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## **Report Name:** The Japanese Market for Hemp Fiber

**Country:** Japan

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**Prepared By:** Tomohiro Kurai

**Approved By:** Mariya Rakhovskaya

### **Report Highlights:**

The objective of this report is to inform U.S. exporters of hemp fiber about relevant import regulations and market opportunities in Japan, a country with a long tradition of hemp use for textiles, food and industrial purposes. This is the first in a series of reports about Japanese regulations and market for hemp products.

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THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

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# 1. Introduction

The aim of this report is to inform potential U.S. exporters of hemp fiber about relevant import regulations and market opportunities in Japan, a country with a long tradition of hemp use for textiles, food and industrial purposes. Meros Consulting conducted the research for this report between May and June 2021 by taking a deep dive into desktop resources on the regulatory situation and interviewing a variety of government and business players in Japan's hemp product market. It is a rapidly evolving market and changes in regulations, laws and requirements can be expected for various hemp-derived products in the next several years.

This is the first in a series of reports about Japanese regulations and market for hemp products.

## Disclaimer

This report was created for general information purposes only. While every effort has been taken to ensure accurate information at the time of publication, laws and requirements around hemp-derived products can change quickly. In addition, there are differences between U.S. and Japanese regulations for hemp-derived products. FAS/Tokyo encourages U.S. exporters to work closely with their importers as they develop their export plan for Japan.

Professional advice should be sought for any specific matters of concern and all information contained in this report should be re-confirmed with importers and competent authorities. This report contains translations prepared by various government agencies, as well as Meros' translations. However, only the original Japanese texts of the laws and regulations have legal effect, and the translations are to be used solely as reference materials to aid in the understanding of Japanese laws and regulations.

For further questions about hemp regulations, please contact FAS/Japan at [AgTokyo@usda.gov](mailto:AgTokyo@usda.gov).

## Terms Used

Under Japan's legal regulatory framework, the Cannabis Control Act defines 'cannabis' as "the cannabis plant (*Cannabis sativa* L.) and its products". The Cannabis Control Act bans importation of "cannabis". However, mature cannabis stalks and products made from stalks (excluding resin, which is illegal), as well as cannabis seeds and products made from the seeds are excluded from this legal definition of "cannabis". Japan has a zero-tolerance level for tetrahydrocannabinol (THC) in any product.

In marketing and discussion of the *Cannabis sativa* L. plant and its products, the Japanese language has a number of words that are used in different contexts, including *taima*, *asa* and *henpu*. However, to maintain consistency in this report, we use the word **cannabis** throughout this report to refer to all parts of the *Cannabis sativa* L. plant. We use the word **hemp** to refer to the parts of the plant and its products which are legally allowed to be marketed in Japan, including hemp fiber, hemp seed oil or hemp extract.

See the Glossary on the next page for more information.

## Glossary

This glossary outline some of the key terms as used in this report.

Word	Definition
Cannabis	Cannabis refers to the plant <i>Cannabis sativa</i> L.
Hemp	Hemp refers to the parts of the cannabis plant that may be legally marketed and imported in Japan, specifically mature stalks (excluding resin, which is illegal) and seeds and their products.
Raw Hemp Fiber	Fiber that grows on the outside of the cannabis plant stalk and is sold raw or retted but not spun; no further processing such as rolling, crushing, scutching and combing. Traded under Harmonized System (HS) Code 5302.10
Processed Hemp Fiber	Fiber as defined by HS Code 5302.90 to include hemp tow or hemp fiber waste (including yarn or garnetted stock waste). In this report, the term processed hemp fiber does not include spun hemp yarn or hemp textile, which are traded under other HS codes.
THC (Tetrahydrocannabinol)	The principal psychoactive constituent of cannabis.

## 2. General Background

### 2.1. Legal Framework and Tariff Treatment

The Cannabis Control Act bans importation of cannabis. However, mature or “grown” cannabis stalks<sup>1</sup> and products made from stalks (excluding resin<sup>2</sup>), as well as cannabis seeds and products made from the seeds are not included in the definition of “cannabis”.

