Required Report: Required - Public Distribution **Date:** August 14, 2026

Report Number: JA2026-0046

Report Name: Poultry and Products Annual

Country: Japan

Post: Tokyo

Report Category: Poultry and Products

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Report Highlights:

FAS/Tokyo projects almost flat 2027 chicken production and imports versus 2026, with consumption remaining strong. High feed, freight, and energy costs are limiting expansion despite robust demand, though consolidation is driving modest production gains. Consumers continue shifting from beef and pork to chicken amid inflation, boosting retail and food service demand.

Executive Summary

Production

Chicken production will marginally increase in Japan's 2027 chicken production compared with 2026, as high costs lead producers to prioritize stability over rapid expansion despite strong demand. The 2025 winter HPAI season caused only minor culls (5.8 million birds, mostly egg-layers), and a magnitude 7.1 earthquake in Kumamoto in July 2026 caused no serious operator damage, despite some logistics disruption.

Consumption

Chicken consumption will remain strong, mirroring robust 2026 levels, as inflation-weary consumers continue shifting toward affordable proteins. Chicken remains the most cost-effective animal protein for households and food service alike. Declining inbound tourism, driven by fewer Chinese visitors, has not yet visibly impacted food service demand.

Trade

Chicken imports in 2027 will remain flat compared with 2026, supported by strong demand for competitively priced imported chicken in both retail and food service sectors. Brazil and Thailand will continue as major trade partners for chicken, while imports of processed chicken products from China are expected to grow substantially, driven by Japanese companies' direct investment in Chinese processing facilities.

Table 1: Production, Supply and Distribution of Chicken

Meat, Chicken	**2025**		**2026**		**2027**	
Market Year Begins	**Jan 2025**		**Jan 2026**		**Jan 2027**	
Japan	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Beginning Stocks (1000 MT)	165	165	148	148	0	150
Production (1000 MT)	1,830	1,815	1,840	1,830	0	1,835
Total Imports (1000 MT)	1,122	1,122	1,130	1,160	0	1,160
Total Supply (1000 MT)	3,117	3,102	3,118	3,138	0	3,145
Total Exports (1000 MT)	4	3	5	5	0	5
Human Consumption (1000 MT)	2,965	2,951	2,963	2,983	0	2,990
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	2,965	2,951	2,963	2,983	0	2,990
Total Use (1000 MT)	2,969	2,954	2,968	2,988	0	2,995
Ending Stocks (1000 MT)	148	148	150	150	0	150
Total Distribution (1000 MT)	3,117	3,102	3,118	3,138	0	3,145
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Note: New Post is not Official USDA Data.

Production: High Production Costs Temper Modest Growth in Japan's Chicken Sector for 2027

FAS/Tokyo projects that Japan's chicken production in 2027 will increase marginally compared with 2026 (Table 1). High production costs appear to be prompting broiler producers to maintain current production levels rather than expand quickly, despite the strong demand for chicken amid food price inflation.

According to recent statistics from Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF), the number of broiler operators as of February 1, 2026, fell four percent from 2024—the most recent comparable year, since 2025 was an agricultural census year. However, the number of birds shipped per operation continued to rise, and in the first five months of 2026, chicken production increased one percent from the same period in 2025 (Table 2). Consolidation of operations is ongoing, and FAS/Tokyo anticipates this will contribute to the production growth in Japan in 2026 through 2027.

