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Global Agricultural Information Network

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Japan

Citrus Annual

U.S. Citrus Suppliers capitalize on the strong Japanese yen despite steady consumption

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Report Highlights:
In MY2010/11, an "off-year" for Japanese tangerines and further reductions in planting area are expected to decrease production. Japanese imports of grapefruit declined but are expected to rebound next season. Imports of California "Summer Ruby" grapefruit double as Japan reduces imports from other suppliers. A new phytosanitary agreement on Florida citrus could create opportunities for U.S. grapefruit. Orange imports are expected to hold while imports of orange juice are expected to rebound. Although Japanese lemon production is expected to hit a record high, imports are expected to increase as national stock level normalizes.

Commodities:
Citrus, Other, Fresh

Citrus Annual 2010

Tangerines/Mandarins

PS&D table:

Tangerines/Mandarins, Fresh Japan	2008/2009		2009/2010		2010/2011	
	Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	59,150	56,920	57,650	55,090		53,560
Area Harvested	56,210	54,000	54,710	52,170		50,640
Bearing Trees	33,726	32,400	32,826	31,300		30,380
Non-Bearing Trees	5,292	5,300	5,292	5,260		5,260
Total No. Of Trees	39,018	37,700	38,118	36,560		35,640
Production	1,018	1,007	1,100	1,088		968
Imports	9	9	11	11		12
Total Supply	1,027	1,016	1,111	1,099		980
Exports	3	3	3	3		3
Fresh Dom. Consumption	916	904	980	970		883
For Processing	108	109	128	126		94
Total Distribution	1,027	1,016	1,111	1,099		980

* Area measured in hectares
# Production, Imports, Exports, and Consumption measured in thousands of metric tons

Production

Post estimates Japanese production of fresh tangerines/mandarins in MY2010/11 to be 968,000 metric tons, an 11 percent decrease compared to last season. This estimate includes the "unshu mikan" tangerines and late variety tangerines of "iyokan" and "hassaku." The "unshu mikan" tangerines are by far the largest Japanese tangerine crop. As part of the tree's natural production cycle, output alternates between high and low every season. Correspondingly, this season Japanese tangerines trees are experiencing what is typically referred to as an "off-year" and are likely to yield a lower crop than the last year. Hence, for MY2010/11 post estimates the "unshu mikan" tangerine production to be 900,000 metric tons, about a 10 percent decrease from the previous season. Similarly, for other tangerine varieties, such as "iyokan" and "hassaku", post estimates the MY 2010/11 production to be lower than last season, 39,000 and 29,000 metric tons, respectively.

The "unshu mikan" variety that is harvested early—harvesting season runs from September to November—accounts for approximately 58 percent of nation's tangerine trees. Other "Unshu mikan" varieties are harvested during the regular season – November to December. The "iyokan" and "hassaku" tangerine varieties are harvested in January and February.

This season no major typhoons hit the islands of Japan, thus tangerine growers reported no major damages. Nonetheless, Japan experienced an extra-ordinary long summer which delayed harvesting time in key producing regions by about two to three weeks. In addition, growers reported that the late harvest resulted in smaller sized fruit.

The nation's harvesting acreage for "unshu mikan" tangerines continues to decline. Growers are abandoning inefficient production orchards located in steep hills or groves with aging trees. Seeking a high return on their investments, growers are also substituting "unshu mikan" trees with different citrus tree varieties. These trends continue to contribute significantly to the reduction in total acreage. Thus, harvesting acreage for "unshu mikan" tangerines are expected to be 46,000 hectares in the MY2010/11, down from 47,000 hectares in MY2009/10.

Under the guidance of the Ministry of Agriculture, Forestry and Fisheries (MAFF), "unshu mikan" growers meet early in the season to discuss growing conditions and report on their estimated production. Seeking to avoid depressing domestic prices, growers and packers agree on the shipping volume that will satisfy all sectors of the Japanese market. Hence, every year, the grower's committee known as "National Fruit Grower's Shipment Stabilization Committee" establishes a volume guideline. If necessary, farmers adjust production volume by pruning trees in accordance with the guideline. According to the Committee's guideline for MY2010/11, "unshu mikan" tangerine production is estimated at 900,000 metric tons. Detailed utilization for commercial shipments is as follow:

MY 2010/11 "unshu mikan" tangerine commercial shipments	
(1) Estimated Production (metric tons)	900,000
(2) Total Commercial Shipments (metric tons)	800,000
(i) Shipments to Fresh Market	715,000
(ii) Shipments to the Processing Sector	85,000
(of which: Shipments to Juice industry)	*60,000*
(of which: Shipments to Canning)	*25,000*

Source: Ministry of Agriculture, Forestry and Fisheries

Consumption

Tangerines are one of Japan's favorite fresh fruit, representing approximately 16 percent of fresh fruit consumption. Since 2001, Japanese annual household consumption of fresh fruit has been annually declining. According to the Ministry of Internal Affairs and Communications (MIC), in 2009 the annual consumption of fresh tangerines was 13.8 kilogram per household, compared to 15 kilograms in 2008, with total expenditures of $57.40 (4,726 yen)*. This is the average consumption per (two-or-more people) household. In Japan, younger people tend to eat significantly fewer tangerines than older people. Younger generations prefer the ease of eating fruit that does not require peeling. Young Japanese mothers, for example, are introducing their children to more ready- to-eat fruits. In fact, Japanese citrus traders fear that upcoming generations may grow up unaccustomed to peeling fruit. Hence, this consumption trend remains a concern for traders.

** The exchange rate of 82.34 yen per dollar is based on the Nikkei News quote on November 12, 2010.*

Trade (Imports)

Japan: Imports of fresh mandarins

Marketing year: October-September / Quantity in metric tons

	MY 2005/06	MY 2006/07	MY 2007/08	MY 2008/09	MY 2009/10
World	**10,588**	**4,670**	**10,109**	**9,265**	**10,797**
United States	8,738	1,978	7,861	7,160	9,128
Market share:	*83%*	*42%*	*78%*	*77%*	*85%*
Australia	963	1,186	1,307	1,374	962
New Zealand	358	457	380	494	328
Chile	442	896	156	151	280
Taiwan	75	91	82	81	97
All other	12	62	323	5	2

Source: Global Trade Atlas

For MY2010/11, post estimates Japanese world imports of fresh tangerines to be approximately 12,000 metric tons, a 10 percent increase from the previous season. In MY 2009/10, Japanese imports of U.S. tangerines bounced back to 2001 levels to 9,128 metric tons, an increase of 27 percent from last season. These imports were valued at approximately $12 million (CIF). The United States is by far the largest supplier of fresh tangerines to Japan, shipping Minneola tangelos* and other tangerine varieties. Other fresh tangerines suppliers include Australia, New Zealand and Chile. Fresh tangerine supplies from Australia declined approximately 30 percent in MY2009/10 due to a spike in Australian prices (approximately 17 percent higher than the previous year.) Higher Australian prices and a favorable exchange rate largely contributed to the increase in Japanese imports of U.S. tangerines.

