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Exporter Guide

Annual

2008

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Report Highlights:

Israel is a net food importer. It is a strong market for U.S. agricultural exports, such grains, oilseeds, dried fruits and prepared food products. Both the current exchange rate of the U.S. dollar versus the Euro, which continues to favor U.S. sales, and the Agreement on Trade in Agricultural Products (ATAP) between the U.S. and Israel, offer a good opportunities for American agricultural and food products in Israel.

Includes PSD Changes: No
Includes Trade Matrix: No
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Tel Aviv [IS1]
[IS]

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Disclaimer :

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.

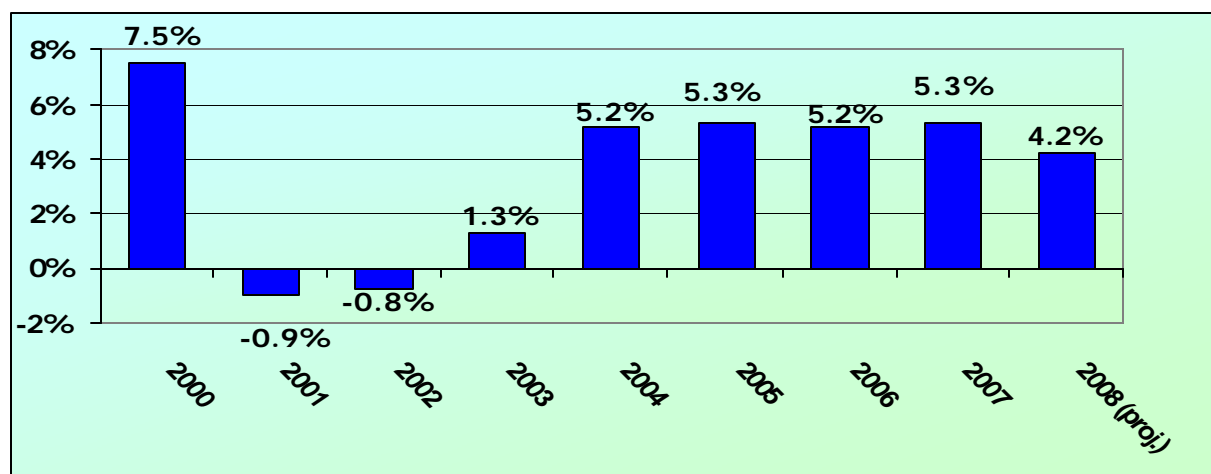
Section I: Market Overview

Economic and Demographic Situation

Led by strong industrial production, a growing high-tech sector, and rebounding tourist industry, Israel's economy continues to perform well. Growing at 5.3 percent, 2007 was the fourth consecutive year the GDP growth rate exceeded 5 percent. However, as a result of the global economic slowdown and the revaluation of the shekel against the dollar, the Ministry of Finance (MOF) estimates that GDP growth is expected to slow to 4-4.5 percent in 2008 and 2.5-3.5 percent in 2009.

Israel's industrial production increased by 4.6 percent in 2007 compared to a 9.8 percent increase in 2006. Hi-tech production increased 4.5 percent in 2007, after rising 21.3 percent in 2006. GDP per capita is forecast to increase 2.6 percent in 2008 compared to a 3.4 percent in 2007. Private consumption expenditure per capita in 2007 rose 5.3 percent compared to 2.7% in the previous year.

