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# **Report Name:** Retail Foods Annual

**Country:** Israel

**Post:** Tel Aviv

**Report Category:** Retail Foods

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**Report Highlights:**

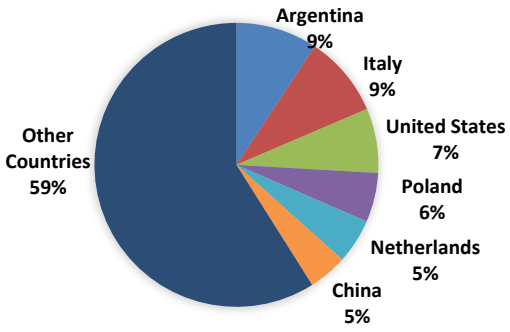
In 2025, food retail sales reached $26 billion, with the United States ranked as Israel's third-largest supplier. The shifts between active conflict and relative calm continue to change Israeli purchasing and consumption decisions. Food prices remain 37 percent above the Organization for Economic Co-operation and Development's average. The Israeli government continues to reform its food regulations, which include adopting EU standards to simplify imports in an effort to lower prices.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

SENSITIVE BUT UNCLASSIFIED

**Executive Summary**:
Israel is a technologically advanced, market-oriented economy. In 2025, Israel's annual GDP reached $610 billion. representing growth of approximately 3 percent. The Bank of Israel is forecasting 4 percent growth in 2026, and nearly 6 percent in 2027, despite growing defense spending. Inflation during 2026 is expected around 2 percent, however, will be challenged with the ongoing geopolitical uncertainty, export growth uncertainty amid shekel appreciation, and upward pressure on the deficit/debt from a larger defense budget.

**Consumer-Oriented Agricultural Imports**
Chart 1: Top Exporting Countries to Israel 2025




**Food Retail Industry**:
In 2025, the total Israeli retail market was valued at $58.6 billion, with food retail sales reaching $26 billion. The food retail market consists of supermarket chains, convenience stores, local grocery stores, wet markets and e-commerce. The leading retail supermarkets in Israel are: Shufersal, Rami Levi, Merav-Mazon Kol/Osher Ad, Yohananof, Carrefour Israel and Viktory. Collectively, they have a revenue of $9.2 billion and represent 70 percent of Israel's top 21 food retail companies. The types and distribution of retailers differ from region to region across Israel. The industry also directly affects the cost of living, making up a significant share of household monthly spending.

**Food Processing Industry**:
With 1,700 processing facilities, and over 4,000 food manufacturers, the Israeli food processing sector is an important player in the domestic economy. Five groups dominate the local food processing industry: Tnuva, Central Company for Beverages Distribution (Coca-Cola), Strauss, Osem-Nestlé, and Soda Stream. In 2025, Israel imported $6.3 billion of consumer oriented agricultural products from the world, a 15 percent increase from 2024. The food processing industry is a major employer, especially in peripheral regions.

**Food Service Industry**:
Israel's food service sector proved resilient in 2025—logging 8.6 million restaurant reservations and revenue growth across most months despite disruptions from the 12-day war. The Israeli industry recovers quickly but operates in an environment of persistent uncertainty that demands flexibility across all sales channels.

***Quick Facts CY 2025***

**Imports of Consumer-Oriented Products***

$6.3 billion (Value: USD)

**List of Top 10 Growth Products in Israel***

1) Beef & Beef products
2) Chocolate & Cocoa products
3) Dairy Products
4) Processed Vegetables
5) Coffee, Roasted & Extracts
6) Bakery Goods, Cereals, & Past
7) Fresh Fruit
8) Tree Nuts
9) Tobacco
10) Dog & Cat Food

**Food Industry by Channels (2025, U.S. billion)**

| | |
|---|---|
| Retail Food Industry Sales | $26 |
| Food Service-HRI | NA |
| Food Processing | $15.6 |
| U.S. Food & Ag Exports to Israel** | $12 |

**Top 10 Host Country Retailers**

Shufersal Ltd; Rami Levy Shivuk Hashikma Ltd; Merav-Mazon Kol/ Osher Ad; Yohananov M and Sons (1988) Ltd; Global Retail C.I. Ltd (Carrefour), Victory Supermarket Chain Ltd; Hazi Hinam; Tiv Taam Holdings; Cohen Machsanei Hashuk Ltd; H.Y MADANEY GORME Ltd, Keshet Tastes Ltd.

