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Japan

Grain and Feed

Grain and Feed Annual Report

2004

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Report Highlights:
Despite a 10 year low in rice production, no additional imports are expected for 2004. The ban on U.S. beef imports and the outbreak of avian influenza in Asia are disrupting Japan's livestock industry but feed demand for beef cattle and swine is expected increase slightly. Due to a shrinking harvest of grains in Eastern Europe and South America, imports are likely to return to traditional supply sources in 2004. While soaring trans-Pacific freight costs favor imports from China, a tight domestic supply and an absence of government subsidies should limit China's exports to Japan.

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

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RICE

Production Volume Hits 10 Year Low

The Ministry of Agriculture, Forestry and Fisheries (MAFF) reduced total harvested area in 2003 by 1.4 percent from the previous year to 1,665,000 hectares as a result of the continuation of an aggressive rice production adjustment program. Production was severely affected by an exceptionally cool, rainy summer, particularly in the northern regions, and fell as much as 12.3 percent from the previous year to 7,779,000 metric tons (brown basis). This is the lowest production level since 1994. Unlike in 1994, however, MAFF currently holds sufficient stocks that an overall supply shortage has not occurred. With the stocks estimated at 1.6 million metric tons as of October 2003, total annual table rice consumption of approximately 8.7 million tons should be met, without imports beyond the Minimum Access commitment.

As part of its reforms under the new rice policy scheme announced in December 2002 (GAIN Report #JA3012, Japan's Proposed Rice Reforms), MAFF will begin phasing out the production adjustment program. This year, as a first step, instead of allocating an acreage reduction target to each prefecture, MAFF will set a production volume target for each prefecture. The aggregate target volume nationwide for 2004 is set at 8.57 million metric tons.

Table 1.
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
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
2003	1,665	1,660	5	7,792	7,779	13	469	250

Source: MAFF

Rice Consumption Continues Downward Trend

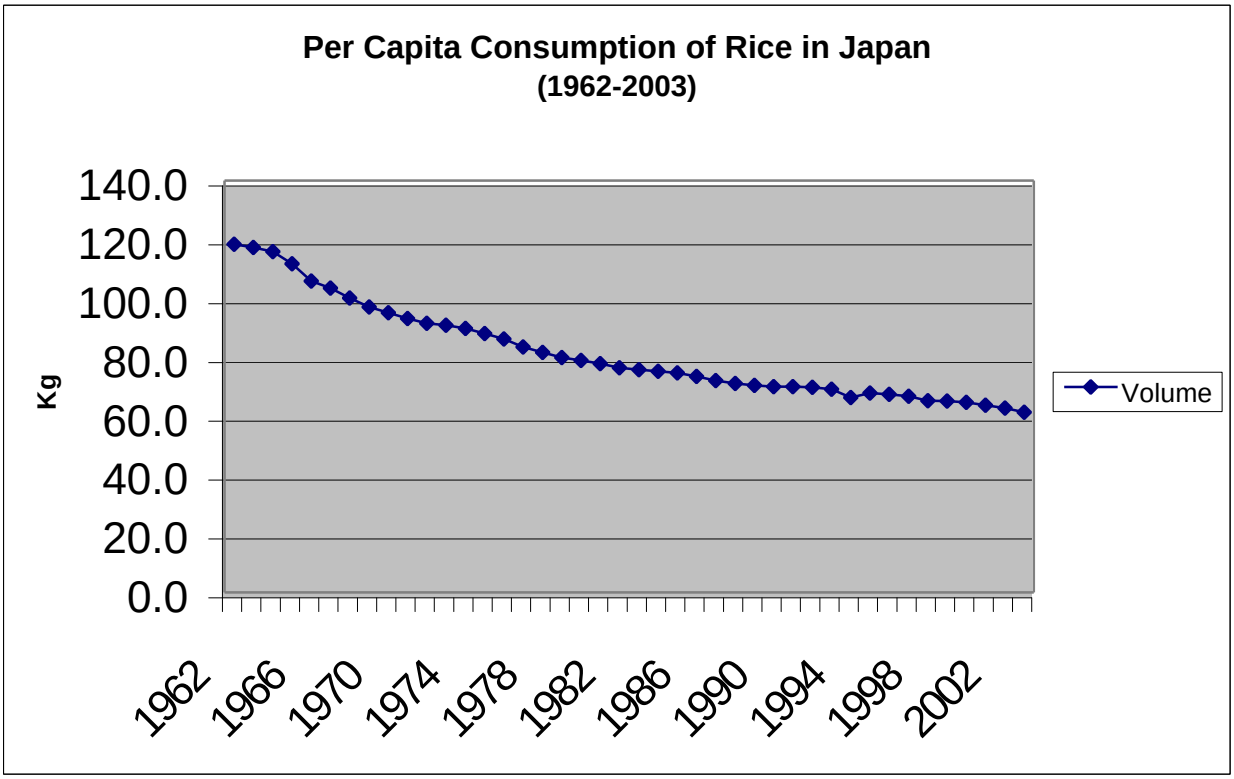
According to MAFF's latest "Food Balance Sheet", the average annual per capita consumption of rice in 2002 dropped 1.4 percent to 62.7 kilograms from 63.6 kilograms in 2001, which is almost one half of the peak of consumption in 1962 of 118.3 kilograms. The fundamental reasons are diversification and westernization of Japanese eating habits. Instead of eating rice with every meal, people can now more easily chose to eat bread and pasta. Also in recent years a low carbohydrate diet has attained media exposure, although not to the level currently seen in the United States for a high protein diet, with the result of some people turning away from heavy rice consumption. Another factor is the aging population. While the elderly tend to eat more Japanese style food with rice than the younger generation, they do not consume as much in quantity as before. A price increase in rice caused by the poor harvest this year (see the next subsection) will also affect consumption. Consequently, Post projects a greater consumption decline than last year for Rice Year 2003/04.

Table 2.
Annual Per Capita Consumption of Rice in Japan (Kilograms)

1962	1965	1975	1985	1995	2001	2002	2003*
118.3	111.7	88.0	74.6	67.8	63.6	62.7	61.2

* Ag Office estimate

Source: MAFF



As a result of the reduction in consumption, and also a decline in the price of rice over the years, household expenditures on rice have been cut by more than half since 1985. The average Japanese household now spends 4 percent of food expenditures on rice.

Table 3.
Average Monthly Expenditures on Rice by Japanese Household (in Yen)

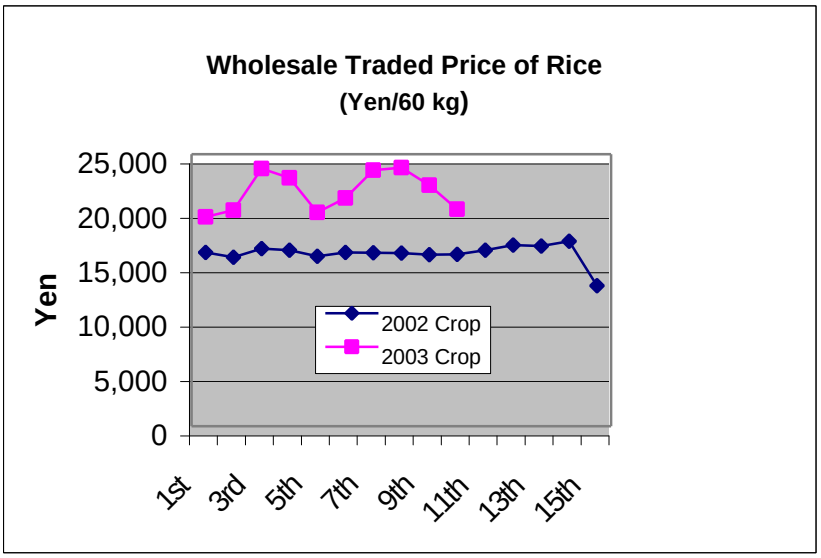
	1985	1996	1997	1998	1999	2000	2001	2002	2003
Total Expenditure	273,114	328,849	333,313	328,186	323,008	317,133	308,692	306,129	302,623
Food Expenditure	73,735	77,042	78,306	78,156	76,590	73,844	71,534	71,286	70,260
Expenditure on Rice	6,233	4,092	3,863	3,712	3,527	3,291	3,113	2,992	3,041
% rice/food	8.5%	5.3%	4.9%	4.7%	4.6%	4.5%	4.4%	4.2%	4.3%

