



EU-Japan Centre
for Industrial Cooperation
日欧産業協力センター

Exporting Food Products to Japan

Webinar for Pécs-Baranya, Hungary

19 November 2020, Thursday, by C. Nakabayashi



EU-Japan Centre
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Exporting Food Products to Japan

Today's Agenda

1. EU/Hungary Advantages on Food Export to Japan
2. Marketing, Distribution and Sales
3. Import Process and Procedures at Japan Customs
4. Trade Shows and Due Diligence - Meeting Japanese partners
5. Q&A

Japan's Food Market Compared to Hungary's

(source: Ministry of Economy, Trade and Industry of Japan, 2018; and FAO, 2010)

	 Japan	 Hungary
Consumer Base for Food Demand	127 million	9.7 million
Self-sufficiency of Food Supply	40%	162%
Spending (% in Disposable Income)	26%	23%



Japan's Market Orientation: Safety and Quality/Premium

- Purchase decision on safety and quality
- Price on quality
- 3 ways to win consumer trust and loyalty: **safety and quality** are guaranteed by authorities, proved with tradition, and disclosed on labels, which are then realized into **certifications, traditional production methods and product labels**. They then attach accountability, authenticity and transparency to products.
- A unique market segment for super **premium food** products.

Brand *Esashi* sold @ 290€





Exporting Food Products to Japan

Japan's Product Orientation: Processed and Packaged Foods

- Busy modern life & small family unit: Processed food, **freshly prepared** and controlled under **strict expiry date and time**
- City life: 'Packaged or convenient food' for everyday life, sold under **OEM/private labels** to gain consumer loyalty
- Gift culture: So-called 'Preserved food' sold in **gift food market** and **emergency food market**





Hungary's Food Sector

- 70% of cultivated land in east of Budapest. The central to south-eastern part is a breadbasket, and pig farmers are concentrated near the feed corn production area. Major agricultural products are corn, wheat, sunflower seeds, milk and pork.
- Hungary's strengths meeting the profile of Japanese food market:
 - 1) Focus on high-quality agricultural products and on branding agricultural products (e.g., *Mangalica*).
 - 2) Apply certification system, "*Hungarikum*," to add value through differentiation among domestically produced agricultural products.
 - 3) No genetically modified agricultural products.



Top 5 Hungarian Exports to Japan (2018) in Agriculture, Fisheries and Forestry Sector

(source: Ministry of Finance, Japan, 2020)

Products	Amounts in '1,000 US\$	Shares
Feathers, feather products	22,922	29.4%
Sugar confectionery	9,153	11.8%
Natural honey	8,061	10.4%
Frozen vegetables (e.g., sweet corns)	1,903	2.4%
Alcoholic beverage	1,220	1.6%
Total	77,715	100%



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Major Exporters of Pork Meat and Pork Meat Products to Japan

(sources: Japanese Agriculture and Livestock Industries Corporation, Sumitomo-Mitsui Bank Corporation) *Hungary's export has been currently suspended since 2018.

Pork Meat, Pork Products		Major Exporters	Market shares in import
Fresh and chilled pork		USA, Canada	90%
Frozen pork		Spain, Denmark, (Hungary*)	More than 26.5%
Processed pork	Hams	Italy	3.8%
	Sausages	China, USA, Thailand	9%



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2018 Hams and Sausages Import to Japan (Kg, yen)

(source: Ministry of Finance, Japan Trade Statistics)

Origin	Hams & Bacons			Origin	Sausages		
	Quantity	Price	Unit Price		Quantity	Price	Unit Price
Italy	3.195.808	4.254.930	1.331	Italy	826.975	949.076	1.148
Thailand	2.153.033	2.576.463	1.197	Thailand	6.189.163	3.975.686	642
USA	1.598.449	2.225.135	1.392	USA	9.299.154	5.854.354	630
China	1.255.988	1.307.804	1.041	China	10.619.573	5.521.148	520
Spain	762.910	1.191.670	1.562	Spain	135.791	195.053	1.436
Taiwan	246.467	253.884	1.030	Taiwan	193.508	110.352	570
Germany	38.314	36.303	948	Germany	1.062.363	565.470	532
Canada	28.260	29.519	1.045	Canada	69.875	60.110	860
Netherlands	26.235	25.798	983	Netherlands	-	-	-
Denmark	-	-	-	Denmark	1.734.293	900.212	519
Austria	22.497	29.638	1.317	Austria	250.855	154.388	615
France	16.153	42.715	2.644	France	55.165	76.846	1.393

