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**Report Highlights:** The U.S. maintained its market share of Japan's rice imports in JFY 2002 at 47.4 percent. Japan finalized a rice policy reform proposal which, if implemented as planned, could increase the efficiency of Japanese farmers and reduce prices. Food corn imports, however, may be reduced for 2003 due to a positive test for Starlink in U.S. shipments last December. BSE's impact on feed demand has been minimal, and should stabilize further as the livestock industry is returning to normal.

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## RICE

### Over-supply Situation Remains and New Rice Policy Announced

In 2002, total rice production fell 1.9 percent from the previous year to 8.889 million metric tons (brown/unmilled basis), mainly due to a reduction in total harvested area of 1.1 percent to 1.688 million hectares. These reductions were a result of the continuation of the Ministry of Agriculture, Forestry and Fisheries' (MAFF) aggressive rice production adjustment program which also succeeded in reducing stocks from 2.1 million metric tons, of brown, rice in October 2001 to 2.0 million metric tons for the same time period. In 2003, MAFF will continue to use its production adjustment program, targeting a total of 855,000 metric tons of production where over one million hectares, about 40 percent of Japan's total potential rice paddy land, are set aside for crop diversion and "green cut" (cutting of rice before harvest and abandoning the crop).

Despite the best efforts of the government to reduce the surplus stock, only marginal gains have been made due to continued over-supply and stagnant consumption. In response, in December 2002, MAFF announced fundamental changes in the current rice crop management system. A major component of the proposed measure will be the abolition of government control of rice production by fiscal 2008, as well as subsidy reforms to help develop large-scale farmers. MAFF intends to make Japanese rice production more market-oriented by turning responsibility for managing supplies over to co-ops and independent farmers. (Refer to GAIN Report #JA3012, *Japan's Proposed Rice Reforms*)

Under the reform, subsidies will shift to larger producers. In addition, older, less efficient producers are expected to retire, which will in turn facilitate larger scale production. MAFF forecasts that by 2010 the number of farming households will decline by 17-29%, and that 60% of land under rice production will be farmed by farmers with an average of 14 hectares.

In the short-term, however, the reforms could increase the amount of surplus rice as supply management is turned over to the private sector. Most observers, therefore, believe that the increased supplies will cause rice prices to fall further.

Since the reforms do not address import policies, there is expected to be little direct impact on rice trade and border policies. In addition, Japan is expected to remain well within its WTO ceiling for domestic supports, and is even expected to reduce "blue box" expenditures by shifting production linked subsidies to direct payments and loan-rate type measures.

### Japan's Rice Production (Brown Basis)

	Planted Area (1,000 hectares)			Production (1,000 metric tons)			Yield/10 Ares (kilograms)	
	Total	Paddy	Upland	Total	Paddy	Upland	Paddy	Upland
1998	1,801	1,793	8	8,960	8,939	20	499	256

1999	1,788	1,780	7	9,175	9,159	16	515	214
2000	1,770	1,763	7	9,490	9,474	18	537	256
2001	1,706	1,700	6	9,057	9,048	9	532	144
2002	1,688	1,683	5	8,889	8,876	13	527	225

Source: MAFF

### Rice Consumption Keeps Dropping

According to MAFF's latest "Food Balance Sheet", average annual per capita consumption of rice in 2001 dropped 1.5 percent from the previous year. Japanese rice consumption dropped consistently for many years as the average Japanese diversified their eating habits by adopting western and convenience foods.

#### Annual Per Capita Consumption of Rice in Japan (Kilograms)

1985	1996	1997	1998	1999	2000	2001	2002*
74.6	67.3	66.7	65.2	65.1	64.6	63.6	63.0

\* AgOffice/Tokyo estimate

Source: MAFF

This downward trend of traditional rice consumption is likely to continue as the younger generation prefers to spend less time washing, steaming, and cooking rice. With a wide variety of carbohydrate choices such as pasta and bread, along with increased protein orientation, rice is no longer a must with every meal. Subsequently, household expenditures on rice have declined. The average Japanese household now spends less than 5 percent of food expenditures on rice.

#### Average Monthly Expenditure on Rice by Japanese Household (Yen)

	1985	1996	1997	1998	1999	2000	2001	2002
Total Consumption Expenditure	273,114	328,849	333,313	328,186	323,008	317,133	308,692	306,129
Expenditure on food	73,735	77,042	78,306	78,156	76,590	73,844	71,543	71,286
Expenditure on Rice (%, rice/food)	6,147 (8.3)	4,164 (5.4)	3,947 (5.0)	3,790 (4.8)	3,634 (4.7)	3,404 (4.6)	3,218 (4.5)	3,102 (4.4)

Source: Ministry of Management, Home Affairs, Post & Telecommunications

## Rice Prices Continue to be Weak

In the Japanese rice distribution system, rice is marketed in two ways, 1) orderly marketed rice (government-marketed rice plus voluntarily marketed rice) and 2) non-orderly marketed rice (e.g. rice held by farmers for their own consumption and rice sold directly to wholesalers, retailers and consumers). The voluntarily marketed rice under the orderly marketed rice program accounts for about 50% of Japan's total rice sales. Consequently, the prices received at tenders held by the Voluntarily-Marketed Rice Distribution Corporations become a key indicator for both the wholesale and retail price of rice.

For the 2001 crop, 15 tenders were held with a total volume of traded rice of 977,070 metric tons. For the 2002 crop, ten tenders have been held so far with the remaining tenders scheduled to be held through July 2003. Recent trading prices have been weak, following the trend over the years, reflecting the reduced consumption. However, in the Tokyo area, the retail price of rice increased slightly in 2002 due to supermarkets' increased sales promotions on more expensive brands of rice, such as Niigata-grown koshihikari, and their movement away from the discounting of average quality rice..

Under the new rice policy, the distinction between "orderly marketed rice" and "non-orderly marketed rice" will be abolished. The price formation mechanism, including the functions of the Voluntarily-Marketed Rice Distribution Corporations, is also expected to change. However, the details on these changes have not yet determined.

