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Report Highlights:

Beef production is projected to remain flat in 2021 as marginally higher slaughter is offset by lower carcass weights. Falling wagyu prices due to oversupply is expected to lead to slightly lower calf production in 2021. Beef consumption is projected to recover in 2021 after a slowdown in 2020. Beef imports will remain flat as traders maintain buffer stocks against future market shocks. Pork production in 2021 is estimated to increase around one percent as producers rebound from a Classical Swine Fever outbreak in 2018. Pork consumption will remain strong as rising household consumption offsets declining foodservice demand. Expanding pork stocks will put downward pressure on imports in 2020 and is projected to limit 2021 growth to less than half a percent.

Production, Supply and Distribution Data Statistics:

Cattle PS&D

Animal Numbers, Cattle	2019		2020		2021	
Market Year Begins	Jan 2019		Jan 2020		Jan 2021	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks (1000 HEAD)	3835	3835	3870	3907	0	3910
Dairy Cows Beg. Stocks (1000 HEAD)	839	839	845	840	0	845
Beef Cows Beg. Stocks (1000 HEAD)	528	528	540	559	0	555
Production (Calf Crop) (1000 HEAD)	1235	1235	1235	1240	0	1235
Total Imports (1000 HEAD)	18	18	20	15	0	15
Total Supply (1000 HEAD)	5088	5088	5125	5162	0	5160
Total Exports (1000 HEAD)	0	0	0	0	0	0
Cow Slaughter (1000 HEAD)	243	243	250	250	0	255
Calf Slaughter (1000 HEAD)	4	4	5	5	0	5
Other Slaughter (1000 HEAD)	796	796	800	790	0	790
Total Slaughter (1000 HEAD)	1043	1043	1055	1045	0	1050
Loss and Residual (1000 HEAD)	175	138	180	207	0	205
Ending Inventories (1000 HEAD)	3870	3907	3890	3910	0	3905
Total Distribution (1000 HEAD)	5088	5088	5125	5162	0	5160
(1000 HEAD)						

Beef and Veal PS&D

Meat, Beef and Veal	2019		2020		2021	
Market Year Begins	Jan 2019		Jan 2020		Jan 2021	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	1043	1043	1055	1045	0	1050
Beginning Stocks (1000 MT CWE)	163	163	162	162	0	172
Production (1000 MT CWE)	471	471	475	475	0	475
Total Imports (1000 MT CWE)	853	853	845	855	0	855
Total Supply (1000 MT CWE)	1487	1487	1482	1492	0	1502
Total Exports (1000 MT CWE)	6	6	6	5	0	6
Human Dom. Consumption (1000 MT CWE)	1319	1319	1311	1315	0	1320
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	1319	1319	1311	1315	0	1320
Ending Stocks (1000 MT CWE)	162	162	165	172	0	176
Total Distribution (1000 MT CWE)	1487	1487	1482	1492	0	1502
(1000 HEAD), (1000 MT CWE)						

Swine PS&D

Animal Numbers, Swine	2019		2020		2021	
Market Year Begins	Jan 2019		Jan 2020		Jan 2021	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Beginning Stocks (1000 HEAD)	9156	9156	9060	9090	0	9152
Sow Beginning Stocks (1000 HEAD)	853	853	840	845	0	850
Production (Pig Crop) (1000 HEAD)	16740	16770	16800	16860	0	16960
Total Imports (1000 HEAD)	1	0	1	2	0	1
Total Supply (1000 HEAD)	25897	25926	25861	25952	0	26113
Total Exports (1000 HEAD)	0	0	0	0	0	0
Sow Slaughter (1000 HEAD)	0	0	0	0	0	0
Other Slaughter (1000 HEAD)	16319	16319	16360	16440	0	16570
Total Slaughter (1000 HEAD)	16319	16319	16360	16440	0	16570
Loss and Residual (1000 HEAD)	518	517	361	360	0	363
Ending Inventories (1000 HEAD)	9060	9090	9140	9152	0	9180
Total Distribution (1000 HEAD)	25897	25926	25861	25952	0	26113
(1000 HEAD)						

Pork PS&D

Meat, Swine	2019		2020		2021	
Market Year Begins	Jan 2019		Jan 2020		Jan 2021	
Japan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	16319	16319	16360	16440	0	16570
Beginning Stocks (1000 MT CWE)	208	208	263	263	0	260
Production (1000 MT CWE)	1279	1279	1280	1285	0	1295
Total Imports (1000 MT CWE)	1493	1493	1490	1460	0	1465
Total Supply (1000 MT CWE)	2980	2980	3033	3008	0	3020
Total Exports (1000 MT CWE)	3	3	4	3	0	3
Human Dom. Consumption (1000 MT CWE)	2714	2714	2764	2745	0	2745
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	2714	2714	2764	2745	0	2745
Ending Stocks (1000 MT CWE)	263	263	265	260	0	272
Total Distribution (1000 MT CWE)	2980	2980	3033	3008	0	3020
(1000 HEAD), (1000 MT CWE)						

