

Japanese Market Information on Specified Products



Fruit Juices

1. The Japanese Market

Large supermarkets and other retailers, through their private brands, succeeded in increasing their share in the market in the past, but through the development of new blended juices and other products, large domestic national brand producers have succeeded in regaining their earlier dominance. At present, fruit juices that come in paper cartons and packs are sold at supermarkets and convenience stores while fruit juices that come in bottles and cans (i.e., those not requiring refrigeration) are sold at department stores. Consumer interest in the "real thing" is causing consumption of straight juices to increase. In the past, straight juices did not sell as well as reconstituted concentrate juices because of their higher prices, but companies in recent years have succeeded in developing straight juices that are less expensive.

The distribution and sales channels for fruit juices are held by the large manufacturers, hence when entering the market, it is necessary not only to ensure quality but also to secure these channels. A large part of the sales of beverages comes from vending machines, but because there is already a surplus of these machines, it will be extremely difficult to sell fruit juice through them.

2. Imports

(1) Recent Developments

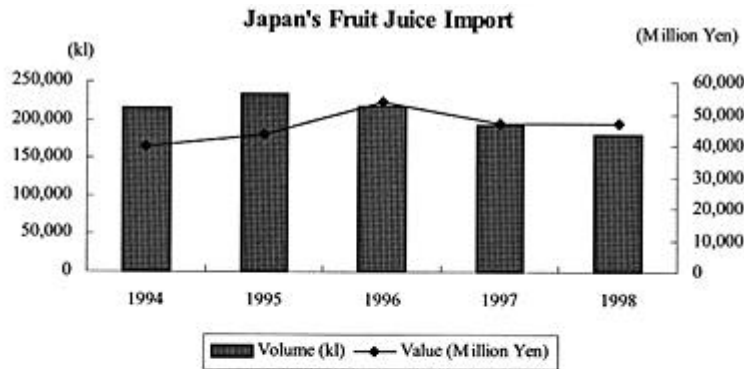
In 1998, Japan's fruit juice imports in the main product categories fell 7.0% from the previous year to 180,391kl, but the value of these imports rose by 0.1%. Grape juice and lemon juice imports increased while imports of all other juices decreased.

The prices of imported fruit juices are dependent on fruit harvests and domestic production, and as such, there is some yearly fluctuation on both the volume and value of imports. Overall, fruit juice imports peaked in 1995 after years of steady growth and are now declining. The liberalization of apple juice, grape juice, and pineapple juice imports in 1990 and orange juice imports in 1992 allowed the importation of juices priced lower than their domestic counterparts, leading to increased imports, but these fruit juices in turn have faced competition from non-sugar soft drinks.

Orange juice and apple juice vie for the number one position among fruit juices. After the 1992 liberalization, orange juice imports grew rapidly, exceeding apple juice by as much as 60% by 1994. Orange juice imports slowed considerably since, however, and apple juice imports, which remained strong in the meantime, again approximates orange juice imports.

One of the reasons cited for the recent decline in fruit juice imports is the slowdown in household consumption caused by the recession, but an even greater reason is competition from mineral water and non-sugar soft drinks. Japanese still drink relatively little fruit juice at breakfast, causing the slowdown in fruit juice imports.

A significant development of recent years is the growth in the imports of organically grown fruit juices. Many beverage manufacturers are willing to develop new products made from organically grown fruit juice, and this, according to one estimate, will cause imports of organically grown fruit juices to increase by as much as 10% a year. The major constraint to the acceptance of organically grown fruit juices is their high price-if the price difference decreases, the share of such juices, which accounts for about 10% of all juices at present, will likely increase.



	1994		1995		1996		1997		1998	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Orange Juice (frozen)	64,761	11,029	56,286	10,140	57,093	12,951	58,556	11,527	54,230	12,625
Orange Juice (not frozen)	41,887	6,869	24,890	4,059	26,164	5,076	21,216	3,678	19,712	4,675
Grapefruit Juice	15,472	3,673	14,619	2,944	19,294	3,766	15,650	2,985	13,041	2,551
Lemon Juice	6,444	1,382	8,275	1,798	6,643	1,924	6,380	2,000	7,003	2,179
Other Citrus Fruit Juice	340	89	998	237	2,274	692	1,223	588	760	301
Pineapple Juice	5,353	660	5,554	742	5,924	1,327	4,387	1,100	4,726	1,228
Grape Juice	14,396	3,577	15,200	3,437	17,019	4,572	15,536	5,070	18,609	6,905
Apple Juice	58,792	10,964	74,695	14,092	64,138	17,800	56,095	14,517	50,956	11,386
Other Fruit Juice	569	169	5,711	2,120	7,046	2,754	7,518	3,215	7,371	3,756
Mixed Juice	7,702	1,322	27,109	3,617	12,445	2,586	7,498	2,022	3,983	1,162
Total	215,716	39,734	233,337	43,186	218,041	53,449	194,061	46,702	180,391	46,769

Unit: kl, Million Yen

Source: Japan Exports and Imports

(2) Countries of Origin

Much of Japan's orange juice imports come from Brazil (68.6% of all orange juice imports in value), hence the orange harvest in Brazil affects the prices of all juices-not just orange juice-in Japan.

