

Feeding the Indian tiger

Move over China. Food sales to India are set to roar

BY NICOLAS MESLY

“**T**he Indians are crazy for red lentils... potential sales are incredible,” says Lance Walker, head of Lazer Enterprises Inc. in Borden, Sask.

Walker was working in a trade show booth as he told me this, one of the representatives of the 23 Canadian businesses that were participating at the 31st Aahar Food Hospitality Trade Fair held in New Delhi in March.

Some 872 companies from 22 countries were at the show to stimulate Indian demand for their products.

They know that while newspaper headlines can seem transfixed on China, India's economy is booming too. According to the World Bank, India's GDP growth is expected to end up at 7.9 per cent this year, enough to make it the fastest growing economy on the planet, even outpacing the Chinese dragon with its 7.0 per cent.

Although India is the world's largest pulse producer, El Niño weather patterns helped set off consecutive droughts in 2014 and 2015 that have put the country into a serious deficit for this vital staple food. “India produces around 18 million tonnes of pulses but they need 22 to 23 million tonnes every year,” says Parthi Muthukumarasamy, a specialist in agriculture and agri-food at the High Commission of Canada. As a result, India needs 5.5 million tonnes of pulses, and it needs them more or less now.

In 2015, Canada sourced 40 per cent of India's pulse imports, mainly in red lentils and yellow peas. From \$900 million in 2014, our pulse exports to India jumped to \$1.5 billion in 2015, marking a 60 per cent increase.

It all means that Lance Walker had real work to do at the Aahar Trade Fair. But the Saskatchewan producer wasn't only trying to sell red lentils to his visitors, he also welcomed them with samples of canola oil.

India imports US\$14 billion in vegetable oil per year which makes the country the world's largest importer. Currently it mainly buys palm oil (65 per cent market share) from Indonesia, soy oil from Argentina (25 per cent) and sunflower oil from Ukraine (15 per cent).

“India is one of the countries that has the highest incidence of diabetes and cholesterol,” says Muthukumarasamy, who is working closely with the Canola Council of Canada, based in Winnipeg. “If we promote its health benefits, canola oil could carve itself an incredible market share in India.”



Market opportunities range from five million tonnes per year of pulses to shipments of maple syrup, says Canadian counsellor Parthi Muthukumarasamy. “Canola oil could carve itself an incredible market share in India.”

Although India's society is generally strongly opposed to GMOs, canola oil has been approved because, unlike the plant, the oil itself does not contain GM proteins.

SWEET DREAMS

Standing at his booth, Antoine Pfister has a dream. “Imagine if every gulab jamun would be served with maple syrup,” he says.

Pfister was hired three years ago to develop the Indian market on behalf of the Quebec co-operative, Citadelle, the world's largest maple syrup producer and exporter.

Gulab jamun is a small, fried doughnut served with syrup, and Indians crave them. There isn't a neighbourhood in New Delhi that doesn't have its sweet shop. The Indian tiger has a sweet tooth!

“We are looking at the high-end markets in the megacities such as Dehli, Mumbai and Bangalore,” explains Pfister, who is as passionate about maple syrup as Walker is about his lentils and canola oil. To Pfister, maple syrup is a super-food full of health-building natural antioxidants.

India's economic boom has fostered the growth of a new, youthful middle class that travels and that is much more health conscious than their parents. Current surveys put this group at 350 million consumers, which is larger than the U.S. population.

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Quebec co-op Citadelle sees a world class market for maple syrup and much more.

“Potential sales are incredible,” says Saskatchewan farmer Lance Walker as he works the booth at Aahar.

Muthukumarasamy sees opportunities for a number of Canadian products in India such as malting barley, rapeseed mustard, red kidney beans and even seafood such as fresh salmon, which is entering now from Norway and Scotland. But, he warns, “Canadian companies have to understand and commit themselves to India.”

India is a price-sensitive market, he points out, but success also hinges on developing personal relationships.

MCCAIN INSPIRES INDIA'S PM?

While in India at the high commission reception held in honour of the Canadian companies attending the Aahar Fair, I met Kunai Yadav, general manager for McCain Foods India.

McCain has been established in India since 1990. The company has been growing its own potato varieties here and processing them in its plant located in the state of Gujarat.

McCain is the supplier of fast-food giant McDonald's, and the company is also capitalizing on the booming of India's new middle class. Like their Western counterparts, young Indian professionals have less time to cook, so the easy-to-prepare McCain frozen samosas are scoring big.

The first question Yadav asked

me, however, was whether I had the green light from McCain's head office in Florenceville, New Brunswick, so he could talk to me.

Although I have often tried to get an interview and a plant visit, none of my recent requests to the vice-president, government, public relations and corporate affairs offices were answered. But Yadav was kind enough to respond to a key question: does the company have trouble ensuring an unbroken chain of cold storage facilities for its products at every stage from the fields to the fork?

“No. We have invested and developed our own cold storage facilities,” he answered.

It's a reasonable question, we seem to agree, since the country's enormous rate of food loss is often in the news, referencing studies that show up to 40 per cent of Indian food rots before it gets to consumers.

In fact, India's Prime Minister Narendra Modi is making food processing a national priority. He is improving railways, roadways, and air navigation, and he is inviting local and foreign companies to invest in 42 mega food parks that will incorporate processing facilities and modern cold storage.

As Gujarat is Narendra Modi's turf, one can wonder if McCain has inspired India's prime minister to replicate the Canadian model to other states of India.

OLYMEI AND MCCAIN'S BACON IN INDIA

In a separate phone interview, Jacques Pomerleau, president of Canada Pork International, explains his group is seeking a free trade agreement with India that would allow Canadian pork to enter India, mainly by eliminating non-tariff barriers.

Inevitably, it raises the expected question. Why would he invest his time and energy in trying to sell pork in a country that is 80 per cent vegetarian and 20 per cent Muslim?

“Those 1.3 billion Indians are not all vegetarians by choice,” Pomerleau reports after two missions to India. “As their income grows, they want to eat quality meat, and the Muslims are no exception.”

Pomerleau estimates that 60 million consumers in India are interested in eating Olymel or McCain bacon. That, he points out, is nearly double the Canadian population.

A Canada Pork International mission is scheduled next fall with the help of Canada's agriculture counsellor, Parthi Muthukumarasamy, to promote Canadian pork in high-end hotel chains in major cities.

Meanwhile, a growing number of farm groups are reaching the same conclusion. As the Indian tiger awakens, it seems to like the taste of Canada. **CG**