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Travel to Gifu and Nagoya

Report Categories:

Agricultural Trade Office Activities

Market Development Reports

Trip Report

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Report Highlights:

ATO Japan Director and Marketing Specialist Masayuki Otsuka traveled to Aichi and Gifu in Central Japan (Chubu region). The travelers opened the first U.S. menu fair ever conducted in Gifu, which was held at a prestigious hotel surrounded by a famous historic region. The travelers also developed new relationships with executives who represent an organic-oriented regional supermarket, and researched the potential for U.S. food exports with major hotel chains, food service companies and governmental organizations in the region.

General Information:

Place: Gifu city/Gifu, Ichinomiya/Aichi, Nagoya/Aichi
Date: June 25 – 27, 2014
Traveler: Steve Shnitzler, Director, ATO Japan
Masayuki (Alex) Otsuka, Specialist, ATO Tokyo

Purpose:

- Attend an opening reception of the U.S. Menu Fair held at Gifu Miyako Hotel from June 27 through September 9, 2014
- Develop and maintain ATO contacts with Japanese food retailers, HRI, wholesalers, importers, U.S. consulate staff, and local officials in Nagoya. Seek opportunities to expand U.S. food export to the region. Research the market and provide information to Japanese food industry on U.S. food products and promotional activities.

Market Constraints and Opportunities:**Constraints**

- Low presence of U.S. food suppliers in Central Japan
- Food habits of the region with a preference for local foods
- Most Japanese buyers need help to research U.S. food suppliers
- Most U.S. suppliers do not have a Japanese language service for buyers

Opportunities

- Nagoya is the third-largest incorporated city/market in Japan with a population of about 2.3 million
- Central Japan (Aichi, Gifu, Mie and Shizuoka) is the center of Japan's automobile and related industries and has a large working population with a total population of about 15 million
- Recent favorable economic situation led by automobile industry
- An import ready trade port/airport in the region

Travel Description:

The travelers attended an opening event of the first U.S. menu fair at Gifu Miyako Hotel. Gifu prefecture is a part of Chubu (Central Japan) region, located directly north of Nagoya. The prefecture has a population of about 2 million which ranks 18th in Japan. The region is of historical significance in Japan (in 15 through 18 century), and has created a unique local food preference.

The travelers also had meetings with representatives of food related companies in Nagoya, U.S. Consulate in Nagoya and the Japan External Trade Organization (JETRO) Nagoya Office to learn about the economy and food market in Aichi prefecture. Nagoya is the capital city of Aichi prefecture which has a population of over 7.4 million which ranks as the 4th most populated prefecture in Japan. Both private sector and government officials highlighted that Aichi is the

top industrial region in Japan. The prefecture contains large-scale factories including Toyota, Sony and Denso. The industry in Aichi produced about 14 % of the total national production. Aichi prefecture prides the 1st ranking as the nation's biggest industrial producer for the last 36 years. Recent revitalization of these manufacturing companies has stimulated regional economy favorably since last year.

The local representatives in Nagoya also talked about uniqueness of regional food habits which have been developed since the 16th century in Japan, including traditional foods such as miso paste, Japanese style sauces and locally grown foods. Aichi's agricultural production was over JP¥ 300 million (US\$ 2.95 million) which ranked the prefecture in the top 6 of agricultural production in Japan in 2012. Major products were flowers, fruits and seafood. The Chubu region has a tendency to less interest in foods from other regions, including imported foods. This means U.S. food promotion in Chubu region is more of a challenge than in other regions in Japan, in spite of its large market size. The U.S. Fair at Gifu Miyako Hotel was a small but a significant first step for U.S. agricultural products in this region.

The travelers also had various constructive meetings with VIPs who represent large scale retailers, chain restaurants and governmental offices. The travelers learned that the organizations have potential as partners for U.S. food products and promotions.

Company information:

Gifu Miyako Hotel

Gifu Miyako Hotel is a prestigious resort hotel in the region operated by the Kintetsu Railway group. The hotel has a country side view with mountains and rivers where one can see historic sites, such as a 477 years old castle, an ancient battle field, and a cormorant fishing. The U.S. menu fair was held at a sky garden/banquet room of the hotel from June 27 through September 6, 2014. The U.S. Meat Export Federation Japan Office also supported the fair which focused U.S. beef and pork. In addition, vegetables, California wine and U.S. bourbon were also served during the U.S. menu fair. The ATO Japan Director gave a speech at the beginning of the opening reception while conveying appreciation for the opportunity for U.S. agricultural products. Attendance of the travelers from the U.S. Embassy was highly appreciated by general manager and representatives of the hotel, and encouraged them for future U.S. food promotions.

