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Israel

Grain and Feed Annual

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Report Highlights:

Israel is almost completely dependent on imports to meet its grain and feed needs. Corn and feed wheat are the main ingredients of feedstuffs used in local poultry, dairy, cattle and aquaculture farms in Israel. However, in recent years, protein use from a variety of sources including different oilseed meals, Dried Distillers Grain (DDG) and Corn Gluten Feed (CGF) imports have increased significantly. Israel is considered to be one of the biggest worldwide consumers of CGF and DDGs per capita and in MY 2013/14, 380,000 tons of CGF and DDGS were imported by Israel (mainly from the U.S.), up nearly 120 percent compared to 10-years ago. The Israeli feed milling industry shifts easily from corn, barley and sorghum to feed wheat and other protein sources depending on price relationships. In the past two years, due to attractive pricing of corn compared to feed wheat, corn imports increased at the expense of feed wheat imports, and corn imports are expected to further increase in MY 2014/15 to a level of about 1.45 million tons, mostly from Ukraine, Argentina and Brazil. Many Israeli traders consider the Black Sea Basin (BSB), mainly Ukraine and Russia, a “natural” source for grains due to its proximity and the convenience of small and medium cargos. Ukraine is the main supplier of feed grains to Israel while Russia is the main supplier of milling wheat. However, whenever there is a shortage of grain from the BSB, usually the market share of U.S. grains increases significantly. However, in recent years total U.S. feed grains exports have decreased, especially corn exports and currently the main market for U.S. feed stuff are CGF and DDGS. If the BSB region continues to enjoy good grain supplies in MY 2014/15, it will continue to dominate the Israeli grain import market. About 30 percent of Israel’s milling wheat imports are sourced from the U.S, while the rest is imported mainly from Russia, Ukraine, Hungary, Germany and Canada.

In MY 2014/15, the local milling wheat harvest is expected to total about 130,000 metric tons, unchanged from last year’s crop. A more precise estimation will be available in June, 2014.

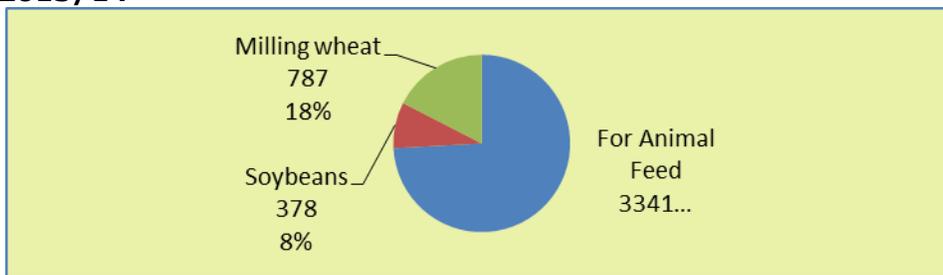
Executive Summary:

Israel is almost completely dependent on imports to meet its grain and feed needs. Out of total grains feed and soybeans that were imported to Israel (see chart 1) in MY 2013/14, about 74 percent were for livestock feed, 18 percent was milling wheat and the rest were soybeans, which are used for both local production of Hi-Pro soy meals and soybean oil. Total grain, feedstuff and soybean supply totaled about 4.506 million tons in MY 2013/14.

From MY 1998/99 through MY 2013/14 total grain, feedstuff and soybeans imports (see charts 1, 2) increased by an average of 1.7 percent per year, which is essentially the same as the local population growth (1.8%). It should be mentioned that part of the grains and feed stuff that are imported into Israel are re exported to the Palestinian Authority (PA).

If population growth continues to increase by 1.8 percent annum in the coming years, then it is estimated that total grain, feed and soybeans imports will be about 4.891 and 5.192 and 5.511 million tons in 2015/16, 2018/19 and 2021/22, respectively.

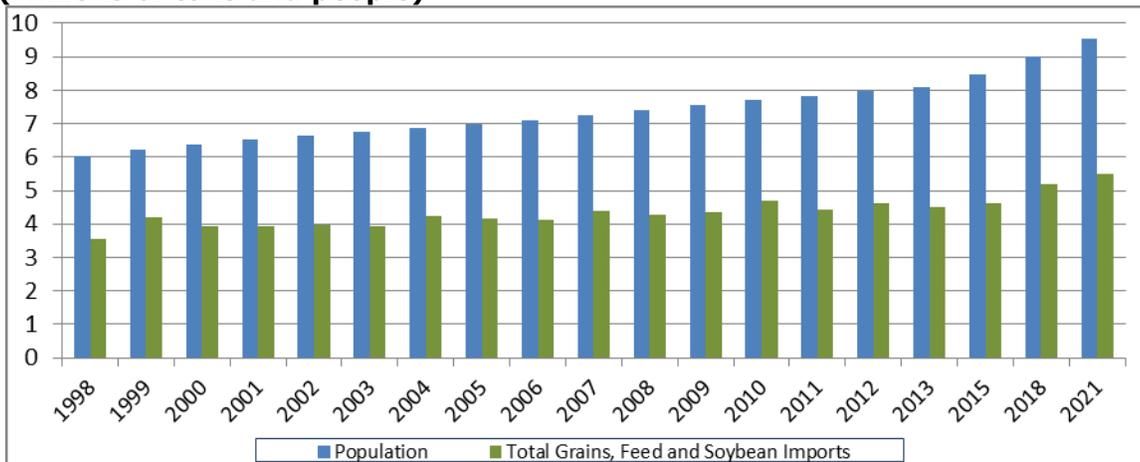
Chart 1: Total Israeli Grain, Feed and Soybeans Imports, TMT and Market Share, MY 2013/14



