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# McCain hopes breakfast item will thaw India's resistance to frozen food

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With her family waiting for breakfast, Sanjukta Majumdar reaches into her freezer, pulls out a packet emblazoned with the black and yellow logo of her favourite food brand and clatters a half-dozen frozen *idli* onto a plate. She pops the discs of lentil and rice flour into the microwave, tears open the accompanying packet of *sambar* paste, adds a bit of water and, in moments, delivers a steaming, nutritious breakfast – the family favourite – to her husband and two sons. She has a bite and, in her simple assessment, reveals the heart of the strategy a Canadian food giant is using to conquer South Asia's kitchens.

“It’s even better than the ones I could make myself,” Ms. Majumdar says of her frozen *idli* – made and sold by McCain Foods (India) Pvt. Ltd., the Indian branch of the New Brunswick-based food-processing giant.

The little white *idli* is a clever gamble by McCain, an attempt to carve out a place for its frozen-food products in a market where the company has no natural foothold.

McCain came to India more than a decade ago, first focusing on agricultural research and then entering the nascent fast-food market with its ubiquitous French fries. Frozen food was a brand new field as well, but the company cautiously introduced some of its most popular international snacks, such as cheese and jalapeno nuggets. McCain, which is privately held, does not release sales figures, but the rapid rate of expansion would suggest they are solid.

Rapid social changes in India – a huge growth in people living in nuclear rather than extended families; more households with two adults working; less comfort with live-in domestic help; plus more aspirational desire for packaged and processed foods – make this a market with huge potential. Consumer analysts say it is now about 300 million people strong.

But this market also presents giant challenges: People are unfamiliar with, and thus often suspicious of, frozen food; there are huge logistical hurdles in manufacturing and a near-total absence of a reliable temperature-controlled supply chain.

Nevertheless, India’s Ministry of Food Processing Industry estimated in 2011 that the frozen-food sector is growing by 14 per cent a year. This country, it says, is the last great frontier in frozen foods.

“Per capita annual consumption of frozen foods even in an underdeveloped market like China is just about 3.5 kilograms and the total market size is \$14.4-billion, i.e. roughly 400 times

larger than India's market," the ministry said in a statement last year. In Britain, it is about 34 kilograms, with \$60 spent per person a year; in India, currently, it is three cents a year.

"For frozen food, you have to break a lot of barriers," said K.S. Narayanan, who was until a few months ago managing director of McCain India. (The company declined to make any of its current staff available for an interview, saying communications staff were busy "for a month.")

"You need to go with food [Indians] are comfortable with," Mr. Narayanan said. "Could I have done it only with French fries? No."

The company set out to woo dubious Indians using local delicacies. First, in 2008, came the *aloo tikki* – a small fried disc made of potatoes, not unlike a hash-brown patty, often served from street carts and school canteens. The *tikki* caught on quickly but because people were used to buying them ready-made, it didn't represent a real mindset shift.

Then, Mr. Narayanan explained, close analysis of Indian eating habits revealed that the *idli* was a top-three breakfast food not just in the south, to which it is indigenous, but in all parts of the country. "We zeroed in on *idli*. It's not messy, it's easy to make, we can do it. It's known as healthy, it's just protein and carbohydrate."

McCain perfected a freezable *idli*, but then had to get people to try it.

"People's instant reaction, if you tell them it is frozen, is, 'It cannot be done, it will be bad, it cannot be tasty, it is too old,'" Mr. Narayanan said. So the company fanned agents out to small retail stores across the country (large supermarkets are rare here, kept out by government restrictions), equipped them with microwaves and had them popping *idli* into the mouth of any customer who would stand still long enough.

The secret, Mr. Narayanan said, lies in the way they are made. When grandmothers made *idli*, they prepared the rice and fermented lentils on a stone grinder – a process that created heat from friction and trapped air in the mix, making for a light, fluffy patty. When people do it at home today, they usually use a small electric grinder, the go-to appliance in most Indian kitchens with electricity. That produces a heavier *idli*. McCain built industrial processors that mimicked grandma – and a breakfast closer to hers.

After they launched the *idli* last year, McCain found that not everyone knew what to do with them – which prompted the company to add *sambar* (a lentil vegetable broth) and sell it all in a combo pack. *Sambar*, Mr. Narayanan added, was tricky. It's served as a runny liquid, hard to package – and good plastic packaging is hard to find, and expensive, in India. "So a chef made us a concentrate and then we said in the instructions to add water at home – and that also gives the housewife some level of activity which gives her satisfaction of having made it."

Ms. Majumdar said she likes it, in fact, because there is almost nothing for her to do – she runs a paper-products business, her husband doesn't cook, her children are busy, so making her own *idli* was a hassle she is happy to skip. The price is nice, too – 60 rupees, or a bit over a dollar, for the six-pack with *sambar*.

Not everyone, however, shares Ms. Majumdar's enthusiasm.

"Most people who try them say they're only acceptable if you dunk them in *sambar*," said Vir Sanghvi, who writes "Brunch," India's most widely read food column, in the Hindustan Times.

He thinks McCain should have stuck with its *tikki*, which he praised in his column as startlingly good. “*Idli* is ambitious – it’s a step too far.”

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