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Towards a Philippine-Japan Economic Cooperation in Agriculture

Amelia Bello, Zenaida Sumalde and Carlos Lorenzo Vega

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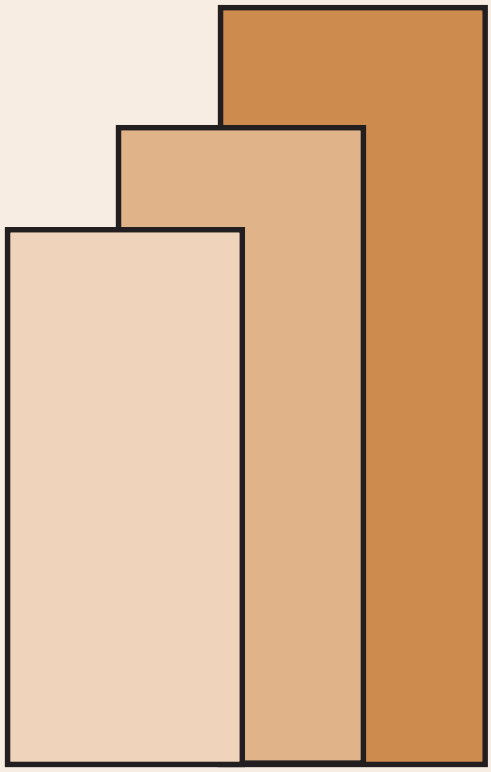

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Towards a Philippine-Japan Economic Cooperation in Agriculture

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Towards a Philippine-Japan Economic Cooperation in Agriculture

Amelia Bello, Zenaida Sumalde and Carlos Lorenzo Vega

Abstract

Agriculture is a sensitive issue for both the Philippines and Japan. Thus, promoting economic cooperation cannot be a crop for crop basis. Concessions to have a greater market access for Philippine agricultural exports may have matched by concessions in other industries/ sectors e.g., retirement, contract workers, etc. Japan's tariff rates are lower than the Philippines. Freshness and safety considerations are major concerns of the Japanese consumer and are issues that will never be compromised. Existing trade must be facilitated; the direct route of distribution may be explored; and produced may be grown using Japanese seeds and technology. In addition, technical assistance to upgrade the Philippines phytosanitary standards as well as to increase the value added of the Philippine export may be sought.

Keywords: trade in agriculture, economic cooperation, Japan-Philippines Economic Partnership

Executive Summary

1. Philippine agricultural growth in the last two decades has been erratic and slow. Growth of GVA in agriculture and agricultural exports exhibited a slowdown. The sector in the early 1990s ceased to be a net earner of foreign exchange. The composition of agricultural exports has changed. The country is seen as losing its comparative advantage in agriculture.

2. Agricultural exports (US$ 1.79 billion in 2001) on the average made up 11 percent of the Philippines total exports for the period 1991-2001. Top agricultural exports include coconut oil, bananas, pineapple and pineapple products, mango, shrimps and prawns and tuna (roughly 71 percent of the agricultural exports).

3. Japan is the second largest market of Philippine agricultural exports. Japan imports close to 80 percent of bananas, 98 percent of pineapples and 61 percent of mangoes from the Philippines.

4. Manufactured fertilizer, agricultural chemicals and materials and agricultural machinery make up of the bulk of Philippine agricultural imports from Japan (on the average 52.22 percent for the period 1991-2001).

5. Japan imports about 5 percent of its food requirements. The major exporters are: USA – corn, beef and pork; China- eels (processed), chicken, shrimps and prawns; Australia – beef, shrimps and prawns, wheat; Canada – pork, canora, wheat; and Thailand – shrimps and prawns, prepared shrimps and prawns and chicken. Rounding up the top ten countries are Korea, Russia, Denmark, France and Indonesia.

6. The Philippines is ranked 16th among the food exporters to Japan. Bulks of our exports consist of bananas, shrimps and prawns, tuna and bonito, pineapples and asparagus.

7. The country though is the second largest exporter of fresh fruits. With regards to the vegetable group, the Philippines has not yet positioned itself in the Japanese market. The country, though, is ranked fourth as the top supplier of asparagus. The Philippines supplies a very small percentage of the Japanese seafood market.

8. The Japanese consumer is quite fussy when choosing produce and is conscious of safety considerations. The Japanese consumer buys frequently in small quantities. Food imports are projected to increase over time for a number of reasons including the graying of the farming population.

9. Distribution routes of food imports consist of two main channels: general route which goes through wholesale markets and the direct route which bypasses the wholesale markets.

10. Some of the laws affecting agricultural exports are the Plant Quarantine Law, Food Sanitation Law and rules on labeling – JAS Law. Japan likewise has a Containers and Packaging Recycling Law.

11. Expanding economic cooperation in agriculture:

- Facilitate existing trade, explore ways to expedite export processing
- Other agricultural crops may be exported, have to make sure though that these are exactly what the Japanese market wants, noting that Japan's tariff lines on these commodities are substantially lower..
- Explore direct importing route – produce good using Japanese seeds to eliminate risk of "taste failure", develop products with modified seeds, explore tie-ups with large supermarkets and food processing companies.
- Technical assistance. Phytosanitary and other safety measures
- Development assistance to further process/ increase value added of Philippine agricultural exports and market fairs.

Toward a Philippines-Japan Economic Cooperation in Agriculture[1]

Amelia L. Bello, Zenaida M. Sumalde and Carlos Lorenzo L. Vega[2]

Introduction

The economic outlook of the Philippines will always be greatly affected by agriculture's performance given the relatively large size of the agricultural sector to the whole economy; on the average 22.55% of GDP (Gross Domestic Product) in the period 1985-1998. Furthermore, not only is growth in agricultural output an important source of growth; the sector also employs a sizeable proportion of the labor force and contributes to the country's foreign exchange earnings.

Next to the United States of America, Japan is the second major trade partner of the Philippines. Japan is our top market for bananas, pineapples as well as mangoes and fresh tuna and shrimps. The present initiative to institute a Philippine-Japan Economic Cooperation in Agriculture aims to explore possible collaborative endeavors in the agriculture sector including but not only limited to expanded trade.

The objectives of the paper are as follows: (1) to detail the current patterns and trends in agricultural trade between the Philippines and Japan, as well as existing trade agreements, if there are any; (2) to present a brief picture of the Japanese food market; and (3) to identify salient points, opportunities and constraints to improved agricultural trade between the two countries. These salient points need to be assessed given the country's capability to deliver the output and the necessary institutional and public infrastructure. Finally, the key elements of a new bilateral agreement with Japan will be presented. The paper however, presents no econometric model of what are the likely effects on the Philippine economy of enhanced trade. A detailed review of the agriculture sector is likewise not possible.

