



# TOSHOKU LIMITED Rocky Iwata



## TOSHOKU LTD

- Established in 1947 as a Japanese Trading House focused purely on Food and Feed products.
- Our departments include:
  - Grains
  - Oils and Fats
  - Meat and Eggs
  - Nuts and Cereals
  - Sugar
  - Coffee
  - Cocoa



## Japanese Market Background

- In 1990, there were 117 crushing plants in Japan which had 9.3MMT of crushing capacity and crushed 6.4MMT (69%).
- In 2000, There were 88 crushing plants and 8.9MMT of capacity and crushed 6.6MMT (74%). Only 9 plants have more than 1,000MT per day crushing capacity.
- In 1990, Japan produced 683,000MT of Soybean oil and 760,000MT of Canola oil. Japan imported 2,000MT of Soybean oil and 5,000MT of Canola oil.
- In 2000, Japan produced 694,000MT of Soybean oil and 913,000MT of Canola oil. Japan imported 1,000MT of Soybean oil and 19,000MT of Canola oil.



## 2 Major Crushing Groups . . . Showa

- Nisshin Oillio group (Nisshin, Rinoru, Nikko).
  - Crushing 744,000MT (34%) of Canola
  - Crushing 1.29MMT (36%) of Soybean.
- J-Oilmills (Ajinomoto, Honen, Yoshiwara).
  - Crushing 912,000MT (41%) of Canola
  - Crushing 1.39MMT (39%) of Soybean.
- Showa crushes 192,000MT of Canola (9%) and 600,000MT (17%) of Soybean.

Above three groups crush approx. 84% of Canola and 92% of Soybeans.



## Japan in a World Perspective

- Japan crushes approx. 3.7MMT of Soybean and 2.2MMT of Canola per year.
- In China the J/V company between COFCO and Grain majors which has a plant near Shanghai crushes 2.7MMT of Soybean per year and will expand to 4.3MMT per year.
- In Argentina there is a plant which crushes 3.6MMT of Soybean per year. (Nearly the total crushing volume of Japan)
- Argentina is currently building three more crushing plants to crush nearly 10MMT per year.



## Japan's Tariff Strategy

- Current import duty for Soybean and Canola oil in Japan is ¥10.90 per kg. About 12-15% of CNF value.
- There is some possibility that Japan will lift/decrease vegetable oil import duty after WTO meeting in Hong Kong in Dec 2005.



## Korean Experience

- Korea already has a low import duty of 5.76% for soybean oil. (Canola oil 10%, Cottonseed oil 5.76%, Safflower oil 8%, etc..)
- Korea has three crushers (Cheil, Shindongbang, Samyang) who are crushing approx. 1.2MMT of Soybean per year or approximately 216,000MT of oil.
- In 1990 Korea imported 10,100MT of Soybean oil, in 2003 they imported 157,000MT.
- So, nearly 42% of Korean Soybean oil demand is now covered by imported oil.



## Possibility of some change in Japan

- Total demand of oils & fats in Japan is steady to almost unchanged for the last 5 years.
- We believe the demand of oils & fats in Japan will keep the current consumption levels in near future. (Perhaps even some decreasing oils & fats demand due to the ageing population and decreasing total population in future.)
- Now it is very small share imported soybean oil (below 1%) and canola oil (about 2%) in Japan.
- Is it possible, after Dec 05, for something to change ?????



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