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Diaspora Demand Study for Ofada Rice

By

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Study of the Diaspora Demand for Ofada Rice

Executive Summary

United Kingdom & Ireland

Ofada rice is currently available in the UK through two importer-distributors, Withus Foods and God's Promise Ventures, both of whom buy from one of the largest producers in Nigeria, Ultimate Foods. Withus imports 10 tonnes per annum, whilst God's Promise imports about 5 tonnes per annum. Both appear to spend limited time and effort selling and promoting Ofada. The two importers sell both directly to consumers and indirectly via a few market stall holders in London. The lack of an extensive distribution network for Ofada rice is evidenced by some of the caterers and restaurants not being aware of a guaranteed source or supplier of Ofada rice in the UK. The two importer distributors do not promote Ofada rice directly to consumers or the catering trade.

A third source of Ofada rice is "unofficial/ undeclared imports" by people who are "visiting friends and relatives"; Nigerians accounted for 25% of the 460,000 visitors to the UK from Africa in 2004¹. An estimated 115,000 Nigerians visited friends and relatives. Assuming 70% of Nigerian visitors to the UK are of Yoruba origin and each visitor² brings in on average 1/4 kg (250 g) of Ofada rice in their luggage; this equates to 28,750 kg (29 tonnes) of Ofada rice. Overall, annual supply of Ofada rice to the UK is therefore estimated to be around 55 tonnes.

The situation in Ireland appears to follow a more formal pattern of supply through clearly defined marketing channels. Dublin based Kimex cash and carry receives a quarterly shipment of a container of Nigerian foods and produce, including Ofada rice, which is sold on to retailers, most of whom apparently sell to households. Kimex currently imports about 4 tonnes of Ofada rice yearly.

Consumption Patterns

¹ Foresight Publication 2004 – International Passenger Survey

² Most Nigerians visiting the UK often include food in their luggage, either as gifts from home or as an opportunity to generate income towards money for shopping in the UK

The pattern of rice consumption amongst members of the Nigerian Diaspora surveyed is that 90% reported that they either ate rice frequently or regularly. This would suggest that rice is their main staple and that the level of per capita consumption of rice is likely to be high.

The survey indicated that Ofada rice has a high level of product recognition amongst Yoruba Nigerians in the Diaspora as more than 80% knew of the product. Although they appear to know very little about the technical definition of what constitutes Ofada rice, they are fully aware of the attributes of the product. Nigerian Diaspora who eat Ofada rice mostly derive their product knowledge from the “taste and pleasurable experience” of an Ofada rice meal. Two clear and defining features are the strong, distinct aroma of boiled Ofada rice and, the hot, spicy stew (or sauce) with which it is served. There is demand for both non-aromatic and aromatic versions of Ofada with both types considered to be ‘organic’ and hence healthier than other varieties. If Ofada rice were readily available, the survey found that it would be the sole or preferred choice for 60% of the respondents, whilst an additional 20% would eat it occasionally.

A number of consumers in the survey said they had only ever eaten Ofada rice in the UK at celebratory events (birthday parties, christening ceremonies, weddings, etc,) where it is often described as “designer rice” as the Ofada rice meal is served in a unique manner that differentiates it from other rice served at parties such as jollof rice, white rice and stew, or fried rice. There is anecdotal evidence to suggest that caterers are a major source of demand for Ofada rice as it is frequently consumed at celebratory gatherings or in restaurants.

The consumption of Ofada rice within households of Yoruba origin is limited by the huge amount of time and effort involved in preparing the accompanying sauce. In many households of Yoruba origin in the UK and Ireland, women work, limiting the time they can spare for cooking. This is both a constraint and an opportunity for increasing the consumption of Ofada rice. If the preparation process for the hot sauce that accompanies Ofada could be simplified, household consumption would rise substantially. There is a growing trend to consume more African foods amongst the Diaspora.

Some respondents suggested that what is needed is the equivalent of bottled tomato based pasta sauces or curry sauces (e.g. well known UK brands, Dolmio for pasta dishes or Patak for curry dishes) that simplify and save time in meal preparation. Also, if recipes were

available for simpler to cook dishes, such as jollof, using Ofada rice, and availability improved, then the Nigerian of Yoruba origin would increase household consumption.

Overall, there needs to be a clear distinction between targeting consumers and caterers and restaurants. Specifically, these segments have different characteristics in terms of product attributes and purchasing criteria. To the consumer, convenience and product knowledge are the most important attributes. For caterers it is price and availability. For example, the survey indicated that 70% of caterers would prefer 5kg packs rather than the 1kg packs in which Ofada is currently available.

More than 70% of consumers interviewed were willing to pay a premium price for the nostalgia and emotional ties generated by the product. Ofada rice currently retails at £3/kg in London compared to Uncle Ben's which sells at £ 2.17 kg, the market leader amongst the Nigerian Diaspora. Basmati rice retails at £1/kg and is gaining in popularity amongst the Nigerian Diaspora because of its flavour. Supermarket own-brand, long grain parboiled rice is available at £0.45/kg.

Potential Demand

The Nigerian Diaspora in the UK resides mainly in the London boroughs of Southwark, Lambeth, Hackney, Haringey and Newham. The concentration of Nigerians in these areas makes it easier to direct and focus marketing efforts with regards to distribution of Ofada rice to the current core customer base in the UK. The Irish Nigerian Diaspora is relatively small, comprises recent immigrants and is concentrated in the capital, Dublin.

