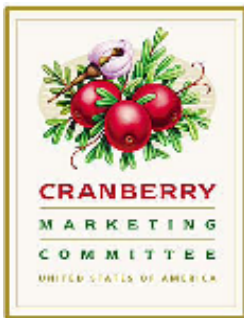

CRANBERRY MARKETING COMMITTEE

Monthly Report for May 2009



Prepared by Motix Co., Ltd.

GENERAL MARKET SITUATION

◆ The impact of the swine flu

According to the Japan Chain Stores Association, overall supermarket sales declined by 3.7 percent, the fifth straight monthly decline. Food sales declined 1.6 percent to 660.6 billion yen due to concerns about the swine flu, with the exception of instant foods, pasta and canned foods. The flu spread suddenly in Japan and Japanese consumers were swayed by the media. The value of online sales increased in the western Kansai area, where an outbreak resulted in numerous cases, people eat at home.

◆ Convenience Store Industry

Convenience stores will close a significant number of stores and shift open outlets to better locations in order to adjust their sales strategy to target the aging population in Japan as well as tepid consumer spending. The industry plans to close about 1,800 locations by the end of February 2010, which accounts for about 5% of all convenience stores. However, they will open 2,400 stores, 10% of the total. Industry leader Seven-Eleven will open a record 1,000, while closing 720 non-performing locations this fiscal year. The second largest convenience store, Lawson, will relocate 131 stores to better locations, while closing 460 others.

◆ Trend of sweets




Recently, major Japanese candy manufacturers have developed products that combine salty and sweet tastes. A leading confectionery company, Morinaga & Co., produced Shoyu (soy sauce) Sweets Chocolate selling for ¥168. The chocolate is made by adding soy sauce powder into white chocolate, and then it is wrapped with milk chocolate. The product is available until June. The popularity of soy-sauce flavored cakes in the sweets section of department stores inspired this product.

The Japanese confectionery industry introduces new candy products seasonally.





PRODUCT INFORMATION

CRANBERRY PRODUCTS IN THE JAPANESE MARKET

Branded Beverage & Food							
	Product/Menu Name	Brand	Description	Size	Price YEN	Sale Date	Photo
1	Asami Cereal bar	Kikkoman	Cereal bar with dried cranberries	2pieces	170	on sale	
2	Fruits Granola	Top Value	Granola with cranberries and other fruits	380g	358	on sale	
3	Sparkling red grape and cranberry drink	Ocean Spray	Red grape & cranberry soda	250ml	120	limited sale	

Confectionery & Patisserie

	Product/Menu Name	Brand	Description	Size	Price YEN	Sale Date	Photo
4	Double Berry & Cheese Verrine	am pm	Rare cheese cake with cranberry & blueberry sauce	1	260	on sale	
5	Cranberry Bagel	Brownny Bread & Bagels	Bagel with dried cranberries	1	250	on sale	
6	Dried fruit bar	Starbucks	Cookie bar with cranberry, lemon peel & orange peel	1 piece	190	on sale	
7	Premium Donuts Chocolate Cranberry	andonand	Chocolate & cranberry donut	1piece	250	on sale	
8	Cranberry Rakkyo	Ichiko	Pickled shallots with cranberry juice & cranberry fruits	125g	777	on sale	
9	Honey Cranberry Jam	Miel	Cranberry jam with honey	150g	650	on sale	

others							
	Product/Menu Name	Brand	Description	Size	Price	Sale Date	Photo
10	Opti Berry	Japan Natural Health	Supplement with cranberry powder	60	¥2,940	on sale	
11	Esthe Berry	Ryusendo	Supplement with cranberry powder	40	¥6,930	on sale	

Jan.- May. Total	53
Jan.	12
Feb.	10
Mar.	9
Apr.	11
May	11

MAY PROMOTIONS & ACTIVITIES

◆ Highlight of Trade Communication

Mr. Toby Stapleton of CMC and Mr. Mike Rucier of Bryant Christie Inc, visited Tokyo on May 18th. We had meetings with the following organizations:

US ATO Tokyo	Mr. Michael Conlon, Director
Shoei Shokuhin	Mr. Yoshimasa Takano, Assistant Manager of fruits and nuts department Mr. Yusuke Kawamura
Royal Tokyo office	Mr. Shinnosuke Kusaka, fruits and dry fruits division Mr. Masaaki Yoshida, President of Mtsukou Co., Ltd Mr. Kazuteru Chiba and Mr. Toru Takahashi, Kato Brothers Honey Co., Ltd
World Scope Corporation	Dr. Tsutomu Odani, President Mr. Teruyoshi Sazuka, Director of Sales & Planning Manager

Kato Brothers Honey Co., Ltd

Kato will launch its updated cranberry honey product in late June, a slight delay from the original schedule. The product is going to be sold at supermarkets in Fukuoka during the Cranberry Festival.

Some good news is that Seven Eleven is going to sell a dessert using cranberries for four weeks. Estimated the honey cranberry usage is about 6 MT.

Shoei Shokuhin

Shoei's cranberry business increased about 3 – 4 years ago; however, business is currently stagnant. Total estimated cranberry imports are about 400-500 MT a year, with Shoei handling about 300 MT, making them the number one importer for cranberries in Japan.

Shoei sells cranberries to various food manufacturers. Demand for diced cut cranberries is stable due to the increase in health bar sales.

Shoei recommends that CMC activities include trade shows and bakery seminars. These seminars are effective in encouraging bakeries to increase cranberry usage.

Nangoku Fruits

Yukiko Yasunari and Izumi Amano visited Nangoku Fruits in Fukuoka to discuss the upcoming cranberry promotion. The promotion idea was approved during the meeting with Toby and Mike.

In addition to conducting the "Cranberry Festival" in Fukuoka from July 18th through the end of August, CMC will conduct in-store sampling at 10 stores in cooperation with Nangoku Fruits. These stores will have dried cranberries, cranberry honey and one more cranberry item. Demonstration numbers are not confirmed yet but we would like to provide a cranberry "point of purchase" during the festival.

Nangoku Fruits also operates several restaurants as well as a juice stand and café, all of which will participate in the cranberry promotion.

Royal

Royal will participate in a promotion at the Gion Festival on July 16th. Also, they are going to conduct in-store cranberry sampling this summer and fall. They have worked with leading food manufacturers including House Food Corporation and Ezaki Glico Co., Ltd. Both have popular dairy products. Royal has conducted cross merchandising with these companies. Therefore, they are considering doing something with cranberries. They said

that cranberries in yogurt could be a potential “tasty” item to promote.

AEON



AEON conducted its American Fair from May 29th to June 6th. While cranberries were not individually promoted, Calbee's fruit and granola (with dried cranberries) 800g was sold for 698 yen on May 29th.

Trade Seminar



tart pistache et canneberge

Mr. Katsuei Shiga of Signifiant Signifie, a charismatic bakery chef, has developed two recipes using cranberries for the joint-seminar of USA poultry and Egg Export Council/American Egg Board. These recipes are “tart pistache et canneberge” “brioche pistache et canneberge” (sweetbread with pistachio and cranberry) and “kouglof” (a traditional European cake).



kouglof

ATO Tokyo

An FAS Cooperator Meeting was held at Tokyo American Center on ay 27th. Mr. Geoffrey Wiggin spoke about the Independence Day Party, which will be held at the Okura Hotel on July 2nd. The ATO will have special booths to introduce US agricultural products during the reception. They expect about 2,000 attendees, including members of the press.

The ATO renewed its website, myfood.com, in December. The site averaged over 14,200 visitors per month from December 2008 to April 2009. Regarding cooperator participation in myfood, the website links to 49 commodity associations, 26 cooperators contributed information on 35 products, and 81 recipes were furnished by 18 cooperators. CMC Japan has provided product information and a recipe.

In other news, Mr. Masahiro Matsumoto, Senior Marketing Specialist at ATO Osaka, is going to retire at the end of August. He has been cooperating with CMC activities since MOTIX became a representative of CPC/CPEC. His presence will be greatly missed!!!