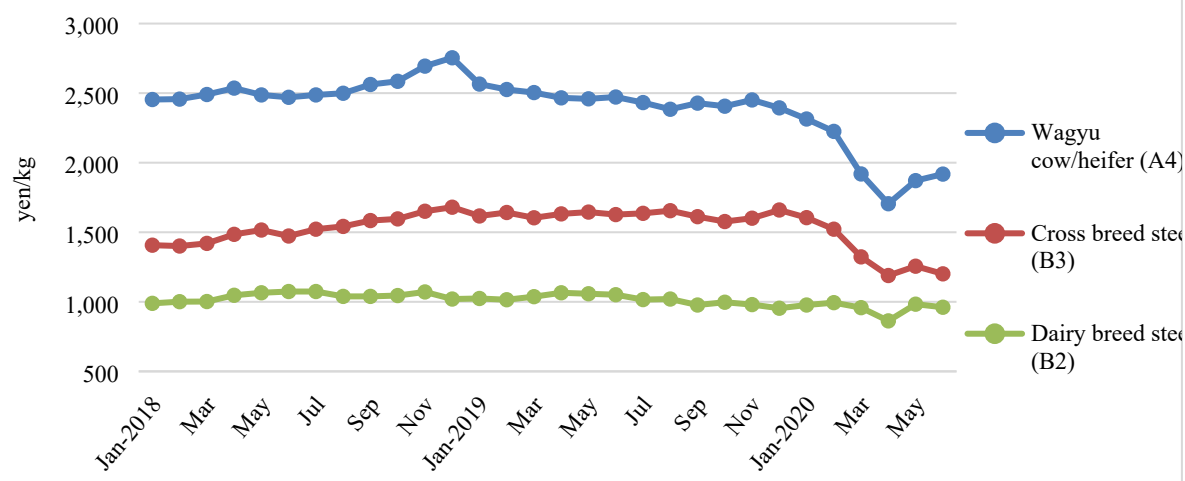
Note for PSD: In 2020, the Government of Japan began to track cattle numbers more accurately using RFID tags. As a result, New Post 2020 estimates for Total Cattle Beg. Stocks, Dairy Cow Beginning Stocks, and Beef Cow Beginning Stocks reflect official government data as of February 1. Due to the change in methodology, the estimates are not directly comparable to data from 2019 and prior. In order maintain the PSD balance, FAS/Tokyo has revised 2019 Loss and Residual downward.

BEEF

Cattle Numbers and Beef Production

FAS/Tokyo projects beginning cattle stocks in 2021 to increase slightly to 3.910 million head as slumping demand in the first half of 2020 caused many producers to delay slaughter. The backlog is expected to push some slaughter into early 2021. Beef producers, especially of wagyu breeds, targeted increased production in 2020 to capitalize on the Tokyo Olympics as well as growing inbound tourism from other Asian countries, notably China. Japan expected to receive up to 40 million visitors in 2020, however COVID-19 travel restrictions have virtually stopped the flow of inbound tourists since February/March. Furthermore, a national state of emergency from April 7 to May 25 caused restaurant closures across the country. As a result, wagyu carcass prices, which started trending downward in late 2019, declined dramatically in early 2020. A4-grade wagyu heifer prices at the Tokyo Market fell to just 1,705 yen/kg in April 2020, down 30 percent from five months prior (see Figure 1). Prices began to recover after the state of emergency was lifted, but remain far below the 2019 average.

Figure 1: Carcass Price at Tokyo Market sorted by Breed and Grades



Source: ALIC

Slumping prices across all breeds may push smaller, less efficient operators to exit the industry at a faster rate as Japan's beef industry was already consolidating prior to the COVID-19 pandemic. By February 1, the total number of beef operators had declined four percent in 2020 compared to 2019 while the total beef cattle population increased three percent (see Table 1). In particular, the number of operators with less than 20 cattle (which accounts for more than half of all operators) fell seven percent. In order to provide financial assistance to producers, the Government of Japan temporarily waived the 25 percent contribution requirement to receive payments under the Beef Livestock Stabilization Program, also known as Beef Marukin (see JA2020-0071 for more details). By March 2020, Marukin payments had been activated in all 47 prefectures (see Supplemental Table 6).

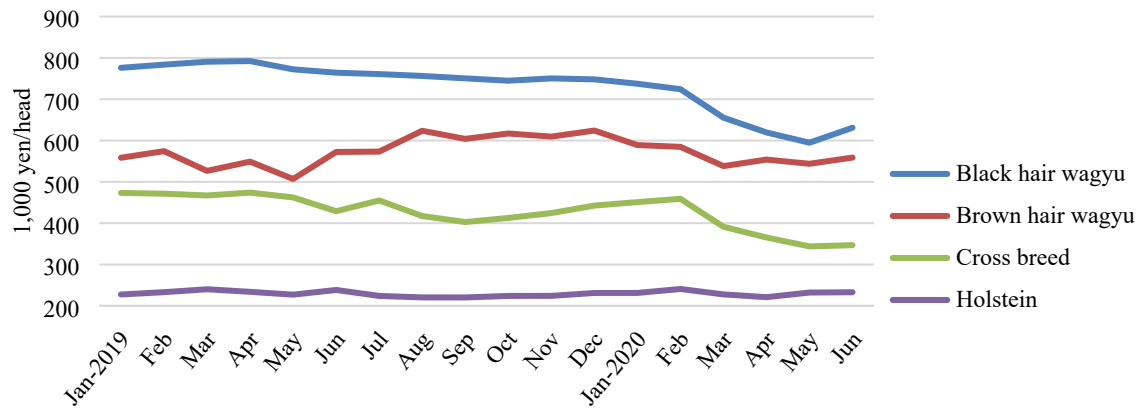
Table 1: Number of Beef Operators and Beef Cattle in Japan

	Year (as of February 1)	Number of Cattle on Farm (Unit: head)				Total
		1 - 19	20 - 99	100 - 199	200 and more	
Number of farm (Unit: operation)	2019	29,640	11,930	2,180	2,250	46,000
	2020	27,660	11,950	2,180	2,143	43,933
	Y-o-Y change	*-7%*	*0%*	*0%*	*-5%*	*-4%*
Cattle population (unit: head)	2019	227,600	536,400	310,000	1,404,000	2,478,000
	2020	209,400	549,800	317,600	1,478,900	2,555,700
	Y-o-Y change	*-8%*	*2%*	*2%*	*5%*	*3%*

Source: MAFF

Total beginning cow stocks in 2021 are projected to remain flat as a modest increase in dairy cows is offset by declining beef cow stocks. By May 2020, the number of dairy heifers had already increased three percent year-on-year as the wagyu calf market became less lucrative. Declining black hair wagyu calf prices since April 2019 have reduced the incentive for dairy farmers to produce wagyu calves by embryo transfer. Since not all dairy heifers will calve in 2020, FAS/Tokyo anticipates the dairy cow population will increase around half a percent by the beginning of 2021. Meanwhile, low beef calf prices will cause beef cow-calf operators to cut back production, leading to a modest reduction in beef cow stocks. By June, black hair wagyu calf prices had fallen 17 percent year-on-year to 631,000 yen per head (Figure 2). Low calf prices are also expected to slow the pace of calf production in 2021, which FAS/Tokyo forecasts to decline around half a percent compared to 2020. With domestic calves more affordable, feedlot operators will likely reduce calf imports which had been trending upward in recent years. FAS/Tokyo projects 2021 cattle imports at 15,000 head, following a lower revised estimate for 2020.

