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Report Highlights:

Due to the devastating hurricanes in the fall of 2004, Florida's grapefruit shipments to Japan were approximately 85,000 metric tons in the 2004/05 season, merely 40% of the level of the previous season. Florida's short crop created a strong demand for California, Arizona and Texas fruit and also extended to Israel Sweeties. In Japan, Florida grapefruit was trading at higher prices in Japan's both wholesale and retail markets. A short supply of grapefruit created higher demand for U.S. oranges in the Japanese market, resulting in a 12% increase in imports in the first five months of the season. Sales of U.S. Minneola, Cara Cara and Moro oranges were also strong, however higher prices for U.S. lemons slowed Japanese imports this season.

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Florida Grapefruit Shipments Significantly Reduced in 2004

In 2004/05, Florida grapefruit shipments to Japan were merely 40 percent of the previous season due to the devastating hurricanes that hit the main Florida grapefruit growing regions in the fall of 2004. This season's shipments from Florida ended in early April, approximately two months earlier than the previous season, with the season's total shipments reaching approximately 5 million cartons (85,000 metric tons), according to a major Tokyo citrus importer. In the previous season, total shipments from Florida were 12,075,969 cartons (205,291 metric tons).

New crop sales started in early November 2004, but Florida grapefruits were not seen much on supermarket shelves until right before Christmas. Because of the limited supply situation, the 2004/05 crop fruit was largely purchased for high priced gifts during Japan's year-end gift giving season, according to Tokyo Ohta Market traders. Unlike the last season, many retailers postponed large-scale new crop promotions until large volume supplies became available in the New Year.

In the New Year, Florida grapefruit sales did not pick up as much as Japanese traders anticipated due to the unexpected cold weathers that covered the islands of Japan until early April. Higher prices were also a key factor for relatively slow sales. Retail prices varied significantly among stores and prices were approximately 20 – 30 percent higher than the previous year. Higher import prices were also seen. One Tokyo trader commented that this season's offer prices (FOB) from Florida were significantly higher than the prices in the last season. This is of course due to Florida's significantly reduced production.

Temperatures in Japan gradually climbed in early April, and prompted more grapefruit sales. Japanese demand for Florida grapefruit became fairly strong in April for both the retail and food service sectors, and sales are expected to peak during Japan's Golden Week (a week-long holiday starting April 29). As of April 2, there are approximately 1.53 million cartons (26,010 metric tons) of fresh grapefruit in cold storage facilities across Japan and traders expect that this season's sales of Florida grapefruit will end in early May, provided that fruit movement is about 50,000 cartons (850 metric tons) per day.

In May, grapefruit from California may play a major role in the Japanese citrus market before fruit from South Africa arrives in early June. However Tokyo traders are saying that offer prices from California growers are higher than Japanese expectations this year and their purchase volumes will depend greatly on California's offer prices.

As is to be expected, Florida's short crops resulted in higher prices in the Japanese market. In November 2004, the new crops were trading at Tokyo Ohta Wholesale Market at \$44.55 (4,800 yen) for a 17-kilogram carton for sizes 27, 32 or 36 (the size 27 has 27 grapefruit in a 17-kilogram carton), \$41.77 (4,500 yen) for size 40, 4,200 yen for size 48 and \$37.12 (4,000 yen) for size 56. These wholesale prices are the prices that wholesale market jobbers sell to retailers.

In April 2005, Florida grapefruit was trading at the Tokyo Ohta Wholesale Market for \$37.12 (4,000 yen) per 17-kilogram carton for sizes 27, 32 or 36, \$35.27 (3,800 yen) for size 40, \$32.48 (3,500 yen) for size 48, and \$29.70 (3,200 yen) for size 56. A large sized grapefruit (sizes 32 or 36) sells for \$1.36 (147 yen) each in Tokyo's supermarket. Medium sized fruit (size 40) sells for \$1.17 (127 yen) each or \$4.45 (480 yen) for a bag of 4.

* The exchange rate of 107.73 yen per dollar is based on the Nikkei News quote on April 12, 2005.

