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Travel to National Restaurant Association Show in Chicago

Report Categories:

Trip Report

Market Development Reports

Agricultural Trade Office Activities

Approved By:

Steve Shnitzler, Director, ATO Japan

Prepared By:

Masayuki (Alex) Otsuka, Marketing Specialist, ATO Tokyo

Report Highlights:

ATO Japan continues to support the FAS-SRTG Collaboration Fund Program. The Food Export Association of the Midwest U.S.A. and Food Export USA Northeast (Food Export Group) hosted a reverse trade mission to the National Restaurant Association (NRA) Show from May 5 to May 8, 2012. ATO Japan recruited and supported two buying teams from a large-scale restaurant chain, Royal Host, and a trading company, Ozax Corporation. As a result immediate sales were made at the show site between the Japanese buyers and American companies. ATO estimates that these business meetings will result in more than \$3 million in sales over the next twelve months.

General Information:

Date: May 4 through 10, 2012

Traveler: Masayuki (Alex) Otsuka, Marketing Specialist, ATO Tokyo

Purpose:

ATO Marketing Specialist Masayuki Otsuka accompanied two Japanese buying teams on a foreign buyer's mission to the National Restaurant Association (NRA) Show in Chicago from May 4 - 10, 2012. The foreign buyers' mission project includes visiting prearranged food service-related sites, meeting with FAS and NASDA representatives, and assisting Japanese executive buyers in one-on-one business meetings organized by Food Export U.S.A. Mid-West and North East. Mr. Otsuka also attended FAS/NASDA-organized activities, including the FAS-NASDA meeting at the NRA venue.

Project Background:

Profiles of the two teams:

1) OZAX Corporation is a trading house which supplies materials and food products to the food service industry. The company accounted for JPY 72.5 billion (US\$ 930 million) in revenue in 2011. Ozax owns a factory that produces paper products and sells those to major quick service restaurants (QSR) and is the biggest supplier of paper cups, craft containers and kitchen papers in Japan. The company's food division also imports food products from foreign countries to supply to the Quick Service Restaurant (QSR) sector. The Agricultural Trade Office (ATO) Tokyo and Ozax held meetings to develop a strategy for a U.S. food export project. The discussions resulted in agreement to send six executives to the NRA show in 2012. Mr. Kazuo Kimura, General Manager at Ozax, was the leader of the mission to diversify and increase the number and variety of U.S. food products managed by Ozax.

Ozax Corporation sponsored their own travel and lodging costs for the six traveling buyers to the NRA in Chicago and requested that an ATO Tokyo staff member attend and support the buying mission. Ozax Corporation profile (English): <http://www.ozax.co.jp/english/company/index.html>

2) Royal Holdings group is a large-scale restaurant chain with JPY 110 billion (US\$1.4 billion) in revenue in 2011 and a total of 760 outlets, including; Royal Host, Cowboy Family, Sizzler, Shakey's Pizza and Ten-ya (tempura bowl). The company also has an institution/catering business and a domestic hotel chain, Richmond Hotel. Mr. Kiyoshi Yano is Chief Buyer of Purchasing Division and a responsibility of group merchandise encompasses all imported foods, participated in the Food Export Group's NRA mission in 2012. Royal Holdings profile (Japanese only): <http://www.royal-holdings.co.jp/index.html>

Achievements, Evaluation and Follow Up:

Overall, the NRA show proved to be a useful event for the Japanese buyers and the Food Export Group's nominated U.S. food suppliers. After the show ended, Mr. Yano and Ozax buyers expressed

their appreciation for participating in the ATO Japan's NRA buying mission, Food Export Group's buying mission and National Association of State Departments of Agriculture (NASDA) American Food Fair Showcase, noting that it provided them great opportunities to purchase and study the potential U.S. food products for the Japanese market, and trends in the U.S. market.

Through materials ATO Tokyo provided to the Japanese buyers in advance, the Ozax buyers identified potential products before they traveled to the U.S. After the Ozax team arrived at the NRA show site in Chicago, they divided up the 6 members into 3 groups to research potential U.S. companies and products efficiently. The Ozax teams had business meetings with more than 60 U.S. companies during their stay in Chicago. With steady encouragement from the ATO, Otsuka, Ozax buyers purchased a total around US\$26,000 worth of U.S. products as business samples at the NRA venue and U.S. companies' outlets. The buyers have since continued business conversations with several U.S. suppliers since their trip to the NRA. Ozax was so pleased with the results, they plan on sending buyers to the next NRA in 2013.

Executive buyer, Mr. Yano of Royal Holdings restaurant group, one of the top 10 chain restaurants in Japan, participated in the one-on-one meetings that Food Export Group coordinated. With steady support from the ATO, twenty-five trade meetings were held between the Japanese buyer and American companies during the NRA show. It was reported that this was a record high for meetings done by one foreign buyer in three days.