Figure 2: Average Beef Calf Price (female/male average)



Source: ALIC

Total slaughter in 2021 is project to increase slightly to 1.050 million head to account for delayed slaughter from 2020. Industry sources report that some producers are keeping mature cattle on feed slightly longer to avoid selling into a bear market. As a result, the pace of cattle slaughter remained stagnant through the first half of 2020 with zero year-on-year growth (Table 2). With producers unlikely to keep mature cattle on feed for too long, FAS/Tokyo anticipates the pace to pick up slightly in the second half, bringing 2020 year-end slaughter to 1.045 million head.

Table 2: Cattle slaughter in 2020 Unit: head

		Wagyu		Dairy		Cross		Other	Calf	Total
		steer/ bull	heifer/ cow	steer/ bull	heifer/ cow	steer/ bull	heifer/ cow			
2019	Jan	113,640	97,518	84,071	75,834	60,414	54,584	5,339	2,042	493,442
2020	-	117,546	97,970	81,563	78,696	57,958	51,768	5,970	2,178	493,649
Y-o-Y	Jun	3.4%	0.5%	-3.0%	3.8%	-4.1%	-5.2%	11.8%	6.7%	0.0%

Source: MAFF

Based on current cattle ages, FAS/Tokyo estimates the number of new cattle eligible for slaughter in 2021to remain flat from 2020 (Table 3). The breed mix is expected to continue shifting in favor of black hair wagyu, in part due to government policies aimed at boosting exports of premium Japanese beef. Ending cattle inventories are forecasted to decline slightly in 2021, reflecting the modest rollback in calf production.

Table 3: Beef Cattle within Age Range for Slaughter in 2021

	Black Hair Wagyu	Holstein (steer/bull)	Cross breed	Total
Targeted Slaughter Age	*27 months*	*17 months*	*24 months*	
Cattle Age (as of May 31)	8-19 months	0-9 months	5-16 months	
2019	483,229	128,494	224,978	836,701
2020	486,989	120,965	228,654	836,608
% change	0.8%	-5.9%	1.6%	0.0%

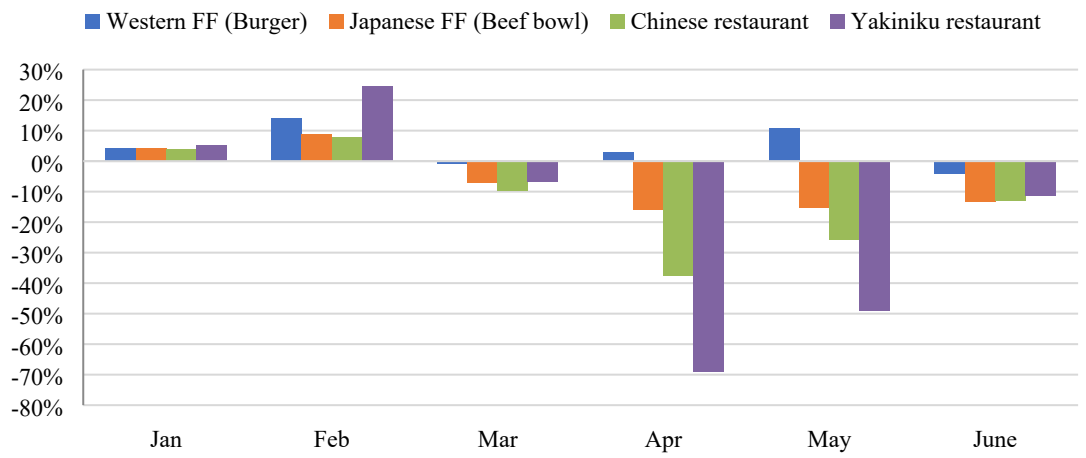
Source: FAS/Tokyo based on data from the National Livestock Breeding Center

Beef production in 2021 is projected to remain flat at 475,000 metric tons (MT) as increased total slaughter is offset by a return to normal carcass weights. 2020 carcass weights are expected to be above average due to delayed slaughter, averaging around 455 kilograms per head, up from 452 kilograms in 2019. Stable market conditions in 2021 should allow carcass yields to return to around 452 kilograms per head.

Beef Consumption

Assuming a relaxation of COVID-19 restrictions in 2021, FAS/Tokyo estimates that beef consumption will recover to 1.320 million MT, up around half a percent from 2020. In the first half of 2020, restaurant closures and subsequent implementation of social-distancing measures dampened foodservice consumption of beef. As a result, overall consumption in 2020 is expected to fall slightly as foodservice typically accounts for around 60 percent of beef consumption, according to industry estimates. Japanese-style barbecue restaurants (yakiniku) and fast food beef bowl chains were hit particularly hard. According to the Japan Foodservice Association, yakiniku restaurant sales dropped 70 and 50 percent in April and May, respectively (Figure 3). Since many premium wagyu beef cuts are consumed at yakiniku restaurants, declining yakiniku sales was a key driver behind falling wholesale wagyu prices.

Figure 3: Japan's Food Service Sales in 2020 (year-on-year % change)



Source: Japan Food Service Association

Although many beef bowl chain restaurants remained open during the pandemic, sales dropped due to office workers (their main customer base) teleworking from home instead of going to the office. Yoshinoya, one of the leading beef bowl brands and a major user of imported frozen short plate cuts, announced in July that it was bracing for a 9 billion yen ($85.7 million) annual loss, its first loss in 11 years. As a result, it planned to close 150 of its 3,300 outlets by the end of March 2021.

