3. Fruit Juices

1. Definition of Category

100% fruit juice. It does not, however, concern itself with the presence or lack of presence of sugar and other sweeteners.

HS Numbers	Commodity
2009.11	Orange juice (frozen)
.12	Orange juice (not frozen, less than 20 brix)
.19	Orange juice (not frozen, other)
.21	Grapefruit juice (less than 20 brix)
.29	Grapefruit juice (other)
.31	Other citrus fruit juice (less than 20 brix)
.39	Other citrus fruit juice (other)
.40	Pineapple juice (less than 20 brix)
.49	Pineapple juice (other)
.60	Grape juice (less than 20 brix)
.69	Grape juice (other)
.71	Apple juice (less than 20 brix)
.79	Apple juice (other)
.80	Other fruit juice*
.90	Mixed juice*

Note1: Asterisks do not include vegetable juice (2009.80-210, 221, 231, 239) and mixed vegetable juice (2009.90-210, 220).

Note2: The brix refers to the value obtained from the Blix hydrometer or refractor (the latter only when the refraction ratio is used as an index of sucrose content) at a temperature of 20˚C.

2. Import Trends

(1) Recent Trends in Fruit Juice Imports

Fruit juices are generally imported in one of the following three forms: 1) fruit juice extract used as raw material (concentrated to one-fifth of its natural volume), 2) finished juice drinks made according to specifications at a wholly-owned or joint-venture plant overseas, 3) finished juice drinks from a foreign maker. Since official customs statistics classify products according to the type of fruit and the sucrose content, the percentile breakdown among these forms are unclear. Industry sources, however, indicate that the most common method is form 1) as raw material, and then flavored and made into finished fruit drinks in Japan.

Both import volume and value figures vary from year to year, depending on fruit harvest, domestic production and demands. After the liberalization of imports of orange juice in April 1992, fruit juice import volume as a whole has trended upward, despite some fluctuation. Fruit juice imports swelled by 17.2% in 2001 to 251,449 kiloliters, breaking the previous record set in 1995. The driving forces behind this growth were apple juice (up 28.4%) and orange juice (frozen and non-frozen, up 21.3%).

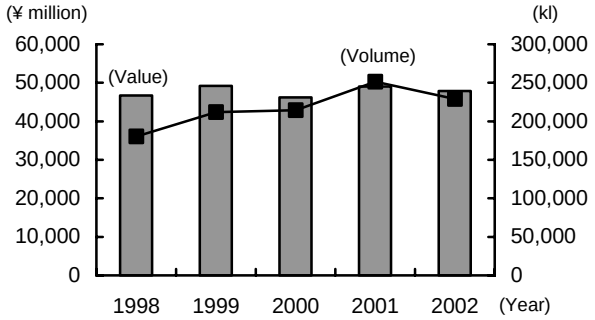
However, 2002 saw both of these products lose momentum significantly, finishing down 22.0% and 10.9%, respectively, from the year before. As a result, total fruit juice import volume slumped to 229,134 kiloliters (down 8.9%). (see Fig.1)

The fruit juices that did post import growth included lemon and other citrus juices (up 35.6%), pineapple juice (up 28.3%) and grapefruit juice (up 11.8%). The main reasons for this development are: 1) the dramatic growth in tea drinks, other non-sugared drinks, and reinforced drinks in the Japanese soft drink market over recent years, 2) the significant decline in sales of fruit juice based near-water drinks since 2001, and 3) the countervailing popularity of canned "*chuhai*," which has boosted demand for grapefruit and lemon juice used as flavoring.

(Note1) "Near-water drinks" is a new type of water-based drink in which flavoring and nutritional supplements are added to mineral water or sport drinks.

(Note2) Chuhai is an alcoholic beverage unique to Japan, made from a combination of shochu, neutral spirits (raw material alcohol) or vodka with lemon, grapefruit or orange juice and carbonated water. It comes in small-size 250-350 ml cans, and has rapidly gained market share due to its popularity as a low-cost low-alcohol (alcohol content 5-7%) beverage (industry observers estimate 2002 sales at approximately 500,000 kiloliters).

Fig. 1 Japan's fruit juice import



	1998		1999		2000		2001		2002	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Orange juice (frozen)	54,246	12,625	50,904	11,167	49,736	9,133	57,614	10,097	50,640	10,745
Orange juice (not frozen)	19,712	4,675	29,887	6,261	28,842	5,029	37,725	5,758	34,331	6,727
Grapefruit juice	13,021	2,544	18,902	3,704	22,912	6,243	26,504	6,336	29,623	6,627
Other citrus fruit juice	7,756	2,478	9,319	2,542	8,953	2,100	10,072	2,496	13,658	3,110
Pineapple juice	4,726	1,228	5,021	1,164	3,882	583	4,866	745	6,243	1,253
Grape juice	18,567	6,888	22,709	6,939	25,268	6,469	23,671	5,971	21,575	5,532
Apple juice	50,817	11,354	59,960	10,153	60,773	10,385	78,030	12,786	60,769	9,492
Other fruit juice	7,371	3,756	12,116	6,405	11,325	5,447	9,181	3,810	7,883	3,387
Mixed juice	3,983	1,162	3,278	861	2,876	812	3,785	1,070	4,411	1,011
TOTAL	180,198	46,710	212,095	49,197	214,566	46,201	251,449	49,069	229,134	47,884

Units: kl, ¥ million *Source: Japan Exports and Imports*

Fig. 3 shows a product-by-product breakdown of fruit juice imports in 2002 (volume basis). The two leading imported fruit juices remain orange juice (frozen and non-frozen, 37.1%) and apple juice (26.5%), but there is an evident trend toward wider dispersion among a variety of juices.

