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Report Highlights:

Japan's vegetable oil and protein feed markets are mature and stable. While surging commodity prices and the shipping crisis impacted Japan's oilseed and product imports in the past, the situation has normalized. With imported oils like palm and olive oil becoming expensive, domestically crushed soybean and canola oils have gained a competitive price advantage. Consequently, crushers are expected to marginally increase crush volumes in MY 2024/25 and 2025/26, favoring soybean crush over rapeseed due to better crush margins. The production of domestically produced soybean meal and rapeseed meal is anticipated to rise, reducing Japan’s imports of soybean meal. As of spring 2025, Japanese traders perceive uncertainty in global trade but remain willing to procure oilseeds and products opportunistically. Hokkaido’s favorable weather in MY 2024/25 resulted in excellent food-grade soybean production; however, the food soybean market remains flat due to inflationary pressures.

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Oilseeds

Commodities:

Oilseeds, Soybean
Oilseeds, Rapeseed
Oilseeds, Cottonseed

Production, Supply, and Distribution of Soybean (Oilseed)

Oilseed, Soybean	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	155	155	158	154	0	155
Area Harvested (1000 HA)	155	155	158	154	0	155
Beginning Stocks (1000 MT)	183	183	169	165	0	200
Production (1000 MT)	247	261	259	273	0	250
MY Imports (1000 MT)	3,099	3,099	3,350	3,297	0	3,300
Total Supply (1000 MT)	3,529	3,543	3,778	3,735	0	3,750
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	2,345	2,378	2,540	2,525	0	2,550
Food Use Dom. Cons. (1000 MT)	920	900	920	900	0	900
Feed Waste Dom. Cons. (1000 MT)	95	100	120	110	0	100
Total Dom. Cons. (1000 MT)	3,360	3378	3,580	3,535	0	3,550
Ending Stocks (1000 MT)	169	165	198	200	0	200
Total Distribution (1000 MT)	3,529	3,543	3,778	3,735	0	3,750
Yield (MT/HA)	1.59	1.68	1.64	1.77	0	1.61
(1000 HA) ,(1000 MT) ,(MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production, Supply, and Distribution of Rapeseed (Oilseed)

Oilseed, Rapeseed	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	2	1.7	2	1.7	0	2
Area Harvested (1000 HA)	2	1.7	2	1.7	0	2
Beginning Stocks (1000 MT)	182	182	198	187	0	170
Production (1000 MT)	4	3.7	4	3.1	0	4
MY Imports (1000 MT)	2,117	2,117	1,900	2,101	0	2,141
Total Supply (1000 MT)	2,303	2,303	2,102	2,291	0	2,315
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	2,100	2,116	1,910	2,116	0	2,140
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	5	0	5	5	0	5
Total Dom. Cons. (1000 MT)	2,105	2,116	1,915	2,121	0	2,145
Ending Stocks (1000 MT)	198	187	187	170	0	170
Total Distribution (1000 MT)	2,303	2,303	2,102	2,291	0	2,315
Yield (MT/HA)	2	2.11	2	1.87	0	2
(1000 HA) ,(1000 MT) ,(MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

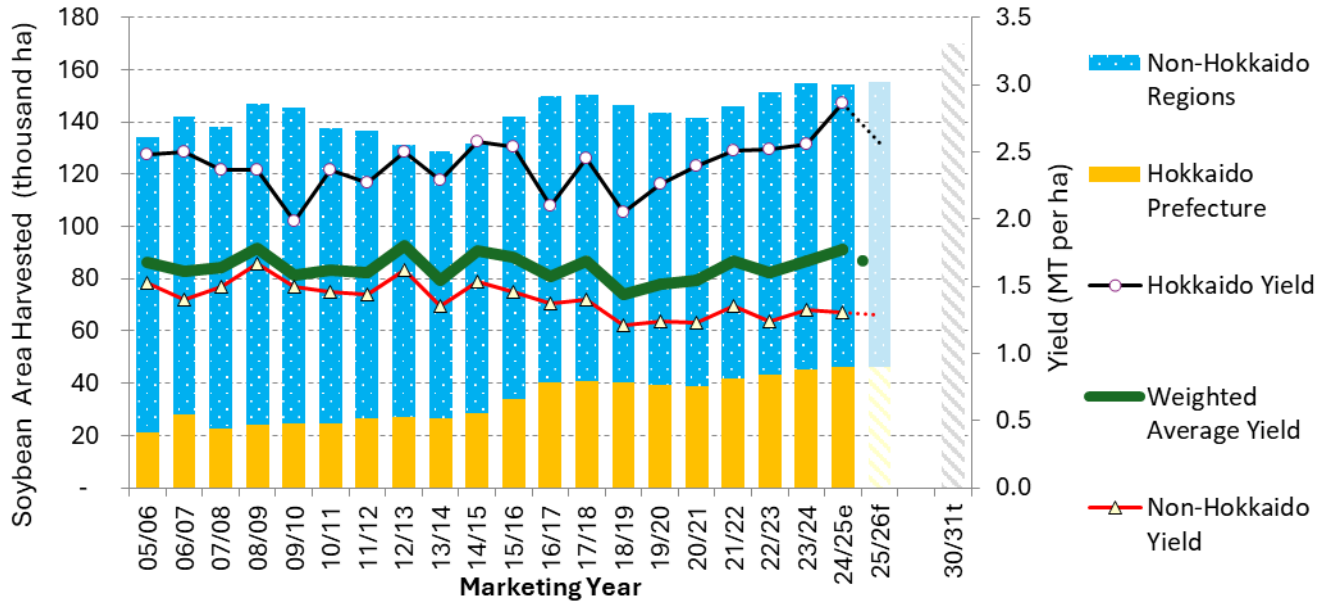
Production, Supply, and Distribution of Cottonseed (Oilseed)

Oilseed, Cottonseed	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (Cotton) (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	2	2	2	3	0	3
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	100	100	100	97	0	96
Total Supply (1000 MT)	102	102	102	100	0	99
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	25	24	25	23	0	23
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	75	75	75	74	0	73
Total Dom. Cons. (1000 MT)	100	99	100	97	0	96
Ending Stocks (1000 MT)	2	3	2	3	0	3
Total Distribution (1000 MT)	102	102	102	100	0	99
(1000 HA), (1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production

Soybean Area Harvested

Figure 1. Trends in Japan's Soybean Planting Area and Yield



Source: MAFF
Note: MY 2024/25*e* represents FAS/Tokyo's estimates based on Zen-noh data. MY 2025/26*f* represents FAS/Tokyo's forecasts. MY 2030/31*t* represents MAFF's target for 2030.

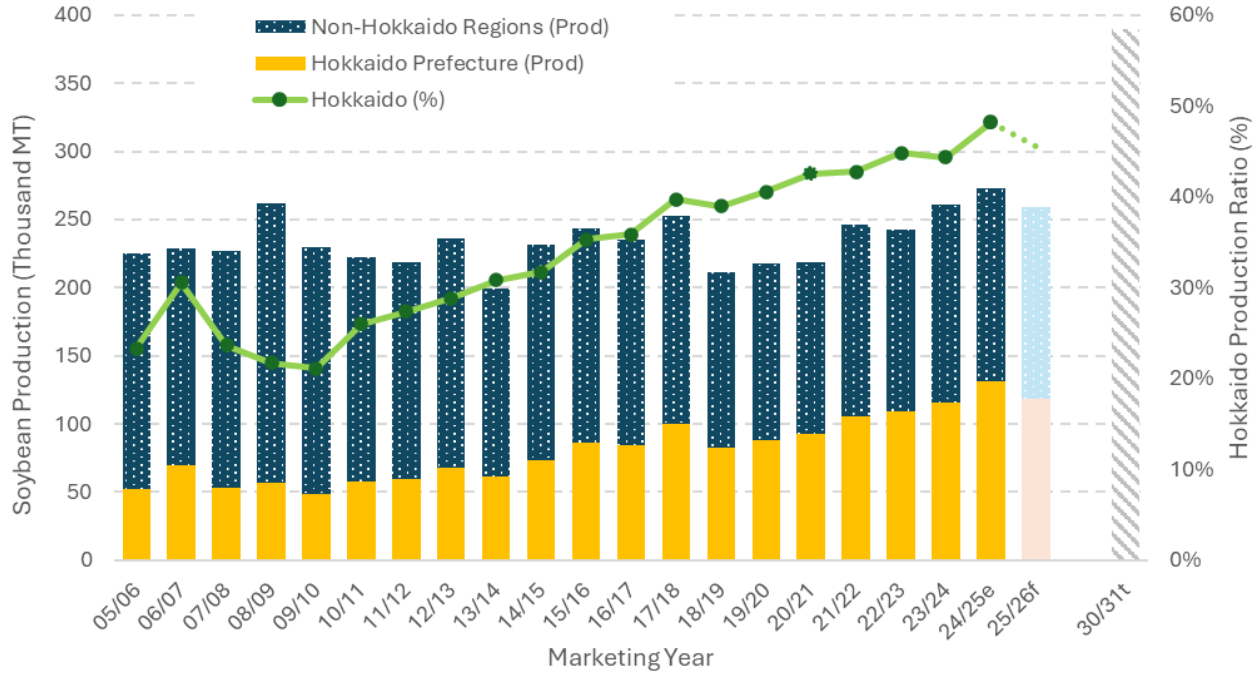
FAS/Tokyo estimates that the soybean production area for 2024/25 marketing year (MY: October to September) remained almost flat at 154,300 hectare (ha), according to production and sales estimates by the National Federation of Agricultural Co-operative Associations (Zen-noh). FAS/Tokyo forecasts that the soybean production area will marginally increase to 154,500 ha in MY 2025/26. The production area of dry fields is expected to increase, but farmers are likely to plant more rice in paddies, instead of soybeans, due to high rice prices.

Japan's soybean production is focused on non-genetically engineered (GE) food-grade soybean varieties, of which approximately 80 percent are distributed via the Japan Agricultural Cooperatives (JA) to food manufacturers for tofu, *natto*, or *miso* production (see Utilization of Food-Grade Soybeans in Japan). The remainder is typically sold for household cooking or to small and micro businesses. Domestically produced soybeans have constituted approximately 30 percent of Japan's food soybean market.[1] Overall, Japan has increased food soybean production as Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) set a target to increase the production area to 170 thousand ha by 2030. Soybean yield has improved year-by-year, especially in Hokkaido where they use dry-field to grow soybeans instead of wet paddies.

MAFF officially reported that the soybean production area for the MY 2023/24 was 154,700 ha, a 2 percent increase from MY 2022/23 (Figure 1).

Soybean Production

Figure 2. Trends in Japan's Soybean Production



Source: MAFF
Note: MY 2023/24*e* represents FAS/Tokyo's estimates based on Zen-noh statistics. MY 2024/25*f* represents FAS/Tokyo's forecasts assuming five-year average yield. MY 2030/31*t* represents MAFF's target for 2030.

Due to an exceptional yield in Hokkaido, FAS/Tokyo estimates that soybean production reached 273,000 metric ton (MT) in MY 2024/25, marking a 4.6 percent increase from MY 2023/24 (Figure 2). Presuming the five-year average yield in each region (i.e., 1.62 MT/ha, significantly lower than MY 2024/25), FAS/Tokyo forecasts that soybean production will be 251,000 MT in MY 2025/26.

[1] Food soybean market excludes oil-grade soybeans for crushing.

In MY 2023/24, MAFF announced that domestic soybean production was 260,800 MT, a 7 percent increase from MY 2022/23, with a yield of 1.69 MT/ha. As is typical, Hokkaido's soybean yield was much higher than that of other prefectures (Figure 1) because farmers plant soybeans on large dry fields, rather than small rice paddies. In addition, some small producers outside of Hokkaido choose high-premium niche varieties, such as *kuromame* (black soybeans), which have an inherently lower yield.

During the soybean season in 2024, Hokkaido experienced good weather, which resulted in a historical record yield, around 2.86 MT/ha in MY 2024/25, 12 percent higher than the previous marketing year (Figure 1). However, the yield in the southern parts of Japan was poor due to high temperatures and little precipitation, resulting in a weighted average yield of around 1.77 MT/ha in MY 2024/25.

