

USDA Foreign Agricultural Service

GAIN Report

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Required Report - public distribution

Date: 4/13/2015

GAIN Report Number: JA5012

Japan

Livestock and Products Semi-annual

2014 Situation Summary and 2015 Outlook

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Report Highlights:

As Japanese pork production recovers from PEDv, Japanese beef production will likely continue along its recent downward trend in 2015. While the Japanese pork market may look more recognizable in 2015 as the effects of PEDv, the U.S. West Coast ports labor dispute, and Russian import bans dissipate, there is a potential for lasting market share impacts as Japanese buyers' familiarity with new suppliers continues to grow. As U.S. and Australian beef production levels in 2015 portend continued tight global exportable supplies, Japanese beef market prices are likely to remain high, fueling further consumer protein diversification. Anticipated increases in Australian beef price offers in 2015 could offset some of the benefits of the Japan-Australia free trade deal.

Commodities:

Animal Numbers, Cattle

Animal Numbers, Swine

Meat, Beef and Veal

Meat, Swine

Production, Supply and Demand Data Statistics:

Cattle PS&D

Animal Numbers, Cattle Market Begin Year Japan	2013		2014		2015	
	Jan 2013		Jan 2014		Jan 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Total Cattle Beg. Stks	4,065	0	3,962	3,962	3,840	3,850
Dairy Cows Beg. Stocks	798	798	773	773	765	765
Beef Cows Beg. Stocks	618	619	595	595	590	590
Production (Calf Crop)	1,237	1,237	1,195	1,195	1,185	1,185
Total Imports	12	12	10	11	10	10
Total Supply	5,314	1,249	5,167	5,168	5,035	5,045
Total Exports	0	0	0	0	0	0
Cow Slaughter	556	556	545	534	530	520
Calf Slaughter	7	7	7	7	7	7
Other Slaughter	622	622	605	616	595	590
Total Slaughter	1,185	1,185	1,157	1,157	1,132	1,117
Loss	167	167	170	161	163	168
Ending Inventories	3,962	3,962	3,840	3,850	3,740	3,760
Total Distribution	5,314	5,314	5,167	5,168	5,035	5,045

1000 HEAD, PERCENT

Beef and Veal PS&D

Meat, Beef and Veal Market Begin Year Japan	2013		2014		2015	
	Jan 2013		Jan 2014		Jan 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Slaughter (Reference)	1,185	1,185	1,157	1,157	1,132	1,117
Beginning Stocks	136	0	171	171	180	185
Production	508	508	495	502	482	485
Total Imports	760	760	750	739	740	727
Total Supply	1,404	1,268	1,416	1,412	1,402	1,397
Total Exports	1	1	1	1	2	2
Human Dom. Consumption	1,232	1,232	1,235	1,226	1,230	1,235
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	1,232	1,232	1,235	1,226	1,230	1,235
Ending Stocks	171	171	180	185	170	160
Total Distribution	1,404	1,404	1,416	1,412	1,402	1,397

1000 HEAD, 1000 MT CWE, PERCENT, PEOPLE, KG

Swine PS&D

Animal Numbers, Swine Market Begin Year Japan	2013		2014		2015	
	Jan 2013		Jan 2014		Jan 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Total Beginning Stocks	9,685	0	9,537	9,537	9,400	9,520
Sow Beginning Stocks	900	900	885	885	880	885
Production (Pig Crop)	17,350	17,350	17,100	17,100	17,000	17,050
Total Imports	1	1	1	1	1	1
Total Supply	27,036	17,351	26,638	26,638	26,401	26,571
Total Exports	0	0	0	0	0	0
Sow Slaughter	0	0	0	0	0	0
Other Slaughter	16,936	16,936	16,470	16,202	16,550	16,400
Total Slaughter	16,936	16,936	16,470	16,202	16,550	16,400
Loss	563	563	768	916	551	671
Ending Inventories	9,537	9,537	9,400	9,520	9,300	9,500
Total Distribution	27,036	27,036	26,638	26,638	26,401	26,571
1000 HEAD, PERCENT						

Pork PS&D

Meat, Swine Market Begin Year Japan	2013		2014		2015	
	Jan 2013		Jan 2014		Jan 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Slaughter (Reference)	16,936	16,936	16,470	16,202	16,550	16,400
Beginning Stocks	214	0	195	195	229	246
Production	1,309	1,309	1,273	1,264	1,279	1,280
Total Imports	1,223	1,223	1,320	1,332	1,275	1,254
Total Supply	2,746	2,532	2,788	2,791	2,783	2,780
Total Exports	1	2	1	2	1	2
Human Dom. Consumption	2,550	2,549	2,558	2,543	2,552	2,540
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	2,550	2,549	2,558	2,543	2,552	2,540
Ending Stocks	195	195	229	246	230	238
Total Distribution	2,746	2,746	2,788	2,791	2,783	2,780
1000 HEAD, 1000 MT CWE, PERCENT, PEOPLE, KG						

Preface:

This report is an update to [JA4023 Japan Livestock and Products Annual](#), dated August 15, 2014. In updating the demand and supply summary for CY 2014 and forecasting the outlook for 2015, numbers for CY 2014 have been adjusted to reflect actual (though still preliminary) numbers based on recently published data.

Assumptions underlying the 2015 outlook analysis are that average consumers will remain price conscious, given the April 1, 2014 consumption tax hike (from five percent to eight percent), while Japanese market prices will remain high for beef, but soften for pork.

Factors impacting Japan's 2014 meat supply market dynamics included: an historic low U.S. cattle inventory; persistent drought in Australia; Porcine Epidemic Diarrhea virus (PEDv) occurring in North America and in Japan; Russia's bans on pork imports, first from the EU following an outbreak of African Swine Fever (ASF) in early 2014, and then from the United States, Canada, and the EU (again) in August following Western sanctions related to Ukraine. With PEDv outbreaks tapering off in Japan and North America (especially in the United States), Japan's 2015 pork supply outlook is improving. However, Japan's beef supply situation is likely to remain vulnerable to increasing competition for tighter global exportable supplies and higher Australian prices that could threaten to outweigh the preferential tariff treatment Australia gained following the January 2015 implementation of the Japan-Australia Economic Partnership Agreement (JAEPA).

Quantities listed in the text are made on the basis of Carcass Weight Equivalent (CWE) unless specified otherwise. Some numbers in the tables are on a product weight basis and have not been converted to CWE.

Rates of conversion from product weight to CWE are:

Beef Cuts (Boneless) – 1.40

Pork Cuts (Boneless) – 1.30

Processed/Prepared Beef Products – 1.79

Processed/Prepared Pork Products – 1.30

All supplemental tables in the report are provided for the reader's own analysis.

Beef

2014 Production, Market and Trade Situation Summary:

Japan's total beef consumption remained relatively flat in 2014, (down one half of one percent to **1.226 million MT**), despite significant price increases for domestic and imported beef products in 2014. Total beef supplies remained tight for the year, with total imports down moderately to **739,000 MT** and total production down slightly to **502,000 MT**. On lower consumption and higher procurement costs, which have further narrowed retail and food service profit margins on beef, 2014 year ending stocks rose six percent to **185,000 MT**.

