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Report Highlights:

Saudi Arabia's food retail market increased to around $57 billion in 2025, influenced by rising incomes, population growth, and urbanization. U.S. retail food exports achieved a record $666.3 million in 2025, with an additional 22 percent increase in the first half of 2026. The demand for healthier, convenient, and ethnic food products is driven by a young population, increased workforce participation among women, and a significant expatriate community. Although there is competition from lower-cost suppliers and regulatory challenges, the U.S. retains a strong reputation for quality, which continues to create market opportunities.

Executive Summary:

Saudi Arabia is one of the wealthiest countries in the world. In 2025, the 'country's GDP exceeded $1.30 trillion, positioning the country as the 15th largest economy in the world and the most influential economy in the Middle East. Saudi Arabia is currently the largest exporter of petroleum in the world and depends on imports to meet 80 percent of its food demands.

Consumer-Oriented Agricultural Imports:

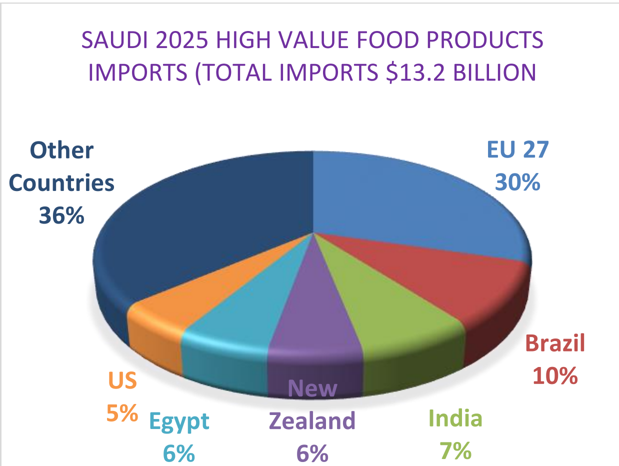


Chart 1: Top Exporting Countries to Saudi Arabia

Food Retail Industry:

Saudi 'Arabia's food retail sales reached approximately $57 billion in 2025 and are expected to grow approximately 4 percent in 2026. The significant growth in the domestic retail food sector has been a major incentive for continued expansion of major retailers in the county such as: LuLu, Tamimi, Panda, Danube and Othaim. Together, the five chains represent more than 80 percent of retail revenues.

Food Processing Industry:

Saudi Arabia's food industry is comprised of 1,300 registered companies; approximately 80 percent of them are large companies with more than 100 employees. Food processing sales are a major focus in the domestic market and account for more than 75 percent of overall revenue. Total investment in this sector is estimated at $60 billion.

Food Service Industry:

Saudi Arabia's food service sales reached $30 billion in 2025 and are expected to grow approximately 8 percent annually over the next few years driven by demand from labor camps, tourists, and religious visitors.

Quick Facts CY 2025

Imports of Consumer-Oriented Products
US$17.4 billion

List of Top 10 Growth Products in Saudi Arabia

1) Processed Meat & Seafood	2) Baby Food
3) Baked Goods	4) Ice Cream & Frozen Treats
5) Breakfast Cereals	6) Processed Fruits & Veggies
7) Ready Meals	8) Savory Snacks
9) Fruit Pie Fillings	10) Beverages/mocktails

Food Industry by Channels (in 000 million USD)

Retail Food Industry	$57
Food Service-HRI	$30
Food Processing	$60
US Food & Agricultural Exports	$1.4

Top 10 Saudi Retailers

1) Panda	2) Othaim
3) Tamimi	4) LuLu
5) Danube	6) Farms
7) Bin Dawood	8) Carrefour Saudi Arabia
9) Manel	10) Nesto

GDP/Population

Population *(millions)*:	35.20
GDP *(trillion USD)*:	1.30
GDP per capita *(USD)*:	$34,537
Real GDP growth:	4.0%

Strengths/Weaknesses/Opportunities/Threats

Strengths	***Weaknesses***
-Well-established market with modern distribution channels. - Dependent on food imports and U.S. food is considered high-quality	- Freight costs from the United States are higher than competitors
Opportunities	***Threats***
-Retail, food service and food processing sectors are growing	-High level of competition from export-focused competitors

