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## Japan

**Post:** Tokyo

### **CPTPP and EU Agreements May Reduce Demand for U.S. Oilseeds**

**Report Categories:**

Agricultural Situation  
Oilseeds and Products

**Approved By:**

Gary Meyer

**Prepared By:**

Jess K. Paulson and Daisuke Sasatani

**Report Highlights:**

Japan's conclusion of a free trade agreement with the European Union (EU) and efforts to conclude the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) are expected to increase market competition for U.S. oilseed and vegetable oil exports to Japan. The two agreements contain tariff concessions for a range of oilseeds and their products. The Japan-EU agreement could enter into force as early as 2019, while CPTPP Member States are currently undertaking domestic procedures to ratify the agreement. In 2017, Japan imported \$3 billion in oilseeds, of which 37.7 percent (\$1.15 billion) were from the United States, and \$1.5 billion in vegetable oil and animal fat products, of which 3.2 percent (approximately \$48 million) were from the United States.

**Keywords:** JA8085, soybean, rapeseed, corn, sesame, cottonseed, safflower, sunflowerseed, linseed, olive, palm, coconut, copra, rice bran, palm kernel, DDGS, canola, margarine, shortening, meal

**General Information:**

On July 17, 2018, Japan and the European Union (EU) signed the Japan-EU Economic Partnership Agreement (EPA). Earlier in 2017, Japan's Ministry of Agriculture, Forestry, and Fisheries (MAFF) published on its [website](#) a summary of the tariff reductions for several EU agricultural products which largely resemble the concessions that Japan made in the Trans-Pacific Partnership (TPP) agreement negotiation. Meanwhile, in late June 2018, Japan completed domestic procedures for ratifying the Comprehensive and Progressive Trans-Pacific Partnership (herein referred to as CPTPP<sup>1</sup>) that would allow it to enter into effect without the United States. As of October 15, 2018, Mexico, Japan, and Singapore have ratified the CPTPP.

The majority of Japanese tariffs for oilseeds (raw ingredient) and meal (by-products) are already set at zero percent ad valorem. However, the Japan-EU EPA and CPTPP agreement will eventually eliminate tariffs on many oil products (finished products), which may curb the competitiveness of Japanese oil crushers.

Currently, Japan's self-sufficiency ratio for salad oil (i.e., soybean and canola oil) is close to 100 percent (more precisely, 98.6 percent), but Japan imports significant quantities of palm, coconut and olive oil because there is no duty applied to these items. After the CPTPP agreement and Japan-EU EPA reduce the duties on imported vegetable oils and oil products, it is expected that Japan will increase imports of vegetable oil (including canola oil) and processed oil products (e.g., margarine) from CPTPP and EU members.

**Oil and Meal Demand in Japan**

In 2017, the three most popular oil products in Japan were domestically crushed canola oil produced from imported rapeseed (38.7 percent), imported palm oil (25.9 percent) and domestically crushed soybean oil from imported soybeans (17.4 percent) (see Table 1).

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<sup>1</sup> The CPTPP countries are: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

**Table 1: Japan's vegetable oil consumption<sup>2</sup> in 2017**

Type of Vegetable Oil		Consumption (MT)	Share (%)	
Domestically Produced Oil	From Imported Oilseeds	Imported Rapeseed	1,057,499	38.7 %
		Imported Soybean	475,269	17.4 %
		Imported Corn	78,427	2.9 %
		Imported Sesame	50,671	1.9 %
		Imported Cotton Seed	5,169	0.2 %
		Imported Linseed (Flaxseed)	1,187	0.0 %
		Imported Castor	593	0.0 %
		Imported Safflower	413	0.0 %
		Imported Mustard Seed	121	0.0 %
	Imported Other	58	0.0 %	
	From Domestic Oilseeds	Domestic Rice Bran	65,731	2.4 %
		Domestic Rapeseed	565	0.0 %
		Domestic Peanuts	441	0.0 %
		Domestic Other	7	0.0 %
Imported Oil	Imported Palm Oil	707,663	25.9 %	
	Imported Coconut/Palm Kernel Oil	114,624	4.2 %	
	Imported Olive/Pomace Oil	57,034	2.1 %	
	Imported Sunflower/Safflower Oil	31,518	1.2 %	
	Imported Canola/Mustard Oil	17,119	0.6 %	
	Imported Soy Oil	4,859	0.2 %	
	Imported Peanuts Oil	380	0.0 %	
	Imported Other Oil	62,844	2.3 %	
Total		2,732,192	100 %	

Among Japan's plant-based meal consumption in 2017, 65.1 percent was soybean meal provided by domestic crushers (35.3 percent) and imported soybean meal (29.9 percent) (see Table 2). Rapeseed meal from domestic crushers accounted for 25.6 percent of plant-based meal, but some portion of this was used for fertilizers rather than animal feed. See Oilseed and Products Annual ([JA8019](#)) for more detail.

