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Israel

Grain and Feed Annual

Wheat Production Down

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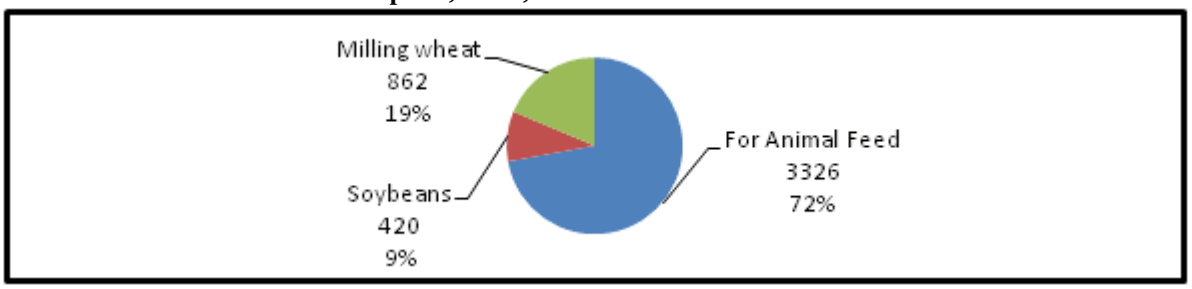
Report Highlights:
The drought conditions that impacted southern Israel during the winter of 2012/13 will reduce the MY 2013/14 harvest by 40 percent to 110,000 metric tons. Post forecasts that Israel's MY 2013/14 total animal feed imports will be between 3.25 and 3.35 MMT. Post forecasts corn imports at about 1 MMT, feed wheat at around 0.86 MMT and barley at 0.38 MMT. We forecast milling wheat imports at about 0.88 MMT. Israel is turning to alternative sources for wheat (France), corn (Brazil), and sorghum (India) to hedge against potential supply disruptions.

Executive Summary:

Israel is dependent on imports to meet its long-term grain and feed needs. The bulk of Israel's grain and feed imports, roughly 72 percent, are allocated to animal feed. About 19 percent of wheat imports are utilized by the milling sector for human consumption.

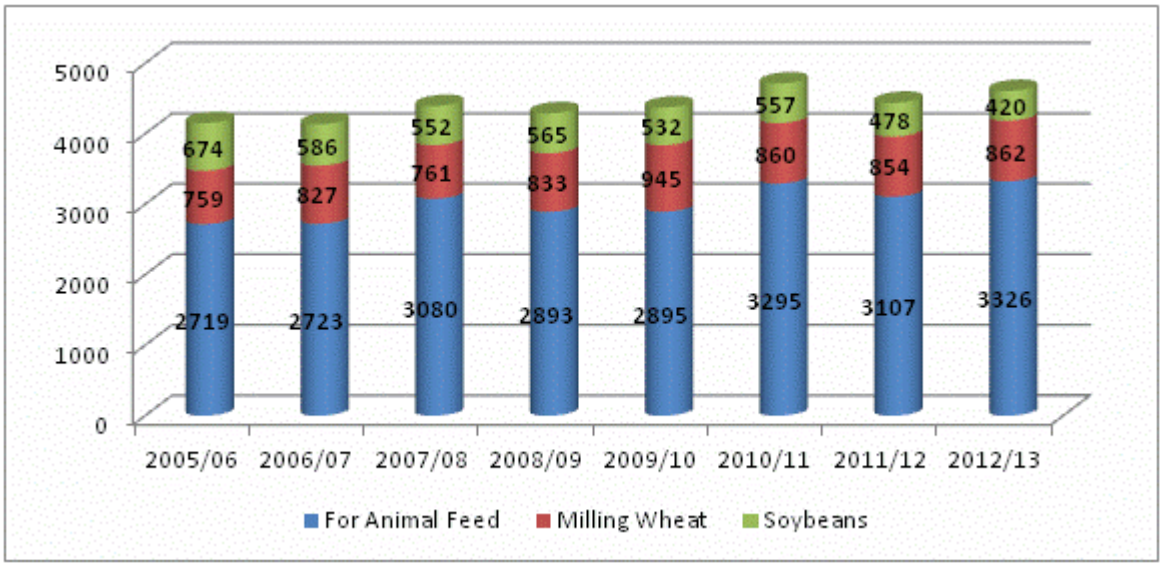
Chart 1: Total Grain and Feed Imports, TMT, MY 2012/13



Source: Israeli Ministry of Agriculture.
NB: Animal feed includes: corn, feed wheat, barley, sorghum, all kinds of oil meals, dried distillers grain with soluble (DDGS), corn gluten feed (CGF), corn flakes, as well as oats.

Post estimates that between MY 2005/06 and MY 2012/13, Israel's grain imports (animal feed and milling wheat) grew at a compound annual growth rate (CAGR) of just over 4 percent, growing from 3.4 million metric tons (MMT) to about 4.6 MMT. A portion of Israel's grain and feed imports are re-exported to the neighboring Palestinian Authority.

