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# Israel

# Grain and Feed

# Annual

# 2008

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**Report Highlights:**
Israel is almost completely dependent on imports to meet its grain and feed needs, and import demand in 2007/08 is forecast to increase slightly to just above 3 million tons, mostly corn (1.3 million tons) and wheat (1.5 million tons).

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

## Wheat

| PS&D TABLE ISRAEL WHEAT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2006 | Revised | | 2007 | Estimate | | 2008 | Forecast | | UOM |
| | USDA Official | Post Estimate | Post Estimate New | USDA Official | Post Estimate | Post Estimate New | USDA Official | Post Estimate | Post Estimate New | |
| Market Year Begin | | 07/2006 | 07/2006 | | 07/2007 | 07/2007 | | 07/2008 | 07/2008 | MM/YYYY |
| Area Harvested | 67 | 67 | 67 | 67 | 67 | 67 | 0 | 0 | 67 | (1000 HA) |
| Beginning Stocks | 250 | 239 | 250 | 240 | 117 | 110 | 252 | 155 | 160 | (1000 MT) |
| Production | 132 | 132 | 145 | 162 | 162 | 150 | 0 | 0 | 180 | (1000 MT) |
| MY Imports | 1458 | 1456 | 1248 | 1100 | 1591 | 1500 | 0 | 0 | 1490 | (1000 MT) |
| TY Imports | 1458 | 1456 | 1248 | 1100 | 1591 | 1500 | 0 | 0 | 1490 | (1000 MT) |
| TY Imports from U.S. | 156 | 270 | 152 | 0 | 290 | 220 | 0 | 0 | 250 | (1000 MT) |
| TOTAL SUPPLY | 1840 | 1827 | 1643 | 1502 | 1870 | 1760 | 252 | 155 | 1830 | (1000 MT) |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| TY Exports | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| Feed Consumption | 700 | 810 | 700 | 350 | 810 | 720 | 0 | 0 | 750 | (1000 MT) |
| FSI Consumption | 900 | 900 | 833 | 900 | 905 | 880 | 0 | 0 | 900 | (1000 MT) |
| Total Consumption | 1600 | 1710 | 1533 | 1250 | 1715 | 1600 | 0 | 0 | 1650 | (1000 MT) |
| Ending Stocks | 240 | 117 | 110 | 252 | 155 | 160 | 0 | 0 | 180 | (1000 MT) |
| TOTAL DISTRIBUTION | 1840 | 1827 | 1643 | 1502 | 1870 | 1760 | 0 | 0 | 1830 | (1000 MT) |
| Yield | 1.9701 | 1.97014 | 2.16417 | 2.4179 | 2.41791 | 2.238806 | 0 | 0 | 2.68656 | (MT/HA) |

**Local Wheat Production**

Harvested area in crop year 2007/08 is forecast to be the similar to the previous year. While in any given year about 90,000 HA are planted to wheat, only about 75 percent is harvested for milling; the remainder is cut as fodder for livestock feed. Planting for the 2008/09 crop was completed in November 2007. Production in 2007/08 is forecast to rebound following the unfavorable rainfall patterns that negatively effected the 2006/07 crop.

Crop year 2007/08 marked the beginning of another "sabbatical" year in Israel, when Jews are not supposed to consume the crops produced in that year. Therefore, most local wheat will be for animal feed and the remainder will be sold to the Palestinian Authority.

Out of the 145,000 tons produced in the 2006/07 crop, about 83 percent was milled for human consumption, while the remainder was for animal feed. Out of the total wheat production, 4,000 tons (2.8 percent) was organic wheat.

For milling wheat: The average protein level reached 12.2 percent, moisture was 10 percent and gluten index was 85.7. Ninety percent of the crop had protein levels of 11.5-12.5 percent.

