

# Japanese Market Information on Specified Products

## Spices

### 1. The Japanese Market

Japan imports almost all of its spices from abroad. Almost all spices imported, however, are processed in Japan after arrival. Only about 10% of all spices are consumed in the home. The rest are used by the food processing industry, food service industry, and other industries including medical. Spices for home consumption, on the other hand, accounts for just under 70% of sales value because of their high value-added.

Demand for spices has been rising. Home spice demand has risen because of the recession, which has caused more people to eat at home more frequently, as well as because of the greater diversification of people's diets and the increased awareness of the health benefits of certain spices. Production of spices packed in tubes has grown rapidly and now accounts for close to half of the spices sold at home. New products such as flavored salt and pepper are selling favorably. There is also large demand for secondary and tertiary processed foods such as instant curry roux and sealed curry packages. The three largest manufacturers account for 90% of the production of curry roux for general household consumption.

On purchasing spices, importers must verify their product quality, grade, and place of origin, and take steps to preserve their quality. Prospective importers face a number of difficulties. First, personal household consumption of spices is very small. Second, spices have low turnover. Third, most spice sales go to a small number of large food processing companies. These factors make it difficult for new start-ups.

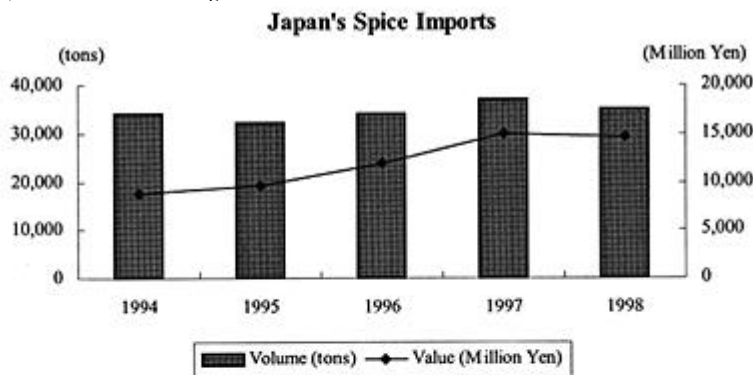
### 2. Imports

#### (1) Recent Developments

Total spice imports in 1998 declined 5.5% from the previous year to 35,146 tons.

Japan relies on imports for almost its entire supply of unprocessed spices. Japanese home consumption of spices was limited in the past, but changes in people's lifestyles have led to greater diversity in their diet, increasing opportunities for greater use of spices in the home. The main spices used in the home are pepper, chili (red pepper), nutmeg, paprika, laurel, saffron, oregano, and garammasala. More Japanese consumers have acquired a taste for spicy ethnic food in recent years, and this is expected to result in greater spice demand.

Spice imports are affected by the weather, international supply and demand, and some other factors, causing fairly large yearly fluctuation, but have remained strong overall.



	1994		1995		1996		1997		1998	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Pepper	7,283	1,933	7,539	2,518	7,115	2,679	8,221	4,885	7,186	6,028
Capsicum or Pimento	10,719	2,096	8,079	2,212	9,236	3,775	11,301	4,068	9,881	3,027
Cinamon	2,233	526	2,356	518	2,361	583	1,809	478	1,797	510
Clove	254	33	308	39	237	39	339	62	339	72
Nutmeg	474	129	447	130	573	194	532	235	416	293
Cardamon	269	299	246	225	364	295	304	350	227	248
Coriander	2,580	260	3,396	296	3,268	402	3,448	480	3,148	661
Turmeric	3,390	275	3,223	206	3,907	371	3,643	460	4,404	759
Curry	150	68	170	81	84	45	91	59	70	47
Mustard	785	321	906	377	1,221	480	1,680	606	1,888	572
Other	5,873	2,824	5,522	3,064	5,860	3,029	5,832	3,242	5,790	2,477
<b>Total</b>	<b>34,010</b>	<b>8,764</b>	<b>32,191</b>	<b>9,665</b>	<b>34,226</b>	<b>11,892</b>	<b>37,200</b>	<b>14,926</b>	<b>35,146</b>	<b>14,694</b>

Unit: tons, Million Yen

Source: Japan Exports and Imports

## (2) Countries of Origin

Japan imports spices from almost every part of the world, including Malaysia, India, and other countries and/or regions in Asia as well as the Mediterranean, the Near and Middle East, Africa, Canada, and South and Central America.

