

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Japan

Grain and Feed Update

Grain and Feed Update - July 2013

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Report Highlights:

Overall feed production in Japan continues to be stable. While corn utilization in feed has shrunk further this marketing year due to high prices, use of sorghum and wheat has advanced. As U.S. corn prices remain at a high level, Brazil has displaced the United States as the leading supplier of feed corn to Japan.

Post has no changes to other PS&Ds at this time.

Post:
Tokyo

Overall Market Situation

Up-to-date feed production statistics and a detailed breakdown of feed ingredient utilization ratios follow. During Japan's fiscal year (JFY) 2012 the corn utilization ratio continued on a gradually declining trend to 42.3 percent. Use of sorghum and wheat has increased instead.

Table 1: Feed Utilization by Ingredients

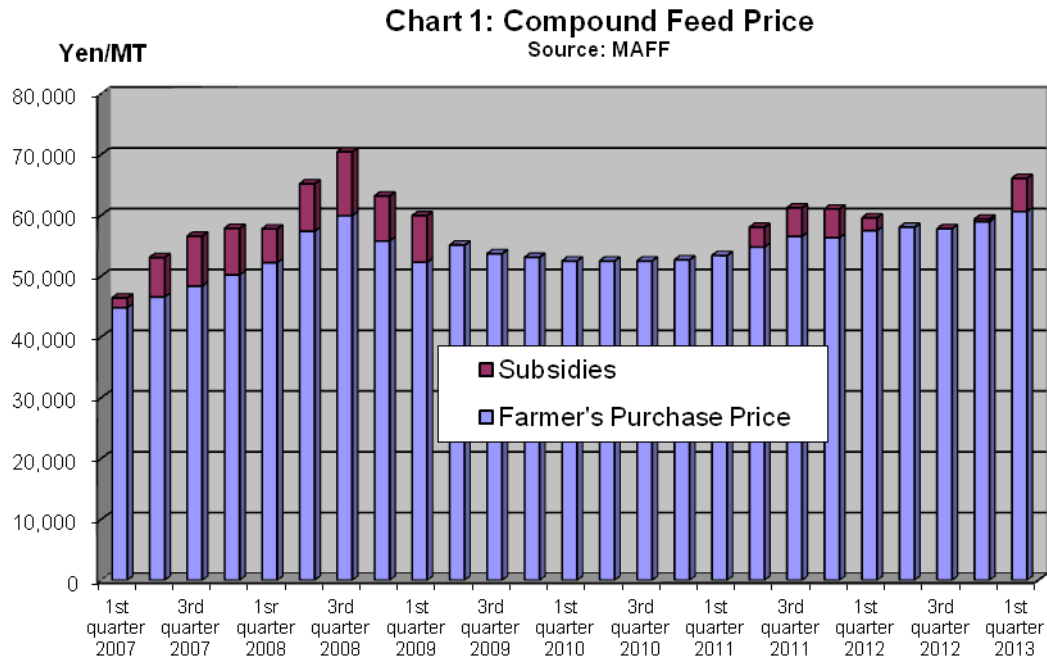
Unit:
MT

Japan Fiscal Year (April- March)	Corn	Sorghum	Wheat	Wheat Flour	Barley	Rice	Rye	Other Grains	DDGS	Non- grain Ingredients	TOTAL
2002	12,037,262 49.2%	1,683,412 6.9%	113,821 0.5%	121,437 0.5%	725,978 3.0%	69,185 0.3%	337,944 1.4%	117,254 0.5%	NA	9,240,205 37.8%	24,446,498 100.0%
2003	12,384,237 50.2%	1,499,279 6.1%	123,369 0.5%	127,500 0.5%	744,537 3.0%	13,464 0.1%	359,704 1.5%	120,310 0.5%	NA	9,282,579 37.6%	24,654,979 100.0%
2004	11,853,348 49.5%	1,395,749 5.8%	90,306 0.4%	127,382 0.5%	770,921 3.2%	285,932 1.2%	259,442 1.1%	123,399 0.5%	NA	9,062,877 37.8%	23,969,356 100.0%
2005	11,894,303 49.2%	1,335,574 5.5%	101,539 0.4%	122,738 0.5%	792,159 3.3%	325,605 1.3%	233,518 1.0%	119,150 0.5%	NA	9,228,722 38.2%	24,153,308 100.0%
2006	12,017,330 49.2%	1,280,438 5.2%	103,640 0.4%	129,212 0.5%	826,682 3.4%	425,942 1.7%	219,254 0.9%	126,810 0.5%	NA	9,291,274 38.0%	24,420,582 100.0%
2007	12,005,863 49.0%	1,137,809 4.6%	95,075 0.4%	131,695 0.5%	859,952 3.5%	557,571 2.3%	152,506 0.6%	143,979 0.6%	NA	9,434,064 38.5%	24,518,514 100.0%
2008	12,059,732 49.1%	1,240,344 5.1%	111,597 0.5%	145,387 0.6%	859,024 3.5%	468,000 1.9%	60,739 0.2%	153,138 0.6%	NA	9,449,421 38.5%	24,547,382 100.0%
2009	11,908,859 47.9%	1,722,923 6.9%	164,014 0.7%	136,567 0.5%	911,019 3.7%	256,020 1.0%	53,924 0.2%	145,614 0.6%	NA	9,554,496 38.4%	24,853,436 100.0%
