



Media Report for The Tasmanian Department of Economic Development and Tourism 10-16 January 2009

Politics/Economy/Social

Friday, January 16, 2009

Cut In Wheat Prices Would Mean Cheaper Bread, Pasta

With the government likely this spring to reduce prices on imported wheat for sale to domestic flour producers, lower prices for such goods as bread, pasta and sweets could be on the way.

Roughly 90% of the wheat consumed in Japan is imported by the government, which adjusts prices each April and October. In reflection of sharp increases in international grain prices in the past few years, the government has raised imported-wheat prices four times since the introduction of the current system in April 2007, spurring such flour producers as Nisshin Seifun Group Inc. to hike their flour prices in response.

Consumers are warming to lower-priced products because of the economic downturn, and supermarkets and other retailers have cut prices in a bid to woo shoppers. In a Nikkei survey of 37 food product manufacturers at the end of last year, a combined 35% said they would lower shipment prices or would increase incentives to encourage price reductions at the retail level.

Lower wheat prices would be poised to put further downward pressure on prices of such items as bread, pasta, and sweets that use flour.

But many food manufacturers had been unable to fully pass on previous flour price hikes to consumers in their product prices. So even if the government cuts wheat prices by more than 10%, food prices might decline only several percent.

(Summarised from The Nikkei Friday morning edition)

Industry/Market – Australia

Tuesday, January 13, 2009

Govt Firm, Aussie Firm In Uranium Exploration Venture

The Japan Oil, Gas and Metals National Corp., or JOGMEC, has entered into a uranium exploration joint venture in Australia with that country's Bondi Mining Ltd.

JOGMEC and Bondi Mining are working together on uranium discovery in the Murphy Project in the Northern Territory. The Japanese company has a 51% interest in the venture and will provide 3 million Australian dollars over four years to fund exploration and surveys to confirm uranium reserves.

This is JOGMEC's first uranium joint exploration project in Australia. In the future, it plans to transfer its interest to Japanese firms to ensure stable supplies of the resource as competition to secure uranium heats up with the development of new nuclear reactors worldwide, particularly in developing countries.

(The Nikkei Business Daily Tuesday edition)

Tuesday, January 13, 2009

Australia Publishes EPA Pamphlet, Focuses On Benefits Of Increased Food Trade

Australia has published a *manga* pamphlet called "A Japan-Australia EPA/FTA to Ensure Japan's Food Security" focusing on food trade between Japan and Australia. The Japanese and Australian governments are currently negotiating a bilateral EPA/FTA and an FTA (free trade agreement) between Japan and Australia is one of the main components of the EPA (economic partnership agreement). Approximately eight percent of Japan's food imports are produced in Australia.

Australian Ambassador to Japan Mr Murray McLean said, "The conclusion of an EPA will strengthen the bilateral relationship between Japan and Australia and will establish Australia's role as a major supplier of safe, high quality food and agricultural products. An EPA will make it possible to reduce tariffs on imported food, benefiting Japanese consumers. Current tariffs have resulted in unnecessarily high prices for imported food."

The pamphlet focuses on a number of points. 1. Detailed checks are carried out in Australia to ensure that products meet Japanese food safety standards; 2. BSE has never been detected in Australia; 3. Japanese udon noodles are made from a variety of wheat that is grown in Australia especially for that purpose; 4. An EPA is intended to remove or reduce tariffs, benefiting consumers; 5. Japanese consumers prefer to eat Japanese products and increasing the choice of foreign food products will not decrease sales of Japanese agricultural products; 6. Wheat is an important agricultural product for Japan but low-priced imported wheat will reduce the price of processed foods; and 7. Australia's food self-sufficiency rate is 250 percent so there is little concern that exports will be halted if Australia experiences unfavourable weather conditions for a certain period of time.

(Full translation from *Frozen Food Times*, p. 6)

Industry/Market/Trends – Japan

Thursday, 15 January, 2009

Japan's Farmers May Get 'Bionic' Assistance

A research team at a Tokyo university has developed a mechanized bodysuit that assists arm and leg movements, lessening the amount of energy farmers need to exert by 60-70%.

The team, led by Prof. Shigeki Toyama at the Tokyo University of Agriculture and Technology, on 9 Jan. demonstrated the apparatus, which attaches at the shoulders, arms, back and legs.

Sensors pick up body movements and send signals to built-in motors that then provide arm and leg assistance in five agricultural tasks.

The entire suit weighs about 25 kilograms -- a heavy burden to be sure but one that is alleviated by the motor assistance.

A mechanized bodysuit that makes farming less rigorous is demonstrated by a wearer pulling a daikon (radish) out of the ground.



The team developed a similar device about a year ago that helps wearers to carry heavy items. The team produced the new version by adding a voice recognition system that allows the suit to respond to sentences like, "I will pull a *daikon* (radish) out of the ground," or, "I will chop off branches."

The team tested the apparatus in the harvesting of *daikon* and other agricultural products at the university's farm, and the device was able to increase the work efficiency by 20-30%, according to the team.

The team plans start marketing the apparatus for research purposes in 2010 and hopes to market it for the general public in five to seven years at around 300,000 yen to 500,000 yen. Before that, the team plans to lighten the device to around 10 kilograms.

(The Nikkei Saturday edition)

Saturday, 10 January, 2009

Beer Market To Dry Up Further In '09

The beer market will contract 1-3% in 2009, shrinking for a fifth straight year, according to four major breweries' forecasts released by Friday.

Industry figures show that the beer market contracted 3% in 2008. "Two percentage points of this can be attributed to price hikes," Kirin Brewery Co. President Senji Miyake says. The market was down 16% from the 1994 peak.

Industry leader Asahi Breweries Ltd. forecasts that the market will contract 1-2%, with the second-ranked Kirin projecting a 3% decline and Suntory Ltd. and Sapporo Breweries Ltd. each predicting a drop of about 2%.

Even so, all but the Kirin Holdings Co. unit have set their 2009 sales targets higher than their 2008 sales volumes, seeking to boost sales of low-priced no-malt beer in particular as consumers shift away from regular and low-malt beer.

Asahi plans to increase sales of no-malt beer by 23.4%, Kirin by 12.1%, Suntory by 18.3% and the Sapporo Holdings Ltd. unit by 30.1%. Suntory replaced Sapporo as the third-largest brewer in 2008.

(The Nikkei Saturday morning edition)

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