**Table 1: Wheat Production, Thousand Metric Tons, Crop Year**

| Crop Year | Total Production | Percent Change Compared to Previous Year |
|---|---|---|
| 1998 | 155 | |
| 1999 | 29 | -81.29 |
| 2000 | 96 | 231.03 |
| 2001 | 162 | 68.75 |
| 2002 | 179 | 10.49 |
| 2003 | 187 | 4.47 |
| 2004 | 128 | -31.55 |
| 2005 | 180 | 40.62 |
| 2006 | 132 | -26.67 |
| 2007 | 145 | 9.80 |
| 2008* | 150 | 3.45 |

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

**Farm Gate Price for Locally Produced Wheat**

The price paid to farmers is based on the CBOT price at harvest time. Freight and handling costs are added to construct a landed equivalent. In crop year 2006/07, the average base prices paid to farmers for milling was $230.22.

In addition, producers receive premiums based on protein content. For the 2006/07 crop, the producers received an average premium of $5 per ton.

**Stocks**

Ending stocks in 2007/08 are estimated at 165,000 tons. Stocks generally decline through the summer, and then begin rebounding again in the fall with the onset of the harvest.

**Consumption**

Total consumption is forecast to remain relatively constant at 1.6-1.7 million tons in 2007/08. Human consumption is steady at about 900,000 tons annually, so any variation in total annual consumption is a result of changes in wheat for feed use. There are 16 flour mills, and their full capacity is 1.3-1.4 million tons. The Israeli feed milling industry shifts easily from corn, barley and sorghum to feed wheat, depending on price relationships.

**Trade**

Due to limited wheat supplies from the Black Sea Basin (BSB), feed and milling wheat from there have decreased significantly. Therefore, imports of feed wheat and milling wheat in MY 2006 decreased by 17 percent and 23 percent, respectively, compared to the previous year (feed wheat - from 700 tmt to 583 tmt; milling wheat – from 871 tmt to 665 tmt).

To rebuild stocks and meet consumption, imports are forecast to increase to about 1.5-1.6 million tons in 2007/08. It is expected that supplies of feed wheat from the BSB will remain low till August-September 2008, and then supplies are expected to increase, and imports of feed wheat will increase to replace corn imports.

In 2006/07, the market share of U.S. milling wheat in Israel decreased 23 percent compared to the previous year (from 30 percent market share in 2005/06 to 23 percent market share in 2006/07). Due to limited milling wheat supplies from the Black Sea Region and restricted exports policies from Russia, imports of German milling wheat increased dramatically during 2006/07, and it is expected that imports of milling wheat from Germany will continue in 2007/08.

However, the current exchange rate between the U.S. dollar and the Euro continues to favor U.S. suppliers, as European wheat becomes more expensive. Therefore it is expected that U.S. market share of milling wheat in Israel will increase to 30-35 percent. Post estimates the U.S. share of milling wheat is projected remain at 25-35 percent in the forthcoming years.

