

Overview of the flour market in Japan

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Nippon Flour Mills



Production of NIPPON

- ◆ Wheat flour
- ◆ Premixes
- ◆ Pasta
- ◆ Frozen foods
- ◆ Health food products
- ◆ others



What I will speak today

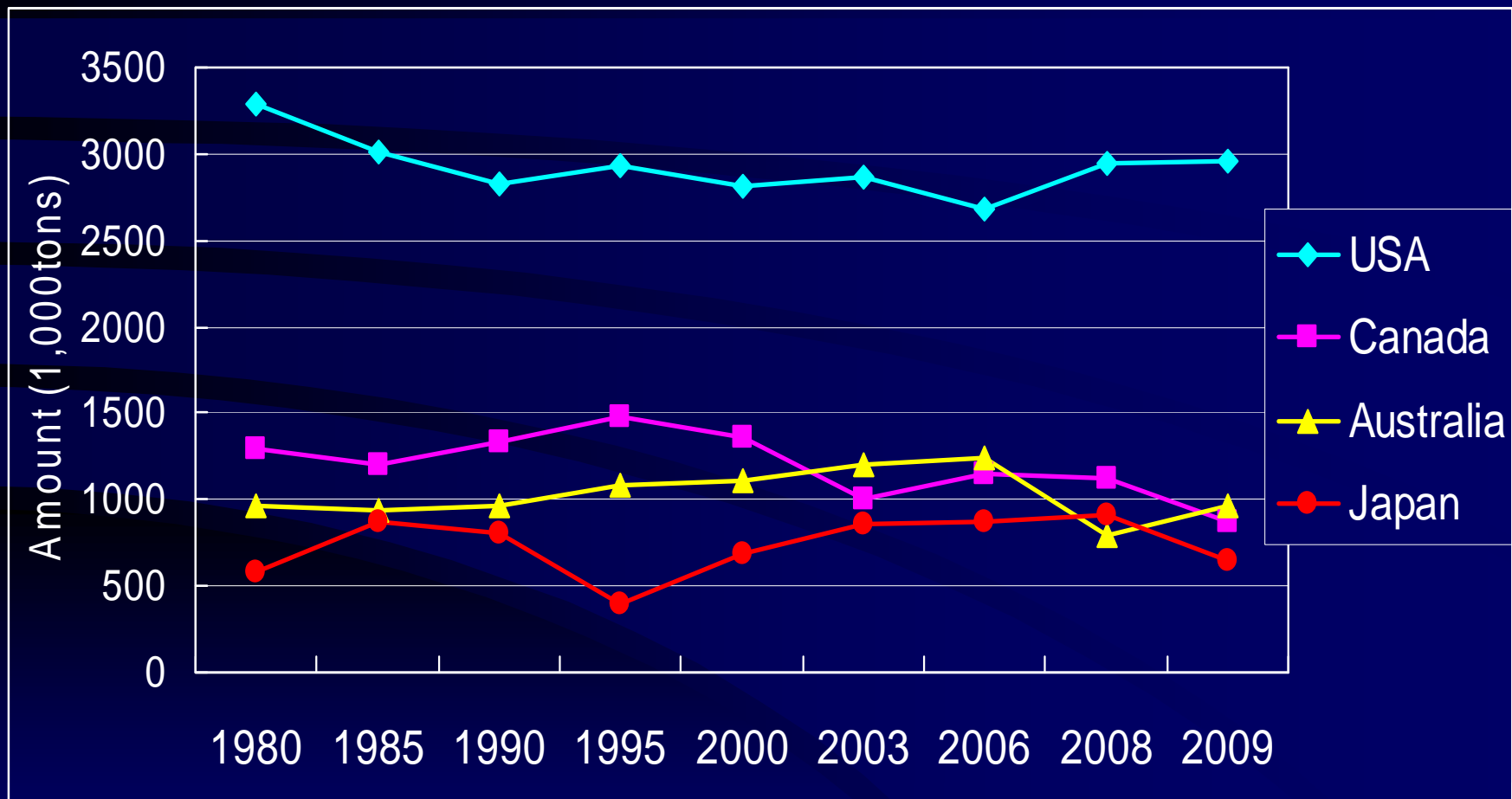
1. The recent situation of the wheat flour market in Japan
2. The use of ASWN, APH in Japan
3. The future prospect of wheat flour market in Japan

