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Prepared By: Sumio Aoki

Approved By: Stephanie Swinehart

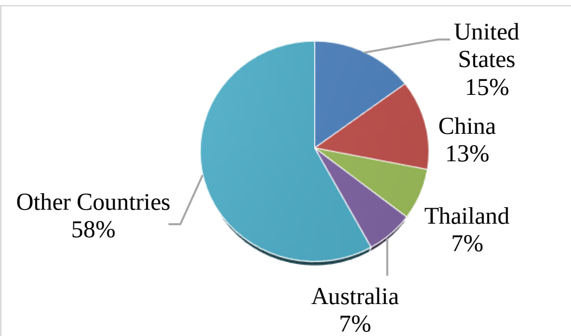
Report Highlights:

Japan's food processing sector contracted by 3 percent in 2025 to $174 billion, with growth in soft drinks, health foods, frozen foods, and shelf-stable products and declines in alcoholic beverages and dairy. These shifts create strong opportunities for U.S. ingredients, particularly in health-oriented, convenient, and value-added product segments. To compete effectively, U.S. exporters must differentiate on consistency, safety, quality, and branding, while maintaining close, long-term relationships with Japanese importers, manufacturers, and retailers.

Executive Summary:

The United States is the largest foreign supplier of food and agricultural products to an import-reliant Japan (15 percent of import market share)—the third largest single market for U.S. agricultural and related products in 2025 ($14.7 billion). On January 1, 2020, the U.S.-Japan Trade Agreement (USJTA) entered into force, providing preferential tariff access for many U.S. agricultural products. Japan's food industries are well-developed and innovative in all sectors, including, retail, food service, food processing, and distribution.

Consumer-Oriented Agricultural Imports



Top Exporting Countries to Japan, 2025
Source: Trade Data Monitor, LLC

Food Retail Industry: In 2024, the total value of all retail food and beverage sales was $193 billion. Supermarkets represent the bulk of the retail food sales at 45 percent and the convenience store sector accounts for approximately 28 percent of sales. Ready-to-eat meals or take-home foods represent an area of growth.

Food Processing Industry: In 2025, the $174 billion food processing industry produced a wide variety of foods: traditional Japanese, Western, and health-oriented foods for infants and the elderly. Food processors focus on maintaining market share among traditional product lines while developing creative and innovative food products to attract consumers.

Food Service Industry: In 2024, total sales of Japan's hotel, restaurant, and institutional food service industry increased by 16 percent, reaching $228 billion. The continued surge in international tourists contributed to increases in all categories within the hotel and restaurant industry.

Quick Facts CY 2025

Imports of Consumer-Oriented Products
(US $billion) $41.7

List of Top 10 Growth Products in Host Country

1) Meat	2) Condiments and Sauces
3) Processed Vegetables	4) Other Consumer- Oriented
5) Confectionery	6) Dairy (Cheeses)
7) Tree Nuts	8) Fresh Fruits
9) Processed Fruits	10) Egg & Egg Related

Food Industry by Channels (U.S. billion)

Retail Food Industry (2024)	$193
Food Service-HRI (2024)	$228
Food Processing	$174
Food and Agriculture Exports	$10.1

Top 10 Host Country Retailers (based on sales)

AEON	Valor Holdings
Seven & I Holdings	Life Corporation
Family Mart	USM Holdings
Lawson	Trial Holdings
Pan Pacific International Holdings	Yaoko Company

GDP/Population
Population *(million)*: 123.2
GDP *(billions USD)*: $4,280
GDP per capita *(USD)*: $34,713

Sources: *Trade Data Monitor, LLC, Japan Ministry of Finance, Japan Ministry of Economy, Trade and Industry, Japan Food Service Association, World Bank Group, International Monetary Fund, Nikkei News*

Strengths/Weaknesses/Opportunities/Threats

Strengths	***Weaknesses***
- U.S. products are in demand and remain trendy.	- The negotiating and decision-making process can take time.
Opportunities	***Challenges***
- With USJTA, nearly 90 percent of U.S. products are duty free or receive preferential tariff access.	- For products not covered in USJTA, many other suppliers enjoy tariff concessions through other FTAs.

