

Voluntary Report – Voluntary - Public Distribution

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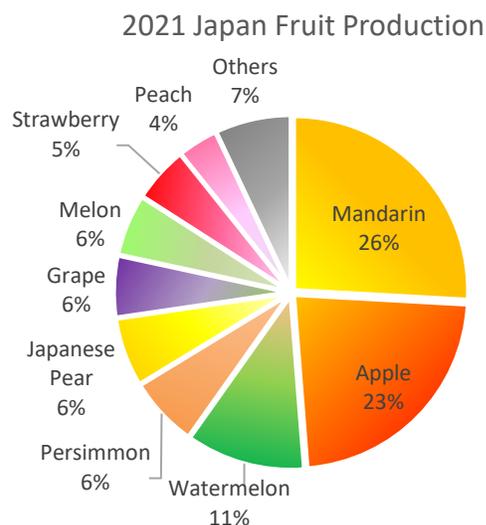
Report Highlights:

In 2022 Japan was the world's sixth largest importer of fresh fruit - relying on imports for around one-third of total domestic supply. The United States was the fifth largest supplier of fresh fruits to Japan with five percent of the market. The United States was the leading supplier of lemons and cherries and the second largest supplier of oranges, grapefruit, and kiwi fruit. Japan was the fourth largest export destination for U.S. fresh fruit. Declining domestic production has led Japan to become increasingly dependent on imported fruit and this trend is expected to continue.

Domestic Production

Japan produced 2.89 million metric tons (MT) of fresh fruit in 2021. Mandarin oranges (mikan) and apples accounted for nearly half of that volume at 26 and 23 percent, respectively. Other major items included watermelon, persimmons, Japanese pears, grapes, melons, strawberries, and peaches.

Fruit	Production		% change
	2016	2021	
Mandarin ("unshu" variety)	805,100	749,000	-7%
Apple	765,000	661,900	-13%
Watermelon	344,800	319,600	-7%
Persimmon	232,900	187,900	-19%
Japanese Pear	247,100	184,700	-25%
Grape	179,200	165,100	-8%
Melon	158,200	164,800	4%
Strawberry	159,000	150,000	-6%
Peach	127,300	107,300	-16%
Others	218,400	203,280	-7%
Total	3,237,000	2,893,580	-11%



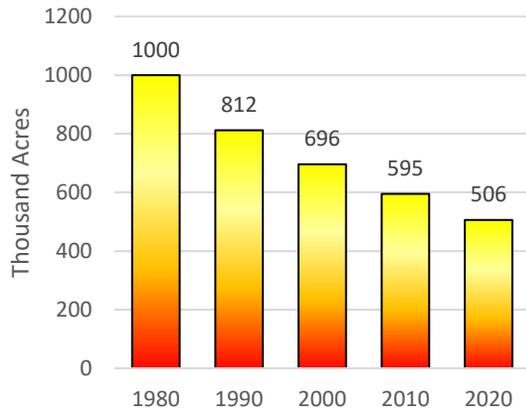
Source: Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF)

*MAFF defines "fruit" as fruit produced from perennial trees and plants. Therefore, MAFF's data of fruit production excludes strawberry, melon, and watermelon. ATO Osaka calculated the total domestic production of fresh fruit as 2.89 million MT by adding the production of these three products to MAFF's "fruit production data".

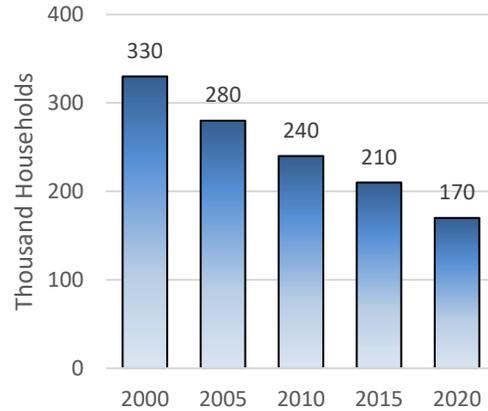
Fresh fruit production in 2021 was 11 percent lower than five years prior, reflecting continued long-term decline in the industry. For details on 2016 production and prior, see [GAIN JA8706](#) (please note that the 2016 production data in that report contained errors which have been corrected in this report). Between 2016 and 2021, the largest declines were seen for Japanese pears, persimmons, peaches, and apples.

