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Israel

Exporter Guide

Annual

2007

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Report Highlights:

A growing retail sector and strong institutional buyers makes Israel a promising market for U.S. exporters of high-value food products. In addition, 2007 is forecast to be the fourth consecutive year of strong GDP growth. Understanding import regulations and distribution channels, as well as making local contacts, are essential to entering this market.

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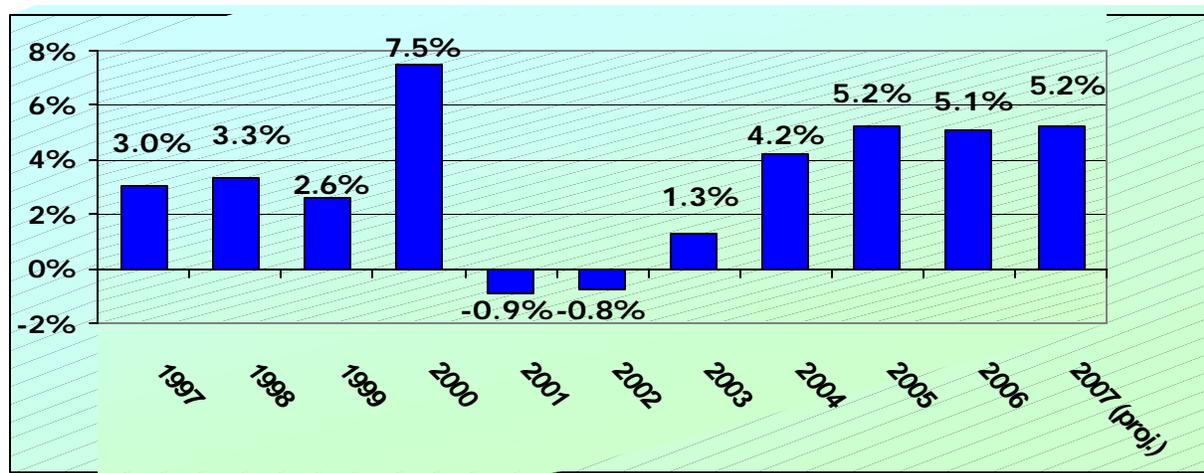
This report was prepared by the Foreign Agricultural Service in Tel Aviv for U.S. exporters of domestic food and agricultural products and U.S. regulatory agencies. While care was taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies was unavailable. It is highly recommended that U.S. exporters verify the full set of certificate requirements with their foreign customers before any goods are shipped. Final import approval of any product is subject to the importing country's rules and regulations.

Section I: Market Overview

Economic and Demographic Situation

All in all, most Israeli economic indices indicate an improving economy. The Ministry of Finance (MOF) estimates that GDP per capita and Israel's industrial production are expected to increase 3.3 percent and 5.6 percent in 2007, respectively. 2007 is forecast to be the fourth consecutive year of strong GDP growth (5.2%).