Chart 1: GDP, Annual Growth Rate

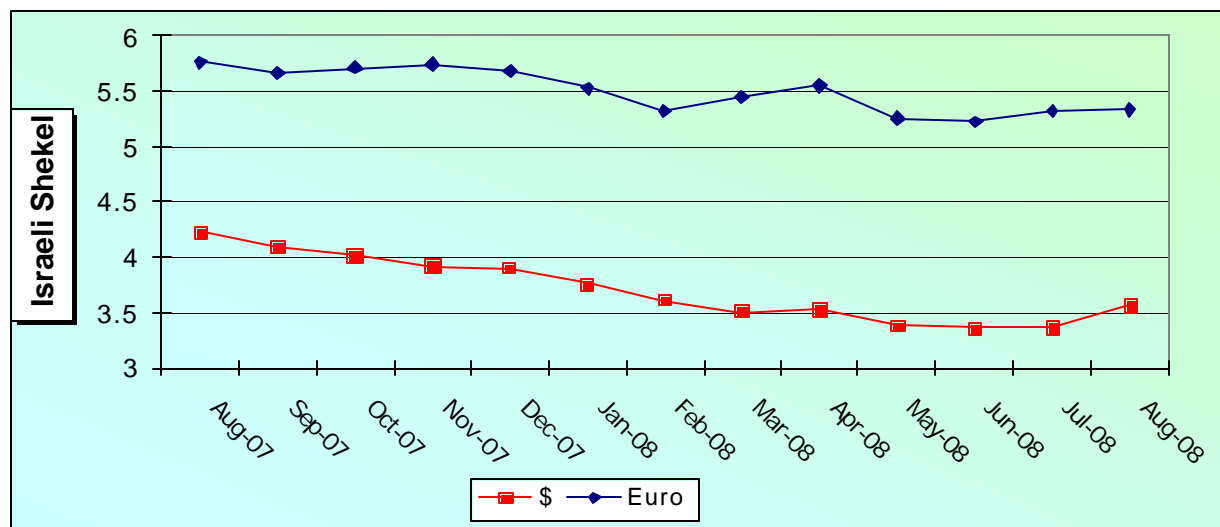


Source: Israeli Ministry of Finance

Due to the large increase in raw material and energy prices (most raw materials used in Israel are imported), the Consumer Price Index (CPI) for 2007 was up 3.4 percent, compared to -0.1 percent the previous year. CPI in 2008 is forecast to grow further to 5.5 percent. Due to the depreciation of the dollar in the last year (see chart 2), and the high CPI, the Bank of Israel raised the key interest rate during 2008 and currently the key interest rate stands at 4.25 percent (August 2008).

In the second quarter of 2008, the local labor force totaled 2,771,000 people. In addition, there are about 181,000 foreign workers, mainly from Thailand, Philippines, and Eastern Europe, and 47,000 workers from the Palestinian Authority. Foreign workers work mainly in the Agricultural sector, construction, restaurants and elder care services. Unemployment, which has exceeded ten percent in recent years, has started to decline, and in 2007 totaled 7.3 percent, compared to 8.3 percent in 2006 and during the first nine months of 2008 unemployment reached a record low of 5.9 percent.

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



Source: CBS, Israel

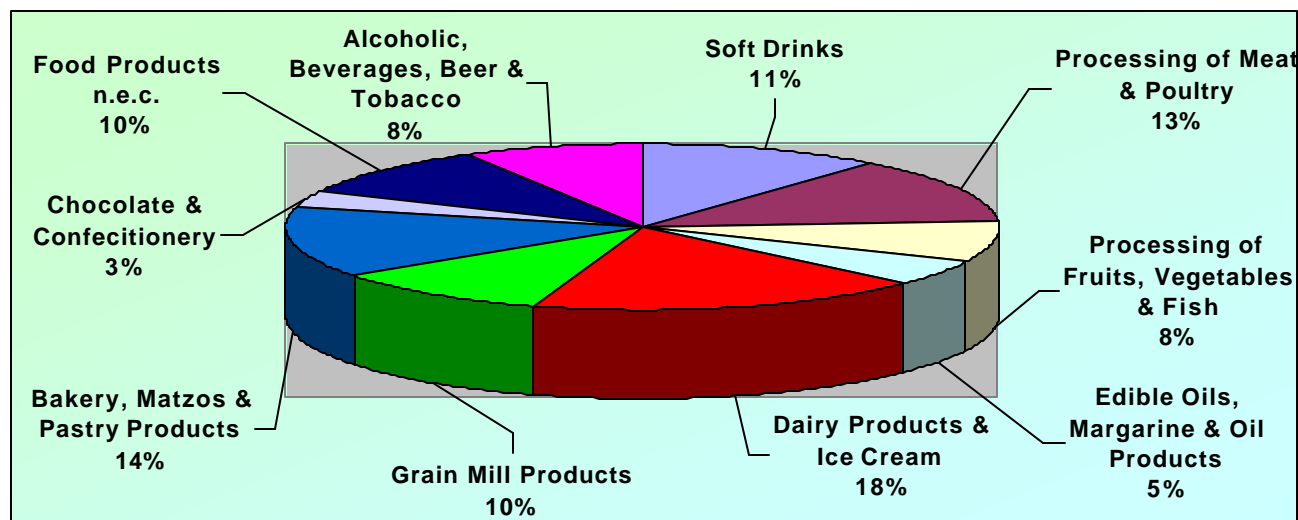
Israel Food Processing Industry

In 2007, the value of the food processing industry, including beverages, beer and tobacco, was estimated at \$1.5 billion, a 2 percent increase compared to the previous year. 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 about 30 percent (\$0.5 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>

