

Japanese Market Information on Specified Products

Fresh Fruits

1. The Japanese Market

Fresh fruits are sold by many retailers, including fruit stands, vegetable stands, supermarkets, department stores, and fruit parlors. The five leading fresh fruits are available at almost every one of these retail outlets. Other varieties of fresh fruits, however, are sold only at specialty shops, upscale supermarkets, or department stores. Demand for fresh fruits has increased dramatically because of greater consumer demands for more expensive and individual fruits.

To enter the Japanese market or increase sales in it, importers must first have a thorough knowledge of the environment surrounding Japanese food.

Importers must also maintain product quality and understand food grading standards. Because of the time required to ship food to Japanese consumers, importers must take measures to preserve the freshness of fruit and minimize damage to it. Furthermore, Japanese food grading standards take into account size and gloss as well as product type and overall quality. Since pricing depends on this grade, importers must understand how this grading system works.

Importers should also note that fruits that cannot be imported fresh can be imported as juices, jams, dried fruits, or frozen fruits.

2. Imports

(1) Recent Developments

Total imports of the principal fruits reached 1,526,423 tons in 1998, down 6.3% from the previous year. The value of the imports, however, rose 1.1%.

Imports of fresh fruits in recent years have been generally stable except for 1993. Restrictions on fruit imports by their origins were lifted in April 1991, resulting in significant growth in the following year.

Among imported fresh tropical fruits, bananas make up the greatest share. They account for one-half of the volume and one-third of the value of imported fresh fruit. Other tropical fruits imported include pineapples, mangoes, papayas, and avocados. The main temperate-climate fruits imported are kiwifruits, cherries, and melons. The main citrus fruits imported are lemons, limes, oranges, and grapefruits.



	1994		1995		1996		1997		1998	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Bananas	929,380	44,185	873,765	40,908	818,712	47,094	885,140	52,646	864,853	61,515
Pineapples	113,527	5,282	107,940	4,862	96,618	4,860	96,087	5,517	84,710	4,970
Avocados	3,741	972	4,726	993	6,455	1,556	6,040	1,637	8,605	2,285
Mangoes	7,606	2,330	10,047	2,679	9,592	3,134	8,599	3,113	8,877	3,211
Oranges	190,376	18,986	179,960	17,324	154,086	17,181	171,269	18,042	150,470	17,714
Lemons, Limes	90,322	12,906	94,812	13,475	93,681	14,054	89,423	17,649	86,445	17,104
Grapefruits	284,965	27,463	278,129	25,868	270,479	28,995	283,773	31,124	229,905	26,232
Grapes	9,648	2,634	8,630	2,286	6,751	1,896	7,351	2,157	7,649	2,064
Water melons, Melons	36,622	3,944	32,750	3,750	29,118	3,600	24,313	2,941	30,449	3,794
Papayas	5,161	1,845	6,373	1,980	6,029	2,303	5,104	2,356	4,670	1,983
Cherries	15,666	10,958	12,208	10,512	11,336	9,956	12,492	9,667	7,253	6,701
Kiwifruits	45,512	9,386	42,483	7,977	46,699	10,042	40,223	9,538	42,537	10,459
Total	1,732,526	140,891	1,651,823	132,614	1,549,557	144,672	1,629,814	156,387	1,526,423	158,033

Unit: tons, Million Yen

Note: "Oranges", "Lemons, Limes", and "Grapefruits" include dried fruits

Source: Japan Exports and Imports

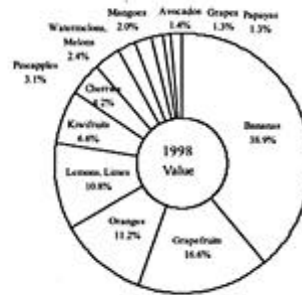
(2) Countries of Origin

For any fresh fruit, the supplying countries tend to be limited in number because of the smallness of the areas of production and plant quarantine regulations. In many cases, 90% of a particular fresh fruit come from a single country or region.

