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Japan

Grain and Feed Annual

Grain and Feed Annual 2013

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Report Highlights:
With little commercial production of feed grains domestically, Japan's feed industry relies almost entirely on imported grains. Corn is the most important commodity by far, traditionally taking up 50 percent of feed ingredients. For decades, the United States has provided over 90 percent of import supplies of corn to Japan. The sharp rise in U.S. corn price this season, largely a result of last summer's drought, has led Japan to: 1) shift the supply source increasingly to South American and East European countries; 2) decrease the ratio of corn used in feed and increase that of non-conventional grains such as rice, wheat, and sorghum; and 3) enact subsidies to absorb surges in the overall price of feed.

OVERALL MARKET SITUATION

With very little commercial production of feed grains domestically, Japan's feed industry relies almost entirely on imported grains. Therefore, the rise in international feed grain prices directly affects the cost of feed manufacturing. Corn is the most important crop, which ordinarily makes up about half of all feed ingredients. To cope with the sharp rise in U.S. corn prices since the summer of 2012, Japan has made the following adjustments:

1. Shift the supply source increasingly to South American and East European countries;
2. Decrease the ratio of corn used in compound feed, and increase that of non-conventional grains such as rice, wheat, and sorghum;
3. Enact subsidies to absorb surges in the overall price of compound feed.

Ordinarily, Japan imports over 90 percent of its corn supply from the United States. However, since September 2012, imports from Brazil have been rising sharply and in December surpassed imports from the United States. Imports from Argentina and the Ukraine are also notable.

Table 1: Japan's Imports of Corn in Recent Months

Japan Import Statistics Commodity: Corn Total,							
Monthly Series: 07/2012 - 12/2012							
		Quantity					
Partner Country	Unit	07/2012	08/2012	09/2012	10/2012	11/2012	12/2012
World	MT	1167965	1154017	1126806	1175121	1288080	1335811
Brazil	MT	0	0	156114	387912	562006	681096
United States	MT	934970	936459	826049	708380	700814	580862
Argentina	MT	126079	117177	115282	77170	12857	37796
Ukraine	MT	58013	78926	21373	650	0	31754
Australia	MT	326	1499	2175	213	1523	3728
India	MT	170	337	610	390	217	351
Indonesia	MT	340	402	234	231	337	169
Belgium	MT	29	48	47	31	26	27
Peru	MT	33	38	33	76	152	16
Taiwan	MT	19	19	0	17	22	12
Other	MT	47986	19112	4889	51	10126	0

The table below shows a detailed breakdown of the feed ingredient utilization ratio. The ratio of corn, normally almost 50 percent, has now declined to the lower 40 percent range. Instead, utilization of rice, wheat, and sorghum has advanced.

Table 2: Feed Utilization by Ingredients (Unit: MT)

Japan Fiscal Year (April-March)	Corn	Sorghum	Wheat	Wheat Flour	Barley	Rice	Rye	Other Grains	DDGS	Non-grain Ingredients	TOTAL
2002	12,037,262	1,683,412	113,821	121,437	725,978	69,185	337,944	117,254	NA	9,240,205	24,446,498
	49.2%	6.9%	0.5%	0.5%	3.0%	0.3%	1.4%	0.5%		37.8%	100.0%
2003	12,384,237	1,499,279	123,369	127,500	744,537	13,464	359,704	120,310	NA	9,282,579	24,654,979
	50.2%	6.1%	0.5%	0.5%	3.0%	0.1%	1.5%	0.5%		37.6%	100.0%
2004	11,853,348	1,395,749	90,306	127,382	770,921	285,932	259,442	123,399	NA	9,062,877	23,969,356
	49.5%	5.8%	0.4%	0.5%	3.2%	1.2%	1.1%	0.5%		37.8%	100.0%
2005	11,894,303	1,335,574	101,539	122,738	792,159	325,605	233,518	119,150	NA	9,228,722	24,153,308
	49.2%	5.5%	0.4%	0.5%	3.3%	1.3%	1.0%	0.5%		38.2%	100.0%
2006	12,017,330	1,280,438	103,640	129,212	826,682	425,942	219,254	126,810	NA	9,291,274	24,420,582
	49.2%	5.2%	0.4%	0.5%	3.4%	1.7%	0.9%	0.5%		38.0%	100.0%
2007	12,005,863	1,137,809	95,075	131,695	859,952	557,571	152,506	143,979	NA	9,434,064	24,518,514
	49.0%	4.6%	0.4%	0.5%	3.5%	2.3%	0.6%	0.6%		38.5%	100.0%
2008	12,059,732	1,240,344	111,597	145,387	859,024	468,000	60,739	153,138	NA	9,449,421	24,547,382
	49.1%	5.1%	0.5%	0.6%	3.5%	1.9%	0.2%	0.6%		38.5%	100.0%
2009	11,908,859	1,722,923	164,014	136,567	911,019	256,020	53,924	145,614	NA	9,554,496	24,853,436
	47.9%	6.9%	0.7%	0.5%	3.7%	1.0%	0.2%	0.6%		38.4%	100.0%
2010	11,614,834	1,464,181	223,429	135,379	901,680	401,463	103,389	152,545	219,189	9,321,592	24,537,681
	47.3%	6.0%	0.9%	0.6%	3.7%	1.6%	0.4%	0.6%	0.9%	38.0%	100.0%
2011	10,935,808	1,413,787	402,609	151,537	878,047	652,573	74,028	149,393	362,970	9,218,996	24,239,748
	45.1%	5.8%	1.7%	0.6%	3.6%	2.7%	0.3%	0.6%	1.5%	38.0%	100.0%
2012/April	866,024	107,035	63,322	12,323	72,356	52,073	2,228	12,258	30,270	753,090	1,970,979
	43.9%	5.4%	3.2%	0.6%	3.7%	2.6%	0.1%	0.6%	1.5%	38.2%	100.0%
May	896,391	116,076	74,770	12,679	74,791	54,375	1,859	12,838	33,821	774,982	2,052,582
	43.7%	5.7%	3.6%	0.6%	3.6%	2.6%	0.1%	0.6%	1.6%	37.8%	100.0%
June	856,194	112,764	77,251	12,391	72,922	51,633	1,479	12,981	32,862	744,751	1,975,228
	43.3%	5.7%	3.9%	0.6%	3.7%	2.6%	0.1%	0.7%	1.7%	37.7%	100.0%
July	815,373	121,235	77,458	12,394	71,828	41,288	1,313	11,048	33,077	715,291	1,900,305
	42.9%	6.4%	4.1%	0.7%	3.8%	2.2%	0.1%	0.6%	1.7%	37.6%	100.0%
Aug	834,063	125,722	83,348	13,338	74,077	40,633	1,363	11,600	34,602	736,447	1,955,193
	42.7%	6.4%	4.3%	0.7%	3.8%	2.1%	0.1%	0.6%	1.8%	37.7%	100.0%
Sept	811,957	125,296	84,902	12,765	70,499	40,676	1,239	11,311	34,409	717,714	1,910,768
	42.5%	6.6%	4.4%	0.7%	3.7%	2.1%	0.1%	0.6%	1.8%	37.6%	100.0%
2012 April-Sept	5,080,002	708,128	461,051	75,890	436,473	280,678	9,481	72,036	199,041	4,442,275	11,765,055
	43.2%	6.0%	3.9%	0.6%	3.7%	2.4%	0.1%	0.6%	1.7%	37.8%	100.0%

Source: Feed Supply Stabilization Organization

Table 3: Feed Utilization by Ingredients and Use in Japan Fiscal Year 2011 (April 2011-March 2012, Unit: MT))

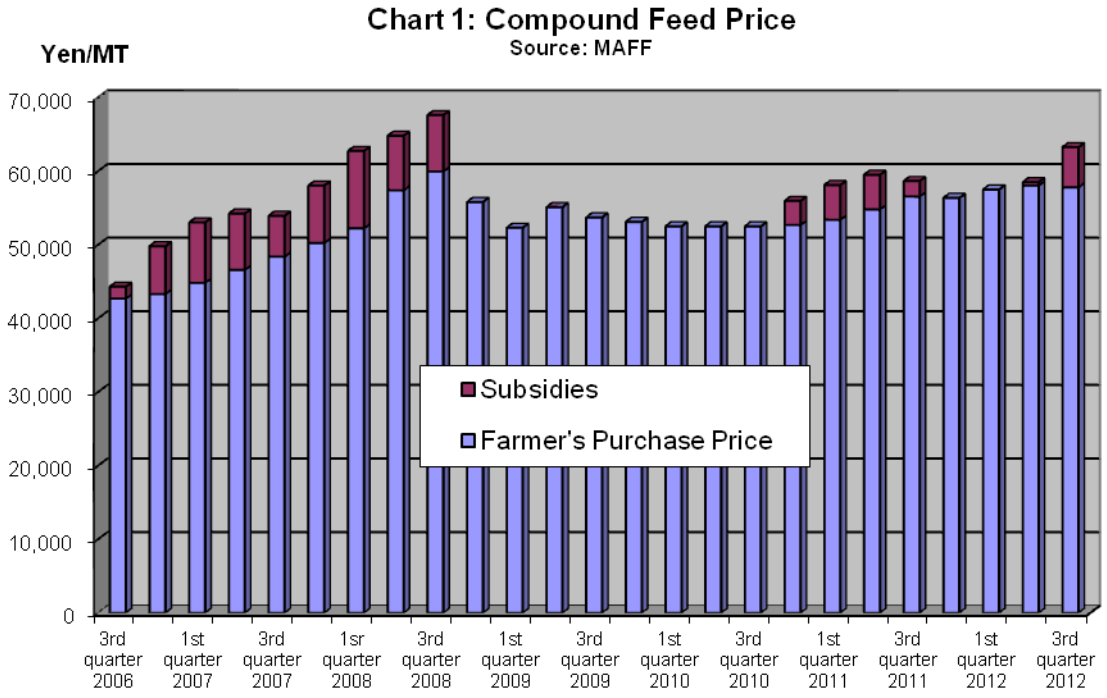
Corn	Sorghum	Wheat	Wheat Flour	Barley	Rice	Rye	Other Grains	DDGS	Grain Total	Non-grain Ingredients	Total
Layer											
3,052,050	197,495	29,256	4,160	118	224,550	0	5,192	193,169	3,705,990	2,582,086	6,288,076
48.5%	3.1%	0.5%	0.1%	0.0%	3.6%	0.0%	0.1%	3.1%	58.9%	41.1%	100.0%
Broiler											
1,617,793	541,766	27,858	10,740	580	208,328	242	7,670	36,438	2,451,415	1,440,472	3,891,887
41.6%	13.9%	0.7%	0.3%	0.0%	5.4%	0.0%	0.2%	0.9%	63.0%	37.0%	100.0%
Poultry Total											
4,669,843	739,261	57,114	14,900	698	432,878	242	12,862	229,607	6,157,405	4,022,558	10,179,963
45.9%	7.3%	0.6%	0.1%	0.0%	4.3%	0.0%	0.1%	2.3%	60.5%	39.5%	100.0%
Dairy Cattle											
1,322,762	13,140	58,477	28,298	53,909	44,357	13,953	21,932	58,723	1,615,551	1,493,674	3,109,225
42.5%	0.4%	1.9%	0.9%	1.7%	1.4%	0.4%	0.7%	1.9%	52.0%	48.0%	100.0%
Beef Cattle											
1,759,067	53,295	61,577	45,896	737,166	23,461	9,650	18,092	22,215	2,730,419	1,744,307	4,474,726
39.3%	1.2%	1.4%	1.0%	16.5%	0.5%	0.2%	0.4%	0.5%	61.0%	39.0%	100.0%
Cattle Total											
3,081,829	66,435	120,054	74,194	791,075	67,818	23,603	40,024	80,938	4,345,970	3,237,981	7,583,951
40.6%	0.9%	1.6%	1.0%	10.4%	0.9%	0.3%	0.5%	1.1%	57.3%	42.7%	100.0%
Swine											
2,945,574	604,165	217,357	59,722	70,264	151,364	48,465	82,923	48,177	4,228,011	1,801,687	6,029,698
48.9%	10.0%	3.6%	1.0%	1.2%	2.5%	0.8%	1.4%	0.8%	70.1%	29.9%	100.0%
Feed, other											
18,421	2,591	164	1,759	1,625	55	0	1,058	6	25,679	28,242	53,278
34.6%	4.9%	0.3%	3.3%	3.1%	0.1%	0.0%	2.0%	0.0%	48.2%	53.0%	100.0%
Compound Feed Total											
10,715,667	1,412,452	394,689	150,575	863,662	652,115	72,310	136,867	358,728	14,757,065	9,090,468	23,846,890
44.9%	5.9%	1.7%	0.6%	3.6%	2.7%	0.3%	0.6%	1.5%	61.9%	38.1%	100.0%
Mixed Feed											
220,141	1,335	7,920	962	14,385	458	1,718	12,526	4,242	263,687	129,171	392,858
56.0%	0.3%	2.0%	0.2%	3.7%	0.1%	0.4%	3.2%	1.1%	67.1%	32.9%	100.0%
Feed Total											
10,935,808	1,413,787	402,609	151,537	878,047	652,573	74,028	149,393	362,970	15,020,752	9,218,996	24,239,748
45.1%	5.8%	1.7%	0.6%	3.6%	2.7%	0.3%	0.6%	1.5%	62.0%	38.0%	100.0%

Source: Feed Supply Stabilization Organization

Japan has a feed price stabilization program, whereby the combination of a subsidy by the Ministry of Agriculture, Forestry and Fisheries (MAFF) and an industry fund help absorb sudden surges in the compound feed price. It is activated when the import cost of ingredients in a particular quarter exceeds the average import cost of ingredients in the previous year. As the

following graph shows, during the most recent quarter (October-December 2012), compound feed prices increased by 4,750 yen per metric ton, from 58,500 yen to 63,250 yen. The subsidy entirely absorbed this increase.