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

Rice Price Soars Due to Short Crop but Returning to Normal

Due to the short crop this season and led in part by speculation of scarcity in certain high value brands, prices in early tenders increased by 20 to 50 percent over the previous year. Speculative bidding now appears to have calmed down and the retail market under the current stagnant economy does not accommodate significant increase in retail price. Therefore, the traded price is beginning to return to last year's level.

In the Japanese rice distribution system, rice is marketed in two ways, 1) orderly marketed rice (rice marketed with government involvement) and 2) non-orderly marketed rice (rice sold directly to wholesalers, retailers, foodservice users and consumers). Although the latter is increasing, now accounting for half of total rice sales, the tenders held by the Voluntarily-Marketed Rice Distribution Corporation under the orderly marketed rice program continue to be a key indicator for both the wholesale and retail price of rice. For the 2002 crop, 15 tenders were held. For the 2003 crop, 10 tenders have been held to date.



Source: Voluntarily-Marketed Rice Distribution Corporation

Table 4.
Retail Price of Rice in Tokyo Area (Yen/10 kg)

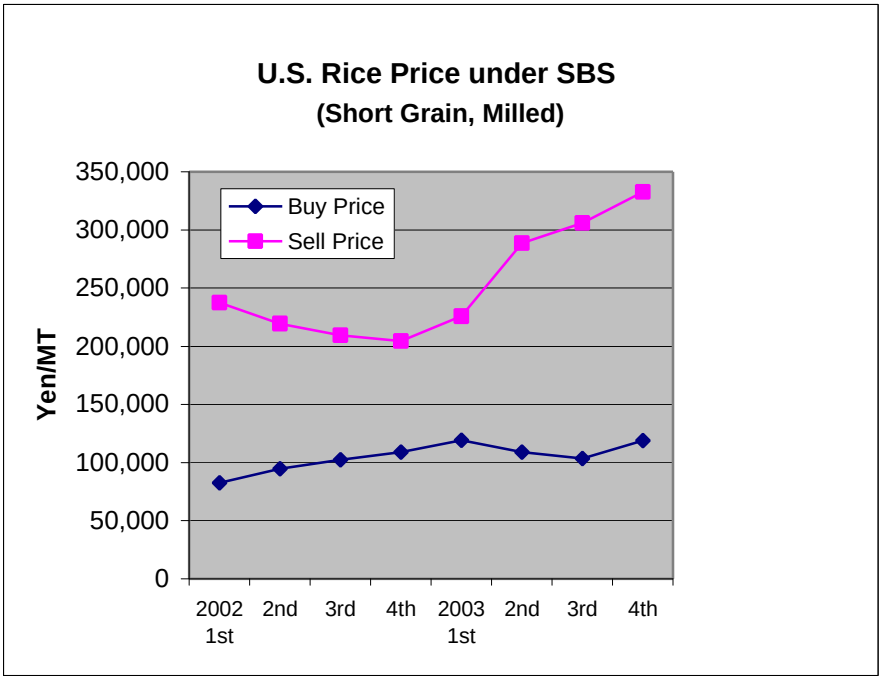
1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
6,953	5,675	5,374	5,218	5,017	5,059	4,934	4,745	4,788	4,983

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

U.S. Maintains Near 50% Share of Imports but SBS Disrupted by Domestic Shortage of Glutinous Rice

Currently, for JFY 2003 (April 2003 – March 2004), the total U.S. market share remains at the same level (46.2 percent) as in previous years. To date MAFF has held four Simultaneous Buy and Sell (SBS) tenders and five Ordinary Minimum Access (OMA) tenders. With one more OMA tender remaining. Due to a poor harvest this season, glutinous rice was particularly scarce. As a result, importers turned to the SBS imports to meet domestic demand and bid abnormally high to get the quantity they needed. Since there is no category

bidding in the SBS system, those importers seeking regular rice had to outbid those seeking glutinous rice. As a result, the price of U.S. short grain rice imported under the SBS system increased sharply (see GAIN Report #JA3081, Results of the 2003 SBS Rice Tenders).



Source: MAFF

Table 5.
Result of Japan's Minimum Access Rice Tenders (JFY 1995 - 2003)
(Actual Tonnage)

	U.S.	Thailand	Australia	China	Others	Total
JFY 2003	One more OMA tender remaining for 2003					
SBS	18,216	1,145	1,570	78,803	266	100,000
Share	*18.2%*	*1.1%*	*1.6%*	*78.8%*	*0.3%*	*100.0%*
OMA	262,500	123,300	67,000	19,500	35,000	507,300
Share	*51.7%*	*24.3%*	*13.2%*	*3.8%*	*6.9%*	*100.0%*
Total	280,716	124,445	68,570	98,303	35,266	607,300
Share	*46.2%*	*20.5%*	*11.3%*	*16.2%*	*5.8%*	*100.0%*
JFY 2002						
SBS	20,122	1,327	4,077	24,247	294	50,067
Share	*40.2%*	*2.7%*	*8.1%*	*48.4%*	*0.6%*	*100.0%*
OMA	301,676	134,808	82,500	75,690	34,800	629,474
Share	*47.9%*	*21.4%*	*13.1%*	*12.0%*	*5.5%*	*100.0%*
Total	321,798	136,135	86,577	99,937	35,094	679,541
Share	*47.4%*	*20.0%*	*12.7%*	*14.7%*	*5.2%*	*100.0%*
JFY 2001						
SBS	25,173	421	8,529	65,702	175	100,000
Share	*25.2%*	*0.4%*	*8.5%*	*65.7%*	*0.2%*	*100.0%*
OMA	298,877	129,376	91,500	55,516	4,700	579,969
Share	*51.5%*	*22.3%*	*15.8%*	*9.6%*	*0.8%*	*100.0%*