**Note: Previously, post discussed Minneola tangelos within the orange narrative section of this report. As Japan includes Mineola imports within its tangerine statistics henceforth these will be addressed under this section.*

Trade (Exports)

Japan: Exports of fresh mandarins

Marketing year: October-September / Quantity in metric tons

	MY 2005/06	MY 2006/07	MY 2007/08	MY 2008/09	MY 2009/10
World	**4,988**	**2,684**	**4,659**	**3,331**	**2,770**
United States	256	156	218	109	103
Market share:	*5%*	*6%*	*5%*	*3%*	*4%*
Canada	4,364	2,268	4,011	2,924	2,065
Hong Kong	161	91	163	130	252
Taiwan	146	107	187	90	170
Singapore	40	35	43	33	97
All other	21	27	37	45	83

Source: Global Trade Atlas

Japanese exports of tangerines are fairly small. In MY2009/10, Japanese exports were lower than last season, 2,770 metric tons and valued at $4.3 million (FOB). The majority of Japanese exports, 2,065 metric tons were shipped to Canada. Only 600 metric tons went to neighboring Asian countries. Similar to the preceding season, in MY 2009/10, Japan shipped a small amount of tangerines to the

United States, approximately 103 metric tons. In MY2010/11, Japanese traders expect to export a similar amount to the U.S. market.

Prices:

Japan: Fresh Mandarins Prices - Wholesale, Retail

Wholesale Prices * (Yen/KG)		Retail Prices ** (Yen/KG)	
2009		2009	
October	¥141	October	¥458
November	¥143	November	¥419
December	¥147	December	¥399
2010		2010	
January	¥142	January	¥447
February	¥161	February	¥460
March	¥202	March	¥539
April	¥366	April	….
May	¥1,168	May	….
June	¥919	June	….
July	¥826	July	….
August	¥748	August	….
September	¥359	September	¥966***

Source: MAFF *Source: MIC*

* Wholesale prices are average wholesale prices at the major wholesale markets.
** Retail prices are average retail prices in the Metro Tokyo area.
*** Supply was very low during the month of September, hence the hike in price. The majority of domestic tangerines available were greenhouse grown tangerines usually purchased as gift items.

Policy:

The Japan/Mexico Economic Partnership Agreement (EPA)

The Japan/Mexico EPA has been in effect since April 1, 2005. Mexican tangerines and mandarins are excluded from the Japan/Mexico EPA negotiation. Hence, imports of Mexican tangerines and mandarins face Japan's MFN tariff of 17 percent.

Import Duties:

Japan: Import Duties 2010

Tariff Code (HS)	Description	Duty Rate (%)*
0805.20-000	Fresh Mandarins (including tangerines), Clementine, Wilkings and similar citrus hybrid	17%

Source: Customs Tariff Schedules of Japan 2010
** all duties are charged on a CIF basis*

Grapefruit

PS&D table:

Grapefruit, Fresh Japan	2008/2009		2009/2010		2010/2011	
	Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0		0			
Area Harvested	0		0			
Bearing Trees	0		0			
Non-Bearing Trees	0		0			
Total No. Of Trees	0	0	0	0		0
Production	0	0	0	0		0
Imports	180	180	180	168		175
Total Supply	180	180	180	168		175
Exports	0	0	0	0		0
Fresh Dom. Consumption	180	180	180	168		175
For Processing	0	0	0	0		0
Total Distribution	180	180	180	168		175

* Area measured in hectares
# Production, Imports, Exports, and Consumption measured in thousands of metric tons

Production

Japan does not produce grapefruit.

Consumption

According to the Ministry of Internal Affairs and Communications (MIC), in 2009 Japanese annual consumption of grapefruit was approximately 2.66 kilograms per household with the total expenditures of $8.11 (668 yen).* This is the average consumption for two-or-more-person households. In 2009 per-household consumption of grapefruit was marginally up from last season (about 2.54 kilograms per household), but the expenditure on grapefruit was down approximately 4 percent from last season. In 2009, the average grapefruit price was $3.05 (251.3 yen) per kilogram, approximately 8 percent cheaper than last season ($3.31 (272.8 yen) per kilogram). Given, the current state of Japanese economy, price has increasingly become a contributing factor encouraging consumers to continue buying grapefruit. In addition, U.S. cooperators such as the Florida Department of Citrus have effectively continued to conduct nationwide promotional campaigns educating Japanese consumers about the health benefits of grapefruit; a theme that resonates well in this market.

** The exchange rate of 82.34 yen per dollar is based on the Nikkei News quote on November 12, 2010.*

Trade (Imports)

Japan: Imports of fresh grapefruit

Marketing year: October-September / Quantity in metric tons

	MY 2005/06	MY 2006/07	MY 2007/08	MY 2008/09	MY 2009/10
World	**153,338**	**220,691**	**188,015**	**180,248**	**167,783**
United States	93,541	144,271	128,039	115,500	117,140
Market share:	*61%*	*65%*	*68%*	*64%*	*70%*
South Africa	48,404	64,080	49,842	57,778	44,612
Israel	8,893	6,730	5,392	3,727	3,824
Swaziland	2,316	4,280	4,501	3,240	2,206
All other	184	1,330	241	3	1

Source: Global Trade Atlas

In MY2009/10, Japanese total grapefruit imports declined for a third year to 167,783, down 7 percent from last season. Nonetheless, the strong yen is encouraging Japanese importers to increase their trading activities. The current exchange rate is 82 yen per dollar (based on the Nikkei News quote on November 12, 2010) compared to 88 yen per dollar a year ago. Despite Japan's current economic recession, the yen's buying power continues to increase. Hence, post anticipates Japanese world imports of grapefruit to rebound in MY2010/11 and marginally increase to 175,000 metric tons.

The United States is the largest supplier of fresh grapefruit to Japan, supplying approximately 70 percent of the total Japanese imports. The United States supplied 117,140 metric tons of fresh grapefruit in MY2009/10, a slight increase from last season and valued at $136 million on a CIF basis. About 95 percent of U.S. grapefruits shipped to Japan come from Florida followed by California and Texas.

