

Low-hanging Fruit

The *shmita* year has ended - Israel must meet its obligation to facilitate economic activity in Gaza by allowing access for agricultural produce

November 2022

Introduction

In June 2007, following Hamas's rise to power in Gaza, Israel barred all exit of goods from Gaza¹. Israel would eventually declare Gaza a “[hostile territory](#)” in September. Blocking exit of goods was part of its strategy of “[economic warfare](#)” on the Strip. Overnight, Gaza traders lost all access to markets outside the Strip, including their most important and natural markets in Israel and the West Bank, where [85 percent](#) of the goods shipped out of Gaza had been sold in the period prior to June 2007. Israel's restrictions led exit of agricultural goods to plummet from about 3,544 tons per month in the first half of 2007 (see graph 1) to virtually zero in the immediate period after June 2007, contributing to the Strip's [economic collapse](#).²

In time, some goods were cleared for export abroad, but it was not until 2014 that Israel began to allow marketing of a limited number of agricultural goods to the West Bank, for the first time since 2007, following its destructive military offensive on Gaza in 2014 and negotiations on a ceasefire. The following year, 2015, was a *shmita* or sabbatical year (see explanation below), and for the first time since 2007, Israel allowed tomatoes and eggplants to be marketed from Gaza in its territory - first [capped at a quota](#) of 250 and 50 tons per month, respectively, and gradually rising to [400 and 50 tons](#) (Hebrew), respectively (the quota is not strictly adhered to and is sometimes exceeded).

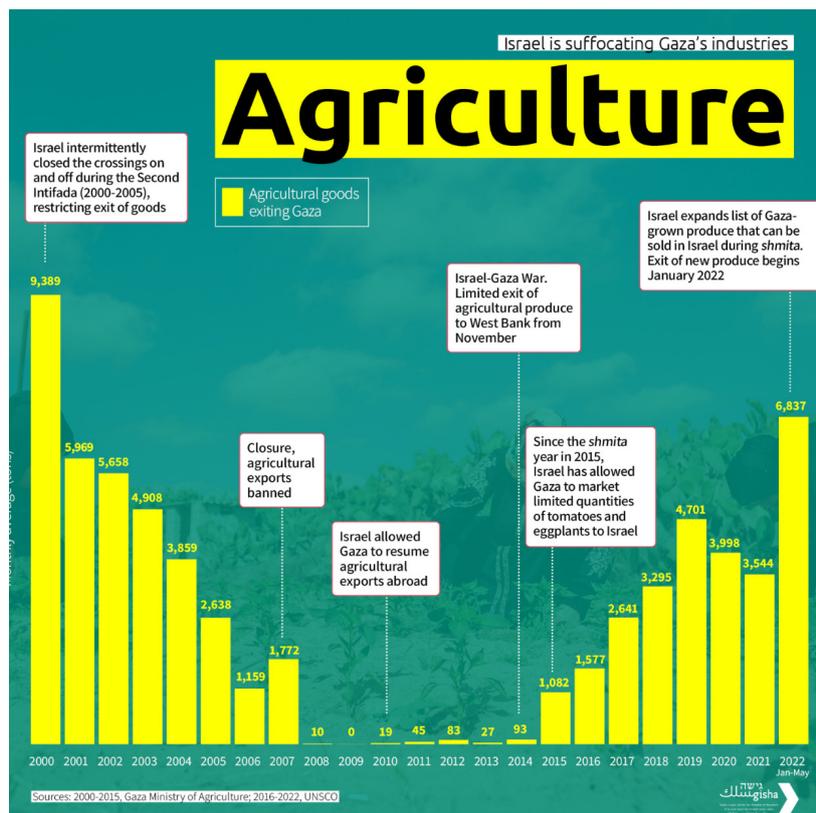
¹ Israel made a few exceptions to the ban over the years, including extremely limited export of agricultural produce to Europe as part of a project sponsored by the Netherlands, and on a few occasions, *lulavim* or palm fronds to Israel for the Sukkot holiday.

² Note that the figure includes export abroad and marketing to Israel and the West Bank, other than flowers, which are counted in stems rather than tons.

In 2022, another *shmita* year, more products were cleared for marketing to Israel and exit of agricultural goods rose to the highest level since the year 2000, reaching 5,377 tons per month on average from January to August 2022 to all destinations, a rise of 67% compared to the same period of 2021.

