

4. Import Mechanism

Transactions of rice, wheat and barley are controlled by the Government, i.e. the Food Agency, an agency of the MOAFF. As Japan heavily depends upon supplies of wheat and barley from overseas sources the Food Agency imports both grains through their weekly import tenders then re-sell to the processors. Other grains such as corn, milo, soybean etc. are considered as free trade commodities. They are imported by private importers. Oats imports are not under Food Agency control but are subject to tariff quota (TQ) system i.e. no tariff for quantity authorized under TQ but 10% duty for imports outside TQ.

5. Grain Industry Infrastructure

Basically there is expansion of existing facilities, be it flour, feed milling or crushing industry.

Flour - Wheat is under Government control and its import is now said to have reached a plateau.

Feed - No new expansions, rather renewals of existing ones by replacing (or phasing out) old plants with new plants for stepped up rationalization. Some increase production by using 2-shift or 3-shift operating conditions without resorting to expansion of facilities.

Crushing - Not operating at full capacity yet i.e. room for increased production under the existing facilities.

Noticeable changes - Japanese are generally more inclined to value-added products or efficiency-oriented measures e.g.:

Flour - Increased production of premixes and pasta products (often by technical tie-up with Italian manufacturers). Also expanding production of health-minded products e.g. wheat germ, wheat germ oil, vitamin E, etc.

Feed - Large compound feed complexes were completed in recent years as part of a total rationalization of the compound feed industry, typically in Kyushu and Tohoku regions.

Crushing - Marketing of high linoleic acid oils (typically safflower, sunflower and corn oils) is pursued by leading crushers. Quite recently vitamins E, F and C are in vogue, making better use of their available resources and coping with consumer reactions to health-consciousness.