Texas, California and Arizona Grapefruit Played An Important Role In 2004

Supply shortages of Florida grapefruit caused Japanese importers to search desperately for alternate suppliers. They mainly went to Texas, California and Arizona. Texas grapefruit, known as "Texas Star Ruby," played a significant role in supplying the shortage in the Japanese market for grapefruit. In the past, Texas Star Ruby sold in Japan in December and January targeting the Christmas and the New Year seasons. This season, their marketing window expanded from November to March, with the total volume sales reaching approximately 160,000 cartons (2,720 metric tons). This is three times the level of the previous season, according to Tokyo citrus traders. Shipments of California and Arizona grapefruit are expected to increase in May since Florida grapefruit shipments are expected to finish in April.

The U.S. Oroblanco, the same variety as the Israel Sweetie, became a popular product in Japan's winter citrus market. Although Oroblancos were competing directly with Israel Sweeties in the market, Oroblancos have gained a good reputation of being high quality oranges among Japanese traders and consumers. Japan imported approximately 100,000 cartons (1,700 metric tons) of U.S. Oroblancos in the 2004/05 season, a similar level to the previous season, according to Tokyo traders.

Israel Sweetie Sold Approximately 700,000 Cartons in 2004

The Israel Sweetie has been a regular item in Japan's supermarkets for more than a decade and the sales of Sweetie have been steady for the past few years. Japan imported approximately 700,000 cartons (9,800 metric tons) in the 2004/05 season, a marginal increase from the previous season. Fruit quality was reported to be good and Sweeties traded at marginally higher prices this season. In January 2005, Sweeties were trading at Tokyo Ohta Wholesale Market at \$25.99 (2,800 yen) per 14-kilogram carton for sizes 27, 32 or 36 (the size 27 is 27 fruit in a 14-kilogram carton) and \$23.20 (2,500 yen) for size 40. These prices are the prices that wholesalers (jobbers) sell to retailers. Retail prices varied from store to store with an average of \$1.11 - \$1.29 (120 - 140 yen) per fruit for sizes 32 or 36.

Great Market Demand For U.S. Orange Products In 2004

Florida's grapefruit supply shortage created a high demand for U.S. orange products in the Japanese citrus market in the 2004/05 season. In the first 5 months of the season (October 2004 - February 2005), Japan imported 21,610 metric tons of U.S. oranges, up approximately 12 percent from the same period of the previous season. Japanese imports of U.S. oranges may reach 85,000 - 90,000 metric tons in the 2004/05 season, according to Tokyo citrus traders. Traders commented that U.S. orange imports in the rest of the season would depend on prices. The quality of this season's Navels and Valencias is reportedly excellent.

The new 2004 crop of U.S. Navel oranges arrived in Japan in November and they were reportedly larger than average. High quality U.S. Navels were mainly used as a gift item during Japan's year-end gift giving season and were sold at premium prices during the Christmas and the New Year Holidays. Although Japanese market demand for U.S. Navels was high during the holiday season, U.S. shipments could not keep up with the demand due to February rain falls in California. This season's U.S. Navel shipments ended in mid March 2005, followed by shipments of U.S. Valencia oranges.

Sales of the new U.S. Valencia orange crop started in early April. Temperature in Japan started climbing in April and traders are expecting good sales of U.S. Valencias this season. So far Valencias have enjoyed fairly strong market demand since their arrival this spring. Japan's supply situation for fresh oranges was fairly tight in mid April with only 284,000 cartons (4,828 metric tons) in the nation's cold storage facilities. This is enough to fill the nation's demand for approximately 10 days. There are many small sized fruit in the new crops but fruit quality is excellent, according to Tokyo citrus traders. U.S. Valencia sales are expected to continue until August. In July, new crops from South Africa, Chile and Australia are expected to arrive in Japan.

In February 2005, U.S. Navel oranges were trading at the Tokyo Ohta Wholesale Market for \$32.48 (3,500 yen) per 17-kilogram carton for sizes 56, 72 or 88 and at \$30.63 (3,300 yen) for size 113. These are the prices that wholesalers (jobbers) sell to retailers. U.S. Valencia oranges were also trading at similar prices to Navels. They were trading at \$30.63 (3,300 yen) per carton for sizes 56, 72 or 88 and \$25.99 (2,800 yen) for size 113 in April 2005. In April U.S. oranges sold for approximately \$1.39 (150 yen) for a medium sized fruit at Tokyo supermarkets or \$5.38 (580 yen) for a bag of 4.