Total	324,050	129,797	100,029	121,218	4,875	679,969
Share	*47.7%*	*19.1%*	*14.7%*	*17.8%*	*0.7%*	*100.0%*
JFY 2000						
SBS	46,273	4,960	14,269	53,264	1,234	120,000
Share	*38.6%*	*4.1%*	*11.9%*	*44.4%*	*1.0%*	*100.0%*
OMA	284,000	144,370	94,000	35,000	15,669	573,039
Share	*49.6%*	*25.2%*	*16.4%*	*6.1%*	*2.7%*	*100.0%*
Total	330,273	149,330	108,269	88,264	16,903	693,039
Share	*47.7%*	*21.5%*	*15.6%*	*12.7%*	*2.4%*	*100.0%*
JFY 1999						
SBS	36,826	3,753	14,587	62,611	2,223	120,000
Share	*30.7%*	*3.1%*	*12.2%*	*52.2%*	*1.9%*	*100.0%*
OMA	276,000	138,200	90,000	13,900	15,000	533,100
Share	*51.8%*	*25.9%*	*16.9%*	*2.6%*	*2.8%*	*100.0%*
Total	312,826	141,953	104,587	76,511	17,223	653,100
Share	*47.9%*	*21.7%*	*16.0%*	*11.7%*	*2.6%*	*100.0%*
JFY 1998						
SBS	36,498	5,297	14,538	61,965	1,702	120,000
Share	*30.4%*	*4.4%*	*12.1%*	*51.6%*	*1.4%*	*100.0%*
OMA	265,400	130,000	87,000	10,000	20,000	512,400
Share	*51.8%*	*25.4%*	*17.0%*	*2.0%*	*3.9%*	*100.0%*
Total	301,898	135,297	101,538	71,965	21,702	632,400
Share	*47.7%*	*21.4%*	*16.1%*	*11.4%*	*3.4%*	*100.0%*
JFY 1997						
SBS	34,657	911	3,159	13,882	2,532	55,141
Share	*62.9%*	*1.7%*	*5.7%*	*25.2%*	*4.6%*	*100.0%*
OMA	237,900	133,900	82,400	30,000	5,000	489,200
Share	*48.6%*	*27.4%*	*16.8%*	*6.1%*	*1.0%*	*100.0%*
Total	272,557	134,811	85,559	43,882	7,532	544,341
Share	*50.1%*	*24.8%*	*15.7%*	*8.1%*	*1.4%*	*100.0%*
JFY 1996						
SBS	14,134	360	1,173	5,113	1,220	22,000
Share	*64.2%*	*1.6%*	*5.3%*	*23.2%*	*5.5%*	*100.0%*
OMA	201,000	127,650	80,000	35,000	0	443,650
Share	*45.3%*	*28.8%*	*18.0%*	*7.9%*	*0.0%*	*100.0%*
Total	215,134	128,010	81,173	40,113	1,220	465,650
Share	*46.2%*	*27.5%*	*17.4%*	*8.6%*	*0.3%*	*100.0%*
JFY 1995						
SBS	5,715	246	1,935	2,390	408	10,694
Share	*53.4%*	*2.3%*	*18.1%*	*22.3%*	*3.8%*	*100.0%*
OMA	188,000	95,100	85,000	30,000	0	398,100
Share	*47.2%*	*23.9%*	*21.4%*	*7.5%*	*0.0%*	*100.0%*
Total	193,715	95,346	86,935	32,390	408	408,794
Share	*47.4%*	*23.3%*	*21.3%*	*7.9%*	*0.1%*	*100.0%*

Source: MAFF

Trade for Processed Rice Products

The United States is the second largest exporter of rice flour preparations to Japan after Thailand. The shortage of glutinous rice, mentioned in the previous section, resulted in an increase in imports of flour preparation in 2003. However, the U.S. share in the imports of rice crackers, pilaf and *sake* (rice wine) remains small due to high labor costs compared to countries like Thailand (the largest exporter of rice crackers and pilaf), the Republic of Korea and China (major exporters of *sake*).

Table 6.
Japanese Imports of Processed Rice Products
(MT, except sake)

	CY 2001		CY 2002		CY 2003	
	Total	U.S.	Total	U.S.	Total	U.S.
Flour preparations	106,157	27,132	102,499	28,018	111,761	28,173
Rice Crackers	6,457	13	6,700	8	7,478	1
Pilaf	655	1	902	3	611	2
Sake (1,000 liters)	2,403	16	2,527	10	2,537	4

Source: Ministry of Finance

Minimum Access Commitment Continues into 2004

As a result of the GOJ's tariffication of rice in JFY 2000, the Minimum Access commitment was reduced to 7.2 percent of total domestic consumption from non-tarrified rate of 8.0 percent. In terms of volume, 7.2 percent is equivalent to 682,000 metric tons. This volume will remain in effect unless renegotiated. Japan may request a revision of the base year used for consumption in the WTO Doha round.

Table 7.
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

The Government of Japan sets aside and exports about 200,000 MT of rice under food aid programs on an annual basis. This amount does not show up in the export statistics by the Ministry of Finance, which only records exports of Japanese domestic rice (22,708 MT in 2003 which includes a negligible amount of commercial exports). The discrepancy between the 200,000 MT and the amount recorded in the official export statistics is considered to be rice imported under the OMA regime and diverted for Food Aid exports. In 2003 this amounted to over 177,000 MT. The Ministry of Foreign Affairs (MOFA) manages the Food Aid programs and the table below shows Japan's Food Aid exports of rice in the most recent reporting period of July 2002 – June 2003.

Table 8.
Japan's Rice Exports under Food Aid Programs
Fiscal 2002 (July 2002 - June 2003)

	Country	Quantity (in MT)
Bilat	Laos	15,000
	Angola	20,002
	Benin	4,366
	Cape Verde	4,251
	Ghana	10,504
	Guinea	11,260
	Haiti	10,246
	Mauritania	9,001
	Mongolia	14,406
	Mozambique	18,552
	Sao Tome & Principipe	5,005
	Senegal	6,849
	Tanzania	20,003
	Subtotal	149,445
WFP	Cambodia	25,670
	Congo	1,170
	Cote d'Ivoire	2,647
	Haiti	1,200
	Madagascar	300
	Mozambique	4,145
	Nicaragua	1,079
UNRWA	Palestine Refugees	3,431
	Subtotal	39,642
	TOTAL	**189,087**

Source: Ministry of Foreign Affairs

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

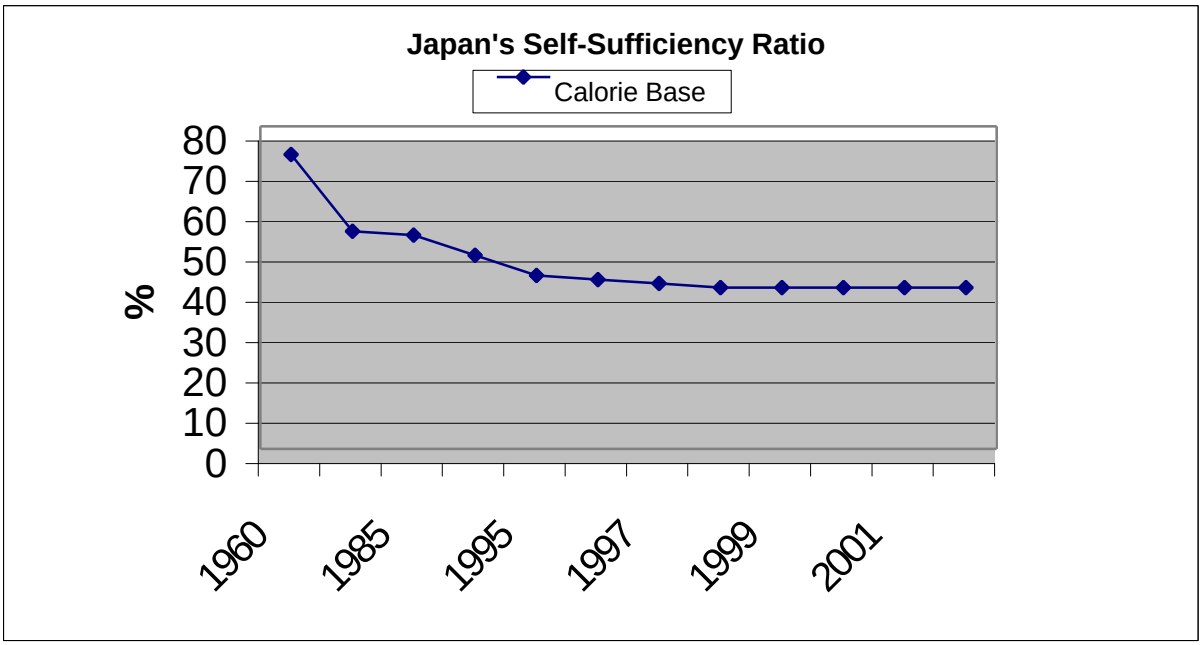
In 2000 MAFF announced a self-sufficiency target of 45 percent on a caloric basis for JFY 2010. Japan's self-sufficiency consistently declined for many years but has remained steady at 40 percent since 1998. With the current BSE-related suspension of U.S. beef imports, which had occupied over 30 percent of Japan's beef consumption, Diet members from several parties as well as the press are stressing the necessity to improve food self-sufficiency. A campaign featuring the slogan "*Chisan Chisho* (Produce locally and consume locally)" is spreading and appears to be gaining momentum. However, many agricultural analysts doubt that Japan will be able to increase its self-sufficiency significantly for a variety of reasons including the high cost of production and the aging of the farm sector.

