

## 3. Fertilizers

### 1. Definition of Category

This category includes fertilizers for agricultural use as well as for home gardening use. However, it does not include coal or leaf mold.

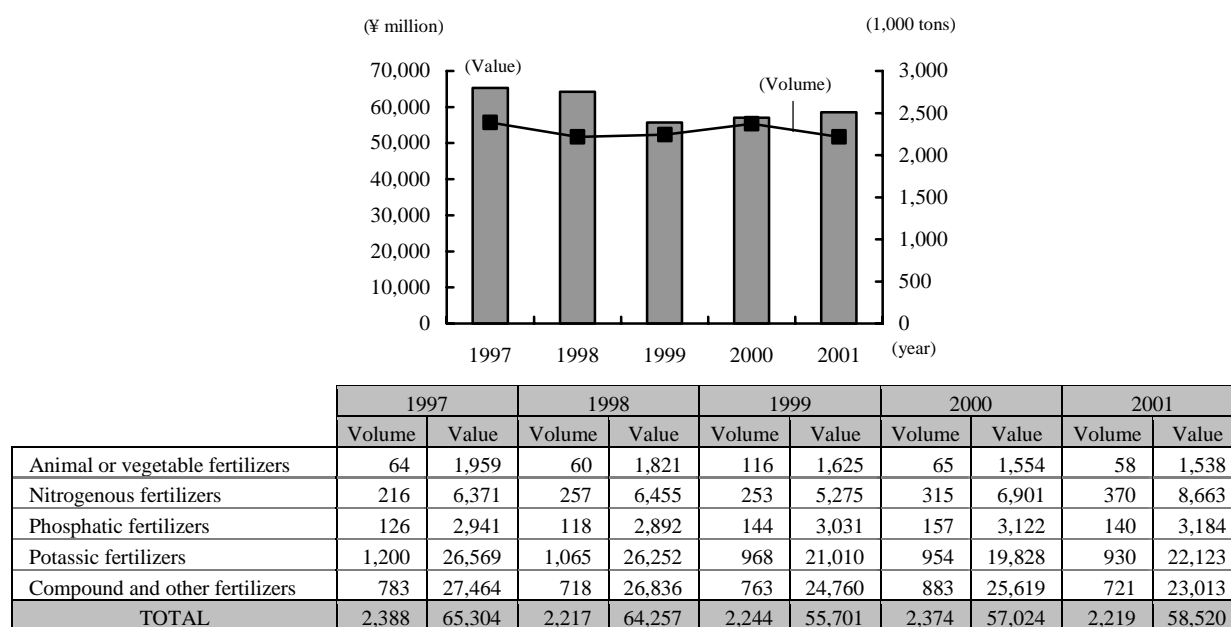
HS Number	Commodity
3101	Animal or vegetable fertilizers
3102	Nitrogenous fertilizers
3103	Phosphatic fertilizers
3104	Potassic fertilizers
3105	Compound and other fertilizers

### 2. Import Trends

#### (1) Recent Trends in Fertilizer Imports

Fertilizer imports have been essentially flat on both a volume and value basis in the past few years, despite some slight fluctuation from year to year. There was no major change in 2001 either, showing 2.22 million tons (down 6.6% from the year before) worth ¥58.5 billion (up 2.6%). The leading varieties of fertilizer imports are nitrogenous, phosphatic and potassic fertilizers. Compounds containing one and only one of these elements (see Fig. 7 for classifications) make up roughly 65% of all Japan's fertilizer imports. The most common type of imported fertilizer is potassic fertilizer (around 930,000 tons, 65% of total imports). Still, potassic fertilizer imports are off markedly the past few years, considering that up through 1997 imports were at the 1.20 million ton level. The only type of fertilizer to see an increase in 2001 was nitrogenous fertilizer (370,000 tons, up 17.4%). Imports of compound fertilizers (containing at least two or more of potassic, nitrogenous and phosphate fertilizer) and organic fertilizers, which had increased sizably in 2000, but both failed to keep pace in 2001.

