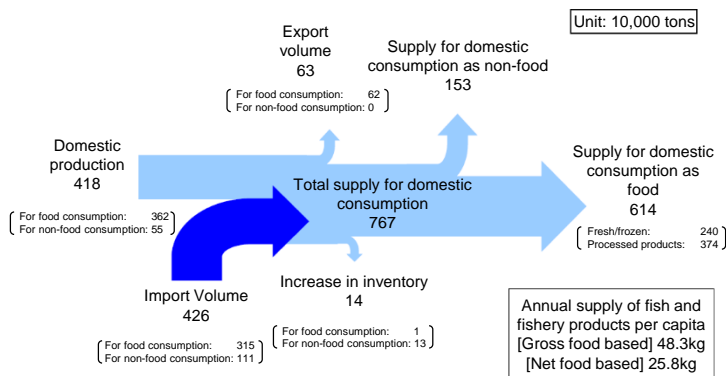


Section 3 Trends in the Supply-Demand and Consumption of Fish and Fishery Products in Japan

(1) Supply-Demand Situation in Fish and Fishery Products

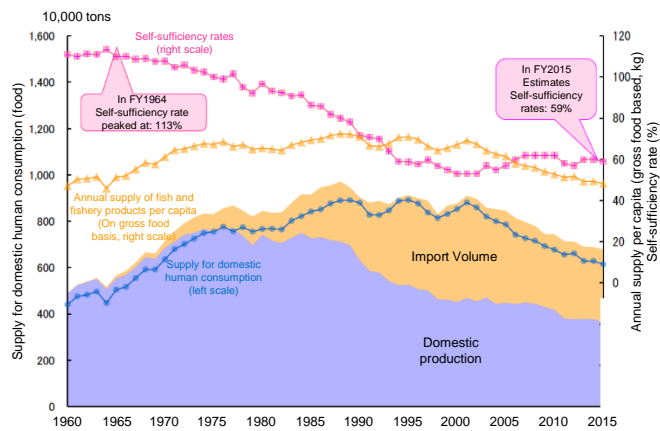
- Supply of fish and fishery products for domestic consumption was estimated at 7.67 million tons for FY2015 (converted on a fresh fish basis, estimates), of which 6.14 million tons (80%) were for human consumption (food) and 1.53 million (20%) tons for feed and fertilizer (non-food).
- Self-sufficiency rates (estimates) of fish and fishery products for FY2015 decreased by 1 point to 59%.

Production and Consumption Structure of Fish and Fishery Products in Japan (Estimates)



Source: "Food Balance Sheet" in 2015 (The Ministry of Agriculture, Forestry and Fisheries)

Trends in Self-sufficiency Rates of Fish and Fishery Products



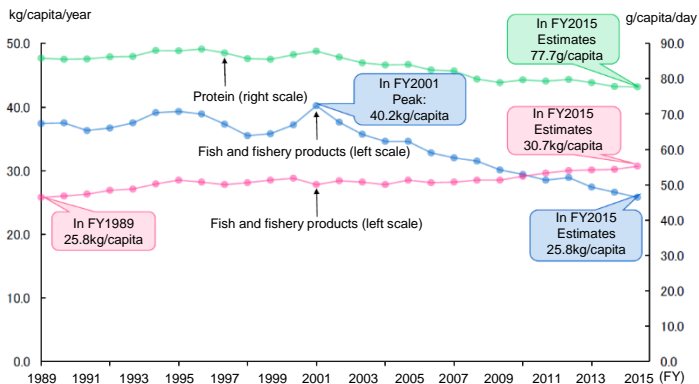
Source: "Food Balance Sheet" (The Ministry of Agriculture, Forestry and Fisheries) (Estimates)

(2) Status of the Consumption of Fish and Fishery Products

(a) Trends in the Consumption of Fish and Fishery Products and Consumer's Awareness

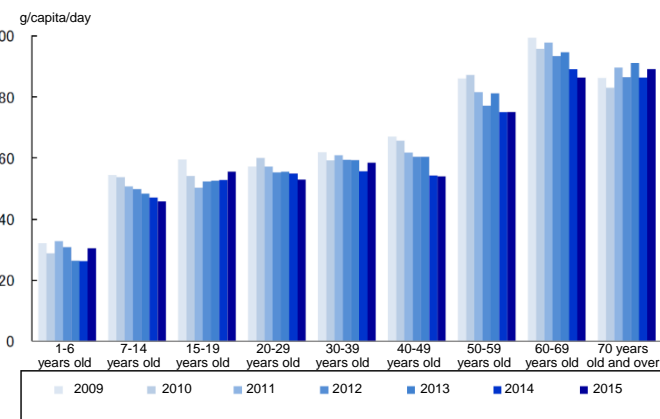
- Annual consumption of fish and fishery products per capita decreased by 0.8 kg to 25.8 kg in FY2015 (estimates).
- Fish and fishery products consumption in 40 year old or younger people is remarkably lower than the other groups, but the decline rate may start to slow down depending on the generation.
- In 2016, trends in annual value per household spending on fresh fish and fishery products has been on the rise in recent years. Customer's buying motivation itself has not necessarily declined.
- A survey targeting consumers suggests that challenges in prices and convenience may result in decreases in consumption of fish and fishery products, whereas, the health effect and taste seem to be highly evaluated.