Fig. 2 Trends in main fruit juice imports

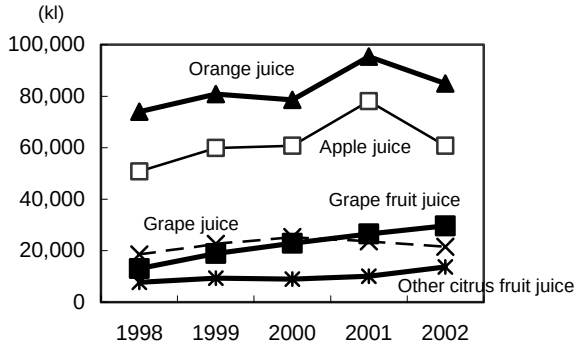
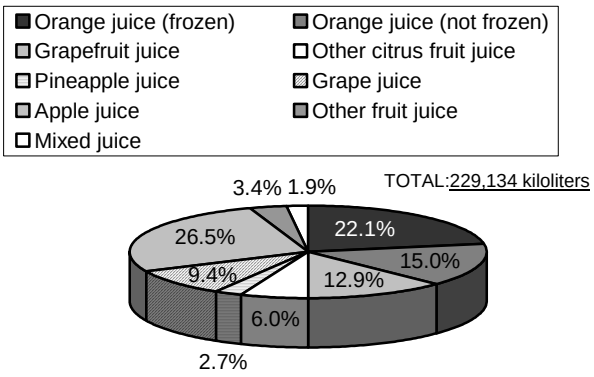


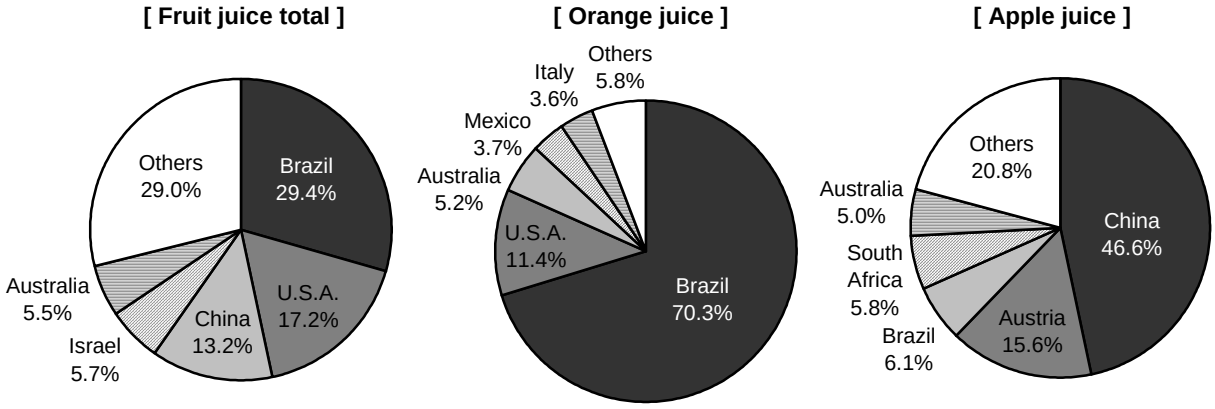
Fig. 3 Breakdown of fruit juice by variety (2002)



(2) Imports by Place of Origin

The leading exporters of fruit juice to Japan are Brazil (29.4%), the United States (17.2%) and china (13.2%). Brazil mainly exports orange juice and China mainly exports apple juice, while the United States exports a number of different juices to Japan, including orange, grapefruit and apple juice. Declining sales of the two mainstay juices in 2002 mean that imports from these three leading countries were down. In contrast, Israel saw its exports (especially of grapefruit juice) soar by 46.6%, putting it into 4th place in the rankings (5.7% import share). Fifth-ranked Australia (5.5%) also expanded its share in both grapefruit and orange juice.

Fig. 4 Breakdown of fruit juice by country (2002)



	First				Second			
	Country	Volume	Share	Yearly change	Country	Volume	Share	Yearly change
Grapefruit juice	U.S.A.	15,908	53.7%	93.4	Israel	7,410	25.0%	178.2
Grape juice	U.S.A.	6,228	28.9%	86.3	South Africa	3,242	15.0%	49.9
Other citrus fruit juice	Italy	4,966	36.4%	176.1	Israel	4,121	30.2%	99.0
Pineapple juice	Thailand	1,935	31.0%	126.1	Philippines	1,600	25.6%	90.6
Other fruit juice	U.S.A.	2,197	27.9%	65.4	China	1,769	22.4%	87.7

Unit: kl *Source: Japan Exports and Imports*

(3) Imports' Market Share in Japan

Most fruit produced in Japan is used as fresh food. Only limited quantities can be used to make fruit juice, and from a price standpoint, domestic fruit is uncompetitive with fruit grown abroad anyway. Accordingly, Japan relies on imports for the bulk of its fruit juice raw materials. For example, orange juice used to be made from domestically produced tangerines or their mixture with Valencia oranges. At the present time, however, production of juice from domestic tangerines itself is falling and consumers are switching to 100% orange juice by preference. Industry sources believe that imports will take on an increasingly greater share of the market in the future.

