

2014 APEC

The Road to Japanese Agricultural Products Export



Marubeni

Komei KONDO



1991	Marubeni	Tokyo	Feed Grain Department
1997	Marubeni	New York	Grain Dept.
1998	Marubeni	Portland, OR	Grain Dept.
2001	Marubeni	Tokyo	Trading Manager Grain Dept.
2006	Marubeni	Tokyo	General Manager Feed Grain & Stuff Dept.
2009	Marubeni	Paris	General Manager Paris Milan Food Dept.
2011	Marubeni	Paris	General Manager Europe Food Division General Manager Paris Milan London Food Dept.
2014	Marubeni	Tokyo	Director, Agricultural Products Units General Manager Agricultural Products Dept.

Agenda

Marubeni Food Supply Chain

Marubeni Grain Trade

Japanese Agricultural Products Export

Basic Strategy for the Export

Lead to greater
Liquidity of Farm products

Rice Trade

Strategy 1

Strategy 2

Strategy 3

Market Comparison

Land Area Comparison

Keywords

Distribution Network

Standardization and Branding

Transparency and Fluidization of commerce

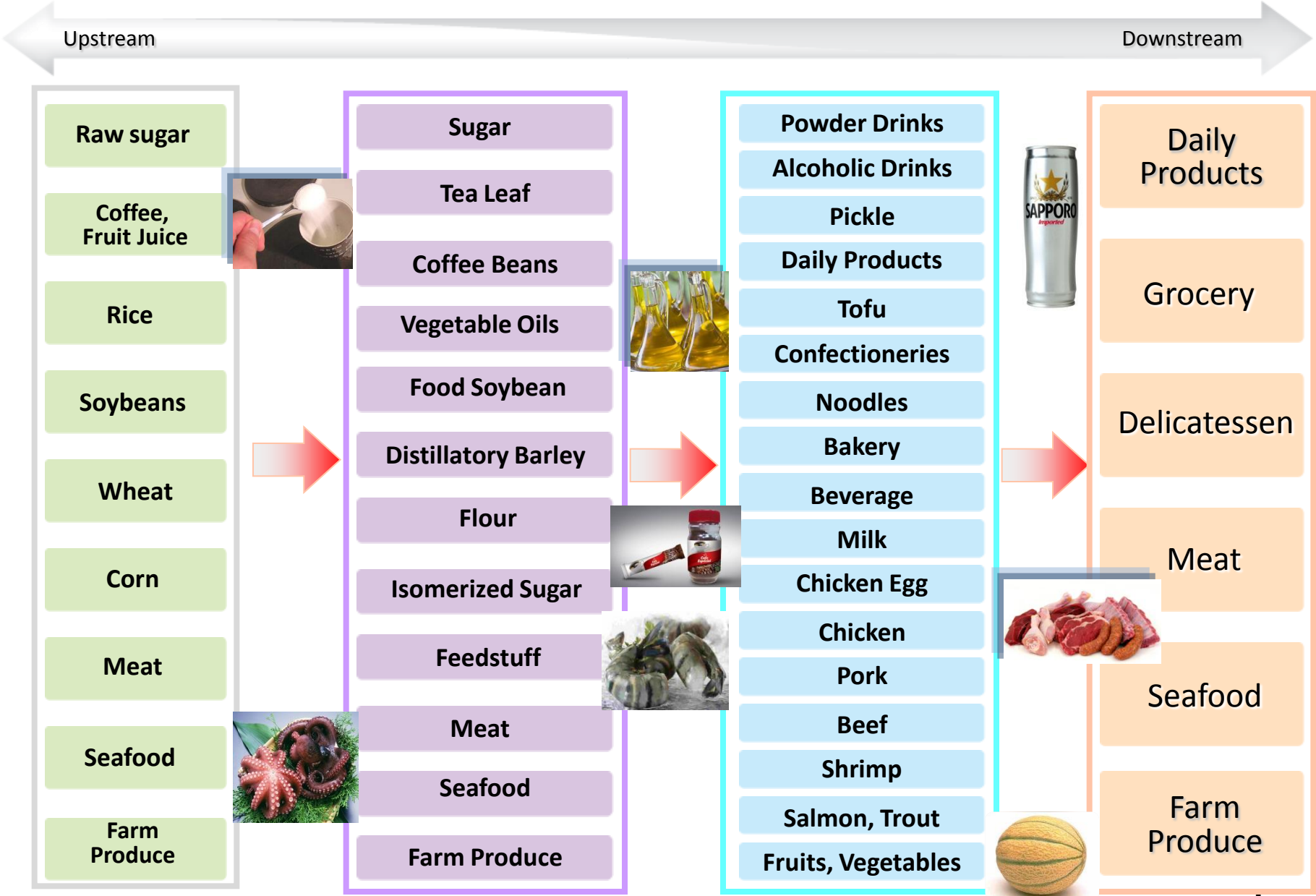
Brown rice, White Rice

World/Asia Statistics

Passion to change the world

Marubeni







Maximizing the sales in each sector of Supply Chain from upstream to downstream

Upstream

Downstream

Marubeni's Strengths

● Food Materials

<Import Share and Ranking*>

- Grain
Handling volume
22 million ton (No.1) *
- coffee bean
30% (No.1) *

*among Japanese Trading Houses

● Processing

<Market Share> (Company Estimates)

- Assorted Feed 11% *(No.1)
- Broiler breeder 80% (No.1)

*among Japanese Trading Houses

● Wholesale

<Sales>

- Yamaboshiya (Confectioneries)
¥237 billion (No.1 in Japan)
- Nacx Nakamura
(Frozen/Chilled food)
¥114 billion (No.3 in Japan)

● Retail

<Sales>

- Daiei ¥ 977 billion
(No.3 in Japan)
- Maruetsu ¥ 337 billion
(No.1 In the Tokyo
Metropolitan Area)

Columbia Grain, Inc. (U.S.) (Marubeni 100%)

Logistics, export, and domestic sales of grain. Has logistics network covering 6 states in North America, and export terminals from which 4 million tons of grain (about 35% of wheat shipment from the American West Coast) is exported to all over the world, including 1.8 million to Japan.



Marubeni Nisshin Feed Co., Ltd. (Marubeni 60%)

First among trading companies, and second after Zen-Noh in the manufacturing, processing, and sales of feed.

Marubeni Nisshin Feed Co., Ltd.
日清丸紅飼料株式会社

Marubeni Chikusan (Marubeni 100%)

Marketing of meat and processed products



Marubeni Egg (Marubeni 60%)

Marketing of table egg and egg products



Nippon chunky broiler (Marubeni 100%)

Production of 4 mil. broiler breeder per annum (80% share in Japan)

Marubeni Foods (Marubeni 100%)

Sales of coffee, tea and general processed foods



Nacx Nakamura (Marubeni 83.5%)

Frozen / Chilled Foods wholesale



Yamaboshiya (Marubeni 77.6%)

Confectioneries wholesale



Benirei (Marubeni 98.8%)

Wholesale of seafood and commercial cold storage



Daiei (Marubeni 29.5%)

Supermarkets
454 stores



Maruetsu (Marubeni 29.9%)

Supermarkets
259 stores



Tobu Store (Marubeni 30.2%)

Supermarkets
60 stores



Sotetsu Rosen (Marubeni 20%)

Supermarkets
52 stores

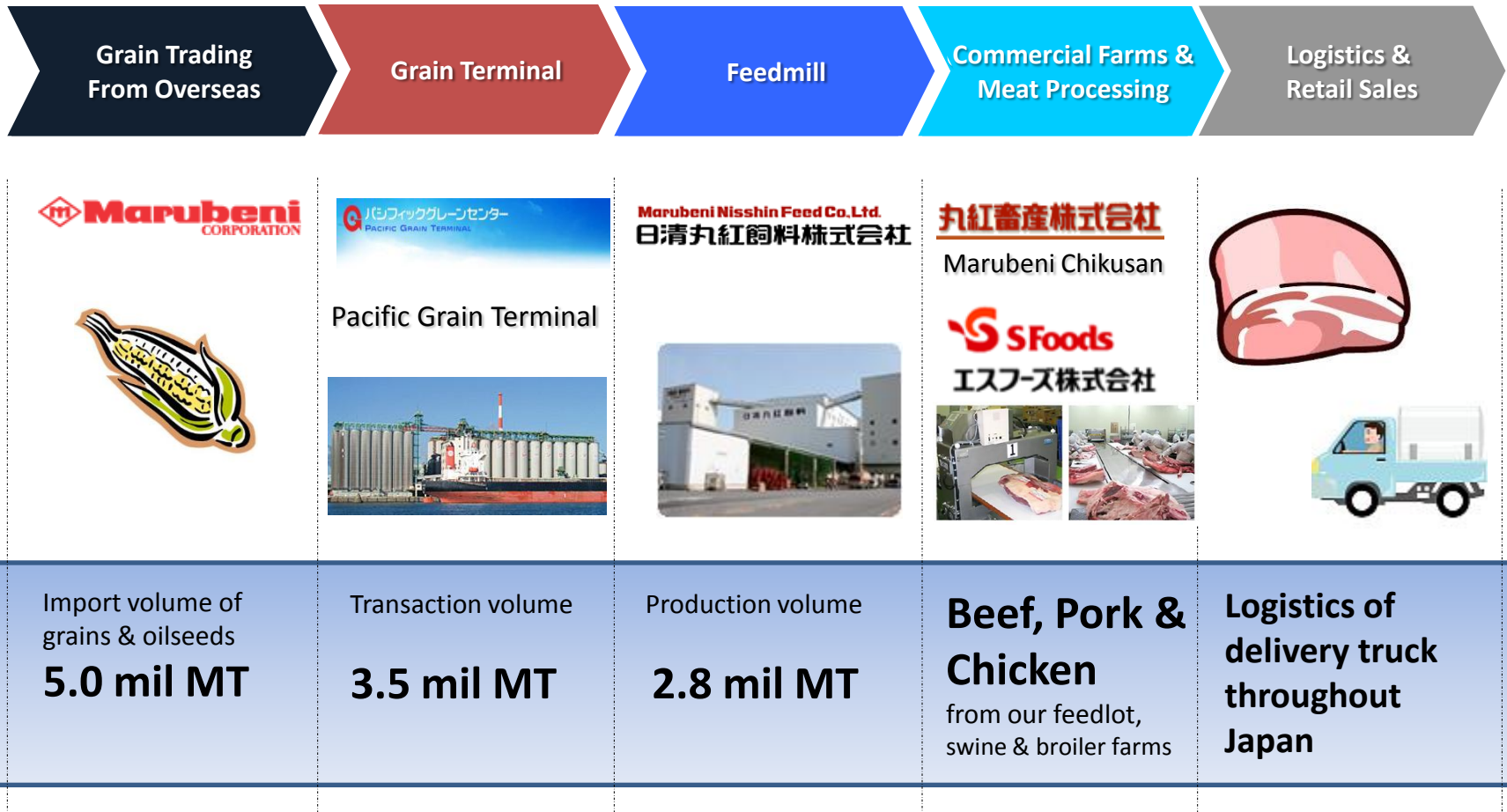


Terlogs Terminal Maritimo (Brazil) (Marubeni 100%)

Grain export elevator in Sao Francisco do Sul, handling 2.5 million tons of grain annum.



