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Approved by:
Richard Battaglia
U.S. Embassy

Prepared by:
Kakuyu Obara

Report Highlights:
Japan's broiler market is expected to recover in 2005, following weak consumption and lower imports in 2004 due to Avian Influenza outbreaks in Japan and supplier countries. Total imports (including prepared product) are expected to increase by 5% to 595,000 MT. Imports of broiler meat projected to increase by 3% to 365,000 MT, with Brazil maintaining its dominant market. U.S. imports (including prepared product) are expected to increase to 39,000 MT. Imports of cooked and prepared poultry are projected to rise by 10% in 2005, with China and Thailand maintaining a 95% market share.

Includes PSD Changes: Yes
Includes Trade Matrix: No
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2005 Outlook

Japan's Broiler Imports to Recover in 2005

The 2005 market outlook outlined in the last annual report (JA 4069) remains valid. Japan's poultry market is expected to rebound in 2005 following a spate of Avian Influenza outbreaks in Japan and in key supplier countries. Total imports (broiler meat and cooked and prepared products combined) are expected to recover to about 595,000 MT, a 5% increase from 2004. Bans on poultry from Thailand, China and the United States, caused 2004 imports to plunge by nearly 20%, and enabled Brazil to capture most of the import market. Although higher than 2004, the 2005 import estimate is still relatively low compared to levels achieved in recent years. (2000 – 2003 average: 716,000 MT).

Brazilian Broiler and Cooked Products from Thailand and China to Dominate in 2005

Imports of broiler meat are projected at about 365,000 MT, up 3% from 2004, with Brazil expected to maintain its 85% market share. The strong Yen is expected to favor imports from Brazil. In addition, trade sources don't expect Japan to lift its bans on broiler meat from Thailand and China in 2005 due to ongoing concerns about Avian Influenza outbreaks in those countries.

Imports of cooked poultry are expected to increase in 2005 by about 10% to 230,000 MT, easing the tight supply situation in the food service and the prepared food sectors. Under agreements reached last year, Japan is allowing import of cooked poultry product from designated plants in China and Thailand, and these suppliers are expected to account for 95% of cooked product imports. According to Japan's Agriculture Ministry (MAFF), 55 plants in China and Thailand are approved for export to Japan. MAFF announced on January 14, 2005, that it approved another 11 plants in Thailand.

Better Prospects for U.S. Broiler Forecast for 2005

Trade sources expect relatively solid demand for U.S. bone-in broiler legs to materialize in 2005 in the food service and prepared food sectors (de-boned in Japan). Furthermore, implementation of a recently agreed cooked poultry protocol between the U.S. and Japan is expected to improve market prospects. Total imports of U.S. broiler meat and cooked products could reach 39,000 MT in 2005.

Domestic Production to Increase Slightly

Domestic broiler meat production is projected slightly above last year, up by 1% to 1.130 million MT (dressed basis). While inexpensive domestic breast meat (boneless) will continue to fill the shortage in the food service and processing sectors, retail demand for popular domestic boneless leg meat in 2005 is expected to remain relatively unchanged from last year.

2004 Situation Summary and Update

Japan's total broiler consumption, including imported cooked products, is forecast down by 8% to 1.69 million MT in 2004, reflecting concerns over Avian Influenza outbreaks in Japan, Thailand, China and the United States. Broiler meat consumption (excluding imported prepared products) is forecast down by 8% to 1.48 million MT, largely due to very low imports from Thailand and China. Monthly stock estimates for poultry meat have remained relatively lower compared to the previous year (see Table 4). Wholesale market prices have been relatively weak for domestic boneless leg meat, pressured by slack household consumption. However, prices for domestic breast meat remained relatively strong, supported by solid food service and processing demand (see Tables 1 and 2). In absence of broiler meat from Thailand and China, the price of Brazilian boneless cuts for utilization in the food service and prepared food sector remained high throughout 2004 (see Table 3).

