



Foreign Agricultural Service

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## **Japan**

## **Avocado**

## **Avocado Annual Report**

## **1999**

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### **Report Highlights:**

**Japanese imports of U.S. avocados continue to decline as most buyers have switched to lower-cost Mexican product year-round. 1999 imports of U.S. avocados (through October) totaled just 118 tons, the lowest level since 1980, accounting for just 2 percent of total imports. In 1998, imports from Mexico jumped to 8,617 tons, almost double sales in 1997.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Tokyo[JA1], JA

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## **Consumption**

Japanese consumption of fresh avocados depends entirely on imports, since there is no domestic production. Fresh avocado consumption has been increasing ever since being introduced in Japan in the early 1980's, with an average sales of 7,000 - 8,000 metric tons annually for the last several years. Consumption so far in 1999 (through October) totals more than 5,770 metric tons, down slightly from last year.

Avocados are mainly consumed in the major cities of Tokyo, Osaka and Nagoya, with product awareness of avocados still comparatively low in regional markets. Hass is the only avocado variety marketed in Japan and available year-round. The majority of avocados are marketed through retail outlets for home consumption. Food service use remains less developed and but continues to offer strong potential for growth.

## **Trade**

The United States and Mexico are the sole avocado suppliers to Japan. Lately, the U.S. share in the Japanese avocado market has been declining dramatically, falling to less than 2 percent of the total so far in 1999. Through October, 1999 Japanese imports of U.S. avocados totaled just 118 tons (less than \$500,000), down from 437 tons in calendar year 1998, 1,604 in 1997, and 2,608 in 1996.

Traders say declining U.S. share over time is due largely to improved quality and price competitiveness of Mexican product. In the past, Mexican avocados did not compete head on with U.S. product in Japan when California's high quality (with high oil content of the fruit) avocados are available from May through July. Lately, Mexican avocados have been available in the Japanese market year-round. Import prices of Mexican avocados are significantly lower than the prices of U.S. products. The CIF price of Mexican avocados averaged \$2.68 /kilogram in 1999 (January-October), while price of U.S. product averaged \$4.76 /kilogram. Traders expect continued growth in Mexico's share of the Japanese avocado market.

## **Marketing**

The Japanese food service market for avocados is less developed, however the potential for growth remains strong. Japanese traders are focusing on menu presentations of health-oriented avocado dishes in family restaurants and fast food outlets. The California Avocado Commission promoted California avocado smoothie drinks at Tokyo's sport café. The Commission also promoted California avocados with various avocado cuisines at Tokyo's family restaurants, emphasizing avocado's health benefits.

The majority of avocados distributed in Japan are of the 24-per-flat size, with the remainder being 30's. The current wholesale prices for Mexican 24's averaged 2,000 yen (\$19.23) per tray (6.4 kilograms per tray), with retail prices are ranging 100 - 128 yen (96 cents - \$1.23) per fruit. The wholesale prices of Californian avocados were considerably higher than Mexican fruit, but many supermarkets sold Californian avocados at competitive prices with Mexican avocados.

## **Policy**

Avocados imported from the United States and other industrialized WTO members face a 3.5 percent ad valorem tariff, CIF basis. Avocados from Mexico and other countries receiving Generalized System of Preferential (GSP) tariff treatment are charged a 3.0 percent ad valorem duty, CIF basis.

## PS&amp;D Tables and Trade Matrices

## Fresh Avocado PS&amp;D Table

PSD Table						
Country	Japan					
Commodity	Fresh Avocados				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	6039	0	8100	8604	0	7000
TOTAL SUPPLY	6039	0	8100	8604	0	7000
Exports	0	0	0	0	0	0
Fresh Dom. Consumption	6039	0	8100	8604	0	7000
Processing Consumption	0	0	0	0	0	0
TOTAL DISTRIBUTION	6039	0	8100	8604	0	7000

**Fresh Avocado Import Trade Matrix**

Import Trade Matrix			
Country	Japan		
Commodity	Fresh Avocados		
Time period	Jan.-Dec.	Units:	Metric Tons
Imports for:	1997		1998
U.S.	1624	U.S.	437
Others		Others	
Mexico	4415	Mexico	8167
Total for Others	4415		8167
Others not Listed	0		0
Grand Total	6039		8604