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Report Highlights:

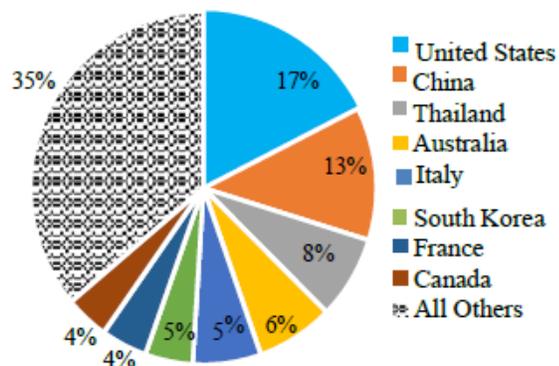
The Japanese food market was valued at \$564 billion in 2022 with retail sales accounting for \$327 billion (58 percent) and foodservice sales accounting for \$237 billion (42 percent). Japan relies on imports from other countries for the bulk of its food supply. The United States was the leading supplier of consumer-oriented agricultural products with a 17 percent market share. The Japanese market is highly competitive with consumers seeking quality, value, and convenience. This report serves as an all-in-one resource for U.S. exporters to Japan with information on the food and beverage market, business culture, consumer preferences, import regulations, trends, and the U.S.-Japan Trade Agreement. Links are provided to additional resources with further details on each of these topics.

Market Fact Sheet: Japan

Executive Summary:

The United States is the largest foreign supplier of consumer-oriented agricultural products to an import-reliant Japan (17 percent of import market share). Japan, in turn, was the fourth largest market for U.S. agricultural & related products in 2022 (\$16.4 billion). On January 1, 2020, the U.S.-Japan Trade Agreement (USJTA) entered into force, providing preferential tariff access for many U.S. agricultural products. Japan's food industries are well-developed and innovative in all sectors, including retail, food service, food processing, and distribution.

Japan Consumer-Oriented Product Imports (\$41.5 Billion, 2022)



Food Processing Industry:

The \$190 billion food processing industry produces a wide variety of foods: traditional Japanese, Western, and health-oriented foods for infants and the elderly. Food processors focus on maintaining market share among traditional product lines while developing creative and innovative food products to attract consumers.

Food Retail Industry:

In 2022, the total value of all retail food and beverage sales in Japan totaled approximately \$327 billion. Supermarkets continue to represent the bulk of retail food sales totaling 35 percent, with convenience stores, drugstores and internet sales of food and beverages accounting for the rest of the market.

Population: 124,800,000 (Jan. 2023 est.)

GDP: \$4.3 trillion (3rd)

GDP/Capita: \$35,256

Top Ten Growth Food Products

- 1) Confectionary Products
- 2) Dairy Products
- 3) Eggs & Products
- 4) Beef and Beef Products
- 5) Wine and Related Products
- 6) Processed Fruit
- 7) Bakery Goods, Cereals, and Pasta
- 8) Condiments and Sauces
- 9) Processed Vegetables
- 10) Beer

Food Industry by Channels (US\$)

Consumer-Oriented Imports	\$41.5 billion
Food Processing Industry	\$190 billion
Food Industry Gross Sales*	\$564 billion
- Retail (2022)	\$327 billion
- Food Service (2022)	\$237 billion

Top Ten Retailers

AEON	Life Co
Seven & I Holdings	H2O Retailing
Yamazaki Baking	Valor Holdings
Pan Pacific International Holdings	USM
Holdings Isetan Mitsukoshi	Izumi

Strength	Weakness
U.S. products are in demand and remain trendy.	The negotiating and decision-making process can take time.
Opportunity	Challenge
With USJTA, nearly 90 percent of U.S. products are duty free or receive preferential tariff access.	For products not covered in USJTA, many other suppliers enjoy tariff concessions through other FTAs.

