

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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### **The WASABI - Hot News from Japan Vol. 13 Issue 7**

**Report Categories:**

Agricultural Situation

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**Report Highlights:**

Cooperators held a number of promotional events across Japan in May 2017, including the most recent Cooperator to enter the Japanese market, the California Olive Oil Council (COOC). COOC hosted a promotional dinner at the Tokyo American Club, whose Executive Chef innovatively incorporated California olive oil into each dish. Over 50 trade associations and organizations representing U.S. agricultural producers are actively promoting U.S. exports to Japan, the United States' fourth-largest single-country agricultural export market.

Keywords: JA7084, WASABI, California, Olive Oil, Dairy, Beef, Hokkaido, Oilseeds, Cotton

**General Information:**

# The Wasabi

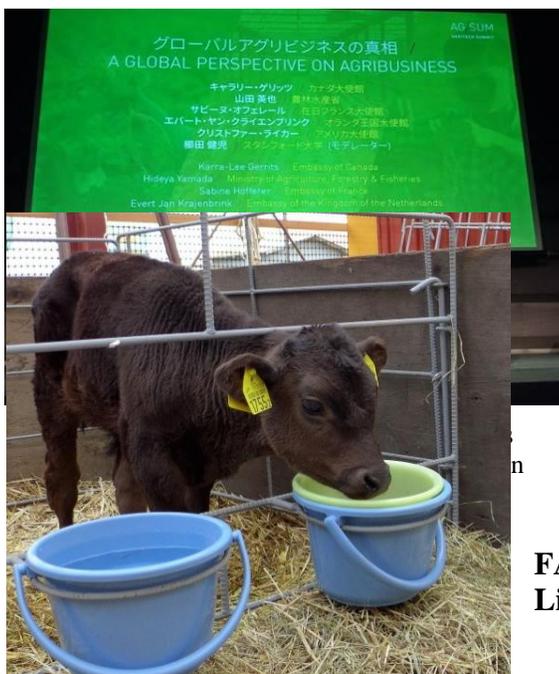
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**California Olive Oil Council Hosts Promotional Dinner at Tokyo American Club:** California Olive Oil Council (COOC) Executive Director Patty Darragh and Marketing Director Lisa Pollack discussed their marketing strategy and upcoming with ATO Tokyo on May 24. Later that evening, COOC hosted a dinner at the Tokyo American Club featuring California olive oil in each course. ATO helped to turn out more trade media and more industry contacts, expanding the reach of the event. Though COOC has only been active in Japan for a years, they have successfully collaborated with local partners to help a number of California producers foothold in the Japanese market. At the dinner, COOC presented on their quality standards and American Club Executive Chef Grey showcased an of different extra virgin olive oils from the Golden COOC will participate in the upcoming Olive Japan showcase in July 2017, which will feature remarks by FAS/Tokyo.



Executive Director Patty Darragh (left) and Marketing Director Lisa Pollack (right) delivering a presentation on COOC quality standards.

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A week-old Wagyu calf at a Wagyu cattle feeding operation that has incorporated calf-rearing in response to the high prices of feeder cattle.

**FAS/Tokyo Shares Views on Agribusiness at Agritech Summit in Tokyo:** On May 25, FAS/Tokyo Senior Agricultural Attaché Chris Riker joined representatives from the Embassies of the Netherlands, France, and Canada as well as Japan's Ministry of Agriculture, Forestry and Fisheries to discuss the role of global agribusiness in helping to feed 10 billion people by 2050. Appearing on the main stage on the final day of the three-day Agritech Summit, the panel discussion drew a sizable crowd including numerous media outlets. Japan's Nikkei media conglomerate organized the Agritech Summit to highlight how modern technology is fusing with agriculture to shape our future. Between May 23-25, more than 3,000 people attended the Agritech Summit at the Toranomon Hills complex in downtown Tokyo.

