



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada



**International
Markets
Bureau**

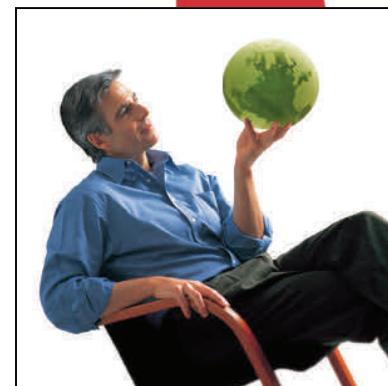
MARKET INDICATOR REPORT | MAY 2012

Consumer Trends

Cooking Oils in Japan



Source: Shutterstock.



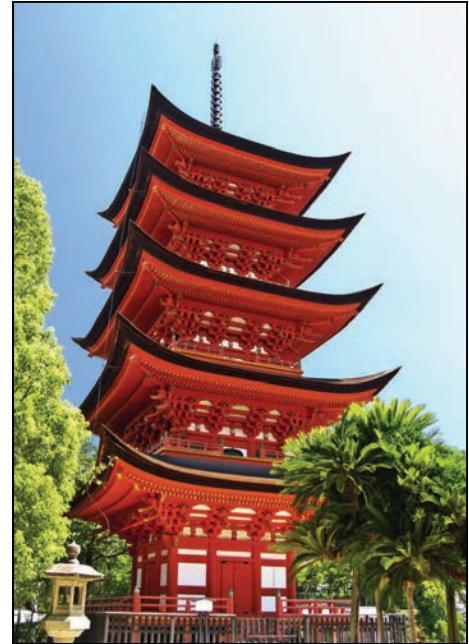


► **MARKET SNAPSHOT**

- ▶ Japan is a wealthy nation of 127 million people, two-thirds of whom live in urban areas (67%). The population of Tokyo, the capital city, was 36.507 million in 2009.
- ▶ The Japanese population is aging rapidly. In 2011, the Central Intelligence Agency (CIA) World Fact Book estimated that 22.9% of the Japanese population was 65 years or older, with a life expectancy at birth of 83.9 years. The Japanese people have the third-highest life expectancy in the world, behind only Monaco (89.7 years) and Macau (84.4 years).
- ▶ According to the World Fact Book, the Japanese economy was the third-largest in the world in 2011. Japan's gross domestic product (GDP) was US\$5.8 trillion in 2011, ranking it fifth internationally, following the European Union, the United States, China, and India. However, the real growth rate of Japan's GDP was -0.5% in 2011, as compared to 4% in 2010 and -6.3% in 2009. The catastrophic earthquake and subsequent tsunami experienced by northern Japan in March 2011 also hampered the country's efforts for economic recovery.
- ▶ Japan relies on imports for about 60% of its food intake, and it is a net importer of agri-food and seafood products.
- ▶ Consumer expenditures on fats and oils increased by 6.7% from 2006 to 2010, in constant 2010 value terms (Euromonitor International, September, 2011). Continued growth of 4.5% is forecast from 2011 to 2020, for a compound annual growth rate (CAGR) of 0.5% over the period.
- ▶ Japanese consumers are increasingly interested in a diverse variety of foods that have superior taste, are safe and nutritious, and are offered at a reasonable price. Japanese consumers will pay a premium for high-quality food products, provided they exceed expectations.
- ▶ In addition, Japanese consumers are among the most health conscious consumers in the world, and they are willing to take action to maintain and improve their health.
- ▶ As Japanese consumers become increasingly health conscious, they are expected to use less oil in home cooking. While olive oil is higher priced in relation to other vegetable or seed oils, more consumers are expected to switch to olive oil, as a result of its publicized health benefits (Euromonitor International, January, 2012).
- ▶ Claims regarding environmentally friendly packaging appeared on one half of all new oil products introduced in 2011, while claims that the product itself is environmentally friendly appeared on six of the 16 new products. This may provide another opportunity for new products in this market.