As a result of these adjustments, Japan's feed production continues to be highly stable, with an annual output of approximately 24 million metric tons.



COMMODITY REPORT

RICE

Production Up 1.4 Percent

As a result of a slight increase in planted area and a favorable yield due to an absence of inclement weather conditions throughout the growing season, overall rice production volume increased 1.4 percent over the previous year. Post expects that the bullish 2012 wholesale price, explained in the following price section, should encourage increased planting in 2013. However, given the average yield of the past five years, total production volume is forecast downward at 8,484,000 metric tons (MT), which converts to 7,720,000 MT on a milled basis.

Table 4: Japan's Rice Production (Brown Basis)

	Planted Area (1,000 hectares)			Production (1,000 metric tons)				Yield/10 ares (kilograms)	
	Total	Paddy	Upland	Total	Total, Milled	Paddy	Upland	Paddy	Upland
2008	1,627	1,624	3	8,823	8,029	8,815	8	543	265
2009	1,624	1,621	3	8,474	7,711	8,466	8	522	276
2010	1,628	1,625	3	8,483	7,720	8,478	5	522	189
2011	1,576	1,574	2	8,402	7,646	8,397	5	522	220
2012	1,581	1,579	2	8,523	7,756	8,519	4	540	172
*2013	1,602	1,600	2	8,484	7,720	8,480	4	530	224

Source: MAFF

*FAS/Tokyo forecast

Overall Consumption Remains Sluggish and Chronic Surplus Continues

Per capita consumption of rice in Japan has been steadily declining since its peak in 1962, and finally went below the 60 KG mark in 2008. MAFF forecasts the aggregate table rice demand for 2012/13 to be nearly 8 million metric tons (MMT). The 2012 harvest of 8.5 MMT is expected to add approximately 0.5 MMT to stocks. In order to reduce the surplus rice supply, MAFF has been pushing rice into the feed sector where the utilization ratio of rice in compound and mixed feed increased from 0.1 percent (or 13,464 MT) in 2003 to 2.3 percent (or 557,571 MT) in 2007 (Table 2). The feed use of rice declined to 468,000 MT in 2008 and to 256,020 MT in 2009. It appeared that incentive to use feed rice, as opposed to conventional feed grains, had diminished. However, as coarse grain prices started to surge once again, feed millers returned to rice in 2010/2011 and rice utilization in feed recovered to 401,463 MT and 652,573 MT in 2011/2012. For table rice, the four-decade downward trend in consumption is not expected to be reversed, given the demographic situation depicted in Chart 3, where Japan's population started declining in 2006, earlier than previously forecast. It is aging rapidly, and one out of four Japanese will be older than 65 by 2015. In addition, bread consumption has taken dietary share from rice as a main source of carbohydrate as Japanese tastes have increasingly shifted to more Western diets. (See Table 6.)

Table 5: Annual Per Capita Consumption of Rice in Japan (Kilograms)

1962	1965	1975	1985	1995	2005	2008	2009	2010	*2011
118.3	111.7	88.0	74.6	67.8	61.4	59.0	58.5	59.5	57.8

*Preliminary
Source: MAFF

Chart 2: Use of Rice in Feed
Source: Feed Supply Stabilization Organization

Year: Japan Fiscal Year (April-March)

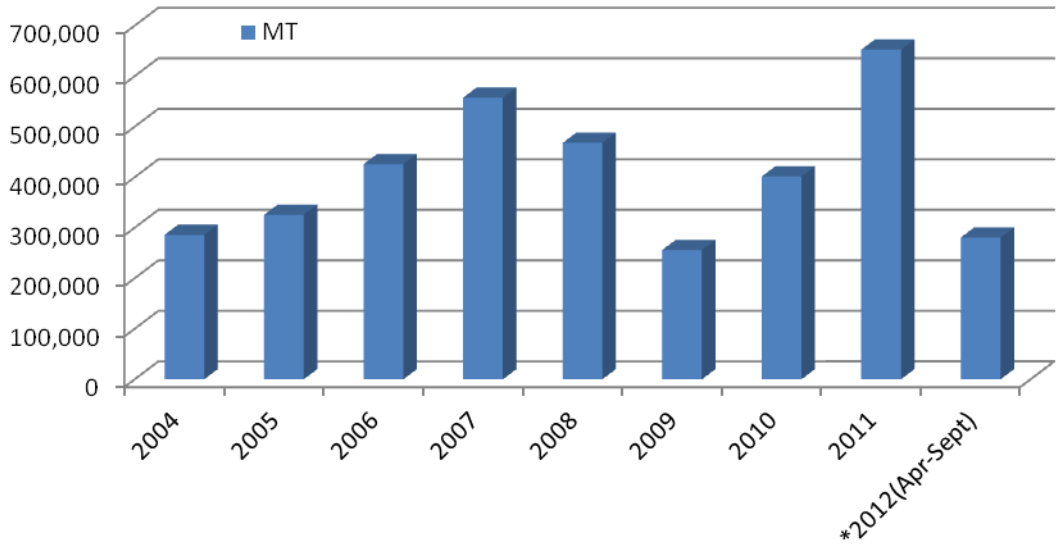
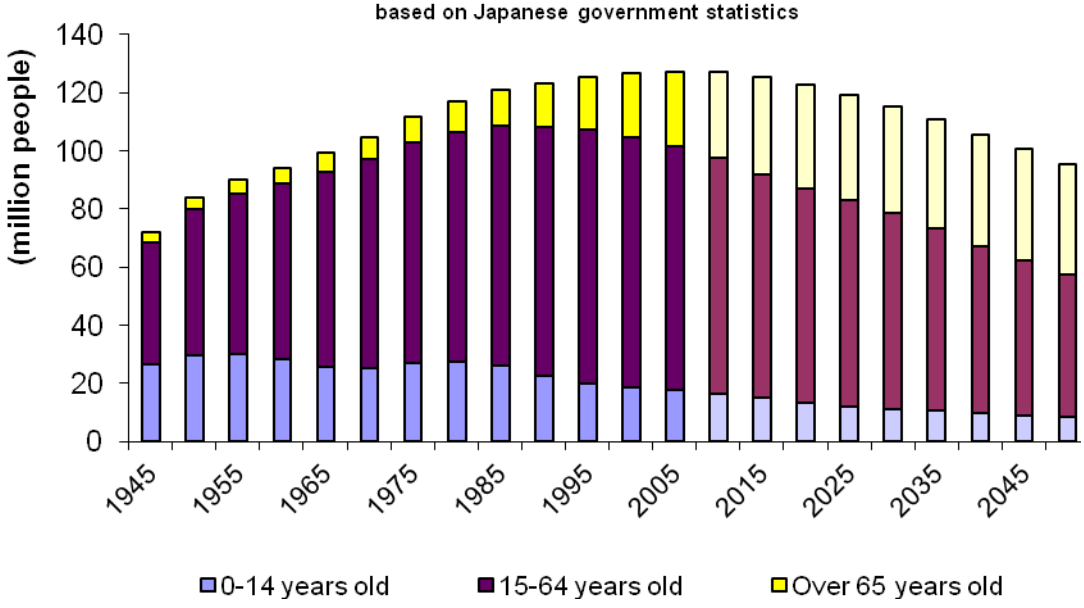


Chart 3: Japan's Past Demographic Trends and Future Forecast
Source: Compiled by AgAffairs/Tokyo
based on Japanese government statistics



As a result of a reduction in rice consumption, as well as a decline in retail price over the years, household expenditures on rice have been cut by more than half during the last two decades.

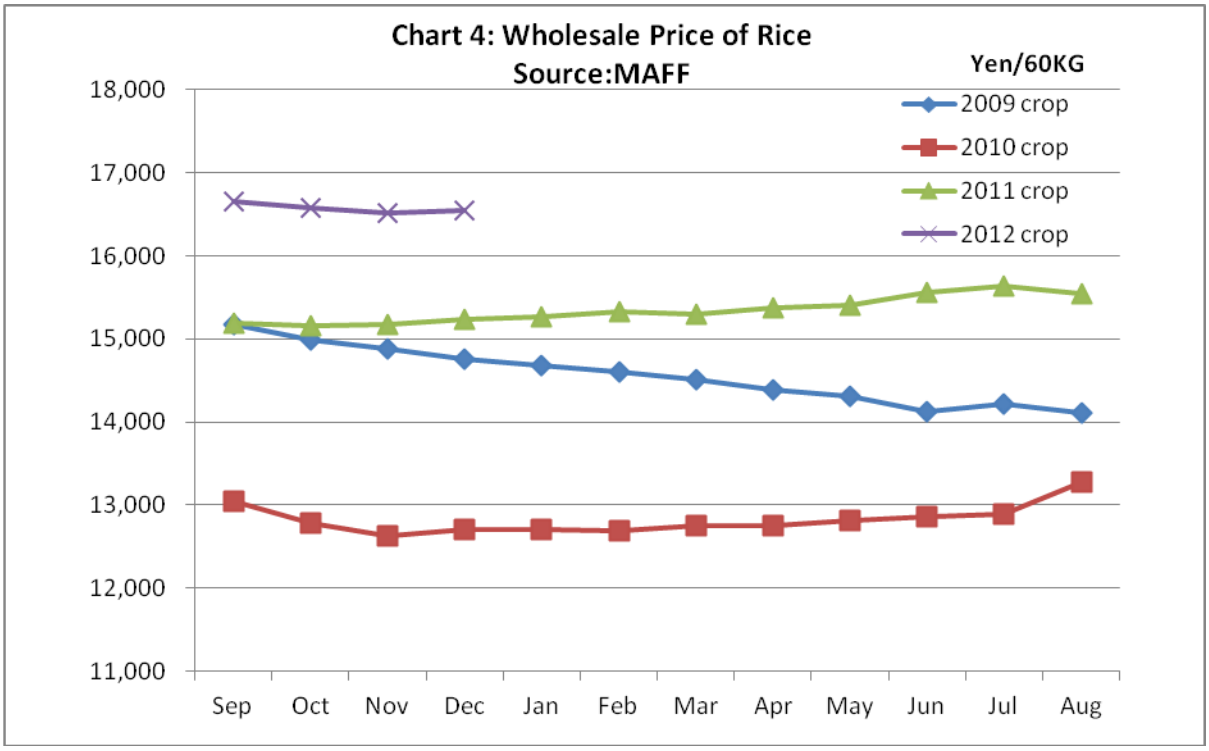
Table 6: Average Monthly Expenditures on Rice and Bread by Japanese Household (in Yen)

