

## **Saudi Arabia Food And Beverage - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)**

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### **Report description:**

Saudi Arabia Food And Beverage Market Analysis

The Saudi Arabia food and beverages market was valued at USD 36.35 billion in 2025 and estimated to grow from USD 38.38 billion in 2026 to reach USD 50.38 billion by 2031, at a CAGR of 5.59% during the forecast period (2026-2031). Vision 2030 policies are steering oil revenues into bolstering domestic agri-food capabilities. These policies aim to reduce reliance on imports and enhance food security by strengthening local production. A significant government investment of USD 70 billion is being funneled into processing plants to support this initiative. With the population expected to hit 40 million by 2030, these moves are timely and critical for meeting the growing domestic demand. Projects aimed at achieving livestock self-sufficiency, coupled with clean-label reformulations that cater to evolving consumer preferences for transparency and healthier options, are driving volume increases. Additionally, a surge in pilgrimage traffic, particularly during peak seasons, is boosting seasonal spending on packaged foods, further contributing to market growth. To protect their margins from utility-price reforms, retailers are tightening their supply chains through vertical integration, which enhances operational efficiency, and developing private labels to offer cost-effective alternatives. While tax surcharges on sugary beverages pose challenges for certain product categories, they simultaneously carve out opportunities for healthier snacks, dairy products, and date-based drinks, aligning with the growing consumer shift toward health-conscious choices.

Saudi Arabia Food And Beverage Market Trends and Insights

Rising demand for clean-label food and beverages

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Saudi shoppers are increasingly turning away from artificial additives, prompting the SFDA's trans-fat ban to drive reformulations in carbonated drinks, baked goods, and ready-to-eat meals. Local innovators, like Thurath Al-Madina, have introduced Milaf Cola, a soda sweetened with dates and made from indigenous crops, highlighting the advantage of local sourcing. This shift reflects a broader consumer preference for products that align with cultural heritage and health-conscious values. With excise taxes set at 50% for soft drinks and a staggering 100% for energy drinks, brands are pivoting towards natural ingredients, motivated by both health considerations and financial incentives. These taxes not only discourage the consumption of sugary and artificially flavored beverages but also create opportunities for healthier alternatives to gain market share. Retailers are capitalizing on this trend, establishing dedicated "healthy shelf" zones that have notably increased sales for low-sugar yogurts and air-fried snacks. These zones cater to the growing demand for functional and better-for-you products, further reinforcing the shift in consumer behavior. Looking ahead, medium-term transparency regulations, in line with Codex labels, are set to solidify this trend, directing premium pricing towards producers who adhere to these standards. These regulations are expected to enhance consumer trust and encourage manufacturers to prioritize compliance, ultimately fostering a more health-oriented market landscape.

#### Growth in dairy consumption per capita

Saudi Arabia's dairy sector has surpassed 121% self-sufficiency, contributing 46% to the nation's agricultural GDP. Almarai, the sector's flagship player, operates fully integrated farms, ensuring price stability even amidst global feed fluctuations. These farms integrate advanced technologies and sustainable practices, enabling efficient production and cost management. Meanwhile, NADEC reported a net income of SAR 213.2 million in H1 2024, buoyed by a 7.3% rise in revenue, driven by strategic investments in product innovation and market expansion. Domestic loyalty runs deep, with 69% of households favoring local milk due to its perceived freshness and quality. Additionally, government-backed loans are fueling capacity expansions, including the introduction of automated barns in Al-Kharj, which enhance operational efficiency and production scalability. The segment's sustained growth is bolstered by a youthful demographic, increasingly leaning towards fortified, single-serve products that cater to their on-the-go lifestyles, reflecting a shift in consumer preferences toward convenience and health-conscious choices.

