Required Report: Required - Public Distribution **Date:** April 02, 2025

Report Number: IS2025-0008

Report Name: Grain and Feed Annual

Country: Israel

Post: Tel Aviv

Report Category: Grain and Feed

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Report Highlights:

Israel will continue to rely on imported feed and grains as it uses land and water resources for more cash crops. Due to poor weather conditions, Post forecasts Israel's marketing year 2025/26 wheat production down (due to poor weather conditions) and imports up as production was limited. Although the Government of Israel is increasingly looking to diversify imports of grain and feed, it will most likely continue to import from Black Sea Basin origins due to price and proximity. Consumption of barley and feed is forecasted to remain relatively low, as many poultry and egg production farms were destroyed due to the conflict in the north, as well as limited cattle shipment from Australia via the Red Sea.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Executive Summary

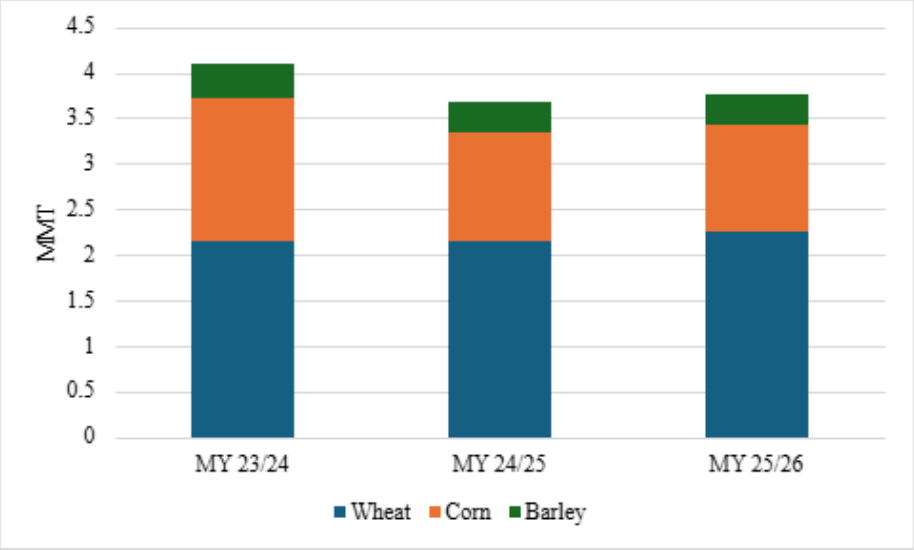
Although the conflict in Israel may impact the grain and feed industry in some ways during marketing year (MY) 2025/26, the conflict did not have an effect on the planting and cultivation of wheat, unlike the poor weather conditions which delayed growth. With the reduction in wheat production, Post forecasts wheat imports to increase, primarily from Russia, as wheat remains the primary commodity for feed ingredients. Wheat consumption is also forecast to increase slightly due to more wheat flour imports from Egypt. However, the conflict along the border with Lebanon did affect consumption for corn feed to decrease during MY 2024/2025 and a forecasted low for MY 2025/26 1.1 million metric tons (MMT) as poultry and egg production farms were destroyed in conflict areas.

Moreover, the conflict with Houthi attacks on shipping vessels in the Red Sea led to a decrease in sheep and goat exports to Israel, resulting in a reduction in barley consumption during MY 2024/25. However, Post anticipates that sheep and goat exports to Israel may pick up, leading to an increase in barley consumption for MY 2025/26.

As most Israeli farmers prefer to use their land and water resources for cash crops (with less water demand), Israel is expected to continue to rely on imported grain and feed. Wheat and grain stock continue to remain low and stable, despite the Government of Israel's (GoI) desire to rebuild stock. However, Post has done a multiyear revision on stock due to an increase in Russian wheat exports to Israel (based on private sources). The Ministry of Agriculture and Food Security (MoAFS) has also expressed their desire to import from other countries outside of the Black Sea Basin (BSB) to diversify imports. However, Israel remains a long-time consumer of U.S. – origin distillers' dried grains with solubles (DDGS) and corn gluten feed (CGF).