U.S. Minneola, Cara Cara and Moro Oranges Sold Well in Japan

U.S. Minneola oranges were being sold in the Japanese market at about the same time as U.S. Navels. U.S. Minneolas, which mainly came from California and Arizona, became a regular product in Japanese retail stores and a total of approximately 500,000 – 600,000 cartons (8,500 – 10,200 metric tons) were sold nationwide in this season, according to Tokyo traders. Cara Cara oranges and Moro oranges (commonly called as Blood oranges in Japan since its flesh is dark red) have earned good reputations in Japanese hotels and restaurants. They are mainly used in cocktails and drinks. Japan imported approximately 10,000 cartons (90 metric tons) of U.S. Cara Cara oranges and approximately 5,000 cartons (45 metric tons) of Moro oranges in this season, according to Tokyo citrus traders. U.S. Cara Cara and Moro oranges were packaged in half-size (9-kilogram) cartons.

Higher Prices of U.S. Lemons Slowed Japanese Imports

In the first 5 months of this season (October 2004 – February 2005), Japan imported 23,605 metric tons of U.S. lemons, down approximately 16 percent from the same period last season. The average import price (CIF) of U.S. lemons was \$1.12 per kilogram, up approximately 7.7 percent from the same period last year. The high quality of the new U.S. crop of lemons and a strong overall Asian demand for lemons kept Japanese import prices of the fruit higher, according to Tokyo traders. Fresh lemon stocks remained low this season and the market movement of lemons was reportedly very smooth. In April 2005, Japan's total lemon stock was about 126,000 cartons (2,142 metric tons), approximately 12 days of worth of lemon sales. Japanese citrus traders anticipate that the Japanese fresh lemon supply situation will become tight when Japanese fresh lemon demand increases in the summer.

In April 2005, California lemons were trading at Tokyo Ohta Wholesale Market for \$27.84 (3,000 yen) per 17-kilogram carton for sizes 95, 115, 140 or 165. These prices are the prices that wholesalers (jobbers) sell to retailers. In April, Tokyo supermarket sold medium sized lemons for approximately \$0.92 (100 yen) each or \$1.85 (200 yen) for a bag of three lemons.

High Competition in Japan's Summer Lemon Market

Japan's hot and humid summer creates a strong market demand for fresh lemons. The Southern Hemisphere lemon suppliers such as Chile, South Africa and Argentine play a major role in supplying this demand. In June, new crop lemons will arrive to Japan from these countries and sales promotions will become intense among all suppliers, including the United States. In the summer season (June through September), Chile is the #1 supplier of fresh lemons to Japan, enjoying over 37 percent of the Japanese market share and surpassing the United States' share of approximately 33 percent. South Africa and Argentine supply approximately 20 and 6 percent, respectively, of lemons to Japan in the summer season.

The quality of U.S. summer-season lemons has significantly improved, thanks to good cold-chain transportation systems from the United States to Japan, according to Japanese traders. In the past, U.S. lemons experienced quality problems in the summer months, since the lemons were harvested earlier in the season and kept in cold storage facilities in the United States, compared to Southern Hemisphere countries that can always ship fresh lemons to the Japanese summer market. Although Mexico is a minor player in Japan's lemon market and shipped only 74 metric tons during the last season, Tokyo traders report that Mexico plans to increase its shipments this fall.

PS&D Tables and Trade Matrices

Fresh Orange PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Oranges, Fresh					(HECTARES) (1000 TREES)(1000 MT)
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2002		10/2003		10/2004
Area Planted	1260	1260	1210	1210	0	1130
Area Harvested	1260	1260	1210	1210	0	1120
Bearing Trees	756	756	726	726	0	672
Non-Bearing Trees	0	0	0	0	0	18
TOTAL No. Of Trees	756	756	726	726	0	690
Production	17	17	15	16	0	15
Imports	121	121	125	109	0	120
TOTAL SUPPLY	138	138	140	125	0	135
Exports	0	0	0	0	0	0
Fresh Dom. Consumption	136	136	138	123	0	133
Processing	2	2	2	2	0	2
TOTAL DISTRIBUTION	138	138	140	125	0	135