By contrast, Western-style fast food outlets, particularly hamburger chains, did notably well during the worst months of the pandemic. According to the Japan Foodservice Association, sales grew three and 10 percent in April and May, respectively. Industry sources reported that consumption growth was driven primarily by increased inflow of young students whose schools were closed during the state of emergency. Hamburger chains depend primarily on imported frozen trim for patty production. The overall decline in food service consumption was partially offset by increased retail consumption of beef. According to data from the Ministry of Internal Affairs and Communications (MIAC), retail consumption of beef increased 11 percent in the first half of 2020 compared to 2019 (Figure 6 in Pork Section). FAS/Tokyo estimates that consumers were willing to spend more on premium proteins (such as beef) at retail to compensate for the reduction in dining out expenses.

The Government of Japan sought to boost retail consumption of wagyu by providing up to 1,000 yen per kilogram to wagyu wholesalers who diverted frozen wagyu stocks (previously destined for foodservice) to retail (see JA2020-0085). With the lifting of the state of emergency in late May and gradual reopening of restaurants, FAS/Tokyo anticipates steady recovery in beef consumption in the second half of 2020. As a result, total consumption for 2020 is revised slightly lower to 1.315 million MT, 0.3 percent below 2019.

Beef Trade

Japan's beef imports in 2021 are projected to remain flat from 2020 at 855,000 MT due to sustained demand for reasonably-priced beef and industry desire to maintain sufficient buffer stocks against additional market shocks. Beef imports remained strong through the first half of 2020 despite the pandemic, growing five percent from the previous year (Table 4). Imports of U.S. beef increased ten percent between January and June, in part due to entry into

force of the U.S.-Japan Trade Agreement which reduced tariffs on U.S. chilled and frozen beef from 38.5 percent to 26.6 percent on January 1 and further to 25.8 percent on April 1. Imports from Canada, Mexico, and New Zealand, which face identical tariffs under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), also posted positive growth in the first half of 2020.

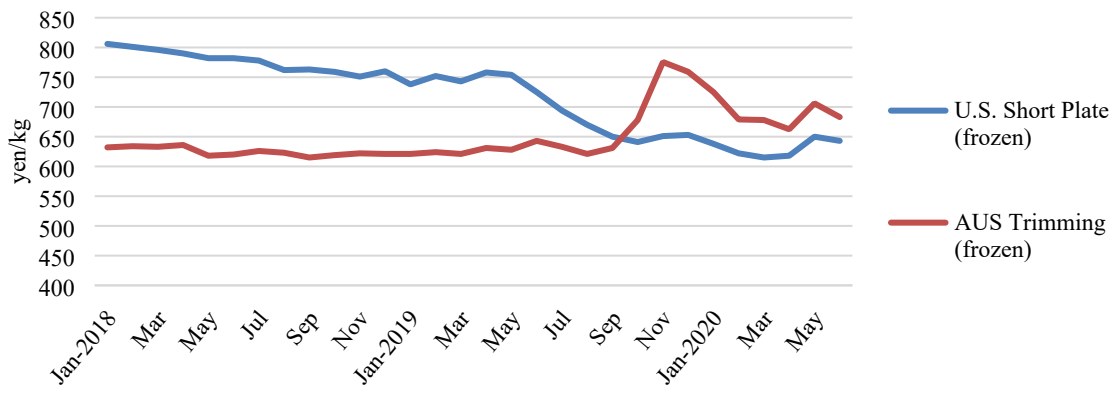
Table 4: Japan Beef Imports (Jan-Jun) Unit: MT (CWE)

	January - June		
	2019	2020	Change
Total	405,442	425,962	5%
CPTPP	241,727	239,845	-1%
Australia	*194,454*	*187,578*	*-4%*
Canada	*23,509*	*24,803*	*6%*
New Zealand	*14,009*	*16,117*	*15%*
Mexico	*9,753*	*11,326*	*16%*
United States	161,819	177,621	10%
European Union	877	6,157	602%
Other	1,019	2,339	130%

Note: Imports from EU includes the United Kingdom as Japan applies preferential tariffs under Japan-EU EPA until December 31, 2020.
Source: Japan Customs

Imports from Australia, another CPTPP member and the largest beef supplier to Japan, fell four percent. Industry sources report that buyer competition from China continued to drive up the price of Australian frozen trim, a key ingredient for Japanese patty production. Reduced demand from China in late 2019 and early 2020 brought the price down somewhat, but Australian trim continued to trade above U.S. short plate in the first half of the year (Figure 4).

Figure 4: Price of Imported Beef in Japan (trader price)



Source: ALIC

The temporary closure of some U.S. meat plants in April and May 2020 due to COVID-19 is expected to lead to a temporary slowdown in imports in the second half of the year. U.S. export data for May and June show beef exports to Japan declining 33 and 30 percent, respectively (Table 5). Due to the time lag between export and customs clearance in the destination country, this will likely be reflected in Japanese import data between July and September. However, the slowdown is expected to be limited as importers increase purchases in subsequent months to compensate. As a result, FAS/Tokyo projects 2020 year-end imports to finish slightly above 2019.

Table 5: U.S. Beef & Beef Products Exports to Japan

	2019	2020	Change
January	26,625	25,205	-5%
February	21,731	27,099	25%
March	26,480	30,568	15%
April	24,069	31,280	30%
May	29,799	19,986	-33%
June	29,810	20,743	-30%

Unit: MT (product weight equivalent)
Source: FAS GATS (BICO-10)

Strong first half imports amid sluggish domestic demand pushed beef stocks significantly upward in md-2020. By the end of June, beef stocks had reached 200,536 MT, up 19 percent from the previous year (see Figure 8 in Pork section). Industry sources estimate that Japan's cold storage is starting to reach full capacity. However, FAS/Tokyo anticipates a modest drawdown of stocks in the second half of the year as foodservice demand, particularly for wagyu beef, begins to recover. Ending stocks are forecasted at 172,000 MT for 2020, up six percent from the previous year. FAS/Tokyo projects 2021 ending stocks to remain high at around 176,000 MT as traders seek to maintain buffer supplies against future market shocks.

