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Report Highlights:

Immediately following the **Great East Japan Earthquake** on March 11, 2011, FAS/Japan prepared a series of reports on Japan's rapidly evolving food and agricultural situation. These reports were designed to disseminate vast amounts of information to a broad audience of policy makers and private sector actors as quickly as possible. Topics covered in these reports include; food safety, soil toxicity, port damages, disaster assistance, feed supply infrastructure, commodity prices, retail trends, consumer psychology, and many other food and agricultural topics. As the post-quake series of reports were prepared quickly, often from Japanese translations, some liberties may have been taken with grammar and writing style.

TODAY'S OVERVIEW

Confusion reigns in Japan's agricultural production sector. This week the government estimated that as much as 6,500 hectares of rice land may be unsuitable for growing because of damage caused by salt. Adding to this disruption, MAFF has signaled that it may request farmers in certain affected prefectures to delay rice planting pending a survey for radioactive contamination. That request will likely be made to farmers in Fukushima, where the nuclear plant is located, and other prefectures, such as Ibaraki, Tochigi and Gunma, where radiation levels above safety limits under the Food Sanitation Law were detected in spinach and other agricultural products. Rice planting usually ends by the middle of May.

Farmers in Iwaki City, Fukushima Prefecture, are reportedly suffering from a sharp drop in sales of their vegetables based on the perception that vegetables grown in Fukushima Prefecture are not safe to eat because of radioactive contamination.

The GOJ is trying to get a plan together for how farmers affected by the nuclear accident, farmers whose lands have been damaged by the tsunami and earthquake, farmers who are prohibited from shipping, and farmers who simply cannot sell their produce because of consumer perceptions, can be compensated. The potential costs are staggering, even for a country well accustomed to generous farm payments. MAFF Minister Kano is reportedly working with the Prime Minister's Office to create a stop gap subsidy scheme that would hand out lump-sum payments until funds from TEPCO can be mobilized.

Question such as how much government payments will be, when they will be received, and whether land in affected prefectures will even be viable for farming in future, have left hundreds of thousands of farmers in Japan in a state of confusion and disarray. The only certainty is that no one expects answers, or indemnification, any time soon.

BACKGROUND

A massive 9.0 magnitude earthquake and subsequent Tsunami hit Japan's north east pacific coastal region on March 11, 2011. The catastrophe devastated cities, towns, and villages of the prefectures located along the coast line. The most affected prefectures are Iwate, Miyagi, Fukushima, and Ibaragi. As of 10 a.m. March 31, the NPA reports that there are 11,417 dead, 2,873 wounded, and 16, 273 missing because of the earthquake and tsunami.

PORTS

Damage to Ports in Chiba Prefecture: The earthquake and tsunami resulted in damage to 6 ports and 258 vessels in Chiba prefecture. According to the Chiba prefectural government some progress has been made in restoring these ports. However, four ports remain inoperable as of this time.

INTERNATIONAL TRADE

On Tuesday at the WTO meeting in Geneva GOJ officials asked foreign governments to impose science-based restrictions on Japanese product imports.

From around the world FAS post have learned that the EU will import food from Japan only if it is confirmed safe. In response to this request, MAFF has instructed prefectural governments to issue safety certificates. The Philippines has banned the import of animal-based and feed products, but not fruits and vegetables, from areas in Japan affected by the nuclear crisis as a precautionary measure.

In response to PM Kan's announcement that the GOJ will delay its decision to join the TPP, USTR Ron Kirk told a forum in Washington, "We understand there are some things that have to take precedence over our commercial interests." Kirk added that the United States will welcome Japan participating in the negotiations for the Trans-Pacific Partnership whenever it is ready.

EMERGENCY FOOD AID

No updates from 3/29

GRAINS AND OILSEEDS

On March 30 JA Zen-noh announced that by mid April it will be able to supply enough compound feed to meet demand in Tohoku. Feed mills continue to recover; Kitanihon Kumiai Feed mill in Hanamaki and Higashi Nihon Feed mill in Kashima have been back to operation in mid March. Kitanihon Kumiai Feed mill in Hachinohe started milling feed for poultry and swine on March 28. Those mills will be operating a full capacity once trucks and fuel are supplied.

Ministry of Agriculture announced that 24,000 hectares of rice and vegetable fields in six prefectures were damaged by flooding from tsunami. The damaged area spreads over 6 prefectures. Total paddy field for rice was about 20,000 hectare (1 hectare is 2.471 acre) which can produce 110,000 metric tons of rice (1% of national production in 2010). Upland crop field was 3,449 hectare in total of the 6 prefectures.

As stated above, MAFF has signaled that it may request farmers in certain affected prefectures to delay rice planting pending a survey for radioactive contamination. The request would be made to farmers in Fukushima, where the nuclear plant is located, and other prefectures, such as Ibaraki, Tochigi and Gunma, where radiation levels above safety limits under the Food Sanitation Law were detected in spinach and other agricultural products. Rice planting usually ends by the middle of May. The ministry thinks postponement for two to three weeks would not seriously affect the harvest.

