

# GCC Poultry Market

## After the U.S.–Iran Conflict: Resilience, Risks, and the Road Ahead

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## GCC Poultry Market Remains Resilient After the U.S.–Iran Conflict.

### Editorial Analysis

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The recent U.S.–Iran conflict once again highlighted the vulnerability of global food supply chains, particularly in the Gulf Cooperation Council (GCC), where poultry production depends heavily on imported feed grains, breeding stock, vaccines, and logistics. While the conflict created short-term disruptions in shipping, freight costs, and commodity markets, the poultry sectors of Saudi Arabia, the UAE, Oman, Qatar, Kuwait, and Bahrain demonstrated remarkable resilience due to strategic food security policies and substantial investments made over the past decade. Unlike previous crises, there were no widespread shortages of chicken meat or table eggs in the GCC. However, feed costs, freight rates, insurance premiums, and imported poultry prices experienced temporary increases, affecting production economics across the region.

## Why the GCC Poultry Industry Was at Risk

Nearly all GCC countries rely on imported agricultural commodities, including:

- Corn (maize)
- Soybean meal
- Wheat
- Feed additives
- Vaccines and veterinary products
- Parent stock and hatching eggs

Around 89% of grain imports traditionally enter Gulf ports connected to or dependent on the Strait of Hormuz, making regional food systems particularly sensitive to geopolitical disruptions.

## Grain Supply: Disrupted but Not Interrupted

Although shipping through the Strait of Hormuz slowed significantly during the conflict, grain imports continued via alternative routes and ports. Major exporters including Brazil, Argentina, the United States, Australia, and Ukraine continued supplying the GCC, although with longer transit times and higher freight costs.

Saudi Arabia and Oman were less affected because of alternative logistics and port infrastructure outside the Strait of Hormuz, while the UAE redirected part of its imports through Fujairah and other facilities.

## Feed Prices

The conflict caused temporary increases in feed ingredient prices.

### **Commodity** *Estimated Change During Conflict*

Wheat	+2–3%
Corn	+2–3%
Imported soybean meal	Moderate increase
Ocean freight	Significant increase
Marine insurance	Significant increase

Although grain prices rose only modestly, freight and insurance costs had a greater impact on the delivered cost of feed.

## Chicken Meat Availability

The GCC poultry market remained well supplied because:

- Saudi Arabia has substantially expanded domestic broiler production.
- The UAE maintains diversified import sources and strategic food reserves.
- Brazil continued supplying poultry despite logistical challenges.

Saudi Arabia and the UAE therefore avoided significant shortages

## Table Egg Market

The table egg sector was even more resilient.

Local egg production in Saudi Arabia, the UAE, and Oman continued without major interruptions, supported by integrated poultry companies and domestic feed inventories.

Only localized logistics delays were reported, with no sustained supply shortages



## Poultry Prices

During the conflict:

- Imported chicken prices increased because of higher freight costs.
- Locally produced chicken remained relatively stable.
- Egg prices showed only minor short-term fluctuations.
- Feed cost increases put pressure on producer margins rather than causing major retail price spikes.

Regional governments also monitored food markets closely to discourage panic buying and maintain supply stability.

# GCC Poultry Outlook

## Saudi Arabia

- Highest level of poultry self-sufficiency in the GCC.
- Large integrated producers helped stabilize supply.
- Grains imports continued despite higher logistics costs.

## United Arab Emirates

- Continued to rely on imports but diversified supply routes.
- Domestic production helped moderate market volatility.

## Oman

- Benefited from ports outside the Strait of Hormuz.
- Experienced fewer logistical disruptions than some neighboring countries.

## Kuwait, Bahrain, and Qatar

- More dependent on imported food and logistics through regional trade hubs.
- Greater exposure to shipping disruptions, though major shortages were avoided

## References

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## Lessons for the GCC Poultry Industry

The conflict reinforced several strategic priorities:

- Expand domestic feed production where feasible.
- Diversify grain sourcing.
- Increase strategic grain reserves.
- Strengthen local hatchery and breeder capacity.
- Invest in precision nutrition and feed efficiency.
- Accelerate digital supply chain management.
- Enhance regional cooperation on food security.

## Looking Ahead

The recent U.S.–Iran conflict tested the resilience of GCC poultry supply chains but also highlighted how investments under national food security strategies have strengthened the sector. While higher freight and feed costs temporarily affected profitability, chicken and egg supplies remained largely stable across the region.

Future competitiveness will depend not only on expanding poultry production but also on reducing dependence on imported feed ingredients, improving logistics resilience, and adopting innovative technologies that enhance efficiency and sustainability. With continued investment in integrated production systems, research, and regional collaboration, the GCC poultry industry is well positioned to withstand future geopolitical shocks while supporting long term food security.