The overall decline in fruit production volume is mainly due to decreased farmland and farmer numbers. According to MAFF, total farmland for fruit production in 2020 was 506,555 acres, almost half of what it was in 1980 and 15 percent lower than ten years prior. The number of fruit farmer households likewise fell to 170,000 in 2020, down from 210,000 in 2015 and nearly half the number from 2000. Declines in both farmland and farmer numbers are primarily attributable to Japan's aging farmer population and the lack of successors.

Japan Farmland for Fresh Fruit



Japan Farmers of Fresh Fruit

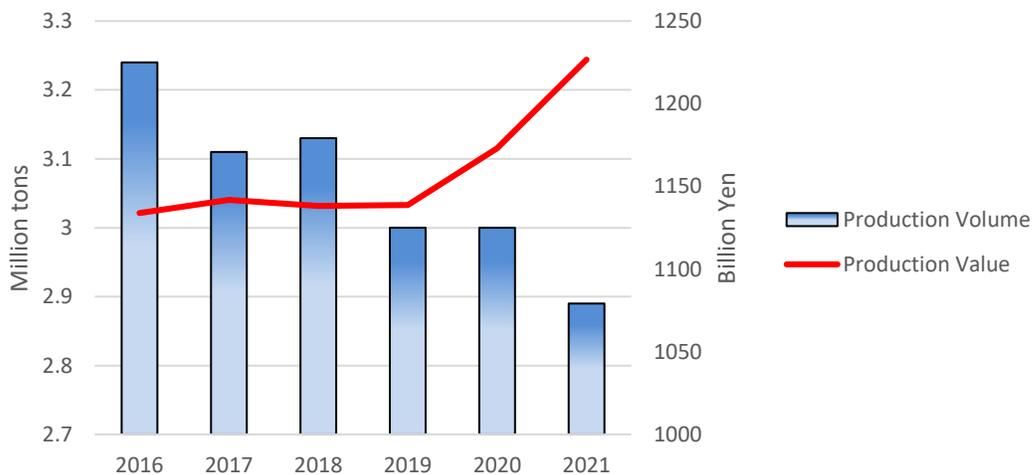


Source: MAFF

Despite declining volumes, the overall production value of fresh fruit in Japan has been increasing. The total value of fresh fruit production in 2021 reached 1.3 trillion yen (\$9.4 billion*), up 11 percent from 2016. This is primarily due to farmers shifting to higher quality varieties targeting the premium market. For example, although overall grape production contracted between 2016 and 2021, production of the premium Shine Muscat variety more than doubled from 2,451 acres to 5,636 acres in response to popular consumer demand.

*This report assumes an exchange rate of \$1 = 130 Japanese yen.

Japan Domestic Production for Fresh Fruit

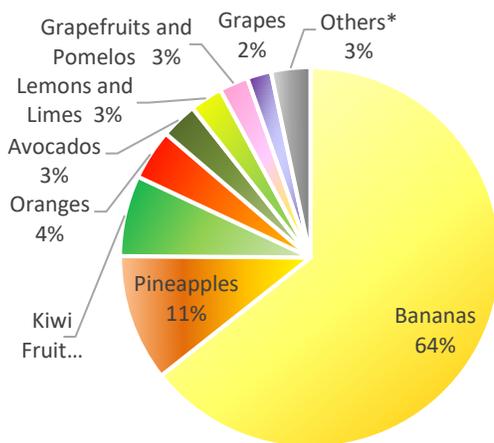


Source: MAFF

Imports

In 2022, Japan imported 1.63 million MT of fresh fruit, accounting for around one-third of total domestic supply. On a value basis, Japan ranked as the world's sixth largest importer of fresh fruit. Imports fell slightly from the previous year's total of 1.77 million MT which had been the highest in the past 5 years but continued a generally upward long-term trend. With domestic production decreasing, Japan has been increasingly turning to imports to meet domestic demand, especially for common, everyday fruit consumption. Bananas accounted for nearly two-thirds of Japan's fruit imports, with pineapples and kiwi fruit accounting for 11 and 7 percent respectively. The only products which saw growth in 2022 compared to 2021 were plums and lemons. U.S. plums gained new market access in 2021 while lemon imports increased due to returning demand from the foodservice sector post-COVID.

