



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 3/22/2000

GAIN Report #JA0032

Japan

Strawberry

Annual

2000

Approved by:

Michael D. Woolsey

U.S. Embassy

Prepared by:

Kenzo Ito

Report Highlights:

Modest growth in U.S. fresh and frozen strawberry imports is expected this year, to 5,000 and 30,000 tons, respectively. While still accounting for a small share of total fresh consumption, higher shipments of U.S. fresh strawberries through retailers is expected as buyers seek to complement domestic purchases in order to offer year-round supply.

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

Table of Contents

Summary	1
U.S. Fresh Strawberries See a Good Market Potential in Summer and Fall.	1
Frozen Strawberries from the United States is Expected a Modest Increase in 2000. .	1
The GOJ Import Duty for Strawberry Continues to Decline in 2000.	2
PS&D Tables and Trade Matrices	3
Fresh Strawberry PS&D Table	3
Frozen Strawberry PS&D Table	4
Fresh Strawberry Import Trade Matrix	5
Frozen Strawberry Import Trade Matrix	6
Fresh Strawberry Wholesale Price Table	7

Summary

U.S. strawberries for both fresh and frozen products have a good quality reputation among Japanese traders and sales continue to expand in the Japan's fresh produce and food processing sectors. Retail sales of U.S. fresh strawberries are expected to grow as Japanese chains continue to boost sales promotions of U.S. fresh berries in summer and fall when domestic berries are not available in the market. Meanwhile, frozen strawberries from the United States have established a firm foothold in the Japanese jam and dairy product manufacturing sectors.

Good Market Potential for U.S. Fresh Strawberries in Summer and Fall

"Japanese consumers want to taste fresh strawberries all year round," says a fresh produce buyer at Tokyo's supermarket. However, Japanese strawberries are only available from December through May, so demand for U.S. fresh strawberries in the Japanese market is greatest when domestic berries disappear from the market in summer and fall. Traditionally, U.S. fresh strawberries have largely been consumed at Japan's confectionery industry (approximately 70 percent of U.S. imports) as cake decorations, but lately Japanese retailers have increased marketing of U.S. fresh berries for home consumption for use in salad mixes, cut fruit mixes, fruit juices, etc. Japan's hotels and restaurants are also developing new menus in seafood and Italian cuisines with U.S. fresh strawberries. Tokyo's coffee shop chain stores have successfully been marketing U.S. strawberry based pastries, custard pies, scones and fruit juices.

The Japanese domestic strawberry production for the 1999-2000 season is expected to be unchanged at 180,000 metric tons, and demand for U.S. strawberry is expected to be bright at roughly 4,500 metric tons with the peak demand in summer and fall. U.S. fresh strawberries are normally packed in clam shell plastic containers and retailed at 498 yen (\$4.65) and 398 yen (\$3.71) for a 280 and 200 gram packs, respectively.

Modest Increase in Imports of U.S. Frozen Strawberries Expected in 2000

Japanese imports of frozen strawberries are expected to grow modestly in 2000, at an estimated 30,000 metric tons, according to Tokyo traders. Japanese food processors depend heavily on imports, since very little of Japanese fresh strawberries are destined for freezing. Japanese market opportunities for U.S. supplies of frozen strawberries are bright with the reputation of U.S.'s top quality products, especially processed under U.S.'s high sanitation standard. Variety changes of U.S. supplies from Chandler to Camarosa took place successfully in the Japanese market and Japanese processors and consumers start accepting the new variety.

The majority of U.S. frozen strawberries have gone to Japan's jam manufacturing sector, but lately dairy processors and restaurant operators have focused in developing value added products with frozen strawberries such as fruit juices, pastries, strawberry smoothie and strawberry yogurt. U.S. shares the largest market in Japan, but competitors from China, Korea and Mexico have been slowly but steadily increasing their shipments to the Japanese market. Average import price of U.S. product in the 1999 season was \$2.06 per kilogram. While, average prices of the product from China, Korea and Mexico were \$1.07, \$1.48 and \$1.54 per kilogram, respectively.

