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# GAIN Report

Global Agricultural Information Network

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## Israel

### Grain and Feed Annual

### Annual Report

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**Report Highlights:**

Israel is almost completely dependent on imports to meet its grain and feed needs. Due to the expected continued high supplies of feed wheat and barley from Eastern Europe and the Black Sea Basin (BSB) in 2009/10, it is estimated that the local feed milling industry will continue to import high volumes of feed wheat. Feed wheat and corn are the main ingredients of feedstuffs used in local poultry, dairy, cattle and aquaculture farms in Israel. In MY 2008/9 American corn share decreased significantly to 17 percent share, however it is expected that American corn market share in 2009/10 will rebound to 30-40 percent on the account of the Russian and Ukraine share. Post estimates the U.S. share of milling wheat is projected to remain at 25-35 percent in the forthcoming years, while the remainder is being supplied mainly by Russia, Ukraine and Kazakhstan. The Israeli feed milling industry shifts easily from corn, barley and sorghum to feed wheat, depending on price relationships. If supplies of feed wheat and corn from Ukraine, Russia and Kazakhstan will not change significantly from MY 2008/09, and global corn production stays at MY 2008/9 levels, therefore it is forecasted that imports of feed wheat and corn in MY 2010/11 will not change dramatically from MY

## **Executive Summary:**

Despite the global and local economic slowdown, total grain import demand in MY 2008/09 increased slightly compared to the previous year (from 3.12 million tons to 3.19 million tons). As a result of the high grains yields in Russia, Ukraine and Kazakhstan, imports of feed wheat (0.9 million tons- record high) and barley (0.36 million tons) increased, while corn and sorghum imports decreased. Competitive prices of corn from Ukraine and Russia caused decreased corn imports from the US, whose market share for corn dropped in MY 2008/09 by almost 80 percent, compared to the previous year (from 88 percent share to 17 percent share).

In MY 2008/09 milling wheat imports reached a 7 year record. The increase was due to restricted local wheat supplies, combined with rising demand by the Palestinian Authority.

Total grain demand in MY 2009/10 is estimated to remain relatively constant at just above 3 million tons, mostly wheat (1.6-1.8 million tons) and corn (0.9-1.0 million tons).

Due to the expected continued high supplies of feed wheat and barley from the Black Sea Basin (BSB) in MY 2009/10, it is estimated that the local feed milling industry will continue to use feed wheat and barley on the account of corn and sorghum.

As a result of the projected increase in local wheat harvest in MY 2009/10, milling wheat imports in MY 2009/10 are expected to decrease slightly compared to previous year levels. Due to the continued high supplies of milling wheat from eastern European countries, U.S. market share of milling wheat is expected to decrease slightly from 33 percent in MY 2008/09 to 29-32 percent in MY 2009/10.

Due to continued competition of feed wheat and barley from the BSB in MY 2009/10, corn imports are estimated to remain relatively constant at about 1 million tons. In addition, it is expected that corn imports from the competitors will decrease in 2009/10. Therefore, post estimates that U.S. market share of corn in Israel will increase from 17 percent in MY 2008/09 to 25-40 percent in 2009/10 (about 300-400 tmt of U.S. corn).

The Israeli feed milling industry shifts easily from corn, barley and sorghum to feed wheat, depending on price relationships. If supplies of feed wheat and corn from Ukraine, Russia and Kazakhstan will not change significantly from MY 2008/09, and global corn production stays at MY 2008/9 levels, therefore it is forecasted that imports of feed wheat and corn in MY 2010/11 will not change dramatically from MY 2008/09 levels. On the other hand, if feed wheat supplies will decrease in addition to the assumption that world corn production will not decrease, therefore corn imports into Israel will increase to 1.1-1.3 million tons and feed wheat imports will decrease to 0.6-0.7 million tons.

Due to favorable rainfall in most of Israel (however some parts in the southern part of the country have experienced low precipitation levels) it is estimated that domestic wheat production for MY 2009/10 will be higher, compared to previous year production levels, and will total about 130,000-160,000 MT; however it is expected to be slight below national average wheat production levels. A more precise estimate will be available in April-May 2010.

Driven by the sharp drop in world prices for corn, combined with an ongoing water supply crisis that Israel is facing, domestic corn production is expected to remain at current levels in MY 2009/10 at 10,000-12,000 tons.

## Commodities:

Wheat

## Production:

### Local Wheat Production

In MY 2008/09, Israel suffered a drought in the Negev region, which is the largest wheat growing area in the country. On the other hand, in the northern parts of the country weather conditions were good. In conclusion, production in MY 2008/9 increased 40 thousand tons or 60 percent compared to the previous year; however, total local production was still below national average wheat production levels. All local wheat is for human consumption; however, about 1,500 tons (1.5% out of total wheat production) were sold as animal feed due to low gluten index.