► **INSIDE THIS ISSUE**

<i>Market Snapshot</i>	2
<i>Trade</i>	3
<i>Retail Sales</i>	3
<i>New Product Launches</i>	5
<i>New Product Examples</i>	7
<i>Brand Shares</i>	10
<i>Company Shares</i>	11
<i>Sources</i>	11



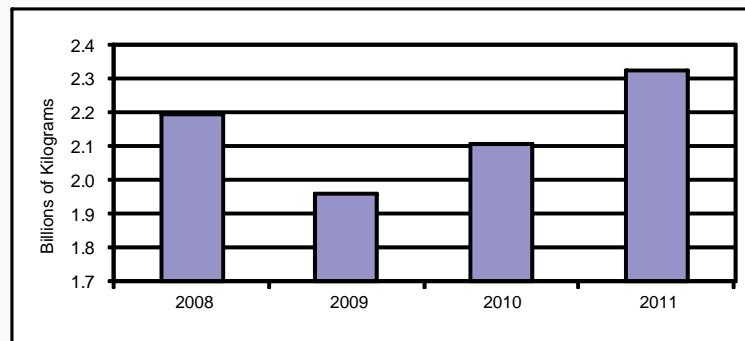
Miyajima Pagoda, Japan.
Source: Shutterstock.



► TRADE

- ▶ According to Statistics Canada, in 2011, Canada exported almost 22.7 million kilograms of canola oil to Japan, valued at US\$30.4 million.
- ▶ Canadian exports of processed canola oil to Japan are low in relation to those of canola seed for crushing. In 2011, 2.3 billion kilograms of canola seed were exported to Japan, with a value of almost US\$1.36 billion.

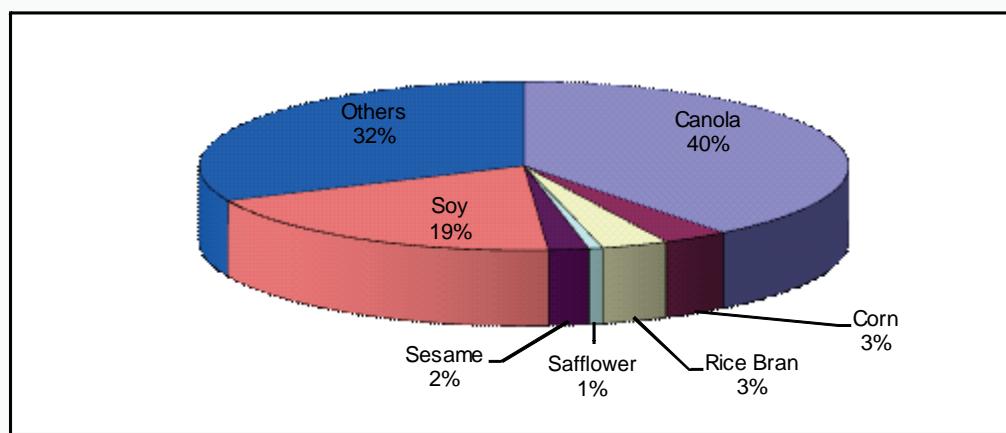
Canadian Exports of Canola Seed to Japan, 2008-2011



Source: Statistics Canada.

► RETAIL SALES

Vegetable and Seed Oil by Type, % Retail Value by Retail Sale Price



Source: Euromonitor, 2012.

- ▶ According to Euromonitor International, canola (40%) and soy (19%) oils made up 59% of total Japanese retail sales in 2011, while rice bran (3%), corn (3%), sesame (2%) and safflower (1%) oils total 9%.
- ▶ The remaining 32% of sales are comprised of oils from other sources, including olive, palm, grapeseed, sunflower seed, flaxseed, fruit, nuts, vegetables or other seeds, in addition to blended oil products, including: canola, soy and corn; canola and palm; palm, canola and soy; or avocado, olive, sesame, corn, and rapeseed.
- ▶ While canola oil is expected to remain popular with Japanese consumers as a result of its relatively healthy positioning, retail sales of soy oil declined slightly (0.1%) between 2010 and 2011, possibly due to its trans fat content.



