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Global Agricultural Information Network

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Japan

Grain and Feed Update

Grain and Feed Update - January 2014

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Report Highlights:

The overall import share of U.S. corn continues to lag behind that of Brazil with prospects of recovery. Japan announced the 2013 production statistics for rice and barley, which show slight increases in production volume of 1.0 percent and 4.2 percent respectively. MAFF announced that their regulatory testing of U.S. wheat, showed no positive detection of GE wheat MON71800.

Overall Market Situation

Up-to-date feed production statistics and a detailed breakdown of feed ingredient utilization ratios follow. Corn utilization remains around 42 percent.

Table 1: Feed Utilization by Ingredients

Unit: MT											
Japan Fiscal Year (April- March)	Corn	Sorghu m	Wheat	Wheat Flour	Barley	Rice	Rye	Other Grains	DDGS	Non- grain Ingredien ts	TOTAL
2002	12,037,262 49.2%	1,683,412 6.9%	113,821 0.5%	121,437 0.5%	725,978 3.0%	69,185 0.3%	337,944 1.4%	117,254 0.5%	NA	9,240,205 37.8%	24,446,498 100.0%
2003	12,384,237 50.2%	1,499,279 6.1%	123,369 0.5%	127,500 0.5%	744,537 3.0%	13,464 0.1%	359,704 1.5%	120,310 0.5%	NA	9,282,579 37.6%	24,654,979 100.0%
2004	11,853,348 49.5%	1,395,749 5.8%	90,306 0.4%	127,382 0.5%	770,921 3.2%	285,932 1.2%	259,442 1.1%	123,399 0.5%	NA	9,062,877 37.8%	23,969,356 100.0%
2005	11,894,303 49.2%	1,335,574 5.5%	101,539 0.4%	122,738 0.5%	792,159 3.3%	325,605 1.3%	233,518 1.0%	119,150 0.5%	NA	9,228,722 38.2%	24,153,308 100.0%
2006	12,017,330 49.2%	1,280,438 5.2%	103,640 0.4%	129,212 0.5%	826,682 3.4%	425,942 1.7%	219,254 0.9%	126,810 0.5%	NA	9,291,274 38.0%	24,420,582 100.0%
2007	12,005,863 49.0%	1,137,809 4.6%	95,075 0.4%	131,695 0.5%	859,952 3.5%	557,571 2.3%	152,506 0.6%	143,979 0.6%	NA	9,434,064 38.5%	24,518,514 100.0%
2008	12,059,732 49.1%	1,240,344 5.1%	111,597 0.5%	145,387 0.6%	859,024 3.5%	468,000 1.9%	60,739 0.2%	153,138 0.6%	NA	9,449,421 38.5%	24,547,382 100.0%
2009	11,908,859 47.9%	1,722,923 6.9%	164,014 0.7%	136,567 0.5%	911,019 3.7%	256,020 1.0%	53,924 0.2%	145,614 0.6%	NA	9,554,496 38.4%	24,853,436 100.0%
2010	11,614,834 47.3%	1,464,181 6.0%	223,429 0.9%	135,379 0.6%	901,680 3.7%	401,463 1.6%	103,389 0.4%	152,545 0.6%	219,189 0.9%	9,321,592 38.0%	24,537,681 100.0%
2011	10,935,808 45.1%	1,413,787 5.8%	402,609 1.7%	151,537 0.6%	878,047 3.6%	652,573 2.7%	74,028 0.3%	149,393 0.6%	362,970 1.5%	9,218,996 38.0%	24,239,748 100.0%
2012	10,317,271 42.8%	1,653,366 6.9%	965,993 4.0%	159,886 0.7%	900,739 3.7%	472,131 2.0%	16,739 0.1%	150,236 0.6%	426,965 1.8%	9,053,078 37.5%	24,116,404 100.0%
2013/April	841,577 42.0%	159,123 7.9%	71,001 3.5%	14,258 0.7%	74,945 3.7%	35,305 1.8%	1,177 0.1%	12,601 0.6%	36,731 1.8%	754,851 37.7%	2,001,569 100.0%
May	867,782 42.0%	166,829 8.1%	73,001 3.5%	14,774 0.7%	78,587 3.8%	36,318 1.8%	1,393 0.1%	12,919 0.6%	37,829 1.8%	774,992 37.5%	2,064,424 100.0%
June	791,774 42.0%	151,508 8.0%	69,545 3.7%	13,105 0.7%	71,113 3.8%	33,039 1.8%	782 0.0%	12,479 0.7%	34,408 1.8%	707,911 37.5%	1,885,664 100.0%
July	809,011 41.9%	151,631 7.9%	74,285 3.8%	12,425 0.6%	75,220 3.9%	33,562 1.7%	1,455 0.1%	12,764 0.7%	35,637 1.8%	724,555 37.5%	1,930,545 100.0%