<sup>2</sup> Combined Japanese production data (reported by MAFF) with import data (reported by Japan Customs).

**Table 2: Japan’s consumption of plant-based meal and bran in 2017<sup>3</sup>**

Type of Meal	Consumption (MT)	Share (%)
Domestically Crushed Soybean Meal	1,833,708	35.3 %
Imported Soybean Meal	1,551,799	29.9 %
Domestically Crushed Rapeseed Meal	1,330,124	25.6 %
Domestically Crushed Rice Bran	256,805	4.9 %
Domestically Crushed Corn Germ Meal	97,684	1.9 %
Imported Other Meal	63,488	1.2 %
Domestically Crushed Other Meal	63,080	1.2 %
<b>Total</b>	<b>5,259,768</b>	<b>100%</b>
(Imported Palm Kernel Shell: Industrial Use Only)	(1,137,464)	

## Oilseeds

Japan produces the majority of its cooking oil from oilseeds that are imported tariff free. With the exception of safflower and sunflower oil, the Japan has no domestic production of the three oils that are tariff-free (palm, coconut, and olive) indicating a relationship between tariffs and the profitability of domestic production (see Figure 1).

## Peanuts

Japan consumed 821 MT of peanut oil in 2017. Japan produced 53.7 percent (441 MT) of peanut oil from domestic peanuts, and Japan imported the balance (380 MT). While Japan applies a tariff to the import of peanuts for food use, it has no tariff for the import of peanuts for crushing. As such, Japanese Customs strictly monitors the use of imported peanuts to ensure that their use is consistent with their tariff treatment. Japan’s tariff for imported peanut oil varies from 8.5 yen to 10.4 yen/kg, depending on the level of acidity. Japan has agreed to eliminate this tariff in Year 11 of both the CPTPP and EU EPA (see Table 5 in Oil section).

Malaysia (CPTPP) was the leading supplier of peanut oil to Japan in 2017 with 128 MT (33.7 percent of imports), followed by Brazil with 116 MT, China with 89 MT, and EU members with 35 MT. Japan imported 2 MT of peanut oil from the United States, valued at \$8,500.

For more information about peanuts for food, see the report “U.S. Nuts Less Competitive under New Japan Free Trade Agreements” ([JA8054](#)).

<sup>3</sup> NOTE: This table does not include bran from grain and animal-based meal (e.g., fish meal and bone meal). Moreover, this table excludes the great majority of palm kernel shell imports, which are used for biomass electricity under Japan’s feed-in tariff (FIT) policy.

### **Soybean and Rapeseed**

The two most popular oils in Japan are rapeseed and soybean, holding 39.4 percent and 17.6 percent of the consumption, respectively. Japan produced 1.06 million MT (MMT) of canola oil and 475,269 MT of soybean oil in 2017 – virtually all from imported seeds and beans. Japan does not apply a tariff to the import of soybeans and rapeseed, but has a specific tariff of 10.9 yen or 13.2 yen per kg for soybean oil and rapeseed oil. The volumes of these imports are tied to a complicated relationship between import prices of oilseeds, meal, and demand for cooking oil and animal feed. For more information on these relationships, please see the report “2018 Japan Oilseeds and Products Situation and Outlook” ([JA8019](#)).

Japan imported 2.4 MMT of soybeans for crushing and food in 2017. The leading supplier was the United States with 73 percent valued at \$1.1 billion, followed by Brazil with 16.2 percent, and CPTPP member Canada with 10.0 percent. The effect of the CPTPP and EU EPA on duty-free imported oilseeds will come from tariff reductions to the import of oil (see Oil Section below).

