

Dairy, Egg & Egg Products

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SPECIAL FEATURE: CHEESE/ TRENDS OF IMPORTED CHEESE

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The domestic consumption volume of cheese in 2012 was a record high exceeding 248,000 tons. Consumption was supported by the rise of business-use side dishes, confectionary, and frozen foods using cheese, and the fact that cheese found a stable position in Japanese homes as an ingredient for dishes. As the purchasers continue to mainly move to generations that eat cheese regularly, the cheese market will follow a steady path towards growth. In 2013, the volume is estimated to reach 300,000 tons, exceeding the value of the previous year for 4 consecutive years. Besides the issue of the depreciation of yen, there are other concerns such as the fall of market price and sales competition of slice cheese and shredded cheese due to competition between distribution channels and new entries, and deterioration of cooperate earnings from rise in sales promotion expenses.

The Japanese cheese industry relies 80% of its domestic consumption volume on imported raw materials. Therefore, the international market price of dairy products has a large influence on the industry. The trade volume within the global production volume of dairy products is quite low, and producing countries are limited. Even when there is an increase in production volume from high demand for China and Russia in recent years, and India and Brazil for most recently, they are not able to catch up with these demands and the international market price is on the rise.

Japan is the 2nd largest importer of cheese next to Russia. About 70% of the cheese imported to Japan is from Australia and New Zealand. The cheese market is likely to see stable growth in the future. Cheese will be proved of its value and secure proper interests without companies making facile decisions by lowering the prices. Also, by reinvesting on promotion activities such as spreading the usage of cheese for cooking, developing recipes, and proposing ways to eat, it leads to the revitalization of the market.



Trends of Imported Cheese

Below are the activities by specialized trading companies for home-use imported cheese.

Nosawa & Co., Ltd.

The company's staple product is a Dutch cheese called "Frico" which is under the Nosawa brand. "Frico" has demand for 300-500g packages and Nosawa "hopes to double the number of tasting samples given out at their store and have more people to cut the cheese for themselves to eat." Nosawa adds, "We are thinking of considering cheese as nutritive value and use this with whey protein to put into products targeting elders and sports drinks." Their most prime target is family.

Chesco Co., Ltd.

Their staple product is JERMI Q-Bic, a cubic cheese with German basil and garlic, which

they hope to differentiate with general merchandise stores and supermarkets. Chesco's main targets are "adults" and they provide hors d'oeuvre and appetizers that goes well with alcohol. For new products, it is always best to give out samples. Holding series of demonstrations mainly in November and December of 2012, Chesco made expected achievements.

Tokyo Dairy Co., Ltd.

Tokyo Dairy's staple product is mildew-type (brie and camembert) and their main target is "people who want to enjoy real cheese without spending too much." They have many products that go well for drinking and eating at home. Tokyo Dairy is actively engaged in PR and communication at the store. At the end of the year, their products go on sale with increased content and they attach recipe cards for New Years. At the same time, they handle fresh camembert and large-sized natural cheese, hoping to provide the real taste to supermarket customers at a reasonable price.

Nippon Mycella Co., Ltd.

They handle 3 types of Dutch ERU spread (Prestige, Chevre, Bleu) as their staple product. Nippon Mycella targets general families and handles products that cover from breakfast to appetizer. They are increasing their import from small and medium sized suppliers from Europe, Australia, and the US that provide special cheese, and hopes to fortify supplies for both the upper products of department stores and reasonable products. They consider giving out samples at stores as their first priority.

F.R. marketing ltd.

Their staple product is the French fresh cheese Boursin. The product is creamy and has a smooth texture. F.R. Marketing targets customers in their late 20s or over and handles products that best fits the image of showing "hospitality to a guest." Also, they continue to show the seasonality and playfulness of Boursin by selling seasonal flavors, and they hope these products will be used regularly. For original products, they are planning with European makers for a joint development.

Sekai Cheese Shokai, Inc.

Their staple product is Christian Janier's ripened French cheese, which is also doing well at department stores. Sekai Cheese Shokai expands its business across Japan, while

concentrating on major cities. Janier's ripened cheese is known as the "king of mildew" and have lineups of international cheese such as "Brie de Meaux (the best)" and Comte Extra." Sekai Cheese Shokai holds a fair in Osaka and Tokyo every month calling it a garage sale.

Hisada Co., Ltd.

While having 3 functions of importer, wholesaler and retailer as a group, Hisada have 20 directly managed cheese specialty stores. Comte Extra is the staple product. It goes well with light red wine and refreshing white wine. Of the 300 items that the company handles throughout the year, over 90% are European cheese that does not conflict with other company's products in regards to taste and quality. This is their strength, and they mainly take in department store users. President Hisada states, "Our biggest advantage is that our products are evaluated to have a stable quality for taste, and the fact that we have staffs with wide knowledge on cheese to provide exactly what the customers are looking for."