Section I: Market Overview

In 2025, Japan's food processing sector experienced a 3 percent decrease in the value of food produced, at $174 billion. Growth was particularly strong in the soft drinks, juices, water category, wheat flour, health foods, tea coffee & cocoa, frozen foods, fish paste and canned & bottled foods segments (Chart 1). In contrast, production declined in categories such as alcoholic beverages and dairy. The continued depreciation of the Japanese yen increased the cost of imports, creating significant pricing pressure for Japanese buyers and foreign suppliers, including U.S. exporters. The following are key market developments and recent government initiatives:

- **Revision of the Basic Law on Food, Agriculture, and Rural Areas:**
  After 24 years, Japan revised its Basic Law on Food, Agriculture, and Rural Areas. The revision grants the government authority to instruct private farmers to increase or shift production to products deemed necessary.

- **Trends in Rice Consumption and Market Response:**
  According to industry sources, including Eat Japan, rice consumption in Japan declined in 2025. Both household and food service sectors reduced rice consumption, with many food service providers— including chain restaurants traditionally focused on rice bowls—substituting noodles for rice. Additionally, Mainichi Shinbun reported a notable shift in breakfast habits, with yogurt increasingly replacing rice. This reflects a broader, long-standing interest in yogurt and probiotics among Japanese consumers.

- **Enhanced Basic Plan for Food, Agriculture, and Rural Areas (1999):**
  The Ministry of Agriculture, Forestry and Fisheries' 2024 report outlines a new direction for the sector. The Basic Plan for Food, Agriculture, and Rural Areas, formulated under the Basic Act, serves as a medium- to long-term policy vision, guiding agricultural measures for the next decade. The new plan aims to ensure a stable food supply, promote agriculture's multifunctional roles, support sustainable development, and foster rural communities. It is revised approximately every five years to adapt to evolving circumstances.

Chart 1: Production Value of the Japanese Food Processing Industry

Food Category	Value in Billion Dollars (USD)			Percentage Change	Category Share
	2023	2024	2025		
Soft Drinks, Juices, Water	31.06	29.95	35.52	19%	20%
Alcoholic Beverages	24.39	25.87	22.59	-13%	13%
Wheat Flour	20.12	18.85	19.54	4%	11%
Confectionery	18.31	18.37	18.79	2%	11%
Dairy	22.28	25.87	16.41	-37%	9%
Fats, Oils, Seasonings	15.34	13.48	13.75	2%	8%
Processed Other Foods	8.52	8.32	8.01	-4%	5%
Health Foods	12.24	10.70	11.36	6%	7%
Tea, Coffee & Cocoa	6.63	6.50	6.74	4%	4%
Processed Meats	5.84	5.54	5.32	-4%	3%
Frozen Foods	5.71	5.24	5.46	4%	3%
Other Marine Products	3.82	3.81	3.87	2%	2%
Sugars	4.12	3.92	3.92	0%	2%
Fish Paste	2.03	1.77	1.83	3%	1%
Canned & Bottled Foods	1.24	0.94	0.98	4%	1%
Total	181.65	179.13	174.09	-3%	100%

Source: Shurui Shokuhin Tokei Geppo Feb. 2023, Feb. 2024, Feb.2025

***Note:** USD=JPY 149.632 for 2025 (Yearly average currency exchange rates | Internal Revenue Service)

Advantages	Challenges
The United States has a reputation as a reliable supplier of food inputs in terms of availability, volume, and delivery.	Consumers perceive domestic food production as safer or higher quality than overseas production.
U.S. manufacturers produce many specialties that are attractive to Japanese consumers.	Connecting to the appropriate purchasing authority can be difficult.
Consumers have an affinity for American culture/cuisine.	The cost of marketing and advertising can make it difficult to get product information to consumers.

Section II: Roadmap for Market Entry

Entering the Japanese market may take a considerable amount of time, especially for ingredient suppliers. Manufacturers frequently search for specific ingredients but may be unwilling to disclose new product development plans and have a reluctance to discuss product sourcing needs. Thus, it is critically important for U.S. ingredient suppliers to build relationships with potential manufacturing partners in order to be well positioned when new product needs arise. To capitalize on such sales opportunities, it is important to secure in-country representation. Therefore, building a relationship with a local importer is a crucial first step.