**Table 3: Imports of Wheat, Country of Purchase, CY, $ Thousand**

| Country | Value ($ Thousand) | | | % of Total Imports | | |
|---|---|---|---|---|---|---|
| | 2004 | 2005 | 2006 | 2004 | 2005 | 2006 |
| France | 8,531 | 16,818 | 17,300 | 3.7 | 7.8 | 7.7 |
| Netherlands | 10,067 | 17,012 | 26,776 | 4.3 | 7.9 | 11.9 |
| Austria | 1,027 | 2,260 | 0 | 0.4 | 1.0 | 0.0 |
| Germany | 5,262 | 3,285 | 10,446 | 2.3 | 1.5 | 4.7 |
| U.K. | 9,820 | 17,234 | 6,513 | 4.2 | 8.0 | 2.9 |
| Hungary | 2,204 | 3,381 | 8,255 | 1.0 | 1.6 | 3.7 |
| Other EU | 0 | 93 | 4,795 | 0.0 | 0.0 | 2.1 |
| **Total EU** | **36,911** | **60,083** | **74,085** | **15.9** | **27.8** | **33.0** |
| Switzerland (Major trade center) | 39,416 | 67,915 | 83,414 | 17.0 | 31.4 | 37.2 |
| **Total West Europe** | **76,327** | **127,998** | **157,499** | **32.9** | **59.2** | **70.2** |
| Russia | 22,090 | 8,981 | 1,712 | 9.5 | 4.2 | 0.8 |
| Ukraine | 652 | 1,151 | 1,247 | 0.3 | 0.5 | 0.6 |
| Bulgaria | 0 | 2,591 | 2,878 | 0.0 | 1.2 | 1.3 |
| Other East Europe | 421 | 1,438 | 33 | 0.2 | 0.7 | 0.0 |
| Total East Europe | 23,163 | 14,161 | 5,870 | 10.0 | 6.5 | 2.6 |
| **Total Europe** | **99,490** | **142,159** | **163,369** | **42.9** | **65.7** | **72.8** |
| **U.S.** | **132,356** | **71,608** | **61,027** | **57.1** | **33.1** | **27.2** |
| Argentina | 115 | 2,617 | 91 | 0.0 | 1.2 | 0.0 |
| Others | 2 | 1 | 1 | 0.0 | 0.0 | 0.0 |
| **Total Outside Europe** | **132,473** | **74,226** | **61,119** | **57.1** | **34.3** | **27.2** |
| **Grand Total** | **231,963** | **216,385** | **224,488** | **100.0** | **100.0** | **100.0** |

Source: CBS, Foreign Trade Statistics, Different Years.
* Israel's trade statistics are based on "country of purchase" which in many cases is different from the "country of origin". UK, Netherlands and Switzerland, which are large trading centers, appear in Israel's statistics as suppliers of feed and food grains, when actually they are locations of brokers.

| Import Trade Matrix<br>Israel<br>Wheat | | | |
|---|---|---|---|
| **Time Period** | **MY** | **Units** | **1,000 MT** |
| Imports for | **2005** | Imports for | **2006** |
| U.S. | 258 | U.S. | 152 |
| Others | | Others | |
| | | | |
| Total for Others | 0 | Total for Others | 0 |
| Others not Listed | 1,313 | Others not Listed | 1,096 |
| **Grand Total** | **1,571** | **Grand Total** | **1,248** |

## Barley

| PS&D TABLE<br>ISRAEL<br>BARLEY | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2006 | Revised | | 2007 | Estimate | | 2008 | Forecast | | UOM |
| | USDA Official | Post Estimate | Post Estimate New | USDA Official | Post Estimate | Post Estimate New | USDA Official | Post Estimate | Post Estimate New | |
| **Market Year Begin** | | 10/2006 | 10/2006 | | 10/2007 | 10/2007 | | 10/2008 | 10/2008 | MM/YYYY |
| **Area Harvested** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 HA) |
| **Beginning Stocks** | 45 | 51 | 45 | 24 | 51 | 26 | 44 | 0 | 5 | (1000 MT) |
| **Production** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| **MY Imports** | 224 | 300 | 246 | 250 | 0 | 210 | 0 | 0 | 290 | (1000 MT) |
| **TY Imports** | 224 | 300 | 246 | 250 | 0 | 210 | 0 | 0 | 290 | (1000 MT) |
| **TY Imports from U.S.** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| **TOTAL SUPPLY** | 269 | 351 | 291 | 274 | 51 | 236 | 44 | 0 | 295 | (1000 MT) |
| **MY Exports** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| **TY Exports** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| **Feed Consumption** | 235 | 290 | 255 | 220 | 0 | 221 | 0 | 0 | 260 | (1000 MT) |
| **FSI Consumption** | 10 | 10 | 10 | 10 | 0 | 10 | 0 | 0 | 11 | (1000 MT) |
| **Total Consumption** | 245 | 300 | 265 | 230 | 0 | 231 | 0 | 0 | 271 | (1000 MT) |
| **Ending Stocks** | 24 | 51 | 26 | 44 | 0 | 5 | 0 | 0 | 24 | (1000 MT) |
| **TOTAL DISTRIBUTION** | 269 | 351 | 291 | 274 | 0 | 236 | 0 | 0 | 295 | (1000 MT) |
| **Yield** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (MT/HA) |

