

## Japanese Market for Carrots and Turnips

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### INTRODUCTION

Japan is a very promising target market for vegetables because the demand of the products has been increasing over the last 25 years. Carrots and turnips for example, even though the domestic production is high does not satisfy the domestic requirement for Japanese consumption. In 1993, the domestic production for carrots and turnips was 709,000 MTs and the country was still imported 9,266 MTs carrot and turnips, valued at ¥677 million. In 1994, Japan imported 18,212 MTs, valued at ¥1.2 billion.

Currently, the main supplying countries for carrots and turnips are Taiwan, China, USA, New Zealand and Australia. In 1993, Indonesia exported 7 MTs carrots and turnips to Japan, valued at ¥1.3 million but in 1994, Indonesia supplied none of this product.

### DOMESTIC PRODUCTION

The area of cultivation for carrots in Japan has increased slightly during the last five years. In 1992, the domestic production was 690,300 MTs. Compared to the 1987 production (669,300 MTs), this was an increase of 3.1 percent. In 1993, the production of carrots even increase by 6 % compared to that of 1987.

For turnips, the area of cultivation slightly decreased over the last seven years. This trend was also applied to its production at the same time. In 1992, the area was 7,280 ha which was reduced by 6.6 % compared to that of 1987. The production of turnips in 1992 (197,700 MTs) was decreased by 8.7 % compared to the total production in 1987.

### APPARENT CONSUMPTION

The apparent consumption is counted by subtracting exports from domestic production and imports. Japan started to export its carrot and turnips 1994. Because the complete data on domestic production and imports are only available for 1992, the domestic consumption will be counted based on that data. The 1992 domestic production of carrots and turnips was 888,000 MTs. The total imports for the products at the same time was 2,967 MTs. Because the export activities did not exist in 1992, the domestic consumption of carrots and turnips was 890,967.4 MTs. If the 1992 population of Japan was 124,452,000, the consumption per capita, therefore, 7.2 kg.

### HISTORICAL IMPORTS

In 1994, Japan imported 18,212.5 MTs. of carrots and turnips, both of them in the form of fresh or chilled, valued at ¥1.2 billion. Actually, annual Japanese imports of these commodities have increased from 1990 to 1994 by 400 percent. The volume of imports dropped by 7,039 MTs in 1992 from 1991 levels (70.3%), but since that time the import volume has increased each year.

The value of import for carrots and turnips is equivalent to the import volume. In 1990, the value of these commodities was ¥331.3 million, in 1991 the value increased to ¥713.5 million. The value dropped by ¥477.5 million (67.1%) in 1992 compared to that of 1991, but since that time, the value had increased by ¥981.9 million.

### IMPORT MARKET SHARE

Taiwan is the largest supplying countries of carrots and turnips to Japan, even though its contribution to the Japanese market fluctuated during the last five years. In 1990, its market share was 95.4 %. In 1994, Taiwan supplied more than half of the total import of carrot and turnips to Japan. Its contribution to Japan market was 52 %. China.

China has made progress in exporting those commodities to Japan. During the period of 1990-1993 its contribution was very low, only 1 %. However, in 1994 China contribute for about 29 % of the Japan total import for carrot and turnip. New Zealand and USA were the third and fourth major supplying countries with contribution to Japan market by 7.2 % and 6.2 % in 1994.

Indonesia has just started its business in exporting carrot and turnips to Japan. In 1993, Indonesia exported 7 MTs of those commodities, valued at ¥1.35 million. Unfortunately, none of these products were exported to Japan in 1994. This business need to be conducted in the near future because Indonesia is a good place for growing these kind of vegetables.

### **IMPORT SEASONALITY**

Season is very important to be considered when involving in vegetables business in Japan because it has a apparent influence on both domestic consumption and domestic production. In 1994, the total imports of carrots and turnips to Japan was 18,212 MTs, which was supplied by several different countries throughout the year. The peak seasonal import, however, was on December, contributing for 23.6 % of the total import in 1994, while the lowest seasonal import activity was on February, accounted for 0.01 % of the total import.

United States and Taiwan, Australia and New Zealand were the permanent supplying countries for carrots and turnips to Japan through out the year, except on January and February, for USA and Taiwan, respectively and January-February and February and October for Australia and New Zealand, respectively. Republic Korea exported its carrots and turnips only in December, while other supplying countries like Vietnam, Canada and Singapore only exported activities two to seven months a year.

