Bakery Products, Noodles & Pasta: Pasta

July 10, 2017

~ Organic and Gluten-free Products are Attracting Attention ~

Domestic pasta supply between January and December 2016 reached about 278,000 tons. It has ranged between 275,000 and 290,000 tons for the last few years. Imported volume was 133,823 tons for spaghetti alone, rising to 145,021 when macaroni and other types are included. That accounted for over 52% of the market, the first time imports surpassed domestic production. Among imports, the long-established Italian suppliers are being chased by new Turkish sources.

Movements in domestic production, imports, and exports etc. of pasta

Unit: Ton, Year on year % / Japan Pasta Association

Year	Domestic Production Volume				Import Volume						Export Volume		Domestic Supply Volume		E=B/D Import Item Share
	Spaghetti	Macaroni	A Total	Year on Year	With egg	Spaghetti	Macaroni	B Total	Year on Year	CIF Price JPY / kg	C Total	Year on Year	D=A+B+C Total	Year on Year	
2001	115,635	28,106	143,741	95.7	623	85,813	6,235	92,671	97.4	103.5	315	83.8	236,097	96.4	39.3
2002	121,329	26,514	147,843	102.9	551	91,974	8,891	101,416	109.4	106.0	255	81.0	249,004	105.5	40.7
2003	121,878	26,559	148,437	100.4	1,265	97,480	9,009	107,754	106.2	112.4	409	160.4	255,782	102.7	42.1
2004	124,108	26,377	150,485	101.4	908	99,928	10,682	111,518	103.5	113.5	328	80.2	261,675	102.3	42.6
2005	128,848	25,897	154,745	102.8	1,335	98,268	10,001	109,604	98.3	114.6	1,054	321.3	263,295	100.6	41.6
2006	135,101	25,975	161,076	104.1	634	99,338	9,816	109,788	100.2	119.2	1,195	113.4	269,669	102.4	40.7
2007	138,632	24,855	163,487	101.5	453	94,851	9,106	104,410	96.1	133.5	1,150	96.2	266,747	98.9	39.1
2008	133,291	25,289	158,580	97.0	571	117,155	9,529	127,255	121.9	175.7	743	64.6	285,092	106.9	44.6
2009	124,230	25,621	149,851	94.5	401	105,962	10,051	116,414	91.5	137.4	821	110.5	265,444	93.1	43.9
2010	129,557	25,662	155,219	103.6	333	110,503	9,816	120,652	103.6	113.3	769	93.7	275,102	103.6	43.9
2011	132,100	28,351	160,451	103.4	370	123,449	10,649	134,468	111.5	108.1	607	78.9	294,312	107.0	45.7
2012	119,367	28,599	147,966	92.2	411	130,768	11,156	142,335	105.9	106.0	598	98.5	289,703	98.4	49.1
2013	126,836	23,900	150,736	101.9	373	123,012	9,215	132,600	93.2	129.0	573	95.8	282,763	97.6	46.9
2014	128,829	25,938	154,767	102.7	326	122,398	10,291	133,015	100.3	132.6	570	99.5	287,212	101.6	46.3
2015	119,441	25,290	144,731	93.5	330	120,635	11,022	131,987	99.2	147.1	553	97.0	276,165	96.2	47.8
2016	108,874	24,949	133,823	92.5	306	133,186	11,529	145,021	109.9	128.1	549	99.3	278,295	100.8	52.1
Year on Year	91.2	98.7	92.5	-	92.7	110.4	104.6	109.9	-	87.1	99.3	-	100.8	-	-

Source: Shokuryo Jokai Newspaper.

Imports have surpassed domestic production because of a global realignment in the production locations of major domestic producers, with Nisshin Foods stopping part of their production at their Kobe factory and stepping up imports from their factory in Turkey. Turkey is a major production region for durum wheat, and Nissin Foods appear to be accelerating the pace of their shipments again in 2017, mainly of products from their local factory. Among imported products in 2016, Italy was top with 68,098 tons, up slightly on the preceding year, while second-placed Turkey was up by around 40%, to 49,460 tons.

	Country	Volume (ton)	Value (JPY)
1	Italy	68,098.6	9,672,805,000
2	Turkey	49,460.8	5,173,389,000
3	USA	20,236.8	3,131,186,000
4	Greece	3,746.4	317,852,000
5	UAE	1,395.0	115,424,000
6	Tunisia	1,183.9	99,406,000
7	Latvia	534.4	41,813,000
8	Oman	169.0	10,326,000
9	Egypt	115.5	7,803,000
10	Germany	32.0	10,166,000
11	Brazil	16.8	3,325,000
12	Romania	12.4	2,189,000
13	Hong Kong	10.8	4,976,000
14	France	10.2	2,782,000
15	Portugal	9.0	989,000
16	Russia	6.3	658,000
17	India	2.7	426,000
18	China	1.4	326,000
19	Singapore	1.0	422,000
20	Australia	0.9	530,000
21	Spain	0.7	241,000

Sources: Prepared from Trade Statistics of Japan

Third-placed America suffered almost a double-digit decline to 20,236 tons. Another characteristic is that the number of countries exporting pasta to Japan is growing, although their volumes are small. Most notably, there are imports from Oman, Russia, Romania, and Egypt.

The domestic Japanese pasta industry serves the basic demand from the large number of households that cook pasta at home, with keywords such as “quick, saving, economy, and genuine”. The industry is looking to develop new consumption with product lineups to meet home cooking needs, and with serving suggestions. The quick-boiling pasta types in particular, which mainly cook in 1.5 to 3 minutes, are growing with increasing speed, boosted by the need for time-saving cooking. Single-serving spaghetti bunches are also spreading rapidly.

From Nisshin Seifun Group website

Organic and gluten-free products are attracting attention. A growing range of pasta types use organic wheat, heirloom wheat varieties, and rice or maize. Some are sold in discount stores and expanding sales from EC sites are reported. This is not a big market yet, but it is expanding slowly but steadily.

Businesses handling domestic pasta and those handling imported pasta are all keeping close eyes on developments related to EPAs between Japan and the EU, and between Japan and Turkey. If agreements were concluded that lowered tariffs to levels on a par with the TPP, tariff rates on Italian and Turkish pasta would be reduced gradually. Total domestic demand for pasta was 278,000 tons in 2016 with nearly 120,000 tons coming from just Italy and Turkey, so if EPAs with the EU and Turkey reached the same levels as the TPP, there could be a major impact on the Japanese domestic pasta market. Future developments will be watched closely.