

Voluntary Report – Voluntary - Public Distribution

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Report Name: Rice Straw Market in Japan

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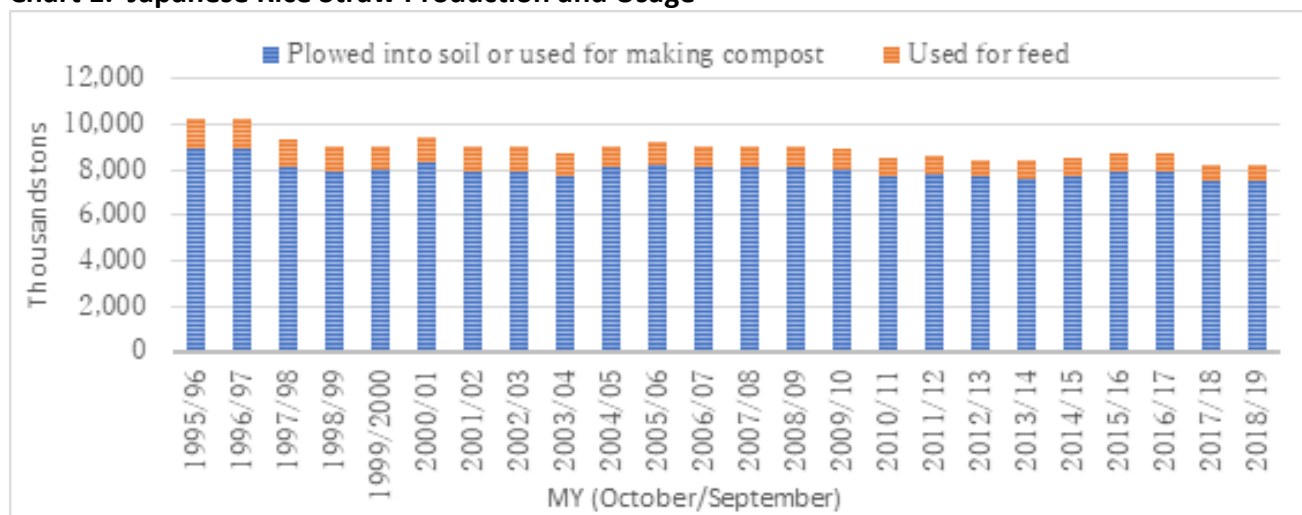
Report Highlights:

Approximately 950,000 metric tons of rice straw is consumed as beef cattle feed in Japan each year, of which roughly 25 percent is imported. Japan's biosecurity regulations restrict rice straw imports and China is currently the only eligible supplier, but Japanese forage importers are seeking rice straw imports from other countries. Phytosanitary requirements for U.S. rice straw must be established before it is eligible for import into Japan.

Rice Straw Production

For many beef producers in Japan, rice straw is an essential feed component. According to the latest available data from the Ministry of Agriculture, Forestry and Fisheries (MAFF), a total of 936,000 tons of rice straw was consumed as feed in MY2018/19.¹ Of the 936,000 tons, 704,000 tons (75.2 percent) was produced domestically and 232,000 tons (24.8 percent) was imported. While Japan produced 8.2 million tons of rice straw in MY2018/19, only 8.6 percent (704,000 tons) was used for feed. The remaining 91.4 percent (7.5 million tons) was plowed under or used for compost. Despite abundant rice straw in Japan, its use for feed has been decreasing as collecting, drying, and distributing rice straw for feed is not economically feasible for many producers and requires additional labor costs. In an effort to increase production, MAFF incentivizes farmers and contractors to produce rice straw for feed, but the ratio of straw use for feed has gradually decreased from 10.5 percent in MY2007/08 to 8.6 percent in MY2018/19 (Chart 1).² Labor costs and a limited supply chain make it difficult to increase production of rice straw for feed in Japan.