Lower Domestic Cattle Slaughter Reduced Production in 2014

Following the recent trend, Japan's 2014 total domestic cattle slaughter continued to decline modestly in 2014 to **1.157 million head**. Increases in average carcass weights (up 1.2 percent at 434 kg) were unable to offset the decline in total slaughter, driving Japanese beef production down one percent to **502,000 MT**. The breakdown by major breeds was: Wagyu heifer/cow (288,000 head, down six percent), Holstein/F-1 heifer/cow (246,000 head, down two percent), Holstein/F1 steers (344,000 head, unchanged), and Wagyu steer (261,000 head, down two percent). The noticeable reduction in Wagyu cow slaughter suggests a modicum of herd rebuilding in response to fairly high prices for Wagyu feeder calves over the past two years (see Table 8).

High Global Prices Pushed Total 2014 Imports Lower

Japan's total imports of beef and prepared products were moderately lower in 2014 at 739,000 MT [beef cuts (inclusive of a very low volume of bone-in carcasses) down three percent at 726,191 MT; prepared products unchanged at 12,500 MT]. Lower total imports in 2014 were primarily driven by reduced imports of beef cuts from Australia (393,179 MT, down two percent), New Zealand (33,757 MT, down 18 percent) and Mexico (14,517 MT, down 47 percent). (See Table 6-A, 6-B, 6-C and 6-D.)

The rapid import growth of U.S. beef that followed the February 2013 market access expansion, slowed considerably in 2014 as imports of U.S. beef were up only slightly above the 2013 level at 264,145 MT. According to market sources, high U.S. price offers and the continued weakening of the yen through 2014, allowed price competitive Australian grain fed chilled cuts to claw back market share across the board (loins, chuck and clod, and brisket/plates). Japan's 2014 imports of Australian chilled beef cuts were up eight percent to 175,640 MT, while U.S. chilled cuts were down three percent at 116,939 MT.

In spite of the high offer prices, imports of U.S. frozen cuts were up five percent at 147,206 MT, though just barely offsetting lower chilled cut volumes. Continued strong demand from barbecue and beef bowl chains drove much of this increase, with U.S. plate cuts alone (mostly short plate) up 14 percent and accounting for 85 percent of the U.S. frozen cuts total, despite the annual average CIF price climbing 11 percent from 2013 to \$4,232 USD per MT. Strong U.S. domestic demand for beef and historic low cattle inventories resulted in record U.S. imports of Australian frozen grass fed cow

trimmings, tightening Australian exportable supplies and driving up prices for Australian beef (see Tables 3-B and 3-C).

The United States and Australia continued to be the two major suppliers of beef to Japan, accounting for 36 percent and 54 percent respectively of Japan's total beef cut imports in 2014.

2014 Beef Consumption Growth Stalled by High Market Prices

Tight domestic and global beef supplies, coupled with the weakening of the yen and the 2014 consumption tax hike, were largely responsible for average market prices for domestic and imported beef rising well above 2013 levels throughout 2014 (see Tables 3-A, 3-B and 3-C). On average, Japanese consumers spent eight percent more on retail chilled and fresh cuts in 2014, despite carrying four percent less beef home from the store. As domestic beef dominates retail shelves, this suggests that a large number of consumers were willing to trade down the value scale from high-priced domestic beef to lower priced imported beef cuts (see Table 1). In fact, while Japanese consumers spent more on each of the three major livestock proteins (beef, pork, and poultry), only poultry consumption volumes rose in 2014. The relatively low price of domestic chicken breast meat compared to higher priced chicken leg meat as well as lower-priced imported pork and beef cuts likely supported the moderate household chicken consumption growth recorded in 2014 at the expense of imported proteins.

Food service demand for imported beef cuts in 2014 was reportedly slow, as the industry was compelled to raise menu prices in response to increased procurement costs (inclusive of the consumption tax hike) for imported beef and other raw material foods. Japanese beef bowl and Korean-style barbecue chains bucked this trend with 2014 all store sales reportedly rising five to eight percent above 2013 levels on continued solid demand and relatively abundant supplies of U.S. frozen short plate cuts. Western-style fast food chains were on the opposite end of the spectrum in 2014, showing seven percent sales declines on average, in the wake of a series of widely publicized food safety incidents in the latter half of 2014. As a result, hamburger sales fell nationally in 2014, reducing Japan's import demand for already high priced Australian frozen trimmings.

2015 Market Outlook

Total Beef Production to Fall in 2015 on Lower Cattle Numbers and Lower Slaughter

Persistent calf production shortfalls from 2011 – 2013 should continue to suppress Japan's total domestic cattle slaughter in 2015. Post projects slaughter down roughly four percent from 2014 at **1.117 million head (or 485,000 MT)**. (See Note 1.) As domestic supplies grow even tighter in 2015, average market prices for domestic beef are expected to exceed 2014 levels, dampening prospects for household consumption recovery in 2015.

Note 1: December data from the national cattle ID system, which is a close approximation for the following year's beginning inventory numbers (scheduled to be published in July 2015), puts the total number of cattle raised in Japan at around **3.858 million head**, down three percent from 2014 and suggestive of a continuing decline in Japan's cattle inventory in 2015. Breakdown by major breeds were: Black Wagyu (steers and cows/heifers), down three percent at 1.57 million head, F-1 cross breed (steers and heifers), down slightly at 489,000 head, Holstein steer, down six percent at 342,000 head, and Holstein cows/heifers at 1,386 million head, down two percent.

Total Consumption Flat in 2015 on High Market Prices and Continued Tight Supplies

Total beef consumption is projected to fall slightly in 2015 to around **1.235 million MT**, as high Japanese market prices for beef are anticipated to continue throughout the year. While the U.S. West Coast port labor dispute was substantively resolved in late February 2015, the negative impact on U.S. exports is expected to suppress U.S. chilled beef import volumes through the first half of 2015. While overall U.S. import volumes received a modest fillip in early 2015 from the delayed arrival of frozen beef shipments originally scheduled to arrive in late 2014, supplies of Australian chilled beef largely filled the gap left by the absence of U.S. chilled supplies. As Japan's overall food prices are expected to rise on increased procurement costs (resulting from the high share of imported foods and a relatively weak yen), Japan's beef consumption in 2015 is unlikely to grow as beef prices remain high relative to other protein options.

Tight Exportable Supplies and High Market Prices to Reduce Total Imports in 2015

Post projects a moderate decline for Japan's total beef imports in 2015, down two percent to 727,000 MT (beef cuts (inclusive of a very low volume of bone-in carcasses) down two percent to 714,000 MT; and prepared products unchanged at 13,000 MT) on high price offers from both the United States and Australia, as cattle slaughter and beef production in both countries is projected to fall in 2015. The continued high price outlook for imported beef cuts from these two dominant suppliers may drive consumers towards less expensive alternatives (chicken, pork, and some seafood) at both retail and food service outlets in 2015.

After two successive years of record high output, Australian beef production is expected to fall in 2015 as drought driven herd liquidation measures taper off. Tighter Australian supplies and continued solid U.S. demand for Australian frozen trimmings in 2015 could reduce the impact of the duty advantages (see Table 2-A) that Australian beef imports enjoy over U.S. beef (ten percentage points lower for frozen cuts and seven percentage points lower for chilled cuts, as of April 1, 2015). While expected higher price offers for Australian beef trimmings could further dim the outlook for fast foods in Japan, it could also open the door to innovative beef product imports.

Anticipated increases in Australian grain fed chilled cuts price offers may create opportunity for expanded imports of U.S. grain fed chilled cuts as the price gap narrows.

Pork

2014 Production, Market and Trade Situation Summary:

Despite high overall market prices, Japan's 2014 total pork consumption was estimated only marginally below the 2013 level at **2.543 million MT**, while total supply grew two percent on increased imports, which were up nine percent at **1.332 million MT**. Import growth more than offset reduced domestic production, which was down three percent at **1.264 million MT**.

