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Report Highlights:

FAS Tel Aviv (Post) forecasts Israel's wheat imports to reach 1.70 million metric tons (MMT) in marketing year (MY) 2023/24, a 2.8 percent decrease from Post's MY 2022/23 figure. In MY 2022/23, U.S. wheat accounted for 2.2 percent of the market, down 28.5 percent from the previous year; this was mainly due to kosher certifications during the Jewish sabbatical year. Post forecasts Israel's imports of corn in MY 2023/24 to reach 1.7 MMT, of which 80 thousand metric tons (TMT) are expected to be of U.S. origin. Israel's imports of grain and feed will likely remain stable with a slight annual increase of 2 percent to match annual population growth. Soaring grain prices were of high concern to the local feed industry and users. Some feed prices grew by 33 percent, driving the industry to source cheaper products. Long operational queues at the seaports led to delays for weeks for offloading vessels, which created additional price increases and uncertainty in supply. The uncertainty of supplies from the BSB (Black S

Executive Summary

FAS Tel Aviv (Post) forecasts Israel's wheat production in MY 2023/24 (July – June) to reach 80 TMT, down 33 percent compared to 120 TMT in MY 2022/23. Wheat production is forecast to be lower, as it is mainly influenced by weather conditions. The 2023/24 growing season began with late rains (with almost no rainfall after seed germination) and with heavy rainfalls during February which caused some water logging issues in some of the growing areas. March began with no rainfall and of extremely high temperatures leading to low soil moisture and the possibility of early matureness in fields. The planted wheat area remains stable as it has in past years.

Israeli wheat is dependent on rainfall and Post attributes the production increase in MY 2022/23 due to good precipitation during the mild winter with no extreme weather.

Post forecasts Israel's imports of wheat in MY 2023/24 to reach 1.7 MMT, with a slight change of five percent from Post's MY 2022/23 figure. Post anticipates that if there will be a significant change in wheat imports, it will primarily be due to the rapidly changing commodity prices in the world market which can lead to substitution of other less expensive grains. Israeli feed mills alternate between the different grains according to their prices.

Post forecasts Israel's barley production in MY 2023/24 (October – September) will remain unchanged from the previous season, at about 15 TMT from a harvested area of around 5,000 hectares (ha). Post estimates that the area planted with barley is actually 6,700 ha but 1,700 ha goes to silage. The other 5,000 ha is for grain production. Most barley production is located in the south of Israel while the rest of the production is in the Beit-Sh'ean Valley, in the east of the country, (marked in yellow in map 1). Production is about 3 MT/ha for grains and around 8.5 MT/ha when cultivated for silage.

Map 1: Climatic Zones in Israel



Green: Mediterranean climate; Yellow: semi-arid climate; Brown: arid climate.

Israel is not a significant producer of corn and no corn is cultivated for feed use. Post forecasts Israel's corn consumption in MY 2023/24 (October – September) at 2.18 MMT, with no significant change compared to MY 2022/23. Consumption generally fluctuates, mainly being influenced by grain prices and availability.

Corn is the main commodity used by Israel's feed industry. Poultry and egg production drives consumption followed by dairy, turkey, and other ruminants. Post forecasts Israel's imports of corn in MY 2023/24 to reach 2.2 MMT, of which 80 TMT are expected to be of U.S. origin. In recent years, corn imports originated mainly from Ukraine, Argentina, and Brazil. MY 2022/23 saw imports of U.S. origin corn, down 64 percent compared to the previous year.

Israel is almost self-sufficient in milk, poultry, and certain fruits and vegetables, but remains highly dependent on imports of many grains, feed products, and oilseeds. Israel has limited arable land suitable for agriculture and grazing. The water used for field crops is limited, expensive, and tightly controlled by governmental quotas. Precipitation is low in most of the country and limited to the winter months from October until April, and the arid conditions limit rain-fed agriculture. Farmers prefer to use their land and water resources for cash crops and for crops with low water demand. This will not change in the near future and Israel will continue relying on grain and feed imports. Due to the growing population, future demand for grains and feed will increase in the coming years.

