

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Japan

**Post:** Tokyo ATO

### Niigata Report 2011

**Report Categories:**

Market Development Reports

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**Report Highlights:**

To investigate the present agricultural situation and to determine if promotional activities would be effective in Niigata, ATO Japan visited Niigata with ATO Director, Steve Shnitzler.

## **Executive Summary:**

Referred to as the "Northeast Port of Japan", Niigata is strengthening both imports and exports including in agricultural products. Well known for its production of rice and rice related products such as Japanese sake and rice crackers, Niigata exports tulips and pine trees as well as fruits such as Japanese pear, peach, strawberry, mini tomato, and melon. Vegetables such as mushrooms and carrots are shipped time to time. Most are exported to Russia, China, Hong Kong, Taiwan and Thailand. The mission of this market research was to learn the present agricultural situation and to determine if promotional activities would be effective in Niigata.

## **General Information:**

### **Purpose**

To learn the present agricultural situation and to determine if promotional activities would be effective in Niigata.

### **Statistics**

#### 1. Population (As of September 2011)

- A. 2.36 million. Down 100,347 (-4.2%) from 2001. Japan's total population was 127.44 Sept. 2010
- B. 859 thousands households. Japan total was 49 million 2010.

#### 2. Industries

##### A. Agricultural Landscape

- I. Fishing shoreline for fishery: 634 km (ranked 21st in Japan)
- II. Planting: 116,900 ha planted rice and 7380 ha planted soybean

##### A. Manufacturing

- I. Textiles
- II. Measurement devices

##### A. Shipping

- I. Port for vessels traveling to and from Russia, China, Taiwan, Hong Kong and Korea.
- II. Used vehicle and bicycle export

#### 3. Largest cities (September 2011)

City	Population	Households
Niigata	812,6000	315,508
Nagaoka	281,569	101,003
Joetsu	202,776	72,803

#### 4. Agriculture (2009)

##### A. Rice

- I. Best known for Koshihikari (Other species: Koshiibuki, Etsutanrei, Shinkeishitumai)
- II. Total planting area was 116,900 ha (number one in Japan)
- III. Total production was 644,100 tons (number two in Japan)

##### A. Soybean

- I. Total planting was 7380 ha (ranked 7th)
- II. Total production was 13,100 tons (ranked 6th) (2008)

A. Fruits

- I. Table grapes: Planting area 345 ha, Produced 3,210 tons
  - a. House Delaware (July)
  - b. House Hyoho (August)
  - c. Roji Kyoho and Neomascot (September)
- II. Peach: Planting area 257 ha, Produced 3,190 tons
  - a. Hachiman Hakuho (July-August)
  - b. Shirone Shiromomo (September)
  
- I. Japanese Pear: Planting area 527 ha, Produced 15,800 tons
  - a. Akazuki (Mid-October – Beginning November)
  - b. Niitaka (Beginning November – January)
  - c. Shinkou (October-February)
- II. Strawberry
  - a. Brand name: Echigo Hime

A. Vegetables

- I. Edamame and chamame
- II. Cucumbers 17 ha 150 producers
- III. Watermelon harvest begins in June and finishes in July.

A. Flowers

- I. Lily (cut): Planting area 165 HA, Produced 17,200 thousand (number one in Japan)

A. Animals

Animal	Production	Ranking in Japan
Beef	8,211 head	41
Pork	392 head	4
Milk	69,000 tons	34
Poultry	15,000 tons	38
Eggs	92,000 tons	33

A. Fishery

- I. 5,000 vessels harvest approximately 15,586 tons of fish per year, which is worth approximately 906 thousand dollars (Yen 76/dollar). Major products are squid, sazae, aji, tara, hirame, buri and nori (dried seaweed).

A. Food Industry Market

- I. Retail
  - a. There are a total of 49 retail companies that have 714 stores located throughout Niigata prefecture to distribute

food products.

- a. Leading supermarkets
  - Harashin Supermarket
  - Uoroku Supermarket
  - Shimizu Food Center
- b. Department Stores
  - Niigata Isetan Co.
  - Niigata Mitsukoshi Co.
  - Laforet Harajuku Niigata
  - Lovela Bandai

## II. Hotel

- a. There seven major hotels in Niigata city.
  - Hotel Okura
  - ANA Crowne Plaza Hotel
  - Niigata Grand Hotel
  - Hotel Italia ken
  - Bandai Silver Hotel
  - Nikko Hotel
  - Toei Hotel

## III. Food service

a. Niigata's food service industry includes an assortment of cuisines. Of course the basis is Japanese cuisine, which most consumers assume they will be served the highest quality rice, seafood and of course sake.

a. Influenced by foreign presence during the Meiji era meat dishes and Italian cuisine was introduced early in Niigata.

a. Niigata is also known for ramen and tonkatsu.