Source: Israeli Source | Ministry of Agriculture

** For Animal feed – corn, feed wheat, barley, sorghum, all kinds of oil meals, Dried Distillers Grain with Soluble (DDGS), Corn Gluten Feed (CGF), corn flakes and oats

Chart 2: Population and Total Israeli Grain, Feed and Soybean Imports (Millions of tons and people)



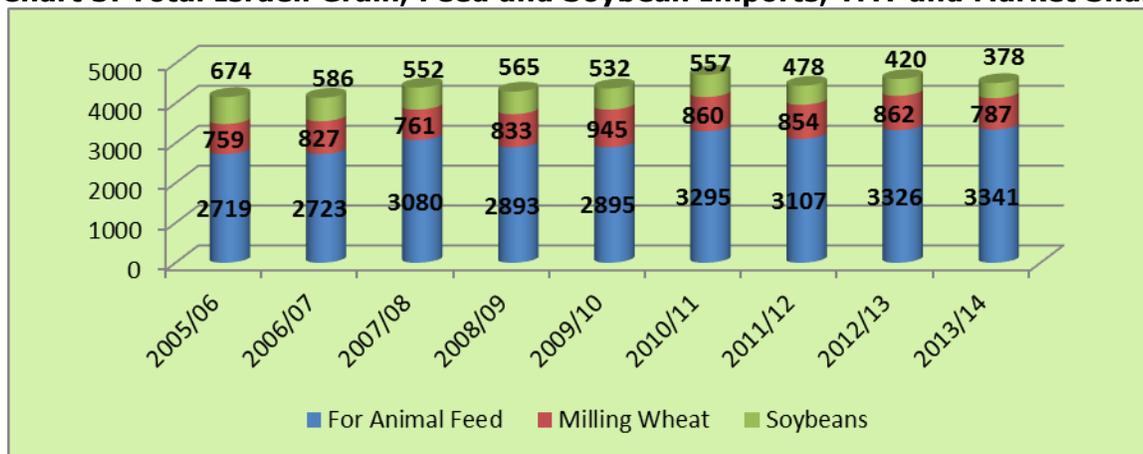
Source: Ministry of Agriculture
2015-2021 – projections

Animal feed is imported mainly from Ukraine and Russia, while milling wheat is imported mainly from Russia, U.S., Hungary and Canada (Canadian milling wheat share has increased in MY 2013/14 and is expected to further increase in MY 2014/15). Soybeans are imported mainly from the U.S., Brazil and Paraguay.

Total animal feed imports in MY 2014/15 are expected to total about 3.4 million tons, mostly corn (about 1.45 million tons), feed wheat (about 0.65 million tons), barley (about 0.3 million tons), CGF and DDGS (0.36 million tons) and other types of oilseed meals (0.46 million tons).

Post estimates that about 0.85 million tons of milling wheat will be imported in MY 2014/15.

Chart 3: Total Israeli Grain, Feed and Soybean Imports, TMT and Market Share, MY

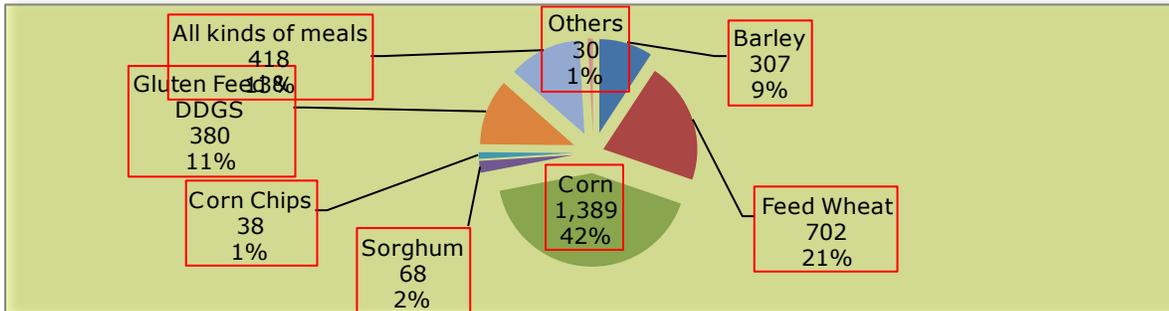


Source: Israeli Ministry of Agriculture

In the past, the size of soybean imports was dictated by soybean meal consumption. The continued decrease of soybean imports in recent years is mainly due to significantly higher imports of substitute protein sources, such as sunflower, soy and canola meals, DDGS and CGF. In addition, in CY 2012, Teth-Beth which was the smallest soybean processor in Israel was closed due to low profitability and now only two soybean processing plants are operating in Israel.

Corn and feed wheat are the main ingredients used on Israeli farms for poultry, dairy, cattle and aquaculture feeding (see chart 3). Corn imports increased in MY 2012/13 and are expected to grow by about 3 percent in MY 2014/15. This is explained by the fact that Ukraine's wheat quality is good and more of it is sold as milling wheat and less as feed wheat combined with the increased corn supplies from Ukraine.

