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Japan

Planting Seeds

Annual Report

2005

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Report Highlights:

The volume of Japanese planting seed imports in 2004 was 83,427 metric tons, up 26% from the previous year. The U.S. remains Japan's leading supplier of the imported seeds with a market share of 17% based on volume and 27.5% based on value. Japan's overall seed imports were down 5.6% in 2004 to \$115,422,000.

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

Table of Contents

I. Executive Summary 3

II. Production 4

III. Trade..... 4

 1) Imports 4

 2) Exports..... 6

IV. Harmonized System – Tariff Codes for Planting Seeds in Japan. 7

V. Tariff: 8

VII. Variety Registrations: 9

I. Executive Summary

Japanese planting seed imports in 2004 were \$115,422,000 according to Japanese Customs data, down 5.6% from the previous year. The United States was the leading exporter of seeds to Japan, supplying \$31,705,000 worth of seeds or 27.5% of Japan's imports by value and 17% by volume. The U.S. export share of 17% in 2004 was down from 24.7% in quantity from the previous year. Japanese seed exports, on the other hand, grew 7.3% from the previous year to \$98,441,000 in 2004, of which the share of U.S. as Japan's export market was 15.2% or \$14,916,000.

Japanese phytosanitary regulations on seed imports do not constitute a significant impediment to U.S. seed trade with Japan. Japan subscribes to the International Convention on the Protection of New Plant Varieties and newly registered seed varieties are protected under Japan's Seeds & Seedlings Act, revised most recently in June 2003 to make enforcement of the Act more stringent and effective.

The number of new applications to the Japanese Ministry of Agriculture, Forestry, and Fisheries for legal protection of seed varieties during the Japanese fiscal year 2004 (Apr. 2004 – Mar. 2005) was 1,337, up 4% from the previous fiscal year. The number of newly registered seed varieties during the same period grew 62.1% to 1,132 cases. The total number of officially registered seed varieties that were planted and grown overseas (i.e. outside Japan) in the most recent fiscal year (Apr. 2004 – Mar. 2005) was reported as 3,574 cases, up 9.5% from 3,261 in the previous year.

End of Summary

II. Production

With Japan's domestic farm sector showing continuing signs of stagnation, the focus of Japanese seed business trade continues to be placed on export marketing and international operations. Statistical information for domestic production of seeds is not available.

III. Trade

1) Imports

-Japanese planting seed imports totaled \$115,422,000 in 2004, down 5.6% from \$122,347,000 in the previous year. In quantity, however, imports grew 26% from 65,994 metric tons in 2003 to 83,427 tons in 2004. Except for vegetables and herbaceous plant seeds, where Japanese imports declined substantially, seed imports for other crops grew substantially in terms of value across the board.

In spite of the overall decline in Japanese vegetable seed imports, the U.S. retained its position as the top seed supplier to Japan with 30% share in terms of quantity and 19% share in terms of value in 2004. The U.S. is the top supplier to Japan of seeds for sweet corns, peas and beans as well as other planting crops. In the case of forage crop seeds, the U.S. share of 32% (by volume) was second only to that of Australia in 2004, even though the U.S. enjoyed the largest share in 2003 (in terms of value).

JAPANESE SEED IMPORTS FROM THE WORLD				
	Quantity (Metric Tons)		Value (\$ 000) 1/	
	2003	2004	2003	2004
Crops:				
Vegetables	5,354	4,823	57,696	49,378
Forage Crops	57,559	75,364	33,414	38,106
Herbaceous Plants	316	255	17,730	12,261
Sweet Corns	227	327	3,248	4,932
Peas / Beans	753	813	2,376	2,853
Other Plants	1,785	1,845	7,883	7,892
Total:	65,994	83,427	122,347	115,422

(Source: Ministry of Finance Customs Data)

JAPANESE SEED IMPORTS FROM THE U.S.				
	Quantity (Metric Tons)		Value (\$ 000) 1/	
	2003	2004	2003	2004
Crops:				
Vegetables	1,742	1,352	17,297	9,324
Forage Crops	13,318	11,544	14,793	12,282
Sweet Corns	196	243	2,711	3,317
Peas / Beans	543	631	1,610	2,240
Herbaceous Plants	72	49	1,600	1,618
Other Plants	469	463	2,682	2,924
Total:	16,340	14,282	40,693	31,705

(Source: Ministry of Finance Customs Data)

Note: 1/ Based on Japanese customs dollar value, CIF/ Japanese ports of entry.