1. The recent situation of the wheat flour market in Japan

The Countries of origin of Wheat imports into Japan (2009 FY)

Country	1,000tons	%
United States	2961	54.3
Canada	875	16.0
Australia	962	17.6
Japan	652	12.0
others	5	0.1
Total	5744	100.0

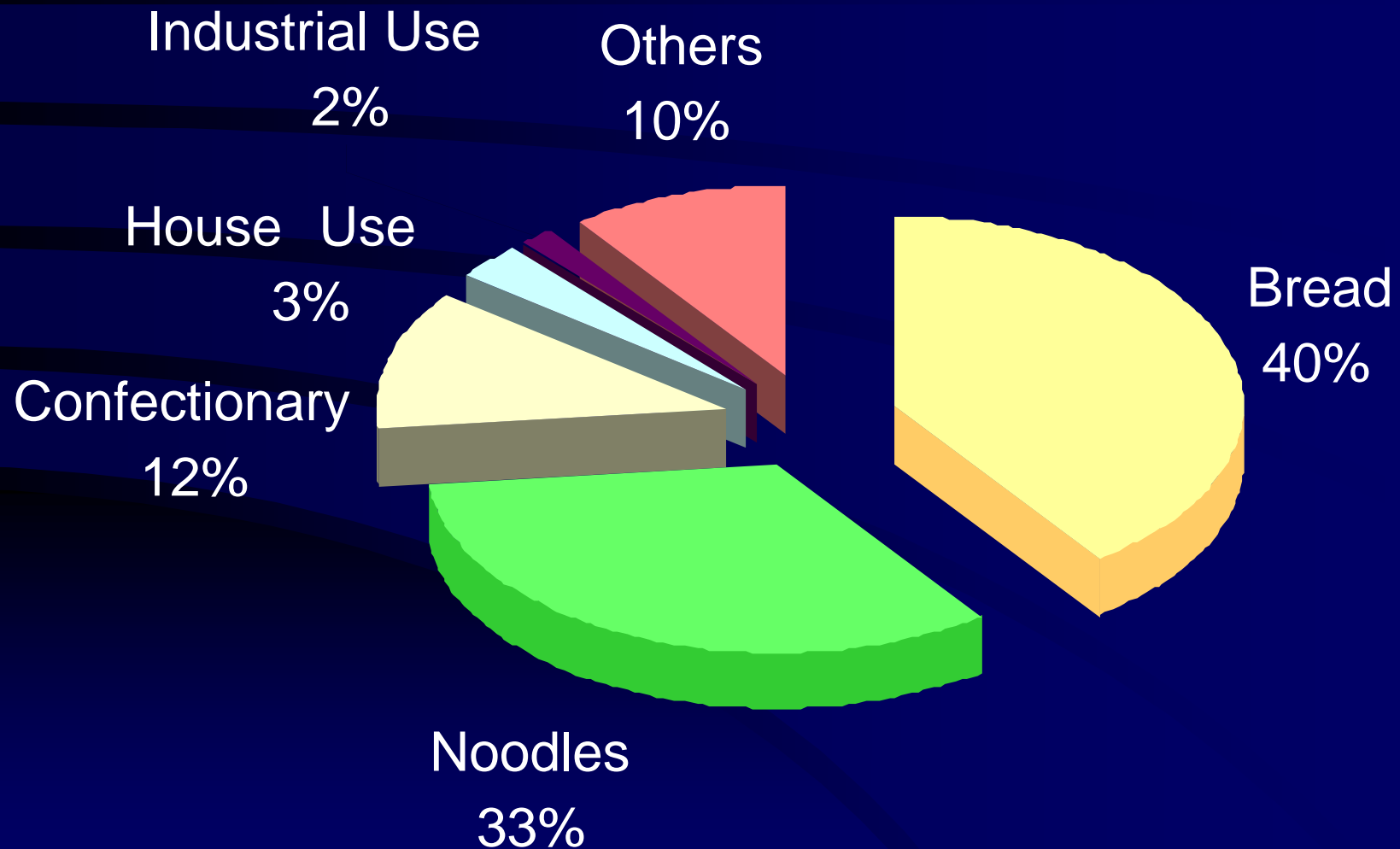
Shares of Wheat by Country (1980 – 2009, only for food in Japan)