**GDP/Population (2025 end of year)**

Population *(millions)*: 10.205
GDP *(billions USD)*: 555.69
GDP per capita *(USD)*: 54,176

***BICO HS6 2021 – Consumer Oriented Agricultural Total**
****BICO – Agricultural and Related Products**
**Bank of Israel annual exchange rate 1 USD = 3.69 NIS**

**Sources:** Euromonitor, Bank of Israel, The World Factbook, TDM, Duns 100, Israeli Centras Bureau of Statistic (CBS), FAS Tel Aviv office research.

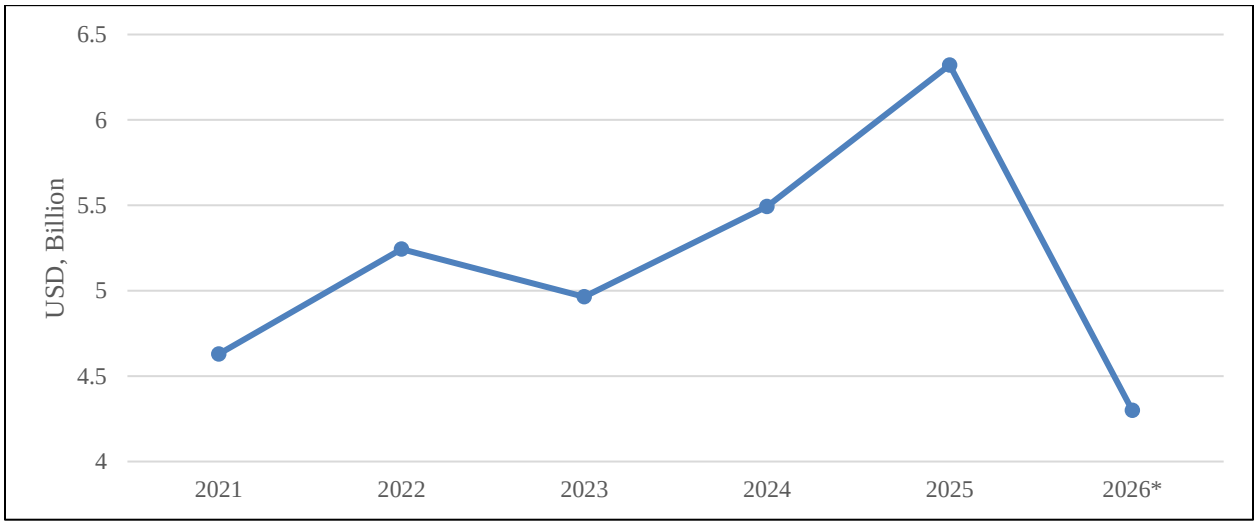
**Strengths/Weaknesses/Opportunities/Threats**

| ***Strengths*** | ***Weaknesses*** |
|---|---|
| - Many markets are arguably well known<br>- U.S.-Israel Free Trade Agreement | - Different regulations from the United States<br>- Geographical distance from the United States |
| ***Opportunities*** | ***Threats*** |
| - Increasing consumer demand<br>- Availability of kosher products<br>- Demand for innovative products | - Adoption of EU regulations<br>- Strong competition in a highly branded market<br>- Regional instability |

## Section 1: Market Summary

Israel is a net importer of all major categories of food products. Israel's limited land and water resources preclude a high level of agricultural self-sufficiency, which affects local production, costs, and consumer prices. The country posts sizeable trade deficits in food and agricultural products, importing large volumes of feed grains and sizable volumes of consumer-oriented products. In 2025, imports of consumer-oriented agricultural products totaled $6.32 billion while total Agricultural sector imports totaled $10.22 billion.

**Chart 1: Israel's Consumer-Oriented Agricultural Imports, Billion USD**




*Source: Trade Data Monitor*
***2026 – Represent partial data January - July***

Israeli food prices are 37 percent higher than the Organization for Economic Co-operation and Development average, with consumption expenditures on food and beverages accounting for more than 18 percent of income.[1] According to Israel Consumers Council, the average household basket price rose by five percent year on year in 2024.[2] Lobby 99, an NGO promoting public interests before the Knesset and the government, reported a seven percent increase in food prices in 2024, followed by an approximately three percent increase in 2025.[3] The rise in FMCG prices has reportedly affected the quantity of products purchased per basket, shrinking the average basket size. This reduction, in combination with the stabilizing security situation, and the resumption of flights, has reduced the "parallel war time" consumer behavior, resulting declines in actual sales in the first two quarters of 2026. Retailers have adopted extreme measures to attract customers by offering new high-end products such as cellular phones, cars, and real estate.[4] Efforts to increase market share and favorable pricing has also led to notable mergers and acquisitions in the retail sector. For example, Tiv Taam Holdings Ltd., and Granot, recently announced a joint venture to supply fruits and vegetables.[5]

A few large companies control most of the market, limiting competition and putting upward pressure on prices. The Ministry of Finance and the Ministry of Economy are pushing to open the market, advocating for lower customs fees, increased import quotas for specific food products, and new regulations to promote competition. In contrast, other ministries such as Ministry of Agricultural and Food Security, backed by a strong lobby of local farmers and producers, is pushing to preserve and protect domestic agriculture and industry. These two competing forces create ongoing tension within the government, complicating meaningful progress around consumer policy.

