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Date: 10/18/2013

GAIN Report Number: JA3041

Japan

Potatoes and Potato Products Annual

Japan Continues to Present Opportunities for U.S. Potatoes

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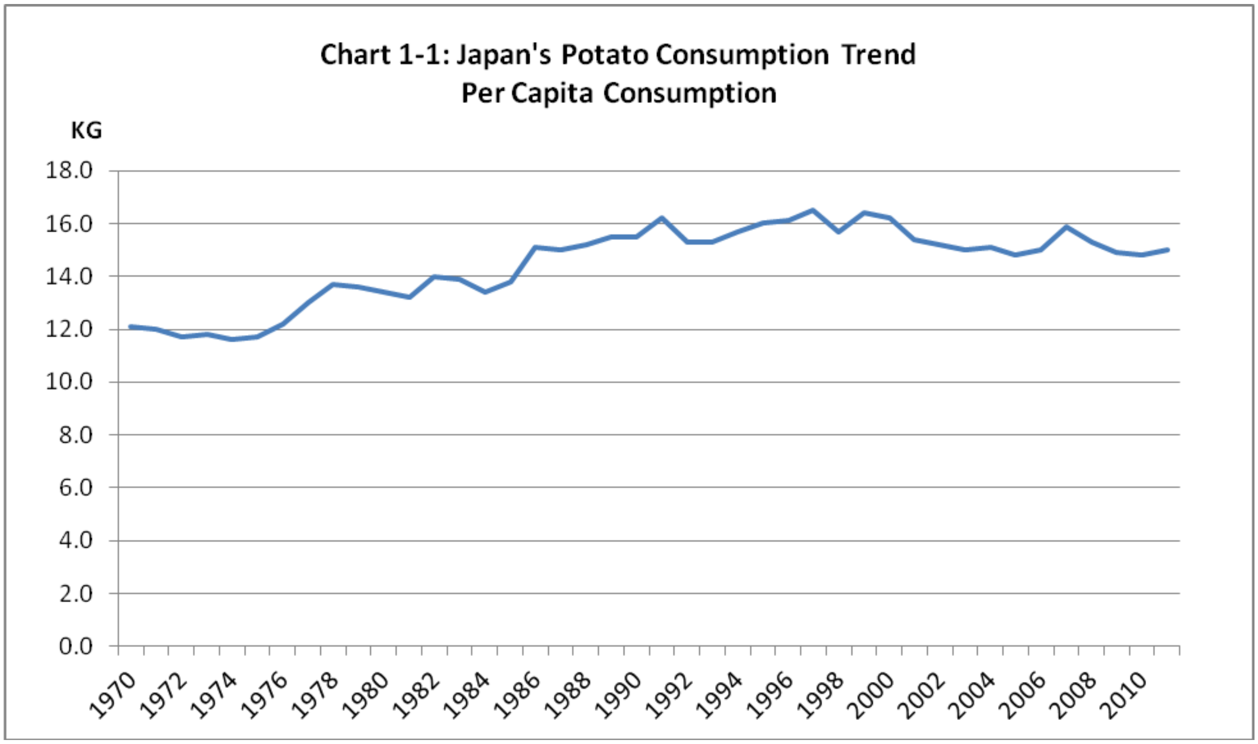
Report Highlights:
In 2012, Japan's potato production increased by four percent to 2.43 million metric tons. Given this increased availability of domestic potatoes, imports of fresh potatoes declined slightly. However, imports of frozen potato products, particularly French fries, continued to be robust. 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

Between the 1970's and 1990's, per capita consumption of potatoes in Japan increased with the expansion of fast food restaurants serving French fries, reaching a peak during the late 1990's. Following the economic slowdown, starting in the late 1990's, per capita annual consumption has been hovering around 15 kilograms.



Source: MAFF

Japan's aggregate potato demand peaked in the mid 1980's and over the last decade has fluctuated between 3.0 and 3.7 million metric tons. During this time, domestic production has been steadily declining, with imports picking up the slack.