► RETAIL SALES (continued)

Japan Retail Sales of Oils and Fats
Historic Value in US\$ millions (Fixed 2011 Exchange Rates)

	2006	2007	2008	2009	2010	2011	CAGR 2006-2011
Oils and Fats	3,602.2	3,675.6	3,988.0	3,792.1	3,650.3	3,961.7	1.9%
Cooking Fats	18.8	19.1	19.2	19.3	19.1	18.8	0.0%
Olive Oil	139.4	143.6	148.3	185.6	219.0	284.8	15.4%
Vegetable and Seed Oil	2,581.4	2,658.8	2,924.7	2,661.5	2,528.4	2,811.9	1.7%

Japan Retail Sales of Oils and Fats
Forecast Value in US\$ millions (Fixed 2011 Exchange Rates)

	2012	2013	2014	2015	2016	CAGR 2012-2016
Oils and Fats	4,140.6	4,296.6	4,442.8	4,582.8	4,694.2	3.3%
Cooking Fats	18.5	18.3	18.1	17.9	17.7	-1.2%
Olive Oil	356.7	430.1	489.9	544.2	582.6	13.1%
Vegetable and Seed Oil	2,896.5	2,986.6	3,079.6	3,171.7	3,251.9	2.9%

- ▶ The total retail sales value of oils and fats increased by 10% from 2006 to 2011. Vegetable and seed oil sales grew by 8.9% over the same timeframe. Although retail sales of cooking fats fluctuated, no overall growth was experienced over the period.
- ▶ Between 2012 and 2016, oils and fats are expected to grow in overall value by 13.4%, while vegetable and seed oil will grow 15.6% over the period.
- ▶ Olive oil experienced the largest retail value growth of 104.3% between 2006 and 2011. From 2012 to 2016, olive oil sales are forecast to more than double in value (63.4%) to almost US\$583 million.

Japan Retail Sales of Oils and Fats – Historic Retail Volume in '000 tonnes

	2006	2007	2008	2009	2010	2011	CAGR 2006-2011
Oils and Fats	495.0	486.3	488.6	502.1	472.1	501.9	0.3%
Cooking Fats	2.4	2.3	2.3	2.3	2.3	2.2	-1.2%
Olive Oil	11.1	11.4	11.6	15.5	19.4	23.8	16.5%
Vegetable and Seed Oil	402.6	397.4	398.2	410.1	379.4	408.1	0.3%

Japan Retail Sales of Oils and Fats – Forecast Retail Volume in '000 tonnes

	2012	2013	2014	2015	2016	CAGR 2012-2016
Oils and Fats	507.0	508.0	507.4	505.9	502.3	-0.2%
Cooking Fats	2.2	2.2	2.1	2.1	2.0	-2.1%
Olive Oil	28.4	32.6	35.9	38.7	40.7	9.4%
Vegetable and Seed Oil	406.5	404.4	402.0	399.2	395.2	-0.7%

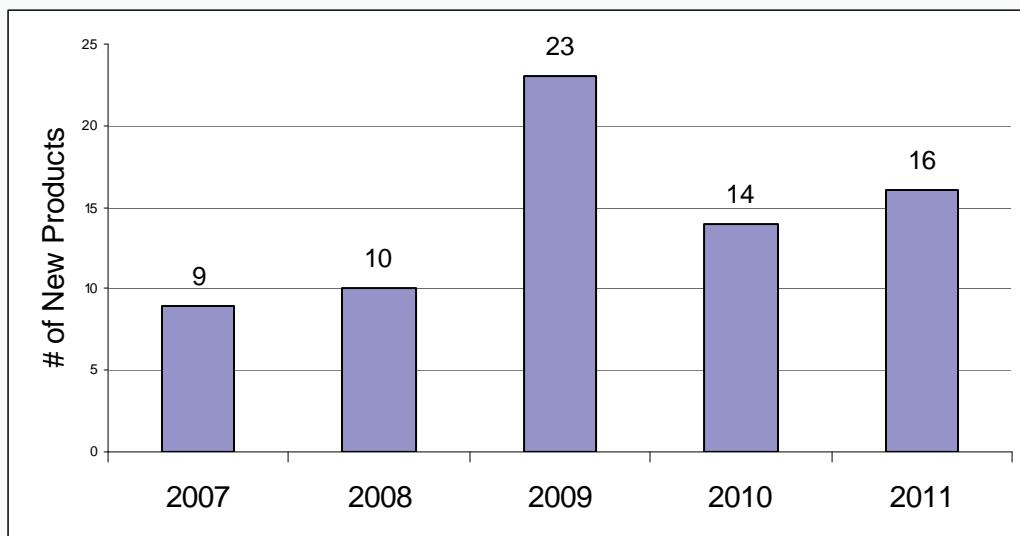
Source for all: Euromonitor, 2012

- ▶ Volume sales of olive oil grew by 114.5% from 2006 to 2011, as a result of the increasing health consciousness of consumers. Volume growth from 2012 to 2016 is forecast to total 43.5%.
- ▶ While the overall sales volume of oils and fats grew from 495,000 tonnes in 2006 to 501,900 tonnes in 2011, it is expected to remain virtually unchanged between 2012 and 2016.
- ▶ The sales volume of vegetable and seed oil is forecast to decline over the forecast period by 2.8% overall. Cooking fats are also expected to post a negative growth of 8.1% for the same timeframe.