### **Sesame Seeds**

Japan consumed 53,872 MT of sesame oil in 2017, of which 94.1 percent was produced in Japan from imported sesame seeds, and 5.9 percent was imported sesame oil. The leading supplier of Japan’s sesame seed imports was Burkina Faso with 27.3 percent, followed by Nigeria with 20.8 percent, and Tanzania with 12.3 percent. The United States exported 7,439 MT in 2017 for approximately five percent of Japan’s sesame seed imports – though a large volume was likely used as food rather than oil crush. CPTPP (Mexico and Vietnam) supplied less than one percent of Japan’s sesame seed imports, and trade records show no EU exports of sesame seed to Japan in 2017.

### **Cotton Seeds**

The United States was Japan’s leading supplier of cottonseeds in 2017 with 52.1 percent of valued at \$16 million. The second largest supplier was Australia with 27.7 percent, followed by Brazil (16.4 percent) and Argentina (2.5 percent).

### **Plant Residue for Oil Extraction**

Currently, Japan applies a 4.2 percent *ad valorem* duty to imported flours and meals of oil seeds or oleaginous fruits for oil extraction (these meals still contain oil and are not used for animal feed), but they will be eliminated immediately after the effectuation of both agreements. Japan imported a small volume (135 MT) of soybean flour and meal for oil extraction – 87 percent (\$237,000) of which was from the United States in 2017. These imports were predominantly used for processed food manufacturing, such as in the production of soybean-based energy bars.

### **Other Oilseeds Duties**

Japan does not apply tariffs to the import of other unprocessed oilseeds (see Table 3).

**Table 3: Tariff schedule for oilseeds (HS: 12) except raw peanut**

HS Code	Products	WTO MFN	TPP	EU EPA	Imports (MT)	Imports Share (2017)		
						U.S.	CPTPP	EU
1201	Soybean	0%	0%	0%	3,218,427	73%	10%	0%
1202	Peanut	<a href="#">See JA8054</a>			36,015	35%	1%	-
1203	Copra	0%	0%	0%	0	-	-	-
1204	Linseed	0%	0%	0%	4,518	-	99%	0%
1205	Rapeseed	0%	0%	0%	2,441,005	0%	100%	0%
1206	Sunflower seed	0%	0%	0%	2,081	31%	37%	14%
1207.29-000	Cotton seed	0%	0%	0%	99,482	52%	28%	1%
1207.40-000	Sesame seed	0%	0%	0%	148,696	(5%)	1%	-
1207.50-000	Mustard seed	0%	0%	0%	4,895	5%	92%	2%
1207.60-000	Safflower seed	0%	0%	0%	585	-	-	-
1207.70-000	Melon seed	0%	0%	0%	1	-	0%	-
1207.91-000	Poppy seed	0%	0%	0%	229	-	3%	0%
1207.99-010	Hemp seed	0%	0%	0%	765	-	2%	-
1207.99-090	Other seed for oil	0%	0%	0%	363	-	16%	0%
1208.10-000	Soybean residue for oil extraction	4.2%	IE:*	IE: 0%	135	87%	-	-
1208.90-000	Other plant residue for oil extraction	4.2%	IE: 0%	IE: 0%	17	-	35%	-
Total of Commodity HS:12					\$4.69 billion	37%	37%	2%

\* IE indicates “immediate elimination”.

## Meal and Bran

Meals and bran are byproducts of milling and crushing, and meals are mainly used for animal feed<sup>4</sup>. Japan does not currently apply tariffs on the import of meals. Japan does not apply tariffs to the import of any meal and bran (see Table 4).

### Soybean Meal

Japan imported 1.6 MMT of soybean meal in 2017. The leading supplier of Japan’s soybean meal imports was China with 38.6 percent, followed by India with 14.0 percent. The United States was the third largest supplier, accounting for 14 percent of Japanese soybean meal imports (213,000 MT valued at \$114 million). Japan imported virtually no soybean meal from EU countries and less than one percent from CPTPP members (Vietnam and Malaysia). Japan imported 564 MT of rapeseed meal, all of which was from China.

<sup>4</sup> Meals and bran are used for fertilizer and other uses. Some Japanese soybean meal imports are used for soy sauce and other soybean-based food production. Virtually all Japan’s PKS imports are used for biomass power generation in order to receive feed-in tariff subsidy.