- Marubeni has established Poultry & Swine Integrated business platform from Grain Trading to Meat Sales in Japanese Market.



Grain Trade Over view



Gavilon Acquisition

Marubeni

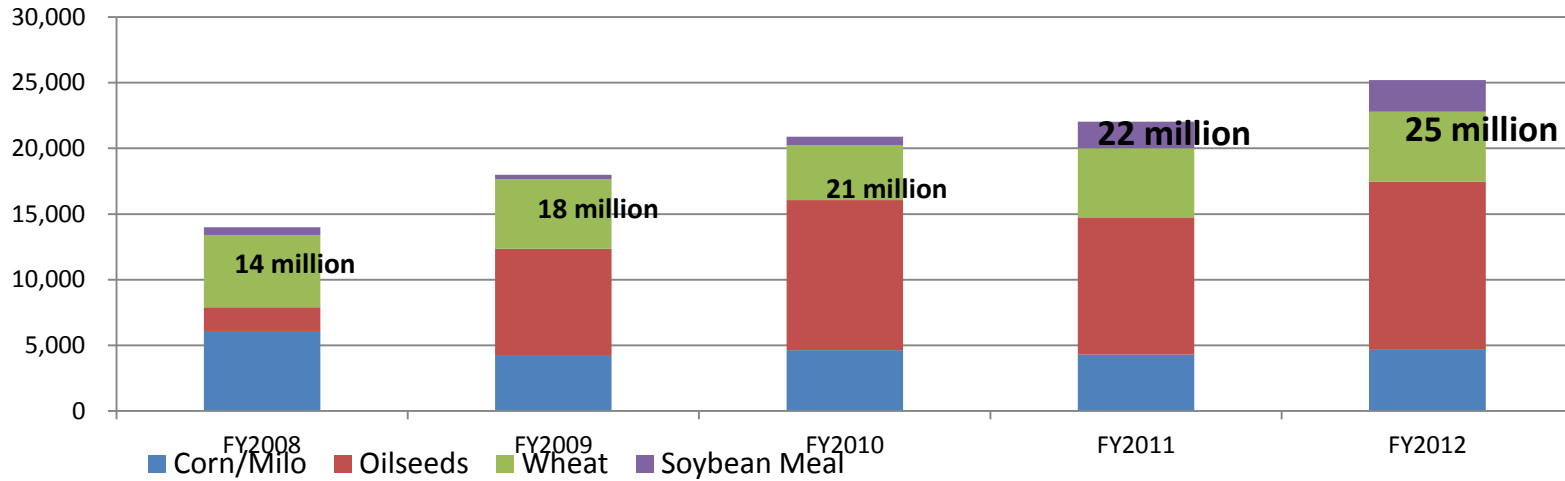
- **Leading commodity management firm in U.S. (Headquartered in Omaha / 2,000 Employees).**
- **Gavilon has over 140 country elevators across the states and the major export terminal (KEC) at Pacific Northwest.**
- **Gavilon also has developed international business in Australia, Brazil and the Black Sea areas.**

- Jul 2013 • Marubeni Corporation acquires Gavilon's agriculture business
- Dec 2010 • Gavilon acquires DeBruce Companies
- Jun 2008 • Gavilon is formed and acquires ConAgra Trade Group
- 1998 • Commodity operations are combined and ConAgra Trade Group is established
- 1982 • Peavey Company is acquired by ConAgra Foods
- 1962 • Company name is changed to Peavey Company
- 1874 • F.H. Peavey & Company is founded



Grain Trade Volume

Marubeni



GAVILON 



Marubeni



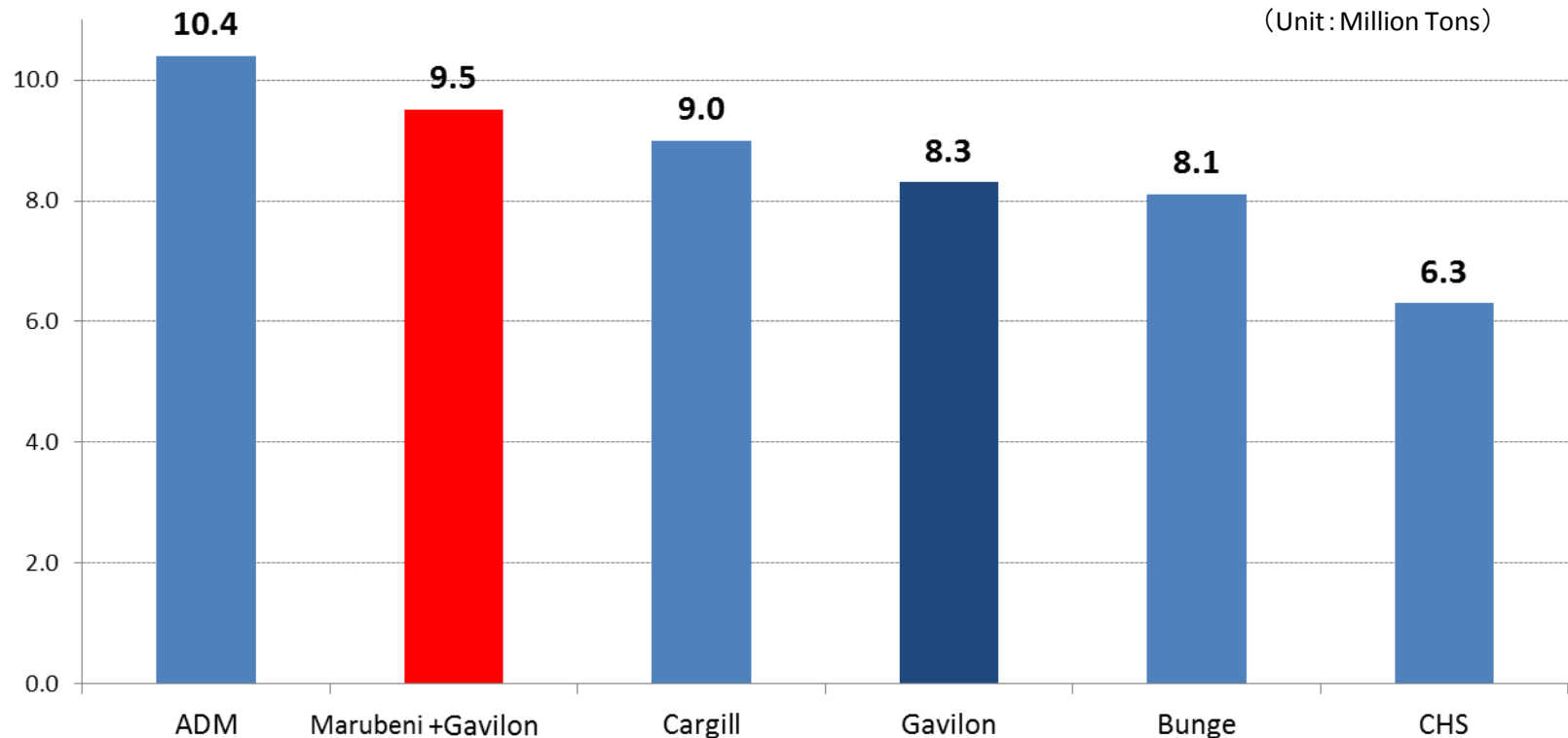
Marubeni Group handle 55 million tons annually.

Expanding of origination capacities

Marubeni

- Marubeni/Gavilon have developed the 2nd largest grain loading capacities in USA with over 180 origination terminals.

Domestic Grain Loading Capacities in U.S. market



Source: Aggregated data from
"Grain & Milling Annual" 12

- Marubeni is forming global supply and sales networks all over the world.
- Marubeni strengthened the origination capacities in US and Australia after the Gavilon acquisition.



We trade various items in the entire world .



however

Food export from Japan is very limited.

Market Comparison

Commodity	Production	Market Size
Corn	860 million tons	US\$ 250 billion
Soy Bean	270 million tons	US\$ 160 billion
Wheat	660 million tons	US\$ 190 billion
Rice	470 million tons	US\$ 240 billion
Fruits & Vegetables	2.4 “billion” tons	US\$ 580 billion

**We are strongly focusing on and targeting at
this market along with the grain**

Agri-Products Export

Marubeni

Land Area Comparison

unit: square km



① Russia 17,098,242 11.5%



② Canada 9,984,670 6.7%



③ USA 9,629,091 6.5%



④ China 9,596,961 6.4%



⑤ Brazil 8,514,877 5.7%

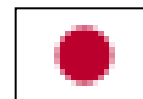


⑥ Australia 7,692,024 5.2%



44th

France 640,303 0.43%



62nd

Japan 377,930 0.25%



63rd

Germany 357,121 0.24%



72nd

Italy 301,336 0.20%

Japan = Not Small + Rich Water Supply



How can Japan become a major exporter of Food ?