SECTION I. MARKET SUMMARY

Over the past few years, Saudi Arabia's food retail market has remained robust and continued to expand, supported by substantial investments in both physical infrastructure and digital transformation to meet evolving consumer demands. Hypermarkets and supermarkets are gradually gaining market share at the expense of traditional retail outlets as demand for packaged foods continues to grow. In 2024, the food retail market was valued at more than $50 billion and is estimated to have grown by approximately 14 percent in 2025 to approximately $57 billion. Key factors driving market growth include rising disposable incomes, population growth, urbanization, the expansion of both physical and online retail channels, and changing consumer preferences, particularly the growing demand for convenience and processed and prepared foods.

Online grocery shopping is also gaining momentum, with online sales projected to account for more than 10 percent of total grocery sales within the next few years. Major food retailers, including Othaim, LuLu, Danube, Panda Retail Company, Tamimi Markets, and Farm Supermarket, play a leading role in the sector. Together, these six major chains and their affiliated retail chains account for more than 80 percent of total retail revenues. Saudi Arabia is one of the wealthiest countries in the world and the largest economy in the Middle East. In 2025, the country's GDP was approximately $1.28 trillion, with GDP per capita of about $34,537, according to the World Bank. Saudi Arabia remains the world's leading oil exporter and continues to rely heavily on imports to meet domestic food demand due to its limited arable land and water resources. This dependence on food imports makes Saudi Arabia an important and growing market for international food suppliers, including the United States.

U.S. food products generally offer attractive profit margins compared with imports from other Asian and Arab countries and are widely perceived as high-quality products. These factors, combined with the strong reputation of U.S. agricultural products for quality, consistency, and food safety, have supported continued demand for U.S. food products in the Saudi market. In 2025, the United States exported approximately $1.32 billion in agricultural and related products to the Kingdom of Saudi Arabia, a decrease of 5.7 percent from the 2024 export level. However, U.S. export data for January - June 2026 show an 11.3 percent increase in total U.S. agricultural and related product exports to Saudi Arabia, reaching $718.7 million compared with $645.9 million during the same period in 2025. Despite increasing competition from other international suppliers, Saudi Arabia remains an important market for U.S. agricultural exports.

The Kingdom relies heavily on imports to meet a significant share of its food consumption needs. Total Saudi imports of consumer-oriented agricultural products reached approximately $17.4 billion in 2025, an increase of 6 percent over 2024. U.S. exports of retail food products to Saudi Arabia have grown rapidly in recent years, reaching a record $666.3 million in 2025, approximately 7 percent higher than in 2024. U.S. Customs data for the first six months of 2026 show a 22 percent increase in exports of consumer-ready food products to Saudi Arabia compared with the same period in 2025, rising from $319.4 million to $390.9 million. The continued expansion of retail outlets, online grocery shopping platforms, and home delivery services is providing strong opportunities for U.S. retail packaged food products.

However, the pace of import growth recorded during the first half of this year may not be sustainable given the current regional political and military situation. The duration of the standoff remains uncertain, while shipping and insurance costs continue to rise significantly. The total processed foods market in the Kingdom has been experiencing considerable growth, driven by several factors including changing consumer preferences, rapid urbanization, and the increasing demand for convenience and processed food products. The market ranges from canned foods, spices/sauces, ready-to-eat meals to frozen foods, snacks, and beverages. Saudi Arabia's food processing industry comprises roughly 1,300 registered companies (about 80 percent of them large companies with 100+ employees), with total sector investment estimated at $60 billion.

The main factors that are contributing to continued expansion in consumer-oriented food products could be the following:

1. Population Growth and Demographics

Saudi Arabia's population has grown to approximately 35.2 million as of 2025, up from roughly 33 million in 2024, and continues climbing toward the 40 million marks projected for the early 2030s. Millions of foreign workers arrive in the Kingdom each year to staff its large-scale construction and Vision 2030 projects, creating steady demand for packaged ethnic foods. With a young, expanding consumer base the median age is around 30, shoppers are increasingly gravitating toward convenience in their food choices.