**Trade**

Due to the continued lower supplies from the Black Sea Basin, and more competitive prices of other feed grains, particularly corn and sorghum, imports in 2007/08 are forecast to decrease by 15-25 percent compared to the previous year, and will total about 210 tmt. In 2006/07, imports of barley decreased 19 percent compared to the previous year (from 301 tmt to 246 tmt). There has been almost no imports of barely from the U.S. in recent years, and it is not expected to change in the future.

**Table 4: Imports of Barley, Country of Purchase, CY, $ Thousand**

| | Value ($ Thousand) | | | % of Total Imports | | |
|---|---|---|---|---|---|---|
| **Country** | **2004** | **2005** | **2006** | **2004** | **2005** | **2006** |
| France | 8,836 | 1,618 | 261 | 11.1 | 5.5 | 0.6 |
| Netherlands | 21,319 | 6,841 | 13,211 | 26.7 | 23.3 | 30.3 |
| Austria | 461 | 0 | 1,395 | 0.6 | 0.0 | 3.2 |
| Germany | 1,747 | 934 | 0 | 2.2 | 3.2 | 0.0 |
| U.K. | 6,208 | 3,824 | 72 | 7.8 | 13.0 | 0.2 |
| Hungary | 317 | 0 | 0 | 0.4 | 0.0 | 0.0 |
| Other EU | 501 | 3,231 | 0 | 0.6 | 11.0 | 0.0 |
| **Total EU** | **39,389** | **16,448** | **14,939** | **49.3** | **56.0** | **34.3** |
| Switzerland (Major trade center) | 22,107 | 9,244 | 21,348 | 27.7 | 31.5 | 49.0 |
| **Total West Europe** | **61,496** | **25,692** | **36,287** | **77.0** | **87.5** | **83.3** |
| Russia | 12,154 | 3,009 | 379 | 15.2 | 10.2 | 0.9 |
| Ukraine | 5,018 | 0 | 3,671 | 6.3 | 0.0 | 8.4 |
| Other East Europe | 1 | 363 | 0 | 0.0 | 1.2 | 0.0 |
| **Total East Europe** | **17,172** | **3,372** | **4,050** | **21.5** | **11.5** | **9.3** |
| **Total Europe** | **78,668** | **29,064** | **40,337** | **98.5** | **99.0** | **92.6** |
| **U.S.** | **0** | **0** | **1,578** | **0.0** | **0.0** | **3.6** |
| Total Outside Europe | 1,161 | 301 | 1,635 | 1.5 | 1.0 | 3.8 |
| **Grand Total** | **79,830** | **29,365** | **43,551** | **100.0** | **100.0** | **100.0** |

Source: CBS, Foreign Trade Statistics, Different Years.
* Israel's trade statistics are based on "country of purchase" which in many cases is different from the "country of origin". UK, Netherlands and Switzerland, U.S.A, which are large trading, centers, appear in Israel's statistics as suppliers of feed and food grains, when actually they are locations of brokers.

| Import Trade Matrix<br>Israel<br>Barley | | | |
|---|---|---|---|
| **Time Period** | **MY** | **Units** | **1,000 MT** |
| **Imports for** | **2005** | **Imports for** | **2006** |
| **U.S.** | 9 | **U.S.** | 0 |
| **Others** | | **Others** | |
| | | | |
| **Total for Others** | 0 | **Total for Others** | 0 |
| **Others not Listed** | 292 | **Others not Listed** | 246 |
| **Grand Total** | 301 | **Grand Total** | 246 |