## 5. Industry

- A. Textile
- B. Measurement devices

## **Discussion**

Niigata seems an attractive market as the 14th largest populated prefecture with three densely populated central cities, and has set its sights on increasing trade. The last stop on the Joetsu Shinkansen (Bullet Train), Niigata City continues to attract businesses to the northwest region of Japan. Niigata maintains its number one rice production status, continues to grow its textile and machinery industries, and increase its exports with cut flowers, fruits, and used car and car parts.

To further its goal to increase trade, Niigata has invested city officials and staff to develop a program to attract agricultural business in the northern half of Japan to converge in Niigata where manufacturers, exporters as well as importers can share their products. Niigata City developed the Food Messe in Niigata food tradeshow in 2009 as part of this effort. ATO Japan visited the 2010 show and determined that a test participation would be beneficial to make further assessments to the type of marketing and public relation work that could be put forward into the Niigata and northern mainland markets.

## **Agricultural Product Import Potential**

The largest rice cracker producer in Japan, Kameda Seika, imports rice. They of course use Niigata rice as well. They also import peanuts from China. However, there aren't many companies in Niigata that import agricultural products. Many trading companies and distributors such as Toyota Tsusho will purchase through their central buying departments that are responsible to import products into Japan through the Tokyo region. Supermarkets in Niigata also rely on Tokyo importers and their distributors to purchase imported products.

Discussions with the City of Niigata, Chamber of Commerce and Japan External Trade Organization (JETRO) emphasized the desire to export to countries across the Japan Sea, such as Russia, China, Mongolia and Korea. However, all three organizations support Food Messe in Niigata in order to grow total trade in Niigata and the greater region.

### **Food Messe in Niigata**

The ultimate goal is to increase both exports and imports in Niigata. This year, the organizers contacted all the retailers and distributors in the northern region including the earthquake struck area of Tohoku. To become the hub of northern Japan was one of their goals and this was part of the plan. This means that importers that may join us if we were to participate in Food Messe in Niigata would have access to most of the Niigata and northern Japan purchasers.

### **Recommendations**

Niigata's approach to revitalizing its economy is to develop new export business, rebuild infrastructure to increase exports and to attract new business from Tokyo including foreign businesses. Prefectural documents refer to keywords such Tokyo infrastructure, quality and design, international competitiveness, new energy, agriculture, health, medical, and leading Japan.

In order to increase exports and attract new business Niigata recognizes that expanding their efforts to internationalize their economy and status is necessary. Niigata seems they stand ready to new partners and businesses.

ATO Japan recommends that it introduce U.S. agricultural cooperators and importers to potential purchasers in the region. In order to do this ATO should continue to develop business and political relations in Niigata. Possible approaches are to participate in Food Messe in Niigata and to explore potential small-mid size import businesses.

### **Meetings held between December 2 and 3, 2010**

1. Kameda Seika: Largest rice cracker producer in Japan.
  - A. Mr. Akira Honda, Plant Manager
  - B. Mr. Shinichi Furusawa, Executive Officer, Overseas Business Department
2. City of Niigata: International Economic Affairs Office, Industrial Policy Division
  - A. Mr. Atsushi Oguri, Assistant Division Director
3. Federation of The Chambers of Commerce & Industry of Niigata
  - A. Mr. Keichi Ozawa , Secretary General
4. Uoroku Supermarket
  - A. Mr. Akira Hasegawa, Director, Food Division Manager
5. Niigata Food Messe (Niigata food show)
  - A. Mr. Kenichi Shirai, Senior Director

6. JETRO
  - A. Mr. George Ikeshita, Director
  - B. Mr. Yoshiaki Yoneyama, Chief
  - C. Ms. Mihoko Itoh, Assistant
7. Toyota Tsusho, Niigata, Import/distributor
  - A. Mr. Yukiho Oohashi, Project Manager
  - B. Mr. Mitsunori Yajima
8. Bandai Silver Hotel
  - A. Mr. Yoshikazu Fujita, President
9. Hotel Italia Ken
  - A. Mr. Jin Furukawa, Sales Manager
10. Niigata Grand Hotel
  - A. Mr. Kenji Itoh, Vice President
11. ANA Crowne Plaza Hotel
  - A. Mr. Masami Nakajima, Banquet Sales
  - B. Mr. Kazuaki Koike, Manager, Room sales