3. Key Considerations related to Importing

(1) Regulations and Procedural Requirements at the Time of Importation

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

1) Food Sanitation Law

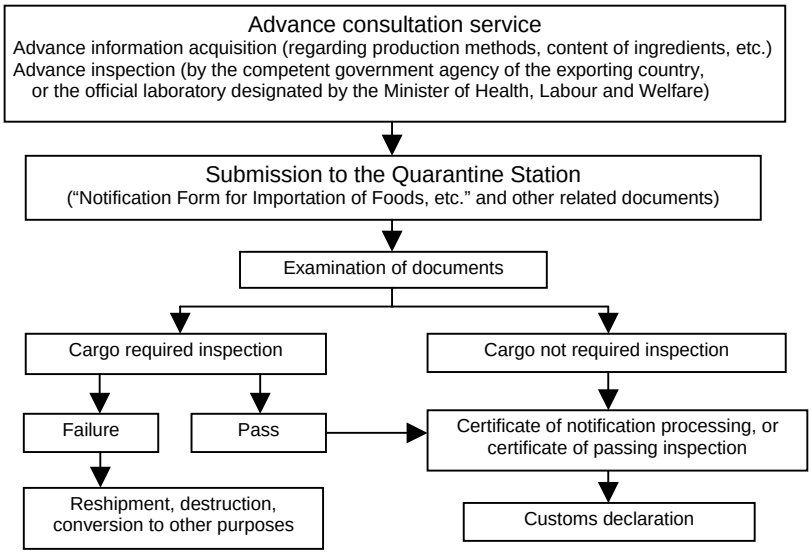
Under provisions of the Food Sanitation Law, an import notification is required for fruit juice being imported for the purpose of sale or for other commercial purposes. Importers are required to submit the completed "Notification Form for Importation of Foods, etc." to the Quarantine Station at the port of entry. A determination is made based on the document examination whether or not an inspection at the bonded area is required.

In addition to standard inspections, fruit juice may be subject to the following additional inspections.

- Sulfur dioxide (SO_2).....0.005 g/kg or less
- Solbic aid.....0.005 g/kg or less
- Benzoic aid.....0.005 g/kg or less
- Artificial coloring agents.....Not present
- Coliform group.....Not active

Prior to importing, the importer may take a sample of forthcoming imports to official laboratories designated by the Minister of Health, Labour and Welfare in Japan or in exporting countries. Those test results may be substituted for the corresponding inspection at the port of entry, which expedites the quarantine clearance process. In addition, importers who wish to submit their notifications by computer may make use of the computerized FAINS (Food Automated Import Notification and Inspection Network System) for processing import-related documentation. Importers who have the required hardware and software may apply for a security code from the Minister of Health, Labour and Welfare to access the system.

Fig. 5 Procedures required under the Food Sanitation Law



(2) Regulations and Procedural Requirements at the Time of Sale

The sale of fruit juice is subject to the Food Sanitation Law, the JAS Law, the Measurement Law, the Health Promotion Law (former Nutrition Improvement Law), and the Act Against Unjustifiable Premiums and Misleading Representations.

Containers and packaging may also be subject to identifier labeling provisions of the Law for Promotion of Effective Utilization of Resources, and recycling provisions of the Containers and Packaging Recycling Law. Please contact one of the agencies listed below for more complete information about affected packaging, the definition of specific providers (certain small-scale providers are exempt from regulation), and labeling methods.

1) Food Sanitation Law

The Food Sanitation Law prohibits the sale of foods containing toxic or harmful substances and foods that are unsafe for human health. When selling packaged fruit juice, it must be labeled in accordance with provisions of the Food Sanitation Law. (see 4. Labeling)

In addition, processed foods and food additives containing allergens are required or recommended to state in the labeling to the effect that they contain allergenic foods.

2) JAS Law

(Law Concerning Standardization and Proper Labeling of Agricultural and Forestry Products)

The JAS Law establishes quality labeling standard for all food and beverage products sold to ordinary consumers. Fruit juice is subject to labeling requirements under provisions of the Processed Food Product Quality Labeling Standards and the Fruit Juice Drink Product Quality Labeling Standards. (see 4. Labeling)

3) Measurement Law

Fruit juice sealed in wrapping or containers are required the labeling of the net content to certain accuracy. (see 4. Labeling)

4) Health Promotion Law (former Nutrition Improvement Law)

The Health Promotion Law was adopted in August of 2002 (and goes into effect in May of 2003). The former Nutrition Improvement Law was repealed, and the regulatory system in effect under the former Law will continue in force under the new Law. When employing labeling for nutritional ingredients or calories, labeling must be in accordance with the requirements under the Law. (see 4. Labeling)

5) Act Against Unjustifiable Premiums and Misleading Representations

The Act prohibits a form of improper labeling exaggerated or false labeling that misleads consumers about the nature or quality of products. Also, vague or confusing labeling that makes it difficult to discern the actual country of origin is also prohibited as a form of improper labeling.

