

**Voluntary Report** – Voluntary - Public Distribution

**Date:** March 17, 2023

**Report Number:** JA2023-0020

## **Report Name:** Seafood Market Update

**Country:** Japan

**Post:** Osaka ATO

**Report Category:** Fishery Products

**Prepared By:** Shinsuke Kitada

**Approved By:** Alexander Blamberg

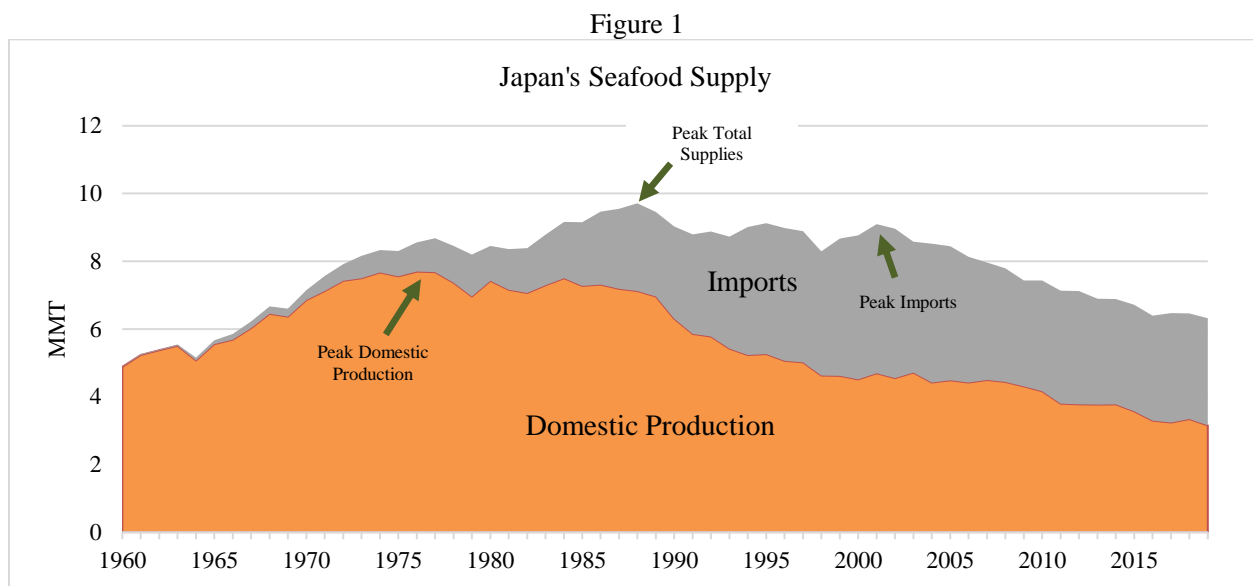
### **Report Highlights:**

Japan is one of the world's leading consumers of seafood. In 2022, it imported \$15 billion of seafood products, making it the world's third largest importer. Half of Japan's seafood demand is met by imports. The United States is the third largest seafood supplier to Japan, specializing in salmon, cod, pollock, herring, crab, and lobster. Likewise, Japan is the third largest export destination for U.S. seafood, accounting for \$708 million (13 percent) of all U.S. seafood exports. Despite seafood consumption declining in recent years, the Japanese market presents opportunities for unique products such as seafood meal kits, cubed seafood, and sauced seafood.

## Seafood Consumption in Japan

Japan is one of the world's leading consumers of seafood. In 2019, it ranked as the 5<sup>th</sup> highest global consumer of seafood products at 46 kilograms per capita, more than twice the global average of 20.5 kilograms according to the United Nations Food and Agricultural Organization. In 2022, Japan imported \$15 billion of seafood products, making it the third largest seafood importer in the world. Japan was also the third largest export market for U.S. seafood at \$708 million.

