



Foreign Agricultural Service

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Japan

ATO ACTIVITIES reports

California Wine Tour Report

2000

Approved by:

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U.S. Embassy, ATO Osaka

Prepared by:

Akemi Harima, Marketing Specialist

Members of the World Wine Inter Professional Organization (WWIPO), a voluntary wine trade group formed in the island of Kyushu, Japan visited selected California wineries accompanied by ATO Osaka marketing specialist Akemi Harima. The purpose of the trade mission was to familiarize WWIPO members with the high quality of American wines from California and to find new-to-market wines for the Western Japanese market. Parallel benefits of the trade mission included deeper appreciation of American wine culture and the wide variety of high quality complementary cuisine. The wine tour resulted in immediate sales of \$25,000 with projected sales of approximately \$100,000 during the first year following the trade mission.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Osaka ATO [JA3], JA

California Winery Trip Report:

Traveler: Akemi Harima, Marketing Specialist, ATO Osaka

Date: September 19 - 25, 1999

Constraints: Members of WWIPO (see below for delegation list) and other Western Japan wine trade contacts have held an interest in American wines (particularly those from California) but have not been able to obtain enough information in the Kyushu market area. Kyushu is Japan's third largest island located in South Western Japan and has a population of 13.5 million. WWIPO members have been frustrated because their efforts to attract California wine importers to service the Kyushu market have been fruitless. Primary wine importers are predominately located in Tokyo and Osaka and tend to focus sales efforts in those markets. Furthermore, the California Wine Institute despite having a Tokyo office, has not been active in the Kyushu.

California wine is regarded by local consumers as similar to the quality of wines from Australia and Chile, however, its price is often much higher than its competitors.

World Wine InterProfessional Organization (WWIPO) is composed of around fifty-six professional wine enthusiasts who handle a variety of wines in their respective wine businesses in the Kyushu market, such as wine consultants and sommelier, importers, wine bar owners, general retailers, restaurant operators, and hotel managers, etc.

ATO's Objective: To help WWIPO members learn more about California wine and cuisine in order to better encourage them to expand the California wine varieties they handle in their business. To help WWIPO introduce the Kyushu market to the California wine industry as a potential strong market for California wine exports. To encourage WWIPO to bring new-to-market wines into the Kyushu market.

Activity Description: Akemi Harima, ATO/Osaka marketing specialist has established a strong working relationship with WWIPO in recent years by working with the members to organize American wine and food related promotions in the Kyushu market.

In response to a WWIPO request for further support, Akemi Harima helped organize a trade mission to California and traveled with the WWIPO delegation in order to provide industry contact assistance and to make market background presentations of Kyushu to the Napa Valley and Sonoma Valley Winery Associations. Harima also included a summary of the Japanese wine import situation and ATO/Osaka's scheduled promotional activities in her presentation.

The trade mission also focused on complementary wine/food pairings presented by various California wineries and visits to selected restaurants to learn more about California cuisine.

Outcome :

WWIPO was able to directly meet with about 38 wineries and learned enough about each to be able to explain to their customers key aspects of the wineries' respective wine making background and production philosophy. As a result, WWIPO members all expressed that the quality of California wines are much higher than those of Chile and Australia and California premium wines can be fully competitive with French premium wines. WWIPO members were impressed with the quality of California cuisine matched with California wine that they could enjoy in local restaurants as well as at winemakers and are interested in holding a California cuisine & wine promotion in their outlets.

The members of WWIPO have arranged with an importer to bring the wines that they found interesting during the trip. The first shipment has arrived in late October 1999 with a value of about \$25,000. Appellations include Wellington Vineyards, Acorn Vineyards, and Viader Vineyards which are new to the Japanese market. Approximately \$100,000 value of shipments are expected in the first year following the trade mission. The members of WWIPO have also purchased other California wines that already exist in the Japanese market but were only learned about during the trip.

Media Coverage: ATO Osaka contacted the Gaishoku Journal (newspaper specialized in restaurant business) after the trip to provide basis for an article reporting on California wine and the tour. Gaishoku Journal provided two-pages of very positive coverage which was published on January 5, 2000.

Suggested Improvement: According to the WWIPO tour members, Japanese consumers tend to think that French and Italian wines are always good as long as they see AOC or DOC in their label and know about the region, even though they do not know about the wine. Since many people do not know about areas in California, the tour members feel that promoting the AVA system (American Approved Viticultural Area) to educate consumers would be helpful to promote California wine. They feel that promotions such as "California cuisines & wine promotion" or "California wine promotion by regions" would be helpful to reposition the California wine in the market.

Budget spent: \$2,600 for FSN's travel

Tour participants:

Joaquin Rodriguez, Orca International (Importer)
Yosuke Watanabe, Arcane Co., Ltd.(Importer)
Norichika Hirai, Hyatt Regency Fukuoka (Hotel)
Ritsuko Nagahisa, Nagahisa Alcoholic Beverage Shop (Retailer)
Fumihiko Ogawa, Manager, Wine Market Cookin' (Wine Bar)
Yasunari Nakamura, Sommelier, Arts of Café Water Lily (Restaurant)
Jeff Renshaw, ORCA International (Importer)
Stephanie Weston, Fukuoka University (Professor)
Akemi Harima, Marketing Specialist, ATO Osaka (FSN, ATO)

Itinerary:

September 19, 1999

Ar. San Francisco and move to Napa Valley
Restaurant Showley's (California Cuisine Restaurant)

September 20

Vine Cliff Winery
Trefethen Vineyards (Meet with about 20 members of NVVA - Nappa Valley Vintners Association for their wine exhibition)
Mumm Napa Valley (Lunch and Seminar with NVVA)
Robert Mondavi Winery
Viader Vineyards (Dinner with owner and winemaker of Viader Vineyards, California Cuisine prepared by their own chef)

September 21

Robert Pepi Winery
Oakville Grocery (Take out foods)
Etude Winery
Chappellet Winery
Paul Hobbs Cellars
Move to Sonoma

September 22

Sonoma Valley Winery Association Wine Center
Acorn Vineyards
Alderbrook Winery (Meet with about 10 members of Sonoma Winery Association)
Fanucchi Vineyards
Wellington Vineyards
Café Lolo (California Cuisine Restaurant)

September 23

Visit retail shops and restaurants in San Francisco

September 24

Lv. For Japan