<Fair Competition Code Concerning Representation of Fruit Juice>

The industry has voluntarily adopted labeling guideline in order to assure consumer product choice availability and preserve fair competition, based on the Act Against Unjustifiable Premiums and Misleading Representations. (see 4. Labeling)

6) Law for Promotion of Effective Utilization of Resources

Identifier labeling is required for steel and aluminum cans, paper (not including beverage containers not containing aluminum) and plastic container materials. (see 4. Labeling)

7) Containers and Packaging Recycling Law (Law for Promotion of Sorted Collection and Recycling of Containers and Packaging)

The Containers and Packaging Recycling Law was enacted to promote recycling of container and packaging waste materials. It provides for sorting by consumers, sorted collection by municipalities, and product reuse (recycling) by product makers and distributors for glass bottles, PET bottles, paper and plastic containers and packaging. Consequently, fruit juice importers and vendors incur the obligation for recycling of containers and packaging (although stipulated small-scale importers are exempt). Please consult the competent government agencies listed below for more information.

(3) Competent Agencies

- Food Sanitation Law
  Policy Planning Division, Department of Food Sanitation, Pharmaceutical and Medical Safety Bureau, Ministry of Health, Labour and Welfare
  TEL:03-5253-1111 http://www.mhlw.go.jp
- JAS Law
  Standards and Labeling Division, General Food Policy Bureau, Ministry of Agriculture, Forestry and Fisheries
  TEL:03-3502-8111 http://www.maff.go.jp
- Measurement Law
  Measurement and Intellectual Infrastructure Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry
  TEL: 03-3501-1511 http://www.meti.go.jp
- Health Promotion Law (former Nutrition Improvement Law)
  Department of Food Sanitation, Pharmaceutical and Medical Safety Bureau, Ministry of Health, Labour and Welfare
  TEL: 03-5253-1111 http://www.mhlw.go.jp
- Act Against Unjustifiable Premiums and Misleading Representations
  Consumer Related Trade Division, Trade Practices Department, Fair Trade Commission of Japan
  TEL: 03-3581-5471 http://www.jftc.go.jp
- Law for Promotion of Effective Utilization of Resources / Containers and Packaging Recycling Law
  Recycling Promotion Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry
  TEL: 03-3501-1511 http://www.meti.go.jp
  Recycling Promotion Division, Waste Management and Recycling Department, Ministry of the Environment
  TEL: 03-3581-3351 http://www.env.go.jp
  Food Industry Policy Division, General Food Policy Bureau, Ministry of Agriculture, Forestry and Fisheries
  TEL: 03-3502-8111 http://www.maff.go.jp

4. Labeling

(1) Legally Required Labeling

1) Labeling requirements under the JAS Law

When selling fruit juice sealed in wrapping or containers, following items must be listed all together on the label, under provisions of the Food Sanitation Law, the JAS Law, and the Measurement Law.

<Labeling items to be listed all together>

1) Product name
2) List of ingredients, name of food additives (if used)
3) Net content
4) Best-before date
5) Preservation method
6) Country of origin
7) Importer's name and address

Example of label for fruit juice

Product name	Orange juice (reconstituted from concentrate)
List of ingredients	Orange, flavors
Net content	500 ml
Best-before date	2003. 1. 22
Preservation method	Store at room temperature out of direct sunlight.
Country of origin	U.S.A.
Importer	XYZ Co., Ltd. X-X, YY-machi, ZZ Prefecture

<Labeling of Foods Containing Allergens>

The Food Sanitation Law mandates or recommends ingredient labeling for 24 items that contain allergens. Processed foods containing the food items listed in the following table, and processed foods containing additives derived from these food items are either required or advised to bear labeling to the effect that they contain allergenic foods.

Labeling mandatory (5 items)	Wheat, buckwheat, eggs, milk, peanuts
Labeling recommended (19 items)	Abalone, squid, salmon roe, shrimp, crabs, salmon, mackerel, oranges, kiwi fruit, peaches, white potatoes, apples, walnuts, soybeans, gelatin, beef, pork, chicken, *matsutake* mushroom

<Labeling under the Law for Promotion of Effective Utilization of Resources>

The Law requires that all canned or PET-bottled fruit juice, whether produced in Japan or elsewhere, display an identifying mark affixed to or printed on at least one spot on the side of the container. In addition, identifier labeling requirements apply to paper (not including beverage containers not containing aluminum) and plastic container materials.

< Container > **< External packaging, cap, etc. >**

Equilateral triangle with Japanese characters for “aluminum”

Circle with Japanese characters for “steel”

Equilateral triangle with “PET”

Circle with Japanese characters for “paper”

Rectangular with Japanese characters for “plastic”

(2) Voluntary Labeling based on Provisions of Law

1) JAS Law

< JAS Mark>

JAS Mark

The JAS Law establishes JAS standards for fruit juice. Products that undergo inspection and are certified compliant with JAS standards are allowed to display the JAS mark on the product. However, application for grading is voluntary, and products do not have display the JAS mark in order to be sold.

Under the previous JAS Law, manufacturers must undergo inspection by a registered grading organizations. But under the amended JAS Law, both domestic and overseas manufacturers, production process supervisors (farmer producers), sorters, and importers in Japan may be authorized to self-qualify with the approval of a registered certification organization.

