

Voluntary Report – Voluntary - Public Distribution

Date: May 10, 2021

Report Number: JA2021-0057

Report Name: USJTA Treatment for Beef and Beef Products 2021

Country: Japan

Post: Tokyo

Report Category: Country/Regional FTA's, Product Brief, Livestock and Products

Prepared By: Aki Imaizumi, Akiko Satake

Approved By: Alexander Blamberg

Report Highlights:

The U.S.-Japan Trade Agreement (USJTA) has been in effect for 16 months, however the timing of Japan's fiscal year meant that the agreement entered "Year 3" of implementation on April 1, 2021. This report is one in a series of product briefs highlighting the tariff benefits for specific commodities and products from Year 3 (2021) to Year 5 (2023) of the agreement. Additional information is available at www.usdajapan.org/usjta/.

Overview: In 2020, the United States exported \$1.94 billion of beef products to Japan, making Japan the #1 overseas market for U.S. beef. Japan is a major importer of chilled and frozen meat and offal (mainly tongues and skirts). The United States accounted for nearly half of Japan’s total beef imports. Under the U.S.-Japan Trade Agreement, the United States obtained tariff treatment for beef equal to the countries in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. The years below correspond to Japan’s fiscal year beginning April 1.

Product Name Japan Customs HS Code	MFN Rate	Year 3 (2021)	Year 4 (2022)	Year 5 (2023)	Final Tariff (Year)	2020 Imports from U.S.
Meat (chilled/frozen) 020110000, 020120000, 020130010, 020130020, 020130030, 020130090, 020210000, 020220000, 020230010, 020230020, 020230030, 020230090	38.5%	25.0%	24.1%	23.3%	9.0% (2033)	\$1,411,180,358
Tongue (chilled/frozen) 020610011, 020621000	12.8%	4.4%	3.8%	3.2%	Free (2028)	\$357,278,872
Internal organs (chilled/frozen, incl. skirts) 020610019, 020629010	12.8%	4.8%	4.2%	3.7%	Free (2030)	\$238,683,397
Frozen liver 020622000	12.8%	9.6%	8.8%	8.0%	Free (2033)	\$1,013,074
Other offal (incl. oxtail) 020629090	21.3%	15.9%	14.6%	13.3%	Free (2033)	\$172,280
Prepared beef products (incl. beef jerky) 160250510, 160250590	10.0%	7.5%	6.8%	6.2%	Free (2033)	\$49,627
Meat extract, juices 160300010	12.0%	4.0%	2.0%	Free	Free (2023)	\$27,705
Other prepared beef products (not in airtight containers, incl. meatballs) 160250999	50.0%	37.5%	34.3%	31.2%	Free (2033)	\$9,305
Other prepared beef products (in airtight containers, not chilled or frozen) 160250890	38.3%	28.7%	26.3%	23.9%	Free (2033)	\$0
Cheek and head meat (fresh/chilled/frozen) 020610020, 020629020	50.0%	32.6%	30.5%	28.4%	9.0% (2033)	\$0

Safeguard: U.S. beef is subject to a country-specific safeguard which started at 242,000 MT in Year 1 and grows around one to two percent each year. If the safeguard volume is surpassed, tariffs on certain U.S. beef exports will increase for the remainder of that year. The safeguard tariff started at 38.5% and declines over time. The United States and Japan will consult to adjust the trigger level higher if the safeguard triggers. The safeguard will be eliminated if not triggered in the four consecutive years after 2032.

Market Considerations: Japan relies on imports for around 65 percent of its beef consumption. The United States is a dominant supplier, along with Australia. Consumption is trending upward, but not yet recovered to pre-2001 levels (when demand plunged following domestic detection of mad cow disease). In recent years, consumer preferences have shifted away from heavily marbled Japanese wagyu beef toward thicker, leaner cuts of imported grain-fed beef. U.S.-style steak is now readily available in family restaurants and fast-casual style eateries. In May 2019, Japan lifted longstanding age restrictions on U.S. beef, paving the way for greater imports of trimmings and offal products. Under the U.S.-Japan Trade Agreement, the United States gained beef tariff parity with Australia for the first time since 2015.

Additional Resources: Further information is available at www.usdajapan.org. For additional questions, please contact the USDA Agricultural Trade Office at atotokyo@usda.gov, Tel: 81-3-3224-5115.

Attachments:

No Attachments.