



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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## Japan

### Agricultural Situation

#### Japanese Lettuce Price Soars

2004

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**Report Highlights:**

Lettuce prices have increased dramatically in the Japanese market due to a significant reduction in domestic production. A series of typhoons hit Japan in mid October and drowned many lettuce fields, reducing their shipments by half. The price of lettuce in Japan is expected to be very high, prompting increased imports. However, since Japanese inspectors at the port are very strict, shipping lettuce to Japan is a risky venture. The inspectors fumigate if they find any pest, which virtually destroys the lettuce.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Tokyo [JA1]  
[JA]

Lettuce prices have skyrocketed in the Japanese market due to a significant reduction in domestic production. A series of typhoons hit the islands of Japan in mid October and drowned many lettuce fields, reducing their shipments by a half. On October 22, lettuce prices hit a record high of \$118.10 (12,600 yen) for a 10-kilogram box at Tokyo's Tsukiji Wholesale Market, which was nearly ten times as much as the previous year. Tokyo supermarkets sold lettuce for \$9.37 (1,000 yen) per head that week and many shoppers just walked through the lettuce section. Today (October 25) lettuce is trading at \$65.61 (7,000 yen) per 10-KG box and Tokyo traders expect that the price will remain above \$32.80 (3,500 yen) this month, which is significantly higher than normal.

Japanese lettuce is available all year round due to production shifting from south to north in the spring then from north to south in the fall. Currently Ibaraki prefecture, 100 miles north of Tokyo, plays an important role as the nation's lettuce supplier. Then in early December the production will shift to Kagawa and Nagasaki prefectures on the southern islands of Japan. In the summer, domestic lettuce is produced in Nagano prefecture at higher altitudes and cooler temperatures. Japanese traders expect that the Ibaraki lettuce shortage will continue for the rest of the season due to heavy rains this month and they hope that early Kagawa lettuce will become available in the market in November. Japanese food processors (mainly cut lettuce operators) and the food service sector suffer the most during these short supply situations since the price of ingredients is the key factor in their ability to remain competitive.

Imports are expected to increase in order to fill the market shortage until domestic production recovers. Japan's major supermarket chain plans to airfreight lettuce from California to sell at its 126 stores nationwide. Many Japanese traders have already placed purchase orders for U.S. fresh lettuce, but some still hesitate to place their orders due to concerns about the risk of fumigation at the port of entry. Official control issues between Japan and the United States need to be resolved soon in order to give Japanese traders the opportunity to place orders without hesitation. In 2003, Japan imported 4,428 metric tons of fresh lettuce (including head lettuce and cut lettuce) from the United States, valued at \$7.1 million (CIF).

\* The exchange rate of 106.69 yen per dollar is based on the Nikkei News quote on October 26, 2004.