To increase food security, the MoAF has proposed a legislation which will require major grain and feed industry stakeholders to provide a monthly report of their stocks to better manage the country's reserves. In the event of future disruptions, the Ministry aims to be better prepared for supply and demand changes. Israel does not implement any tariffs on grain and feed imports.

Chart 1: Total Consumption for Wheat, Corn and Barley (MY 2023/24-2025/26)



Source: FAS/Tel Aviv research

Wheat

Production:

For MY 2025/26 (July– June) Post expects a 23 percent decline in wheat production (see Chart 2) due to poor weather conditions. As most wheat is not irrigated, Israeli producers are reliant upon rainfall to irrigate the crop, but late (and limited) rains delayed germination and growth this year (see Pictures 1 & 2). In addition to weather conditions, some of the plots located in the south of the country (in the vicinity of Gaza) remained inaccessible due to the Israel-Hamas conflict and were not planted (see Maps 1a and 1b). Accordingly, Post forecasts production at 60 thousand MT with a planted area of 40 thousand hectares (Ha).

Chart 2: Israeli Wheat Production

Source: FAS/Tel Aviv Research

Picture 1: Wheat Plots Recultivated Due to Poor Germination

Source: FAS/Tel-Aviv; last week of December 2024

Picture 2: Delayed Growth in Israeli Wheat Plots

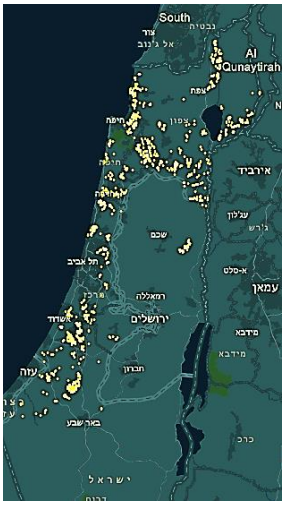
Source FAS/Tel-Aviv; first week of March 2025

The poor MY 2025/26 weather conditions may also lead to a reduction in the quality of domestically produced wheat. However, as local production usually meets less than ten percent of the country's annual milling wheat consumption needs, Israeli millers are required to import wheat to meet demand. Notably, national requirements mandate that millers purchase domestic wheat to be eligible to import wheat. In fact, it is normal for domestically produced wheat to be blended with imported grain. Accordingly, the impact of reduced quality on Israeli millers is anticipated to be limited.

Roughly 70 percent of Israeli wheat is planted in the south, with the remainder planted in the central and northern regions (see Maps 1a and 1b). Average rainfall in the southern wheat producing regions generally reaches 450 millimeters (mm) per year, while the northern regions receive 500-550 mm per year, primarily from October to April.

