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Report Highlights:

FAS Tokyo estimates MY2022/23 wheat and rice production in Japan to decrease from last year's bumper crop due to poor weather conditions in major production regions. Due to favorable weather, Post estimates the MY2022/23 barley crop to increase from MY2021/22. Compound feed price has been rising and hit a record in July and FAS Tokyo forecasts MY2022/23 corn demand to soften as feed mills continue to increase rice in lieu of corn in feed rations. Because of barley's price competitiveness against other feed grains, Post estimates that robust feed demand for barley will persist in MY2021/22 and is forecast to continue in MY22/23. FAS Tokyo projects stable MY2022/23 rice consumption as strong feed demand will offset sluggish table rice demand.

Executive Summary

Inflation in Japan is rising faster than at any other point over the last eight years, with August core consumer prices up 2.8 percent year over year, which includes food staples such as bread and noodles. The historically weak Japanese Yen is increasing costs for importing critical grains and feeds to Japan, which relies almost entirely on imports for corn and sorghum and 85 percent of its food wheat. To alleviate rising energy and food costs, the Government of Japan (GOJ) announced a 3.5 billion yen (\$24.3 million) relief package in September. The package includes a freeze on the government sales price of imported wheat from October 2022 to March 2023, payments for livestock farmers to alleviate the increased cost of compound feed, and support to mitigate rising fertilizers costs. Japanese feed mills also continue to increase the ratio of rice in compound feed to make use of Japan's price competitive, domestic rice supply. For more details on the support package, see the Policy section of this report.

Ongoing global freight and supply chain disruptions continue to affect Japanese grain and forage imports. MAFF has increased lead times for wheat purchases from Australia because of congestion at West Australian export ports. Delays and uncertainties in schedules for container shipments of forage from North American ports continue to affect Japanese dairy farmer feeding plans.

Corn

Table 1. Corn Production, Supply and Distribution

Corn Market Year Begins Japan	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1	1	1	1	1	2
Beginning Stocks (1000 MT)	1386	1386	1420	1421	1376	1277
Production (1000 MT)	5	5	6	6	9	13
MY Imports (1000 MT)	15479	15480	15300	15000	15200	15000
TY Imports (1000 MT)	15479	15480	15300	15000	15200	15000
TY Imp. from U.S. (1000 MT)	11210	10972	0	0	0	0
Total Supply (1000 MT)	16870	16871	16726	16427	16585	16290
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	12000	12000	12000	11700	11700	11600
FSI Consumption (1000 MT)	3450	3450	3350	3450	3500	3500
Total Consumption (1000 MT)	15450	15450	15350	15150	15200	15100
Ending Stocks (1000 MT)	1420	1421	1376	1277	1385	1190
Total Distribution (1000 MT)	16870	16871	16726	16427	16585	16290
Yield (MT/HA)	5	5	6	6	9	6.5

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Corn begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Production

Japan's grain corn production is still limited but is steadily increasing. High global corn prices, increased Ministry of Agriculture, Forestry and Fisheries' (MAFF) support payments, and a drop in the domestic rice price has pushed farmers to increase grain corn production over the last two years. According to the newly established Japan Maize Farmers Association (JMFA), MY2021/22 harvested area increased 56 percent, to 1,142 hectares, and the MY2022/23 planted area increased an additional 61 percent, to 1,839 hectares. FAS Tokyo estimates MY2022/23 production to be 12,800 tons based on the average yield. Corn is processed at feed mills for on-farm feed or sold locally for manufacture of food and beverages.

Consumption

Food, Seeds and Industrial (FSI) Consumption

FAS Tokyo forecasts a marginal increase in MY2022/23 FSI consumption, to 3.5 million tons, as Japan's return to pre-pandemic economic activity increases starch demand for high fructose corn syrup for soft drinks and beer. FAS Tokyo estimates MY2021/22 FSI consumption at 3.45 million tons, unchanged from MY2020/21, as a summer resurgence of COVID-19 hampered the recovery of Hotels, Restaurants and Institutional (HRI) demand.

Feed Consumption

FAS Tokyo forecasts MY2022/23 feed and residual consumption to decrease marginally, to 11.6 million tons, as feed mills are projected to use more rice in lieu of corn, assuming the global corn price remains high and the Yen remains weak against the U.S. Dollar. However, corn will continue to be the primary ingredient in feed rations in MY2022/23 as there are few alternatives to corn and the ability for feed mills to substitute rice is limited.