Chart 1. Japanese Rice Straw Production and Usage



Source: MAFF

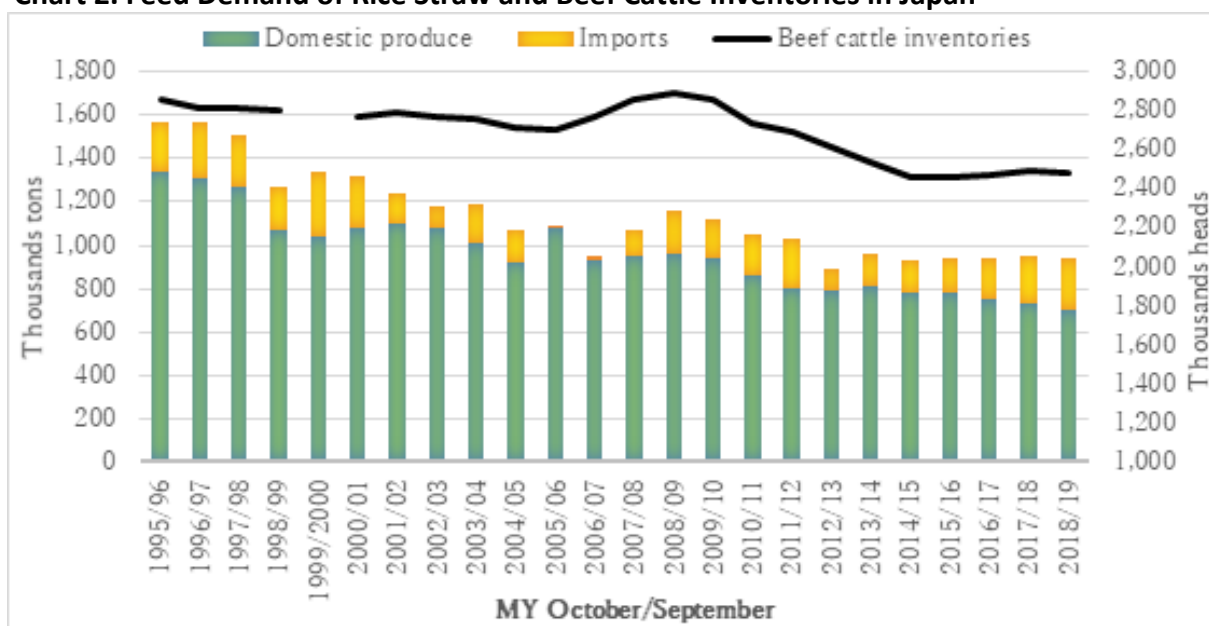
Feed Demand

Over the last two decades, consumption of rice straw for feed decreased from 1.57 million tons in MY1995/96 to 936,000 tons in MY2018/19, in correlation with beef cattle inventories (Chart 2). The consumption of rice straw for feed has been stable at approximately 950,000 tons since MY2015/16. With the Government of Japan's push to increase beef cattle herds and *Wagyu* beef exports, demand for rice straw is expected to remain stable.

¹ Marketing Year for rice straw runs from October to September.

² MAFF provides support payments to livestock farmers and feed production groups in the Livestock Cluster Program to cover half the costs for building forage drying and storage facilities, and purchasing machinery for collecting rice straw. MAFF also provides support payments to farmers, feed production contractors, and farmer groups to cover half the costs for building forage drying and storage facilities.

Chart 2. Feed Demand of Rice Straw and Beef Cattle Inventories in Japan



Source: MAFF

Rice Straw Imports and Biosecurity Regulations

Japan relies on imports of rice straw to meet demand as labor shortages and the lack of a supply chain limits domestic production and distribution. Japan's biosecurity regulations restrict rice straw imports and China is the only eligible exporter of rice straw to Japan.

Phytosanitary Requirements

Japan's Plant Protection Act Enforcement Ordinance prohibits imports of rice plants, rice straw, unhulled (rough) rice, and rice hulls from all countries and regions except North Korea, South Korea, and Taiwan due to the presence of *Balansia oryzae-sativae*, *Ditylenchus angustus*, *Xanthomonas oryzae pv. Oryzicola* and other quarantine pest which do not exist in Japan ([List of Import Prohibited Plants](#)). However, MAFF established the [Phytosanitary Standards for Chinese Rice Straw](#) (Japanese only), setting the following disinfestation requirements to allow imports of rice straw from China:

- Rice straw other than tatami rice straw mat³ is sterilized with saturated steam for at least four minutes after the temperature of rice straw reaches 86 degree centigrade or higher in a steam treatment facility.
- Rice straw consignments must be accompanied by a phytosanitary certificate issued by Chinese plant protection authorities certifying that the consignment is free from quarantine pests as a result of inspection, and that the consignment was treated with the above sterilization.

