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Look for Kosher Niche in Brazil

By Fabiana Fonseca

Brazil hosts the world's 11th largest Jewish community—100,000 consumers who have accounted for a dramatic rise in kosher food sales over the past 10 years.

Within this population, Orthodox Jews, numbering 10,000, have been the driving force behind increasing sales.

United States Top Supplier

Most major U.S. kosher certifications are accepted in Brazil, an important consideration for exporters who want to gain the patronage of Orthodox consumers.

There are no official country statistics on kosher consumption rates. But, it is estimated by retail representatives that imports make up a hefty 90 percent of all kosher sales in Brazil. The United States is a primary supplier of kosher foods, followed by Israel and the European Union.

In addition to the Jewish population, other ethnic and religious minorities also select kosher food products. It has been estimated by retailers that vegetarians and other consumers with food intolerances account for about 5 percent of purchases. (The kosher pareve designation confirms the absence of meat and/or dairy ingredients.)

Although the diversity of kosher foods remains small compared to mainstream products, demand is increasing. Younger, more affluent non-Jewish Brazilians, concerned with food quality and health issues, demand more variety. Unlike the general population, these consumers do not equate kosher foods with religious compliance; they do see them as premium, well prepared and desirable products.

Domestic Certification Strict

A nonprofit institution, BDK (Beit Din Kashurut), was recently created to increase the variety and reduce the costs of approved domestic kosher foods. Before BDK, only the rabbi of each congregation could identify companies and recommend products for members. Certification costs under this system could reach up to \$5,000.

Though rabbis are still responsible for supervising and certifying foods, their task is becoming easier with the oversight and expertise provided by BDK.

Retailers Rely on Importers

In São Paulo and Rio, major retailers stock kosher food sections at stores where Jewish populations are concentrated. There are a few stores devoted to only kosher products.

Retailers generally rely on food importers and distributors to supply products for their stores. As a result of less availability, supermarkets tend to price kosher products 30-100 percent higher than other products.

One underlying consideration for pricing--if prices are comparable, importers often will select kosher products, as they meet the needs of both the kosher and mainstream markets.

Domestic Production Up

Retail professionals in Brazil estimate domestic production of mostly basic foods now accounts for about 10 percent of the kosher products sold on their shelves. Constrained by low demand, traditional food manufacturers that produce some kosher items must interrupt regular production runs to make the process changes to meet kosher requirements.

However, as of 2004, Brazil had 150 medium-sized companies producing kosher-certified products on a regular basis. These processors have concluded that kosher production does not require significant changes in their plants, and diversification makes their products more competitive.

Promotions Geared to Holidays

The São Paulo Agricultural Trade Office recommends that U.S. suppliers explore promotion opportunities with retail chains, focusing on holidays such as Passover in the spring and Rosh Hashanah in the fall. Promotions should be carried out 3-4 weeks before the holiday and emphasize the quality of the foods.

Besides professionals in the food retail industry, rabbis and Jewish congregations in Brazil are good sources of information on what products are desirable. ■

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