A table of Japan's rice product, by prefecture, is below. Red and yellow cells indicate those areas most affected by radioactive contamination. This data should not be interpreted as an indication of the amount, or percentage, of land that may be taken out of rice product. There will most certainly be rice land taken out of production this year, but it is too early to make any meaningful determination of land mass or subsequent volume.

Japan's Rice Production in 2010

Prefecture	Acreage (Hectare)	Harvest (MT)	%
Total	1,628,000	8,483,000	
Hokkaido	114,600	601,700	7.09%
Aomori	49,400	285,500	3.37%
Iwate	56,400	312,500	3.68%
Miyagi	73,400	400,000	4.72%
Akita	91,300	488,500	5.76%
Yamagata	68,200	406,500	4.79%
Fukushima	80,600	445,700	5.25%
Ibaraki	79,200	406,000	4.79%
Tochigi	64,500	343,200	4.05%
Gunma	18,100	73,100	0.86%
Saitama	35,800	152,200	1.79%
Chiba	61,500	332,900	3.92%
Tokyo	194	725	0.01%
Kanagawa	3,240	15,400	0.18%
Niigata	117,900	617,800	7.28%
Toyama	39,800	214,100	2.52%
Ishikawa	26,800	138,300	1.63%
Fukui	26,800	138,800	1.64%
Yamanashi	5,290	27,900	0.33%
Nagano	34,600	211,800	2.50%
Gifu	24,900	118,300	1.39%
Shizuoka	17,500	89,600	1.06%
Aichi	31,000	154,100	1.82%
Mie	31,000	155,000	1.83%
Shiga	33,100	170,800	2.01%
Kyoto	15,800	79,600	0.94%
Osaka	5,820	28,300	0.33%
Hyogo	38,800	188,600	2.22%
Nara	9,360	47,300	0.56%
Wakayama	7,620	37,400	0.44%
Tottori	14,200	72,000	0.85%
Shimane	19,400	93,500	1.10%
Okayama	33,800	172,000	2.03%
Hiroshima	26,400	134,900	1.59%
Yamaguchi	23,900	116,400	1.37%
Tokushima	13,500	63,600	0.75%
Kagawa	15,300	76,800	0.91%
Ehime	15,800	78,200	0.92%
Kochi	13,100	58,700	0.69%
Fukuoka	39,400	191,500	2.26%
Saga	27,800	137,100	1.62%
Nagasaki	14,000	62,900	0.74%

Kumamoto	39,500	202,200	2.38%
Oita	24,400	120,800	1.42%
Miyazaki	20,100	99,700	1.18%
Kagoshima	24,800	118,800	1.40%
Okinawa	914	2,680	0.03%

	Radiation Hot
	Radiation Warm

The FAS Tokyo grains specialist will be meeting on Monday with MAFF's feed division chief to discuss feed grain supply and demand prospects. The representative from the U.S. Grains Council Japan office will be joining FAS at that meeting.

WOOD PRODUCTS

Emergency Temporary Housing

Total consumption of wood material necessary for 30 thousand emergency housing units is estimated to be approximately 32,000 cubic meters (m3) as follows; Wood picket (90dia. x 900mm) - 14,050m3 (approx. 1.3 million-set). Plywood for floor sheathing (12mm thick, 180cm x 90cm) - 12,622m3 (approx. 600 thousand - sheet). Lumber for floor joist (90 x 90x 30mm) - 6,178m3 (approx. 1.3 million-set). The supply of wood picket and plywood will be available in sufficient quantities. The availability of lumber supplies is currently being examined.

Three Japanese ministries (MIC; Ministry of Internal Affairs and Communications / MHLWC; Ministry of Health Labor and Welfare / DA; Ministry of Defense) have been designated to assist in the creation of temporary emergency homes in conjunction with MLIT, MAFF, METI, and MOT. MLIT's Housing Bureau is the secretariat for the emergency housing program under the Cabinet Office. In order to address the shortage of building materials, the government is urging increased production. If it is ascertained that there will be shortages, they will consider importing materials.

Plywood manufactures in the devastated area represent nearly 30% of Japan's total plywood output, which is about 62,500m3 per month. Plywood mills in unaffected areas have been in full production in order to make up for lost production and to meet the emerging construction demand. Akita Plywood (Akita prefecture), one of the largest plywood mills, started to operate in full production at 46,000m3 per month using local logs to manufacture all structural plywood, Russian veneer, and Douglas fir Logs. Nisshin Group (Shimane prefecture), one of the leading plywood mills, took over the plywood mill in Tokushima Prefecture last year. It will increase production by 7,000m3 per month starting from this April. Hayashi Veneer Industrial Co. will increase production from 25% to 50% working during weekends. They have received logs from North America and Aomori that were diverted from their original intended destination in the now devastated areas.

FAS Tokyo opinion: The supply of Japanese wood may not be adequate to meet the emergency demand for large quantities of plywood. Some home builders have started using floor joists rather than relying upon thick plywood due to the supply shortage. The strong yen has resulted in Japanese plywood

manufacturers reverting to previously favored Russian logs and newly introduced Douglas fir logs from the United States and Canada.

POULTRY, MEAT, DAIRY AND LIVESTOCK

Some livestock products from Fukushima prefecture have been impacted by harmful rumors. The Wagyu carcass (premium beef) from Fukushima prefecture was priced about 10% lower than the average price of others at Tokyo Central Meat Market on March 28.