Chart 1: GDP, Annual Growth Rate



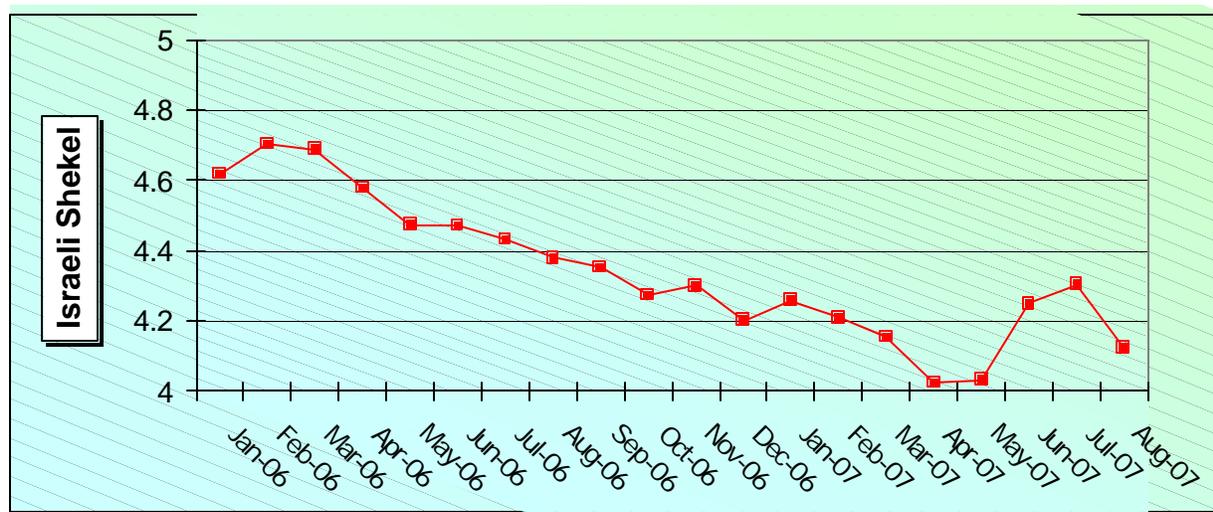
Source: Israeli Ministry of Finance

Private consumption expenditure per capita in 2006 rose 3 percent, equaling \$11,349, and MOF estimates that it will increase 4.9 percent in 2007. The government debt was NIS 537.1 billion (\$127.9 billion) in 2006, or 86 percent of GDP, the first time that it has fallen below 90 percent of GDP.

The Consumer Price Index (CPI) for 2006 was down -0.1 percent, compared to 2.4 percent the previous year. It is estimated that CPI for 2007 will be 2-3 percent. Due to the depreciation of the dollar in the last year (see chart 2), and the low CPI, the Bank of Israel lowered the key interest rate significantly during 2006; however, since the beginning of 2007 the Bank of Israel raised its key interest rate and currently the key interest rate stands at 4.0 percent (August 2007).

In 2006, the local labor force totaled 2,579,000 people. In addition, there are about 200,000 immigrant workers, mainly from Thailand, Philippines, Eastern Europe and the Palestinian Authority. They work mainly in the Agricultural sector, construction, restaurants, and elder care services. As a result of government policy, the number of foreign workers in Israel has declined by 100,000 since 2002. Unemployment is declining, falling from 9.0 percent in 2005 to 7.4 percent in 2007. In 2006, real average wage per employee in the private sector totaled \$1,733 per month, a 4.4 percent increase compared to 2004.

Chart 2: U.S. Dollar to Israeli Shekel Exchange Rate



Source: CBS, Israel

Israel Food Processing Industry

In 2006, the value of the food processing industry, including beverages, beer and tobacco, was estimated at \$10.8 billion, a 2.9 percent increase compared to the previous year (from \$10.5 billion to \$10.7 billion). The expected growth rate in the next few years is 2-4 percent annually. The HRI market, including the army, hospitals, hotels, restaurants and other places of employment, occupies 30 percent (\$3.2 billion) of the total. Over 50 percent of the total food supply directed at non-institutional consumers is sold through supermarkets and retail chains. Two major supermarket chains with hundreds of outlets throughout the country dominate the retail food market.

For further information, see Israeli Food Processing Sector Report:

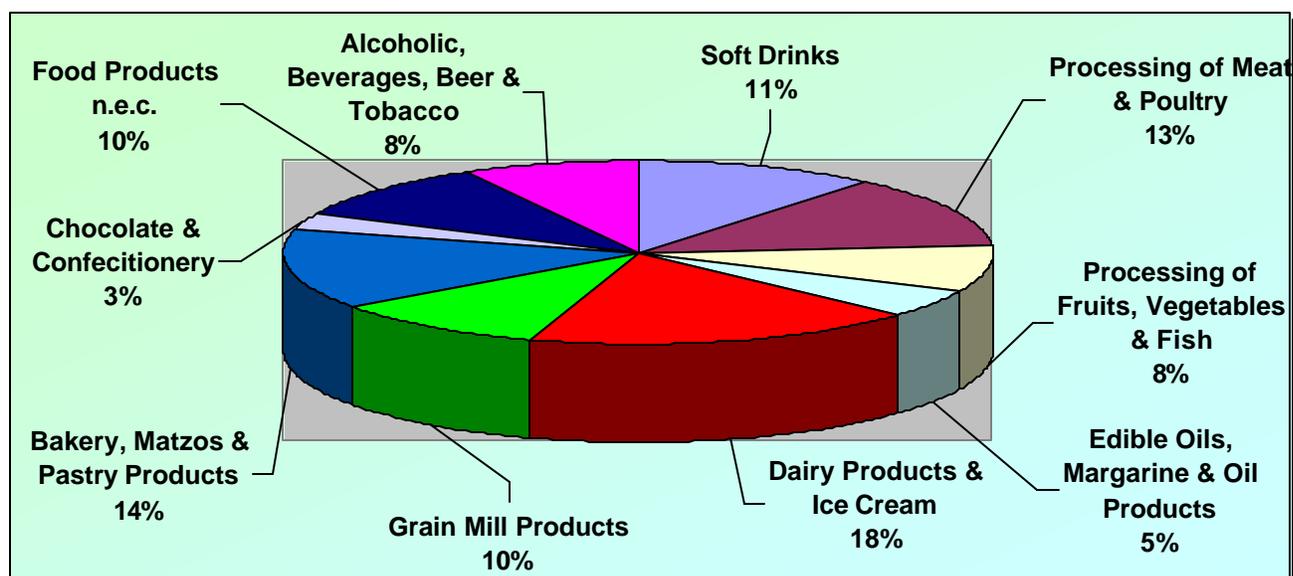
<http://www.fas.usda.gov/gainfiles/200603/146176957.pdf>

