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## Israel

## AVOCADO ANNUAL

## 2003

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**Report Highlights:**

Israeli avocado production in MY 2002 totaled 48,000 MT of which 27,000 MT (56 percent) were exported mainly to West-Europe. Area planted with Avocados in June 2003 totaled 4,396 ha, but area is expected to expand by 1,000 hectares over the next few years due to increasing demand for avocados in Europe. Avocado production in MY 2003 is estimated with 55,000 tons of which 60 percent will be exported.

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Includes PSD Changes: Yes  
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Annual Report  
Tel Aviv [IS1]  
[IS]

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## Executive Summary

The avocado harvest in MY 2002 totaled 48,000 MT, 42 percent less than the previous year. The decreased yield was caused by unfavorable climatic conditions: A week long heat wave occurred just after the end of blooming period during the first week of June 2002, and this decreased the avocado yields.

Out of the total production in MY 2002, 27,000 MT were exported, (41.3 percent lower than the previous year) mainly to the E.U. and 21,000 MT were consumed fresh (43.2 percent less than the previous year). The forecast for production in MY 2003 can be expected to reach 55,000 MT.

Total area planted in June 2003 was estimated at 4,396 hectares (ha), of which 28 percent are of the "Hass" variety and 72 percent are of the "Green skins". The fruit bearing area totaled 4,010 ha (91.2 percent). Increasing demand for avocados in Europe and Israel, has stimulated new planting, mainly of the "Hass" variety. The total planted area is expected to expand by 1,000 hectares within the next 5-8 years. All the avocado plantations are irrigated by various types of drip-sprinklers.

The growers' revenue in MY 2002 increased due to the higher prices for avocado, resulting from the lack of avocado in Europe and Israel. Improved quality of the Israeli avocado, and favorable exchange rates of the Euro against the Israeli Shekel, resulted in a very good season for the export market. A Household expenditure survey in Israel for the year 2001 showed that 3.5 percent of the household expenditure for fresh fruit was spent on avocados and the monthly average household expenditure on avocados totaled \$1.11 during the winter. Another household expenditure survey in 1998 showed that during the winter 28.2 percent of the households consumed fresh avocados.

Annual average per capita consumption of fresh avocados in MY 2002 totaled 3.25 kg. However, the local market has the ability to consume 5 kg per capita, according to Israeli Central Bureau of Statistics.

## Production

### Total Production

Production in MY 2002 totaled 48 thousand metric tons (tmt), 35 tmt less than MY 2001 (-42.2 percent). The reduction in total production mainly came as a result of a heat wave during June 2002, and some decrease in planted area.

In recent years, the average export percentage of the whole registered crop in Israel varied between 50 percent and 70 percent, while the rest is sold in the local market. On average, 15 percent of the local fresh avocado is sold in Gaza and the West Bank.

Rejects and fruit for industry rarely exceed 1-2 percent of the crop.

The forecast for MY 2003 is for a total crop of 55 thousand tons (tmt) of which as 33,000 tons are expected to be exported.

**Table 1: Avocado Production, (Thousands metric tons)**

MY <sup>1</sup>	Total Production	Percent Change Compare to Previous Year
1992	57	
1993	42	-26.3
1994	49	16.6
1995	57	16.3
1996	70	22.8
1997	64	-8.6
1998	46	-28.1
1999	77	-67.4
2000	63	-18.2
2001	83	31.7
2002	48	-42.2
2003*	55	14.6

Source: CBI, Agricultural Statistics Quarterlies.

\*Forecast: Based on information collected from the Ministry of Agriculture (MOA) and the Fruit Marketing Board of Israel.

**Table 2: Avocado Disposition – by Destination, Thousands metric tons**

Period	Total Export		Total Local Consumption**	
MY	Quantity	Percent	Quantity	Percent
1993	29	69.0	13	31.0
1994	35	71.4	14	28.6
1995	49	86.0	8	14.0
1996	44	62.9	26	37.1
1997	35	54.7	26	45.3
1998	25	54.3	21	45.7
1999	46	59.7	31	40.3
2000	39	61.9	24	38.1
2001	46	55.4	37	44.6
2002	27	56.2	21	43.8
2003*	33	60.0	22	40.0

Source: CBI, Agricultural Statistics Quarterlies.

\*\* Including processed and destroyed avocado. Including deliveries to Gaza and the West Bank.

<sup>1</sup> MY- September-August.

**Table 3: Avocado Distribution, by Month (Calendar year), Tons**

Months/CY	1998		2000		2002	
	Quantity	Percent	Quantity	Percent	Quantity	Percent
January	8,865	16.78	10,234	14.18	11,779	15.66
February	7,702	14.58	13,131	18.19	10,290	13.68
March	9,469	17.92	12,469	17.27	14,753	19.62
April	2,044	3.87	5,586	7.74	6,539	8.69
May	1,349	2.55	2,910	4.03	2,400	3.19
June	1,161	2.20	1,166	1.61	1,462	1.94
July	2,138	4.05	869	1.20	502	0.66
August	305	0.58	266	0.37	1,047	1.39
September	697	1.32	529	0.73	771	1.02
October	3,821	7.23	3,105	4.30	8,925	11.87
November	5,637	10.67	10,087	13.97	4,923	6.54
December	9,647	18.25	11,827	16.40	11,802	15.70
<b>Grand Total</b>	<b>52,835</b>	<b>100.00</b>	<b>72,179</b>	<b>100.00</b>	<b>75,193</b>	<b>100.00</b>

Source: Fruit Board of Israel, Annual Report, Different Years.

