Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Voluntary Report - public distribution

Date: 10/5/1999

GAIN Report #JA9123

Japan

Agricultural Situation

Organics Update

1999

Prepared by:
Mike Woolsey
U.S. Embassy
Drafted by:
Tetsuo Hamamoto/Kenzo Ito

Report Highlights:
The Japanese market for organic foods continues to grow. Total sales, including foods marketed as "no chemical" and "reduced chemical", are forecast to jump 15 percent in 1999 to almost $3 billion. Fresh fruits and vegetables account for more than three-fourths of the total. With imports accounting for a tiny share of total sales, the growing reduced/no chemical and organic market represents an untapped opportunity for U.S. exporters.

As interest in organic foods in Japan has grown, so has consumer demand for mandatory organic production standards. In response to this demand, the Ministry of Agriculture (MAFF) recently announced proposed organic production standards and third-party certification requirements, to be implemented in April, 2000, with a one-year grace period delaying enforcement until April, 2001. MAFF is currently accepting public comments on the draft standards until October 27. The following report includes a full unofficial translation of MAFF's standards.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Tokyo [JA1], JA

Organic Food Market in Japan Continues to Expand

Japan's organic foods market is expected to grow 15 percent in 1999 to almost $3 billion, according to a 1999 study by Sogo Market Research, published recently in Japan Agricultural News. The sales estimate includes all products covered by MAFF's 1992 organic guidelines, including "reduced chemical" as well as organic foods. The largest organic product category is fresh fruits and vegetables ($1.9 billion in 1998) followed by rice ($377 million) and processed foods ($36 million).

Imports of organic agricultural products are still comparatively small, valued at $90 million in 1998, less than 4 percent of total sales. However, due to the difficulty in growing foods organically in Japan combined with rising demand, imports of organics could rise dramatically in the near future.

Currently, most organic foods in Japan are provided by small-scale farms. However, shipments from small farms are expected to decline in the near term, with large-scale producer cooperatives and agricultural corporations forecast to account for most organic food shipments in Japan early in the next century.

New Organic Standards and Certification Requirements to be Introduced in April, 2000

MAFF recently issued new standards on organic agricultural products and their processed foods under the revised Japan Agricultural Standards Law. Effective April 1, 2000, all foods marketed as "organic", "in transition, and "reduced chemical" must adhere to the new standards, certified by a third party.

Currently, MAFF organic production guidelines are voluntary and do not require certification by a third party. Under the guidelines, products grown in a field where no agricultural chemicals have been used for over three years may be called "organic" or "yuki", (its Japanese equivalent)" whereas organically grown agricultural products from fields where no agricultural chemicals have been used for three years to six months are called "organic in transition". In addition, MAFF organic guidelines include a separate category for products grown with reduced chemicals and products grown with no chemicals, but fall outside of the definition of organic. The products include "no-pesticide" on which no chemical pesticides and herbicides are used; "no-chemical fertilizer grown" on which no chemical fertilizers are used; "reduced-pesticide grown" on which the use of chemical pesticide is reduced over 50%; and "reduced-chemical fertilizer grown" on which the use of chemical fertilizer is reduced over 50%.

Since implementation of the guidelines in 1992, there has been increasing confusion in the "organic" market in Japan caused by false labeling and the new standards are designed to increase consumer confidence in products marketed as organic. After implementation of the new standards, products labeled as "organic" or "organic in transition" will not be allowed without third-party certification.

However, labeling as "no-pesticide", "no-chemical fertilizer", "reduced-pesticide" and "reduced-chemical" will be permitted under the current guidelines for "specially grown products" with no third-party certification required.

Given the fact that Japan's warm, wet climate makes it difficult to raise many foods without the use of chemicals, traders expect that MAFF's organic standards, once implemented, may reduce domestic organic food production, and increase sales of alternatives, such as "reduced pesticide/chemical fertilizer" and "no pesticide/chemical fertilizer", which will fall outside of MAFF's organic standards and third-party certification requirements. With growing consumer

demand for certified organics, import demand could receive a substantial boost from the mandatory production standards

Third Party Certification

Under MAFF's organic standards, third-party certifying organizations must register with the MAFF Minister's office to obtain approval for their business rules and certification fees. Foreign certifiers may also register with the MAFF Minister as organic certifiers. In addition, for handlers of imported foods, importers may become a certifier by registering with MAFF. Once a bilateral agreement is reached on the equivalency of the certification systems in the future, Japan may be able to recognize certifiers in a foreign country as its own certifier.