[1] State Comptroller Report - The cost of living, January 2024 (Hebrew only)
[2] https://www.consumers.org.il/item/news_010125 (Hebrew only)
[3] https://www.globes.co.il/news/article.aspx?did=1001542066 (Hebrew Only)
[4] https://www.calcalist.co.il/shopping/article/r1bdj11tvgx (Hebrew Only)
[5] https://www.globes.co.il/news/article.aspx?did=1001555011 (Hebrew Only)

Israeli consumer-oriented agricultural import preferences are constantly changing due to lifestyle changes following the different period between active war time and non-active war time in the region, during the last few years. While many consumers are very price sensitive, others are willing to pay a premium for high-quality products. The ongoing conflict has also influenced the preference of consumers to purchase goods closer to home. Over the past few years retailers have researched and analyzed consumer behavior and preferences data, using these insights to diversify their store formats, pricing and location. By incorporating in store data, local demographic characteristics and the current security situation, retailers can rapidly adapt to changing conditions. In addition to these store format changes, online platforms such as Wolt and Yango have expanded into virtual retail stores, adding another segment to the convenience retail market.

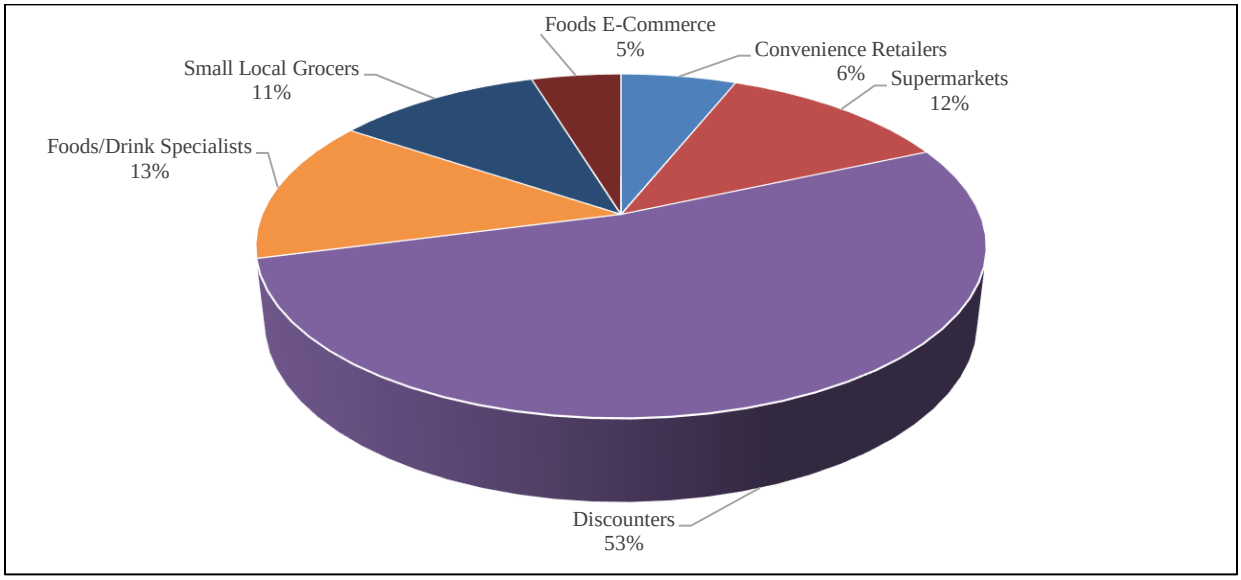
**Advantages and Challenges**

Table 1: U.S. Supplier's Advantages and Challenges Facing the Israeli Retail Food Sector

| ADVANTAGES | CHALLENGES |
|---|---|
| U.S. products are known as being of high-quality. | Israel has adopted over 40 EU standards, many of which are more restrictive than that the United States. |
| The Israeli market is high-end oriented, with high benchmark prices. | High-level kosher certification for their food products and restrictions on food ingredients. |
| Many Israelis have lived in the United States and are familiar with U.S. products and receptive to new and emerging products from the United States. | Israeli importers prefer to work directly with company export specialists, and not traders. |
| Israel is a small market, with a growing population, where logistics make it easy to promote goods across the entire country. | High shipping costs from the United States to Israel can be challenging. |
| Most importers are sophisticated and English speakers. | Low-cost competition from Europe and Asia. |
| Kosher products have a high market share in Israel - over 10,000 American companies produce kosher products. | Israeli buyers are less familiar with U.S. suppliers and producers. |

