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Japan

Strawberry

Strawberry Annual Report

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Report Highlights:

Japanese imports of fresh strawberries are expected to rise slightly this year to 5,000 tons. Retail and food service sales are forecast to grow while confectioner's demand is expected to be roughly unchanged. Frozen strawberry imports should continue roughly unchanged at 26,000 tons, with the United States accounting for roughly half of total sales.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Tokyo[JA1], JA

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Production

Fresh Strawberries:

Japanese fresh strawberry production is expected to be roughly unchanged in MY1998 at just under 200,000 tons. Almost all Japanese strawberries (approximately 95% in tonnage terms) are produced in hot houses, with production from November through June. Peak harvesting occurs from January through April.

All Japanese strawberries are sweet type varieties for fresh consumption. Toyonoka and Nyoho are the most important varieties planted in Japan. Toyonoka are grown in the Kyushu region, while Nyoho are mainly harvested in the Kanto region. A relatively new variety, Tochtotome, with similar taste, size and color to Nyoho are largely planted in Tochigi Prefecture, north-east of Tokyo.

Frozen Strawberries:

Japanese production of frozen strawberries is very small, accounting for roughly 2 percent of total frozen strawberry consumption. Japan does not grow strawberry varieties for processing, rather off-grade fresh strawberries destined for the processing sector (where they are used for bottled, canned, frozen foods).

Consumption

Fresh Strawberries:

Average Japanese household fresh consumption (purchased through retail outlets) totaled 3.4 kilograms in MY 1997 (October 1997 - September 1998) or approximately 1 kilogram per capita, according to data compiled by the Japan Management and Coordination Agency. Average expenditures per household reached 4,100 yen (\$34.17), or 1,200 yen (\$10.00) per capita.

In value terms, fresh strawberry consumption is larger than any other fruit (surpassing citrus) during February and March. Fresh strawberries are largely consumed at home as a dessert item. Fresh strawberries are also consumed in the confectionery sector as cake decoration, especially with strawberry short cakes marketed heavily during the Christmas and New Year's holiday seasons, and the spring events season, such as "Girl's Day" (March 3), graduation ceremonies (mid March), and new school year events (early April).

Recently, Aichi and Tochigi's "Nyoho" strawberries (Grade A, 300 gram pack) traded at 400-420 yen (\$3.33-\$3.50) for size L, and at 370 yen (\$3.08) for size M fruit at Tokyo's Ohta Wholesale Market. While, Tochigi's "Tochtotome" strawberries traded at 400 yen (\$3.33) for sizes 2L, 370 yen (\$3.08) for size L, and at 260 yen (\$2.16) for size M. Fukuoka's "Toyonoka" fresh strawberries traded at 370 yen (\$3.08) for size L, and at 350 yen (\$2.91) for size M.

Retailers normally add 100-150 yen (\$0.83-\$1.25) per 300-gram pack to the wholesale price for sale at retail the same day, according to industry sources.

Frozen Strawberries:

Frozen strawberry consumption declined approximately 10 percent in MY 1997 (October 1997 - September 1998), due largely to diversification by Japanese food processors toward other berry items. Blueberries have been a particularly strong item recently, as consumer demand has grown in response to health claims of improved eye sight.

The majority of frozen strawberries are purchased by food processors in Japan, with little distribution in retail packs. Nearly 80 percent of frozen strawberries are consumed for production of strawberry jams. Dairy processors are also major users of frozen strawberries for production of ice cream, yogurt, and various strawberry-based beverages. Jam processors consume frozen strawberries year-round, while dairy product manufacturer consumption peaks during spring and summer.

Trade

Fresh Strawberries:

Fresh strawberry imports have held mostly steady in recent years at 4,500 - 4,600 metric tons. The United States is the dominant player in the Japanese strawberry import market, accounting for 94 percent of total sales. While comprising a small share of total volume, imports from South Korea and New Zealand have increased recently, jumping 110% and 46%, respectively, in MY 1997 (October 1997 - September 1998) from the previous year. South Korean strawberries are Japanese-type varieties, grown in hot houses, and are competitively priced, at just over \$4.00 per kilogram (CIF) in 1998. Continued sales gains are expected.

Frozen Strawberries:

Japanese imports of frozen strawberries declined nearly 10% in MY 1997, reflecting soft food processor demand. The United States is the largest supplier of frozen strawberries to Japan, with a 50% import share, followed by China (28%), and South Korea (8%). Imports from the U.S. were valued at approximately \$23 million (CIF) in MY 1997.

Marketing

Fresh Strawberries:

While Japanese confectionery buyers (primarily manufacturers of strawberry short cakes) account for the majority of fresh U.S. strawberry sales, significant growth potential exists in the retail and food service sectors. In 1998, retail and food service sales accounted for 40 percent of total fresh U.S. strawberry distribution, up from 30 percent the year before. Further gains are expected as the quality of California product and consumer acceptance continues to improve. Marketability of U.S. strawberries is further assisted by counter-seasonal production, with peak sales occurring from May through November, when local berries are not available.

