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Exporter Guide - 2011 Update

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Report Highlights:
Japan was poised to reverse years of stagnation in the economy until the March 11 Great Eastern Japan Earthquake and Tsunami hit. Despite that setback, Japan continues to represent one of the best opportunities in the world for U.S. exporters of food products. The total food and drink market in Japan is huge, valued at around $745 billion. In 2010, the United States exported $12.5 billion worth of agricultural and fish products to Japan. There exist tremendous opportunities for U.S. exporters who are willing to follow the strict Japanese regulations and keep up with the fast-moving trends in this market.

Post:
Osaka ATO

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Note:

1) US$1=Y88.09, the average exchange rate in 2010, is used in this report unless otherwise noted.
2) The export figure from the US is from USDA and the import figures are from Global Trade Atlas (Source: Japanese finance Ministry). Therefore, there are some discrepancies among the figures.

I. Market Overview

Japan continues to be one of the best opportunities in the world for U.S. exporters of food products. In 2010, the United States exported $12.5 billion worth of agricultural and fish products to Japan ($13.2 billion including forest products). The total food and drink market in Japan is huge, valued at around $745 billion, when the food retail sector and the food service sector are combined. If you have a quality product that meets the needs and wants of Japanese consumers, that can be produced and delivered competitively, and you have patience to research both the differences in consumer tastes and government regulations, you can build an attractive market position in Japan.

1. Current Trends

Japan's food market for high-value foods and beverages continues to change dramatically, with the latest trends toward functional, healthy and nutritious foods. While traditional menus and tastes still generally guide the average Japanese consumer's consumption habits, Western and other Asian ethnic cuisines are making a major impact in the market.

The Japanese consumers tend to be willing to pay high prices for quality and convenience. However, at the same time, due to the sluggish economy in Japan, the food industry has recognized that consumers in general demand reasonable prices in addition to quality. Consequently, the industry is responding with 100-yen (about $1.14) produce stores and other types of discount food outlets. Some major retail chains are vying for differentiation by introducing their own private branded products with a lower price than nationally branded products and safety assurance by making their meat and produce products traceable back to growers and producers.

As the Japanese population is predicted to decline due to a low birth rate and lack of immigration, the Japanese food market may weaken in the future. Food retailers and food service operators are competing for consumers on a number of fronts, including price, convenience, variety and safety. Some companies are seeking a way to survive in the industry through mergers and acquisitions or tie-ups with partners beyond their traditional business channels.

However, as the market continues to segment and the population gets older and wealthier, the opportunities for high quality, high value foods will only increase.

2. Impact of March 11th Earthquake on the food market

Due to the massive earthquake which hit the Northeast part of Japan on March 11, 2011, the distribution network was disrupted and the market was hampered by a shortage in supply of necessities including food in the eastern part of Japan. The Fukushima Daiichi nuclear power plant accident aggravated the situation with radioactivity leakage spreading around the agricultural producing areas in Fukushima and neighboring prefectures.

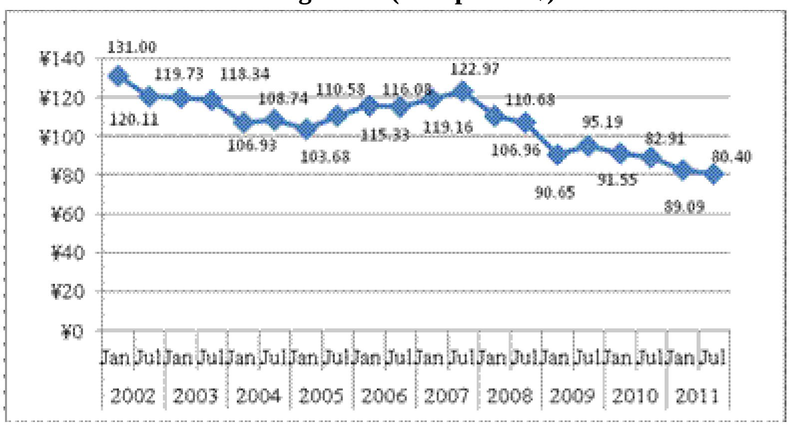
Some food products such as beef, vegetables, and tea were found to be contaminated with radiation and shipments were suspended. Japanese consumers have always been very concerned about the safety of their foods, and now the radioactivity issue only adds to those concerns. Some retailers are measuring radioactivity level by themselves and provide the information to their customers. Others are starting to indicate the origin of food products in detail. Domestic grown products were considered to be the safest in Japan. However, with this incident, consumers' perception on food safety is beginning to change, in many ways, to the advantage of the United States.

In the wake of the triple disasters of March 11, the U.S. military launched "Operation Tomodachi (friend)" and deployed more than 20,000 U.S. servicemen to help the Japanese recover. The operation further cemented positive feelings for the U.S. and a recent poll found that 82 percent of Japanese citizens have a positive view of the U.S.

3. Appreciation of Japanese currency

The monthly average rate of US dollar in Nov.2011, the latest available figure at the time of issuance of this report, is 77.29 yen, making U.S. products a good value for Japanese importers.

Chart 1. Exchange Rate (JPY per US$) 2002-2011



Source: Ministry of Finance

4.U.S. Advantages and Challenges

The Japanese market offers a number of benefits to U.S. exporters, but it is not without difficulties. To put these opportunities in perspective, here is a list of the most important U.S. advantages and challenges:

Table 1. Advantages and Challenges

U.S. Advantages	U.S. Challenges
• Weak dollar • U.S. food cost/quality competitiveness • Wide variety of U.S. products - including fresh, ingredients, and processed foods • Reliable supply of U.S. agricultural products	• Increasing food safety concerns and demands for food production information among Japanese consumers • Distance from Japan • Consumer antipathy toward biotech foods and additives • Japanese preoccupation with quality

• Advanced U.S. food processing technology • Relatively low U.S. shipping costs • Science-based U.S. food safety procedures • Growing Japanese emulation of U.S. cultural and food trends • Japanese food processing industry seeking new ingredients • Changes in the Japanese distribution system, becoming similar to that of the U.S. • High dependence on foreign food supply	• Consumers' preference of domestically produced products (image problem with imported food in general) • High cost of marketing in Japan • Complicated labeling laws • High duties on many products • Increasing competition with China and other food exporting countries • Exporters are often expected to commit to special contract requirements and long-term involvement

II. Exporter Business Tips

The following are suggestions on exporting food products to Japan.

1. Tips to Deal with the Japanese

Japanese business people, no matter how Western they may appear, do not always approach business relations in the same way as Americans do. Some differences are simply due to the language barrier, others are due to differences in deeply held traditions and practices. To help bridge these gaps, we suggest that you:

- Speak slowly and clearly, even if you know that your business counterparts speak English.
- Use clear-cut, simple words and expressions when writing in English.
- Use e-mail and fax, rather than telephone, whenever possible.
- Make appointments as far in advance as practical.
- Carry plenty of business cards (*meishi*). Present them formally at each new introduction—and be sure they have your personal information in Japanese on the back.
- Be on time for all meetings; the Japanese are very punctual.
- Be braced for negotiations which require a number of meetings and probably several trips to reach an agreement.
- Be prepared for misunderstandings; use tact and patience.
- Be aware that in Japanese, "*Hai*," (yes) may mean, "I understand," not, "I agree."
- Limit the discussion of business at evening meals, or when drinking with new Japanese counterparts; these occasions are for getting to know one another and building trust.
- Be aware of major Japanese holiday and business break periods, e.g., the New Year holiday (approximately from December 30 to January 3); Golden Week, a combination of national holidays (April 29 - May 5); *Obon*, an ancestor respect period lasting for a week in mid-August during which many companies close and business people take vacations.

2. Consumer Preferences, Tastes and Traditions

These ideas may help you consider your product approach.

Japanese consumers:

- Are highly concerned about food safety and traceability – commonly used terms are *anzen* and *anshin* that respectively mean 'safety' and 'peace of mind';
- Place great importance on quality—producers that fail to recognize this will not succeed;
- Appreciate taste and all of its subtleties—and will pay for it;
- Are well-educated and knowledgeable about food and its many variations;
- Are highly brand-conscious—a brand with a quality image will sell;
- Care a great deal about seasonal foods and freshness—promotion of these characteristics can significantly build product sales and value;
- Are increasingly health-conscious;
- "Eat with their eyes" and often view food as art. A food product's aesthetic appearance—on the shelf, in the package, and on the table—is important in building consumer acceptance;
- Have small families and homes with minimal storage space, thus, large packages are impractical. Although stores such as Costco continue to do well, reflecting the increasing need for value, not just quality.

3. Export Business Reminders

Below are some important reminders about exporting to Japan:

- Limit your number of trading partners, but try to avoid exclusive agreements with any one company.
- Use metric terms.
- Quote price in CIF (cost, insurance and freight), unless the importer requests FOB (Free on Board).
- Price competitively; exclude U.S.-based costs such as domestic sales, advertising, marketing, etc.
- Be patient regarding requests for information on ingredient, production process and quality assurance. Ensure that all the information is correct and respond with diligence and in a timely manner.
- Use letters of credit to reduce risk.
- Hedge export values with your U.S. bank if you are concerned about exchange rate risk.
- Set up wire transfers for payments.