Concerns over major Porcine Epidemic Diarrhea virus (PEDv) outbreaks in Japan and in North America (especially the United States) and high prevailing U.S. pork prices contributed to the acceleration of Japanese import diversification efforts in 2014. Buyers imported greater volumes of Canadian and Mexican chilled pork and EU (notably Danish) frozen pork at the expense of U.S. pork volumes, reducing 2014 U.S. market share of total imported pork cuts by five percentage points to 33 percent (see table 7-A, 7-B, and 7-C). Sources indicate that uncertainties over lingering impacts of PEDv outbreaks on U.S. pork supplies and over the impact of Russia's import ban on EU pork fueled speculative purchases of frozen pork for processing and for food service in 2014, driving year ending stocks up an estimated 26 percent to **246,000 MT** (see table 5-B).

Losses from PEDv Drove Down Domestic Hog Slaughter in 2014

Japan's 2014 total hog slaughter was down four percent from 2013 at **16.2 million head** and total pork production was reduced three percent to **1.264 million MT**. As 2014 unfolded, the extent of PEDv's impact on piglet numbers proved greater than initially anticipated in 2013 (see note 2), halting two successive years of industry expansion.

Note 2: Japan's reported cases of PEDv and subsequent piglet losses peaked in the fall of 2014. According to MAFF's monitoring record, for the period between October 2013 and August 2014, there were 817 reported cases of PEDv outbreaks in 38 out of 47 prefectures, in which 403,761 head out of 1,272,331 total infected animals died. From September 2014 to March 9, 2015, there were 153 reported cases of PEDv in 24 prefectures, in which 26,856 died, and morbidity fell 10 percentage points to 22 percent.

Total Pork Imports Outpaced Total Demand in 2014

Japan's 2014 total pork and products imports grew nine percent from 2013, reaching **1.332 million MT**, more than filling the gap created by reduced domestic pork production. Increased imports of chilled and frozen cuts (up 12 percent combined to **1.077 million MT**) outpaced moderately lower imports of prepared products (mostly North American seasoned ground pork), which were down three percent at **254,272 MT** (See table 7-A, 7-D and note 3).

Imports of chilled pork, which mainly go to the Japanese retail market for in-home consumption, were moderately higher at **390,075 MT**, accounting for 36 percent of total pork cuts imported in 2014 (see table 7-B). Imports of U.S. chilled pork were down five percent at 244,022 MT as U.S. export offers climbed to historically high levels in 2014, largely driven by reduced slaughter (due to PEDv losses), and relatively solid demand in the United States and international markets. In the face of tight domestic and U.S. chilled supplies, imports from Canada (up 16 percent at 131,439 MT) and Mexico (up 33 percent at 14,552 MT) prevented a possible supply shortfall of chilled retail cuts.

Imports of frozen pork, which are mainly used by domestic meat processors to manufacture processed/prepared pork products and to a lesser extent by the food service sector, were noticeably higher in 2014, up 19 percent at 688,121 MT, partly on speculative purchasing in early 2014 fueled by PEDv-related fears of tighter U.S. exportable supplies. However, Russia's import bans on EU pork in 2014 (first in February 2014 due to African Swine Fever (ASF) followed by the August 2014 EU-wide import ban in retaliation for Ukraine-related sanctions) created sizable stocks of exportable EU pork, a large fraction of which found its way to the Asian market in 2014 (see note 4).

In 2014, the EU captured an unprecedented 59 percent share of Japan's imported frozen pork cuts market, as imports from Denmark rose significantly, up 19 percent at 175,947 MT, while imports from other EU countries skyrocketed up 59 percent to 230,005 MT, capturing an additional eight percentage points of market share. Imports of U.S. frozen cuts rose seven percent over 2013 levels to 114,821 MT (17 percent market share), while imports of Canadian frozen cuts were down 15 percent to 60,982 MT, dropping Canada to fourth place (behind Denmark, the United States and even Mexico) for the first time.

Speculative buying brought Japanese pork imports within a hair's breadth of the safeguard trigger levels over the first two quarters of Japanese fiscal year 2014.¹ The pace of imports slowed and safeguard concerns tempered considerably in the wake of the Russian EU-wide pork ban, which alleviated the tight supply concerns among Japanese traders. Import purchasing patterns also responded to reports of Japanese economic contraction in the latter half of 2014 and to the considerable stockpiles of imported frozen product accumulated earlier in 2014 (see table 2-B).

Note 3: In 2014, the prices for U.S. frozen picnic and shoulder cuts, the principle raw materials for manufacturing sausage and other ground processed pork products in Japan, reportedly soared to an unprecedented level, driving the price of seasoned ground pork, which is subject to a 20 percent ad valorem duty, to similar heights. According to trade sources, the increase in imports of U.S. frozen cuts in 2014 may be partially due to increased importation of "unseasoned ground pork," which may have been used to balance the cost of shipments under the gate price system. As such, imports of U.S. seasoned ground pork fell five percent to 159,283 MT in 2014 (See table 7-C and 7-D).

Note 4: While exports to Russia reportedly accounted for 60 percent of total EU pork exports in the first half of 2013 (at 332,000 MT), Russia's share plunged to six percent (at only 19,000 MT) over the same period of 2014 as a result of Russia's ASF-related import ban in February 2014. Increased Russian imports of Canadian and Brazilian pork during the first half of 2014 were reportedly incapable of filling the gap left by banned EU supplies. In the absence of EU pork, as well as Canadian and U.S. pork following the August 2014 Ukraine-related import bans, Brazil has made substantial inroads into the Russian market according to Japanese industry press reports.

2014 Consumption Remained Solid Despite Higher Prices

Reduced domestic production kept the average market price of pork throughout 2014 much higher than 2013 levels (see table 4-A and 4-B). However, further yen depreciation pushed retail prices of imported pork higher, narrowing the traditional price gap. On continued relatively solid retail demand, Japanese household expenditures on pork increased significantly in 2014, while purchased volumes fell

¹ The Japanese fiscal year runs from April through the following March; the pork safeguard volumes are calculated cumulatively over the course of the Japanese fiscal year.

marginally (see table 1). Household consumption of processed meat products (ham, sausage, and bacon) was dragged down by a series of price hikes throughout 2014 (as a result of higher imported raw material costs due to the weaker yen) coupled with the three-percentage point consumption tax hike implemented in April 2014 (see Table 1).

2015 Pork Market Outlook

2015 Total Pork Consumption Level to Remain Unchanged

Japan's 2015 total pork consumption is projected to stay roughly unchanged from the previous year at around **2.54 million MT**. Prospects for increased supplies and distribution of chilled retail pork are expected to improve through the end of 2015, following the late February 2015 resolution of the prolonged U.S. West Coast ports labor dispute and the substantial tapering of Japan's domestic PEDv outbreaks in late 2014 / early 2015, (see Note 5). As increased distribution tempers upward price pressures, Japan's household pork consumption may expand moderately in 2015. Lower market prices may similarly enhance the 2015 outlook for pork utilization in the food service sector, where imported (largely frozen) cuts tend to dominate (see Note 6). However, despite reduced procurement costs for frozen pork cuts for processing use (as global prices moderate on increased production), overall consumption of processed products in Japan may remain somewhat sluggish in the face of additional food price hikes (in response to nascent inflationary pressure in the overall Japanese economy), potentially offsetting moderate consumption increases in retail and food service sectors.

