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# GAIN Report

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## Japan

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### Organic Seminars in Japan

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**Report Highlights:**

FAS Japan helped the Organic Trade Association (OTA) organize two seminars in Japan in November 2014. The purpose of the seminars was to educate the Japanese trade on the new U.S.-Japan organic equivalency agreement and to promote U.S. organic products in the Japanese market. A total of 140 people attended the seminars in Tokyo and Osaka. FAS Japan will continue to work closely with OTA in order to develop the Japanese organic market for U.S. organic products.

**Summary:**

The Organic Trade Association (OTA) held seminars in Tokyo and Osaka, the two largest cities in Japan, in November 2014. The purpose of the seminars was to educate the Japanese trade about the U.S.-Japan organic equivalency agreement, which went into effect in January 2014, and to promote U.S. organic products in the Japanese market. During the seminars, Mr. Robert Anderson, Senior Trade Advisor at OTA, talked about the framework of the U.S.-Japan organic equivalency agreement and Ms. Monique Marez, Senior International Manager at OTA, presented the trends in the U.S. organic market. Specialists from the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) as well as from the Japanese private sector were invited as guest speakers. Ms. Rachel Nelson, Director of Agriculture Trade Office (ATO) Japan introduced the services that FAS Japan can offer to the Japanese trade to assist them in exploring organic business with U.S. companies. In Tokyo, Agricultural Minister Counselor David Miller gave welcoming remarks, and in Osaka the Council General provided the opening remarks. A total of 110 people attended the seminar in Tokyo and an additional 30 attended in Osaka. It was generally agreed that it is in both countries' interests for the U.S. and Japanese organic industries (including producers, traders, retailers, and government) to continue to work together to grow the organic market in Japan.

**Background:**

The U.S.-Japan Organics Equivalency Agreement came into effect In January 2014, allowing organic products certified in either Japan or the United States to be sold as organic in either country. After this, Organic Trade Association (OTA) decided to put Japan on its list of the priority markets and shifted part of its marketing efforts and financial resources to develop an organic market for U.S. organic suppliers in Japan. OTA contacted FAS Japan in March 2014 to discuss promotional ideas for the Japanese market. FAS Japan, both Office of Agricultural Affairs (OAA) and Agricultural Trade Office (ATO), got together to discuss ideas and came up with a basic plan to organize seminars in two major cities, Tokyo and Osaka, targeting Japanese food importers, wholesalers, and retailers, both those who had been already in the organic business as well as those who had not but were interested in organics. OTA liked the proposal and agreed to pursue the idea.

Following the initial proposal, FAS Japan provided OTA with a draft agenda, a list of possible speakers with suggested topics, and contacted these speakers. ATO Osaka, which is responsible for covering the organic sector for the ATOs, took the lead and worked closely with OTA as well as a local contractor that OTA hired in order to run the event. ATO Osaka briefed the contractor on the organic equivalency agreement and the Japanese organic market. ATO Osaka also provided a list of its contacts for recruitment to the seminars and made suggestions on venue choices. The ATO also assisted the contractor in developing the seminar agenda and the invitations.

**Seminar Outline**

The OTA's seminars were held in Tokyo and Osaka on the first week of November 2014. To start the seminars, Agricultural Minister-Counselor David Miller gave welcoming remarks in Tokyo and U.S. Consul General Osaka-Kobe Allen Greenberg gave them in Osaka.

- **Seminar Title:** “Understanding the Wonderful Opportunities for U.S. Organic”
- **Time and Date:**
  - Tokyo: 14:00 – 17:00, November 5, 2014, followed by a reception
  - Osaka: 13:00 – 16:00, November 7, 2014, followed by a reception
- **Venue:**
  - Tokyo: Coriander Room on the 2<sup>nd</sup> floor, Grand Hyatt Hotel
  - Osaka: Heian-no-ma Room on the 4<sup>th</sup> floor, ANA Crown Plaza in Osaka
- **Attendees:** Total: 140 people, (110 in Tokyo, 30 in Osaka)

- **Summary of Speeches:**

- **“Organic Trade and U.S.-Japan Equivalency”**

**By Mr. Robert Anderson, Senior Trade Adviser, OTA**



Mr. Anderson talked about the framework of the U.S.-Japan organic equivalency agreement. He explained the key provisions and the scope of the agreement and how the agreement can benefit both U.S. suppliers and Japanese importers. He also introduced several resources which can be referred to for additional information on the equivalency agreement.