### Successful Traded Price (Yen/60 kg)

2002 Crop:												
1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th
15,964	15,523	16,338	16,176	15,624	15,969	15,949	15,923	15,769	15,780	n.a.	n.a.	n.a.
14th	15th											
n.a.	n.a.											
2001 Crop:												
1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th
16,474	15,734	16,648	16,877	16,149	16,525	16,537	16,135	16,016	15,996	16,183	16,351	16,171
14th	15th											
16,098	15,689											

Source: Voluntarily-Marketed Rice Distribution Corporations

### Retail Price of Rice in Tokyo Area (Yen/10 kg)

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
5,489	5,644	6,953	5,675	5,374	5,218	5,017	5,059	4,934	4,745	4,788

Source: Ministry of Management, Home Affairs, Post & Telecommunications

### U.S. Maintains Near 50% Share of Imports But SBS Allocation Only Half Filled

In JFY2002 (April 2002 - March 2003), MAFF held four Simultaneous Buy and Sell (SBS) tenders and seven Ordinary Minimum Access (OMA) tenders with the total U.S. market share remaining the same as JFY2001 at 47.4 percent. However, the total allocation of 100,000 MT originally set for the SBS tender was only half filled due to the trade's concerns over food safety of imported products, especially Chinese (imports of many Chinese products dropped significantly after a series of chemical residue violations on imports of Chinese vegetables). In addition, continued problems from the detection of excess lead in imported rice bags lowered import demand early in the fiscal year. The unfilled portion of the SBS tender was transferred to the OMA allocation.

The following tables show overall minimum access rice tenders for JFY1995 - 2002.

### Results of Japan's Minimum Access Rice Tenders JFY 1995 - 2002 (Actual Tonnage)

	U.S.	Thailand	Australia	China	Others	Total
JFY 2002						
SBS (Share, %)	20,122 (40.2)	1,327 (2.7)	4,077 (8.1)	24,247 (48.4)	294 (0.6)	50,067 (100.0)
OMA (Share, %)	301,676 (47.9)	134,808 (21.4)	82,500 (13.1)	75,690 (12.0)	34,800 (5.6)	629,474 (100.0)
Total (Share, %)	321,798 (47.4)	136,135 (20.0)	86,577 (12.7)	99,937 (14.7)	35,094 (5.2)	679,541 (100.0)
	U.S.	Thailand	Australia	China	Others	Total
JFY 2001						
SBS (Share, %)	25,173 (25.2)	421 (0.4)	8,529 (8.5)	65,702 (65.7)	175 (0.2)	100,000 (100.0)
OMA (Share, %)	298,877 (51.5)	129,376 (22.3)	91,500 (15.8)	55,516 (9.6)	4,700 (0.8)	579,969 (100.0)
Total (Share, %)	324,050 (47.7)	129,797 (19.1)	100,029 (14.7)	121,218 (17.8)	4,875 (0.7)	679,969 (100.0)
JFY 2000						
SBS (Share, %)	46,273 (38.6)	4,960 (4.1)	14,269 (11.9)	53,264 (44.4)	1,234 (1.0)	120,000 (100.0)

OMA (Share, %)	284,000 (49.6)	144,370 (25.2)	94,000 (16.4)	35,000 (6.1)	15,669 (2.7)	573,039 (100.0)
Total (Share, %)	330,273 (47.7)	149,330 (21.5)	108,269 (15.6)	88,264 (12.7)	16,903 (2.4)	693,039 (100.0)
JFY 1999						
SBS (Share, %)	36,826 (30.7)	3,753 (3.1)	14,587 (12.2)	62,611 (52.2)	2,223 (1.9)	120,000 (100.0)
OMA (Share, %)	276,000 (51.8)	138,200 (25.9)	90,000 (16.9)	13,900 (2.6)	15,000 (2.8)	533,100 (100.0)
Total (Share, %)	312,826 (47.9)	141,953 (21.7)	104,587 (16.0)	76,511 (11.7)	17,223 (2.6)	653,100 (100.0)
JFY 1998						
SBS (Share, %)	36,498 (30.4)	5,297 (4.4)	14,538 (12.1)	61,965 (51.6)	1,702 (1.4)	120,000 (100.0)
OMA (Share, %)	265,400 (51.8)	130,000 (25.4)	87,000 (17.0)	10,000 (2.0)	20,000 (3.9)	512,400 (100.0)
Total (Share, %)	301,898 (47.7)	135,297 (21.4)	101,538 (16.1)	71,965 (11.4)	21,702 (3.4)	632,400 (100.0)
JFY 1997						
SBS (Share, %)	34,657 (62.9)	911 (1.7)	3,159 (5.7)	13,882 (25.2)	2,532 (4.6)	55,141 (100.0)
OMA (Share, %)	237,900 (48.6)	133,900 (27.4)	82,400 (16.8)	30,000 (6.1)	5,000 (1.0)	489,200 (100.0)
Total (Share, %)	272,557 (50.1)	134,811 (24.8)	85,559 (15.7)	43,882 (8.1)	7,532 (1.4)	544,341 (100.0)
JFY 1996						
SBS (Share, %)	14,134 (64.2)	360 (1.6)	1,173 (5.3)	5,113 (23.2)	1,220 (5.5)	22,000 (100.0)
OMA (Share, %)	201,000 (45.3)	127,650 (28.8)	80,000 (18.0)	35,000 (7.9)	0 (0.0)	443,650 (100.0)
Total (Share, %)	215,134 (46.2)	128,010 (27.5)	81,173 (17.4)	40,113 (8.6)	1,220 (0.3)	465,650 (100.0)
JFY 1995						
SBS (Share, %)	5,715 (53.4)	246 (2.3)	1,935 (18.1)	2,390 (22.3)	408 (3.8)	10,694 (100.0)
OMA (Share, %)	188,000 (47.2)	95,100 (23.9)	85,000 (21.4)	30,000 (7.5)	0 (0.0)	398,100 (100.0)

Total (Share, %)	193,715 (47.4)	95,346 (23.3)	86,935 (21.3)	32,390 (7.9)	408 (0.1)	408,794 (100.0)
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Source: MAFF

### Trade for Processed Rice Products

The United States is the second largest exporter of flour preparations to Japan after Thailand. The US share of Japanese imports of rice crackers, pilaf and sake (rice wine) remain small due to high labor costs compared to countries like Thailand (the largest exporter for rice crackers and pilaf), the Republic of Korea and China (major exporters of sake).

