



Japan – Alberta Agriculture Highlights



Alberta-Japan Relations

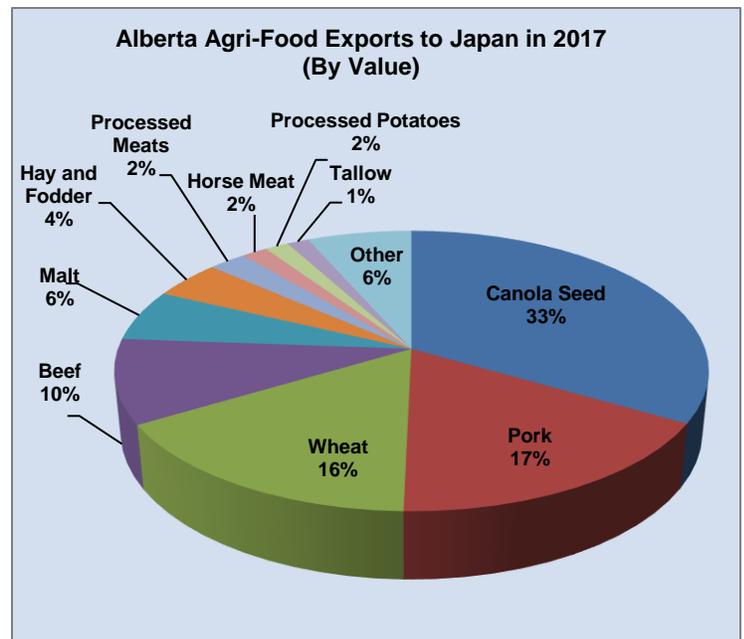
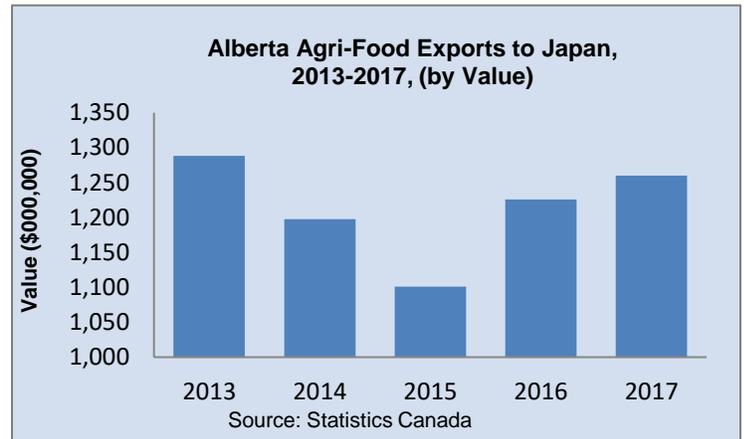
- Japan is a key overseas economic partner for Alberta. In 2017, Japan was Alberta's third largest market for agri-food products, behind only the United States and China.
- In 1980, Alberta was twinned with the Japanese prefecture of Hokkaido. Agriculture was the primary focus for commercial activity at that time.
- Alberta has maintained an international office, the Alberta Japan Office (AJO), in Tokyo since 1970.
- In April 2011, Alberta contributed \$5 million to the Canadian Red Cross to support relief efforts, following the March 2011 earthquake and tsunami disaster in Japan.

Agriculture in Japan

- Japanese governmental entities involved in agriculture and agri-food include the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Ministry of Health Labour and Welfare (MHLW). The Food Safety Commission (FSC) also plays an important role.
 - MAFF is responsible for a range of issues related to agriculture, as well as forestry and fisheries, from production to consumption. In addition to rural development and welfare, the department is a key influencer and decision maker on Japan's agricultural policies.
 - MHLW has a wide-scope of responsibilities related to agriculture, including regulations on maximum residue limits for agricultural chemicals and other substances in foods, basic food and drug regulations, standards for foods and food additives, and import and quarantine inspection.
- Japan's domestic agricultural production consists largely of rice, hen eggs, dairy, poultry, pork, beef and vegetables.
- Japan relies on extensive food imports to feed its population of over 127 million people. As the world's fourth largest economy and fifth largest importer of agri-food products, imports account for 60 per cent of Japan's food intake.