2010	11,614,834 47.3%	1,464,181 6.0%	223,429 0.9%	135,379 0.6%	901,680 3.7%	401,463 1.6%	103,389 0.4%	152,545 0.6%	219,189 0.9%	9,321,592 38.0%	24,537,681 100.0%
2011	10,935,808 45.1%	1,413,787 5.8%	402,609 1.7%	151,537 0.6%	878,047 3.6%	652,573 2.7%	74,028 0.3%	149,393 0.6%	362,970 1.5%	9,218,996 38.0%	24,239,748 100.0%
2012/Apr	866,024 43.9%	107,035 5.4%	63,322 3.2%	12,323 0.6%	72,356 3.7%	52,073 2.6%	2,228 0.1%	12,258 0.6%	30,270 1.5%	753,090 38.2%	1,970,979 100.0%
May	896,391 43.7%	116,076 5.7%	74,770 3.6%	12,679 0.6%	74,791 3.6%	54,375 2.6%	1,859 0.1%	12,838 0.6%	33,821 1.6%	774,982 37.8%	2,052,582 100.0%

	856,19	112,7	77,2	12,3	72,9	51,6	1,47	12,9	32,8	744,75	1,975,2
June	4	64	51	91	22	33	9	81	62	1	28
	43.3%	5.7%	3.9%	0.6%	3.7%	2.6%	0.1%	0.7%	1.7%	37.7%	100.0%
	815,37	121,2	77,4	12,3	71,8	41,2	1,31	11,0	33,0	715,29	1,900,3
July	3	35	58	94	28	88	3	48	77	1	05
	42.9%	6.4%	4.1%	0.7%	3.8%	2.2%	0.1%	0.6%	1.7%	37.6%	100.0%
	834,06	125,7	83,3	13,3	74,0	40,6	1,36	11,6	34,6	736,44	1,955,1
Aug	3	22	48	38	77	33	3	00	02	7	93
	42.7%	6.4%	4.3%	0.7%	3.8%	2.1%	0.1%	0.6%	1.8%	37.7%	100.0%
	811,95	125,2	84,9	12,7	70,4	40,6	1,23	11,3	34,4	717,71	1,910,7
Sept	7	96	02	65	99	76	9	11	09	4	68
	42.5%	6.6%	4.4%	0.7%	3.7%	2.1%	0.1%	0.6%	1.8%	37.6%	100.0%
	877,41	150,2	92,6	13,6	78,3	29,1	1,19	13,1	37,4	769,84	2,063,0
Oct	1	48	90	25	79	11	8	26	09	1	38
	42.5%	7.3%	4.5%	0.7%	3.8%	1.4%	0.1%	0.6%	1.8%	37.3%	100.0%
	895,84	159,7	94,4	13,8	80,8	27,3	1,39	13,8	38,4	784,04	2,109,8
Nov	8	82	40	35	46	25	0	99	42	0	47
	42.5%	7.6%	4.5%	0.7%	3.8%	1.3%	0.1%	0.7%	1.8%	37.2%	100.0%
	958,27	165,1	92,6	15,0	85,7	30,0	1,39	14,5	41,5	839,02	2,243,4
Dec	7	08	92	84	76	00	4	05	56	2	14
	42.7%	7.4%	4.1%	0.7%	3.8%	1.3%	0.1%	0.6%	1.9%	37.4%	100.0%
	825,96	156,3	78,4	13,3	72,0	33,6	1,03	11,7	36,6	728,57	1,957,9
2013/Jan	3	24	82	52	69	86	3	66	71	4	20
	42.2%	8.0%	4.0%	0.7%	3.7%	1.7%	0.1%	0.6%	1.9%	37.2%	100.0%
	797,75	148,1	71,5	13,1	69,8	34,0	1,08	11,3	35,1	705,14	1,887,1
Feb	8	38	43	02	38	70	0	03	67	4	43
	42.3%	7.8%	3.8%	0.7%	3.7%	1.8%	0.1%	0.6%	1.9%	37.4%	100.0%
	882,01	165,6	75,0	14,9	77,3	37,2	1,16	13,6	38,6	784,18	2,089,9
Mar	2	38	95	98	58	61	3	01	79	2	87
	42.3%	7.8%	3.8%	0.7%	3.7%	1.8%	0.1%	0.6%	1.9%	37.4%	100.0%
2012	10,317,271	1,653,366	965,993	159,886	900,739	472,131	16,739	150,236	426,965	9,053,078	24,116,404
	42.8%	6.9%	4.0%	0.7%	3.7%	2.0%	0.1%	0.6%	1.8%	37.5%	100.0%