Wheat

Production:

In MY 2023/24, Post forecasts wheat production of 80 TMT, which is 33 percent lower than the 120 TMT of wheat production in MY 2022/23. The increase in MY 2022/23 production was a direct result of high precipitation during the normal winter season with no extreme weather. Due to the Jewish sabbatical year (September 2021- September 2022) during which agricultural crops grown in Israel are forbidden from being consumed by Jews, all the wheat produced this year was sent to the feed industry and not milled.

About 70 percent of Israeli wheat is planted in the south and the rest in the central and northern regions. 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. Annual rainfall is concentrated during the winter months, from October until April. In MY 2021/22, rainfall was above average in some areas for the third year in a row, the first time in over two decades. Despite the sufficient rainfall, farmers knowing that the planted wheat would be used for feed. Because their revenues would therefore be smaller, some used the planted areas for silage and didn't harvest grains.

Current precipitation and soil moisture distribution are not consistent with the annual averages in most parts of the country. Except for the southern parts of the country, rainfall stopped for prolonged a period of time just after germination. It followed with heavy rainfalls during early February and with extremely hot and dry weather during the last week of February. Current soil moisture is well below average, which might lead to early matureness of the fields with small low-quality grains. For the impact on total production, Post expects production to be 24 percent below the ten-year production average. As a result, Post forecasts MY 2023/24 production levels lower than MY 2022/23 production (See Table 1 below). While in any given year about 100,000 ha of wheat are planted, and only about 70 percent are harvested for milling while the remainder is used as fodder for livestock feed. Post anticipates these levels to remain steady this year.

Table 1: Israel's Wheat Production (TMT) and Annual Percent Change

MY	Total Production	Annual Percent Change
2009/10	100	67
2010/11	100	0
2011/12	100	0
2012/13	165	65
2013/14	130	-21
2014/15	90	-31
2015/16	155	72
2016/17	142	-8
2017/18	50	-65
2018/19	70	40
2019/20	75	7
2020/21	80	6.6
2021/22	98	22.5

MY	Total Production	Annual Percent Change
2022/23	120	22.4
2023/24	80*	-33.3*

*Forecast: based on weather reports, media sources.

Consumption:

Wheat consumption in MY 2023/24 is forecasted at 1.67 MMT, which is a decrease of 100 TMT from MY 2022/23 figures. Post is revising upwards total wheat distribution for MY 2022/23 by 50 TMT (2.9 percent) from 1.74 TMT. This is mainly due to slightly higher demands from feed lots and larger stocks. Tight supplies from the Black Sea Basin (BSB) are due to current political events and grain availability which can lead to higher demands for wheat from sources that commonly don't supply wheat to Israel such as India. Other countries included are Latvia and Poland, which may have been re-exported Ukrainian wheat this year. Ukrainian exports of wheat dropped by almost by 75 percent due to the continuing war.

For human consumption, there is growing preference amongst Israeli consumers to use substitutes for white wheat flour, such as rice, spelt, teff, and rye flours. Feed wheat consumption is expected to be influenced by market prices and availability in the BSB (the main source of grains for Israel). The BSB supplied 26 percent of the grain and feed imported by Israel in MY 2022/23, 30 percent lower than MY 2021/22. Tight supplies and political tension in Russia and Ukraine drove importers to source grain and feed elsewhere.

Feed Wheat – The Israeli feed milling industry shifts easily from corn, barley, and sorghum to feed wheat and vice versa, depending on prevailing prices. Feed mills do not entirely substitute one grain in their mix for another grain, regardless of the price relationship. For example, with wheat and corn, in MY 2022/23, the rapid changes in world grain prices and sharp increases in feed wheat prices and in other grains led local feed mills to shift between different ratios of grains in their feed formulas throughout the year. Larger volumes of corn were imported this year to replace some of the more expensive feed (wheat and barley) in their feed products. However, feed mills overall still used significant quantities of wheat and did not replace it completely with cheaper grains such as barley or corn.

