Required Report: Required - Public Distribution **Date:** April 12, 2023

Report Number: JA2023-0031

Report Name: Oilseeds and Products Annual

Country: Japan

Post: Tokyo

Report Category: Oilseeds and Products

Prepared By: Daisuke Sasatani

Approved By: Mariya Rakhovskaya

Report Highlights:

In MY 2021/22, the total value of Japan's soybean imports reached a historical record while rapeseed crush hit the lowest point in 10 years as rapeseed imports from Canada declined. Japanese crushers increased the use of Australian canola seeds to partially offset the short Canadian crop. FAS/Tokyo forecasts Japan's canola crush will rebound and soybean crush will decrease as MY 2022/23 crops enter the market. Consumers will reduce oil consumption as vegetable oil retail price continues to rise. MY 2022/23 reduction in Japan's dairy herds and poultry flocks will marginally decrease protein feed demand. Increase in the price of imported food-grade soybeans will stimulate greater domestic production and slow down food grade soybean imports in MY 2022/23 and 2023/24.

Oilseeds

Commodities:
Oilseeds, Soybean
Oilseeds, Rapeseed
Oilseeds, Cottonseed

Production, Supply, and Distribution of Soybean (Oilseed)

Oilseed, Soybean	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	146	146	150	151	0	155
Beginning Stocks (1000 MT)	193	170	250	246	0	198
Production (1000 MT)	238	247	232	238	0	253
MY Imports (1000 MT)	3,455	3,455	3,350	3,455	0	3,206
Total Supply (1000 MT)	3,886	3,872	3,832	3,939	0	3,657
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	2,581	2,600	2,500	2,741	0	2,462
Food Use Dom. Cons. (1000 MT)	900	876	910	850	0	845
Feed Waste Dom. Cons. (1000 MT)	155	150	155	150	0	150
Total Dom. Cons. (1000 MT)	3,636	3,626	3,565	3,741	0	3,457
Ending Stocks (1000 MT)	250	246	267	198	0	200
Total Distribution (1000 MT)	3,886	3,872	3,832	3,939	0	3,657
Yield (MT/HA)	1.63	1.69	1.55	1.58	0	1.63
(1000 HA) ,(1000 MT) ,(MT/HA)						

Production, Supply, and Distribution of Rapeseed (Oilseed)

Oilseed, Rapeseed	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
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)	148	230	110	207	0	206
Production (1000 MT)	4	4	4	4	0	4
MY Imports (1000 MT)	2,116	2,117	2,450	2,000	0	2,183
Total Supply (1000 MT)	2,268	2,351	2,564	2,211	0	2,393
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	2,153	2,144	2,400	2,000	0	2,188
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	5	0	5	5	0	5
Total Dom. Cons. (1000 MT)	2,158	2,144	2,405	2,005	0	2,193
Ending Stocks (1000 MT)	110	207	159	206	0	200
Total Distribution (1000 MT)	2,268	2,351	2,564	2,211	0	2,393
Yield (MT/HA)	2.0	2.0	2.0	2.0	0	2.0
(1000 HA) ,(1000 MT) ,(MT/HA)						

Production, Supply, and Distribution of Cottonseed (Oilseed)

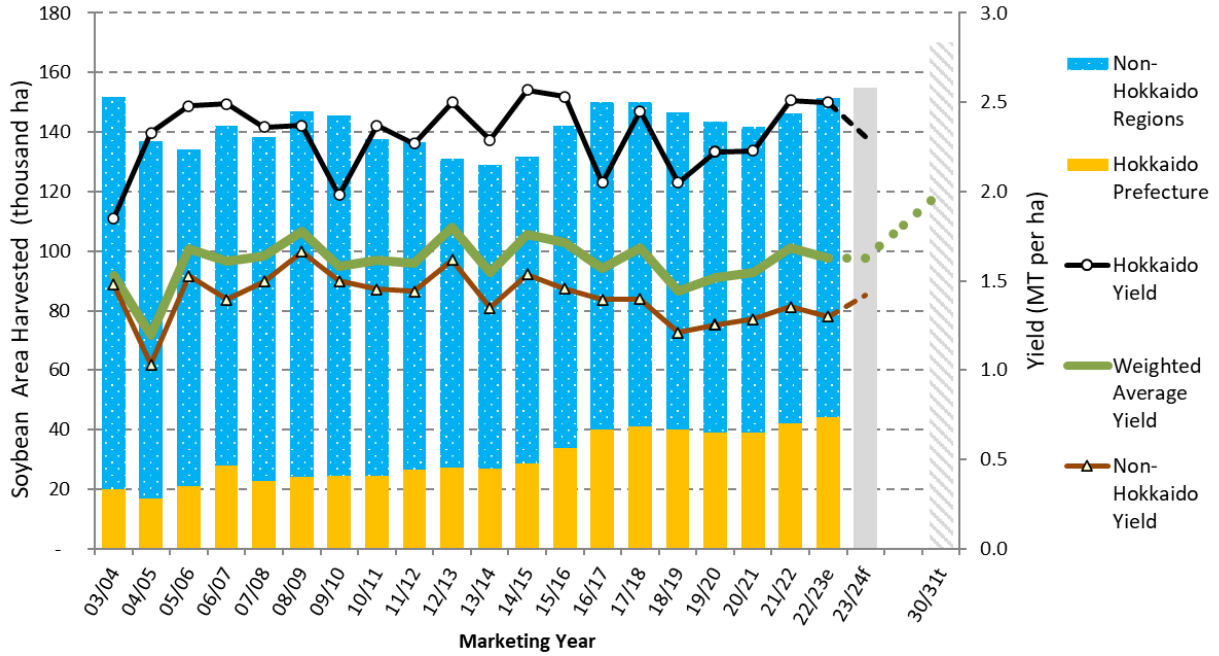
Oilseed, Cottonseed	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested(Cotton) (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	4	4	4	4	0	4
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	104	104	100	97	0	100
Total Supply (1000 MT)	108	108	104	101	0	104
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	29	25	25	25	0	25
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	75	79	75	72	0	75
Total Dom. Cons. (1000 MT)	104	104	100	97	0	100
Ending Stocks (1000 MT)	4	4	4	4	0	4
Total Distribution (1000 MT)	108	108	104	101	0	104
(1000 HA) ,(RATIO) ,(1000 MT) ,(MT/HA)						

Production

Soybean Area Harvested

Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) reported soybean production area for 2022/23 marketing year (MY: October to September) at 151,400 hectares (ha), a 3.6 percent increase from 146,200 ha in MY 2021/22 (Figure 1). FAS/Tokyo forecasts Japan's MY 2023/24 soybean harvested area to increase by 2 percent to 155,000 ha as farmers respond to the high price of food grade soybeans and switch from growing other legumes or rice.

Figure 1. Trends in Japan's Soybean Planting Area and Yield



Source: MAFF
Note: MY 2023/2024f represents FAS/Tokyo's forecast. MY 2030/31t represents MAFF's target for 2030.

Soybean Production

Based on the November 2022 production and sales estimate by the National Federation of Agricultural Co-operative Associations (Zen-noh), FAS/Tokyo projects[1] Japan's MY 2022/23 soybean yield at 1.58 MT/ha and production at 238,400 metric tons (MT). Zen-noh reported a significant decline in MY 2022/23 yield in Tohoku and Kanto areas, which account for approximately 20 percent of domestic soybean production, due to heavy rains in the summer of 2022. Assuming Japan's production area increases and yield remains close to the ten-year average of 1.63 MT/ha, FAS/Tokyo forecasts Japan's MY 2023/24 soybean production will reach 253,000 MT. MAFF announced domestic MY 2021/22 soybean production was 246,500 MT.

Based on the 2020 Basic Plan for Food, Agriculture and Rural Areas (JA2020-0197), MAFF aims to increase Japan's soybean production area to 170,000 and soybean yield to 2.0 MT/ha by 2030 (Figure 1).

Hokkaido dominates Japan's soybean production, with 42.8 percent of the total MY 2021/22 crop coming from the northernmost prefecture. Hokkaido's soybean yield is much higher than that of other prefectures (Figure 1) because Hokkaido farmers plant on large dry fields, rather than small rice paddies. Small producers outside of Hokkaido sometimes choose high premium niche varieties, such as *kuromame* (black soybeans), which have a lower yield.

Japan's soybean production focuses on non-genetically engineered (GE) food-grade soybean varieties, of which approximately 80 percent are distributed via the Japan Agricultural Cooperatives (JA) to food manufacturers, such as tofu, natto or miso makers (see Utilization of Food-Grade Soybeans in Japan). The remainder is typically sold for home cooking, directly to small businesses, or used for planting. Domestic production does not contribute to crush. FAS/Tokyo estimates domestically produced soybeans supply approximately 30 percent of Japan's food soybean market[2].