Data sources include: Trade Data Monitor, Japan Ministry of Finance, Japan Ministry of Economy, Trade and Industry, Japan Food Service Association, The World Factbook, The World Bank

SECTION 1: MARKET OVERVIEW

Country Overview

Japan is an island nation located off the eastern seaboard of the Eurasian continent. The Japanese archipelago consists of the five main islands of Hokkaido, Honshu, Shikoku, Kyushu, and Okinawa and over 6,800 smaller isles. The Japanese population was estimated at 124 million in January 2023. The population is concentrated in three major regions; Kanto region which includes Tokyo Metropolis and six surrounding prefectures (population 43 million); Kinki region including seven prefectures around Osaka and Kyoto (22 million); and Chubu region including eight prefectures around Nagoya city (20 million). Japan's gross domestic product (GDP) totaled \$4.3 trillion in 2022, making it the world's third largest economy after the United States and China. Tertiary industries (the service sector) represent the mainstay of the Japanese economy, accounting for 74 percent of total GDP. Secondary industries (manufacturing) followed with 23 percent and primary industries (agriculture, fisheries, and forestry) accounted for only 3 percent.

Due to declining birth rates, the Japanese population is shrinking and steadily aging. 29 percent of the population is currently over the age of 65 and this number is expected to rise to 35 percent by 2040. Japan has among the world's highest average life expectancies at 87 years for women and 81 years for men in 2022. (Sources: The World Factbook, United Nations, Statistics Bureau, Ministry of Internal Affairs and Communications, Ministry of Agriculture, Forestry and Fisheries and Ministry of Economy, Trade and Industry)

Food Sector Overview

The Japanese food market was valued at \$564 billion in 2022 with retail sales accounting for \$327 billion (58 percent) and foodservice sales accounting for \$237 billion (42 percent). Japan relies on imports from other countries for the bulk of its food supply. On a caloric basis, Japan's food self-sufficiency rate was 38 percent in 2022 with the remaining 62 percent derived from imported products. However, on a value basis Japan's food self-sufficiency rate is 58 percent due to comparatively high domestic food prices. The United States is the leading agricultural product supplier with 23 percent import market share in 2022.

The Japanese market is highly competitive with consumers seeking quality, value, and convenience. Consumers have several options to choose from to satisfy their food needs including restaurants, fast food, convenience stores and a variety of retailers. Major supermarket chains seek differentiation via private labels while restaurants constantly offer menus and special events to stay competitive. Although traditional menus and tastes still guide the average Japanese consumer, Western and other Asian cuisines increasingly influence the market. Domestic products are generally favored over imports, however trendy products from abroad tend to garner attention. The aging of Japan's population has focused attention on healthy and functional foods, especially those with a high protein content. Lower birth rates have led to smaller family units, increasing demand for high-quality and high-value products in smaller packages.

Advantages and Challenges in the Japanese Market

U.S. Advantages	U.S. Challenges
Reduced duties under the U.S.-Japan Trade Agreement	Some U.S. products face higher tariffs than competitor suppliers due to preferential trade agreements such as CPTPP and the Japan-EU EPA
U.S. products have a good quality reputation	Japanese consumers generally prefer domestic products over imports and are willing to pay a premium for “made in Japan”
Perception of the United States as a reliable supplier with large production capacity	Desire for Japanese importers to diversify risk by sourcing from multiple countries
High standards for food safety and animal/plant health	Strict regulatory standards for imports that sometimes exceed U.S. domestic regulations
Diverse range of product availability from bulk to intermediate to consumer-oriented	High costs for marketing in Japan and the need to adjust retail packaging size for the domestic market
Increasing westernization of consumer food preferences	Deliberate pace of business decision-making and the expectation of long-term involvement and commitment by foreign suppliers
Variety of product availability with flavors and different functions	Price inflation and the strengthening of the U.S. dollar vis-à-vis the Japanese yen have made U.S. products less competitive

SECTION II. EXPORTER BUSINESS TIPS

Market Research

U.S. exporters to Japan are encouraged to review USDA Japan reporting on commodities and sectors of interest. In addition to this report, USDA Japan annually publishes reports analyzing retail, foodservice, and processing industry. There are also ad hoc reports on home meal replacements, health foods, organic products, and other products. All these reports and more are available at www.usdajapan.org/market-research and <https://gain.fas.usda.gov>.