Chart 3: Israeli Food Processing Industry Value, by Sub-Sectors, Percent, CY 2007



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

Consumer Buying and Eating Habits

The monthly household consumption expenditure in 2007 totaled \$2,820 (3.5% up compared to 2006), of which 16.9 percent (\$477) 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 preferred to buy their products through supermarket chains (about 55%) instead of through 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.

Table 1: Food- Household Purchase by Outlet Type - % of Total Expenditure (Excl. Meals Away From Home), 2007

	Grocery Stores	Open Markets	Supermarket Chains	Others
Food - Total	17.7	6.3	55.5	20.5
Bread, Cereals and Pastry Products	22.7	2.2	56.2	18.9
Meat, Poultry and Fish	7.3	5.1	47.8	39.8
Soft Drinks	26.2	1.8	63.2	8.8
Fresh Fruits and Vegetables	6.4	23.1	39.6	30.9
Dried Fruit	21.7	15.1	49.6	13.6

Source: Household Expenditure Survey, 2007, CBS.

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

Israel has been a member of the World Trade Organization (WTO) since 1995. Israel's first Free Trade Area Agreement (FTAA) was with the European Community in 1975. The U.S./Israel FTA came in 1985. Israel has also since signed agreements with Bulgaria, Turkey, Jordan, Mexico, Canada and Romania. All new EU member states were automatically included in the agreement with the EU. 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 started in February 2008.

In 2007, imports¹ of goods (excluding diamonds) totaled \$46.6 billion, while exports² totaled \$35.7 billion, resulting in a trade deficit of \$10.9 billion, a 32 percent increase from the previous year. The EU is Israel's largest trading partner, followed by the U.S.

Agricultural and food imports in 2007 increased nearly 22 percent compared to the previous year (from \$2.79 billion to \$3.40 billion). Out of total imports, \$1.44 billion (42%) were food and beverages products. The depreciating U.S. dollar combined with strong economic growth in Israel increased the competitive advantage of U.S. agriculture and stimulated

¹ C.I.F.

² F.O.B.

import demand for U.S. agricultural and food products, and agricultural and food imports from the U.S. increased by almost 26 percent to \$472 million. Although imports from the EU became more expensive for Israeli importers, imports of agricultural and food products from the EU increased 15 percent to \$1.38 billion in 2007.

The most important U.S. food and agriculture exports to Israel are grains, oilseeds, dried nuts and fruits. The largest volume of American exports of food and agriculture to Israel is milling wheat, soybeans and feed grains, and no duties or other barriers restrict imports of these products. U.S. exports of prepared vegetables, fruits and nuts and miscellaneous edible preparations show a trend of expansion, while imports of meat, cereals and feed have decreased in recent years.

Food and agricultural exports in 2007, totaled \$2.18 billion, a 28 percent increase compared to 2006. Out of total exports, \$1.4 billion (64%) and \$698 million (39%) were vegetables products and food and beverages products, respectively. Food exports to the U.S. in 2007 increased 16 percent (from \$81 million to \$94 million) while food exports to the EU increased 9.5 percent to \$361 million.

Table 2: Israeli Imports of Agricultural and Prepared Food Products, \$ Million, CY

	Total			U.S.			EU		
	2002	2006	2007	2002	2006	2007	2002	2006	2007
Live animals	284.2	440.6	454.5	13.2	14.2	29.4	49.8	90.3	96.8
Vegetable products	815.2	1,072.5	1,397.6	327.2	229.4	287.6	208.2	296.9	423.4
Animal & Veg. oils	56.0	80.0	104.3	9.2	2.9	3.5	23.9	25.0	35.8
Prepared foods, Tobacco	889.2	1,200.4	1,443.9	269.8	129.1	151.2	422.8	786.0	822.3
Total	2,044.6	2,793.5	3,400.3	619.6	375.6	471.7	704.7	1,198.2	1,378.3

Source: CBS, Israel

Table 3: Trend in Israeli Imports of Agricultural and Prepared Food Products, Percent Change Compared to the Previous Year

