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Trade Lead System: Perspectives from Japan

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Report Highlights:

In the summer of 2009, in cooperation with the National Association of State Departments of Agriculture (NASDA), USDA's Foreign Agricultural Service (FAS) launched the Trade Lead System (TLS), a new internet database tool with the goal of helping small and medium sized U.S. exporters sell agricultural products overseas. TLS has the potential to transform the way FAS helps exporters, and Japan is at the forefront of this transformation.

General Information:

What is the Trade Lead System?

The TLS is a unique and innovative internet database tool designed to match U.S. exporters and foreign importers. The new system was created by New Media Solutions (NMS), under contract with NASDA and FAS. Drawing upon discussions with representatives from FAS/W, NASDA, FAS posts and various State Departments of Agriculture as well as a thorough review of the challenges posed by previous trade lead systems, NMS created a new approach to the distribution, management, and measurement of trade lead activities. After extensive testing, the TLS was launched in the summer of 2009. The 50 State Departments of Agriculture and all of the FAS overseas posts have access to the system.

NMS designed the system to give FAS posts complete control over the trade lead process. FAS posts were given their own internet database management interface (DMI). Each post sources a trade lead and places it in their TLS database. In order to facilitate unique responses, each State office was also giving their own DMI. By having their own interface, States are able to login, access details of all FAS trade leads, and participate individually in the trade lead process.



Trade Lead/ Request Subject	List Status: 1=Not Emailed 2=List Emailed	Request Date Posted	List Respor Due
Frozen vegetable paste, Super sweet corn	1	4/28/2010	5/27/2010
Hard Candies, individual wrapping, mixed pack, U.S. origin	1	4/28/2010	5/27/2010

A screen shot of the Trade Lead System interface shows open requests from Japanese importers

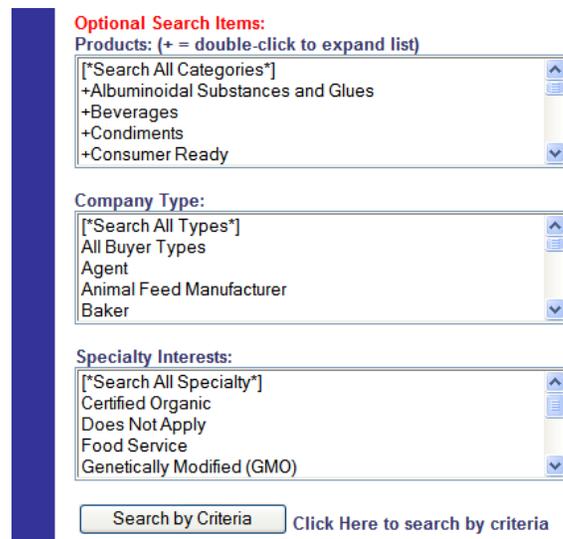
When States recognize that a trade lead represents a business opportunity to their base of U.S. exporters, they search their database within the DMI system and append a list of potential exporters to the system. After State offices respond by the deadline date, the system allows FAS posts to determine the next step in the process to eventually match importers with exporters. For example, FAS posts can notify targeted U.S. exporters about a trade lead or communicate directly with the importer. After the FAS post matches the local importer with potential U.S. suppliers, they monitor the situation. Hopefully, many of these matches will result in sales.

Why is the TLS potentially transformative?

There are a number of strengths of the system that can transform the way FAS helps U.S. exporters. For one, FAS posts are in complete control of the process. Because of this, we are able to track the trade lead from creation to final sale and measure our results. In addition, the TLS will help us build relationships with Japanese importers, State Departments of Agriculture, and U.S. exporters.

Another strength of the system is that it is targeted. It allows FAS posts to easily identify which U.S. exporters are interested in using the system. It also shows the reliability of the U.S. exporter lists provided by the States.

The TLS will also create competition that will make the system even more successful. Quality trade leads will motivate States to keep their supplier lists up to date ensuring quality in the system. Moreover, deal making success will create competitive pressure among States and FAS posts to utilize the system.



Optional Search Items:
Products: (+ = double-click to expand list)

[*Search All Categories*]
+Albuminoidal Substances and Glues
+Beverages
+Condiments
+Consumer Ready

Company Type:

[*Search All Types*]
All Buyer Types
Agent
Animal Feed Manufacturer
Baker

Specialty Interests:

[*Search All Specialty*]
Certified Organic
Does Not Apply
Food Service
Genetically Modified (GMO)

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The system allows FAS offices abroad to search for opportunities to forward on to State Departments of Agriculture and potential U.S. Exporters

Japan is an important market

Japan is a perfect country for the TLS, providing tremendous opportunities for U.S. exporters. The total food and drink market in Japan is huge, valued at around \$635 billion. The country is also the leading net importer of consumer ready food products in the world. In 2008, for example, Japan imported a total of \$26.8 billion in consumer oriented food products, an increase of over two billion from the year before. Japanese consumers are becoming more health conscious and organic, naturally prepared, and functional foods are growing in popularity.

Looking To the Future

In the short time our office has been involved in the TLS, our progress underscores the potential of the system. Our Japanese staff has focused their effort on promoting the TLS to potential importers and gathering trade leads. Our staff has visited over 50 Japanese



Japan ATO Agriculture Marketing Specialist Masayuki "Alex" Otsuka and the new Trade Lead System

companies and has created 32 trade leads. Those inquiries – *worth more than \$2.0 million* – range from frozen fruit, processed fruit and vegetable, organic foods, bakery products to alcoholic beverages. Moreover, the participation of the State offices is expanding. Thus far, thirty-eight States have responded to trade leads from Japan.

Another notable element of the TLS is that the Japanese companies that have participated in the system include small as well as larger companies. Quite a few of these companies are also located outside of the major Japanese metropolitan areas. This suggests that there is a great potential for U.S. exporters in Japan and the sophisticated TLS online system can serve as a powerful tool to realize that potential.

We are hoping that in the future the TLS will expand to include most of the U.S. cooperator community, in addition to the State Departments of Agriculture. In this way, more U.S. exporters will have access to this innovative system.