

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Japan

### Grain and Feed Update

#### Grain and Feed Update - July 2014

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**Report Highlights:**

Falling U.S. corn prices have contributed to the recovery of U.S. market share in 2014. The price drop has led to a decrease in the ratio of wheat in feed. Last year's two-month trade disruption caused by the discovery of GE wheat volunteers in an Oregon field doesn't appear to have had a significant impact on the overall import of food quality wheat. However, Japan imported a large volume of feed wheat from Eastern Europe in fall 2013 (prior to the arrival in Japan of the new U.S. corn crop), ostensibly to substitute for short corn supplies.

**Post:**  
Tokyo

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### **Overall Market Situation**

The Feed Stabilization organization issues a monthly feed report which provides feed production data and a detailed breakdown of ingredient utilization. Table 1 shows up-to-date feed production statistics. During Japan's fiscal year (JFY) 2013 (April 2013 – March 2014) the average corn utilization ratio was 43.64 percent, up nearly one percentage point from the previous year. Although this recovery appears slight, the ratio for the second half of last year was 45.17 percent, up 3 percentage points from the first half of the year, showing the recovery from the tight corn supplies resulting from the 2012 drought in the United States. Accordingly, use of sorghum and wheat in feed has decreased compared to the previous year.

**Table 1: Feed Utilization by Ingredients  
(Unit: MT)**

Japan Fiscal Year (April- March)	Corn	Sorghu m	Whea t	Whea t Flour	Barley	Rice	Rye	Other Grain s	DDGS	Non- grain Ingredie nts	TOTAL
2002	12,037,2 62 49.20%	1,683,4 12 6.90%	113,8 21 0.50%	121,4 37 0.50%	725,9 78 3.00%	69,18 5 0.30%	337,9 44 1.40%	117,2 54 0.50%	NA	9,240,20 5 37.80%	24,446,4 98 100.00%
2003	12,384,2 37 50.20%	1,499,2 79 6.10%	123,3 69 0.50%	127,5 00 0.50%	744,5 37 3.00%	13,46 4 0.10%	359,7 04 1.50%	120,3 10 0.50%	NA	9,282,57 9 37.60%	24,654,9 79 100.00%
2004	11,853,3 48 49.50%	1,395,7 49 5.80%	90,30 6 0.40%	127,3 82 0.50%	770,9 21 3.20%	285,9 32 1.20%	259,4 42 1.10%	123,3 99 0.50%	NA	9,062,87 7 37.80%	23,969,3 56 100.00%
2005	11,894,3 03 49.20%	1,335,5 74 5.50%	101,5 39 0.40%	122,7 38 0.50%	792,1 59 3.30%	325,6 05 1.30%	233,5 18 1.00%	119,1 50 0.50%	NA	9,228,72 2 38.20%	24,153,3 08 100.00%
2006	12,017,3 30 49.20%	1,280,4 38 5.20%	103,6 40 0.40%	129,2 12 0.50%	826,6 82 3.40%	425,9 42 1.70%	219,2 54 0.90%	126,8 10 0.50%	NA	9,291,27 4 38.00%	24,420,5 82 100.00%
2007	12,005,8 63 49.00%	1,137,8 09 4.60%	95,07 5 0.40%	131,6 95 0.50%	859,9 52 3.50%	557,5 71 2.30%	152,5 06 0.60%	143,9 79 0.60%	NA	9,434,06 4 38.50%	24,518,5 14 100.00%
2008	12,059,7 32 49.10%	1,240,3 44 5.10%	111,5 97 0.50%	145,3 87 0.60%	859,0 24 3.50%	468,0 00 1.90%	60,73 9 0.20%	153,1 38 0.60%	NA	9,449,42 1 38.50%	24,547,3 82 100.00%
2009	11,908,8 59 47.90%	1,722,9 23 6.90%	164,0 14 0.70%	136,5 67 0.50%	911,0 19 3.70%	256,0 20 1.00%	53,92 4 0.20%	145,6 14 0.60%	NA	9,554,49 6 38.40%	24,853,4 36 100.00%
2010	11,614,8 34	1,464,1 81	223,4 29	135,3 79	901,6 80	401,4 63	103,3 89	152,5 45	219,1 89	9,321,59 2	24,537,6 81

