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Market Access Secretariat
Global Analysis Report

Sector Trend Analysis
Japan
The Fish and Seafood Trade

July 2016

TRADE SUMMARY*

Japan is the second-largest fish and seafood importer in the world behind the United States and the top market in all of Asia. Japan's fish and seafood import market was valued at C$17.7 billion in 2015, an increase of 5.1% from 2014. Japan's supply is quite diversified, with fish and seafood products imported from 123 different countries. Japan's top suppliers in 2015 were China (with an 18% share), United States (9.6%), Chile (8.2%), Thailand (7.2%), and the Vietnam (6.5%).

In 2015, Japan's primary fish and seafood imports included frozen shrimp and prawns (C$2 billion), prepared or preserved shrimp and prawns (C$824.9 million), frozen skipjack/stripe-bellied bonito tuna fillets (C$811.1 million), frozen fish meat (C$665.6 million), and frozen crabs including in shell (C$631.0 million). Imports from Canada were valued at C$527.7 million.

Japan's exports of fish and seafood in 2015 were valued at C$2.6 billion, an increase of 17.9% from the previous year. Japan's leading exports were meals and pellets molluscs and edible flours (C$595.0 million), prepared or preserved sea cucumbers (C$228.8 million), frozen mackerel (C$186.7 million), prepared or preserved scallops (C$169.8 million), and frozen fish (C$135.0 million). Top export destinations were Hong Kong (with a 23.0% share), China (15.8%), and the United States (14.7%).

Despite the growth in fish and seafood trade in Japan, there is still a decline in domestic sales. This is in part influence by a declining population, a change in diet, and high prices. In the long-run these trends pose a threat to the future of the industry within Japan. However, health inspired campaigns could rekindle consumers interest along with a change in how fish and seafood is sold and packaged.

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CANADIAN PERFORMANCE

Canada was the 11th-largest supplier of fish and seafood to Japan, with sales of C$527.7 million in 2015 (based on Japanese import data). This represents an increase of 6.9% from 2014 resulting from an increase in imports from Canada of fresh mussels, raw crabs, clams, frozen hake fillet, frozen Atlantic salmon, and frozen shrimps and prawns. The leading products imported from Canada in 2015 included frozen crab (C$156 million), frozen cold-water shrimp (C$84 million), dried, smoked, salted fish liver and roe (C$35 million), frozen lobster (C$32.5 million), and fresh fish (C$28 million) (Global Trade Atlas, 2015).

Herring roe, tuna, capelin, sea urchin, lobster and Greenland halibut are cited as major Atlantic Canadian seafood items currently imported into Japan. While Canadian seafood is perceived favourably, the price it commands relative to competitors is determined by how closely it satisfies the taste and appearance preferences of Japanese consumers (Trade Commissioner Services, 2016).

Japan was Canada's third-most important market for fish and seafood, and received approximately 4.3% of Canada's fish and seafood exports in 2015. Overall, fish and seafood was Canada's tenth-most significant export sector to Japan, and represented 2.6% of all Canadian merchandise exports to Japan in 2015 (Global Trade Atlas, 2015).

CONSUMPTION TRENDS

Per capita consumption of fish and seafood in Japan declined from approximately 40 kg in 2007 to 32 kg in 2014, in part due the influence of demographics, the internationalisation of the Japanese diet, and growing consumption of meat and dairy products (Euromonitor International, 2015).

While confidence in the fish and seafood industry has been regained from the Fukushima disaster, the overall industry is on a continued decline. Furthermore, it is projected to be a long-term trend as the Japanese population declines and the younger generation consumption continues to be lower. This is in part due to the younger generation's lack of ability to prepare and cook fish and seafood items and their change in lifestyle. If younger consumers do consume fish and seafood items, they are most likely to consume from food services and ready meals. As a result, the demand for easy to prepare, ready-to-eat, and processed seafood products is growing rapidly particularly among younger generations. Consequently whole fish is being displaced by fillets/cuts and ready-to-eat formats in retail outlets (Trade Commissioner Services, 2016). This trend is a threat to the long-term future of the industry within Japan. However, health inspired campaigns could rekindle consumer interest along with a change in how fish and seafood is sold and packaged (Euromonitor International, 2015).

