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Report Name: Stone Fruit Annual

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Post: Tokyo

Report Category: Stone Fruit

Prepared By: Tomohiro Kurai

Approved By: Mariya Rakhovskaya

Report Highlights:

Japan's stone fruit consumption has remained steady during the COVID-19 pandemic, as domestic production continues to determine the availability of cherries and peaches. In MY 2021/22, frost damage diminished cherry production, while favorable weather boosted peach and nectarine harvest. Post estimates Japan's MY 2022/23 cherry production recovered and peach production increased further. Japan's nectarine imports remain stagnant, while imports of U.S. sweet cherries plummet due to increased import price of U.S. cherries.

Cherries, Fresh

PS&D

Cherries (Sweet&Sour), Fresh Market Year Begins Japan	2020/2021		2021/2022		2022/2023	
	Apr 2020		Apr 2021		Apr 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	0	0	0	0	0	0
Area Harvested (HA)	4315	4315	4310	4260	0	4200
Bearing Trees (1000 TREES)	0	0	0	0	0	0
Non-Bearing Trees (1000 TREES)	0	0	0	0	0	0
Total Trees (1000 TREES)	0	0	0	0	0	0
Commercial Production (MT)	15000	15400	11500	11800	0	14000
Non-Comm. Production (MT)	2000	1800	1500	1300	0	1500
Production (MT)	17000	17200	13000	13100	0	15500
Imports (MT)	4300	4271	6000	5927	0	1800
Total Supply (MT)	21300	21471	19000	19027	0	17300
Domestic Consumption (MT)	21300	21471	19000	19027	0	17300
Exports (MT)	0	0	0	0	0	0
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	21300	21471	19000	19027	0	17300
(HA) ,(1000 TREES) ,(MT)						

Area

Cherry cultivation in Japan is limited to a few areas with specific characteristics. These include (i) no frost damage during the flowering stage, (ii) minimal exposure of fruits to rain during the harvest period, and (iii) few typhoons that can damage fruit trees. Yamagata prefecture, located about 250 miles north of Tokyo, accounts for 65 percent of Japan's harvested area for sweet cherries¹, followed by Hokkaido (11 percent) and Yamanashi prefectures (7 percent). The basin, where Yamagata cherry orchards are concentrated, is particularly well-suited for the production of sweet cherries. There is a substantial temperature difference between night and day, little rainfall during Japan's rainy season (June to July), and few/no typhoons. Furthermore, to reduce the risk of fruits cracking from occasional rains and losing their commercial value, Yamagata cherry farmers tend to set up 5.5-meter tall greenhouses and rain shelters over the cherry trees. According to a 2020 survey by the Yamagata prefectural government, 87.9 percent of cherry farmers have installed rain shelters.

Cherry farmers tend to leave the trees uncovered until early June (2-3 weeks prior to harvest), when cherry fruits expand and mature. At that point, farmers usually cover the trees with vinyl to prevent rain damage to the fruits and reduce the risk of rain-related injuries² to farmers (e.g., falling of a stepladder) during harvest. After farmers set up the rain shelters, it becomes critical to ensure that the higher temperatures do not negatively affect cherry quality.

The maintenance of existing structures and installation of new rain shelters are a substantial expense for cherry farmers. Yamagata cherry farmers shared with Post that the price of steel, naphtha and plastic/vinyl has soared since 2021, and some farmers consider moving away from cherry production to fruits that do not require rain shelters.

¹ Japan's sour cherry production is negligible.

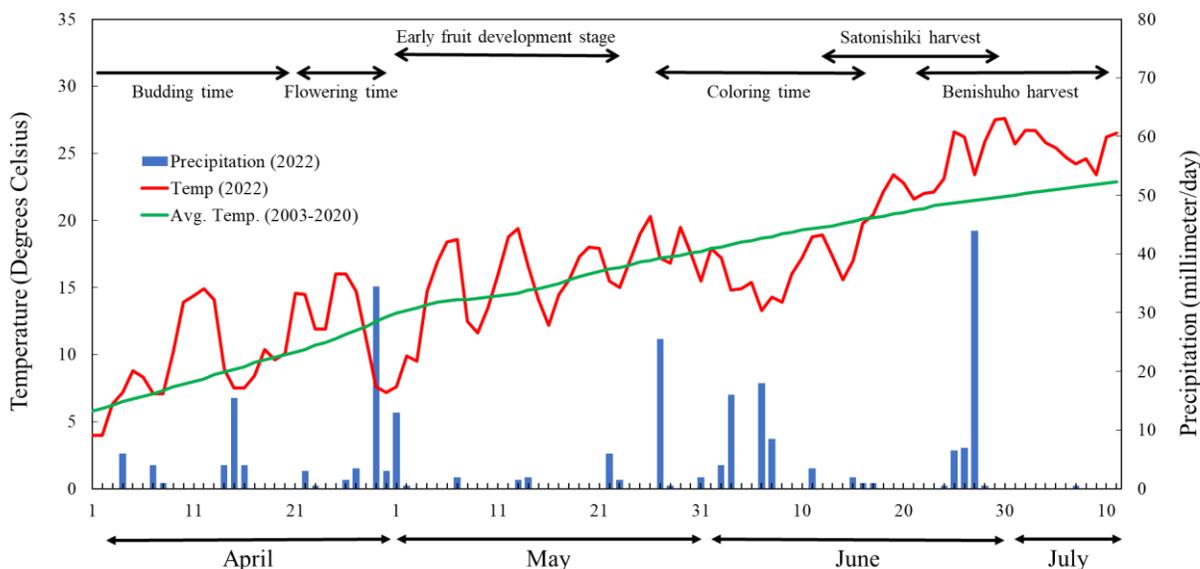
² In 2020 (the latest available data), the average age of Yamagata farmers was 67 years old.