Import Bans Slashed Broiler Imports in 2004

Japan's broiler market has remained short supplied in 2004 due to import bans on products from Thailand, China and the U.S. Based on January – November trade data, Japan's 2004 annual broiler imports (broiler meat and prepared products combined) are forecast to be the lowest in recent years at 564,000 MT, down 19% from 2003 (see Table 5). Imports of broiler meat are forecast at 354,000 MT, down 24%. Brazil's market share jumped to about 84% in 2004 (see Table 6).

Imports of cooked poultry are forecast to decline by 8% from last year to 210,000 MT (see Table 7). As described in the last annual report (JA4069), Japan lifted bans on cooked product from Thailand and China after negotiating new animal health protocols. Since then, monthly imports of the cooked products from these suppliers have rapidly recovered, catering to the food service and the prepared product sector.

Outbreaks of highly pathogenic Avian Influenza in Japan early in 2004 hampered overall broiler meat consumption, particularly among Japanese households (see Table 1). Market sources report that sales of domestic leg meat (mainly boneless fresh/chilled) were particularly affected as wholesale prices fell during the first half of 2004. However, the acute shortage of imported boneless cuts for the food service and processing sectors led to increased alternative demand for inexpensive domestic breast meat (See Table 2).

Table 1. Japanese Monthly Household Consumption of Beef, Pork and Chicken

Japanese Monthly Household Consumption of Beef, Pork Chicken						
Unit: Grams per Household						
	Beef	% Chg.	Pork	% Chg.	Chicken	% Chg.
2003						
July	650	2%	1,353	-1%	895	1%
Aug.	755	12%	1,346	-4%	881	1%
Sept.	614	-3%	1,327	-4%	877	-9%
Oct.	650	5%	1,386	-6%	1,000	-3%
Nov.	628	-6%	1,401	-4%	1,040	-2%
Dec	789	-7%	1,486	-1%	1,299	0%
2004						
Jan.	525	-14%	1,389	6%	850	-7%
Feb.	520	-17%	1,447	11%	794	-14%
Mar.	611	-10%	1,511	9%	776	-19%
Apr.	573	-15%	1,427	3%	862	-10%
May	618	-14%	1,458	5%	939	-4%
Jun.	587	-18%	1,463	8%	884	-2%

July	593	-9%	1,403	4%	795	-11%
Aug.	663	-12%	1,443	7%	889	1%
Sept.	535	-13%	1,353	2%	924	6%
Oct.	599	-8%	1,499	8%	1,020	2%
Nov.	555	-12%	1,448	3%	973	-6%
Dec.	0	0%	0	0%	0	0%
Source: Meat and Livestock Daily, Jan. 11 Issue						

Table 2. Monthly Average Wholesale Price of Domestic Broiler Cuts in Kanto Region

Monthly Average Wholesale Prices of Domestic Broiler Cuts					
					Unit: Yen per Kg.
Domestic: Bone-less Leg (Fresh/Chilled)					
	2002	2003	% Chg.	2004	% Chg.
Jan.	737	734	-0%	643	-12%
Feb.	687	690	0%	559	-19%
Mar.	650	644	-1%	474	-26%
Apr.	640	594	-7%	478	-20%
May	648	552	-15%	540	-2%
Jun.	630	524	-17%	587	12%
Jul.	616	491	-20%	586	19%
Aug.	620	502	-19%	540	8%
Sep.	635	551	-13%	542	-2%
Oct.	649	597	-8%	598	0%
Nov.	664	636	-4%	596	-6%
Dec.	712	657	-8%	0	n.a.
1st Qtr Ave.	691	689	-0%	559	-19%
2nd Qtr Ave.	639	557	-13%	535	-4%
3rd Qtr Ave.	624	515	-17%	556	8%
4th Qtr Ave.	675	630	-7%	0	-100%
Year Ave.	657	598	-9%	0	-100%
Domestic: Breast Meat (Fresh/Chilled)					
	2002	2003	% Chg.	2004	% Chg.
Jan.	323	224	-31%	205	-8%
Feb.	291	210	-28%	230	10%
Mar.	263	195	-26%	226	16%
Apr.	248	184	-26%	200	9%

