

How to Sell Fresh Foods to the Japanese Market

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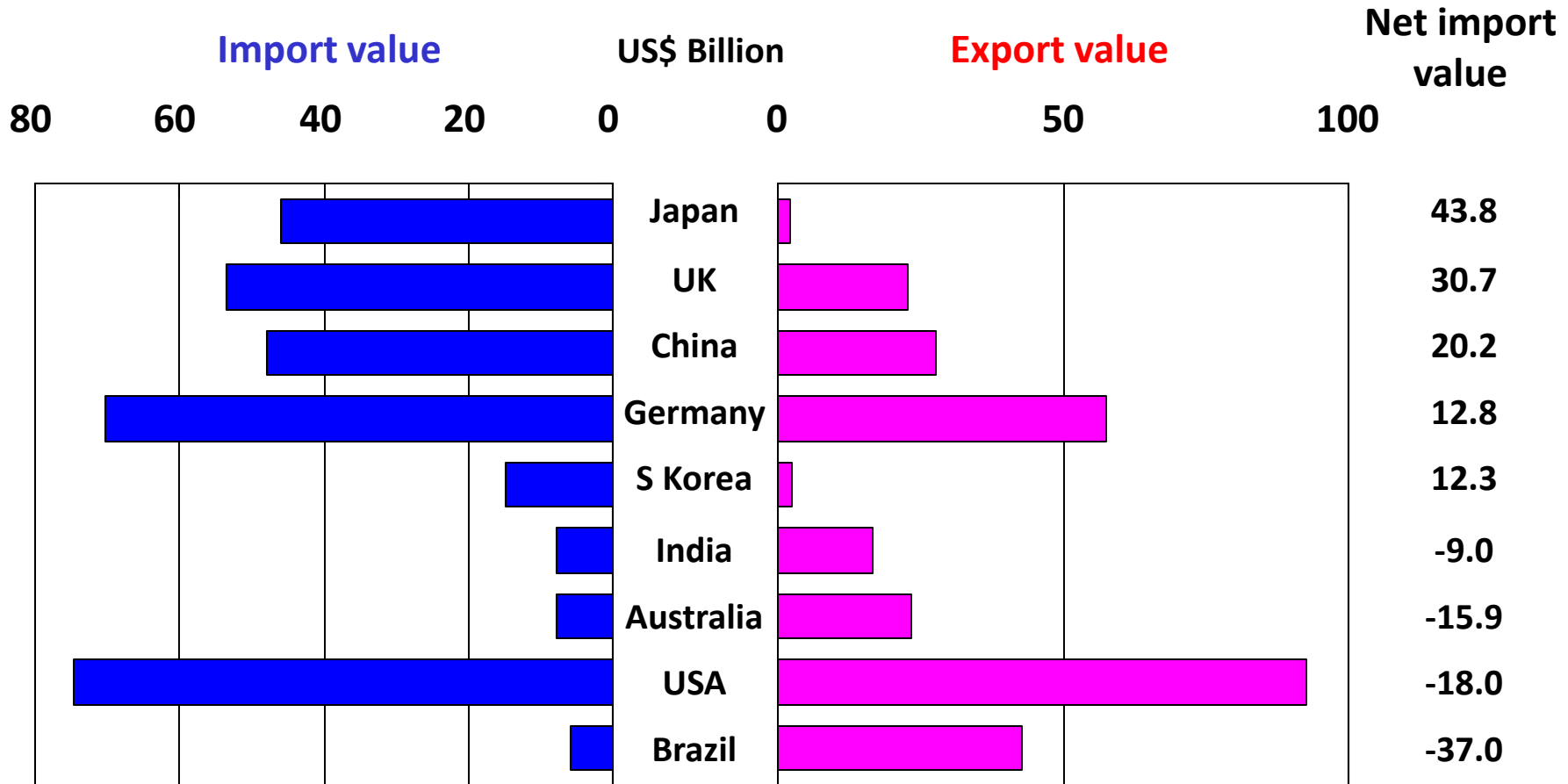