Rapeseed

Japan has limited rapeseed production primarily in Hokkaido, where farmers plant rapeseed as a rotation crop. MAFF announced that MY 2022/23 rapeseed area[3] harvested was 1,740 ha, a marginal increase from 1,640 ha in MY 2021/22. MAFF reported MY 2022/23 rapeseed production at 3,540 MT, a marginal increase from MY 2021/22. FAS/Tokyo forecasts Japan's MY 2023/24 rapeseed production area at 2,000 ha and production volume at 4,000 MT.

Cottonseed

Japan does not produce cottonseed.

Consumption

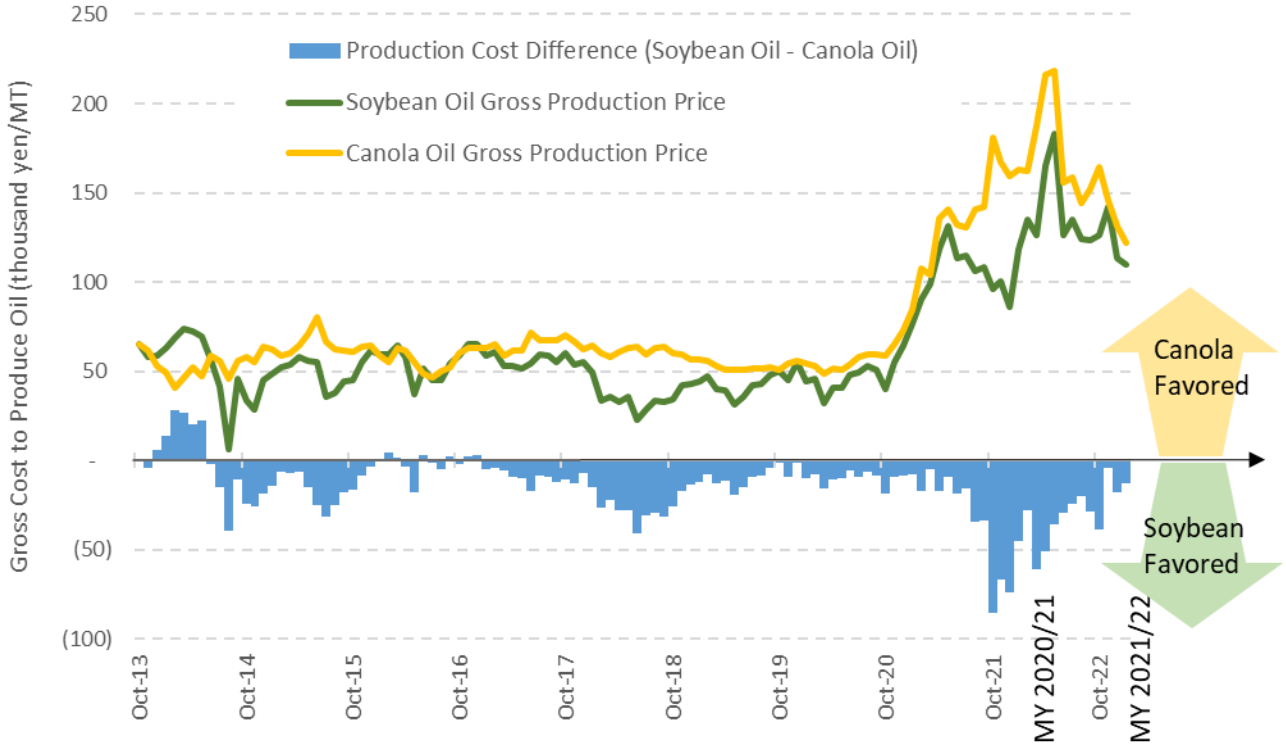
Crush

[1] MAFF will publish its official MY 2021/22 production figures in April 2023.
[2] Food soybean market excludes oil-grade soybeans for crushing.
[3] It does not include ornamental planting areas.

Soybeans and Rapeseed

Japan's vegetable oil demand is the primary driver of oilseed consumption, which is quite stable. Three crushers (Nisshin Oillio, J-Oil Mills, and Showa Sangyo) produce over 80 percent of Japan's vegetable oil volume primarily from imported soybeans and canola seeds. The crushers adjust relative proportion of soybeans to canola in response to vegetable oil demand and relative crush margins for soybeans and rapeseed (Figure 2).

Figure 2. Crush Margin of Soybean Oil vs. Canola Oil Production for Japanese Crushers



Sources: Chicago Board of Trade, the Intercontinental Exchange, Federal Reserve Bank of St. Louis
Note: Gross production cost for crude oil represents the difference between the input (i.e., oilseed future) price and the meal future price. The production cost does not include operational costs.

A very poor MY 2021/22 Canadian canola crop led Japanese crushers to increase soybean procurement. With the expected recovery of the canola supply, FAS/Tokyo forecasts a shift toward more canola crush and away from soybeans in MY 2022/23.

For MY 2022/23, FAS/Tokyo estimates Japan will crush 2.74 million MT (MMT) of soybeans and 2.00 MMT of rapeseeds for vegetable oil. This estimate assumes a slight reduction in oil demand due to a steady price increase for vegetable oil since 2021. Assuming a steady vegetable oil demand and improved rapeseed availability, FAS/Tokyo forecasts MY 2023/24 soybean crush will fall to 2.46 MMT as rapeseed crush increases to 2.19 MMT. Table 1 compares oil extraction from soybeans and rapeseeds.

Table 1. Conversion Rate of Oilseeds into Oil in Japan (Unit: MMT)

	Soybeans			Rapeseeds			Total Veg. Oil
	Soybeans	Oil Production	Extraction Rate	Rapeseeds	Oil Production	Extraction Rate	Production
MY 2020/21	2.364	0.462	0.195	2.357	1.007	0.427	1.674
MY 2021/22	2.600	0.519	0.200	2.144	0.904	0.422	1.628
MY 2022/23e	*2.741*	*0.540*	*0.197*	*2.000*	*0.860*	*0.430*	*1.605*
MY 2023/24f	*2.462*	*0.480*	*0.195*	*2.188*	*0.930*	*0.425*	*1.635*

Source: MAFF
Note: MY 2022/23e represents FAS/Tokyo's estimate based on MAFF's official data from October 2022 to January 2023. MY2023/24*f* represents FAS/Tokyo's forecast.

Cottonseed

MAFF reports that in MY 2021/22, Japan crushed 25,398 MT of cottonseed to produce 4,372 MT of cottonseed oil, with an oil extraction rate of 0.172. Cottonseed oil is principally used as a high-end cooking oil (e.g., professional *tempura* oil) and a high-end oil for canned fish. Cottonseed meal (11,615 MT) largely went to feed. FAS/Tokyo projects cottonseed crush will remain at 25,000 MT in MY 2022/23 and MY 2023/24 as Japan's cottonseed oil demand is not price sensitive. Okamura Oil Mill in Osaka is the only cottonseed crusher in Japan.

Food Use Consumption

Processed soy food manufacturers (e.g., tofu, natto, miso, soymilk, simmered soybeans, etc.) consume most food-grade soybeans in Japan. Over the last decade, Japan's food soybean consumption had stayed at approximately 0.9 MMT. Due to the common perception in Japan that processed soy products are an inexpensive staple food (see Utilization of Food Grade Soybeans in Japan for details about Japanese soy food), soy food manufacturers are hesitant to increase retail prices to keep up with rising global prices of non-GE soybean premiums.

Daily Soybean Oil[4] publication projects soy food use will decline in 2022 to 801.3 MMT or by 4.3 percent compared to 2021. According to the Ministry of Internal Affairs and Communications, between March 2021 and January 2023, the retail price for tofu increased 9.3 percent while the price of natto fell by 0.1 percent. By contrast, the retail price for vegetable oil surged by 67.2 percent (Figure 7). FAS/Tokyo forecasts food consumption of soybeans will decrease to 850,000 MT in MY 2022/23 and further down to 845,000 MT in MY 2023/24 due to the rising non-GE soybean premiums.

Feed, Seed, and Waste (FSW) Consumption

According to MAFF's feed statistics, soybean consumption by feed manufacturers decreased slightly to 84,308 MT in MY 2021/22. Accounting for local feed consumption not captured by MAFF statistics[5], seeds, and waste, FAS/Tokyo projects soybean FSW consumption to stay at 150,000 MT in MY 2022/23 and MY 2023/24. Rapeseed FSW consumption will remain minor and steady.

[4] Page 2 of the June 30, 2022 issue.
[5] FSW consumption represents residual consumption and includes off-grade domestic soybeans.

