

Market Opportunities for Seafood in Japan

2007 State of Maine Trade Mission to Japan and Korea



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Prepared by Faith Gillman, Research Assistant MITC

Economic overview

JAPAN

Gross Domestic Product (GDP) in U.S. dollars:	\$4.9 trillion (2006)
GDP per capita in U.S. dollars:	\$33,100
Real GDP growth rate:	2.8%
Inflation:	0.4%
Unemployment:	4.1%

In 2006, Japan's balance-of-trade surplus was \$69.6 billion compared to \$72.6 billion in 2005. The Japanese Finance Ministry reported that the decline was due mainly to the high cost of oil as energy imports offset exports of cars and semiconductors. With GDP growth rates of 2.75% in 2005 and 2.8% in 2006, Japan has essentially completed its post-bubble adjustment, allowing for stable and consistent future growth.¹

Japan is a vibrant, prosperous country, with the world's second largest economy. Japanese consumers spend hundreds of billions of dollars on food, clothing, travel, entertainment and a

¹ Excerpts from the U.S. Department of Commerce's Country Commercial Guide 2007

wide variety of other consumer goods and services. The top Japanese firms are among the most efficient and well-run firms in the world. Unemployment, while high by historic Japanese standards, is around 4.1% lower than in most developed countries. The average Japanese household has over \$100,000 in savings, and disposable income of about \$4,000 per month. Japan is one of the largest overseas markets for U.S. exporters, with imports from the U.S. totaling over \$59 billion in 2006.²

Import Market Overview

According to a 2006 USDA FAS Gain Report (JA6052) by Yuichi Hayashi, Japan's domestic fishery sector is on the decline. As a result, domestic production has been decreasing and in 2005 was down slightly. Because of this decline in local fish, imports have been on the rise.

Fishery and Aquaculture Production (000 metric tons)				
Category	2005	2004	Change	% Change 05/04
Fishery and Aquaculture Production Total	5,719	5,776	-57	-1.0%
1) Seawater Fishery and culture total	5,623	5,670	-47	-0.8%
Seawater Fishery	4,412	4,455	-43	-1.0%
Seawater Culture	1,211	1,215	-4	-0.3%
Inland Water Fishing and Culture total	96	106	-10	-9.6%
2) Inland Water Fishing	54	60	-6	-10.3%
3) Inland Water Culture	42	46	-4	-8.7%

1) All Fishery Catch and production in Seawater

2) Catch in major 106 rivers and 24 lakes.

3) Catch of major 4 species. (Trout, sweet smelt, carp and eel)

<http://www.maff.go.jp/toukei/sokuhou/data/gyogyou-yousyoku2005/gyogyou-yousyoku2005.pdf>

In 2005, imports to the world's largest importer of fishery products were up 2% to \$12.62 billion. The U.S. is Japan's second largest supplier after China with U.S. exports of \$1.45 billion in 2005. Japanese fishery products imports in 2005 increased 1.9% in amount over the previous year. Japanese fishery products imports account for \$12.62 billion dollars, or 18% in import value and 3.2 million metric tons in the world fisheries trade in 2003. Japan has been the largest fisheries import country in the world with 11% of total world imports.

² Excerpts from the U.S. Department of Commerce's Country Commercial Guide 2007

Major Fishery Products Import Volume and Amount						(Weight: 1000 MT, Value 100 million yen)	
	1994	1999	2003	2004	2005	Comp. Ratio	% Change 05/04
Volume total	3,296	3,416	3,325	3,485	NA		NA
Value total	17,091	17,395	15,692	16,371	16,683	100%	1.9%
Shrimp	3,753	3,049	2,481	2,380	2,352	14%	-1.2%
Tuna	1,865	2,305	2,229	2,337	2,152	13%	-7.9%
Salmon & Trout	1,313	1,340	1,016	1,036	1,095	7%	5.7%
Crab	1,229	1,049	854	807	690	4%	-14.5%
Other	8,931	9,652	9,112	9,811	10,394	62%	5.9%

(Source: Ministry of Finance "Trade Statistics")

Japan's major imported fishery products are shrimp, tuna and marlin, salmon and trout, crab, processed eels, cod and Pollock roes and processed shrimp. These items account for about half of total fishery product imports. Imports increased 78,000 metric ton (13%) and 50 billion yen (17%) in 2004 over the previous year. Fishery products imports from the United States were 157 billion yen (USD 1.45 billion, or 9.6% share) in 2005. The U.S. ranked second after China (354 billion yen, 21.3% share) as the biggest supplier.