## Sorghum

| PS&D TABLE ISRAEL SORGHUM | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2006 | Revised | | 2007 | Estimate | | 2008 | Forecast | | UOM |
| | USDA Official | Post Estimate | Post Estimate New | USDA Official | Post Estimate | Post Estimate New | USDA Official | Post Estimate | Post Estimate New | |
| **Market Year Begin** | | 10/2006 | 10/2006 | | 10/2007 | 10/2007 | | 10/2008 | 10/2008 | MM/YYYY |
| **Area Harvested** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 HA) |
| **Beginning Stocks** | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 0 | 25 | (1000 MT) |
| **Production** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| **MY Imports** | 55 | 45 | 68 | 150 | 68 | 90 | 0 | 0 | 37 | (1000 MT) |
| **TY Imports** | 55 | 45 | 68 | 150 | 68 | 90 | 0 | 0 | 37 | (1000 MT) |
| **TY Imports from U.S.** | 55 | 0 | 58 | 0 | 0 | 76 | 0 | 0 | 31 | (1000 MT) |
| **TOTAL SUPPLY** | 55 | 45 | 68 | 150 | 68 | 102 | 0 | 0 | 62 | (1000 MT) |
| **MY Exports** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| **TY Exports** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| **Feed Consumption** | 50 | 40 | 50 | 145 | 62 | 70 | 0 | 0 | 50 | (1000 MT) |
| **FSI Consumption** | 5 | 5 | 6 | 5 | 6 | 7 | 0 | 0 | 7 | (1000 MT) |
| **Total Consumption** | 55 | 45 | 56 | 150 | 68 | 77 | 0 | 0 | 57 | (1000 MT) |
| **Ending Stocks** | 0 | 0 | 12 | 0 | 0 | 25 | 0 | 0 | 5 | (1000 MT) |
| **TOTAL DISTRIBUTION** | 55 | 45 | 68 | 150 | 68 | 102 | 0 | 0 | 62 | (1000 MT) |
| **Yield** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (MT/HA) |

### Sorghum Production, Consumption and Trade

There is a limited amount of sorghum produced in Israel, but it is all harvested as silage; all sorghum grain is imported. The level of consumption hinges on price relationships with other grains, primarily corn and feed wheat.

In 2006/07, sorghum replaced feed wheat. As a result, imports in 2006/07 increased 55 percent. The market share for U.S. sorghum increased 31 percent compared to the previous marketing year (from 65 percent market share to 85 percent market share). After many years of total U.S. domination of the sorghum market, Ukraine is becoming a favored source among importers.

Data for the first quarter of 2007/08 (October-December) show sorghum imports have increased significantly from the same period one year ago (from 8 tmt to 71 tmt). The increase was due to the continued shortage of feed wheat and barley from Ukraine and Russia. However, due to the dramatically increase in imports of sorghum in 2006/07 and in the first quarter of 2007/08, Israel has surpluses in it’s sorghum stocks, therefore it is projected that sorghum imports in 2007/08 will only increase by 20-35 percent compared to the previous MY, and will reach about 90,000 MT.

**Table 5: Sorghum Production for Silage, Ton and Ha, Calendar Year**

| CY | Ha | Yields – Ton | Ton Per Ha |
|---|---|---|---|
| 2000 | 800 | 12,000 | 15.0 |
| 2001 | 1,000 | 13,500 | 13.5 |
| 2002 | 1,370 | 18,400 | 13.4 |
| 2003 | 2,340 | 30,200 | 12.9 |
| 2004 | 2,530 | 36,900 | 14.6 |
| 2005 | 3,000 | 45,000 | 15.0 |
| 2006 | 2,700 | 39,000 | 14.5 |
| 2007 (according to preliminary figures) | 2,000 | 30,000 | 15.0 |

Source: Ministry of Agriculture and Rural Development, 2006 Annual Report.