Cottonseed

Feed manufacturers use cottonseed as a minor ingredient, primarily in compound feed for dairy cows to boost milk fat. From March 2023, MAFF allocated 5 billion yen ($38.5 million[6]) in the 2022 supplementary budget to remove up to 40,000 dairy cows in response to overproduction of milk (2022 Japan Dairy and Products Annual and 2023 Japan Livestock and Products Annual). Consequently, FAS/Tokyo projects cottonseed FSW consumption will decrease to 72,000 MT in MY 2022/23 and recover to 75,000 MT in MY 2023/24.

Trade

Japan relies on oilseed imports to meet its food and feed demands. Japan imposes no tariffs on soybeans, rapeseed, and cottonseed.

Soybeans

FAS/Tokyo projects soybean imports will stay at 3.455 MMT in MY 2022/23, but decline to 3.2 MMT in MY 2023/24 as the soybean-canola margin shifts and current soybean contract expire. Generally, about 80 percent of imports are feed-grade and 20 percent are food-grade.

In MY 2021/22, Japan imported 3.455 MMT of soybeans and spent a record $2.42 billion (or 306 billion yen). This total represents a 31 percent spike in U.S. dollars and a whopping 53.9 percent increase in Japanese yen compared to MY 2020/21. In MY 2021/22, major suppliers included the United States (73.5 percent, including both feed-grade and food-grade); Brazil (17.8 percent, feed-grade); Canada (8.1 percent, food-grade) and China (0.6 percent, food-grade). Japanese industry's requirement of 47.5 percent crude protein[7] in soybean meal for high-protein feed (Hi-Pro) preserves Brazil's market share due to a higher crude protein content in Brazilian soybeans.

Rapeseeds

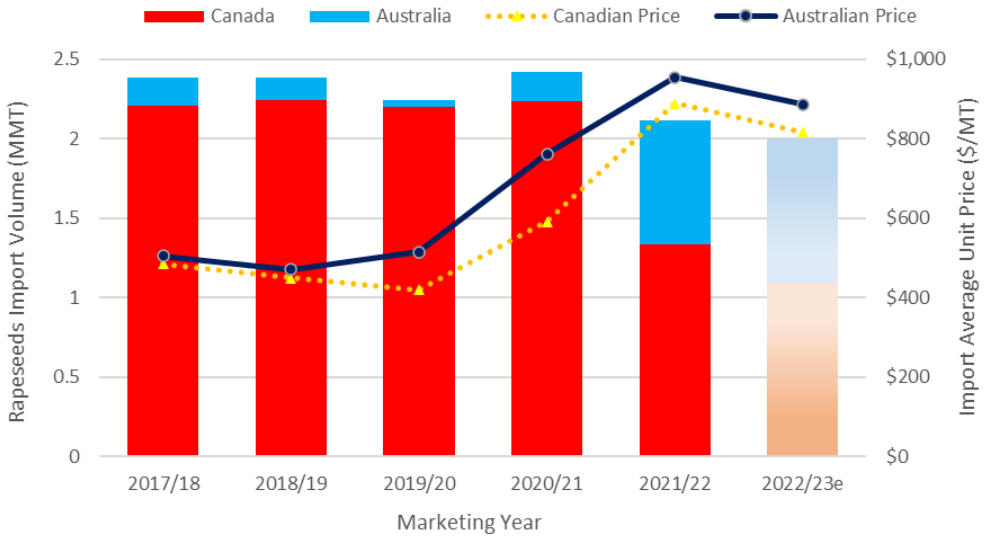
FAS/Tokyo projects rapeseed imports will decrease to 2.0 MMT in MY 2022/23, a 5.5 percent decrease from MY 2021/22. As the crush margin of canola recovers, FAS/Tokyo forecasts rapeseed imports will rebound to 2.183 MMT in MY 2023/24.

Historically, Japan has relied on Canada for approximately 95-97 percent of its rapeseed imports (Figure 3). In MY 2021/22, Japan imported 2.12 MMT of rapeseeds, of which 63.2 percent came from Canada and the remainder from Australia. Due to a historically poor MY 2021/22 canola crop in Canada (see Canada Oilseeds Annual), Japanese crushers struggled to procure Canadian canola seeds. On the other hand, Australia had a bumper canola crop in MY 2021/22 and in MY2022/23 (see Australia Oilseeds Annual). Consequently, Japan significantly increased imports of Australian rapeseeds in MY 2021/22. Japanese crushers also noted a higher oil extraction rate from Australian canola seeds than from Canadian seeds in MY 2021/22 and the beginning of MY 2022/23.

[6] $1 ≈ 130 yen (March 24, 2023)

[7] The majority of domestic soybean meal production is low-protein (Lo-Pro) soybean meal, which requires 44 percent of crude protein content.

Figure 3. Japan's Rapeseed Imports by Origin



Source: Japan Customs
Note: 2022/23e estimates are the year-to-date estimates from October 2022 to February 2023.

Cottonseed

FAS/Tokyo projects Japanese cottonseed imports to contract to 97,000 MT in MY 2022/23 due to weak feed demand by the dairy industry, and then recover to 100,000 MT in MY 2023/24.

In MY 2021/22, Japan imported 104,190 MT of cottonseed. The United States was the largest supplier of cottonseed to Japan with a 47.8 percent share in MY 2020/21, but Australia overtook the position of Japan's top cottonseed supplier (at 45.2 percent) in MY 2021/22. In MY 2021/22, Greece became the third largest supplier at 12 percent due to the high oil content of Greek cottonseeds, while imports of Brazilian cottonseeds ceased due to high price and limited availability.

Stocks

MAFF reported that MY 2022/23 soybean beginning stocks grew to 246,300 MT, of which oil crushers held 242,662 MT and feed manufacturers held an additional 3,638 MT. MY 2021/22 beginning stocks were 170,184 MT, of which oil crushers held 165,727 MT and feed manufacturers held an additional 4,457 MT. As soybean oil demand slowed down at the beginning of MY 2022/23, beginning stocks increased as crushers held on to soybeans. FAS/Tokyo forecasts crushers will draw on soybean stocks in MY 2022/23 and ending stocks will be around 200,000 MT in MY 2022/23 and MY 2023/24.

MAFF reported that MY 2022/23 rapeseed beginning stocks were 206,809 MT. FAS/Tokyo forecasts rapeseed ending stocks will stay around 0.2 MMT in MY 2022/23 and MY 2023/24.

MAFF reported MY 2021/22 beginning cottonseed stocks for crush at 1,130 MT and ending cottonseed stocks at 873 MT. There are no official figures of cottonseed stocks for feed. FAS/Tokyo estimates feed cottonseed stocks at 3,000 MT. FAS/Tokyo forecasts total cottonseed stocks will hover around 4,000 MT in MY 2022/23 and MY 2023/24.

Meals

Commodities:
Meal, Soybean
Meal, Rapeseed
Meal, Fish
Meal, Palm Kernel

Production, Supply, and Distribution of Soybean Meal

Meal, Soybean	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2,581	2,600	2,500	2,741	0	2,462
Extr. Rate (PERCENT)	0.754	0.749	0.754	0.751	0	0.752
Beginning Stocks (1000 MT)	159	95	104	121	0	100
Production (1000 MT)	1,947	1,946	1,886	2,059	0	1,851
MY Imports (1000 MT)	1,699	1,699	1,850	1,500	0	1,645
Total Supply (1000 MT)	3,805	3,740	3,840	3,680	0	3,596
MY Exports (1000 MT)	1	1	1	1	0	1
Industrial Dom. Cons. (1000 MT)	220	208	220	204	0	200
Food Use Dom. Cons. (1000 MT)	200	200	200	195	0	195
Feed Waste Dom. Cons. (1000 MT)	3,280	3,210	3,275	3,180	0	3,100
Total Dom. Cons. (1000 MT)	3,700	3,618	3,695	3,579	0	3,495
Ending Stocks (1000 MT)	104	121	144	100	0	100
Total Distribution (1000 MT)	3,805	3,740	3,840	3,680	0	3,596
(1000 MT) ,(PERCENT)						

Production, Supply, and Distribution of Rapeseed Meal

Meal, Rapeseed	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2,153	2,144	2,400	2,000	0	2,188
Extr. Rate (PERCENT)	0.557	0.570	0.556	0.552	0	0.556
Beginning Stocks (1000 MT)	82	76	42	49	0	70
Production (1000 MT)	1,200	1,221	1,335	1,104	0	1,217
MY Imports (1000 MT)	7	7	5	6	0	6
Total Supply (1000 MT)	1,289	1,304	1,382	1,159	0	1,293
MY Exports (1000 MT)	10	10	0	0	0	0
Industrial Dom. Cons. (1000 MT)	250	95	250	89	0	103
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	987	1,150	1,055	1,000	0	1,120
Total Dom. Cons. (1000 MT)	1,237	1,245	1,305	1,089	0	1,223
Ending Stocks (1000 MT)	42	49	77	70	0	70
Total Distribution (1000 MT)	1,289	1,304	1,382	1,159	0	1,293
(1000 MT) ,(PERCENT)						

Production, Supply, and Distribution of Fishmeal

Meal, Fish	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jan 2022		Jan 2023		Jan 2023	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Catch For Reduction (1000 MT)	950	851	950	850	0	850
Extr. Rate (PERCENT)	0.211	0.220	0.211	0.218	0	0.218
Beginning Stocks (1000 MT)	22	20	25	21	0	22
Production (1000 MT)	200	187	200	185	0	185
MY Imports (1000 MT)	165	160	165	165	0	165
Total Supply (1000 MT)	387	367	390	371	0	372
MY Exports (1000 MT)	7	7	5	7	0	7
Industrial Dom. Cons. (1000 MT)	65	49	70	52	0	53
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	290	290	290	290	0	290
Total Dom. Cons. (1000 MT)	355	339	360	342	0	343
Ending Stocks (1000 MT)	25	21	25	22	0	22
Total Distribution (1000 MT)	387	367	390	371	0	372
(1000 MT) ,(PERCENT)						

Note: “New Post” fishmeal PS&D figures do not include crustacean meal.