After Mr. Yano returned from NRA to Tokyo, he developed a series of American Menu Fairs at two restaurant chains; Cowboy Family with 18 outlets and Royal Host with 237 outlets. As a result of the trade mission, he purchased considerable amount of U.S. meat products, seasonings/condiments, canned foods, and fresh produce for these menu fairs, which will be held from December 2012 through March 2013.

ATO estimates that these two Japanese buying teams should result in more than US\$ 3 million in sales over the next twelve months.

Among the NRA exhibited products that showed strong sales potential to the buyers were pork, pretzels, frozen Tex-Mex, processed cherries, smoked salmon/marinated fish, premium ice cream, pasta, surf clam, canned eggnog, frozen burritos, and prepared meat products.

Table 1. The Food Export Group Nominated U.S. Companies:

Company Name	State	Products	Sample request
Colby International LLC	CO	Processed meat products	-
Par-Way Tryson Company	MO	Spray oils	requested
E. Formella & Sons, Inc.	IL	Bottled peppers	-
Vectra Trading	PA	Shortening, bakery products	-

The Stone Group Inc.	WI	Frozen cranberry	-
Caesar's	NJ	Frozen pasta (ready to cook)	-
Cherry Central Cooperative Inc.	MI	Dry and frozen fruits	requested
Acme Smoked Fish Corporation	NY	Smoke salmon, pickled fish	requested
Scheidegger Trading Co., Ltd.	CA	Snack, wine, mayonnaise	-
Sweet Street Desserts	CA	Frozen cake	-
National Pasteurized Egg Inc.	IL	Pathogen-free eggs	-
Original Juan Specialty Foods	KS	Sauce	-
Clabber Girl Corporation	IN	Baking powder, dessert mix	-
David's Cookies	NJ	Frozen dough	-
Ashby's Sterling Ice Cream	MI	Premium ice cream	requested
Dakota Growers' Pasta Company	MN	Pasta	requested
Hooray Puree, LLC	IL	Vegetable puree	-
Distinctive Foods LLC	IL	Frozen cake	-
Fornazor International, Inc.	NJ	Pet food, bakery products	requested
Inabata American Corp.	CA	Blueberries	requested
Rogue Partners	IL	Wisconsin cheese	-
Atlantic Capes Fisheries	RI	Frozen surf clam	requested
Zealand Food Service	MI	Vegetable (soy) oil	-
Sokol & Company	IL	Canned eggnog, bakery mix	requested
Simply Appetizers	IL	Salsa sauce	-

Table 2. Other U.S. Companies the Buyers Showed Interest:

<u>Company Name</u>	<u>State</u>	<u>Products</u>
Seabord Foods	KS	Pork
East Shore Specialty Food	WI	Pretzel
Irish Provenance Inc.	IL	ALFEE's frozen Tex-Mex
Cookietree Bakeries	UT	Cookies
Bayou Barataria Foods, LLC	LA	Frozen seafood (ready-to-cook)
Gold Medal Products Co	OH	Donuts and cookies

Buyers Information:

The buyers who participated in the reverse trade mission were:

Mr. Kiyoshi Yano, Chief Buyer, Purchasing Division, Royal Co., Ltd.

Mr. Kazuo Kimura, Director, Products Marketing & Strategy Division, Ozax Corporation

Mr. Toshiaki Nakata, Merchandiser, Products Marketing & Strategy Division, Ozax Corporation

Ms. Machiko Kondo, Senior Corporate Executive Office, OSD Promotion Division, Ozax Corporation

Ms. Fumi Shimazaki, Manager, OSD Promotion Division, Ozax Corporation

Mr. Kunitaro Tachikawa, Team Leader, OSD Promotion Division, Ozax Corporation

Mr. Akihiro Kinoshita, Director, Orchid Company (Ozax's subsidiary in the U.S.)

This reverse trade mission encouraged Japanese executives to focus more directly trade with U.S. food suppliers. The lack of English can be problematical for Japanese buyers, particularly with key executives. Japanese companies generally take longer than western companies to make decisions. ATO Japan will also keep close contact with both companies to encourage their purchasing U.S. products.

Snap shots:



Ozax buying team visits the exhibition at the NASDA American Food Fair. The buyers made some immediate procurement at the venue and gave comments about market potential to the exhibitors at the show site. The Ozax buyers strenuously toured the show according to their preliminary survey.



The Japanese buyer, Mr. Yano of Royal Host has one-on-one trade meetings which Food Export Group coordinated especially for selected foreign buyers. Mr. Yano tasted every food sample and gave comments about market potential to the suppliers respectively. After the Food Export Group nominated meetings, the buyer toured the show to take a look at the products.

Itinerary:

- May 4 – Depart Tokyo for Chicago, field trip with Ozax buying team
- May 5 – NRA show site, support one-on-one meetings
- May 6 – NRA Show site, support one-on-one meetings
- May 7 – NRA Back Kitchen Tour, meeting with NASDA
- May 8 – NRA Show site, support one-on-one meetings, field trip with Ozax buying team
- May 9 – Depart Chicago for Tokyo,
- May 10 – Arrive Tokyo