Philippine Agricultural Performance

C. David (in Balisacan and Hill, c.2003) describes Philippine agricultural growth since the 1980s as erratic and slow. Over the last two decades the country has had one of the lowest average growth rates in gross value added (GVA) in agriculture and agricultural exports. The GVA growth rate for crops exhibited a slowdown across commodities. The major export crops namely coconut, sugar and bananas were the poorest performers. Mango, a non-traditional export crop, although exhibiting a high growth rate could not overcome the declining and sometimes negative rates of many other crops. The fishery subsector's share in GVA in agriculture was 20% in 2000, a share it had maintained for two decades. Aquaculture and commercial fisheries led the growth; higher catches of

[1] The research assistance of Ms. Angeli Abad is highly acknowledge.
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tuna for export propelled the latter sector. Forestry's share to agriculture GVA on the average was 4%.

In the early 1990s, agriculture ceased to be a net earner of foreign exchange. Agriculture's share in total exports declined from 35% (1980) to a mere 5% in 2000. The composition of agricultural exports has likewise shown some changes; fruits and vegetables now account for a fifth of agricultural exports; fishery products contribute almost as much with tuna being the leading export among the fishery products. Agricultural imports meanwhile, grew rapidly due to the increased demand for food products with high income elasticities like milk and other dairy products; a declining competitive advantage in the domestic production of food; the greater reliance on imported manufactured inputs; and trade liberalization.

The same article by David notes that the slower growth of Philippine agriculture and the stagnation of agricultural exports suggest that the country has been losing its comparative advantage in the sector. The sector as a whole recorded a comparative advantage ratio of 2.9 in 1980 but in 1998, this was down to 0.8. Table 1 shows the trends in revealed comparative advantage (RCA) for the sector and selected agricultural exports.

Table 1. Revelead Comparative Advantage in Agriculture and Selected Export Crops, 1980-1998

Year	Agriculture	Coconut	Bananas	Canned Pineapple	Fresh Pineapple
1980	2.9	224.1	30.4	82.2	48.9
1985	2.4	212.3	31.2	91.6	59.7
1990	1.6	212.4	23.4	70.2	54.6
1995	1.1	153.5	14.1	41.5	23.6
1998	0.8	105.3	8.8	33.2	11.5

Source: David in Balisacan and Hill, c.2003.

RCA is defined as the ratio of the share of a commodity group in a country's exports to that commodity group's share of world exports. In the early 80s, agriculture's share in total exports was a little over a third but this share continuously slipped to 15% in 1990, 11% in 1997 and to 5% in 1999 and 2000. Banana and pineapples dominate agricultural exports but the top exports of the country are now electrical and electrical equipment and parts and garments. Exports of fruits, vegetables including coconut and sugar products as a ratio of electric and electrical equipment plus garments was a mere 5.65% in 1998. The same ratio in 1988 was estimated at 28%. Increasing costs of production which translate to high product prices could be one factor for the decline in agricultural exports. Similarly, the market for our agricultural products is very narrow. The United States and Japan corner the bulk of agricultural exports of the Philippines. In addition, our agricultural exports have very low value added aside from the labor component. Thus, they cannot command relatively higher prices.

Trends in labor and land productivity support the above trends. The crop subsector’s labor productivity stagnated during the last two decades while growth in land

productivity has also leveled off. Yield per hectare of traditional exports remained constant or declined with the absence of major technological breakthroughs although relatively higher growth was observed in the non-traditional exports. Larger plantations with access to international know-how registered improvements in yields of bananas and pineapples while the introduction of commercial spraying to induce flowering helped in the expansion of the mango industry (C. David in Balisacan and Hill, c.2003).

Agricultural Trade Patterns

The Philippine economy experienced constant setbacks for the past decade due to the various political, socio-economic and natural disasters that had unfortunately taken place in the country. The Philippine government has consistently exerted efforts to improve the economy through different national and more importantly, international actions of redress. Such international measures taken for the past decade focused on the improvement of our international trade relations with the objective of improving our net exports.

For the past ten years, the total amount of agricultural exports has continuously declined. On the average, the share of the country's total agricultural exports in the total exports from 1990-2000 was equal to 14 percent (Table 2). Although a small and declining percentage of the country's agricultural exports relative to the total exports can imply numerous connotations, most of which would lead to negative conclusions about the agricultural sector, a more essential aspect of this relatively small percentage would be the significant number of people whose livelihood depends on it. The most recent statistics (2001) shows that out of the estimated 79.5 million Filipinos, 37 percent depend on agriculture for their livelihood. The sector has also employed an average of 10.72 million Filipinos for the past three years, a value which is observed to be continuously increasing (Selected Statistics on Agriculture, June 2003).

Table 2. Philippine Agricultural Exports to Japan and USA, 1990-2000 (Value in FOB Million $, share in %)

Year	Total Agri Exports	Agri Exports as % of Total Exports	Agri Exports		% Share of Agri Exports to Total Agri Exports		
			Japan	USA	Japan	USA	Japan and USA
1990	1,781.13	20.78					
1991	1,844.67	20.87	489.72	520.70	26.55	28.23	54.78
1992	1,854.18	18.87	444.40	598.15	23.97	32.26	56.23
1993	1,918.25	16.86	564.32	494.76	29.42	25.79	55.21
1994	2,072.02	15.37	575.56	508.40	27.78	24.54	52.31
1995	2,499.06	14.32	543.94	641.88	21.77	25.68	47.45
1996	2,306.64	11.23	460.72	704.17	19.97	30.53	50.50
1997	2,337.51	9.27	433.60	686.34	18.55	29.36	47.91
1998	2,224.67	7.54	420.08	604.38	18.88	27.17	46.05
2000	1,982.73	5.21	464.30	539.21	23.42	27.20	50.61
Average	2,082.09	14.03	488.52	588.67	23.37	27.86	51.23

Note: incomplete 1999 figures
Source: NSO, various publications

Philippine Agricultural Exports to Japan

Statistics also show that earnings from agricultural exports amounted to $1.79 billion in 2001, despite the fact that it has declined from the previous year by 6.49%. Of the total agricultural exports, the top Philippine agricultural exports include Coconut oil, Bananas, Pineapple and Pineapple products, Mango, Shrimps and Prawns, and Tuna. (Table 3) These agricultural exports comprised 71% of the total agricultural exports of the country. It is worth mentioning that for the total agricultural exports, Japan has served as the second largest market next to the United States of America for the past several years. Together, these two countries account for half of the country's agricultural exports. Meanwhile, the country's agricultural exports to Japan make up a fifth of the Philippines' exports to Japan averaging $488.52 million for the decade 1990-2000 (Table 4).