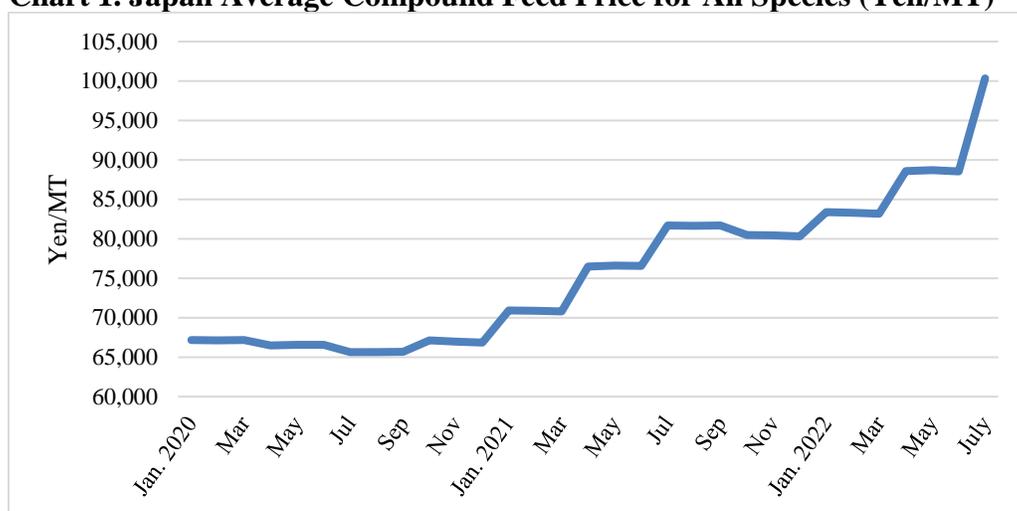
FAS Tokyo lowered MY2021/22 feed and residual consumption to 11.7 million tons based on the decrease in corn use in compound feed production over the first nine months of MY2021/22 (Annex Table 1). Surging corn prices continued to fuel shifts from corn to rice in feed rations. In Japan, rice is price competitive with current the high-priced corn on a calories basis as rice production enjoys strong government support.

Despite rising feed grain prices, FAS Tokyo forecasts strong feed demand to continue in MY2022/23, driven by the poultry and swine sectors. An oversupply of milk is keeping the dairy herd size flat, but FAS Tokyo forecasts beef cattle herds to continue expanding.

Reflecting rising global corn prices, the compound feed price in Japan has been increasing since October 2020 and hit a record high in July 2022 (Chart 1). Global corn and freight prices started to decline in summer but the Yen’s accelerated depreciation since April, down 14 percent against U.S. Dollar from March to August, has prevented feed prices from declining.

To alleviate high prices for livestock feeders, the GOJ will effectively freeze the compound feed price between October and December 2022 by providing increased support payments to livestock farmers as a part of an economy-wide, inflation relief package (see Policy section of this report).

Chart 1. Japan Average Compound Feed Price for All Species (Yen/MT)



Source: MAFF

Trade

FAS Tokyo forecasts MY2022/23 imports to stay at 15 million tons as a marginal decrease in feed demand will be nullified by an increase in FSI demand. FAS Tokyo estimates MY2021/22 imports to contract by 3 percent, to 15 million tons, based on the slower pace of imports over the first 10 month of MY2021/22 where CIF unit price rose 55 percent in Yen (27 percent in U.S. Dollars). Japan continues to import almost all corn from the United States and Brazil.

Stocks

FAS Tokyo forecasts MY2021/22 and MY2022/23 ending stocks to decrease to 1.277 million tons and to 1.19 million tons, respectively.

Sorghum

Table 2. Sorghum Production, Supply and Distribution

Sorghum Market Year Begins Japan	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	37	37	26	26	26	36
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	299	299	250	260	200	200
TY Imports (1000 MT)	299	299	250	260	200	200
TY Imp. from U.S. (1000 MT)	30	37	0	0	0	0
Total Supply (1000 MT)	336	336	276	286	226	236
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	310	310	250	250	200	200
FSI Consumption (1000 MT)	0	0	0	0	0	0
Total Consumption (1000 MT)	310	310	250	250	200	200
Ending Stocks (1000 MT)	26	26	26	36	26	36
Total Distribution (1000 MT)	336	336	276	286	226	236
Yield (MT/HA)	0	0	0	0	0	0

(1000 HA), (1000 MT), (MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Sorghum begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Production

Grain sorghum production is negligible in Japan.

Consumption

FAS Tokyo forecasts MY2021/22 sorghum consumption to decline to 250,000 tons and again to 200,000 tons in MY2022/23. Since MY2019/20, feed mills have increased rice in lieu of sorghum in compound feed rations due to price competitiveness.

Trade

In line with weak demand for sorghum in feed, FAS Tokyo estimates MY2021/22 sorghum imports to decrease to 260,000 tons and further to 200,000 tons in MY2022/23. Through July 2022 of the current MY, imports decreased 4.6 percent while the CIF unit price rose 34 percent in Yen (9.7 percent in Dollars). Australia replaced Argentina as the primary supplier of sorghum in MY2021/22. Japan imports sorghum almost entirely for feed use.

Stocks

FAS Tokyo forecasts MY2021/22 and MY2022/23 ending stocks at 36,000 tons.