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Top 5 Frozen Vegetable Imports to Japan, 2019

(source: Ministry of Finance, Japan)

Frozen vegetable	Year-on-year increase in volume (%)	Year-on-year increase in value (%)
Potato	103.6%	105.2%
Peas	100.2%	99.9%
Broccoli	103%	102.6%
Corn	97.4%	97.1%
Spinach	95.2%	91.7%

Exporting Food Products to Japan

2014 Wine Imports to Japan

(source, the European Commission's Impact Study)

Market	Origin	Value in mil US\$	Share in %	Unit Price in US\$/l
Japan	World	1,834.3	100.0%	\$3.47/l
	EU	1,227.5	66.9%	\$7.03/l
	TPP Countries	349.2	19.0%	\$3/39/l



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Examples of 2020 Hungarian Tokaji Wine Sold in Japan

Tokaji Essentia 2000, 375ml for 39,600 yen (about €330)

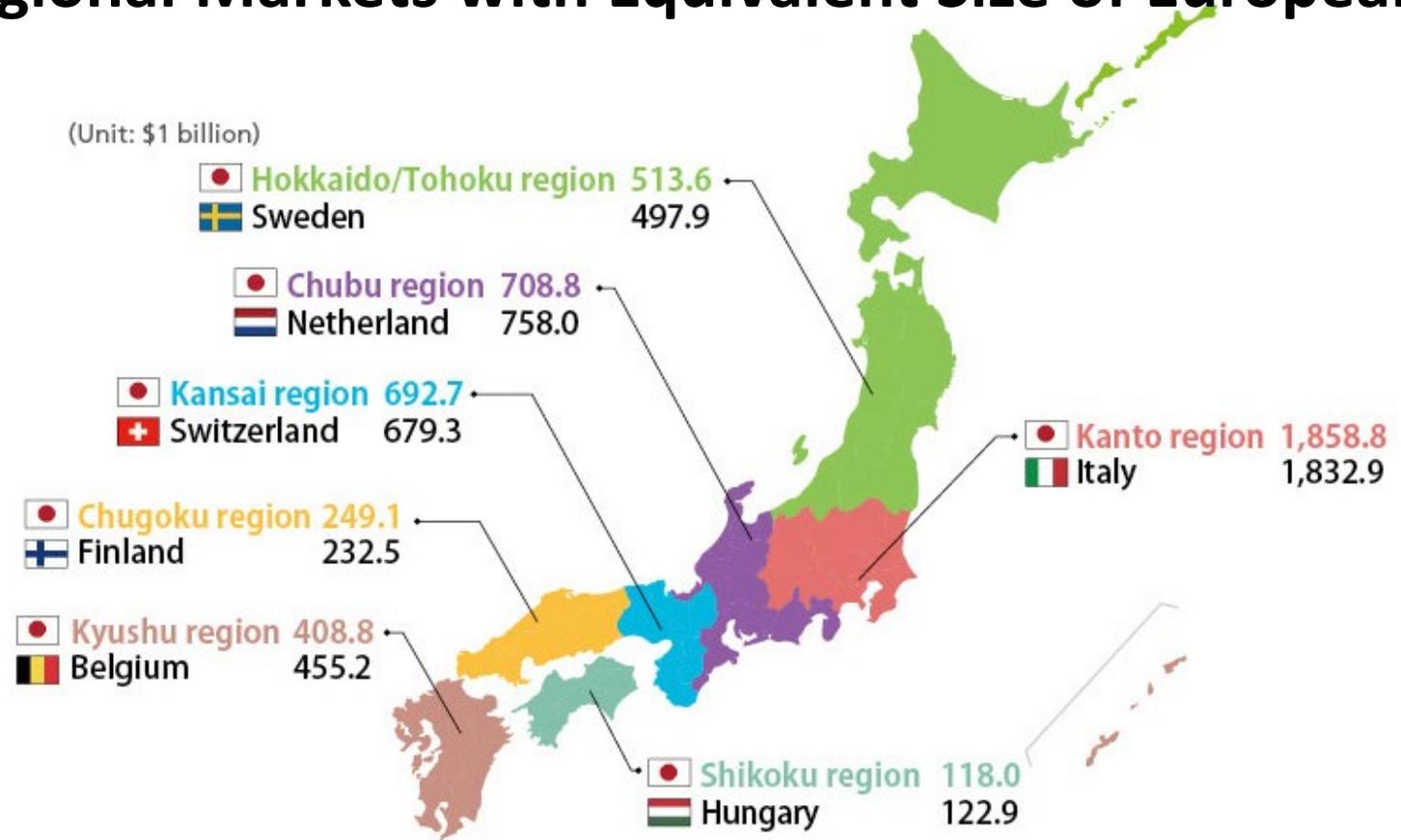


Tokaji Samorodoni Dry EV for 1980 yen (about €16)



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Japan's Regional Markets with Equivalent Size of European Economies

