

Required Report: Required - Public Distribution

Date: December 21, 2022

Report Number: JA2022-0117

Report Name: Citrus Annual

Country: Japan

Post: Tokyo

Report Category: Citrus

Prepared By: Tomohiro Kurai

Approved By: Mariya Rakhovskaya

Report Highlights:

Mandarin (Citrus unshiu) production in Japan continues to gradually decrease along with a falling number of farmers. Overall Japanese citrus consumption fell as the price of imported citrus, including oranges, grapefruit and lemons, increased due to a combination of shipping challenges, inflation, and Japanese yen depreciation. Some Japanese importers have begun to seek cheaper alternatives of imported citrus.

General

Tangerines and Mandarins: PS&D Table

| Tangerines/Mandarins, Fresh Market Year Begins | 2020/2021 | | 2021/2022 | | 2022/2023 | |
|---|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2020 | | Oct 2021 | | Oct 2022 | |
| Japan | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Planted (HECTARES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Area Harvested (HECTARES) | 51700 | 51700 | 50400 | 50600 | 0 | 49300 |
| Bearing Trees (1000 TREES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Bearing Trees (1000 TREES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total No. Of Trees (1000 TREES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Production (1000 MT) | 976 | 976 | 924 | 954 | 0 | 921 |
| Imports (1000 MT) | 23 | 23 | 20 | 14 | 0 | 16 |
| Total Supply (1000 MT) | 999 | 999 | 944 | 968 | 0 | 937 |
| Exports (1000 MT) | 1 | 1 | 2 | 2 | 0 | 2 |
| Fresh Dom. Consumption (1000 MT) | 930 | 921 | 872 | 895 | 0 | 866 |
| For Processing (1000 MT) | 68 | 77 | 70 | 71 | 0 | 69 |
| Total Distribution (1000 MT) | 999 | 999 | 944 | 968 | 0 | 937 |
| | | | | | | |

(HECTARES) ,(1000 TREES) ,(1000 MT)

Production

Since 1974, Japan's planted area of Satsuma mandarins, also known as "*Unshu mikan*" (hereafter referred to as "unshu") has been on a continuous decline. To prevent over production and a subsequent price drop, Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) imposed unshu production control in 1975. In response to subsequent supply shortages over several years relative to MAFF's demand estimates, MAFF rescinded unshu production control in the marketing year (MY: October – September) 2019/20.

During the unshu production control period, some citrus farmers transitioned to the production of non-unshu varieties, such as *Natsu-Mikan* (*Citrus natsudaidai*) and *Iyokan* (*Citrus iyo*), in the 1980s and hybrid unshu-orange varieties, such as *Shiranui* and *Kiyomi*, in the 1990s. Despite partially offsetting falling unshu production, this non-unshu citrus production has also been declining since 1987, as the average farmer's age increased. As domestic citrus consumption fell, Japan allowed imports of U.S. oranges in 1991. The lack of successors in Japanese agriculture exacerbates production challenges, particularly for labor-intensive crops with a limited financial reward, such as mandarins. FAS/Tokyo forecasts MY 2022/23 harvested area for tangerines/mandarins in Japan to fall by 1,300 hectares (ha) or 2.6 percent compared to MY 2021/22.

Based on unshu trees' cycle of biennial bearing, MY 2022/23 is a high-yielding year. However, MAFF estimates Japan's MY 2022/23 unshu production to reach 742,000 metric tons (MT) or 7,000 MT below MY 2021/22 production. Low precipitation following the MY 2021/22 harvest coupled with lower than average winter temperatures led to fewer flowers on mandarin trees. This impact on flower production was stronger for late-maturity varieties. FAS/Tokyo estimates MY 2022/23 unshu production at 722,000 MT (i.e., 20,000 MT lower than MAFF's estimate) and the production of non-unshu varieties at 199,000 MT. Thus, FAS/Tokyo's total forecast for Japan's tangerine/mandarin production in MY 2022/23 is 921,000 MT, down 3.5 percent compared to MY 2021/22.

Consumption

In recent years, unshu demand has exceeded production, and unshu distributors largely accept prices set by producers. Domestic tangerine/mandarin consumption closely matches domestic production volume in Japan.