Consumer Buying and Eating Habits

The monthly household consumption expenditure in 2006 totaled \$2,651, of which 16.6 percent (\$442) was directed to food purchases and consumption. When buying food, Israelis are quality oriented and are ready to pay a premium for quality food products. Consumers are acquainted with American products and wish to have more of them available. During the last decade, an increasing share of consumers prefer to buy their products through supermarket chains (more than 50%) on the account of the traditional channels of open markets and small grocery stores.

Except for meat, Kosher certification is not an obligatory requirement for importing food into Israel. However, non-kosher products have a much smaller market share as the large supermarket chains and hotels refuse to carry them. About two-thirds of consumers prefer kosher food products.

Chart 3: Israeli Food Processing Industry Value, by Sub-Sectors, Percent, CY 2006



Source: The Food Industries Association, Manufacturers' Association of Israel

Table 1: Monthly Household Consumption Expenditure, \$, CY 2005

	Value - \$	Percent
Consumption Expenditure - total	2,575	
Bread, Cereals and Pastry Products	60.2	13.6
Vegetable Oils and Products	8.1	1.8
Meat and Poultry	66.8	15.1
Seafood	13.3	3.0
Milk, Milk Products and Eggs	62.5	14.1
Sugar and Products	14.05	3.2
Soft Drinks	19.28	4.4
Alcoholic Beverages	6.3	1.4
Miscellaneous Food Products	32.9	7.4
Fresh Vegetables & Fruits	80.9	18.3
Frozen & Pickled Vegetables	13.4	3.0
Dried Fruit	6.8	1.5

Fruit Juices, natural	2.5	0.6
Meals away from home	55.2	12.5
Food - total	442	100.0

Source: Household Expenditure Survey, 2005, CBS.

Table 2: Food- Household Purchase by Outlet Type - % of Total Expenditure (Excl. Meals Away From Home), 2005

	Grocery Stores	Open Markets	Supermarket Chains	Others
Food - Total	19.4	6.6	53.5	20.5
Bread, Cereals and Pastry Products	25.1	2.5	54.7	17.7
Vegetable Oils and Products	26.4	6.6	58.7	8.3
Meat and Poultry	7.8	5.0	45.3	41.9
Fish	9.3	9.4	51.7	29.6
Milk, Milk Products and Eggs	32.2	1.8	61.8	4.2
Sugar and Products	23.0	3.1	60.8	13.1
Soft Drinks	32.0	1.6	60.2	6.2
Alcoholic Beverages	17.2	1.3	66.2	15.3
Fresh Vegetables	7.8	24.3	37.2	30.7
Fresh Fruits	7.5	22.9	36.7	32.9
Frozen & Pickled Vegetables	21.4	2.7	70.9	5.0
Dried Fruit	23.1	15.6	48.3	13.0

Source: Household Expenditure Survey, 2005, CBS.

Trade and the Market for U.S. Products and Services

In 1996, Israel and the United States signed a five-year Agreement on Trade in Agricultural Products (ATAP), in which Israel was allowed to protect a number of sensitive crops and livestock products with a combination of tariff-rate quotas and relatively high duties. In 2004, the agreement was extended until 2008. Negotiations on the next extended agreement are due to start in November 2007.

Israel is the twenty-first largest export market for all U.S. products and services. In 2006, approximately \$14.8 billion in two-way trade was recorded (excluding diamonds), a 16 percent increase compared to the previous year. Although the European Union (EU) is Israel's largest trade partner, the United States is Israel's largest single country trade partner.

In 2006, imports¹ of goods (excluding diamonds) totaled \$38.7 billion, a 9.1 percent increase compared to 2005. Exports² of goods (excluding diamonds) in 2006 totaled \$30.4 billion, a

¹ C.I.F.

14.9 percent increase compared to the previous year. Out of total goods import in 2006 (excluding diamonds), 13.4 percent (\$5.2 billion) were from the United States, 36.9 percent (\$14.3 billion) were from the European Union (EU) and 19 percent (\$7.3 billion) from Asia. Out of total goods exports in 2006 (excluding diamonds), 31.6 percent (\$9.6 billion) were to the United States, 33.1 percent (\$10.1 billion) were to the European Union (EU) and 15.2 percent (\$4.6 billion) to Asia.

