

Voluntary Report – Voluntary - Public Distribution

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Report Name: Demand for household consumption evident during early COVID-19 environment

Country: Japan

Post: Tokyo ATO

Report Category: Agricultural Situation, Agricultural Trade Office Activities, Agriculture in the News, Livestock and Products

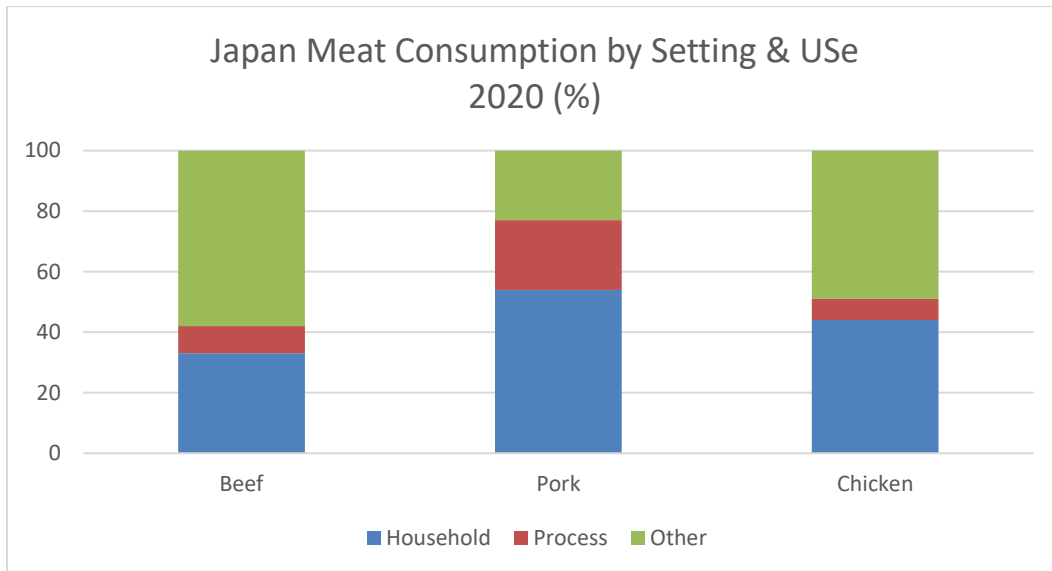
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Report Highlights:

This report highlights notable household consumption for meat products among Japanese consumers and the strong preference for home-meals during the global pandemic. Recent data released from The Ministry of Agriculture, Forestry and Fisheries announced the breakdown of meat consumption (by setting and use) in 2020. While the percentage of household consumption increased for all livestock species such as beef, pork, and chicken, the percentage of meat consumption in restaurants and other food service establishments decreased across the board. This report confirms how the early COVID-19 environment had an impact on the hotel, restaurant and institutional sector with consumers shifting to increased retail purchases of meat products for household consumption.

The COVID-19 pandemic created strong Stay-At-Home (household) dining demand in 2020 stemming from multiple State of Emergencies (SOE), which reflects a notable shift among Japanese consumers. This consumption relied heavily on the food processing and the retail market to meet its meat consumption demand.



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

“Other” includes the food service industry mainly (HRI)

Note: The estimated domestic meat market, including both domestically produced and imported meat, was used as the denominator, and the consumption for at-home, for processing, and “other”, such as at restaurants, was used as the numerator to calculate the percentage of each.