Orange Juice PS&D Table

PSD TABLE						
Country	Japan				65 Degrees Brix	
Commodity	Orange Juice				(MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2002		10/2003		10/2004
Deliv. To Processors	2000	2000	2000	2000	0	2000
Beginning Stocks	15000	15000	15000	15000	15000	10000
Production	200	200	200	200	0	200
Imports	96575	96575	96000	83989	0	90000
TOTAL SUPPLY	111775	111775	111200	99189	15000	100200
Exports	0	0	0	0	0	0
Domestic Consumption	96775	96775	96200	89189	0	90200
Ending Stocks	15000	15000	15000	10000	0	10000
TOTAL DISTRIBUTION	111775	111775	111200	99189	0	100200

Fresh Orange Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Oranges, Fresh		
Time Period	Oct.-Sept.	Units:	Metric Tons
Imports for:	2002		2003
U.S.	90937	U.S.	81946
Others		Others	
South Africa	13113	South Africa	10472
Australia	10158	Chile	9075
Chile	6779	Australia	7399
Swaziland	194	Mexico	277
Mexico	167	New Zealand	4
New Zealand	139		
Argentina	23		
Total for Others	30573		27227
Others not Listed	2		2
Grand Total	121512		109175

Orange Juice Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Orange Juice		
Time Period	Oct.-Sept.	Units:	Metric Tons
Imports for:	2002		2003
U.S.	7398	U.S.	6760
Others		Others	
Brazil	82154	Brazil	71819
Mexico	1730	Australia	990
Belize	1575	Belize	509
Italy	1299	Spain	508
Australia	992	Greece	457
Israel	418	Italy	373
Spain	294	Mexico	190
Canada	157	South Korea	168
Netherlands	156	Canada	139
South Korea	129	Israel	114
Total for Others	88904		75267
Others not Listed	273		1962
Grand Total	96575		83989

Fresh Orange Wholesale Price Table

PRICES TABLE			
Country	Japan		
Commodity	Oranges, Fresh		
Prices in	Yen	per uom	KG
Year	2004	2005	% Change
Jan	172	189	10%
Feb	155	184	19%
Mar	162		-100%
Apr	172		-100%
May	158		-100%
Jun	166		-100%
Jul	195		-100%
Aug	179		-100%
Sep	167		-100%
Oct	165		-100%
Nov	185		-100%
Dec	197		-100%
Exchange Rate	108.35	Local Currency/US \$	
Date of Quote	4/5/2005	MM/DD/YYYY	

Fresh Grapefruit PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Grapefruit, Fresh					(HECTARES) (1000 TREES)(1000 MT)
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2002		10/2003		10/2004
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	272	272	300	304	0	190
TOTAL SUPPLY	272	272	300	304	0	190
Exports	0	0	0	0	0	0
Fresh Dom. Consumption	272	272	300	304	0	190
Processing	0	0	0	0	0	0
TOTAL DISTRIBUTION	272	272	300	304	0	190

Grapefruit Juice PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Grapefruit Juice					(MT)
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2002		10/2003		10/2004
Deliv. To Processors	0	0	0	0	0	0
Beginning Stocks	1000	1000	1000	1000	1000	1000
Production	0	0	0	0	0	0
Imports	31272	31272	32000	32128	0	22000
TOTAL SUPPLY	32272	32272	33000	33128	1000	23000
Exports	0	0	0	0	0	0
Domestic Consumption	31272	31272	32000	32128	0	22000
Ending Stocks	1000	1000	1000	1000	0	1000
TOTAL DISTRIBUTION	32272	32272	33000	33128	0	23000

Fresh Grapefruit Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Grapefruit, Fresh		
Time Period	Oct.-Sept.	Units:	Metric Tons
Imports for:	2002		2003
U.S.	194356	U.S.	220305
Others		Others	
South Africa	65673	South Africa	69476
Israel	7718	Israel	8353
Swaziland	4904	Swaziland	5442
Chile	153	Cuba	608
Argentina	22	Chile	168
Cuba	19	Argentina	89
Total for Others	78489		84136
Others not Listed	2		4
Grand Total	272847		304445