### Japanese Imports of Processed Rice Products

(MT, except sake)

	CY 2000		CY 2001		CY 2001	
	Total	US	Total	US	Total	US
Flour preparations	107,134	27,604	106,157	27,132	102,498	28,018
Rice crackers	6,023	3	6,457	13	6,701	8
Pilaf	935	3	655	1	902	3
Sake (1,000 liters)	3,245	12	2,401	16	2,527	10

Source: Ministry of Finance

### Rice Tariffication Since April 1999

The Government of Japan tariffied its rice import regime on April 1, 1999. Effective as of JFY 2000, a specific duty of 341 yen per kilogram is applied to imports outside of minimum access. In addition to the secondary tariff, a special safeguard has been introduced. Although no official trade data is available for rice imported outside of minimum access, actual imports are believed to be negligible.

Under the new import regime, minimum access rice imports increased by 0.4 percent each year to 7.2 percent of total domestic consumption in 2000. As a result, Japan imported 644,000 metric tons (milled basis)--or 38,000 tons less than would have been imported in the absence of tariffication in 1999, and 682,000 tons--or 76,000 tons less than would have been imported in the absence of tariffication in 2000 and 2001. This import regime will remain in place for JFY2002 since the final year of the UR phase-in was 2001.

### Market Access Obligations for Rice

(MT, Minimum Access as Percent of Domestic Rice Consumption)

	Without Tariffication		With Tariffication	
	Volume	Percent of Domestic Consumption	Volume	Percent of Domestic Consumption
JFY 2000 onward	758,000	8.0 percent	682,000	7.2 percent

Source: MAFF

### Export of Rice Under Food Aid

Post recently learned that Japan exports about 200,000 MT of rice under food aid programs on an annual basis. However, the Ministry of Finance statistics only account for exports of domestic rice (57,000 MT in JFY 2001 including a small portion of commercial exports). The remaining exports are made up of imported rice brought in under the OMA program. This change will be included in the rice PS&D table beginning with MY 2002.

Japan recently proposed a joint program with the other ASEAN nations to hold stocks of rice for emergency food crises as experienced in Indonesia in late 1990's. Currently, countries hold a certain amount of food aid "on paper" in case of a food crisis. Japan, in an effort to justify the high cost of keeping its large rice surpluses, proposes that each nation hold "specific" amounts of food aid ready for such emergencies.

### Japan's Self-Sufficiency Ratio Stays at 40 percent

In 2000 MAFF announced a self-sufficiency target of 45 percent on a caloric basis for Japanese Fiscal Year 2010. Although Japan's self-sufficiency ratio had been constantly declining for many years, it has remained at 40 percent since 1998, the lowest rate among developed nations.

#### Japan's Self-Sufficiency Ratio (%)

	1985	1990	1995	1996	1997	1998	1999	2000	2001
Rice	107	100	103	102	99	95	95	95	95
Wheat	14	15	7	7	9	9	9	11	11
Beans (soybeans)	8 (5)	8 (5)	5 (2)	5 (3)	5 (3)	5 (3)	6 (4)	7 (5)	7 (5)
Vegetables	95	91	85	86	86	84	83	82	82
Fruit	77	63	49	47	53	49	49	44	44
Meats (beef)	81 (72)	70 (51)	57 (39)	55 (39)	56 (36)	55 (35)	54 (36)	52 (34)	53 (36)
Eggs	98	98	96	96	96	96	96	95	96

Milk/Dairy	85	78	72	72	71	71	70	68	68
Seafood	96	86	75	70	73	66	66	62	60
Sugar	33	33	31	28	29	32	31	29	32
Self-sufficiency (Calorie Basis)	52	47	42	41	41	40	40	40	40
Self-Sufficiency (Major Food Grains)	69	67	64	63	62	59	59	60	60
Self-sufficiency (Food + Feed Grains)	31	30	30	29	28	27	27	28	28

Source: MAFF

## Marketing

In general, Japanese consumers continue to prefer to purchase domestic rather than foreign rice. One reason imported rice has not become more popular is that the retail price is still kept close to that of domestic rice. Also, the availability of foreign, SBS-purchased rice is still very limited. Despite such negative factors for foreign rice, the USA Rice Federation (USARF) has been conducting creative U.S. rice promotions in the Japanese market. In 1999 and 2000 the USARF conducted aggressive promotions centered around television advertising in the Kinki area (Osaka and surrounding regions). As a result, over 30 percent of the total supermarket outlets in the area sold unblended 100 percent US rice. Following two years of accumulated efforts, the USARF planned to launch an expanded television advertisement campaign in Japan's most heavily populated area of Kanto (Tokyo and surrounding regions) from November 2001 through spring of 2002. However, the program had to be cut short due to the lead bag incident. In an effort to restructure its marketing program USARF launched a "USA Rice Shop Network" in February 2002 where individually owned rice shops in the Kanto and Kinki areas are networked to sell U.S. rice all year around.

## WHEAT

### Production Increased 18.3% in 2002

Total planted area for wheat increased 5.1 percent in 2002 reflecting MAFF's aggressive effort to divert rice production to other agricultural crops such as wheat and soybeans. Coupled with exceptionally favorable weather conditions, total wheat production increased 18.3 percent from the previous year to 827,800 metric tons. Consequently, MAFF's plan to expand domestic wheat production to reach 800,000 tons by year 2010 was achieved ahead of schedule. Next year's production volume, however, under a normal yield is estimated to be below 800,000 MT.

The quality of Japanese domestic wheat is generally evaluated as lower than that of imported wheat, and its use is limited primarily to noodle production and as a filler (since domestic wheat is low in protein, flour millers mix it with higher protein imported varieties). Any increase in domestic production is expected to mainly impact the demand for Australian spring wheat, but would also have a limited affect on U.S. imports.

Since Japan's wheat production is strongly linked to rice policy, the impact of the new rice policy reform measures on wheat production will be carefully monitored. Although MAFF intends to further encourage permanent wheat production, it is difficult to determine at this point whether wheat production will increase or decrease under the the Government proposal to discontinue direct management of the rice crop diversion program by JFY 2008. In the interim, Post projects that the current level of production is near the ceiling that the market can absorb with the current level of price support. (Refer to the following section on *Government Purchase and Resale Prices*.)