Fig. 1 Japan's fertilizer imports



Units: 1,000 tons, ¥ million

Source: Japan Exports and Imports

#### (2) Imports by Place of Origin

Import patterns differ considerably by type of fertilizer.

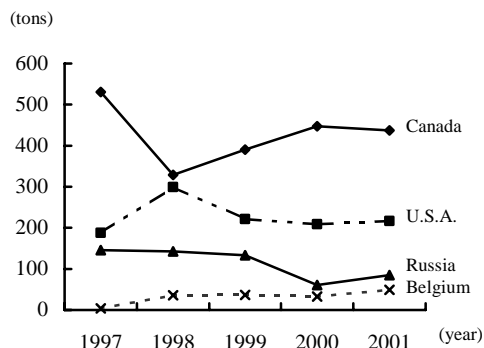
##### <Potassic fertilizers>

Potassic fertilizers make up about 42% of Japan's total fertilizer imports. Most imports come from North America, Europe and Russia, all of which are major producers of potash ore.

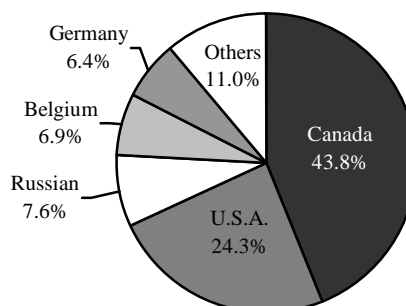
The leading exporter of potassic fertilizer to Japan is Canada (47.0%), but Canadian exports to Japan declined in 2001 while imports from the United States (23.3%), Russia (9.1%), and Belgium (5.3%) showed on the increase.

**Fig. 2 Principal exporters of potassic fertilizers to Japan**

**Trends in import volume by leading exporters**



**Shares of potassic fertilizer imports in 2001 (value basis)**



	1997	1998	1999	2000		2001			
	Volume	Volume	Volume	Volume	Value	Volume	Value	Volume	Value
Canada	531	328	391	447	8,739	437	47.0%	9,687	43.8%
U.S.A.	188	299	221	209	4,623	217	23.3%	5,380	24.3%
Russia	146	143	133	60	1,055	85	9.1%	1,682	7.6%
Belgium	4	36	36	33	908	49	5.3%	1,533	6.9%
Germany	120	103	89	46	1,256	44	4.7%	1,414	6.4%
Other	211	156	98	159	3,246	98	10.6%	2,428	11.0%
TOTAL	1,200	1,065	968	954	8,739	930	100.0%	9,687	43.8%
(E U)	178	165	125	80	4,623	95	10.2%	5,380	24.3%

Units: 1,000 tons, ¥ million

Source: Japan Exports and Imports

### <Nitrogenous fertilizers>

Most imports of nitrogenous fertilizers, which have nitrogen as their principal chemical element, come from countries that are producers of oil and natural gas, which are the raw materials for making these fertilizers. Imports of nitrogenous fertilizer from Qatar soared in 2001, lifting it into first place on both a volume (28.9%) and value basis (23.4%). Next in the rankings came China (21.1%) and Malaysia (20.1%), both of which posted gains, while former leader Indonesia saw its exports plummet (12.7%). (see Fig.3)

### <Phosphatic fertilizers>

The leading exporters of phosphatic fertilizers, which are made from phosphate ores, to Japan are China (56.1%) and the United States (38.2%). Together these two countries account for over 90% of all Japan's imports.

