

**EVALUATION OF THE WHOLESALE AND RETAIL PRICE OF KOSHER CHICKEN  
COMMISSIONED BY UNION OF ORTHODOX SYNAGOGUES  
JUNE 2010**

**1. MANDATE**

To investigate the operation and cost structures of wholesale kosher chicken slaughter and to investigate the retail price of kosher poultry products relative to their non-kosher equivalents.

**2. INDEPENDENCE**

Neither the UOS, Tenderchick or the kosher retailers interfered in any way in the performance or outcome of our investigations.

**3. RESULTS OF WHOLESALE PRICE INVESTIGATION**

The following factors which have an effect on the wholesale price of kosher chickens, were analysed and quantified:

- Economies of Scale, Stocking densities, UOS fees, kosher supervision, kosher rejection rate, kosher defeathering process, koshering and salting process, kosher line speed, Jewish holidays.

<b>DESCRIPTION</b>	<b>R per kg excl VAT</b>
Industry cost of non-kosher production	13,19
Direct cost of kashrut	4,53
Constraints due to no economies of scale	12,15
Profit	0,20
Kosher wholesale selling price	30,07

**We are of the opinion that, based on our physical observations and examinations of the financial records, Tenderchick appears to be operating within reasonable cost structures and is recovering its costs in the selling prices charged.**

**4. RESULTS OF RETAIL PRICE INVESTIGATION**

Focussing mainly on whole chickens, The following factors which have an effect on the retail price of kosher chickens, were analysed:

- Jewish holidays, koshering costs of beef, UOS fees, additional staff, kosher supervision.

**The average gross profit percentage being achieved in the kosher butchery retail business in respect of most poultry products appears to be approximately 36% before direct production costs.**

The gross profit percentage being achieved on non-kosher poultry products is approximately 30% on average but can fluctuate by up to 3% either way.

  
MICHAEL ANDREW KINGSTON

  
MICHAEL JON PEPPER

***The above is a summarised version of the Kingston report into the cost of kosher chickens. The full and unabridged report may be downloaded from [www.uos.co.za](http://www.uos.co.za) or [www.myshtetl.co.za](http://www.myshtetl.co.za).***