

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Japan

Grain and Feed Annual

Grain and Feed Annual

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Report Highlights:

Japan's feed industry relies almost entirely on imported grains. The composition of ingredients in compound feed had been traditionally stable (with the exception of 2012/13 when corn prices soared), with only small adjustments made in the composition depending on the price and availability of ingredients. In MY2014/15, use of rice in feed expanded significantly, cutting into the share of other ingredients to a notable extent. With an increase in feed rice production in 2015, use of rice in feed is expected to expand further in MY2015/16 and MY2016/17, further lowering the use of other ingredients.

Commodities:

Corn

Rice, Milled

Barley

Rye

Sorghum

Wheat

Feed production

For the first time since MY2005/06 (MY; October – September), compound and mixed feed production fell below 24 million MT in MY2013/14 in accordance with the declining livestock population. Production decreased an additional 1.4 percent in MY2014/15. For 2016, Post expects that cattle numbers will decrease while swine numbers will recover slightly from the 2014 reduction caused by the Porcine Epidemic Diarrhea virus. The domestic poultry population is expected to remain unchanged. As a result, feed production is expected to stay at the same level as 2015. However, in accordance with the declining and aging Japanese population, overall food consumption is trending down, and therefore livestock numbers and feed production are forecast to decline in the future.

Use of rice in feed increased 60 percent in MY2014/15, raising the utilization ratio from 3.1 percent to five percent, at the expense of corn, sorghum, and wheat. With an expected increase in the production and use of feed rice, a further reduction in the use of other ingredients in compound feed is expected in MY2015/16. As shown in the table comparing the composition ratios of ingredients in the compound feed by livestock species between Japanese fiscal year 2012 (JFY, April – March) and JFY2014, corn, sorghum, rice, wheat and DDGS for poultry and swine fluctuated within the 2 - 5.5 percent range, with feed millers changing the composition ratios of these ingredients based on prices.

Livestock numbers (1,000 head)

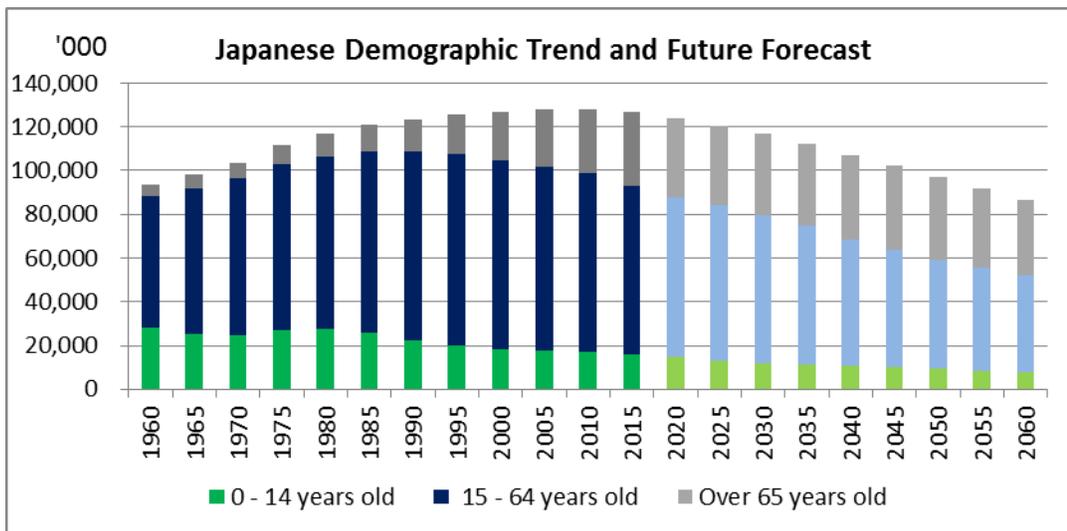
	2000	2010	2011	2012	2013	2014	2015	*2016	2016/15
Dairy cows	1,764	1,484	1,467	1,449	1,423	1,395	1,371	1,343	-2.0%
Beef cattle	2,824	2,892	2,763	2,723	2,642	2,567	2,489	2,440	-2.0%
Swine	9,806	9,750*	9,768	9,735	9,685	9,537	*9,440	9,600	1.7%
Chicks and Layers	187,382	NA	178,546	177,607	174,784	174,806	*176,500	176,500	0%
Broilers	108,410	NA	NA	NA	131,600	135,747	*140,000	140,000	0%

Source: MAFF (as of February each year)

* FAS/Tokyo forecast

MAFF resumed its official survey for broilers in 2013. However, the results cannot be compared to the previous survey due to changes in survey method.

No survey for swine and poultry was conducted in 2015 due to the agricultural census.



Source: Ministry of International Affairs and Communications, National Institute of Population and Social Security Research

Feed Utilization by Ingredients (Unit: MT)

MY	Corn	Sorghum	Wheat	Wheat Flour	Barley	Rice	Rye	Other Grains	DDGS	Non-grain Ingredients	TOTAL
2005/06	11,937,533	1,351,794	109,511	125,953	807,797	335,379	224,625	122,798	-	9,254,689	24,270,079
	49.2%	5.6%	0.5%	0.5%	3.3%	1.4%	0.9%	0.5%	0.0%	38.1%	100%
2006/07	11,968,822	1,207,666	95,022	128,407	841,067	501,410	203,966	135,042	-	9,368,267	24,449,669
	49.0%	4.9%	0.4%	0.5%	3.4%	2.1%	0.8%	0.6%	0.0%	38.3%	100%
2007/08	12,151,595	1,061,836	99,070	140,704	864,290	604,450	97,379	150,312	-	9,504,883	24,674,519
	49.2%	4.3%	0.4%	0.6%	3.5%	2.4%	0.4%	0.6%	0.0%	38.5%	100%
2008/09	12,032,218	1,599,366	131,179	142,216	886,989	240,408	47,756	148,571	-	9,474,483	24,703,186
	48.7%	6.5%	0.5%	0.6%	3.6%	1.0%	0.2%	0.6%	0.0%	38.4%	100%
2009/10	11,663,020	1,605,491	203,985	133,065	904,803	396,061	79,004	151,734	96,210	9,438,395	24,671,768
	47.3%	6.5%	0.8%	0.5%	3.7%	1.6%	0.3%	0.6%	0.4%	38.3%	100%
2010/11	11,287,696	1,380,159	245,857	145,289	889,928	537,274	96,697	148,573	284,154	9,239,452	24,255,079
	46.5%	5.7%	1.0%	0.6%	3.7%	2.2%	0.4%	0.6%	1.2%	38.1%	100%
2011/12	10,688,501	1,461,639	732,039	152,292	882,497	589,640	43,043	148,359	400,836	9,172,479	24,271,325
	44.0%	6.0%	3.0%	0.6%	3.6%	2.4%	0.2%	0.6%	1.7%	37.8%	100%
2012/13	10,154,181	1,856,711	942,885	176,433	910,896	397,406	15,237	154,324	443,993	8,990,056	24,042,122
	42.2%	7.7%	3.9%	0.7%	3.8%	1.7%	0.1%	0.6%	1.8%	37.4%	100%
2013/14	10,794,681	1,006,553	649,448	160,815	870,127	732,983	16,562	135,126	512,652	8,831,356	23,710,303
	45.5%	4.2%	2.7%	0.7%	3.7%	3.1%	0.1%	0.6%	2.2%	37.2%	100%
2014/15	10,530,414	901,173	366,510	161,019	805,274	1,172,404	13,000	135,034	476,786	8,818,977	23,380,591
	45.0%	3.9%	1.6%	0.7%	3.4%	5.0%	0.1%	0.6%	2.0%	37.7%	100.0%
2015 Oct	947,204	64,759	34,870	14,242	69,639	107,671	1,013	11,509	30,129	783,523	2,064,559
	45.9%	3.1%	1.7%	0.7%	3.4%	5.2%	0.0%	0.6%	1.5%	38.0%	100%
Nov	893,467	61,549	32,135	13,330	64,770	107,789	931	10,978	29,325	737,207	1,951,481
	45.8%	3.2%	1.6%	0.7%	3.3%	5.5%	0.0%	0.6%	1.5%	37.8%	100%
Dec	973,161	62,955	33,925	15,456	69,599	117,160	1,011	12,727	33,385	822,101	2,141,480
	45.4%	2.9%	1.6%	0.7%	3.3%	5.5%	0.0%	0.6%	1.6%	38.4%	100%

