

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary Public

Date: 7/7/2011

GAIN Report Number: JA1509

Japan

Post: Tokyo ATO

Success with Trade Lead System and us-ato.jp website

Report Categories:

Export Accomplishments - Trade Leads

Approved By:

Steve Shnitzler, Director, ATO Japan

Prepared By:

Tommy Aoki, Senior Marketing Specialist

Report Highlights:

The newest Trade Lead System offers ATO a logical, systematic and workable trade tool. This is one successful story about a transaction that shows the strength of TLS.

General Information:

Success with TLS and ATO Japan business website, us-ato.jp: Super Sweet Corn

Executive Summary

Through ATO Japan US-ATO.jp business to business website, the Trade Leads System facilitated a US\$2 million annual contract between a high consumption importer of canned super sweet corn with a U.S. manufacturer headquartered in Marion, New York. The Trade Leads System was instrumental in allowing the importer to explore new sources of supply fully incorporating the expertise of ATO staff and ensures consistent and clear communication between importers and exporters.

The Inquiry

The inquirer imports raw food materials worldwide for a well known restaurant group. The inquirer contacted ATO Japan through its business website, www.us-ato.jp, in July 2010, requesting information about U.S. manufacturers exporting super sweet canned corn.

At first, the inquirer specified that it wanted to purchase super sweet canned corn that was processed using a laser sorter. This is not a common process. As such, it severely cut down the number of responses from the U.S. export community. However, after discussing the issue with the inquirer and assuring them that there are many quality suppliers, the requirement was deleted. This demonstrates how important ATO and importer interaction is to the system.

The ATO specialist confirmed the business status of the inquirer and interviewed the purchaser before inputting inquiry into TLS.

Canned Super Sweet Corn market in Japan

In many cases, canned super sweet corn is served on the side of meat dishes and is included in salads, which makes it a highly visible product. According to Japanese import statistics, Japan imports approximately US\$83 million of sweet corn, of which the U.S. supplies about US\$46 million. Other key suppliers include China and Thailand. While the U.S. still holds the majority of the import market, there are lower cost producers ready to grab market share. The TLS system allows the ATO to not only connect importer and exporter, but provides a means to communicate the quality and reliability of U.S. growers in order to maintain market share.



Results

Approximately 33 manufacturers and exporters were identified through the Trade Lead System. Overall, nine potential suppliers responded to TLS inquiry. ATO vetted these potential suppliers through the system that was checked by the system manager. Only after this careful process did ATO Japan provide this supplier information to the inquirer. The inquirer then contacted many of the contacts on the list for quotes and terms. As it turns out, the inquirer contracted with a firm located in New York State with whom they have worked before to supply an estimated 3.5 million 340 gram sized cans worth approximately US\$2 million per year. The overall time to complete the process was just about ten months.

How TLS helped potential U.S. suppliers

It helps small to medium sized companies to have equal opportunities to bid on business that would have been unknown to them. This is evidenced by the ability to sit down and discuss the needs of the importer and match them with possible suppliers.

The inquirer initially wanted to identify a manufacturer that used a laser sorting machine. TLS allows ATO specialists to specify importer needs. The first inquiry processed through TLS identified 24 possible manufacturers and exporters. Unfortunately, laser sorting machines are rarely used in canned corn and that specification was deleted for the second inquiry to TLS as only seven candidates replied.

The second inquiry identified 10 more new candidates. Two of these candidates replied. While the importer and the exporter had worked together previously, the TLS allowed the importer to contact potential U.S. agricultural exporters, something it could not do on its own.

How TLS helped ATO Japan?

Before TLS, ATO Japan had no reliable means to search for exporters in the U.S., and often came up empty handed. Static systems that only listed potential suppliers quickly fell out of date and became useless. This caused much frustration on the part of the importers as well as the ATO.

Communication was difficult, reducing importer motivation and inquiries simply disappeared.

Whereas the present TLS allows specialists to input data once, which is logged until the inquiry is finished. Communications with potential suppliers go through the system and through email ensuring consistent communication. Continuity is important as well. Perhaps characteristic to Japan's business environment, a business transaction may take over one year. TLS stocks information for multiple inquiries keeping information fresh.

TLS provides specialists the opportunity to look into the U.S. agricultural industry from the outside. Physically, it is unrealistic to know all the manufacturers in the U.S. Large manufactures may readily be identified through the internet but there are small to medium sized manufacturers that have export capabilities that are the ones difficult for overseas ATO's to identify. This is another benefit of the TLS.

Ways to improve TLS

TLS's quality is substantially dependent on the information inputted by State agricultural offices, which includes all potential suppliers and the suppliers' updated and accurate data. Greater State

agricultural office cooperation to the TLS would significantly boost the possibility of achieving the goals of the President's National Export Initiative and USDA's Trade Action Plan.