

Kyokuyo Joins Maruha to End Whale Meat Sales in Japan (Update1)

By Stuart Biggs

May 30 (Bloomberg) -- Kyokuyo Co. of Japan, a whale meat trader since the 1930s, will join Maruha Group Inc. in ending sales of the meat after pressure from environment groups in the U.S., a growing market for their other seafood products.

Japan's whale industry has now lost the three biggest traders of the mammal as Nippon Suisan Kaisha Ltd. withdrew from the market in March last year following an Environmental Investigation Agency report that linked a U.S. subsidiary, Gorton's Inc., to the whale trade. Gorton's supplies McDonald's Corp. with seafood for its "Filet-O-Fish" sandwiches.

Kyokuyo, Japan's fourth-largest fish processor, said on April 16 it would stop trading whale meat, six days after the Environmental Agency sent a report to Kyokuyo's partner, New Jersey-based True World Foods. The report, "Raw Deal: Kyokuyo, True World Foods and Japan's Whale Hunts," details the company's role in whaling.

"Kyokuyo issued a public statement after the environmental group's report," Yasuaki Nyuya, a Tokyo-based Kyokuyo spokesman, said in a telephone interview on May 25. "However, we had already made the decision before the report."

Maruha, the world's largest seafood company, stopped selling whale meat last year "partly in response to complaints" from environmental groups, Takeo Susukida, a manager in the company's public relations department in Tokyo, said on May 28. Maruha's total sales of seafood reached 738 billion yen (\$6 billion) last year.

Whale Concerns

The International Whaling Commission banned commercial whaling in 1986 amid concern the humpback and other species had been hunted to the brink of extinction.

Japan angered environmental groups and some other members of the IWC when it started killing whales the following year for what it says is research to ascertain stocks are recovering. Environmental groups say the practice is commercial whaling under the guise of science.

Japan's Fisheries Agency has repeatedly rejected that allegation and will seek to get the ban on commercial hunting overturned this week at the annual meeting of the International Whaling Commission in Anchorage, Alaska.

Pressure on Kyokuyo probably came from True World Foods, said Allan Thornton, president of the Washington-based Environmental Investigation Agency. True World didn't return five phone calls by Bloomberg on May 24 and May 25 to ask whether the company asked Kyokuyo to stop sales of whale meat.

Selling Sushi

Kyokuyo announced its decision to end whale meat trading on a Web site created for the purpose by its Seattle-based subsidiary Kyokuyo America Corp. on April 16, the subsidiary's President Hiroyuki Aoki said by telephone on May 25.

True World Foods agreed last year to sell Kyokuyo's Polar Seas brand of frozen sushi to more than 6,000 U.S. supermarkets and restaurants.

The Environmental Agency report documented Tokyo-based Kyokuyo's sales to Japanese consumers of whale meat, which it buys from the government's annual research whaling expeditions.

Kyokuyo's Nyuya confirmed the source of the whale meat, which is called research byproduct, during a telephone interview last month.

Faced with declining fish consumption in Japan, Maruha, Nippon Suisan and Kyokuyo have been expanding overseas.

Maruha sales in the U.S. grew an average 16 percent in the last two years, while Nippon Suisan averaged 17 percent growth, data on Bloomberg shows.

Expanding Overseas

Kyokuyo, which doesn't break down its operations by country, emphasized overseas sales in its annual report.

``As long as Japanese companies limited themselves to Japan, it was impossible for us to make them accountable for their actions," Thornton said. ``Now they are building their brands overseas they have to be mindful of a new set of consumers."

Thornton said market research is needed to prove that whale meat sold in Japan no longer comes from the companies or their subsidiaries.

Kyokuyo's Nyuya declined to comment when asked whether the company, or its subsidiaries, would buy whale meat again.

Cans of sei whale meat, listed on the International Conservation Union's red list of threatened species, sold by Maruha's wholly owned subsidiary Taiyo A&F Co. is available on the Internet priced at 7,800 yen (\$60) for a box of 18.

Maruha's Susukida said the cans were likely leftover from before the company's decision to stop sales of whale meat.

Nippon Suisan, Kyokuyo and Maruha gave their shares in Kyodo Senpaku Kaisha Ltd., the company which conducts annual research expeditions to kill whales in the Southern and Pacific oceans, to the Japanese government in March 2006.

Nippon Suisan said its decision was based on commercial reasons, Japanese media reported at the time.

Japan plans to kill 1,325 whales next year under its scientific research program. The meat is sold throughout Japan.

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