These expansions, in addition to expansion of items cleared for marketing in the West Bank, have led to increases in exit of produce and revenue for Palestinian farmers,³ but the sector is still operating far below its potential. With less agricultural trade, the number of workers in the sector has also fallen; just 12,882 workers were employed in the sector in 2020, down 39 percent from 21,060 workers in 2005. During the first half of 2022, during the *shmita* period, around 18,860 workers were employed in the sector, 10% fewer than in 2005.

Additional Israeli restrictions and harmful practices have undermined the agricultural sector, as detailed below, but the industry can be resuscitated. Israel has an obligation to facilitate economic activity and development in Gaza by virtue of its ongoing control over the Strip. Further, boosting agricultural exports and marketing is “low-hanging fruit” for the Israeli government politically, and there are readily available policy remedies to expand access, as set out in this policy paper.



Graph 1: Israel blocked exit of agricultural produce from Gaza in June 2007. During the first half of that year, approximately 3,544 tons of produce exited Gaza monthly to all destinations.

³ Israel, the West Bank, and Gaza form part of the same customs envelope under the 1994 Paris Protocol. For this reason, we avoid using the terms import and export to describe sale or marketing of goods between the areas.

Shmita

Jewish law dictates that every seven years, farmland must be left to lay fallow for the *shmita* (sabbatical) year. The *shmita* year is marked in the period between the Jewish New Year and the following Jewish New Year, as opposed to the calendar year. Israeli farmers who observe *shmita* do not grow or harvest crops during the *shmita* year, instead buying produce from non-Jewish growers, and selling it to retailers at a markup to keep their business afloat. Israeli farmers observing the *shmita* must be registered with the Ministry of Agriculture as *shmita*-observant, which grants them a [license](#) to purchase produce from other sources within set quotas during the *shmita* year. Observant Jews do not purchase produce unless it has been certified to have been grown and harvested by non-Jews. Every seven years, thus, demand for produce grown by non-Jews increases, opening a window of opportunity for Palestinian or foreign agricultural trade.

For this (2021 - 2022) and the last *shmita* year (2014 - 2015), the Israeli Ministry of Agriculture expanded the types of goods that could be sold from Gaza in Israel in order to meet demand on the Israeli market. In 2015, eggplants and tomatoes were permitted, a measure that then *de facto* became permanent, and this *shmita* year, six new kinds of vegetables were permitted - cucumbers, chili peppers, sweet peppers, sweet potatoes, zucchini, and cherry tomatoes. From Gisha's conversations with the Israeli Ministry of Agriculture, there is no indication that the expansions will extend beyond the *shmita* year, other than tomatoes and eggplants. In other words, the brief window that was opened for the six additional products is expected to close at the end of this calendar year (the Jewish New Year fell at the end of September but the Israeli MoA gives a few months as a grace period to allow Israeli farmers to begin growing and harvesting crops).

Gisha's interviews with farmers and traders in Gaza indicate that the *shmita* expansion has been welcomed in the Strip. One trader told us: "The expansion of marketing had a significant impact. Our profits increased and we felt the difference, not only the traders but also the farmers in Gaza were positively affected by this change. For example, there are large quantities of cucumbers in Gaza, marketing them to Israel brings economic benefit to both parties." Another told us that it facilitated new business relationships with Israeli farmers. According to the Food and Agriculture Organization (FAO), the value of produce sold from Gaza to Israel grew by more than 1,300 percent, generating approximately 6.3 million USD from January through early August 2022, compared to just over 434,000 USD for the same period in 2021 before the *shmita* began.

Israel has cited [phytosanitary](#) (plant health) concerns as the reason that produce grown in Gaza cannot be sold in Israel or even the West Bank freely. However, other motivations factor in, such as protectionist measures and a desire to apply pressure on the Hamas authorities in Gaza, as well as lack of political will to find solutions to phytosanitary challenges. Israel has shown willingness to allow more goods to exit, but only when it aligns with its self-interest. The *shmita* year is a clear example. When there is demand in Israel due to religious restrictions on agricultural production, phytosanitary concerns are suddenly less relevant. Phytosanitary concerns are not unique to

produce grown in Gaza, and where there is political will, these can be overcome with proper testing, inspection, or other treatment measures. The *shmita* allowances prove that much more is possible. Expanding access for agricultural goods permanently is a relatively straightforward, politically uncontroversial way of strengthening the Palestinian economy, and most importantly, it must be done as part of Israel's obligations to facilitate normal life and access to livelihoods.