**FAS/Tokyo Examines Hokkaido Beef, Dairy Industry Linkages:** On May 22-23, FAS/Tokyo evaluated the

interconnected dairy and beef industries in Hokkaido, Japan's agricultural heartland. Even as Japan's high-value Wagyu beef exports are growing, the continued retirement of cow-calf operators without successors has disrupted the traditional supply of Wagyu calves and has driven average live auction prices for feeder calves to record highs, nearly double what they were four years ago. The steady contraction of Japan's dairy herd, a traditional source of feeder calves for the Japanese domestic beef industry, has exacerbated already short supplies of Japanese beef cattle and is creating new opportunities for live cattle imports. FAS/Tokyo observed increasing vertical integration of the beef cattle fattening industry in Hokkaido, as more cattle operators are incorporating cow-calf production into their fattening operations in response to the skyrocketing costs of obtaining feeder cattle. The latest national statistics provide some indication that this relatively new phase in Japanese cattle fattening operations is contributing to a modest recovery in the Wagyu cattle herd size.

The Japanese dairy industry, however, continues to face significant challenges going forward. Still reeling from a devastating series of typhoons in the Summer of 2016, Hokkaido fluid milk production is struggling to recover. FAS/Tokyo observed two possible paths forward for Japanese dairies in the Tokachi region: a capital-intensive, automated milking system, and a so-called "Giga"-scale operation consolidating the capital and herds of several more traditional dairy farms. Increased adoption of either of these dairy farming methods would help Japan's declining fluid milk production volume to recover over the medium term. However, limited access to capital, to pasture and to local forage and fodder may place an upper limit on the potential for more widespread adoption of these methods. Following the recent passage of legislation to reform Japan's fluid milk distribution system, the industry and FAS/Tokyo are turning their attention to the development of implementing regulations, expected to be enacted as early as April 1, 2018.



Holstein cows wearing RF collars to facilitate automated milking at the Shintoku Ayu Milk farm.

**Japanese Oilseed Processors Raise Concerns About Draft Labeling Regulations:** On May 17-18, Agricultural Attaché Jess Paulson and Agricultural Specialist Tomohiro Kurai attended annual gatherings of the Japan Margarine Industry Association and the Japan Oilseed Processors Association (JOPA). Speakers at both events and members of both associations raised concerns about Japan’s proposed changes to biotechnology labeling and Country of Origin Labeling requirements. Japanese soybean processors import approximately \$1 billion of soybeans from the United States each year.



From left to right: Takao Imamura, Chairman of the Japan Oilseed Processors Association, Jess Paulson (Agricultural Attaché), Fuminao Hachiuma (President, J-Oil Mills), Mitsuyuki Nishimura (Japan Country Director, U.S. Soybean Export Council).

**Patinastella Event Features U.S. ‘Anti-Aging’ Foods:**

USA Rice and the Alaska Seafood Marketing Institute sponsored an anti-aging brunch on Mother’s Day at Patinastella, the first overseas offshoot of California’s Patina Group of restaurants. The event featured two well-known keynote speakers: former fashion model Takiko Sakai, and Ms. Miho Watanabe, the proprietress the herbal shop and body/facial salon Natural Spirit. These beauty influencers introduced U.S. foods with anti-aging properties, including Alaskan salmon, California Calrose rice, Florida grapefruit, and California walnuts. Patinastella Head Chef Sugiura has extensive experience cooking in the United States and been an eager collaborator with ATO Tokyo and the Cooperator community promoting U.S. foods in Japan.



A dish with U.S. ingredients on the anti-aging menu.

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**CCI Celebrates Cotton Day 2017:** On May 10, the

Cotton Council International (CCI) celebrated Cotton Day with the 2017 Cotton USA Award ceremony at the Westin Tokyo Hotel, drawing over 350 industry people including the media. At the event, CCI briefed media and industry representatives on the state of the U.S. cotton industry, on the industry's efforts to improve quality and on CCI activities around the world. CCI also presented the 2017 Cotton USA Award to two popular Japanese actors who represent the image of cotton. This year's winners were Ms. Yuuna Taira and Mr. Kuranosuke Sasaki. Following the Cotton USA Award ceremony ATO Japan Director Rachel Nelson took advantage of the opportunity to connect with industry contacts and support the ongoing efforts of CCI in Japan. In 1995, Japan established May 10th as "Cotton Day" since the date sounds like "cotton" ("go" for May in Japanese and "ten" in English for the 10th) 1995. CCI has held the Cotton USA Award ceremony every May since 2004 to promote the positive image of U.S. cotton.



CCI officials present the 2017 Cotton USA Award to two Japanese celebrities, Ms. Yuuna Taira (center left) and Mr. Kuranosuke Sasaki (center right).