Keywords

Branding

TPP/FTA

Quarantine, Custom

Fixed Temperature Management

Cross Border EC

Futures

Currency

Food Safety

Transparency

**Distribution
& Processing**

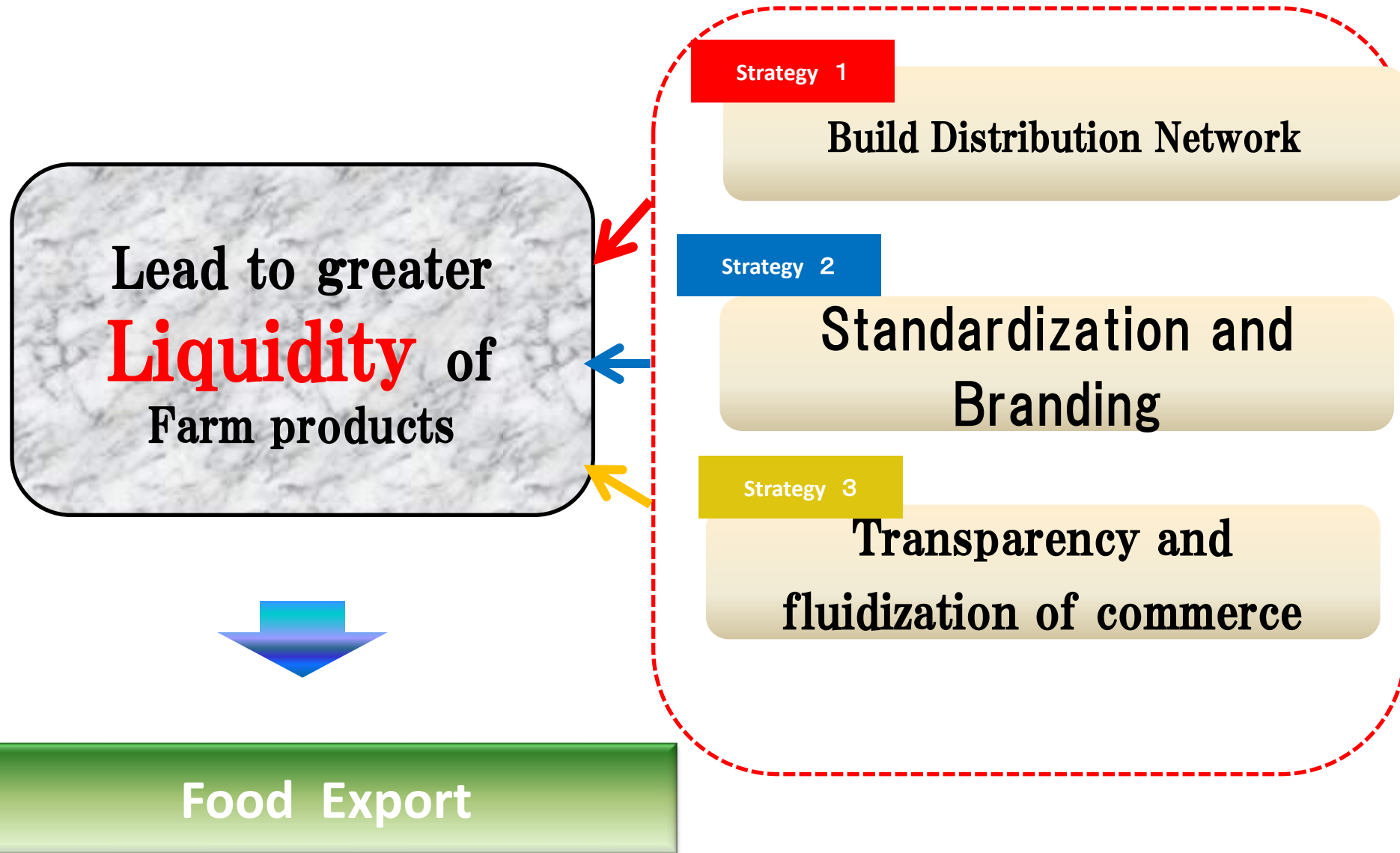
**Customer Services,
Complain Risks**

Halal

**System, Law,
Regulation**

Basic Strategy

Marubeni



Distribution Network

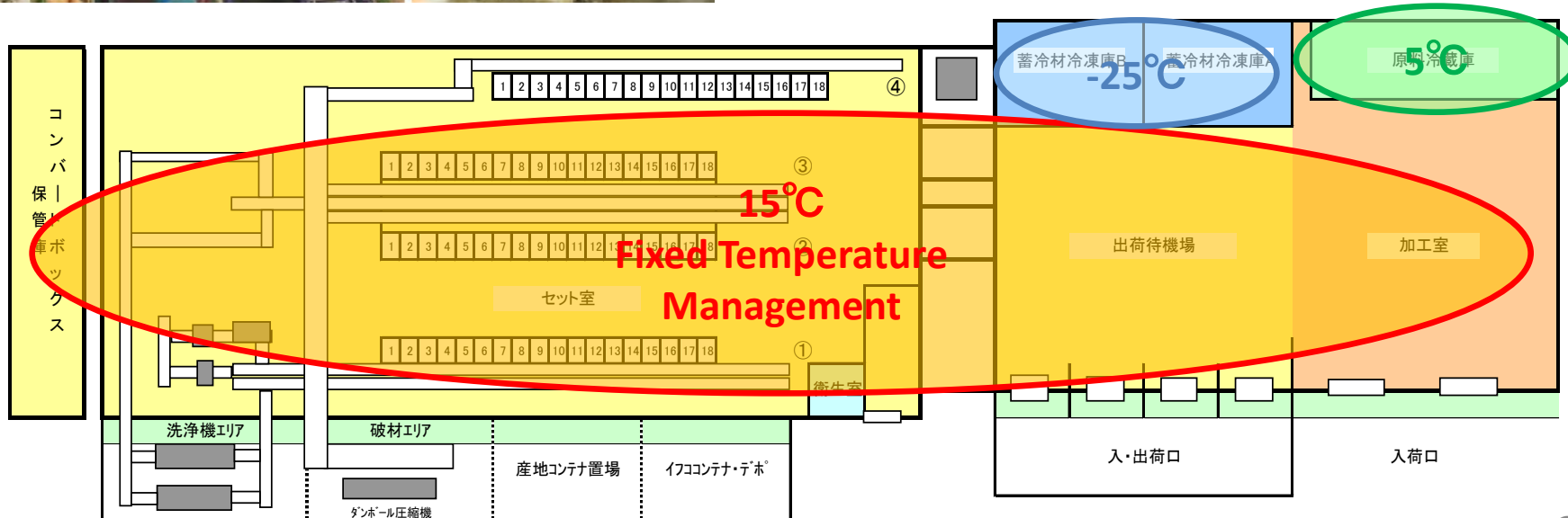


< VEGETECH / Saitama Distribution and Processing Center >

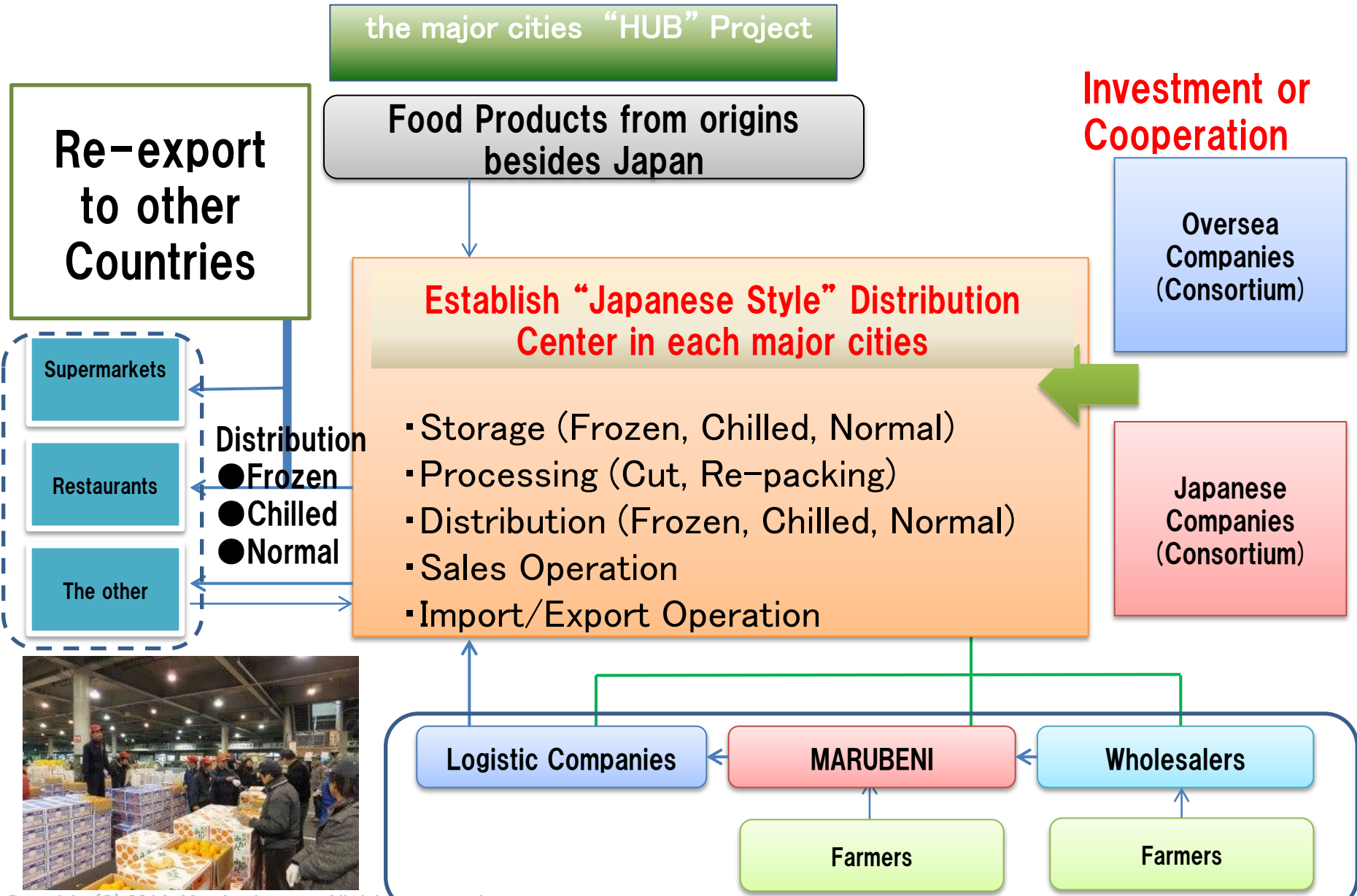
【Established】: August, 2000

【Land Area】: 4,730m²

【Invested Amount】: Approx. US\$10million

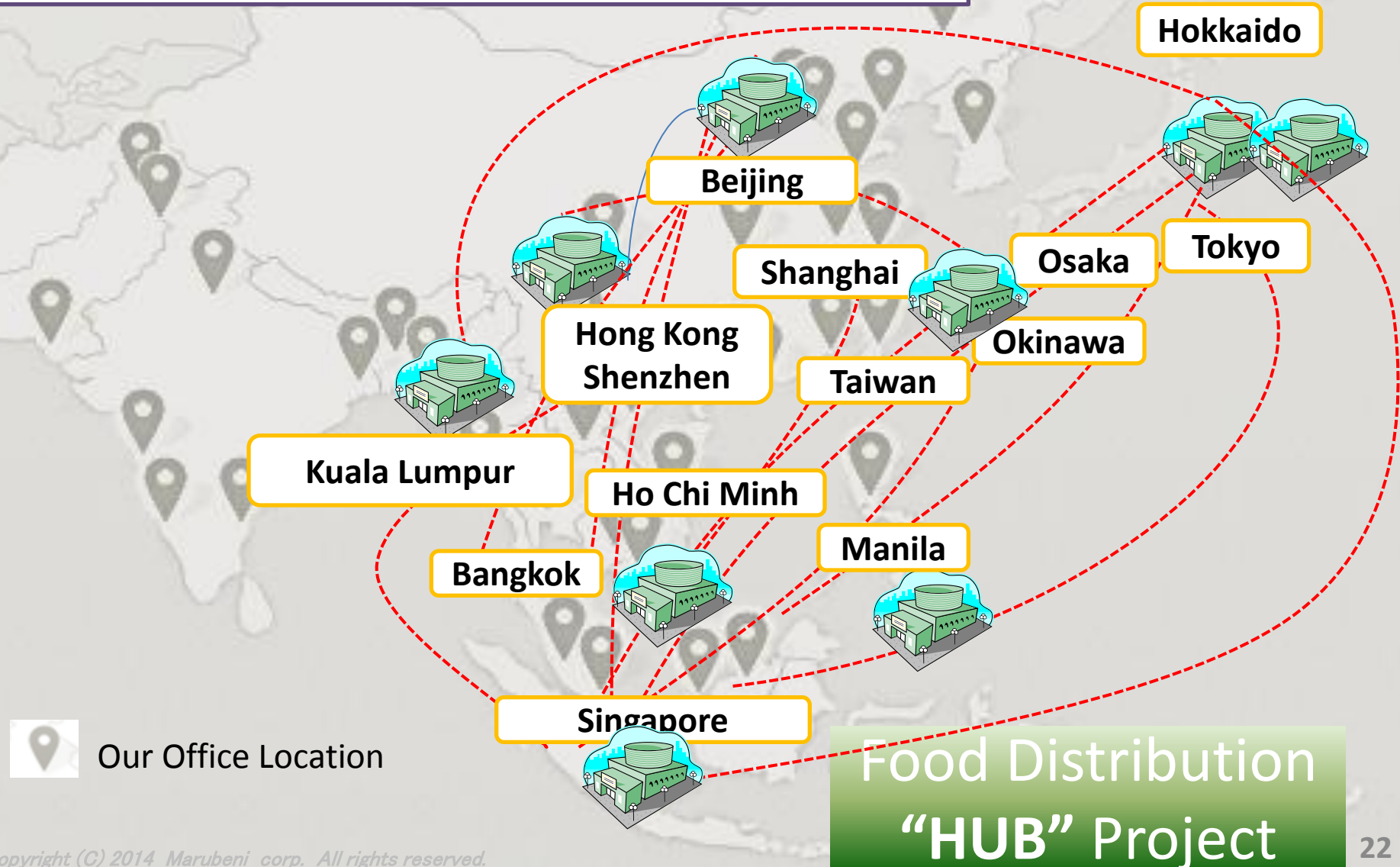


Distribution Network



Distribution Network

Fixed Temperature Management and Processing HUBs are “Key issue” for distributing Farm -Produce.

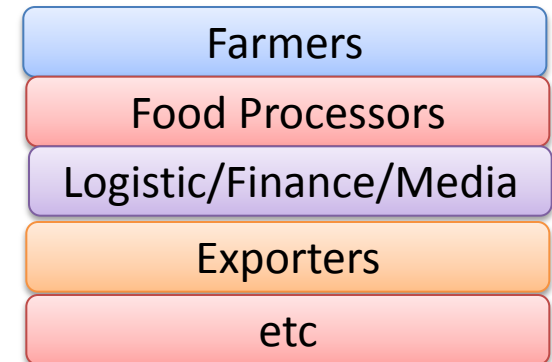


【About the Council】

One of the projects adopted by Ministry of Agriculture, Forestry, and Fishery (MAFF), permitted to take action with MAFF's budget.