Based on the 2020 Basic Plan for Food, Agriculture and Rural Areas (JA2020-0197), MAFF aims to increase Japan's soybean production area to 170,000 ha by 2030 (Figure 1). Additionally, on March 14, 2025, MAFF proposed increasing Japan's target for the production of food-grade soybeans in 2030 from the previous 340,000 MT to 390,000 MT (Figure 2). To achieve these targets, Japan will gradually increase its soybean production area and therefore, MAFF's initiative to expand production areas on dry fields, especially in Hokkaido, will continue as planned. However, due to the high prices of rice as of spring 2025 (JA2025-0009), it is expected that not many rice farmers will grow soybeans on wet paddies in 2025. Furthermore, a surprise large crop in MY 2024/25 has led to an oversupply food-grade soybeans as of spring 2025. This surplus inventory of food-grade soybeans discourages farmers from planting soybeans aggressively in MY 2025/26 season.

Rapeseed

FAS/Tokyo forecasts the MY 2025/26 rapeseed harvest area and production volume will be at only 2,000 ha and 4,000 MT. Japan's limited rapeseed production is located primarily in Hokkaido, where farmers plant rapeseed as a rotation crop. According to MAFF, the MY 2024/25 rapeseed harvested area[2] was 1,670 ha, a 4 percent decrease from MY 2023/24, with production at 3,260 MT, an 11 percent decline from the previous marketing year due to bad weather in Hokkaido in the spring.

Cottonseed

Japan does not produce cottonseed.

Consumption

Crush

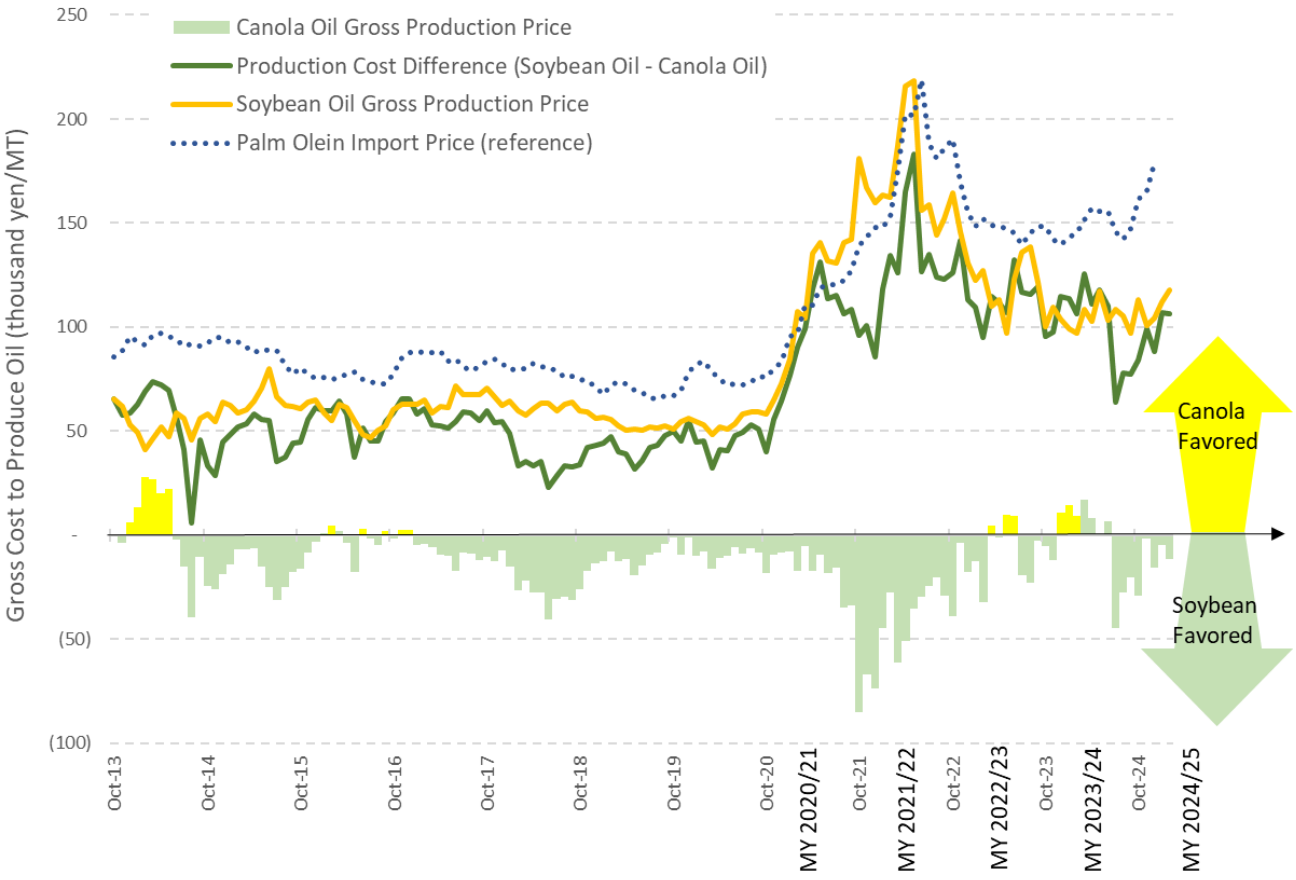
Soybeans and Rapeseed

In MY 2024/25, FAS/Tokyo forecasts that soybean crushing will increase by 6 percent to 2.525 million MT (MMT), while rapeseed crushing will remain at 2.116 MMT. In MY 2025/26, FAS/Tokyo forecasts that Japan will marginally increase soybean crushing to 2.551 MMT and rapeseed crushing to 2.140 MMT, as both soybean oil and rapeseed oil will be relatively competitive against other oil products, including palm oil.

[2] This figure does not include ornamental planting areas.

The primary driver of oilseed consumption in Japan is the generally stable demand for vegetable oil. Three crushers—Nisshin Oillio, J-Oil Mills, and Showa Sangyo—produce over 80 percent of Japan's vegetable oil volume, primarily from imported soybeans and canola seeds. Two factors largely determine Japan's consumption of soybeans and canola seeds for crushing: 1) the relative crush margin between soybean and canola and 2) relative oil prices of soybean oil and canola oil compared to imported oils, such as palm oil and olive oil.

Figure 3. Crush Margin of Soybean Oil vs. Canola Oil Production for Japanese Crushers



Sources: Chicago Board of Trade, the Intercontinental Exchange, Federal Reserve Bank of St. Louis
Note: Gross production costs for oil represent the differences between the oilseed future prices and the meal future prices. The production costs do not include operation costs, so it is not advised to compare directly to palm import prices.

In the past five years, the Japanese oilseed crushing industry has experienced significant fluctuations in crush margins and the relative proportion of soybeans to canola, with the crush ratio between these two oilseeds varying significantly year-by-year. In response, the crushers, working together with Japanese trading houses, opportunistically adjust the relative proportion of soybeans to canola in response to vegetable oil demand and the relative crush margins for soybeans and rapeseed (Figure 3). During MY 2021/22, a poor Canadian canola crop resulted in Japanese crushers increasing their procurement of soybeans. However, by mid-MY 2022/23, a relative decrease in canola seed prices compared to soybean prices prompted a shift towards canola crushing. However, in MY 2023/24, a large soybean crop in the United States led to a softening of soybean prices and an improvement in the crush margin of soybeans.

Looking ahead, the favorable crush margins for soybeans are expected to persist through MY 2024/25 and 2025/26, leading to an increase in soybean crushing in Japan.

Although consumers dislike high price tags on vegetable oil products, FAS/Tokyo expects total vegetable oil demand to remain flat, at a low level, rather than further declining, as Japanese consumers have already strived to minimize oil consumption. As imported oil prices, including palm oil (see Figure 3) and olive oil, have risen faster than domestically crushed soybean oil and rapeseed oil, FAS/Tokyo forecasts that domestic crushing will be resilient in the next two marketing years. Further details about oil consumption will be discussed in the "Oils Section."

Table 1 compares the oil extraction rates between soybeans and rapeseeds. MAFF reported that in MY 2023/24, Japan crushed 2.38 million MT (MMT) of soybeans, a 7.8 percent drop from the previous marketing year, to produce 479,040 MT of soybean oil, with an oil extraction rate of 0.201. In MY 2023/24, MAFF also reported that Japan increased rapeseed crushing to 2.116 MMT, a 7.1 percent increase from the previous MY, which was the lowest figure since MY 1997/98. The extraction rate was 0.428, and canola oil production was 920,396 MT. Forecast numbers for MY 2024/25 and 2025/26 are added based on the above discussion in Table 1.

Table 1. Conversion Rate of Oilseeds into Oil in Japan (Unit: MMT)

	Soybean Oil			Rapeseed Oil			Total Oil
	Soybeans	Production	Extr. Rate	Rapeseeds	Production	Extr. Rate	Production
MY 2018/19	2.470	0.485	0.196	2.396	1.024	0.428	1.715
MY 2019/20	2.393	0.467	0.195	2.270	0.979	0.431	1.646
MY 2020/21	2.364	0.462	0.195	2.357	1.007	0.427	1.674
MY 2021/22	2.600 +10.0%	0.519 +12.3%	0.200	2.144 -9.0%	0.904 -10.2%	0.422	1.628 -2.7%
MY 2022/23	2.578 -0.8%	0.518 -0.2%	0.201	1.975 -7.9%	0.845 -6.5%	0.428	1.571 -3.5%
MY 2023/24	2.378 -7.8%	0.479 -7.5%	0.201	2.116 +7.1%	0.920 +8.9%	0.435	1.570 -0.1%
MY 2024/25f	*2.525* *+6.2%*	*0.500* *+4.4%*	*0.198*	*2.116* *±0%*	*0.910* *-1.1%*	*0.430*	*1.60* *+1.7%*
MY 2025/26f	*2.551*	*0.505*	*0.198*	*2.140*	*0.920*	*0.430*	*1.61*

Source: MAFF

Note: "f" represents FAS/Tokyo's forecasts. FAS/Tokyo's forecasts of MY 2024/25f include MAFF's official data from October 2025 to January 2025. The percent amounts are the annual changes from the previous MYs.

Cottonseed

MAFF reports that in MY 2022/23, Japan crushed 24,179 MT of cottonseed to produce 4,216 MT of cottonseed oil, with an oil extraction rate of 0.174. Cottonseed oil is principally used as a high-end oil for frying (e.g., *tempura* and boutique donuts), as well as a high-end oil for canned fish. Cottonseed meal (11,702 MT) largely went to fertilizer and feed for dairy cows. FAS/Tokyo projects the cottonseed crush will decrease to 23,000 MT for MY 2024/25 and MY 2025/26 as some business consumers switch

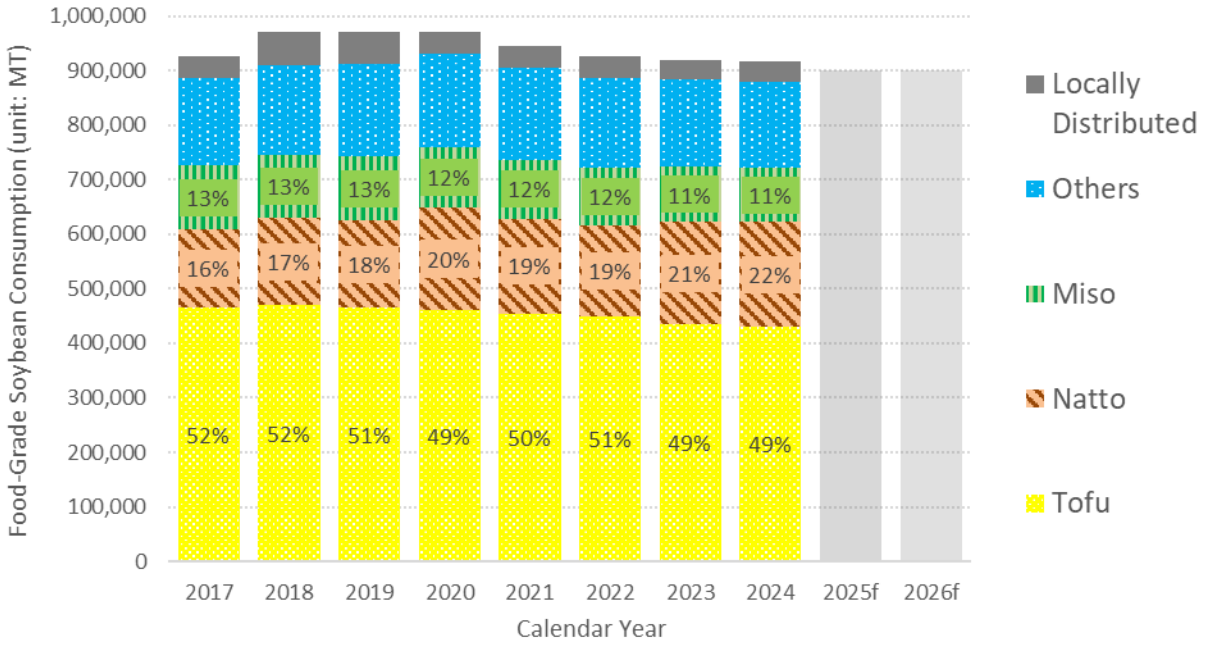
from expensive cottonseed oil to cheaper alternatives. Okamura Oil Mill in Osaka is the only cottonseed crusher in Japan.