	Total	U.S.	EU
	2007 % Change Compared to 2006	2007 % Change Compared to 2006	2007 % Change Compared to 2006
Live animals	3.2	107.0	7.2
Vegetable products	30.3	25.4	42.6
Animal & Veg. oils	30.4	20.7	43.2
Prepared foods, Tobacco	20.3	17.1	4.6
Total	21.7	25.6	15.0

Data from January thru July 2008 show that total agricultural and food imports increased by 32 percent compared with the same period one year ago (from \$1.87 billion to \$2.47 billion). Out of total imports in 2008 (till July), \$934 million (38%) were food and beverages products. The depreciating U.S. dollar combined with strong economic growth in Israel has increased the competitive advantage of U.S. agriculture and stimulated import demand for U.S. agricultural and food products, and agricultural and food imports from the U.S. increased by almost 60 percent to \$383 million. Although imports from the EU become more expensive for Israeli importers, imports of agricultural and food products from the EU increased 14 percent to \$927 million in 2008.

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

Description	2007 (1-7)	2008 (1-7)	% Change
Live animals; animal products	16.4	25.1	53.0%
Vegetables products	136.3	250.5	83.8%
Animal or Vegetables fats & oils	2.2	2.2	0%
Prepared foodstuffs, beverages, tobacco	86.2	104.8	21.6%
Total	241.1	382.6	59%

Source: CBS, Israel

Table 5: Advantages and Challenges for U.S. Exporters to Israel

Opportunities	Threats
Israel's economy has remained strong in 2008, boosting demand for agriculture products.	The security situation in Israel remains precarious, and uncertainty in the Israeli economy remains great.
The current exchange rate of the U.S. dollar versus the Euro continues to favor U.S. sales.	Growing competition exists from Eastern Europe, Turkey, Former Soviet Union, South America and the Far East. This sector generally only imports from nearby countries.
The standard of living in Israel is expanding rapidly, increasing the demand for high quality food products.	Israel is increasingly adopting EU standards and requirements on imports.
The Israeli consumer has some knowledge of American products and wishes more of them were available.	Kosher requirements are becoming increasingly strict.
Israel is a "bridge" to the Palestinian Authority with its rapidly growing population and future increased standard of living.	U.S. suppliers lack knowledge of the Israeli and Palestinian markets and its opportunities.
American products are known for their quality and reliability.	Import requirements can be quite strict, and new-to-market products are often detained at port.
The ATAP offers the U.S. tariff rate quotas for several important products, and reduced duties for several others. Negotiations on the new ATAP agreement started in February 2008.	Israel is unlikely to agree to the U.S. request for a complete phase-out in tariffs.
Israel is a net food importer. Israel is highly dependent on grain and oilseed imports.	Israel has a strong domestic manufacturing system and EU agricultural and food products remain very competitive.

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

The VAT rate is 15.5 percent and applies to all transactions and import of goods whose date of liability to tax applies began since 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. 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 IS8020 - <http://www.fas.usda.gov/gainfiles/200807/146295318.pdf>

SPS and Regulatory Systems: Four agencies are involved in Israel's food/livestock/plants safety supervision, including the National Food Control Service, which is part of the Ministry of Health, the Standards Institution of Israel, the Israel Veterinary and Animal Health Services and the Plant Protection and Inspection Services are a part of the Ministry of Agriculture. The Food Control Service is notorious for its difficult requirements on high-value food products. Depending on the product, both the Ministry of Trade and MOAG have responsibility for managing quota allocations under the FTA.

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, however, Israel is increasingly adopting EU standards and requirements on imports.

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.

As background of its general wish to encourage of the free international flow of goods, the Israeli cabinet passed decision No. 2191, which is titled "improvement of Terms of Trade Standardization" on August 12, 2007. The decision determines that among others, by June 30, 2010 at least 65 percent of Israel'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.

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 the 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 Mad Cow Disease.

General Tips for Exporters

- Consider participating in FAS Tel Aviv organized or sponsored events.
For example – FAS Tel Aviv is considering coordinating a U.S. Agribusiness Trade Mission to the Middle East in June, 2009 in conjunction with other FAS posts in the Middle East, U.S. Department of Commerce, the State Department, local Chambers of Commerce, and American food and agricultural associations.
- Consider showing at the Koshersfest in New York (November 11-12, 2008) as many Israeli buyers attend this show. <http://www.koshersfest.com/08/public/enter.aspx>
- 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;

TRADE SHOWS IN ISRAEL

ISRAFOOD

An International Food & Beverages Exhibition for professionals of the catering and food wholesale, retail, restaurants, hotels, institutional and food shops.