【Council's Aim】

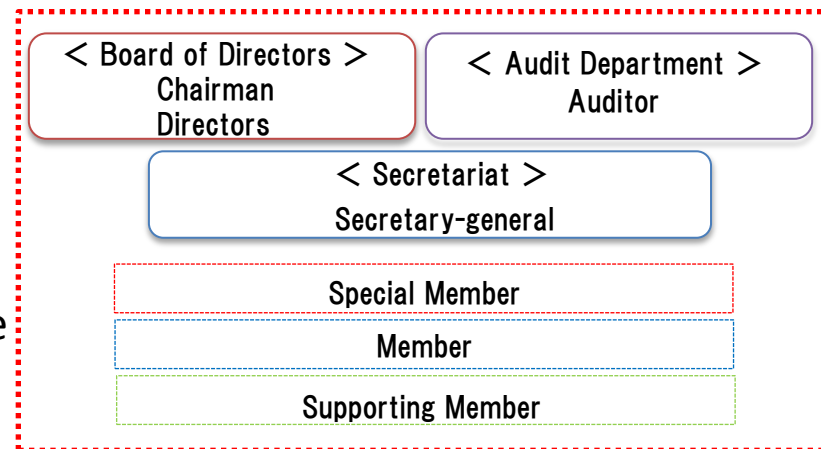
Our aim is to gather Farmers, Food Processors, Distributors, and Exporters in order to develop and create Japanese food market mainly in Asian countries.



【Activities】

- ◆ Hold export strategy meeting.
- ◆ Market research.
- ◆ Information sharing among JPEC members of the result of market research.
- ◆ Gather information for council aim's needs.

JPEC Organization



Standardization and Branding

ハラール حلال Halāl

Create Value Chain (Production-Distribution-Retail) of “Halal Foods”

Global “Halal Foods” Market
Approx US\$ 654 billion

ASEAN

Middle East

North Africa

EU

Xinjiang Uighur

ASEAN Halal Project
Target Area

Domestic Rice Market Report Issued by MARUBENI.

丸紅コメ情報

発行日：2014年5月12日（月）

本日のトピックス

- ◆ 25年産米の量販店向けの販売りがさらに加速する。

国産現物 H25 産玄米 60kg 当たり、検査 1 等、関東着、税別

P Premium rice 15,600 Yen Per 60kg ±0 円)

S Standard rice 12,800 Yen Per 60kg ±0 円)

E Economy rice 10,250 Yen Per 60kg ±0 円)