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. Due to favorable rainfall in the northern and most of the southern parts of the country, it is estimated that wheat production will total about 130,000-160,000 MT in MY 2009/10. A more precise estimate will be available in April-May 2010.

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

<b>MY</b>	<b>Total Production</b>	<b>Percent Change Compared to Previous Year</b>
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	60	-58.6
2009	100	67
2010*	130-160	30-60

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

As a result of the drought conditions in MY 2008/09, the Ministry of Agriculture declared a drought year in the southern part of the country, which is the main wheat growing area.

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 MY 2008/09, the average base price paid to farmers was \$305.3/ton.

## Consumption:

Despite the continued global and local economic slowdown, local consumption is forecast to remain relatively constant at 1.6-1.8 million tons in MY 2009/10. Human consumption in Israel is steady at about

750,000-800,000 tons annually, so any variation in total annual consumption is a result of changes in wheat for feed use, and increasing demand by the Palestinian Authority.

There are 19 flour mills in Israel and their full capacity is 1.2-1.4 million tons. The Israeli feed milling industry shifts easily from corn, barley and sorghum to feed wheat, depending on price relationships. Due to expected continued high supplies of feed wheat from Eastern Europe and the Black Sea Basin (BSB) in MY 2009/10, the local feed milling industry will continue to prefer feed wheat on the account of corn and sorghum.

### **Trade:**

MY 2009/10 Outlook - As a result of the expected continued high yields in milling wheat supplies from the BSB in 2009/10 combined with the projected increased domestic yields, it is estimated that U.S. market share of milling wheat in Israel will decrease slightly, compared to the previous year decrease from 33 percent in 2008/09 to 29-32 percent in 2009/10. Post estimates the U.S. share of milling wheat will remain at 25-35 percent in the forthcoming years.

It is estimated that domestic milling wheat production in MY 2009/10 will be above previous year crop levels, in addition to the fact that retail packaged flour imports from Ukraine and Turkey have increased recently, and milling wheat imports are expected to decrease 7-15 percent compared to the previous year from 941 tmt in 2008/09 to about 800-870 tmt in 2009/10.

Due to the continued low prices for feed wheat compared to other feedstuff, it is expected that the Israeli feed milling industry will continue to use feed wheat as the main feed grain on the account of corn and sorghum. However, on the other hand, corn imports are expected to increase in the second half of MY 2009/10 compared to the previous year. Feed wheat imports are expected to total 830-920 tmt in 2009/10, ranging from a 10 percent decrease to unchanged from the previous year. All feed wheat is imported from the BSB.

Data for the first quarter of 2009/10 (October-December) show feed wheat imports decreased by 14 percent from the same period one year ago (from 269 tmt to 230 tmt).

MY 2010/11 Outlook - The Israeli feed milling industry shifts easily from corn, barley and sorghum to feed wheat, depending on price relationships. If supplies of feed wheat and milling wheat from Ukraine, Russia and Kazakhstan will not change significantly from MY 2008/09, imports of feed wheat and milling wheat will not change dramatically from MY 2008/09 levels and will total about 1.5-1.8 million tons.

MY 2008/9 - Due to the dramatic decrease in feed wheat prices, Israeli feed milling industry shifted from corn and sorghum to feed wheat and imports of feed wheat reached a record high, with 918 tmt, a 91 percent increase from MY 2007/08.