**Retail Sales by Channel**

**Chart 2: Retail Market by Channel 2025 (USD, Million)**




*Source: Euromonitor International©*

## Section 2: Road Map for Market Entry

**Entry Strategy**

*Find a Local Partner*
Exporters should establish business relationships with reliable, experienced, and professional importers or distributers who will offer guidance on issues related to the product positioning, packaging, labeling, and custom clearance procedures. Face-to-face meetings also help build relationships and create opportunities to explore business opportunities firsthand. Exporters that can supply sufficient quantities should consider approaching large Israeli food retail chains. Large supermarket chains have their own purchasing and importing divisions to handle food imports. U.S. exporters should consider the price sensitivity of their customers, product requirements, purchasing policies, and purchase volumes.

*Understand Regulations and Market Requirements*
Israeli regulations, standards, and market requirements must be considered, especially kashrut or kosher certification. Certification is not a legal requirement for importing food into Israel (except for meat and meat products); however, non-kosher products have a smaller market, and most supermarkets and hotels refuse to carry them.

In August 2024, a significant reform in Israel's food regulation was enacted through the amendment of the Public Health Protection Law (Food). This reform, part of a broader government initiative to align Israeli regulations with European standards, aims to simplify the import process and improve food safety by adopting European Union regulations. The core principle "what is good for Europe is good for Israel," aims to have greater harmonization with European regulations to streamline food imports. The reform includes the European Track, which enables the importation of products adhering to EU standards without the need for additional Israeli certification.

## Market Structure

Israel's retail food sector consists of three main channels: supermarkets, convenience stores, and neighborhood grocers. In recent years, a fourth channel has emerged, exclusively online retail platforms. In addition, there are wet markets that mostly sell fresh produce and other food and drink specialty shops.

Large supermarket chains import directly, as well as buy from importers or wholesalers. The leading supermarket chains are: Shufersal, Rami Levi, Marav Mazonkol and Yochananof.[6] Others usually buy only through importers or wholesalers. In addition to large supermarket chains (which import directly) there are 2,741 registered food importers, 39 of which are Israeli registered importers approved to import for the Palestinian Authority; 379 registered for Alcoholic beverages imports, 209 registered for veterinary related imports, 2451 registered for regular imports out of which 666 registered as proper importers.[7]

*Supermarkets & Neighborhood Outlets*

- Many of the supermarket chains operate in various formats. For instance, the supermarket chain Shufersal operates a diverse portfolio of 19 different sale channels, catering to different formats - larger discount stores operate in the outskirts of cities, while smaller and more expensive neighborhood supermarkets or express supermarkets operate in the center of cities. In addition to this, there are approximately over 4,000 neighborhood grocery outlets that offer a narrow product selection and have shorter hours than traditional supermarkets and convenience stores.

- For the Orthodox community, Shufersal operates a variety of ultra-Kosher larger discounted stores. Most supermarkets are open only six days a week, with Friday as a short day (7 am – 2 pm) and Saturday being a mandatory day of rest. In recent years, supermarkets who target non-Orthodox customers such as Tiv Taam, Keshet Teamim, AM:PM, StopMarket, King Store etc. are open seven days a week.

*Convenience Stores*

- Convenience stores are normally located on major thoroughfares or in gas stations, but those which are inside cities tend to cater to the local neighborhood residents (as parking may be difficult). Convenience stores within gas stations typically offer parking for commuting consumers. The top four gas companies in Israel operate over 750 convenience stores located in gas stations.[8,9]

## Company Profiles & Top Israeli Retailers

Israel's top food retailers have been ranked by two separate entities, BDi Code and DUN'S 100. See BDi Code's 2023 Supermarket Chains Rankings and DUN'S 100 2023 Food Retail Rankings.

