

Voluntary Report – Voluntary - Public Distribution

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Report Name: An Overview of the Israeli Beef Market

Country: Israel

Post: Tel Aviv

Report Category: Livestock and Products, Special Certification - Organic/Kosher/Halal

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Report Highlights:

The beef sector in Israel is growing and is heavily reliant upon imports. Israel's lack of grazing land for cattle and an increasing population are the main factors contributing to the growth in demand for beef imports. However, exporting beef to Israel comes with strict Kosher requirements, making it difficult for some companies.

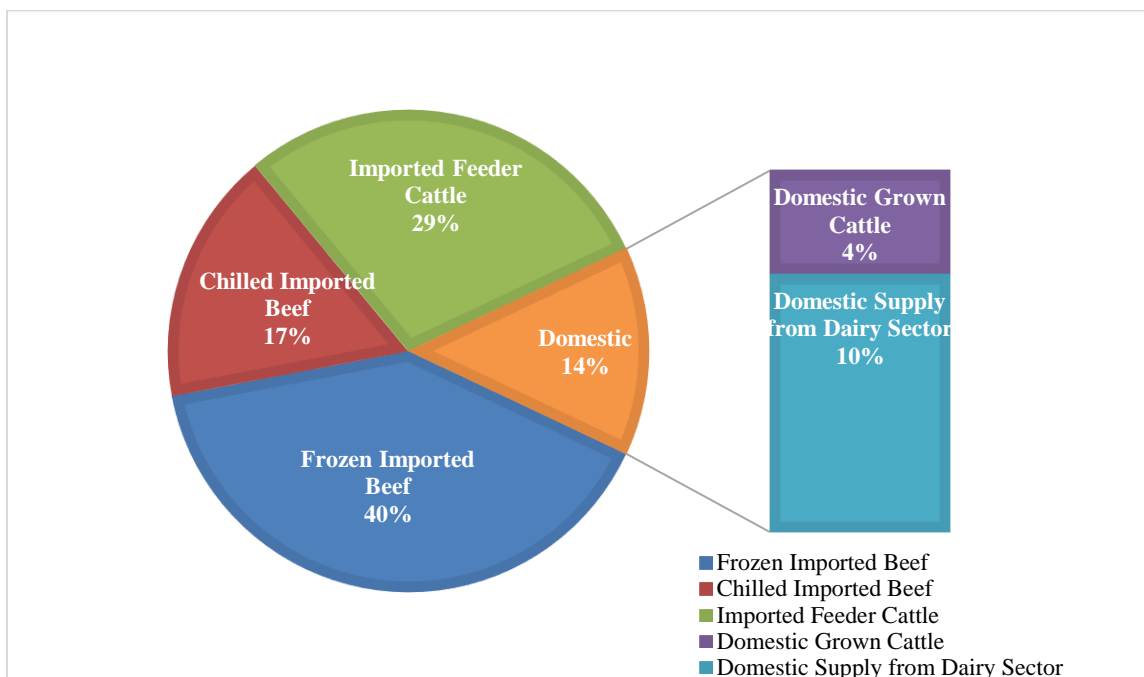
General Market Overview

Israel remains highly dependent upon imports due to its limited arable land suitable for agriculture and grazing. Water resources for field crops are expensive and tightly controlled by governmental quotas. Precipitation is low in most of the country and is limited to the winter months from October until April, which restricts rain-fed agriculture. Consequently, farmers prefer to use their land and water resources for cash crops and those with low water demand. This situation is unlikely to change in the near future; as such, Israel will most likely continue to rely on agricultural imports. Lastly, with a growing population, the future demand for food is expected to increase.

Beef Supply is Dominated by Imports

In 2023, beef supply in Israel was 176 thousand metric tons (TMT), of which 86 percent was imported. The breakdown of imports includes 71 TMT of frozen beef, 29 TMT of chilled beef, and 52 TMT of imported feeder cattle (calculated as carcass weight). The remaining 14 percent of beef supply was from local production.