Source: Feed Supply Stabilization Organization

Japan has a feed stabilization program, whereby the combination of a subsidy by the Ministry of Agriculture, Forestry and Fisheries (MAFF) and an industry fund helps absorb sudden surges in the compound feed price. It is activated when the import costs of ingredients in a particular quarter exceed the average import costs of ingredients in the previous one year. As the graph below shows, during the most recent quarter (April-June 2013), compound feed prices increased by 3,200 yen per metric ton, from 63,250 to 66,450 yen. This increase was almost entirely absorbed by the subsidy.



Corn Update

The following tables show monthly imports of corn during the current marketing year. Brazil has displaced the United States as the leading supplier of feed corn to Japan, supplying over 56.2 percent of all the feed corn Japan has imported since October last year. Despite higher prices, however, the United States continues to supply over 75 percent of food corn to Japan. As Chart 2 below shows, U.S. share of corn imports in total (feed corn and food corn combined) dropped to 37.6 percent in February 2013. It has since picked up, as the import price started declining (Chart 3). Overall, the United States and Brazil are neck and neck, sharing about 45 percent each of the total corn Japan has imported so far this marketing year.

Table 2: Japan's Corn Imports

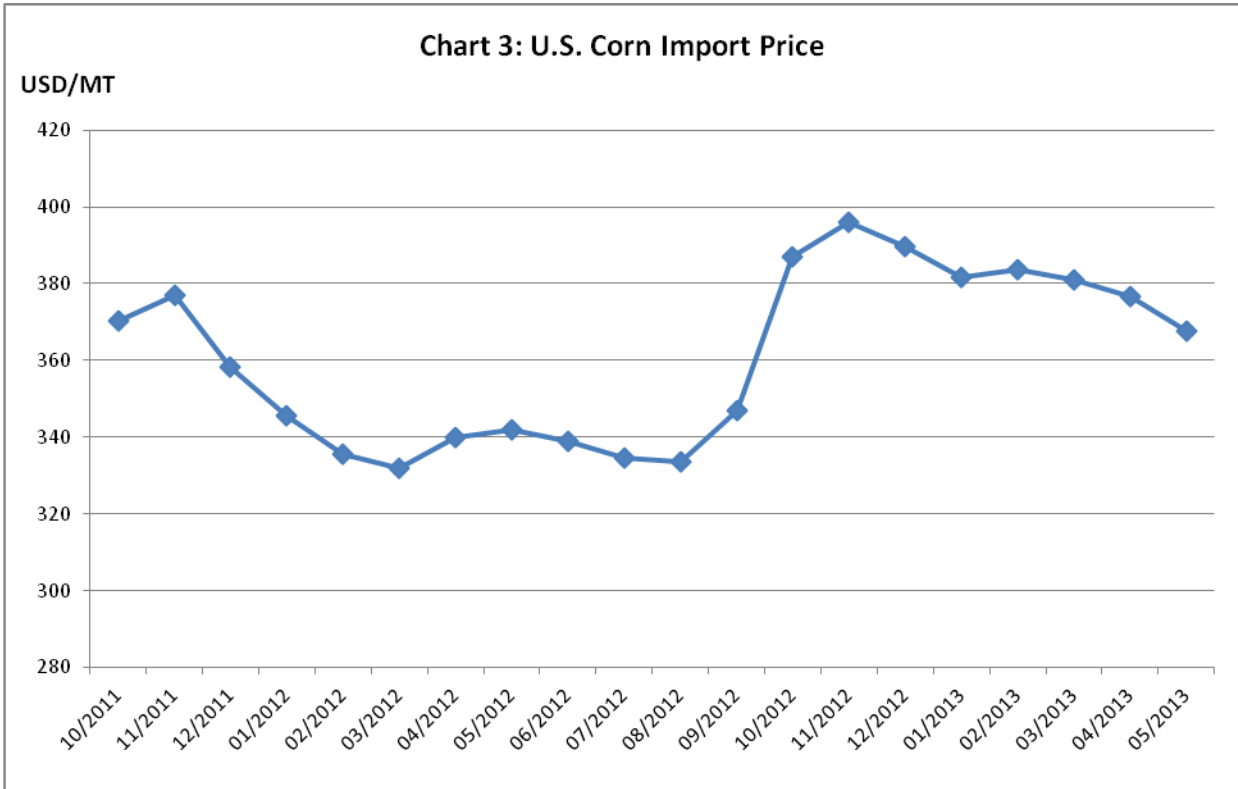
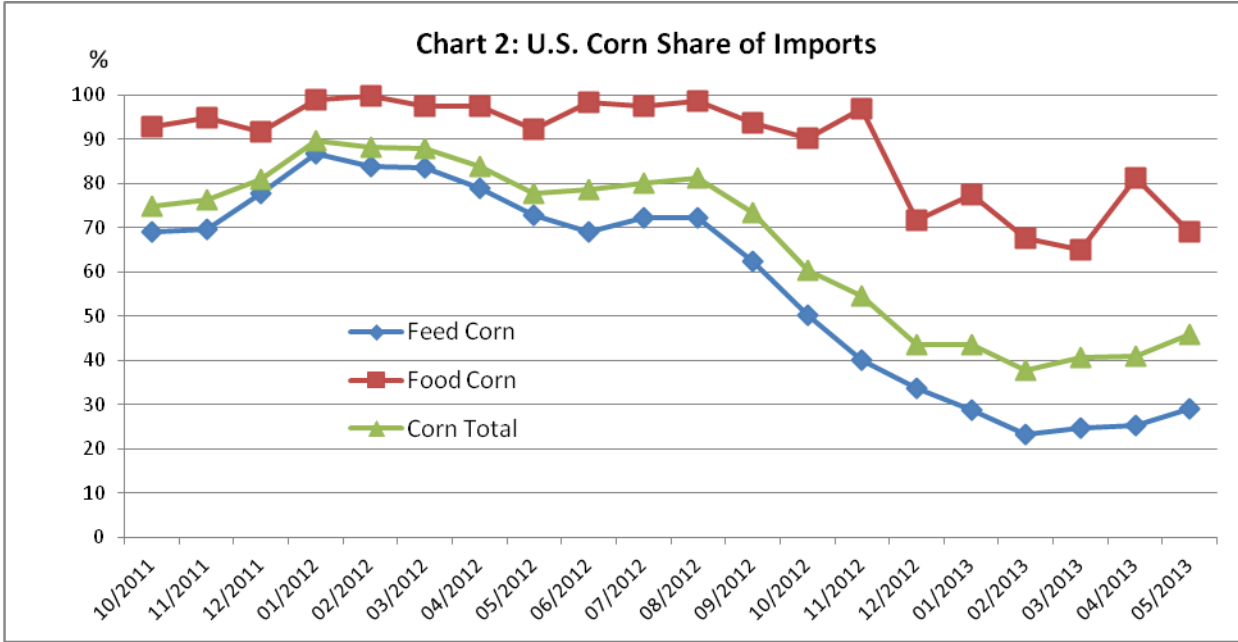
Japan Import Statistics												
Commodity: Corn for Feed												
Monthly Series: 10/2012 - 05/2013												
Partner Country	Unit	Quantity								Cumulative	Share	
		10/2012	11/2012	12/2012	01/2013	02/2013	03/2013	04/2013	05/2013			
World	T	876351	961926	990488	831118	783570	800752	746995	781010	6772210		
Brazil	T	364445	552740	596370	554735	555366	510582	371119	297290	3802647	56.2%	
United States	T	439016	384803	333170	238904	181633	198732	189044	227657	2192959	32.4%	
Argentina	T	72240	12753	29194	18704	27969	47478	69239	121141	398718		
Ukraine	T	650	0	31754	18775	10560	43960	104011	88779	298489		

