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Japan

Fresh Deciduous Fruit

U.S. Fuji Apples Debut in Japan

2000

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Report Highlights:

U.S. Fuji apples made a quiet debut in Japan this week, with 700 cartons arriving by air and marketed through a medium-sized Tokyo supermarket chain. Despite good quality, sales were slower than expected due mainly to low prices on domestic Fujis. However, sales are expected to pick up next week with the arrival of the first of several surface shipments.

Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

Tokyo [JA1], JA

On February 23, U.S. Fuji apples were quietly introduced to the Japanese market with 700 cartons arriving by air and distributed through a mid-sized Tokyo supermarket chain. While industry observers reported good taste on the Fujis, retailers report that abundant supplies of low-priced domestic Fujis and consumer misperceptions about chemical residues on U.S. product resulted in lower than expected sales. Retailers initially priced the U.S. Fuji at 158 yen (\$1.43)/piece, which was equivalent to the highest priced domestic Fuji in the store. After very slow sales initially, store managers reduced the price to 100 yen (\$0.90) per fruit

To maximize competitiveness on the U.S. Fujis, each fruit was individually wrapped in a styrofoam net. The quality of Washington Fujis was excellent with high sugar content, crispy flesh texture and strong aroma. The appearance of the fruit was also good, but some delivered apples were mis-shapen.

Enthusiasm for imports reduced by unusually price-competitive apple market

The Japanese apple market is unusually price-competitive this year, with domestic apple retail prices running 30 percent lower than usual, reflecting a large crop and a larger than normal percentage of substandard fruit (size and appearance), resulting in further downward pressure on prices.

At wholesale, premium medium-sized domestic Fujis are being traded at approximately 5,500 yen (\$50.00) for a 10 KG carton (36 apples/carton) in Tokyo, and 4,000 yen (\$36.36) in Osaka, according to Tokyo's Ohta Market traders. However, many lower-grade Aomori Fujis are trading at 2,000 - 2,500 yen (\$18.18 - \$22.72) for a 10 KG carton (36 apples/carton) outside the wholesale market in order to reduce grower's inventory. By comparison, prices for the first surface shipment of U.S. Fujis, due to arrive this week, are expected to be 3,000 - 3,500 yen (\$27.27 - \$31.81), according to Tokyo's traders

Daiei to promote U.S. Fujis nationwide

The marketing of U.S. Fujis will expand with the arrival of the first of several surface shipments this week. Sales will receive a strong boost from Daiei, Japan's largest supermarket, which is planning to emphasize quality in a nationwide promotion. Daiei's chief buyer says: "We are not going to sell Washington Fujis as a low priced item which is normally the case for imports, but as a good quality item since the quality of U.S. Fuji is as good as domestic apples." Prices at Daiei are expected to range from 100 - 150 yen (\$0.90 - \$1.36) per fruit.