To-date, details regarding procedures for registering with the MAFF Minister's office to obtain approval to become an official third party have not been released.

The following is an unofficial FAS/Tokyo translation of MAFF's organic production standards:

Japan Agricultural Standards For Organic Agricultural Products (Draft)

UNOFFICIAL FAS/TOKYO TRANSLATION
Begin translation

Article 1 The standards are applied to agricultural products except livestock products.
(Definition)
Article 2 Under the standards, the definitions of the terms listed in the left column of the following table are defined as described in the right column of the same table.

Term	Definition
Organic agricultural products	Said Products mean those described below. 1. Agricultural products, produced in fields, where in principle the use of fertilizers and pesticides which are chemically synthesized is avoided to facilitate the productivity derived from the soil properties of the fields, and where agricultural production management methods which reduce environmental burdens derived from agricultural production as much as possible are adopted, in order to maintain and promote the natural circulating function of agriculture (including edible wild plants, mushrooms, and flowers and leaves of trees, and excluding processed products. Same applies hereinafter.), which fulfill the standards in Article 3. 2. Agricultural products, collected by methods which do not hinder maintenance of the ecological system in collection fields (Said fields mean fields where naturally grown agricultural products are collected. Same applies hereinafter.), and fulfill the standards in Article 3.
Conventional production	Said production means production of agricultural products by methods which do not comply with the standards for the production methods of organic agricultural products in the production fields.
Seeds and seedlings	Said materials mean seeds, seedlings, young tree plants, head tree plants, base tree plants and other parts of or whole plants, which are supplied for the purpose of propagation.

(Standards of organic agricultural products)

Article 3 Standards of organic agricultural production processes shall be as described below.

Matters	Standards	
	Organic agricultural products	Organic agricultural products during a transition period

Requirements for production field etc.	1. Production fields must be clearly separated from production fields (including woodlands, roads, and other lands where fertilization or pest control is performed. Same applies hereinafter.) which are used for conventional production, in order not to be influenced by drift of fertilizers and pesticides. In the case of rice paddy fields, the irrigation water may not be contaminated. 2. Production fields must be those in which agricultural production has been performed in accordance with the standards for growth management in production fields etc. (production fields and collecting fields. Same applies hereinafter.), and the standards for harmful animal and plant control on seeds and seedlings sown or planted in the fields, and the fields etc., for more than three years precedent to the first harvest in the cases of production of perennial crops other than grasslands such as fruits, or more than two years precedent to sowing or planting (more than twelve months in the case of production fields newly developed or discontinued production for over two years, and materials other than those listed in Attachment table 1 and Attachment table 2 have not been used). 3. Collecting fields must be designated areas which do not receive contamination from production fields performing conventional production, and in which no materials other than those listed in Attachment table 1 and Attachment table 2 have not been used for more than three years precedent to collection of agricultural products.	1. Same as described in the left column. 2. Production fields must be those in which agricultural production has been performed in accordance with the standards for growth management in production fields etc., and the standards for harmful animal and plant control on seeds and seedlings sown or planted in the fields, and the fields etc., for more than twelve months precedent to the first harvest 3. Same as described in the left column.

Growth management in the fields	1. Principle practice should be aimed at maintenance and promotion of soil fertility through soil conditioning and proper fertilization management. 2. Fertilizers and soil improvement materials to be used in production field etc. (except for agricultural products in the said fields and their residues) other than those listed in Attachment table 1 should not be used.	Same as described in the left column.
Seeds and seedlings to be sown or planted in the fields	1. Said materials must fit to the standards determined in the other clauses in this article. However, it is exempted in the cases when such materials may not be available by generally possible means. 2. Said materials must not be those obtained through genetic recombination technologies (Technologies to multiply recombinant DNA (deoxyribonucleic acid which is the major component of genes. Same applies hereinafter.) by introducing recombinant molecules of DNA multipliable in a living cell and DNA from the same or different species, constructed by using enzymes etc. in test tubes, to the said living cells. Same applies hereinafter.)	Same as described in the left column.
Harmful animals and plant control in the fields	1. Said control in principle should be performed by an appropriate combination of planting management, physical treatment and biological treatment. 2. Pesticides other than those listed in Attachment table 2 may not be used in the fields.	Same as described in the left column.

