The agriculture and food industries are estimated by the FAO to comprise 10% of global GDP — making them the largest industries in the world. Concerns over food production and distribution relating to global climate change, land-use change, emerging health issues, and a growing population are driving innovation like never before. Last year, venture capital invested $4.6 B into the category, an almost 100% increase in investment year-over-year. Much of that investment has occurred right here in California — the most productive agricultural production region in the US, and the 5th largest agricultural producer in the world. However, with limited secondary markets and a lacking precedent for public offerings, what will become of all of these venture investments? What are the real problems and thus real solutions that the industry presents, and how can corporations and the venture ecosystem effectively get involved and drive sustainable food production into the future?

By Keizai Staff
FROM THE PRESIDENT

Thank you to everyone who attended our 2016 Shinnenkai. I think we all enjoyed hearing the remarkable story of the Matsui’s, both father Andy and daughter Kathy. I hope you enjoyed their life stories and the fireside chat. Moderated by Dr. Richard Dasher, the fireside chat was a new approach to our award event rather than just a simple speech. Please read the more detailed summary by Joe Quinlan on page [INSERT PAGE #]. Particularly touching was Andy describing his philanthropic efforts to help the children of farm workers in the Salinas Valley, and Kathy Matsui’s efforts to help educate women in Bangladesh. In fact, Andy surprised both the audience and his daughter Kathy at the event by giving her a check for one million dollars as a donation to the school in Bangladesh. All in all, this year’s Shinnenkai brought many heart-warming stories and inspiring examples of family values, business success, and giving back to the community, both local and global.

The start of 2016 marks our one-year anniversary under the new name “Keizai Silicon Valley”; I hope you are all getting used to this new name. I am happy to report that we had another successful year in 2015, with several of our forums completely sold out. We also ventured out into some new types of events, such as our networking nights in San Francisco and our wine tasting in Los Gatos. The SF networking nights were particularly popular for those who find it difficult to make it down to the south bay.

Finally, we have an exciting forum set up for Thursday March 31st at Wilson Sonsini in Palo Alto on the subject of AgTech. We hope to see you there!

Best wishes,

Chimmy Shioya
President, Keizai Silicon Valley

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FEATURED PANELISTS

NATHAN DORN
Nathan Dorn is the Chief Executive Officer & Co-Founder of Food Origins – a startup focused on precision data collection and analytic services for hand harvested produce. Dorn is also Director of Knowledge and Innovation for Reiter Affiliated Companies. In this role he administers worldwide organizational mechanization programs for fresh berry harvest and non-harvest activities with hundreds of internal clients in 7 districts of 2 countries. Previously, he was the technical manager for Gallo Family Vineyards and was an operations and maintenance engineer for Pepsi Bottling Group. Dorn began his career as a US Navy nuclear mechanic for the submarine fleet. Dorn received his EMBA from Pepperdine Graziadio School of Business Management and his BA from University of Phoenix.

TOMER PORAN
Tomer Poran focuses on implementation of data and sensor technologies in general and in the Food and Agriculture Tech specifically. Joining Draper Nexus after a summer building the funds investment thesis on the Food & Ag space, Tomer is currently an MBA candidate at the Haas School of Business. Prior to coming to the US for his studies, Tomer founded a VC-backed mobile commerce platform in Israel and headed business development for a GIS company he sits on the board of. Tomer worked as a strategic consultant at TASC, Israel’s largest management consulting firm. He received a BA in Finance from Ben-Gurion University after military service in the Israeli Navy.

ROGER ROYCE
Roger Royce is the founder of the RoyseLaw AgTech Incubator, the Royse Law Firm, PC, a business and tax law firm with offices in Northern and Southern California (www.royselaw.com) and an organizer of Silicon Valley Foodtech and Silicon Valley Ag-Tech. Roger is a frequent speaker, writer, radio guest, blogger and panelist for bar associations, CPA organizations, and business groups. Roger is a Northern California Super Lawyer and is AV Peer-Rated by Martindale Hubbell, and has a “Superb” rating from Avvo.

Roger’s Silicon Valley AgTech group is provides technology companies with access to agricultural and food markets and investors in California and worldwide. Its Incubator and Conference have been featured in the national and international media, including the Wall Street Journal, Fast Company and the San Jose Mercury News (AP).

Roger serves in leadership roles on several American Bar Association and California Bar Association groups, including the Business Law Section Agri-Business Committee.

MODERATOR:
TIM KOIDE
Tim Koide is the Co-Founder of HarvestPort — a shared-economy platform for agriculture based in San Francisco. He previously worked for the Silicon Valley branch of the Mitsubishi Corporation (Americas). Tim received a BA from Brigham Young University, and an MA from the John Hopkins University SAIS. He lives in Mountain View, CA.
Food and the Central Valley

By Joe Quinlan

What is the number one agricultural county in the US in terms of sales? No, it is not in the Midwest or the plains states. It is Fresno County, right here in California, with over $3.7 billion in annual agricultural sales. It wasn’t originally that way. Without irrigation, the productive fields of Illinois, Indiana, Iowa and other midwestern states would easily outproduce California’s Central Valley. But starting with the Central Valley Project in 1935, and later the California State Water Project in the 1950’s, vast areas of the Central Valley became open to agriculture. Recent California water shortages have been especially severe, with Silicon Valley and other areas trying to cut back on lawn sprinklers and other usage. But about 85% of all developed water in California is used for agriculture, irrigating about 29 million acres of farmland.

