

JAPAN

For decades, Japan pursued the goal of food self-sufficiency by using a number of commodity programs including producer quotas, income stabilization policies, deficiency payments, the rice diversion program, hazard insurance subsidies, and stockholding policies. Imports were restricted through tariffs and non-tariff barriers to protect the domestic production. In 2005, the Ministry of Agriculture, Forestry, and Fisheries (MAFF) announced a new farm program that replaces commodity-based farm payments with targeted direct payments.

CORN AND SORGHUM

- Corn and sorghum production is negligible in Japan.
- In June, 2008, Japan announced a 45 billion yen (\$415 million) feed stabilization subsidy for livestock producers.
- In April 2008, Japan's major corn starch processors announced that they would use biotech corn.

COTTON

- Japan has no restriction on cotton imports.

RICE

- Payments are made to farmers to shift land from rice to wheat and soybean production. The government annually forecasts domestic rice consumption, estimates the land needed to produce that quantity, and allocates the desired reductions. Producers who conform to the acreage reductions are eligible for subsidy payments. Japan announced plans to phase out production controls by 2008.
- There is no market price floor. Instead, income support is a direct payment based on the difference between a "standard price" (based on the previous 7 years) and the market price. The cost of this program in 2002 was about \$1.03 billion.
- Japan uses regulations on allowable pesticide and veterinary drug residues in rice and has a TRQ on rice.

SOYBEANS

- Soybeans are one of the “targeted farm products” under MAFF. Soybean producers receive a subsidy based on the difference between the cost of domestic production and the farm gate sales price. The subsidy equals roughly 30,200 yen/10 ares (\$1,009/ac) or 8,840 yen/60kg (\$37/bu).
- The U.S. share of Japan’s soybean imports is about 76%.
- There is no tariff on soybean imports.

SUGAR

- Historically, Japan’s price support system guaranteed a price for domestic beet and cane producers, set each year. The government set a price at which it would buy raw sugar from refiners that allowed refiners to pay the guaranteed price for beets and cane, then purchased sugar at the set price, resold the sugar to refiners at a lower price, roughly equivalent to the import price.
- In 2007, the sugar beet support program shifted from a price support to a direct payment system.

WHEAT

- Farmers who cultivate more than a specified acreage of wheat receive a direct payment of approximately \$1,377/ac.
- Japan has a TRQ for wheat. TRQ quantity is 5.74 MMT (211 million bu) with an in-quota tariff rate of 9.5% and an out-of-quota rate of 488.33%.
- MAFF operates as a single-desk, state trader of wheat.