According to Florida Department of Citrus, in MY2010/11 Japanese imports of Florida grapefruit are expected to be around 6.6 million cartons, or 112,000 metric tons, an increase of 5 percent from MY2009/10. The weight per carton for Florida grapefruit is approximately 17 kilograms. This season's Florida grapefruit sales began in October and are expected to last until June of 2011. Peak sales are likely to take place in February through May, when the grapefruit flavor reaches maturity. According to Tokyo traders, due to short rainfalls during the Florida growing season, the new crop yielded smaller sized fruit but they predict the fruit will be high quality and with good flavor.

South Africa is the other major supplier to Japan, sharing approximately 28 percent of the total imports (including imports from Swaziland). In MY 2009/10, Japanese imports of South African grapefruit decreased unexpectedly by 23 percent to 46,818 (South Africa + Swaziland) valued at $32 million of a CIF basis. South African grapefruits are sold during the summer season and therefore do not compete directly with Florida grapefruit in the Japanese market. Usually, South Africa's new crops arrive in June and are actively sold until September but this was not the case during MY2009/10. According to Tokyo traders, in the summer of 2010, excess stocks of Florida grapefruit in the Japanese market and a poor South African crop discourage Japanese traders from importing further. As a result of reduced import volumes, South African grapefruit was almost sold out in the Japanese market by August, significantly earlier than traders expected. In addition, domestic fresh fruit supply was running low due

to Japan's record high summer temperatures. By early fall, there was a shortage of fresh grapefruit in the Japanese market. This created a great opportunity for California grapefruit growers. In September 2010, California was able to supply Japan with a significant amount (double that of the previous season) of the "Summer Ruby" grapefruit variety and thereby mitigate Japan's market shortage. Japanese traders expect imports of South African grapefruit will normalize by next season. For MY2010/11 post estimates Japanese imports of South African grapefruit to increase marginally to 3.2 million cartons (including shipments from Swaziland) or 48,000 metric tons.

Japan's unusually low import volumes this past summer affected not only imports from South Africa but also imports of California "Star Ruby" grapefruit. Since this variety is typically shipped to Japan from April to June, imports of "Star Ruby" were slashed by half compared to the previous season. Nonetheless, since this decline was mostly offset by the spike in imports of California "Summer Ruby" (typically shipped during September-October). This season total Japanese imports from California decreased by 6 percent. In MY2010/11, as summer imports go back to normal, Japanese traders expect import volumes of California varieties will do the same. That being said, while importers prefer South African grapefruits because of their competitive price, the reliability that California grapefruit supplies displayed this past summer could translate into future opportunities for the "Summer Ruby" variety. Additionally, Texas supplies the "Rio Star" (red/ruby) grapefruit variety to the Japanese market from October through March. According to Tokyo traders, in MY2010/11 the Texas "Rio Star" grapefruit crop will likely yield high quality fruit with good flavor. Thus, Japanese traders anticipate good sales of "Rio Star" grapefruit.

Israel supplies a green-colored grapefruit variety called "Sweetie" to the Japanese market. "Sweetie" is sold in December and January. The import volume of "sweetie" grapefruit was expected to return to normal levels to about 5,000 metric tons a year. Yet, in MY2009/10, "sweetie" imports increased marginally but remained below average and continued on a declining trend. Traders report that until recently multiple Japanese importers were handling "sweetie" shipments. However, it appears that the novelty that the "sweetie" grapefruit once enjoyed among Japanese consumers is fading. Correspondingly, only one company is now importing "sweetie" by a chartered vessel and the import volume is not expected to change. Hence, for MY2010/11post estimates, Japanese imports of Israel "Sweetie" to hold steady at the MY2009/10 level.

Prices:

Japan: Fresh Grapefruit Prices - Import, Wholesale, Retail

Import CIF Prices *	Wholesale Prices **	Retail Prices ***

	(US $/KG)		*(Yen/KG)*		*(Yen/KG)*
2009		2009		2009	
October	$1.03	October	¥98	October	¥263
November	$1.26	November	¥111	November	¥277
December	$1.20	December	¥154	December	¥306
2010		2010		2010	
January	$1.20	January	¥161	January	¥300
February	$1.18	February	¥156	February	¥291
March	$1.14	March	¥149	March	¥277
April	$1.13	April	¥149	April	¥284
May	$1.17	May	¥144	May	¥269
June	$0.71	June	¥132	June	¥282
July	$0.74	July	¥135	July	¥283
August	$0.74	August	¥136	August	¥268
September	$0.70	September	¥144	September	¥286
	Source: GTA		*Source: MAFF*		*Source: MIC*

* Import prices are average import CIF prices.
** Wholesale prices are average wholesale prices at the major wholesale markets.
*** Retail prices are average retail prices in the Metro Tokyo area.

Policy:

Japanese Plant Quarantine Issues Affecting U.S. Exports:

Beginning on June 1 2010, Japan agreed to allow the entry of Florida citrus fruit with canker lesions provided the phytosanitary certificate states the fruit has undergone postharvest disinfection. The agreement came as result of bilateral discussions between the Animal Plant Health Inspection Services (APHIS) and MAFF's Plant Protection and Quarantine Officials. Discussions followed a U.S. rule change which determined fruit with citrus canker to be a dead-end host of the pest and allowed interstate movement. The agreement increases the pool source for Florida citrus growers to export to Japan as it allows the export of less-than-perfect fruit.

On October 29, 2010, as the implementation of the agreement began and imports of U.S. citrus started arriving to Japan, two shipments of Florida grapefruit were held by the Tokyo port plant quarantine station. The shipments, carrying heavily blemished fruit, were misidentified as having citrus scab—a different pest not allowed in Japan, but manifesting similar looking blemishes than those resulting from citrus canker. Japanese importers were instructed to either segregate the best looking fruit for customs clearance or hold the product for about two weeks until laboratory testing for citrus scab was completed. In this case the importer chose to segregate and destroy the blemished fruit. APHIS/Tokyo officials traveled to the port to observe MAFF's inspection process and interviewed regional quarantine officials on the sampling techniques, lab tests and possible future impacts. The shipments then cleared inspections. MAFF later confirmed that after testing a fruit sample from the held shipments the results for canker scab were in fact negative. According to importers, subsequent to this incident no product has been held at the port and the trade has been moving very smoothly. Despite the initial setback,

traders are optimistic that this new opportunity could translate into significant gains in U.S. grapefruit exports to Japan.