Aug	798,935	147,083	74,985	12,405	73,892	33,366	1,621	12,960	36,117	718,025	1,909,389
	41.8%	7.7%	3.9%	0.6%	3.9%	1.7%	0.1%	0.7%	1.9%	37.6%	100.0%
Sept	807,833	135,299	75,126	11,980	72,873	34,363	1,551	12,401	35,347	712,409	1,899,182
	42.5%	7.1%	4.0%	0.6%	3.8%	1.8%	0.1%	0.7%	1.9%	37.5%	100.0%
April-Sept	4,916,912	911,473	437,943	78,947	446,630	205,953	7,979	76,124	216,069	4,392,743	11,690,773
	42.1%	7.8%	3.7%	0.7%	3.8%	1.8%	0.1%	0.7%	1.8%	37.6%	100.0%

Source: Feed Supply Stabilization Organization

Japan has a feed price stabilization program, whereby the combination of a subsidy by the Ministry of Agriculture, Forestry and Fisheries (MAFF) and an industry fund helps absorb sudden surges in the compound feed price. As the graph below shows, following the significant grain price hike in the 2nd quarter of 2012, the subsidy was re-activated and absorbed a large portion of the cost increase. For the current quarter (January-March 2014), the subsidy was discontinued due to a slight drop in the market price of compound feed. As a result, the farmer's purchase price increased from 65,200 yen to 65,400 yen per metric ton, the highest level on record.

Corn Update

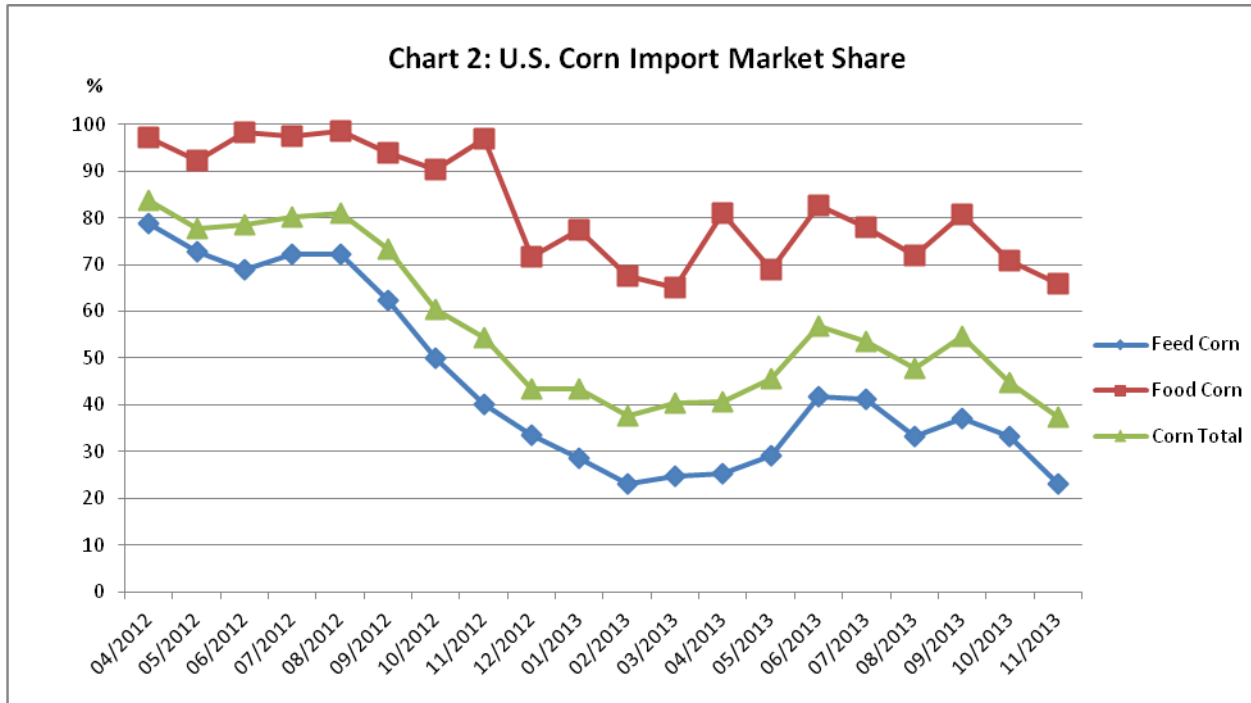
The following tables show monthly imports of corn in the most recent six months for which data is available. Brazil continues to be the largest supplier of feed corn to Japan whereas the United States has maintained its leading share in food corn imports. As Chart 2 shows, the import share of the United States started to recover in May 2013. However, it plummeted again in the fall. Industry sources expect that the U.S. import market share will recover significantly as the new crop starts to arrive in Japan. However, U.S. import market share is not expected to recover to the pre-2012 level of over 90 percent, even if the price stays attractive, as Japanese users feel it is important to maintain a diversification of suppliers now that they have learned how to source and use corn from various countries.