Much of the tropical fruits comes from the Philippines. Bananas come mostly from the Philippines with large amounts also imported from Ecuador and Taiwan. Almost all pineapples come from the Philippines. Mangoes are imported mostly from the Philippines and Mexico. Almost all papayas are from Hawaii, but this may change since the ban on its imports from the Philippines was lifted in April 1994. Avocados are imported most conspicuously from Mexico, followed by the United States. Kiwifruits are imported from New Zealand and Mexico. The two countries have opposite growing seasons, but because of differences in shipping time, their products are received at about the same time. Almost all cherry imports come from the United States. The United States also accounts for nearly 90% of the imports for the three main types of citrus fruits. Oranges are also imported in significant quantities from Australia and grapefruits from Israel.

Principal Exporters of Fresh Fruits by Product Category

Fresh Fruits	Top Country of Imports	Share of Total Imports (Based on 1998 value)
Bananas	Philippine	67.4%
Pineapples	Philippine	98.1%
Avocados	Mexico	91.8%
Mangoes	Philippine	61.2%
Oranges	U.S.A.	88.3%
Lemons, Limes	U.S.A.	86.7%
Grapefruits	U.S.A.	84.9%
Grapes	U.S.A.	52.1%
Watermelons, Melons	Mexico	49.5%
Papayas	U.S.A.	92.6%
Cherries	U.S.A.	99.7%
Kiwifruits	New Zealand	90.9%



Unit: %

Source: Japan Exports and Imports

(3) Share Accounted for by Imports

Although the share accounted for by imports is unclear, the share of domestic products is small for the major fruits.

3. Laws and Regulations

Imports of fresh fruits are subject to the Plant Protection Law and the Food Sanitation Law.

(1) Plant Protection Law

Countries around the world have established plant quarantine systems and inspect plants to prevent the entry and spread of diseases and pests. The Japanese quarantine system sets items prohibited for import, designates port of entries, requires the attachment of phytosanitary certificates issued by the exporting country, outlines inspection procedures, and sets rules for sterilization, disposal, or return.

The Plant Protection Law requires any importer of fresh fruits to submit an "Application for Inspection of Plants and Import-Prohibited Articles" to the plant protection station at a designated port of entry. Phytosanitary certificates (or copies) issued by a government agency of the exporting country must be attached to all items designated for quarantine. A certificate of passage is issued if the items pass inspection conducted by the plant quarantine officer at the place of inspection.

If a harmful insect is found, decontamination procedures are enacted. If an infection is found, the infected items are segregated and reconditioned, discarded, or returned to the shipper. If no effective decontamination method exists, the infected items will be segregated and either discarded or returned to the shipper.

Import Prohibited Items

Imports of fresh fruits that may act as carriers of certain insects and diseases are prohibited from the countries or areas where such insects and diseases are prevalent. Insects and diseases subject to this prohibition include the Mediterranean fruit fly, oriental fruit fly, lodling moth, and erwinia amylovora.

Conditionally Permitted Items

Japanese quarantine authorities and the government may conditionally request prohibitions against certain fruits to be lifted. In such cases, the Ministry of Agriculture, Forestry and Fisheries may do so if certain criteria are met regarding disinfection and others. The methods of disinfection differ by product and by country and may include any of: steam heating; cryogenic disinfection; combination of steam heating and cryogenic disinfection; fumigation (by methyl bromide or others); and shipment from quarantine controlled regions.

In all cases, fruits are inspected upon landing. If diseases or pests are detected, the fruits are fumigated by cyanide gas (in the case of scale insects, thrips, white flies, and cockroaches) or methyl bromide gas.

(2) Food Sanitation Law

This law requires the importer to submit a "Notification Form for Importation of Foods, etc." along with a "Plant Quarantine Inspection Certificate" and a "Phytosanitary Certificate" issued by a government agency of the exporting country to the Food Sanitation Division, Ministry of Health and Welfare. Imports of fresh fruits are subject to the following standards.

