

22. Edible Seaweed

1. Definition of Category

Several varieties of imported edible seaweed. It does not include baked or boiled seaweed or seaweed that has been canned, flavored or otherwise processed.

HS Numbers	Commodity
1212.20-110	Dried <i>nori</i>
1212.20-120	<i>Porphyra spp.</i> and other seaweed mixed with <i>Porphyra spp.</i>
1212.20-131	<i>Hijiki</i>
1212.20-133, -134, -135, -136	<i>Wakame</i>
1212.20-139	Other seaweed and algae

2. Import Trends

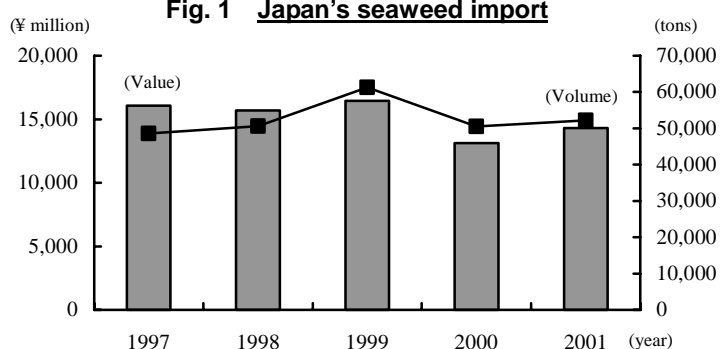
(1) Recent Trends in Edible Seaweed Imports

The categories of dried *nori*; *Porphyra spp.* and other seaweed mixed and other category (including *kombu*) are designated as import quota items. Import quantities are subject to government controls. At present the nation subject to quotas is the Republic of Korea. Since FY 1998 the IQ amount has been set by intergovernmental agreement, and the quota limit was raised to 150 million sheets in FY 2001, and to 180 million sheets in FY 2002.

Edible seaweed enjoys strong demand as a health food product. But, aside from a temporary sudden rise in 1999, edible seaweed imports tend to remain consistently at around the 50,000 ton level. 2001 actually saw a recovery from the falloff of a year earlier, with 52,184 tons (up 3.3% from the year before), worth ¥14.3 billion (up 9.1%).

A look at imports by product shows *wakame* to be imported the most - accounting for 78.2% of the volume and 51.0% of the value. Most *wakame* is imported in the boiled and salted form, while *kombu*, *hijiki*, *aonori*, and *hitoegusa* are mainly imported in the dried form.

Fig. 1 Japan's seaweed import



	1997		1998		1999		2000		2001	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Dried <i>nori</i>	68	167	99	214	114	301	196	552	234	835
<i>Hijiki</i>	4,920	4,661	7,234	6,117	7,460	5,253	6,088	3,557	6,838	4,243
<i>Wakame</i>	40,418	10,040	40,954	8,560	50,096	9,269	40,035	7,173	40,831	7,305
Other seaweed and algae	3,169	1,203	2,281	794	3,590	1,635	4,221	1,832	4,281	1,921
TOTAL	48,575	16,071	50,569	15,686	61,260	16,458	50,541	13,114	52,184	14,303

Units: tons, ¥ million

Source: Japan Exports and Imports

(2) Imports by Place of Origin

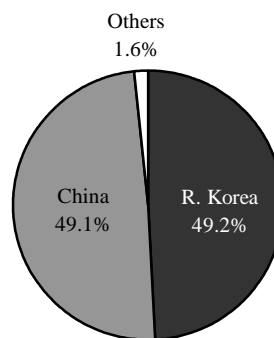
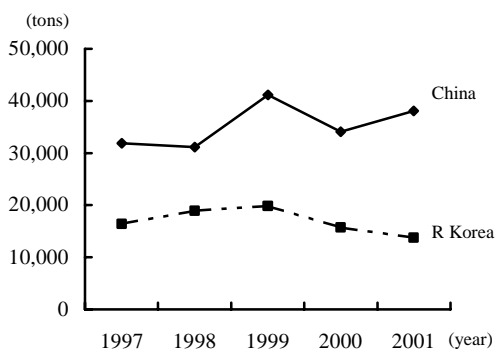
China and the Republic of Korea together hold a virtual monopoly on the import market for edible seaweed, with China holding the lead in *wakame* (import share 83.5%) and the Republic of Korea in *hijiki* (83.4%). Recently, prices of edible seaweed from the Republic of Korea have been rising. Along with this, the price merits of the Republic of Korean products has fallen. The lower priced Chinese seaweed has been catching up as a result.