◆ **Trade visits/contacts accomplished this month:**

Trade: Royal Kyoto head office and Tokyo Office, Sapporo Beverage, Kikkoman, Shoei, World Scope MYCAL, AEON, Nangoku Fruits, Kato Brothers Honey

Media : Shokuhin Sangyo Shimbun (newspaper), Pan News Journal, Nikkei Health Magazine, Nikkei Women, Fytte magazine, Shibata Publishing, Okazu no cooking magazine, Spoon press, Suteki na Okusan magazine, Cookpad, Yahoo!, etc.

Others : Nishiko (Advertising Agency), Nihon Keizai Advertising Company, Full House (PR agency), etc.

◆ **Website**

Remarkably, 6,210 “surfers” visited the CMC website with a total of 29,707 page views in May. The great increase of visitors can be attributed to collaboration with Yome-chan., a very popular food planner and published 9 recipe books) She developed three recipes which were introduced on the CMC website on May 18th. Yome-chan also talked about cranberries on her website on May 19th. There were 2,380 visitors that day. 63.82% of CMC’s visitors in May came from Yome-chan’s website.

◆ **Consumer PR**

1. **TV cooking program in conjunction with magazine and newspaper**

As a tie in with ‘Okazu no Cooking’ (a side dishes cooking magazine with a circulation of 250,000), cranberry recipes developed by Ms. Hayashi, a famous culinary expert, will be introduced in the August/September issue. The recipes are



cranberry and soy milk muffin and cranberry sesame smoothie. For the publicity page, a cranberry side dish will also be introduced. A photo shoot will be conducted in May.

The collaboration associated with nationwide TV cooking program and newspaper supplement will also feature the same cranberry recipes in August. More detailed discussion is underway.

2. Recipe contest through Magazine and Web

CMC will participate in the 'Suteki na Okusan' (charming housewives) magazine recipe contest, (circulation 250,000), collaborating with Recipe Blog, a portal website that averages 2.9 million monthly page views. The contest will be announced in June and the application period will be from July 2 to August 17 for both the web and the magazine. The award ceremony will be held at a famous hotel in Tokyo and recipes will be judged by a popular culinary expert in December. The grand prize award winner will receive 100,000 yen (about \$1,000) as well as the opportunity to debut as a culinary expert for the magazine. USMEF and a cereal company will also sponsor the contest.

3. Café and Retail promotion in Fukuoka in Kyushu area

CMC is going to hold a 'cranberry festival', including café and retail promotions, from July 18 to August 30 in the Fukuoka prefecture on Kyushu. Eighteen cafes have confirmed participation in providing a cranberry menu using dried cranberries and/or cranberry honey. Ten department/supermarket stores will also conduct in-store promotions. (Please see the trade communication above) The promotion will be introduced via a website named café@traibe as well as a local free paper, "ELF", with a circulation of 175,000. The free paper will feature the CMC ad announcing the festival in its July 20 issue, as well as offering publicity in its August 20 issue.

4. Radio CM with Café promotion and Booth exhibition in Kyoto



CMC Japan will conduct a cranberry promotion including an exhibition booth, café promotion and radio commercial during the 'Gion Festival' in Kyoto in cooperation with local radio stations. The Gion Festival is one of the most famous festivals in Japan, spanning the entire month of July and attracts 440,000 visitors on the peak day of the festival. As a way of expanding U.S. cranberry sales, collaborating with this major festival will present a solid opportunity to capture more consumer interest in U.S. cranberries.

Five one-minute commercials and 20 20-second spots related to CMC/cranberries will

be aired during the Festival on FM Kyoto, the most popular local radio station. The cranberry promotion and U.S. cranberries will be introduced by a popular vegetable and fruit expert during the program. In addition, CMC will have an exhibition booth at a trendy shopping mall named 'Shin-puh Kan' on July 16, one of the festival's peak days. In cooperation with Royal, an importer and distributor of dried cranberries, CMC will sample dried cranberries and hand out small flyers. Finally, six cafés and restaurants at the main hall will present menu items using dried cranberry and/or jelly cranberry from July 15 through 31 – to be determined in June.

5. TV infomercial

CMC Japan is working hard to obtain national TV program exposure. Two national TV programs have interest in visiting Massachusetts in October during the cranberry harvest celebration. Thanks to Ms. Dawn Gates-Allen of the Cape Cod Cranberry Growers' Association, detailed information about the celebration was provided to the programs. The shows are committed to producing a program on the cranberry festival, cranberry recipes and cranberry spa. However, their decision will be made in late July due to the swine flu pandemic. We will keep persistent negotiation with the programs.