### <Compound and other fertilizers>

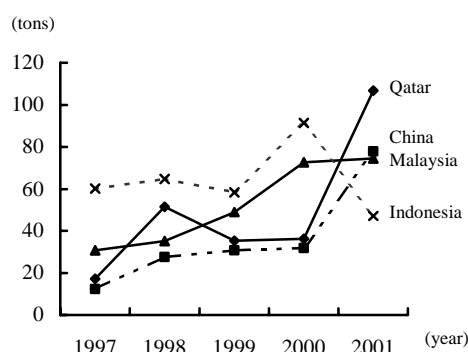
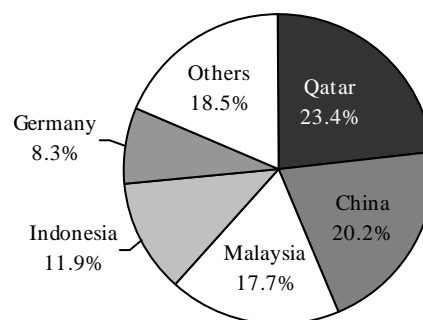
In the past the United States was virtually the only exporter of compound and other fertilizer to Japan, but imports from Jordan have grown dramatically since 1998. In 2001 the United States had a 63.7% import share, compared to 22.0% for Jordan.

### <Organic fertilizers>

The main countries of origin for organic fertilizer are the Republic of Korea (36.4%) and China (32.9%), followed by Indonesia (20.7%). Together these three countries account for about 90% of all Japan's imports on a volume basis. In 2001 Indonesia recorded a big increase.

## (3) Imports' Market Share in Japan

Because a large portion of imported fertilizers are reprocessed after reaching Japan, it is impossible to determine exactly how much of the Japanese market imports have.

**Fig. 3 Principal exporters of nitrogenous fertilizers to Japan****Trends in import volume by leading exporters****Shares of nitrogenous fertilizer imports in 2001 (value basis)**

	1997	1998	1999	2000		2001			
	Volume	Volume	Volume	Volume	Value	Volume	Value	Volume	Value
Qatar	17	52	35	36	635	107	28.9%	2,031	23.4%
China	12	28	31	32	553	78	21.1%	1,746	20.2%
Malaysia	31	35	49	73	1,362	75	20.1%	1,533	17.7%
Indonesia	60	65	58	91	1,709	47	12.7%	1,033	11.9%
Chile	20	24	22	22	590	22	5.9%	665	7.7%
Others	76	54	57	61	2,051	42	11.3%	1,655	19.1%
<b>TOTAL</b>	<b>216</b>	<b>257</b>	<b>253</b>	<b>315</b>	<b>6,901</b>	<b>370</b>	<b>100.0%</b>	<b>8,663</b>	<b>100.0%</b>
(E U)	33	27	27	37	1,460	27	7.4%	1,224	14.1%

Units: 1,000 tons, ¥ million

Source: Japan Exports and Imports

**Fig. 4 Leading exporters of other fertilizers to Japan (2001)**

		Total	Top	Share	Yearly change	2 <sup>nd</sup>	Share	Yearly change
Volume	Phosphatic fertilizer	140	China	56.1%	85.2	U.S.A.	38.2%	94.0
	Compound and other fertilizers	721	U.S.A.	63.7%	87.1	Jordan	22.0%	61.4
	Organic fertilizer	58	R. Korea	36.4%	75.2	China	32.9%	91.7
Value	Phosphatic fertilizer	3,184	U.S.A.	51.1%	110.9	China	40.3%	91.5
	Compound and other fertilizers	23,013	U.S.A.	60.2%	93.6	Jordan	22.8%	71.0
	Organic fertilizer	1,538	China	42.7%	101.8	R. Korea	26.2%	80.8

Unit: tons

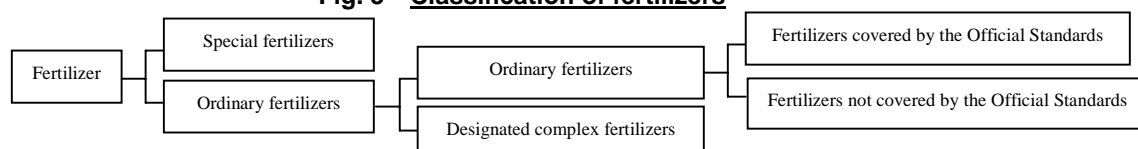
Source: Japan Exports and Imports

### 3. Key Considerations related to Importing

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

##### < Fertilizer Control Law >

Provisions of the Fertilizer Control Law require importers to either register, provisionally register or file a notification before being brought into Japan. Fertilizers are classified under the Law as depicted below.