Japan has zero tolerance policy for THC. The Cannabis Control Act does not explicitly mention THC, however, in practice, the Ministry of Health, Labour and Welfare (MHLW) interprets the presence of THC in a product to mean that parts of the cannabis plant other than hemp was used. Unacceptable parts include flowers, buds, leaves, immature stalks, or roots. A cannabis-derived product that has detectable THC would therefore be in violation of the Cannabis Control Act due to the assumption that it must have been derived from parts of the cannabis plant other than hemp.

The implication for hemp fiber is that while hemp fiber from mature stalks can be imported, great care must be taken that no other parts of the cannabis plant are contained in a shipment.

Hemp fiber falls under one of two Harmonized System (HS) codes depending on whether it is raw (HS 5302.10) or processed (HS 5302.90). Japan does not have a tariff on hemp fiber under these two HS Codes.

### 2.2. Japanese Domestic Production of Hemp Fiber

Japan has a long history of hemp use, particularly as fiber in textiles, ropes and industrial products, as well as seeds for food use. Today hemp fiber has limited usage and is strongly associated with the Shinto religion ceremonies, including ropes for ringing bells, ropes for shrine rituals (*shimenawa*), bowstrings for traditional Japanese archery, Japanese traditional musical instruments, rope belts which are only allowed to be worn by *yokozuna* (the highest ranked sumo wrestler) as well as fireworks. Recently some companies have been marketing household goods like chopsticks made from hemp, but domestic hemp fiber use for textiles and paper is uncommon today.

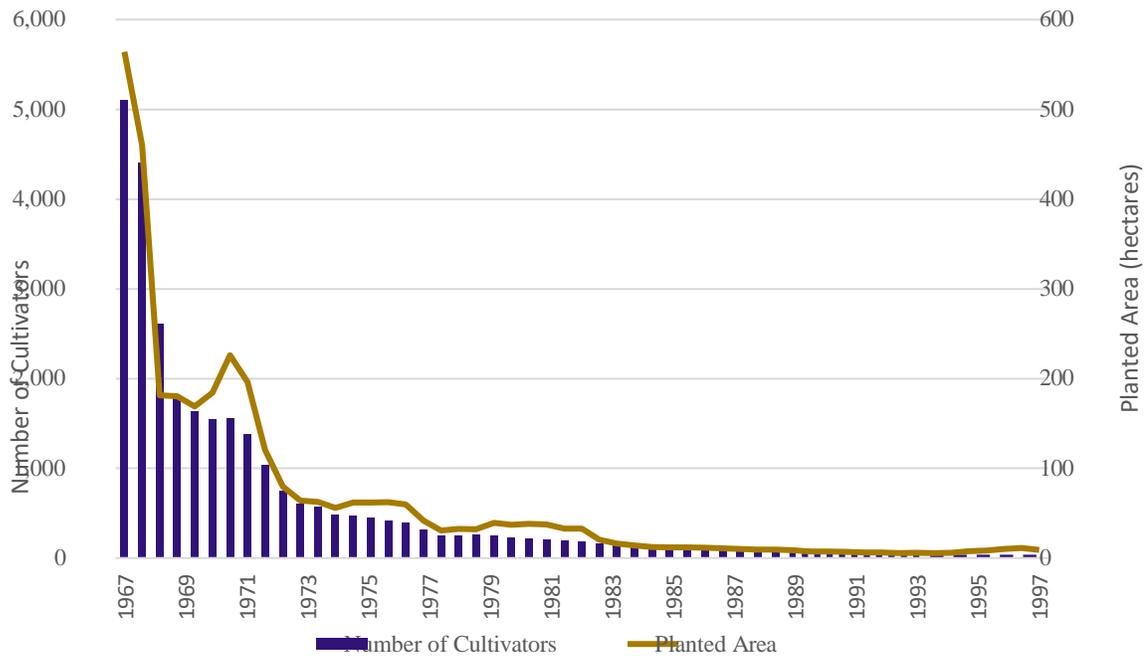
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<sup>1</sup> The Cannabis Control Act does not explicitly define “mature” or “grown” stalks. However, based on judicial precedent, MHLW interprets “mature stalks” as “stalks of cannabis plants which have reached a state suitable for obtaining hemp as a textile product, have been separated from the cannabis plants, and have shapes suitable for it.”

