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Japan

Potatoes and Potato Products Annual

Japan Continues to Present Opportunities for U.S. Potatoes

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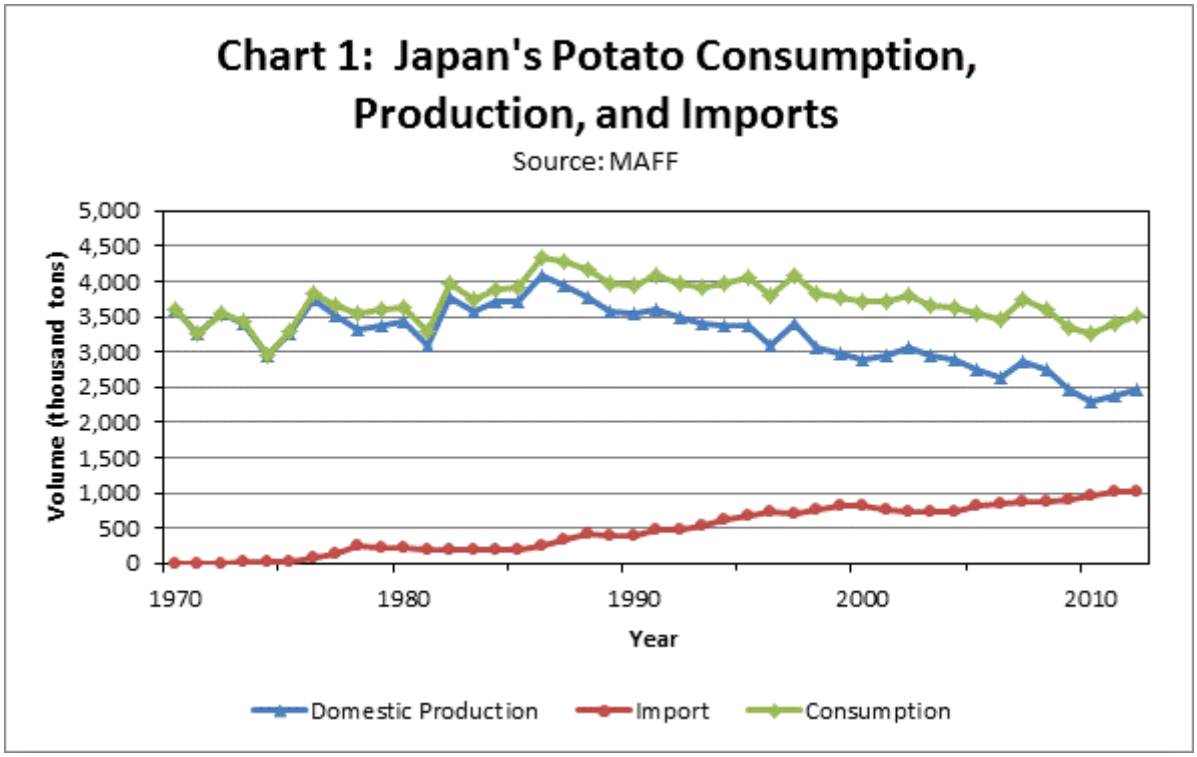
Report Highlights:
In 2013, Japanese potato production decreased by 3.5 percent to 2.41 million metric tons. Given this decreased availability of domestic potatoes and increased demand for potato chips, imports of fresh potatoes jumped by 28 percent. Imports of frozen potato products, particularly French fries, continued to be robust. A potential contraction in Japanese domestic potato production, expected to occur over the next decade, could present greater opportunities for imports, particularly U.S. potatoes, as they are highly valued in quality and price by Japanese users and consumers. Aggressive and strategic marketing activities by the U.S. potato industry have been instrumental in developing new demand in growth sectors.

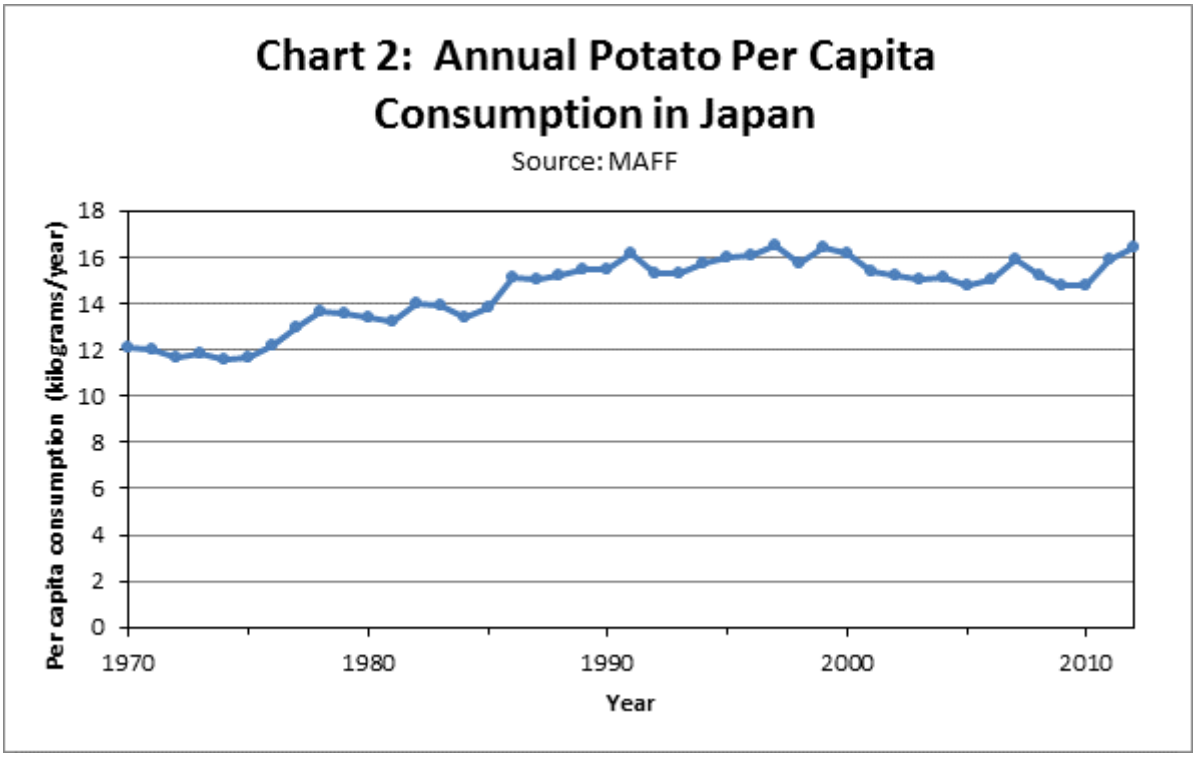
Market Overview

Since Japan's potato production peaked at 4.1 million MT in 1986, it has steadily declined (Chart 1). However, demand has remained more or less constant at around 3.5 million metric tons (MT) over the last few decades, and to meet this shortfall, imports have gradually increased.



Source: Ministry of Agriculture, Forestry and Fisheries (MAFF)

Between 1970 and 1997, annual Japanese potato per capita consumption increased in line with the expansion of fast food restaurants serving French fries (Chart 2). Over the last two decades, per capita consumption has remained between 15 and 16 kilograms per year.