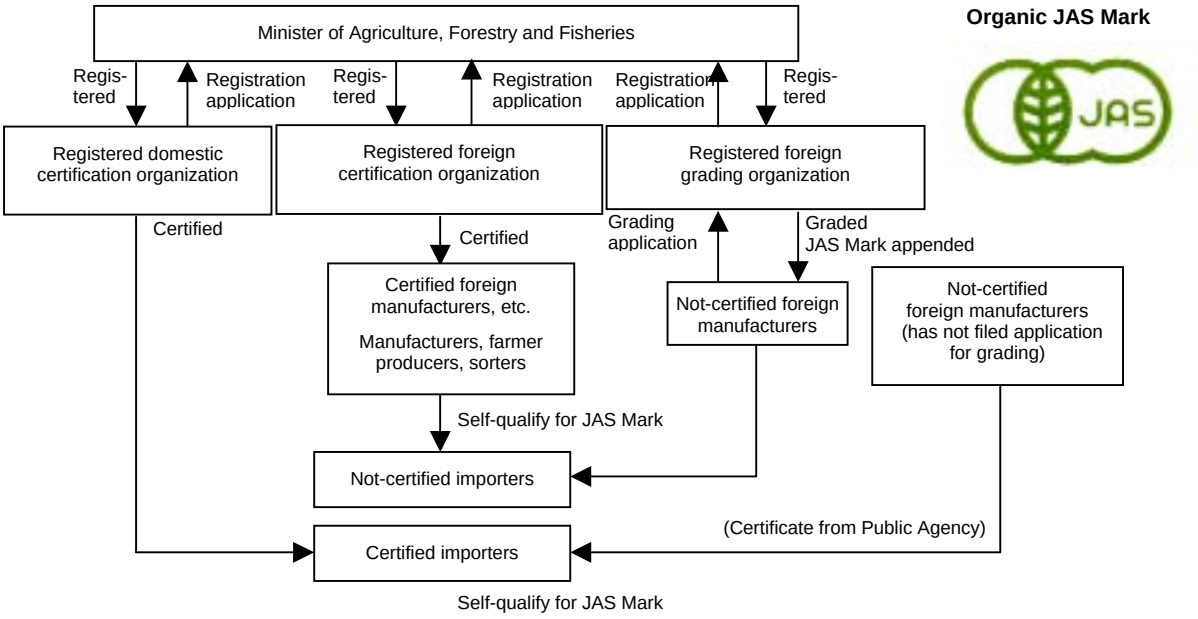
<Inspection and Certification of Organic Agricultural Products and Processed Organic Agricultural Products>

The JAS Law establishes a “special JAS standard” for organic agricultural products and processed organic agricultural products. Only those products that comply with this standard are allowed to include in their labeling the phrase “organic” and to display the Organic JAS Mark. Organic agricultural products produced abroad (in countries recognized as having a certification program equivalent to the JAS system) must be qualified according to one of the following methods in order to use the phrase “organic” and to display the Organic JAS Mark. (see Fig. 6)

1) Product is qualified by a foreign grading organization registered with Japan's Minister of Agriculture, Forestry and Fisheries, and is imported with the JAS Mark attached.
2) Manufacturers, production process supervisors (farmer producers) and sorters shall be authorized to self-qualify with the approval of a registered certification organization. This provision applies to foreign countries as well. This means that foreign manufacturers, etc., may be authorized to self-qualify by registered a foreign certification organization, and to export the product with the JAS Mark attached to Japan.
3) Importers may obtain approval to qualify from a registered certification organization in Japan, and they may self-qualify the imported product by accompanied certificate (or copy) issued by a public agency abroad.

Contact:
Center for Food Quality, Labeling and Consumer Services Headquarters
Standard and Labeling Department TEL: 048-600-2371 http://www.cfqlcs.go.jp

Fig. 6 Inspection and certification system for imported organic agricultural products and processed organic agricultural products



2) Labeling under the Health Promotion Law

When employing labeling for nutritional ingredients or calories in Japanese, either on the packaging or in accompanying documentation, labeling must be in accordance with the requirements under the Law.

<Example> Labeling must contain the quantities of calories, proteins, fats, carbohydrates, sodium,, and other nutritional ingredients present, in descending order by content volume.

(3) Voluntary Industry Labeling

<Fair Competition Code Concerning Representation of Fruit Juice Drinks, etc.>

The industry has voluntarily adopted these guidelines in order to assure consumer product choice availability and preserve fair competition, based on the Act Against Unjustifiable Premiums and Misleading Representations. Under this Code, importers are required to label the items under provisions of the law.

Contacts: Japan Fruit Juice Fair Trade Council TEL: 03-3275-1031

<Recycling Mark for Paper Beverage Containers>

Paper beverage containers not containing aluminum are not required by law to include identifier labeling, but the industry has voluntarily introduced an identifier mark program.

Paper pack

Contacts:

• Paper Beverage Container Recycling Association TEL: 03-3264-3903

5. Taxes

(1) Customs Duties

As is clear from Fig. 7, fruit juices are subject to different duties to product categories, presence of added sugar, weight of sucrose, and place of origin (WTO rates are applied to imports from WTO member nations, and general rates for non-member nations). Beginning in 2002, new HS Number categories were added based on the brix ratio, although there is no difference in tariffs on the same product with different brix ratios.