Source: Compound Feed Supply Stabilization Organization, MAFF

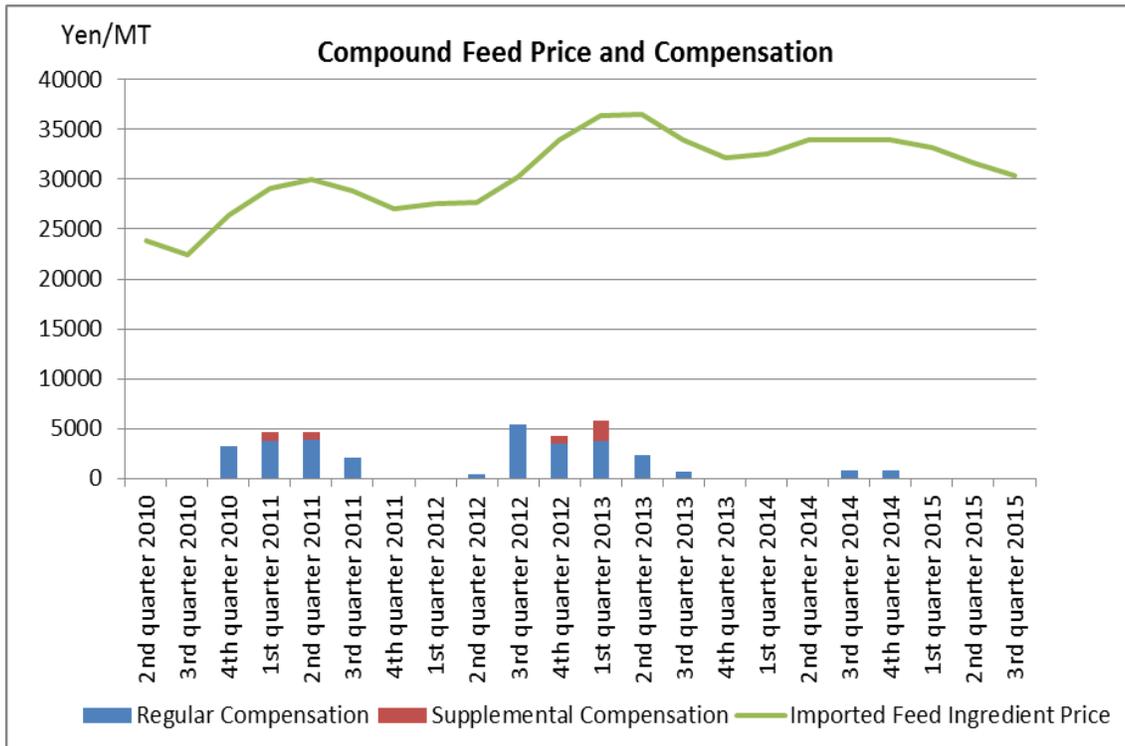
MY: October - September

Ingredients Utilization Ratios in Compound Feed by Livestock Species

	Chicks and Layers		Broilers		Hogs		Dairy cattle		Beef cattle	
	JFY2012	JFY2014	JFY2012	JFY2014	JFY2012	JFY2014	JFY2012	JFY2014	JFY2012	JFY2014
Corn	46.6	47.5	39.6	45.1	43.3	48.6	42.1	42.2	39.1	39.4
Sorghum	5.2	2.5	15.8	8.3	10.7	7.3	0.6	0.4	1.2	0.9
Rice	2.6	5.5	4.2	8.2	1.7	4.6	0.9	1.0	0.4	0.8
Wheat	1.6	0.2	2.2	0.3	10.2	5.2	2.7	1.6	1.8	1.3
Barley	0.0	0.0	0.0	0.0	1.3	1.0	2.1	2.2	16.4	16.1
DDGS	3.9	5.7	1.3	1.1	0.9	1.3	1.7	2.1	0.5	0.6
Rye	0.0	0.0	0.7	0.8	11.8	0.3	55.7	24.2	29.8	24.7
Soy meal	12.7	12.4	20.7	21.6	12.3	11.2	11.3	11.3	6.3	6.0
Rapeseed meal	5.2	5.0	3.3	2.7	5.1	5.6	9.0	8.8	2.6	2.7
wheat bran	1.0	0.9	0.0	0.0	1.6	1.8	4.0	4.1	14.7	15.2
Glutin feed	1.4	1.3	0.1	0.1	1.0	1.1	8.0	8.0	5.1	5.2
Glutin meal	2.6	2.0	0.4	0.5	0.0	0.0	0.2	0.2	0.1	0.1
Total production (MT)	6,189,105	6,229,384	3,827,518	3,813,600	6,039,432	5,585,243	3,161,880	2,985,531	4,540,678	4,304,302

Source: Compound Feed Supply Stabilization Organization

Japan maintains a feed price stabilization program that consists of a combination of a MAFF subsidy and an industry fund to help absorb sudden surges in compound feed prices. It is activated when the import cost of ingredients in a particular quarter exceeds the average import cost of ingredients in the previous year. No compensation payments were made for the first three quarters of JFY 2015, reflecting lower prices for corn, soy meal and freight.



Source: MAFF

Corn

Corn	2014/ 2015		2015/ 2016		2016/ 2017	
	Oct-14		Oct-15		Oct-16	
Market Begin Year						
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1	1	1	1	0	1
Beginning Stocks	545	1,263	502	1317	0	1317
Production	1	0	1	0	0	0
MY Imports	14656	14654	14700	14600	0	14600
TY Imports	14656	14654	14700	14600	0	14600
TY Imp. from U.S.	11911	12650	0	0	0	0
Total Supply	15202	15,917	15203	15,917	0	15917
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	10400	11000	10400	11000	0	10800
FSI Consumption	4300	3600	4300	3600	0	3600
Total Consumption	14700	14600	14700	14600	0	14400
Ending Stocks	502	1317	503	1317	0	1517
Total Distribution	15202	15,917	15203	15917	0	15917

Production

Japanese corn production is negligible.

Consumption

Post made the following revisions to feed/residual consumption and food/seed/industrial (FSI) consumption based on MAFF data. The beginning stocks in MY2014/15 have been revised accordingly.

MY	Consumption	
	Feed/Residual	FSI
2005/06	12,700	4,000
2006/07	12,650	3,950
2007/08	12,800	3,800
2008/09	12,700	3,700
2009/10	12,300	3,600
2010/11	12,000	3,800
2011/12	11,300	3,650
2012/13	10,700	3,600
2013/14	11,400	3,600
2014/15	11,000	3,600

Unit: 1,000MT

Japan relies entirely on imports to meet domestic demand. Roughly 75 percent of imported corn is consumed by the feed sector, and 25 percent is used for processing, mainly for manufacturing cornstarch.

Historically, corn has been the major ingredient of compound feed, accounting for about 45 percent in recent years. Even though the CIF unit price decreased in MY2014/15 from the previous year, corn use in compound feed decreased due to increased use of rice. In the first four months of MY2015/16, the CIF unit price of feed corn declined further from MY2014/15, and corn used in compound feed was robust. If the current competitive price maintains throughout MY2015/16, corn for feed use is expected to be maintained at least at the MY2014/15 level. However, with an expected increase of rice in feed (see RICE section below), a slight decrease of corn for feed use is forecast in MY2016/17.

Cornstarch production has been stable at around 2.3 million MT in recent years, as shown in the table below. Total FSI consumption of corn was estimated at 3.6 million MT in MY2014/15. FSI consumption is forecast to remain stable at this level for MY2015/16 and MY2016/17.

MY	Cornstarch production	Corn equivalent
2005/06	2,561,000	3,766,176
2006/07	2,517,000	3,701,471
2007/08	2,416,000	3,552,941
2008/09	2,324,000	3,417,647
2009/10	2,248,000	3,305,882
2010/11	2,412,000	3,547,059
2011/12	2,307,000	3,392,647
2012/13	2,257,000	3,319,118
2013/14	2,266,000	3,332,353
2014/15	2,264,000	3,329,412
2015/16*	2,281,000	3,354,412

Source: MAFF

*MAFF estimate

Imports

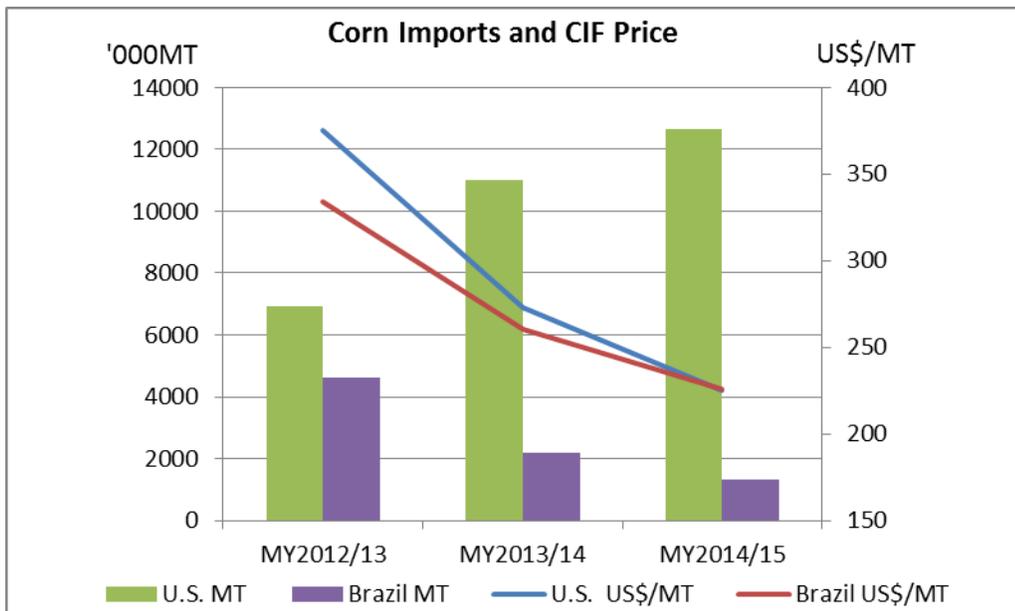
Total corn imports in MY2014/15 decreased three percent from the previous year, reflecting slightly lower demand for feed. As price competitiveness of U.S. corn improved, imports of U.S. corn grew 14.8 percent in MY2014/15 from the previous year, while imports from Brazil fell nearly 40 percent. As feed and FSI consumption is expected to be flat, imports are expected to remain at 14.6 million MT in MY15/16, but are forecast to decrease slightly in MY2016/17 due to the forecast decrease in feed consumption.

Total Corn Imports

Partner Country	Total Corn Imports, Year Ending September							MY to date (October - January)		
	Quantity (MT)			% Share			% Change	2014/15	2015/16	% Change 2016/2015
	2013	2014	2015	2013	2014	2015	2015/2014			
World	14,409,591	15,118,226	14,653,859	100.00	100.00	100.00	- 3.07	4,912,718	4,997,256	1.72
United States	6,932,378	11,015,899	12,650,156	48.11	72.87	86.33	14.84	3,852,455	2,719,384	-29.41
Brazil	4,621,090	2,195,239	1,327,001	32.07	14.52	9.06	- 39.55	749,159	2,170,630	189.74
Ukraine	351,526	1,219,746	390,948	2.44	8.07	2.67	- 67.95	114,661	35,120	-69.37
South Africa	617,566	171,870	141,855	4.29	1.14	0.97	- 17.46	131,365	47	-99.96
Argentina	1,756,484	301,150	117,170	12.19	1.99	0.80	- 61.09	43,454	64,751	49.01
Romania	-	98,405	18,569	0.00	0.65	0.13	- 81.13	18,569	-	-100.00
Other	2,882,826	2,139,107	2,486,542	20.01	14.15	16.97	16.24	3,055	7,324	139.74

CIF Unit Price

Imports: Corn Total, Year ending September				
	Unit Value(United States Dollars)			% Change
	2013	2014	2015	2015/2014
World	351.98	268.97	225.39	- 16.20
United States	375.11	273.06	225.42	- 17.45
Brazil	333.62	259.37	225.46	- 13.07
Ukraine	312.21	234.34	210.91	- 10.00
South Africa	321.21	283.2	228.38	- 19.36
Argentina	324.05	304.93	245.31	- 19.55
Romania	0	227.39	214.96	- 5.47



Stock

In JFY2015, as part of its regular contingency plan, a total of 1.25 million MT of imported corn was held in reserve, of which the GOJ held 600,000 MT and the private sector held 650,000 MT. Beginning in JFY2016, the GOJ will no longer hold reserves but instead will subsidize storage costs for the reserve the private sector holds, and the total reserve level is expected to be maintained.

DDGS

Prior to MY2014/15, Japan's imports of Distiller's Dried Grains with Solubles (DDGS), a high value byproduct of ethanol production, grew significantly, as the price was reasonable for its nutrient value in comparison to other feed ingredients such as corn and soy meal. In MY2014/15, imports dropped 20 percent despite a decline in the CIF price. Increased use of rice in feed cut into the share of DDGS, as nearly 60 percent of these DDGS are used in layer feed. Although the amount of its utilization is still contingent upon prices of other feed grains, an anticipated increase of rice in feed is expected to further lower DDGS's utilization in compound feed in MY2015/16.

