

# What is Kosher

and

How adapting to Kosher will open new markets for you.

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# Part 1 – Kosher Market

- What is kosher
- The Kosher market
- Kosher consumers
- Route to market
- Trends

# Part 2 – Israeli Market

- The Israeli market
  - The Israeli consumer
  - Israel's food industry
  - Route to market
  - Trends
- 
- Innovation

What is  
Kosher?

Kosher means:

**Pure. Reliable. Correct.**

The term  
describes:

Food that is **permissible**  
**to eat** under the  
Jewish Laws (Kashrut).

What is  
“Kashrut”

“Kashrut” means the **laws governing** kosher food and drink.

It's  
complicated!



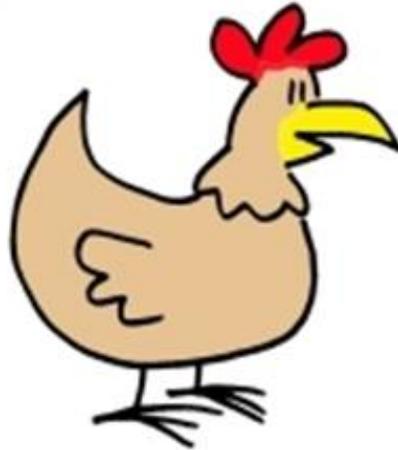
Kosher rules:

Laws are **extensive** but all  
derive from some **basic rules**.

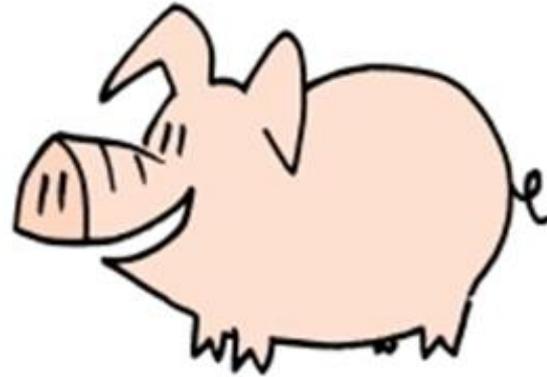
1.

Certain animals  
are forbidden  
to eat

[www.CateringEden.com](http://www.CateringEden.com)



"You're not 'kosher'? —  
What does that mean?"



"I'm on the  
no-fry list."

2.

Certain sea foods  
are forbidden  
to eat



3.

Specific rules on  
slaughtering

How to slaughter animals  
according to the **Kosher laws.**

4.

Meat or Dairy

Meat or poultry  
cannot be **eaten**  
with dairy.



5.

More rules for  
other products:

Fish, eggs, fruits, vegetables and  
grains **can be eaten with  
either** meat or dairy.

6.

Specific rules  
on producing  
wine

Wine made by **non-observant**  
Jews is not Kosher.



# 7.

## Specific rules for preparing food & cooking

Utensils that have  
come into contact with  
meat **may not  
be used** with dairy  
and vice versa.



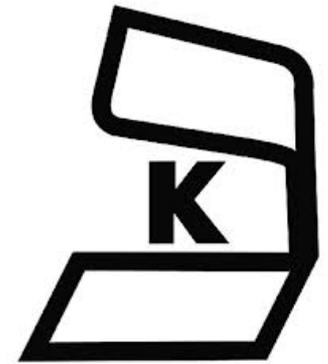
8.

It's forbidden  
to light fire  
on Sabbath

No cooking/baking on **Sabbath**  
(from Friday to Saturday sunsets)  
and Jewish holidays.



Kosher signs



Kosher  
signs

M

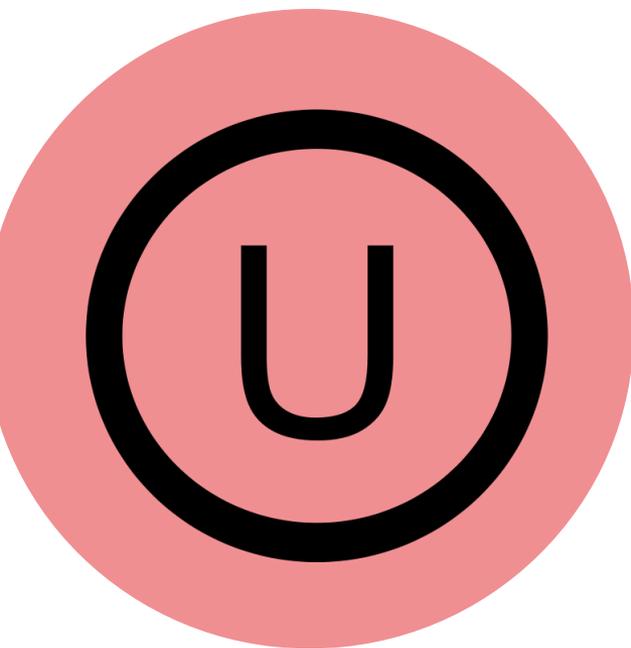


Kosher  
signs



= Lactose free

The OU  
(Orthodox Union)



1m  
products  
worldwide

Over 80  
countries

Kosher for  
Passover

Kosher rules for **Passover**  
**(Pesach)** forbid the eating, selling  
and storing of some ingredients  
(Chametz): wheat, barley, spelt, rye,  
oats, yeast, baking soda.

