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## Japan

### Market Development Reports

#### Food Business Line - Periodic Press Translations from ATO Tokyo

2005

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**Report Highlights:** In Japan, while the total number of retail outlets decreased, larger-scale outlets and convenience stores increase; Japan convenience store chains collaborate with local celebrity chefs and popular T.V. animation programs in promoting new products; Restaurants in Japan to begin displaying the origin of ingredients used in menu items to their customers; "*Bikkuri Donkey*", a dining chain in Sapporo operated by *Aleph Inc.*, currently importing food items from the U.S. announces plans to seek alternative sources; *Nisshin Seifun Group* to shift focus from milling to HMR production and; The *Myfood Management Office* in Japan launches its new website.

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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 9 June 1-15, 2005

### Retail/Wholesale

- *Daiei Inc.*, which continues to operate under the guidance of *Industrial Revitalization Corporation of Japan (IRCJ)* announced closing 5 outlets as part of its initial recovery plan. Later, nearly 50 outlets are planned to close by February 2006. (b/ 6/1)
- *Metro*, the top retailer in Germany, will open a third outlet in Japan, the first in three years. Its size will be 60% smaller than the current stores in Japan, by cutting substantial space allotted for household and sundries items. (b. 6/10)
- According to the *Ministry of Economy, Trade and Industry's* Revised Report on Census of Manufacturers in 2004, the number of retail stores was 1,238,296, down 4.8 percent from the 2002 report. Meanwhile, the number of home centers increased 9.1 percent, food supermarkets increased 4.5% and convenience stores increased 2.3%. (a. 6/1, b. 6/3)
- *Nihon Shurui Hanbai Co., Ltd.* and eight other liquor wholesalers, with 10 more to join next spring, will jointly share distribution centers and information systems to compete against major wholesalers. (a. 5/27)
- Some major convenience chains are planning a strategy of collaborating with popular restaurants, popular TV animation programs, and famous chefs to create take-out menus. At the same time, the food sections of 100-yen stores and HMR sections of large-scale supermarkets are growing in this market. (g. 6/11)

### Food Service

- As of June 1, Mr. Kazuhiro Ishihara, the former Managing Director of *Tully's Japan* has been installed as President of *Cold Stone Creamery, Japan*, a major U.S.'s ice cream chain based in Arizona. (b. 6/1)
- Food service chain restaurants will make the information on the origin of food ingredients used in their outlets available to the public in response to consumers' demands for the safety and trust in foods. (a. 6/1)

*ATO Note: In the near future, the Japan Ministry of Agriculture, Forestry and Fisheries is expected to release guidelines regarding food origin information in food service.*

- *Aleph Inc.*, which operates a family-style restaurant chain called "*Bikkuri Donkey*", in Sapporo, announced that it will stop importing any food from the U.S. Approximately 650 tons of food including strawberry paste and mixed vegetables were previously imported from the U.S. However, the company plans to shift its sourcing to other countries. In the press, the president stated that, "U.S. is lacking measures to cope with BSE and GMO", to appeal to the company's safety image for its consumers. (b. 6/12)

*ATO Note: As a company, Aleph Inc. typically requires very extensive information from suppliers about the food ingredients it sources, including additives, fertilizer use, pesticide use, production process information and often requires special processing arrangements. In recent years, it has also focused on using only organic and non-genetically modified food ingredients. For these reasons, Aleph Inc. has been shifting its supply sources over the years.*

**Food Processing/New Products/Market Trends**

- In cooperation with *Starbuck's Coffee Company* (Seattle), *Suntory Ltd.* will begin supplying convenience stores with a “Starbuck's” brand coffee drink within 2005. (a. 6/1, g. 6/1)
- *Nisshin Seifun Group*, a major milling company is focusing a great deal of effort in the HMR business, as it moves away from its core business, flour milling. This summer, *Nisshin Seifun* will start a new factory specialized in producing HMR for supermarkets. Some projections show the HMR market size including that in convenience stores has already reached 10 trillion yen. (a. 6/4)
- Convenience stores and supermarkets are featuring a new HMR “food kit”, a ready to cook meal with individually packed meat, vegetables, spices, etc. combined in a package for a single serving. (b. 6/12)
- Four major beer companies will increase their production of the low priced, so-called *Third Beer*. The consumer demand has shifted from *Happoshu* beverages. *Third Beer* alcoholic beverages sold four times as much in May compared to the same month last year. (a. 6/10)

**Food Safety/Consumer Awareness**

- MHLW advised several internet providers who operate internet auctions to remove certain diet supplements from the auction sites that originate from China. The supplements in question were found to contain an ingredient called Mazindol, which is not allowed under Japanese law. (a. 5/26)
- *Toka-Osaka Co., Ltd.*, a fresh produce wholesaler in Osaka, will start Blog, a simple web page, with content from national agricultural cooperatives. Designed for the purpose of eradicating consumers' distrust of certain foods, the web site will provide messages from farmers. (b. 6/12)

**ATO/Cooperator/Competitor Activities/Trade Shows**

- Due to the *California Walnut Commission's* promotional campaign in Hokkaido, the northern island region of Japan, the sales of walnuts and its products increased and now leads all regions in Japan. The promotional campaign included TV commercials, P.O.P. materials and in-store promotions. (f. 6/10)
- *The Myfood Management Office* (Representative: Daniel O'Brien) held an event to announce the launch of its “myfood” website ([www.myfood.jp](http://www.myfood.jp)). The aim of the site is to provide a positive image and offer accurate information on U.S. agricultural and food products. Serving as advisors to the Myfood Management Office are: Dr. Yukio Hattori, M.D., Chairman, and Principal of Hattori Nutrition College; Ms. Hiromi Akahori, a chief dietician, food expert and Assistant Principal of Akahori Cooking School and; Ms. Carlee Saijo, a celebrity chef and culinary researcher. All of the advisors made remarks at the event. (f. 6/13)
- *USMEF* held an out-door event called “American Pork Lesson” in a barbeque garden in Tokyo. Participating in the event were 25 Japanese parents & children to experience a U.S. Slow Food concept. (f 6/13)

## ☞ 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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