Chart 2: Grain, Feed, and Soybeans Imports, TMT, MY 2005/06 to 2012/13



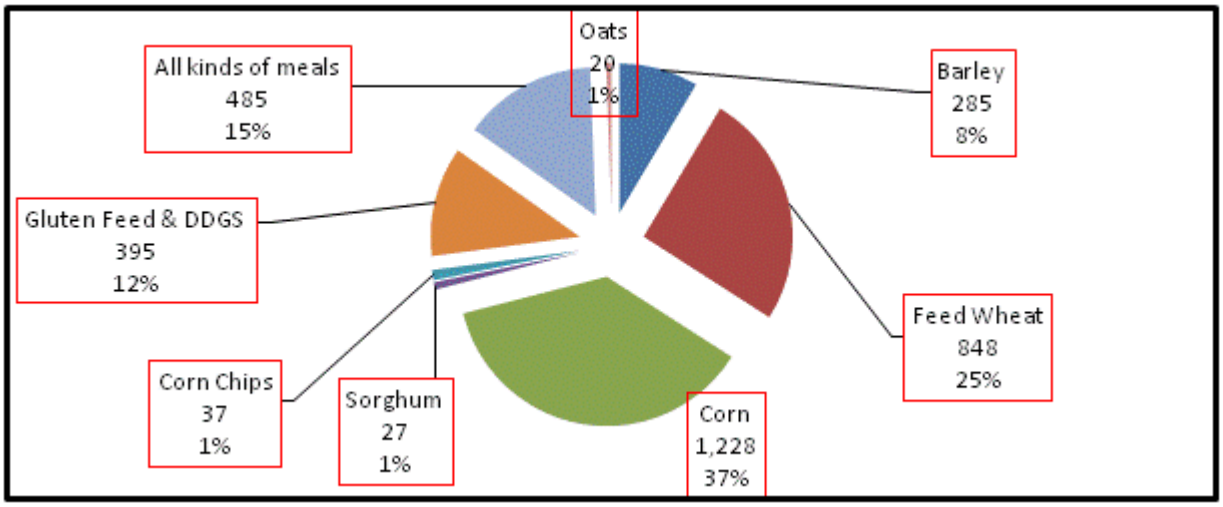
Source: Israeli Ministry of Agriculture.

Post forecasts that Israel's MY 2013/14 total animal feed imports will reach between 3.25 and 3.35 MMT. We anticipate a breakout of corn at about 1 MMT, food by feed wheat at around 0.86 MMT and barley at 0.38 MMT. We forecast milling wheat imports in MY 2013/14 at about 0.88 MMT.

Feed wheat and corn remain the main feedstuff ingredients used in domestic poultry, dairy, cattle, and aquaculture production (see chart 3). Nevertheless, in recent years, alternative protein sources such as oil meals, dried distillers grain

soluble (DDGS), and corn gluten feed (CGF) imports have increased significantly at the expense of the four main feed grains (i.e., feed wheat, corn, barley, and sorghum). Similarly soybean imports have also been impacted as Israel's livestock sector moves to alternative, more affordable protein sources such as sunflower meal, DDGS and CGF.

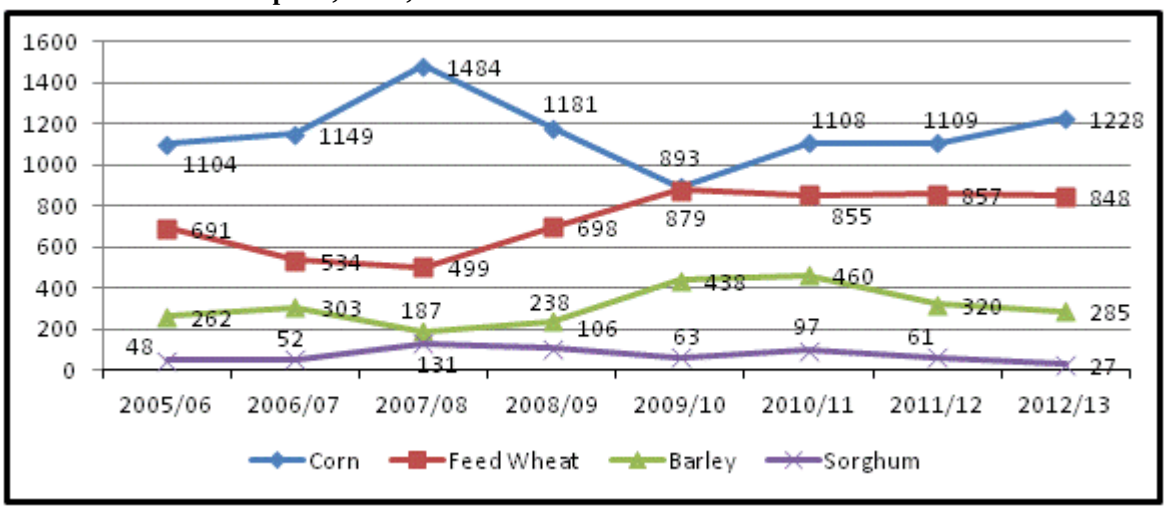
Chart 3: Total Feedstuff Imports, TMT and Market Share, MY 2012/13



Source: Israeli Ministry of Agriculture.