Partner Country	Imports of DDGS, Year Ending: September							MY to date (Oct - January)		
	Quantity (MT)			% Share			% Change 2015/2014	2014/15	2015/16	% Change 2016/2015
	2013	2014	2015	2013	2014	2015				
World	482598	585243	463407	100.00	100.00	100.00	- 20.82	200481	146157	-27.10
United States	463465	561239	440542	96.04	95.90	95.07	- 21.51	189513	139722	-26.27
China	9023	12793	12434	1.87	2.19	2.68	- 2.81	6177	2876	-53.44
Canada	7078	7725	7477	1.47	1.32	1.61	- 3.21	3385	2653	-21.62
Other	3032	3486	2954	0.63	0.60	0.64	-15.26	1406	906	-35.56

Wheat

Wheat	2014/2015		2015/2016		2016/2017	
Market Begin Year	Jul-14		M ay-15		M ay-16	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	213	213	213	213	0	213
Beginning Stocks	1339	1159	1507	1227	0	1253
Production	852	852	996	996	0	825
MY Imports	5878	5878	5700	5700	0	5700
TY Imports	5878	5878	5700	5700	0	5700
TY Imp. from U.S.	2969	2969	0	0	0	0
Total Supply	8069	7889	8203	7923	0	7778
MY Exports	262	262	270	270	0	270
TY Exports	262	262	270	270	0	270
Feed and Residual	400	500	500	500	0	450
FSI Consumption	5900	5900	5900	5900	0	5900
Total Consumption	6300	6400	6400	6400	0	6350
Ending Stocks	1507	1227	1533	1253	0	1158
Total Distribution	8069	7889	8203	7923	0	7778

Production

Wheat production in 2015 increased 17 percent from the previous year to 996,200 MT. Despite a one percent - or 800 ha - decrease in the planted area, production in Hokkaido increased 31 percent to 723,800 MT thanks to good weather, marking a record yield of 5.9 MT/ha. Production in the remaining prefectures declined 10 percent to 272,400 MT due to high moisture during the grain-filling period, despite a 1,300 ha increase in the planted area. Since wheat is produced as part of a crop rotation in Hokkaido, normally accounting for 60 percent of national wheat production, a sizable increase in the planted area is not possible despite increasing demand for domestic wheat in recent years. Thus, the planted area is expected to remain unchanged in 2016, and the production volume is forecast to decline 17 percent assuming average yield.

	Planted Area (hectares)	Production (MT)	Yield (MT/ha)
2010	206,900	571,300	2.76
2011	211,500	746,300	3.53
2012	209,200	857,800	4.10
2013	210,200	811,700	3.86
2014	212,600	852,400	4.01
2015	213,100	996,200	4.67
*2016	213,000	825,000	3.87

Source: MAFF

*FAS/Tokyo forecast

Consumption

Annual per capita consumption of wheat has been stable at nearly 33 kilogram in recent years, and with no significant change in the population, FSI consumption in MY2014/15 is estimated to be around 5.9 million MT. Post forecasts FSI consumption will remain unchanged for MY2015/16 and MY2016/17.

Per capita wheat consumption (kg)

2005	2006	2007	2008	2009	2010	2011	2012	2013	*2014	**2015
31.7	31.8	32.3	31.1	31.8	32.7	32.8	32.9	32.7	32.9	32.9

Source: MAFF

*Preliminary

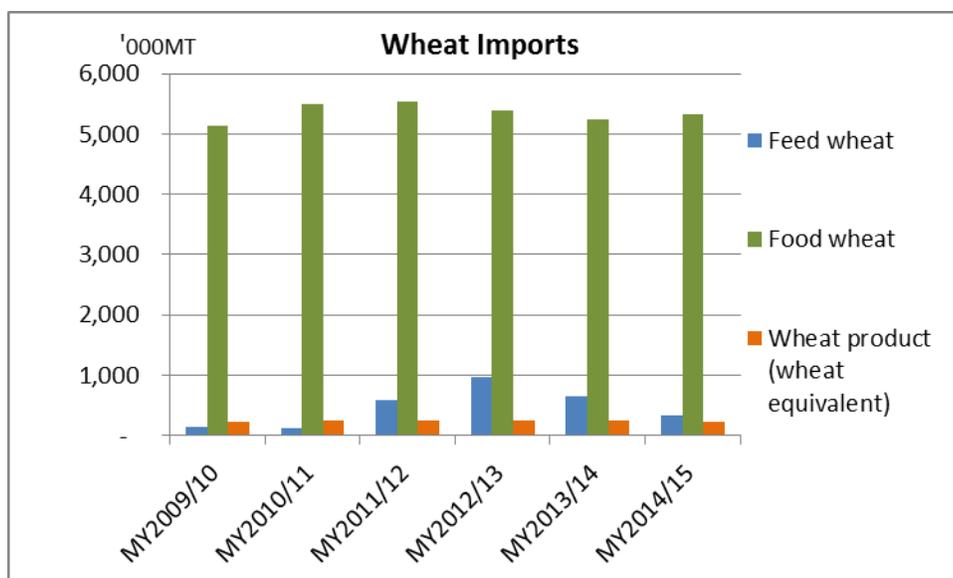
**Post forecast

Depending on each year's crop, between 7 and 20 percent of domestic production of wheat falls "outside specifications" and is used for feed. The ratio of outside specification wheat was 7.4 percent of production in 2014 and 6.8 percent in 2015. Together with imported feed wheat, Post estimates 500,000 MT was used for feed in MY2014/15, and the same level is forecast for MY2015/16. Since about 70 percent of feed wheat is consumed by swine, and rice is mainly used for swine and poultry feed, an expected increase of rice used for feed is forecast to lower wheat consumption for feed slightly for MY2016/17.

Trade

For the last six years, imports of food wheat and wheat products have been stable at around 5.5 million MT, while feed wheat imports fluctuated between 123,000 MT and 960,000 MY, affected by demand and availability of other ingredients for compound feed production. For MY2014/15, while food wheat imports increased marginally, feed wheat imports halved from the previous year due to an increased utilization of rice in compound feed. As a result, total wheat imports decreased four percent. Despite no significant changes from the previous year in contracted volumes from MAFF's tenders for imports of five major wheat classes, food wheat imports for the first seven months of MY2015/16 (July 2015 – January 2016) were down five percent from the same period last year. This can largely be attributed to an increase in domestic production of over 100,000 MT in 2015. As a result, it is expected that food wheat imports will decrease slightly in MY2015/16. On the other hand, feed wheat imports are expected

to be similar to the previous year, supported by an attractive price - the lowest since MY2006/07 - which is competitive against feed corn. Accordingly, the total wheat imports in MY2015/16 are expected to decrease to 5.7 million MT. For MY2016/17, with an expected decrease in feed wheat imports and a return to normal domestic production levels, total imports are forecast to remain at 5.7 million MT.



Total wheat imports, Year ending June									
	Quantity (MT)			% Share			% Change	MT	
	2013	2014	2015	2013	2014	2015	2015/2014	07/2015 - 01/2016	% Share
World	6343374	5880596	5647685	100.00	100.00	100.00	- 3.96	3063466	100.00
United States	3429955	2935006	2990593	54.07	49.91	52.95	1.89	1399922	45.70
Canada	1666426	1692096	1660459	26.27	28.77	29.40	- 1.87	941756	30.74
Australia	1241188	918917	909316	19.57	15.63	16.10	- 1.04	513929	16.78
Ukraine	0	267740	0	0.00	4.55	0.00	- 100.00	147470	4.81
Other	5805	66837	87317	0.00	0.01	0.02	0.31	60389	1.97

Wheat product imports, Year ending June									
Partner Country	Quantity (MT)			% Share			% Change	MT	
	2013	2014	2015	2013	2014	2015	2015/2014	07/2015 - 01/2016	% Share
World	185943	176920	168160	100.00	100.00	100.00	- 4.95	99443	100.00
Italy	92540	82461	74667	49.77	46.61	44.40	- 9.45	40597	40.82
Turkey	27305	27888	30510	14.68	15.76	18.14	9.40	22454	22.58
United States	21873	23550	21516	11.76	13.31	12.79	- 8.64	11636	11.70
China	18297	17591	17262	9.84	9.94	10.27	- 1.87	9523	9.58
Thailand	6137	5855	6324	3.30	3.31	3.76	8.02	3753	3.77
Korea South	8687	7028	5666	4.67	3.97	3.37	- 19.38	3085	3.10
Other	11104	12546	12212	5.97	7.09	7.26	-2.66	8398	8.45

Japan's wheat and wheat product import, year ending June				
	Quantity (MT)			
	2013	2014	2015	07/2015 - 01/2016
Wheat a.	6343374	5880596	5647685	3063466
Wheat Product b.	185943	176920	168160	99443
Wheat Equivalent c. = b. x 1.368	254370	242027	230043	136038
Total a. + c.	6597744	6122623	5877728	3199504

Imports of food wheat

Imports of Wheat for Food, Year Ending: June								MY to date (July - January)		
	Quantity			% Share			% Change			% Change
	2013	2014	2015	2013	2014	2015	2015/2014	2014/15	2015/16	2016/2015
World	5378678	5230441	5322700	100.00	100.00	100.00	1.76	3009975	2860486	-5.0
United States	3025837	2672642	2820041	56.26	51.10	52.98	5.52	1562796	1399922	-10.4
Canada	1401611	1632307	1587176	26.06	31.21	29.82	- 2.76	899281	941756	4.7
Australia	945425	918917	909316	17.58	17.57	17.08	- 1.04	543758	513929	-5.5
France	5647	6454	5975	0.10	0.12	0.11	- 7.42	4119	4797	16.5
Turkey	40	40	80	0.00	0.00	0.00	100.00	0	0	
Romania	0	0	60	0.00	0.00	0.00	0.00	0	59	
Germany	77	80	49	0.00	0.00	0.00	- 38.75	20	20	0
Peru	2	0	2	0.00	0.00	0.00	0.00	0	0	
Italy	39	1	1	0.00	0.00	0.00	0.00	1	3	200

1) Food Wheat: Direct Purchase by MAFF

MAFF purchases different types of food quality wheat, mainly from the United States, Canada and Australia, to best meet the needs of Japanese users. The latest MAFF statistics of actual imports by class and contracted volumes by class in MAFF import tenders are set below.

