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# **Report Name:** Livestock and Products Annual

**Country:** Japan

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**Report Highlights:**

FAS/Tokyo projects cattle stocks to increase in 2022 as MAFF support programs continue to incentivize farmers to expand production. Due to a large cross breed cattle population and a growing wagyu population, FAS/Tokyo projects 2022 slaughter numbers to be up slightly and for beef production to be around 485,000 MT. In 2021, high swine beginning stocks will push slaughter speeds higher than 2020 but low sow populations will limit 2022 beginning stocks. FAS/Tokyo forecasts 2022 swine production to increase following a rebound in the sow population. FAS/Tokyo also forecasts a two percent increase in 2022 pork production, to meet strong demand for domestic pork.

## Production Supply and Distribution (PSD) Statistics

### Cattle PS&D

| Animal Numbers, Cattle | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Jan 2020 | | Jan 2021 | | Jan 2022 | |
| Japan | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Total Cattle Beg. Stks** (1000 HEAD) | 3907 | 3907 | 3922 | 3960 | 0 | 3980 |
| **Dairy Cows Beg. Stocks** (1000 HEAD) | 840 | 840 | 845 | 849 | 0 | 855 |
| **Beef Cows Beg. Stocks** (1000 HEAD) | 559 | 559 | 555 | 567 | 0 | 570 |
| **Production (Calf Crop)** (1000 HEAD) | 1240 | 1240 | 1235 | 1245 | 0 | 1245 |
| **Total Imports** (1000 HEAD) | 15 | 15 | 10 | 10 | 0 | 10 |
| **Total Supply** (1000 HEAD) | 5162 | 5162 | 5167 | 5215 | 0 | 5235 |
| **Total Exports** (1000 HEAD) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Cow Slaughter** (1000 HEAD) | 250 | 250 | 255 | 250 | 0 | 250 |
| **Calf Slaughter** (1000 HEAD) | 4 | 4 | 5 | 5 | 0 | 5 |
| **Other Slaughter** (1000 HEAD) | 800 | 798 | 785 | 805 | 0 | 810 |
| **Total Slaughter** (1000 HEAD) | 1054 | 1052 | 1045 | 1060 | 0 | 1065 |
| **Loss and Residual** (1000 HEAD) | 186 | 150 | 197 | 175 | 0 | 180 |
| **Ending Inventories** (1000 HEAD) | 3922 | 3960 | 3925 | 3980 | 0 | 3990 |
| **Total Distribution** (1000 HEAD) | 5162 | 5162 | 5167 | 5215 | 0 | 5235 |
| | | | | | | |
| (1000 HEAD) | | | | | | |

### Beef and Veal PS&D

| Meat, Beef and Veal | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Jan 2020 | | Jan 2021 | | Jan 2022 | |
| Japan | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Slaughter (Reference)** (1000 HEAD) | 1054 | 1052 | 1045 | 1060 | 0 | 1065 |
| **Beginning Stocks** (1000 MT CWE) | 162 | 162 | 169 | 169 | 0 | 166 |
| **Production** (1000 MT CWE) | 479 | 477 | 475 | 480 | 0 | 485 |
| **Total Imports** (1000 MT CWE) | 832 | 832 | 830 | 830 | 0 | 835 |
| **Total Supply** (1000 MT CWE) | 1473 | 1471 | 1474 | 1479 | 0 | 1486 |
| **Total Exports** (1000 MT CWE) | 7 | 7 | 13 | 13 | 0 | 20 |
| **Human Dom. Consumption** (1000 MT CWE) | 1297 | 1295 | 1305 | 1300 | 0 | 1305 |
| **Other Use, Losses** (1000 MT CWE) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Dom. Consumption** (1000 MT CWE) | 1297 | 1295 | 1305 | 1300 | 0 | 1305 |
| **Ending Stocks** (1000 MT CWE) | 169 | 169 | 156 | 166 | 0 | 161 |
| **Total Distribution** (1000 MT CWE) | 1473 | 1471 | 1474 | 1479 | 0 | 1486 |
| | | | | | | |
| (1000 HEAD), (1000 Metric Ton [MT] Carcass Weight Equivalent [CWE]) | | | | | | |

**Swine PS&D**

| Animal Numbers, Swine | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Jan 2020 | | Jan 2021 | | Jan 2022 | |
| Japan | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Total Beginning Stocks** (1000 HEAD) | 9090 | 9090 | 9100 | 9290 | 0 | 9110 |
| **Sow Beginning Stocks** (1000 HEAD) | 845 | 845 | 860 | 823 | 0 | 835 |
| **Production (Pig Crop)** (1000 HEAD) | 16945 | 17230 | 17050 | 17070 | 0 | 17330 |
| **Total Imports** (1000 HEAD) | 3 | 3 | 2 | 0 | 0 | 2 |
| **Total Supply** (1000 HEAD) | 26038 | 26323 | 26152 | 26360 | 0 | 26442 |
| **Total Exports** (1000 HEAD) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sow Slaughter** (1000 HEAD) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Other Slaughter** (1000 HEAD) | 16596 | 16691 | 16610 | 16870 | 0 | 16950 |
| **Total Slaughter** (1000 HEAD) | 16596 | 16691 | 16610 | 16870 | 0 | 16950 |
| **Loss and Residual** (1000 HEAD) | 342 | 342 | 342 | 380 | 0 | 202 |
| **Ending Inventories** (1000 HEAD) | 9100 | 9290 | 9200 | 9110 | 0 | 9290 |
| **Total Distribution** (1000 HEAD) | 26038 | 26323 | 26152 | 26360 | 0 | 26442 |
| | | | | | | |
| (1000 HEAD) | | | | | | |

**Pork PS&D**

| Meat, Swine | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Jan 2020 | | Jan 2021 | | Jan 2022 | |
| Japan | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Slaughter (Reference)** (1000 HEAD) | 16596 | 16691 | 16610 | 16870 | 0 | 16950 |
| **Beginning Stocks** (1000 MT CWE) | 263 | 263 | 245 | 245 | 0 | 230 |
| **Production** (1000 MT CWE) | 1298 | 1306 | 1300 | 1320 | 0 | 1340 |
| **Total Imports** (1000 MT CWE) | 1412 | 1412 | 1425 | 1350 | 0 | 1415 |
| **Total Supply** (1000 MT CWE) | 2973 | 2981 | 2970 | 2915 | 0 | 2985 |
| **Total Exports** (1000 MT CWE) | 4 | 4 | 4 | 5 | 0 | 5 |
| **Human Dom. Consumption** (1000 MT CWE) | 2724 | 2732 | 2730 | 2680 | 0 | 2740 |
| **Other Use, Losses** (1000 MT CWE) | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Dom. Consumption** (1000 MT CWE) | 2724 | 2732 | 2730 | 2680 | 0 | 2740 |
| **Ending Stocks** (1000 MT CWE) | 245 | 245 | 236 | 230 | 0 | 240 |
| **Total Distribution** (1000 MT CWE) | 2973 | 2981 | 2970 | 2915 | 0 | 2985 |
| | | | | | | |
| (1000 HEAD), (1000 MT CWE) | | | | | | |

