

Sugars & Spreads

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SPECIAL FEATURE: JAM / TRENDS OF IMPORTED JAM

Special Feature: Jam Stagnant Market, Household Consumption Rising

The annual consumption volume of jam in 2012 rose nearly 100g from the previous year to 1,348g in the overall Japanese household consumption. The consumption value increased about 80 yen from 2011 to 1,286 yen. In addition to the strong bread demand, the number grew together with yogurt, which gathered attention from its functionality. Although jam consumption tends to fall during the summer, actual consumption volume through June to August remained stable. This is due to the demand for sauce to use for plain yogurts, which supported the rise in jam consumption.

New flavors such as fig, kiwi, and pineapple are being added to the lineup of top sellers in addition to the 3 standard flavors strawberry, blueberry, and marmalade. Whether the jam goes well with plain yogurt becomes the key to success.

The reason for the continuation of a stagnant market is that the consumption is beginning to move to bread related products other than jam such as spreads. According to the results of a household survey, due to the estimated expansion of bread demand, more makers are aiming to increase products related to bread. Breakfast time is getting shorter over the years, and spout containers or tube type containers that help cut time are beginning to increase even for jam. On the other hand, the domestic industry leader, Kewpie, began making proposals to create a new demand for jam. They are going to promote "jam latte," which is a drink that mixes milk with jam towards the summer time. Kewpie states, "As long as we don't actively engage in demand expansion plans, it is difficult to make the jam market grow. Eating with yogurt became popular, but we want to propose a new way of eating." They hope to find a new path by combining jam with milk.

As for imported jam, a variety of special sales and tasting events were conducted on many different occasions in the past year, which helped the advancement of expanding its customers and repeaters. There are concerns for soaring prices of raw materials and fuels, as well as the influence of the exchange rate. Therefore, the future task is to secure stable supply and the current price.

Import Volume of Jam in 2012

unit: kg

Countryname	Citrus-type				Jam other than citrus		Total	YY (%)
	Jam		Marmalade		Sweetened	Sugar-free		
	Sweetened	Sugar-free	Sweetened	Sugar-free			Total	YY (%)
Korea		6,430	2,892,589	58,714	106,689		3,064,422	95.5
China			60,772	79,100	2,172,566	386,148	2,698,586	81.2
Egypt			412,456		1,745,161		2,157,617	99.2
France	4,029	4,035	160,183	44,071	1,215,999	491,500	1,919,817	103.1
UK	2,451		146,315		217,095	2,006	367,867	93.1
Denmark			40,710		255,622		296,332	124.6
Thailand			53,365		242,008		295,373	111.7
Sweden			12,902		159,300		172,202	183.9
Switzerland			8,293		133,841	21,216	163,350	169.8
Germany			7,188		118,107	2,154	127,449	144.2
USA			511	17,754	40,944	39,052	98,261	85.0
Bulgaria					12,802	70,958	83,760	278.3
Belgium	1,193		249		67,516		68,958	99.8
Italy	376	416	15,445	1,444	15,813	15,474	48,968	102.8
Austria			5,110		32,018	375	37,503	100.1
Australia	504		6,020		26,611		33,135	106.0
Turkey	2,160		1,080		29,821		33,061	112.5
Spain			5,840		16,000		21,840	83.0
Taiwan					20,760		20,760	108.7
Holland			6,348		6,244		12,592	88.3
Others			270		5,332	203	5,805	30.0
Total	10,713	10,881	3,835,646	201,083	6,640,249	1,029,086	11,727,658	
YY (%)	142.8	1081.6	97.3	108.6	94.8	97.6	96.2	

* Import volume of fruit jelly is included in the marmalade.

Source: Ministry of Finance "Import Customs Statistics"



Trends of Imported Jam

Suzusho Ltd.