<http://www.miyakohotels.ne.jp/gifu/english/index.html/>

Kanesue Ltd.

Kanesue is a middle-size regional retailer in Chubu region with about 30 outlets in Aichi, Mie and Gifu. The company head office is located in Ichinomiya, Aichi Prefecture. ATO had a meeting with Mr. Ushida, Company President, who showed great interest in U.S. food products, mainly in the organic segment. ATO representatives also visited major Kanesue outlets the next day, and learned about their potential to import U.S. agricultural products including the company's business strategy for next 10 years.

Kanesue has 3 organic-oriented supermarkets called name Shunrakuzen (Enjoy-Seasonal-Food table). The shops carry and sell only organic, traditional and/or low pesticide foods as their shop concepts. Mr. Ushida learned the natural food concept from his experience in the U.S. He has studied the U.S. food market for 20 years, and ended up importing around 20 ocean containers of fresh produce, mainly celery and asparagus, from the U.S. every year. The company president is willing to expand food import from the U.S. for their future business. As a result of the meeting, Kanesue and ATO are committed to a course of mutual exchange in products and supplier information.

<http://www.kanesue.co.jp/index.php>

Marriott Nagoya Associa Hotel

Nagoya Marriott is the biggest hotel in Nagoya region located at JR Nagoya station. The hotel has 10 restaurants and the potential to serve various U.S. agricultural products. ATO Tokyo has maintained strong relationships with the hotel executives since the hotel opened in 2000, and supported U.S. menu fairs at the western style restaurants in the hotel. Major U.S. food products that the hotel manager is interested in are beef, wine and fruits. ATO offered the manager a reverse trade mission that the Hawaii Papaya Industry Association (HPIA) is planning for coming October.

<http://www.associa.com/english/nma/>

Sugakico Systems Co., Ltd.

Sugakico Systems Company is one of the large-scale food service operators in Nagoya. Sugakico runs quick service restaurants under the restaurant name "Sugakiya", featuring noodles such as ramen and sweets with about 370 outlets in Chubu and Kinki regions. Wheat flour is the company's biggest imported agricultural product and most wheat is imported from North America through major trading houses. Sugakico was interested in development of soy source flavored cooked pork produced in the U.S. ATO has given a list of potential suppliers to the company. (However, they couldn't find a supplier which could produce the cooked pork according to Sugakico's required specifications. ATO has since learned that their price requirement was one of constrains.)

<http://www.sugakico.co.jp/company/companyEn/>

JETRO Nagoya

JETRO Nagoya promotes food export from Aichi prefecture to foreign countries. Major agricultural products in Aichi are strawberries, melons, pears, peaches and high-brix tomatoes. These products are also produced in Kyushu and other regions in Japan. Prefectures occasionally compete with each other for export markets. JETRO only works for exporting from Japan to foreign countries though it has a potential to support ATO's regional events that promote U.S. agricultural products.

The companies and organizations that the travelers met:

Kanesue Ltd.

Mr. Akira Ushida, President
Mr. Tadatoshi Kamada, General Manager
Mr. Naohiro Sagisaka, Director, Perishable Food Section
Mr. Shigemasa Shirai, Manager, Produce Section

Gifu Miyako Hotel/Kintetsu Hotel Systems Co., Ltd.

Mr. Norio Kaza, General Manager
Mr. Kazuma Horikawa, Executive Chef
Mr. Hideo Koketsu, Director, Sales
Ms. Tomomi Okada, Sub-Leader, Sales Promotion

Gifu Broadcasting System Co., Ltd./Gifu-Chan

Ms. Junko Morita, General Manager
Mr. Shigetaka Tsuboi, Director, Sales

Marriott Nagoya Associa

Mr. Tetsuji Matsuto, Asst. General Manager

U.S. Consulate Nagoya

Mr. Tamiki Mizuno, Political-Economic Specialist

Sugakiko Systems Co., Ltd.

Mr. Kazuto Toda, General Manager, Merchandise Dept. & Information System Dept.

JETRO Nagoya Office

Mr. Fujii, Director
Mr. Nagata, Agricultural Specialist