Map: 1a: Plots Used for Grain Wheat

Map 1b: Plots Used for Wheat Silage

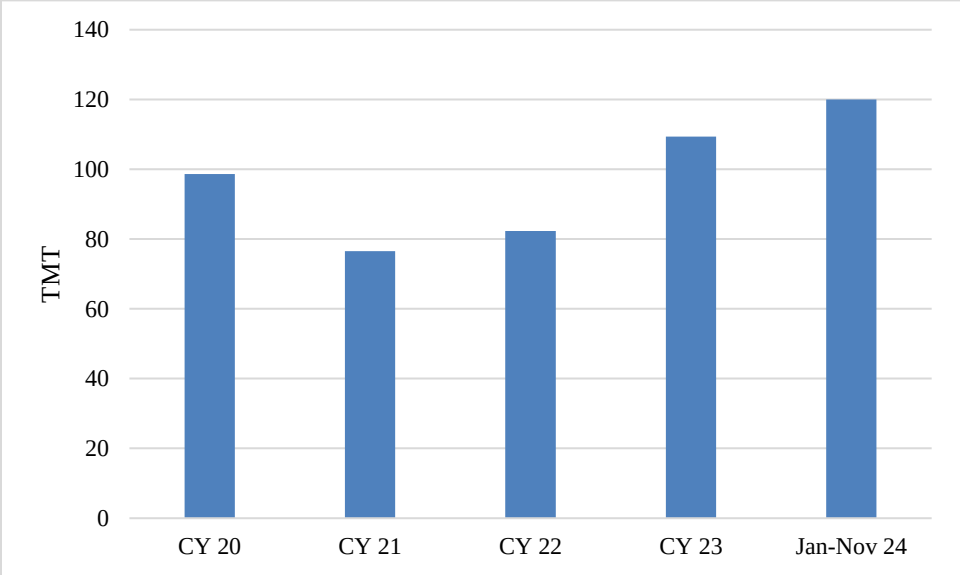


Source: MoAFS GIS maps

Consumption:
Total MY 2025/26 wheat consumption is forecasted at 2.125 MMT, higher than MY 2024/25 on account for both feed and food, seed, and industrial (FSI) consumption. The Israeli feed milling industry easily shifts from corn, barley, and sorghum to wheat and vice-versa, depending on price. In MY 2024/25, prices for wheat, barley and corn were quite similar, so prices had a limited effect on the preference of one grain over another (see Chart 4). However, as farmers typically prefer to use wheat for livestock, Post forecasts wheat consumption for feed to increase due to a lack of grazing land. Summarily, to MY 2024/25, Post revises wheat feed consumption up to 1 MMT.

Despite more Israeli consumers opting for healthier options in lieu of wheat, Post forecasts an increase in FSI during MY 2025/26, due to a 2 percent population increase and as more packaged flour is being exported through Israel to the Palestinian Territories (see Chart 3). In addition to imports of packaged flour, Israel also mills wheat for human consumption in 14 Israeli flour mills.

Chart 3: Global Exports of Wheat Flour to the Palestinian Territories



Source: Trade Data Monitor, Inc.

Trade:
Post forecasts Israel's MY 2025/26 wheat imports up, to reach 2.15 MMT, due to an increase in demand from farmers who lack grazing land for livestock. Although Israeli wheat imports are primarily from Russia, the MoAFS has noted its interest to diversify wheat imports. According to private sources, Russian exports to Israel from July 2024 – February 2025 amounted to 1.147 MMT. For MY 2024/25, Post revises wheat imports to 2.1 MMT due to an increase in Russian exports of 1.24 MMT. All grain is purchased by the private sector rather than through government tenders.

Since 2010, imports of U.S. wheat have been limited, as prices of U.S. wheat have historically been at least $25/MT higher than Black Sea Basin (BSB) origin wheat and freight charges for

U.S. wheat can also be as much as $25/MT higher than shipments from the BSB. Due to prices, Post does not forecast any change in the amount of U.S. wheat exports to Israel.