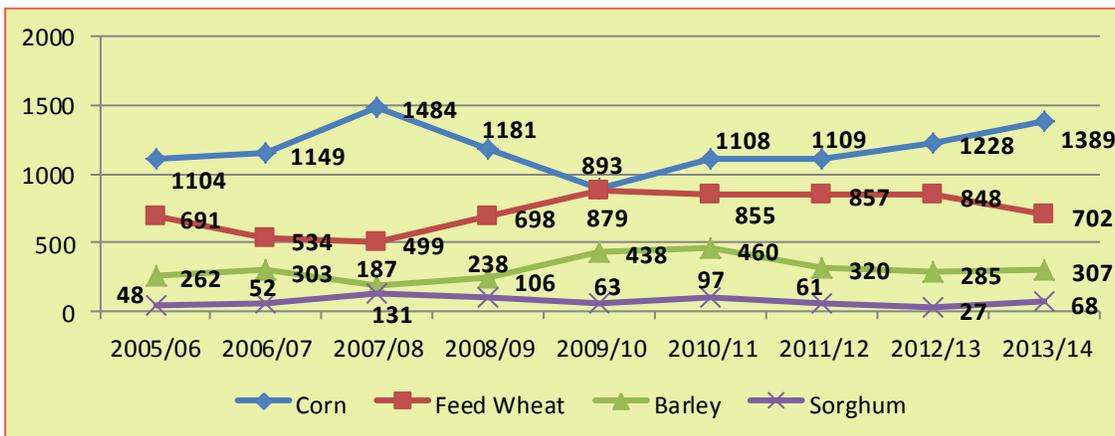
Chart 4: Total Import of All Feedstuff to Israel, (TMT) and Market Share (%), MY 2013/14



Source: Israeli Ministry of Agriculture

The Israeli feed milling industry shifts easily from corn, barley and sorghum to feed wheat, depending on price relationships (see chart 4). Israel consumes about 2.4 million tons of feed grains per annum. Out of total feed grain imports, corn imports are between 900-1,500 TMT; feed wheat accounts for 500-900 TMT; barley imports range from 190 to 550 TMT and sorghum levels vary from 30 to 130 TMT.

Chart 5: Major Grains for Feed Imports to Israel, TMT, MY



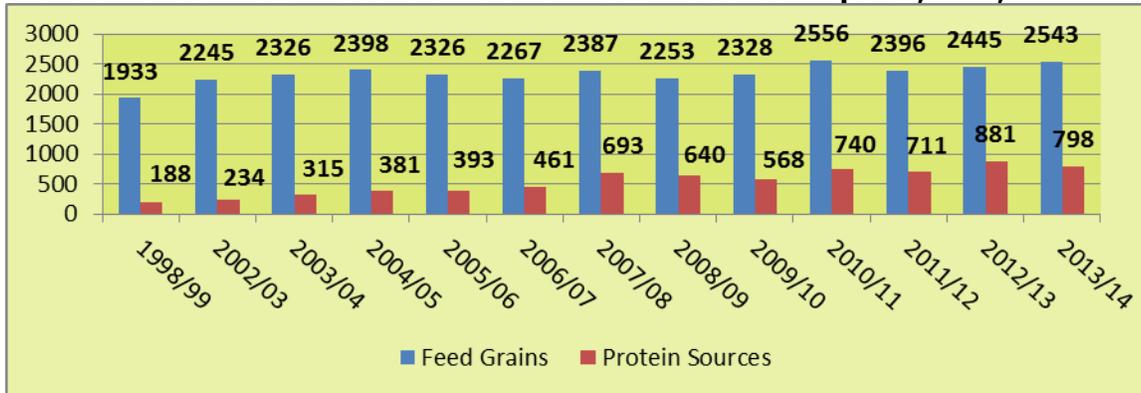
Source: Israeli Ministry of Agriculture

Starting in MY 1998/99 through MY 2013/14, total imports of feed grains and protein sources (see chart 6) for livestock feed increased by an average of 3.3 percent per year, which is above the local population growth. The increased growth can be attributed to the following three factors:

1. Standard of living and GDP in Israel have increased in recent years and the Israeli economy is on a better footing than most of its peers in the Organization for Economic Cooperation and Development (OECD).
2. It should be mentioned that part of the grains and feedstuff that are imported into Israel are re-exported to the Palestinian Authority (PA). They are transshipped from Israel to the PA since the PA does not have any seaports. In addition, the GDP in the Palestinian Authority increased by a healthy percentage in recent years including by about 6 percent in 2012 with a 5 percent rise in 2013. It is estimated that about 15 percent of the grain and feedstuff imports by Israel are transshipped to the PA as a raw material or as a finished feed mix that is produced in Israel.

- In recent years there are some exports of feedstuff from Israel to Jordan, mainly of feed mix that is produced in Israel.

