

# Agri-Processing



## **Consumer Trends in the Canadian Kosher Market**

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# **CONSUMERS TRENDS IN THE CANADIAN KOSHER MARKET**

**Leona Reynolds-Zayak**

Agri-Processing Branch  
Business & Innovation  
Alberta Agriculture, Food and Rural Development

Phone: (780) 853-8103  
[leona.reynolds-zayak@gov.ab.ca](mailto:leona.reynolds-zayak@gov.ab.ca)

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## **Abstract**

Kosher foods represent a growing niche market that can be associated with any cuisine. A recent USDA Foreign Agriculture Services Study revealed that the Canadian kosher food sales increased from \$480 million in 2000 to \$575 million in 2001. This is a 19.7 per cent increase. There may be opportunities for Alberta food processor's to enter this niche market.

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## Canadian Kosher Market

### Introduction

Kosher foods represent a growing niche market that can be associated with any cuisine. A recent USDA Foreign Agriculture Services Study (Faye Clark Marketing & Communications, Inc., 2002) revealed that the Canadian kosher food sales increased from \$480 million in 2000 to \$575 million in 2001. This is a 19.7 per cent increase. Four forces are driving the growth:

- Increased religiosity among Jews
- Concern about food safety by other Canadians
- Increased interest by Muslim, Seventh Day Adventists, Jehovah Witnesses, vegetarian and people who are lactose intolerant
- Increasing availability of kosher products.

### What is Kosher

Kosher products refer to the content and production requirements, not necessarily to any specific cuisine. Although there are some traditional Jewish products such as Matzoh, most Jewish consumers adapt the regional cuisine to fit the kosher requirements.

In Hebrew, kosher means “fit” or “proper,” indicating that the food products meet the dietary requirements of Jewish law. The Jewish dietary laws are collectively known as the laws of kashruth and deal with what foods may be eaten together and how those foods are to be prepared.

To be recognized as kosher, products must have a kashruth authority or rabbinical council’s official identification symbol, or hecksher, located on the product’s package. The hecksher certifies that the food has been processed according to Jewish dietary laws. A chart listing the Canadian Kashruths authorities and the five major U.S. Kashruth authorities sanctioned in Canada and their contact information appears in appendix one.

Each of these authorities have their own rabbinical staff composed of administrators, scientists and food technologists who are familiar with Jewish dietary law and certifies that the food production equipment and all food ingredients are kosher. (USDA, 1998)

Jewish dietary law divides all foods into three categories:

- **Meat and poultry** – An animal is considered kosher if it chews it’s cud and has a split or cloven hoof (deer, antelope, goats, sheep and cattle). Poultry such as chicken, turkey, duck and goose are also considered kosher. To be certified kosher, trained individuals called shochet must slaughter an animal. After being slaughtered the carcass is examined for defects that may make it non-kosher.
- **Dairy** – Milk and milk products cannot be prepared, cooked or eaten with meat products. Separate utensils, pots, pans and dishes must be used. Jewish dietary law also requires that the milk come from a kosher cow.

- **Pareve** - Pareve are neutral products which include fish with scales and fins, all foods grown in the earth and all food products made from them, and all non-animal manufactured food products. (USDA, 1998)

## Market Size

The strength of today's kosher retail market can be attributed to increased consumer demand and increased availability of kosher products. In an interview with Wendy Rosen (Rosen, July/August 2000) Paul Bonder, co-owner of Supreme Foods Limited estimated that approximately 40 to 50 per cent of the products on grocery shelves are kosher. Processors seek kosher certification to take advantage in marketing their product to another consumer base. National brands such as Coca-Cola, Kraft, and Heinz Ketchup have obtained kosher certification. As more processors enter the kosher market selection has increased and at the same time retail prices for kosher products have decreased. (Rosen, July/August 2000)

Although Canada's kosher retail food sector is small in comparison to mainstream, it is dynamic and growing. In 2001, total Canadian packaged kosher food sales were estimated to have a retail market value of \$575 million.

