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France

Kosher Foods

French Kosher Report

2005

Approved by:

Besa L. Kotati
U.S. Embassy

Prepared by:

Laurent J. Journo & Roselyne Gauthier

Report Highlights:

The European kosher market is currently estimated to be valued at \$6 billion. France is a major market currently estimated at \$549 million and an international trading center for kosher products. Both imported and domestic products are distributed not only in specialized retail and kosher stores, but also in kosher sections of the largest supermarkets in France and across Europe. Many French consumers consider kosher food products to be healthy, of high quality, natural, and good tasting. Best prospects for kosher foods are gourmet-style products including wines, matzos, sauces, snacks, soups, crackers, confectionery and vegetarian dishes.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Paris [FR1]
[FR]

Note: Average Exchange Rate:

- Calendar Year 2002: USD 1 = 1.05 Euros
- Calendar Year 2003: USD 1 = 0.884 Euros

Source: European Central Bank

SECTION I. SUMMARY

Less than 30 years ago, France's kosher food market was considered a niche-ethnic market. However, today, France is a major market and an international trading center for kosher products, currently estimated at \$6 billion for Europe (\$549 million for France). The French market has been growing by an average of 16 percent per year since the late 1990s. Kosher foods in France and Europe are consumed by a wide range of consumers who consider kosher products to be healthy, high quality, natural, and good tasting.

More than 80 percent of France's Jewish population is of Sephardic origin, which is heavily influenced by Mediterranean-style food. The Sephardic influence can be seen in the offerings of more than 300 kosher restaurants, bakeries, and other eating establishments in Paris alone. Imported and domestic kosher products are distributed not only by specialized retailers and kosher shops, but they can also be found in special kosher sections of major supermarkets throughout France. Best prospects for kosher foods in France are gourmet-style products including wines, sauces, snacks, vegetarian food products, confectionery, matzos and Passover products.

Advantages	Challenges
U.S. suppliers are seen as reliable with high quality, innovative kosher products.	Increasing competition in dairy, meat, grocery products including confectionery and wine, especially from Israel and Europe.
There is a large variety of U.S. kosher food ingredients.	French manufacturers import kosher food products and ingredients mainly from other European countries and Israel.
Kosher foods are not subject to import quotas.	Educating French and European consumers about the added reliability, traceability and safety of kosher products
Kosher certification is used as a marketing tool in France and the major U.S. kosher certifications are well known in the market.	U.S. manufacturers need to tailor their products to meet French consumer tastes and preferences.
Best prospects are for kosher products that are not domestically produced or not available in sufficient quantities.	Increasing demand for kosher food has encouraged many French food manufacturers to obtain kosher certification and resulted in increased competition for imports.
In addition to the Jewish community, many French consumers who are lactose-intolerant and/or vegetarian look for kosher pareve food products.	Many consumers of kosher products prefer locally or regionally produced foods to imports, which are also more expensive.

SECTION II. KOSHER CERTIFICATION ACCEPTANCE/PREFERENCE

In order to be recognized as kosher, products must be certified by a certifying agency with a rabbinical affiliation. In France, there are several organizations that handle kosher supervision and certification. The major organizations include:

- Beth Din de Paris (under the supervision of the Grand Rabbi of Paris, Rabbi David Messas), which certifies over 60 percent of French kosher food establishments
- Rabbinat Loubavitch de France (Rabbi Hillel Pevner)
- Communauté Israélite de Paris CIOP (Rabbi Mordechai Rottenberg)
- Rabbinat de Marseille
- Beth Din de Lyon
- Beth Din de Strasbourg (Rabbi Mordechai Seckbach)
- Rabbinat de Moselle (Rabbi Bamberger)

Each organization has its own logo. Some rabbis who do not belong to any of the organizations noted above certify kosher products under their own name. In addition, rabbis who do belong to these supervision organizations are permitted to certify kosher products under their own name as well.

In France and other European countries, there is no equivalent of the major U.S. kosher certifiers such as the OU or OK. Nevertheless, the Consistoire de France is working on a new certification: ECK.f (European Central Kashrus France), which it hopes will become a standard throughout Europe. Given the great number of supervision agencies and rabbis now certifying kosher products, it will be a challenge to develop consumer awareness and recognition in Europe of any single kosher certification.

SECTION III. CONSUMPTION AND MARKET SECTORS

A. Consumption

France's Jewish community is comprised of two main groups: the Sephardim from Mediterranean basin countries including Algeria, Lebanon, Morocco, Syria and Tunisia, and the Ashkenazim from Northern and Eastern European countries. Among the Jewish community, the religious calendar drives kosher food consumption in France. Consumption increases during religious holidays, especially Passover, Shavuot, Rosh Hashanah, Yom Kippur, and Sukkoth. In addition, personal and family celebrations (birthdays, births, weddings, bar/bat mitzvahs, etc) and professional events contribute to increased household and institutional consumption of kosher foods. However, in the mainstream market, consumption of kosher products takes place throughout the year and is not subject to seasonal influences.