Suzusho handles 2 brands: Austrian Darbo, a 70% fruit content jam and a traditional jam from Switzerland with a pleasant sweetness. The sales for 2012 for Darbo rose a year-on-year 10% and Hero also went up 4%. This was because of active tasting sessions that led to new users, advancing deliveries of these 2 brands mainly to specialty stores, having effective special sales, and having more repeaters.

Darbo's main target are women from 20s-40s with fragrance of fresh fruits and an average sugar content of 41 degrees, providing natural sweetness. It is a jam that lets the customers enjoy small luxury. On the other hand, Hero is popular for its nostalgic sweetness. It targets people in 50s and 60s. As a preserve style jam that uses strictly chosen ingredients from all over Europe, it is used at high-grade hotels of both in and out

of Japan and for airplane meals. There are 8 types that are put inside jars for retail (340g / 570 yen, 340g / 600 yen). Drawn by the popular berry flavored jams, "Black Current Jam" and "Red Current Jam" are spreading names among health-conscious users recently.

Itochu Corporation

Itochu handles St. Dalfour from France, a 100% all fruits jam that only uses pure grape juice and have no sugar added. Sales for 2012 rose 10% from the previous year. Providing a luxurious 170g for a reasonable market price of 298 yen helped expand sales among volume sellers.

Out of all 9 items, "blueberry" accounts for 45% of the sales. Itochu commented, "Imports are about 100 yen more expensive compared to domestic jam, but once you try it, you will agree on the high quality, safety from no additives or artificial colorings, and attractive design." They are going to strengthen concurrent selling of St. Dalfour and organic tea as a new approach for 2013. They hope to appeal for the brand image by having store promotion effects and aim for a multiplier effect for greater sales.

Kitanoya

They handle Streamline from Denmark. It uses 50% fruits which bring taste of fresh fruits and have 45% low sugar content. There are 6 items in total. Kitanoya says, "400g/500 yen is a reasonable price, and the taste and package design is getting supported." The sales increased 5% from the previous year. Their top sellers are blueberry and strawberry, and those two items account for nearly 50% of the sales. According to Kitanoya, one of the recent trends is "the diversification of jam usage and more consumers are using jam as sauce or spice." Kitanoya is thinking of handling Streamline's organic jam (300g/500 yen) and other types of products because of the heightening health-consciousness and change in household composition.

Nisshoku

Nisshoku began selling Cath Kidston's jam since last year. In addition to distribution routes such as department stores, specialty stores and mail order, they will be having new sales space at Cath Kidston's store etc. There are 4 types of jam: strawberry, raspberry, blueberry, and orange marmalade (260g each, 1050 yen including tax). It is popular for its cute design, and it is showing a good start. For already existing brands,

Duchy Originals and C'est la Taste are doing well. Nisshoku also handles natural jam with taste of fresh fruits, rich and full flavored tea jam, and mixed jams. Also, there are limited jams that use seasonal fruits to have a change in the products they handle. Belgium Belberry, English Chivers and Wedgewood that are mainly tea gifts are all selling well.

Arcane

In 2012, Bonne Maman from a French company, Andros, was up 10% from the previous year. Their top selling 225g was delivered mainly to volume sellers. The popular blueberry jam and raspberry jam changed from the value price of 450 yen to 400 yen and fig jam also helped increase the sales.

Also, out of the 370g jams that are mainly sold to import specialty stores, Arcane began selling slice orange, lemon marmalade, and strawberry & wild berry jam and the sales for 370g jams grew 4 times from the previous year. According to a survey, 80% of the people reuse the jars and "not only the taste, but the plaid lid, handwritten style labels, and high design are the reasons behind its popularity." Starting from this spring, the suggested retail price of 225g product (350 yen, 400 yen, 450 yen) have all changed to 380 yen. This is Andros' global strategy. By unifying the price and increasing the options for the consumers, it also makes promotion easy. From fall, they are planning to give out samples of chestnut cream and aim for special discount sales and strengthening tasting sessions to expand sales.