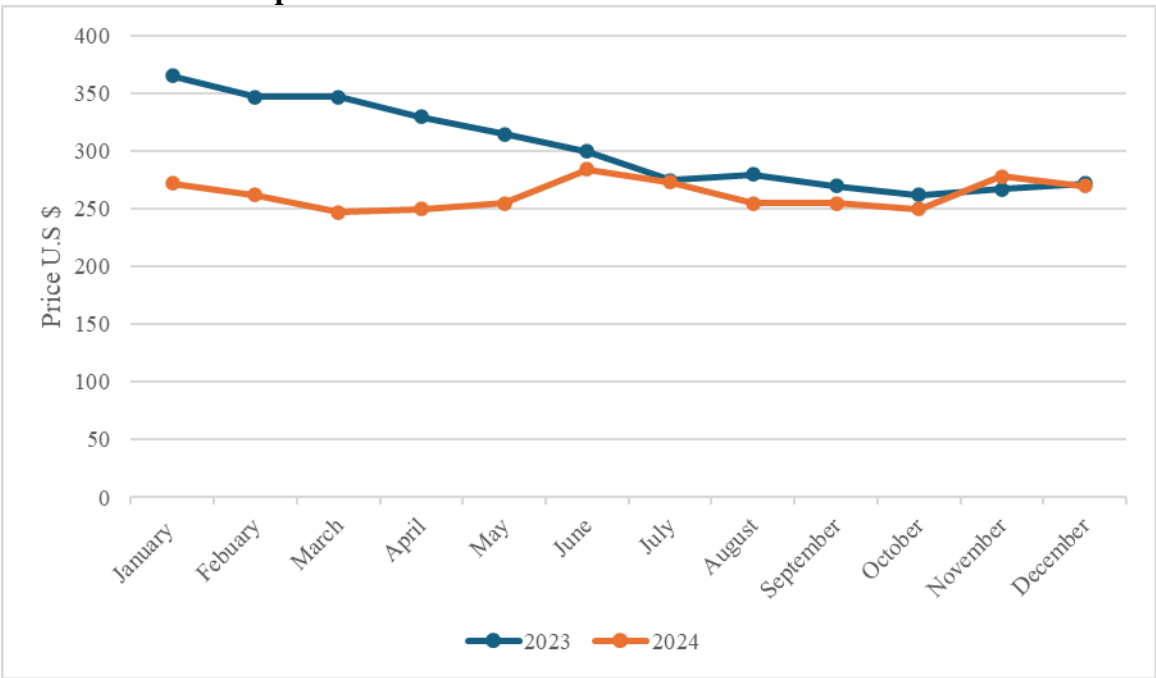
Stocks:
For MY 2025/26, Post forecasts stocks to decrease, due to a reduction in production because of poor weather conditions this season. For MY 2024/25, Post revises wheat stock up slightly, primarily due to an increase in Russian wheat imports. Although the Israeli government has noted their desire to increase stock for food security, budget limitations have stalled this process as the MoAFS waits on approval of the "National Plan for Food Security 2050" [1] which plans to increase food security during the next 25 years. As the storage capacity of grains in Israel is limited, there are plans to construct new grain silos at the Port of Haifa in the next few years.

MoAFS also holds emergency stocks of feedstuffs, which include feed grains, oilseed meal, DDGS and CGF. Like other commodities in the emergency stock, the Israeli government is looking to increase its emergency feed wheat stocks for the livestock sector. Emergency stocks are controlled by MoAFS and require all domestically produced wheat to go to stock. Through tenders, MoAFS chooses companies that are best suited to store emergency stocks. In addition to the emergency stock, local importers also maintain some milling wheat stocks. Historically, emergency stocks have been primarily based on the size of the domestic wheat harvest, rather than demand. The aim of the GoI is for wheat stocks to equal at least three months of consumption.

Prices:
The GoI encourages Israeli farmer to plant wheat and does so by offering a minimum price. However, with this incentive, Israeli farmers focus on producing quantity over quality. In 2024, prices of wheat were significantly lower during the beginning of the year compared to last year, but remained relatively stable, hovering around $275/MT (see Graph 1 Chart 4).

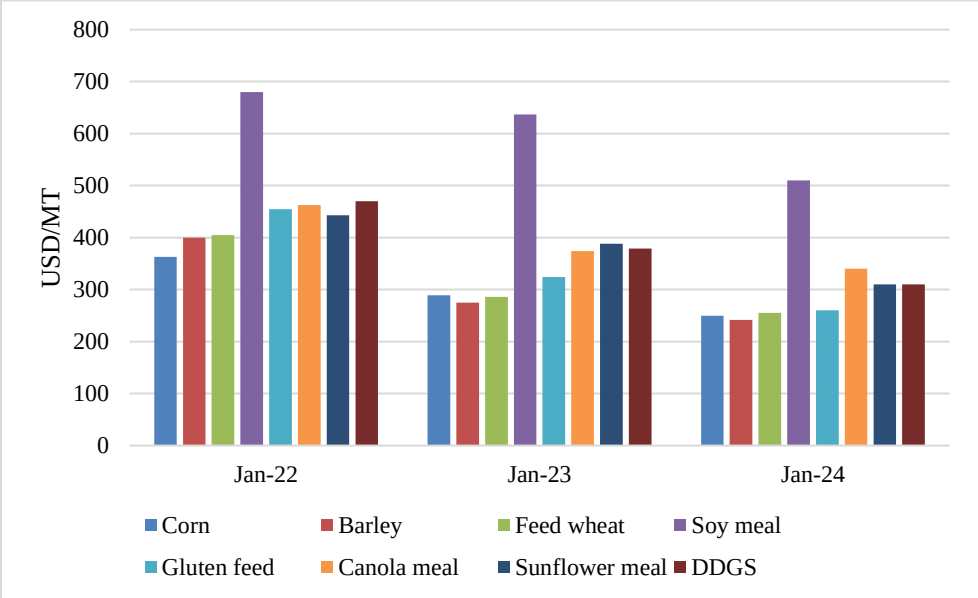
[1] https://www.gov.il/he/pages/national_food_security_program_primary_products