**Table 6: Imports of Grain Sorghum, Country of Purchase, CY, $ Thousand**

| | Value ($ Thousand) | | | % of Total Imports | | |
|---|---|---|---|---|---|---|
| **Country** | **2004** | **2005** | **2006** | **2004** | **2005** | **2006** |
| France | 359 | 0 | 0 | 4.6 | 0.0 | 0.0 |
| U.K. | 0 | 1,287 | 218 | 0.0 | 18.2 | 2.8 |
| Switzerland (Major trading center) | 4,498 | 2,539 | 5,839 | 57.4 | 35.9 | 75.4 |
| Hungary | 0 | 1,924 | 1,683 | 0.0 | 27.2 | 21.8 |
| **Total Europe** | **4,857** | **5,750** | **7,740** | **62.0** | **81.4** | **100.0** |
| U.S. | 2,979 | 1,316 | 0 | 38.0 | 18.6 | 0.0 |
| Total Outside Europe | 2,979 | 1,316 | 0 | 38.0 | 18.6 | 0.0 |
| **Grand Total** | **7,836** | **7,066** | **7,740** | **100.0** | **100.0** | **100.0** |

Source: CBS, Foreign Trade Statistics, Different Years.
* Israel's trade statistics are based on "country of purchase" which in many cases is different from the "country of origin". UK, Netherlands and Switzerland, which are large trading centers, appear in Israel's statistics as suppliers of feed and food grains, when actually they are locations of brokers.

| Import Trade Matrix<br>Israel<br>Sorghum | | | |
|---|---|---|---|
| **Time Period** | **MY** | **Units** | **1,000 MT** |
| **Imports for** | **2005** | **Imports for** | **2006** |
| **U.S.** | 29 | **U.S.** | 58 |
| **Others** | | **Others** | |
| | | | |
| **Total for Others** | 0 | **Total for Others** | 0 |
| **Others not Listed** | 15 | **Others not Listed** | 10 |
| **Grand Total** | 44 | **Grand Total** | 68 |

## Corn

| PS&D TABLE<br>ISRAEL<br>CORN | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2006 | Revised | | 2007 | Estimate | | 2008 | Forecast | | UOM |
| | USDA Official | Post Estimate | Post Estimate New | USDA Official | Post Estimate | Post Estimate New | USDA Official | Post Estimate | Post Estimate New | |
| **Market Year Begin** | | 10/2006 | 10/2006 | | 10/2007 | 10/2007 | | 10/2008 | 10/2008 | MM/YYYY |
| **Area Harvested** | 0 | 2 | 0.4 | 0 | 2 | 3.5 | 0 | 0 | 2 | (1000 HA) |
| **Beginning Stocks** | 117 | 155 | 117 | 117 | 61 | 106 | 67 | 0 | 126 | (1000 MT) |
| **Production** | 0 | 26 | 6 | 0 | 26 | 45 | 0 | 0 | 26 | (1000 MT) |
| **MY Imports** | 1200 | 1080 | 1295 | 1500 | 1163 | 1375 | 0 | 0 | 1250 | (1000 MT) |
| **TY Imports** | 1200 | 1080 | 1295 | 1500 | 1163 | 1375 | 0 | 0 | 1250 | (1000 MT) |
| **TY Imports from U.S.** | 844 | 0 | 723 | 0 | 0 | 920 | 0 | 0 | 800 | (1000 MT) |
| **TOTAL SUPPLY** | 1317 | 1261 | 1418 | 1617 | 1250 | 1526 | 67 | 0 | 1402 | (1000 MT) |
| **MY Exports** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| **TY Exports** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT) |
| **Feed Consumption** | 1100 | 1100 | 1212 | 1450 | 1150 | 1300 | 0 | 0 | 1200 | (1000 MT) |
| **FSI Consumption** | 100 | 100 | 100 | 100 | 100 | 100 | 0 | 0 | 110 | (1000 MT) |
| **Total Consumption** | 1200 | 1200 | 1312 | 1550 | 1250 | 1400 | 0 | 0 | 1310 | (1000 MT) |
| **Ending Stocks** | 117 | 61 | 106 | 67 | 0 | 126 | 0 | 0 | 92 | (1000 MT) |
| **TOTAL DISTRIBUTION** | 1317 | 1261 | 1418 | 1617 | 1250 | 1526 | 0 | 0 | 1402 | (1000 MT) |
| **Yield** | 0 | 13 | 15 | 0 | 13 | 12.85714 | 0 | 0 | 13 | (MT/HA) |