4. Food Standards and Regulations

U.S. exporters often find Japanese food standards difficult to deal with. Here are a few tips:

- Read the USDA's "Japan: Food and Agricultural Import Regulations and Standards (FAIRS) Country Report." This concise document, covering food laws, labeling, packaging, import procedures, and other key regulations, should be a helpful guide for all food exporters. It is updated annually. (http://gain.fas.usda.gov/Pages/Default.aspx)
- Read other USDA Japan reports and information. Go to the USDA Japan homepage (http://www.usdajapan.org) and click the "Reports" menu button to get market information and reports.
- Read the Japan Food Sanitation Law. Make sure that the labeling you plan to use meets Japanese requirements: http://www.jetro.go.jp/en/reports/regulations/pdf/food-e.pdf
- Check the JETRO report, "Specifications and Standards for Foods, Food Additives, etc. under the Food

Sanitation Law" (http://www.jetro.go.jp/en/reports/regulations/). This summarizes specific technical import procedures especially for processed food products.

- Carefully check your food additive admissibility: (e.g., preservatives, stabilizers, flavor enhancers). For information on U.S. laboratories approved by the Japanese Government, visit the Ministry of Health, Labor and Welfare's website at http://www.mhlw.go.jp/topics/yunyu/5/dl/a3.pdf.
- Verify all relevant import requirements with your Japanese customers. They will normally have update information on Japanese regulations.
- Provide a detailed list of product ingredients to your Japanese partners to allow them to verify their acceptability. Do not assume that U.S. approval means Japanese approval. For organic foods in the United States, make sure you obtain USDA's National Organic Program approval. Then, working with your importer, you can register your product under the Japan Agriculture Standard (JAS). (http://www.ams.usda.gov/AMSv1.0/nop)
- After you have completed the above steps, check with the Agricultural Affairs Office at the U.S. Embassy in Tokyo (agtokyo@fas.usda.gov) with any remaining questions on issues such as standards, tariffs, regulations, labeling, etc. Depending on content, the ATO Japan offices may also be able to directly respond to your inquiries.

5. Import and Inspection Procedures

Your job is not complete when your product has been ordered and shipped. You still must get it through Japanese customs and port inspectors. The points outlined below should aid in this process:

- Review the USDA's "Japan: Food and Agricultural Import Regulations and Standards (FAIRS) Country Report" to get a better understanding of these procedures (see link above).
- Confirm the specific tariffs that apply to your product before pricing to potential customers. Remember that tariff rates in Japan are calculated on a CIF basis and that Japan adds a 5% consumption tax to all imports.
- Do not send samples for preliminary checking without an actual request from your importer. Be aware that many parcel delivery companies recently adopted the policy of <u>not handling any animal or plant quarantine items (including dried fruit and nuts)</u> due to possible delay in delivery caused by quarantine inspection. Make sure the delivery service you are going to use deals with your product before sending it to Japan.
- Recognize that customs clearance officials' application of the law and interpretation of regulations may differ from one port to another. Thus, the least expensive or most convenient port may not be the best choice. Check with your local customer or in-country agent representative.
- Be sure to complete all documentation thoroughly and accurately.
- Send copies of documentation in advance especially for the first-time shipments, which can assist your importer in getting timely release of your cargo from customs and clarifying matters with quarantine officials.
- For fresh products, check phytosanitary and other requirements in advance and obtain proper USDA inspections in the United States (www.aphis.usda.gov and www.fsis.usda.gov).
- Approval for biotech agricultural products and ingredients is regulated by the Japanese government. These products will also require specific labeling to be admitted to Japan.
- Make sure you have the proper import documents accompanying shipment: 1) Import Notification; 2) Health Certifications; 3) Results of Laboratory Analysis; 4) Manufacturer's Certification showing

materials, additives and manufacturing process. (Note: Products imported for the first time may require more documentation.)

III. Market Sector Structure and Trends

One of the exporter's important strategic decisions—other than those dealing with the product itself—is how to position the product and get it to the Japanese consumer, i.e. through retail, food service, and/or food processing channels. The following is the brief description of the three sectors.

1. Retail Sector

Japan's food retail market generated about $476.50 billion (41.98 trillion yen) in 2010. Although it is a huge market, it is highly fragmented. Unlike in North America and the EU, Japan's retail food sector is characterized by a relatively high percentage of specialty/semi-specialty stores, including "mom-and-pop" stores and local grocery stores. Such small retailers, however, are losing ground to larger general merchandise stores (GMS), supermarkets (SM), and convenience stores (CVS). These three categories offer excellent opportunities to U.S. food exporters although there is strong competition with suppliers from other countries as well as domestic manufacturers. Food retailers in Japan are classified into following major segments. The characteristics of these channels are listed in the table below:

Table 2. Retail Store Opportunities for U.S. Food Exporters

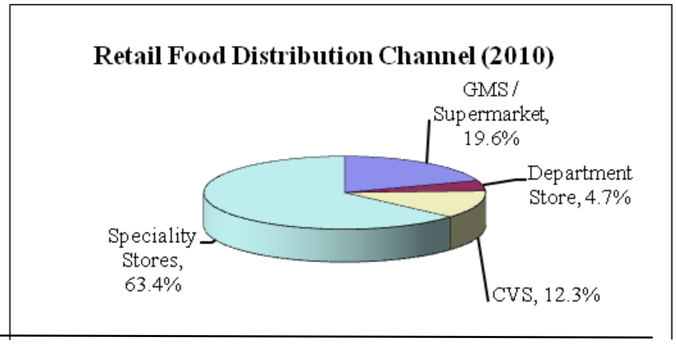
	GMS General Merchandise stores	**SM** Supermarkets	**Department Stores**	**CVS** Convenience stores	**Specialty Stores**	**Semi Specialty Stores**
Share (2010)	19.6%		4.7%	12.3%	63.4%	
Future growth expectations*	M	H to M	L to M	M	D	D
Receptivity to imports**	H to M	H to M	M	H to M	M	M
Suitable for:						
Established brands	H to M	H to M	H	M	M	M
High quality/high price	H to M	H to M	H	H to M	M	M
Good quality/low price	H	H	M	H	M	M
New products	H	H	H	H	M	M

*Growth expectations: H - high; M - moderate; L - low; D - decline

**Receptivity ratings: H - high; M - medium; L – low

Sources: METI Commercial Census (2010); ATO estimates on import growth and receptivity.

Chart 2. Retail Food Distribution Channels



Source: METI Commercial Census 2010

1) General Merchandise Stores / GMS

Japan's general merchandise stores (GMS), like supercenters in the United States, offer shoppers the convenience of one-stop shopping for groceries, perishables, clothing, household goods, furniture, and electrical goods. Food sales, which typically used to make up one third of the total sales at GMS's, now reach a half of the total sales or even more at some chains.

GMS's are operated by major national chains that have nationwide networks with hundreds of outlets and central purchasing is typical. GMS's are generally receptive to foreign products, although they often demand product modification to suit market tastes and preferences. They often purchase foreign products via trading companies. Inventory risks, long lead times, and communication problems make GMS buyers hesitant to import products directly. However, as Japan's retail market becomes more competitive, some GMS's opt for direct purchase and offer excellent opportunities to U.S. food exporters.

2) Supermarkets / SM

Supermarket stores are smaller in size than GMS's and are more specialized in food and household goods. On average, food items such as perishables, readymade-meals, bakery, and refrigerated foods account for 70% or more of the total sales of these stores. Supermarkets are facing higher purchasing costs than GMS's. They are seeking a way to survive in the market through product/service differentiation, private brand development, and global sourcing. To gain economies of scale, regional supermarkets are forming alliances, such as joint merchandising companies, with non-competing retailers. Thus, although individual retailers are not large enough to engage in direct offshore sourcing, through joint merchandising companies, they offer excellent opportunities to U.S. food exporters. These retailers carry imported products particularly as a mean to differentiate themselves from other competing stores in their region.

3) Department Stores

Department store sales have been declining in recent years due to the economic downturn as well as to increasing competition with GMS's and other retailers. Food sales made by department stores currently account for less than 5% of the total retail food sales. Nevertheless, department stores offer excellent opportunities for imported high-end food products and they are an under-exploited channel for U.S. exporters. Most department stores have extensive basement concessions (i.e., small, independently operated retail stands), otherwise known as 'depachikas'. There are also outlets operated by department stores themselves, offering an opportunity for U.S. exporters to launch pilot stores or to conduct marketing trials. Department stores provide a showcase of imported, novelty, and high-end products and thus provide U.S. exporters of high-quality and fancy foods with an excellent opportunity to showcase their products.

4) Convenience Stores

Convenience stores (CVS) are becoming an extremely important sales channel in Japan. They have small floor space, about 100 m² on average, and typically stock about 3,000 products. They are well known for their high turnover and advanced inventory management. Convenience stores derive their competitive advantage from high turnover and efficient supply chains. Thus, short lead-time and nationwide distribution are essential in dealing with major CVS operators. While this presents a significant challenge to many overseas companies, indirect business with CVS, nevertheless, offers huge potential to them. Global sourcing of ingredients and raw materials, especially for the use of fast food, has become more popular. CVS operators not only work with consumer product manufacturers but also with trading firms and ingredients manufacturers. In order to differentiate themselves from their competitors, major CVS operators are constantly searching for novelty items and new concepts, which offer good opportunities to U.S. food exporters.

5) Local General and Specialty Stores

Predominantly, Japan's food retail trade still consists of local specialty stores and grocery stores, most of which are small, family-run operations. These retailers, however, offer limited market potential to exporters. They are served by secondary or tertiary wholesalers, which, in turn, are supplied by Japan's major wholesalers. This sector has been shrinking as the food market has become more competitive. Deregulation of liquor licensing, for example, led to the closure of many small family-owned liquor shops. There are only a small group of retailers who specialize in imported products in Tokyo and other metropolitan areas who may be able to offer opportunities to U.S. exporters.

