Animal Health Products Wholesale Business

The MEDIPAL Group’s consolidated subsidiary MP AGRO CO., LTD. boasts Japan’s highest sales in animal health products, thanks to its nationwide sales branches and five distribution centers that provide a stable supply of a variety of products. In addition to its mainstay animal health products for companion animals, it offers products for fisheries and livestock. It also handles livestock feed additives, veterinary medical equipment, and other products.

Value Chain

Business Environment

In the livestock market, the widespread threat from avian influenza and other infectious livestock diseases demands continued vigilance.

Meanwhile, the companion animal market continues to perform well despite a decrease in the number of household dogs and cats, partly because of longer animal lives due to advances in drug treatments and other factors.

Key Strategies

The Group’s consolidated subsidiary, MP AGRO CO., LTD, is engaged in a wide range of initiatives including expanded use of an original online order information system for animal hospitals (MP PLUS), promotion of operations to support drug use surveillance for PMS (a first in the animal health products wholesale industry), expansion of the lineup of exclusive products and the strengthening of sales capabilities. In addition, MP AGRO aims to expand its transactions by responding in detail to various customer needs, for instance, by offering enhanced consulting services through its HACCP* department and drawing on the skills of the veterinarians and other technical staff who carry out physiological, serum antibody, bacterial, genetic, and other forms of testing at its in-house testing center.

* HACCP (Hazard Analysis and Critical Control Point): A scientifically based method by which food business operators manage hazards that can cause food poisoning or otherwise harm health throughout the entire process from the reception of raw materials to the shipping of products.

Initiatives in the Fiscal Year Ended March 31, 2021 and Future Policies

In the fiscal year ended March 31, 2021, sales were affected by a widespread outbreak of avian influenza in the livestock market, but remained firm due to expanding use of MP+ in the companion animal market. Amid the COVID-19 pandemic, measures necessary for business continuity were taken to ensure stable supply, such as practicing thorough hygiene management and working from home. Going forward, we will promote sales that leverage the strengths of our nationwide operations, and will work to further strengthen our business infrastructure and enhance customer service in anticipation of changes in the market environment.
Food Processing Raw Materials Wholesale Business

The Group’s consolidated subsidiary, MEDIPAL FOODS CORPORATION, has a lineup of products (approximately 14,000 as of March 31, 2021) ranging from raw materials for agriculture and livestock, to seasonings and food additives, as well as packaging materials and industrial chemicals. It also operates a nationwide supply system based on the themes of providing “food safety and security,” and “great taste” with the aim of being a general trading company for food manufacturers.

Value Chain

Business Environment

In the foodstuff business, Japan’s decreasing population, declining birthrate, and aging society mean that market expansion cannot be expected. On the other hand, heightened awareness of food safety and health is leading to diversification of consumer needs.

In addition, due to factors such as the sharp rise in raw material prices and rising labor and distribution costs due to labor shortages, severe conditions are expected to persist. Moreover, consumer behavior is changing. While the COVID-19 pandemic has had an increasingly serious impact on the food service and tourism industries, the avoidance of public places has increased demand for at-home eating.

Key Strategies

According to the 2020 Food Industry Change Survey by the Ministry of Agriculture, Forestry and Fisheries, the value of manufactured goods shipped in Japan’s food manufacturing industry is approximately ¥36 trillion, of which food processing raw materials is believed to account for 10% to 30%. The size of the food additive market has been estimated at ¥1,047.6 billion (Food Chemicals Newspaper, January 14, 2021). In this market, MEDIPAL FOODS CORPORATION uses its wide-ranging network with manufacturers to accurately analyze market trends and provide total support for customers, from product planning and raw materials procurement to manufacturing and distribution. In addition, we are working to further enhance the services we provide, including helping our customers acquire certification for international standards such as SQF¹ and FSSC 22000.²

1. SQF (Safe Quality Food): International regulations integrating primary production, transportation and distribution to ensure the safety and quality of food across all food industry sectors.
2. FSSC 22000: A management system standard, based on ISO 22000, to ensure the practice of more reliable food safety management.

Initiatives in the Fiscal Year Ended March 31, 2021 and Future Policies

In the fiscal year ended March 31, 2021, sales were challenged by the loss of some existing accounts due to the slump in the restaurant and tourism industries caused by the impact of COVID-19, although new accounts increased.

Going forward, we will promote sales that leverage the strengths of our nationwide operations, and will work to further strengthen our business infrastructure and enhance customer service in anticipation of changes in the market environment.