Within 20 km radius, there were 870 heads of dairy cattle, 2,500 of beef cattle, 30,000 swine and 630,000 poultry. Farmers with operations within the 20 km radius were evacuated and left their animals behind. To date those farmers have not been permitted to return home. It is too early to accurately estimate the extent of the damage to the Fukushima livestock industry.

SEAFOOD

The sales volume of fresh fish at Tsukiji fish market decreased by 33% in the period following the earthquake as supermarkets cut back purchases due to the rolling electricity blackouts and the drop off in demand stemming from cancelled parties and banquets. It should be noted that, in particular the price of expensive species such as wild sea bream has been down 30% due to slow demand but the price of common species remain stable. The volume of frozen fish and processed fish products available also remains stable. However, the volume of fresh tuna coming into Tsukiji is still 10-30% lower than before the earthquake according to a trader at the Tsukiji market tuna auction. The tuna auction is extremely popular with tourists but has been closed to the public ever since the earthquake. As a result, there are few foreign or Japanese visitors to Tsukiji and lines for popular sushi restaurants have been much shorter than usual. Despite the reduction in visitors, the market remained busy with traders. The buildings located in Tsukiji market were not damaged by the earthquake. However, the ground has been affected by liquefaction in several places in Toyosu, which is the proposed area for relocation of Tsukiji market. The Tokyo Metropolitan government is currently assessing the damage.

The oyster farming industry in Miyagi Prefecture was severely damaged by the tsunami, which will affect oyster farming in other regions since Miyagi provides young oysters that are brought to maturity in other regions such as Akkeshi and Saroma, Hokkaido where they cannot naturally reproduce. The Hokkaido aquaculture industry is currently looking for other sources to supply young oysters for planting season in April. According to the oyster farming division at Saroma Fishing Co-op it is almost impossible to find young shells for this season. It takes about two years for oysters to reach maturity so supply will not be affected for several years. The wholesale price for oysters has risen 40% with the lack of supply from Miyagi and Iwate, which produces 30% of oysters in Japan.

According to MAFF statistics, Iwate Miyagi and Fukushima accounts for 10.8% of wild fish production and 16.5% of the area producing cultivated fish in Japan. The production share of saury (sanma) and oysters in the area is about 30 % of the total. Oysters are already in short supply in the market and prices have been rising with saury availability expected to be affected after this summer.

Major fishery production in the affected area in 2010 (metric ton)

Species	Japan total	Iwate	Miyagi	Fukushima	Share (%)
Wild Fish total	41,511	1,335	2,293	835	10.8%
Tuna	2,060	72	213	32	15.4%
Bonito	3,009	2	321	21	11.4%
Shark	339	32	142	4	52.5%
Salmon/trout	2,243	260	92	7	16.0%
Mackerel	4,709	117	157	213	10.3%
Saury	3,119	254	496	265	32.5%
Squid	2,923	172	190	32	13.5%
Fishery cultivation total	11,969	600	1,376		16.5%
Scallop	2,567	68	148		8.4%
Oyster	2,092	132	481		29.3%
Seaweed	4,570	384	498		19.3%



This fishing boat was found washed up on a pier in Kesennuma, Miyagi Prefecture, on March 14.

FOOD SAFETY AND SOIL TOXICITY

Guidelines for Radioactive Materials in Food

The Food Safety Commission (FSC) has held five expert group meetings for the risk assessment of radioactive substances in food since March 23, 2011, and reached a conclusion on March 29 that the human consumption cesium level for food and water is set at 5mSV per year. The commission signaled that the level can be relaxed up to 10mSV per year in times of emergency. Regarding radioactive iodine, the FSC agreed that the current level of 50 mSV per year (as thyroid gland equivalent dose) has a sufficient safety margin. Based on the FSC's assessment, MHLW will start discussions on whether it will revise the provisional standard.

The limits concluded by FSC are considered to be emergency measures and are effective for one year only. Currently, FSC is planning to continue the risk assessment of other radioactive nucleotides such as uranium and plutonium.