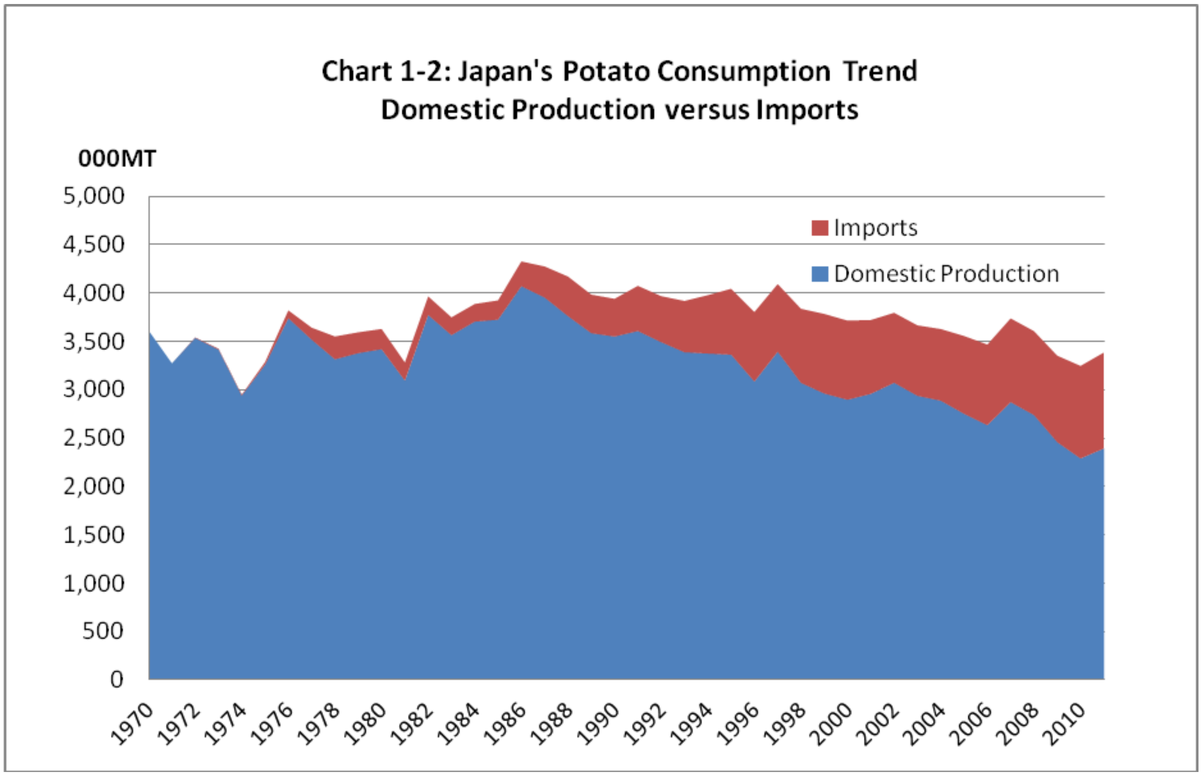


Chart 1-2: Japan's Potato Consumption Trend
Domestic Production versus Imports
000MT
Imports
Domestic Production
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
1970
1972
1974
1976
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
Source: MAFF

Fresh Potatoes

Production

Table1: Japan's Fresh Potato Production

Year	Area Planted (Ha)	Yield (MT/Ha)	Production (MT)	Utilization (MT)
2003	85,300	34.0	2,896,000	2,374,000
2004	84,200	33.8	2,842,000	2,326,000
2005	84,000	32.3	2,712,000	2,215,000
2006	83,600	31.0	2,590,000	2,104,000
2007	84,500	33.5	2,828,000	2,340,000
2008	82,000	32.9	2,697,000	2,218,000
2009	80,300	30.0	2,412,000	1,967,000
2010	79,600	28.1	2,237,000	1,824,000
2011	78,000	30.0	2,339,000	1,925,000
2012	78,100	31.1	2,430,000	*2,003,000
**2013	78,000	31.0	2,418,000	1,983,000

Source: MAFF
*Preliminary
** FAS/Tokyo forecast

Hokkaido, Japan's northernmost island, is the major potato producing region, accounting for nearly 80 percent of the nation's total output. 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 in September and October. Much of Hokkaido's potato production is kept in stocks and is available to the market through the following spring.

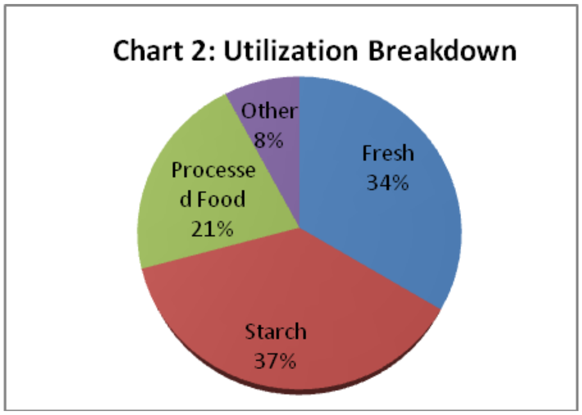
Honshu, the main island of Japan, and Kyushu, its southernmost island, also produce potatoes. Potatoes in Honshu and Kyushu are largely planted in the spring and harvested from April through August. These potatoes are mainly sold fresh as soon as they are harvested.

As shown in ***Table 1***, in 2012, production of fresh potatoes increased by nearly four percent from the previous year to 2.43 million metric tons from a total planted area of 78,100 hectares. With fair weather conditions, average yield improved slightly from 30.0 kilograms (KG) per hectare (Ha) to 31.1 KG per Ha. The Hokkaido region produced 1.92 million metric tons, up approximately four percent from the previous season.

According to trade sources, due to a slight lack of rain during the growing season in Hokkaido, the size of potatoes is expected to be smaller this season. However, overall production volume in Hokkaido and throughout the country is forecast at same level as last season. 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