**Fig. 5 Classification of fertilizers**

Note: "Official Standards" refers to standards defined by the Minister of Agriculture, Forestry and Fisheries for minimum content of main nutrients, maximum permissible content of toxic substances and other limited particulars. In addition, fertilizer production facilities, storage facilities and retail outlets are subject to on-site inspections by Japanese government inspectors.

#### 1) Special fertilizers

(designated by the Minister of Agriculture, Forestry and Fisheries, including rice bran, fish refuse and other fertilizers easily recognized by farmers)

When importing special fertilizers, importers must file a report (importer's name and address, name of fertilizer, address of storage facilities) with the governor of the prefecture where the material is brought into Japan. Special standards and quality labeling system are also established for compost and dung.

## 2) Ordinary fertilizers (all fertilizers other than “special fertilizers”)

Imported fertilizers covered by the Official Standards must obtain registration (provisional registration for those not covered by the Official Standards) from the Minister of Agriculture, Forestry and Fisheries for each brand name, accompanied by a sample. A registration certificate or provisional registration certificate is issued after review as proof of the quality (effectiveness and safety) of particular fertilizers.

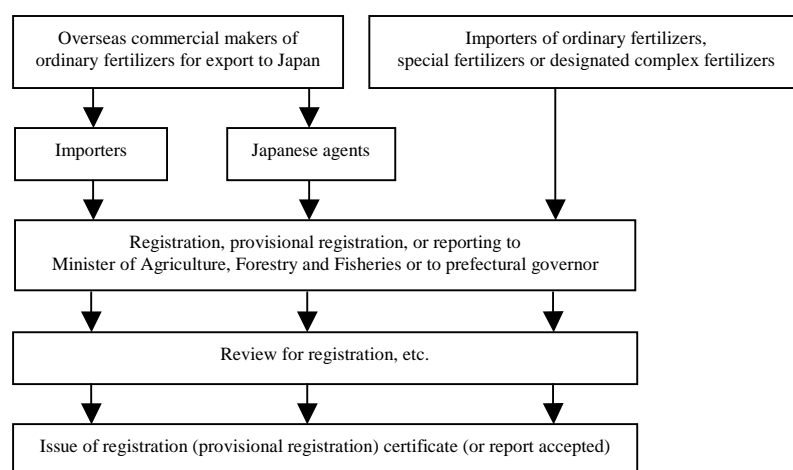
## 3) Designated complex fertilizers

(mixtures of ordinary fertilizers made only from registered ordinary fertilizers, as defined by Ministerial Ordinance of the Ministry of Agriculture, Forestry and Fisheries)

Importers of designated complex fertilizers are subject to reporting requirements. Foreign commercial makers of ordinary fertilizers (other than designated complex fertilizers) for export to Japan may apply for foreign producer registration or foreign producer provisional registration for each brand name to the Minister of Agriculture, Forestry and Fisheries. Importers of the ordinary fertilizers are subject to reporting requirement.

Reports required as described in 1), 2) and 3) above must be filed within two weeks of commencement of business. (It takes a minimum of 45 days from the time of application to receive a registration certificate. Certificates are issued on the 10th and 25th of each month except in January, when certificates are issued on the 16th and 25th.) Registrations are valid for three years (six years for certain varieties of ordinary fertilizer specified by Ministerial Ordinance of the Ministry of Agriculture, forestry and Fisheries). Provisional registrations are valid for one year.