Table 9.
Japan's Self-Sufficiency Ratio (%)

	1960	1975	1985	1990	1995	1996	1997	1998	1999	2000	2001	2002*
Rice	96	110	107	100	104	102	99	95	95	95	95	96
Wheat	28	4	14	15	7	7	9	9	9	11	11	13
Beans	25	9	8	8	5	5	5	5	6	7	7	7
Soybeans	11	4	5	5	2	3	3	3	4	5	5	5
Vegetables	100	99	95	91	85	86	86	84	83	82	82	83
Fruit	90	84	77	63	49	47	53	49	49	44	45	44
Meats	90	77	81	70	57	55	56	55	54	52	53	53
Beef	95	81	72	51	39	39	36	35	36	34	36	39
Eggs	100	97	98	98	96	96	96	96	96	95	96	96
Milk/Dairy Products	86	81	85	78	72	72	71	71	70	68	68	69
Seafood (for food)	110	100	86	72	59	58	60	57	55	53	53	53
Sugar	31	15	33	32	31	28	29	32	31	29	32	34
Self-sufficiency (Calorie Basis)	73	54	53	48	43	42	41	40	40	40	40	40
Self-sufficiency (Major Food Grains)	80	69	69	67	65	63	62	59	59	60	60	61
Self-sufficiency (Major Feed Grains)	55	34	27	26	26	25	25	25	24	26	25	24
Self-sufficiency (Food + Feed Grains)	62	40	31	30	30	29	28	27	27	28	28	28

Source: MAFF

* Preliminary



Marketing

The biggest constraint to marketing U.S. rice in Japan is the difficulty of securing a steady supply at a stable price through the SBS system. This year it was extremely difficult to get regular short grain rice due to an unusual demand for glutinous rice caused by the domestic shortage. To be successful in the process, bids had to be marked up so high that the end user's price for U.S. rice has become more expensive at times than Japanese rice of an equivalent quality. Nonetheless, the USA Rice Federation (USARF) continues to conduct a creative marketing program targeting repeat customers. In an effort to develop a consistent clientele, USARF launched a "USA Rice Shop Network" in 2002 where individually owned rice shops in Tokyo and Osaka metropolitan areas agree to sell U.S. rice all year around. These small, independent shops have strong community ties and sell freshly milled rice directly to the consumer. The owners are connoisseurs of rice and are able to explain the characteristics of U.S. rice to customers. The first year of this campaign progressed successfully and obtained much media exposure. This year the network will be expanded to other major cities in Japan.

WHEAT

Production Continues to Increase in 2003

The total planted area for wheat increased 2.6 percent to 212,200 hectares in 2003, largely as a result of the rice diversion program. As a result of the higher acreage and good weather, production volume also increased 3.3 percent to 855,200 MT. Under the new rice policy, Beginning in JFY 2004, MAFF will be encouraging a permanent switch to the production of wheat through the use of subsidies while it phases out its program to divert land from paddy rice by JFY 2008. While MAFF's goal is to continue the upward trend in wheat production, it is difficult to forecast at this point whether the new program will be successful or not. Domestic flour millers would rather not use the rather low quality domestic wheat unless the price is kept low with government subsidies. Therefore, an expansion of domestic wheat production will ultimately depend on whether or not Japanese producers will be able to produce wheat that is acceptable to end-users in price and quality. An increased scale of farming in the areas suited for wheat production like Hokkaido will be necessary, and introduction of de-coupled payments to producers may hold the key to achieving such objectives, instead of spreading subsidies thin in order to include small producers. As the politically influential agricultural co-op's oppose such trends, the overall rice policy reform is expected to face a rough road ahead as it moves toward completion in 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 (see the following section on *Government Purchase and Resale Prices*.) In 2004, Post forecasts that the planted acreage will further increase but production will decline slightly as the yield returns to normal.

Table 10.
Japan's Wheat Production

	Planted Area (hectares)	Production (1,000 MT)
1999	168,800	583,100
2000	183,000	688,200
2001	196,900	699,900
2002	206,900	827,800
2003	212,200	855,200

Source: MAFF

Wheat Consumption Stays Flat

Wheat consumption had been gradually increasing as consumers shifted from rice to processed wheat products such as bread and pasta. However, consumption has been flat since 2000, stemming from Japan's depressed economy where Japanese consumers eat out less and cook more simply at home. In 2003/04, Post estimates wheat consumption will be flat or may increase slightly as the overall downward trend is temporarily offset due to this year's higher price of rice. In the long term, however, considering the growing size of the elderly population, who tend to eat more traditional foods, it is expected that consumption will continue to decline slowly.

Table 11.
Per Capita Consumption of Wheat in Japan
(Kilograms)

1985	1997	1998	1999	2000	2001	2002	2003*
31.7	32.4	32.2	32.4	32.6	32.1	31.9	32.0

Source: MAFF

* Ag Office estimate

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. Flour millers continue to be threatened by increasing imports of premixes (flour preparations) and semi-finished or finished products such as frozen dough (see the following trade section.)

Table 12.
Japanese Production of Selected Wheat Products
(1,000 MT)

	2001	2002	2003*
Wheat Flour	4,607	4,591	4,580
Bread	1,272	1,245	1,250
Noodles	1,291	1,267	1,255
Macaroni & Spaghetti	150	154	155
Biscuit	218	210	215
Premix	353	347	350

* Ag Office Estimate

Source: MAFF

Government Resale Price for 2004 to Be Lowered by 0.5 Percent

MAFF controls both producer and resale prices for both domestic and imported wheat. MAFF buys imported wheat at international prices and sells it to domestic flour millers at higher prices. As shown in table 13 below, the ratio in recent years has been around 2.0, which means MAFF sells imported wheat at twice the purchase price. On the other hand, MAFF buys domestic wheat at a high price and sells it to domestic flour millers at a significantly

lower price, lower than imported wheat so that the lower quality domestic wheat will be accepted. Revenues from transactions for imported wheat are used to help cover the cost difference between the purchase and resale of domestic wheat. This is referred to as the "Cost Pool System". In recent years, flour millers have been vocal in demanding lower resale prices for both domestic and imported wheat because of the increasing competition from surging imports of flour preparations, semi-processed and frozen dough products. In response MAFF finally agreed to lower the resale price by 0.5 percent for JFY 2004.