Moreover, similar to other agricultural sectors in Japan, the cherry industry is plagued by the lack of successors for the aging cherry farmers. Consequently, there is a continuous decline in the area harvested for sweet cherries in Japan. Post estimates that in marketing year (MY) 2022/23 the area harvested for cherry production in Japan will decrease by 1.4 percent to 4,200 hectares (ha) compared to 4,260 ha in MY 2021/22.

Production

According to the Ministry of Agriculture, Forestry and Fisheries of Japan (MAFF), approximately 70 percent of Japanese sweet cherries are of the “*Sato-nishiki*” variety. The “*Sato-nishiki*” are typically harvested between mid to late June (Figure 1), though harvest time is occurring earlier and earlier due to climate change. To lengthen the cherry marketing period, Yamagata prefecture promotes “*Benishuho*,” a late-maturing cherry variety with larger and hardier fruit. “*Benishuho*” is harvested in early to mid-July and currently represents about 15 percent of domestic production. Beginning in MY 2022/23, Yamagata prefecture introduces a new variety called “*Yamagata Beni Ou*”. This new variety will mature between late June and early July, and will fill the harvesting gap between the “*Sato-nishiki*” and “*Benishuho*” varieties.

Figure 1. Variation in Temperature and Precipitation Levels between April and July of 2022 in Higashine city of Yamagata prefecture.



Source: Japan Meteorological Agency

Japan's MY 2021/22 cherry production fell by 24 percent from MY 2020/2021 due to frost damage to cherry flowers in Yamagata. Post estimates Japan’s cherry production in MY 2022/23 began to recover and increased by 18 percent from the MY 2021/22 level. Figure 1 shows 2022 temperature and precipitation levels in Higashine city, Yamagata’s leading cherry producing municipality. The relatively high temperature during the budding season in April facilitated steady flowering, but low precipitation

in May resulted in fewer fruits per branch as trees shed more fruits (Figure 1). Furthermore, the higher than average temperatures in late June and July, the time of maturation and harvest for the *Benishuho* variety, complicated harvesting as most cherries ripened at the same time. As cherries are picked manually, farmers struggled to keep up and had to leave some fruits on the trees. As a result of the 2022 weather conditions, Post estimates Yamagata Prefecture's cherry production at 13,000 metric tons (MT) or a 42 percent increase over the poor MY 2021/22 level, though still short of the 10-year average of 13,500 MT. With Yamagata's recovered production, Japan's total cherry production will be 15,500 MT in MY 2022/23, up 18 percent compared to MY 2021/22.

Consumption

Over 90 percent of domestic cherries are consumed fresh, with the remainder going to processing. According to Yamagata Prefecture officials, approximately 50 percent of cherries are sold directly for gifting. Wholesale markets are the second most common distribution channel for cherries, accounting for about 30 percent of annual production. Other channels such as "*Furusato Nozei*³" and local farmers markets make up the remaining 20 percent.

Cherry farmers shared with Post that the impact of the COVID-19 pandemic on cherry consumption has been minimal, as cherries, whether distributed through gifting or retail, are mostly consumed at home. In fact, some in the industry speculated that were it not for the poor MY 2021/22 production, there might have been an increase in consumption during the pandemic.

Despite an increase in cherry imports, Japan's overall MY 2021/22 cherry consumption fell by 11.4 percent compared to MY 2020/21 due to poor domestic production. Post forecasts that insufficient recovery of domestic production in MY 2022/23 coupled with a drop in imports will result in reduced overall consumption of 17,300 MT or 9.1 percent below MY 2021/22.