Of Canadian consumers who purchase kosher products, it is estimated that approximately:

- 45 per cent (\$258.7 million) are Jewish
- 25 per cent (\$143.8 million) believe kosher is safer or better,
- 20 per cent (\$115 million) are Muslims and
- 10 per percent (\$57.5 million) buy for philosophical (vegetarian), health (lactose intolerant) or religious (Jehovah's Witness, Seventh Day Adventist) reasons. (Faye Clark Marketing & Communications, Inc., 2002)

Among Jews who do not purchase kosher products on a regular basis, consumption of kosher foods is primarily driven by religious holidays such as Passover, Rosh Hashanah and Yom Kippur and special occasions such as bar and bat mitzvahs and weddings. Therefore overall consumption of kosher product is at a peak during holidays. (Faye Clark Marketing & Communication Inc., 2002)

## Canadian Kosher Consumer

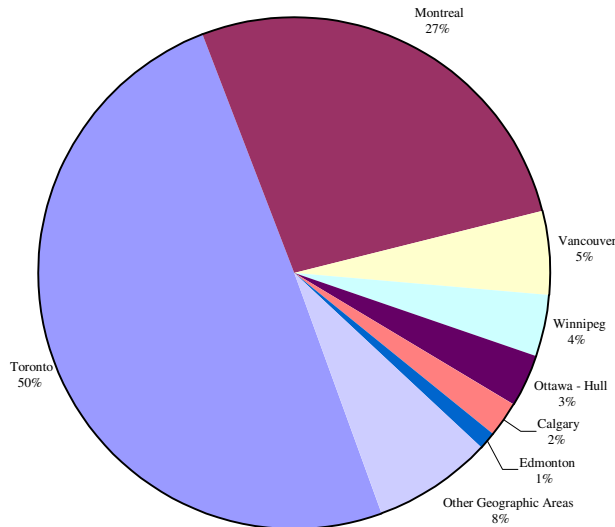
Kosher foods have always been in demand by consumers who have chosen to observe Jewish dietary laws. Today, there is an increased religiosity among Jews, which is increasing the demand for kosher food products. Also, kosher foods are gaining popularity with other consumers. The Canadian Jewish and non-Jewish consumer of retail kosher food products are estimated to be one million people. (Faye Clark Marketing & Communication Inc., 2002)

### Jews

Jews began immigrating into Canada in the eighteenth century. However, the majority of today's, Jewish community immigrated during the 1900's from Eastern Europe, Russia, North Africa and the Middle East. In the last few years, Jews have moved to Canada from South Africa, Israel and the former Soviet republics.

Today, with a population of 330,000 Canada is home to the world's sixth largest Jewish community. (Refer to table 1) Ninety percent of Canada's Jewish population live in Toronto

**Metropolitan Distribution of Canadian Jewish Population**



Source : 2001 Census Data, Statistics Canada

(50%), Montreal (27%), Vancouver (5%) and Winnipeg (4%). (Refer to figure 1)

**Fig. 1. Geographic Distribution of Canadian Jewish Population**

**Non-Jews Religious**

Religious faiths such as Muslims, Jehovah's Witnesses and Seventh Day Adventist observe dietary laws similar to Orthodox Jews and therefore have been identified as potential kosher consumers.

Kosher meat is not slaughtered in accordance to the Islamic rites of halal therefore, Muslim are encouraged not to substitute kosher meats for those that are halal. Excluding kosher meat, Muslims still account for a large portion of the kosher market, as there are a wide variety of kosher products that are considered halal. (Faye Clark Marketing & Communication Inc., 2002)

**Table 1**

**Source: Religions in Canada: Highlight Tables, 2001 Census, Statistics Canada**

| Province                  | Jewish         | Muslim         | Jehovah's Witnesses | Seventh Day Adventist |
|---------------------------|----------------|----------------|---------------------|-----------------------|
| Ontario                   | 190,800        | 352,525        | 54,935              | 30,870                |
| Quebec                    | 89,915         | 108,620        | 29,040              | 6,690                 |
| British Columbia          | 21,230         | 56,215         | 31,960              | 11,070                |
| Manitoba                  | 13,040         | 5,095          | 4,240               | 1,415                 |
| Alberta                   | 11,090         | 49,045         | 18,830              | 8,140                 |
| Nova Scotia               | 2,120          | 3,550          | 4,495               | 1,420                 |
| Saskatchewan              | 865            | 2,230          | 6,565               | 1,540                 |
| New Brunswick             | 670            | 1,275          | 2,430               | 975                   |
| Newfoundland and Labrador | 140            | 630            | 1,520               | 580                   |
| Prince Edward Island      | 55             | 195            | 475                 | 35                    |
| Yukon Territories         | 35             | 60             | 130                 | 55                    |
| Northwest Territories     | 30             | 180            | 135                 | 90                    |
| Nunavut                   | 10             | 25             | 10                  | -                     |
| <b>Canada</b>             | <b>330,000</b> | <b>579,645</b> | <b>154,765</b>      | <b>62,880</b>         |

## Health/Philosophical

As many Canadians become more health conscious, they are looking for additional ways to safeguard their health and the quality inherent to kosher processing provides the assurances they are looking for. Consumers are often impressed with the kosher rules and rabbinical supervision and perceive that the kosher products are purer, safer and of superior quality and taste.