## Beef

### Cattle Number and Beef Production

FAS/Tokyo projects beginning cattle stock in 2022 to rise to 3.98 million head, driven by increases in the 2021 dairy and beef cow herds and subsequent increases in calf production (Supplemental Tables 3 and 4). The beef cattle population for all breeds (excluding brown hair wagyu and dairy breeds) were up, particularly cross breed that jumped by six percent. The Ministry of Agriculture, Forestry and Fisheries (MAFF) attributes the beef herd population increase to their support payments for cluster programs in 2020 (for more details, see JA2021-0102). FAS/Tokyo projects cattle imports in 2021 and 2022 to drop from 2020 numbers due to high prices in Australia.

Small livestock farms, particularly those with fewer than 20 head of cattle, continue to exit the marketplace. According to MAFF, the number of livestock farms is around 42,100, down four percent from 2020 (Table 1). However, despite a shrinking number of farms, the cattle population increased by two percent from the previous year.

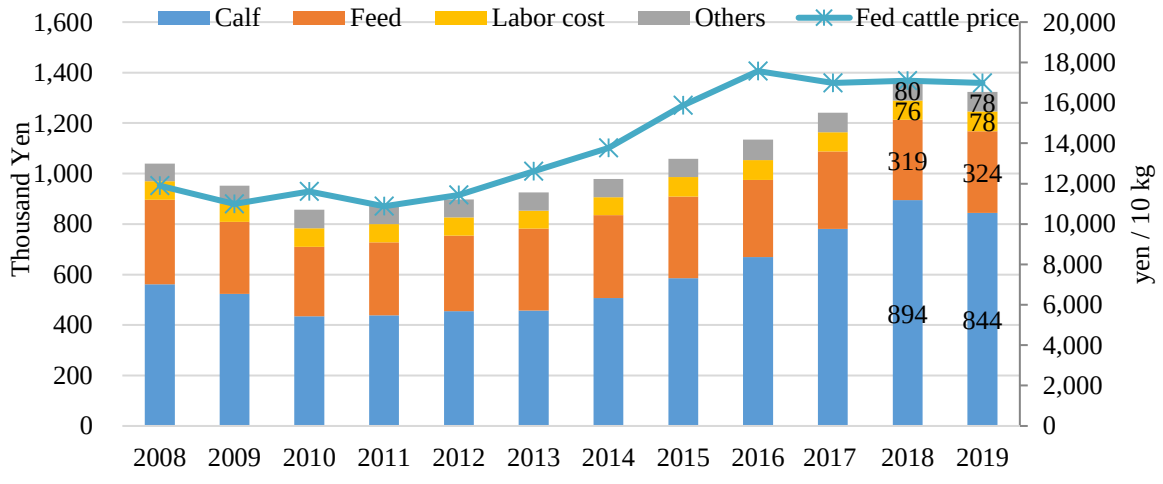
Table 1: Number of Beef Operators and Beef Cattle in Japan

| | 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) | 2020 | 27,660 | 11,950 | 2,180 | 2,143 | 43,933 |
| | 2021 | 25,730 | 11,960 | 2,210 | 2,184 | 42,084 |
| | *Change* | *-7.0%* | *0.1%* | *1.4%* | *1.9%* | *-4.2%* |
| Cattle population (Unit: head) | 2020 | 209,400 | 549,800 | 317,600 | 1,478,900 | 2,555,700 |
| | 2021 | 199,000 | 555,400 | 322,000 | 1,528,000 | 2,604,400 |
| | *Change* | *-5.0%* | *1.0%* | *1.4%* | *3.3%* | *1.9%* |

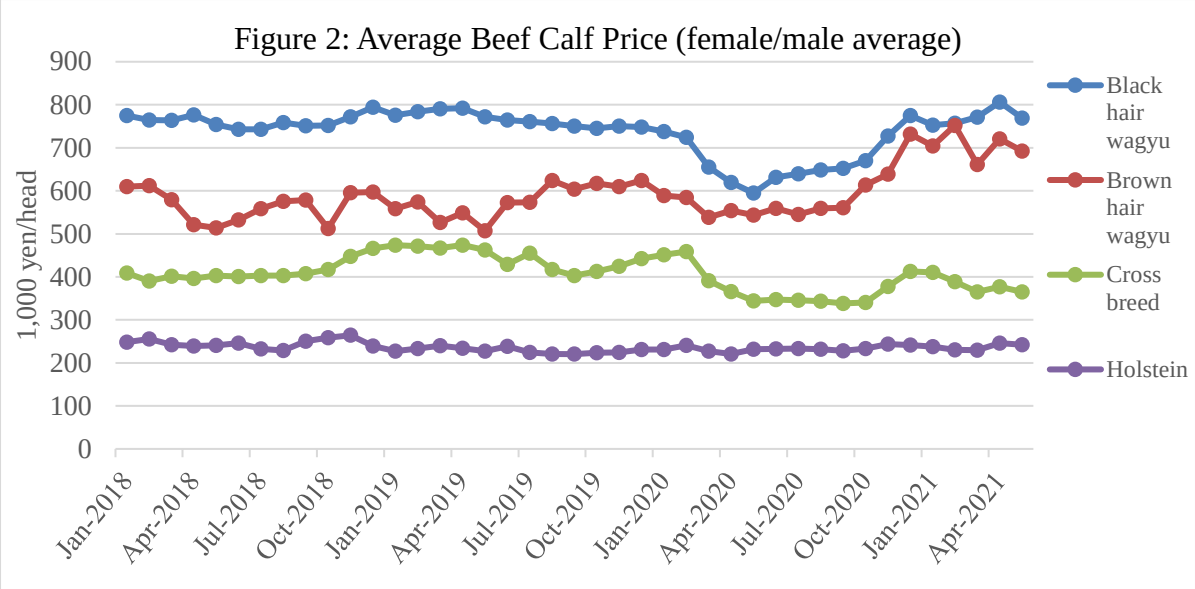
Source: MAFF

The latest production input cost data shows reduced wagyu farm management costs from 2018 to 2019, largely due to lower calf introduction costs (Figures 1 and 2). The calf price of main breeds (black hair wagyu and cross breed) dropped again in April 2020 and remained relatively low until October 2020. FAS/Tokyo projects final 2020 production costs to drop again from final 2019 costs.