PORK

Swine Numbers and Pork Production

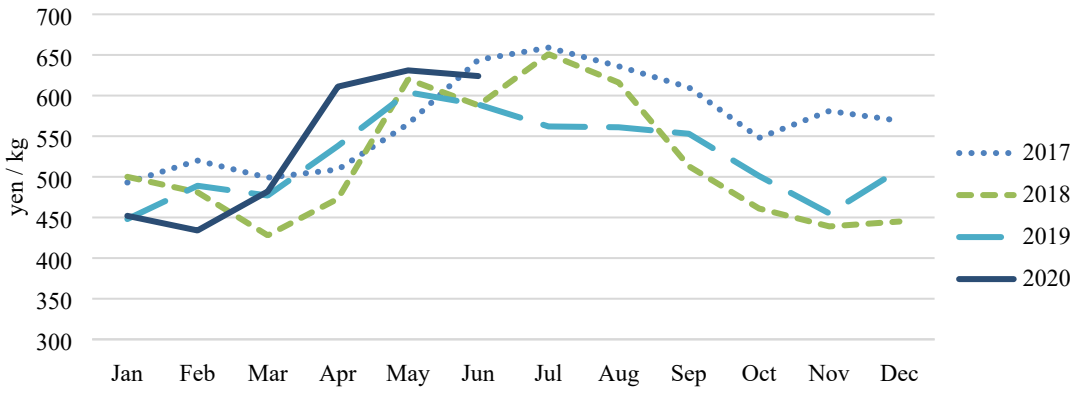
Swine stocks are projected to expand by the beginning of 2021 to 9.152 million head, up around one percent from 2020, as hog producers accelerate recovery from the Classical Swine Fever (CSF) outbreak of 2018-2019. The outbreak led to the cull of approximately 144,000 hogs in the course of 2019, accounting for around 1.6 percent of Japan's total hog population. Beginning in November 2019, the Government of Japan permitted the vaccination of healthy hog populations in 24 out of Japan's 47 prefectures. 19 prefectures had successfully completed vaccination programs by May 2020 which appear to have helped stem the spread of the disease. Only 11,254 hogs have been culled due to CSF so far in 2020. The last positive detection of CSF was on March 12, 2020 in Okinawa, Japan's southernmost prefecture. With the disease under control, FAS/Tokyo projects the 2021 swine herd will rebound to a level similar to early 2019.

2021 sow stocks are likewise projected to rise one percent to 850,000 following increased sow retention in 2020. Some producers have increased imports of breeding swine to quicken the pace of recovery. The Japan Livestock Traders Association estimated that Japan imported 1,737 breeding hogs in the first half of 2020, already 2.5 times higher than 2019 total imports.

A second factor supporting herd expansion in 2021 is the recent uptick in wholesale carcass prices. In contrast to beef, COVID-19-related restaurant restrictions led to an increase in domestic pork prices beginning in April as households increased retail purchases. According to ALIC data, excellent grade carcass prices at the Tokyo wholesale market rose 14 percent year-on-year in April and remained high in May and June (Figure 5). FAS/Tokyo anticipates that some producers will capitalize on high prices to expand production. High prices have also meant that, unlike beef, support payments were not triggered under the Hog Growers

Business Stabilization Program, also known as Pork Marukin. Payments have not been issued under this program since 2013 (see JA9006).

Figure 5: Excellent Grade Pork Carcass Price at Tokyo Market



Source: ALIC

Increased sow stocks are estimated to yield 16.960 million piglets in 2021, up around half a percent from 2020. Hog slaughter is projected to increase by around the same proportion to 16.570 million head, producing 1.295 million MT of pork, up one percent from 2020. Slaughter and pork production has already quickened in the first half of 2020 up 1.5 and 1.4 percent, respectively, compared to 2019 (Table 6). Industry sources indicate that COVID-19 has not affected hog slaughter and average carcass weights have remained flat at around 79.1 kilograms per head. As the recovery from CSF nears completion, FAS/Tokyo projects that the pace will slow somewhat in the second half of the year, bringing 2020 year-end slaughter to around 0.8 percent higher than 2019.

Table 6: Hog Slaughter and Pork Production (Jan-Jun)

January - June	Slaughter (head)	Production (MT, CWE)	Average carcass weight (KG per head)
2019	8,049,178	637,449	79.2
2020	8,168,129	646,342	79.1
change	1.5%	1.4%	-0.1%

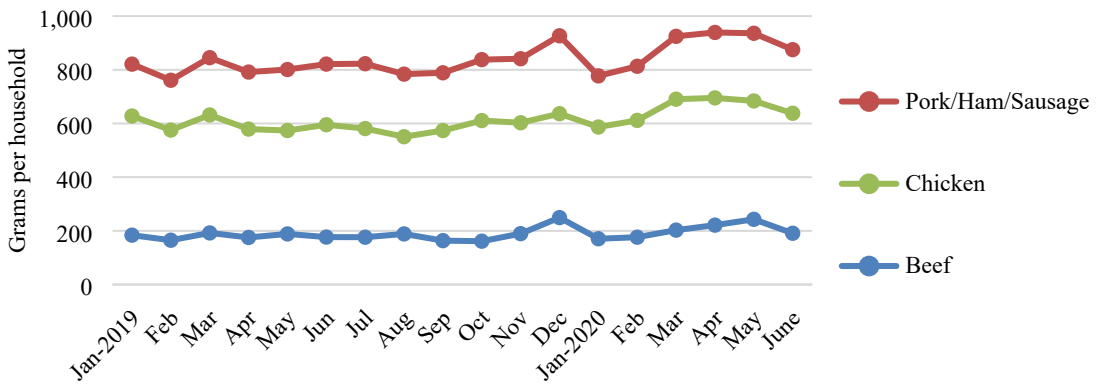
Source: MAFF

Pork Consumption

FAS/Tokyo projects Japan's consumption of pork and pork products in 2021 to remain flat from 2020 as rising retail consumption offsets the decline in foodservice demand. 2020 consumption is revised lower from FAS/Tokyo's previous estimate, but still projected to grow by around one percent compared to 2019.