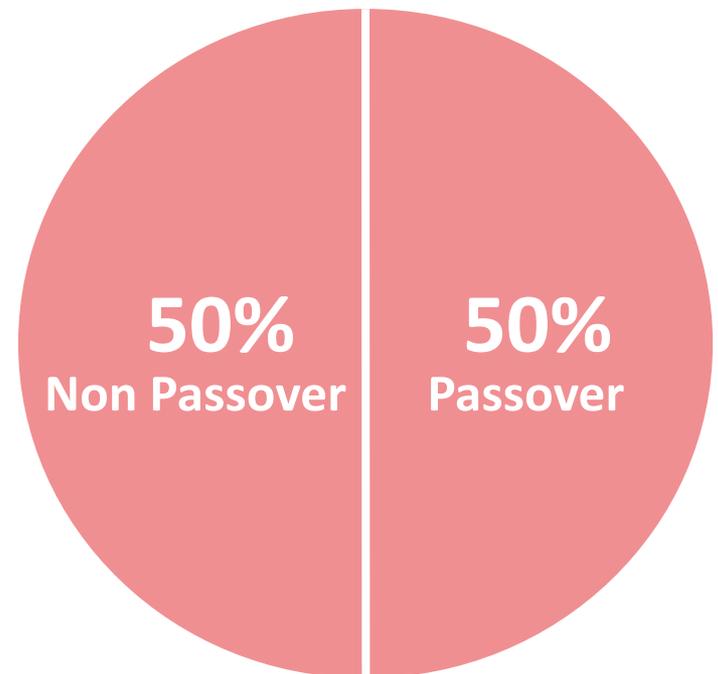
Kosher for  
Passover



= Gluten Free

Kosher sales  
for Passover

# Percentage of Kosher products sales year-round.\*



Source: [www.kosherfest.com](http://www.kosherfest.com) (\*Excluding Israel)

Kosher  
supervisor:  
"Mashgiach"



Kosher  
certification:

**“Coca-Cola” --- Kosher for Passover  
DRINK**



*Coca-Cola*



Supervised by the  
Jewish Community Council of Montreal and its Council of Orthodox Rabbis

**The Usual Price Will Prevail**

We hereby declare that “Coca-Cola” is a pure vegetable drink analyzed by the greatest chemists as pure drink permissible for Seder Service. Especially bottled for Passover. Every bottle sealed with a crown bearing the words Kosher L’Pesach.

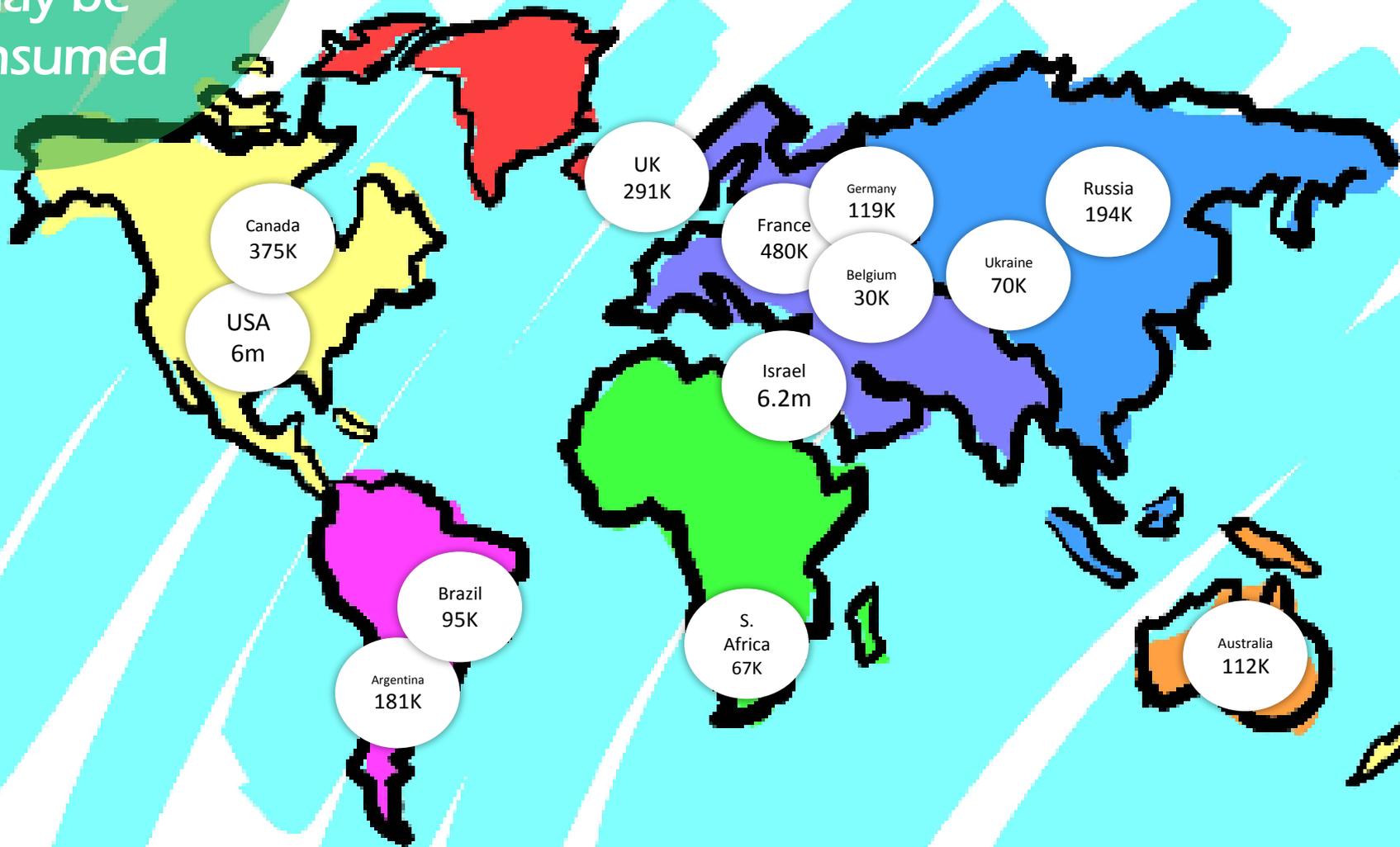
Approved by the Jewish Community Council and its  
Council of Orthodox Rabbis.

**Order a Case for Your Home**

**Telephone CRescent 1151**

# The Kosher Market

# Where Kosher food may be consumed





Size of the  
US Kosher  
market:

**\$12.5B**  
Value market

**21%**  
Purchase  
Kosher

**15%**  
Annual  
growth rate

**2,500**  
New Products  
Per year

The Kosher  
market

Not all Jews **keep Kosher.**  
Most of them  
eat **also Kosher.**



“Traditional”  
Kosher food

Food that is **consumed for rituals**, Sabbath, holidays and special occasions.