Leading Seed Exporters to Japan By Crop & Dollar Value:
(Source: Ministry of Finance Customs Data)

VEGETABLE SEEDS				
Japanese Imports	2003		2004	
From:	Value(\$000)	% Share	Value(\$000)	% Share
The World	57,696	100%	49,378	100%
1) U.S.A.	17,297	30%	9,324	19%
2) Italy	9,008	16%	7,416	15%
3) China	3,977	7%	3,967	8%
4) South Korea	3,701	6%	3,882	8%
5) Thailand	2,370	4%	3,483	7%
Big-5 Total:	36,353	63%	28,072	57%

FORAGE CROP SEEDS				
Japanese Imports	2003		2004	
From:	Value(\$000)	% Share	Value(\$000)	% Share
The World	33,414	100%	38,106	100%
1) Australia	9,060	27%	16,246	43%
2) U.S.A.	14,793	44%	12,282	32%
3) France	2,078	6%	2,347	6%
4) Canada	1,217	4%	1,271	3%
5) Austria	1,821	5%	1,191	3%
Big-5 Total:	28,969	87%	33,337	87%

HERBACEOUS PLANT SEEDS				
Japanese Imports	2003		2004	
From:	Value(\$000)	% Share	Value(\$000)	% Share
The World	17,730	100%	12,261	100%
1) Netherlands	3,328	19%	2,938	24%
2) Chile	7,176	40%	2,594	21%
3) U.S.A.	1,600	9%	1,618	13%
4) China	1,735	10%	1,535	12%
5) France	826	5%	1,128	9%
Big-5 Total:	14,665	83%	9,813	80%

SWEET CORN SEEDS				
Japanese Imports	2003		2004	
From:	Value(\$000)	% Share	Value(\$000)	% Share
The World	3,248	100%	4,932	100%
1) U.S.A.	2,711	83%	3,317	67%
2) Chile	518	16%	1,605	48%
3) France	12	0.3%	6	0.1%
Big-3 Total:	3,241	99%	4,928	99%

PEA / BEAN SEEDS				
Japanese Imports	2003		2004	
From:	Value(\$000)	% Share	Value(\$000)	% Share
The World	2,376	100%	2,853	100%
1) U.S.A.	1,610	68%	2,240	79%
2) Netherlands	166	7%	190	6%
3) Thailand	113	5%	105	4%
4) China	85	4%	69	2%
5) India	109	5%	66	2%
Big-5 Total:	2,083	88%	2,670	94%

OTHER PLANT SEEDS				
Japanese Imports	2003		2004	
From:	Value(\$000)	% Share	Value(\$000)	% Share
The World	7,883	100%	7,892	100%
1) U.S.A.	2,682	34%	2,924	37%
2) China	2,349	30%	2,171	28%
3) South Korea	673	9%	631	8%
4) Taiwan	398	5%	576	7%
5) Thailand	643	8%	566	7%
Big-5 Total:	6,745	86%	6,868	87%

2) Exports

-Japanese seed exports in 2004 were \$98,441,000 in value, up 7.3% from the previous year. Vegetable seed exports grew 5% in quantity and 14% in dollar value. Herbaceous plant seed exports more than doubled in quantity, albeit from a low base in the previous year, but dropped 8% in dollar value in 2004 from the previous year.

-Japanese seed exports to the United States in 2004 totaled \$14,916,000, down 6% in value from the previous year, and accounted for 15% of total Japanese seed exports. Vegetable seeds, with a 29% share of seed export by value, led the Japanese seed exports to the world, followed by herbaceous plant seeds, which make up 67% of Japan's seed exports to U.S., as shown in the tables below.

JAPANESE SEED EXPORTS TO THE WORLD				
Crops:	Quantity (Metric Tons)		Value (\$ 000) 1/	
	2003	2004	2003	2004
Vegetables	1,366	1,436	62,605	71,410
Forage Crops	17	16	176	132
Herbaceous Plants	13	38	25,259	23,211
Other Plants	442	454	3,734	3,688
Total:	1,838	1,944	91,774	98,441

JAPANESE SEED EXPORT TO THE U.S.				
Crops:	Quantity (Metric Tons)		Value (\$ 000) 1/	
	2003	2004	2003	2004
Vegetables	45	51	4,152	4,388
Forage Crops	17	16	91	98
Herbaceous Plants	4	6	11,152	10,060
Other Plants	14	6	549	370
Total:	80	79	15,944	14,916
U.S. % Share	4.3%	4.0%	17.4%	15.2%

(Source: Ministry of Finance Customs Data.)

Note: 1/ Based on Japanese customs dollar value, FOB/Japanese ports of export.