As an assurance that foods do not contain any animal products, vegetarians and consumers with health issues such as lactose intolerance or other food allergies will often seek out pareve products

## Market Structure

In Canada the primary vendors of kosher foods are independent kosher or partially kosher retail grocers, supermarkets and other food and food service outlets such as bakeries, butchers delicatessens and non-kosher major banner supermarkets and club warehouse stores located in or close to neighbourhoods with significant Jewish and Muslim populations.

Consumers in Toronto and Montreal have access to a wide variety of fresh kosher products that are available in a variety of retail outlets. Chain and corporate grocery retail outlets are allocating more space to kosher. (Rosen, July/August 2000) Approximately 40% of Loblaw's stores have kosher departments year round and in 1999, Sobey's in Thornhill, Ontario tripled its kosher department from 5,000 to 15,000 square feet.

Jewish residents in cities such as Vancouver, Winnipeg, Calgary and Edmonton have difficulty finding fresh kosher products. Lorne Brookman, vice-president of sale and marketing for Levitts Kosher Foods suggests that there is an opportunity for local grocers to supply kosher consumers in these cities. (Rosen, July/August 2000)

## Market Trends

Market trends and opportunities within the kosher market are generally consistent to the mainstream food industry. Today's consumers are demanding fresh, authentic quality menu items and they want to be able to enjoy them at traditional and non traditional meal times. Four key demographic trends are shaping these trends:

- **Aging population:** The ageing of Baby boomers has renewed interest in healthy eating. Boomers' affluence and time pressures mean that they are willing to pay extra for services such as food service and ready meals, to make their lives easier.
- **Immigration Trends:** Thirteen per cent of the Canadian population is comprised of visible minorities, with the largest groups being Chinese and South Asians (Statistics Canada, 2003) These groups have created a new appreciation in this country for stronger flavours, fresher ingredients and new taste combinations.
- **Female participation in the workforce:** Women still do most of the food preparation even though their participation in the workplace is steadily increasing. In 2000, the NDP Group's NET Canada Nutrition Survey 2000, reports that the female head of the household planned 84 per cent of evening meals that were prepared and consumed in the home. The increase in dual career and single parent families are escalating time pressures, changing how we spend our time on daily activities. In an average seven-day

period, Canadians spent only six per cent of their time on food related chores, making easy/quick foods to prepare more appealing. (Statistics Canada, 1998)

- Economic prosperity: Economic growth and increased disposable income has made Canadians more confident about spending for products and services that make their life easier.

## Opportunities

Approximately 65 per cent of the foods in Canadian supermarkets are kosher. (Grace, 2000) On a regular basis, the Kashruth councils provide their communities with lists of acceptable kosher certified brand name foods. Canadian kosher consumers are generally drawn virtually all segments of Canadian society, their needs, preferences and responses to trends are considered to mirror the general population.

The following are major trends in the kosher market:

- Portability: Consumers are on the run and their food products should keep up with them. Muffins, biscotti and bagels are best sellers for portable breakfasts and wraps, soft enchiladas and thinly sliced breads with multilayer fillings of vegetables and cold vegetables. (Faye Clack Marketing & Communications, Inc., 2002)
- Convenience: New, unique, high-quality home meals (fresh or frozen) and lunch kits for kids. These products range from tradition staple products such as knishes and smoked meats to trendy ethnic Italian, Chinese, Thai and Japanese products. Mainstream kosher consumers are looking for nutritious and convenient meal solutions. (Faye Clack Marketing & Communications, Inc., 2002)
- Snacks: Canadian consumers eating habits are shifting from eating three main meals a day to snacking through out the day. Kosher consumers are no different. Nutritious portable snacks are one of the fastest growing product categories. In addition to meal replacements, snacks are also used as a means to meet consumers' health and well being (granola bars, energy bars, and dried fruit snacks).

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## Appendix 1 - KASHRUS AGENCIES

### Major Kosher Certifying Bodies



The Union of Orthodox Jewish Congregations (OU)  
Eleven Broadway, New York, NY 10004  
(212) 563-4000, Fax - (212) 564-9054  
Rabbi Menachem Genack, Rabbinic Administrator  
Kashrus Questions Hotline: (212) 613-8241  
Email: [kosherq@ou.org](mailto:kosherq@ou.org) or [bergc@ou.org](mailto:bergc@ou.org)  
Website: <http://www.ou.org>  
New Companies: [birnbaum@ou.org](mailto:birnbaum@ou.org)



