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Date: 8/12/2014

Israel

Post: Tel Aviv

Tel Aviv Tidbits Development in Israel's Agriculture and Food Sector

Report Categories:

Agriculture in the News

Tree Nuts

Livestock and Products

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Report Highlights:

The following developments in Israel's Agriculture and Food Sectors are summarized in this report:

- Almonds - Temporary Tariff Rate Quota for Almonds
- Live Calves – Custom Tariff Removal
- Fresh Beef Meat – Increased Duty Free Import Quota

General Information:

Almonds – Temporary Tariff Rate Quota (TRQ) – Due to low local harvest of almonds and the resulting stiff price increase, the GOI granted all WTO countries a temporary TRQ of 1,000 tons of almonds to be imported within CY 2014. The quota will be allocated through a “First Comes First Served system”, starting 21 July through the end of the year 2014, or until the quota is fully utilized. It will be granted according to the 1:1 system, which means that the importer will have to prove that an almost shipment has been fully custom paid (entries starting 01/01/2014), in order get a TRQ of the same quantity. The quotas will be up to 20 tons per license and up to 1 license per day. Because all almond imports since 01/01/2014 were from the United States, it is assumed that most, if not all, new quota will be granted to US almonds.

Live Calves – Custom Tariff Removal – The Finance Committee (FC) of the Knesset in its meeting on July 15, 2014 approved the order to remove the custom tariff on imported feeder calves. This was done as part of the GOI campaign to reduce cost of living and food prices. According to the FC decision the custom removal will be re- examined in 2019. Until the new decision, imported feeder calves, weighing 240 kg and above, paid a custom tariff of NIS 1.15/kg, while calves under 240 kg were imported tax free. The previous tariff rate system caused market distortions and high prices for local fresh meat. Approximately 130,000 heads of live calves were imported in 2013, mainly from Australia, Poland and the Baltic countries. Almost 100,000 were imported into the State of Israel for fattening and the rest were imported ready for slaughter, to the Palestinian Authority and the Gaza Strip. The health certificate for feeder calves from the United States is not accomplished yet. Once completed, this could be a multi-million dollar market for U.S. live cattle exports.

Fresh Beef Meat – Increased Duty Free Import Quota – In the context of the GOI struggle to reduce cost of living, the FC of the Israeli Knesset also approved the expansion of tariff rate imports of fresh beef meat from all WTO countries. The current quota for WTO countries stands on 2,500 tons/year. According to the new policy the quota will expand as following:

2014 - 3,000 tons
2015 - 3,000 tons
2016 - 3,500 tons
2017 - 4,000 tons
2018 - 5,000 tons
2019 - 5,700 tons

The fresh beef meat within quota will now be duty free, whereas a few months ago it was 100%. The existing custom tariff imposed on imported fresh beef meat above the quota stands at 12% on CIF price + a fixed levy of NIS 14.0/kg, which brings the real, practical tariff to approximately 110 percent (down from almost 190%, a few months ago). Currently, there is only a very small amount of importation of fresh/ chilled beef meat into Israel mainly because of logistic problems that derive from the short shelf life and the need to use expensive air freight.