Water Use

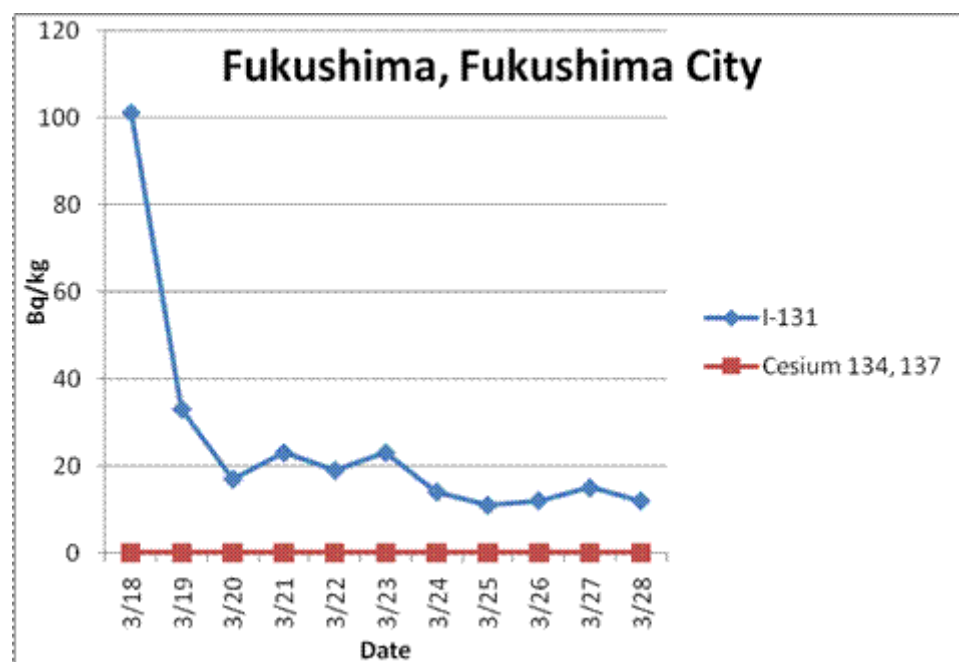
As March 31, 2011, three areas in Fukushima Prefecture have advised residents to refrain from drinking tap water, or refrain from having infants intake tap water. For the rest of area where radioactive materials were detected, the advice was lifted because there was no more detections or the detected level was below the acceptable limit. In many areas, the level of detection has been decreasing steadily.

Prefecture	Area	Infant		Genral public	
		Starting	Ending	Starting	Ending
Fukushima	litate Village			3/21	
	Date City	3/22	3/26		
		3/27			
	Kawamata Town	3/22	3/25		
	Koriyama City	3/22	3/25		
	Minami Soma City	3/22	3/30		
	Tamura City	3/22	3/23		
		3/26	3/28		
	Iwaki City	3/23			
Tokyo	23 wards and 5 cities	3/23	3/24		
Ibaraki	Tokai Village	3/23	3/26		
	Hitachi Ota City	3/23	3/26		
	Kita Ibaraki City	3/24	3/27		
	Hitachi City	3/24	3/26		
	Kasama City	3/24	3/27		
	Furukawa Cit	3/25	3/25		
	Toride City	3/25	3/26		
Chiba	Nogikuno Haka Filtration Plant, Kuriyama Filtration Plnat	3/23	3/25		
	Kashiwai Filtration Plant	3/26	3/27		
	Kitachiba water system	3/23	3/26		

	Inbagun water system	3/26	3/27		
Tochigi	Utsunomiya City	3/25	3/25		
	Nogi Town	3/25	3/26		

Fukushima Prefecture, Fukushima City

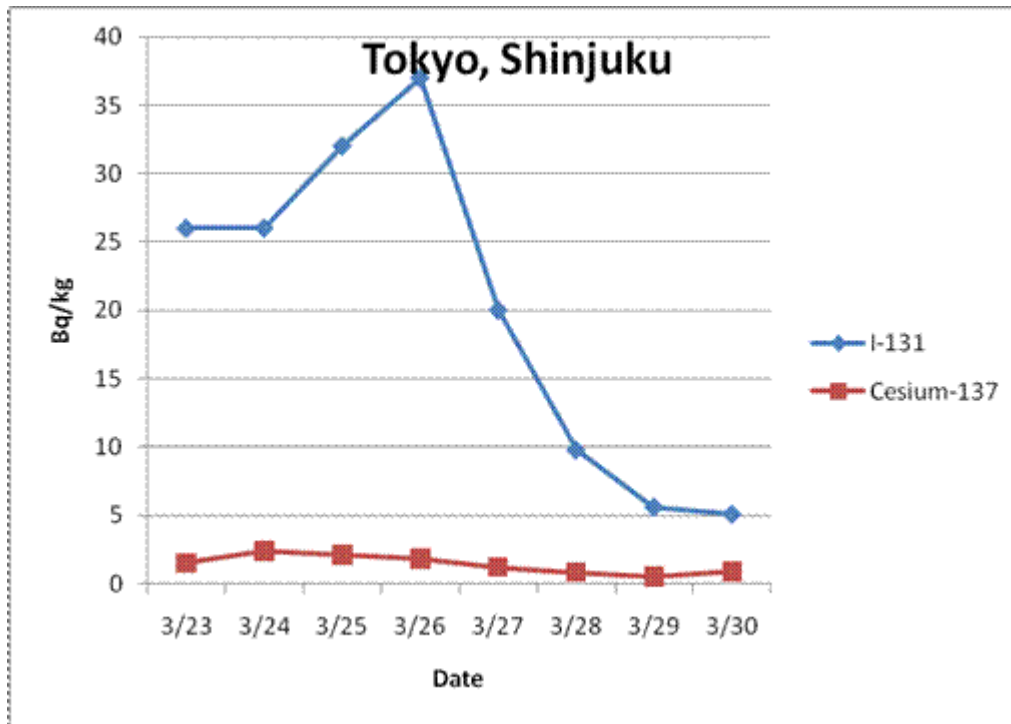
(Graph was created based on data provided by Fukushima Pref Gov., <http://fksmwww-cache.cloudapp.net/j/sokuteichiinryousui25.pdf>)



Tokyo Prefecture, Shinjuku Ward (Red line Iodine-131, Blue line; Cesium – 137, unit is Bq/kg)

(The graph is created based on data provided by MEXT)

(http://www.mext.go.jp/a_menu/saigaijohou/syousai/1303956.htm)



Food and Agricultural Products

As of March 30, Japanese local governments have tested 669 agricultural products and found radioactive materials above the provisional limits in 124 products. Since March 26, products above provisional limits were only detected in Fukushima Prefecture. All products tested in other prefectures since March 26 were either not detected with radioactive materials or below the limit.