Chart 6: Israeli Total Feed Grains and Protein Source Imports, TMT, MY



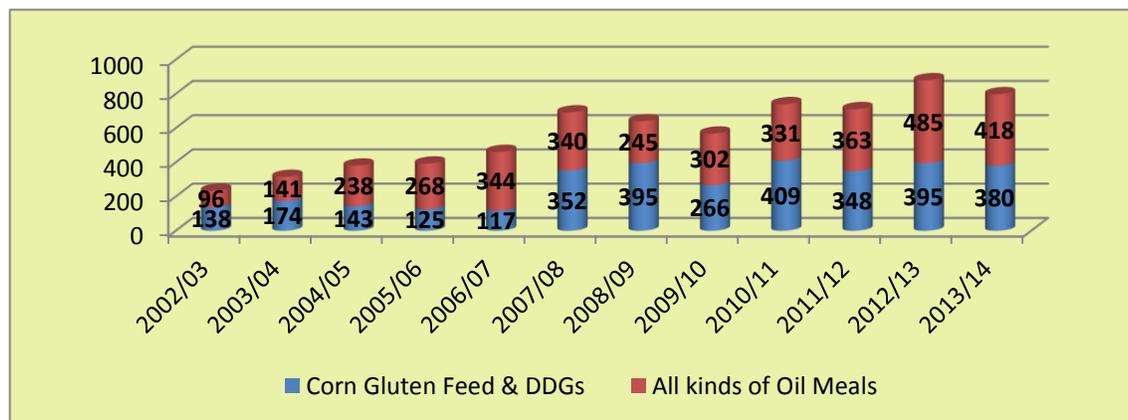
Source: Israeli Ministry of Agriculture
 ** Protein sources - DDGS, CGF and all kinds of oil meals

From MY 1998/9 through MY 2013/14 total imports of protein sources (see chart 6) increased by an average of 11.7 percent per year. Soybean meal and sunflower meal are the main meals used on local poultry, dairy and cattle farms. In addition, canola meal imports have increased in recent years.

Of late, Israeli feed millers have used higher quantities of DDGS and CGF, and Israel is considered to be one of the biggest consumers of CGF and DDGS per capita.

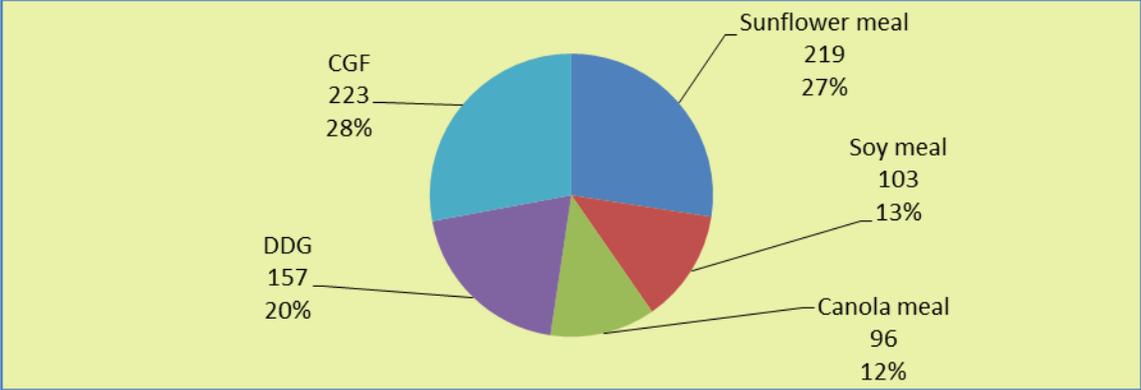
For the past ten years, Israel has been a growing market for U.S. corn byproducts such as DDGS and CGF while on the other hand, U.S. feed grains as commodities have had a difficult time competing in the Israeli market due to competition from the Black Sea region and from South America. Even with this competition, U.S. corn byproducts have found a good niche market in Israel.

Chart 7: Israeli Imports of Protein Sources for Animal Feed, TMT and MY



Source: Israeli Ministry of Agriculture

Chart 8: Total Israeli Imports of All Protein Sources (TMT) and Market Share (%), MY 2013/14



Source: Israeli Ministry of Agriculture

Commodities: Wheat

Production:

The MY 2014/15 wheat crop is expected to total about 130,000 metric tons, unchanged from the most recent harvest. Israeli wheat is rain-fed and not irrigated. If rainfall is limited, the wheat crop will be limited. A more precise estimate for the upcoming crop will be available in June 2014. All of the Israeli wheat crop is rainfed.

In December, 2013 there were good amounts of rains. However, since then, almost no rain has been reported in the southern part of Israel and the coming crop is at an increased risk.

About 70 percent of the wheat is planted in the southern part of Israel and the rest in the central and northern parts of Israel.

In case of limited rainfalls, production in the southern part is expected to drop to about 2,000 kg. of milling wheat per ha. On the other hand, the northern part usually has favorable weather conditions, and production in that area is about 7,000 kg. of milling wheat per ha.

While in any given year about 100,000 ha are planted to wheat, only about 75 percent is harvested for milling; the remainder is cut as fodder for livestock feed.

In MY 2013/14, due to relatively favorable weather conditions, wheat production totaled 130,000 tons, of which 40,000 tons were produced in northern part of Israel and the rest (90,000 tons) were produced in the southern part of Israel.

Some parts of the southern region experienced a drought and therefore wheat production in MY 2013/14 was about 21 percent below the previous year.

The quality of the MY 2013/14 crop was good and the entire crop reached protein levels of at least 12 percent, and the average gluten index was 80.

In the last ten years, average production in the northern part of Israel was about 50,000 tons, with the rest being produced in the southern part of Israel. Whenever weather conditions are good, wheat production in the southern part can reach 100,000-110,000 tons. When the southern part experiences low rainfall, wheat output may only reach about 60,000 tons.