Maine Exports

Despite a slight decline in seafood exports from Maine between 2004 and 2005, the market is beginning to show improvement. A steady increase in the amount of seafood Japan imports offers considerable opportunity for the state's fishing industry.

WISERTrade at HCC: State Exports by HS Database

From State: [Maine](#) Series: [Origin of Movement](#) Unit: [Total dollar value](#)
 Commodity: [Fish, Crustaceans & Aquatic Invertebrates](#) HS Code: [03](#) Sorted by: [2006](#)
 Destination: [Japan](#) Order: [Desc](#) Runtime: [13:30:06 PM, Mon Jul 23 2007 EDT](#)
 Rows selected: [6 \(all rows\)](#) User Name: [metrade](#)

Rank	Code	Description	ANNUAL 2004	ANNUAL 2005	ANNUAL 2006	MAY 2006 YTD	MAY 2007 YTD	%2004-2005	%2005-2006
		TOTAL SELECTED COMMODITIES	20,901,992.	17,508,250.	18,682,191.	7,144,695.	7,354,248.	-16.24	6.71
1	0307	MOLLUSCS & AQUA INVERT NESOI, LVE ETC.; FLOURS ETC	17,628,233.	14,497,622.	15,755,192.	6,585,047.	6,931,996.	-17.76	8.67
2	0306	CRUSTCNS LVE FRSH ETC, CKD ETC.; FLRS MLS H CNSUMP	3,063,304.	2,713,864.	2,722,456.	479,830.	388,987.	-11.41	0.32
3	0302	FISH, FRESH OR CHILLED (NO FILLETS OR OTHER MEAT)	210,455.	242,197.	181,750.	57,025.	33,265.	15.08	-24.96

Place of Export
New England, USA
Canada

Country of Import
Japan
Japan

Frozen Lobster
\$305,996
US\$14.9 million

Live Lobster
US\$6.6 million
US\$13.6 million

New England Fish, Crustaceans & Aquatic Invertebrates

Rank	Code	Description	ANNUAL 2004	ANNUAL 2005	ANNUAL 2006	%2004-2005	%2005-2006
TOTAL SELECTED COMMODITIES			36,060,705.	31,781,242.	28,831,660.	-11.87	-9.28
1	0307	MOLLUSCS & AQUA INVERT NESOI, LVE ETC.; FLOURS ETC	19,605,740.	16,312,833.	17,806,883.	-16.80	9.16
2	0306	CRUSTCNS LVE FRSH ETC, CKD ETC.; FLRS MLS H CNSUMP	9,308,574.	8,037,186.	7,033,790.	-13.66	-12.48
3	0302	FISH, FRESH OR CHILLED (NO FILLETS OR OTHER MEAT)	5,845,239.	6,458,441.	2,983,212.	10.49	-53.81
4	0303	FISH, FROZEN (NO FISH FILLETS OR OTHER FISH MEAT)	822,949.	959,190.	869,582.	16.56	-9.34
5	0304	FISH FILLETS & OTH FISH MEAT, FRESH, CHILL OR FROZ	478,203.	13,592.	138,193.	-97.16	916.72

Canada's Exports of Crustaceans to Japan

Rank	Code	Description	ANNUAL 2004	ANNUAL 2005	ANNUAL 2006	%2004-2005	%2005-2006
TOTAL SELECTED COMMODITIES			368,550,088.	382,823,379.	297,928,074.	3.87	-22.18
1	0306	CRUSTCNS LVE FRSH ETC, CKD ETC.; FLRS MLS H CNSUMP	160,795,023.	147,103,558.	117,538,122.	-8.51	-20.1
2	0303	FISH, FROZEN (NO FISH FILLETS OR OTHER FISH MEAT)	98,084,200.	105,799,153.	86,783,382.	7.87	-17.97
3	0305	FISH, DRIED, SALTED ETC, SMOKED ETC; ED FISH MEAL	51,823,301.	54,044,518.	34,283,172.	4.29	-36.56
4	0307	MOLLUSCS & AQUA INVERT NESOI, LVE ETC.; FLOURS ETC	32,368,343.	34,457,137.	26,519,631.	6.45	-23.04
5	0302	FISH, FRESH OR CHILLED (NO FILLETS OR OTHER MEAT)	13,895,327.	27,780,581.	27,693,063.	99.93	-0.32
6	0304	FISH FILLETS & OTH FISH MEAT, FRESH, CHILL OR FROZ	11,574,617.	13,630,557.	5,110,704.	17.76	-62.51
7	0301	FISH, LIVE	9,277.	7,875.	0	-15.11	-100