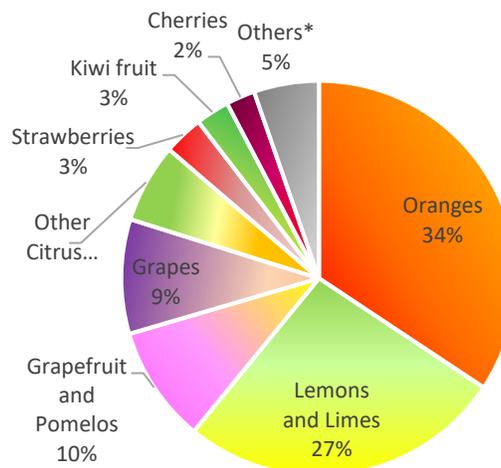
2022 Japan's Imports of Fresh Fruit



Source: Japan Customs

*Others include the following HS codes: 080310, 080450, 080521, 080522, 080529, 080590, 080711, 080719, 080720, 080810, 080830, 080921, 080929, 080930, 080940, 081010, 081020, 081030, 081040, 081060, 081070, 081090

2022 U.S. Fresh Fruit Exports to Japan



Source: Japan Customs

*Others include the following HS codes: 080390, 080430, 080440, 080450, 080521, 080522, 080590, 080711, 080719, 080720, 080810, 080921, 080930, 080940, 081020, 081030, 081040, 081070, 081090

Among supplier countries, the Philippines was far and away the largest with a 60 percent market share, primarily exporting bananas. Mexico, New Zealand, and Ecuador each had a 7-7.5 percent market share, followed by the United States at 5 percent. The United States had been Japan's second largest fruit supplier as recently as 2018 but has gradually seen market share decline as competition has grown for key U.S. export items such as oranges, grapes, and grapefruit.

Japan's Fresh Fruit Imports (2022)

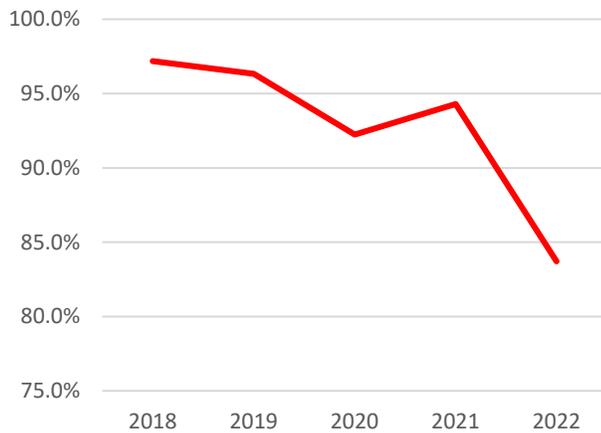
Rank	Country	Vol (MT)	Share
1	Philippines	985,309	60.2%
2	Mexico	122,469	7.5%
3	New Zealand	115,026	7.0%

4	Ecuador	114,723	7.0%
5	United States	83,913	5.1%
6	Australia	55,294	3.4%
7	Chile	32,130	2.0%
8	South Africa	23,864	1.5%
9	Peru	22,650	1.4%
10	Taiwan	19,637	1.2%