Unlike beef, pork is considered an everyday protein in Japan due to its affordability. According industry estimates, about half of pork consumption in Japan typically takes place at home (compared to 40 percent for beef). As a result, increased frequency of home cooking during the pandemic has boosted retail demand for pork. According to MIAC data, monthly household consumption of pork increased nine percent on average in the first half of 2020 compared to 2019 (Figure 6). Consumption of processed products such as ham and sausage also trended upward during the same period.

Figure 6: Household Meat Consumption



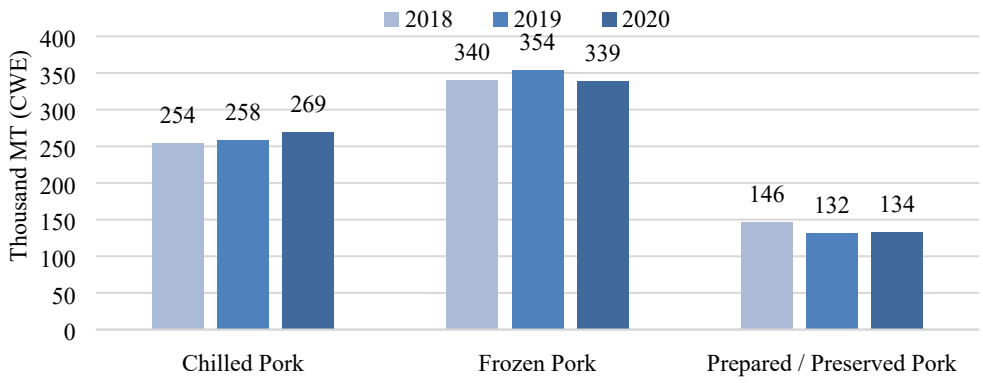
Source: MIAC/ALIC

The rise in household consumption will be partially offset by declining foodservice demand. Pork is the primary protein of choice for Chinese restaurants which saw sales decline sharply in the first half of the year. Between March and June, average monthly revenue for Chinese restaurants declined by 21 percent according to the Japan Food Service Association. Pork is also regularly featured at Japanese barbecue restaurants (yakiniku) which saw sales decline an average of 34 percent during the same period. Pork menu items did not benefit much from increased takeout demand as consumers looked to more traditional options such as hamburgers and fried chicken.

Pork Trade

FAS/Tokyo projects that Japan's imports of pork and pork products will increase only slightly in 2021 as the industry adjusts to new market dynamics which see increased domestic production amid stagnant consumption. Overall imports remained flat through the first six months of 2020 as the market adjusted to the new reality presented by COVID-19. There was a demonstrable shift away from frozen pork, which typically goes to foodservice and further processing, toward chilled pork which primarily goes to retail. Imports of frozen pork fell 4.2 percent while imports of chilled pork increased 4.3 percent. Imports of prepared/preserved pork, which includes ground seasoned pork (GSP), a key ingredient in sausage manufacturing, held steady at around 134,000 MT (Figure 7).

Figure 7: Japan Pork Imports (January-June)



Source: Japan Customs

The shift from frozen to chilled imports affected market shares among suppliers. The European Union, the leading pork supplier to Japan, primarily exports frozen product due to long transportation distances and, as a result, saw imports fall by 18 percent in the first half of 2020 (Table 7). Meanwhile, the United States and Canada, the two main suppliers of chilled pork, saw growth of 14 and one percent, respectively. The United States also gained from implementation of the U.S.-Japan Trade Agreement which cut tariffs on chilled and frozen pork from 4.3 percent to 1.7 percent and on GSP from 20 percent to 10 percent. The agreement put the United States on equal tariff footing with all major pork suppliers such as the European Union, Canada, and Mexico, helping the United States recapture lost share from 2019.

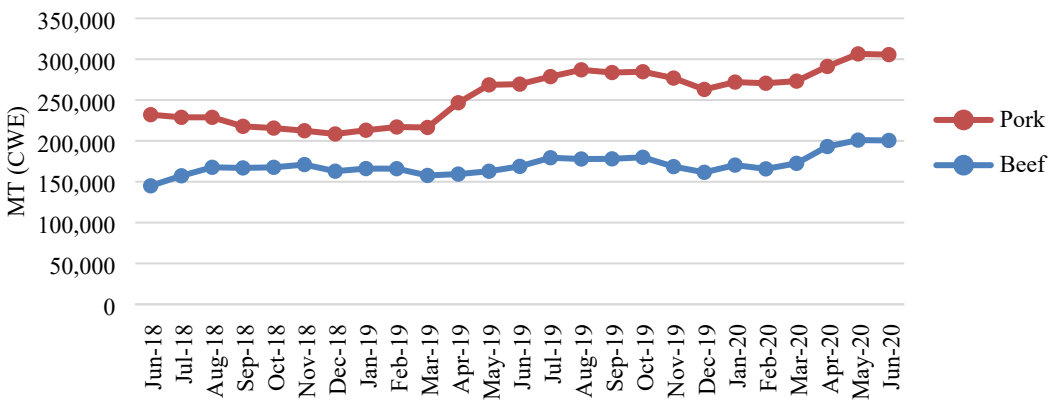
Table 7: Japan Pork Imports (Jan-Jun) Unit: MT (CWE)

	January-June		
	2019	2020	Change
Total	744,425	741,828	0%
CPTPP	244,724	252,620	3%
Canada	*153,609*	*155,267*	*1%*
Mexico	*69,320*	*77,764*	*12%*
European Union	247,132	203,401	-18%
Spain	*76,678*	*79,115*	*3%*
Denmark	*77,384*	*52,435*	*-32%*
United States	234,997	267,701	14%
Other	17,572	18,106	3%

Source: Japan Customs

Imports outpaced consumption in the first half of 2020, pushing excess volumes into cold storage stocks. By June, pork stocks had soared to 305,595 MT, up 13 percent from the previous year and the highest recorded volume in the past four years (Figure 8). Traders are expected to cut back imports in the second half of the year to reduce pressure on cold storage availability and bring stocks down to more manageable levels. FAS/Tokyo projects that a slow second half will bring 2020 imports down to 1.460 million MT, around two percent lower than 2019.