See <https://www.fas.usda.gov/data/japan-japanese-import-regulations-industrial-hemp-products>

<sup>2</sup> Cannabis-derived resin is not allowed for import or distribution.

## Japanese Domestic Cannabis Production



Source: Ministry of Health, Labour and Welfare (MHLW)

In order to grow cannabis in Japan, it is necessary to obtain a cultivation license from the Prefectural Governor. Domestic cannabis production has dramatically decreased over the last 50 years and the number of licensed cultivators continues to fall although the planted area has increased slightly in recent years. In 2019, the cannabis planted area in Japan was 9 hectares (ha) and there were 35 cannabis cultivators. While there are farms scattered throughout Japan, 90 percent of the production is in Tochigi Prefecture, approximately 60 miles north of Tokyo. According to MHLW, Japan's cannabis production has dropped due to the growing demand for synthetic fiber, as well as the fact that Japan's cannabis cultivators are aging and many have given up their land.<sup>3</sup>

When a cannabis cultivation license is issued, it is for a fixed planting area. To make a small expansion in planting area, the licensee can submit a notification of change. However, for a larger expansion, it is necessary to re-apply for a cannabis cultivation license. The Tochigi Prefectural Government confirmed that there is no definition of “small” or “large” expansion, and it is handled case-by-case.

According to the Hokkaido Industrial Hemp Association, 0.1 ha yields 1.5-2.0 metric tons (MT) of raw stalk in Tochigi Prefecture. Japan's total hemp production in 2019 on 9 ha is estimated at about 135-180 MT of raw stalk.

<sup>3</sup> <https://www.mhlw.go.jp/bunya/iyakuhin/yakubuturanyou/taima01/dl/pamphlet.pdf>

### 2.2.1. Domestic Cannabis Production Regulations

The Cannabis Control Act does not outline any specific conditions for approval of a cannabis cultivation license and the conditions for approval are up to each prefecture. However, Article 2 of the Act stipulates approved purposes of cannabis cultivation are:

- for harvesting fiber or seeds
- for cannabis research

Furthermore, Article 5 of the Act does outline those who are not eligible for a cannabis cultivation license, namely, those who:

- Have a narcotic or cannabis addiction
- Have been sentenced to imprisonment
- Underage persons
- Are determined by MHLW to have mental or physical disorders that prevent them from properly cultivating cannabis.

The fiber is used, but in general, the seeds are not actually sold for food use these days. The hemp seeds eaten today in Japan, including those in the widely used Japanese *shichimi* “seven spice” powder, are primarily sourced from China.<sup>4</sup> While a Prefectural Governor could theoretically give permission for seeds to be sold, in practice this virtually never happens. Instead, seeds are generally kept for cultivation or destroyed.

In 2016 there was an incident where a licensed cultivator was arrested under the Cannabis Control Act, for keeping banned parts of the hemp plants in his house, resulting in MHLW ordering prefectures to be more careful about approving cannabis cultivation licenses.<sup>5</sup>

### 2.2.2. Domestic Hemp Product Distribution

Domestic hemp is sold to manufacturers in Japan for production of products including the ritual shrine products, archery bows and ropes. These items are then either sold to distributors or sold directly to customers, including through online shops.

