

Halal + Kosher Minnesota Meat Market Assessment



Agricultural Utilization Research Institute

Overview

Halal and kosher meat markets offer opportunities for Minnesota farmers to diversify and expand their markets and for new and emerging farmers to become involved in food production.

While this report attempts to assess the broad markets for both halal and kosher, it provides a specific focus on the market for halal goat meat due to the currently undeveloped local food system and unmet consumer demand for this meat in particular in Minnesota.

About Kosher

- Kosher refers to foods that meet the requirements to be consumed under Jewish law, or the *Halakah*.
- In the Minneapolis/St. Paul metropolitan area, which represents the largest market for kosher meats in the state, there are a few designated kosher stores, and kosher meats are also sold at Lunds & Byerlys, Cub Foods, and Trader Joe's in St. Louis Park (most metro Trader Joe's stores carry kosher meat, and all have certified kosher products).
- There is a price premium for kosher over conventional meats, likely because of the increased cost of production as well as the lower price sensitivity within the consumer base.
- In addition, some non-Jewish consumers look for the kosher label on meat because they view it as a quality standard.



About Halal

- In Islam, every food is halal unless it is specially designated as *haram* (not halal or not permissible) in the Quran or the Hadith.
- Within Minnesota, the halal meat market is concentrated in metropolitan areas like the Twin Cities, Fargo/Moorhead, Rochester, and St. Cloud, but there is demand for halal meat in small- to mid-sized towns throughout the state as well. Willmar, Fairmont, and Pelican Rapids, for example, all have halal consumers and small halal grocers that serve target consumers.
- Changing demographics and increased halal consumers may open market opportunities throughout the food supply environment. For example, since being certified halal, "KFC, Burger King and Taco Bell have all seen an increase of 20 percent in customers."
- Currently two equal-to and at least one USDA-inspected meat processing facilities in the state process halal meat.
- Halal certification serves as a sign of quality and assures customers that a certain set of halal requirements were met.



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Opportunity for Goat Meat in Minnesota

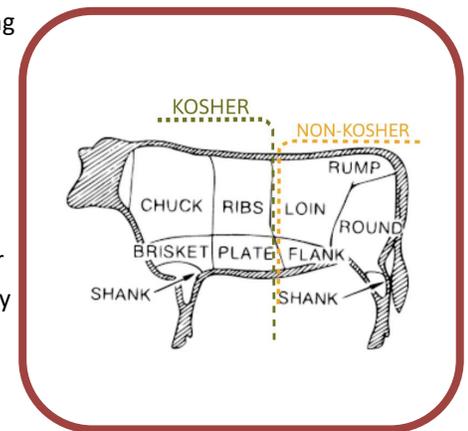
- Due to current high demand around the world, prices for goat meat continue to rise.
- The amount of halal goat consumed by Somali residents per year is estimated at 3.8 million pounds.
- A lack of supply of fresh halal goat meat appears to be nearly universal among Minnesota's Somali community.
- The most recent census of agriculture reported 25,000 meat goats in Minnesota, while the market potential for halal goat meat is more than 500,000 goats.

Regulatory Framework

- All halal and kosher standards are thus defined and audited by third-party certification bodies rather than through governmental agencies such as the United States Department of Agriculture (USDA).
- Livestock slaughter and processing is regulated at the federal level by the Food Safety and Inspection Service (FSIS) of the USDA. The FSIS guidance regarding definitions of halal and kosher labels defers to the Islamic authority and rabbinical councils respectively. All livestock slaughtered for meat in the United States for interstate commerce must meet USDA standards.
- Inspection for and enforcement of animal welfare rules is critical in all slaughtering facilities, including those doing ritual slaughter.

Farmers, Ranchers and Processors

- Raising livestock for halal or kosher markets does not require significant changes to farming methods. However, a key issue is regarding the use of vaccines or other veterinary medicines.
- Any Minnesota meat processing facility is able to apply for ritual slaughter processes through MDA or USDA.
- The most common method of religious processing identified in this research is for a broker or a buyer to bring a halal or kosher slaughterman to the facility, rather than using a facility with a halal- or kosher-trained slaughterman on staff.
- Religious slaughter practices tend to slow down line speeds by roughly 30 percent.
- Another major issue for processors is the slaughter of hogs in the same facility as halal or kosher slaughter.



Assessed Needs

No single barrier stands in the way to entrance for either of these markets; instead, low prices of imported halal meat, a lack of information about requirements, and a lack of relationships among farmers, brokers, processors, and retailers have kept these markets fragmented. As such, the report has identified the following needs:

- Clear standards
- Expanded processing and small/mid-size meat market development
- Financing opportunities