Trends in Annual per Capita Consumption of Edible seafood and Meat (Net Food) and Per Capita Consumption of Protein



Source: Food Balance Sheet (prepared by the Ministry of Agriculture, Forestry and Fisheries)

Daily Per Capita seafood Intake by Age Bracket



Source: Prepared by the Fisheries Agency, based on the the National Health and Nutrition Survey compiled by the Ministry of Ministry of Health, Labour and Welfare

(b) Efforts to Popularize Gyo Shoku (fish-eating)

- Although seafood consumptions have decline among younger generation in Japan, it is important to create the opportunity to ensure young people is familiar with the taste of fish diet through school lunches, etc.
- The “Delight of a Fish-Rich Country” project, in which the public and private sectors are both involved, is characterized by “Fast Fish” where easy-to-eat and fun-to-serve food products/way can be selected. In the National Federation of Fisheries Co-operative Associations have selected and introduced “Pride Fish”, which is seafoods that fishers themselves recommended with confidence.
- Most consumers usually purchase fishery products in a large retail store like supermarkets. In some food center, efforts to expand seafood sales appear to lead to achievements.

Case Example: Enjoy and Have Fun with School Fish Lunch through “Gyoshoku (fish-eating) Education” (Ainan Town, Ehime Prefecture)

In the “Gyoshoku (fish-eating) Education” program in which Ainan Fisheries Cooperative, Hisayoshi Fisheries Cooperative, and Ainan Town government are involved, gyoshoku promotion activities are carried out, by providing students with school fish lunches full of fun and taste.



Make and Taste Local Dishes Along with Children
(Photo courtesy: Ainan Town)

Their activities include experiencing the simulation of skipjack ipponzuri (pole-and-line fishing), making a local dish called tai-meshi (sea-bream rice) along with children, etc.

Case Example: A New Urban Fish Shop Emerges

A new fresh fish shop named “sakana bacca” are operating 6 stores in the Tokyo metropolitan area and has been attracting much attention as a fresh fish retailer that might overturn the fixed image of a conventional fish shop. By utilizing IT, sakana bacca has allowed for swift procurement of their fresh products from landing areas. When the shop is selling their product, they place great emphasis on conversation with customers.



(Photo courtesy: foodison)

(3) Approaches to Ensuring Information Provision to Consumers and to Protecting Intellectual Property

- Food labeling has been mandatory under the “Food Labeling Act” and comprehensively and centrally implemented since 2015.
- An interim report on labeling of the places of origin of ingredients in a processed food was released in November 2016. The report specifies that, with regard to a domestically-processed food, the ingredient that accounts for most of the food shall be subject to labeling. Putting labels on any “rice ball laver” product will be mandatory.
- Marine Eco-Label Certification System has been gradually adopted around the world. In Japan, Marine Eco-Label Japan (MEL-J) Council has been implementing and providing marine eco-label certification.
- Fishery products registered under the Geographical Indication (GI) Protection System are “Shimonoseki Fuku (Shimonoseki Puffer fish)” and “Jusanko san Yamato Shijimi (Jusanko freshwater clam)”.

Column: The 2020 Tokyo Olympic and Paralympic Games and Fishery Products

The Tokyo Organising Committee of the Olympic and Paralympic Games formulated “Standards for Sustainable Seafood Procurement” that specifies fishery products supplied in olympic-games related facilities. The requirements include compliance with the related laws and regulations, resource management, maintaining/improving fishing ground environment, conservation of ecosystems, occupational safety, etc. What is considered to meet these requirements include: fishery products that have received marine eco-label certification and those that were caught/produced based on a resource management plan/fishing environment improvement plan and further that ensure occupational safety. The standards recommend domestic seafood to be preferentially selected.

Summary on “Standards for Sustainable Seafood Procurement”

- Fresh Food: A fresh food shall be procured which meets procurement standards.
- Processed Food: A processed food of which main ingredient (fishery product) meets procurement standards shall be procured as preferentially as possible.

