

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 4/28/2011

GAIN Report Number: JA1028

Japan

Post: Tokyo

Horticultural Market Update

Report Categories:

Agricultural Situation

Approved By:

Jeffrey Nawn

Prepared By:

Jennifer Clever and Kenzo Ito

Report Highlights:

Japan's Ministry of Health, Labor and Welfare (MHLW) lifted restrictions on spinach shipments from certain areas in Ibaraki, Tochigi, and Chiba prefectures. MHLW also lifted restrictions on parsley and "kakina" from the Ibaraki prefecture. Restrictions remain on shiitake mushrooms in 16 Fukushima municipalities. Japanese Prime Minister Kan assures the general public of the safety of Fukushima vegetables. Internet sales of Fukushima vegetables soar.

This report is a continuation of the general Agriculture situation reports following the March 11, 2011 earthquake. It is written with valuable input from GOJ officials, private sector, traders, cooperator contacts, and local media sources. While not exhaustive, the report will provide a good sense of the most pertinent issues related to horticulture products in Japan as discussed during the last weeks.

General Information:

Spinach

On April 17, Japan's Ministry of Health, Labor and Welfare (MHLW) lifted restrictions on spinach shipments from the Ibaraki prefecture, except for the cities of Kita Ibaraki and Takahagi. MHLW's decision came after testing results showed radiation levels in Ibaraki spinach to be below the legal concentration limit for three consecutive weeks. On April 20, Ibaraki spinach was traded at Tokyo's wholesale market for the first time since it was banned on March 21. Since it began trading, volumes of Ibaraki spinach have slowly increased to 3.6 tons (April 26) up from 2.5 tons on April 20. This week (April 25 - 26), the average trading price for Ibaraki spinach was 71 yen for 200g, a slight increase from last week. However, current prices for Ibaraki spinach remain significantly lower than the usual average trading price of 103 yen for 200g.

On April 21, MHLW lifted restrictions for spinach shipments from two municipalities in the Tochigi prefecture (Nasushiobara and Shioyamachi). According to the Tochigi prefectural government, shipments from all other municipalities in the prefecture are still banned. Nonetheless, this ban is expected to be lifted soon as for the last two weeks testing results have already shown that radiation levels were below the legal limit. Spinach production in the Tochigi prefecture is relatively small roughly 2% of the nation's total production.

On April 22, MHLW lifted shipment ban from three municipalities (Asahi, Katori and Takomachi) in the Chiba prefecture. No other Chiba municipalities have restrictions for spinach shipments. Spinach productions in Asahi, Katori and Takomachi are fairly small.

After shipment restrictions were lifted for Gunma and Ibaraki on April 8 and April 17, respectively, spinach supplies to the Tokyo market have doubled from volumes traded in late March, correspondingly prices have been falling slightly in the recent weeks. At the Tokyo wholesale market, the average daily trading volume this week (April 25 - 26) was 27 tons, a significant increase from 19 tons last week.

This increase in volume is primarily due to MHLW's removal of restrictions on Gunma spinach as the prefecture is the largest supplier of spinach to the Tokyo area. Average wholesale prices for Gunma spinach this week were 95 yen for 200g, about the same as last week. While, average price for other spinach suppliers, such as the Saitama prefecture, traded at 126 yen for 250g, slightly down from 135 yen last week.

According to traders, spinach consumption in general is expected to decline as the weather gets warmer since Japanese commonly eat spinach with winter dishes such as a hot-pot dish and "ohitashi" (boiled spinach seasoned with soy sauce). Another trader explains that spinach supply is also expected to decline in May because farmers in Gunma and Ibaraki stopped planting spinach since MHLW's ban and it usually takes 40 to 45 days for spinach to grow for commercial sales. However, no major price hikes are expected as pressure on prices resulting from spinach shortages will likely be offset by lower demand in the summer months.

Parsley

On April 17, MHLW lifted restrictions on parsley shipments from the Ibaraki prefecture following three

successful inspections. Parsley shipments from Ibaraki were banned on March 23. The trading volume for parsley is relatively small compared to other vegetables as in Japan parsley is mostly used as garnish. According to industry sources, the main user of parsley in Japan is the food service sector. For example, “Tonkatsu” (fried breaded pork cutlet) is a fairly popular dish in Japan and it is traditionally garnished with parsley. Currently, the main suppliers of parsley to the Tokyo Metro Area are the prefectures of Shizuoka, Fukuoka and Kagawa (central and western Japan regions). The Ibaraki prefecture is rather a minor supplier and hence no major changes are anticipated in trading volumes or price.