注1) プレミアム ……新潟コシヒカリ

注2) スタンダード ……東北ひとめぼれ、東北あきたこまち、山形はえぬき 等

注3) エコノミー ……青森まっしぐら、栃木あさひの夢、群馬ごろびかり 等

注4) 全農相対価格 ……全農が精米卸向けに公表している、産地・銘柄別の指標価格

国産先物（東京） H25 産関東コシヒカリ、玄米 60kg 当たり、検査 1 等、関東着、税別

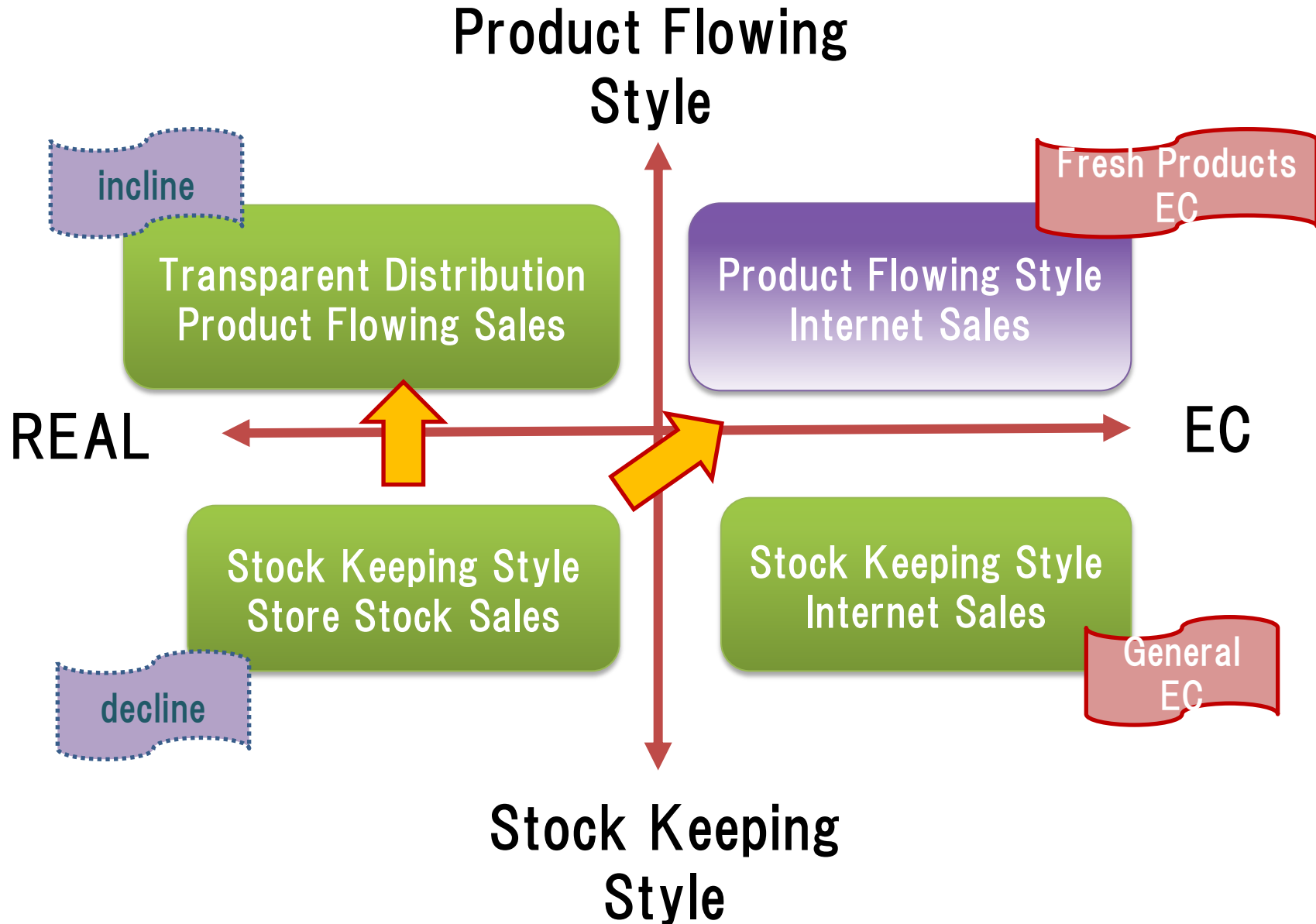
（14/10 月限は H26 産関東コシヒカリ）

2014/5/12							
限月		14/05	14/06	14/07	14/08	14/09	14/10
前日終値(pre.sett)		10,300	10,320	10,180	10,030	9,920	9,400
前場	第1節	10,300	10,320	10,180	10,020	9,910	9,390
	第2節	10,290	10,310	10,170	10,010	9,910	9,390
	第3節	10,290	10,310	10,170	10,010	9,910	9,390
後場	第1節	10,290	10,310	10,170	10,010	9,910	9,500
	第2節	10,280	10,300	10,160	10,010	9,910	9,490
	第3節	10,280	10,300	10,160	10,010	9,910	9,490
前日比(prev.chg)		▲20	▲20	▲20	▲20	▲10	90

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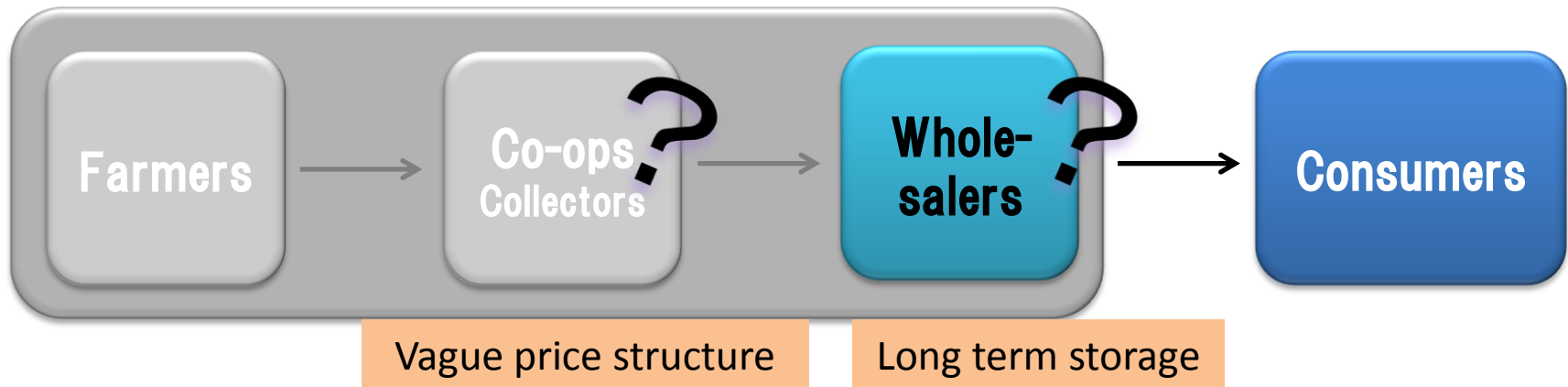
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Transparency and Fluidization of commerce

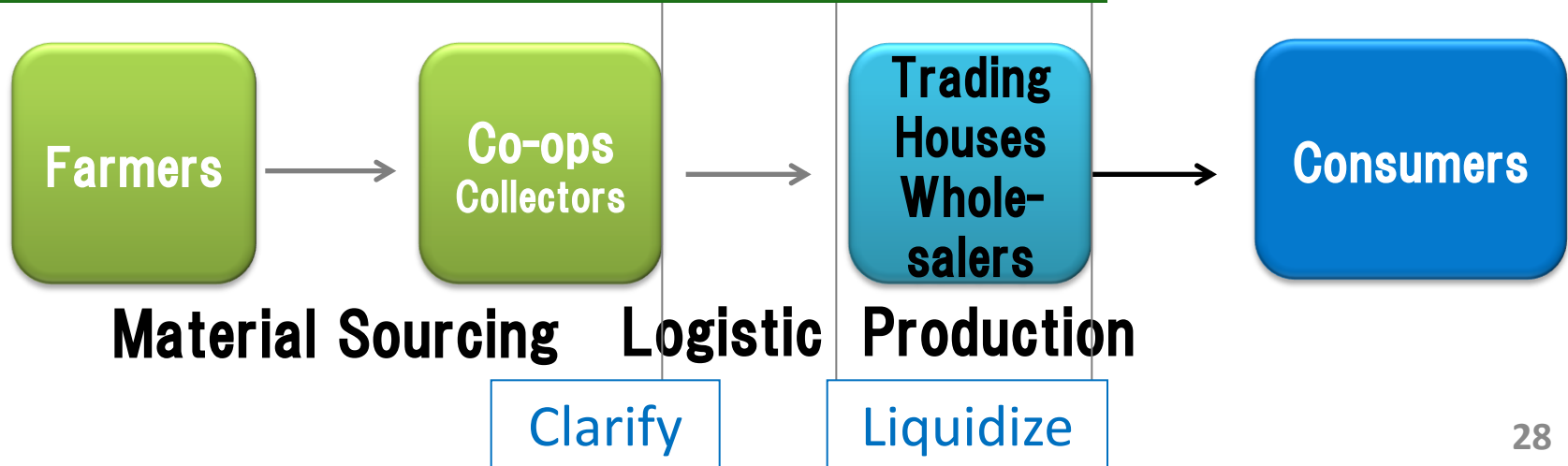


Transparency and Fluidization of commerce

“Black Box” in Rice Business String



“Transparent Flow”

