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Planting Seeds

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Report Highlights:

Despite the fact that planting seed imports were \$139,715,000 in 2000, down slightly from \$139,750,000 the previous year, the U.S. captured 34.3% percent of Japan's seed imports, exporting \$47,930,000 worth of seeds to Japan. This was up 5% to \$92 million. Total seed exports increased only marginally from 1,955 tons in 1999 to 1,970 tons in 2000. The U.S. lost ground in the seed corn sector, where GMO concerns continue.

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

Planting seed imports were \$139,715,000 in 2000, down slightly from \$139,750,000 the previous year. The U.S. captured 34.3% percent of Japan's seed imports, exporting \$47,930,000 worth of seeds to Japan. This was up 5% to \$92 million. Total seed exports increased only marginally from 1,955 tons in 1999 to 1,970 tons in 2000.

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 and registered breeds are protected. Some biotechnologically developed seeds have been patented as well.

The number of plant seed variety applications accepted in 2000 by the Ministry of Agriculture, Forestry and Fisheries, grew 15 percent from previous year to 942 in total but the number of variety approvals granted in 2000 was down 5 percent from previous year to 905.

As was the case the previous year, concerns about products developed through the use of biotechnology have dominated Japanese mass media and press news. Consumer and government concerns about genetically modified organisms (GMOs) resulted in administrative requirement for product labeling, effective April 2001, and an increased use of segregated and identity preserved handled products.

II. Production

With Japan's domestic farm business showing continuing signs of stagnation, the focus of Japanese seed business continues to be placed on export marketing.

III. Trade

- According to the industry sources, the volume of seeds traded on the Japanese market is approximately 6,900 metric tons a year, consisting of 700 tons (10%), domestically grown, and of approximately 6,200 tons (90%), harvested overseas. Of this, 94% of the entire volume (approx. 6,210 metric tons) is marketed domestically through Japanese farm cooperative associations (i.e., JA groups), seed wholesalers and mass distributors. Only the remaining 6% is exported.

1) Imports

- Japanese planting seed imports totaled \$139,715,000 in 2000, down slightly in dollar value from \$139,750,000 in the previous year. In quantitative terms, imports dropped slightly from 103,967 metric tons (MT) in 1999 to 102,531 MT in 2000. However, vegetable seed imports grew 9%, herbaceous plant seed imports 10% and other miscellaneous planting seeds 4% in quantity in the same year.
- Japan's total sweet corn seed imports declined 22% in 2000 from previous year, reportedly over concerns about GMO cross-contamination. Imports from the U.S., the dominant exporter, dropped 29% in 2000 from the previous year.
- Five countries accounted for 50% of the total herbaceous and other planting seed imports.

Seed Group	Export Country	Volume (MT)	Market Share
Vegetable Seeds	U.S.	1,950	31.5 %
	Italy	911	14.7 %
	Denmark	721	11.7 %
	China	531	8.6 %
	New Zealand	512	8.3 %
	Australia	415	6.7%
Herbaceous Plant Seeds	U.S.	103	15.7 %
	China	347	52.9 %
	Korea, South	42	6.4 %
	Netherlands	34	5.2 %
	India	21	3.2 %
	Thailand	20	3.0 %
Other Planting Seeds	U.S.	1,283	44.5 %
	China	786	27.3 %
	Australia	488	16.9 %
	Canada	80	2.8 %
	Korea, South	75	2.6 %
	Thailand	52	1.8 %

FROM THE WORLD - BY SEED GROUP				
Seed Group	Quantity (Metric Tons)		Value (US \$ 000) 1/	
	1999	2000	1999	2000
Vegetable Seeds	5,669	6,184	57,284	62,932
Sugar Beet Seeds	88	86	4,421	3,796
Forage Crop Seeds	93,202	91,202	38,227	36,433
Herbaceous Plant Seeds	593	656	21,200	19,178
Pea/Bean Seeds	1,087	1,087	3,247	3,396
Sweet Corn Seeds	559	433	5,926	3,837
Other Planting Seeds	2,769	2,883	9,445	10,143
Total :	103,967	102,531	139,750	139,715

(Source: Ministry of Finance Customs Data)

Note: 1/ Based on Japanese customs dollar value, CIF/ Japanese ports of entry.

- The U.S. share of seed imports in 2000 was 15.2% by volume and 34.3 % by value, respectively.

