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Global Agricultural Information Network

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Report Highlights:

U.S. exhibitors at FOODEX 2016 report more than \$25 million in projected sales; FAS/Japan helps promote U.S. beef, soybeans and organic products; FAS/Tokyo encounters a wide variety of Japanese food and agricultural production.

General Information:



The Wasabi

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ATO/Japan Hosts 69 Exhibitors at FOODEX 2016:

The Agricultural Trade Office (ATO) in Tokyo, working with IMEX, organized the USA Pavilion and USA Business Café Lounge at FOODEX JAPAN 2016, the largest trade-only food show in Asia, held March 8-11 in Tokyo, Japan. The 2016 U.S. pavilion featured 69 exhibitors that reported on-site and projected sales of almost \$26.7 million. The ATO presented a “Brand USA Food Tasting Booth” at the pavilion, which featured regional U.S. cuisines from New York, California, Oregon and New Orleans, as well as U.S. products, such as craft beer, hard cider, Florida grapefruit and Calrose rice. The ATO also gave a presentation on the U.S. craft beer market at the

World Beer & Local Food Festa, an event organized by the FOODEX JAPAN show, where they introduced major craft beer and cider importers to a variety of U.S. brands, matching the beers and ciders with U.S. beer-friendly foods including chips, nuts, jerky and cheese. For the first time in years, the ATO organized an after-hours reception for U.S. exhibitors and Japanese buyers at the USA Pavilion; the well-attended event offered both U.S. exhibitors and Japanese buyers an opportunity to cement business relationships and enjoy U.S. food and beverages. The USA Pavilion also welcomed a delegation of 80 Taiwanese buyers that was organized and ATO/Taipei. Over 76,500 trade-only visitors from all over Japan as well as Korea, Taiwan, China and Southeast Asia attended the show.

21st Annual U.S. Beef Fête in Kyoto:

On February 24, Agricultural Minister-Counselor David Miller headlined the 21st annual “U.S. Beef Renaissance” in Kyoto, underscoring FAS/Japan’s strong support for U.S. beef promotional activities in the Japanese market. The event, including an educational seminar and reception, was organized by Ushiwaka Shoji Co., Ltd., a major distributor of U.S. beef to high-end restaurants and hotels in Japan, and co-sponsored by the U.S. Meat Export Federation. In his speech at the seminar, Mr. Miller expressed his appreciation for Ushiwaka Shoji and the buyers in the audience for their continuous support for U.S. beef. Nearly 700 people, mainly chefs from hotels in the Kansai region, attended the seminar. The reception featured a wide variety of U.S. beef dishes, showcasing the extraordinary versatility of U.S. beef.



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The Future of Japanese Agriculture through Ohmi Beef and Kyoyasai:



On February 23, Agricultural Attaché Evan Mangino accompanied U.S. Consul General to Osaka-Kobe Allen Greenberg to the Daikichi Farm in Shiga Prefecture to learn about the production of Shiga’s famed Ohmi brand of beef. Ohmi beef is one of the top three brands of Japanese beef, along with Kobe beef and Matsusaka beef, and presents one of the best prospects for realizing Japan’s ambitious agricultural export targets; high-value, highly marbled Japanese wagyu beef is globally recognized and in increasing demand. At nearly 500 head of cattle, Daikichi Farm is a sizeable black wagyu cattle operation with plans to grow larger. Mr. Nagatani, the fifth-generation proprietor, guided the team around the farm, explaining the current challenges and opportunities facing Daikichi and

Japanese beef in general. Subsidy programs for building new cattle sheds have bolstered Mr. Nagatani’s expansion efforts, even as the supply of high-quality wagyu feeder calves is contracting.

While recent declines in U.S. forage and grain prices have helped to offset the effect a relatively weaker Yen, top-quality feeder calf prices have risen more than 70 percent over the last three years. To succeed, the Japanese wagyu industry will need to continue to build its reputation overseas, develop foreign markets, differentiate Japanese wagyu from similar products, and develop the next generation of ranchers, while attempting to control the costs of feed and feeder calves.

Later that day, the group visited a leading grower of distinctive “Kyoyasai” (literally, “Kyoto vegetables”), the specialty vegetables for which Kyoto is rightly famous Japan. Mr. Ishiwari, president of Shimaishi Co., is among leaders of the Kyoyasai industry segment, successfully growing a wide variety of vegetables for over 300 restaurants across Japan. Much like his peers, Mr. Ishiwari his crops (mostly in greenhouses) on less than 4 acres of Operating at this scale, Mr. Ishiwari can adjust his cultural practices in order to tailor the appearance and the flavor of his vegetables according to his customer’s specifications.



