



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 10/11/2001

GAIN Report #JA1555

Japan

Market Development Reports

Food Business Line

Periodic Press Translations from ATO Tokyo

2001

Approved by:

David C. Miller, Director

ATO Tokyo

Prepared by:

Karen Halliburton, Deputy Director

Akiko Matsuyoshi, Marketing Clerk

Report Highlights: A summary of current news reports in America's largest food and agricultural export market as translated from Japan's mass media and food press. This issue includes: JUSCO announces plans to triple group sales by 2010 and change group name to AEON this August; nine food wholesalers defy overall industry situation with sales growth of 10 percent in 2000; leading Japanese food manufacturers introduce new diabetic-friendly products; premium salt gains popularity; and Japan's papaya imports from the Philippines continue to grow.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Tokyo ATO [JA2], JA



Food Business Line

Periodic Press Translations from ATO Tokyo

Vol I, Issue 19 August 3-17, 2001

Wholesale/Retail

- On August 16, *JUSCO Co. Ltd.* announced that starting on August 21 it will reorganize its four core businesses (JUSCO general merchandise stores, MaxValu supermarkets, drugstores, and real estate and service development operations) under the new group name of *AEON*. By 2010, *AEON* plans to more than triple its overall group sales from the current level of 2 trillion yen (\$17 billion). (a 8/17)
- According to a survey by the Nikkei Marketing Journal, overall sales by food wholesalers in 2000 remained unchanged compared to 1999, while operating profits declined by 1.9% during the same period. However, despite this situation, the following nine wholesalers achieved profit levels of 1 billion yen (\$8.7 million) and growth of 10% in 2000 over 1999: Tokyo-based *Kokubu, Takayama, C Two-Network, Shoei Shokuhin Kogyo, Yamatane*, and *Nihon Matai*, along with Hyogo-based *Kato Sangyo*, Aichi-based *Tokan*, and Miyagi-based *Sato Shokai*. (b 8/7)
- In response to the recent health-consciousness trend, supermarkets are aiming to increase sales by attracting housewives with new menu ideas using in-store menu presentations and cooking demonstrations. For example, *Ralse* has hired cooking advisers for five of their stores in Hokkaido and is holding cooking demonstrations three to five days a week. *Izumiya* and other companies also have introduced new menu suggestions from nutritionists. (b 8/14)
- Due to the closing of many unprofitable stores, the percentage of department store and large-scale supermarket outlets which showed increases in profit from 1999 to 2000 grew to 21.8%, according to a survey by the Nikkei Marketing Journal. (a 8/16)

Food Service

- Advance ticket sales for the new "Tokyo Disney Sea" theme park, scheduled to open on September 4, are selling quickly. Tickets for the opening day sold out in two hours. (a 8/4)

Food Processing/New Products/Market Trends

- More and more diabetic-friendly food products have been developed recently. For example, *QP Corporation* has introduced "Unit Calorie Gourmet," *Ajinomoto* plans to target diabetics with its low-calorie "Pal Sweet" sweetener, and *Kikkoman* has launched a new "Vino Power" supplement containing polyphenol, which is said to be good for diabetics. (a 8/4)
- Premium salt is gaining popularity, especially among people of high income. Salt from the Australian Ocean is turned into seawater in Japan, filtered, enhanced with some minerals, and then dried again. Although overall consumption of salt continues to fall due to increasing health consciousness, the share of premium salt is expected to grow. (b 8/4)
- The *Japan Distribution Industry*, a joint procurement association consisting of 19 member companies, will sell California Prune Plums in its member company stores, such as *Okuwa*,

Heiwa-do, Inageya, and Kasumi, until August 10. They are targeting 200 million yen (\$1.7 million) in sales for this term. (Wine, Spirits and Provisions Newspaper 8/6)

- Japan's Agriculture Ministry (MAFF) plans to hold a "Session for Citizens to Think About GM Foods" in Yokohama and Sendai this fall. The aim is to deepen the general public's knowledge about GM issues through an exchange of ideas and questions with researchers and specialists. MAFF is currently recruiting 15 participants from the public for each session. (c 8/10)
- Spice manufacturers *Gaban Spice* and *Asaoka Spice* announced on August 1 that they plan to merge on December 1. Annual sales of the new company, *Gaban Asaoka*, are estimated to reach 7.2 billion yen (\$62 million). (c 8/8)
- Micro-brewery beers are losing popularity as more consumers now prefer low-priced malt liquors. About 90% of micro-brewery beer companies are suffering from the decline. (a 8/8)
- Major soft drink manufacturers, such as *Suntory* and *Kirin Beverage*, plan to introduce a new IT system which forecasts demand as far as three months ahead using information on climate, promotional campaigns, and new product releases. (a 8/16)

ATO/Cooperator/Competitor Activities/Trade Shows

- Papaya imports in Japan continue to grow, especially from the Philippines. *Dole Japan* will begin cooperating with *JUSCO* this spring to promote sales of Philippine papayas, which are consistent in quality and low in price due to lower freight costs by ship. (c 8/8)
- The *U.S. Watermelon Association* held a seminar in Tokyo on August 7 promoting the United States as the world's fourth largest producer of watermelons. The event focused on the nutritional aspects of watermelons, including the fact that they contain no fat or cholesterol and are a good source of Vitamin A, Vitamin C and lycopene. (c 8/13)

RRRRRRRR

Sources

- | | |
|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal |
| (c) The Japan Food Journal | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News | (f) The Food Industry News |

DISCLAIMER - *Food Business Line* is derived from major Japanese news wires, mass distribution press, and food industry newspapers and magazines. Inclusion of an item in *Food Business Line* does not imply agreement by USDA or U.S. Embassy/Tokyo; nor does USDA or U.S. Embassy/Tokyo attest to the accuracy or completeness of the translation of the news item. ATO Tokyo cannot further translate or send source materials to users.