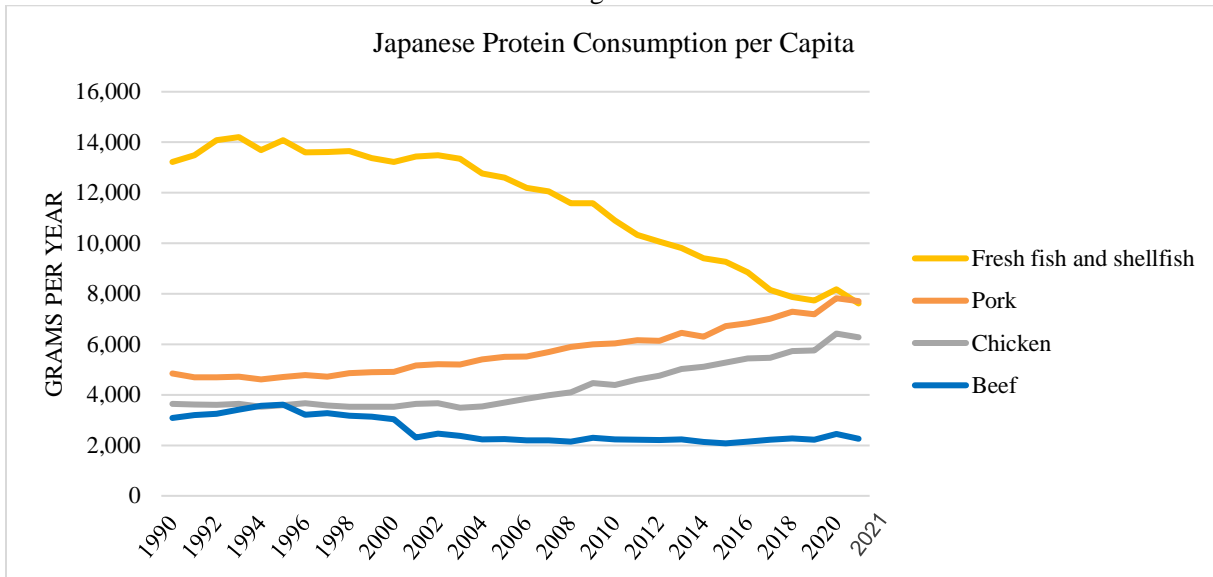
Japan imports approximately half of its edible seafood supply. Domestic production peaked in 1976 at 7.69 MMT and has been gradually decline since, falling to 3.15 MMT in 2019 (a 59 percent decrease). Imports began to rise in the 1970s, reaching an all-time high of 4.42 MMT in 2002 before dropping to 3.16 MMT in 2019 (a 28 percent decrease).



Source: Agriculture & Livestock Industries Corporation

Declines in both production and imports reflect seafood consumption contracting over the past two decades. In the 1990s, per capita annual consumption stood at around 70 kilograms, about 1.5 times what it is today. Declining consumption is partly due to rising prices as well as consumer preferences shifting to other proteins such as beef, pork, and chicken which have become more accessible. Seafood is often perceived as more burdensome to prepare compared to other proteins as the need to skin and debone fish is off-putting to many. Seafood consumption at home (excluding dining out) has fallen even faster. Household consumption stood at around 14 kilograms per capita in 1995, falling over 40 percent to just under 8 kilograms per capita in 2021 (Figure 2). As a result, Japanese manufacturers and retailers are putting greater effort into developing seafood products that are both easy to prepare and carry value-added properties (such as “sustainably produced”) to justify higher prices.

Figure 2



Source: Ministry of Internal Affairs and Communications "Family Income and Expenditure Survey"  
 Note: Data based on table meat consumption only (excludes dining out).

In response to declining consumption, national and local government organizations have partnered with schools to promote the inclusion of seafood in school lunch programs. In recent years, Japanese fishermen, processors, and distributors have taken the lead in not only providing ingredients for school lunches, but also developing menus for school lunches. Occasionally, fishermen even go to schools to provide lectures. The goal of these programs is to not only increase consumption in the short term, but also to instill the habit of eating fish from a young age.

The types of commonly consumed fresh seafood have also changed over time. In 1989, squid and shrimp were the top two products consumed. In recent years they have been replaced by salmon, tuna and yellowtail which are often sold as fillets. Another noticeable change is prior to the 1990s, the type of seafood consumed was largely based on the region in which it was caught. Since then, improvements in distribution and storage technology have narrowed regional differences such that consumption trends are fairly consistent across the entire country.

This is particularly true for salmon, which previously was eaten raw only in parts of the country but is now widely available as a standard item for sushi or sashimi (raw fish). In fact, compared to most other types of fresh seafood, salmon is one of the few items that has not seen a significant decrease in sales over the past decade. This is thought to be primarily because salmon is commonly sold in fillet form, making it easier to cook than other types of seafood. Japanese retailers and manufacturers have taken notice and are developing other types of seafood products that offer similar levels of convenience. The COVID-19 pandemic accelerated this trend, with more consumers cooking at home and looking for easy-to-cook ingredients.