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

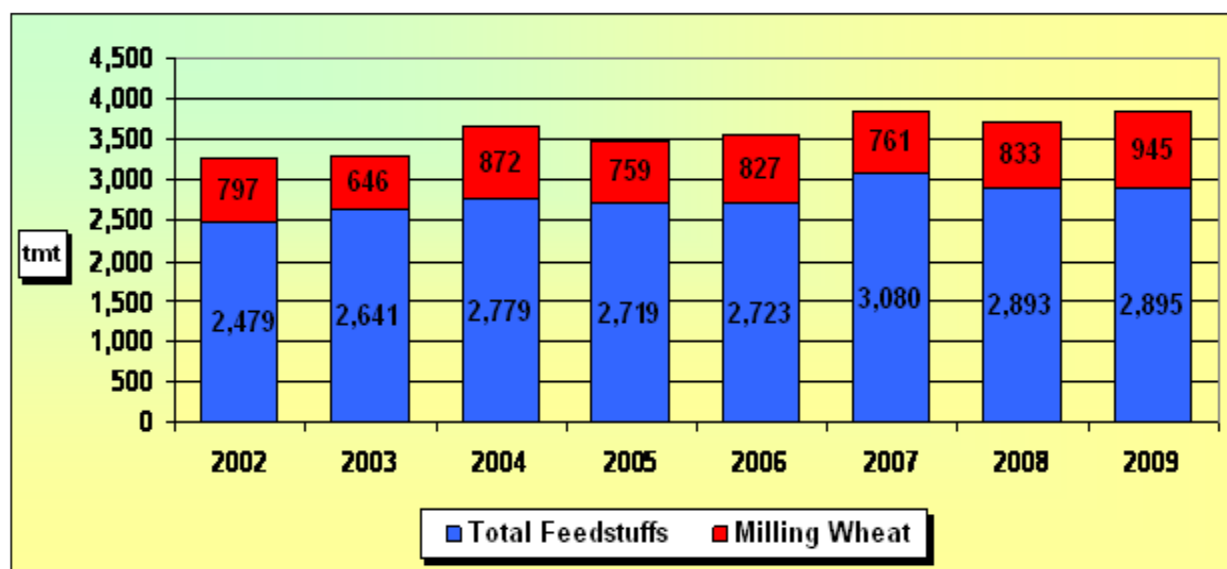
Imports of milling wheat in MY 2008/09 increased 10 percent compared to the previous MY (from 856 tmt to 941 tmt) and reached a 7<sup>th</sup> year record. The increase was due to the drought conditions in MY 2008/09 in Israel and in order to rebuild stocks milling wheat imports increased. In addition, the increased imports are attributed to the rising demand by the Palestinian Authority (PA) for milling wheat.

Despite the high milling wheat supplies from the Black Sea Region in MY 2008/09, imports of U.S. milling wheat decreased only slightly (from 319 tmt in 2007/08 to 314 tmt in 2008/09) compared to the previous MY. The slight decrease in imports of U.S. milling wheat is mainly due to the fact that Israeli milling industry is aware of the superiority of U.S. milling wheat as a bakery ingredient. On the other hand, the most significant factor for the PA milling wheat industry is the price factor; therefore, PA purchases only milling wheat from the BSB region.

All in all, due to the increased imports of milling wheat from the BSB region, the market share of U.S. milling wheat decreased 10 percent compared to the previous year (from 37 percent share in 2007/08 to 33 percent share in 2008/09).

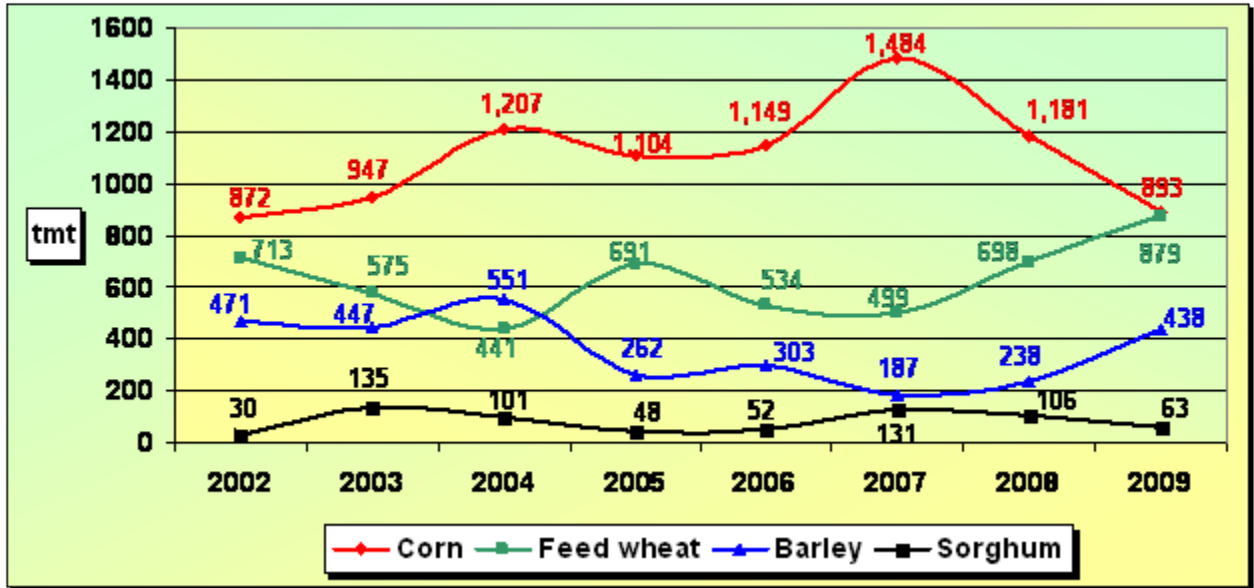
American milling wheat is imported only for the Israeli market and the remainder is being supplied mainly by Russia, Ukraine and Kazakhstan. In addition, Israel imports small quantities of milling wheat from Hungary and France. In recent years Israeli importers imported German milling wheat, however due to kosher concerns between German wheat growers and the Chief Rabbinical Council, imports of German wheat in MY 2008/09 stopped totally.