Although the four most important pepper producers are India, Malaysia, Indonesia, and Brazil, Japan imports most of its pepper from Malaysia. Most of Japan's cinnamon comes from China, cloves from Tanzania, coriander from Morocco, ginger from Thailand, turmeric from India, and mustard from France.

**Principal Exporters of Spices to Japan**

COUNTRY	1994	1995	1996	1997	1998	
	Value	Value	Value	Value	Value	Volume
MALAYSIA	1,210	1,591	1,864	3,325	4,137	5,144
CHINA	1,777	1,748	3,070	3,277	2,513	10,647
INDIA	715	468	832	1,169	1,381	5,835
INDONESIA	528	652	659	1,039	1,269	1,544
TAIWAN	632	663	815	923	612	337
OTHERS	3,903	4,543	4,651	5,193	4,782	11,640
<b>TOTAL</b>	<b>8,764</b>	<b>9,665</b>	<b>11,892</b>	<b>14,926</b>	<b>14,694</b>	<b>35,146</b>



## (3) Share Accounted for by Imports

Almost all of Japan's spices come from abroad. Japan produces less than 10% of its spices, and this percentage is declining yearly. The only spices that Japan produces in any quantity are Japanese horseradish (wasabi), Japanese pepper (sansho), chili (red pepper), and garlic.

On the other hand, almost all spices sold in Japan are processed and repackaged in Japan. Less than one percent of spices are imported into Japan pre-packaged and ready for sale.

**3. Laws and Regulations**

To import spices, the importer must submit a "Phytosanitary Certificate" issued by the relevant government agency of the exporting country as well as an "Application for Inspection of Plants and Import-Prohibited Articles" to the plant protection station at the port of entry. If no harmful insects are found, a "Plant Quarantine Inspection Certificate" will be issued stating that the cargo has passed inspection. If harmful insects are found, the cargo will be fumigated. If an infection is found, the infected merchandise will be segregated and either reconditioned, discarded, or returned to the shipper. If no decontamination method is capable of completely exterminating the infestation, the cargo will be segregated and either discarded or returned to the shipper.

The following spices are covered by the quarantine system, but do not require a certificate issued by the exporting country:

- Dried turmeric
- Dried pepper seeds

Dried spices sealed in containers for retail sale are exempt from plant quarantine regulations.

## (2) Food Sanitation Law

After clearing quarantine, the importer must submit "Notification Form for Importation of Foods, etc." to the quarantine station at the port of entry, where the cargo will be inspected for safety. Note that in recent years, Japan has adopted more stringent criteria governing food additives, aflatoxin, radioactivity, and residual pesticides.

**4. Taxes**

## (1) Customs Duties

HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
0904	Pepper of the genus Piper; dried or crushed or ground fruits of the genus Capsicum or of the genus Pimenta				
	1. Pepper				
0904.11	(1) Neither crushed nor ground				
-100	A Put up in containers for retail sale	4.2%	3%	Free	
-200	B Other	Free	(Free)	Free	
0904.12	(2) Crushed or ground				
-100	A Put up in containers for retail sale	4.2%	3%	Free	
-200	B Other	Free	(Free)	Free	
0904.20	2. Fruits of the genus Capsicum or of the genus Pimenta, dried or crushed or ground				
-100	1. Put up in containers for retail sale	7%	6%	Free	
-210	2.(1) Other (Neither crushed nor ground)	Free	(Free)	Free	
-220	2.(2) Other (Crushed or ground)	Free	(Free)	Free	
0906	1. Cinnamon and cinnamon-tree flowers				
10-000	(1) Neither crushed nor ground	Free	(Free)	Free	
20-000	(2) Crushed or ground	Free	(Free)	Free	
0907	1. Cloves (whole fruit, cloves and stems)				
0907.00	(1) Put up in containers for retail sale	4.2%	(3.6%)	Free	
-100	(2) Other	Free	(Free)	Free	
-210	A Neither crushed nor ground		(Free)	Free	
-220	B Crushed or ground		(Free)	Free	
0908	Nutmeg, mace and cardamoms				
0908.10	1. Nutmeg				
-100	(1) Put up in containers for retail sale	4.2%	(3.6%)	Free	

