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New York Wine Success Story in Japan

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Report Highlights:

Go-to Wine, a newly created wine division of Shinko Bussan Co. Ltd., started importing wine from New York in the spring of 2013 and made its first promotion at the New York Fair held at Hankyu Department Store in Osaka, Japan from May 15 to 21, 2013. They sold over 220 bottles of New York wine, well beyond their expectations, and received a positive feedback from customers during the fair. This successful debut of New York wine was supported by close collaboration between New York Wine and Grape Foundation and ATO Japan.

General Information:

Go-to Wine, a newly created wine division of Shinko Bussan Co. Ltd., started importing wine from New York in the spring of 2013 and made its first promotion at the New York Fair, held at Hankyu Department Store in Osaka from May 15 to 21, 2013.



The New York fair at Hankyu Department Store showcased a wide range of food products from New York along with other non-food items such as jewelry, clothing, and cosmetics. New York wine was one of the main food products featured at the fair along with cupcakes, cheesecake, NY deli meats, etc. Shinko Bussan brought eight varieties of New York wine and sold more than 220 bottles during the fair. The sales were well beyond their expectations and the company was quite satisfied with the result. In particular, the company was pleased to observe positive reactions to their wine among admirers of New York who visited the fair. Mr. Goto, Director of Go-to Wine division, is now confident with his strategy to target New York fans and is ready to promote New York wine actively in the Japanese market. ATO Japan will continue to support the company in order to gain higher recognition for New York wine from Japanese customers.

This successful debut of New York wine was supported by close collaboration between New York Wine and Grape Foundation and ATO Japan. It all started at Foodex 2012, the largest food trade show in Japan held in March, in which Mr. Goto of Shinko Bussan met with Ms Fumie Thorpe, from New York Wine and Grape Foundation. The following is how this encounter led to the success of New York wine debut at Hankyu's New York fair in May, 2013.

Foodex 2012

Foodex is the largest annual food and beverage tradeshow in Japan, held in March. Every year, over 70,000 food business professionals visit the trade show. Since its start in 1976, the tradeshow has been serving not only the Japanese market but also many other Asian markets.

ATO Japan organizes the U.S. pavilion and supports American food and beverage companies to promote their products at the show. ATO runs a Business Support Center and a café to assist American exhibitors at this high traffic event. It also holds events such as cooking demonstrations that promote American food items. About eighty American companies participate in the trade show through the U.S. pavilion to obtain new contacts and to develop their existing business in Japan as well as the other Asian countries.

New York Wine and Grape Foundation

New York Wine and Grape Foundation (NYWGF) participated in Foodex for the first time in 2012 in order to sound out the Japanese wine market as part of its efforts to expand its overseas markets beyond Canada and the UK. The foundation sent out Ms Fumie Thorpe, the owner of Thorpe Vineyard on the shores of Ontario Lake, as a representative of NYWGF to the trade show. She is originally from Tokyo, Japan, and now lives in Wolcot, New York. As she is a native speaker of Japanese, she could easily converse with tradeshow visitors and understand their feedback and reaction.

There were a couple of wine importers in Japan who had dealt with New York wine in the past. However, New York wine, so far, has paled in comparison with wine from California, Oregon and Washington in Japan, and has not gained recognition it deserves among the Japanese trade as well as the consumers. Geographic distance has been hindering even curious Japanese importers from starting New York wine business on a full scale. NYWGF has been focusing mainly on the domestic, Canadian and European markets. However, as the foundation started seeking around new markets, it has finally started recognizing the possibility of the Asian markets, including Japan.

A staff member of ATO Osaka visited Ms Thorpe at NYWGF booth in Foodex and made an initial contact with the foundation. She also informed Mr. Thorpe about the New York fair plan of Hankyu, requesting information on Japanese importers of New York wine. As ATO Osaka was assisting Hankyu for their New York fair, it had been looking for New York wine importers. Ms. Thorpe promised that she would get in touch when she gets information on possible buyers from Japan.

For more information on New York Wine and Grape Foundation:

<http://www.newyorkwines.org/>

on Ms Fumie Thorpe and her vineyard:

<http://www.thorpevineyard.com/fumiessphere.html>

Shinko Bussan Co., Ltd.