24-26 November, 2008 – Tel Aviv

http://www.stier.co.il/english/fair_israfood.htm

AGRO-MASHOV

The Agro Mashov is Israel's greatest annual international agriculture exhibition.

14-15 January, 2009 – Tel Aviv

<http://www.mashov.net/>

AGRITECH

For the past three decades, Agritech has served as a platform to bring together more than 7,000 foreign visitors from 115 countries to interact with leading agriculture technology companies of the world.

5-7 May, 2009 – Tel Aviv

<http://www.agritech.org.il/>

WATEC

WATEC exhibition is Israel's prime event for showcasing its technologies and expertise in Water and Environment Technology fields.

17-19 November, 2009

<http://www.kenes.com/watec2009/mailshots/ms1.htm?ref1=db1>

Section III: Market Sector Structure and Trends

1. Retail Food Sector

In 2007, the retail food market was valued at \$8.2 billion, of which 62 percent (\$5.1 billion) belonged to the two major retail food-marketing chains. The private supermarkets were valued at \$2.22 billion. In addition, 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 about 3 percent in CY 2007.

2. HRI Sector

Israel's HRI sector is complex and very diverse, with large commercial and institutional components. The improved tourist industry 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 are not kosher certified still use only kosher ingredients. In addition, there are about 900 banquet halls. The most popular food businesses are, coffee shops, Mediterranean, Italian, Thai and Japanese restaurants. In 2007, sales of the restaurants, coffee shops, kiosks pubs and bars were estimated at \$2.7 billion. Approximately 45 percent of the bars and 23 percent of the pubs are located in central and northern Israel. Approximately 1,600 restaurants, coffee shops, pubs and bars are located in the Tel Aviv area.

As a result of the improved security situation in Israel, tourism experienced a 25 percent increase in 2007 (2.3 million tourists) compared to 2006. Out of total tourist arrivals, about 24 percent were from the U.S. Tourist arrivals in 2008 are forecast to increase 30-40 percent. Data from January thru August 2008 show tourism experienced a 37 percent increase compared to the same period one year ago (from 1.45 million to 2.0 million).

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. IDF outsourced a part of its food supply chain (150,000 meals/day). In addition, Israeli police force joined 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
Coffee and Tea
Organic and health food
High premium Ice cream
Soy food products
Morning cereals
Fish and seafood products
Baby food, and organic baby food
Frozen vegetables
Honey
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)

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: Office of Agricultural Affairs in the U.S. Embassy in Tel Aviv ;

Tel: 972-3-5197588, Fax: 972-3-5102565, Web Site : <http://usembassy-israel.org.il/fas/> ;

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. Shlomo Garazi

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

Plant Protection & Inspection Service (PPIS)

P.O. Box 78

50250, Bet Dagan, Israel

Contact: Ms. Miriam Freund, Director

Tel : 972-3-9681561

Fax: 972-3-9681582

E-mail: miriamf@moag.gov.il

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

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

Agriculture in Israel, 2006-2007

http://www.cbs.gov.il/webpub/pub/text_page_eng.html?publ=21&CYear=2007&CMonth=1

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, 2007

Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$3,403/13.8%
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$1,444/10.5%
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%)	\$128/2.1%
Total Population (Millions) / Annual Growth Rate	7.2/1.8%
Number of Major Metropolitan Areas	3
Per Capita Gross Domestic Product (U.S. Dollars)	\$22,600
Unemployment Rate (%), September 2008	5.9%
Per Capita Food Expenditures (U.S. Dollars)	\$1,730
Exchange Rate (US\$1 = X.X local currency), September 2008	US\$1=3.5 NIS