### Planted Area

The planted area in CY 2003 totaled 4,396 ha of which 4,010 ha (91.2 percent) were fruit bearing. The new plantations are mostly of "Hass" variety, in response to the increasing demand in Europe and Israel. Post estimates that in the next 5 years 1,000 ha (mostly Hass) will be planted, and planted area will exceed 5,400 hectares. The planting process is delayed due to lack of avocado seedlings for the preparation of new plants.

**Table 4: Total Area, Hectares and Percent**

CY	Hectare	% Change-CY1990
1990	9,260	
2000	6,200	-33.0
2003	4,396	-52.5

Source: Fruit Board of Israel, Annual Report, Different Years.

Seventy five percent of the total planted area is cultivated by the kibbutz sector (cooperative agricultural settlements) in which production units vary between 30-100 ha each. The rest is cultivated by small family farms with an average production units of 1-3 ha.

**Table 5: Planted Area by Sectors, CY 2003, Hectares and Percent**

Type of Sector	Hectare	%
Cooperative Agriculture Settlements	3,297	75
Others	1,099	25
<b>Total Area</b>	<b>4,396</b>	<b>100</b>

Source: Central Bureau of Statistics- Israel, Different Years.

About seventy percent of the total avocado planted area is grown along the coastal plain, mostly in northern and central parts of the country. About twenty percent are planted in the interior valleys: Huleh (in the north), the Valley of Jezre'el and the valley entrance to Jerusalem. The remaining 10 percent are planted in the southern parts of the country.

**Table 6: Planted Area by Region, CY 2003, Ha and Percent**

Region	Hectare	%
Coastal Plain (Northern and Central Parts)	3,078	70
Interior Valleys	879	20
Southern Region	439	10

Source: Central Bureau of Statistics- Israel, Different Years.

### Planted Area by Variety

In response to growing demand from the markets, the Hass share out of the total will expand in the future on the account of the traditional varieties of the Ettinger and Fuerte.

**Table 7: Planted Area by Variety, June 2003**

Variety	Planted Area-Fruit Bearing	Planted Area-Non Fruit Bearing	Total Planted Area	% of Total Planted Area
Ettinger	1,098.7	74.4	1,173.1	27
Hass	1,114.0	121.8	1,235.8	28
Fuerte	537.0	2.5	539.5	12
Pinkerton	455.7	83.7	539.4	12
Ardith	267.7	39.7	307.4	7
Reed	320.6	15.2	335.8	8
Nabel	105.0	0.0	105.0	2
Others	111.1	48.9	160.0	4
<b>Total</b>	<b>4,009.8</b>	<b>386.2</b>	<b>4,396</b>	<b>100</b>

Source: Fruit Board, Census Year, June 2003.

### Production Conditions

Production conditions during MY 2002 were unfavorable. A week - long heat wave during the first week of June 2002 occurred just after the end of blooming decreased the avocado yields. Serious and regular threat to avocado crops in Israel is the adverse weather conditions, which occur occasionally in April-June, the season of flowering and fruit-set. That season is characterized by hot spells with extreme temperature of 40<sup>0</sup> c which are accompanied by low relative humidity. The MY 2003 yield was reduced by a couple of hot days during May 2003 which damaged the blossom of the avocado.

### Production Problems

Planting of new Avocado orchards was delayed due to the shortage of Avocado seedlings, which were needed for the production of new plants.

### Irrigation

All the avocado orchards in Israel are grown under drip irrigation. In the future all the avocado area will be irrigated by recycled water. Avocado's water consumption in the coastal plain is around 8,000 m<sup>3</sup>/ha per season compared to the approximately, 11,000-12,000 m<sup>3</sup>/ha per season in the interior valleys.

## Yields

Average yield in MY 2002 totaled 12-13 tons per hectare, 37.5 percent lower than the previous season (20 tons).

It has been found that considerable differences in yields exist between orchards with the same cultivars in the same region. The average national yield is 12-13 tons per hectare, but there are higher yields of the "Ettinger" and "Nabel" varieties – 18 tons per hectare, and "Hass" with 20 tons per hectare. The above can be explained only by significant differences in the quality of orchard care and management. It also indicates on the unused production potential in the existing avocado area. High yield orchards can be found in all regions. However, the coastal plain north of Acre (the Western Galilee) is known for its higher-than-average yields, resulting probably from factors such as favorable climate, suitable soils and relatively low salinity of irrigation water. However, those higher regional yields have decreased in the last decade, partly due to the increasing salinity of the local irrigation water, a phenomenon, which might have induced a decrease in the average yields of "Hass" more than other varieties (see table 8). The solution for the increasing salinity lies in the replacement of old orchards, planted on "Mexican" under sticks with trees on the "Bengal" under sticks.

**Table 8: Yields by Avocado Varieties in Various Periods, in the "Western Galilee" (North of Israel) - t/ha**

Cultivars	Average of 17 Seasons 1970/1-1986/7	Average of 10 Seasons 1989/90-1998/9	Percent Change
Ettinger	14.0	12.0	-14.3
Fuerte	9.0	11.0	22.2
Hass	15.0	10.0	-33.3
Nabel	15.0	14.5	-3.3

Source: "Miluot". A regional packinghouse.