There are widely varying estimates of the size of the Nigerian in the UK. We estimate that, in the UK & Ireland, there are roughly 340,000 members of the Nigerian and that 70% of Nigerians in the UK & Ireland are of Yoruba origin. This gives a target market of 238,000 consumers of Ofada. Based on a per capita consumption of rice of 45kg per person per year, and assuming that 1 out of 90 rice meals is prepared using Ofada, the potential demand for Ofada is forecast at 120tonnes per anum in the UK & Ireland. The potential demand at 120 tonnes dwarfs the estimated 60 tonnes formally and informally imported into the UK & Ireland with 60 tonnes of unmet demand representing a real commercial opportunity for producers and importer- distributors.

To realise the potential for increasing sales, the current distribution network for Ofada rice will need to be improved. Crucially, it will be important to ensure that it is stocked by the African food retailers that consumers visit regularly. The importer-distributors will need also to open up direct sales to caterers and restaurants offering rice in bulk at a discount to the price paid by consumers. Promotional activities will need to target both caterers and consumers through the papers serving the Nigerian Diaspora. Nigerian Ofada rice producers need to encourage their importer-distributors to develop and improve marketing channels to improve access to their products in the UK, replacing those unable to do so with more competent ones.

It is possible to increase the sales of Ofada rice well beyond the 120 tonnes. Persons of Yoruba origin are estimated to consume over 1 thousand tonnes of rice annually. If Ofada could capture a 10% share, then sales would rise to 1,000 tonnes per annum. To realize this possibility, There Ofada rice will need to be re-positioned as a regularly consumed rice with the attributes of being organic, less processed and with more nutritional. Such re-positioning could be targeted at a wider customer base such as second generation Nigerians some of who may not have the acquired taste, consumers with a preference for organic, less processed or refined foods, and those with an interest in African foods. However, the success of such targeting will be dependent on marketing both aromatic and less aromatic Ofada (which is currently available only in Nigeria),introducing new recipes for preparing Ofada rice, selling sauce ingredients in a ready made form and improving presentation and packaging in order to compete with other niche rice products.

United States of America

There is no formal or recognised distributor of Ofada in the US. Rice is the main staple of Nigerians living in the US and Ofada rice recognition appears to be high. Most of the Yoruba Nigerian Diaspora consumers interviewed had consumed Ofada rice at an event outside of their home, which suggests that it is being made available through informal or unofficial imports by friends, relatives or opportunist entrepreneurs on an irregular or one-off basis.

The Nigerian has become accustomed to cheap, readily available long grain parboiled rice. Nevertheless, there is the nostalgia that Ofada rice evokes for which they expect to pay a premium. Commercial buyers (i.e. retailers, caterers, and restaurateurs) on the other hand

raised issues of concern such conformity to food regulations and standards, and potential liability that may arise from the stones or other impurities in the product.

There is growing demand for African foods in the US, which represents an excellent opportunity for Ofada rice to be positioned as a niche product within the range of African foods. It could develop a loyal consumer franchise amongst first and second generation Nigerians of Yoruba origin, other Nigerians, Africans and non-Africans others interested in a different culinary experience.

The Nigerian in the US is several times that of the UK. But unlike the UK, the Nigerian Diaspora is spread across all 50 states, though there are sizeable communities in the cities and suburbs of Maryland, New York, Texas, New Jersey, Illinois, California and, Ohio. Houston alone is often reported as having a Nigerian population of 100,000. Potential demand in the US is much higher relative to the UK. An extrapolation of data for the UK suggests demand of 900 tonnes in the US.

In order to fully exploit the combined demand for Ofada rice in the Nigerian Diaspora and the increase in demand for African foods, the three critical success factors in the US market are: i) compliance with stringent regulations on food imported to the US to obtain approval from the authorities; ii) the appointment of a group of importer distributors across the country to develop marketing channels and promote the product; iii) improvements in product packaging and presentation; and iv) pricing and positioning in a highly competitive market.

1.0 Background to the Study of the Diaspora Demand for Ofada Rice

Promoting Pro-Poor Opportunities in Commodity and Service Markets (PrOpCom) is an innovative project funded by the Department for International Development of the United Kingdom (DFID) to facilitate functionality and efficiency of Nigerian commodity and service markets in such a way as to assure these markets benefit the poor.

PrOpCom is focussing on rice as its first commodity market. PrOpCom is supporting activities that impact on the rice chain in the Ofada region of Ogun state. Rice from this area is regarded as a premium product in Nigeria. Demand for it is increasing rapidly.

Emerging Market Economics Ltd (eme) was contracted by the PrOpCom project to undertake a survey of the Nigerian Diaspora within the UK (including the Republic of Ireland) and the US to assess the dimension and scope of demand for Ofada Rice.

1.1 Expected Outputs of the Study

This study aims to answer three strategic questions with respect to these two markets:

What is the current level of consumption for Ofada rice?

What is the potential level of demand for Ofada rice?

What can be done to fulfil its potential?

In particular the study addresses:

- The existing availability and marketing channels through which Ofada rice reaches the Diaspora in the UK and US.
- The extent of brand recognition for Ofada rice –highlighting any attempts that have been undertaken either formally or informally to promote the brand.
- Whether the demand for Ofada rice has spread outside of its traditional Yoruba base, in particular the extent to which other ethnic groups within the Diaspora (such as the Ibo) are aware of the Ofada brand.
- The rice that is currently consumed by the Diaspora and why it is preferred.

