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Japan

Grain and Feed

2000 U.S. Corn Import Forecast Raised to 15.0 MMT Due to Difficulties of Sourcing Non-U.S. Corn 2001

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Report Highlights:

Japan's U.S. corn import forecast during MY2000 is raised to 15.0 MMT, a decline of 5% from last year but less than post's earlier 8% decline forecast. Despite the Japanese industry's concerns about U.S. food corn being contaminated with StarLink corn, the industry is having difficulties sourcing food corn from other sources. Imports of total corn and U.S. feed corn remain relatively unchanged from last year. A full recovery in U.S. food corn sales in Japan will depend on the U.S. industry's ability to ship StarLink-free corn from the 2001 crop.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Tokyo [JA1], JA

Japan's U.S. corn import forecast during MY2000 is raised to 15.0 MMT, a decline of 5 percent from last year but less than post's earlier 8 percent decline forecast. Despite the concerns about StarLink corn contamination in U.S. food corn shipments, the Japanese industry is apparently having difficulties sourcing cost and quality competitive food corn from other suppliers. The latest import estimate revises post's Grain and Feed Annual report (JA1026).

StarLink corn is an unapproved variety in Japan for both food and feed use, while in the United States the variety is approved for only feed use. A decrease in U.S. food corn imports utilized by Japan's starch industry, totaling about 600,000 MT, accounts for the U.S. decline. Overall corn imports and U.S. feed corn imports remained stable, despite the StarLink issue.

USDA continues to encourage officials at the Ministry of Health, Labor and Welfare (MHLW) and Ministry of Agriculture, Forestry, and Fisheries (MAFF) to find solutions that meet the regulatory needs of Japan and maintain U.S. corn trade. Since April 1, 2001, MHLW has monitored a percentage of U.S. food corn imports for StarLink at the destination port, in addition to the testing and monitoring done under the StarLink food protocol. If StarLink were to be detected in corn at the destination port, MHLW would reject the entire corn shipment. To date, no StarLink corn has been detected.

To minimize the risk of a rejected food corn shipment at the destination port, Japanese importers have shifted from U.S. food corn imports to other countries including South Africa, China, Argentina, and even Brazil. Japan's annual food corn imports total about 4 million metric tons. The U.S. traditionally supplies about 95 percent of Japan's food corn, but due to StarLink the share is forecast to drop to less than 60 percent of corn for food use, or 92 percent of total corn imports.

MAFF is also monitoring U.S. feed corn for the presence of StarLink, and the detection level continues to drop. This drop is attributed to decreasing amounts of StarLink in the U.S. corn supply coupled with the effectiveness of the U.S.-Japan corn testing protocol. MAFF continues its feed safety assessment of StarLink corn, but has not announced when it will complete the process.

PSD Table						
Country	Japan					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Harvested	1	1	1	1	0	1
Beginning Stocks	1355	1223	1156	1141	1107	942
Production	1	1	1	1	0	1
TOTAL Mkt. Yr. Imports	16117	16117	16000	16345	0	15700
Oct-Sep Imports	16117	16117	16000	16345	0	15700
Oct-Sep Import U.S.	15678	15678	0	14956	0	15200
TOTAL SUPPLY	17473	17341	17157	17487	1107	16643
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	12150	12000	12000	11500	0	11000
TOTAL Dom. Consumption	16317	16200	16050	16545	0	15500
Ending Stocks	1156	1141	1107	942	0	1143
TOTAL DISTRIBUTION	17473	17341	17157	17487	0	16643