USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

Required Report - public distribution

Date: 8/15/2012
GAIN Report Number: JA2020

Japan

Stone Fruit Annual

Japanese Cherry and Peach Farmers Get Creative to Counteract Labor Shortages

Approved By:
Jennifer Clever

Prepared By:
Kenzo Ito and Jennifer Clever

Report Highlights:
In the 2012/13 season, Japanese cherry production is expected to revert to normal levels following last year's bumper crop. Japanese imports of U.S. cherries may slow slightly due to lower supplies from California. California is temporarily suspended from shipping cherries under the systems approach protocol. Japanese peach production is likely to slow. Lingering fears about radioactive contamination continue to dampen export prospects for Fukushima peach farmers.

Fresh Cherries

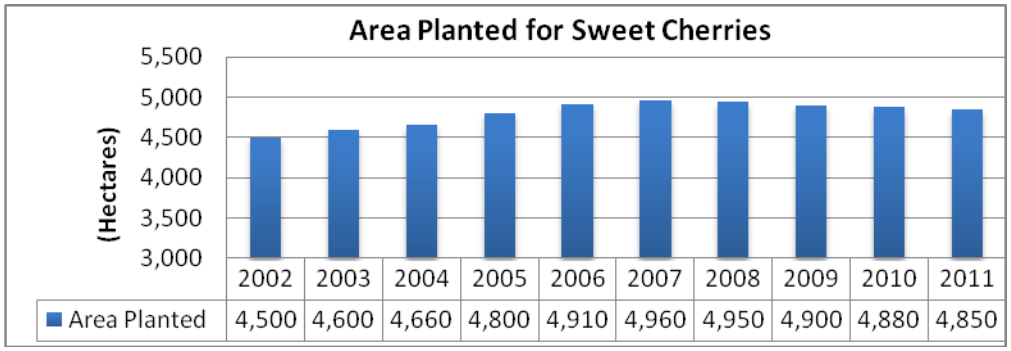
PS&D Table:

Fresh Cherries,(Sweet&Sour) Japan	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	4,880		4,860	4,850		4,820
Area Harvested	4,470		4,450	4,440		4,410
Bearing Trees	0		0			
Non-Bearing Trees	0		0			
Total Trees	0	0	0	0		0
Commercial Production	17,500		18,500	18,000		17,300
Non-Comm. Production	2,200		2,500	2,400		2,200
Production	19,700	0	21,000	20,400		19,500
Imports	11,009		9,300	10,351		9,700
Total Supply	30,709	0	30,300	30,751		29,200
Fresh Dom. Consumption	28,959		28,450	28,951		27,450
Exports	0		0	0		0
For Processing	1,750		1,850	1,800		1,750
Withdrawal From Market	0		0	0		0
Total Distribution	30,709	0	30,300	30,751		29,200