### Japan's Wheat Production

	Planted Area (hectares)	Production (1,000 MT)
1998	162,200	569,500
1999	168,800	583,100
2000	183,000	688,200
2001	196,900	699,900
2002	206,900	827,800

Source: MAFF

### Stagnant Wheat Consumption Continues

Wheat consumption has gradually increased over the past several years due to a shift from rice to processed wheat products such as bread and pasta. However, because of continued low consumer confidence stemming from Japan's depressed economy, Japanese consumers are eating out less and simplifying meals, causing wheat consumption in 2002 to be flat or decline slightly.

### Annual Per Capita Consumption of Wheat in Japan (Kilograms)

1985	1995	1997	1998	1999	2000	2001	2002*
31.7	32.8	32.4	32.2	32.4	32.6	32.6	32.5

\* Ag. Office estimate.

Source: MAFF

### Utilization Patterns

Because of Japan's stagnant economic performance, domestic production of selected wheat products is estimated to be flat or decline slightly in coming years.

### Japanese Production of Selected Wheat Products

(1,000 MT)

	2000	2001	2002 1/
Wheat Flour	4,624	4,646	4,582
Bread	1,279	1,272	1,247
Noodles	1,265	1,291	1,269
Macaroni & Spaghetti	156	149	154
Biscuit	223	219	210
Premix	350	354	347

1/ Preliminary

Source: MAFF

### Government Purchase and Resale Prices Remain the Same

The Food Agency (FA) of MAFF controls both producer and resale prices for wheat. To correct the price spread difference between domestic and international wheat prices, the FA cut the 2001 government purchase price for domestic wheat by 1.48 percent from 2000, and kept it the same for 2002. The following table illustrates how the FA pays domestic wheat producers a purchase price which is 3.8 times more than the resale price to millers. At the same time, the FA's resale price of imported wheat is 1.7 times the average CIF import price.

As in 2001 when setting the resale price of imported wheat for 2002 crop, the FA intended to raise it in order to absorb the higher import cost. The FA again decided to keep it unchanged since this proposed price hike met strong resistance from the Japanese domestic millers who fear that any increase in price would be financially disastrous since they cannot raise their sales price to end users in the worsening recession. If prices were raised, the processors would in turn lose business to direct imports of finished or semi-finished wheat based products such as frozen dough. The Japan Flour Millers Association has petitioned the FA to reduce its resales price of imported wheat be reduced to 1.2 times the CIF price from the current 1.7 ration.

### GOJ Purchase and Resale Prices for Domestic and Imported Wheat (Yen per MT)

	Domestic Wheat			Imported Wheat		
	Purchase Price $\hat{a}$	Resale Price $\tilde{a}$	$\hat{a}/\tilde{a}$	Average CIF Price 1/ $\hat{a}$	Resale Price 2/ $\tilde{a}$	$\tilde{a}/\hat{a}$
2000	147,067	38,460	3.8	17,517	43,610	2.5
2001	144,883	38,460	3.8	22,312	43,610	2.0

2002	144,883	38,460	3.8	25,260	43,610	1.7
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1/ US Wheat (HS Code: 100190019)

2/ US Western White Wheat II

Source: MAFF and Ministry of Finance

Total wheat imports in CY2001 dropped 5.7 percent from the previous year due to the weak yen and the stagnant domestic economy. Imports in CY2002 recovered to the 2000 level, however, this reflects changes in the FA's purchase patterns. The demand for wheat itself continues to be stagnant, thus, a downward trend of wheat imports is expected to continue for the next few years.

### Japanese Wheat Imports by Source 1/ (MT)

Year	US	Share	Canada	Australia	TOTAL
CY2000	3,175,449	54.2%	1,491,269	1,193,623	5,853,828
CY2001	2,891,753	52.4%	1,470,119	1,157,311	5,521,255
CY2002	3,321,047	56.6%	1,415,528	1,117,195	5,862,826

1/ Includes imports by Food Agency of MAFF, as well as direct imports by flour millers (see Trade, other section regarding "free wheat").

Source: Ministry of Finance

Except for bread, imports of major processed wheat products increased in CY 2002. Also except for bread, the relative competitiveness of the U.S. in these products is stable.

### Japanese Imports of Processed Wheat Products (MT)

	CY 2000		CY 2001		CY 2002	
	Total	US Share	Total	US Share	Total	US Share
Flour preparations	117,652	10.2%	126,425	11.4%	130,854	9.6%
Pasta (excl. stuffed)	95,098	15.7%	92,672	16.5%	101,418	18.1%
Biscuits	10,826	15.9%	13,185	15.5%	14,755	16.9%
Bread	6,523	48.0%	7,326	52.5%	6,927	38.5%

Source: Ministry of Finance

The FA allows flour millers to import wheat outside of the FA's control as long as they export an equivalent amount of

wheat flour. This so-called “free wheat” is imported at world prices (less than half the FA’s resale price) and is thus very profitable. This system also provides millers with an export market for their lower quality flour, which otherwise would have little value in the domestic market.

**Japanese Exports of Wheat Flour by Destination**  
(MT)

Destination	CY 2000	CY 2001	CY 2002
Hong Kong	200,058	211,695	198,469
Vietnam	43,230	44,684	48,379
Singapore	32,229	25,557	30,586
Thailand	19,563	17,273	16,516
United States	274	456	679
Other	14,237	21,346	25,251
Total	309,591	321,011	319,880

Source: Ministry of Finance

### **New Wheat Policy since 2000**

The FA retains control over the pricing and marketing of domestic wheat, as well as the importation and pricing of foreign wheat. In May 1998, the FA announced its “New Wheat Policy” which was implemented during the 2000 to 2002 crop years. Some significant changes of the “New Wheat Policy” include: a shift from FA’s exclusive purchase of domestic wheat to purchases by the private sector; introduction of a new compensation program for domestic wheat farmers; improving the quality of domestic wheat to compete with foreign wheat; continuous importation of foreign wheat for food use by the FA; and introduction of the Simultaneous Buy and Sell (SBS) system for imported wheat and barley for feed use.

