discussions about what are the priorities. Clearly on the next call, we'll have some more insights to that and we'll be explaining our 2019 fiscal budget, and so I'm so sure you and others will have lots of your normal good questions for us then.

Clearly, we need to boost the income of the company, so looking at business opportunities including acquisitions that help our earnings in the short run that are accretive to earnings are a high—maybe the highest priority for me at least and our management team, and controlling our costs are also important. We don't want to sort of make more money with a new opportunity maybe internally grown sales but also in acquisition and then go spend it all on something that we're not going to see the benefits of for three or four years. Remember that when you spend money on breeding program and stuff, it can be a very, very long process, four, five, six years. So we want to sort of be very cognizant of the earning opportunity in the short run, yet invest in best opportunities for the sort of the sort of middle years kind of the three-, four- and five-year period, because you got to fill your pipeline with opportunities.

Ag is not a quick turnaround business, but once you establish a business and you establish your profitability in those markets, you should be able to have the benefit and ride that for a while. We've been doing this for a long time. We have always external factors, like I mentioned this poor Ag market right now that we have to deal with, those are not the shocks to the system or anything like that. It's part of being in agriculture. So we're cognizant of all of those things and we're also cognizant that the earnings are really important to us and controlling our costs is really important to us.

Gerry Sweeney
Got it, that's helpful for now.

Mark Wong
You'll hear more. Ask that question again in three months, because it's a great question and we'd love to answer it once we know more.

Gerry Sweeney
I completely understand. I understand that we're in a transition period and when the time is right you'll let us know. Another just quick question on the Saudi market and this is more out of curiosity than probably anything else. You mentioned $1 million to $4 million of revenue in 2018. How much is that just revenue drying up or was some of it did you draw the line in the stand with pricing and to say this our pricing and we're going to let the market come back to us? Did that play a role in that revenue?

Mark Wong
Look, I think we want to be competitive in the market, so we're not going to price ourselves out, but we sell high-end alfalfa, high-end protein that we think is worth more to a dairy farmer than frankly cut 101. And so we're in two different issues in Saudi. One is how much seed are they—how much acreage are they really planting. And they kind of don't know, because the small guys, the 50 hectare guys that are getting water allocations are absolutely more positive and aggressive than the bigger companies, which are being frankly shut off because the government feels they have the balance sheet and operational expertise to maybe grow their alfalfa someplace else or move their cows someplace else.

Everybody agrees that there's a really good milk market in the Middle East and Saudi is a big producer and servicer of that market, both in Saudi and then the other MENA countries. How you sort of get here from there, or there from here is the question.

So the first question is we're trying to evaluate is how many acres are really being planted; and then the second question is what kind of seed is taking that market. Is it the cheap cut 101, is it the higher value kind of alfalfa that we sell and that have a huge market share? Did we have maybe 60% or 70% of the market? That's probably my guess. Obviously there's not good published information on planted acres in MENA. We look at all the data that's available, but it's just some of the countries are suspect.

But you would think though that, if there's no water grow alfalfa, then what you're competing with is hay that's grown in Argentina or maybe even in another country in the Middle East. We're in Western US, and then that's shipped to Saudi where it's going to feed the large vertically integrated dairy cows of the couple of three big diaries or four big diaries there.

So that alfalfa, basically it's nutritional value on a per ton basis is going to have the cost of production in the US and Argentina, just to stick with our example, plus the freight. And so the delivered FOB cost of those nutrients in Riyadh is going to be more than currently the price of growing that same bale of nutrition with Saudi water. But the Saudi government has decided that it's worth taking that extra cost because they don't have the water. Now, I'm not going to get into maybe they should take some lessons from the Israelis. Yes, maybe they could use their water better, but it's competitive economics of a delivered ton of alfalfa hay in front that cow.

And so the value of alfalfa hay should be higher in Saudi Arabia because of this water decision that the government has made. So if I was a grower there and I was lucky enough or small enough to get my water allocation, I'd be buying the best seed I could with the highest amount of protein in the product, because I would know that I'm going to get a superior price for that. Basically I'm going to get the West Coast US price or Argentine price plus freight, and those countries are a long way from Saudi Arabia.

So I think it's going to be good for the growers who get a water allocation and survive, and we do expect the market to come back, but the market has to work off its inventory, the market has to figure all this out and that's clearly taking a little bit longer than we thought. But, as Matt's pointed out, basically we're not hardly selling anything there, so in terms of our own sales the downside risk is basically zero, because it can't go negative, it can only go to zero. So I guess that's the good news in a bad situation.