- The potential for inter-generational differences in demand for Ofada rice between 1st and 2nd generation Nigerian immigrants.
- The nature of the demand for Ofada rice – regular consumption versus cultural occasions.
- The location in terms of cities and neighbourhoods where demand for Ofada rice amongst the Nigerian Diaspora is / could be the greatest and an estimate of the quantities supplied and likely potential.
- Packaging of the product – bulk versus small packages, boxed versus bagged product, etc.
- The attributes that consumers within Diaspora have the strongest affinity for such as taste, colour, aroma, appearance, etc.
- An assessment to price sensitivity of Ofada rice amongst consumers in different markets and locations, and the willingness to pay a price premium for Ofada rice.

2.0 Methodology

2.1 Discussion with PrOpCom and CMRG

The study team was led by Mr. Bayo Akindeinde, Director of eme's Private Sector Development Practice and a member of the Nigeria Diaspora in the UK. At the outset, a short briefing was held with the PrOpCom management unit on the work undertaken thus far on the Ofada rice value chain and additional reports that may be available through this work. A discussion was also held with the CMRG study team who carried out a similar study on Ofada rice in Nigeria.

2.2 Identification of Stakeholders

The study team conducted a review of the demographics of the Nigerian Diaspora in the UK and US and the channels of access to individuals in the community. In particular, community based organisations were identified in order to develop a representative list of opinion leaders, importers, wholesalers, restaurants and stores that cater for the Diaspora to interview as part of the study. Given the size of the Diaspora in both the UK and US, and the time frame of the proposed study a statistically significant sample could not be drawn, but instead the study team relied on information provided by informed opinion.

2.3 Interviews with Key Stakeholders

Based on the lists developed, the study team undertook a series of semi-structured interviews with key stakeholders to develop a broad understanding of the current demand, availability and the marketing channels (both formal and informal) through which Ofada rice enters the UK and the US markets. These interviews provided the context from which more detailed questionnaires were developed to obtain the empirical evidence base for the study.

2.4 Development of the Questionnaire

A set of 5 questionnaires was developed based on the context provided by key informant interviews. The questionnaires were initially field tested on a small

sample of stakeholders, and the outcome informed refinements and changes to the questionnaires. A copy of the set of 5 questionnaires is included in Annex 1

2.5 Field Work

Field work using the questionnaire was geographically focused and targeted at respondents identified during the initial interactions with the Nigerian communities.

3.0 Results of the UK survey

A summary of the results of the survey carried out in the UK are presented below.

3.1 Tabulated Summary of the UK Ofada Rice Study

Knowledge of Ofada rice (21) Yes.....81% No.....19%	If Ofada is readily available (20) Sole choice.....20% Preferred.....40% Eaten occasionally.....20% Other.....20%
How often is Rice eaten (21) Regularly.....76% Frequently.....14% Once in a while.....10%	Frequency of visits to African Food shops(21) Once a week.....24% Once a month.....28.5% Once in a while.....28.5% Hardly ever or never.....19%
Type of Rice mainly eaten (21) Parboiled long grained62% Non parboiled long grained14% Basmati23% Short grain1% African0%	Preferred size of Packaging(20) Consumers 5kg.....20% 2kg.....55% 1kg.....20% 500g.....5%
Trend in buying / eating African Foods (10) More.....100% Less.....0% Same.....0%	Preferred size of Packaging(10) Caterers & restaurants 5kg or larger.....70% 2kg.....10% 1kg.....20% 500g.....0%
Trend of African Stores/Restaurants(10) Increasing.....70% Decreasing.....0% Same.....30%	Interview Approach (52) Face to face98% Telephone (1).....2%
Willingness to pay premium price (20) Yes.....70% No.....15% Unsure.....15%	Demographics by Target Population (52) Consumers.....38% Opinion Leaders.....19% Caterers & Restaurants.....19% Retailers10% Wholesalers/Importers.....14%
Where rice is mostly purchased from(25) UK chains e.g. Tesco's, ASDA....28% Local cash and carry corner shops24% Specialist ethnic African shops.....48%	Demographics by Nigerian origin (30) Western (Yoruba).....87% Mid-Western/Eastern/Southern.....7% Undisclosed.....6%

3.2 Product Recognition

Category	Number of interviews	Number that have heard of Ofada
Opinion leaders	10	10
Cash & Carry/ wholesalers/importers	5	0
Caterers & restaurants	10	10
Retailers	5	2
Consumers	21	17 (including 12 Yoruba of 13 Nigerians)
Totals	51	39 (78%)

81% of the consumers interviewed and, 78% of all interviewees had heard of Ofada rice, which indicates a significantly high level of product recognition. It is worth stating the result that all the caterers and restaurants knew about Ofada while none of the wholesalers of African produce and only two of the retailers of ethnic foods did (although all of the retailers estimated that half or more of their customers were from Africa with the majority of these from the Nigerian Diaspora). 16 of the 21 consumers were of Nigerian descent (13 Yoruba) and at least 4 of the remaining 5 were African.