China not only has natural edible seaweed, but also is farming the seaweed. The main production areas are Shandong and Fujian provinces. Japan constitutes the biggest export market for Chinese producers. Tonga, Chile, and the Philippines, among others, also export edible seaweed to Japan, but their exports are minimal.

The categories of dried *nori*; *Porphyra spp.* and other seaweed mixed and other category (including *kombu*) are designated as import quota items. Consequently, all imports of these varieties come from the Republic of Korea, and the expanded quota limit has expanded imports from 15.6 tons in 1996 to 234 tons in 2001.

Fig. 2 Principal exporters of edible seaweed to Japan

Trends in import volume by leading exporters **Shares of edible seaweed imports in 2001 (value basis)**



	1997	1998	1999	2000		2001			
	Volume	Volume	Volume	Volume	Value	Volume	Value	Volume	Value
China	31,872	31,112	41,182	34,112	6,175	38,059	72.9%	7,028	49.1%
R. Korea	16,406	18,893	19,838	15,699	6,668	13,742	26.3%	7,042	49.2%
Tonga	150	420	102	500	82	201	0.4%	18	0.1%
Philippines	34	60	78	46	25	54	0.1%	26	0.2%
Chile	15	31	33	74	65	48	0.1%	102	0.7%
Others	97	53	26	110	98	81	0.2%	87	0.6%
TOTAL	48,575	50,569	61,260	50,541	13,114	52,184	100.0%	14,303	100.0%
(E U)	0	1	0	1	2	0	0.0%	0	0.0%

Units: tons, ¥ million

Source: Japan Exports and Imports

(3) Imports' Share in the Japanese Market

Domestic production of seaweed totaled about 130,000 tons in 2000 (on a dried weight basis). A breakdown of this amount shows that *nori* was the most common, totaling 78,000 tons, with 29,000 tons for *kombu*, 14,000 tons for *wakame* and 9,000 tons for other varieties. Imports held a 37.8% share of the overall seaweed market, with a slight upward trend evident in recent years. While it is not possible to calculate precise imports' market shares on a product-specific basis, imports have about 40% of the *wakame* market, and imports have about 80% of the *hijiki* market.

Fig. 3 Imports' share in the Japanese market

	1995	1996	1997	1998	1999	2000
Domestic production	144	135	137	128	135	130
Imports	70	68	75	76	90	78
Exports	2	2	3	2	2	2
Domestic supply total	212	201	209	202	223	206
Imports' share	33.0%	33.8%	35.9%	37.6%	40.4%	37.8%

Unit: 1,000 tons

Source: Food Supply and Demand

Note: converted to dried weight in fiscal year basis (April-March).

3. Key Considerations related to Importing

(1) Regulations and Procedural Requirements at the Time of Importation

Some of seaweed is subject to import quota allocation and prior confirmation requirements based on the Foreign Exchange and Foreign Trade Law (Import Trade Control Order). The importation of seaweed is also subject to provisions of the Food Sanitation Law.