The northern region of Israel usually experiences favorable rainfall, so wheat production in this part of the country is of good quality and reliable.

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

MY	Total Production	Percent Change Compared to Previous Year
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2004/5	128	-32
2005/6	180	41
2006/7	132	-27
2007/8	145	10
2008/9	60	-59
2009 /10	100	67
2010/11	100	0
2011/12	100	0
2012/13	165	65
2013/14	130	-33
10-Year Average	124	
2014/15*	130	

Source: CBI, Statistical Abstract of Israel, Different Years.

*Forecast: Based on information collected from the Field Crops Organization.

Consumption:

Feed Wheat - The Israeli feed milling industry shifts easily from corn, barley and sorghum to feed wheat, depending on price relationships. Due to the shortage of feed wheat mainly from Ukraine (in recent years a bigger share of Ukrainian wheat has been sold as milling wheat as it's quality improved), Israel increased corn imports. Feed wheat imports in MY 2013/14 totaled 702 tmt, an 18 percent decrease compared to the previous MY. In addition, as a result of expected continued competitive pricing of corn compared to feed wheat, FAS Tel Aviv estimates that feed wheat imports will further decrease in MY 2014/15 and will total about 670 TMT.

Most feed wheat is imported from Ukraine.

Milling Wheat – most milling wheat is imported, while only about 10-15 percent is of local production. Milling wheat imports are mainly from Russia, Ukraine, U.S., Hungary, Germany and Canada. Most of these imports are of Hard Red Winter wheat. In addition to milling wheat, there are some imports of packaged flour mainly from Ukraine and Russia.

Human wheat consumption in Israel is steady at about 950,000 tons annually, so any variation in total annual consumption is a result of changes in wheat for feed use, and changes in demand by the Palestinian Authority (PA).

Local wheat consumption (for human and livestock consumption) is forecast to increase by about 1 percent compared to MY 2013/14, and will total about 1.67 million tons in MY 2014/15.

As mentioned, part of the grains and feedstuff that are imported into Israel are exported to the Palestinian Authority (PA). They are transshipped from Israel to the PA since the PA does not have any sea ports. In addition some grain and feed shipments come through Jordan (Allenby cross border) to the PA. In recent years, the GDP in the Palestinian Authority increased, hence the Palestinians consume higher volumes of milling and feed wheat. Some of the milling wheat is exported to the PA as it is, while the rest is milled in Israel and exported to the PA as flour.

There are 19 flour mills in Israel and the industry's full capacity is about 1.3 million tons.

Livestock consumption - the size of the market for grains and other feedstuff in Israel, mainly corn, feed wheat, sorghum and all other protein sources, which are mainly imported, is dictated by livestock production.

In CY 2013, local production of broilers is estimated to have decreased by about 7 percent from 2012 levels and totaled about 410,000 tons (live weight terms). The decrease is mainly as a result

of a new production quota system that was implemented in 2012 in order to stabilize the broiler supply-demand situation.

It is estimated that local broiler production will increase 2-4 percent in CY 2014.

Annual per capita broilers consumption is relatively high and it is second to that in the U.S. (42 kg. in processed meat terms).

In recent years local turkey production has declined from over 90,000 tons in 2009 to approximately 80,000 in the last two years. The forecast is for production stabilization at 75,000-80,000 tons in live weight terms. The consumption and production decrease was due to changing consumer preferences towards more broiler meat. Annual turkey consumption is about 8 kg per person (in processed meat terms).

In CY 2013, it is estimated that table egg production did not change compared to 2012's levels and totaled about 1,690 million eggs. The table eggs sector is covered by sector-specific policy measures such as minimum guaranteed prices and production quotas aimed at securing profitability of production for a majority of producers. Annual per capita consumption in Israel is relatively high compared to other countries at a total of about 238 eggs. It is estimated that the table egg production in the coming years will increase by about 1 percent per annum.

In CY 2013, local milk production increased by about 2 percent compared to 2012 and totaled about 1,370 million liters compared to 1,343 million in 2012. Production in 2014 is not forecast to change dramatically from 2013 levels and will total 1,350-1,380 million liters.

In CY 2013, the total market for live cattle for meat production was about 259,000 head, of which about 60,000 head (23 percent) were sent to the Palestinian Authority and the rest were consumed in Israel. Out of the total live cattle number about 160,000 head (a record high) were imported mainly from Australia (56 percent) and the rest was imported from Europe (Romania, Latvia and Lithuania). The imported live cattle are for fattening.

Local Mixed Grains Market for Animal Feed

About 90 percent of the local feed milling industry is controlled by 8 feed millers.

The biggest feed milling company is Ambar and they plan to increase their production to 900 thousand tons over the next few years.

Table 2 - The Largest Feed Millers in Israel, Annual Mixed Grains, 2013

	thousand tons	Share
Ambar	800	34%
Miloubar	600	26%
Zemach	230	10%
Tadmir	200	9%
Asamey Oz	200	9%
Asam Hagalil	120	5%

Brown	100	4%
Kfar Yehoshua	80	3%
Total	2,330	100%

Source: FAS Tel Aviv Office Research

In addition to the feed millers, there are about 150 feed centers in Israel, which sell their feed mix mainly to the cattle industry. Out of the total feed centers, 15 are big-sized feed centers, which sell their feed mix mainly to the big cattle growers, and the rest (135) are considered small-sized feed centers, which sell feed mix to small-sized cattle growers. Each small-sized feed center supply feed mix to not more than 100-300 cattle.

