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Food Business Line - Periodic Press Translations from ATO Tokyo

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Report Highlights: Three major Japanese wholesalers compete to supply the recently financially revitalized *Daiei, Inc.* group of companies; *Ito Yokado Co., Ltd.* initiates strategy as a defense against the intense merger and acquisition climate in Japan; *Denny's Japan's* outlets to total more than 600 by February 2006; *Colowide Co., Ltd.* to start a meal delivery service; Japan's domestic wholesale pork carcass price continues to decrease; The *California Cherry Advisory Board* to start promotions here in May and; The New Zealand Embassy creates opportunities for business discussions with buyers from the Japanese food and beverage industry during events held in three different cities.

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



Food Business Line

Periodic Press Translations from ATO Tokyo Vol. V, Issue 6 April 1-30, 2005

Retail/Wholesale

- Three major wholesalers, Kokubu & Co., Ltd., Ryoshoku Ltd. and Mitsui Foods Co., Ltd. are fighting desperately to supply food products to the *Daiei Inc.* group companies, which continues to operate under the guidance of *Industrial Revitalization Corporation of Japan (IRCJ)*. The key to establishing new business with Daiei is how to reach *Marubeni*, which was selected by IRCJ as the sponsor for the revitalization of *Daiei Inc.* (b. 4/8)
- Major food wholesalers will increase investments to expand their distribution operations in the Tokyo region and around the country to comply with their customers' requests for cost reductions and strengthening of freshness (cold chain) management system. The major four companies' outlook for expenditures in 2005 is to be nearly twice as much, compared to 2004. (a. 4/23)
- *Ito Yokado Co., Ltd.*, *7-Eleven Japan, Inc.* and *Denny's Japan Co., Ltd.* will establish *Seven & I Holdings Co., Ltd.* as of September 1 as a means to protect the group from mergers and acquisitions (M&A) by increasing the total corporate value by sharing the distribution system, the merchandise development and the procurement of ingredients. (b. 4/22)

Food Service

- *Denny's Japan* will open 30 new outlets, primarily in the Tokyo metropolitan area by February 2006. This will bring the total number of outlets to more than 600. Together with further increases in higher priced menus, the company is targeting 1,000 trillion yen in sales during this term. (b. 4/11)
- *Colowide Co., Ltd.*, will start a home meal delivery service through the use of its Japanese chain restaurant 'Hamacho'. From its outlets, it will deliver the same menu items they serve on premise. (b. 4/13)

Food Processing/New Products/Market Trends

- New types of salad leaves, such as baby leaves, sprouts, green curl lettuce and romain lettuce, are increasingly in demand by consumers at supermarkets. (b. 4/4)
- The domestic wholesale pork carcass price continues to decrease, now by 20% in three weeks. The demand as a substitute for U.S. beef (Imports from the U.S. banned by the Government of Japan for nearly 18 months) is nearly satiated. Sales at supermarkets are sluggish. One of the reasons may be that imported pork has increased after the safeguard for imported pork was lifted in April. (b. 4/4)

Food Safety/Consumer Awareness

- No significant articles.

ATO/Cooperator/Competitor Activities/Trade Shows

- *California Cherry Advisory Board* will start promotional activities in May expecting to capitalize on expected increased consumption resulting from promoting the health benefits of

- cherries. Promotions will especially target cities in Shikoku and Kyushu regions where their marketing efforts had the least impact in the past. (b. 4/18)
- *Almond Board of California* will introduce all original menu offerings using California almonds in coordination with Fuji Mama’s Restaurant in Tokyo. (f. 4/28)
 - *The Danish Agricultural Council in Japan* held a kick-off reception for the “Danish Pork Academy” and “Danish Cheese Academy”. There were 20 trainees for each academy who will participate in the program for two weeks in May in Denmark. (f. 4/28)
 - A New Zealand Business Reception, conducted by the New Zealand Embassy and the New Zealand Trade & Economic Promotion Agency and supported by JETRO and Kansai Economic Federation, was held in Osaka. Many importers, fishery and livestock business representatives and drinks manufacturers attended to make engage in business discussions with the New Zealand trade mission members. The similar event was held also in Tokyo and Nagoya. (f. 4/21)

☞ Sources ☞

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|----------------------------------|---|
| (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 |
| (g) Fuji Sankei Business I | (h) Pan News |

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