural and fisheries productivity and production of safe and nutritious food, development, conservation and sustainable

management of natural resources and environmental protection. According to the World Bank, Agriculture contributed to only 0.2% of Qatar's GDP in 2015. Qatar is working on two Agro cluster projects covering intensive poultry, dairy, sheep and goat production facilities, animal feed milling units and greenhouses. In 2015, Qatar published its first national dietary guidelines as part of its National Health Strategy. Qatar is one of the very few countries to have integrated dietary approaches by aligning health with sustainability objectives. The Qatar guidelines include "eat healthy while protecting the environment" as one of the eight guidelines. Sustainability is included in the recommendations, describing some of the ways food is linked to the environment (land and water use, GHG emissions, solid waste disposal, depletion of fish stocks). Furthermore, the guidelines highlight that the Qatar National Development Strategy has identified shortages in water, low arable land, solid waste generation and depletion of fish stock as serious concerns. There are recommendations on how to plan meals and shop to reduce over consumption and food waste, and to aim for a plant-based diet, to consume fewer processed foods, and to pay attention to packaging. Saudi Arabia implemented the 2007 Government decree to completely terminate wheat cultivation by the end of the 2016 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. It is also implementing a three-year phase-out plan to terminate the local production of green fodder by 2019. The Saudi Government estimates that the termination of green fodder production would save about 7 billion cubic meters of water annually. With only 1.5 % of the land is arable in Saudi Arabia and water scarcity issues, Saudi Arabia is increasingly dependent on imported food to meet the needs of its population needs. There has been a 54% decrease in the estimated total cereal production for 2015 compared to 2014 production. Saudi Arabia market accounts for 64% of GCC total food consumption in 2015. In 2015, Saudi Arabia had a total food consumption of 32.9 million MT, of which 54.4% were cereals. Food and agricultural imports account for 15% of all imports in Saudi Arabia. Barley, wheat, rice, chicken and sheep constitute Saudi's top food imports; with 80 per cent of food requirements imported. Key bilateral trading partners for Saudi Arabia are Ukraine, Russia, India, and Pakistan. Government efforts and unwavering commitment in the Middle East have produced positive results.

According to the latest Global Food Security Index (GFSI) Qatar, the UAE, and Kuwait were the top performing GCC countries in the Affordability category. Qatar landed the first slot in the world, followed by the UAE in the third place and Kuwait at the sixth place. All three are high-income countries with a low prevalence of poverty and plenty of public money flowing into their small agricultural sectors have contributed food affordability across the states. More can be done on areas of food availability, safety and quality in Middle East. The region is doing its part by being major donor states for international development and humanitarian efforts. Efforts are required to improve nutrition levels, contribute to food security and curb water consumption in Middle East countries. Agricultural and technological innovations can definitely fight challenges. The region needs an environmentally sustainable as well as efficient and profitable agro-food systems and the creation of an enabling environment for agribusiness and prosperity.

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