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## Japan

### Oilseeds and Products

### Peanuts production and import

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**Report Highlights:**

Japan produces around 24,000 tons of peanuts annually, although production is gradually declining. Japan imports about 45,000 tons of raw peanuts and 60,000 tons of processed peanuts annually (raw peanuts enter under a 10% TRQ). China provides 65% of raw peanuts and almost 100% of processed peanuts. US imports are minimal. Support for domestic production is limited to a tariff quota for imported peanuts.

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

## Japan Peanut Production and Marketing

Japan produces around 24,000 tons of peanuts annually although production has been gradually declining in recent years as the expansion of urban areas and the aging of the farm population slowly removes land from production. Suitable growing areas are generally limited to certain areas in central Japan, including the Chiba Prefecture, which is a suburb of the Tokyo Metropolitan Area. Peanut farms average about one hectare and almost exclusively family operations. There is no foreign investment in peanut production. Japan's Ministry of Agriculture, Forestry and Fisheries tracks production and sales but does not have any subsidy or compensation programs for peanuts. Support for domestic production is limited to a tariff quota for imported peanuts.

Most peanut producers use peanuts as a soil enricher, rotating production with other crops such as vegetables. The small farm size limits the use of machines, making peanut production very labor intensive. As a result, however, Japan produces high-quality peanuts that are mainly consumed whole for snacks. The quality of domestic peanuts is very consistent and there are no reported problems with diseases such as aflatoxin. The farmers sell their peanuts directly to wholesalers, who then provide them the processors. Long-term relationships between the producers and wholesalers have helped create a stable distribution channel. The high quality of the peanuts, and the fact that they are domestically grown, is used as a marketing tool for domestic sales.

Japan imports about 45,000 tons of raw peanuts and 60,000 tons of processed peanuts annually, mainly for peanut butter and sweetened peanuts. Because of the different uses (imported peanuts are usually used for processing while domestic peanuts are used for snacks) the domestic supply situation rarely affects the import price or demand. Japan produces only negligible amount of peanuts oil (below 1,000 tons a year).

In 1994, Japan switched from a quota system for raw peanuts to a tariff rate quota as part of its Uruguay Round commitments. The tariff rate is 10% with a quota of 75,000 metric tons base (adjusted depending on other considerations such as the quantity of prospective domestic production and international market situation). The quota for JFY 2003 is 75,000 metric tons. The initial tariff equivalent was set at 726 yen per kilogram and was reduced to 617 yen in the JFY 2000. The quota is rarely filled (raw peanut imports in CY 2000, CY 2001 and CY 2002 were 46,000, 43,000 and 42,000 metric tons, respectively). The tariff on processed peanuts was also reduced from 25 percent in the JFY 1995 to 21.3 percent in JFY 2000.

China is the leading supplier of peanuts to Japan with a 65 percent market share (CY 2001) for raw peanuts and 100 percent market share for processed peanuts. Total peanut imports have been stagnant in recent years reflecting weak consumer demand for snack and confectionary items.

While importers are satisfied with the quality of U.S. peanuts, imports to Japan have declined because of their high price compared to the international market price.

### Producer and Retail Prices of Peanuts (yen/100 grams)

Calendar Year	2000	2001	2002
Producer Price	41	37	35
Retail Price (Fried or seasoned, in Tokyo)	135	130	127

### Production of Peanuts in Japan

Calendar Year	Planting Area (ha)	Yield per 10 Are (kg)	Production (MT)
1993	15,400	153	23,500
1994	14,400	242	34,900
1995	13,800	189	26,100
1996	13,100	226	29,600
1997	12,500	245	30,400
1998	11,800	210	24,800
1999	11,300	224	23,100
2000	10,800	247	26,700
2001	10,300	224	23,100
2002	9,950	241	24,000

## Trade statistics of peanuts (ground-nuts), raw (HS 1202)

CY	Total imports		U.S.		China		South Africa	
	Weight (MT)	Avg. Price (\$/MT)	Weight (MT)	Avg. Price (\$/MT)	Weight (MT)	Avg. Price (\$/MT)	Weight (MT)	Avg. Price (\$/MT)
1994	40,247	1,020	4,447	1,176	25,533	985	8,504	1,074
1995	42,140	944	8,642	954	22,688	907	9,607	1,033
1996	43,282	1,009	6,390	1,079	24,557	988	10,397	1,034
1997	42,553	1,030	4,464	1,008	24,188	1,058	11,832	1,005
1998	42,341	1,058	2,550	1,099	25,948	1,095	11,160	1,017
1999	43,772	966	6,482	1,021	27,192	942	8,968	1,020
2000	45,870	1,003	7,768	1,030	28,200	995	9,144	1,008
2001	42,888	938	4,996	1,039	28,412	921	8,687	942
2002	41,550	872	6,726	927	25,502	878	8,145	811

## Trade statistics of peanuts processed (HS 200811)

CY	Total imports		U.S.		China		South Korea	
	Weight (MT)	Avg. Price (\$/KG)	Weight (MT)	Avg. Price (\$/KG)	Weight (MT)	Avg. Price (\$/KG)	Weight (MT)	Avg. Price (\$/KG)
1994	65,762	1.31	2,133	3.92	60,069	1.19	2,703	1.69
1995	70,335	1.29	2,295	3.85	65,464	1.29	1,922	1.56
1996	64,156	1.33	1,995	4.04	60,903	1.33	900	1.54
1997	59,235	1.46	1,682	3.77	56,865	1.38	567	1.69
1998	55,656	1.40	1,748	3.72	53,670	1.32	130	1.55
1999	61,255	1.25	1,794	3.75	59,337	1.17	58	0.74
2000	62,686	1.23	1,593	3.85	61,220	1.16	0	-
2001	67,066	1.17	1,705	3.85	65,311	1.10	0	-
2002	64,094	1.11	1,562	3.53	62,401	1.05	0	-