Based on MAFF's projected reduction of Japan's tangerine/mandarin production, FAS/Tokyo forecasts that Japan's tangerine/mandarin consumption will decrease by 3.2 percent from MY 2021/22 to 866,000 MT in MY 2022/23.

Imports

In MY 2021/22, Japan's imports of fresh tangerines/mandarins fell to 14,379 MT, down 37.8 percent compared to MY 2020/21, primarily due to the reduction in U.S. exports to Japan (Table 1). According to [USDA/NASS statistics](#), California tangerine/tangelo production was down about 40 percent in MY 2021/22. A commodity price increase in the United States (compared to Japan) coupled with logistical challenges further raised the unit price of U.S. tangerines in Japan. Nevertheless, in MY 2021/22, the United States remained the leading supplier of fresh tangerines to Japan with a 41% of import share, followed by Australia and Peru. Contacts among Japanese tangerine importers noted a sudden influx of Turkish tangerines to Japan and indicated an expectation that the volume will continue to increase in MY 2022/23.

Based on the [USDA/NASS forecast](#) of partial recovery in MY 2022/23 U.S. tangerine production, FAS/Japan forecasts Japan's imports of tangerines/mandarins to increase 11.2 percent in MY 2022/23 compared to MY 2021/22 levels, though still below MY 2020/21 levels due to continuing inflation in the United States and yen depreciation in Japan.

Table 1. Japan's Mandarin/Tangerine Imports by Volume (in MT)

| | MY 2017/18 | MY 2018/19 | MY 2019/20 | MY 2020/21 | MY 2021/22 |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| World | 18,659 | 18,651 | 21,031 | 23,103 | 14,379 |
| United States | 13,004 | 12,954 | 12,799 | 12,399 | 5,910 |
| <i>Market Share:</i> | <i>69%</i> | <i>69%</i> | <i>61%</i> | <i>53%</i> | <i>41%</i> |
| Australia | 4,546 | 4,827 | 6,959 | 5,901 | 3,584 |
| Peru | 0 | 23 | 824 | 4,451 | 2,677 |
| Turkey | 0 | 0 | 0 | 0 | 1,456 |
| Other | 1,159 | 1,002 | 849 | 474 | 750 |

Source: Trade Data Monitor

Exports

Following the Government of Japan's policy to increase agricultural exports, including unshu (see [JA2021-0103](#) entitled "Japan Releases Details on Agricultural Export Expansion Plan"), FAS/Tokyo forecasts Japan's MY 2022/23 tangerine/mandarin exports will increase another 8 percent to 1,800 MT compared to 1,667 MT in MY 2021/22.

Policy

Japan levies a 17 percent tariff on imports of U.S. tangerines/mandarins (Harmonized System Code (HS) 0805.21), U.S. clementines (HS 0805.22) and other similar varieties (HS 0805.29) from the United States. On the other hand, member countries of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), including Australia and Peru, faces a 2.8 percent tariff by Japan.

Oranges:

PS&D Table

| Oranges, Fresh Market Year Begins Japan | 2020/2021 | | 2021/2022 | | 2022/2023 | |
|---|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2020 | | Oct 2021 | | Oct 2022 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Planted (HECTARES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Area Harvested (HECTARES) | 410 | 410 | 400 | 400 | 0 | 395 |
| Bearing Trees (1000 TREES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Bearing Trees (1000 TREES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total No. Of Trees (1000 TREES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Production (1000 MT) | 6 | 6 | 6 | 6 | 0 | 6 |
| Imports (1000 MT) | 86 | 86 | 84 | 72 | 0 | 80 |
| Total Supply (1000 MT) | 92 | 92 | 90 | 78 | 0 | 86 |
| Exports (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Fresh Dom. Consumption (1000 MT) | 91 | 91 | 89 | 77 | 0 | 85 |
| For Processing (1000 MT) | 1 | 1 | 1 | 1 | 0 | 1 |
| Total Distribution (1000 MT) | 92 | 92 | 90 | 78 | 0 | 86 |
| (HECTARES) ,(1000 TREES) ,(1000 MT) | | | | | | |