### Corn Production and Consumption

**Production:** Crop year 2006/07, was the fourth consecutive year that corn for grain (yellow corn) was grown in Israel. In crop year 2006/07 corn production totaled 6,000 tons, from 400 HA. All local grain corn was non-biotech and was consumed by food manufacturers that export their products to Europe. Driven by rising world prices for corn, corn production is expected to increase dramatically in 2007/08. Corn production in 2007/08 is forecast at 45,000 tons. Further significant increase for 2008/09 is not expected as area expansion is constrained by limited availability of water for irrigation.

**Consumption:** In 2006/07 (October 2006-September 2007), corn consumption totaled 1.3 million tons, 8 percent higher than in the previous year. The increase was due to a shortage of feed wheat and barley from Eastern Europe. As a result of the continued shortage of feed wheat from the Black Sea Basin, consumption in 2007/08 is forecast to increase to 1.35-1.4 million tons. The average monthly feed mill gate price for bulk grain corn in January 2008 was $290-300/Ton.

**Trade**

Despite the increase in world corn prices in 2007/08, corn imports are forecast to increase by 5-10 percent due to the continued shortage of feed wheat and barely from Ukraine and Russia.

In 2006/07, the U.S. had about 56 percent market share as U.S. corn replaced Argentinean, Ukrainian, Russian and Bulgarian corn. In the future, the U.S. is forecast to maintain 50-60 percent market share, with Argentina and Eastern Europe supplying the remainder.

Limitation on yellow corn content in the broilers' feed ratio on one hand, and high price for feed wheat, barley and sorghum on the other hand, forced millers to import and use white corn. In 2006/07, Israel imported about 20,000 tons of U.S. white corn. Imports of white corn is expected also in 2007/08 and will total about 10,000 tons.

**Table 7: Imports of Corn, Country of Purchase, CY, $ Thousand**

| | Value ($ Thousand) | | | % of Total Imports | | |
|---|---|---|---|---|---|---|
| **Country** | **2004** | **2005** | **2006** | **2004** | **2005** | **2006** |
| France | 3,094 | 2,282 | 495 | 1.55 | 1.6 | 0.3 |
| Italy | 14 | 106 | 203 | 0.01 | 0.1 | 0.1 |
| Netherlands | 11,593 | 39,127 | 12,411 | 5.82 | 27.1 | 7.2 |
| Germany | 1,338 | 5,910 | 0 | 0.67 | 4.1 | 0.0 |
| U.K. | 1,596 | 15,000 | 4,309 | 0.80 | 10.4 | 2.5 |
| Other EU | 144 | 1,320 | 3,108 | 0.07 | 0.9 | 1.8 |
| **Total EU** | **17,779** | **63,745** | **20,526** | **8.92** | **44.1** | **11.8** |
| Switzerland (Major trading center) | 115,902 | 46,649 | 121,383 | 58.18 | 32.3 | 70.1 |
| **Total West Europe** | **133,681** | **110,394** | **141,909** | **67.10** | **76.3** | **81.9** |
| Russia | 0 | 1,008 | 0 | 0.00 | 0.7 | 0.0 |
| Ukraine | 236 | 1,250 | 1,848 | 0.12 | 0.9 | 1.1 |
| Romania | 1,509 | 0 | 0 | 0.76 | 0.0 | 0.0 |
| Other East Europe | 286 | 3,244 | 0 | 0.14 | 2.2 | 0.0 |
| Total East Europe | 2,031 | 5,502 | 1,848 | 1.02 | 3.8 | 1.1 |
| **Total Europe** | **135,712** | **115,896** | **143,757** | **68.12** | **80.1** | **83.0** |
| **U.S.** | **52,874** | **18,895** | **28,234** | **26.54** | **13.1** | **16.3** |
| Argentina | 9,832 | 9,418 | 216 | 4.94 | 6.5 | 0.1 |
| Others | 805 | 432 | 1,030 | 0.40 | 0.3 | 0.6 |
| Total Outside Europe | 63,511 | 28,745 | 29,480 | 31.88 | 19.9 | 17.0 |
| **Grand Total** | **199,223** | **144,641** | **173,237** | **100. 0** | **100.0** | **100.0** |