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At this scale, Kyoyasai growers can be particularly responsive to customer demand, develop unique products, maintain high unit values for their products, and continue to farm within city limits, interspersed between residential and commercial property; several of Mr. Ishiwari’s greenhouses are located a stone’s throw from his 200-year old home (a rarity in a country where housing stock is generally replaced every 25 years). However, this scale also limits the potential of Kyoyasai becoming an export champion like Ohmi beef. And while Mr. Ishiwari’s produce is highly regarded, the continued development of Kyoto and a lack of successors (a problem facing all of Japanese agriculture) threaten the industry’s future.



Ag Attaché Welcomes Back a Famous Flowering Cherry Tree:

On February 22, Agricultural Attaché Evan Mangino helped Japanese pop singer Aki Yashiro and Member of the House of Councillors Akio Koizumi plant a flowering cherry tree at Tokyo Metropolitan Horticultural (Engei) High School. The sapling was grown from a cutting taken from one of the original Japanese flowering cherry trees given to the United States in 1912. The Japan Cherry Blossom Association presented this rare sapling to Engei High School, because the first principal of Engei High School had been responsible for caring for the 1912 flowering cherry trees before they were delivered to the United States. In turn, Engei High School received and still cares for one of the original 1915 dogwood trees given by the United States to Japan. Engei High School is a close contact of the Office of Agricultural

Affairs. To learn more about the gifts of flowering trees between the United States and Japan, see [JA0507](#) and [JA5014](#).

ATO/Osaka Teams Up with FCS to Reach Food Manufacturers:

On February 19, ATO Japan Director Rachel Nelson gave an overview of new U.S. food regulations (FSMA) at a seminar organized by the U.S. Commercial Service (FCS) and Hyogo-Kobe International Business Square. She joined speakers from FCS and Japanese company executives, who shared stories of successful business activities in the United States. The Japan Office of the U.S. Grains Council introduced white sorghum as a popular gluten-free ingredient at the event as well.

The event was oversubscribed and attracted over 100 participants from the local business community, reflecting the growing interest in the U.S. market and U.S. food trends. For ATO/Osaka, the seminar provided a great opportunity to meet local food companies, including small and medium-sized food processors, which have potential to buy more ingredients from the U.S. The seminar was the first collaborative effort between FCS and ATO/Osaka reaching out to the local food manufacturing industry. The event’s great success underscored the potential for further efforts to develop this segment of the Japanese market.

FAS/Tokyo and USSEC Promote U.S. Soy at 21st National Competition:

On February 18, Agricultural Attaché Jess Paulson took part in 21st Annual National Natto Competition, highlighting the versatility of U.S. soybeans in preparing this unique Japanese product. The competition was hosted by the All Japan Federation of Natto Associations in Kessenuma, Miyagi Prefecture, which was devastated by the tsunami from the East Japan Earthquake of 2011. In his remarks, Mr. Paulson emphasized the importance of the U.S.-Japan soybean trade relationship as well as the commitment of U.S. producers and reliability of U.S. non-GMO soy supplies. Hundreds of natto brands were competing for 19 awards, including the Red River Valley U.S. Award that specifically recognizes natto made from and marketing 100 percent U.S. soybeans. While awaiting the final scores from the judges, Mr. Paulson joined in several comedic competitions, including natto speed-stirring.



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ATO Director Praises U.S. Organic Market at Organic Expo 2016

ATO Japan Director Rachel Nelson made a presentation on the U.S. organic market at Organic Expo 2016 on February 12, 2016. Organic Expo 2016 was held together with Biofach Japan during the Supermarket Tradeshow at Tokyo Big Sight from February 10 - 12. Speaking to a packed room, Ms. Nelson presented an outline of the U.S. organic market and introduced trends within the market by sector. She also explained the elements supporting the strong growth of the U.S. organic market.