Food Use Consumption

FAS/Tokyo forecasts that food consumption of soybeans will remain stable at 900,000 MT in both MY 2024/25 and MY 2025/26. Japan will fully utilize the surprisingly good crop in MY 2024/25.

Processed soy food manufacturers (e.g., tofu, *natto*, *miso*, soymilk, simmered soybeans, etc.) consume most food-grade soybeans in Japan. Over the last decade, Japan's food soybean consumption has stayed at approximately 0.9 MMT. Due to the common perception in Japan that processed soy products are an inexpensive staple food (see Utilization of Food Grade Soybeans in Japan for details about Japanese soy food), stealth price hikes, also known as shrinkflation, have become a common practice. Food inflation in MY 2022/23 suppressed total food use consumption, however FAS/Tokyo estimates that food use consumption returned to MY 2023/24 levels as the inventory of food-grade soybeans stabilized.

Figure 4. Food Soybean Consumption by Type of Food



Source: The Daily Soybean Oil
Note: 2025*f* and 2026*f* represent FAS/Tokyo's forecasts of MY 2024/25 and 2025/26 estimates of soybean consumption.

As noted in Figure 4, the publication, *The Daily Soybean Oil*,[3] projected that soy food use would decline in 2024 to 880,000 MT. In addition, its analysis showed 30,000 to 40,000 MT of soybeans, particularly off-grade soybeans, are distributed locally each year, for example, through farmers' markets. It projected that the consumption of tofu and *miso* varieties would decline slightly, but *natto* varieties would increase in volume in 2024 (Figure 4).

[3] Page 2 of the June 28, 2024 issue.

Feed, Seed, and Waste Consumption

Soybean and Rapeseed

FAS/Tokyo projects soybean feed, seed, and waste (FSW) consumption will increase to 110,000 MT in MY 2024/25 due to a surprisingly large soybean crop in Hokkaido, which is expected to generate off-grade soybeans for on-farm feed use. Soybean FSW consumption will then return to 100,000 MT in MY 2025/26 assuming normal soybean crop.

According to MAFF's feed statistics, feed manufacturers' soybean consumption decreased to 75,220 MT in MY 2023/24. Year-to-date estimates indicate that feed demand for soybeans will stay at low levels through MY 2024/25. Since soybean meal is cheap and abundant for compound feed and on-farm feed, there is little incentive for feed millers to increase soybeans in their formula. Accounting for seeds for soybeans and *edamame* production, waste, and local on-farm feed consumption not captured by MAFF statistics[4], FAS/Tokyo estimates that soybean FSW consumption was about 100,000 MT in MY 2023/24. *Edamame* are immature soybeans harvested while still green and tender. Japan plants soybeans on about 12,000 ha of farmlands, producing roughly 60,000 MT of *edamame* annually. MAFF categorizes *edamame* as a vegetable, not an oilseed, therefore, these production areas are not included in the soybean production, supply, and distribution (PSD) table.

Rapeseed FSW consumption will remain consistent, but minimal.

Cottonseed

FAS/Tokyo projects cottonseed feed consumption will gradually decline to 74,000 MT in MY 2024/25 and to 73,000 MT in MY 2025/26 as Japan is planning to continue consolidating dairy farms.

Feed manufacturers use cottonseed as a minor ingredient in feed for dairy cows to boost milk fat. In March 2023, MAFF allocated 5 billion yen ($33.3 million[5]) in the 2022 supplementary budget to depopulate up to 40,000 dairy cows in response to the overproduction of milk. In response to persistently weak milk demand, large production areas have adjusted their output, and it is anticipated that this trend will continue. For additional details, see 2024 Japan Dairy and Products Annual.

In addition, Japanese importers' procurement of cottonseed from U.S. East Coast suppliers was impacted by the Panama Canal drought in late 2022. Due to the shortage of cottonseed imports, the feed consumption of cottonseed dropped significantly to 65,000 MT in MY 2022/23. As the container shipping problem has eased, the consumption of cottonseed has recovered to 75,000 MT in MY 2023/24.

Trade

Besides some domestic food-grade soybean production, Japan fully relies on oilseed imports and has no tariffs on soybeans, rapeseed, and cottonseed. As of spring 2025, Japanese importers and industry

[4] FSW consumption represents residual consumption and includes off-grade domestic soybeans as on-firm feed.
[5] $1 ≈ 150 yen (March 2025)

stakeholders have noted the potential uncertainty in their businesses and the need to have flexibility in their procurement of imports in the event of increased tariffs.

Soybeans

FAS/Tokyo forecasts that Japan will increase imports of soybeans to 3.30 MMT in both MY 2024/25 and MY 2025/26, driven by a recovery in the soybean crush margin.

In MY 2023/24, Japan imported 3.099 MMT of soybeans, a decrease from 3.330 MMT in MY 2022/23. During MY 2023/24, the United States remained the primary supplier of both feed-grade and food-grade soybeans, although its market share declined to 68.3 percent. Brazil supplies feed-grade soybeans, and its share rose to 21.1 percent. Generally, about 80 percent of imports are feed-grade and 20 percent are food-grade. Despite Japanese crushers' preference for the oil quality of U.S. soybeans, the Japanese industry's requirement of 47.5 percent crude protein in soybean meal for high-protein feed (Hi-Pro) sustains Brazil's market share due to the higher crude protein content in Brazilian soybeans.

Japanese food manufacturers often use North American "identity preserved" (IP) soybeans to cater to price-sensitive mass markets. Conversely, they market soy food products made with domestic soybeans to appeal to high-end customers, emphasizing that their higher-priced products use Japanese soybeans. However, since the end of MY 2023/24, the price gap has narrowed, with industry stakeholders noting that the prices of North American food-grade soybeans sometimes exceed the price of domestic soybeans. This is partly due to the larger-than-expected domestic soybean crop in MY 2024/25, and the high inventory of food-grade soybeans as of spring 2025. The supply and demand situation for food-grade soybeans in Japan is dynamic and FAS/Tokyo continues to monitor this market closely.

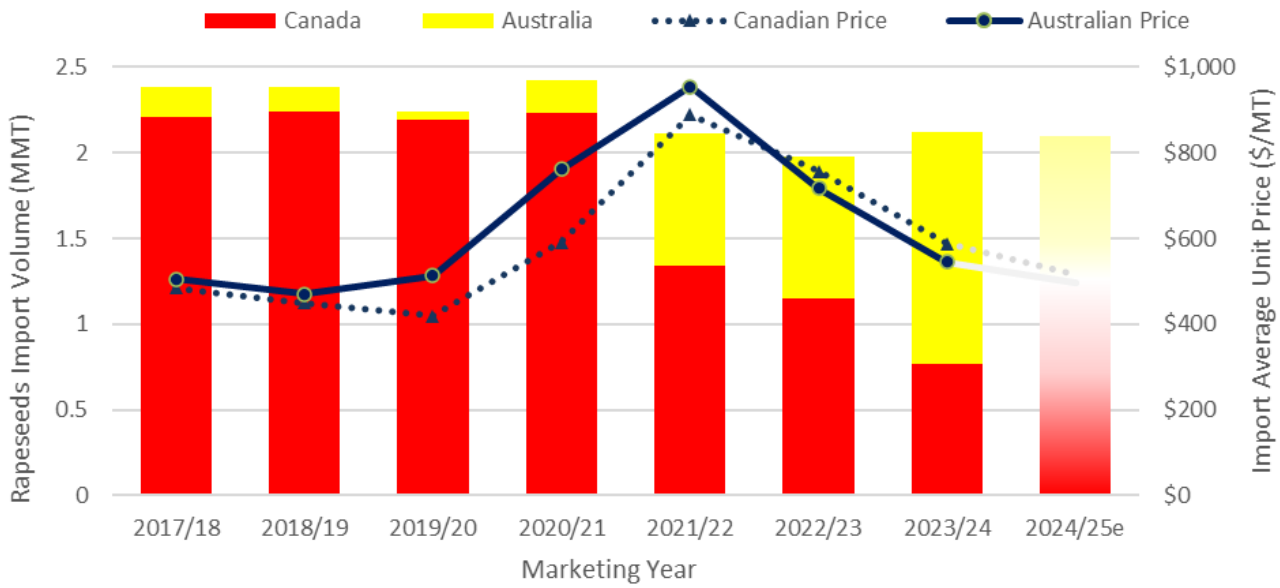
Rapeseed

FAS/Tokyo forecasts that Japan will decrease imports of rapeseed to 2.10 MMT in MY 2024/25 and then increase imports to 2.14 MMT in MY 2025/26. As Japan rapeseed production is negligible, it must import canola seeds either from Canada or Australia to meet the demand by oil crushers.

In MY 2023/24, Japanese imports of rapeseeds surged to 2.117 MMT. Historically, Japan has depended on Canada for approximately 95-97 percent of its rapeseed imports. However, beginning in MY 2021/22, Japan began purchasing more Australian canola seeds due to a historically poor canola crop in Canada that year. In contrast, Australia had bumper canola crops in both MY 2021/22 and MY 2022/23. Japanese crushers also noted higher oil extraction rates from Australian canola seeds compared to Canadian seeds, although the meal extraction rates were lower. In MY 2023/24, for the first time, Australia emerged as the major rapeseed supplier to Japan, capturing a market share of 63.8 percent, while Canada's share decreased to 36.2 percent (Figure 5).

However, industry experts suggest that Japan is likely to increase imports of Canadian canola seeds in MY 2024/25. If so, the extraction rate of canola oil is expected to decline, whereas the meal extraction rate is anticipated to rise in MY 2024/25.

Figure 5. Japan's Rapeseed Imports by Origin

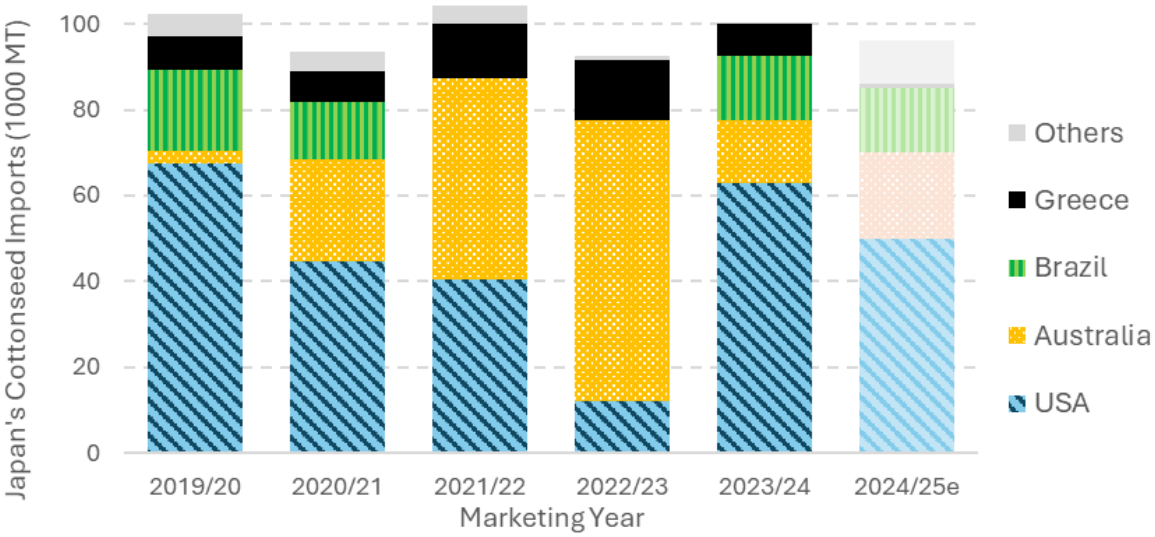


Source: Japan Customs
Note: MY 2024/25e estimates are the year-to-date estimates.

Cottonseed

FAS/Tokyo projects Japanese cottonseed imports to contract to 97,000 MT in MY 2024/25 and to 96,000 MT in MY 2025/26 due to weak feed demand by the dairy industry.

Figure 6. Japan's Cottonseed Imports by Origin



Source: Japan Customs
Note: MY 2024/25e estimates are the year-to-date estimates.