Wheat imports by class (1,000 MT)

Class	Use	JFY2009	JFY2010	JFY2011	JFY2012	JFY2013*
U.S. Western White (WW)	Confectionery products	771	755	867	820	610
U.S. Hard Red Winter (HRW)	Bread and Chinese noodles	867	745	880	980	727
U.S. Dark Northern Spring (DNS)	Bread and Chinese noodles	1,359	1,391	1,507	1,246	877
Canada Western Red Spring #1 (1CW)	Bread	677	779	1,049	1,037	1,228
Canada Duram	Western noodles (pasta)	196	190	272	170	210
Australia Standard White (ASW)	Japanese noodles	815	966	911	870	759
Australia Prime Hard	Chinese noodles	153	129	122	101	83
Other		3	3	8	5	38
Total		4,841	4,958	5,616	5,229	4,532

Source: MAFF

*JFY2013 is the latest data available as of March 15, 2016

MAFF Import Contracts (planned arrival basis)

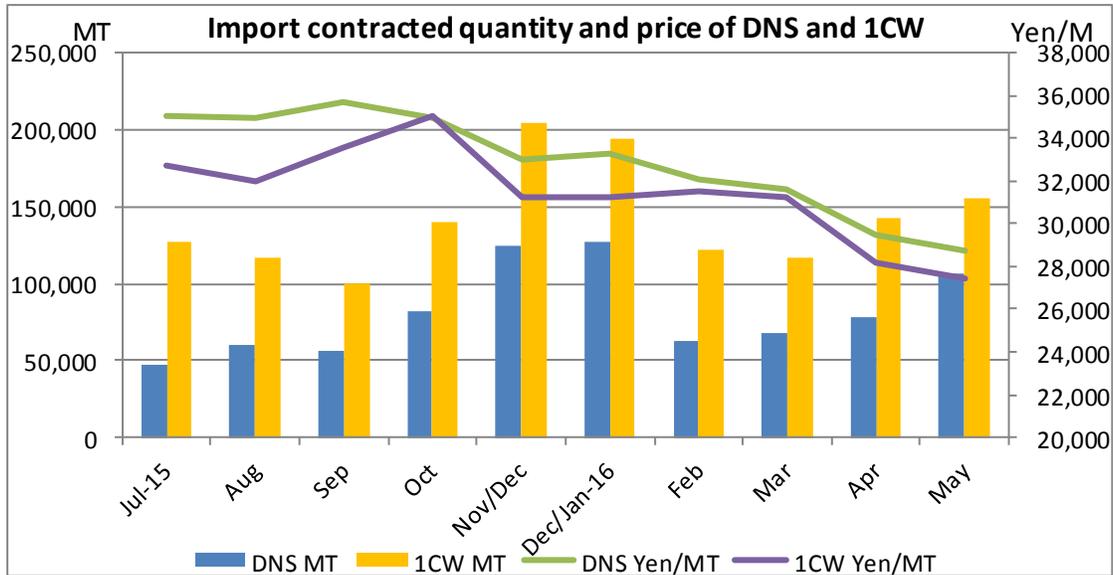
Class	MY2013/14	MY2014/15	Change 2015/14	MY2015/16*	**Change from previous year
U.S. Western White (WW)	640,307	718,922	12.3%	660,457	-1.3%
U.S. Hard Red Winter (HRW)	836,456	739,979	-11.5%	751,774	9.7%
U.S. Dark Northern Spring (DNS)	1,001,600	1,029,194	2.8%	811,518	-17.3%
Canada Western Red Spring #1 (1CW)	1,401,434	1,118,383	-20.2%	1,419,002	44.0%
Australia Standard White (ASW)	790,933	752,241	-4.9%	733,785	5.0%
Total	4,670,730	4,358,719	-6.7%	4,376,536	8.9%

Source: MAFF

*as of March 10, 2016

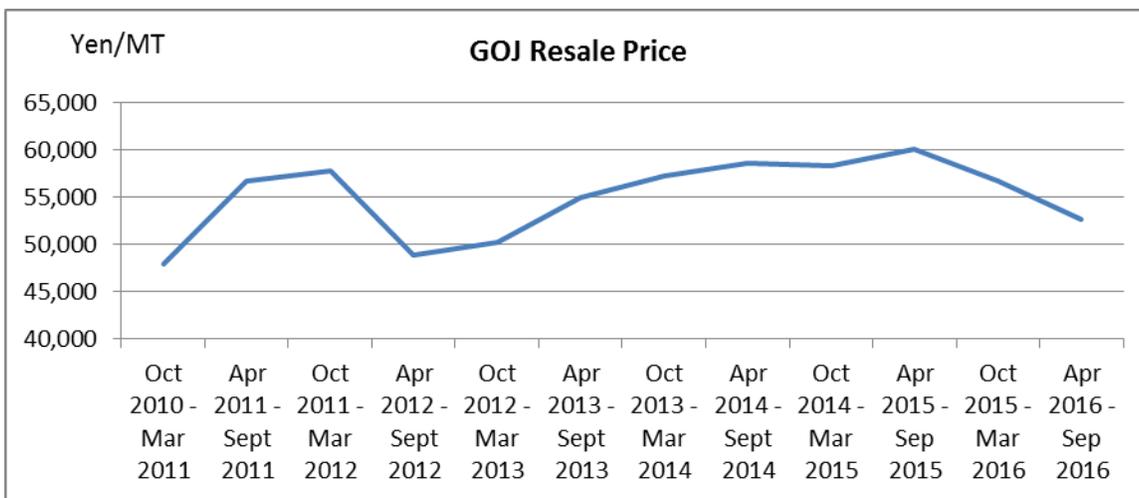
**Change from the same period last year

Dark Northern Spring (DNS) and Western Red Spring (1CW) are used for bread making. In the first half of MY2015/16, imports of 1CW exceeded DNS imports due to 1CW's higher cost-benefit performance.



Source: MAFF
Planned arrival basis

MAFF controls both producer and resale prices of domestic wheat, as well as the resale price of imported wheat. MAFF buys imported wheat at international prices and sells it to domestic flour millers at a markup. Reflecting abundant global supply and a decline in freight costs, the average GOJ resale price of five major classes of wheat for October 2015 – March 2016 and April 2016 – September 2016 dropped 5.7 percent and 7.1 percent respectively from the previous six months.



Source: MAFF

2) Food Wheat: SBS Imports

MAFF has conducted an SBS system for food quality wheat since April 2007 to allow for greater flexibility and transparency in a portion of the food quality wheat imports.

SBS imports (Contract basis) MT

	JFY2013	JFY2014	JFY2015 Apr - Sep
Australia	85,914	69,248	34,687
Canada	223,611	195,998	112,240
France	5,959	6,300	3,923
Other	6,681	8,924	2,860
Total	322,165	280,470	153,710

Source: MAFF

3) Feed Wheat: SBS Imports

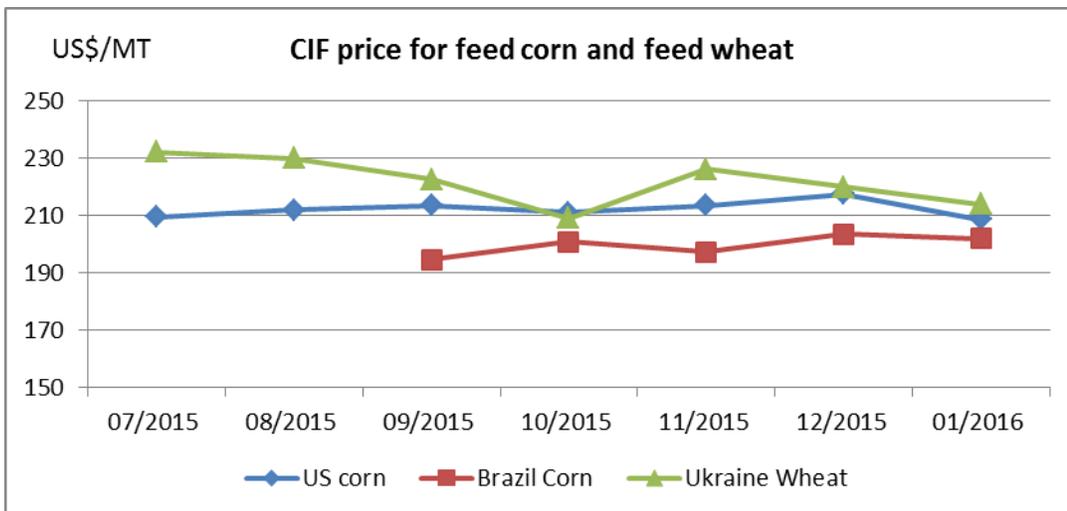
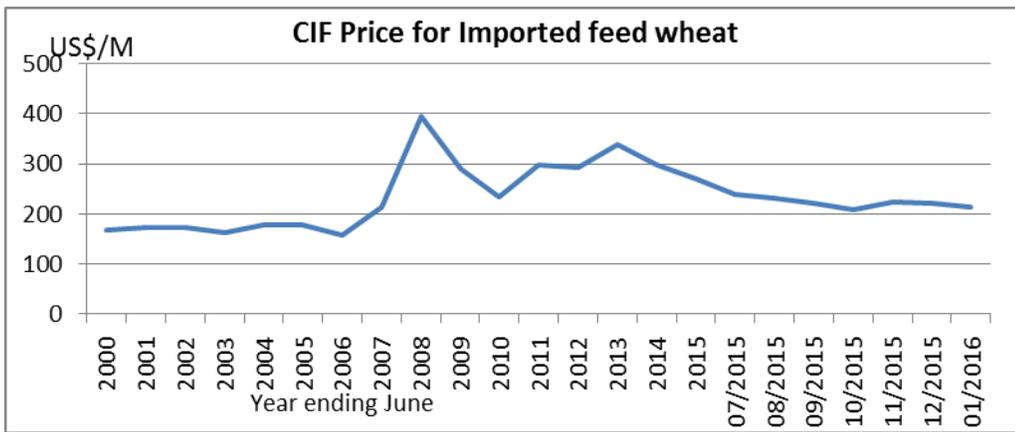
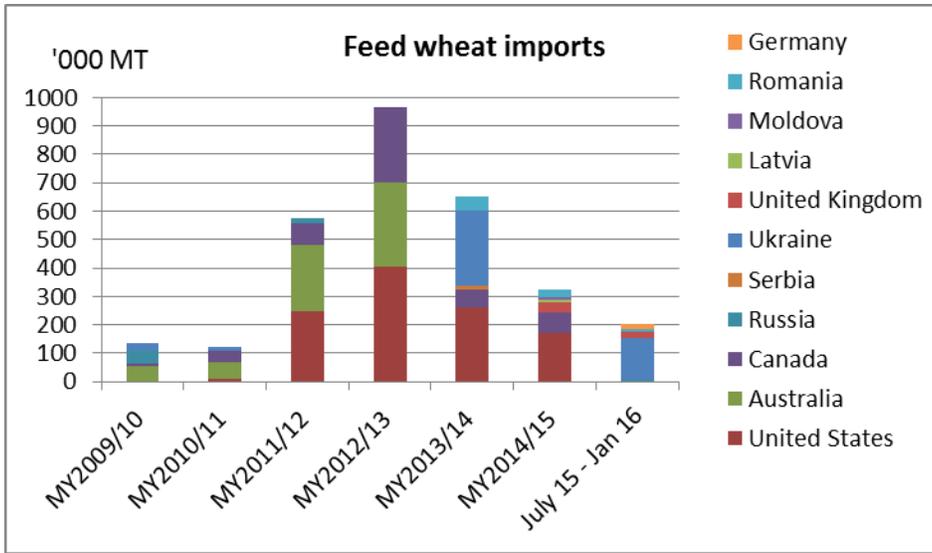
MAFF also imports wheat for feed use under the SBS system. Reflecting weaker demand than the previous year, MAFF reduced the JFY2015 allocation for SBS feed wheat to 680,000 MT, from 900,000 MT in JFY2014. As of March 10, 2016, forty-two SBS tenders had been conducted, through which 297,888 MT of wheat was contracted.

