

Focus Organic Market: Japan



Organic Market Overview

Japan is a market with real opportunity. In the past it had been showing little growth, but COVID-19 has changed this and acted as a catalyst to organic which have seen sales jump by 57% over the pandemic, with a step up in product choice available too.

The organic market in Japan is worth €1.4bn and whilst it is the second largest organic market in Asia, it is still only the 15th in the world. Per capita spend on organic is also extremely low at only €4.13.



Organic Channels

87.4% of organic products are sold through supermarkets in Japan in 2018 and in-store, many supermarkets merchandise in an organic section. Online channels (both general supermarkets and specialists such as Theikei, a box subscription scheme) are very valuable, representing almost 40% value share of organic in 2019. According to government research in 2018, 17.5% of consumers purchase organics more than once weekly.



Drivers of Organic Growth

- Prior to COVID-19, interest in organic products was developing but low – and there was a degree of confusion over what organic is and how it is different.
- With the pandemic, this has disrupted these attitudes as many Japanese people are driven by the healthiness and safety of food products.



Organic Production

Relative to its population size, Japan has only a small amount of agricultural land, and is consequently dependent on organic imports. Most of these come from the U.S., accounting for 27% share of imports of non processed ingredients and plants – especially soy bean and 16% of processed products.



Regulatory Landscape

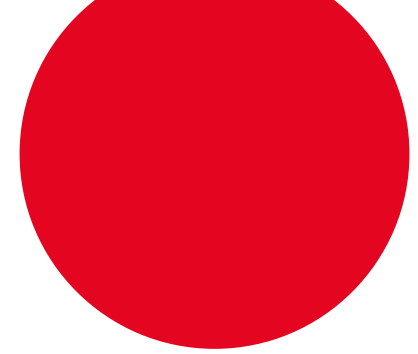
Organic standards in Japan are the responsibility of the Japanese Accreditation Service (JAS), which covers both export and domestic marketing of products making organic claims. Plant products processed in the UK and certified organic can be exported to Japan. Guidance on the application of the JAS seal should be sought from a certified importer in Japan.

Where the importer in Japan is not certified or a UK based operator wishes to market product to more than one certified importer, direct certification to JAS in the UK is possible. Some UK certifiers (e.g. Soil Association Certification) are able to offer inspections to JAS to support this (subject to a final certification in partnership with an accredited JAS certifier). There is no equivalency for livestock products and products must be certified to JAS standards throughout the supply chain, back to farm level.



Future Prospects

- There is significant head room for growth of organic in Japan, and as consumers focus more on their health and concerns grow about additives or artificial ingredients, this will support the role for organic products.
- In March 2021, Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) announced the Green Food System Strategy which includes the objective to expand organic farmland by 44 times by 2050 - this strategy is also anticipated to grow consumers' awareness and correct understanding of "organic" products as the organic market expands.



+57%
organic growth
2019-2020