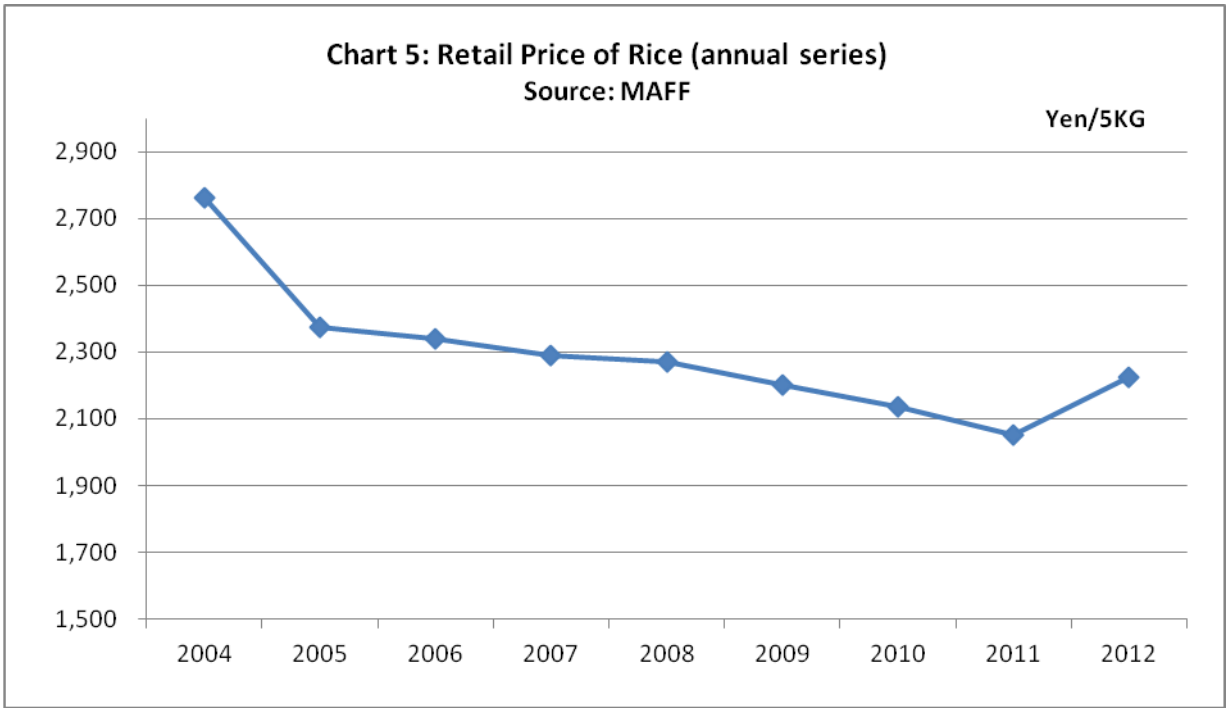
	2000	2007	2008	2009	2010	2011	2012
Total Expenditure	317,328	297,782	296,932	291,737	290,244	282,966	282,966
Food Expenditure	73,954	68,536	69,001	68,322	67,563	66,904	66,904
% Food/Total	23.3%	23.0%	23.2%	23.4%	23.3%	23.6%	23.6%
Expenditure on Rice	3,243	2,467	2,485	2,419	2,276	2,193	2,290
% Rice/Food	4.4%	3.6%	3.6%	3.5%	3.4%	3.3%	3.4%
Expenditure on Bread	2,267	2,230	2,318	2,376	2,316	2,323	2,320
% Bread/Food	3.1%	3.3%	3.4%	3.5%	3.4%	3.5%	3.5%

Source: Ministry of Management, Home Affairs, Post and Telecommunications

Wholesale Price of 2012 Crop Starts above 2011 Level; Retail Price Rebounds

The charts below show the wholesale and retail price trends. Following the Great East Japan Earthquake of March 2011, there was some consumer hoarding of rice for emergency household stocks. Then, the radiation scare caused by the Fukushima Daiichi Nuclear Power Plant failure and subsequent detection of radionuclides above the regulatory limit in rice harvested near the nuclear power plant drove up the wholesale price. The price for the 2011 crop stayed above 15,000 yen per 60 kilograms throughout 2012. As the farmers and farmers' cooperatives are reportedly hesitant to release the new crop in the hope of sustaining this strong price, the wholesale price for the 2012 crop started even higher than the 2011 level. Given the larger overall volume of production in 2012, Post's trade sources see this situation as artificial, in that there is an abundant supply of rice given the 2012 harvest size. As mentioned in the previous section, the chronic over-supply situation continues, and market forces are expected to put downward pressure on both the wholesale and retail prices.





Japan Expected to Meet Import Commitment in 2012

As of February 27, 2012, four Simultaneous Buy and Sell (SBS) tenders and eleven Ordinary Minimum Access (OMA) tenders had been held for the current Japan Fiscal Year 2012 (April 2012-March 2013). Every year, Japan is expected to fulfill its WTO commitment of importing 682,000 MT (milled rice basis). Due to the tight supply of domestic rice, even

though speculative in nature, Japanese importers/wholesalers have been participating in SBS tenders more actively since 2011.

While SBS rice goes to retailers and foodservice users and is consumed as table rice, OMA rice does not enter the table rice market. Including the OMA rice taken out for the government reserve (refer to Table 8 below), Post estimates that, on an annual basis, between 200,000 and 300,000 metric tons are turned into rice flour and used by food processors, mainly in the confectionery sector; between 300,000 and 400,000 tons are consumed by feed millers; and between 100,000 and 200,000 tons are re-exported under food aid programs.

Table 7: Historic Results of Japan's Minimum Access Rice Tenders (JFY 1995-2012, Unit: MT)

	U.S.	Thailand	Australia	China	Others	Total
JFY 2012 (as of February 27, 2013)						
SBS	40,974	4,870	23,873	28,164	2,119	100,000
Share	*41.0%*	*4.9%*	*23.9%*	*28.2%*	*2.1%*	*100.0%*
OMA	281,000	188,539	35,000	13,000	5,000	522,539
Share	*53.8%*	*36.1%*	*6.7%*	*2.5%*	*1.0%*	*100.0%*
Total	321,974	193,409	58,873	41,164	7,119	622,539
Share	*51.7%*	*31.1%*	*9.5%*	*6.6%*	*1.1%*	*100.0%*
JFY 2011						
SBS	23,928	7,822	16,134	51,095	1,021	100,000
Share	*23.9%*	*7.8%*	*16.1%*	*51.1%*	*1.0%*	*100.0%*
OMA	295,000	206,761	49,000	0	30,000	580,761
Share	*50.8%*	*35.6%*	*8.4%*	*0.0%*	*5.2%*	*100.0%*
Total	318,928	214,583	65,134	51,095	31,021	680,761
Share	*46.8%*	*31.5%*	*9.6%*	*7.5%*	*4.6%*	*100.0%*
JFY 2010						
SBS	22,210	11,010	0	3,468	538	37,226
Share	*59.7%*	*29.6%*	*0.0%*	*9.3%*	*1.4%*	*100.0%*
OMA	295,000	296,482	36,000	13,000	0	640,482
Share	*46.1%*	*46.3%*	*5.6%*	*2.0%*	*0.0%*	*100.0%*
Total	317,210	307,492	36,000	16,468	538	677,708
Share	*46.8%*	*45.4%*	*5.3%*	*2.4%*	*0.1%*	*100.0%*
JFY 2009						
SBS	22,191	13,628	0	63,835	346	100,000
Share	*22.2%*	*13.6%*	*0.0%*	*63.8%*	*0.3%*	*100.0%*
OMA	296,500	283,710	0	0	0	580,210
Share	*51.1%*	*48.9%*	*0.0%*	*0.0%*	*0.0%*	*100.0%*
Total	318,691	297,338	0	63,835	346	680,210
Share	*46.9%*	*43.7%*	*0.0%*	*9.4%*	*0.1%*	*100.0%*
JFY 2008						
SBS	18,652	15,548	0	65,254	546	100,000
Share	*18.7%*	*15.5%*	*0.0%*	*65.3%*	*0.5%*	*100.0%*
OMA	364,000	217,000	0	0	0	581,000
Share	*62.7%*	*37.3%*	*0.0%*	*0.0%*	*0.0%*	*100.0%*
Total	382,652	232,548	0	65,254	546	681,000
Share	*56.2%*	*34.1%*	*0.0%*	*9.6%*	*0.1%*	*100.0%*
JFY 2007						
SBS	24,629	1,506	0	73,456	409	100,000
Share	*24.6%*	*1.5%*	*0.0%*	*73.5%*	*0.4%*	*100.0%*
OMA	294,550	215,000	0	0	7,000	516,550
Share	*57.0%*	*41.6%*	*0.0%*	*0.0%*	*1.4%*	*100.0%*
Total	319,179	216,506	0	73,456	7,409	616,550
Share	*51.8%*	*35.1%*	*0.0%*	*11.9%*	*1.2%*	*100.0%*
JFY 2006						
SBS	22,566	1,048	7,535	68,013	838	100,000
Share	*22.6%*	*1.0%*	*7.5%*	*68.0%*	*0.8%*	*100.0%*
OMA	296,316	158,050	39,000	0	85,050	578,416
Share	*51.2%*	*27.3%*	*6.7%*	*0.0%*	*14.7%*	*100.0%*
Total	318,882	159,098	46,535	68,013	85,888	678,416
Share	*47.0%*	*23.5%*	*6.9%*	*10.0%*	*12.7%*	*100.0%*
JFY 2005						
SBS	17,894	1,784	4,084	75,684	554	100,000
Share	*18.2%*	*1.1%*	*1.6%*	*78.8%*	*0.3%*	*100.0%*
OMA	304,000	163,500	13,000	0	98,078	578,578
Share	*52.2%*	*23.6%*	*13.7%*	*3.4%*	*7.1%*	*100.0%*

Total	321,894	165,284	17,084	75,684	98,632	678,578
Share	*47.4%*	*24.4%*	*2.5%*	*11.2%*	*14.5%*	*100.0%*
JFY 2004						
SBS	23,413	1,211	4,658	63,877	829	93,988
Share	*24.9%*	*1.3%*	*5.0%*	*68.0%*	*0.9%*	*100.0%*
OMA	298,500	163,300	13,000	24,000	85,944	584,744
Share	*51.0%*	*27.9%*	*2.2%*	*4.1%*	*14.7%*	*100.0%*
Total	321,913	164,511	17,658	87,877	86,773	678,732
Share	*47.4%*	*24.2%*	*2.6%*	*12.9%*	*12.8%*	*100.0%*
JFY 2003						
SBS	18,216	1,145	1,570	78,803	266	100,000
Share	*18.2%*	*1.1%*	*1.6%*	*78.8%*	*0.3%*	*100.0%*
OMA	298,000	134,700	78,400	19,500	40,500	571,100
Share	*52.2%*	*23.6%*	*13.7%*	*3.4%*	*7.1%*	*100.0%*
Total	316,216	135,845	79,970	98,303	40,766	671,100
Share	*47.1%*	*20.2%*	*11.9%*	*14.6%*	*6.1%*	*100.0%*
JFY 2002						
SBS	20,122	1,327	4,077	24,247	294	50,067
Share	*40.2%*	*2.7%*	*8.1%*	*48.4%*	*0.6%*	*100.0%*
OMA	301,676	134,808	82,500	75,690	34,800	629,474
Share	*47.9%*	*21.4%*	*13.1%*	*12.0%*	*5.5%*	*100.0%*
Total	321,798	136,135	86,577	99,937	35,094	679,541
Share	*47.4%*	*20.0%*	*12.7%*	*14.7%*	*5.2%*	*100.0%*
JFY 2001						
SBS	25,173	421	8,529	65,702	175	100,000
Share	*25.2%*	*0.4%*	*8.5%*	*65.7%*	*0.2%*	*100.0%*
OMA	298,877	129,376	91,500	55,516	4,700	579,969
Share	*51.5%*	*22.3%*	*15.8%*	*9.6%*	*0.8%*	*100.0%*
Total	324,050	129,797	100,029	121,218	4,875	679,969
Share	*47.7%*	*19.1%*	*14.7%*	*17.8%*	*0.7%*	*100.0%*
JFY 2000						
SBS	46,273	4,960	14,269	53,264	1,234	120,000
Share	*38.6%*	*4.1%*	*11.9%*	*44.4%*	*1.0%*	*100.0%*
OMA	284,000	144,370	94,000	35,000	15,669	573,039
Share	*49.6%*	*25.2%*	*16.4%*	*6.1%*	*2.7%*	*100.0%*
Total	330,273	149,330	108,269	88,264	16,903	693,039
Share	*47.7%*	*21.5%*	*15.6%*	*12.7%*	*2.4%*	*100.0%*
JFY 1999						
SBS	36,826	3,753	14,587	62,611	2,223	120,000
Share	*30.7%*	*3.1%*	*12.2%*	*52.2%*	*1.9%*	*100.0%*
OMA	276,000	138,200	90,000	13,900	15,000	533,100
Share	*51.8%*	*25.9%*	*16.9%*	*2.6%*	*2.8%*	*100.0%*
Total	312,826	141,953	104,587	76,511	17,223	653,100
Share	*47.9%*	*21.7%*	*16.0%*	*11.7%*	*2.6%*	*100.0%*
JFY 1998						
SBS	36,498	5,297	14,538	61,965	1,702	120,000
Share	*30.4%*	*4.4%*	*12.1%*	*51.6%*	*1.4%*	*100.0%*
OMA	265,400	130,000	87,000	10,000	20,000	512,400
Share	*51.8%*	*25.4%*	*17.0%*	*2.0%*	*3.9%*	*100.0%*
Total	301,898	135,297	101,538	71,965	21,702	632,400
Share	*47.7%*	*21.4%*	*16.1%*	*11.4%*	*3.4%*	*100.0%*
JFY 1997						
SBS	34,657	911	3,159	13,882	2,532	55,141
Share	*62.9%*	*1.7%*	*5.7%*	*25.2%*	*4.6%*	*100.0%*
OMA	237,900	133,900	82,400	30,000	5,000	489,200
Share	*48.6%*	*27.4%*	*16.8%*	*6.1%*	*1.0%*	*100.0%*
Total	272,557	134,811	85,559	43,882	7,532	544,341
Share	*50.1%*	*24.8%*	*15.7%*	*8.1%*	*1.4%*	*100.0%*
JFY 1996						