**Fig. 6 Flowchart of registration, provisional registration and reporting procedures**



### Registration Application Contacts:

• Fertilizer and Feed Inspection Station	TEL: 048-601-1174	<a href="http://www.ffis.go.jp">http://www.ffis.go.jp</a>
• Sapporo Fertilizer and Feed Inspection Station	TEL: 011-241-3066	<a href="http://www.ffis.go.jp">http://www.ffis.go.jp</a>
• Sendai Fertilizer and Feed Inspection Station	TEL: 022-295-4211	<a href="http://www.ffis.go.jp">http://www.ffis.go.jp</a>
• Nagoya Fertilizer and Feed Inspection Station	TEL: 052-201-9409	<a href="http://www.ffis.go.jp">http://www.ffis.go.jp</a>
• Osaka Fertilizer and Feed Inspection Station	TEL: 06-6942-3491	<a href="http://www.ffis.go.jp">http://www.ffis.go.jp</a>
• Fukuoka Fertilizer and Feed Inspection Station	TEL: 092-662-1101	<a href="http://www.ffis.go.jp">http://www.ffis.go.jp</a>

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

Under provisions of the Fertilizer Control Law, retailers must file a report with the governor of the prefecture where the retail outlet is located within two weeks of commencement of business.

- Name and address of retailer
- Address of sales location
- Address of storage facility within the prefecture

## (3) Competent Agencies

- Fertilizer Control Law  
Agricultural Materials Division, Agricultural Production Bureau, Ministry of Agriculture, Forestry and Fisheries  
TEL: 03-3502-8111 <http://www.maff.go.jp>

## 4. Labeling

### (1) Legally Required Labeling

The Fertilizer Control Law requires the following labeling items.

#### 1) For General Use (Agricultural, etc.)

##### a) Labeling for domestic distribution for ordinary fertilizers registered in Japan

All applicable fertilizers must be affixed with the Importer Guarantee Label without delay after being brought into Japan (before being put into the distribution system). The Label must bear the following items. For example labeling please refer to the Pocket Guide to Fertilizer (published by the Fertilizer and Machinery Division, Ministry of Agriculture, Forestry and Fisheries).

- The phrase “Importer Guarantee Label”
- Name and type of fertilizer (name only for provisionally registered or designated complex fertilizers)
- Guaranteed nutrient content
- Importer name and address
- Date of importation
- Net weight
- Registration number or provisional registration number for fertilizers other than designated complex fertilizers
- Name(s) of other admixed substances, if any, and percentage of mixture
- Indication that the fertilizer is provisionally registered or is a designated complex fertilizer, if applicable
- Other items as specified by Ministerial Ordinance

##### b) Labeling for imports of ordinary fertilizers granted foreign registration or provisional registration (and subject to domestic reporting requirements)

The “Registered Foreign-Made Fertilizer Importer Guarantee Label” must be affixed to imports of ordinary fertilizers that have been granted foreign registration or provisional registration. However, if the ordinary fertilizer container of packaging is opened or altered after importation, or if the ordinary fertilizer is not packaged at import and is put in containers or packaging only after being brought into Japan, the “Importer Guarantee Label” must also be affixed. This label must bear the following items of information.

- Name and address of manufacturer
- Date of manufacture
- Name and address of facility where manufactured
- Indication that the foreign-made ordinary fertilizer has been granted registration or provisional registration

Compost and dung in the category of special fertilizer must label the following items.

- Name of fertilizer
- Type of fertilizer
- Prefecture with which notification was made
- Name and address of labeling entity
- Net weight
- Ingredients
- Quantity of major compounds

##### c) Retailer labeling

If the retailer opens or alters the ordinary fertilizer container or packaging received from the importer, or if the ordinary fertilizer is not packaged at import and is put in containers or packaging only after being brought into Japan, the retailer must affix the “Retailer Guarantee Label,” the name and address of the retailer, and all items of information in the labeling described in a) above from the fertilizer name and type onward. However, the “Retailer Guarantee Label” need not be affixed if the retailer sells fertilizer with an “Importer Guarantee Label” as is without opening or altering the packaging.

#### 2) For Home Gardening Use

Fertilizer intended for home gardening use must display the phrase “For Home Gardening Use Only” on a clearly visible location on the exterior of the container or packaging. Home gardening fertilizer is subject to all the other labeling requirements described above for general use fertilizer as well.