Japanese Plant Quarantine Issues Affecting other Suppliers:

On June 4, 2010, Japan granted complete market access to Australian grapefruit. Previously, Australia was only allowed to ship grapefruit sourced from fruit fly pest free areas. Australia is now able to export grapefruit to Japan sourced from all areas provided the fruit undergoes cold treatment prior to shipping. Australia already ships other citrus products to Japan (tangerines, oranges and lemons), thus Australian exporters have established relationships with Japanese citrus traders. Nonetheless, trade statistics suggest that Australia is not a major supplier of grapefruit when compared to other more active suppliers. Hence, at this time post does not anticipate that MAFF's recent approval will lead to major changes in the Japanese grapefruit market.
For more information please refer to the following MAFF website (Japanese only):
http://www.pps.go.jp/law_active/Notification/basis/6/46/html/46.html

On August 18, 2010, MAFF lifted an import ban of fresh grapefruit from Turkey. Turkey is now able to export fresh grapefruit that is sourced from all areas free of Mediterranean fruit fly. Japan requires Turkish grapefruit to undergo cold treatment for 16 days before departing Turkey or during transit to Japan. Compliance with these requirements must also undergo checks by Japanese quarantine officials in cooperation with Turkey officials. Different from Australia, Turkey is actually one of the world's largest suppliers of grapefruit although it ships primarily to neighboring countries. According to FAS Ankara, the Turkish Agriculture Ministry has been pushing to open markets for Turkish fruits and vegetables all over the world. However, Turkish exporters do not have a history of shipping or marketing citrus to distant markets like Japan. As such, they would need to begin developing business relationships with Japanese citrus traders, a process that can take a very long time. For this reason, post does not anticipate any immediate impacts on U.S. market share resulting from MAFF's recent approval.
For more information please refer to the following MAFF website (Japanese only):
http://www.maff.go.jp/pps/j/information/Zyoukentuki/20100818.html

The Japan/Mexico Economic Partnership Agreement (EPA)

The Japan/Mexico EPA has been in effect since April 1, 2005. Under this agreement, various Mexican agricultural products, including fresh grapefruit, enter Japan at a reduced tariff rate. Under this agreement, Japan agreed to phase-out Japanese import duties on Mexican grapefruit in six years from the day of implementation. Since then, Japan has gradually reduced its tariffs on Mexican grapefruits by 1.6 percent each year. In 2010, imports of Mexican grapefruit entering Japan faced a 1.6 percent tariff, compared to the MFN tariff rate of 10 percent. Japanese duties on Mexican grapefruits will be fully eliminated by 2011. While Mexico does have experience shipping other citrus products to Japan, Mexico has yet to capitalize on this preferential tariff. The majority of Mexican grapefruit exports are traditionally shipped to European markets. In addition, Japanese importers have historically relied on large grapefruit supplies from bigger players such as the United States and South Africa. This, and Mexico's limited capacity, is likely to continue holding back Mexican exporters from gaining further

ground in the Japanese grapefruit market. The Japan/Mexico EPA agreement can be found (in Japanese only) in the following MAFF website:
http://www.maff.go.jp/j/kokusai/renkei/fta_kanren/f_mexico/index.html

Japanese MRL Issues:

In Japan, the Ministry of Health, Labor and Welfare (MHLW) quarantine officials check for chemical residues on imported products by conducting regular monitoring tests at the port of entry. In addition, imported crops, along with domestically produced crops, are also monitored at the retail level by local government laboratories. Currently, no chemical maximum residue limits (MRL) violations have been found in imports of fresh U.S. grapefruit. MRL violations can be found in the following MHLW website: http://www.mhlw.go.jp/topics/yunyu/ihan/index.html

To find MRLs for certain agricultural chemicals in Japan, please refer to the following website:
The Japan Food Chemical Research Foundation
http://www.m5.ws001.squarestart.ne.jp/foundation/search.html

Import Duties:

Japan: Import Duties 2010

Tariff Code (HS)	Description	Duty Rate (%)*
0805.40-000	Fresh grapefruit	10%

Source: Customs Tariff Schedules of Japan 2010
** all duties are charged on a CIF basis*

Oranges

PS&D table:

Oranges, Fresh Japan	2008/2009		2009/2010		2010/2011	
	Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Planted	800	0	710	0		0
Area Harvested	790	560	700	480		400
Bearing Trees	474	0	420	0		0
Non-Bearing Trees	18	0	18	0		0
Total No. Of Trees	492	0	438	0		0
Production	8	6	6	4		3
Imports	96	96	95	104		105
Total Supply	104	102	101	108		108
Exports	0	0	0	0		0
Fresh Dom. Consumption	104	102	101	108		108
For Processing	0	0	0	0		0
Total Distribution	104	102	101	108		108

* Area measured in hectares
# Production, Imports, Exports, and Consumption measured in thousands of metric tons

Production

Japan produces a small amount of navel oranges. Japanese farmers continue to lose interest in growing navel oranges as their quality and price cannot compete with imports from the United States or Australia. As a result, domestic navel orange production has been declining rapidly each year and continues to decline. Correspondingly, for MY2010/11, post estimates Japanese production of navel oranges to decrease yet again to about 3,000 metric tons in a smaller area of approximately 400 hectares.

Consumption

According to the Ministry of Internal Affairs and Communications (MIC), in 2009 Japanese annual consumption of oranges held steady from 2008 at 1.59 kilograms per household with the total expenditures of $6.53 (538 yen).* This is the average consumption for two-or-more-person households. In 2009, the average price of oranges was approximately 3 percent cheaper than last season. Despite Japan's current economic condition, cheaper orange prices continue to offset possible drops in consumer demand.

** The exchange rate of 82.34 yen per dollar is based on the Nikkei News quote on November 12, 2010.*

Trade (Imports)

Japan: Imports of fresh oranges

Marketing year: October-September / Quantity in metric tons

	MY 2005/06	MY 2006/07	MY 2007/08	MY 2008/09	MY 2009/10
World	**115,349**	**89,847**	**98,700**	**95,950**	**103,606**
United States	86,380	44,459	74,912	66,358	77,303
Market share:	*75%*	*49%*	*76%*	*69%*	*75%*

Australia	12,133	19,163	12,618	18,314	17,771
South Africa	7,716	10,031	8,720	7,096	6,889
Chile	9,087	6,436	2,343	4,146	1,558
Italy	19	730	108	19	76
All other	14	9,028	0	17	9

Source: Global Trade Atlas

In MY2009/10, Japanese world imports of oranges normalized growing by 8 percent compared to last season. The United States is the largest supplier of fresh oranges to Japan supplying about 75 percent of total Japanese imports. The United States supplied 77,303 metric tons of fresh oranges in MY2009/10, valued at approximately $82 million on a CIF basis.

Countries such as Australia, South Africa and Chile are also important players in the Japanese orange market. These countries supply oranges to Japan from July through November, when U.S. shipments are relatively low. For MY2010/11, post estimates the level of Japanese imports of fresh oranges to hold steady at 105,000 metric tons, similar to last season.