Production, Supply, and Distribution of Palm Kernel Residues (HS Code: 2306.60)

Meal, Palm Kernel	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	0	0	0	0	0	0
Extr. Rate (PERCENT)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	280	283	210	290	0	200
Total Supply (1000 MT)	280	283	210	290	0	200
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	275	279	205	286	0	196
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	5	4	5	4	0	4
Total Dom. Cons. (1000 MT)	280	283	210	290	0	200
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	280	283	210	290	0	200
(1000 MT) ,(PERCENT)						

Note: Due to the difference in the application of HS codes used by Japan and its palm kernel residue suppliers (Malaysia and Indonesia), Malaysia’s and Indonesia’s export data differ notably from Japan’s import data (see JA2020-0110). FAS/Tokyo relies on suppliers’ export data to capture Japanese palm kernel residue imports, which are primarily utilized by Japanese powerplants as fuel. Above numbers do not represent total PKS consumption by Japanese power plants.

Production

Soybean and Rapeseed Meal

Domestic crush of imported oilseeds supplies half of soybean meal and all of rapeseed meal demand in Japan. Based on the projected recovery of the canola crop, for MY 2023/24, FAS/Tokyo forecasts an increase in domestic rapeseed crush and a corresponding drop in soybean crush (Table 2).

Table 2. Soybean and Rapeseed Meal Production from Domestic Crush (Unit: MMT)

	Soybean Meal			Rapeseed Meal		
	Soybeans	Production	Extraction Rate	Rapeseeds	Production	Extraction Rate
MY 2020/21	2.364	1.783	0.754	2.357	1.322	0.561
MY 2021/22	2.600	1.946	0.749	2.144	1.221	0.570
MY 2022/23e	*2.741*	*2.059*	*0.751*	*2.000*	*1.104*	*0.552*
MY 2023/24f	*2.462*	*1.851*	*0.752*	*2.188*	*1.217*	*0.556*

Source: MAFF

Note: MY 2022/23e represents FAS/Tokyo's estimate based on MAFF's official data from October 2022 to January 2023. MY2023/24*f* represents FAS/Tokyo's forecast.

Fishmeal

Fishmeal marketing year (FM-MY) 2022/23 runs from January through December 2022 (i.e., calendar year or CY). Japan utilizes primarily domestic fish trimmings and small whole fish (e.g., sardines) as inputs for the production of fish oil and fishmeal (Table 3).

Table 3. Japan's Fishmeal Production and Supply (Unit: thousand MT)

	CY	2018	2019	2020	2021	2022	2023f
	FM-MY	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23f
Domestic Input	Trimmings	662	665	664	672	620	
	Whole Fish	177	225	239	280	232	
	Total	**840**	**890**	**903**	**952**	**851**	*850*
Domestic Production	Fish Oil	74	74	78	79	67	
	Fishmeal	**182**	**189**	**195**	**205**	**187**	*185*
	Extr. Rate	21.6%	21.2%	21.5%	21.5%	21.9%	
Fishmeal Imports	Peru	44	76	51	45	40	
	Chile	23	21	39	22	20	
	USA	12	15	17	14	8	
	U.S. (%)	6.3%	6.8%	8.6%	9.3%	5.3%	
	Total	**189**	**213**	**203**	**146**	**160**	*165*

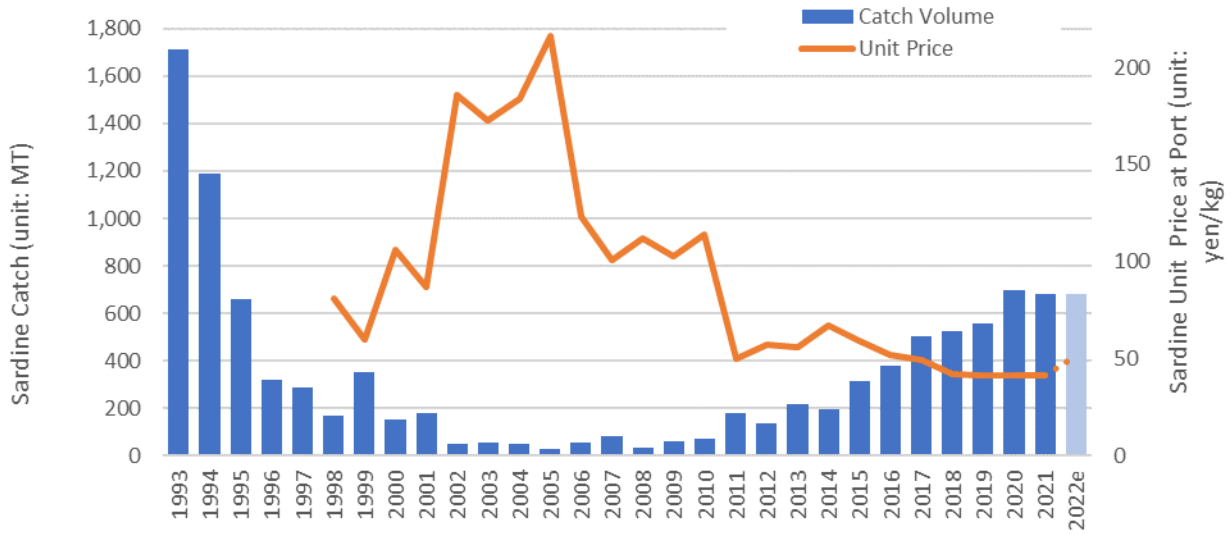
Sources: Japan Marine Oil Association[8] and Japan Customs

Note: Total numbers may not match due to rounding error. *f* indicates FAS/Tokyo's forecasts.

[8] Japan Marine Oil Association releases the annual final fishmeal and fish oil production results in early summer. The data of CY 2022 is based on their preliminary results before publication.

Japan Fisheries Agency reported total sardine catch at 681,659 MT of sardines in 2021 (Figure 4). FAS/Tokyo estimates the sardine catch will remain around 680,000 MT in 2022. As stocks of other species (e.g., Pacific saury) declined, some Japanese seafood processors shifted some sardine utilization from fishmeal to human food. Industry experts also noted an overall price spike in seafood products by about 20 percent in 2022, as processed seafood production shrunk by 10 percent following the Russian invasion to Ukraine.

Figure 4. Japan's Sardine Catch and Sardine Price



Source: Japan Fisheries Agency
Note: e indicates FAS/Tokyo's estimation from MAFF monthly data.

Palm Kernel Meal

Japan does not produce palm kernel meal.

