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Brazil

Kosher Foods

Brazilian Market for Kosher Foods

2003

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Report Highlights:

The Brazilian Jewish Community is the seventh largest in the world and second in South America, after Argentina, with an estimated population of 130,000 families. They account for 85 percent of kosher food consumers. Ethnic groups and vegetarians account for the other 15 percent. Imports of kosher food increase during the Jewish holidays. The United States and Israel are the main suppliers of kosher food to Brazil.

Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

Brasilia [BR1], BR

MARKET OVERVIEW

Brazil's Jewish Community is the seventh largest in the world and the second largest in South America, after Argentina, with an estimated population of approximately 130,000 families. The majority of this community lives in the states of São Paulo and Rio de Janeiro. The remainder is found throughout the other major Brazilian cities, including Porto Alegre in the state of Rio Grande do Sul, Belo Horizonte in the state of Minas Gerais, Curitiba in the state of Paraná, and some northern cities.

The first significant Jewish migration to Brazil took place in 1904, to the state of Rio Grande do Sul in the Southern Region of Brazil. Rio Grande do Sul now is the location of the third largest Jewish community in the country. Later arrivals settled in the South-East Region, many in the former capital, Rio de Janeiro. After the capital moved to Brasilia in the Center-West Region, most of the Jewish community eventually moved to the state of São Paulo, which is the major business center in the country today. The size of the Jewish community has been stable in recent years and, according to some religious leaders, they do not expect it to grow significantly in the future.

The Brazilian Jewish community includes the Jewish descendants of North African, Turkish, Egyptian, Lebanese, and other Middle Eastern Jews, collectively known as Sephardic, or "Sepcharadim" in Portuguese. Sephardic Jews are the largest group of Brazilian Jews, with about 2,500 families in the state of São Paulo alone.

A second, smaller group – the Ashkenazi Jews, or "Ashkenazim" in Portuguese – are descendants of German, Polish, Russian, and other eastern European Jews. The most observant members of this group consume only kosher food. They account for 85 percent of kosher food consumers in the Jewish community.

Orthodox Jews of either Ashkenazi or Sephardic descent are the main consumers of kosher food. During certain Jewish celebrations, consumption of these products extends to the whole community.

The main religious events associated with an increase of kosher food consumption are Passover (or Pessach), Shavuot, Rosh Hashana, Yom Kippur, and Sukkoth. Although the dates of these holidays vary slightly from year to year, they always fall at the same general time. Importers, retailers, and the institutional market all handle kosher food in Brazil. However, estimating the total market size is difficult, since consumption is seasonal in nature, increasing during the Jewish holidays and remaining stable, but at a lower level, during non-holiday periods.

Jewish Holidays in 2003 and 2004

Holiday	2003	2004
Passover	April 23, Wednesday	April 12, Monday
Shavuot	June 6, Friday	June 7, Monday
Rosh Hashana	September 27/28	September 16/17
Yom Kippur	October 06, Monday	September 25, Saturday
Sukkoth	October 11/12	September 30/October 1

Non-Jewish consumers account for 15 percent of kosher food consumption. For example, other ethnic or religious groups such as the Lebanese, Syrians, and some Seventh Day Adventists are important consumers of kosher products. Brazilians who are vegetarians also purchase significant amounts of "parve" products ("pareve" in Portuguese), because of the assurance that this designation indicates that neither meat nor dairy products are included in the product. Other consumers select kosher products for different reasons, including taste, cultural traditions, a reputation for high quality, or a perception of sanitary and quality assurance provided by the kosher certification.

Domestic Production of Kosher Products

Despite its small size, the kosher food sector has attracted some Brazilian food processors. Domestic producers see a clientele with high purchasing power and low price sensitivity. Several local food processors have begun to manufacture kosher products in separate production facilities from their mainstream foods. Local production requires specialized equipment that has been carefully cleansed, or kosherized, to meet the Kashrut requirements. In general, locally manufactured kosher products are more price-competitive than imported kosher products. Both imported and domestic kosher products can be found at local supermarkets and independent stores. The first Brazilian company involved in domestic kosher food processing was "Braskosher," located in São Paulo, which started operations in 1989.