But we're obviously very intent on understanding what's happening there, helping our distributors. We put our new tech rep to help our customers get through all this and we're hopeful for the future. That's all I can say.

Gerry Sweeney
I appreciate all that detail. Thank you.

Operator
The next question will be from Mike Malouf with Craig-Hallum.

Mike Malouf
Hi, guys. Thanks for taking my question, just a quick question stevia. I know that Cargill's working pretty closely with Evolva on this EverSweet and if they ever get this thing going then they won't really need a lot of stevia. So I'm just trying to get a sense of what do you see as the opportunity of stevia, given that opportunity that Cargill's kind of approaching? Thanks.

Mark Wong
Yes, so stevia, or these low cal sweeteners, are a big market opportunity, and big market opportunities attract technology. And hopefully you'll hear what I'm going to say and know that we're doing our homework well.

But you can make stevianoids through a couple of other processes currently. You can make them through an enzymatic process and you can make them through a fermentation process. So I'm not sure how much I'm able to discuss because of confidentiality, but there are strains of yeast that have had point mutations put in them where they can ferment stevianoids.

So we know that stevia produced in a plant has to compete with not just Chinese stevia produced in a plant and not just other low cal sweeteners, but also stevia produced through fermentation and stevia produced through enzymatic production. And so, there's lots of projects in the market because the opportunity is so big. I think that sweetener market worldwide is $35 billion, some number like that. So at $3.5 billion the low cal sweetener market is barely 10%, 12% of the total, and so people also would like to take some share away from high fructose corn syrup and some of these other products like that. And so people have been doing work on this product, on the stevianoids, for some time.

So our market just to be absolutely clear, we probably can't compete with a fermented or enzymatic produced stevia. So our market's going to be for the all-natural from a plant product, that's probably going to have the highest price. I'm not a beverage company and I'm not Cargill, so I can't tell you how they're going to sell their brands and what kind of stevia they're going to use to sweeten or what kind of source of stevia they're going to use to sweeten their products, but this is where the industry is all working through.

So we compete against Chinese-produced full plant stevia, but we also compete against stevia produced through fermentation and enzymatic production. So, we're cognizant of all those things. We're talking to all our potential partners about those issues. We're trying to figure out how from a branding standpoint, they want to go forward. And that's why this whole new idea for us—because we didn't—we've been working on breeding stevia for a long time, but we didn't have this sort of closed loop or origination business concept. We need to know, we need to have a contract to know how much of the plant-produced stevia the beverage companies and Cargill really want from a US production base. That's the question we're trying to work through with them and they're trying to work through what relative costs we think that that's going to come to them on a sort of effectively sweetened—there's some standards, units of measure that you use to look at sweetness, but they want to know what kind of cost, because cost is important to them.

So whether they end up with a high-end product where plant-produced stevia is the sweetener and they have some lower price point products, where they're using other sources of stevia, I think that's going to be one of the really interesting things in the industry to watch.

But clearly, they're interested in plant-produced stevia. They buy it now from China. They're just concerned that China is not a source competent and dependable stable source of supply, especially given the current trade issues that are going on between China and the US. And, before they commit to product roll outs, they want to have a US source of production, just from a stability and viability standpoint.

Mike Malouf
Okay, that's very helpful. Thanks for the help on that.

Mark Wong
Yes, so I hope it's—I mean we really know a lot more than we knew ten months ago about how stevia is used. We have a lot better communications with the consumer companies and the industry. As I said in my comments, we're looking forward to working closer with Alan Willits, who's been in the sweetener business. He ran Cargill's corn milling business in the US, which included all of the ethanol and the sweetener businesses. This isn't a ground that we haven't plowed before or that at least Alan hasn't ploughed before, and we're frankly looking forward to his sage guidance to help us figure out where the market's going.

Mike Malouf
It sounds great, thanks.

Mark Wong
You're welcome.

Operator
Our next question comes from Ian Gilson with Zacks Investment Research. Please go ahead.

Ian Gilson
Good morning, gentlemen.

Mark Wong
Good morning, Ian.

Matthew Szot
Good morning, Ian.

Mark Wong
We're looking for your normal good question Ian, not to put the monkey on your back here to start off, but you always ask good stuff, so fire away.

Ian Gilson
On the DuPont Pioneer agreement for GMO alfalfa, is that going to go to zero?

Mark Wong
Is that going to go to zero? Yes, yes.