2. Rapid Expansion of Retail Outlets in the Kingdom

Packaged food products stand to benefit from two ongoing trends: the continued physical expansion of retail outlets driven by rapid urbanization, and the steady growth of online grocery shopping and home delivery services.

3. Changing Lifestyles and Consumption Patterns

Increasingly busy and congested urban lifestyles, coupled with the rising share of women in the workforce now around 36 percent, up from roughly 17 percent a decade ago, have driven greater demand for convenient, ready-to-eat and quick-to-prepare foods, including frozen foods, microwavable meals, and other time-saving ready-to-cook options.

4. Health Consciousness

There is a growing awareness of health and wellness among consumers in Saudi Arabia, driving demand for healthier packaged food options such as organic, low-sugar, natural, and gluten-free products.

International and Local Brands

Both international and local brands are highly active in the Saudi packaged foods market. Major global food companies such as Nestlé, Unilever, Mondelēz, and PepsiCo, along with strong local brand names such as Freshly, Goody's, Sunbulah, Binzagr, SAVOLA, Almarai and others are frequently introducing new food concepts that meet the changing consumer needs.

Table 1 – Major Advantages & Challenges in the Saudi Market

Advantages	Challenges
The United States is widely regarded in Saudi Arabia as a supplier of high-quality, safe, and reliable food products, a reputation that gives U.S. exporters a competitive edge with quality-conscious consumers and importers.	Local products and imports from parts of Asia, Brazil, the EU 27, UK, Australia, New Zealand, and Türkiye create strong price competition for U.S. exporters in the Saudi market.
The Saudi Riyal (SR) has been pegged to the U.S. dollar at a fixed rate of $1 to 3.75 SR since 1986, providing exchange rate stability that reduces currency risk for U.S. exporters and their Saudi buyers.	Freight costs from the United States are higher than those from export competitors in Europe and Asia. This becomes a major factor during periods of geopolitical instability in the Gulf region, which is currently the case.
With nominal GDP per capita of roughly $34,537 (and significantly higher on a purchasing-power basis), Saudi consumers have the income to support rising demand for healthy, and organic products.	Local importers prefer to initiate business deals with small orders, a condition many U.S. exporters are not willing or able to meet.
Hypermarkets are popular destinations for both routine shopping and family outings, giving packaged food products broad, high-traffic shelf exposure.	Saudi Arabia maintains a dual date labeling system (production and expiration) for all food products.
The United States is recognized among the business community as a dependable supplier of quality food products.	High markups, listing and other fees that major retailers charge significantly increase the cost of launching new products in the Saudi market.
Government regulations and awareness campaigns are driving more Saudis to opt for healthier diets and food products (low in salt and sugar, high in fiber, or fortified with added vitamins).	A relatively high percentage of Saudi food retailers return unsold products to suppliers after the printed expiration date to seek reimbursement.
The growing number of foreign workers, pilgrims over 18 million Umrah visitors in 2025 and increasing number of tourists are driving demand for institutional food products.	Price sensitivity and limited brand loyalty among some Saudi consumer segments create openings for new entrants but also make it harder for a new brand to build a durable market position quickly.
More than 14 million expats live in Saudi Arabia, creating demand for ethnic foods.	Saudi consumers generally hold a negative attitude toward food containing or made from biotech ingredients, requiring exporters to carefully manage labeling and sourcing to avoid consumer resistance.
Saudi retail outlets are well-equipped to carry a full range of products, including fresh and frozen items.	Some consumers associate U.S. food culture with fast food and highly processed products, which can create a perception gap despite the strong reputation U.S. exporters hold for quality and reliability.
Major retail chains in Saudi Arabia are constantly seeking new-to-market U.S. food products to differentiate their shelves and meet evolving consumer demand.	The Saudi Food and Drug Authority (SFDA) has issued new regulations and standards at a rapid pace, and some of these have effectively closed the market to specific U.S. products most notably poultry, which remains blocked over an unresolved dispute regarding U.S. stunning methods.