Graph 1: Beef Supply in Israel



Source: Israeli Ministry of Agriculture and Food Security (MoAFS) Research Unit

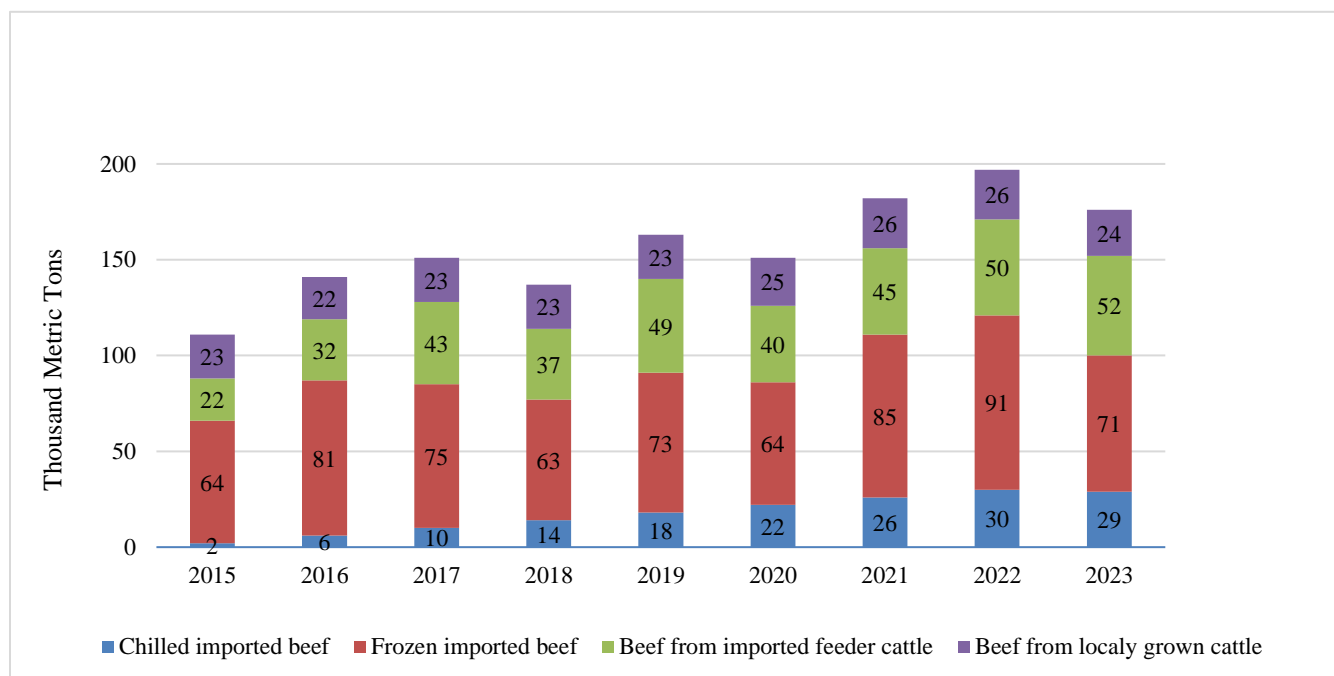
In 2023, Israel produced 24 TMT of beef, with 27 percent originating from local herds and the remaining 73 percent from the local dairy sector (which supply old dairy cows and male calves for slaughter). However, Israeli local production is limited due to a lack of grazing land and rainfall, necessitating the feeding of herds with grains (which are almost entirely imported). In addition to

the limited area of land for grazing, reliance upon imports for grains may create bottlenecks for increasing the quantities and sizes of local herds.

Increased Growth in Beef Consumption

Over the past decade, there has been a significant growth of 59 percent in beef consumption from 111 TMT in 2015 to 176 TMT in 2023, with peak consumption in 2022 at 197 TMT (see Graph 2). However, after the start of the Israel-Hamas conflict, beef consumption decreased in the fourth quarter of 2023, most notably due to a disruption in freight, but also due to a decrease in Israelis eating at restaurants (in which beef consumption is higher than eating at home).