	(2) Other	Free		
-210	A Neither crushed nor ground		(Free)	
-220	B Crushed or ground		(Free)	
0908.20	2. Mace			
-100	(1) Put up in containers for retail sale	4.2%	(3.6%)	Free
	(2) Other	Free		
-210	A Neither crushed nor ground		(Free)	
-220	B Crushed or ground		(Free)	
0908.30	3. Cardamoms			
-100	(1) Put up in containers for retail sale	4.2%	3.6%	Free
	(2) Other	Free		
-210	A Neither crushed nor ground		(Free)	
-220	B Crushed or ground		(Free)	
0909	Seeds of anise, badian, fennel, coriander, cumin or caraway; juniper berries			
0909.10	1. Seeds of anise or badian			
-100	(1) Put up in containers for retail sale	7%	(6%)	Free
	(2) Other			
-210	A Neither crushed nor ground	Free	(Free)	
-220	B Crushed or ground	3.5%	3%	Free
0909.20	2. Seeds of coriander			
-100	(1) Put up in containers for retail sale	7%	6%	Free
	(2) Other			
-210	A Neither crushed nor ground	Free	(Free)	
-220	B Crushed or ground	3.5%	3%	Free
0909.30	3. Seeds of cumin			
-100	(1) Put up in containers for retail sale	7%	6%	Free
	(2) Other			
-210	A Neither crushed nor ground	Free	(Free)	
-220	B Crushed or ground	3.5%	3%	Free
0909.40	4. Seeds of caraway			
-100	(1) Put up in containers for retail sale	7%	6%	Free
	(2) Other			
-210	A Neither crushed nor ground	Free	(Free)	
-220	B Crushed or ground	3.5%	3%	Free
0909.50	5. Seeds of fennel; juniper berries			
-100	(1) Put up in containers for retail sale	7%	6%	Free
	(2) Other			
-210	A Neither crushed nor ground	Free	(Free)	
-220	B Crushed or ground	3.5%	(3.3%)	Free
0910	Ginger, saffron, turmeric (curcuma), thyme, bay leaves, curry and other spices			
0910.20	2. Saffron			
-100	(1) Put up in containers for retail sale	4.2%	(4%)	Free
	(2) Other	Free		
-210	A Neither crushed nor ground		(Free)	
-220	B Crushed or ground		(0.6%)	
0910.30	3. Turmeric (curcuma)			
-100	(1) Put up in containers for retail sale	4.2%	(4%)	Free
	(2) Other	Free		
-210	A Neither crushed nor ground		(Free)	
-220	B Crushed or ground		(0.6%)	
0910.40	4. Thyme; bay leaves			
-100	(1) Put up in containers for retail sale	4.2%	(4%)	Free
	(2) Other	Free		
-210	A Neither crushed nor ground		(Free)	
-220	B Crushed or ground		(0.6%)	
50-000	5. Curry	12%	8%	
0910.91	6. Other spices			
	(1) Mixtures referred to in Note 1(b) to this Chapter			
-100	A Put up in containers for retail sale	4.2%	(4%)	Free
-200	B Other	Free	(0.6%)	
0910.99	(2) Other			
-100	A Put up in containers for retail sale	4.2%	(4%)	Free
	B Other	Free		
-210	i Neither crushed nor ground		(Free)	
-220	ii Crushed or ground		(0.6%)	
2103	Sauces and preparations thereof; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard			
2103.30	1. Mustard flour and meal and prepared mustard			
-100	(1) Put up in containers for retail sale	12.2%	10%	
-200	(2) Other	10.3%	8.3%	