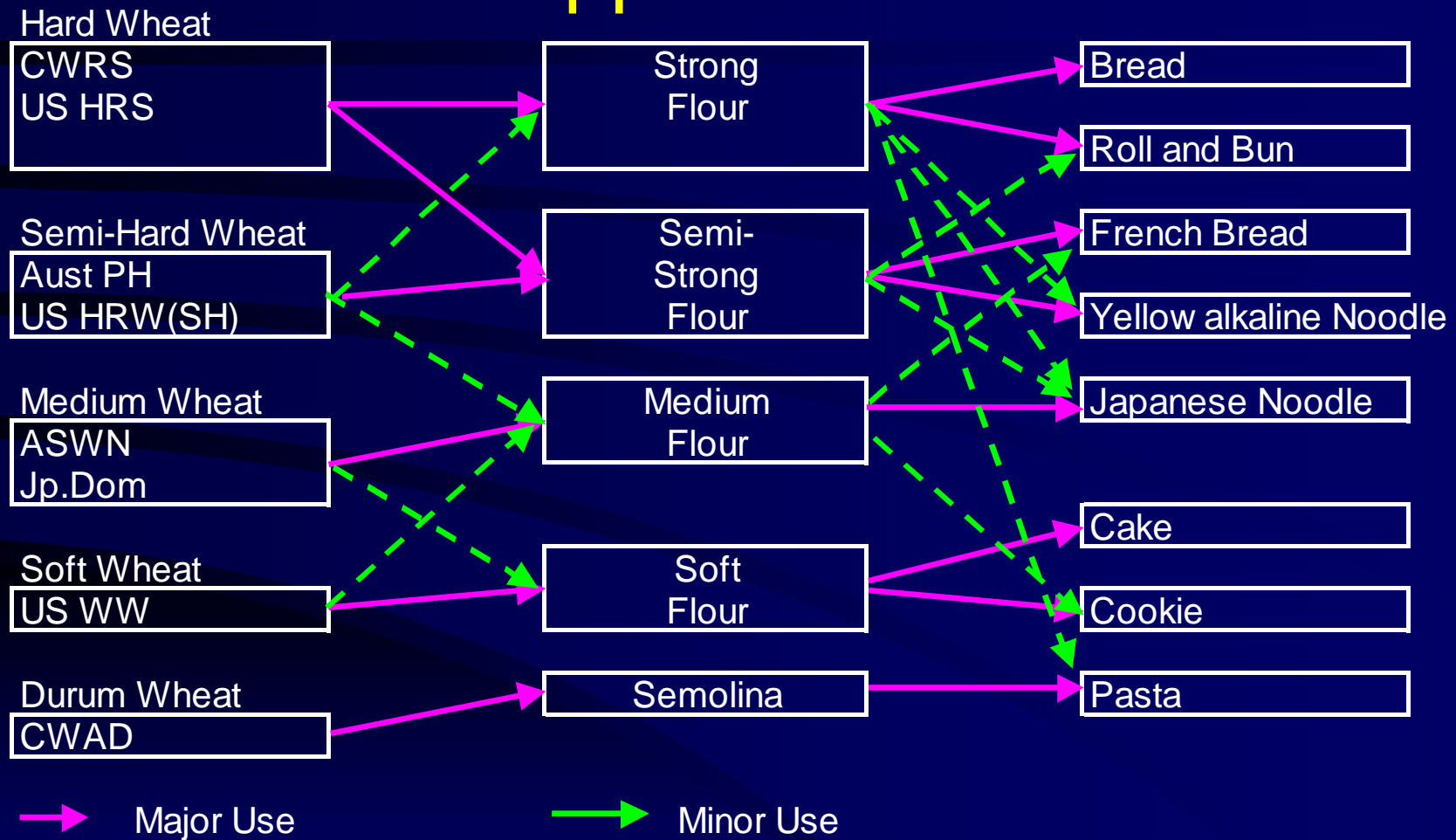
Wheat Classes Imported to Japan (2009 FY)

Classes		1,000 tons	pct
DNS	NS 14%	1,348	28.1
SH	HRW 11.5%	852	17.7
WW	SW & Club	761	15.8
1CW	No.1 CWRS	671	14.0
Durum	CWAD	204	4.2
PH	APH	159	3.3
ASWN	APW & Noodle	803	16.7
others		5	0.1
Total		4,803	100.0

Uses of Wheat Flour in Japan (2008 FY)



Classification of Wheat and Flour by Application



2. The use of ASWN, APH in Japan and demands of wheat products

Use of ASWN in Japan

ASWN is used for half production of the Japanese udon noodle

ASWN is recognized in Japan for

- ✓ creamy and bright color
- ✓ texture ; smooth, good elasticity



Decrease of good characteristic for the past few years?