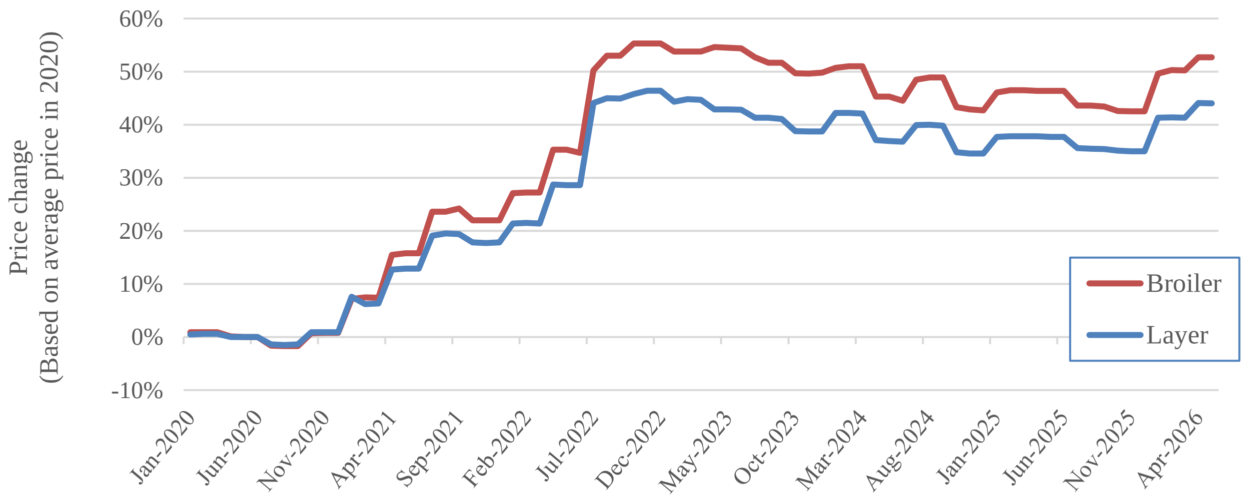
Table 2: Chicken Production in January-May (Unit: MT)

	Production
2025	717,180
2026	725,850
Change	1%

Source: Agriculture and Livestock Industries Corporation (ALIC)

Unstable global trade conditions amid ongoing conflicts continue to drive up production costs. Rising freight costs have pushed up import prices for grains used in compound feed. As a result, compound feed prices for broilers rose in 2026, reaching 2022 levels after declining in 2025 (Figure 1). According to MAFF, feed costs account for 56 percent of total broiler production costs. Other costs, such as energy and packaging materials, are also rising in line with oil prices.

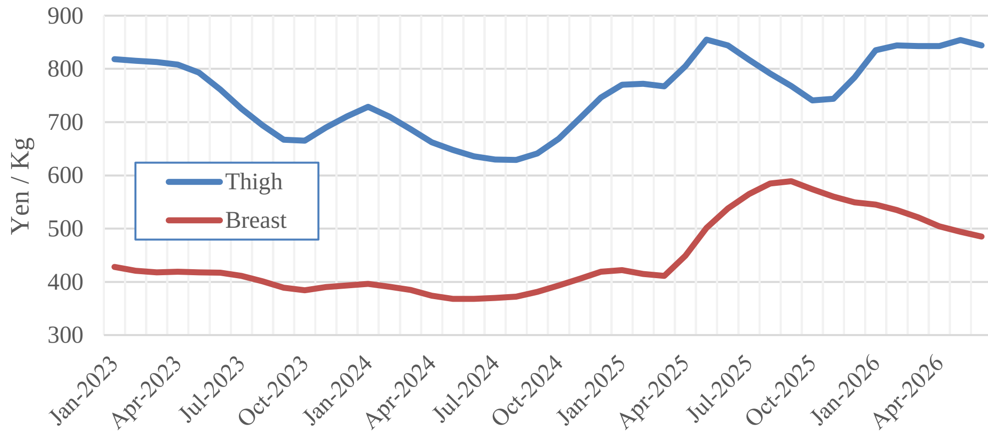
Figure 1: Feed Retail Price Trends for Broiler and Laying Hen



Source: Ministry of Agriculture, Forestry and Fisheries (MAFF)

Higher production costs have been offset by high chicken prices, driven by demand shifting away from beef and pork toward chicken (Figure 2). Wholesale market prices of chicken thigh and breast meat have remained elevated throughout 2026. Thigh meat prices bottomed out in November 2025 and recovered to the pre-2025 levels, while breast meat prices, though trending downward from the earlier surge, remain at high levels.

Figure 2: Domestic Broiler Wholesale Prices (Tokyo market)



Source: ALIC

Japan's Chicken Sector Shows Resilience Despite Winter HPAI Outbreak and Kyushu Earthquake

The 2025 winter highly pathogenic avian influenza (HPAI) season had only a minor impact on chicken production in Japan. According to MAFF, culls totaled approximately 5.8 million birds, 92 percent of which were egg-laying birds.

On July 28, a magnitude 7.1 earthquake struck Kumamoto Prefecture, located in the Kyushu region, a major broiler-producing area in Japan. As of August 6, no operators had been reported to have sustained serious damage from the earthquake. However, sections of highways in the Kyushu area remain closed due to damage to roads and bridges, which may disrupt logistics for chicken and chicken products. FAS/Tokyo anticipates that these impacts will not affect Japan's total chicken production.