Graph 1: Domestic Market Price in Israel for Wheat



Source: Israeli Cattle Breeders Association

Chart 4: Feed Prices in Israel



Source: Israeli Cattle Breeders Association

Policy:

In July 2022, Israel announced that all phytosanitary permits for imports of wheat will need to declare that wheat exports to Israel originate from a country free of "Tillitia Indica." For the United States, it must declare that the state from which the wheat originates is free from "Tillitia Indica."

Furthermore, as a part of the GoI's focus on food security, the MoAFS proposed a new legislation for all grain and feed stakeholders which have a turnover of 10 TMT of wheat or other animal feed or grain stock during a calendar year, to report stocks monthly to MoAFS. This legislation is still in process.

Table 1: Wheat Production, Supply and Distribution

Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jul 2023		Jul 2024		Jul 2025	
Israel	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	64	50	55	45	0	40
Beginning Stocks (1000 MT)	952	620	814	550	0	565
Production (1000 MT)	136	95	120	80	0	60
MY Imports (1000 MT)	2032	2000	2100	2100	0	2150
TY Imports (1000 MT)	2032	2000	2100	2100	0	2150
TY Imp. from U.S. (1000 MT)	1	0	0	0	0	0
Total Supply (1000 MT)	3120	2715	3034	2730	0	2775
MY Exports (1000 MT)	6	5	5	5	0	5
TY Exports (1000 MT)	6	5	5	5	0	5
Feed and Residual (1000 MT)	800	1000	810	1000	0	1050
FSI Consumption (1000 MT)	1500	1160	1500	1160	0	1200
Total Consumption (1000 MT)	2300	2160	2310	2160	0	2250
Ending Stocks (1000 MT)	814	550	719	565	0	520
Total Distribution (1000 MT)	3120	2715	3034	2730	0	2775
Yield (MT/HA)	2.125	1.9	2.1818	1.7778	0	1.5
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Wheat begins in July for all countries. TY 2025/2026 = July 2025 - June 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Barley

Production:

For MY 2025/26 (October - September), Post estimates the area planted for barley to be 5,000 ha and production at 14 TMT. As barley is more drought resistant, Post expects that the low precipitation this marketing year will not affect yields, which vary between 3-6 MT/ha for seed production. In Israel, farmers prefer to plant barley in lieu of wheat in areas which suffer from low rainfall and where wheat production is limited (see Map 2). In Israel, barley grain production is used for forage and silage.

Map 2: Plots Used for Growing Barley

Source: MoAFS GIS Maps

Trade:
Post forecasts Israel's MY 2025/26 barley imports at 320 TMT and revises MY 2024/25 down to 320 TMT, due lower demands from the sheep, goat, and poultry industries. Post's estimates also incorporate data from the Israeli Central Bureau of Statistics for calculating imports and exports which may not be captured in Trade Data Monitor. For the past few years, there have been no imports of U.S. - origin barley, as most of Israel's barley imports come from the BSB (e.g., Russia and Ukraine) because of shipping proximity and lower prices. Like other grains, Israel may look for alternative sources in the near term as it looks to diversify its import origins.

Consumption:
Post forecasts Israel's MY 2025/26 total barley consumption at 340 TMT and MY 2024/25 down at 330 TMT, as there was less demand for sheep feed last year (see Table 4). In Israel, barley is used as feed primarily for sheep and goats, and smaller amounts for poultry. Since the start of the Houthi attacks on vessels in the Red Sea, Australia's sheep exports to Israel significantly declined, and by 29.5 percent during MY 2024/25 (see Map 3). However, Post forecasts that live sheep exports to Israel may start to increase, leading to a 10 TMT increase in consumption in MY 2025/26.