Israel consumes annually about 2.38 MMT in feed grains. It requires a minimum of around 900 TMT of corn, 500 TMT of feed wheat, and 200 TMT of barley; but depending on the price of the traditional four feed grains, the balance of about 780 TMT can be supplemented by alternative protein sources. The structure of the Israeli feed milling industry allows it to easily shift from feed wheat, corn, barley, and sorghum to alternative protein sources in response to international market price signals (see, chart 4).

Chart 4: Feed Grain Imports, TMT, MY 2005/05 to 2012/13



Source: Israeli Ministry of Agriculture.

Israel's imports of feed wheat over time have been slowing. Historically from MY 1998/99 through MY 2012/13, feed wheat imports have grown on average at about 1.69 percent per annum. Feed wheat is gradually being displaced by imports of alternative protein sources, namely soybean, sunflower and canola originating mainly in Eastern Europe. Imports of CGF and DDGS, by-products of the U.S. ethanol industry, are also growing steadily at the expense of feed wheat.

From My 2002/03 through MY 2012/13, Israel's total imports of feed grains and other protein sources utilized by the local livestock industry when combined grew with a CAGR of almost 3 percent (see, chart 5). However, we find the greatest growth in the other protein sources which have grown with a CAGR of over 13 percent during the same period, going from a low of 234 TMT in MY 2002/03 to over 811 TMT in 2012/13. At the same time feed grains have only registered an anemic CAGR of less than 1 percent during this period, going from 2.2 MMT in MY 2002/03 to 2.4 MMT in MY 2012/23.

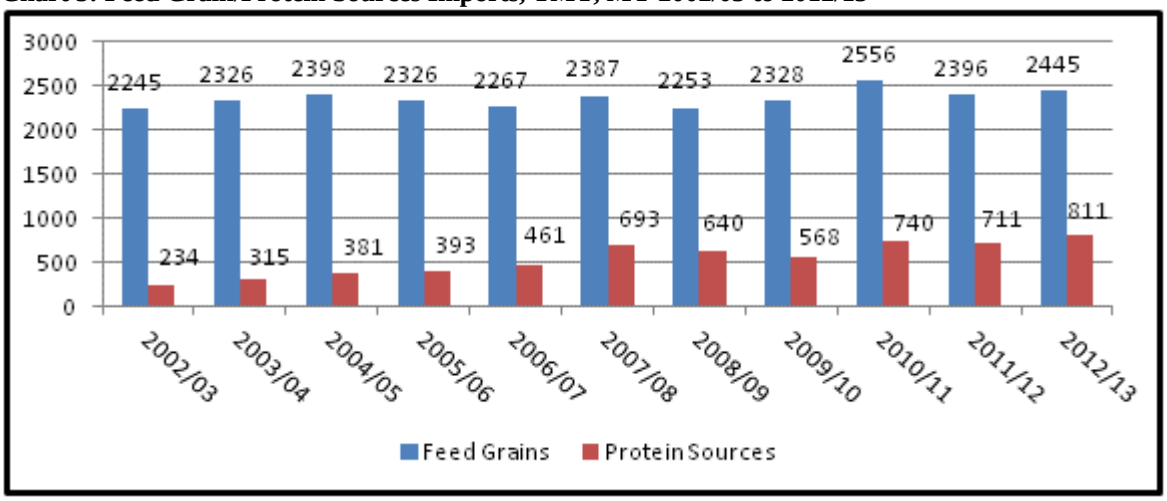
We attribute increased imports of feed grains and other protein sources to the following factors:

1. Standard of living and gross domestic product (GDP) of Israel have increased in recent years, with the domestic economy on a better footing than most of its peers in the Organization for Economic Cooperation and Development (OECD).

1. It is estimated that about 20 percent of the grain and feed imports to Israel are re-exported to the Palestinian Authority.