IV. Harmonized System – Tariff Codes for Planting Seeds in Japan.

REFERENCE: HS (HARMONIZED SYSTEM) TARIFF CODES, USED IN STATISTICAL TABULATION FOR EACH SEED GROUP.		
Seed Group	Imports	Exports
Vegetable Seeds	1209.91-010; 1209.91-090	1209.91-000
Sugar Beet Seeds	1209.11-000; 1209.19-000	None
Forage Crop Seeds	1209.21-000; 1209.22-000; 1209.23-000; 1209.24-000; 1209.25-000; 1209.26-000; 1209.29-000; 1002.00-010; 1004.00-010; 1005.10-010; 1007.00-010; 1008.10-010; 1008.90-010;	1209.21-000; 1209.22-000; 1209.23-000; 1209.24-000; 1209.25-000; 1209.26-000; 1209.29-000;
Herbaceous Plant Seeds	1209.30-000	1209.30-000
Pea / bean Seeds	0713.10-010; 0713.10-211; 0713.20-010; 0713.33-010; 0713.33-210; 0713.39-010; 0713.39-210; 0713.40-010; 0713.50-010; 0713.50-210; 0713.90-010; 0713.90-210	None
Sweet Corn Seeds	0712.90-031	None
Other Planting Seeds	1209.99-000	1209.99-000

V. Tariff:

The table below shows the only import duties levied on planting seeds.

Crop	HS CODE (HARMONIZED SYSTEM)	TARIFF RATES (WTO)
Pea Seeds	0713.10.211	6.0 %
Kidney Bean Seeds	0713.33.210	6.0 %
Broad Bean Seeds	0713.50.210	6.0 %
Other Seeds	0713.39.210	6.0 %
Other Seeds	0713.90.210	6.0 %

(Source: Customs Tariff Schedule of Japan)

Regulatory Updates - Japanese Seeds and Seedlings Act revised.

The planting seed business in Japan is regulated primarily under the Seeds and Seedlings Act. As a result of the 1991 revision in the International Convention for Protection of New Plant Varieties (UPOV) to which Japan is a signatory, the Japanese Seed and Seedlings Act was revised in 1998 with enforcement starting December 24, 1998. It was revised again in June, 2003.

The Act has been revised so far to introduce the following key provisions.

- 1) Expand the scope of penal regulations against violations of the Act. (Article #6)
 - Before revision - Transaction was confined strictly to planting seeds.
 - After revision - Scope of transactions expanded to cover not only "seeds" but also "crops".
- 2) Maximum amount of penal fine for corporate violators raised (Article #60)
 - Before revision - 3 million Yen
 - After revision - 100 million Yen.

In line with revisions of the Seeds and Seedlings Act, Japanese Customs Law was amended on March 28, 2003 and took effect on April 1, 2003. This authorized Japanese customs officials to order confiscation, disposition, or destruction of imported planting seeds and/or crops found to be in violation of provisions of the Act during the customs clearance inspection process.

In the aftermath of a series of criminal offenses reported in recent years that violated the Seeds and Seedlings Act, which involved various crops such as fruits, flowers, vegetables and other farm products, another revision of the Act is on the floor of Japanese Diet (i.e. legislature) this year for enactment during the current legislative session, scheduled to close in the summer of 2005. Intended to further expand coverage of the objects to be monitored to assure the lawful rights of registered seed variety growers, this latest revision of the Act seeks to:

- (1) Cover not only "crops", resulting from the illegal use of seeds, but also production,

distribution and importation of "processed foodstuff or ingredients in remanufactured materials and products", as long as infringement of the original growers' lawful rights and violation of the Act can be traced and identified by scientific analysis with a DNA-technology;

(2) Penalize violators with fines of up to 100 million Yen (approx.\$ 1 million) for corporate violations against illegal infringements of the lawful variety growers' rights in the "processed foodstuff or ingredients in remanufactured materials and products" as well as "crops", and

(3) Prolong effective validity of the original variety growers' rights from the current 25-year protection period to a 30-year period for certain long-lived plants and crops, such as fruits, and from the current 20-year protection for other plants up to a 25-year period.

VII. Variety Registrations:

The number of applications for legal protection of seed varieties under the Seeds and Seedlings Act, accepted by the Ministry of Agriculture, Forestry and Fisheries from private individuals, seed companies, food makers, agricultural co-operatives and institutional entities was 1,337 in 2004, up 4.4% from 1,280 in the previous year (i.e. April-March). However, the number of varieties officially authorized was 1,132, up 62% from 698 in the previous fiscal year, as shown in the table below.

