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Japan

Planting Seeds

Annual

2000

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Report Highlights:
Japanese seed imports were up 8.5 percent at $140 million. Do to seed price increases, Japanese seed exports were up 14 percent to $61 million. The U.S. captured 36 percent of the import market. Continuing a trend, applications and approvals for new seed varieties were down in 1999. Controversy surrounding products derived from biotechnology continue. The GOJ response has included a proposed labeling requirement effective April 2000. Some companies have also contracted for non-biotechnologically enhanced products.

Includes PSD changes: No
Includes Trade Matrix: No
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Executive Summary

World-wide Japanese planting seed imports totaled $139,750,000 in 1999, up 8.5 percent in dollar value from 1998, on a CIF Japan basis. The U.S. captured 36 percent of Japan's seed imports, exporting $49,848,000 worth of seeds to Japan. The value of exports of seeds from Japan inceased 14 percent to $61 million. The quantity of Japanese seed exports declined a little more than 3 percent, however, to 1,953 MT since 1998.

Phytosanitary barriers are not a significant impediment to the import of seeds to Japan. Japan subscribes to the International Convention on the Protection of New Plant Varieties registered breeds are protected. Some biotechnologically developed seeds have been patented as well.

The number of plant seed variety applications in 1999 accepted by the Ministry of Agriculture, Forestry and Fisheries, dropped 25 percent from previous year to 767 in total. The number of variety approvals in 1999, was down 40 percent from the previous year, at 604.

Throughout the past year concerns about products developed through the use of biotechnology have dominated Japanese mass media and press news. The press attention has led to consumer and market-driven campaigns against biotechnologically enhanced foods and crops. These campaigns led to the publication of MAFF's biotech food labeling proposal, which will be enforced as of April, 2001, and series of decisions by major Japanese importers to segregate biotech and non-biotech products. See also JA9154.

Production

With Japan's domestic farm business showing continued signs of stagnation, the focus of the domestic seed business continues to be on export marketing. There are no new policies that would give a preference to domestic production of planting seeds or government supported plant breeding over private breeding.

Trade

Imports

World-wide Japanese planting seed imports totaled $139,750,000 in 1999, up 8.5 percent in dollar value from 1998. In quantity terms, 1999 imports dropped almost 18 percent from previous year, however, totaling 99,130 MT. Despite a slight decrease in the quantity imported, the value of herbaceous plant seed imports grew over 41 percent, due to price fluctuations. The value of vegetable seed imports were up over 29 percent. Forage seed imports declined 21 percent by value, however.

FROM THE WORLD - BY SEED GROUP

Seed Group	Quantity (Metric Tons)		Value (US $ 000) 1/	
	1998	1999	1998	1999
Vegetable Seeds	4,318	5,669	44,263	57,284
Sugar Beet Seed	73	88	4,316	4,421
Forage Seeds	104,077	87,208	48,421	38,227
Herbaceous Seeds	660	593	14,986	21,200
Pea/Bean Seeds	8,670	2,244	2,847	3,247
Sweet Corn Seed	378	559	4,344	5,926
Other Seeds	2,277	2,769	9,632	9,445

Note: 1/ Based on Japanese customs dollar value, CIF/ Japanese ports of entry. (113 Yen/ US$) (Source: Ministry of Finance Customs Data)

The U.S. captured 36 percent of Japan's seed imports. The U.S. exported $49,848,000 worth of seeds to Japan in 1999, up 9 percent from last year. The volume of U.S. shipments exported to Japan grew 7 percent from last year to 15,168 metric tons in 1999. Forage seeds accounted for 39 percent of Japanese seed imports from the U.S., vegetable seeds accounted for 31 percent and sweet corn seeds for 11 percent of the total U.S. export volume.

FROM THE U.S. - BY SEED GROUP

Seed Group	Quantity (Metric Tons)		Value (US $ 000) 1/	
	1998	1999	1998	1999
Vegetable Seeds	1,681	2,063	12,691	15,643
Sugar Beet Seeds	1	2	3	8
Forage Seeds	10,525	10,385	21,081	19,554
Herbaceous Seeds	153	194	2,729	3,421
Pea/Bean Seeds	562	754	1,587	1,803
Sweet Corn Seed	373	533	4,266	5,723
Other Seeds	879	1,237	3,333	3,696
Total:	14,174	15,168	45,690	49,848

Note: 1/ Based on Japanese customs dollar value, CIF/ Japanese ports of entry. (113 Yen/ US$) (Source: Ministry of Finance Customs Data)

Exports

While there was a slight increase in the quantity exported of Japanese vegetable seeds, in 1999, total Japanese seed exports declined a little more than 3 percent to 1,953 MT. However, the increased dollar value of seeds led to an increase in the year-on-year value of export of Japanese seed to $61 million, up over 14 percent since 1998.