As a result of the Japan-Australia Economic Partnership Agreement, effective January 15, 2015, imports of Australian feed wheat and feed barley have been liberalized so that companies can negotiate prices and import directly from Australia. To date, there have been no feed wheat imports from Australia since MY2013/14.

	JFY2012	JFY2013	JFY2014	JFY2015
MAFF Planned Purchase Volume	1,210,000	1,070,000	900,000	680,000
Volume contracted	826,560	711,690	380,180	297,888*

*From April 2015 to March 10, 2016

	Imports of Wheat for Feed, Year Ending: June							MY to date (July - January)		
	Quantity			% Share			% Change	2014/15	2015/16	% Change
	2013	2014	2015	2013	2014	2015	2015/2014			
World	964696	650155	324985	100.00	100.00	100.00	- 50.01	194498	202980	4.36
United States	404118	262364	170552	41.89	40.35	52.48	- 34.99	124618		-100.00
Canada	264815	59789	73283	27.45	9.20	22.55	22.57	32991		-100.00
United Kingdom	0	0	34320	0.00	0.00	10.56	0.00		23322	
Romania	0	46761	28460	0.00	7.19	8.76	- 39.14	28460	7994	-71.91
Latvia	0	0	9941	0.00	0.00	3.06	0.00			
Moldova	0	0	7122	0.00	0.00	2.19	0.00	7122		-100.00
Russia	0	2608	1307	0.00	0.40	0.40	- 49.88	1307	7364	463.43
Serbia	0	10893	0	0.00	1.68	0.00	- 100.00			
Ukraine	0	267740	0	0.00	41.18	0.00	- 100.00	0	147470	
Australia	295763	0	0	30.66	0.00	0.00	0.00			
Germany									16830	



Stock

As a contingency plan, a total of 940,000 MT of imported wheat, equivalent to 2.3 months demand, is held in reserve, of which the GOJ holds 1.8 months' worth, and the remainder is held by the private sector. For JFY2016, the reserve target is expected to remain unchanged at 940,000 MT.

Rice

Rice, Milled Market Begin Year Japan	2014/2015		2015/2016		2016/2017	
	Nov-14		Nov-15		Nov-16	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1608	1608	1610	1586	0	1580
Beginning Stocks	3108	3108	3212	2822	0	2395
Milled Production	7842	7849	7900	7653	0	7680
Rough Production	10772	10782	10852	10513	0	10550
Milling Rate (.9999)	7280	7280	7280	7280	0	7280
MY Imports	650	635	700	700	0	700
TY Imports	650	688	700	700	0	700
TY Imp. from U.S.	0	320	0	0	0	0
Total Supply	11600	11592	11812	11175	0	10775
MY Exports	80	70	75	80	0	85
TY Exports	75	65	75	75	0	80
Consumption and Residual	8308	8700	8375	8700	0	8700
Ending Stocks	3212	2822	3362	2395	0	1990
Total Distribution	11600	11592	11812	11175	0	10775

Production

Although low temperatures, a lack of sunshine and a typhoon during the grain-filling period affected rice yield in some regions, the 2015 crop overall achieved 5.3 MT/ha, the average yield of recent years. However, as the planted area decreased 1.4 percent and the yield was 0.1 MT/ha lower than 2014, total production was down 2.5 percent, to 7.65 million MT (milled basis). Due to declining table rice consumption, MAFF incentivizes the shift of production from table rice to feed rice. As a result, feed rice production increased 136 percent in 2015 from the previous year to 383,180 MT (milled), while table rice production decreased 400,400 MT (milled) to 6.7 million MT (milled).

MAFF operates the rice acreage reduction (*Gentan*) program. Those who produce table rice in compliance with a production plan set by MAFF receive a subsidy of 7,500 yen/ 10 are. Even under the rice acreage reduction program, the private June stock level has been over two million MT in recent years. In JFY2015, to reduce table rice production while utilizing rice paddies, MAFF incentivizes

production of rice for feed with subsidies such that income is equal to or higher than income for producing table rice (see table below). In addition to these subsidies, many municipal governments provide subsidies for production of rice for feed. Increasing yield and reducing production costs are the major challenges for feed rice production, and MAFF encourages improvement in yield by setting subsidy levels according to the yield. MAFF set a target of increasing feed rice production to 1.1 million MT by 2025. With the continuation of subsidies, rice for feed production is expected to further increase in 2016 with a slightly higher yield, offsetting a decrease in table rice production, resulting in total rice production forecast to remain at the 2015 level of 7.7 million MT (milled).

MAFF's subsidy for feed rice production

Direct Payment for Full Utilization of Rice Paddies	Subsidy is provided according to the yield. - 55,000 yen/ 10 are for yield up to 380 kg/10 are - 55,000 yen plus 167 yen/ kg for yield between 381 kg/10 are and 689 kg/10 are (eg., for the average yield of 530 kg/ 10 are, 80,000 yen/10 are) -105,000 yen/10 are for yield of 680 kg/ 10 are or over
Planting high yield varieties	12,000 yen/10 are
Producers in prefectures which produced less than MAFF's allocated volume.	5,000 yen/ 10 are

Rice production (excluding rice for feed)

	Planted Area (hectares)			Production (MT)				Yield (MT/ha)	
	Total	Paddy	Upland	Total (brown)	*Total, Milled	Paddy (brown)	Upland (brown)	Paddy	Upland
2008	1,627,200	1,624,000	3,200	8,823,000	8,028,930	8,815,000	8,490	5.4	2.7
2009	1,624,000	1,621,000	3,000	8,474,000	7,711,340	8,466,000	8,280	5.2	2.8
2010	1,627,890	1,625,000	2,890	8,483,000	7,719,530	8,478,000	5,460	5.2	1.9
2011	1,576,370	1,574,000	2,370	8,402,000	7,645,820	8,397,000	5,220	5.3	2.2
2012	1,581,110	1,579,000	2,110	8,523,000	7,755,930	8,519,000	3,630	5.4	1.7
2013	1,598,720	1,597,000	1,720	8,607,000	7,832,370	8,603,000	4,290	5.4	2.5
2014	1,574,410	1,573,000	1,410	8,439,000	7,679,490	8,435,000	3,630	5.4	2.6
2015	1,506,000	1,505,000	1,160	7,989,000	7,269,990	7,986,000	2,700	5.3	2.3
*2016	1,482,000	1,481,000	1,000	7,900,000	7,189,000	7,897,680	2,320	5.3	2.3

Source: MAFF

*2016: Post forecast

Feed rice production

	Planted Area	Production (MT)			Yield
	(ha)	Brown	Rough	Milled	(MT/ha)
2008	1,410	8,020	10,025	7,298	5.7
2009	4,123	23,264	29,080	21,170	5.6
2010	14,883	68,011	85,014	61,890	4.6
2011	33,955	160,900	201,125	146,419	4.7
2012	34,525	166,537	208,171	151,549	4.8
2013	21,802	108,576	135,720	98,804	5.0
2014	33,881	186,564	233,205	169,773	5.5
2015	79,766	421,077	526,346	383,180	5.3
*2016	98,200	540,000	675,000	491,400	5.5

Source: MAFF

*2016: Post forecast

Total Rice Production

	Planted Area	Production (MT)		
	(ha)	Brown	Rough	Milled
2008	1,628,610	8,831,020	11,038,775	8,036,228
2009	1,628,123	8,497,264	10,621,580	7,732,510
2010	1,642,773	8,551,011	10,688,764	7,781,420
2011	1,610,325	8,562,900	10,703,625	7,792,239
2012	1,615,635	8,689,537	10,861,921	7,907,479
2013	1,620,522	8,715,576	10,894,470	7,931,174
2014	1,608,291	8,625,564	10,781,955	7,849,263
2015	1,585,766	8,410,077	10,512,596	7,653,170
*2016	1,580,200	8,440,000	10,550,000	7,680,400

*2016: Post forecast

Rice Production by Use (1,000 MT, brown)

Crop	Total	Table Rice	Other than table rice							
			Sub-Total	Processing	Government Reserve	Rice Flour	Feed	Exports	Sake	Other
2008	8,819	8,658	161	149	Included in table rice	1	8	0		3
2009	8,491	8,309	182	141		13	23	1		3
2010	8,567	8,239	328	213		28	81	2		4
2011	8,584	8,133	451	155	68	40	183	2		4
2012	8,700	8,210	490	181	85	35	183	3		4
2013	8,715	8,181	534	208	183	21	115	3		3
2014	8,614	7,885	729	268	250	18	178	3	4	3
2015	8,409	7,442	967	257	250	23	421	8	7	0

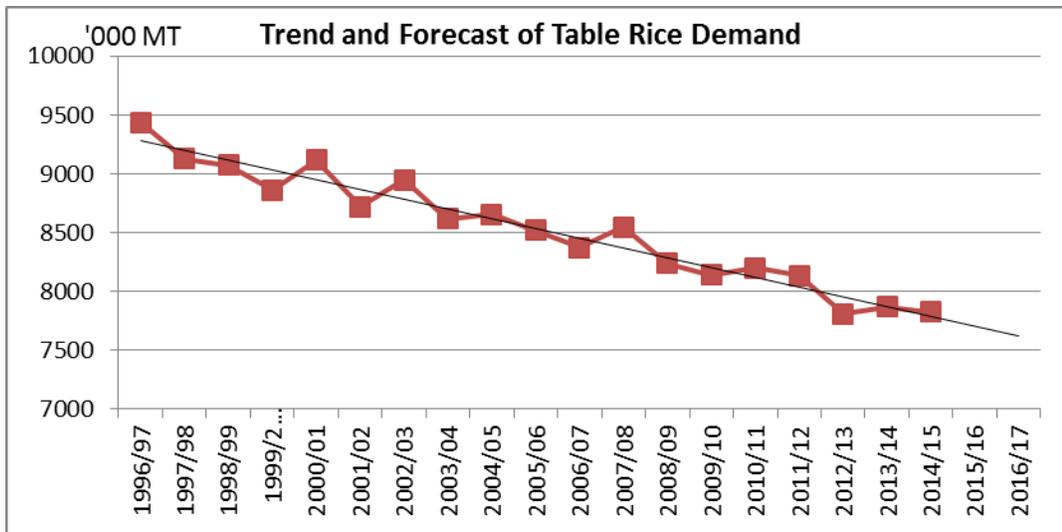
Source:

MAFF

Consumption

Consumption of table rice has been trending down at a rate of approximately 80,000 MT annually due to a decline in population and per capita consumption. MAFF forecast that table rice consumption will decrease to 7.71 million MT for MY2015/16 and 7.62 million MT for MY2016/17. On the other hand, rice used in compound feed has increased significantly in the last two years and exceeded over one million MT in MY2014/15. To date, Minimum Access (MA) rice and GOJ reserve rice have accounted for the majority of rice used for feed, but in accordance with the increase in feed rice production in 2015 and an expected increase in 2016, use of rice in feed is expected to expand further and offset a decrease in table rice consumption. Thus, total rice consumption is expected to be flat in MY2015/16 and MY2016/17, at 8.7 million MT (milled).