Trade Shows in Japan

Japanese buyers often prefer to find new food and beverage products at large trade shows or specially-targeted trade showcases instead of “cold calls” or requests for introductory meetings with individual companies. Many trade shows in Japan are well-suited for U.S. food and beverage companies. These include the two USDA-endorsed shows in Tokyo – FOODEX Japan and the Supermarket Trade Show – as well as the FABEX Kansai regional show in Osaka and Food Style regional show in Fukuoka. The ATOs in Tokyo and Osaka often organize USA pavilions or offer services to support U.S. exhibitors at these shows. More information on Japan trade shows is available at www.usdajapan.org/find-a-partner/trade-shows/ and in the [Recommended Food and Beverage Trade Shows in Japan](#) and [ATO Osaka Trade Show Year in Review 2022](#) GAIN reports.

After three years of travel restrictions prohibiting most U.S. visitors from entering Japan, the Government of Japan dropped all restrictions including border measures on May 8, 2023. As a result, U.S. exporters are once again able to visit Japan to meet with prospective buyers and participate in trade shows. For the most up to date information, please visit the [Embassy of Japan in Washington, D.C. website](#).

Business Culture in Japan

Japanese businesspeople tend to prefer a formal approach to doing business. U.S. exporters are advised to make appointments as far in advance as possible, using e-mail rather than telephone and fax. It is important to carry business cards (*meishi*) to every engagement and present them formally with two hands. Decision making takes time in Japan so prepare for negotiations which may require several meetings to reach an agreement. Japanese buyers will likely request very detailed information on ingredients, production processes, and quality controls. Be mindful of units used in Japan and make sure to use metric terms and quotes price in CIF (cost, insurance and freight) unless your importer specifically requests FOB (Free on Board). Major holiday periods in Japan include the New Year holiday (December 30 to January 3), Golden Week (April 29 to May 5), and *Obon* (one week in mid-August). Many companies close during these periods and people take vacations.

Consumer Preferences

There is a wide variety of consumer preferences in Japan. In general, Japanese consumers place high importance on food safety and quality. Many domestic producers emphasize traceability and farm-to-fork by placing photos of farmers on products packages. Japanese consumers appreciate seasonality and freshness as well as aesthetic appearance. Healthy and functional foods gained popularity after the COVID outbreak. Japanese consumers prefer products with simple ingredient lists and minimal food additives. Perhaps the most notable difference between U.S. and Japanese consumer preferences relates to product packaging. Most Japanese homes are much smaller in size than U.S. homes and have limited storage space. As a result, Japanese food packages are small and easily storable. Large, bulk packaging is impractical which is one of the reasons why Japanese consumers spend a higher proportion of their income on food than most other developed nations.

SECTION III. IMPORT FOOD STANDARDS & REGULATIONS / IMPORT PROCEDURES

U.S. exporters doing business with Japan for the first time may find Japanese food standards and regulations challenging. Japanese importers and freight forwarders are often the best sources of information and provide critical assistance with import procedures. For general guidance, USDA Japan has prepared the following resources to help U.S. exporters navigate the import process.

Food and Agricultural Import Regulations and Standards (FAIRS) Reports

Each year, USDA Japan publishes Food and Agricultural Imports Regulations and Standards (FAIRS) reports which describe Japan's requirements for imported food and beverage products. The FAIRS Country Report provides information on general food laws and regulations for food additives, pesticides, packaging and containers, labeling, and other specific standards. The Japan FAIRS Export Certificate

Report provides information on the required certificates for export to Japan. Additional export guidance is available at www.usdajapan.org/export-guidance.