Table 13.
GOJ Purchase and Resale Prices for Domestic and Imported Wheat
(Yen per MT)

	Domestic Wheat			Imported Wheat		
	Purchase Price (a)	Resale Price (b)	(a)/(b)	Average CIF Price * (a)	Resale Price ** (b)	(b)/(a)
2001	144,883	38,460	3.8	22,312	43,610	2.0
2002	144,883	38,460	3.8	22,079	43,610	2.0
2003	142,533	38,460	3.7	20,399	43,610	2.1
2004	138,433	38,260	3.6	NA	NA	NA

* US Wheat (HS Code: 100190019)

** US Western White Wheat II

Source: MAFF and Ministry of Finance

Wheat Imports Drop but Not to the Extent the Import Statistics Show

Unusually high carry over stocks in CY 2002 skewed CY 2003 imports down approximately 200,000 to 300,000 metric tons. Total wheat imports in CY 2003 dropped 10.5 percent from the previous year. The decline is attributed to the following four main factors: 1) An overall drop in per capita wheat consumption, 2) An increase in imports of processed wheat products, 3) An increase in domestic production, and 4) Restrained imports in the first part of 2003 due to large stocks (MAFF imported larger than normal amounts in the last few months of 2002, probably to take advantage of economic factors such as favorable prices or freight rates). Without the stock adjustment factor, CY 2003 imports would have been 200,000 to 300,000 metric tons higher. While the stock situation was not normal, the drop in consumption and increased imports of processed products will continue to reduce import demand over the medium term. This trend can be seen more clearly by looking at the marketing year import data (July-June) where total imports have been declining from 5.728 million MT in MY 2001 to 5.669 million MT in MY 2002 and 5.391 MT in MY 2003.

The U.S. share of total imports in 2003 was maintained at the previous year's level. With abundant harvests in all three supplying countries this season, despite some concerns over low inventories and higher prices, trade should be stable in 2004 (see GAIN Report #AS3051, Australia Grain Update - January 2004 Lockup, 12/29/03); and #CA3057, Canada Grain and Feed September Update, 9/6/03).

Table 14.
Japanese Wheat Imports by Source
(MT)

Year	U.S.	Share	Canada	Australia	TOTAL
CY 2001	2,891,753	52.4%	1,470,119	1,157,311	5,521,251

CY 2002	3,304,602	56.4%	1,415,823	1,132,643	5,862,826
CY 2003	2,983,496	56.9%	1,069,828	1,167,656	5,246,121

Source: Ministry of Finance

Table 15.
Japanese Imports of Processed Wheat Products
(MT)

	CY 2001		CY 2002		CY 2003	
	Total	US Share	Total	US Share	Total	US Share
Flour preparations	126,425	11.4%	130,848	9.6%	132,603	7.3%
Pasta (excl. stuffed)	92,675	16.5%	101,415	18.1%	107,838	19.5%
Biscuits	12,920	15.7%	14,755	16.9%	20,647	11.5%
Bread	7,326	52.5%	6,927	38.5%	7,944	38.6%

Source: Ministry of Finance

MAFF allows flour millers to import wheat outside of MAFF'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 of MAFF'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.

Table 16.
Japanese Exports of Wheat Flour by Destination
(MT)

Destination	CY 2001	CY 2002	CY 2003
Hong Kong	211,695	198,469	195,051
Vietnam	44,684	48,379	46,593
Singapore	25,557	30,586	38,537
Thailand	17,273	16,516	15,301
United States	456	679	623
Other	21,346	25,251	22,595
Total	321,011	319,880	318,700

Source: Ministry of Finance

Feed Wheat Imports through SBS System

In 1999, MAFF introduced the Simultaneous Buy and Sell (SBS) system for imported wheat and barley for feed use. During JFY 2003, MAFF conducted five SBS tenders, through which 68,100 MT of imported wheat was contracted. As in 2002 Japan purchased a small amount of Ukrainian wheat and an increased amount of Chinese wheat, due to the situations of tight supply and high prices in the traditional suppliers. In 2004, however, purchasing patterns should return to normal with poor harvests in Eastern Europe and tight supply of wheat in China's domestic market where the Chinese government is restricting the release of stocks and exports (see GAIN Reports #CH4004, China Grain and Feed Annual Report, 2/6/2004; and #UP4004, Ukraine Grain and Feed February Update, 2/4/04.)

Table 17.
SBS Imports of Feed Wheat and Barley
(MT)

	Wheat	Barley
1st tender	11,890	160,000
2nd	10,610	160,000
3rd	9,920	159,920
4th	12,710	180,000
5th	22,970	190,000
Total	68,100	849,920

Source: MAFF

Marketing

The US Wheat Associates has been diligently conducting activities to maintain and enhance trade relationships between U.S. industry and Japanese flour millers and other end users. In addition, it has embarked on cultivating users of U.S. durum wheat. A reverse trade mission is scheduled later this year for this particular purpose.

Soybean Commingling in Wheat on the Watch

Japan's Ministry of Health, Labor and Welfare (MHLW) enacted a new requirement for labeling of allergens in April 2003. Although it is not mandatory to label soybeans (labeling is voluntary), flour millers are concerned that it might become a mandatory item in the near future. As a result, MAFF has established a new specification in its purchase contract from January 2004 for shipments in March onward that sets a tolerance of soybean presence in wheat at 0.4 percent.

CORN

Production

Corn production is negligible in Japan.

Livestock Industry Shaken by BSE in U.S. and Avian Influenza Outbreak in Japan

United States imports of U.S. beef and beef products have been suspended since December 23 (December 24, Japan time) when the first find of a BSE infected cow was reported. Subsequently, Japan found its first case in 79 years of high-pathogenic avian influenza (AI) in Yamaguchi Prefecture in February 2004. The disease has since spread to several other prefectures in western Japan. Poultry supplies are being disrupted by the disease in Japan, as well as other Asian countries that are major suppliers of poultry products to Japan.

Logically, it would be expected that domestic livestock producers would build up stocks to take advantage of the lack of imports. With U.S. beef, which occupied one third of Japan's total beef consumption, absent from the market, some replacement demand is going to chicken and pork. The resulting small increase in animal numbers will translate into an increased demand for feed. However, livestock numbers are not expected to increase significantly for a variety of reasons. Japanese beef producers have difficulty in producing the types of cuts traditionally supplied by the US and the domestic price of calves is soaring,

limiting expansion of the domestic cattle production. With the presence of AI in Japan, domestic poultry producers are hesitant to build up the broiler/layer population. While pork consumption is increasing, Japanese pork producers also face constraints. Since the majority of the additional demand is coming from the foodservice sector that relies on low cost supplies, imports are expected to benefit over domestic pork due to their lower cost. While there is not expected to be any major changes in the near future in Japan's livestock population, with so many unknowns at this point, it is extremely difficult to make any long-term forecasts.