SECTION II. ROAD MAP FOR MARKET ENTRY

The success of a U.S. company entering the Saudi market depends on its product, its market knowledge, and its ability to build relationships with established and knowledgeable importers. An experienced Saudi importer should know the market and import regulations, understand required documentation, and be able to communicate effectively with regulators. For more detailed information on Saudi food regulations and certification requirements, U.S. exporters can consult recently published FAS GAIN reports, particularly the Food and Agricultural Import Regulations and Standards (FAIRS) reports.

Market Structure

There are numerous food importers in the Kingdom of Saudi Arabia (KSA), and approximately 40 account for the bulk of food imports from the United States. For exporter business tips, search for FAS Riyadh's recently issued Export Guide. When considering Saudi Arabia as a potential export destination, consider the following points:

- U.S. producers often sell directly to Saudi exclusive agents, pack for a Saudi private label, or sell exclusively to a U.S.-based consolidator.

- U.S. consolidators sell mostly to Saudi importers and, to some extent, major retailers. The consolidator is often the sole regional agent of the U.S. manufacturer or brand owner, covering the Middle East and Africa. Consolidators may also provide services such as applying Arabic labels to food packages.

- Most major Saudi importers operate well-established distribution networks and sell directly to retailers, wholesalers, and the HRI sector throughout the Kingdom.

There are no specialized food publications or retail journals in Saudi Arabia. As a result, reliable data on food retailers' sales and retail floor space is not readily available. Profiles of the major food retailers, based on data collected by FAS/Riyadh, are provided below:

- Othaim Supermarkets: This Saudi company operates 309 supermarkets, 7 hypermarkets, 83 corner stores, and 12 wholesale outlets in Saudi Arabia. The company has 61 stores in Egypt. Most of the company's purchases are local, but they are also imported directly.

- Panda Retail Company: Panda operates more than 200 supermarkets and hypermarkets across Saudi Arabia, with a nationwide presence covering more than 40 cities along with additional outlets in Egypt and the UAE. Most of the company's purchases are local, but they also import directly.

- Tamimi Supermarkets: An upscale supermarket chain with 104 stores in Saudi Arabia and an additional three stores in Bahrain. The company is one of the largest consolidated importers of U.S. food products in Saudi Arabia and is the only Saudi supermarket currently selling chilled U.S. beef.

- Farm Superstores: This Saudi company operates 107 retail outlets in the KSA, including 90 supermarkets and 17 mini markets serving exclusive residential complexes. Most of the company's purchases are sourced locally, but it also conducts direct imports.

- BinDawood Holding: Operates a total of 95 stores across Saudi Arabia and Bahrain, including 55 Danube stores, 27 BinDawood supermarkets, and 3 Express stores. It is a major importer of consolidated U.S. food products.