As 7.4 million MT of table rice production in 2015 was smaller than MAFF's estimated table rice demand of 7.7 million MT, MAFF expects that private stocks (excluding stocks of MA rice and the GOJ reserve) in June 2016 to decrease to 2.07 million MT, from 2.26 million MT in June 2015. With the estimated decrease in private stocks, the price of the 2015 crop has risen from the 2014 crop price, but is still lower than the prices seen in 2013 or earlier. However, as observed in 2014/15, lower prices do not appear to have a noticeable positive impact on the consumption of table rice.



Source: MAFF

Annual Per Capita Consumption of Rice in Japan (Kilograms, Japan Fiscal Year)

1965	1975	1985	1995	2005	2010	2011	2012	2013	2014	*2015	**2016
111.7	88.0	74.6	67.8	61.4	59.5	57.8	56.3	56.9	55.2	54.7	54.0

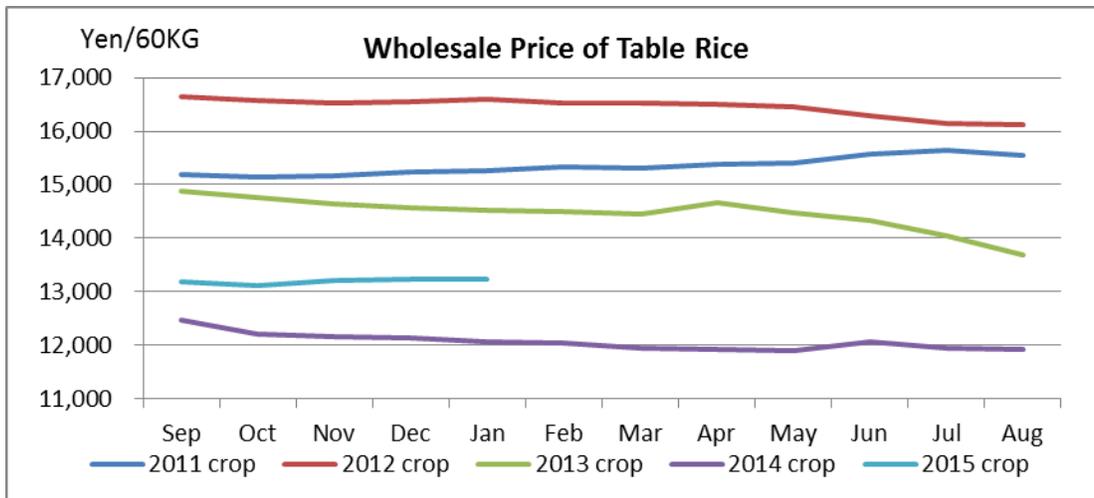
Source: MAFF

*Preliminary

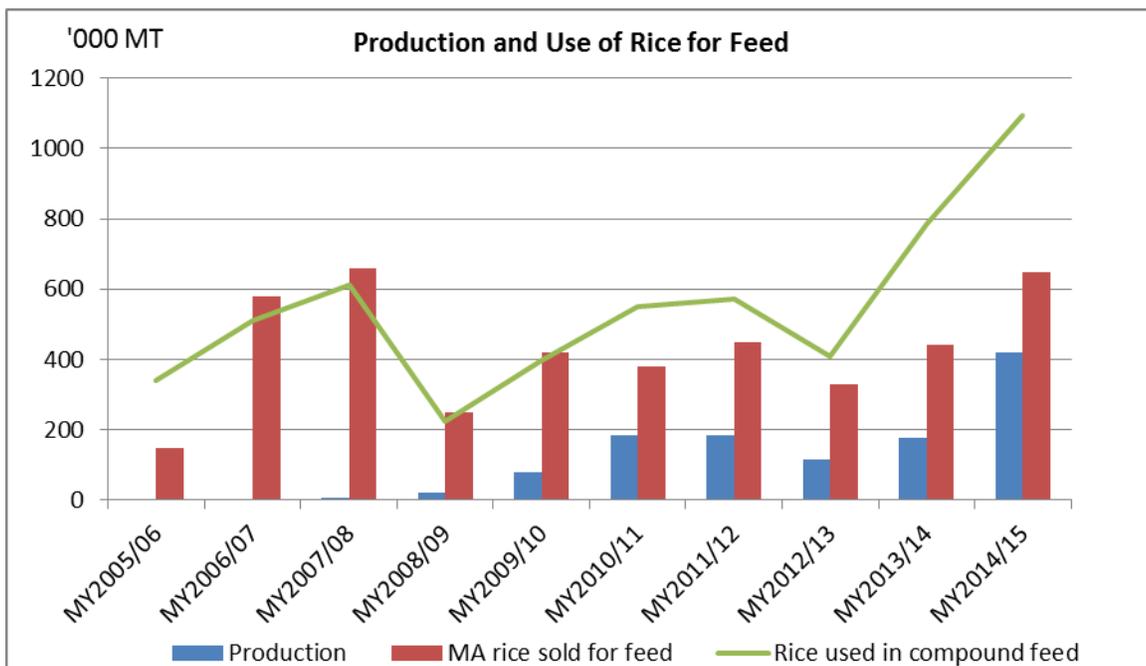
**Post forecast



Source: MAFF



Source: MAFF



Source: MAFF, production data is not available before MY2007/08

Trade

Imports

Since tariffication of rice in JFY2000, the GOJ's Minimum Access commitment has been set at 7.2 percent of total domestic consumption, i.e., 682,000 MT (milled basis). For JFY2014, due to a reduced price for domestic rice, demand for imported rice was low, resulting in only 11.2 percent - or 11,606 MT - of the planned quantity of 100,000 MT contracted under the SBS tender system. Demand for imported

rice continues to be sluggish in the SBS tenders for JFY2015, with 29,000 MT contracted as of March 3, 2016 and the remaining 70,000 MT expected to be transferred to OMA tenders. However, with the increased price of the 2015 domestic rice and a shortage of food service grade rice, demand for imported rice is expected to improve in 2016.

Imports of Rice, Year Ending: October							
Partner Country	Quantity (MT)			% Share			% Change
	2013	2014	2015	2013	2014	2015	2015/2014
World	690925	655813	634596	100.00	100.00	100.00	- 3.24
Thailand	255580	288130	313010	36.99	43.93	49.32	8.63
United States	321939	319913	259052	46.60	48.78	40.82	- 19.02
China	41163	717	48834	5.96	0.11	7.70	6710.88
Australia	59117	38401	12590	8.56	5.86	1.98	- 67.21
Other	13126	8652	1110	0	0	0	-87.17

Minimum Access Rice Tender Results (actual tonnage)

	U.S.	Thailand	Australia	China	Others	Total
JFY2015 (As of March 8, 2016)						
SBS	19,909	6,276	1,285	736	1,109	29,315
Share	67.9%	21.4%	4.4%	2.5%	3.8%	100.0%
OMA	256,000	242,840	0	49,000	0	547,840
Share	46.7%	44.3%	0.0%	8.9%	0.0%	100.0%
Total	275,909	249,116	1,285	49,736	1,109	577,155
Share	47.8%	43.2%	0.2%	8.6%	0.2%	100.0%
JFY2014						
SBS	3,804	5,596	559	780	867	11,606
Share	32.8%	48.2%	4.8%	6.7%	7.5%	100.0%
OMA	316,000	290,174	12,000	48,000	0	666,174
Share	47.4%	43.6%	1.8%	7.2%	0.0%	100.0%
Total	319,804	295,770	12,559	48,780	867	677,780
Share	47.2%	43.6%	1.9%	7.2%	0.1%	100.0%
JFY2013						
SBS	20,046	11,173	26,244	714	2,662	60,839
Share	32.9%	18.4%	43.1%	1.2%	4.4%	100.0%
OMA	300,000	300,933	12,000	0	6,000	618,933
Share	48.5%	48.6%	1.9%	0.0%	1.0%	100.0%
Total	320,046	312,106	38,244	714	8,662	679,772
Share	47.1%	45.9%	5.6%	0.1%	1.3%	100.0%
JFY2012						
SBS	40,974	4,870	23,873	28,164	2,119	100,000
Share	41.0%	4.9%	23.9%	28.2%	2.1%	100.0%
OMA	281,000	245,564	35,000	13,000	5,000	579,564
Share	48.5%	42.4%	6.0%	2.2%	0.9%	100.0%
Total	321,974	250,434	58,873	41,164	7,119	679,564
Share	47.4%	36.9%	8.7%	6.1%	1.0%	100.0%
JFY2011						
SBS	23,928	7,822	16,134	51,095	1,021	100,000
Share	23.9%	7.8%	16.1%	51.1%	1.0%	100.0%
OMA	295,000	206,761	49,000	0	30,000	580,761
Share	50.8%	35.6%	8.4%	0.0%	5.2%	100.0%
Total	318,928	214,583	65,134	51,095	31,021	680,761
Share	46.8%	31.5%	9.6%	7.5%	4.6%	100.0%
JFY2010						
SBS	22,210	11,010	0	3,468	538	37,226
Share	59.7%	29.6%	0.0%	9.3%	1.4%	100.0%
OMA	295,000	296,482	36,000	13,000	0	640,482
Share	46.1%	46.3%	5.6%	2.0%	0.0%	100.0%
Total	317,210	307,492	36,000	16,468	538	677,708
Share	46.8%	45.4%	5.3%	2.4%	0.1%	100.0%

Source: MAFF

Exports

Japan exports a small amount of rice to Asian countries, such as Hong Kong, Singapore and Taiwan, targeting Japanese residents there. Boosted by the *Washoku* boom overseas, more producers and companies exported rice in recent years; rice exports increased 65 percent to 6,921 MT in MY2014/15 and are expected to increase gradually in the coming years. In addition to those commercial exports, Japan exports rice for food aid using MA rice as shown in the table below. According to the Japan Customs, its trade statistics does not include any goods of gift (free of charge) in exports. Post estimates that Japan's total rice exports are larger than the trade statistics, if exports for food aid are included.

Rice exports (MT)

	MY2010/11	MY2011/12	MY2012/13	MY2013/14	MY2014/15
Total exports	9,055	50,144	34,815	21,941	57,642
Commercial	2,110	2,224	2,834	4,182	6,921

Source: MAFF

MA Rice Sales (MT)

	MY2010/11	MY2011/12	MY2012/13	MY2013/14	MY2014/15
For table rice	10,000	80,000	100,000	40,000	10,000
For processing	150,000	150,000	190,000	150,000	110,000
For feed	380,000	450,000	330,000	440,000	650,000
For food aid	90,000	190,000	100,000	40,000	60,000
Ending stock	960,000	780,000	800,000	840,000	730,000

Source: MAFF

Stock

The GOJ held 910,000 MT of rice as reserve and 730,000 MT of MA rice stocks at the end of October 2015. It is estimated that stocks in the private sector were around one million MT in October 2015. With an expected increase in feed utilization, ending stocks in MY2015/16 and MY2016/17 are forecast to decrease from MY2014/15, to 2.4 million MT and 2 million MT respectively.