	Item	# of Tests	# Tested Above Tolerance	Items Above Tolerance	#
Fukushima	milk	89	18	raw milk	18
	vegetables	118	52	broccoli	13
				spinach	17
				other veges (leafy, etc)	19
				cabbage	2
				turnip	1
Ibaraki	egg	7	0		
	other	21	0		
	subtotal	235	70		
	milk	15	5	raw milk	5
	vegetables	97	27	spinach	20
				parsley	5
				lettuce	1
				other	1

	meat/eggs	7	0	
	other	2	0	
	subtotal	121	32	
Tochigi	milk	5	0	
	vegetables	39	10	spinach 8 other leafy veges 2
	subtotal	44	10	
Gunma	milk	2	0	
	vegetables	64	3	spinach 2 other leafy veges 1
	subtotal	66	3	
Saitama	milk	4	0	
	vegetables	35	0	
	subtotal	39	0	
Chiba	milk	6	0	
	vegetables	35	8	crown daisy leaf 3 celery 1 parsley 1 spinach 1 other leafy veges 2
	seafood	9	0	
	subtotal	50	8	
Tokyo	milk	2	0	
	vegetables	11	1	komatsuna 1
	subtotal	13	1	
Kanagawa	milk	3	0	
	vegetables	12	0	
	meat	1	0	
	seafood	3	0	
	subtotal	19	0	
Yamagata	milk	1	0	
	vegetables	8	0	
	subtotal	9	0	
Miyagi	milk	2	0	
	vegetables	4		
	subtotal	6	0	
Niigata	milk	4	0	
	vegetables	54	0	
	other	1	0	

	subtotal	59	0	
Nagano	milk	1	0	
	vegetables	5	0	
	subtotal	6	0	
Ehime	vegetables	2	0	
	subtotal	2	0	
	TOTAL	669	124	124

HORTICULTURAL PRODUCTS

Vegetables

As suppliers from the northern-half of the Kanto region remain unable to trade leafy greens, trading volumes in the Tokyo wholesale market continue to be low. Tokyo traders report that in general market activities remain slow. However, consumers in the area are beginning to look for substitute vegetables and thus are signaling a possible increase in demand for non-leafy vegetables such as broccoli and tomatoes.

Overall demand for leafy greens, particularly spinach and lettuce remain low. During the second week after the earthquake trading volumes for spinach showed possible signs of a rebound. In addition to traditional suppliers like Saitama, Tokushima suppliers (western Japan) provided emergency supplies and non-traditional suppliers from Kagoshima (southern Japan) are beginning to substitute the banned supplies from Ibaraki. Yet, this week trading volumes have returned to less than half of the usual traded tonnage. Nonetheless, the upward pressure on price caused by shorter supplies is beginning to yield to the continuously low demand for spinach resulting from contamination concerns. This week, wholesale prices for spinach went down to about 140 yen for a 250-gram bunch, down significantly from the previous week but still a bit higher than pre-earthquake prices.

In the case of lettuce the main supplier to the Tokyo metro area is Ibaraki prefecture. While lettuce is not one of the banned vegetables, consumers are showing great reluctance to purchase Ibaraki lettuce. Concerns over food contamination continue to damage the reputation of fresh produce from the affected prefectures. Prior to government announcement, Ibaraki lettuce was trading at 2,415 yen for a 10-KG, last week wholesale prices lowered significantly to 1,890 yen but have held steady this week at the same level. On the other hand, lettuce from the Shizuoka and Hyogo prefectures (western Japan) are trading at about 2,940 yen.

Usually as the weather gets warmer, demand for fresh salad items tends to increase slightly. Yet this season, food contamination concerns and lower supplies continue to temporarily turn Tokyoites away from purchasing leafy greens. Thus, the usual upward demand for these items is expected to translate to a greater demand for substitute vegetables. This week broccoli was traded at an average of 2,152 yen per 4Kg a 28 percent spike from the pre-earthquake price. The Aichi prefecture in central Japan

remains the largest supplier. Trade volumes this week lowered by half reflecting the transition from the winter broccoli to spring varieties. Lower supplies coupled with possible increases in consumer demand may account for the jump in price. Similarly, tomatoes coming from Kumamoto, southern Japan, were trading at slightly higher prices than last week.

Market activities in Kansai, western Japan is fairly normal. At the end of this week, spinach and lettuce prices continued up.

Subway restaurants in Japan have reportedly decided to honor their contracts with farms in Ibaraki and use Ibaraki lettuce in their sandwiches. The lettuce is reportedly double-tested for radiation before it is shipped out. So far, tests have found amounts that are well within safe background levels.

