

# Pilaffs Pop Rice Barrier

By Susumu Takigawa

Japanese consumers have been told for years about cheap and delicious California rice. Now they are finally getting a chance to sample it themselves—in prepackaged pilaffs.

No, it's not a black market in preprocessed food. Canny importers have found a loophole in the nation's strict Food Control Law, and are using it to get around Japan's almost total ban on imports of foreign rice. The trick, it seems, is that rice is only rice so long as it's only rice. If more than 20% of the weight of a package of rice consists of beef or seafood, then under the provisions of the law it is no longer rice, but "prepared beef products," "prepared shrimp products," or whatever the additional ingredients might be. And that is all it took for Japan's food industry guerrillas to break through Japan's rice import barriers.

Leading the assault has been Honke-Kamadoya, a Kobe-based chain selling prepackaged lunch box sets with approximately 2,000 stores nationwide. Since last August, Kamadoya has been selling "California Shrimp Pilaff." The rice is Californian, not Japanese, and at ¥300 (\$2.3 at the rate of ¥130/\$) a helping (¥380 with salad) the price is more than right.

"We have branches in Hawaii that have been using California rice all along," explains Kamadoya Managing Director Kenkan Yasuda. "We were trying to figure out some way to bring that rice to Japan when we learned we could import it with no problem in prepared foodstuff. After that, we spent a year on product development."

The proof is in the profits. According to Kamadoya, California Shrimp Pilaff sales are pushing 350,000 servings a month, far ahead of expectations. The chain's best-selling lunch is still the traditional *makunouchi-bento*, filling 1.5 million Japanese stomachs monthly, so the California contender still has a way to go. But company officials say the pilaffs have proven their popularity among younger customers, and especially university students living on their own.

Kamadoya is not alone. Japan's largest superstore chain, Daiei, began selling frozen shrimp pilaffs using California rice at



Sacks of California rice (left) and a Japanese housewife cooking pilaffs using California rice. Prepackaged pilaffs containing imported rice have proved popular among Japanese consumers.

its 300 stores last December. Daiei's decision was consumer-driven. In December 1987, the company put out 500 pilaffs it had gotten from an importer for an imported food fair. Customers snapped them up, and asked for more. Just to make sure it was not a fluke, the company got approximately 10,000 more of the pilaffs for American products fairs held in March and June 1988. Again, customers loved them.

Daiei was convinced. The company tied up with local manufacturers in California, and began importing mixed rice and shrimp from the U.S., adding vegetables and packaging in Japan, and shipping the finished pilaffs off to its stores. Daiei's pilaff weighs in at 850 grams, offering servings for two for less than ¥600 (\$4.6). And while the frozen pilaffs of Japanese makers usually include only about 5% shrimp, Daiei's come packed with a bountiful 22% to get around Food Control Law provisions.

"Rice with lower water content, like California rice, is better for pilaffs in any case," says a Daiei PR man with easy confidence. "We've been selling them under our own 'Captain Cook' Daiei brand-name as a sign of our confidence in product quality."

Until recently, there was no way of calculating the volume of all these shrimp pilaffs. That was because customs figures only covered prepared foodstuffs, without a detailed breakdown of what the foodstuffs actually were. In January, however, the Ministry of Agriculture, Forestry and Fisheries began issuing figures for a new category of prepared foods incorporating rice.

Officials at the Food Agency's pro-

cessed food division put on an air of unconcern when it comes to discussing the influx of frozen pilaffs. "The prices aren't all that cheap when you consider shipping costs," says one agency official. "There's also considerable sales risk. I doubt this will spread very far." But the surface calm seems only a cover for very serious interest indeed. The agency has made detailed studies of the situation. And the creation of a new category in customs statistics is a sign of real concern.

Moreover, the agency has taken steps that can only be explained as counters to the imported pilaff "problem." Last November, the agency for the first time allowed domestic pilaff makers to use lower-grade rice heretofore reserved for making *miso* soybeans paste and *sembei* rice crackers. This "other application rice" costs 30% less than standard rice. By the end of October this year, the agency plans to make available 10,000 tons of cheap rice to domestic pilaff processors.

"Even then, our pilaffs are fully competitive," says a confident importer. "Even including shipping charges, they're 30-40% cheaper than domestic products. And since they have more shrimp and other ingredients, they should be tastier, too."

Today, as deregulation and market liberalization continue to sweep Japan, consumers are becoming ever more eager for cheaper, tastier, higher quality products. Rice is no exception. Where frozen pilaffs have found a way, more are sure to follow.

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