Consumption

Feed and Waste Consumption

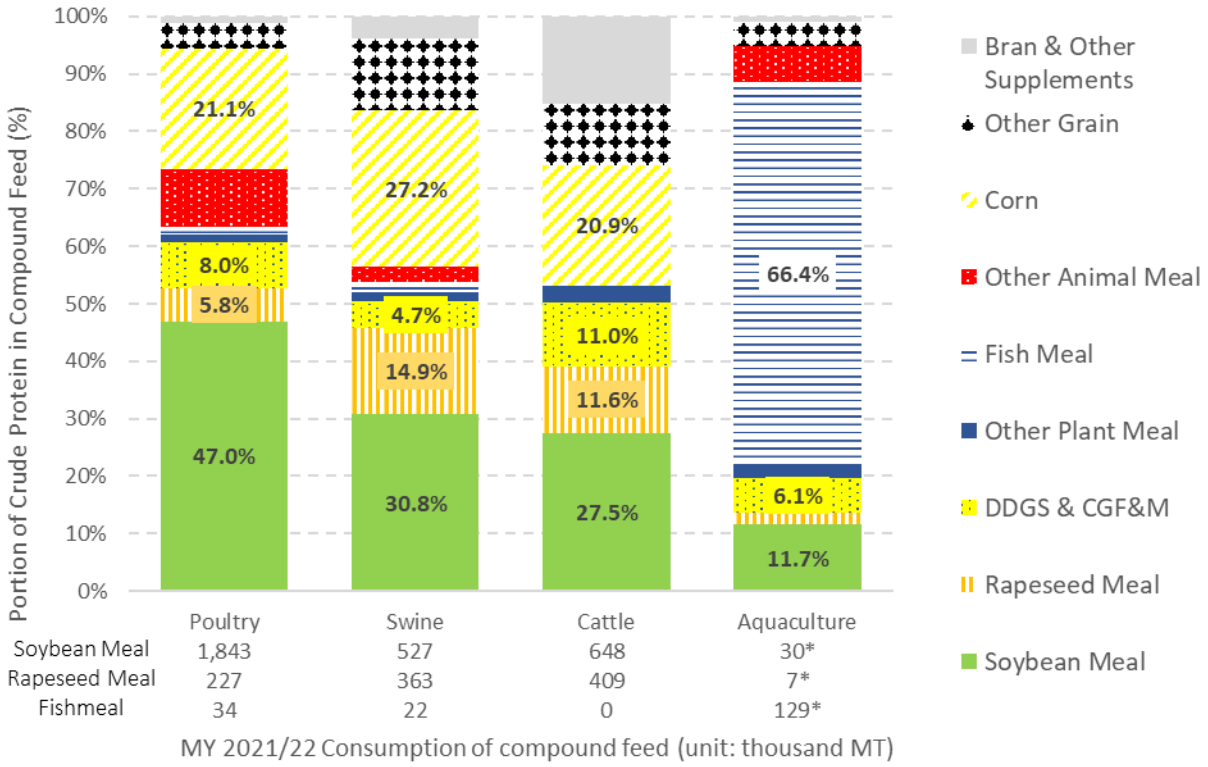
Figure 5 details digestible protein sources in the diet of farmed animals in MY 2021/22. FAS/Tokyo forecasts total protein consumption by livestock animals and aquaculture will shrink by 1.5 percent in MY 2022/23 as (i) feed prices increase, (ii) Highly Pathogenic Avian Influenza (HPAI) outbreak, especially among layers, reduces poultry flocks by 5 percent (2023 Japan Grain and Feed Annual), and (iii) Japan aims to reduce dairy herds by 3 percent (2023 Japan Livestock and Products Semi-Annual).

Based on MAFF's feed data, FAS/Tokyo estimates Japanese feed millers consumed 8.67 MMT of soybean meal equivalent (SME[9]) protein in MY 2021/22. The total includes 36 percent soybean meal, 9 percent rapeseed meal, 8 percent corn-derived protein by-products (i.e., distillers' dried grains with solubles (DDGS) and corn gluten feed and meal (CGF&M), 5 percent slaughterhouse waste (e.g., meat

[9] To facilitate the comparison of crude protein levels across different feeds, they are expressed in soybean meal equivalent (SME): 1 MT of rapeseed meal equals 0.7115 MT of SME; 1 MT of fishmeal is 1.445 MT of SME, 1 MT of soybeans is 0.8 MT of SME; and 1 MT of DDGs equals 0.5833 MT of SME.

and bone meal[10], feather meal), and 3 percent fishmeal. As MY 2021/22 rapeseed meal supply decreased, feed millers increased the use of soybean meal, DDGS and CGF&M. However, the total SME protein use by Japanese feed millers remained stable.

Figure 5. Proportion of Digestible Protein in Compound Feed by Animal in MY 2021/22



Source: MAFF
Note: * denotes FAS/Tokyo estimates of aquaculture meal consumption during oilseed MY (October-September).

As feed millers fully utilize domestic production of rapeseed meal, FAS/Tokyo forecasts rapeseed meal feed and waste consumption will decrease to 1.0 MMT in MY 2022/23. As rapeseed meal production will recover, FAS/Tokyo forecasts rapeseed meal feed and waste consumption will increase to 1.12 MMT in MY 2023/24.

To fulfill the protein demand, FAS/Tokyo forecasts soybean meal feed and waste consumption will be 3.18 MMT in MY 2022/23. In MY 2023/24FAS/Tokyo forecasts the feed soybean meal consumption will decrease to 3.10 MMT as rapeseed meal will replace soybean meal.

MAFF reported 2022 fishmeal consumption (i.e., FM-MY 2021/22) by livestock at 55,943 MT. FAS/Tokyo estimates annual aquaculture consumption at 225,000 MT of fishmeal, so the annual total fishmeal consumption for feed and waste is about 290,000 MT. FAS/Tokyo forecasts the fishmeal consumption for feed will stay at 290,000 MT in 2023 and 2024.

[10] Since 2001, MAFF allows meat and bone meal derived from chicken and pork for feed of poultry and swine. Please see JA2021-0091 for more information.

FAS/Tokyo forecasts palm kernel meal feed consumption will stay at 4,000 MT a year. Industry sources indicate that palm kernel meal is rarely used as a ruminant feed ingredient in Japan.

Food Use Consumption

FAS/Tokyo estimates food use consumption of soybean meal was 200,000 MT in MY 2021/22. Due to the anticipated high price of food grade soybeans, FAS/Tokyo forecasts Japan's soybean meal food consumption will decrease to 195,000 MT in MY 2022/23 and in MY 2023/24

Unlike typical feed-grade soybean meal, food-grade soybean meal is produced from non-GE soybeans and not heat-treated. Manufacturers of soy sauce, isolated plant protein products (e.g., alternative meat), hydrolyzed vegetable protein (HVP) and beer-like alcoholic drinks are the principal users of food-grade soybean meal in Japan (see Utilization of Food-Grade Soybeans in Japan).

Industrial Consumption

The primary industrial use of soybean meal, rapeseed meal, and fishmeal is for organic fertilizer production, which is preferred by growers of some specialty crops, such as tea and tobacco. Japan does not publish reliable fertilizer input data, but industry experts believe the demand remains low because chemical fertilizers dominate the market. Although chemical fertilizer prices remain high in MY 2022/23 following the Russian invasion of Ukraine, the high price of soybean meal, rapeseed meal and fishmeal has limited interest in resulting organic fertilizers as an alternative to chemical fertilizers. FAS/Tokyo projects a stable industrial consumption of soybean meal, rapeseed meal and fishmeal in MY 2021/22, MY 2022/23, and MY 2023/24.

Palm Kernel Shell

Palm kernel meal (PKM) does not have industrial use in Japan, instead Japan utilizes a large volume of palm kernel shells (PKS) as biomass for power generation (see 2021 Japan Biofuels Annual). Medium-sized biomass power plants near ports use PKS as a stable and inexpensive feedstock. Ministry of Economy, Trade and Industry (METI) announced plans to require stricter environmental certification from April 2024 of PKS eligible for the feed-in tariff (FIT) program.

Trade

Japan has no tariff on meal products.

Rapeseed Meal

Japanese feed manufacturers do not use imported rapeseed meal. According to Japan Customs, in MY 2021/22, Japan imported 7,352 MT of fertilizer-grade high erucic acid rapeseed meal from India and China. FAS/Tokyo forecasts fertilizer-grade rapeseed meal imports to remain flat in the coming years.

Soybean Meal

FAS/Tokyo estimates soybean meal imports will decline to 1.5 MMT in MY 2022/23 as protein demand by domestic livestock decreases. FAS/Tokyo projects a rebound in soybean meal imports to 1.645 MMT in MY 2023/24 as Japan reduces soybean crush.

Imported soybean meal primarily fills the gap between supply from domestic crush and total feed protein demand. In MY 2021/22, Japan imported 1.699 MMT of soybean meal, of which 51.4% came from Brazil and Argentina. China's share declined to 20.5 percent as Chinese soybean meal supply was tight. The United States exports feed-grade soybean meal[11] and food-grade non-GE soybean meal to Japan. The imported soybean meal accounted for 44.7 percent of Japanese soybean meal supply.

In recent years, the demand for domestically produced and imported soybean meal has split along geographical lines. Feed millers near Nagoya, Kashima and Mizushima use domestically produced soybean meal. Feed millers in Hokkaido, Tohoku and Kyushu rely on imported soybean meal.

PKM and PKS

Japan relies on imports to meet its demand for PKS. The import figures primarily reflect trade in PKS for power generation (see JA2020-0110). Due to the expected introduction of stricter sustainability certification requirements in April 2024, FAS/Tokyo forecasts a decline in PKS imports in MY 2023/24. Malaysia and Indonesia are the key PKS suppliers to Japan.