Most mills use computerized systems to assist with substitution decisions in rations. The systems produce a best-value product considering the costs and benefits of available inputs (protein, carbohydrates, fat, price, etc.). Israeli feed mills produce hundreds of different feed formulas for different usages and for the different growth stages of the animals; as such, each formula has a slightly different feed ratio.

In MY 2022/23, Israel imported 730 TMT of feed wheat. Due to their proximity, BSB exporters (primarily Russia and Ukraine) still dominated shipments to Israel, despite the war. Imports of feed wheat from the United States in MY 2022/23 were zero, as they have been since 2010. Feed wheat from the United States was priced at least \$30/MT higher than Black Sea origin.

Milling Wheat – Israeli wheat for milling is sourced from Russia, the United States, Hungary, Germany, Canada, and Romania. Most of these imports are hard red winter wheat. All the milling wheat sourced from Russia and Ukraine this year was sourced prior to the beginning of the Sabbatical year (September 2022) and was secured in sealed silos, explaining for the

continuous supply of Russian wheat to Israel despite the war. There are 19 flour mills in Israel, with a total capacity of 1.3 MMT. In addition to milling wheat, there are also imports of packaged flour mainly from Ukraine and Russia. Annual non-feed wheat consumption in Israel used to be steady at around 1 MMT and was expected to stay stable despite annual population growth due to changing health trends that drive the use of healthier flours. Israel is also shipping some milled wheat to the Palestinian Authority (PA) due to their insufficient milling capacity and high demand.

Trade:

In MY 2023/24, Post forecasts total wheat imports at 1.7 MMT, a decrease from previous year imports of 1.79 MMT.

Feed Wheat – Post forecasts that in 2023/24 feed wheat imports will be 770 TMT. Most feed wheat is imported from the BSB and Easter Europe. The quantity of wheat imports and its source might shift due to the ongoing war between Russia and Ukraine which may influence wheat supplies and prices.

Milling Wheat – In MY 2023/24, milling wheat imports are expected to reach 900 TMT. Despite annual population growth of two percent, consumption remains stable. An increasing number of consumers in Israel are looking for white flour substitutes, such as whole wheat and gluten-free products, which is considered healthier.

Local production of milling wheat covers a maximum of 15 percent of annual consumption. The market share of U.S. wheat is expected to increase to 80 TMT.

Stocks:

In MY 2023/24, wheat stocks are forecast at 643 TMT. The increase is attributed to supply uncertainty and fluctuation in prices. Storage capacity of grains in Israel is limited, but there are plans to construct new grain silos in the port of Haifa in the coming few years.

The government's emergency stocks of milling wheat are usually at their annual high in July after the end of the harvest in Israel. During this period, stocks are generally at an estimated 150 TMT, which would be sufficient to cover two months of demand. Stocks generally decline from July through March or April to around 30 TMT and rebound again at the onset of the harvest.

Emergency stocks are based on the domestic wheat harvest size. However, in the case of a shortage in local wheat production, stocks are rebuilt with imported wheat, as was done this year. Emergency stocks are controlled by MOAG. MOAG also chooses (through tenders) the companies that are best suited to store the emergency stocks. In addition to the emergency stocks, local importers usually have some milling wheat stocks, which tend to be imported.

The MOA also holds emergency stocks of feedstuffs. These include feed grains, oilseed meal, distiller's dried grains with solubles (DDGS) and corn gluten feed (CGF). Stocks of wheat normally stand at about 120 TMT and are sufficient to meet feed demand for approximately two months. Out of the total wheat stocks of 150 TMT, about 20 TMT are feed wheat.

