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Report Name: Growing Food Markets in Israel

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Report Highlights:

Growing food markets in Israel: • Meat substitutes • Fruit shakes

Meat Substitutes

One of the largest Israeli food producing and importing companies, Osem-Nestle, is preparing its launch of Sensational – Nestle’s meat substitute. Nestle’s product will be offered in all supermarkets in Israel with a target of capturing 15 percent of the total domestic meat market. Osem's CEO quoted that the company plans to invest a large amount in the new product and will not rest until it has a minimum of 10 percent share of the total meat market in Israel.

Osem-Nestle intends to introduce Sensational hamburgers and minced meat at the first stage, and later on introduce hotdogs to the market. Even though Osem is entering the meat substitute market after Beyond Meat, Osem intends to be in all supermarkets which would give them an advantage. Osem aims to introduce its product to the market just before Tnuva – Israel's largest food producer – that is getting ready to introduce and distribute the British brand Meatless Farm in Israel which has a variety of meat substitutes.

The demand for meat in Israel is relatively big with a retail demand reaching more than \$1.5 billion, excluding institutional demands. Reports from the first seven months of 2020, show sales of more than \$55 million of frozen non-meat food items (such as vegetarian cutlets), up 18.4 percent from previous year. Beyond meat reportedly has 1.4 percent of this market. The COVID-19 outbreak sped up the expansion of the domestic meat substitute market as consumers seek options that are thought of as healthier.

Vegetarians and vegans make up 15 percent of the Israeli population, and around 30 percent of the local meat consumers who enjoy the taste, smell, and look of meat also started consuming meat substitutes mainly due to health concerns and religious reasons. Since Kosher Jews are not permitted to consume dairy and meat together, meat substitutes also allow Kosher observants the possibility to have dairy dish with their "meat."

Fruit Shakes Shake out the COVID

Imported packed frozen fruit for homemade fruit shakes is one of the best growing food categories of 2020. In July alone, the category grew by 98 percent reaching sales of almost \$1 million.

Looking at Israeli retail chain sales reports, frozen fruit sales are rising as more consumers prefer to make their fruit shakes at home rather than to purchase them outside. Figures show sales of \$1.6 million over the months of June and July 2020. June figures are up 74 percent from last year and July sales are up by 98 percent.

The demand for frozen fruit shakes concentrate mainly peaks in the hot summer months. The frozen fruit is imported and distributed by a few Israeli importers, among them Tnuva. This summer, Israel also saw new players in this food category, coming into the market with new brands and private labels. Tnuva is by far the largest player in the frozen fruit market with a share of 38 percent of total sales in June-July, followed by Baladi with their new brand Shake It making up 25 percent market share of the category.

Attachments:

No Attachments.