Source: MAFF

Fresh Potatoes

Production

Table 1: Japan's Fresh Potato Production

Year	Area Planted (ha)	Production (MT)	Yield (MT/ha)	Utilization (MT)
2004	87,200	2,888,000	33.1	2,357,000
2005	86,900	2,752,000	31.7	2,242,000
2006	86,600	2,635,000	30.4	2,135,000
2007	87,400	2,873,000	32.9	2,370,000
2008	84,900	2,743,000	32.3	2,251,000
2009	83,100	2,459,000	29.6	2,001,000
2010	82,500	2,290,000	27.8	1,864,000
2011	81,000	2,387,000	29.5	1,961,000
2012	81,200	2,500,000	30.8	2,061,000
*2013	79,700	2,412,000	30.3	2,004,000
**2014	80,000	2,456,000	30.7	2,032,500

Source: MAFF
*Note: 2013 data is preliminary
** FAS/Tokyo forecast

Table 2: Japan's Major Fresh Potato Producing Prefectures (2013)

	Area Planted		Production	
Prefecture	ha	%	MT	%
Total	79,700	100.0	2,412,000	100.0
Hokkaido	52,500	65.9	1,880,000	77.9
Nagasaki	4,000	5.0	103,700	4.3
Kagoshima	4,410	5.5	91,700	3.8
Ibaraki	1,470	1.8	41,800	1.7
Chiba	1,280	1.6	29,100	1.2
Other	16,040	20.1	265,700	11.0

Source: MAFF

In 2013, the average yield for Japanese fresh potatoes decreased by two percent to 30.3 MT per hectares (ha) due to a lack of rain during the growing season (Table 1). The total planted area also decreased by two percent to 79,700 ha due to a number of factors, including the exiting of aging farmers and an overall switch to wheat and/or buckwheat production for soba due to unstable prices for potatoes used for non-fresh potato products. As a result, Japan's fresh potato production decreased by 3.5 percent from the previous year to 2.41 million MT.

Hokkaido, Japan's northernmost island, is the major potato producing region in Japan, accounting for nearly 80 percent of the nation's total output (Table 2). Hokkaido's cool temperatures and large-scale agricultural land provide suitable conditions for potato production. Potatoes in the Hokkaido region are planted in late spring, after the ground has thawed, and are harvested from August to October. Much of Hokkaido's potato production is stored and distributed to the market through the following spring. In 2013, Hokkaido's fresh potato production was 1.88 million MT, down three percent from the previous season due to a lack of rain during the growing season. For the 2014/2015 season, the production is expected to increase slightly over the previous year.

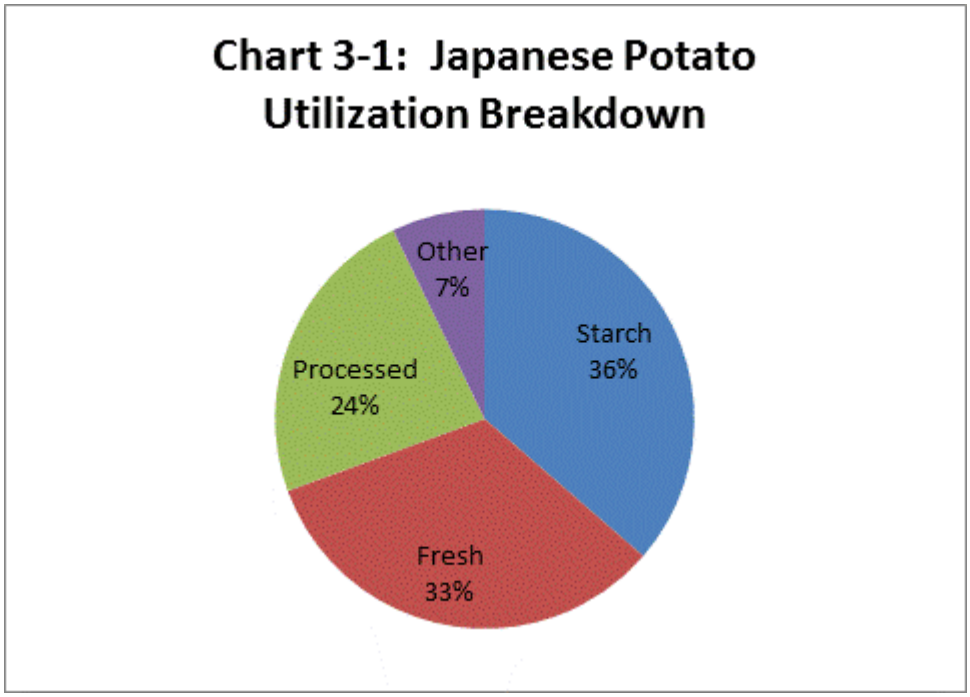
In addition to Hokkaido, the island of Kyushu is also a major producer of potatoes with its prefectures of Nagasaki and Kagoshima as Japan's second and third largest potato producing areas, respectively. Potatoes in Kyushu (as well as the island of Honshu, the main island of Japan) are planted and harvested throughout the year: winter (harvested from February through April), fall (harvested in November and December), and spring (May through July). These potatoes are mainly sold fresh as soon as they are harvested. Due to fair weather, Post estimates Kyushu's production for the 2013/2014 season to be the same as the previous year and expects similar production levels for the 2014/2015 season as well.

According to trade sources, due to favorable weather during the growing season, Japan's production volume for potatoes for the 2014/2015 season is expected to increase slightly over the previous year. However, over the next decade, Japan's potato production is expected to further decline due a number of factors, such as decreasing farm size and aging famers retiring without successors. Given these challenges, Japanese manufacturers of potato products, such as potato chips, remain concerned about the future availability of domestic potatoes for processing.

