

SPECIAL REPORT #1: Impact of Japan's Disasters on its Food and Agriculture Industries

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Tsunami Photo by Petty Officer 1st Class Matthew Bradley

As Japan begins its long process of rebuilding after earthquake and tsunami and as it works hard to resolve the situation at the Fukushima nuclear plant, the Japanese government and private sector are eager to minimize the impact on the food and agriculture industry.

Japan's central and local governments are releasing information to the public on both food safety and the disaster's economic impact and Japanese media are reporting daily on how these recent events are impacting industries, logistics and companies, as well as influencing policy and trade.

To assist those outside Japan to take advantage of the information available here in Japan and to understand the situation on the ground related to food, agriculture and fisheries after the earthquake, we will be publishing intermittent special reports over the next few months.

Fisheries

The full extent of damage to the Japanese fishery industry is not yet known; however it was catastrophic in Iwate, Miyagi and Fukushima prefectures which were the closest to the epicenter. The Fisheries Agency is currently collecting data on damage to the fisheries industry in those three prefectures. The numbers of ports in these three prefectures were: Iwate (111), Miyagi (142), and Fukushima (10). The total damage to agriculture and fisheries in Iwate alone reportedly will amount to at least 35.5 billion yen of which 31.1 billion yen is accounted for by fisheries. Of the 14,300 boats operating in Iwate before the tsunami, less than 500 have been found to be operational. More than half (14 out of 24) of the fisheries cooperatives' offices have been destroyed. A total of 6,185 aquaculture facilities for scallop and oyster have been destroyed. At least 94 of the Iwate ports have been damaged; however the extent of that damage has not yet been calculated in financial terms (3/29 Asahi.com).

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Less affected prefectures are already starting to recover from the damage and/or to resume fisheries operation. In Hokkaido, damaged aquaculture facilities for scallops have begun to be removed (3/28 Fisheries News). In Ibaraki Prefecture, three fishery cooperatives resumed round haul net fishing on the 28th. However, there is concern in the area about the long-term effects of radiation in the seawater of Fukushima as well as the damage that harmful rumors may have on consumer demand. (3/29 47 News).

Although radioactive substances have been found in the sea near the Fukushima plant, experts say that these radioactive ingredients will dissipate in the ocean. Thus there should be little concern about the safety of fish caught elsewhere in Japan. For example, monitoring conducted on some fish including mackerel, in the sea around Chiba (southeast Japan) showed that the level of radioactive cesium was well below the set national standard. The Fisheries Agency also explained that cesium does not accumulate in the bodies of fish, as it is discharged as urine or through branchial respiration. No standard has been set for radioactive iodine as it only has a half-life of 8 days. Nevertheless some countries are already regulating fish imports from Japan and the industry fears that radiation rumors will damage Japan's fishery industry as a whole. Concern is also growing among Japanese consumers, and TV programs have been inviting experts to explain that it is safe to eat fish.

Dairy

There has been a shortage of milk supply in the Tokyo metropolitan area. A MAFF study says that this has been caused by power cuts which is reducing milk production by half (3/28 Yomiuri Online). In addition, a shortage of paper milk cartons for retail sales is slowing distribution. (Asahi 3/31)

As for the direct damage to the dairy industry caused by the earthquake and tsunami, information is still incomplete. Tochigi prefecture, the second largest producer of fresh milk, suffered not only from the loss of cattle and pigs in mudslides caused by the earthquake, but also because power outtages have made it difficult to store milk at a low temperature. Also, there has been a lack of cattle feed as one the largest feed producers operations in Ibaraki prefecture was damaged (3/26 asahi.com). In Iwate, power cuts and lack of heating capacity caused more than a million chickens to die of cold in the recent chilly weather. In contrast many tons of fresh milk had to be thrown away because dairy farmers were unable to cool it down properly or to distribute it due to lack of electricity and gasoline (3/29 asahi.com). Some dairy and cattle farmers are considering closing their businesses.

Bottled water

Bottled water disappeared from shops in the Kanto area after Iodine levels exceeded the national standard for infants in some of the water purifying plants in Kanto. Because of that, MAFF and the Consumer Agency decided to relax regulations on bottled water imports. Imported bottled water can now be sold without labels written in Japanese, making it easier and faster for foreign beverage manufactures to get product into the market. For example, Coca Cola Company imported a million cases of mineral water from Korea and start distributing it in Kanto and Tohoku areas at the end of March.

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One reason that Japanese mineral water bottlers are not able to increase production to meet demand is a lack of plastic bottle caps. Major bottle cap factories were damaged in the earthquake and tsunami and cap production has dramatically decreased. Because bottlers need caps of slightly differently sizes and colors for their products, they cannot easily switch to a different cap maker. This has become a factor in the decrease in mineral water. (Asahi 3/26)

General agricultural products

The Ministry of Health, Labour and Welfare announced on March 28th that a new check of agricultural products produced in Fukushima and its neighboring prefectures revealed no radioactive ingredients above national maximum standards. The MHLW will continue to check for any radiation and announce the results. (3/29 TBS news).

Food packaging

As mentioned in the milk and mineral water industries, shortages of materials and a decrease in production of food packaging products are a main reason for a shortage of several key food products even 3.5 weeks after the earthquake: large bottled water, plain yogurt, and natto (a popular fermented bean product). Factories manufacturing food packaging products such as the plastic film used to seal over refrigerated products have been damaged in the earthquake or are affected by the rolling blackouts that curb their production time.

This article is available at:

<http://www.promarconsulting.com/company-news/special-report-impact-of-japans-disasters/>

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