Requirements:

- Fisheries/production shall be carried out in an appropriate manner in compliance with FAO’s “Code of Conduct for Responsible Fisheries” and fisheries-related laws and regulations.
- Captured fishery products: Such fishery products shall be captured in a fishery where fisheries resources are systematically managed and ecosystem conservation is taken into account.
- Cultured fishery products: Such fishery products shall be produced in an aquaculture setting where ecosystem conservation is taken into account through the systematic maintenance and improvement of fishing grounds and appropriate measures have been taken to ensure the safety of food.
- In order to ensure the occupational safety of workers, any fishery or production shall take appropriate measures in accordance with the related laws and regulations.

(The following shall be recognized as compliant with the above requirements (i) through (iv))

- A fishery product certified under a certification scheme approved by the organizing committee that has been recognized as compliant with MEL-J, MSC, AEL, ASC, and other FAO’s guidelines.
- A fishery product captured in a fishery under a resource management-related project that has been reviewed and confirmed not only by the administrative organization but also based on the requirement (iv).
- A fishery product cultured in an aqua farm under a project in relation to the maintenance/improvement of a fishing ground environment that has been reviewed and confirmed not only by the administrative organization but also based on the requirement (iv).
- A fishery product captured or cultured under an improvement project that aims at acquiring the certification and further that has been reviewed and confirmed based on the requirements (i) through (iv).

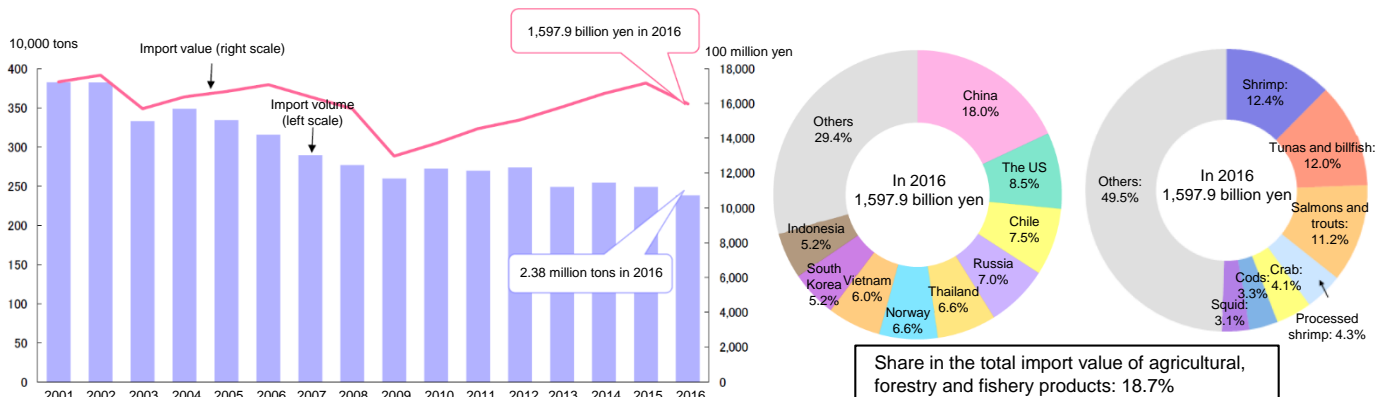
In light of the degree of contribution to the promotion of domestic fisheries industry and to the demonstration of the multiple functions of the fisheries and fishing communities, domestic fishery products should be selected as preferentially as possible.

(4) Trends in the Trade of Fish and Fishery Products

(a) Import Trends in Fish and Fishery Products

- Import volume of fish and fishery products (on a product weight basis) decreased 4% year-on-year to 2.38 million tons in 2016. While the import value decreased 7% year-on-year to 1,597.9 billion yen.
- Major import partners are China, the US, Chile and Russia in terms of value.
- Major import items are shrimp, tunas and billfish, and salmon and trout in terms of value.