Among the top agricultural exports of the Philippines, the average quantity and value of banana and shrimps and prawns exported to Japan was the biggest, compared to other trading countries. (See Appendix Tables 2 and 3) The average quantity and value of pineapple and pineapple products exported to Japan also proved to be one of the largest, ranking second to the USA (See Appendix Table 4). The average quantity and value of tuna exported to Japan to other countries ranked a close third to Germany and USA (See Appendix Table 5).

Table 3. Top Ten Philippine Agricultural Exports, 1991-2000

Commodity	1991		1992		1993		1994		1995	
	Value	**Share**	**Value**	**Share**	**Value**	**Share**	**Value**	**Share**	**Value**	**Share**
Coconut oil (crude and refined)	298.53	16.18	481.16	25.95	357.61	18.64	475.16	22.93	826.09	33.06
Shrimps and prawns*	269.46	14.61	207.92	11.21	224.70	11.71	246.32	11.89	218.57	8.75
Banana, fresh	173.00	9.38	157.73	8.51	226.07	11.79	215.27	10.39	223.74	8.95
Pineapple and pineapple products	128.21	6.95	149.75	8.08	147.35	7.68	145.32	7.01	140.01	5.60
Tuna	115.24	6.25	102.32	5.52	149.92	7.82	163.95	7.91	154.09	6.17
Fertilizer, manuf	115.86	6.28	88.21	4.76	85.45	4.45	101.25	4.89	119.92	4.80
Desiccated coconuts	66.24	3.59	87.56	4.72	83.74	4.37	70.15	3.39	68.18	2.73
Sugar (centrifugal)	114.62	6.21	87.50	4.72	101.71	5.30	60.62	2.93	65.88	2.64
Copra oil cake/meal	54.88	2.98	52.54	2.83	45.30	2.36	53.01	2.56	66.87	2.68
Tobacco, unmanuf	42.52	2.31	33.83	1.82	25.67	1.34	23.46	1.13		
Seaweeds and carageenan									82.83	3.31
Mango, fresh										
Share of the top ten exports	*74.73*		*78.12*		*75.46*		*75.02*		*78.68*	
Total agricultural exports	***1,844.67***		***1,854.18***		***1,918.25***		***2,072.02***		***2,499.06***	
Commodity	**1996**		**1997**		**1998**		**1999**		**2000**	
	Value	**Share**	**Value**	**Share**	**Value**	**Share**	**Value**	**Share**	**Value**	**Share**
Coconut oil (crude and refined)	570.64	24.74	673.33	28.81	705.66	31.72	342.28	19.44	464.94	23.40
Shrimps and prawns*	153.35	6.65	126.43	5.41	129.34	5.81	127.61	7.25	144.65	7.30
Banana, fresh	236.42	10.25	216.56	9.26	217.04	9.76	240.70	13.67	291.65	14.71
Pineapple and pineapple products	156.27	6.77	149.55	6.40	140.35	6.31	137.32	7.80	155.95	7.87
Tuna	162.64	7.05	164.61	7.04	183.25	8.24	129.65	7.37	118.26	5.96
Fertilizer, manuf	114.54	4.97	98.95	4.23	91.59	4.12	44.10	2.51	43.63	2.20
Desiccated coconuts	84.89	3.68	88.29	3.78	72.76	3.27	89.18	5.07	73.25	3.69
Sugar (centrifugal)	136.2	5.90	82.71	3.54	80.00	3.60	62.62	3.56	51.71	2.61
Copra oil cake/meal	56.31	2.44	52.51	2.25						
Tobacco, unmanuf										
Seaweeds and carageenan	94.07	4.08	94.72	4.05	64.71	2.91	85.59	4.86	84.87	4.28
Mango, fresh					41.74	1.88	35.16	2.00	34.33	1.73
Share of the top ten exports	*76.53*		*74.77*		*77.60*		*73.52*		*73.75*	
Total agricultural exports	***2,306.64***		***2,337.51***		***2,224.67***		***1,760.35***		***1,982.73***	

Note: * -fresh, chilled or frozen

Source: National Statistics Office, various publications

Table 4. Philippine Agricultural Exports to Japan, 1990-2000

Year	Agricultural Exports to Japan (in FOB million $)	Total Exports to Japan	% Share Agricultural Exports to Total Exports to Japan
1991	489.72	1,763.19	27.77
1992	444.40	1,738.36	25.56
1993	564.32	1,817.42	31.05
1994	575.56	2,024.14	28.43
1995	543.94	2,741.53	19.84
1996	460.72	3,667.87	12.56
1997	433.60	4,192.24	10.34
1998	420.08	4,231.68	9.93
2000	464.30	5,606.02	8.28
Average	488.52	3,086.94	19.31

Note: incomplete 1999 figures
Source: NSO, various publications

Philippine Agricultural Imports from Japan

Over the years, Japan has proven to be a progressively significant market for Philippine agricultural exports. Japan has also served a very important supplier of different semi-processed consumer goods, intermediate industrial goods and capital goods for the Philippines for the past decades. Traditional imports from Japan include cotton, silk, fabrics, paper and paper products, iron, steel and different forms of machinery.

For the period 1990-2000, the Philippines' agricultural imports from Japan averaged $60.24 million, roughly 2.75% of total agricultural imports. The United States, by far, is the main source of the country's agricultural needs (Table 5). The country's import bill with Japan is about $5373.37 million for the same period. Thus, the country's agricultural imports make up a miniscule 1.25% of the sector's agricultural requirements (Table 6).