GE cottonseed must undergo regulatory approval for food and feed use in Japan (refer to Japan Agricultural Biotechnology Annual for the regulations). Consequently, only select countries can provide cottonseed to Japanese consumers. In MY 2022/23, Japanese feed millers faced a shortfall in U.S. cottonseed due to the lowest cotton production since MY 2015/16, driven by a severe drought in Texas. Concurrently, the drought in the Panama Canal in 2022 led to significant disruptions in global shipping. As a result, the import share of U.S. cottonseed dropped to 13 percent, and Australia emerged as the primary supplier, holding a 70.7 percent market share (Figure 6).

In MY 2023/24, the situation improved as the Panama Canal disruption eased. Japanese cottonseed imports increased to 100,085 MT, bolstered by imports from Brazil and the United States. With more favorable pricing, industry experts believe Japan will increase imports of Brazilian cottonseeds for both feed and crush in the next two marketing years.

Stocks

FAS/Tokyo forecasts that soybean ending stocks will increase to 200,000 MT in MY 2024/25 and MY 2025/26, driven by the expected increase of Japanese soybean crush and soybean production. Rapeseed ending stocks are forecasted to stay around 170,000 MT in MY 2024/25 and MY 2025/26. FAS/Tokyo also forecasts cottonseed ending stocks will hover around 3,000 MT in both MY 2024/25 and MY 2025/26.

MAFF reported that soybean stock levels were172,656 MT (169,114 MT at crushers and 3,542 MT at feed millers) at the beginning of MY 2023/24, then stocks marginally declined to 164,604 MT (160,690 MT at crushers and 3,914 MT at feed millers). MAFF reported that MY 2023/24 rapeseed beginning stocks at crushers were 181,923 MT and the MY 2024/25 rapeseed beginning stocks were 203,008 MT.

MAFF also reported MY 2023/24 beginning cottonseed stocks for crush at 1,550 MT and ending cottonseed stocks decline to 725 MT. There are no official cottonseed stock figures for feed, but FAS/Tokyo estimates total cottonseed stocks at 3,000 MT.

Meals

Commodities:
Meal, Soybean
Meal, Rapeseed
Meal, Fish
Meal, Palm Kernel

Production, Supply, and Distribution of Soybean Meal

Meal, Soybean	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2,345	2,378	2,540	2,525	0	2,550
Extaction Rate (PERCENT)	0.754	0.749	0.750	0.751	0	0.751
Beginning Stocks (1000 MT)	43	43	53	123	0	150
Production (1000 MT)	1,769	1,780	1,905	1,896	0	1,915
MY Imports (1000 MT)	1,822	1,822	1,800	1,632	0	1,646
Total Supply (1000 MT)	3,634	3,645	3,758	3,651	0	3,711
MY Exports (1000 MT)	1	1	1	1	0	1
Industrial Dom. Cons. (1000 MT)	210	190	210	200	0	200
Food Use Dom. Cons. (1000 MT)	200	190	200	190	0	190
Feed Waste Dom. Cons. (1000 MT)	3,170	3,141	3,280	3,110	0	3,200
Total Dom. Cons. (1000 MT)	3,580	3,521	3,690	3,500	0	3,590
Ending Stocks (1000 MT)	53	123	67	150	0	120
Total Distribution (1000 MT)	3,634	3,645	3,758	3,651	0	3,711
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production, Supply, and Distribution of Rapeseed Meal

Meal, Rapeseed	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2,100	2,116	1,910	2,116	0	2,140
Extraction Rate (PERCENT)	0.573	0.561	0.570	0.565	0	0.565
Beginning Stocks (1000 MT)	16	16	19	83	0	83
Production (1000 MT)	1,203	1,188	1,089	1,196	0	1,209
MY Imports (1000 MT)	5	5	10	6	0	6
Total Supply (1000 MT)	1,224	1,209	1,118	1,285	0	1,298
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	235	63	235	102	0	108
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	970	1,063	865	1,100	0	1,100
Total Dom. Cons. (1000 MT)	1,205	1,126	1,100	1,202	0	1,208
Ending Stocks (1000 MT)	19	83	18	83	0	90
Total Distribution (1000 MT)	1,224	1,209	1,118	1,285	0	1,298
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production, Supply, and Distribution of Fishmeal

Meal, Fish	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Catch For Reduction (1000 MT)	950	812	950	820	0	820
Extraction Rate (PERCENT)	0.211	0.218	0.211	0.216	0	0.216
Beginning Stocks (1000 MT)	18	18	23	24	0	25
Production (1000 MT)	200	177	200	177	0	177
MY Imports (1000 MT)	170	171	170	179	0	178
Total Supply (1000 MT)	388	366	393	380	0	380
MY Exports (1000 MT)	5	5	5	5	0	5
Industrial Dom. Cons. (1000 MT)	75	50	75	50	0	50
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	285	287	290	300	0	300
Total Dom. Cons. (1000 MT)	360	337	365	350	0	350
Ending Stocks (1000 MT)	23	24	23	25	0	25
Total Distribution (1000 MT)	388	366	393	380	0	380
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production, Supply, and Distribution of Palm Residues (HS Code: 2306.60)

Meal, Palm Kernel	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	133	132	150	130	0	130
Total Supply (1000 MT)	133	132	150	130	0	130
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	128	128	145	126	0	126
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	5	4	5	4	0	4
Total Dom. Cons. (1000 MT)	133	132	150	130	0	130
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	133	132	150	130	0	130
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Note: Due to the difference in the application of HS codes used by Japan and its palm kernel residue suppliers (Malaysia and Indonesia), Malaysia's and Indonesia's export data differ notably from Japan's import data (see JA2020-0110). FAS/Tokyo relies on suppliers' export data to capture Japanese palm kernel residue imports, which are primarily utilized as biomass by Japanese powerplants. Above numbers do not represent the total PKS consumption by Japanese power plants (see JA2023-0071).

Production

Soybean and Rapeseed Meal

Aa referenced in the "Oilseed Consumption" section, FAS/Tokyo forecasts a rise in soybean meal production to 1.896 MMT in MY 2024/25 and 1.915 MMT in MY 2025/26 as soybean oil prices have become relatively competitive. FAS/Tokyo assumes the soybean meal extraction rate at 0.751, a five-year average. FAS/Tokyo also forecasts that Japan will marginally increase rapeseed meal production to 1.196 MMT in MY 2024/25 and to 1.209 MMT in MY 2025/26 due to its higher extraction rate of 0.565, as Japan is expected to increase imports of Canadian canola seeds.

MAFF reports that soybean meal production in MY 2023/24 was 1.780 MMT (meal extraction rate: 0.749) and rapeseed meal production was 1.188 MMT (meal extraction rate: 0.561). See Table 2 for detailed information. Japanese oil crushers produce soybean meal and rapeseed meal as by-products, supplying approximately half of soybean meal demand and all of rapeseed meal demand.

Table 2. Soybean and Rapeseed Meal Production from Domestic Crush (Unit: MMT)

	Soybean Meal			Rapeseed Meal			SBM/RSM SME
	Soybeans	Production	Extr.Rate	Rapeseeds	Production	Extr.Rate	
MY 2018/19	2.470	1.854	0.751	2.396	1.326	0.554	2.798
MY 2019/20	2.393	1.799	0.752	2.270	1.236	0.545	2.679
MY 2020/21	2.364	1.783	0.754	2.357	1.322	0.561	2.724
MY 2021/22	2.600 +10.0%	1.946 +9.2%	0.749	2.144 -9.0%	1.221 -7.6%	0.570	2.815
MY 2022/23	2.578 -0.8%	1.937 -0.5%	0.751	1.975 -7.9%	1.116 -8.6%	0.552	2.731
MY 2023/24	2.378 -7.8%	1.780 -8.1%	0.749	2.116 +7.1%	1.188 +6.5%	0.561	2.625
MY 2024/25f	*2.525* *+6.2%*	*1.896* *+6.5%*	*0.751*	*2.116* *±0%*	*1.196* *+0.6%*	*0.565*	*2.747*
MY 2025/26f	*2.55*	*1.915*	*0.751*	*2.140*	*1.209*	*0.565*	*2.775*

Source: MAFF
Note: "f" indicates forecasts by FAS/Tokyo. FAS/Tokyo's forecasts of MY 2024/25 is based on MAFF's official data from October 2024 to January 2025.
The "%" figure indicates annual change from the previous MYs.

Fishmeal

The fishmeal marketing year (FM-MY) 2024/25 runs from January through December 2025 (i.e., the calendar year or CY 2025). Assuming the extraction rate will be 21.6 percent, a five-year average, FAS/Tokyo predicts Japan will produce 177,000 MT of fishmeal from 820,000 MT of domestic inputs in FM-MY 2025 and 2026. FAS/Tokyo predicts that trimmings will stay around 550,000 MT annually as seafood manufacturers continuously reduce their production. Although it is extremely difficult to predict the size of the sardine catch in the future, FAS/Tokyo assumes the availability of sardines for fishmeal production will remain around 270,000 MT.

Japan primarily utilizes domestic fish trimmings and small whole fish, predominantly sardines (*Sardinops melanostictus*)[6], as inputs in the production of fish oil and fishmeal (see Table 3). As the overall seafood prices have risen, the production of processed seafood products has declined in Japan. This decrease has resulted in reduced available trimmings for fishmeal and fish oil production over the years.

Table 3. Japan's Fishmeal Production and Supply (Unit: thousand MT)

	CY	2020	2021	2022	2023	2024	2025f
	FM-MY	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25f
Domestic Input	Trimmings	664	672	620	570	557	*550*
	Whole Fish	239	280	231	312	255	*270*
	Total	**903**	**952**	**851**	**882**	**812**	***820***
Domestic Production	Fish Oil	78	79	67	72	64	--
	Oil Extr. Rate	8.7%	8.3%	7.8%	8.1%	7.9%	--
	Fishmeal	**195**	**205**	**187**	**193**	**177**	***177***
	Meal Extr. Rate	21.5%	21.5%	21.9%	21.8%	21.8%	*21.6%*
Fishmeal Imports	Peru	51	45	40	23	35	--
	Chile	39	22	20	22	11	--
	U.S.	17	14	8	14	16	--
	U.S. (%)	8.6%	9.3%	5.0%	7.9%	9.6%	--
	Total	**203**	**146**	**160**	**178**	**171**	***175***
Total Fishmeal Supply		**398**	**351**	**347**	**371**	**348**	***352***
Crustacean Meal Imports		6	5	5	4	5	*5*

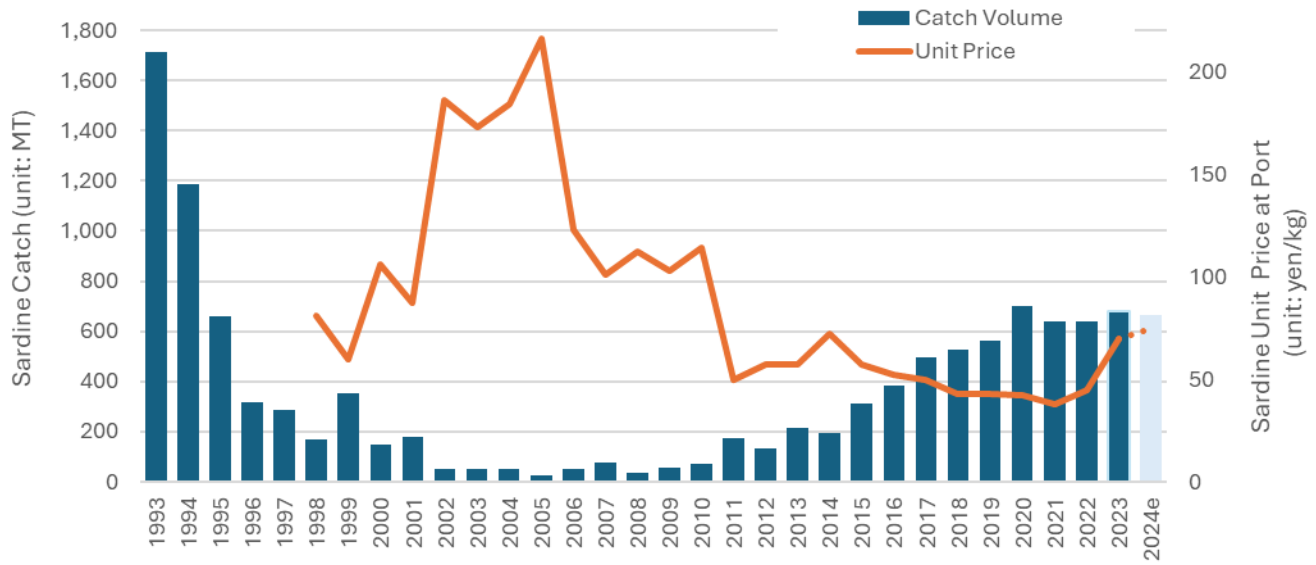
Sources: Japan Marine Oil Association and Japan Customs
Note: Total numbers may not match due to rounding error. "f" indicates FAS/Tokyo's forecasts.

