Fish sold in Japan’s sushi restaurants and shipped overseas have a lower risk of nuclear contamination than leafy vegetables because radiation is diluted in seawater, according to the Agriculture Ministry.

Tokyo Electric Power Co. detected cobalt, iodine and cesium in the sea near water outlets from reactors at its stricken Fukushima Dai-Ichi nuclear plant this week. The government has restricted shipments of milk, spinach and other vegetables in Fukushima and neighboring prefectures as radiation from the damaged reactors contaminated agricultural products.

Sushi restaurants and hotels, including Shangri-La Asia’s luxury chain and London’s Zuma and Roka restaurants, have dropped Japanese seafood from their menus because of radiation fears. Global fishing companies such as Hong Kong’s Pacific Andes International Holdings Ltd. (1174) could benefit from increased demand to replace Japanese produce.

“We don’t see fish at a high risk of contamination because of radiation dilution,” Yasuo Sasaki, senior press counselor at the Ministry of Agriculture, Forestry and Fisheries, said today. “Fishing in the northeastern prefectures of Fukushima, Miyagi and Iwate has been suspended since the quake, lowering the risk that tainted fish will be in the market.”

Japan exported 565,295 metric tons of fish and other marine products worth 195 billion yen ($2.41 billion) last year. Of the total, mackerel represented 120,416 tons, while tuna accounted for 79,767 tons. The nation’s total output of marine products amounted to 5.43 million tons in 2009, according to the ministry.

Curbs Widened

Curbs on Japanese food have widened as Australia and Singapore joined the U.S. and Hong Kong in limiting imports from Japan after elevated radiation levels were found outside an evacuation radius around the nuclear plant. Indonesia will temporarily stop importing fish and other marine products from Japan over radiation concerns, Investor Daily Indonesia reported, citing Maritime and Fisheries Minister Fadel Muhammad.

“It is up to the government of each country whether they will restrict imports from Japan,” Sasaki said. “We will respect their decisions as long as they are considered as reasonable under international
guidelines.”

Testing Fish

Japan’s health ministry asked each prefectural governor last week to start testing of agricultural and marine food products for possible contamination, as the nation struggles to stem pollution from the Fukushima plant.

The ministry has tentatively set tolerable levels of radioactivity for each product. For fish, the level is set at 500 becquerels per kilogram of radioactive cesium and 100 becquerels per kilogram of uranium. Japan’s Food Safety Commission is assessing the tentative standards for possible revision as early as next week.

“We have not received any test results showing fish contaminated by more-than-acceptable levels of radioactivity,” Taiju Abe at the ministry’s inspection and safety division said today by phone. “I believe prefectural governments are putting priority on testing vegetables as they are at the highest risk for contamination through the air and rain.”

Quake-hit prefectures such as Miyagi have yet to start food testing, and the ministry couldn’t immediately confirm if fish is being tested by local governments, he said.

Fishing Companies

The magnitude-9.0 earthquake and tsunami destroyed fishing boats and ports on the Pacific coast in the northern and eastern prefectures of Aomori, Iwate, Miyagi, Fukushima, Ibaraki and Chiba. Fish in the region represent about 20 percent of Japan’s total output, said Shizuya Eguchi at the fisheries processing industries and marketing division of the agriculture ministry.

Fishing companies such as Pacific Andes International Holdings and Norway’s Marine Harvest ASA (MHG), Cermaq ASA (CEQ) and Salmar ASA (SALM) may benefit from increased demand as radiation fears may weaken consumer appetite for Japanese fish.

Japan consumes about 9 million tons of seafood a year, second behind China, according to the website of the Sea Around Us Project, a collaboration between the University of British Columbia and the Pew Environment Group.

Engineers at Japan’s damaged nuclear plant resumed work today on reconnecting power as Tokyo authorities prepared to hand out bottled water to families after determining that tap water may be unsafe for babies.

Restoring power is key to ending a nuclear crisis sparked by the earthquake and tsunami, including radiation leakage into the sea and air. Revelations of contamination in water and food have triggered bulk buying at supermarkets even as the government said the health risks are minimal.