Here are some common ways that seafood products are sold in Japan:

*Kirimi*: Portion of cut fish (Ready to cook)



*Surimi (Kamaboko)*: Processed seafood (ready to eat)



*Dried/Semi-Dried Seafood*: Dried, shelf life longer than raw (ready to cook)



*Salted Fish Eggs*: Processed fish eggs by salt, shelf life longer than raw (ready to eat)



*Sauced Seafood*: Most famous style is *Saikyo-yaki* marinated in *miso* sauce (ready to cook)



## Trends in Seafood Product Development

### *Frozen Seafood*

In retail stores, sales of frozen products labeled as “ready to cook” or “ready to eat” are increasing. Overall sales of frozen meals increased 8.5 percent between 2019 and 2021, reaching \$8.21 billion. Frozen seafood sales increased 13 percent in 2021 after nearly doubling the year prior. Anticipating further increase in frozen food demand, AEON Corporation, Japan’s top retailer, opened frozen food specialty store “@FROZEN” in August 2021 with 1,500 frozen food items for sale including 120 seafood items. AEON also introduced a range of cubed seafood products (see photos below) that push the boundaries of convenience into new territory. For more information, see the USDA Japan GAIN Report: [Japan Frozen Food Sector Continues to Show Promise | JA2022-0015](#).

*Cubed Seafood Products*



### *Sauced Seafood*

Despite overall declining consumption of seafood, it remains a popular choice for Japan’s 65 and older population. With this demographic accounting for a record high 29 percent of Japan’s population in 2021, retailers and manufacturers are searching for new ways to target this group. One of the trending products is sauced seafood. These products replicate the taste of traditional Japanese fish dishes, but in easy-to-cook packages where the fish is filleted and precoated in sauce. There are many types of fish and sauce flavors available. Co-op Japan is one of the retailers which specializes in these products and has seen sales increase in recent years.

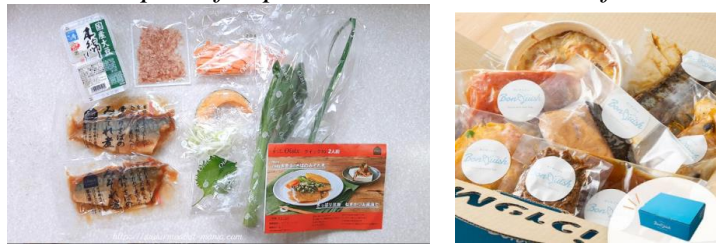
*Example of Sauced Seafood in Package*



### ***Seafood Meal Kits***

A meal kit is a single-use product that includes pre-prepared ingredients, seasonings, and recipes for making a specific dish, making it possible to prepare food in a short time without needing to cut or weigh ingredients. Meal kits have generated strong demand from dual-income households which are particularly keen to reduce the time required for cooking. In addition to reducing the burden of menu planning, these products also enable novice chefs to cook professional-level dishes using ingredients that are difficult to obtain normally. As a result, the meal kit market in Japan is steadily growing. Meal kit sales were \$1.23 billion in JFY 2021 and are expected to reach 1.5 billion by JFY 2024. Since 2013, many companies have entered the meal kit business including e-commerce, delivery, retail, and cooking appliance companies. Major meal kit producers include Oisix, Yoshikei, and Bon Quish.

*Examples of Japanese Meal Kits with Seafood*



### ***Baby Food***

Despite the overall decline in Japan's birth rate, sales of baby food to help babies wean are growing. Fish protein has been recommended as an ingredient for baby food as it contains essential amino acids that are easily absorbed by the body. According to the Ministry of Health, Labor and Welfare (MHLW) "Breastfeeding and Weaning Support Guide" white fish is recommended at the start of weaning, and red fish and blue-skinned fish are recommended thereafter. As a result, several commercially available baby food products in Japan use seafood such as whitefish, whitebait, and salmon.

*Example of Fish Packets for Babies*



### Value-Added Messaging

With seafood prices on the rise globally, many Japanese retailers are looking for value-added properties to appeal to consumers. In November 2022, Seven Eleven, one of Japan's largest convenience store chains, updated its packaging for two *onigiri* (rice balls) using sockeye salmon and *mentaiko* (spicy pollock roe) to include the Alaska Seafood Marketing Institute (ASMI) logo with the wording "Sustainable Seafood". This change was implemented at all of Seven Eleven's 21,342 outlets.

