



Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada

Canada



## THE CEREAL-BASED MARKET IN JAPAN

June 2000

*(Également disponible en français sous le titre,  
Le marché des produits céréaliers au Japon)*

Prepared by the  
Market Research Centre  
and the  
Canadian Trade Commissioner Service

© Department of Foreign Affairs and International Trade  
(FaxLink no. 34967)

---

The Market Research Centre produces a wide range of market reports by region and sector for Canadian exporters. For further information please contact:

Market Support Division (TCM)  
Department of Foreign Affairs  
and International Trade  
E-mail: [mrc@dfait-maeci.gc.ca](mailto:mrc@dfait-maeci.gc.ca)

- FaxLink Domestic service (613-944-4500);  
- DFAIT Internet site <http://www.dfait-maeci.gc.ca>

Trade Evaluation and Analysis Division (TEAD)  
Agriculture and Agri-Food Canada  
Contact: Jim Lowe  
Telephone: (613) 759-7652  
Fax: (613) 759-7505  
E-mail: [lowej@em.agr.ca](mailto:lowej@em.agr.ca)

Agri-Food Trade Service <http://ats.agr.ca>

**The Government of Canada has prepared this report based on primary and secondary sources of information. Readers should take note that the Government of Canada does not guarantee the accuracy of any of the information contained in this report, nor does it necessarily endorse the organizations listed herein. Readers should independently verify the accuracy and reliability of the information. This report is intended as a concise overview of the market for those interested in its**

potential and is not intended to provide in-depth analysis which may be required by the individual exporter.

---

## THE CEREAL-BASED MARKET IN JAPAN



### EXECUTIVE SUMMARY

Since the early 1990's, Japan has experienced widespread deregulation, internationalization, and a prolonged economic recession. These factors, coupled with the steep appreciation of the yen, have resulted in a proliferation of cheaper imported products, highlighting tremendous opportunities for Canadian consumer-ready cereal-based products. For the purposes of this report, the Japanese market for cereal-based products refers to all Canadian exports contained within Chapter 19 of the Harmonized Commodity Description and Coding System (HS) Code.

Currently, Japan constitutes Canada's third-largest export market, and its largest off-shore market. Nevertheless, only 5 to 6.5% of Canada's exports have traditionally gone to Japan, with this share dwindling to 4.5% in recent years. Although Japanese cereal-based imports increased to US\$714.8 million in 1996 from \$513.7 million in 1994, Canada accounts for only 1.5% of the Japanese baked-goods import market. Canada's exports to Japan totalled US\$9.1 billion in 1997, with cereal-based products accounting for a modest 0.11% (US\$10 million) of this total. Canadian cereal-based manufacturers have yet to tap Japan's considerable market potential.

Despite a meagre 0.4% annual population growth, Japan's population is estimated to have exceeded 126 million - more than four times that of Canada. The fact that Japan's consumer base is undergoing significant social change (such as an increasing number of women entering the work-force and more hours spent in the workplace), indicates Japanese consumers have considerably less leisure time. These factors also reflect the fact that the Japanese market for convenient and easy-to-prepare processed food is increasingly lucrative and expanding. In fact, analysts expect that total Canadian exports to increase by 7.2% annually for the period 1998-2000, and by 8% by 2005, largely as a result of increased processed food exports to Japan.

Japan's market potential for Canadian cereal-based products is heightened by developments in the Uruguay Round Agreement on Agriculture (URAA), which has resulted in lower tariffs on processed cereal-based products, particularly biscuits, cookies and crackers. Furthermore, reduced EU subsidies in prepared cereals may create significant opportunities for Canada to secure a larger market share in the pasta sector and a variety of baking-related product areas - sectors where EU imports have traditionally been strong.

---

The complete report is available on request. For more information concerning this market, further analysis is available in **The Cereal-Based Products Market in Japan** report. Please contact Agriculture and Agri-Food Canada, to request copies. International Markets Bureau ph. (613) 759-7728 / 7749 / 7730. Fax (613) 759-7506, 759-7505.

---

## TABLE OF CONTENTS

### EXECUTIVE SUMMARY

#### MARKET OVERVIEW

- Demographics
- Key Factors Shaping Market Growth
- Uruguay Round, Import Duties
- Opportunities
  - Pastas
  - Pizza
  - Bakery Products
  - Mixes/doughs
  - Bread
  - Biscuits and Cookies
  - Cakes and Pastries
  - Private Label Products

- Projection

#### COMPETITIVE ENVIRONMENT

- Local Capabilities
- International Competition
- Canadian Position

#### PUBLIC SECTOR CUSTOMERS

#### MARKET LOGISTICS

- Channels of Distribution
- Agents and Sales Representatives
- Distributors and Wholesalers
- Packaging and Labelling Requirements
- Direct Sales
- Suggested Business Practices
- Import Regulations

#### PROMOTIONAL EVENTS

#### KEY CONTACTS AND SUPPORT SERVICES

#### BIBLIOGRAPHY

- Useful Internet sites