“Traditional”  
Kosher food



The Kosher  
market

Kosher market is driven by  
**mainstream** food  
products.



# Other Kosher consumers

Religious  
reasons

**Other religions** with food restrictions that may be **similar to Kosher**; Muslims, Jains, Seventh Day Adventists.



# Vegetarians & Vegans



100%  
Guaranteed  
free from ...



Allergies

A group of hands of various skin tones are holding up large, colorful letters that spell out the word "Allergies". The letters are: 'A' (red), 'l' (green), 'l' (blue), 'e' (pink), 'r' (yellow), 'g' (purple), 'i' (green), 'e' (red), and 's' (blue). The hands are positioned below the letters, supporting them from underneath.

## Reasons for buying Kosher

- 55% health & safety
- 38% vegetarians
- 16% eat halal
- 35% taste or flavour
- 16% guidelines on how they were produced
- 8% good products
- 8% keep Kosher all the time
- 8% looking for vegetarian products, either for religious or dietary reasons

“We answer  
to an even  
higher  
authority”



1975

2011

# Route to market

2 distribution channels:

# Kosher Market

**Mainstream  
Retailers**  
(through Master distributor)

Kosher sections in 10,000 stores

**Independent  
all-kosher stores**  
(Regional/local distributors)

800 stores all over the US

The “Master  
Distributors”

**KEDEM**



**Manufacturer**



**Importer**



**Distributor**



**Supermarkets or  
Independents**





# Trends

## Trends in the Kosher Market

- ✓ “Kosher upgrade”
- ✓ Ethnic food
- ✓ Gourmet/premium
- ✓ Ethical Kosher

## Strengths

- ✓ Kosher = quality
- ✓ Distinctive target audience
- ✓ Focused route to market

## Weaknesses

- ✓ Adaptation of facilities to Kosher rules
- ✓ Target audience scattered
- ✓ Limited route to market



Opportunity

## Opportunities

- ✓ True value in the Kosher market
- ✓ Kosher for Passover
- ✓ Exporting to the US
- ✓ Gluten/Lactose free, vegan
- ✓ Premium/specialty market



# The Israeli market



Population  
**8,146,300**



Capital city  
**Jerusalem**



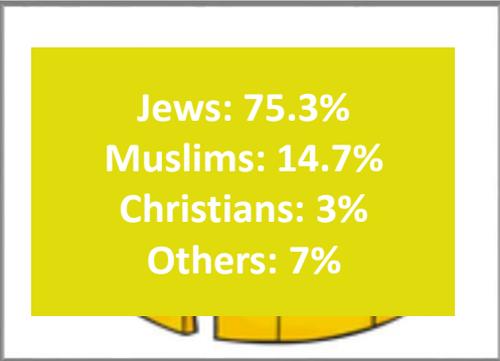
Business capital  
**Tel Aviv**



Official languages  
**Hebrew &  
Arabic**



Business language  
**English**



Jews: 75.3%  
Muslims: 14.7%  
Christians: 3%  
Others: 7%



Surface  
**22,770 sq m**



Immigrants  
from 70  
countries

## Strengths

- ✓ Open economy
- ✓ HDI (Human development Index)  
19<sup>th</sup> in the world
- ✓ “Start up nation”
- ✓ Efficient transport  
network & supply chain

## Weaknesses

- ✓ High labor costs
- ✓ High taxation levels
- ✓ High transportation costs
- ✓ Size of the market

# The Israeli consumer

Consumption  
pattern

Eating habits are largely influenced by **ethnicity, Kosher or Halal rules** and also **openness and curiosity** to other international cuisines.