### Corn Gluten Feed and Distillers Dried Grains and Solubles (DDGS)

Japan imported 967,764 MT of corn gluten feed, DDGS, and beet-pulp. The United States was the leading supplier, accounted for 74 percent of imported corn gluten feed and DDGS (713,000 MT valued at \$153 million). China was the second leading supplier, accounting for 18.5 percent. CPTPP countries including Vietnam, Chile and Canada accounted for 3.5 percent.

### Bran

Japan imported 107,964 MT of bran in 2017. Sri Lanka was the leading supplier and accounted 53.4 percent of imports, followed by China (9.4 percent) and Indonesia (7.5 percent). Japan imported 9.0 percent of bran from CPTPP countries, including Canada, Malaysia, and Vietnam. The United States accounted for 4.7 percent of its bran imports (5,000 MT; valued at \$1.4 million).

### Fish Meal

Japan imported 174,210 MT of fish meal in 2017; 51 percent from CPTPP members (Peru, Chile, and Vietnam), 8.7 percent from Ecuador, and 6.3 percent from Thailand. The United States accounted for 6.5 percent of its fish meal (12,000 MT; valued at \$17 million) imports in 2017.

**Table 4: Tariff schedule of meal and bran (HS: 23) except processed animal feed (HS: 2309)**

HS Code	Products	WTO MFN	2017 Imports (MT)	Imports Share (2017)		
				U.S.	CPTPP	EU
2301.20	Fish meal	0%	180,018	6%	50%	3%
2302	Bran	0%	107,964	5%	9%	0%
2303	Corn gluten feed, DDGS	0%	967,764	74%	4%	0%
2304	Soybean meal	0%	1,551,799	14%	1%	0%
2306.10-000	Cottonseeds meal	0%	1,914	1%	-	-
2306.20-000	Linseed meal	0%	23	96%	4%	-
2306.30-000	Sunflower seeds meal	0%	21	-	-	-
2306.41-000	Rapeseed meal	0%	564	-	0%	-
2306.49-000	Other seed meal	0%	6,920	-	-	-
2306.50-000	Copra meal	0%	8,411	-	4%	-
2306.60-000	Palm kernel shell (PKS)	0%	1,137,464	-	30%	-
2306.90-010	Corn germ meal	0%	12,908	-	-	-
2306.90-090	Other meal	0%	32,727	1%	5%	0%
2307	Wine lees	0%	898	8%	-	92%
2308	Vegetable waste	0%	181,549	1%	16%	1%
Total of Commodity HS:23			\$2.35 billion	20%	17%	9%

NOTE: Table 4 does not include processed animal feeds (HS: 2309), such as pet food.

## **Vegetable Oil**

Japan consumed 2.7 MMT of vegetable oil in 2017 – 61.1 percent (1.7 MMT) from the crush of imported oilseeds and 36.5 percent (1 MMT) of imported vegetable oils (Table 1). Japan's imported vegetable oils were predominately of oils or from origins that are tariff-free, such as palm oil (708,000 MT, which accounts for 71 percent of imported vegetable oil), coconut oil (115 MT, or 11.5 percent of imported oil), and olive oil (57,000 MT, 5.7 percent of imported oil). These three non-tariff oils accounted for 88.3 percent of Japan's imported vegetable oil in 2017.

### **Palm Oil**

Palm oil, palm kernel oil and copra oil (i.e., coconut oil) are subject to 2.5 to 4.5 percent *ad valorem* tariff duty for MFN. Japan's EPAs with Malaysia (2006), Indonesia (2008), and the Philippines (2008) eliminated duties for palm oil, palm kernel, and coconut oil. Japan imported 707,663 MT of palm oil in 2017 from Malaysia (70 percent) and Indonesia (29 percent). Japan imported 114,624 MT of coconut and palm kernel oil from Indonesia (50 percent), the Philippines (34 percent), and Malaysia (15 percent). The EU EPA and CPTPP agreements will eliminate Japan's current duties of on palm oil, palm kernel oil and copra oil (i.e., coconut oil) immediately for member countries after effectuation.