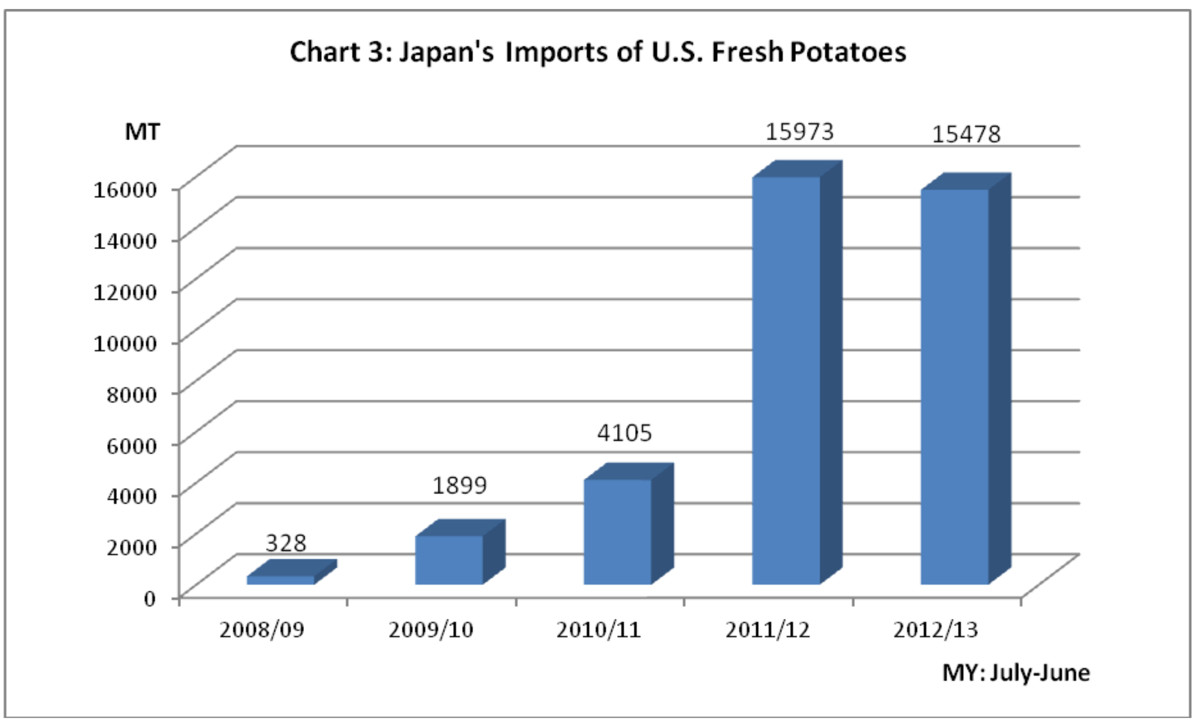
As reported in the Market Overview section, per capita consumption of potatoes in Japan has remained around 15 kilograms over the last decade. The following pie chart shows the breakdown of fresh potato utilization in Japan.



Source: MAFF

According to Japan's Ministry of Agriculture, Forestry, and Fisheries (MAFF), 34 percent of Japanese potatoes are consumed fresh at households and restaurants. The starch industry uses 37 percent, and the food processing sector, including potato chips and frozen potato product manufacturers, utilizes about 21 percent. The remainder is used primarily as seed potatoes.

Trade – Imports



Source: Global Trade Atlas

In MY 2012/13, Japan's imports of fresh potatoes from the United States reached approximately 15,500 metric tons, almost repeating its record level of the previous year. 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 from February to July) 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). This approval significantly contributed to the increase in imports of U.S. fresh potatoes in MY 2011/12 (see policy section). With two chipping facilities approved to handle U.S. potatoes (in Hiroshima and Kagoshima) Japanese potato chip manufacturers doubled their imports from the previous year.

However, in terms of policy developments, the 2013 shipping season was a stand-still. No additional states or facilities were added, and the shipping season remained the same (February-July). With an increase in domestic potato production, coupled with the weakened value of the yen, demand for U.S. chipping potatoes did not grow last season. However, the fact that imports remained near the previous year's level shows the manufacturer's commitment to purchasing from the United States now that the relationship between U.S. suppliers and Japanese manufacturers has been established, and is expected to strengthen in the coming year.

Trade – Exports

Japan's exports of fresh potatoes are negligible (seven metric tons in MY 2012/13). As total demand for fresh potatoes in Japan exceeds the domestic production capacity, there appears to be little incentive to 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: Idaho, Arizona, Wisconsin, Oregon, California, Colorado, Texas, New Mexico, North Dakota, Florida, Michigan, Minnesota, Maine, and Washington. 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 Oregon, Nevada and Montana as eligible to ship to Japan.

Shipping season: Starting in 2012, MAFF extended the shipping season to include the month of February.

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. MAFF is currently reviewing this request.

Marketing

During the first few years following the 2006 market opening, Japanese imports of U.S. fresh potatoes were limited to below 1,000 metric tons annually, mainly due to Japanese chip manufacturers' unfamiliarity 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. Additionally, during the 2011 and 2012 seasons when Japan's potato production declined, the strong yen also significantly contributed to the increased imports of U.S. potatoes. However, in 2013, with the weakened value of the yen, as well as the recovery in Japan's domestic production, demand for U.S. potatoes remained flat.

When Japan started importing U.S. fresh potatoes, it imported only fresh-crop potatoes from California and only during the months of June and July. In order to increase the volume of imports from the United States, Japanese traders looked for additional sources within and beyond the state of California. During the 2011 season, Japan imported stored potatoes (the previous year's crop) from the state of Washington. Since then, Japanese chip manufacturers have been able to confirm the quality of stored potatoes and verify 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 to Japan to begin purchasing stored potatoes from Nevada in 2012.

