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Report Highlights:

Cattle stocks are projected to expand in 2021 as the pace of slaughter slows after a strong 2020. Slightly lower carcass weights are expected to keep beef production stable at around 475,000 metric tons (MT). Beef imports will struggle to rebound from a slow 2020 amid sluggish foodservice demand. Swine stocks are projected to expand in 2021 on increased sow retention as robust market prices in 2020 support stable production at 1.3 million MT. Pork imports are projected to plateau after a strong 2020.

Production, Supply and Distribution Data Statistics:

Cattle

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	3907	3907	3910	3922
Dairy Cows Beg. Stocks (1000 HEAD)	839	839	840	840	845	845
Beef Cows Beg. Stocks (1000 HEAD)	528	528	559	559	555	555
Production (Calf Crop) (1000 HEAD)	1235	1235	1240	1240	1235	1235
Total Imports (1000 HEAD)	18	18	15	15	15	15
Total Supply (1000 HEAD)	5088	5088	5162	5162	5160	5172
Total Exports (1000 HEAD)	0	0	0	0	0	0
Cow Slaughter (1000 HEAD)	243	243	250	250	255	255
Calf Slaughter (1000 HEAD)	4	4	5	4	5	5
Other Slaughter (1000 HEAD)	796	796	790	800	790	785
Total Slaughter (1000 HEAD)	1043	1043	1045	1054	1050	1045
Loss and Residual (1000 HEAD)	138	138	207	186	205	202
Ending Inventories (1000 HEAD)	3907	3907	3910	3922	3905	3925
Total Distribution (1000 HEAD)	5088	5088	5162	5162	5160	5172
(1000 HEAD)						

Beef and Veal

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	1045	1054	1050	1045
Beginning Stocks (1000 MT CWE)	163	163	162	162	162	169
Production (1000 MT CWE)	471	471	475	479	475	475
Total Imports (1000 MT CWE)	853	853	840	832	845	835
Total Supply (1000 MT CWE)	1487	1487	1477	1473	1482	1479
Total Exports (1000 MT CWE)	6	6	7	7	7	7
Human Dom. Consumption (1000 MT CWE)	1319	1319	1308	1297	1314	1305
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	1319	1319	1308	1297	1314	1305
Ending Stocks (1000 MT CWE)	162	162	162	169	161	167
Total Distribution (1000 MT CWE)	1487	1487	1477	1473	1482	1479
(1000 HEAD), (1000 MT CWE)						

Swine

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	9090	9090	9088	9100
Sow Beginning Stocks (1000 HEAD)	853	853	845	845	855	860
Production (Pig Crop) (1000 HEAD)	16770	16770	16880	16945	17000	17050
Total Imports (1000 HEAD)	0	0	3	3	2	2
Total Supply (1000 HEAD)	25926	25926	25973	26038	26090	26152
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	16525	16596	16600	16610
Total Slaughter (1000 HEAD)	16319	16319	16525	16596	16600	16610
Loss and Residual (1000 HEAD)	517	517	360	342	363	342
Ending Inventories (1000 HEAD)	9090	9090	9088	9100	9127	9200
Total Distribution (1000 HEAD)	25926	25926	25973	26038	26090	26152
(1000 HEAD)						

Pork

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	16525	16596	16600	16610
Beginning Stocks (1000 MT CWE)	208	208	263	263	270	245
Production (1000 MT CWE)	1279	1279	1295	1298	1300	1300
Total Imports (1000 MT CWE)	1493	1493	1400	1412	1420	1420
Total Supply (1000 MT CWE)	2980	2980	2958	2973	2990	2965
Total Exports (1000 MT CWE)	3	3	3	4	3	4
Human Dom. Consumption (1000 MT CWE)	2714	2714	2685	2724	2715	2725
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	2714	2714	2685	2724	2715	2725
Ending Stocks (1000 MT CWE)	263	263	270	245	272	236
Total Distribution (1000 MT CWE)	2980	2980	2958	2973	2990	2965
(1000 HEAD), (1000 MT CWE)						

BEEF

Cattle Numbers and Beef Production

2021 beginning cattle stocks were recorded at 3,922,000 head based on official data from Japan's National Livestock Breeding Center. Based on the same data set, FAS/Tokyo estimates that 1.075 million new born cattle were added to the herd by the end 2020, an increase of two percent compared to 2019 (Table 1). This figure excludes calf slaughter and calf loss/residual. The breed mix continued to shift in favor of black hair wagyu (up four percent) and cross breed (up 12 percent) as dairy farmers used embryo transfers and wagyu genetics to produce more profitable beef calves. Dairy producers also increased use of gender-selected semen to produce more Holstein heifers than steers to ensure sufficient cow replacement. Newly born Holstein heifers decreased by only two percent compared to an eight percent decrease in Holstein bulls/steers.

Table 1: Cattle Population Aged 0-11 Months as of December 31

	2019	2020	Chg.
Black hair wagyu	421,077	438,137	4%
Holstein	435,395	417,324	-4%
bull/steer	*153,719*	*141,781*	*-8%*
heifer	*246,825*	*241,217*	*-2%*
Cross breed	213,900	238,866	12%
All breeds total*	**1,052,352**	**1,074,891**	**2%**

*Includes all beef and dairy cattle reared in Japan.
Source: FAS/Tokyo based on data from the National Livestock Breeding Center

FAS/Tokyo lowers projected 2021 slaughter to 1.045 million head, yielding 475,000 MT of beef. According to the National Livestock Center, the number of cattle within the age range for slaughter in 2021 (selected breeds only) remained relatively flat compared to 2020, declining just 0.3 percent year-on-year (Table 2). Slaughter of wagyu breeds, which account for nearly half of total slaughter, is projected to increase around one percent on anticipated growth in export demand as well as gradual recovery in the foodservice sector following a slowdown in 2020 due to the COVID-19 pandemic. Slaughter of cross breed cattle is expected to grow around two percent. However, growth in these two breeds will be offset by a decline in Holstein bull/steer slaughter of around seven percent.