Table 5. Philippine Agricultural Imports from Japan and the USA, 1991-2000

Year	Total Agri Imports	Agri Imports as % of Total Imports	Agri Imports		% Share of Agri Imports to Total Agri Imports		
			Japan	USA	Japan	USA	Japan and USA
1991	1,259.17	10.45	65.07	364.28	5.17	28.93	34.10
1992	1,559.71	10.74	47.01	486.06	3.01	31.16	34.18
1993	1,626.20	9.24	58.90	508.46	3.62	31.27	34.89
1994	2,114.26	9.91	60.97	612.82	2.88	28.99	31.87
1995	2,648.65	9.98	60.06	742.04	2.27	28.02	30.28
1996	3,095.85	9.55	50.53	789.57	1.63	25.50	27.14
1997	3,101.78	8.63	75.68	804.19	2.44	25.93	28.37
1998	2,894.57	9.76	61.32	704.30	2.12	24.33	26.45
1999	2,878.13	9.36	59.80	662.10	2.08	23.00	25.08
2000	2,776.93	8.85	63.10	736.71	2.27	26.53	28.80
Average	2,395.53	9.65	60.24	641.05	2.75	27.37	30.12

Source: NSO, various publications

Table 6. Philippine Agricultural Imports from Japan, 1991-2000

Year	Agricultural Imports from Japan (in FOB million $)	Total Imports from Japan	% Share Agricultural Imports to Total Imports from Japan
1991	65.07	2,347.08	2.77
1992	47.01	3,475.82	1.35
1993	58.90	4,029.96	1.46
1994	60.97	5,188.15	1.18
1995	60.06	5,956.65	1.01
1996	50.53	7,128.89	0.71
1997	75.68	7,414.22	1.02
1998	61.32	6,029.92	1.02
1999	59.80	6,135.87	0.97
2000	63.10	6,027.10	1.05
Average	60.24	5,373.37	1.25

Source: National Statistics Office, various publications

Among the imported agriculture goods from Japan, Manufactured Fertilizer, Agricultural Chemicals and Materials and Agricultural Machinery have composed the bulk for the past decade. Statistics shows that in 2001, these three commodities composed 70% of the country's total agricultural imports from Japan, heavily outweighing food and semi-processed agricultural commodities. This percentage has already grown from a low 29.78% in 1993. In 2001, Manufactured Fertilizer, Agricultural Chemicals and Materials and Agricultural Machinery composed 32.33%, 18.90% and 18.89% of the total agricultural imports from Japan respectively. These three commodities dominated the rest of the agricultural imports from Japan in 2001 made up of Food and Live Animals, Tobacco and Tobacco manufactures, Crude Materials and Animal & Vegetable Oils and Fats which made up 9.71%, 3.20%, 16.49%, and 0.47% of the total agricultural imports from Japan, respectively. (Refer to Table 7).

Table 7. Average Percentage of Top Three Agricultural Imports to Total Agricultural Imports from Japan, 1991-2001

Year	%
1991	47.19
1992	39.78
1993	29.78
1994	36.62
1995	54.02
1996	58.56
1997	55.77
1998	55.03
1999	63.13
2000	64.45
2001	70.13
Average	52.22

Source: BAS Agricultural Foreign Trade Development Annual Report, various years

The essential issue about the above figures will most probably not come from the relatively larger volume they have against the other agricultural imports but in the nature of such imports. Unlike the nature of the other agricultural imports from Japan, imports which are classified as consumer goods, the top three agricultural imports from Japan are classified as inputs used for the production of goods, more specifically agricultural goods. Such an observation could illustrate how technology in our agricultural sector has lagged behind or how it has remained import-dependent.

In 1991, the country's total amount of agricultural imports from Japan had a value equal to 65,072.13 (in '000 FOB US$). This value fluctuated over the 1991-2001 period, with 1992 as the lowest at 47,012.07 (in '000 FOB US$) and 1997 as the highest with 75,678.88 (in '000 FOB US$). In addition, agricultural imports from Japan in 2001 equaled 61,583.39 (in '000 FOB US$), 3,488.74 (in '000 FOB US$) lower compared to the 1991 value. Agricultural imports from Japan exhibited a growth rate of 1.51% for the same period.

Agricultural Import Trends of Japan

Japan has been historically regarded as a major importer of agricultural food commodities from the world markets. In fact, imports of food in 2000 amounted to US$46.05 billion, accounting for 12.17% of total imports. Agricultural imports data show that the major group fish and prepared fish products rose to US$ 15.46 billion together with meat and prepared meat products which climbed to US$ 8.82 billion. There have also been steady increases in imports of vegetables through the recent years registering a 33% gain in 2000.

The composition and rank of the top six suppliers of food imports from 1999 to the first half of 2001 has been consistent: the USA, China, Australia, Canada, Thailand and Republic of Korea. Denmark and Chile were in the seventh and eight places respectively during 2000 to the first half of 2001. However, instead of Taiwan and Russia, Indonesia and France were in the ninth and tenth places. Food imports from the top 10 suppliers account for 73.4% of the total food imports.

The Philippines' Share of the Japanese Agricultural Food Market

The Philippines ranked 16th among the top food suppliers to Japan in 1999-2000. Bulk of the commodity is composed of bananas, shrimps and prawns, tuna, pineapple and asparagus as shown in Tables 8 and 9.

Table 8. Japan's Top Imports from the Philippines

Item	Value (US$'000)		Volume (MT)	
	1999	2000	1999	2000
Total	746,643	739,047	--	--
Bananas	379,743	390,282	727,071	811,000
Shrimps & Prawns	91,047	103,447	8,028	8,530
Tuna & Bonito	86,931	66,668	39,081	26,789
Pineapples	42,320	48,135	88,329	98,378
Asparagus	20,141	17,307	5,243	4,294

Source: Statistics of Japan's Food Imports in 2000

Although the importation of fresh fruits is generally limited due to plant quarantine regulations, the Philippines is considered to be the second largest exporter of fresh and prepared fruits next to the USA. The Japanese market supply of fresh fruit usually originates from a single country or region i.e., some 80-90% of imports come from one country. The Philippines for instance is the top supplier of tropical fresh fruits. Banana, the flagship fresh fruit import, almost all came from the Philippines (78.9%), pineapples (97.9%) and mangoes (60.7%) are largely from the Philippines. The Philippines was also able to increase its share on papayas (48.4%) since the ban on imports from the country was lifted (as of 2001).

With regards the vegetable group, the Philippines has not yet positioned itself in the Japanese market. The country though ranked fourth top supplier of asparagus. Philippines' exports of shrimps and prawns together with tuna, made up a small percent of the Japanese market.

A study by Dr. Palanca-Tan (2003) revealed that RCA indices for Japan and the Philippines indicate the wide scope for complementation in trade between the two countries. Postwar figures show that the country's strongest advantage remained in labor-intensive goods, followed by fresh and processed foods. She however, also notes that Japan's trade with Thailand, Indonesia and Malaysia dwarfs that of the Philippines.

Japan's Agricultural Food Imports from other Countries

Japan imports food commodities from a large variety of countries. As mentioned, by far the largest supplier of food imports to Japan is the United States, which is the main supplier of corn, beef and pork. China, whose top exports include processed eels and chicken, follows the USA. Australia is another large supplier of food imports with beef, and shrimps and prawns as its major products. The top 10 suppliers have exhibited positive growth rates except for the Republic of Korea (sixth) which registered -11.3% growth.

