

SEAFOOD TRADE ADVISORY GROUP JAPAN VISIT 9th – 19th MAY 2017

ISSUES: **TERMINOLOGY ROEI ABALONE (TOKOBUSHI V AWABI.)**
SEAFOOD MARKET PENETRATION: ABALONE / AUSTRALIAN LOBSTER
CUSTOMS CLEARANCE

OTHER:
AUSTRALIA PREMIUM FOOD AND BEVERAGE EVENT

TERMINOLOGY ROEI ABALONE (TOKOBUSHI V AWABI.)

Japans Consumer Affair Agency (CAA) confirmed that the use of Tokobushi (small Abalone) regarding Roei is only an advice under their guidelines and not a legislative requirement. Their only concern (like the ACCC in Australia) is that product must not be sold under misleading or misrepresentative labelling, which became a major issue in Japan around 2010 and led to tightening of requirements and several convictions. Based on this the main problem appears to be importers are reluctant to vary from the advice given for fear of repercussion. However, CAA have indicated that providing the supply chain is selling Roei and not an alternative country product or species and had sufficient supporting evidence that Roei could be deemed an Awabi species there would not be a prosecution.

Based on the recommendation of the Japan Fisheries Association, who publish the “*Handbook of Marine Species Names for Business Purpose?*”, on which importation and sale of seafood in Japan is purportedly based and clearly defines Roei as Australian awabi we had a meeting with Professor Kenji Okoshi Ph.D. head of Marine Biology – Toho University, Tokyo.

Professor Okoshi, spent a year in Australia [February 2005 – February 2006] as a visiting professor at the Murdoch University Western Australia, studying the effect of polydora worms on the growth and mortality of Abalone.

His recent work with associate professor Abe has been based around ND1 and hemocyanin DNA sequence in Abalone from around the world including Roei and other Australian species, seeking to confirm the origins of Abalone, links between areas and species. Professor Okoshi provided a briefing and presentation on his research. (*Unfortunately, I am not able to provide a copy of this presentation as the research has not been published due to noncompletion through limited sampling and then peer review.*) Professor Okoshi indicated he would need around an additional 10 live Roei to complete sufficient sampling. with an estimated a cost based on laboratory and his/university time and equipment of around AUD 5,000.00 to 10,000.00. Suggested the DNA sampling could also be done at an Australian University working in Marine Biology.

His research to date shows a link between Roei and other haliotis species. Also, highlighted; that Tokobushi wild species grow predominantly in length from inception producing an elongated shell and have a greater number of reproduction and breathing holes than Abalone species including Roei. All wild Abalone species, again including Roei, grow in width and length producing a more oval shell.

Wild species of Tokobushi traditionally will not exceed 70g.

Recommendation:

- while as Professor Okoshi has indicated DNA sequencing of Roei could be done in Australia, based on the benefits to the overall research in to wild Abalone from around the world, work already done and cost, I would suggest industry look to engage professors Okoshi and Abe to finalize the sequencing to publish their research.
- Western Australian Roei industry seek a Research Permit from WA government to take the additional Roei required to finish the research for publication. If not forthcoming industry should look to supply the required Roei on an alternate basis.
- FRDC or alternate government funding be sought for the research project.

Meetings were held with several importers, who had shown an interest in Roei providing it could be definitively sold as Awabi. While accepting the advice regarding CAA's position and the available evidence most were still reluctant to selling Roei as Awabi fearing they could still not satisfy any complaint raised by a consumer. The fear was based around any google search, with most still coming up as *haliotis roei* (Australian Tokobushi.) The main Japanese reference website being BISHOGAI Data Base.

One major importer of live Abalone however indicated, subject to approval by senior management, prepared to enter in to a trial shipment and sell as Awabi.

This company has subsequently ordered a small trial shipment.

Based on discussions with the Australian Embassy Tokyo (DFAT) around CAA's position, Professor Okoshi and importers it is proposed we will now;

- hold discussions with other Japanese government agencies to ensure there is no confusion of legislation "interpretation" to possibly cause an issue
- Dept. of Ag Tokyo office will seek advice from Canberra if Certificates of Condition can be issued claused as per the handbook (Roei オーストラリアアワビ - Australian awabi.)
- copy of the WA Roei MSC certification and AWA® certificate will be supplied to importers for each shipment showing the scientific name: *haliotis roei* – Australian Abalone.
- a standard letter be sent to available websites suggesting that based on the scientific name of Roei, research undertaken, the terminology used in the "*Handbook of Marine Species Names for Business Purpose*" and Australian government naming, Roei should be shown as Australian Abalone (Awabi.)
- provide information to other interested importers.