Table 3: Imports and Exports of Goods (Excl. diamonds), \$ Million, CY

	Imports				Exports			
	2005		2006		2005		2006	
	Value	Share	Value	Share	Value	Share	Value	Share
U.S.	5,281	14.9	5,197	13.4	7,489	28.3	9,607	31.6
EU	13,083	36.9	14,272	36.9	9,028	34.1	10,059	33.1
Asia	6,409	18.1	7,365	19.0	3,972	15.0	4,615	15.2
Others	10,656	30.1	11,824	30.7	5,971	22.6	6,133	20.1
Total	35,429	100	38,658	100	26,460	100	30,414	100

Source: CBS, Israel

Agricultural and food imports in 2006, totaled \$2.79 billion, an 11.5 percent increase compared to the previous year (from \$2.50 billion to \$2.79 billion). Out of total imports, \$1.076 billion (39 percent) were food and beverages products. Food imports from the EU increased by 16.7 percent to \$783 million. On the other hand, food imports from the U.S. decreased by 17.6 percent (from \$157 million to \$129 million). Since 2004 food imports from the U.S. decreased by 52 percent. This is a result of a combination between relatively high prices and high shipping costs. Figures for the 8 first months of 2007 indicate an 11 percent increase in food imports from the U.S. over the same period one year ago (see table 4).

Food and agricultural exports in 2006, totaled \$1.8 billion, 9.7 percent increase compared to 2005. Out of total exports, \$711.2 million (39.5%) were food and beverages products. Food exports to the EU increased by 7 percent to \$319 million while food exports to the U.S. decreased by 4.7 percent (from \$85 million to \$81 million).

Table 4: Agricultural Imports from the U.S. , January-August, \$ Million

Description	2006 (1-8)	2007 (1-8)	% Change
Live animals; animal products	9.8	21.9	123.4
Vegetables products	156.2	146.0	-6.5
Animal or Vegetables fats & oils	2.1	2.5	19.0
Prepared foodstuffs, beverages, tobacco	87.9	98.1	11.6
Total	255.9	268.5	4.9

Source: CBS, Israel

² F.O.B.

Table 5: Israeli Imports of Agricultural and Prepared Food Products, \$ Million

	Total			U.S.			EU		
	2002	2005	2006	2002	2005	2006	2002	2005	2006
Live animals ; animal products	284.2	339.6	440.6	13.2	12.9	14.2	49.8	70.5	90.3
Vegetables products	815.2	992.3	1072.7	327.2	209.0	229.3	208.2	306.2	296.9
Animal or Vegetables fats & oils	56.0	73.7	80.0	9.2	3.5	2.9	23.9	24.3	25.0
Prepared foodstuffs, beverages, tobacco	889.2	1098.6	1200.1	269.8	156.6	129.1	422.8	675.3	785.9
Total	2044.6	2504.2	2793.8	619.6	382.0	375.5	704.7	1076.3	1198.1

Source: CBS, Israel

Table 6: Advantages and Challenges for U.S. Exporters to Israel

Advantages	Challenges
Standard of living in Israel is expanding rapidly and increasing the demand for high quality food products.	Israeli food standards reflect European standards over those of the U.S. The Israeli Official institutes have a very pro-Europe approach to most issues.
The current exchange rate between the U.S. dollar and the euro continues to favor U.S. suppliers, as European products become more expensive.	Shipping costs from the U.S. are high.
There is a significant growth in the retail food and food service sectors (supermarkets, grocery stores, 24-hour convenience stores), and restaurants.	Growing competition exists from Eastern Europe, Turkey, Former Soviet Union, South America and the Far East. Products from those areas are cheaper than products from the U.S. and EU while quality is steadily improving.
The Israeli consumer has some knowledge of American products and wishes more of them were available.	Israeli restrictions on certain food ingredients, for example non-kosher meat, poultry and pork. Hotels and the institutional sector, refuse to carry non-kosher food products.
Israel is a potential "bridge" to the Palestinian Authority with its rapidly growing population and future increased standard of living.	Many U.S. exporters lack export experience and knowledge of Israeli import requirements. Israeli buyers lack familiarity with U.S. sources.
U.S.-Israel Free Trade Agreement allows most U.S. products to compete on reasonable terms.	Sophisticated and concentrated domestic manufacturing system competes with imported goods.
Israeli importers benefit of sophisticated and concentrated retail systems, developed logistics, banking and support systems.	Import restrictions such as Kashrut, tariffs & quotas.
	Restrictive veterinary and SPS regulations.

Section II: Exporter Business Tips

Local Business Customs:

1. Customs Valuation and Taxes

Israel has implemented the WTO Customs Valuation Agreement. Under WTO regulations, the basis for valuation is the transaction value, in most cases the CIF price.