6) Home Meal Replacement / HMR

As in North America, the growth of the HMR sector is one of the most important developments in the Japanese food sector in recent years. Examples of popular products in this sector are prepared foods sold at supermarkets, takeout meals sold at specialty store chain operators, and various readymade foods sold at convenience and department stores. (There is thus some overlap with the channels outlined above.) Although the growth in the HMR sector is slowing down as well due to the current sluggish economy, the sector is expected to be an important market as the number of working women, single households and the elderly rises. The sector consists mostly of small regional companies and is now going through a series of consolidation. Larger companies in the sector are suppliers for major supermarket operators, convenience stores and tenants in department stores.

There are a number of constraints facing U.S. exporters in this sector. High-volume buyers are still relatively rare; global sourcing and direct transactions with foreign suppliers are also uncommon. In addition, relatively high turnover for menu items often makes companies hesitant about global merchandising. Nevertheless, HMR's are potentially an ideal customer for U.S. food exporters, especially for those who are willing to meet stringent cost, quality, and size specifications.

There is a separate report on Retail Food Sector in Japan. Please visit: http://gain.fas.usda.gov/Pages/Default.aspx,

2. HRI Food Service Sector

The food service sector generated $268.4 billion (23.65 trillion yen) in sales in 2010, the same level as in the previous year following a 0.5% and a 3.5% decline in 2008 and 2009.   Whereas spending per person on dining out showed a slight increase, a downward trend in the corporate spending on entertainment offset the house hold spending growth. This sector can be divided into four major segments by business category: 1) restaurants; 2) hotels and other accommodation facilities; 3) bars and coffee shops; and 4) institutional food service companies serving schools, hospitals, and corporate facilities. The following is the update by category.

Table 3. Food Service Opportunities for U.S. Food Exporters

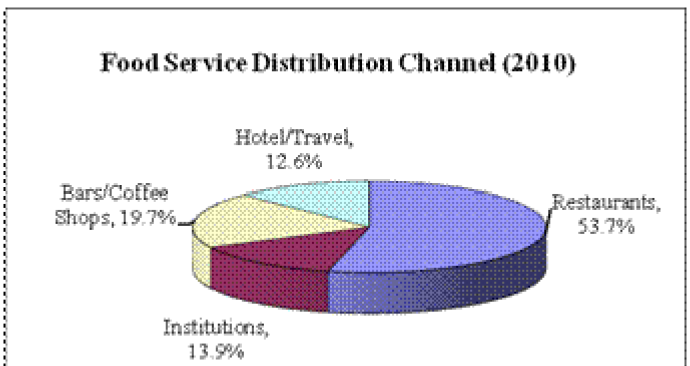
	Restaurants	**Hotels/ Travel related**	**Bars/ Coffee shops**	**Institutional**
Sales Share (2010)	53.7%	12.6%	19.7%	13.9%
Future growth expectations*	H to M	H	H to M	M
Receptivity to imports**	H	H	H to M	H
Especially suitable for:				
High quality/high price	H to M	H	M	L
Good quality/low price	H	H	H	H
New products	H	H	H	H

*Growth expectations: H-high; M-moderate; L-low; D-decline

**Receptivity ratings: H-high; M-medium; L-low

Sources: Food Service Industry Research Center; ATO estimates of import growth and receptivity.

Chart 3. Food Service Distribution Channel



Source: Food Service Industry Research Center

Table 4. Share of Restaurant Sales by Type of Outlet

General restaurants	70.3%
Noodle shops	8.5%
Sushi shops	10.4%
Others	10.8%
	100.0%

Source: Food Service Industry Research Center

1) Restaurants

The restaurant segment generated approximately US$144.2 billion in sales in 2010 and offers the best export prospects to the United States among the four food service segments. Restaurants generate more than a half of the current food service sales and comprise four main types of outlets as shown in the Table 4. When looking into the figures in detail, only “sushi shops” declined by 1.4% while the others showed an increase. It is noticeable “Others,” which includes fast food shops, have been showing a continuous growth in past years amid the current slumping economy in Japan.

Like the retail sector, the HRI sector is quite fragmented and most restaurant businesses are small. However, small family-owned restaurants have been disappearing due to increased competition with HMR, food retailers and restaurant chain operators.

Several major “family restaurant” chains are becoming increasingly important for international suppliers. Because they compete primarily on price, they are active in global sourcing. These chains thus represent a significant opportunity for U.S. food exporters. Chain restaurants are particularly interested in semi-processed or precooked foods. Premixed ingredients, seasonal fruits and vegetables, specialty sauces and seasonings, and desserts are particularly attractive products for chain operators.

Japan has a large and competitive fast food segment made up of both domestic and overseas operators. Generally, fast food restaurant operators are volume buyers of specific raw materials. In addition to low cost, suppliers must provide a stable supply of products at a specific quality to compete effectively in this segment.

Exporters can approach most large restaurant chains directly but for the smaller chains, exporters must build relationships with trading companies or major food service wholesalers.

2) Hotels and Other Travel-Related Facilities

Major hotels are attractive markets for U.S. exporters. They are more oriented toward Western food and frequently have “food fair” promotions featuring a variety of countries’ cuisines. Exporter’s challenge lies in developing effective distribution channels to reach them. Hotels offer high consumer visibility and thus promotional value for exporters. Highlighting the fact that a particular exporter’s product is used by a major upscale hotel chain, for example, is a good way to promote the product to retailers and other prospective buyers.

Railway companies and domestic airlines operate kitchens in Tokyo and Osaka, while the overseas airlines tend to use contract caterers. These Japanese companies tend to feature Japanese cuisine. But there are companies who are actively procure imported foods as well.

Theme parks are also an important part of the sector. Restaurants and snack outlets at both Tokyo Disneyland and Universal Studio Theme Park, for example, draw millions of visitors every year. Other theme parks around the country also attract thousands of visitors a day and offer opportunities to U.S. food exporters.

3) Bars and Coffee Shops

These establishments account for 19.7% of the total food service sales and are a major market for foreign beverages and snack foods. The sales from the segment showed 1.9% decrease in 2010 following 4.6% decrease in the previous year. While coffee shops in general had been hit by a major blow due to the bad economy in Japan, they finally showed a sign of recovery with 0.6 % growth for the first time in several years. Bars and others are lagging behind in the recovery.

4) Institutional Food Markets

The institutional market comprised of cafeterias at factories, offices, hospitals and schools, generated $37.3 billion in 2010, accounting for 13.9% of the total food service sales. The cafeteria operations of these institutions are typically served by contract caterers. Building relationships with caterers is, therefore, essential to crack this market. Both contract caterers and institutions with their own kitchens are typically serviced by large food service wholesalers. Because the most important criterion for these institutional suppliers is cost competitiveness, the sector offers huge market potential to U.S. exporters.

The institutional catering market showed a 0.4% growth in 2010. While school segment slightly decreased, the other segments such as offices, hotels, and nurseries went up.
Long-term prospects are brighter as higher demand from contract caterers, serving the hospital and social welfare segments, is expected to grow due to an increasing aging population.

There is a separate report on HRI Food Sector in Japan. Please visit: http://gain.fas.usda.gov/Pages/Default.aspx,

3. Food Processing Sector

Food manufacturers in Japan offer a number of opportunities to U.S. exporters and they have the capacity to buy the following types of products from overseas:

- Ingredients for production in Japan;
- Finished products to be sold under their own labels;
- Finished products to be sold under the exporter's brand, but distributed through the importer's channels.

Dealing with food processors offers advantages as follows:

- They often buy in large volumes;
- They have sophisticated distribution systems;
- They have a good understanding of their suppliers' businesses.

Exporters should be prepared for requests from Japanese manufacturers, as they are very demanding regarding the release of data on product quality, origin of ingredients, and other related information. In large part, regulations from the Government of Japan require manufacturers to protect themselves from risks. Such information is also increasingly important because of growing concerns about food safety and traceability among Japanese consumers. U.S. exporters must be prepared to deal positively and promptly with these issues to compete in this market.

There is a separate report on Food Processing Sector in Japan. Please visit:
http://gain.fas.usda.gov/Pages/Default.aspx,

4. Online Sales in Japan

In 2009, the total number of Internet subscribers in Japan reached 99 million, more than doubled what it was in 2000 when the number of users recorded was 48 million. Nowadays, online shopping is becoming more and more popular among the Japanese and e-commerce is gaining popularity as well.

The Japanese Ministry of Economy, Trade and Industry stated that the market size for e-commerce was approximately $55 billion in terms of annual sales in 2009. Japan's largest online mall, Rakuten, experienced a 19.4% increase in net sales from FY2008-2009. It appears that other online-based retailers are also experiencing continuous growth in Japan. While online sales are often dominated by electronics and clothing, food is a growing sector within the area of e-commerce.

