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Report Highlights:

FAS/Tokyo forecasts an increase in corn imports and consumption in MY2023/24 and MY2024/25 due to softening global prices and the rebound of the layer population following the recovery of Highly Pathogenic Avian Influenza outbreaks. Post projects lower MY2023/24 wheat and barley imports based on an anticipated shift in feed demand to corn, while MY2024/25 wheat and barley imports are projected to remain stable. FAS/Tokyo projects a decrease in rice consumption in MY2023/24 and MY2024/25 based on demographic trends and lower demand for feed. Post lowered Japan's MY2023/24 rice production as extreme heat and drought lowered yields and quality, resulting in increased prices.

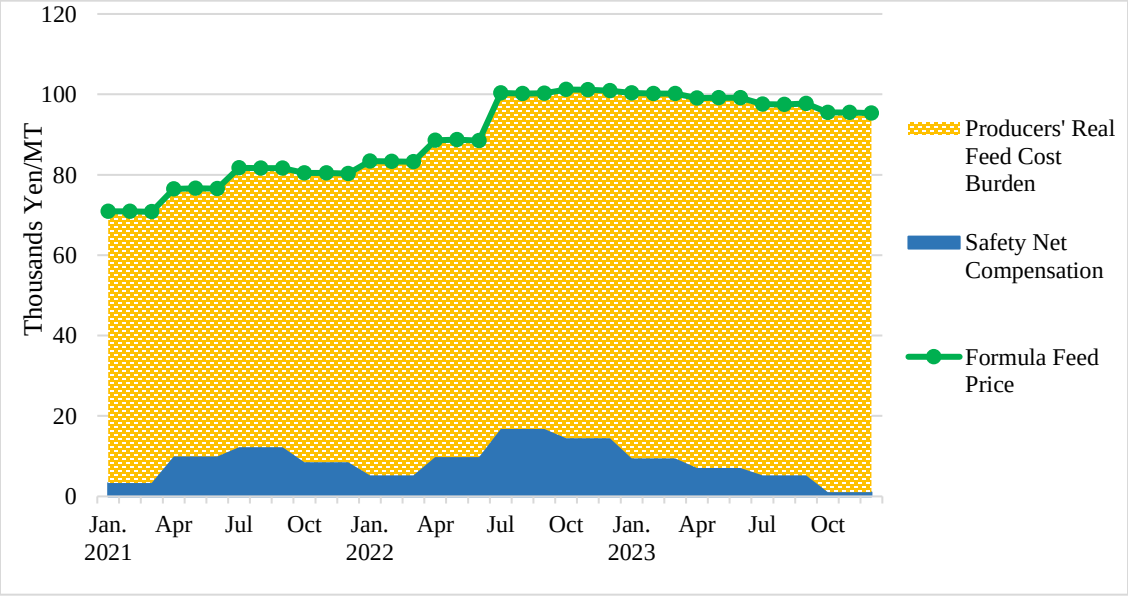
Executive Summary

FAS/Tokyo forecasts food wheat and rice consumption to slightly decrease in MY2023/24 and MY2024/25 as Japan's population declines and the shift in age demographics changes consumption trends. Furthermore, inflation fueled by the weak Japanese yen has heavily influenced consumer consumption in Japan. In March 2024, the Bank of Japan noted that while the increase in food prices have slowed in recent months compared to the high growth rates observed in the last two years, food spending has been weak and consumers have adjusted spending to reduce purchases.

FAS/Tokyo forecasts robust import demand for corn for MY2023/24 and MY2024/25. Japan is dependent on imported ingredients to produce formula feed. Despite softening global feed grain prices, the weak Japanese yen and rising costs for labor and other inputs have maintained the high prices for formula feed. In addition, livestock, poultry, and dairy farmers are facing decreasing compensation payments from a safety net program, resulting in an increase in the actual cost burden by farmers (Chart 1). Despite the increased feed costs, demand for livestock, poultry, and dairy sectors is robust in Japan and FAS/Tokyo projects overall feed demand will be stable for MY2024/25.

Japan is highly dependent on imports, and recent international logistical disruptions have prompted the Government of Japan (GOJ) to make efforts to safeguard its food security and expand its production of import-dependent products such as wheat, barley, soybeans, corn, and feed crops through increased support payments (JA2023-0013, JA2023-0098). As a result, wheat and barley production has increased marginally but domestic production is not sufficient to replace imports. FAS/Tokyo forecasts wheat and barley production will continue to grow in MY2024/25. Similarly, Post projects Japan's grain corn production to expand in MY2024/25 but the production will not affect imports.

Chart 1. Japan Formula Feed Price



Source: MAFF

Corn

Table 1. Corn Production, Supply and Distribution

Corn	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2	2	2	2	0	2
Beginning Stocks (1000 MT)	1360	1360	1296	1308	0	1300
Production (1000 MT)	9	9	12	12	0	15
MY Imports (1000 MT)	14927	14939	15500	15300	0	15350
TY Imports (1000 MT)	14927	14939	15500	15300	0	15350
TY Imp. from U.S. (1000 MT)	6869	6808	0	0	0	0
Total Supply (1000 MT)	16296	16308	16808	16620	0	16665
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	11700	11700	12000	12000	0	12000
FSI Consumption (1000 MT)	3300	3300	3500	3320	0	3350
Total Consumption (1000 MT)	15000	15000	15500	15320	0	15350
Ending Stocks (1000 MT)	1296	1308	1308	1300	0	1315
Total Distribution (1000 MT)	16296	16308	16808	16620	0	16665
Yield (MT/HA)	4.5	4.5	6	6	0	7.5

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

Production

FAS/Tokyo forecasts MY2024/25 harvested area and production to expand at a similar pace to the previous year to 2,420 hectares and 15,000 metric tons respectively. Post estimates MY2023/24 corn harvested area and production at 1,970 hectares and 12,000 tons respectively, up 28 percent and 25 percent from the previous year.

