

US Sushi Boom and the Import Demand for Japanese Fish

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1. Purpose and Methodology

Japanese foods such as *sushi* is prevailing in US, and this seems be a historic opportunity to promote Japanese exports of fishery products. However, the exports have not grown so rapidly as that of agricultural products. For example, the export value from Japan grew by 120% for agricultural products compared with 30% for fishery products from 1990 to 2014. Therefore, we analyze **US import demand** for Japanese fish such as bluefin tuna, scallop and yellowtail "*Buri*" along with a **survey of Japanese foods restaurants** in NY and DC.



2. Results of Restaurant Survey in US

- 1) Japanese foods have already been prevailed in the whole US except some Mid-west areas.
- 2) In the middle class restaurants, customers show indifferent preferences for origin countries of food materials.
- 3) In supermarkets such as "*whole foods*", they sell most fish as fillet forms, and imported tuna fillets do not indicate the species and the origin country names.

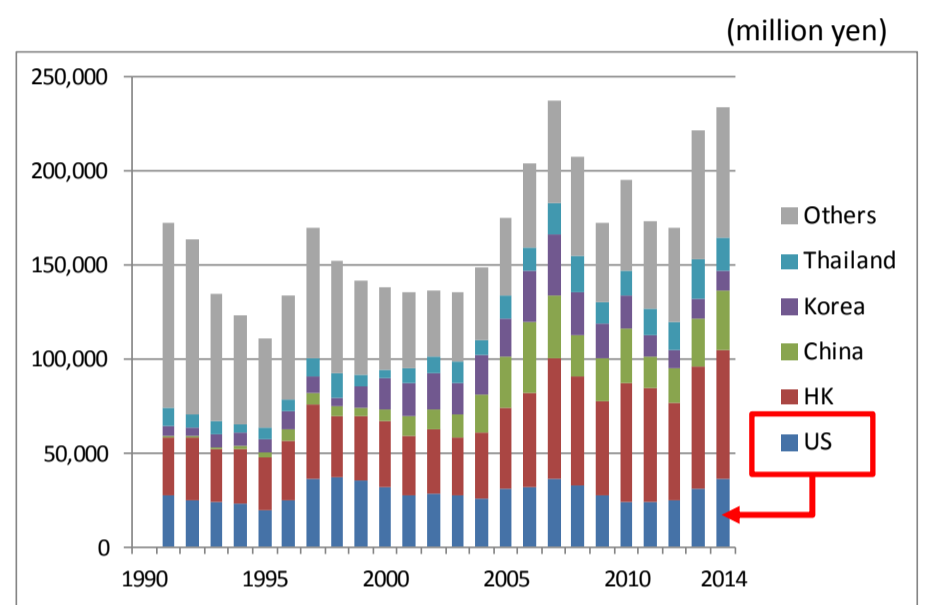


Figure 1. Japanese Exports of Fish & Fish Products by Country

3. Results of US Import Demand Functions for Japanese Fish

1) Bluefin Tuna

$$\ln(M_j) = 0.07 T - 1.00 \ln(P_j/CPI) - 1.55 \ln S + \text{const.} \quad R^2:0.70$$

(0.94) (-2.50) (-2.85)



2) Scallop

$$\ln(M_j) = 0.08 T - 1.11 \ln(P_j/CPI) - 0.57 \ln S + \text{const.} \quad R^2:0.61$$

(5.55) (-2.29) (-2.60)



3) Yellowtail "*Buri*"

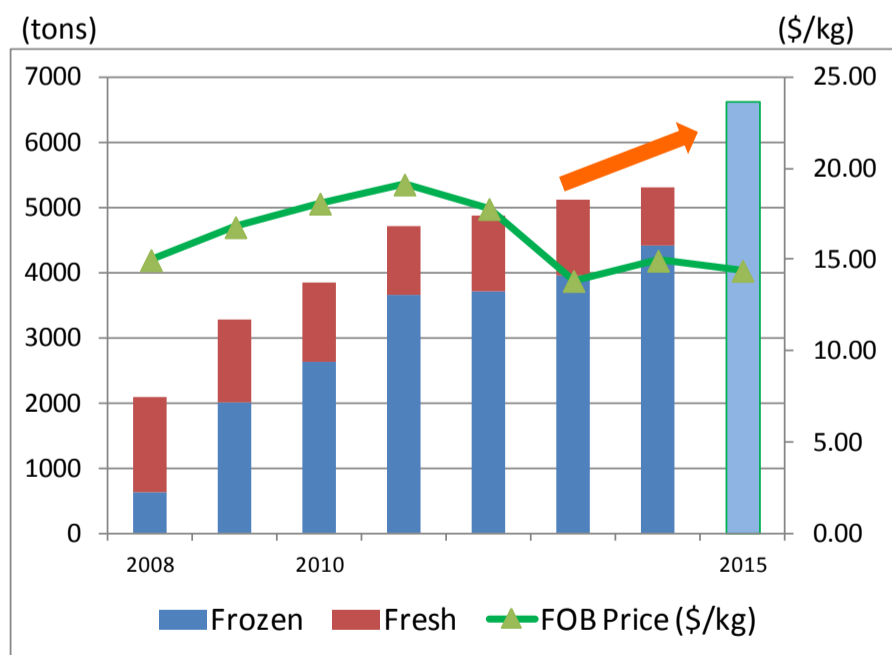


Figure 2. Japanese Exports of "*Buri*" to US

M_j: US import from Japan.
 T : Time trend representing income growth and food taste change in US.
 P_j : US CIF price of the item.
 CPI: US Consumers price index.
 S: US domestic production of the item.

US "*Buri*" market seemed saturated in 2012/13 year, but the export from Japan continued to expand again without deteriorating the price.



4. Conclusion

- 1) US is one of the prominent markets for Japan to export fishery products. Considering the large population, US market is more attractive than those of HK and Singapore.
- 2) However, **US fish demand is very price elastic** showing around -1.0, especially for bluefin tuna and scallop for which Japan has enough farm production potential.
- 3) Regarding yellowtail "*Buri*", for which Japan has enough farm production potential too, whether US market is saturated or not is unknown at present. Since the destination of most exported "*Buri*" is US now, **market diversification is needed**.