2. Value Added Tax and Purchase Tax

Effective from July 1, 2006, VAT rate is 15.5 percent and applying to all transactions and import of goods whose date of liability to tax applies beginning from July 1, 2006.

The VAT on imports is levied on the CIF landed cost plus purchase tax. VAT is recovered by the importer upon resale of the goods and is ultimately paid by the consumer. Israel levies purchase taxes on many consumer goods. The GOI reduced or eliminated the tax on more than 600 items in 2000, including televisions, washing machines, electrical appliances and cosmetics. Rates that had ranged from 25-85 percent were reduced to 5-45 percent. Purchase taxes of up to 90 percent on motor vehicles, fuel, tobacco and liquor were left unchanged.

Consumer Taste and Preference

The food service industry is expanding and consumers' habits are changing. Over the last few years, Israelis have begun to dine out more frequently and choose premium food when doing so. Approximately 20 percent of Israel's 7.1 million people are concentrated in the Tel Aviv district, Israel's commercial and financial center. Other major concentrations of the population are the Haifa area (15 percent), a major port city and center for the petrochemical industry, and Jerusalem (12 percent). While most companies are headquartered in the Tel Aviv or Haifa metropolitan areas, a growing number of firms maintain branches, showrooms, or service facilities in Jerusalem and Beer Sheva. Consumer malls and shopping centers are popular in Israel. Over 200 malls exist and others are planned. Many American specialty shops, chain stores, and franchises have outlets in malls and shopping centers. The key to success is offering an increasing variety of new products and services to the consumer.

The institutional services, including the army, hospitals, hotels, restaurants, banquet halls and places of employment, account for 30 percent of the total market share (households and institutional). Over 50 percent of the total food supply directed at non-institutional consumers is sold through supermarkets and retail chains. Two major supermarket chains with hundreds of outlets throughout the country dominate the retail food market. The average floor size of a supermarket is 600 square meters. Some of the larger stores have areas of 1,000 - 2,000 square meters. Typical Middle Eastern-style open-air markets and small groceries serve the remainder of the food market. In recent years, specialty food stores have developed in all of the main metropolitan centers.

Food Standards and Regulations

See Gain Report IS7020 - <http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

The Standards Institution of Israel (SII) is the agency responsible for the development of most product standards, compliance testing, and certification of products and industry quality assurance systems. For further information, interested firms should contact: The Standards Institution of Israel, 42 Levanon Street, Tel Aviv 69977; Tel: 972-3-6465154; Fax: 972-3-6419683; E-mail: vered@sii.org.il.

It is the declared policy of the Government of Israel to adopt international standards wherever possible, and to implement mandatory standards related only to safety, health, and the environment.

Israel has not officially adopted ISO-9000 standards, although there is a growing preference for ISO-9000 standards among Israeli importers. This is especially important in the case of ingredients and raw materials destined for the production of export products.

The Government of Israel requires that food and health products be registered with the Ministry of Health before they can be sold in the country. FDA approval for food and health care products is not mandatory, but Israeli importers prefer it as it accelerates the product registration process and import license approval. Product registration normally takes from 4-6 weeks if all documentation is in order.

On the background of its general wish to encourage of the free international flow of goods, On August 12, 2007 the Israeli cabinet passed decision No. 2191, which is titled "improvement of Terms of Trade Standardization". The decision determines that among others, by June 30, 2010 at least 65 percent of Israeli's mandatory standards will be international or regional standards. This means that over the next three years, at least 110 mandatory standards will undergo revision by adoption of international or regional standards.

New Food Registration Procedure and Biotechnology Policy – for more details see report IS6026.

Import Licenses

All import licensing requirements for U.S. made consumer and industrial goods have been eliminated under the United States - Israel Free Trade Area Agreement (FTAA) of 1985 and World Trade Organization (WTO) agreements. Imported food items require the approval of the Ministry of Health's Food Control Administration (FCS), which is also responsible for approval of labeling and packaging. All plant material (including dried fruits and nuts) require import approval from the Plant Protection and Inspection Service (PPIS). Unprocessed and unpackaged imported meat must be licensed by the Israel Veterinary Services (IVS) and originate in a plant which has been certified as approved by the IVS. Packed meat and poultry for retail sale are subject to licensing by the Food Control Administration of the Ministry of Health. Israel law requires that all meat and poultry imports be certified kosher by the Rabbinical Council of the Chief Rabbinate or a body authorized by the Council. As an exception, it is possible to import non-kosher beef offal. Israel's veterinary authorities ban imports of bone-in beef from countries where there is a danger of transmitting Foot and Mouth Disease (FMD) or Bovine Spongiform Encephaly (BSE), also known as the Mad Cow Disease.