Figure 8: Monthly Ending Stocks



Source: ALIC

The U.S. meat plant closures in April and May due to COVID-19 are expected to cause a limited disruption to Japan's pork imports from the United States. According to U.S. export data, exports to Japan declined 25 percent in May and June 2020 after recording double-digit growth the previous three months. The temporary decline in U.S. pork availability will give traders added flexibility to reduce excess stocks in the late summer months.

Table 8: U.S. Pork & Pork Products Exports to Japan

	2019	2020	Change
January	32,863	31,578	-4%
February	28,519	35,262	24%
March	31,117	36,675	18%
April	30,578	39,231	28%
May	36,353	27,165	-25%
June	31,758	23,909	-25%

Unit: MT (product weight equivalent)
Source: FAS GATS (BICO-10)

Despite a slowdown in 2020 imports, traders are likely to keep purchases stable in 2021 to maintain buffer stocks against potential future market shocks. Industry sources report that African Swine Fever detections in nearby countries in the region remain a concern for traders who fear that rising global prices could complicate procurement. As a result, FAS/Tokyo projects 2021 imports to increase slightly from 2020 to 1.465 million MT, enabling traders to maintain ending pork stocks at around 272,000 MT.

Supplemental Tables

Supplemental Table 1: Beef Estimated Ending Stocks

Unit: Metric Ton (CWE)

Month/Year	2016	2017	% Chg.	2018	% Chg.	2019	% Chg.	2020	% Chg.
Jan	172,093	143,120	-17	145,222	1	166,097	14	170,359	3
Feb	163,869	140,213	-14	141,490	1	165,995	17	165,749	0
Mar	157,752	139,798	-11	132,692	-5	157,678	19	172,506	9
Apr	155,676	139,784	-10	133,944	-4	159,384	19	193,102	21
May	162,734	143,260	-12	141,770	-1	162,872	15	200,967	23
Jun	166,902	147,364	-12	144,991	-2	168,814	16	200,536	19
Jul	172,492	154,587	-10	157,277	2	179,381	14		
Aug	173,316	157,798	-9	167,662	6	177,835	6		
Sep	169,811	162,039	-5	166,914	3	178,016	7		
Oct	158,194	160,948	2	167,644	4	179,936	7		
Nov	153,851	159,780	4	171,025	7	168,524	-1		
Dec	146,798	151,303	3	162,884	8	161,541	-1		

Source: ALIC (converted to CWE)

Supplemental Table 2: Pork Estimated Ending Stocks

Unit: Metric Ton (CWE)

Month/Year	2017	2018	% Chg.	2019	% Chg.	2020	% Chg.
Jan	228,337	229,785	1	213,056	-7	271,976	28
Feb	222,435	236,361	6	216,990	-8	270,555	25
Mar	230,775	235,266	2	216,436	-8	273,178	26
Apr	226,226	231,356	2	246,696	7	291,129	18
May	236,863	234,372	-1	268,588	15	306,465	14
Jun	235,581	232,077	-1	269,469	16	305,595	13
Jul	228,890	228,848	0	278,667	22		
Aug	230,182	228,839	-1	286,966	25		
Sep	222,369	217,827	-2	283,667	30		
Oct	217,122	215,679	-1	284,658	32		
Nov	220,510	212,442	-4	276,873	30		
Dec	222,074	208,469	-6	262,958	26		

Source: ALIC (converted to CWE)

Supplemental Table 3: Beef Cattle Inventory

Unit: Farm/Head

Year Beginning (As of Feb. 1)	Total Number of Farms	Grand Total (Beef and Dairy Breed Combined)	Beef Breed Total				
			Beef Breed Total	Black Wagyu	Brown Wagyu	Others	Cows for Breeding (Cow Calf Rearing)
2011	69,600	2,763,000	1,868,000	1,805,000	24,500	38,700	667,900
2012	65,200	2,723,000	1,831,000	1,773,000	22,700	35,700	642,200
% Chg.	-6	-1	-2	-2	-7	-8	-4
2013	61,300	2,642,000	1,769,000	1,714,000	21,700	33,300	618,400
% Chg.	-6	-3	-3	-3	-4	-7	-4
2014	57,500	2,567,000	1,716,000	1,663,000	21,100	31,900	595,200
% Chg.	-6	-3	-3	-3	-3	-4	-4
2015	54,400	2,489,000	1,661,000	1,612,000	20,800	28,300	579,500
% Chg.	-5	-3	-3	-3	-1	-11	-3
2016	51,900	2,479,000	1,642,000	1,594,000	20,500	27,400	589,100
% Chg.	-5	0	-1	-1	-1	-3	2
2017	50,100	2,499,000	1,664,000	1,618,000	21,000	25,000	597,300
% Chg.	-3	1	1	2	2	-9	1
2018	48,300	2,514,000	1,701,000	1,653,000	21,800	26,500	597,300
% Chg.	-4	1	2	2	4	6	0
2019	46,300	2,503,000	1,734,000	1,683,000	22,200	28,900	625,900
% Chg.	-4	0	2	2	2	9	5
2020	43,900	2,555,000	1,792,000	1,735,000	23,300	33,500	558,700
% Chg.	-5	2	3	3	5	16	-11

Note: The numbers in 2020 are based on Japan's Individual Identification Information of Cattle.