Fig. 7 Customs duties on fruit juice

HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
2209.11,19	Orange juice				
	1. Containing added sugar				
-110	(1) Not more than 10% by weight of sucrose, naturally and artificially contained	30%	25.5%		
-190	(2) Other orange juice, containing added sugar	35% or ¥27/ kg, whichever is the greater	29.8% or ¥23/kg, whichever is the greater		
	2. Other orange juice				
-210	(1) Not more than 10% by weight of sucrose	25%	21.3%		
-290	(2) Other orange juice	30%	25.5%		
2009.20~90	Juice of any other fruit				
	1. Containing added sugar				
-110	(1) Not more than 10% by weight of sucrose	27%	23%		
-190	(2) Other fruit juice, containing added sugar	35% or ¥27/ kg, whichever is the greater	29.8% or ¥23/ kg, whichever is the greater		
	Apple juice	40% or ¥27/ kg, whichever is the greater	34% or ¥23/ kg, whichever is the greater		
	2. Other juice of any fruit				
-210	(1) Not more than 10% by weight of sucrose	22.5%	19.1%		
-211	a. Lemon juice	8%	6%		
-212	b. Lime juice	16%	12%		
-219	c. Juice of any other citrus fruit	22.5%	19.1%		
-122	Prune juice		14.4%		
-290	(2) Other juice of any fruit	30%	25.5%		
	Apple juice	35%	29.8%		

Note 1: "Other juice of any fruit" means grapefruit juice (2009.20), juice of any other citrus fruit (2009.30), pineapple juice (2009.40), grape juice (2009.50), apple juice (2009.70), other fruit juice (2009.80), and mixtures of juices (2009.90).

Note 2: Refer to "Customs Tariff Schedules of Japan" (published by Japan Tariff Association) etc. for interpretation of tariff table.

(2) Consumption Tax

(CIF + Customs duty) x 5%

6. Product Characteristics

Fruit juice may be mainly divided into citrus juices such as orange and grapefruit juice and non-citrus juices such as apple juice, grape juice, and pineapple juice.

• Orange juice

The top supplier of orange juice to Japan, Brazil, is the world's leading producer of oranges. Almost its entire crop is processed into juice and exported. The leading Pela variety features a somewhat strong acidity and yellow color. Brazilian orange juice is low in priced and is being increasingly sold under private brands of supermarkets, etc. Tanker to Japan transports about half, where it is handled at Japan's first orange juice concentrate storage and supply terminal for reshipment to Japanese makers. For its part, the main orange growing regions in the United States are Florida and California. For juice making, Florida oranges are mainly used. The leading variety is the Valencia orange, which is sweet and has a dark orange in color.

• Apple juice

Apple juice is one of the favorite juices of the Japanese. It comes in two types: clear and cloudy. The clear type is dominant in the world. The Japanese, however, prefer the cloudy type. American apples are considered to produce a juice of a beautiful color and excellent balance of acidity and sweetness.

Nearly all apple imports from China consist of cloudy-type juices produced under Japanese technical guidance. Improved product quality and consistently low prices have helped China expand exports of apple juice to Japan.

• Grapefruit juice

There are two main types of grapefruit: the white type and ruby type. The ruby type is mostly consumed fresh. The western countries mainly use the white variety for making juice. Japan also predominantly uses the white type for juice, but luxury food stores, department stores, etc. also sell juice made using only the ruby type due to the consumer preference for its taste (said to be generally sweeter and less bitter).

Grapefruit is harvested all the year round, but is best harvested from February to May when its sweetness and acidity are balanced. Japan also imports grapefruit juice using only fruit harvested during this optimal season.

• Other juices

Grape juice is mostly imported since almost all of the grapes produced domestically are used for fresh consumption or for making wine where they fetch higher prices. The United States supplies the largest amount of grape juice - mostly of the Concord variety. This type of grape has a beautiful purple color and an excellent balance of acidity and sweetness, so is considered the best type of grape for making juice. The polyphenols in red wine was reported to provide significant health benefit. This touched off a boom in red wine sales, and in response, led to increase of grape juice imports.

Pineapple juice was formerly a favorite among the Japanese due to its unique taste and fragrance – not available in other juices. Consumer tastes have, however, changed to fresher and cleaner tasting juices. This has caused a shift in consumption away from pineapple juice in recent years. At the present time, pineapple juice is often blended with other fruit and vegetable juices to meet with these changes while making use of its fragrance and sweetness. Blends with other tropical fruits are popular items in the summer season. Overall, however, according to the industry, most pineapple juice is still being sold as a pure juice.

Lemon juice and lime juice are mixed with other juices or used for making soft drinks and canned *chuhai* such as lemon- and honey-flavored drinks rather than being consumed alone. They are also used for cooking and for making alcoholic drinks.

7. Domestic Distribution System and Business Practices

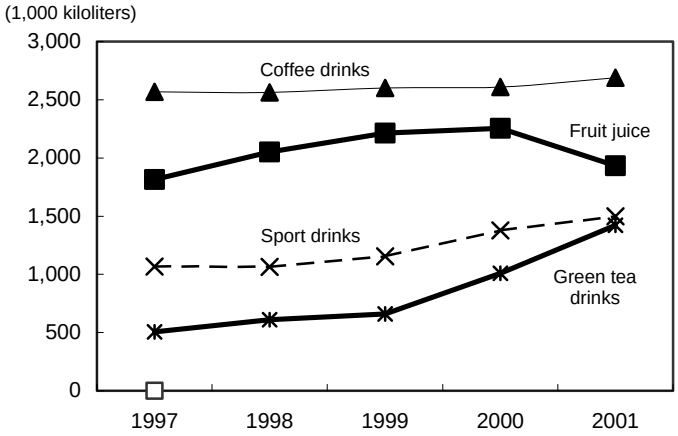
(1) Domestic Market Conditions

Despite chronic recessionary conditions in the Japanese economy, soft drink sales have been expanding due to the introduction of new products based on research into consumer preferences, as well as aggressive sales campaigns. By product category, most popular soft drink is coffee drinks. But the fastest growing product category has been non-sugared drinks such as tea drinks, which demonstrates that tastes in the overall soft drink market are shifting toward drinks with fresh taste and health conscious features such as low sugar/calorie content.