General Tips for Exporters

- Consider participating in FAS Tel Aviv organized or sponsored events.
FAS Tel Aviv normally participates in ISRAFOOD - An International Food & Beverages

Exhibition in Tel Aviv for professionals of the catering and food wholesale, retail, restaurants, hotels, institutional and food shops. During the same time the HOTEK exhibition takes place – presenting food display and restaurant equipment.

- Consider showing at the Kosherfest in New York and Paris as many Israeli buyers attend these shows.
- Communicate with potential importers of your product. Contact FAS Tel Aviv to obtain a list of local importers; Tel: 972-3-519-7588/7324/7686; Fax: 972-3-510-2565; E-mail: gilad.shachar@usda.gov; Yossi.barak@usda.gov;

Section III: Market Sector Structure and Trends

1. Retail Food Sector

In 2006, the retail food market was valued at \$7.7 billion, of which 44 percent (\$3.4 billion) belonged to the two major retail food-marketing chains. The traditional open markets capture only 9.5 percent (\$738 million) of the food market. The private supermarkets were valued at \$2.22 billion, and grocery stores and minimarkets valued at \$1.34 billion. There are approximately 5,500 grocery stores and 1,700 minimarkets in Israel. Due to the intensive competition in the Israeli food sector, the grocery stores and minimarkets are operating at very small profit margins. More than 150 convenience stores, which are open 24 hours, were established in recent years. The retail food sector's grew by 3 percent in CY 2006.

2. HRI Sector

Israel's HRI sector is complex and very diverse, with large commercial and institutional components. While the tourist industry experienced a slight downturn in 2006, Israel possesses a strong tourist industry, which will continue to fuel demand from hotels and restaurants. Understanding import regulations and distribution channels, as well as making local contacts, are essential to entering this market. Nuts, salmon, and dairy products are among the U.S. products having good prospects in this market.

Food service is divided into two categories: commercial and institutional. The commercial sector is divided into sub-sectors: hotels and restaurants. The commercial sector comprises an estimated 360 hotels (46,500 rooms), 1,174 rural tourism houses, 4,399 food business (restaurants, coffee shops, fast food, pubs and bars), of which 1,539 (35 percent) are kosher certified. Some of the restaurants that aren't kosher certified still use only kosher ingredients. In addition, there are about 900 banquet halls. The most popular food business are, coffee shops, Mediterranean, Italian, Thai and Japanese restaurants. In 2006, sales of the restaurants, coffee shops, kiosks pubs and bars were estimated at \$2.6 billion. Approximately 45 and 23 percent of the bars and pubs respectively, are located in central and northern Israel. Approximately 1,600 restaurants, coffee shops, pubs and bars are located in Tel Aviv. It is estimated that in 2006 approximately 837,654 Israelis visited restaurants daily, spending an average of \$8.70 per meal.

In 2006, 1.8 million tourists visited Israel, a 4.5 percent decrease compared to the previous year. The decrease was as a result of the July-August conflict with Lebanon. Tourism to the northern part of Israel was affected by the war as was the image of the state of Israel. Between January and June, 2006 entries to Israel rose by 22 percent compared to the same period, one year ago; however, from July through December, 2006, entries dropped 27 percent compared to the same period in 2005. In 2006, income from tourism totaled \$2.45

billion, a two percent decrease compared to the previous year. The share of tourism in GDP is about two percent. Out of the total tourist entries in 2006, 27.4 percent were from the U.S., 14 percent from France, 9 percent from Great Britain, and the rest were from Germany, Russia, Italy and Scandinavia, respectively. Overnight stays in 2006 totaled 19.3 million, a one percent increase from 2005. Out of total overnight stays, 6.8 million (35 percent) overnight stays were by foreign tourists while 12.5 million were Israeli. Average tourist stay in 2006 totaled nine days. Some analysts suggest tourist arrivals can reach 4-5 million by 2009 with improvements in long-term marketing, infrastructure, attracting investors, and adopting a more liberal aviation policy.

The institutional food service companies include approximately 4,000 kitchens. The Israeli Defense Forces (IDF) is the largest institutional food consumer. The IDF alone consumes about 4 percent of all Israeli food through its purchasing channels. Currently the IDF is in the process of outsourcing its food supply chain (150,000 meals/day). The Israeli police force will join the IDF as a consumer adding another 31,000 meals/day.

