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Report Name: Fresh Vegetable Market Update 2024

Country: Japan

Post: Osaka ATO

Report Category: Vegetables

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Report Highlights:

Japan's fresh vegetable market is estimated at approximately 14 million metric tons of which around 5 percent comes from imports. In 2023, the United States was the fourth largest supplier of fresh vegetables to Japan at $52 million and the second largest by volume at 46,309 metric tons. The United States is the leading supplier of chipping potatoes, chicory, witloof chicory, and celery.

In 2022, the Japanese fresh vegetable market was estimated at 13.6 million metric tons (MMT) of which around 5 percent came from imports. In 2023, Japan imported 621,696 MT of fresh vegetables, led by onion, pepper, and pumpkin/squash. The United States ranked 4th (after China, South Korea, and Mexico) in fresh vegetable exports to Japan at $52 million in 2023. By volume, the United States ranked 2nd after China with 46,309 MT. The United States is the leading supplier of chipping potatoes, chicory, witloof chicory, and celery. The United States is the sole foreign supplier of fresh potatoes for chipping use in Japan.

The Japanese fresh vegetable sector is largely self-sufficient for domestically produced varieties with minimal consumer demand for non-traditional vegetable varieties. U.S. fresh vegetable exports to Japan are not expected to see significant growth due to slowing consumption and overall population decline. The U.S.-Japan Trade Agreement (USJTA), which entered into force on January 1, 2020, improved tariff access for many vegetable products. More information on the USJTA tariff treatment on fresh vegetables is provided in the Fresh and Frozen Vegetables and Potatoes and Potato Products product briefs or by using the Agricultural Tariff Tracker.

Domestic Vegetable Production

In 2022, Japan produced 12.9 MMT* of fresh vegetables according to Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF). Vegetable production by volume was led by potatoes (17.7%), followed by cabbage (11.3%), onion (9.4%), and Japanese radish (9.1%).

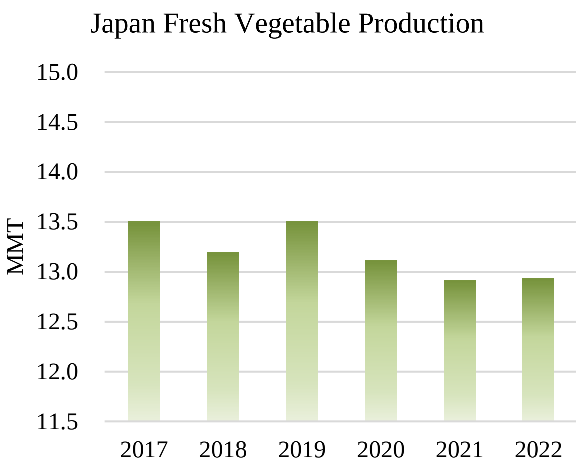
Japan Vegetable Production in 2022

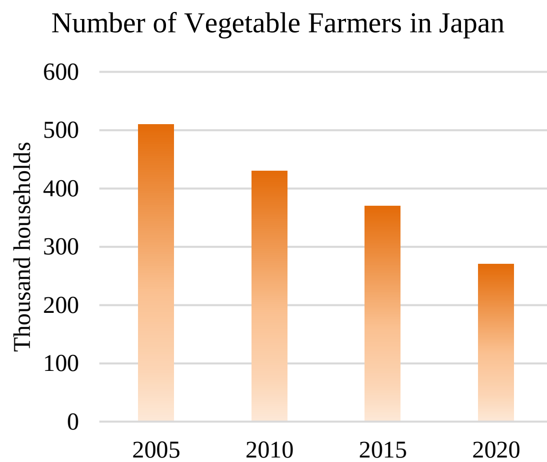
Vegetable	Production (MT)	Share
Potato	2,283,300	17.7%
Cabbage	1,458,200	11.3%
Onion	1,219,000	9.4%
Japanese Radish	1,180,600	9.1%
Chinese Cabbage	874,700	6.8%
Sweet Potato	710,700	5.5%
Tomato	707,900	5.5%
Carrot	582,100	4.5%
Lettuce	552,800	4.3%
Cucumber	548,500	4.2%
Others	2,815,745	21.8%
Total	12,933,545	100.0%

Source: MAFF

**MAFF's vegetable production data includes strawberries, melons and watermelons which are categorized as vegetables. ATO Osaka calculated the total domestic production of fresh vegetables by subtracting these three products from MAFF's "vegetable production data" and adding sweet potato production, which was also excluded from the original data.*

Fresh vegetable production in Japan has been declining, falling below 13 MMT in 2021 and 2022. This is mainly due to the shrinking number of vegetable farmer households in Japan - which dropped from 370,000 in 2015 to just 270,000 in 2020 (-27%). These trends are expected to continue.