Japan’s corn production is small but steadily growing as an alternative crop to rice, as the price surge in imported corn over the last two years has motivated farmers to produce corn in paddies.
While corn prices have softened, farmers intend to expand corn production in MY2024/25 as the Ministry of Agriculture, Forestry and Fisheries (MAFF) increased support payments for corn, for which Japan is highly import-dependent, in order to strengthen national food security.

Consumption

Food, Seeds, and Industrial (FSI) Consumption

FAS/Tokyo anticipates slow and marginal growth in corn for FSI consumption in MY2024/25 to 3.35 million tons on the projected increase in cornstarch demand used for high fructose corn syrup (HFCS).

Post forecasts MY2023/24 FSI consumption to increase slightly to 3.32 million tons from MY2022/23. MAFF anticipates a marginal increase (0.7 percent) in cornstarch production as demand to produce HFCS continues a gradual recovery from lower demand during the COVID-19 pandemic. MAFF

estimates that cornstarch production dropped 8 percent in MY2019/20 and a further 3 percent in MY2020/21 under the COVID-19 pandemic.

FAS/Tokyo estimates that corn used for manufacturing cornstarch accounts for 95 percent of FSI consumption, and approximately 60 percent of HFCS is used to produce soft drinks in Japan. Industry reports that the consumption of soft drinks and other products using HFCS sweeteners were lower during the peak of the COVID-19 pandemic, and that the consumer demand for sugar and sweeteners is decreasing, bolstered by the growing health consciousness of consuming sugary drinks. Despite these trends, the long-term demand for HFCS is stable, as industry sources report that manufacturers have shifted from sugar to HFCS in soft drinks due to price competitiveness and easy handling of liquid HFCS over sugar.

Feed Consumption

FAS/Tokyo anticipates MY2024/25 feed consumption at 12 million tons, unchanged from the MY2023/24 forecast, as demand for feed remains stable. Corn is the primary ingredient for formula feed, accounting for a little less than 50 percent of the inputs for the estimated 24 million tons of total formula feed production in Japan. Price competitiveness of corn against wheat, barley, and rice is the primary variant for feed demand for corn in MY2023/24 and MY2024/25.

Post projects MY2023/24 feed consumption at 12 million tons, up 300,000 tons from the previous year on projected increase in feed demand with softening corn prices and projected increase in total formula feed production.

MAFF reported that corn used in formula feed decreased year-on-year for three marketing years (MY2020/21 through MY2022/23) as feed mills replaced corn with rice, wheat, and barley due to high corn prices (Annex Table 1). Industry sources expect a reversal of this trend in MY2023/24 as corn prices soften. In addition, Post anticipates a recovery in total formula feed production in MY2023/24. According to MAFF, Japan's Highly Pathogenic Avian Influenza (HPAI) outbreaks reduced its layer populations resulting in a 5 percent reduction in feed consumption for layers and a 1.3 percent decrease in total formula feed production in MY2022/23. Layers consume around 25 percent of total feed production in Japan.

Trade

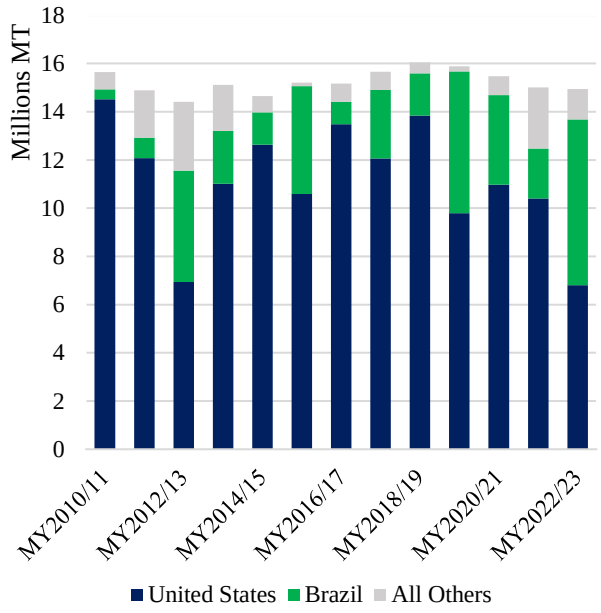
FAS/Tokyo forecasts MY2024/25 corn imports at 15.35 million tons, a 50,000 ton increase from Post's MY2023/24 forecast, primarily due to a projected increase in FSI consumption.

FAS/Tokyo revised MY2023/24 corn imports to 15.3 million tons, up 2.4 percent from the previous year due to the rebound of the layer population as farms recover from HPAI outbreaks as well as increasing price competitiveness.