### **Olive Oil**

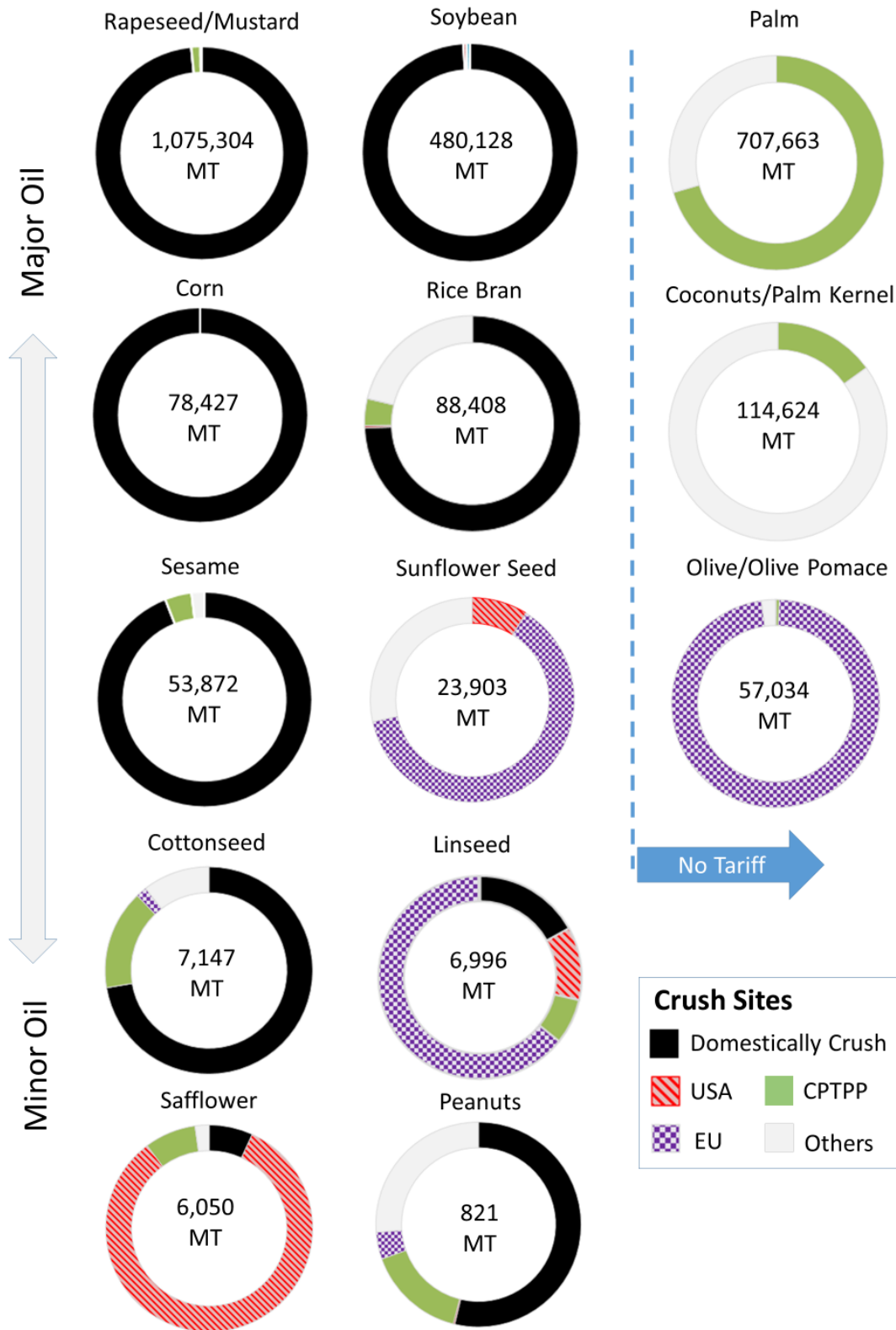
Japan consumed 57,034 MT of olive oil and olive pomace oil in 2017. Japan does not apply a tariff on imported olive oil, 98 percent of which was from EU Member States and 270 MT (0.4 percent) was from CPTPP countries (Australia, Chile, and New Zealand) in 2017. Japan imported 50 MT (valued at \$701,000) from the United States, accounting for less than 0.1 percent of the market.