The total market of the Israeli feed milling industry (feed millers and feed centers) is estimated at about 2.55 million tons of mixed grains per year. Their typical mix is made of grains, oil meals (48% protein soy meal, sunflower and canola) and other protein sources (DDGS and CGF). It is worth noting that part of the feed mix, is about 15 percent in all, is exported to the PA and Jordan.

Table 3: Sales of Feed Mix, by Type, Thousands of Tons, CY

CY	For Cattle	For Poultry	For Sheep and Goats	Swine	Fish	Other livestock	Grand Total
2006	517	1,518	172	66	56	14	2,343
2009	491	1,679	140	81	44	17	2,452
2010	518	1,626	147	78	49	14	2,432
2011	665	1,633	149	79	52	15	2,593
2012	606	1,614	180	80	54	9	2,543

Source: Central Bureau of Statistics.

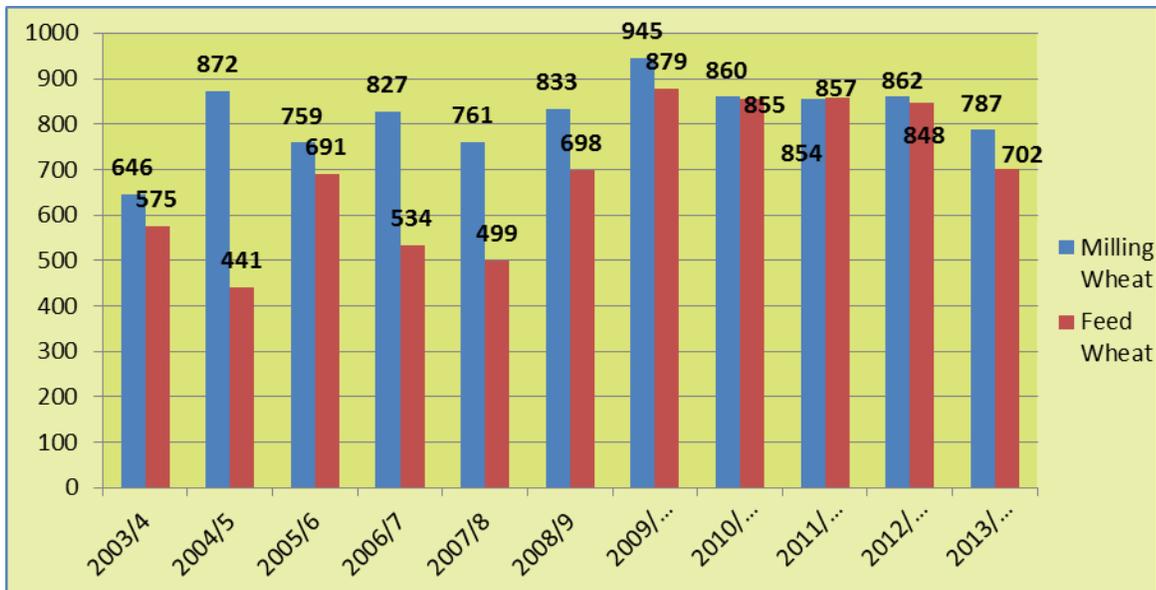
Table 4: Feed Stuff Prices in Israel, \$ U.S. per Ton

	January 2014	January 2013	% Difference
Corn	240	335	-28
Feed wheat	305	365	-16
Barley	285	355	-20
Gluten Feed	330	395	-16
Canola meal	373	440	15
Sunflower meal	318	395	-20
DDG	370	430	-14

Source: Israeli Cattle Growers Association

Trade:

Chart 9: Total Import of Milling and Feed Wheat, MY, TMT



Source: Israeli Ministry of Agriculture

Purchase Process - Grains, feedstuff and its by-products (DDGS and CGF) are imported by the feedstuff importers. The biggest two feedstuff importers are Sherutei Bar Grains Import and Zenziper, which are working with the 3 biggest feed millers in Israel (Ambar, Miloubar and Zemach) and the medium-sized feed millers.

Upon the request of the feed millers, Sherutei Bar and Zenziper publish tenders to the major grain houses (Cargill, ADM, Dreyfus, Bunge, etc.) and other companies which offer grains, and the companies submit their bids. After reviewing the bids, the two importers decide on the best offer. Sherutei Bar and Zenziper also buy grains and feedstuff without tender. However, the tender is the most common purchase instrument in Israel.

In addition, there are additional 6 feedstuff importers who buy feed with and without using the tender process.

Here is an example of a [tender announcement by Sherutei Bar](#) which was published in the media. ADM and Cargill are the largest suppliers of CGF and DDGS in Israel.

MY 2014/15 Outlook

Due to the expected continued high corn availability mainly from Ukraine which will result in competitive pricing of corn compared to feed wheat, FAS Tel Aviv estimates that feed wheat imports will further decrease in MY 2014/15 and will total about 670 TMT, a 5 percent decrease compared to the previous MY and a 22 percent drop compared to MY 2012/13 and MY 2011/12. Most feed wheat is imported from Ukraine.

As a result of flat estimated Israeli average wheat production in MY 2014/15 combined with Israel's annual population growth (1.8 percent), milling wheat imports are expected to increase about 8 percent compared to the previous year from 787 TMT in 2013/14 to about 850 TMT in 2014/15.

