

Milk from the desert

The Saudi company Almarai produces nearly four million liters per day in six farms. Temperature-controlled environment for the cows, first-class feed and high-end technology result in high productivity.

Alexandre Rocha, reporting from Riyadh*

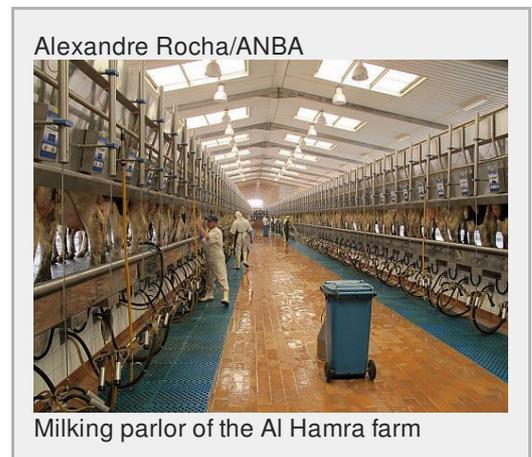
Riyadh – At first glance Saudi Arabia doesn't seem like the most appropriate place for large-scale production of milk. Hot and dry, the country lacks the required resources for the majority of agricultural production. But a visit to the Al Hamra farm, owned by the Saudi food and beverages company Almarai, is able to change this viewpoint.

Located approximately 80 km from the capital Riyadh, the farm houses a herd of 20,000 Dutch dairy cows, with each one producing, on average, 42,000 liters of milk daily, which results in a total of 840,000 daily liters. It's a high level of productivity.

The cows stay in stalls with controlled temperature to protect them from the sun and the heat, and four times a day they are taken to the milking parlors, where the milking machines are. All this in a very quick and clean process. There's no dirt in the ground other than what's left by the animals, and even that is cleaned quickly. It's very interesting to see all this structure surrounded by sand and drought.

The cows are fed hay, aslfafa and maize silage. The majority of these feeds are imported, but part of it is produced in the country. However, the domestic production will end in 2018, when all of it will come from abroad. That's because the Saudi government is cutting incentives to domestic agricultural production to save water for human consumption and encouraging investments in the sector abroad. Almarai itself already owns farms in Argentina and the United States.

In the case of the cows, the latest import was made in 2009, from the USA, according to Almarai's senior veterinarian Gonçalo Maria Lucena. Since then, all the animals added to the



herd were born in the farm.

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Cows in their outdoors fenced space

Gonçalo, who is Portuguese, guided a visit to the farm this Thursday (18) by a delegation of Brazilians led by the minister of Agriculture, Blairo Maggi. The ministry of Agriculture is organizing an official and trade mission to four Gulf countries.

According to the veterinarian, the farm has 609 employees from six countries, and all of them live in the property.

With all this infrastructure and technology required to produce milk in the desert, one might think that the milk will have a high cost, but that's not the case. A liter of

Almarai milk has a retail price of approximately SAR 4, a little more than USD 1 according to the company's deputy CEO, Abdullah Abdulkarim, and the production cost is near EUR 0,30 per liter, or USD 0.33.

Almarai was founded in 1977 by prince Sultan Bin Mohammed Bin Saudi Al Kabeer in a partnership with the Irish. Now, the Europeans don't have an equity share anymore, but many Irish workers still work in the farms.

Almarai owns six farms such as the Al Hamra in Saudi Arabia and they produce near four million liters of milk daily. The company owns 185,000 animals, with 95,000 in milk currently.

The group of Brazilians also visited a dairy and juice plant near the farm. Although it's almost completely automated, with machinery imported from Sweden, Germany, United States and United Kingdom, the plant has nearly five thousand employees. Just like in the farm, they live in apartments within the property.

Besides dairy products and juice, Almarai also produces bread and sweets, poultry and foods for child nutrition.

According to Abdulkarim, the company supplies the Saudi market and exports to other Arab countries, especially those in the Gulf, Asia and North America.

Opportunity

"To see all this carries a special meaning," said the president of the **Arab Brazilian Chamber of Commerce**, Rubens Hannun, who visited the farm. "It's something that a Brazilian doesn't expect to exist in Saudi Arabia, and it is up to us to make this known in Brazil," he added.

Brazil exports mainly agricultural products to Saudi Arabia but, according to Hannun, a structure such as Almarai's shows that there's a market for other items, such as high-technology machinery and equipment for the food industry.

"And the Saudis are very interested in having partnerships with Brazil," he pointed out. "This is a

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Minister watches the production line of the plant

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market whose existence is not known over there, that is, there are other ways to do business beyond the export of commodities,” he underscored.

Along the same lines, Brazil’s ambassador in Riyadh, Flavio Marega, said that he had heard of the facilities, but “didn’t imagine such a large, well-structured project.”

With the reduction of agricultural activities, the Saudis will probably focus on sectors such as dairy and poultry, plus some fruit production. The country, however, is a large dates producer. Just as Hannun, Marega believes there’s an opportunity for exports of machinery to the food industry.



Calves in their shaded confinement

“Just like we [Brazilians] have agricultural technology, there are opportunities for partnerships with Saudi companies,” said the diplomat. To facilitate business, however, he said that Brazil should organize more trade missions to the Arab country at least once a year, or even twice, with different sectors.

***Translated by Sérgio Kakitani**

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