Japan imports corn predominantly from the United States and Brazil and switches between them seasonally based on prices. In MY2022/23, corn imports from Brazil increased to 6.87 million tons due

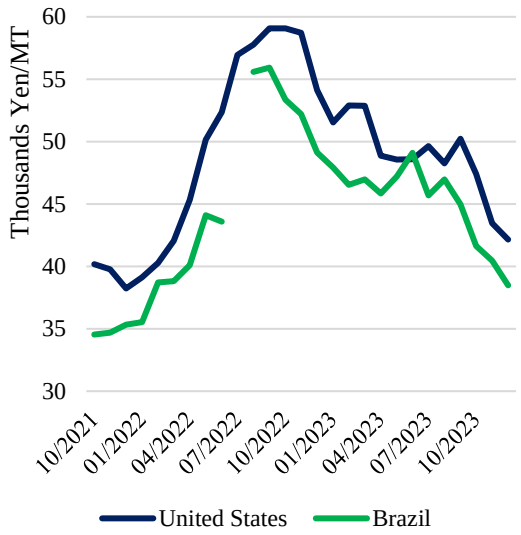
to its price competitiveness, which was driven by a weaker Real compared to a strong U.S. dollar, and a strong crop. As a result, Brazil surpassed the United States as the top corn supplier to Japan for the first time ever. In addition, imports from the United States dropped 38 percent to 6.8 million tons, surpassing the previous record low set in MY2012/2013 when the United States faced a historically severe drought. The strong U.S. dollar against a weakened Japanese yen, as well as increased prices in transportation costs from logistical challenges in the Panama Canal may continue to suppress price competitiveness of U.S. corn in Japanese market in MY2024/25.

Chart 2. Japan Corn Imports



Source: Trade Data Monitor

Chart 3. Japan Corn Import CIF Unit Prices



Source: Trade Data Monitor

Stocks

FAS/Tokyo forecasts MY2024/25 at 1.32 million tons, up slightly from Post's MY2023/24 projection of 1.3 million tons. Stocks include corn under MAFF's imported feed grain contingency reserve program. MAFF provides support payments to feed mills to cover some storage costs for contingency stocks up to a total of one million tons of imported feed grains, most of which is corn.

Sorghum

Table 2. Sorghum Production, Supply and Distribution

Sorghum	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	24	24	24	24	0	24
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	241	241	190	190	0	150
TY Imports (1000 MT)	241	241	190	190	0	150
TY Imp. From U.S. (1000 MT)	8	8	0	0	0	0
Total Supply (1000 MT)	265	265	214	214	0	174
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	241	241	190	190	0	155
FSI Consumption (1000 MT)	0	0	0	0	0	0
Total Consumption (1000 MT)	241	241	190	190	0	155
Ending Stocks (1000 MT)	24	24	24	24	0	19
Total Distribution (1000 MT)	265	265	214	214	0	174
Yield (MT/HA)	0	0	0	0	0	0

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Sorghum begins in October for all countries. TY 2024/2025 = October 2024 September 2025

Production

Sorghum production is negligible in Japan.

Consumption

Japan consumes sorghum almost entirely as feed. FAS/Tokyo forecasts MY2024/25 at 155,000 tons, continuing the downward trend for sorghum consumption.

Post anticipates MY2023/24 sorghum consumption at 190,000 tons in line with the official USDA forecast. Feed mills use sorghum as a substitute for corn if sorghum is less expensive. Sorghum consumption in Japan has decreased year-on-year as corn and rice were more price competitive.

Trade

FAS/Tokyo forecasts MY2024/25 imports to decrease to 150,000 tons based on the projected decrease in demand for sorghum’s use in feed. Post projects MY2023/24 imports at 190,000 tons in line with projected feed consumption. Smaller sorghum production in Australia and Argentina may drive up global prices further reducing demand for sorghum in feed over other inputs.

The United States, Argentina and Australia are the major sorghum suppliers to Japan. In MY2021/22 and MY2022/23, Australia became the dominant supplier, accounting for over 80 percent of Japan’s imports.

Stocks

FAS/Tokyo forecasts MY2024/25 ending stocks at 19,000 tons. Post projects MY2023/24 ending stocks at 24,000 tons, equal to the previous marketing year.

Barley

Table 3. Barley Production, Supply and Distribution

Barley	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	63	63	64	64	0	66
Beginning Stocks (1000 MT)	171	171	124	142	0	142
Production (1000 MT)	233	233	240	240	0	246
MY Imports (1000 MT)	1227	1228	1250	1200	0	1200
TY Imports (1000 MT)	1227	1228	1250	1200	0	1200
TY Imp. from U.S. (1000 MT)	6	7	0	0	0	0
Total Supply (1000 MT)	1631	1632	1614	1582	0	1588
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	1127	1100	1100	1050	0	1050
FSI Consumption (1000 MT)	380	390	380	390	0	390
Total Consumption (1000 MT)	1507	1490	1480	1440	0	1440
Ending Stocks (1000 MT)	124	142	134	142	0	148
Total Distribution (1000 MT)	1631	1632	1614	1582	0	1588
Yield (MT/HA)	3.6984	3.6984	3.75	3.75	0	3.7273

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Barley begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

Production

FAS/Tokyo estimates MY2024/25 barley harvested area and production at 65,600 hectares and 246,000 tons respectively. According to industry sources, farmers expanded planting areas of barley in lieu of rice to meet strong demand for price-competitive domestic barley. In recent years, prices of imported barley surged due to the weak Japanese yen. Industry expects a similar strong yield to last year's crop since the warm winter has presented an ideal growing environment. Farmers produce barley in one- or two-year crop rotations with rice and soybeans in paddies.

MAFF reports harvested area expanded 1.5 percent to 64,230 hectares and production increased 3.4 percent to 240,438 tons in MY2023/24.

Consumption

FSI Consumption

FAS/Tokyo forecasts FSI consumption to stay flat at 390,000 tons in MY2023/24 and MY2024/25.

MAFF estimates approximately 220,000 tons of barley is used annually to produce *shochu* (distilled liquor), *miso* (fermented soybean paste), and for use as a rice extender. In addition, approximately 80,000 tons annually is used for barley tea and 90,000 tons is used for malting.[1] Separately, Japan imports approximately 450,000 tons of malt annually.