#### Price sensitivity amid subsidy rationalization

As fuel and power tariffs rise, households face increased expenses, leading to a squeeze on disposable incomes and a subsequent reduction in spending on premium food and beverages. This shift in spending patterns has prompted manufacturers to adopt a dual strategy to cater to diverse consumer segments. They are introducing value packs tailored for budget-conscious families, ensuring affordability, while simultaneously rolling out premium SKUs designed to appeal to wealthier consumers seeking high-quality options. To regain sales momentum and drive consumer engagement, promotions are strategically timed around key occasions such as Eid and National Day, which are periods of heightened consumer activity. These promotional efforts often include discounts, bundled offers, and targeted marketing campaigns to attract a wide range of consumers. However, staples like vegetable oil and poultry exhibit significant price sensitivity, making it essential for manufacturers to implement meticulous margin management strategies. This involves closely monitoring input costs, optimizing supply chain efficiencies, and adjusting pricing strategies to maintain profitability while addressing consumer demand effectively.

Other drivers and restraints analyzed in the detailed report include:

Hajj and Umrah pilgrimage foodservice spill-over  
Rise of "made-in-Saudi" localization program  
Packaging-waste regulations driving cost inflation

For complete list of drivers and restraints, kindly check the Table Of Contents.

#### Segment Analysis

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As of 2025, the meat, poultry, seafood, and meat Substitutes segment commands a dominant 27.62% share of Saudi Arabia's food and beverages market. This stronghold is bolstered by substantial infrastructure investments, notably the USD 2 billion livestock city project. This ambitious initiative aims to elevate broiler output by an impressive 250 million birds annually, thereby fortifying the domestic protein supply. Local operators, such as Tanmiah, are capitalizing on this momentum, expanding their capacity with approximately 100 state-of-the-art automated poultry houses. The protein category, driven by a deep-rooted consumer preference for red meat and fish, is poised for steady growth, projecting a 3.02% CAGR through 2031. While the market remains anchored in traditional protein choices, there's a gradual embrace of plant-based alternatives. Items like soy kebabs and jackfruit shawarma, primarily featured on quick-service restaurant menus, cater to the expatriate vegan demographic. The segment's robust domestic production capabilities ensure consistent availability and competitive pricing. Furthermore, strategic expansions and modernization efforts bolster Saudi Arabia's leadership in the regional protein landscape.

On the other hand, the snack segment is emerging as the fastest-growing category in Saudi Arabia's food and beverages market, boasting an impressive 8.31% CAGR. This surge is largely driven by impulse buying and a heightened health consciousness, especially in light of regulatory sodium restrictions. Popular snack choices, including chips, baked nuts, and date bars, owe their rising fame to effective brand positioning and a strong "Made-in-Saudi" identity that resonates with local consumers. By emphasizing authenticity and regional roots, domestic snack producers have elevated brand preference to 33%, carving a niche in a competitive landscape. Their alignment with esports sponsorships and the youth culture further amplifies their reach, especially among Gen Z, leading to both trial and repeat purchases. Moreover, initiatives like reformulating products with sea salt and adopting air-frying technologies underscore the industry's dedication to clean-label standards and regulatory adherence, catering to urban consumers seeking healthier snack options. This robust growth trajectory underscores a significant shift in consumer habits and lifestyle choices, positioning snacks as a dynamic and rapidly expanding segment in Saudi Arabia's food market.

The Saudi Arabia Food and Beverages Market Report is Segmented by Product Type (Dairy and Dairy Alternatives, Confectionery, Beverages, Bakery, Savory Snacks, Meat and Poultry and Seafood and Meat Substitutes, Breakfast Cereals, Ready Meals) and Distribution Channel (Supermarkets/Hypermarkets, Convenience Stores, Specialty Stores, Online Retail, Other Channels). The Market Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

Almarai Co. Ltd. Saudia Dairy & Foodstuff Co. (SADAFCO) Al Rabie Saudi Foods Co. Ltd. Al-Watania Poultry Tanmiah Food Company Arabian Agricultural Services Company Halwani Brothers Company PepsiCo, Inc. Al Othman Holding National Agricultural Development Company (NADEC) Nestle SA Fonterra Co-operative Group Limited Almunajem Foods Bel Group Danone S.A. Mars Incorporated IFFCO Group Danat Al-Mamlaka Snacks Food Factory Agthia Group PJSC JBS S.A.

Additional Benefits:

<ul> The market estimate (ME) sheet in Excel format  
3 months of analyst support </ul>

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