Barley

Table 3. Barley Production, Supply and Distribution

Barley Market Year Begins Japan	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	64	64	63	63	65	65
Beginning Stocks (1000 MT)	318	318	212	232	165	155
Production (1000 MT)	222	222	233	233	230	240
MY Imports (1000 MT)	1132	1132	1200	1200	1200	1250
TY Imports (1000 MT)	1132	1132	1200	1200	1200	1250
TY Imp. from U.S. (1000 MT)	16	14	0	0	0	0
Total Supply (1000 MT)	1672	1672	1645	1665	1595	1645
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	1080	1080	1100	1150	1100	1150
FSI Consumption (1000 MT)	380	360	380	360	380	370
Total Consumption (1000 MT)	1460	1440	1480	1510	1480	1520
Ending Stocks (1000 MT)	212	232	165	155	115	125
Total Distribution (1000 MT)	1672	1672	1645	1665	1595	1645
Yield (MT/HA)	3.4688	3.4688	3.6984	3.6984	3.5385	3.6923

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Barley begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Production

While MAFF has yet to publish the production statistics, industry sources expect the MY2022/23 crop yields to be higher than average and of high-quality grain, similar to MY2021/22. FAS Tokyo estimates that the MY2022/23 harvested area increased slightly to 65,000 hectares as farmers shifted planting from rice to barley due to decreased rice prices. FAS Tokyo estimates MY2022/23 production at 240,000 tons based on the similar yields to last year.

Favorable weather conditions persisted throughout the growing season in the major barley growing regions of Kyushu and Kanto. Producers were also able to complete the harvest before the rainy season started in early to mid-June.

Japan relies heavily on imports for chemical fertilizer inputs. Farmers used fertilizers they purchased before global prices for fertilizer inputs shot up for their MY2022/23 crops, but industry expects high fertilizer prices to affect the planting decisions, yield, and quality of the MY2022/23 barley crop. To alleviate high fertilizer prices, MAFF will provide support payments to farmers to partially cover the increased fertilizer costs (see Policy section of this report).

Consumption

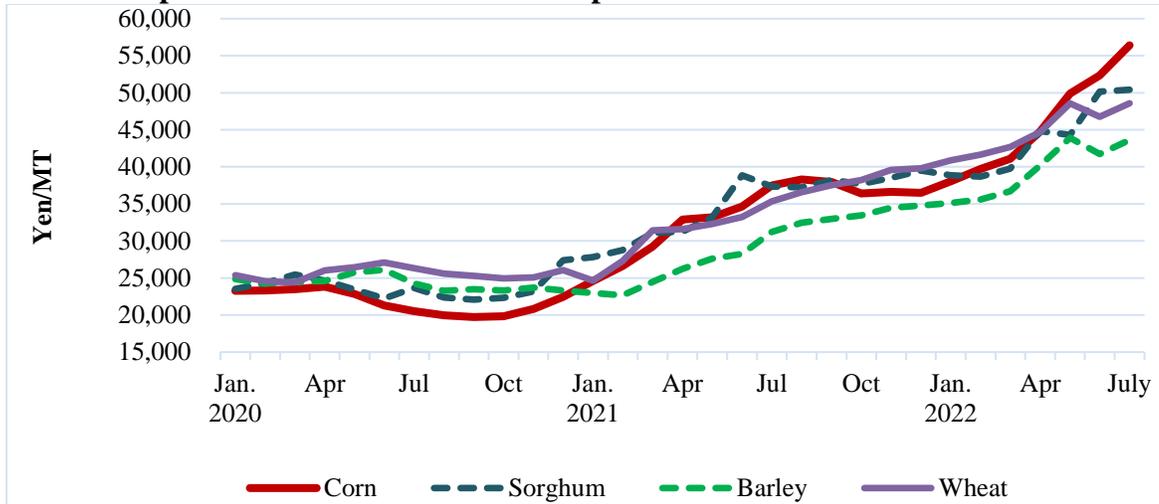
FSI Consumption

FAS Tokyo projects MY2022/23 FSI consumption at 370,000 tons, a marginal recovery from MY2021/22 and in line with a return to pre-pandemic economic activity. FAS Tokyo revised the MY2020/21 and MY2021/22 FSI consumption estimate downwards to 360,000 tons based on MAFF estimates which show weak demand due to COVID-19 related restrictions.

Feed Consumption

FAS Tokyo estimates MY2021/22 feed and residual consumption to increase to 1.15 million tons based on the increased use in feed rations through the first nine months of MY2021/22 (Annex Table 1). Beef cattle are the predominate consumers of feed barley. However, due to barley's price competitiveness against other feed grains, feed mills are increasing barley in feed rations for dairy cattle and other species to reduce corn and sorghum (Chart 2). FAS Tokyo forecasts MY2022/23 feed and residual consumption to remain at 1.15 million tons assuming barley's price competitiveness continues.