## Import Procedures

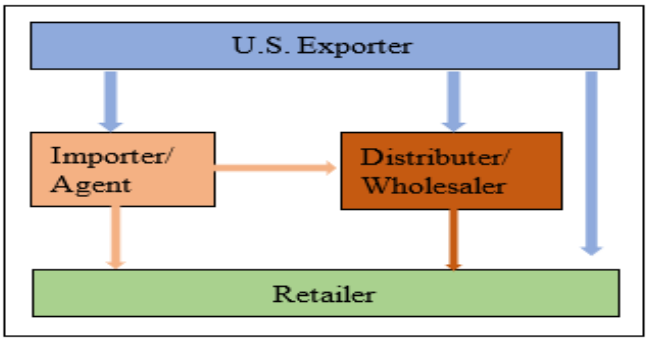
The import process is categorized into sensitive and non-sensitive foods, each with specific documentation and inspection requirements. Sensitive foods, such as dairy, meat, and certain processed products, undergo rigorous testing and certification processes. Non-sensitive foods benefit from a more streamlined importation procedure. For procedures on specific commodities, exporters are advised to contact local importers or distributers.

[6] Dun's 100 (Hebrew only)
[7] https://registries.health.gov.il/FoodImporters (Hebrew Only)
[8] https://www.themarker.com/labels/convenience-store/2026-03-22/ty-article-labels/0000019d-1507-dd21-a1df-f7379ae60000 (Hebrew Only)
[9] https://www.globes.co.il/news/article.aspx?did=1001525662 (Hebrew Only)

## Distribution Channels

### Chart 3: Distribution Channels

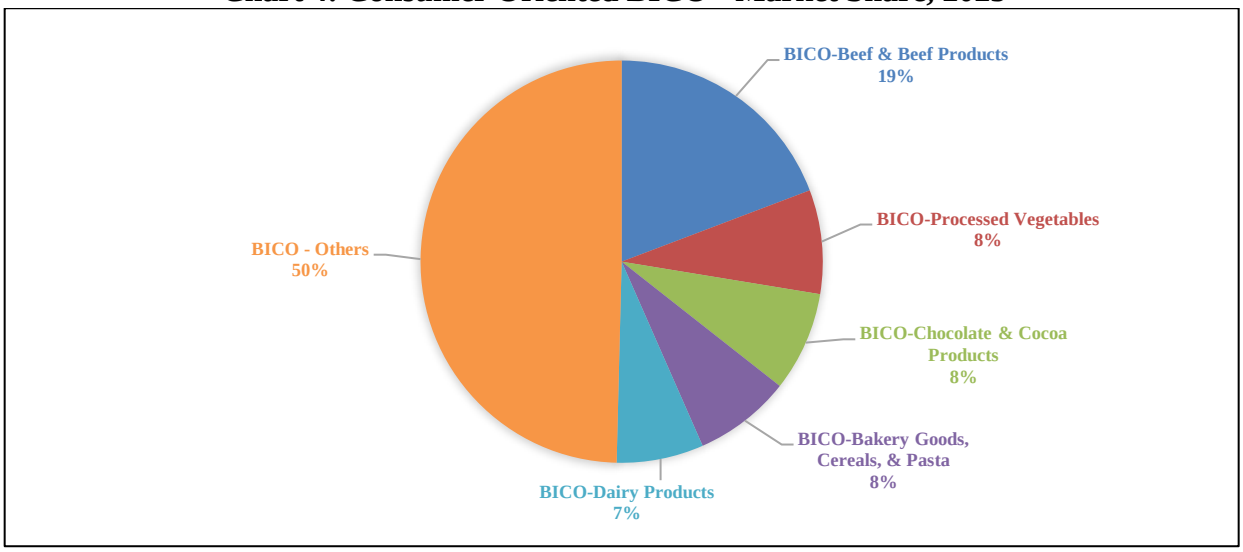
While the use of an agent or distributor is not legally required, partnering with a local representative who has good industry contacts, proven reliability, loyalty, technical skills, and after-sales service capabilities is important for selling and maintaining a continued presence in Israel. U.S. companies need to be aggressive in their pursuit of business opportunities and maintain an active in-country presence.[10]