3.3 Product Knowledge and Understanding. What is Ofada?

The initial response to the mention of Ofada rice is an expression that indicates smell – the aroma of the product in both its uncooked and cooked state. As had been anticipated there is not a single common understanding of what Ofada rice is. This is illustrated by the following examples of responses on the association of the name:

From Opinion Leaders:

“Very hot non-smooth chilly sauce”

“Hot chilly sauce also called Ayamase”

“Stew or even vegetables”

“Nigerian rice, stony and very dirty- most people don’t eat it because of this”

“Common name between Nigerians”

“Tasty and unique exotic rice”

From Consumers

“short, aromatic flavour and distinctive taste”

“local rice best with original ayamase stew”

“traditional rice”

“tastes much nicer than ordinary white rice”

“from South West Ogun state, noticed its smell, nicer taste, short staple”

“too smelly in my opinion but tastes great.

from Abeokuta; Excellent for a change from usual easy cook rice – for special occasions”

“very tasty and aromatic – loads of stones though”

From Caterers and restaurants

“From a place called Ofada in Ogun state. It has a different taste and supposed to smell good but not fancied in the UK because of the time needed to clean it”

“it’s an organic rice ... put off because too stony/sandy – needs more processing”

“special rice cooked with a peppery stew”

“very dirty”

“authentic rice – stony and sandy”

“Ofada I have bought in the UK did not taste or smell like the Ofada I know – over processed”

The main associations are taste, smell, a particular dish, location and dirtiness/stones/sand.

The Table below details the results of the scoring of the most important characteristics of Ofada. These include a total of 27 respondents. The two retailers who had heard of Ofada failed to complete the scorings.

	Consumers (17)		Caterers and Restaurants (10)		All	
	Av. score	Ranking	Av. score	Ranking	Av. score	Ranking
a) whiteness	2.8	4	3.1	5	2.9	4
b) cleanliness	4.8	1	4.8	1	4.8	1
c) unpolished	2.6	6	3.4	4	2.9	4
d) aroma/taste	4.3	3	4.8	1	4.5	2
e) packaging in a	2.8	4	2.3	6	2.6	6

carton/box (as against clear plastic)						
f) instructions for preparation	4.4	2	3.9	3	4.2	3
Score:1 is least important; 5 is most important least			Ranking: 1 is most important, 6 is least			
Based on 17 of 21 Consumers (those who knew Ofada) interviewed and 10 of 10 Caterers Other categories of respondent not included as respondents did not know Ofada and Opinion leaders were not asked to score these characteristics.						

Cleanliness and aroma/taste emerge as the most important characteristics which is not surprising given the associations that were described including the reputation for dirtiness and stones. Interestingly, “instructions for preparation” is ranked third perhaps highlighting the importance of its association with a particular sauce. Packaging was of least importance, understandably for caterers and restaurants, whilst unpolished was least important for consumers.

The three key indicators of product association are aroma, cleanliness and preparation instructions, which need to be carefully considered when preparing a marketing strategy to address the identified and potential demand for Ofada rice. It is perfectly understandable that caterers rate cleanliness highest as it is time consuming sorting out dirt and stones to ensure that consumers of an Ofada rice meal have a pleasant and enjoyable dining experience. They also rated aroma highest, which is a clear indication of what the customer expects and wants from Ofada rice.

3.4 Trends

All 10 opinion leaders felt that the trend in consumption of African foods was up and also 9 of them felt that the numbers of African caterers/restaurants was increasing. The large majority of restaurants and caterers felt that their businesses were growing and that there is an increasing trend to consume African foods. Four of the five Retailers endorsed this view.

Opinion leaders held widely mixed views about the likely demand for Ofada at a premium price. Four stated there would be demand even at £3.00/kg. There was also no consensus on what the main use of Ofada would be between everyday, special occasion, or occasional use.

3.5 Market Potential

The two retailers who knew Ofada had both sold it and both stated that it sold well. However, only one estimated the amount they would require and that was only 10 kg per week. 16 of the consumers stated that rice was their “staple” carbohydrate and a further 3 ate rice frequently. All but one (who did not know) of the opinion leaders felt that rice from W Africa is a specialist food and that people are willing to pay a premium although one suggested that the premium would be small.

Opinion leaders theorized that Ofada would be mainly consumed by the older generation who remembered it, the younger generation who had arrived more recently or those who travel regularly to Nigeria. There was no consensus as to where most demand would come from.

3.6 Current Sources of Ofada rice

Of the six respondents who said that people knew about Ofada, two also said it was being brought into the UK. Of the other eight, only one said it was not being imported all the rest did not know.

3.7 Areas where produce targeted at Nigerian Diaspora is readily available

Peckham (SE15) & Elephant & Castle (SE1) – Peckham High Street; Elephant Shopping Centre; Rye lane and Choumert Grove

Tottenham (N15) – West Green Road at the bottom of Tottenham High Road

Dalston & Hackney (E8) – Ridley Road Market in Dalston and Mare Street, Hackney.

3.8 Demographics of the Nigerian Diaspora in the UK

Nigerian born residents of the UK are overwhelmingly concentrated in London, with Peckham in South London having the highest number at 3,189. The 2001 census stated that a total of 88,105 Nigerian born people lived in the UK at the time of the census, about $\frac{3}{4}$ of them (68,910) in London. 17,000 of London's Nigerians reside in the South London boroughs of Southwark and Lambeth. Nigerians in the UK are mostly of Yoruba and Ibo origin. In order to obtain an estimate for the number of Nigerians for the purpose of the study, it would be necessary to revise the 2001 census figure upwards to include UK-born Nigerians who were partly schooled and resided in Nigeria, and have now re-located to the UK. Individuals in this category, the majority of whom would be from the South Western states of Nigeria would probably have experience of consuming Ofada rice and therefore, constitute a sizeable segment of the potential market.