FROM THE U.S. - BY SEED GROUP				
Seed Group	Quantity (Metric Tons)		Value (US \$ 000) 1/	
	1999	2000	1999	2000

Vegetable Seeds	2,063	1950	15,643	18,662
Sugar Beet Seeds	2	2	8	11
Forage Crop Seeds	10,385	9,352	19,554	17,581
Herbaceous Plant Seeds	194	103	3,421	1,930
Pea / Bean Seeds	754	764	1,803	1,845
Sweet Corn Seeds	533	379	5,723	3,582
Other Planting Seeds	1,237	1,284	3,696	4,319
Total:	15,168	13,834	49,848	47,930

(Source: Ministry of Finance Customs Data)

Note: 1/ Based on Japanese customs dollar value, CIF/ Japanese ports of entry.

2) Exports

- While there was a slight decrease in Japanese vegetable seed exports by quantity, seed exports grew by value about 5% to \$92 million.

TO THE WORLD - BY SEED GROUP				
Seed Group	Quantity (Metric Tons)		Value (US\$ 000) 1/	
	1999	2000	1999	2000
Vegetable Seeds	1,485	1,483	61,030	62,912
Forage Crop Seeds	36	34	103	147
Herbaceous Plant Seeds	30	38	23,987	25,908
Other Planting Seeds	404	415	3,035	3,523
Total:	1,955	1,970	88,155	92,490

(Source: Ministry of Finance Customs Data.)

Note: 1/ Based on Japanese customs dollar value, FOB/Japanese ports of export.

- Japanese seed export to the U.S. market was up 37% in quantity, but down 9% in the dollar value in 2000.

TO THE U.S. - BY SEED GROUP				
Seed Group	Quantity (Metric Tons)		Value (US\$ 000) 1/	
	1999	2000	1999	2000
Vegetable Seeds	44	34	4,048	3,030
Forage Crop Seeds	-	30	54	98
Herbaceous Seeds	16	7	13,189	12,738
Other Planting Seeds	2	14	413	250
Total:	62	85	17,704	16,116

(Source: Ministry of Finance Customs Data.)

Note: 1/ Based on Japanese customs dollar value, FOB/Japanese ports of export.

Reference: HS (Harmonized System) tariff codes used in statistical tabulation for each seed grouping		
Seed Group	Imports	Exports
Vegetable Seeds	1209.91-010; 1209.91-090	1209.91-000
Sugar Beet Seeds	1209.11-000; 1209.19-000	None
Forage Crop Seeds	1209.21-000; 1209.22-000; 1209.23-000; 1209.24-000; 1209.25-000; 1209.26-000; 1209.29-000; 1002.00-010; 1004.00-010; 1005.10-010; 1007.00-010; 1008.10-010; 1008.90-010;	1209.21-000; 1209.22-000; 1209.23-000; 1209.24-000; 1209.25-000; 1209.26-000; 1209.29-000;
Herbaceous Seeds	1209.30-000	1209.30-000
Pea / bean Seeds	0713.10-010; 0713.10-211; 0713.20-010; 0713.33-010; 0713.33-210; 0713.39-010; 0713.39-210; 0713.40-010; 0713.50-010; 0713.50-210; 0713.90-010; 0713.90-210	None
Sweet Corn Seeds	0712.90-031	None
Other Planting Seeds	1209.99-000	1209.99-000

3) Tariffs

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

Crop	HS Code (Harmonized System)	Tariff Rates (WTO)
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 - 2001)		

IV. 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 (UPOV) 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. For further information on plant health regulations, and plant variety protection, see JA0092.

2) Variety Approvals

- The number of applications accepted by the Ministry of Agriculture, Forestry and Fisheries from private individuals, seed companies, food makers, agricultural co-operatives and institutional entities in farm research with local governments for new variety approval totaled 942 in 2000, up from 821 from previous year (fiscal year basis, April-March). The number of approvals, officially granted, however, was 905, down from 954 in the previous fiscal year.

Number of Seed Variety Applications & Approvals - 2 Yr. Comparison (Japan Fiscal Year)				
Crops	Applications		Approvals	
	1999	2000	1999	2000
Edible Crops	43	47	45	63
Vegetables	47	61	44	46
Fruits	25	40	42	43
Forage Crops	6	10	11	1
Herbaceous Plants	548	557	607	572
Ornamental Plants	133	203	185	153
Forest Trees	0	0	0	7
Others	19	24	20	20
Total:	821	942	954	905

(Source: Ministry of Agriculture, Forestry and Fisheries)

- The number of new seed varieties grown outside Japan, has grown recently, especially in the herbaceous and ornamental plant sector.