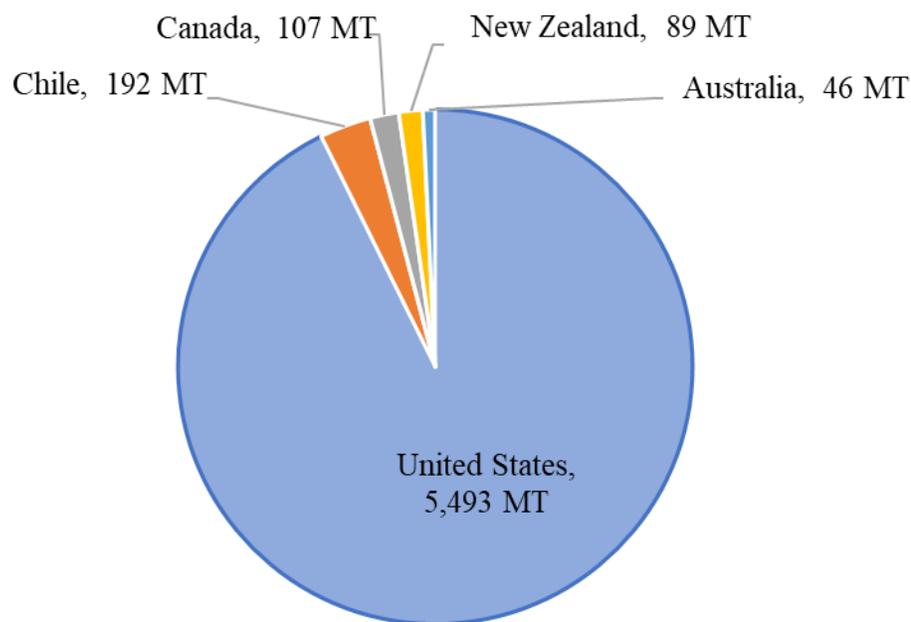
Trade

The United States is the leading supplier of fresh cherries to Japan and in MY 2021/22 represented 92.7 percent of Japan's imports (Figure 2). Japan's MY 2021/22 cherry imports increased by 38.8 percent from MY 2020/21 as the unit price of U.S. cherries fell and household fruit demand in Japan increased during the COVID-19 pandemic.

Post estimates that in MY 2022/23 Japan's cherry imports will decline by 70 percent compared to MY 2021/22 due to reduced [U.S. sweet cherry production](#), soaring crude oil prices and transportation costs, as well as the depreciation of the Japanese yen against the U.S. dollar.

³ *Furusato-Nozei* (or "Hometown tax" in Japanese) was initially introduced in 2007. Under this system, taxpayers can make donations to local municipalities and gain credit for income and residence taxes in return. Local municipalities also send local produce to donors as "appreciation gifts". To attract *Furusato-Nozei* donations to cherry-producing regions, premium fresh cherries are a common gift for donors.

Figure 2. Japan's Fresh Cherry Imports by Country in MY 2021/22.



Source: Ministry of Finance

Japan's fresh cherry exports are negligible because these soft varieties bruise and spoil easily during transport. Post estimates Japan's cherry export will remain negligible (under 1 MT) in MY 2022/23.

Policy

The U.S.-Japan Trade Agreement (USJTA) came into force on January 1, 2020 and established a stepwise tariff reduction for U.S. sweet cherry exports to Japan ([JA2021-0080](#)). Japan's tariff on sweet cherries was 1.7 percent in Japanese Fiscal Year (JFY; April-March) 2021 and 0.8 percent in JFY 2022. Japan's tariff on U.S. sweet cherries will be eliminated on April 1, 2023.

Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) granted market access to U.S. cherries on the condition of annual on-site audits of the U.S. production areas. Due to continuing COVID-19-related travel restrictions, MAFF officials have not been able to conduct on-site audits since 2020. As a temporary measure until on-site inspections can resume, MAFF increased on-arrival phytosanitary inspections of fresh cherries 1.5-fold ([JA2020-0133](#)).

Peaches and Nectarines, Fresh

PS&D

Peaches & Nectarines, Fresh Market Year Begins	2020/2021		2021/2022		2022/2023	
	Jan 2020		Jan 2021		Jan 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Japan						
Area Planted (HA)	0	0	0	0	0	0
Area Harvested (HA)	9445	9445	9400	9425	0	9400
Bearing Trees (1000 TREES)	0	0	0	0	0	0
Non-Bearing Trees (1000 TREES)	0	0	0	0	0	0
Total Trees (1000 TREES)	0	0	0	0	0	0
Commercial Production (MT)	92800	92800	93800	100700	0	106800
Non-Comm. Production (MT)	7600	7600	7700	7700	0	8000
Production (MT)	100400	100400	101500	108400	0	114800
Imports (MT)	300	280	400	332	0	400
Total Supply (MT)	100700	100680	101900	108732	0	115200
Domestic Consumption (MT)	99100	99081	99900	106806	0	112900
Exports (MT)	1600	1599	2000	1926	0	2300
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	100700	100680	101900	108732	0	115200
(HA) ,(1000 TREES) ,(MT)						

Area

Yamanashi (33 percent), Fukushima (23 percent) and Nagano (10 percent) prefectures represent two-thirds of Japan's peach acreage. These areas are well-suited for peach production due to (i) a substantial difference between diurnal and nocturnal temperatures, (ii) longer daylight hours, and (iii) a reduced disease risk during the cultivation period due to low annual rainfall.