There is some ongoing research on hemp for industrial uses and some interest in the revival of the domestic hemp industry for industrial uses among some associations, but these efforts are still extremely limited. According to the hemp industry, for Japan to develop an industrial hemp industry, it would require both a revision of laws concerning cannabis cultivation licensing, as well as technical education on modern cultivation and uses of hemp.

Overall, there is no expectation that a domestic Japanese hemp fiber industry will develop further in the foreseeable future.

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<sup>4</sup> <http://www.hemp-revo.net/report/0302.htm>

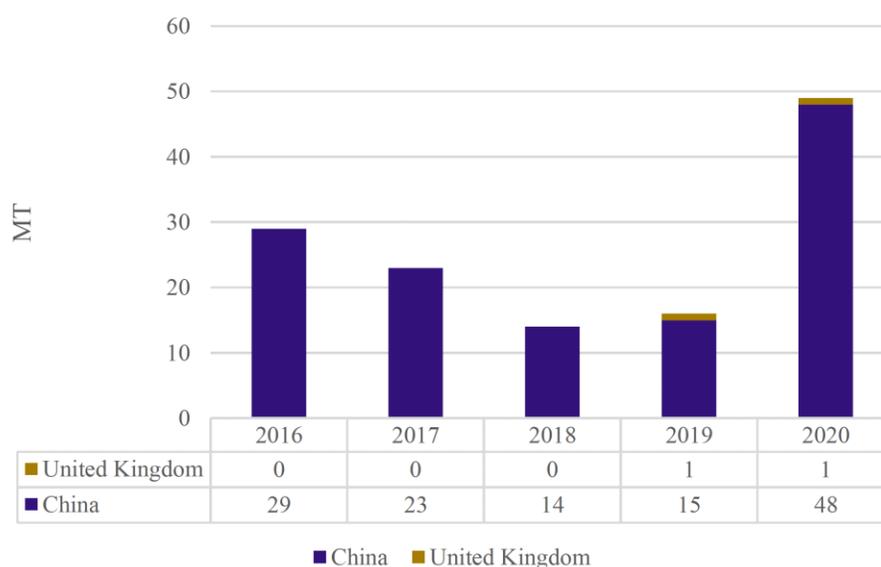
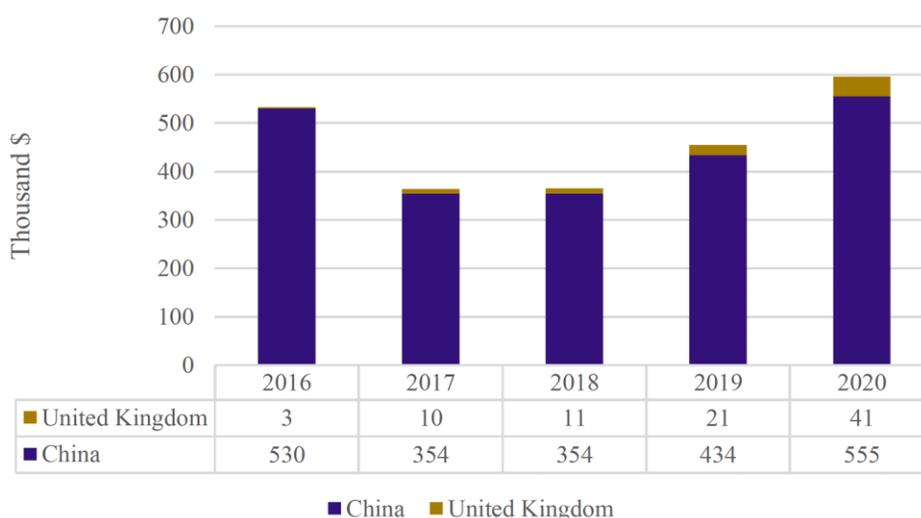
<sup>5</sup> MHLW gave a warning in 2016 to Prefectural governments to be careful in approving hemp cultivation licenses: <https://www.mhlw.go.jp/stf/houdou/0000141740.html>

## 3. Hemp Fiber

### 3.1. Market

There are no imports into Japan of raw hemp fiber (HS 5301.10) but some limited imports of processed fiber under HS 5302.90, which would include “tow” fiber of various quality levels that is ready for industrial use or further processing, as well as yarn waste. It does not include spun hemp yarn, which is imported under HS 5308.20. The vast majority of HS 5302.90 (48 MT) is from China, with only 1 MT from the United Kingdom. The remainder of the hemp fiber in the Japanese market is domestic raw hemp fiber estimated at 135-180 MT.