Note 5: Long arrival delays for chilled meat and offal shipments as a result of the U.S. West Coast ports labor dispute, the effects of which emerged in the last quarter of 2014 and which persist despite the late February 2015 resolution, caused a significant disruption of imported chilled pork supplies. While official numbers are not yet available, sources indicate that Japan's 2015 first quarter imports of U.S. chilled pork could have fallen by as much as 20 – 25 percent compared to 2014. Japanese retailers reported difficulty securing supplies of imported chilled cuts in the first quarter of 2015. Unable to secure sea freight, some major Japanese importers resorted to air freighting scheduled shipments of U.S. chilled pork at considerable additional expense to sustain long-time retail customer loyalty. Some retailers even reportedly resorted to selling thawed, previously frozen European cuts.

Note 6: Despite Japan's improved production prospects for 2015, the February 2015 average wholesale carcass price in Tokyo soared 33 percent higher year-on-year (excellent grade at 625 Yen per kg and medium grade 599 yen per kg), on tight supplies of imported fresh/chilled cuts and slower than expected recovery of Japanese domestic slaughter. Post anticipates that 2015 domestic pork prices will fall below 2014 levels for the remainder of the year as Japanese slaughter picks up and imported supplies begin to flow more freely.

Annual Domestic Pork Production Forecast to Recover Slightly in 2015

As reported PEDv cases have noticeably fallen in 2015 after peaking in the fall of 2014, Japan's 2015 domestic hog slaughter is anticipated to recover modestly in 2015, projected at around 16.4 million head (or total pork production of **1.28 million MT**). While slaughter numbers in early 2015 continue to show the lasting effects of 2014 piglet losses to PEDv, Post anticipates that slaughter

pace will accelerate in the latter half of 2015. For the above projection, Post assumed Japan's 2015 year beginning national sow inventory to be the same level as 2013 (885,000 head). (Note: The national livestock inventory as of February 1, 2015, will be published in July 2015 and reported in the August 2015 Livestock and Products Annual Report.

Total Pork Imports to Decline from 2014 Heights

Post projects that by June 2015, imports of chilled U.S. pork should recover from the worst of the effects of the West Coast ports labor dispute, though the supply disruption's lasting impact may be evident in U.S. chilled pork market share for years to come. Coupled with a rebound in domestic production, the Japanese retail market is expected to be flush with both domestic and imported fresh/chilled table pork at prices significantly lower than 2014 levels. Supported by expanded supplies and lower prices, chilled pork is expected to attract additional protein consumption market share as prospective demand for imported beef looks to remain soft, as tight supplies and higher prices are anticipated to continue through 2015. Meanwhile, Japan's import demand for raw material frozen pork is expected to remain static in 2015, as 2014 processed pork product price hikes continue to temper prospects for further growth.

Through the first quarter of 2015, it appears that sizable 2014 year end stocks have effectively buffered Japanese end-users from the worst impacts of the U.S. ports-related supply disruption. However, significantly improved U.S. pork production prospects in 2015 will likely reignite pitched competition with EU suppliers for greater shares of the market for raw material frozen cuts for processing use, assuming the EU will continue to have significant exportable stocks as the Russian import ban persists through August 2015. Lower U.S. pork prices in 2015 are expected to result in the resumption of Japan's recent import of substantial volumes of seasoned ground pork, as the attractiveness of unseasoned ground pork in calculating the gate price dissipates at lower price levels.

On the anticipated recovery of Japanese domestic production, the unwinding of significant year beginning frozen stocks, and in light of the above, Post projects Japan's 2015 total pork imports will be down five percent from the previous year to **1.254 million MT**, with year ending stocks also down modestly at **238,000 MT**.

Supplemental Tables:

Table 1: Average Expenditures and Quantities of Selected Commodities per Household (two or more person household) Year to Date (YTD)

	Beef		Pork		Chicken	
	Expenditure (JP Yen)	Quantity (Gram)	Expenditure (JP Yen)	Quantity (Gram)	Expenditure (JP Yen)	Quantity (Gram)
2012	18,173	6,765	23,771	18,770	12,769	14,614
2013	19,559	6,894	24,989	19,460	13,260	15,133
% Chg.	8%	2%	5%	4%	4%	4%
2014	21,120	6,584	27,622	19,288	14,527	15,491
% Chg.	8%	-4%	11%	-1%	10%	2%
	Ground Meat		Ham		Sausage	
	Expenditure (JP Yen)	Quantity (Gram)	Expenditure (JP Yen)	Quantity (Gram)	Expenditure (JP Yen)	Quantity (Gram)
2012	1,920	1,860	5,626	3,059	7,076	5,466
2013	1,952	1,848	5,630	3,007	7,211	5,524
% Chg.	-3%	-2%	0%	1%	0%	1%
2014	2,256	1,912	5,833	2,891	7,467	5,371
% Chg.	16%	3%	4%	-4%	4%	-3%
	Bacon		Yakitori		Cutlet	
	Expenditure (JP Yen)	Quantity (Gram)	Expenditure (JP Yen)	Quantity (Gram)	Expenditure (JP Yen)	Quantity (Gram)
2012	2,398	1,470	1,952		1,587	
2013	2,417	1,476	1,911		1,603	
% Chg.	-1%	-1%	3%		2%	
2014	2,601	1,479	2,012		1,746	
% Chg.	8%	0%	5%		9%	

Source: Household Statistics, Ministry of Internal Affairs and Communication Bureau

Table 2-A: Beef Safeguard Monitor YTD

Table 1. Safeguard Trigger Levels for All Trade Partners for JFY 2014 and Actual Imports (H26) Year to Date					
Unit: Metric Ton (Customs Clearances Basis)					
Chilled Beef	Post-JAEP Trigger Levels	Cum. Total			
		Actual Entry	April	May	June
I (Apr. - Jun.)	74,339	55,553	19,409	18,021	18,123
			July	August	September
I - II (Apr. - Sept.)	152,456	115,483	20,480	19,204	20,246
			October	November	December
II - III (Apr. - Dec.)	230,642	173,701	21,047	17,534	19,637
			January	February	March
III - IV (Apr. - Mar.)	292,355	199,793	12,745	13,347	0
Frozen Beef		Cum. Total			
		Actual Entry	April	May	June
I (Apr. - Jun.)	90,366	73,817	26,279	22,659	24,879
			July	August	September
I - II (Apr. - Sept.)	213,110	168,466	25,272	37,766	31,611
			October	November	December
II - III (Apr. - Dec.)	306,402	238,809	26,572	22,916	20,855
			January	February	March
III - IV (Apr. - Mar.)	377,359	281,144	20,315	22,020	0

Source: Ministry of Finance

Table 2. Safeguard Trigger Levels for Trade Partners with EPA Deal for JFY 2014 and Actual Imports (H26) Year to Date					
Unit: Metric Ton (Customs Clearances Basis)					
Chilled Beef	EPA Partner Trigger Levels	Cum. Total			
		Actual Entry	April	May	June
I (Apr. - Jun.)		0	-	-	-
			July	August	September
I - II (Apr. - Sept.)		0	-	-	-
			October	November	December
II - III (Apr. - Dec.)	89,493	72,271	-	-	72,271
			January	February	March
III - IV (Apr. - Mar.)	112,567	79,901	3,148	4,482	0
Frozen Beef		Cum. Total			
		Actual Entry	April	May	June
I (Apr. - Jun.)		0	-	-	-
			July	August	September
I - II (Apr. - Sept.)		0	-	-	-
			October	November	December
II - III (Apr. - Dec.)	143,643	108,242	-	-	108,242
			January	February	March
III - IV (Apr. - Mar.)	177,900	128,490	7,411	12,837	0

Source: Ministry of Finance

Note: With the January 15, 2015 implementation of the Japan-Australia Economic Partnership Agreement (JAEPA), GOJ adjusted the beef safeguard trigger mechanism, such that the beef safeguard is triggered only if the following two conditions are met:

1. When cumulative quarterly imports for chilled and for frozen beef (each calculated separately) from the world exceed 117 percent of the previous year's imports (Table 2-A: Table 1), **AND**
2. When cumulative quarterly imports for chilled and for frozen beef (each calculated separately) from the sum of TRQ imports made under EPAs with Australia, Mexico and Chile exceed 117 percent of the previous year's imports (Table 2-A: Table 2). For JFY 2014, third and fourth quarter trigger levels are calculated based on actual imports of JFY 2013 from Australia, plus imports under EPA TRQs for Mexico and Chile.