It is estimated that the mainstream market accounts for about 60 percent of kosher food consumption. The consumers primarily include:

- Muslims and other ethnic or religious groups
- Vegetarians and lactose intolerants, who purchase a significant amount of kosher pareve products due to the assurance that pareve foods contain neither meat nor dairy ingredients

- Many mainstream consumers select kosher products for different reasons; taste, cultural traditions, a reputation for high quality, and/or a perception of sanitary and quality assurance provided by the kosher certification.

French consumer preferences for kosher products are mainly:

- Grocery products
- Beverages
- Dairy products
- Fish
- Frozen foods
- Fresh catering products

Leading criteria for consumer choice of kosher products:

- The certification logo
- The list of ingredients
- The taste of the product
- Attractive packaging

B. Market Sectors

1. Retail Foods

A. Entry Strategy

Wholesalers are key to the kosher sector in France. They buy directly in large quantities from producers and manufacturers and then resell to a wide variety of distributors, supermarket chains, other retail stores, specialty stores and small outlets in neighborhoods with large Jewish populations. The limited number of wholesalers in the kosher food sector has empowered them as market gatekeepers. As a result, most distributors must work with them to be able to offer a full array of certified products.

According to a recent study, several distributors, including Kineret (under the name of Cash-Cacher Naouri), Emeth, Eldaï, Yarden and Zouagui, handle approximately 90 percent of the available kosher products in the market.

The majority of the wholesalers import about 50 percent of their products from Israel. Other products are manufactured in France or imported from other countries (including frozen meat from Argentina).

U.S. suppliers who want to penetrate the French kosher market need to approach these wholesalers. FAS Paris maintains a list of the wholesalers, which is available to U.S. food and beverage suppliers upon request.

U.S. kosher certification is a strong marketing advantage and the major U.S. kosher certifications are recognized in France (OU, OK, Star-K, Kof-K). The OU and OK are the most recognized in the French market; they have participated in important French trade shows and have opened branch offices in Europe. Over the last few years, a number of French suppliers and wholesalers have attempted to have their food products approved by a U.S. kosher certifier as part of an effort to export to the United States.

B. Market Summary

In term of sales, the wholesalers account for 31 percent of the market, supermarket chains and retail stores for about 49 percent, and the foodservice sector for about 20 percent. According to a recent study, over the past ten years, 71 percent of French supermarket chains developed a kosher strategy that features the establishment of a dedicated in-store kosher section and the introduction of new kosher-certified products. This strategy illustrates the dynamism and growing interest among mainstream retailers in kosher food marketing.

Leading French brands are also considering the growing kosher market. Several companies, including Yoplait, Flodora, Andros, Epi, Daregal and Ancora-Maille, now offer a range of kosher food products. In addition, a number of French manufacturers have begun to modify the taste attributes of some kosher products to appeal to the mainstream market.

The distribution network for kosher products has expanded and kosher products are more widely available in France. Many retailers have added kosher products to their mainstream lines in order to offer a greater variety of products in their large format stores. Other marketing opportunities have emerged, as new hypermarket centers have opened in many areas of the country, including the western and southeastern regions of France and the Paris metropolitan area.

C. Company Profiles

The first retail stores to open in the kosher sector were small-specialized outlets in neighborhoods with large Jewish populations. Subsequently, kosher retail chains began opening in the Paris and Lyons areas as well as southeastern France. Cash Cacher Naouri has 17 stores (16 in the Paris area and one in Nice); its main competitor is Hypercacher with six stores in the Paris area. Casher Price has four outlets in the Paris area and one in Lyons. Super Cash has several outlets in Paris, Toulouse and Nice. A specialized kosher butcher chain, Bucher Chain André Krief, has developed a new e-business concept, and has begun to deliver kosher products nationwide to meet the demand of communities that lack access to kosher stores or supermarkets with kosher products.

Some of the large mainstream supermarkets that feature kosher food sections and have expanded their kosher sections and diversified their kosher product inventory include Carrefour, Auchan, Géant, Monoprix, Leclerc and Super U. Although these chains represent about ten percent of the kosher food retail sales, their share is growing. Despite the mainstream retailers' growing interest in kosher, supermarket buyers in France do not procure kosher food products at the large national wholesale food markets. The retail chains that are able to procure large volumes and varieties of kosher products work with a small network of kosher food wholesalers to supply their stores.