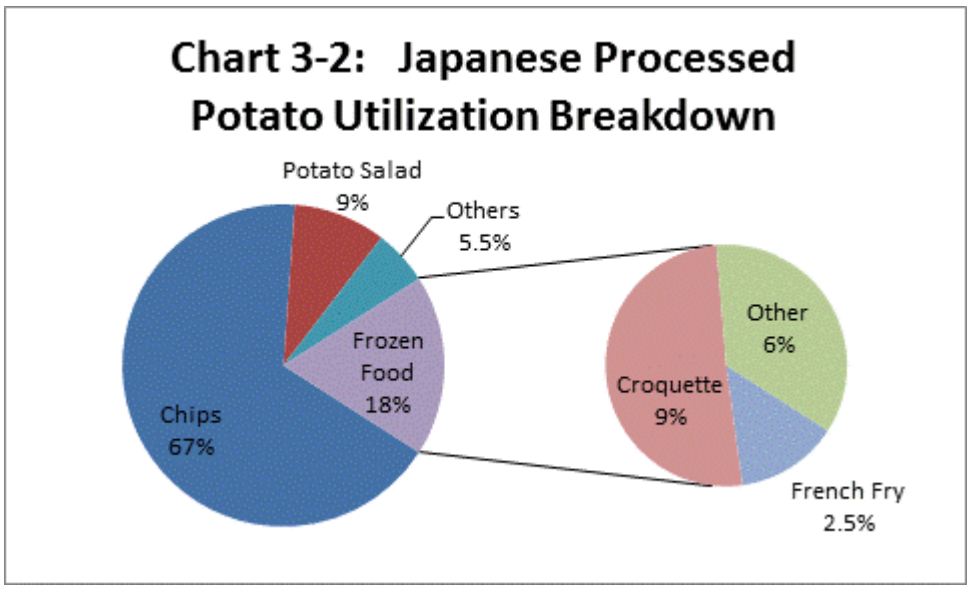
Consumption

As reported in the Market Overview section, per capita consumption of potatoes has remained between 15 and 16 kilograms over the last decade. The following pie chart shows the breakdown of fresh potato utilization in Japan (Chart 3-1). According to Japan's Ministry of Agriculture, Forestry, and Fisheries (MAFF), 33 percent of Japanese potatoes are consumed fresh at households and restaurants. The starch industry uses 36 percent, and the food processing sector, including potato chips and frozen potato product manufacturers, utilizes about 24 percent. The remaining seven percent is used primarily as seed potatoes and feed.

As seen in Chart 3-2, the majority of processed potato products is mainly potato chips (67 percent), followed by frozen potato products (18 percent), and potato salad (nine percent).

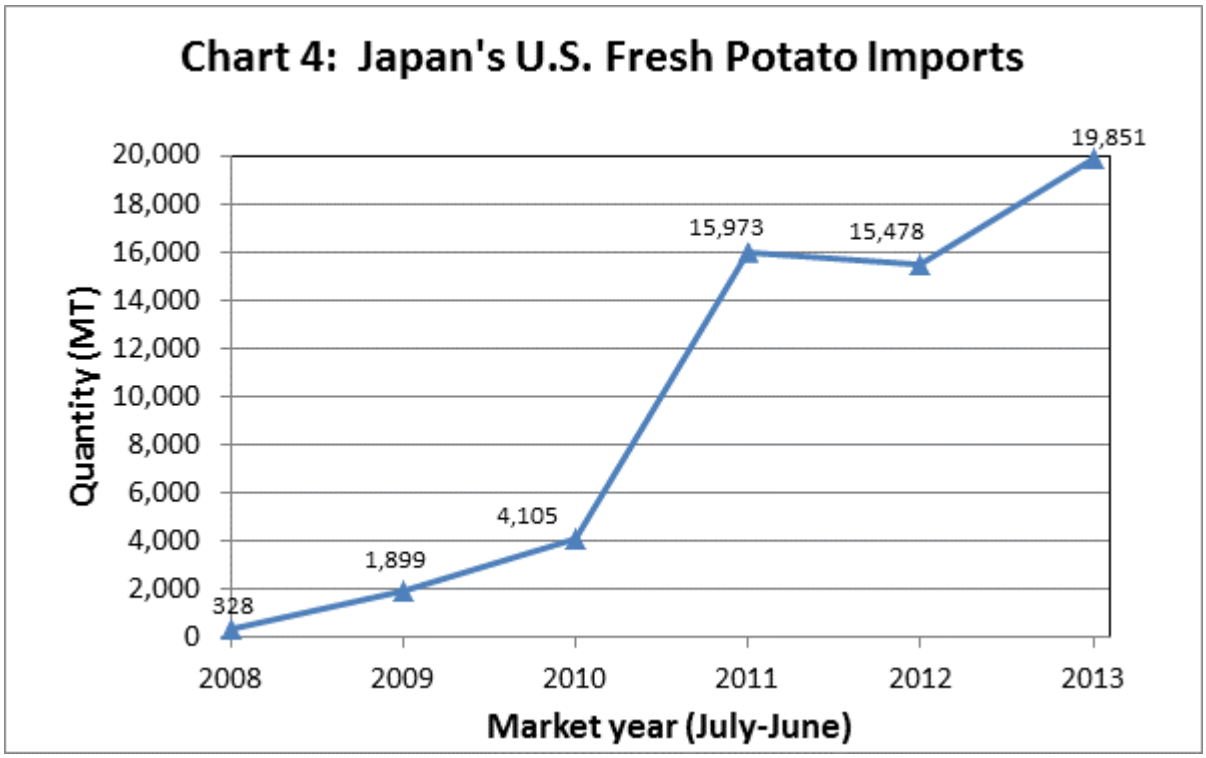


Source: MAFF (2011 data)



Source: MAFF (2011 data)

Trade – Imports



Source: Global Trade Atlas

In MY 2013/14, Japanese imports of fresh potatoes from the United States reached a record level of nearly 20,000 MT, an increase of 28 percent over MY 2012/2013 (Chart 4). The Japanese government first began allowing imports of U.S. fresh potatoes in 2006, entirely for potato chip manufacturing. Several developments contributed to the robust growth of Japanese imports of U.S. chipping potatoes in

MY 2011/12, including a one-month extension to the allowable shipping period - increasing the period to February to July (from February to June) - and the approval of a new processing facility in Kagoshima, on the southern island of Kyushu. In addition, during the 2012 shipping season, the United States secured MAFF's approval of two additional U.S. states (Nevada and Montana) as eligible potato shipping states (see policy section). As Chart 4 shows, this approval significantly contributed to the increase in imports of U.S. fresh potatoes in MY 2011/12. With two chipping facilities now approved to handle U.S. potatoes (in Hiroshima and Kagoshima), Japanese potato chip manufacturers continue to increase their imports.

During the 2014 shipping season, no additional states or facilities were added, and the shipping season remained the same (February-July). Despite this lack of progress, the demand for U.S. chipping potatoes was strong last season, mainly due to an increase in sales of potato chips and a decrease in domestic potato production. The fact that imports continued to increase during the 2013/2014 season shows that the relationship between U.S. suppliers and Japanese manufacturers has been established; the manufacturers' commitment to purchasing from the United States is expected to continue in the coming year. Assuming no changes to the existing policies, Post anticipates that Japanese imports of potatoes will hold steady at approximately 20,000 MT in 2014/15.

Trade – Exports

Japan's exports of fresh potatoes in MY2013/2014 increased slightly over the previous year to 33 MT. However, as total demand for fresh potatoes in Japan exceeds domestic production, Post expects that there will be little incentive to significantly expand exports in the near future.

Policy

Eligible states: Currently, Japan allows imports of U.S. fresh potatoes strictly for chip manufacturing. Under the protocol established in 2006, 14 U.S. states were eligible to ship potatoes to Japan under certain conditions, including field designation. Originally, eligible U.S. states were: Arizona, California, Colorado, Florida, Idaho, Maine, Michigan, Minnesota, New Mexico, North Dakota, Oregon, Texas, Washington, and Wisconsin. However, when the market opened, only fields from the state of California had been designated to ship fresh chipping potatoes to Japan. In 2010, after extensive bilateral consultations and successful MAFF on-site audits, fields in the state of Washington were designated to be able to ship to Japan. In 2012, MAFF also registered Nevada and Montana as eligible to ship to Japan.

Shipping season: Starting in 2012, MAFF extended the shipping season to include the month of July. As a result, the United States can now export potatoes to Japan from February through July.