Tariff Table

Japan: Import Duties 2013

Tariff Code (HS)	Description	Duty Rate (%)*
0701.90	Fresh potatoes	4.3%

Source: Customs Tariff Schedules of Japan 2012

** 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 2008/09	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
World	328	1,900	4,310	16,017	15,478
United States	328	1,899	4,105	15,973	15,478
China	0	1	205	44	0

MY: July-June
Source: Global Trade Atlas

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

Country	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
World	175,862	1,114,950	3,369,165	9,070,611	8,398,437
United States	175,862	1,112,593	3,168,976	9,019,556	8,398,437
China	0	2,357	200,189	51,056	0

MY: July-June
Source: Global Trade Atlas

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

Country	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
World	0	0	8	231	7
Hong Kong	0	0	5	2	4
Malaysia	0	0	0	228	0
Singapore	0	0	3	1	3
Taiwan	0	0	0	0	0

MY: July-June
Source: Global Trade Atlas

Wholesale Price Table

Japan: Fresh Potato Wholesale Prices
Domestic (Yen/KG)

	MY 2012	MY 2013
July	95	82
August	103	90
September	117	79
October	111	81
November	99	82
December	95	87
January	104	95
February	116	92
March	134	88
April	158	102
May	112	97
June	78	95

Source: MAFF

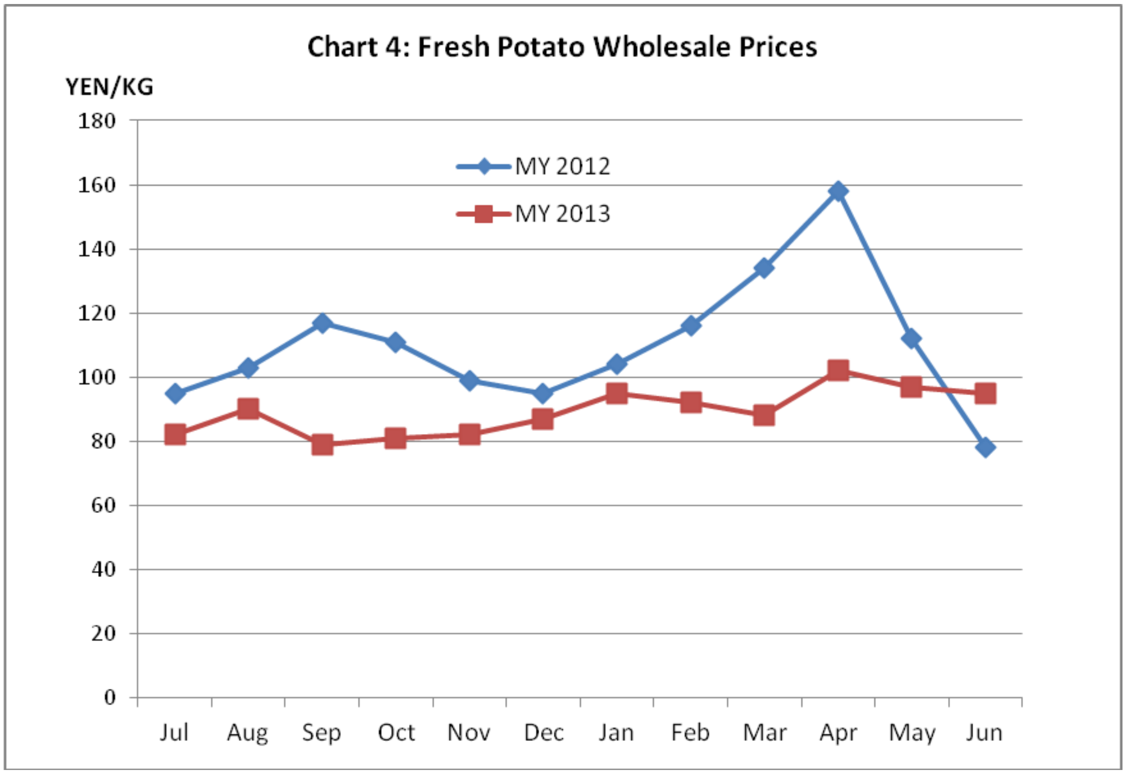
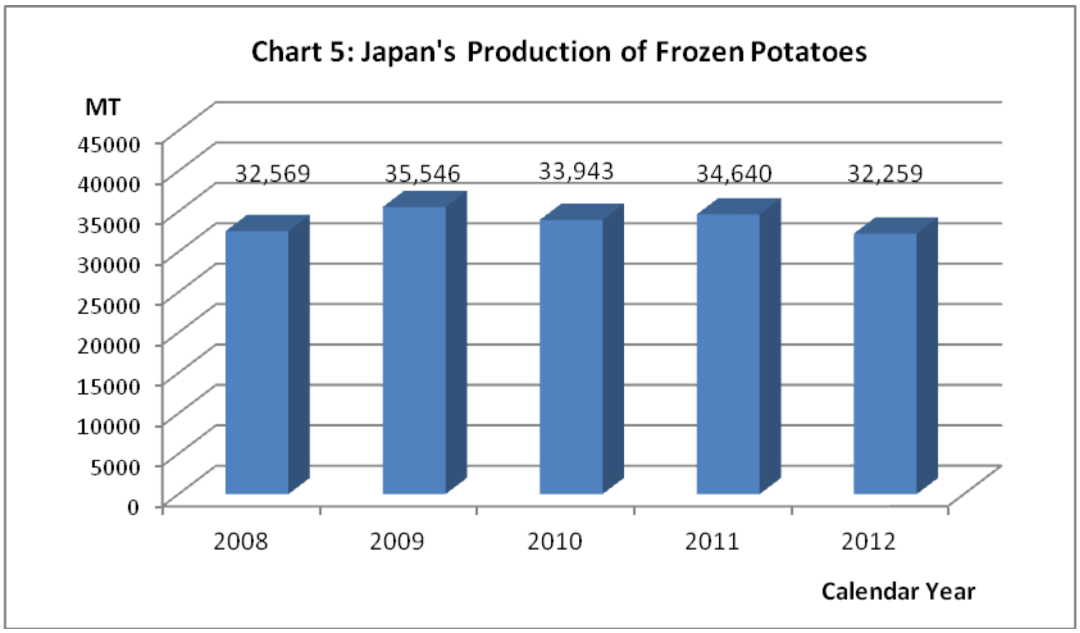