Table 2: Beef Cattle within Age Range for Slaughter the Following Year

	Black Hair Wagyu	**Holstein (steer/bull)**	**Cross breed**	**Total**
Targeted Slaughter Age	**27 months**	**17 months**	**24 months**	
Cattle Age (as of December 31)	*15 - 26 months*	*5 - 16 months*	*12 - 23 months*	
2019	488,099	158,624	223,204	869,927
2020	492,527	147,453	227,750	867,730
% change	0.9%	-7.0%	2.0%	-0.3%

Note: The breeds/genders in this table accounted for 82 percent of total slaughter in 2020.
Source: FAS/Tokyo based on data from the National Livestock Breeding Center

Official data from the Ministry of Agriculture, Forestry and Fisheries (MAFF) indicates that total slaughter in 2020 finished at 1.054 million head (up 1.1 percent from 2019), yielding beef production at 478,615 MT (up 1.6 percent). Wagyu slaughter increased 4.7 percent to 479,410 head as producers targeted increased demand for the Tokyo Olympic Games which were ultimately postponed due to COVID-19 (Table 3). A slight delay in the slaughter of cattle in the first half of the year pushed average weights for wagyu and crossbreed marginally higher by around three kilograms per head each.

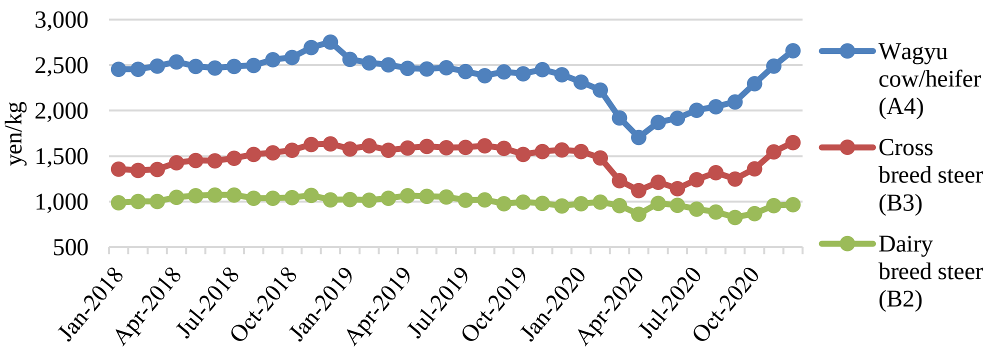
Table 3: Cattle Slaughter

		Wagyu		Dairy		Cross		Other	Calf	Total
		steer/ bull	heifer/ cow	steer/ bull	heifer/ cow	steer/ bull	heifer/c ow			
Slaughtered number (head)	2019	249,335	208,633	168,391	164,022	125,668	111,240	11,547	4,418	1,043,254
	2020	262,869	216,541	162,675	165,414	121,598	107,786	13,206	4,405	1,054,494
	Chg.	5.4%	3.8%	-3.4%	0.8%	-3.2%	-3.1%	14.4%	-0.3%	1.1%
Ave. carcass weight (kg/head)	2019	471.3		383.7		512.5		487.6	109.5	n/a
	2020	474.7		382.5		515.9		510.3	106.1	n/a
	Chg.	1%		0%		1%		5%	-3%	n/a
Share by breed/sex	2019	24%	20%	16%	16%	12%	11%	1%	0%	100%
	2020	25%	21%	15%	16%	12%	10%	1%	0%	100%

Source: MAFF

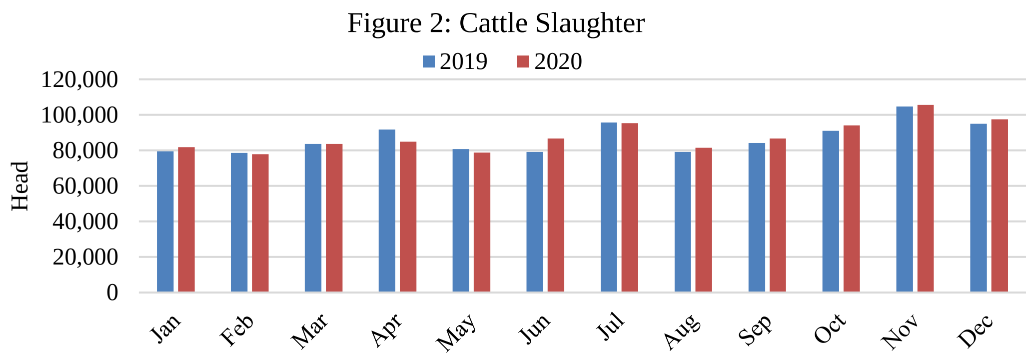
Wagyu prices dipped precipitously in early 2020 as foodservice demand evaporated following pandemic-driven restaurant closures across the country. After hitting a low point in April 2020, prices gradually recovered over the remainder of the year, finishing at a two-year high in December 2020 (Figure 1). Implementation of emergency government support programs for beef producers (for details see JA2020-0115) as well as relaxation of COVID-19 restrictions on restaurants and travel helped spur the recovery. Rebounding prices enabled many producers to turn a profit for the first time in months, causing the number of prefectures issuing Beef Marukin support payments to drop from 47 in May to just two by December 2020 (Supplemental Table 6).