Table 2: Wheat Production, Supply and Distribution

Wheat Market Year Begins Israel	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	59	65	50	65	0	65
Beginning Stocks (1000 MT)	353	415	590	473	0	563
Production (1000 MT)	105	98	100	120	0	80
MY Imports (1000 MT)	2040	1708	1800	1790	0	1700
TY Imports (1000 MT)	2040	1708	1800	1790	0	1700
TY Imp. from U.S. (1000 MT)	0	140	0	40	0	80
Total Supply (1000 MT)	2498	2221	2490	2383	0	2343
MY Exports (1000 MT)	8	20	5	30	0	30
TY Exports (1000 MT)	8	20	5	30	0	30
Feed and Residual (1000 MT)	850	720	850	730	0	770
FSI Consumption (1000 MT)	1050	988	1050	1060	0	900
Total Consumption (1000 MT)	1900	1708	1900	1790	0	1670
Ending Stocks (1000 MT)	590	493	585	563	0	643
Total Distribution (1000 MT)	2498	2221	2490	2383	0	2343
Yield (MT/HA)	1.7797	1.5077	2	1.8462	0	1.2308
(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 2023/2024 = July 2023 - June 2024						

Barley

Production:

Post forecasts Israel's barley production in MY 2023/24 (October – September) at about 15 TMT from a harvested area of around 5,000 ha. Post estimates that the area planted with barley is actually 6,700 ha, but 1,700 hectares are going to silage. The other 5,000 ha is for grain production. Most barley production is located in the south of Israel, the remainder is in the Beit-Sh'e'an Valley in the east of the country. Production is about 3 MT/ha for grains and around 8.5 MT/ha when cultivated for silage.

Consumption:

FAS Tel Aviv forecasts Israel's barley consumption in MY 2023/24 at 364 TMT with almost no change from the MY 2022/23 figure of 372 TMT.

Post is revising MY 2022/23 feed consumption estimates down by 113 TMT to 372 TMT, from earlier estimates of 485 TMT. The decrease is due to the higher prices of barley compared to corn. Barley is used as feed but can be alternated with feed wheat. The percentage of barley in feed is determined by the market prices of barley and wheat; this year, the price of both feed barley and feed wheat were almost the same. Following feed wheat and corn, barley is the third most utilized feed grain in Israel. Post anticipates that annual consumption will range from 250 to 500 TMT over the next few years. Barley's main use in Israel is for sheep feed. Most feed mills will swap out feed wheat for barley depending on prices, as seen this year following the price increase of barley.

Trade:

FAS Tel Aviv forecasts Israel's imports of barley in MY 2023/24 at around 350 TMT, same as 2022/23 figures. There have been no U.S.-origin barley imports in recent years. Most of Israel's barley imports come from the BSB taking advantage of shipping proximity and lower prices. This year, part of the Ukrainian barley was replaced by French and Bulgarian products. With no change from past years, Russia still dominated the supplies of barley this year; however, depending on the duration of the current conflict in Ukraine, it will likely impact where Israel sources its barley in the near term.

Barley and other grains are necessary in feed rations due to the presence of a pigment in corn called *xanthophyll 1* that turns broiler meat yellow. Poultry producers and feed millers use higher amounts of barley, sorghum, or even feed wheat to mitigate the strong yellow pigment in chicken meat. Israeli consumers tend to associate yellow color in poultry to poor animal health and obesity. In recent years, annual barley imports have varied between 190 TMT and 550 TMT and will stay at these levels in the coming years.

Stocks:

FAS Tel Aviv forecasts Israel's barley stocks in MY 2023/24 at 36 TMT. Most of the stocks will be from the government's emergency feedstuff stocks. A limited number of stocks may, however, be held at private feed mills.