Figure 1: Fed Wagyu Steer Production Cost Per Head and Cattle Price

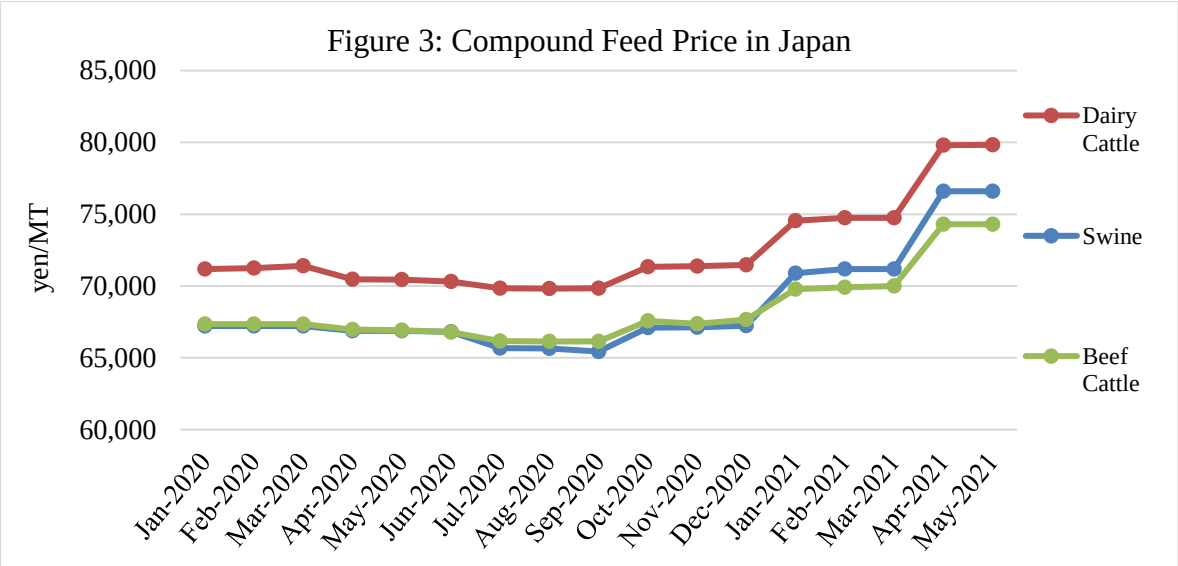



Source: MAFF and Agriculture and Livestock Industries Corporation (ALIC)




Source: ALIC

Compound feed retail prices have been trending upward since late 2020 and have remained high through May 2021 (Figure 3). However, an incremental compound feed price stabilization system helps cattle feeders keep prices down. From January to March 2021, the system reduced prices by 3,300 yen ($30.28) per metric ton and was increased to 9,900 yen ($90.83) per metric ton from April to June. See JA2021-0035 and JA2021-01020 and JA2021-for more information. It is believed that these programs will offset a substantial portion of the cost increase for livestock producers.




Source: MAFF

FAS/Tokyo projects total slaughter in 2022 to increase to 1.065 million head, driven by a 10 percent jump in slaughter of cross breed cattle and a two percent rise in black hair wagyu slaughter (Table 2). The increased share of overall slaughter numbers of these breeds is attributable in part to the effects of MAFF's incentive program for dairy farmers to produce cross breed and wagyu calf using embryo transfers. In addition, low Holstein calf prices accelerated the cross breed calf production.

Table 2: Beef Cattle within Age Range for Slaughter in 2022

| | Black Hair Wagyu | Holstein (steer/bull) | Cross breed |
|---|---|---|---|
| *Targeted Slaughter Age* | *27 months* | *17 months* | *24 months* |
| Cattle Age (As of June 30) | 9 - 20 months | 0 - 10 months | 6 - 17 months |
| 2020 | 490,554 | 131,648 | 228,838 |
| 2021 | 499,902 | 123,464 | 251,597 |
| % change | 1.9% | -6.2% | 9.9% |

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

The total slaughter in the first half of year 2021 was up roughly one percent from 2020 as farmers returned to a regular slaughter schedule after irregular timing amid the COVID-19 outbreak (Table 3). FAS/Tokyo estimates the slaughter number of black hair wagyu and cross breed in the remaining six months of 2021 to increase one percent and six percent, respectively (Table 4). FAS/Tokyo anticipates the total 2021 slaughter number to remain ahead of last year's pace and for year-end slaughter to be 1.06 million head.

Table 3: Cattle Slaughter January – June (2020 and 2021) Unit: Head

| | | Wagyu | | Dairy | | Cross | | Other | Calf | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | steer/ bull | heifer/ cow | steer/ bull | heifer/ cow | steer/ bull | heifer/ cow | | | |
| Slaughtered number (head) | 2020 | 116,685 | 97,022 | 80,878 | 79,602 | 57,361 | 50,990 | 6,208 | 2,164 | 490,910 |
| | 2021 | 121,993 | 102,071 | 77,240 | 81,414 | 57,167 | 51,944 | 6,986 | 2,066 | 500,881 |
| | Change | 4.5% | 5.2% | -4.5% | 2.3% | -0.3% | 1.9% | 12.5% | -4.5% | 2.0% |