Figure 1: Carcass Price (Tokyo Market)



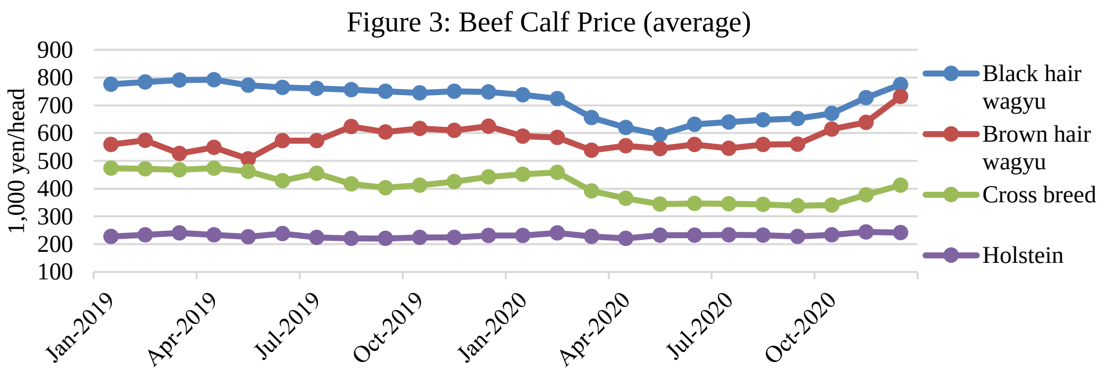
Source: ALIC

In our previous report, FAS/Tokyo projected that low carcass prices in the first half of the year might incentivize some producers to keep cattle on feed longer in the second half and postpone slaughter to early 2021. However, a quick recovery in prices in the second half of the year allowed the overall pace of slaughter to remain relatively stable in 2020 (Figure 2). Increased slaughter in June and August-October in particular helped offset earlier declines April and May.



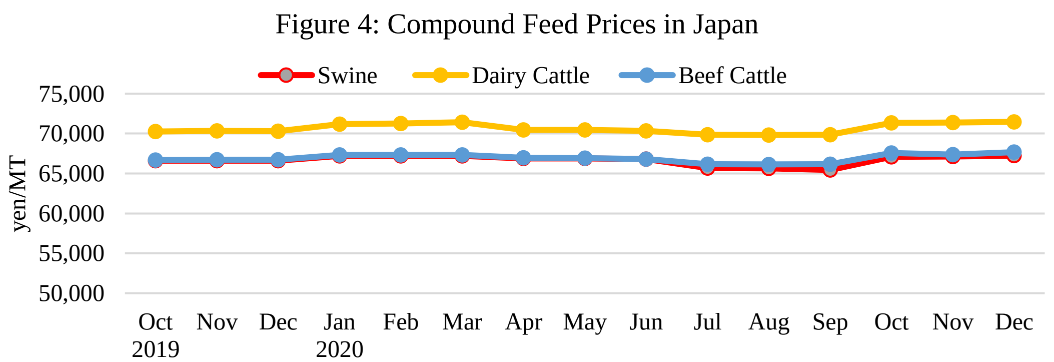
Source: MAFF

Recovery in beef carcass prices in the second half of 2020 helped to support similar recovery in calf prices (Figure 3). Wagyu calf prices hit a low point May 2020, but recovered gradually in the second half of the year to reach nearly the same level as 2019. Rising prices indicate optimism among feedlot operators that market conditions will improve in 2021 and 2022.



Source: Agriculture and Livestock Industries Corporation (ALIC)

Retail prices for compound feed have remained relatively stable, however an uptick in late 2020 could put downward pressure on livestock production in 2021 (Figure 4). JA Zennoh, Japan's largest agricultural cooperative, announced that it was raising feed prices by 6.2 percent, the largest increase since 2012, from January to March 2021 due to higher ingredient costs. However, industry sources report that implementation of government support measures will help offset some of the cost for livestock producers.



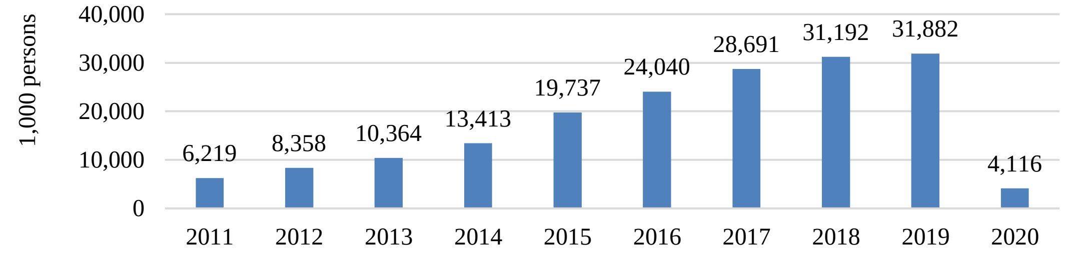
Source: MAFF

Consumption

Despite improved market conditions in the second half of 2020, COVID-19 cases started to rise again in January 2021, prompting the Government of Japan to declare a second state of emergency beginning on January 7 for four of Japan's 47 prefectures (Tokyo, Kanagawa, Chiba, Saitama) which was later expanded to another seven prefectures (Tochigi, Aichi, Gifu, Osaka, Kyoto, Hyogo, Fukuoka) on January 13. The state of emergency is scheduled to end in early March. While the government is limited in its ability to strictly enforce most measures, it has requested citizens to limit travel and restaurants to close by 8:00pm. As a result, FAS/Tokyo anticipates that beef consumption in the first quarter of 2021 will remain sluggish, limiting year-end consumption to 1.305 million MT, only half a percent higher than 2020.

