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Israel

Agricultural Situation

Goals and Budget for 2008

2008

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Report Highlights:

The Ministry of Agriculture (MOAG) will have a budget of NS710 (\$182 million) for its activities in fiscal year 2008 (January 2008 – December 2008), representing a 7 percent increase, compared to the previous year. The following goals have been summarized by MOAG for 2008: Develop environmentally-friendly agriculture, expand existing export markets and develop new export markets, development in rural areas, state guarantees for long-term loans, development in the Non-Jewish sector, and new agricultural legislation.

Includes PSD Changes: No
Includes Trade Matrix: No
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Tel Aviv [IS1]
[IS]

Recently the Israeli Ministry of Agriculture and Rural Development (MOAG) published an outlook on the Israeli agriculture sector and its goals and budget for 2008.

A. Israeli Agriculture Production Value - 2006

In 2006, the income of the agricultural sector was valued at \$4.71 billion, of which 22 percent (\$1.04 billion) was exported. Out of the total production value, 23 percent were contributed by vegetables, potatoes and melons, 17.2 percent were attributed to orchards (excluding Citrus), 16.6 percent came from the poultry industry and 15 percent from the cattle industry (meat and dairy). Main exporting sectors were: fresh vegetables and herbs (32.7%), cut flowers and decoration plants (16.2%), field crops, mainly cotton and sunflower seeds for confectionery (15.4%), and fresh fruits, excluding citrus (15.2%).

B. 2008 Budget

The Ministry of Agriculture and Rural Development will have a budget for its activities of NS710 million for fiscal year 2008, representing a 7 percent increase compared to the previous year. In addition to the mentioned amount, MOAG is authorized to expend another NS223 million as revenue-dependent expenditures, all together NS933 million. However, due to previous obligations to the Agricultural sector and kibbutz and Moshav sectors, the net activities budget for 2008 will total NS741 million, a NS25 million increase (3.5% up) compared to the previous year.

Million NIS	2007	2008	% Change
Activities Budget	664	710	6.9
Revenue - Dependent Expenditures	222	223	0.4
Total Budget	886	933	5.3
Of which: previous obligations:			
Agricultural Sector Debts Agreement	101	80	-20.8
New Settlements Section	70	111	58.6
Total	716	741	3.5

Exchange rate: \$1USD=NIS3.9

Out of the total budget, the budget of the Plant Protection and Inspection Services (PPIS) and the Israeli State Veterinary Services and Animal Health (VSAH) is as follows:

Million NIS	2007			2008		
	Budget	Revenue- Dependent Expenditures	Total Budget	Budget	Revenue- Dependent Expenditures	Total Budget
PPIS	19	20	39	19	25	44
VSAH	31	47	78	31	48	80

C. Goals for 2008

The following goals have been summarized by the Ministry of Agriculture and Rural Development for 2008:

- 1) **Developing Environmentally-Friendly Agriculture** – A) Biological pest control, such as infertile male flies; B) Reducing agricultural pesticide use; C) Increase the use of recycled water; D) Promote organic agriculture; E) Promote agricultural land conservation methods.
- 2) **Expand Existing Export Markets and Develop New Export Markets** – A) Developing of new crops; B) Assisting in the promotion of Israeli export-oriented agricultural products abroad; C) Supervision over the quality and standards of agricultural products (food safety), D) Preference to export-oriented crops when allotting water resources and permits for hired foreign workers.
- 3) **Development in Rural Areas** – A) Development of agri-tourism businesses, such as boutique wineries, olive oil producers, visitor centers; B) Reform in the table egg sector, which will enable shifting of families from egg production to tourism (see GAIN report IS7016). C) Assisting in the development of master plans on topics such as, agricultural tourism and quality of the environment.
- 4) **State Guarantees for Long-Term Loans** – A) Agriculture and Farm Development; B) New technologies in order to reduce need for labor; C) Purchase of renewal agricultural equipment.
- 5) **Development in the Non-Jewish Sector** – A) Transfer from small production units into big farms, built outside the villages; B) Reform in the pig sector; C) Developing the camel milk industry for both export and local markets; D) Development of agricultural infrastructures, such as roads, water resources and dairy farms; E) Modernizing and intensifying olive oil industry.
- 6) **Legislation** – The Ministry will encourage legislation in the following fields: A) Standards Law for agricultural produce in order to market only safe and high quality products; B) Milk Law – which will become basis for long term planning of the dairy industry; C) Animal Feed Law – in order to get safe and of high quality quality; D) Fishing Law – organizing new fishing regulations.