Trends in Import Volume and Value of Fish and Fishery Products

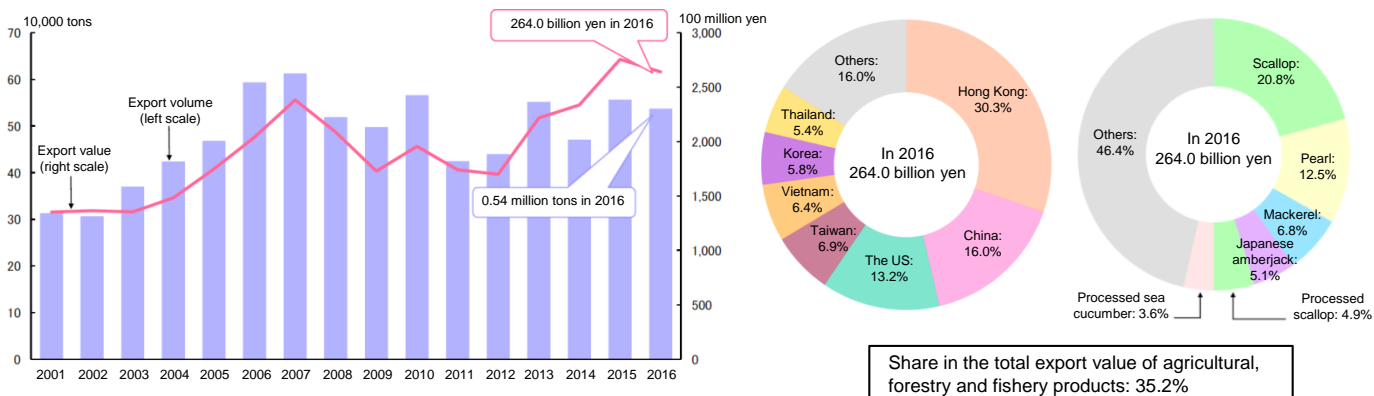


Source: Prepared by the Fisheries Agency, based on the Foreign Trade Statistics compiled by the Ministry of Finance

(b) Export Trends in Fish and Fishery Products

- Export volume of fish and fishery products (on a product weight basis) decreased 3% year-on-year to 540,000 tons in 2016. While the export value also decreased 4% year-on-year to 264.0 billion yen.
- Major export partners are Hong Kong, China, and the US in terms of value.
- Major export items are scallops and pearls in terms of value.
- "Strategy to Improve Export Performance in Agriculture, Forestry and Fisheries" was compiled in May 2016. According to the strategy, the government intends to: improve fishery product's production system with aims at expanding exports and to improve the export environment in a manner that can address the expansion of overseas markets and that can comply with the health standards of export partners.

Trends in Export Volume and Value of Fish and Fishery Products



Source: Prepared by the Fisheries Agency, based on the Foreign Trade Statistics compiled by the Ministry of Finance

(5) Situations in Trade Negotiations on Fish and Fishery Products

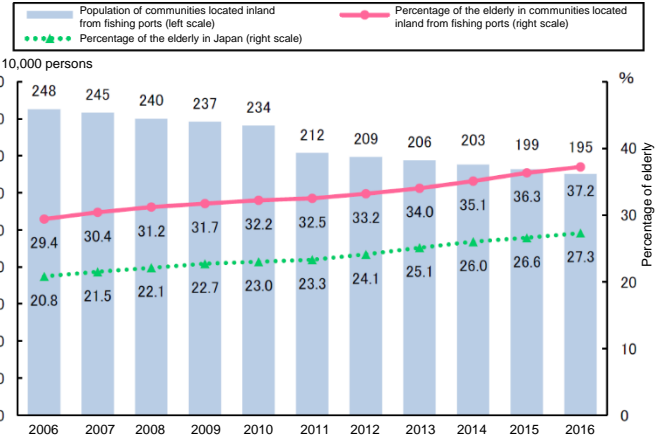
- TPP agreement was approved in the Diet as of December 9, 2016. In January 2017, Japan reported to the depository nation, New Zealand, that necessary domestic procedures had completed and then concluded negotiations on the agreement. In the same month, the US announced withdrawal from TPP. In response to this, Japan discussed what can be done with this situation with other associated countries.
- In the WTO Doha round negotiations, discussions have been continued about establishment of the disciplines on fisheries subsidies. Japan takes a stance of limiting prohibited subsidies to which truly cause overcapacity and overfishing.

Section 4 Development of Safe and Dynamic Fishing Communities

(1) Current Status and Role of Fishing Communities

- Most of fishing communities are situated in a location that favors fishery production but is vulnerable to natural disasters. Population is rapidly aging and decreasing.
- Fisheries and fishing communities have multiple functionality such as (i) conserving the environment, (ii) safeguarding the lives and properties of the public, (iii) providing exchange opportunities and (iv) developing and maintaining local communities. Benefits from the multiple functions extend to the public.

Population and Percentage of the Elderly in Communities located Inland from Fishing Ports



Source: Compiled by the Fisheries Agency, based on "the national census" (carried out by the Ministry of Internal Affairs and Communications) and "population estimates"

Note: The population of communities located inland from fishing ports and their percentages of the elderly (2011-2016) do not include data on three prefectures (Iwate, Miyagi and Fukushima)

Multi-functionality of fisheries and Fishing Communities

Functions Conserving the Natural Environment

Efforts to remove clam carcasses generated due to abnormal mass mortality in order to prevent degradation in tidal flats [Fukushima Pref.]



Efforts to achieve maintenance and improvement of Zostera marina beds by both transplanting the lateral shoots and sowing the seeds [Okayama Pref.]



Efforts to conserve coral reefs by removing a coral eater, crown-of-thorns starfish [Okinawa Pref.]



Efforts to install wooden protection fences in front of reed zones in order to prevent decrease and extinction of reed fauna [Ibaraki Pref.]