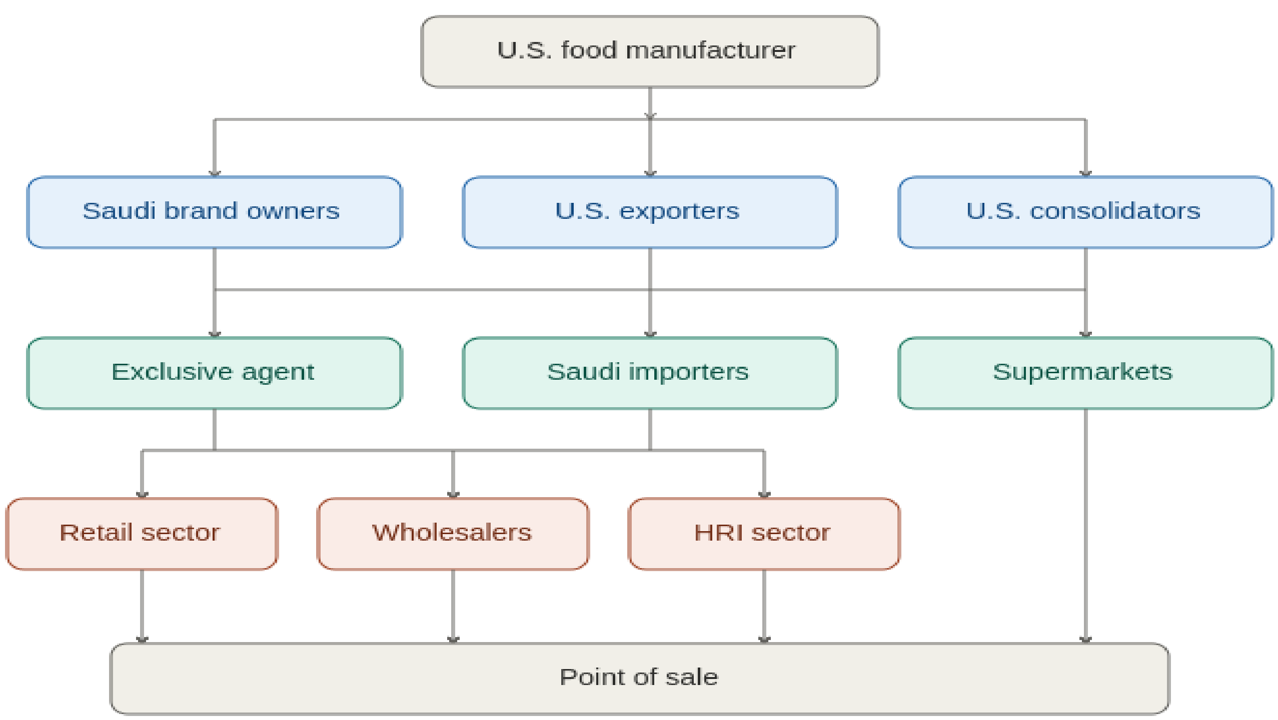
- LuLu Hyper/Supermarkets: Operates 68 outlets in Saudi Arabia, including hypermarkets, express stores, and mini markets. It is a major importer of consolidated U.S. food products.

- Carrefour Saudi Arabia: Carrefour operates 17 stores in Saudi Arabia, comprising 15 hypermarkets and two supermarkets, according to Majid Al Futtaim's latest published operating data. Majid Al Futtaim Retail holds the exclusive rights to operate the Carrefour brand in Saudi Arabia.

- Manuel Supermarket: An upscale Saudi supermarket chain with 11 outlets. It imports a significant percentage of U.S. high-value food products.

Flowchart of Imported Food Products - Saudi Arabia food distribution channel

The diagram below traces how a U.S. food manufacturer's product moves through the Saudi market to the point of sale.



E-Commerce

Ninja is currently one of the leading quick-commerce and online grocery delivery platforms in Saudi Arabia, while NANA remains a major grocery-focused platform. The market is increasingly competitive, with Noon Minutes, Hunger Station, Danube Online, Carrefour Now, and major supermarket chains expanding their online grocery and delivery services.

SECTION III. COMPETITION

The United States faces fierce competition in the Saudi food import market from Brazil, Egypt, the EU, India, New Zealand, and Turkey.