1. Israel-Jordan cross border trade in feedstuffs, mainly Israeli feed mix, continues to blossom.

Chart 5: Feed Grain/Protein Sources Imports, TMT, MY 2002/03 to 2012/13

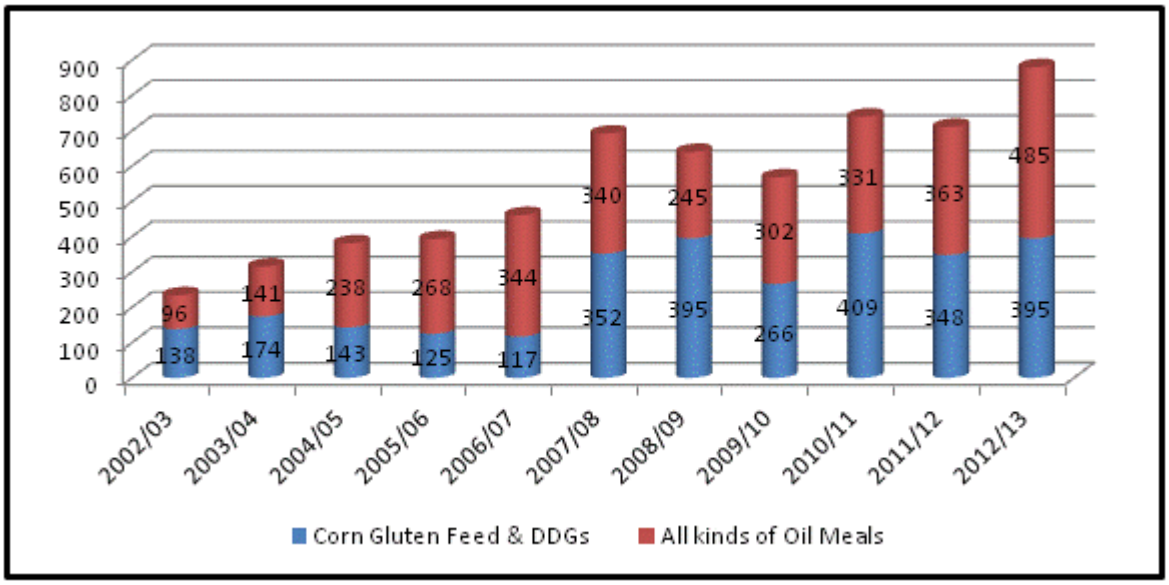


Source: Israeli Ministry of Agriculture.
NB: Protein sources include DDGS, CGF and all other oil meals.

In recent years, Israeli feed millers have increasingly been prone to favor DDGS and CGF, making Israel the world's largest consumer of DDGS and CGF in per capita terms. The U.S. Grains Council (USGC) confirms that Israel imports annually about 171 TMT of CGF, or about 25 percent of the total U.S. production. Israel is the largest importer of U.S.-origin CGF. Israel also imports about 170 TMT of DDGS, or about 2 percent of the total U.S. production. Israel is the tenth largest importer of U.S.-origin DDGS.

From My 2002/03 through MY 2012/13, Israel's total imports of CGF and all kinds of oil meals utilized by the local livestock poultry, dairy and livestock industry combined grew with a CAGR of over 14 percent (see, chart 6), growing from 234 TMT to over 880 TMT. Soybean and sunflower meals are the main meals utilized by the Israeli feed milling industry.

Chart 6: Animal Feed Protein Source Imports, TMT, MY 2002/03 to 2012/13



Source: Israeli Ministry of Agriculture.

Commodities:

Wheat

Production:

Post forecasts Israel's wheat production in MY 2013/14 at about 110 TMT, or around 40 percent below the MY 2012/13 harvest. A more precise figure will become available by June 2013.

We attribute the sharp drop in production to the effects of prolonged drought conditions in southern Israel. Due to the drought, Israel's Ministry of Finance is preparing to declare MY 2013/14 a drought year, enabling it to disburse compensation payments to farmers.

With almost no rain falling in southern Israel since February 2013, milling wheat yields are estimated to fall to about 2 MT/ hectare (HA). The impact of drought on production and yields is most telling when compared to production in northern Israel which is seeing good growing conditions. Yields are estimated at around 5 MT/HA. We do not see wheat production totaling more than 60 TMT in southern Israel in My 2013/14.

Israeli farmers on average plant about 95,000 HA with wheat; of which 75 percent is harvested for milling and the balance utilized as livestock fodder. Thanks to favorable weather conditions during the MY 2012/13 season, wheat production reached 165 TMT. Southern Israel production accounted for about 115 TMT and northern Israel produced around 50 TMT. Good growing conditions have allowed protein levels to reach at least 12 percent with an average gluten index of 80.

Wheat Israel	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	65	70	65	70		70
Beginning Stocks	262	262	481	200		220
Production	100	100	125	183		110
MY Imports	2,029	1,711	1,600	1,720		1,743
TY Imports	2,029	1,711	1,600	1,720		1,743
TY Imp. from U.S.	274	250	0	240		300
Total Supply	2,391	2,073	2,206	2,103		2,073
MY Exports	0	0	5	3		3
TY Exports	0	0	5	0		0
Feed and Residual	1,000	963	1,000	960		970
FSI Consumption	910	910	920	920		920
Total Consumption	1,910	1,873	1,920	1,880		1,890
Ending Stocks	481	200	281	220		180
Total Distribution	2,391	2,073	2,206	2,103		2,073
1000 HA, 1000 MT, MT/HA						

Table 1: Wheat Production, TMT, Crop Year

MY	Total Production	Percent Change Compared to Previous Year
2004/5	128	-32
2005/6	180	41
2006/7	132	-27
2007/8	145	10
2008/9	60	-59
2009/10	100	67
2010/11	100	0
2011/12	100	0
2012/13	183	65
9-Year Average	**125**	
2013/14*	110	-33

Source: CBI, Statistical Abstract of Israel, Different Years.
NB: Forecast: Based on information collected from the Field Crops Organization.

Farm Gate Price for Locally Produced Wheat: The price paid to Israeli wheat farmers is based on the Chicago Board of Trade (CBOT) price at harvest time. Freight and handling costs are added to construct a landed equivalent. It is estimated that in MY 2013/14, the price which will be paid to farmers will be about $340/ton.