Fishmeal

FAS/Tokyo forecasts fishmeal imports to marginally increase to 165,000 MT in 2023 and 2024 to offset a slight fall in domestic production. According to Japan Customs, Japan imported 159,990 MT[12] of fishmeal in 2022 (Table 3).

Stocks

MAFF reported soybean meal beginning stocks at 120,750 MT in MY 2022/23 and 94,915 MT in MY 2021/22. As domestic soybean crush slows, FAS/Tokyo forecasts soybean meal stocks to drop down to 100,000 MT in MY 2023/24.

MAFF lists rapeseed meal beginning stocks at 49,160 MT in MY 2022/23, dropped from 76,326 MT in MY 2021/22. As Japanese crushers will increase rapeseed crush, FAS/Tokyo forecasts rapeseed meal stocks will increase to 70,000 MT in MY 2022/23.

According to MAFF, feed manufacturers held 20,317 MT in fishmeal stocks at the beginning of 2022 and 20,508 MT at the beginning of 2023. FAS/Tokyo forecasts fishmeal ending stocks at 22,000 MT.

[11] Industry sources report that U.S. feed-grade soybean meal primarily goes toward Lo-Pro (i.e., 44 percent crude protein) feed.

[12] This number does not include meal made from crustaceans.

Oils

Commodities:
Oil, Soybean
Oil, Rapeseed
Oil, Palm
Oil, Sunflowerseed

Production, Supply, and Distribution of Soybean Oil

Oil, Soybean	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2,581	2,600	2,500	2,741	0	2,462
Extr. Rate (PERCENT)	0.195	0.200	0.195	0.197	0	0.195
Beginning Stocks (1000 MT)	12	23	11	18	0	25
Production (1000 MT)	504	519	488	540	0	480
MY Imports (1000 MT)	10	10	4	10	0	10
Total Supply (1000 MT)	526	552	503	568	0	515
MY Exports (1000 MT)	0	1	0	2	0	1
Industrial Dom. Cons. (1000 MT)	40	50	40	55	0	40
Food Use Dom. Cons. (1000 MT)	475	483	435	486	0	449
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	515	533	475	541	0	489
Ending Stocks (1000 MT)	11	18	28	25	0	25
Total Distribution (1000 MT)	526	552	503	568	0	515
(1000 MT) ,(PERCENT)						

Production, Supply, and Distribution of Rapeseed Oil

Oil, Rapeseed	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2,153	2,144	2,400	2,000	0	2,188
Extr. Rate (PERCENT)	0.436	0.422	0.433	0.430	0	0.425
Beginning Stocks (1000 MT)	23	32	9	46	0	27
Production (1000 MT)	938	904	1,040	860	0	930
MY Imports (1000 MT)	33	33	20	20	0	20
Total Supply (1000 MT)	994	969	1,069	926	0	977
MY Exports (1000 MT)	7	7	2	8	0	5
Industrial Dom. Cons. (1000 MT)	60	60	60	55	0	65
Food Use Dom. Cons. (1000 MT)	918	856	970	836	0	880
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	978	916	1,030	891	0	945
Ending Stocks (1000 MT)	9	46	37	27	0	27
Total Distribution (1000 MT)	994	969	1,069	926	0	977
(1000 MT) ,(PERCENT)						

Production, Supply, and Distribution of Palm Oil

Oil, Palm	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
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)	29	8	15	9	0	14
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	645	645	660	660	0	675
Total Supply (1000 MT)	674	653	675	669	0	689
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	70	60	70	70	0	75
Food Use Dom. Cons. (1000 MT)	589	580	590	580	0	590
Feed Waste Dom. Cons. (1000 MT)	0	4	0	5	0	5
Total Dom. Cons. (1000 MT)	659	644	660	655	0	670
Ending Stocks (1000 MT)	15	9	15	14	0	19
Total Distribution (1000 MT)	674	653	675	669	0	689
(1000 HA) ,(1000 TREES) ,(1000 MT) ,(MT/HA)						

Production, Supply, and Distribution of Sunflowerseed Oil

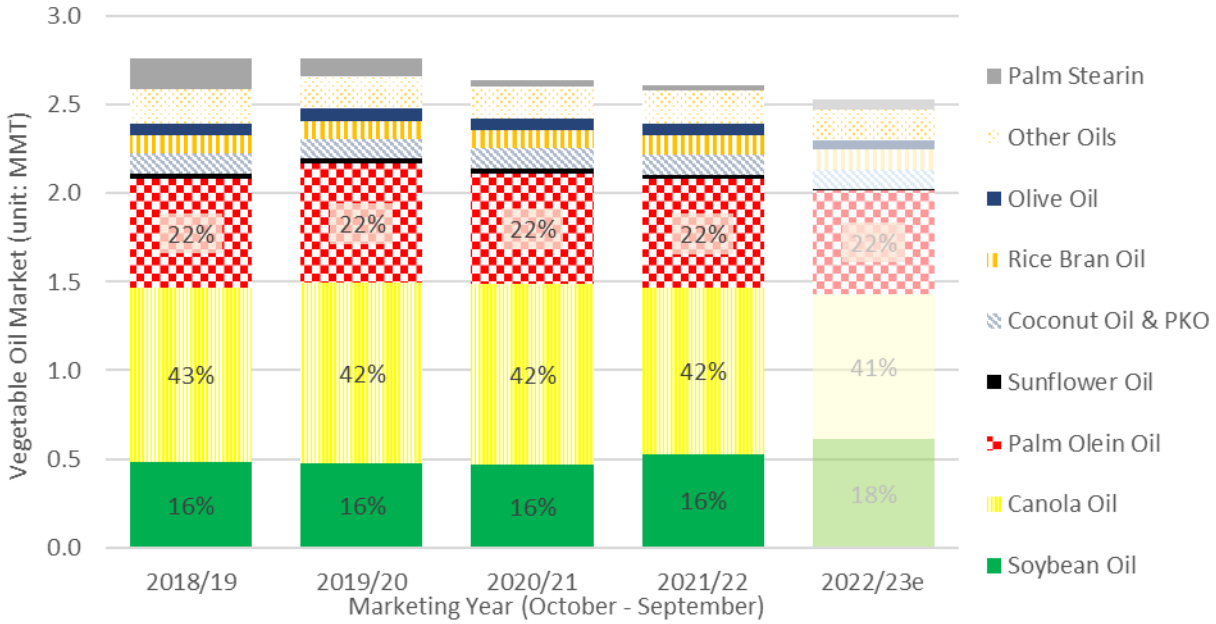
Oil, Sunflowerseed	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	0	0	0	0	0	0
Extr. Rate (PERCENT)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	3	1	3	1	0	1
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	28	24	30	15	0	21
Total Supply (1000 MT)	31	25	33	16	0	22
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	2	0	1	0	2
Food Use Dom. Cons. (1000 MT)	28	22	30	14	0	18
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	28	24	30	15	0	20
Ending Stocks (1000 MT)	3	1	3	1	0	2
Total Distribution (1000 MT)	31	25	33	16	0	22
(1000 MT) ,(PERCENT)						

Note: “New Post” sunflowerseed oil PS&D figures do not include safflower oil.

Overall Vegetable Oil Market

Japanese vegetable oil demand drives the overall oilseed and products market in Japan. Aside from palm stearin oil (primarily used for power generation), Japan's vegetable oil market is quite stable at approximately 2.5-2.7 MMT (Figure 6), of which over 60 percent is supplied by domestic crush.

Figure 6. Japan's Vegetable Oil Market in Recent Years



Sources: MAFF and Japan Customs

Note: Until MY 2019/20, Japanese power companies utilized imported palm stearin oil as feedstock. FAS/Tokyo omitted palm stearin oil from its calculation of the total vegetable oil consumption. The 2022/23 estimate is based on year-to-date estimates from October 2022 to January 2023.

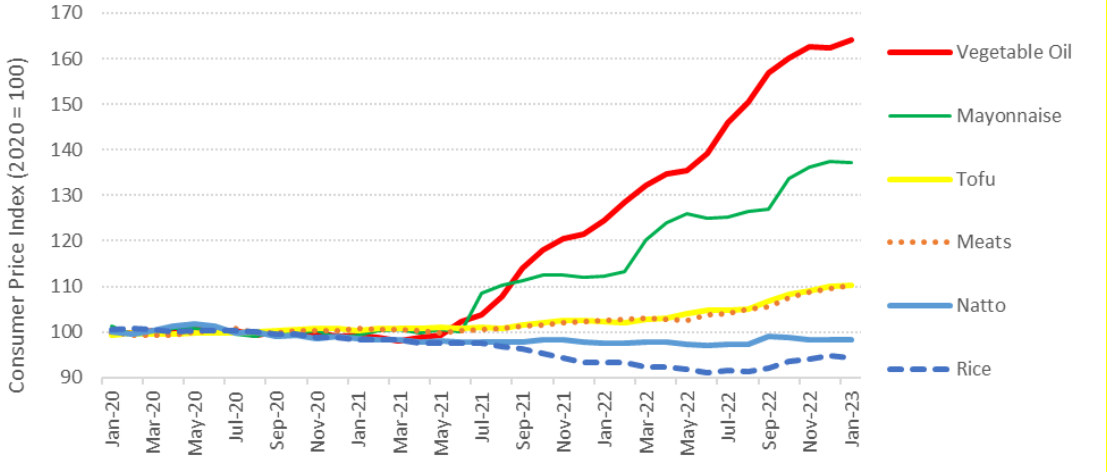
In MY 2021/22, the total vegetable oil market shrunk by 0.9 percent as the retail price of edible oils soared since spring 2021. According to the Ministry of Internal Affairs and Communications, the retail price for vegetable oil grew by 67 percent from March 2021 to January 2023, far above the price increase for most other staple foods (Figure 7) (JA2023-0027). The Japanese Government has not put in place any support program for food oil expenditures, as it has for other essentials such as wheat (JA2022-0073) or gasoline (JA2022-0109).