1) Foreign Exchange and Foreign Trade Law (Import Trade Control Order)

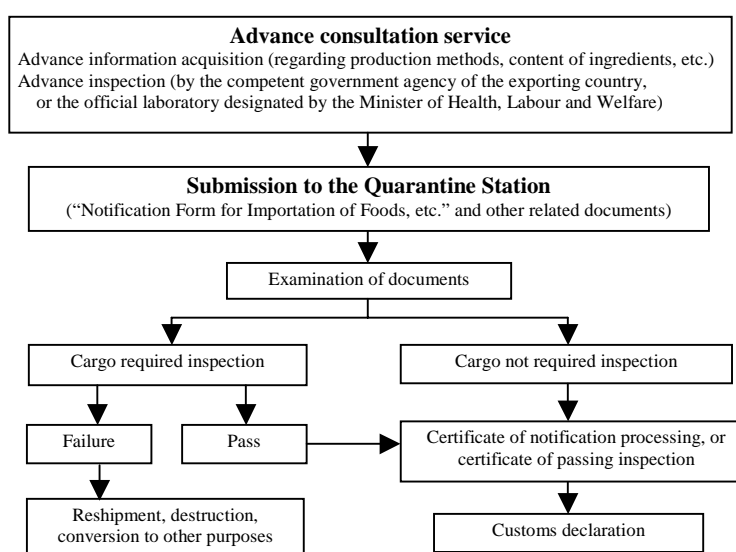
<Import Quota (IQ) System>

The categories of dried *nori*; *Porphyra spp.* and other seaweed mixed and other category (including *kombu*) are designated as import quota items. Import quantities are subject to government controls. Any person or organization wishing to receive an import quota for these seaweed must submit three copies of the “Application for Import Approval and Allocation,” along with other required documentation, to the Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry.

2) Food Sanitation Law

Under provisions of the Food Sanitation Law, an import notification is required for edible seaweed being imported for the purpose of sale or for other commercial purposes. Importers are required to submit the completed “Notification Form for Importation of Foods, etc.” to the Quarantine Station at the port of entry. A determination is made based on the document examination whether or not an inspection at the bonded area is required.

Fig. 4 Procedures required under the Food Sanitation Law



Prior to importing, the importer may take a sample of forthcoming imports to official laboratories designated by the Minister of Health, Labour and Welfare in Japan or in exporting countries. Those test results may be substituted for the corresponding inspection at the port of entry, which expedites the quarantine clearance process.

The Food Automated Import Inspection and Notification System (FAINS) provides computer-based import notifications. To make use of this system, importers must install FAINS software on a Windows-capable computer system, notify the Minister of Health, Labour and Welfare, and verify their passwords.

(2) Regulations and Procedural Requirements at the Time of Sale

The sale of edible seaweed is subject to the Food Sanitation Law, the JAS Law, the Measurement Law, the Containers and Packaging Recycling Law, and the Law for Promotion of Effective Utilization of Resources.

1) Food Sanitation Law

When selling edible seaweed sealed in wrapping or containers, it must be labeled in accordance with provisions of the Food Sanitation Law (see 4. Labeling).

2) JAS Law

The JAS Law establishes quality labeling standard for all food and beverage products sold to ordinary consumers. (see 4. Labeling)

3) Measurement Law

Edible seaweed sealed in wrapping or containers is required the labeling of the net content to certain accuracy (range of error specified by Cabinet Ordinance).

4) Containers and Packaging Recycling Law

The Containers and Packaging Recycling Law was enacted to promote recycling of container and packaging waste materials. It provides for sorting by consumers, sorted collection by municipalities, and product reuse (recycling) by product makers and distributors for glass bottles, PET bottles, paper and plastic containers and packaging. Consequently, edible seaweed importers incur the obligation for recycling of containers and packaging (although stipulated small-scale importers are exempt). Please consult the competent government agencies listed below for more information.