Consumption  
pattern



**79%**

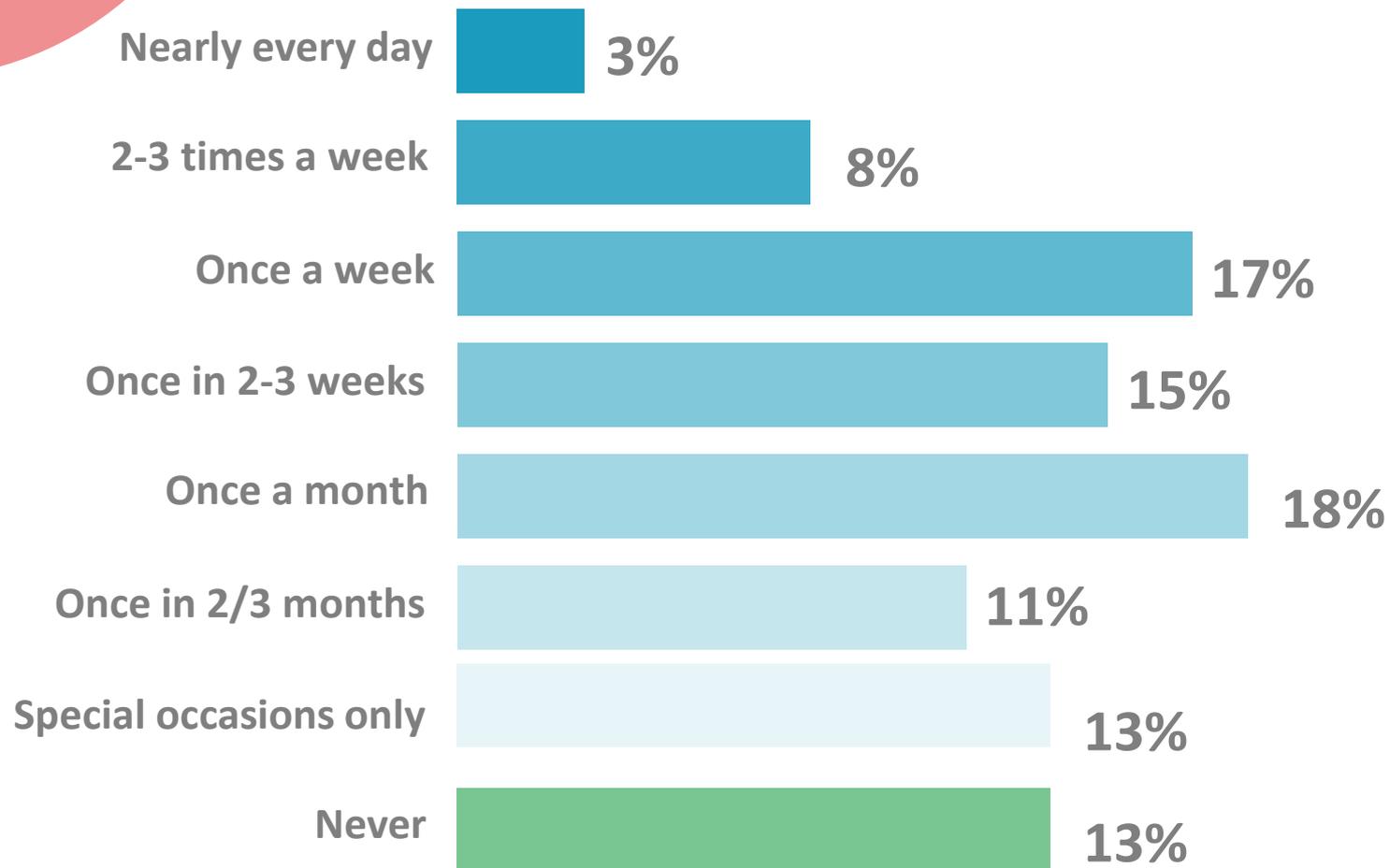


**82%**

Consumption  
pattern

Great emphasis on **home  
cooked meals** & eating with  
the family but also a big “**eating-  
out**” culture.

# Frequency of eating out



Consumption  
pattern



No. 3

(197.6) kg

Consumption  
pattern



No. 3

(5.1) kg

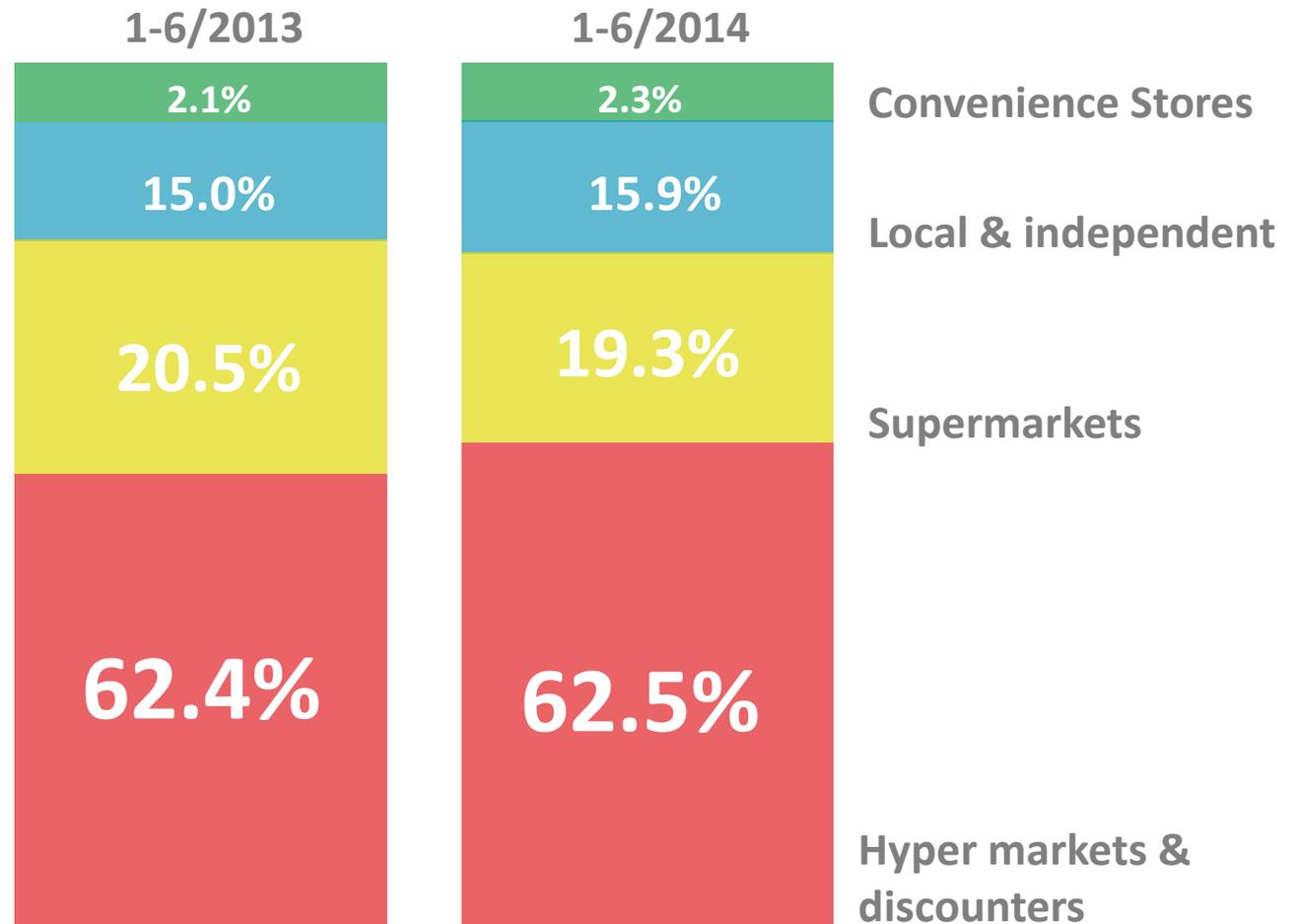
Consumption  
pattern

No. 3

(38.8) kg



# Where do Israelis shop for food



## Buying habits

**79.2%** buy up to half of their shopping list in **one location.**

## The Israeli consumer

- ✓ Imported goods = quality
- ✓ Curious & adventurous
- ✓ Up-to-date with world trends
- ✓ Price conscious



