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Japan

Organic Products

Japan Lifts Two Banned Substances for the U.S. Organic Trade

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Report Highlights:

During the 2007/08 Regulatory Reform Initiative (RRI), the Office of the U.S. Trade Representative (USTR) discussed the banned substance issue with the Ministry of Agriculture, Forestry and Fisheries (MAFF) in Japan and succeeded in eliminating two substances from the banned list that have been the impediments to U.S. organic exports to Japan. In October 2008, MAFF notified the U.S. Department of Agriculture (USDA) that it now allows the use of potassium bicarbonate and lignin sulfonate in U.S. organic production. However, the ban on the use of alkali extracted humic acid will continue.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Tokyo [JA1]
[JA]

In February 2002, Japan granted the United States an export arrangement for U.S. organic exports to Japan that recognized the grading system for organic agricultural products and processed foods in the United States, which is stipulated under the National Organic Program (NOP), as equivalent to the grading system of organic products under the Japanese Agricultural Standard (JAS).

As a condition of this export arrangement, the use of three substances (potassium bicarbonate, lignin sulfonate and alkali extracted humic acid) was prohibited from use on products exported to Japan as "organic". These banned substances were significantly limiting U.S. organic trade with Japan and the U.S. industry requested assistance in easing these barriers.

During the 2007/08 Regulatory Reform Initiative (RRI), the Office of the U.S. Trade Representative (USTR) discussed the banned substance issue with the Ministry of Agriculture, Forestry and Fisheries (MAFF) in Japan and succeeded in eliminating two substances from the banned list. In October 2008, MAFF notified the U.S. Department of Agriculture (USDA) that after a formal review it will now allow the use of potassium bicarbonate and lignin sulfonate in U.S. organic production. However, the ban on the use of alkali extracted humic acid will continue.

The United Nations Food and Agriculture Organization (FAO) cite the Japanese organic market as follows: "Many (potential) organic traders see Japan as an attractive organic market to which to export. Its population has a high average income, and a significant percentage of that income (20 percent) is spent on food. The population is aging rapidly, and health concerns have triggered wide attention for and demand of "safe" and "clean" food products. Moreover, domestic production is low given the difficulty of growing foods without chemicals in its warm wet production season. Domestic production is expected to rise over the forthcoming years. Demand for organic products will continuously grow, resulting in potentially substantial volumes to be imported. Japanese organic agricultural production is less than one percentage of total output. The market for "green" products that includes reductions in chemical fertilizer and lower pesticide inputs is estimated at US\$2.5 billion. The value of sales of certified organic products is estimated at only US\$300 million."

According to MAFF, 57,195 metric tons of Japanese domestic agricultural products were graded as organic under the JAS standard in 2007, while 131,437 metric tons of agricultural processed products were graded as organic in Japan. Among various organic products, fresh vegetables and rice are the major organic items produced in Japan. In the processed organic food category, soybean products such as *tofu* (bean curd), *nato* (fermented soybeans), *miso* (fermented soybean paste) and soy milk are the most popular items.

A significantly large amount of organic agricultural products were graded in foreign countries as JAS organic products. These products were either graded to JAS standard by JAS accredited certifiers in foreign countries or graded to a foreign country's standard, which was recognized as JAS equivalent. Currently, EU (15 countries), the United States, Australia, Argentina, New Zealand and Switzerland are recognized as having organic standards that are equivalent to JAS. 1,901,502 metric tons of agricultural products were certified as JAS organic products in foreign countries in 2007. A significantly large volume consisted of sugar cane (1,442,352 metric tons) and a great deal of sugar cane was processed into sugar products in foreign countries. While, 163,601 metric tons of foreign agricultural processed products were certified as JAS organic in 2007.

Statistics on JAS Certified Organic Agricultural and Processed Products in 2007

- Organic products that are graded in Japan
- Organic products that are graded in foreign countries

JAS Certified Organic Agricultural Products (in 2007)		
(in Metric Tons)	(1) Graded in Japan	(2) Graded in Foreign Countries
Vegetable	36,529	82,448
Fruit	2,199	156,764
Rice	10,828	2,851
Wheat	721	10,153
Soybeans	986	94,574
Other Pulse	238	23,578
Coarse Cereals	40	4,370
Green Tea (Coarse Tea)	1,702	83
Black Tea (Coarse Tea)	8	881
Coffee Beans	-	4,802
Nuts Products	-	7,893
Sugar Canes	35	1,442,352
Konjac Yam	1,373	2,132
Palm Fruit	-	61,709
Others	2,537	6,913
Total	57,195	1,901,502
<p>(Note 1) A large amount of products that were graded in foreign countries were processed into an organic processed product in foreign countries. Products that were graded in foreign countries include the products consumed in foreign countries or exported to countries other than Japan.</p> <p>(Note 2) Other products that were graded in foreign countries include aloe Vera, etc.</p>		
(Source: MAFF)		

JAS Certified Organic Agricultural Processed Products (in 2007)		
(in Metric Tons)	(1) Graded in Japan	(2) Graded in Foreign Countries
Frozen Vegetables	348	4,725
Bottled/Canned Vegetables	21	4,510
Boiled Vegetables	635	6,002
Other Processed Vegetables	1,082	5,361
Fruit Beverage	4,401	11,686
Other Processed Fruit	869	4,629
Vegetable Beverage	1,051	401
Tea Beverage	3,490	137
Coffee Beverage	10,472	35
Soy Milk	18,832	30
<i>Tofu (bean curd)</i>	55,181	-
<i>Nato (fermented soybeans)</i>	5,244	141
<i>Miso (fermented soybean paste)</i>	3,004	856
Soy Sauce	5,444	-
Peanut Products	1,333	1,475
Other Processed Pulse	5,186	1,362
Dry noodle Products	139	249
Green Tea (Finished Product)	1,231	230
Coffee Beans	3,058	293
Nut Products (Processed)	1,068	3,476
<i>Konjac (yam paste)</i>	2,949	993
Sugar	22	85,804
Milk	430	2,254
Others	5,944	28,952
Total	131,437	163,601
(Note 1) Products that were graded in foreign countries include the products consumed in foreign countries or exported to countries other than Japan.		
(Note 2) Other products that were graded in Japan include bean-paste, vinegar, etc.		
(Source: MAFF)		