While we believe, the issue will be resolved by these measures, there is no indication if the selling of Roei as Awabi (Abalone) in Japan will lead to improved returns through the supply chain. However, consensus indicated a preference for natural wild caught products, particularly from high-end restaurants. Hotels and Japanese Onsens.

SEAFOOD MARKET PENETRATION

The issue of market penetration in relation to Abalone and Lobster was discussed (Austrade), particularly in to any seen benefit since the Japan Australia Economic Partnership Agreement (JAEPA), with tariffs reducing on both to zero since introduction of the agreement

ABALONE: The demand for live Abalone appears to have increased slightly as supported by the export statistics. This has been attributed to the reduction in tariff against major competing supply sources i.e. Korea who still have a 7% import tariff. It is also indicated as previously advised,

the preference from high-end restaurants. Hotels and Japanese Onsens, for natural wild caught products, along with some consumer reluctance to local Abalone has assisted in this increase. It must be noted however, that imports from Korea remain predominant totalling 1,450 m/t (April 1st 2016 – March 31st 2017.)

Unfortunately demand for frozen and canned Abalone from Australia continues to decline, due to market conditions, competition, changes in consumer preferences in seafood and a lack of knowledge in Australian Abalone.

To this extent, Austrade indicating they are prepared to work with the Australian seafood industry in general or with an industry individually or combined on industry (product) specific promotion. They now have several hundred restaurants, chefs (particularly young) on their books all interested in premium Australian products. These chefs are keen but need information. The story quite clearly was that this is the main (with internet – but slow compared with other countries) the ONLY area of growth. Relying on the traditional methods of importer – wholesaler providing limited information based on their needs is going. The top-end restaurant trade is growing and being assisted and pushed by tourism, with a record 26 million visitors to Japan (April 1st 2015 – 30th March 2016) and forecast to grow to 60 million in 2020. Most these tourists demand premium food. Austrade have also now built a strong media base.

LOBSTER: Australian Lobster import quantities have reduced greatly over the last 10 years as supported by Japanese import statistics. This has been attributed almost solely to demand and higher pricing from China.

JAPANESE LOBSTER IMPORT STATS 2012 – 2016, BASED ON COUNTRY/QUANTITY/VALUE BEING COLLATED AND WILL BE DISTRIBUTED SHORTLY FOR REFERENCE.

While there appears to still be interest in Australian Lobster from consumer level, having previously been Australia's largest market for predominantly Western Rock Lobster, discussions with several major live importers and chefs, suggested while there were many recent offers at workable price levels from Australian exporters they were reluctant to reintroduce on to menus or import based on the belief that immediately market conditions in China improved and prices again moved up to levels at which the Japanese market could not compete, exporters would again immediately leave the market, in seeking the higher returns.

CUSTOMS CLEARANCE

Customs Clearance times (Food Division opening hours 9:00am – 9:00pm) has raised its head again in Japan, due to recent mortality problems with live seafood. Japanese importers have asked if we can seek Australian government assistance in perusing some form of pre-clearance programme for live product or government to government seeking of extended operational hours."

While Haneda Airport has a designated temperature controlled area (13C – 18C), in which live seafood can be held from off-loading until clearance, this is based on the importer, (their Customs Agent), specifically requesting such. Narita Airport does not have such a facility and while product is held in an undercover area is still susceptible to temperature changes.

AUSTRADE PREMIUM FOOD AND BEVERAGE PROMOTION EVENTS TOKYO/OSAKA

The event in Tokyo had the maximum allowable exhibitors, including some larger meat and wine companies. Only 2 seafood companies were present, both Abalone.

Had a large turn-out, with over 450 people (chefs, restaurant owners, F & B Managers and reasonable number of Japanese media.) General opinion of exhibitors was this was the best event in Japan from a promotional point of view in achieving contact with end users. Target market and generating interest in their products.

The event in Osaka (first time), covering Japans second largest area (Kansai), which is one of the most financial regions was expected to have around 250 attendees. According to most exhibitors and Austrade possibly had closer to 400.

From personal observation, the event organization has improved considerably from the first event in 2015 and the expansion in to Osaka should bring greater benefit.

The chef's competition will also be run again this year with the proposal to bring several of the winners to Australia again. The STAG will be advised in relation to this and will endeavour to have some seafood processing operations included in the visit.

Wayne Haggart – Vice Chair, Seafood Trade Advisory Group