- [Japan FAIRS Country Report](#)
- [Japan FAIRS Export Certificate Report](#)

Shipping Samples

It is possible for U.S. exporters to send sample products to Japan for buyer consideration. Interested U.S. exporters are advised to review the following two reports which provide guidance for shipping small-sized individual samples and outline eligibility requirements for duty free shipments and import notification exemptions:

- [Guidance on Shipping Individual Small-Sized Samples to Japanese Buyers – November 18, 2020](#)
- [General Instructions for Shipping Product Samples to Japan – October 12, 2023](#)

U.S.-Japan Trade Agreement

The U.S.-Japan Trade Agreement (USJTA) entered into force on January 1, 2020. In this agreement, Japan provided substantial market access for the United States by phasing out most tariffs, enacting meaningful tariff reductions, or allowing a specific quantity of imports at a lower duty. Following implementation of USJTA, nearly 90 percent of U.S. food and agricultural products imported into Japan are duty free or receive preferential tariff access. USDA Japan has developed a series of product briefs which provide concise overviews of how USJTA affects certain product groups. The full list of product briefs as well as other information on USJTA is available at www.usdajapan.org/usjta. Tariff treatment for agricultural products under USJTA is searchable on the [USDA Agricultural Tariff Tracker](#) and may also be found in Japan's [Customs Tariff Schedule](#).

SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

Market Sectors

Retail

In 2022, the total value of all retail food and beverage (F&B) sales in Japan totaled \$327 billion. As the market continues to transition to a post-COVID-19 environment, retailers and food and beverage manufacturers have implemented broad price increases on most food and beverage products, due to high inflation. Supermarkets continue to represent the bulk of sales in the retail food market, accounting for 35 percent, with convenience stores, drugstores and internet sales of food and beverages accounting for the rest of the market. For details, see the USDA Japan [Retail Foods Report](#).

HRI Food Service

In 2022, the total sales from the Japan food service industry increased 14.2 percent, totaling nearly \$237 billion, representing consecutive year double digit growth. The recovery in the sector is largely

attributed to the strong rebound in tourism, with visitors to Japan exceeding 10 million, boosting the recovery in restaurant sales in all categories. Japan's food service industry will continue to depend on imported foods, and the United States is well positioned to continue supplying this segment. For details, see the USDA Japan [Food Service HRI Report](#).

Food Processing

The Japanese food processing industry is one of the world's most advanced and sophisticated, manufacturing approximately \$190 billion of food and beverage products in 2022. This was a decrease of \$32 billion or approximately 13 percent from the year prior. This was directly attributed to elevated levels of inflation coupled with a weakened yen-vis-à-vis the dollar. Japan's food manufacturers produce a wide variety of products, from traditional foods to health-oriented foods for infants and the elderly. The largest food processing companies developed from traditional beer breweries that expanded product portfolios to include food, beverages, etc. Several other market leaders emerged from the dairy industry and have offered unique food and beverage products. For details, see the USDA Japan [Food Processing Ingredients Report](#).

Market Trends

Inflation

Following more than two decades of flat or declining prices, the Japanese economy has experienced sustained price rises over the past year and a half due to global geopolitical factors as well as a significant weakening of the Japanese yen against the U.S. dollar. Food prices have risen at rates of over 8 percent year-on-year since March 2023 with certain products rising at double-digit levels. This has helped break the deflationary mindset of consumers. In the past it was very difficult, if not impossible, for Japanese businesses to raise prices due to potential consumer backlash. This is no longer the case and consumers have come to expect it. A key factor, which many economists are watching for, is whether inflation drives an increase in wages. As Japan continues to be one of the top export markets for U.S. agricultural products and a key market for consumer-oriented products, a rise in consumer purchasing power would be welcome news for U.S. exporters. For more details, see [Food Inflation Presents Challenges and Opportunities](#).