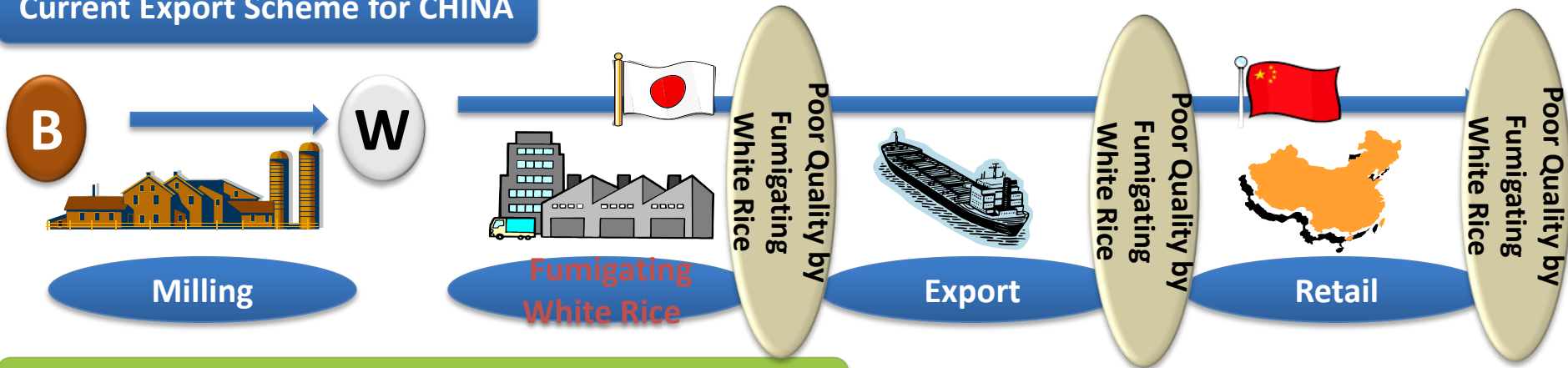


Rice Trade

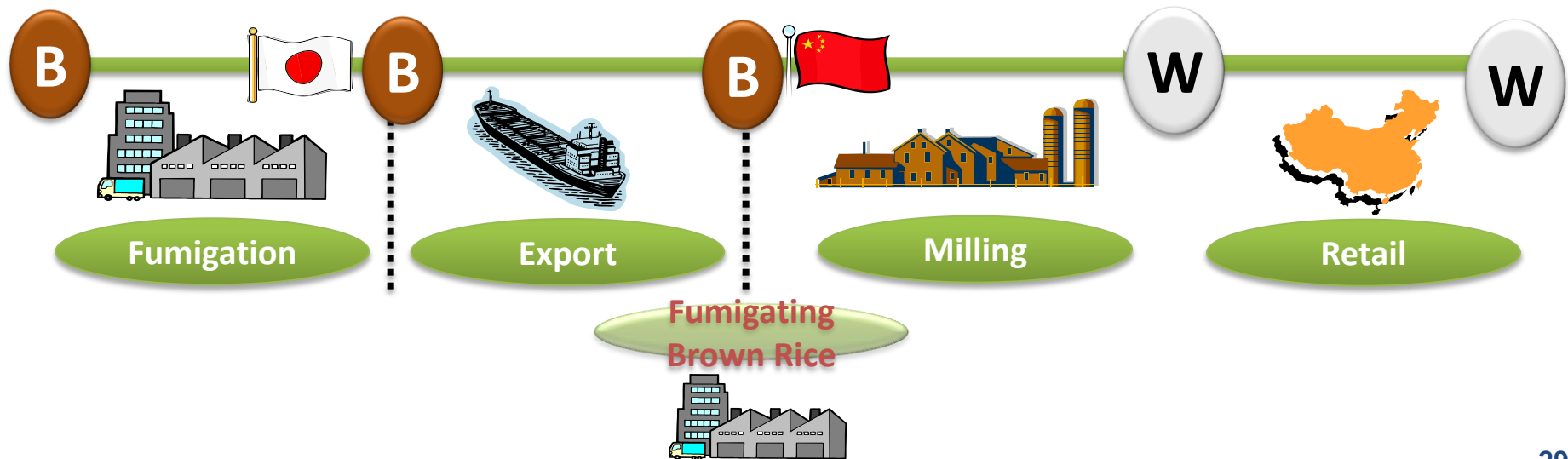
Marubeni

Brown Rice, White Rice

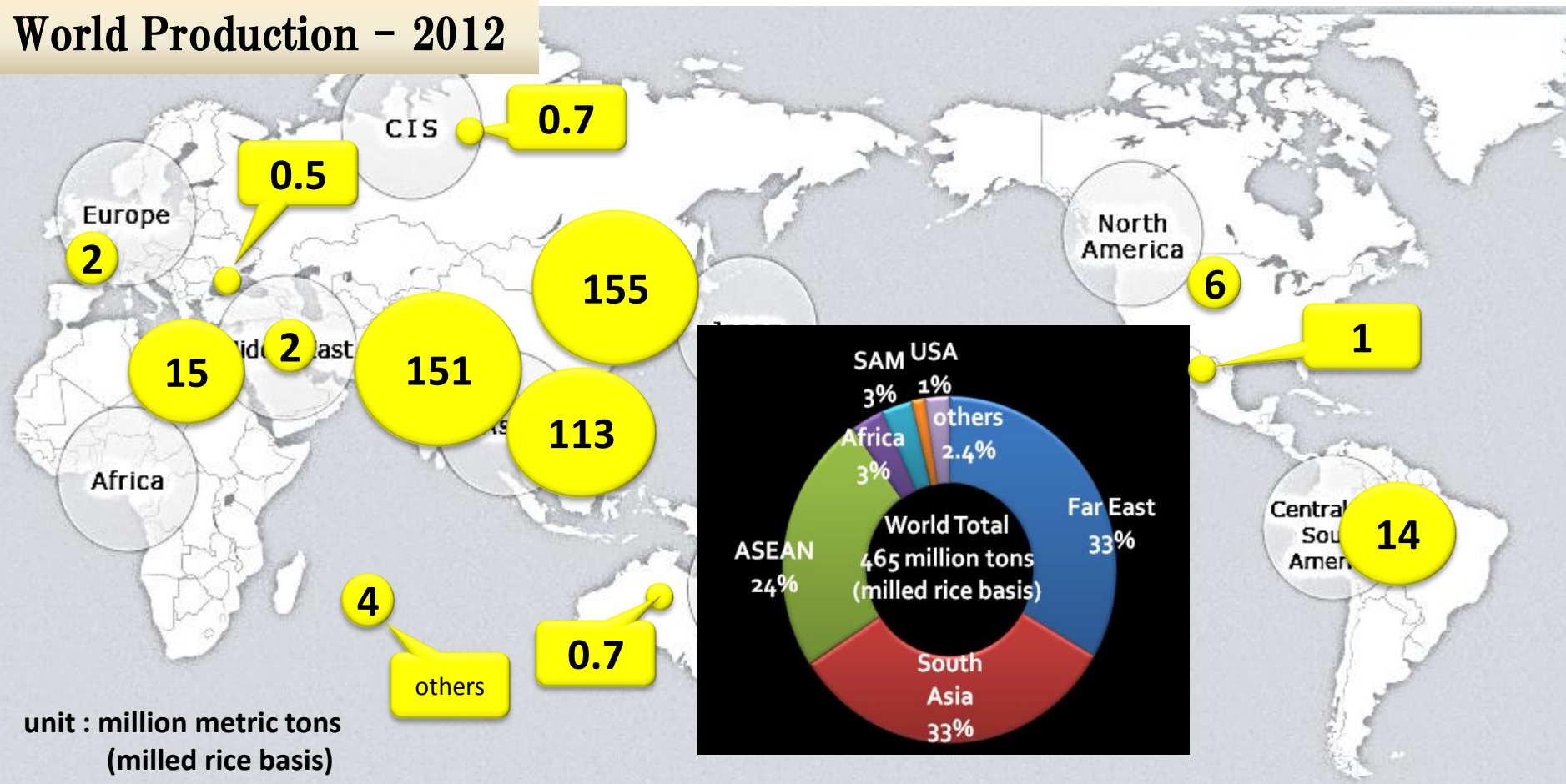
Current Export Scheme for CHINA



Export in "Brown" Rice Form



World Production - 2012

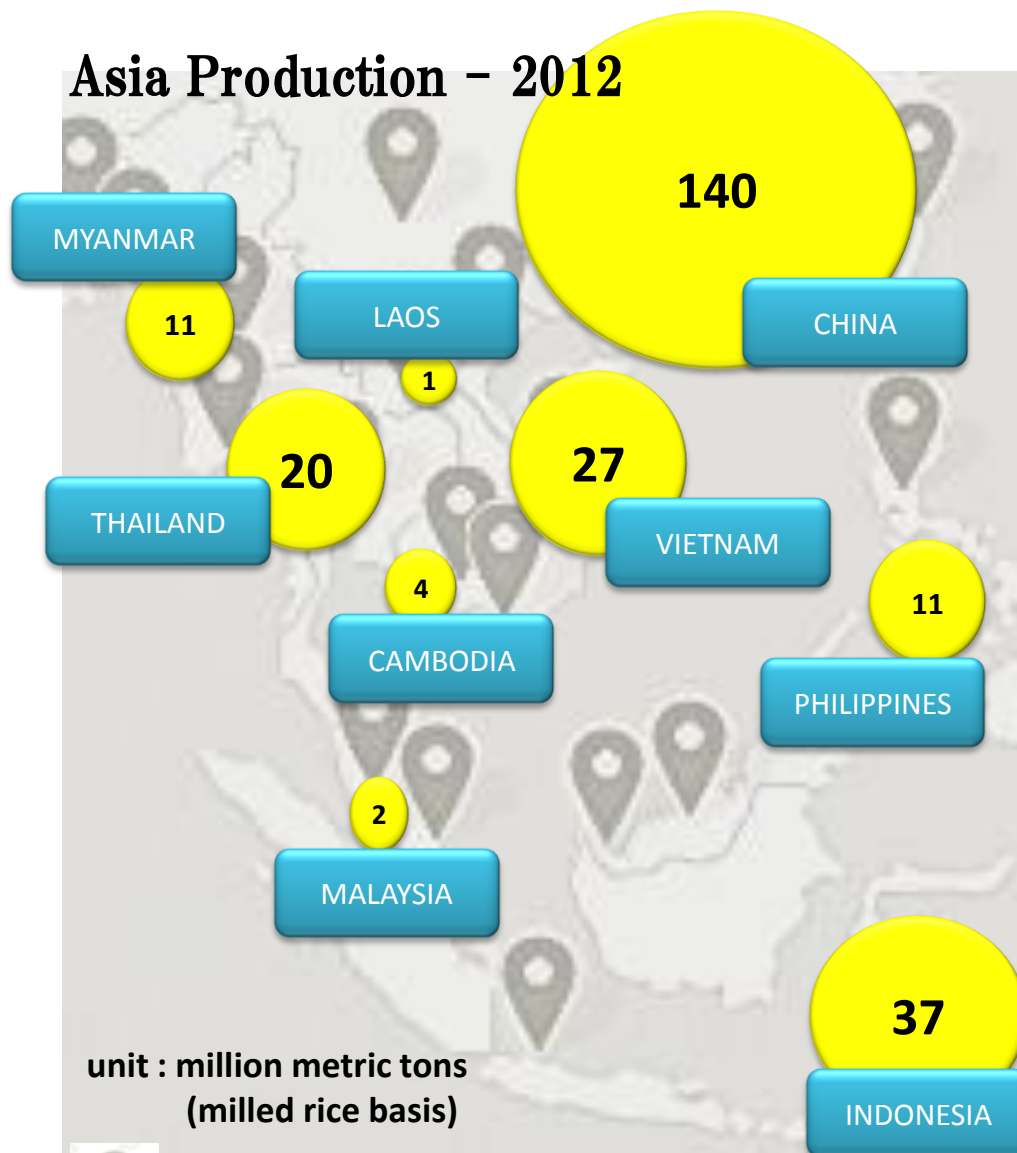


reference :
World TOP 10)

① CHINA	140 (30%)	⑥ THAILAND	20 (4%)
② INDIA	100 (21%)	⑦ MYANMAR	11 (2%)
③ INDONESIA	37 (8%)	⑧ PHILIPPINES	11 (2%)
④ BANGLADESH	34 (7%)	⑨ BRAZIL	8 (2%)
⑤ VIETNAM	27 (6%)	⑩ JAPAN	8 (2%)