An article in World Fishing & Aquaculture, March 24, 2013, entitled "Japan seeks to boost seafood consumption," expounds on the efforts of both the Japanese government and the fishing industry to reverse the meat consumption trend in favour of increasing fish and seafood in the Japanese diet. To that end, the fish processing industry is trying to develop innovative products that are easier to prepare.

Other factors responsible for the decline in per capita consumption include high fish and seafood prices, increasing price sensitivity, and the precise specifications for processing seafood in Japan. Japanese consumers are tightening their budget and purchasing cheaper fish and seafood items. This change in purchasing habit is drastically impacting the sales volumes of crustacean items (Euromonitor International, 2015). However, Japan is still a major importer of a number of premium crustacean seafood products which Canada has to offer, such as shrimp, salmon, scallops and lobster (Global Trade Atlas, 2015). Consumer-ready products that are convenient and easy to prepare and eat would be welcomed in Japan, which has traditionally been known for its high per capita consumption of fish and seafood.

BY THE NUMBERS

Top Ten Suppliers of Fish and Seafood to Japan and Top Imported Products in 2015 (Based on Japanese Import Data)

Rank	Country	Total Import Value (C$)	Top Import Supplied	Top Import Value (C$)
	World	17,674,113,629	Frozen shrimp and prawns	1,884,916,801
1	China	3,176,411,371	Prepared / preserved fish, whole or pieces	454,792,169
2	United States	1,702,577,402	Frozen Alaska Pollock	416,558,701
3	Chile	1,444,355,998	Frozen pacific salmon	558,127,294
4	Thailand	1,270,695,824	Prepared/preserved shrimps and prawns	347,312,556
5	Vietnam	1,140,563,718	Frozen shrimp and prawns	462,939,778
6	Russia	1,133,952,628	Frozen crabs	259,884,257
7	Norway	1,072,841,190	Frozen fish fillets	241,732,370
8	South Korea	856,460,838	Frozen tuna fillets/skipjack/stripe-bellied bonito	148,253,906
9	Indonesia	843,095,695	Frozen shrimp and prawns	381,009,270
10	Taiwan	611,964,983	Frozen big eye tuna	275,028,604

Source: *Global Trade Atlas, 2016.*

Top Ten Japanese Fish and Seafood Imports from the World in 2015

Rank	Top Imports	Import Value (C$)
1	Frozen shrimp and prawns	1,884,916,801
2	Prepared/preserved shrimp and prawns	824,931,826
3	Frozen skipjack/stripe-bellied bonito tuna fillets	811,135,906
4	Frozen fish meat	665,623,952
5	Frozen crabs including in shell	631,004,814
6	Frozen fish fillets	630,300,009
7	Frozen Pacific salmon	607,955,855
8	Frozen fish	574,058,773
9	Prepared/Preserved Fish	572,931,178
10	Frozen big eye tuna, livers and roes	542,006,626

Source: *Global Trade Atlas, 2016.*

TOP TEN FISH AND SEAFOOD SUPPLIERS TO JAPAN IN 2015

The figures listed below are in Canadian dollars.

