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Japan

Strawberries

Annual

2003

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Report Highlights:

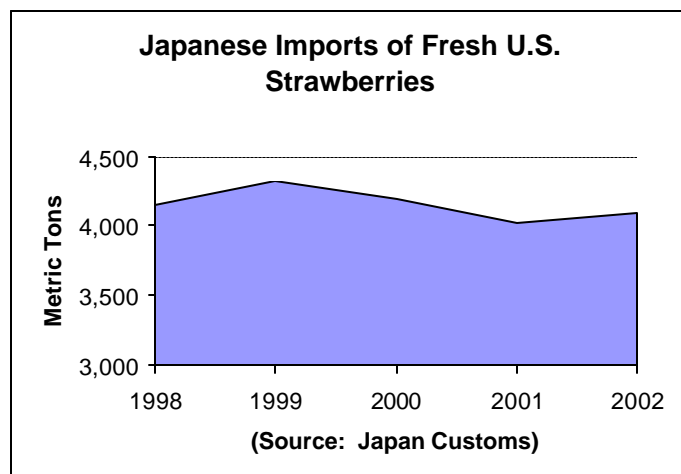
The United States exported \$31.4 million (CIF) or 4,091 metric tons of fresh strawberries to Japan in 2002, a marginal increase from the previous year. Summer Strawberry campaigns in retail stores helped increase sales of fresh U.S. strawberries. In the frozen market, the U.S. exported \$19.4 million (CIF), 9,294 metric tons, of frozen strawberries to Japan in 2002, a decline of 18 percent from the previous year, principally due to competition from lower priced Chinese products.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Tokyo [JA1]
[JA]

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Fresh U.S. Strawberry Imports Steady



In 2002, Japanese imports of fresh U.S. strawberries increased approximately 1.8 percent to 4,091 metric tons, valued at \$31.4 million (CIF). Japanese retail sales promotions, along with heavy use by the confectionary industry were the principal reasons. U.S. strawberry sales started in May when the supply of domestic strawberries ended and will continue until the new crop of domestic strawberries appear in the market in early December. Although fresh U.S. strawberries are largely consumed by the Japanese confectionary sector (approximately 80

percent of U.S. strawberry imports), mainly in shortcake, consumption at retail stores and in the food service sector is increasing. Japanese traders expect fresh U.S. strawberry imports to reach 4,200 metric tons in 2003.

Ca. Strawberry Commission Created New Summer Strawberry Market

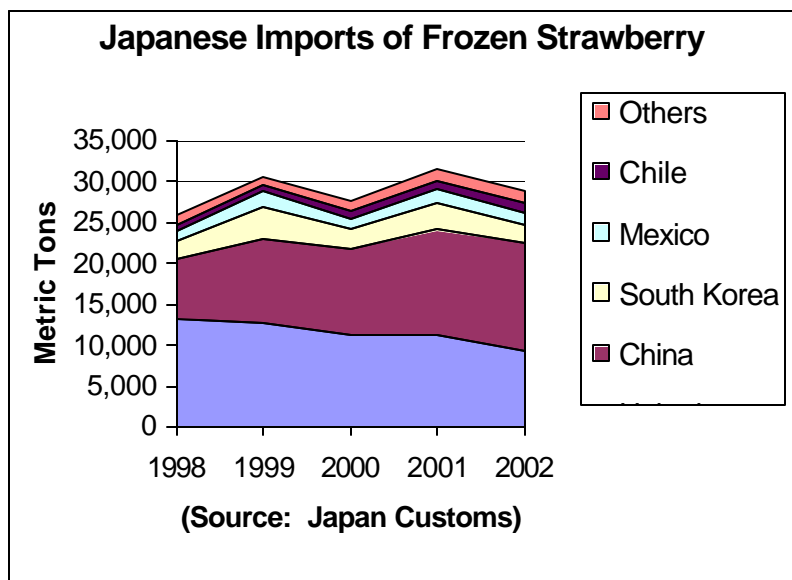
Traditionally, domestic strawberries fill the retail market in winter and spring. This year, as a result of heavy sales promotions by Japanese retailers and the California strawberry industry, summer sales of fresh U.S. strawberries increased significantly at Japan's retail outlets. Japan imported 1,759 metric tons of U.S. strawberries in the 2003 June-August period, up approximately 5.5 percent from the same period last year. Fruit arrived in better condition than in previous years and with better packaging, according to Tokyo traders. Although U.S. strawberries have more acidity than Japanese ones, the acidity actually accentuates the fruity flavor in the hot summer season. Fresh U.S. strawberries have quickly become accepted by Japanese consumers as a table consumption fruit.

Fresh U.S. Strawberry Retail Promotions Appealed to Japanese Consumers

Japanese traders and U.S. suppliers in cooperation with the California Strawberry Commission continue fresh U.S. strawberry sales campaigns, featuring fresh California summer strawberries. Tokyo's major supermarkets demonstrated various breakfasts with fresh summer strawberries, offering sample tasting of California strawberries mixed with yogurt, cereals or salad! "Summer Strawberry" sales promotional girls highlighted the events. U.S. summer strawberry sales campaigns also extended to Japan's food service sector with new menu presentations by Japanese traders. Table place mats printed with dessert menus, featuring fresh California strawberries, attracted customers at Tokyo's family restaurant outlets.