D. Sector Trends

In general, there are three different ways that French retailers display kosher products.

- 1) Kosher food products often share shelf space with ethnic products. Some supermarket chains treat kosher foods like ethnic products, and they might display kosher products next to Asian or Italian food products. Carrefour Bercy 2, Carrefour Créteil, Super U, and Casino Marseille feature this type of display. They offer a wide variety of products, including grocery products, beverages, fresh products and sometimes frozen products.
- 2) Some stores stock kosher food products with conventional products of the same category (grocery, catering-fresh products, etc.), although the kosher products may

be specifically designated by shelf panels and displayed on their own shelves. The chains featuring this type of display include Auchan and Leclerc.

- 3) Other supermarkets, usually small store formats (such as Franprix), feature a limited display of kosher foods that could include some fresh products (e.g. tarama, humus and variety meats).

								
	Carrefour Bercy 2	Carrefour Créteil (94)	Monoprix Paris (19°)	Auchan La défense	Auchan Bagnolet (93)	Casino Bagnolet (93)	Super U Clichy (92)	Leclerc Orly (94)
Products carried	- Grocery - Beverage - Catering Fresh Products - Dairy Products	- Grocery - Beverage - Catering Fresh Products - Dairy Products - Frozen Products - Fish	- Grocery - Beverage - Catering Fresh Products - Dairy Products	- Grocery - Catering Fresh Products	- Grocery - Beverage - Catering Fresh Products - Dairy Products - Frozen products	- Grocery - Beverage - Catering Fresh Products - Dairy Products	- Grocery - Beverage - Catering Fresh Products - Dairy Products	Grocery - Beverage - Catering Fresh Products
Range of products	Large	Very large	Large	Medium	Very Large	Large	Large	Medium
Kind of display	Large Kosher Shelves	Large Kosher Shelves	Large Kosher Shelves	With Similar Non- kosher Products	Large Kosher Shelves	With Similar Non- kosher Products	Large Kosher Shelves	Large Kosher Shelves

2. Food Ingredients

A. Entry Strategy

All kosher products and ingredients must meet the following requirements:

- All ingredients must be kosher-certified.
- Product manufacturing processes must conform to kashrus regulations.

The best way for U.S. kosher ingredient suppliers to target the French kosher food processing industry is either to work directly with the food processors or through wholesalers. In fact, kosher wholesalers in France who supply both the retail and

foodservice sectors contact food processors directly as per their needs to meet customer demand (regarding new products, etc.).

B. Market Summary

Sources indicate that there are approximately 120 kosher manufacturers and processors in France mainly processing meat and dairy products. No figures are available as to the size and growth rate of the overall kosher foods/food-processing industry. Imported raw materials/ingredients represent about 34 percent of the total domestic supply; they are sourced mainly from other European countries, but also from Israel and the United States. The amount of raw materials/ingredients imported from the United States is not known. However, surveys indicate that France needs a large and varied supply of imported food ingredients and intermediate products to meet the current large demand and to accommodate market expansion in the future. Opportunities exist for U.S. suppliers of additives, preservatives, flavorings, spices, condiments, sauces, citrus-related products and nuts. There are also opportunities for any ingredient that could be used to manufacture a number of high value products, such as gourmet-style products, snacks, soups, crackers, confectionery and vegetarian dishes.

C. Company Profiles

In France, there are between 500 and 600 companies exclusively handling kosher products, of which:

- 18 percent are meat and dairy processors, with annual sales estimated at \$62 million.
- 26 percent are wholesalers, distributors and seasonal manufacturers. 40 percent of these companies sell to supermarkets and 60 percent to specialized retail stores.
- 40 percent are retailers.
- 16 percent are hotels/restaurants and foodservice providers.

Sector Trends

The ten largest French kosher food manufacturers produce and distribute kosher foods throughout Europe. In general, locally manufactured kosher products are more price-competitive than imported kosher products. Producers of kosher foods are now launching new products on the market, such as biscuits, dairy foods, candies and even organic/health and specialty-ethnic foods.

3. Foodservice Products

In France, the foodservice sector is booming and kosher catering in some large establishments in Paris comprises as much as 10-12 percent of the sector's overall business. Also, airline caterers, such as Servair, the number one airline caterer in France, have developed facilities to produce kosher meals. In 2002, the company expanded its offerings to include kosher vegetarian meals. The variety of kosher meals produced for airlines now meets a wide range of customer needs, from breakfast to cold and hot meals for all passenger categories (first-class, business and economy menus).