How to Sell Fresh Foods to the Japanese Market

- **Market Opportunities**
- **Outline of regulatory system for food import to Japan**
- **Preparations for selling**
- **Steps for selling**

Market Opportunities

Import and export value of agricultural products of major countries (2007)



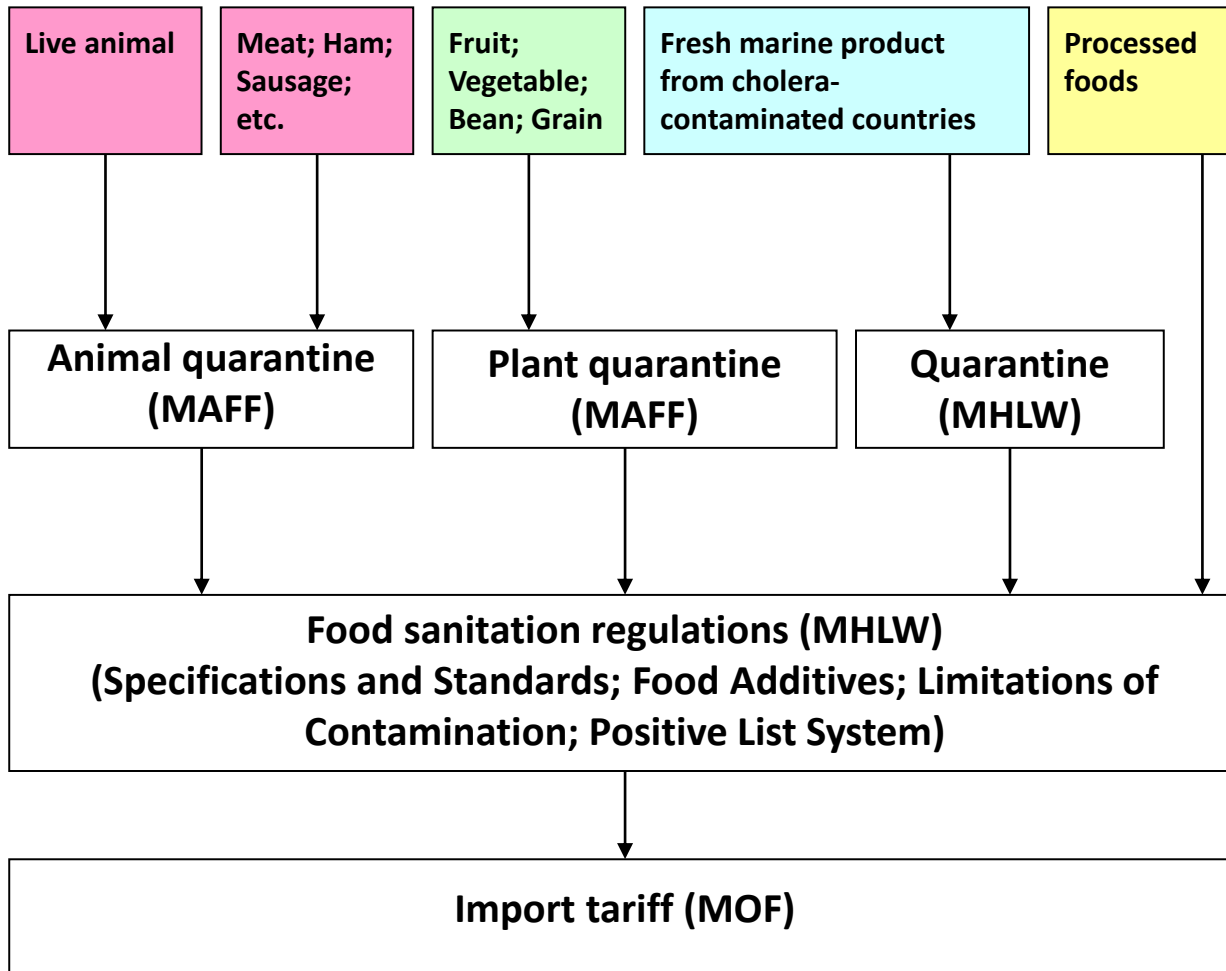
Source: FAO, MAFF: Agricultural products including livestock, marine and forestry products. 3