1. Imports from China		**2. Imports from the United States**	
Prepared/preserved fish, whole or pieces	$454.8M	Frozen Alaska pollock, except fillets	$416.6M
Non-minced prepared/preserved eels	$374.8M	Frozen fish	$242.8M
Prepared/preserved molluscs	$225.4M	Frozen fish liver and roe	$198.6M
Meals/pellets molluscs and edible flours,	$165.4M	Frozen crabs including in shell	$146.0M
Prepared/preserved crab	$151.8M	Frozen sockeye salmon	$124.3M
3. Imports from Chile		**4. Imports from Thailand**	
Frozen Pacific salmon	$558.1M	Prepared/preserved shrimp and prawns	$347.3M
Frozen trout fillets	$297.6M	Non-minced prepared/preserved skipjack/bonito tuna	$204.8M
Frozen Pacific, Atlantic and Danube salmon fillets	$186.8M	Frozen shrimp and prawns	$137.0M
Frozen trout	$91.6M	Frozen fish meat	$129.4M
Sea urchins	$68.9M	Flour meal and pellet of fish crustaceans	$70.2M
5. Imports from Vietnam		**6. Imports from Russia**	
Frozen shrimp and prawns	$462.9M	Frozen crabs including in shell	$259.9M
Prepared/preserved shrimp and prawns	$266.6M	Frozen fish livers and roes	$211.2M
Frozen fish meat	$57.7M	Frozen sockeye salmon	$191.4M
Flour meal and pellet of fish crustaceans	$43.7M	Frozen cold-water shrimps and prawns	$80.8M
Prepared/preserved fish, whole or pieces	$37.7M	Frozen fish	$66.2M
7. Imports from Norway		**8. Imports from South Korea**	
Frozen fish fillets	$241.7M	Frozen skipjack/stripe-bellied bonito tuna fillets	$148.3M
Fresh/chilled Atlantic and Danube salmon	$188.0M	Seaweeds for human consumption	$87.9M
Fresh/chilled Pacific, Atlantic and Danube salmon fillets	$160.1M	Live fish	$63.0M
Frozen mackerel	$153.8M	Oysters	$60.3M
Frozen fish meat	$108.9M	Prepared/preserved crab	$49.9M
9. Imports from Indonesia		**10. Imports from Taiwan**	
Frozen shrimp and prawns	$381.0M	Frozen big eye tuna	$275.0M
Prepared/preserved shrimp and prawns	$88.1M	Frozen yellow fin tuna	$85.6M
Prepared/preserved not minced skipjack/stripe-bellied bonito tuna fillets	$64.0 M	Live eels	$76.8M
Fresh/chilled big eye tuna	$47.3M	Frozen albacore/long finned tuna	$37.3M
Prepared/preserved crab	$37.8M	Frozen swordfish	$19.1M

Source: *Global Trade Atlas, 2016.*

FISH AND SEAFOOD PRODUCT ANALYSIS

Tuna

Canada's main competitor for tuna in the Japan's market is the United States. Although Canadian tuna has a higher fat content than US tuna (an important quality in the Japanese market) prices for Canadian and US tuna are virtually the same as Japanese consumers prefer the taste of fat in US tuna (likely due to the fact that Canadian and US tuna feed on different species). Tuna is typically priced at CAD$25-55/kg, with an average tuna weighing 130kg. The average Canadian tuna fetches CAD$3,000-$4,000. The Canadian tuna season finishes in late October and Japanese companies will source from New York and Boston until January/February and then from Florida beginning in April (Trade Commissioner Services, 2016).

Sea Urchin

Canada's main competitor for sea urchin in the Japan's market is Russia and the United States. Russian sea urchin is harvested near the Northern Territories, close to Japan's northern islands, making it similar to Japanese domestic sea urchin harvested in Hokkaido and the Sanriku region, commanding the highest price among imported sea urchin. Boston sea urchin, because of its brighter yellow/orange colour, commands a higher price than Canadian urchin which is browner in colour. Recently, Chilean urchin has been growing in the Japanese market, although it commands a much lower price than Canadian product (CAD$ 2.50/kg vs. CAD$ 25-55/kg for Canadian). Russian urchin is priced at approximately CAD 100/kg and Japanese domestic urchin at CAD$ 300-400/kg (Trade Commissioner Services, 2016).

Snow Crab

Canada's main competitor for snow crab in the Japan's market is the United States.

Newfoundland snow crab is imported for further processing for products such as soups and canned crab, while crab from New Brunswick and Nova Scotia (Gulf snow crab) typically goes to markets in the Kansai region for retail and restaurants. New Brunswick and Nova Scotia snow crab have more meat, a better appearance (bright orange shell), and are similar to Japanese domestic crab harvested in Fukui prefecture, near the Kansai.

Lobster

Canada's main competitor for lobster in the Japan's market is the United States.

Live lobster arrives in Japan throughout the year via air shipment. Atlantic Canadian lobster commands a higher price than US east coast lobster due to its size and the quality of the meat.

Smelt

Canada's main competitor for smelt in the Japan's market is Norway and Russia.

Canadian smelt were noted as being larger and containing more roe than those of Russia and Norway.

MARKET SIZES

With a traditional diet favouring fish and seafood and a population of 127 million, Japan is a major market for fish and seafood products. Euromonitor International reports that Japanese per capita consumption of fish and seafood was 32 kg in 2014.