Chart 4: Fresh Potato Wholesale Prices
YEN/KG
180
160
140
120
100
80
60
40
20
0
MY 2012
MY 2013
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Source: MAFF

Frozen Potato Products

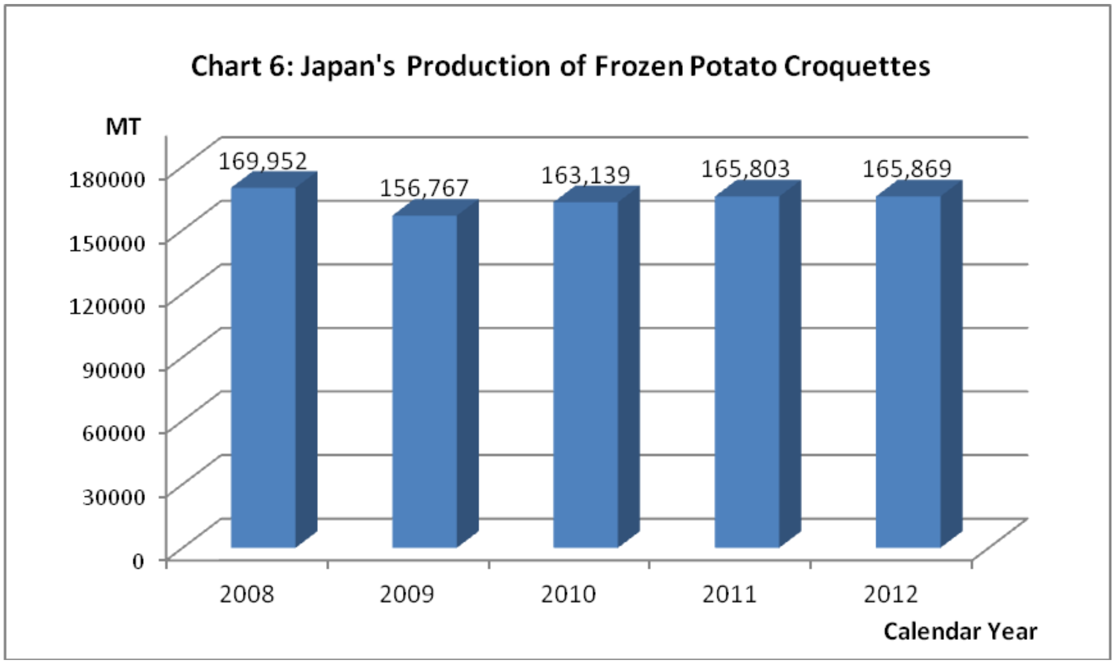
Production

Production of frozen potatoes in Japan has been flat in recent years. Production of frozen French fries is relatively minor, approximately 25 percent of total frozen potato production and around 8,000 metric tons. Although Post expects Japan's frozen potato production to remain stable in the medium term, there is a strong chance that it may decline in the long term as domestic production is expected to shrink.



Source: Japan Frozen Food Association

The top item in volume, of all frozen food products Japanese food processors manufacture, is potato croquettes, which use fresh, frozen, and dehydrated potatoes. As the following table shows, approximately 166,000 metric tons are produced annually. It is expected that production of frozen potato croquettes will continue to be robust 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 metric tons 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, these remain popular as Japanese continue to look for lower-priced meals, given the current sluggish economy.

Japanese convenience stores also sell a fair amount of frozen potato products. Convenience stores have installed full size fryers in stores and sell freshly-fried potatoes to consumers. According to the Japan Franchise Association, there are 47,000 convenience stores in Japan (as of December 2012) and many stores sell freshly-fried potatoes at their shops. The sales of freshly-fried potatoes at convenience stores significantly contributed to overall Japanese demand for frozen potato products.

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 2012/13, Japanese total imports of frozen potato products (including both French fries, HS 2004.10, and non-fried potatoes, HS 0710.10) were 361,705 metric tons, a marginal decrease (less than one percent) from the previous season. The total value of imports was approximately $483 million, same as the previous year. 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 2008/09	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
World	308,497	310,599	323,416	332,528	335,019
United States	253,482	258,864	263,197	275,148	269,438
Canada	34,023	28,029	32,454	31,958	34,379
Belgium	10,886	13,059	16,271	13,440	16,367
New Zealand	3,506	4,069	4,045	4,007	3,286
China	2,191	2,311	2,443	1,919	1,820
Germany	2,425	2,018	2,568	2,334	2,280
Other	1,984	2,249	2,438	3,722	7,449