Consumption:

In MY 2012/13 we saw Israel shift away its traditional reliance on Russian and Ukrainian wheat imports, to a more diversified group of suppliers due to production shortfalls among the Black Sea basin suppliers. Israel in MY 2012/13 is importing around 150 TMT of wheat from Brazil. It will also import upwards 10 TMT of U.S. soft wheat in June 2013 for use as animal feed. Reports highlight that some 3 TMT of Canadian soft wheat will also be imported for use as animal feed. We anticipate additional of Brazilian wheat in MY 2013/14, especially if the Black Sea suppliers continue to encounter production shortages.

We expect Israel's wheat consumption (human and livestock) in MY 2013/14 to increase by just over 1 percent compared to the preceding marketing year, reaching some 1.74 MMT.

Human Consumption: Israel counts with 9 flour mills with an operating capacity of about 1.3 MMT. We foresee FSI consumption levels to remain steady at about 920 TMT annually. We are attributing any variations in consumption levels in MY 2013/14 to increases in feed use and or to increased demand coming from the Palestinian Authority.

The Palestinian Authority, without access to seaports of its own, is largely dependent on Israeli re-exports of grains and feedstuffs. Much of the Palestinian Authority's increased demand for Israeli re-exports of grains and feedstuffs in recent years has been due to improvements in the milling sector's performance. However, although the Palestinian Authority has achieved much by adopting a comprehensive plan of institution building and fiscal strengthening since 2007, GDP growth was halved in 2012 to 5 percent. The slowdown in growth is the result of fiscal retrenchment caused by the decline in donor funding, increased political uncertainty, and Israeli restrictions. Where it not for these constraints, we would anticipate improving demand for milling wheat. It is estimated that about 20 percent of Israeli grain and feed imports are re-exported to the Palestinian Authority.

Livestock Consumption: The Israeli feed milling industry shifts easily from corn, barley and sorghum to feed wheat and other protein sources depending on market prices. The local feed milling industry has shifted to greater reliance on corn and sorghum in reaction to the MY 2011/12 Eastern European feed wheat and barley production shortfalls and ensuing export bans. Post finds that the size of the Israeli market for grains (i.e., corn, feed wheat, sorghum and meals) is dictated by livestock production.

Israeli production of broilers increased by 1 percent in calendar year (CY) 2012, reaching 500 TMT (live weight terms). It is estimated that local broiler production will remain at the same level in CY 2013, but is anticipated to increase by 1.5 to 1.8 percent in 2014. Israeli poultry sector sources forecast production expanding by 5 to 7 percent over the next 5 years, arguing favorable for increase poultry feed demand. Local per capita poultry consumption (42 kg -in processed meat terms) is relatively high, second only U.S. consumption levels.

About 90 percent of the Israeli feed milling industry is controlled by 7 feed millers. In addition to the feed millers, there are 150 feed centers in Israel that sell their feed mixes mainly to the cattle industry. Fifteen of the largest feed centers primarily supply the country's major cattle producers. Smaller feed centers, with more limited capabilities, are capable of supplying the feed needs of 200-300 head of cattle.

Table 2 - The Largest Feed Millers in Israel, Annual Mixed Grains, 2012

	thousand tons	Share
Ambar	775	35%
Miloubar	575	26%
Zemach	255	12%
Tadmir	210	10%
Asamey Oz	200	9%
Asam Hagalil	110	5%
Kfar Yehoshua	80	4%
Total	**2,205**	**100%**

Source: FAS Tel Aviv Office Research.

The total market of the Israeli feed milling industry (feed millers and feed centers) is estimated at about 2.55 MMT of mixed grains per year. Their typical mix is made of grains, oil meals (48% protein soy meal, sunflower and canola) and other protein sources (DDGS and CGF).

Table 3: Sales of Feed Mix, by Type, TMT, CY

CY	For Cattle	For Poultry	For Sheep and Goats	Swine	Fish	Other livestock	Grand Total
2006	517	1,518	172	66	56	14	2,343
2009	491	1,679	140	81	44	17	2,452
2010	518	1,626	147	78	49	14	2,432
2011	665	1,633	149	79	52	15	2,593
2012	606	1,614	180	80	54	9	2,543

Source: Central Bureau of Statistics.

Trade:

MY 2013/14 Outlook

Israel's imports of grains and feeds in MY 2013/14 will again be impacted by climatic developments in the Black Sea basin affecting that area's production. If Russia and the Ukraine have a good crop, Israeli importers will be inclined to source most of the milling and feed wheat needs from the Black Sea producers. If not, importers will again be force to scramble to find alternative supply sources.

Reduced Black Sea grain and feed exports will force Israel to turn to the United States for milling wheat. Feed millers will similarly to the United States and Brazil for corn and other protein sources to make up for Russian and Ukrainian feed wheat shortages.

Post forecasts Israel's feed wheat imports in MY 2013/14 at about 700 TMT, an 18 percent decrease compared to the preceding marketing year should the more pessimistic Black Sea production scenario hold. However, should Russia's and Ukraine's outlook be more positive, we forecast Israel's imports at about 850 TMT in 2013/14, largely unchanged from the previous year.

As a result of the estimated below Israeli average wheat production in MY 2013/14 combined with Israel's annual population growth (1.8 percent), m**illing wheat imports are expected to increase about 2 percent compared to the previous year from 862 TMT in 2012/13 to about 885 TMT in 2013/14**.