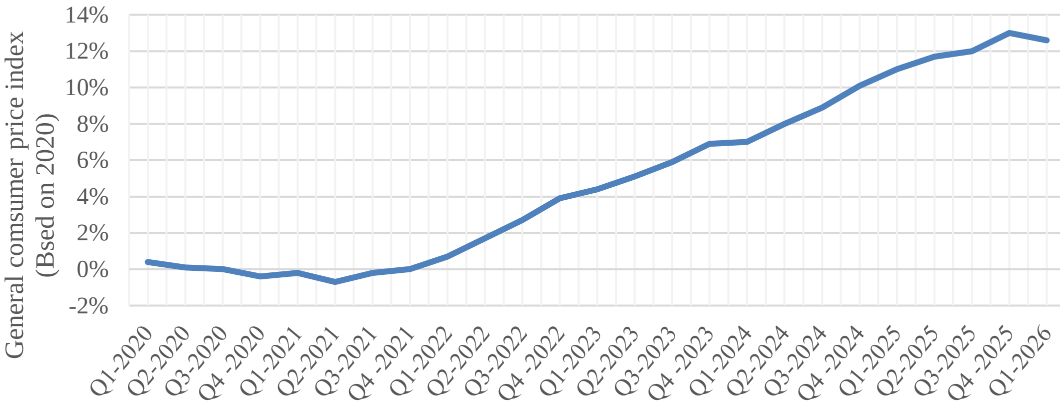
Consumption: Chicken Remains Japan's Top Value Protein as Retailers and Processors Adapt to Inflation Pressures

FAS/Tokyo projects that chicken consumption in 2027 will remain strong, matching the robust levels seen in 2026, as consumers continue efforts to save on food expenses. Chicken will continue to be the most reasonable animal protein option for both households and food service operators.

Consumer Price Trends and Shifting Demand

While growth in the Consumer Price Index (CPI) appears to have slowed somewhat since entering 2026, consumers, having experienced continuous price increases since 2022, continue to take steps to reduce their daily food expenses (Figure 3). Under these circumstances, meat purchasing behavior has shifted toward lower-priced options, moving from beef to pork and from pork to chicken; this shift has become firmly established.

Figure 3: Japan's General Consumer Price Index, Based on 2020



Source: Ministry of Internal Affairs and Communications statistics

Retail Adaptations

In response to these changes in consumer purchasing patterns, supermarkets are adjusting their sales strategies. Some are offering large-volume packs of chicken to create a sense of value, while others provide smaller packs to meet the needs of consumers who prefer to purchase only the amount they need.

Food Processing Demand

Demand for chicken in food processing—particularly breast meat used as an ingredient in products such as salad-chicken,[1] *yakitori* (skewered and grilled chicken), and *karaage* (Japanese-style fried chicken)—remains steady. As the prices of all raw materials, including packaging materials, continue to rise, and with domestic chicken breast prices remaining high, processors are exploring cost-reduction measures on multiple fronts, including a shift toward imported raw materials.

[1] Salad-chicken is a popular ready-to-eat product in Japan consisting of cooked, sliced or whole chicken breast, typically sold pre-packaged in retail stores. It is marketed as a low-fat, high-protein convenience food and is commonly consumed as a health-conscious snack, salad topping, or light meal component. Its popularity has grown significantly with rising consumer interest in protein intake and fitness-oriented diets, making it a key demand driver for chicken breast.