Table 8 represents an area of about 1,500 ha of orchards belonging to collective settlements (Kibbutzim). The data does not represent national averages.

## Organic Avocados

Out of the total production, 1,500 (3.1%) tons were grown organically, 400 tons (+36.4percent) more than in MY 2001 (1,100 ton). Seventy percent of total organic avocado production is exported. The income (per ton) of organic avocado is 15-20 percent higher than that of the regular avocado. However, the production costs of the organic avocado are higher than those of the regular produce. The forecast for production in MY 2003 is 2,500 tons.

## Avocado Production Value Compared to Other Agriculture Sectors

The production value of avocado is increasing: in CY 2002, production value was 32.7 higher than the previous year. The avocado's share out of total production value of the agricultural sector has also increased significantly in the recent years. In 1996, the production value totaled \$44.0(nominal terms) million and represented 1.63 percent of the total agricultural production value. In CY 2002 production value increased to \$76.3 million (nominal terms) and represented 2.2 percent of the total agricultural production value (see table 9).

**Table 9: Agriculture and Avocados Production Value, CY, \$ million-Nominal Terms,**

<b>Agricultural Value</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
Total for Ag. Sector	2694.4	2807.6	3036.8	3050.5	3077.0	3291.8	3442.6
Of Which: Plantation Industry	622.9	579.7	621.6	655.6	653.3	666.0	717.3
Of Which: Avocados	44.0	41.3	36.6	45.6	50.0	57.5	76.3
Avocado as Percentage of Total Plantation Value	7.06%	7.12%	5.89%	6.95%	7.65%	8.63%	10.63%
Avocado as Percentage of Total Agri. Value	1.63%	1.47%	1.20%	1.49%	1.62%	1.74%	2.21%

Source: CBI, Statistical Abstract of Israel, Different Years.

**Table 10: Avocado Production Value, CY, \$ million-Real Terms (2000=100)**

<b>CY</b>	<b>Avocado's Value</b>	<b>Percent Change Compare to Previous Year</b>
2000	53.48	
2001	60.89	13.86
2002	76.30	25.46

Source: Israel Farmer's Federation, 2002 Annual Report.

## R&D

Main R&D efforts are focused on improving the fertility of the orchards, the efficiency of irrigation and the use of recycled water for avocado production.

In the R&D budget plan for 2004, the "Hass" budget will be increased, due to the demand for bigger fruits. The size of the fruit has a substantial contribution to the purchase decision by the consumer.

The forecast for R&D budget in MY 2003 is estimated at 333.3 Thousand dollars.

**Table 11: R&D Avocado Budget, CY, \$ Thousands-Nominal Terms, and Percent**

<b>Research Budget</b>	<b>1990</b>	<b>1992</b>	<b>1994</b>	<b>1996</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Total Budget for Fruit, excl. citrus	488.3	618.4	760.3	974.6	1314.1	1487.3	1675.0	1770.3
Of Which: Avocados	113.9	171.9	158.1	185.8	217.8	229.6	258.6	254.1
Avocados as a Percentage of Total Fruit Budget, excl. citrus	23.3%	27.8%	20.8%	19.1%	16.6%	15.4%	15.4%	14.3%

Source: Fruit Board of Israel, Annual Report, Different Years.



## Production Policy

The Israeli government offers assistance with new investments in avocado, on the condition that the new plantations will only use recycled water. Near the Lebanese border the governmental grants for investments are 30 percent of the total approved investment, while in the interior parts of the country the grant stands on 20 percent of the total investment. In its new budget plan for CY 2004, the Ministry of Finance (MOF) included three policies concerning the agricultural sector, which if implemented could have a significant impact on the citrus industry:

1. To raise the price for water by 20 percent, in addition to the 40 percent increase during the last 3 years.
2. As part of its solution to the high rate of unemployment the Israeli government plans to impose a 20 percent "Employers Tax" on employers who hire foreign laborers. This tax was supposed to reach 40 percent within 3 years. The purpose of the "Employers Tax" is to push out foreign laborers and release jobs for Israelis. This measure if applied, could have a disastrous impact on the agricultural sector, which relies on Thai workers. In addition, series of small levies were added, in connection with the foreign workers.
3. In its desire to save expenditure by the farming sector and to increase the efficiency in the services provided to the growers, the GOI decided to unify the 4 existing production and marketing boards of Citrus, Flowers, Vegetables and Fruit boards into one board. According to GOI's plan the boards should become divisions in the unified board and be managed by 4 different "industry committees".

All three steps that were described above were opposed firmly by the Agriculture Administration, including the Ministry of Agriculture. Finally, it was decided that price for water will not be raised, the "Employers Tax" will be reduced to 10 percent and will remain at that level. Out of the three steps offered by the MOF, only the unification of the boards has been implemented as suggested by the Ministry of Finance. The additional expenditure to the agricultural sector has been reduced by 50 percent.

## Outlook for the medium term

The avocado's production potential can be expected to reach 70,000-80,000 MT per year. In the future, the total planted area is expected to exceed 5,400 hectares.