Even within the *shmita* framework, there are several issues that must be addressed by Israel, first and foremost being the lack of published information about the kinds of products that can be sold from Gaza and during which time period. This year, Israel never formally published information about the allowances for the *shmita* year and thus far has not said whether it would continue to allow sale of the six products, as it did previously with eggplants and tomatoes, beyond the calendar year. As a result, farmers in Gaza lack basic information needed to plan or anticipate demand for types and quantities of produce, as they would in a competitive market. Further, limiting purchase to certain products and only to buyers with a *shmita* [license](#) undermines the bargaining power of traders in Gaza.

Items permitted for marketing in Israel and the West Bank

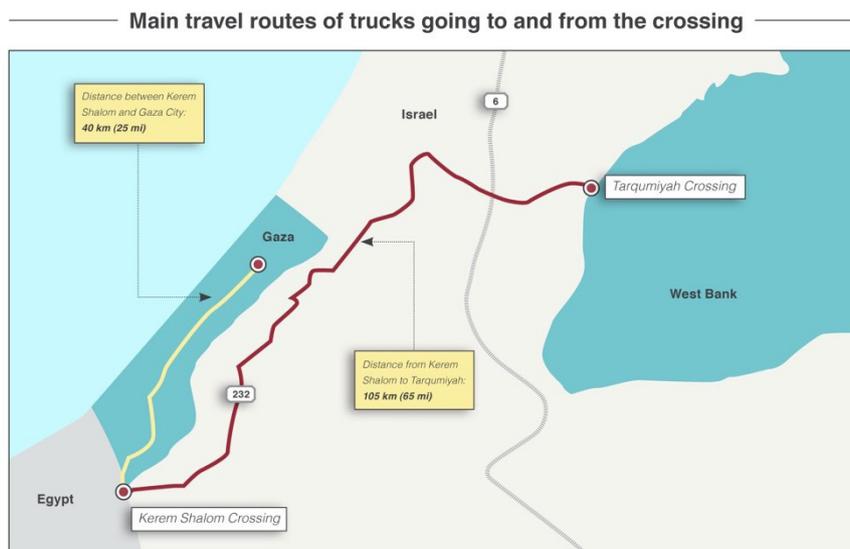
*(*Items marked with an asterisk were permitted for marketing in Israel during the 2021 - 2022 shmita year)*

Item	Permitted for marketing in West Bank	Permitted for marketing to Israel
Strawberries	✓	✗
Sweet peppers	✓	✓ *
Cherry tomatoes	✓	✓ *
Tomatoes	✓	✓
Sweet potatoes	✓	✓ *
Chili peppers	✓	✓ *
Dates	✓	✗
Cucumbers	✓	✓ *
Cauliflower	✓	✗
Zucchini	✓	✓ *
Pumpkin	✓	✗
Cabbage	✓	✗
Eggplant	✓	✓
Red carrots	✓	✗

Kerem Shalom Crossing

All agricultural goods exit Gaza via the [Kerem Shalom crossing](#) with Israel, the only commercial crossing to the Israeli and West Bank markets, as well as abroad.⁴ Israel often abuses its control of Kerem Shalom, imposing punitive closures as a means of exerting pressure on Gaza residents, most recently in early [August 2022](#), in addition to routine closures during the Jewish holidays. Punitive and sudden closures of Kerem Shalom lead to serious financial losses for Gaza residents when shipments are impeded or when they are delayed, reducing the quality of agricultural produce, and consequently lowering its value and the profitability for farmers.

The crossing, at the southern-most point of the Gaza Strip, is not strategically located. The location of Kerem Shalom requires that goods from Gaza be transported south, only to be moved north once in Israel, greatly increasing the time and costs associated with transporting goods. On the Israeli side, the crossing is accessible only via road 232, a mostly two-lane road that in parts has been severely eroded by the weight of hundreds of trucks driving along it daily, leaving it in disrepair. A goods crossing in the north of the Strip would address this redundancy, cut transport costs on both sides, and reduce the burden of traffic on road 232.