Recovery in demand for wagyu beef, which is primarily consumed at high-end foodservice establishments and hotels, is expected to remain slow. The loss of inbound tourists, due to pandemic-driven travel restrictions and postponement of the Tokyo Olympic Games, drove demand sharply downward in 2020 and it will take some time to rebound. Even if the Tokyo Olympic Games proceed as planned in 2021, it will be too late for wagyu producers to ramp up production as they did in 2020. The Government of Japan had targeted 40 million international visitors in 2020, but the pandemic pushed that number down to just 4.1 million (Figure 5).

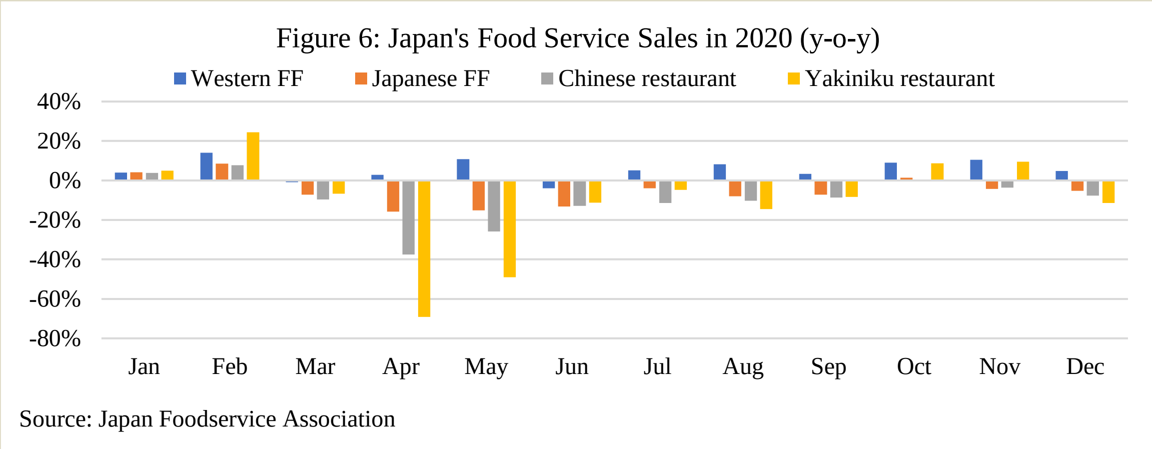
Figure 5: Foreign Visitors to Japan



Source: Japan Tourism Statistics

In order to stimulate demand for wagyu beef, the government provided $460 million to wholesalers to freeze product produced prior to April 7, 2020 for distribution within one year (JA2020-0075). The government also supported the use of wagyu beef in school meals which MAFF projected will yield additional consumption of 3,000 MT. Though this volume accounts for less than one percent of Japan's total beef output, it equates to almost half of Japan's annual beef export volume.

In addition to high-end foodservice and hotels, the latest state of emergency is expected to dampen yakiniku (Japanese BBQ) sales which were hit particularly hard during the first state of emergency in April/May 2020. Revenue dipped 70 and 50 percent, respectively, during those months before recovering in the second half of the year (Figure 6). Japanese fast food revenue, a key indicator of beef bowl sales, also slowed during the pandemic. On the other hand, Western fast food sales (primarily hamburger chains) sustained positive growth throughout 2020 due to the popularity and ease of take-out and delivery options.



Demand for crossbreed, Holstein, and imported beef, which are mainly distributed at retail, remained strong in 2020. According to the Ministry of Internal Affairs and Communication (MIAC), household beef consumption rose 10 percent in 2020 to 2.4 kilograms per capita (see Figure 10 in Pork section). Industry sources report that many households increased Japanese-style BBQ (*yakiniku*) consumption at home to compensate for restaurant closures during the pandemic. FAS/Tokyo projects these trends will continue into early 2021.

Trade

FAS/Tokyo revises projected beef imports for 2021 downward to 835,000 MT due to anticipated slow recovery in foodservice demand as well as lingering supply constraints from Australia, the largest beef supplier to Japan. The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) projects that Australian beef exports to Japan in Australian fiscal year 2020 (July 2020 - June 2021) will decrease 17 percent from the previous period due to constrained supply and high prices compared to other major beef exporters such as the United States. The first half of this projection (July - December 2020) proved largely accurate, as exports to Japan fell 12 percent, though volumes appeared to recover toward the end of the year (Table 4). Meat & Livestock Australia (MLA) projects total Australian beef exports in 2021 to increase two percent compared to 2020, but remain 14 percent lower than 2019.

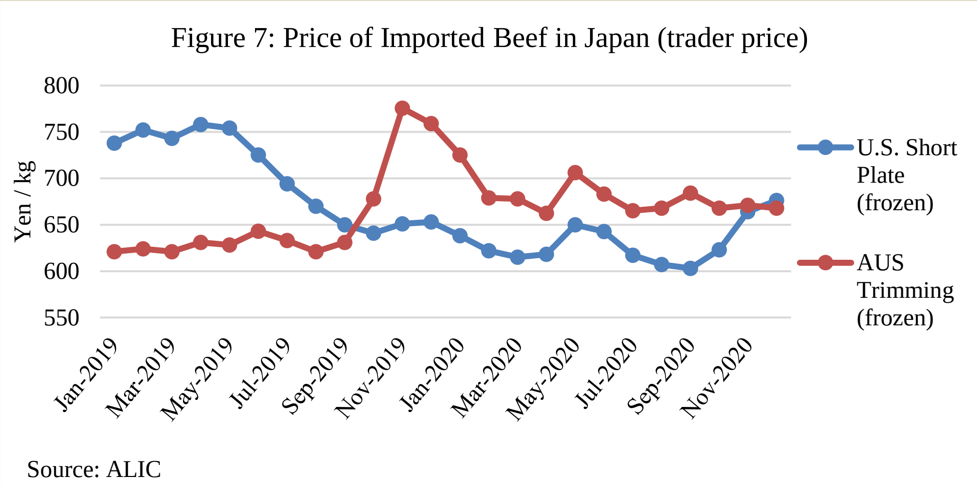
Table 4: Australia's Beef Exports to Japan July-December (MT)