Table 9. Top Ten Exporters, by Country

	Country	2000 (US$1000)	Growth rate %	1999 (US$1000)	Top Items
1	USA	12,310,242	3.4	11,902,958	1) Corn 2) Beef 3) Pork
2	China	6,096,972	12.6	5,412,555	1) Eels (processed) 2) Chicken 3) Shrimps and Prawns
3	Australia	3,218,712	7.5	2,993,262	1) Beef 2) Shrimps & Prawns 3) Wheat
4	Canada	2,585,697	5.9	2,442,116	1) Pork 2) Canora 3) Wheat
5	Thailand	2,261,346	4.5	2,164,519	1) Shrimps & Prawns 2) Prepared Shrimps & Prawns 3) Chicken
6	Korea, Rep.	1,797,187	-11.3	2,026,507	1) Tuna 2) Clams & Oysters 3) Pork
7	Russia	1,312,623	9.4	1,199,760	1) Crabs 2) Cod Roe 3) Salmon Roe
8	Denmark	1,236,765	21.5	1,018,169	1) Pork 2) Cheese & Curd 3) Salmon Roe
9	France	1,210,924	1	1,198,482	1) Wine 2) Brandy 3) Pork
10	Indonesia	1,143,008	2.1	1,119,740	1) Shrimps & Prawns 2) Tuna 3) Coffee Bean
16	Philippines	739,047	-1.0	746,643	1) Bananas 2) Shrimps and prawns 3) Tuna, bonito

Source: Statistics of Japan's Food Imports in 2000

Since 1993, the major vegetable exporters to Japan were the USA, China and New Zealand (80% of the total imports as of 1997). As reported in the 1999 publication of JETRO (Japan External Trade Organization), the US exported 225,000 tons of vegetables, the bulk consists of onions (53.6%) and broccoli (31.3%). China shipped 131,000 tons consisting of ginger (23.8%), mushrooms (19.9%), garlic (19.2%) and peas (11.1%) among others. On the other hand, 114,00 tons were from New Zealand whose bulk of the exports were pumpkins (69.4%), followed by onions (25.6%).

With regards to fruits and prepared fruit products, the top suppliers for the year 2000 in descending order were: USA, Philippines, China, New Zealand and Brazil. Most of the citrus fruits (lemons, oranges, and grapefruit) were imported from the USA, which accounted for 90% of the supply. However, in recent years South Africa has also been supplying remarkable amounts of oranges (7.4%) and grapefruits (18%). Other primary exporters to Japan are Chile for grapes, Mexico for melons/watermelons and the Republic of Korea for apples.

Shrimp and prawns is a leading imported product in Japan in terms of value and is ranked second next to pork among the overall agricultural imports. Thailand has been the main source of shrimps and prawns until the 1990s but due to pollution problems, Indonesia has taken the lead. In 2001, Indonesia ranked first having a share of 22.7% of the Japan's market. Indonesia was followed by India (17.5%), and Vietnam (14.6%).

Japan imports of tuna are about 360,000 to 380,000 tons in recent years and in 2001 it reached 400,540 tons. Most of these tuna is frozen and used for sashimi. Taiwan was the top tuna exporter, having an import share of 26.3%. Other top exporters include Korea, Republic (16.1%), Thailand (11.1%), Indonesia (6.7%) and China (5.6%). The Philippines ranked 16th among the exporters to Japan with a –1.0 growth rate from 1999-2000.

The Japanese Vegetable and Fruit Market

Fresh produce is an essential component of the Japanese diet. About 59 different produce are consumed by a Japanese individual each year in a variety of styles; fresh, boiled, stir-fried, grilled and pickled. The Japanese consumer is fussy when choosing produce and conscious of safety considerations. Purchases are frequent, albeit in small quantities. Imports are projected to increase for a number of reasons: the number of domestic producers is declining due to the greying of the population, technological advances will extend the freshness period for most products, the variety of imported produce is growing, and direct commercial importing will continue to gain popularity.

Consumption trends based on the 1997 Survey on Household Expenditures show that the share of produce in the average household expenditure has remained at the 7% to 8% level, translating to an annual per capita produce consumption of 50 kg- 60 kg or 163 grams per day.

Three in four Japanese consumers buy produce every two or three days. The most popular locations are supermarkets (55%), fruits and vegetable stores (24%) and co-op stores (12%). These are followed by direct buying from producers and organic growers. The same survey found out that consumers want produce sellers to provide fresh produce (44%), a wide selection with unusual size items (41%), less packaging and wrapping materials such as styrofoam trays (27%), good quality produce (22%) and low prices (19%).

Distribution Routes

There are two distribution channels for imported produce. The general route involves the Japanese importers (trading companies and produce packers) and the wholesale markets while the second route or the direct route developed by the major supermarkets distributes produce directly to the processors and retailers. About 70% of the imported produce is distributed through the first route. Pumpkins, broccoli and asparagus are distributed in this manner.

In the wholesale markets where produce is sold, wholesalers may conduct a type of auction where multiple buyers put prices on commodities. “Seri” trading is conducted six times a week at the wholesale markets.

The direct route bypasses the wholesale markets. Its main purpose is to develop and import products that match Japanese consumers’ tastes. Produce seeds are taken from Japan together with Japanese growing technologies and are introduced in other countries. Partnerships between large Japanese supermarkets like JASCO and Daiei or food processing companies and import traders are forged. Produce handled this way includes white spring onions, shiitake mushrooms and asparagus.

Market Access

The JETRO Japanese Market Report- Regulations and Practices contain advice on market access. This includes establishing a local company or office in Japan to market products independently or seeking a business relationship with a Japanese company, studying Japanese consumer tastes, paying careful attention to the freshness and taste of the produce, promoting the safety of the produce and studying the Epidemic Prevention Law and Food Sanitation Law of Japan.

Plant Quarantine Law

Japan probably imposes the strictest plant quarantines in the world. Produce importers must submit several forms/proof of quarantine documents before the shipment is cleared or in case pests are found, the produce is either sterilized, through fumigation, destroyed by burning or returned. In addition, there are certain produce whose import from certain regions are prohibited due to pests or their larvae like grapes, cayenne pepper and kidney beans from Asia and Hawaii due to melon fly or Oriental fruit fly. A Phytosanitary Certificate must also be issued by the designated government agency of the exporting country.

Food Sanitation Law

In addition to the plant quarantine clearance, the importer must likewise submit a Food Import Information form to the Ministry of Health and Welfare for examination. An administrative examination is conducted, proof of sanitation documents may be asked, as

well as ingredient data tables or description documents. Japanese examiners may investigate past import history or possible violations using computer databases.