According to industry sources, in MY2010/11 California's new crop of navel oranges is expected to arrive in Japan during December, about one month later than last season. This summer, California's navel orange growing region experienced heat waves with short rainfalls. These weather changes delayed harvest and yielded smaller-sized fruit. Nonetheless, industry sources expect the new crop to be a bumper crop with excellent quality. Tokyo traders expect that the trade volume will gradually increase toward the Christmas holiday season. California navel orange shipments will continue until April, shipments of California Valencia orange will likely start during the same month.

California also supplies smaller orange varieties such as Cara Cara and Moro to the Japanese market. According to Japan Fresh Produce Import & Safety Association, in 2009 Japanese imports of Cara Cara were as expected at 2,651 cartons (based on a 17-kilogram carton). The Cara Cara orange variety is still an up-and-coming product in Japan. This orange variety is known as "the power Orange" as it is rich in Vitamin A and high in fiber. Cara Cara orange is packaged in a 9-kilogram box. Given a smaller number of Cara Cara oranges per box, this variety often sells for twice as much as the price of navel oranges. In the future, industry sources expect Japanese imports of Cara Cara to increase as the California production of this variety increases and prices begin to decrease. On the other hand, Japanese imports of Moro oranges exceeded expectations by doubling from the previous year to 5,126 cartons (based on a 17-kilogram carton.) Moro oranges often called "blood oranges" (since the interior of the fruit is deep maroon), enjoy popularity among Japanese restaurant chefs and hotel managers. Moro orange is also packaged in a 9-kilogram box. Despite the hike in imports of the Moro orange variety, traders highlight that another similar increase is unlikely as California is not expanding production of Moro oranges. While the trade volumes of Cara Cara and Moro oranges are still relatively small, they may have high potential in the Japanese market.

Australia is also an important player in the Japanese fresh orange market holding a 17 percent share. In MY2009/10 Australia supplied the Japanese market with 17,771 metric tons of fresh oranges, about 3 percent lower compared to the previous season. According to industry sources, the quality of Australian oranges has been fairly stable. Australia's new orange crop is usually available in Japan from August through October when the Japanese production of domestic citrus is low. As Australia experienced a

draught this summer, the MY2010/11 Australian orange crop yielded many small-sized fruit. The smaller size fruit did not affect sales at the retail level as smaller fruit was bundled and sold as a set. However, industry sources do indicate that the average price of Australian oranges was significantly higher than the price of U.S. oranges. A higher price for smaller-sized Australian oranges may have deterred Japanese importers towards trading more U.S. oranges.

Japanese orange imports from other suppliers also declined in MY2009/10. Imports of South African oranges declined for the third straight year to 6,889 metric tons, about 2.9 percent from last season. South African oranges comprise only about 10 percent of total South African citrus exports to Japan and are typically shipped with larger trading citrus items such as grapefruits. Hence, the decline in Japanese imports of South African oranges can be largely attributed to the drop in South African shipments of grapefruit to Japan. Similarly, Japanese imports of Chilean oranges continued their downward trend and plummeted 62 percent from the previous season. Tokyo traders report that over the last six years, they have been moving away from handling Chilean oranges as their quality and taste is not well suited for Japanese consumers.

Prices:

Japan: Fresh Orange Prices - Import, Wholesale, Retail

Import CIF Prices *	*(US $/KG)*	**Wholesale Prices ****	*(Yen/KG)*	**Retail Prices *****	*(Yen/KG)*
2009		2009		2009	
October	$1.15	October	¥165	October	¥396
November	$1.21	November	¥149	November	¥408
December	$1.12	December	¥174	December	¥379
2010		2010		2010	
January	$1.07	January	¥188	January	¥397
February	$1.02	February	¥180	February	¥380

March	$1.02	March	¥172	March	¥372
April	$1.06	April	¥176	April	¥376
May	$1.08	May	¥182	May	¥355
June	$1.07	June	¥176	June	¥375
July	$1.23	July	¥164	July	¥373
August	$1.04	August	¥173	August	¥362
September	$1.23	September	¥187	September	¥391
Source: GTA		*Source: MAFF*		*Source: MIC*	

* Import prices are average import CIF prices.
** Wholesale prices are average wholesale prices at the major wholesale markets.
*** Retail prices are average retail prices in the Metro Tokyo area.

Policy:

The Japan/Mexico Economic Partnership Agreement (EPA)

The Japan/Mexico EPA has been in effect since April 1, 2005. Under this agreement, various Mexican agricultural products, including fresh orange, enter Japan at a reduced import duty. In the case of oranges, Japan granted Mexico a growing seasonal preferential tariff-quota. In-quota imports of Mexican oranges (up to 4,000 metric tons in 2009) enjoy a tariff of 8 percent when shipped from June 1 to November 30, and a tariff of 16 percent if shipped during December 1 - May 31. Out-of quota imports of Mexican oranges face the MFN rate. While the tariff concessions under the EPA were scheduled for renegotiation in 2010, negotiations have yet to start. Over the last decade, Japan has imported an average of 618 metric tons of Mexican oranges. The majority of Mexican orange exports are traditionally destined to closer markets such as the United States. Hence, it is unlikely that Mexico will take advantage of this preferential treatment. The Japan/Mexico EPA agreement can be found (in Japanese only) in the following MAFF website:
http://www.maff.go.jp/j/kokusai/renkei/fta_kanren/f_mexico/index.html

Japanese MRL Issues:

In Japan, the Ministry of Health, Labor and Welfare (MHLW) quarantine officials check for chemical residues on imported products through regular monitoring tests at the port of entry. In addition, imported crops, along with domestically produced crops, are also monitored at the retail level by local government laboratories. Currently, no chemical maximum residue limits (MRL) violations have been found in imports of fresh U.S. oranges. MRL violations can be found in the following MHLW website:
http://www.mhlw.go.jp/topics/yunyu/ihan/index.html

To find MRLs for certain agricultural chemicals in Japan, please refer to the following website:
The Japan Food Chemical Research Foundation
http://www.m5.ws001.squarestart.ne.jp/foundation/search.html

As for plant quarantine issues, no major trade disruptions have been reported in U.S. orange trade to Japan.

Import Duties:

Japan: Import Duties 2010		
Tariff Code (HS)	Description	Duty Rate (%)*
0805.10-000	Fresh oranges, imports during December 1 - May 31	32%
	Fresh oranges, imports during June1 - November 30	16%

Source: Customs Tariff Schedules of Japan 2010

** all duties are charged on a CIF basis*

Orange Juice

PS&D Tables (Orange Juice)

Orange Juice Japan	2008/2009		2009/2010		2010/2011	
	Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	0		0			
Beginning Stocks	10,000	10,000	5,000	12,000		5,000
Production	0	0	0	0		0
Imports	66,214	75,347	65,000	64,198		67,000
Total Supply	76,214	85,347	70,000	76,198		72,000

Exports	0	0	0	0		0
Domestic Consumption	71,214	73,347	65,000	71,198		67,000
Ending Stocks	5,000	12,000	5,000	5,000		5,000
Total Distribution	76,214	85,347	70,000	76,198		72,000

* Production, Consumption, and Stocks measured in metric tons at a 65 Brix equivalent.