### **Soybean and Canola Oil**

On the other hand, Japan imports only 4.3 percent of vegetable oil consumption that has an import duty. Japan applies a specific tariff of 10.9 yen or 13.2 yen per kg to soybean oil imports, depending on acidity. These tariffs will be eliminated in Year 6 after the effectuation of each agreement. Japan only imported 1 percent (4,859 MT) of the soybean oil consumption in 2017. The United States accounted for 45 percent of Japanese soybean oil imports (2,000 MT; valued at \$6 million). Rapeseed oil (canola oil) imports are subject to a specific tariff of 10.9 yen or 13.2 yen per kg, depending on the level of acidity. Japan only imported 1.6 percent (17,119 MT) of canola oil consumption in 2017. The leading suppliers of Japan's canola imports were Australia (CPTPP) with 50.6 percent, followed by Canada (CPTPP) with 32.3 percent, and Germany (EU) with 12.6 percent. The United States shipped 325 MT (1.9 percent of canola imports) of canola oil to Japan, valued at \$476,000.



**Figure 1: Japan's vegetable oil consumption by origin**



### Sunflowerseed and Safflower Oil

Sunflower seeds and safflower oil are subject to a specific tariff of 8.5 yen and 10.4 yen per kg, respectively. Duties on safflower oil with acidity greater than 0.6 will be eliminated immediately after the effectuation of each agreement, and the duties for other sunflower seeds and safflower oil will be eliminated in Year 6. Japan imported 6,000 MT of safflower oil (valued at \$8 million) from the United States in 2017, which accounts for 83 percent of Japanese safflower oil consumption. Japan imported 8.6 percent of safflower oil consumption from Mexico. Japan did not crush sunflower seed domestically in 2017, but imported 15,000 MT (62.7 percent) of sunflower seed oil from EU countries. Japan imported 2,000 MT of sunflower seed oil (valued at \$3 million) from the United States in 2017, which accounts for 8.8 percent of sunflowerseed oil consumption.

### Corn Oil

Corn oil is subject to specific tariff of 5 yen or 10.4 yen per kg depending on the level of acidity, but the duties will be eliminated in Year 11. Japan did not import any corn oil in 2017.

### Linseed Oil

Linseed (or flaxseed) oil is subject to mixed tariff of either 5 percent *ad valorem* or ¥5.5/kg specific tariff, whichever is higher, but these duties will be eliminated in Year 6 after the effectuation of both agreements. Japan imported 813 MT of linseed oil from the United States in 2017, valued at \$ 1.5 million.

Japan maintains tariffs on the oil products made by Japanese oil crushers, such as soybean oil and canola oil. Japan may increase oil imports rather than crushing vegetable oils domestically once the CPTPP and EU EPA eliminate tariffs for oils and imported meats (which would likely reduce domestic meat production, and therefore demand for the meal that is a byproduct of crushing).

**Table 5: Tariff schedule of vegetable oil**

HS Code	Products	WTO MFN	TPP	EU EPA	Imports (MT)	Import Share (2017)		
						U.S.	CPTPP	EU
1507.10-100	Soy oil (crude)	¥10.9/kg	Year6:0%	Year6:0%	2,054	97%	0%	0%
1507.10-200	Soy oil (crude)	¥13.2/kg	Year6:0%	Year6:0%	10	99%	-	-
1507.90-000	Soy oil	¥13.2/kg	Year6:0%	Year6:0%	2,795	14%	6%	1%
1508.10-100	Peanuts oil (crude)	¥8.5/kg	Year 11: 0%	Year 11: 0%	116	0%	-	-
1508.10-200	Peanuts oil (crude)	¥10.4/kg	Year 11: 0%	Year 11: 0%	2	100%	-	-
1508.90-000	Peanuts oil	¥10.4/kg	Year 11: 0%	Year 11: 0%	263	0%	49%	13%
1509.10-000	Virgin olive oil	0%	0%	0%	41,330	0%	-	97%
1509.90-000	Olive oil	0%	0%	0%	13,498	0%	1%	99%
1510.00-000	Olive oil	0%	0%	0%	2,206	-	0%	99%
1511.10-000	Palm oil (crude)	3.5%	IE*: 0%	IE: 0%	341	-	30%	-

