

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Post: Tokyo

Typhoons Damage Hokkaido Production

Report Categories:

Agricultural Situation

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Report Highlights:

Heavy rains hit Hokkaido in August, damaging horticultural products, industrial facilities, roads, and railways. As Hokkaido is a major production region for Japanese onions, pumpkins, carrots and potatoes, market prices for these domestic products have seen an immediate spike. Accordingly, increased market opportunities may exist for foreign products for which there is a supply shortage.

Keywords: JA6041, Japan, Hokkaido, Typhoon, Sweet Corn, Potato, Carrot, Onion.

General Information:

Hokkaido is located 600 miles north of Tokyo and is Japan's largest agricultural producing region, with approximately 1,150,000 hectares (ha) of total arable land (i.e., 26 percent of Japan's agricultural area). Hokkaido is the leading producing region for numerous agricultural crops, including onions, pumpkins, carrots, potatoes and sweet corn. Hokkaido's northern geography normally provides cool weather, and is generally spared from Japan's rainy season and typhoon strikes. However, in August 2016, four typhoons struck Hokkaido for the first time since record keeping began more than 100 years ago. The typhoon strikes brought heavy rains and flooding to Hokkaido, and also damaged infrastructure such as roads and railways necessary to support logistics. The Ministry of Agriculture, Forestry and Fisheries (MAFF) reported that approximately 24,000 ha of land received damaging levels of rain and flooding.

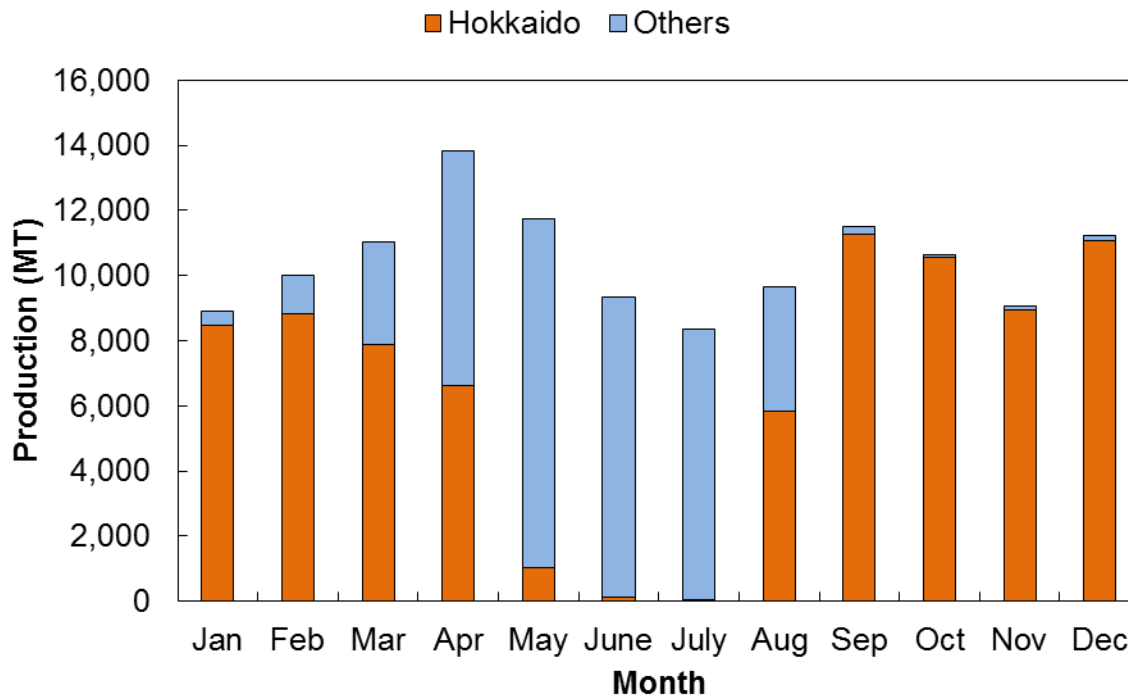
Canned sweet corn:

Japan consumes approximately 190 million cans of sweet corn annually, of which 80 percent is imported. However, recent typhoon strikes caused significant flood damage to Japan's largest factory for canned sweet corn (Nihon Kanzume, Inc. - Tokachi Factory). This facility produces nearly 29 million cans of sweet corn annually, accounting for 75 percent of Japan's domestic production and 15 percent of Japan's total consumption. Despite efforts to restore production in an expeditious manner, this facility will not be operational for this crop year. As the variety of sweet corn planted is only suitable for canning, farmers have chosen to plow under this year's crop. Accordingly, post anticipates that imported sweet corn will fill the gap. Thailand and the United States are the two largest exporters of canned sweet corn to Japan, accounting for \$44 and \$41 million in imports, respectively (HS code – 2005.80).

Onions:

Japanese onion production totaled 1,117,000 metric tons (MT) in 2015. Hokkaido was the largest producer, accounting for 754,700 MT (i.e., 68 percent of national production in 2015). Saga Prefecture, located in the southern island of Kyushu, was the second largest producing region (108,100 MT, or 10 percent of production in 2015). Onions produced in these two regions are harvested at different times given their geographic locations (onions from Saga are marketed from late April through early August, whereas Hokkaido onions enter the market in late August). Accordingly, Saga onions will not be positioned to meet the increased demand.

Sources of Onions distributed in Tokyo (2015)



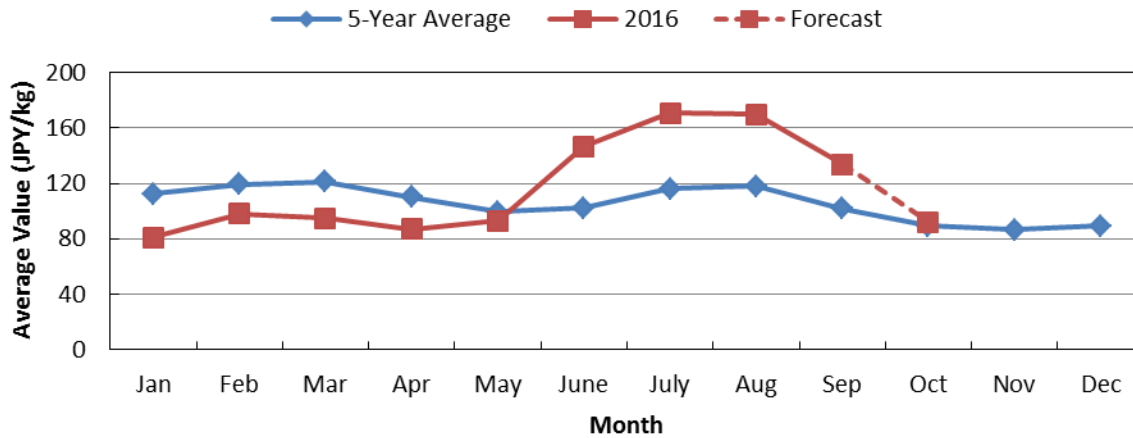
Source: Metropolitan Central Wholesale Market

(<http://www.shijou.metro.tokyo.jp/torihiki/>; available in Japanese only)

In addition to the Hokkaido typhoons, in 2016, there was wide spread Downy mildew in Saga that caused a 40 percent reduction in the region's onion production. Market prices increased quickly, but the market expected supplies from Hokkaido to lower prices. Wholesale markets began to bring in Hokkaido onions early in August to take advantage of high prices, which had the effect of reducing them.

Despite the damage to fields and infrastructure, the production losses reduced what was set to be record production in Hokkaido this year. Furthermore, many of the damaged onions maintained a level of quality suitable for processed products after drying. Although logistical problems contributed to inflated market prices, onion supplies from Hokkaido have stabilized since mid-September. Currently, market prices are recovering and onion prices are anticipated to return to their 5-year average in October, according to Tokyoseika Co. Ltd., the largest wholesale company in Japan.

