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Japan Resumes Import Tenders for Western White Wheat

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Biotechnology - GE Plants and Animals

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Report Highlights:

Since the presence of volunteer genetically engineered (GE) wheat was confirmed on an Oregon farm, Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) has suspended import tenders for Western White for food use and soft wheat from the western region for feed use. As a result of close coordination between the Government of Japan, USDA and industry, the new testing protocol has been established. MAFF announced resumption of Western White import tenders on July 30, 2013, for implementation on August 1. The tender on August 1 was successfully held, and the amount allocated for Western White (89,579 metric tons) was fully contracted. MAFF is also preparing to resume import tenders for soft white wheat for feed use on August 7.

Background:

On May 29, 2013, the Animal and Plant Health Inspection Service (APHIS) of the U.S. Department of Agriculture (USDA) announced that test results of plant samples from an Oregon farm indicated the presence of genetically engineered (GE) glyphosate-resistant wheat plants. Further testing by USDA laboratories indicated the presence of the same GE glyphosate-resistant wheat event that Monsanto was authorized to field test in 16 states from 1998 to 2005. The investigation as to how the wheat came to be present in this field is ongoing.

There are no GE wheat varieties approved for sale or in commercial production in the United States or elsewhere at this time. The detection of this wheat variety does not pose a food safety concern. The Food and Drug Administration (FDA) completed a voluntary consultation on the safety of food and feed derived from this GE glyphosate-resistant wheat variety in 2004 with no further questions concerning the safety of grain and forage derived from this wheat, meaning that this variety is as safe as non-GE wheat currently on the market.

Additional information, including Questions and Answers, can be found on the APHIS website at: http://www.aphis.usda.gov/newsroom/2013/05/ge_wheat_detection.shtml; and http://www.aphis.usda.gov/newsroom/2013/07/ge_wheat_update.shtml

Japan's Response:

On May 30, 2013, Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) announced that, as the sole importer of wheat into Japan, it would suspend import tenders for Western White for food use and soft wheat from the Western region for feed use.

Japan annually imports about 850,000 metric tons (MT) of Western White (WW) for consumption by the confectionery industry. Approximately 150,000 MT of WW stocks, over 2 months worth of demand, were held by Japanese flour millers as of the end of May 2013. While MAFF did not take action to restrict the sales of these commercially-held stocks, it suspended sales of so-called pipeline stocks (WW that MAFF held at the port of entry, was en route, or was contracted but not yet shipped), amounting to 170,000 MT.

Meanwhile, MAFF started locating alternative supplies of soft wheat in the United States, Canada and Australia. Consequently, Club Wheat and Soft Red Winter, totaling 750 MT, were contracted under the Simultaneous Buy and Sell (SBS) tender held on July 5, followed by MAFF's direct purchase tender on July 11 for 24,000 MT of White Club and 1,700 MT of Soft Red Winter, as well as 1,497 MT of

Australian Premium White and 22,784 MT of Canadian Western Red Spring.

As previously reported in GAIN Report JA3030, on July 5, following the establishment of a testing methodology by Japan's Ministry of Health, Labor and Welfare (MHLW), MAFF announced the results of tests conducted on the samples drawn from pipeline stocks (16 samples representing 10,000 MT of WW), as well as commercially-held stocks of all classes of U.S. wheat (58 samples representing 1.2 million MT). The results were all negative. MAFF announced that it would resume sales of pipeline stocks to flour millers on July 8.

As a result of close coordination between the Government of Japan, USDA and industry, a new testing protocol was established, and in his regular press briefing on July 30, MAFF Minister Hayashi announced resumption of Western White import tenders with the condition that all wheat from all U.S. ports will be tested for the presence of GE wheat. The first tender was successfully held on August 1, and the amount allocated for Western White (89,579 metric tons) was fully contracted. Minister Hayashi also indicated that MAFF was preparing to resume import tenders for soft white wheat for feed use on August 7. An unofficial translation of this press briefing and the results of the tender are attached.

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<Unofficial translation of MAFF Minister Hayashi's Press Briefing on July 30, 2013>

Minister:

Good morning. First of all, I would like to talk about resumption of import tenders for U.S. wheat. Since May 30, imports tenders for the U.S. wheat in question have been suspended. Following the recent establishment of a testing methodology by the Ministry of Health, Labor and Welfare, our Ministry dispatched officials in charge to the United States and confirmed additional information regarding the results of the investigation. In addition, feasibility of testing upon loading was also confirmed. Based on these developments, we will resume import tenders for U.S. Western White for food use on Thursday, August 1, with the condition that all classes of wheat from all U.S. ports will be tested for the presence of GE wheat in question for a provisional period of time. We will be making an announcement for the tender in late afternoon today. We are also planning to resume import tenders for U.S. Soft White wheat for feed use on August 7 and making necessary procedural arrangements. That's it from me.

Reporter:

How do you evaluate this turn of events?

Minister:

It all started with the report we received about the finding of the GE wheat on a farm in the United States. I believe we were able to make progress adequately and expeditiously while coordinating very closely and comprehensively with our counterparts, and get to this point of resumption of import tenders this week. On the other hand, something that should not have been found was found. I believe it is important to operate the testing protocol adequately so that in the event a future finding occurs, we will be able to cope with the situation.

<Results of the August 1 tender>

Bid #	Country	Class	Allocation (MT)	Note
1	United States	Western White	35,680	Arrival no later than: 10/31/2013
2	United States	Western White	23,635	Arrival no later than: 10/31/2013
3	United States	Western White	30,264	Arrival no later than: 10/31/2013
4	United States	Dark Northern Spring (14.0%)	31,721	Loading period: 09/21-10/30/2013
5	Canada	Western Red Spring (12.5%)	23,282	Arrival no later than: 11/30/2013
5	Australia	Standard White (West Australia)	33,630	Loading period: 10/01-31/2013
TOTAL:			178,212	