

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Israel

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Tel Aviv Tidbits – Israeli Agriculture and Food News

Report Categories:

Agriculture in the Economy

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Report Highlights:

Developments in Israel's food and agriculture sector:

- Israeli ketchup to once again be known as *ketchup*
- The Great Butter Shortage of 2016
- Israelis consider having the omelet instead
- ...short supply. The rising cost of getting by. (But I believe in...)

General Information:

Israelis can once again call their tomato seasoning *ketchup*

This month, the Ministers of Finance and Health signed an amendment to the consumer protection decree impacting the standard of identity for ketchup. The decree previously limited the kinds of products that could be imported under the name ketchup. Prior to this amendment, many ketchup products could not be labeled as such due to the brix content (sugar content) of the tomatoes used in the product. Israel was the only country with this kind of restriction. Until now, Heinz Ketchup, which hold 25-26 percent of the Israeli market share was labeled as “tomato seasoning”.

The Great Butter Shortage of 2016

In the past month the Israeli market has suffered from a shortage in butter, currently estimated at 700 metric tons. The shortage is caused from a lack of milk fat supply, due to a reduction in the productivity of dairy cows over recent months. The production decline is expected to last until October. The dairy board asked milk handlers to reduce the supply of butter being sent to the food processing industry by 50 percent over last year’s demand. To address the supply crunch, the Ministry of Economy has opened up a special quota of 700 tons for duty free imports until the end of 2016.

Israelis reconsider having the omelet for breakfast

Israel’s largest morning cereal producer, Unilever-Telma, is suffering from a 70 percent drop in the sales of breakfast cereals. This drop is due to customer protest and mistrust stemming from the company concealing the sale of products tainted with salmonella. Products that tested positive for salmonella found their way onto supermarket shelves, while the company blatantly misled consumers regarding the incident. The sharp decline in the sale of Unilever cereals opens a window for other producers of cereals, mainly imported ones, to increase their local market share.

The rising cost of getting by

The Israeli Ministry of Agriculture and the Ministry of Finance made a move to tackle rising food prices and reduce the cost of living. The ministries reduced customs duties on imported fish by 50 percent and made plans for further custom reductions in 2018, 2019 and 2020. In order to mute the protest of the local fish growers, which supply 20 percent of the local demand, the ministries will compensate the growers with US \$7.9 million in direct supports.