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Table Rice Prices in Japan Surge Over 50 Percent, Squeezing Sake Brewers and Threatening Exports

Climate change, policy shifts, and tourism drive shortages as farmers abandon sake rice for more profitable crops, raising industry alarm

Wednesday, November 5, 2025



Japan’s sake industry is facing a serious challenge as a shortage of rice, its main ingredient, drives up costs and threatens production. Sake relies on three types of rice: sake rice developed specifically for brewing, processing rice used in foods like miso and rice crackers, and table rice. In 2023, sake brewers used about 42% sake rice, 35% processing rice, and 23% table rice and other varieties.

The current shortage is affecting all three categories. Processing rice, which is often used for mid- to low-priced sake, has traditionally been kept affordable through government subsidies. However, the price of table rice surged by more than 50% in the past year. This increase was caused by several factors: a long-term government policy known as “gentan” that reduced rice acreage for decades, lower yields due to climate change, and a sharp rise in demand from foreign tourists dining out in Japan. The result has been a disruption in the supply and pricing of both table and processing rice.

As table rice prices rise, some farmers are switching from growing processing rice to more profitable table rice. This shift is expected to reduce the supply of processing rice in 2025 and push its price higher. The Japan Sake and Shochu Makers Association (JSS) is monitoring these changes closely because they affect not only production costs but also export strategies for Japanese sake.

Sake rice presents its own set of difficulties. It is taller than other varieties and prone to lodging—falling over in the field—which makes harvesting harder and reduces yields. Despite these challenges, some regions maintain strong traditions around sake rice cultivation. In Hyogo Prefecture, which produces over 30% of Japan’s sake rice, farmers grow Yamada Nishiki under a system called “muramai.” This system creates close ties between farmers and breweries: breweries commit to buying all the rice from designated farmers, while farmers sometimes help breweries during crises. This relationship fosters a sense of pride and responsibility among growers.

Takashi Fujimoto, managing director of JA Hyogo Rokko, says that this system helps keep farmers committed to growing Yamada Nishiki even as other regions see producers switch to table rice for better profits. However, outside Hyogo Prefecture, many farmers have already moved away from sake rice production.

The broader context for these changes includes a shrinking number of rice farmers—down about 25% between 2015 and 2020—and an aging workforce. Rising costs for fertilizer and other supplies are making it harder for farmers to stay in business without higher prices for their crops. While some increase in prices may be necessary for sustainability, the rapid pace of recent hikes is causing problems throughout the industry.

To help breweries cope with these sudden cost increases, the JSS has introduced an “Emergency Guarantee System for Sharp Rice Price Increases.” This program guarantees loans that breweries take out to buy rice and other production materials. The association is also urging the government to expand subsidies to include sake rice growers, who are currently excluded from some support programs.

With uncertainty surrounding both the supply and price of key types of rice, the JSS says it will continue to monitor developments closely. The outcome will have significant implications not only for Japan’s domestic sake market but also for its growing exports around the world.