**Chart 1: Total Import of Feedstuff and Milling Wheat, CY**



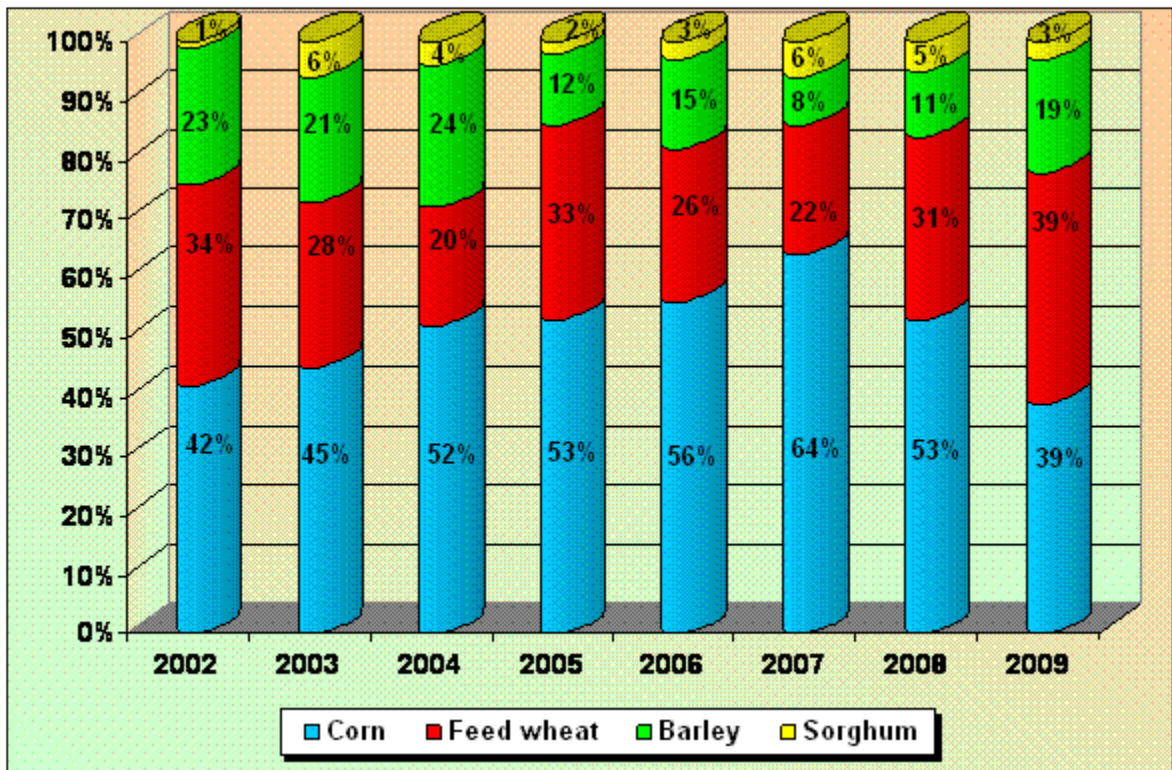
Source: Israeli Ministry of Agriculture

**Chart 2: Major Grains/Feedstuff Import to Israel, CY**



Source: Israeli Ministry of Agriculture

Chart 3: Major Grains/Feedstuff Import to Israel, Market Share, CY



Source: Israeli Ministry of Agriculture

Table 2: 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
2007	856	481	1,337	202	1,412	171	3,122
2008	941	918	1,859	362	899	70	3,190
<b>Average</b>	<b>798</b>	<b>602</b>	<b>1,400</b>	<b>348</b>	<b>1,116</b>	<b>92</b>	<b>2,955</b>

Source: Ministry of Agriculture, Office of Prices and Supply

Table 3: 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
2007	27.4	15.4	42.8	6.5	45.2	5.5	100.0
2008	29.5	28.8	58.3	11.3	28.2	2.2	100.0
<b>Average</b>	<b>26.9</b>	<b>20.5</b>	<b>47.4</b>	<b>12.0</b>	<b>37.6</b>	<b>3.0</b>	<b>100.0</b>