Table 2: Saudi Imports of Select Food Products by Major Suppliers in 2025

Product Category & Total Import Value	Supplier	Mkt Share	Strengths of Key Supply Countries	Advantages & Disadvantages of Local Suppliers
Dairy Products $2.80 billion	1. EU 27 2. New Zealand 3. Bahrain 4. USA 5. India	46.5% 24.4% 8.9% 5.8% 3.3%	EU leads on quality, variety, and price; New Zealand is strong in cheese and milk powder.	Processors import cheese blocks and powdered milk for repacking. Local cheese is price competitive and benefits from higher tariffs.
Poultry Meat & Prods. (ex. eggs) $1.20 billion	1. Brazil 2. Ukraine 3. EU 27 4. Malaysia 5. Jordan	73.8% 8.3% 7.7% 3.6% 1.5%	Brazil dominates through competitive prices, reliable supply, and food-service specifications.	Local broiler meat production has gained momentum in recent years due to government assistance programs. It currently accounts for approximately 70 percent of total consumption.
Fresh Fruit $1.17 billion	1. Egypt 2. Ecuador 3. Jordán 4. EU 27 5. South Africa	19.0% 15.3% 10.9% 13.8% 11.9%	Price and availability drive imports; Egypt benefits from proximity and seasonal supply.	Limited domestic production of citrus, grapes, and pomegranates; constrained by water, climate, and production costs
Beef & Beef Products $1.05	1. India 2. Brazil 3. Australia 4. Pakistán 5. New Zealand	35.5% 31.6% 14.8% 10.6% 2.50%	India and Brazil supply about two-thirds of imports, mainly on price and catering demand. Australia is stronger in higher-value beef.	Domestic production is limited, mainly dairy steers and spent dairy cows, and cannot match major international suppliers.
Processed Vegetables $894.4 million	1. EU 27 2. Egypt 3. China 4. US 5. India	47.4% 15.9% 11.7% 6.1% 6.9%	EU 27 leads on variety, quality, price, and established trade. U.S. exports benefit from quality and competitive pricing.	Local processors import frozen vegetables for repackaging and benefit from proximity and lower distribution costs.
Fish Products $515 million	1. Norway 2. Vietnam 3. Oman 4. Yemen 5. Myanmar	22.0% 16.0 % 11.0% 9.1% 9.0%	Norway is strong in farmed salmon, while Vietnam is competitive in processed seafood and shrimp. Oman and Yemen benefit from proximity	Saudi Arabia produces high-quality Red Sea shrimp and other seafood but imports to meet broader seafood demand.

			and regional seafood resources.	
Sugar Snack Foods $484.6 million	1. EU 27 2. Bahrain 3. Turkey 4. US 5. India	42.2% 11.4% 7.4% 7.2% 4.9%	EU leads on brands, variety, quality, and price; Bahrain benefits from proximity and processing capacity	Local producers depend on imported raw materials and generally benefit from tariff exemptions for products imported for reprocessing.
Tree Nuts $322.7 million	1. US 2. Turkey 3.India 4. China 5. Jordan	53.0% 11.6% 9.9% 9.7.% 3.5%	U.S. dominance, particularly in almonds, reflects quality, reliability, and production scale.	Virtually no significant local production; businesses focus on importing, processing, repackaging, and distribution.
Processed Fruit $268.7 million	1. India 2. EU 27 3.Egypt 4. Turkey 5. Thailand	22.0% 16.2% 10.6% 8.0% 6.6%	India leads through competitive processing, broad product range, and pricing.	Local processors import frozen fruit for repackaging and benefit from proximity and established distribution networks
Fresh Vegetables $249.2 million	1. Jordan 2. China 3. EU 27 4. Egypt 5. Turkey	29.1% 28.3% 18.5% 13.5% 1.2%	Jordan benefits from proximity and lower transport costs; China benefits from scale and competitive prices.	Saudi Arabia is approximately 85% self-sufficient, but local vegetables generally cost more than imports.

IV. BEST PROSPECTS

Currently, more consumers in Saudi Arabia are seeking out the following products: healthier lifestyle products (diet foods, organic, etc.), beef, poultry, beverage ingredients, non-alcoholic beer, tree nuts, dairy products, plant-based meats, fresh fruit and vegetables, fruit and vegetable juices, honey, snack foods, processed meat and seafood, baby food, baked goods, ice cream and frozen treats, breakfast cereals, processed fruits and vegetables, ready meals, savory snacks, fruit pie fillings and beverages/mocktails, This link provides data on U.S. exports of agricultural related products to Saudi Arabia for the past five years.

V. KEY CONTACTS AND FURTHER INFORMATION

U.S. suppliers can contact Post for assistance identifying and qualifying prospective importers, clearing consignments of U.S. products, exploring marketing opportunities, and obtaining market information and regulatory guidance.

Post Contact Information
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Attachments:

No Attachments