

TABLE 18

Domestic Market Prices (¥/kg)

	Dried Shiitake	Fresh Shiitake	Nameko	Hiratake	Kikurage	Matsutake	Champignon
1965	2 056	370	667	518	N/A	1 592	190
1970	N/A	523	465	435	N/A	2 438	448
1975	3 381	850	762	765	N/A	6 924	817
1980	N/A	900	753	850	N/A	14 271	1 498
1985	4 237	1 114	689	795	156	7 666	1 514
1986	3 471	1 056	701	745	108	11 839	1 352
1987	3 602	1 058	692	713	978	9 064	1 209
1988	3 488	1 072	708	752	1 051	10 638	1 145
1989	N/A	1 092	683	743	N/A	10 054	1 189

Source: Tokyo wholesale market statistics.

Large-Scale Purchasing

As large-scale and chain supermarkets, department stores and convenience store chains continue to replace the family stores that currently account for the majority of retail outlets in Japan, large-scale purchasing will continue to increase. The distribution system will likely evolve accordingly. Although government authorization is required, many large-scale purchasers are buying directly from wholesale markets and sometimes even directly from foreign suppliers.

4 Distribution

From Monopoly to Auction System

In the past, producers of agricultural goods, including mushrooms, had very little selling or bargaining power because the distribution system was controlled by large, specialist wholesalers. However, as urban areas expanded, and fewer consumers grew their own produce, demand for agricultural goods increased. In response, in the 1930s, government-controlled wholesale markets which sell by the bidding system, were introduced in major cities.

Wholesale System

Today, Japan has close to 120 licensed, wholesale markets for fresh vegetables. These markets handle an overwhelming majority of the wholesale volume in Japan, with the rest accounted for by direct supply. Because of the bidding system, prices vary by region and by bidding lot within each region. The wholesale markets charge up to 8.5 per cent handling charge, depending on the item.

Although the majority of sales are made through bidding, three other methods are used:

- **In advance purchasing**, mushrooms are bought before they are ready for the wholesale markets. This method is limited by law, usually to buyers such as schools and hospitals where goods are to be consumed immediately. Recently this type of sale has increased. To guard against too much of an increase, which would defeat the markets' purpose, a limit is set to the amount that can be traded by advance contracts. For example, the Tokyo wholesale market sets the limit for the advance purchase of fresh shiitake at 30 per cent.

- **With reserve purchasing**, wholesale suppliers agree to contracts in advance, at a set price for a set volume, for a certain mushroom variety. This type of trading accounts for about 2 per cent of total sales.