Exceeding the trigger level for only one of the above conditions will not trigger the beef safeguard. In the event that the trigger levels for both conditions are exceeded, then the import duty for non-EPA trade partners would revert to 50 percent (from the current 38.5 percent), while the import duty for EPA trade partners would climb to 38.5 percent. Prior to this adjustment, the so-called special safeguard (SSG) trigger level was calculated from imports from all trade partners, as in Table 2-A: Table 1.

The table below represents the tariff reduction and safeguard trigger levels for Australian beef under the JAEPA. Tariff reductions for Australian chilled and frozen beef were substantially front-loaded in the first two years of the agreement, after which the annual tariff reduction rate will slow considerably (roughly 0.6 percent per annum for chilled beef, and roughly 0.3 percent per annum for frozen beef from years 3-12 and 0.9 percent per annum for years 13-18).

		Tariff Reduction Schedule									Remark
		JFY (April - March)	JFY 2014	JFY 2015	3	4	5	10	11-17	18	
Frozen Beef	Tariff Rate	38.5% (Bound Rate)	30.5	28.5	27.5	27.2	26.9	25.6	~	19.5	(50% reduction after 18 Years)
	Safeguard Trigger Level (1,000 Metric Ton)		195					210			The level to be re-negotiated after 10 years.
		JFY (April - March)	JFY 2014	JFY 2015	3	4	5	10	11-14	15	
Chilled Beef	Tariff Rate	38.5% (Bound Rate)	32.5	31.5	30.5	29.9	29.3	26.4	~	23.5	(40% reduction after 15 years)
	Safeguard Trigger Level (1,000 Metric Ton)		130					145			The level to be re-negotiated after 10 years.
		JFY (April - March)	JFY 2014	JFY 2015	3	4	5	10	11-14	15	

Source: MAFF Meat and Egg Division

Table 2-B: Pork Safeguard Monitor YTD

Pork Safeguard Trigger Levels for JFY 2014 and Actual Imports Year to Date (S26)					
Unit: Metric Ton					
	Trigger Level	Cum. Total			
	Quarterly Cum.	Actual Entry	April	May	June
I (Apr. - Jun.)	208,544	191,577	66,651	65,885	59,041
			July	August	September
I - II (Apr. - Sept.)	415,104	395,119	82,915	62,707	57,920
			October	November	December
I - III (Apr. - Dec.)	631,546	586,537	92,200	47,954	51,264
			January	February	March
I - IV (Apr. - Mar.)	834,451	682,671	48,334	47,800	0

Source: Ministry of Finance

Table 3-A: Average Wholesale Price of Domestic Beef

Unit: JP Yen/Kg					
WAGYU STEER A-3 GRADE					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	1,292	1,440	1,431	1,619	1,446
2013	1,608	1,729	1,705	1,821	1,716
% Chg.	24%	20%	19%	12%	19%
2014	1,645	1,687	1,739	1,965	1,759
% Chg.	2%	-2%	2%	8%	3%
2015	2,108				
% Chg.	28%				
WAGYU STEER A-2 GRADE					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	1,042	1,257	1,255	1,446	1,250
2013	1,453	1,579	1,552	1,646	1,557
% Chg.	39%	26%	24%	14%	25%
2014	1,486	1,538	1,578	1,821	1,606
% Chg.	2%	-3%	2%	11%	3%
2015	1,948				
% Chg.	31%				
WAGYU Heifer A-3 GRADE					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	1,250	1,390	1,445	1,618	1,426
2013	1,590	1,696	1,687	1,788	1,690
% Chg.	27%	22%	17%	11%	19%
2014	1,647	1,670	1,696	1,927	1,735
% Chg.	4%	-2%	1%	8%	3%
2015	2,041				
% Chg.	24%				
Holstein Steer B-2 Grade					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	380	590	591	661	555
2013	716	768	773	813	767
% Chg.	89%	30%	31%	23%	38%
2014	782	821	803	884	822
% Chg.	9%	7%	4%	9%	7%
2015	993				
% Chg.	27%				
Holstein Cow C-2 GRADE					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	232	366	349	316	316
2013	378	486	538	536	484
% Chg.	63%	33%	54%	69%	53%
2014	534	604	649	650	609
% Chg.	41%	24%	21%	21%	26%
2015	689				
% Chg.	29%				

Unit: JP Yen/Kg					
F1 Cross Breed Heifer B-3 GRADE					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	847	1,043	1,050	1,129	1,017
2013	1,084	1,177	1,209	1,283	1,188
% Chg.	28%	13%	15%	14%	17%
2014	1,155	1,196	1,218	1,351	1,230
% Chg.	7%	2%	1%	5%	4%
2015	1,467				
% Chg.	27%				
F1 Cross Breed Heifer B-2 GRADE					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	676	917	927	979	875
2013	970	1,081	1,090	1,176	1,079
% Chg.	43%	18%	18%	20%	23%
2014	1,027	1,066	1,088	1,230	1,103
% Chg.	6%	-1%	-0%	5%	2%
2015	1,365				
% Chg.	33%				
F1 Cross Breed Steer B-3 GRADE					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	931	1,068	1,089	1,157	1,061
2013	1,116	1,206	1,256	1,328	1,226
% Chg.	20%	13%	15%	15%	16%
2014	1,205	1,240	1,260	1,410	1,279
% Chg.	8%	3%	0%	6%	4%
2015	1,500				
% Chg.	25%				
F1 Cross Breed Steer B-2 GRADE					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	747	960	964	1,026	924
2013	1,000	1,100	1,139	1,207	1,112
% Chg.	34%	15%	18%	18%	20%
2014	1,073	1,120	1,121	1,282	1,149
% Chg.	7%	2%	-2%	6%	3%
2015	1,406				
% Chg.	31%				

Source: ALIC Livestock Monthly Statistics

Table 3-B: Average Wholesale Price of Imported Chilled Beef by Cuts and Origin YTD