**Outline of regulatory system for
food import to Japan
- Minimum requirements -**

Outline of regulations/laws for food imports

Product category	Regulation/law	Jurisdiction	Authority
All kinds of food	Food sanitation law	MHLW	Quarantine Station
Livestock products	Domestic animal Infectious diseases control law	MAFF	Animal quarantine service
Live fish (specific species)	Fishery resource conservation law	MAFF	Animal quarantine service
Agricultural products	Plant protection law	MAFF	Plant protection service
Fish and shellfish (edible raw)	Quarantine law	MHLW	Quarantine station
All imported goods	Tariff law	MOF	Customs house

Flow of food import procedures



Quarantine regulations

- Animal quarantine regulations
- Plant quarantine regulations
- MHLW quarantine regulations

Food sanitation law regulations

- Specifications and standards for foods
- Food additive regulations
- Positive list system
- Provisionary regulatory limitations of contaminations

Others

- Import quota (IQ)
- Washington convention
- Others
 - Monitoring inspection
 - Inspection order

**Preparations for selling
on top of regulatory system**

Organizing background information

- Agricultural products
 - Climate of producing area
 - Farm conditions
 - Agriculture system
 - Cultivation
 - Government's food safety programs
 - Statistics, etc.
- Livestock products
- Marine products
- Others

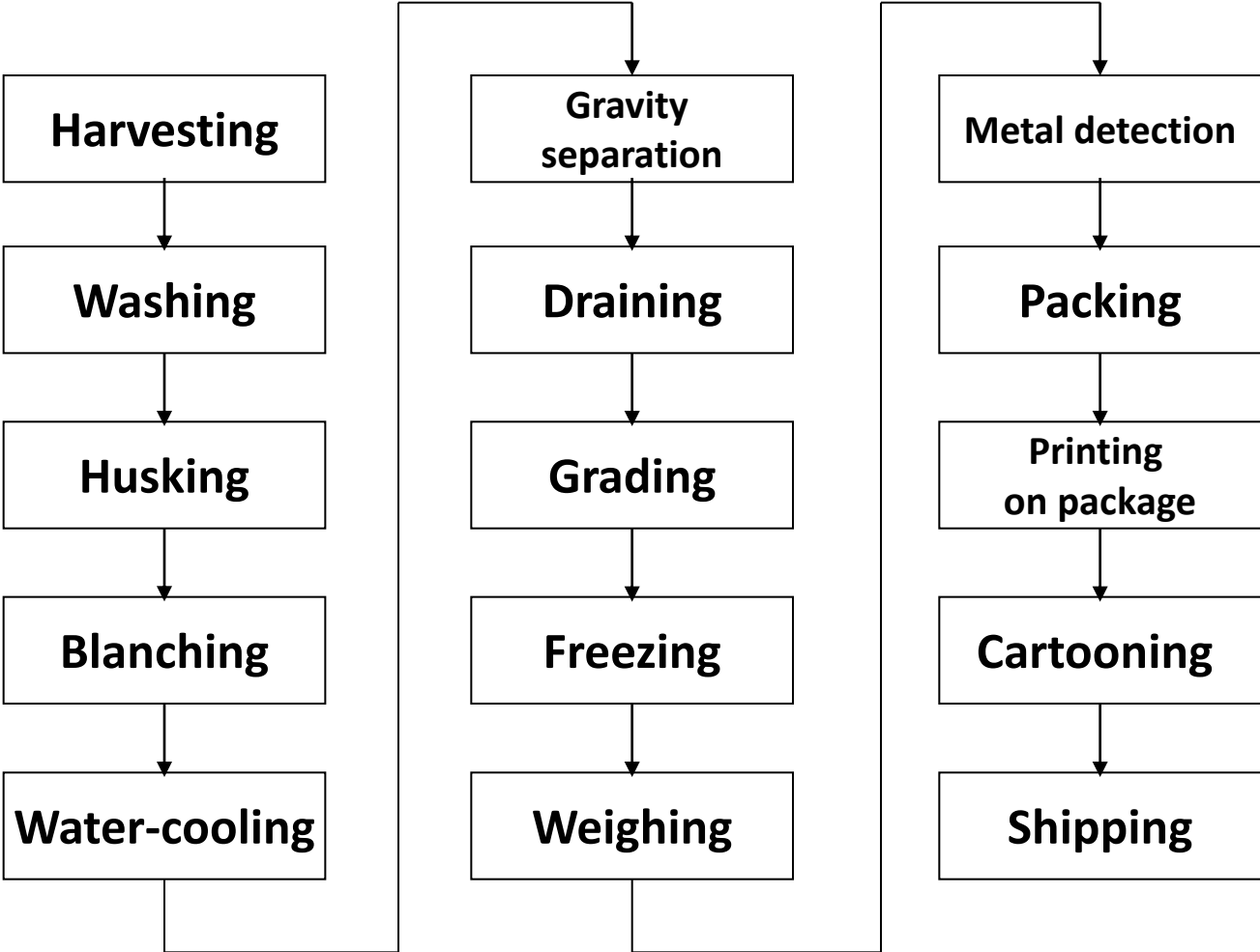
Required information about product and supplier