**(2) Voluntary Labeling Based on Provisions of Law**

There is no voluntary labeling based on provisions of law for fertilizers.

**(3) Voluntary Industry Labeling**

There is no voluntary industry labeling for fertilizers.

**5. Taxes****(1) Customs Duties**

All Fertilizers are currently duty free.

**Fig. 7 Custom duties on fertilizers**

HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
3101	Animal or vegetable fertilizers, whether or not mixed together or chemically treated; fertilizers produced by the mixing or chemical treatment of animal or vegetable products	Free	(Free)		
3102	Mineral or chemical fertilizers, nitrogenous	Free	(Free)		
3103	Mineral or chemical fertilizers, phosphatic	Free	(Free)		
3104	Mineral or chemical fertilizers, potassic	Free	(Free)		
3105	Mineral or chemical fertilizers containing two or three of the fertilizing elements nitrogen, phosphorus and potassium; other fertilizers; goods of this. Chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg.	Free	(Free)		

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

**(2) Consumption Tax**

CIF x 5%

**6. Product Characteristics**

Because all fertilizers distributed in Japan are subject to the Official Standards for fertilizer and to uniform labeling requirements under the Fertilizer Control Law, there are no significant differences in quality between Japanese and imported fertilizers.

**<Organic fertilizers>**

Fish powder, oil waste and other by-products from other manufacturing processes are widely used as fertilizer. Animal or vegetable fertilizers work more slowly than inorganic fertilizers. They stimulate activity by soil microbes, the process of which is said to improve the quality of the soil. The recent health food boom has led to an increase in growing of vegetables and other foods according to organic farming methods, which make use of animal or vegetable fertilizers.

**<Nitrogenous fertilizers>**

Most nitrogenous fertilizers used in Japan are ammonium nitrates. Nitrogen has the greatest impact of any single chemical element on farm yields.

**<Phosphatic fertilizers>**

Phosphatic fertilizers are most often produced in the form of super phosphates and processed phosphates. These two varieties make up about two-thirds of all phosphatic fertilizers in use. Phosphoric acid stimulates root growth, increases stem branch formation and leaf numbers, and promotes flowering and seed formation.

**<Potassic fertilizers>**

Japan has few raw materials for making potassic fertilizers, and it relies on imports for most of its supply. Potassium enhances resistance to cold, dryness and insect pests.

**<Compound and other fertilizers>**

Compound fertilizers contain mixtures of at least two of the three elements nitrogen, phosphorus and potassium. Compound fertilizers offer certain advantages, such as fewer required applications, ease of use and ease of soil and crop targeting. Because of differences of processing methods, compound fertilizers are subdivided into chemical fertilizers and mixed fertilizers. Chemical fertilizers have been chemically treated or made from chemically treated raw materials. Compound fertilizers that contain 30% or less of the three elements listed above are considered ordinary chemical fertilizers, while those containing more than 30% of those elements are considered high-concentration chemical fertilizers. Complex fertilizers are compound fertilizers produced simply by physically mixing their fertilizer components. It is common to mix inorganic with animal or vegetable fertilizers, and the use of pulverized complex fertilizer is increasing.

Fertilizers are commonly classified into the 12 categories shown as below, as defined by the Official Standards based on provisions of the Fertilizer Control Law. For more complete information on the Official Standard, please contact the Fertilizer and Machinery Division, Ministry of Agriculture, Forestry and Fisheries.