SBS	14,134	360	1,173	5,113	1,220	22,000
Share	*64.2%*	*1.6%*	*5.3%*	*23.2%*	*5.5%*	*100.0%*
OMA	201,000	127,650	80,000	35,000	0	443,650
Share	*45.3%*	*28.8%*	*18.0%*	*7.9%*	*0.0%*	*100.0%*
Total	215,134	128,010	81,173	40,113	1,220	465,650
Share	*46.2%*	*27.5%*	*17.4%*	*8.6%*	*0.3%*	*100.0%*
JFY 1995						
SBS	5,715	246	1,935	2,390	408	10,694
Share	*53.4%*	*2.3%*	*18.1%*	*22.3%*	*3.8%*	*100.0%*
OMA	188,000	95,100	85,000	30,000	0	398,100
Share	*47.2%*	*23.9%*	*21.4%*	*7.5%*	*0.0%*	*100.0%*
Total	193,715	95,346	86,935	32,390	408	408,794
Share	*47.4%*	*23.3%*	*21.3%*	*7.9%*	*0.1%*	*100.0%*

Source: MAFF

Stocks

MAFF holds emergency stocks of rice, the level of which is targeted at 1 million MT. However, this does not include stocks of the OMA rice. As shown below, stocks of domestic rice have been reduced over the years, and since 2004 have been below the targeted level, subsequent to a poor crop in 2003. However, the Great East Japan Earthquake of 2011 triggered an effort to renew government stocks of rice, leading to an increase in stock levels in 2012. MAFF has been selling OMA rice aggressively into the feed sector for the last several years, running down the stock level from its 2006 peak. As mentioned in the previous section, Post estimates 300,000 to 400,000 metric tons of OMA rice are now going into the feed sector.

Table 8: Japan's Rice Reserve (Unit: MT)

		Government		
	Commercial	Domestic	OMA rice	Total
1995	370,000	1,180,000	0	1,550,000
1996	390,000	2,240,000	310,000	2,940,000
1997	850,000	2,670,000	390,000	3,910,000
1998	470,000	2,970,000	420,000	3,860,000
1999	220,000	2,330,000	440,000	2,990,000
2000	110,000	1,620,000	560,000	2,290,000
2001	370,000	1,760,000	750,000	2,880,000
2002	460,000	1,550,000	950,000	2,960,000
2003	130,000	1,310,000	1,270,000	2,710,000
2004	20,000	570,000	1,480,000	2,070,000
2005	0	710,000	1,700,000	2,410,000
2006	0	680,000	1,890,000	2,570,000
2007	0	770,000	1,520,000	2,290,000
2008	0	990,000	970,000	1,960,000
2009	0	860,000	950,000	1,810,000
2010	0	980,000	880,000	1,860,000
2011	0	880,000	960,000	1,840,000
2012	0	950,000	780,000	1,730,000

Source: Food Department/MAFF

Minimum Access Commitment Continues into 2013

As a result of the Government of Japan's (GOJ) tariffication of rice in JFY 2000, the Minimum Access commitment was reduced from the non-tariffied rate of 8.0 percent to 7.2 percent of total domestic consumption, from 758,000 MT to 682,000 MT (milled basis), as shown below.

Table 9: Japan's Market Access Obligations for Rice (Unit: MT)

	Without Tariffication		With Tariffication	
	Volume	Percent of Domestic Consumption	Volume	Percent of Domestic Consumption
JFY 2000 Onward	758,000	8.0 %	682,000	7.2 %

Source: MAFF

WHEAT

Production in 2012 Up 15 Percent

Despite a slight decline in the total planted area, wheat production in 2012 increased 15 percent over 2011 thanks to favorable weather conditions, particularly in the major growing region of Hokkaido, which resulted in the highest yield since 2008. Since wheat is an alternative crop to rice in some areas, Post forecast planted areas for wheat will decrease slightly in 2013 as planted areas for rice are expected to expand. Given an average yield of the past five years, production volume is forecast to decline by 13 percent.

Table 10: Japan's Wheat Production

	Planted Area (hectares)	Production (MT)	Yield (MT/ha)
2008	208,800	881,200	4.22
2009	208,300	674,200	3.24
2010	206,900	571,300	2.76
2011	211,500	746,300	3.53
2012	209,200	855,200	4.09
*2013	208,000	742,560	3.57

Source: MAFF

*FAS/Tokyo forecast

Food Wheat Consumption Stays Flat While Feed Use Expands

Consumption levels of food wheat have been flat in the last three decades at around 32 kilograms per capita. The Ministry of Agriculture, Forestry and Fisheries (MAFF) estimates the total food wheat demand to be 5.61 million metric tons for the 2012/13 Japan fiscal year (April 2012-March 2013). Combined with the wheat equivalent of wheat product imports of 200,000 to 300,000 metric tons (refer to Table 14-2 and 14-3 below), Japan's aggregate food wheat demand is estimated to be 5.8 to 5.9 million metric tons. As corn prices have soared (see Overall Market Situation), wheat utilization has been expanding dramatically since 2012 and is now reaching the 800,000 MT level. As for MY2014, as the demand for corn is expected to recover (see the following CORN section), wheat consumption in the feed sector is forecast to decline.

Wheat Imports by MAFF as a State Trading Enterprise

MAFF operates as a State Trading Enterprise (STE) and conducts three types of imports: 1) direct purchase of food wheat; 2) SBS imports of food wheat; and 3) SBS imports of feed wheat.

1) Direct Purchase of Food Wheat

MAFF purchases different types of wheat, mainly from the United States, Canada and Australia, to best meet the needs of Japanese users.

Table 11: Major Types of Imported Wheat and Their Uses (Unit: MT)

Brand	Use	FY2011 Import Volume
U.S. Western White (WW)	Confectionery products	852,000
U.S. Hard Red Winter (HRW)	Bread and Chinese noodles	863,000
U.S. Dark Northern Spring (DNS)	Bread and Chinese noodles	1,520,000
Canada Western Red Spring #1 (1CW)	Bread	1,043,000
Canada Western Amber Durum (DRM)	Western noodles (pasta)	260,000
Australia Standard White (ASW)	Japanese noodles	905,000
Australia Prime Hard (PH)	Chinese noodles	117,000
Other		8,000
	Total:	5,568,000

Source: MAFF

MAFF controls both producer and resale prices of domestic wheat, and the resale price of imported wheat. MAFF buys imported wheat at international prices and sells it to domestic flour millers at a markup. As shown in Table 12 below, the markup ratio fluctuated between 1.3 and 2.0 over the last two years due to volatile international wheat prices. MAFF reportedly intends to maintain this rate around 2 to 1, which means MAFF sells imported wheat at twice the purchase price. On the other hand, MAFF buys domestic wheat at a high price and sells it to domestic flour millers at a significantly lower price. Revenues from transactions for imported wheat are used to help cover the cost difference between the purchase and resale of domestic wheat. This is referred to as the "Cost Pool System".

Until 2007, in an effort to ensure stable consumer prices, as mandated by the Food Law, the resale price at which Japanese millers bought wheat from MAFF was set once a year for each type and country and fixed at that price throughout the year. MAFF's purchase price (CIF price), however, has always fluctuated with international prices. Therefore, MAFF assumed the risk for changes in currency exchange rates and increases in import prices.

The new system, which started in JFY 2007, allows MAFF to revise the resale price twice a year (in April and October) based on fluctuations in the market, resulting in a resale price that better reflects the market (FOB) price.

Table 12: MAFF Purchase and Resale Prices of Imported Wheat (JFY2011-2012)

(Yen/MT)

Month-Year	Average CIF Price* (a)	Resale Price* (b)	(b)/(a)
Apr-11	41,266	56,710	1.4
May-11	42,390		1.3
Jun-11	39,823		1.4
Jul-11	35,048		1.6
Aug-11	33,290		1.7
Sep-11	32,987		1.7
Oct-11	30,638	57,720	1.9
Nov-11	30,079		1.9
Dec-11	28,618		2.0
Jan-12	28,458		2.0
Feb-12	30,454		1.9
Mar-12	32,026		1.8
Apr-12	31,542	48,780	1.5
May-12	29,533		1.7
Jun-12	28,703		1.7
Jul-12	33,116		1.5
Aug-12	35,444		1.4
Sep-12	34,664		1.4
Oct-12	34,533	50,130	1.5
Nov-12	35,831		1.4
Dec-12	36,716		1.4
Jan-13	NA		
Feb-13	NA		
Mar-13	NA		

Source: MAFF and Ministry of Finance
*Average of five types: WW, HRW, DNS, 1CW and ASW

The price includes 5% consumption tax.

2) SBS Imports of Food Wheat

MAFF has conducted a Simultaneous-Buy-Sell (SBS) system for food quality wheat and barley since April 2007. The idea behind the SBS system is to allow for greater flexibility of imports and transparency in a portion of food quality wheat. However, MAFF still remains a "middle man" in the transaction.

MAFF holds SBS tenders under the following two categories.

Category I: Prime Hard and Durum

Category II: Any brand except:
U.S. Western White (WW)
U.S. Hard Red Winter (HRW)
U.S. Dark Northern Spring (DNS)
Australia Standard White (ASW)
Canada Western Red Spring (CWRS)

During the most recent complete Japanese fiscal year (JFY2011), a total of about 345,000 MT of wheat (Category I and II combined) was imported as shown below. Due to relatively expensive freight rates for containers, wheat imported by containers (Category II) was small in volume. To date this fiscal year, MAFF has held fourteen tenders and approximately 260,000 MT has been imported, and by the end of the fiscal year, imports of 300,000 MT are expected. According to trade sources, the decline in imports this fiscal year is primarily due to a smaller supply of Prime Hard from Australia.