Figure 4: Salad chicken Sold at Major Convenience Stores in Japan

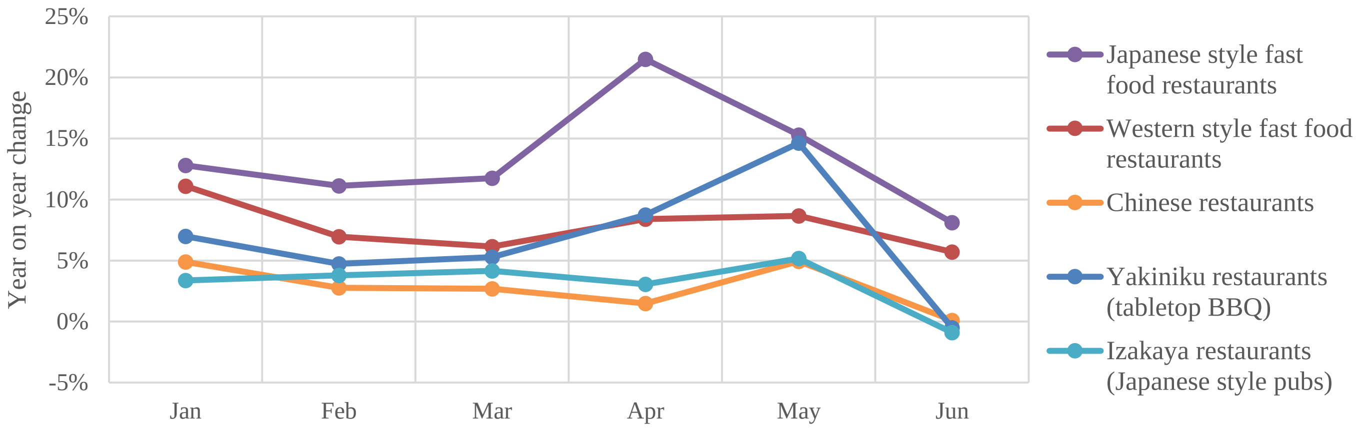
Image Credit: FAS/Tokyo

Food Service Industry Trends

In the food service industry, rising raw material costs have prompted some businesses to introduce chicken-based menu items. According to statistics from the Food Service Association, fast food restaurants—which offer a combination of convenience and low prices—saw increased sales during the first half of 2026 amid ongoing inflation (Figure 5). Some pubs have also sought to boost sales by introducing daytime lunch service.

In addition, *karaage* products cooked and sold at convenience stores have seen growing sales, capturing consumer preferences for convenience.

Figure 5: Monthly Sales in Food Service Sorted by Restaurant (2026 vs 2025)

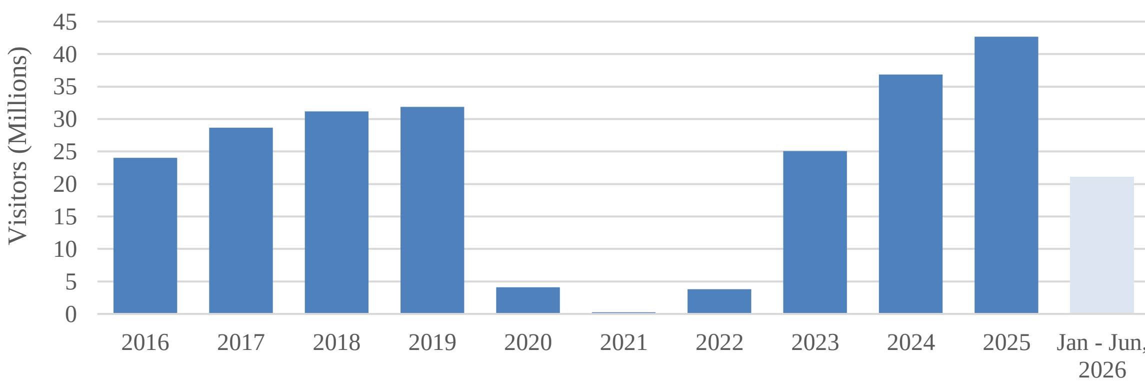


Source: Japan Food Service Association

Impact of Inbound Tourism

The number of foreign visitors to Japan reached a historic high in 2025 (Figure 6). In 2026, the total number of foreign visitors is trending downward compared to the previous year, driven by a decline in Chinese tourists; however, the impact of this decline on the food service industry has not yet become evident.

