



Voluntary Report - public distribution

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GAIN Report #JA1005

## Japan

## Competitor

## Imports of Chinese Broccoli Rise Rapidly

### 2001

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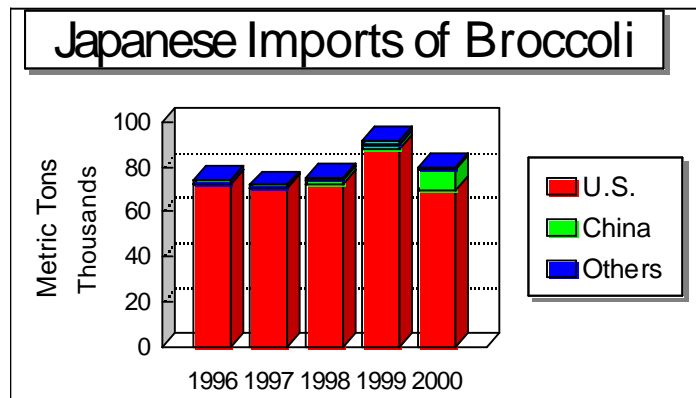
### Report Highlights:

**Japanese imports of fresh Chinese broccoli continue to grow, with shipments in 2000 estimated at 9,000 tons, up from 2,300 tons in 1999. Most sales occurred in the late fall and winter months, when U.S. broccoli prices are comparatively high. With low production costs and good quality on Chinese product, U.S. broccoli shippers will continue to face increasing competition from China in the late fall and winter months, the peak period for Chinese production.**

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

## Executive Summary



Chinese broccoli is relatively new to the Japanese market, but lately the imports of broccoli from China have surged dramatically, to an estimated 9,000 tons in 2000, up from just 2,265 tons in 1999. Japanese buyers, responding to fierce price competition in the Japanese produce market, substituted Chinese broccoli for U.S. product for a substantial portion of their imports in November and December, as the 2000/01 Chinese crop opened at significantly lower prices.

Overall, 2000 imports from the United States are estimated at just under 70,000 tons, down from 87,603 tons in 1999.

In November 2000, the average import price of U.S. broccoli was \$1.61 per kilogram (CIF,) while Chinese broccoli was imported at \$0.91 per kilogram (CIF.) In early January, the price of U.S. broccoli relaxed marginally and U.S. broccoli is currently traded at 2,300 - 2,400 yen (\$19.65 - \$20.51) for a 10-kilogram box of 36 crowns of broccoli at Tokyo's Ohta Fresh Produce Market. While, Chinese broccoli is traded at 1,500 - 2,000 yen (\$12.82 - \$17.09) for a 10-kilogram box and domestic broccoli is at a premium price of approximately 1,600 yen (\$13.67) for a 5-kilogram box.

The much-improved quality of Chinese broccoli also affected the decision-making of Japanese traders and suggests sales will continue to grow in the future. "We imported Chinese broccoli the first time on a trial basis, but we were surprised by the quality of Chinese broccoli. It was significantly better than we expected," commented one major Tokyo-based fresh produce importer. Chinese growers have largely adopted Japanese varieties of broccoli and some have entered into production contracts with Japanese firms targeting the Japanese market. China ships fresh broccoli to Japan in 10 KG box filled with crushed ice via ocean freight container, in a similar packaging and shipment method to California broccoli. The improved ocean freight service from major Chinese ports to Japan is also an important factor boosting imports from China. Chinese broccoli is commonly sold to Japan in a consignment basis. This "consignment" agreement often results in extremely competitive market prices on a significant share of the volume, according to traders.

Movement of fresh Chinese broccoli is forecast to expand during China's peak production season, from November through March, provided China continues to offer low prices, according to Tokyo traders. Marketing arrangements by multinational corporations who operate (or contract) farms in China will also boost sales in the future.