**Fig. 8 Classification of fertilizers**

Simple fertilizers	Fertilizers containing only one of the three fertilizer elements as its main nutrient	(1) Nitrogen fertilizers	Ammonium sulfate, ammonium nitrate, sodium nitrate, urea, calcium nitrate
		(2) Phosphate fertilizers	Super phosphate, fused magnesium phosphate, Calcinated Phosphate
		(3) Potash fertilizers	Potassium sulfate, potassium chloride
(4) Organic fertilizer	Fish meal, dried fish meal, boiled fish refuse and other powder or meal from animal or plant sources		
(5) Compound fertilizers	a) Mixture of nitrogenous, phosphatic and potassic fertilizers. Simple physical mixtures are referred to as mixed fertilizers. Fertilizers produced through some chemical process are referred to as chemical fertilizers.	Ordinary chemical fertilizers	Chemical fertilizers with under 30% of the three fertilizers (nitrogenous, phosphorus, potassic) are referred to as low-concentration chemical fertilizers
	b) Mixtures of two or more of the three fertilizers, as defined by the Fertilizer Control Law. Depending on content ratios and other criteria, these fertilizers are classified as Category 1-3 compound fertilizers and as liquid compound fertilizers.	High concentration fertilizers	Chemical fertilizers with over 30% of the three fertilizers (nitrogenous, phosphorus, potassic) are referred to as high-concentration chemical fertilizers
	c) Content labeling is included under the product name column. For example, "8-8-8" signifies 8 of nitrogenous, 8 of phosphorus and 8 of potassic, for a total content of 24.	Complex fertilizers	Mixtures of animal or vegetable fertilizers such as dried fish meal or rapeseed oil waste
(6) Calcium fertilizers	Quick lime, slaked lime, calcium carbonate, shell-fossil fertilizer, mixed calcium fertilizer		
(7) Silicate fertilizers	Calcium silicate fertilizers, etc.		
(8) Magnesium fertilizers	Magnesium sulfate fertilizer, magnesium hydroxide fertilizer		
(9) Manganese fertilizers	Manganese sulfate fertilizer, manganese carbonate fertilizer		
(10) Boron fertilizers	Borax fertilizer, boric acid fertilizer		
(11) Microelement compound fertilizers	Fused microelement compound fertilizer, liquid microelement compound fertilizer		
(12) Fertilizers incorporated with agricultural chemicals and other substances	Chemical fertilizer, compound fertilizers		

## 7. Domestic Distribution System and Business Practices

### (1) Domestic Market Conditions

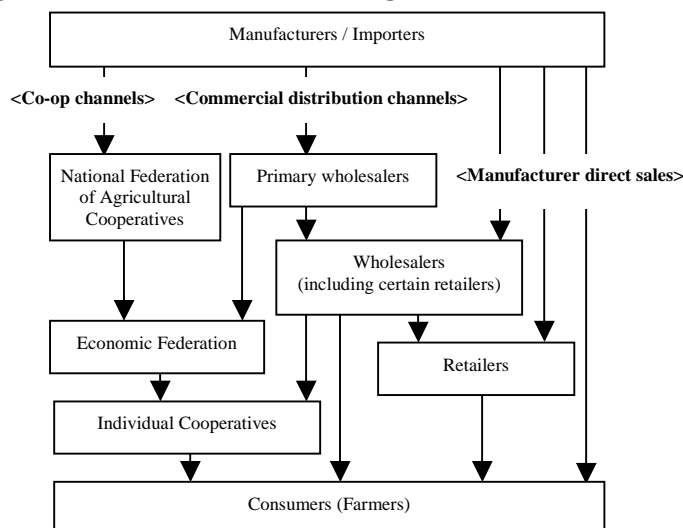
Fertilizer is essential for agricultural production. Nevertheless, changes in agriculture and farming methods have a major impact on fertilizer demand. In view of fertilizer's basic characteristics, there is little prospect for rapid fluctuations in demand. In the mid- and long-term range, demand for fertilizers is expected to show a moderate decline due to an expected drop in cultivated acreage and action program called for by the Ministry of Agriculture, Forestry and Fisheries to reduce the use of fertilizers for the purpose of environmental protection. Demand for chemical fertilizers in Japan is stagnant or even declining because of the effects of changes in agricultural production that have led to reduced rice production and reduced application of fertilizers for higher grade rice crops. In contrast, demand for animal or vegetable fertilizer has doubled over the past ten years.

