

Change In Edamame Sales Trend

(Outline)

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1. How & Why Was I Forced to Sell Precooked Edamame

- a. 12 years ago, sushi was gaining popularity and gained major account distributions
- b. Also major accounts start making sushi on premise
- c. Forced to find replacement product(s)
- d. Research studies Found
 - 1. Natural, health and organic foods enjoyed 25% increase yearly for the past 10 years
 - 2. Foods made from soybeans played major contribution
 - 3. No nationally recognized companies were involved
- e. Replacement and new product must meet criterion:
 - 1. Must be in the natural and health food category
 - 2. No identical competitive product on the market
 - 3. No big companies can get involved
 - 4. No big investment required
 - 5. Simple to make and no brain needed
 - 6. Delicious and good for health
 - 7. Question, is there such product?
- f. Precooked Edamame could meet all criterion, d 1 - 7

2. Difficult Start

- a. Convinced sushi principal to make precooked Edamame
- b. Principal spent tons on material and containers
- c. No old sushi buyers were familiar with Edamame and not interested at all
- d. Ran out of major accounts to call
- e. Only solution, calling retailers, door to door without appointment
- f. No sales for nearly half a year

3. One Person Made a Big Difference

- a. One produce manager at natural and organic chains recommended to buyer
- b. Buyer authorized to sell at only one location; demo was mandatory and delivery of only what could be sold during demo
- c. Demo 7 days a week for two years gained more locations to sell
- d. Various competitive buyers invited me to do demos and OK'd to sell
- e. Forget pride, prestige; keep doing demos

4. Defining Two Types of Processors

Type A.

Buys raw material from growers, cleans, selects, blanches, cools, freezes packs into consumer and bulk packs. Exports to various parts of the world. Only two type A processors in the U.S.A. for Edamame.

Type B.

Buys frozen Edamame from U.S. importer/distributor, cooks, cools, repacks into consumer pack with own or private label and distributes to distribution center of chain super or produce distributors. Kimura & Associates represents ten different companies in the major cities across the U.S.A.

Reasons for different locations:

Precooked Edamame has only ten days shelf life in both the conventional pack and the modified atmosphere packing, too. Consumers are interested in freshest Edamame. Like bread, goes bad during long distance delivery. Easy to collect \$\$.

5. Sales Performance

- a. '94 to '99 enjoyed more than 100% increase yearly due to distribution in new areas or out of state. Existing market still enjoyed 20% increase over the previous year.
- b. Tremendous increase in '99 due to FDA announcement on soybeans
- c. Oct. '00. Organic Edamame from China contributed to a big upswing in sales
- d. Feb. this year, conventional shelled Edamame came into the market leading to competition. Sales of Edamame with pods decreased and shelled Edamame increased. Final sales figures showed 60% sales with pods and 40% sales of shelled Edamame after a month
- e. When this year's crop of organic Edamame, with pods and shelled, and grown in China come to the market, there will be another upswing in sales. U.S. grown product may be available and more competitive.

6. Different Forms of Edamame

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|---|---|
| <p>A. Conventional with pods</p> <ol style="list-style-type: none">a. Frozen in consumer packb. Frozen in bulkc. Precooked in consumer packd. Precooked in bulk <p>C. Organic with pods</p> <p>a - d</p> <p>Total of 16 SKUs</p> | <p>B. Conventional shelled</p> <ol style="list-style-type: none">a. Frozen in consumer packb. Frozen in bulkc. Precooked in consumer packd. Precooked in bulk <p>D. Organic shelled</p> <p>a - d</p> |
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7. Different Types of Packing

- a. Conventional packing
- b. Modified atmosphere packing or air flush nitrogen gas injected
- c. Conventional lid or film
- d. Ultra violet blocking film

8. Choosing Type B Processors, People That I Represent

- a. Majority is air caterers or restaurant proprietors
- b. Equipment and well-trained employees are ready
- c. Chef knows when to start and stop cooking
- d. Hungry people succeed and buying houses
- e. Successful companies appreciate running kitchen in 2 shifts
- f. 3 well to do owners failed

9. Advantages of Edamame Processor Over Restaurant or Catering

- a. Edamame needs only one SKU, frozen Edamame
- b. Cooks only upon receiving order from customers
- c. Payments from customers on time, no fake credit cards or rubber checks
- d. Least number of employees needed
- e. Least hours of training needed
- f. Least overhead expenses needed

10. Types of Accounts to Serve

- a. Conventional chain and independent super markets
- b. Natural and organic chained retailers
- c. Conventional produce distributors
- d. Organic produce distributors
 - * Both chain super and distributors have refrigerated trucks
 - Work done at midnight before traffic starts
 - Terms are shorter
 - No returns, no guaranteed sales
- e. Direct house accounts, for fund raising, etc.
- f. Industrial caterers
- g. School food service

11. Type of Freezers & Coolers

- a. With Doors, lots of shelves
- b. Casket Type Freezers
- c. Open type Coolers with lots of shelves

12. Which Department to Promote Edamame to

- a. Produce department for precooked
- b. Grocery department for frozen
- c. Deli department for salad bar in bulk
- d. Beer department, #1 per square foot sale in the U.S.A.
- e. Sushi vendor on premise

13. Competitive Situation

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|----------------------------|-----|----------------------------|
| a. House brand | vs. | National brands for frozen |
| b. Sushi vendor on premise | vs. | Type B processors |
| c. Deli department | vs. | Type B processors |
| d. Conventional with pods | vs. | Conventional shelled |
| e. Imported | vs. | U.S. domestic |

14. Future of Edamame

- a. Is grows in the U.S.A. but needs more type A processors and quality improvement
- b. Fresh Edamame is highest in demand, only seasonal and local market
- c. More room for conventional shelled Edamame available
- d. More room for organic, with pods and shelled available
- e. Right merchandising know how and educational programs needed
- f. More creative use of Edamame
 - e.g. Edamame over rice, like Seapoint brand
 - Edamame ice candy
 - Edamame icecream
 - Edamame soft drink, recommended by Taiwan Regional Association of frozen vegetable and fruits manufactures