Table 3: Barley Production, Supply and Distribution

Barley Market Year Begins Israel	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	7	5	6	5	0	5
Beginning Stocks (1000 MT)	33	42	30	42	0	35
Production (1000 MT)	10	15	10	15	0	15
MY Imports (1000 MT)	317	470	350	350	0	350
TY Imports (1000 MT)	317	470	350	350	0	350
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	360	527	390	407	0	400
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)	320	475	350	362	0	354
FSI Consumption (1000 MT)	10	10	10	10	0	10
Total Consumption (1000 MT)	330	485	360	372	0	364
Ending Stocks (1000 MT)	30	42	30	35	0	36
Total Distribution (1000 MT)	360	527	390	407	0	400
Yield (MT/HA)	1.4286	3	1.6667	3	0	3

(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 2023/2024 = October 2023 - September 2024

Corn

Production:

Israel is an insignificant producer of corn. No corn is cultivated for feed use. In calendar year (CY) 2022, total planted area was around 14,000 ha. Over half of this amount is for silage, with some 6,000 ha cultivated for human consumption as sweet corn (either fresh or processed).

Popcorn grows on about 1,000 ha. Israel is entirely dependent on imports of feed corn and corn for the starch industry. Due to water constraints (dependency on irrigation, water shortages, and high prices), farmers continue to produce other higher value crops in lieu of feed corn.

Consumption:

FAS Tel Aviv forecasts Israel's corn consumption in MY 2023/23 (October – September) at 2.18 MMT with almost no change from MY 2022/23 figures. Post is revising MY 2022/23 consumption estimates up by 360 TMT to 2.19 MMT, from earlier estimates of 1.83 MMT. The increase is due mainly to the more attractive market price of corn this year and some shipments that were sent to Israel earlier this year that were not offloaded due to a long operational queue at the ports. This led to not capturing these shipments in the MY figures. Port operational queues in the past year are still long and in some cases, vessels must wait in the queue for offloading for over a month. This bears additional costs for the importers and later reflect on the consumer prices. The volume of corn used in some feed products (and replacing it with less expensive wheat and barley) might change throughout the year due to world commodity prices.

Corn is the main commodity used by Israel's feed industry. In recent years, there have also been corn purchases by farmers and the wildlife protection services – the corn is used to feed migrating birds to keep them away from agricultural fields and inland aquaculture.

Poultry and egg production drives consumption, followed by dairy, turkey, and other ruminants. Annual per capita meat consumption in Israel is estimated at 86.1 kilogram (KG) per person.

BROILERS: Poultry production in 2022 is estimated at 530,000 MT, with no change from the last year (official figures for the whole year have not yet been published). The demand for poultry meat in MY 2022/23 were slowed and consumption did not reflect the natural population growth. A possible factor that limited growth in this sector might be the soaring market prices for poultry meat. Chicken breast prices increased by almost 80 percent as well as other poultry cuts attributed mainly to the higher costs of feed and production, but also due to a new domestic veterinary regulation imposed last year. This regulation moved the veterinary supervision for slaughter houses from the Veterinary Services at MOAG to the Food Control Services in the Ministry of Health. Israel is self-sufficient in broiler production and there are almost no imports.

TABLE EGGS: In 2022, table egg production was 2.12 billion eggs (official figures for the whole year have not yet been published), an increase of 9 percent from last year. Egg production in Israel is regulated by production quotas. Shortages in the Israeli market usually occur around the months of April and September due to local holidays and imported table eggs fill the gap.

The Ministry of Agriculture and Rural Development with the Poultry Board, control table egg production through a production quota system. The table egg prices are regulated, and this year the government approved a price increase twice—one of seven percent, followed by an increase of 16 percent a few months later due to increasing production costs. There is little incentive or interest in changing the existing system, and therefore, Israel will continue importing eggs in order to fill in the gap. Imported eggs are cheaper than locally produced eggs but sold at the same price in the market due to governmental intervention.