³ Sterilization standards are set separately for *Tatami* rice straw mat: *Tatami* rice straw mat is sterilized with heat for at least two hours after the temperature of the center of *tatami* rice straw mat reaches 80 degree centigrade or higher in a dry heat treatment facility; or *Tatami* rice straw mat is sterilized with saturated steam for at least four minutes after the temperature of the center of *tatami* rice straw mat reaches 86 degree centigrade or higher in a steam treatment facility.

Animal Health Requirements

[The Animal Infectious Diseases Control Act Enforcement Regulations](#) prohibits rice straw imports from all countries and regions unless they are free of Foot and Mouth Disease (FMD). MAFF established the [Animal Health Requirements for Straw and Forage for Feeding from China](#) to allow imports of rice straw to Japan which meet the Animal Health Requirements and are treated in [MAFF-designated facilities](#) in China. The requirements prohibit imports of rice straw to Japan which are produced, processed and stored in a 50 kilometers radius where FMD and African Swine Fever (ASF) occur. MAFF also established [Animal Health Requirements for Straw and Forage for Feeding from Russian Federation](#), but imports are not possible as there is no MAFF designated heat treatment facilities in Russia to address phytosanitary requirements. Rice straw imports from North Korea, South Korea, and Taiwan are not eligible because there are no the animal health requirements set for these countries.

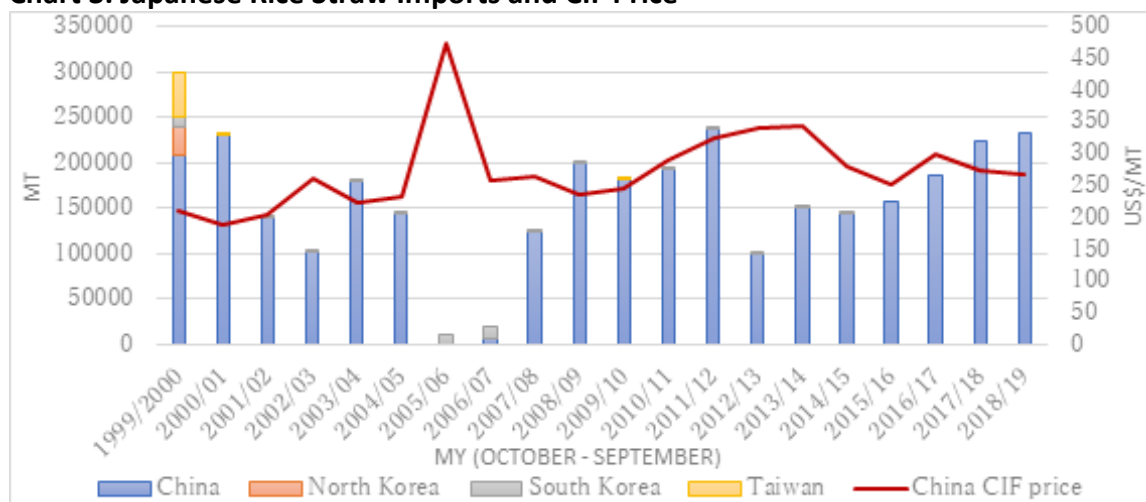
With the establishment of phytosanitary standards and animal health requirements for Chinese rice straw, China is currently the only country eligible to export to Japan. However, rice straw imports from China have been unstable due to sporadic FMD and ASF outbreaks and non-compliance with phytosanitary requirements (Chart 3). Since ASF outbreaks in China in 2018, MAFF has suspended rice straw imports from [25 MAFF-designated facilities](#) in China. At the same time, demand for imported rice straw has increased since typhoons damaged Japan's rice straw harvest in October 2019.

Potential for U.S. Rice Straw Exports to Japan

Industry sources indicate feed importers are interested in importing rice straw from the United States, Japan's largest hay and straw supplier. The Animal Infectious Diseases Control Act does not prohibit rice straw imports from the United States since the United States is FMD free. However, Japan's Plant Protection Act prohibits rice straw imports from the United States and the establishment of phytosanitary requirements by MAFF is necessary for Japan to import U.S. rice straw.

The CIF unit price of Chinese rice straw was US\$267 per ton in MY2018/19 and imports of rice straw to Japan are duty free.

Chart 3. Japanese Rice Straw Imports and CIF Price



Source: Trade Data Monitor

Attachments:

No Attachments.