Grapefruit Juice Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Grapefruit Juice		
Time Period	Oct.-Sept.	Units:	Metric Tons
Imports for:	2002		2003
U.S.	19122	U.S.	21571
Others		Others	
Israel	9724	Israel	8169
Cuba	839	Italy	661
Australia	499	Belize	584
Belize	379	Australia	440
Italy	209	Cuba	214
Netherlands	195	South Africa	175
South Africa	129	Canada	82
Canada	54	Netherlands	68
Austria	49	South Korea	57
Spain	44	Spain	42
Total for Others	12121		10492
Others not Listed	29		65
Grand Total	31272		32128

Fresh Grapefruit Wholesale Price Table

PRICES TABLE			
Country	Japan		
Commodity	Grapefruit, Fresh		
Prices in	Yen	per uom	KG
Year	2004	2005	% Change
Jan	132	185	40%
Feb	135	180	33%
Mar	145		-100%
Apr	143		-100%
May	135		-100%
Jun	131		-100%
Jul	149		-100%
Aug	148		-100%
Sep	133		-100%
Oct	133		-100%
Nov	175		-100%
Dec	198		-100%
Exchange Rate	108.35	Local Currency/US \$	
Date of Quote	4/5/2005	MM/DD/YYYY	

Fresh Lemon PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Lemons, Fresh					(HECTARES)(1000 TREES)(1000 MT)
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2002		10/2003		10/2004
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	2	2	2	2	0	2
Imports	89	89	88	85	0	83
TOTAL SUPPLY	91	91	90	87	0	85
Exports	0	0	0	0	0	0
Fresh Dom. Consumption	91	91	90	87	0	85
Processing	0	0	0	0	0	0
TOTAL DISTRIBUTION	91	91	90	87	0	85

Lemon Juice PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Lemon Juice (MT)					
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		10/2002		10/2003		10/2004
Deliv. To Processors	0	0	0	0	0	0
Beginning Stocks	1500	1500	500	500	1500	500
Production	0	0	0	0	0	0
Imports	9995	9995	12000	10200	0	11000
TOTAL SUPPLY	11495	11495	12500	10700	1500	11500
Exports	0	0	0	0	0	0
Domestic Consumption	10995	10995	11000	10200	0	10500
Ending Stocks	500	500	1500	500	0	1000
TOTAL DISTRIBUTION	11495	11495	12500	10700	0	11500

Fresh Lemon Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Lemons, Fresh		
Time Period	Oct.-Sept.	Units:	Metric Tons
Imports for:	2002		2003
U.S.	63541	U.S.	59590
Others		Others	
Chile	13959	Chile	14369
South Africa	8438	South Africa	7733
Australia	1259	Argentina	2286
New Zealand	1050	New Zealand	837
Argentina	701	Australia	210
		Mexico	74
Total for Others	25407		25509
Others not Listed	2		2
Grand Total	88950		85101

Lemon Juice Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Lemon Juice		
Time Period	Oct.-Sept.	Units:	Metric Tons
Imports for:	2002		2003
U.S.	577	U.S.	637
Others		Others	
Israel	4056	Israel	3857
Argentina	2409	Italy	2504
Italy	2244	Argentina	2414
Brazil	374	Brazil	595
Spain	313	Spain	141
Chile	22	Chile	49
		France	1
Total for Others	9418		9561
Others not Listed	0		2
Grand Total	9995		10200

Fresh Lemon Wholesale Price Table

PRICES TABLE			
Country	Japan		
Commodity	Lemons, Fresh		
Prices in	Yen	per uom	KG
Year	2004	2005	% Change
Jan	160	171	7%
Feb	159	173	9%
Mar	190		-100%
Apr	219		-100%
May	221		-100%
Jun	244		-100%
Jul	243		-100%
Aug	207		-100%
Sep	172		-100%
Oct	152		-100%
Nov	159		-100%
Dec	168		-100%
Exchange Rate	108.35	Local Currency/US \$	
Date of Quote	4/5/2005	MM/DD/YYYY	