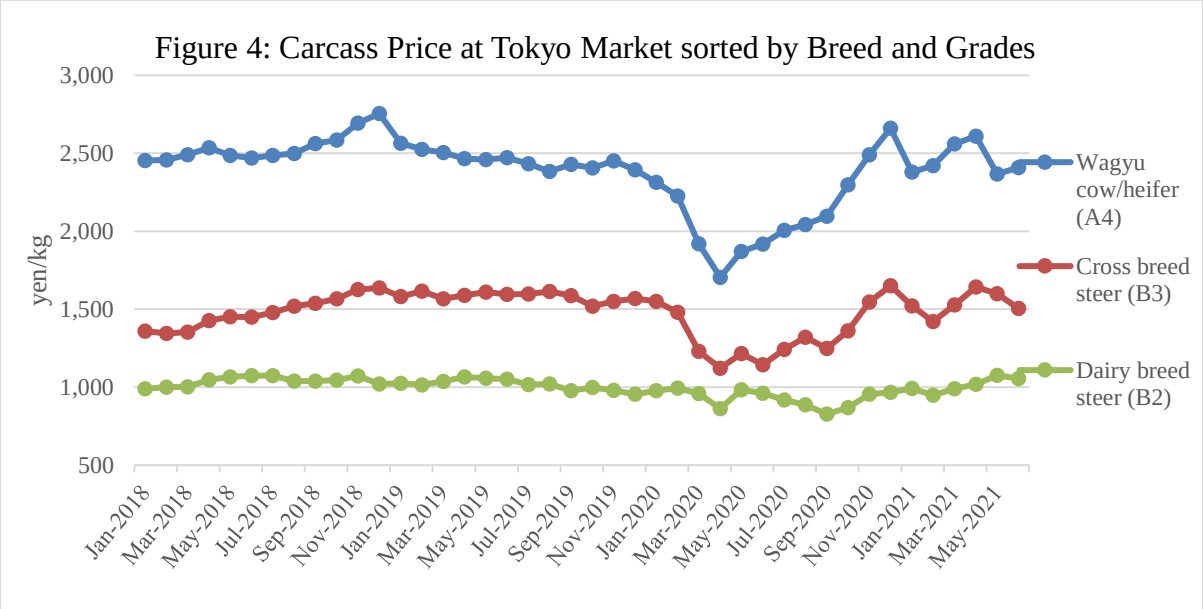
Source: MAFF

Table 4: Estimated Slaughter numbers in July through December 2021

| | Black Hair Wagyu | Holstein (steer/bull) | Cross breed |
|---|---|---|---|
| *Targeted Slaughter Age* | *27 months* | *17 months* | *24 months* |
| Cattle Age (As of June 30) | 21 - 26 months | 11- 16 months | 18 - 23 months |
| 2020 | 249,417 | 74,895 | 116,230 |
| 2021 | 251,455 | 67,344 | 122,876 |
| Change | 1% | -10% | 6% |

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

Wagyu and cross breed carcass prices, which dropped in early 2020, had fully recovered by December 2020 and have hovered around 1,500 yen ($14) per kilogram for cross breeds and 2,500 yen ($23) per kilogram for wagyu over the first five months of 2021 (Figure 4). As a part of the government's COVID-19 countermeasures, MAFF suspended producer contributions to the Beef Livestock Stabilization Program, also known as Beef *Marukin*, in 2020. *Marukin* support payments are issued to beef producers when average production costs exceed average revenue and made from a joint fund to which the Government of Japan contributes 75 percent and producers contribute 25 percent (JA2020-0091). Due to revived carcass prices, MAFF lifted the suspension and eligible operators began to contribute again in June. Supplemental Table 6 shows payments issued up to date.




Source: ALIC

FAS/Tokyo projects that beef production in 2021 and 2022 will increase each year, to 480,000 and 485,000 metric tons respectively, as slaughter and carcass weights return to pre-pandemic trends.

**Beef Consumption**

FAS/Tokyo projects increased beef consumption in 2022, up by roughly 0.5 percent from 2021, but to remain slightly lower than the 2019 consumption. As of July, the Government of Japan forecasts that by October or November 2021 individuals seeking a COVID-19 vaccination will have received one (see here for official vaccination data). Rising cases of COVID-19 and related government guidelines have continued to limit the movement and congregation of people in Tokyo and other major urban areas throughout 2021, slowing restaurant and other food service demand. Accordingly, FAS/Tokyo lowers the 2021 consumption to 1.3 million tons from its previous report.

The pace of recovery for beef demand in the first half of year 2021 was slower than FAS/Tokyo's March projection due to fluctuating COVID-19 positive cases in major consumption areas such as the Greater Tokyo-area, which accounts for roughly 30 percent of Japan's population and the Kansai-area,13 percent of the population. During full and partial states of emergencies, the national and local governments have requested or demanded restaurants to reduce business hours and limit the sale of alcohol. Those individuals in

restricted areas have also been urged to limit travel beyond prefectural borders, slowing domestic tourism.

On July 12, the Government of Japan declared the fourth state of emergency in Tokyo and has had one in place for Okinawa prefecture since May 23. Quasi-states of emergency have also routinely been in place for prefectures in the Greater Tokyo and Kansai regions. The current State of Emergency is scheduled to last until August 31. By the end of August, Tokyo will have been in a full or partial state of emergency for 202 of 243 days in 2021 (Table 5). For more details on the COVID-19 situation in Japan, please see the Ministry of Health, Labour, and Welfare website).

Table 5: 2021 States of Emergency in Tokyo

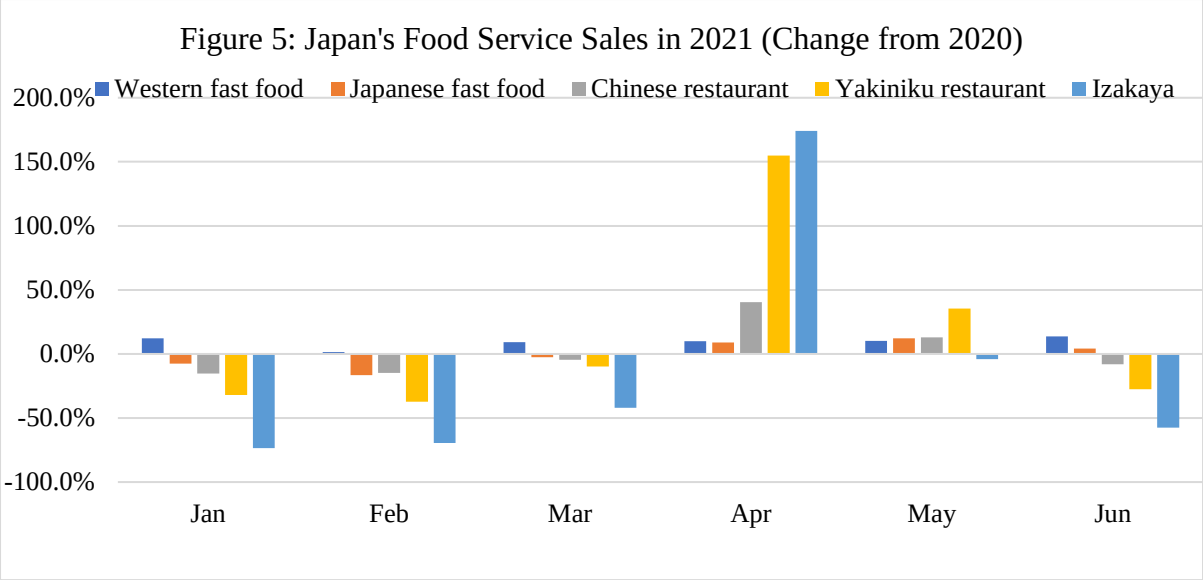
| State of Emergency | |
|---|---|
| January 8 - March 21 | 181 days |
| April 25 - June 20 | |
| July 12 - August 31 (tentative) | |
| Priority Preventative Measures (Quasi-States of Emergency) | |
| June 21 - July 11 | 21 days |