The route of trucks carrying goods to and from Gaza via Kerem Shalom Crossing. Source: [Kerem Shalom](#), Gisha, 2020

Marketing of agricultural goods from Gaza is further hindered by long wait times at Kerem Shalom, [high taxes and crossings fees](#), ongoing restrictions on entry of items Israel considers as “[dual-use](#),” including fertilizers and other items needed to optimize the quality and profitability of produce, and restrictions on the height of pallets to a maximum of 1.6 meters (lower than the 1.9 meter international standard). The restriction on pallet height, and thus how much of each product can be shipped on each truck, increases shipping costs for traders who are already stretched financially. There are two gantry scanners at the crossing, donated by the government of the Netherlands,

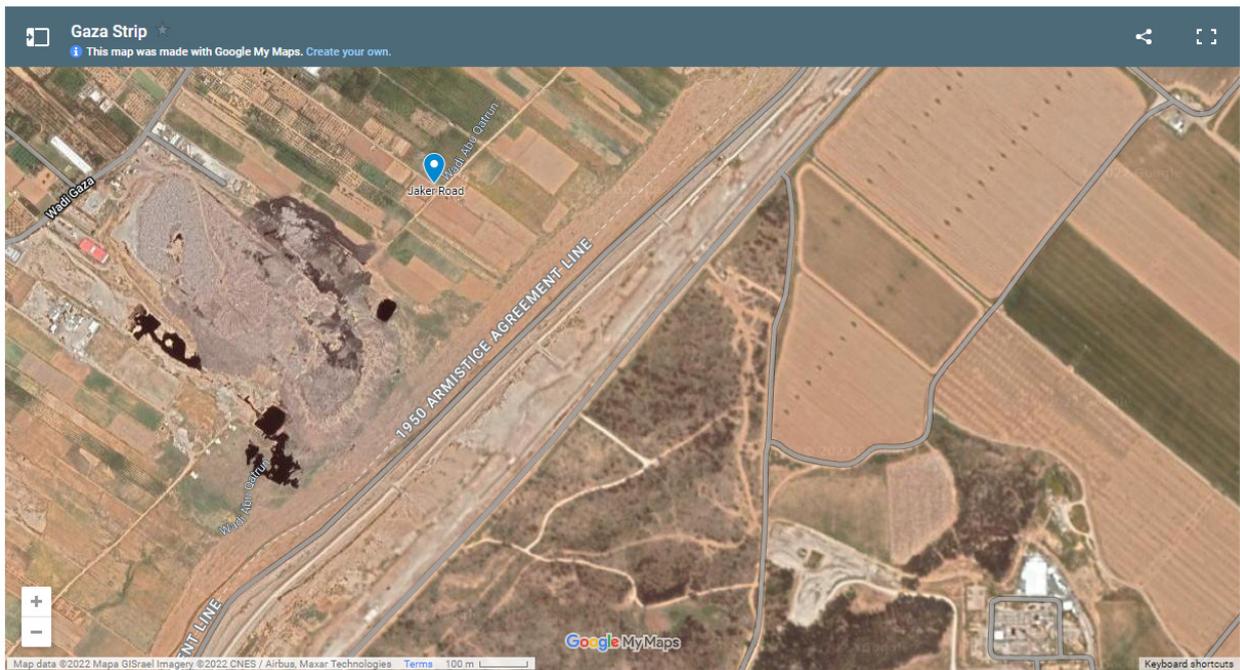
which in theory could be used to scan goods on trucks and/or in containers without having to unload them. In practice, however, the scanners are used to scan outgoing goods but trucks are still required to be unloaded for inspection, rendering the inspections redundant and prolonging transport time. Further, there is no storage (including cold storage) and limited shading at Kerem Shalom, which impacts the quality, and thus the potential asking price, of the goods being marketed. The Palestinian Authority Committee for the Coordination of Entry of Goods into the Gaza Strip developed a plan to upgrade Kerem Shalom on the Palestinian side, including the implementation of shading. Work on this initiative began in 2022 and is expected to be completed by the end of the year, although, according to Gisha's sources, there is still a funding gap to be met due to rising material costs.

Access Restricted Area

Israel maintains an [Access Restricted Area](#) (ARA) inside the Gaza Strip in the area near the fence, cutting into a significant portion of Gaza's agricultural lands. The maximum distance up to which Gaza residents are allowed to approach the fence is 300 meters (984 feet); farmers are [allowed](#) (Hebrew) to approach up to 100 meters (328 feet) from the fence. Within 100 meters of the fence is considered a "no-go" zone, which the Israel army enforces with live fire. Farmers cannot grow anything here, despite the land being privately-owned by Gaza residents. The Israeli army regularly conducts incursions into this area, including to raze any vegetation, flatten structures, and expose terrain, as well as periodic [spraying of herbicides](#) which damages crops.

Since 2017, the local authorities in Gaza have also implemented certain restrictions, preventing farmers from accessing the area 300m from the fence (up to Jaker Road) after 7pm and requiring special permission from non-farmers to enter at any time. Discussions have been taking place recently between farmers and the local authorities about what kinds of crops the authorities will allow farmers to grow in the area between 300 to 100m from the fence. According to sources in Gaza, from August 2022, the authorities are enforcing new procedures for identifying people accessing the area, requiring farmers and shepherds to carry specially-issued identification cards and wear colored vests.