Health Claims

The market for healthy beverages in Japan was already growing prior to 2020, however the pandemic focused consumer attention on beverages that provide specific health benefits, especially those providing immune support. A survey conducted by Yano Economic Research Institute estimated that the market for functional foods increased 12 percent in 2020 compared to 2019, reaching \$22 billion. This shift has been particularly noticeable among the younger generation. According to a 2022 survey by Dentsu, Japan's largest advertising agency, 30 percent of men in their 20s reported regularly consuming specific health use foods (known as *tokuho* in Japanese), making them the largest demographic alongside women in their 60s (also at 30 percent). Men in their 30s represented the second largest group at 28.8 percent. Both rates increased from the year prior. Industry sources suggest that young people, particularly young working males, are becoming interested in products that have stress-reducing claims. For more details, see the USDA Japan [Non-Alcohol Beverage Market Update 2023](#).

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.

Product Trends

Non-Alcoholic Beers and Low Alcohol Beverages

According to Suntory Holdings, Japan's largest beverage company, the non-alcoholic beer market was estimated at 40.1 million cases (337 million liters) in 2021, a record high and 15 percent higher than the previous year. The market has grown continuously for seven years and was forecast to grow even higher to 41.7 million cases (350 million liters) in 2022. Meanwhile, the proportion of people who have consumed non-alcoholic beers at home has been steadily increasing each year, reaching 77.6 percent in 2022, also an all-time high. The pandemic certainly played a role as consumers drank more at home compared to restaurants and selected healthier options. For more details, see the USDA Japan [Non-Alcohol Beverage Market Update 2023](#)

Seafood

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. For details, see the USDA Japan [Seafood Market Update](#).

Fresh Fruit

In 2022 Japan was the world's sixth largest importer of fresh fruit - relying on imports for around one-third of total domestic supply. The United States was the fifth largest supplier of fresh fruits to Japan with a 5 percent share of the market. The United States was the leading supplier of lemons and cherries and the second largest supplier of oranges, grapefruit, and kiwi fruit. Japan was the fourth largest export destination for U.S. fresh fruit. Declining domestic production has led Japan to become increasingly dependent on imported fruit and this trend is expected to continue. For details, see the USDA Japan [Fresh Fruit Market Update 2023](#).

Fresh Vegetables

Record-breaking heat in the summer of 2023 has damaged summer vegetables and delayed the planting of autumn and winter vegetables in Japan. The average temperature between June and August was approximately 1.76 degrees Celsius higher than the average 1991-2020 average, marking the highest temperature increase on record. With Japan possibly facing delayed or short supply of domestic vegetables, importers may seek additional spot-based procurements for autumn and winter vegetables such as onions, celery, and broccoli. The United States is a key supplier of these products to Japan, although volumes have been fairly limited in years when Japan has normal yields. For details, see [Record Heat Stifles Japanese Vegetable Production](#).

SECTION V. AGRICULTURAL & FOOD IMPORTS

Export data by aggregated groups and the top consumer-oriented products by value is shown in the tables below. For additional U.S. agricultural trade data available in customizable reports, please consult the Global Agricultural Trade System (GATS) [here](#).

U.S. Agricultural Product Exports to Japan

Product Category	United States Exports to Japan (million USD)				
	2018	2019	2020	2021	2022
<i>Agricultural Total</i>	14,794	13,352	12,900	15,539	16,310
Consumer Oriented Products	6,797	6,436	6,368	7,017	6,843
Bulk Products	4,904	4,049	3,984	5,642	6,190
Intermediate	1,438	1,515	1,377	1,526	1,648
Agricultural Related Products	1,654	1,351	1,172	1,353	1,628

Top U.S. Consumer-Oriented Product Exports to Japan

Product Category	United States Exports to Japan (million USD)				
	2018	2019	2020	2021	2022
<i>Consumer Oriented Products Total</i>	6,797	6,436	6,368	7,017	6,843
Beef & Beef Products	2,102	1,950	1,941	2,355	2,335
Pork & Pork Products	1,631	1,523	1,623	1,692	1,478
Processed Vegetables	509	507	475	477	530
Dairy Products	269	282	322	373	520
Tree Nuts	434	416	386	437	401
Fresh Fruit	319	323	314	300	228
Processed Fruit	177	145	145	158	162
Soup & Other Food Preparations	207	174	176	189	155
Dog & Cat Food	120	130	119	119	135
Non-Alcoholic Bev. (ex. juices)	132	126	123	124	119