Efforts to eradicate alien plants including Brazilian waterweed [Aichi Pref.]



Functions Developing and maintaining Local Communities.

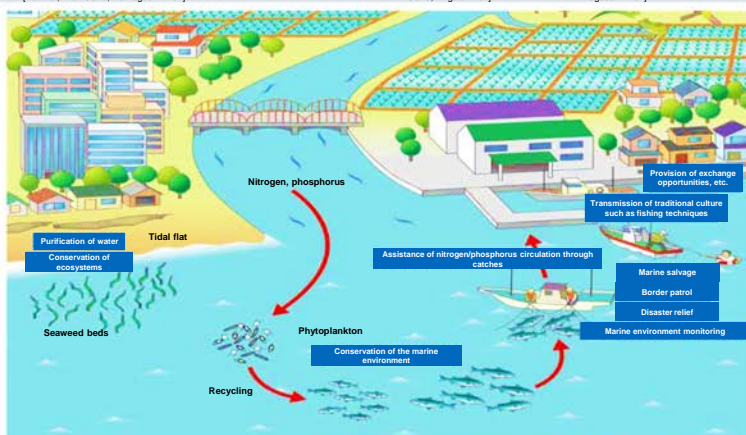
A marine ritual with a spectacular sight where more than one hundred of welcome boats decorated with big-catch flags are going and coming [Kanmai, Iwai Island, Yamaguchi Pref.]



Seaweed harvesting "stonegi" using a tub boat (tara-bune) [Sadogashima Island, Niigata Pref.]



Traditional hot-pot dish with Kibinago, silver-stripe round herring [Goto district, Nagasaki Pref.]



Provision of exchange opportunities, etc.

Embarkation orientation [Hokkaido Pref.]



Tidal flat observation meeting [Mie Pref.]



Seashore crowded with Clam hunters [Aichi Pref.]



People enjoy fish catching in the river [Miyazaki Pref.]



Disaster relief training underway for rescuing fall victims and castaways [Aomori Pref.]



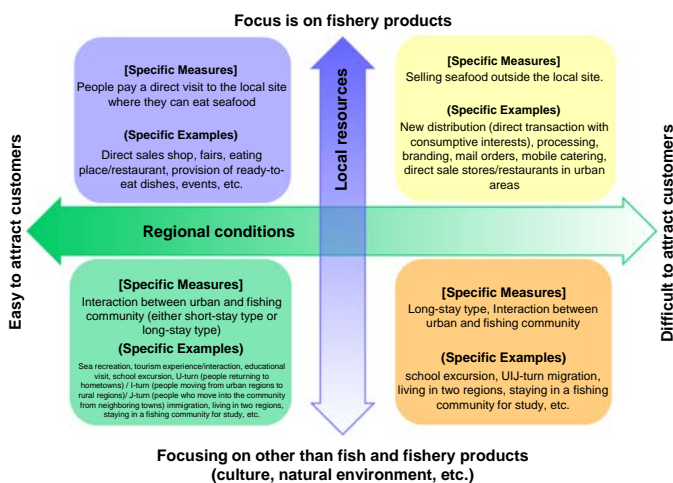
(2) Development of Safe Fishing Communities Where People Can Live in Peace

- A fishing port and a fishing community are going to require both the improvement of disaster prevention capabilities and the promotion of disaster reduction measures. Promoting the multiple protection measures for fishing communities using breakwaters and seawalls, the construction of breakwaters and seawalls that are resistant to tsunami, and the preparation of evacuation routes.
- In fishing communities, the development of living environment is usually lagged behind. Promoting the development of fishing community's road and drains.
- Measures against aging of infrastructure are government-wide issues. Promoting the maintenance and renewal of infrastructures in fishing ports and communities in accordance with plans in which measures for preventive maintenance are incorporated.

(3) Activation of Fishing Communities

- The key to activation of fishing communities is to find out the local resources the community has and to make maximum use of such resources.
- Utilization of local resources should entail the understanding of characteristics of the region and the selection of specific actions. In some cases, cooperation with relevant industries may be important.
- “Nagisa-haku” refers to seaside overnight stay in a fishing community where a visitor can enjoy having traditional experiences in an actual life and communicating with local people. The government is intended to support every fishing community to create a system that can convert the Nagisa-haku into a sustainable tourism business.
- Thanks to the efforts of “Seashore Revitalization Plan” and “Wide-Area Seashore Revitalization Plan”, activation of fishing communities is expected to be accomplished through the promotion of fisheries.

Characteristics of a Fishing Community and Example Actions



Source: (Prepared by) Fisheries Agency, based on the material compiled by the JIFIC (Japanese Institute of Fisheries Infrastructure and Communities)

Case Example: High School Fishery Company Challenging Sixth Sector Industrialization! (Seafood Company NOUSUI-SHOP, Itoigawa City, Niigata Pref.)