Fruits

Fresh produce from the Ibaraki, Tochigi, and Gunma prefectures continue to be affected by radiation concerns. The major fruits traded by these prefectures are strawberries, miniature-sized watermelons, and melons. While, Tochigi and Ibaraki are the major suppliers of strawberries to the Tokyo region, safety concerns have slowed strawberry sales by about 30 percent. Despite the fact that all strawberries are produced in vinyl covered facilities, consumers remain too weary to purchase. Miniature-sized watermelons are also produced in vinyl covered facilities in the Ibaraki and Gunma prefectures. This season, unusually cold weather in the region has delayed harvest. In addition, Ibaraki is a major melon producing region. While shipping is not expected to start until late April, growers and traders remain concerned that contamination rumors may affect this season's melon sales.

WHOLESALE, RETAIL AND DISTRIBUTION

National

The Consumer Affairs Agency, along with the Ministry of Health, Labor, and Welfare, announced an exception to the guidelines for the labeling of bottled water and food products.

Wholesalers/importers/distributors are not required to affix or label in Japanese if at the point-of-sale, signs or other point of purchase (POP) are available so that consumers can be informed of content and origin. MAFF and MHLW also will not police food sales and donations to the affected areas for an undetermined period. This announcement will provide significant cost savings to those firms trying to increase imports of water and other foodstuffs in short supply. Details can be found at:

<http://www.caa.go.jp/jisin/110318syokuhin.html> (Japanese only).

Many companies are having difficulty getting back on their feet. Ezaki Glico Co. Ltd., (<http://www.glico.co.jp/en/index.htm>) headquartered in Osaka, is a major food manufacturer in Japan. They produce a wide variety of food products ranging from confectionaries, dairy products, fruit juices, processed meat products, retort-pouched curry to functional foods. Their five factories in the Tohoku and Kanto regions suffered from severe quake damage and have suspended operations. Each product

category requires specific facilities and equipment, thus transferring production to their other facilities is difficult.

Tokyo

In spite of the Fukushima nuclear reactor situation, retail prices and supply are stable in Tokyo. Fresh produce shelves at retailers are filled with a variety of fresh vegetables and fruits at almost same prices before the event. However, prices at the wholesale level depend on its origin, and retailers make every effort to adjust prices at the shops. Spinach shipments from the four prefectures have suffered since suspension done by GOJ. Retail buyers shift selection from spinach to cut vegetable or alternatives, such as lettuces and/or spinach from other regions, in order to keep sales as same as before the quake. Note that spinach only represents about a 1.5% share of total vegetable retail sales, far smaller than lettuce and cabbage.

Rice, bread, milk and eggs have returned to supermarkets in Tokyo. However, yogurt continues to be in short supply due to power outages. FAS Tokyo continues to research food supply and prices at two super markets in Akasaka, Tokyo, near the U.S. Embassy. The researcher found far better food supply at the stores except bottled water. There are few sales promotions or discounts, but the researcher could see retailer's efforts to maintain regular prices despite transportation issues.

Market Price Research: at retail stores			Japanese Yen		Wed., Mar/30/2011
Items	Brand/Origin/Contents	Total qty	Mar/22	Mar/30	Remarks
Rice	Koshihikari, Niigata	5 kgs	2,280	1,980	In promotion
Rice	Akitakomachi, Hokkaido	5 kgs	1,980	2,080	Higher price than usual
Breads	Hojun, shokupan	1 loaf	168	168	Better supply than last week
Udon (Noodle)	PB Brand, frozen, 2 meals	400 g	98	98	Made from Wheat flour
Tofu	Made of domestic soy, regular	350 g	88	88	Better supply than last week
Soy sauce	Kikkoman	1 litter	338	338	Higher price than usual
Soy sauce	PB Brand	1 litter	158	158	Average price
Lettuce	Fresh iceberg, domestic	1 head	158	148	A little cheaper price
Spinach	Fresh, domestic	1 bunch	198	198	Regular price
Banana	4-5 bunches, regular, Philippine	1 pack	198	248	Higher price than 3/22
Apple	Higher grade Fuji, Aomori	1 pc	198	158	Return to regular price
M. Orange	6-7 pcs, L-size, domestic	1 pack	598	498	harvest season ends

