

JAPANESE MARKET FOR AGRICULTURE, FISHERIES & FOOD PRODUCTS

SECTOR OVERVIEW

Japan is the largest importer of food and seafood in the world. Japanese food imports in 1992 totalled U.S.\$45 billion, registering year-on-year growth of about 7.8%. Canada is the sixth largest supplier of agriculture and processed food products to Japan. Major export categories included meats, grains, seafood, processed foods and beverages, feeds, oilseeds and other products such as fresh mushrooms, peat moss etc. As shown in the following table, Japanese food and seafood imports continue to increase substantially.

Japan is the world's largest market for fisheries products and absorbs approximately 30% of the world's trade in fisheries products, on a value basis. Canada is the seventh largest supplier of fisheries products to Japan with exports totalling and the largest exporter of such products as herring roes, lobster, and capelin. Fisheries products figure prominently in the list of leading imported food products, with shrimp, salmon, tuna and crab appearing in the Top 10. In fact, the single largest imported food product in Japan is shrimp, with 1991 imports totalling US\$2.8 billion.

JAPANESE FOOD MARKET IN TRANSITION

Japan is Canada's second largest food market after the U.S.A. and is expected to continue to be so in the 1990's. Canadian agriculture, food and fish shipments to Japan totalled about \$2 billion (on CIF basis) in 1992 and have continued in a strong growth pattern established since the Plaza Accord, or the revaluation of the yen, in 1985. Total Canadian food exports increased by about \$500 million during this period with major gains in every product category including meat, fish, grains, oilseeds, feeds, processed foods and beverages. With all of this said, however, higher value added food products have the best export growth prospects in the Japanese market place.

Key variables that substantiate this claim and are expected to increase Japanese buyers and consumers' purchasing power are:

Economic Growth:

The current economic downturn in Japan means opportunity as Japanese food and beverage importers aggressively search for new products to sustain their sales.

Value of the Yen:

As long as the yen remains strong, the purchasing power and investment in value-added production by food importers will continue to rise.