The Poll on Social Awareness published by the Cabinet Office on March 17, 2023 indicates inflation looms as the top concern for most survey respondents. The Public Opinion Survey on the Life of Citizen published by the Cabinet Office on January 2023 shows strong support for Government's anti-inflation measures, which include a package to alleviate food price hikes. One such program introduces a new system to extend the life of frying oil.

In MY 2021/22, households, wholesalers, retail stores, restaurants, and food manufacturers stockpiled vegetable oil products in anticipation of price hikes. Russia's invasion of Ukraine further exacerbated the hoarding of edible oil amid fears of supply disruptions and further price hikes. Industry contacts report signs that in 2023 oil consumption began to decline. A complete relaxation of COVID-19 entry

restrictions may reverse this trend as international tourists return to Japan. The weak Japanese yen may support oil consumption as Japan seeks to boost exports of processed food products.

Figure 7. Japan's Consumer Price Index of Select Food Types



Source: Ministry of Internal Affairs and Communications

FAS/Tokyo forecasts the total MY 2022/23 vegetable oil consumption will fall in MY 2022/23 to 2.46 MMT and rebound to 2.5 MMT in MY 2023/24.

Production

Soybean and Rapeseed Oil

MAFF reported that domestic crush in MY 2021/22 yielded 518,849 MT of soybean oil and 904,056 MT of canola oil. FAS/Tokyo estimates Japanese oil crushers will produce 0.54 MMT of soybean oil and 0.86 MMT of canola oil in MY 2022/23 (Table 1). Assuming recovery of the canola supply, FAS/Tokyo forecasts a decline in domestic soybean oil production to 0.48 MMT and increase in canola oil production to 0.93 MMT.

Palm Oil and Sunflowerseed Oil

Japan does not produce palm oil or sunflower seed oil.

Consumption

Table 4. Estimated Oil Consumption by Oil Type and Use in 2018

	Cooking Oil	Margarine & Shortening	Other Processing	Industrial & Fuel
Soybean Oil	50%	4%	39%	7%
Canola Oil	64%	6%	24%	6%
Palm Oil	13%	34%	35%	18%
Sunflower seed Oil	8%	0%	82%	10%

Source: MAFF Food Manufacture Affairs Division (2021[13]), the latest available data

[13] MAFF, Food Manufacture Affairs Division. 2021. Wagakuni no Yushi Jijo. Chapter 4 (3)-2, p85-86.

Oil use varies by oil type (Table 4).

Food Use

FAS/Tokyo estimates MY 2022/23 food use consumption for soybean oil to reach 0.49 MMT and for canola oil to decrease to 0.84 MMT. Conversely, in MY 2023/24, FAS/Tokyo forecasts food use consumption for soybean oil to fall to 0.45 MMT, as canola oil food consumption recovers to 0.88 MMT.

FAS/Tokyo estimates food use consumption for palm oil stays low at 0.58 MMT in MY 2022/23 and rebounds to 0.59 MMT in MY 2023/24 as the food sector will continuously recover from COVID-19. The highly saturated food-grade palm stearin oil is used when application requires solid fat (e.g., pastry dough, chocolate, baked goods, margarine, shortening, and whip crème substitutes). Palm olein is highly resistant to oxidation and overheating, and thus used in food manufacturing of instant noodles, snacks, and frozen food. Palm olein can be further fractioned to produce palm super olein, which is a more liquid and has similar applications to soybean and canola oils.

FAS/Tokyo projects sunflower seed oil food use consumption to shrink to 14 MMT due to supply shortages. FAS/Tokyo anticipates partial recovery in consumption in MY 2023/24 as high-oleic sunflower seed oil establishes a niche market.

Industrial Use

Soybean, Rapeseed and Sunflowerseed Oil

MAFF reports that approximately 7 percent of Japan's soybean oil goes toward industrial use. Epoxidized soybean oil is used as a plasticizer and stabilizer in polyvinyl chloride plastics and in food wraps. In MY 2022/23, FAS/Tokyo estimates soybean oil consumption for industrial use will increase to 55 MT as soybean oil is relatively price competitive. FAS/Tokyo forecasts industrial soybean oil consumption to decrease to 40 MT in MY 2023/24 as soybean oil production declines.

In MY 2022/23, FAS/Tokyo forecasts rapeseed oil consumption for industrial use will decrease to 55 MT. As canola oil production recovers in MY 2023/24, rapeseed oil consumption for industrial use will reach 65 MT. According to MAFF, on average, 6 percent of canola oil goes toward industrial use for chemical manufacturing, paint, cosmetics, and pharmaceuticals.

MAFF estimates that 10 percent of sunflowerseed oil goes toward cosmetic products and other industrial purposes, but Russia's invasion of Ukraine has stretched supplies. FAS/Tokyo estimates industrial consumption of sunflowerseed oil to fluctuate between 1,000 MT and 2,000 MT in the coming years.

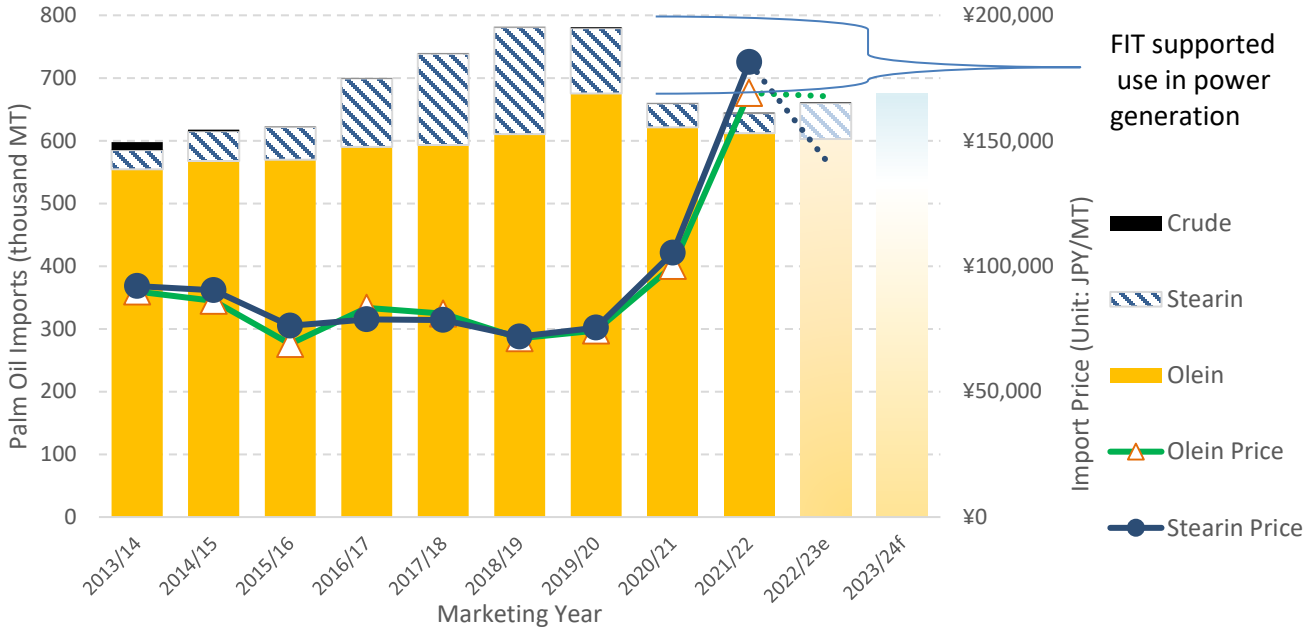
Palm Oil

Palm olein oil is used in manufacturing of hygiene and cleaning products, cosmetics, drugs and lubricants. On the other hand, the great majority of palm stearin oil is a non-edible bioenergy feedstock used for power generation. Japan's utilization of palm stearin for FIT-supported powerplants[14] depends on stearin prices (Figure 8). After palm stearin prices have surged since MY 2020/21, Japan's stearin

[14] The FIT program promotes the use of non-edible agricultural residues for power generation (JA2019-0183).

consumption declined as the fixed FIT payment of 24 yen/kWh was no longer profitable for power stations.