#### Imports value and volume of processed hemp fiber to Japan 2016-2020 (HS 5302.90)



Source: ITC International Trade Statistics

## 3.2. Products

### Hemp Fiber for Textiles

Chinese hemp fiber imports are currently used primarily in textiles or as a substitute for Japanese hemp fiber in a variety of traditional uses. According to hemp fiber importers, there are very few Japanese yarn companies that have experience handling hemp fiber and few that make hemp textiles.

Nevertheless, textiles are considered to be the main short-term potential for expanded use of hemp fiber. Companies that sell niche hemp textiles, report that sales are doing better than expected over the past 2-3 years. Industry sources report that in general Japanese consumer awareness and interest in organic, sustainable, or eco-friendly apparel is still low. However, Japanese hemp textile customers tend to be a very specific niche consumer with high awareness of environmental and sustainability issues. Niche hemp textile sellers believe that in the next decade Japanese consumers' awareness of issues such as biodegradable textiles, textile waste and the need for sustainable materials will grow significantly, driven by the global discussion on these issues, as well as increased discussion of how to deal with waste, including the plastics and synthetic "fashion waste" that are not currently recyclable. If Japanese apparel and yarn makers also increase their knowledge of the practical benefits of hemp fiber for yarn, such as its strength and durability, the market may have potential.

Nevertheless, because there is still little consumer demand for hemp textiles in Japan, there is little motivation for the apparel industry in Japan to seek hemp fiber. While much of the lower cost clothing sold in Japan is manufactured outside of Japan in countries with lower labor costs, there is demand in Japan for "Made in Japan" clothing and domestically produced apparel, particularly among higher-end Japanese brands and a domestic knitwear industry centered around northern prefectures, such as Niigata, Yamagata and Fukushima.

An additional obstacle to growth in hemp fiber for textiles is that hemp fiber is not clearly differentiated within the Japanese textile industry. In Japan, clothes made from hemp, linen and ramie are all labelled as "made of *asa*". This makes it difficult to distinguish clothes made from hemp from linen or ramie and linen is much cheaper than hemp. According to the industry, clothing made from hemp is often labelled as "unspecified fiber". This appears to reflect domestic apparel makers concern about the potential negative perception of hemp fiber (as originating from the cannabis plant) among some customers.

Hemp fiber industry experts felt a more likely initial in-road for U.S. hemp fiber exporters would be through large U.S. outdoor wear companies or other apparel makers that have a global hemp textile consumer base and whose brands are known in Japan. Major global brands may offer an effective way to introduce the concept of high-end brand use of hemp to Japan consumers and motivate local brands to also develop hemp fiber textiles.

### Hemp Fiber for Construction Materials or Plastics

There is even less awareness of the benefits of hemp fiber in Japanese industries outside of the textile industry. In industries such as housing insulation and construction as well as plastics and automotive, there is no usage or awareness of the ways hemp fiber can be used in these industrial

products or the image of hemp as a potentially sustainable and eco-friendly crop. Growing demand for hemp fiber in these end uses will be an even longer-term effort than in the apparel industry.

Hemp experts and fiber importers reported that industrial hemp products were considered extremely expensive for the Japanese market. Hemp for plastics has been imported from the EU as pellets that were reportedly too expensive to be attractive to buyers. Using hemp fiber for insulation was reportedly ten times the cost of the materials currently used for insulation.