	Stock		Total	
	GOJ Reserve	MA rice	Brown	Milled
2006	770,000	1,890,000	2,660,000	2,420,600
2007	770,000	1,520,000	2,290,000	2,083,900
2008	990,000	970,000	1,960,000	1,783,600
2009	860,000	950,000	1,810,000	1,647,100
2010	980,000	880,000	1,860,000	1,692,600
2011	880,000	960,000	1,840,000	1,674,400
2012	950,000	780,000	1,730,000	1,574,300
2013	910,000	800,000	1,710,000	1,556,100
2014	910,000	840,000	1,750,000	1,592,500
2015	910,000	730,000	1,640,000	1,492,400

Source: MAFF

Barley

Barley	2014/ 2015		2015/ 2016		2016/ 2017	
Market Begin Year	Oct-14		Oct-15		Oct-16	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	60	60	61	61	0	61
Beginning Stocks	393	393	380	330	0	277
Production	170	170	177	177	0	172
MY Imports	1097	1097	1300	1100	0	1100
TY Imports	1097	1097	1300	1100	0	1100
TY Imp. from U.S.	71	87	0	0	0	0
Total Supply	1660	1660	1857	1607	0	1549
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	950	950	1100	950	0	930
FSI Consumption	330	380	330	380	0	380
Total Consumption	1280	1330	1430	1330	0	1310
Ending Stocks	380	330	427	277	0	239
Total Distribution	1660	1660	1857	1607	0	1549

(1000 HA) ,(1000 MT)

Production

Aggregate barley production in Japan in 2015 was up 4.2 percent from 2014 to 176,900 MT due to an above-average yield, thanks to favorable weather conditions, and an increase in planted area for six-row barley and tow-row barley offsetting declines in the planted area and yield for naked barley. The planted area is expected to remain unchanged in 2016, and the production volume is forecast to decline

three percent, assuming average yield, to 172,000 MT.

		2010	2011	2012	2013	2014	*2015	**2016
Two-Row Barley	Crop Area (hectares)	36,600	37,600	38,300	37,500	37,600	37,900	37,800
	Production Volume (MT)	104,300	119,100	112,400	116,600	108,200	113,000	109,600
	Yield (MT/hectare)	2.85	3.17	2.93	3.11	2.88	2.98	2.90
Six-Row Barley	Crop Area (hectares)	17,400	17,400	17,100	16,900	17,300	18,200	18,000
	Production Volume (MT)	44,800	38,700	47,800	51,500	47,000	52,700	48,600
	Yield (MT/hectare)	2.57	2.22	2.80	3.05	2.72	2.90	2.70
Naked Barley	Crop Area (hectares)	4,720	5,130	4,970	5,010	5,250	5,200	5,200
	Production Volume (MT)	11,800	13,700	12,200	14,700	14,500	11,200	13,520
	Yield (MT/hectare)	2.50	2.67	2.45	2.93	2.76	2.15	2.60
Barley Total	Crop Area (hectares)	58,720	60,130	60,370	59,410	60,150	61,300	61,000
	Production Volume (MT)	160,900	171,500	172,400	182,800	169,700	176,900	171,700

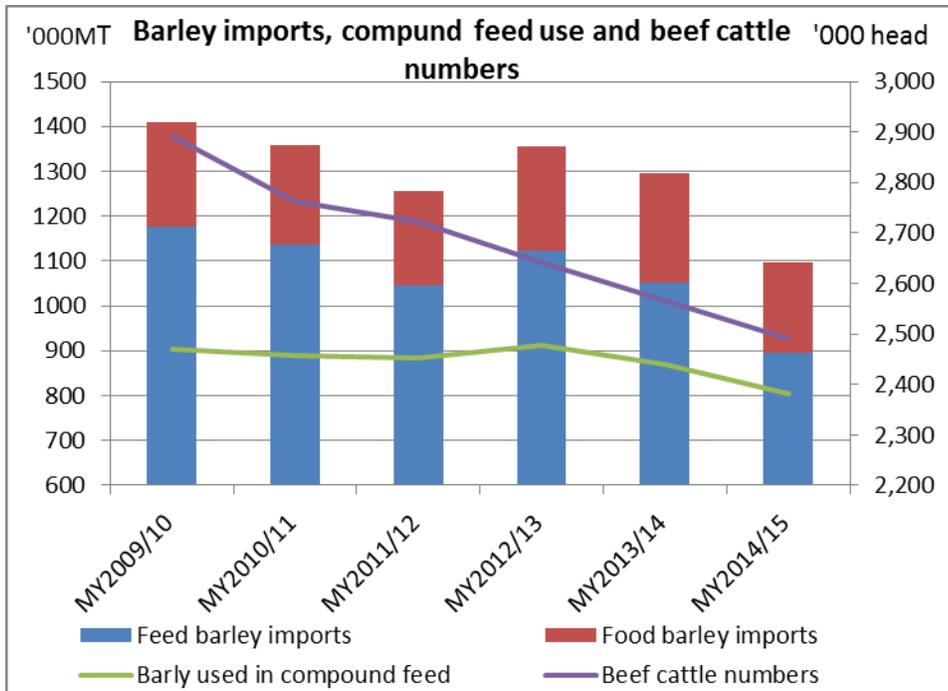
Source: MAFF

*Post forecast

Consumption

Aggregate annual barley (feed and food) consumption is estimated to be flat at approximately 1.3 million MT. In recent years, barley for FSI consumption has been stable at around 380,000 MT; 330,000 MT is used for manufacturing barley tea, *miso* (soybean paste), *shoshu* (Japanese distilled liquor) and beer, and 50,000 MT for beer supplied domestically by contracted production. There is little indication that barley for these non-feed uses will increase in the near future.

On the other hand, barley for feed consumption has been gradually declining. Unlike corn, which is used for all livestock species, barley is consumed almost entirely by cattle and swine, of which over 80 percent is consumed by beef cattle. With declining cattle and swine numbers, barley used in compound feed has been decreasing, with the exception of MY 2012/13 when corn prices soared. Barley for feed consumption is expected to remain unchanged in MY2015/16 as cattle numbers are expected to decrease but swine numbers are expected to increase slightly in 2016. However, assuming cattle numbers continue to decline, a marginal decrease in feed consumption is forecast for MY2016/17.



Trade

Along with rice and wheat, barley is a state traded commodity; imports are controlled by MAFF, except for feed barley from Australia, which was liberalized as a result of the Japan-Australia Economic Partnership Agreement that was implemented in January 2015. In MY2014/15, barley imports dropped 15 percent from the previous year due to weak demand for barley for feed. Reflecting this weak demand, MAFF lowered the planned import volume for feed barley from 1.288 million MT to one million MT for JFY2015, of which about 310,000 MT was assumed by MAFF to be imported from Australia by the private sector, and thus 690,000 MT was initially set as MAFF's import volume. However, because of high prices, imports from Australia were smaller than MAFF expected, and instead, competitively priced feed barley from Europe, Russia and Black Sea countries outpaced Australian barley. To allow more barley to be imported from these countries this fiscal year, in November 2015, MAFF raised the state import volume for JFY2015 to 1,000,000 MT. As feed and food consumption is expected to remain unchanged, total barley imports are expected to stay at around 1.1 million MT in MY2015/16. For MY2016/17, although a marginal decrease in feed consumption is forecast, Post forecasts total imports to remain at the MY2015/16 level.

SBS Feed Barley Import Contracts (MT)

	JFY2012	JFY2013	JFY2014	JFY2015*
MAFF planned purchase volume	1,288,000	1,288,000	1,288,000	690,000 1,000,000*
Volume contracted	1,051,630	995,805	909,977	544,527**

*MAFF revised the volume from 690,000MT to one million MT in November 2015

** From April 2015 to March 11, 2016

	CIF Unit Value (US\$/MT)						
	MY2012/13	MY2013/14	MY2014/15	10/2015	11/2015	12/2015	01/2016
World	326.12	276.88	255.4	211.54	222.03	223.66	214.31
Australia	325.7	278.71	280.58	0	0	199.1	203.32
Slovakia	0	0	272.06				
Canada	326.09	271.29	267.77				
United States	338.74	273.43	260.47				
Germany	0	0	251.21				
Russia	0	291.51	247.68	220.15	220.42	0	219.36
United Kingdom	0	0	242.03				
Romania	0	0	240.4	219.83	222.15	0	0
Ukraine	299.8	300.58	234.32	206.91	221.92	225.48	217.55
Hungary	0	0	227.37	223.76	223.77	0	0
Bulgaria	0	0	213.33	0	221.07	0	0

	Imports of Barley for Food, Year Ending: September							MY to date (October - January)		
	Quantity (MT)			% Share			% Change	2014/15	2015/16	% Change
	2013	2014	2015	2013	2014	2015	2015/2014			
World	232317	242085	201591	100.00	100.00	100.00	-16.73	71131	74653	4.95
Australia	173668	167992	139675	74.75	69.39	69.29	-16.86	60115	65076	8.25
Canada	56513	68595	55014	24.33	28.34	27.29	-19.80	10093	7537	-25.32
United States	2133	5491	3903	0.92	2.27	1.94	-28.92	912	2022	121.71
France	0	0	1991	0.00	0.00	0.99	0.00			
United Kingdom	3	5	1008	0.00	0.00	0.50	∞	11	18	63.64
China	0	2	0	0.00	0.00	0.00	-100.00			
Czech Republic	0	0	0	0.00	0.00	0.00	0.00			
Belgium	0	0	0	0.00	0.00	0.00	0.00			

Imports of Barley for Feed, Year Ending: September								MY to date (October - January)		
	Quantity (MT)			% Share			% Change 2015/2014	2014/15	2015/16	% Change 2016/2015
	2012/13	2013/14	2014/15	2013	2014	2015				
World	1122019	1052245	895391	100.00	100.00	100.00	-14.91	290497	289706	-0.27
Germany	0	0	183164	0.00	0.00	20.46	0.00			
Australia	599259	537944	148449	53.41	51.12	16.58	-72.40	117704	18735	-84.08
Canada	439971	275057	143031	39.21	26.14	15.97	-48.00	67245		-100.00
United Kingdom	0	0	129566	0.00	0.00	14.47	0.00			
Romania	0	0	98927	0.00	0.00	11.05	0.00	51365	31314	-39.04
United States	62584	177671	83233	5.58	16.88	9.30	-53.15	35596		-100.00
Russia	0	32300	40548	0.00	3.07	4.53	25.54	6399	34255	435.32
Ukraine	20205	29273	33316	1.80	2.78	3.72	13.81		174680	
Hungary	0	0	32640	0.00	0.00	3.65	0.00	10668	29002	171.86
Slovakia	0	0	1520	0.00	0.00	0.17	0.00	1520		-100.00
Bulgaria	0	0	997	0.00	0.00	0.11	0.00		1720	