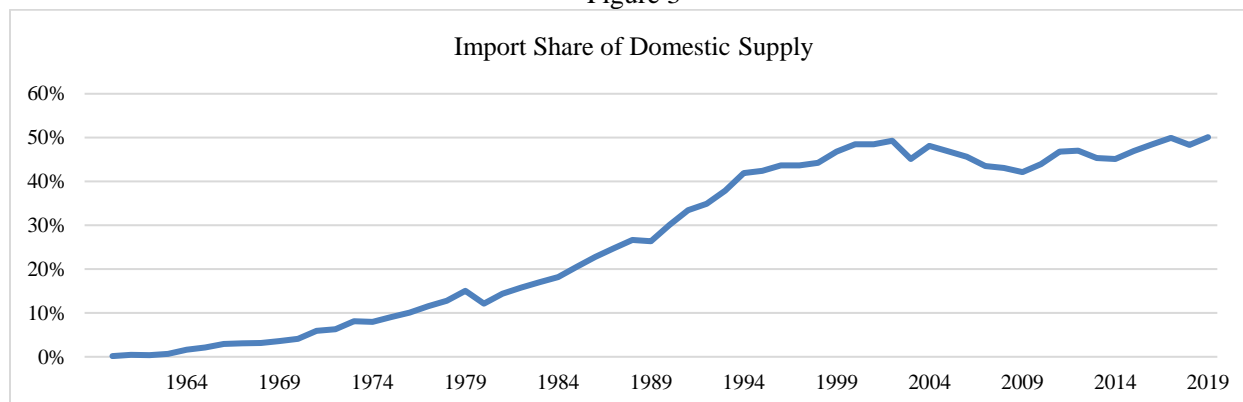
*New Seven Eleven mentaiko (left) and sockeye salmon (right) onigiri with ASMI logo*



### Seafood Trade in Japan

Japan imported \$15 billion worth of seafood products from the world in 2022, making it the third largest importer after the United States and China. According to MAFF, seafood-related products accounted for 16 percent of Japan's total agricultural, forestry and fisheries imports (on a volume basis) in 2021. The share of Japan's seafood supply derived from imports has risen over time, growing from less than 1 percent in 1960 to 50 percent in the mid-1990s and has remained around that level ever since (Figure 3).

Figure 3

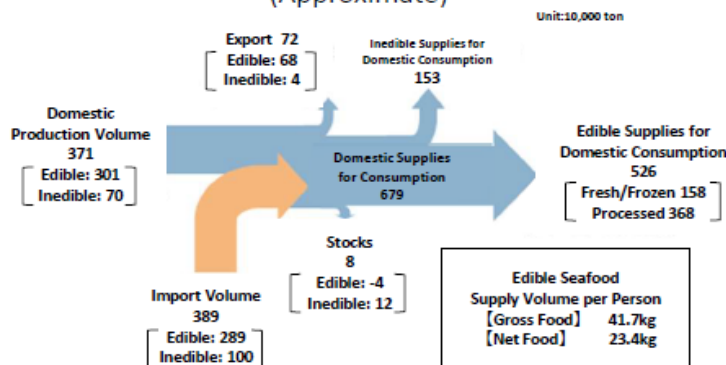


Source: Ministry of Agriculture, Forestry and Fisheries

According to Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF), the amount of seafood destined for domestic consumption in Japanese fiscal year (JFY) 2020 was 6.79 MMT of which 5.26 MMT (77 percent) was for edible use and 1.53 million tons (23 percent) for inedible use such as animal feed (Figure 4). Inedible seafood products accounted for a higher proportion of imported products (26 percent) compared to domestic products (19 percent). Meanwhile, Japan exported 720,000 MT of seafood products to the world, accounting for 19 percent of domestic production. Japan's primary seafood exports are scallops, mackerel, yellowtail, tuna, and sea cucumber.