If the Black Sea suppliers suffer from low feed wheat production, Post expects that the U.S. milling wheat share will increase to about 45 percent (380 TMT), with the balance being imported mainly from Russia, Ukraine), Germany, and France. On the other hand, if harvest in the Black Sea region is more positive, the U.S. market share for milling wheat is expected to be remain unchanged compared to MY 2012/13 level, totaling about 250 TMT (27 percent market share).

Usually Israeli milling wheat import needs are met by Russia, Ukraine, the United States, Kazakhstan, Hungary, Germany, and France. Due to the price constraints, the Palestine Authority purchases milling wheat mainly from the Black Sea region.

Revised MY 2012/13 Estimates

Note: Post 2011/12 import number reflects actual imports into Israel. Often vessels discharge part of their cargo in intermediate ports on the way to Israel which is why the origin export data utilized by FAS differ significantly from the actual imports.

Milling Wheat: We estimate (human) consumption at 920 TMT. In MY 2012/13 most milling wheat originates in Russia and Ukraine. The quality of the Russian milling wheat is considered to be higher when compared to the Ukraine milling wheat. The U.S. market share is estimated to be about 28 percent (230 TMT), unchanged from the previous year. In addition, Israel is importing milling wheat from European countries, mainly Germany, Hungary, Bulgaria and France. It is estimated that about 80 TMT of German-origin wheat is being imported in MY 2012/13.

Post estimates that in MY 2012/13 milling wheat imports will reach 862 TMT tons.

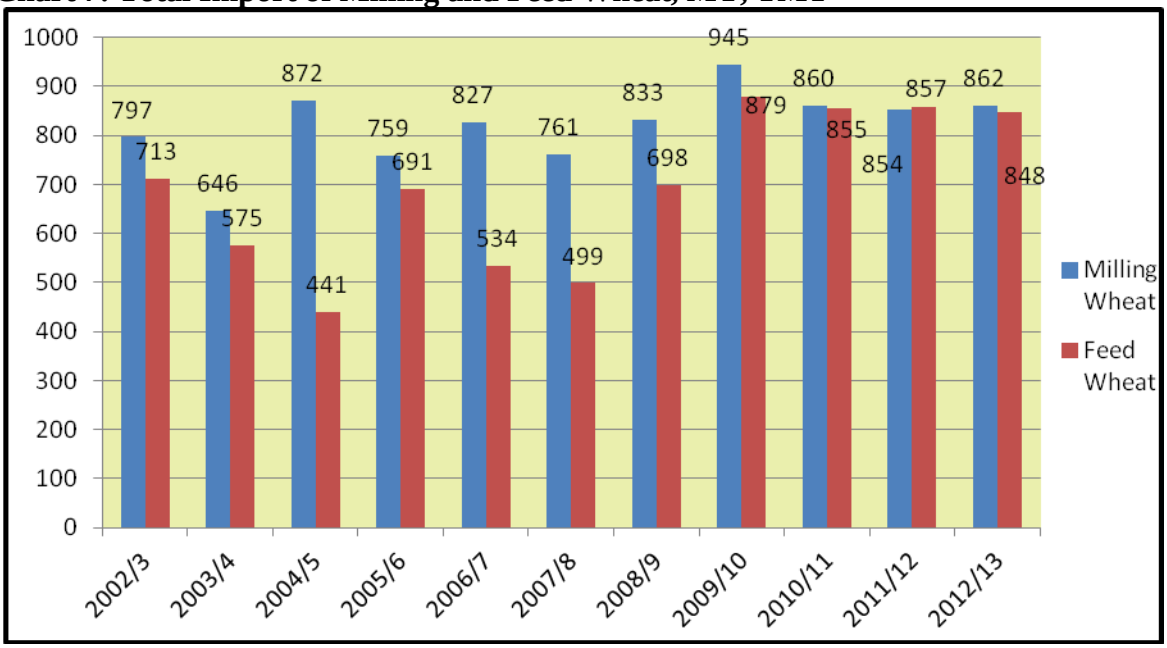
Feed Wheat: Due to the continued restricted supplies of feed wheat from Ukraine and Russia, Israeli importers have imported for the first time feed wheat from Brazil. It is estimated that about 150 TMT of Brazilian feed wheat will be imported in MY 2012/13 (17 percent of total feed wheat imports). In addition, about 10 TMT and 3 TMT of soft wheat were imported from the United States and Canada. Soft wheat is used for livestock feed.

Despite the restricted feed wheat supplies from Black Sea region, feed wheat imports from this area totaled about 650 TMT in MY 2012/13. Post estimates that about 850 TMT of feed wheat will be imported in MY 2012/13.

Purchase Process: Grains, feed stuff and its by-products (i.e., DDGS and CGF) are imported by the feed stuff importers. The biggest two feed stuff importers are Sherutei Bar Grains Import and Zenziper, which work with the three largest feed millers in Israel (i.e., Ambar, Miloubar and Zemach).