The main local kosher products manufacturers are:

Knorr	soups, seasonings, and spices
Toscano	vinegar
Damm/Karina/ Ajinomoto/ Makro	seasonings and spices
Alcyon	canned tuna and sardines
Bauducco/ Bela Vista/Dona Benta/ Sol	cookies
Hellmann's	mayonnaise
Cadoro di Veneza / Voglia	pasta

Santa Cecilia	wines
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The Beit Lubavitch Congregation in Rio de Janeiro is one of the Jewish organizations that maintains a web site, which informs the Jewish community about the availability of approved kosher products. Lists of kosher certified-products are updated periodically, and can be found at: www.BEITLUBAVITCH.org.br

A few importers deal exclusively with kosher products. These companies have been in the market for several years and have gained the respect of Jewish organizations, entities (such as restaurants, catering services, supermarkets etc.), and individuals. Some mainstream importers also import kosher food, particularly for the Jewish holidays.

Certification Process

The Brazilian Orthodox Jewish community strictly observes the laws pertaining to kosher food. The community prefers certifications issued by the strictest Rabbinates and relies upon the rabbi who certified the product. Occasionally, disputes occur between certifying rabbis; a stricter rabbi might inspect and reject products certified by a less strict rabbi. The rejected products are then stigmatized as "non-kosher" and might not be sold. In the past, entire batches have been rejected and importers have lost shipments. Brazilian Jews often have a very close relationship with their rabbis who are consulted by consumers and merchants about suppliers. Rabbis will also provide recommendations about manufacturers of kosher food, when further information is needed (type of certification, certifying Rabbi, and ingredients).

All major United States kosher certifications are accepted in Brazil. Acceptance of a particular certification varies with the individual consumer and with the various market segments. The "OU" (U inside the O) – Union of Orthodox Jewish Congregations – is the most familiar among consumers. Strict supervision adds to the status of the products.

Despite the relatively high exchange rate of US\$1.0 to R\$ 2.9, local contacts believe that there is room for growth in the kosher import market. Kosher food is mostly consumed by a market segment of the population with high purchasing power, which is likely to maintain consumption patterns for religious reasons. Therefore, these consumers are less price-sensitive than the overall population. In addition, local kosher food production is limited, leaving consumers with very little choice. Lack of variety is the most frequent complaint about kosher foods in the local Jewish community, whose members sometimes bring products back from trips to Israel or the United States.

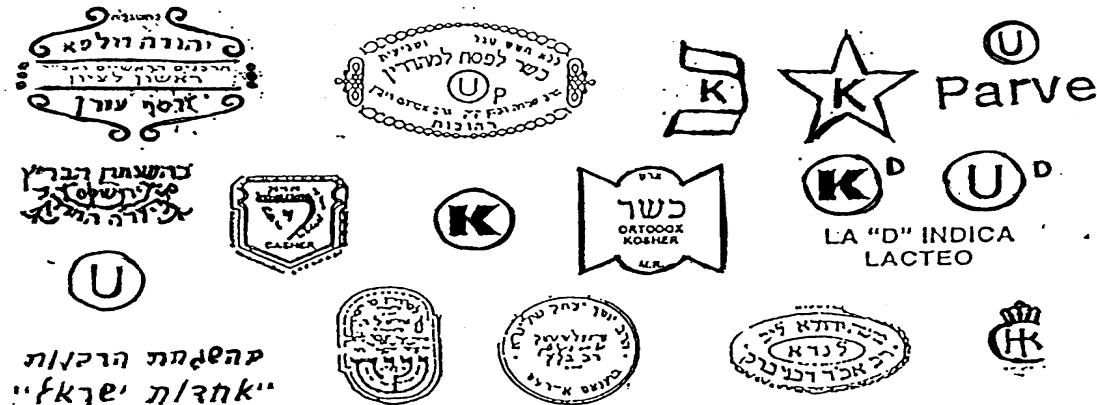
Most imported kosher food products marketed in Brazil are imported from the United States and Israel. According to importers, prices in Israel are lower but a larger variety of products can be found in the United States. Imports from Israel often come through the United States (The Brazilian importer buys the product from a United States supplier or distributor and sells it in Brazil), since there is no import duty for such products entering the United States from Israel.