# Israel's Food Industry

Size of the  
market

ILS 80 Billion  
(EUR 17 Billion)

## Food Manufacturers

**5** manufacturers dominate market with **42%** market share, and **10** hold **65%** market share.

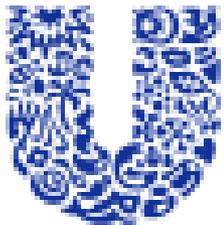
International  
brands

*Coca-Cola*

Cheerios

yoplait 

DANONE 



müller 

Nestlé

Unilever

Carlsberg 

NESCAFÉ 

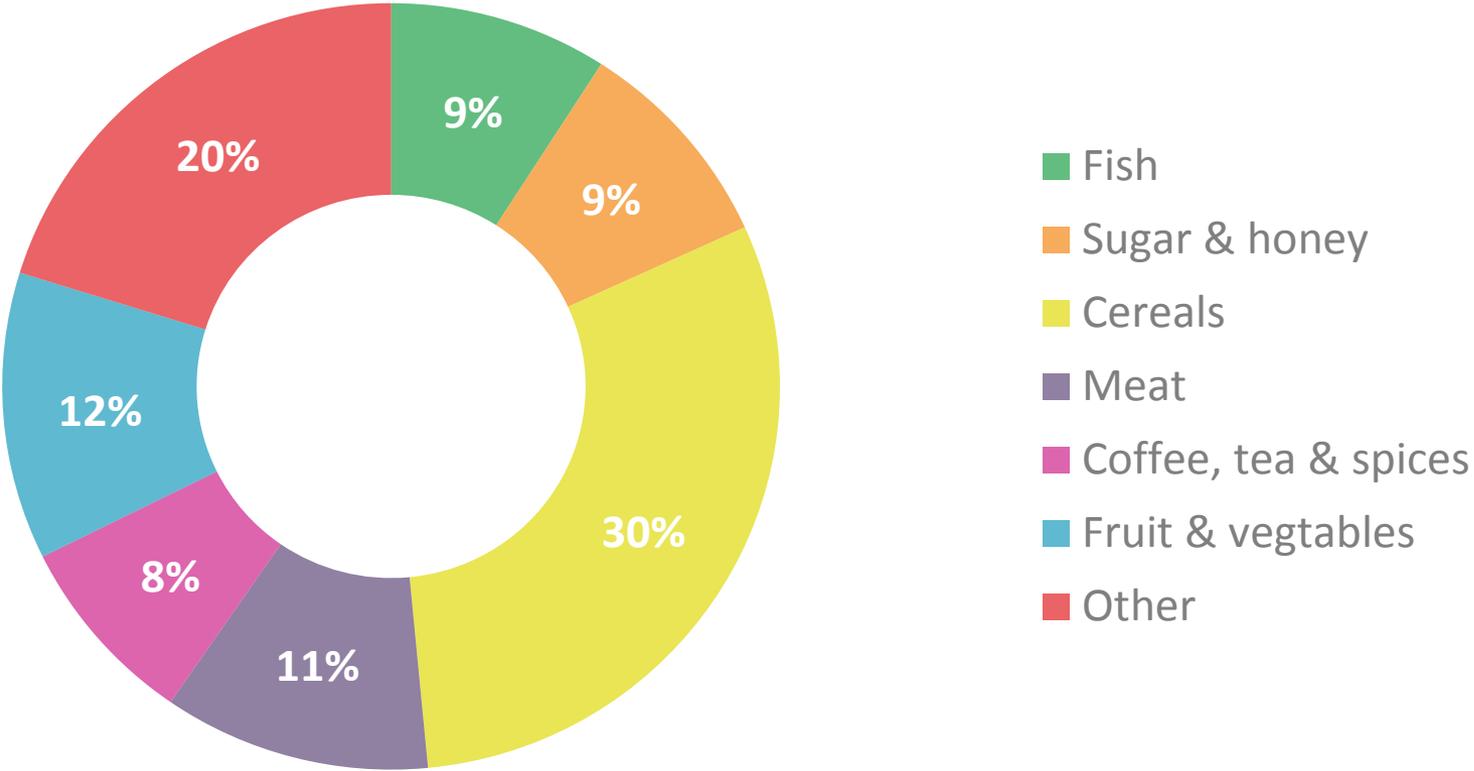
Doritos 

Knorr 

Mazola 

'BRING OUT THE BEST'  
HELLMANN'S   
SINCE 1912

# Food Imports 2013 - \$1.3 Billion



# Leading retailers in the market (2103)

Size of grocery retailers ILS 59.9b (Euro 12.9b)

Retailer	Logo	Size	No. of stores	Company share value	Revenue in million EURO	Strategy	Target audience
Shufersol		1	281	20%	2,582	Variety & convenience	Depends on format
Mega		2	213	10%	1,462.5	Variety & convenience	Depends on format
Rami Levi		3	25	5.2%	697	Focus on price	Lower income
Tiv Taam		5	33	2.8%	247.9	Premium/gourmet, non-kosher	Secular, former Russian immigrants
Eden Teva Market		NA	22	1%	108.5 (est.)	Natural & Organic	Health enthusiasts



Israel Social Justice demonstrations,  
Summer 2011, every 5<sup>th</sup> Israeli demonstrated.



A teal circular graphic is positioned in the top-left corner of the slide, partially overlapping the white background.