Table 18.
Japanese Livestock Population
(1,000 heads)

	1999	2000	2001	2002	2003	*% 03/99*
Dairy cows	1,816	1,764	1,725	1,726	1,719	***94.7%***
Beef cattle	2,842	2,824	2,806	2,838	2,804	***98.7%***
Swine	9,879	9,806	9,788	9,612	9,725	***98.4%***
Layers	143,148	140,365	139,248	137,718	137,272	***95.9%***
Broilers	107,358	108,410	106,311	105,658	103,730	***96.6%***

Source: MAFF (as of February each year)

Table 19.
Imports of Meat by Origin
(1,000 MT)

	CY 2001	CY 2002	CY 2003
Beef, fresh/chilled (HS Code: 0201)			
United States	132	89	114
Share	39.9%	38.0%	42.2%
Australia	189	138	151
Total	331	234	270
Beef, frozen (HS Code: 0202)			
United States	179	137	153
Share	52.0%	54.4%	50.1%
Australia	135	92	133
Total	344	252	306
Pork, fresh/chilled/frozen (HS Code: 0203)			
United States	245	249	245
Share	34.6%	32.0%	32.6%
Denmark	213	240	220
Canada	153	179	167
Total	709	778	753
Poultry, fresh/chilled/frozen (HS Code: 0207)			
United States	77	51	48
Share	14.4%	9.5%	10.0%
China	194	119	64
Thailand	148	188	179
Brazil	109	168	175
Total	535	539	480

Source: Ministry of Finance

Utilization Patterns

Corn is the major ingredient used in compound and mixed feed. The ingredient ratio is adjusted from year-to-year, depending on prices of various grains, but the corn ratio has been fairly constant at 47–49 percent in recent years. Of the total demand for corn, about 46-47 percent comes from the poultry sector.

Production of Feed Up Short Term but Down Long Term

The total production of compound feed in 2002 increased slightly from 2001, due primarily to the post-BSE rebound in cattle population. (Japan's first BSE was detected in September 2001.) In JFY 2003, Post projects a slight temporary increase in swine and cattle feed due to an increased demand for pork and domestic beef as a result of U.S. beef and AI outbreak in Japan. However, in the long term, downward trend in livestock population remains strong (see Table 18.) and feed demand in Japan is expected to decline slowly but surely.

Table 20.
Japanese Compound and Mixed Feed Production by Type of Animal
(1,000 MT)

	Compound Feed				Mixed Feed	Grand-Total
	Poultry	Swine	Cattle	Subtotal*		
JFY 2001	10,312	5,856	7,114	23,364	735	24,099
JFY 2002	10,500	5,960	7,175	23,722	692	24,414
JFY 2003**	10,300	6,140	7,320	23,845	650	24,495

* Includes feed for other livestock animals

* Ag Office preliminary estimates

Source: MAFF

Prices

The cost of imported corn, except from China, jumped significantly in 2003 due to the drastic hike in trans-Pacific freight rates caused by a strong increase in freight demand as a result of a surge of China's imports of iron ore.

Table 21.
Average CIF Price of Corn for Feed by Origin
($US per MT)

	CY 2001	CY 2002	CY 2003	*% 03/02*
United States	116.8	118.6	138.1	***116.4%***
Argentina	111.6	107.5	137.9	***128.3%***
China	120.6	124.1	130.2	***104.9%***
Brazil	117.0	117.5	141.7	***120.6%***

Source: Ministry of Finance

StarLink Issue Diminishing and Trade Relies on U.S. Supply as South American Production Expected to Decline - China Remains a Wildcard

In December 2002, one sample of U.S. corn tested positive for the presence of StarLink variety of biotech corn upon arrival testing. Since this variety is not approved in Japan, imports of food corn were disrupted to some extent. MHLW increased surveillance testing upon arrival but has not found more positive cases. Beginning April 2003, a new law was enacted that formally establishes a 1 percent tolerance for the unintentional presence of such segregated unapproved products with the condition that they are approved in other countries based on OECD standards. (Note: MAFF does not allow the transfer of food corn detected with StarLink to feed use.)

As production in both Argentina and Brazil is expected to decline in 2004 (see GAIN Reports #AR3042, Argentina Grain and Feed Update, 11/19/03; #BR3611; Brazil Grain and Feed Update, 8/28/03), the Japanese trade will continue to rely on U.S. supplies despite concerns about low stocks in the U.S. and higher prices. According to trade sources, the Chinese government is restricting corn exports (subsidies have been has stopped), but if the trans-Pacific freight rates do not relax, imports from China will become increasingly attractive (see GAIN Report, #CH4005, China Grain and Feed Annual, 2/6/04).

Table 22.
Imports of Corn by Origin
(1,000 MT)

	CY 2001	CY 2002	CY 2003
Corn for feed			
United States	11,442	11,840	10,358
Share	95.0%	96.1%	92.7%
Argentina	257	138	223
China	146	164	581
Brazil	99	179	10
Others	101	0	0
Total	12,045	12,321	11,172
Corn for manufacturing			
United States	2,774	3,339	4,889
Share	66.4%	81.5%	82.9%
Argentina	201	85	216
Australia	5	5	3
China	219	116	571
South Africa	625	168	21
Brazil	335	374	184
Others	16	11	11
Total	4,175	4,098	5,895
Total corn			
United States	14,216	15,179	15,247
Share	87.6%	92.4%	89.3%
Total	16,220	16,419	17,067

Source: Ministry of Finance

Marketing - New Use Initiatives Continues

With traditional markets for coarse grains expected to decline as Japan's domestic livestock production contracts, the U.S. Grains Council (USGC) continues to diligently explore markets for "new use" products featuring Value Enhanced Grains (VEG) such as high oil corn. Promoting VEG aims at increasing the total monetary value of coarse grains exported to Japan, offsetting the forecast decline in export volume with a long-term perspective.

SORGHUM

Production

Like corn, production of sorghum is negligible in Japan.

Consumption

Sorghum is a substitute for corn in the production of compound and mixed feeds. Therefore, the utilization rate for sorghum in these feeds fluctuates depending on its relative price to corn and other ingredients. In the last few years, the ratio has been declining due to an increase in its price. In JFY 2002, the most recent year with confirmed statistics, sorghum utilization ratio went down to about 7 percent, and is expected to decline further in JFY 2003.

Table 23.
Average CIF Price of Sorghum for Feed by Origin
($US per MT)

	CY 2001	CY 2002	CY 2003	*% 03/02*
United States	121.0	123.8	143.8	***116.2%***
Argentina	102.1	92.6	124.2	***134.1%***
Australia	113.3	113.1	150.4	***133.0%***
China	0.0	0.0	143.7	

Source: Ministry of Finance

Trade

The U.S. is the largest supplier of sorghum to Japan, followed by Argentina. Since sorghum is mainly a substitute for corn, its potential growth in imports largely depends on its price in relation to corn. Overall imports declined in 2003, directly reflecting the increase in its price. Due to continued supply limitations in Australia, the U.S. share increased in 2002 and 2003 while China emerged as an alternative supply source.

Table 24.
Imports of Sorghum by Origin
(1,000 MT)

	CY 2001	CY 2002	CY 2003
Sorghum for feed			
United States	807	1,087	866
Share	46.4%	69.6%	73.3%
Argentina	257	175	244
Australia	677	300	16

China	0	0	56
Total	1,741	1,562	1,182
Sorghum, others			
United States	72	110	185
Share	43.4%	53.1%	59.7%
Argentina	69	55	115
Australia	24	42	1
China	0	0	8
Others	1	0	1
Total	166	207	310
Total sorghum			
United States	879	1,197	1,051
Share	46.1%	67.7%	70.4%
Total	1,907	1,769	1,492

Source: Ministry of Finance

BARLEY

Production

According to MAFF's survey for the 2003 barley crop, the crop area declined slightly at 1.4 percent. Production was down 8.6 percent from 2002 due to the affects of the cool summer and rain at the harvest time. Like wheat, production of barley is strongly encouraged under the rice crop diversion program. Post projects 2004 planted area will remain at 64,000 – 65,000 hectare range with production increasing to 240,000 MT level, given a normal yield.