Beef	Loin, steak cut, domestic	100 g	680	548	Average price
Beef	Short plate, sliced, Domestic	100 g	n/a	298	Higher price than usual
Beef	Short plate, sliced, Australian	100 g	208	n/a	replaced by domestic meat
Pork	Loin, block, domestic	100 g	248	208	still higher price than usual
Pork	Belly, sliced, domestic	100 g	n/a	218	higher price than usual
Chicken	Debone, thigh, domestic	100 g	188	148	Return to regular price
Chicken	Breast, domestic	100 g	168	128	Return to regular price
Sugar	Spoon brand, superfine	1 kg	228	228	Regular price
Canola oil	Healthy Light, Nisshin Oilio	1 litter	399	399	Regular price
Sausage	"Showessen" brand, Vienna	276 g	598	598	138 g x 2 pack per bunch
Ham	Boneless, sliced, 4 packs x 40 g	160 g	299	398	higher price than usual
Frozen Chinese dumpling	Ajinomoto, Gyoza 12 peaces	252 g	378	378	Regular price for the shop
Milk	Morinaga, regular	1 litter	215	215	Regular price
Milk	Morinaga, low fat	1 litter	208	245	No promotion
Egg	Fresh, L-size, Akita, 10 pcs	1 pack	239	258	higher price than 3/22
Canned corn	Kernel, pull tab can	130 g	149	149	Regular price for the shop
Potato chips	Callbee, low salt, 60 g	1 pack	118	118	Regular price for the shop
Cup noodle	Ace-Cook brand,	1 cup	n/a	88	better supply than 3/22
Mineral water	Major brand, PET bottled	2 litters	159	n/a	No product available
Salmon	Atlantic, Norway, sliced fillet	2 slices	550	550	higher price than usual
Tuna, marble	Blue-fin tuna, domestic, frozen	100 g	980	880	Average price
Tuna, lean	Mebachi tuna, pelagic, frozen	100 g	450	450	Average price
Shrimp	Black-tiger, ML-size, 20 pcs	1 pack	680	480	XL-seze, 8 pcs
Squid	Yari type, a whole, domestic	1 body	175	140	¥580/1 kg box

Bottled Water - In response to the detection of tap water in Tokyo, supermarkets are stocking up. Major retailers fill up their shelves with bottled water every morning and ask consumers to buy only one bottle per person. However, some consumers come in early to buy, and then join the queue again.



Figure 1 Empty bottled water shelves. The sign apologizes for the lack of water due to the situation. The big letters just says -Dinking Water

Many major retailers and importer are stocking up:

AEON- Importing a total 1.3 million bottles from France, Korea and Canada, equal to procurement for 6 weeks.

Costco – Has reported they will double their normal imports. Plans to import 800 containers of 1 liter bottles (approx 56 million bottles) from now until the end of April

Coca-Cola - Announced that it will import 1 million cases (24 500-ml bottles in each case) of bottled mineral water from the ROK as early as this weekend to address a shortage of bottled water. Mineral water will be provided to the quake-stricken areas for free, while some will be sold in the Tokyo area.

Menefune Water Japan, Inc. - (Hawaiian water importer and distributor) – Is planning to import 120 FCL (full container load) of bottled water for this month, which is approximately 5 to 6 times more than they imported last March. Menefune carries a variety of bottled water products, 590 milliliter/1.0 liter/5 gallons, for retail and delivery. The company is requesting that it's supplier, the Hawaii Water company, to run at 100 % production capability to service Japan.

Tominaga Boeki Kaisha (located in Kobe) - Have contacted their supplier in Burlington, Washington to request increased shipments. The company normally buys 100 FCL (= 3,600,000 bottles / 500 ml) a year.

Seiyu (Walmart) – Currently imports bottled water from Nestle Canada, not the U.S. Seiyu reports that it has increased the quantity of Canadian water imported from before the quake for arrival in early April, and is increasing imports by more than 10 times for late April. Seiyu is considering importing bottled water from the U.S., and is talking to Wal-Mart/U.S.

Otsuka Foods (Crystal Geyser) - They have increased the supply already, and are about to request increasing the volume of production to the maximum for exporting to Japan, doubling the supply of

Crystal Geyser in Japan.

Suntory - (For a relaxing time, make it Suntory time) - Holds Pepsi Brand for Japanese market, but does not import Pepsi's bottled water product (Aquafina) at the moment. It has asked Swiss-based Nestle SA to ship 60% more Vittel bottled water than it ordered before the earthquake. However, Suntory is considering importing from the U.S. and is in discussions with PEPSICO/ U.S.

Seven & i Holdings Co. (3382) is preparing to import bottled water from South Korea and Taiwan, while Nippon Access Inc. will procure it from Canada and South Korea.

Kansai

Manufacturing:

In general, manufacturers are trying their best to increase their production in spite of the shortage in ingredient supply. They are changing recipes and ingredients of some products or changing the production schedule in order to focus on the production of the items in need.

For example Tominaga Boeki Kaisha, Kobe, (see above under bottled water) is a mid-sized trading company, which deals with a variety of beverages. They not only import beverage from foreign countries, including the US, but also contract out the production of their private brand beverage to domestic manufacturers in Japan. Their production facilities were not damaged by the earthquake but the sub-contractors (ingredient producers) were affected by the quake. The production schedule has been forced to change due to the shortage in ingredient supply but they are coping with the situation by narrowing down the product items. Their production facilities are in full operation now and their shipment in March was about 10% more than last March.

There is also a report that House Food Corporation has been changing their production schedule by reducing the production of desert items and increasing the production of retort-pouched curry.

Retail

Daiei – a major supermarket reports that they've been able to cope with shortage of supplies (green leafy veggies and dairy products) from Kanto by increasing procurement from other sources. And their stores both in Kanto and Kansai have a normal level of supplies.

We have heard from a local supermarket chain store that some of their prices in Kanto are cheaper than those in Kansai out of consideration for those suffered. (even though cost of shipment can be higher. (i.e. water, "we are not (trying to) making money on that (in Kanto)."