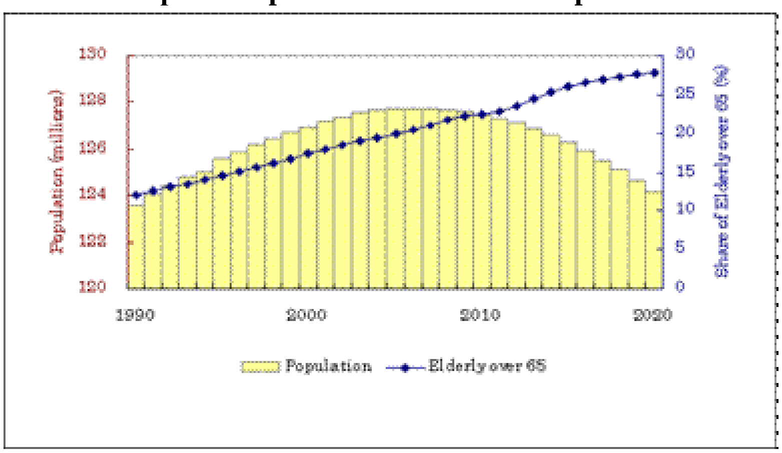
According to the Japanese Ministry of Internal Affairs and Communications, online sales are expected to continue to expand as customers cite that internet shopping has many advantages such as that it can be done 24/7, saves time with no transportation cost, makes comparing products and prices easy, and allows for a larger selection. Currently, it appears that growth of food sales on the net is mainly organic food and natural food. But major supermarket chains are expanding their service through the Internet as well.

5. Population Trends

Japan's population has undergone dynamic shifts in age proportions since the 1980's with decreasing number of births and a growing aging population. Until recently, Japan had been experiencing small but steady annual population growth. It was not until the first half of 2005 that Japan experienced negative population growth, when the number of deaths outnumbered the number of births. According to Ministry of Health, Labor, and Welfare, Japan experienced a -0.01% population decline in 2005 for the first time since 1988 when Japan began compiling population statistics. According to the national survey in 2010, Japan's population was estimated at 128.06 million.

By the year 2050, Japan's population is predicted to decrease to 95 million, with the ratio of individuals over 65 climbing from 7%, in the 1970's, to 40%. While one may consider this to be a negative, the older population in Japan enjoy a high standard of living and are relatively wealthy compared to younger generations. The aging of Japan will present opportunities for high value, high quality products.

Chart 4. Japan's Population Growth and Expected Decline



Source: National Institute of Population and Social Security Research

IV. Best High-Value Import Prospects

The following presents a list of products, which are considered to hold "best" import prospects. They have been selected based on a number of criteria—high volume, demonstrated growth, and U.S. competitiveness.

Table 5. Best Import Prospects

Product Category	HS Code	2010 Market Size	2010 World Imports	5-Yr Avg. Annual Import Growth	Import Tariff Rate	Key Constraints to Market Development	Market Attractiveness for U.S.A.
Cheese	0406	Total market size : 262,000 MT (Majority being imported cheeses)	199,000 MT	World: -1% US: 52%	20-30% for natural cheese and 40% for processed cheese	The Japanese cheese market experienced steady growth up to 2007 and then experienced a major slump and drop in consumption in 2008 due to soaring international prices. European exporters have established a strong brand image of supplying high-quality cheese to the market. Domestic natural cheese production has recently been expanding, supported by subsidies.	The market has started picking up again from late 2009. Lower market prices, coupled with a favorable JP Yen exchange rate against other major currencies, have created fairly positive market conditions. Specific to American cheese, a major breakthrough is expected in 2010 with Japan's imports well exceeded the 10,000 MT level for the first time and reached all time high of 13,700 MT. Japanese importers expect favorable conditions for future U.S. exports and are eager to explore business opportunities.
Sausage	1601	Total market: 337,400 MT Domestic Sausage Production: 294,000 MT (80% is imported Raw material frozen pork) Import: 43,400MT	43,400 MT	World: 6% US: 10%	10%	The supply of sausage in Japan has historically been dominated by domestically manufactured products. Imported products from China are relatively low priced, and have a competitive edge that has been welcomed, especially by the value segment in Japan.	Market conditions started to change following a series of food safety related scandals/incidents involving Chinese foods a couple of years ago. Japanese traders began to look for other supply sources such as the United States and Thailand. Specific to American sausage, Japan's imports have grown by average 10% a year over the past five years. The Japanese trade is increasingly aware of American sausage. A favorable exchange rate has added to the competitiveness of American products. Demand for certain products uniquely suited for use in American style foods including hot dogs and pizza toppings continues to grow.
Watermelons	080711	333,600 MT	799 MT	39.9%	6%	The Japanese watermelon market is heavily dominated by domestic products. The sales of imported watermelons are fairly limited (less than 1% of the nation's total sales.) The imported watermelons are mainly used when the domestic supplies are	The Japanese trade is increasingly aware of U.S. watermelons, especially its high quality. A favorable exchange rate has added to the competitiveness of American products. U.S. watermelon is available before the peak sales season of domestic products. U.S.'s large and steady supply source is attractive.

						short. The sales of U.S. watermelons in the Japanese market are relatively new and need promotional activities.	
Onions	070310	1,362,000 MT	340,000 MT	-1%	8.5%	The Japanese onion market is dominated by domestic products since the majority of Japanese consumers believe the food safety of domestic products. Although the imports play a minor role (27% of the nation's total distribution) in Japan's onion market, China can provide with semi-prepared onions to serve Japan's food service needs.	The Japanese domestic onion supplies have been declining in the recent years at an annual rate of approximately 10%. The Japanese trade is aware of U.S. onions as a high quality product. A favorable exchange rate has added to competitiveness of U.S. products.
Frozen Potatoes	071010	44,600 MT	18,200 MT	63.5%	8.5%	The key suppliers of frozen potato products (excluding frozen French fries) are domestic processors (59% of the total supply in 2010.) The majority of Japanese consumers believe the food safety of domestic products.	The Chinese imports had dominated this category for many years in the past, but recently the U.S. imports (HS 071010) surpassed the Chinese ones. Imports from the U.S. showed an average growth of 220% annually. Japanese snack food manufacturer developed new products using this as the major ingredient. Japanese food processing companies are becoming more active in pursuing overseas products.
Head Lettuce	070511	516,000 MT	5,700 MT	8.8%	3%	The key constraint for importing head lettuce from the United States is plant quarantine issues (Cosmopolitan pests' issues). The Japanese government orders fumigation treatment on lettuce if insects found at the Japanese port of entry in order to import to Japan. When the lettuce is fumigated with Methyl bromide, it completely loses its market value.	The Japanese production of lettuce is significantly volatile due to the weather changes. The Japanese food service sector demands steady supply of lettuce all year round. The Japanese trade is aware of U.S. lettuce with its high quality. The U.S. has very stable supply sources of fresh lettuce. The Japanese imports of U.S. lettuce have grown 42% annually.
Salmon	0302.11 0302.12 0303.11 0303.19 0303.21 0303.22	450,000 MT	191,123 MT	-3.0%	2.5%	Farm raised frozen salmon from Chile continues to dominate the market with its market share hovering 56% in 2010. The U.S. is in the 4th position, following Chile, Norway, and Russia. Norway is a major supplier of high value fresh salmon to Japan. Fish prices have been	Generally Japanese appreciate "natural" and "wild" salmon as opposed to the farm raised salmon.

						increasing as fish consumption in the world has been rising due to heightened health consciousness.	
Whiskey	220830	84.464 kl, (2009)	19,640,659 kl	1.9%	Free	Creating brand recognition is often difficult without partnerships with leading Japanese liquor manufacturers who have close ties with distributors. The robust growth driven by the revival of Highball might be hard to sustain.	Since 2008, whiskey is making a comeback in the Japanese alcoholic beverage market thanks to the new Highball boom. Japanese manufacturers' promotions have boosted demand for whiskey notably among the young generation, who hardly consumed whiskey before. Bourbon whiskey (bulk, 220830-011) as well as other U.S. whiskeys (220830-032) has particularly benefited from the popularity. U.S. brands are price-competitive thanks to the strong yen. .

Sources: Global Trade Atlas; ATOs; Ministry of Agriculture, Forestry and Fisheries; Ministry of Economy, Trade and Industry; Ministry of Finance; Japan Frozen Food Association; Note:
The 2010 market size is an estimate made by ATO.
Note: 5-year avr. annual growth is calculated by dividing the growth (%) made from 2005 import to 2010 import by 5.

V. Key Contacts

The following tables provide information on key contacts in Japan.

Table 6: U.S. Government

Organization Name	Telephone/Fax URL/E-mail	Address
Agricultural Trade Office American Embassy, Tokyo	Tel: 81(0)3-3224-5115 Fax: 81(0)3-3582-6429 www.usdajapan.org atotokyo@fas.usda.gov	1-10-5 Akasaka Minato-ku, Tokyo 107-8420
Agricultural Trade Office American Consulate-General, Osaka	Tel: 81(0)6-6315-5904 Fax: 81(0)6-6315-5906 www.usdajapan.org atoosaka@fas.usda.gov	2-11-5 Nishitenma Kita-ku, Osaka 530-8543
Agricultural Affairs Office, American Embassy, Tokyo	Tel: 81(0)3-3224-5105 Fax: 81(0)3-3589-0793 agtokyo@fas.usda.gov	1-10-5 Akasaka Minato-ku, Tokyo 107-8420
American Embassy Tokyo, Japan	Tel: 81(0)3-3224-5000 Fax: 81(0)3-3505-1862 http://tokyo.usembassy.gov/	1-10-5 Akasaka Minato-ku, Tokyo 107-8420
	Tel: 81(0)3-3224-5111 Fax: 81(0)3-3224-5291	

Animal and Plant Health Inspection Service (APHIS)	www.aphis.usda.gov	1-10-5 Akasaka, Minato-ku, Tokyo 107-8420
FAS Washington	www.fas.usda.gov	1400 Independence Ave., SW Washington, DC 20250
USDA Washington	www.usda.gov	1400 Independence Ave., SW Washington, DC 20250