Sardine resources had been showing signs of recovery until CY 2023 compared to the historically poor catches experienced during the early 2000s (Figure 7). The Japan Fisheries Agency reported a total sardine catch of 680,900 MT in 2023, however, the catch declined to about 666,000 MT in CY 2024, based on monthly reports. The catch of Pacific sardines off the coast of eastern Hokkaido decreased by 17 percent in CY 2024 compared to CY 2023, and the fishmeal production volume in Hokkaido decreased by more than 20 percent. Furthermore, as stocks of other seafood species like Pacific saury and Pacific mackerel declined, some Japanese seafood processors redirected sardine utilization from fishmeal to food products for human consumption, such as canned fish. Consequently, the unit price of sardines has gradually increased since 2022.

According to preliminary results by the Japan Marine Oil Association, in CY 2024 (FM-MY 2023/24), Japan produced 177,300 MT of fishmeal, an eight percent decline from the previous year, along with 64,100 MT of fish oil. In CY 2024, domestic inputs declined to 812,200 MT, including 255,400 MT of whole fish (such as sardines) and 556,800 MT of trimmings. The extraction rate of fishmeal remained at 21.8 percent in CY 2024, unchanged from CY 2023.

[6] Also known as Japanese pilchard or *ma-iwashi*.

Figure 7. Japan's Sardine Catch and Sardine Price



Source: Japan Fisheries Agency
Note: "e" indicates FAS/Tokyo's estimation from MAFF monthly data.

Palm Kernel Meal

Japan does not produce palm kernel meal.

Consumption

Feed and Waste Consumption

Soybean Meal and Rapeseed Meal

FAS/Tokyo forecasts an increase in rapeseed meal feed and waste consumption to 1.10 MMT in both MY 2024/25 and MY 2025/26 as Japan fully utilizes domestically produced rapeseed meal. Conversely, FAS/Tokyo forecasts a decrease in soybean meal feed consumption to 3.11 MMT as rapeseed meal increases its share. The outbreak of Highly Pathogenic Avian Influenza (HPAI) in the beginning of 2025 also reduces the overall protein meal demand. FAS/Tokyo forecasts the soybean meal feed consumption to recover to 3.20 MMT in MY 2025/26.

In MY 2023/24, MAFF reported that Japanese livestock animals and aquaculture consumed 3,049,452 MT of soybean meal and 1,062,850 MT of rapeseed meal. FAS/Tokyo estimates that Japanese feed millers consumed 8.53 MMT of soybean meal equivalent (SME) protein, showing a marginal increase of 0.3 percent from the previous marketing year (Table 4). SME protein consumption was comprised of 35.7 percent soybean meal, 8.9 percent rapeseed meal, 8.7 percent corn-derived protein by-products (including distillers' dried grains with solubles (DDGS), and corn gluten feed and meal (CGF&M)), 4.2 percent slaughterhouse waste (such as meat and bone meal and feather meal), and 2.8 percent fishmeal.

As feed prices softened, feed consumption was strong during the first 3-4 months of MY 2024/25. However, the outbreak of HPAI is expected to reduce the protein feed demand for egg layers in late MY 2024/25. FAS/Tokyo projects that the total SME requirement by the Japanese feed sector will drop marginally to 8.50 MMT in MY 2024/25 and then recover to 8.60 MMT in MY 2025/26.

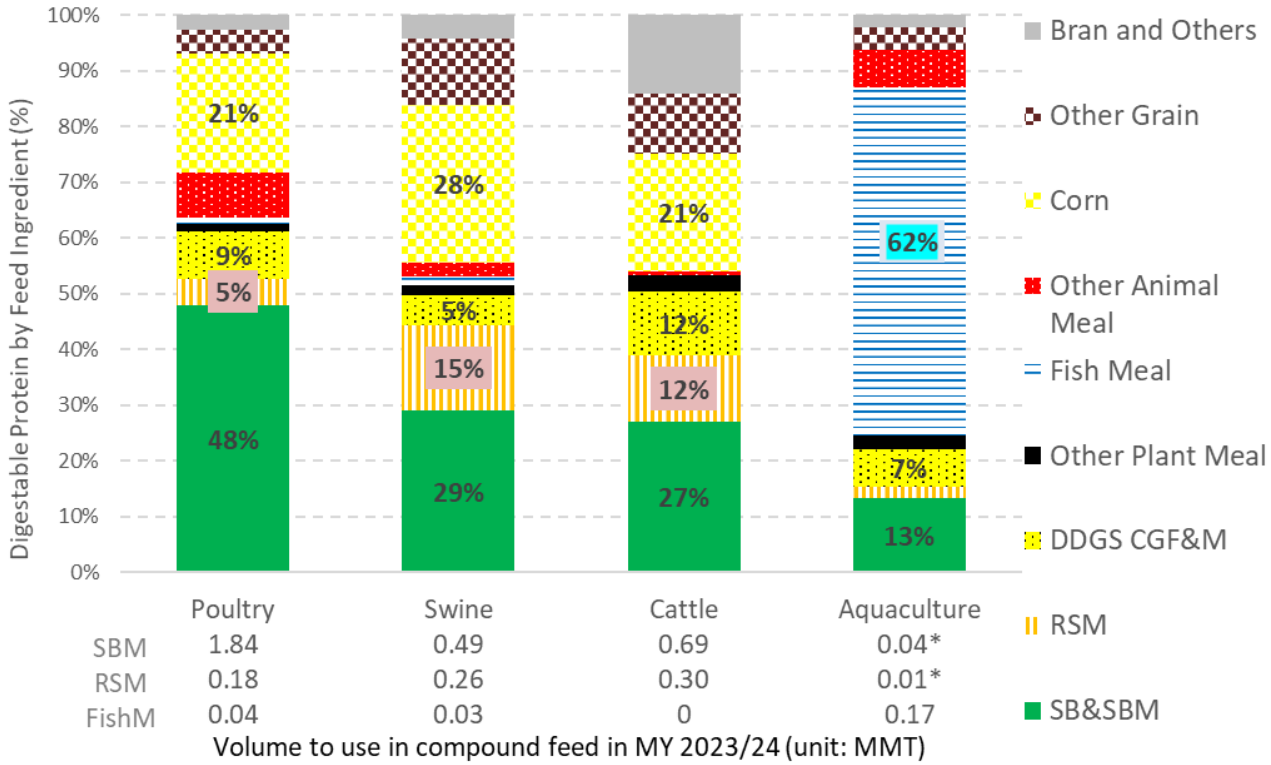
Table 4. Protein Consumption by Livestock and Aquaculture (Unit: thousand MT SME)

	2020/21	2021/22	2022/23	2023/24	2024/25f	2025/26f
Total	**8,690**	**8,665**	**8,507**	**8,533**	**8,500**	**8,600**
of DDGS & CGF&M	704	703	728	744	750	750
Animal-based protein subtotal	**770**	**751**	**702**	**696**	**680**	**695**
of dom. & imp. fishmeal	266	264	252	242	240	240
of slaughterhouse waste	393	374	344	360	344	355
High-protein oil meals subtotal	**4,083**	**4,061**	**3,955**	**3,970**	**3,950**	**4,000**
of dom. rapeseed meal	818	796	697	756	783	783
of dom. & imp. soybean meal	3,097	3,098	3,090	3,049	3,002	3,052
of palm kernel meal	0	0	0	0	0	0
of other meal (sesame, etc.)	168	167	168	165	165	165

Source: MAFF

Given the strong consumption of soft drinks and optimistic cornstarch production (2025 Grain Annual), the consumption of CGF&M is expected to remain robust in the next two marketing years. The outbreak of HPAI weakened the supply of feather meal in MY 2024/25, but it is expected to fully recover in MY 2025/26. However, with the expected recovery in CGF&M and feather meal consumption over the next two marketing years, it is expected that feed millers will marginally decrease the proportion of oilseed-based meal. It is important to note that MAFF feed statistics (i.e., Table 4 values) do not include on-farm soybean meal feed. Feed and waste consumption values of the PSD table include these estimates.

Figure 8. Proportion of Digestible Protein in Compound Feed by Animal in MY 2023/24



Source: MAFF
Note: *denotes FAS/Tokyo estimates of aquaculture meal consumption during the oilseed 2023/24 MY (2023 October-2024 September).

Figure 8 provides detailed information on the proportion of digestible protein sources in the diets of farmed animals and aquaculture in MY 2023/24. Please see 2025 Japan Grain and Feed Annual JA2025-0012 for more details about the Japanese feed market and the 2025 Japan Livestock and Products Semi-annual JA2025-0007 for more details about the Japanese livestock market.

Fishmeal

FAS/Tokyo forecasts that the consumption of fishmeal for livestock and aquaculture feed will increase to 300,000 MT in FM-MY 2024/25 (CY 2025) and FM-MY 2025/26 (CY 2026). This increase is attributed to the recovery of yellowtail aquaculture following previous years of low yellowtail stock.

In CY 2024 MAFF reported that fishmeal consumption for livestock and other animals was 46,102 MT,[7] marking a 9.1 percent decline from CY 2023. The consumption of fishmeal by livestock have been decreasing steadily due to the high cost of fishmeal and deregulation. This trend is expected to continue in the future. While MAFF's feed statistics completely cover feed production for livestock, these reported statistics only partially cover feed production for aquaculture. Thus, FAS/Tokyo estimates the consumption of fishmeal for aquaculture. MAFF reports include partial consumption statistics reported by the fish feed factories belonging to Japan Feed Association.

The most popular aquaculture fish in Japan is yellowtail, also known as *buri* or *Hamachi*. MAFF promotes yellowtail exports as one of the most important exportable food items from Japan. Aquafarmers catch wild juvenile yellowtails (about 5-10 cm, called mojako) in the spring and feed them in net pens in Southern Japan for 1.5-3 years before shipping. Due to an extremely poor catch of juvenile yellowtails in CY 2021, feed consumption had depreciated. However, as yellowtail stock in net pens recovered, feed demand also recovered. FAS/Tokyo estimates that fishmeal consumption for feed was about 287,000 MT in CY 2024.

Palm Kernel Meal

FAS/Tokyo anticipates that palm kernel meal (PKM) feed consumption will maintain its yearly quantity of 4,000 MT. Industry sources suggest that palm kernel meal in Japan is limited in usage as an extremely minor niche feed ingredient for ruminant animals, such as sheep.

Food Use Consumption

FAS/Tokyo projects that Japan's consumption of soybean meal for food purposes will remain stable at 190,000 MT in both MY 2024/25 and MY 2025/26.

Food-grade soybean meal, distinct from typical feed-grade varieties, is derived from non-GE soybean varieties and undergoes no heat treatment. In Japan, this specialized product finds primary usage among manufacturers producing soy sauce, isolated plant protein products (such as alternative meats), hydrolyzed vegetable protein (HVP), and beer-like alcoholic beverages (see Utilization of Food-Grade

[7] MAFF's feed statistics completely cover feed production for livestock animals, but partially cover feed production for aquaculture. Accordingly, FAS/Tokyo estimates the consumption of fishmeal for aquaculture.

Soybeans in Japan). For further information on recent trends within Japan's expanding market for plant-based meat alternatives, please read JA2023-0061.

Due to the weak Japanese yen and high non-GM premium, Japanese food-grade soybean meal users face challenges in procuring supplies. In addition, while, plant-based products have secured shelf space in major grocery stores, and the market for plant-based meat alternative products expanded initially, the early excitement towards these products has leveled off. Consequently, FAS/Tokyo forecasts stable consumption for the near future. For additional information on plant-based meat alternatives, see JA2023-0061.

Industrial Consumption

FAS/Tokyo anticipates stable consumption levels for soybean meal, rapeseed meal, and fishmeal for industrial (i.e., fertilizer) consumption in MY 2024/25 and MY 2025/26. While the outlook is stable, the consumption levels remain historically lower than previous years.

The primary industrial use of soybean meal, rapeseed meal, and fishmeal is for organic fertilizer production, which is particularly favored by growers of specialty crops, such as tea and tobacco. In Japan, reliable fertilizer input data is not published, but industry experts suggest that demand remains low due to the dominance of chemical fertilizers in the market.