Fruit drinks have fared very poorly in the recent soft drink market. In 2001 sales were down a sizable 14.2% from the year before to just 1.934 million kiloliters, the first time in 4 years below the 2.0 million kiloliters level. The fad for fruit juice based near-water drinks (included under “other direct drinks” with about 2% juice content) finally fizzled, after having propped up the fruit juice market up through the year before. Growth ceased for “drinks containing fruit juice” (juice content 10-49%), the most important product in this category. Fruit drinks are far less prominent in Japan than in other markets. Significantly, only 100% natural fruit juices have posted sales growth for two straight years.

In the past, most of natural fruit juice has been reconstituted from concentrate. Liberalization of imports and greater efforts by resellers have made it possible to sell straight natural fruit juice at affordable prices. This juice has become popular because of its appeal to consumers who prefer authenticity and natural products. Frozen juice concentrate has almost a 30% share of the consumer market in Western countries, but this type of juice is available in Japan only through a very small number of distribution channels.

Fig. 8 Trends in fruit juice drink production and comparisons with other soft drinks



	1997	1998	1999	2000	2001	Yearly change	Percentage of total	Per capita consumption	Production value
Fruit juice drinks	1,814	2,050	2,214	2,255	1,934	85.8	12.2	15.2	379,916
Natural fruit Juice	573	570	550	556	576	103.6	3.6	4.5	101,848
Fruit juice	62	64	51	120	60	50.0	0.4	0.5	14,513
Drinks containing fruit flesh	40	40	30	27	24	88.9	0.2	0.2	5,321
Drinks containing fruit juice	829	880	1,055	1,050	987	94.0	6.2	7.8	197,104
Fruit juice containing granule	29	13	75	48	15	31.3	0.1	0.1	3,498
Other direct drinks	159	385	347	354	210	59.3	1.3	1.6	37,548
Diluted fruit juice	104	88	90	80	45	56.3	0.3	0.4	12,068
Fruit syrup	18	16	16	20	17	85.0	0.1	0.1	8,016
Coffee drinks	2,568	2,562	2,600	2,610	2,688	103.0	16.9	21.1	834,526
Tea drinks	3,876	3,990	4,057	4,380	4,828	110.2	30.4	37.9	836,762
Green tea drinks	505	610	661	1,010	1,421	140.7	9	11.2	261,748
Oolong-tea drinks	1,260	1,210	1,280	1,295	1,398	108.0	8.8	11	211,174
Blend tea drinks	843	930	950	981	804	82.0	5.1	6.3	124,863
Black tea drinks	1,011	985	901	789	781	99.0	4.9	6.1	177,056
Barley tea drinks	187	173	180	218	257	117.9	1.6	2	30,675
Other tea drinks	70	82	85	87	167	192.0	1.1	1.3	31,246
Cola drinks	1,152	1,149	1,170	1,160	1,170	100.9	7.4	9.2	234,874
Other carbonated drinks	1,854	1,704	1,722	1,644	1,479	90.0	9.3	11.6	348,515
Mineral water	646	715	956	894	1,021	114.2	6.4	8	85,540
Sport drinks	1,068	1,065	1,156	1,378	1,500	108.8	9.5	11.8	265,911
Other soft drinks	989	1,237	1,292	1,172	1,239	105.7	7.8	9.7	339,313
TOTAL	13,967	14,472	15,167	15,493	15,859	102.4	100.0	124.6	3,525,357
(Yearly change)	(106.2)	(103.6)	(104.8)	(102.2)	(102.4)				

Unit: 1,000 kiloliters, Per capita consumption=liters, Production value=¥ million *Source: The Japan Soft Drinks Association*

Increased health awareness has led to greater interest in organic juices. More and more fruit juice drink makers are adding 100% organic juices to their product lines, and they believe long-term market prospects are excellent. However, the organic juices being sold today are not particularly tasty, and better-tasting organic juices need to be developed. An amendment to the JAS Law adopted a more stringent definition of organic products. Domestic products will have a difficult time conforming, and demand for real organic juice from abroad is expected to grow.

