

## Vegetable &amp; Fruits

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## STRONG DEMAND FOR FROZEN VEGETABLES / SITUATION OF IMPORTS ON A COUNTRY BASIS

**Strong Demand for Frozen Vegetables**

The import volume of frozen vegetables during the first half of 2011 (January-June) was a 9.4% increase to 440,179t from the previous year. It was an increase for 2 years in a row. Imported vegetables got more attention after the nuclear reactor accident in Fukushima. The issue of radiation stimulated the demand for imported frozen vegetables and the pace is getting higher. In the future prospects, there will be some products that are hard to secure the raw materials, and the rising production cost from emerging countries will become another problem. The development trends of supplying countries are to be carefully watched.

The import value by product, component ratio and major country's share per kilometer is as listed below for the first half of this year.

The biggest item, potato increased 6.0% from last year, exceeding 180,000t by far. The unit price dropped 11 yen from 2010 to 102 yen. As for the increase in volume, the US, which has 80% share made a steady increase of 4.6%, while Canada, ranking 2nd, rose 13.8%, and Belgium rose 13.3%.

Edamame increased 1.5% to 33,769t. This is a 3 years in a row plus, but the growth rate slowed down. The top share from Taiwan made drastic growth of 14.9%, but Thailand has been decreasing from last December and dropped 20% for the first half of this year. China, which exceeded Thailand, fell down just in June, making a small decrease for the first half of this year as a whole.

Spinach increased 32.8%, a great leap continuing from last year. This reflects the imports from China, which make up 80%. Spinach from Taiwan increased 50%, ranking 2nd, higher than Vietnam.

Taro and mixed vegetables both went higher than the previous year for two years in a row. This is due to a recovery of imports from China. As for mixed vegetables, the 3rd ranking New Zealand dropped 14%, while China increased 36.1% with its share over 50%, and the US increased 6.8%.

Broccoli is doing well with a 22.1% increase. Imports from China increased 20% to 9,000t, Ecuador increased 21.6% to 4,800t, and Mexico that ranked 3rd increased 16.9%, going over 1,000t.



**Import Value by Product, Component Ratio and Share by Major Countries for 2011 (Jan. ~ Jun.)**

	Quantity (y/y)		Amount (y/y)		% by quantity	Value per kg	% by quantity & major country
	t	%	1 million yen	%			
Potato	182,013	(106.0)	18,512	(96.4)	41.3	102	U.S.A. 80.5, Canada 9.2
Spinach	17,958	(132.8)	2,219	(133.4)	4.1	124	China 80.8, Taiwan 9.2, Vietnam 6.6
Corn	22,022	(106.8)	2,624	(92.5)	5.0	119	U.S.A. 70.7, Thailand 14.5, NZ 10.6
Broccoli	15,503	(122.1)	2,268	(119.7)	3.5	146	China 58.3, Ecuador 31.0, Mexico 6.8
Green soybean	33,769	(101.5)	5,316	(94.2)	7.7	157	Taiwan 42.1, China 26.4, Thailand 24.5
Snow peas, green pea	7,110	(105.3)	1,051	(105.3)	1.6	148	China 44.3, U.S.A. 31.8, NZ 22.3
Kidneybeans	12,128	(103.0)	1,389	(99.2)	2.6	115	China 57.6, Thailand 39.9
Other beans	5,334	(94.5)	689	(90.0)	1.2	129	China 92.7, Italy 4.2
(Total of peas)	58,342	(101.6)	8,446	(95.9)	13.3	145	China 41.1, Taiwan 24.5, Thailand 22.5
Burdock	3,496	(94.0)	714	(173.4)	0.8	204	China 100
Sugarcane	2,103	(157.7)	250	(152.0)	0.5	119	China 54.1, Vietnam 30.0, Indonesia 16.0
Taro	18,032	(103.6)	2,907	(113.7)	4.1	161	China 100
Mixed vegetables	13,834	(118.2)	2,146	(112.2)	3.1	155	China 53.6, U.S.A. 35.6, NZ 8.8
Bamboo shoot	119	(109.2)	44	(103.5)	0.0	374	China 90.7, Thailand 5.1
Others	106,756	(115.9)	18,190	(117.1)	24.3	170	China 86.1, Thailand 5.1
Total	440,179	(109.4)	58,318	(105.9)	100.0	132	China 39.9, U.S.A. 38.9

Note) Quantities with less than 100kg and values with below 100,000 yen have been rounded off, so the total figures do not agree.  
 Sources: Compiled from Import Customs Statistics by Ministry of Finance.

## Situation of Imports on a Country Basis

Next, we will introduce the import volume, value, and shares by major importing countries. More than half of the top 7 countries that export frozen vegetables made a two digit increase. The 5 countries (China, US, Canada, Taiwan and Belgium) went above the previous year. China topped the US and has the leading share. Canada was continuing to fall, but recovered and ranked 4th. On the other hand, Thailand was doing well, but fell to minus. New Zealand continued to slump and Belgium ranked higher.

China increased 14.2% to 175,623t to the standard before the food company incident in 2007. Out of 13 major items that have import achievements, 10 items went higher than the previous year. The biggest item, taro shrank its increase scale, but made a plus 2 years in a row.

China topped the US in top share for the first half of the year. Potato which makes 86% of the share increased 4.6%, and corn which has the biggest share on a country basis increased 6.5%. Mixed vegetables increased 6.8%.

For Thailand, edamame, the biggest item dropped 20%, and the 2nd biggest item, kidney beans dropped 2.7%. On the other hand, corn increased 18.8% and topped New Zealand. Imports from Canada turned to an increase of 13.8%, raising 0.2 point share.

As for Taiwan, edamame with 90% share from Taiwan increased 14.9%. Spinach increased 53.8% topping Vietnam. This year, imports of broccoli and kidney beans started.

New Zealand's main item, corn decreased 4.3%, snow pea/green peas decreased 9.3%, mixed vegetables vastly decreased 14%. Potato rose 8.2%.

This term, Belgium topped New Zealand and ranked 6th. Potato that takes up almost 100% increased for the first time in a few years because of the weak euro.

According to a food industry newspaper survey, about 70% of the Japanese frozen vegetable producers and importers believe that the frozen vegetable market in Japan will continue to expand in the future. Vegetables produced in China were not doing well due to the bad weather, and there are also worries about rising labor costs, and the revaluation of the Chinese yuan. There are companies that are already making action towards the shift of production region and from now on, the choices will expand to not only Asian countries, but also to South America, Africa, and Europe.

### Imports by Country for 2011 (Jan. ~ Jun.)

	Quantity (t)	YY (%)	Amount (1 million yen)	YY (%)	(%)	(y/y)
China	175,623	114.2	26,138	118.4	39.9	(38.2)
USA	171,168	105.0	17,863	93.1	38.9	(40.5)
Thailand	22,344	95.9	4,191	94.0	5.1	(5.8)
Canada	16,705	113.8	1,712	105.6	3.8	(3.6)
Taiwan	16,180	118.2	2,703	107.8	3.7	(3.4)
Belgium	8,521	113.8	938	116.2	1.9	(1.9)
N.Z.	7,855	96.9	971	87.3	1.8	(2.0)
(Total of 7 countries)	410,541	109.2	53,534	105.7	93.3	(93.4)
Other countries	29,638	112.3	4,784	107.9	6.7	(6.6)
Total	440,179	109.4	58,318	105.9	100.0	(100.0)

Note) Quantities with less than 100kg and values with below 100,000 yen have been rounded off, so the total figures do not agree.

Sources: Compiled from Import Customs Statistics by Ministry of Finance.