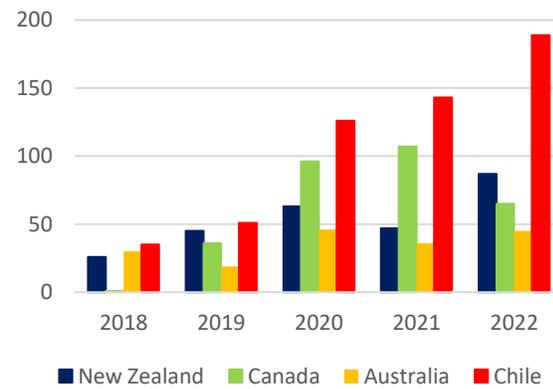
Source: Japan Customs

Within specific fruit categories, the United States ranked as the leading supplier of lemons to Japan at 22,303 MT followed by Chile with 15,575 MT. The United States is also the largest supplier of cherries at 1,984 MT in 2022, however this volume was down two-thirds compared to the previous year due to a weak harvest, bringing the U.S. share of the cherry market down from 94 to 84 percent. Until 2021, the United States had also been the largest supplier of oranges but fell to number two behind Australia in 2022.

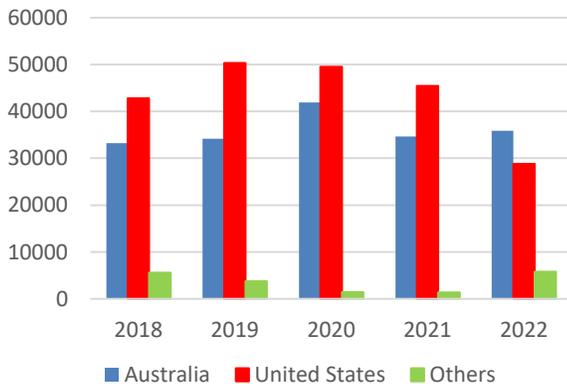
U.S. Share of Japan's Cherry Imports



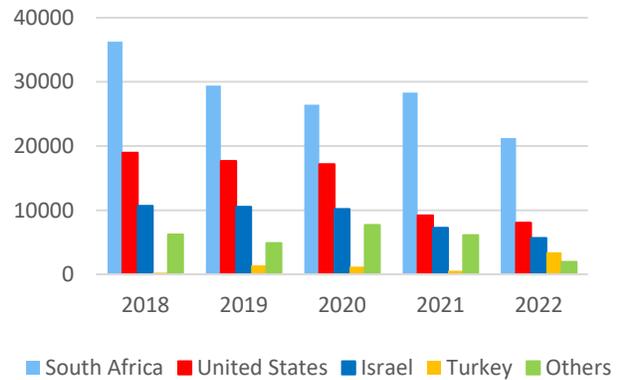
Japan's Cherry Imports from Countries Other than U.S. (MT)



Japan's Orange Imports (MT)