Source: Cabinet Secretariat

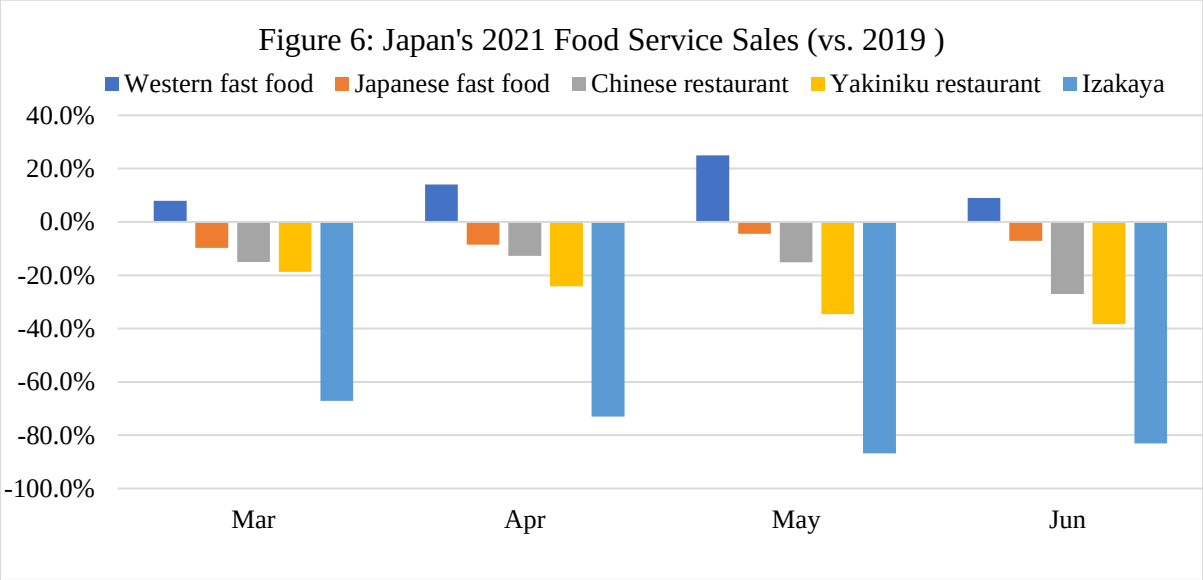
The food service industry, including tourism, accounts for more than 60 percent of beef consumption. Western-style fast food service restaurants, such as hamburger restaurant chains, have maintained high sales as restaurants positioned to provide takeout meals have been less affected by restrictions on movement. In addition, the sector's primary customers are families with children and students whose eating patterns have also been less (Figure 5).

Sales of Japanese-style fast food, including beef bowl and *yakiniku* (Japanese barbeque) restaurants remains 7 percent and 38 percent, respectively, behind 2019 sales (Figure 6). Many beef bowl restaurants in large cities are located in commercial districts that have seen drastic reductions in daily commuters due to increased telework. Movement restrictions and limited alcohol sales under the state of emergency have likewise dampened beef sales at *yakiniku* restaurants. When the government temporarily relaxed movement restrictions in major consumption areas in April 2021, sales at yakiniku restaurants spiked in comparison to April 2020 (Figure 5).

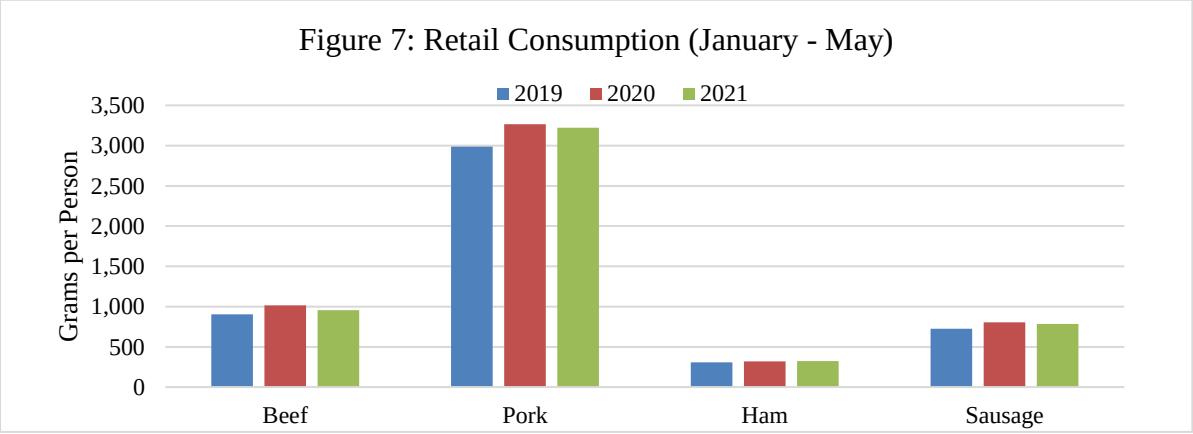
Retail sales, reflecting household consumption, through May 2021 are higher than in 2019, though down slightly from 2020 (Figure 7). Industry reports that at-home barbeque has grown in popularity as movement restrictions limit access to yakiniku restaurants and is an easily prepared meal.




Note: *Izakaya* (Japanese-style pub)
Source: Food Service Association




Source: Food Service Association




Source: Ministry of Internal Affairs and Communications

**Beef Trade**

FAS/Tokyo estimates Japan's 2022 beef imports to be higher than both 2021 and 2020, reverting to pre-COVID-19 pandemic trend of year-on-year increasing beef imports. FAS/Tokyo revises its 2021 imports to reflect the impact of high prices in export markets and continued suppressed demand from the food service industry.

Due to high prices, Japanese importers imported enough to account for current demand while drawing on stocks in the first half of 2021(Supplemental Table 1). Imports in the first half of 2021 were down 8 percent from the same period in 2020 as beef prices in the United States and Australia remained high (Table 6). Industry sources attribute demand in other markets and safeguard tariffs on U.S. beef as drivers for high prices. In May 2021, the price received by traders for short plate in Japan reached 44 percent higher than the price in May 2019 and 67 percent higher than 2020 (Figure 8). The trader price of Australian trimming also remained high due to short supply. Industry projects imports to accelerate in the second half of 2021 as competing import markets demand slows, having already built-up stocks to satisfy their demand.