Source: Ministry of Agriculture, Office of Prices and Supply

Table 4: 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
2007	37	0	0	88	96
2008	33	0	0	17	0
<b>Average</b>	<b>42</b>	<b>0</b>	<b>0.4</b>	<b>51</b>	<b>68</b>

Source: Ministry of Agriculture, Office of Prices and Supply

Import Trade Matrix Israel Wheat			
Time Period	MY	Units	1,000 MT
Imports for	<b>2007/08</b>	Imports for	<b>2008/09</b>
U.S.	319	U.S.	314

Others		Others	
Total for Others	0	Total for Others	0
Others not Listed	1,096	Others not Listed	1,545
<b>Grand Total</b>	<b>1,337</b>	<b>Grand Total</b>	<b>1,859</b>

<b>Import Trade Matrix Israel Wheat</b>			
<b>Time Period</b>	<b>CY</b>	<b>Units</b>	<b>1,000 MT</b>
Imports for	<b>2008</b>	Imports for	<b>2009</b>
U.S.	314	U.S.	315
Others		Others	
Total for Others	0	Total for Others	0
Others not Listed	1,217	Others not Listed	1,509
<b>Grand Total</b>	<b>1,531</b>	<b>Grand Total</b>	<b>1,824</b>

<sup>[1]</sup> October-September

### Stocks:

The emergency stocks in July are usually at record high and are estimated at 165,000 tons. Stocks generally decline from July through May (30,000 tons), and then begin rebounding again in the spring 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 rebuild with imported milling wheat.

### Production, Supply and Demand Data Statistics:

<b>PS&amp;D TABLE ISRAEL WHEAT</b>										
	<b>2008</b>			<b>2009</b>			<b>2010</b>			
	<b>2008/2009</b>			<b>2009/2010</b>			<b>2010/2011</b>			
	<b>Market Year Begin: Jul 2008</b>			<b>Market Year Begin: Jul 2009</b>			<b>Market Year Begin: Jul 2010</b>			
	<b>Official</b>	<b>Post</b>	<b>New Post Data</b>	<b>Official</b>	<b>Post</b>	<b>New Post Data</b>	<b>Official</b>	<b>Post</b>	<b>New Post Data</b>	
<b>Area Harvested</b>	50	50	50	60	60	60			70	(1000 HA)
<b>Beginning Stocks</b>	125	206	125	145	156	165			165	(1000 MT)
<b>Production</b>	60	60	60	80	80	100			160	(1000 MT)
<b>MY Imports</b>	2,060	1,520	1,859	2,100	1,480	1,720			1,650	(1000 MT)
<b>TY Imports</b>	2,060	1,520	1,859	2,100	1,480	1,720			1,650	(1000 MT)
<b>TY Imports from U.S.</b>	382	230	314	0	290	280			300	(1000 MT)
<b>TOTAL SUPPLY</b>	2,245	1,786	2,044	2,325	1,716	1,985			1,975	(1000 MT)
<b>MY Exports</b>	0	0	0	0	0	0			0	(1000 MT)
<b>TY Exports</b>	0	0	0	0	0	0			0	(1000 MT)



<b>Feed Consumption</b>	1,150	700	929	1,200	660	870			840	(1000 MT)
<b>FSI Consumption</b>	950	930	950	950	910	950			970	(1000 MT)
<b>Total Consumption</b>	2,100	1,630	1,879	2,150	1,570	1,820			1,810	(1000 MT)
<b>Ending Stocks</b>	145	156	165	175	146	165			165	(1000 MT)
<b>TOTAL DISTRIBUTION</b>	2,245	1,786	2,044	2,325	1,716	1,985			1,975	(1000 MT)
<b>Yield</b>	1.	1.	1.2	1.	1.	1.6667			2.2857	(MT/HA)

## Commodities:

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 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 crop year 2008/09 totaled about 1,500 tons, unchanged from crop year 2007/08 levels.

## Consumption:

Israel is one of the world's largest barley consumers, and according to USDA data, in MY 2008/09 Israel was the 8th largest importer of barley.

## Trade:

*MY 2009/10 Outlook* - It is expected that higher supplies from Eastern Europe (mainly Ukraine) will increase barley imports into Israel in MY 2009/10. On the other hand, competitive prices of feed wheat from the Black Sea Region combined with expected increased supplies of corn in the second half of MY 2009/10 will moderate barley imports' increase. Therefore, it is estimated that barley imports in 2009/10 will increase 15-35 percent compared to the previous year, and will total about 420-490 TMT.