May	238	192	-19%	194	1%
Jun.	226	212	-6%	193	-9%
Jul.	216	225	4%	225	0%
Aug.	213	233	9%	248	6%
Sep.	207	224	8%	245	9%
Oct.	206	206	0%	239	16%
Nov.	206	210	2%	234	11%
Dec.	219	230	5%	0	-100%
1st Qtr Ave.	292	210	-28%	220	5%
2nd Qtr Ave.	237	196	-17%	196	-0%
3rd Qtr Ave.	212	227	7%	239	5%
4th Qtr Ave.	210	215	2%	0	-100%
Year Ave.	238	212	-11%	0	-100%
Source: ALIC Monthly Statistics					

Table 3. Monthly Average Wholesale Price of Imported Broiler Cuts

					Unit: Yen per Kg.
Imported: Brazilian Bone-less Leg (Frozen)					
	2002	2003	% Chg.	2004	% Chg.
Jan.	437	310	-29%	350	13%
Feb.	389	310	-20%	459	48%
Mar.	366	310	-15%	444	43%
Apr.	327	311	-5%	411	32%
May	327	317	-3%	408	29%
Jun.	327	349	7%	407	17%
Jul.	337	390	16%	384	-2%
Aug.	323	390	21%	380	-3%
Sep.	313	350	12%	378	8%
Oct.	313	340	9%	373	10%
Nov.	313	332	6%	378	14%
Dec.	313	329	5%	0	-100%
1st Qtr Ave.	397	310	-22%	418	35%
2nd Qtr Ave.	327	326	-0%	409	25%
3rd Qtr Ave.	324	377	16%	381	n.a.
4th Qtr Ave.	313	334	7%	0	n.a.
Year Ave.	340	337	-1%	0	n.a.

Imported: U.S. Bone-in Leg (Frozen)					
	2002	2003	% Chg.	2004	% Chg.
Jan.	323	289	-11%	309	7%
Feb.	316	288	-9%	344	19%
Mar.	306	284	-7%	345	21%
Apr.	294	283	-4%	346	22%
May	294	289	-2%	354	22%
Jun.	298	310	4%	372	20%
Jul.	293	315	8%	383	22%
Aug.	292	318	9%	383	20%
Sep.	292	319	9%	376	18%
Oct.	292	320	10%	347	8%
Nov.	292	320	10%	330	3%
Dec.	294	318	8%	0	-100%
1st Qtr Ave.	315	287	-9%	333	16%
2nd Qtr Ave.	295	294	-0%	357	22%
3rd Qtr Ave.	292	317	9%	381	20%
4th Qtr Ave.	293	319	9%	0	n.a.
Year Ave.	299	304	2%	0	n.a.
Source: ALIC Monthly Statistics					

Table 4. Monthly Ending Poultry Stock Estimates

Table 2. Japanese Monthly Ending Poultry Stock Estimates					
					Unit: Metric Ton
	2002	2003	% Chg.	2004	% Chg.
Jan.	119,548	127,442	7%	94,163	-26%
Feb.	128,023	125,793	-2%	88,381	-30%
Mar.	130,520	120,419	-8%	92,965	-23%
Apr.	134,548	111,785	-17%	85,873	-23%
May	140,258	102,292	-27%	91,218	-11%
Jun.	139,560	97,187	-30%	87,201	-10%
Jul.	135,600	101,261	-25%	88,593	-13%
Aug.	138,530	104,277	-25%	88,192	-15%
Sep.	133,302	105,921	-21%	89,655	-15%
Oct.	128,652	110,951	-14%	88,353	-20%
Nov.	131,391	110,581	-16%	93,455	-15%