Based on the imported and domestic kosher products which are available, and according to some local contacts, current kosher food consumer preferences include: fruit juices, red and white wines, sparkling wines, gefilte fish, matzos for Passover, soups, fish balls, seasonings, ketchup, mustard, jellies, cookies, chocolates, gums, candies, canned tuna fish, mayonnaise, and pie dough. According to some local contacts, locally produced kosher wines are too sweet and several of the preferred kosher wines are from California. There are significant opportunities for U.S. exports of kosher champagne and dry red and white wines to Brazil, which are difficult to find in the local market.

The U.S. made kosher food products have a great reputation among Brazilian consumers of these products. The Jewish community considers U.S. products to be of high quality and reliable. It's common to see Rabbis asking Jewish consumers to verify the label of the products and assure that it is made in the United States. The main U.S. kosher food brands marketed in Brazil are Manischewitz, Tampree, and Kedem. The main brand imported from Israel is Osem. The most respected U.S. Kosher supervisory agencies are: Kof-K Kosher Supervision, The Organized Kashruth Laboratories, Star-K Kosher Certification, and The Union of Orthodox Jewish Congregations.

The local Jewish community strictly observes the laws of Kashrut when purchasing meat and meat products. Slaughter operations must be under the supervision of a rabbi and employ kosher-trained staff. Meats are supplied mainly by the local market, or imported from Argentina, due to its proximity to Brazil. There is a significant Jewish community in Buenos Aires, which guarantees a supply of appropriately prepared products. In addition, imports from Argentina have the advantages of being fresher, and are assessed low or no import duties, because Argentina is one of Brazil's MERCOSUR partners. Although kosher meats from the United States are preferred among some Jews because their preparation is considered well supervised, imports of meats from the United States are small. Local importers tend to avoid purchasing perishable products from the United States, due to the lengthy shipping transit time (about 60 days) from order to arrival in stores. Rib steaks, rib roasts, and vacuum-packed meat are valuable kosher products, which represent a potential market for U.S. exporters. Frozen and smoked meat (including salami, pastrami, and corned beef), smoked salmon, beef bologna, and most types of dairy products (frozen whipped cream, butter, and cheese), seem to be well accepted by Brazilian kosher food consumers, and offer potential export opportunities.

The following are some of the most accepted kosher certification symbols:

**R**

Retail and Institutional Sales

Development of the local kosher industry has led to increased competition at the retail and wholesale levels. However, the Brazilian Government imposes strict regulations for imports of all food products such as label registration, plant registration, product registrations fees for each product to be marketed - both imported and domestically produced - which must be paid by the Brazilian importer. (Please see Packaging and Labeling section below for more information.) These changes increase the cost of imports. As a result, some small importers are now buying their products from major importers. The number of importers of kosher products is limited and mostly concentrated in the state of São Paulo. Usually, Brazilian kosher importers seek exclusive distribution rights from exporters. Trade reports indicate that changing importers may be difficult once a relationship is established.

United States kosher food exporters may find it difficult to sell large quantities, unless they increase consumption in the mainstream market by educating non-kosher consumers about the quality and safety assurance provided by the major kosher certification symbols. This marketing strategy was recommended by several local trade contacts.

Kosher foods and ingredients can be found at independent stores located near the Jewish communities and in some kosher delicatessen shops, mainly in São Paulo, Rio de Janeiro, and Porto Alegre (state of Rio Grande do Sul). Kosher products are also sold at a few supermarket chains, in special kosher sections. One of the largest Brazilian supermarket chains, Pão de Açúcar, has a section for kosher food and it imports these products through an exclusive importer, that guarantees Pão de Açúcar the marketing rights to those specific products.

The institutional market in Brazil is growing and supplied mainly by a few kosher food producers located in the state of São Paulo. These producers also sell to airlines, including United Airlines, American Airlines, and others, hospitals, and catering services known as "buffets."

Kosher restaurants and food service can be found at local Jewish schools, clubs, congregations, and Jewish sports clubs. There are no firm figures for the number of kosher restaurants in Brazil,

but the Jewish sources estimate there are 10-15 kosher food service organizations in Brazil.