For further information, see Israeli HRI Food Service Sector Report:

<http://www.fas.usda.gov/gainfiles/200702/146280297.pdf>

Section IV: Best High Value Products Prospects

Wine, beer and spirits

Energy drinks

Coffee and Tea

Organic and health food

High premium Ice cream

Soy food products

Frozen pizza

Morning cereals

Fish and seafood products

Baby food, and organic baby food

Frozen vegetables

Pet food

Vinegar and Olive oil

Dried fruits & Nuts

Intermediate products for further processing (whip toppings, corn and potato starch, milk powder, products for the baking industry)

Bio Fuels - In 2006, total local petroleum products consumption totaled 8,305 thousand tons. Israel consumes about 2.1 billion liters of gasoline and 2.4 billion liters of diesel annually, and there is a potential for a 5 percent voluntary or compulsory ethanol/bio diesel-blending ratio, which means a potential of 0.105 billion liters of ethanol and 0.120 billion liters of bio-diesel annually. Israel is a newcomer to the renewable energy sphere; however, the Government of Israel (GOI) has set up a task force to develop a bio-fuels regulatory framework. Four Ministries are responsible for establishing the bio-fuel regulatory framework: Ministry of Infrastructure, Ministry of Transportation, Ministry of Environment, and Ministry of Finance. It is assumed that due to the complexity of the industry and the high number of interested parties, the renewable energy policy will not be implemented within the next two years.

For additional information, see Gain Report IS7017 -

<http://www.fas.usda.gov/gainfiles/200708/146292144.doc>

Section V: Key Contacts and Further Information

U.S. Mailing Address: AGRICULTURE UNIT 7228 BOX 3 APO AE 09830

Packages can weigh no more than 70 pounds and must not be larger than 108 inch.
Anything larger will be subject to a tariff.

Local Mailing address: Contact the Office of Agricultural Affairs in the U.S. Embassy in Tel Aviv. Contact: Tel: 972-3-5197588/7324, Fax: 972-3-5102565, E-mail: gilad.shachar@usda.gov ; yossi.barak@usda.gov

Food Control Service **Ministry of Health**

12 Ha'arba'a St.
64739, Tel Aviv
Israel

Web site: <http://www.health.gov.il/english/>

Tel: 972-3-6270100

Fax: 972-3-5619549

Contact: Ms. Ruthy Shinberg: Tel: 972-3-6270107

Ms. Raya Boyarski, Import Officer: Tel: 972-3-6270103

Israel Veterinary and Animal Health Services (IVAHS)

Web Site: <http://www.vetserveng.moag.gov.il/vetserveng>

Ministry of Agriculture

P.O. Box 12

50250, Bet Dagan

Israel

Import & Export Veterinary Division

Chief Import & Export Veterinary Officer Dr. Med. Vet. Roni Ozari

Tel: 972-3-9681649, Fax: 972-3-9605194. E-mail: ronio@moag.gov.il

Plant Protection & Inspection Service (PPIS)

P.O. Box 78

50250, Bet Dagan

Israel

Contact: Ms. Miriam Freund, Deputy Director

Tel : 972-3-9681561

Fax: 972-3-9681582

E-mail: miriamf@moag.gov.il

Web Site: www.ppis.moag.gov.il/PPIS/SiteEnglish/SiteinEnglish/

Standards Institution of Israel

42 H. Levanon St

69977, Tel Aviv

Israel

Web Site: www.sii.org.il

General Information: E-mail: vered@sii.org.il

Tel : 972-3-6465154

Fax: 972-3-6419683

Major Newspapers and Business Journals

- English Language:

Ha'aretz (daily English version) <http://www.haaretz.com>

The Jerusalem Post (daily newspaper) <http://www.jpost.com>

Globes <http://www.globes.co.il/serveen/>

The Marker <http://www.themarker.co.il/eng/>

More Useful Web Sites

Bank of Israel - <http://www.bankisrael.gov.il/firsteng.htm>

Central Bureau of Statistics - <http://www.cbs.gov.il/engindex.htm>

The Agricultural Research Center of Israel - <http://www.agri.gov.il/>

Ministry of Agricultural and Rural Development - <http://www.moag.gov.il/english/>

Faculty of Agricultural, Food and Environmental Quality Sciences

<http://www.agri.huji.ac.il/index-eng.html>

Annex 1: Key Trade & Demographic Information

Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$2,794/13.4%
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$1,076/12.0%
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$113/3.1%
Total Population (Millions) / Annual Growth Rate	7.2/1.8%
Number of Major Metropolitan Areas	3
Per Capita Gross Domestic Product (U.S. Dollars)	\$20,654
Unemployment Rate (%)	7.6%
Per Capita Food Expenditures (U.S. Dollars)	\$1,660
Exchange Rate (US\$1 = X.X local currency)	US\$1=4.1 NIS