The Organized Kashrus Laboratories (OK)  
391 Troy Ave., Brooklyn, NY 11213  
(718) 756-7500, Fax - (718) 756-7503  
Rabbi Don Yoel Levy, Kashruth Administrator  
E-Mail: General: [info@ok.org](mailto:info@ok.org) Info on Certification: [cfogelman@ok.org](mailto:cfogelman@ok.org)  
Website: <http://www.ok.org>



"Star-K" Kosher Certification (STAR-K)  
122 Slade Avenue, Suite 300, Baltimore, MD 21208  
(410) 484-4110, Fax - (410) 653-9294  
Rabbi Moshe Heinemann, Rabbinic Administrator  
Dr. Avrom Pollak, President  
E-Mail: [star-k@star-k.org](mailto:star-k@star-k.org)  
Website: <http://www.star-k.org/>



Star-D Kosher Supervision of the National Council of the Young Israel  
(STAR-D)  
A project of the National Young Israel in affiliation with Star-K Kosher  
Certification  
(410) 484-4110, Fax - (410) 653-9294  
E-Mail: [star-d@star-k.org](mailto:star-d@star-k.org)  
Website: <http://www.star-k.org/>



"KOF-K" Kosher Supervision (KOF-K)  
201 The Plaza, Teaneck, NJ 07666  
(201) 837-0500, Fax - (201) 837-0126  
Rabbi Dr. H. Zecharia Senter, Executive Administrator  
Rabbi Aharon Felder, Director of Kosher Standards  
E-Mail: [info@kof-k.org](mailto:info@kof-k.org)  
Website: <http://www.kof-k.org>

## Canadian Kosher Certifying Bodies

### Alberta



Calgary Kosher (CK)  
1607 - 90th Avenue S.W., Calgary, Alberta, Canada T2V 4V7  
403-253-8600 Ext 213, Fax - 403-253-7915  
Rabbi Akeyv Greenblatt, Rabbinic Administrator  
Philip Wolf, Mashgiach  
E-Mail: [calgarykosher@cjcc.ca](mailto:calgarykosher@cjcc.ca)

### British Columbia



Orthodox Rabbinical Council of British Columbia  
8080 Francis Road, British Columbia, Canada V6Y 1A4  
(604) 275-0042, Fax: (604)277-2225  
Rabbi A. Feigeistock, Av Beth Din  
Rabbi Levy Teitlebaum, Kashrus Administrator  
E-Mail: [info@bckosher.org](mailto:info@bckosher.org)  
Website: <http://www.bckosher.org>

### Manitoba



Vaad Ha'ir of Winnipeg  
C306 - 123 Doncaster St, Winnipeg, MB R3N 2B2  
204-487-9571, Fax: 204-477-7405  
Richard A. Stokoloff, Executive Director  
Gabe Brojges, Kashruth Coordinator  
E-Mail: [RStokoloff@aspercampus.mb.ca](mailto:RStokoloff@aspercampus.mb.ca)

### Ontario



Ottawa Vaad HaKashrut  
780 Kerr Avenue, Ottawa Ontario, Canada K2A 1R9  
(613) 798-4696, Fax: (613) 798-4695  
Rabbi Mitchell R. Cohen, Director of kashrut  
E-Mail: [mcohen@jccottawa.com](mailto:mcohen@jccottawa.com)



Kashruth Council of Canada  
4600 Bathurst St, Suite 240, Toronto, Ont. M2R 3V2  
(416) 635-9550, Fax: (416) 635-8760  
Rabbi M. Levin, Executive Director  
Rabbi Y. Kerzner, Chairman Rabbinical Vaad Hakashruth  
E-Mail: [mlevin@cor.ca](mailto:mlevin@cor.ca)  
Website: <http://www.cor.ca>

## Quebec



Chief Rabbinate of Quebec - Kashruth Commission  
5850, Victoria Ave., Montreal, Quebec, H3W 2R5  
(514) 738-1004, Fax: (514) 738-2972  
Rabbi Dr. David Sabbah, Chief Rabbi/Posek  
Mr. Robert Levy, Administrator  
E-Mail: [rabbidavid.sabbah@rabbinat.qc.ca](mailto:rabbidavid.sabbah@rabbinat.qc.ca)  
Website: <http://www.rabbinat.qc.ca>



Jewish Community Council of Montreal  
6825 Decarie Blvd, Montreal, Quebec, H3W 3E4  
(514) 739-6363, Fax: (514) 739-7024  
Rabbi Saul Emanuel, Executive Director  
Rabbi Peretz Jaffe, Kashrut Coordinator  
E-Mail: [semanuel@mk.ca](mailto:semanuel@mk.ca)  
Website: <http://www.mk.ca>