Management concerning transportation, selection, preparation, washing, storage and packaging	1. Organic agricultural products and other agricultural products may not be mixed during the process of transportation, selection, preparation, washing, storage, packaging, etc. 2. No materials other than those listed in Attachment table 2 and Attachment table 3 may be used for harmful animal and plant management or quality maintenance and improvement during the process of transportation, selection, preparation, washing, storage, packaging, etc. 3. No irradiation is allowed. 4. Products must be controlled to avoid contamination.	Same as described in the left column.

Article 4 Standards for labeling concerning the quality of organic agricultural products shall be performed using names determined as described below.

Kinds	Standards	
	Organic agricultural products	Organic agricultural products during a transition period

Methods of labeling	1. **"***yuuki nousanbutsu***"** (organic agricultural product) or **"***yuuki saibai nousanbutsu* (organically grown agricultural product). Also may be labeled as **"***yuuki nousanbutsu XX***"**, **"***yuuki saibai nousanbutsu XX***"**, **"***yuuki saibai XX***"**, (organically grown XX), **"***yuuki XX***"** (organic XX), **"***organic XX***"**, **"***XX (yuuki nousanbutsu)***"**, **"***XX (yuuki saibai nousanbutsu)***"**, **"***XX (yuuki saibai)***"**, **"***XX (yuuki)***"**, **"***XX (organic)***"** etc., where the most commonly used name of the agricultural product is printed for XX. 2. Agricultural products collected in collection fields shall be labeled as **"***yuuki nousanbutsu***"** (organic agricultural product). Also may be labeled as **"***yuuki nousanbutsu XX***"**, **"***yuuki XX***"** (organic XX), **"***organic XX***"**, **"***XX (yuuki nousanbutsu)***"**, **"***XX (yuuki)***"**, **"***XX (organic)***"** etc., where the most commonly used name of the agricultural product is printed for XX.	1. Labeling as **"**tenkan kikan-chu**"** (during a transition period) must be printed either before or after the labeling determined in the labeling method 1 for organic agricultural products.

Attachment table 1

Fertilizers or soil improvement materials	Standards

Composts derived from agricultural products and their residues	From definite sources, without addition of chemically synthesized substances
Composts derived from livestock and poultry manure	From definite sources, without addition of chemically synthesized substances
Composts derived from food processing etc.	From definite sources, without addition of chemically synthesized substances
Composts from household refuse	From definite sources, without addition of chemically synthesized substances
Composts from bark	From definite sources, without addition of chemically synthesized substances
Fish refuse meal	From definite sources, without addition of chemically synthesized substances
Rapeseed refuse and its meal	
Rice bran oil refuse and its meal	Without addition of chemically synthesized substances
Soybean oil refuse and its meal	Without addition of chemically synthesized substances
Steamed bone meal	Without addition of chemically synthesized substances
Nitrous guano	
Dried aquatic plants and their meal	Without addition of chemically synthesized substances
Grass and wood ash	
Calcium carbonate fertilizers	Without addition of chemically synthesized substances
	Without addition of chemically synthesized substances
Fossil shell fertilizers	Without addition of chemically synthesized substances
Potassium sulfate	Without addition of chemically synthesized substances
Potassium magnesium sulfate	Crushed natural rock (including magnesium calcium carbonate)
Natural phosphorous rock	Without addition of chemically synthesized magnesium fertilizers
	Purified from water-washed natural rocks
Magnesium sulfate fertilizers	
	Cadmium content must be below 90 mg in 1 kg as phosphorous oxide
Gypsum (calcium sulfate)	Crystallized *nigari* or purified natural magnesium sulfate rocks
	Natural substances from definite raw materials and manufacturing processes, or substances derived from such natural substances without addition of chemically synthesized substances
Sulfur	Natural substances from definite raw materials and manufacturing processes, or substances derived from such natural substances without addition of chemically synthesized substances
Trace elements mixture fertilizers	Without addition of chemically synthesized substances other than the trace elements, to be used in the cases normal growth of crops is not ensured because of shortage of trace elements such as manganese and boron
	Natural substances from definite raw materials and manufacturing

Attachment table 2

Directions for use printed on containers of pesticides must be followed when the pesticides are used.