TO THE WORLD - BY SEED GROUP

Seed Group	Quantity (Metric Tons)		Value (US$ 000) 1/	
	1998	1999	1998	1999
Vegetable Seeds	1,459	1,485	53,293	61,030
Sugar Beet Seed	-	0.008	-	3
Forage Seeds	38	34	79	93
Herbaceous Seeds	45	30	22,061	23,987
Other Seeds	481	404	3,722	3,035
Total:	2,023	1,953	79,155	88,148

Note: 1/ Based on Japanese customs dollar value, FOB/Japanese ports of export.(113 Yen/ US$) (Source: Ministry of Finance Customs Data.)

Japanese seed exports to the U.S. were up in both quantity and value. Total seed exports were up by almost 27 percent to 88 MT. Export value was up over 30 percent to $17.7 million. There were significant increases in the export of both vegetable and herbaceous seeds.

TO THE U.S. - BY SEED GROUP				
Seed Group	Quantity (Metric Tons)		Value (US$ 000) 1/	
	1998	1999	1998	1999
Vegetable Seeds	39	44	3,243	4,048
Sugar Beet Seed	-	-	-	-
Forage Seeds	11	26	33	54
Herbaceous Seeds	19	16	9,930	13,189
Other Seeds	0.3	2	105	413
Total:	69.3	88	13,311	17,704

Note: 1/ Based on Japanese customs dollar value, FOB/Japanese ports of export.(113 Yen/ US$) (Source: Ministry of Finance Customs Data.)

Tariffs

With the exception of the seeds included in the in the table below, there are no tariffs on imported planting seeds.

Planting Seed Tariff Rates - WTO 2000		
Crop	HS Code (Harmonized System)	Tariff Rates
Pea Seeds	0713.10.211	6.0 %
Kidney Bean Seeds	0713.33.210	6.0 %
Broad Bean Seeds	0713.50.210	6.0 %
Other Seeds	0713.39.210	6.0 %
Other Seeds	0713.90.210	6.0 %
(Source: Customs Tariff Schedule of Japan - 2000)		

In addition, in 1999, a special tariff of 1.7 percent on certain seeds "rendered suitable solely for sowing by chemical treatment for sterilization or acceleration of germination" was eliminated.

Policy

The planting seed business in Japan is regulated under the Seeds and Seedlings Act, and the Plant Health Protection Act. As a result of a 1991 revision in the International Convention for Protection of New Plant Varieties (ICPNV) to which Japan is a signatory, the Japanese Seed and Seedlings Act was revised in 1998 for enforcement, starting December 24, 1998. (See JA8076 and JA9109.) The Plant Health Protection Act, originally enacted in 1950, was most recently amended in 1996 to cover planting seeds as well as other plants.

Plant Health Regulations

Phytosanitary barriers are not a significant impediment to the import of seeds to Japan. Products must be free of quarantine diseases and uncontaminated by pests or noxious weeds. Import regulations are covered in the Plant Protection Law and Regulations, available from the Ministry of Agriculture Forestry and Fisheries, Agricultural Products Bureau, Plant Protection Division. Except for the following five seed products, seed imports only require a Phytosanitary certificate and then are inspected upon arrival. Under Japan's Plant Health Protection Act, the following planting seeds are listed as items "subject to growing site inspection in exporting countries" by quarantine officials before they can be imported into Japan.

Planting Seeds	**Quarantine Pests**
Pea seeds	Wilt (*Fusarium oxysporum* f. sp. *pisi*)
Kidney bean seeds	Bacterial wilt of beans.(*Curtobacterium flaccumfaciens* pv. *flaccumfaciens*)
Watermelon seeds	Bacterial fruit blotch of watermelon.(*Acidovorax avenae* subsp. *citrulli*)
Corn seeds	Stewartii's disease (*Erwinia stewartii*)
Corn seeds	Goss's bacterial wilt and blight (*Clavibacter mishiganensis* subsp.*nebraskensis*)

A 1996 a booklet by the Japan Plant Quarantine Association entitled "Japan's Import Plant Quarantine" includes Q & A's addressing quarantine questions when importing seeds and plants. The document notes generally, that seed imports are inspected at the warehouse for insect pests. Samples are drawn and then inspected at Plant Quarantine Bureau laboratories for seed-borne diseases. At least 6 days is normally required. While there are no required treatments for importing seeds into Japan, if imports are treated, alerting the appropriate quarantine authorities of the treatment may expedite clearing quarantine. Likewise, if the seeds are coated, alerting quarantine authorities may facilitate clearance.