	47.30%	6.00%	0.90%	0.60%	3.70%	1.60%	0.40%	0.60%	0.90%	38.00%	100.00%
2011	10,935,808	1,413,787	402,609	151,537	878,047	652,573	74,028	149,393	362,970	9,218,996	24,239,748
	45.10%	5.80%	1.70%	0.60%	3.60%	2.70%	0.30%	0.60%	1.50%	38.00%	100.00%
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
	42.80%	6.90%	4.00%	0.70%	3.70%	2.00%	0.10%	0.60%	1.80%	37.50%	100.00%
2013/April	841,577	159,123	71,001	14,258	74,945	35,305	1,177	12,601	36,731	754,851	2,001,569
	42.00%	7.90%	3.50%	0.70%	3.70%	1.80%	0.10%	0.60%	1.80%	37.70%	100.00%
May	867,782	166,829	73,001	14,774	78,587	36,318	1,393	12,919	37,829	774,992	2,064,424
	42.00%	8.10%	3.50%	0.70%	3.80%	1.80%	0.10%	0.60%	1.80%	37.50%	100.00%
June	791,774	151,508	69,545	13,105	71,113	33,039	782	12,479	34,408	707,911	1,885,664
	42.00%	8.00%	3.70%	0.70%	3.80%	1.80%	0.00%	0.70%	1.80%	37.50%	100.00%
July	809,011	151,631	74,285	12,425	75,220	33,562	1,455	12,764	35,637	724,555	1,930,545
	41.90%	7.90%	3.80%	0.60%	3.90%	1.70%	0.10%	0.70%	1.80%	37.50%	100.00%
Aug	798,935	147,083	74,985	12,405	73,892	33,366	1,621	12,960	36,117	718,025	1,909,389
	41.80%	7.70%	3.90%	0.60%	3.90%	1.70%	0.10%	0.70%	1.90%	37.60%	100.00%
Sept	807,833	135,299	75,126	11,980	72,873	34,363	1,551	12,401	35,347	712,409	1,899,182
	42.50%	7.10%	4.00%	0.60%	3.80%	1.80%	0.10%	0.70%	1.90%	37.50%	100.00%
Oct	917,209	134,981	85,541	13,225	80,195	39,683	1,662	12,840	40,923	779,632	2,105,891
	43.55%	6.41%	4.06%	0.63%	3.81%	1.88%	0.08%	0.61%	1.94%	37.03%	100.00%
Nov	914,345	121,822	82,112	12,691	75,917	39,656	1,459	12,363	41,240	757,247	2,058,852
	44.41%	5.92%	3.99%	0.62%	3.69%	1.93%	0.07%	0.60%	2.00%	36.77%	100.00%
Dec	1,002,776	113,420	83,396	14,814	80,155	41,552	1,627	12,963	45,388	823,054	2,219,145
	45.19%	5.11%	3.76%	0.67%	3.61%	1.87%	0.07%	0.58%	2.05%	37.09%	100.00%
2014/Jan	898,737	84,363	61,813	12,889	72,163	57,468	1,388	10,907	42,459	726,070	1,968,257
	45.66%	4.29%	3.14%	0.65%	3.67%	2.92%	0.07%	0.55%	2.16%	36.89%	100.00%
Feb	848,184	70,611	50,251	12,061	67,179	61,088	1,309	10,281	41,126	683,385	1,845,475
	45.96%	3.83%	2.72%	0.65%	3.64%	3.31%	0.07%	0.56%	2.23%	37.03%	100.00%
Mar	947,707	74,402	52,158	13,973	73,935	66,732	1,446	11,119	45,408	763,678	2,050,558
	46.22%	3.63%	2.54%	0.68%	3.61%	3.25%	0.07%	0.54%	2.21%	37.25%	100.00%
2013	10,445,875	1,511,073	853,214	158,600	896,174	512,132	16,870	146,597	472,613	8,925,813	23,938,963
	43.64%	6.31%	3.56%	0.66%	3.74%	2.14%	0.07%	0.61%	1.97%	37.30%	100.00%

Japan has a compound feed price stabilization program, where a combination of a subsidy by the Ministry of Agriculture, Forestry and Fishery (MAFF) and an industry fund helps absorb sudden surges in the compound feed price. MAFF has not yet determined the level of subsidy for the first quarter of 2014 (April - June). It will be decided in late July based on first quarter trade data and paid to farmers in August. Japan's feed production continues to be stable with an annual output of approximately 24 million metric tons (MMT).

## Corn Update

The following tables show monthly imports of corn during the current marketing year. The United States is regaining its position as the leading supplier of feed corn to Japan, supplying 50 percent of the feed corn Japan has imported since October last year. The United States has traditionally been the largest supplier of food corn to Japan, and this has continued in the current marketing year, with the United States supplying over 83 percent of Japanese food corn imports. As Chart 2 shows, U. S. share of corn imports in total (feed corn and food corn combined) recovered rapidly from the low of 37 percent in December 2013 to a high of 94 percent in May 2014, as the import price has declined substantially (Chart 3).