Inland transportation: According to the 2006 import protocol, MAFF does not allow inland transportation of U.S. potatoes from the port to the chipping facilities due to phytosanitary concerns. As a result, only port-area chipping facilities are allowed to request MAFF for approval to import and process U.S. potatoes. Unlike the Hiroshima Port, the Kagoshima Port, where the newly-approved facility is located, is a local port that cannot handle large-scale vessels. Consequently, U.S. potatoes need to be loaded onto smaller coastal vessels at the nearest port (Shibushi), approximately 100 kilometers east of Kagoshima. As the smaller vessels are not equipped to keep the cargo refrigerated,

the eight to nine hour travel time to Kagoshima can cause premature sprouting and adversely affect the quality of the potatoes. Additionally, Japanese chipping manufacturers find the current process extremely inefficient and costly. Thus, they have requested MAFF to allow inland transportation by truck from the Shibushi port directly to the chipping facility. The Shibushi port has the capacity to handle containerized cargo and is equipped with electricity, which would allow the potatoes to remain refrigerated. In addition, the shorter inland travel time would minimize the risk of quality deterioration. In 2014, MAFF completed its technical review and is currently reaching out to its stakeholders to discuss implementation.

Marketing

During the first few years following the 2006 market opening, Japanese imports of U.S. fresh potatoes were limited to below 1,000 MT annually, mainly because the Japanese chip manufacturers were not familiar with the quality and characteristics of U.S. fresh potatoes. Working closely with Japanese chip processors, U.S. potato exporters have supplied high quality potatoes, providing suitable potato varieties and successfully meeting the needs of the Japanese manufacturers. As a result, the Japanese industry reports that the rate of rejection for imported U.S. potatoes over the last few years was very small. During MY2010/11 and 2011/12, when Japan's potato production declined and the yen was strong, U.S. potato imports increased, but they remained flat in MY 2012/13 as the yen weakened and Japan's domestic production recovered. However, in MY 2013/14, imports from the United States increased due to the decrease in domestic production and the increase in potato chip demand.

When Japan started importing U.S. fresh potatoes, Japan only imported from the state of California, and only during the months of June and July. Japanese traders looked for additional sources within and beyond the state of California in order to increase the volume of imports from the United States. During the 2011 season, Japan imported stored potatoes (the previous year's crop) from the state of Washington. Since then, Japanese chip manufacturers have confirmed the quality of stored potatoes and verified that other potato varieties can meet their needs. The U.S. Potato industry has been working with the Japanese chip manufacturers through reverse trade missions and other activities to assist them in testing new potato varieties and expanding their U.S. purchases. These efforts led Japan to begin purchasing stored potatoes from Nevada in 2012.

Tariff

Japan: Import Duties 2014		
Tariff Code (HS)	Description	Duty Rate (%)*
0701.90	Fresh potatoes	4.3%
Source: Customs Tariff Schedules of Japan 2014		
** all duties are charged on a CIF basis*		

Trade Data

Table 2: Japan's Imports of Fresh Potatoes (Quantity in MT) HS: 0701.90

Country	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14
World	1,900	4,310	16,017	15,478	19,854
United States	1,899	4,105	15,973	15,478	19,851
China	1	205	44	0	3

MY: July-June
Source: Global Trade Atlas

Table 3: Japan's Imports of Fresh Potatoes (Value in U.S. Dollars) HS: 0701.90

Country	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14
World	1,114,950	3,369,165	9,070,611	8,398,437	10,558,875
United States	1,112,593	3,168,976	9,019,556	8,398,437	10,556,817
China	2,357	200,189	51,056	0	2,058

MY: July-June
Source: Global Trade Atlas

Table 4: Japan's Fresh Potato Exports (Quantity in MT) HS: 0701.90

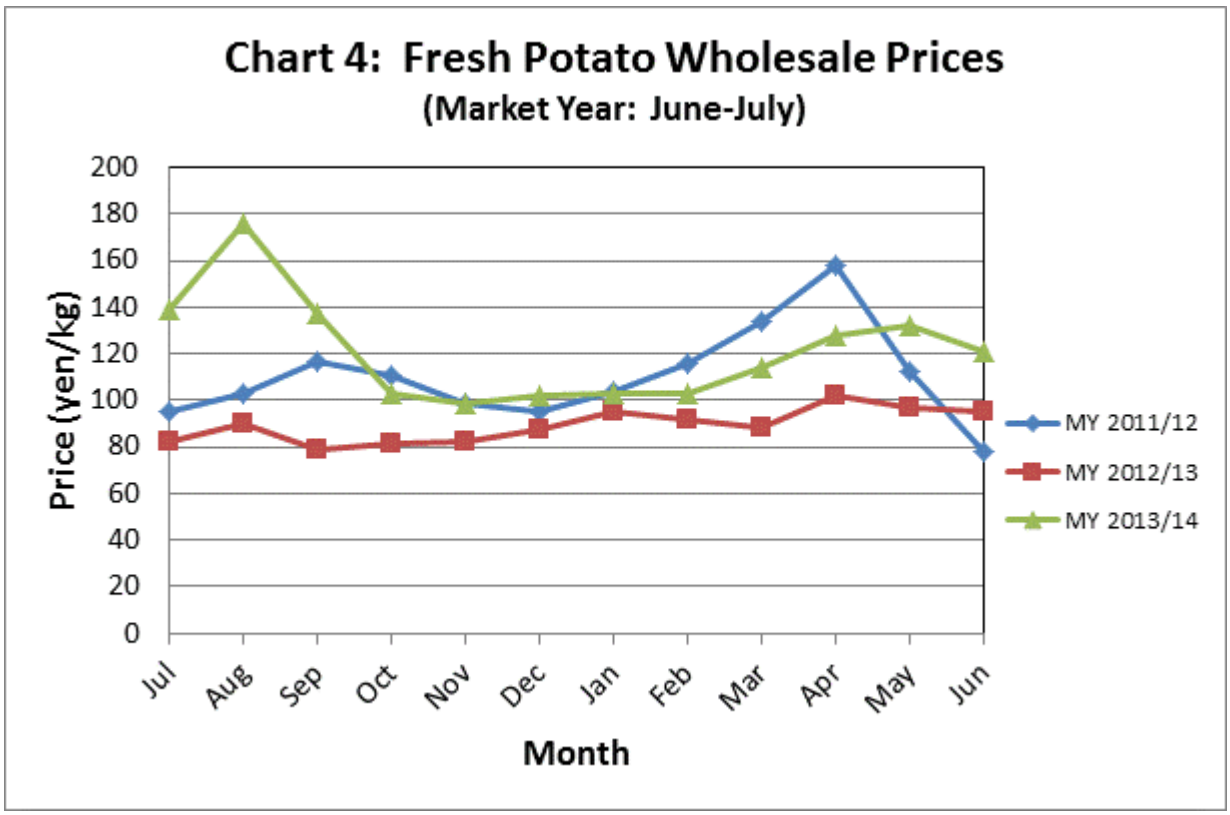
Country	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14
World	0	8	231	7	33
Hong Kong	0	5	2	4	18
Singapore	0	3	1	3	15
Taiwan	0	0	0	0	0
Malaysia	0	0	228	0	0

