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Japan Revises Fisheries Act Seeking Global Competitiveness

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Fishery Products
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Report Highlights:
On December 8, 2018, Japan revised the first revision to the Fisheries Act since it was established in 1949. Japan will introduce individual quotas (IQ) within the total allowable catch (TAC), and will apply these quotas to more commercial species of fish. The revision also removes restrictions on who can participate in commercial fishing or aquaculture, opening the door for private companies.

Keywords: JA9044, Japan Fisheries cooperative (JF), Alaska pollock, Pacific salmon

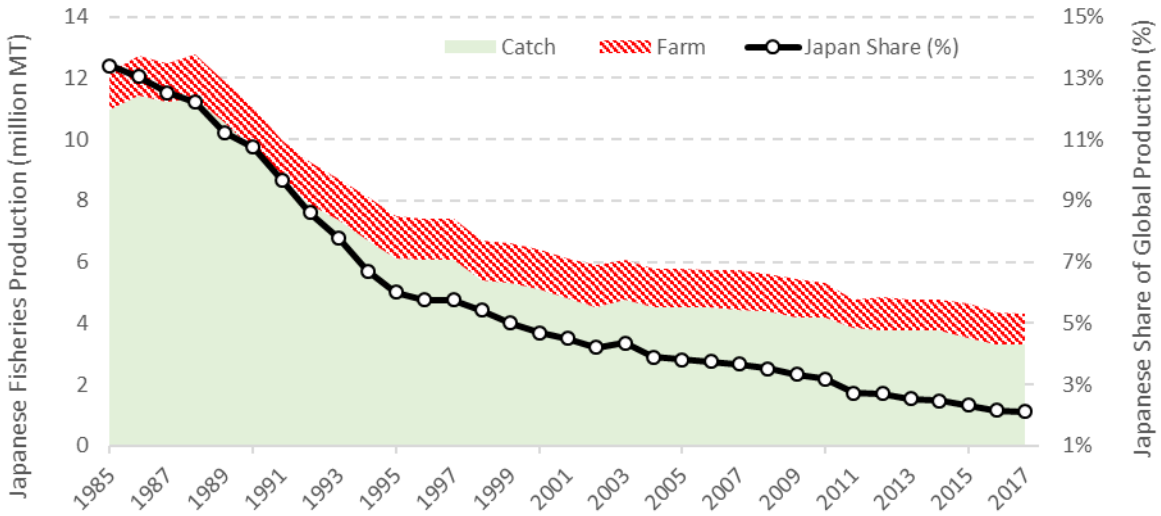
General Information:
On December 8, 2018, the Government of Japan (GOJ) revised the first revision to the Fisheries Act since it was established in 1949. This revision aims to revitalize Japan's fisheries by encouraging private companies to enter the sector. The GOJ increased the budget to support the fisheries sector by 20 percent to 216.7 billion yen (about $2 billion) in 2019.

The revision enables new firms and others to enter the industry easily when certain fishing waters are not fully utilized. Previously, prefectural governments prioritized local Japan Fisheries cooperative (JF)[1] when granting fishing rights.

This revision adopts individual quotas (IQ) for vessels within the total allowable catch (TAC) that will apply to most species. Japan currently sets a TAC for eight species[2]. Under this management scheme, there were incentives for individual operators to catch the fish as quick and many as possible. Under the new revision, the GOJ will expand stock assessments to cover more commercial stocks. Accordingly, individual fishermen will be able to monitor the market and decide when to catch fish within their IQs. The revision does not adopt individual transferable quotas (ITQ), which are already adopted in the United States, Oceania, and Northern Europe.

The revision also tightens the control of poaching marine resources, such as abalone, sea cucumber, and glass eel, by raising the maximum fine from 2 million yen to 30 million yen (about $273,000). The Japanese media reports that these activities are a source for financing organized crime syndicates.

