



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report
- public distribution

Date: 12/18/2000

GAIN Report #AR0050

Argentina

Kosher Foods

2000

Approved by:
Philip A. Shull
U.S. Embassy
Prepared by:
Maria Julia Balbi

Report Highlights:

The Argentine market for kosher foods accounts for approximately \$5 million, but it is difficult to determine accurately the total market for kosher foods in Argentina due to the lack of reliable statistics for this sector. Over 90 percent of all consumer-ready kosher food is imported, mainly from the United States and Israel. Local production includes primarily beef, poultry, and fresh produce. There is an increasing trend among younger Jews towards the consumption of kosher foods. However, non-Jewish consumers do not seem attracted to this type of food. The growing awareness among importers of the large number of U.S. kosher foods bodes well for increased sales.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Buenos Aires [AR1], AR

Table of Contents

I. Market Size.....2

II Trends in Consumption.....2

III Prices.....3

IV Kosher Wine.....4

V Kosher Certification.....5

VI Promotion of U.S. Kosher Foods and Beverages.....5

I. Market Size

The Jewish community in Argentina is estimated at 300,000 people mainly concentrated in five neighborhoods in Buenos Aires. According to the Orthodox Jewish community Chabad Lubavitch's estimates 50,000 of these people usually keep a kosher diet. However, Argentine kosher companies put the number much lower at 10,000-15,000. Only around 5,000 Jews, who belong to the Chabad Lubavitch and Sephardic communities, and members of a couple of new Conservative Jewish communities, eat kosher foods at all times. Others eat kosher foods only during religious celebrations: Passover (March/April) and New Year (September/October).

There are some small Jewish communities in the Provinces of Entre Ríos, Córdoba, Santa Fe, and Corrientes. Muslims and Seventh Day Adventists also consume kosher food, but they represent an insignificant portion of the market.

II. Trends in Consumption

The Argentine market for kosher foods has been growing slowly but steadily in the last few years. One of the most significant increases in consumption is among younger non-Orthodox Jews. Kosher foods are becoming fashionable among teenagers, who are highly influenced by rabbis at school, where the importance of Hebrew culture is stressed. There is no trend among non-Jewish consumers to eat kosher foods; however, the fact that so many U.S. foods are kosher allows general importers to market products to the kosher community. Most products are marked with kosher certification symbols, which are not well known among non-Jewish consumers.

Over 90 percent of the high-value kosher food products for the retail and hotel restaurant institutional sectors are imported. While the Argentine government does not keep detailed statistics on imports of kosher foods, traders estimate about 80 percent of these imports come from the United States and Israel, which share the market equally, with the balance mainly from Canada and Italy. Domestic kosher products include beef, milk, a few dairy products, and fresh produce. In general, cheeses, marmalades, and confectionery products are imported from the United States and Canada, and wine from Israel and Italy.

Importers usually consolidate one or two containers with a large number of different products for religious celebrations. A few importers from Chile, Paraguay, and Uruguay usually travel to Argentina to buy kosher foods to supply their markets during Passover. As with other food products, kosher food importers usually require a signed contract with the exporter granting exclusive representational rights for marketing the products in Argentina. They are responsible for promotion and for the follow-up at the point of sale.

To meet the needs of customers with a wide range of dietary requirements, some airlines and five-star hotels will make kosher food available on request. Every year a five-star hotel in Bariloche, one of the leading tourist areas in southern Argentina, organizes a Passover

celebration for national and international Jewish visitors. During that week, only kosher products are served at the hotel.

A few Argentine medium-sized companies are currently exporting kosher food products, such as matza, matza meal, broths, desserts, crackers, oils, and organic sugar to Israel, Brazil, Chile, and Uruguay. They are also preparing some special shipments for the U.S. market. Kosher beef is exported to Panama, Israel, Mexico, and Brazil.

In 1998, McDonald's inaugurated its first kosher fast-food restaurant outside Israel, in one of the Buenos Aires neighborhoods with a large concentration of Jews. This made many non-Jews and also some traditional Jews aware of the existence of these types of products. There is also a well-known steakhouse in Buenos Aires that offers kosher beef of excellent quality.

