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## Japan

### Market Development Reports

#### Food Business Line - Periodic Press Translations

2007

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**Report Highlights:** *Seiyu Ltd.*, which is now under the control of *WalMart Inc.*, resumed sales of U.S. beef on March 29, becoming the first major retailer in Japan to do so since the import ban in December 2003. U.S. Ambassador to Japan Thomas Schieffer visited the Seiyu store at Kinshicho on the 29th to promote sales of U.S. beef. American "Entertainment Food" stores are popular in Tokyo. There are always long lines waiting in front of the stores. *Krispy Kreme Doughnuts*, arrived in Japan for the first time in December 2006, and *Cold Stone Creamery*, with which has had a long line of about 20 people everyday before the store opens, are entertaining customers.

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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. VII, Issue 4, April 1-30, 2007

### Retail/Wholesale

- *Seiyu Ltd.*, which is now under the control of *WalMart Inc.*, resumed sales of U.S. beef on March 29, becoming the first major retailer in Japan to do so since the import ban in December 2003. U.S. Ambassador to Japan Thomas Schieffer visited the Seiyu store at Kinshicho on the 29th to promote sales of U.S. beef. (b. f. 4/2)
- *Imageya Co., Ltd.* will open a new store “*Blooming Bloomy*” in a new residential area in Yokohama (about an hour from Tokyo). The store will feature wine and bread in the sales area where customers can ask the Concierge for advice. (a. 4/7)
- The financial settlement of *Seven-Eleven Japan Co., Ltd.* for the February 2007 period showed decreased profits of 3% compared to the same period last year for the first time since its stocks were listed in 1979. The saturation of the same kind of businesses in the market and severe competition among other convenience stores and drugstores may have caused the decrease. (a. 4/13)
- The financial settlement of *Izumi Co. group*, one of the major supermarkets in Western Japan, in February 2007 showed increased sales profits with a 6% increase compared to the same period last year. (a. 4/13)
- A British retail chain *Tesco Plc*, which is the world’s third largest, will open its first *Tesco Express* store in Tokyo. *Tesco Express* is a convenience store with a focus on fresh produce and reasonably-priced, prepared foods. *Tesco* operates about 100 food supermarket stores, including *Tsurukame* stores, through its Japanese subsidiary *C Two-Network Co.* It plans to open 35 *Tsurukame* and *Tesco Express* stores in the year through February 2008. (a. 4/18)
- Major liquor retail chains including *Kakuyasu* and *Shinanoya Shokuhin* will open new outlets to cultivate new customers and expand their business. Many convenience stores have acquired liquor licenses since the liberalization in September 2006; however, the varieties sold have been limited to major convenience stores. Major liquor retail chains are planning on developing customers whom small to medium sized retail liquor stores have secured as their regular customers, and the chains plan to enhance their services, such as offering delivery and supplying a good collection of liquors. (a. 4/19)
- *Aeon Co. Ltd.* plans to increase the ratio of private brand “*Top Value*” in the total sales from 8% to 12% by February 2008. The most popular private brand food items are soy sauce, drinks, cup-noodles. Their prices are 20-30% lower than those of national brand, and the profit ratio is about 5 points higher. (b. 4/11)
- Convenience stores will expand the number of outlets handling fresh vegetables and fruits by February 2008. *Lawson Inc.* had renovated 83 outlets by March 2007, and found their sales increased by 15%. *FamilyMart Co., Ltd.* will renovate or construct 1000 outlets with a “*Famima Fresh*” corner to sell fresh vegetables, fruits and ready-to-cook packed ingredients. (b. 4/16)

### Food Service

- American “*Entertainment Food*” stores are popular in Tokyo. There are always long lines waiting in front of the stores. *Krispy Kreme Doughnuts*, arrived in Japan for the first time in

- December 2006, and *Cold Stone Creamery*, with which has had a long line of about 20 people everyday before the store opens, are entertaining customers. (a. 3/31)
- The restaurant industry is finally showing signs of recovery. According to the report by the *Japan Food Service Association*, total sales for 120 food service chains in March increased by 2.0%, respectively on a same-store basis, compared to the same month last year. It was primarily due to the strong performance turned in by fast-food establishments. (a. b. 4/15)
  - *Burger King Japan*, which was established by *Lotte Co., Ltd.*, and an industrial revitalization company, *Revamp Corporation*, will open the first store in Tokyo on June 8, 6 years after the last withdrawal in 2001. (b. 4/11)