Figure 6: Total Foreign Visitors to Japan (January 2016-June 2026)



Source: Japan Tourism Statistics

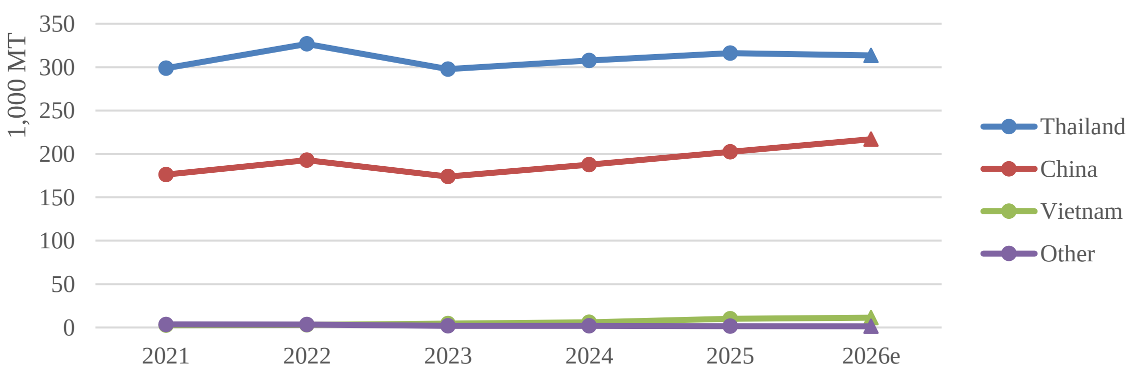
Trade: Steady Chicken Import Demand Continues in Japan as Processed Product Sourcing Diversifies

FAS/Tokyo projects that Japan's chicken imports in 2027 will remain flat compared with 2026. Demand for imported chicken is expected to remain strong in both the retail and restaurant sectors due to its competitive pricing relative to domestic chicken. In particular, even amid a weak yen, demand for processed products remains strong, and imports from more price-competitive exporting countries are expected to expand. Additionally, given the available capacity of domestic cold storage, beginning stocks for 2027 (i.e., ending stocks for 2026) are expected to reach approximately 150,000 MT (Supplemental Table 1). Assuming steady domestic production, imports are expected to remain at last year's level to reach this projected ending stock target.

Imports rose six percent year-on-year from January through June 2026. Thai chicken imports contracted due to slower production growth in Thailand, while Brazilian chicken volumes expanded for competitive pricing. Together, these two countries accounted for 80 percent of Japan's total chicken imports.

Imported processed chicken products, which account for approximately 47 percent of Japan's total chicken imports, remain in high demand as domestic labor shortages and elevated processing costs constrain local production capacity. As a result of Japanese companies' direct investment in Thailand, Thai chicken holds a dominant competitive advantage in this segment (Figure 7). In recent years, major Japanese meat companies have also made direct investments in China to manufacture processed products for the Japanese market. Although Japan permits imports of only heat-treated processed chicken from China, Chinese chicken imports have gradually increased. Chicken imports from China in the first half of 2026 rose 20 percent compared with the same period the previous year.

Figure 7: Japan's Prepared Chicken Products Imports (2021-2026 estimate) (Unit: MT)



Note: Based on data from Trade Data Monitor, LLC, FAS/Tokyo estimates the 2026 imports.
Source: Trade Data Monitor, LLC

Supplemental Table 1: Japanese Monthly Ending Chicken Stock Estimates (Unit: MT)

	2021	2022	% chg.	2023	% chg.	2024	% chg.	2025	% chg.	2026	% chg.
Jan.	156,031	158,303	1	150,021	-5	157,029	5	165,412	5	149,029	-10
Feb.	157,208	163,173	4	153,092	-6	159,005	4	164,934	4	151,172	-8
Mar.	163,802	157,653	-4	153,902	-2	165,978	8	157,013	-5	152,466	-3
Apr.	161,412	147,646	-9	147,050	0	162,563	11	152,405	-6	149,596	-2
May	162,167	146,863	-9	156,845	7	167,304	7	155,156	-7		
Jun.	155,848	149,569	-4	162,211	8	169,774	5	158,611	-7		
Jul.	148,270	150,012	1	160,217	7	169,062	6	155,371	-8		
Aug.	146,306	149,715	2	165,332	10	173,035	5	159,860	-8		
Sep.	141,357	147,061	4	162,546	11	169,672	4	164,129	-3		
Oct.	142,877	152,720	7	160,680	5	173,314	8	164,307	-5		
Nov.	148,227	153,312	3	150,833	-2	170,103	13	156,837	-8		
Dec.	149,901	148,824	-1	149,211	0	164,505	10	148,032	-10		

Note: Figures represent chicken meat estimates. Imported chicken cuts account for roughly 80% of ending stocks on average, with the majority being broiler meat.
Source: ALIC

Attachments:

No Attachments