Production

Japanese production of orange juice is nil. Japan produces a small amount of oranges (approximately 3,000 metric tons annually) and the majority of oranges are sold fresh.

Consumption

According to the Ministry of Internal Affairs and Communications (MIC), in 2009, Japanese household annual expenditure on fruit/vegetable juice remained similar to last year at $101.32 (8,343 yen). This is the average consumption for two-or-more-person households. Within fruit juice products, orange juice, apple juice and grape juice are among the most popular items among Japanese consumers. Japanese trade reports that approximately 60 percent of orange juice is consumed at home and the rest is consumed at food service locations.

As Japan experienced a record hot summer in 2010, the Japanese trade reports that the 2010 beverage consumption is expected to increase by about 5 percent. However, Japan's orange juice consumption has been on a declining trend since Japanese consumer's preference has shifted toward healthier low or non-sugar beverages such as Japanese green tea, Chinese tea and black tea. Thus, while consumption of low or non-sugar beverages is on the rise, increases in orange juice consumption are expected to be relatively small.

** The exchange rate of 82.34 yen per dollar is based on the Nikkei News quote on November 12, 2010.*

Trade (Imports)

Japan: Imports of orange juice

Marketing year: October-September / Quantity in metric tons (at a 65 Brix equivalent)

	MY 2005/06	MY 2006/07	MY 2007/08	MY 2008/09	MY 2009/10
World	**90,975**	**89,741**	**68,726**	**75,347**	**64,198**
United States	3,523	2,458	2,600	2,776	2,810
Market share:	*4%*	*3%*	*4%*	*4%*	*4%*
Brazil	81,647	81,070	59,377	61,290	52,412
Mexico	2,253	1,798	3,082	5,821	4,774
Belize	299	531	492	1,561	1,843
Israel	278	932	1,324	1,767	846

Italy	644	653	682	908	456
Spain	312	343	212	326	357
Australia	801	794	514	272	246
All other	1,218	1,162	443	626	454

Source: Global Trade Atlas
** Imports of orange juice are the sum of imports for HS codes; 2009.11, 2009.12, and 2009.19.*
*** Global Trade Atlas provides Japanese import statistics for orange juice in kiloliters only. Hence, the following factors were used to convert from kiloliters to metric tons at a 65 Brix equivalent: For concentrated orange juice (FCOJ) 2009.11-290 (frozen) and 2009.19-290 (non frozen), kiloliter is multiplied by 1.3154 to get metric ton, and for single strength orange juice 2009.11-210 (frozen), 2009.12-110(non frozen), and 2009.12-210 (non-frozen), kiloliter is multiplied by 0.1897 to get metric ton at a 65 Brix equivalent.*

In MY2009/10, Japanese total imports of orange juice declined by 15 percent from last season to 64,198 metric tons on a 65 Brix equivalent. The decline largely reflects Japanese consumer's shift to other beverages. In fact, this level of imports is the lowest level in ten years. Changes in consumer preferences were exacerbated by a shortage and continuing decline in shipments of Brazilian orange juice, Japan's biggest supplier. In MY2009/10, as a result of unfavorable orange crops, Brazilian orange juice supply continued below average and declined by 14 percent to 52,412 metric tons on a 65 Brix equivalent. According to industry sources, poor weather conditions in Brazil also affected the quality of the orange juice produced. Specifically, the sugar content was not high enough to meet Japanese manufacturer demand. Historically, Brazil has been the largest supplier of orange juice to Japan, supplying approximately 82 percent of Japan's total imports. Approximately 98 percent of Japanese orange juice imports are Frozen Concentrated Orange Juice (FCOJ) on a 65 Brix equivalent.

Japanese imports of U.S. FCOJ have held steady, maintaining a 4 percent share of Japan's total orange juice imports. In MY2009/10, the United States supplied 2,810 metric tons on a 65 Brix equivalent, a marginal increase from MY2008/09. As Brazilian FCOJ supplies to Japan have been declining in recent years, Japanese importers are beginning to turn their focus to other higher quality orange juice suppliers such as the United States and Mexico.
Mexico has increased its share of the Japanese orange juice market since the implementation of the Mexico-Japan Economic Partnership Agreement (EPA) in 2005. Since then, Mexico's market share has gone from 2 percent to 7 percent. In MY2009/10, Mexico supplied 4,774 metric tons of FCOJ to Japan, an increase of 112 percent since the EPA's implementation. Beginning in 2005, the Japanese in-quota duty for Mexican orange juice was reduced by half of the regular WTO (MFN duty) tariff. For example in 2010, imports of frozen concentrated orange juice (FCOJ) from Mexico—up to 6,200 metric tons— face a duty of 12.75 percent while imports of FCOJ from other sources , including the United States, face the MFN duty rate of 25.5 percent. (See policy section.)

For MY2010/11, post estimates Japanese world imports of orange juice to be approximately between 66,000 to 68,000 metric tons at a 65 Brix equivalent, a slight increase from MY2009/10. The purchasing power of the Japanese yen remains extremely favorable for Japanese buyers. The Japanese trade also reports that the Japanese on-hand orange juice stock has been declining. The favorable exchange rate and lower stocks conditions will likely encourage Japanese traders to increase their imports of orange juice in the coming season.

Prices (Orange Juice)

Japan: Average import price of FCOJ (HS code: 2009.11-290)

Marketing year: October-September
Price in U.S. Dollar (CIF) per kilogram at a 65 Brix equivalent

	MY 2005/06	MY 2006/07	MY 2007/08	MY 2008/09	MY 2009/10
United States	1.76	3.26	3.02	2.36	1.91
Brazil	1.45	2.19	2.10	1.83	1.63
Mexico	1.28	2.21	2.62	1.96	1.76

Source: Global Trade Atlas

CIF prices for frozen concentrated orange juice (FCOJ) in MY2009/10 were down approximately 11 to 21 percent from the MY2008/09 price. Overall, Japanese import prices on orange juice have been declining over the last four years. While the import prices for Brazilian and Mexican orange juice continue to be lower than the price of U.S. orange juice, the gap between prices has narrowed in recent years likely due to a weaker dollar.

Japanese trade reports that the Japanese wholesale price of FCOJ (the price at which Japanese importer sells to beverage manufacturers or other processors) has been declining in the last several years. Yet, since this spring the price has been recovering, following the nation's declining orange juice stocks. The current FCOJ wholesale prices are around $4.25 - $4.62 (350 – 380 yen) per kilogram, marginally up from last year.