Annex 2: Imports of Main American Agricultural and Food Products to Israel

Chapter Code	Product Category	2005		2006	
		Million \$	Percent	Million \$	Percent
1	Live animals	1.285	0.34	1.383	0.37
2	Meat & edible meat offal	0.005	0.00	0.061	0.02
3	Fish, crustaceans and mollusca	3.060	0.80	3.514	0.94
4	Dairy produce; eggs, natural honey; edible products of animal origin	8.226	2.15	8.877	2.36
5	Products of animal origin n.e.c	0.352	0.09	0.366	0.10
6	Live trees and other plants, bulbs, roots and other garden plants	0.025	0.01	0.028	0.01
7	Edible vegetables, roots and tubers	3.157	0.83	3.926	1.05
8	Edible fruits and nuts; peel of melons and other citrus fruit	53.461	14.00	65.081	17.33
9	Coffee, tea, mate and spices	3.447	0.90	2.105	0.56
10	Cereals	92.815	24.30	92.716	24.69
11	Products of milling industry; malt and starches; wheat gluten	7.547	1.98	12.040	3.21
12	Oil seeds, grains, fruits, industrial and medical plants. Straw and feed	44.328	11.61	51.077	13.60
13	Tree gum; resins, other vegetable saps and extracts	1.507	0.39	2.376	0.63
14	Vegetable plaiting materials; vegetable products n.e.c	2.637	0.69	0.005	0.00
15	Animal or vegetable fats and oils; animal or vegetable waxes	3.468	0.91	2.868	0.76
16	Preparation of meat, fish, or of other aquatic invertebrates	4.550	1.19	4.134	1.10
17	Sugar and sugar confectionery	2.789	0.73	1.816	0.48
18	Cocoa and cocoa preparations	1.376	0.36	0.978	0.26
19	Preparations of cereals, flour starch or milk; pastry products	12.864	3.37	12.651	3.37
20	Preparations of vegetable, fruits, nuts and other plants	15.343	4.02	8.755	2.33
21	Miscellaneous edible preparations	58.598	15.34	46.419	12.36
22	Alcoholic beverages and vinegar	3.646	0.95	4.833	1.29
23	Residues and waste from the food industries; prepared animal feed	27.607	7.23	29.621	7.89
24	Tobacco and tobacco substitutes	29.872	7.82	19.922	5.30
	Grand total	\$381.965	100%	\$375.552	100%

Annex 3: Imports of Main Agricultural and Food Products to Israel

Chapter Code	Product Category	2005		2006	
		Total - \$Million	U.S. Share	Total - \$Million	U.S. Share
1	Live animals	37.139	3.46	65.642	2.11
2	Meat & edible meat offal	148.459	0.00	219.221	0.03
3	Fish, crustaceans and mollusca	113.663	2.69	112.629	3.12
4	Dairy produce; eggs, natural honey; edible products of animal origin	36.603	22.47	38.057	23.33
5	Products of animal origin n.e.c	3.739	9.41	5.119	7.15
6	Live trees and other plants, bulbs, roots and other garden plants	11.026	0.23	10.645	0.26
7	Edible vegetables, roots and tubers	43.722	7.22	52.511	7.48
8	Edible fruits and nuts; peel of melons and other citrus fruit	112.354	47.58	117.530	55.37
9	Coffee, tea, mate and spices	58.542	5.89	63.118	3.34
10	Cereals	449.015	20.67	513.424	18.06
11	Products of milling industry; malt and starches; wheat gluten	40.236	18.76	44.858	26.84
12	Oil seeds, grains, fruits, industrial and medical plants. Straw and feed	249.603	17.76	237.365	21.52
13	Tree gum; resins, other vegetable saps and extracts	18.559	8.12	27.200	8.74
14	Vegetable plaiting materials; vegetable products n.e.c	9.259	28.48	5.880	0.09
15	Animal or vegetable fats and oils; animal or vegetable waxes	73.679	4.71	79.956	3.59
16	Preparation of meat, fish, or of other aquatic invertebrates	43.888	10.37	43.959	9.40
17	Sugar and sugar confectionery	175.041	1.59	252.201	0.72
18	Cocoa and cocoa preparations	80.835	1.70	75.194	1.30
19	Preparations of cereals, flour starch or milk; pastry products	101.192	12.71	112.448	11.25
20	Preparations of vegetable, fruits, nuts and other plants	131.985	11.62	132.901	6.59
21	Miscellaneous edible preparations	213.110	27.50	223.246	20.79
22	Alcoholic beverages and vinegar	103.947	3.51	119.702	4.04
23	Residues and waste from the food industries; prepared animal feed	126.358	21.85	116.971	25.32
24	Tobacco and tobacco substitutes	122.244	24.44	123.775	16.10
	Grand total	\$2504.2	15.25%	\$2793.5	13.44%

Annex 4: Map of Israel