	2019	**2020**	**Chg. (%) 2020/2019**
July	27,305	18,991	-30
August	25,260	22,782	-10
September	25,030	17,369	-31
October	23,658	22,816	-4
November	24,229	23,531	-3
December	23,559	25,785	9
Total	***149,041***	***131,274***	***-12***

Source: Trade Data Monitor (TDM)

Imports from the United States, the second largest supplier, are projected to remain strong on solid retail demand and expected recovery in Japanese beef bowl sales. Prices for frozen U.S. short plate, a top import item and the main ingredient in Japanese beef bowls, dipped in the spring and late summer of 2020 before recovering toward the end of the year (Figure 7).

Meanwhile, prices for Australian frozen trim, the main input for Japanese hamburger production, stabilized after a spike in late 2019, but remained above average throughout the year.



2020 beef imports fell below FAS/Tokyo's previous projection to 831,885 MT, two percent below the previous year, mainly due to weak foodservice demand and supply constraints in Australia (Table 5). Overall, imports from Australia fell 10 percent. Imports from Canada and Mexico also declined 11 and four percent, respectively, as importers switched back to U.S. beef following implementation of the U.S.-Japan Trade Agreement in January 2020. Imports of U.S. beef rose six percent to finish the year at 353,883 MT.

Table 5: Japan's Beef Imports (MT, CWE)

	2019	**2020**	**Chg. (%) 2020/2019**
CPTPP	509,829	462,373	-9
Australia	*405,932*	*363,749*	*-10*
Canada	*58,311*	*51,677*	*-11*
New Zealand	*25,814*	*27,886*	*8*
Mexico	*19,767*	*19,012*	*-4*
United States	335,163	353,883	6
EU 27 + UK	4,393	10,726	144
Other	3,350	4,903	46
Total	***852,735***	***831,885***	***-2***

Source: Japan Customs

Imports of U.S. beef have risen to the point that they could surpass the safeguard volume established under USJTA. The safeguard is established annually according to the Japanese Fiscal Year (JFY) which begins on April 1 and concludes on March 31 of the following year. The JFY 2020 safeguard volume was established at 242,000 MT. As of March 1, imports from the United States had reached 227,310 MT or 94 percent of the safeguard volume (Table 6). If imports surpass the safeguard volume prior to March 31, tariffs on U.S. beef will temporarily increase from the current 25.8 percent (25 percent starting April 1, 2021) to 38.5 percent. The higher tariff would be in place for 45 or 30 days, depending on when the safeguard is tripped. Further details on USJTA and the safeguard are available on https://www.usdajapan.org/usjta/.

Table 6: Beef Safeguards in JFY 2020 as of March 1, 2021 (Unit: MT)

Trade Agreement	Trigger Volume	Imports (Apr 1 - Feb 20)	Fill Rate (%)
U.S.-Japan Trade Agreement (USJTA)	242,000	227,310	93.9%
Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (CPTPP)	613,600	296,694	48.4%
Japan-EU Economic Partnership Agreement	45,056	5,572	12.4%
Japan-UK Comprehensive Economic Partnership Agreement	11,264	1,144	10.2%
Japan-Australia Economic Partnership Agreement			
Chilled beef	140,000	95,892*	68.5%
Frozen beef	205,000	126,698*	61.8%

Note: *As of January 31, 2021
Source: Japan Customs

Beef stocks declined in the second half of 2020 nearly in line with FAS/Tokyo's previous projection. December 2020 stocks were recorded at 169,323 MT, just five percent higher than 2019 after expanding 23 percent earlier in the year. While consumption did not rebound as quickly as anticipated, importers compensated by reducing imports in the second half to year to alleviate pressure on domestic cold storage capacity. FAS/Tokyo projects that importers will seek to maintain stable stocks in 2021 which are forecasted to end at 167,000 MT.

PORK

Swine Numbers and Pork Production

FAS/Tokyo estimates Japan's 2021 beginning swine herd at 9.100 million head, down slightly from the previous projection and nearly flat from 2020. Strong pork demand in 2020 led operators to slaughter hogs at a faster pace, yielding slightly lower carcass weights. Operators capitalized on the strong market to increase sow stocks which are forecasted to expand two percent to 860,000 head. Increased sow retention combined with expanded imports of live breeding swine pushed piglet production up one percent in 2020 to 16.945 million head and is expected to support an additional one percent expansion in 2021 to 17.050 million head.

2021 slaughter is projected to increase at a slightly slower pace, to 16.610 million head, as demand pressures relax and allow for more normal rates of slaughter and carcass weights. Official government data recorded 2020 slaughter at 16.596 million head yielding 1.298 million MT in pork production (Table 7).