5) Law for Promotion of Effective Utilization of Resources

As of April of 2001, new identifier labeling requirements apply to paper (not including beverage containers not containing aluminum) and plastic container materials, in addition to previously existing labeling requirements for steel and aluminum cans. (see 4. Labeling)

(3) Competent Agencies

- Foreign Exchange and Foreign Trade Law
Trade Licensing Division, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry
TEL: 03-3501-1511 <http://www.meti.go.jp>
- Food Sanitation Law
Policy Planning Division, Department of Food Sanitation, Pharmaceutical and Medical Safety Bureau, Ministry of Health, Labour and Welfare
TEL: 03-5253-1111 <http://www.mhlw.go.jp>
- JAS Law
Standards and Labeling Division, General Food Policy Bureau, Ministry of Agriculture, Forestry and Fisheries
TEL: 03-3502-8111 <http://www.maff.go.jp>
- Measurement Law
Measurement and Intellectual Infrastructure Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry
TEL: 03-3501-1511 <http://www.meti.go.jp>
- Containers and Packaging Recycling / Law for Promotion of Effective Utilization of Resources
Recycling Promotion Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry
TEL: 03-3501-1511 <http://www.meti.go.jp>
Recycling Promotion Division, Waste Management and Recycling Department, Ministry of the Environment
TEL: 03-3581-3351 <http://www.env.go.jp>
Food Industry Policy Division, General Food Policy Bureau, Ministry of Agriculture, Forestry and Fisheries
TEL: 03-3502-8111 <http://www.maff.go.jp>

4. Labeling Procedures

(1) Legally Required Labeling

When selling edible seaweed sealed in wrapping or containers, following items must be listed all together on the label, in accordance with the Food Sanitation Law, the Processed Food Product Quality Labeling Standards under provisions of the JAS Law, and the Measurement Law. In addition, there are individual labeling requirements for dried *wakame* and salt-packed *wakame*.

<Labeling items to be listed all together>

- 1) Product name
- 2) List of ingredients
- 3) Net content
- 4) Date of minimum durability or best-before date
- 5) Preservation method
- 6) Usage instruction (if specified)
- 7) Country of origin
- 8) Importer's name and address

Example label for dried *wakame*

Product name	Dried <i>wakame</i>
List of ingredients	<i>Wakame</i>
Net contents	500g
Date of minimum durability	January 2001
Preservation instructions	Keep at room temperature. Avoid hot spots
Country of origin	China
Importer	XXX Wakame Co. X-X, YY-machi, ZZ Prefecture

Example label for salt-packed *wakame* (salt content 40% or more)

Product name	Salt-packed <i>wakame</i>
List of ingredients	<i>Wakame</i>
Salt content level	50%
Net content	300g
Date of minimum durability	2001. 1. 22
Preservation instructions	Keep at room temperature out of direct sunlight
Usage Instructions	Remove salt before using
Country of Origin	Republic of Korea
Importer	XXX Wakame Co. X-X, YY-machi, ZZ Prefecture

In addition, the JAS Law establishes the Fresh Food Product Quality Labeling Standards, requiring quality labeling for fresh seaweed sold to ordinary consumers. The Law requires to include the following labeling items, and to place labeling on the container or packaging in a readily visible location, or to display it in a readily visible location adjacent to the applicable fresh fishery products.

- 1) Product name
- 2) Country of origin

<Labeling under the Law for Promotion of Effective Utilization of Resources>

When paper or plastic is used as a packaging material for wrapping of individual product items, or for labels, external packaging or elsewhere, a material identifier mark must be displayed with information where the material is used.

< Example >



External packaging



Individual packaging

(2) Voluntary Labeling Based on Provisions of Law**<JAS Law>**

In the edible seaweed, dried *wakame*, salt-packed *wakame*, and *kombu* are subject to JAS standards. Products that undergo inspection and are certified compliant with JAS standards are allowed to display the JAS mark on the product. However, application for grading is voluntary, and products do not have display the JAS mark in order to be sold.

Under the previous JAS Law, manufacturers had to undergo inspection by a registered grading organizations. But under the amended JAS Law, both domestic and overseas manufacturers, production process supervisors (producers and vendors), sorters, and importers in Japan may be authorized to self-qualify with the approval of a registered certification organization.

Contact:

Center for Food Quality, Labeling and Consumer Services Headquarters
Standard and Labeling Department TEL: 048-600-2371 <http://www.cfqlcs.go.jp>

JAS Mark

**(3) Voluntary Industry Labeling**

There is no voluntary industry labeling for edible seaweed.