Figure 8. Japan's Annual Palm Olein and Stearin Imports



Source: Japan Customs
Note: 2022/23 e indicates year-to-date estimation from October 2022 to February 2023. MY 2023/2024f represents FAS/Tokyo's forecast.

As palm oil became marginally less expensive, FAS/Tokyo estimates total palm oil industrial use will increase to 70,000 MT in MY 2022/23. FAS/Tokyo projects industrial use of palm oil will further increase to 75,000 MT in MY 2023/24 as the demand from the cosmetic industry recovers following the COVID-19 pandemic. FAS/Tokyo does not anticipate palm stearin oil use for power generation unless the price approaches 90,000 yen per MT.

As of 2023, Japanese companies are not pursuing vegetable oil as feedstock for biodiesel and bio-jet fuels. Japan's very limited biodiesel production relies on a small amount of used cooking oil (UCO). Cosmo Oil and JGC Holdings announced plans to start commercial production from 2025[15] of ASTM D7566-compliant sustainable aviation fuel (SAF) from locally collected UCO via the hydroprocessed esters and fatty acids (HEFA) process. It would be the first commercial SAF production facility in Japan (Japan 2022 Biofuels Annual).

Feed Use

FAS/Tokyo estimates Japanese feed manufacturers regularly use approximately 5,000 MT of palm oil for feed due to a shortage of UCO since early MY 2021/22, when Japan increased UCO exports, especially to Singapore for SAF production. As feed millers substituted corn with rice and wheat, the demand for oil in compound feed increased. Feed millers will continuously use some palm oil for compound feed.

[15] https://www.meti.go.jp/shingikai/energy_environment/saf/pdf/001_09_00.pdf

Trade

In MY 2021/22, imported edible vegetable oil accounted for approximately 36 percent of Japan's vegetable oil supply. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Japan-EU Economic Partnership Agreement (EPA) already eliminated Japan's tariffs on soybean oil, rapeseed oil and sunflower seed oil. On April 1, 2023, Japan eliminated import duties on crude soybean oil, crude rapeseed oil and crude sunflower seed oil under the U.S.-Japan Trade Agreement (USJTA) (see https://www.usdajapan.org/usjta/ for USJTA tariff treatment of oils). Unlike CPTPP and the Japan-EU EPA, USJTA does not eliminate tariffs on many refined vegetable oil products. Most of Japan's imports of palm oil, coconut oil, palm kernel oil, and olive oil enter duty-free due to bilateral EPAs with exporting countries (see Japan: CPTPP and EU Agreements May Reduce Demand For U.S. Oilseeds).

Soybean Oil

Imported soybean oil represents a small fraction of the soybean oil pool. In MY 2021/22, Japan imported 9,881 MT of soybean oil, mostly from Taiwan. FAS/Tokyo projects soybean oil imports will stay flat at 10,000 MT in MY 2022/23 and MY 2023/24. Some discount supermarket chains sell imported soybean oils directly to consumers.

Rapeseed Oil

In MY 2021/22, Japan imported 33,067 MT of rapeseed oil, of which 63.4 percent came from Canada. As domestic canola crush decreased in MY 2021/22, crushers imported some canola oil. FAS/Tokyo forecasts rapeseed oil imports will return to around 20,000 MT in MY 2022/23 and MY 2023/24 as crushers prioritize import of rapeseed over rapeseed oil.

Palm Oil

In MY 2021/22, Japan imported 644,711 MT of palm olein and stearin oil, of which Malaysia supplied 75.7 percent and Indonesia 24.2 percent. Under the ASEAN-Japan Comprehensive Economic Partnership Agreement, Japan does not impose duty on palm oil from ASEAN member countries. FAS/Tokyo projects palm oil imports to increase to 0.665 MMT in MY 2022/23 and 0.675 MMT in MY 2023/24.

Sunflowerseed Oil

FAS/Tokyo expects Japanese imports of sunflower seed oil to drop to 15,000 MT in MY 2022/23 and to marginally increase to 21,000 MT in MY 2023/24. In MY 2021/22, Japan imported 24,040 MT of sunflower seed oil, of which 47.8 percent came from the EU.

Safflower seed oil and sunflower seed oil share the 6-digit HS codes (1512.11 and 1512.99). High-oleic safflower seed oil is consumed as a high-end cooking oil; while linoleic-type safflower seed drying oil is used as paint oil. Japan imported 4,068 MT of safflower seed oil in MY 2021/22. The United States was the leading supplier with an 82 percent share. Under USJTA, Japan allows tariff-free import of U.S. safflower crude oil of an acid value exceeding 0.6.

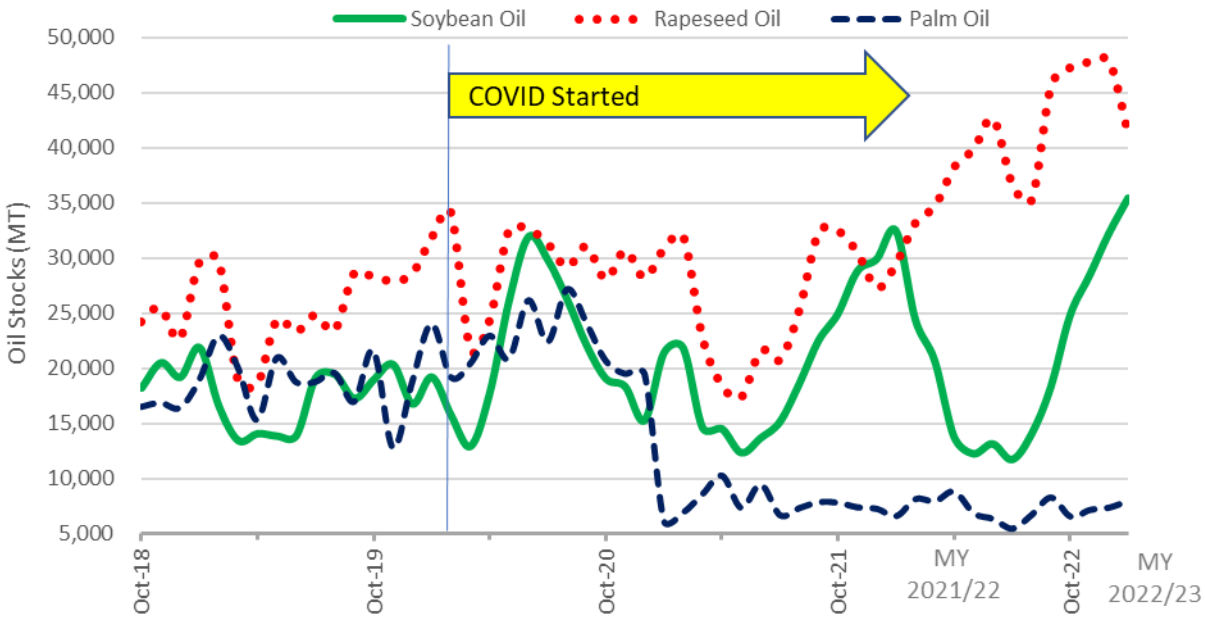
Stocks

MAFF reported soybean oil stocks were 22,536 MT at the beginning of MY 2021/22 and 18,297 MT at the beginning of MY 2022/23 (Figure 9). MAFF reported canola oil stocks were 32,430 MT at the beginning of MY 2021/22, and 45,731 MT at the beginning of MY 2022/23. Soybean oil and canola oil stocks have increased since the summer of 2022 in line with reduced consumption. FAS/Tokyo projects soybean oil stock will stay at 25,000 MT in MY 2023/24, and canola oil stock will reach at 27,000 MT as oil crushers adjust their stock levels.

On the other hand, palm oil stocks have stayed very low since early 2021 (Figure 9). MY 2021/22 ending stock was 8,811 MT. MAFF reported MY 2021/22 beginning stocks for palm oil at 7,882 MT, a substantial tumble from 24,135 MT at the beginning of MY 2020/21. FAS/Tokyo projects gradual palm oil stock recovery over the next two marketing years as oil manufacturers increase palm oil imports.

MAFF reports sunflower seed oil beginning stocks at 780 MT in MY 2021/22, and 905 MT in MY 2022/23. Due to supply shortages, FAS/Tokyo projects sunflower seed oil stocks will remain low for the next two marketing years.

Figure 9. Monthly Fluctuations in Crusher-held Oil Stocks



Source: MAFF

Attachments:

No Attachments