## Consumption

Consumption in MY 2002 totaled 48,000 tons, of which 27 thousand tons were exported and 21,000 tons were consumed fresh. In the past, as 1,000 tons of low quality avocados were delivered to the salad and the cosmetics industries. In recent years, when processors increased demand for quality but refused to pay higher prices, delivery to the processors stopped. Local consumption in MY 2002 was less than 3 kg per capita, while surveys indicate a potential per capita consumption of 5 Kg. Per capita consumption does not show a trend but is mainly a result of the total changing annual production rather than a matter of a trend (see table 12).

**Table 12: Annual Average Local Consumption Per Capita, Fresh Avocado, Kg  
(Not Include Gaza&West Bank)**

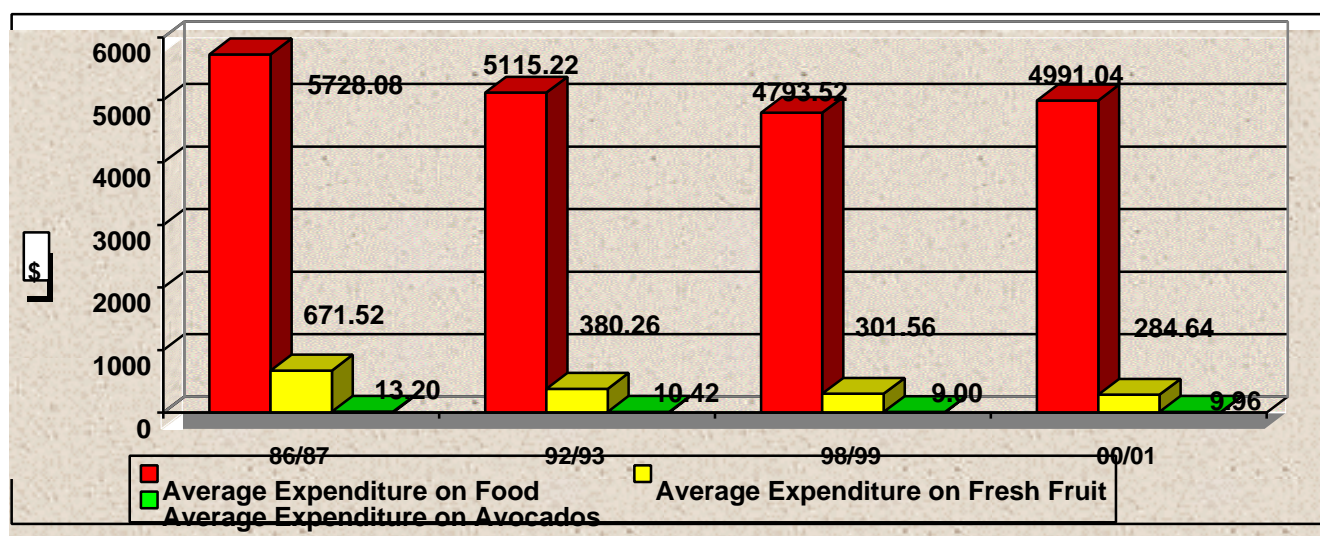
MY	Consumption Per Capita
1992	4.91
1993	2.07
1994	2.17
1995	1.21
1996	3.89
1997	3.79
1998	2.99
1999	4.30
2000	3.24
2001	4.88
2002	2.72
2003*	2.85
<b>Average of 12 MY 1992-2003</b>	<b>3.25</b>

Source: Central Bureau of Statistics- Israel, Different Years.

### Household Expenditure on Avocado

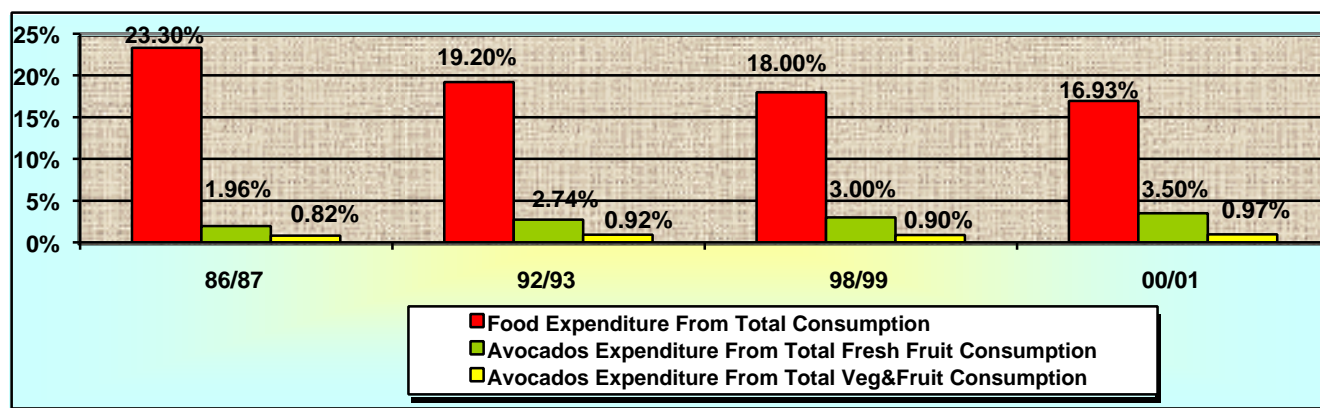
The avocado is a highly price sensitive product. According to the Household Expenditure Survey from 2001, the monthly average expenditure for avocado during the marketing season totaled \$ 1.11. During the period between 1986 and 2001, the monthly average household expenditure for avocado decreased by 24.5 percent (from 1.47\$ to 1.10\$). This is a result of a decline in real price for avocados and the decrease in per capita consumption. The avocado's share out of the average household expenditure for fresh fruit increased from almost 2.0 percent in 1986/87 to 3.5 percent, thirteen years later.