Palm Kernel Shell

Japan utilizes a large volume of palm kernel shells (PKS) and other oil palm-derived residues as biomass for power generation (see Japan Biomass Annual). Feed-in tariff (FIT)-eligible biomass power plants located near ports use PKS and imported wood pellets as stable feedstocks. Usage in biomass power plants has increased the volume of PKS imports since 2012. The Ministry of Economy, Trade and Industry (METI) started requiring stricter third-party environmental certification from April 2024 for PKS to qualify for the FIT program. Despite the initial concern by industry experts, the consumption of PKS has been strong as Japanese importers have been able to successfully secure certified PKS.

Trade

Japan has no tariff on meal products.

Rapeseed Meal

FAS/Tokyo forecasts fertilizer-grade rapeseed meal imports to stay around 6,000 MT annually for the coming years. According to Japan Customs, in MY 2023/24 Japanese imports of fertilizer-grade high-erucic acid rapeseed meal from China and India dropped to 5,453 MT. Japan does not import feed-grade rapeseed meal.

Soybean Meal

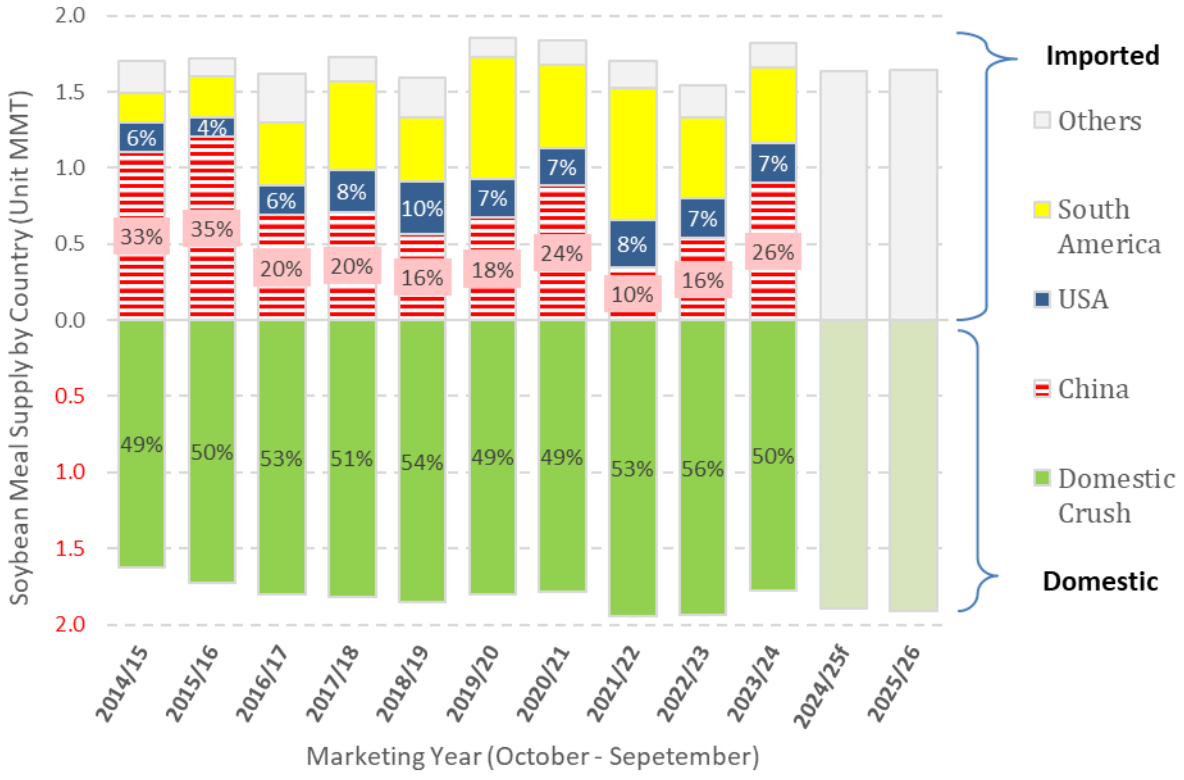
FAS/Tokyo forecasts Japan's soybean meal imports to decrease to 1.63 MMT in MY 2024/25, by more than a 10 percent drop from the previous marketing year because Japanese meal production will increase reducing the need for soybean meal imports. However, FAS/Tokyo forecasts soybean meal imports will

marginally increase to 1.65 MMT in MY 2025/26, as imported soybean meal is anticipated to fulfill the expected protein shortage needed in livestock feed.

In MY 2023/24, Japan Customs reported that Japanese imports of soybean meal increased to 1.82 MMT, marking an 18 percent increase from the previous marketing year. Due to a poor canola crop in Canada, Japan increased soybean crushing in MY 2022/23, which resulted in high soybean meal production (56 percent of soybean meal supply) and a significant reduction in soybean meal imports. However, Japanese crushers normalized the crush ratio between soybean and canola in MY 2023/24, and since the by-product of canola seeds does not contain a suitable protein content for feed, additional soybean meal imports were needed to fulfill the protein feed shortage. Japanese feed manufacturers prefer to use container shipments from nearby ports, such as China, to achieve just-in-time delivery. In MY 2023/24, China was the primary supplier, holding a 49.7 percent market share, followed by Brazil with 25.4 percent and the United States with 14.0 percent (Figure 9). The United States supplied both food-grade identity preserved non-GE soybean meal and feed-grade low-protein (Lo-Pro) soybean meal to Japan. Imported soybean meal constitutes roughly half of Japan's soybean meal supply.

Even when global soybean meal prices are low, Japanese feed millers will prioritize all available protein feed first, and then import soybean meal to finalize the needed protein content in their formula feed mix. Consequently, Japanese soybean meal imports are somewhat price inelastic.

Figure 9. Japan's Soybean Meal Share



Source: MAFF, Japan Customs

Palm Kernal Meal (PKM) and Palm Kernal Shells (PKS)

FAS/Tokyo anticipates that Japanese imports of PKS, which are sometimes incorrectly designated as PKM from Malaysia, will remain around 130,000 MT over the next two marketing years. Japan imports the by-products derived from oil palms in Indonesia and Malaysia, focusing on PKS for power generation, and leveraging the feed-in tariff (FIT) scheme (see JA2020-0110). In MY 2023/24, Malaysia exported 132,482 MT of HS 230660 products to Japan. Notably, Malaysian exporters often arbitrarily designate HS codes, using either HS 230660 or HS 140490 for PKS. Since the vast majority of Japanese import statistics for HS 230660 are PKS, not PKM, FAS/Tokyo relies on Malaysian export statistics. For detailed information on the Japanese PKS market, please see Japan Biomass Annual.

Fishmeal

FAS/Tokyo anticipates that fishmeal imports will remain steady at around 178,000-180,000 MT in both CY 2025 and CY 2026.

Traditionally, Japan has mainly procured anchovy derived “brown meal” from Peru, Chile, and Ecuador for general aquaculture and poultry diets, and obtained U.S. Alaskan pollock derived "white meal" for eel farming and for piglet feed. However, over the past 15 years, Japan has increasingly turned to importing cheaper fishmeal sourced from trimmings and white fish, such as Pangasius and golden threadfin bream, from Southeast and South Asian countries.

According to Japan Customs data, in CY 2024 (i.e., FM-MY 2022/23), Japan imported 171,053 MT of fishmeal (see Table 3) from various countries. Peru returned to be the top fishmeal supplier with 20.5 percent share, followed by Thailand, Oman, India, the United States, and Chile. Additionally, Japan imported 4,826 MT of krill and other crustacean meal used to stimulate feeding intake and to increase fish meat coloration (these values are excluded from PSD table).

Despite the high costs of fishmeal, Japan aquaculture stakeholders must continue to import fishmeal to meet demand unless Hokkaido secures enough sardines for domestic fishmeal production.

Stocks

FAS/Tokyo forecasts both soybean meal and rapeseed meal stocks will remain steady in both MY 2024/25 and 2025/26 as oil crushers maintain production. FAS/Tokyo also forecasts fishmeal stocks will remain steady around 25,000 MT in next two FM-MYs.

In MY 2023/24, MAFF reported that soybean meal beginning stocks (i.e., in the end of September 2023) were 101,982 MT (47,668 MT at crushers and 54,314 MT at feed millers) and ending stocks (in the end of September 2024) were 123,373 MT (72,042 MT at crushers and 51,331 MT at feed millers). MAFF also reported the rapeseed meal beginning stocks at 63,244 MT (41,317 MT at crushers and 21,927 MT at feed millers) and ending stocks at 83,081 MT (62,905 MT at crushers and 20,176 MT at feed millers).

According to MAFF, feed manufacturers held 26,758 MT of fishmeal at the beginning of FM-MY 2023/24 (in the end of December 2023) and decreased stocks marginally to 23,921 MT at the beginning of FM-MY 2024/45 (in the end of December 2024).

Oils

Commodities:
Oil, Soybean
Oil, Rapeseed
Oil, Palm
Oil, Sunflower seed

Production, Supply, and Distribution of Soybean Oil

Oil, Soybean	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2,345	2,378	2,540	2,525	0	2,550
Extraction Rate (PERCENT)	0.197	0.201	0.200	0.198	0	0.198
Beginning Stocks (1000 MT)	10	28	16	21	0	25
Production (1000 MT)	461	479	508	500	0	505
MY Imports (1000 MT)	2	2	10	2	0	2
Total Supply (1000 MT)	473	491	534	523	0	532
MY Exports (1000 MT)	0	0	1	1	0	1
Industrial Dom. Cons. (1000 MT)	35	30	35	40	0	40
Food Use Dom. Cons. (1000 MT)	422	440	466	457	0	466
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	457	470	501	497	0	506
Ending Stocks (1000 MT)	16	21	32	25	0	25
Total Distribution (1000 MT)	473	491	534	523	0	532
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production, Supply, and Distribution of Rapeseed Oil

Oil, Rapeseed	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2,100	2,116	1,910	2,116	0	2,140
Extraction Rate (PERCENT)	0.427	0.435	0.430	0.430	0	0.430
Beginning Stocks (1000 MT)	17	27	27	30	0	30
Production (1000 MT)	896	920	822	910	0	920
MY Imports (1000 MT)	8	8	15	10	0	10
Total Supply (1000 MT)	921	945	864	950	0	960
MY Exports (1000 MT)	4	4	5	5	0	5
Industrial Dom. Cons. (1000 MT)	50	50	50	50	0	55
Food Use Dom. Cons. (1000 MT)	840	861	795	865	0	870
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	890	911	845	915	0	925
Ending Stocks (1000 MT)	27	30	14	30	0	30
Total Distribution (1000 MT)	921	945	864	950	0	960
(1000 MT) ,(PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production, Supply, and Distribution of Palm Oil

Oil, Palm	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	8	8	8	8	0	10
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	645	645	650	645	0	635
Total Supply (1000 MT)	653	653	658	653	0	645
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	95	90	110	90	0	90
Food Use Dom. Cons. (1000 MT)	550	550	535	550	0	540
Feed Waste Dom. Cons. (1000 MT)	0	5	0	3	0	5
Total Dom. Cons. (1000 MT)	645	645	645	643	0	635
Ending Stocks (1000 MT)	8	8	13	10	0	10
Total Distribution (1000 MT)	653	653	658	653	0	645
(1000 HA), (1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production, Supply, and Distribution of Sunflower Seed Oil

Oil, Sunflower Seed	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	4	4	4	2	0	2
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	15	12	15	15	0	17
Total Supply (1000 MT)	19	16	19	17	0	19
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	2	2	2	2	0	2
Food Use Dom. Cons. (1000 MT)	13	12	15	13	0	15
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	15	14	17	15	0	17
Ending Stocks (1000 MT)	4	2	2	2	0	2
Total Distribution (1000 MT)	19	16	19	17	0	19
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Note: Sunflower seed oil PSD figures do not include safflower oil.

Overall Vegetable Oil Market

FAS/Tokyo forecasts that vegetable oil consumption will remain stable, but subdued, at approximately 2.5 MMT, for both MY 2024/25 and MY 2025/26.

Japanese vegetable oil demand is a main driver in shaping Japan's oilseeds and products market. The majority of vegetable oil is for human consumption, with a small portion used for non-food purposes, including palm stearin oil, which is primarily utilized for power generation till around 2020.