Since its liberalization in 1990, apple juice imports have grown significantly, but the volume of imports peaked at 75,000kl in 1995 and has begun to decline since. Apple juices are imported primarily from the United States, Australia, and China.

Grape juice, whose imports have increased every year except for 1997, is imported primarily from the United States, while grapefruit juice, whose imports have declined greatly the last three years, also comes primarily from the United States (Florida).

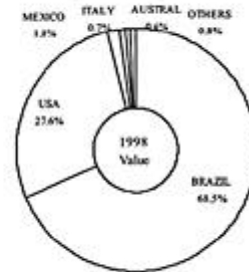
Principal Exporters of Fruit Juice to Japan

<Orange Juice>

COUNTRY	1994	1995	1996	1997	1998	
	Value	Value	Value	Value	Value	Volume
BRAZIL	13,226	10,304	12,510	10,718	11,859	50,900
USA	4,015	2,597	4,544	3,868	4,771	19,445
MEXICO	258	231	0	67	310	1,273
ITALY	47	51	73	145	113	416
AUSTRAL.	75	60	139	128	106	996
OTHERS	277	955	761	279	142	913
TOTAL	17,898	14,199	18,027	15,204	17,300	73,942

Unit: Million Yen, kl

Source: Japan Exports and Imports



<Apple Juice>

COUNTRY	1994	1995	1996	1997	1998	
	Value	Value	Value	Value	Value	Volume
USA	3,711	5,199	4,222	3,797	2,754	10,541
AUSTRIA	2,424	2,064	2,330	2,646	2,244	9,544
CHINA	676	1,306	1,890	2,204	2,087	11,907
GERMANY	876	1,160	2,269	1,533	1,187	4,693
CHILE	800	1,716	2,375	1,159	808	3,653
OTHER	2,477	2,647	4,714	3,177	2,306	10,618
TOTAL	10,964	14,092	17,800	14,517	11,386	50,956

Unit: Million Yen, kl

Source: Japan Exports and Imports



(3) Share Accounted for by Imports

Orange juices in the past were made from domestic tangerines or domestic tangerines mixed with Valencia oranges, but with the decline in domestic tangerine production and consumer preference for 100% orange juices, the share accounted for by imports will likely increase even more in the future.

Approximately 60% of apple juices and nearly all of grapefruit juices are imported.

3. Laws and Regulations

The importation of fruit juices to Japan is subject to the provisions of the Food Sanitation Law.

To import fruit juices, the importer must submit a "Notification Form for Importation of Foods, etc." to the Plant Quarantine Service Office at the port of entry. The juices must then be examined either directly or indirectly through accompanying documents.

The juices may also be examined in advance at a Japanese or overseas inspection organization authorized by the Japanese Ministry of Health and Welfare. The results of these examinations will be treated in the same way as examinations by the port Plant Quarantine Service Office. This option helps expedite import and customs procedures.

4. Taxes

(1) Customs Duties

HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
2009	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter:				
2209.11	Orange juice (frozen)				
2209.11-110	1. Containing added sugar	30%	27%		
	(1) Not more than 10% by weight of sucrose, naturally and artificially contained				
-190	(2) Other	35% or ¥27/kg, whichever is the greater	31.5% or ¥24.33/kg, whichever is the greater		
-210	2. Other	25%	22.5%		
-290	(1) Not more than 10% by weight of sucrose				
	(2) Other	30%	27%		
2009.19	Other				
2009.19-110	1. Containing added sugar	30%	27%		
	(1) Not more than 10% by weight of sucrose, naturally and artificially contained				
-190	(2) Other	35% or ¥27/kg, whichever is the greater	31.5% or ¥24.33/kg, whichever is the greater		
-210	2. Other	25%	22.5%		
-290	(1) Not more than 10% by weight of sucrose				
	(2) Other	30%	27%		
2009.20	Grapefruit juice				
2009.20-110	1. Containing added sugar	27%	24.3%		
	(1) Not more than 10% by weight of sucrose, naturally and artificially contained				
-190	(2) Other	35% or ¥27/kg, whichever is the greater	31.5% or ¥24.33/kg, whichever is the greater		
-210	2. Other	22.5%	20.2%		
-290	(1) Not more than 10% by weight of sucrose				
	(2) Other	30%	27%		
2009.30	Juice of any other single citrus fruit:				
2009.30-110	1. Containing added sugar	27%	24.3%		
	(1) Not more than 10% by weight of sucrose, naturally and artificially contained				
-190	(2) Other	35% or ¥27/kg, whichever is the greater	31.5% or ¥24.33/kg, whichever is the greater		
-211	2. Other	8%	7.3%		
	(1) Not more than 10% by weight of sucrose				
-212	A. Lemon juice				
-219	B. Lime juice	16%	14.7%		
-290	C. Other	22.5%	20.2%		
	(2) Other	30%	27%		
2009.40	Pineapple juice				
2009.40-110	1. Containing added sugar	27%	24.3%		
	(1) Not more than 10% by weight of sucrose, naturally and artificially contained				
-190	(2) Other				
-210	2. Other	22.5%	20.2%		
-290	(1) Not more than 10% by weight of sucrose				
	(2) Other	30%	27%		
2009.60	Grape juice (including grape must):				
2009.60-110	1. Containing added sugar	27%	24.3%		
	(1) Not more than 10% by weight of sucrose, naturally and artificially contained				
-190	(2) Other	35% or ¥27/kg, whichever is the greater	31.5% or ¥24.33/kg, whichever is the greater		
-210	2. Other	22.5%	20.2%		
	(1) Not more than 10% by weight of sucrose				