A. Entry Strategy

Regulations for ingredients and additives are generally strict, and exporters must ensure that products are permitted. As part of the product clearance and approval process, it is common that local processors and the Japanese government request specific information regarding product handling and composition. In addition, local manufacturers have a reputation for demanding high standards for product quality and consistency, while also having a reputation for working collaboratively with suppliers to develop long-term supply relationships. Although there are many detailed requirements, the Japanese market has enormous potential. Strategies for entering the market vary depending on product characteristics, competition, and the market environment. However, buyers in the food and beverage industry often prefer to find new products at trade shows, where they can explore many products in one location.
Therefore, participating in one of Japan’s many trade shows is highly recommended to learn about the market and meet with potential business partners. The largest food-related trade shows in Japan are the Supermarket Trade Show and FoodEx, which annually take place in February and March, respectively. Beginning in 2027, Supermarket Trade Show will be held in February and July separated by product categories.

To get started, companies interested in exporting should: 1) Ensure production capacity to commit to the market, 2) Ensure sufficient financial and non-financial (staff, time, etc.) resources to actively support exported product(s), 3) Evaluate whether the ability exists to tailor product packaging and ingredients to meet foreign import regulations, food safety standards, and cultural preferences, 4) Ensure knowledge necessary to ship overseas, such as being able to identify and select international freight forwarders, manage climate controls, and navigate export payment mechanisms, such as letters of credit, and 5) Research USDA cooperators or local State Regional Trade Groups (SRTG) by visiting the Getting Started section of the Foreign Agricultural Service webpage. These groups work closely with USDA to help food and agricultural companies advance their export goals.

Companies should also perform basic market research by determining the specific segment of the market their product will target; assessing potential demand by searching online resources, speaking with other firms experienced in the market, visiting Japan for market tours, or attending trade shows; and identifying the product's comparative advantages versus Japanese and other suppliers, factoring in transportation and modification costs. Potential customers must be convinced of the product's merits, such as price savings, high quality, high value, or more convenient packaging.

Once the general market, product, and regulatory information is collected, companies should begin the process of creating an export action plan. This can be a helpful tool for relaying product vision to distributors and buyers. The plan should have some flexibility as included elements may change after personal experience in the market or as more information is gathered.

This action plan should include:

- The company's story
- Product
- Product information
- Marketing plan
- Schedule
- Evaluation
- Goals and benchmarks, short/long-term
- Product modifications, if applicable
- Product packaging and handling, including Japanese language
- Resources to be committed
- Additional financing
- Potential importers and buyers

Companies should also visit Japan to explore opportunities first-hand or find an in-country representative. Face-to-face interactions are very important in Japan, where personal relationships are highly valued. Companies should vet their partners to ensure they have a good reputation and record of accomplishment.

When it comes to finding a buyer, trade shows are excellent tools for market research as well as for finding potential distributors. FAS updates the list of USDA-endorsed trade shows annually. Companies should contact their appropriate SRTG or USDA Cooperator to inquire about upcoming activities such as trade missions or showcases. For more information on trade shows in Japan, please read GAIN JA2020-0054.

B. Import Procedures

Once a company has established a foundation for exporting, they should determine whether the product is permissible by Japanese food regulations. The Exporter Guide and the Food and Agricultural Export Regulation Report (FAIRS), published by the USDA Japan offices contain much of the necessary information. For plant or animal health inquiries, local APHIS offices provide information. If the product contains meat or meat products, companies should reference the Food Safety Inspection Service Export Library. The Japan External Trade Organization (JETRO) Handbook for Agricultural and Fishery Products Import Regulations is also a helpful tool for reviewing Japanese food regulations to determine product compliance, local laws regarding additives, residue levels, and processing procedures, as well as regulations in terms of weight, size, and labeling.

C. Market Structure and Distribution Channels

The flowchart on the right demonstrates how imported products tend to enter and move through the traditional Japanese distribution system. Ingredient products will most likely be handled by an importer (who serves as a first-line wholesaler), a second-line wholesaler, and/or a retailer. An importer plays the following roles: import processing, financing, customs clearance, warehousing, and the preparation of order and shipping documentation.