6. Current Publicity



CMC Japan generated free media coverage presenting the le patissier Takagi sweets recipe books. The sweets book present publicity report was produced. The coverage reached a circulation of 6,050,233, with a value of ¥4,233,903 yen (\$44,567.40). (The report will be sent separately/)

MEDIA COVERAGE

CMC Japan monitored 26 consumer and trade professional media hits, with coverage reaching about 2.5 million consumers and trade professionals, providing exposure value of ¥3,045,996 (US\$31,637) during the period of April 21 through May 20, 2009.

**The clipping report will be sent separately.*

Publicity of Cranberry

Newspaper

Exchange rate (TTM): @96.28

No.	Vehicle	Issue Date	Circulation	Space	Color	Exposure Value(¥)	Exposure Value(\$)
1	Kenko Sangyo Shimbun	4/22	65,000	1.0cm	C	¥2,084	\$21.65
2	Kenko Sangyo Shimbun	4/22	65,000	1.0cm	C	¥2,084	\$21.65
3	Nihon Shokuryo Shimbun	4/24	101,300	31.1cm	B/W	¥311,000	\$3,230.16
4	Yamanashi Nichinichi Shimbun	4/25	208,133	51.4cm	C	¥961,951	\$9,991.18
5	Pan News	4/25	15,000	1.0cm	B/W	¥5,000	\$51.93
6	Teiin Shokuryo Shimbun	4/29	85,000	1.0cm	B/W	¥2,858	\$29.68
7	Kenko Shokuhin Shimbun	5/13	13,000	1.0cm	B/W	¥3,000	\$31.16
8	Kenko Sangyo Shimbun	5/20	65,000	1.0cm	B/W	¥2,084	\$21.65
Newspaper Total			617,433			¥1,290,061	\$13,399.05

Magazine

No.	Vehicle	Issue Date	Circulation	Space	Color	Exposure Value(¥)	Exposure Value(\$)
9	FYTTE	4/23	83,304	1/8 P	C	¥150,000	\$1,557.96
10	Ray	4/23	219,279	1/20 P	B/W	¥55,000	\$571.25
11	MAQUIA	4/23	110,416	1/20 P	C	¥75,000	\$778.98
12	Health premie	4/23	89,504	1/6 P	C	¥133,333	\$1,384.85
13	HOTERES	4/24	50,000	1/4 P	C	¥87,500	\$908.81
14	Nagasaki Press	4/27	36,000	1/100P	C	¥2,200	\$22.85
15	Mart	4/28	93,708	1/15 P	C	¥106,667	\$1,107.88
16	Hokkaido Walker	4/28	120,000	1/100P	C	¥7,000	\$72.70
17	Baby Book	5/1	214,500	1/100P	C	¥5,000	\$51.93
18	Kansai Jaran	5/1	123,000	1/10 P	C	¥100,000	\$1,038.64
19	FOOD STYLE 21	5/1	12,000	1/100P	B/W	¥1,000	\$10.39
20	FOOD STYLE 21	5/1	12,000	1/5 P	B/W	¥20,000	\$207.73
21	FOOD STYLE 21	5/1	12,000	1/5 P	B/W	¥20,000	\$207.73
22	Mrs.	5/7	110,000	1/2 P	C	¥925,000	\$9,607.40
23	L25	5/14	400,000	1/100P	C	¥25,000	\$259.66
24	Chou Chou	5/14	71,600	1/100P	C	¥12,000	\$124.64
25	Shokuhin Kogyo	5/15	25,000	1/100P	B/W	¥800	\$8.31
26	Tennen Seikatsu	5/20	59,805	1/23 P	B/W	¥30,435	\$316.11
Magazine Total			1,842,116			¥1,755,935	\$18,237.79

	Circulation	Exposure Value(¥)	Exposure Value(\$)
May '09 Grand Total	2,459,549	¥3,045,996	\$31,636.85
Jan. ~ May '09 Total	23,814,897	¥11,841,798	\$122,302.20