Actual inspection of the products may follow depending on the results of the administrative examination. Actual inspection may be both sensory and site inspection. Sampling may be done for chemical analysis and bacteria counts, levels of residual pesticide, additives and residual radiation.

Rules on Labeling and Packaging

The Produce Quality Labeling Guidelines instructs all importers to use labels for their produce. The product name, country of origin, distributor or importer, volume must be contained in the label. In addition, guidelines are also provided for size standards for 27 widely distributed items. For instance, onions of diameter more than 8cm are labeled 2L, 7 to 8 cm are called L and onions 6 to 7 cm are labeled M. Broccoli is packed 38 heads to a container following a practice that Dole initiated and which later became the standard.

Expanding Economic Cooperation

Before exploring how economic cooperation in agriculture with Japan can be achieved, let us review the main points raised in the paper. These are the following:

♦ Agriculture's importance to the Philippine economy in terms of its contribution to exports has been on the wane, averaging 14.03% for the period 1990-2000. Beginning 1997, the sector's share has fallen below the double digit (9.27% in 1997 to 5.21% in 2000). This trend is supported by the declining RCA in agriculture.

♦ Roughly one-fourth of the country's agricultural exports are shipped to Japan and another one-fourth to the United States. This highlights the vulnerability of the agricultural sector and its high degree of market dependence on just two trading partners.

♦ For the period 1991-2000, the composition of the country's top ten agricultural exports has remained almost the same. Coconut oil, crude and refined, remains to be the top export commodity. Seaweeds/carageenan and fresh mangoes came into the picture only in the later part of the decade, displacing copra oil cake/meal and unmanufactured tobacco.

♦ The Philippine's agricultural exports to Japan make up one-fifth of its total exports to the country. Fresh fruits (bananas and pineapples), shrimp and prawns and tuna as well as some vegetable exports compose the bulk of these.

♦ The country's agricultural imports from Japan averaged $60.24 million or just 2.75% of total agricultural imports. Furthermore, this $60.24 million was also just 1.25% of the country's total import bill from Japan.

♦Only three commodities in 2000 made up close to 70% of the country's imported agricultural commodities from Japan. These are manufactured fertilizer, agricultural chemicals and materials, and agricultural machinery. For the period 1991-2001, these commodities on the average made up over half of the imported agricultural goods from Japan. The remaining 30% was accounted for by food and live animals, tobacco and tobacco manufactures, crude materials, and animal and vegetable oils and fats.

♦Japan is historically regarded as a major importer of agricultural food commodities.

♦The Philippines is ranked 16th among the top food suppliers to Japan. Bananas, shrimp and prawns, tuna and bonito, pineapples and asparagus make up for the bulk of the country's food exports to Japan.

♦Japan in general imports fresh fruit from a single country/region. Thus, the Philippines are the top supplier of tropical fresh fruits, e.g., bananas, pineapples, and mangoes.

♦Fresh produce is an integral component of the Japanese diet. In addition, the Japanese consumer is quite hard to please. Safety considerations are important. Likewise, rules on labeling and packaging must be met.

Facilitate Existing Trade

It must be stressed that the country should not be complacent about its share of the existing Japanese fresh fruit market. While we remain to be the top supplier of tropical fruits, other countries are becoming aggressive in promoting their produce in their bid to capture a bigger share (Hawaii, USA for papayas and Thailand for canned pineapple/pineapple products).

Thus, the Philippine government must continue to facilitate the existing trade. For instance, Filipino exporters might not be aware that to expedite the quarantine clearance process of imported goods, a sample of forthcoming imports may be sent to official laboratories designated by the Japanese government. The test results may be substituted for the corresponding inspection at the port of entry. In addition, importers may submit notification by computer by making use of the Food Automated Import Inspection and Notification Process (FAINS) to process import-related documentation. These and other related-trade information may be found at the JETRO website.[3]

Potential Agricultural Commodities that can be Exported

Looking at the list of Japanese imports, it is clear that, in addition to our traditional exports, there are other products that the Philippines can supply (given that the

[3] http://www.jetro.go.jp

specifications of the Japanese consumer market match that of the Philippines produce). These include:

1. crabs (although most of our produce are mudcrabs, there are some farms starting to grow kingcrabs)
2. seaweeds
3. onions (Japan imports Welsh variety)
4. pumpkins*
5. potatoes
6. ginger
7. garlic
8. carrots and turnips
9. watermelons/melons*
10. tomatoes*
11. eggplants
12. avocados
13. rice straw

* Imports from Asia is currently prohibited because of Melon fly and Oriental fruit fly but representations may be made with the concerned Japanese agency.

The above is a preliminary listing of agricultural products that the Philippines may export to Japan in the future. It includes two fisheries products and eleven vegetables/fruits. It would be worth exploring the potential of exporting each of the thirteen produce inasmuch as Japan imports a substantial amount of each from far-away countries like Mexico and Portugal. However, the specifications of the Japanese consumer market must be checked to ensure consistency. In addition, since usage standards have been defined for film compounds and coloring agents, it would help knowing beforehand if the agricultural chemical usage patterns in the Philippines meet that of Japan. In other words, there is a need to critically study the Japanese market.

In addition to the above list of commodities which the country produces, other commodities might be worth exploring. Pili nuts and its derivatives, dried shiitake mushrooms, okra and papayas could be added to the list. The potentials of soybeans, other beans and peas, leaf tobacco, crude honey, special forest products, vegetable wax and charcoal could also be looked into. Interestingly, Dr. Palanca-Tan's paper, using a two-digit commodity classification show that the Philippines has strong comparative advantage in sugar preparations and honey, fruit vegetable oil and fats, processed animal and vegetable oil in addition to fruits and vegetables and fish and other fish preparations.

In 1998, the APEC Study Center Institute of Developing Economies in Tokyo came out with a report that aimed to quantify the existing impediments to trade in commodities in Japan. The portion on commodity trade looked at 20 items and tried to clarify how closely the difference between domestic and import prices reflect impediments to their commodity trade. Some of its findings are as follows:

Corn – the ratio of the domestic price to its imported price is 4.60; almost all corn is used for feedstuff production; tariffs are not levied on corn imports; domestic producers are not protected

Soybean – the ratio of the domestic price to its imported price is 5.95; no tariff is set for soybean and no special subsidy is given to farmers; the price differential is seen as due to differences in the characteristics of domestically grown soybean

Other Beans and Peas - include green peas, kidney beans and Azuki beans; Japanese consumer preference significantly affect the ratio of the domestic price to the imported price; beans and peas are used to make Japanese confections; import quotas used to be imposed depending on domestic production; since April 1995, a tariff quota system was implemented.