Total Barley Imports, Year Ending: September								MY to date (October - January)		
	Quantity (MT)			% Share			% Change 2015/2014	2014/15	2015/16	% Change 2016/2015
	2013	2014	2015	2013	2014	2015				
World	1354336	1294330	1096982	100.00	100.00	100.00	-15.25	361628	364359	0.76
Australia	772927	705936	288124	57.07	54.54	26.27	-59.19	177819	83811	-52.87
Canada	496484	343652	198045	36.66	26.55	18.05	-42.37	77338	7537	-90.25
Germany	0	0	183164	0.00	0.00	16.70	0.00			
United Kingdom	3	5	130574	0.00	0.00	11.90	∞	11	18	63.64
Romania	0	0	98927	0.00	0.00	9.02	0.00	51365	31314	-39.04
United States	64717	183162	87136	4.78	14.15	7.94	-52.43	36508	2022	-94.46
Russia	0	32300	40548	0.00	2.50	3.70	25.54	6399	34255	435.32
Ukraine	20205	29273	33316	1.49	2.26	3.04	13.81		174680	
Hungary	0	0	32640	0.00	0.00	2.98	0.00	10668	29002	171.86
France	0	0	1991	0.00	0.00	0.18	0.00			
Slovakia	0	0	1520	0.00	0.00	0.14	0.00	1520		-100.00
Bulgaria	0	0	997	0.00	0.00	0.09	0.00		1720	
China	0	2	0	0.00	0.00	0.00	-100.00			
Czech Republic	0	0	0	0.00	0.00	0.00	0.00			
Belgium	0	0	0	0.00	0.00	0.00	0.00			

Stock

The GOJ does not hold emergency stocks for barley.

Sorghum

Sorghum	2014/2015		2015/2016		2016/2017	
Market Begin Year	Oct-14		Oct-15		Oct-16	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	51	51	24	24	0	74
Production	0	0	0	0	0	0
MY Imports	903	903	950	900	0	850
TY Imports	903	903	950	900	0	850
TY Imp. from U.S.	75	113	0	0	0	0
Total Supply	954	954	974	924	0	924
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	930	930	900	850	0	850
FSI Consumption	0	0	0	0	0	0
Total Consumption	930	930	900	850	0	850
Ending Stocks	24	24	74	74	0	74
Total Distribution	954	954	974	924	0	924
(1000 HA) ,(1000 MT)						

Production

Production of sorghum is negligible in Japan.

Consumption

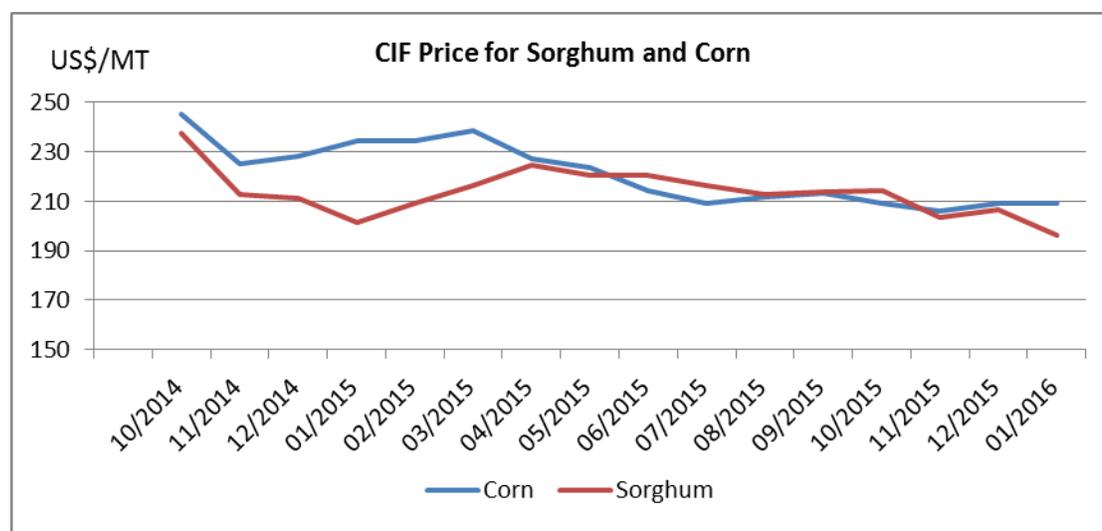
Almost all sorghum is used for feed, of which 90 percent is consumed by the swine and poultry sectors. Use of sorghum in compound feed adjusts depending on the availability and price of corn and, recently, rice. In MY2014/15, use of rice in feed expanded significantly cutting into the shares of sorghum and corn in feed to a notable extent. An anticipated expansion of rice used in compound feed is expected to lower sorghum use in feed in MY2015/16. Accordingly, despite an expected marginal increase in swine numbers, sorghum for feed consumption is expected to decrease to 850,000 MT. As use of rice in feed is forecast to be robust, supported by the feed rice subsidy, Post forecasts sorghum consumption will remain at around 850,000 MT in MY2016/17.

Trade

Imports of sorghum declined 10 percent in MY2014/15 from the previous year, corresponding to a roughly 100,000 MT decline of sorghum used in compound feed. Japan's sorghum imports largely depend on sorghum's price relative to corn and other feed ingredients. Although the price of sorghum was competitive vis-a-vis corn in the first four months of MY2015/16, imports were much slower than the previous year. However, assuming sorghum prices remain attractive throughout MY2015/16, it is

anticipated that imports of sorghum will reach 900,000 MT, the same level as MY2014/15. However, an expected decline in feed demand for sorghum is forecast to lower imports in MY2016/17, to 850,000 MT.

Partner Country	Total Sorghum Imports, Year Ending: September							MY to date (October - January)		
	Quantity (MT)			% Share			% Change 2015/2014	2014/15	2015/16	% Change 2016/2015
	2013	2014	2015	2013	2014	2015				
World	1896304	1003114	903216	100.00	100.00	100.00	- 9.96	367474	255596	-30.45
Argentina	1083819	643859	778502	57.15	64.19	86.19	20.91	317085	236397	-25.45
United States	177944	330362	112590	9.38	32.93	12.47	- 65.92	49627	18420	-62.88
Brazil	0	0	9472	0.00	0.00	1.05	0.00			
India	1025	1147	1191	0.05	0.11	0.13	3.84	395	571	44.56
Australia	633140	26876	593	33.39	2.68	0.07	- 97.79	196	151	-22.96
Mexico	0	0	276	0.00	0.00	0.03	0.00	39		-100.00
Ukraine	0	0	264	0.00	0.00	0.03	0.00	22	44	100.00
Thailand	286	792	242	0.02	0.08	0.03	- 69.44	88		-100.00
China	88	68	86	0.00	0.01	0.01	26.47	22	10	-54.55
Belgium	2	10	0	0.00	0.00	0.00	- 100.00			



Stocks

Post estimates the current government and commercial stocks will remain constant at less than 100,000 MT.

RYE

Rye	2014/2015		2015/2016		2016/2017	
Market Begin Year	Oct-14		Oct-15		Oct-16	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	4	4	1	3	0	2
Production	0	0	0	0	0	0
MY Imports	22	22	25	20	0	20
TY Imports	22	22	25	20	0	20
TY Imp. from U.S.	0	1	0	0	0	0
Total Supply	26	26	26	23	0	22
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	20	15	20	13	0	13
FSI Consumption	5	8	5	8	0	8
Total Consumption	25	23	25	21	0	21
Ending Stocks	1	3	1	2	0	1
Total Distribution	26	26	26	0	0	0
(1000 HA) ,(1000 MT)						

Production

Production of rye is minimal in Japan.

Consumption

The majority of rye in Japan is used for feed, mainly mixed feed and cattle feed. As rye is typically considered a marginal ingredient in feed, demand is highly susceptible to the supply situation and price of rye relative to other ingredients. Due to a decline in the cattle population and the low price-competitiveness of rye over corn, sorghum and wheat, rye used in compound feed decreased in MY2014/15. For MY2015/16, due to an expected continuing decline in cattle numbers coupled with the high price of rye, demand for rye in feed is expected to decrease to 13,000MT. Although it is still a niche market, rye demand for making bread and granola has been increasing in recent years with the popularity of health-conscious food. Reflecting increasing demand, Post estimates that rye for FSI consumption was around 8,000MT in MY2014/15. Rye for food demand is forecast to continue to be robust, and the FSI consumption level is forecast to remain unchanged in MY2015/16 and MY2016/17.

Trade

Japan's total imports of rye dropped 41 percent in MY2014/15 due mainly to higher prices compared to

MY2013/14, which resulted in lower feed demand. For MY2015/16, imports of rye are expected to decrease to 20,000MT because a marginal decline in feed consumption is expected. The import level is forecast to remain flat in MY2016/17.

Imports of Rye, Year Ending: September								MY to date (October - January)		
Partner Country	Quantity			% Share			% Change 2015/2014	2014/15	2015/16	% Change 2016/2015
	2013	2014	2015	2013	2014	2015				
World	27216	37156	21838	100.00	100.00	100.00	- 41.23	10286	2868	-72.12
Germany	17836	33037	19753	65.53	88.91	90.45	- 40.21	9224	1732	-81.22
United States	1106	1158	860	4.06	3.12	3.94	- 25.73	554	510	-7.94
Canada	8098	2453	843	29.75	6.60	3.86	- 65.63	354	409	15.54
Finland	89	487	347	0.33	1.31	1.59	- 28.75	140	145	3.57
Denmark	40	21	21	0.15	0.06	0.10	0.00	0	21	
New Zealand	47	0	14	0.17	0.00	0.06	0.00	14	51	264.29

Year Ending: September					Unit Value (United States Dollars)			
Partner Country	Unit Value (United States Dollars)			% Change 2015/2014	Unit Value (United States Dollars)			
	2013	2014	2015		10/2015	11/2015	12/2015	01/2016
World	431.29	345.4	378.06	9.46	558.9	463.8	458.43	406.81
Germany	407.15	319.64	345.31	8.03	380.51	387	388.57	406.81
United States	830.72	806.5	933.99	15.81	1573.1	568.4	1411.47	0
Canada	423.65	432.37	531.43	22.91	536.15	479.96	485.25	0
Finland	549.29	536.1	437.05	- 18.48	0	401.89	0	0
Denmark	824.76	867.81	775.62	- 10.62	0	0	745.4	0
New Zealand	948.34	0	1138.07	0.00	1196.91	0	0	0

Stocks

Japan does not hold strategic emergency stocks of rye. Commercial stocks are estimated to be minimal.