**Chart 1: Annual Average Household expenditure<sup>2</sup> on food, Fresh Fruit and Avocados, CY, Real Terms (October 2002=100)**

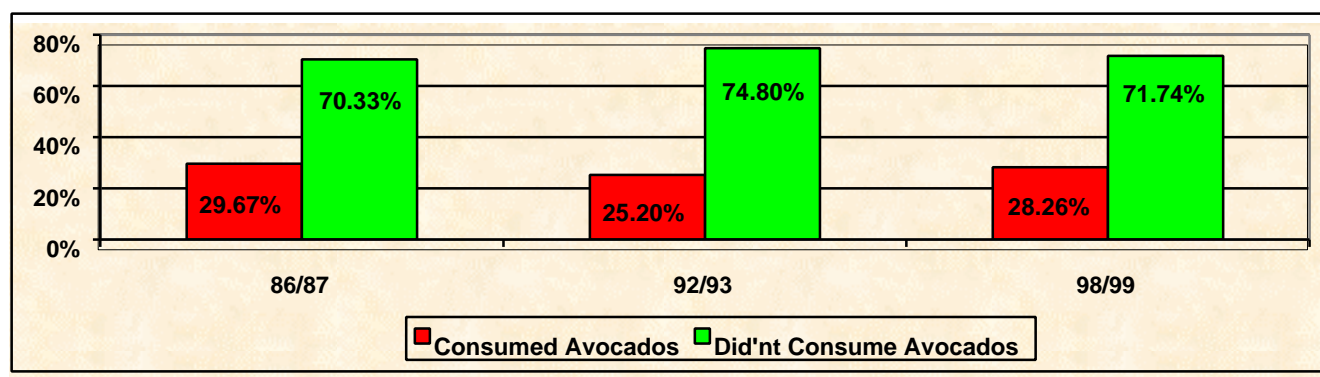


Source: Household Expenditure Survey, Different Years, CBI.

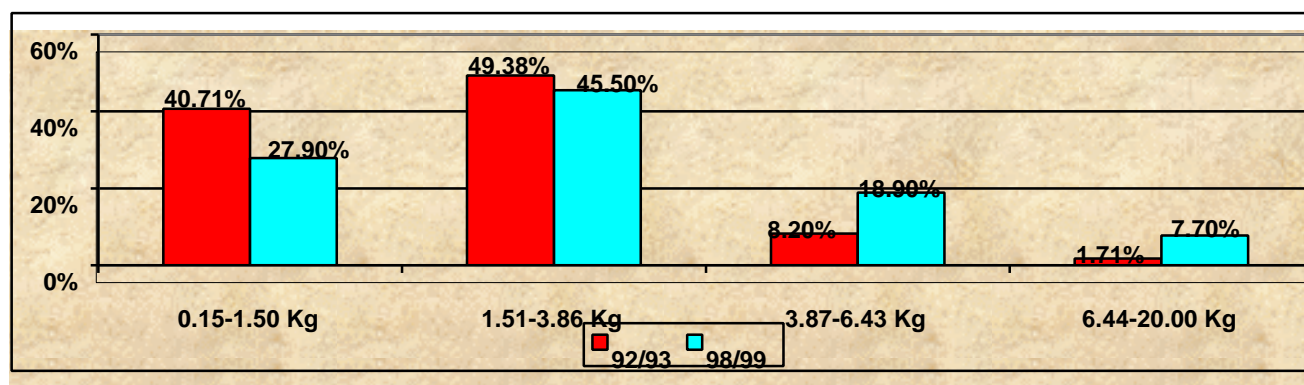
<sup>2</sup> Exchange Rate, 1 USA Dollar=4.45 NIS.

**Chart 2: Annual Average Household Expenditure in Israel, CY, Percent**

Source: Household Expenditure Survey, Different Years, CBI.

