

price of Cdn\$ 12.50 (at exchange rate ¥94/Cdn \$1.00), and a lower price of Cdn\$ 9.63.

- b) For beef cattle - production stabilization of beef cattle (based on Law No. 98 of 1988). For 93/94, the guaranteed standard prices are \$3,234 per head for Japanese black; \$2,979 for Japanese brown; \$2,245 for beef breeds other than Japanese black and brown, and \$1,745 for breeds other than beef breeds. Further, the Japanese government has also set rationalization target price levels for Japanese producers in an effort to improve their price competitiveness. Respective target prices for 93/94 are \$2,840 for Japanese black; \$2,617 for Japanese brown; \$1,840 for other beef breeds, and \$1,425 for other than beef breeds.
- c) Farm chemical residues inspection - to cope with the growing consumer concern over food safety of imported foodstuffs, the Ministry of Health and Welfare (MHW) has been conducting inspection on a routine basis. MHW also tightens its inspection procedures for about 3 months during the last quarter of each fiscal year by advising foreign missions of a monitoring period for livestock and poultry products (i.e. beef, pork, and broilers).

v) *Trends.*

The annual demand for beef in Japan is about 1.1 million MT on a carcass basis. The market size has steadily grown from about 880,000 to 1.1 million MT over the last 5 years (1987/88-91/92). Domestic production fluctuates in the range of about 550,000-580,000 MT, whereas imports have steadily grown from 320,000-530,000 MT. This is as a consequence of the beef liberalization which took place in Apr91. Beef was under an import quota system prior to liberalization. Australia and USA together account for about 95% of Japanese beef imports, of which the Australian share has been declining from 56% to 52% during the said period, while the USA share has grown from 38% to 44%. The Canadian share, although comparatively very small at this stage, is growing from .4% to .6% due to strong trade promotion efforts by Canada Beef Export Federation (CBEF) whose long-term target is to capture 10% of the Japanese beef imports by Year 2000. The long-term outlook for Japan's beef demand is 1.5-1.7 million MT on carcass basis by Year 2000, in which domestic production is forecasted at 790,000 MT (i.e. the implied outlook for import is 710,000-910,000 MT).