Residual Pesticide Standards

Residual pesticide standards are adopted for 161 pesticides applied to 130 agricultural products (enforced from March 1998). Other pesticides are governed by the pesticide registration reservation standards set by the Environment Agency of Japan as well as the residual pesticide standards set by the United Nations Food and Agriculture Organization (FAO) and World

Health Organization (WHO).

Food Additive Standards

Four food additives are permitted for use in Japan as anti-fungal agents: diphenyl (DP), orthophenyl phenol (OPP), thiabenzene (TBZ), and imazaryl. Food containing these additives must indicate so on the label.

Inspection Procedures

Upon arrival at the port of entry, imported fresh fruits must be inspected by either a Japanese government official (Food Sanitation Inspection Division, Ministry of Health and Welfare) or a food sanitation inspector from a laboratory designated by the Ministry of Health and Welfare. Each fruit is inspected for compliance in 20 test categories.

4. Taxes

(1) Customs Duties

HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
0803	Bananas, including plantains, fresh or dried				
0803.00	1. Fresh				
-100	(1) If imported during the period from 1st April to 30th September	40%	26.7%	10%	
-100	(2) If imported during the period from 1st October to 31st March	50%	33.3%	*Free	
0804	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried				
0804.30	1. Pineapples				
-010	(1) Fresh	20%	18%		
-090	(2) Dried	12%	8.8%	7.2%	
0804.50	2. Guavas, mangoes and mangosteens	6%	4%	*Free	
-011	(1) Fresh A Mangoes			Free	
0805	Citrus fruit, fresh or dried				
0805.10	1. Oranges				
-000	(1) If imported during the period from 1st June to 30th November	20%	17.3%		
-000	(2) If imported during the period from 1st December to 31st May	40%	34.7%		
0805.30	2. Lemons (Citrus limon, Citrus limonum) and limes (Citrus aurantifolia)	Free	(1.7%)		
-010	(1) Lemons (Citrus limon, Citrus limonum)				
-090	(2) Limes (Citrus aurantifolia)				
0805.40	3. Grapefruit	10%			
-000	(1) If imported during the period from 1st June to 30th November		(10.7%)		
-000	(2) If imported during the period from 1st December to 31st May		(15%)		
0806	Grapes, fresh or dried				
0806.10	(1) Fresh				
-000	A If imported during the period from 1st March to 31st May	20%	18%		
-000	B If imported during the period from 1st November to the last day of February	13%	9.5%		
0807	Melons (including watermelons) and papaws (papayas), fresh				
11-000	1. Melons (including watermelons)				
19-000	(1) Watermelons	10%	7.3%		
20-000	(2) Other	10%	7.3%		
0809	2. Papaws (papayas)	4%	2.7%		
20-000	Apricots, cherries, peaches (including nectarines), plums and soles, fresh				
0810	Cherries	10%	9%		
50-000	Other fruit, fresh				
	(1) Kiwifruit	8%	6.9%		

Note: *The produce from the least Less Developed Countries is tariff free.

For information on how to use this table, please refer to customs tariff schedules.