(Photo Courtesy: Niigata Prefectural Marine High School)

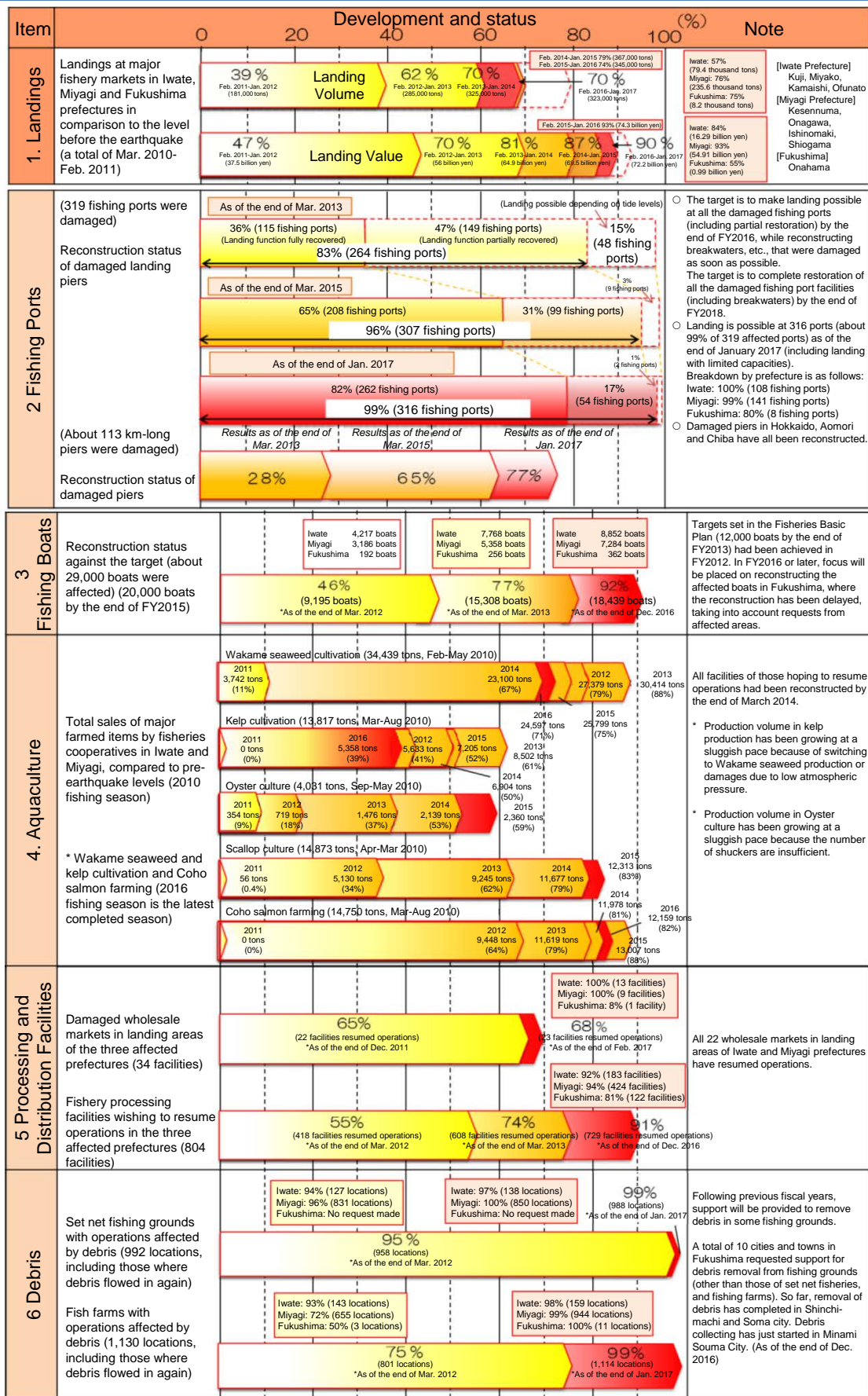
Students of Niigata Prefectural Kaiyou High School were devoted to developing a new product using salmon running up the river that flows through Itoigawa city and succeeded in developing their new product called “Sake-gyosho” (fish sauce made from salmon). In April 2015, the school, Itoigawa city, and the alumni association were in collaboration with one another and developed a system that streamlines an entire process from the production to the selling of this product.