Developing a market in Japan for U.S. hemp fiber for industrial uses would require a concerted effort and partnerships with manufacturers and construction industries. A lack of awareness of the benefits of hemp for industrial use and the high price remain the main barriers. Industry contacts have expressed hope that the price will come down as the industrial hemp industry becomes more established overseas.

### **Hemp Fiber for Livestock Industry**

There is no usage of hemp fiber as bedding for animals or as feed. Those who had tried to sell to this industry in the past reportedly found the price too high, and the risk of leaves getting mixed with the fibers was too great to continue importing for this end channel.

## **3.3. Import Regulations**

Hemp fiber is subject to the Plant Protection Act and the Cannabis Control Law. In this case, the Plant Protection Law regulates the pest and disease entry into Japan and the Cannabis Control Act forbids any flowers, buds, leaves, roots or other cannabis plant tissues to be mixed with the hemp stalk fiber.

There are reported cases of shipments of hemp yarn and fiber (not from the United States) being destroyed because leaves or other plant parts were found in the box. Customs reportedly checks hemp fiber shipments more carefully than other shipments and may X-ray the contents.

### 3.4. JIS Standards

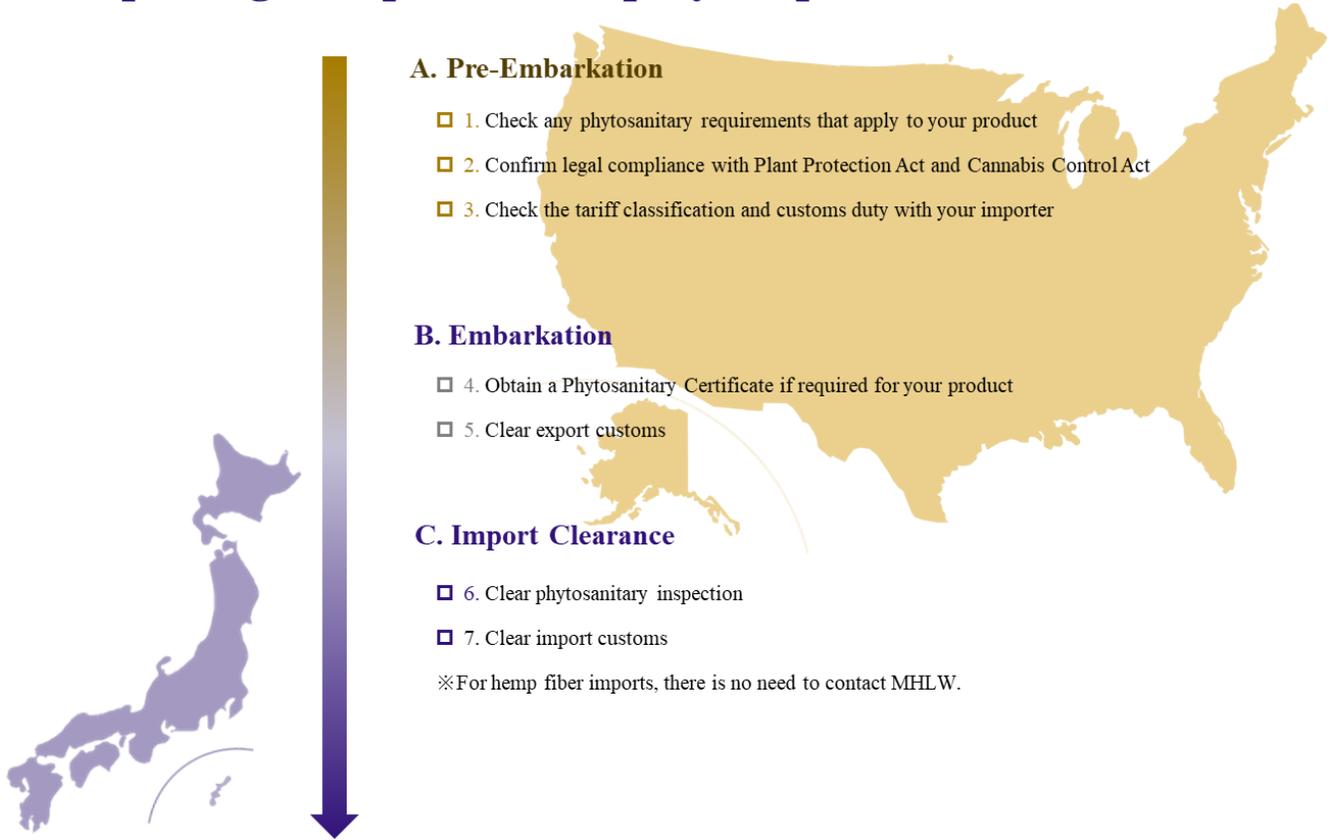
JIS is an abbreviation for Japanese Industrial Standards, the Japanese national standards protocol that defines standards, measurement methods, etc. for industrial products in Japan. JIS drafts are prepared by relevant organizations in each field, deliberated by the Japan Industrial Standards Committee (JISC), and then established as JIS by the minister in charge of each field. A number of Japanese Industrial Standards explicitly include hemp within the definitions and are summarized in the table below.<sup>6</sup>