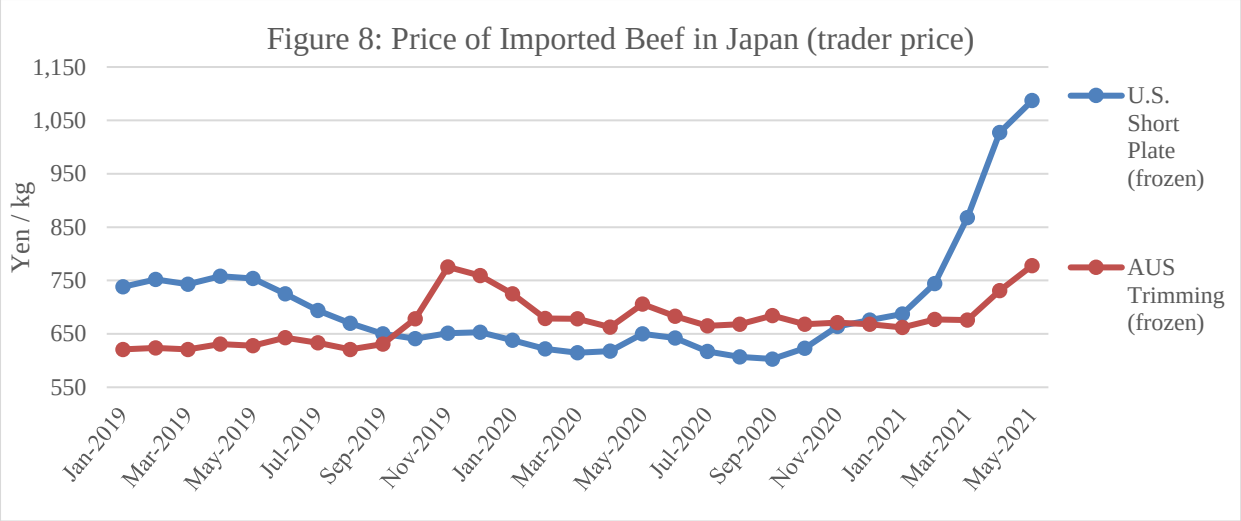
FAS/Tokyo projects 2021 and 2022 ending stocks to trend downwards as industry relies on stocks to avoid potentially short-term high prices on the international market.

Table 6: Japan Beef Imports (Jan – June) Unit: MT (CWE)

| | January - June | | |
|---|---|---|---|
| | 2020 | 2021 | Change |
| ***Total*** | **425,978** | **392,860** | ***-8%*** |
| Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) | 239,845 | 225,745 | -6% |
| *Australia* | 187,578 | 165,224 | -12% |
| *Canada* | 24,803 | 31,463 | 27% |
| *New Zealand* | 16,117 | 17,100 | 6% |
| *Mexico* | 11,326 | 11,912 | 5% |
| United States | 177,637 | 159,872 | -10% |
| European Union (EU) | 4,181 | 4,358 | 4% |
| Other | 4,315 | 2,885 | -33% |

Note: Imports from EU includes the United Kingdom as Japan applies preferential tariffs under Japan-European Union Economic Partnership Agreement until December 31, 2020.

Source: Japan Customs




Source: ALIC

On March 17, Japan Customs announced that Japan's beef imports from the United States, under the U.S. – Japan Trade Agreement (USJTA), exceeded the 242,000 MT (product basis) safeguard volume and the tariff for the U.S. beef was raised from 25.8 to 38.5 percent, equal to the WTO most-favored nation rate, from March 18 until April 16 (JA2021-0038). On April 17, the U.S. beef tariff reverted to the USJTA schedule for Year 3: 25 percent. Per the USJTA, the United States and Japan commenced negotiations on the beef safeguard trigger volume for Year 3 and beyond.

FAS/Tokyo projects that Japan's beef exports will increase in 2022 and 2021. With the lifting of restrictions to economic activity in major trading partners such as Hong Kong, the United States, and Taiwan, demand for wagyu beef in food service and at retail shops in 2022 is forecast to be stronger than in 2021.

Japan's beef exports in the first six months of 2021 have already reached 68 percent of the 2020 total (Table 7). Industry sources indicate that Japanese wagyu could expand its market share in food service and retail for household consumption in 2020 and early 2021 due to lower carcass prices in Japan. In November 2020, Japan published an action plan to promote agricultural products, including a 2025 export target of 160 billion yen ($ 1.5 billion) for wagyu (for the details, JA2020- 0201).

Table 7: Japan Beef Exports Unit: MT, CWE

| | 2016 | 2017 | 2018 | 2019 | 2020 | Jan - Jun 2021 |
|---|---|---|---|---|---|---|
| ***Total*** | ***2,719*** | ***3,773*** | ***4,955*** | ***6,106*** | ***6,997*** | ***4,787*** |
| CPTPP | 321 | 404 | 536 | 703 | 733 | *567* |
| Singapore | 249 | 309 | 336 | 393 | 435 | *289* |
| Malaysia | 0 | 11 | 60 | 71 | 108 | *455* |
| Hong Kong | 1,009 | 1,167 | 1,069 | 1,384 | 1,784 | *983* |
| Taiwan | 0 | 287 | 854 | 860 | 1,109 | *576* |
| United States | 333 | 508 | 573 | 542 | 713 | *699* |
| EU | 109 | 129 | 150 | 199 | 161 | *132* |
| Other | 947 | 1,278 | 1,773 | 2,418 | 2,497 | 1,830 |

Source: Japan Customs

## PORK

### Swine Numbers and Pork Production

FAS/Tokyo projects Japan's 2022 beginning swine herd at 9.11 million head, down roughly two percent from 2021 beginning stocks, reflecting a return to normal slaughter rates and low 2021 sow stocks. FAS/Tokyo revises the 2021 total beginning stocks upwards by two percent based on official MAFF data, which points to a faster than expected recovery from classical swine fever (CSF) outbreaks which started in September 2018. FAS/Tokyo forecasts 2022 sow beginning stocks to increase from 2021 as operators continue to rebuild herd sizes. Strong demand for domestic pork will drive an increase of slaughter and pork production in 2022.

According to MAFF statistics, as of February 1, there were 3,850 hog operations, down 11 percent from 2019[1] (Supplemental Table 5). Like cattle operations, hog operators also struggle to find successors, resulting in ongoing declines in the number of operations. While the average operation size continues to grow, up 14 percent since 2019 (Supplemental Table 5), the total number of integrated hog operations are decreasing regardless of farm size (Table 8). As a result, FAS/Tokyo lowers the 2021 and 2020 sow beginning stocks. Low sow stocks have also slowed swine production, reducing 2021 ending inventory and 2022 beginning stocks.

Table 8: Japan's Number of Integrated Hog Operations sorted by Sow Population

| | Number of Operations | | | | | |
|---|---|---|---|---|---|---|
| Sow Population (Head) | 1 - 9 | 10 - 29 | 30 - 49 | 50 - 99 | 100 -199 | 200 or more |
| 2019 | 227 | 337 | 303 | 706 | 689 | 1,050 |
| 2021 | 185 | 272 | 238 | 564 | 616 | 1,030 |
| Change | -18.5% | -19.3% | -21.5% | -20.1% | -10.6% | -1.9% |

Note: No data is available for 2020 because of the Census Year.
Source: MAFF

Through July 2021, MAFF has continued to report CSF cases, despite widespread use of vaccinations in major production areas. According to MAFF, the cull number from March to July totaled 66,511 head, or 0.7 percent of the total hog population

According to Japan Customs, Japan's swine imports in the first half of 2021 were 267 head, down 80 percent from 2020, with no imports from Denmark. FAS/Tokyo anticipates swine imports will rebound when flight schedules return to normal and will accelerate the rebuilding of the farm-based hog population in 2022.