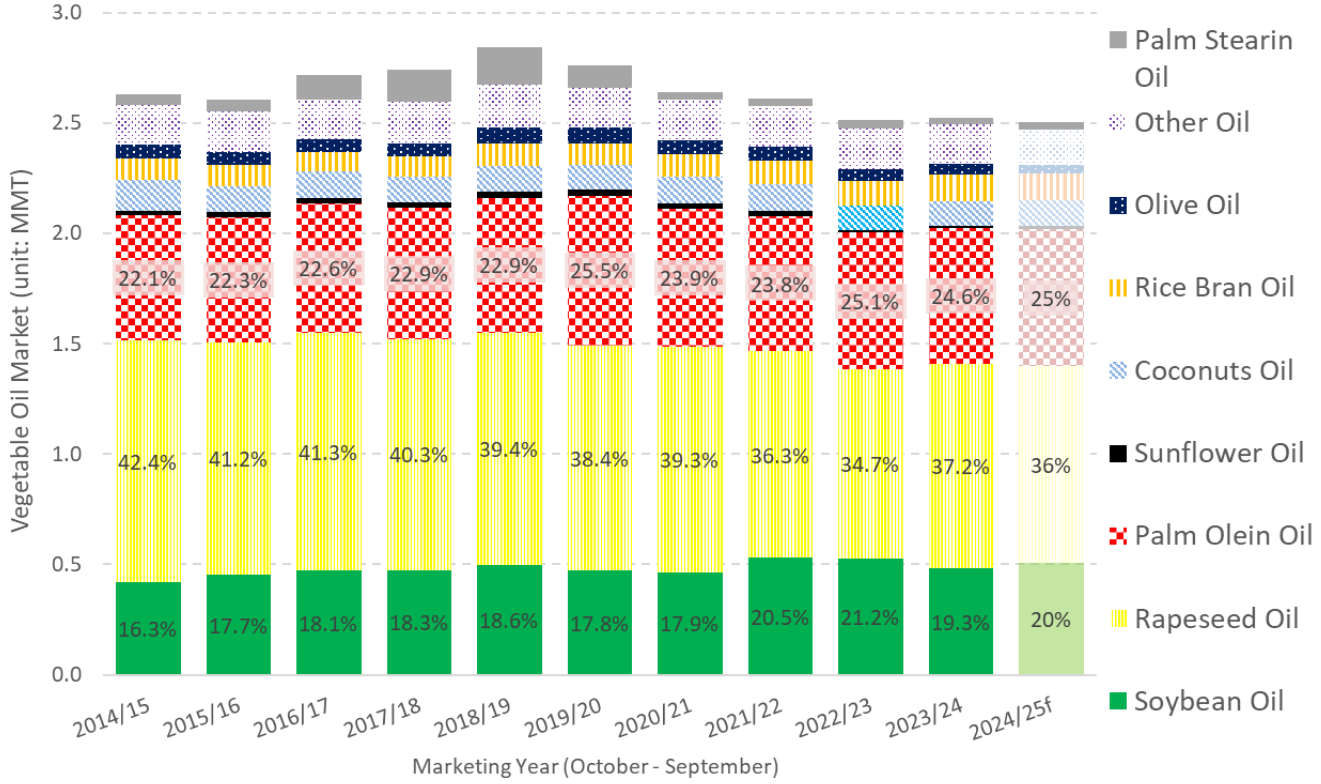
The total consumption of vegetable oil in Japan peaked in MY 2018/19 and has been on a downward trajectory, exacerbated by the COVID-19 pandemic and high global vegetable oil prices, which depressed the size of the vegetable oil market. Additionally, the depreciated Japanese yen has further inflated the retail price of vegetable oil imports, on which Japan is heavily dependent. Moreover,

container shipping disruptions at the Suez and Panama Canals, driven by geopolitical tensions and weather issues, respectively, have significantly impeded global trade, resulting in extended delivery times, increased costs, and supply chain bottlenecks.

High oil prices and stagnant household disposable income have rendered Japanese consumers and businesses more cautious, prompting efforts to curtail consumption. For instance, restaurants have invested in oil filters and long-life oil products to reduce usage, while baking and snack industries have adopted "shrinkflation" by offering smaller-sized products. In addition, businesses and households have shifted from olive oil to more cost-effective alternatives, such as canola and soybean oil. Although the depreciated Japanese yen has recently spurred inbound tourism to Japan, leading to a marginal increase in consumption, this has not been sufficient to counterbalance the overall weak demand in the Japanese vegetable oil market. Although the market has somewhat rebounded and logistics have normalized compared to recent years, high prices for vegetable oil and other food persist, with further increases expected in 2025 due to rising labor, logistics, and utility costs. Consequently, given the prevailing consumer behavior, coupled with Japan's population decline and aging demographic—which also heavily impacts consumption demand—stagnant edible vegetable oil demand is projected for at least the next two marketing years.

For more detailed insights into Japan's retail food situation and food service, please refer to JA2024-0027 and JA2024-0070, respectively.

Figure 10. Japanese Vegetable Oil Production and Imports



Sources: MAFF and Japan Customs
Note: Until MY 2019/20, Japanese power companies utilized imported palm stearin oil as energy feedstock. FAS/Tokyo omitted palm stearin oil from its calculation of the total "edible" vegetable oil consumption. The 2024/25 forecast is based on year-to-date estimates from October 2024 to January 2025.

Japan consumed 2.49 MMT of edible vegetable oil in MY 2023/24, almost unchanged from the previous year (Figure 10). Among them, rapeseed oil was the most consumed vegetable oil in Japan, increasing to a 37.2 percent share. Meanwhile, palm olein oil and soybean oil decreased to 24.6 percent and 19.3 percent share, respectively. Coconut oil retained a stable share of 4.5 percent. Rice bran oil, leveraging domestic rice bran, became popular among Japanese households and increased its share to 4.8 percent. Corn oil and sesame oil, which are predominantly crushed domestically, expanded their respective market shares to 3.0 percent and 2.3 percent. The high prices for imported oil from Europe, namely olive oil and sunflower seed oil, weakened consumer demand, resulting in reduced market shares of 1.9 percent and 0.5 percent, respectively.

Production

Soybean and Rapeseed Oil

FAS/Tokyo forecasts that Japanese oil crushers will increase soybean oil production to 0.500 MMT from 2.525 MMT of soybeans (with an extraction rate of 0.198), as the crush margin of soybeans has become more favorable compared to canola. However, Accordingly, rapeseed oil production is forecasted to marginally decrease to 0.910 MMT from 2.116 MMT of rapeseeds in MY 2024/25 due to a smaller oil extraction rate of 0.430, as Japan is expected to increase imports of Canadian canola seeds rather than oil-rich Australian seeds.

FAS/Tokyo further forecasts soybean oil production to reach 0.505 MMT and canola oil production to reach 0.920 MMT in MY 2025/26, as these oils are more price competitive compared to palm oil and olive oil.

Japanese importers are carefully monitoring oilseed prices and are ready to flexibly adjust their procurement as they anticipate uncertainties due to potential trade wars. In the past several years, Japanese stakeholders have experienced various disruptions which have caused changes in the market. For example, following a poor canola crop in Canada in MY 2021/22, Japanese production of soybean oil and canola oil experienced back-to-back annual fluctuations. In addition, in early MY 2023/24, global shipping disruptions at the Suez and Panama Canals affected soybean shipments to Japan from southern U.S. ports, but the situation normalized by late MY 2023/24. In MY 2023/24, Japan produced 479,040 MT of soybean oil, a 7.5 percent decline from the previous year, and 920,396 MT of rapeseed oil, an 8.9 percent increase from the previous year.

Palm Oil and Sunflower Seed Oil

Japan does not crush palm or sunflower seeds.

Consumption

Food Use

The great majority of soybean oil, rapeseed oil, palm oil, and sunflower seed oil are used for human consumption. FAS/Tokyo forecasts that overall vegetable oil consumption will remain stable and consumption for soybean oil, rapeseed oil/canola oil will expand its share of consumption, as they are lower priced options for consumers. Alternatively, FAS/Tokyo projects palm oil and sunflower seed oil will remain flat and decline, respectively, due to higher prices and logistical challenges.

FAS/Tokyo predicts that food use consumption for soybean oil will slightly increase to 0.457 MMT in MY 2024/25 and to 0.469 MMT in MY 2025/26 as Japanese businesses switch from palm oil. In addition, food consumption of canola oil will also increase slightly to 0.865 MMT in MY 2024/25 and to 0.870 MMT in MY 2025/26 as it replaces olive and other expensive olein-rich oils. As soybean oil production increases, it is expected that domestically produced soybean oil and canola oil will marginally expand their market share in the next two MYs since they are relatively cheaper than other competitors. In response, the domestic industry is targeting price-sensitive consumers, and Nisshin Oillio, the largest Japanese oil producer, introduced a canola and olive blend oil targeting price-conscious households.

FAS/Tokyo anticipates that food use consumption for palm oil will remain at 0.55 MMT in MY 2024/25 and decrease marginally to 0.54 MMT in MY 2025/26, assuming palm oil prices remain high.

Use of palm oil was high in the years following the COVID-19 pandemic, as restaurants recovered business and benefited from booming inbound tourism (JA2024-0070). Additionally, as the price of cocoa butter has skyrocketed, many snack and confectionery producers have substituted it with palm stearin oil. Historically, palm oil is a cost-effective input with many benefits, including that it retains a semi-solid state at room temperature, high stability at high temperatures, and resistance to oxidation. However, beginning in autumn 2024, palm oil prices have surged, due to supply concerns in Malaysia, raising concerns for Japanese users. Food inflation has been top-of-mind for restaurants and food manufacturers, and most are aiming to reduce costs to remain competitive. Thus, it is expected that some cost-sensitive users may switch from palm oil to less expensive soybean oil. For more detailed insights into Japan's food inflation conditions, please refer to JA2023-0131.

FAS/Tokyo forecasts a gradual recovery in sunflower seed oil for food use to 13,000 MT in MY 2024/25 and 15,000 MT in MY 2025/26, depending on the Eastern European supply situation. In recent years, Japanese importers' procurement of sunflower seed oil from Europe has been impacted by the Russia-Ukraine conflict and shipping container disruptions in the Suez Canal. Japanese food processors have turned to lower price alternatives, such as high-oleic canola oil, given the high prices of imported sunflower seed oil. It is anticipated that Japanese importers may shift back to sunflower seed oil should market and supply chain situations improve.

Industrial Use

Vegetable oils are gaining traction in various industrial sectors and oleochemical uses, including lubricants, soaps, and paints. In alignment with the Sustainable Development Goals (SDGs), several companies are strategizing to transition from fossil fuel-based oils to plant-based alternatives. However, the lack of affordability for vegetable oils remains a mitigating factor in scaling up their utilization within these industries, as the Government of Japan does not currently provide any financial supports.

Soybean, Rapeseed and Sunflower Seed Oil

In the forecast for MY 2024/25 and MY 2025/26, FAS/Tokyo anticipates that soybean oil consumption for industrial purposes will gradually increase to around 40,000 MT as soybean oil becomes price competitive. Epoxidized soybean oil serves as both a plasticizer and stabilizer in polyvinyl chloride

plastics and is commonly employed in food wraps. Additionally, soybean oils have application as natural esters in various contexts.

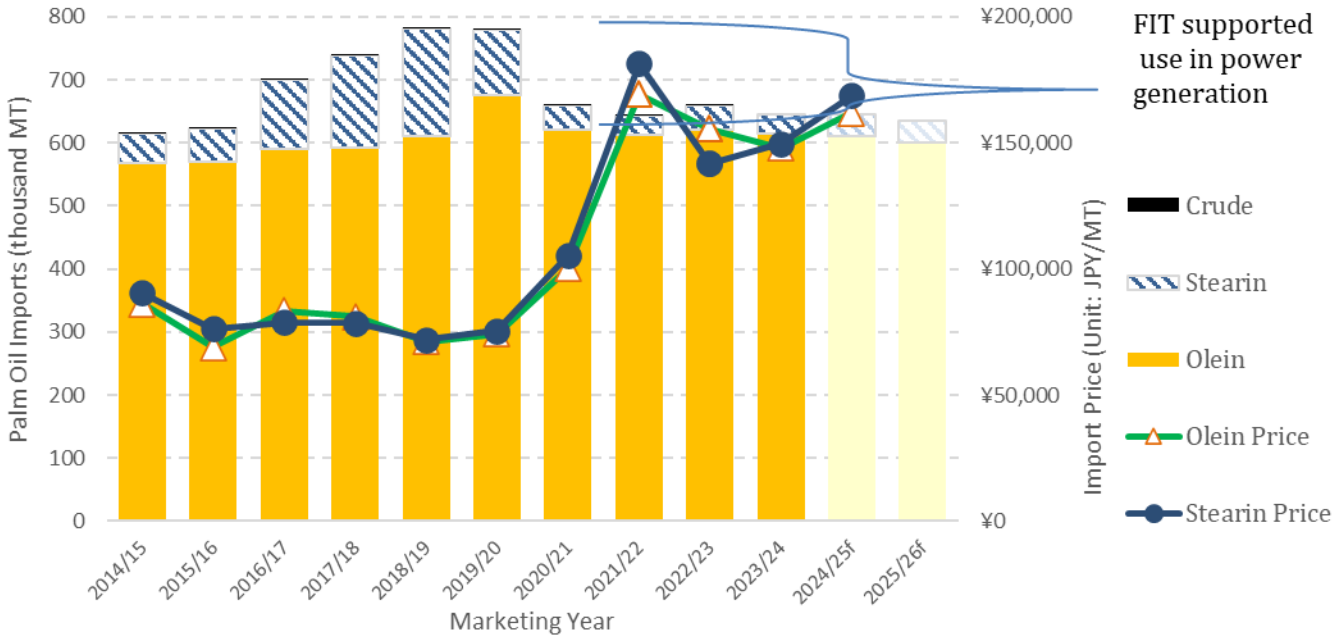
FAS/Tokyo projects that canola oil consumption for industrial purposes will maintain at 50,000-55,000 MT for marketing years 2024/25 and 2025/26. Canola oil has market application for industrial usage in chemical manufacturing, paint production, cosmetics, and pharmaceuticals.