Unit: JP Yen/Kg					
Full Set, Aussie Beef, Chilled, (Short Grain Fed)					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	797	863	813	814	822
2013	923	956	931	962	943
% Chg.	16%	11%	14%	18%	15%
2014	985	998	1,090	1,172	1,061
% Chg.	7%	4%	17%	22%	13%
Full Set, Aussie Beef, Chilled, (Grass Fed)					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	728	772	698	716	729
2013	800	849	804	878	833
% Chg.	10%	10%	15%	23%	14%
2014	911	927	1,002	1,108	987
% Chg.	14%	9%	25%	26%	19%
Navel-end Brisket, Aussie Beef, Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	539	607	617	584	587
2013	636	637	651	687	653
% Chg.	18%	5%	6%	18%	11%
2014	725	751	831	935	811
% Chg.	14%	18%	28%	36%	24%
Strip Loin, Aussie Beef, Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	1,167	1,177	950	990	1,071
2013	1,234	1,320	1,110	1,280	1,236
% Chg.	6%	12%	17%	29%	15%
2014	1,286	1,306	1,424	1,457	1,368
% Chg.	4%	-1%	28%	14%	11%
Chuck Rib, US Beef, Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	1,133	1,276	1,206	1,160	1,194
2013	1,389	1,596	1,626	1,725	1,584
% Chg.	23%	25%	35%	49%	33%
2014	1,743	1,813	1,899	2,012	1,867
% Chg.	26%	14%	17%	17%	18%
Chuck Eye, US Beef, Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	788	772	747	840	786
2013	891	904	905	1,016	929
% Chg.	13%	17%	21%	21%	18%
2014	1,093	1,074	1,169	1,297	1,158
% Chg.	23%	19%	29%	28%	25%

Unit: JP Yen/Kg					
Strip Loin, US Beef, Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	1,501	1,738	1,798	1,637	1,668
2013	1,819	2,099	2,083	1,926	1,982
% Chg.	21%	21%	16%	18%	19%
2014	2,023	2,436	2,511	2,308	2,320
% Chg.	11%	16%	21%	20%	17%
Rib Eye Roll, US Beef, Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	1,761	1,833	1,828	2,011	1,858
2013	2,099	2,141	2,198	2,399	2,210
% Chg.	19%	17%	20%	19%	19%
2014	2,402	2,431	2,639	2,842	2,579
% Chg.	14%	14%	20%	18%	17%

Source: ALIC Monthly Statistics

Table 3-C: Average Wholesale Price of Imported Frozen Beef by Cuts and Origin YTD

Unit: JP Yen/Kg					
Chuck & Blade, Aussie Beef, Frozen					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	543	572	562	567	561
2013	618	674	689	697	669
% Chg.	14%	18%	23%	23%	19%
2014	704	727	873	978	821
% Chg.	14%	8%	27%	40%	23%
2015	973				
% Chg.	38%				
Top Side, Aussie Beef, Frozen					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	636	642	613	608	625
2013	672	787	753	807	755
% Chg.	6%	23%	23%	33%	21%
2014	840	839	930	955	891
% Chg.	25%	7%	24%	18%	18%
2015	943				
% Chg.	12%				
Trimming, Aussie Beef, Frozen					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	452	464	301	448	416
2013	520	559	544	549	543
% Chg.	15%	20%	81%	23%	30%
2014	551	581	746	846	681
% Chg.	6%	4%	37%	54%	25%
2015	774				
% Chg.	40%				

Unit: JP Yen/Kg					
Short Plate, US Beef, Frozen					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	687	888	738	659	743
2013	611	577	564	568	580
% Chg.	-11%	-35%	-23%	-14%	-22%
2014	625	759	968	1,062	854
% Chg.	2%	32%	71%	87%	47%
2015	942				
% Chg.	51%				
Short Rib, US Beef, Frozen					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	1,766	1,836	1,660	1,616	1,719
2013	1,928	2,297	2,379	2,550	2,289
% Chg.	9%	25%	43%	58%	33%
2014	2,697	2,827	3,015	3,259	2,949
% Chg.	40%	23%	27%	28%	29%
2015	3,264				
% Chg.	21%				
Chuck Rib, US Beef, Frozen					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	916	1,402	1,136	1,020	1,118
2013	1,215	1,440	1,428	1,481	1,391
% Chg.	33%	3%	26%	45%	24%
2014	1,578	1,714	1,879	1,920	1,773
% Chg.	30%	19%	32%	30%	27%
2015	1,938				
% Chg.	23%				
Source: ALIC Monthly Statistics					

Table 4-A: Average Wholesale Price of Domestic Hog Carcasses by Grade, Tokyo Market YTD

Unit: JP Yen/Kg					
Excellent Grade					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	422	478	475	408	446
2013	419	496	521	501	484
% chg.	-1%	4%	10%	23%	9%
2014	468	622	566	597	563
% chg.	12%	25%	9%	19%	16%
2015	574				
% chg.	23%				
Medium Grade					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	381	430	434	369	404
2013	370	459	487	475	448
% chg.	-3%	7%	12%	29%	11%
2014	443	596	543	577	540
% chg.	20%	30%	12%	21%	21%
2015	546				
% chg.	23%				

Source: MAFF Meat Statistics, ALIC Monthly Statistics

Table 4-B: Average Wholesale Price of Domestic Fresh/Chilled Pork Cuts YTD

Unit: JP Yen/Kg					
Full-set: Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	598	664	670	576	627
2013	584	700	742	703	682
% chg.	-2%	5%	11%	22%	9%
2014	686	861	779	809	784
% chg.	17%	23%	5%	15%	15%
Picnic: Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	439	477	476	414	451
2013	425	536	551	531	511
% chg.	-3%	12%	16%	28%	13%
2014	524	678	627	598	607
% chg.	23%	27%	14%	13%	19%
Shoulder Loin: Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	768	814	840	792	803
2013	775	856	959	960	887
% chg.	1%	5%	14%	21%	10%
2014	883	1,063	991	1,061	999
% chg.	14%	24%	3%	11%	13%
Loin: Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	798	853	871	805	832
2013	796	877	961	926	890
% chg.	-0%	3%	10%	15%	7%
2014	888	1,089	1,027	1,071	1,019
% chg.	12%	24%	7%	16%	14%
Tender Loin: Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	865	926	925	860	894
2013	852	961	1,027	990	958
% chg.	-1%	4%	11%	15%	7%
2014	960	1,186	1,135	1,123	1,101
% chg.	13%	23%	11%	13%	15%
Belly: Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	763	765	758	771	764
2013	763	806	851	934	839
% chg.	0%	5%	12%	21%	10%
2014	895	1,040	944	1,058	984
% chg.	17%	29%	11%	13%	17%
Ham: Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	457	508	503	436	476
2013	451	571	583	563	542
% chg.	-1%	12%	16%	29%	14%
2014	558	721	669	629	644
% chg.	24%	26%	15%	12%	19%

Source: ALIC Monthly Statistics

Table 4-C: Average Wholesale Price of Imported Chilled Pork Cuts YTD

Unit: JP Yen/Kg					
Loin, US: Chilled					
2012	601	595	601	595	598
2013	589	589	601	596	594
% chg.	-2%	-1%	0%	0%	-1%
2014	615	732	694	686	682
% chg.	4%	24%	15%	15%	15%
Loin, Canada: Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	617	611	609	602	610
2013	599	601	604	599	601
% chg.	-3%	-2%	-1%	-1%	-2%
2014	627	756	725	712	705
% chg.	5%	26%	20%	19%	17%
Tender Loin, US: Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	687	685	686	679	684
2013	681	687	759	769	724
% chg.	-1%	0%	11%	13%	6%
2014	813	927	919	942	900
% chg.	19%	35%	21%	22%	24%
Tender Loin, Canada: Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	762	736	730	717	736
2013	727	727	815	816	771
% chg.	-5%	-1%	12%	14%	5%
2014	851	961	978	955	936
% chg.	17%	32%	20%	17%	21%
Shoulder Loin, US: Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	614	604	608	612	609
2013	598	605	641	657	625
% chg.	-3%	0%	5%	7%	3%
2014		787	830	811	774
% chg.	-100%	30%	29%	23%	24%
Shoulder Loin, Canada: Chilled					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Yearly Avg
2012	635	628	631	636	632
2013	618	625	655	665	641
% chg.	-3%	-1%	4%	5%	1%
2014	683	820	854	830	797
% chg.	11%	31%	30%	25%	24%
Source: ALIC Monthly Statistics					