According to MAFF, barley tea production is on the rise and grew 38 percent from 2020-2023. Alternatively, the production of *shochu* and *miso* decreased year-on-year. Post anticipates overall FSI barley consumption will remain flat for MY2023/24 and MY2024/25 as increases in barley tea production will offset decreases in production of *shochu* and *miso*.

Feed Consumption

FAS/Tokyo forecasts MY2024/25 feed consumption at 1.05 million tons, unchanged from Post's MY2023/24 projection. Post lowers MY2023/24 feed consumption to 1.05 million tons from 1.1 million tons in MY2022/23 based on an anticipated shift from barley to price-competitive corn in feed rations. Beef cattle consumes roughly 80 percent of barley in feed rations and FAS/Tokyo forecasts marginally lower beef cattle inventories for MY2023/24 (JA2024-0012).

Trade

FAS/Tokyo forecasts barley imports at 1.2 million tons in MY2024/25, unchanged from Post's MY2023/24 projection. Post projects MY2023/24 imports to decrease 2 percent to 1.2 million tons from the previous year reflecting anticipated lower demand for barley for feed and a slight increase in domestic production.

Barley is a state-traded product and MAFF administers Simultaneous Buy and Sell (SBS) tenders to import food and malting barley mainly from Australia, Canada, and the United States. Australia and Canada are predominant suppliers of feed barley which is traded outside the state-trading system by the private sector under the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP). The same applies to member states under the Japan-EU Economic Partnership Agreement (EPA).

Stocks

FAS/Tokyo forecasts ending stocks remaining stable at 142,000 tons in MY2023/24 and at 148,000 tons in MY2024/25.

[1] MAFF reports these numbers are the average for five years from Japan Fiscal Year (JFY: April – March) 2018 and JFY2022.

Wheat

Table 4. Wheat Production, Supply and Distribution

Wheat	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jul 2022		Jul 2023		Jul 2024	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	227	227	235	232	0	235
Beginning Stocks (1000 MT)	1176	1176	1142	1142	0	1162
Production (1000 MT)	1057	1057	1120	1140	0	1160
MY Imports (1000 MT)	5452	5452	5300	5300	0	5300
TY Imports (1000 MT)	5452	5452	5300	5300	0	5300
TY Imp. from U.S. (1000 MT)	2069	2103	0	0	0	0
Total Supply (1000 MT)	7685	7685	7562	7582	0	7622
MY Exports (1000 MT)	293	293	300	300	0	300
TY Exports (1000 MT)	293	293	300	300	0	300
Feed and Residual (1000 MT)	750	750	650	650	0	650
FSI Consumption (1000 MT)	5500	5500	5500	5470	0	5450
Total Consumption (1000 MT)	6250	6250	6150	6120	0	6100
Ending Stocks (1000 MT)	1142	1142	1112	1162	0	1222
Total Distribution (1000 MT)	7685	7685	7562	7582	0	7622
Yield (MT/HA)	4.6564	4.6564	4.766	4.9138	0	4.9362

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

Production

FAS/Tokyo estimates marginal expansion of MY2024/25 wheat harvested area to 234,600 hectares as farmers continued to shift production from rice and sugar beets to wheat. Post estimates production to increase to 1.16 million tons based on the expanded area. Industry sources project a similar strong harvest as the previous year due to good planting conditions in November and warm winter temperatures.

Farmers have expanded wheat areas year-on-year for the past four years. Following logistical challenges during the COVID-19 era and the conflict in Ukraine, the GOJ has prioritized strengthening its national food security and MAFF and farmer groups have pushed to boost domestic production of wheat, which is primarily imported. MAFF reports that MY2023/2024 wheat harvested areas have reached 231,700 hectares in MY2023/24, up almost 10 percent from MY2020/2021 levels. In addition to an increase in area, MAFF estimates that production rose 8 percent in MY2023/24 to 1.14 million tons due to increased yields in Hokkaido, the northern island of Japan. Hokkaido accounts for approximately 60 percent of wheat harvested areas in MY2023/24.

The majority of wheat produced in Japan is winter wheat which accounted for over 90 percent of wheat harvested area in MY2023/24. Spring wheat accounted for the remaining area which is entirely produced in Hokkaido. Medium- to low-protein wheat accounts for the majority of Japan’s wheat production, which is used for Japanese noodles such as *udon*, *somen* and *soba*. The remaining production is hard and semi-hard wheat used for manufacturing bread and Chinese noodles, which has

been increasing year-over-year. MAFF estimates planting areas of hard and semi-hard wheat accounted for 26 percent of the total planting area in 2021.

Consumption

FSI Consumption

FAS/Tokyo forecasts MY2024/25 FSI consumption at 5.45 million tons, down 0.4 percent from Post's MY2023/24 estimate. Post slightly lowers its MY2023/24 FSI consumption forecast to 5.47 million tons from the previous year due to Japan's population decline and aging demographics.

While per capita wheat consumption has been stable in recent years averaging at slightly over 30 kilograms per year (Chart 4), FAS/Tokyo projects per capita wheat consumption will face a moderate downward trend as the population ages and decreases its carbohydrate intake. The Ministry of Internal Affairs and Communication (MIAC) estimates that Japan's population has been declining annually by 0.1-0.2 percent since 2011, and the decline has further accelerated to 0.4-0.5 percent since 2021 (Chart 5). Furthermore, in 2023 the share of people aged 65 and older accounted for almost 30 percent of the total population—a record high, and the population of people 80 and over has exceeded 10 percent of the total population for the first time.