3.9 Demographics of the Nigerian Diaspora in Ireland

16,300 Nigerians The official census data of Nigerian Diaspora in Ireland is 16,300 Nigerians (70% Yoruba, 19% Ibo, and the remaining 11% from the South and North Central parts of Nigeria)

4.0 Other interviews and meetings

One of the well established and prominent producers of Ofada rice in Nigeria is Ultimate Foods, whose products are exported to the UK and Ireland, two countries in the European Union with sizeable Nigerian communities. The UK has a long established Nigerian community with a large Diaspora from South West Nigeria, whilst the Diaspora in Ireland is relatively new and growing and also comprises a large number from the South West (Lagos, Oyo, Ondo, & Ogun states) and Edo, Delta, Kwara & Kogi states. The main importer of Ultimate Foods' Ofada rice into the UK is Withus Foods, London, whilst the importer into Ireland is Kimex Cash & Carry, Dublin.

Following the information obtained on the largest importers of Ofada rice to the UK and Ireland, a face-to-face interview was held with the owner of Withus Foods in London, whilst a telephone interview was held with the owner of Kimex Cash & Carry in Dublin, Ireland.

4.1 Withus Foods: Importer of Ofada rice into the UK

Withus Foods (WF) is owned and run by a pastor's wife, Mrs. Arowojolu. The significance of this point is that WFs only product is displayed as a standalone item in a religious bookshop (Withus Bookshop) located on High Road, Tottenham, North London; an area with a sizeable Nigerian community and close to markets frequented by Nigerians. There are no signs or pointers alerting customers to the stack of rice packets on display in the middle of the shop.

WF was set up specifically to import Ofada rice, as the proprietress on a trip to Lagos, Nigeria, had negotiated and agreed a deal with Ultimate Foods, Nigeria to produce and package rice in 1kg packets, branded as Withus Foods. The

proprietress admitted that she has not had time to undertake any marketing effort to sell the rice. Sales have resulted largely from a combination of attendance of a Nigerian expo/ products exhibition that led to NAHCO (a UK national cash & carry outlet specializing in tropical foods) placing a one-off order for 1500 packets of the rice in 1kg packets and; 3 Nigerian market stall holders located in Dagenham, Peckham, and Dalston. All 3 areas in East & South East London that have a significant Nigerian population which in turn attracts retailers of foods and goods consumed by Nigerians in Diaspora. WF also sells to members of her church where her husband is the pastor.

Anecdotal evidence from Mrs. Arowojolu is that she does not cook Ofada rice at home as her children prefer American long grain rice, and preparing the accompanying sauce is a time consuming chore.

4.2 Conclusions from the meeting with Mrs. Arowojolu, Withus Foods

Three main characteristics that distinguish Ofada rice from other rice are; “red streaks, the appearance and feel of not being too refined or excessively processed; and most importantly, the strong aroma confirming that it is local rice”.

Not eaten regularly at home due to the elaborate effort required to prepare the palm oil based, scotch bonnet pepper laden, hot sauce that traditionally accompanies Ofada rice. As such most Diaspora Nigerians consume Ofada rice either at celebratory events where the food is prepared by specialist caterers, or at Nigerian restaurants with a chef or cooks who are of Yoruba origin.

The 1kg packet of Ofada rice at WF currently retails for £3.00 which at £3/kg is probably the most expensive rice retailing in the UK. In contrast, the most expensive American long grain rice, Uncle Ben’s brand retails for £2.17/kg, whilst ASDAs(owned by Wal-Mart) own brand long grain rice retails at £0.45/kg, and premium Basmati rice retails for £1/kg.

4.3 Kimex Cash & Carry, Ireland: Importer of Ofada rice into Ireland

Kimex Cash & Carry located in Dublin was set up to cater for the needs of fellow new immigrants from Nigeria. Its foodstuffs are imported from Nigeria quarterly via a

container. Kimex is the official importer to Ireland of Ultimate Food's ofada rice packaged and presented as Kimex' own brand of ofada rice. Kimex operates as a wholesaler, distributing to retailers serving Nigerian Diaspora in Ireland.

4.4 Conclusions from the telephone interview with Mr A, Kimex Cash & Carry, Ireland.

Based on the information gleaned from the telephone interview with the importer of Ofada rice to Ireland, there appears to be a difference in consumption patterns, as Ofada rice sold in Ireland is mainly to households. However, what is not clear is whether households buy Ofada rice to be cooked for celebratory events or for regular daily consumption.

It is also important to note also that the Nigerian Diaspora in Ireland is relatively new compared to the older much more established Nigerian Diaspora in the UK. This suggests a community of recent migrants that has a stronger disposition to the consumption of foodstuff from their home country. Furthermore, developments in international travel and recent advances communication make it much easier for migrants to retain strong links with their home country.