Table 25.
Crop Area and Production of Barley in Japan

	Crop Area (hectares)	Production (1,000 MT)
1999	52,000	205,300
2000	53,500	214,300
2001	60,540	206,400
2002	64,490	217,200
2003	63,600	198,500

Source: MAFF

Consumption

In Japan, over 80 percent of the total domestic consumption of barley is used for compound and mixed feed production for the cattle sector (beef and dairy). Barley is particularly important in feeding beef cattle because it produces high quality beef with the white marbling Japanese consumers favor. The largest non-feed uses are for the production for *shochu*, a traditionally distilled liquor, and beer. Other uses include *miso* (soybean paste) and barley tea.

Prices

After reaching record high levels in 1996, the average CIF price of barley declined until 1999, rebounded in 2000 and has been reaching higher levels since.

Table 26.
Average CIF Prices of Barley for Feed by Origin
($US per MT)

	CY 2001	CY 2002	CY 2003	*% 03/02*
United States	142.2	142.1	169.8	***119.5%***
Canada	140.5	139.1	164.0	***117.9%***
Australia	144.2	139.8	172.0	***123.0%***
Ukraine	NA	122.2	143.3	***117.3%***

Source: Ministry of Finance

Trade

Along with rice and wheat, barley imports are controlled by MAFF as a "Staple Food". Even though the import system mimics the free market principle fairly closely, MAFF is hesitant to remove barley from the state system because it is a strategic alternative crop under the rice crop diversion program (see GAIN Report, #JA3058, Grain and Feed – Japan's Barley Policy, 8/22/03.)

Due to tight supplies and higher prices from traditional suppliers, Japan imported a small amount of barley from the Ukraine in 2002 for the first time in many years. In 2003 purchases from the Ukraine increased and Germany also emerged as a supplier. However, according to trade sources, imports in 2004 should return to traditional supply sources because of the expected decline in production in Eastern Europe and a bumper crop in Australia (see GAIN Reports, #UP4004, Ukraine Grain and Feed February Update, 2/4/04; and #AS3051, Australia Grain and Feed Update, 12/29/03.)

Table 27.
Imports of Barley by Origin
(1,000 MT)

	CY 2001	CY 2002	CY 2003
Barley for feed			
United States	504	307	406
Share	43.0%	27.2%	33.8%
Canada	140	14	83
Australia	529	775	487
Ukraine	0	30	91
Germany	0	0	132
Others	0	1	2
Total	1,173	1,127	1,201
Barley, others			
United States	9	22	7
Share	3.8%	9.8%	2.9%
Canada	42	17	21
Australia	186	186	212
Others	1	0	1

Total	238	225	241
Total Barley			
United States	513	329	413
Share	36.4%	24.3%	28.6%
Total	1,411	1,352	1,442

Source: Ministry of Finance

SBS Tender for Feed Barley since 1999

As noted in the Wheat Section of this report, MAFF introduced the Simultaneous Buy and Sell (SBS) system for barley for feed in JFY 1999. During JFY 1999, 359,940 MT of feed barley was contracted under three tenders. The amount has been raised every year to 850,000 MT in JFY 2002, remained at that level for 2003, and will be raised again in JFY 2004 to 900,000 MT.

Table 28.
SBS Imports of Feed Wheat and Barley
(MT)

	Wheat	Barley
!st tender	11,890	160,000
2nd	10,610	160,000
3rd	9,920	159,920
4th	12,710	180,000
5th	22,970	190,000
Total	68,100	849,920

Source: MAFF

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 roughly 80,000 MT. Japan imports about the same amount of oats annually. The main users of oats are the racehorse industry and compound feed manufacturers.

Prices

As shown below, U.S. oats are significantly less price competitive than those of Australia and Canada, the two major suppliers for Japan. In 2003, Australia's average CIF price of oats was nearly 40 percent less than the U.S. average CIF price.

Table 29.
Average CIF Price of Oats by Origin
($US per MT)

	CY 2001	CY 2002	CY 2003	*% 03/02*
United States	234.6	312.2	322.9	***103.4%***
Australia	147.5	161.2	201.8	***125.2%***
Canada	161.4	223.5	249.0	***111.4%***

Source: Ministry of Finance

Trade

Australia and Canada dominate oat exports to the Japanese market. Imports in 2004 are estimated to stay flat. In the medium term perspective, a decline is expected as Japan's feed demand weakens further.

Table 30.
Imports of Oats by Origin
(1,000 MT)

	CY 2001	CY 2002	CY 2003
United States	2	1	1
Australia	45	58	51
Canada	37	24	21
Other	0	0	2
Total	84	83	75

Source: Ministry of Finance

BEANS

Production of Both Kidney Beans and Red Beans Drop

Small red beans (Azuki) and kidney beans account for almost all of Japan's dry bean production. Although the production area in 2003 for small red beans stayed at the 2002 level, production volume was down 10.8 percent, due to low summer temperatures and a deficiency in sunlight. The production volume for kidney beans declined by 32.3 percent due to the inclement weather coupled with a 12.9 percent reduction in production area.

Table 31.
Crop Area and Production of Major Beans in Japan

	Small Red (Azuki) Beans		Kidney Beans	
	Area (Hectares)	Production (MT)	Area (Hectares)	Production (MT)
1999	45,400	80,600	12,400	21,400
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
2003	42,000	58,800	12,800	23,000

Source: MAFF

Consumption

Japan's annual bean consumption had been fairly constant at around 230,000 metric tons. However, because the stagnant domestic economy has negatively affected the demand for traditional Japanese confections (a major user of beans), bean consumption has been declining to 200,000 – 220,000 MT level in the last few years. It is expected to remain flat or decline slightly over the next few years.

Table 32.
Utilization of Major Beans by Product
(Percent)

	Sweet Bean Paste	Candied Beans & Other Conf.	Cooked Beans	Fried & Roasted Beans	Other (mainly for home use)	Total
Small Red Beans	68.9	12.8	2.4	0.0	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	21.8	0.0	10.0	68.2	0.0	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 2003 were almost at the same volume as in 2002. Due to a reduced production of Japanese beans this season, Post projects imports in 2004 will increase by 10,000 – 20,000 MT.

Table 33.
Japanese Major Bean Imports by Supplier
(MT)

	CY 2001	CY 2002	CY 2003
Small Red Beans	24,919	27,931	29,696
China	22,429	24,787	26,005
Canada	672	981	1,567
USA	1,163	1,440	1,564
Kidney Beans	20,686	16,945	16,485
China	7,725	7,499	4,170
Canada	6,466	5,098	6,992
USA	3,207	2,450	3,167
Peas	18,675	18,557	15,955

Canada	12,218	11,829	8,807
New Zealand	975	499	1,449
U.K.	2,112	2,835	2,168
USA	1,741	977	998
China	958	1,385	1,850
Hungary	447	870	378
Broad Beans	8,082	7,717	7,046
China	7,069	6,774	6,173
Other Beans	37,715	32,716	33,682
Total	110,077	103,866	102,864

Source: Ministry of Finance

Policy

With implementation of the Uruguay Round Agreement in JFY 1995, the quota system for bean imports was replaced by a low tariff rate quota system. A market access volume of 120,000 MT per annum is maintained with 10 percent duty applied within the current access volume.