MY: July-June
Source: Global Trade Atlas

Table 5: Monthly Japanese Fresh Potato Wholesale Price in yen/kg

Month	MY 2012/13	MY 2013/14
July	82	139
August	90	176
September	79	137
October	81	103
November	82	99
December	87	102
January	95	103
February	92	103
March	88	114
April	102	128
May	97	132
June	95	121

Source: MAFF

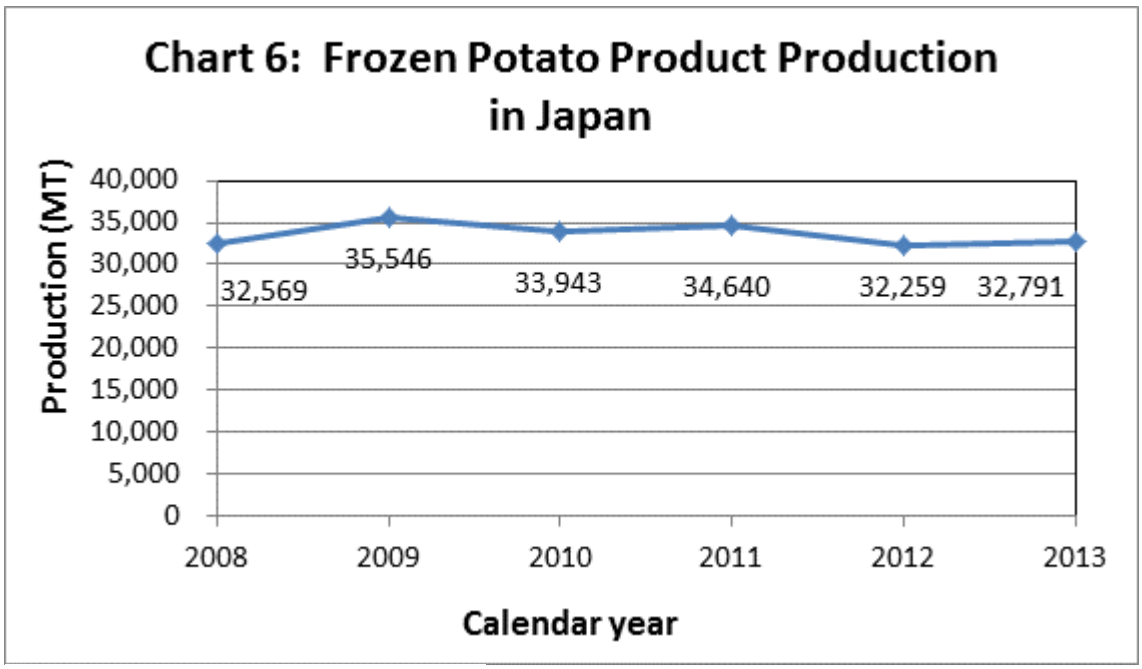


Source: MAFF

Frozen Potato Products

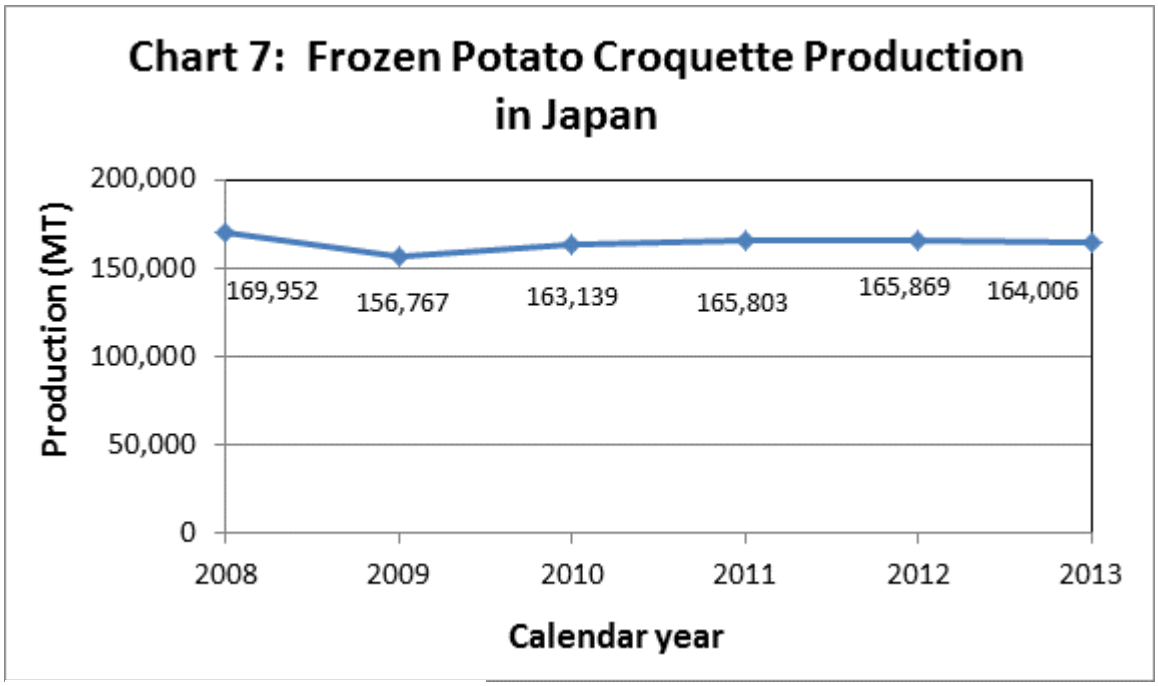
Production

Production of frozen potato products in Japan has been flat in recent years (Chart 6). Frozen potatoes are mainly utilized for frozen French fries and frozen dice cut potatoes, around 8,000 MT each, and both together account for 50 percent of total frozen potato production. Although Post expects Japan's frozen potato product production to remain stable in the medium term, it is anticipated to decline in the long term as domestic production is expected to shrink due to the retiring of aged farmers.



Source: Japan Frozen Food Association

Among all frozen food products that Japanese food processors manufacture, in 2013, potato croquettes, which use fresh, frozen, and dehydrated potatoes, ranked as the second largest product in volume after frozen Japanese Udon noodles. As shown in Chart 7, approximately 164,000 MT of potato croquettes are produced annually. It is expected that production of frozen potato croquettes will continue to be steady in years to come given their convenience.



Source: Japan Frozen Food Association

Consumption

According to Japanese industry sources, Japanese consumption of frozen potato products is steadily increasing. The majority of frozen potato products are consumed as French fries at fast food restaurants or quick serve restaurants (QSRs), over 300,000 MT annually. Hamburger restaurant chains are by far the largest user of frozen French fries. The largest of these chains consumes almost half of total Japanese imports of frozen French fries by itself. Japanese consumption of frozen potato products is closely tied to the performance of QSRs, and as a result, French fries remain popular as Japanese continue to look for lower-priced meals.

The sales of freshly-fried potatoes at convenience stores significantly contribute to overall Japanese demand for frozen potato products. They have installed full-size fryers in stores and sell freshly-fried potatoes to consumers. According to the Japan Franchise Association, there are 49,323 convenience stores in Japan (as of December 2013) and many stores sell freshly-fried potatoes at their shops.