MILK: In 2022, local cow milk production was 1,495 million liters as was determined by the Dairy Board production quotas. As production is regulated by quotas, 2023 figures should be like those of the past year. The production quota is set by the Dairy Board in order to prevent over-production. This year the Israeli consumer faced shortages in fresh milk for the first time in decades. Shortages were attributed mainly to the industry which preferred to use milk for more lucrative dairy products rather than producing fresh milk which is price regulated by the government. Post estimates that total milk production will stabilize around the quota quantities even with the growing population due to the increase in consumption of milk substitutes and in imported dairy products (mainly semi hard cheeses and butter). Local consumption per capita is about 197 liters per person. Israel also produces 14 million liters of goat milk and around 10 million liters of sheep milk.

BEEF: There are three main sources for beef in Israel:

1. Imported frozen or chilled beef: 50-60 percent of supplies.
2. Imported feeder cattle that is fed and slaughtered in Israel: 25-30 percent of supplies.
3. Local grown cattle for beef: 3-4 percent of supplies.
4. Cattle sent from local dairy farms for slaughtering (old cows, male calves, cows that cannot get pregnant): 12-14 percent of supplies.

No official figures have been published yet for 2022, but local beef production reached 80,000 MT in 2020 and due to a decrease in live cattle imports during the past year, Post estimates that local production decreased by 2,000 MT which were replaced by imported beef. Israel is increasingly dependent on imported feeder cattle, as well as chilled or frozen beef as demand for beef rises. With the resource constraints and high dependence on imported inputs, locally produced beef is now more expensive than the imported product. Post expects to continue to see an increase in both chilled and frozen beef imports due to increasing demand, and a decrease in imported feeder cattle due to animal welfare groups that call for a ban on live feeder cattle imports.

Israel imported 277,616 heads of feeder cattle in 2022, down 5.6 percent from 2021. This decrease can be attributed to one or more of the following factors – extremely high freight costs mainly in the first month of 2022, higher production costs mainly due to feed and energy prices making local production much higher than imported beef and due to lifting of quotas for imported beef.

TURKEY: Turkey meat is not common in Israeli cuisine. The local processing industry absorbs most domestically produced turkey. Total production in CY 2022 is estimated at 82,900 MT (final figures are not yet published) with no change from 2021 figures. Turkey consumption is highly influenced by the hotel, restaurant, and institutional sector (HRI), mainly in some street food dishes (shawarma). The turkey meat price increase rolled over to consumers and market prices for street food became extremely expensive limiting consumption.

MUTTON AND GOAT MEAT: Israeli production of mutton and goat is estimated at 12,000 MT in 2020 (latest figure available), largely unchanged from previous years. Consumption is stabilizing at this amount for the near future, most of the fresh supply of mutton meat originates from imported lambs that are sent to local feed lots. In MY 2022, Israel imported some 541,941

lambs for feeding, up by 76,177 heads from MY 2021. The increase of imports of lambs over the past two years might be a sign for change in trends having local consumers shifting from poultry and beef to mutton meat.

PORK: Due to religious restrictions on pork consumption by the Jewish and Muslim population, local pork production is relatively small and production levels have remained unchanged since 1997, totaling about 14,000 MT. The Israeli Kosher Law prohibits imports of non-kosher meats but does permit domestic pork production.

FEED INDUSTRY: Eight feed mills control about 90 percent of the local feed milling industry. The largest feed miller controls 22 percent of the market and plans to increase production by 12 percent. There are some 150 feed centers in Israel. These are communal feed mills operated by local farming communities (i.e., Kibutzim), and sell their feed mix to the cattle industry. Fifteen of these are large feed centers servicing the largest cattle producers while the remaining 135 are smaller operations, selling feed to smaller producers. Each small feed center supplies feed to 100-300 cattle.

In MY 2021, the largest vegetable oil company in Israel (Shemen) shut down. The company produced soybean, corn, sunflower and canola oils for the domestic market. The company imported the oilseeds for its oil production and sold the different meals that were produced as a byproduct to the local feed industry. After the company’s closure, most of the vegetable oils (excluding olive oil) are now imported into the country. As of MY 2021/22, Israel saw an increase of oilseed meal imports, mainly soymeal, to replace the lack of domestic production.