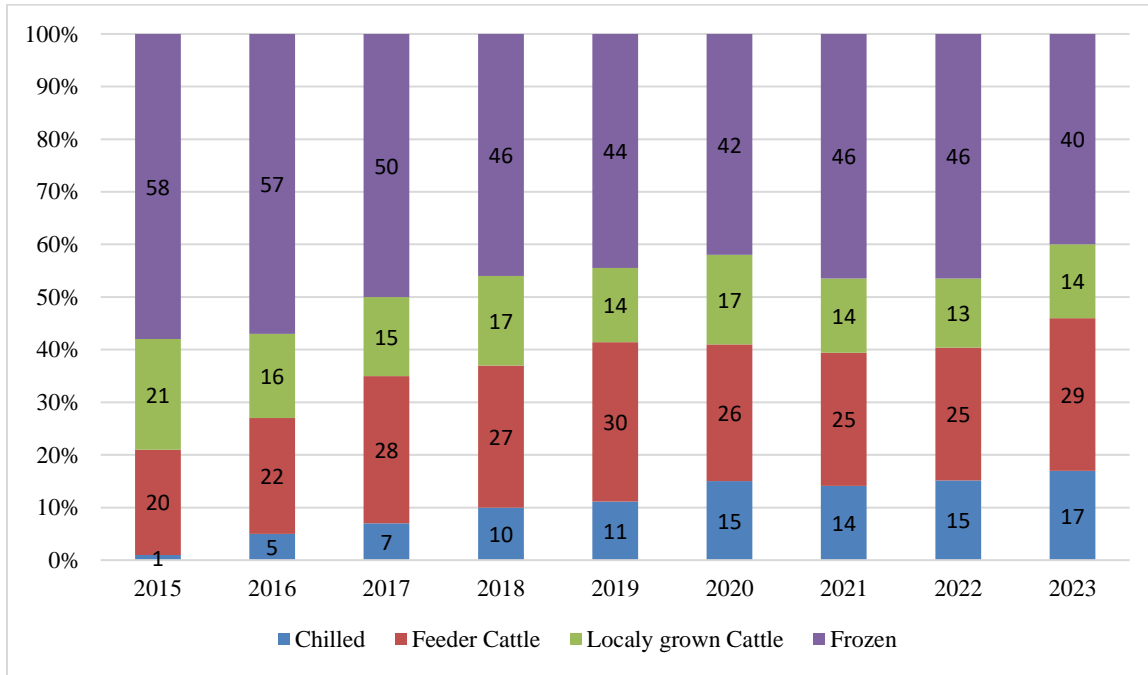
Graph 2: Beef Consumption in Israel



Source: MoAFS Research Unit

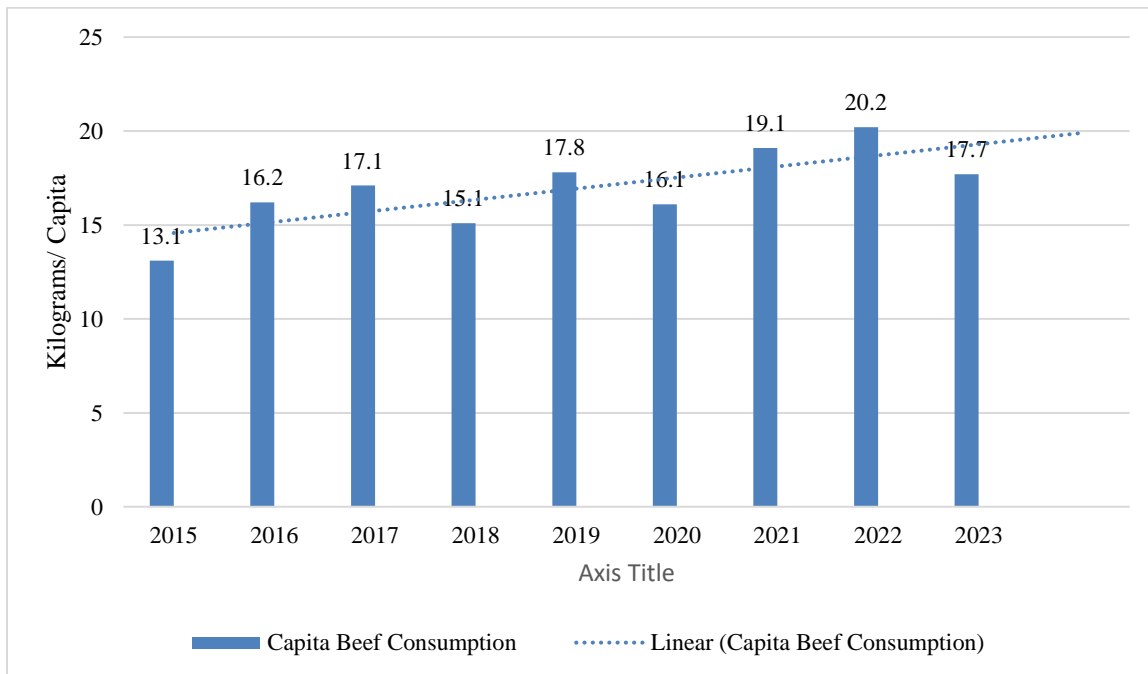
Israeli consumers have also increased their preference for more fresh and chilled beef, while locally grown beef has remained stagnate (see Graph 3). Additionally, Israel’s annual per capita beef consumption has also grown by 35 percent over the past decade (see Graph 4). FAS/Tel Aviv forecasts that this growing demand for fresh and chilled beef products will continue to increase due to consumer preference, thus increasing imports of such products.

