

Value-added Marketing

F A R M B U S I N E S S . P S U . E D U

Marketing to Ethnic Segments: Halal Products

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The United States' population is growing with a number of diverse ethnic, cultural, and religious groups. Many of these groups have various norms and values by which they abide. These behavioral norms, which may be imposed by culture or religious beliefs, are often borne out in food preferences and diets of each group. Therefore, agricultural producers should explore marketing to various sectors in order to maintain successful businesses. One group that is emerging is Muslims, who are obligated to eat only Halal-certified foods according to their religious beliefs.

What does it mean to be Halal?

In the Islamic community, the Qur'an/Koran identifies a Muslim's way of life into two categories: "Halal," which in

Arabic means, "what is permitted" or "lawful" and "Haram," which is "what is not permitted" or "unlawful." These two terms apply to all aspects of a Muslim's life, including food as well as such diverse items as cosmetics, personal care and cleaning products. Muslims may only consume goods and services which are Halal. Some estimates show that 70% of all Muslims worldwide follow Halal principles (Minkus-McKenna).

In Islam, eating is a form of worship to God (Allah), like prayer. The list of prohibited food products is quite extensive, but there are a few common themes. First, the slaughtering of animals must be performed by making a cut through the jugular vein while saying the name of Allah. Then, after the animal's quick death, it must be skinned and drained of all blood (Shariah Program). Second, the use of any animal by-products is strictly prohibited. Animal by-products are products either taken or produced from the body of an animal. Examples of some by-products include blood, gelatin, and dairy products (which use enzymes and proteins from animals) except for milk which is considered Halal.

Generally, all foods are considered Halal except the following (IFNCA): Swine/pork and its by-products

- Animals improperly slaughtered or dead before slaughtering
- Animals killed in the name of anyone other than Allah
- Alcohol and intoxicants
- Carnivorous animals, birds of prey, and land animals without external ears
- Blood and blood by-products
- Foods contaminated with any of the above products

To learn more about Halal regulations, the Islamic Food and Nutrition Council of America's website (www.ifnca.org) is a great place to start. Additionally, the Muslim Consumer Group (www.muslimconsumergroup.com) provides updates about new foods and whether they are considered Halal or Haram.

How is Demand for Halal Food Products Changing?

Over the past few years, there has been a noticeable increase in the Muslim population in the United States. The 1998 World Almanac estimated that there would be 5.8 million Muslims living in the United States by 2001. Other researchers have estimated that there were no more than 2.8 million

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(Smith). Although these and other estimates are highly variable, ranging from one to seven million people, all agree that the Muslim population is growing rapidly. The Institute for the Study of Secularism and Society and Culture stated that the U.S. Muslim population had nearly doubled from 1990 to 2001 (Kosmin and Seymour; Kosmin and Keysar). In addition to population growth, we know that the average Muslim family is large, with an average of 4.9 people in each household (Mujahid). This means that there is a broad age range in the household. With an increase of Halal foods for all ages on market shelves, the Muslim community and grocers will benefit greatly.

There is mounting evidence that food companies are changing to better serve the Muslim community. As an example, in April 2007, a Detroit McDonald's began to sell Halal Chicken McNuggets. This change is being reflected in other regions of the United States, where restaurants and stores are selling more Halal-certified meats (Story). In some cases, U.S.-based firms are looking to sell directly into Middle Eastern markets. In September 2008, Midamar Corporation, the largest supplier of high quality Halal meats in the world announced its newest business service: consulting services for food businesses located within the United States but interested in entering into markets in the Middle East (Business Wire). This signals tremendous market opportunity.

Who Buys Halal Foods?

Although Muslims are obligated to eat Halal-certified foods, there are other market segments that may be interested in these foods. Many individuals want to know the ingredients of the foods they eat. Because the use of animal by-products is banned in Halal foods, vegetarians and vegans who avoid eating meat products represent a large portion of the possible target market. For the same reason, Halal foods are a good alternative for people with specific animal by-product allergies.

What Products Should Value-Added Producers Consider?

Currently, Muslims have very little variety of Halal-certified foods from which to choose. Therefore, producers seeking to make value-added products for this market can choose from a wide-range of products to market. These include Halal gelatin for baked goods, shortenings, jellies, ice cream, yogurts, cheeses using microbial enzymes rather than animal derived enzymes, and prepared food not cooked on the same grill as pork or any other Haram foods. Muslims in the U.S. are also a key buyer of goat meat. As stated earlier, the U.S. Muslim population has a fairly large, and growing, amount of purchasing power. Producers who enter this market sooner rather than later are likely to prosper.

How Can Producers Market to Halal Consumers?

Once a more diverse selection of Halal foods is available on market shelves, Muslims are likely to purchase more of these value-added goods. That is, there is some latent demand for Halal food products. However, the non-Muslim market needs to be educated and informed about the benefits of Halal foods before sales of these foods notably increase. The term Halal needs to appeal to the public by being presented as a healthier option that is known to be "vegetarian-approved."

The Islamic Food and Nutrition Council of America can assist with the nation-wide marketing of Halal-certified products. Once a product is Halal-certified, the product and manufacturer's name is listed on the Council's website. Anyone searching for Halal-certified foods will most likely find that list. In addition, the manufacturing companies will be listed in the Halal Consumer Magazine, which is published twice a year. Finally, the Islamic Food and Nutrition Council of

America receives numerous requests for Halal-certified products from consumers, food service organizations, and foreign importers. They promote their own certified companies in responding to these requests. Also, there are marketing venues provided annually by the Food Marketing Institute in which Halal food producers promote their products to marketing firms and public relations houses across the country. This way, Halal products may then be advertised in the mainstream marketplace.

As the United States becomes increasingly diverse, regional ethnic food journals are becoming more prevalent. Press releases, advertisements, and featured stories in these journals as well as magazines and newspapers allow wider education and potentially a larger consumer base.

It is vital for producers to conduct research on all aspects of Halal certification in order to promote their products effectively to both Muslim and non-Muslim parties. By doing so, their value-added products will be a profitable endeavor.

How Does Certification Work?

Certification of Halal foods must be performed by a third party organization to hold credibility. The most reliable national agencies are the Islamic Food and Nutrition Council of America and the Muslim Consumer Group. The first step is to visit their websites (provided earlier). After learning about them, you may submit an application online or via mail or fax. After a telephone discussion, an inspector will arrange to visit the food production facility to verify that raw materials and production and sanitation practices are consistent with Halal principles. For certification, the owner will sign a contract stating the frequency of inspection, the products being certified, and the fees associated with certification. The certification is usually issued for a one-year time

period, but can vary depending upon the type of products being certified. The agencies' contact information is listed at the end of this fact sheet.

How is Demand for Halal Food Products Changing?

As the United States becomes more diverse, there is an increasing opportunity for food producers to differentiate their products and gain price premiums. However, as with any market segment, the marketer must get to know the customer. The Muslim audience has particular religious beliefs that constrain their diets. By providing foods that fit Muslims' prescribed diets, producers may be able to diversify their markets and increase their profitability.

Certifying Agencies' Contact Information

Islamic Food and Nutrition Council of America
IFANCA Head Office
777 Busse Highway
Park Ridge, Illinois 60068
Telephone: 847.993.0034
Fax: 773.283.3973
Muslim Consumer Group
P.O. Box 8538
Rolling Meadows, IL 60008
Telephone: 847.255.9396

Additional Resources

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