Section 5 Reconstruction from the Great East Japan Earthquake

(1) Conditions of the Restoration/Reconstruction from the Earthquake Damages in the Fishing Industry

- The total landings at wholesale fishery markets in the major landing areas in Iwate, Miyagi, and Fukushima between February 2016 and January 2017 marked 70% in terms of volume and 90% in terms of value of the level before the earthquake.
- Of 319 fishing ports in seven prefectures affected, 316 ports were fully or partially operational, though in some cases with limited landing capacities (as of the end of Jan. 2017).
- Of 804 fish processing facilities in Iwate, Miyagi, and Fukushima that have wished to reopen, 729 facilities reopened (as of the end of December 2016).

Summary of Restoration/Reconstruction of Fishing Industry from Great East Japan Earthquake (as of March, 2017)



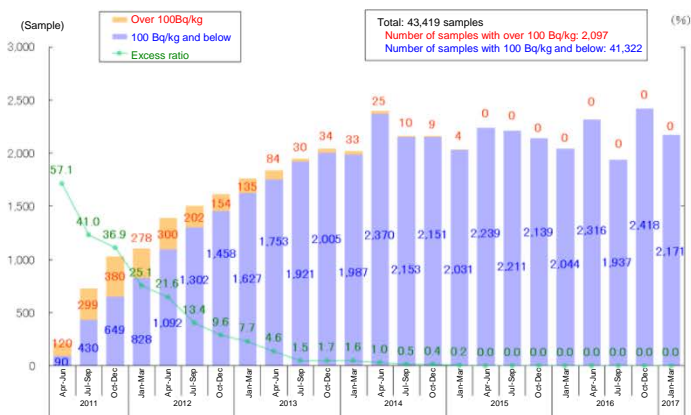
(2) Response to the Impact of the Accident at TEPCO's Fukushima Daiichi Nuclear Power Plant

(a) Monitoring of Radioactive Materials in Fish and Fishery Products and Trial Fishing Operation/Selling off the Coast of Fukushima

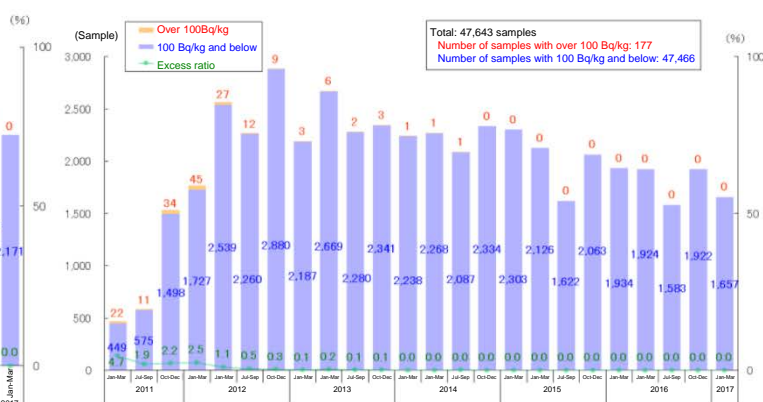
- The government, in cooperation with the prefectural governments and fisheries cooperatives concerned, implements monitoring of radioactive materials in fish and fishery products and releases the results.
- The number of samples where radioactive materials are detected at levels above the standard limits is decreasing over time. In marine species, after the period between April and June in 2015, there have been no samples collected in Fukushima that exceed the standard limits whereas after the period between October and December in 2014, there have been no samples collected in other prefectures that exceed the standard limits. In freshwater species, only 4 samples collected in Fukushima and 7 samples collected in other prefectures exceed the standard limits in FY2016.
- After full evaluation of the results of monitoring, trial fishing operation/selling was implemented off the coast of Fukushima. The number of target species was 97 and their catches increased to 2,100 tons. These results are expected to contribute much to full-fledged resumption of fisheries in Fukushima.

Monitoring Results of Radioactive Materials in Fish and Fishery Products (as of the end of March 2017)

<Marine Species Caught in Fukushima>



<Marine Species Caught in Other Prefectures than Fukushima>



Source: The Fisheries Agency

Case Example: Trial Fishing Operation/Selling of "Jyoban" Left-eye Flounder Started and Sou Sou District Resumed Bidding for the Flounder

1. Trial Fishing Operation/Selling of "Jyoban" Left-eye Flounder Started

Although left-eye flounders caught in Fukushima had been subject to the restrictions of distribution, as the results of radioactive material survey on this species fell below the maximum limits set by the government, the prefecture was determined to start the trial fishing operation and selling of locally-grown left-eye flounder in September 2016.



(Photo Courtesy: Fukushima Prefectural Fisheries Development Office)

2. Sou Sou District of Fukushima Prefecture Resumed Bidding for Left-eye Flounders

At the time of the trial operation and selling, negotiated transactions with local fish dealer association were adopted. After that, the number of target species for trial fishing operation gradually increased, the market price for left-eye flounder had become predictable, the district resumed bidding for the flounder in March 2017.