Production

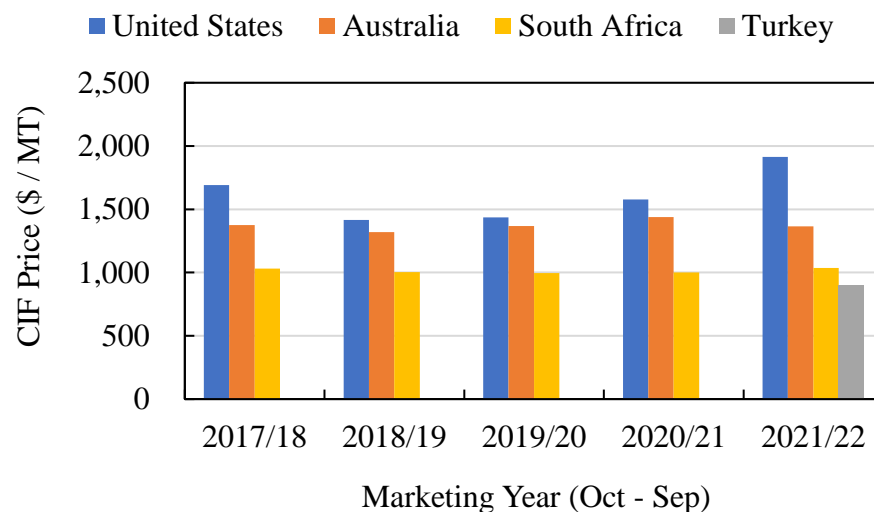
Japan produced an estimated 5,800 MT of fresh oranges on 400 ha in MY 2021/22. Navel is the leading variety and represents approximately 85 percent of domestic production, followed by Blood and Valencia varieties. Hiroshima prefecture is Japan's top orange-producing area at nearly 40 percent of domestic Navel production. Japan's production area continues to shrink due to aging farmers and a lack of successors. FAS/Tokyo forecasts MY 2022/23 orange production will fall by 2 percent to 5,600 MT as area harvested decreases by 1.2 percent to 395 ha.

Consumption

Japan's annual consumption of fresh oranges fell by 15.4 percent to 77,000 MT in MY 2021/22 largely due to a reduction in U.S. orange exports and a price increase. The average Cost Insurance and Freight (CIF) price (US\$ per MT) for U.S. fresh oranges increased 21.3 percent during MY 2022/23 compared to MY 2021/22 (Figure 1).

Although Japanese yen depreciation continues to challenge the price competitiveness of U.S. oranges in the Japanese market, FAS/Tokyo expects a recovery in U.S. orange exports to Japan based on the [USDA/NASS forecast](#) of recovered production in California in MY 2022/23 and improved shipping logistics. FAS/Tokyo forecasts MY 2022/23 fresh orange consumption in Japan to reach 85,000 MT or increase by 10.2 percent from MY 2021/22.

Figure 1. Average CIF Price of Fresh Oranges Imported by Japan



Note: Turkey did not export fresh oranges to Japan until MY 2021/22.

Imports

Japanese fresh orange imports decreased 16.3 percent to 72,000 MT during MY 2021/22. Industry contacts attribute this decline in orange imports to the following factors that reduced U.S. orange exports: (i) less production in the United States, (ii) greater logistical costs, and (iii) depreciation of the Japanese yen against the U.S. dollar. As the price of U.S. oranges rose, some importers sought alternative suppliers and began to import Turkish oranges. In light of improvements in the first two challenges described above in MY 2022/23, FAS/Tokyo estimates U.S. orange exports will increase 20.7 percent to 35,000 MT and Japan's overall orange imports will recover to 80,000 MT or up 11.1 percent from MY 2021/22.

In MY 2021/22, for the first time in recent years, the United States was not the top supplier by volume of the Japanese orange market. Australia supplied 51.4 percent or 37,018 MT of Japan's imported orange market, while the United States supplied 40.3 percent or 29,030 MT. There is no direct competition between U.S. and Australian oranges due to different seasons. On the other hand, the 3,991 MT of Turkish oranges entered Japan during the typical U.S. orange season. Japanese importers anticipate the volume of Turkish orange imports will increase further at the expense of the U.S. market share in MY 2022/23.

Exports

Japanese orange exports remain negligible (14 MT) in MY 2021/22, and FAS/Tokyo forecasts the same export volume in MY 2022/23.