Onion Prices (Tokyo)

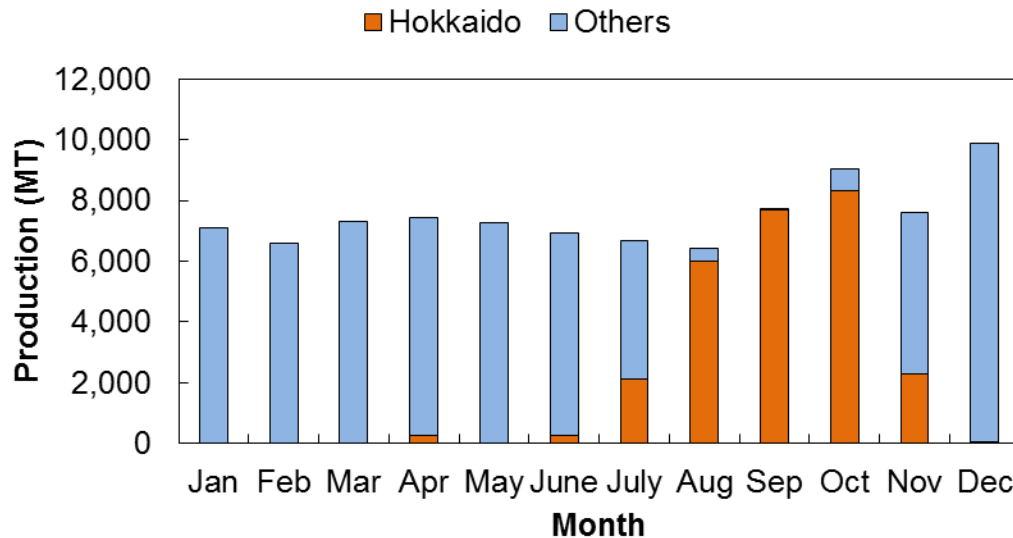


Source: Metropolitan Central Wholesale Market
<http://www.shijou.metro.tokyo.jp/torihiki/>; available in Japanese only)

Carrots

Carrot production in Japan totaled 563,000 MT in 2015. Hokkaido was the leading producer, accounting for 175,610 MT. Although only accounting for 31 percent of Japan's production, carrots from Hokkaido provide more than 90 percent of national carrot supplies between August and October.

Sources of Carrots distributed in Tokyo (2015)

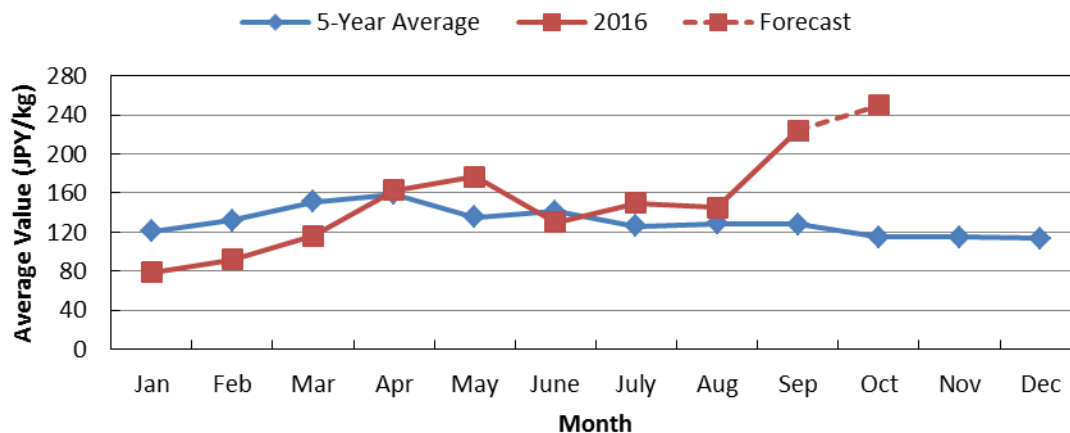


Source: Metropolitan Central Wholesale Market
<http://www.shijou.metro.tokyo.jp/torihiki/>; available in Japanese only)