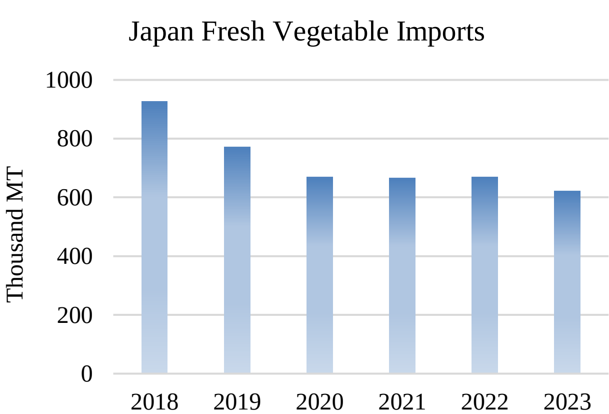


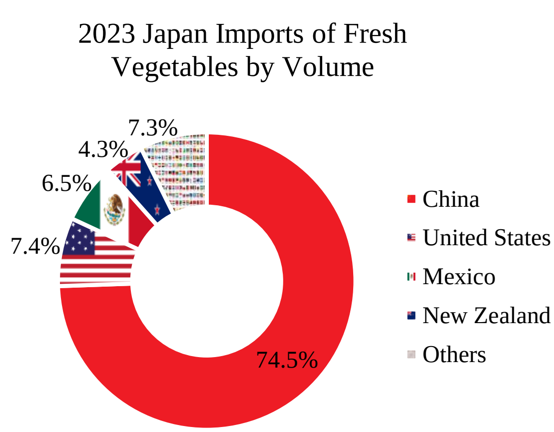


Source: MAFF

Fresh Vegetable Imports

In 2023, fresh vegetable imports to Japan were estimated at 621,696 MT. Imports slumped somewhat during the COVID-19 pandemic and have yet to recover to pre-pandemic levels. China was the largest supplier on a volume basis with 74.5 percent of the market, followed by the United States at 7.4 percent (46,309 MT) and Mexico at 6.5 percent. In 2023, the leading imported vegetable was onion with a 38.9 percent share, followed by carrots with 14.3 percent, and leek with 9.6 percent.

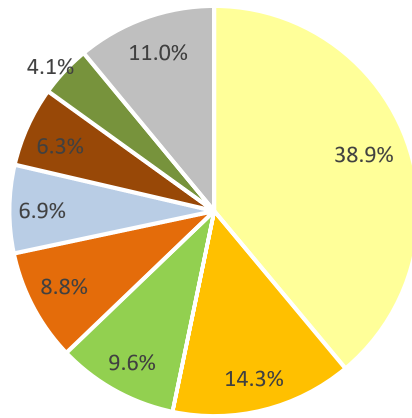




Source: Japan Customs

2023 Japan Vegetable Imports (Metric Tons)

Vegetable	Imports	Share
Onion	242,015	38.9%
Carrot	89,121	14.3%
Leek	59,549	9.6%
Pumpkin/Squash	54,939	8.8%
Burdock	43,184	6.9%
Potatoes	39,175	6.3%
Bell Pepper	25,292	4.1%
Others	68,421	11.0%
Total	621,696	100.0%



Source: Japan Customs

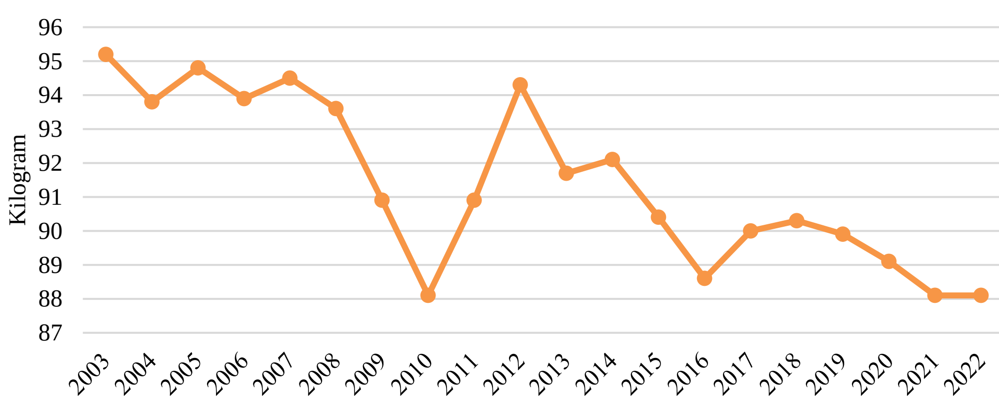
In 2023, Japan's total imports of fresh vegetables was valued at $652.1 million. The United States was ranked 4th with 8 percent share by value after China (50 percent), South Korea (12 percent), and Mexico (11.4 percent).