Ag Affairs Visits Tokyo Central Meat Wholesale Market:

On February 9, 2016, Agricultural Minister Counselor David Miller, Agricultural Attaché Evan Mangino, and Agricultural Specialist Kakuyu Obara traveled to nearby Shinagawa within Tokyo proper to see the action at Japan's largest cattle slaughter facility and beef market. More than 90,000 head of cattle from as far away as Hokkaido and Kagoshima are trucked live on the hoof and slaughtered at the Tokyo Meat Market (TMM) every year. Around 40 or 50 buyers evaluate, bid on, and purchase those carcasses on the TMM auction floor, which operates most days, before fabricating them in one of 15 privately operated fabrication floors within the TMM complex. Built in 1966, the TMM facility would need to be rebuilt in order to accommodate the requirements of many overseas beef importers (including the United States). However, the extremely high land values of TMM's current location will complicate any future plans to rebuild (which would require relocating) or refurbish (which would require a partial shut down).



Hanshin Department Store Hosts Portland Fair

Osaka's famous Hanshin Department Store held its first-ever Portland Fair at its Umeda location from January 27 to February 7, 2016. The fair featured a wide variety of food products from Oregon, including donuts, chocolate, craft beer, hard cider, coffee, cocoa, Kombucha, tea, honey, salt, and more. ATO/Osaka supported Hanshin by providing information on food culture in Portland and connecting importers and suppliers of Portland food products. According to Hanshin, the fair was a great success, drawing more customers than they had expected and generating higher than anticipated sales. Hanshin is planning to further develop Portland fair into an annual event.

FFA National Officer Team Visits Japan: On Monday, January 25, 2016, the Office of Agricultural Affairs (OAA) organized a day-trip for the 2016 FFA National Officers. Beginning with a visit to Tsukiji Market, the largest fish market on the planet, Agricultural Attaché Evan Mangino joined the team to see first-hand how much fish flows in and Japan, how major Japanese grocery chains have fundamentally altered the market over the last 20 years, and Japan is competing with increasingly affluent Asian neighbors for global fisheries resources. The team marveled world-famous early morning tuna auctions and the sheer of Tsukiji's daily operations, handling over 2,000 tons of fisheries products each day, worth nearly \$20 million.



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After a quick wardrobe change, the FFA Team visited Tagayasu Farm, in Kisarazu City, Chiba Prefecture. Funded by AP Bank, a non-profit organization whose main objective is to fund for environmentally friendly projects, the farm was established in 2008. Addressing a systemic problem for Japanese agriculture, the farm has aggregated and cultivated abandoned farmland to grow more than 40 different kinds of vegetables. The farm sells its organic produce to more than 200 local restaurants, at nearby farmers' markets, and recently began exporting to Singapore.



On Tuesday, January 25, the FFA team travelled to U.S. Embassy, Tokyo to learn all about Japanese food and agricultural production from the OAA team. A highlight of the visit was when Ambassador Kennedy joined the team to discuss their trip to Japan and their goals as FFA National Officers in 2016.

After Tokyo, the FFA National Officer Team travelled on to Tochigi Prefecture to see beef and dairy operations, on to Aichi Prefecture for agricultural homestays and a visit to grain terminals in Nagoya, before finishing out their trip in Kyoto Prefecture.

FAS/Tokyo Locally Employed Staff Recognized by Amb. Kennedy:

On December 16, 2015, two Office of Agricultural Affairs locally employed staff were recognized during the Embassy awards ceremony. Agricultural Assistant Midori Iijima was commended for her commitment to building relationships that continue to benefit the FAS Mission. Agricultural Specialist Kakuyu Obara was recognized for his high quality analysis of the livestock market and his support for TPP negotiations. Well done!

FAS/Tokyo Visits Zen-noh's Grain Silo and a Whiskey Distillery in Nagoya: On December 10, 2015, U.S. Embassy Tokyo's Office of Agricultural Affairs and Agricultural Trade Office of Tokyo visited Zen-noh's Tokai Branch grain elevator in Nagoya, a major port city in Central Japan. Zen-noh's Tokai Branch imported approximately 470,000 metric tons of corn in 2015, 70 to 80 percent of which came from the United States.



The Sungrain whiskey distillery, located next to Zen-noh's grain elevator, was jointly funded by Zen-noh and Suntory in 1973. Sungrain's main production line is a grain whiskey branded as "Chita" (知多), which is the name of the distillery's location. Sungrain's "Chita" whiskey is made of 100 percent U.S. corn. Japanese whiskey is increasingly popular in the United States and Europe, and represents the sort of "win-win" opportunities for U.S. ingredients in the Japanese food industry.