Graph 3: Trends in Beef Supplies



Source: MoAFS Research Unit

Graph 4: Israeli Consumption of Beef

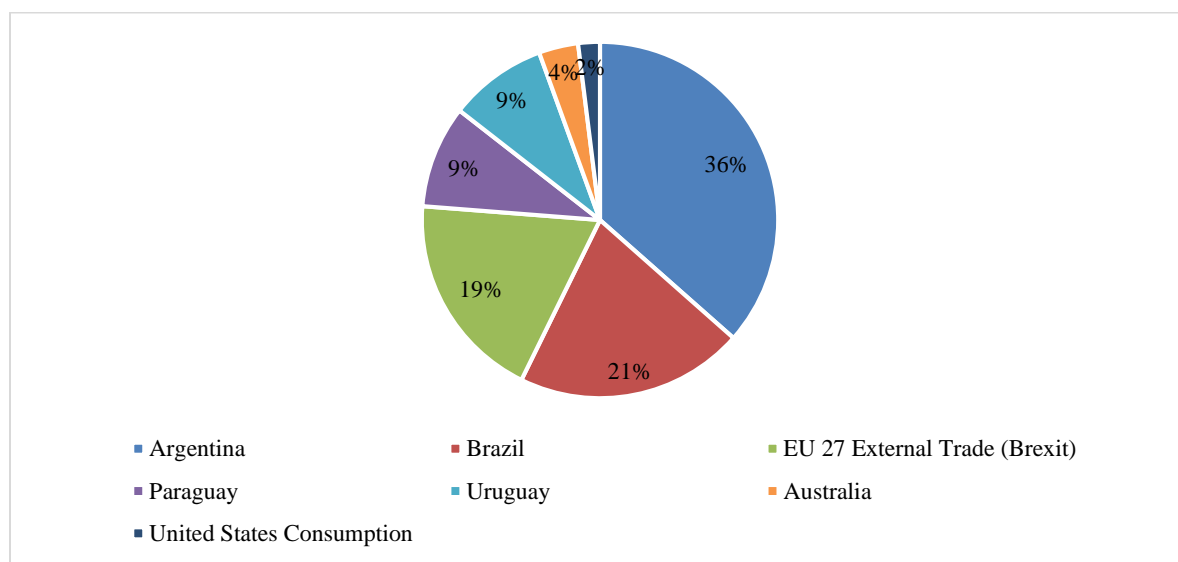


Source: MoAFS Research Unit, OECD-FAQ

Beef Exports to Israel

Israel imported chilled beef from six countries in 2021 (see Graph 5). For a country to be eligible to export beef into Israel, the Israeli Veterinary Services and Animal Health (IVSAH)¹ department of the Ministry of Agriculture need to approve the country for exports. Currently, 14 countries are on the Israeli export eligible list²: Argentina, Australia, Brazil, Chile, France, Hungary, Italy, The Netherlands, Poland, Portugal, Paraguay, Spain, United States, Uruguay. Following the approval of the country for exports, IVSAH approves the processing facilities that are approved for exports and places it on their official web site.

Graph 5: Beef Exports to Israel (by country)



Source: TDM

Kosher Certification Requirements for Beef

Kosher certification is not a legal requirement for importing food into Israel, except for beef, poultry, and other meat products (1994 Kosher Meat Import Law).³ Manufacturers who produce kosher products must satisfy Israeli rabbinical demands that all ingredients and processes meet Kosher standards. According to the 1983 Law for Prevention of Fraud in Kashrut,⁴ only the Chief Rabbinate of Israel can approve a product as kosher for consumption in Israel. The Chief Rabbinate may also authorize another body to act on his behalf. Exporters should work closely with importers to gain such certification (see GAIN IS2024-0017 “Exporter Guide” for more information).⁵

¹ <https://www.gov.il/he/departments/units/2vet>

² <https://www.gov.il/he/pages/approved-establishments-import-meat>

³ <https://www.knesset.gov.il/maintenance-page-geo>

⁴ https://www.nevo.co.il/law_html/law00/74362.htm

⁵

https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide_Tel%20Aviv_Israel_IS2024-0017

Market Opportunities for U.S. Beef

With the increase in beef consumption in Israel and a drastic increase of 1,350 percent for imports of chilled beef over the past decade, from 2 TMT in 2015 to 29 TMT in 2023 (see Graph 2), Israel is a promising market for exports of beef to Israel. In addition to population growth and a lack of grazing area for domestic production, Israel has positioned itself in other ways for opportunities to import more beef, including:

1. In 2016, Israel lifted import quotas and custom tariffs from a quota of 7 TMT.
2. In 2017, Israel increased the shelf life for chilled beef from 30 days to 85 days.
3. The GoI's interest in decreasing shipments of feeder cattle due to aspects of animal welfare.
4. An increase in consumer awareness for consumption of fresh and chilled beef over frozen.
5. Retailers increased investment in the renovation of meat departments.
6. An increase in the opening of new specialty stores for beef with professional employees.
7. An increase in investment from importers and retailers in advertising fresh/chilled beef.
8. An increase in the use of social media for beef promotions.
9. There is a trend of more beef dishes offered in local food outlets.
10. Israel is a pathway to Palestinian consumers in the Palestinian Territories (PT), and beef exported to the PT does not require Kosher certification.
11. U.S. beef is in high demand and considered by many consumers as "premium."
12. FAS/Tel Aviv is well connected with the Israeli regulators, importers, and some of the big consumers of beef.

U.S. Beef Displayed in Israeli Supermarkets



Source: FAS Tel-Aviv

Attachments:

No Attachments.