5.0 Conclusions from the UK Survey

- The UK consumption pattern suggests that at present Ofada rice is largely prepared by caterers for consumption at celebratory gatherings or in restaurants. There is however, an opportunity to increase household consumption by simplifying the preparation process as the main supporting ingredient is the hot sauce, resulting in a complete Ofada rice meal. Some respondents suggested that what is required is the equivalent of readily available bottled Ragu or Dolmio tomato pasta sauces or curry sauces that simplify and save time in meal preparation.
- There is a growing demand for African foods in both the UK and US, which presents an opportunity for Ofada rice to be positioned as a major niche product based on its association with 'organic', nutritious food . However, this will be dependent on marketing non-aromatic or less aromatic Ofada (which is currently available), and introducing new recipes for preparing and presenting Ofada rice to a new customer base including second generation Nigerians, other Nigerians, Africans and others interested in African foods.

- At present, Ofada rice is obtained mostly via irregular one-off purchases from market stall holders in London who themselves cannot guarantee a regular supply, or from relatives and friends returning from visits to Nigeria. The distribution network is underdeveloped which affects both the occasional household buyer and the caterer or restaurant. Therefore, one of the areas for further improvement is for Nigerian Ofada rice producers to encourage their current wholesale customers to further develop and improve channels of access to their products in the UK, whilst simultaneously seeking new customers to import and distribute Ofada rice in the UK.
- Nigerian Diaspora who consume Ofada rice mostly derive their product knowledge from their “taste and pleasurable experience” of an Ofada rice meal, which contrasts with their low level of understanding or technical definition of what constitutes Ofada rice. The most important defining characteristic is its aroma.
- For the majority of respondents in the UK, Ofada rice meal is perceived as a meal not for regular or daily consumption in the home.
- Two clear and defining features are the strong, distinct aroma of boiled Ofada rice and, the hot, spicy stew (or sauce) with which it is served. Paradoxically, it is these two factors that preclude the preparation and consumption of an Ofada rice meal within the typical Nigerian Diaspora household in the UK on a regular basis.
- A number of consumers have only ever eaten Ofada rice at celebratory events (birthday parties, christening ceremonies, weddings, etc.) and it is often described as “designer rice” as the Ofada rice meal is served in a unique manner that differentiates it from other rice served at parties such as jollof rice, white rice and stew, or fried rice.
- Nigerian Diaspora in the UK mostly comprises people of Yoruba and Ibo origin, and demand for Ofada rice is largely among those of Yoruba origin,
- Nigerian Diaspora in the UK reside mainly in the London boroughs of Southwark, Lambeth, Hackney, Haringey and Newham.
- Knowledge of the shops retailing or wholesaling Ofada rice is mostly via word of mouth, and advertisements for restaurants and caterers is largely restricted to Nigerian news publications which themselves have a limited circulation. Nevertheless there appears to be demand within Nigerian Diaspora of Yoruba origin as Ofada rice evokes nostalgia of home - school meals, local “bukka” restaurants, or celebratory events at which it is served in banana leaves with a distinct, accompanying stew.
- The responses to price suggest that consumers expect to pay a premium over long grain parboiled rice. However, as part of the effort to increase the frequency of consumption within households, and make it more profitable for caterers and

restaurants to offer Ofada rice it is worth considering the pricing structure and, the packaging to suit customer needs. 70% of UK caterers would prefer 5kg packs.

6.0 Results of the US Survey

6.1 Tabulated Summary of the of the US Ofada Rice Study

Knowledge of Ofada Rice [31]		If Ofada Rice is Readily Available [24]	
Yes	74%	Sole Choice Eaten	25%
No	26%	Preferred, but not Sole Choice	33%
		Eaten Occasionally	38%
		Other	4%
How Often is Rice Eaten [25]		Frequency of Visits to African Food Stores [24]	
Regularly	72%	Once a Week	59%
Frequently	24%	Once a Month	29%
Once in a while	4%	Once in a While	8%
		Hardly ever or never	4%
Type of Rice Mainly Eaten [31]		Preferred Size of Packaging [16]	
Parboiled Long grain	81%	10 lbs or Less	12.5%
Non-parboiled	3%	25 lbs	44%
Basmati	10%	50 lbs	12.5%
Short grain	0%	100 lbs	31%
African	0%		
Jasmine	6%		
Trend in Buying / Eating African Foods [10]		Interview Approach [31]	
More	90%	Face-to-Face	81%
Less	0%	Phone	19%
Same	10%	Email	0%
Trend of African Stores / Restaurants [10]		Demographics by Target Population [31]	
Increasing	90%	Consumers	65%
Decreasing	5%	Opinion Leaders	13%
Same	5%	Restaurants	16%
		Retailers	6%
		Wholesalers	0%
Willingness to Pay Premium Price [28]		Demographics by Nigerian Origin [31]	
Yes	39%	Eastern	16%
No	61%	Mid-Western	0%
		Northern	3%
		Western	74%
		Non-Nigerians	7% ⁵
Where Rice is Mostly Purchased From [29]			
Chain Supermarkets	3%		
Cash & Carry	24%		
Ethnic Food Stores	73%		

Assumptions

- The product is widely known by Western Nigerians.
- The product will not be well known by non-Yoruba Nigerians who may have lived in the large metropolis that make up western Nigeria.
- The product will have stronger recognition index with first or older generation Diaspora Nigerians.
- The product will be well received by second or younger generation Nigerians if it enters the market with parboiled qualities and characteristics.

6.2 Approach & Methodology adopted for the US Study

In order to leverage the questionnaires developed by the client, the approach was to determine if demand and potential marketability of the product exist; to what extent does such demand exist; and how much knowledge of the product does the target population have.