NUMBER OF SEED VARIETY APPLICATIONS & REGISTRATIONS 2 YR. COMPARISON (JAPAN FISCAL YEAR: MARCH THROUGH APRIL)				
Crops	Applications		New Variety Registrations	
	2003	2004	2003	2004
Edible Crops	56	47	27	55
Vegetables	55	63	25	80
Fruits	43	45	28	70
Forage Crops	8	17	10	12
Herbaceous Plants	844	941	436	664
Ornamental Plants	243	183	154	233
Forest Trees	1	2	1	1
Others	30	39	17	17
Total:	1,280	1,337	698	1,132

(Source: Ministry of Agriculture, Forestry and Fisheries)

The role of foreign countries as a providers of soil and other resources for cultivation and growing of the new seed varieties continues to be important in the Japanese seed trade sector. As of the end of March 2005, the cumulative number of applications for new registration for seed varieties, grown outside Japan, was officially reported as 5,505 cases, up 469 cases or 9.3% from the previous year, and the cumulative number of authorized registrations for new variety protection under the Seed Act, accepted by the Japanese Ministry of Agriculture, Forestry and Fisheries, was 3,574 cases, up 9.6% respectively from the previous year, as indicated in the table below by country.

-NUMBER OF REGISTRATIONS OF SEED VARIETIES BY CROP & COUNTRY, GROWN OUTSIDE JAPAN – AS OF THE END OF MARCH, 2005 (IN PARENTHESIS –NUMBER OF REGISTERED SEED VARIETIES)							
Country	Applied (Registered)	Edible Crops	Vegetable	Fruit Trees	Forage Crops	Herbaceous Plants	Ornamental Plants
Asia:							
Israel	328 (195)	-	1 (1)	-	-	327 (194)	-
Thailand	22 (14)	-	1 (1)	-	-	21 (13)	-
China	10 (6)	5 (5)	-	2 (0)	-	3 (1)	-
Korea ,So.	4 (0)	-	1 (0)	-	-	3 (0)	-
Taiwan	12 (8)	1 (0)	2 (2)	-	-	9 (6)	-
Indonesia	2 (0)	-	-	-	2 (0)	-	-
Europe:							
Netherlands	2,016 (1,357)	-	13 (10)	-	-	1,546 (1,020)	457 (327)
Germany	924 (641)	-	-	1 (0)	-	559 (332)	364 (309)
France	355 (272)	8 (3)	2 (1)	8 (5)	-	155 (107)	182 (156)
Italy	226 (145)	-	-	-	-	185 (113)	41 (32)
U. K.	318 (214)	-	2 (2)	7 (7)	-	190 (107)	119 (98)
Denmark	322 (147)	-	-	-	-	187 (94)	135 (53)
Ireland	8 (0)	-	-	-	-	6 (0)	2 (0)
Belgium	11 (3)	-	-	1 (0)	-	7 (1)	3 (2)
Switzerland	7 (3)	-	-	2 (1)	-	5 (2)	-
Spain	9 (3)	-	-	-	-	8 (2)	1 (1)
Austria	1 (0)	-	-	-	-	1 (0)	-
Sweden	1 (1)	-	-	-	-	-	1 (1)
Norway	1 (1)	-	-	-	-	-	1 (1)
Slovakia	2 (1)	-	-	-	-	2 (1)	-
Czech	1 (0)	-	-	-	-	1 (0)	-
Poland	4 (4)	-	-	-	-	4 (4)	-
Portugal	2 (2)	-	-	-	-	-	2 (2)
Americas:							
U.S.A.	647 (405)	1 (1)	23 (19)	8 (4)	10 (8)	434 (241)	171 (132)
Argentina	2 (1)	-	-	-	-	1 (1)	1 (0)
Ecuador	1 (1)	-	-	-	-	-	1 (1)
Costa Rica	23 (6)	-	-	-	-	23 (6)	-
Canada	4 (2)	-	-	-	-	2 (0)	2 (2)
Mexico	1 (1)	-	-	-	-	-	1 (1)
Brazil	9 (6)	-	-	3 (1)	-	6 (5)	-
Oceania:							
Australia	111 (75)	-	-	2 (0)	-	101 (75)	8 (0)
New Zealand	105 (57)	-	-	19 (2)	-	29 (16)	57 (39)
Africa:							
South Africa	16 (3)	-	-	-	-	15(3)	1 (0)
Total	5,505 (3,574)	15 (9)	45 (36)	53 (20)	12 (8)	3,830 (2,344)	1,550 (1,157)

(Source: Ministry of Agriculture, Forestry & Fisheries)

1/ Includes 2 cases of crops of craftsmanship.

End of Report