- Product components/list of ingredients
- Quality specifications
- Agricultural chemical inputs
- Microbial standards
- Nutrition facts

Required information about product and supplier

- Production process
- Production capacity
- Packing specification
- Storage
- Testing methodology

Process of production – a case of frozen green peas



Identifying prospects through survey

- Overall market trends
- Product quality (taste, size, color, ingredients, etc.)
- Price range to assess cost advantage

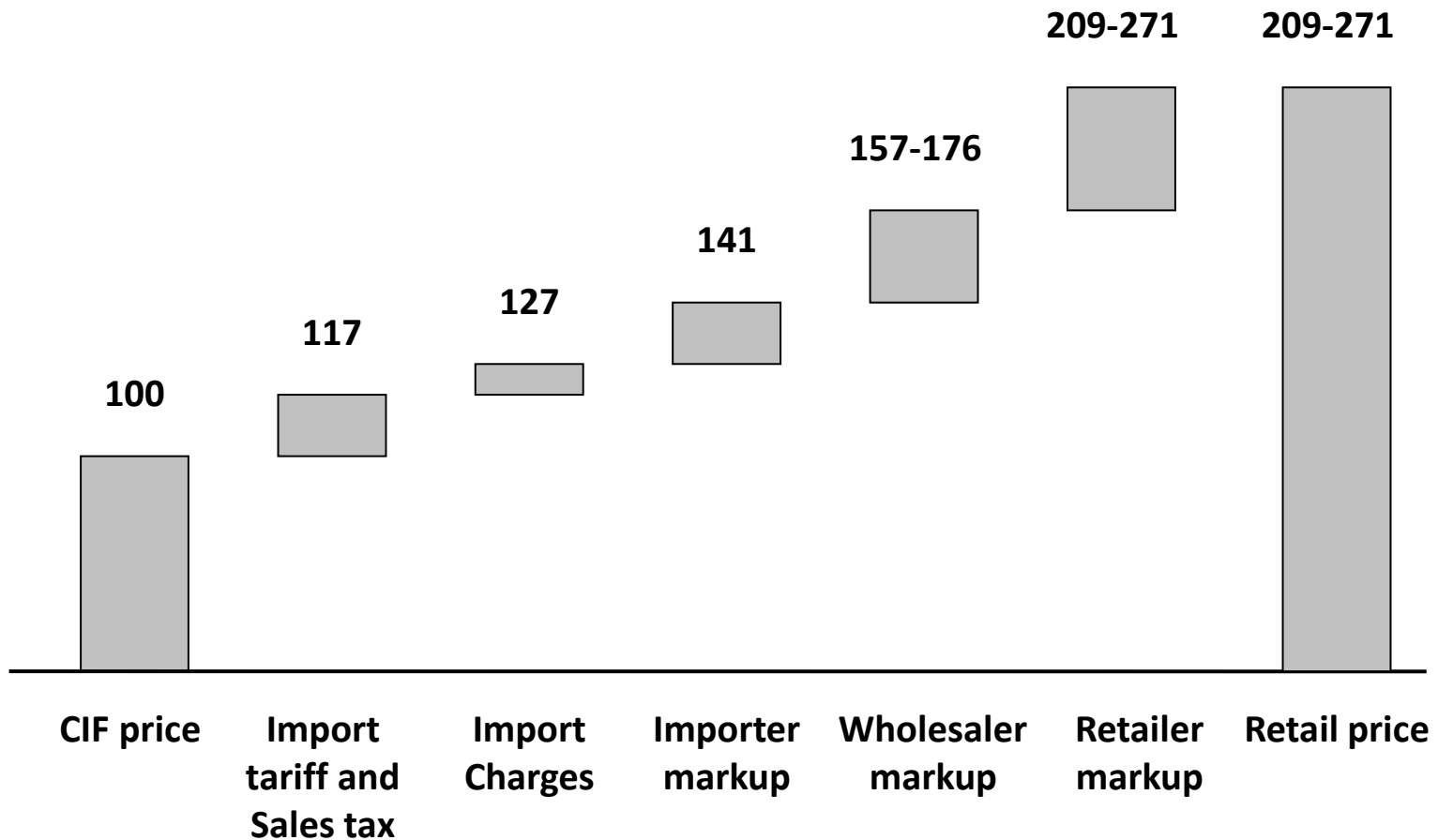
Identifying cost advantage

- Monitoring wholesale market data
→ cost-to-wholesaler/distributor
- Import statistics of Japan's customs agency → CIF Japan price

Distribution margin of fresh foods in Japan

WHL market price =100	Middleman/ Distributor		Retailer	
	Markup	Selling price	Markup	Selling price
Fresh vegetables average	11%	112	25%	149
Fresh fruits average	10%	111	26%	149
Fresh fish/shellfish average	14%	116	39%	189

Typical margin structure for import foods (Index 100 = import price)



Steps for selling

“AIDA” marketing approach

- **A – Attention**
- **I – Interest**
- **D – Desire**
- **A – Action**

Gaining attention

Frozen Green Peas 500g has been launched for professional use



JAN Code : 1234567890123
Net weight : 500g/bag
Quality guarantee: 24 months
Carton : 4 bags/carton
Price : Open
Contact : GHI Co Ltd
Tel: +64 (0)9 012 3456
Fax: +64 (0)9 012 3457
Email: sales@ghi.co.nz