Pesticides	Standards
Emulsion preparation of Chrysanthemum cinerariaefolium	
Emulsion preparation of Derris	
Powder of Derris	
Powder preparation of Derris	
Emulsion preparation of rapeseed oil	
Aerosol of machine oil	
Emulsion preparation of machine oil	
Fumigation preparation of sulfur	
Powder preparation of sulfur	
Aqueous preparation of sulfur and copper	
Aqueous preparation of sulfur	
Liquid preparation of extract from shiitake mushroom mycelium	
Liquid preparation of sodium bicarbonate	
Liquid preparation of sodium bicarbonate and copper	
Liquid preparation of copper	
Powder preparation of copper	
Slaked lime	
Preparation of liquid nitrogen	Limited to the use for preparation of Bordeaux mixture
Biological pesticides such as natural enemy	
Preparation of sex pheromone	
Attractants	
Repellents	
Liquid preparation of chlorella extract	
Liquid preparation of extracted mixed natural herbs	
Casein lime	
Paraffin	
Liquid preparation of wax	
Preparation of carbon dioxide	Limited to the use as developer
Preparation of diatomaceous earth	Limited to the use as developer
	Limited to the use in storage facilities
	Limited to the use in storage facilities

Attachment table 3

Processing aids etc. listed in the table do not include those obtained through genetic recombination technology.

Processing aids etc.	Standards
Calcium carbonate	
Calcium oxide	
Carbon dioxide	
Nitrogen	
Ethanol	
Casein	
Gelatin	
Activated carbon	
Talc	
Bentonite	
Kaolin	
Diatomaceous earth	
Perlite	
DL-Tartaric acid	
L-Tartaric acid	
DL-Potassium tartarate	
L-Potassium tartarate	
DL-Sodium tartarate	
L-Sodium tartarate	
Citric acid	
Processing aids etc. derived from microorganisms	
Enzymes	
Other processing aids etc.	Said processing aids etc. are natural substances or those derived from natural substances without addition of chemically synthesized substances, which are essential during the process of transportation, selection, preparation, washing, storage, packaging, etc.

Japan Agricultural Standards For Organic Processed Foods From Agricultural Products (Draft)

(Scope of application)

Article 1 The standards are applied to processed foods whose main ingredients are agricultural products (except livestock products).

(Definition)

Article 2 Under the standards, the definitions of the terms listed in the left column of the following table are defined as described in the right column of the same table.

Term	Definition
Organic processed foods from agricultural products	Said Products mean processed foods manufactured or processed through mechanical, physical or biological processing methods from organic agricultural products (Said products mean those defined by Article 2 of the Japan Agricultural Standards for Organic Agricultural Products (The notification from the Ministry of Agriculture, Forestry and Fisheries No. XX, on Y date Z month T year) Same applies hereinafter.), which fulfill the standards in Article 3.

(Standards of organic processed foods from agricultural products)

Article 3 The standards of production processed of processed foods from organic agricultural products shall be as described below.

Matters	Standards

Raw ingredients	No materials (including those to be used as processing aids) other than listed below may not be used. 1. Organic agricultural products (limited to those labeled with certification on their packaging, container or invoice, however, said requirements are exempted for organic agricultural products certified under Article 14 and Article 15 of the law which are produced by the producer of the processed foods) 2. Organic processed foods from agricultural products (limited to those labeled with certification on their packaging, container or invoice, however, said requirements are exempted for processed foods from organic agricultural products certified under Article 14 and Article 15 of the law which are produced by the producer of the processed foods) 3. Agricultural, livestock and fisheries products and their processed foods other than those in 1 and 2 (excluding agricultural products which are the same kinds to the corresponding organic agricultural products, processed foods from agricultural products which are the same kinds to the corresponding organic processed foods from agricultural products, irradiated foods, and foods obtained through genetic recombination technologies (Technologies to multiply recombinant DNA (deoxyribonucleic acid which is the major component of genes. Same applies hereinafter.) by introducing recombinant molecules of DNA multipliable in a living cell and DNA from the same or different species, constructed by using enzymes etc. in test tubes, to the said living cells. Same applies hereinafter.). 4. Table salt and water 5. Materials listed in Attachment table 1
Ratios of raw ingredients	Weight ratio of organic agricultural products and organic processed foods from agricultural products must be more than 95% of the total weight of raw ingredients other than table salt and water.
Management concerning manufacturing, processing and packaging	1. Manufacturing and processing methods must be mechanical, physical or biological (enzymes etc. used are limited to those obtained not through genetic recombination) methods. 2. No irradiation is allowed 3. Pesticides to be used for control of harmful insects are limited to those listed in Attachment table 2. However, contamination in raw materials and products must be prevented, even in the cases that those listed in Attachment table 2 are used. 4. Organic agricultural products and organic processed foods from agricultural products to be used as raw ingredients must be controlled in order not to be mixed with agricultural products and processed foods other than those. 5. Products must be controlled in order not to be contaminated.