Prior to the typhoons, markets had anticipated a reduction in the 2016 carrot crop due to high levels of

precipitation in Hokkaido during June and July. The August typhoons further reduced production and caused spoilage. As a result, market prices increased by more than 50 percent in September. Post anticipates production losses of 10 to 20 percent in Hokkaido, and according to Tokyoseika Co. Ltd., prices are to remain as high as 50 percent over the 5-year average until early November.

Carrot Prices (Tokyo)

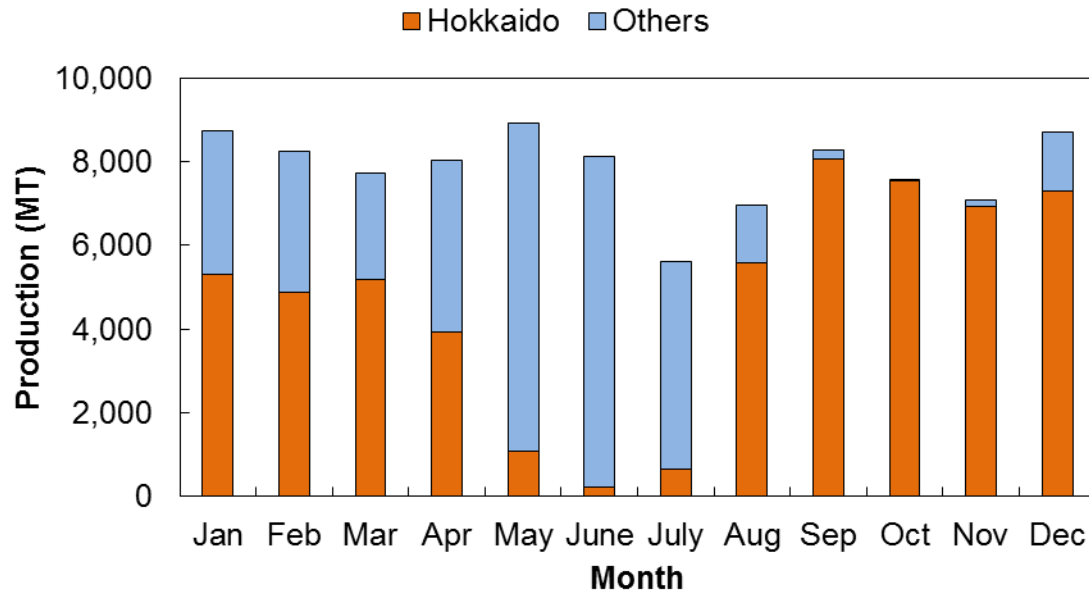


Source: Metropolitan Central Wholesale Market
<http://www.shijou.metro.tokyo.jp/torihiki/>; available in Japanese only)

Potatoes

National potato production in Japan in MY 2015/2016 was 2,400,000 MT. Hokkaido was the largest producer with 1,900,000 MT, accounting for 80 percent of national production in 2015 (see [JA6033](#) for further information on Japan's potato market). A substantial volume of Hokkaido potatoes are stored for distribution until the Kyushu crop in April. Post anticipates Hokkaido production losses of 20 percent.

Sources of Potatoes distributed in Tokyo (2015)



Source: Metropolitan Central Wholesale Market

(<http://www.shijou.metro.tokyo.jp/torihiki/>; available in Japanese only)

Because the government of Japan does not permit the import of fresh table potatoes, supplies of potatoes will be constrained and prices are likely to remain high through September 2017. Furthermore, seed potato production was also damaged and will reduce planted area through MY 2017/18. Consequently, Post forecasts an increase in chipping potato imports to 35,000 MT in MY 2016/17 and MY 2017/18.