Beef and Beef Products

In 2022, the United States exported \$2.34 billion of beef products to Japan, making Japan the second largest overseas market for U.S. beef after South Korea. Japan continues to import approximately 60 percent of its beef supply, however exchange rate fluctuations have shifted demand toward frozen beef instead of chilled. Consumption has gradually increased with recovery in the food service sector due to the lifting of COVID restrictions, however retail sales have slumped with consumers shifting to lower priced proteins like pork and chicken. For more on the Japanese beef market, see the [USDA Japan Livestock and Products Annual Report](#).

Pork and Processed Pork Products

In 2022, the United States exported \$1.5 billion of pork products to Japan, making Japan the second largest overseas market for U.S. pork after Mexico. The U.S. market share has been gradually decreasing but still accounts for one-fourth of Japan's total pork imports, competing with suppliers from Canada, Spain, Denmark, and Mexico. Mexico has gradually increased its share of the chilled market while Spain has increased exports of frozen pork to Japan. While prices have been rising for both domestic and imported products, pork is expected to remain a top protein choice for Japanese consumers due to price competitiveness with beef. For more on the Japanese pork market, see the [USDA Japan Livestock and Products Annual Report](#).

Processed Vegetables

In 2022, the United States exported \$530 million of processed vegetable products to Japan, making Japan the second largest overseas market after Canada. Demand has been gradually increasing, led by recovery in the food service sector post-COVID. Unfavorable weather conditions limited production of domestic vegetables in the summer and fall 2023, leading to increased import demand. For more details see the [Record Heat Stifles Japanese Vegetable Production Report](#). Domestic potato production is also decreasing year-by-year in Japan, causing processors to potentially look to increase imports of frozen and dehydrated potato products.

Dairy Products

In 2022, the United States exported \$520 million of dairy products to Japan, making it the sixth largest export market. The United States is the second largest exporter of dairy products to Japan, after New Zealand and remains as the third largest country exporter of cheese after New Zealand and Australia. Cheese sales slumped in 2022 and 2023 due to rising prices. Domestic prices remain high due to rising input costs for dairy farmers while imports have slowed due to the weak yen. However, FAS projects that a rise in demand from the food service sector will help drive a recovery in demand in 2024. For more on the Japanese dairy market, see the [USDA Japan Dairy Products Annual Report](#).

Tree Nuts

In 2022, the United States exported \$401 million of tree nut products to Japan, making Japan the eighth largest overseas market for tree nuts. Tree nuts have made strong in-roads into the convenience health

snack sector in Japan in recent years, however growth slowed in 2022 and 2023 due to rising prices. The United States remains the dominant supplier of almonds and walnuts. For more on the Japanese tree nuts market, see the USDA Japan [Tree Nuts Market in Japan Report](#).

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

Agricultural Trade Offices (in Tokyo and Osaka) and Office of Agriculture Affairs in Japan stand ready to assist you in your efforts to bring products to market in Japan.

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ATO Osaka

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Office of Agricultural Affairs

U.S. Embassy, Japan

E-mail: agtokyo@usda.gov

Tel: +81 3 3224 5102

U.S. Agricultural Trade Organizations (Cooperators)

Approximately 40 U.S. agricultural trade organizations (cooperators) have representatives in Japan who promote U.S. products and help member companies enter Japanese market. The full list of cooperators is available at www.usdajapan.org/find-a-partner/in-japan.

Japan External Trade Organization (JETRO)

The Japan External Trade Organization also provides information on the Japanese market and regulations here: <https://www.jetro.go.jp/en/reports/>.

Attachments:

No Attachments