Figure 4

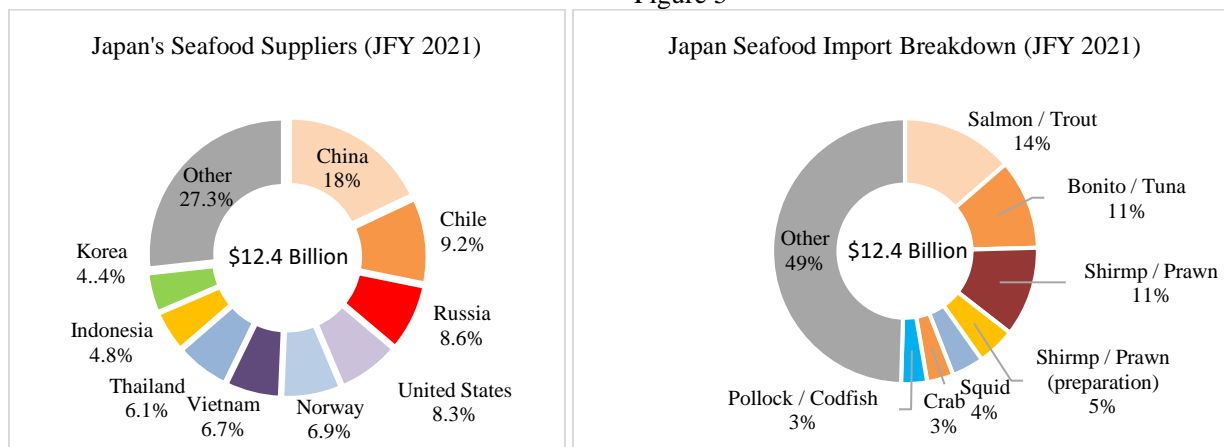
2020 Seafood Consumption in Japan  
(Approximate)



Source: Ministry of Agriculture, Forestry and Fisheries

For imports, China ranked as the top supplier of seafood to Japan with 18 percent market share in JFY 2021, followed by Chile at 9.2 percent and Russia at 8.6 percent (Figure 5). The United States was Japan’s fourth largest seafood supplier with an 8.3 percent market share. The United States is a key supplier of major import items such as salmon, cod, pollock, and herring as well as smaller market items like crab and lobster. Notably, the United States was the dominant supplier of pollack with a 74 percent market share. For the United States, Japan was the third largest export market valued at \$708 million after Canada and China, accounting for 13 percent of total U.S. seafood exports to the world.

Figure 5

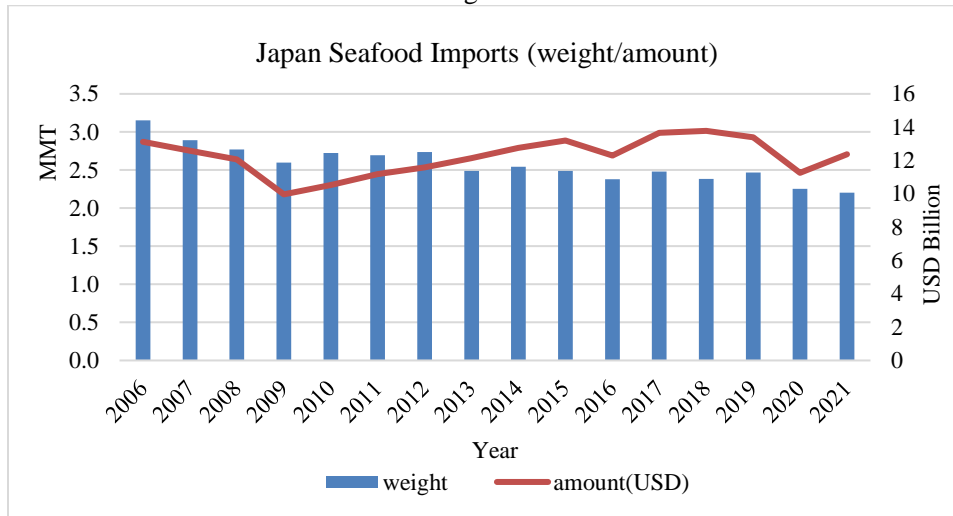


Source: Japan Fishery Agency

Despite its large size, Japan’s imports of seafood on a volume basis have declined over the past two decades. Japan’s seafood imports (on a product weight basis) dropped 30 percent from 3.2 million metric tons (MMT) in 2006 to 2.2 MMT in 2021 (Figure 6). This is primarily due to increased international demand competition as well as decreasing domestic consumption. However, the over the same 15-year period the value of Japanese seafood imports has remained relatively stable.



Figure 6



Source: Ministry of Finance Japan

Japan’s food processing industry for seafood is highly developed with several large companies dominating the market. These processors rely heavily on imported seafood inputs for production. Below are the top three seafood processing companies by revenue.

***Maruha Nichiro Corporation***

Maruha Nichiro is the largest Japanese seafood company, with strengths in procurement, distribution, and overseas networks. As a comprehensive fisheries company, it handles everything from fish procurement to sales and processing. In 2010, they became the first private company to achieve “complete farming” of bluefin tuna which it began to export to Europe in 2019. "Complete farming" refers to raising the fertilized egg offspring of artificially hatched bluefin tuna to adulthood. Maruha Nichiro recorded \$6.67 billion in revenue in JFY 2021. More information at <https://www.maruha-nichiro.com/>.

