



## JAPAN'S FOOD RETAIL INDUSTRY

Retail sales of food and beverages (F&B) in Japan totaled \$327 billion in 2022. Sales rose by approx. 3.75% from 2021 (from \$314.77 billion). The F&B retail industry consists of supermarkets, convenience stores, drugstores, department stores, and the internet, in descending order according to share of total sales. General merchandise stores also sell F&B wares, in addition to various non-edible goods, but no separate data exists for such stores.

Supermarkets account for the biggest share of total F&B retail sales, at 35.3%. Convenience stores come second with 26.9%. Combined, convenience stores and supermarkets make up over 60% of Japan's F&B retail market. Drugstores also account for a significant portion of F&B retail sales (18%).

In large part due to inflation, in 2022, sales data from Japanese retailers showed a 30% drop in domestically manufactured/processed food items. Furthermore, retailers have reluctantly opted to increase the prices of their products. In 2022, more than 20,000 F&B products increased in price, which led to average household expenditures rising by more than 100,000 yen.

According to the USDA, as a result of changing consumer trends, there is a rising demand for convenient and nutritious food in Japan. This fact, combined with the popularity of buying food from drugstores and similar establishments, means that there is a big potential market for exporting non-perishable food items like nuts and dried fruit. In general, ready-made meals are becoming increasingly popular, as are 'meal packs' containing all the required ingredients for a specific meal. Freeze-dried food, especially miso soup and other types of soup, is becoming more popular. In short, there is a growing market for food items that require little to no preparation and are rich in nutrients and protein.

Though political initiatives have been launched to increase awareness of sustainable food, organic food is not nearly as popular in Japan as in Denmark. Organic food is associated with healthy eating, but there is not a strong understanding of what organic food entails, leading to a lack of demand. Organic farmland makes up less than one percent of Japanese farmland, but the total organic farmland area has been increasing over recent years. The main organic produce is vegetables. Organic food is certified with the "Organic JAS [Japanese Agricultural Standard]" label; however, consumer awareness of the label and its meaning is very low. In one online poll from October 2023, only 13% of consumers said that they are aware of both the Organic JAS label *and* its meaning. Inflation has led to a lower demand for organic products in favor of cheaper, conventional products.

### SOURCES:

[Statista: "Consumer awareness of the 'Organic JAS' label in Japan as of October 2023"](#)

[Statista: "Organic food market in Japan - statistics & facts"](#)



Figure 1: Food Retail Sales by Category for 2020 - 2022

| Category          | 2020        |         | 2021       |         | 2022          |               |
|-------------------|-------------|---------|------------|---------|---------------|---------------|
|                   | Billion \$* | Share % | Billion \$ | Share % | Billion \$    | Share %       |
| Supermarket       | 112.68      | 36.54   | 114.14     | 36.26   | <b>115.28</b> | <b>35.30</b>  |
| Convenience Store | 83.90       | 27.20   | 84.85      | 26.96   | <b>87.85</b>  | <b>26.90</b>  |
| Department Store  | 35.71       | 11.58   | 37.30      | 11.85   | <b>41.90</b>  | <b>12.83</b>  |
| Drugstore         | 55.41       | 17.97   | 55.58      | 17.66   | <b>58.64</b>  | <b>17.96</b>  |
| Internet          | 20.70       | 6.71    | 22.90      | 7.28    | <b>*22.90</b> | <b>7.01</b>   |
| Total Market      | 308.40      | 100.00  | 314.77     | 100.00  | <b>326.57</b> | <b>100.00</b> |

Source: Ministry of Economy, Trade and Industry, Statistics Bureau of Japan

<https://www.stat.go.jp/data/joukyou/12.html>

\* Official estimates for Internet sales were not available for 2022.

Figure 3: Japan Imports of Agricultural and Related Products in 2022

| Partner Country | United States Dollars (Billions) |      |      | % Share |       |       | % Change  |
|-----------------|----------------------------------|------|------|---------|-------|-------|-----------|
|                 | 2020                             | 2021 | 2022 | 2020    | 2021  | 2022  | 2022/2021 |
| World           | 58.6                             | 64.0 | 70.2 | 100.0   | 100.0 | 100.0 | 9.72      |
| United States   | 12.9                             | 15.1 | 16.4 | 22.0    | 23.6  | 23.4  | 8.78      |
| China           | 6.2                              | 6.5  | 6.9  | 10.7    | 10.2  | 9.8   | 5.23      |
| Canada          | 3.9                              | 4.4  | 4.5  | 6.6     | 6.9   | 6.4   | 1.01      |
| Australia       | 3.8                              | 4.3  | 5.6  | 6.4     | 6.7   | 8.0   | 28.68     |
| Thailand        | 3.5                              | 3.6  | 3.9  | 6.0     | 5.6   | 5.6   | 9.4       |
| Brazil          | 3.4                              | 3.2  | 4.6  | 5.9     | 5.0   | 6.6   | 44.72     |
| Italy           | 2.8                              | 3.3  | 2.4  | 4.9     | 5.2   | 3.4   | -26.66    |
| South Korea     | 2.1                              | 2.0  | 2.2  | 3.6     | 3.1   | 3.1   | 7.55      |
| France          | 1.8                              | 2.0  | 2.1  | 3.1     | 3.1   | 3.0   | 4.97      |
| New Zealand     | 1.6                              | 1.7  | 1.7  | 2.7     | 2.7   | 2.4   | 2.44      |

Source: Trade Data Montior: BICO Agricultural Products