For information about kosher-certified restaurants, catering services, and hotels, a local Jewish Congregation maintains food service lists on its web site at www.BEITLUBAVITCH.org.br

Import Duties

Brazil treats kosher food items as ordinary imports, for customs duty purposes. Below are some import duties assessed on frequently purchased food and beverage products.

meats: bone-in	11.5 %
meats: boneless	13.5 %
fish and seafood (fresh, chilled, and frozen)	11.5 %
canned seafood	17.5 %
gums	21.5 %
non-chocolate candies	21.5 %
chocolates	21.5 %
baby foods	17.5% - 19.5 %
cookies and biscuits	19.5 %
pastry	19.5%
jellies, fruit and vegetable	15.5 %
juices	15.5 %
beer	21.5 %
wine	21.5 %
vodka	21.5 %
rum	21.5 %

Shipping Recommendations

Kosher products should be shipped to Brazil well in advance of targeted holiday sales dates in

order to clear Brazilian customs and enable brokerage and transportation processes to be completed in time for final distribution. Local importers report that an average of 60 to 70 days is needed from ordering to availability for distribution. This time frame should be observed when products are shipped for Jewish holidays.

Packaging and Labeling

Retail packed foods from the United States and from the European Union are popular among Brazilian kosher food consumers. Small packs are preferred, due to the relatively higher prices of imports.

According to the Brazilian Consumer Protection Law 8078 of September 1990, all food and beverages must provide the consumer with correct, precise, clear and easily readable information about the product in Portuguese. The Brazilian importer is responsible for the label translation and registration. It is a common practice in Brazil for importers, agents, or distributors to affix to the product an additional small adhesive label in Portuguese, with the name and address of the importer, and the company's tax registration number. The following information obtained from the U.S. exporter must also appear on the label:

- T Name of product
- T Ingredients
- T Country of Origin
- T Special storage instructions (if necessary)
- T Net contents (in metric unit)
- T Date of production
- T Validity date (shelf life)

Imports of wine, beer, and distilled spirits as well as animal origin products (meats, seafood and dairy products) must be imported only by a Brazilian company registered with the Brazilian Ministry of Agriculture, Livestock and Food Supply (MAPA). All unprocessed products of plant origin (fresh fruits, nuts, bulk products, dry fruit, etc.) must be accompanied by a USDA/Animal and Plant Health Inspection Service (APHIS)/Plant Protection Quarantine (PPQ) Phytosanitary Certificate. Frozen fruits and vegetables do not need phytosanitary certificates.

For further information on imports of wine, please check the Brazilian Wine Market Brief, available at the USDA home page, at www.fas.usda.gov, under attachè reports.

Brazilian regulations require that imported U.S. food products such as beef, other meats, seafood and dairy products must originate from a processing plant that is supervised by a federal agency of the United States Government: USDA/Food Safety and Inspection Service (FSIS) for meat and poultry, USDA/Agricultural Marketing Service (AMS) for dairy, and the United States Department of Commerce/National Marine Fisheries Service (USDOC/NMFS) for seafood. The product is then registered with MAPA.

For more detailed information on label and plant registration as well as Brazilian import policy and regulations, please check the "Food and Agricultural Import Regulations and Standards -

FAIRS" Report, available on the FAS homepage: www.fas.usda.gov.

Promotion

USDA contacts recommended promotion of kosher imports be planned and carried out in partnership with Jewish federations and congregations. Most of these organizations have Internet home pages, with sections on kosher food. Magazines whose main readers are Jews, such as "O Hebreu", are also excellent print media for the promotion of consumer-ready products. These magazines usually publish ads on imported kosher wines, other beverages, and food products. Community leaders and importers advised companies planning promotions of kosher food to develop relationships with local religious leaders in Brazil. They attributed the sales growth of certain well known U.S. brands, which are kosher, to such marketing strategies.

For information about these congregations and magazines, please see the next section of this report, Key Contacts.

Key Contacts

Brazilian Importers

1. ALBEE COMERCIAL E IMPORTADORA LTDA.

Alameda Ribeiro da Silva , 793
Campos Eliseos
01217-010 São Paulo - SP
Tel.: (55 11) 3661-3377
Fax: (55 11) 3825-5271

2. KARIS IMPORTS

Rua Matteo Forte, 259
Lapa
05038-160 São Paulo - SP
Tel.: (55 11) 3611-4200
Fax: (55 11) 3611-5915

3. CASA SANTA LUZIA

Alameda Lorena, 1471
01424-001 São Paulo - SP
Tel.: (55 11) 3082-4949
Fax: (55 11) 3088-0663
E-mail: santaluzia@originet.com.br
Web: www.santaluzia.com.br

