

Voluntary Report - public distribution

Date: 8/19/2003 GAIN Report Number: JA3056

Japan

Agricultural Situation

Hokkaido Onion Production Down 16 Percent

2003

Approved by:

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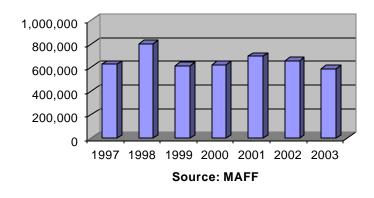
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Report Highlights:

The 2003 Hokkaido onion production is estimated at 587,700 metric tons, down approximately 16 percent from the previous year, due largely to the decline in production area. Market prices of Hokkaido onions were weak in the recent seasons and some farmers have converted their onion fields to produce other commodities such as soybeans, wheat and sugar beats. Hokkaido onion production area is estimated at 11,200 hectare, down approximately 9 percent from the previous season.

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

Hokkaido Onion Production (Metric Tons)



The 2003 Hokkaido onion production is estimated at 587,700 metric tons, down approximately 16 percent from the previous year, due largely to the decline in production acreage, according to the Ministry of Agriculture, Forestry and Fisheries (MAFF). Market prices of Hokkaido onions were weak in recent seasons and some farmers have converted their onion fields to crops such as soybeans, wheat and sugar beats. Hokkaido onion production area is estimated at 11,200 hectare, down approximately 9 percent from the previous season.

MAFF's 2003	Hokkaido	onion	crop	forecast	is	as	follows:
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	2003 Crop Forecast	Changes from 2002
Harvested Area	11,200 HR	- 9 %
Production	587,700 MT	- 16 %
Commercial Shipment	546,500 MT	- 7 %
For Fresh Consumption	471,800 MT	- 2 %
For Processing	74,600 MT	- 30 %

A shipment forecast before September 30 and after October 1 is as follows:

	Commercial Shipment for Fresh					
	Consumption Onions					
Before September 30	288,600 MT					
After October 1	183,200 MT					
Total	471,800 MT					

The agricultural producers coop in Hokkaido (Hokuren) confirmed MAFF's forecast of the crop situation, but attributed much of the drop in production to weather. Japan experienced cool weather nation-wide this summer. Hokkaido had short rainfalls in June and July and insufficient sunshine led to slow growth. The size of bulbs for this year's Hokkaido onions is expected to be small. Despite significant damage elsewhere, the recent typhoon that hit the main island of Japan (Honshu) and Hokkaido left little damage to Hokkaido onions, according to Hokuren. The rain the typhoon brought is unlikely to cause serious damage to Hokkaido onions since the onion fields were fairly dry throughout this summer, according to growers.

Recent weak prices for domestic onions were largely blamed on cheap imports from China, according to Hokkaido onion growers. In July 2003 Chinese onions were traded at \$0.47 (59 yen) per kilogram at the Tokyo Wholesale Market, while domestic onions from Saga and Hyogo Prefectures were traded at \$0.89 - \$0.91 (106 – 109 yen) per kilogram. Trading volume for Chinese onions in July were almost doubled the same month in 2002.