Table 7: U.S. State Government Offices in Japan

Organization Name	Telephone/Fax URL	Address
Alabama	Tel: 81(0)3-3655-3508 Fax: 81(0)3-5232-3850 www.ado.state.al.us	Minami Aoyama Bldg., 5F 1-10-2 Minami Aoyama Minato-ku, Tokyo 107-0062
Alaska	Tel: 81(0)3-3556-9621 Fax:81(0)3-3556-9623 www.alaska.or.jp	Room 307, Central Bldg. 22-1, Ichiban-cho Chiyoda-ku, Tokyo 102-0082
Arizona	Tel: 81(0)3-3492-8951 Fax: 81(0)3-3492-8951 http://www.azcommerce.com/	Room 414, Dormir-Gotanda-En-Maison 2-9-7 Nishi-Gotanda Shinagawa-ku, Tokyo 141-0031
Arkansas	Tel: 81(0)3-5447-7471 Fax: 81(0)3-5447-7472 www.arkansas-jp.org / http://arkansasedc.com	Room 806, AIOS Hiroo Bldg. 1-11-2 Hiroo Shibuya-ku, Tokyo 150-0012
Colorado	Tel: 81(0)3-5272-1041 Fax: 81(0)3-3207-6685 http://coloradojapan.org	2-3-26 Sakata Yukio Nishiwaseda Shinjuku-ku, Tokyo 169-0051
Florida	Tel: 81(0)3-3230-0505 Fax: 81(0)3-5213-0507 www.eflorida.com	Sakamiya #2 Bldg., 5F 10 Ichibancho Chiyoda-ku, Tokyo 102-0082
Georgia	Tel: 81(0)3-3539-1676 Fax: 81(0)3-3504-8233 www.global-georgia.org	Bureau Toranomon, 205 2-7-16 Toranomon, Minato-ku, Tokyo 105-0001
Idaho	Tel: 81(0)7-8854-7270 Fax: 81(0)7-8854-7271 www.idahojapan.org	2-5-602 Mikage Higashinada-ku, Kobe 658-0056
Illinois	Tel: 81(0)3-3268-8011 Fax:81(0)3-3268-8700 www.commerce.state.il.us	2-1 Ichigaya, Ichigaya Sadoharacho Shinjuku-ku, Tokyo 162-0842
Indiana	Tel: 81(0)3-3234-3875 Fax: 81(0)3-3234-3886 http://www.indiana-japan.org	Ichinose Bldg., 5F 3-5-11, Koji-machi Chiyoda-ku, Tokyo 102-0083
Iowa	Tel: 81(0)3-3222-6901 Fax: 81(0)3-3222-6902 www.iowatokyo.com / www.iowa.gov	Room 903 Central Bldg 22-1 Ichibancho Chiyoda-ku, Tokyo 102-0082
Kansas	Tel: 81(0)3-3239-2844 Fax: 81(0)3-3239-2848 www.kansascommerce.com	Kioicho WITH Bldg., 4F 3-32 Kioicho Chiyoda-ku, Tokyo 102-0094
Kentucky	Tel: 81(0)3-3582-2334 Fax: 81(0)3-3588-1298 www.kentucky-net.com	Kurokawa Bldg., 8F 2-5-8 Akasaka Akasaka, Minato-ku, Tokyo 107-0052
Mississippi	Tel: 81(0)45-222-2047 Fax: 81(0)45-222-2048 www.mississippi.org	Yokohama World Porters 6F 2-2-1 Shinko Naka-ku, Yokohama 231-0001
Missouri	Tel: 81(0)3-5724-3968 Fax: 81(0)3-5724-3967	2-3-3-202, Koyamadai

	http://www.missouri-japan.org/office.html	Shinagawa-ku, Tokyo
Montana	Tel: 81(0)96-385-0782 Fax: 81(0)96-381-3343 http://agr.mt.gov / www.bigskyjapan.com	6-18-1, Suizenj Kumamoto 862-8570
North Carolina	Tel: 81(0)3-3435-9301 Fax: 81(0)3-3435-9303 www.nccommerce.com / http://www.nctokyo.com/	Suzuki Bldg., 5F 3-20-4 Toranomon Minato-ku, Tokyo 105-0001
Ohio	Tel: 81(0)3-3499-2493 Fax: 81(0)3-3499-3109 http://ohio.gov/	Minami Aoyama First Bldg., 10F 7-8-1 Minami-Aoyama Minato-ku, Tokyo 107-0063
Oregon	Tel: 81(0)3-6430-0771 Fax: 81(0)3-6430-0775 http://oregon.gov / www.oregonjapan.org	2-16-1, Higashi-Shinbashi Minato-ku, Tokyo 105-0021
Pennsylvania	Tel: 81(0)3-3505-5107 Fax: 81(0)3-5549-4127 www.pa-japan.org	KY Bldg., 7F 3-16-14, Roppongi Minato-ku, Tokyo 106-0032
Tennessee	Tel: 81(0)45-222-2042 Fax: 81(0)45-222-2043 www.state.tn.us / http://www.tennesseejapan.com/	Yokohama World Porters 6F 2-2-1 Shinko-cho Naka-ku, Yokohama 231-0001
Texas	Tel: 81(0)3-3400-1352 Fax: 81(0)3-3400-0570 www.state.tx.us	2-5-9 Hiroo Shibuya-ku, Tokyo 150-0012
Virginia	Tel: 81(0)3-5404-3424 Fax: 81(0)3-5404-3401 www.yesvirginia.org	Kamiyacho MT Bldg., 14F 4-3-20 Toranomon Minato, Tokyo 105-0001
Washington	Tel: 81(0)3-5305 5035 Fax: 81(0)3-5305-5036 http://www.exportwashington.com/yunyukenzai/	5F Shin Tokyo Kaikan 1-34-6 Asagaya-minami Suginami-ku, Tokyo 166-0004
West Virginia	Tel: 81(0)52-953-9798 Fax: 81(0)52-953-9795 http://www.boc.state.wv.us/ http://www.westvirginia.or.jp/	Sakae Nippon Life Insurance Bldg., 7F, 3-24-17 Nishiki Naka-ku, Nagoya 460-0003

Table 8: U.S. Trade Associations and Cooperator Groups in Japan

Organization Name	***Telephone/Fax URL***	***Address***
Alaska Seafood Marketing Institute	Tel: 81(0)3-3225-00008 Fax: 81(0)3-3225-0071 www.alaskaseafood.org	International Place 26-3 Sanei-cho, Shinuku-ku, Tokyo, 160-0008
Almond Board of California	Tel: 81(0)3-5768-8411 Fax: 81(0)3-4520-5848 http://www.almondboard.com/	3-5-27 Roppongi, Minato-ku, Tokyo 106-0032
American Hardwood Export Council	Tel: 81(0)6-6315-5101 Fax: 81(0)6-6315-5103 http://www.ahec-japan.org/	American Consulate General 10F 2-11-5, Nishitenma Kita-ku, Osaka 530-00047
American Pistachio Association	Tel: 81(0)3-3403-8288 Fax: 81(0)3-3403-8289 http://www.westernpistachio.org	1-26-4-7C Minami Aoyama Minato-ku, Tokyo 107-0062
American Softwood Japan Office	Tel: 81(0)3-3501-2131 Fax: 81(0)3-3501-2138 http://www.softwood.org http://www.americansoftwoods.jp	AIOS Toranomon 9F 1-6-12 Nishi Shinbashi Minato-ku, Tokyo 105-0003
American Soybean Association	Tel: 81(0)3-5563-1414 Fax: 81(0)3-5563-1415 www.soygrowers.com	KY Tameike Bldg., 4F 1-6-19 Akasaka Minato-ku, Tokyo 107-0052