Policy

Japan applies different tariff rates to orange imports based on the import window. Under the U.S.-Japan Trade Agreement (USJTA), U.S. fresh orange exports to Japan benefit from a stepwise tariff elimination schedule. Table 2 below summarizes Japan's tariff schedule for U.S. oranges through Japanese fiscal year (JFY: April-March) 2025, when they become duty-free.

Table 2. Tariff Schedule for U.S. Oranges (HS 0805.10) under USJTA

| Period of the Year | JFY 2022 | JFY 2023 | JFY 2024 | JFY 2025 |
|-------------------------------------|----------|----------|----------|----------|
| 1) Between June 1 and November 30 | 2.6% | Free | Free | Free |
| 2) Between December 1 and March 31* | 15.3% | 10.2% | 5.1% | Free |
| 3) Between April 1 and May 31 | 5.3% | Free | Free | Free |

Source: FAS/Tokyo

* This period is subject to safeguard.

For the period between December 1 to March 31, Japan may increase the tariff is imports exceed safeguard levels (Table 3).

Table 3. Safeguard Trigger Volumes and Duties on U.S. Oranges to Japan between December 1 and March 31 under USJTA

| Year | Safeguard Trigger (MT) | Over-safeguard Duty |
|----------|------------------------|---------------------|
| JFY 2022 | 40,850 | 20.0% |
| JFY 2023 | 42,750 | 20.0% |
| JFY 2024 | 44,650 | 20.0% |
| JFY 2025 | Eliminated | N/A |

Source: Japan Customs

Grapefruits: PS&D Table

| Grapefruit, Fresh Market Year Begins Japan | 2020/2021 | | 2021/2022 | | 2022/2023 | |
|--|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2020 | | Oct 2021 | | Oct 2022 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Planted (HECTARES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Area Harvested (HECTARES) | 1238 | 1237 | 1248 | 1243 | 0 | 1250 |
| Bearing Trees (1000 TREES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Bearing Trees (1000 TREES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total No. Of Trees (1000 TREES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Production (1000 MT) | 27 | 27 | 27 | 27 | 0 | 27 |
| Imports (1000 MT) | 54 | 54 | 50 | 45 | 0 | 40 |
| Total Supply (1000 MT) | 81 | 81 | 77 | 72 | 0 | 67 |
| Exports (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Fresh Dom. Consumption (1000 MT) | 79 | 79 | 75 | 70 | 0 | 65 |
| For Processing (1000 MT) | 2 | 2 | 2 | 2 | 0 | 2 |
| Total Distribution (1000 MT) | 81 | 81 | 77 | 77 | 0 | 67 |
| | | | | | | |

(HECTARES) ,(1000 TREES) ,(1000 MT)

Production

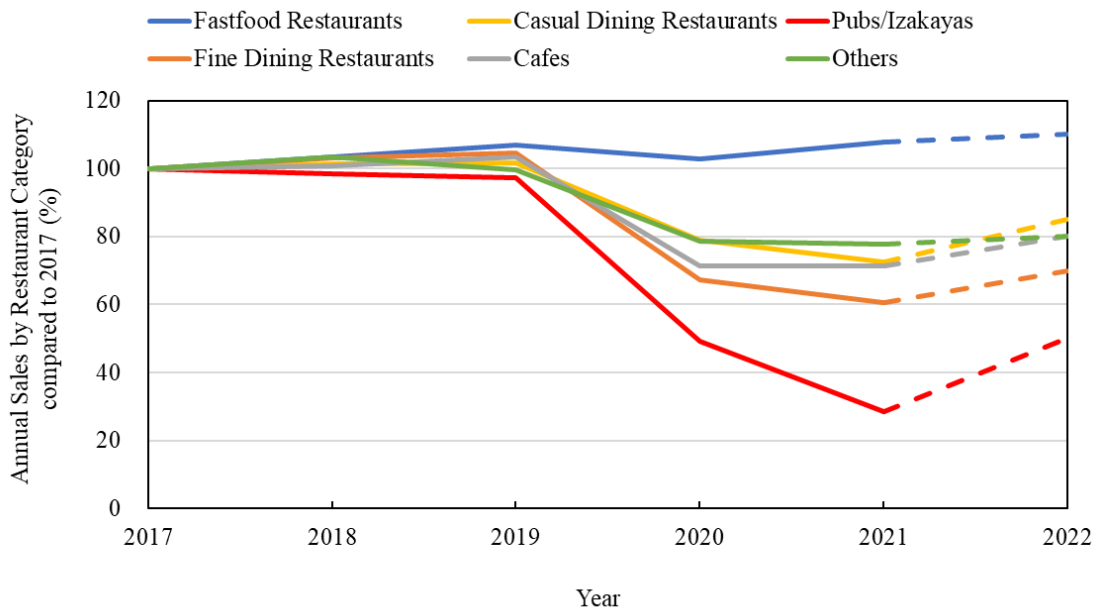
While Japan's domestic grapefruit production is negligible at approximately 35 MT on 2 ha of planted area, Japan produces several Pomelo or grapefruit-like citrus varieties (referred to as Japanese Pomelo hereafter). The PS&D table for grapefruit includes data on Japanese Pomelo. Given stable grapefruit demand, particularly from local and elderly consumers, FAS/Japan estimates MY 2022/23 grapefruit production, including Japanese Pomelo estimated from MAFF statistics, at 27,000 MT with planted area of 1,250 ha.