Dec.	117,723	95,736	-19%	0	-100%
Source: ALIC Monthly Statistics					

Table 5. Japanese Total Broiler Imports Including Prepared Products

Broiler (HS 0207.11.12, HS 0207.12, HS 0207.14.210, HS 0204.14.220, HS 1602.32.290)						
Period: January – November, Unit: Metric Ton						
					% Change	Share
Rank	Country	- MT - 2002	- MT - 2003	- MT - 2004	04/03	04
		Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
0	--World--	485,134	436,486	320,305	-27%	100%
1	Brazil	158,005	167,965	267,968	60%	84%
2	United States	42,922	45,458	25,303	-44%	8%
3	Thailand	171,686	159,980	12,248	-92%	4%
4	China	108,422	57,466	8,407	-85%	3%
5	Chile	0	18	3,296	18327%	1%
6	Others	4,099	5,600	3,084	-45%	1%
Source of data: Japan Customs, World Trade Atlas (WTA)						

Table 6. Japanese Imports of Broiler Meat

Broiler (HS 0207.11.12, HS 0207.12, HS 0207.14.210, HS 0204.14.220)						
Period: January – November, Unit: Metric Ton						
					% Change	Share
Rank	Country	- MT - 2002	- MT - 2003	- MT - 2004	04/03	04
		Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
0	--World--	485,134	436,486	320,305	-27%	100%
1	Brazil	158,005	167,965	267,968	60%	84%
2	United States	42,922	45,458	25,303	-44%	8%
3	Thailand	171,686	159,980	12,248	-92%	4%
4	China	108,422	57,466	8,407	-85%	3%
5	Chile	0	18	3,296	18327%	1%
6	Others	4,099	5,600	3,084	-45%	1%
Source of data: Japan Customs, World Trade Atlas (WTA)						

Table 7. Japanese Imports of Prepared Broiler Meat Products

Prepared Broiler Products (HS 1602.32.290)						
Period: January – November, Quantity: Metric Ton						
					% Change	Share
Rank	Country	- MT - 2002	- MT - 2003	- MT - 2004	04/03	04
		Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
0	--World--	196,439	202,032	197,642	-2%	100%
1	China	124,182	114,893	106,622	-7%	54%
2	Thailand	67,208	82,397	85,521	4%	43%
3	Brazil	406	363	1,896	422%	1%

4	Malaysia	0	0	1,553	-	1%
5	Mexico	0	0	871	-	0%
6	United Kingdom	0	0	642	-	0%
7	Korea, South	288	287	269	-6%	0%
8	United States	3,668	3,605	168	-95%	0%
9	Indonesia	658	416	32	-92%	0%
10	Others	30	70	68	-3%	0%
Source of data: Japan Customs, World Trade Atlas (WTA)						

Broiler PS&D Table

Japan Poultry, Meat, Broiler							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Inventory (Reference)	104	104	104	104	0	105	(MIL HEAD)
Slaughter (Reference)	595	595	590	590	0	600	(MIL HEAD)
Beginning Stocks	118	118	96	96	79	93	(1000 MT)
Production	1127	1127	1130	1124	1135	1130	(1000 MT)
Whole, Imports	0	0	0	0	0	0	(1000 MT)
Parts, Imports	695	694	500	564	530	595	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	0	0	0	0	0	0	(1000 MT)
TOTAL Imports	695	694	500	564	530	595	(1000 MT)
TOTAL SUPPLY	1940	1939	1726	1784	1744	1818	(1000 MT)
Whole, Exports	0	0	0	0	0	0	(1000 MT)
Parts, Exports	3	3	2	1	2	2	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Exports	3	3	2	1	2	2	(1000 MT)
Human Consumption	1841	1840	1645	1690	1660	1725	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	1841	1840	1645	1690	1660	1725	(1000 MT)
TOTAL Use	1844	1843	1647	1691	1662	1727	(1000 MT)
Ending Stocks	96	96	79	93	82	91	(1000 MT)
TOTAL DISTRIBUTION	1940	1939	1726	1784	1744	1818	(1000 MT)
Calendar Yr. Imp. from U.S.	60	51	65	31	0	39	(1000 MT)