Other	T	0	11630	0	0	8042	0	13582	46143	79397
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Japan Import Statistics												
Commodity: Corn for Food												
Monthly Series: 10/2012 - 05/2013												
Partner Country	Unit	Quantity								Cumulative	Share	
		10/2012	11/2012	12/2012	01/2013	02/2013	03/2013	04/2013	05/2013			
World	T	298770	326154	345322	357007	376835	512563	286877	555905	3059433		
United States	T	269364	316011	247692	276370	254884	333223	232756	383627	2313927	75.6%	
Brazil	T	23467	9266	84725	71006	98401	149120	49559	98460	584004	19.1%	
Argentina	T	4930	104	8602	15	17199	0	0	36796	67646		
Other	T	1009	773	4303	9616	6351	30220	4562	37022	93856		

Japan Import Statistics												
Commodity: Corn Total												
Monthly Series: 10/2012 - 05/2013												
Partner Country	Unit	Quantity								Cumulative	Share	
		10/2012	11/2012	12/2012	01/2013	02/2013	03/2013	04/2013	05/2013			
World	T	1175121	1288080	1335810	1188125	1160405	1313315	1033872	1336915	9831643		
United States	T	708380	700814	580862	515274	436517	531955	421800	611284	4506886	45.8%	
Brazil	T	387912	562006	681095	625741	653767	659702	420678	395750	4386651	44.6%	
Argentina	T	77170	12857	37796	18719	45168	47478	69239	157937	466364		
Ukraine	T	650	0	31754	18775	10560	43960	104011	88779	298489		
Other	T	1009	12403	4303	9616	14393	30220	18144	83165	173253		

Source: Japan Customs Data



Revised PS&D

Based on the above import statistics, Post's estimate for MY2012/13 overall imports, as well as imports from the United States, has been revised downward to 14.8 MMT and 7 MMT, respectively. Since overall corn imports have started to show signs of recovery in recent months, Post's estimate is slightly higher than the USDA Official.

Corn Japan	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1	1	1	1	1	1
Beginning Stocks	617	617	610	603	611	604
Production	1	1	1	1	1	1
MY Imports	14,892	14,885	14,500	14,800	15,500	15,500
TY Imports	14,892	14,885	14,500	14,800	15,500	15,500
TY Imp. from U.S.	11,688	12,079	0	7,000	0	14,000
Total Supply	15,510	15,503	15,111	15,404	16,112	16,105
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	10,400	10,400	10,000	10,300	11,000	11,000
FSI Consumption	4,500	4,500	4,500	4,500	4,500	4,500
Total Consumption	14,900	14,900	14,500	14,800	15,500	15,500
Ending Stocks	610	603	611	604	612	605
Total Distribution	15,510	15,503	15,111	15,404	16,112	16,105
1000 HA, 1000 MT, MT/HA						