Consumption

According to industry contacts among fruit importers and distributors, approximately 70 percent of imported grapefruits are consumed at home, and the remainder goes toward gifting and hotel, restaurant and industrial (HRI) sector, such as breakfast buffet and cocktail ingredients in bars. COVID-19-related restrictions on the HRI sector have weakened overall grapefruit demand and Japan's MY 2021/22 grapefruit consumption fell 11.4 percent to 70,000 MT.

Despite Japan's removal of restrictions on restaurants in MY 2022/23, sales are yet to return to pre-COVID level (Figure 2) and the Japanese yen's purchasing power has fallen. Therefore, FAS/Tokyo forecasts Japan's MY 2022/23 grapefruit consumption will decrease to 65,000 MT, down additional 7.7 percent compared to MY 2021/22.

Figure 2. Impact of COVID-19 on Restaurant Sales in Japan



(Note: Dotted lines indicate FAS/Tokyo estimates)

Source: Japan Food Service Association

Imports

In MY 2021/22, South Africa continued to be the leading grapefruit supplier to Japan at 23,147 MT (Table 4). Two characteristics in particular draw Japanese consumers to South African grapefruit: price competitiveness and availability during the off season for domestic grapefruit-like varieties. In MY

2021/22, Israel overtook the United States as the second largest grapefruit supplier as U.S. exports substantially declined. Industry contacts suggest that this historical drop in U.S. exports stemmed from a combination of lower U.S. grapefruit production, shipping challenges, inflation, and Japanese yen depreciation.

Although shipping conditions have improved, the price of U.S. grapefruit remains high in light of continued U.S. production challenges and yen depreciation. FAS/Tokyo forecasts Japan’s MY 2022/23 fresh grapefruit imports to fall 11.2 percent compared to MY 2021/22 as U.S. grapefruit exports continue to shrink.

Typically, U.S. grapefruit have a higher unit price than grapefruit from other countries and are destined for at-home consumption. Quality and market demand determine the use of grapefruit from other countries.

Table 4. Japanese Fresh Grapefruits Imports (MT)

| | MY 2017/18 | MY 2018/19 | MY 2019/20 | MY 2020/21 | MY 2021/22 |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| World | 70,726 | 64,329 | 60,931 | 53,865 | 44,910 |
| United States | 18,494 | 18,516 | 15,848 | 12,659 | 7,968 |
| <i>Import Share:</i> | <i>26%</i> | <i>29%</i> | <i>26%</i> | <i>24%</i> | <i>18%</i> |
| South Africa | 36,202 | 29,591 | 26,269 | 26,519 | 23,147 |
| Israel | 9,555 | 11,206 | 10,491 | 7,770 | 7,996 |
| Mexico | 5,304 | 2,442 | 6,070 | 4,733 | 3,120 |
| Others | 1,171 | 2,573 | 2,254 | 2,182 | 2,680 |

Source: Trade Data Monitor

Exports

Japan’s fresh grapefruit exports in MY 2021/22 were negligible (less than 1 MT) due to limited domestic production. FAS/Tokyo forecasts no changes to Japanese grapefruit exports in MY 2022/23.