*Area measured in hectares

#Production, Imports and Consumption measured in metric tons

Crop Area

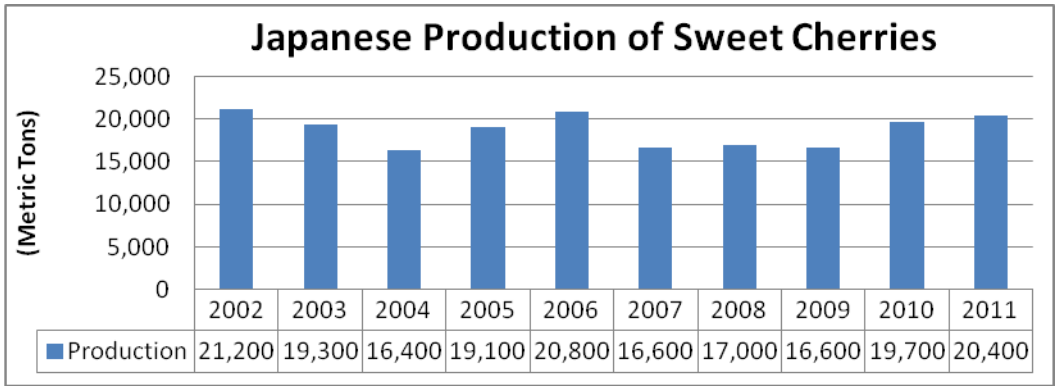


Source: MAFF

According to the Ministry of Agriculture, Forestry and Fisheries (MAFF), Japan's planted area for sweet cherries in the 2011/12 season was 4,850 hectares, a decline of 30 hectares from the previous season. The area harvested also declined 30 hectares from the previous season to 4,440 hectares. Since the 2007 season, the Japanese crop area for sweet cherries has been marginally declining. This decline is primarily due to the overall labor shortage in the Japanese agriculture sector resulting from an aging population. According to the 2010 Japanese census of agriculture, the average age of Japanese farmers is 65.8 years old.

The Yamagata Prefecture, located 200 miles north of Tokyo, has the largest crop area of sweet cherries in Japan (about 66 percent of the nation's total crop land dedicated to cherries.) The Yamagata Prefectural government reports that local cherry growers have been facing reductions in labor force as many cherry growers are aging and only a few young people are joining the farm sector. The Yamagata Prefectural government reports that today about 60 percent of farmers in the Prefecture are over 65 years old, and only 226 young people joined the Prefectural farm sector in 2010. Given the continued reduction of the farm labor force, Post estimates Japan's cherry tree planting area to continue its marginal decline to 4,820 hectares in the 2012/13 season.

Production



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Production	21,200	19,300	16,400	19,100	20,800	16,600	17,000	16,600	19,700	20,400

Source: MAFF

Yamagata is the major producer of Japanese cherries, growing about 76 percent of the nation's total cherry output. The most common cherry trees varieties planted in Yamagata are the "Satonishiki" and the "Benishuho" varieties. According to industry sources, Japan's key production region in Yamagata experienced relatively mild weather in the spring of 2012. As a result, the cherry production process started a few days earlier than average. The cherry blooming season started in late April and the overall fruit-setting went relatively well, except in some regions with colder temperatures and where bee pollination was not quite as successful. Japanese cherry growers commonly use bees for pollination and some growers use artificial pollination (by hand) to ensure better fruit-setting. The Yamagata Prefectural government expects this season to have about 10 percent more crop than the average year. That said, this season's expected Yamagata crop is still less than the previous season's bumper crop which had the highest production in the last 10 years. Correspondingly, for the 2012/13 season, Post forecasts the nation's total output of cherries to normalize to approximately 19,500 metric tons, 4 percent less than the previous season.

The peak harvesting season for the "Satonishiki" variety (Figure 1) is in late June, while the peak for the "Benishuho" (Figure 2) variety is in early July. In the Yamagata prefecture, the vast majority of cherry farmers are serious, full-time growers who are willing to invest to improve yields. Over the past years, the introduction of new growing techniques have allowed Yamagata cherry farmers to produce more

efficiently and to temporarily offset the effects of a lowering labor force and a gradually declining planting area. Initially, a few farmers began investing in vinyl tents for their cherries. This practice protected the cherries from the rain, prevented them from cracking, and thus increased a lot's yield. Pleased with the results, more and more cherry farmers began adopting this practice. Currently, about 75 percent of Yamagata cherry trees are planted under vinyl tents. Figure 1 below shows "Benishuho" trees planted under vinyl tents.

(Figure 1)

(Figure 2)

Other important Japanese cherry producers are the Hokkaido Prefecture, the northern island of Japan, and the Aomori and Akita Prefectures, located in the northern parts of the main island. Hokkaido produces about 10 percent of the nation's total cherry output. This season, industry sources report that Hokkaido expects to have a better crop compared to last season when the region's cherry trees were infected by serious plant diseases. In the early spring of 2012, the Hokkaido region experienced cold weather which delayed the start of the cherry production for about one week. Thus, the peak of this harvesting season took place in the middle of July. This season's cherry production in the Akita and Aomori Prefectures is expected to be marginally better than the previous season when the region's cherry trees were damaged by heavy snow. The majority of Japanese cherries are sweet cherries; the Japanese production of tart cherries is insignificant. In addition, the Bing cherry variety is not commonly produced in Japan.