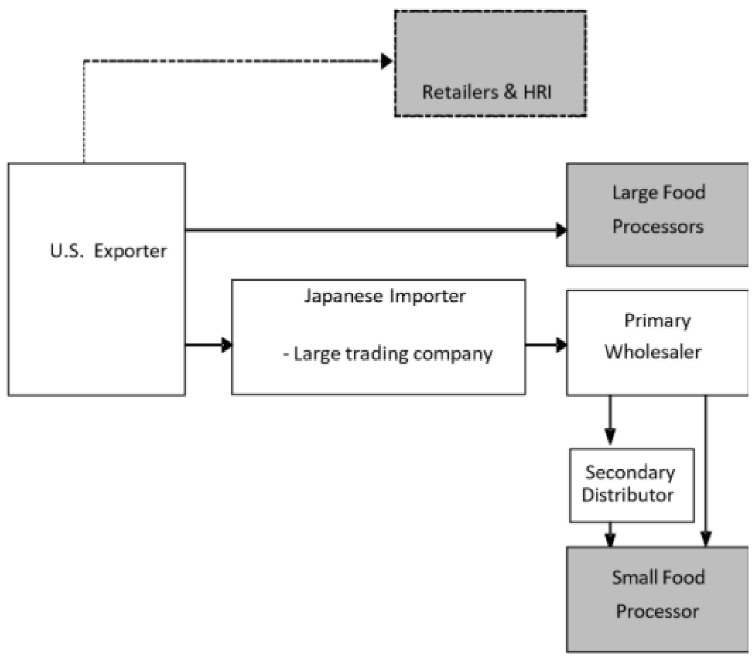


Chart 2 Flowchart of the Japanese Distribution System for Imported Products Source: FAS/Tokyo

Large food processors and retailers are increasingly purchasing sizeable quantities of products directly from trading companies.

D. Share of Major Segments in the Food Processing Industry

In 202, Japan was a major and often top-tier market for a wide range of U.S. agricultural products. In pork and pork products, U.S. exports to Japan totaled $1.2 billion, with Japan ranking as the second-largest importer and the United States holding roughly 40 percent of the market, the largest share among exporters. U.S. beef and beef product exports reached $1.7

billion, again making Japan the second-largest importer, while the United States is the second-largest supplier with about 40 percent of the market. Japan is also an important buyer of U.S. wheat, importing around $538 million and ranking fourth globally; the United States is the second-largest wheat supplier with a 38 percent share. For soybeans, Japan is the fourth-largest importer of U.S. product at roughly $1.1 billion, where the United States is the leading exporter with about two-thirds of the market. In dairy, Japan is the third-largest importer of U.S. products at about $558 million, with the United States ranking as the second-largest supplier at 20 percent market share. Corn is the largest single category, with U.S. exports to Japan totaling about $3.4 billion; Japan is the second-largest corn importer globally, and the United States is the dominant supplier with a 98 percent market share. Japan is also the top global importer of U.S. potatoes, buying about $466 million and accounting for 54 percent of global imports, while the United States is the leading exporter with 59 percent of that market. Finally, Japan ranks tenth among importers of U.S. tree nuts at about $411 million, where the United States is still the leading exporter, supplying just over half of Japan's tree nut imports.

E. Company Profiles & Company Products

- Kirin Holdings (Beverage, alcohol)
- Nippon Ham Foods Ltd. (Meats)
- Meiji Holdings Co., Ltd. (Daily beverage, confectionery)
- Ajinomoto Co., Inc. (Food and amino acids)
- Yamazaki Baking Co., Inc. (Bread and bakery products)
- Maruha Nichiro (Seafood)
- Itoham Foods Inc. (Ham and Sausage)
- Megmilk Snow Brand Co., Ltd. (Dairy products)
- Kewpie Corp. (Mayonnaise and Dressing)
- Asahi Group (Beverage, alcohol)
- Suntory Ltd. (Beverage, alcohol)

F. Sector Trends

Japan's food market continues to evolve, driven by several interrelated trends. Consumers are diversifying their diets and increasingly seeking convenient, prepared foods that fit busy lifestyles. At the same time, interest in health and functional foods is growing, with particular emphasis on products that address the needs of an aging population. To remain competitive in this environment, suppliers are looking for ways to reduce input costs, including the use of international processing options, to offer high-quality products at affordable prices.