Data for the first quarter of 2009/10 (October-December) show barley imports have increased significantly from the same period one year ago (from 60 tmt to 136 tmt - 127 percent up), however post is expecting the pace to decrease significantly during the rest of MY 2009/10 as corn and feed wheat imports will increase.

*MY 2010/11 Outlook* - The Israeli feed milling industry shifts easily from corn, barley and sorghum to feed wheat, depending on price relationships. If supplies of feed wheat from Eastern Europe and BSB do not change significantly from MY 2008/9 levels and barley prices are competitive, barley imports will

likely remain the same or exceed MY's 2008/09 levels by 5-20 percent in order to meet the projected slight growth in demand.

In recent years (CY) barley imports were not less than 200 tmt and not more than 550 tmt per year. Annual average barley imports from 1998 through 2009 is 390 tmt.

MY 2008/09 - In MY 2008/09, due to higher supplies of barley mainly from Ukraine, combined with decreased imports of corn, imports of barley increased nearly 80 percent compared to the previous year (from 202 tmt to 362 tmt).

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

<b>Import Trade Matrix Israel Barley</b>			
<b>Time Period</b>	<b>MY</b>	<b>Units</b>	<b>1,000 MT</b>
<b>Imports for</b>	<b>2007/08</b>	<b>Imports for</b>	<b>2008/09</b>
<b>U.S.</b>		<b>U.S.</b>	
<b>Others</b>		<b>Others</b>	
<b>Total for Others</b>		<b>Total for Others</b>	
<b>Others not Listed</b>	202	<b>Others not Listed</b>	362
<b>Grand Total</b>	202	<b>Grand Total</b>	362

<b>Import Trade Matrix Israel Barley</b>			
<b>Time Period</b>	<b>CY</b>	<b>Units</b>	<b>1,000 MT</b>
<b>Imports for</b>	<b>2008</b>	<b>Imports for</b>	<b>2009</b>
<b>U.S.</b>		<b>U.S.</b>	
<b>Others</b>		<b>Others</b>	
<b>Total for Others</b>		<b>Total for Others</b>	
<b>Others not Listed</b>	238	<b>Others not Listed</b>	438
<b>Grand Total</b>	238	<b>Grand Total</b>	438

**Production, Supply and Demand Data Statistics:**

<p><b>PS&amp;D TABLE ISRAEL BARLEY</b></p>
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	2008			2009			2010			
	2008/2009			2009/2010			2010/2011			
	Market Year Begin: Oct 2008			Market Year Begin: Oct 2009			Market Year Begin: Oct 2010			
	Official	Post	New Post Data	Official	Post	New Post Data	Official	Post	New Post Data	
<b>Area Harvested</b>	0	0	0	0	0	0			0	(1000 HA)
<b>Beginning Stocks</b>	45	6	45	60	10	47			46	(1000 MT)
<b>Production</b>	0	0	0	0	0	0			0	(1000 MT)
<b>MY Imports</b>	375	270	362	325	320	420			350	(1000 MT)
<b>TY Imports</b>	375	270	362	325	320	420			350	(1000 MT)
<b>TY Imports from U.S.</b>	0	0	0	0	0	0			0	(1000 MT)
<b>TOTAL SUPPLY</b>	420	276	407	385	330	467			396	(1000 MT)
<b>MY Exports</b>	0	0	0	0	0	0			0	(1000 MT)
<b>TY Exports</b>	0	0	0	0	0	0			0	(1000 MT)
<b>Feed Consumption</b>	350	255	350	325	290	410			346	(1000 MT)
<b>FSI Consumption</b>	10	11	10	10	12	11			10	(1000 MT)
<b>Total Consumption</b>	360	266	360	335	302	421			356	(1000 MT)
<b>Ending Stocks</b>	60	10	47	50	28	46			40	(1000 MT)
<b>TOTAL DISTRIBUTION</b>	420	276	407	385	330	467			396	(1000 MT)
<b>Yield</b>	0.	0.	0.	0.	0.	0.			0.	(MT/HA)

## 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, primarily corn and feed wheat. In crop year 2008/09, about 2,000 hectares were planted for sorghum silage. The majority of sorghum production is located in the central and northern parts of Israel. Production in crop year 2008/09 totaled about 30,000 MT, 50 percent up from crop year 2007/08 levels. Post estimates that sorghum silage production in crop year 2009/10 will be about 25,000 MT.

## Consumption:

Israel is one of the world's largest sorghum consumers, and according to USDA data, in MY 2007/08 Israel was the 5<sup>th</sup> largest importer of sorghum.