Restrictions on access to land and on the types of crops or structures than can be placed there, whether enforced by Israeli or the local authorities, harm agricultural production in the Strip and undermine livelihoods, which are precarious as it is.



Gaza's Jaker Road, which in most places runs at 300 meters from the fence inside the Strip. This area is referred to by Israel as a 'buffer zone' and by others as the Access Restricted Area (ARA). Source: [Closing In, Life and Death in Gaza's Access Restricted Areas](#), Gisha, 2018

Conclusion

For more than 15 years, Israel has targeted the Palestinian economy in Gaza through various measures: limiting access for people and goods, as well as engaging in other harmful practices that limit productive sectors and destroy livelihoods. The agriculture sector, which supports local food production and provides jobs to thousands of individuals, has not been spared these measures. Israel is obligated under international law to facilitate normal life, and protect the health, well-being, and access to livelihoods of Palestinians living under occupation. It must therefore allow free passage of goods to and from the Gaza Strip, subject only to individual, proportionate security checks, and specifically, protect and promote the agricultural sector in Gaza as a key source of livelihoods, local food production, and food security. Successive Israeli governments have publicly stated [their interest](#) in facilitating economic development and stability in the Strip, though they have persistently enforced policies doing the exact opposite.

This policy paper offers several practical recommendations on how the Israeli government can reverse its harmful policies and support Gaza's agricultural industry, and thus bolster economic activity. First and foremost, it is a matter of obligations, but there is also absolutely no excuse not to harvest such low-hanging fruit.

Policy recommendations to the government of Israel:

- Israel must allow all produce to exit the Strip, but at a minimum, it could:
 - Expand the types of agricultural produce that can exit Gaza for marketing in Israel and the West Bank, for example strawberries to Israel and potatoes to the West Bank
 - Preserve all expansions made under the *shmita* year and beyond
 - Remove quotas
 - Allow all interested buyers to purchase produce from Gaza
- Allow regular entry of items and materials needed for farming into Gaza
- Provide preferential access for Palestinian agricultural produce from Gaza and the West Bank to the Israeli market
- Ensure uninterrupted operations of Kerem Shalom and refrain from closures of the crossing as a punitive measure
- Allow movement of Gaza merchants to travel to Israel and the West Bank, and West Bank buyers to enter Gaza, to facilitate trade
- Improve and upgrade Kerem Shalom Crossing:
 - Improve processing times at Kerem Shalom
 - Build cold storage facilities at Kerem Shalom
 - Increase the height of cargo loads to the international standard of 1.9 meters
 - Facilitate the transport of containers through the crossing, using existing scanners and refrain from requirement for onerous unloading and loading process
- Reduce or eliminate Kerem Shalom-specific fees and taxes
- Open an additional commercial crossing or crossings in northern Gaza to decrease transportation costs and increase the safety of road 232 for residents of the area, by lessening truck traffic
- Upgrade road 232 to Kerem Shalom by adding additional lanes and improving infrastructure, to reduce road traffic and improve road safety, allowing for better and safer transport of goods to and from Kerem Shalom

Timeline

**Jun.
2007**

Israel banned all exit of goods from Gaza. It did allow some exceptions over the years, including extremely limited export of agricultural produce to Europe as part of a Dutch government-sponsored project, and on a few occasions, *lulavim* or palm fronds to Israel for the Sukkot holiday

**Nov.
2014**

Israel approved limited exit of agricultural produce from Gaza to the West Bank, for the first time in seven years

**Jan.
2017**

Israel allows tomatoes and eggplants from Gaza to continue exiting Gaza despite the end of the *shmita* year in October 2016 and the end of the grace period through the end of the calendar year

**Mar.
2015**

Israel permitted sale of tomatoes and eggplants from Gaza to Israel, directed exclusively toward the ultra-Orthodox market under the framework of the *shmita* year

**Sep.
2021**

Start of the *shmita* year. Israel decides to allow marketing of five new agricultural products from Gaza in Israel under the framework of the *shmita* year: cucumbers, chili peppers, sweet peppers, sweet potatoes, and zucchini. In February 2022, cherry tomatoes were also added to this list

**Jan.
2022**

The five permitted categories of vegetables begin exiting Gaza, with cherry tomatoes following in February