Source: MAFF Livestock Statistics
Beef Cattle Inventory cont'd

Year Beginning (As of Feb. 1)	Dairy Breed Total				Average Number of Cattle Raised per Farm
	Dairy Breed Total	Holstein and Others	F-1 Crossbreed (Holstein x Wagyu)	% Share of F-1 Cross Breed in Total Dairy Breed	
2011	894,800	411,800	483,000	54	40
2012	891,700	392,500	499,100	56	42
% Chg.	0	-5	3		5
2013	873,400	375,500	497,900	57	43
% Chg.	-2	-4	0		3
2014	851,400	367,500	483,900	57	45
% Chg.	-3	-2	-3		3
2015	827,700	345,300	482,400	58	46
% Chg.	-3	-6	0		3
2016	837,100	331,800	505,300	60	48
% Chg.	1	-4	5		4
2017	834,700	313,100	521,600	62	50
% Chg.	0	-6	3		4
2018	813,000	295,100	517,900	64	52
% Chg.	-3	-6	-1		4
2019	768,600	274,400	494,200	64	54
% Chg.	-5	-7	-5		4
2020	763,400	267,900	495,400	65	58
% Chg.	-1	-2	0		8

Note: The numbers in 2020 are based on Japan's Individual Identification Information of Cattle
Source: MAFF Livestock Statistics

Supplemental Table 4: Dairy Cow Inventory

Unit: Farm/Head

Year Beginning (As of Feb. 1)	Total Number of Dairy Farms	Total Number of Dairy Cows	Dairy Cows (Over Two Years of Age)					Heifers (Less Than Two Years of Age)	Animals Raised per Farm
			Total	Cow			Heifer		
				Sub Total	Milking	Dry			
2011	21,000	1,467,000	999,600	932,900	804,700	128,200	66,700	467,800	70
2012	20,100	1,449,000	1,012,000	942,600	812,700	129,900	69,700	436,700	72
% Chg.	-4	-1	1	1	1	1	4	-7	3
2013	19,400	1,423,000	992,100	923,400	798,300	125,100	68,700	431,300	73
% Chg.	-3	-2	-2	-2	-2	-4	-1	-1	2
2014	18,600	1,395,000	957,800	893,400	772,500	121,000	64,400	436,800	75
% Chg.	-4	-2	-3	-3	-3	-3	-6	1	2
2015	17,700	1,371,000	934,100	869,700	750,100	119,600	64,400	437,200	78
% Chg.	-5	-2	-2	-3	-3	-1	0	0	3
2016	17,000	1,345,000	936,700	871,000	751,700	119,300	65,800	408,300	79
% Chg.	-4	-2	0	0	0	0	2	-7	2
2017	16,400	1,323,000	913,800	852,100	735,200	116,900	61,700	409,300	81
% Chg.	-4	-2	-2	-2	-2	-2	-6	0	2
2018	15,700	1,328,000	906,900	847,200	731,100	116,100	59,700	421,100	85
% Chg.	-4	0	-1	-1	-1	-1	-3	3	5
2019	15,000	1,332,000	900,500	839,200	729,500	109,700	61,300	431,100	89
% Chg.	-4	0	-1	-1	0	-6	3	2	5
2020	14,400	1,352,000	900,700	839,600	716,000	123,600	61,100	451,600	94
% Chg.	-4	2	0	0	-2	13	0	5	6

Note: 99 percent of dairy cows raised in Japan are Holsteins.

Source: MAFF Livestock Statistics

Supplemental Table 5: Swine Inventory

Unit: Farm/Head

Year Beginning (As of Feb. 1)	Number of Swine Farms		Number Raised					Average Number of Swine Raised per Farm
	Total	Farms with Breeding Sows	Total	Breeding Sows	Breeding Males	Hogs	Others	
2003	9,430	8,290	9,725,000	929,300	66,000	8,057,000	673,000	1,031
2004	8,880	7,770	9,724,000	917,500	63,000	8,052,000	690,900	1,095
2005	Census Year							
2006	7,800	6,780	9,620,000	907,100	60,000	7,943,000	710,700	1,233
2007	7,550	6,560	9,759,000	915,000	58,000	8,119,000	667,100	1,293
2008	7,230	6,250	9,745,000	910,100	57,400	8,117,000	660,900	1,348
2009	6,890	5,930	9,899,000	936,700	57,100	8,220,000	685,700	1,437
2010	Census Year							
2011	6,010	5,110	9,768,000	901,800	51,800	8,186,000	628,700	1,625
2012	5,840	4,900	9,735,000	900,000	51,900	8,145,000	638,700	1,667
2013	5,570	4,620	9,685,000	899,700	49,100	8,106,000	629,500	1,739
2014	5,270	4,290	9,537,000	885,300	47,500	8,020,000	583,300	1,810
2015	Census Year							
2016	4,830	3,940	9,313,000	844,700	42,600	7,743,000	682,500	1,928.
2017	4,670	3,800	9,346,000	839,300	43,500	7,797,000	666,100	2,001
% Chg.	-3	-4	0	-1	2	1	-2	4
2018	4,470	3,640	9,189,000	823,700	39,400	7,677,000	649,600	2,056
% Chg.	-4	-4	-2	-2	-9	-2	-2	3
2019	4,320	3,460	9,156,000	853,100	36,300	7,594,000	673,200	2,119
% Chg.	-3	-5	0	4	-8	-1	4	3
2020	Census Year							

Source: MAFF Livestock Statistics

Supplemental Table 6: Beef Marukin Payment Unit: yen/head

		Prefectures Applied	Wagyu		Cross breed	Dairy
			Lowest payment	Highest payment		
2018	Dec		N/A	N/A	-	39,700
2019	Jan	11	3,966	159,811	-	54,379
	Feb	8	8,315	87,492	-	4,69.4
	Mar	11	1,773	86,398	-	74,024
	Apr	1	17,067		-	42,722
	May	11	4,739	31,689	-	30,806
	Jun	4	4,014	50,013	-	31,029
	Jul	11	308	50,163	-	35,702
	Aug	24	174	79,302	-	26,906
	Sep	21	2,757	88,939	-	28,826
	Oct	21	5,660	69,293	15,271	48,722
	Nov	9	1,812	99,875	356	53,726
	Dec	16	2,237	62,574	-	63,042
2020	Jan	17	2,642	138,966	-	47,339
	Feb	30	609	152,529	24,129	39,319
	Mar	47	52,835	295,419	116,716	54,563
	Apr	47	121,079	468,145	144,130	48,145
	May	47	92,851	306,934	142,220	42,925

Note: “N/A” indicates no data and “–“ indicates no payment was made.
Source: ALIC

Attachments:

No Attachments