Table 13: SBS Imports of Food Wheat – JFY2011 (April 2011-March 2012, Unit: MT)

Country	Brand	Category	Apr-Sept	Oct-Mar	Total
Australia	Prime Hard	Category I	35,850	49,875	85,725
		Category II	15,700	7,500	23,200
		Australia Total	51,550	57,375	108,925
Canada	Durum	Category I	126,850	102,900	229,750
		Canada Total	126,850	102,900	229,750
France	French	Category II	1,348	1,249	2,597
		France Total	1,348	1,249	2,597
Other	Other	Category II	2,580	1,496	4,076
Total			182,328	163,020	345,348

Source: MAFF

3) SBS Imports of Feed Wheat Imports

MAFF also imports wheat and barley for feed use under the SBS system. In JFY 2012, MAFF has so far conducted forty-two SBS tenders, through which 713,050 MT of imported wheat was contracted. As shown in Table 15 and Chart 6 below, imports of feed wheat have dramatically increased in the last several years as high corn prices lead feed mills to seek substitutes.

Table 14: SBS Imports of Feed Wheat and Barley (Unit: MT)

	Wheat	Barley
1st tender	600	4,000
2nd	58,550	39,785
3rd	18,470	0
4th	0	0
5th	0	4,280
6th	57,325	41,220
7th	32,000	89,000
8th	2,150	10,100
9th	62,695	37,495
10th	0	0
11th	3,000	0
12th	0	0
13th	0	37,530
14th	26,000	77,250
15th	0	0
16th	42,570	0
17th	0	0
18th	0	1,500
19th	8,760	16,000
20th	10,710	0
21st	44,690	93,500
22nd	13,050	0
23rd	51,890	36,555
24th	62,970	39,130
25th	3,530	19,400
26th	70,960	32,285
27th	6,480	0
28th	20,000	0
29th	0	7,000
30th	1,160	90,300
31st	0	0
32nd	0	0
33rd	0	0
34th	12,000	0
35th	21,530	31,030
36th	27,060	114,330
37th	36,450	38,580
38th	650	0
39th	17,800	0
40th	0	0
41st	0	0
42nd	0	0
Total	713,050	860,270

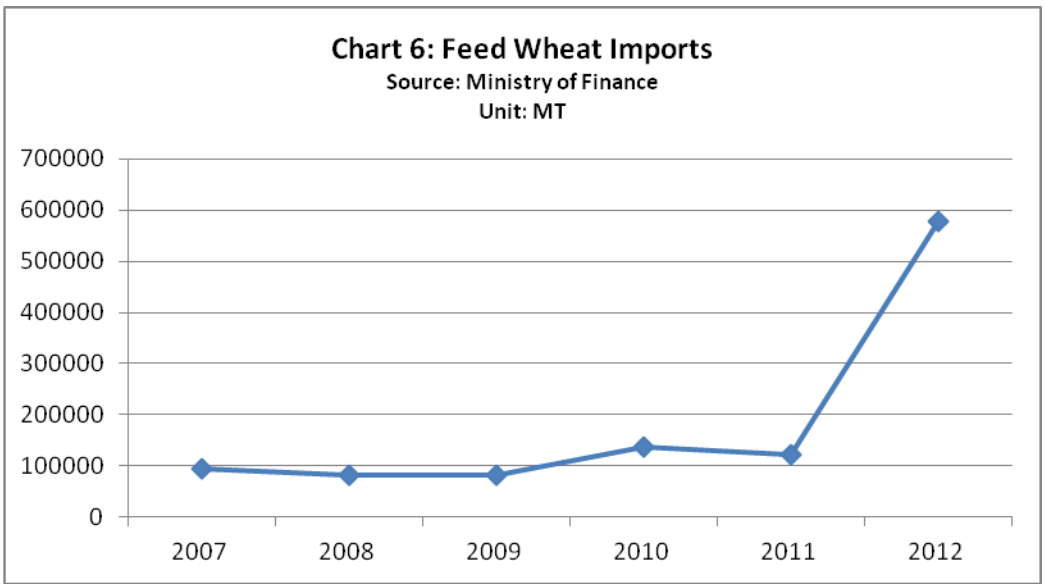
Source: MAFF

As of February 13, 2013

Table 15: Feed Wheat Imports

Year Ending Series: June, 2007 - 2012							
		Quantity					
Partner Country	Unit	2007	2008	2009	2010	2011	2012
World	MT	95548	81906	81963	136149	122609	577336
United States	MT	16758	55834	36162	1486	10887	248614
Australia	MT	0	3720	35982	55129	59277	231759
Canada	MT	64665	6465	0	8206	39494	77674
Russia	MT	0	0	1463	42059	0	19289
Ukraine	MT	0	0	8356	29269	12951	0
China	MT	14125	15887	0	0	0	0

Source of Data: Japan Customs



MAFF allows flour millers to import wheat outside of MAFF's control as long as they export an equivalent amount of wheat flour. Flour millers that successfully find export markets can import this so-called "free wheat" at global market prices.

Table 16: Japan's Exports of Wheat Flour

Year Ending: June								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	192431	190390	194922	100.00	100.00	100.00	2.38
Hong Kong	MT	116867	112730	122587	60.73	59.21	62.89	8.74
Singapore	MT	29644	32324	32372	15.41	16.98	16.61	0.15
Vietnam	MT	17661	18630	18313	9.18	9.79	9.40	- 1.70
Thailand	MT	10886	9635	10035	5.66	5.06	5.15	4.15
Taiwan	MT	8411	9348	8870	4.37	4.91	4.55	- 5.11
Malaysia	MT	672	1018	939	0.35	0.53	0.48	- 7.76
United States	MT	759	797	623	0.39	0.42	0.32	- 21.83
Indonesia	MT	3999	3148	540	2.08	1.65	0.28	- 82.85
Korea South	MT	109	84	378	0.06	0.04	0.19	350.00
Other	MT	3423	2676	265	0.02	0.01	0.00	-90.1

Source of Data: Japan Customs

Feed Wheat Imports Elevate Total Wheat Imports in 2012

Total imports of wheat, including wheat products, in 2011/12 increased by 8 percent to 6.35 million MT (see Table 17-3). The increase is primarily owing to a sharp increase in feed wheat imports. As corn prices soared (see Overall Market Situation), wheat utilization dramatically increased in 2012. This trend in feed wheat imports is expected continue into 2013. In MY2013, given the increase in domestic wheat production and a stagnant food wheat demand, total imports are expected to decrease. Although movements in corn prices are expected to continue to dictate imports of feed wheat, in the long term, overall wheat imports are forecast to decline slowly but steadily as Japan's demographics change.

Table 17-1: Japan's Wheat Imports

Year Ending: June								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	5280149	5627720	6116209	100.00	100.00	100.00	8.68
United States	MT	3152029	3292933	3545674	59.70	58.51	57.97	7.68
Canada	MT	971924	1170030	1350656	18.41	20.79	22.08	15.44
Australia	MT	1081542	1146798	1197624	20.48	20.38	19.58	4.43
Other	MT	74654	17959	22255	1.41	0.32	0.36	1.24

Source of Data: Japan Customs

Table 17-2: Japan's Wheat Product Imports

Year Ending: June								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	162208	176054	173896	100.00	100.00	100.00	- 1.23
Italy	MT	83046	89408	82955	51.20	50.78	47.70	- 7.22
United States	MT	21855	21401	22504	13.47	12.16	12.94	5.16
Turkey	MT	13486	16775	19587	8.31	9.53	11.26	16.76
China	MT	15996	17188	18943	9.86	9.76	10.89	10.21
Korea South	MT	8097	11198	10859	4.99	6.36	6.24	- 3.02
Thailand	MT	6971	7859	6986	4.30	4.46	4.02	- 11.11
Greece	MT	3256	2486	3082	2.01	1.41	1.77	23.96
UAE	MT	2524	2968	2622	1.56	1.69	1.51	- 11.63
Tunisia	MT	2696	2268	1725	1.66	1.29	0.99	- 23.93
Vietnam	MT	1421	1424	1469	0.88	0.81	0.84	3.12
Other	MT	2858	3080	3163	0.02	0.02	0.02	1.03

Source of Data: Japan Customs

Table 17-3: Japan's 2011/12 Total Wheat Imports (Unit: MT)

	Wheat Product a	Wheat Equivalent b = a x 1.368	Wheat c	TOTAL b + c
World	173,896	237,890	6,116,209	6,354,099
United States	22,504	30,785	3,545,674	3,576,459

Stocks

In the past, Japan held emergency stocks of wheat at a level equivalent to 2.6 months' worth of the amount of food wheat imported annually. However, due to the shortened time necessary to obtain alternative supplies in case of an emergency, the stocks have been reduced to 2.3 months' worth. For JFY2012 the government set the targeted amount of stocks at 930,000 metric tons.

CORN

Production

Corn production is negligible in Japan.

Prolonged Price Volatility Leads to Adjustment in Utilization

Corn is the largest ingredient used in compound and mixed feed. The ingredient ratio is adjusted from year to year, depending on the price of various grains. As shown in Table 2, the corn utilization ratio of about 50 percent, pre-2008 price surge, was lowered to 48 percent in 2009, then to 47 percent in 2010, and with the recent price re-surge, the Japanese feed industry has been forced to once again adjust the ratio down to the 43 percent range. Given the total feed production in Japan is approximated at 24 million metric tons, a decline of 7 percent in utilization translates to a 1.68 million ton reduction in corn demand.

Japan's Feed Industry Has Overcome the Great East Japan Earthquake Devastation

The Great East Japan Earthquake and tsunami of March 11, 2011 destroyed five major ports and adjacent feed mills on the Northeastern Pacific coast, the combined production capacity of which amounted to 30 percent of Japan's total feed production. Japan's feed industry gathered its strength and overcame this unprecedented crisis by increasing the production in Western Japan and Hokkaido and transporting feed to unaffected northwestern ports by vessel and ground transportation. The affected ports are now open, and feed mills are back in operation. On a side note, the post-disaster experience and response to expand capacities in the unaffected regions may accelerate rationalization/consolidation of the feed manufacturing industry in Japan.

Table 18: Japan's Livestock and Poultry Population (Unit: 1,000 heads)

	2000	2008	2009	2010	2011	2012	2013*	***%2013/00***
Dairy cows	1,764	1,533	1,500	1,484	1,467	1,449	1,400	***79.4%***
Beef cattle	2,824	2,890	2,923	2,892	2,763	2,723	2,700	***95.6%***
Swine	9,806	9,745	9,899	9,750*	9,768	9,735	9,720	***99.1%***
Layers	140,365	142,523	139,910	139,200*	137,352	135,477	135,000	***96.2%***
Broilers	108,410	102,987	107,141	106,400*	103,800*	106,900*	106,000	***97.8%***

Source: MAFF (as of February each year)

*FAS/Tokyo forecast

The table above shows the trend in the population of Japan's major livestock animals. The figures are reported as of February each year. According to MAFF, damage caused by the Great East Japan Earthquake to the cattle and swine population was negligible. However, approximately 4.5 million birds (broilers and layers combined) died, primarily from starvation. This is a fraction of Japan's overall broiler/layer population, and the industry has reportedly recovered. Over the last decade, the dairy cattle population has declined by a notable 20 percent. (Refer to Japan Dairy Products Annual of October 2012.)

Prices

The CIF price of U.S. corn during MY2012 jumped nearly 50 percent over MY2010, and the price for the 2012 new crop that is currently being marketed jumped even higher, as shown in Table 20 below. The recent re-surge in corn prices has resulted in a significant price increase in compound feed. (Refer to Chart 1.)

Table: 19: CIF Price of Feed Corn

Year Ending: September					
Partner Country	**Unit**	**Unit Value(United States Dollars)**			**% Change**
		2010	**2011**	**2012**	**2012/2011**
World	MT	230.1	316.09	337.86	6.89
United States	MT	230.24	318.19	340.96	7.16
Ukraine	MT	204.69	0	309.71	0.00
Brazil	MT	227.4	255.47	350.63	37.25
Argentina	MT	239.35	314.55	334.93	6.48
Romania	MT	0	0	314.29	0.00
Serbia	MT	0	0	316.57	0.00
Hungary	MT	0	0	314.57	0.00
Bulgaria	MT	0	0	313.87	0.00

Source of Data: Japan Customs

Table 20: CIF Price of Feed Corn in Recent Months

Monthly Series: 07/2012 - 12/2012							
		Unit Value (United States Dollars)					
Partner Country	Unit	07/2012	08/2012	09/2012	10/2012	11/2012	12/2012
World	MT	324.64	323.25	326.06	350.49	362.95	354.95
United States	MT	326.95	326.69	335.54	378.19	390.16	380.78
Argentina	MT	318.46	317.48	314.94	308.75	345.21	369.51
Brazil	MT	0	0	308.77	326.41	344.99	344.28
Ukraine	MT	317.56	309.22	302.53	318.1	0	270.74
Bulgaria	MT	319.54	308.22	0	0	0	0
Hungary	MT	320.14	312.03	316.13	0	0	0
Romania	MT	318.33	0	0	0	0	0

Source of Date: Japan Customs

Trade

As shown in Table 21 below, the higher price of corn and the consequent reduction in corn utilization in feed led to a significant decline in feed corn imports. Ordinarily, Japan imports over 90 percent of its corn supply from the United States. However, since September 2012, imports from Brazil have been rising sharply and in December surpassed imports from the United States. Imports from Argentina and the Ukraine have also notably increased.