This year’s drought and the growing population of California call into question some important considerations regarding the future of California’s agriculture. With the burgeoning metropolitan areas of northern and southern California, can enough water still be provided to keep California’s agriculture alive? And perhaps broader questions of how we view food production and consumption in the United States. While some areas of the world experience famine, many in the US are struggling not to eat too much. Childhood obesity is rising so fast that the next generation of Americans may be the first to actually have shorter average life spans than their parents. Michelle Obama has been combating this with her “Let’s Move!” initiative.

Keizai’s March forum deals with the topic of “Trends in AgTech: Real Needs in the Industry”. It will be held on Thursday March 31st at Wilson Sonsini Goodrich & Rosati in Palo Alto. Hope to see you there! 😊

MARCH 2016 EVENT DETAILS

Date and Time
Thursday, March 31, 2016
Registration/Networking — 5:30 p.m. – 6:00 p.m.
Program — 6:00 p.m. – 8:15 p.m.
Networking — 8:15 p.m. – 9:00 p.m.

Location
Wilson Sonsini Goodrich & Rosati
650 Page Mill Road, Palo Alto, CA 94304

Food
Sushi and beverages, will be served.

Dress
Business casual

Ticket Fees
Early Bird Discount for first 30 — $15
by Tuesday, March 15th, 2016 (11:00 p.m.)
Regular Registration — $20
by Sunday March 27th 2016 (11:00 p.m.)
Late Registration — $35
by Tuesday, March 29th 2016 (12:00 p.m.)
Walk-ins — $50
(Subject to room capacity / cash or check only)

Registration Website
www.keizai.org
By Joe Quinlan

On the last Friday in January, over 250 business professionals involved in US-Japan business gathered at the Palo Alto Hills country club for the Keizai Silicon Valley 2016 Shinnenkai. Those who attended may have caught the new chairs in the ballroom of the country club. A slight rain was a difference from the clear weather of previous years and very representative of this El Nino winter in California, bringing much needed rain. In spite of the rain, the 2016 Shinnenkai fulfilled the role it has taken on as the premier US-Japan business event of the year for Silicon Valley.

The highlight of the evening were the addresses given by Kathy Matsui and her father Andy Matsui. Kathy spoke before her father. She explained that much of her career was working with people investing in Japan. She talked about the difficulty of this job, given that today the Nikkei is still only half of its 1989 peak. Kathy was looking around for something of value in the Japanese economy, and she hit upon the idea of increased female participation in the labor force. Her calculations showed that increasing female participation in Japan’s labor force could boost GDP by as much as 5 to 10%. She thought to herself “I can make something out of this women in work idea”. Thus was born the term “womenomics” for which she became a representative, highlighted by Prime Minister Abe as a component of his Abenomics policy. Other points made by Kathy were:

- Japan has a higher female labor participation rate currently than the US, however many of those women workers are part-time.
- Japan has very low taxes, but they collect them very inefficiently. This should change with the recent implementation of social security numbers in Japan.
- Only 8% of the Japanese Diet is female, less than Saudi Arabia.
Kathy’s father Andy Matsui talked about his struggle to work hard in the US to create a business. When Silicon Valley became too expensive, he bought land in the Salinas area. At first he grew various flowers, but due to competition from Latin America and other areas, eventually he turned to potted orchids. This was a huge success for him as he became known as the “Orchid King”. Andy talked about how hard work and high quality enabled his orchid business to prosper. Host Mike Inoue referred to his family’s common background in horticulture. In fact, when Mike Inoue asked his father about Andy Matsui, his father paused and then slowly said “They call him the Orchid King” in the manner of someone talking about a legend.

All the Matsui children went to Harvard. Since Andy and his wife knew very little about the US education system, they did not particularly help their children with college. Thus, when he heard his children were accepted to Harvard, he thought “that must be an easy college to get into”. (This brought quite a few chuckles from the audience.) When Kathy was asked about how all the Matsui children were able to do so well, she responded that her parents provided a strong example of hard work. Kathy and her sister also mentioned that their feeling at the time was that the way to avoid the hard work of horticulture and working on the farm was to get a good education, and thus they were strongly motivated to get into a top college.

For some interesting articles on Kathy Matsui, see:

http://www.goldmansachs.com/our-thinking/pages/womenomics4.0.html


Additional event photos can be found at:

http://keizai.org/photos-videos/
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Prize: Golf for two @ PAHGCC
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Winner: Toshiko Tassone of Pasona N.A., Inc.

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