The GOJ Import Duty for Strawberries to Continue Decline in 2000

There are no outstanding policy issues with respect to imports of strawberries. The GOJ import duty for fresh strawberry (HS code: 0810.10-000) is presently 6.7 percent, CIF basis, and is scheduled to reduce to 6.0 percent after April 1, 2000 under the WTO Uruguay Round Agreement.

The import duties for frozen strawberries are presently 10.7 percent and 13.3 percent, CIF basis, for added sugar (HS code: 0811.10-100) and no added sugar (HS code: 0811.10-200), respectively. The duties are scheduled to reduce to 9.6 percent and 12.0 percent, CIF basis, for added sugar and no added sugar, respectively, after April 1, 2000.

PS&D Tables and Trade Matrices

Fresh Strawberry PS&D Table

PSD Table						
Country	Japan					
Commodity	Fresh Strawberries				(HA)(MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Area Planted	7600	7800	7400	7650	0	7500
Area Harvested	7600	7800	7400	7650	0	7500
TOTAL Production	199000	200000	198000	181100	0	180000
Imports, Fresh	4694	4694	5000	4721	0	5000
TOTAL SUPPLY	203694	204694	203000	185821	0	185000
Exports, Fresh	3	3	5	0	0	0
Domestic Fresh Market	199491	202091	199395	183521	0	182700
For Processing	4200	2600	3600	2300	0	2300
TOTAL UTILIZATION	203694	204694	203000	185821	0	185000

Frozen Strawberry PS&D Table

PSD Table						
Country	Japan					
Commodity	Frozen Strawberries				(MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Deliv. To Processors	4200	2600	3600	2300	0	2300
Beginning Stocks	0	0	0	0	0	0
Production	630	390	550	350	0	350
Imports	25221	25221	25500	29932	0	30000
TOTAL SUPPLY	25851	25611	26050	30282	0	30350
Exports	0	0	0	0	0	0
Domestic Consumption	25851	25611	26050	30282	0	30350
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	25851	25611	26050	30282	0	30350

Fresh Strawberry Import Trade Matrix

Import Trade Matrix			
Country	Japan		
Commodity	Fresh Strawberries		
Time period	Oct.-Sept.	Units:	Metric Ton
Imports for:	1997		1998
U.S.	4406	U.S.	4038
Others		Others	
Korean Rep.	145	Korean Rep.	511
New Zealand	143	New Zealand	171
Total for Others	288		682
Others not Listed			
Grand Total	4694		4720

Frozen Strawberry Import Trade Matrix

Import Trade Matrix			
Country	Japan		
Commodity	Frozen Strawberries		
Time period	Oct.-Sept.	Units:	Metric Ton
Imports for:	1997		1998
U.S.	12223	U.S.	13026
Others		Others	
China	7592	China	9528
Korean Rep.	2223	Korean Rep.	3729
Mexico	1122	Mexico	1854
Thailand	1046	Chile	834
Chile	658	Thailand	743
Poland	257		
Total for Others	12898		16688
Others not Listed	100		218
Grand Total	25221		29932

Fresh Strawberry Wholesale Price Table

Prices Table			
Country	Japan		
Commodity	Fresh Strawberries		
Prices in	Yen	per uom	KG
Year	1998	1999	% Change
Jan	1280	1417	10.70%
Feb	1233	1110	-9.98%
Mar	1287	944	-26.65%
Apr	730	882	20.82%
May	809	840	3.83%
Jun	982	852	-13.24%
Jul	1918	1501	-21.74%
Aug	1984	2383	20.11%
Sep	2133	2412	13.08%
Oct	2310	2498	8.14%
Nov	1471	2009	36.57%
Dec	1488	2098	40.99%
Exchange Rate	106.1	Local currency/US \$	