*Source: FAS Tel-Aviv*

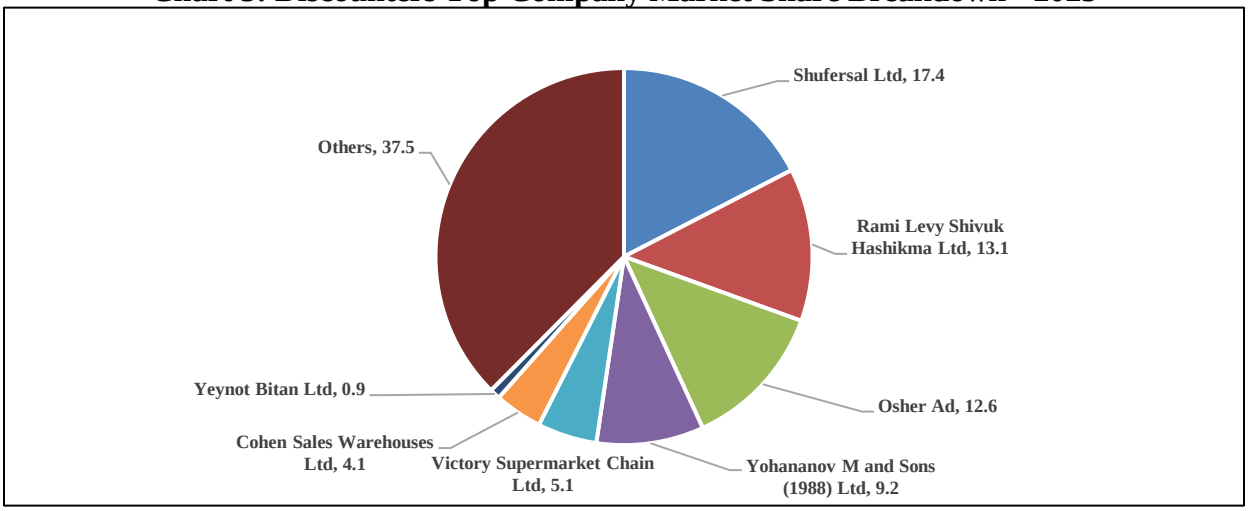
## Share of Major Segments in the Retail Industry

### Chart 4: Consumer Oriented BICO - Market Share, 2025




*Source: Trad Data Monitor, Israel Import from World, Market share*

### Chart 5: Discounters Top Company Market Share Breakdown - 2025



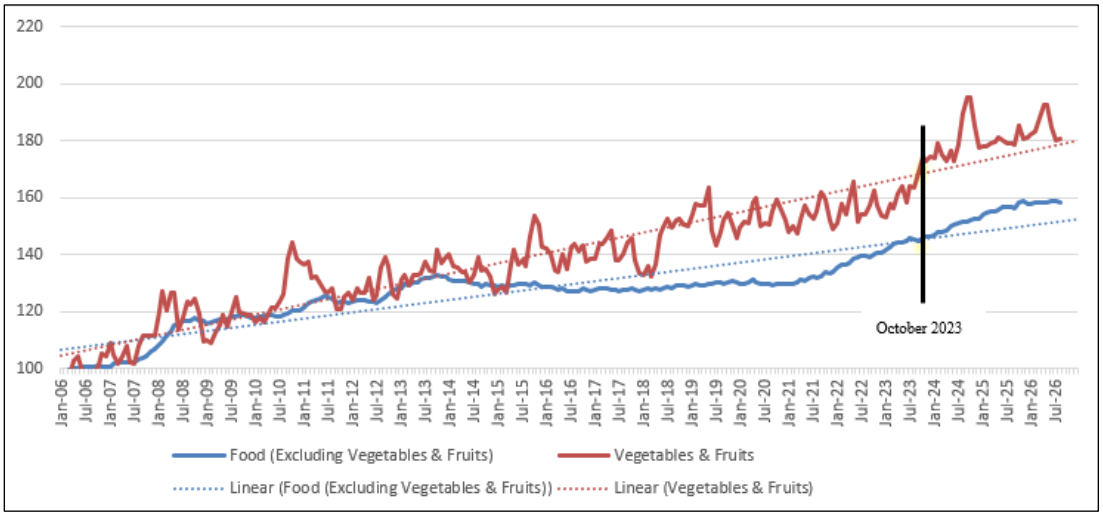

*Source: Euromonitor International©*

## Sector Trends



[10] Distribution and sales channels

**Chart 6: Consumer Price Index (CPI), Jan 2026 – Aug 2026**




*Source: Central Bureau of Statistics, 2006 = Base line (100), FAS research*

While retailers around the world tend to absorb some of the increased costs due to rising inflation, retailers in Israel transfer these increases in food prices[11] directly to consumers, keeping profit margins high.[12]

*Products with Increased Sales*

**Increasing Single-Serve Products and Size reduction –** Single-served/individual-sized products and size reduction for products are on the rise, at the expense of family-sized packaged products. The wholesale channel has also started to adopt these changes in its packaging, with this trend expanding to include non-alcoholic drinks section as well.[13]

**Increasing Sales During Holidays and Weekends -** Sales of FMCG products tend to be higher before major holidays and the weekend (Thursdays), with a sharp drop-down during Saturday (Israel Holiday of Shabat). It is important to note that the regional conflict in past years has also led to real quantitative growth in the food field, especially in food categories that may be used for storage or donations.