Chart 2. Japan CIF Yen Unit Prices for Imported Feed Grains



Source: Ministry of Finance

Trade

FAS Tokyo forecasts MY2022/23 imports to increase to 1.25 million tons reflecting robust demand for barley in feed rations. FAS Tokyo revised the MY2021/22 imports estimate upwards to 1.2 million tons based on a 17 percent increase in imports over the first 10 months of the marketing year despite a 31 percent increase in the CIF unit price in Yen (8 percent U.S. Dollars).

Domestic production is predominantly used for FSI consumption. Three consecutive years of increased production resulted in high stocks of barley and curtailed MY2020/21 food barley imports by 34 percent. Recently, however, barley stocks, for all varieties expect for hullless, have dwindled and demand for imports has begun to pick back up. The U.S. share of Japan's imported food barley has shrunk as the United States supplies mainly glutinous type hullless barley to Japan due to oversupply of domestic glutinous type hullless barley. Australia and Canada are the major suppliers of barley to Japan.

Stocks

FAS Tokyo forecasts MY2021/22 ending stocks to drop to 155,000 tons in and further to 125,000 tons in MY2022/23.

Wheat

Table 4. Wheat Production, Supply and Distribution

Wheat Market Year Begins Japan	2020/2021		2021/2022		2022/2023	
	Jul 2020		Jul 2021		Jul 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	213	213	220	220	225	227
Beginning Stocks (1000 MT)	1205	1205	1148	1143	1281	1276
Production (1000 MT)	1000	995	1130	1130	1150	1050
MY Imports (1000 MT)	5493	5493	5605	5605	5700	5500
TY Imports (1000 MT)	5493	5493	5605	5605	5700	5500
TY Imp. from U.S. (1000 MT)	2429	2469	0	2328	0	0
Total Supply (1000 MT)	7698	7698	7883	7878	8131	7826
MY Exports (1000 MT)	300	300	302	302	300	300
TY Exports (1000 MT)	300	300	302	302	300	300
Feed and Residual (1000 MT)	650	650	750	750	650	700
FSI Consumption (1000 MT)	5600	5600	5550	5550	5550	5650
Total Consumption (1000 MT)	6250	6250	6300	6300	6200	6350
Ending Stocks (1000 MT)	1148	1143	1281	1276	1631	1176
Total Distribution (1000 MT)	7698	7698	7883	7878	8131	7926
Yield (MT/HA)	4.6948	4.6948	5.1364	5.1364	5.1111	4.6256

(1000 HA), (1000 MT), (MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Wheat begins in July for all countries. TY 2022/2023 = July 2022 - June 2023

Production

The MY2022/23 harvest was completed by the middle of July. FAS Tokyo estimates the MY2022/23 harvested area to increase 3.4 percent, to 227,000 hectares, as farmers shifted acreage from rice to wheat due to low rice prices. Based on industry reports, Post estimates production decreased 9 percent, to 1.05 million tons, due to a roughly 20 percent yield decline from the near-record yield last year in Hokkaido, which accounted for 66 percent of national production in MY2021/22.¹

In Hokkaido, a lack of sunshine and high nighttime temperatures since heading in June, which resulted in poor grain filling, have led to a reduction in yield. For other wheat producing regions, industry sources estimate similar or better yields compared to last year. In Kyushu, which accounted for 12 percent of Japan's production in MY2021/22, favorable weather conditions throughout the growing season are estimated to have increased the yield nearly 20 percent.

Despite slow consumption of the near-record MY2021/22 domestic crop, which goes predominantly to FSI consumption, farmers intend to expand planting acreage for the MY2023/24 crop because of rising domestic wheat prices.

FAS Tokyo revised MY2019/20 production down to 995,000 tons based on MAFF's latest data.

Consumption

FSI Consumption

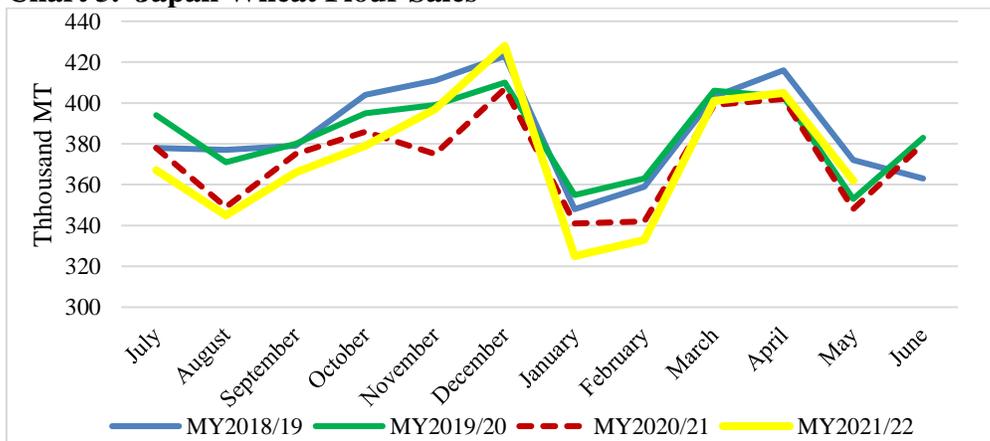
¹ Winter wheat accounted for 92 percent of national harvested area in MY2021/22.