Market Challenges and Opportunities

Buyer Behavior and Food Safety Awareness

According to a survey by the Ministry of Agriculture, Forestry and Fisheries (MAFF) in 2004, the most important factor when consumers choose fresh fishery products and vegetables is “freshness or the degree of deterioration”. MAFF, the Food Safety Commission, and the Ministry of Health, Labor and Welfare have coordinated on food safety “town hall meetings” throughout the nation and promoted risk communications on food safety. As for fishery products, the sessions in 2004 provided information about nutrition, functional ingredients and substances that

could negatively affect human health. Given Japan's aging population food safety will be of further concerns.³

The United States has responded to food safety concerns by putting policies into place that address the issues surrounding safe seafood handling and processing. According to a 2003 SAFE Report for Atlantic Highly Migratory Species Division of the National Marine Fisheries Service⁴ the "FDA's Seafood Hazard Analysis Critical Control Point (HACCP) program implemented regulations that require processors of fish and fishery products to operate preventive control systems to ensure human food safety. Among other things, processors must effectively maintain the safety of their products, systematically monitor the operation of critical control points to ensure that they are working as they should, and keep records of the results of that monitoring. Processors must also develop written HACCP plans that describe the details and operation of their HACCP systems...NOAA Fisheries works closely with the FDA, in support of the HACCP program." This concern for the safety of exported seafood exported helps to increase the market opportunities for the US fishing industry.

New market opportunities

Along with food safety awareness the international sustainability movement is making small inroads in Japan. Fishery products with a "Marine Eco Label" have started to appear in a handful of Japanese supermarkets. The label aims to assure shoppers that the fish were caught in an ecological and sustainable manner. In April 2006, Kamewa Shoten, a middle trader in Tokyo's famous Tsukiji market, received the first Marine Stewardship Council (MSC) "Chain of Custody (COC) Certification" in Japan for its Alaska salmon imports. They also received COC certification for Alaskan Black Cod in July 2006, which is sold at upscale grocery store such as Meiji-ya and National Azabu Supermarket as well through the internet. The large supermarket chain, AEON, started to sell MSC labeled fishery products in October 2006. As a result of these combined factors, consumers will have an increased awareness of MSC labeled fish and the issue of ecological and sustainable fishery practices.⁵

Contact Information

Commercial Service Tokyo

U.S. Embassy Tokyo

1-10-5 Akasaka, Minato-ku, Tokyo 107-8420

Tel: 03-3224-5060 Fax: 03-3589-4235

(APO Address: Unit 45004, Box 204, APO AP 96337-5004)

Email: Tokyo.Office.Box@mail.doc.gov¹

[Map](#)²

Ministry of Agriculture, Forestry and Fisheries

Website: www.maff.go.jp

Food Safety and Consumer Division

³ Excerpts from USDA FAS GAIN Report # JA6052

⁴ http://www.nmfs.noaa.gov/sfa/hms/Safe_Report/Safe7_industry.PDF

⁵ Excerpts from USDA FAS GAIN Report # JA6052

Tel: +81-3-3591-4963 Fax : +81-3-3597-0329

Email: white56@maff.go.jp

Trade Shows

Busan International Seafood and Fisheries Expo

November 15th-18th 2007

8,836 Attendees, 300 Exhibitors from 25 countries

Busan, South Korea

<http://busanseafodexpo.com/eng/index.asp>

China Fisheries and Seafood Expo

November 6th-8th 2007

18,000 Attendees, 738 Exhibitors from 43 countries

Dalian, China

<http://www.chinaseafodexpo.com/>