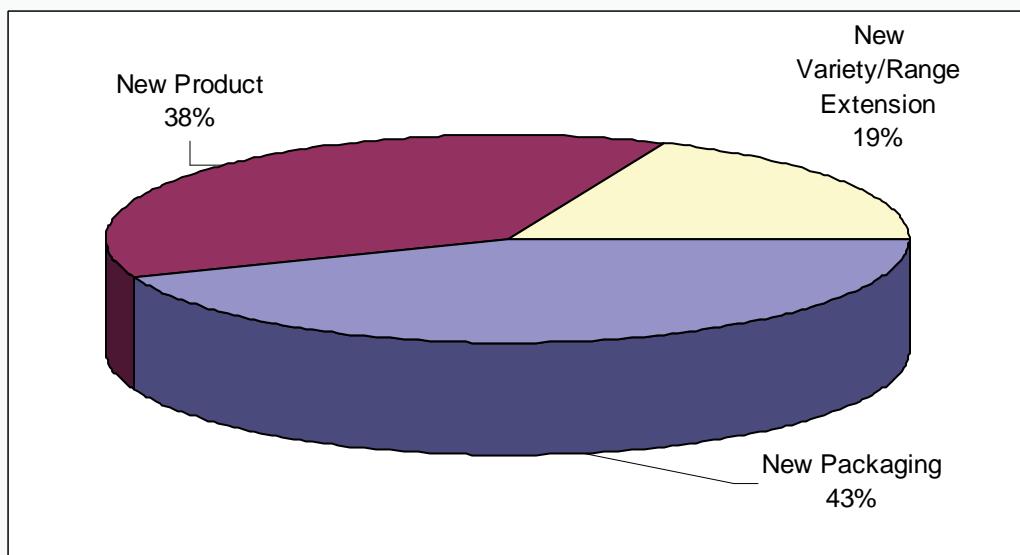
► NEW PRODUCT LAUNCHES

New Cooking Oil Product Launches in Japan by Year



Source: Mintel, 2012.

New Cooking Oil Product Launches in Japan by Type, 2011



Source: Mintel, 2012.

- ▶ According to Mintel's Global New Products Database (GNPD), 72 new cooking oil products were introduced in Japan between January 2007 and December 2011. In this timeframe, the trend shows a steady increase, with the highest number of introductions in 2009.
- ▶ Between January 2007 and December 2011, the majority of introductions were comprised of new products (36%), new packaging (33%), and new varieties/range extensions (25%), with new formulations and re-launches accounting for 3% each.



► NEW PRODUCT LAUNCHES (continued)

- ▶ In 2011, there were 16 new cooking oil products introduced in Japan: four each of canola, olive, and sesame; the remaining four were fruit oils or blends.
- ▶ New packaging accounted for 43% of the 2011 product launches, while new products and new varieties/range extensions accounted for 38% and 19%, respectively.
- ▶ Claims regarding ethical or environmentally-friendly packaging appeared on one half of the new products, while claims that the product itself was ethical or environmentally friendly were found on six new products.
- ▶ New product introductions were evenly distributed between branded and private label products in 2011. While the latter has shown steady growth since 2007, branded products have seen wide fluctuations in the number of new products introduced.

New Cooking Oil Product Launches in Japan by Claim, 2011

Claim	# of Products
Ethical - Environmentally Friendly Package	8
Ethical - Environmentally Friendly Product	6
Premium	5
Economy	3
Convenient Packaging	2
Low/No/Reduced Cholesterol	2
Limited Edition	1
Total	16

Source: Mintel, 2012.

New Cooking Oil Product Launches in Japan by Brand, 2011

Brand	# of Products
Ajinomoto	5
Seven Premium	4
Nissin OilliO	2
Lawson Select	2
Topvalu	2
Fabbri Pietra Colombina	1
Total	16

Source: Mintel, 2012.