Milling wheat imports from Canada are expected to further increase in MY 2014/15. The expected increase is due to the fact that Glencore International, the Swiss commodities trader, entered the North American agriculture market in 2012 and acquired Viterra, the largest Canadian grain

company. Glencore is active in Israel and is expected to grow its business in Israel with Canadian milling wheat imports.

MY 2013/14 Outlook -

Milling wheat - Local human consumption is about 950,000 tons annually.

In MY 2013/14 most milling wheat has been imported from the following origins: Russia, Ukraine, U.S., Hungary, Germany and Canada.

Milling wheat imports in MY 2013/14 are expected to total about 787 TMT, a 9 percent decrease compared to the previous year. The decrease is attributed to a ship that is supposed to arrive Israel by end of MY 2013/14, but will get to Israel only in the beginning of MY 2014/15, so it's an accounting issue and not a decrease in consumption or high local stocks.

The quality of Russian milling wheat is considered to be higher compared to Ukrainian milling wheat. U.S. market share is currently pegged at about 27 percent (210 tmt), a slight decrease compared to the previous year.

In MY 2013/14, imports of Canadian milling wheat have increased and are expected to climb higher in MY 2014/15.

The pricing of Canadian milling wheat is lower than American wheat (about a \$20 gap per ton in favor of Canadian milling wheat). In addition, it can be mentioned that according to the Israeli importers, American wheat is more expensive compared to wheat from other sources from which Israel buys.

Feed Wheat - Due to the favorable Ukraine and South American corn prices compared to Ukraine feed wheat pricing, Israeli importers have decreased feed wheat imports in MY 2013/14 by nearly 18 percent compared to the previous MY.

On the other hand, corn imports increased by 13 percent and barley imports increased by nearly 8 percent. Most feed wheat is imported from Ukraine.

In recent years (MY), feed wheat imports were not less than 500 TMT and not more than 900 TMT per year. Feed wheat imports average of the past 7 years totaled 762 TMT.

Stocks:

Milling Wheat Stocks

Emergency milling wheat stocks in July are usually at their annual high and are estimated at 165,000 tons. Stocks generally decline from July through March-April (30,000 tons), and then begin rebounding again in the June-July with the onset of the harvest. The emergency stocks are based on milling of the domestic wheat harvest size however, in case of a shortage in local wheat production, stocks are rebuilt with imported milling wheat. Emergency stocks are controlled by three Israeli companies that won the Israeli Government tender. In addition to the emergency stocks, local importers usually have some milling wheat stocks which are imported. In MY 2013/14, local milling stocks were down by about 10 percent compared to MY 2012/13 stocks. The decrease was mainly due to the fact that milling imports decreased in MY 2013/14 compared to the previous year.

Feedstuff Stocks

The emergency feedstuff stocks include all the feed grains, oil meals, DDGS and CGF and stand at about 120,000 tons per year. These stocks are sufficient to meet feed demand for approximately 2 weeks. Out of the total 120,000 tons, about 20,000 tons are feed wheat.

It is estimated that total ending stocks for milling wheat and feed wheat will total about 180,000 tons in MY 2014/15.

Production, Supply and Demand Data Statistics:

Wheat Israel	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jul 2012		Market Year Begin: Jul 2013		Market Year Begin: Jul 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	70	70	70	70		70
Beginning Stocks	476	476	280	426		380
Production	183	165	110	130		130
MY Imports	1,446	1,710	1,650	1,489		1,520
TY Imports	1,446	1,710	1,650	1,489		1,520
TY Imp. from U.S.	222	250	0	210		240
Total Supply	2,105	2,351	2,040	2,045		2,030
MY Exports	5	5	5	5		5
TY Exports	5	5	5	5		5
Feed and Residual	900	1,000	850	710		690
FSI Consumption	920	920	920	950		950
Total Consumption	1,820	1,920	1,770	1,660		1,640
Ending Stocks	280	426	265	380		385
Total Distribution	2,105	2,351	2,040	2,045		2,030

1000 HA, 1000 MT, 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. Most barley production is located in the south of Israel and the rest is in Beit-Sh'ean Valley (eastern Israel).

About 4,000 ha of barley for silage are grown in Israel and production is about 9 MT per ha, therefore total barley silage production is about 36,000 tons.

Consumption:

The feed centers are the main users of barley, and they sell their feed mix mainly to the cattle and dairy industries.

Barley is the third biggest feed grain in Israel after corn and feed wheat and production is likely to range between 190-550 TMT in the next years.

Most of it is sold to the Arab sector (both in Israel and the Palestinian Authority) for feeding livestock, mainly sheep.

Although feed wheat imports decreased significantly in MY 2013/14, Barley imports increased at a moderate rate in MY 2013/14, on the order of 8 percent compared to the previous year due to increased imports of corn.

Although Israel is expected to continue to reduce its feed wheat imports in MY 2014/15, barley imports are not expected to change significantly due to increases in Ukrainian barley prices, combined with the further expected corn imports, suggesting that total barley imports will be about 320 TMT in MY 2014/15.

Trade:

MY 2014/15 Outlook

The price of the four main feed grains determines Israeli feed milling industry choice. Though higher Ukrainian barley prices combined with expanded corn imports are expected; on the other hand, restricted feed wheat supplies are projected to continue in MY 2014/15. In consideration of these factors, barley imports are expected to increase slightly compared to the previous year and will total about 320 TMT, a 4 percent rise.