JIS Number	Definition
JISL0204-1	Stipulates the names and definitions of major natural fibers.
JISL0205	Stipulates the main terms used in the yarn sector of the textile industry.
JISL0209	Stipulates the main terms used in the spinning sector of the textile industry.
JISL1030-1	Stipulates a test method to differentiate between different types of fibers used in textile products.
JISK6899-2	Stipulates the symbols for fillers and reinforcing materials in plastics.
JISP0001	Stipulates the main terms used in the paper and pulp industry.
JISP8120	Stipulates the test methods for the determination of fiber furnish and its quantification in paper, board, and pulp samples.

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<sup>6</sup> The JIS definitions are searchable in Japanese by product or standard number at <https://www.jisc.go.jp/app/jis/general/GnrJISSearch.html>

## 4. Importing Hemp Fiber: Step-by-Step Guide



### A. Pre-Embarkation

- ❑ 1. Check any phytosanitary requirements that apply to your product
- ❑ 2. Confirm legal compliance with Plant Protection Act and Cannabis Control Act
- ❑ 3. Check the tariff classification and customs duty with your importer

### B. Embarkation

- ❑ 4. Obtain a Phytosanitary Certificate if required for your product
- ❑ 5. Clear export customs

### C. Import Clearance

- ❑ 6. Clear phytosanitary inspection
- ❑ 7. Clear import customs

※For hemp fiber imports, there is no need to contact MHLW.

## 5. Appendix: Laws and Regulations relevant to Import of Hemp Fiber

### 5.1. The Cannabis Control Act

The Cannabis Control Act was written in 1948 and regulates cannabis, including possession, cultivation and exchange under the jurisdiction of MHLW. The Cannabis Control Act defines the term ‘cannabis’ as “the cannabis plant (*Cannabis sativa* L.) and its products. The Act however excludes from the definition of “cannabis”, the mature stalks of the cannabis plant and its products (excluding resin, which is illegal) as well as the seeds of cannabis plants and its products. [Article 1].

As a result, this Act does not prohibit hemp fiber products from import to Japan.

However, any contamination of a hemp fiber shipment with leaves, flowers or buds would be a violation of the Cannabis Control Act and would not be permitted.