Plant Variety Protection

In 1991, the International Convention for Protection of New Plant Varieties (ICPNV), to which Japan is a signatory, was revised to expand the scope and protection of the rights of new plant variety breeders. Japan revised the Seed and Seedlings Act in conformity with the ICPNV in 1998. This revision was implemented in December, 1998. The following outlines key procedures and protections of the revised Act.

Objective:: To promote new variety breeding and enhance legal protection of the breeders.

Qualifications for Variety Registration:

- Protected plants - All plants includes 22 species as stipulated in a December 24, 1998 cabinet order.
- Criteria for variety registration - Distinctness, Uniformity, Stability, Novelty in physical features of the variety and Originality in naming of the new variety.
- Eligibility - Any individual or legal person with demonstrated success in the breeding of a new variety or anyone with lawful succession rights to the breeder.

Application Location for Variety Registration:

Ministry of Agriculture, Forestry and Fisheries, Attn. International Department, Seeds and Seedlings Division, Agricultural Production Bureau, 1-2-1 Kasumigaseki, Chiyoda-Ku, Tokyo. 100. Japan. FAX: 813-3502-6572, PHONE: 813-3591-0524, Web site (In Japanese): http://www.hinsyu.maff.go.jp/

Documentation required: (Note: Translation into Japanese is required.)

- Completed application papers, accompanied by a written explanation, a table of variety characteristics and application fee of 47,200 Yen (Approx. $437.00).
- Photographs of the plant variety.
- Samples of the seed or spawn.
- Document certifying legal succession rights to breeder (e.g., contract)
- Document certifying nationality of applicant.
- Document certifying registration in another ICPNV member state, and priority claimed.
- Letter with a Power of Attorney for a Japanese agent, acting for the applicant.

Application on Public Notice and Provisional Protection:

- Public Notice - Once an application is accepted, it is notified in the Japanese government Gazette and is accessible by Internet.
- Provisional Protection - It takes normally a few years for an application to be cleared by a review board and ultimately approved. However, an applicant is fully protected during this transitional process against unlawful infringements.

Review & Examination:

- Variety characteristics - Originality in Naming of the New Variety, etc.
- The application can be denied by a review board when a variety submitted does not satisfy qualification requirements, an applicant fails to submit complete data or test seeds or an applicant unjustifiably denies an on-site inspection. Applicants denied approval have an opportunity rebut the denial or correct any deficiency in the application.

Variety Approval:

- Registered Breeder's rights - Exclusive right to the variety approved on registration. With limited exceptions, reproduction or marketing of approved seeds is prohibited without explicit consent of the original breeder.
- Duration of legal protection - 20 years for perennial plants, and 25 years for all others, from the official registration date.
- Approval may be revoked if the registration fee is not payed or the initial application was not valid.

Exceptions to the Registered Breeder's Exclusive Rights:

- Germination of the registered variety for new variety development.
- Germination of the variety for experimental and research projects.
- Germination of the variety for farmers' own consumption (i.e., use of the variety for crop farming by family or corporate farmers), excluding application to plants of 23 species specifically stipulated for this purpose.(i.e., 19 varieties in herbaceous plants, 3 ornamental plants, 1 mushroom.)
- Registrant's Right- No consent from the registrant is required for secondary resale of the variety,

once the right is exercised or sold to a third party in an initial transaction. Consent from the registrant is required, however, if a reproduced seed or seedling is to be exported to a country outside membership of the international convention for protection of new plant varieties (ICPNV).

Legal Sanctions against Infringements of the Registrant's Rights:

- Under Civil Law - Suspension of the Act in violation, Claim of Financial Compensation, Claim of Measures to Restore Business Reputation.
- Under Criminal Law - Max. 3-year imprisonment or a Fine of max. 3 million Yen.

Registration Fee Schedule: Registration fees are due within 30 days after variety registration for the 1st year and are payable before the date of official registration each subsequent year.