In recent years annual barley imports were not less than 190 TMT and not more than 550 TMT per year and barley imports are projected to stay at these levels in the coming years.

MY 2013/14 Outlook - Although there were restricted feed wheat supplies from Ukraine in MY 2013/14, barley imports only experienced a moderate increase of about 8 percent compared to the previous year and totaled 307 TMT, mainly due to increased corn imports combined with the increased barley pricing.

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

Most barley is imported from Ukraine and the rest is from Russia.

Stocks:

Emergency feedstuff stocks including all feed grains, DDGS, corn gluten feed and oil meals stand at about 120,000 tons per year. Out of this amount, about 25,000 tons is barley. In MY 2013/14 and 2014/15, stocks level of barley are expected to be 25,000 and 23,000 tons, respectively.

Production, Supply and Demand Data Statistics:

Barley Israel	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0		0
Beginning Stocks	28	28	18	18		19
Production	0	0	0	0		0
MY Imports	200	285	225	307		320
TY Imports	200	285	225	307		320
TY Imp. from U.S.	0	0	0	0		0
Total Supply	228	313	243	325		339
MY Exports	0	0	0	0		0
TY Exports	0	0	0	0		0
Feed and Residual	200	285	200	295		305
FSI Consumption	10	10	10	11		11
Total Consumption	210	295	210	306		316
Ending Stocks	18	18	33	19		23
Total Distribution	228	313	243	325		339

1000 HA, 1000 MT, 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 and protein sources.

About 1,000 hectares are usually planted for sorghum silage. The majority of sorghum production is located in the central and northern parts of Israel.

Production is about 10 tons per ha and total sorghum silage production is about 10,000 tons.

Consumption:

The level of consumption hinges on price relationships with other grains and protein sources, primarily corn, feed wheat, oil meals, DDGS and CGF.

Sorghum is a minor feed grain in Israel, and its market share out of the total feed stuff imports, is only about 1-2 percent.

Due to Kosher reasons, sorghum is consumed mainly prior to Passover. However, whenever there is a shortage of grains from Ukraine and Russia and if sorghum prices are reasonable sorghum imports may increase, mainly from Ukraine.

Due to the shortage of feed wheat from Ukraine in MY 2013/14, sorghum imports in MY 2013/14 increased by about 150 percent compared to the previous year. However, sorghum is still and will continue to be a minor grain and consumption is projected to vary between 30-130 TMT per year in the next years.

In MY 2014/15, sorghum imports are expected to increase by about 30 percent compared to the previous year and will total about 90,000 tons. The increase is mainly due to the expected continued decrease in feed wheat supplies from Ukraine.

Trade:

MY 2014/15 Outlook – If Ukraine continues to experience low feed wheat supplies (in recent years more Ukrainian wheat is sold as milling wheat), it is estimated that sorghum imports in 2014/15 will increase further and could total about 90,000 tons (a 30 percent increase). Most Sorghum imports are from Ukraine.

MY 2013/14 Outlook - Many Israeli traders consider the BSB a "natural" source for grains due to its proximity and the convenience of small-medium shipments, and all sorghum imports in MY 2013/14 were imported from Ukraine. Due to the shortage of feed wheat from Ukraine in MY 2013/14, sorghum imports in MY 2013/14 increased by about 150 percent compared to the previous year and totaled 68,000 tons.

In MY 2012/13 due to limited sorghum supplies from Ukraine and Russia, Israeli importers imported Indian sorghum for the first time. In all, about 25,000 tons of Indian sorghum was imported and according to the importers quality was good. However, when Israeli importers checked the possibility to import more Indian sorghum in MY 2013/14, they found that sorghum quality was not good as in the preceding year, so no purchases of Indian sorghum have occurred in MY 2013/14.

Stocks:

Since sorghum is consumed only prior to Passover, ending stocks are usually very low and total 1,000-2,500 tons. The ending stocks of sorghum are not expected to change in the coming years.

Commodities:

Corn

Production, Consumption and Trade

Corn production is insignificant in Israel and most of it is for silage. About 1,000 tons of grain corn was produced in Israel in MY 2013/14.

Total corn area is about 5,000 ha, of which 90 percent is for silage corn and the rest is for grain corn production.

Post estimates that local grain corn production will not change significantly in the coming years and will total 1,000-1,300 tons per year

Due to lower levels of feed wheat imports in MY 2013/14, Israeli importers increased corn imports from Ukraine, Brazil and Argentina, and corn imports in MY 2013/14 have totaled about 1.39 million tons, a 13 percent increase compared to the previous year (6-year import record).

It is estimated that feed wheat imports will further decrease in MY 2014/15 and as a result, corn imports are expected to increase by about 5 percent and will total about 1.46 million tons in MY 2014/15.

In recent years, corn is imported mainly from the Ukraine, Russia, Argentina and Brazil. Corn imports from the U.S. have decreased significantly in recent years.

The main factors that explain the dramatic U.S. corn export decline to Israel in recent years are the competitive pricing of Ukraine and South American corn and the improvement in Ukraine corn quality.

Post estimates that most corn imports to Israel in MY 2014/15 will come from Ukraine, Argentina and Brazil.

Corn imports over the past 10 years have ranged between 900-1,500 TMT and are expected to stay in this range in the coming years.