It is estimated that 70,000 people enter the Tsukiji market each day of which 17,000 are market workers, and 53,000 are buyers, wholesalers, etc. Over 20,000 trucks pass through the market every day. Market activity starts around 5 a.m. and is well over two hours later. Product is unloaded, stored, displayed, auctioned, cut, packaged, loaded for delivery -- all in the same market. Similar to the other six central wholesale markets in Japan, Tsukuji is operated by the Tokyo metropolitan government. Under the management of the Tokyo metropolitan government seven brokerage companies are authorized to handle fish sales within the market.

About 40% of the fish handled by the brokers is sold on consignment, with the remaining tonnage bought and resold. (By law, the brokerage companies are required to charge a 5.5% commission on all sales of fresh and live fish auctioned at the Tsukiji market.) The fish and fish products are divided into small lots to be sold on the retail/consumer market. The fish is then sold, once on the market, through oral, or written bids. This sales method results in a low to high price range. In the case of frozen product, there is usually a "list", or offer, which does not generally change from day to day. This list price is only indicative, and it is not uncommon for the actual transaction price to be 5% to 10% lower than the "list" price. The seafood is delivered by brokers to department stores, retail markets, specialty shops, mom and pop stores, etc.

Import Quota System

The Japanese government maintains an import quota system which covers 11 species of fish. The quota levels are set by the Ministry of Agriculture, Forestry and Fisheries (MAFF), in consultation with the Ministry of International Trade and Technology (MITT). The quotas are announced through the "trade diary", once or twice a year depending on the species (e.g. the squid quota is announced twice a year). The first announcement covers the period April-September, while the second covers the period October-March. The time periods are only used as guidelines as there is no designated date for the announcements. The quotas are set based on projected domestic demand less domestic supply.

The system is designed to protect the domestic industry by maintaining price stability through supply controls, and by directing imports to domestic processors and associated dealers. Quota levels, in some cases, have been increased in response to lower than expected Japanese catches. In the spring of 1991, dramatically lower domestic landings of mackerel led to the establishment of an emergency import quota to meet domestic demand. On occasion announcements for certain periods have also been omitted.

Although many of the quotas have been stable for a number of years, the loosely scheduled structure results in a great deal of uncertainty for exporters to the Japanese market who can not be sure that the importation of their products will be permitted.

Import licenses are controlled by MITT through authorized foreign exchange banks. Importers who wish to import products specified under the import quota system must apply for an import license.

There are three methods of obtaining quota allocations: (a) based on past allocations, (b) new entrants must meet a number of conditions (e.g. new entrants must have imported a minimum of $30,000 worth of imports under specified Japanese tariffs during the previous year to participate in a draw for allocations, and (c) first-come/first-served.