-290	(1) Not more than 10% by weight of sucrose			
	(2) Other	30%	27%	
2009.70	Apple juice			
2009.70-110	1. Containing added sugar	27%	24.3%	
	(1) Not more than 10% by weight of sucrose, naturally and artificially contained			
-190	(2) Other	40% or ¥27/kg, whichever is the greater	36% or ¥24.33/kg, whichever is the greater	
-210	2. Other	22.5%	20.2%	
-290	(1) Not more than 10% by weight of sucrose			
	(2) Other	35%	31.5%	
2009.80	Juice of any other single fruit or vegetable:			
2009.80-111	1. Fruit juice	27%	24.3%	
	(1) Containing added sugar			
	A: Not more than 10% by weight of sucrose, naturally and artificially contained			
-119	B: Other	35% or ¥27/kg, whichever is the greater	31.5% or ¥24.33/kg, whichever is the greater	
	(2) Other	22.5%	20.2%	
	A: Not more than 10% by weight of sucrose			
-122	- Prune juice		17.1%	
-123	- Other		20.2%	
-129	B: Other	30%	27%	
2009.90	Mixtures of juices:			
2009.90-111	1. Mixtures of fruit juices:	27%	24.3%	
	(1) Containing added sugar			
	A: Not more than 10% by weight of sucrose, naturally and artificially contained			
-119	B: Other	35% or ¥27/kg, whichever is the greater	31.5% or ¥24.33/kg, whichever is the greater	
-121	(2) Other	22.5%	20.2%	
	A: Not more than 10% by weight of sucrose			
-129	B: Other	30%	27%	

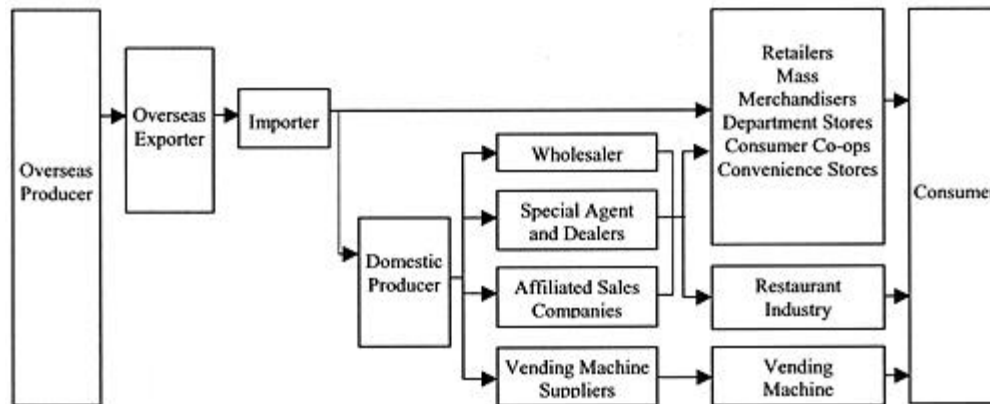
Note: For information on how to use this table, please refer to customs tariff schedules.

(2) Consumption Tax
 (CIF + Customs Duty) x 5%

5. Distribution

Fruit juices are supplied to a domestic producer through overseas exporters, domestic imports, or domestic wholesalers. They are also sometimes purchased by the large domestic producers and retailers directly from the overseas producers for sales through their private brands, but most small shipments pass through wholesalers.

Distribution Channels for Fruit Juice



6. Industry Contacts

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