MY: July-June
Source: Global Trade Atlas

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

Country	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
World	372,954,456	378,992,405	402,314,341	445,435,578	449,674,104
United States	305,985,451	314,132,639	324,611,119	366,974,984	362,134,596
Canada	38,418,203	33,534,802	40,167,033	42,952,916	45,773,525
Belgium	12,966,485	15,616,137	20,163,728	17,120,807	19,435,622
China	5,527,191	5,305,648	6,038,591	5,302,488	6,029,828
New Zealand	4,300,037	4,824,363	4,813,460	5,213,620	4,250,988
Germany	3,192,568	2,758,522	3,238,390	2,978,686	2,910,448
Other	2,564,521	2,820,294	3,282,020	4,892,077	9,139,097

MY: July-June
Source: Global Trade Atlas

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

Country	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
World	15,460	18,283	34,386	30,677	26,686
United States	6,381	8,910	25,462	19,439	14,991
China	8,409	8,822	8,232	10,404	11,261
Vietnam	294	291	197	130	4
Colombia	233	180	264	333	285
Other	143	80	231	371	145

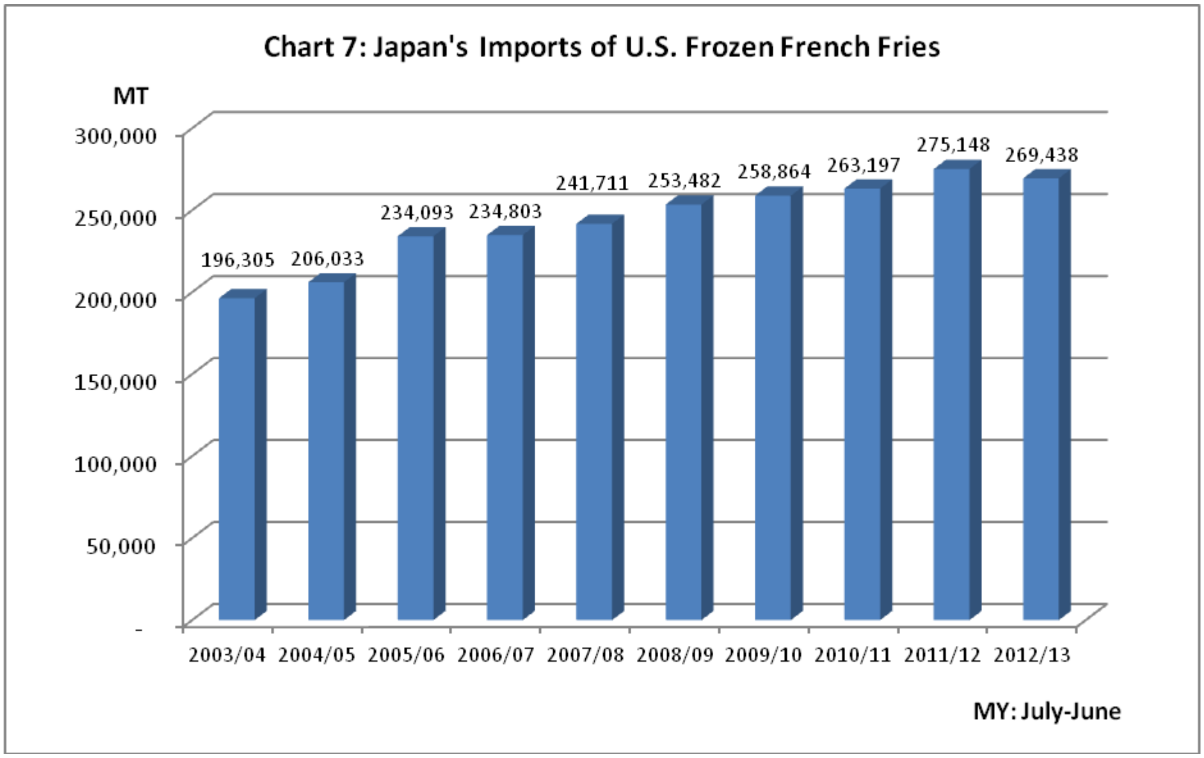
MY: July-June
Source: Global Trade Atlas

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

Country	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
World	18,837,364	24,176,082	40,132,737	37,531,502	32,967,873

United States	9,602,896	14,575,824	29,977,434	23,342,584	18,359,176
China	8,144,476	8,630,263	8,753,048	12,437,812	13,524,538
Colombia	600,805	503,058	817,196	1,044,624	891,581
Vietnam	343,462	362,536	289,495	216,980	14,171
Other	145,725	104,401	295,564	489,502	178,407