Rice Trade

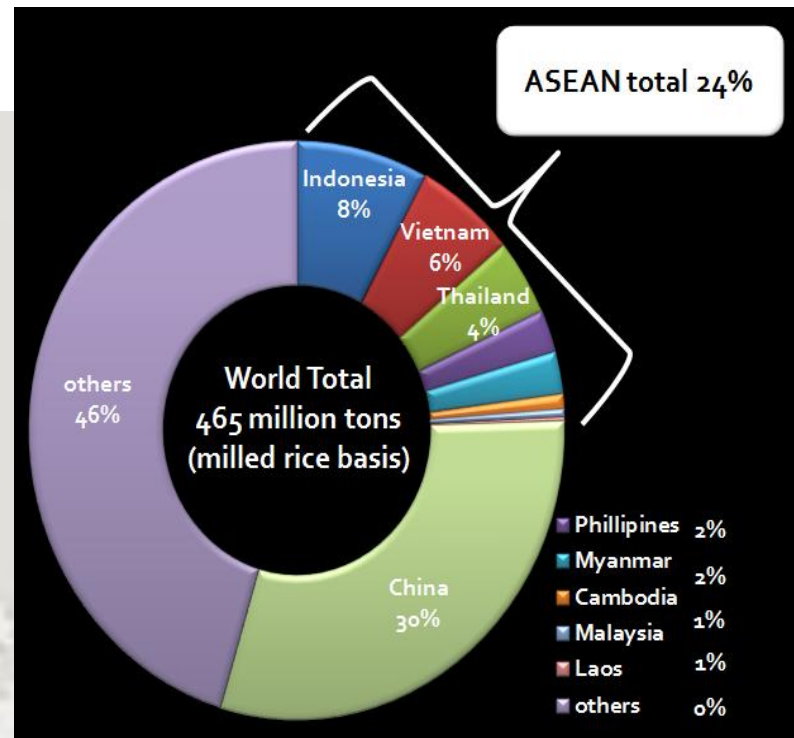
Asia Production - 2012



unit : million metric tons
(milled rice basis)



Our Office Location

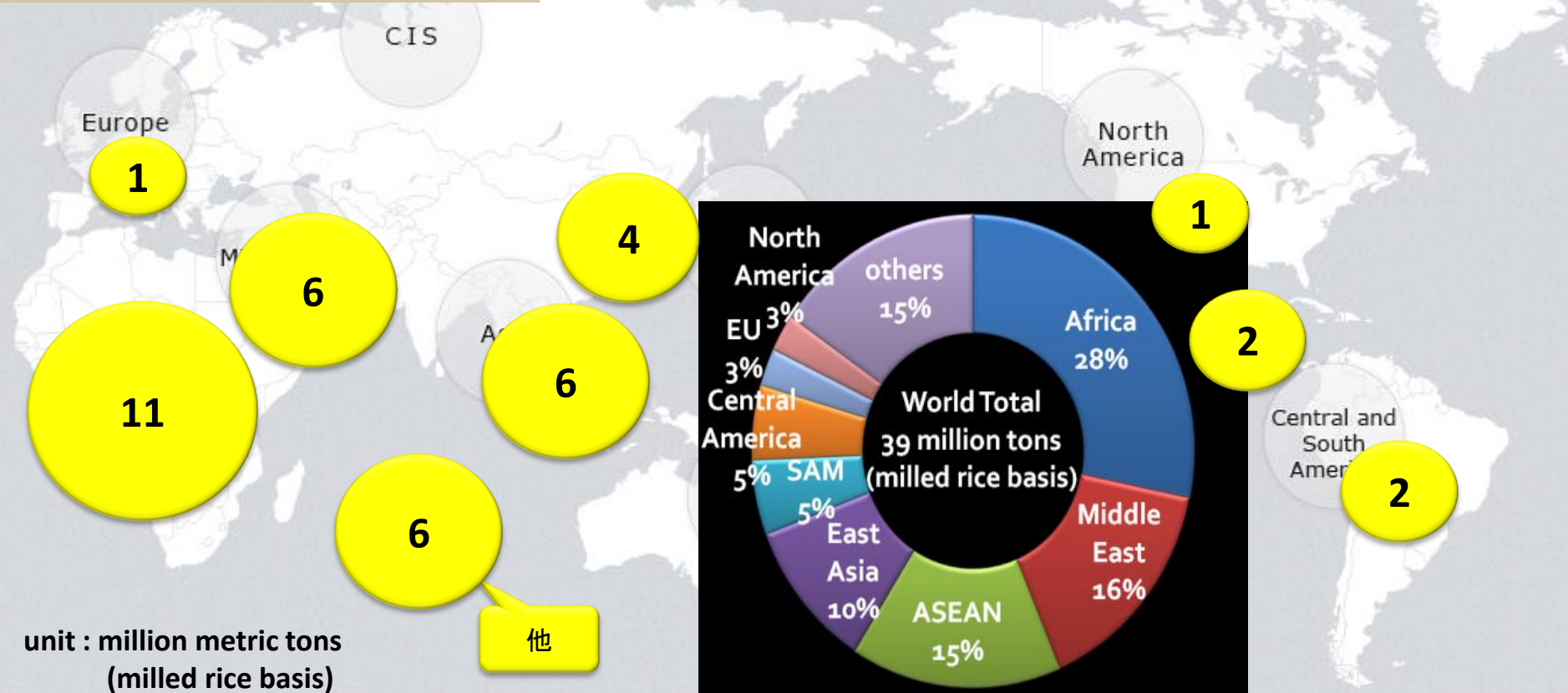


reference : World TOP 5)

① CHINA	140 (30%)
② INDIA	100 (21%)
③ INDONESIA	37 (8%)
④ BANGLADESH	34 (7%)
⑤ VIETNAM	27 (6%)
⑩ Japan	8 (2%)

Source : USDA - FAS

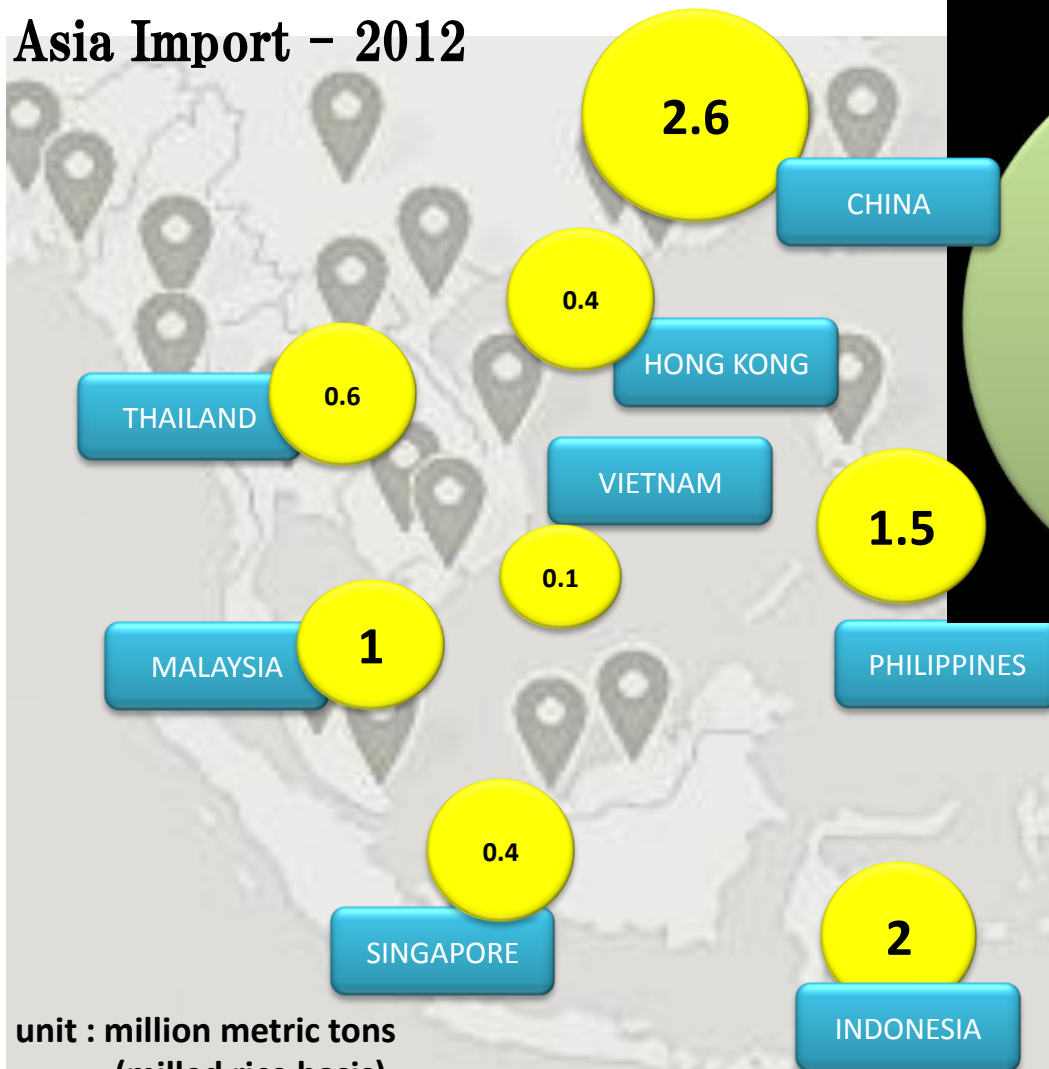
World Import - 2012



reference :
World TOP 10)

① NIGERIA	3.4 (9%)	⑥ IRAQ	1.5 (4%)
② CHINA	2.6 (7%)	⑦ COTE D'IVORE	1.5 (4%)
③ INDONESIA	2.0 (5%)	⑧ SENEGAL	1.2 (3%)
④ IRAN	1.8 (5%)	⑨ EU	1.2 (3%)
⑤ PHILIPPINES	1.5 (4%)	⑩ SAUDI ARABIA	1.2 (3%)