Nagano, Yamanashi and Fukushima prefectures produce 90 percent of domestic nectarines in Japan. Nagano prefecture leads Japan's nectarine production at approximately 65 percent. According to its 2016 (latest) Fruit Tree Promotion Plan, Nagano prefecture anticipates nectarine acreage to decrease by 42 percent to 60 ha by 2025. The same publication also indicated that the prefectural target for nectarine production will fall by 43 percent or to 920 tons by 2025. Consequently, Post forecasts a steady decline in Japan's nectarine acreage of several percent a year.

In line with Japan's other horticultural sectors, since 1979, there has been a continuous decline in peach and nectarine production areas due to aging farmers and a lack of successors. In MY 2021/22, the area harvested fell by 0.2 percent, and Post estimates a further 0.3 percent drop in MY 2022/23.

Production

Peach production in MY 2021/22 recovered 8 percent over the poor MY 2020/21 harvest due to favorable weather during the flowering period. Post estimates MY 2022/23 production to increase a further 6 percent as more fruits stayed on trees than in MY 2021/22, and the weather was largely favorable during the critical periods. Still several production sites report that peach fruits became slightly smaller due to low precipitation in June.

Although favorable weather also promoted nectarine production, Post estimates the increased production

was offset by a reduction in area harvested. Therefore, Post forecasts Japan’s MY 2022/23 nectarine production at the same level of 1,100 MT as in MY 2021/22. Post projects Japan’s total peach and nectarine production in MY 2022/23 to reach 114,800 MT, up 5.9 percent compared to MY 2021/22.

Approximately 90 percent of peaches grown in Japan are white varieties. Although there is some cultivation of yellow peaches, they are primarily used for processing.

Consumption

About 90 percent of peaches and nectarines are consumed fresh in Japan and only about 10 percent are destined for processing. Since Japan has no record of peach imports in recent years, Japan’s peach consumption corresponds to domestic production. Japanese consumers tend to eat peaches and nectarines at home.

In MY 2021/22, Japan’s peach and nectarine consumption grew by 8 percent largely due to increased production. In light of the production forecast for MY 2022/23, Post estimates Japan’s peach and nectarine consumption will increase an additional 5.7 percent to 112,900 MT in MY 2022/23.

Trade

Japan Customs has no record of peach imports over the last 10 years. The United States does not have market access for fresh peaches. On the other hand, U.S. nectarines have a 100 percent share of the imported nectarine market. In MY 2021/22, U.S. nectarine imports increased to 332 MT, up 18.6 percent compared to the previous MY (Table 1). Still Japanese consumers’ awareness of nectarines remains low so the market is extremely limited. The increase in consumer demand in recent years is a result of marketing efforts, such as retail promotions. Post forecasts nectarine imports will increase a further 20 percent to 400 MT in MY 2022/23.

MAFF has designated fresh peaches as a priority product to expand Japan’s agricultural exports (for details, see [JA2020-0201](#)). Japan’s primary target destination for peach exports is Southeast Asia, where Japanese fruits, including peaches, have a strong reputation. In MY 2021/22, fresh peach exports increased 20 percent to 1,926 tons, of which 75 percent went to Hong Kong, followed by 20 percent to Taiwan. Post anticipates that increased domestic production will further increase peach exports in MY 2022/23. Furthermore, the depreciation of the Japanese Yen in 2022 increased the affordability of the relatively expensive Japanese fruits in the major export destinations. Therefore, Post forecasts Japan’s peach exports will grow another 19 percent to 2,300 MT in MY 2022/23.

Table 1. Japan’s Fresh Nectarine Imports in Recent Years.

Source	Quantity (MT)				
	MY 2017/18	MY 2018/19	MY 2019/20	MY 2020/21	MY 2021/22
United States	165	282	186	280	332

Source: Ministry of Finance

Policy

The U.S. nectarine market access to Japan depends on pre-export methyl bromide fumigation. Japan also requires an annual on-site audit of U.S. nectarine orchards. Due to the COVID-19-related travel restrictions, since 2020 Japan temporarily doubled on-arrival phytosanitary inspections of nectarines in lieu of on-site audits (for details, please see [JA2020-0133](#)). This measure will continue until MAFF resumes on-site audits.

The USJTA has eliminated Japan's import tariff on U.S. peaches and nectarines since January 1, 2020 (for details, see [USJTA Treatment for Fresh Fruit](#)).

Attachments:

No Attachments