Sales to the Servip company represent about 20 percent of the kosher catering sector's sales. Servip, which was created in 1993, specializes in long shelf-life meals for international catering. The company supplies airlines, sea and rail companies, as well as hospitals. Servip's clients include large international companies that account for about 70 percent of the international airline market.

Servip buys food and ingredients in bulk from Israeli and French manufacturers and packages meals according to specific customer needs (under the authority/control of the Madrid rabbinate). Servip's product line includes 80 different kosher meals.

The estimated value of sales to the kosher hotel/restaurant/foodservice sector in France is approximately \$22 million.

SECTION IV. PRODUCTION AND PROMOTION

A. Production

France is the leading European market for kosher foods due to the large number of kosher consumers and to the size of its kosher food industry. The Jewish community in France is the largest on the continent and there are about 5,000 institutions that buy kosher products. The ten leading French kosher suppliers manufacture and distribute their products throughout Europe. As noted previously, kosher products manufactured in France are usually less expensive than imported products.

Retailers, including supermarket chains (Auchan, Franprix, Carrefour and Leclerc) and specialized retail stores (Cash Cacher Naouri and Hypercashier) – carry both imported and local products.

There are over 160 kosher wines produced in France. The French-Jewish community consumes a significant amount of wine, not only for the Sabbath and holidays, but also at regular meals. In addition, wine is imported mainly from Israel. However, some American wines have been introduced in the French market, including Baron Herzog (California), and various others from New York State.

B. Promotion

Some French manufacturers/wholesalers of kosher food products are now focusing on the U.S. market and looking for new sales opportunities. In recent years, there has been an increase in the number of French products certified by the Orthodox Union (OU) and other kosher U.S. certifiers (French wine in particular). Trade shows, such as Kosherfest, have attracted an increasing number of French buyers as well as exhibitors. Due to the lack of data, it is difficult to measure French exports to the United States.

SECTION V. PROMOTIONAL ACTIVITIES

French wine wholesaler Sieva and Royal Wine Europe often organize wine tastings to increase their sales in the kosher and non-kosher markets. Wines from France, Israel, the United States and other countries are displayed and tasted at these events.

Although, a number of U.S. products interest French wholesalers, there are several market constraints including:

- High freight costs
- Customs taxes
- EU regulations on color agents, GMOs, hormones, and translation into French of nutritional information for labels

The flavors and packaging of some traditional Jewish foods manufactured in the United States, which are kosher, do not suit the tastes or meet the requirements of the French market.

Per FAS/Paris' recommendation, a few years ago, the USDA endorsed Eurokosher, the French kosher trade show, and the Office of Agricultural affairs in Paris organized a USA Pavilion in 2001. However, the show has not continued due to security and other issues. In response, FAS/Paris organized French buyers missions to the Kosherfest show, held annually in the United States, during 2002, 2003 and 2004 (with French buyers' purchases valued at nearly \$1.5 million in 2003). In 2006, FAS/Paris plans to organize a trade mission in France for U.S. kosher food manufacturers and distributors to meet members of the French kosher industry. U.S. suppliers interested in this activity may contact the Office of Agricultural Affairs at the address shown below.

SECTION VI. POST CONTACTS AND FURTHER INFORMATION

❖ Trade Shows in France:

World Specialty Ethnic Food Show (including Halal and Kosher)

Paris – Porte de Versailles

June 7-8, 2005

Organizer: Algodoal & Cie

Tel: (33-1) 45 23 81 10 or 81 11

Email: ethnicfoodmail@aol.com

Web: www.ethnicfoodshow.com

International Food Show (SIAL)

Parc des Expositions – Paris-Nord Villepinte

October 22-26, 2006

Organizer: IMEX Management, Inc.

Tel: (704) 365 0041

Email: sial@imexmgt.com

Web: www.sial.fr

❖ Kashrus Certification:

Consistoire de Paris :

www.consistoire.org

Rabbinat de Loubavitch:

<http://www.loubavitch.fr/pages/intro.asp>

- ❖ For lists of Kosher food importers/distributors and wholesalers in France, please contact:

American Embassy
Office of Agricultural Affairs
2, avenue Gabriel – 75382 Paris, Cedex 08
Tel: (33-1) 43 12 2264/2245
Fax: (33-1) 43 12 2662
Email: agparis@usda.gov
Internet: www.amb-usa.fr/fas/fas.htm

For more information on exporting U.S. food products to France, visit our homepage. The Office of Agricultural Affairs homepage includes information on the hotel, restaurant and foodservice sector, and the retail food sector; as well as Food and Agricultural Import Regulations and Standards, product briefs on the market potential for U.S. products, and upcoming promotional trade shows and fairs in France.

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service home page:

<http://www.fas.usda.gov>