**Trade:**

MY 2009/10 Outlook - Due to the expected continued high supplies of feed wheat and barley from the BSB combined with the expected restricted sorghum supplies from Ukraine, it is estimated that sorghum imports in 2009/10 will decrease by 40-60 percent compared to the previous MY, and will reach about 20,000-40,000 MT.

In recent years Israeli importers have started to purchase Ukraine sorghum on the account of American sorghum, and in MY 2008/9 the U.S. market share of sorghum in Israel decreased to 0 percent. Although it's estimated that sorghum supplies from Ukraine will decrease in MY 2009/10, it is expected that most of the sorghum will be imported from Ukraine, and the U.S. share will total 0-30 percent.

Most of the sorghum is being imported to Israel between December through March. The reason for this is the Passover kosher issue. Sorghum is gluten-free, therefore it is not one of the four grains that can create chametz/non kosher for Passover (wheat, oat, barley and rye).

MY 2010/11 Outlook - The Israeli feed milling industry shifts easily from corn, barley and sorghum to feed wheat, depending on price relationships. If supplies of feed wheat from Eastern Europe and BSB will not change much from MY 2008/9 levels, total sorghum imports into Israel are forecasted to reach up to 70,000 MT in 2010/11.

MY 2008/9 - The dramatic decrease in sorghum imports was due to the fact that feed wheat replaced sorghum combined with Israeli surpluses in its sorghum stocks. All in all, sorghum imports in 2008/09 decreased nearly 60 percent from the previous MY.

In MY 2008/09, the market share for U.S. sorghum decreased 100 percent compared to the previous MY. The dramatic decrease in U.S. market share was due to significant price differences between Ukraine sorghum (about \$200/ton) and American sorghum (about \$230/ton), combined with un-restricted supplies of feed wheat from Eastern European countries.

<b>Import Trade Matrix Israel Sorghum</b>			
<b>Time Period</b>	<b>MY</b>	<b>Units</b>	<b>1,000 MT</b>
<b>Imports for</b>	<b>2007/08</b>	<b>Imports for</b>	<b>2008/09</b>
<b>U.S.</b>	164	<b>U.S.</b>	0
<b>Others</b>		<b>Others</b>	
<b>Total for Others</b>	0	<b>Total for Others</b>	0
<b>Others not Listed</b>	7	<b>Others not Listed</b>	70
<b>Grand Total</b>	171	<b>Grand Total</b>	70

**Import Trade Matrix**

<b>Israel Sorghum</b>			
<b>Time Period</b>	<b>CY</b>	<b>Units</b>	<b>1,000 MT</b>
<b>Imports for</b>	<b>2008</b>	<b>Imports for</b>	<b>2009</b>
<b>U.S.</b>	93	<b>U.S.</b>	0
<b>Others</b>		<b>Others</b>	
<b>Total for Others</b>	0	<b>Total for Others</b>	0
<b>Others not Listed</b>	13	<b>Others not Listed</b>	63
<b>Grand Total</b>	106	<b>Grand Total</b>	63

**Production, Supply and Demand Data Statistics:**

<b>PS&amp;D TABLE ISRAEL SORGHUM</b>										
	<b>2008</b>			<b>2009</b>			<b>2010</b>			
	<b>2008/2009</b>			<b>2009/2010</b>			<b>2010/2011</b>			
	<b>Market Year Begin: Oct 2008</b>			<b>Market Year Begin: Oct 2009</b>			<b>Market Year Begin: Oct 2010</b>			
	<b>Official</b>	<b>Post</b>	<b>New Post Data</b>	<b>Official</b>	<b>Post</b>	<b>New Post Data</b>	<b>Official</b>	<b>Post</b>	<b>New Post Data</b>	
<b>Area Harvested</b>	0	0	0	0	0	0			0	(1000 HA)
<b>Beginning Stocks</b>	2	20	2	0	10	0			0	(1000 MT)
<b>Production</b>	0	0	0	0	0	0			0	(1000 MT)
<b>MY Imports</b>	71	65	70	75	80	40			65	(1000 MT)
<b>TY Imports</b>	71	65	70	75	0	40			65	(1000 MT)
<b>TY Imports from U.S.</b>	0	50	0	0	80	0			0	(1000 MT)
<b>TOTAL SUPPLY</b>	73	85	72	75	90	40			65	(1000 MT)
<b>MY Exports</b>	0	0	0	0	0	0			0	(1000 MT)
<b>TY Exports</b>	0	0	0	0	0	0			0	(1000 MT)
<b>Feed Consumption</b>	68	67	66	70	75	35			60	(1000 MT)
<b>FSI Consumption</b>	5	8	6	5	9	5			5	(1000 MT)
<b>Total Consumption</b>	73	75	72	75	84	40			65	(1000 MT)
<b>Ending Stocks</b>	0	10	0	0	6	0			0	(1000 MT)
<b>TOTAL DISTRIBUTION</b>	73	85	72	75	90	40			65	(1000 MT)
<b>Yield</b>	0.	0.	0.	0.	0.	0.			0.	(MT/HA)