- **“U.S. Organic Market trends”**

**By Ms. Monique Marez, Senior International Manager, OTA**



Ms. Marez explained the latest developments in the U.S. organic market and provided key figures. She introduced important trends of the U.S. organic market and pointed out that education to customers is a key component to developing an organic market and introduced examples of successful marketing activities carried out in the U.S.

- **“JAS Organic System in Japan”**

**By Mr. Takuro Mukae, Associate Director, Labelling and Standards Division, Food Safety and Consumer Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries (MAFF)**

Mr. Mukae provided an overview of the Japan Agricultural Standard (JAS) organic certification system with a brief background and history. He explained in detail how the equivalency agreement with the United States simplifies the import process of organics for the Japanese trade. He also introduced several success stories as the result of the equivalency agreement with Europe, reached prior to the agreement with the United States.

- **“Development of the organic market in Japan”**

**By Mr. Taka Yamaguchi, organic writer**

Mr. Yamaguchi, a long-time activist in the Japanese organic sector, talked about the current situation of the Japanese organic market with a short history of its development. He identified several key obstacles that are preventing growth of the Japanese organic market. He also introduced results from a recent market survey on the Japanese organic market and presented his observation.

○ **“Introduction of FAS Japan ”**

**By Ms. Rachel Nelson, Director, Agricultural Trade Office (ATO) Japan**



Ms. Nelson introduced FAS Japan, including both the Office of Agricultural Affairs (OAA) and Agricultural Trade Office (ATO), and explained the services that FAS Japan can provide to the Japanese trade to assist them in exploring organic business with U.S. companies.

● **Q&As :**

Following the speeches, there was a Q&A session for the audience, who raised a number of questions. Many of the questions were addressed to Mr. Mukae from MAFF concerning application of the JAS organic certification regulations. The discussions arising from the Q&A also made clear that the lack of an organized infrastructure is one of the major



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obstacles in the Japanese organic sector. The trade also seemed to agree that the presence of industry association in Japan, similar to OTA in the United States, would be critical in the development of the organic sector in Japan as well, and requested support from the MAFF. When some audience members voiced an opinion that they needed to find a way to promote domestic organic products specifically, the speakers uniformly pointed out that a growing demand for organic products among consumers would help everyone, and that consumer education about the advantages of buying organic food as well as work with retailers to expand their offerings in this category would help all producers (in both the United States and Japan), and so we should all work together.



In particular, OTA pointed out the fact that organic imports from Europe helped the development of the U.S. organic market significantly in its early stages, by widening organic choices for the U.S. industry as well as the consumers. OTA, expecting the U.S. to play the similar role in the development of the Japanese organic market, offered its supports to the Japanese organic trade.

### **OTA's visits in Japan**

FAS Japan coordinated a courtesy call for OTA to the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) and accompanied them on the visit. FAS Japan also arranged additional company visits in the organic sector to support OTA's market research in Japan. These visits helped OTA learn about the Japanese organic market and establish good relationships with Japanese key traders.

### **Conclusion**

The seminars were highly appreciated by the Japanese trade. The number of the attendees exceeded OTA and FAS Japan's initial goals. The audience provided positive feedback to OTA and FAS Japan both through the surveys and verbally.

It became clear that the Japanese food trade is quite interested in the organic market but is frustrated, at the same time, by a number of obstacles that are preventing any noticeable growth of the market, including complicated regulations, costs related to organic certification, a narrow scope of JAS organic certification, lack of industry-wide infrastructure, lack of support from the Japanese government etc. OTA and FAS Japan understood that supporting the Japanese organic trade as well as collaborating with MAFF is critical to encourage the development of the Japanese organic market and create business opportunities for U.S. suppliers. FAS Japan will continue to work to seek and create more opportunities in the Japanese organic market for U.S. suppliers, by building relationships with the Japanese trade, supporting the Japanese organic market, and working closely with OTA, MAFF and the Japanese industry.