

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** USJTA TRQ Allocation and Fill Rates in JFY2023

**Country:** Japan

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**Report Category:** Country/Regional FTA's, Trade Policy Monitoring

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**Report Highlights:**

The U.S.-Japan Trade Agreement, which entered into force on January 1, 2020, improved market access for U.S. products through the creation of tariff-rate quotas (TRQs) for food wheat, wheat products, malt, processed cheese, whey, glucose and fructose, potato starch, corn starch, and inulin. In JFY 2023, allocation and fill rates of the TRQs remained underutilized for all products with the exception of wheat. This report provides data on TRQ allocation and fill rates, together with out-of-quota imports observed during the previous fiscal year.

## Background

Under the U.S.-Japan Trade Agreement (USJTA), which entered into force on January 1, 2020, Japan established nine tariff-rate quotas (TRQs) for a selection of U.S. agricultural products, allowing importers to import these products with lower tariffs or tariff-free. The USJTA TRQs are for Mixes, Doughs, and Cake Mixes (TRQ-JP1), Food Wheat (TRQ-JP2), Malt, Not Roasted (TRQ-JP3), Malt, Roasted (TRQ-JP4), Processed Cheese (TRQ-JP5), Whey (TRQ-JP6), Glucose and Fructose (TRQ-JP7), Corn and Potato Starch (TRQ-JP8), and Inulin (TRQ-JP9). For more details on each of the TRQs, see [USTR: U.S.-Japan Trade Agreement Annex 1: Tariffs and Tariff-Related Provisions of Japan](#).

## Status of TRQ Allocations and Fill Rates under USJTA in JFY 2023

In Japanese Fiscal Year (JFY) 2023 (April 1, 2023 – March 31, 2024), Japan’s Ministry of Agriculture, Forestry and Fisheries (MAFF) made allocations to importers for the following tariff-rate quotas (TRQs): Mixes, Doughs and Cake Mixes, Wheat, Whey, Glucose and Fructose, and Corn and Potato Starch. For these products, final allocation volumes represented between 1 to 100 percent of the total available volume (Table 1). Allocations for wheat reached 100 percent in the first three months since the start of the fiscal year, as importers favored importing wheat under the USJTA quota, as opposed to purchasing through the WTO “general imports” tender, which reflects import prices from the previous six months. Under the USJTA TRQ, importers pay the current market price for imported wheat through the simultaneous buy and sell tender system, which is favored when global wheat prices are declining. No allocations were made for Malt, Processed Cheese, and Inulin for the fourth consecutive year. Actual in-quota imports (fill rates) for the products with TRQ allocations were nearly identical to the volume allocated, which is a trend seen since last fiscal year.

With the exception of wheat, the USJTA TRQs continue to be underutilized in JFY 2023. U.S. exporters should work with their Japanese importers to ensure that the tariff benefits of USJTA are fully explored and utilized. TRQ volumes will increase for Wheat, Malt (Roasted), Processed Cheese, Whey, Glucose and Fructose, and Inulin in JFY 2023. For details, please visit [www.usdajapan.org/usjta](http://www.usdajapan.org/usjta).

**Table 1: USJTA 2023 TRQ Allocations and Actual Imports (JFY 2022 data in parentheses)**

(Unit: MT)

Products	Quota volume	Allocation	Allocation rate	Actual Imports (JFY 2023)			
				In-quota <sup>2</sup>	TRQ fill rate	Out-of-quota	Total
Mixes, Doughs, and Cake Mixes	12,000 (11,700)	2,470 (1,478)	21% (13%)	2,470 (1,476)	21% (13%)	2,223 (3,845)	4,693 (5,321)
Wheat <sup>1</sup>	144,000 (138,000)	144,000 (98,660)	100% (71%)	144,000 (98,660)	100% (71%)	1,641,653 (1,986,188)	1,785,653 (2,084,848)
Malt, Not Roasted	32,000 (29,600)	-	-	-	-	308 (125)	308 (125)
Malt, Roasted	875 (840)	-	-	-	-	8 (7)	8 (7)

Processed Cheese	125 (120)	-	-	-	-	4 (14)	32 (14)
Whey	7,000 (6,600)	2,197 (2,190)	31% (33%)	2,314 (2,149)	33% (33%)	820 (1,438)	3,134 (3,587)
(Whey)	-	-	-	728 (610)	-	668 (1,258)	1,396 (1,868)
(Products consisting of natural milk constitutions used for infant formula)	-	-	-	1,587 (1,539)	-	151 (180)	1,738 (1,719)
Glucose and Fructose	900 (810)	273 (228)	30% (28%)	267 (228)	30% (28%)	51 (96)	318 (324)
Corn and Potato Starch	3,250 (3,100)	26 (144)	1% (5%)	26 (144)	1% (5%)	419 (367)	445 (511)
Inulin	225 (220)	-	-	-	-	0 (0)	0 (0)

Note: <sup>1</sup>Wheat is state-traded and imported by MAFF. <sup>2</sup>In-quota imports are claims-based: claims for preferential treatment are made by importers.

Source: MAFF, Japan Customs, Trade Data Monitor

<b>Definitions</b>	
Allocation to date	The volume covered by TRQ import licenses issued by Japan's Ministry of Agriculture, Forestry, and Fisheries (MAFF) to importers who applied for the TRQ
Allocation rate	The allocation volume divided by the total volume of the TRQ
In-quota imports	The volume of products imported with the in-quota tariff applied (based on Japan Customs data. Data based on claims made by importers for preferential treatment)
Fill rate	The in-quota imported volume divided by the total TRQ volume

#### **Attachments:**

No Attachments.