Kakina

On April 17, MHLW lifted restrictions on “kakina” leafy vegetable shipments from the Ibaraki prefecture following three successful inspections. “Kakina” shipments from Ibaraki were banned since March 21. “Kakina” is a local vegetable in the Northern Kanto region and is largely consumed locally.

Shiitake Mushroom

On April 18, MHLW banned shipments of shiitake mushrooms (not greenhouse variety) from Fukushima city following the detection of higher-than-permissible levels of radiation. Additionally, on April 25, MHLW banned shipments of shiitake mushrooms (again not greenhouse variety) from Motomiya city also in the Fukushima prefecture. While MHLW has lifted restrictions on shiitake mushrooms grown in Iwaki City, a ban remains on 16 municipalities in the eastern part of the Fukushima prefecture. Prices for shiitake mushrooms (both outdoors and greenhouse grown) remain unchanged from last week.

Vegetables shipments from Asahi City (Chiba prefecture):

On April 22, MHLW lifted restrictions for shipments of “Shungiku” leafy vegetable (leaf of garland chrysanthemum), “Chingensai” (Green pak choi), “Sanchu” leafy vegetable, parsley and celery grown in Asahi City following three successful inspections. Shipments for these vegetables from Asahi City were banned on April 4. Supplies of these vegetables from Asahi City are usually very limited.



“Shungiku” (leaf of garland chrysanthemum)



“Chingensai” (Green Pak Choy)



“Sanchu” leafy vegetable

Internet Sales of Fukushima Vegetables Soar:

Fukushima-grown vegetables have been suffering from declined sales due to rumors and consumer food safety concerns following the nuclear accident at the Fukushima Nuclear Power Plant. Interestingly, there is a growing movement among Japanese consumers to purchase vegetables directly from Fukushima farmers via the internet. According to farmers, prices of fresh vegetables from Fukushima are unstable in the wholesale markets due to the current power plant accident. However, vegetable prices via internet sales appear stable and hence consumers are purchasing their Fukushima vegetables online.

Similarly, the Fukushima JA (Japan Agriculture grower cooperative) is successfully marketing canned peach juice “The Grace of Fukushima Peaches” via the internet. Product sales are doing extremely well and responding to a sudden rise in consumer demand. The product is usually available until the harvesting of new crops in August, but this year the product was already sold out by April. Japanese consumers are reportedly looking for ways to support Fukushima products as overall sales from the prefecture continue to suffer as a result of heightened concerns about radiation in foods.



100% pure peach juice, “The Grace of Fukushima Peaches”

Additionally, the local company “Tomato Land Iwaki” sells hydroponically grown tomatoes via the internet and their sales volume has tripled compared to last year. Prices of tomatoes are same as before the earthquake. All products are voluntarily tested for contamination of radioactive substances, since “Tomato Land Iwaki” is only about 35 kilometers away from the Fukushima Daiichi NPP. Fukushima prefecture produces approximately 1% on nation’s winter/spring variety tomatoes (productions between December and June).



Hydroponically grown “Iwaki Land Iwaki” tomatoes
(Sign loosely translates to “don’t give up Iwaki”)

Japanese food processors postpone tomato production contracts with Fukushima farmers:

According to the Japanese news media, Japanese food processors have temporarily postponed tomato production contracts with Fukushima farmers until assurances can be made about the safety of the soil at the tomato fields. Japanese food processors state that the decision was made for consumer’s peace of mind and food safety. Last year, Fukushima supplied approximately 4,000 tons of tomatoes to Japanese juice processors.

Prime Minister Kan makes a public appeal to ensure the safety of vegetables grown in Fukushima:

Last week, PM Kan performed for the Japanese media by biting into fresh cucumbers and strawberries grown by Fukushima growers. His media appearance was a plea to the Japanese consumers to dismiss misconceptions and negative rumors about the safety of Fukushima vegetables. During the media event PM Kan met with leaders of the Fukushima JA who called on the central government to compensate farmers for their losses following the Fukushima accident. PM Kan replied by saying, "...the central government will take the responsibility in the end, but currently responsibility for compensation rests with the Tokyo Electric Power Company as they operate the Fukushima Daiichi nuclear power plant." The Premier did not provide any further details.