Map 3: Houthi Attacks around the Bab Al-Mandab Strait

Source: The Economist[2]

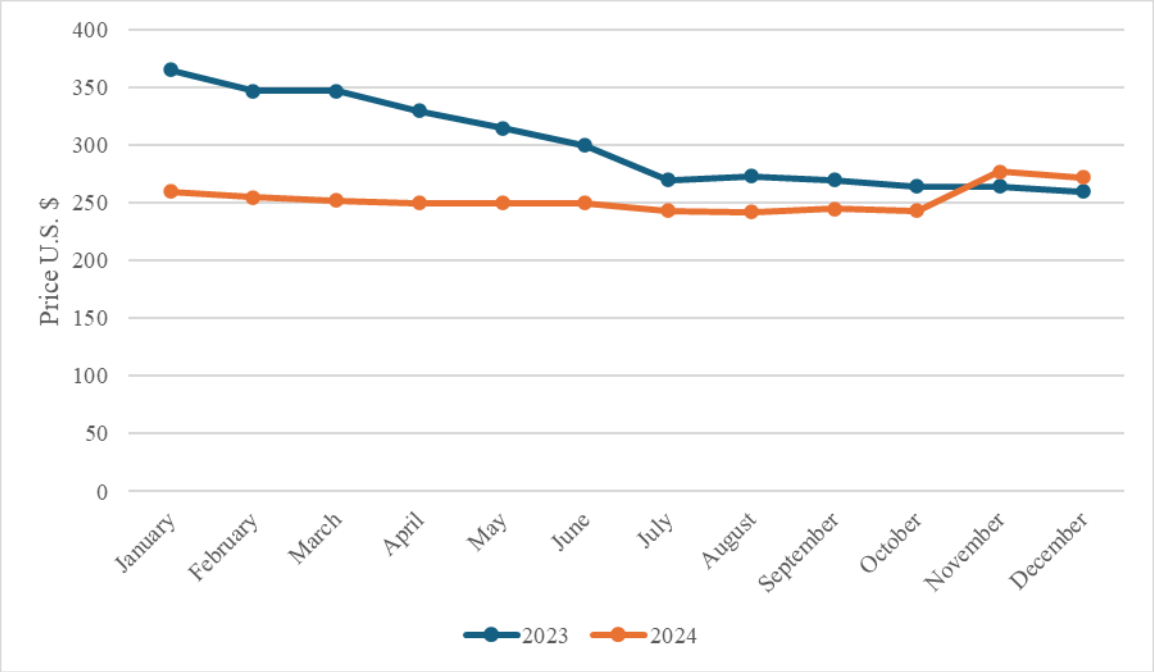
Although there has been a decline in poultry production due to a loss of broiler farms in conflict areas, Israel will still seek to use barley as feed for poultry for the next marketing year, as Israeli consumers tend to associate a yellow color in poultry to poor animal health and/or obesity. This color is caused by a pigment in corn called *xanthophyll 1* that turns broiler meat yellow. As a result, poultry producers and feed millers use some amounts of barley and other grains in feed rations for poultry to mitigate the strong yellow pigment in chicken meat.

Stocks:
Post forecasts Israel's MY 2025/26 barley stocks down to 55,000 MT as Post forecasts consumption to slightly increase. Post also revises MY 2024/25 stocks down by 11,000 MT due to decrease in imports. Although Post had anticipated the Israeli government to increase stock for food security reasons, the GoI's budget was limited resulting in less stockpiling.

Prices:
Barley prices in 2024 in Israel were generally lower than 2023, with November and December slightly up (see Graph 3). Although prices were lower, Israeli consumers still prefer to use wheat for livestock, regardless of the price.