FAS/Tokyo estimates the industrial consumption of sunflower seed oil was just about 2,000 MT in MY 2023/24 and will remain at the same level in the upcoming forecast years. Sunflower seed oil is utilized in cosmetic formulations and other industrial applications, however, the disruption caused by Russia's invasion of Ukraine has strained supplies, prompting Japanese consumers to shift to alternative oils.

Palm Oil

As palm oil prices have surged, especially after the beginning of MY 2024/25, FAS/Tokyo projects that total palm oil industrial usage will decrease to 90,000 MT over the next two marketing years. Palm oil consumption for industrial use is mainly used for two ways: one, as palm olein oil, which is used in hygiene and cleaning products, pharmaceuticals, and lubricants, and, two, as palm stearin oil, which is used as an energy feedstock. Palm stearin oil, predominantly utilized as a non-edible bioenergy feedstock for power generation, has seen a significant decline. The reliance of Japan's power plants on palm stearin is contingent upon low stearin prices, and the recent surge in palm stearin prices since MY 2020/21 has led to a reduction in Japan's stearin consumption, rendering the fixed FIT payment of 24 yen/kWh unprofitable for power stations (Figure 11). FAS/Tokyo does not anticipate any significant utilization of palm stearin oil for power generation unless the price drops to 90,000 yen per MT or lower.

Figure 11. Japan's Annual Palm Olein and Stearin Imports



Source: Japan Customs
Note: "f" indicates FAS/Tokyo forecasts..

As of March 2025, Japanese companies have not embraced "new" vegetable oil as a feedstock for biodiesel and sustainable aviation fuel (SAF) production. Japan's biodiesel production remains minimal, predominantly relying on a scant supply of used cooking oil (UCO). However, there are promising developments on the horizon. Cosmo Energy Holdings completed Japan's first SAF production facility in Sakai, Osaka. Cosmo plans to produce 30 million liters of hydrotreated esters and fatty acids (HEFA) SAF annually from locally sourced UCO starting in April 2025.

Japan generates a limited volume of UCO, most of which is already utilized. According to UCO Japan, in FY2022, Japan generated approximately 500,000 MT of UCO, with 180,000 MT directed toward animal feed, 110,000 MT exported to other countries mainly for SAF and other biodiesel production, 50,000 MT used in chemical manufacturing (e.g., soap and detergent), and roughly 20,000 MT allocated for biodiesel feedstock. If SAF production requires domestically generated UCO, the current 50,000 MT of chemical production may be replaced by other affordable oils and fats, including soybean oil, canola oil, and palm oil in the near future.

For details about biodiesel and SAF, see the Japan 2024 Biofuels Annual.

Feed Use

FAS/Tokyo forecasts Japan will increase palm oil for feed at 3,000 MT in MY 2024/25 and at 5,000 MT in MY 2025/26 as the country faces UCO shortage.

Feed millers require about 380,000 MT of fats and oils for compound feed production, but domestically generated UCO only fulfills 180,000 MT. Thus, Japanese feed manufacturers consistently need to procure about 200,000 MT of vegetable oils and animal fats, including around 5,000 MT of palm oil for feed production. If palm oil prices remain high, feed millers may use more affordable vegetable oils, such as soybean oil for compound feed over the next two marketing years. As oil and fat prices have surged, Japanese feed millers have been substituting oil-rich corn with rice and wheat (see Japan Gain and Feed Annual).

Starting from around 2021, Japanese feed manufacturers have faced an UCO shortage. The feed manufacturers thus needed to import 0.2 million MT of palm oil and animal fats for compound feed. UCO Japan estimates that 0.37 million MT of UCO is currently disposed of in sewage, but UCO Japan believes that 0.19 million MT may be recoverable and to be used for feed or energy.

Trade

Historically, tariffs on oil products protected Japanese crushers. However, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Japan-EU Economic Partnership Agreement (EPA) have eliminated Japan's tariffs on soybean oil, rapeseed oil and sunflower seed oil. The U.S.-Japan Trade Agreement (USJTA) eliminated import duties on crude vegetable oil products in line with CPTPP, but USJTA does not apply to many refined vegetable oil products covered by CPTPP. Most of Japan's imports of palm oil, coconut oil, palm kernel oil, and olive oil enter tariff-free due to bilateral EPAs with exporting countries (see Japan: CPTPP and EU Agreements May Reduce Demand

For U.S. Oilseeds). For tariff treatment of vegetable oils under USJTA, please see https://www.usdajapan.org/usjta/.

In MY 2023/24, Japan imported 36 percent of its oil supply from overseas, marking the lowest in the last seven marketing years. Early in MY 2023/24, disruptions at the Suez and Panama Canals significantly reduced imports of olive oil and sunflower seed oil, but the situation has gradually improved. Given the weak Japanese yen against other major currencies as of spring 2025 and the competitive operation costs of Japanese crushers, there is little incentive for Japan to import soybean and rapeseed oils from overseas.

Soybean Oil

FAS/Tokyo projects soybean oil imports to remain at 2,000 MT in MY 2024/25 and MY 2025/26. Imported soybean oil represents a very small fraction of the soybean oil pool. In MY 2023/24, Japan imported only 2,015 MT of soybean oil, primarily from Taiwan. Some discount supermarket chains directly sell imported soybean oils to price-sensitive consumers. In addition, some U.S. companies ship specifically processed soybean oil for industrial purposes.

Rapeseed Oil

With an expected strong domestic canola crush, FAS/Tokyo forecasts rapeseed oil imports will stay around 10,000 MT in MY 2024/25 and MY 2025/26. In MY 2022/23, Japanese imports of rapeseed oil dropped to 7,988 MT, the lowest since MY 1998/99.

Palm Oil

In response to consistently high palm oil prices, FAS/Tokyo projects palm oil imports to remain at 0.645 MMT in MY 2024/25 and then decrease marginally to 0.635 MMT in MY 2025/26. In MY 2023/24, Japan imported 654,851 MT of palm olein and stearin oil, marking a 2.4 percent decrease from the previous year, with Malaysia capturing around 86 percent of market share and Indonesia supplying around 13 percent. Under the ASEAN-Japan Comprehensive Economic Partnership Agreement, Japan does not impose a duty on palm oil from ASEAN member countries.

Sunflower Seed Oil

FAS/Tokyo anticipates Japanese imports of sunflower seed oil to gradually recover to 15,000 MT in MY 2024/25 and 17,000 MT in MY 2025/26. Japan ideally wants to import around 20-25,000 MT of sunflower seed annually, however external market and geopolitical conditions play a factor in Japan's imports. In MY 2022/23, Japanese imports of sunflower seed oil marginally increased to 12,151 MT. Japan increased sunflower seed oil from Turkey by78 percent and Hungary by44 percent from the previous marketing year. Japan imported only 458 MT from Ukraine and nothing from Russia. .

Separately, Japan imported 2,722 MT of safflower seed oil in MY 2023/24. The United States was the leading supplier with a 71 percent market share. Safflower seed and sunflower seed oils share the same 6-digit HS codes (1512.11 and 1512.99). High-oleic safflower seed oil is consumed as a high-end cooking oil, which has been replaced by cheaper alternative, such as high-oleic canola oil. On the other hand, linoleic-type safflower seed drying oil is used as paint oil. Under the USJTA, Japan allows tariff-free import of U.S. safflower crude oil that has an acidic value exceeding 0.6.

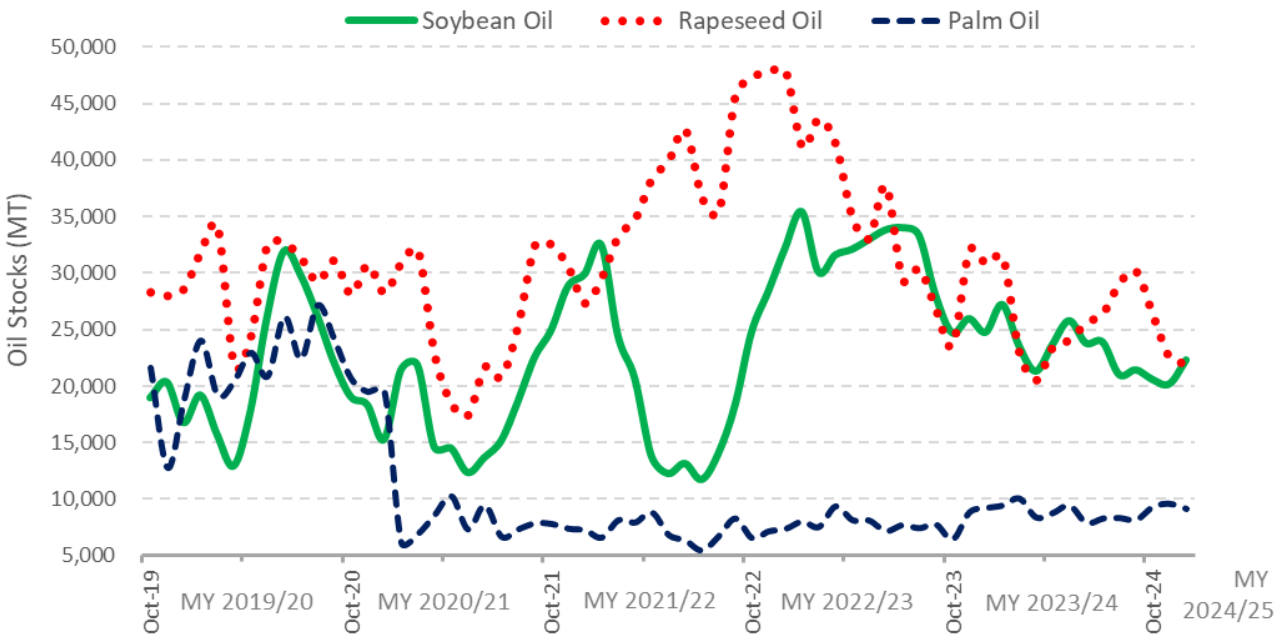
Stocks

FAS/Tokyo projects soybean oil stocks to stay around 25,000 MT, and canola oil stocks will hover around 30,000 MT as oil crushers adjust their stock levels. MAFF reported that soybean oil stocks declined to 21,439 MT at the start of MY 2024/25, a 24% drop from the previous marketing year. For canola oil, MAFF reported MY 2024/25 stocks were 30,101 MT, a 13 percent increase from MY 2023/24. Soybean oil and canola oil stocks were at high levels in the beginning of MY 2023/24 but have since fallen (see Figure 12).

Palm oil stocks have stayed very low since early 2021 as traders consolidated amounting to fewer importers (see Figure 12). MAFF reported palm oil stocks were 8,199 MT at the start of MY 2024/25. FAS/Tokyo projects palm oil stocks will bring to 10,000 MT by the end of MY 2025/26.

MAFF reports MY2024/25 sunflower seed oil beginning stocks were 355 MT, falling by over 33 percent from the previous year, as importers struggled to procure sunflower seed oil. Due to supply shortages, FAS/Tokyo projects sunflower seed oil stocks will remain at low levels for the next two marketing years.

Figure 12. Monthly Fluctuations in Crusher-held Oil Stocks



Source: MAFF

Attachments:

No Attachments