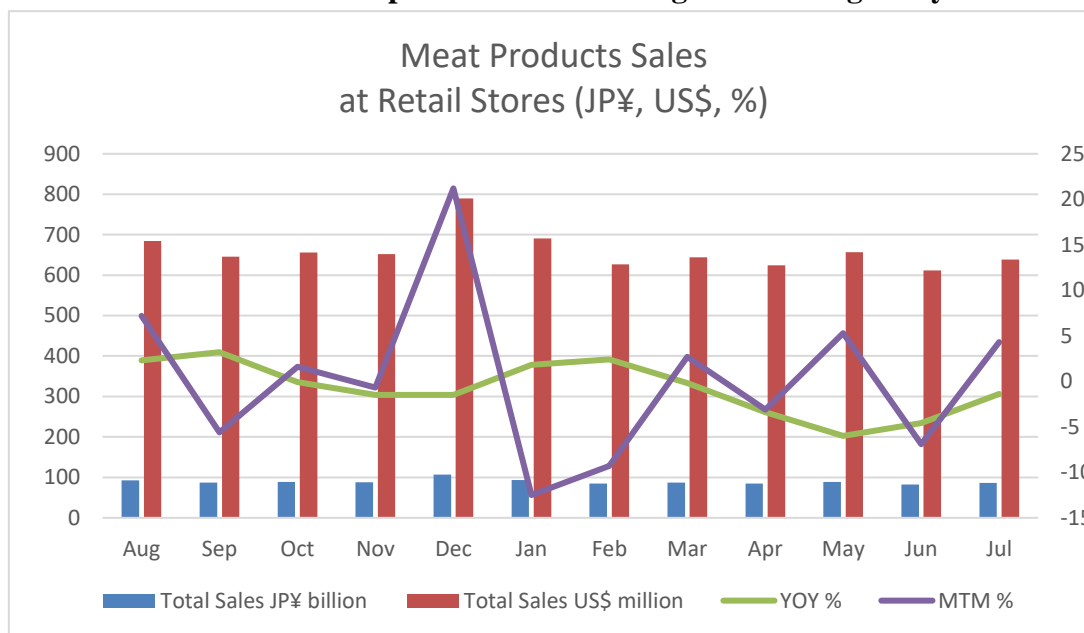
- Beef accounted for 33 percent of household consumption in 2020, an increase of three percent from the previous year
- Pork accounted for 54 percent of household consumption 2020, an increase of four percent from the previous year
- Chicken accounted for 44 percent in 2020, an increase of four percent from the previous year

On the other hand, consumption for "other," which includes food service, experienced:

- Beef consumption declines of six percent, totaling 58 percent,
- Pork consumption declines of four percent, totaling 23 percent
- Chicken consumption declines of four percent, totaling 49 percent

Recent statistics from Japan’s Chain Store Association in July 2022, indicated that total sales of livestock products at retail stores* totaled JP¥86,152 million, a slight decrease of 1.4 percent compared to the same month of the previous year according to its sales summary report released on August 23, 2022. Compared to the previous month, sales of the livestock products increased by 4.3 percent according to the sales summary. **Note:** (Retail stores*: 10,838 stores of 56 member companies)

Meat Products Sales at Japan Retail Stores Aug 2021-through July 2022



Source: Japan Chain Store Association, total sales of 56 member companies with 10,838 outlets
 Meat Products include beef, pork, chicken, ham/sausage and fresh egg
 Exchange rate: JP¥135/US\$
 YOY = Year on year, MTM – Month to month rate

In addition to meat product sales, the Japan Chain Stores Association also reported that total food sales in July 2022 decreased slightly by 0.2 percent to about ¥773.4 billion. Produce product sales also declined slightly by 0.7 percent to ¥107.4 billion from the previous year, while marine products amounted to ¥69.1 billion, a 4.8 percent decrease. One of the product categories that saw increases were sales of Home Meal Replacements (Sozai), totaling ¥103 billion or an increase of 1.4 percent in July 2022.

The Semi-SOE was lifted in October 2021, and demand for eating out has been recovering despite Japan’s 7th wave of COVID-19 and its variants causing increased infection rates. The foodservice segments have experienced increasing sales of western style fast food and at yakiniku restaurants that utilize a variety of meat products where its main menu is comprised of these product offerings.

The Agricultural Trade Office in Tokyo will be preparing its annual Hotel Restaurant and Institution (HRI) report at the end of September 2022 and will have more details on the food service market.

Attachments:

No Attachments.