Policy

Japan imposes a 10 percent tariff on U.S. fresh grapefruit (HS 0805.40), as well as grapefruit from South Africa and Israel.

Lemons and Limes: PS&D Table

| Lemons/Limes, Fresh Market Year Begins Japan | 2020/2021 | | 2021/2022 | | 2022/2023 | |
|--|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2020 | | Oct 2021 | | Oct 2022 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Planted (HECTARES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Area Harvested (HECTARES) | 4420 | 4414 | 4440 | 4425 | 0 | 4435 |
| Bearing Trees (1000 TREES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Bearing Trees (1000 TREES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total No. Of Trees (1000 TREES) | 0 | 0 | 0 | 0 | 0 | 0 |
| Production (1000 MT) | 48 | 49 | 48 | 49 | 0 | 49 |
| Imports (1000 MT) | 44 | 44 | 46 | 46 | 0 | 50 |
| Total Supply (1000 MT) | 92 | 93 | 94 | 95 | 0 | 99 |
| Exports (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Fresh Dom. Consumption (1000 MT) | 64 | 65 | 66 | 67 | 0 | 80 |
| For Processing (1000 MT) | 28 | 28 | 28 | 28 | 0 | 19 |
| Total Distribution (1000 MT) | 92 | 93 | 94 | 95 | 0 | 99 |
| (HECTARES) ,(1000 TREES) ,(1000 MT) | | | | | | |

Production

Japan's lemon production area has been steadily increasing over the last decade in response to growing demand for domestic lemons. Japan's lemon industry strategically differentiates domestic lemons from imported lemons by claiming minimal chemical application¹. Hiroshima at 50 percent of domestic lemon production and Ehime at 20 percent are the leading lemon-producing prefectures in Japan. FAS/Tokyo forecasts continued gradual expansion of lemon production areas in Japan in MY 2022/23.

In addition to lemons, Japan produces Japan-specific lemon-like varieties, such as yuzu (*Citrus junos*), kabosu (*Citrus sphaerocarpa*), and sudachi (*Citrus sudachi*). Of these, yuzu is the most popular variety and accounts for about 50 percent of Japan's total production area for lemons and lemon-like citrus. FAS/Tokyo anticipates yuzu production will continue to grow while kabosu and sudachi production remain steady.

FAS/Tokyo forecasts Japan's MY 2022/23 area harvested for fresh lemons and lemon-like citrus varieties to marginally increase by 0.2 percent to 4,435 ha. Similarly, Japan's production of fresh lemons and lemon-like citrus varieties will marginally increase in MY 2022/23 (Note: due to a rounding error, this marginal increase in production from MY 2021/22 to MY 2022/23 is not clear in the PS&D table).

Consumption

According to lemon importers and distributors, approximately 70 percent of fresh lemon is consumed by the HRI sector in Japan. Specifically, pubs and *izakayas* are the primary users of fresh lemons for garnish and alcoholic beverage ingredients. During the height of the COVID-19 pandemic, in MY 2020/21 and 2021/22, pubs and *izakayas* experienced a 30 percent drop in sales compared to pre-COVID-19 times due to government restrictions, such as on operating hours and alcohol service (Figure 2). Correspondingly, lemon consumption fell about 50 percent during that period. Recent statistics indicate a 50-60 percent recovery in sales at pubs and *izakayas* compared to the pre-COVID time. Lemon importers estimate lemon consumption has recovered to approximately 70 percent of pre-

¹ Japan requires fungicides applied post-harvest to be labeled at the point of sale, while pre-harvest pesticide application does not need to be explicitly shared with consumers. Consequently, Japanese growers tend to apply fungicides before harvest.

COVID levels. As a result, FAS/Tokyo forecasts Japan’s fresh lemon and lime consumption to bounce back to 80,000 MT in MY 2022/23.

Imports

In MY 2021/22, Japan’s fresh lemon imports rebounded slightly to 43,807 MT or by 3.3 percent from MY 2020/21. The United States remains the leading lemon supplier to Japan at 50 percent of the MY 2021/22 import share, followed by Chile with 38 percent (Table 5). As lemons are primarily consumed in pubs and *izakayas*, price, rather than quality, is the top consideration. Due to the continuous increase of the CIF price of U.S. lemons to Japan and a weak Japanese yen, some importers have begun to shift procurement from the United States to other countries, especially Australia and Turkey.