Table 2: Japan MY 2013/14 Corn Imports

### Corn for feed (MT)

Country	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Cumulative	Share %
World	903,967	876,151	1,001,925	869,509	823,819	840,484	814,246	792,130	6,922,231	100.0
United States	304,993	204,224	264,387	390,195	367,007	528,496	663,524	741,911	3,464,737	50.1
Brazil	385,531	522,603	325,723	267,967	208,525	123,221	62,174	11,035	1,906,779	27.6
Ukraine	-	8,551	315,899	207,549	248,287	188,704	82,548	36,261	1,087,799	15.7
Argentina	153,939	71,914	40,277	1,400	-	-	-	-	267,530	3.9
Other	59,504	68,859	55,639	2,398	-	63	6,000	2,923	195,386	2.8

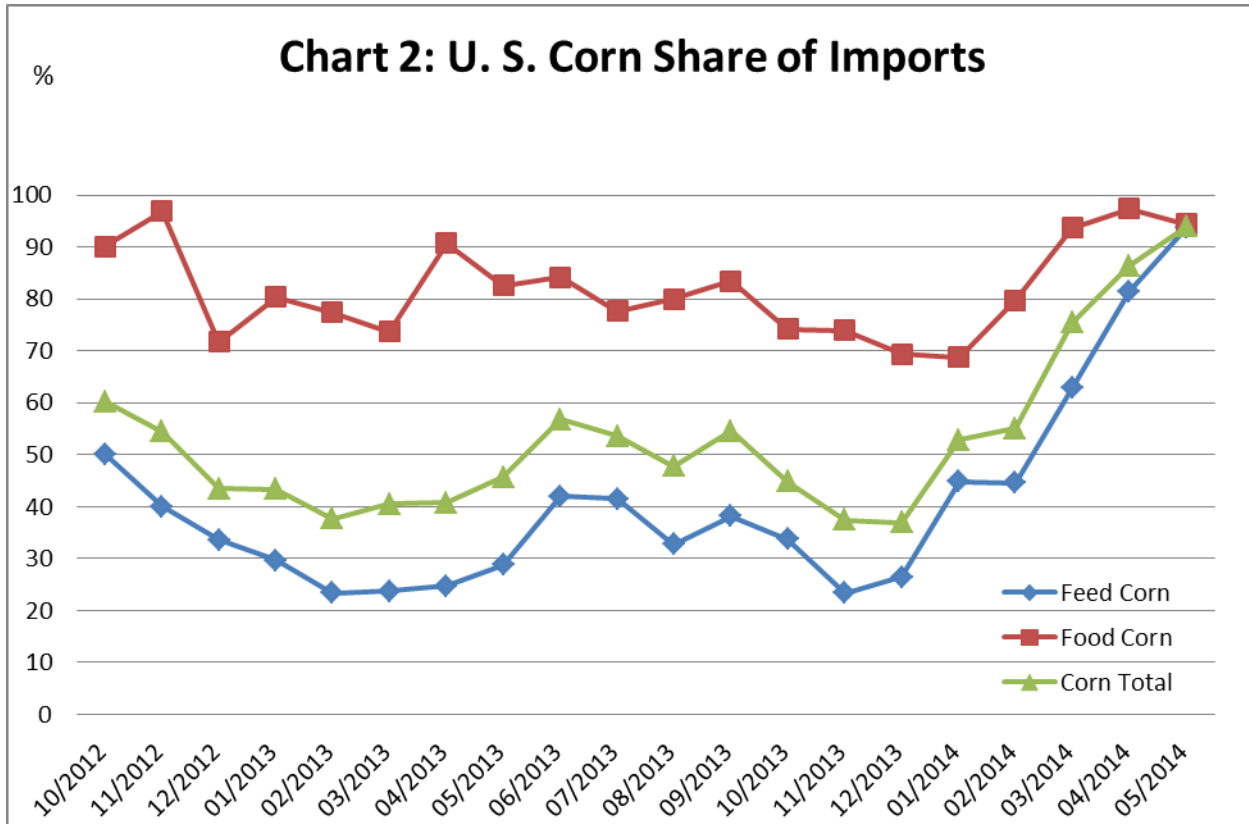
### Corn for food (MT)