The general trend in recent years is that increases in food corn imports have been compensating for declines in feed corn imports. The driving force in the food corn demand comes from the beverage sector, particularly for high fructose corn syrup (HFCS) used in low alcoholic drinks like *happoshu* (light beer) and other alcoholic beverages, in addition to a continued strong demand for soft drinks. However, due to general public restraint on holding receptions and parties in the aftermath of the Great East Japan Earthquake, sources indicate that shipments of beer and related beverages declined 3.7 percent in 2011. Consumption of alcohol and soft drinks remained stagnant in FY2012, contributing to a decrease in MY2012 food corn imports.

As the utilization of corn in feed is expected to be reduced, imports of feed corn are forecast to decrease by about 200,000 MT in MY2013. However, expected recovery in beverage consumption is expected to push up food corn imports, which could more than compensate for the decline in feed corn imports. Therefore, a slight increase in overall corn imports is expected. As for MY2014, if drought does not repeat in the United States, and if U.S. corn prices stabilize, the utilization ratio of corn in feed and feed corn imports should recover to the pre-drought level, leading to an increase in overall imports. Imports from the United States are also expected to return to the pre-drought level, as the Japanese trade reportedly prefers the quality of U.S. corn to Brazilian corn.

Table 21: Feed Corn Imports

Year Ending: September								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	11480926	10720789	10144843	100.00	100.00	100.00	- 5.37
United States	MT	10205735	9767939	7647599	88.89	91.11	75.38	- 21.71
Ukraine	MT	230328	0	843715	2.01	0.00	8.32	0.00
Brazil	MT	491009	353503	738722	4.28	3.30	7.28	108.97
Argentina	MT	514971	466401	539586	4.49	4.35	5.32	15.69
Romania	MT	0	0	147837	0.00	0.00	1.46	0.00
Serbia	MT	0	0	95565	0.00	0.00	0.94	0.00
Hungary	MT	0	0	67800	0.00	0.00	0.67	0.00
Bulgaria	MT	0	0	38235	0.00	0.00	0.38	0.00
South Africa	MT	0	125048	10276	0.00	1.17	0.10	- 91.78
Slovakia	MT	0	0	8097	0.00	0.00	0.08	0.00
Other	MT	38883	7898	7411	0.00	0.00	0.00	0.94

Table 22: Food Corn Imports

Year Ending: September								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	4486931	4924922	4744822	100.00	100.00	100.00	- 3.66
United States	MT	4297326	4755695	4435869	95.77	96.56	93.49	- 6.73
Ukraine	MT	16095	0	117038	0.36	0.00	2.47	0.00
Brazil	MT	19930	49088	104636	0.44	1.00	2.21	113.16
Argentina	MT	139887	99125	46510	3.12	2.01	0.98	- 53.08
Australia	MT	0	233	15790	0.00	0.00	0.33	6676.82
Serbia	MT	0	0	11593	0.00	0.00	0.24	0.00
Hungary	MT	0	0	4500	0.00	0.00	0.09	0.00
Other	MT	13693	20781	8886	0.00	0.00	0.00	0.43

Source of Data: Japan Customs

Table 23: Corn Imports Total

Year Ending: September								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	15967857	15645711	14889665	100.00	100.00	100.00	- 4.83
United States	MT	14503061	14523634	12083468	90.83	92.83	81.15	- 16.80
Ukraine	MT	246423	0	960753	1.54	0.00	6.45	0.00
Brazil	MT	510939	402591	843358	3.20	2.57	5.66	109.48
Argentina	MT	654858	565526	586096	4.10	3.61	3.94	3.64
Romania	MT	0	0	147837	0.00	0.00	0.99	0.00
Serbia	MT	0	0	107158	0.00	0.00	0.72	0.00
Hungary	MT	0	0	72300	0.00	0.00	0.49	0.00
Bulgaria	MT	0	0	38247	0.00	0.00	0.26	0.00
Australia	MT	0	1677	23201	0.00	0.01	0.16	1283.48
South Africa	MT	0	136048	10276	0.00	0.87	0.07	- 92.45
Slovakia	MT	0	0	8097	0.00	0.00	0.05	0.00
Other	MT	52576	16235	8874	0.00	0.00	0.00	0.55

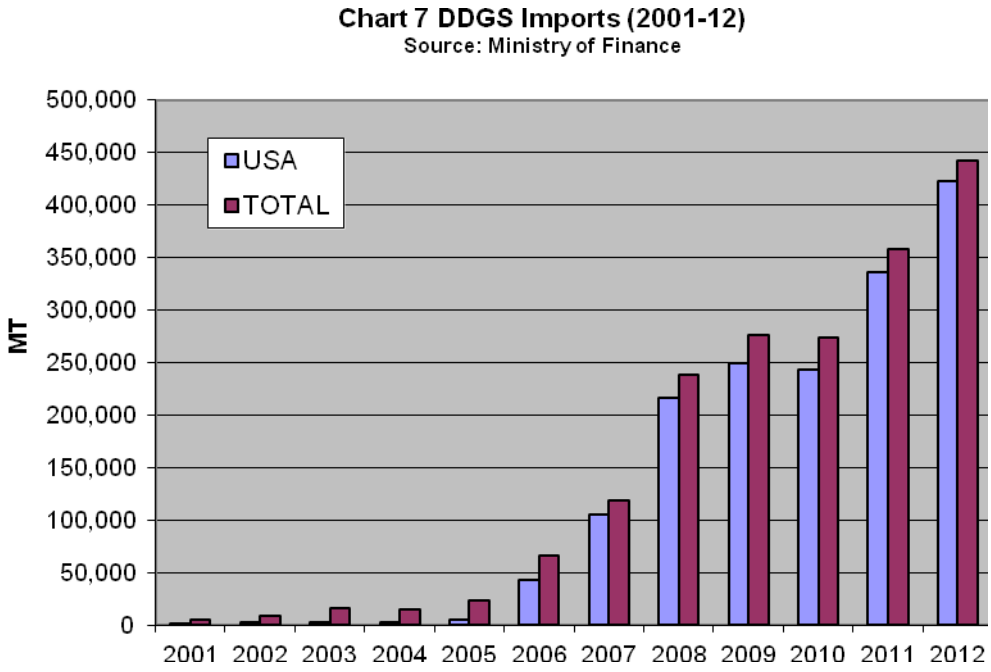
Source of Data: Japan Customs

Stocks

Japan holds emergency stocks of essential feed grains, i.e. corn, sorghum, and rice. The stock level since 2005 had been set at approximately 950,000 MT in total. The breakdown is 600,000 MT of corn and sorghum combined (roughly 90 percent corn) and 350,000 MT of rice (all out of OMA rice stocks). The level of corn/sorghum/rice stocks was lowered in 2011 to 750,000 MT (i.e. reduction in corn stocks by 200,000 MT). The stocks were utilized during the post-Great East Japan Earthquake emergency response when all the major Northeastern ports were shut down. MAFF reports 350,000 MT of grain stocks were released to feed mills in the unaffected regions by the end of April 2011. Given this experience, the Government of Japan currently aims to rebuild its corn/sorghum stocks to the level of 800,000 MT.

DDGS Imports Leap to a Record High Level

One of the positive side-effects of the ethanol boom in the United States is the increasing availability of a high value byproduct, Distiller's Dried Grains with Solubles (DDGS). Japan's imports of DDGS from the United Sates have been increasing significantly and surged further in MY2012 as corn prices jumped. The majority of these DDGS are currently used in dairy cattle feed.



Acceptance of Biotechnology

Although there are no official statistics, virtually all of the feed corn and a majority of the food corn Japan imports from the United States and South America are produced through biotechnology. Japan also imports roughly three million metric tons of soybeans, two-thirds of which are derived using biotechnology. Japan remains the world's largest per capita importer of biotech food and feed. Japan has approved over 160 events for food use. New events are generally reviewed and approved within a predictable time frame through a science-based and transparent review process. However, as an increasing number of new events are expected to be introduced to the market, the pace of review and approval could become a major concern.

Overall, as a country that thrives on new technology, Japanese academia, experts and trade people at large accept new agriculture-related innovations including biotechnology. Consumers in general, however, remain averse to the term which in Japanese has a connotation of "genetically manipulated." When asked, a majority of consumers state that they would rather not purchase biotech-derived food. However, at the point of purchase, their behavior tends to differ from what they say when prompted. The sheer volume of biotech food corn Japan imports is one of the objective indicators that show the level of acceptance of the technology. (Please refer to Japan Agricultural Biotechnology Annual: JA2013, dated 6/7/12, for details.)

SORGHUM

Production

Like corn, production of sorghum is negligible in Japan.

Consumption

As sorghum is a substitute for corn, its utilization ratio in the production of compound and mixed feeds fluctuates, depending on its relative price to corn and other ingredients, between 5 and 7 percent, or between 1.1 and 1.7 MMT in volume as shown

in Table 2. As described in the **WHEAT** section, use of wheat in feed expanded significantly the past couple of years, cutting into the share of corn and sorghum in feed to a notable extent. As the price competitiveness relative to corn improved slightly, demand for sorghum in MY2013 is expected to increase. In MY2014, if drought does not repeat in the United States, and if corn prices stabilize, demand for sorghum is expected to return to previous levels.

Prices

Just as with corn, CIF prices for sorghum have been steadily rising. The U.S. price, in particular, increased more significantly than other suppliers in MY2012 over MY2011.

Table 24: CIF Price of Feed Sorghum

Year Ending: September					
Partner Country	Unit	Unit Value(United States Dollars)			% Change
		2010	2011	2012	2012/2011
World	MT	223.66	288.56	300.76	4.23
Australia	MT	224.76	304.74	308.94	1.38
Argentina	MT	197.14	266.99	278.35	4.26
United States	MT	238.97	304.48	340.43	11.81
Antigua & Barbuda	MT	158.18	0	0	0.00

Source of Data: Japan Customs

Trade

Since sorghum is mainly a substitute crop, potential growth in Japan's sorghum imports largely depends on its price relative to corn and other feed ingredients. Imports are classified as being either for feed or food. However, despite this technicality, much of the sorghum imported under the food HS code eventually ends up in the feed sector. Therefore, the volume of sorghum used in feed, shown in Table 2, accurately represents the demand for sorghum in Japan: approximately 1.4 MMT in 2012. As the price competitiveness relative to corn improved slightly, sorghum imports in MY2013 are expected to increase. Assuming that drought does not repeat in the United States and that corn prices stabilize, sorghum imports are expected to return to previous levels.