[2] https://www.economist.com/middle-east-and-africa/2023/12/04/why-yemens-houthis-are-attacking-ships-in-the-red-sea

Graph 2: Domestic Market Barley Price in Israel



Source: Israeli Cattle Breeders Association

Table 2: Barley Production, Supply and Distribution

Barley	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Israel	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	8	5	6	5	0	5
Beginning Stocks (1000 MT)	30	30	31	57	0	61
Production (1000 MT)	11	15	10	14	0	14
MY Imports (1000 MT)	200	370	200	320	0	320
TY Imports (1000 MT)	200	370	200	320	0	320
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	241	415	241	391	0	395
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	200	348	200	320	0	330
FSI Consumption (1000 MT)	10	10	10	10	0	10
Total Consumption (1000 MT)	210	358	210	330	0	340
Ending Stocks (1000 MT)	31	57	31	61	0	55
Total Distribution (1000 MT)	241	415	241	391	0	395
Yield (MT/HA)	1.375	3	1.6667	2.8	0	2.8

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Barley begins in October for all countries. TY 2025/2026 = October 2025 - September 2026

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Corn

Production:
Post forecasts corn production in MY 2025/26 (October –September) at zero, as Israel is an insignificant producer of corn due to water constraints. Israel only produces sweet corn and popcorn (as they have a higher value compared to feed corn). Due to a lack of corn production, Israel is entirely dependent upon corn imports for the feed and starch industry.

Trade:
Post forecasts MY 2025/26 corn imports at 1.18 MMT, slightly less than last year and revises MY 2024/25 imports down, due to lower market demands for feed because of the war and higher prices for meat and poultry. Additionally, over the past few years, Israel has also decreased the number of crushing facilities and is now importing more vegetable oil rather than producing oil locally. Post's estimates also incorporate data from the Israeli Central Bureau of Statistics for calculating imports and exports which may not be captured in Trade Data Monitor.

Although Israel does not purchase significant quantities of U.S. corn, Israel remains a steady, long-time customer of U.S. corn co-products including DDGS and CGF, of which the United States accounts for around 86 percent of all DDGS and CGF exports to Israel. In recent years, DDGS and CGF imports have increased as the Israeli oil seed crushing industry started to reduce operations. However, since DDGS and CGF are primarily used in the dairy industry (and less so in poultry), imports remain relatively stable as dairy production is regulated by the Israeli Dairy Board. As such, Post forecasts DDGS and CGF imports for MY 2025/26 to remain unchanged from last year, around 400 TMT.

Consumption:
For MY 2025/26, Post forecasts corn consumption at 1.17 MMT and revises MY 2024/25 down due to a decline in animal production. Corn is the primary commodity used for Israel's feed industry, with poultry and egg production supporting most of the animal sector's demand for corn. Due to war activities along the northern border, much of the poultry and egg production was destroyed, which led to a decrease in consumption. However, corn feed is also commonly used for other animals such as dairy, turkey, fish and other ruminants, of which most production decreased during calendar year 2024 (see Table 3). Although corn is a primary feed used in Israel, feed rations are changed to use more wheat and barley in lieu of corn prior to Passover because of Kosher requirements.

Table 3: Animal Product Production

Product	Production (CY 24)	Percent Change	Reason
Broilers	520,000 MT	-4.5	Loss of broilers at farms due to war activities.
Table Eggs	2.2 billion	-8.3	Chicken coops destroyed due to war activities led to a reduction in production.
Milk	1.55 billion liters	0	Same as last year, as production is regulated by quotas. In some places, milking cows were moved to dairy farms that were not affected by the war.
Beef	77,000 MT	+2.6	Larger amounts of local cattle were sent for slaughter, as some of the grazing lands were burnt due to war related activities which led to higher feeding costs.
Turkey	79,000 MT	-3.6	Price of turkey meat increased, and as a result, consumption decreased.
Mutton/Goat	11,000 MT	-8.3	Smaller quantities of live sheep for fattening were imported.
Pork	14,000 MT	0	Unchanged as industry is very limited due to religious restrictions.