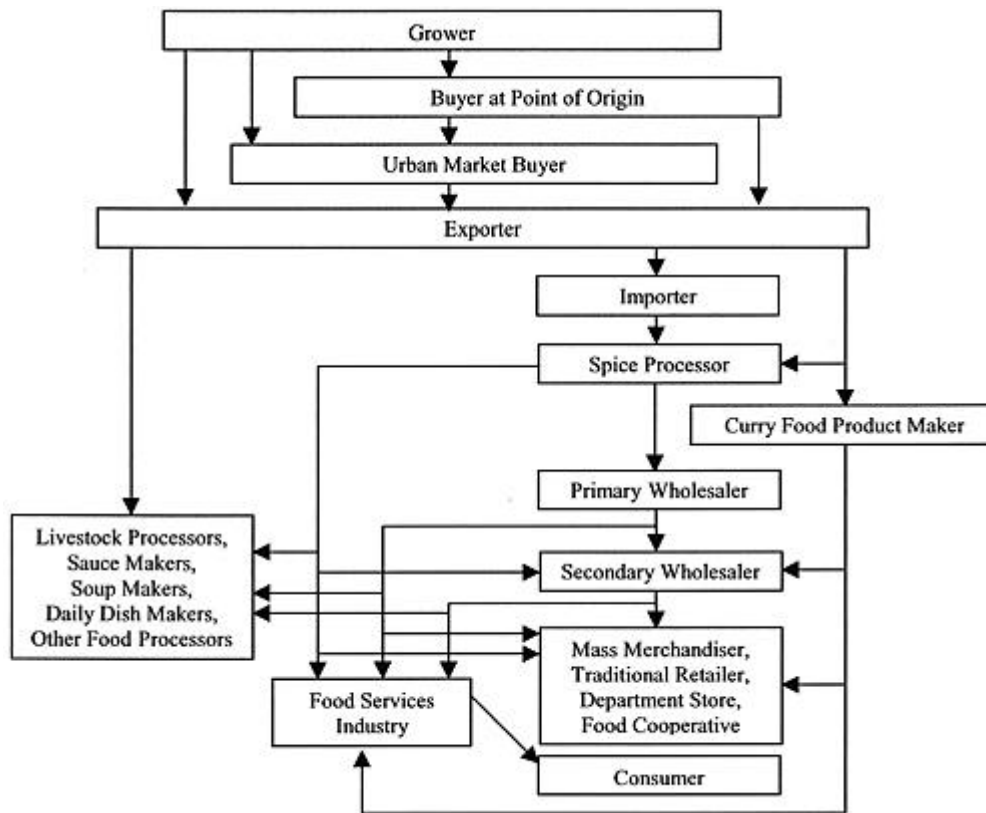
Note: Refer "Customs Tariff Schedules of Japan" (published by Japan Tariff Association) etc.

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

#### 5. Distribution

The distribution system for spices is very complex, encompassing systems for finished product and raw material import, domestic processing, shipping, and marketing. The most common channel sees imports of unprocessed spices that are then processed in Japan and marketed by the processor.

The figure below outlines the spice distribution setup.



## 6. Industry Contacts

All Japan Curry Manufacturers Association  
 Yamagishi Bldg. #502, 3-20-1 Kuramae, Taito-ku, Tokyo 111-0051  
 TEL: +81-3-5687-1793

All Nippon Spice Association  
 2-13-1 Nishigahara, Kita-ku, Tokyo 114-0024  
 TEL: +81-3-3940-2791

All Japan Mustard Manufacturers Association  
 c/o Minokyu Corp., 24-1 Hongomae, Tokari-aza, Hagiwara-machi, Ichinomiya, Aichi 491-0375  
 TEL: +81-586-69-0309

Japan Horseradish Association 3-25-35 Nishi-Shimbashi, Minato-ku, Tokyo 105-0003  
 TEL: +81-3-3432-3103