Variety Registration Fee Schedule	
Years after Registration	Annual Fee (Approx. US $)
1 - 3 years	6,000 Yen. ($55.00)
4 - 6 years	9,000 Yen ($ 83.00)
7 - 9 years	18,000 Yen ($167.00)
10 - 25 years	36,000 Yen ($333.00)

Variety Protection under Japanese Patent Law

Plant and seed varieties can be protected under Japanese patent law, as well as under the Seed and Seedlings Act. Due to technical difficulties in fully satisfying some of the qualification requirements for a patent, however, it has not been done with traditional plant varieties. However, as of September, 1999, 9 varieties of plants developed through the use of biotechnology have been patented.

Variety Approvals

Over the last several years, applications to register seed varieties has declined. This is due in large part to the recession and its affect on farm production. The number of plant seed variety applications in 1999 accepted by the Ministry of Agriculture, Forestry and Fisheries, dropped 25 percent from previous year to 767 in total. Of the total number of applications received last year, 213 or 28 percent represented varieties grown on farms outside Japan. The number of variety approvals (i.e., registration) in 1999, was down 40 percent from the previous year, at 604.

Number of Seed Variety Applications & Approvals - 2 Yr. Comparison				
Crops	Applications		Approvals	
	1998	1999	1998	1999
Edible Crops	41	35	28	26
Vegetables	52	36	36	23
Fruits	30	17	9	31

Forage Crops	16	8	11	8
Herbaceous Plants	659	528	712	412
Ornamental Plants	209	124	189	91
Forest Trees	2	1	1	0
Others	25	18	31	13
Total:	1,034	767	1,017	604
Grown overseas	367	213	319	213
Foreign applications	241	118	148	148

(Source: Ministry of Agriculture, Forestry & Fisheries)

History of Plant Variety Protection Program - Japan

Crops	Applications		Approvals (Registered)	
	Before 1977 1/	1978-1999 2/	Before 1977 1/	1978-1999 2/
Edible Crops	-	693	-	481
Vegetables	64	866	-	679
Fruits	84	730	-	605
Forage crops	-	171	-	125
Herbaceous Plants	35	7,439	-	4,297
Ornamental Plants	34	1,899	-	1,144
Forest Trees	-	28	-	17
Others	-	419	-	295
Total	217	12,245	-	7,643
Grown overseas	-	3,493		1,885
Foreign applications	-	1,926		900

Notes: 1/ Seeds and Seedlings Act of 1947. 2/ Seeds and Seedlings Act of 1947, as amended. (Source: Ministry of Agriculture, Forestry & Fisheries)

Seeds developed through the use of Biotechnology

On November 29, 1999 the Ministry of Agriculture, Forestry, and Fisheries (MAFF) released its GM food labeling proposal for public comment. Beginning April 1, 2001, MAFF will require labeling for 24 foods made from corn and soybeans, including tofu, corn snacks, and natto (fermented soybeans). MAFF officials report that oils and other highly processed foods made with genetically modified ingredients were excluded from the list because the absence/presence of GM content cannot be verified through testing since introduced foreign DNA is destroyed during processing.

A key change from earlier proposals is MAFF's decision not to set a maximum threshold level for genetically modified content in products labeled as "not genetically modified". Officials say there will be no violation for "unintentional" mixing of GM content in foods labeled as "non-GM", so long as segregation procedures are followed. (See JA9154.) Recently, the Ministry of Health and Welfare issued their own labeling regulations which are identical to those issued by MAFF.

Background

The Science and Technology Agency (STA), the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Ministry of Health and Welfare (MHW) regulates the use of biotechnology for the production of agricultural and food products. Each agency has operating guidelines to monitor and assess the safety of biotechnology used for the development of agricultural and food products. Under the "Experimental Guidelines for DNA in GMO Products," STA is charged with overseeing laboratory and experimental tests. Under the "Guidelines for GMO Utilization in the Agricultural and Fisheries Sector," MAFF is responsible for overseeing developments in the agricultural sector. Under the "Safety Assessment Guidelines for Foods and Food Additives Produced by Recombinant DNA Technology," MHW is responsible for the safety of products developed through biotechnology introduced into the human food supply.

Japan has articulated agreement with the principle of "substantive equivalency," developed by the Organization for Economic Cooperation and Development (OECD), and recognized by the World Health Organization (WHO) and the Food and Agricultural Organization (FAO). As articulated by the Japanese government, a product developed through the use of biotechnology is substantively equivalent to a product developed through traditional breeding practices if no difference in the change in chemical composition and biological characteristics is found to exist between both products. A safety assessment of products developed through the use of biotechnology prior to the marketing of these products has been a key objective of these agencies. The following is an outline of the most recent developments in Japan's agricultural and public health sectors.

