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Date: 11/14/2013

GAIN Report Number: JA 3515

Japan

Post: Tokyo ATO

HRI Trade Showcase – U.S. pavilion at Kuze Tradeshow

Report Categories:

CSSF Activity Report

Agricultural Trade Office Activities

Market Development Reports

Approved By:

Evan Mangino, Deputy Director, ATO Japan

Steve Shnitzler, Director, ATO Japan

Prepared By:

Masayuki (Alex) Otsuka, Marketing Specialist, ATO Tokyo

Report Highlights:

On September 10 and 11, 2013, the U.S. Agricultural Trade Office (ATO) Tokyo teamed up with 12 cooperators and importers to hold a U.S. food pavilion at the Kuze Trade Show in Tokyo. Kuze is a major food service wholesaler and distributor in Japan that holds a semi-annual trade show for its HRI and retail customers. For the Kuze Trade Show and future promotional opportunities, ATO Japan developed three U.S. food product promotional concepts: 1) Enjoy Fruits!, 2) Enjoy Barbeque!, and 3) Enjoy Whole Foods!. These concepts were established to cover all products exhibited at the Kuze show, including Hawaiian GM papaya, Sunkist California citrus, U.S. beef and pork, Maine lobster, U.S. potatoes, U.S. rice, New York cheesecake, Oregon mixed berries, barbeque sauce and others. The trade show attracted over 4,100 of Kuze's quality buyers from the hotel, restaurant, and institutional (HRI) and retail sectors. The U.S. product exhibitors reported total expected sales of US\$1.35 million within the next 12 months.

General Information:

I. Market Constrains and Opportunities

Constraints:

- Lack of U.S. product awareness by Japanese food buyers and regional retailers
- Lack of coordinated business communication between U.S. agents & Japanese buyers

Opportunities:

- Increasing demand for American style restaurants and imported food among Japanese food industry and consumers
- Japanese market's high receptivity for U.S. high-value products
- Improving economic conditions are creating new demand

II. Expected Results and Desired Outcome

The previous U.S. food pavilion at the 2012 Kuze Trade Show generated significant results with \$1.65 million of 12-month sales and over 300 business meetings with the high quality buyers. With some 3,800 executive buyers attending, the 2012 Kuze Trade Show provided an excellent value to exhibitors, with basic exhibition space prices costing less than 30 percent of other equivalent trade show participation fees. Given the recent improvements in the Japanese economy, ATO Tokyo expected more buyers and more business meetings in 2013.

Ideal Benchmark	Expected in 2013	Results in 2012
Number of total visitors	3,900	3,800
Number of business meetings	330	305
Total Expected Sales w/i next 12 months	\$1.7 million	\$1.65 million

Kuze is a major food service wholesaler with over 600 employees and \$580 million in revenue in 2012. After fierce competition within the food wholesale industry, Kuze is one of the survivors that retains good relationships with buyers in food industry. In spite of an increase in the "cash & carry" business, Kuze counts major hotel and chain restaurants, such as Prince Hotel group, Imperial, New Otani and Okura, among their key customers. The company puts on trade showcases twice a year in spring and autumn.

This tradeshow, named "Food Service Solutions," usually showcases domestic and imported food products along side one another. This practice has created some difficulty in identifying U.S. origin food products at the show. However, Kuze is interested in focusing on quality imported food products as well as stimulating their new fruit and vegetable sales business. Through strategic discussion with Kuze, ATO Tokyo determined that a U.S. pavilion incorporating the "Enjoy Fruits!" concept would meet the needs of both Kuze and U.S. exhibitors looking to gain direct access to high quality Japanese buyers. ATO Tokyo anticipated the development of the "Enjoy Fruits!" concept and the associated guidebook would generate greater attention and interest in the U.S. pavilion. (See additional details in GAIN Report # JA3514)

III. Actual Results and Outcome

ATO Tokyo recruited 12 cooperators and importers for the U.S. pavilion. The U.S. pavilion highlighted these U.S. foods under the “Enjoy Fruits!” program to provide ideas about American food menus to Japanese buyers. Several chain restaurants showed great interest in having an “Enjoy Fruits!”-related American menu fair exhibiting a variety of U.S. fruits and fruit products.

List of Exhibitors

Company	Products (States)
U.S. Rice Federation	U.S. rice
U.S. Potato Board	Dehydrate and frozen products
U.S. Meat Export Federation – beef	Beef and beef products (various)
U.S. Meat Export Federation – pork	Pork and pork products (various)
Sunkist, IPM Nishimoto	California citrus; lemon, orange
Hawaii Papaya Industry Association,	Rainbow (GM) Papaya
Maruka Corporation	Berry Up - berry mix (OR)
DFC Foods Co., Ltd.	Cheese cakes, frozen berries (IL, CA)
iGM Trading, Inc.	BBQ sauce, cheese sauce, chips (OR)
Yamate Lobster Company	U.S./Maine Lobster
ATO Tokyo and fruits sampling - California Table Grape Commission - National Watermelon Promotion Board	Enjoy Fruits! Promotion Table grapes; red, black and green Watermelon and fruits carving

The two day long trade show attracted over 4,100 Japanese buyers from HRI and retail sectors. Popular products among buyers were beef and pork products, potato products, frozen cheese cakes, frozen berries, lobsters and table grapes. The U.S. product exhibitors reported total expected sales of \$1.35 million within the next 12 months.

The showcase had far more visitors than the ATO had expected. In U.S. dollars, the total sales this year were a little less than we expected. However, measured in Japanese Yen, sales were up slightly at JPY 133.6 million in 2013 compared to JPY 132 million in 2012. This result is not surprising, as the Yen has depreciated by 25 percent over the last 10 months.

Snap shots:

			
Jam-packed U.S. pavilion.		U.S. Meat Export Federation offered new beef and pork products.	
			
Enjoy Fruits! presentation featuring Hawaiian papayas as well as California lemons, table grapes and watermelons. Many visitors took photos of the display.		Hawaii Papaya Industry Association booth - hundreds of visitors/buyers enjoyed tasty slices of GM Hawaiian papaya.	
			
Maine lobster and the U.S. Potato Board had two of the most popular booths in the pavilion.		The U.S. Rice Federation and an importer of U.S. cheesecakes and frozen berries had many business meetings.	

IV. Follow-up Evaluation

According to feedback we received from the exhibitors, all were satisfied with their participation in the U.S. pavilion because of great turnover, efficiency and the reasonable cost of the event. All of them were busy and had more than 445 total serious business conversations over the two days. Most of the exhibitors were impressed by quality of buyers attending the tradeshow. When asked if they would like to participate again in the same type of trade show, 100 percent said they would be willing to participate in a future U.S. pavilion.

V. Cost/Revenue

The total cost to ATO Tokyo for the event was about \$4,900, which was paid out of the Post's CSSF budget. This included the fees for the space, hiring an agent to prepare and manage the U.S. pavilion and the participants, a display of fruits and flowers and the rental of refrigerator space for overnight food storage.

The all participants made contributions covering the cost of their own exhibition spaces, labor of sales/promotion people, as well as food and beverage samples, including fee for delivery to the venue which totaled at least \$14,800 per exhibitor.