

September, 27 2019

Aeon Co., Ltd.

Aeon Topvale Co., Ltd.

Aeon Agri Create Co., Ltd.

Platform for Aeon and producers to expand the market of organic agricultural products
First Japanese Retailer to embark on the attempt! Launch of AEON Organic Alliance

On Tuesday, October 1, Aeon will launch the “AEON Organic Alliance” (AOA), a platform to centrally manage production, procurement, processing, distribution, and sale of agricultural products, in response to recent growing consumer demand for such products.

Organic JAS certified producers in Japan account for only 0.2% of all farmers, and supply of organic products has not caught up with growing consumer demand. In the meantime, not only cultivation costs but also costs incurred due to inefficient distribution impose a substantial burden on producers. In addition to this, opportunities for the producers to gain new skills or exchange information with each other are limited.

These issues drew the attention of Aeon, which resulted in the establishment of the new platform to support producers across Japan as well as new farmers.

Aeon has accumulated know-how in cultivation and management at 20 directly managed farms (Aeon farms) across Japan. The farms are operated by Aeon Agri Create Co., Ltd., currently in its 11th year. Aeon Topvale Co., Ltd. also develops Topvale Greenai organic products, which take advantage of the power of nature and are sold in group stores across the country. AOA members will have access to technological know-how for the acquisition of Global G.A.P. and organic JAS certifications, something Aeon farms have been working on since their foundation, as well as have opportunities to sell their agricultural products under the Topvalu Gurinai brand. Meanwhile Aeon farms across Japan will serve as distribution bases that collect products made by member producers. This not only reduces distribution and delivery costs but also facilitates joint purchasing of materials necessary for cultivation, which will also lead to cost reductions. In addition, a dedicated website for AOA will be launched and will serve as a platform to share what is happening in stores, including customer feedback, product lineups, and sales performance as well as overseas trends and other relevant information. It will also serve as a communication platform among producers. This initiative is expected to create new opportunities to collaborate with organic producers and increase transactions with them.

AOA will be launched as part of initiatives aiming to increase the sales ratio of organic products to 5% of all agricultural products by 2020, as included in the April 2017 “Aeon Sustainable Procurement Goals for 2020 ” Aeon Agri Create has acquired organic JAS certifications for three of its farms. Among them, Saitama Hidaka Farm started to manage its entire 16 ha organically in July this year to produce and supply a larger amount of organic agricultural products. Through this new platform, Aeon will strive to achieve a stable supply of organic agricultural products in cooperation with member producers for the sustainable development of Japanese agriculture and to meet customer demand.

* AOA website: <https://topvalu-organic.force.com/aoa/s/> (To be launched on October 1)