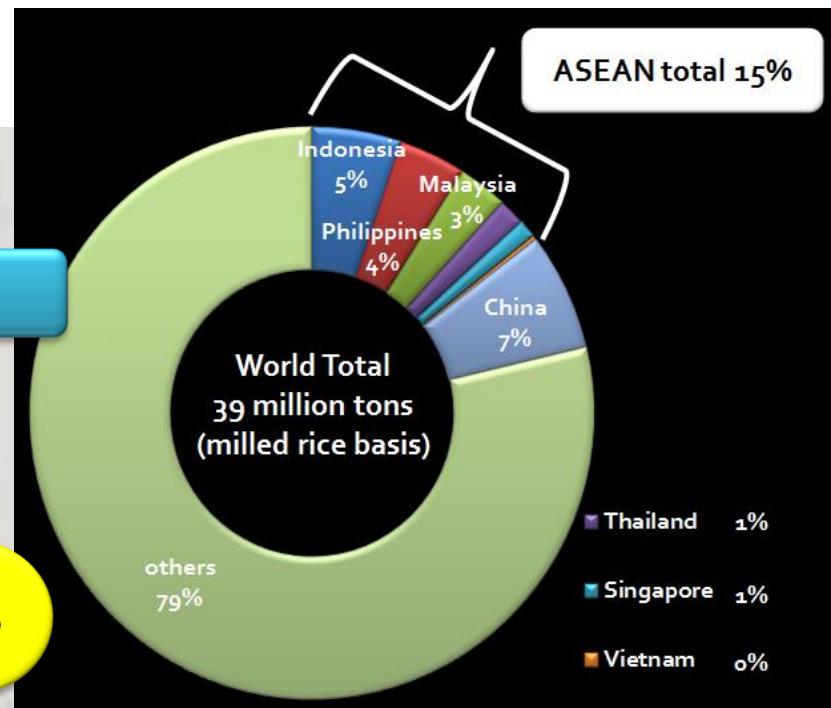
Asia Import - 2012



unit : million metric tons
(milled rice basis)



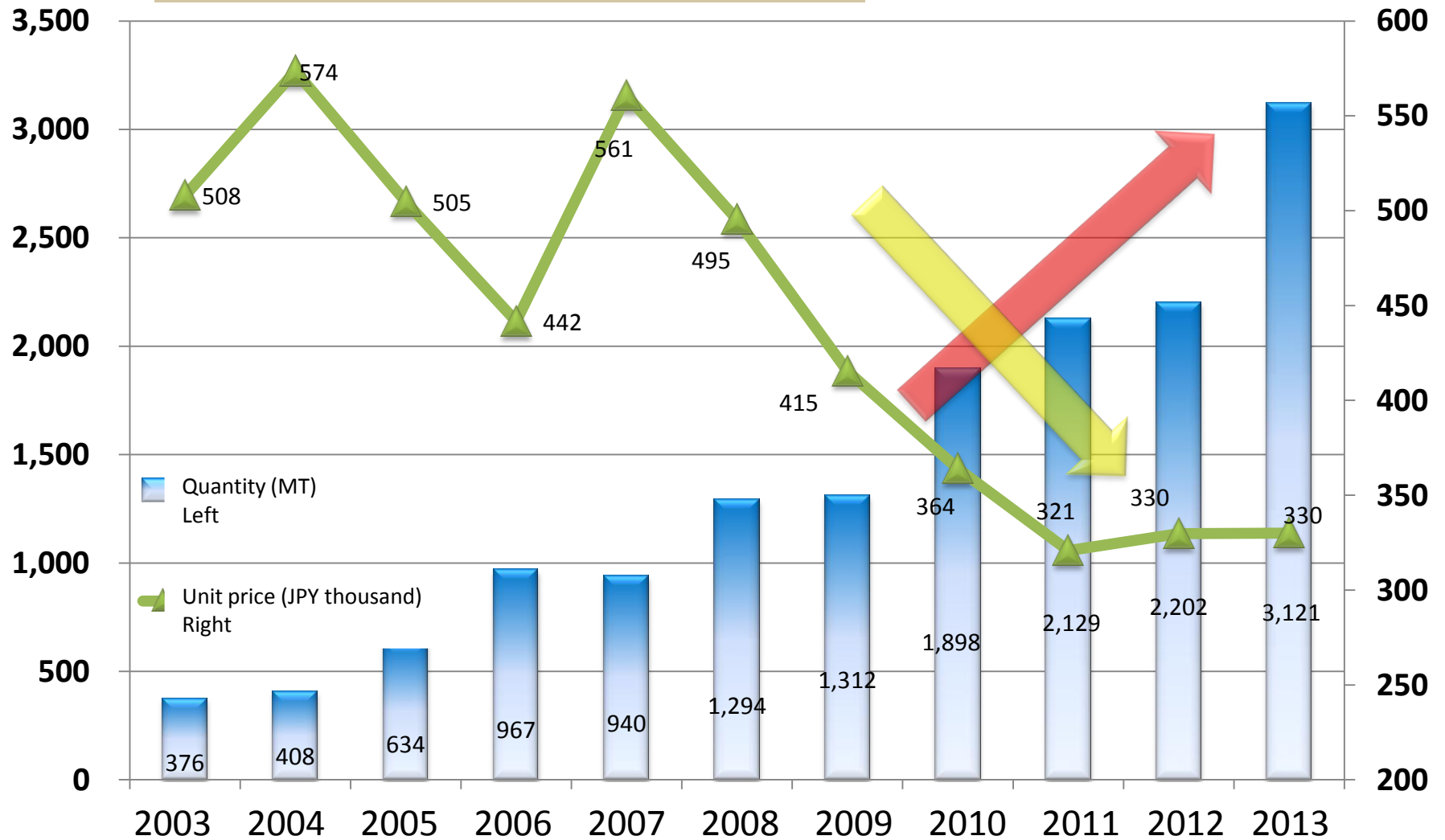
Our Office Location



reference : World TOP 5)

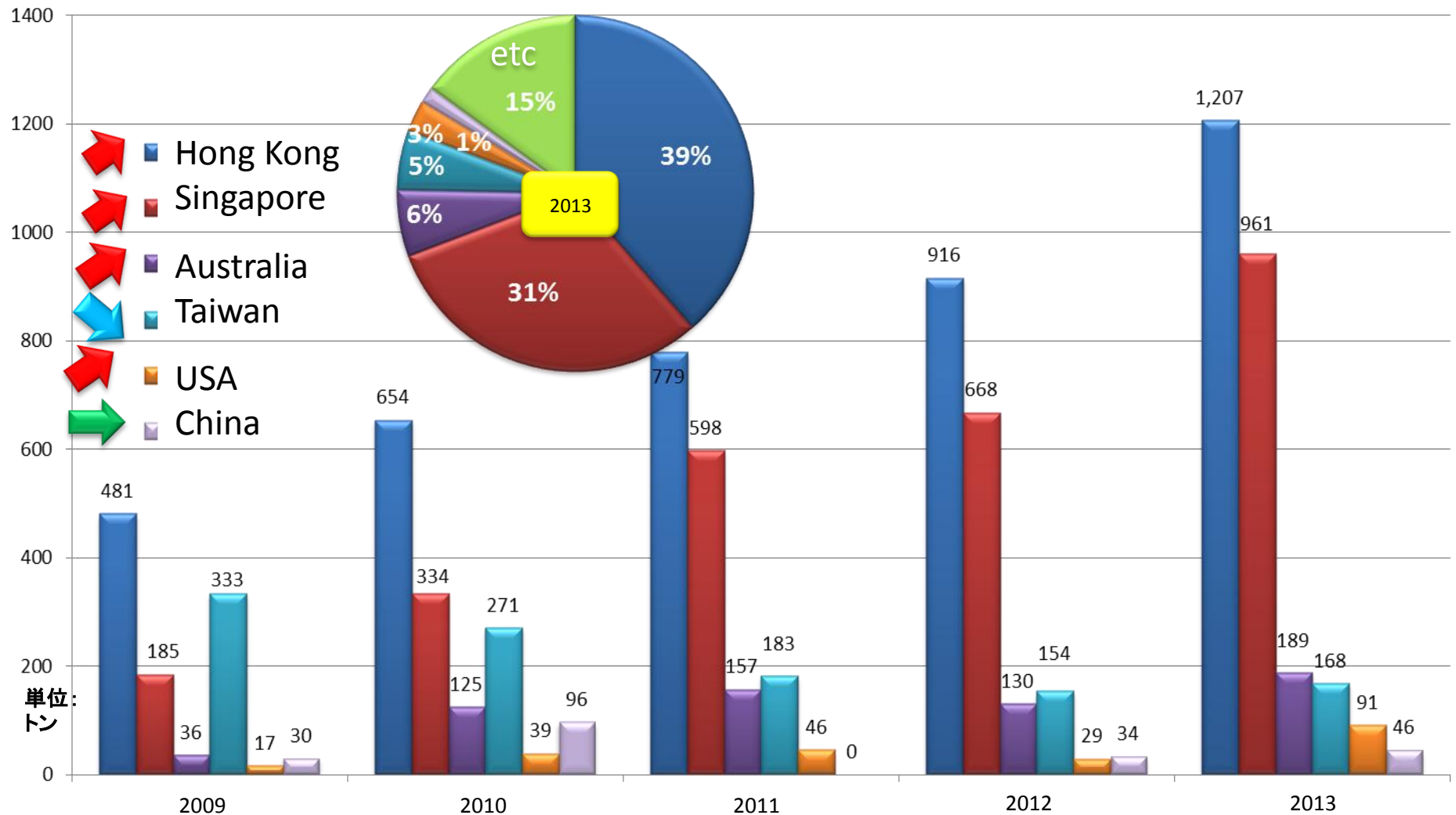
- | | |
|---------------|----------|
| ① NIGERIA | 3.4 (9%) |
| ② CHINA | 2.6 (7%) |
| ③ INDONESIA | 2.0 (5%) |
| ④ IRAN | 1.8 (5%) |
| ⑤ PHILIPPINES | 1.5 (4%) |

Japanese Rice Export Statistics



Source : MAFF, Ministry of Finance

Destination of Japanese Rice / Share of 2013





Marubeni