5. Taxes

(1) Customs Duties

Fig. 5 Customs duties on edible seaweeds

HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
1212.20	Locust beans, seaweed and other algae				
	1. Edible seaweeds				
-110	(1) Formed into rectangular, including square, papery sheets not more than 430 cm ² /piece	¥1.50/piece			
-120	(2) <i>Porphyra</i> spp. And other seaweeds mixed with <i>Porphyra</i> spp.	40%			
	(3) Other edible seaweeds	15%			
-131	a. Hijiki (<i>hizikia fusiforme</i>)		10.5%	8% *Free	
-133~136	b. Wakame (<i>Undaria pinnatifida</i>)		10.5%		
	2. Other seaweeds				
-139	(1) <i>Gloiopeltis</i> spp., <i>Porphyra</i> spp., <i>Enteromorpha</i> spp., <i>Monostroma</i> spp., <i>Kjellmaniella</i> spp. or <i>Laminaria</i> spp.	5%	3.5%		

Note 1: “*Free” in Preferential Rate is applicable only for Least Less Developed Countries.

Note 2: Refer to “Customs Tariff Schedules of Japan” (published by Japan Tariff Association) etc. for interpretation of tariff table.

(2) Consumption Tax

(CIF + Customs duty) x 5%

6. Product Characteristics

<Wakame>

Japanese *wakame* is classified according to thickness, with certain regions of Japan typically producing particular grades of thickness. Almost all imported the Republic of Korean and Chinese *wakame* is cultivated. Korean and Chinese *wakame* fall roughly in between what is considered medium and thin in Japan, and primarily used in boiled salt-packed products. In addition, since Chinese *wakame* is very inexpensive, it is widely used in commercial settings and in economy-size packaging.

<Kombu>

Most *kombu* imports are cultivated, and are imported in dried form. Imported cultivated *kombu* differs in flavor and texture from natural Japanese *kombu*, so food service providers primarily use it in processed food products.

<Hijiki>

There are also notable differences in color and texture between Japanese and imported *hijiki*. Japanese *hijiki* also tends to be larger and thicker than imported *hijiki*. Both domestic and imported *hijiki* is usually distributed in dried form, and there is no readily apparent difference between the two. Japanese consumers rarely know or care where the *hijiki* they purchase came from.

7. The Japanese Distribution System and Business Practices

(1) Japanese Market Conditions

Edible seaweed enjoys strong demand as a health food product, but there continues to be an excess of supply over demand for *wakame*, for dried *nori* and for *kombu*. At the same time, increased imports from China and the Republic of Korea have driven down market prices, threatening the survival of many small-scale producers. Some producer organizations have been calling for regulations on imports as a result.

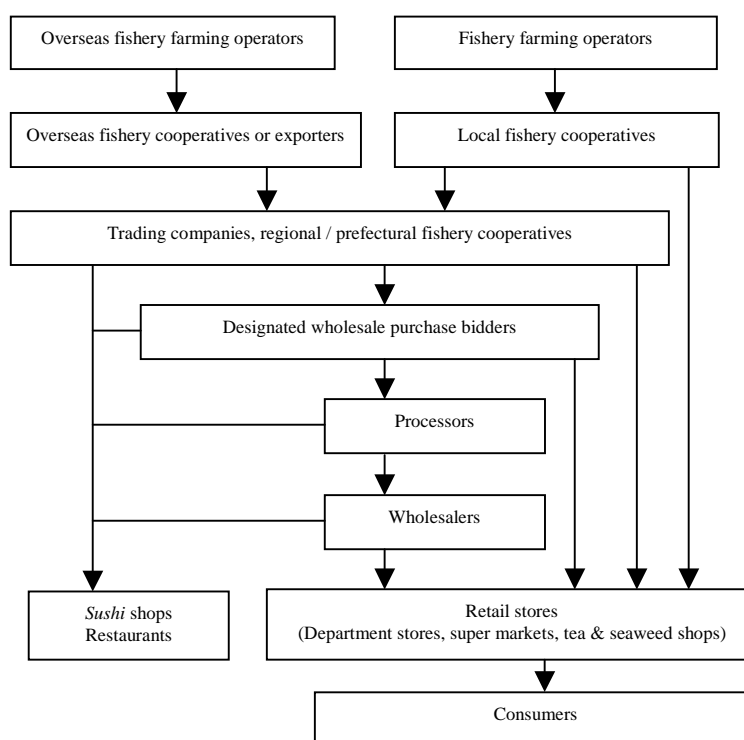
A damaging blow occurred to *nori* seaweed production in Japan’s principal domestic producing area, the Ariake Sea. This disrupted the supply-demand balance and put makers and wholesalers into intense competition for supplies, and prices skyrocketed as a result. Demand for *nori* seaweed remains strong due to its popularity as an ingredient of rice balls (a popular snack and lunch food) at convenience store and in *sushi*, and concerns have risen over import quotas on the Republic Korean *nori*. More than 1,000 companies participated in a public screening meeting to determine priority application quota purchase rights, for a competition rate 9 times.