Table 2: Japan's Monthly Imports of Corn

Japan Import Statistics							
Commodity: Corn for Feed							
Monthly Series: 06/2013 - 11/2013							
Partner Country	Unit	Quantity					
		06/2013	07/2013	08/2013	09/2013	10/2013	11/2013
World	T	629999	776628	763417	711896	861649	805453
Brazil	T	139296	7550	2523	66488	361445	492308
United States	T	262473	319688	253136	264329	286761	185023
Argentina	T	152905	356740	395199	255016	153939	71914
Romania	T	0	0	0	0	0	29007
South Africa	T	34201	82583	112538	126063	59369	18643
Ukraine	T	41124	10013	0	0	0	8551
Other	T	0	54	21	0	135	7
US share		41.7%	41.2%	33.2%	37.1%	33.3%	23.0%
Brazil's share		22.1%	1.0%	0.3%	9.3%	41.9%	61.1%

Japan Import Statistics							
Commodity: Corn for Food,							
Monthly Series: 06/2013 - 11/2013							
Partner Country	Unit	Quantity					
		06/2013	07/2013	08/2013	09/2013	10/2013	11/2013
World	T	367537	397714	458021	472992	382852	408670
United States	T	303916	309958	329944	382304	271088	269195
Brazil	T	7380	101	0	11101	46944	87416
Romania	T	0	0	0	0	0	13035
Australia	T	0	11694	5942	2150	22593	11625
France	T	15005	3895	15	5521	11065	10004
South Africa	T	11678	43924	83085	33416	24295	8868
Argentina	T	29018	25460	37849	37933	5833	7988
Other	T	540	2682	1186	567	1034	539
US share		82.7%	77.9%	72.0%	80.8%	70.8%	65.9%
Brazil's share		2.0%	0.0%	0.0%	2.3%	12.3%	21.4%

Japan Import Statistics							
Commodity: Corn Total,							
Monthly Series: 06/2013 - 11/2013							
Partner Country	Unit	Quantity					
		06/2013	07/2013	08/2013	09/2013	10/2013	11/2013
World	T	997536	1174342	1221438	1184888	1244501	1214123
Brazil	T	146676	7651	2523	77589	408389	579724
United States	T	566389	629646	583080	646633	557849	454218
Argentina	T	181923	382200	433048	292949	159772	79902
Romania	T	0	0	0	0	0	42042
South Africa	T	45879	126507	195623	159479	83664	27511
Australia	T	0	11694	5942	2150	22593	11625
France	T	15005	3907	15	5521	11200	10011
Ukraine	T	41124	11913	0	0	0	8551
Other	T	540	824	1207	567	1034	539
US share		56.8%	53.6%	47.7%	54.6%	44.8%	37.4%
Brazil's share		14.7%	0.7%	0.2%	6.5%	32.8%	47.7%



Rice Update

On December 6, 2013, MAFF announced the 2013 rice production statistics. Overall production volume increased 1.0 percent over the previous year as a result of a slight increase in planted area and a favorable yield due to an absence of inclement weather conditions throughout the growing season in most of the regions.

Table 3: Japan’s Rice Production

	Planted Area (1,000 hectares)			Production (1,000 MT)				Yield/10 ares (KG)	
	Total	Paddy	Upland	Total	Total, Milled	Paddy	Upland	Paddy	Upland
2009	1,624	1,621	3	8,474	7,711	8,466	8	522	276
2010	1,628	1,625	3	8,483	7,720	8,478	5	522	189
2011	1,576	1,574	2	8,402	7,646	8,397	5	522	220
2012	1,581	1,579	2	8,523	7,756	8,519	4	540	172
2013	1,599	1,597	2	8,607	7,832	8,603	4	539	249

Source: MAFF

Wheat Update

Since the successful resumption of import tenders for Western White wheat on August 1, 2013 (ref. [GAIN JA3032](#)), import tenders have been held regularly without disruption. (See Table 5 below.) On December 4, 2013, MAFF announced that their regulatory testing of U.S. wheat, including 170,000 metric tons of stocks MAFF had stopped releasing after the Oregon GE wheat incident, showed no positive detection of GE wheat MON71800.