FAS Tokyo forecasts MY2022/23 FSI consumption to recover to 5.65 million tons, driven by HRI demand which will improve as Japan returns to pre-pandemic economic activity.

FAS Tokyo estimates MY2021/22 FSI consumption at 5.55 million tons, down 1.8 percent from the previous year based on slower flour sales than MY2020/21 (Chart 3). Sluggish wheat demand is partially attributable to surging prices. The consumer price index for bread and noodles rose 10.5 point and 9.5 point in July 2022 from the Calendar Year (CY) 2020 average (Chart 4). Industry expects rising wheat product prices will hamper a full recovery for MY2022/23 FSI wheat demand, but a gradual recovery of the number of foreign visitors to Japan towards pre-pandemic levels (31.8 million in CY2019) is anticipated to support HRI demand.

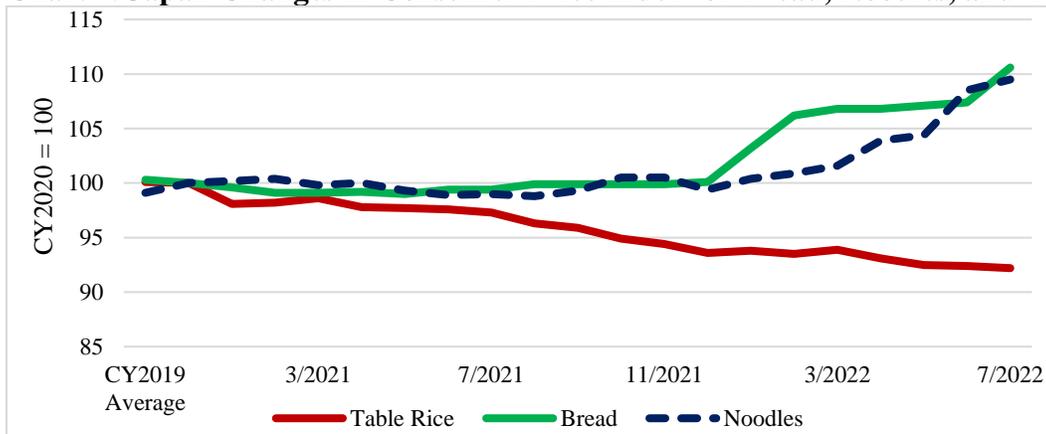
To address rising wheat product prices, the GOJ has decided to freeze MAFF’s sales price of the five major classes of imported wheat between October 2022 and March 2023 as part of an economy-wide inflation relief package (see Policy section of this report).²

Chart 3. Japan Wheat Flour Sales



Source: MAFF

Chart 4. Japan Changes in Consumer Price Index for Bread, Noodles, and Table Rice



Source: Ministry of Internal Affairs and Communications

² U.S. Dark Northern Spring, U.S. Western White, U.S. Hard Red Spring, Canadian Western Red Spring and Australian Standard White.

Feed Consumption

FAS Tokyo estimates MY2021/22 feed and residual consumption at 750,000 tons, up 15 percent from MY2020/21, based on increased use in feed rations (Annex Table 1). FAS Tokyo forecasts a marginal decrease in MY2022/23 feed and residual consumption to 700,000 tons assuming wheat will become less price competitive against other feed grains such as rice.

Trade

FAS Tokyo forecasts MY2022/23 imports to decline 2 percent, to 5.5 million tons, as processors gradually consume the high MY2021/22 stocks and MY2022/23 crop. MY2021/22 imports increased 2 percent, driven by strong feed demand (Table 5). Australia is the leading supplier of the feed wheat import market, accounting for 93 percent of supply in MY2021/22. Despite an increase in MY2021/22 production, MY2021/22 FSI wheat imports increased 0.4 percent resulting in an increase of MY2021/22 stocks.

MAFF is a sole importer of state-traded wheat, and typically makes import contracts to purchase wheat three months in advance. Since October, MAFF has been making purchase contacts for Australian wheat four to five months in advance to avoid delays and risks of rising prices due to congestion at export ports in Western Australia.

Table 5. Japan Wheat Imports (MT)

	MY2019/20	MY2020/21	MY2021/22	Change
Total	5,682,561	5,492,996	5,604,827	2.0%
FSI Wheat	5,077,736	4,875,511	4,895,738	0.4%
Feed Wheat	307,647	301,389	423,752	40.6%
Wheat Products*	297,179	316,096	285,337	-9.7%

Source: Trade Data Monitor

*Wheat grain equivalent

Stocks

FAS Tokyo estimates MY2021/22 ending stocks to have increased by 11.6 percent, to 1.276 million tons, as food wheat imports increased despite slow consumption of the MY2021/22 crop. FAS Tokyo forecasts MY2022/23 ending stocks to decrease to 1.176 million tons as the pace of imports cools.