There are several reasons for the increase in demand for animal or vegetable fertilizer. More farmers are actively working to maintain soil quality and reduce soil degradation from consecutive planting. Farmers are increasingly turning to higher added value farming methods in order to improve product quality. Consumer interest in organic farming methods has also risen considerably. In addition, there have been greater efforts in recent years to make use of dirt and other un-utilized organic substances as fertilizer. Regarding fertilizers for home-use, demand is very stable because they are not so affected by fluctuations in the economy's overall performance.

## (2) Distribution Channels

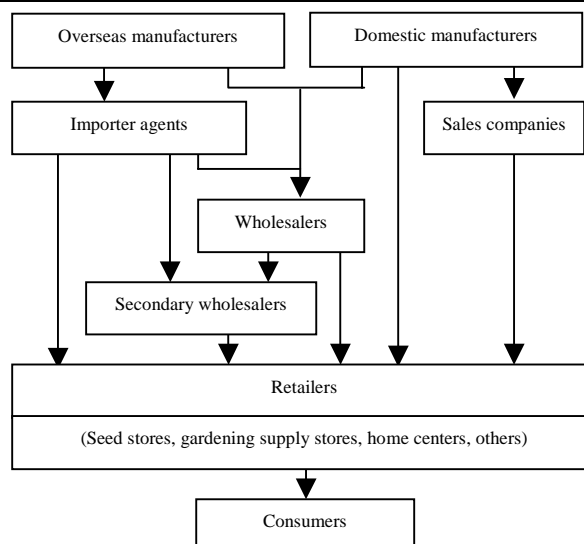
Fertilizer is distributed mainly through agricultural cooperatives and through trading companies. About 70% of all domestic sales occur through agricultural cooperatives. In addition, since a large portion of trading company sales goes to cooperatives, their share of actual retail sales is over 90%. Distribution channels for fertilizer are illustrated below. In practice, though, commercial distribution channels and physical distribution channels differ from one another. Physical distribution occurs primarily from the manufacturer direct to the retailer. Agricultural cooperatives and trading companies serve as the intermediary between makers and importers on the one hand and consumers on the other hand.

**Fig. 9 Distribution channels for agricultural fertilizers**



Unlike agricultural use fertilizers, home gardening fertilizers are rarely sold through agricultural cooperative. Fertilizer makers, seed makers and distributors and home gardening supply distributors play the key roles in distribution of home gardening fertilizer.

**Fig. 10 Distribution channels for home gardening fertilizers**



## (3) Key Considerations for entering the Japanese Market

Agricultural cooperatives and major trading companies dominate the distribution and sales of agricultural fertilizer in Japan. Consequently, before attempting to enter the market new market entrants must establish sales routes and payment collection procedures. Entering the home gardening fertilizer market is much easier by comparison. Nevertheless, the Fertilizer Control Law has a number of provisions governing fertilizer importation and storage and the reporting of import totals and sales figures. Accordingly, new market entrants must be thoroughly informed about provisions of the Law prior to beginning imports, and they must also be knowledgeable about product characteristics and chemical compounds.



**8. After-Sales Service**

Either the retailer, the shipper or the importer is responsible for determining the cause of any problems reported by fertilizer users.

**9. Related Product Categories**

Animal feed and agricultural chemicals have similar patterns of distribution. Depending on the exact type of product, animal feed is subject variously to provisions of the Law Concerning Safety Assurance and Quality Improvement of Feed, the Plant Protection Law, and Domestic Animal Infectious Diseases Control Law. The Plant Protection Law prohibits the importation of lime mixed with soil, and it requires sample testing on leaf mold, upon the results of which a decision is made whether to admit the material to Japan. Agricultural chemicals are subject to provisions of the Agricultural Chemicals Control Law and the Poisonous and Deleterious Substance Control Law. For more information about pesticides, please refer to the report on “V-16 Household Insecticide” in this guidebook.

**10. Direct Imports by Individuals**

Imports of fertilizer for individual use only are exempt from provisions of the Fertilizer Control Law, and may be freely brought into Japan.

**11. Related Organization**

- Fertilizer Traders Association

TEL: 03-3293-5471