Saudi's Nadec to obtain farmland in Sudan

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Saudi Arabia has urged companies to invest in farm projects abroad after abandoning a 30-year old programme for self sufficiency in wheat in 2008. The programme depleted the desert kingdom's scarce water supplies.

The decision forced many local agricultural companies growing wheat for the domestic market to explore alternatives to compensate for the drop in revenues.

The farmland is located in the Nile province, Nadec said in a statement without detailing whether it would buy or lease the land. Nadec also gave no details as to what it planned to do with the land.

Nadec produced 150,000 tonnes of wheat in 2008, although grains constitute just under 17 percent of its turnover. Nadec is more focused on dairy and juice production, which accounted for about 70 percent of its turnover in 2008.

Nadec is led by the wealthy Saudi al-Rajhi family and is 20 percent owned by the finance ministry's Public Investment Fund (PIF). Nadec sales in 2009 were 1.33 billion Saudi riyals.

Last year, the firm focused on boosting its cattle herd and starting a cheese plant.