## **Commodities:**

### **Corn**

#### **Production:**

MY 2008/09 was the sixth consecutive year that corn for grain (yellow corn) was grown in Israel. In MY 2008/09 corn production decreased and totaled about 11,000 tons, from 1,000 HA. All local grain corn was non-biotech and was consumed by human food manufacturers that export their products to Europe. Driven by the sharp drop in world prices for corn, combined with the continued local water supply shortage, corn production in MY 2009/10 is forecast to be unchanged from the previous year levels (about 10,000-12,000 tons). A more precise estimate will be available in July-August 2010.

#### **Consumption:**

In MY 2008/09, corn consumption totaled about 0.9 million tons, 36 percent lower than in the previous year. The significant decrease was due to high supplies of feed wheat and barley from Ukraine, Russia and Kazakhstan. As a result of the expected continued high supplies of feed wheat from the Black Sea Basin, consumption in MY 2009/10 is estimated to reach almost 1 million tons.

#### **Trade:**

MY 2009/10 Outlook - Due to continued competition of feed wheat from the Black Sea Basin in MY 2009/10, corn imports are estimate to be at about 1 million tons, up to a 10 percent increase compared to previous year level.

In recent years, corn is imported mainly from the U.S., Ukraine, Russia and Argentina. Local importers are aware that U.S. corn is a superior livestock feed than corn from other sources. It is expected that in the first half on MY 2009/10, domestic demand for corn will be unchanged compared to the previous MY and will rise again in the second half of MY 2009/10. It is estimated that corn imports from the U.S. will increase from June through November and U.S. market share of corn in Israel will increase from 17 percent in 2008/09 to 25-40 percent in 2009/10 (about 300-400 tmt of U.S. corn). In addition, it is expected that in the first half of MY 2009/10 corn imports will be mainly from Russia and Ukraine.

Data for the first quarter of 2009/10 (October-December) show corn imports have not changed significantly from the same period one year ago (from 238 tmt to 231 tmt - 3 percent decrease).

MY 2010/11 Outlook - The Israeli feed milling industry shifts easily from corn, barley and sorghum to feed wheat, depending on price relationships. If supplies of feed wheat from Eastern Europe and BSB do not change much from MY 2008/9 levels and global corn production stays at MY 2008/9 levels, therefore total corn imports into Israel are forecasted to total 0.9-1.1 million tons in MY 2010/11. On the other hand, if wheat supplies will decrease in addition to the assumption that world corn production will not decrease, corn imports into Israel will increase to 1.1-1.3 million tons and the U.S. share is likely also to increase to about 40-60 percent, with Eastern Europe supplying the remainder.

MY 2008/09 - Due to the high competition of feed wheat and barley from the Black Sea Basin in MY 2008/09, corn imports decreased by 36 percent from the previous MY (from 1.4 million tons to 0.9 million tons).

In MY 2008/09, imports of U.S. corn reached an eleven-year record low, with 156 tmt (87 percent decrease from MY 2007/08), and with a 17 percent market share. Corn imports were mainly from Russia and Ukraine.

<b>Import Trade Matrix Israel Corn</b>			
<b>Time Period</b>	<b>MY</b>	<b>Units</b>	<b>1,000 MT</b>
<b>Imports for</b>	<b>2007/8</b>	<b>Imports for</b>	<b>2008/9</b>
<b>U.S.</b>	1,246	<b>U.S.</b>	156
<b>Others</b>		<b>Others</b>	
<b>Total for Others</b>	0	<b>Total for Others</b>	0
<b>Others not Listed</b>	166	<b>Others not Listed</b>	743
<b>Grand Total</b>	1,412	<b>Grand Total</b>	899

<b>Import Trade Matrix Israel Corn</b>			
<b>Time Period</b>	<b>CY</b>	<b>Units</b>	<b>1,000 MT</b>
<b>Imports for</b>	<b>2008</b>	<b>Imports for</b>	<b>2009</b>
<b>U.S.</b>	844	<b>U.S.</b>	89
<b>Others</b>		<b>Others</b>	
<b>Total for Others</b>	0	<b>Total for Others</b>	0
<b>Others not Listed</b>	337	<b>Others not Listed</b>	804
<b>Grand Total</b>	1,181	<b>Grand Total</b>	893