In the retail sector, the majority of orange juices are sold under a national brand such as Tropicana, Minute Maid, Bireley's, Dole and Sunkist. Tropicana's Pure Premium orange juice is sold at $4.10 (338 yen) for a 720-mililiter paper-based container much higher compared to $2.26 (198 yen) for a 1000-mililiter last year. Minute Maid 100% orange juice is sold at $1.68 (138 yen) for a 1000-mililiter container, slightly lower price than last year. Similarly, Sunkist's orange juice is sold at $1.34 (110 yen) for a 500-mililiter container. Japanese major supermarkets sell a private brand of 100% orange juice at $1.68 (138 yen) for a 1000-mililiter paper-based container and $0.95 (78 yen) for a 200-mililiter container.

Policy

Japan/Mexico Economic Partnership Agreement (EPA)

Japan/Mexico EPA has been in effect since April 1, 2005. Under this agreement, various agricultural products, including orange juice, enter Japan at a reduced rate. Regarding orange juice specifically, Japan granted Mexico preferential tariff-quotas on all line items and slashed duties by half. In the case of concentrated orange juice, Mexico has enjoyed a preferential tariff-quota since the first year of the EPA's implementation. As agreed, the quota volume, initially 3,850 metric tons, has gradually expanded to 6,200 metric tons in the fifth year of implementation or 2009. In-quota imports face a 12.75 percent tariff while imports exceeding the quota in any given year face Japan's MFN tariff rate of 25.5 percent. Since the EPA's implementation, imports of Mexican orange juice have not exceeded the quota level.

Under the EPA, Mexico also enjoys preferential tariff-quota on single-strength orange juice. The initial quota volume of 750 metric tons (on a 65 Brix equivalent) increased to 1,500 metric tons in 2009. Since 2005, Mexican imports under the quota face a tariff of 10.65 percent or half of the MFN duty. As the 2010 scheduled renegotiation of the EPA tariff concessions has not started, the tariff-quota granted in 2009 will apply until renegotiations take place.

The details of the Japan/Mexico EPA will be found (in Japanese only) at the following MAFF web site:
http://www.maff.go.jp/j/kokusai/renkei/fta_kanren/f_mexico/index.html

Other Policy Issues:

Japan's monitoring and lengthy approval process for chemical residues (MRL) and additives remains a concern for U.S. orange juice traders. Monitoring for MRLs on imports is conducted by the Ministry of Health, Labor and Welfare (MHLW) quarantine offices and local government laboratories. During MY2009/10, there were no major reported disruptions in U.S. orange juice trade to Japan.

The following website will assist you to find MRLs for a certain agricultural chemical:
The Japan Food Chemical Research Foundation
http://www.m5.ws001.squarestart.ne.jp/foundation/search.html

Import Duties (Orange Juice):

Japan: Import Duties 2010

Tariff Code (HS)	Description	Duty Rate (%)*
2009.11-110	Orange juice, frozen, containing added sugar, not more than 10% by weight of sucrose, naturally and artificially contained	25.5%
2009.11-190	Orange juice, frozen, containing added sugar, other	29.8% or 23 yen/kg, whichever is the greater
2009.11-210	Orange juice, frozen, not containing added sugar, not more than 10% by weight of sucrose	21.3%
2009.11-290	Orange juice, frozen, not containing added sugar, other	25.5%
2009.12-110	Orange juice, not frozen, of a Brix value not exceeding 20, containing added sugar, not more than 10% by weight of sucrose, naturally and artificially contained	25.5%
2009.12-	Orange juice, not frozen, of a Brix value not exceeding 20, containing	29.8% or 23 yen/kg,

190	added sugar, other	whichever is the greater
2009.12-210	Orange juice, not frozen, of a Brix value not exceeding 20, not containing added sugar, not more than 10% by weight of sucrose	21.3%
2009.12-290	Orange juice, not frozen, of a Brix value not exceeding 20, not containing added sugar, other	25.5%
2009.19-110	Orange juice, other, containing added sugar, not more than 10% by weight of sucrose, naturally and artificially contained	25.5%
2009.19-190	Orange juice, other, containing added sugar, other	29.8% or 23 yen/kg, whichever is the greater
2009.19-210	Orange juice, other, not containing added sugar, not more than 10% by weight of sucrose	21.3%
2009.19-290	Orange juice, other, not containing added sugar, other	25.5%

Source: Customs Tariff Schedules of Japan 2010
** all duties are charged on a CIF basis*

Lemons

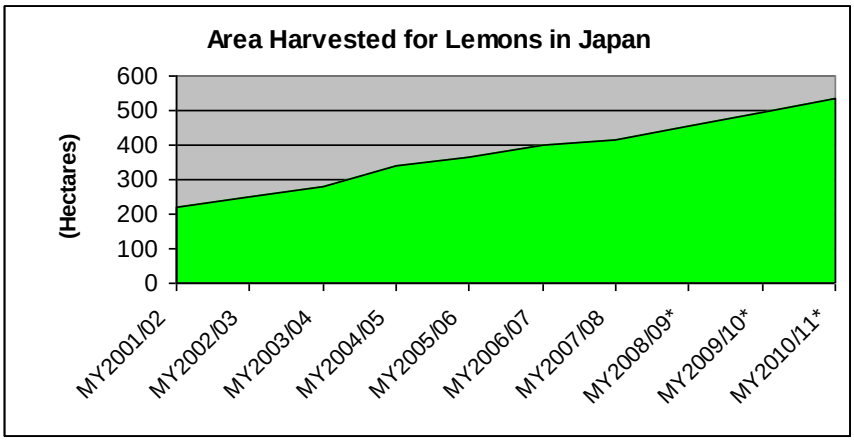
PS&D Table

Lemons/Limes, Fresh Japan	2008/2009		2009/2010		2010/2011	
	Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	470	450	510	490		530
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0
Production	5	6	5	7		8
Imports	52	52	55	53		55
Total Supply	57	58	60	60		63
Exports	0	0	0	0		0

Fresh Dom. Consumption	57	56	60	58		61
For Processing	0	2	0	2		2
Total Distribution	57	58	60	60		63

* Area measured in hectares
# Production, Imports, Exports, and Consumption measured in thousands of metric tons

Production



Source: MAFF
** Post estimate*

Japanese lemon production has been steadily increasing over the last decade. Seeking better returns, a large quantity of Japanese farmers continue to switch away from growing tangerines to lemon production. As a result, the Japanese area harvested for lemons has more than doubled in the last 10 years to approximately 530 hectares. For MY 2010/11 post estimates that Japanese production will reach its highest level on record at 8,000 metric tons. By MY2010/11, the market share for domestic lemons is expected to reach about 13 percent up from 11 percent in MY2009/10. While the quality of domestic lemons is not superior to that of U.S. and Chilean lemons, Japanese consumers tend to believe that domestic product are safer to consume than imports. Typically, Japanese consumers perceive that since they know local farmers better than oversea farmers, domestic produce is more reliable. That being said, in the Japanese current economic conditions the price competitiveness of imported products may still attract more budget-conscious consumers.

