

Sown & Reaped



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Finding niche in busy life

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ON the phone, the young entrepreneur's voice sounded firm. She claimed in the days ahead, working urbanites would become more dependent on readymade snacks and food items, in their quest for convenience and leisure.

"This is going to be the future. It's going to be the main food category by 2020 due to the growth of our economy," said an upbeat Nusrat Bari Asha, group director of Harvest Rich, a processor and marketer of readymade frozen snacks.

Four years back, Asha ventured into tapping the lifestyles of urban consumers, especially female office-goers, to make and market readymade snacks and foods.

The initial days were tough as middle-income consumers were less enthusiastic about trying out readymade frozen snacks because of a lack of familiarity.

"When we first came to the market in 2007, nothing much was in our favour."

But she was confident people would start looking for readymade food and snacks due to changes in lifestyles, growth in income and a growing desire to ease urban living, at a time when maids and house help are scarce.

At the same time, women, who once were barred from taking part in outdoor activities, began streaming out of their homes, took up formal jobs and joined economic activities at a growing rate.

Women were able to break the barriers thanks to enhanced women's education and an expansion of service sector activities.

According to Bangladesh Bureau of Statistics, the number of women with jobs rose to 12.5 million from 7.9 million between fiscal year 2000 and 2009, a phenomenal 58 per cent rate of growth.

It meant that more women are spending at least eight hours a day at offices, reducing their time to manage household activities.

Working women look for



Frozen snacks are up for sale at Meena Bazar's Dhanmondi outlet in Dhaka. Despite high costs, urban households prefer frozen snacks not only to entertain guests but also for tiffin for schoolchildren.

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healthy, hygienic half-cooked or readymade food and snacks as their cooking time has cut drastically. It was then that Asha came forward with an array of products, reaching convenient joints where women went shopping.

Harvest Rich products, such as the chicken nuggets, made a mark at a time when few local firms were there and the imported ones ruled the market, which was rather limited to the high-end income segment.

However, with the growth of chain retails and entry of other local processors, the market for frozen snacks began to expand fast due to wider availability.

Now, not only Harvest Rich,

but other firms such as Golden Harvest, Aftab and many small home-based readymade food makers, are competing to get their products to more and more households, fast-food joints and hotels.

From traditional snacks, such as readymade *shingara*, *samosa*, *puri*, *paratha*, bread, to chicken nuggets, burgers and fish balls -- all are available frozen at medium to large retail outlets and chain stores in big cities like Dhaka.

Processors and retailers said demand for readymade snacks and food is on the rise as urban people are showing interest in these edibles, mainly because of convenience in a busy life. These can be prepared and served with

less time and effort.

Kamrunnahar Sonia, a 25-year old school teacher, began buying frozen snacks, like vegetable rolls, chicken nuggets and *samosas*, in 2007.

"These snacks are of great help. We started buying these when my mother fell ill. She used to prepare these snacks at home when she was in better health," said Sonia.

But the schoolteacher found these snacks a bit expensive. "They are tasty but, I find them to be a bit pricey."

Depending on brands, prices vary from item to item. The price of normal parathas by Golden Harvest, depending on the pack size, ranges between Tk 45 and Tk 160. Chicken nuggets cost Tk 110 to Tk 350.

Processors point at the increasing prices of raw materials, such as chicken and other food ingredients, and the high profit margins bagged by retailers for the relatively high prices of these snacks.

Despite high costs, urban households prefer these snacks not only to entertain guests but also for tiffin for school going kids, processors said.

"People are looking for alternatives," said Asha. "Youth and health conscious people in middle and upper mid-income families are the main consumers of the ready-to-serve foods."

Samad Choudhury, chief operating officer of Golden

Harvest Agro Industries Ltd, said the market for frozen snacks has been growing fast in the past three to four years. The market size of frozen snacks now stands at nearly Tk 100 crore, he added.

"It's all about convenience. Frozen snacks are a part of life now," said Choudhury, adding that a rise in demand for frozen snacks widened the scope for value addition in poultry, seafood and horticultural products produced domestically.

Asha said one of her objectives was to focus on value addition in agriculture by making readymade snacks. "And it is happening."

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Frozen snacks exports perk up

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THE export market for frozen snacks has opened up in the past couple of years thanks to the Bangladeshis staying abroad who crave the taste of native snacks.

In the past three years, export earnings from frozen snacks, such as *paratha*, *singara*, *samosa*, *dal puri*, and *alu puri*, have grown more than seven times to \$2.38 million in fiscal 2009-10, compared to fiscal 2007-08, according to Bangladesh Agro Processors' Association (BAPA).

Exporters linked the rise to growing demand among Bangladeshis and the entry of some new firms in Europe, the US, Australia and the Middle East. The entry of some new firms like Sabjiana Ltd and IBCO Food Industries Ltd, also

buoyed exports earnings from snacks.

"The demand for frozen snacks is very high as people staying abroad want to taste local snacks," said SM Masud Rana, group brand manager of BD Group, which makes and exports various processed foods and spices.

Sabjiana Ltd, a concern of BD Group, has been exporting frozen snacks since 2007. "We received very good responses," said Rana.

The company exports various types of *paratha*, *singara*, *puri* and potato chop, mainly to the Middle East, UK, Italy and Australia.

In addition to these destinations, frozen snacks have also made their way into markets in North America, exporters said.

"We mainly export to the US," said Samad Choudhury, chief operating officer of

Golden Harvest Agro Industries Ltd.

The company has been exporting frozen vegetables and snacks since 2006.

Choudhury said frozen snacks account for 40 per cent of our export basket. "Demand for our products is high among ethnic people. They are opening the opportunity for us to enter the cross-cultural food markets."

"It's a trillion-dollar-market worldwide," said Choudhury. "We see huge market potential."

A factor behind his forecasts on wider export market is the rise in the number of Bangladeshis and South Asian people abroad. "At the same time, people worldwide are showing interest to cross cultural foods."

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