Shrimp Market Report - July 2006 - Japan

Report prepared by INFOFISH

The changing lifestyle of Japanese consumers continues to influence overall imports of fishery products including shrimp. According to the Japan Fisheries Association, there is a growing shift from home cooking to 'take-away food' or the so-called "home-meal replacement" among the urban Japanese. Outdoor eating is also on the rise. The negative population growth rate, shrinking size of the average Japanese household, and the larger proportion of senior citizens are the factors fanning this trend.

Fishery imports during January-May 2006 declined by 7.71 percent in quantity compared to the same period last year but increased by only by one percent in Yen value. On the other hand, imports of prepared/preserved fishery products, also known as value-added products, increased by 3 percent in quantity and 8 percent in value during this time- a trend also observed in the annual imports of fishery product-mix during the last five years.

Shrimp Import in 2006

Shrimp continues to be the number one seafood product in overall imports. The combined share of raw frozen and prepared shrimp was 16.8 percent (of CIF value) of total fishery imports into Japan during 2005. However, the market for raw frozen shrimp remained unstable with waning demand over the years. Higher imports of value added or processed shrimp, on the other hand, continued.

During the first quarter of this year, the Japanese shrimp market followed a similar pattern. Supplies of raw frozen shrimp were down compared to the same period last year and the year before. But the growing domestic demand from supermarkets, convenience stores, and institutional users induced higher imports of processed / value added shrimp which are classified under the heading "prepared product". The four major Asian producers namely Thailand, China, Vietnam and Indonesia largely dominated exports of these products to the Japanese market.
Breaded tempura shrimp, sushi shrimp and cooked shrimp have been the items imported under the prepared/ preserved category,
Cooked shrimp imports (also regarded as higher value products) including the coldwater species, declined slightly during this period.

Japanese Imports of Shrimp (all types), January-March 2003-2006, (in MT)

	January-March				Annual	
Product type	**2006**	**2005**	**2004**	**2003**	**2004**	**2005**
Live	16	9	13	15	383	271
Fresh/chilled	7	*	-	5	33	19
Frozen, raw	45 068	48 550	52 243	40 952	241 445	232 443
Dried/salted/in brine	488	584	966	744	2 351	2 008
Cooked, frozen	3 645	4 300	4 186	3 000	16 745	17 051
Cooked & smoked	82	155	154	100	618	422
Prepared/ preserved(incl. tempura shrimp)	11 738	8 930	7 785	6 859	39 692	42 181
Sushi (with rice)	57	85	80	15	341	263
Total	**61 061**	**62 408**	**65 427**	**51 690**	**301 608**	**294 658**

Dwindling Imports of raw frozen shrimp

Farmed black tiger and white vannamei shrimp hold the major market share in the raw frozen shrimp category.
Although global shrimp aquaculture is dominated by the vannamei species, black tiger or P. monodon continues to remain the dominant species imported into the Japanese market. Frozen raw black tiger are imported as head-on, headless shell-on, peeled tail-on Nobashi and pud/p&d forms.
With stronger domestic demand for processed shrimp and escalating re-processing costs, nobashi shrimp remains a preferred product form replacing headless block frozen products in the Japanese market.

Demand for raw farmed vannamei has also increased in the Japanese market. It has gained acceptance among Japanese households due to price factors, although sizes are smaller than that of the black tiger species. Supermarkets are the main outlets for head-on raw vannamei, selling it as thawed products by weight or piece. This has taken away some share of head-on black tiger shrimp in the retail market.
Institutional demand for raw peeled vannamei has also increased; noodle shops are the main users of peeled shrimp; they are thousands in number.

As forecast in the last report, shrimp sales were brisk during the Spring festival/Golden Week (April - May) throughout Japan. However, January - April 2006 imports remained low although there has been no inventory build-up within Japan. Delayed harvests of farmed shrimp in Asia generally affected supplies of black tiger as well vannamei shrimp.

Japanese Imports of Raw Frozen Shrimp, January-April 2005-2006 (in MT)

	April		Jan-April			April		Jan-April	
Origin	2006	2005	2006	2005	*Origin*	2006	2005	2006	2005
Indonesia	3 921	3 887	13 909	15 545	Greenland	764	1 070	2 482	2 653
Vietnam	3 238	2 832	11 316	12 372	Russia	1 182	994	3 718	3 633
India	2 057	1 441	7 900	7 246	Canada	544	721	2 329	2 189
Thailand	1 199	1 260	5 222	4 821	Norway	21	319	42	417
China	1 163	1 193	5 595	5 793	Denmark	22	97	91	144
Myanmar	567	560	2 326	2 121	Ecuador	43	79	284	296
Philippines	490	514	1 326	1 828	Argentina	12	41	51	257
Bangladesh	301	289	1 035	947	Madagascar	16	41	403	230
Malaysia	301	212	980	1 021	Iceland	22	28	62	121
Australia	87	145	351	450	Mozambique	13	24	172	205
Sri Lanka	167	57	437	454	Brazil	0	23	97	143
Papua N G	9	30	46	117	Mexico	56	16	259	176
Pakistan	16	10	89	89	Others	301	341	1 058	1 484
Iran	-	7	-	29	**Total**	**16 512**	**16 231**	**61 580**	**64 780**

Source: Japan Fish Traders Association (JFTA).

Indonesia, Vietnam, India, Bangladesh are the main suppliers of frozen black tiger shrimp. Imports of this species from Myanmar have also increased recently. However, a large portion of supplies from Vietnam and Indonesia consist of peeled tail-on nobashi shrimp. Reprocessors and the food service sector are the main users of nobashi shrimp. Supplies from India, Bangladesh, Myanmar mainly consist of block frozen headless shell-on products, demand for which is dwindling.
The major source for head-on black tiger shrimp is the Philippines; the other suppliers are Malaysia, Thailand and Indonesia.
Head-on vannamei which are mainly for the retail trade, are imported from China and Thailand. China also supplies a large quantity of peeled (pud) vannamei to the Japanese market; some imports are also coming from Vietnam and Thailand.

Outlook

After the seasonal lull during December-March, supplies of farmed shrimp usually improve by early

May. But the situation in 2006 has been different. Farming is delayed in Thailand due to the cold weather affecting supplies of vannamei shrimp. Some aquaculture related problems in India and Vietnam resulted in lower supplies of black tiger shrimp from these sources till late June. Farmers in the southern states of India have been less active this year due to the disappointing shrimp prices in the international market. Thailand's decision to increase the production of black tiger shrimp (upto 30% of its total farmed shrimp), is yet to help the short supply situation. Now that Thai shrimp are subject to lower import duties in the "EU-25", more products are being processed for that market area, compared to last year.

Despite the lower supply situation, prices of block frozen shrimp destined to the Japanese market remain unattractive to many Asian packers. Only those focusing on further processing or value – addition, are able to sell more at a better profit margin.

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