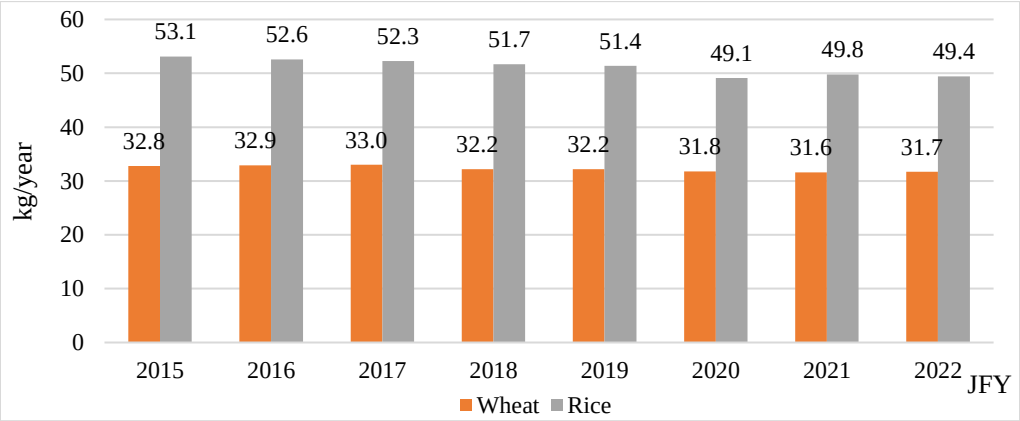
Wheat Price

Wheat is a state-traded product and MAFF predominantly imports five classes[2] of wheat from the United States, Canada, and Australia and sells to flour millers at a government-set price based on the average import prices from the previous six months. This price changes semi-annually in April and October. Based on declining international prices for wheat, in April 2024 MAFF will lower its average sales price for wheat by 0.6 percent to 67,810 yen ($452[3]) per ton. This is the second price decrease following the current October 2023 period when the price was cut approximately 11 percent.

Despite the lowered government set price of wheat, retail prices remain high due to higher costs for electricity, transportation, and labor. Post estimates high prices of wheat products are suppressing FSI consumption in MY2023/24 as consumers are changing spending habits amid inflation (Chart 6). In response to high wheat price, MAFF estimates the consumption of rice flour as a substitute for wheat flour has increased 30 percent to 53,000 tons (rice equivalent) in Japan Fiscal Year (JFY)[4] 2023. MAFF forecasts rice flour demand will continue to expand to 64,000 tons (rice equivalent) in JFY2024.

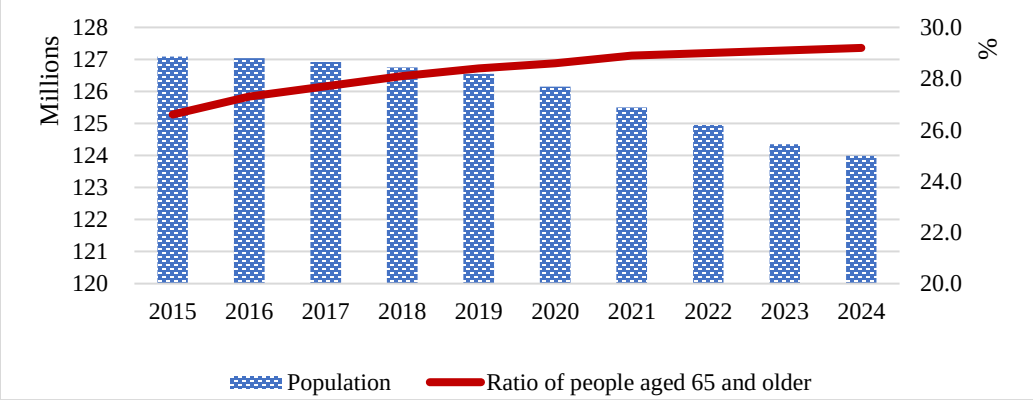
[2] U.S. Dark Northern Spring (DNS), U.S. Hard Red Winter (HRW), U.S. Western White (WW), Canadian Western Red Spring (1CW) and Australian Standard White (ASW).
[3] USD = 150 yen
[4] Japan Fiscal Year (JFY) runs from April 1 to March 31.

Chart 4. Per Capita Wheat and Rice Consumption in Japan



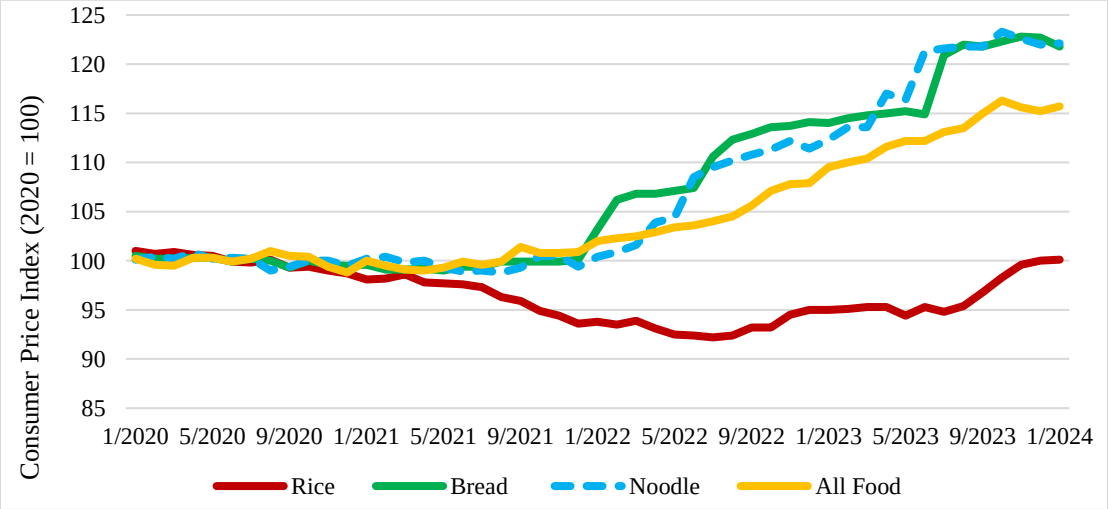
Source: MAFF

Chart 5. Population Estimates and Ratio of People Aged 65 and Over in Japan



Source: MIAC, Populations between 2015 and 2022 were as of October 1 each year. Population in 2023 was as of September 1, 2023 and population in 2024 was as of February 1, 2024.