The Fukushima Prefecture also produces cherries, but grows only about 2 percent of Japan's total production. The March 2011 earthquake and tsunami devastated the Pacific coast of the northern Japan. Subsequently, the crisis at the Fukushima Daiichi Nuclear Power Plant raised consumers' concerns about radioactive contamination in agricultural products grown in the region. This severely affected the region's cherry producers and cherry picking farm as travelers opted not to travel to the prefecture.

Today, approximately one year and 5 months since the Fukushima incident, Japanese consumers' concern with radioactive contamination in foods has significantly diminished compared to the previous season. Since March 2011, the Fukushima Prefectural government has continued to weekly monitor cherry production for radioactive substances. Monitoring results have shown residue levels well below

the government safety limit in all of Fukushima's cherry producing areas. In many cases, radioactive substances are even undetectable. As a result, Fukushima farmers expect cherry sales to rebound back to 2010 levels. In addition, as tourism to the northern Japan area has recovered, growers in cherry picking farms are looking forward to welcoming more visitors.

Consumption

Japanese consumption of fresh cherries is significantly dependent on domestic cherry production and imports. As 100 percent of domestic cherries are consumed domestically, Japan does not export cherries. Post estimates that per capita consumption of fresh cherries averages about 200 to 240 grams annually.

Trade – Imports

Japan: Imports of fresh cherries (Quantity)

Marketing year: January-December / Quantity in metric tons

	MY 2007/08	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12
Beginning month of marketing year:	Jan/07	Jan/08	Jan/09	Jan/10	Jan/11
World	**9,374**	**8,525**	**10,013**	**11,009**	**10,351**
United States	9,295	8,454	9,920	10,904	10,263
Market share:	*99%*	*99%*	*99%*	*99%*	*99%*
Chile	45	33	26	53	64
New Zealand	22	21	32	24	16
Australia	13	17	35	26	8
Canada	0	0	0	2	0

Source: Global Trade Atlas

For the 2012/13 season, Post estimates Japanese imports of fresh cherries to be approximately 9,700 metric tons, down approximately 6 percent from the previous year. The United States supplies over 99 percent of Japan's total imports. California and the Pacific Northwest region (the States of Washington and Oregon) are the major suppliers of fresh cherries to Japan. On May 4, 2012, this season's first shipment of cherries arrived from California, a few days later compared to the previous season. California supplied cherries to Japan daily until June 25, with supplies peaking in late May and early June. Early in the season California supplied Brooks, Garnet and Tulare cherries as early-crop varieties, and then Bing, Rainier, Van and Lambert as late-crop varieties. Industry sources note that during January 2012, the cherry-growing region in southern California experienced warm days which provided unfavorable crop conditions for cherry trees. Cherry trees usually need chilly weather in the winter in order to produce better and sweeter fruit with a longer shelf- life. For the 2012/13 season, the Japanese industry estimates California's supply of cherries to Japan to be approximately 830,000 18-pound cartons (6,700 metric tons), about 17 percent less than the previous season.

Meanwhile, the first shipment from the Pacific Northwest arrived in Japan on June 14, about a week earlier compared to last season. This season, traders report that contrary to California's poor crop situation, the Pacific Northwest region expects a record crop this year with a large volume of high quality fruit. The Pacific Northwest region had an ideal winter and spring for growing cherries. At the

time of this report, supplies from the Pacific Northwest were up 38 percent from the previous season. Industry expects shipments to continue arriving until September. That said, the increase in supplies from the Pacific Northwest is unlikely to offset the drop in cherry supplies from California. Hence, during the 2012/13 season, post estimates Japanese imports of U.S. cherries to slow slightly from last season.

Other suppliers of fresh cherries to Japan include Chile, New Zealand and Australia. Taking advantage of the different production seasons, suppliers in the Southern Hemisphere ship fresh cherries during Japan's winter season at higher market prices. In Japan, fresh cherries are mainly given as gifts during the Christmas and the New Year holiday season. Despite enjoying a lower tariff rate under the Japan-Chile Economic Partnership Agreement (EPA) at 3.2 percent, Japanese imports of Chilean cherries remain under 100 metric tons annually. Overall, industry expects supplies from Southern Hemisphere suppliers to continue at the same level.

Trade – Exports

Japanese exports of fresh cherries are nil, as domestic production is only large enough to satisfy local demand.