FAS/Tokyo estimates 2022 pork production to be up from 2021, reflecting steady demand for domestic pork, especially in the retail sector. Total slaughter numbers in the first six months of 2021 were up 1.4 percent from 2020 (Table 9). The slaughter speed slowed in June due to the CSF outbreak in the first half of 2021, resulting in a midyear carcass price spike (Figure 9). Carcass prices in the first half of 2021 were lower than 2020 but still above the five-year average.

[1] No available data from 2020 due to MAFF agricultural census.

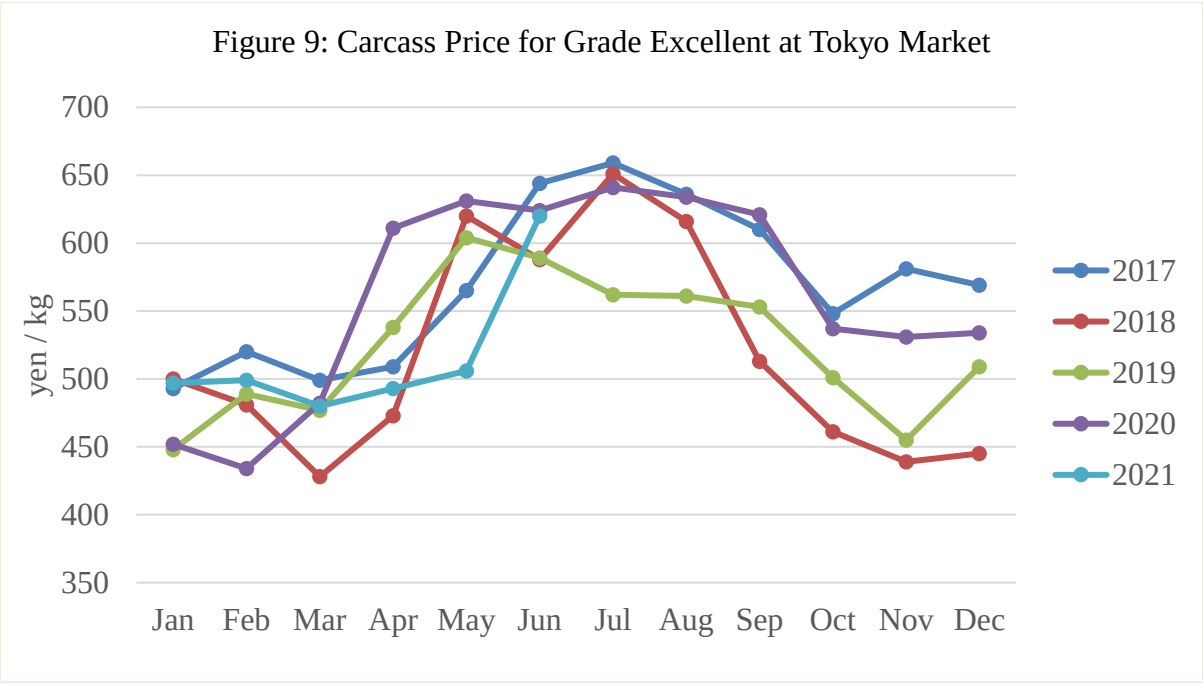
FAS/Tokyo increased the 2020 slaughter and pork production numbers based on official MAFF statistics, which also resulted in adjustments to swine production and pork consumption.

Table 9: Japan Pork Production

| Jan - Jun | Slaughter (head) | Production (CWE, MT) | Average carcass weight (KG) |
|---|---|---|---|
| 2020 | 8,263,542 | 654,166 | 79.2 |
| 2021 | 8,377,851 | 661,998 | 79.0 |
| Change | 1.4% | 1.2% | -0.0% |

Source: MAFF

Figure 9: Carcass Price for Grade Excellent at Tokyo Market




Source: ALIC

**Pork Consumption**

FAS/Tokyo projects that pork consumption in 2022 will increase from 2021 as the Government of Japan eases COVID-19 related movement restrictions, leading to increased food service consumption.

Food service demand for pork in 2021 remains stagnate as COVID-19 cases rise and the Government of Japan has implemented measures to restrict movement in large, urban areas (see beef section of this report). Chinese restaurant sales, significant pork users, in the first half of year 2021 remained low following a drop off in sales during 2020 (Figure 5 in beef section).

Conversely, in the first months of 2021, household demand, which accounts for 50 percent of Japan's pork consumption, remained as strong as 2020 consumption. With more at-home consumption, demand for easy to prepare and products with a long shelf life, like ham and sausage, has grown but remained largely stable throughout the COVID-19 pandemic (Figure 7).

**Pork Trade**

FAS/Tokyo projects 2022 pork imports to increase after dampened demand from the food service industry and global freight constraints resulted in a large decline in 2021.

Total imports in the first half of 2021 decreased by 5 percent from 2020 (Table 10) especially frozen pork, largely used by the food service industries, was down by 21 percent (Figure 10). Industry attributes the low import numbers to high global prices for frozen pork. In response, Japanese importers relied on stocks and imported just enough to cover current demand, which drove imports from Europe down 12 percent. FAS/Tokyo projects this trend to continue in the second half of 2021.

Industry also expects U.S. chilled pork prices to remain high due to a constrained supply of products intended for the Japan market. COVID-19 related countermeasures in the United States have slowed production of labor-intensive products, of which Japan is a major importer. Industry sources also attribute reduced imports to the tight global freight market and container shortage at western ports in the United States. As the retail demand in Japan for imported chilled pork remains strong, Japanese importers also project imports to increase in 2022 as port conditions improve and prices drop.

Shipping constraints have also affected the import of prepared or preserved pork, including ground seasoned pork, despite strong household demand for these products.