(2) Distribution Channels

In Japan, seaweed products such as *kombu*, *nori*, and *hijiki* are distributed in dried form, while *wakame* is most often distributed in boiled salt-packed form. Dried seaweed is often packaged for sale as a souvenir gift item as well. Almost all-Japanese seaweed is handled through joint sales by local fishery cooperatives. Those joint sales occur between the local fishery cooperatives and designated wholesale purchase bidders (wholesalers or processors).

Imported seaweed usually is distributed from an overseas fishery collective or exporter through a trading company or local fishery cooperative in Japan to retail outlets.

Fig. 6 Distribution channels for edible seaweed



(3) Points to Consider When First Entering the Japanese Market

Edible seaweed importers must make sure to take steps to assure the freshness of the merchandise after shipping and storage. Also, since generally seaweed is in oversupply in Japan, it is important to secure distribution channels ahead of time. Prospective importers must bear in mind that certain varieties of seaweed are subject to import quota (IQ) requirements. Import quotas for *kombu*, for instance, are allotted to the Hokkaido Federation of Fisheries Cooperative Association.

Quotas for *nori* and other types of seaweed are allocated based on past import experience and results. For FY 2002, import quota for *nori* is 180 million sheets, and the breakdown is 112 million sheets for users allocation; 30.2 million sheets for trading company (track-record purchaser) allocation, and 37.8 million sheets for priority application allocation. Those seeking a new import quota must obtain it within the priority application quota allocation. However, there have been a great many applicants in recent years, and only a few have been granted quotas.

8. After-Sales Service

There is virtually no need for after-sales service. In that event, retailer or importer is responsible for addressing the problem.

9. Related Product Categories

Related products include baked *nori*, seaweed-based broth and *nori* boiled in soy sauce. Processed *nori* and *kombu* products are also subject to import quota (IQ) requirements, while all processed foods made from edible seaweed are subject to provisions of the Food Sanitation Law. Seaweed is sometimes imported for use as an ingredient making toothpaste and dyes.

10. Direct Imports by Individuals

Imports in quantities judged appropriate for individual consumption are exempt from requirements of the Foreign Exchange and Foreign Trade Law and the Food Sanitation Law. In the case of dried *nori*, the quantity deemed appropriate for individual consumption is 1,000 sheets per household per month. Appropriate quantities for *kombu* and other varieties of edible seaweed are determined on a case-by-case basis. Individuals who plan to import edible seaweed directly should check in advance with the Trade Licensing Division, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry.

11. Related Organizations

- Seaweed Department, National Federation of Fisheries Cooperative Association
TEL: 03-3294-9611 <http://www3.jf-net.ne.jp>
- Japan *Kombu* Incorporated Association TEL: 06-6533-2290 <http://www.kombu.or.jp>
- Nippon *Wakame*(sea weed)Association TEL: 03-3396-3321