To execute the study, random targets fitting the client's intended population profiles were chosen from: Faith-based organizations (FBOs), Community-based organizations (CBOs), and small business owners (SBOs) which fall under African Food service industry.

Five leaders of FBOs and CBOs were contacted, respectively - namely from the Redeemed Christian Church of God, Alliance of Yoruba Clubs & Associations, Egbe Omo Yoruba, and the Orlu Progressive Union. Eighteen Africa-centric restaurants & caterers, and ten African retail food stores were drawn up using a combination internet search and opinion leader recommendations. The list of restaurants and retail food stores were later refined in light of the time constraints to meet the project deadline.

A strategic approach was used to isolate four targets that will generate the most responses - namely Eko Stores (Bladensburg), De Ranch Restaurant (Landover Hills), Zion Kitchen (Washington DC), and Mango Café (Hyattsville). By strategically selecting four main targets where Yoruba Nigerians frequent, over 90% of the consumer interviews were conducted face-to-face, yielding an 81% response rate. To obtain responses, identified targets were approached as they concluded their shopping or finished eating their meals. After a brief introduction, it was quickly ascertained if the subject was a Nigerian or not; as a result, more than half of those approached for the study were found to be non-Nigerians or in the cases where they were Nigerians, they originated from other Nigerian ethnic groups other than the Yoruba. However, to test our assumptions, some non-Yoruba Nigerians (19%) were included in the survey.

6.3 Survey Results of the US Study

An approximate total of 91 individuals (including FBO & CBO leaders), 11 retail African food stores, 2 Lace fashion stores, and 20 restaurants & caterers of African cuisine were contacted to complete this project. Many of the stores or their managers were either too busy to agree to participate in the study or never replied to phone calls and messages left in this regard. Some opinion leaders also declined due to their busy work schedules. A total of six days, covering over 300 miles driven, was devoted to collecting and reporting on the data.

Overwhelming majority of respondents were men (61%), compared to women (39%), even including retail store and restaurant service providers. However, a good percentage of men were not aware of what brand of rice is usually eaten in their households, when compared to 99% of female respondents. A majority of married men felt they would eat whatever type of rice their wives cooked.

Ofada rice has overwhelming name recognition (74%) by respondents - even a significant percentage of Western Nigerian targets that declined to participate in the study knew of the product. Only second generation Yoruba Nigerians and non-Nigerian retail food store or restaurant service providers were unable to identify the product (29%). However, **of all the respondents who had prior knowledge and eating experience of Ofada rice, only about 10% remembers eating the product in the USA.** The rest of the respondents who had prior knowledge of the product only ate Ofada rice while living in, or visiting, Western Nigeria. Most who had eaten Ofada rice in the US could not remember or recollect whether they ate the rice at an event or party or at a friend / relative's house; but all within this category (100%) were sure they did not buy and cook it at their homes.

Of all the retail food stores contacted, including a lot of the ones who either declined to participate in the study or ones where their Managers were not available, nearly all (except for **Obeng Foods**) confirmed that they were neither importers, nor wholesalers, of rice. Virtually all the rice sold in these stores were purchased locally here in the Washington DC region, largely imported from China and other Asia-Pacific markets. None of the retail food stores surveyed carries or

have ever sold Ofada rice (except **Yabba International Foods**), this according to customer accounts - but the Manager of Yabba Foods was unavailable. Retail store respondents were firm that **only customer demand will determine if they will sell Ofada rice** in the future. Many retailers felt that both the traditional sample and parboiled sample of Ofada rice showed to them during the survey would have a hard time competing with the many other varieties of cheap rice already in the market, if its quality and visual presentation is not improved.

Whereas, all the Yoruba restaurant owners and food caterers have prior knowledge of Ofada rice, **only one (Queensway Restaurant) currently cooks and serves Ofada to her customers** in limited quantity. However, due to the labour intensive requirement and care needed to prepare Ofada properly, this sole restaurant is not sure it has the capacity to continue to serve Ofada. **All of the restaurant respondents (100%) with prior knowledge of Ofada were very concerned of the inherent business risk and litigation potential of handling Ofada rice if the known impurities (a.k.a. stones) found on the product are not completely removed** before the product enters the US market. **About 61% of the consumers sampled also feel these same impurities might prevent them from paying a premium price for Ofada**, regardless of its market potential. One of the restaurants (Mango Café) was convinced that the product samples he was shown during the survey would not meet the minimum standards of the American Rice & Grain Board. He cautions that the Ofada rice manufacturer should explore the entire scope of regulatory avenues to ensure the product is given a chance to break into the US market.