Kosher-observant Jews do their regular shopping in a few small supermarkets or stores — there are around 50 in Buenos Aires — where kosher deli products and other food products either imported or manufactured locally can be purchased. While consumers purchase packaged or canned kosher products in supermarkets, they do not trust their handling of fresh kosher products. For example, they do not want kosher beef cuts placed beside regular beef, even when both are vacuum-packed. To serve these customers, one of the largest supermarkets in Argentina is planning to install a separate area for the sale of kosher foods.

The most important kosher products are: crackers, bakery products, cereals, soups, confectionery, candy, chocolate, cold cuts, cheese, canned fish, caviar, surimi, fresh and canned fruits and vegetables, mayonnaise, and wine, including sparkling wine. Beef and dairy products are also widely consumed, but domestic production is adequate.

III. Prices

Prices of kosher food products are slightly higher than those of traditional foods, with the exception of poultry and beef. This is due in part to the fact that most food products imported from the United States have kosher certification, although they are marketed as regular foods in supermarkets. Prices increase tremendously during Passover.

Representative Retail Prices of Kosher Foods and Beverages

(21 percent value-added tax included)

PRODUCT	SIZE	PRICE (US\$)
Graham Crackers	200 g	1.99
Snickers Miniatures (chocolates)	124.7 g	2.59
Kellogg's All Bran Extra Fiber	323 g	4.09
Kellogg's Special (Corn flakes)	375 g	3.49
Pringles crisps (several flavors)	191 g	2.49

Newman's Own Microwave Popcorn (several flavors)	298 g	3.99
International Coffees Cappuccino Coolers, Sweetened Instant Iced Cappuccino	99 g	3.19
Nutrasweet Tablets (x100)	8.5 g	2.79
Heinz Chili Sauce	340 g	3.85
Heinz BBQ Sauce	510 g	3.45
Heinz Tomato Ketchup	397 g	1.85
McHenry Co. Tabasco Green Pepper Sauce	148 ml	5.99
Heinz Worcestershire Sauce	148 ml	1.99
Ocean Spray Cranberry Juice Cocktail	946 ml	4.79
Carmel Sacramental Medium Sweet Red Wine	750 ml	7.99
Carmel Petite Syrah Dry Red Wine	750 ml	8.49
Carmel Spumante	750 ml	9.99
Faygo Root beer	473 ml	0.99
Beef (round eye)	1 kg	6.50
Chicken	1 kg	3.00
Salami (smoked Vurscht)	1 kg	7.00

IV. Kosher Wine

Local production of kosher wine is not significant and very poor in quality compared to imports. Most kosher wine is imported from Israel. Several attempts have been made to import wine from the United States but it has been hard for importers to come to an agreement with U.S. suppliers on two issues: analytical composition — especially the percentage of sugar component and the grape variety — and the corresponding analytical certificate — which refers to the chemical and

quantitative analyses — of kosher wines, both items required by the Argentine National Wine

Institute.

V. Kosher Certification

For certification of kosher foods, the “OU” (Union of Orthodox Jewish Congregations of America) is widely accepted. Another accepted certification is “OK” (Organized Kashruth Laboratories.) Argentine import regulations and labeling requirements for regular food products also apply to kosher food.

VI. Promotion of U.S. Kosher Foods and Beverages

The best way to promote U.S. kosher food products in Argentina is to work jointly with a few local importers to organize food promotions, for importers and contacts from supermarkets and the HRI sector. The focus should be on making consumers aware of the quality standards of kosher foods. Marketing strategies should be addressed to customers at the appropriate income level for each product. Encouraging Argentine companies to visit trade shows in the United States such as Kosherfest and the Fancy Food Shows is another tool to promote U.S. kosher foods in Argentina.

Note: For additional information, the following reports are available on the FAS homepage: www.fas.usda.gov. Food and Agricultural Import Regulations and Standards - FAIRS (AR9076); Argentine retail and HRI food sectors, reports (AR9083) and (AR0006).

For information on kosher food importers, contact the FAS office in Buenos Aires, tel: (54-11) 4777-8054; fax: (54-11) 4777-3623; E-mail: agbuenosaires@fas.usda.gov