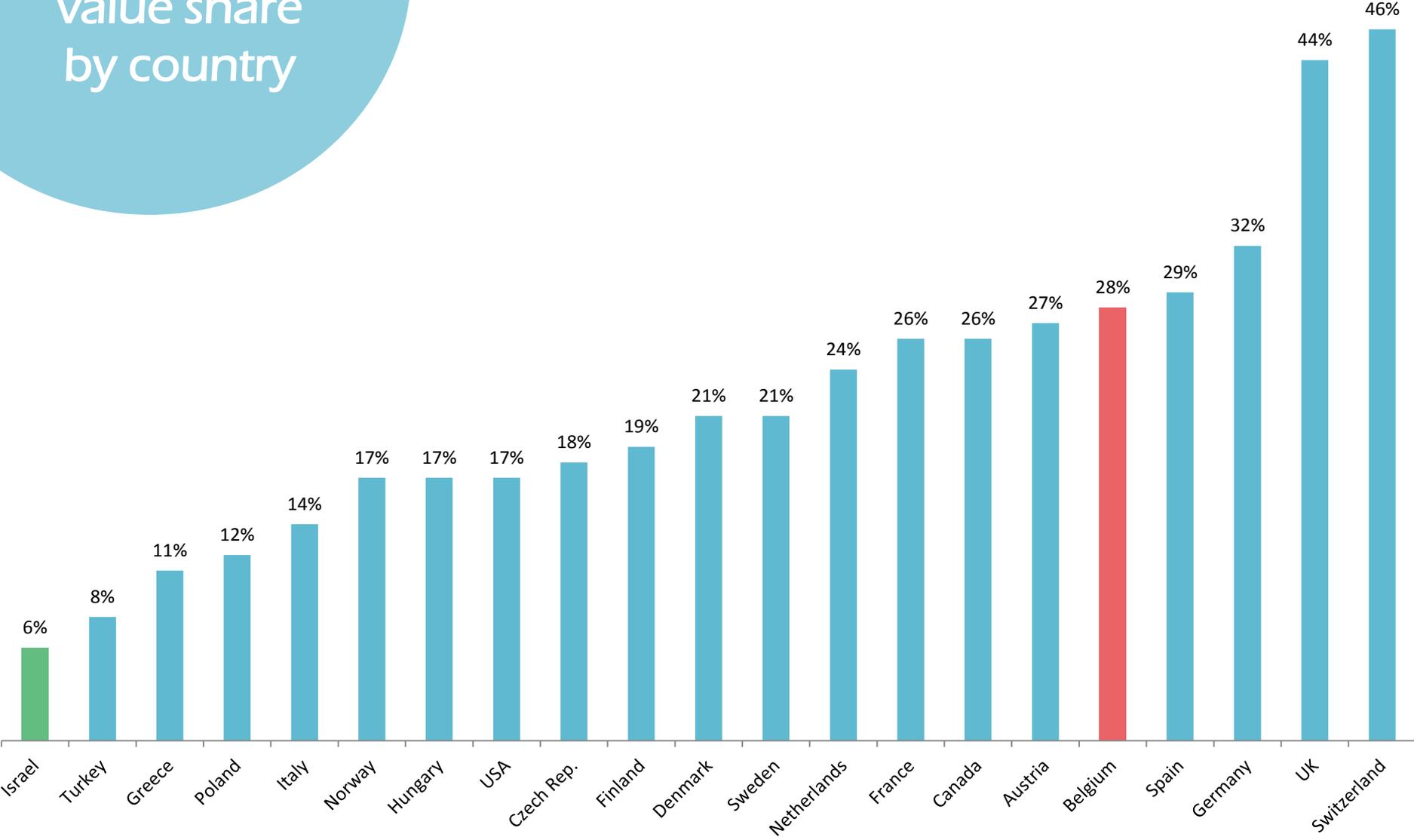
## Rise of the discounters

In 2013, the discounters' growth value increased by 7% compared to 2012.

Private Label

Only **6.3%** penetration of  
**Private Label** to the market

# Private label value share by country



Source: Green Seed Group Belgium



6%

Growth in 2013



40% used on-line food shopping at least once, 6% used regularly

Like 34k

כניסה | הרשמה

צריכים עזרה?

mySupermarket

## רוצים לחסוך עד 5,000 ש"ח בשנה בקניות בסופרמרקט? זה פשוט!

כיצד זה עובד?  
[לחצו כאן](#)



