

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Japan

Grain and Feed Update

Grain and Feed Update - January 2013

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Report Highlights:

Due to an increase in ingredient costs, primarily corn, the price of feed soared in the third quarter of Japan's Fiscal Year 2012 (October-December 2012). However, thanks to the subsidies that fully absorbed this hike, Japan's feed consumption and production remain stable. Post updated PS&Ds for rice and barley, as the Ministry of Agriculture, Forestry and Fisheries (MAFF) announced Japan's 2012 production statistics for these commodities.

Post:
Tokyo

Overall Market Situation

Up-to-date feed production statistics and a detailed breakdown of feed ingredient utilization ratios follow. The trend away from corn to wheat continues.

Table 1.
Feed Utilization by Ingredients

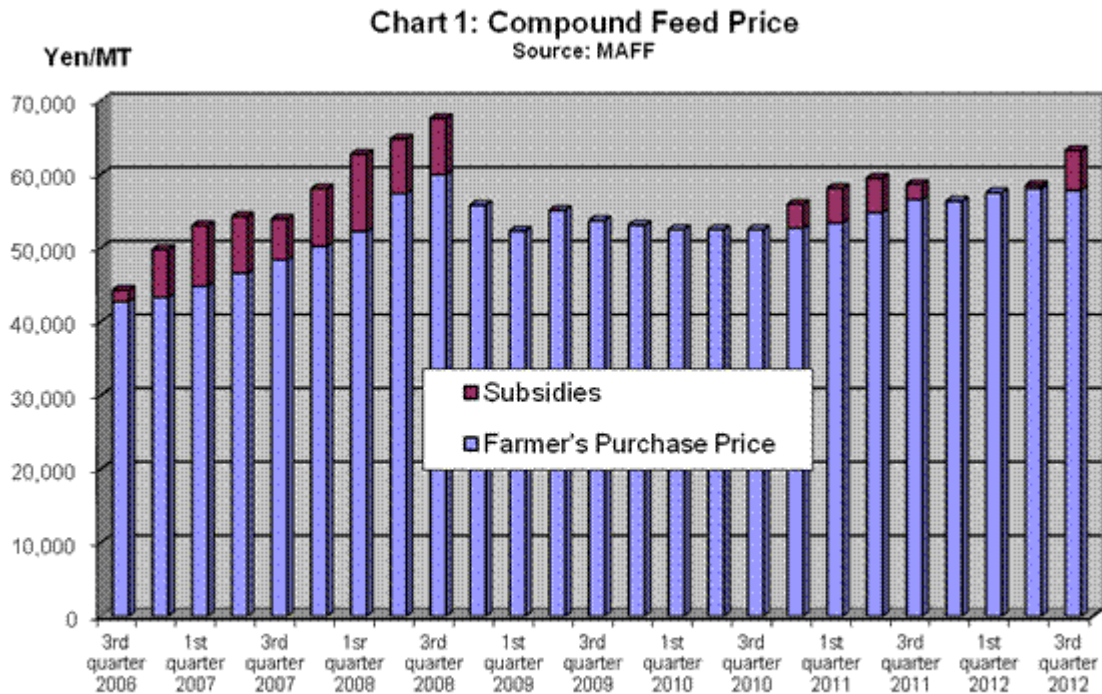
Unit: MT

Japan Fiscal Year (April-March)	Corn	Sorghum	Wheat	Wheat Flour	Barley	Rice	Rye	Other Grains	DDGS	Non-grain Ingredients	TOTAL
2002	12,037,262 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/April	866,024 43.9%	107,035 5.4%	63,322 3.2%	12,323 0.6%	72,356 3.7%	52,073 2.6%	2,228 0.1%	12,258 0.6%	30,270 1.5%	753,090 38.2%	1,970,979 100.0%
May	896,391	116,076	74,77	12,67	74,79	54,37	1,859	12,83	33,82	774,982	2,052,582

