

The JFTC Issued a Cease and Desist Order against the Kumamoto Prefectural Federation of Fisheries Cooperative

May 15, 2024

Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) issued a cease and desist order against the Kumamoto Prefectural Federation of Fisheries Cooperative (Federation) pursuant to the provisions of the Antimonopoly Act (Act). In this case, the Federation violated the provisions of Article 19 of the Act (Trading on Exclusive Terms, Paragraph 12 (Trading on Restrictive Term)) by restricting the sale of dried seaweed.

Within the jurisdiction of the Federation, its member fishery cooperatives are the only ones who have the demarcated fishery right for farmed seaweed. Therefore, producers of dried seaweed are not able to farm seaweed without the approval of the fishery cooperatives. Moreover, joint sales, which is operated by the Federation along with fishery cooperatives, is the vital sales channel for dried seaweed producers. On the other hand, some of the producers want to sell their dried seaweed via different ways in addition to the conventional joint sales.

The JFTC found that the Federation restricts the sale of dried seaweed which is not via joint sales, in following ways.

- (1) The Federation requests the dried seaweed producers to agree in written pledge to the conditions under which they would ship all the dried seaweed to the fishery cooperatives when they use joint sales. As a result, the Federation makes the producers to ship all the amount of their dried seaweed to the joint sales.
- (2) The Federation had allowed the designated trading companies to purchase dried seaweed in the joint sales under the condition not to purchase any dried seaweed directly from the producers.

*This announcement is a tentative translation. Please refer to the original text written in Japanese for more details.