Rice

Table 6. Rice Production, Supply and Distribution

Rice, Milled Market Year Begins	2020/2021		2021/2022		2022/2023	
	Nov 2020		Nov 2021		Nov 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Japan						
Area Harvested (1000 HA)	1533	1553	1520	1520	1510	1500
Beginning Stocks (1000 MT)	1980	1980	1890	1937	1905	1972
Milled Production (1000 MT)	7573	7570	7640	7665	7550	7450
Rough Production (1000 MT)	10402	10398	10495	10529	10371	10234
Milling Rate (.9999) (1000 MT)	7280	7280	7280	7280	7280	7280
MY Imports (1000 MT)	647	647	685	685	685	685
TY Imports (1000 MT)	662	662	685	685	685	685
TY Imp. from U.S. (1000 MT)	314	296	0	0	0	0
Total Supply (1000 MT)	10200	10197	10215	10287	10140	10107
MY Exports (1000 MT)	110	110	110	115	120	120
TY Exports (1000 MT)	110	110	110	115	120	120
Consumption and Residual (1000 MT)	8200	8150	8200	8200	8150	8200
Ending Stocks (1000 MT)	1890	1937	1905	1972	1870	1787
Total Distribution (1000 MT)	10200	10197	10215	10287	10140	10107
Yield (Rough) (MT/HA)	6.7854	6.6954	6.9046	6.927	6.8682	6.8227

(1000 HA), (1000 MT), (MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2022/2023 = January 2023 - December 2023

Note: This section assumes a milled rice basis unless otherwise noted.

Production

FAS Tokyo forecasts MY2022/23 production to decrease 2.8 percent, to 7.45 million tons, based on a reduction in harvested area and yield from the MY2021/22 bumper crop. FAS Tokyo estimates harvested areas to drop 1.5 percent, to 1.5 million hectares based on the trendline reduction.

Japan's rice farmers will complete the MY2022/23 rice harvest by the end of October. MAFF expects an average crop for MY2022/23, based on conditions as of August 15. In Hokkaido and Tohoku, MAFF expects yields to be lower than the bumper MY2021/22 crop. Industry forecasts a yield and quality reduction in Aomori and Akita Prefectures due to a lack of sunshine which reduced the number of stems in early summer and is hampering grain filling to date. High nighttime temperatures are expected to generate immature chalky kernels in many growing regions.

Farmers have reduced table rice production for MY2022/23 due to weak demand, low sales prices, and MAFF support payments to grow different crops in paddy fields. MAFF estimates that table rice planting areas decreased by 43,000 hectares, to 1.26 million hectares, and estimates that acreage for rice for feed, whole crop silage rice, soybeans, wheat, and barley have increased.

Consumption

FAS Tokyo forecasts MY2022/23 consumption at 8.2 million tons, unchanged from the MY2021/22 estimate. FAS Tokyo projects an increase in feed consumption to offset declines in table rice consumption.

FAS Tokyo revises the MY2021/22 consumption estimate to 8.2 million tons, up marginally from MY2020/21 Post estimate, as strong feed consumption will more than offset weak table rice demand.

Rice used in compound feed increased 20 percent in the first eight months of MY2021/22 (Annex Table 1). MAFF also reports bullish feed consumption in Japanese Fiscal Year (JFY³)2021, up 420,000 tons, to 1.54 million tons (Table 7). By contrast, FAS Tokyo estimates MY2021/22 table rice consumption to remain sluggish despite low prices (Chart 4). Reflecting rising input costs, industry expects farm gate prices of the MY2022/23 crop to increase, which will also stop table rice prices from falling.

Table 7. Japan Rice Supply and Consumption for Feed (Actual Tonnage)

	JFY2019	JFY2020	JFY2021
Supply	1,000,000	1,120,000	1,540,000
Domestic Production	390,000	380,000	660,000
Government Reserve	120,000	190,000	170,000
Minimum Access (MA) Rice	490,000	550,000	710,000
Consumption	1,000,000	1,120,000	1,540,000
Compound Feed	860,000	1,010,000	1,350,000
On-Farm	140,000	110,000	190,000

Source: MAFF

Trade

Imports

Japan will import approximately 682,000 tons of rice in both MY2021/22 and MY2022/23 to fulfil its WTO tariff rate quota (TRQ), commonly referred to as Minimum Access (MA) rice.⁴ MAFF started JFY2022 Ordinary Market Access (OMA) tenders in July and held three tenders by September 20. MAFF will hold the first Simultaneous Buy and Sell (SBS) tender, for 25,000 tons, on September 30. In the final JFY2021 SBS tender, MAFF's sales price of U.S. medium grain rice was 239,377 yen/MT (\$1,662, including the markup and the consumption tax) and industry expects JFY2022 prices to rise further due to a tight supply market. The average wholesaler purchase price of Japanese MY2021/22 table rice is 213,916 yen/MT (\$1,475) (including consumption tax).