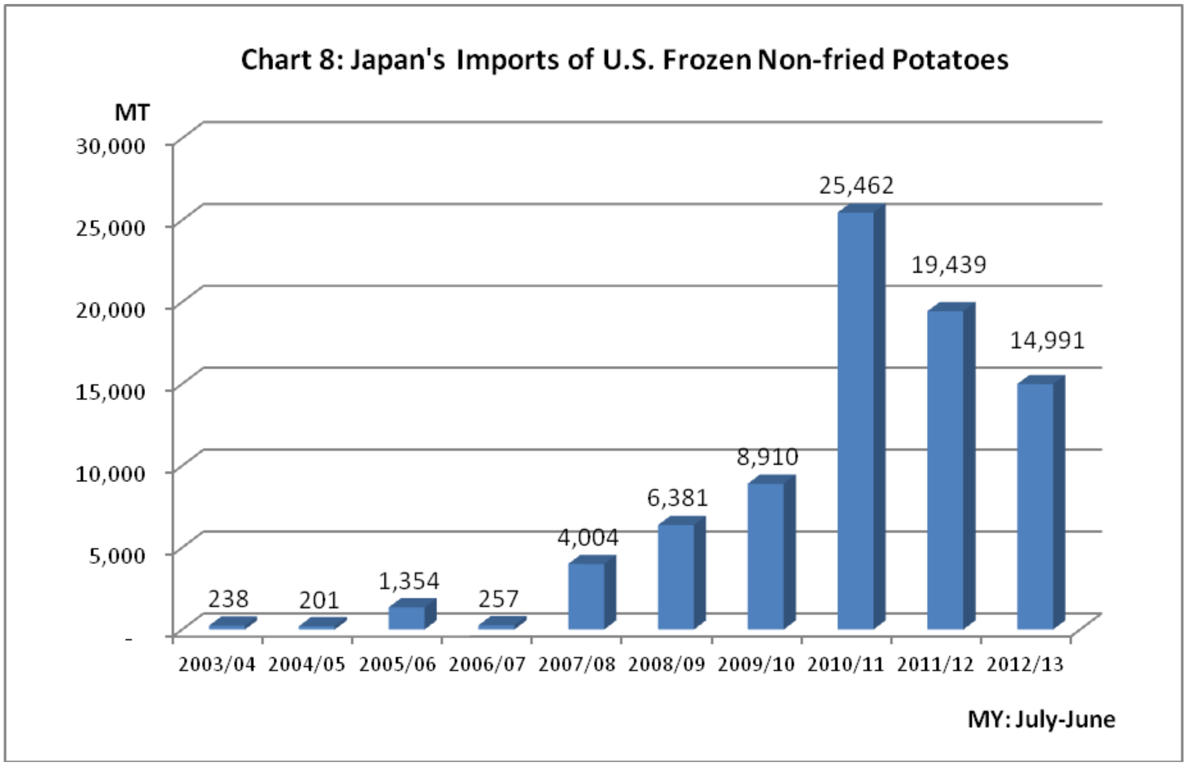
MY: July-June
Source: Global Trade Atlas



Source: Global Trade Atlas

Approximately 93 percent of Japan’s frozen potato imports are French fries. In the frozen French fry category, the United States is by far the largest supplier to Japan, supplying approximately 80 percent of total French fry imports during the MY 2012/13 season. Japanese imports of U.S. frozen French fries (HS 2004.10) last year decreased by four percent from the previous season to 269,438 metric tons, approximately $362 million.

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 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 this season. In the medium term perspective, 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.



Source: Global Trade Atlas

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, as shown in ***Table 7***. Japanese imports of Chinese non-fried potatoes have steadily increased in recent years, reaching 11,261 metric tons in MY 2012/13. 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. As a result, price-attractive Chinese potatoes continue to draw

Japanese buyers and Chinese potato processers are reportedly fairly adept at meeting the specific needs of Japanese users.

Trade – Exports

In MY 2012/13 Japan only exported a very small amount of frozen potato products (about 150 metric tons) to Indonesia, Hong Kong, Singapore and the United States for sales through local Japanese grocery stores.

Market Trends

As the economic recession has continued over the last decade, Japanese consumers have become highly price sensitive. Japanese QSRs , the key users of U.S. frozen potato products, have been performing well since Japanese consumers have begun to opt for lower-priced menu items. In particular, French fries sales at hamburger chain restaurants have been growing due to special promotions, such as set menus that automatically come with French fries or allow for larger sizes at no additional charge. 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 in the ***Consumption*** section, in recent years, sales of fried potatoes at convenience stores have become highly successful. Today, Japan's major convenience store chains serve freshly fried potatoes at their stores.

In addition to the robust sales of French fries, 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 the last two seasons, 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 potatoes 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, 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 and has been successful in developing new deli menu items using U.S. non-fried frozen potatoes.

The Japanese foodservice industry believes that Japan's frozen potato 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 potatoes in Japan.

Policy

Since the last Potato Annual report (October 2012), 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 Table

Japan: Import Duties 2013

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 2012

** all duties are charged on a CIF basis*

APPENDIX 1

Fresh Potato Data:

Fresh Potatoes		Market Year Begin: Jul-11 MY2011/12	Market Year Begin: Jul-12 MY2012/13	Market Year Begin: Jul-13 MY2013/14
Area Planted (Ha)	**Total Area**	**78,000**	**78,100**	**78,000**
	For Fresh Market	27,200	26,600	26,700
	For Processing	50,800	51,500	51,300
Area Harvested (Ha)	**Total Area**	**78,000**	**78,100**	**78,000**
	For Fresh Market	27,200	26,600	26,700
	For Processing	50,800	51,500	51,300
Production (MT)	**Total Production**	**2,339,000**	**2,430,000**	**2,418,000**
	For Fresh Market	814,000	826,000	829,000
	For Processing	1,525,000	1,604,000	1,589,000
Consumption (MT)	**Total Consumption**	**1,925,000**	**2,003,000**	**1,983,000**
	For Fresh Market	670,000	681,000	680,000
	For Processing	1,256,000	1,329,000	1,406,000

Source: MAFF
MY2013/14 data are estimated by Post.
Breakdown for fresh market and for processing is estimated by Post.