Consumption

As fresh lemons are largely consumed by the food service sector as a garnish, Japanese consumption of lemons is relatively stable. Per-household consumption data for lemons is not available. Under the current economic recession, Japanese hotels and restaurants who usually consume a lot of fresh lemons have been trying to reduce their purchasing quantities of food inputs. However, this has not impacted lemon purchases as lemons are considered an essential food items often used as garnish at restaurants and homes.

Trade - Imports

Japan: Imports of fresh lemons & limes

Marketing year: October-September / Quantity in metric tons

	MY 2005/06	MY 2006/07	MY 2007/08	MY 2008/09	MY 2009/10
World	**73,998**	**68,259**	**61,887**	**51,671**	**53,111**
United States	52,986	42,461	37,439	35,613	35,917
Market share:	*72%*	*62%*	*60%*	*69%*	*68%*
Chile	14,487	18,807	18,359	11,649	13,970
Mexico	2,201	2,327	2,076	1,911	1,984
New Zealand	833	1,351	1,196	858	711
South Africa	3,091	2,700	2,591	1,335	416
Australia	15	218	176	293	113
All other	385	395	50	12	0

Source: Global Trade Atlas

Consistent with the increase in domestic supplies and a steady consumption, Japanese world imports of lemons have declined over the last ten years. Despite this general trend, in MY 2009/10 total lemon imports increased by 2.7 percent as the national stock level began to normalize. Economic conditions back in MY2008/09 had prompted a flood in the Japanese market and unexpectedly deterred imports. As the national lemon stock is still getting back to normal levels Japanese traders expect another slight increase in the next season. Hence, for MY2010/11 post estimates total Japanese imports of fresh lemons to be about 55,000 metric tons, slightly higher than MY2009/10.

The United States supplies fresh lemons all year round to the Japanese market, shipping an average of 68 percent of the Japan's total imports. In MY2009/10, imports of U.S. lemons held steady at 35,917 metric tons valued at $54.8 million (on a CIF basis). California lemons harvested in the summer experienced the so-called "re-greening" effect referring to the green color matured lemons get after harvest. As Japanese traders and consumers are not usually keen on selling or buying re-greened lemons this may discouraged further sales of U.S. lemons during this past season.

Chile is also an important supplier of fresh lemons to the Japanese market. Chile's new lemon crop comes to Japan from June through October when the lemon shipments from California are relatively low. In MY2009/10, Chile supplied Japan with 13,970 metric tons of fresh lemons, valued at $15.5 million on a CIF basis. Chile supplies approximately 27 percent of the Japan's total fresh lemon imports.

In MY2009/10, Chilean lemon shipments to Japan ended significantly earlier than Japanese traders expected and this trade situation created a shortage of fresh lemons in the Japanese market during the months of September and October 2010. Traders report that this past summer Argentina, who usually ships a significant volume of fresh lemons to Europe, experienced a short crop and was unable to fulfill European lemon demand. Chile took advantage of this profit opportunity and stepped in to satisfy European demand instead of shipping to the Japanese market. By October 2010, the Japanese fresh lemon stock level dipped creating a shortage in the market and pushing lemons prices upward. In response, Japanese traders made emergency lemon imports from California including some air shipments. As new shipments of U.S. lemon crops are expected to increase gradually in November,

Japanese traders hope prices of fresh lemons will normalize. This could translate into slightly higher U.S. sales in MY2010/11.

Similar to the previous season, in MY2009/10, Mexico supplied 1,984 metric tons of fresh limes to Japan, value at $8.3 million on a CIF basis. Imports from Mexico for HS code 080550 (fresh lemons and limes) are all fresh limes. In MY2009/10, Japanese imports of South African fresh lemons continued a seven-year decline and plunged to 416 metric tons, a 64 percent drop from the previous season and the lowest level on record. According to Japanese traders, South Africa experienced a poor lemon crop due as a result of bad weather conditions. Overall South African lime exports to the world during this season appear to have fallen below average. In MY2009/10 Japanese lemon imports from other smaller suppliers such as New Zealand and Australia also declined.

Prices:

Japan: Fresh Lemon Prices - Import, Wholesale, Retail

Import CIF Prices*	*(US $/KG)*	**Wholesale Prices****	*(Yen/KG)*	**Retail Prices*****	*(Yen/KG)*
2009		2009		2009	
October	$1.53	October	¥234	October	¥557
November	$1.69	November	¥195	November	¥537
December	$1.56	December	¥177	December	¥506
2010		2010		2010	
January	$1.50	January	¥190	January	¥495
February	$1.56	February	¥195	February	¥494
March	$1.65	March	¥191	March	¥507
April	$1.63	April	¥212	April	¥514
May	$1.63	May	¥223	May	¥521
June	$1.61	June	¥210	June	¥512
July	$1.35	July	¥212	July	¥527
August	$1.24	August	¥218	August	¥540
September	$1.45	September	¥214	September	¥548
Source: GTA		*Source: MAFF*		*Source: MIC*	

* Import prices are average import CIF prices.

** Wholesale prices are average wholesale prices at the major wholesale markets.

*** Retail prices are average retail prices in the Metro Tokyo area.

Policy:

Japanese MRL Issues:

In Japan, the Ministry of Health, Labor and Welfare (MHLW) quarantine officials check for chemical residues on imported products through regular monitoring tests at the port of entry. In addition, imported crops, along with domestically produced crops, are also monitored at the retail level by local government laboratories. Currently, no chemical maximum residue limits (MRL) violations have been found in imports of fresh U.S. lemons. MRL violations can be found in the following MHLW website: http://www.mhlw.go.jp/topics/yunyu/ihan/index.html

The following website will assist you to find MRL for a certain agricultural chemical: The Japan Food Chemical Research Foundation http://www.m5.ws001.squarestart.ne.jp/foundation/search.html

As for plant quarantine issues, no major trade disruptions have been reported in fresh U.S. lemon trade to Japan.

Import Duties:

Japan: Import Duties 2010

Tariff Code (HS)	Description	Duty Rate (%)*
0805.50-010	Fresh Lemon	Free

Source: Customs Tariff Scedules of Japan 2010
** all duties are charged on a CIF basis*