

6 Bakery Equipment

Overview of the Bakery Industry

Domestic bread production has remained steady for the past five years. In 1988, the total bakery production of 1 181 tons was valued at ¥840 000 million (see Table 9). Industrial producers accounted for approximately 50 per cent of the total production, small and medium-sized bakeries for 30 per cent and "mom and pop" bakeries for approximately 20 per cent.

Table 9

Domestic Bread Production

Year	Tons	Value (¥ million)
1984	1 203	840 000
1985	1 178	840 000
1986	1 176	830 000
1987	1 175	828 000
1988	1 181	840 000

Source: Japan Food Association.

Among the leading bakeries are Yamazaki Baking Co. Ltd., Shikishima Baking Co. Ltd., Fuji Baking Co. Ltd., and First Baking Co. Ltd. Collectively, they claim 45 per cent of the market. Profiles of Yamazaki Baking and First Baking are presented in Chapter 10.

Bakery products are divided into five categories:

- bread (shokupan);
- Western pastries;
- kashipan (Japanese-style pastries, including products such as curry-filled rolls and bean paste-filled buns);
- specialty breads (i.e., French and European-style breads, bagels, kaiser rolls, croissants, etc.); and
- school lunch bread (kyushokupan).

In the past, school lunch bread enjoyed substantial sales as educational institutions tended to favor bread — because of its low cost — in their lunch menus. However, sales of school lunch bread are now on a sharp decline, due to growing governmental concern regarding its nutritional value.

Rice remains the standard staple of food served in schools, hospitals and other institutions. As a result, there is virtually no demand for special-order, dietary products such as low sodium- or low sugar-content bread.

Generally, hard bread products such as bagels are not popular in Japan, the general consensus among bread producers being that the average Japanese consumer is used to eating rice, which is normally cooked until soft. While this does not preclude sales of hard bread — and, indeed, bagels are finding their way into the Japanese market — major market acceptance is unlikely. French bread, however, has proven an exception to the rule, most probably because Japanese consumers accept that it is served with western cuisine.

Intense competition within the bakery industry has stepped up product development. The result is a diverse range of bread and pastry products that, in some cases, might prove unsuitable to the western palate (i.e., chocolate-coated bread with cream filling).

A prime example of outstanding product innovation is Rheon Automatic Machinery Co. Ltd.'s line of ready-to-bake frozen dough products, which includes pastries and croissants. Currently in the test-marketing stage, this product line virtually removes all the steps and equipment — such as proof boxes — required to operate an in-store bakery. The only equipment required is a refrigeration unit and an oven. In addition, these products boast a freshness and flavor that "brown-and-serve" bakery products cannot attain.

Distribution System

Industrial bakeries distribute their products not only through traditional retail establishments such as independent bread stores, supermarkets and department stores, but also through convenience stores and affiliated retail bakery outlet chains, some of which are franchise operations (see Table 10).