Article 4 Standards for labeling concerning the quality of organic processed products from agricultural products shall be performed using names determined as described below.

Kinds	Standards
Methods of labeling	1. Names (1) Products using organic agricultural products (excluding organic agricultural products during a transition period) as raw ingredients shall be labeled as **"***yuuki nousanbutsu kako shokuhin***"** (organic processed product from agricultural product). Also may be labeled as **"***yuuki nousanbutsu XX***"**, **"***yuuki XX***"** (organic XX), **"***organic XX***"**, **"***XX (yuuki nousanbutsu)***"**, **"***XX (yuuki)***"**, **"***XX (organic)***"** etc., where the most commonly used name of the processed food is printed for XX. (2) Products using organic agricultural products in a transition period as a part of or whole ingredients, and those containing manufactured or processed products from organic agricultural products in a transition period shall be labeled as **"***tenkan kikan-chu***"** (during a transition period) either before or after the labeling determined in the labeling method 1. 2. Names of raw ingredients (1) Among the used raw ingredients, organic agricultural products (excluding organic agricultural products in a transition period) or organic processed foods from agricultural products (excluding those using organic agricultural products in a transition period as raw ingredients) shall be printed a term such as **"***yuuki***"** etc. on top of the most commonly used name of the agricultural products or processed foods from agricultural products. (2) Products manufactured or processed using organic agricultural products in a transition period or processed foods from organic agricultural products in a transition period as raw ingredients, shall be labeled as **"***tenkan kikan-chu***"** (during a transition period) either before or after the printed names of raw ingredients determined in the labeling method 1.

Attachment table 1

Food additives listed in the table exclude those obtained through genetic recombination technologies.

Food additives	Standards

Citric acid	Limited to the use as a pH adjuster, or to be used on processed vegetable (including mushrooms, same applies hereinafter) products and processed fruit products.
DL-malic acid	Limited to the use in processed vegetable products
Lactic acid	
L-Ascorbic acid	Limited to the use as a filtering aid
Tannin	Limited to the use as a pH adjuster for adjusting pH of extraction water used in manufacturing of sugar, etc.
Sulfuric acid	Limited to the use in manufacturing confectionary and sugar, etc.
Sodium carbonate	Limited to the use in drying processed grain products, confectionary and processed fruit products
Potassium carbonate	
Calcium carbonate	
Ammonium carbonate	Limited to the use in processed vegetable products, processed fruit products, seasonings and soup
Magnesium carbonate	
Potassium chloride	Limited to the use as a coagulant, or in edible oil and fat (including processed edible oil and fat, same applies hereinafter), processed vegetable products, processed fruit products, and processed products from beans
Calcium chloride	Limited to the use as a coagulant, or in processed products from beans
	Limited to the use as a coagulant, or in processed products from beans
	Limited to the use as a pH adjuster in processing of sugar etc., or in processed products from beans
Magnesium chloride	Limited to the use as a pH adjuster in processing of sugar etc.
Crude sea water magnesium chloride	
Sodium hydroxide	
	Limited to the use in confectionary
Potassium hydroxide	Limited to the use in confectionary
	Limited to the use in processed grain products and confectionary
Calcium hydroxide	Limited to the use in processed grain products and confectionary
DL-Tartaric acid	Limited to the use as a raising agent on flours
L-Tartaric acid	Limited to the use as a coagulant, or in confectionary, processed products of beans, and baker's yeast
DL-Sodium tartarate	
L-Sodium tartarate	
DL-Potassium tartarate	
L-Potassium tartarate	