Policy

Due to findings of codling moth in the United States, two types of protocols were established for importing fresh cherries from the United States. Cherries can be imported into Japan under either protocol. One protocol requires all U.S. cherry varieties to be fumigated with methyl-bromide before entering Japan. Starting in 2009, the other protocol, commonly known as the "systems approach," allows imports of U.S. cherries without methyl-bromide fumigation provided certain monitoring conditions are met. Currently, about 10-15 percent of California cherries, and 40 percent of Pacific Northwest cherries enter Japan under the systems approach.

Other world suppliers are also able to ship cherries to Japan under the systems approach protocol. New Zealand started in 2005 and Australia (Tasmania) started in 2008. Protocol negotiations between MAFF and other suppliers are under way. For example, MAFF protocol negotiations with Chile continue, while Canada has expressed interest in exporting under the systems approach protocol. According to MAFF, countries are increasingly interested in shipping under a systems approach for environmental purposes as they seek to phase out their use of methyl bromide as a fumigant.

Since the last Stone Fruit Annual report (August 2011), USDA's Animal Plant Health Inspection Service (APHIS) and U.S. cherry growers have been actively working on the following plant health issues.

Systems-Approach for California cherry exports temporarily suspended:
On May 21, 2012 a 1st-stage instar larva was found in cherries to be imported under the systems approach during the arrival inspection at the packinghouse in Kings County, California. In response, MAFF requested APHIS to suspend all California cherry exports under the systems approach. On May 24, APHIS suspended all systems approach cherries from California. For the next following days, MAFF doubled its inspection rate on California cherry air and ground shipments destined to enter under the systems approach. On May 30, the suspect larva was identified as codling moth, and hence the suspension of the systems approach program in California remained in place. In July 2012, APHIS submitted a report with corrective actions to MAFF and is currently waiting for their reply. It is important to note that this higher inspection rate did not affect cherries from the Pacific Northwest.

The inclusion of Idaho to the Pacific Northwest Systems Approach program:
Presently, Idaho cherries are allowed to enter Japan with methyl-bromide fumigation. However, no fumigation facilities in Idaho are currently approved by MAFF to treat cherry exports to Japan. In July 2010, MAFF completed its inspection of Idaho facilities and in November 2010, APHIS submitted a report to MAFF on a systems approach pilot study conducted in Idaho. MAFF recently completed its review of the report. However, in order to move forward and finalize the inclusion of Idaho to the Pacific Northwest systems approach program, MAFF needs to hold a public comment period on its decision. As a routine part of this process, MAFF is setting up meetings with domestic cherry stakeholders (growers and distributors) to explain their decision and seek their understanding.

Cherry as a Commodity:
In the protocol requiring methyl-bromide fumigation on U.S. cherry exports entering Japan, Japan must approve each individual new variety of fresh cherries following fumigation trials. This is a burdensome process that restricts the introduction of new cherry varieties into this market. In February 2007, the United States requested Japan to encourage its acceptance of fresh sweet cherries as a single commodity, all varieties of which may be imported without the need for separate testing.

From 2008 to 2010, USDA conducted a series of tests on different sizes and varieties of cherries and submitted the data to MAFF. Technical discussions between USDA/APHIS and MAFF on this issue were completed in 2011. In order to finalize its decision, MAFF must hold a public comment period as part of its mandatory process. Once again, prior to holding a public comment period, MAFF will be setting meetings with domestic stakeholders to obtain their understanding.

Western Cherry Fruit Fly (WCFF):
In 2009, Western Cherry Fruit Fly (WCFF) was found in cherries that were shipped from the Pacific Northwest under the systems approach. In this instance, as Japan no longer considers WCFF a prohibited pest, MAFF has allowed U.S. cherries shipped under the systems approach to be treated with

methyl-bromide fumigation if WCFF is detected upon arrival in Japan. As of 2012, this agreement remains in effect.