During JFY 2002, MAFF conducted five SBS tenders for imported wheat for feed and barley for feed. Through these tenders 50,055 metric tons of imported wheat for feed and 800,000 metric tons of barley for feed were contracted. Most significantly, Japan purchased small amounts of Ukrainian wheat, breaking the established supply source arrangement consisting of the U.S., Australia and Canada, due to the situations of tight supply and high price in these traditional suppliers. According to trade sources, the quality of the Ukrainian feed wheat was acceptable to the Japanese feed manufacturers and continued purchase are expected in JFY 2003. In JFY 2003, five tenders for 110,000 metric tons of wheat for feed and 850,000 tons of barley for feed will be contracted under SBS.

## **CORN**

### **Production**

Corn production negligible in Japan.

### Livestock Numbers Continue to Decline But Meat Consumption Recovered from Impact of BSE Outbreak

In September 2001, the first case of BSE in a domestic cow was confirmed in Japan. This was also the first case outside of the EU. To date seven more cases were confirmed since the BSE screening test was mandated in mid-October 2001. Although the BSE incident caused a serious loss of consumer confidence in beef, and had an unprecedented impact on beef consumption and the overall livestock industry in Japan, consumption has now returned to pre-BSE levels. Imports of beef were also significantly affected in CY 2002 but were slower to recover than were sales of domestic beef. For details, please see GAIN Report #JA3008, *Japan Livestock Semiannual Report* and #JA3009, *Japan Poultry Semiannual Report*. The table below shows Japan's livestock population. In 2002 both dairy and beef cattle numbers increased, however, this is due to farmers not being able to ship the animals out for declined demand and for fear of BSE detection. The downward trend in Japan's livestock industry is expected to continue.

#### Japanese Livestock Population

(1,000 heads)

	2000	2001	2002
Dairy cows	1,764	1,725	1,726
Beef cattle	2,823	2,806	2,838
Swine	9,806	9,788	9,612
Layers	140,365	139,423	137,925
Broilers	108,410	106,311	105,658

Source: MAFF (as of February each year)

As shown in the table below, beef consumption declined dramatically since the first case of BSE was detected in mid-September 2001. Pork and chicken consumption, on the other hand, increased. In the second half of 2002, beef consumption recovered to pre-BSE levels.

#### Monthly Sales of Meat

(Percent versus the same month previous year)

	Beef	Pork	Chicken	Meat Total
April 2001	102.9	108.0	105.7	106.2
May	92.9	102.6	97.9	99.1

June	95.8	99.7	98.2	98.4
July	91.3	96.6	105.6	98.2
August	94.2	101.0	108.4	101.9
<b>September</b>	66.8	102.9	107.1	97.0
October	30.3	119.7	123.0	103.8
November	36.2	127.0	123.7	109.1
December	49.1	121.9	115.4	106.4
January 2002	59.7	116.1	106.7	102.6
February	68.2	115.0	101.6	101.8
March	81.9	108.7	110.1	104.3
April	85.5	111.8	107.8	105.4
May	91.4	110.9	107.6	106.1
June	97.5	126.8	109.2	115.2
July	93.6	129.6	110.2	116.1
August	101.3	122.8	102.7	111.8
September	166.8	121.3	104.5	121.4
October	395.4	109.5	96.2	119.9
November	333.8	103.3	91.7	112.6
December	260.6	98.3	95.3	110.4

Source: Agricultural & Livestock Industries Corporation

**Imports of Meat by Origin**  
(1,000 MT)

	CY 2000	CY 2001	CY 2002
Beef, fresh/chilled (HS Code: 0201)			
United States (share, %)	146 (41.0)	132 (39.9)	89 (38.0)
Australia	201	189	138

Total	356	331	234
Beef, frozen (HS Code: 0202)			
United States (share, %)	203 (55.9)	179 (52.0)	137 (54.4)
Australia	129	135	92
Total	363	344	252
Pork, fresh/chilled/frozen (HS Code: 0203)			
United States (share, %)	189 (29.0)	245 (34.6)	249 (32.0)
Denmark	212	213	240
Canada	111	153	179
Total	651	709	778
Poultry, fresh/chilled/frozen (HS Code: 0207)			
United States (share, %)	89 (15.2)	77 (14.4)	51 (9.5)
China	252	194	119
Thailand	129	148	187
Brazil	113	109	168
Total	586	535	539

Source: Ministry of Finance

### Utilization Patterns

Corn is the major ingredient used in compound and mixed feed. Although the ingredient ratio of corn varies slightly from year-to-year, depending on prices of other feed grains, the corn ratio has been fairly constant at 46-48 percent. Of the total demand for corn for feed, about 46-47 percent comes from the poultry sector.

### Production of Feed Continues Declining Trend

The total production of compound feed in 2001 increased slightly from 2000. This is primarily due to two factors; 1) an increase in demand for cattle feed because more herds were kept on the farm, particularly spent cows, because of the perceived higher risk of BSE detection, and 2) increased production of broiler feed to meet the expected increase in demand for chicken from beef. However, the recovery in beef consumption came faster than expected, and the actual demand for compound feed did not meet expected demand, resulting in a surplus of supplies according to trade

sources. In addition, the overall trend of declining livestock population continues. Therefore, the total production of compound and mixed feed is forecast to decrease in 2003.

**Japanese Compound and Mixed Feed Production by Type of Animal**  
(1,000 MT)

Fiscal Year	Compound Feed				Mixed Feed	Grand-Total
	Poultry	Swine	Cattle	Sub-Total 2/		
2000	10,237	5,980	6,935	23,231	770	24,001
2001	10,312	5,856	7,114	23,364	735	24,009
2002 1/	10,135	5,820	7,043	22,998	720	23,718

1/ Agricultural Office preliminary estimates

2/ Includes feed for other livestock animals

Source: MAFF

## Prices

The cost of importing corn from the United States has increased since 2001 due partly to the additional testing costs for StarLink and IP handling costs.