Compared to fried potato products, consumption of non-fried potatoes is still small. However, as Japan's population ages and the trend in health-conscious diets advances, the demand for non-fried products is expected to increase in the years to come.

Trade – Imports

In MY 2013/14, Japanese total imports of frozen potato products (including both French fries, HS 2004.10, and non-fried potatoes, HS 0710.10) were 364,832 MT, a marginal increase (less than one percent) from the previous season. In the long term, as Japan's potato production is expected to gradually shrink, Post anticipates that imports will steadily grow, given that the overall demand for potatoes continues to be robust.

Table 5: Imports of Frozen Potato Products (French fries) – HS 2004.10 (Quantity)

Country	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14
World	310,599	323,416	332,528	335,019	340,218
United States	258,864	263,197	275,148	269,438	273,988
Canada	28,029	32,454	31,958	34,379	32,148
Belgium	13,059	16,271	13,440	16,367	15,541
New Zealand	4,069	4,045	4,007	3,286	3,732
Germany	2,018	2,568	2,334	2,280	2,384
Netherlands	115	116	226	2,727	6,586
Others	4,445	4,767	5,414	6,541	5,838

MY: July-June
Source: Global Trade Atlas

Table 6: Imports of Frozen Potato Products (French fries) – HS 2004.10 (Value)

Country	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14
World	378,992,405	402,314,341	445,435,578	449,674,104	443,673,602
United States	314,132,639	324,611,119	366,974,984	362,134,596	354,511,643
Canada	33,534,802	40,167,033	42,952,916	45,773,525	42,548,990
Belgium	15,616,137	20,163,728	17,120,807	19,435,622	19,998,162
New Zealand	4,824,363	4,813,460	5,213,620	4,250,988	4,788,458
Germany	2,758,522	3,238,390	2,978,686	2,910,448	3,510,672
Netherlands	129,999	126,119	257,867	2,809,717	7,480,334
Others	7,995,944	9,194,491	9,936,700	12,359,208	10,835,344

MY: July-June
Source: Global Trade Atlas

Table 7: Imports of Frozen Potato Products (non-fried potatoes) – HS 0710.10 (Quantity)

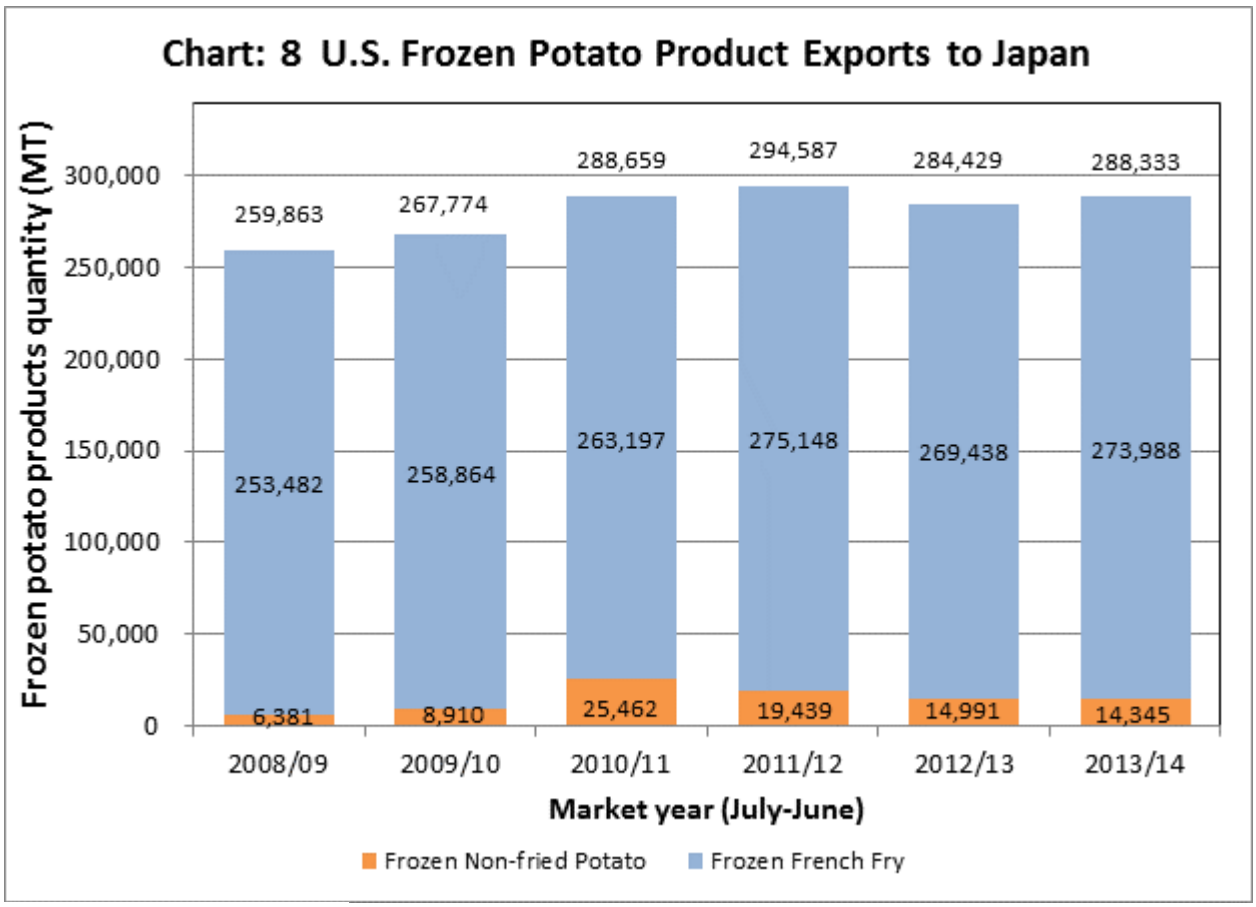
Country	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14
World	18,283	34,386	30,677	26,686	24,614
United States	8,910	25,462	19,439	14,991	14,345
China	8,822	8,232	10,404	11,261	9,918
Colombia	180	264	333	285	221
Vietnam	291	197	130	4	0
Other	79	79	132	145	129

MY: July-June
Source: Global Trade Atlas

Table 8: Imports of Frozen Potato Products (non-fried potatoes) – HS 0710.10 (Value)

Country	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14
World	24,176,082	40,132,737	37,531,502	32,967,873	30,434,793
United States	14,575,824	29,977,434	23,342,584	18,359,176	17,683,684
China	8,630,263	8,753,048	12,437,812	13,524,538	11,876,913
Colombia	503,058	817,196	1,044,624	891,581	704,238
Vietnam	362,536	289,495	216,980	14,171	0
Others	104,401	109,671	176,955	178,405	169,958

MY: July-June
Source: Global Trade Atlas



Source: Global Trade Atlas

French fries

Approximately 95 percent of Japan's frozen potato product imports are French fries (HS 2004.10; Chart 8). In the frozen French fry category, the United States is by far the largest supplier to Japan, supplying approximately 81 percent of total French fry imports during the MY 2013/14 season (Table 5). Japanese imports of U.S. frozen French fries last year increased by 1.4 percent from the previous season to 273,988 MT (Table 6).