1511.90-010	Palm stearin	2.5%	IE: 0%	IE: 0%	123,696	-	78%	-
1511.90-090	Palm olein	3.5%	IE: 0%	IE: 0%	583,627	-	69%	-
1512.11-110	Sunflower oil (crude)	¥8.5/kg	Year 6: 0%	Year 6: 0%	14,683	14%	-	47%
1512.11-120	Sunflower oil (crude)	¥10.4/kg	Year 6: 0%	Year 6: 0%	81	0%	-	3%
1512.11-210	Safflower oil (crude)	¥8.5/kg	IE: 0%	IE: 0%	5,049	88%	10%	-
1512.11-220	Safflower oil (crude)	¥10.4/kg	Year 6: 0%	Year 6: 0%	500	100%	-	0%
1512.19-010	Sunflower oil	¥10.4/kg	Year6:0%	Year6:0%	9,139	0%	0%	88%
1512.19-090	Safflower oil	¥10.4/kg	IE: 0%	IE: 0%	88	100%	-	0%
1512.21-090	Cottonseeds oil (crude)	¥8.5/kg	Year 6: 0%	Year 6: 0%	121	-	-	100%
1512.29-090	Cottonseeds oil	¥8.5/kg	Year9:0%	Year9:0%	1,857	-	60%	-
1513.11-000	Coconut oil (crude)	4.5% or ¥5/kg	IE: 0%	IE: 0%	399	0%	7%	-
1513.19-000	Coconut oil	4.5% or ¥5/kg	IE: 0%	IE: 0%	41,824	0%	3%	0%
1513.29-100	Palm kernel oil	4%	IE: 0%	IE: 0%	72,397	0%	22%	-
1513.29-200	Babassu oil	0%	0%	0%	4	-	-	-
1514.11-100	Rapeseeds oil (crude)	¥10.9/kg	Year 6: 0%	Year 6: 0%	8,609	-	100%	0%
1514.11-200	Rapeseeds oil (crude)	¥13.2/kg	Year 6: 0%	Year 6: 0%	110	-	-	100%
1514.19-000	Rapeseeds oil	¥13.2/kg	Year6:0%	Year6:0%	4,568	7%	90%	1%
1514.91-100	Mustard oil (crude)	¥10.9/kg	Year 6: 0%	Year 6: 0%	2,543	-	65%	35%
1514.91-200	Mustard oil (crude)	¥13.2/kg	Year 6: 0%	Year 6: 0%	2	-	-	-
1514.99-000	Mustard oil	¥13.2/kg	Year6:0%	Year6:0%	1,286	0%	-	99%
1515.11-000	Linseed oil (crude)	5% or ¥5.5/kg	Year 6: 0%	Year 6: 0%	1,778	21%	8%	71%
1515.19-000	Linseed oil	5% or ¥5.5/kg	Year 6: 0%	Year 6: 0%	4,031	11%	9%	79%
1515.21-100	Corn oil (crude)	¥5/kg	Year 11: 0%	Year 11: 0%	0	-	-	-
1515.21-200	Corn oil (crude)	¥10.4/kg	Year 11: 0%	Year 11: 0%	0	-	-	-
1515.29-000	Corn oil	¥10.4/kg	Year11:0%	Year11:0%	0	100%	-	-
1515.30-000	Castor oil	4.5%	IE	IE	17,582	0%	-	-
1515.50-100	Sesame oil	¥8.5/kg	Year6:0%	Year6:0%	2,232	-	54%	-
1515.50-200	Sesame oil	¥10.4/kg	Year8:0%	Year8:0%	969	0%	99%	1%
1515.90-110	Tung oil	0%	0%	0%	1,015	-	-	-

1515.90-200	Oiticica oil	0%	0%	0%	141	-	-	1%
1515.90-410	Rice bran oil	¥8.5/kg	Year11:0%	Year11:0%	22,677	1%	16%	-
1515.90-420	Rice bran oil	¥10.4/kg	Year11:0%	Year11:0%	1,754	43%	2%	0%
1515.90-510	Other plant oil	¥8.5/kg	Year4:0%	Year4:0%	1,327	1%	2%	6%
1515.90-520	Other plant oil	¥10.4/kg	Year4:0%	Year4:0%	8,880	3%	22%	37%
1515.90-600	Joboba oil	0%	0%	0%	457	3%	0%	3%

\* IE indicates “immediate elimination”.

### Animal Fats and Processed Oils/Fats

Margarine is generally made of vegetable oil, including palm, soybean, canola, and corn oil. Japan produced 224,366 MT of margarine and fat spread in 2017. Currently, margarine is subject to an *ad valorem* duty of 29.8 percent. Japan imports only 370 MT of margarine, mostly from Canada (50 percent) and the United States (45 percent; valued at \$388,000). Under CPTPP and EU EPA, the tariff will be eliminated in Year 6.

