

The Strategic Marketing Institute Working Paper

The Edamame Market

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2-1203
December 2003



MSU

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Introduction

Edamame (eh-dah-mah-may) sometimes spelled endamame, is a name of a family of soybean varieties that are used for vegetable production. Most edamame is used in Asia, but there appears to be a growing market for the product in the U.S. particularly as a substitute for lima beans (Konovsky et al, p. 5) and as a snack food. The U.S. is also developing species of edamame (Comis, p.1).

This paper provides a brief analysis of the market for edamame. This includes current uses and the potential for edamame in the U.S. and Michigan. Issues involved in marketing edamame will also be analyzed.

Current Market

Worldwide edamame is a minor crop (Konovsky et. al, p.1). However, its popularity appears to be growing. Edamame can be used in salads, soups, stir fry, or stews (Ag Answers, p.1). In the U.S., edamame is found mostly in health food stores, or stores that specialize in Asian products. Edamame is consumed green. Furthermore, edamame beans are larger than traditional soybean varieties. Some believe that the demand for edamame will increase due to the health benefits from eating the product.

In 2002, the domestic price of edamame approached 4 dollars a pound (Bryant, p.1). Most of the edamame consumed in the U.S. was imported from Taiwan (Bryant, p.1). However, the U.S. is well suited to soybean production. Producers who are willing to meet the needs of this market have the opportunity to be successful. It has been estimated that the U.S. could produce in excess of 32,000 acres of edamame soybeans to meet domestic demand (Johnson et al, p.3). However, it should be noted that given the

relatively small Japanese and Chinese populations in Michigan and the still developing health food market, the potential for edamame in the state is somewhat limited.

Edamame's primary use is as a snack food. As a snack, pods are cooked in salted boiling water and then the seeds are pushed from the pods directly into the mouth (Konovsky et al, p.1). The primary market for edamame is Japan. Japan produced 105,000 tons in 1998, and imported an additional 33,000 tons in 1989, virtually all from Taiwan (Konovsky et al, p.1). It should be noted that U.S. consumers and Japanese consumers have different preferences with respect to edamame. U.S. consumers prefer a more mature bean that has a more "buttery" flavor compared to Japanese preferences to a less mature, sweeter tasting bean (Johnson, et al, p. 5).

Researchers with the Agricultural Research Service (ARS), have developed a new type of vegetable soybean known as Moon Cake. Moon Cake is a soybean variety that has several desirable characteristics. It grows to a height in excess of 6 feet tall. As a result it shades out weeds; an important consideration for organic producers who cannot use herbicides for weed control. Giant soybean varieties leave more crop residue which will provide better protection from soil erosion. The leaves and stems can be used for forage for livestock making the Moon Cake variety a dual use crop (Agricultural Research Service, p.2). Moon Cake is not yet commercially available to farmers. ARS is accepting applications from firms interested in licensing and producing seed (Agricultural News, p.5).

Opportunities

The market for edamame is small but growing. Furthermore, few farmers and marketers grow, handle and distribute edamame locally (Ag Answers, p.1). It is

important for farmers and agricultural entrepreneurs interested in the edamame market need to monitor the marketplace (Bryant, p.1).

Michigan farmers and entrepreneurs may have to identify individual buyers of the soybeans and develop close relationships with buyers. The greatest potential likely lies in finding local buyers who are willing to work with local producers and who may be willing to offer a price premium to local produce. Those willing to do this may find enhanced profit opportunities in small, narrowly defined markets.

Sources

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