- ✦ **Stable Supply**
 - from contract farmers
 - 100% “Dark Skin Perfection”
 - Only USDA AAA Grade
 - I.Q.F. within 2 hours of harvesting
- ✦ **Environment Friendly**
 - 100% biodegradable plastic bag
- ✦ **User Friendly**
 - Maintaining firmness
 - Applicable to various menus
- ✦ **Cost Competitive**
 - Scale merit
 - Streamlined supply chain to Japan

More Lineups

- Frozen kernel corn
- Frozen mixed vegetable
- Frozen carrot

Available at 3 package sizes (250g, 500g and 1kg bag)

Developing interest –1

- New menus made with your ingredients in other companies/markets
- Major end-users of your products in Japan or other countries
- New product development using your products
- Demonstration that usage of your product helps reduce store operation cost
- Successful presentation/applications of your products at stores/restaurants.
- Ecological contribution of your products, etc.

Developing interest –2

- Specific species as a key ingredient for better taste
- Unique composition of ingredients to differentiate texture
- Capability to control specifications for stabilizing variations
- Frozen-on-board to ensure freshness of fish
- Health benefits
- Integrated production to maintain product quality
- Unique product color for appealing presentation

Changing interest to desire

- Information about product and supplier
- Factory grading/factory management check

Turning desire to action

Thank you very much