Upon the request of the feed millers, Sherutei Bar and Zenziper opens tenders (Israeli Grain Buyer Said to Tender for Corn, Feed Wheat, Barley) for the major grain traders (i.e., Cargill, ADM, Dreyfus, Bunge) and other companies. After reviewing the proposals, the two importers decide on the best offer. Sherutei Bar and Zenziper also buy grains and feed stuff without recurring to tendering. However, the tender is the most common purchase process in Israel. There are additional 6 feed stuff importers who buy feed stuffs with and without recurring to tendering.

Chart 7: Total Import of Milling and Feed Wheat, MY, TMT



Source: Ministry of Agriculture

Table 4: U.S. Market Share of Total Grain Import Quantity, Percent, MY

MY	Milling Wheat	Feed Wheat	Barley	Corn	Sorghum
2002/3	58	0	0	39	89
2003/4	74	0	0	82	89
2004/5	42	0	0	24	54
2005/6	30	0	3	52	65
2006/7	23	0	0	56	85
2007/8	37	0	0	88	96
2008/9	33	0	0	17	0
2009/10	22	0	0	34	68
2010/11	70	0	0	55	93
2011/12	27	0	0	8	0
2012/13	28	1	0	5	0
Average	**40.2**	**0.1**	**0.3**	**41.8**	**58.1**

Source: Ministry of Agriculture

Stocks:

Milling Wheat Stocks

The emergency milling wheat stocks in July are usually at record high and are estimated at 165,000 tons**.** Stocks generally decline from July through March-April (30,000 tons), and then begin rebounding again in the June-July with the onset of the harvest. The emergency stocks are based on domestic milling wheat harvest, however in case of shortage in local wheat production stocks are rebuilt with imported milling wheat. The emergency stocks are controlled by three Israeli companies that won the Government tender. In addition to the emergency stocks, local importers usually also have some milling wheat stocks which are imported. In MY 2012/13, local milling stocks have increased by about 10 percent compared to MY 2011/12 stocks. In mid MY 2011/12, stocks were about 300,000 tons and declined by July 2012 to about 200,000 tons. The increase was mainly due to rumors that Ukraine and Russia will ban exports of milling wheat and due to that Israeli importers have decided to increase the stocks in order to be better prepared to that situation. At the end, both Russia and Ukraine did not ban milling wheat exports.

Feed Stuff Stocks

The emergency feed stuff stocks include all the feed grains, oil meals, DDGS and CGF and stand at about 120,000 tons per year. These stocks are sufficient to meet approximately 2 weeks' feed demand. Out of the total 120,000 tons, about 20,000 tons are feed wheat.

All in all, it is estimated that total ending stocks for milling wheat and feed wheat will total about 180,000 tons in MY 2013/14.

Commodities:

Barley

Corn

Sorghum

Barley Israel	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0		0
Beginning Stocks	37	37	28	25		22
Production	0	0	0	0		0
MY Imports	276	304	200	300		380
TY Imports	276	304	200	300		380
TY Imp. from U.S.	0	0	0	0		0
Total Supply	313	341	228	325		402
MY Exports	0	0	0	0		0
TY Exports	0	0	0	0		0
Feed and Residual	275	306	200	293		367
FSI Consumption	10	10	10	10		10
Total Consumption	285	316	210	303		377
Ending Stocks	28	25	18	22		25
Total Distribution	313	341	228	325		402
1000 HA, 1000 MT, MT/HA						

Barley Production

There is a limited amount of barley produced in Israel, but it is all harvested as silage; all barley grain is imported. All local barley production is located in the south of Israel. Most of it is sold to the Arab sector for feeding livestock, mainly sheep. Due to non-favorable rainfall in the southern parts of the country, production in
MY 2013/14 is expected to total about 1,000 tons, 33 percent decrease from 2012/13 levels.

Consumption

The feed centers are the main customers of barley and they sell their feed mix mainly to the cattle and dairy industries.

Due to restricted supplies of barley from Ukraine and Russia in MY 2012/13, corn, DDGS, CGF and oil meals consumption increased on the account of barley consumption. However, if harvest in Ukraine and Russia in MY 2013/14 will be positive, barley consumption is expected to increase by the end of MY 2012/13 and a further increase is projects in MY 2013/14, mainly on the account of corn and protein sources consumption.

Stocks

The emergency feed stuff stocks include all the feed grains, DDGS, corn gluten feed and oil meals stand at about 120,000 tons per year. Out of this amount, about 25,000 are barley. In MY 2012/13 and 2013/14, stocks level of barley is expected to be 22,000 and 25,000 tons, respectively.

Trade

MY 2013/14 Outlook

The price among the four main feed grains determine Israeli feed milling industry choice. Post estimates that if Eastern Europe (mainly Ukraine and Russia) will experience good barley harvest in MY 2013/14, Israel will increase its barley imports in MY 2013/14 and barley imports will total about 380 tmt . On the other hand, if Ukraine will experience barley

shortages as happened in CY 2012, while corn, feed wheat and protein sources prices are competitive, barley imports are expected to reach total about 250,000 MT same as last year's level, while corn and protein sources imports will increase.

In recent years (MY) barley imports were not less than 200 tmt and not more than 525 tmt per year.