Source: CBS, Israel

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

Chapter Code	Product Category	2006		2007	
		Million \$	Percent	Million \$	Percent
1	Live animals	1.383	0.37	1.833	0.39
2	Meat & edible meat offal	0.061	0.02	0	0.00
3	Fish, crustaceans and mollusca	3.514	0.94	2.663	0.56
4	Dairy produce; eggs, natural honey; edible products of animal origin	8.877	2.36	24.227	5.14
5	Products of animal origin n.e.c	0.366	0.10	0.626	0.13
6	Live trees and other plants, bulbs, roots and other garden plants	0.028	0.01	0	0.00
7	Edible vegetables, roots and tubers	3.926	1.05	3.920	0.83
8	Edible fruits and nuts; peel of melons and other citrus fruit	65.081	17.33	60.105	12.75
9	Coffee, tea, mate and spices	2.105	0.56	1.504	0.32
10	Cereals	92.716	24.69	129.700	27.51
11	Products of milling industry; malt and starches; wheat gluten	12.040	3.21	6.445	1.37
12	Oil seeds, grains, fruits, industrial and medical plants. Straw and feed	51.077	13.60	79.963	16.96
13	Tree gum; resins, other vegetable saps and extracts	2.376	0.63	5.747	1.22
14	Vegetable plaiting materials; vegetable products n.e.c	0.005	0.00	0	0.00
15	Animal or vegetable fats and oils; animal or vegetable waxes	2.868	0.76	3.517	0.75
16	Preparation of meat, fish, or of other aquatic invertebrates	4.134	1.10	6.647	1.41
17	Sugar and sugar confectionery	1.816	0.48	3.307	0.70
18	Cocoa and cocoa preparations	0.978	0.26	1.382	0.29
19	Preparations of cereals, flour starch or milk; pastry products	12.651	3.37	14.012	2.97
20	Preparations of vegetable, fruits, nuts and other plants	8.755	2.33	15.027	3.19
21	Miscellaneous edible preparations	46.419	12.36	51.747	10.98
22	Alcoholic beverages and vinegar	4.833	1.29	9.412	2.00
23	Residues and waste from the food industries; prepared animal feed	29.621	7.89	29.578	6.27
24	Tobacco and tobacco substitutes	19.922	5.30	20.127	4.27
	Grand total	\$375.552	100%	\$471.489	100%

Source: CBS, Israel

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

Chapter Code	Product Category	2006		2007	
		Total - \$Million	U.S. Share	Total - \$Million	U.S. Share
1	Live animals	65.642	2.11	41.425	1.22
2	Meat & edible meat offal	219.221	0.03	215.716	6.34
3	Fish, crustaceans and mollusca	112.629	3.12	128.171	3.77
4	Dairy produce; eggs, natural honey; edible products of animal origin	38.057	23.33	62.774	1.84
5	Products of animal origin n.e.c	5.119	7.15	6.328	0.19
6	Live trees and other plants, bulbs, roots and other garden plants	10.645	0.26	13.342	0.39
7	Edible vegetables, roots and tubers	52.511	7.48	67.449	1.98
8	Edible fruits and nuts; peel of melons and other citrus fruit	117.530	55.37	124.862	3.67
9	Coffee, tea, mate and spices	63.118	3.34	79.859	2.35
10	Cereals	513.424	18.06	710.768	20.89
11	Products of milling industry; malt and starches; wheat gluten	44.858	26.84	60.411	1.78
12	Oil seeds, grains, fruits, industrial and medical plants. Straw and feed	237.365	21.52	302.050	8.88
13	Tree gum; resins, other vegetable saps and extracts	27.200	8.74	31.625	0.93
14	Vegetable plaiting materials; vegetable products n.e.c	5.880	0.09	6.904	0.20
15	Animal or vegetable fats and oils; animal or vegetable waxes	79.956	3.59	104.295	3.06
16	Preparation of meat, fish, or of other aquatic invertebrates	43.959	9.40	54.582	1.60
17	Sugar and sugar confectionery	252.201	0.72	258.918	7.61
18	Cocoa and cocoa preparations	75.194	1.30	95.240	2.80
19	Preparations of cereals, flour starch or milk; pastry products	112.448	11.25	159.396	4.68
20	Preparations of vegetable, fruits, nuts and other plants	132.901	6.59	178.999	5.26
21	Miscellaneous edible preparations	223.246	20.79	251.054	7.38
22	Alcoholic beverages and vinegar	119.702	4.04	143.064	4.20
23	Residues and waste from the food industries; prepared animal feed	116.971	25.32	168.102	4.94
24	Tobacco and tobacco substitutes	123.775	16.10	137.712	4.05
	Grand total	\$2,793.5	100%	\$3,403.0	100%

Source: CBS, Israel

Annex 4: Map of Israel