4. CASA ZILANA

Rua Itambé, 506
01239-000 São Paulo - SP
Tel./Fax: (55 11) 3257-8671

Fax: (55 11) 3257-8671

5. KOSHERMARKET
Rua Anhaia, 391
Bom Retiro
01130-000 São Paulo - SP
Tel: (55 11) 3337-7700
Fax:(5511) 3333-1185

6. CIA. BRASILEIRA DE DISTRIBUIÇÃO (Pão de Açúcar)
Rua Brigadeiro Luiz Antonio, 3126
01401-001 São Paulo - SP
Tel.:(55 11) 3886-0736
Fax: (55 11) 3884-2677

7. PICK IMPORTAÇÃO, EXPORTAÇÃO E COMERCIO, LTDA.
Rua Afonso Brás, 644
04511-001 São Paulo - SP
Tel.: (55 11) 3834-9588
Fax: (55 11) 3834-8787

8. EXPAND IMPORTADORA E EXPORTADORA LTDA.
Rod. Raposo Tavares, Km. 26½
Moinho Velho
Cotia
05577-900 São Paulo - SP
Tel.: (55 11) 4613-3300
Fax: (55 11) 4612-9033

9. ADIMEL COMERCIAL E IMPORTADORA LTDA.
Av. São Luiz, 112 - 13o andar
01046-906 São Paulo - SP
Tel.: (55 11) 259-5499
Fax: (55 11) 259-5855

10. FRANCO SUISSA IMPORTADORA E EXPORTADORA
Rua Machado Bittencourt, 392
04044-001 São Paulo - SP
Tel.: (55 11) 5549-7599
Fax:(55 11) 5549-0306

11. AURORA INDUSTRIAL E COMERCIAL LTDA
Rua Funchal, 449
04551-060 São Paulo - SP
Tel.: (55 11) 3845-2288
Fax: (55 11) 3845-2735

12. ALL KOSHER

Alameda Barros, 391 - Loja 12
Higienópolis
São Paulo - SP
Tel/Fax.:(55 11) 3825-1131

13. KOSHER HOUSE

Rua Anita Garibaldi, 37 - Loja A
Copacabana
22041-080 Rio de Janeiro - RJ
Tel./Fax: (55 21) 2255-3891

14. GINSENG

Rua Marques de Sao Vicente, 124
Gavea Trade Center
Gavea
22451-040 Rio de Janeiro - RJ
Tel.: (55 21) 2511-5847
Fax: (55 21) 2540-6494

15. WAL-MART

Rua James Holland, 668
São Paulo - SP
Tel.: (55 11) 6915-3700
Fax: (55 11) 6915-3761

Restaurants and Food Services ("Buffets")

1. KOSHER MEAL RESTAURANT

Rua da Consolação, 3679
São Paulo - SP
Tel.: (55 11) 3063-1293
Fax: (55 11) 3061-9897

2. KOSHER PIZZA & RESTAURANT

Rua Pe. João Manoel, 801
São Paulo - SP
Tel.: (55 11) 0800-114-666

3. BEIT CHINUCH RESTAURANT

Rua Pe. João Manoel, 727
São Paulo - SP
Tel.: (55 11) 3088-5111

4.. BUFFET FRANÇA

Av. Angélica, 750
São Paulo - SP
Tel.: (55 11) 3662-6111
Fax: (55 11) 3662-6222

5. INTERCONTINENTAL HOTEL
Alameda Santos, 1123
São Paulo - SP
Tel.: (55 11) 3179-2611
Fax: (55 11) 3179-2619

6. BARILAN SCHOOL
Rua Pompeu Loreiro, 48
Copacabana
Rio de Janeiro - RJ
Tel.: (55 21) 2235-3110

7. SHERATON HOTEL
Av. Niemayer, 121
Rio de Janeiro - RJ
Tel.: (55 21) 2274-1122
Fax: (55 21) 2239-5643

8. THE KOSHER DELLI
Rua da Consolação, 3679
São Paulo - SP
Tel.: (55 11) 3086-1058

9. MAZAL TOV BUFFET
Rua Peixoto Gomide, 1724
São Paulo - SP
Tel.: (55 11) 3083-7614 / 3064-5208

10. BUFFET MOSAICO
Rua Hungria, 1000
São Paulo - SP
Tel.: (55 11) 3818-8831 / 3818-8834
Fax: (55 11) 3815-6980

11. BUFFET CHARLOT
Av. João Dias, 266
São Paulo - SP
Tel.: (55 11) 5523-7788
Fax: (55 11) 5521-9663

12. BUFFET MENORA

Rua Maranhão, 404
Higienópolis
São Paulo - SP
Tel.: (55 11) 3825-3422
Fax: (55 11) 3826-8883