Chart 6. Japan Consumer Price Index for Wheat Products, Rice, and All Food



Source: MIAC

Feed Consumption

FAS/Tokyo forecasts MY2024/25 feed consumption at 650,000 tons, unchanged from its MY2023/24 estimate. Post estimates MY2023/24 consumption to decrease 100,000 tons to 650,000 tons based on sluggish feed wheat imports for the first seven months of the current marketing year (Table 5) as corn becomes more price competitive.

Trade

FAS/Tokyo forecasts MY2024/25 imports at 5.3 million tons, unchanged from MY2023/24 estimates on projected flat feed demand. Post estimates MY2023/24 imports at 5.3 million tons, down 3 percent, based on estimated lower feed and food demand and increased domestic production.

Under the state-trading system, MAFF imports FSI wheat predominantly from the United States, Canada, and Australia. Due to price competitiveness and lower transportation costs in Canada, FSI wheat imports from Canada outpaced imports from the United States for the first seven months of the current marketing year. The United States and Canada supply hard wheat to Japan, which is primarily used to make bread. Australia supplies low- to medium- protein wheat which has faced competition from the increase in Japanese domestic production.

Similar to feed barley, imports from CPTPP and EU member states for feed wheat are purchased from private sector importers. Japan mainly imports wheat for feed from Australia, Canada, and the United States. Australia is the dominate supplier to Japan for wheat imports for feed since MY2021/22.

Table 5. Japan Wheat and Wheat Products Imports

	MY2021/22	MY2022/23	July - January		
			2022/23	2023/24	Change
FSI Wheat	4,895,738	4,742,969	2,700,424	2,650,574	-1.8%
United States	2,296,817	2,067,924	1,145,446	1,014,015	-11.5%
Canada	1,764,089	1,867,904	1,035,142	1,160,662	12.1%
Australia	830,078	800,601	515,531	471,949	-8.5%
All others	4,754	6,540	4,305	3,948	-8.3%
Feed Wheat	423,752	415,420	254,645	222,842	-12.5%
Australia	392,605	402,468	241,693	210,895	-12.7%
United States	4,586	12,952	12,952	10,655	-17.7%
Canada	26,561	0	0	1,292	-
Wheat Products*	285,311	293,484	175,218	173,869	-0.8%
Italy	97,976	94,969	56,393	58,355	3.5%
Turky	71,582	81,828	47,399	48,641	2.6%
All others	115,753	116,687	71,426	66,873	-6.4%
Total	5,604,802	5,451,873	3,130,287	3,047,285	-2.7%

Source: Trade Data Monitor
Wheat Products* is expressed in wheat equivalent basis.

FAS/Tokyo anticipates stable wheat exports, predominantly of wheat flour, at 300,000 tons in MY2023/24 and MY2024/25. Approximately 70 percent of Japan's exports are destined to Hong Kong, Malaysia, Singapore, and China.

Stocks

FAS/Tokyo forecasts ending stocks at 1.22 million tons in MY2024/25 and ending stocks at 1.16 million tons in MY2023/24. These privately-held stocks include a contingency stock of approximately 900,000 tons of imported food wheat, equivalent to 2.3 months of demand, for which MAFF subsidizes storage costs for 1.8 months equivalent demand as contingency reserves.

Rice

Table 6. Rice Production, Supply and Distribution

Rice, Milled	2022/2023		2023/2024		2024/2025	
Market Year Begins	Nov 2022		Nov 2023		Nov 2024	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1497	1497	1470	1460	0	1440
Beginning Stocks (1000 MT)	1950	1950	1768	1809	0	1639
Milled Production (1000 MT)	7480	7481	7300	7272	0	7200
Rough Production (1000 MT)	10275	10276	10027	9989	0	9890
Milling Rate (.9999) (1000 MT)	7280	7280	7280	7280	0	7280
MY Imports (1000 MT)	658	658	685	688	0	685
TY Imports (1000 MT)	709	709	685	688	0	685
TY Imp. from U.S. (1000 MT)	211	0	0	0	0	0
Total Supply (1000 MT)	10088	10089	9753	9769	0	9524
MY Exports (1000 MT)	120	80	120	80	0	80
TY Exports (1000 MT)	120	80	120	80	0	80
Consumption and Residual (1000 MT)	8200	8200	8060	8050	0	7950
Ending Stocks (1000 MT)	1768	1809	1573	1639	0	1494
Total Distribution (1000 MT)	10088	10089	9753	9769	0	9524
Yield (Rough) (MT/HA)	6.8637	6.8644	6.8211	6.8418	0	6.8681

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025

Note: the quantity of rice is expressed in milled basis otherwise noted.

Production

FAS/Tokyo forecasts the MY2024/25 harvested area to decrease 1.4 percent to 1.44 million hectares from the previous year, and for production to fall one percent to 7.2 million tons. Rice production in Japan has been in decline for the past decade and is primarily due to the exit of small-scale farms, declining table rice demand, and aging farmers and fewer younger farmers interested in continuing the profession. MAFF reports that between 2015 and 2020, the number of rice farmers decreased 25 percent while the rice planted area declined 4 percent, and most recent estimates indicate that the average age of farmers has reached 68 years.