**Mixed Trends for Online Sales –** Online sales platforms such as Wolt Market report high increase in sales,[14] resulting in the Israel Competition Authority ordering Wolt to divest Wolt Market, after declining to extend Wolt's exemption for its restrictive arrangement again. Large Retailers such as Shufersal are reporting a decline in online sales.[15]

*Trends in Services by Retailers*

**Technological Innovation** - Most of the leading grocery retailers have entered the online channel with designated online stores and apps. Many supermarkets are installing self-service check-out stations and "smart shopping carts" which have electronic registry, scanners and scales.

[11] Central Bureau of Statistics (Hebrew Only)
[12] TheMarker (Hebrew only)



[15] Maariv (Hebrew Only)

**Private Label (PL)** - Supermarket chains carry PL branded products. The PL market share of the major retail chains varies from 27 percent to 7 percent depending on the chain and the product sector. Shufersal, Israel's largest supermarket chain, has quietly built a set of house brands that look independent and never mention the chain's name This is the Aldi and Lidl model, where each category gets its own dedicated brand. It differs from the traditional private label, which carries the chain's name openly on every product.[16]

**Fresh Fruits and Vegetables** – Such products remain a staple in the Israeli diet. Even with growth in other retail sectors, supermarkets are still dedicating a large portion of their sales to fruits and vegetables. Since 2024, imports of fresh fruits and vegetables increased significantly due to the lack of local produce influenced by the first few months of Israel-Hamas conflict and adverse weather conditions.

**Special Dietary Foods** – New trend like functional and enriched food are emerging alongside continuation of trends such as milk substitutes.[17,18]

## Section 3: Competition

In 2025, Israel's import of consumer-oriented products stood at $6.3 billion, with seven percent of imports from the United States, the third largest exporter of consumer-oriented products to Israel. The main competitors for U.S. consumer-oriented products are EU member states as a trade bloc, Argentina, Italy and Poland as a single country. The U.S. industry's advantages include a good reputation for consistent quality and stable supply. The main advantages of competitors are proximity, price and EU regulatory compliance.

## Section 4: Best Product Prospects

**Top Consumer-Oriented Products Imported from the World**
**Table 1: Israel's Top Ten Imported Consumer-Oriented Product, 2025**

| Product | Total Imports ($, millions) | Percent of Total Imported Consumer-Oriented Products | Top 3 Suppliers Market Share in (percentage, Other than U.S) | U.S Market Share (percentage) |
|---|---|---|---|---|
| 020230 - meat of bovine animals, boneless, frozen | 740.39 | 12% | Argentina 38%<br>Paraguay 27%<br>Brazil 24 % | 0.01% |
| 020130 - Meat Of Bovine Animals, Boneless, Fresh or Chilled | 431.47 | 7% | Argentina 53%<br>Brazil 14%<br>Paraguay 13% | 2% |
| 210690 – Food preparation nesoi | 282.22 | 4% | Ireland 18%<br>Netherlands 11%<br>Poland 11% | 12% |
| 230910 - Dog And Cat Food, Put Up for Retail Sale | 210.18 | 3% | Italy 16%<br>France 14%<br>Spain 9% | 13% |
| 071290 - Vegetables, Nesoi, Dried And Vegetable Mixtures, Dried (Whole, Cut, Sliced, Etc.), But Not Further Prepared | 163.78 | 3% | Romania 20%<br>Ukraine 15%<br>Serbia 6% | 50% |
| 180690 - Cocoa Preparations, Not In Bulk Form, Nesoi | 148.55 | 2% | Italy 45%<br>Belgium 8% | 2% |

[16] Maariv (Hebrew Only)
[17] Globs (Hebrew Only)
[18] Walla (Hebrew Only)

| | | | | |
|---|---|---|---|---|
| | | | Germany 8% | |
| 190590 - Bread, Pastry, Cakes, Biscuits And Similar Baked Products, Nesoi, And Puddings, Whether Or Not Containing Chocolate, Fruit, Nuts Or Confectionary | 146.85 | 2% | Italy 32%<br>Spain 15%<br>Turkey 6% | 10% |
| 210111 - coffee extracts, essences and concentrates, and preparations with a basis of these products or with a basis of coffee | 131.79 | 2% | South Korea 45%<br>Vietnam 29%<br>Russia 12% | 0.001% |
| 090121 - Coffee, Roasted, Not Decaffeinated | 129.77 | 2% | Italy 50%<br>Switzerland 42%<br>France 4% | 0.001% |
| 170490 - Sugar Confectionary (Including White Chocolate), Not Containing Cocoa, Nesoi | 123.25 | 2% | China 26%<br>Spain 22%<br>Netherlands 6% | 5% |