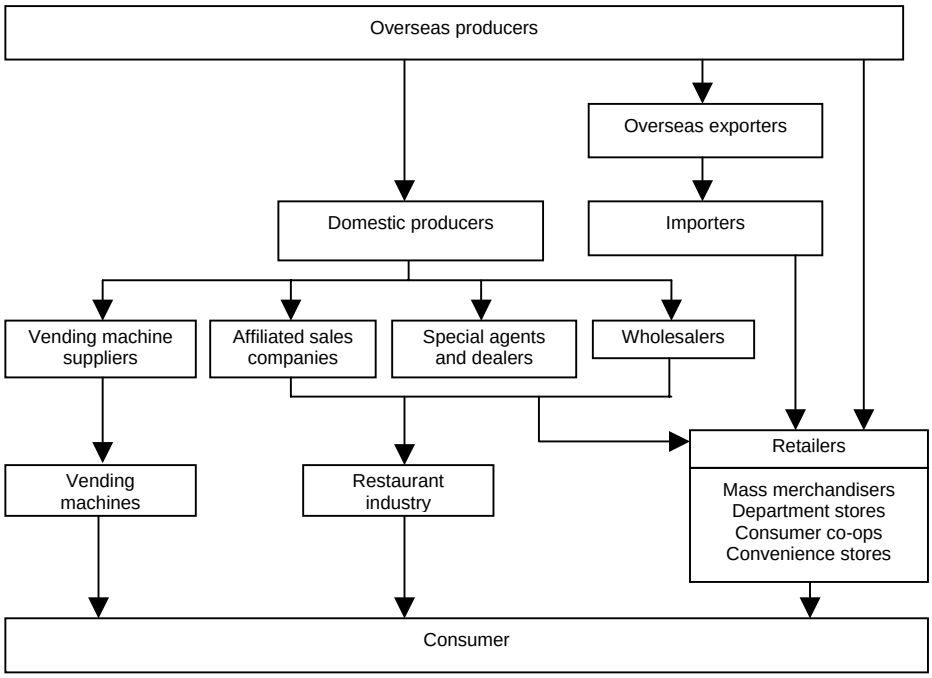
With regard to market share by container type, PET bottles overtook paper containers to gain the top spot in 1998. Since that time, PET bottles' share has continued to grow, while cans and bottles have fallen dramatically. In 2001 PET bottles had a 39.8% share, followed by 33.7% for paper containers, 20.9% for cans, 4.1% for bottles and 1.5% for other containers. Drinks with low juice content packaged in small 250 ml PET bottles are popular. In addition, paper containers are trending upward in step with the increase in chilled natural fruit juice.

(2) Distribution Channels

Fruit juice extract used as raw material for fruit juice drinks is supplied from overseas supply sources to Japanese makers and agricultural cooperatives. When a Japanese company is operating a joint venture with a foreign juice maker, juice concentrate is imported in drums directly from the joint venture firm, or from specific growing areas designated by that firm. The juice is then reconstituted according to the foreign makers' stipulated formula, natural flavorings or other compounds are added, and then it is placed in containers. On the other hand, in the case of a Japanese maker or brand owner, research technicians and marketing specialists are sent to the overseas growing area to select suppliers, after which the juice is imported through a trading company.

After juice concentrate is made into finished fruit drink in Japan, makers distribute fruit juice drinks to wholesalers, authorized agents and/or affiliated sales companies. From that point, fruit juice drinks are distributed to 1) retail stores, 2) food service industry, including hotels, restaurants, and coffee shops, and 3) vending machines. The leading companies in the fruit juice market are Coca Cola Japan, Suntory and Kirin Beverage, along with agricultural co-op brands. Only in the sector of 100% natural fruit juice do dairy companies have a strong presence, aided by their refrigerated goods distribution system.

Fig. 9 Distribution channels for fruit juice



In retail segment, supermarket mostly sells family-size paper cartons and large-size PET bottles at prices that fluctuate. In contrast, convenience stores mostly sell personal-size small PET bottles and paper cartons that appeal more to single individuals and the young people. Convenience stores usually sell at set, unvarying prices. With vending machine placements near the saturation point, and small-size PET bottles gaining popularity, convenience stores have a larger role in soft drink distribution. On the other hand, distribution to the commercial user market requires the capability to meet specific needs in terms of temperature control and transport. Thus, in many cases distribution occurs through wholesalers who specialize in distributing to commercial users.

(3) Key Considerations for entering the Japanese Market

In the case of fruit juice, coloring agents and preservatives are sometimes used as additives. Fruit juice containing additives that are not approved for use with food products under Japanese standards, or in excess of permissible quantities, may not be imported into Japan.

When fruit juice is being into Japan for the first time, the importer should append its import notification with a statement of voluntary inspection results performed in advance by official laboratories designated by the Minister of Health, Labour, and Welfare.

The large manufacturers dominate the distribution and sale of fruit juice. When desiring to newly enter the market, therefore it is necessary not only to ensure quality, but also to secure distribution channels. Note that a large share of the sales of soft drinks is through vending machines, but there is already of surfeit of these machines and it would extremely difficult to sell fruit juice using them.

8. After-Sales Service

In general, there is no after-sales service required, but either the distributor or vendor is held liable for defective products.

9. Related Product Categories

Vegetable juice and fruit juice mixed with vegetables are related products. Carrot juice grew in sales since around 1992 as a health drink. These related products must also clear the requirements of the Food Sanitation Law when being imported and sold. Voluntary standards for quality and labeling have also been established for them under the JAS Law. For tomato juice, see “I-9 Process tomato products” in this guidebook.

10. Direct Imports by Individuals

Individuals may import without restriction quantities of fruit juices deemed appropriate to personal consumption. However, imports of fruit juices to provide to a multiple non-specific persons are subject to provisions of the Food Sanitation.

11. Related Organizations

- Japan Fruit Juice Association TEL: 03-3275-1031
- The Japan Soft Drinks Association TEL: 03-3270-7300 http://www.j-sda.or.jp/