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## Japan

### Market Development Reports

#### Food Business Line

*Periodic Press Translations from ATO Tokyo*

**2003**

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**Report Highlights:**

Japan supermarket chain's efforts to develop private label brand products now to include produce as well; Reins International becomes the fastest growing food service chain operator in Tokyo; Potential industrial applications for Origami; Both retail sales and food service use of pre-washed rice continue to increase in Japan and; The Government of Japan will launch the Cabinet-level, Food Safety Committee, designed to advise its food and health related Ministries.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Tokyo ATO [JA2]  
[JA]



# Food Business Line

Periodic Press Translations from ATO Tokyo

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## Retail/Wholesale

- On July 30, *Japan Self Service Association* is planning to invite a quality control manager from the *HE Butt Grocery Company*, of San Antonio, Texas to hold a seminar. The seminar will be on the U.S. food safety control system and how HACCP is applied in U.S. supermarket operations. (f 7/3)
- Retailers are developing new private brand fruit and vegetable products to attract more consumers. *Ito-Yokado* is promoting its private brand watermelon, a watermelon that contains no seeds and is sweeter than other seed-free watermelons. This product was jointly developed with *Takii Seed Co.* *Ito-Yokado* is also selling Philippines bananas that are sweeter than the usual bananas. Other future private brand produce offerings will include strawberries, peaches, pears, apples, grapefruits and also Japanese pumpkin. (b 7/10)

*ATO Comment: The major Japanese supermarkets chains are intensifying their efforts to develop a variety of private label brand products, including produce. For more information please see GAIN Report# JA3050.*

## Food Service

- The number of outlets for *Reins International*, an operator of “Gyukaku” *yakiniku* grilled beef chain restaurants, is expected to reach 1,000 by July 7, 2003. This is only their seventh year since it first opened an outlet in Tokyo in October 1995. *Reins International* now holds the record for the fastest openings in the food service industry! (a 7/5)
- On July 10, the Nikkei 225 Stock Average topped the psychologically important 10,000 level during the day, raising the expectations of many officials in hotels, restaurants, and travel industry. However, a clear sign of economy’s recovery is yet to be seen. (b 7/10)

## Food Processing/New Products/Market Trends

- The Origami Research Task Force, made up of Japanese scientists and engineers have launched plans to promote industrial applications for Origami, a traditional Japanese craft in which square pieces of paper are folded into various shapes. Applications already exist for canned beverage products. In another example, using a method created by origami artist, Tomoko Fuse, a cup noodle container can be made with no glue and only one sheet of paper. (g 7/27)
- Sales and production of pre-washed rice has increased rapidly in the recent years. Most of the retail stores and cooperatives have introduced shelf space for pre-washed rice products, in many cases accounting for half of all whole rice sold. Also, more food service and HMR companies are using pre-washed rice. The market size is estimated to exceed one million tons, worth 300 billion yen in retail sales for 2003, according to the *Food Industry News*. (f 7/3)

- The quantity of imported fresh vegetables increased by 18% in May 2003 compared to the same month last year. Food service companies are substituting imports for domestic vegetables due to continuously high domestic vegetable prices. Compared to last year, the import quantity of onion was 1.8 times higher and cabbage 2.4 times higher in May. Accumulated imports from January to May 2003 were also up by 53% compared to last year. Chinese imports increased by 36%. (a 7/5)

### **Food Safety/Consumer Awareness**

- In response to a series of food safety scandals in past years, the *Food Safety Committee*, led by the Cabinet Office will be launched on July 1. The new committee will have authority to advise the Ministry of Agriculture, Forestry and Fisheries (MAFF) and Ministry of Health, Labor, and Welfare on the Food Safety Law and evaluate safety issues associated with fertilizers, agricultural pesticides, food additives, GM foods, and health foods. MAFF will also put into effect the same day, a series of food policy reform programs, which include abolition of the Food Agency and establishment of a new bureau of food consumption and safety. (a 7/1)
- The *Japan Housewives Association*, *Shodanren* (a nationwide consumer liaison organization), *Consumer Union of Japan*, and other organizations plan to begin issuing joint rating systems for food manufacturers and supermarkets. The criteria will be based on 10 areas related to consumer interests, including whether they have a system in place that allows consumers to file complaints or comments about their products. They will also be rated on whether they have a structure in place to prevent and contain damage in case of an accident that threatens food safety. (a 7/15)
- Although beverages that contain less than 1% alcohol are not considered as liquor under the Japan's Liquor Law, the *Fair Trade Committee* advised 11 industry associations such as the *Japan Brewers Association* and the *Japan Chain Store Association*, to instruct their member companies to correct beverage labels for products that actually contain a minimum of alcohol while being labeled as "non-alcoholic". (a 7/15)

### **ATO/Cooperator/Competitor Activities/Trade Shows**

- The *U.S. Potato Board* held a promotional tasting seminar on U.S. mashed potatoes and IQF shredded potatoes on June 25 at the ANA Hotel Tokyo, featuring the healthy and low-cost characteristics of those products. (f 7/3)

#### **☞ Sources ☞**

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|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal        |
| (c) The Japan Food Journal       | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News          | (f) The Food Industry News              |
| (g) Daily Yomiuri                |   |

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