Country	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Cumulative	Share %
World	340,534	337,972	327,890	435,115	351,818	577,534	366,524	611,165	3,348,552	100.0
United States	252,856	249,994	227,369	299,082	280,425	541,187	357,098	576,927	2,784,938	83.2
Brazil	22,858	57,121	70,795	59,526	44,466	28,173	4,521	1	287,461	8.6
Ukraine	-	-	26,101	75,385	13,493	7,203	4,156	5,500	131,838	3.9
Russia	-	-	-	-	12,756	-	-	28,076	40,832	1.2
Other	64,820	30,857	3,625	1,122	678	971	749	661	103,483	3.1

### Corn total (MT)

Country	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Cumulative	Share %
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World	1,244,501	1,214,123	1,329,815	1,304,624	1,175,637	1,418,018	1,180,770	1,403,295	10,270,783	100.0
United States	557,849	454,218	491,756	689,277	647,432	1,069,683	1,020,622	1,318,838	6,249,675	60.8
Ukraine	408,389	579,724	396,518	327,493	252,991	151,394	66,695	11,036	2,194,240	21.4
Russia	-	8,551	342,000	282,934	261,780	195,907	86,704	41,761	1,219,637	11.9
Brazil	159,772	79,902	40,277	1,400	-	-	-	-	281,351	2.7
Other	118,491	91,728	59,264	3,520	13,434	1,034	6,749	31,660	325,880	3.2



**Revised PS & D**

Based on import statistics to date, Post’s estimate for MY2013/14 imports from the United States has been revised downward to 10 MMT. All other estimates remain unchanged at this time.

Corn Japan	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1	1	1	1	1	1
Beginning Stocks	610	610	523	521	524	522
Production	1	1	1	1	1	1
MY Imports	14,412	14,410	15,500	15,500	16,000	16,000
TY Imports	14,412	14,410	15,500	15,500	16,000	16,000
TY Imp. from U.S.	6,512	6,932	0	10,000	0	12,500
Total Supply	15,023	15,021	16,024	16,022	16,525	16,523

<b>MY Exports</b>	0	0	0	0	0	0
<b>TY Exports</b>	0	0	0	0	0	0
<b>Feed and Residual</b>	10,000	10,000	11,000	11,000	11,500	11,500
<b>FSI Consumption</b>	4,500	4,500	4,500	4,500	4,500	4,500
<b>Total Consumption</b>	14,500	14,500	15,500	15,500	16,000	16,000
<b>Ending Stocks</b>	523	521	524	522	525	523
<b>Total Distribution</b>	15,023	15,021	16,024	16,022	16,525	16,523
1000 HA, 1000 MT, MT/HA						

## Wheat Update

Although imports of food wheat are slightly lower than in recent years, based on trade to date and monthly trends, it appears that last summer's temporary disruption due to the finding of GE wheat volunteers in an Oregon field (ref. [GAIN report JA3032](#)) didn't have a significant impact on the overall import of food quality wheat. However, more than 300 thousand MT of feed wheat from Eastern Europe (primarily Ukraine and Romania) was imported last fall to make up for short corn supplies.

Table 3: Japan's Wheat and Wheat Products Imports (annual series)

Year Ending: June (Wheat, Group 60)								
Partner Country	Unit	Quantity			% Share		Jul-May	% Change
		2011/12	2012/13	2013/14*	2011/12	2012/13	2013/14*	2013/2012
World	T	6,116,209	6,343,374	5,393,126	100.00	100.00	100.00	3.71
United States	T	3,545,674	3,429,955	2,647,631	57.97	54.07	49.09	- 3.26
Canada	T	1,350,656	1,666,426	1,542,477	22.08	26.27	28.60	23.38
Australia	T	1,197,624	1,241,188	868,481	19.58	19.57	16.10	3.64
Other	T	22,255	5,805	334,537	0.36	0.36	6.20	26.08

Year Ending: June (Wheat product group)								
Partner Country	Unit	Quantity			% Share		Jul-May	% Change
		2011/12	2012/13	2013/14*	2011/12	2012/13	2013/14*	2013/2012
World	T	173,896	185,943	162,569	100.00	100.00	100.00	6.93
EU	T	86,037	95,664	79,789	49.48	51.45	49.08	11.19
Turkey	T	19,587	27,305	24,800	11.26	14.68	15.26	39.40
United States	T	22,504	21,873	21,642	12.94	11.76	13.31	- 2.80
China	T	18,943	18,297	16,307	10.89	9.84	10.03	- 3.41
Korea South	T	10,859	8,687	6,382	6.24	4.67	3.93	- 20.01
Thailand	T	6,986	6,137	5,277	4.02	3.30	3.25	- 12.15
Other	T	8,980	7,980	8,372	5.16	4.29	5.15	-11.14

Source: Japan Customs (GTA)

\*: July 2013-May 2014