Use of APH in Japan

Mainly for Yellow alkaline noodle
along with CWRS, DNS, HRW

APH is recognized in Japan for

For yellow alkaline noodle use

- bright color
- good elasticity, limited deterioration in hot soup

For bread use in comparison with CWRS, DNS

- less strong gluten and less water absorption at mixing
- give a less volume of bread



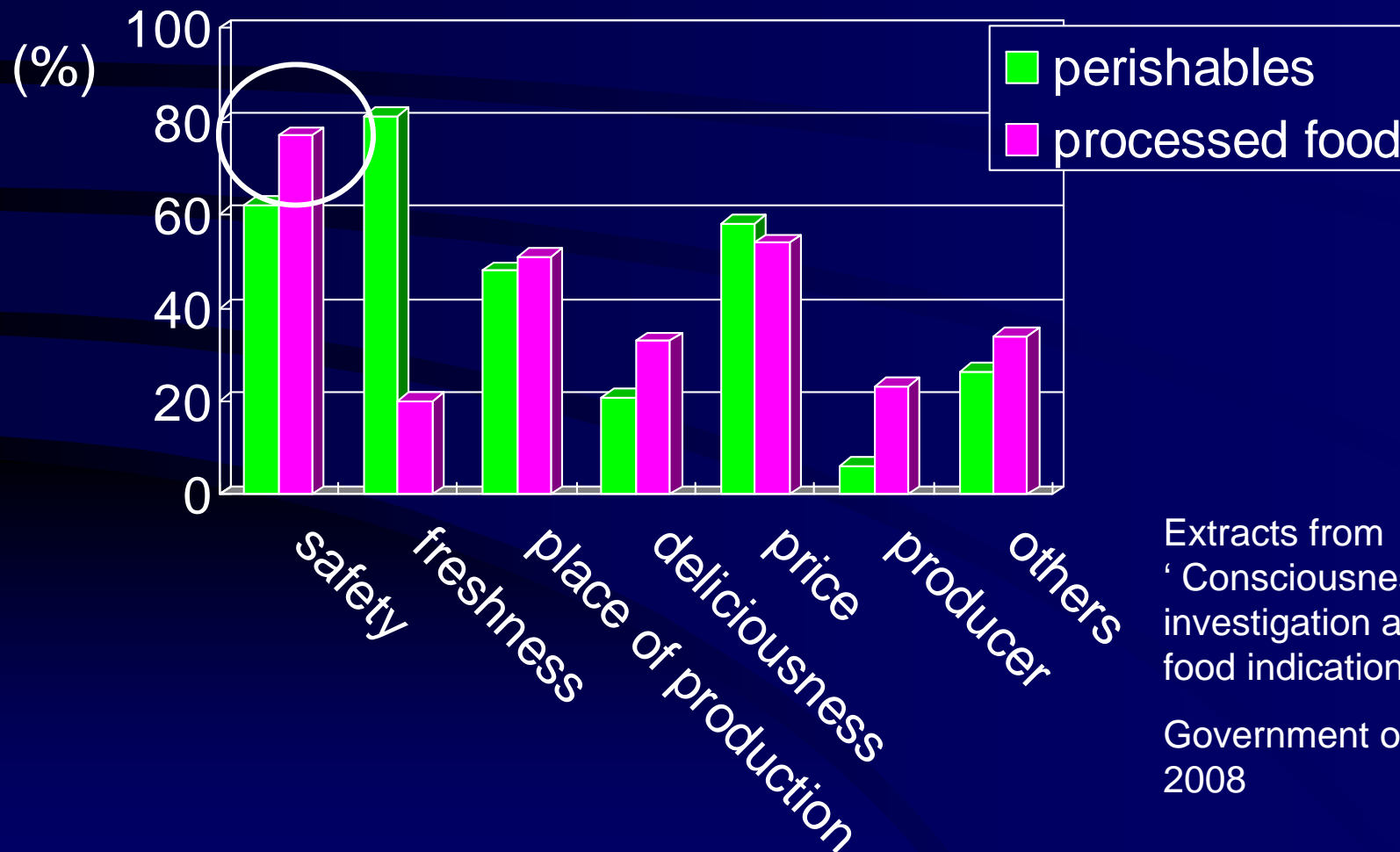
3. The future prospect of wheat flour market in Japan