MAFF reports that MY2023/24 harvested area and production declined to 1.46 million hectares and 7.27 million tons respectively. In July and August 2023, Japan experienced record-high temperatures throughout the country and precipitation levels in many areas amounted to less than half of normal levels. Throughout Japan and in the important rice-growing Hokuriku region,[5] high temperatures and drought affected both the yield and quality of the rice crop, resulting in more chalky and unripe grains. Post estimates the national average yield decreased by 2.1 percent, resulting in an approximate 3 percent drop in total production. In addition, only about 60 percent of the table rice crop was labeled 1st grade, MAFF's top-quality grade. In comparison, the five-year average of the table rice crop with a 1st grade rating is about 80 percent, making the 2023/24 crop the lowest proportion of 1st grade quality since MAFF began its current inspection system in 1992. Furthermore, industry reports that milling lower-quality kernels decreases the output in the overall milling yield, further reducing final production output in the market. In response to record temperatures, MAFF has been encouraging farmers to plant heat tolerant varieties. While adoption of heat tolerant varieties is on the rise, currently only 13 percent of planted areas contain these varieties.

Consumption

FAS/Tokyo forecasts MY2024/25 rice consumption at 7.95 million tons, on lower demand for table rice and rice for feed use. While per capita rice consumption has been fairly stable in recent years, MAFF anticipates a downward trend in consumption over the next decade as its population declines and ages (Chart 5). Post projects rice for feed use will decline as prices increase from smaller supplies and as farmers indicated they will grow less feed rice in MAFF's planting intention survey.

Post projects MY2023/24 consumption at 8.05 million tons, a 1.8 percent decline from the previous year, on lower demand for both food and feed consumption. In response to high corn prices, rice for feed consumption was strong in MY2021/22 and MY2022/23 (Annex Table 1). However, Post anticipates a reversal of this trend for MY2023/24 as the price of rice has gone up while corn prices have become competitive.

Due to smaller supplies, table rice price of MY2023/24 crop has been on the rise. MAFF reports that the price was 10 percent higher and the private-sector inventories were 10 percent lower in January 2024 than a year ago.

Trade

Imports

FAS/Tokyo anticipates Japan to import 688,000 tons of rice in MY2023/24 and 685,000 tons in MY2024/25. Rice is a state-traded product and MAFF imports a minimum of 682,000 tons of rice each year to fulfill its WTO tariff rate quota (TRQ), commonly referred to as Minimum Access (MA) rice.[6] In

[5] Hokuriku region refers to the central part of Honshu, the main island of Japan, facing the Sea of Japan.
[6]MAFF administers the TRQ imports and imports a maximum of 100,000 tons (actual tonnage) with in the WTO TRQ through Simultaneous Buy and Sell (SBS) tenders. Importers and wholesalers (buyers) jointly bid for SBS tenders to

addition to the WTO TRQ, Japan maintains a Country Specific Quota (CSQ) for Australian rice under the CPTPP. Imports outside the WTO TRQ and Australian CSQ are negligible due to high tariffs.

Demand for imported rice is up significantly, due Japan's smaller crop, tighter domestic supplies, and increased price competitiveness of imported rice (Table 7). In JFY023, MAFF awarded 65,532 actual[7] tons of rice through Simultaneous Buy and Sell (SBS) tenders under the WTO TRQ. In comparison to the previous year, only13,742 tons were successfully awarded. SBS rice is imported duty-free, however MAFF collects a 61 yen per kilogram markup upon re-sale to wholesalers.

MAFF awarded 6,198 actual tons of Australian rice under the CPTPP CSQ which is set at 6,720 actual tons in JFY2023. Last year, only 520 actual tons were successfully bid under the CPTPP CSQ. CSQ rice is imported duty-free, however MAFF collects a 51 yen per kilogram markup for whole grain rice, 10 yen lower than the WTO TRQ markup.

Japan's imports and tariff structure of rice are available at JA8039.

Table 7. Japan Wholesalers' Purchase Prices of Imported Rice and Japanese Rice in January 2024 (yen/kg)

SBS Tendered Rice			**Japanese Rice** (Short Grain brown)		
Australia Short Grain (brown)	Australia Medium Grain (milled)	U.S. Medium Grain (milled)	All Varity Average	Miyagi *Hitomebore*	Yamagata *Haenuki*
204.3	220.3	225.4	256.0	250.6	248.4

Source: MAFF, Miyagi *Hitomebore* and Yamagata *Haenuki* are popular varieties for food service use.

Exports

FAS/Tokyo projects Japan's rice exports to decline from 120,000 tons to 80,000 tons for both MY2024/25 and MY2023/24 forecasts. The majority of Japan's rice exports are for food aid and the amount fluctuates each year (Table 8) depending on the GOJ's food aid policies with recipient countries and the availability of domestic supply. Post anticipates lower food aid exports on tighter domestic rice supplies.

In addition to food aid exports, private industry also exports small amounts of rice, primarily to Hong Kong, Singapore, Taiwan, and the United States. MAFF reports that commercial exports have grown year-on-year to about 36,000 tons in MY2022/23. Exports to the United States grew 71 percent to about 6,500 actual tons in MY2022/23 due to drought-caused lower production. However, Post projects exports to the United States will decrease in MY2023/24 as U.S. production has recovered. Post anticipates exports to other markets will continue to grow thanks to the weak Japanese yen.

Post lowered MY2022/23 exports to 80,000 tons based on decrease in imported rice for food aid exports (Table 8).

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import rice intended to sell as table rice. MAFF purchases the remaining quota volume (682,000 tons minus SBS tendered volume) from importers who were successfully bid under Ordinary Market Access (OMA) tenders. MAFF then sells the OMA rice to domestic users for processing and feed or exports as food aid.