Table 5-A: Monthly Ending Beef Stock Estimate YTD

Unit: Metric Ton (CWE Basis)					
	2012	2013	% Chg.	2014	% Chg.
Jan.	129,254	128,838	-0%	166,335	29%
Feb.	121,915	120,344	-1%	155,893	30%
Mar.	111,626	119,699	7%	150,046	25%
Apr.	107,579	117,029	9%	149,295	28%
May	112,944	135,064	20%	145,508	8%
Jun.	124,592	145,328	17%	154,976	7%
Jul.	139,138	172,175	24%	161,944	-6%
Aug.	148,562	187,239	26%	171,396	-8%
Sept..	154,256	182,398	18%	181,558	-0%
Oct.	152,671	186,949	22%	188,727	1%
Nov.	149,373	183,560	23%	191,113	4%
Dec.	135,492	170,537	26%	185,395	9%

Source: ALIC Monthly Statistics

Table 5-B: Monthly Ending Pork Stock Estimate YTD

Unit: Metric Ton (CWE Basis)					
Month/Year	2012	2013	% Chg.	2014	% Chg.
Jan.	232,219	227,915	-2%	213,346	-6%
Feb.	238,564	229,814	-4%	209,024	-9%
Mar.	237,673	226,928	-5%	210,978	-7%
Apr.	231,592	226,129	-2%	213,498	-6%
May	234,878	231,345	-2%	229,268	-1%
Jun.	219,436	224,888	2%	244,787	9%
Jul.	222,686	219,863	-1%	266,367	21%
Aug.	228,799	217,903	-5%	274,021	26%
Sept..	233,068	211,461	-9%	275,977	31%
Oct.	234,993	209,986	-11%	286,718	37%
Nov.	229,995	198,884	-14%	264,953	33%
Dec.	213,918	195,273	-9%	245,651	26%

Source: ALIC Monthly Statistics

Table 6-A: Japanese Total Beef Import, Chilled and Frozen Combined/CIF Price YTD

Year To Date: January - December						
Partner Country	Quantity (Metric Ton, Customs Clearance Basis)			Share (%)		% Change
	2012	2013	2014	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	514,186	534,255	518,708	100%	100%	-3%
Australia	318,400	285,923	280,842	54%	54%	-2%
United States	131,921	186,056	188,675	35%	36%	1%
New Zealand	31,412	29,429	24,112	6%	5%	-18%
Canada	11,468	12,691	14,104	2%	3%	11%
Mexico	20,450	19,571	10,369	4%	2%	-47%
Others	535	585	606	0%	0%	4%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Partner Country	Unit Value(United States Dollars/Metric Ton)			% Change
	2012	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	5,372	5,088	5,565	9%
Australia	5,008	4,835	5,234	8%
United States	6,378	5,592	6,105	9%
New Zealand	5,321	5,304	5,697	7%
Canada	5,146	4,091	4,448	9%
Mexico	4,768	4,259	5,808	36%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Table 6-B: Japanese Beef Import, Chilled Cuts/CIF YTD

Partner Country	Quantity (Metric Ton/Customs Clearance Basis)			Share (%)		% Change
	2012	2013	2014	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	212,425	212,305	219,253	100%	100%	3%
Australia	128,688	115,650	125,457	54%	57%	8%
United States	71,605	86,297	83,528	41%	38%	-3%
New Zealand	7,975	6,610	5,541	3%	3%	-16%
Mexico	1,732	2,204	2,843	1%	1%	29%
Canada	2,423	1,486	1,832	1%	1%	23%
Others	2	58	52	0%	0%	-10%

Source of Data: Japan Ministry of Finance

Partner Country	Unit Value(United States Dollars/Metric Ton)			% Change
	2012	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	7,127	6,827	7,260	6%
Australia	6,847	6,477	6,705	4%
United States	7,571	7,195	8,010	11%
New Zealand	7,769	7,981	7,999	0%
Mexico	6,240	6,858	7,968	16%
Canada	7,413	6,786	7,102	5%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Table 6-C: Japanese Beef Import, Frozen Cuts/CIF YTD

Partner Country	Quantity (Metric Ton, Customs Clearance Basis)			Share (%)		% Change
	2012	2013	2014	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	301,761	321,949	299,456	100%	100%	-7%
Australia	189,712	170,273	155,385	53%	52%	-9%
United States	60,316	99,758	105,147	31%	35%	5%
New Zealand	23,437	22,819	18,570	7%	6%	-19%
Canada	9,045	11,205	12,272	3%	4%	10%
Mexico	18,717	17,367	7,526	5%	3%	-57%
Others	534	527	556	0%	0%	6%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Partner Country	Unit Value(United States Dollars/Metric Ton)			% Change 2014/2013
	2012	2013	2014	
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	4,137	3,942	4,324	10%
Australia	3,760	3,720	4,045	9%
United States	4,962	4,206	4,592	9%
New Zealand	4,489	4,528	5,010	11%
Canada	4,538	3,734	4,052	9%
Mexico	4,632	3,929	4,992	27%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Table 6-D: Japanese Beef Import, Prepared and Processed Products/CIF YTD

Partner Country	Quantity (Metric Ton, Customs Clearance Basis)			Share (%)		% Change
	2012	2013	2014	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	9,548	6,503	7,272	100%	100%	12%
Australia	5,534	4,847	5,279	75%	73%	9%
China	1,983	1,148	1,066	18%	15%	-7%
New Zealand	431	256	345	4%	5%	35%
Others	1,600	252	582	4%	8%	131%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Partner Country	Unit Value(United States Dollars/Metric Ton)			% Change
	2012	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	7,643	6,719	6,785	1%
Australia	6,468	5,678	5,577	-2%
China	8,072	8,426	7,599	-10%
Mexico	8,091	7,196	23,790	231%
New Zealand	16,158	13,054	10,888	-17%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Table 6-E: Japanese Beef Import, Edible Meat and Offal/CIF YTD

Partner Country	Quantity (Metric Ton, Customs Clearance Basis)			Share (%)		% Change
	2012	2013	2014	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	43,325	59,164	61,343	100%	100%	4%
United States	16,358	30,794	32,949	52%	54%	7%
Australia	17,890	19,246	19,554	33%	32%	2%
New Zealand	3,810	3,900	4,369	7%	7%	12%
Canada	1,668	2,469	2,307	4%	4%	-7%
Mexico	2,645	1,997	1,447	3%	2%	-28%
Others	954	758	717	1%	1%	-5%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Partner Country	Unit Value(United States Dollars/Metric Ton)			% Change
	2012	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	10,128	8,977	9,310	4%
United States	12,170	10,229	10,763	5%
Australia	9,235	7,710	7,593	-2%
New Zealand	8,064	6,925	6,803	-2%
Canada	10,633	8,445	8,979	6%
Mexico	7,203	7,201	8,373	16%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Table 7-A: Japanese Total Pork Import, Chilled and Frozen Cuts Combined/CIF Price YTD