Marketing

In the 2012/13 season, U.S. cherry sales started on May 4 as the first shipment of fresh cherries arrived from California. Japanese retail stores and supermarkets promoted the sales of fresh cherries by disseminating sales flyers to individual homes, decorating their shops with promotional posters and encouraging shoppers to taste U.S. cherries by providing cherry samples. As shipments of cherries increased toward late May, promotional U.S. cherry sales activities strengthened at Japanese retail stores. As this season fresh cherries from the Pacific Northwest region arrived earlier, supplies of U.S. cherries in the Japanese market made a smooth transition despite California's short crop. The Pacific Northwest cherries did compete fiercely with domestic cherries from late June through mid July. Nonetheless, the domestic cherry season is relatively short, while cherries from the Pacific Northwest are available until September. Representatives from the Pacific Northwest Cherry Grower's in Japan report that they have been quite successful in getting leading Japanese retailers to join their promotional sales of Pacific Northwest cherries. Specifically, promotional activities emphasized sales of larger fruit-size cherries and the Rainier cherry variety. This season, the Pacific Northwest cherry industry is using a new packaging strategy to reduce labor costs and waste disposal costs unique to doing business Japan. Instead of doing consumer-ready packaging for cherries in Japan, the industry is packing their cherries in Washington and Oregon, and then shipping them to Japan in master cases. This saves on expensive labor and the disposal fees the Japanese government charges to dispose of cartons.

On July 8, 2012 Japan's leading national chain supermarket conducted American Food Fair promotions throughout Tokyo and neighboring prefectures. The American Fairs featured cherries from the Pacific Northwest.

U.S. cherries featured at an American Food Fair. Japanese costumers got a chance to sample Rainer cherries from the Pacific Northwest.

Prices

In early July 2012, the average retail price for American cherries in the Tokyo Metro area was approximately $1.27 (100 yen) per 100 grams for Bing cherries, and about $2.29 (180 yen) per 100 grams for Rainier cherries. A national chain supermarket sold U.S. Bing cherries at $6.11 (480 yen) for a 500-gram plastic clamshell pack and U.S. Rainier cherries at $7.61 (598 yen) for a 350-gram pack. While, domestic cherries were sold at $6.34 (498 yen) for a 350-gram pack (small sized cherry) at the same supermarket. Overall, prices remain about the same as last year.
*The 78.59 yen per dollar exchange rate is based on a Nikkei News quote from July 19, 2012.

Wholesale Prices

Japan: Fresh Cherry Wholesale Prices*

Domestic (Yen/KG)			Imports (Yen/KG)		
	2011	2012		2011	2012
January	…	…	January**	¥1,243	¥1,729
February	…	…	February	…	…
March	…	…	March	…	…
April	¥6,763	¥6,836	April	¥1,637	¥1,703
May	¥4,417	¥4,512	May	¥1,107	¥1,262
June	¥1,512		June	¥1,083	
July	¥1,041		July	¥972	
August	¥1,368		August	¥919	
September	…		September	…	
October	…		October	…	
November	…		November	…	
December	…		December	¥1,389	

Source: MAFF *Source: MAFF*

*Wholesale prices for both domestic and imports are average wholesale prices at the major wholesale markets.

**Wholesale prices for imports in December and January are prices for cherries from Chile, New Zealand and Australia.

Tariff Table

Japan: Import Duties 2012

Tariff Code (HS)	Description	Duty Rate (%)*
0809.20	Fresh cherries	8.5%

Source: Customs Tariff Schedules of Japan 2012

** all duties are charged on a CIF basis*

Fresh Peaches

PS&D Table:

Fresh Peaches & Nectarines Japan	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	10,900		10,800	10,800		10,700
Area Harvested	10,000		9,900	9,980		9,950
Bearing Trees	0		0	0		0
Non-Bearing Trees	0		0	0		0
Total Trees	0	0	0	0		0
Commercial Production	125,700		133,000	128,100		127,000
Non-Comm. Production	11,000		12,000	11,700		11,000
Production	136,700	0	145,000	139,800		138,000
Imports	0		0	0		0

Total Supply	136,700	0	145,000	139,800		138,000
Fresh Dom. Consumption	118,706		126,000	121,520		120,000
Exports	494		500	280		300
For Processing	17,500		18,500	18,000		17,700
Withdrawal From Market	0		0	0		0
Total Distribution	136,700	0	145,000	139,800		138,000

*Area measured in hectares

#Production, Exports and Consumption measured in metric tons

Crop Area

According to the Ministry of Agriculture, Forestry and Fisheries (MAFF), Japan's total planted area for peach trees in the 2011/12 season decreased 100 hectares from the previous season to 10,800 hectares. The area harvested also declined marginally from last season. Over the last decade, Japan's crop area for peaches has been constantly declining at approximately 1 percent annually due to labor shortages in the Japanese farm sector.

