



# Market for Organic Fruit & Vegetables in JAPAN

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# Outline of presentation

- **Definition**
- **Organic Farming**
- **Government Policy**
- **The Organic Market**
- **Consumer Attitudes**
- **Imports**
- **Conclusions and Opportunities**



- Definition
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- Market
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# Definition :

Organic Food → “Yuki Shohukin”

but:

Yuki Shohukin  $\neq$  Organic Food

有機性食糧

# “Yuki Shohukin” =

- 1) Organic: no chemicals (3 year)
- 2) Organic in transition: no chemicals (6 months - 3 year)
- 3) No pesticides
- 4) Reduced pesticides: chem. pesticides < 50 % of average
- 5) No chemical fertilizer
- 6) Reduced fertilizer grown: chem. fert.< 50 % of average



**Definition**

**Organic farming**

**Policy**

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# Organic Food (item 1)

**VS.**

# Green Labelled Food (items 2-6)



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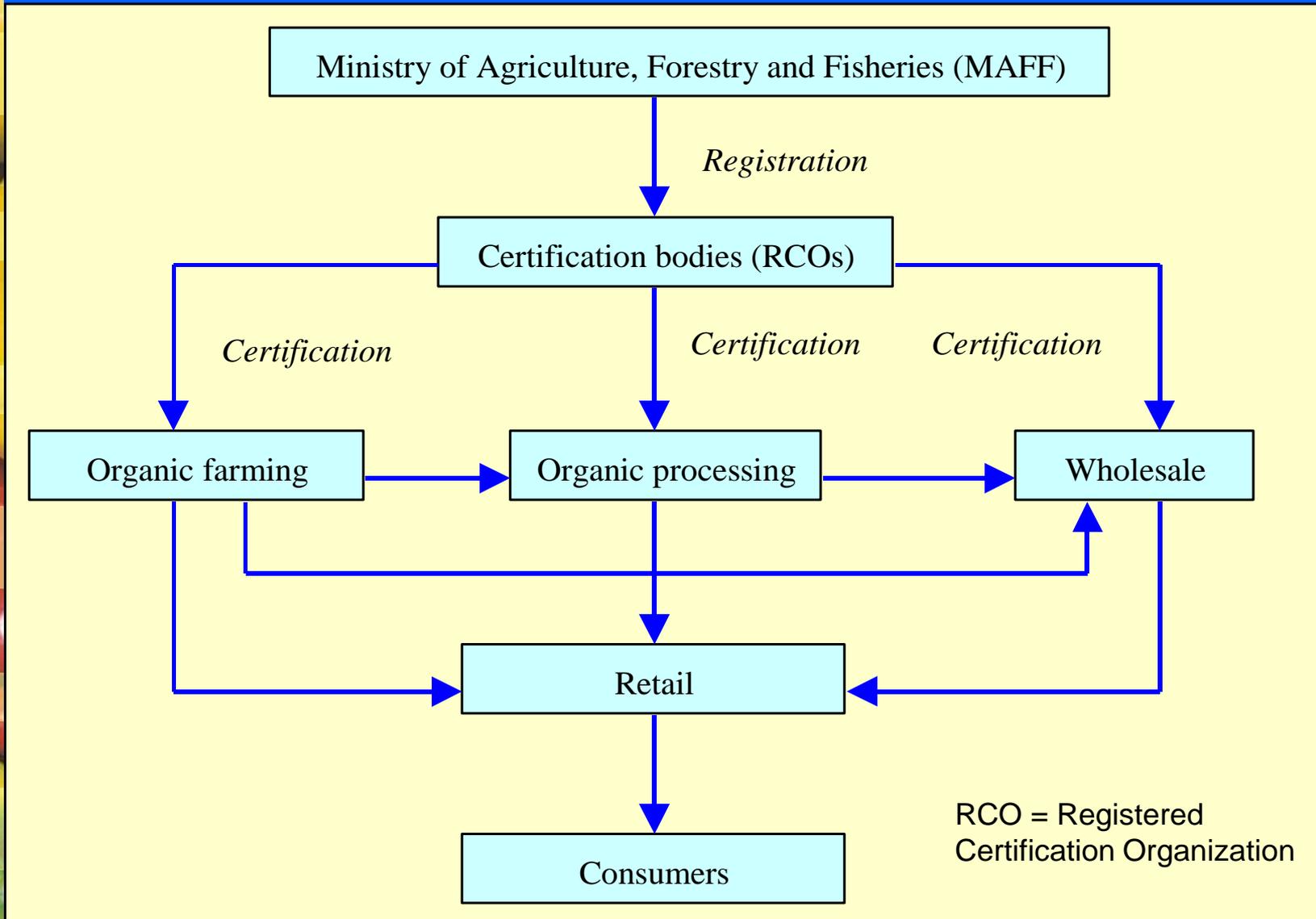
# Organic Farming in Japan

- **Difficulties: land scarcity & wet and humid climate**
- **± 3 500 organic producers**
- **only 1 000 hectares**
- **products: rice, tea, green vegetables, potatoes, citrus and other fruit**

# Government Policy

- April 1992:** MAFF organic labelling guidelines (no law!)
- 1998:** MAFF establish Organic Certification rule in JAS law
- June 2000:** The revised JAS law took effect
- April 2001:** Control “organic” label took effect.

# Japanese inspection system



Definition

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# Japanese Organic Market

- Huge difference in estimates
- Certified Organic: US\$ 350 million
- “Green” labelled: US\$ 2 500 million
- main products: rice, wheat, soybean
- Fresh and Frozen F&V < 5 % of total

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# Japanese Organic Market

- Retail Prices 20%-30% (also 100%)
- Distribution channels:
  - 1) Teikei system
  - 2) Home delivery
  - 3) Supermarket





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# Consumer Attitudes

- Lack of knowledge difference “organic” and “green”
- consumer surveys unreliable
- domestic produce:
  - certification better
  - fresher
  - preserve Japanese agriculture
  - eating ‘own’ food is good



# Organic Imports

Definition

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- **Organic labelled products to be certified by RCO (# 38)**
- **Three ways to obtain JAS logo**
  - 1) approved country status (equivalent)
  - 2) as 1, but JAS logo put upon arrival
  - 3) through MAFF accredited RCO



- **Advise: work with Japanese importer**

# Organic Imports

- **Main suppliers:**
  - United States
  - China
  - Australia
  - New Zealand
- **Constraints:**
  - high sanitary requirements; fumigation
  - careful market research needed
  - confusion between labels



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# Conclusion & Opportunities

- **Attractive market:**
  - large population
  - strong purchasing power
  - health awareness

## But:

- **High Phytosanitary requirements**
- **Definitional Confusion**



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# Main Opportunities

- fresh fruit and juices
- avocado
- processed fruit pulps
- frozen vegetables
- convenience foods

**The end**

