

Pavilion Organizer - BRAZIL

BRAZILIAN EMBASSY - MR. FABIO SCHMIDT, FIRST SECRETARY HEAD OF TRADE PROMOTION

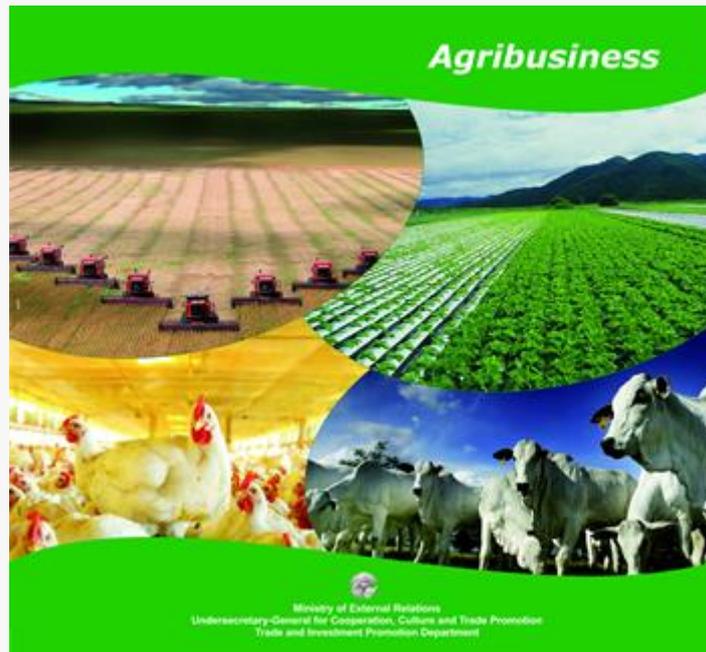
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Q: Give us a brief introduction of yourself and the primary mission of the Trade Promotion section.

I have been working at the Brazilian Embassy for 2 years and have been a career diplomat for 8 years. Before I began working at my current position in Trade Promotion, I worked with agricultural products and trade analysis. In Brazil, before getting into the foreign service, I worked at the Ministry of Industry and Trade as a trade analysis.

Our main task is to promote trade in areas where Brazil has great potentials such as food products. We also work with trade and investment promotion in Brazil. We want to bring trade investment in industrials areas of Brazil as well as bring value added and high technology investment. We also have competitive and high quality food industry with many food exporters that we want to promote.



Q: What are the products you want to introduce to the Japanese market?

Last May, we managed to open the Japanese market to Brazilian pork, from the State of Santa Catarina. Now we are promoting this product and making it public to the Japanese consumer. In order to promote the excellence of our pork in Japan, we are creating a special space at our pavilion in Foodex to organize seminars, cater food, and introduce Brazilian and Japanese recipes.

We also have a potential in tropical juice and fruits like açaí, which is very popular in Japan right now. In addition to this, we have a type of soda called guaraná that we want to promote. Sometimes the Japanese consumers don't know about these products, but they would be curious about them especially because they are very healthy. That's one of the specific points that I think strikes the card to Japanese consumers.

Another product is Brazilian wine. Although they are not quite known in Japan and the market share is still small, I believe there are potentials for growth. In the southern part of Brazil, we have our wine production with scale for export. We think it would be of great interest to promote and make Brazilian wine known to Japanese consumers.

Q: What is an essential factor when it comes to entering the Japanese market?

It is fundamental to have a partner here in Japan. Most of our traditional food exporters already have Japanese partners who really know the Japanese consumers. This is the best way to promote the products. With the new comers or those who are looking for a Japanese partner so that promotion can be more adequate, I think that Foodex is important. It is the best place for our food exporters to find a Japanese partner and that is where we will keep coming and finding good partners.

Q: What are your promotional and marketing activities?