The Yamanashi Prefecture, located 80 miles west of Tokyo has the largest nation's crop area for peaches. The Yamanashi Prefectural government reports that peach farmers in Yamanashi are aging rapidly and the current young farm labor cannot compensate for the overall loss of older farmers retiring. As a result, the peach crop area in the Yamanashi prefecture has been declining by 10 to 20 hectares annually.

The Fukushima Prefecture, located 120 miles north of Tokyo, is also an important region for Japanese peach production. According to the Fukushima Prefectural government, Fukushima peach farmers are also facing similar problems; an aging farm population and a declining farm labor force. Given these continuing challenges, post estimates that Japan's planted area for peach trees will marginally decline to 10,700 hectares in the 2012/13 season.

Peach trees planted in Japan are almost all white peaches trees with very little yellow peaches. The common peach trees planted in Japan are the "Hakuho" variety in the Yamanashi region (Figure 3) and the "Akatsuki" variety in the Fukushima region (Figure 4). Japan's crop area for nectarines is reportedly very limited, approximately 250 hectares.

Figure 3 "Hakuho" variety in Yamanashi.

Figure 4 "Akatsuki" variety in Fukushima

Production

MAFF reports that Japan's total production of peaches in the 2011/12 season was 139,800 metric tons, up approximately 2 percent from the previous season. MAFF reports that the nation's two major producing regions (Yamanashi and Fukushima) experienced good weather conditions in the 2011/12 season, thus the production yield in both regions was relatively good.

The Yamanashi Prefectural government reports that in 2012, blooming in the region's peach trees delayed about one week compared to the average year due to colder weather in the early spring. However, after the blooming season in April, weather in Yamanashi turned ideal for peach production. In addition, during the rainy season in June and July the Yamanashi region had relatively short rainfalls compared to a regular rainy season that gave a good sunshine to the region. In Yamanashi, the harvesting of early crop varieties started in late June and it will continue until early August.

According to the Fukushima Prefectural government, the blooming of peach trees also delayed a few days compared to the average year, however since May, weather in Fukushima has been stable and fruit is growing well. Japanese industry reports that overall fruit size in Fukushima is relatively small this year. The production of the "Akatsuki" variety started in late July and harvest peaked in August. Industry also reports that in the late July and the early August heat wave in Japan may possibly increase the size of the fruit in the late crop varieties. In Fukushima, peach harvest commonly starts in mid July and continues until mid September.

In order to compensate short labor force, Fukushima farmers are looking for ways to efficiently utilize the labor they have. For example, farmers are trying to reduce their work load during the peak harvesting time by transplanting regular variety trees with early crop varieties and late crop varieties so that their harvesting time can be extended from one month to over two months. With this change, farmers are able to manage a relatively larger crop area with a limited labor force. These new practices and the relatively stable weather conditions may not be enough to offset overall lowering yields. Hence,

post forecasts the nation's total output of peaches to be about 138,000 metric tons, slightly lower from the good crop of the previous season and slightly below the annual average.

On March 11, 2011 the Great North East Japan Earthquake and tsunami fatally damaged the Fukushima Daiichi Nuclear Power Plant. As a result, possible radioactive contamination in the region's agricultural products became a big concern among Japanese consumers and agricultural growers. During the summer of 2011, given the lingering consumer's fears of radioactive contamination, the Fukushima agricultural cooperatives actively set up consumer campaigns to promote the safety of the prefecture's farm products. In addition, some Japanese consumer groups made a big nationwide push to buy Fukushima products in order to support Fukushima farmers. In the beginning of last season, trading prices of Fukushima peaches were unchanged. However, when the major peach supplier changed from Yamanashi to Fukushima in August of 2011, consumer's fears of radioactive contamination slowed peach sales and trading prices gradually declined.