Food service demand is growing as restaurateurs discover new ways to use California strawberries, including new sauces and dressings, as well as for main or side dishes. One Tokyo restaurant chain has created an attractive menu presentation that displays attractive and healthy images of fresh U.S. strawberries, featuring their brilliant color, slightly sour fresh taste and nutritiousness. Italian chefs in Tokyo comment that the red color and unique taste of fresh U.S. strawberries make them a perfect fit with Italian cuisine.

Frozen Strawberries:

Jam manufacturers are the largest users of frozen strawberries in Japan. In the past, U. S. supplied primarily the Chandler variety and Japanese jam processors established their own jam processing Chandler strawberries. Lately, U.S. growers have begun switching from Chandler to the Camarosa variety, which has created some problems in jam processing, resulting in a slight decline in sales. Today, the Camarosa variety shares over 50% of frozen strawberries from the United States, while Chandler has approximately 2% of the share. The Selva and Seascape varieties are also popular varieties for U.S. frozen strawberries.

Japanese dairy food processors have discovered that the Camarosa is superior for processing ice cream, yogurt, strawberry drinks and beverage. As a result, the U.S. share in the Japanese dairy product manufacturing sector continues to grow.

Policy

Fresh Strawberries:

There are no outstanding policy issues for fresh strawberries. The current import duty for fresh strawberries (HS code: 0810.10.000) is 7.3%, CIF basis.

Frozen Strawberries:

The import duty on frozen strawberries with added sugar (HS code: 0811.10.100) is 11.7%, CIF basis; while the tariff for frozen strawberries without added sugar (HS code: 0811.10.200) is 14.7%, CIF basis.

**Japanese Imports of Frozen Strawberry by Country of Origin 1/
(Metric Tons)**

	CY 1996	CY 1997	CY 1998
USA	15,437	13,796	13,300
China	6,751	7,754	7,233
South Korea	1,963	1,376	2,228
Mexico	1,240	1,703	1,122
Thailand	945	1,461	1,014
Chile	911	688	720
Poland	657	314	254
Others	285	107	106
Total	28,189	27,199	25,977

1/ The total of H.S. codes 0811.10-100 (containing added sugar)
and 0811.10-200 (excluding added sugar).

Source: Customs Bureau, Ministry of Finance.

PS&D Tables and Trade Matrices

Fresh Strawberries PS&D Table

PSD Table						
Country:	Japan					
Commodity:	Strawberries					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		10/1996		10/1997		10/1998
Area Planted	7950	7800	7870	7600	0	7400
Area Harvested	7950	7800	7870	7600	0	7400
TOTAL Production	195000	200000	193000	199000	0	198000
Imports, Fresh	4572	4572	5000	4694	0	5000
TOTAL SUPPLY	199572	204572	198000	203694	0	203000
Exports, Fresh	5	5	5	3	0	5
Domestic Fresh Market	194887	199887	193395	199491	0	199395
For Processing	4680	4680	4600	4200	0	3600
TOTAL UTILIZATION	199572	204572	198000	203694	0	203000

Frozen Strawberries PS&D Table

PSD Table						
Country:						
Commodity:						
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin						
Deliv. To Processors	0	4680	4600	4200	0	3600
Beginning Stocks	0	0	0	0	0	0
Production	720	730	730	630	0	550
Imports	29000	28027	29000	25221	0	25500
TOTAL SUPPLY	29720	28757	29730	25851	0	26050
Exports	0	0	0	0	0	0
Domestic Consumption	29720	28757	29730	25851	0	26050
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	29720	28757	29730	25851	0	26050

Fresh Strawberries Export Trade Matrix

Export Trade Matrix			
Country:		Units:	Metric Ton
Commodity:			
Time period:	Oct-Sept		
Exports for	1996		1997
U.S.	0	U.S.	0
Others		Others	
Hong Kong	4	Hong Kong	3
Total for Others	4		3
Others not listed	1		0
Grand Total	5		3

Fresh Strawberries Import Trade Matrix

Import Trade Matrix			
Country:		Units:	Metric Ton
Commodity:			
Time period:	Oct-Sept		
Imports for	1996		1997
U.S.	4405	U.S.	4406
Others		Others	
Korean Rep.	69	Korean Rep.	145
New Zealand	98	New Zealand	143
Total for Others	167		288
Others not listed	0		0
Grand Total	4572		4694

Fresh Strawberry Price Table

Prices Table			
Country:			
Commodity:			
Year:	1998		
Prices in (currency)	Yen	per (uom)	KG
Year	1997	1998	% Change
Jan	1247	1280	2.6%
Feb	1200	1233	2.8%
Mar	1000	1287	28.7%
Apr	822	730	-11.2%
May	835	809	-3.1%
Jun	826	982	18.9%
Jul	1259	1918	52.3%
Aug	1332	1984	48.9%
Sep	1598	2133	33.5%
Oct	2816	2310	-18.0%
Nov	1961	1471	-25.0%
Dec	1558	1488	-4.5%