Following the implementation of USJTA on January 1, 2020, over 90 percent of U.S. food and agricultural products imported into Japan became duty free or received preferential tariff access. Although Japan's total imports of fresh vegetables from the United States have fallen, some items have increased since the implementation of USJTA. Between 2020 and 2022, imports of U.S. potato products increased 14 percent compared to 2017-2019. Witloof chicory increased 63 percent during the same period.

Fresh Vegetable Demand

Overall demand for fresh vegetables in Japan has continued to decline as both population and per capita consumption drop.

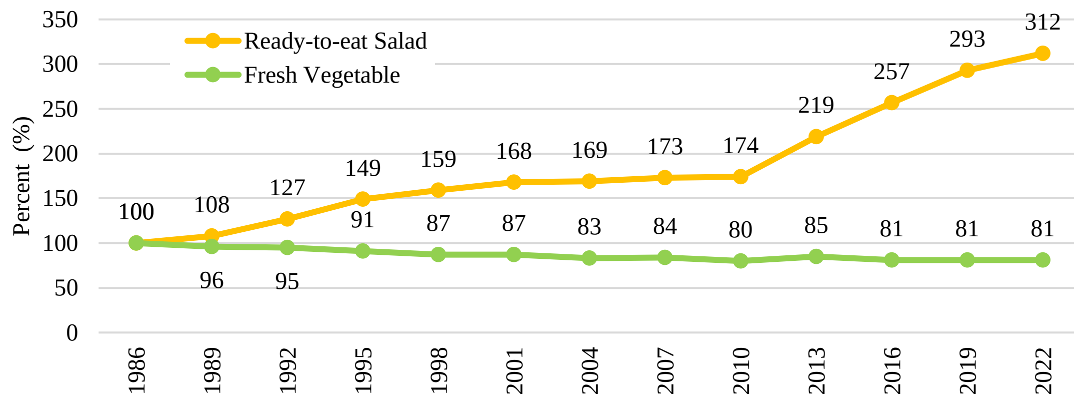
Japanese Annual Consumption of Vegetable per Person



Source: MAFF

With the average number of people in one household shrinking and increasing numbers of women in the workforce, demand for prepared food and easy-to-make meal preparations is growing. This has resulted in reduced annual spending per person for fresh vegetables and increasing spending for ready-to-eat salad products. Using 1986 as the base year, annual spending for fresh vegetables has declined 19 percent while spending on ready-to-eat salad has tripled. This could create more opportunities for imported vegetables which are mainly destined for the processed food industry as the requirements for labelling country of origin are less strict.

Japanese Annual Spending on Vegetables per Person



Source: Ministry of Internal Affairs and Communications

The respective sector market shares for imported vs. domestic have not changed much over past two decades with approximately 30 percent of vegetables in food processing coming from imports compared to just 2 percent in the retail sector. As domestic production declines, retailers are also likely to increase the proportion of imported produce on store shelves.

Share of Domestic Vegetables by Sector (Domestic vs. Imported)

Sector		2000	2005	2010	2015	2020
Food Processing	Domestic	74%	68%	70%	71%	68%
	Imported	26%	32%	30%	29%	32%
Retail	Domestic	98%	98%	98%	98%	97%
	Imported	2%	2%	2%	2%	3%

Source: MAFF

Recommendation

The fresh vegetable market in Japan is highly competitive due to shrinking population and falling per capita vegetable consumption. As the Japanese market is mostly self-sufficient for fresh vegetables, Japan's reliance on imports increases mostly on spot basis coming from temporary domestic supply shortages such as discussed in JA2023-0097. Particularly for products receiving preferred treatment under USJTA, U.S. suppliers are well positioned to meet potential temporary shortfalls in Japan's domestic supply due to weather events and other extraneous factors.

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

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Attachments:

No Attachments.