**Chart 3: Fresh Avocados Consumed by Households, Winter<sup>3</sup>, Percent**

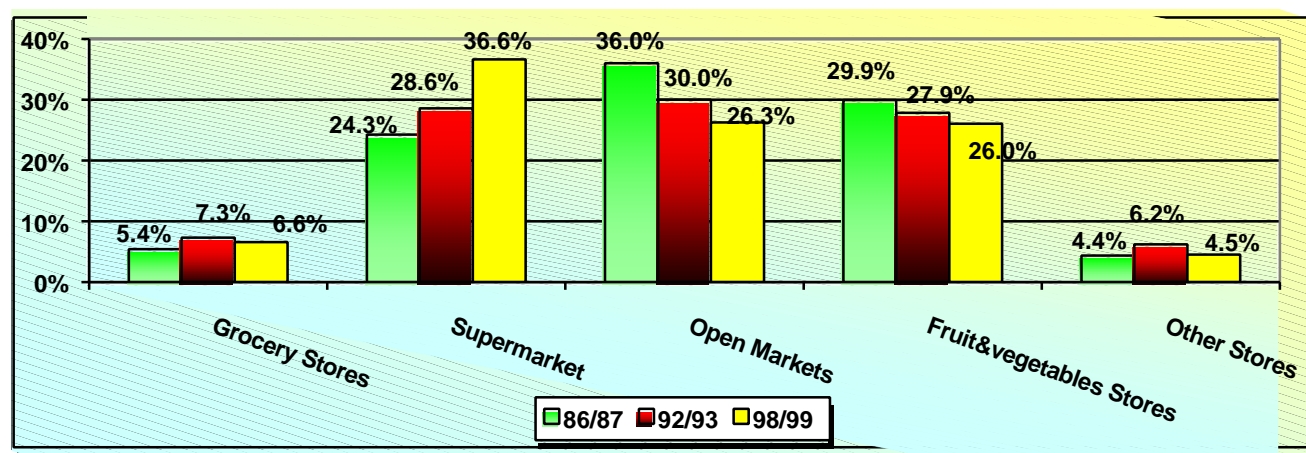
Source: Household Expenditure Survey, Different Years, CBI.

**Chart 4: Avocado's Purchase Quantity, by Household Type, Per Month, Percent**

Source: Household Expenditure Survey, Different Years, CBI.

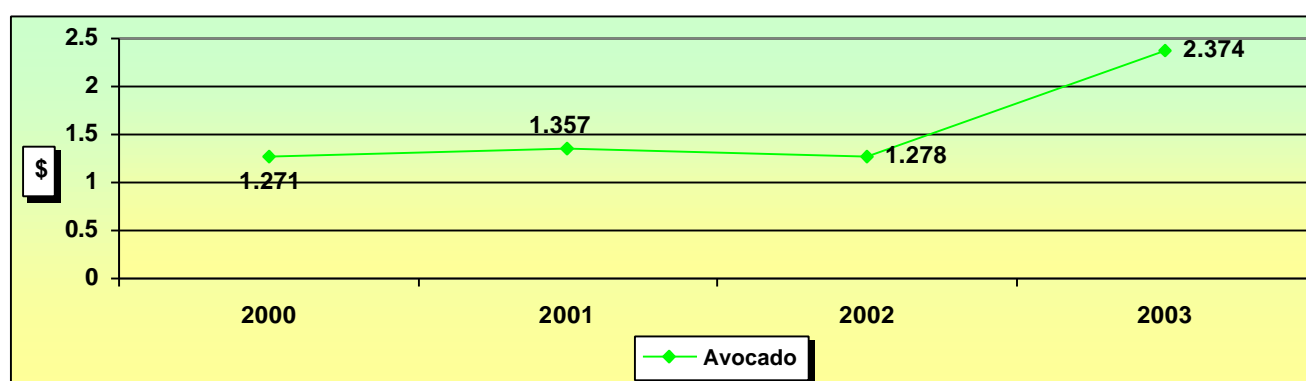
<sup>3</sup> Winter Periods- **1)** 9/1/86-5/31/87, **2)** 9/1/92-5/31/93, **3)** 1/6/98-5/31/98 and 9/1/98-2/15/99.

**Chart 5: Fresh Avocados, Household Purchase by Outlet Type, % of Total Avocado's Expenditure**



Source: Household Expenditure Survey, Different Years, CBI

**Chart 6: Annual Average Prices in Local Stores- Fresh Avocado, CY**



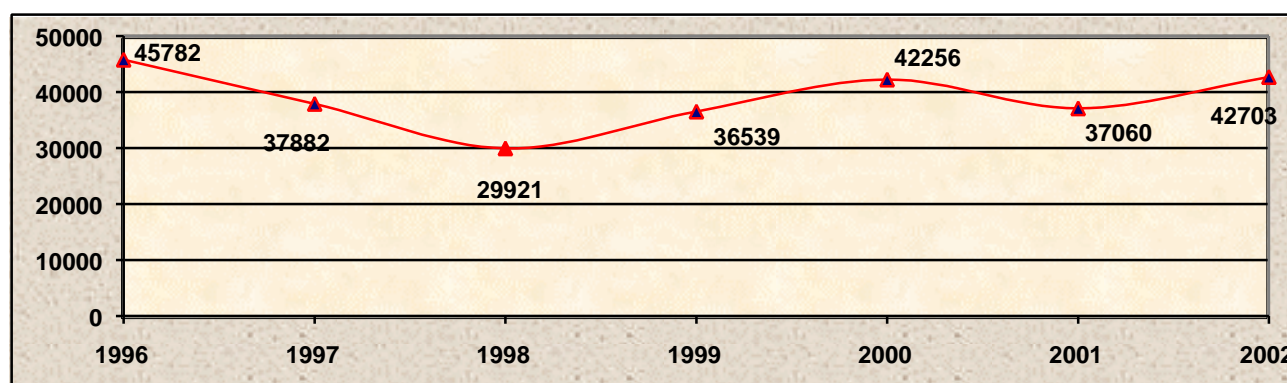
Source: Price Statistic Monthly, Different Years, CBI.