Planting Seeds, Grown Overseas (Outside Japan) and Approved To Date in Japan (Through the Year 2000)								
Country	Applied	Approved	Edible crops	Vegetables	Fruit Trees	Forage Crops	Herbaceous Plants	Ornamental Plants
U.S.A.	459	307	1	16	4	8	175	103
Netherlands	1,450	877	-	9	-	-	714	154
Germany	635	385	-	-	-	-	198	187
France	290	228	-	1	5	-	105	117
Israel	216	127	-	-	-	-	127	-
Italy	198	120	-	-	-	-	92	28
U.K.	223	98	-	2	7	-	58	31
Denmark	179	96	-	-	-	-	53	43
New Zealand	59	35	-	-	-	-	5	30
Australia	71	21	-	-	-	-	21	-
China	8	5	5	-	0	-	-	-

Others	71	27	-	1	1	-	19	6
Total to Date:	3,859	2,326	6	29	17	8	1,567	699

(Source: Ministry of Agriculture, Forestry & Fisheries)

V. Seeds Developed Through the Use of Biotechnology

April 1, 2001, MAFF began requiring labeling for 24 foods made from corn and soybeans, including tofu, corn snacks, and natto (fermented soybeans). (See JA9154) Potatoes were recently added to this list. (See JA1080) MAFF officials report that oils and other highly processed foods made with genetically modified ingredients were excluded from the list, because the presence of GM content cannot be verified through testing since any foreign DNA which may be introduced is destroyed during processing.

1) Public Health Sector

Effective April 2001, biotech products developed for human consumption must be cleared through MHW's safety assessment program for approval. For additional information on food labeling for biotechnology, see JA9102, JA1072 and JA1080.

2) 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. For further information on this task force, see JA0092.

- 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/identshi_13/index.html (Japanese/English)

For CODEX information and developments: http://www.mhw.go.jp/english/codex_13/sec05.html (English)

VI. Marketing

1) Vegetable Safeguards: Impact on the Seed Trade

- Japanese seed manufactures and trading companies have invested heavily in vegetable production in China. Products grown in China for the Japanese market have been increasingly competing with domestic farmers. In December 2000, MAFF responded by beginning a process that resulted in the implementation of safeguards against certain vegetable products imported from China.
- On April 23, 2001, the government of Japan (GOJ) implemented provisional safeguard measures on *Welsh onions*, *fresh shiitake mushrooms*, and *tatami-omote mat*. A tariff-rate-quota (TRQ) is used for these products where the previous tariffs (3% for *Welsh onions*; 4.3% for *fresh shiitake mushrooms*; 6% for *tatami-omote mat*) are applied on in-quota volumes, calculated on the basis of the last 3 year average imports, and out-of-quota tariffs (256% for *Welsh onions*; 266% for *fresh shiitake mushrooms*; and 106% for *tatami-omote mat*) are added on out-of-quota imports. The provisional safeguard is valid for 200 days, ending on November 8. (See JA1013, JA1030 and JA1035.)

2) "GMO Scare" in the Corn Seeds from U.S.

- Last year, StarLink was discovered in a retail food product in Japan. StarLink is not approved for food use in Japan (or the U.S.). As a result of consumer and government concern, the U.S. and Japan reached an agreement on a product testing and quality assurance protocol for Japan-bound corn exports.
- In June 2001, a consumer group ran a publicity campaign in the Japanese trade and mass media, reporting that two biotech varieties had been detected in Japanese imports of corn seed from the U.S., marketed as non-biotech. Although both of the biotech varieties are approved in Japan for use as both feed and food, they are not approved for planting. The group urged the Japanese government to increase the level of monitoring and testing of imported seeds to insure no biotech crops are planted in Japan.
- In response, Japan Seed Trade Association (JASTA), denied the possibility of "cross pollination" for dent and sweet corns with a story on the different farming practices between dent and sweet corns. JASTA also began "voluntary" labeling seed packages for retail with "these seeds is not a biotech variety," indicating that staying away from the biotech remains a very serious business concern for the Japanese planting seed industry.
- Growing consumer awareness about products derived from biotechnology have raised concerns about the safety of such products, encourage the local industry to look to other suppliers for biotech-free food ingredients, and raised doubts about the reliability of U.S. testing and safety systems. (See JA1082/)

VII. Useful Contacts for Market Access

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, DC, 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.