In early October, U.S. strawberries were traded at \$68.33 (7,500 yen), a similar price to last year, for a 5-kilogram case at Tokyo's Ohta Fresh Produce Wholesale Market. U.S. strawberries are pre-packaged in California in retail-size clamshell container and normally sold at \$4.53 (498 yen) for a package of 6 oz (284 grams) in Tokyo supermarkets. During supermarket sales fairs they are often discounted to \$3.62 (398 yen) per pack.

2002 Japanese Imports of U.S. Frozen Strawberries Down 18 Percent



Japan imported 9,294 metric tons of U.S. frozen strawberries in 2002, valued at \$19.4 million (CIF), down approximately 18 percent from the previous year. Taking advantage of low production costs, China continued to increase its shipments to Japan, supplying 13,236 metric tons of frozen strawberries in 2002. Chinese frozen strawberries are often specifically prepared to Japanese industry. Chinese strawberries are Chandler variety, while U.S. ones are Camarosa variety. The average U.S. import price was

\$2.09 per kilogram (CIF) in 2002, reflecting the higher quality products. The average price for Chinese products was \$1.03 per kilogram (CIF). South Korea, Mexico and Chile are also important suppliers of frozen strawberries to the Japanese market. The average import prices were \$1.36, \$1.58 and \$1.31 per kilogram (CIF), respectively.

High Quality U.S. Frozen Strawberry Finds More Users in Food Service

Traditionally, Japan's jam manufacturers are the largest users of U.S. frozen strawberries. Lower priced products from China have pushed the U.S. out of strawberries as a jam ingredient. Despite being almost double the price of Chinese strawberries, higher quality U.S. products are penetrating the Japan hotel and restaurant market. Pastry cooks, chefs and bartenders are increasingly using U.S. frozen strawberries to make desserts, cakes and cocktails.

High Japanese Import Duties are Imposed on Fresh and Frozen Strawberries

These duties are not subject to further reductions outside of the next round of WTO negotiations. The applicable import duties are as follows:

TARIFF CODE (HS)	DESCRIPTION	DUTY RATE
0810.10-000	Fresh Strawberry	6.0 %
0811.10-100	Frozen Strawberry Added Sugar	9.6 %
0811.10-200	Frozen Strawberry No Added Sugar	12.0 %

All duties are charged on a CIF basis.

PS&D Tables and Trade Matrices

Fresh Strawberry PS&D Table

PSD Table

Country	Japan		Fresh		Strawberries	
					(HA)(MT)	
Commodity	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	7440	7360	7400	7300	0	7230
Area Harvested	7440	7360	7400	7300	0	7230
TOTAL Production	208600	210500	205000	209000	0	208000
Imports, Fresh	4765	4871	5000	4497	0	4600
TOTAL SUPPLY	213365	215371	210000	213497	0	212600
Exports, Fresh	0	0	0	0	0	0
Domestic Fresh Market	210765	211871	207500	209397	0	208600
For Processing	2600	3500	2500	4100	0	4000
TOTAL UTILIZATION	213365	215371	210000	213497	0	212600

Frozen Strawberry PS&D Table

PSD Table

Country

Japan
Frozen
Strawb
erries

Commodity

(MT)

	2001 USDA Official [Old]	Revised Post Estimate [New]	2002 USDA Official [Old]	Estimate Post Estimate [New]	2003 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin		10/2001		10/2002		10/2003
Deliv. To Processors	2600	3500	2500	4100	0	4000
Beginning Stocks	0	0	0	0	0	0
Production	520	870	500	1030	0	1000
Imports	29581	29703	30000	27711	0	28000
TOTAL SUPPLY	30101	30573	30500	28741	0	29000
Exports	0	0	0	0	0	0
Domestic Consumption	30101	30573	30500	28741	0	29000
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	30101	30573	30500	28741	0	29000

Fresh Strawberry Import Trade Matrix

Import Trade Matrix

Country Japan
 Fresh Strawberri

Commodity es

Time Period	Oct. - Sept.	Units:	Metric Tons
Imports for:	2001		2002
U.S.	3953	U.S.	4171
Others		Others	
South Korea	804	South Korea	212
New Zealand	89	New Zealand	80
Australia	31	Australia	33
Total for Others	924		325
Others not Listed	0		1
Grand Total	4877		4497

Frozen Strawberry Import Trade Matrix

Import Trade Matrix

Country Japan
Frozen Strawberri

Commodities

Time Period	Oct. - Sept.	Units:	Metric Tons
Imports for:	2001		2002
U.S.	9706	U.S.	8540
Others		Others	
China	12878	China	14469
South Korea	2558	South Korea	1631
Mexico	1697	Chile	1040
Chile	1203	Mexico	695
Thailand	675	Thailand	609
Poland	475	Poland	246
Egypt	177	Egypt	197
Netherlands	93	Netherlands	138
Total for Others	19756		19025
Others not Listed	241		146
Grand Total	29703		27711

Fresh Strawberry Wholesale Price Table

Prices Table

Country

Japan

Commodity

Fresh Strawberries

Prices in

Yen per uom KG

Year	2002	2003	% Change
Jan	1183	1129	-5%
Feb	1025	1079	5%
Mar	879	979	11%
Apr	709	730	3%
May	684	699	2%
Jun	752	881	17%
Jul	1419	1488	5%
Aug	2318		-100%
Sep	2393		-100%
Oct	1877		-100%
Nov	1980		-100%
Dec	1844		-100%

Exchange Rate	109.76	Local Currency/US \$
Date of Quote	10/8/2003	MM/DD/YYYY