► NEW PRODUCT EXAMPLES



Source: Mintel GNPD.

Golden Flaxseed Linseed Blend Oil Nippon Flour Mills

Ingredients:

Linseed oil and olive oil

Description:

It has been found that a lack of omega-3 fatty acids is one of the causes of modern health imbalance, resulting in a growing interest in linseed oil, which is high in fatty acids. Sales of linseed oil manufactured by Nippon Flour Mills have been growing at a rapid pace. Normally, linseed oil is not suitable for cooking because of its distinctive odour when heated. However, this product is designed so that it does not generate odour and can be used as oil for stir fries. Linseed Blend Oil contains olive oil which adds a fruity aroma, and the combination of linseed oil and olive oil makes for a product that is high in nutrients that has health and beauty benefits. This product is available at department stores throughout Japan, natural food stores, and through mail-order.



Source: Mintel GNPD.

Seven Premium Cooking Oil Seven Premium

Ingredients:

Rapeseed oil, cooking soybean oil, and corn oil

Description:

Seven Premium Cooking Oil is now available in a newly designed pack. This product consists of a blend of canola, soy and corn oils. It is manufactured by J-Oil Mills, and retails in a 1000 g bottle.



Source: Mintel GNPD.

Light Frying Oil Ajinomoto

Ingredients:

Rapeseed oil, palm olein and emulsifier

Description:

An ecological, light frying oil suitable for deep-frying food. It is said to deliver light crispy fries and to stay fresh even when it is reused. The product can also be used for non-cooked dishes, stir-fries, and is available in an environmentally-friendly 1000 g bottle. It also retails in a 600 g pack. A cholesterol-free stir-fry oil variety is also available in this range. The product is said to allow the use of half the usual amount of oil for stir-fries.



► NEW PRODUCT EXAMPLES (continued)



Sarasara Canola Yu Ajinomoto

Ingredients:

Canola oil

Description:

This cooking oil product is now available with a new package design, featuring a crushable eco bottle which is claimed to be environmentally friendly. This product is said to be light and suitable for various cooking purposes, and contains zero cholesterol. It is available in a 1350 g bottle. Ajinomoto Sarasara Canola Yu Kenko Plus (smooth canola oil health plus), and Ajinomoto Healthy Pure Light are also re-launched with new package designs.

Source: Datamonitor
Product Launch Analytics.



Salad Yu Ajinomoto

Ingredients:

Soybean oil and canola oil

Description:

Ajinomoto Salad Yu (salad oil) is a healthy, zero-cholesterol vegetable oil manufactured by J-Oil Mills. It is made with a blend of soy and canola oils, and produced by a unique method (Tee Up production method) to reduce the odour when cooking. It is suitable for various dishes and cooking, such as salad dressing, marinating, shallow frying and deep frying. It is packed in a crushable bottle, which is environmentally friendly.

Source: Datamonitor
Product Launch Analytics.



Extra Virgin Olive Oil Ajinomoto

Ingredients:

Olive oil

Description:

Ajinomoto Extra Virgin Olive Oil now retails in a 600 g "UD Eco PET Bottle" that is easy to hold and pour. The cap is designed so that it is easy to adjust the amount of oil to be poured and the oil does not drip. The cap also features Braille letters. The olive oil was created from ingredients cultivated at a farm designated by the company. It was imported and managed so that the oil does not get exposed to air, preserving the product's freshness.

Source: Mintel GNPD.



► NEW PRODUCT EXAMPLES (continued)



Blended Oil Pola Biyugosai

Ingredients:

Avocado Oil, Olive Oil, Sesame Oil, Corn Oil, Rapeseed Oil

Description:

In Japan, Pola Cosmetics, Inc. has recently launched a new Blended Oil for cooking under the Pola Biyugosai brand name. Said to be a blend of avocado oil, olive oil, sesame oil, corn oil and rapeseed oil, this product retails in two 600 g plastic bottles, sold as a set in a paperboard box.

Source: Datamonitor
Product Launch Analytics.



