



Voluntary Report - public distribution

Date: 3/20/2002

GAIN Report #JA2512

Japan

Market Development Reports

Food Business Line

Periodic Press Translations from ATO Tokyo

2002

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: CGC Japan plans to start importing fresh vegetables from China; Okinawa supermarket sues Snow Brand Foods over beef labeling; McDonald's Japan profits decline 35% in 2001; Kagawa Prefecture meat processor disguises U.S. beef as domestic beef sold through major department stores; Kumamoto Prefecture vegetable dealer sells Korean mini-tomatoes as higher-priced domestic product; and high levels of chemical residue are found in six varieties of Chinese vegetable imports, causing traders to switch to domestic vegetables and pushing up domestic wholesale prices.

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



Food Business Line

Periodic Press Translations from ATO Tokyo

Vol II, Issue 4 Feb 8 - 22, 2002

Retail/Wholesale

- CGC Japan plans to start importing fresh vegetables from China in March. While the specific vegetables have not yet been decided, they have been importing broccoli, cabbage, and Welsh onions on a test basis since last December. (b 2/5)
- Major Okinawa supermarket operator *San-Ei* has filed suit against *Snow Brand Foods'* Kansai Meat Center for disguising Australian beef as domestic beef. (a 2/16)

Food Service

- *McDonald's Japan* announced on February 15 that its operating profits declined 35% in 2001 compared to 2000. The decline was mainly due to the detection of BSE in Japan, unrecoverable debts from the failed *Mycal*, and increased royalty fees to *McDonald's* headquarters in the United States. (a 2/16)

Food Processing/New Products/Market Trends

- *Kawai*, a meat processing company located in Kagawa Prefecture, admitted to using U.S. beef in its domestic-labeled beef products sold through major department stores and internet mail order. (a 2/16)
- A fresh vegetable dealer in Yashiro, a large mini-tomato growing region in Kumamoto Prefecture, disguised 10 tons of Korean mini-tomatoes as being produced in Yashiro. Yashiro-grown tomatoes sell for 400-600 yen per kg, compared to Korean imports which are only 250-350 yen per kg. (a 2/16)
- According to test results disclosed by Japan's Health, Labor, and Welfare Ministry on February 13, agricultural chemical residue levels for six varieties of vegetables imported from China exceeded food sanitation law standards. Supermarkets and trading companies are once again switching to domestic vegetables, raising the wholesale price of domestic vegetables. (a 2/16)
- Responding to rising consumer distrust of the food distribution system brought about by the recent labeling scandals, Japan's Agriculture Ministry plans to build a system by 2003 to monitor domestic cattle. Using code numbers, the new system will make specific information available on each individual cow, including its date and place of birth and route of distribution. (a 2/16)
- Japan's Agriculture Ministry (MAFF) announced on February 13 that imports of meat and bone meal (MBM) from Italy prior to June 1998 did not meet previously agreed-on safety standards and that this feed could be a source of Japan's recent BSE outbreak. MAFF plans to trace its distribution in Japan. (a 2/14)
- Following the merger of *Honen Corporation* and *Ajinomoto Oil* planned for this April, *Yoshiwara Oil* announced it also will join the two companies in 2003, creating the largest

- edible oil company in Japan. As a result of numerous industry mergers recently, the top seven edible oil companies are likely to be reduced to three by next spring. (a 2/19)
- The volume of green tea imports increased 23.8% in 2001 compared to 2000. This is the third consecutive year of growth and a record high, which is mainly due to the low price and increased consumption of bottled green tea drinks. Imported green tea accounts for about 15% of Japan's overall green tea market, with 90% of imports coming from China. (a 2/19)
 - *Snow Brand Foods* announced on February 22 that it will dissolve the company by the end of April. *Snow Brand Foods* plans to continue its effort to sell off its four core businesses. (a 2/22)

ATO/Cooperator/Competitor Activities/Trade Shows

- The *Raisin Administrative Committee* is currently soliciting applicants for its California Raisin Menu and Dessert Contest. The results of the preliminary screening are expected to be announced on April 27 at the Hattori Nutrition College. (c 2/11)

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.