Sales of U.S. frozen French fries strongly correlated with sales at Japan's QSRs, particularly hamburger restaurants. Japan's QSRs are actively introducing new menu items that strongly encourage French fry sales. For example, French fries and soda are relatively low in cost and are often used as a special promotional draw, such as "large size for the price of small." When consumer spending is sluggish, these promotions become more aggressive, and with the strong yen, imports of frozen French fries increased during the last decade. However, with the recent combination of a weakened yen and an economy showing signs of the recovery that started at the beginning of 2013, hamburger chains have become less aggressive in these special campaigns, causing a slight decline in imports for the season. During MY 2013/2014, frozen French fries demand has steadily increased in conjunction with increasing sales at Japan's QSRs. In general, U.S. frozen French fries do not directly compete with domestic potatoes as U.S. potato varieties have less water and sugar content, making them more suitable for making French fries. To maintain their quality, U.S. potatoes have specific temperature and

humidity requirements for storage after harvest. In the medium term, with the expected further advance of QSRs and convenience stores serving French fries, imports are expected to grow further. However, in the long term, market growth is expected to slow considerably as the expansion of QSRs and convenience stores hits its limit, and Japan's population continues to age and shrink.

Non-fried potatoes

Japan's imports of non-fried potatoes are primarily for snack food manufacturing and general food processing. Imports grew dramatically in the last decade for two major reasons: 1) the introduction of popular items using U.S. products by major snack manufacturers; and 2) the expansion in the use of Chinese products by foodservice operators.

As stated above, Japan's imports of U.S. non-fried potato products are largely supported by Japanese snack food manufacturers who use them to develop new products. U.S. non-fried potato products are processed and frozen in U.S. plants. U.S. potatoes are usually blanched and cut into French fry potato shapes. Then Japanese manufacturers turn them into crispy chips resembling French fries. Other types of U.S. non-fried potato products are blanched and cut into cube shapes in U.S. plants, which the Japanese food service industry then utilizes to prepare various menu items.

According to Japanese industry sources, as a result of the recovery in the domestic crop in MY 2011/12 and MY 2012/13, a major Japanese snack food manufacturer has increased its use of domestic potato products and reduced its volume of imports from the United States (Table 7). In MY 2013/14, imports of non-fried potato products continued to decline, with an overall decrease of eight percent, with decreases in imports from China and the United States of 12 and four percent respectively. As stated earlier, Chinese products are primarily destined for the Japanese food service sector where they are mixed with other domestic ingredients. Japanese traders report that, while the unit price of Chinese potatoes has been slowly increasing, it is still cheaper to buy Chinese products compared to other competitors' products, and Chinese potato processers are reportedly fairly adept at meeting the specific needs of Japanese users. As a result, price-attractive Chinese potatoes continue to draw Japanese buyers. .

Trade – Exports

In MY 2013/14, Japan only exported 167 MT of frozen potato products to Hong Kong, Taiwan, Singapore, the United States, and Canada for sales through local Japanese grocery stores.

Market Trends

Following several decades of slow economic growth, Japanese consumers have become highly price sensitive. The key users of U.S. frozen potato products, such as Japanese QSRs, have been performing well, since Japanese consumers have begun to opt for lower-priced menu items. French fry sales at hamburger chain restaurants grow as hamburger sales go up. Special promotions, such as set menus that come with French fries or allow for larger sizes at a lower price, also enhance sales. U.S. frozen French fry suppliers have earned a good reputation among their Japanese clients, as they are able to provide a high quality product and a steady supply throughout the year.

As described previously in the **Consumption** section, sales of French fry potatoes which are fried fresh and served at convenience stores, have been highly successful.

In 2007, a major Japanese food manufacturer developed snack food products using non-fried U.S. frozen potatoes (HS 0710.10) as an ingredient. U.S. non-fried potato products are processed and frozen in U.S. plants, and then the Japanese manufacturer processes them into crispy chips resembling French fries, marketing them in small cups. The sales of these products have been very successful, and the product development has expanded to include various flavors. With the improvement in the availability of domestic potatoes in 2013, demand for non-fried U.S. frozen potatoes as an ingredient in these particular products declined. However, Japanese manufacturers anticipate that over the long run, this type of utilization will expand beyond the capacity of domestic supplies, and therefore, they expect the use of U.S. frozen potato products to continue growing in the future.

Non-fried potato products are widely used by the Japanese food service industry. Family restaurants and "Izakaya," Japanese style pubs, also prepare food menu items using non-fried potato products. The popularity of "sozai" (prepared food available for purchase at supermarkets and department stores) holds great potential for increasing sales of non-fried U.S. frozen potato products.

The U.S. potato industry has actively expanded its outreach activities to different distribution channels, participating in various trade shows, hosting seminars and events, and promoting fried and mashed potatoes for quick and efficient food preparation at restaurants. It has also demonstrated other types of non-frozen U.S. potato products, such as baked, shredded, sliced, and dice-cut potatoes, in addition to highlighting the cost efficiency and nutritive values of using U.S. frozen potatoes. In addition, the U.S. potato industry has worked with local supermarket chains to successfully develop new deli menu items using U.S. non-fried frozen potatoes.

The Japanese foodservice industry believes that Japan's frozen potato product market has good potential to grow. Given Japan's high quality and food safety standards, the United States remains the best positioned country to supply frozen potato products that meet the needs of Japanese food manufacturers and retailers. Targeting alternative segments in Japan's food service sector, such as supermarkets, traditional Japanese fast food restaurants, and QSRs holds promise for continued expansion of U.S. sales of frozen potato products in Japan.

Policy

Since the last Potato Annual report (October 2013), there have been no major issues relative to U.S. frozen potato products, and Post has observed no trade disruptions of U.S. frozen potato products.

Tariff

Japan: Import Duties 2014

Tariff Code (HS)	Description	Duty Rate (%)*
0710.10-000	Frozen potatoes: Uncooked or cooked by steaming or boiling in water	8.5%
2004.10-100	Frozen potatoes: Cooked, not otherwise prepared (fried potatoes)	8.5%
2004.10-210	Frozen potatoes: Mashed potatoes	13.6%
2004.10-220	Frozen potatoes: Others	9.0%
Source: Customs Tariff Schedules of Japan 2014		
** all duties are charged on a CIF basis*		

APPENDIX 1

Fresh Potato Data

Fresh Potatoes		Market Year Begin: Jul-12 MY2012/13	Market Year Begin: Jul-13 MY2013/14	Market Year Begin: Jul-14 MY2014/15
Area Planted	**Total Area**	**81,200**	**79,700**	**80,000**
(Ha)	For Fresh Market	27,600	26,300	26,400
	For Processing	53,600	53,400	53,600
Area Harvested	**Total Area**	**81,200**	**79,700**	**80,000**
(Ha)	For Fresh Market	27,600	26,300	26,400
	For Processing	53,600	53,400	53,600
Production	**Total Production**	**2,500,000**	**2,412,000**	**2,456,000**
(MT)	For Fresh Market	850,000	796,000	810,000
	For Processing	1,650,000	1,616,000	1,646,000
Consumption	**Total Consumption**	**2,061,000**	**2,004,000**	**2,032,500**
(MT)	For Fresh Market	701,000	661,000	671,000
	For Processing	1,360,000	1,343,000	1,362,000

Source: MAFF
MY2014/15 data are forecast by Post.
Breakdown for fresh market and for processing is estimated by Post.