[7] Actual ton is the actual weight of rice and does not specify milled or brown rice.

Table 8. Japan Rice Exports (1,000 actual tonnage)

	Food Aid Exports			Commercial Exports
	Domestic Rice	Imported Rice	Total	
2015	40	60	100	NA
2016	30	40	70	8.7
2017	70	20	90	11.7
2018	50	50	100	13.8
2019	40	50	90	15.8
2020	40	20	60	19.8
2021	30	30	60	22.1
2022	NA	20	NA	27.7
2023	NA	10	NA	36.1

Source: MAFF, MAFF assesses the exports based on the following one-year period:
Domestic rice for food aid exports for 2023: July 2023 through June 2024
Imported rice for food aid exports for 2023: November 2022 through October 2023
Commercial exports for 2023: November 2022 through October 2023

Stocks

FAS/Tokyo forecasts MY2024/25 ending stocks to decrease to 1.49 million tons based on lower carry-over supplies. Post increases MY2023/24 ending stocks to 1.64 million tons, based on projected lower exports for food aid.

In October 2023, MAFF reported that the private sector held 450,000 tons of domestic brown rice. MAFF held 490,000 tons (brown) of OMA rice stocks in October 2023, and 910,000 tons of brown rice for its GOJ contingency rice reserve in June 2023.

Annex Table 1. Japan Feed Production by Ingredient

MY Oct-Sep	Corn	Sorghum	Wheat	Wheat Flour	Barley	Rice	Other Grains	DDGS	Soybean Meal	Rapeseed Meal	Other Ingredients	TOTAL
2016/17	10,963,813	537,868	451,748	198,078	822,410	1,113,796	137,883	501,962	2,929,498	1,188,101	4,839,950	23,685,108
	46.3%	2.3%	1.9%	0.8%	3.5%	4.7%	0.6%	2.1%	12.4%	5.0%	20.4%	100%
2017/18	11,423,194	520,789	413,442	203,771	828,412	838,915	138,958	543,956	2,929,230	1,118,223	4,900,850	23,859,742
	47.9%	2.2%	1.7%	0.9%	3.5%	3.5%	0.6%	2.3%	12.3%	4.7%	20.5%	100%
2018/19	11,650,310	464,960	390,898	186,242	822,948	746,394	137,063	516,466	2,989,815	1,111,783	4,932,988	23,949,867
	48.6%	1.9%	1.6%	0.8%	3.4%	3.1%	0.6%	2.2%	12.5%	4.6%	20.6%	100.0%
2019/20	11,796,346	383,653	361,064	175,347	836,561	907,750	139,825	429,848	3,065,662	1,125,880	4,919,902	24,141,838
	48.9%	1.6%	1.5%	0.7%	3.5%	3.8%	0.6%	1.8%	12.7%	4.7%	20.4%	100.0%
2020/21	11,609,634	305,656	406,815	169,629	878,353	1,133,973	137,585	435,612	3,066,096	1,141,458	4,910,010	24,194,821
	48.0%	1.3%	1.7%	0.7%	3.6%	4.7%	0.6%	1.8%	12.7%	4.7%	20.3%	100.0%
2021/22	11,380,437	252,281	465,296	186,302	938,010	1,297,028	134,596	435,299	3,067,818	1,111,666	4,943,862	24,212,595
	47.0%	1.0%	1.9%	0.8%	3.9%	5.4%	0.6%	1.8%	12.7%	4.6%	20.4%	100.0%
2022/23	11,121,282	205,728	495,335	174,142	965,591	1,409,412	130,700	429,681	3,058,204	971,683	4,924,426	23,886,184
	46.6%	0.9%	2.1%	0.7%	4.0%	5.9%	0.5%	1.8%	12.8%	4.1%	20.6%	100.0%
Oct. 2023	959,051	14,569	41,544	15,765	83,771	123,400	11,609	36,647	260,398	87,505	4,924,426	2,051,194
	46.6%	0.9%	2.1%	0.7%	4.0%	5.9%	0.5%	1.8%	12.8%	4.1%	20.6%	100.0%
Nov. 2023	972,562	14,829	39,609	15,780	84,223	129,518	11,535	38,741	263,285	90,323	419,276	2079681
	46.8%	0.7%	1.9%	0.8%	4.0%	6.2%	0.6%	1.9%	12.7%	4.3%	20.2%	100.0%
Dec. 2023	1,023,446	15,019	40,840	17,031	88,024	137,397	12,137	42,140	275,707	98,241	452,200	2,202,182
	46.5%	0.7%	1.9%	0.8%	4.0%	6.2%	0.6%	1.9%	12.5%	4.5%	20.5%	100.0%

Source: MAFF

Annex Table 2. Japan Feed Production by Animal

MY	Layer		Broiler		Swine		Dairy Cattle		Beef Cattle	
Oct - Sep	1,000 MT	Change	1,000 MT	Change	1,000 MT	Change	1,000 MT	Change	1,000 MT	Change
MY2019/20	6,469	-0.7%	3,834	0.0%	5,698	2.4%	3,053	1.6%	4,553	2.2%
MY2020/21	6,319	-2.3%	3,842	0.2%	5,708	0.2%	3,126	2.4%	4,589	0.8%
MY2021/22	6,360	0.6%	3,826	-0.4%	5,616	-1.6%	3,162	1.2%	4,688	2.2%
MY2022/23	6,046	-4.9%	3,804	-0.6%	5,609	-0.1%	3,132	-0.9%	4,775	1.9%

Source: MAFF

Attachments:

No Attachments