Garlic – price differential is greater than two; consumer tastes change rapidly, consumers require increased variety (weak smelling garlic and strong smelling garlic)

Leaf Tobacco – the ratio of the domestic price to its imported price is 2.25; tobacco made of leaf tobacco is an expensive commodity and quality is important to the consumer; tariff rate for tobacco is zero

Crude Honey – the ratio of the domestic price of crude honey to its imported price is 4.20; price differentials are traced to quality and consumer's preferences

Dry Shiitake Mushroom – the ratio of the domestic price to its imported price is 2.09; mainly due to differences in production costs; since dry Shiitake is not regarded as a plant, imports do not need quarantine examinations but Japanese consumers are wary of post harvest pesticides that may have been used on the product

Crude Japanese Lacquer – the price differential is 14.96; imports are tariff free; there are no protectionist measures taken to promote domestic production

Charcoal – the ratio of the domestic price to its imported price is 3.69; no tariff is levied on imported charcoal; the high price differential may be due to differences in production; in Japan a kiln is used to make charcoal

The findings of the above study are inputs to what has been called the Aggregate Measure of Support (AMS). The AMS as a concept measures certain aspects of the support provided by agricultural policies. The AMS calculation includes all domestic support policies that are considered to have a significant effect on the volume of production, both at the product level and at the level of the agricultural sector as a whole. Policies that have a substantial impact are classified into the amber box; policies that are not deemed to have a major impact are place in the green box while policies that fall into

neither of the two categories are known as blue box policies and are not included in the AMS calculations.

Green box polices include direct payment schemes that subsidize farmers incomes but in a manner that is deemed not to influence production decisions. They include assistance provided through environmental protection programs, regional assistance programs and general services that provide research, training and extension as well as marketing information. Blue box policies on the other hand, include the compensatory payments and land set-aside program of the EU's Common Agricultural Policy and the United States' deficiency payment schemes. However, in the case of the Philippines, we do not have any export subsidies. In the case of WTO-inconsistent production subsidies, the Philippines maintains less than a 10 percent subsidy rate (Balisacan, 2003).

In 2003, Japan expanded the coverage of its GSP that cuts existing tariff rates. Topping the list of products are coconut oil (from 4.5% to zero), papayas (from 2% to zero), fruit stones, kernels and other vegetable products from 3% to zero), vegetable planting materials (3% to zero) and yeast (3.8% to zero). Tariff on prepared bananas, avocados and mangoes other than those packaged in airtight containers was trimmed to 4.8%, prepared mangoes and guavas to 7.5%, preserved papayas to 6%, prepared papayas to 3.8%, vegetable and fruit nuts prepared in sugar to 9%, and prepared cashew nuts to 5%.

One of the criteria used to determine whether a specific agricultural commodity is qualified for inclusion in the list that will receive preferential treatment is that it should not compete with products being grown by Japanese growers. Otherwise, Japan will suspend the GSP privilege.

On the Issue of Tariff Structure

A brief look at the structure of tariff rates of Japan and the Philippines will reveal that the country's tariff rates on most agricultural commodities are higher than that of Japan. It would be futile to ask Japan to lower its tariff rates then. In addition, the exchange cannot be crop for crop. The exchange could be sector for sector. The Japanese market accounts for one-fourth of our agricultural exports but in return, the Philippines' agricultural import bill is only 1.25% of the country's total imports from Japan. Thus, there is a need to look at the overall if the Philippines would benefit from giving up a particular amount in order to get a concession in some other sector. Whatever concessions we ask to have greater market access for our agricultural exports will have to be matched by concessions in other sectors. In other words, the Philippines stand to gain if Japan agrees to open up a little more its market for Philippine agricultural produce. A 10% increase in our exports could easily amount to an additional $50 million in export revenue.

Other Means for Expanding Trade

As mentioned previously, a large portion of the produce brought into Japan is imported directly. The main purpose of this distribution route is to develop and import products that match the Japanese consumers' tastes. Tie-ups with large supermarkets, food

processing companies and import traders thus become vital. For direct imports, it may be initially necessary to produce commodities using Japanese seeds to eliminate the risk of "taste failure." However, it may also pay to develop new products using modified seeds[4] since trading companies are always eager to introduce new items that help differentiate them from their competitors. Some fruits, which cannot be imported fresh, can be imported as juice, jam, diced fruit or frozen fruit. Thus, there is a need for exporters to be innovative. The bulk of the Philippines' exports are low value crops and it is imperative that we try to increase their value added. As shown in Table 14, the country ranked 16th top supplier of food to the Japanese market. We remain to be the top tropical fruit exporter but beyond this, our exports of high-value commodities like shrimps and prawns and tuna is quite small compared to the top suppliers like China, Australia, Thailand and Indonesia.[5]

The Japanese consumer is also very particular about the packaging of the product. It must be functional yet attractive without sacrificing product quality. Would-be exporters should be urged to seek help in this regard.

In a talk with a DTI trade desk officer, it was mentioned that a farmer in Bulacan is raising okra for export to Japan using Japanese seeds. A Japanese non-government organization based in Nueva Vizcaya has supposedly introduced the mushroom species shiitake to local farmers in the area. The said mushroom could be cultivated in some parts of the Cordillera and Nueva Vizcaya where temperatures range from 5 to 32 degrees Celsius. Furthermore, the secretary-general of the Japanese Chamber of Commerce and Industry in Manila, Tetsuya Matsuoka related the story of a Filipino farmer based in Baguio who regularly provides vegetables to Japanese nationals in Makati. These vegetables are exactly similar to those found in Japan. The same trade desk officer also related the case of a businessman who wanted to export rice straw to Japan but got impatient with the stringent Japanese import rules.

Earning the trust of the Japanese consumers is vital if we desire a long term relationship since the Japanese consumer focuses on the supplier's name, e.g., DOLE or Del Monte. In the case of seafood produce, long-term relationships already exist between the Japanese importer and exporter and penetrating the market would be more difficult.

The Philippine government may seek official development assistance from its Japanese counterpart in the above issues. Technical assistance (to meet the strict and discriminating Japanese consumer market) with regards to phytosanitary measures, market fairs to bring together the Filipino farmer/exporter and the Japanese trader, and capacity building to develop human resource in agriculture may be sought.

[4] Subject to the stipulations of the Plant Protection Law.
[5] Some industry observers claim that the seafood imports of some countries actually come from Philippine waters.