In trying to explore further how respondents would react if Ofada rice is readily available in stores, **a significant majority (61%) would like the price to be comparable** with other known rice in the market; as such this group were unwilling to pay a premium price for the product. However, **39% of those who have eaten the product would not mind paying a premium price for the product because they feel Ofada is organically grown and harvested, has no chemical additives, therefore, has a high nutritional value when compared to cheap Asian rice imports**. Because a significant majority of respondents (73%) shop at ethnic food stores, they would prefer this channel of distribution for Ofada

rice, however, virtually all the ethnic food stores (except Obeng Foods) do not directly import rice. **Only two restaurant owners (Zion Kitchen & Queensway) would consider serving the product, if the labour intensive requirements are mitigated and the quality/risk significantly improved.**

6.4 Conclusion of the US Study

While this research survey was un-scientific and percentages approximated to the extent possible, it is the conclusive finding of those administering the survey, that Ofada rice has name recognition among Yoruba Diaspora Nigerians (74%); that rice, in general, is the main staple food and regularly eaten (72%) by households, and strong evidence shows that an overwhelming majority (81%) prefer long grain parboiled rice. The project outcome also shows a strong increase (90%) in African food stores and restaurants. An un-quantifiable, but growing number of food caterers operate out of their homes serving at weddings, meetings, and parties, etc. All of these positive trends put together, as well as other factors that are not within the scope of this study, is increasing interest in the buying and eating of African foods (90%). Even restaurant owners and service providers concur that they are seeing a growing trend in non-Africans showing interests in buying and eating African foods. **These service providers further strongly advice that for African foods to become acceptable by mainstream America, its quality standards, packaging, and instructions for preparation has to significantly improve to the levels of Asian imports or better. African food producers and processors should endeavour to introduce quality standards into their products as globalization has made market competitions much fiercer.** For example, Nigerian garri is now losing significant market share because producers, over the last several years, are not listening to consumers to minimize impurities in this cassava product.

The prospect for Ofada rice is medium to healthy, at least, within the Yoruba Diaspora community, and consumer demand can be further increased, if the health risk issues for consumers and litigation potentials for small business owners were mitigated or completely eliminated. African Diaspora, especially Nigerians, have become addicted to parboiled long grain rice since the introduction of Uncle Ben's (in their home countries) and, other enriched rice products, as such this is now the acceptable threshold for all rice, regardless of price or quality. With the right marketing strategy, Ofada rice can enter the US market.

7.0 Quantification of demand for Ofada rice

The UK In an attempt to quantify potential demand, it is necessary to separate the US market from the UK & Ireland.

7.1 UK & Ireland

Kimex cash & carry in Ireland currently imports 100 boxes (1 box = 10 x 1kg packets) every quarter as part of a container load of foodstuff from Nigeria. This equates to 1,000kg per quarter or 4,000kg (4tonnes) yearly being imported by Kimex. Whilst in the UK, Withus Foods imported 10tonnes and God's Promise Ventures imported another 5 tonnes, in total 15 tonnes were formally imported via established importers to the UK.

Per capita consumption of rice is a useful indicator when attempting to quantify potential demand. There are three models in per capita rice consumption; The Asian model which averages 80kg per person per year, (China 90kg, Indonesia 150kg and Myanmar >200kg); Sub-tropical model averaging between 30kg to 60kg per person per year(Colombia 40kg, Brazil 45kg, Ivory Coast 60kg), and the West averaging less than 10kg per person per year (France 4kg, USA 9kg). Nigeria falls within the Sub-Tropical model at an average 30kg per person per year. However, as there are fewer alternative foods available to **Nigerians in Diaspora** (i.e. alternatives such as pounded yam, fufu, etc), their consumption of rice is relatively high, and is estimated at 50% higher at **45kg per person per year**.

The official census data of Nigerian born people living in the UK & Ireland is 88,105 plus 16,300 respectively based on 2001 census data, resulting in a total **104,405**.

Assumptions:

- A **growth rate of 4% per anum** since the 2001 census 6 years ago, $1.2653 \times 104,405 = 132,105$;
- Plus a **dependency ratio** of 2:1 (average family size of 3 kids) $1.5 \times 132,105 = 198,157 + 132,105 = 330,262$
- Add **10,000 temporary** visitors and single students = $330,262 + 10,000 = 340,262$
- About 70% of Nigerian Diaspora in the UK & Ireland are Yoruba = **238,183**
- Per capita rice consumption at 45kg per person per year $\times 238,183 = 10,718,235\text{kg}$ of rice or approx **10,800 tonnes of rice consumed by Yoruba Nigerians in the UK & Ireland annually**.

- Assuming rice is consumed once a day, i.e. 30 rice meals a month, and Ofada rice is consumed once a quarter at functions or in a restaurant i.e. 1 meals out of 90 rice meals a quarter – 1.11% of 10,800 tonnes = **120 tonnes per anum of Ofada rice in the UK & Ireland**

120 tonnes of Ofada rice shipped in 20tonne containers is the equivalent of 6 containers per anum to the UK and Ireland.

7.2 US

The case for the US differs as food import requirements are much strict and, issue of liability resulting from injury or discomfort resulting from consumption of a food product can be prohibitive. The survey clearly demonstrates that demand does indeed exist amongst first generation Yoruba in the US.

Furthermore it is important to note the survey results which show a high degree of product recognition even though there appear to be no official importer or wholesaler of the product. The one shop retailing Ofada received a one-off consignment which sold out very quickly though it was priced at 2 ½ times the price of imported rice from Asia sold in ethnic shops.

The population of Nigerian Diaspora in the US is conservatively estimated at 2million, and Houston in Texas alone has 100,000 Nigerians (official data). On assumption that 30% are of Yoruba origin, a reasonable extrapolation based on the data for UK & Ireland of 120 tonnes for 238,000 people; 600,000 people in the US could consume 300 tonnes of Ofada rice. However, this is highly dependent on positioning Ofada rice to compete with long grain parboiled rice that is cheaper, passed strict US food regulations, well packaged and presented and readily available in both mainstream and ethnic shops.