(2) Consumption Tax

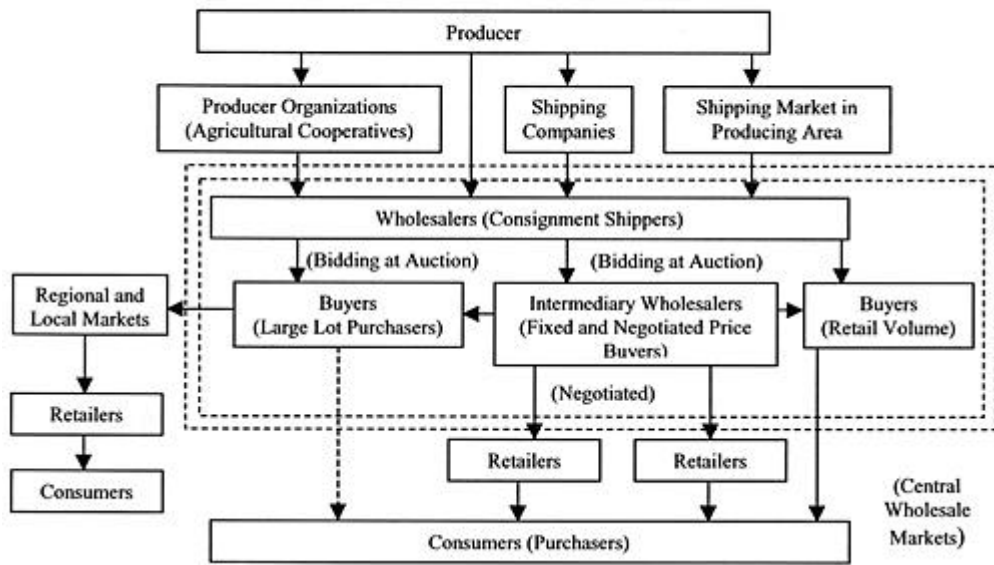
(CIF + Customs Duty) x 5%

5. Distribution

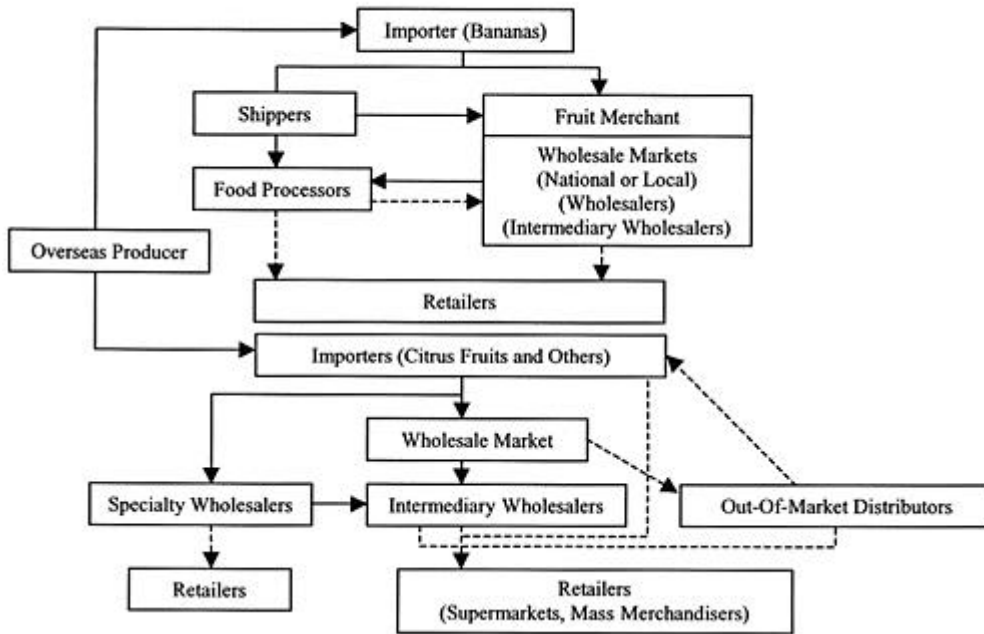
The primary distribution channel for imported fresh fruit runs from the importer to national or local fruit merchants, then to primary and secondary wholesalers, retailers, and finally to consumers. Some fresh fruits are also distributed by specialty wholesalers directly to retailers while others are sold by trading houses to food processors.

Most fresh fruit grown in Japan is shipped from the agricultural cooperatives, to which most farmers belong, to the wholesale markets. The distribution system from this point on is essentially the same as for imported fresh fruit.

Distribution Channels for Domestically Grown Fresh Fruit



Distribution Channels for Imported Fresh Fruit



6. Industry Contacts

Japan Banana Importers Association
 TEL: +81-3-3263-0461

Japan Fresh Produce Import Facilitation Association (Nisseikyo)
 TEL: +81-3-3251-6021

Taiwan Fresh Banana Importers Association
 TEL: +81-3-3834-0653