Alberta Agri-food Exports

- Alberta comprised nearly one-third of Canada's total agri-food exports to Japan, which were valued at \$4.2 billion in 2017.



- In 2017, Alberta agri-food exports to Japan were valued at \$1.3 billion. Top Alberta products included: canola seed (\$422 million), pork (\$214 million), wheat (\$203 million), beef (\$123 million) and malt (\$75 million).
- Japan is a key Alberta market for exports of pork, hay and fodder, processed meats, horse meat and honey.

Activities and Engagement

- March 2018: For the past three years, Alberta delegations have attended the Foodex Japan

tradeshow, to exhibit a wide range of products within the Canadian Pavilion and gather market intelligence in Japan.

- October 2017: For the past two years, Alberta delegations have visited the Health Ingredients Japan tradeshow to profile Alberta-produced healthy and functional ingredients.
- November 2016: Alberta participated in a tabletop showcase featuring value-added products in Osaka and Tokyo.
- November 2015: Minister of Agriculture and Forestry (AF) led a mission to Japan to raise profile of Alberta as a preferred supplier of agri-food and forestry products and as an investment destination of choice. The Minister also celebrated the 35th anniversary of the Alberta-Hokkaido sister province relationship.
- Alberta industry, AF and the AJO continue to engage in opportunity identification, matchmaking, and promotional initiatives to support the growth of Alberta exports to the Japanese market.

Canada-Japan Relations

- March 8, 2018: The Comprehensive and Progressive Trans Pacific Partnership (CPTPP) was signed in Santiago Chile, covering 11 countries, including Japan. The agreement is currently in the ratification process. Once implemented, it will be one of the largest free trade agreements in the world, and grant Canadian companies preferential access for key agri-food products into Japan.
- January 2015: The Japan-Canada Organic Equivalency Arrangement (JCOEA) came into effect. This agreement recognizes the organic production and certification systems in each country making it easier to sell organic products in either country. The products covered are plants including fungi and processed foods of plant origin.

Alberta Priorities in Japan

- Expansion of the current trade of Alberta agriculture and agri-food goods and services with Japan.
- Profiling of Alberta as a preferred supplier of agri-food products and services, and as an investment destination of choice, in the Japan market.
- Reduction or elimination of tariffs and non-tariff trade barriers for Alberta products.
- Enhanced relationships, including mutually beneficial partnerships and trade agreements.

Opportunities

- Despite efforts to expand domestic agricultural production, Japan has limited arable land and will continue to rely on imports to meet demand.
- Japanese consumers value high-quality and safe products. Canada has a highly regarded reputation in the Japanese market.
- Japan is home to the world's fastest aging population, which is driving demand for healthy and elder-friendly home-meal replacement products.

- An increase of single person households drives demand for ready-made individual-portioned food products.
- Japan has also seen a growing demand for natural health foods, supplements and functional foods as a result of these demographic trends.
- While still relatively small, the market for organic food is growing steadily in Japan; the JCOEA gives Alberta producers an advantage compared to some international competitors.
- Many Japanese importers are looking to source bulk value-added products for food service clients or for food manufacturing purposes.
- Despite limited land resources, there are opportunities to supply products such as forages, feed, genetics and smart agricultural technologies into the Japanese agriculture sector.
- There are untapped opportunities for mutually beneficial exploration in the agricultural research and innovation sector.

Challenges

- International competitors with closer geographic proximity make it difficult for Alberta companies to compete on price alone. Consumers also have a preference for domestically-produced products. Focused marketing strategies that highlight differentiation of products and show commitment to growing the market are required.
- Alberta suppliers may face challenges navigating Japan's complex multi-layered distribution system and regulatory environment. Suppliers must be aware of these challenges and commit the time necessary for these procedures.

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The information contained in this document is for general information purposes only. Alberta Agriculture and Forestry makes reasonable efforts to obtain reliable content from third parties, but does not guarantee the accuracy or completeness of this overview.

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