Key Elements of a Trade Agreement with Japan

Except for a Treaty of Amity, Commerce and Navigation which the Philippines signed with Japan in 1973, the country has had no other bilateral agreement with Japan. The said treaty stipulated that both countries will "undertake to cooperate for mutual benefit with a view to expanding trade and to strengthening economic relations…and to furthering the interchange and use of scientific and technical knowledge, particularly in the interest of economic development and of the improvement of standard of living …" (Article 5).

The proposed trade agreement in agriculture with Japan could borrow from the provisions of the Uruguay Agreement of Agriculture for Developing Countries. The key elements of the above are: market access provisions, domestic support commitments, and export polices: subsidies and restrictions. However, to the extent that the Japanese government will remain reluctant in discussing much less reducing export subsidies and domestic agricultural support policies (e.g., on rice), a commitment to secure greater market access to Philippine agricultural products is what the proposed trade agreement should work out. The market access provisions should encourage the further development of trade and ensure that existing trade markets are maintained. Help in understanding the tastes and peculiarities of the Japanese consumer should be extended as well as assistance in the harmonization of phytosanitary measures, maximum residue limits of pesticides in vegetables, etc.

Product specific mutual arrangements (MRAs), similar to what the Association of South East Asian Nations has, can be made a part of the agreement so that product-related standards and regulations do not become technical barriers to trade.

The proposed trade agreement should encourage the regular interchange of commercial and technical representatives, groups or delegations, the holding of trade fairs, trade exhibits and other trade promotion activities by enterprises and organizations. If possible, articles for display at the fairs and exhibits as well as samples of goods for advertising purposes should be exempt form the payment of import duties and taxes. Similarly, said articles shall not be disposed of in any manner without the prior knowledge of the appropriate officials.

Specific Plan of Action

1. If the country wants to negotiate a trade agreement in agriculture with Japan, without touching on the sensitive issues of tariffs and export subsidies, and given that the agreement should promote agricultural trade, then greater market access should be explored via other means. Since the exchange as earlier mentioned cannot be crop for crop, it would have been best if agriculture was included together with the other chapters, because then, the country would have had a better bargaining position. Greater market access for Philippine agricultural products could be worked out with say, allowing more Japanese investments in certain industries.

2. If we have an Agricultural Trade Attaché Office in Japan, then a more in-depth review of the Japanese food market may be conducted. Notable and persistent market trends as well as consumer preferences should be detailed. The problem of limited product varieties could then be addressed. This should be done in both a short-run and long run framework.

3. Meanwhile in the Philippines, an inventory of agricultural product exporters to Japan ought to be done. Their problems could then be documented including all other pertinent information such as skills that need to be improved and/or are lacking.

4. A review and assessment of technical assistance given by Japan to the Philippines is also necessary. Definite timetables should be set for this as well as the two (# 2 &3) previous items.

5. As much as possible, the role of government should be to facilitate trade. Thus, its role should primarily be that of bringing together the private agents involved. It should not dictate what products must be planted. Instead, it must make sure that the necessary institutional as well as public goods are in place.

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Appendix Table 1. Fresh Fruits and Vegetable Exports, 1991-2001 (Quantity in '000 metric tons, value in FOB Million US $)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Fresh Fruits and Vegetables											
Coconut products											
Quantity	1,004.25	1,007.68	982.34	951.71	1,450.06	869.69	410.7	370.96	556.2	79.67	87.01
Value	385.29	582.74	450.22	556.23	908.93	658.86	149.55	140.35	432.35	81.28	73.77
Pineapple products											
Quantity	442.38	418.94	418.4	459.55	448.36	439.08	410.7	370.96	298.2	442.51	473
Value	158.21	149.75	147.35	145.32	140	156.27	149.55	140.35	86.85	155.94	161.66
Banana											
Quantity	969.7	833.69	1,168.39	1,170.66	1,232.21	1,271.72	1,163.67	1,164.07	1,337.43	1,621.11	1,622.38
Value	188.97	172.19	240.74	251.58	245.19	259.56	241.59	235.79	260.27	312.81	315.91
Mango											
Quantity	26.21	37.57	40.35	30.34	51.12	46.01	54.25	55.54	38.49	43.19	44.4
Value	32.13	44.7	42.4	34.8	55	50.32	52.18	49.79	39.92	43.71	42.09
All other fruits and vegetables											
Quantity											
Value	55.84	47.36	85.28	89.02	72.27	78.44	77.63	74.01	115.78	59.14	76.97

Source: BAS Agricultural Foreign Trade Development Annual Report, various years

Appendix Table 2. Average Quantity and Value of Shrimps and Prawn Exports, 1991-2001 (Quantity in '000 MT; FOB Value in Million US$)

Country of Destination	Average Quantity	Average Value
Japan	**12.7**	**138.26**
USA	2.23	23.09
France	0.29	2.53
Guam	0.21	2.03
Hawaii	0.26	1.99
Others	8.13	9.42
Korea	0.81	8.34
Hongkong	0.34	2.12
Canada	2.06	2.60
Trust Territory of the Pacifics	1.62	1.62

Source of basic data: BAS Agricultural Foreign Trade Development Annual Report, various years

Appendix Table 3. Average Quantity and Value of Banana Exports, 1991-2001 (Quantity in '000 MT; FOB Value in Million US$)

Country of Destination	Average Quantity	Average Value
Japan	**742.97**	**142.15**
Korea	104.04	18.22
Saudi Arabia	75.54	13.24
UAE	98.74	17.24
Hongkong	27.33	4.90
Others	52.82	10.06
ROC	188.73	33.34
Taiwan	85.34	16.99

Source of basic data: BAS Agricultural Foreign Trade Development Annual Report, various years

Appendix Table 4. Average Quantity and Value of Pineapple Products Exports, 1991-2001 (Quantity in '000 MT; FOB Value in Million US$)

Country of Destination	Average Quantity	Average Value
USA	180.84	76.82
Japan	**116.5**	**24.92**
Canada	12.88	5.29
UK and Northern Ireland	9.24	4.83
Germany	8.57	4.07
Others	57.2	23.71
Netherlands	14.21	7.84
Korea	23.19	5.30

Source of basic data: BAS Agricultural Foreign Trade Development Annual Report, various years

Appendix Table 5. Average Quantity and Value of Tuna Exports, 1991-2001 (Quantity in '000 MT; FOB Value in Million US$)

Country of Destination	Average Quantity	Average Value
Germany	8.58	18.63
USA	14.20	33.14
Japan	**14.55**	**27.13**
UK and Northern Ireland	6.16	13.74
Canada	5.73	13.35
Others	20.23	38.04
South Africa	4.88	11.50
Singapore	6.37	14.14
Thailand	11.02	4.75

Source of basic data: BAS Agricultural Foreign Trade Development Annual Report, various years