Source: CBS, Foreign Trade Statistics, Different Years.
* Israel's trade statistics are based on "country of purchase" which in many cases is different from the "country of origin". UK, Netherlands and Switzerland, which are large trading centers, appear in Israel's statistics as suppliers of feed and food grains, when actually they are locations of brokers.

| Import Trade Matrix<br>Israel<br>Corn | | | |
|---|---|---|---|
| Time Period | MY | Units | 1,000 MT |
| Imports for | 2005 | Imports for | 2006 |
| U.S. | 607 | U.S. | 723 |
| Others | | Others | |
| Total for Others | 0 | Total for Others | 0 |
| Others not Listed | 566 | Others not Listed | 572 |
| Grand Total | 1,173 | Grand Total | 1,295 |

**Table 8: Grains Imports to Israel, MY, Thousand Metric Tons**

| MY[1] | Milling Wheat | Feed Wheat | Total Wheat | Barley | Corn | Sorghum | Total Import |
|---|---|---|---|---|---|---|---|
| 2002 | 614 | 666 | 1,280 | 460 | 698 | 45 | 2,483 |
| 2003 | 907 | 181 | 1,088 | 493 | 1,292 | 194 | 3,067 |
| 2004 | 730 | 685 | 1,415 | 374 | 1,040 | 50 | 2,879 |
| 2005 | 871 | 700 | 1,571 | 301 | 1,173 | 44 | 3,089 |
| 2006 | 665 | 583 | 1,248 | 246 | 1,295 | 68 | 2,857 |
| **Average** | **757** | **563** | **1,320** | **375** | **1,100** | **80** | **2,875** |

Source: Ministry of Agriculture, Office of Prices and Supply

**Table 9: Import Share of Total Import Quantity, Percent, MY**

| MY | Milling Wheat | Feed Wheat | Total Wheat | Barley | Corn | Sorghum | Total Import |
|---|---|---|---|---|---|---|---|
| 2002 | 24.7 | 26.8 | 51.6 | 18.5 | 28.1 | 1.8 | 100.0 |
| 2003 | 29.6 | 5.9 | 35.5 | 16.1 | 42.1 | 6.3 | 100.0 |
| 2004 | 25.4 | 23.8 | 49.1 | 13.0 | 36.1 | 1.7 | 100.0 |
| 2005 | 28.2 | 22.7 | 50.9 | 9.7 | 38.0 | 1.4 | 100.0 |
| 2006 | 23.3 | 20.4 | 43.7 | 8.6 | 45.3 | 2.4 | 100.0 |
| **Average** | **26.2** | **19.9** | **46.2** | **13.2** | **37.9** | **2.7** | **100.0** |

Source: Ministry of Agriculture, Office of Prices and Supply

**Table 10: U.S. Market Share of Total Import Quantity, Percent, MY**

| MY | Milling Wheat | Feed Wheat | Barley | Corn | Sorghum |
|---|---|---|---|---|---|
| 2002 | 58 | 0 | 0 | 39 | 89 |
| 2003 | 74 | 0 | 0 | 82 | 89 |
| 2004 | 42 | 0 | 0 | 24 | 54 |
| 2005 | 30 | 0 | 3 | 52 | 65 |
| 2006 | 23 | 0 | 0 | 56 | 85 |
| **Average** | **45** | **0** | **0.6** | **51** | **76** |

Source: Ministry of Agriculture, Office of Prices and Supply

[1] October-September