(Photo Courtesy: Fukushima Prefectural Fisheries Development Office)

(b) Sweeping away Unfounded Reputational Damage and Response to Overseas Import Restrictions of Overseas

- It is true that some consumers still remain suspicious of food produced in Fukushima. Therefore, the Fisheries Agency has continued to monitor radioactive materials in fish and fishery products and to publish the results to consumers in an easy-to-understand manner and the website provides Q&A on radioactive materials and fish/fishery products to ensure that correct information can be given to every consumer.
- Monitoring results are communicated to import partners with explanations on the details of monitoring and safety measures, to have import restrictions relaxed or removed. As a result, 20 counties of 53 countries and regions that had continued to impose bans on fish and fishery product imports from some prefectures completely withdrew their import restrictions by the end of March 2017.
- As for South Korea's import restrictions, the WTO dispute settlement procedures have been employed since 2015. Japan will proceed with the Panel procedures while continuing negotiations between the two countries.

Emperors Cup Award

**Youth Association of Senkai Fisheries Council (Representative: Yoshihiro Onodera),
Karakuwa Town
(Kesennuma City, Miyagi Prefecture)**

As part of “the Period of Integrated Study” in a local elementary school, the Association implemented a study support project regarding oyster aquaculture, which is known as the key industry in the region. In the learning program they developed, students can systematically learn the supply chain of oysters from production to selling, for three years from 4th grade to 6th grade. This activity has been growing and developing with the region involved.



Prime Ministers Award

**Kyoto Trawl Fisheries Cooperative Federation (Representative: Yasuo Shimada)
(Maizuru City, Kyoto Prefecture)**

In collaboration with the research institution, on the basis of scientific reasoning, the Federation determined to ban on the landing of “mizugani crab”, which refers to a soft shell snow crab immediately after it has molted. Prior to the start of this effort, they persuaded the related concerns tenaciously and finally, a mutual consensus was reached. Their activity allowed other prefectures to aware of the importance of protecting mizugani crab, contributing to the promotion of fisheries resource management.



Agriculture, Forestry, and Fisheries of Japan Promotion Association Chairpersons Award
**Marukasa Foods (Representative: Kenji Kasai)
(Himi City, Toyama Prefecture)**

“Boneless”, “no fishy smell”, “easy to cook”, and “use of fish species caught at the local foreshore”---with these four concepts in mind, they developed a year-round item named “Buri steak” which uses winter premium yellow tails landed on Himi Port after moderately aged and satisfies the needs from tourists.



Prime Ministers Award

**Yukai Village Kazamaura Anglerfish Branding Strategy Meeting
(Representative: Gouichi Komamine)
Kazamaura village, Shimokita District, Aomori Prefecture)**

Locally-caught yellow goosefish (anglerfish) has been registered as a regional collective trademark and being branded as “Kazamaura Anglerfish”. The village has been developing sustainable fisheries in accordance with resource-management-based fisheries. “Kazamaura Anglerfish Festival” is annually held where fisheries and sightseeing industries are harmonized and unified, possibly expanding the sales channel and the number of sightseers during the winter season.



Structure of “FY 2017 Fisheries Policy”

Overview

Focus of the measures, fiscal measures, tax measures, financial measures, and policy assessment

I Revitalizing Fisheries and Fishing Communities Based on Seashore Revitalization Plan

- Steady conduct of Seashore Revitalization Plan, fostering of human resources, and making maximum use of fishery resources.
- Shifting to advanced resource management and promoting global resource management
- Establishing sustainable fisheries and aquaculture
- Developing the measures for processing, distribution, consumption, and export
- Comprehensive development of fishing ports, fishing grounds, and fishing communities
- Promoting demonstration of the multifunctionality

II Efforts to Support Revitalization of Fisheries and Fishing Communities

- Strategic promotion of research, studies, and technological development in fisheries
- Strengthening safety measures for fisheries by fishing boat
- Increasing the number of visitors to a fishing community through the promotion of Nagisa Haku (seaside overnight stay)
- Demonstrating the roles and restructuring and improving of fisheries cooperatives organizations
- Supporting fisherymanagement through appropriate loans, credit guarantees, and fisheries insurance system

III Reconstruction from the Great East Japan Earthquake

- Steady restoration and reconstruction
- Overcoming the impact of the nuclear power plant accident

IV Other Key Measures

- Participating in the negotiations over the trade of fish and fishery products
- Compiling and enhancing the use of statistics in line with policy needs

V Requirements for the Comprehensive and Systematic Promotion of the Fisheries Policy

- Promoting measures in an efficient manner through coordination between relevant ministries and agencies
- Management and assessment on the progress of measures
- Implementing measures from the public point of view, taking into account the needs of consumers and the public
- Helping business owners and producers become independent and demonstrate originality and ingenuity
- Taking fiscal measures in an efficient and focused manner
- Others