Table 25: Feed Sorghum Imports

Year Ending: September								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	1388102	1261646	1244167	100.00	100.00	100.00	- 1.39
Australia	MT	174815	468463	690292	12.59	37.13	55.48	47.35
Argentina	MT	447791	538988	444957	32.26	42.72	35.76	- 17.45
United States	MT	764997	254195	108918	55.11	20.15	8.75	- 57.15
Antigua & Barbuda	MT	499	0	0	0.04	0.00	0.00	0.00

Source of Data: Japan Customs

Table 27: Food Sorghum Imports

Year Ending: September								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	254166	156292	235299	100.00	100.00	100.00	50.55
Australia	MT	47653	22749	164425	18.75	14.56	69.88	622.78
Argentina	MT	96798	71654	61379	38.08	45.85	26.09	- 14.34
United States	MT	108964	61234	9127	42.87	39.18	3.88	- 85.09
India	MT	355	173	226	0.14	0.11	0.10	30.64
China	MT	133	211	136	0.05	0.14	0.06	- 35.55
Belgium	MT	0	7	6	0.00	0.00	0.00	- 14.29
Thailand	MT	263	264	0	0.10	0.17	0.00	- 100.00

Source of Data: Japan Customs

Table 28: Sorghum Imports Total

Year Ending: September								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	1642268	1417938	1479466	100.00	100.00	100.00	4.34
Australia	MT	222468	491212	854717	13.55	34.64	57.77	74.00
Argentina	MT	544589	610642	506336	33.16	43.07	34.22	- 17.08
United States	MT	873961	315429	118045	53.22	22.25	7.98	- 62.58
India	MT	355	173	226	0.02	0.01	0.02	30.64
China	MT	133	211	136	0.01	0.01	0.01	- 35.55
Belgium	MT	0	7	6	0.00	0.00	0.00	- 14.29
Antigua & Barbuda	MT	499	0	0	0.03	0.00	0.00	0.00
Thailand	MT	263	264	0	0.02	0.02	0.00	- 100.00

Source of Data: Japan Customs

Stocks

Following the policy of GOJ's 2003 policy of reducing the overall feed grain stocks, sorghum stocks have shrunk significantly. Post estimates the current government and commercial stocks to be 80,000 MT or less.

BARLEY

Production

Japan's barley production in 2012 remained near the 2011 level. The yield was still below average for two-row barley and naked barley due to unfavorable weather conditions, particularly rain during planting time and low temperatures in January and February. Overall production remains 20 percent lower in volume than its peak in 2008 despite a 6 percent acreage increase. For 2013, Post forecast that crop areas will remain at the 2012 level. With the average yield of the past five years, production volume is expected to increase by 7 percent over 2012.

Table 31: Japan's Barley Production

Type of Barley	Production	2008	2009	2010	2011	*2012	**2013
Two-Row Barley	Crop Area (hectares)	35,400	36,000	36,600	37,600	38,300	38,000
	Production Volume (MT)	145,100	115,800	104,300	119,100	112,000	123,500
	Yield (MT/hectare)	4.10	3.22	2.85	3.17	2.92	3.25
Six-Row Barley	Crop Area (hectares)	16,900	17,600	17,400	17,400	17,100	17,000
	Production Volume (MT)	56,000	52,200	44,800	38,700	47,900	47,260
	Yield (MT/hectare)	3.31	2.97	2.57	2.22	2.80	2.78
Naked Barley	Crop Area (hectares)	4,350	4,350	4,720	5,130	4,970	5,000
	Production Volume (MT)	16,100	11,200	11,800	13,700	12,300	13,900
	Yield (MT/hectare)	3.70	2.57	2.50	2.67	2.47	2.78
Barley Total	Crop Area (hectares)	56,650	57,950	58,720	60,130	60,370	60,000
	Production Volume (MT)	217,200	179,200	160,900	171,500	172,200	184,660

Source: MAFF
*Preliminary MAFF data
**FAS/Tokyo forecast

Consumption

Aggregate consumption of barley (feed and food) is estimated to be 1.5 million MT. Roughly 80 percent of barley is consumed in the feed sector, specially compound and mixed feed for the cattle industry (beef and dairy). It is particularly important in feeding beef cattle, because it contributes to the production of high quality beef with the white marbling that Japanese consumers favor. The largest non-feed uses are for the production of *shochu*, a traditional distilled liquor, and beer. Other uses include *miso* (soybean paste) and barley tea. There is little indication that either feed or food demand will increase in the near future. In the long term, some decline in feed demand is expected as Japan's cattle population, dairy in particular, shrinks.

Prices

As in the case with other feed grains, world barley prices jumped in 2011, and generally remained at the 2011 level in 2012. The price of U.S. barley, however, rose even further in 2012.

Table 29: CIF Price of Barley for Feed

Year Ending: September					
Partner Country	Unit	Unit Value(United States Dollars)			% Change
		2010	2011	2012	2012/2011
World	MT	208.92	302.26	300.95	- 0.44
Australia	MT	208.77	310.27	298.39	- 3.83
Canada	MT	223.83	299.47	308.45	3.00
Russia	MT	231.43	0	310.84	0.00
United States	MT	200.67	271.12	342.48	26.32
Argentina	MT	226.25	0	0	0.00
Ukraine	MT	201.74	196.2	0	0.00

Source of Data: Japan Customs

Trade

Along with rice and wheat, barley imports are controlled by MAFF as a "Staple Food". MAFF has been hesitant to remove barley from the state trading system entirely, because it is a strategic alternative crop under the rice crop diversion program. Since 2009, imports from the United States have dropped significantly with the resurgence of Australia as the leading supplier due to its price competitiveness and proximity to Japan's major barley importing port in Kyushu. As overall barley consumption, as well as Japan's domestic barley production, is expected to stay flat, imports in MY2013 and MY2014 are forecast to remain at the 2012 level.

Table 30: Feed Barley Imports

Year Ending: September								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	1175488	1136698	1045071	100.00	100.00	100.00	- 8.06
Australia	MT	872992	650136	795689	74.27	57.20	76.14	22.39
Canada	MT	94262	442785	224433	8.02	38.95	21.48	- 49.31
Russia	MT	2002	0	21734	0.17	0.00	2.08	0.00
United States	MT	36852	9021	3215	3.14	0.79	0.31	- 64.36
Argentina	MT	8185	0	0	0.70	0.00	0.00	0.00
Ukraine	MT	161195	34756	0	13.71	3.06	0.00	- 100.00

Source of Data: Japan Customs

Table 31: Food Barley Imports

Year Ending: September								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	233861	222581	211768	100.00	100.00	100.00	- 4.86
Australia	MT	183721	162552	163724	78.56	73.03	77.31	0.72
Canada	MT	46127	52993	46270	19.72	23.81	21.85	- 12.69
United States	MT	521	316	1774	0.22	0.14	0.84	461.39
France	MT	3492	2786	0	1.49	1.25	0.00	- 100.00
Germany	MT	0	3934	0	0.00	1.77	0.00	- 100.00

Source of Data: Japan Customs

Table 32: Barley Imports Total

Year Ending: September								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	1409666	1359481	1257042	100.00	100.00	100.00	- 7.54
Australia	MT	1056713	812757	959413	74.96	59.78	76.32	18.04
Canada	MT	140549	495782	270763	9.97	36.47	21.54	- 45.39
Russia	MT	2002	0	21734	0.14	0.00	1.73	0.00
United States	MT	37414	9389	5026	2.65	0.69	0.40	- 46.47
Germany	MT	70	4011	105	0.00	0.30	0.01	- 97.38
Czech Republic	MT	0	0	1	0.00	0.00	0.00	0.00
France	MT	3502	2786	0	0.25	0.20	0.00	- 100.00
New Zealand	MT	36	0	0	0.00	0.00	0.00	0.00
Ukraine	MT	161195	34756	0	11.43	2.56	0.00	- 100.00
Argentina	MT	8185	0	0	0.58	0.00	0.00	0.00

Source of Data: Japan Customs

Barley Imports by MAFF as a State Trading Enterprise

MAFF operates as a State Trading Enterprise (STE) and conducts two types of barley imports: 1) SBS imports of feed barley; and 2) SBS imports of food barley.

1) SBS Imports of Feed Barley

MAFF introduced the SBS system for barley for feed in JFY 1999, with approximately 360,000 MT contracted under three tenders. The allocation amount has been greatly raised since then, and for the Japanese fiscal year 2012, was set at 1.28 million MT. Bidding is held almost biweekly, to allow for more commercially viable trade. So far this Japanese fiscal year, which ends in March 2013, forty-two tenders have been held, as summarized below.

Table 33: SBS Imports of Feed Barley (Unit: MT)

	Wheat	Barley
1st tender	600	4,000
2nd	58,550	39,785
3rd	18,470	0
4th	0	0
5th	0	4,280
6th	57,325	41,220
7th	32,000	89,000
8th	2,150	10,100
9th	62,695	37,495
10th	0	0
11th	3,000	0
12th	0	0
13th	0	37,530
14th	26,000	77,250
15th	0	0
16th	42,570	0
17th	0	0
18th	0	1,500
19th	8,760	16,000
20th	10,710	0
21st	44,690	93,500
22nd	13,050	0
23rd	51,890	36,555
24th	62,970	39,130
25th	3,530	19,400
26th	70,960	32,285
27th	6,480	0
28th	20,000	0
29th	0	7,000
30th	1,160	90,300
31st	0	0
32nd	0	0
33rd	0	0
34th	12,000	0
35th	21,530	31,030
36th	27,060	114,330
37th	36,450	38,580
38th	650	0
39th	17,800	0
40th	0	0
41st	0	0
42nd	0	0
Total	713,050	860,270

Source: MAFF

As of February 13, 2013

2) SBS Imports of Food Barley

As noted in the **WHEAT** section, MAFF an SBS system for food quality wheat and barley in 2007.

Plans for Food Barley SBS Tenders:

As shown below, nearly 200,000 MT of food barley was imported in JFY 2011: roughly 80 percent from Australia for *shochu*, a distilled liquor, and beer; and 20 percent from Canada for beer and barley tea. Imports from the United States are used for beer. To date this fiscal year, MAFF has held fourteen tenders, and approximately 224,000 MT have been imported.

As with wheat, there are two categories for barley. Category I is for vessel trade. Although most barley is imported by vessel, there is also Category II for container units. Category II provides a means for new varieties to enter the market.

Table 34: SBS Imports of Food Barley - JFY2011 (April 2011-March 2012, Unit: MT)

Country	Category	Apr-Sept	Oct-Mar	Total
Australia	Category I	96,206	55,000	151,206
	Category II	5,500	0	5,500
	Australia Total	101,706	55,000	156,706
Canada	Category I	22,588	17,000	39,588
	Category II	0	40	40
	Canada Total	22,588	17,040	39,628
USA	Category I	0	0	0
	Category II	0	1,421	1,421
	USA Total	0	1,421	1,421
Other	Category I	0	0	0
	Category II	0	0	0
Total		124,294	73,461	197,755

Source: MAFF

Stocks

Japan used to hold 350,000 MT of emergency barley stocks, but since 2006 they have been replaced by rice stocks. Since practically all the feed barley Japan needs can be imported through the SBS tenders with an ample allocation (1.28 million MT), MAFF explains that government-held emergency stocks are no longer necessary.

RYE

Production

Production of rye is minimal in Japan.

Consumption

Rye is almost exclusively used for feed in Japan. The main uses of rye are for cattle feed and swine feed. Like sorghum, most rye users consider it mainly as a substitute for corn. Since there is practically no domestic production, annual rye consumption and imports are directly linked with domestic cattle and swine production and prices of corn and other feed grains. The utilization of rye in feed declined from about 74,000 MT in 2011 to 24,000 MT in 2012. As import prices of rye are reportedly declining in 2013, demand is expected to recover. However, this recovery is contingent upon prices of other feed grains, particularly sorghum.

Prices

As shown below, U.S. rye is significantly less price competitive than that of Germany or Canada, the two major suppliers for Japan. The price of German rye soared in 2008 due to strong demand in the EU caused by poor Russian and Ukrainian crops, but it returned to the pre-surge level in 2009, stayed relatively flat in 2010, and soared again in 2011/12 due to reduced crop size in the EU, especially Poland.

Table 35: CIF Price of Rye

Year Ending: September					
Partner Country	Unit	Unit Value(United States Dollars)			% Change
		2010	2011	2012	2012/2011
World	MT	246.85	291.23	368.77	26.62
Canada	MT	230.32	323.5	365.53	12.99
Germany	MT	232.98	268.48	347.61	29.48
United States	MT	772.15	728.62	803.88	10.33
New Zealand	MT	849.75	0	992.77	0.00
Denmark	MT	0	641.49	897.92	39.97
France	MT	1890.51	0	0	0.00
Poland	MT	274.57	224.78	0	- 100.00
South Africa	MT	1161.14	0	0	0.00

Source of Data: Japan Customs

Trade

Before 2007, Germany had dominated rye exports to the Japanese market because of its price competitiveness. In the peak year of 2007, total imports of rye hit 405,000 MT, out of which 400,000 MT came from Germany. Imports from Germany declined dramatically in 2008, due to the price situation as explained above. Although the price situation improved in 2009, imports did not fully recover as sorghum became more attractive. In 2010, as the rye/sorghum price ratio moved in favor of rye, imports of rye recovered to the 100,000 MT mark, but halved in 2012 as the price spiked again. In 2013, imports are expected to recover to the 2011 level as the price situation is reportedly improving.