Also Sankei reported that the Kansai based major retailer Heiwado president said "we are in the middle of difficulties. We may see higher wholesale prices as a result of shortage of supplies. But we are not going to pass higher costs onto consumers."

In general, this reflects the volatility of wholesale prices around the country and the attempts of retailers to temper that volatility.

MEDIA

- Farm Ministry To Draw Up Soil Radiation Standards - The Agriculture Ministry said Wednesday that it will set acceptable radiation levels for soil to help farmers decide whether to plant crops. (Thursday, March 31, 2011 04:09)
- Japan Urges Calm On Its Farm Products At WTO -Japan urged WTO members on Tuesday not to take excessive actions against its agricultural products, which more countries are blocking as Tokyo struggles to contain the crisis at the Fukushima Daiichi nuclear plant.. (NIKKEI Wednesday, March 30, 2011 14:01)
- Japan Firms Eye Emergency Imports Of Food and Water - A growing number of Japanese food makers and retailers are turning to emergency imports to cope with shortages caused by the recent disaster. Aeon Co. has announced plans to import large amounts of food and sundries, purchasing 1,500 tons of onions and 500 tons of carrots from Australia, among other items. Several firms announced to import bottled water from South Korea, Canada, and other countries. (NIKKEI Thursday, March 31, 2011 04:18)
- Eastern Japan Still Short Of Dairy Products - TOKYO (Nikkei)--Dairy products are still in short supply in eastern Japan as scarce packaging materials such as paper cartons hinder production. Yogurt output, for example, cannot keep up with demand due to rolling blackouts, and supplying products from western Japan is not practical because milk is highly perishable. (NIKKEI Wednesday, March 30, 2011 17:32)
- **16:50 March 31, 2011 Thursday (Fukushima conducts soil investigation):** NHK reported that Fukushima prefecture conducted a survey of soil from farmlands today. The network said that another survey will be held on April 1 and the results will be announced around April 6.
- **16:32 March 31, 2011 Thursday (USTR Kirk on possible TPP delay):** NHK-TV reports that USTR Kirk expressed understanding that the GOJ may postpone a decision to join the TPP due to the earthquake disaster. Kirk said on Wednesday in Washington: "We would like to help Japan stabilize, recover and control the situation." The U.S. official expressed hope for Japan's future participation in the initiative by saying: "The U.S. will welcome Japan once it is ready."
- **16:13 March 31, 2011 Thursday (Damage in Miyagi prefecture exceeds 2 trillion yen):** NHK-TV reported that the earthquake and tsunami have so far caused Miyagi prefecture more than 2.0753 trillion yen (\$25 billion) in damage. According to the network, the prefecture's agriculture and fisheries industries sustained more than 849 billion yen (\$10.2 billion), with farm land submerged in seawater and factories destroyed. In addition, commercial and tourism industries in the prefecture suffered about 732 billion yen (\$8.8 billion). The network said that the total damage is likely to increase.

DONATIONS BY U.S. AGRICULTURE

FAS has been in contact with the Ministry of Agriculture, Fisheries, and Forestry and has obtained the

below contact number.

If your firm has a supplier network in Japan, and you wish to make a donation, please ask your Japanese partners to email the contacts below. MAFF will work with your firm to match your donation with the expressed needs of an affected community in the Tohoku region.

For the sake of efficiency, and in order to ensure that donations are allocated appropriately, the initial contact should be in writing. If a phone call is needed, please do so during normal Tokyo business hours from 9:30am to 6:00pm. When contacting MAFF, please inform them of the nature and volume of the product you wish to donate, the location of the product, and your delivery capabilities. In some cases MAFF can arrange for a pickup at your warehouse.

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In addition, the U.S. Agency for International Development manages a site where companies can propose product donations - <http://www.cidi.org/commodity-available-registration?view=commodityavailable>. This site allows companies to register and list offers of in-kind donations, which then will be matched to stated requests from the Government of Japan.

Naturally, the above options do not preclude you and your Japanese counterparts from distributing assistance through private sector distribution channels.

Donations

ASA/USB/USSEC - The United Soybean Board is working to implement an activity that will assist Japanese soy businesses affected by the natural disasters. In addition, USSEC is offering an opportunity for soy related firms, organizations and individuals to demonstrate their compassion to our Japanese partners. In consultation with the USSEC/ASA-IM Japan office, USSEC is organizing a soybean industry donation under the moniker "Japan-United States Soybean Friendship Aid". The donation will be made to the American Red Cross for earthquake and tsunami relief.

Napa Raises \$55,000 for Japanese Sister City, Iwanuma, Miyage prefecture - Hundreds of people thronged to the Napa Valley Opera House Sunday afternoon for "From Napa to Iwanuma," a benefit event for the municipality in Japan that has been Napa's sister city since 1973 and suffered massive destruction in this month's tsunami. Bidders crowded the silent-auction table where donated lots included fine wines, and spa experiences.

ARAMARK - The ARAMARK Charitable Fund at the Vanguard Charitable Endowment Program will

make a \$250,000 contribution to the American Red Cross to support relief efforts and our Japanese colleagues affected. The company will also match employee contributions to the American Red Cross disaster relief fund.