Blue Diamond Growers	Tel: 81(0)3-5226-5601 Fax: 81(0)3-5226-5603 www.bluediamond.com	4-8-26 Kojimachi Chiyoda-ku, Tokyo 102-0083
California Cherry Advisory Board	Tel: 81(0)3-3584-7019 Fax: 81(0)3-3582-5076 www.calcherry.com	Residence Vicountess, Suite 310 1-11-36 Akasaka Minato-ku, Tokyo 107-0052
California Fig Advisory Board	Tel:81(0)3-3560-1811 Fax: 81(0)3-3560-1813 http://californiafigsjapan.com/	4-14-14-2912 Akasaka Minato-ku, Tokyo 107-0052
California Pomegranate Tokyo PR Office	Tel: 81(0)3-5269-2301 Fax: 81(0)3-5269-2305 http://www.pomegranates.jp/	Shinjukugyoenmae Annex 6F 4-34 Yotsuya Shinjuku-ku, Tokyo 160-0004
California Prune Board	Tel: 81(0)3-3584-0866 Fax: 81(0)3-3505-6353 www.californiadriedplums.org http://www.prune.jp/	Pacific Bldg..3F 1-5-3 Higashiazabu Minato-ku, Tokyo 106-0044
California Strawberry Commission	Tel: 81(0)3-5770-7533 Fax: 81(0)3-5770-7534 www.calstrawberry.com	9-1-7-581 Akasaka Minato-ku, Tokyo 107-0052
California Table Grape Commission	Tel: 81(0)3-3221-6410 Fax: 81(0)3-3221-5960 www.tablegrape.com	Seibunkan Bldg., 5F 5-9, Iidabashi, 1-chome, Chiyoda-ku, Tokyo, 102-0072
California Tomato Farmers	Tel: 81(0)3-3505-6204 Fax: 81(0)3-3505-6353 http://californiatomatofarmers.com/	Pacific Bldg..3F 1-5-3 Higashiazabu Minato-ku, Tokyo 106-0044
California Walnut Commission	Tel: 81(0)3-3505-6204 Fax: 81(0)3-3505-6353 www.walnuts.org http://www.californiakurumi.jp/	Pacific Bldg..3F 1-5-3 Higashiazabu Minato-ku, Tokyo 106-0044
Cherry Marketing Institute	Tel: 81(0)3-5770-7533 Fax: 81(0)3-5770-7534 http://www.choosecherries.com/	9-1-7-581 Akasaka Minato-ku,,Tokyo 107-0052
Cotton Promotion Institute, Japan	Tel: 81(0)6-6231-2665 Fax: 81(0)6-6231-4661 http://www.cotton.or.jp/	5-8 Bingomachi 2-chome Chup-ku, Osaka 541-0051
Dairy Export Council, U.S.	Tel: 81(0)3-3221-6410 Fax: 81(0)3-3221-5960 www.usdec.org	Seibunkan Bldg., 5F 1-5-9, Iidabashi Chiyoda-ku,Tokyo, 102-0072
Florida Department of Citrus	Tel: 81(0)3-3584-7019 Fax: 81(0)3-3582-5076 www.floridajuice.com	Residence Viscountess, Suite 310 1-11-36 Akasaka Minato-ku, Tokyo 107-0052
Grains Council, U.S.	Tel: 81(0)3-3505-0601 Fax: 81(0)3-3505-0670 www.grains.org / http://grainsjp.org/	KY Tameike Bldg.., 4F 1-6-19 Akasaka Minato-ku, Tokyo 107-0052
Hawaii Papaya Industry Association	Tel: 81(0)6-4560-6206 Fax: 81(0)6-4560-6039 http://www.hawaiipapaya.com/	Yodoyabashi Mitsui Bldg. 4-1-1 Imabashi Chuo-ku, Osaka 541-0042
Meat Export Federation, U.S.	Tel: 81(0)3-3584-3911 Fax: 81(0)3-3587-0078 www.americanmeat.jp	KY Tameike Bldg.., 5F 1-6-19 Akasaka Minato-ku, Tokyo 107-0052
Napa Valley Vintners Japan Office	Tel: 81(0)80-5051-1151 Fax: N.A.	3-28-10 Sakura, Setagaya-ku, Tokyo
National Dry Bean Council	Tel: 81(0)3-3221-6410 Fax: 81(0)3-3221-5960 www.usdrybeans.com	Seibunkan Bldg.. 5F 1-5-9 Iidabashi Chiyoda-ku, Tokyo 102-0072
	Tel: 81(0)3-3584-7019	

National Watermelon Promotion Board	Fax: 81(0)3-3582-5076 http://www.watermelon.org/	1-11-36 Akasaka Minato-ku Tokyo 107-0052
Northwest Cherry Growers	Tel: 81(0)3-5770-7533 Fax: 81(0)3-5770-7534 www.nwcherries.com	9-1-7-581 Akasaka Minato-ku, Tokyo 107-0052
Oregon Wine Board	Tel: 81(0)3-3266-9978 Fax: 81(0)3-3266-9299 http://oregonwine.org/	291-1-502 Yamabuki-cho Shinjuku-ku, Tokyo 162-0801
Pet Food Institute	Tel: 81(0)3-5530-8441 Fax: 81(0)3-5530-8442 www.petfoodinstitute.org	Ariake Frontier Building Tower B, 9F. 3-7-26 Ariake, Kotoku, Tokyo 135-0063
Potato Board, U.S.	Tel: 81(0)3-3586-2937 Fax: 81(0)3-3505-6353 www.potatoesusa-japan.com	Pacific Bldg., 3F 1-5-3 Higashiazabu Minato-ku, Tokyo 106-0044
Poultry and Egg Export Council, USA	Tel: 81(0)3-3403-8288 Fax: 81(0)3-3403-8289 www.usapeec.org	1-26-4-7C Minami Aoyama Minato-ku, Tokyo 107-0062
Raisin Administrative Committee	Tel: 81(0)3-3221-6410 Fax: 81(0)3-3221-5960 www.raisins-jp.org	Seibunkan Bldg., 5F 1-5-9 Iidabashi Chiyoda-ku, Tokyo 102-0072
Rice Federation, USA	Tel: 81(0)3-4570-3197 Fax: 81(0)3-3486-7502 www.usarice.com http://www.usarice-jp.com/	Totate International Bldg., 2-12-19 Shibuya Shibuya-ku, Tokyo, 150-8343
Sunkist Pacific Ltd.	Tel: 81(0)3-3523-0717 Fax: 81(0)3-3523-0710 www.sunkist.com	New River Tower, 8F 1-6-11, Shinkawa Chuo-ku, Tokyo 104-0033
Washington State Fruit Commission	Tel: 81(0)3-5770-7533 Fax: 81(0)3-5770-7534 http://www.nwcherries.com/index.html	9-1-7-581 Akasaka Minato-ku, Tokyo 107-0052
Washington Wine Commission	Tel: 81(0)78-854-7270 Fax: 81(0)78- 854-7271 http://www.washingtonwine.org/	2-2-5-602 Mikage Higashinada-ku, Kobe 658-0056
Western Growers Association	Tel: 81(0)3-5524-0300 Fax: 81(0)3-5524-1102 www.wga.com	Nihon Kochiku Bldg., 6F. 2-9-12 Kyobashi Chuo-ku, Tokyo104-0031
Wheat Associates, U.S.	Tel: 81(0)3-5614-0798 Fax: 81(0)3-5614-0799 www.uswheat.org	Seifun Kaikan 9F 15-6Nihonbashi Kabutocho Chuo-ku, Tokyo 103-0026
Wine Institute of California	Tel: 81(0)3-3707-8960 Fax: 81(0)3-3707-8961 www.wineinstitute.org	2-24-6-403 Tamagawa Setagaya-ku, Tokyo 158-0094

Table 9: Japanese Government and Related Organizations

Organization Name	Telephone/Fax URL	Address
Ministry of Agriculture, Forestry and Fisheries (MAFF)	Tel: 81(0)3-5253-1111 Fax: 81(0)3-3595-2394 www.maff.go.jp	1-2-1 Kasumigaseki Chiyoda-ku, Tokyo 100-8950
Ministry of Health, Labor and Welfare (MHLW)	Tel: 81(0)3-5253-1111 Fax: 81(0)3-3595-2394 www.mhlw.go.jp	1-2-2 Kasumigaseki Chiyoda-ku, Tokyo 100-8916

Japan External Trade Organization (JETRO)	Tel:81(0)3-3582-5511 www.jetro.go.jp	Ark Mori Bldg., 6F 12-32, Akasaka 1-chome, Minato-ku, Tokyo 107-6006
Zen-noh (JA)	Tel: 81(0)3-3245-7111 Fax: 81(0)3 3245 7442 www.zennoh.or.jp	1-8-3 Otemachi Chiyoda-ku, Tokyo 100-0004
JETRO Atlanta	Tel: 404-681-0600 Fax:404-681-0713 www.jetro.org/atlanta/	245 Peachtree Center Avenue NE, Marquis One Tower Suite 2208, Atlanta, GA30303
JETRO Chicago	Tel: 312-832-6000 Fax: 312-832-6066 www.jetro.org	One East Wacker Drive, Suite 600 Chicago, Illinois 60601
JETRO Houston	Tel: 713-759-9595 Fax: 713-759-9210 www.jetro.org	1221 McKinney Street, Suite 4141 Houston, TX 77010
JETRO Los Angeles	Tel: 213-624-8855 Fax: 213-629-8127 www.jetro.org	777 South Figueroa Street, Suite 2650 Loa Angeles, CA 90017
JETRO New York	Tel: 212-997-0400 Fax: 212-997-0464 www.jetro.org	McGraw Hill Bldg., 42F 1221 Avenue of the Americas New York, NY 10020-1079
JETRO San Francisco	Tel:415-392-1333 Fax: 415-788-6927 www.jetro.org	201 Third Street, Suite 1010 San Francisco CA 94103

Table 10: Japanese Associations - Food

Organization Name	Telephone/Fax URL	Address
All Japan Confectionery Assoc.	Tel: 81(0)3-3432-3871 Fax: 81(0)3-3432-4081 http://www.pcg.or.jp/english/index.html	1-16-10 Shiba Daimon Minato-ku, Tokyo 105-0012
Japan Federation of Dry Noodle Manufactures Assoc.	Tel: 81(0)3-3666-7900 Fax: 81(0)3-3669-7662 www.kanmen.com	Seifun Meeting Hall 6F 15-6 Nihonbashi Kabutocho Chuo-ku, Tokyo 103-0026
Japan Pasta Assoc.	Tel: 81(0)3-3667-4245 Fax: 81(0)3-3667-4245 http://www.pasta.or.jp/index.html	15-6 Nihonbashi Kabutocho Chuo-ku, Tokyo 103-0026
All Nippon Spice Assoc.	Tel: 81(0)3-3237-9360 Fax: 81(0)3-3237-9360 www.ansa-spice.com	Sankyo Main Bldg. #505 1-7-10 Iidabashi Chiyoda-ku, Tokyo 102-0072
Chocolate & Cocoa Assoc. of Japan	Tel: 81(0)3-5777-2035 Fax: 81(0)3-3432-8852 www.chocolate-cocoa.com	JB Bldg. 6-9-5 Shimbashi Minato-ku, Tokyo 105-0004