Table 36: Rye Imports

Year Ending: September								
Partner Country	Unit	Quantity			% Share			% Change
		2010	2011	2012	2010	2011	2012	2012/2011
World	MT	101987	100294	45886	100.00	100.00	100.00	- 54.25
Canada	MT	32001	56540	26168	31.38	56.37	57.03	- 53.72
Germany	MT	44807	12910	18643	43.93	12.87	40.63	44.41
United States	MT	814	1015	1003	0.80	1.01	2.19	- 1.18
New Zealand	MT	64	0	51	0.06	0.00	0.11	0.00
Denmark	MT	0	18	21	0.00	0.02	0.05	16.67
France	MT	4	0	0	0.00	0.00	0.00	0.00
Poland	MT	24292	29811	0	23.82	29.72	0.00	- 100.00
South Africa	MT	5	0	0	0.00	0.00	0.00	0.00

Source of Data: Japan Customs

Stocks

Unlike corn, sorghum and barley, Japan does not hold strategic emergency stocks of rye. Commercial stocks are estimated to be minimal.

Appendix:

1. Japan's Agriculture at Glance

Items	Data	Year	Note
Basic Indicators			
GDP	470,623 billion yen	2011	
Gross Agricultural Product	4,603 billion yen	2011	Peaked at 7,938 billion in 1990
Gross Forestry Product	159 billion yen	2011	
Gross Fisheries Product	688 billion yen	2011	
Self-sufficiency			
Calorie Basis	39%	2011*	Goal: 50% by 2020
Production Value Basis	66%	2011*	Goal: 70% by 2020
Food Industry			
Food Industry's Domestic Output	78,641 billion yen	2010	
% in all economic activities	9%	2010	
# of workers in food industry	8.17 million	2010	
% in all workers	13%	2010	
Consumption			
Final value of food and beverages consumed	73,584 billion yen	2005	
Trade			
Total Imports of Ag, Forestry and Fisheries Products	8,652 billion yen	2011	
Agricultural Products	5,584 billion yen	2011	
Forestry Products	1,264 billion yen	2011	
Fisheries Products	1,455 billion yen	2011	
Total Exports of Ag, Forestry and Fisheries Products	451 billion yen	2011	Goal: 1 trillion yen by 2017
Agricultural Products	265 billion yen	2011	
Forestry Products	12 billion yen	2011	
Fisheries Products	174 billion yen	2011	
Production			
Total Agricultural Output	8,246 billion yen	2011	Peaked at 11,717 billion in 1984
Rice	1,850 billion yen	2011	Peaked at 3,930 billion in 1984
Vegetables	2,134 billion yen	2011	Peaked at 2,801 billion in 1991
Fruit	743 billion yen	2011	Peaked at 1,103 billion in 1991
Livestock	2,551 billion yen	2011	Peaked at 3,290 billion in 1984
Farm			
Total # of People Living in Farming Households	6.16 million	2011	
# of Farming Households	2.53 million	2010	Peaked at 6.18 billion in 1950
# of Commercial Farmers	1.50 million	2012*	
# of Noncommercial Farmers	0.90 million	2010	
Full-time Farmers	0.34 million	2012*	
# of People Involved in Farming	2.51 million	2012*	Peaked at 14.54 million in 1960
65 Years Old and Older	60%	2012*	
Average Age	65.9	2011	
# of New Comers	58,000	2011	
Younger than 40 Years Old	14,000	2011	
Arable Farmland	4.55 million hectares	2012	Peaked at 6.09 million in 1961
Rice Paddy	2.47 million hectares	2012	Peaked at 3.44 million in 1969

Farmland for Field Crops	2.08 million hectares	2012	Peaked at 2.72 million in 1958
Fallow Paddy/Land	0.40 million hectares	2010	0.24 million in 1995
Commercial Farmer's Average Size of Farmland	24.24 hectares in Hokkaido	2011	17.46 in 2004
	1.65 hectares elsewhere	2011	1.26 in 2004
Average Income of Farming Households	4.63 million yen	2011	
Income from Farming	1.20 million yen	2011	
Average Income of Full-time Farmers	5.90 million yen	2011	
Income from Farming	4.65 million yen	2011	
Agricultural Co-ops (JA)			
# of Local JA's	741	2011	
# of Members	9.69 million	2010	
# of Regular Members	4.72 million	2010	
of Non-regular Members	4.97 million	2010	
Total Savings at JA Banks	89,794 billion yen	2012	
Forestry			
% of Woods/Forests in Japan's Land Mass	67%	2007	
Total Forestry Output	422 billion yen	2010	Peaked at 1,158 billion in 1970
# of Households Involved in Forestry	0.91 million	2010	
# of People Involved in Forestry	47,000	2005	
Average Income	103,000 yen	2008	Peaked at 1.27 million in 1979
# of Forestry Co-ops	679	2010	
# of Members	1.57 million	2010	
Fisheries			
Exclusive Economic Zone	4,470,000 km2		6th in the world
Total Fisheries Output	1,483 billion yen	2010	Peaked at 2,977 billion in 1982
Total Catch	4.76 million metric tons	2011	Peaked at 12.82 million in 1984
# of People Involved in Fisheries	178,000	2011	Excludes three Tohoku prefectures
# of Boats	185,465	2008	
Average Income	2.42 million yen	2011	
# of Fisheries Co-ops	1,000	2011	
# of Members	0.35 million	2010	

*Preliminary

Source: Compiled by Ag Office based on GOJ data

2. Japan's Food and Feed Self-Sufficiency

	1960	1975	1985	1990	1995	2000	2005	2006	2007	2008	2009	2010	2011*
Rice	96	110	107	100	104	95	95	94	94	95	95	97	97
Wheat	28	4	14	15	7	11	14	13	14	14	11	9	11
Beans	25	9	8	8	5	7	7	7	7	9	8	8	9
Soybeans	11	4	5	5	2	5	5	5	5	6	6	6	7
Vegetables	100	99	95	91	85	82	79	79	81	82	83	81	79
Fruit	90	84	77	63	49	44	41	38	40	41	42	38	38
Meats	90	77	81	70	57	52	54	56	56	56	57	56	54
Beef	95	81	72	51	39	34	43	43	43	44	43	42	40
Eggs	100	97	98	98	96	95	94	95	96	96	96	96	95
Milk/Dairy Products	86	81	85	78	72	68	68	67	66	70	71	67	65
Seafood (for humans)	110	100	86	72	57	53	57	60	62	62	62	62	58
Sugar	31	15	33	32	31	29	34	32	33	38	33	26	26
Self-sufficiency (Calorie Basis)	73	54	53	48	43	40	40	39	40	41	40	39	39
Self-sufficiency (Major Food Grains)	80	69	69	67	65	60	61	60	60	61	58	59	59
Self-sufficiency (Feed)	55	34	27	26	26	26	25	25	25	26	25	25	26
Self-sufficiency (Food + Feed Grains)	62	40	31	30	30	28	28	27	28	28	26	27	28

Source: MAFF

* Preliminary

Production, Supply and Demand Statistics

Rice, Milled Japan	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Nov 2011		Market Year Begin: Nov 2012		Market Year Begin: Nov 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,576	1,576	1,581	1,581		1,602
Beginning Stocks	2,712	2,712	2,743	2,747		2,753
Milled Production	7,646	7,646	7,756	7,756		7,720
Rough Production	10,503	10,503	10,654	10,654		10,604
Milling Rate (.9999)	7,280	7,280	7,280	7,280		7,280
MY Imports	635	639	700	700		700
TY Imports	650	700	700	700		700
TY Imp. from U.S.	0	350	0	350		350
Total Supply	10,993	10,997	11,199	11,203		11,173
MY Exports	200	200	200	200		200
TY Exports	200	200	200	200		200
Consumption and Residual	8,050	8,050	8,250	8,250		8,150
Ending Stocks	2,743	2,747	2,749	2,753		2,823
Total Distribution	10,993	10,997	11,199	11,203		11,173
1000 HA, 1000 MT, MT/HA						

Wheat Japan	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	212	212	210	209		208
Beginning Stocks	1,057	1,057	1,457	1,457		1,412
Production	742	742	750	855		743
MY Imports	6,354	6,354	6,100	6,100		6,000
TY Imports	6,354	6,354	6,100	6,100		6,000
TY Imp. from U.S.	3,303	3,576	0	3,400		3,500
Total Supply	8,153	8,153	8,307	8,412		8,155
MY Exports	296	296	300	300		300
TY Exports	296	296	300	300		300
Feed and Residual	500	500	800	800		600
FSI Consumption	5,900	5,900	5,900	5,900		5,900
Total Consumption	6,400	6,400	6,700	6,700		6,500
Ending Stocks	1,457	1,457	1,307	1,412		1,355
Total Distribution	8,153	8,153	8,307	8,412		8,155
1000 HA, 1000 MT, MT/HA						

Corn Japan	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1	1	1	1		1
Beginning Stocks	617	617	610	608		609
Production	1	1	1	1		1
MY Imports	14,892	14,890	15,000	15,000		15,500
TY Imports	14,892	14,890	15,000	15,000		15,500
TY Imp. from U.S.	11,688	12,083	0	10,000		14,000
Total Supply	15,510	15,508	15,611	15,609		16,110
MY Exports	0	0	0	0		0
TY Exports	0	0	0	0		0
Feed and Residual	10,400	10,400	10,500	10,500		11,000
FSI Consumption	4,500	4,500	4,500	4,500		4,500
Total Consumption	14,900	14,900	15,000	15,000		15,500
Ending Stocks	610	608	611	609		610
Total Distribution	15,510	15,508	15,611	15,609		16,110
1000 HA, 1000 MT, MT/HA						

Sorghum Japan	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0		0
Beginning Stocks	75	75	81	79		79
Production	0	0	0	0		0
MY Imports	1,481	1,479	1,600	1,600		1,500
TY Imports	1,481	1,479	1,600	1,600		1,500
TY Imp. from U.S.	128	118	0	150		250
Total Supply	1,556	1,554	1,681	1,679		1,579
MY Exports	0	0	0	0		0
TY Exports	0	0	0	0		0
Feed and Residual	1,475	1,475	1,600	1,600		1,500
FSI Consumption	0	0	0	0		0
Total Consumption	1,475	1,475	1,600	1,600		1,500
Ending Stocks	81	79	81	79		79
Total Distribution	1,556	1,554	1,681	1,679		1,579
1000 HA, 1000 MT, MT/HA						

Barley Japan	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	60	60	58	60		60
Beginning Stocks	460	460	389	389		361
Production	172	172	180	172		185
MY Imports	1,257	1,257	1,300	1,300		1,300
TY Imports	1,257	1,257	1,300	1,300		1,300
TY Imp. from U.S.	38	5	0	10		50
Total Supply	1,889	1,889	1,869	1,861		1,846
MY Exports	0	0	0	0		0
TY Exports	0	0	0	0		0
Feed and Residual	1,200	1,200	1,200	1,200		1,200
FSI Consumption	300	300	300	300		300
Total Consumption	1,500	1,500	1,500	1,500		1,500
Ending Stocks	389	389	369	361		346
Total Distribution	1,889	1,889	1,869	1,861		1,846
1000 HA, 1000 MT, MT/HA						

Rye Japan	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0		0
Beginning Stocks	14	14	5	5		10
Production	0	0	0	0		0
MY Imports	46	46	100	90		90
TY Imports	46	46	100	90		90
TY Imp. from U.S.	1	1	0	1		1
Total Supply	60	60	105	95		100
MY Exports	0	0	0	0		0
TY Exports	0	0	0	0		0
Feed and Residual	45	45	85	75		80
FSI Consumption	10	10	10	10		10
Total Consumption	55	55	95	85		90
Ending Stocks	5	5	10	10		10
Total Distribution	60	60	105	95		100
1000 HA, 1000 MT, MT/HA						