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Japan

Fresh Vegetables Report

Large Untapped Market for U.S. Fresh Lettuce in the Japanese Food Service Sector 1998

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Report Highlights:

Fresh crispy-type U.S. ice-burg lettuce is perfectly suited for use in Japan's food service sector. Fresh lettuce demand is growing, particularly at Japan's sandwich/hamburger outlets and family restaurants. Though the Government of Japan's phytosanitary import requirements remain strict, a potentially large, untapped market exists for fresh, U.S. lettuce in Japan. During 1997, Japan's imports of U.S. fresh lettuce, mostly retail sector sales for household consumption, totaled 1,300 MT valued at \$1.5 million.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report

Tokyo[JA1], JA

Fresh crispy-type US ice-burg lettuce is perfectly suited for use in Japan's food service sector, according to a veteran fresh vegetable trader for the restaurant industry. Fresh lettuce demand is growing, especially in Japan's sandwich/hamburger outlets and family restaurants.

Fresh lettuce, though an important vegetable item in the Japanese fresh produce market with annual consumption of 530,000 metric tons, is still marketed primarily through retail stores for home use. Restaurant use of fresh lettuce is minor compared to household consumption. Further, imported fresh lettuce is only 0.3% of the nation's total lettuce consumption. During 1997, Japan's imports of U.S. fresh lettuce totaled 1,300 MT valued at \$1.5 million, primarily sold in the retail sector for household consumption.

Due to the high cost of Japan's fresh vegetables, high quality and price-competitive U.S. fresh lettuce could generate significant interest in the Japanese fast food sector, according to industry sources. Japan's \$4.8 billion sandwich/hamburger market, with 6,800 restaurants nation-wide, is growing rapidly at 5% to 7% annually. McDonald's has an 58.0% market share with annual sales of \$2.8 billion. Mos Burger, Lotteria, and Wendy's are also major players in the Japanese sandwich/hamburger market. Japan's sandwich/hamburger market is extremely price competitive, and Japanese prices of fresh vegetables, especially fresh lettuce and tomatoes are, in general, relatively costly compared to inputs such as meat patties and bread.

Fresh, crispy U.S. ice-burg lettuce is perfectly suited for use in hamburger sandwiches because it does not lose the crispy texture when sandwiched with hot meat. In contrast, Japanese domestically-grown head lettuce has relatively soft leaves and more suitable for table consumption of fresh salads.

Japan cannot produce U.S.-type ice-burg lettuce because the high-humidity climate, according to Tokyo's traders at the Ohta Fresh Produce Market. Thus, while there are concerns about the Government of Japan's fumigation requirements on fresh lettuce imports, a potentially large, untapped market exists for fresh lettuce in the Japanese food service sector.