In addition to the WTO TRQ, MAFF sets a Country Specific Quota (CSQ) for Australian rice under the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). The CSQ, which increases from 6,000 tons in Year 1 to 8,400 tons in Year 13, is set at 6,480 tons for JFY2022 and imported through SBS tenders. To date, MAFF has held SBS tenders in May and July offering 1,080 tons each time but resulted in no bids. MAFF will hold the third tender for 1,080 tons on September 27.

Exports

FAS Tokyo forecasts exports to increase steadily to 115,000 tons in MY2021/22 and to 120,000 tons in MY2022/23, assuming approximately 90,000 tons (actual tonnage) of food aid exports in both years. MAFF reports Japan exported an average of 90,000 tons (actual tonnage) of rice as food aid between

³ Japanese Fiscal Year (JFY) runs from April 1 to March 31.

⁴ MAFF administers the TRQ imports and collects a markup on imports. MAFF imports a maximum of 100,000 tons (actual tonnage) within the TRQ through SBS tenders. Importers and wholesalers (buyers) jointly bid for SBS tenders to import rice intended to sell as table rice. MAFF purchases the remaining quota volumes (682,000 tons minus SBS tendered volume) from importers who were successfully bid under Ordinary Market Access (OMA) tenders. MAFF then sells the imported rice to domestic users for processing and feed or exports as food aid.

JFY2015 and JFY2019 (the latest available data). MY2020/21 commercial exports increased 14 percent, to 22,315 tons (actual tonnage), and an additional 18 percent, to 20,118 tons (actual tonnage), for the first nine months of MY2021/22. Hong Kong is the top destination of commercial exports, followed by Singapore and the United States. A depreciated Yen will help support increased exports.

Stocks

FAS Tokyo estimates MY2021/22 ending stocks to increase to 1.972 million tons due to increase in production. FAS Tokyo forecasts MY2022/23 ending stocks to decrease to 1.787 million tons due to projected decrease in production. The ending stocks include government contingency reserves of 910,000 tons (actual tonnage) and MA rice stocks which MAFF reports 600,000 tons (brown) as of October 2021.

Policy

Imported Wheat Price

As a state-trading enterprise, MAFF sets the sales price of imported wheat to flour mills semi-annually, for periods from April to September and October to March. MAFF bases the price on international wheat prices, freight costs, and exchange rates over the previous six months. MAFF raised the April – September 2022 average sales price for the five major classes of wheat to 72,530 yen (\$504)/MT, up 17.3 percent from the previous six months. For the upcoming period, from October 2022 – March 2023, the standard formula would have further raised the average sales price to 86,818 yen (\$603)/MT, up 19.7 percent. However, with funding through the relief package, MAFF will maintain the sales price at 72,530 yen (\$504)/MT. For the April – September 2023 period, MAFF will calculate the sales price by extending the price-determining period from the previous six months to the previous 12 months.

Chart 5. MAFF Average Sales Price of Imported Wheat



Source: MAFF

Compound Feed

With relief package funding, MAFF will provide support payments to livestock farmers for the October – December 2022 quarter to compensate for rising compound feed prices (Chart 1).

Japanese feed mills revise their compound feed prices quarterly.⁵ Feed mills increased the average compound feed price 13 percent, to 100,000 yen (\$694)/MT, for the July - September quarter, for which MAFF estimates livestock farmers will receive a 15,000 yen (\$104)/MT compensation payment from the “Compound Feed Price Stabilization System,” jointly administered by MAFF and the livestock industry.

MAFF expects the compound feed prices will remain around 100,000 yen (\$694)/MT from October to December while the compensation payment will drop to between 7,000 yen (\$49)/MT and 5,000 yen (\$35)/MT as a result of rolling averages in the support price mechanism. With support from the relief

⁵ Feed mills sell approximately 40 percent of compound feed directly to livestock farmers and the remaining 60 percent are sold through sales agents and local agricultural cooperatives.

package, MAFF has decided to provide a 6,750 yen (\$47)/MT support payment to livestock farmers to cover the reduction in the compensation payment. As a result, the compound feed price in the October – December 2022 quarter will remain largely unchanged from the previous quarter.

Fertilizer

MAFF will provide support payments to cover 70 percent of the increased fertilizer costs to farmers who adopt measures to reduce chemical fertilizer use by 20 percent. Approved measures include use of livestock manure and sewage sludge compost, cover cropping, and fertilizer application based on soil analysis. The support payments will be applicable to autumn and spring fertilizers.