Frozen Potato Data:

Frozen Potato Products	Market Year Begin: Jul-11 MY2011/12	Market Year Begin: Jul-12 MY2012/13	Market Year Begin: Jul-13 MY2013/14
Production	34,600	32,300	33,000
Imports	363,200	361,700	365,000
Total Supply	**397,800**	**394,000**	**398,000**
Exports	300	200	300
Domestic Consumption	397,500	393,800	397,700
Total Distribution	**397,800**	**394,000**	**398,000**

Source: Japan Customs and the Japan Frozen Food Association
Trade data are based on the total imports under HS 0710.10 and 2004.10.
MY2013/14 data are estimated by Post.

Trade Data of Other Potato Products

Tariff Table

Japan: Import Duties 2013		
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 2012

** all duties are charged on a CIF basis*

Trade Data

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

Country	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
World	18,500	15,990	17,063	18,681	17,667
United States	15,719	14,044	15,622	14,839	15,498
Germany	2,356	1,637	942	2,575	1,281
China	352	230	358	703	633
Other	73	79	141	564	255

MY: July-June
Source: Global Trade Atlas

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

Country	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
World	28,639,173	25,516,669	26,359,223	31,227,500	29,049,303
United States	24,642,634	22,707,626	24,210,772	25,067,066	25,627,607
Germany	3,319,543	2,343,728	1,357,613	3,834,433	1,918,436
China	573,085	344,458	584,092	1,408,336	1,147,925
Other	103,911	120,857	206,746	917,665	355,335

MY: July-June
Source: Global Trade Atlas

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

Country	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
World	4,554	5,304	4,382	6,711	4,613
United States	3,179	3,954	2,586	4,109	2,600
Poland	775	625	163	572	279
Netherlands	600	500	760	1,100	1,082
Germany	0	225	873	930	653

MY: July-June
Source: Global Trade Atlas

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

Country	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
World	6,943,631	8,066,385	6,916,129	10,604,862	7,018,908
United States	5,086,630	6,355,716	4,380,285	6,966,017	4,358,968
Poland	1,080,388	831,581	276,786	834,427	379,315
Netherlands	776,613	616,709	961,241	1,407,212	1,372,182
Germany	0	262,379	1,297,817	1,397,205	908,443

MY: July-June

Source: Global Trade Atlas

APPENDIX 2

Fresh Potato Equivalent of Imported Potato Products (CY2012)

The data in the lower columns represent the fresh potato equivalent volume of each potato product converted from the actual imported volume in the upper column using a conversion coefficient for each product. In total, Japan imported over 1 million metric tons of potatoes on a fresh potato equivalent basis in 2012, 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	3,599		1,160	764	24	11,105	12,050	28,702
		0710.10.000		7,918		2,552	1,681	53	24,430	26,511	63,144
		French Fries	8.5	234,739	23,200	1,354	2,690	12,177	472	7,857	282,489
		2004.10.100		516,425	51,039	2,979	5,918	26,790	1,039	17,286	621,477
		Mashed Potato	13.6	100				695		10	804
		2004.10.210		219				1,528		22	1,769
		Other	9.0	64,000	5,861	328	31	1,600	1,289	450	73,559
		2004.10.220		140,801	12,895	721	68	3,520	2,835	990	161,830
		Subtotal		302,438	29,061	2,841	3,485	14,496	12,866	20,367	385,554
(x2.2)		Fresh Potato Equivalent		665,363	63,934	6,251	7,667	31,891	28,304	44,808	848,219
Flake/Mashed		Potato Flour	20.0	3,599		1,160	764			374	5,897
		1105.10.000		21,593		6,960	4,583			2,244	35,381
		Potato Flakes	20.0	16,582		302	2,115		949	163	20,111
		1105.20.000		99,490		1,812	12,692		5,694	977	120,664
		Mashed Potato	13.6	262			22	2		89	376
		2005.20.100		1,573			134	13		535	2,255
		Subtotal		20,443		1,462	2,901	2		626	26,383
(x6.0)		Fresh Potato Equivalent		122,656		8,772	17,408	13		3,756	158,300
Fresh/Chilled		Seed Potatoes	3.0								
		0701.10.000									
		Other than See	4.3	15,683							15,683
		0701.90.000		15,683							15,683
		Subtotal		15,683							15,683
(x1.0)		Fresh Potato Equivalent		15,683							15,683
Other	Dried	Dehydrated	12.8	320					11	3	334
	(x6.0)	0712.90.050		1,918					67	18	2,003
	Processed	Airtight pack	12.0	8	70		2		42	2,719	2,841
	(X1.0)	2005.20.210		8	70		2		42	2,719	2,841
	Processed	Sugar added	9.0	4,498	130		1		475	623	5,727
	(x3.9)	1905.90.314		17,543	506		5		1,852	2,429	22,335
	Processed	Not sugar adde	9.0	941	70		2		42	4	1,058
	(x3.9)	1905.90.323		3,668	273		9		162	14	4,127
	Processed	Other	9.0	2,441		157	14	0	1,693	866	5,172
	(x3.9)	2005.20.220		9,521		613	56	1	6,603	3,377	20,171
		Subtotal		8,208	270	157	20	0	2,262	4,214	15,132
		Fresh Potato Equivalent		32,659	850	613	72	1	8,726	8,556	51,477
TOTAL				346,771	29,331	4,461	6,406	14,498	16,077	25,207	442,752
Fresh Potato Equivalent				836,360	64,784	15,637	25,147	31,905	42,724	57,121	1,073,678

Source: MAFF