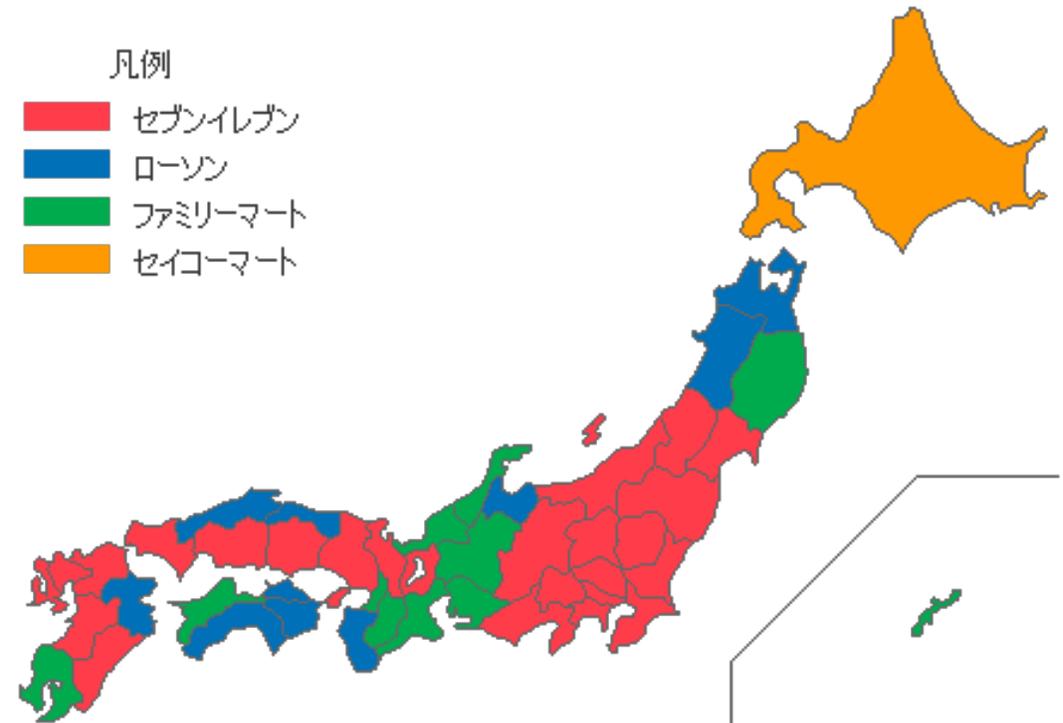




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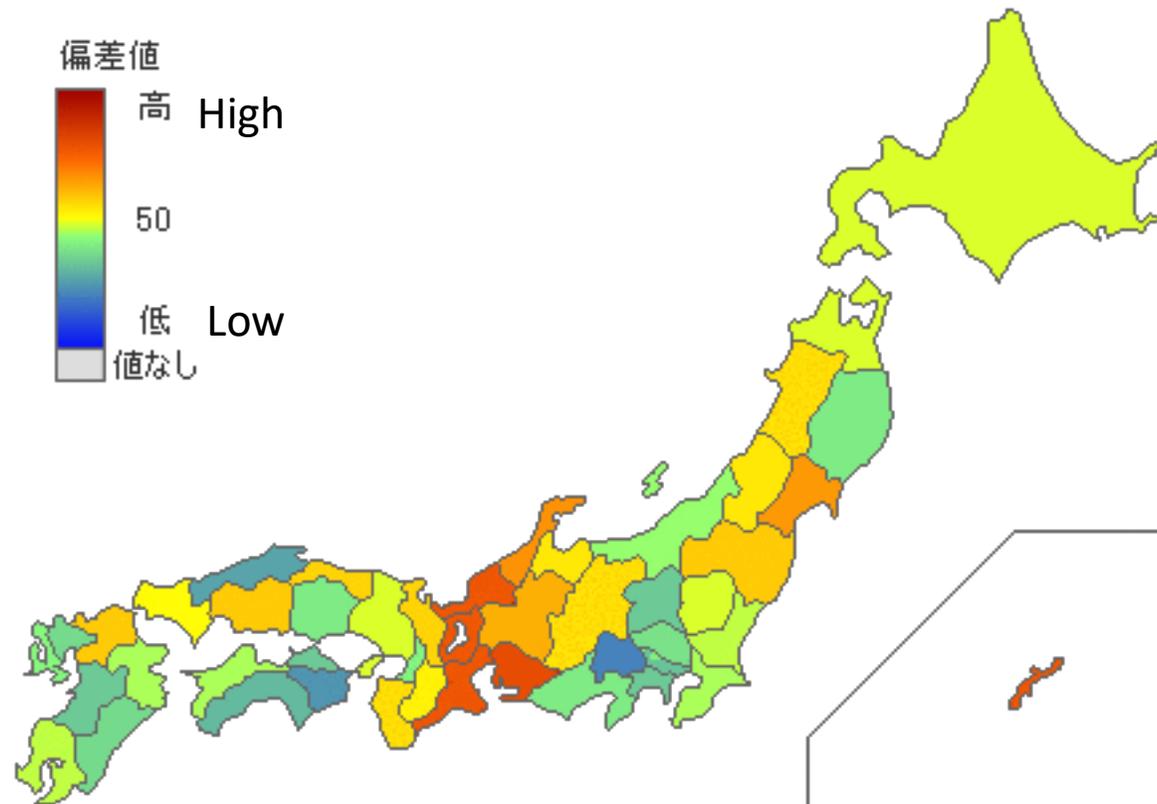
B-2-C retail outlets – Convenience Store:

- Over 58,000 convenience stores
- Market shares





Exporting Food Products to Japan



B-2-C other retail outlets:

- Over 22,000 supermarkets
- Over 200 department Stores
- Two types of regional supermarkets and department stores: either good quality stores or discount stores
- Supermarkets specialized in imported food (some listed on next slide)



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Supermarkets for imported food	Locations	# of Stores	Particulars
Seijo-Ishi	All regions	171	OEM. Wine, cheese, confectionary
Kinokunia	Kanto regions	29	Large variety. Spices, confectionary
Kitano-Ace	All regions	89	OEM
Queens Isetan	Tokyo area	27	OEM, Fresh processed food
Loncos	Tokyo	5	Fresh food. Wine, cheese, desert, Maruetsu Group
Peacock Store	Kanto, Kansai	n.a.,	Lower end of premium food, AEON Group
Bio c'Bon	Tokyo	12	French store, organic food. AEON Group
Motomachi Union	Tokyo	34	American store
Miura-Ya	Tokyo	11	OEM. Fresh food
Precce	Tokyo	4	Fresh food, Tokyu Group



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B-2-B outlets:

Some Japanese “Senmon Shosha” or highly specialized trading companies

Lakuto Japan	Dairy ingredients such as butter, cheese, skin milk powder
Nichimo	Fisheries fresh and processed products
Nichiyou	Import food ingredients and products in networking with convenience chain stores and mass merchandisers. Also develop original products (OEM)for direct sales.
Shoei Food Corp	Nuts, dry fruits, confectionary and baking products
O’will Corp	Beverage, food additives, milk & dairy products, fruits & vegetable
Iceco	Ice-cream
Nippon Ham	Processed hams
Delica Foods Groups	vegetables
Sugimoto Meat Industry	Meat products. It has its own meat shops and restaurants.