Frozen Potato Products Data

Frozen Potato Products	Market Year Begin: Jul-12 MY2012/13	Market Year Begin: Jul-13 MY2013/14	Market Year Begin: Jul-14 MY2014/15
Production	32,300	32,800	33,000
Imports	361,700	364,800	368,500
Total Supply	**394,000**	**397,600**	**401,500**
Exports	100	200	200
Domestic Consumption	393,800	397,500	401,300
Total Distribution	**394,000**	**397,600**	**401,500**

Source: Japan Customs and the Japan Frozen Food Association
Trade data are based on the total imports under HS 0710.10 and 2004.10.
MY2014/15 data are forecast by Post.

Trade Data of Other Potato Products

Tariff

Japan: Import Duties 2014		
Tariff Code (HS)	Description	Duty Rate (%)*
1105.10	Flour, meal and powder of potatoes	20.0%
1105.20	Flakes, granules and pellets of potatoes	20.0%
Source: Customs Tariff Schedules of Japan 2014		
** all duties are charged on a CIF basis*		

Trade Data

Table 9: Imports of Potato Flakes – HS 1105.20 (Quantity)

Country	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14
World	15,990	17,063	18,681	17,667	15,981
United States	14,044	15,622	14,839	15,498	14,090
Germany	1,637	942	2,575	1,281	1,167
China	230	358	703	633	306
Netherlands	74	139	206	232	258
Other	4	3	359	23	160

MY: July-June
Source: Global Trade Atlas

Table10: Imports of Potato Flakes – HS 1105.20 (Value)

Country	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14
World	25,516,669	26,359,223	31,227,500	29,049,303	24,903,601
United States	22,707,626	24,210,772	25,067,066	25,627,607	21,927,255
Germany	2,343,728	1,357,613	3,834,433	1,918,436	1,782,127
China	344,458	584,092	1,408,336	1,147,925	561,529
Netherlands	99,892	193,056	273,433	314,238	393,955
Other	20,965	13,689	644,233	41,098	238,736

MY: July-June
Source: Global Trade Atlas

Table 11: Imports of Potato Flour – HS 1105.10 (Quantity)

Country	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14
World	5,304	4,382	6,711	4,613	4,258
United States	3,954	2,586	4,109	2,600	2,490
Germany	225	873	930	653	764
Netherlands	500	760	1,100	1,082	740
Poland	625	163	572	279	264

MY: July-June
Source: Global Trade Atlas

Table 12: Imports of Potato Flour – HS 1105.10 (Value)

Country	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14
World	8,066,385	6,916,129	10,604,862	7,018,908	6,332,173

United States	6,355,716	4,380,285	6,966,017	4,358,968	3,771,871
Germany	262,379	1,297,817	1,397,205	908,443	1,143,608
Netherlands	616,709	961,241	1,407,212	1,372,182	997,087
Poland	831,581	276,786	834,427	379,315	419,606

MY: July-June
Source: Global Trade Atlas

APPENDIX 2

Fresh Potato Equivalent of Imported Potato Products (MY2013/14) July-June

The numbers in the upper rows represent the actual imported volume. The lower rows represent the fresh potato equivalent volume of each potato product converted from the upper rows using a conversion coefficient for each product. In total, Japan imported approximately one million MT of potatoes on a fresh potato equivalent basis in MY2013/14, nearly one third of Japan's aggregate demand for potatoes.

Category		Product	Tariff	Import Volume (MT)							
(Coefficient)		Tariff Line	%	USA	Canada	Netherlands	Germany	Belgium	China	Other	Total
Frozen		Uncooked	8.5	14,345	16	0	0	36	9,918	299	24,614
		0710.10.000		31,559	35	0	0	79	21,820	658	54,151
		Frech Fries	8.5	204,919	24,972	4,806	2,363	13,012	274	7,408	257,754
		2004.10.100		450,822	54,938	10,573	5,199	28,626	603	16,298	567,059
		Mashed Potatoes	13.6	101	0	0	0	918	0	0	1,019
		2004.10.210		222	0	0	0	2,020	0	0	2,242
		Other	9.0	68,969	7,176	1,780	21	1,610	1,499	390	81,445
		2004.10.220		151,732	15,787	3,916	46	3,542	3,298	858	179,179
		Subtotal		288,334	32,164	6,586	2,384	15,576	11,691	8,097	364,832
(x2.2)		Fresh Potato Equivalent		634,335	70,761	14,489	5,245	34,267	25,720	17,813	802,630
Flake/Mashed		Potato Flour	20.0	2,490	0	740	764	0	0	264	4,258
		1105.10.000		14,940	0	4,440	4,584	0	0	1,584	25,548
		Potato Flakes	20.0	14,090	0	258	1,167	0	306	160	15,981
		1105.20.000		84,540	0	1,548	7,002	0	1,836	960	95,886
		Mashed Potatoes	13.6	248	0	0	59	0	0	62	369
		2005.20.100		1,488	0	0	354	0	0	372	2,214
		Subtotal		16,828	0	998	1,990	0	306	486	20,608
(x6.0)		Fresh Potato Equivalent		100,968	0	5,988	11,940	0	1,836	2,916	123,648
Fresh/Chilled		Seed Potatoes	3.0	0	0	0	0	0	0	0	0
		0701.10.000		0	0	0	0	0	0	0	0
		Other than Seed	4.3	19,851	0	0	0	0	3	0	19,854
		0701.90.000		19,851	0	0	0	0	3	0	19,854
		Subtotal		19,851	0	0	0	0	3	0	19,854
(x1.0)		Fresh Potato Equivalent		19,851	0	0	0	0	3	0	19,854
Other	Dried	Dehydrated	12.8	54	0	0	19	0	15	7	95
	(x6.0)	0712.90.050		324	0	0	114	0	90	42	570
	Processed	Hermetiacally packed	12.0	35	21	0	0	0	3,155	9	3,220
	(X1.0)	2005.20.210		35	21	0	0	0	3,155	9	3,220
	Processed	Sugar added	9.0	4,909	215	0	5	0	840	266	6,235
	(x3.9)	1905.90.314		19,145	839	0	20	0	3,276	1,037	24,317
	Processed	Not sugar added	9.0	155	199	0	3	0	0	3	360
	(x3.9)	1905.90.323		605	776	0	12	0	0	12	1,404
	Processed	Other	9.0	1,911	8	285	10	0	1,786	316	4,316
	(x3.9)	2005.20.220		7,453	31	1,112	39	0	6,965	1,232	16,832
		Subtotal		7,064	443	285	37	0	5,796	601	14,226
		Fresh Potato Equivalent		27,562	1,667	1,112	184	0	13,486	2,333	46,343
Grand Total				332,077	32,607	7,869	4,411	15,576	17,796	9,184	419,520
Fresh Potato Equivalent				782,715	72,428	21,589	17,369	34,267	41,046	23,062	992,475

Source: Global Trade Atlas and conversion factor is from MAFF