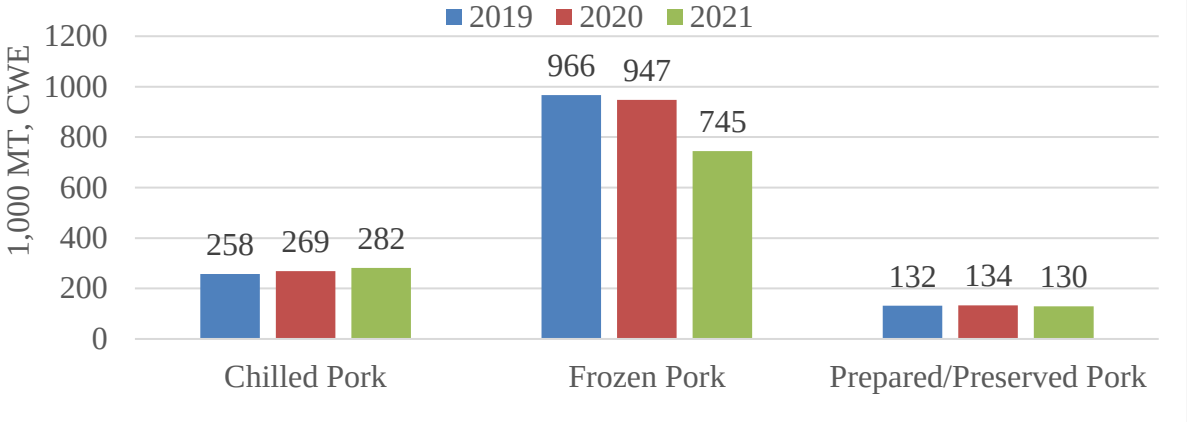
FAS/Tokyo projects that the total pork imports in 2022 will rebound from the decline in 2021 but remain lower than pre-pandemic levels until food service demand fully recovers.

Table 10: Japan's Pork Imports (Jan - June) Unit: MT (CWE)

| | January - June | | |
|---|---|---|---|
| | 2020 | 2021 | Change |
| ***Total*** | ***741,829*** | ***708,090*** | ***-5%*** |
| CPTPP | 252,620 | 257,318 | 2% |
| Canada | 155,267 | 159,926 | 3% |
| Mexico | 77,764 | 76,250 | -2% |
| EU | 203,401 | 178,545 | -12% |
| Spain | 79,115 | 64,386 | -19% |
| Denmark | 52,435 | 58,611 | 12% |
| United States | 267,701 | 256,996 | -4% |
| Other | 18,107 | 15,231 | -16% |

Source: Japan Customs

Figure 10: Japan's Pork Imports in January - June




Source: Japan Customs

## 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. | 2021 | % Chg. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan | 172,093 | 143,120 | -17 | 145,222 | 1 | 166,097 | 14 | 170,359 | 3 | 171,802 | 1 |
| Feb | 163,869 | 140,213 | -14 | 141,490 | 1 | 165,995 | 17 | 165,749 | 0 | 170,091 | 3 |
| Mar | 157,752 | 139,798 | -11 | 132,692 | -5 | 157,678 | 19 | 172,506 | 9 | 159,766 | -7 |
| Apr | 155,676 | 139,784 | -10 | 133,944 | -4 | 159,384 | 19 | 193,102 | 21 | 159,966 | -17 |
| May | 162,734 | 143,260 | -12 | 141,770 | -1 | 162,872 | 15 | 200,967 | 23 | 167,597 | -17 |
| 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 | | |

Sources: ALIC

Supplemental Table 2: Pork Estimated Ending Stock Unit: Metric Ton (CWE Converted)

| Month / Year | 2016 | 2017 | % Chg. | 2018 | % Chg. | 2019 | % Chg. | 2020 | % Chg. | 2021 | % Chg. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan | 218,539 | 228,337 | 4 | 229,785 | 1 | 213,056 | -7 | 271,976 | 28 | 237,333 | -13 |
| Feb | 218,742 | 222,435 | 2 | 236,361 | 6 | 216,990 | -8 | 270,555 | 25 | 239,556 | -11 |
| Mar | 220,194 | 230,775 | 5 | 235,266 | 2 | 216,436 | -8 | 273,178 | 26 | 236,579 | -13 |
| Apr | 225,502 | 226,226 | 0 | 231,356 | 2 | 246,696 | 7 | 291,129 | 18 | 240,027 | -18 |
| May | 231,754 | 236,863 | 2 | 234,372 | -1 | 268,588 | 15 | 306,465 | 14 | 241,118 | -21 |
| 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) |
| 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 |
| 2021 | 42,100 | 2,604,000 | 1,829,000 | 1,772,000 | 23,100 | 33,800 | 567,000 |
| % Chg. | -4 | 2 | 2 | 2 | -1 | 1 | 1 |

Note: The numbers in 2020 and 2021 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 | |
| 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 |
| 2021 | 775,200 | 249,400 | 525,700 | 68 | 62 |
| % Chg. | 2 | -7 | 6 | | 6 |

Note: The numbers in 2020 and 2021 are based on Japan's Individual Identification Information of Cattle.

Source: MAFF Livestock Statistics

Supplemental Trade 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 | | | | | Heifers | Animals Raised per Farm |
|---|---|---|---|---|---|---|---|---|---|
| | | | (Over Two Years of Age) | | | | | (Less Than Two Years of Age) | |
| | | | Total | Cow | | | Heifer | | |
| | | | | Sub Total | Milking | Dry | | | |
| 2012 | 20,100 | 1,449,000 | 1,012,000 | 942,600 | 812,700 | 129,900 | 69,700 | 436,700 | 72 |
| 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 |
| 2021 | 13,900 | 1,356,000 | 910,000 | 849,300 | 726,000 | 123,300 | 60,700 | 446,400 | 98 |
| % Chg. | -3 | 0 | 1 | 1 | 1 | 0 | -1 | -1 | 4 |

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 |
|---|---|---|---|---|---|---|---|---|
| | | Of Farms with Breeding Sows | Total | Breeding Sows | Breeding Males | Hogs | Others | |
| 2012 | 5,840 | 4,900 | 9,735,000 | 900,000 | 51,900 | 8,145,000 | 638,700 | 1667 |
| 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 | 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 | | | | | | | |
| 2021 | 3,850 | 3,040 | 9,290,000 | 823,200 | 32,000 | 7,676,000 | 758,800 | 2,413 |

Source: MAFF Livestock Statistics

Supplemental Table 6: Beef *Marukin* Payments (Continued on next page) Unit: yen/head

| Year | Month | 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 |
| | June | 46 | 76,555 | 236,813 | 190,413 | 48,078 |
| | July | 43 | 22,789 | 233,821 | 180,387 | 39,031 |
| | August | 46 | 36,643 | 225,514 | 114,807 | 51,616 |
| | September | 45 | 1,510 | 208,831 | 122,920 | 39,206 |
| | October | 38 | 5,140 | 108,545 | 131,468 | 37,969 |
| | November | 10 | 4,316 | 57,595 | 79,365 | 38,144 |
| | December | 2 | 3,942 | 58,624 | 29,124 | 38,791 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2021 | January | 12 | 475.2 | 59,029 | 17,069 | 43,454 |
| | February | 26 | 456,975 | 63,665 | 61,906 | 48,484 |
| | March | 2 | 2,390 | 67,380 | 19,994 | 54,923 |
| | April | 0 | - | - | - | 33,157 |
| | May | 14 | 16 | 21,333 | - | 21,421 |

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

Source: ALIC

**Attachments:**

No Attachments