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Exporting Food Products to Japan

Trade Shows and Due Diligence

- ❖ Promote your products and meet Japanese partners at:
 - Supermarket Shows (every February)
 - FOODEX (every March)
 - Many focused shows in Japan
 - Show schedule available on www.jetro.go.jp/en/database/j-messe/tradefair
- ❖ Due Diligence on selection of Japanese partners
 - Norm to have an introduction
 - Choose those who are specialized in imported foods and drinks



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Clearances at Japan Customs

EU Export Permit, Commercial Documents

Import Declaration

Legal and Regulatory Clearances

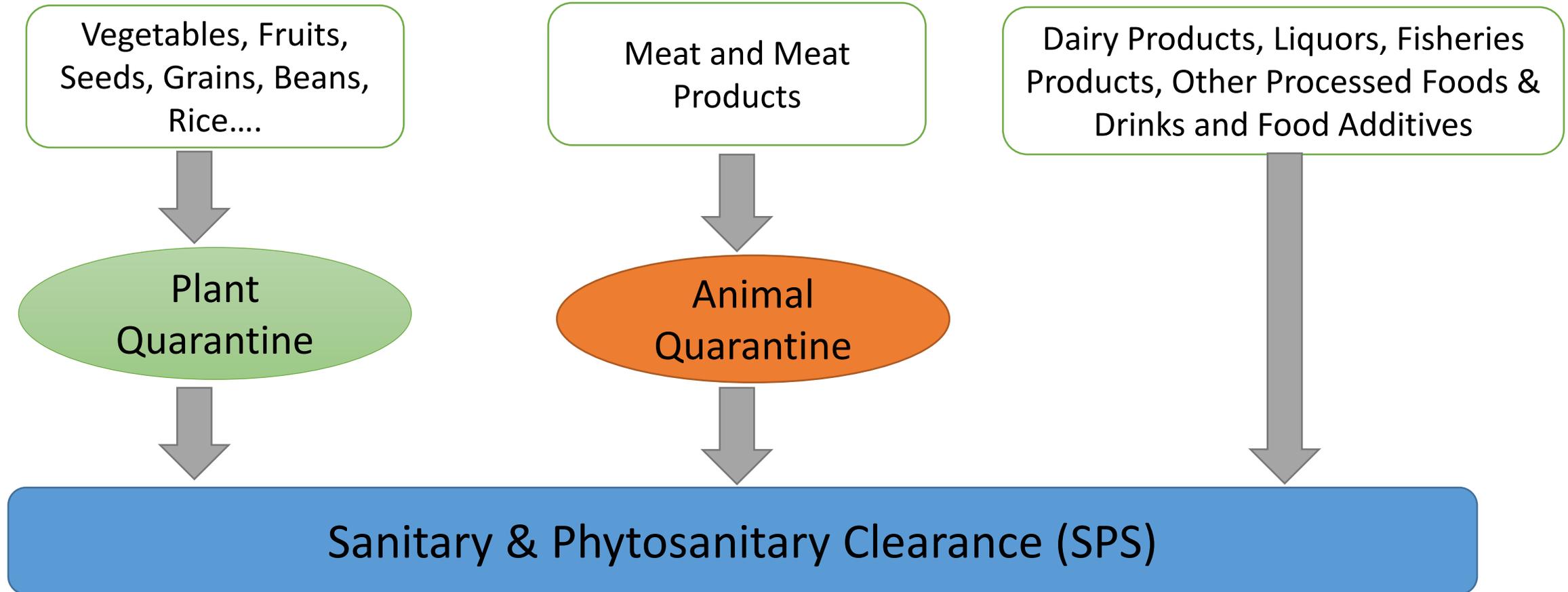
Import Payments

Labelling



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Legal and Regulatory Clearances



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Q&A Session

Please forward your questions to office@eu-japan.eu with reference to 'Expert Support Webinar on Hungarian Food Export to Japan'