13. BUFFET FRANÇA
Av. Angelica, 750/752
São Paulo - SP
Tel.: (55 11) 3662-6111 / 3662-6222

Jewish Entities, Associations, and Congregations (São Paulo, Rio de Janeiro, Brasilia)

1. FEDERAÇÃO ISRAELITA DO ESTADO DE SÃO PAULO
(Israeli Federation of the State of São Paulo)
Rua dos Pinheiros, 498 - 5o andar
Tel.: (55 11) 3088-0111
Fax: (55 11) 3082-5785

2. EMBASSY OF ISRAEL
SES - Av. das Nações, Qd. 809 - Lote 38
70424-900 Brasília - DF
Tel.: (55 61) 244-7675
Fax: (55 61) 244-6129

3. CONSULATE GENERAL OF ISRAEL
Av. Brigadeiro Faria Lima, 1713
01452-001 São Paulo - SP
Tel.: (55 11) 3815-7788
Fax: (55 11) 3815-7293

4. CONGREGAÇÃO ISRAELITA PAULISTA - Rabbi Henry Sobel
(Israeli Congregation of the State of São Paulo)
Rua Antonio Carlos, 633
01309-011 São Paulo - SP
Tel.: (55 11) 3218-1299
Fax: (55 11) 3257-1446

5. CONFEDERAÇÃO ISRAELITA DO BRASIL
(The Brazilian Israeli Confederation)
Rua da Consolação, 22/23 - 8th floor
01301-100 São Paulo - SP
Tel.: (55 11) 3063-2852
Fax: (55 11) 3063-2854

6. O HEBREU Magazine

Rua Cunha Gago, 158
05421-000 São Paulo - SP
Tel/Fax: (55 11) 3819-2283

7. BEIT LUBAVITCH
Av. Visconde de Albuquerque, 685
Leblon
22450-001 Rio de Janeiro - RJ
Tel./Fax: (55 21) 2294-3138
E-mail: beuthner@openlink.com.br
Web: www.BEITLUBAVITCH.org.br

8. BEIT CHABAD (State of São Paulo)
Rua Russia, 195
01448-040 São Paulo - SP
Tel./Fax: (55 11) 3082-0576

Other States

1. BEIT CHABAD (State of Parana)
Rua Alferes Angelo Sampaio, 370
80250-120 Curitiba - PR
Tel.: (55 41) 242-6414
Fax: (55 41) 244-8266

2. BEIT CHABAD (State of Rio Grande do Sul)
Rua Schiller, 1055
90430-150 Porto Alegre - RS
Tel./Fax: (55 51) 335-1264
E-mail: beit.chabad@jewishmail.com

3. BEIT CHABAD (State of Minas Gerais)
Rua Timbiras, 501
30140-060 Belo Horizonte - MG
Tel.: (55 31) 273-7772 Fax: (55 31) 261-7550
E-mail: chabad@globalsite.com.br

4. BEIT CHABAD (Brasilia - D.F.)
SHIS QI 05 - Conj.8 - Casa 21
71615-080 Brasília - D.F.
Tel./Fax: (55 61) 248-3172
E-mail: chabadbrasilia@persocom.com.br

5. BEIT CHABAD (State of Pernambuco)
Rua Jorge Couceiro da Costa Eiras, 603
51021-300 Recife - PE

E-mail: bcrecife@elogica.com.br

Brazilian Government

1. Ministry of Agriculture and Food Supply - MAPA

Agriculture (Animal and Plant Health, and Food Safety Inspection) Defense Agency - SDA

Animal Origin Products Inspection Service - DIPOA

Esplanada dos Ministérios, Bloco D - Anexo A - sala 431

70043-900 Brasília - DF

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2. Ministry of Agriculture and Food Supply - MAPA

International Commerce Department - DCI

Animal Origin Products Inspection Service - DIPOA

Esplanada dos Ministérios, Bloco D - Anexo A - sala 408

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