The prospect of wheat flour market

- ◆ Shrinking population in Japan
- ◆ Little or no increase in consumption
- ◆ Decrease in prices
- ◆ Bad quality goods not acceptable to consumer even if less costly

Quality attributes of foods of concern to Japanese consumers

What of the food do you regard as important? (plural choice)

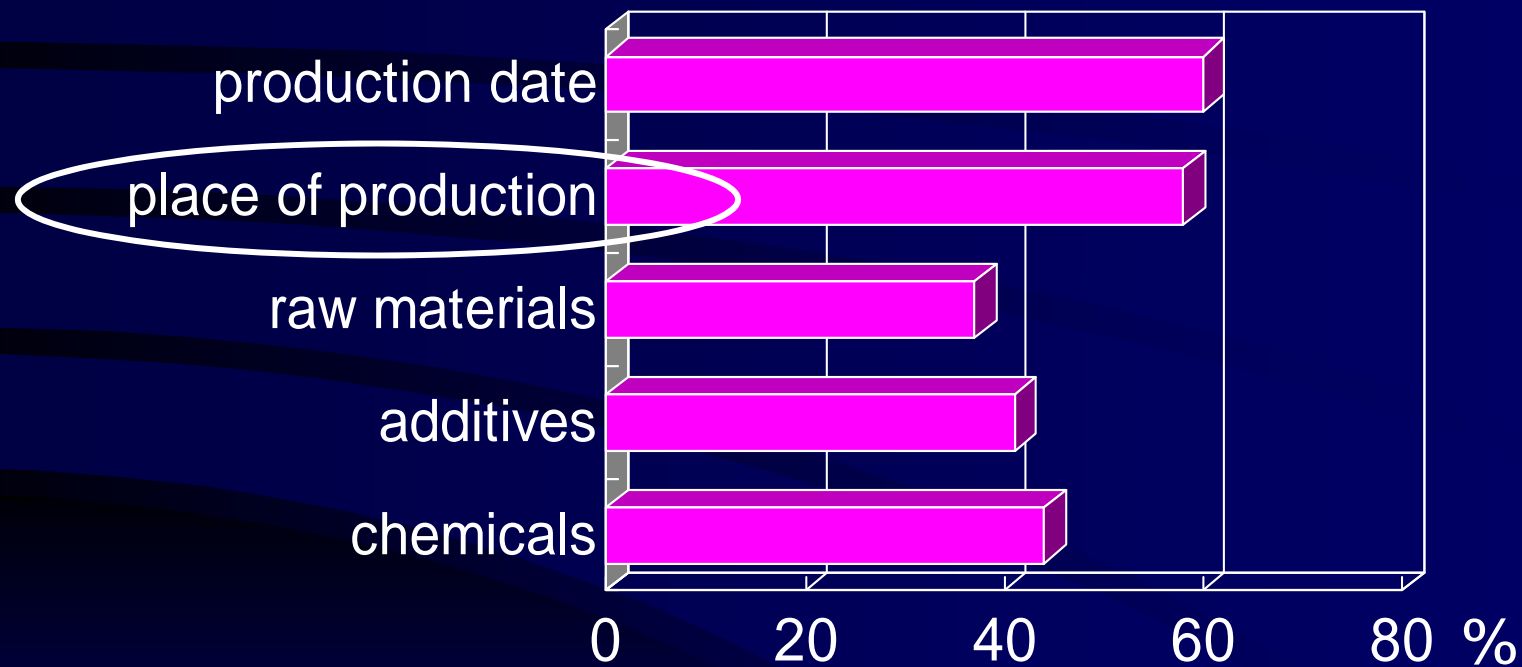


Extracts from
'Consciousness
investigation about
food indication'

Government of Japan
2008

The place of production of food is important for the purchase decision

The item of label to make much of at the time of the purchase.