In MY 2022/23, FAS/Japan forecasts Japan’s fresh lemon imports will recover to 48,000 MT as the HRI sector recovers (Figure 2) and lime imports will stay steady at 2,000 MT. Together, FAS/Japan forecasts Japan’s lemon and lime imports to increase 8.7 percent to 50,000 MT in MY 2022/23.

Table 5. Japan’s Fresh Lemon Imports (MT)

| | MY 2017/18 | MY 2018/19 | MY 2019/20 | MY 2020/21 | MY 2021/22 |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| World | 50,941 | 56,839 | 46,501 | 42,403 | 43,807 |
| United States | 29,817 | 33,457 | 24,950 | 20,749 | 21,921 |
| <i>Import Share:</i> | 59% | 59% | 54% | 49% | 50% |
| Chile | 18,048 | 20,232 | 17,681 | 16,310 | 16,472 |
| Others | 3,076 | 3,150 | 3,870 | 5,344 | 5,414 |

Source: Trade Data Monitor

Exports

Japan’s fresh lemon and lime (HS0805.50) exports are negligible (less than 1 MT). Japan also exports small volumes (135 MT in MY 2021/22) of Japan-specific lemon-like varieties (HS0805.90), including fresh yuzu.

Policy

Japan does not have a tariff on lemon and lime imports from World Trade Organization (WTO) members, like the United States.

Orange Juice: PS&D Table

| Orange Juice Market Year Begins Japan | 2020/2021 | | 2021/2022 | | 2022/2023 | |
|---|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2020 | | Oct 2021 | | Oct 2022 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Deliv. To Processors (MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Beginning Stocks (MT) | 40140 | 40140 | 37640 | 21873 | 0 | 14909 |
| Production (MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Imports (MT) | 68000 | 49759 | 45000 | 58059 | 0 | 55000 |
| Total Supply (MT) | 108140 | 89899 | 82640 | 79932 | 0 | 69909 |
| Exports (MT) | 2500 | 26 | 50 | 23 | 0 | 23 |
| Domestic Consumption (MT) | 68000 | 68000 | 48500 | 65000 | 0 | 65000 |
| Ending Stocks (MT) | 37640 | 21873 | 34090 | 14909 | 0 | 4886 |
| Total Distribution (MT) | 108140 | 89899 | 82640 | 79932 | 0 | 69909 |
| (MT) | | | | | | |

* Orange juice imports represent the total of imports under HS codes: 2009.11, 2009.12 and 2009.19.

**As Japanese import statistics (via Trade Data Monitor) for orange juice are in liters, the table includes all imports converted to Frozen Concentrate Orange Juice (FCOJ) 65 Brix equivalent in MT. In line with industry standards, the conversion factor for concentrated orange juice (2009.11 (frozen) and 2009.19 (non-frozen)) was 1.3154 or the density of FCOJ at 65 Brix. For liquid non-concentrated orange juice (2009.12), the conversion factor was 0.1897 (standard 1.04 density at 11.8 Brix multiplied by the ratio of 11.8 Brix to 65 Brix or 0.18).

Production

Due to limited orange production, Japan's orange juice production is negligible.

Consumption

FAS/Tokyo forecasts Japan's MY 2022/23 orange juice consumption to remain constant at 65,000 MT at 65 Brix equivalent. Although the gradual recovery of the HRI sector (Figure 2) will support orange juice consumption, at-home consumption of fruit juice is declining. Japanese consumers choose to limit sugar intake, including via juice, out of health considerations. Furthermore, price-conscious consumers seek cheaper alternatives to fruit juice. The Japan Soft Drink Association reported that sales of soft drinks containing less than 100 percent of fruit juice increased while sales of 100-percent fruit juices fell in 2021.

Imports

In late MY 2020/21, orange juice price began to increase due to increased global demand, and the price hike became even more substantial since January 2022. Nevertheless, in response to Japan's decreasing inventory, in MY 2021/22, Japan's orange juice imports grew by 16.7 percent to 58,059 MT at 65 Brix equivalent (Table 6). FAS/Tokyo forecasts Japan's orange juice imports at 65 Brix equivalent will drop 5.2 percent to 55,000 MT in MY 2022/23 due to global orange juice prices and a weak Japanese yen. At 66.9 percent of Japan's orange juice imports in MY 2021/22, Brazil is the top orange juice supplier to Japan.