## Trade

Avocado exports have decreased by 41.3 percent during last year: from 46 tmt in MY 2001 to 27 tmt in MY 2002. Forecast for Marketing Year 2003 is for a 22.2 percent increase or 33 tmt. Israel's share out of the total avocado imported to Europe in MY 2002 was 18.6 percent.

Higher price in local currency in Europe during MY 2002, as a result of lack of avocado in Europe, as well as higher quality of the fruit and favorable exchange rate of the Euro against the Israeli Shekel, resulted a good export season. The EU is still the main market for the Israeli avocado (97-98 percent of total export). Approximately 50 percent of the Israeli avocado is exported to France, but the market in Germany is shrinking. The average wholesale price for Israeli avocado in France, in MY 2002, was as 56 percent higher than in MY 2001 (Euro 2.0 VS Euro 1.27).

Chart 7: Total Exports of Fresh Avocado, by CY, Value (\$ Thousand)



Source: CBI, Foreign Trade Statistics, Different Years

Table 13: Exports of Fresh Avocado by Destination, CY, \$ Thousands and percent

Destination	Value (\$ Thousands)				% of Total export			
	1996	1998	2000	2002	1996	1998	2000	2002
France	24768	17207	20452	20217	54.10	57.51	48.40	47.35
Belgium	958	1226	4393	2720	2.09	4.10	10.40	6.37
Netherlands	2811	1885	2574	4308	6.14	6.30	6.09	10.09
Italy	784	823	1064	1749	1.71	2.75	2.52	4.10
Germany	7164	3250	4666	3645	15.65	10.86	11.04	8.54
Sweden	1952	1292	1603	1596	4.26	4.32	3.79	3.74
Denmark	528	459	340	520	1.15	1.53	0.80	1.22
Finland	445	407	399	322	0.97	1.36	0.94	0.75
U.K.	3651	1729	4826	5644	7.97	5.78	11.42	13.22
Other EU	1176	583	730	796	2.57	1.95	1.73	1.86
<b>Total EU</b>	<b>44237</b>	<b>28861</b>	<b>41047</b>	<b>41515</b>	<b>96.63</b>	<b>96.46</b>	<b>97.14</b>	<b>97.22</b>
Norway+ Switzerland	1414	995	852	747	3.09	3.33	2.02	1.75
<b>Total West Europe</b>	<b>45651</b>	<b>29856</b>	<b>41899</b>	<b>42262</b>	<b>99.71</b>	<b>99.78</b>	<b>99.16</b>	<b>98.97</b>
Poland	0	2	134	202	0	0.01	0.32	0.47
Other East Europe	70	35	18	232	0.15	0.12	0.04	0.54
<b>Total East Europe</b>	<b>70</b>	<b>37</b>	<b>152</b>	<b>434</b>	<b>0.15</b>	<b>0.12</b>	<b>0.36</b>	<b>1.02</b>
<b>Total Europe</b>	<b>45721</b>	<b>29893</b>	<b>42051</b>	<b>42696</b>	<b>99.87</b>	<b>99.91</b>	<b>99.51</b>	<b>99.99</b>
U.S.	7	0	12	0	0.02	0	0.03	0
Africa	24	0	110	2	0.05	0	0.26	0
Others	30	28	83	3	0.07	0.09	0.20	0.01
<b>Total Out of Europe</b>	<b>61</b>	<b>28</b>	<b>205</b>	<b>5</b>	<b>0.13</b>	<b>0.09</b>	<b>0.49</b>	<b>0.01</b>
<b>Grand Total</b>	<b>45782</b>	<b>29921</b>	<b>42256</b>	<b>42701</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: CBI, Foreign Trade Statistics, Different Years.



Table 14: Exports of Israeli Fresh Avocado by Destination, CY, MT and percent

Destination	MT				% of Total export			
	1996	1998	2000	2002	1996	1998	2000	2002
France	25648	16623	22032	20217	55.81	57.27	49.44	46.58
Belgium	978	1180	4020	3279	2.13	4.07	9.02	7.56
Netherlands	2501	1701	2688	4047	5.44	5.86	6.03	9.32
Italy	692	810	1128	1317	1.51	2.79	2.53	3.03
Germany	6731	3239	5176	3673	14.65	11.16	11.61	8.46
Sweden	2272	1469	1948	1992	4.94	5.06	4.37	4.59
Denmark	456	479	370	589	0.99	1.65	0.83	1.36
Finland	530	475	524	388	1.15	1.64	1.18	0.89
U.K.	3793	1499	4697	6320	8.25	5.16	10.54	14.56
Other EU	919	513	736	712	2.00	1.77	1.65	1.64
<b>Total EU</b>	<b>44520</b>	<b>27988</b>	<b>43319</b>	<b>42534</b>	<b>96.88</b>	<b>96.43</b>	<b>97.20</b>	<b>98.00</b>
Norway+ Switzerland	1308	954	895	710	2.85	3.29	2.01	1.64
<b>Total West Europe</b>	<b>45828</b>	<b>28942</b>	<b>44214</b>	<b>42944</b>	<b>99.73</b>	<b>99.72</b>	<b>99.21</b>	<b>98.95</b>
Poland	0	2	136	191	0	0.01	0.31	0.44
Other East Europe	69	36	19	261	0.15	0.12	0.04	0.60
<b>Total East Europe</b>	<b>69</b>	<b>38</b>	<b>155</b>	<b>452</b>	<b>0.15</b>	<b>0.13</b>	<b>0.35</b>	<b>1.04</b>
<b>Total Europe</b>	<b>45897</b>	<b>28980</b>	<b>44369</b>	<b>43396</b>	<b>99.88</b>	<b>99.85</b>	<b>99.56</b>	<b>99.99</b>
U.S.	8	0	18	0	0.02	0	0.04	0
Africa	19	0	99	2	0.04	0	0.22	0
Others	29	44	80	3	0.06	0.15	0.18	0.01
<b>Total Out of Europe</b>	<b>56</b>	<b>44</b>	<b>197</b>	<b>5</b>	<b>0.12</b>	<b>0.15</b>	<b>0.44</b>	<b>0.01</b>
<b>Grand Total</b>	<b>45953</b>	<b>29024</b>	<b>44566</b>	<b>43401</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: CBI, Foreign Trade Statistics, Different Years.