***Nissui Corporation***

Nissui Corporation is a large food processor specializing in seafood products. It has a specialized research center for farming and is known for cutting-edge farming research and development. It is engaged in farm raising of salmon, trout, and shrimp overseas as well as yellowtail, bluefin tuna, and greater amberjack domestically. Like Maruha Nichiro, Nissui Corporation handles everything from fish procurement to sales and processing. It has a unique division for chemical resources made from fish raw materials such as eicosapentaenoic acid (EPA) used in chemical products and pharmaceuticals. Nissui Corporation recorded \$5.34 billion in revenue in JFY 2021. More information at <https://www.nissui.co.jp/english/index.html>.

***Kyokuyo Company Limited***

Kyokuyo is a well-known producer of sushi toppings and mainly handles food for commercial use. In recent years, growing demand for more efficient cooking of fish has boosted sales of Kyokuyo’s easy-to-cook products such as deboned, pre-coated frozen seafoods. In 2013, Kyokuyo launched an original private brand called "Sea Marche" focused on frozen, canned, and chilled processed seafood products

for home use. Like the two companies above, Kyokuyo handles everything from fish procurement to sales and processing. Kyokuyo recorded \$1.95 billion in revenue in JFY 2021. More information at <https://www.kyokuyo.co.jp/en/index.html>.

## **Information for U.S. Exporters**

U.S. seafood exporters seeking to enter the Japanese market are first advised to review the information available on [www.usdajapan.org](http://www.usdajapan.org). The [Export Guidance](#) page includes links to the annual Food and Agricultural Imports Regulations and Standards (FAIRS) country and certificate reports which describe Japan's requirements for imported products. Exporters should be aware that Japan's Ministry of Economy, Trade and Industry (METI) limits imports of certain seafood products through an import quota (IQ) system. Certain products included in (but not limited to) HS codes 030199.2, 0302, 0303, 0304, 0305, 0307, and 0309, may require the importer to possess an import license prescribing a particular volume or value of products eligible for import. Note that the IQ requirement is based on species, not HS Code, and that the burden falls on the importer, not exporter, to apply for the license if needed. Please see METI's [website](#) for the list of fish species subject to the IQ.

Trade shows provide a key opportunity for U.S. seafood exporters to exhibit their products to Japanese buyers. Each year, Tokyo hosts the International Seafood Expo which is the largest trade show in Japan focused on seafood. ATO Osaka organized a mini-USA pavilion at the show in 2022. More details are available at [www.usdajapan.org/find-a-partner/trade-shows/](http://www.usdajapan.org/find-a-partner/trade-shows/) and in the ATO Osaka GAIN report [ATO Osaka Trade Show Year in Review 2022](#).

Appendix 1 on the following page lists Japanese names for common seafood products. For more information on the Japanese market for U.S. seafood, please contact:

### ATO Osaka

U.S. Consulate General Osaka-Kobe

E-mail: [atoosaka@usda.gov](mailto:atoosaka@usda.gov)

Tel: +81 6 6315 5904

Fax: +81 6 6315 5906

## Appendix 1: Major Fish Names in English and Japanese

English Common Name	Japanese Common Name	Japanese (Katakana)	Japanese (Kanji)
Atka Mackerel	<i>shimahokke</i>	シマホツケ	鮓
Halibut	<i>ohyo</i>	オヒョウ	大鱈
Black Cod	<i>gindara</i>	ギンダラ	銀鱈
Cod	<i>tara</i>	タラ	鱈
Alaska Pollack	<i>sukesoudara</i>	スケソウダラ	介宗鱈
Herring	<i>nishin</i>	ニシン	鯵
Shrimp / Prawn	<i>ebi</i>	エビ	海老・蝦
Pink (humpback) salmon	<i>karahutomasu</i>	カラフトマス	樺太鱭
Chum (keta) salmon	<i>shirojake</i>	シロジャケ	白鮭
Coho (silver) salmon (coho)	<i>ginjake</i>	ギンジャケ	銀鮭
Sockeye (red) salmon	<i>benijake</i>	ベニジャケ	紅鮭
Chinook (king) salmon	<i>kingu sahmon</i>	キングサーモン・マスノ スケ	鱭之介
King crab	<i>tarabagani</i>	タラバガニ	鱈場蟹
Snow crab	<i>zuwaigani</i>	ズワイガニ	楚蟹

For more information, please visit [Alaska Seafood Marketing Institute](#) homepage.

### Attachments:

No Attachments.