Shortening is subject to an *ad valorem* duty of 12.3 percent, but will be eliminated under each agreement in Year 6 as well. Japan produced 236,080 MT of shortening in 2017 and imported only 2,356 MT, including 1,401 MT from Malaysia (CPTPP), and 859 MT from Indonesia.

The tariff schedule of other animal and processed fats are outlined in Table 6 below.

**Table 6: Tariff schedule of animal fat and processed oil/fat**

HS Code	Products	WTO MFN	TPP	EU EPA	Imports (MT)	Imports Share (2017)		
						U.S.	CPTPP	EU
1501.10-100	Lard	0%	0%	0%	215	-	-	-
1501.10-200	Lard	¥8.5/kg	Year 6: 0%	Year 6: 0%	792	4%	-	96%
1501.20-100	Lard	0%	0%	0%	65	-	-	-
1501.20-200	Lard	¥8.5/kg	Year 6: 0%	Year 6: 0%	257	15%	-	85%
1501.90-000	Poultry fat	6.4%	IE*: 0%	IE: 0%	628	1%	-	83%
1502.10-010	Tallow	0%	0%	0%	20,277	-	90%	-
1502.90-010	Tallow	0%	0%	0%	847	-	100%	-
1503.00-000	Lard stearin	4.3%	IE: 0%	IE: 0%	52	100%	-	-
1504.10-000	Fish liver oil	3.5%	IE: 0%	IE: 0%	1,402	0%	2%	0%
1504.20-000	Fish oil	7% or ¥4.2/kg	IE: 0%	IE: 0%	18,637	15%	56%	11%
1504.30-090	Sea mammal fat	3.5%	IE: 0%	IE: 0%	463	-	2%	-

1505.00-100	Wool grease	1.2%	IE: 0%	IE: 0%	4,457	-	38%	5%
1505.00-200	Lanolin	3%	IE: 0%	IE: 0%	134	-	-	96%
1506.00-000	Other animal fat	6.4%	IE: 0%	IE: 0%	161	1%	23%	47%
1516.10-000	Hydrogenated animal fat	4%	IE: 0%	IE: 0%	94	29%	-	11%
1516.20-010	Hydrogenated castor oil	3.5%	IE: 0%	IE: 0%	7,138	-	-	0%
1516.20-090	Hydrogenated other plant oil	3.5%	IE: 0%	IE: 0%	14,744	1%	77%	9%
1517.10-000	Margarine	29.8%	Year 6: 0%	Year 6: 0%	370	45%	54%	2%
1517.90-190	Mixed animal fat	6.4%	IE: 0%	IE: 0%	0	-	-	-
1517.90-210	Hydrogenated mixed plant oil	3.5%	IE: 0%	IE: 0%	3,109	-	95%	5%
1517.90-290	Mixed plant oil	¥13.2/kg	Year 11: 0%	Year 11: 0%	4,324	0%	16%	83%
1517.90-300	Release oil	2.9%	IE: 0%	IE: 0%	1,563	0%	-	100%
1517.90-400	Shortening	12.8%	Year 6: 0%	Year 6: 0%	2,356	-	60%	-
1517.90-900	Processed oil and fat	21.3%	Year 6: 0%	Year 6: 0%	1,338	33%	32%	28%
1518.00-000	Processed denatured oil and fat	2.5%	IE: 0%	IE: 0%	9,250	1%	51%	1%
1520.00-000	Glycerin	5%	IE: 0%	IE: 0%	14,343	-	38%	0%
1521.10-010	Carnauba wax	0%	0%	0%	2,182	0%	-	0%
1521.10-090	Other vegetable waxes	0%	0%	0%	490	3%	96%	0%
1521.90-010	Beeswax	13%	13%	13%	798	0%	29%	1%
1521.90-099	Insect wax	4.5%	IE: 0%	IE: 0%	0	0%	-	-
1522.00-100	Degras	4.5%	IE: 0%	IE: 0%	0	-	-	-
1522.00-200	Degras others	0%	0%	0%	3,580	16%	12%	15%

\* IE indicates “immediate elimination”.