Healthy Resetta Oil Nisshin Oillio

Ingredients:

Edible Fats and Oils (Processed), emulsifier, Vitamin E (Antioxidants)

Description:

Healthy Resetta Oil was launched in a new 600 g bottle to resolve some frustrations experienced by customers. It has a label that can be easily removed when throwing away the bottle. The pack has ridges which allow the bottle to be easily gripped and poured. The weight of the bottle was reduced by 20% and it can be easily crushed to one-third of its size. The label was made larger so that it can be easily read, and features a place where consumers can write when the bottle was opened. This oil contains medium chain fatty acids and is a FOSHU-certified product. The oil is not easily absorbed by the body. Also part of this range are Healthy Choleste Oil, Veggie Fruit Oil, Canola Oil, Canola Oil Eco Up, and Healthy Light Oil.

Source: Mintel GNPD.



Olive and Grapeseed Oil Nisshin Oillio

Ingredients:

Olive Oil; Grapeseed Oil

Description:

In Japan, Nisshin Oillio Group has recently launched a new Olive and Grapeseed Oil under its namesake brand. This product is marketed as containing zero-cholesterol and described as a light oil which can be used in various dishes. It is presented in a 200 g glass bottle.

Source: Datamonitor
Product Launch Analytics.



► BRAND SHARES

**Brand Shares (by Global Brand Name) of Cooking Oils in Japan
– Retail Sales Value % Breakdown**

Brand	Company/Global Brand Name	2006	2007	2008	2009	2010
Nisshin	Nisshin Oillio Group Ltd	28.3	28.1	28.9	29.7	31.8
Ajinomoto	Ajinomoto Co Inc	14.4	14.4	14.5	14.5	15.5
Honen	Honen Corp	7.2	7.1	7.2	7.2	7.3
Showa	Showa Sangyo Co Ltd	5.0	5.0	5.1	5.1	5.4
Neo Soft	Megmilk Snow Brand Co Ltd	-	-	-	5.0	4.9
Corn Soft	Meiji Holdings Co Ltd	-	-	-	3.2	3.0
Rama	Unilever Group	2.6	2.7	2.7	3.0	2.9
Snow Brand	Megmilk Snow Brand Co Ltd	-	-	-	2.2	2.3
Meiji	Meiji Holdings Co Ltd	-	-	-	1.6	1.6
Koiwai	Kirin Holdings Co Ltd	1.1	1.2	1.1	1.2	1.2
Bosco	Nisshin Oillio Group Ltd	0.7	0.7	0.7	0.9	1.1
Morinaga	Morinaga & Co Ltd	0.8	0.8	0.8	0.8	0.9
Yotsuba	Yotsuba Dairy Products Co Ltd	0.5	0.6	0.5	0.6	0.6
Filippo Berio	SALOV - Società per Azioni Lucchese Olii e Vini SpA	0.4	0.4	0.4	0.5	0.6
Bertolli	SOS Corp Alimentaria SA	-	-	0.3	0.4	0.5
Carbonell	SOS Corp Alimentaria SA	0.3	0.3	0.3	0.4	0.4
Dentelle	Showa Sangyo Co Ltd	0.2	0.2	0.2	0.3	0.3
Solleone	Solleone Olive Co	0.2	0.2	0.2	0.2	0.3
Valdoro	Mizuta Enterprise Co Ltd	0.2	0.2	0.1	0.2	0.3
Carapelli	SOS Corp Alimentaria SA	0.1	0.1	0.1	0.2	0.2
Risetta Soft	Megmilk Snow Brand Co Ltd	-	-	-	0.2	0.2
Tube de Cholesterol Zero Off	Meiji Holdings Co Ltd	-	-	-	0.2	0.2
Cola Vita	Indalco SPA	0.1	0.1	0.1	0.1	0.2
Econa	Kao Corp	10.6	10.8	10.9	6.4	-
Neo Soft	Snow Brand Milk Products Co Ltd	4.3	4.4	4.4	-	-
Corn Soft	Meiji Dairies Corp	3.0	2.9	2.9	-	-
Snow Brand	Snow Brand Milk Products Co Ltd	2.1	2.2	2.0	-	-
Meiji	Meiji Dairies Corp	2.0	1.4	1.3	-	-
Yasahii Soft Cholesterol	Meiji Dairies Corp	0.2	0.2	0.2	-	-
Risetta Soft	Snow Brand Milk Products Co Ltd	0.1	0.1	0.2	-	-
Tube de Cholesterol Zero Off	Meiji Dairies Corp	0.1	0.1	0.1	-	-
S Margarine	Snow Brand Milk Products Co Ltd	0.3	0.3	0.1	-	-
Bertolli	Unilever Group	0.3	0.3	-	-	-
Nutte Yakuto	Snow Brand Milk Products Co Ltd	0.1	-	-	-	-
Bosco	Nisshin Oil Mills Ltd	-	-	-	-	-
Carapelli	Carapelli Firenze SpA	-	-	-	-	-
Carapelli	Montedison SpA	-	-	-	-	-
Nisshin	Nisshin Oil Mills Ltd	-	-	-	-	-
Regarro	Kadoya Seiyu Co Ltd	-	-	-	-	-
Private label	Private Label	7.8	7.8	7.4	8.5	8.9
Others	Others	7.1	7.6	7.2	7.6	9.4