Japan Baking Industry Assoc.	Tel: 81(0)3-3667-1976 Fax: 81(0)3-3667-2049	Seifun Kaikan 6F 15-6 Kabutocho Nihonbashi Chuoku, Tokyo 103-0026
Japan Bento Manufacturers Assoc.	Tel: 81(0)3-3356-1575 Fax: 81(0)3-3356-1817 www.bentou-shinkou.or.jp	Shinichi Bldg., 10F 2-8 Yotsuya Shinjuku-ku, Tokyo 160-0004
Japan Canners Assoc.	Tel: 81(0)3-5256-4801 Fax: 81(0)3-5256-4805 www.jca-can.or.jp	Kazu Kanda Bldg., 3F 10-2, Sho-cho Chiyoda-ku Tokyo 101-0042
Japan Dairy Industry Assoc.	Tel: 81(0)3-3261-9161 Fax: 81(0)3-3261-9175 http://www.nyukyou.jp/	Nyugyo Bldg. 1-14-19 Kudan Kita Chiyoda-ku, Tokyo 102-0073
Japan Dry Fruits Importers Assoc.	Tel: 81(0)3-3253-1231 Fax: 81(0)3-5256-1914	5-7 Akihabara Taitoku, Tokyo 110-0006
Japan Freeze Dry Food Industry Assoc.	Tel: 81(0)3-3432-4664 Fax: 81(0)3-3459-4654	c/o Nihon Shokuryo Shimbun 1-9-9 Yaesu, Chuo-ku, Tokyo 103-0028
Japan Frozen Foods Assoc.	Tel: 81(0)3-3667-6671 Fax: 81(0)3-3669-2117 www.reishokukyo.or.jp	10-6 Nihonbashi-Kobunacho Chuo-ku, Tokyo 103-0024
Japan Grain Importers Assoc.	Tel: 81(0)3-3431-3895 Fax: 81(0)3-3431-3882	2-39-8, Nishishinbashi Minato-ku, Tokyo 105-0003
Japan Ham & Sausage Processors Assoc.	Tel: 81(0)3-3444-1523 Fax: 81(0)3-3441-1933	5-6-1 Ebisu Shibuya-ku, Tokyo 150-0013
Japan Health Food and Nutrition Assoc.	Tel: 81(0)3-3268-3134 Fax: 81(0)3-3268-3136 http://www.jhnfa.org/	2-7-27 Ichigaya Sadoharacho Shinjuku-ku, Tokyo 162-0842
Japan Honey Assoc.	Tel: 81(0)3-3297-5645 Fax: 81(0)3-3297-5646	Bajichikusan Kaikan 2-6-16-Shinkawa, Chuo-ku Tokyo 104-0033
Japan Ice Cream Assoc.	Tel: 81(0)3-3264-3104 Fax: 81(0)3-3230-1354 www.icecream.or.jp	1-14-19 Kudan Kita Chiyoda-ku, Tokyo 102-0073
Japan Fish Traders Assoc.	Tel: 81(0)3-5280-2891 Fax: 81(0)3-5280-2892 www.jfta-or.jp	No.2 Muneyasu Bldg. 1-23 Kanda-Nishikicho, Chiyoda-ku, Tokyo 101-0054 *Need Password
Japan Meal Replacement Assoc.	Tel: 81(0)3-3263-0957 Fax: 81(0)3-3263-1325 www.souzai.or.jp	Kojimachi Annex 6F 4-5-10 Kojimachi Chiyoda-ku, Tokyo 102-0083
Japan Meat Traders Assoc.	Tel: 81(0)3-3588-1665 Fax: 81(0)3-3588-0013 http://www.jm-ta.jp/	Daini Watanabe Bldg., 6F 1-7-3 Higashi Azabu Minato-ku, Tokyo 106-0044
Japan Nut Association	Tel: 81-(0)3-5649-8572 Fax: 81(0)3-6662-6528 http://www.jna-nut.com/	Kohinata Bldg., #203 2-18-10 Shinkawa Chuo-ku Tokyo 104-0033
Japan Peanuts Assoc.	Tel: 81(0)3-3584-7311	1-9-13, Akasaka

	http://www.peanuts-jp.com/	Minatoku, Tokyo 107-0052
Japan Poultry Assoc./Japan Egg Producers Assoc.	Tel: 81(0)3-3297-5515 Fax: 81(0)3-3297-5519 http://www.jpa.or.jp/	Bajichikusan-kaikan 2-6-16 Shinkawa Chuo-ku, Tokyo 104-0033
Japan Processed Tomato Industry Assoc.	Tel: 81(0)3-3639-9666 Fax: 81(0)3-3639-9669 www.japan-tomato.or.jp	15-18 Nihonbashi Kodenma Chuo-ku, Tokyo 103-0001
Japan Snack Cereal Foods Assoc.	Tel: 81(0)3-3562-6090 Fax: 81(0)3-3561-6539 http://jasca.jp/	Hoei Bldg., 5F 2-11-11 Kyobashi Chuo-ku, Tokyo 104-0031
Japan Sauce Industry Assoc.	Tel: 81(0)3-3639-9669 Fax: 81(0)3-3639-9667 www.nippon-sauce.or.jp	15-18 Kodenmacho Nihonbashi Chuo-cho, Tokyo 103-0001 * Need ID
Japan Soba Noodle Assoc.	Tel: 81(0)3-3264-3801 Fax: 81(0)3-3264-3802 http://www.nihon-soba-kyoukai.or.jp/	2-4 Kanda Jinbocho Chiyoda-ku, Tokyo 101-0051
Japan Swine Association	Tel: 81(0)3-3370-5473 Fax: 81(0)3-3370-7937	1-37-20, Yoyogi Shibuya-ku, Tokyo 151-0053

Table 11: Japanese Associations - Beverages

Organization Name	Telephone/Fax URL	Address
All Japan Coffee Assoc.	Tel: 81(0)3-5649-8377 Fax: 81(0)3-5649-8388 http://coffee.ajca.or.jp	6-2 Hakozakicho Nihonbashi Chuo-ku, Tokyo 103-0015
Brewers Association of Japan	Tel: 81(0)3-3561-8386 Fax: 81(0)3-3561-8380 www.brewers.or.jp	Showa Bldg., 4F 2-8-18 Kyobashi Chuo-ku, Tokyo 104-0031
The Mineral Water Assoc. of Japan	Tel: 81(0)3-3350-9100 Fax: 81(0)3-3350-7960 www.minekyo.jp	Shinjuku Murata Bldg., 4F 1-28-4, Shinjuku Shinjuku-ku, Tokyo 160-0022
Japan Soft Drinks Assoc.	Tel: 81(0)3-3270-7300 Fax: 81(0)3-3270-7306 www.j-sda.or.jp	3-3-3 Nihonbashi- Muromachi Chuo-ku, Tokyo 103-0022
Japan Spirits & Liquors Makers Assoc.	Tel: 81(0)3-6202-5728 Fax: 81(0)3-6202-5738 http://www.yoshu.or.jp/	2-12-7, Nihonbashi Chuo-ku, Tokyo 103-0025
Japan Wines & Spirits Importers Assoc.	Tel: 81(0)3-3503-6505 Fax: 81(0)3-3503-6504 http://www.youshu-yunyu.org/	Bldg. 5 1-13-5 Toranomon Minato-ku, Tokyo 105-0001
Japan Wineries Assoc.	Tel: 81(0)3-6202-5728 Fax: 81(0)3-6202-5738 http://www.winery.or.jp/	Takeda Shinedobashi Bldg. 2 2-12-7 Nihonbashi Chuo-ku, Tokyo 103-0027

Table 12: Japanese Associations - Distribution

Organization Name	Telephone/Fax URL	Address
National Assoc. of Supermarkets	Tel: 81(0)3-3255-4825 Fax: 81(0)3-3255-48267 www.super.or.jp	Sakurai Bldg., 4F Uchikanda 3-19-8 Chiyoda-ku, Tokyo, 101-0047

Japan Chain Store Assoc.	Tel: 81(0)3-5251-4600 Fax: 81(0)3-5251-4601 www.jcsa.gr.jp	1-21-17 Toranomon Minato-ku, Tokyo 105-0001
Japan Department Store Assoc.	Tel: 81(0)3-3272-1666 Fax: 81(0)3-3281-0381 www.depart.or.jp	Yanagiya Bldg., 2F 2-1-10 Nihonbashi Chuo-ku, Tokyo 103-0027
Japan Food Service Assoc.	Tel: 81(0)3-5403-1060 Fax: 81(0)3-5403-1070 www.jfnet.or.jp	Central Bldg., 9-10F 1-29-6 Hamamatsucho Minato-ku, Tokyo 105-0013
Japan Food Service Wholesalers Assoc.	Tel: 81(0)3-5296-7723 Fax: 81(0)3-3258-6367 www.gaishokukyo.or.jp	2-16-18 Uchikanda Chiyoda-ku, Tokyo 101-0047
Japan Franchise Assoc.	Tel: 81(0)3-5777-8701 Fax: 81(0)3-5777-8711 http://jfa.jfa-fc.or.jp/	Daini Akiyama Bldg. 3-6-2 Toranomon Minato-ku, Tokyo 105-0001
Japan Hotel Assoc.	Tel: 81(0)3-3279-2706 Fax: 81(0)3-3274-5375 www.j-hotel.or.jp	Shin Otemachi Bldg.. 2-2-1 Otemachi Chiyoda-ku, Tokyo 100-0004
Japan Medical Food Service Assoc.	Tel: 81(0)3-5298-4161 Fax: 81(0)3-5298-4162 www.j-mk.or.jp	Forte Kanda. 5F 1-6-17 Kajicho Chiyoda-ku, Tokyo 101-0044
Japan Processed Foods Wholesalers Assoc.	Tel: 81(0)3-3241-6568 Fax: 81(0)3-3241-1469 http://homepage3.nifty.com/nsk-nhk/	Edo Bldg.,, 4F 2-5-11 Nihonbashi- Muromachi Chuo-ku, Tokyo 102-0022
Japan Restaurant Assoc.	Tel: 81(0)3-5651-5601 Fax: 81(0)3-5651-5602 www.joy.ne.jp/restaurant	BM Kabuto Bldg. 11-7 Nihonbashi Kabuto-cho Chuo-ku, Tokyo 103-0026
Japan Retailers Assoc.	Tel: 81(0)3-3283-7920 Fax: 81(0)3-3215-7698 www.japan-retail.or.jp	3-2-2 Marunouchi Chiyoda-ku, Tokyo 100-0005
Japan Self-Service Assoc.	Tel: 81(0)3-3255-4825 Fax: 81(0)3255-4826 http://www.jssa.or.jp/	Sakurai Bldg., 4F 3-19-8, Uchikanda, Chiyoda-ku Tokyo, 101-0047

Reports and Further Information

The following homepages and reports can provide useful information to interested exporters.