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	43.7%	5.7%	3.6%	0.6%	3.6%	2.6%	0.1%	0.6%	1.6%	37.8%	100.0%
June	856,194	112,764	77,25	12,39	72,92	51,63	1,479	12,98	32,86	744,751	1,975,228
	43.3%	5.7%	3.9%	0.6%	3.7%	2.6%	0.1%	0.7%	1.7%	37.7%	100.0%
July	815,373	121,235	77,45	12,39	71,82	41,28	1,313	11,04	33,07	715,291	1,900,305
	42.9%	6.4%	4.1%	0.7%	3.8%	2.2%	0.1%	0.6%	1.7%	37.6%	100.0%
Aug	834,063	125,722	83,34	13,33	74,07	40,63	1,363	11,60	34,60	736,447	1,955,193
	42.7%	6.4%	4.3%	0.7%	3.8%	2.1%	0.1%	0.6%	1.8%	37.7%	100.0%
Sept	811,957	125,296	84,90	12,76	70,49	40,67	1,239	11,31	34,40	717,714	1,910,768
	42.5%	6.6%	4.4%	0.7%	3.7%	2.1%	0.1%	0.6%	1.8%	37.6%	100.0%

Source: Feed Supply Stabilization Organization

Japan has a feed stabilization program, where 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. It is activated when the import costs of ingredients in a particular quarter exceed the average import costs of ingredients in the previous one year. As the graph below shows, during the most recent quarter (October-December 2012), compound feed prices increased by 4,750 yen per metric ton, from 58,500 yen to 63,250 yen. The subsidy entirely absorbed this increase.



Rice Updates

In early December, MAFF announced statistics for 2012 rice production. Overall production volume increased 1.4 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.

Table 2.
Japan's Rice Production (Brown Basis)

	Planted Area (1,000 hectares)			Production (1,000 metric tons)			Yield/10 ares (kilograms)	
	Total	Paddy	Upland	Total	Paddy	Upland	Paddy	Upland
2008	1,627	1,624	3	8,823	8,815	8	543	265
2009	1,624	1,621	3	8,474	8,466	8	522	276
2010	1,628	1,625	3	8,483	8,478	5	522	189
2011	1,576	1,574	2	8,402	8,397	5	522	220
2012	1,581	1,579	2	8,523	8,519	4	540	172

Source: MAFF

Revised PS&D

Rice, Milled Japan	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,628	1,628	1,576	1,576	1,580	1,581
Beginning Stocks	2,693	2,693	2,689	2,712	2,720	2,747
Milled Production	7,720	7,720	7,646	7,646	7,755	7,756
Rough Production	10,604	10,604	10,503	10,503	10,652	10,654
Milling Rate (.9999)	7,280	7,280	7,280	7,280	7,280	7,280
MY Imports	676	699	635	639	700	700
TY Imports	697	700	650	700	700	700
TY Imp. from U.S.	360	350	0	350	0	350
Total Supply	11,089	11,112	10,970	10,997	11,175	11,203
MY Exports	200	200	200	200	200	200
TY Exports	200	200	200	200	200	200
Consumption and Residual	8,200	8,200	8,050	8,050	8,250	8,250
Ending Stocks	2,689	2,712	2,720	2,747	2,725	2,753
Total Distribution	11,089	11,112	10,970	10,997	11,175	11,203

1000 HA, 1000 MT, MT/HA

Barley Updates

In late November, MAFF announced statistics for 2012 barley production. Both the planted area and the production volume remained near the previous year's level. Barley grown domestically is used for non-feed purposes such as beer, barley tea, *shochu* (distilled liquor), and *miso* (soybean paste).

Table 3.
Crop Area and Production of Barley in Japan

	Planted Area (hectares)	Production (1,000 MT)
2008	56,650	217,200
2009	57,950	179,200
2010	58,720	160,900
2011	60,130	171,500
2012	60,370	172,200

Source: MAFF

Revised PS&D

Barley Japan	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	59	59	60	60	58	58
Beginning Stocks	489	489	460	460	387	389
Production	162	162	170	172	180	180
MY Imports	1,359	1,359	1,257	1,257	1,300	1,300
TY Imports	1,359	1,359	1,257	1,257	1,300	1,300
TY Imp. from U.S.	2	9	38	5	0	10
Total Supply	2,010	2,010	1,887	1,889	1,867	1,869
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	1,250	1,250	1,200	1,200	1,200	1,200
FSI Consumption	300	300	300	300	300	300
Total Consumption	1,550	1,550	1,500	1,500	1,500	1,500
Ending Stocks	460	460	387	389	367	369
Total Distribution	2,010	2,010	1,887	1,889	1,867	1,869

1000 HA, 1000 MT, MT/HA