Section III: Competition

Japan is a highly competitive market across major agricultural commodities and food products, with strong domestic production and multiple foreign suppliers competing directly with the United States. In meat, the United States faces significant competition from Canada, Spain, and especially Australia, which has built a strong position in beef. In grains and oilseeds, Canada, Australia, Brazil, and Canada (for soybeans) all actively compete on quality, reliability, and price, and have long-standing relationships with Japanese buyers. In processed products such as frozen potatoes and value-added items, European and Asian suppliers, including China, Malaysia, Belgium, and the Netherlands, offer alternative sources that challenge U.S. market share. The tree nut market also faces competition from China, Vietnam, and India, which are increasingly active in Japan. Taken together, this competitive landscape requires U.S. exporters to differentiate on consistency, safety, quality, and branding, while maintaining close relationships with Japanese importers, manufacturers, and retailers to defend and grow their position.

Section IV: Best Product Prospects

For the implementation of U.S. Japan Trade Agreement (USJTA), USDA Japan published one-page fact sheets to highlight key product categories that received preferential tariff treatment. More information on tariff treatments may be found at USDAJapan.org.

Products Present in the Market which have Good Sales

Wheat & Wheat Products: U.S. food wheat is a key ingredient in Japanese bakery and noodle production. The USJTA provides tariff parity with competing food wheat suppliers such as Australia and Canada.

Tree Nuts & Peanuts: Tree nuts are increasing in popularity, especially in the convenience health snack sector. Almonds, walnuts, pecans, and peanuts, in plain, roasted, and salted forms, are common in single-serve snack packaging at convenience stores across Japan.

Cheese Products: Consumers are taking advantage of expanded retail options in supermarkets. Popular processed products include sliced cheese, cheese sticks, and bite-sized cheese wedges.

Pork & Pork Products: Japan imports around 50 percent of its pork supply. Pork is one of the most popular protein choices for Japanese households and ground seasoned pork (GSP) is a key ingredient for domestic sausage manufacturers.

Potential Products Not Present in Market but which have Good Sales

Frozen bread: These products are in demand, but these are difficult to package and ship in their frozen state.

Potential Product Not Present Because They Face Significant Barriers

Cherry plums: These products currently face barriers to trade because of fumigation requirements. There are significant costs for suppliers attempting small shipment volumes.

Organic strawberries: These products require fumigation. Following fumigation, the product's shelf life is limited and cannot be distributed as organic produce.

Peaches: Peaches are the only stone fruit without market access into Japan.

Section V: Key Contacts and Further Information

Reports from USDA Japan, including the Agricultural Trade Offices and the Office of Agricultural Affairs, are frequently updated and can be found on the Market Research page.

Additional helpful resources include:

Organization	Link
Japan Food Sanitation Law	Food Sanitation Act - Japanese/English - Japanese Law Translation
Specifications and Standards for Foods, Food Additives, etc. under the Food Sanitation Law	Food Additives｜Ministry of Health, Labour and Welfare｜厚生労働省
Ministry of Health, Labor and Welfare Imported Food Safety	Imported Food Safety ｜Ministry of Health, Labour and Welfare｜厚生労働省
United States laboratories approved by the Japanese Government	外国公的検査機関一覧について ｜厚生労働省
Japan External Trade Organization (JETRO) Japanese market and regulations	https://www.jetro.go.jp/en/reports/

ATO Tokyo
U.S. Embassy
1-10-5, Akasaka, Minato-ku
Tokyo 107-8420
atotokyo@usda.gov

Phone: 81-3-3224-5115
Fax: 81-3-3582-6429

ATO Osaka
American Consulate General
2-11-5, Nishi Tenma, Kita-ku
Osaka City, Osaka 530-8543
atoosaka@usda.gov

Phone: 81-6-6315-5904
Fax: 81-6-6315-5906

http://www.fas.usda.gov

Attachments:

No Attachments