- ***Agricultural Trade Office's homepages***

http://www.usdajapan.org (English)
http://us-ato.jp (English/Japanese)

- ***GAIN reports on Food sectors in Japan (Retail, HRI, Food Processing)***

The above reports are annually updated. Please access http://gain.fas.usda.gov/Pages/Default.aspx, and obtain the latest report.

- ***Food and Agricultural Import Regulations and Standards (FAIRS) Report***

The FAIRS report is a comprehensive guide to Japan's food and beverage regulations, standards and requirements for importation. At the URL, http://gain.fas.usda.gov/Pages/Default.aspx, set your search to select "Country: Japan", and "Subject Text: FAIRS".

- ***Japan Food Trends***

At the URL, http://gain.fas.usda.gov/Pages/Default.aspx, set your search to select "Country: Japan", and "Subject Text: Japan Food Trends".

- ***Japan External Trade Organization (JETRO) Reports***

An excellent source for links to other government websites, food sector reports and English translations for the Government of Japan's documents: http://www.jetro.go.jp/ Most relevant documents are at: http://www.jetro.go.jp/en/market/regulations/index.html

Appendix- Statistics

Table A. Key Trade & Demographic Information

Data is for 2010	
Agricultural Imports from all Countries ($Mil)/U.S. Market Share (%)	$50,651 / U.S. 27.37%
Consumer Food Imports from all Countries ($Mil)/U.S. Market Share (%)	$27,653 / U.S. 21.05%
Edible Fishery Imports from all Countries ($Mil)/U.S. Market Share (%)	$13,854 / U.S. 8.99%
Total Population (Millions)/Annual Growth Rate (%)[/1]	128.06 / 0.02%
Number of Major Metropolitan Areas[/2]	12
Per Capita Gross Domestic Product (U.S. Dollars) [/3]	$42, 514 est.
Unemployment Rate (%)[/4]	5.0%
Percent of Female Population Employed[/5]	46.3%
Exchange Rate (Japan Yen per US$)[/6]	88.09 (Ann. Avg. in 2010)

Statistics Bureau, Ministry of Internal Affairs and Communication; U.S. Bureau of Labor Statistics
1/Total Population/Annual Growth Rate: http://www.stat.go.jp/english/data/jinsui/2009np/index.htm
2/Population by city: http://www.soumu.go.jp/menu_news/s-news/01gyosei02_01000001.html
3/ CIA World Fact book, and the National Institute of Population and Social Security Research
GDP Per Capita: https://www.cia.gov/library/publications/the-world-factbook/geos/ja.html
4/Unemployment Rate: http://www.stat.go.jp/english/data/roudou/154b.htm
5/Percent of Female Population Employed (15 years old or older).: http://www.stat.go.jp/english/data/roudou/154b.htm
6/Exchange Rate: http://www.customs.go.jp/toukei/info/index_e.htm

Table B. Consumer Food and Edible Fishery Product Imports

Japanese Imports (in Millions of Dollars)	**Imports from the World**			**Imports from the U.S.**			**U.S. Market Share %**		
	2008	**2009**	**2010**	**2008**	**2009**	**2010**	**2008**	**2009**	**2010**
CONSUMER-ORIENTED AGRICULTURAL TOTAL	26,455.31	24,453.96	27,653.56	5,226.60	5,059.71	5,819.83	19.76	20.69	21.05
Snack Foods (excl Nuts)	590.07	533.36	589.95	41.25	41.06	53.86	6.99	7.70	9.13
Breakfast Cereals & Pancake Mix	16.30	16.68	17.04	2.31	3.78	3.05	14.16	22.68	17.90
Red Meats, Fresh/Chilled/Frozen	6,874.53	6,414.47	7,337.45	2,133.85	2,101.82	2,422.60	31.04	32.77	33.02
Red Meats, Prepared/Preserved	2,177.81	2,270.14	2,560.37	313.67	335.70	375.45	14.40	14.79	14.66
Poultry Meat	1,376.79	881.26	1,149.93	50.08	34.16	69.71	3.64	3.88	6.06
Dairy Products	669.41	426.19	467.95	130.12	67.22	89.50	19.44	15.77	19.13
Eggs & Products	166.18	141.92	147.15	42.61	39.59	46.12	25.64	27.89	31.35
Fresh Fruit	1,843.38	2,014.19	2,028.59	418.58	386.57	476.14	22.71	19.19	23.47
Fresh Vegetables	594.30	623.37	875.91	89.88	87.12	136.99	15.12	13.98	15.64
Processed Fruit & Vegetables	3,399.11	3,360.86	3,848.81	674.30	689.91	759.16	19.84	20.53	19.72
Fruit & Vegetable Juices	806.09	610.21	612.04	130.60	106.29	113.00	16.20	17.42	18.46
Tree Nuts	345.73	298.43	374.65	199.62	164.82	223.13	57.74	55.23	59.56
Wine & Beer	1,406.96	1,142.50	1,238.20	79.36	72.00	83.42	5.64	6.30	6.74
Nursery Products & Cut Flowers	536.35	542.13	633.18	8.24	7.68	7.34	1.54	1.42	1.16
Pet Foods (Dog & Cat Food)	796.45	777.18	812.02	199.72	205.09	209.40	25.08	26.39	25.79
Other Consumer-Oriented Products	4,855.83	4,401.08	4,960.32	712.41	716.90	750.95	14.67	16.29	15.14
FISH & SEAFOOD PRODUCTS	13,603.12	12,592.59	13,854.07	1,512.43	1,209.70	1,244.99	11.12	9.61	8.99

Salmon, Whole/ Eviscerated/Canned	798.34	897.01	1,044.27	95.92	122.51	158.35	12.01	13.66	15.16
Crustaceans	3,828.58	3,579.73	3,971.80	112.59	87.82	107.16	2.94	2.45	2.70
Surimi (Fish Paste)	1,053.35	675.64	849.25	371.08	197.80	266.97	35.23	29.28	31.44
Molluscs	1,288.43	1,230.86	1,347.35	44.94	44.32	38.62	3.49	3.60	2.87
Other Edible Fish & Seafood	6,634.41	6,209.35	6,641.40	887.91	757.26	673.90	13.38	12.20	10.15
AGRICULTURAL PRODUCT TOTAL	53,728.84	44,353.08	50,651.64	16,982.88	12,973.73	13,861.95	31.61	29.25	27.37
AGRICULTURAL, FISH & FORESTRY TOTAL	78,760.18	65,799.84	75,054.16	19,387.63	14,808.54	15,871.98	24.62	22.51	21.15

Source: Global Trade Atlas

Table C. Top 15 Suppliers of Consumer Foods and Edible Fishery Products

Japan - Top 15 Suppliers

CONSUMER-ORIENTED AGRICULTURAL

$1,000	2008	2009	2010
United States	5,226,604	5,059,707	5,819,828
China	3,695,738	3,643,551	4,442,864
Australia	2,954,252	2,460,966	2,666,038
Thailand	1,904,528	1,864,927	2,049,545
Canada	1,127,999	1,205,195	1,348,554
Brazil	1,550,978	1,035,552	1,285,225
New Zealand	1,197,461	1,034,969	1,150,658
France	1,302,671	1,020,651	1,092,178
Philippines	956,126	1,121,237	987,059
Denmark	975,285	837,030	947,024
Korea South	541,511	615,916	755,666
Mexico	581,162	532,095	601,593
Italy	643,760	607,672	581,515
Netherlands	497,916	437,891	488,587
Singapore	464,224	384,772	453,284
Other	2,835,096	2,591,827	2,983,944
World	26,455,312	24,453,959	27,653,564

IMPORTS FISH & SEAFOOD PRODUCTS

	2008	2009	2010
China	2,203,946	2,104,989	2,441,766
Thailand	1,114,211	1,098,890	1,271,186
United States	1,512,428	1,209,699	1,244,989
Russia	1,280,954	1,026,806	1,175,754
Chile	960,639	1,056,392	1,110,773
Vietnam	755,579	702,295	789,530
Indonesia	742,880	731,684	773,719
Norway	576,615	627,953	767,106
Korea South	576,330	614,568	707,640
Taiwan	458,854	395,482	529,909
Canada	447,728	374,960	464,440
India	310,181	260,162	364,006
Australia	293,479	230,569	256,722
Philippines	191,525	140,581	172,810
New Zealand	115,387	122,444	125,342
Other	2,062,380	1,895,112	1,831,190
World	13,603,117	12,592,585	13,854,072

Source: Global Trade Atlas