**Average CIF Prices of Corn for Feed by Origin**  
(\$US per/MT)

	CY 2000	CY 2001	CY 2002
United States	114.7	116.8	118.8
Argentina	119.4	113.1	107.7
South Africa	119.1	136.7	-
China	113.8	120.6	124.5
Brazil	-	117.0	117.6

Source: Ministry of Finance

## StarLink Situation

In December 2002, one sample of U.S. corn tested positive for the presence of StarLink variety of GMO corn upon arrival testing. Since this variety is not approved in Japan, imports of food corn have been disrupted to some extent. Currently, FAS/Tokyo is working closely with the MHLW and the industry in Japan and the U.S. to resolve the issue.

To date, no more samples have tested positive for StarLink, but if another case occurs, U.S. food corn exports may be seriously affected.

After a small amount of StarLink was found in the U.S. food supply in September 2000, a consumer group in Japan detected StarLink in corn grits the following October. Soon thereafter, USDA reached an agreement in 2001 with MHLW and MAFF on a StarLink testing protocol for feed and food corn exported to Japan. Due to the StarLink issue, imports of U.S. corn fell about 1.3 million MT in CY2001, a drop of 8 percent. However, this decrease was not as large as originally expected due to the efforts of the US industry to meet the regulatory requirements in Japan.

Since U.S. regulators have determined that StarLink is safe for use in animal feed, the U.S. share of Japan's more than 10 million metric tons of feed corn imports have stayed at over 95 percent. Starting April 2003, a new law will formally establish a one percent tolerance for the adventitious presence of such segregated unapproved products with the condition that they are approved in other countries based on OECD standards. (NOTE: MAFF will not allow the transfer of food corn detected with StarLink to feed use.)

The following table shows the decline and recovery in the U.S. import share of corn for manufacturing in 2001 and 2002. Assuming there are no more cases of StarLink detection, the U.S. corn import share in 2003 is forecast to stay at the same level as in 2002 or to decline slightly due to some starch manufacturers sourcing from other countries for fear of further problems with StarLink.

**Imports of Corn by Origin**  
(1,000 MT)

	CY 2000	CY 2001	CY 2002
Corn for feed			
United States (share, %)	11,104 (96.8)	11,442 (95.0)	10,433 (95.7)
Argentina	247	257	130
China	109	146	164
Brazil	-	99	173
Others	8	101	0
Total	11,469	12,045	10,900
Corn for manufacturing			
United States (share, %)	4,428 (95.4)	2,774 (66.4)	4,746 (86.0)
Argentina	39	201	93

Australia	5	5	5
China	39	219	116
S. Africa	119	625	168
Brazil	-	335	380
Others	11	16	10
Total	4,641	4,175	5,518
Total corn			
United States (share, %)	15,532 (96.4)	14,216 (87.6)	15,179 (92.5)
Total	16,110	16,220	16,418

Source: Ministry of Finance

### New Use Initiatives Continue

With traditional markets for coarse grains generally expected to decline as Japan's domestic livestock production contracts, the U.S. Grain Council (USGC) continues to aggressively explore markets for "new use" products focusing on Value Enhanced Grains (VEG) such as high oil corn. Promoting VEG aims at increasing the total monetary value of coarse grain exports to Japan, despite the forecast decline in export volume.

## SORGHUM

### Production

Like corn, production of sorghum is negligible in Japan.

### Consumption

Sorghum is a substitute for corn to produce compound and mixed feed. Like corn, the utilization rate for sorghum in compound and mixed feed fluctuates depending on the price of corn, and other feed ingredients. Generally, the sorghum ratio in Japan has been fairly constant at around 10 percent.

### Prices

After reaching record high levels in 1996, the average CIF price of sorghum declined until 1999, and then rebounding in 2000. In 2001, the U.S. price increased drastically due primarily to strong demand in Mexico and the bullish price continues into 2002 .

### Average CIF Prices of Sorghum for Feed by Origin

(\$US per/MT)

	CY 2000	CY 2001	CY 2002
United States	112.8	121.0	124.3
Argentina	105.1	102.1	92.5
Australia	107.5	113.3	113.5

Source: Ministry of Finance

## Trade

The U.S. is the largest supplier of sorghum to Japan, followed by Argentina and Australia. Since sorghum is mainly a substitute for corn, its potential for growth in imports largely depends on its price to corn. Despite the higher U.S. price, imports rebounded in 2002 due to reduced Australian supply caused by drought. The average CIF price of Australia in 2002 above does not accurately portray the market situation as this is the highest price where Japanese importers purchased sorghum. As prices increased, the Japanese trade turned to other sources. This is reflected in the import figures below where imports from Australia in 2002 declined by 64% of 2001.

### Imports of Sorghum by Origin (1,000 MT)

	CY 2000	CY 2001	CY 2002
Sorghum for feed			
United States	1,001	807	991
Australia	699	676	243
Argentina	181	257	161
Others	78	1	-
Total	1,959	1,741	1,395
Sorghum, others			
United States	86	72	208
Australia	61	24	102
Argentina	68	69	69
Others	4	1	1
Total	219	166	380

Total sorghum			
United States (share, %)	1,087 (49.9)	879 (46.1)	1,199 (67.5)
Total	2,178	1,907	1,775

Source: Ministry of Finance

## BARLEY

### Production

According to MAFF's survey for the 2002 barley crop, crop area continued to expand by 6.5% over 2001 levels. Total barley production is estimated to have increased 5.2 percent from the 2001 crop level (206,400 metric tons) to 217,200 metric tons. However, as in 2001 the yield was below normal.

#### Crop Area and Production of Barley in Japan

	Crop Area (Hectares)	Production (MT)
2000	53,500	214,300
2001	60,540	206,400
2002	64,490	217,200

Source: MAFF

### Consumption

In Japan, about 80-90 percent of total domestic consumption of barley is used for compound and mixed feed production for the beef and dairy sectors. In addition to feed, barley is also used for production of traditional Japanese alcoholic beverages, table use, soybean paste, and barley tea.

### Prices

After reaching record high levels in 1996, the average CIF price of barley declined until 1999, rebounding in 2000 and reaching higher levels in 2001-2002.