Shinko Bussan is a trading company dealing mainly with stainless steel and other materials. Mr. Yoshiki Goto, who lived in New York for fourteen years, became interested in New York wine while living in New York. Upon returning to Japan, he joined Shinko Bussan Co., Ltd., his family's company, and created a wine division, "Go-to Wine," within the company, and started developing New York wine import business by making the most of the connections he established during his 14-year stay in New York. Just as he was making plan for his new wine business, he visited Foodex 2012 and dropped by the NYWGF's booth in the U.S. pavilion. Mr. Goto met Ms Thorpe from the foundation at the NYWGF's booth and learned about New York wine and wineries from her.

Mr. Goto visited New York in the fall of 2012 to seek wine suppliers in the Finger Lakes region and Long Island in New York. He visited over a dozen of wineries in each region and tried numerous wines while he was there. He returned back to New York in February in 2013 to finalize his business deals with selected wineries. He then

participated in Viticulture 2013, organized by NYWGF and Cornell Cooperative Extension to learn about marketing of New York wine. On this occasion, he also visited Ms Thorpe to inform her about his business and learn more about wineries in New York. Ms Thorpe informed Mr. Goto about Hankyu's New York Fair plan and told him to contact ATO Osaka. She also contacted ATO Osaka, informing about Mr. Goto's visit and his new wine business with New York.

For more information on the Wine Division of Shinko Bussan Co., Ltd., please visit:

<http://gotowine.jp/> (in Japanese only)

For more information on the Viticulture 2013, please visit:

<http://www.newyorkwines.org/Articles?ArticleID=3860&Page=2&TagID=0&FromHome=True> or

<http://grapesandwine.cals.cornell.edu/cals/grapesandwine/appellation-cornell/issue-12/industry-focus.cfm>

Hankyu Department Store:

Hankyu is one of the most prestigious department stores in Japan. It is headquartered in Osaka and operates 12 stores nationwide with 10 stores located in the western part of Japan. It has an established high brand image, in particular, in Osaka and the western part of Japan. The store targets trendy-conscious women in their thirties and forties as its main customers.

Hankyu held its first New York Fair at its main store in Osaka in May 2011. This was an unprecedented promotional event at Hankyu. While competition among department stores were intensifying in the center of Osaka, Hankyu decided to create a new fair featuring New York as the city was considered to have a trendy and fashionable image appealing to its core customers. The store, long recognized as a sophisticated trend leader in Osaka, has been well known for its foreign fairs featuring European countries such as Britain, France and Italy, with fashionable high-end food and goods meticulously selected for these fairs. This week-long New York fair drew more than 75,000 customers and recorded \$1.3 million in sales, which was beyond their expectations. As a result, they decided to continue New York fair as a part of their regular foreign fairs.

Right after the first New York fair, Hankyu started its preparation for the next fair, seeking New York products new to Japan. In particular, Hankyu wanted to showcase New York wine in their second fair as they understood that New York was one of the major wine producers in the United States, but is not well known among Japanese consumers. ATO Osaka had been supporting Hankyu for its New York fair, seeking New York wine importers for some time in vain, until it was finally notified by Ms Thorpe about Shinko Bussan Co., Ltd. ATO Osaka immediately contacted Mr. Goto and introduced him to Hankyu. Mr. Goto, on his part, was looking for a promotional opportunity for his new wine from New York. As he was convinced that this would be a great chance, he decided to participate in the fair and arranged eight varieties of New York wine for the fair.



The second New York fair at Hankyu turned out to be another great success with over 150,000 customers visiting the fair.

For more detail, please visit:

<http://www.hankyu-dept.co.jp/honten/h/newyork/> (in Japanese only)

With sales beyond their expectations and positive feedback from customers at this fair, Go-to Wine is now ready to promote actively New York wine in the Japanese market.

ATO Osaka is planning to continue to support Mr. Goto in order to gain higher recognition for New York wine in the Japanese market.

New York wines Showcased at Hankyu fair:



- | | |
|--------------------|---|
| Wolffer Estate: - | 2008 Sparkling Brut, Blanc de Blanc
2010 Chardonnay
2009 Merlot |
| Anthony Road: | 2011 Dry Riesling |
| Hermann J. Wiemer: | 2012 Dry Riesling |
| Heart & Hands: | 2010 Pinot Noir
2009 Barrel Reserve Pinot Noir |
| Ravines: | 2011 Cabernet Franc |

Conclusion: This success story demonstrates how U.S. ATO activities can lead to success in very unconventional ways and over long periods of time. ATO Japan will continue to work with NYWGF and Go-To wines to help expand the market for NY wines in Japan.