

Japanese Market for Cabbage

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Introduction

Japan is a large consumer of cabbage and as the farming population gets older, imports of all fruits and vegetables have been increasing. Cabbage imports are used mostly in processed foods and are also pickled. However, cabbage imports have fluctuated wildly in the last few years so exporters should take note that this is an erratic market. Japan imported 9,919 Mts worth • 588.6 million, compared to the year before when 53,256 Mts were imported for a total value of • 9.5 billion.

Until 1994, the US was the leading supplier of cabbage to Japan, but imports dropped from 40,000 Mts in 1993 to 23 Mts in 1994. China was the leading supplier in 1994, followed by Taiwan and South Korea. Imports from Vietnam and Thailand are small, but have increased in the past two years. Japan also imports cabbage from Indonesia, though these imports have been erratic from year to year. Indonesia is capable of sending cabbage in fairly large volumes to this market (1,749 Mts in 1993) and should continue to do so in the future.

Domestic Production

Japanese statistics break cabbage production into two categories, regular and Chinese cabbage. Production volume for both these categories has been decreasing. In 1987, Japan produced 3.06 million Mts of regular cabbage and in 1994, 2.63 million Mts. Chinese cabbage production decreased from 1.42 million Mts to 1.12 million Mts during the same time period.

Apparent Consumption

Japanese apparent consumption (production+imports-exports) of cabbage was roughly 2.7 million Mts in 1994. Imports accounted for only 9,919 Mts, or less than one-half of one percent, of this amount.

Historical Imports

Japanese imports of cabbages have fluctuated wildly in the last five years. In 1990, imports were only 8,087 Mts. These rose by over 700 percent to 45,544 Mts in 1991, decreased by 15,000 Mts the following year, increased over 20,000 Mts in 1993, and then dropped by over 40,000 Mts in 1994. The US was the largest supplier every year from 1990-1993, increasing its imports enormously from 5,794 Mts to 39,487 Mts, but in 1994 imports from the US dropped to almost nothing. All other major supplying countries, including South Korea, China, Taiwan, Indonesia, and Australia have seen their cabbage exports to Japan go up and down from year to year.

Import Market Share

As mentioned before, the US was the largest supplier of cabbage to Japan 1990-1993. In 1990, the US accounted for 71.6 percent of all cabbage imports, followed by Taiwan with 22.5 percent. In 1994, China accounted for 46.7 percent of all cabbage imports, followed by Taiwan with 31.8 percent and South Korea with 10.2 percent. Other suppliers in 1994 included Indonesia (4.7 percent) and Australia (3.3 percent).

Import Seasonality

In 1994, Japan's imports of cabbage were highest in February and March, at over 5,000 Mts during these two months combined. This accounted for more than half of the year's supply. December was the next highest month for imports,

with imports of 1,107 Mts of product arriving in this month. May-August was the low point for imports, with only 65 Mts imported during these months.

Distribution System

Local production of cabbage is commonly passed from farmers to first-level wholesalers in the wholesale market, who auction the product off to second-level wholesalers, who in turn sell the product to supermarket, processing firms, etc. Imported cabbage is mostly used in processed products and is generally sold by importers directly to processing firms. Some of the excess from these firms goes to the wholesale markets.

Prices/Unit Value

The annual average price of regular cabbage in the wholesale market increased from • 65/kg in 1992 to • 101/kg in 1994. Similarly, the average annual price of Chinese cabbage rose from • 57 to • 84/kg during the same period. The highest average monthly price in 1994 for regular cabbage was during October (• 172/kg) and the lowest price in June (• 59/kg). The highest average wholesale monthly price in 1994 for Chinese cabbage was in August (• 115/kg) and the lowest was in April (• 53/kg).

The average unit value (import value/import volume) for Chinese cabbage was • 51/kg in 1994 and • 55/kg for Taiwanese product. Korean unit value was • 70/kg, while Indonesian was only • 46/kg, the lowest of all the major importers. This might reflect poor quality of Indonesian cabbage which means it receives a low price from importers, but could also represent a price advantage over other suppliers if the quality is acceptable.

Import Regulations

Japanese quarantine inspectors are among the most rigorous in the world. If product is found to contain insects or other pests, it is fumigated or destroyed. It is suggested that all exporters of produce to Japan have their product certified free of pests before it leaves the home port.

Grades and Standards/Consumer Preferences

The Japanese government has promulgated voluntary standards for cabbages and Chinese cabbages sent to the wholesale markets. For regular cabbages, the grades are: 2L (1.5kg), L(1.2-1.5kg), and M (0.9-1.2kg). These are generally packed 6, 8, and 10, respectively, to a 10 kilogram cardboard box. Dimensions for the boxes are either 650x330x170mm or 500x400x150mm.

For Chinese cabbages, the grades are: 2L (3kg), L (2.3-3.0kg), and M (1.5-2.3kg). These are generally packed 3, 4, and 5, respectively, to a 10kg box. Dimensions for the box are 650x330x180mm.

Tariff Rates

The tariff rate on fresh cabbage is 5 percent, assessed on CIF value.

Indonesian Export Prospects

Indonesian exporters can increase their share of the Japanese cabbage market if they make sure they are growing the right varieties and work with Japanese importers to understand the demands of the market. While the import market is unstable, it seems to be at a low point at the moment and will undoubtedly recover. Indonesia has a foothold in this market, supplying 1,748 Mts worth • 108 million in 1993 before falling to 462 Mts (• 21 million) in 1994. It is possible for Indonesian exporters to increase this amount and establish themselves as regular suppliers to this market.

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