#### CIF Prices of Barley for Feed by Origin (\$US per/MT)

	CY 2000	CY 2001	CY 2002

United States	133.6	142.9	142.1
Canada	130.4	140.5	139.1
Australia	143.8	144.2	139.9
Ukraine	-	-	122.2

Source: Ministry of Finance

## Trade

For the first time in many years, Japan imported a small amount of barley from the Ukraine instead of its traditional suppliers, Australia, Canada and the United States. The reason for this was because of continued high prices and a tight supply situation in the traditional suppliers, coupled with the U.S. West Coast port lockout coinciding with some of the SBS tenders. According to trade sources, feed manufacturers were initially skeptical about the quality of Ukrainian barley. However, after arrival, the quality was deemed to be acceptable and importers are now willing to consider the Ukraine as a fourth supplier for the future.

### Imports of Barley Origin (1,000 MT)

	CY 2000	CY 2001	CY 2002
Barley for feed			
United States	259	504	307
Canada	337	140	14
Australia	765	529	766
Ukraine	-	-	30
Others	19	0	0
Total	1,380	1,173	1,117
Barley, others			
United States	8	9	22
Canada	52	42	17
Australia	214	186	186
Others	1	1	0
Total	275	238	225

Total barley			
United States (share, %)	267 (16.7)	513 (36.4)	329 (24.5)
Total	1,599	1,411	1,342

Source: Ministry of Finance

### SBS Tenders for Barley for Feed since 1999

As noted in the policy section for “wheat”, MAFF introduced the Simultaneous Buy and Sell (SBS) system for barley for feed beginning JFY1999 (April 1999 - March 2000). During JFY 1999, 359,940 MT of barley for feed was contracted under three tenders. The amount has increased to 599,950 MT during JFY 2000, 699,980 MT during JFY 2001, and 800,000 MT in JFY 2002. In JFY 2003, five tenders for 110,000 metric tons of wheat for feed and 800,000 tons of barley for feed is expected to be contracted under SBS.

## OATS

### Production

Production of oats is minimal in Japan.

### Consumption

Oats are almost exclusively used for feed in Japan. The annual oats consumption for feed is about 80,000 - 90,000 metric tons. Japan imports about the same amount of oats annually. The main users of oats are the race horse industry and compound feed manufacturers.

### Prices

U.S. oats are significantly less price competitive than those of Australia and Canada, the two major oat suppliers for Japan. For example, Australia’s average CIF price of oats was only about half of the U.S. average CIF price in 2002.

**Average CIF Prices of Oats by Origin**  
(\$US per/MT)

	CY 2000	CY 2001	CY 2002
United States	257.9	234.6	312.2
Australia	144.3	147.5	161.2
Canada	153.0	161.4	223.5

Source: Ministry of Finance

## Trade

Australia and Canada dominate oat exports to the Japanese market. Oat imports through 2003 are estimated to stay flat due to Japan's weaker demand for feed in general.

### Imports of Oats by Origin (1,000 MT)

	CY 2000	CY 2001	CY 2002
United States	1	2	1
Australia	46	45	58
Canada	34	37	24
Total	81	84	83

Source: Ministry of Finance

## BEANS

### Kidney Bean Production Up While Red Bean Production Drops

Small red (Azuki) and kidney bean production account for almost all of Japan's total dry bean production. The total production area and production volume of small red beans declined 8.1 percent and 6.9 percent respectively in 2002. Hokkaido is the major area producing 82% of national output.

Kidney bean production, on the other hand, continued increasing at a significant rate of 42.9 percent in 2002 from the previous year due to an increase in production area coupled with favorable weather conditions resulting in the yield of near 30 percent above the normal year. Like small red beans, Hokkaido is the major kidney bean production area and accounts about 95 percent of Japan's total kidney bean production.

### Crop Area and Production of Major Beans in Japan

	Small Red (Azuki) Beans		Kidney Beans	
	Area (Hectares)	Production (MT)	Area (Hectares)	Production (MT)
2000	43,600	88,200	12,900	15,300
2001	45,700	70,800	13,300	23,800
2002	42,000	65,900	14,700	34,000

Source: MAFF

## Consumption

Japan's annual bean consumption had been fairly constant at around 230,000 metric tons. However, because of a stagnant domestic economy which negatively affects the demand for traditional Japanese confections (a major user of beans), bean consumption is expected to remain flat or decline slightly over the next few years.

### Utilization of Major Beans by Product ( percent)

	Sweet Bean Paste	Candied Beans & Other Conf.	Cooked Beans	Fried & Roasted Beans	Others (mainly for home cooking)	Total
Small Red Beans	68.9	12.8	2.4	-	15.9	100.0
Lima & Kidney Beans	66.1	10.2	15.6	1.1	7.0	100.0
Peas	34.5	9.7	9.2	30.0	16.6	100.0
Broad Beans	21.6	-	10.0	68.1	-	100.0
Beans & Peas Total	60.9	10.5	9.8	8.0	10.8	100.0

Source: Unofficial estimate by MAFF.

## Trade

Japanese total bean imports in 2002 declined 5.6 percent from the previous year. In particular, imports of kidney beans declined 18.1 percent due to the larger domestic production. In contrast, imports of small red beans increased to offset the reduced volume of the domestic crop.

### Japanese Major Bean Imports by Supplier (MT)

	CY 2000	CY 2001	CY 2002

Small Red Beans	30,498	24,919	27,931
China	26,508	22,429	24,787
USA.	2,393	1,163	1,440
Kidney Beans	21,505	20,685	16,945
China	6,415	7,725	7,499
USA.	4,422	3,207	2,450
Canada	8,293	6,466	5,098
Peas	20,109	18,675	18,557
Canada	13,345	12,218	11,829
New Zealand	931	975	499
U.K.	2,226	2,112	2,835
USA	1,539	1,741	977
China	576	958	1,385
Hungary	1,039	447	870
Broad Beans	7,800	8,082	7,717
China	6,439	7,069	6,774
Other Beans	40,656	37,715	32,716
Total	120,568	110,076	103,866

Source: Ministry of Finance

## Policy

With implementation of the Uruguay Round Agreement in JFY1995, the quota system for bean imports was replaced by a tariff quota system. A market access volume of 120,000 metric tons a year is maintained with a 10 percent duty applied within the current access volume.