In Israel, due to the dry weather including long dry summers and short winters with little rainfall, beef cattle lack grazing meadows. Most of the year farmers must feed cattle, making beef production in Israel relatively expensive. Post estimates that the total market for the Israeli feed milling industry (feed millers and feed centers) is about 4 MMT (excluding hay and silage). Their typical formulation is composed of grains, oilseed meals (i.e., soy, sunflower, and canola), and other feed sources such as DDGS and CGF. Israeli feed mills export about 15 percent of their production to Jordan and the Palestinian Authority (PA).

Table 4: Feed Prices in Israel (US\$/MT)

	August 2020	August 2021	August 2022	% Difference (2021-2022)
Corn	198	340	363	6.8
Barley	220	312	400	28.2
Feed wheat	245	335	405	20.8
Soy meal	408	580	680	17.2
Gluten feed	243	340	455	33.8
Canola meal	260	359	463	29
Sunflower meal	276	400	443	10.8
DDGS	258	395	470	19
Exchange rate INS/\$	3.4	3.22	3.28	1.8

Source: Israeli Cattle Growers Association, COMMODEX reports

Trade:

In MY 2023/24, corn imports are expected to be 2.2 MMT, of which 80 TMT are expected to be of U.S. origin. In recent years, corn has been imported mainly from Ukraine, Argentina, and Brazil. In MY 2022/23, 80 TMT of U.S. corn was exported to Israel. The dramatic decline of U.S. corn exports to Israel in the past decade is due to competitive pricing of Ukraine and South American corn, cheaper shipping costs, and quality concerns with U.S. corn. Notably, in the Middle East and North Africa, U.S. corn is increasingly perceived as being of lower quality than South American or Black Sea product. Corn shipments from the United States typically arrive with a higher percentage of broken kernels than comparable shipments from other sources.

Ukrainian and other Black Sea corn sources' proximity to Israel results in a freight advantage over the United States and South America. Israeli importers report that Ukrainian corn (including freight) may be as much as \$30 per ton lower than the U.S. product. However, in MY 2022/23, political tensions between Ukraine and Russia limited availability and supplies from the BSB. The main supplier of corn in MY 2022/23 was still Ukraine, with Brazil coming second with much higher quantities supplied this year. Corn prices in the local market (See Table 4) increased by only 6.8 percent this year, keeping it much cheaper than wheat and barley. This drove the feed industry to increase its corn use replacing some of the other grains used in the meals. Corn imports over the past ten years have ranged between 900 – 2,000 TMT, this MY imports reached 2,200 TMT.

Israel remains a steady, long-time customer of U.S. corn co-products including DDGS and CGF. In recent years, DDGS and CGF imports have increased significantly. In MY 2022/23, Israel imported 564 TMT of CGF and DDGS, of which 88 percent was from the United States. This figure has doubled in the last decade. The country's dairy sector is a heavy user of DDGS and CGF with some DDGS earmarked for poultry consumption.

Stocks:

MY 2023/24 ending stocks are forecast at 125 TMT. These stocks will be held in government storage, as well as privately-owned feed mills and centers.

Table 5: Corn Production, Supply and Distribution

Corn Market Year Begins Israel	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
	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)	114	100	130	114	0	115
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	1826	1839	1500	2200	0	2200
TY Imports (1000 MT)	1826	1839	1500	2200	0	2200
TY Imp. from U.S. (1000 MT)	225	220	0	80	0	80
Total Supply (1000 MT)	1940	1939	1630	2314	0	2315
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)	1700	1729	1400	2089	0	2080
FSI Consumption (1000 MT)	100	100	100	100	0	100
Total Consumption (1000 MT)	1800	1829	1500	2189	0	2180
Ending Stocks (1000 MT)	130	114	120	115	0	125
Total Distribution (1000 MT)	1940	1939	1630	2314	0	2315
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 2023/2024 = October 2023 - September 2024

Attachments:

No Attachments