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

- *Coca-cola Japan Co., Ltd.* will enter into the chilled-cup coffee market. It will be the first time for the company to produce, distribute and sell chilled products. As a start, two kinds of coffee items will be sold at *Seven-Eleven* convenience stores. (g. 4/5)
- The increased import price of surimi (fish paste), due to the increased demand for filet in the U.S. and Europe and decreased import of surimi, has hit the processed seafood manufacturing industry. (a. 4/14)
- The import prices of Alaska pollock, octopus and shrimp have been increased due to the strong demand in the U.S. and Europe. Some food service and manufacturers have started looking for alternatives. (a. 4/25)
- The wholesale price of broccoli in April increased by 75% compared to the beginning of the same month due to supply/demand conditions. (a. 4/14)
- Low calorie box lunches originally designed to target women are popular at convenience stores among men 30-40 years of age who have started worrying about metabolic syndrome. (a. 4/25)
- The wholesale price of lettuce increased by 36% compared to the beginning of month due to the increased demand before Golden Week and the decreased supply because of the high temperature in February and March. (a. 4/27)
- According to the *Japan Frozen Food Association's* report, the per capita consumption of frozen food in Japan in 2006 was 21.1 kg, increased by 2.9 % compared with the previous year. The total import of frozen vegetables in 2006 increased by 5.8%. The total import of ready-to-eat frozen foods in 2006 increased by 8.4% to 315,436 tons, however, it does not include imports by non-members including some trading companies and retail stores. If it is included, the total consumption of frozen food in Japan in 2006 would be increased by more than 2.9%. (f. 4/16)
- Sales of juice and desserts using fully ripened fruits such as mangoes, oranges and bananas are increasing due to their increased aroma and sweetness. (b. 4/2)
- Major beverage companies have started selling "Functional Water", mineral water with added minerals, oxygen, or aroma, as an alternative to zero-calorie soft drinks, coffee, and tea. (g. 4/8)

### **Food Safety/Consumer Awareness**

- According to the *Nikkei Newspaper's* survey targeting 300 working mothers 20-40 years of age in Japan, the U.S. and U.K. concerning what they do purposely everyday for their health, the Japanese working mothers' answers tended toward taking an easy solution, while the U.S. and U.K. working mothers answers tended toward harder ones such as jogging and eating less. Doing a stretch was top, consuming food/drinks that are said to be good for health such

as vinegar and soy products was second, trying to lower their total intake calories per day was third, and drinking vegetable juice was the fourth most popular solution in Japan. (a. 3/17)

- The independent administrative organization *Fisheries Research Agency* will research on the traceability of tuna, sea urchin, clam, yellow tail. (b. 4/16)

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

- *USMEF* will continue developing menu promotions for U.S. pork, especially in consideration of the increasing demand for tenderloin, to expand exports to the Japanese market in 2007. *CPI (Canada Pork International)* will conduct a variety of promotional activities emphasizing “Tasty”, “Healthy” and “Anshin” (the trust toward food). *INAPORC (French Pork Commission)* will conduct promotional activities to introduce the “Tasty”, “Anshin”, “Traceability” of French pork, a variety of processed pork products, and the pork industry and culture in France. (f. 4/9)
- *SUNKIST Pacific, Ltd.* held an “Orange Day” event to promote California oranges. Citrus farmers in Aichi Prefecture began “Orange Day” in 1994 as a new celebration day following Valentine’s Day (2/14) and White Day (3/14) that would be an occasion for lovers to give oranges to each other. (g. 4/15)
- *California Raisins Marketing Board* will vigorously conduct some consumer promotional events, i.e. “California Raisin Day Parents and Children Running” on May 1 and May 20, and “California Raisin 2007 Health Walk” on June 2. (f. 4/28)
- The “Food France au Japon” project to promote regional cuisines and culture in France by introducing celebrity chefs outside of Paris will start April 26 at famous French restaurants. The *French Tourist Office* and *Air France* will endorse the project. (b. 4/11)

### **☞ 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                            |
| (i) Nihon Keizai Shimbun         |   |

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