1 **בוחרים** מוצרים, מאיזה סופרמרקט שרוצים

2 **משווים** כמה יוצא הסל בכל סופרמרקט

3 **וחוסכים!** אנחנו נעביר את ההזמנה שלכם לסופרמרקט בו תבחרו



התחלת קניה

נקחבו  
costless

רמי לוי  
באינטרנט

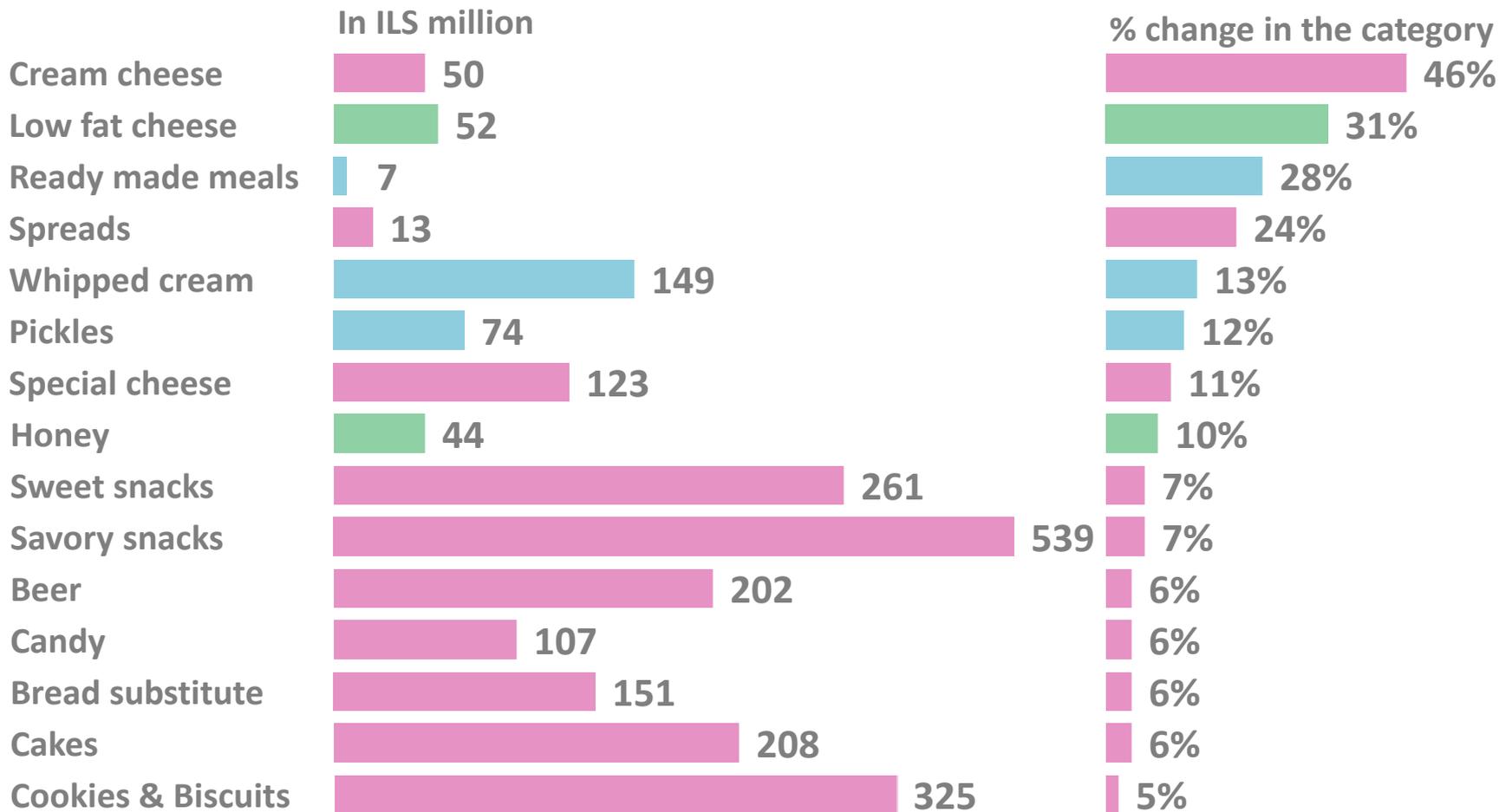
ויקטוריה  
במגזין

ינות ביתן

W7

שופרסל Online

# Growing categories as of 6/2014



# Route to Market

**Manufacturer**



**Importer/Distributor**



**Direct**

**Wholesalers**

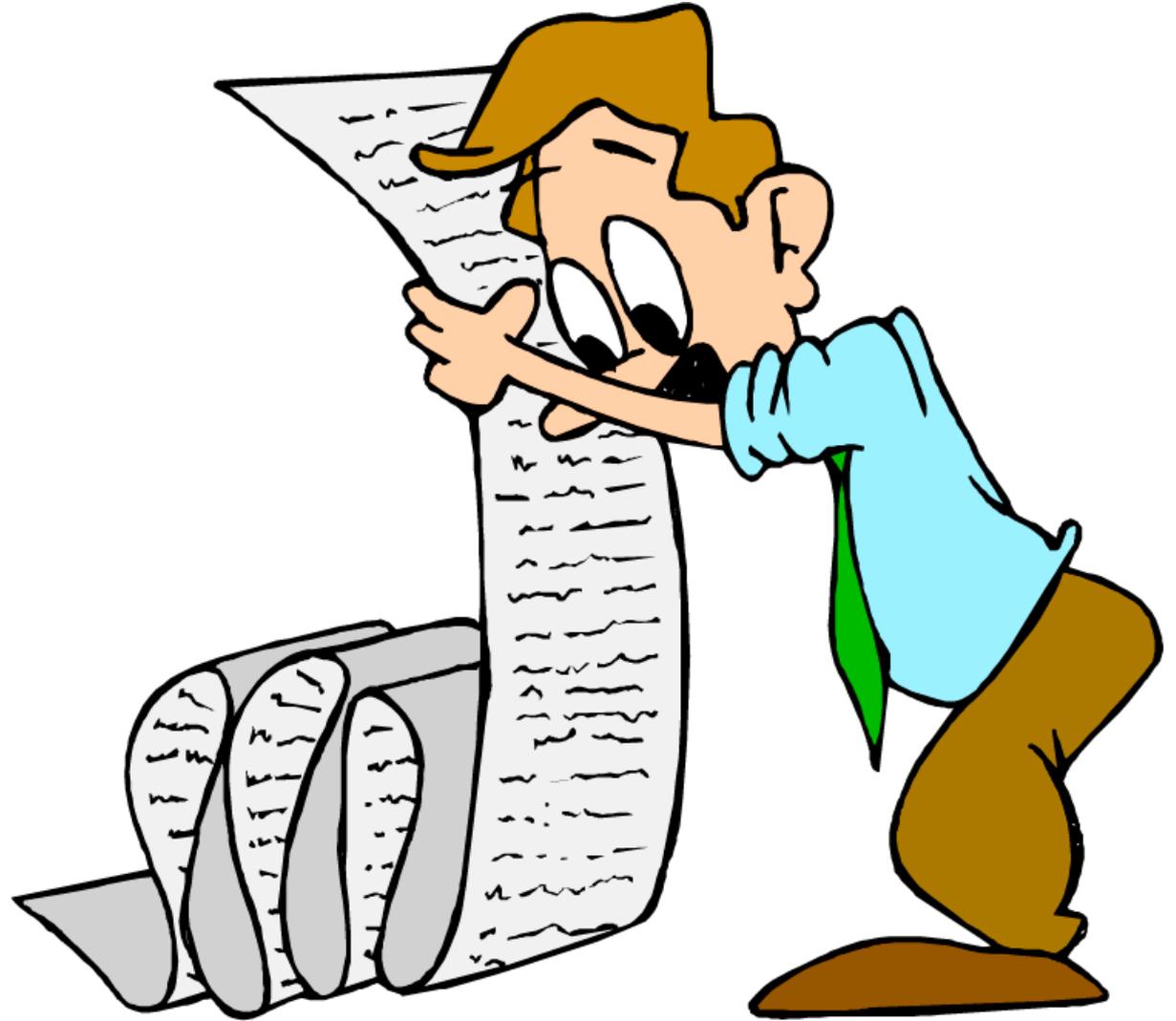


**Retailers**

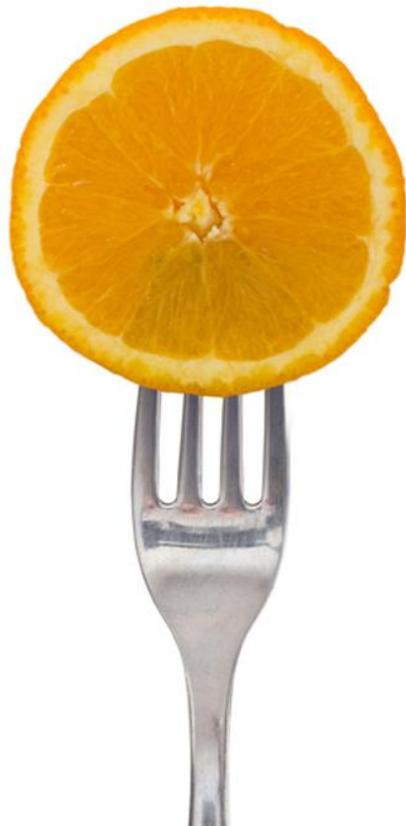


# Trends

The careful  
consumer



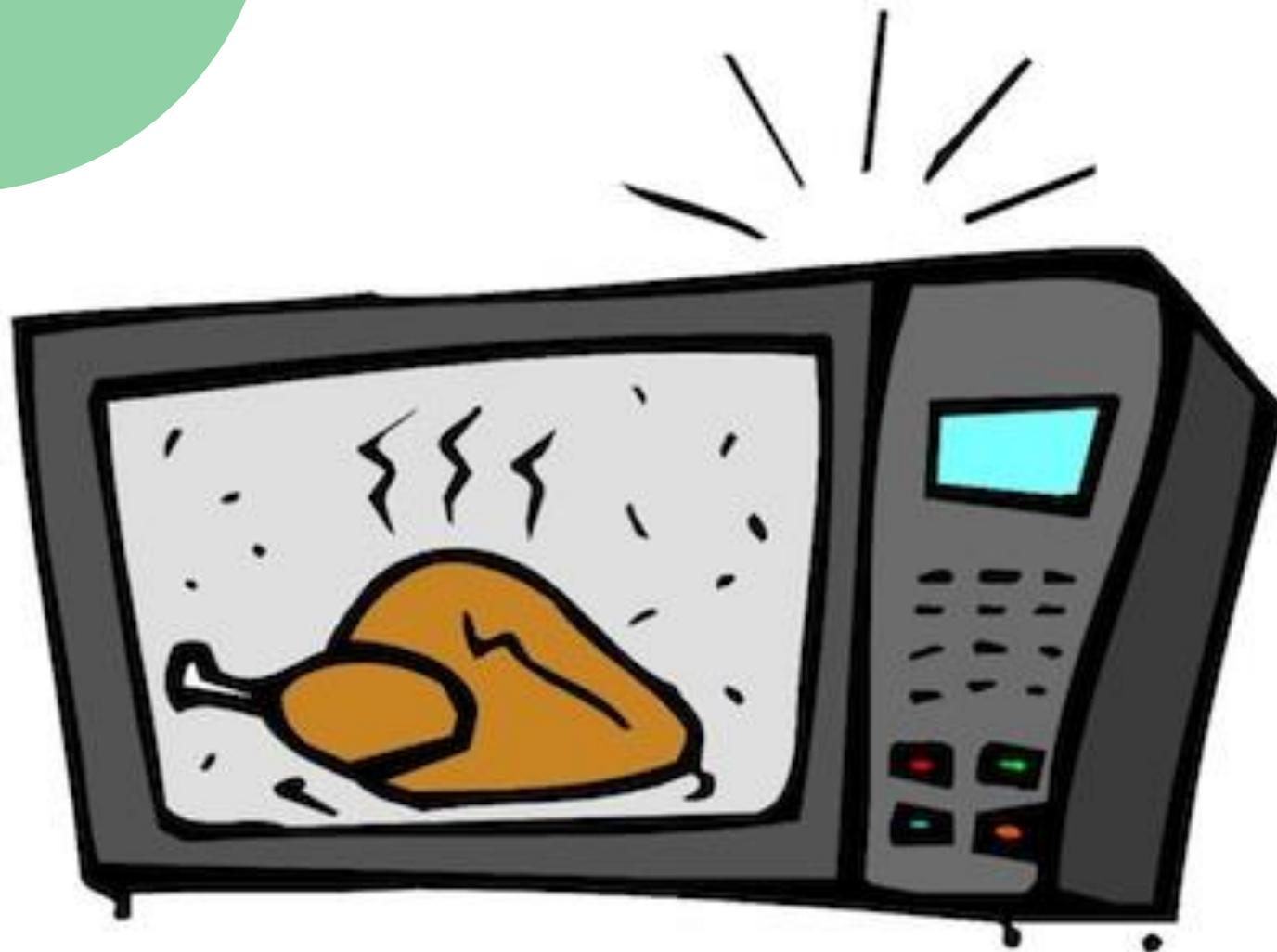
# Health trend



Single households/aging population



# Ready-made Meals





# Vegan & Vegetarian trend

25%

Reduced meat consumption

25%

Follow "Meatless Monday"

8%

vegetarian

5%

vegan



Opportunity

Total market  
\$60 million

**MADE IN BELGIUM**

Source: Israel Central Bureau of Statistics, 2011



Some  
Numbers:

**52**  
million units  
consumed

**No.2**  
Consumption  
In the world

**1st**  
Location for  
new launch

## Products imported from Belgium

- Cookies
- Crackers
- Chocolate
- Baking ingredients
- Cereal
- Beer
- Dairy products
- Sea food
- Coffee
- Canned fruit/vegetables
- Soy milk
- Belgian wafer

**Made in  
Belgium**

**Health  
Trends**

**Private  
Label**

**Kosher  
market  
beyond Israel**

**Vegan**

**Ready-made  
meals**

**Single  
unit**



**Innovation**

# Thank you!



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