Historic Fresh Fish and Seafood Volume Sales in Japan by Segment in '000 Tonnes

Category	2010	2011	2012	2013	2014	2010-14 CAGR* (%)
Fish and Seafood	**6,256.7**	**5,794.2**	**5,798.5**	**5,675.3**	**5,527.5**	**-3%**
Crustaceans	570.8	536.6	528.5	491.5	426.6	-7%
Molluscs and Cephalopods	2,978.7	2,740.40	2,822.6	2,780.2	2,724.6	-2%
Fish	1,018.4	914.7	885.7	86.0	853.3	-4%
Shelf Stable Seafood	145	142.1	153.5	159.6	159.9	2%
Chilled Processed Seafood	1,499.0	1,418.7	1,366.5	1,341.9	1,324.4	-3%
Frozen Processed Seafood	44.9	41.4	41.8	40.1	38.7	-4%

Forecast Fresh Fish and Seafood Volume Sales in Japan by Segment in '000 Tonnes

Category	2015	2016	2017	2018	2019	2015-19 CAGR* (%)
Fish and Seafood	**5,378.03**	**5,241.1**	**5,124.3**	**5,015.3**	**4,910.4**	**-2%**
Crustaceans	398.9	379.0	363.1	351.1	340.5	-4%
Molluscs and Cephalopods	2,656.5	2,582.1	2,517.6	2,452.1	2,385.9	-3%
Fish	814.4	783.5	757.4	733.3	711.3	-3%
Shelf Stable Seafood	160.9	161.7	162.3	162.9	163.4	0%
Chilled Processed Seafood	1,309.9	1,298.1	1,287.7	1280.0	1273.6	-1%
Frozen Processed Seafood	37.5	36.8	36.2	36.0	35.7	-1%

Source for both: *Euromonitor, 2015.* ***Please note:*** *Volume sales for the fresh fish and seafood market include both foodservice and retail sales. Any slight discrepancies in column totals are due to rounding.* ****CAGR*** *= compound annual growth rate*

SEAFOOD PRODUCTION

Seafood processing activity in Japan has decreased as processing moves to China and other Asian countries such as Vietnam and Thailand. The main foreign suppliers of seafood for processing are Norway, the United States and Chile. Canadian seafood products are typically processed to some degree prior to export, leaving less room for Japanese processors to work with the materials aside from repacking into smaller portions (Trade Commissioner Services, 2016).

Japan's domestic seafood catch is also declining year on year. Tighter supply of raw materials for processing has contributed to the shrinking of the seafood processing industry in Japan. Stable supply of raw material founded on stability of marine resources is extremely important for the seafood processing industry. In this regard, aquaculture is very appealing (Trade Commissioner Services, 2016).

DISTRIBUTION CHANNELS

The foodservice channel accounts for 48% of fresh fish and seafood sales in Japan, followed by the retail channel with 35%. This shows the importance of the foodservice sector for fish and seafood consumption in Japan. Imported products such as shrimp and salmon are in heavy demand by the food service sector (Food Export Association of the Midwest USA, *Japan Country Profile*).

Distribution of Fresh Fish and Seafood Sales in Japan – Percentage % Breakdown Based on Volume Sales

Channel	2009	2010	2011	2012	2013	2014
Foodservice	47.9	47.9	47.9	48.0	48.0	47.8
Retail	35.0	35.0	35.0	35.0	35.0	35.1
Institutional	17.1	17.1	17.1	17.0	17.0	17.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: *Euromonitor, 2015.*

FOR MORE INFORMATION

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in Japan**
  http://www.tradecommissioner.gc.ca/e-f/jp/index.htm

- **Find a Trade Commissioner**
  www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp

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For additional information on Seafood Expo Global (SEG) 2016, please contact:

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RESOURCES

Euromonitor International, 2015

Euromonitor International, 2015 – *Report on Fish and Seafood in Japan*

Food Export Association of the Midwest USA, *Japan Country Profile*, retrieved October 8, 2014 from: https://www.foodexport.org/Resources/CountryProfileDetail.cfm?ItemNumber=1016

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Inside Japan: The Fish and Seafood Trade

Global Analysis Report

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