This season, one year and 5 months since the Fukushima nuclear incident, Japanese consumer's overall concern with radioactive contamination in agricultural products appears to have subsided. Similar to other agricultural produce from the region, the Fukushima Prefectural government continues to monitor radioactive contamination on fresh peaches on a weekly basis. Testing reports show contamination levels well below the government's allowable limit or show no detection at all. Fukushima peach farmers expect this season's sales to recover to the pre-earthquake levels and anticipate visitors will return to peach-picking farms as tourism to northern Japan has recovered.

Consumption

According to the Ministry of Internal Affairs and Communications (MIC), the 2011 Japanese consumption of fresh peaches declined by 8 percent to 1.67 kilograms per household. This is the average Consumption for two-or-more-person households. MIC reports that the consumption of agricultural foods produced in north-eastern Japan declined due to consumers' fear of radioactive contamination. As Fukushima is one of the two major peach producers in Japan, the decline in consumption of Fukushima peaches affected the nation's total peach consumption. MIC also reports that, in general, the Great North East Japan Earthquake and its aftermath dampened overall Japanese consumption in 2011.

Trade – Imports

There were no imports of fresh peaches/nectarines in the 2011/12 season. U.S. nectarines are subject to methyl-bromide fumigation before entering to Japan due to codling moth concerns. Under the current fumigation requirements, traders state that it is not economically feasible to ship only small volumes to Japan. There have been no imports of nectarines since 2005. As for fresh peaches, currently, imports from the United States remain banned due to phytosanitary concerns.

Trade – Exports

Japan: Exports of fresh peaches (Quantity)

Marketing year: January-December / Quantity in metric tons

	MY 2007/08	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12
Beginning month of marketing year:	Jan/07	Jan/08	Jan/09	Jan/10	Jan/11
World	**488**	**562**	**514**	**494**	**280**
United States	0	0	0	0	0
Exports share:	*0%*	*0%*	*0%*	*0%*	*0%*
Taiwan	394	421	306	261	122
Hong Kong	90	135	204	229	156
Singapore	2	1	3	3	3
All other	2	5	1	1	0

Source: Global Trade Atlas

In the 2011/12 season, Japanese exports of fresh peaches significantly declined due to fears of radioactive contamination in neighboring countries. At that time, Japanese exports of fresh peaches to Taiwan dropped by 53 percent to 122 metric tons. Similarly, Japanese exports to Hong Kong also dropped by 32 percent to 156 metric tons. According to the Yamanashi prefectural government, in 2012, Yamanashi industry expects to export about 200 to 300 metric tons of fresh peaches to the neighboring countries. On the other hand, as radioactive contamination fears in traditional export markets continue, the Fukushima peach industry does not expect to export this year.

Policy

Due to the findings of codling moth in the United States, all varieties of U.S. nectarines are required to be fumigated with methyl-bromide before entering Japan. Similarly, due to the pest concerns Japan continues to ban imports of U.S. fresh peaches.

Marketing

As there are no imports of U.S. peaches or nectarines in this market, there are no marketing activities promoting these products in Japan.

Prices

Japan: Fresh Peach Wholesale Prices

Domestic (Yen/KG)		
	2011	2012
April	¥2,238	¥3,305
May	¥1,489	¥1,651
June	¥624	
July	¥529	
August	¥326	
September	¥357	
October	¥423	

Source: MAFF

*Wholesale prices are average wholesale prices at the major wholesale markets.

In early August 2012, a national chain supermarket sold domestic white peaches at $5.08 (398 yen) for a package of two medium sized fruit, and $8.67 (680 yen) for a package of four medium sized fruit. Domestic peach prices appear to be back to normal from last season as the Yamanashi "Hakuho" variety and the Fukushima "Akatsuki" variety were displayed at the store side-by-side and sold at the same price.

*The 78.41 yen per dollar exchange rate is based on a Nikkei News quote from August 8, 2012.

Tariff Table

Japan: Import Duties 2012

Tariff Code (HS)	Description	Duty Rate (%)*
0809.30	Fresh Peaches/Nectarines	6.0%

Source: Customs Tariff Schedules of Japan 2012

** all duties are charged on a CIF basis*