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Japan

Avocado

Avocado Annual Report 1998

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Report Highlights:

Exports of U.S. avocados to Japan dropped sharply in 1998 to 437 tons, down from 1,624 tons the year before. However, total consumption in 1998 is up significantly, as Mexico's dominance in the Japanese avocado market continues to expand. Total imports are expected to reach 8,100 tons, up from 6,039 tons in 1997.

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

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Consumption

Japanese consumption of fresh avocados depends entirely on imports, since there is no domestic production. Fresh avocado consumption has been gradually increasing ever since being introduced in Japan in the early 1980's, with record sales of 8,100 metric tons expected this calendar year. Consumption so far in 1998 (through October) totals more than 7,200 metric tons, well above total 1997 sales of 6,000 metric tons.

Avocados are mainly consumed in the major cities of Tokyo, Osaka and Nagoya, with product awareness of avocados still comparatively low in regional markets. With per capita consumption still low compared to many other countries, potential for growth is significant, according to Tokyo traders. Hass is the only avocado variety marketed in Japan and available year-round. The majority of avocados are marketed through retail outlets for home consumption. Food service use remains less developed, but offers strong potential.

Trade

The United States and Mexico are the sole avocado suppliers to Japan. Lately, the U.S. share in the Japanese avocado market has been declining every year, and Mexico now accounts for the great majority of sales. In 1997, Japanese imports of fresh avocados from the United States accounted for 1,624 metric tons, valued at \$4.9 million (CIF), while Mexico shipped 4,415 metric tons, valued at \$8.7 million (CIF). In 1998, however, U.S. shipments to-date (through October) were down drastically to just 437 metric tons, valued at \$1.3 million (CIF), the lowest U.S. level since 1980. Meanwhile, imports of Mexican products were up significantly to 6,778 metric tons, valued at \$13.4 million (CIF).

A late crop from California (large volume shipments did not begin until May, two months later than normal), due to the lingering effects of El-Nino, contributed to the poor sales. Traders also say declining U.S. share over time is due largely to improved quality and price competitiveness of Mexican product. In the past, Mexican avocados did not compete head on with U.S. product in Japan when California's high quality (with high oil content of the fruit) avocados are available from May through July. Lately, Mexican avocados have been available in the Japanese market year-round. Import prices of Mexican avocados are significantly lower than the prices of U.S. products. The CIF price of Mexican avocados averaged 263 yen (\$2.19) /kilogram in 1998 (January-October), while price of U.S. product averaged 429 yen (\$3.58) /kilogram. Traders expect continued growth in Mexico's share of the Japanese avocado market. The avocado trade in Japan remains very concentrated, with just two major fresh produce importers handling over 90 percent of product volume for both California and Mexican avocados.

Marketing

In 1998, coincide with the new crop arrivals in Japan, the California Avocado Commission promoted California avocados with the demonstrations of avocado smoothie drinks at Tokyo's supermarkets. In Harajuku, a fashionable district in Tokyo, the Commission promoted California avocado roll (a slice of avocado rolled in rice wrapped with sea weed) at a Japanese sushi restaurant. Avocado sandwich was also promoted as a healthier food alternative. "Avocards", post cards featuring with pictures of California avocados, were distributed through hundreds of nation's retail stores. The food service market for avocados is less developed, however the potential for growth remains strong. Japanese traders are focusing on menu presentations of health-oriented avocado dishes in family restaurants and fast food outlets.

Japanese buyers prefer large-sized avocados. The majority of avocados distributed in Japan are of the 24-per-flat size, with the remainder being 30's. The current wholesale prices for Mexican 24's averaged 2,500 yen (\$20.83) per tray (6.4 kilograms per tray), with retail prices are ranging 100 - 128 yen (83 cents - \$1.07) per fruit. The wholesale prices of Californian avocados were considerably higher than Mexican fruit, but many supermarkets sold Californian avocados at competitive prices with Mexican avocados.

Policy

Avocados imported from the United States and other industrialized WTO members face a 4.0 percent ad valorem tariff, CIF basis. Avocados from Mexico and other countries receiving Generalized System of Preferential (GSP) tariff treatment are charged a 3.0 percent ad valorem duty, CIF basis.

**Japanese Imports of Fresh Avocados by Month
(Metric Tons)**

	1997		1998	
	U.S.	Mexico	U.S.	Mexico
January	0	458	0	380
February	0	489	0	524
March	163	400	11	780
April	275	302	1	1,094
May	471	143	35	846
June	378	17	278	477
July	321	205	113	399
August	16	440	0	630
September	0	521	0	864
October	0	516	0	783
November	0	475		
December	0	448		

Source: Customs Bureau, Japanese Ministry of Finance.

**Japanese Import Prices of Fresh Avocados by Month 1/
(Yen/KG)**

	1997		1998	
	U.S.	Mexico	U.S.	Mexico
January	-	193	-	239
February	-	216	-	227
March	344	254	519	234
April	348	278	624	245
May	348	280	311	265
June	347	265	418	282
July	340	243	481	303
August	460	264	-	314
September	-	259	-	290
October	-	239	-	250
November	-	221		
December	-	225		

1/ Average monthly CIF prices.

Source: Customs Bureau, Japanese Ministry of Finance.

PS&D Tables and Trade Matrices

Fresh Avocado PS&D Table

PSD Table						
Country:	Japan					
Commodity:	Fresh Avocados					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		01/1996		01/1997		01/1998
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	4950	6454	0	6039	0	8100
TOTAL SUPPLY	4950	6454	0	6039	0	8100
Exports	0	0	0	0	0	0
Fresh Dom. Consumption	4950	6454	0	6039	0	8100
Processing Consumption	0	0	0	0	0	0
TOTAL DISTRIBUTION	4950	6454	0	6039	0	8100

Fresh Avocado Import Trade Matrix

Import Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	Jan-Dec		
Imports for	1996		1997
U.S.	2608	U.S.	1624
Others		Others	
Mexico	3845	Mexico	4415
Total for Others	3845		4415
Others not listed			
Grand Total	6453		6039