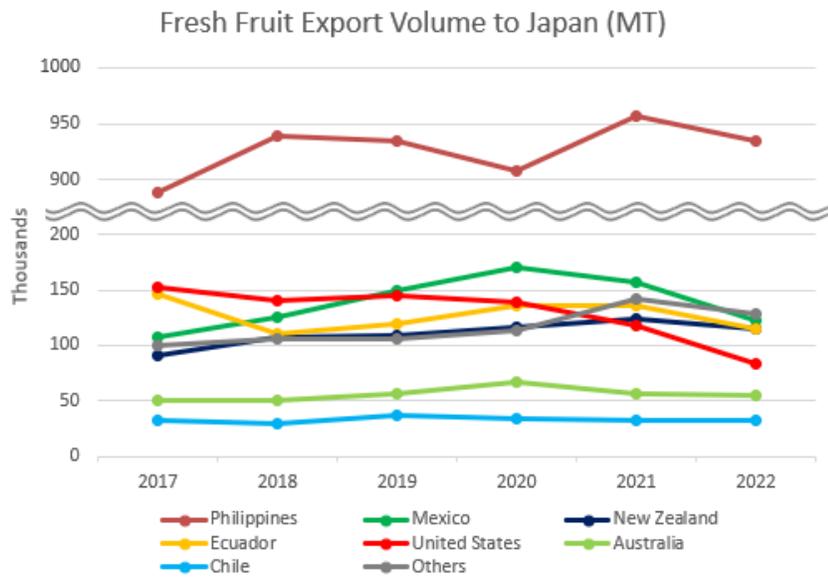
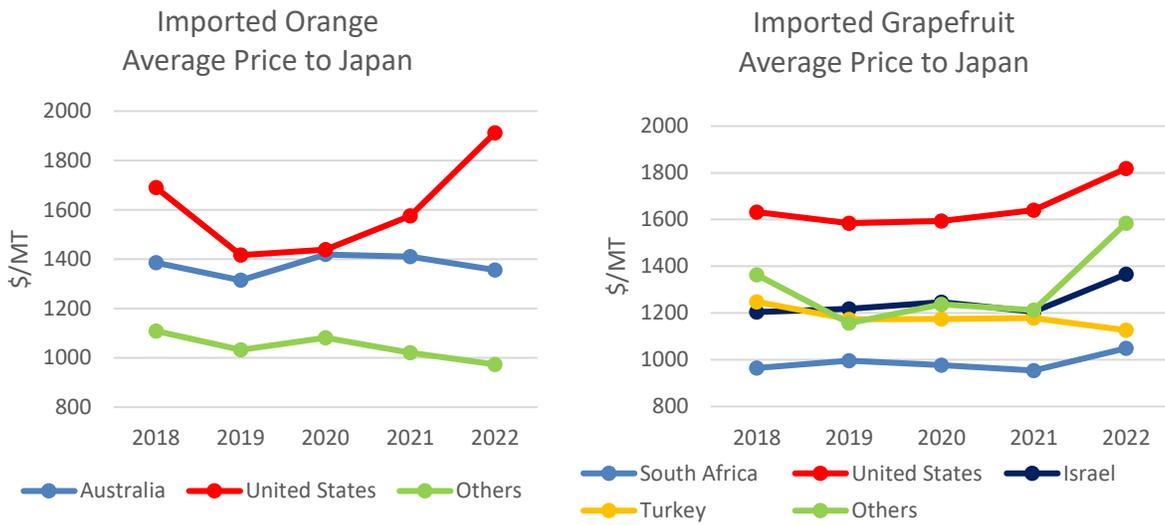
Japan's Grapefruit Imports (MT)



Source: Japan Customs

The United States was the second largest supplier of grapefruit at 8,020 MT after South Africa. The United States is also the second largest supplier of kiwi fruits to Japan after New Zealand which dominates the market with 96 percent share. The United States is the third largest grape supplier at 7,865 MT after Chile and Australia.

Inflation in the United States has been affecting import prices in Japan. In particular, import prices for U.S. oranges and grapefruits have risen significantly since 2020, putting U.S. suppliers at a disadvantage. The rise in prices correlates with a decline in import volumes.



Source: Japan Customs

Market Trends

In 2023, the market finally began to return to a pre-pandemic situation, albeit with some adjustments to match new and emerging trends. Information by sector is provided below.

Retail

Retailers stopped providing in-store samples during the pandemic but have gradually restarted sampling to boost consumer purchases and consumption of seasonal fruits. Major retail chains started with self-serve samples (see photo below) and in late spring began to bring back staffed sampling areas. Small and mid-sized retailers are gradually following their lead.

Another notable change is the packing style of fruits. During the pandemic, consumers avoided unwrapped piles of fruit as it was unclear whether someone had touched them or not. Retailers adapted by packing fruits into bags with around 3 to 5 pieces each. In addition to providing peace of mind to consumers, this helped boost fruit sales at a time when both domestic and imported fruit prices were rising. However, prices have risen to the point where consumers are once again looking to buy individual pieces of fruit, leading retailers to return to the model of unwrapped piles.

One trend that continued during and after the pandemic is the prevalence of pre-cut fruit (see photo below). This trend stems from consumers preferring items that are easy to eat with less waste and in smaller portions. As cut fruits are already packed or sealed individually, demand held strong during the pandemic and has continued afterward. As the population continues to age and decline with fewer people per household, this trend is expected to continue.