Table 6. Japan's Orange Juice Imports at 65 Brix Equivalent (in MT)

| | MY 2017/18 | MY 2018/19 | MY 2019/20 | MY 2020/21 | MY 2021/22 |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| World | 83,519 | 74,512 | 75,992 | 49,759 | 58,059 |
| United States | 421 | 322 | 342 | 228 | 230 |
| <i>Import Share:</i> | <i>0.5%</i> | <i>0.4%</i> | <i>0.5%</i> | <i>0.5%</i> | <i>0.4%</i> |
| Brazil | 57,541 | 48,654 | 53,955 | 29,874 | 38,848 |
| Mexico | 8,537 | 9,958 | 8,734 | 9,238 | 8,259 |
| Israel | 9,202 | 8,598 | 5,886 | 5,860 | 7,460 |
| Others | 7,817 | 6,981 | 7,074 | 4,560 | 3,262 |

Source: Trade Data Monitor

Exports

HS codes and trade data do not differentiate between orange juice and unshu juice. FAS/Tokyo attributes all Japan exports in this category to unshu juice, which is represented in the export row in the PS&D table for orange juice. In MY 2021/22, Japan exported 23 MT at 65 Brix equivalent mainly to Southeast Asia. As the volume of unshu diverted for processing is quite stable (see Tangerines and Mandarins section), FAS/Tokyo forecasts Japan's orange juice exports will remain at 23 MT at 65 Brix equivalent in MY 2022/23.

Policy

The USJTA provides a stepwise tariff elimination for non-frozen and non-concentrated orange juice with Brix value below 20 without added sugar (Table 7).

Table 7. USJTA Tariff Schedule for Japanese Imports of U.S. Orange Juice (HS 2009.12.290)

| Product | JFY 2022 | JFY 2023 | JFY 2024 | JFY 2025 | JFY 2026 | JFY 2027 | JFY 2028 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Orange Juice, Not Frozen, No sugar added, Brix below 20 | 13.9% | 11.5% | 9.2% | 6.9% | 4.6% | 2.3% | Free |

Source: Japan Customs

For other orange juice categories, the tariff rates for U.S. exports to Japan follow tariff rates for the WTO members (Table 8).

Table 8. Japan's Duties on Orange Juice Imports from WTO member countries (as of Dec 15, 2022)

| Tariff Code (HS) | Description | WTO Duty Rate |
|---------------------|--|---|
| 2009.11.110 | Orange juice, frozen, containing added sugar, not more than 10% by weight of sucrose, naturally and artificially contained | 25.5% |
| 2009.11.190 | Orange juice, frozen, containing added sugar, other | 29.8% or 23 yen/kg, whichever is greater |
| 2009.11.210 | Orange juice, frozen, not containing added sugar, not more than 10% by weight of sucrose | 21.3% |

| | | |
|-------------|--|--|
| 2009.11.290 | Orange juice, frozen, not containing added sugar, other | 25.5% |
| 2009.12.110 | Orange juice, not frozen, of a Brix value not exceeding 20, containing added sugar, not more than 10% by weight of sucrose, naturally and artificially contained | 25.5% |
| 2009.12.190 | Orange juice, not frozen, of a Brix value not exceeding 20, containing added sugar, other | 29.8% or 23 yen/kg, whichever is greater |
| 2009.12.210 | Orange juice, not frozen, of a Brix value not exceeding 20, not contain added sugar, not more than 10% by weight of sucrose | 21.3% |
| 2009.19.110 | Orange juice, other, containing added sugar, not more than 10% by weight of sucrose, naturally and artificially contained | 25.5% |
| 2009.19.190 | Orange juice, other, containing added sugar, other | 29.8% or 23 yen/kg, whichever is greater |
| 2009.19.210 | Orange juice, other, not containing added sugar, not more than 10% by weight of sucrose | 21.3% |
| 2009.19.290 | Orange juice, other, not containing added sugar, other | 25.5% |

Source: Japan Customs

Attachments:

No Attachments