### **DISTRIBUTION SYSTEM**

Generally, the imported products including carrots and turnips, go through the wholesale market system. Seiko, a first level wholesaler at Tokyo's Ohta market, for example, buys product from importers and then sell them to the jobbers (second level wholesalers) in the market. The jobbers, then, sell the products to distributors, supermarket and other retailers. Some importers sell their product directly to supermarket.

### **PRICES/UNIT VALUE**

#### **Wholesale Price**

The average annual wholesale market price for fresh turnips in major Japanese wholesale markets was ¥122/kg in 1994, ¥2 less than in 1993. An analysis of average monthly wholesale prices for the past three years indicates that prices are generally highest during July-September, when supplies are lowest. Prices fall in October-December, when supplies are greatest.

The average annual wholesale price for fresh carrots increased from ¥123/kg in 1993 to ¥168/kg in 1994. Prices for this product are steadier than for turnips, but tend to be slightly higher in August and September.

#### **Unit Value**

The average monthly unit value of imported fresh or chilled carrots and turnips for the last four years was ¥71.9/kg. In 1994, the unit value of fresh or chilled carrots and turnips was highest for USA products, followed by Canada, Australia, Vietnam and Singapore, valued at ¥153.6/kg, ¥90.9/kg, ¥83.9/kg and ¥81.7/kg, respectively. The unit value of Taiwanese product was ¥66.2/kg, Chinese ¥45.7/kg.

For the 1994 average monthly unit value was highest on February at ¥199.1/kg. This was due to the fact that only USA product came to Japan at that time, and USA unit value was the highest. For overall months, the unit value tended to be high during September - October. The reason was that the climate change to winter season. Vegetables generally are not grown during this period, domestic production is low and import activity is busy.

### **IMPORT REGULATIONS**

Because fresh vegetables are shipped soon after the harvesting time, they are likely to be host to vigorous pests and diseases, accordingly require more attentiveness than other products. The freshness of the product is a prime concern

of importers, however, who profoundly that the produce will be cleared smoothly and expeditiously upon its arrival at the port of entry.

Inspection of fresh vegetables generally involves, as a rule, a check into the type of item, the area of production, the importer and exporter, the disinfection treatment, if any, and its procedure in the exporting country. Samples are drawn for each consignment lot and inspected for the presence of pest and diseases. If the pest or diseases are found, disinfection or destruction, including reshipment, is ordered to be taken.

Import inspection of fresh vegetables is carried out at the following places:

#### Seaports

Adair, Muroran, Tokyo, Kawasaki, Yokohama, Nagoya, Yokkaichi, Kobe, Osaka, Shimonoseki, Moji, Hakata, Kagoshima, Naha.

#### Airports

New Chitose Airport, New Tokyo International Airport (Narita Airport), Tokyo International Airport (Haneda Airport), Nagoya Airport (Komaki Airport), Kansai International Airport, Fukuoda Airport (Itatuke Airport, Nagasaki Airport).

### **GRADES AND STANDARDS/CONSUMER PREFERENCES**

There is less information for characteristic and the preferred carrots for Japan consumption. It is true that the Japanese traders and importers consider the thickness and the color of the carrots, however, the specified information is very limited.

For turnips, the size and packaging system are important. In terms of size, there are three type of turnips marketed in the Japan market. The first is 2L, which is the biggest one, weighing 1.3 kg and there are 8 pieces in a ten-kilogram carton box. The L type, weighing 1.0 - 1.3 kg and 10 pieces in the same size box. The M type weighing 0.7 - 1.0 kg and 12 pieces in a box.

### **TARIFF RATES**

According to the Tariff Rates Schedule, Japanese Finance Ministry, 1995, carrots and turnips imported to Japan falls under heading number 0706.10. For Indonesia, because the country is a member of GATT (WTO), all the carrots and turnips from Indonesia is applied tariff rate by 5 %. For the countries that are not members of WTO, they have to pay tariff rate by 10 %. There is no preferential tariff for carrots and turnips imported to Japan.

### **INDONESIAN EXPORT PROSPECT**

Since Indonesia is an agrarian country and produce a lot of carrots and turnips, it should be able to expand its market target for the products to Japan. Carrots and turnips are not listed in the Japanese list of banned vegetables and fruits. One thing to be considered in order to penetrate Japan market for carrots and turnips is the quality and packaging system, as well as the varieties desired by Japanese importers. In this case Indonesia has to compete with other supplying countries which have experience in the export of carrots and turnips to Japan.

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