Table 5: MAFF's Wheat Tenders Since August

August

Country	Class	Quantity (MT)	*Price (YEN/MT)
USA	Western White	153,136	32,429
	Hard Red Winter	92,177	36,454
	Dark Northern Spring	88,104	35,670
	Sub-total	333,417	34,398
Canada	Western Red Spring	108,176	34,572
	Sub-total	108,176	34,572
Australia	Standard White	64,986	39,537
	Sub-total	64,986	39,537
TOTAL		506,579	35,094

September

Country	Class	Quantity (MT)	*Price (YEN/MT)
USA	Western White	41,297	33,047
	Hard Red Winter	62,328	36,909
	Dark Northern Spring	67,948	37,280
	Sub-total	171,573	36,127
Canada	Western Red Spring	122,340	34,584
	Sub-total	122,340	34,584
Australia	Standard White	44,910	38,844
	Sub-total	44,910	38,844
TOTAL		338,823	35,930

October

Country	Class	Quantity (MT)	*Price (YEN/MT)
USA	Western White	57,982	32,742
	Hard Red Winter	48,254	36,822
	Dark Northern Spring	51,258	37,632
	Sub-total	157,494	35,584
Canada	Western Red Spring	110,857	35,950
	Sub-total	110,857	35,950
Australia	Standard White	64,028	36,922
	Sub-total	64,028	36,922
TOTAL		332,379	35,964

November

Country	Class	Quantity (MT)	*Price (YEN/MT)
USA	Western White	74,636	33,423
	Hard Red Winter	61,836	35,341
	Dark Northern Spring	51,660	37,551
	Sub-total	188,132	35,187
Canada	Western Red Spring	124,147	36,003
	Sub-total	124,147	36,003
Australia	Standard White	83,194	35,517
	Sub-total	83,194	35,517
TOTAL		395,473	35,512

December

Country	Class	Quantity (MT)	*Price (YEN/MT)
USA	Western White	52,832	34,775
	Hard Red Winter	72,615	36,538
	Dark Northern Spring	84,721	39,010
	Sub-total	210,168	37,091
Canada	Western Red Spring	136,318	37,387
	Sub-total	136,318	37,387
Australia	Standard White	63,088	36,568
	Sub-total	63,088	36,568
TOTAL		409,574	37,109

*Weighted Average Price

Barley Update

On November 19, 2013, MAFF announced the 2013 barley production statistics. For two-row barley, the planted area shrank slightly but the production volume stayed at the previous year's level due to improved yield, although yield was still below average due to rain during planting in some of the major growing areas. Six-row barley also saw a slight decline in planted area. However, due to an above-average yield, supported by favorable weather conditions, production volume increased 8.6 percent. Naked barley production increased nearly 20 percent over the previous year as a result of a slight increase in planted area coupled with a yield that was slightly higher than average due to favorable weather conditions. Aggregate barley production in Japan in 2013 reached 179,600 metric tons, up 4.2 percent from 2012.

Table 4: Japan's Barley Production

Type of Barley	Production	2008	2009	2010	2011	2012	2013
Two-Row Barley	Crop Area (hectares)	35,400	36,000	36,600	37,600	38,300	37,500
	Production Volume (MT)	145,100	115,800	104,300	119,100	112,400	113,100
	Yield (MT/hectare)	4.10	3.22	2.85	3.17	2.93	3.02
Six-Row Barley	Crop Area (hectares)	16,900	17,600	17,400	17,400	17,100	16,900
	Production Volume (MT)	56,000	52,200	44,800	38,700	47,800	51,900
	Yield (MT/hectare)	3.31	2.97	2.57	2.22	2.80	3.07
Naked Barley	Crop Area (hectares)	4,350	4,350	4,720	5,130	4,970	5,010
	Production Volume (MT)	16,100	11,200	11,800	13,700	12,200	14,600
	Yield (MT/hectare)	3.70	2.57	2.50	2.67	2.45	2.91
Barley Total	Crop Area (hectares)	56,650	57,950	58,720	60,130	60,370	59,410
	Production Volume (MT)	217,200	179,200	160,900	171,500	172,400	179,600

Source: MAFF