Table 15: Price for Israeli Fresh Avocado by Destination, CY, \$ per ton

Destination	1996	1998	2000	2002
France	0.966	1.035	0.928	1.000
Belgium	0.980	1.039	1.093	0.830
Netherlands	1.124	1.108	0.958	1.064
Italy	1.133	1.016	0.943	1.328
Germany	1.064	1.003	0.901	0.992
Sweden	0.859	0.880	0.823	0.801
Denmark	1.158	0.958	0.919	0.883
Finland	0.840	0.857	0.761	0.830
U.K.	0.963	1.153	1.027	0.893
Other EU	1.280	1.136	0.992	1.118
<b>Total EU</b>	<b>0.994</b>	<b>1.031</b>	<b>0.948</b>	<b>0.976</b>
Norway+ Switzerland	1.081	1.043	0.952	1.052
<b>Total West Europe</b>	<b>0.996</b>	<b>1.032</b>	<b>0.948</b>	<b>0.984</b>
Poland	-	1.000	0.985	1.058
Other East Europe	1.014	0.972	0.947	0.889
<b>Total East Europe</b>	<b>1.014</b>	<b>0.974</b>	<b>0.981</b>	<b>0.960</b>
<b>Total Europe</b>	<b>0.996</b>	<b>1.032</b>	<b>0.948</b>	<b>0.984</b>
U.S.	0.875	-	0.667	-
Africa	1.263	-	1.111	1.000
Others	1.034	0.636	1.038	1.000
<b>Total Out of Europe</b>	<b>1.089</b>	<b>0.636</b>	<b>1.041</b>	<b>1.000</b>
<b>Total Average</b>	<b>0.996</b>	<b>1.031</b>	<b>0.948</b>	<b>0.984</b>

Export Trade Matrix Israel Fresh Avocados			
Time Period	CY	Units:	Tons
Exports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
France	16,695	France	20,217
Germany	3,944	Germany	3,673
Benelux	7,907	Belgium	3,279
U.K.	5,470	Netherlands	4,047
Switzerland	553	Italy	1,317
Italy	1,475	Sweden	1,992
Austria	678	Denmark	589
Spain	100	Finland	388
Scandinavia	1,804	U.K.	6,320
		Poland	191
Total for Others	38,626	Total for Others	42,013
Others not Listed	384	Others not Listed	1,388
Grand Total	39,010	Grand Total	43,401

## Marketing

The Israeli export activity during MY 2003 will likely be impacted by the following factors:

- 1) Import of avocados to Europe by all supplying countries, will return to its level two years ago, after a season (MY 2002) of shortage of avocado. Spain is expected to produce 65 tmt of fresh avocados, of which 40-45 tmt (65 percent) will be exported, mainly to the EU. This represents a 100 percent growth over the previous year.
- 2) New advertising regulations in France (main buyer of Israeli avocados) prohibited prior notice on sales events, outside the markets and the stores (by newspapers, radio, TV). This will likely result in less sales turn-over. In MY 2002 the effectiveness of this regulation was low due to the shortage of fruit in the markets and the low necessity for sales events. MY 2003 will see harsh competition in the French markets from Spain, Kenya, South Africa, Mexico and Chile. In such situations effective sales events are crucial for a successful export season.

## INFRASTRUCTURE

### Transportation

Two new fast ships will be operated by "Agrexco" for it's export needs during the export season of 2003. The new ships enables "Agrexco" a better control on the shipments and cut shipping time by 24-36 hours.



PSD Table Israel Fresh Avocados							
	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		09-2001		09-2002		09-2003	MM/YYYY
Area Planted	5000	5000	5100	5100	0	4396	(HECTARES)
Area Harvested	4610	4610	4650	4650	0	4010	(HECTARES)
Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
TOTAL No. Of Trees	0	0	0	0	0	0	(1000 TREES)
Production	83000	83000	55000	48000	0	55000	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	83000	83000	55000	48000	0	55000	(1000 MT)
Exports	46000	46000	32000	27000	0	33000	(1000 MT)
Fresh Dom. Consumption	35000	35000	20500	20000	0	20900	(1000 MT)
Processing Consumption	2000	2000	2500	1000	0	1100	(1000 MT)
TOTAL DISTRIBUTION	83000	83000	55000	48000	0	55000	(1000 MT)