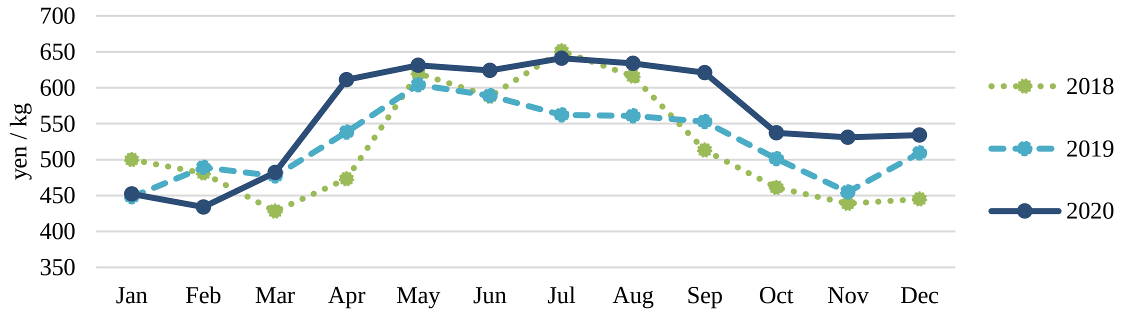
Table 7: Pork Production in Japan

Year	Slaughter (head)	Production (CWE, MT)	Average carcass weight (kg)
2019	16,319,392	1,278,870	78.4
2020	16,595,537	1,297,968	78.2
Chg.	1.7%	1.5%	-0.2%

Source: MAFF

Supported by strong household demand during the COVID-19 pandemic, wholesale carcass prices trended higher from April to December 2020. As producers ramped up production in the second half the year, prices began to drop (falling 14 percent between September and October), but continued to trend above 2019 as pandemic concerns lingered (Figure 8).

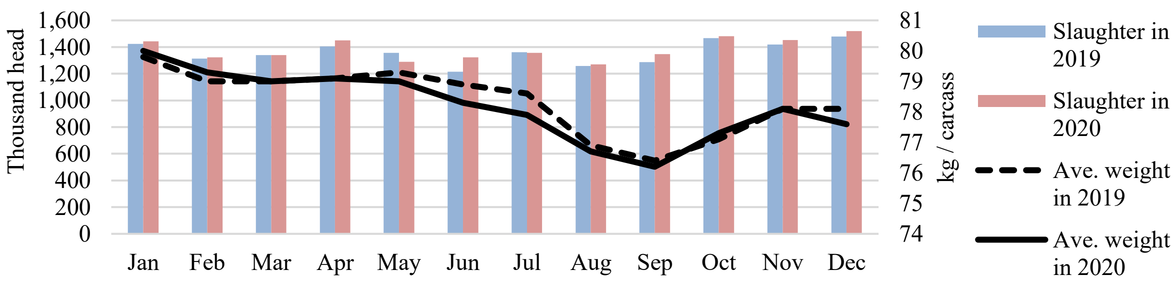
Figure 8: Hog Carcass Price (excellent grade - Tokyo market)



Source: ALIC

Industry sources reported that many producers rushed shipments in December in anticipation of prices dropping in early 2021 as pandemic concerns ease. MAFF projects that first half slaughter could dip two percent from the previous year as a result. Average carcass weights in December 2020 were fell below the previous year average to 77.6 kilograms per head (Figure 9).

Figure 9: Slaughter Total and Average Carcass Weight



Source: MAFF

12 cases of Classical Swine Fever (CSF) were reported in 2020, marking a significant decline from 2019 which saw 59 cases. The decline is mainly attributable to government vaccination efforts which began in October 2019. Still, the government reported that 26,910 hogs were culled due to CSF between January 2020 and February 2021, representing around 0.3 percent of Japan’s swine population. Producers compensated by ramping up imports of live breeding swine which increased four-fold in 2020 to 2,521 head, mostly from Denmark.

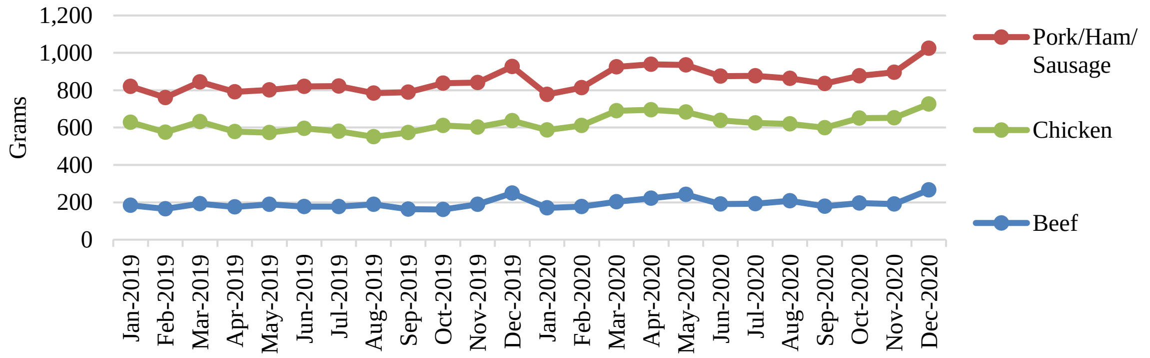
As reported in the Beef section, an uptick in feed prices in late 2020 could put downward pressure on hog production in 2020, however government support measures are expected to relieve most of the additional cost burden.

Consumption

Projected 2021 pork consumption is revised slightly downward to 2.725 million MT, nearly flat from 2020. Overall 2020 consumption is revised lower to 2.724 million due to weak foodservice demand during the pandemic. These trends are expected to persist into early 2021.

According to industry sources, around half of Japan's pork supply is typically consumed at home compared to just 40 percent for beef. Survey data from the Ministry of International Affairs and Communications (MIAC) estimates that household consumption of pork (including ham and sausage) reached 11 kilograms per head in 2020, up eight percent from 2019 (Figure 10). Consumption was particularly strong toward the end of the year as households avoided typical end-of-year holiday travel and outside dining. Rising COVID-19 case numbers in early 2021 and re-imposition of a state of emergency from January 7 to March 7 suggest that household pork consumption will remain strong in the first half of 2021, but could slow in the second half as pandemic concerns ease.