Agricultural Sector

Between 1992 and 1999, 37 products developed through the use of biotechnology were assessed and approved by MAFF as safe for import or use in domestic production. Biotech products approved for use in this sector include tomatoes, rice, petunia, melon, soybeans, corn, rapeseed, cotton and carnations. Benefits include plants with a stronger resistance to viruses and pesticides or improved shelf life. Applicants include U.S., Japanese, Canadian and Australian companies. Of the 37 products approved by MAFF, 14 were requested by U.S. companies, 2 collaboratively by a U.S. and Japanese companies, 13 by Japanese companies, 3 by Canadian companies and 5 collaboratively by a joint team of Australian and Japanese companies.

Recently, consumer and civic groups have protested against the use of biotechnology as a potential threat to their vested interests. The most controversial issue has involved product labeling under the Japanese Agricultural Standard Law's (JAS) product quality labeling provision. The JAS product quality labeling provision applies to 64 product lines, including 9 items in the fresh fruits category where information disclosure in the label on the origin of production is mandatory. The basic issues were whether there should be a regulatory framework for labeling of products developed through biotechnology and, if so, whether the labeling should be voluntary or mandatory.

In May, 1997, a task force of experts representing academic, industry and consumer groups was commissioned by MAFF to address these issues. In August 1999, their final report recommended that consumers' interests and freedom of choice in their food consumption required a mandatory product labeling requirement be introduced on all food products developed through the use of biotechnology. The result is the product labeling law released for public comment in November, 1999, and scheduled to go into effect in April, 2001.

Public Health Sector

Between 1996 and 1999, 29 food and 6 food additives involving recombinant biotechnology were approved by the MHW. Biotech products approved by the MHW include soybeans, rapeseed, potatoes, corn, cotton, tomatoes and sugar beets. Of these 35 products, 16 request for MHW approval have been from U.S. companies, 8 from Belgian companies, 4 from German companies, 3 from Danish companies, 2 from Canadian companies and 1 each from companies in the Netherlands and Switzerland.

As was the case with developments under MAFF's initiatives for farm crops, issues involving product labeling has been the most controversial subject involving biotechnology and food safety. MHW also convened a task force that issued final conclusions this year. The task force concluded that the MHW's current "Safety Assessment Guidelines" should be made mandatory and that all products developed through the use of biotechnology be identified through the use of labeling.

The current Safety Assessment Guidelines are implemented by a task force of experts commissioned by MHW under the Food Sanitation Research Council. Requests are evaluated individually. The MHW's current safety assessment regime examines the biological characteristics of the technology and performs a risk analysis of the potential impact on public health of the biotechnology involved. Under the current regulations, effective April 2001, biotech products developed for human consumption must be cleared through MHW's safety assessment program for approval.

Codex

The Codex Alimentarius Commission is an intergovernmental agency to develop international standards, including safety standards, for food products. Japan is the chair of the Ad Hoc Intergovernmental Task Force on Food Derived from Biotechnology. The purspose of the Ad Hoc committed is to develop standards, guidelines or recommendations for food derived from biotechnology. The task force is expected to complete its work by July 2003. Meetings will be held in Chiba Japan. The next scheduled meeting is March, 2001.

- Useful Web sites for Biotech. Information and Updates in Japan -

For MAFF information: http://ss.s.affrc.go.jp/docs/sentan/index.htm. (Japanese/English)
For MHW information: http://www.mhw.go.jp/topics/idenshi_13/index.html (Japanese/English)
For CODEX information and developments: http://www.mhw.go.jp/english/codex_13/sec05.html (English)

Marketing

New-to-market U.S. seed exporters and growers in seed of further market information are encouraged to contact the following trade organizations .

(For U.S. Industry Information) American Seed Trade Association (Washington, D.C, U.S.A.) FAX: 202-638-3171 PHONE: 202-638-3128 E-MAIL(Web site): http://www.amseed.com
(For Japan's Industry Information) Japan Seed Trade Association (Tokyo, Japan) FAX: 813-3818-6039 PHONE: 813-3811-2654
(For Information on Japan's Plant Health Regulations) Japan Plant Quarantine Association (Tokyo, Japan) FAX: 813-5294-1525 PHONE: 813-5294-1520

End of Report.