PS&D

Rice PS&D Table

Commodity	Rice, Milled						(1000 HA)(1000 MT)
	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		11/2002		11/2003		11/2004	MM/YYYY
Area Harvested	1688	1688	1660	1665	0	1650	(1000 HA)
Beginning Stocks	1594	1829	1393	1579	315	732	(1000 MT)
Milled Production	8089	8089	7080	7091	0	7800	(1000 MT)
Rough Production	11111	11111	9725	9740	0	10714	(1000 MT)
MILLING RATE (.9999)	7280	7280	7280	7280	0	7280	(1000 MT)
TOTAL Imports	700	651	700	706	0	700	(1000 MT)
Jan-Dec Imports	650	651	650	706	0	650	(1000 MT)
Jan-Dec Import U.S.	0	321	0	321	0	325	(1000 MT)
TOTAL SUPPLY	10383	10569	9173	9376	315	9232	(1000 MT)
TOTAL Exports	200	200	200	200	0	200	(1000 MT)
Jan-Dec Exports	200	200	200	200	0	200	(1000 MT)
TOTAL Dom. Consumption	8790	8790	8658	8444	0	8300	(1000 MT)
Ending Stocks	1393	1579	315	732	0	732	(1000 MT)
TOTAL DISTRIBUTION	10383	10569	9173	9376	0	9232	(1000 MT)

Wheat PS&D Table

PSD Table

Country Japan

Commodity Wheat

(1000 HA)(1000 MT)

	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		07/2002		07/2003		07/2004	MM/YYYY
Area Harvested	207	207	217	212	0	220	(1000 HA)
Beginning Stocks	1700	1154	1606	1205	1686	1240	(1000 MT)
Production	828	828	770	855	0	825	(1000 MT)
TOTAL Mkt. Yr. Imports	5579	5391	5800	5400	0	5400	(1000 MT)
Jul-Jun Imports	5579	5391	5800	5400	0	5400	(1000 MT)
Jul-Jun Import U.S.	3101	3040	0	3070	0	3080	(1000 MT)
TOTAL SUPPLY	8107	7373	8176	7460	1686	7465	(1000 MT)
TOTAL Mkt. Yr. Exports	461	318	450	320	0	320	(1000 MT)
Jul-Jun Exports	461	318	450	320	0	320	(1000 MT)
Feed Dom. Consumption	350	350	350	350	0	330	(1000 MT)
TOTAL Dom. Consumption	6040	5850	6040	5900	0	5850	(1000 MT)
Ending Stocks	1606	1205	1686	1240	0	1295	(1000 MT)
TOTAL DISTRIBUTION	8107	7373	8176	7460	0	7465	(1000 MT)

Corn PS&D Table

PSD Table

Country Japan

Commodity Corn

(1000 HA)(1000 MT)

	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Area Harvested	1	1	1	1	0	1	(1000 HA)
Beginning Stocks	1393	1408	1462	1475	1463	1476	(1000 MT)
Production	1	1	1	1	0	1	(1000 MT)
TOTAL Mkt. Yr. Imports	16868	16866	16500	16900	0	16800	(1000 MT)
Oct-Sep Imports	16868	16866	16500	16900	0	16800	(1000 MT)
Oct-Sep Import U.S.	14514	15397	0	15500	0	15450	(1000 MT)
TOTAL SUPPLY	18262	18275	17963	18376	1463	18277	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	12300	12300	12000	12400	0	12200	(1000 MT)
TOTAL Dom. Consumption	16800	16800	16500	16900	0	16700	(1000 MT)
Ending Stocks	1462	1475	1463	1476	0	1577	(1000 MT)
TOTAL DISTRIBUTION	18262	18275	17963	18376	0	18277	(1000 MT)

Sorghum PS&D Table

PSD Table

Country	Japan						
Commodity	Sorghum					(1000 HA)(1000 MT)	
	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Area Harvested	0	0	0	0	0	0	(1000 HA)
Beginning Stocks	291	290	278	281	278	281	(1000 MT)
Production	0	0	0	0	0	0	(1000 MT)
TOTAL Mkt. Yr. Imports	1562	1561	1500	1500	0	1480	(1000 MT)
Oct-Sep Imports	1562	1561	1500	1500	0	1480	(1000 MT)
Oct-Sep Import U.S.	1060	1179	0	0	0	0	(1000 MT)
TOTAL SUPPLY	1853	1851	1778	1781	278	1761	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	1575	1570	1500	1500	0	1480	(1000 MT)
TOTAL Dom. Consumption	1575	1570	1500	1500	0	1480	(1000 MT)
Ending Stocks	278	281	278	281	0	281	(1000 MT)
TOTAL DISTRIBUTION	1853	1851	1778	1781	0	1761	(1000 MT)

Barley PS&D Table

PSD Table

Country Japan

Commodity Barley

(1000 HA)(1000 MT)

	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Area Harvested	64	64	65	64	0	65	(1000 HA)
Beginning Stocks	630	1026	646	983	596	922	(1000 MT)
Production	217	217	250	199	0	240	(1000 MT)
TOTAL Mkt. Yr. Imports	1399	1340	1300	1370	0	1370	(1000 MT)
Oct-Sep Imports	1399	1340	1300	1370	0	1370	(1000 MT)
Oct-Sep Import U.S.	309	337	0	360	0	360	(1000 MT)
TOTAL SUPPLY	2246	2583	2196	2552	596	2532	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	1300	1300	1300	1330	0	1300	(1000 MT)
TOTAL Dom. Consumption	1600	1600	1600	1630	0	1600	(1000 MT)
Ending Stocks	646	983	596	922	0	932	(1000 MT)
TOTAL DISTRIBUTION	2246	2583	2196	2552	0	2532	(1000 MT)

Oats PS&D Table

PSD Table

Country Japan

Commodity Oats

(1000 HA)(1000 MT)

	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Area Harvested	1	1	1	1	0	1	(1000 HA)
Beginning Stocks	8	1	8	3	10	4	(1000 MT)
Production	2	1	2	1	0	1	(1000 MT)
TOTAL Mkt. Yr. Imports	83	83	85	84	0	83	(1000 MT)
Oct-Sep Imports	83	83	85	84	0	83	(1000 MT)
Oct-Sep Import U.S.	1	1	0	2	0	0	(1000 MT)
TOTAL SUPPLY	93	85	95	88	10	88	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	80	76	80	78	0	77	(1000 MT)
TOTAL Dom. Consumption	85	82	85	84	0	83	(1000 MT)
Ending Stocks	8	3	10	4	0	5	(1000 MT)
TOTAL DISTRIBUTION	93	85	95	88	0	88	(1000 MT)

Beans PS&D Table

PSD Table

Country Japan

Commodity Beans

(1000 HA)(1000 MT)

	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Area Harvested	0	57	0	55	0	57	(1000 HA)
Beginning Stocks	0	40	0	22	0	9	(1000 MT)
Production	0	100	0	82	0	100	(1000 MT)
TOTAL Mkt. Yr. Imports	0	107	0	125	0	110	(1000 MT)
Jul-Jun Imports	0	107	0	125	0	110	(1000 MT)
Jul-Jun Import U.S.	0	16	0	19	0	18	(1000 MT)
TOTAL SUPPLY	0	247	0	229	0	219	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Jul-Jun Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	0	225	0	220	0	215	(1000 MT)
Ending Stocks	0	22	0	9	0	4	(1000 MT)
TOTAL DISTRIBUTION	0	247	0	229	0	219	(1000 MT)