Figure 10: Household Meat Consumption (per capita)

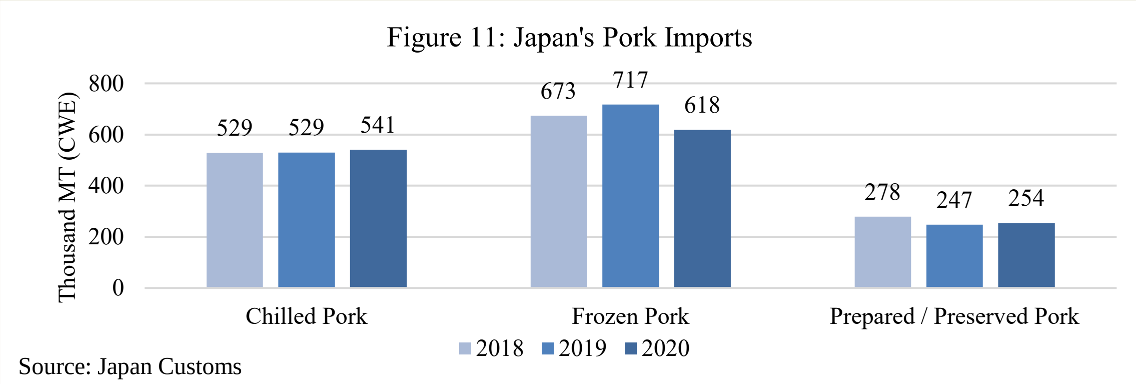


Source: MIAC/ALIC

Growth in household pork consumption in 2020 was partially offset by declining foodservice sales, particularly among Chinese restaurants which are significant users of pork. Among all foodservice categories, Chinese restaurant sales were particularly sluggish, posting negative year-on-year growth every month from March to December. Industry sources reported that many consumers increased purchases of ground pork to make Chinese dumplings (gyoza) at home rather than eat in restaurants. Unlike many Chinese restaurants in the United States, Chinese restaurants in Japan are primarily dine-in establishments and not geared toward takeout and delivery. As a result, many struggled to adapt to new market conditions amid the pandemic.

Trade

FAS/Tokyo projects that strong domestic production combined with sluggish consumption will limit 2021 imports to just 1.420 million MT. This follows a steep decline in 2020 which saw pork imports fall five percent to 1.412 million MT. FAS/Tokyo projected in JA2020-0151 that second half 2020 imports were likely to fall due to a significant buildup in pork stocks, however the actual decline was steeper than expected as the pandemic stymied demand for imported pork in the foodservice sector. Stocks were gradually unloaded in the latter months of 2020, indicating that pork imports could start to rebound in 2021. However, with foodservice sales expected to remain weak in the first half of 2021, FAS/Tokyo anticipates the pace of imports will remain slow, growing just half a percent compared to 2020.



Japan's imports of chilled pork, which is primarily diverted to retail, grew two percent in 2020 while imports of prepared/preserved pork grew three percent (Figure 11). However, this was not enough to offset a decline in frozen pork imports which fell 14 percent. Imports from the European Union, the leading supplier of frozen pork, were especially hard hit, falling 24 percent year-on-year (Table 8). As a result, the United States emerged as the leading pork supplier to Japan in 2020. Imports of U.S. pork rose 10 percent, driven mainly by growth in chilled pork and ground-seasoned pork (GSP).

Table 8: Japan's Pork and Pork Product Imports (MT, CWE)

	2019	**2020**	**Chg. (%) 2020/2019**
CPTPP	507,757	498,587	-2
Canada	*319,420*	*312,535*	*-2*
Mexico	*145,607*	*148,194*	*2*
EU 27 + UK	495,049	377,788	-24
Spain	*162,698*	*137,484*	*-16*
Denmark	*151,359*	*104,175*	*-31*
Netherlands	*54,025*	*50,686*	*-6*
Germany	*50,882*	*32,259*	*-37*
United States	453,988	501,042	10
Other	35,939	35,036	0
Total	***1,492,733***	***1,412,453***	***-5***

Source: Japan Customs

Much of the growth in U.S. imports is attributable to tariff reductions under the U.S.-Japan Trade Agreement (USJTA) which halved tariffs on U.S. GSP from 20 to 10 percent in 2020 and will eventually reduce these tariffs to zero by 2023. Tariff parity under USJTA enabled the United States to recapture market share which it lost to competing suppliers in 2019. Overall, Japan's imports of GSP increased 10 percent in 2020 with almost all of the growth coming from imports from the United States which increased 41 percent (Table 9).

Table 9: Japan's Imports of Ground-seasoned Pork (MT)

	2019	**2020**	**Chg. (%) 2020/2019**
EU 27 + UK	28,517	18,739	-34
Germany	*13,132*	*5,658*	*-57*
Netherlands	*6,164*	*6,540*	*6*

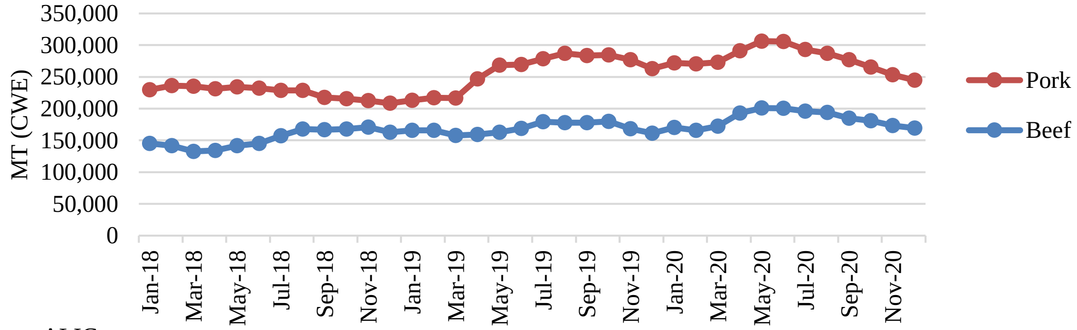
TPP	27,503	20,106	-27
Canada	*14,192*	*7,179*	*-49*
Mexico	*8,651*	*8,410*	*-3*
United States	73,738	104,101	41
Other	1,096	943	-14
Total	**130,854**	**143,889**	**10**