*Source: Trade Data Monitor, BICO-HS6 Consumer Oriented Agriculture, Year Ending, (September 2024)*

**Products Present in Market with Good Sales Potential**

- All products that are marketed in the EU or comply with EU regulations.
- Products with a large U.S. share.
    - Tree Nuts – U.S. lead in shelled almonds, in shell pistachios, shelled walnuts and other nuts. Tree nut imports grew 17 percent in 2025 and 48 percent in January–August 2026.
    - Dried vegetables – U.S. largest consumer-oriented export to Israel. Processed vegetable imports grew 15 percent in 2025 and 21 percent in January–August 2026.
- Products with a U.S. presence and room to grow
    - Food preparation - 12 percent U.S. share of a $282 million market.
    - Pet food - 13 percent U.S. share of a $210 million market.
    - Apples - 21 percent U.S. share, behind Italy at 60 percent. Fresh fruit imports grew 32 percent in 2025 and 25 percent in January–August 2026.
    - Bakery goods - 10 percent U.S. share of baked goods (HS 190590). The bakery group reached $493 million and grew 20 percent in January–August 2026.
    - Sauces and condiments - 18 percent U.S. share. The category grew 18 percent in January–August 2026.

**Fast-Growing Categories with a Low U.S. Share**

- Kosher beef - Beef is the largest import category ($1.2 billion). It increased 23 percent in 2025 and 50 percent from January–August 2026. The U.S. share is only 0.01 percent for frozen boneless beef and 2 percent for chilled. Kosher certification is required.
- Dairy products - $442 million, up 19 percent in 2025
- Non-alcoholic beverages - Up 29 percent in January–August 2026.
- Alcoholic beverages (including wine) - Distilled spirits grew 16 percent and wine 15 percent in January–August 2026.

**Products Not Present in Significant Quantities, but with Good Sales Potential**

- Frozen fruits
- Premium confectionary (E.g. - premium chocolate, cookies, ice cream)
- Organic food
- Vegan and vegetarian products
- Gluten free products



**Products Not Present in the Market or Present in Small Amounts due to Barriers**

- Kosher Processed meat product Israel does not allow it to be imported
- Non-Kosher meats are not permitted for importation.
- Non-Kosher products especially crustaceans and mollusks. Most supermarkets that cater to the general population will not sell them as well, as the major hotels and restaurants.
- Bananas, strawberry, cherries, and citrus Phytosanitary restrictions block their import.

## Section 5: Key Contacts and Further Information

**Links to Government Sources**

- Israel Tax Authority – Customs Tariff Book
- Israel Central Bureau of Statistics (CBS) - Imports and Exports of Goods and Services
- The Standard Institution of Israel (SII)
- Ministry of Economy and Industry
  - Foreign Trade Administration (FTA)
- Ministry of Agricultural and Food Security
  - Veterinary Services and Animal Health
  - Plant Protection and Inspection Services
- Ministry of Health
  - National Food Services
    - List of approved food importers and marketers

**Trade Associations**

- Israel - America Chamber of Commerce (AmCham Israel)
- Federation of Israeli Chamber of Commerce (FICC)
- Manufacturers Association of Israel (MAI)

**FAS/Tel Aviv Market Reports:**

- GAIN ISRAEL – Exporter Guide 2026

For questions or comments regarding this report, or assistance in exporting to Israel, U.S. interested parties are encouraged to contact the Foreign Agricultural Service in Tel Aviv. Importer listings are available from the Foreign Agricultural Service for use by U.S. exporters of U.S. food and beverage products.

| | |
|---|---|
| **Foreign Agriculture Service – Tel Aviv**<br>71 Hayarkon Street<br>Tel Aviv, Israel 63903 | Phone: 03-519667/671<br>Email: agtelaviv@usda.gov<br>http://www.fas.usda.gov |

**Attachments:**

Table - Consumer Oriented Product Groups Present in Market from World.docx

Table - Israel's Top Ten Imported Consumer-Oriented Product Groups, 2025.docx