The information in this policy section is updated from [JA2022-0073](#).

Annexed Table 1. Japan Compound and Feed Production and Ingredients Composition

MY	Corn	Sorghum	Wheat	Wheat Flour	Barley	Rice	Other Grains	DDGS	Soybean Meal	Rapeseed Meal	Other Ingredients	TOTAL
2016/17	10,963,813	537,868	451,748	198,078	822,410	1,113,796	137,883	501,962	2,929,498	1,188,101	4,839,950	23,685,108
	46.3%	2.3%	1.9%	0.8%	3.5%	4.7%	0.6%	2.1%	12.4%	5.0%	20.4%	100%
2017/18	11,423,194	520,789	413,442	203,771	828,412	838,915	138,958	543,956	2,929,230	1,118,223	4,900,850	23,859,742
	47.9%	2.2%	1.7%	0.9%	3.5%	3.5%	0.6%	2.3%	12.3%	4.7%	20.5%	100%
2018/19	11,650,310	464,960	390,898	186,242	822,948	746,394	137,063	516,466	2,989,815	1,111,783	4,932,988	23,949,867
	48.6%	1.9%	1.6%	0.8%	3.4%	3.1%	0.6%	2.2%	12.5%	4.6%	20.6%	100.0%
2019/20	11,796,346	383,653	361,064	175,347	836,561	907,750	139,825	429,848	3,065,662	1,125,880	4,919,902	24,141,838
	48.9%	1.6%	1.5%	0.7%	3.5%	3.8%	0.6%	1.8%	12.7%	4.7%	20.4%	100.0%
2020/21	11,609,634	305,656	406,815	169,629	878,353	1,133,973	137,585	435,612	3,066,096	1,141,458	4,910,010	24,194,821
	48.0%	1.3%	1.7%	0.7%	3.6%	4.7%	0.6%	1.8%	12.7%	4.7%	20.3%	100.0%
2021 Oct	947,966	22,665	42,939	14,196	75,847	104,252	11,529	36,269	257,772	96,701	409,086	2,019,222
	46.9%	1.1%	2.1%	0.7%	3.8%	5.2%	0.6%	1.8%	12.8%	4.8%	20.3%	100.0%
Nov	989,172	23,911	43,178	14,651	78,812	116,890	11,841	38,279	270,197	101,091	423,455	2,111,477
	46.8%	1.1%	2.0%	0.7%	3.7%	5.5%	0.6%	1.8%	12.8%	4.8%	20.1%	100.0%
Dec	1,068,384	24,664	43,956	16,293	86,065	125,763	12,556	41,735	290,055	107,164	462,813	2,279,448
	46.9%	1.1%	1.9%	0.7%	3.8%	5.5%	0.6%	1.8%	12.7%	4.7%	20.3%	100.0%
2022 Jan	907,040	20,592	36,657	13,594	72,485	114,150	10,329	36,721	247,480	90,029	383,406	1,932,483
	46.9%	1.1%	1.9%	0.7%	3.8%	5.9%	0.5%	1.9%	12.8%	4.7%	19.8%	100.0%
Feb	882,938	19,250	34,447	14,186	72,031	112,680	10,313	35,457	239,060	89,631	379,228	1,889,221
	46.7%	1.0%	1.8%	0.8%	3.8%	6.0%	0.5%	1.9%	12.7%	4.7%	20.1%	100.0%
Mar	1,016,120	22,067	38,758	17,746	84,070	123,484	12,010	37,495	275,328	103,009	441,067	2,171,154
	46.8%	1.0%	1.8%	0.8%	3.9%	5.7%	0.6%	1.7%	12.7%	4.7%	20.3%	100.0%
Apr	956,995	21,035	36,867	16,794	78,125	104,217	11,038	35,916	252,917	95,476	415,394	2,024,774
	47.3%	1.0%	1.8%	0.8%	3.9%	5.1%	0.5%	1.8%	12.5%	4.7%	20.5%	100.0%
May	937,478	20,689	35,375	16,219	76,665	102,653	10,780	35,301	246,098	91,797	402,774	1,975,829
	47.4%	1.0%	1.8%	0.8%	3.9%	5.2%	0.5%	1.8%	12.5%	4.6%	20.4%	100.0%
June	969,136	20,556	37,215	17,555	81,520	101,826	11,632	37,144	252,707	94,602	425,577	2,049,470
	47.3%	1.0%	1.8%	0.9%	4.0%	5.0%	0.6%	1.8%	12.3%	4.6%	20.8%	100.0%
Oct/June	8,675,229	195,429	349,392	141,234	705,620	1,005,915	102,028	334,317	2,331,614	869,500	3,742,800	18,453,078
	47.0%	1.1%	1.9%	0.8%	3.8%	5.5%	0.6%	1.8%	12.6%	4.7%	20.3%	100.0%

Source: MAFF, MY: October - September

Attachments:

No Attachments