Note: Products in this table refer to HS 1602.42.090
Source: Japan Customs

In September 2020, Japan suspended imports of pork and pork products from Germany due to detection of African Swine Fever (ASF) in Germany's wild boar population. Germany was the 7th largest pork supplier to Japan in 2019 and the largest European supplier of GSP. Although some Japanese buyers will adjust by shifting purchases to other European countries, FAS/Tokyo anticipates that the ban on German pork will put downward pressure on pork imports from the European Union in 2021. On January 28, 2021, Japan reopened its market to Hungarian pork for the first time since April 2018 following implementation of a new ASF regionalization protocol.

FAS/Tokyo projects that reduced imports in 2021 will support a continued drawdown in pork stocks which peaked in May 2020. Ending stocks in 2021 are forecasted at 236,000 MT, down four percent from 2020 ending stocks which were recorded at 244,804 MT (Figure 12). However, importers are likely to maintain stocks at higher than average levels as a buffer against pandemic-driven supply shocks and ASF.

Figure 12: Monthly Ending Stocks



Source: ALIC

Supplemental Tables

Supplemental Table 1: Beef Estimated Ending Stock

Unit: Metric Ton (CWE Converted)

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	195,943	9
Aug	173,316	157,798	-9	167,662	6	177,835	6	193,807	9
Sep	169,811	162,039	-5	166,914	3	178,016	7	184,961	4
Oct	158,194	160,948	2	167,644	4	179,936	7	181,011	1
Nov	153,851	159,780	4	171,025	7	168,524	-1	173,552	3
Dec	146,798	151,303	3	162,884	8	161,541	-1	169,323	5

Source: ALIC

Supplemental Table 2: Pork Estimated Ending Stock

Unit: Metric Ton (CWE Converted)

Month / Year	2016	2017	% Chg.	2018	% Chg.	2019	% Chg.	2020	% Chg.
Jan	218,539	228,337	4	229,785	1	213,056	-7	271,976	28
Feb	218,742	222,435	2	236,361	6	216,990	-8	270,555	25
Mar	220,194	230,775	5	235,266	2	216,436	-8	273,178	26
Apr	225,502	226,226	0	231,356	2	246,696	7	291,129	18
May	231,754	236,863	2	234,372	-1	268,588	15	306,465	14
Jun	234,361	235,581	1	232,077	-1	269,469	16	305,595	13
Jul	223,907	228,890	2	228,848	0	278,667	22	293,088	5
Aug	229,206	230,182	0	228,839	-1	286,966	25	287,101	0
Sep	220,194	222,369	1	217,827	-2	283,667	30	276,992	-2
Oct	212,792	217,122	2	215,679	-1	284,658	32	265,444	-7
Nov	213,507	220,510	3	212,442	-4	276,873	30	253,486	-8
Dec	210,908	222,074	5	208,469	-6	262,958	26	244,804	-7

Source: ALIC

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

Unit: Farm/Head

	Dairy Breed Total				Average Number of Cattle Raised per Farm
Year Beginning (As of Feb. 1)	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 Holstein breed.
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
		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	1031.3
2004	8,880	7,770	9,724,000	917,500	63,000	8,052,000	690,900	1095
2005	Census Year							
2006	7,800	6,780	9,620,000	907,100	60,000	7,943,000	710,700	1233.3
2007	7,550	6,560	9,759,000	915,000	58,000	8,119,000	667,100	1292.6
2008	7,230	6,250	9,745,000	910,100	57,400	8,117,000	660,900	1347.9
2009	6,890	5,930	9,899,000	936,700	57,100	8,220,000	685,700	1436.7
2010	Census Year							
2011	6,010	5,110	9,768,000	901,800	51,800	8,186,000	628,700	1625.3
2012	5,840	4,900	9,735,000	900,000	51,900	8,145,000	638,700	1667
% Chg.	-3	-4	0	0	0	-1	2	3
2013	5,570	4,620	9,685,000	899,700	49,100	8,106,000	629,500	1738.8
% Chg.	-5	-6	-1	0	-5	0	-1	4
2014	5,270	4,290	9,537,000	885,300	47,500	8,020,000	583,300	1809.7
2015	Census Year							
2016	4,830	3,940	9,313,000	844,700	42,600	7,743,000	682,500	1,928.20
2017	4,670	3,800	9,346,000	839,300	43,500	7,797,000	666,100	2,001.30
% 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	4320	3460	9156000	853100	36300	7594000	673200	2119
% Chg.	-3	-5	0	4	-8	-1	4	3
2020	Census Year							

Source: MAFF Livestock Statistics

Supplemental Table 6: Beef Marukin Payments

		Prefectures Applied	Wagyu		Cross breed	Dairy
			Lowest payment	Highest payment		
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
	June	46	76,555	236,813	190,413	48,078
	July	43	22,789	233,821	180,387	39,031
	Aug	46	36,643	225,514	114,807	51,616
	Sep	45	1,510	208,831	122,920	39,206
	Oct	38	5,140	108,545	131,468	37,969
	Nov	10	4,316	57,595	79,365	38,144
	Dec	2	3,942	58,624	29,124	38,791

Note: “-“ indicates that no payment was made.
Source: ALIC

Attachments:

No Attachments