1. **Distinctive Traits of Food Production and Consumption in Israel**

**460,000** households in Israel experience food insecurity.

This Annual Report includes a special, expanded chapter dedicated to the impact of food rescue on food security and health costs in Israel.

For the average household in Israel, expenditures on food represent approximately 18% of its total market basket of consumer goods. For households in the lower two income deciles, this rate is 22%. Food is far more than part of a household's market basket; it is a basic existential need. A balanced diet is essential for ensuring the health of the population as a whole and for the development of infants and children in particular. The potential harm caused by a lack of food or inadequate basic nutritional dietary needs exceeds the market price of the food (the cost of its production at all stages along the value chain). Food insecurity is a particularly serious problem in Israel: the average rate of expenditure on food is among the highest in developed countries, and Israel has one of the highest poverty rates among countries in the Organisation for Economic Co-operation and Development (OECD).[[1]](#footnote-1) An analysis conducted by BDO on data from the December 2021 Israel National Insurance Report[[2]](#footnote-2) found that 16.2% of Israeli households – approximately 460,000 Israeli households – live in conditions of food insecurity. In economic terms, food expenditure for a household living with food insecurity is approximately 30% lower than the normative level.

Food is a unique product, both in terms of the traits of its consumption and its production. Growing and producing food requires natural resources that are relatively scarce, expensive, and often non-renewable: energy, water, and land. Using these resources can damage water, soil, air, and biodiversity, and emit greenhouse gases that cause climate change.[[3]](#footnote-3) Additionally, surplus food must be removed and buried in landfills, which involves more resources use and environmental costs.

In a small and arid country like Israel, water and land are precious and limited resources. Using land and water to grow surplus agricultural products that are lost or wasted has direct economic, environmental, and social costs. Foods are mostly based on agricultural products: vegetables, fruits, legumes, dairy products, eggs, meat, fish, oils, etc. External factors such as pests, weather, diseases, etc. cause great uncertainty regarding the production of these agricultural products.

This Report examines the issue of food waste and the feasibility of food rescue, considering economic, social, environmental and health perspectives. It is based on quantifiable assessments and estimates, and includes ways to update data and improve methodology, based on the experience gained from the preparation and publication of the previous seven Reports. This Report is a collaboration between the Israel Ministry of Health and Ministry of Environmental Protection, and includes a chapter dedicated to **the impact of food rescue (particularly fruit and vegetables) on food security and health costs in Israel**.

Financial accessibility to healthy food and adequate nutrition is essential for physical, mental, and cognitive functioning, and is an essential element for the realization of food security. Consuming a healthy diet, with sufficient fruit and vegetables, may be expensive, but an unhealthy diet has even greater costs. This Report examines and evaluates excess health expenditures in Israel that result from food insecurity, and the potential for reducing these costs through food rescue in Israel.

1. OECD, Poverty rate, 2021 [↑](#footnote-ref-1)
2. *Poverty and Income Inequality, 2020 According to Administrative Data, with an estimate for 2021*, Report by the Israel National Insurance Institute. [↑](#footnote-ref-2)
3. *Cut Waste, GROW PROFIT: How to Reduce and Manage Food Waste, Leading to Increased Profitability and Environmental Sustainability*. Value Change Management Center and George Morris Center, 2012. <https://vcm-international.com/wp-content/uploads/2013/05/Cut-Waste-Grow-Profit-FINAL-DOCUMENT-Oct-3-12.pdf> [↑](#footnote-ref-3)