Source: Production Boards, MoAFS, Media

Map 4: Main Grazing Areas in Israel

Source: MoAFS GIS Maps[3]

In addition to fewer imports of live cattle (by 23.8 percent between 2023 and 2024), [4] the northern part of Israel also saw more feeder cattle sent for slaughter; as a result, consumption was reduced, and Post does not forecast a significant uptick in consumption in the short term. In Israel, most feed centers are located in many of the large dairy farms, most of which are operated by local farming communities (i.e., Kibbutzim), as well as almost 1,000 small private sector farms, and other farms located at agricultural schools across the country.

Post also forecasts a decline in the FSI sector for MY 2025/26 to 70 TMT and revises MY 2024/25 to 80 TMT as Israel continues to opt for importing corn byproducts rather than crush domestically. Furthermore, FSI consumption has declined as Israeli consumers are diverting to using other types of vegetable oils over corn oil.

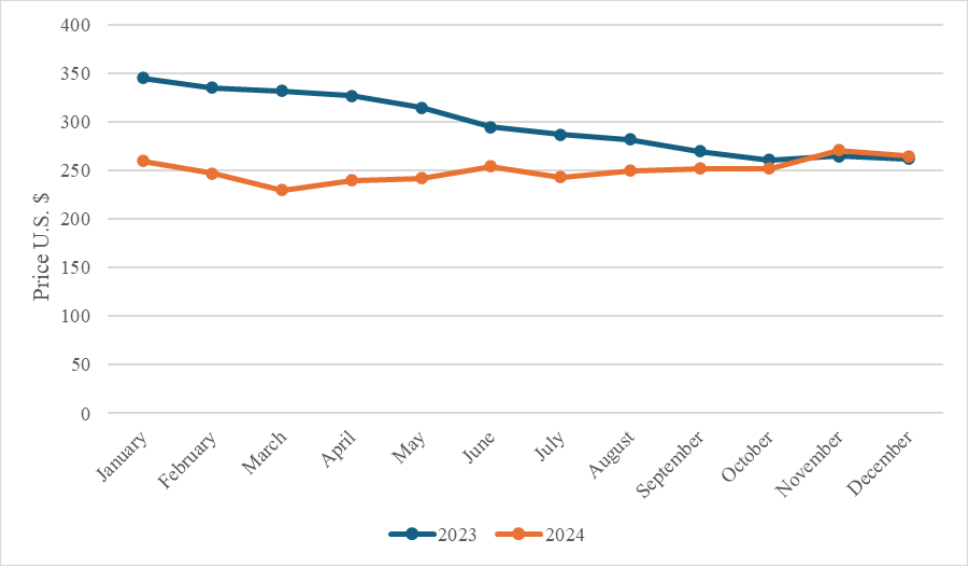
[3] https://data1-moag.opendata.arcgis.com/

[4] https://www.gov.il/he/pages/madrichmikna?chapterIndex=2

Stocks:
Post forecasts MY 2025/26 at 200 TMT, unchanged from last year, as corn feed nor FSI consumption is not expected to increase in the near future.

Prices:
The price of corn in the Israeli market in 2024 was reduced by an average of 13.5 percent between 2023 and 2024, in addition to a decrease in prices of DDGs and CGF (see Chart 4 and Graph 3).

Graph 3: Corn Prices in Israeli Market



Source: Israeli Cattle Breeders Association

Table 4: Corn Production, Supply and Distribution

Corn	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Israel	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	120	120	110	200	0	200
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	1400	1650	1000	1200	0	1180
TY Imports (1000 MT)	1400	1650	1000	1200	0	1180
TY Imp. from U.S. (1000 MT)	0	80	0	80	0	80
Total Supply (1000 MT)	1520	1770	1110	1400	0	1380
MY Exports (1000 MT)	10	10	10	10	0	10
TY Exports (1000 MT)	10	10	10	10	0	10
Feed and Residual (1000 MT)	1300	1460	900	1110	0	1100
FSI Consumption (1000 MT)	100	100	100	80	0	70
Total Consumption (1000 MT)	1400	1560	1000	1190	0	1170
Ending Stocks (1000 MT)	110	200	100	200	0	200
Total Distribution (1000 MT)	1520	1770	1110	1400	0	1380
Yield (MT/HA)	0	0	0	0	0	0

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2025/2026 = October 2025 - September 2026

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Attachments:

No Attachments