Source: Euromonitor, 2012.



► COMPANY SHARES

**Company Shares of Cooking Oils in Japan
– Retail Sales Value % Breakdown**

Companies	2006	2007	2008	2009	2010
Nisshin Oillio Group Ltd	29.0	28.8	29.6	30.6	32.9
Ajinomoto Co Inc	14.4	14.4	14.5	14.5	15.5
Megmilk Snow Brand Co Ltd	-	-	-	8.0	7.9
Honen Corp	7.2	7.1	7.2	7.2	7.3
Showa Sangyo Co Ltd	5.2	5.2	5.2	5.4	5.8
Meiji Holdings Co Ltd	-	-	-	5.0	4.9
Unilever Group	2.9	3.0	2.7	3.0	2.9
Kirin Holdings Co Ltd	1.1	1.2	1.1	1.2	1.2
SOS Corp Alimentaria SA	0.4	0.4	0.7	0.9	1.2
Morinaga & Co Ltd	0.9	0.8	0.8	0.8	0.9
Yotsuba Dairy Products Co Ltd	0.5	0.6	0.5	0.6	0.6
SALOV - Società per Azioni Lucchese Oli e Vini SpA	0.4	0.4	0.4	0.5	0.6
Solleone Olive Co	0.2	0.2	0.2	0.2	0.3
Mizuta Enterprise Co Ltd	0.2	0.2	0.1	0.2	0.3
Indalco SPA	0.1	0.1	0.1	0.1	0.2
Kao Corp	10.6	10.8	10.9	6.4	-
Snow Brand Milk Products Co Ltd	7.5	7.5	7.2	-	-
Meiji Dairies Corp	5.7	4.9	4.8	-	-
Carapelli Firenze SpA	-	-	-	-	-
Kadoya Seiyu Co Ltd	-	-	-	-	-
Montedison SpA	-	-	-	-	-
Nisshin Oil Mills Ltd	-	-	-	-	-
Private Label	7.8	7.8	7.4	8.5	8.9
Others	5.9	6.9	6.6	7.0	8.9

Source: Euromonitor, 2012.

► SOURCES

- ▶ Central intelligence Agency (CIA). (2012). World Fact Book.
- ▶ Datamonitor. (2012).
- ▶ Euromonitor International. (2012).
- ▶ Euromonitor International. (September 2011). Consumer Lifestyles in Japan.
- ▶ Euromonitor International. (January 2012). Oils and Fats in Japan.
- ▶ Mintel Global New Products Database. (2012).
- ▶ Statistics Canada. (2012).



The Government of Canada has prepared this report based on primary and secondary sources of information. Although every effort has been made to ensure that the information is accurate, Agriculture and Agri-Food Canada assumes no liability for any actions taken based on the information contained herein.

Consumer Trends: Cooking Oils in Japan

© Her Majesty the Queen in Right of Canada,
represented by the Minister of Agriculture and Agri-Food Canada (2012).

ISSN 1920-6615

AAFC No. **11741E**

Photo Credits

All Photographs reproduced in this publication are used by permission of the rights holders.

All images, unless otherwise noted, are copyright
Her Majesty the Queen in Right of Canada.

For additional copies of this publication or to request an alternate format,
please contact:

Agriculture and Agri-Food Canada
1341 Baseline Road, Tower 5, 4th floor
Ottawa, ON
Canada K1A 0C5
E-mail: infoservice@agr.gc.ca

Aussi disponible en français sous le titre :

Tendances de consommation : Les huiles à cuisson au Japon

Canada 