MY 2012/13 Outlook - Due to restricted barley supplies from Ukraine and Russia, barley imports are expected to be low in MY 2012/13, however Israel must use at least 200 tmt of barley, therefore Israeli importers have started to purchase barley from other sources outside the BSB region, and in March, 2013 Israeli importers purchased about 20,000 tons of French barley. It is expected the further barley imports from western European countries will continue in MY 2012/13 and the rest will be imported from Ukraine and Russia. All in all, post estimates that barley imports in MY 2012/13 will total about 300 tmt.

On the other hand, if MY 2013/14 barley harvest forecasts in the BSB region will be good (forecast is expected to be in June-July, 2013), barley prices from the BSB region will decrease and imports of barley mainly from Ukraine and Russia will increase and barley imports may reach about 350 tmt in MY 2012/13.

There have been no imports of barley from the U.S. in recent years, and this situation is not expected to change in the future.

Commodities:
Sorghum

Production

There is a limited amount of sorghum produced in Israel, but it is all harvested for silage; all sorghum grain is imported. The level of consumption hinges on price relationships with other grains and protein sources.

About 1,550 hectares are usually planted for sorghum silage. The majority of sorghum production is located in the central and northern parts of Israel/ Production in MY 2012/13 totaled about 40,000 MT, a 50 percent increase compared to the previous year. The increase is mainly due to favorable rainfall. Post estimates that sorghum silage production in MY 2013/14 will be about 40,000 MT.

Consumption

The level of consumption hinges on price relationships with other grains and protein sources, primarily corn, feed wheat, sunflower and soy meals, DDGS and CGF. Sorghum is a minor feed grain in Israel, and it's market share out of the total feed stuff imports, is only about 1-2 percent.

Due to Kosher reasons, sorghum is consumed mainly prior to Passover. However, whenever there is a shortage of grains form Ukraine and Russia and if sorghum prices are reasonable sorghum imports may increase, mainly from the U.S., however due to attractive pricing of sorghum in India, Israel imported for the first time in its history Indian sorghum (about 25 tmt) in MY 2012/13. Post estimates that sorghum consumption will continue to be a minor and consumption in MY 2013/14 will reach 35 tmt, unchanged from the previous year.

Stocks

Since sorghum is consumed only prior to Passover, ending stocks are usually very low and total 1,000-3,000 tons. The ending stocks of sorghum are not expected to change in the coming years.

Trade

MY 2013/14 Outlook – If Ukraine and Russia will continue to experience low supply of grain, it is estimated that sorghum imports in 2013/14 will be unchanged compared to MY 2012/13 and will reach about 35,000 tons. On the other hand, if supplies of grains from Ukraine and Russia reach their multi annual average, sorghum imports will increase compared to the previous year and will total 60 tmt, and most sorghum will be imported from Ukraine.

MY 2012/13 Outlook - Many Israeli traders consider the BSB a "natural" source for grains due to its proximity and the convenience of small shipments, however due to limited sorghum supplies from Ukraine and Russia, Israeli importers imported for the first time in its history Indian sorghum, and about 25,000 tons of Indian sorghum was imported and according to the importers quality was good. In addition, about 10,000 tons of sorghum was imported from Ukraine. In total, about 35,000 tons of sorghum is expected to be imported in MY 2012/13.

Commodities:
Corn

Production, Consumption and Trade

Corn production is insignificant in Israel and about 1,300 tons, from an area of 100 HA are expected to be produced in Israel in Crop Year. In addition, Post estimates that local grain corn production will not change significantly in the coming years and will total 1,000-1,500 tons per year. All local grain corn was non-biotech and was used by food manufacturers that in turn export their products to Europe.

Due to low levels import of feed wheat and barley from Russia and Ukraine in
MY 2012/13, Israeli importers increased corn imports from Ukraine, Russia (mainly in the second half of MY 2012/13) and Brazil and corn imports in MY 2012/13 are expected to reach about 1.23 million tons.

If MY 2013/14 grain harvest forecast in Russia and Ukraine will be positive, it is projected that feed wheat and barley imports from Russia and Ukraine will increase on the account of corn import, and corn consumption will decrease to about one million tons in MY 2013/14.

In recent years, corn is imported mainly from the Ukraine, Russia and the U.S. However, as a result of the grain situation in the BSB region combined with the lack of U.S. corn, Israeli imported have started to import Brazilian corn in MY 2012/13 and it is estimated that about 150,000 tons of Brazilian corn was imported in MY 2012/13. If the BSB region and the U.S. will continue to suffer from lack of corn supplies in
MY 2013/14, Post estimates that corn imports from Brazil and perhaps also from Argentina will increase in MY 2013/14.

In recent year, the U.S. corn market share in the Israeli market was about 41 percent, however due to shortage of U.S. corn, the U.S. market share of corn in MY 2012/13 is expected to drop to around 5 percent, and if shortage of U.S. corn will continue in
MY 2013/14, the U.S. market level will stay low. On the other hand, if U.S. corn harvest will be positive in MY 2013/14, U.S. corn imports may capture about 30 percent from corn imports into Israel and will total about 300,000 tons.