Extracts from

' Consciousness investigation about food indication '

Government of Japan 2008

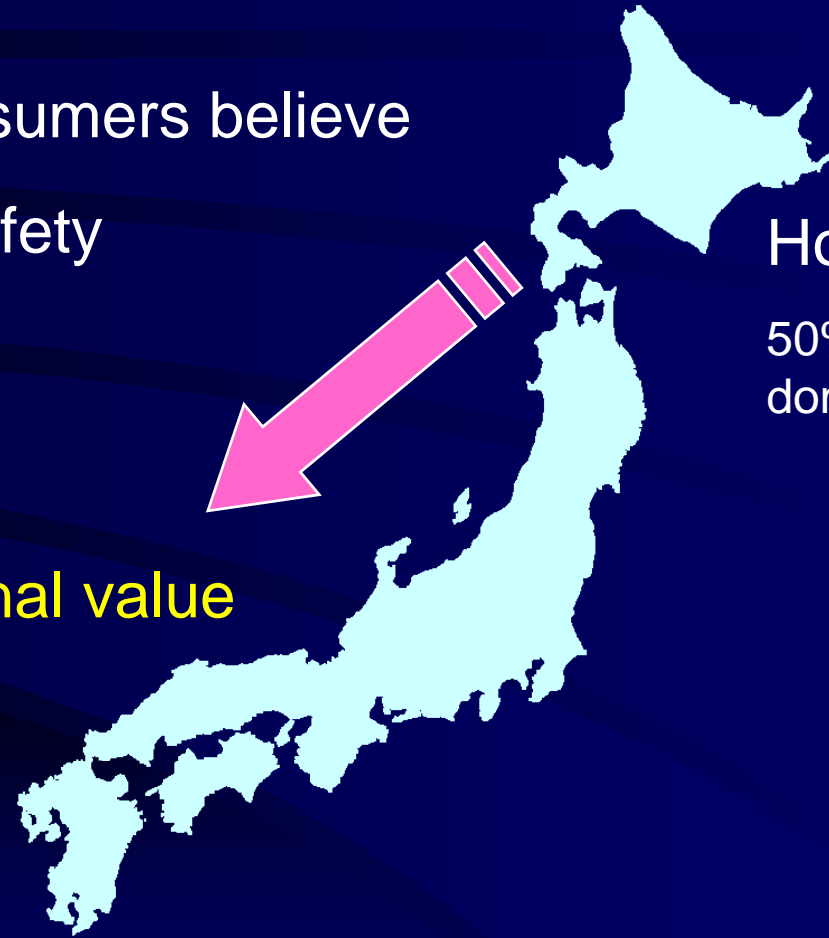
Advantage of the domestic wheat

Japanese consumers believe

Domestic = Safety



Making additional value



Hokushin

50% production of domestic wheat

Catchwords are “mochi-mochi”

“mochi-mochi” : texture of cooked rice



Japanese preference

Hokushin : major variety in Japan

suitable for Udon noodle with these texture.

In some case, “mochi-mochi” is also used
for bread and yellow alkaline noodle



udon noodle



steamed cake

Graphics:

Extracts from the maker's HP

Increasing awareness of foods with health benefits

Low calorie food, dietary fiber food



attracting Japanese consumer



low-calorie instant noodle



non-fried instant noodle



cereal bread

Graphics: Extracts from the maker's HP

Demand for “wheaty” flavor and taste

Taste of wheat flour itself

whole grain flour

Higher-ash flour close to bran



Wheat' flavor and taste more important than some darkening of product



Whole grain udon

Development of rice flour products

Bread, noodles and cake made from rice flour

➡ Encouragement by Japanese Government

- ◆ increase in self-sufficiency of country's food supply
- ◆ consume the current surplus of rice in Japan



rice bread



rice noodle



rice flour cake

The impact of deregulation on Japan

1. Change of purchase attitude

Lack information about Australian wheats

Collect information and try new Australian wheat

2. Japanese millers unsure of quality of

Australian wheat

Move towards use of more domestic wheat

Changes in the purchasing of imported wheat

APH and durum

————→ SBS system; like private trade

✓ Try to purchase

APH by variety or growing area

Brand new class of wheat

(ex. Durum & Soft wheat in Australia)

✓ Possibility of purchase

Lower priced wheat grown in various countries



NIPPON FLOUR MILLS

What we can as, for improving Australian wheat

- ✓ Biggest using company of Australian wheat, in Japan.
- ✓ Having bread, noodle and pasta factories



Closer relationship is important with
Australian breeders and researchers.