

Bakery Products, Noodle & Pasta

September 11, 2012

TRENDS OF DOMESTIC AND IMPORTED PASTA

Since 3.11, demand for pasta is steadily increasing. As a convenient and preservative food, it continues to grow even after the great earthquake. Although the number slightly fell near the summer season in May and June, the overall volume remains steady. Pasta with added values such as ones with short boiling time or ones that are tied into bundles is getting attention. Makers and stores are coming up with recipes that are related to the season and holidays to provoke further demand. The volume of imported and domestic pasta is as followed.

Changes of Domestic Production and Import Volume of Pasta (July 2012)

As of August 30, Japan-Pasta Association

FY	Domestic Production Volume (t)				Import Volume (t)				
	Spaghetti	Macaroni	Total	YY (%)	With egg	Spaghetti	Macaroni	Total	YY (%)
2005	128,848	25,897	154,745	102.8	1,335	98,268	10,001	109,604	98.3
2006	135,101	25,975	161,076	104.1	634	99,338	9,816	109,788	100.2
2007	138,632	24,855	163,487	101.5	453	94,851	9,106	104,410	96.1
2008	133,291	25,289	158,580	97.0	571	117,155	9,529	127,255	121.9
2009	124,230	25,621	149,851	94.5	401	105,962	10,051	116,414	91.5
2010	129,557	25,662	155,219	103.6	333	110,503	9,816	120,652	103.6
2011	132,100	28,351	160,451	103.4	370	123,449	10,649	134,468	111.5

By month, 2012

January	8,826	2,248	11,074	84.2	52	8,646	853	9,551	92.5
February	9,571	2,251	11,822	94.0	30	9,019	1,036	10,082	114.1
March	11,688	2,527	14,215	101.5	19	8,931	961	9,911	104.3
April	10,577	2,643	13,220	77.1	20	9,464	814	10,298	106.8
May	9,770	2,229	11,999	81.3	8	11,928	1,102	13,038	77.7
June	10,191	2,471	12,662	79.3	43	9,902	1,005	10,950	73.0
July	10,440	2,583	13,023	104.0	37	12,896	971	13,904	113.3
Year before same month	10,356	2,162	12,518	-	19	11,437	811	12,267	-
January-July total	71,063	16,952	88,015	87.9	209	70,786	6,742	77,734	94
Year before period total	82,757	17,365	100,122	-	174	75,865	6,319	82,358	-

Source: Ministry of Finance "Trade Statistics"

Products from domestic makers and imports are currently pointed out to be in competition. One point is the growth of imported pasta with low prices. Previously, a market entry of imported pasta into business use was regarded as an issue in question, but it is pointed out that the "number of imported pasta are definitely growing" for home use as well. Since domestic makers cannot compete with the low price, they are pressured to strengthen their proposals with unique new ideas to add value to their products. But domestic pasta has an issue with the price for raw materials and other ingredients. The price of raw materials is on the rise and domestic makers had to push up their price last June. This widened the gap with low priced imported products, helping imports to grow.

Along with DE CECCO, BARILLA, MONSIEUR, and other brands from Italy, Mediterranean pasta is expanding its sales as a popular product for its low price in the pasta sector in Rakuten, the largest online shopping mall in Japan. This Mediterranean pasta is called "Pasta Bahar" from Turkey. The content is 10kg (500g x 20 packs) and 1 pack



Source: Rakuten website

is 88 yen (tax included). It uses 100% durum wheat grown along the Mediterranean coast. The pasta size is 1.55mm. The boiling time to cook al dente is 6 minutes and 8 minutes for regular.



We will introduce a couple of products that we found appealing after visiting a few supermarkets in Tokyo. The first product is a famous brand for organic Italian pasta and sauce, alce nero, imported and sold by Nichifutsu Boeki. Their main focus is on "organic." For the first half of this year (January-June), long pasta with a serving size of 4 persons (350g) made a 40% increase. Short pasta rose 15% starting with "penne." The alce nero organic pasta series was renovated and began selling long pasta (500g) and short pasta (250g) from this April. On the store's shelf, it said, "We hope you can enjoy this pasta the same way as eating Japanese soba."

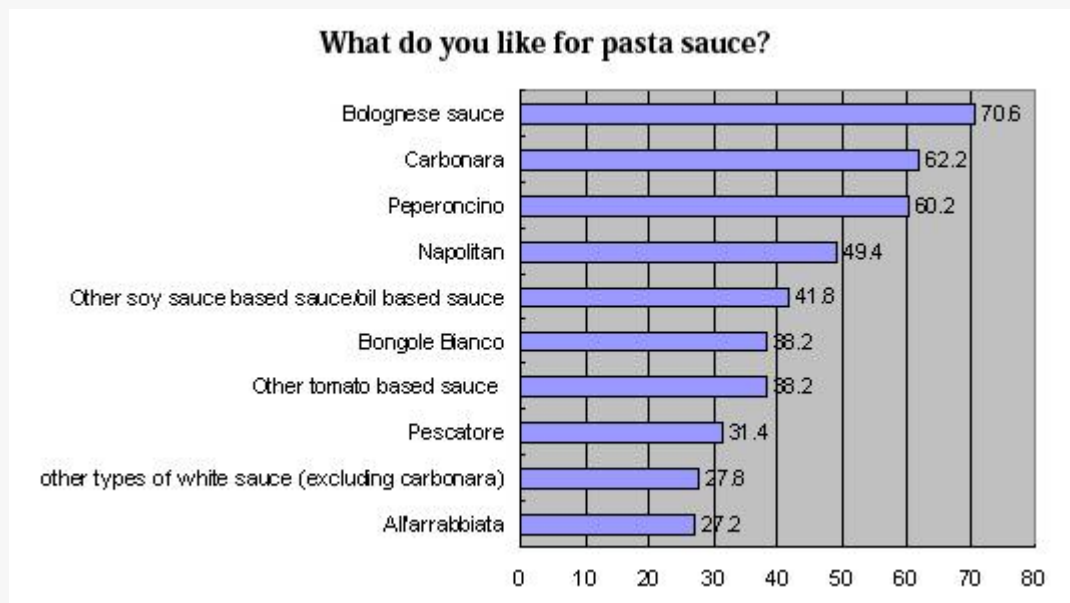
Another type is an Italian brand called AGNESI, which is a bundle type of pasta sold from S&B FOODS. AGNESI has a long history and was first made in a port city called Imperia in Northern Italy in 1824. The content is 500g (100g x 5 bundles). Since it is separated into bundles per serving (100g), it cuts the step of measuring and makes preservation for the remaining pasta easy. From the belief of "the best pasta comes from the best wheat," they look for high quality durum wheat and use an original technology of leaving the germ.



The characteristic of the consumer trend is that short pasta for home use made a double digit rise in February. Although short pasta is mainly used for salad, there are many recipes using short pasta for dishes other than gratin and salad. The consumers are

using these recipes from last year, and this led to an expansion in their consumption. Since all domestic makers are saying "pasta sauce is doing favorably," there is no doubt that more consumers are eating pasta. More recipes for both long and short pasta would be necessary from now on.

According to a research conducted by Nisshin Foods, the ranking of pasta sauce that Japanese people like are Meat sauce or Bolognese sauce (minced beef with tomato based sauce), followed by Carbonara (white sauce and egg), Peperoncino (salt and garlic), Napolitan (ketchup sauce), other soy sauce based sauce, oil based sauce, and so on.



Finally, the answer to the question "When do you want to eat pasta?" is as follows. The needs of customers and needs of market differ depending on age and sex, but we hope this would become a hint to understanding the needs of Japanese consumers.