## PS&D

### Rice PS&D Table

PSD Table						
Country	Japan					
Commodity	Rice, Milled				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		11/2001		11/2002		11/2003

Area Harvested	1706	1706	1683	1688	0	1680
Beginning Stocks	1665	1960	1457	1829	1057	1628
Milled Production	8242	8242	8075	8089	0	8049
Rough Production	11321	11321	11092	11111	0	11056
MILLING RATE (.9999)	7280	7280	7280	7280	0	7280
TOTAL Imports	700	700	700	700	0	700
Jan-Dec Imports	650	646	650	650	0	650
Jan-Dec Import U.S.	0	303	0	325	0	325
TOTAL SUPPLY	10607	10902	10232	10618	1057	10377
TOTAL Exports	150	150	200	200	0	200
Jan-Dec Exports	150	150	200	200	0	200
TOTAL Dom. Consumption	9000	8923	8975	8790	0	8658
Ending Stocks	1457	1829	1057	1628	0	1519
TOTAL DISTRIBUTION	10607	10902	10232	10618	0	10377

## Wheat PS&amp;D Table

PSD Table						
Country	Japan					
Commodity	Wheat				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	197	197	205	207	0	217
Beginning Stocks	1620	1157	1700	1154	1700	1218
Production	700	700	740	828	0	770
TOTAL Mkt. Yr. Imports	5836	5669	5800	5556	0	5530
Jul-Jun Imports	5836	5669	5800	5556	0	5400
Jul-Jun Import U.S.	3006	3024	0	2972	0	2890
TOTAL SUPPLY	8156	7526	8240	7538	1700	7518
TOTAL Mkt. Yr. Exports	465	322	450	320	0	320
Jul-Jun Exports	465	322	450	320	0	320
Feed Dom. Consumption	464	880	400	850	0	842
TOTAL Dom. Consumption	5991	6050	6090	6000	0	5950
Ending Stocks	1700	1154	1700	1218	0	1248

TOTAL DISTRIBUTION	8156	7526	8240	7538	0	7518
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**Corn PS&D Table**

PSD Table						
Country	Japan					
Commodity	Corn					
					(1000 HA)	(1000 MT)
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		10/2001		10/2002		10/2003
Area Harvested	1	1	1	1	0	1
Beginning Stocks	1297	1313	1393	1408	1194	1409
Production	1	1	1	1	0	1
TOTAL Mkt. Yr. Imports	16395	16394	15500	15500	0	15000
Oct-Sep Imports	16395	16394	15500	15500	0	15000
Oct-Sep Import U.S.	14714	14851	0	13950	0	13800
TOTAL SUPPLY	17693	17708	16894	16909	1194	16410
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	12000	12000	11400	11000	0	10080
TOTAL Dom. Consumption	16300	16300	15700	15500	0	15000
Ending Stocks	1393	1408	1194	1409	0	1410
TOTAL DISTRIBUTION	17693	17708	16894	16909	0	16410

**Sorghum PS&D Table**

PSD Table						
Country	Japan					
Commodity	Sorghum					
					(1000 HA)	(1000 MT)
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		10/2001		10/2002		10/2003
Area Harvested	0	0	0	0	0	0
Beginning Stocks	290	290	291	290	291	290

Production	0	0	0	0	0	0
TOTAL Mkt. Yr. Imports	1776	1776	1300	1500	0	1470
Oct-Sep Imports	1776	1776	1300	1500	0	1470
Oct-Sep Import U.S.	1210	1108	0	900	0	0
TOTAL SUPPLY	2066	2066	1591	1790	291	1760
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	1775	1776	1300	1500	0	1470
TOTAL Dom. Consumption	1775	1776	1300	1500	0	1470
Ending Stocks	291	290	291	290	0	290
TOTAL DISTRIBUTION	2066	2066	1591	1790	0	1760

### Barley PS&D Table

PSD Table						
Country	Japan					
Commodity	Barley					
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		10/2001		10/2002		10/2003
Area Harvested	61	61	65	64	0	65
Beginning Stocks	716	1112	630	1026	560	956
Production	206	206	230	230	0	250
TOTAL Mkt. Yr. Imports	1358	1358	1300	1300	0	1320
Oct-Sep Imports	1358	1358	1300	1300	0	1320
Oct-Sep Import U.S.	227	323	0	350	0	370
TOTAL SUPPLY	2280	2676	2160	2556	560	2526
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	1350	1350	1300	1300	0	1320
TOTAL Dom. Consumption	1650	1650	1600	1600	0	1620
Ending Stocks	630	1026	560	956	0	906
TOTAL DISTRIBUTION	2280	2676	2160	2556	0	2526

### Oats PS&D Table

PSD Table						
Country	Japan					
Commodity	Oats					
				(1000 HA)(1000 MT)		
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		10/2001		10/2002		10/2003
Area Harvested	1	1	1	1	0	1
Beginning Stocks	11	1	8	1	10	2
Production	1	1	2	1	0	1
TOTAL Mkt. Yr. Imports	81	81	85	82	0	81
Oct-Sep Imports	81	81	85	82	0	81
Oct-Sep Import U.S.	0	1	0	2	0	2
TOTAL SUPPLY	93	83	95	84	10	84
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	77	76	80	76	0	76
TOTAL Dom. Consumption	85	82	85	82	0	82
Ending Stocks	8	1	10	2	0	2
TOTAL DISTRIBUTION	93	83	95	84	0	84

**Bean PS&D Table**

PSD Table						
Country	Japan					
Commodity	Beans					
				(1000 HA)(1000 MT)		
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	0	59	0	57	0	58
Beginning Stocks	0	60	0	40	0	15
Production	0	95	0	100	0	95
TOTAL Mkt. Yr. Imports	0	110	0	100	0	120
Jul-Jun Imports	0	111	0	100	0	120
Jul-Jun Import U.S.	0	16	0	15	0	20

TOTAL SUPPLY	0	265	0	240	0	230
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Jul-Jun Exports	0	0	0	0	0	0
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	0	225	0	225	0	220
Ending Stocks	0	40	0	15	0	10
TOTAL DISTRIBUTION	0	265	0	240	0	230