Figure 1. Japanese Fish Products Production



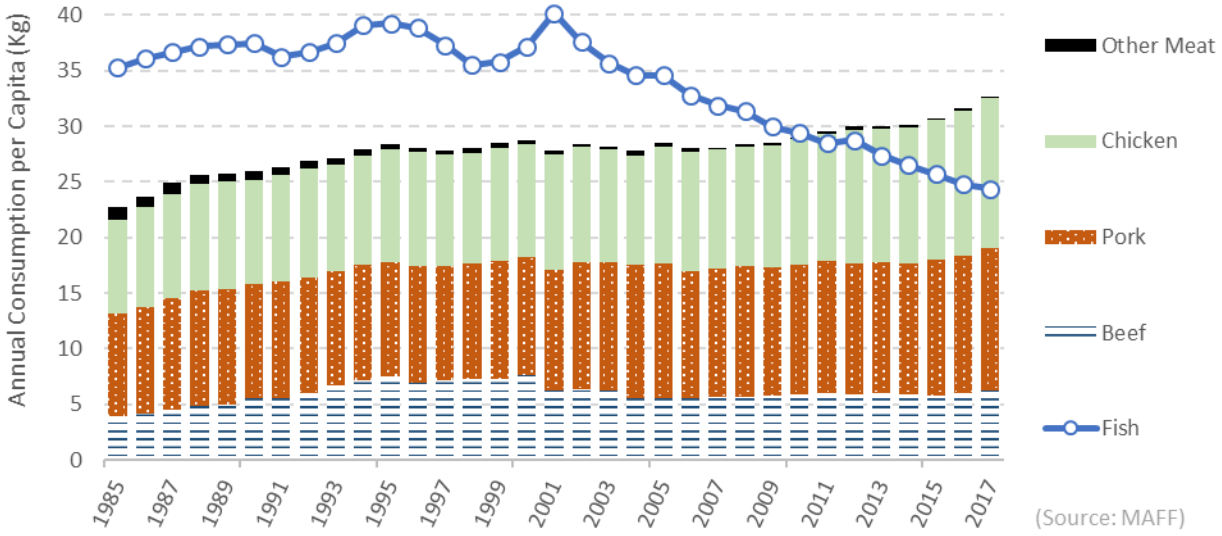
(Source: MAFF)

[1] Cooperatives of small-scale fishermen from a common community that work with the government to protect small-scale fisheries from outside pressure, similar to Japan Agricultural Cooperatives (JA) system.
[2] Eight species including Pacific saury, pollock, Japanese horse mackerel, sardine, Pacific mackerel, Japanese flying squid, opilio snow crab, and blue-fin tuna.

Japanese fisheries production peaked at 12.8 million metric tons (MMT) in late 1984. Japanese fisheries production was 4.3 MMT (3.3 MMT catch and 1.0 MMT farm raised) in 2017 (Figure 1). Japan's share of global fisheries production dropped from 13.4 percent in 1985 to just 2.2 percent in 2016. According to the Fisheries Agency, the number of people in the fisheries industry was approximately 153,000 in 2017, down from 238,000 in 2003. Approximately 60 percent of these people were 55 years or older in 2017.

As shown in Figure 2, Japan's annual consumption of fish products per capita peaked at 40.2 kg in 2001. Japan's consumption of meat surpassed fish in 2011. It continued to decline to 24.6 kg per person in 2016. Japan consumed 7.4 MMT of fisheries products in 2016, of which 5.8 MMT was food consumption and 1.5 MMT was feed and fertilizer consumption (see Oilseeds and Products Annual JA9033 for feed information).

Figure 2. Japan Fish and Meat Consumption per Capita



Japanese relies on imports for nearly half of annual consumption on a value basis. Japan produced approximately $14.3 billion (1.58 trillion yen) of fish products and imported $14.6 billion in 2017. In 2018, Japan imported $14.9 billion of fish products, increasing 2.2 percent from 2017. The United States was the second largest supplier in 2018 with $1.38 billion (9.3 percent share), following China. Alaska pollock ($383 million), fish roes ($297 million), salmon/trout ($138 million), flatfish/halibut/sole ($64 million), crabs ($60 million), and cod ($56 million) are the leading U.S. export fisheries products.