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Japan

Agricultural Situation

This Week in Japan

2001

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Report Highlights: Japan Braces for Criticism Over Food-Trade Issues; Vegetable Imports Drive Movement Toward Safeguards; Supermarket Sales Still Slumping, But Food Holding Steady; and NZ Sounds Out Japan On Free Trade Pact, But Hold Agriculture.

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 **This Week in Japan**

An Update of Major News and Events from the Largest U.S. Agricultural Export Market

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- i **Japan Braces for Criticism Over Food-Trade Issues:** Japan's proposals on WTO negotiations for agriculture in the WTO, which include reducing its minimum import quota for rice and creating new safeguards against imported vegetables, wood, and seafood products, have met with strong criticism from agricultural product exporting countries. But, according to the Nikkei Net, the Ministry of Agriculture, Forestry and Fisheries (MAFF) shows no signs of backing down for domestic political reasons. Even the EU, traditionally aligned with Japan on issues such as the importance of agriculture and "multifunctionality", appears at odds with Japan and wants to see an early conclusion to negotiations over trade in agricultural products, according to the report.

- i **Vegetable Imports Drive Movement Toward Safeguards:** According to the *Nihon Keizai Shimbun* on February 26, 2001, Japanese imports of fresh vegetables hit a record high in 2000. The import quantity was 925,000 tons, up 5 % from the previous year. The increased imports are mostly from China, whose prices are reportedly half of domestic products. *Nokyo* (the Farmers Union in Japan) asked the Japanese Government to start safeguard investigations on three items: leeks, fresh *shiitake* mushrooms, and *tatami* mats, but fresh vegetable market sources predict it will be hard to curb imports of moderately priced and improved quality vegetables, according to the article.

- i **Supermarket Sales Still Slumping, But Food Holding Steady:** According to the *Japan Chain Stores Association*, total sales of member supermarkets in 2000 declined by 5.1% compared to last year on a same-store basis. This was the 25th consecutive month of decline and the worst year on record. However, the food area fared much better than clothing and household good sales. Food sales, which make up the highest proportion of supermarket sales, remained flat from the previous year.

- i **NZ Sounds Out Japan On Free Trade Pact, But Hold Agriculture:** New Zealand has approached the Japanese government about the possibility of forming a bilateral free trade, according to media reports. New Zealand is open to further talks on joining ASEAN (the Association of Southeast Asian Nations) and AFTA (the ASEAN Free Trade Area). Japan appears only interested in joint cooperation in the field of information technology, and any free trade agreement with New Zealand covering agricultural and other exports is unlikely in the near future, according to the Nikkei Net.

Upcoming events: Mar 8: GMO Seminar; Mar13-16: FoodEx 2001