We organize and support events for our products and Foodex is the most important on our event calendar. We always prioritize Foodex when we have to discuss our agenda of events for next year. Besides Foodex, we partner up with stores to organize Brazilian fairs. For example, "Festa do Brasil" was held in Sunshine City in 2013 and it was such a huge success that they've decided to organize it again in September this year. This was about tasting Brazilian food, presentation of Brazilian products, and introduction of Brazilian recipes. That's how people would get to know Brazilian products and cuisines.

Q: What are the difficulties or barriers when entering and expanding your business in Japan?

It's not a barrier but Japanese consumers are very rigorous in terms of quality. They always look for high standard in every process: the product, taste, and even in the packaging. It's an experience. Food here is an experience. So we always try to make our exporters know this type of rational of the Japanese consumer. In addition to the concerns about the quality and taste of the products, they are also rigorous about food safety. That is not a problem for us. We have a very high standard in Brazil for food safety. I think that's also recognized by the Japanese consumers, as we know we have 90% of market share in broiler exported to Japan. That is our recognition of capacity and high standard of food safety.

There is also a knowledge barrier. Sometimes the Japanese consumers do not know the products. Brazil is right on the other side of the globe so they don't know some of the delicious Brazilian products. We need to make them taste and experience the new flavors and see for themselves how interesting and delicious they are.

Q: How do you take advantage of exhibitions such as Foodex? What are the

effects and results for participating in the show?

We have been participating for more than 20 years and Foodex. As I've mentioned earlier, it is the most important event and we prioritize it. It is also a priority for our agricultural authorities in Brazil as well.

Foodex is the best place to find partners. That's the main goal of our participation in exhibitions such as Foodex. To give an example, we have beverages such as Brazilian wines, spirits, and cachaça. They have come here to Foodex and all had success in finding good partners. Some are finding their market here as a result of the participation.

Q: What are your goals in Japan?

We are always looking for our areas of potentials in the market. We have a large unexplored area of fruits for instance. The market access for Brazilian fruit here is too small for the time being. Another important aspect is that we bring in high value added products to Japan as well such as juices or processed types of food products. We're currently working on opening the market of some fruits. This is an area of potential and we want to bring in more of the value added products.

Q: As seen in the case of Italian restaurants in which 60% of imported food products from Italy are consumed, restaurants play an important role that affects import volume and exposure of local foods to Japanese consumers. Tell us the situation of Brazilian restaurants in Japan.

We currently have 70 Brazilian restaurants across Japan and 20 in Tokyo alone. Some large Japanese restaurant chains already have a Brazilian cuisine franchise in its portfolio, with branches in Yokohama, Roppongi, Aoyama, Marunouchi, Shibuya and also in Osaka. New restaurants were recently opened and more are coming soon, in place such as Shinjuku and Ikebukuro. Business opportunities and food export potential will grow along with that. There is a link between increasing exports of Brazilian food products and increase in the presence of restaurants here. When we talk with Brazilian restaurant owners or managers, they tell us that it was very difficult to bring products here 20 years ago since there were only one or two restaurants. We could not export on such a large scale. But right now, it is becoming easier. Especially this year, we had a fortunate event, the world cup. It brought a lot of attention to Brazil and Brazilian restaurants and food. During the period of world cup, we had a soccer

pavilion here at the embassy where people could taste Brazilian products like mate tea, açaí juice, guaraná, and Brazilian cheese bread. Also, every morning after the Brazilian matches, we served breakfast for everybody who passed by the embassy. It was fantastic. People were curious about Brazil during the world cup and we hope this will continue. It was a promotion of Brazilian culture, sport, and cuisine as well. During this time, talking to some Brazilian restaurant managers in Japan, we could identify that the more Japanese people gained interest in Brazilian foods and paid a visit to Brazilian restaurants. I think that the World Cup was a huge success as a marketing tool for the Brazilian cuisine. We hope this will keep on going as we have the 2016 Olympic games in Rio. I think Brazilian food will keep continuing to grow its existence in Japan in the next couple years.

Q: Any final comments you would like to make?

We will be working with Foodex for the next years as well. This will be our main initiative of the trade promotion section.