#### **The Cannabis Control Act is available here:**

The original Japanese of the June 2019 version (the most recent enacted version as of November 29, 2021) can be found at: <https://elaws.e-gov.go.jp/document?lawid=323AC0000000124>

A line-by-line Japanese and English translation reflecting the December 1999 version can be found at the link below. There have been no changes to the definition of “cannabis” between the 1999 and 2019 versions. <http://www.japaneselawtranslation.go.jp/law/detail/?id=2594&vm=&re>

A downloadable PDF of the Ministry of Justice’s (unofficial) English translation of the 1999 version of the Act can be found here:

#### **Responsible government agencies**

Compliance and Narcotics Division, Pharmaceutical Safety and Environmental Health Bureau, Ministry of Health, Labour and Welfare (MHLW)

Phone: +81-3-3595-2436

Narcotics Control Department, Kanto-Shinetsu Regional Bureau of Health and Welfare, [https://kouseikyoku.mhlw.go.jp/kantoshinetsu/gyomu/bu\\_ka/mayaku\\_torishimari/index.html](https://kouseikyoku.mhlw.go.jp/kantoshinetsu/gyomu/bu_ka/mayaku_torishimari/index.html) (Japanese)

## 5.2. The Customs Act

The Customs Act covers the customs procedures for the exportation and importation of all goods into Japan. This Act requires that anyone wishing to import goods into Japan must declare them to the Director-General of Japan Customs and then obtain an import permit after necessary examination of the goods.

The Act bans importation of “cannabis” and “narcotics” under Article 69-11 (i). The word “cannabis” is not defined in the Customs Act, but it is in effect following the definition laid out in the Cannabis Control Act. The word “narcotics” follows the definition laid out in the Narcotics and Psychotropics Control Act.

Hemp fiber from mature stalks is not prohibited under the Cannabis Control Act

### **The Customs Act is available at:**

The Customs Act (Act No. 61 of 1954)

For Japanese, the link below is the March 31, 2020 version (reflecting the latest revision)

[https://elaws.e-gov.go.jp/search/elawsSearch/elaws\\_search/lsg0500/detail?lawId=329AC0000000061\\_20191216\\_501AC0000000016&openerCode=1#AB](https://elaws.e-gov.go.jp/search/elawsSearch/elaws_search/lsg0500/detail?lawId=329AC0000000061_20191216_501AC0000000016&openerCode=1#AB)

For English, the link below is the March 31, 2020 version (reflecting the latest revision), translated by Japan Tariff Association

[https://www.kanzei.or.jp/kanzei\\_law/329AC0000000061.en.html](https://www.kanzei.or.jp/kanzei_law/329AC0000000061.en.html)

### **Responsible government agencies**

Japan Customs, Japanese Ministry of Finance

<https://www.customs.go.jp/> (Japanese)

Contact details for the nine regional Customs offices are available at:

[http://www.customs.go.jp/question\\_e.htm](http://www.customs.go.jp/question_e.htm) (English)

### 5.3. The Plant Protection Act

The Plant Protection Act aims to control plant diseases and pests and prevent the outbreak or spread in Japan and is under the jurisdiction of the Ministry of Agriculture, Forestry and Fisheries (MAFF).

This Act lays out the requirements for inspection and control of plant products imported into Japan and is relevant for some raw hemp fiber products which may need a phytosanitary certificate for export to Japan.

#### **The Plant Protection Act is available here:**

For Japanese, a link to the law can be found here:

<https://elaws.e-gov.go.jp/document?lawid=325AC0000000151>

For English, the link here is to the Ministry of Justice's unofficial translation of the 2005 amended version. There is no Ministry of Justice translation of the most recent 2019 version.

<http://www.japaneselawtranslation.go.jp/law/detail/?id=25&vm=02&re=02&new=1>

#### **Responsible government agencies**

Contacts for Plant Protection Stations under MAFF can be found here:

English [https://www.maff.go.jp/pps/j/introduction/english\\_exp.html](https://www.maff.go.jp/pps/j/introduction/english_exp.html)

Japanese: <https://www.maff.go.jp/pps/j/guidance/outline/contact.html>

This Act lays out the requirements for inspection and control of plant products imported into Japan and is relevant for some raw hemp fiber products which may need a phytosanitary certificate for export to Japan.

#### **Attachments:**

No Attachments.