Self-serving in-store sampling



Cut fruit maintaining retail shelf space post COVID-19

Restaurants

During the pandemic, consumers generally avoided eating at restaurants. This particularly affected the consumption of citrus fruits such as lemon and grapefruit which are heavily used for cocktails and mocktails. With consumers now returning to restaurants, consumption of citrus is rising again however industry experts project consumption may only return to around 80 percent of pre-pandemic levels due to shifting consumer habits. In particular, industry sources report that while business dinner parties have returned, they typically end earlier in the night than before the pandemic, resulting in less cocktail and mocktail consumption. It remains to be seen how permanent this new trend is.



Fresh Grapefruit Sour

Hotels

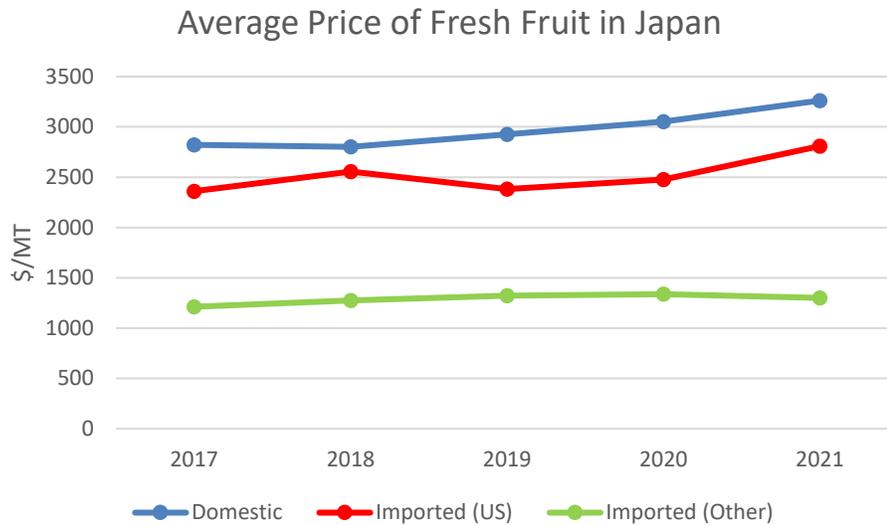
Afternoon tea at hotels has become a popular trend. It started to emerge prior to the pandemic and has grown significantly post-pandemic. Most upscale hotels offer some kind of afternoon tea inspired menu in their lounges and cafes, targeting consumers seeking a unique experience in lieu of domestic and international travel which was curtailed during the pandemic. A common theme for afternoon tea menus is a focus on seasonality. Seasonal fresh fruits are usually featured, both as cut fruit and as ingredients in sweets and confectionaries.



Ono! Hawaiian “KauKau” Afternoon Tea @ Hilton Tokyo Odaiba Hotel

Price Impact

Consumer preferences regarding fresh fruits have changed during and after the pandemic. In 2020, easy-to-eat, easy-to-peel, and seedless fruit options were the primary driver of fresh fruit consumption, according to an annual survey conducted by the Japan Fruit Association. However, in 2022, the same survey revealed that price had become the primary concern, with most consumers willing to accept superficially damaged products that were cheaper.



Source: MAFF and Japan Customs

Opportunities

In 2022, Japan ranked as the fourth largest export destination for U.S. fresh fruit, after Canada, Mexico, and South Korea. The United States exported \$228 million worth of fresh fruit, accounting for six percent of U.S. fresh fruit exports to the world. Recent market access gains have increased opportunities for U.S. fruit exports. On August 19, 2021, Japan granted market access for two varieties of plums, *Japanese plums* (*Prunus salicina*) and *European plums* (*Prunus domestica*), grown in the United States. As a result, the United States exported 169 MT of plums to Japan in 2021, growing to 231 MT in 2022. On July 27, 2023, Japan revised the import protocol to allow co-fumigation of U.S. nectarines and plums. More details can be obtained through [Stone Fruit Annual Report](#).

Contact Information

For additional information about the fresh fruit market in Japan, please contact us at the below:

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Attachments:

No Attachments.