Ian Gilson
Now that is an above average price seed, so do we look for average price moving downwards?

Mark Wong
Matt, maybe you want to talk about the sort of weighted average and how many dollars it is and stuff.

Matthew Szot
Yes, sure, and Ian, as I mentioned earlier, the minimum annual commitment level to purchase GMO seed from us was 6 million a year. This year in FY '18 that number is actually higher than normal, it's about 15 million. And the sales price on that GMO sales were higher, but the cost of production was a bit higher as well. So from a gross margin standpoint, on sales to Pioneer, we're not expecting any sort of material shift. But it will be reducing our year-over-year revenues because we won't have that recurring GMO sales any further.

Ian Gilson
Okay, so is inventory transportable in the sense that do you own inventory outside the US, and can that be moved from one country to another?

Mark Wong
Do you mean GMO inventory?

Ian Gilson
No, I'm talking about alfalfa seed in general.

Mark Wong
Yes, alfalfa seed in general certainly can, and the seed itself has a relatively long life--three, four, or five years. And we can move it if you store it under good conditions. Seed never likes high heat nor high humidity. If you leave it out in the sun, it's like anything else, you'll lose germination fairly quickly, but that's why we store the seed whether it's in bags or in bulk inside. And as long as you keep the temperature sort of under control and the humidity is not too high, it's fine.

We also obviously are always germinating the existing inventory that we have and watching for any lots that are losing germination, or seem to be losing germination faster, maybe than other lots. So sometimes you have a production area that for whatever reason the seed doesn't hold up as well and clearly we'll make an effort to sell that seed while it still has an excellent germination and not hold that seed longer.

And so we know sort of the quality of the inventory that we have. Matt's told everybody that we have more inventory than we'd like, and so we're doing an extra special job looking at the shelf life of that inventory, but, yes, you can move seed around. We don't like to do it because it adds cost, so normally we will either ship from the US or Australia directly to our distributors around the world. But we do move some Australian seed, because it is cheaper on a per pound basis to the US to supply some lower-priced customers say in Mexico or someplace like that in alfalfa. So we do that, but in general we try not to handle it. Handling it the fewer times you can is the best policy.

Ian Gilson
If I remember correctly, part of the Australian crop also goes to the Middle East, into Saudi in fact. Is that correct?

Mark Wong
No, that's why I say we have such a huge market share in Saudi, so the sort of 65% number, 70% number I think threw out 15 minutes ago. Saudi is just an incredibly important alfalfa market to us for our US S&W brands and for our Australian bands. Because we were so dominant in those warm weather

alfalfas. It's the non-dormant alfalfa that Pioneer sells for us are very different in the—excuse me, the dormant alfalfas that Pioneer sells for us are very different than the non-dormant alfalfa which have been the bread and butter of S&W since its inception. So maybe people didn't understand it, but in our sales numbers were always this sort of double market share, the US brand in the Middle East and the Australian brand in the Middle East because both of our big production operations sell to MENA.

Ian Gilson
Okay, now you said the Australian crop is going to be weak this coming season. Is that a yield acreage basis?

Mark Wong
So let's give you some detail to the word "weak." Last year the crop was about 5.6 million pounds. This year we thought the crop was going to be bigger than that, so the 2018 crop we've harvested and we're cleaning now, but we think that crop is about the same size, we think 5.7 million pounds. We thought it was going to be bigger than that, so that's obviously a good thing in the sense that we have plenty of inventory and we didn't need a bigger crop. But we had some lower yields than we thought in Australia and it looks like the crops coming in in 2018 about the same size as the 2017 crop.

Ian Gilson
Okay, great. Thank you. That does it from me.

Mark Wong
You're very welcome.

CONCLUSION

Operator
Ladies and gentlemen this concludes our question-and-answer session. I would like to turn the conference back over to Mark Wong for any closing remarks.

Mark Wong
Thank you very much. So these were great questions. We always enjoy our sessions with the analysts. We appreciate you all following the company and your interest in us, and we appreciate sometimes your tough questions as well, as they're always good. It makes us think about our business, makes us try to run our business better and we really appreciate our working with you and our partnership with you all.

So thank you very much and we look forward to another discussion in three months. It will be a big call. We're looking hard at the 2019 fiscal year for us. We're going to have hopefully some well thought through initiatives to discuss with you all and we look forward to that in the next few months.

So thank you everybody so much. Thank you for your support of the company. Thank you for following us the detail and we look forward to the next call, which is always a high point for us. Thanks again.

Operator
The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.