Partner Country	Quantity (Metric Ton, Customs Clearance Basis)			Share (%)		% Change 2014/2013
	2012	2013	2014	2013	2014	
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	778,804	738,451	829,382	100%	100%	12%
United States	313,860	281,144	276,033	38%	33%	-2%
Canada	172,614	142,241	148,016	19%	18%	4%
Denmark	116,742	113,951	135,346	15%	16%	19%
Mexico	45,630	59,379	63,041	8%	8%	6%
Chile	28,918	29,522	26,847	4%	3%	-9%
EU (Other than Denmark)	100,336	111,579	176,973	15%	21%	59%
Others	704	635	3,126	0%	0%	392%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Partner Country	Unit Value(United States Dollars/Metric Ton)			% Change 2014/2013
	2012	2013	2014	
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	6,584	5,414	5,226	-3%
United States	6,564	5,404	5,356	-1%
Canada	6,580	5,397	5,252	-3%
Denmark	6,577	5,379	5,027	-7%
Spain	6,809	5,604	5,210	-7%
Mexico	6,610	5,462	5,410	-1%
Chile	6,577	5,418	5,173	-5%
Netherlands	6,548	5,323	4,955	-7%
Hungary	6,623	5,535	5,032	-9%
Austria	6,609	5,335	5,020	-6%
France	6,595	5,458	5,045	-8%
Germany	6,534	5,333	5,023	-6%
Ireland	6,620	5,386	4,976	-8%
Italy	6,743	5,598	5,232	-7%
Poland	6,572	5,413	5,124	-5%
Brazil	0	5,350	4,824	-10%
Finland	6,573	5,368	5,210	-3%
Australia	7,008	5,884	5,541	-6%
Belgium	6,623	5,442	5,079	-7%
Sweden	0	0	4,979	N.A.

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Table 7-B: Japanese Pork Import, Chilled Cuts/CIF YTD

Partner Country	Quantity (Metric Ton, Customs Clearance Basis)			Share (%)		% Change
	2012	2013	2014	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	260,699	294,043	300,058	100%	100%	2%
United States	182,681	198,493	187,709	68%	63%	-5%
Canada	69,019	86,993	101,107	30%	34%	16%
Mexico	8,745	8,404	11,194	3%	4%	33%
Others	254	153	48	0%	0%	-69%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Partner Country	Unit Value(United States Dollars/Metric Ton)			% Change
	2012	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	6,560	5,401	5,428	1%
United States	6,550	5,402	5,449	1%
Canada	6,577	5,389	5,377	0%
Mexico	6,567	5,399	5,479	1%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Table 7-C: Japanese Pork Import, Frozen Cuts/CIF YTD

Partner Country	Quantity (Metric Ton, Customs Clearance Basis)			Share (%)		% Change
	2012	2013	2014	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	518,104	444,408	529,324	100%	100%	19%
Denmark	116,742	113,951	135,344	26%	26%	19%
United States	131,179	82,651	88,324	19%	17%	7%
Mexico	36,885	50,975	51,847	11%	10%	2%
Canada	103,595	55,248	46,909	12%	9%	-15%
Chile	28,907	29,522	26,847	7%	5%	-9%
EU (Other than Demark)	100,276	111,529	176,927	25%	33%	59%
Other	520	532	3,126	0%	1%	488%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Partner Country	Unit Value(United States Dollars/Metric Ton)			% Change
	2012	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	6,596	5,423	5,112	-6%
Denmark	6,577	5,379	5,027	-7%
United States	6,583	5,409	5,158	-5%
Spain	6,796	5,591	5,203	-7%
Mexico	6,620	5,473	5,395	-1%
Canada	6,582	5,409	4,982	-8%
Chile	6,577	5,418	5,173	-5%
Netherlands	6,548	5,323	4,955	-7%
Hungary	6,622	5,529	5,032	-9%
Austria	6,608	5,335	5,020	-6%
France	6,563	5,423	5,028	-7%
Germany	6,534	5,333	5,023	-6%
Ireland	6,620	5,386	4,976	-8%
Italy	6,720	5,575	5,226	-6%
Poland	6,572	5,413	5,124	-5%
Brazil	0	5,350	4,824	-10%
Finland	6,573	5,368	5,210	-3%
Australia	7,118	5,869	5,541	-6%
Belgium	6,623	5,442	5,079	-7%
Sweden	0	0	4,979	N.A.

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Table 7-D: Japanese Pork Import, Prepared and Processed Products/CIF YTD

Partner Country	Quantity (Metric Ton, Customs Clearance Basis)			Share (%)		% Change
	2012	2013	2014	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	190,030	202,189	195,594	100%	100%	-3%
United States	116,612	129,339	122,525	64%	63%	-5%
China	30,909	25,079	26,279	12%	13%	5%
Canada	15,227	18,344	20,486	9%	10%	12%
Thailand	8,309	8,386	6,840	4%	3%	-18%
Netherlands	203	2,191	4,535	1%	2%	107%
Mexico	5,812	5,419	4,297	3%	2%	-21%
Others	12,958	13,431	10,632	7%	5%	-21%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Partner Country	Unit Value(United States Dollars/Metric Ton)			% Change
	2012	2013	2014	2014/2013
	Jan./Dec.	Jan./Dec.	Jan./Dec.	Jan./Dec.
World	4,249	3,857	4,279	11%
United States	3,386	3,279	3,810	16%
China	5,956	4,920	4,835	-2%
Canada	3,237	2,819	3,413	21%
Thailand	8,632	8,150	8,463	4%
Mexico	3,607	3,956	4,142	5%
Netherlands	2,822	2,578	3,174	23%

Source of Data: Global Trade Atlas (Japan Ministry of Finance)

Table 8: Japanese Feeder Calf Auction Price/YTD

JFY (April - March)	Black Wagyu					
	Number Auctioned		Average Price (Steer/Heifer)		Average Weight	Average Age
	Head	% Chg.	1,000 Yen/Head	% Chg.	Kg	Day
2009	388,234	3%	361	-7%	278	285
2010	346,596	-11%	390	8%	278	290
2011	359,503	4%	399	2%	277	283
2012	361,557	1%	419	5%	278	282
2013	351,119	-3%	503	20%	277	278
JFY 2014						
Apr.	27,874	-3%	554	19%	278	277
May	29,485	-10%	552	19%	280	278
Jun.	25,657	-1%	548	17%	283	279
Jul.	31,006	-6%	543	14%	277	274
Aug.	20,823	-8%	545	12%	278	277
Sept.	29,407	-2%	550	10%	275	275
Oct.	25,161	-5%	563	11%	276	276
Nov.	29,057	-3%	585	11%	275	277
Dec.	28,283	-7%	591	8%	273	274
Jan. 2015	31,357	-3%	581	10%	272	276
Feb.	23,626	-9%	605	15%	278	280
JFY (April - March)	F1 Cross Breed					
	Number Auctioned		Average Price (Steer/Heifer)		Average Weight	Average Age
	Head	% Chg.	1,000 Yen/Head	% Chg.	Kg	Day
2009	66,521	-20%	209	28%	288	251
2010	59,354	-11%	261	25%	286	247
2011	61,574	4%	237	-9%	291	248
2012	68,500	11%	227	-4%	294	249
2013	58,454	-15%	299	32%	294	247
JFY 2014						
Apr.	5,191	-10%	294	14%	298	250
May	5,148	-9%	295	12%	300	249
Jun.	5,685	5%	302	11%	302	250
Jul.	5,339	3%	304	10%	299	247
Aug.	5,273	9%	302	5%	300	249
Sept.	5,337	3%	310	7%	298	248
Oct.	5,139	11%	323	7%	295	246
Nov.	5,038	12%	352	6%	295	246
Dec.	5,049	13%	359	2%	291	244
Jan. 2015	4,818	19%	355	6%	295	249
Feb.	5,039	21%	343	4%	293	246

Source: ALIC Monthly Statistics