JAPAN

1. *GENERAL OVERVIEW*

In recent years, the annual demand for beef in Japan has been approximately 1.1 million MT on a dressed carcass basis. Domestic production and imports are split roughly 50/50. Domestic production has been declining while imports have been increasing (1987/88 to 91/92). Australia and USA account for about 95% of the imported beef (the Australian share has declined from 56% to 52%, while the USA share has increased from 38% to 44%). The Canadian share has increased from .4% to .6% and may reach 1% in the near future.

2. *CHARACTERISTICS OF THE MARKET*

A. *Domestic Production:*

i) *Production in MT and number of slaughtered cattle.*

Domestic production was 591,514 MT and the number of slaughtered cattle was 1,490,632 head in 1992.

ii) *Prices for an equivalent of U.S. choice striploin.*

The average carcass wholesale price for B-2/B-3 (medium) grades in 1992/93 was about Cdn$ 8.35/kg (at an exchange rate ¥126/Cdn $1.00). With respect to sirloin, the retail prices for 92/93 were: Japanese Wagyu approximately Cdn$ 9.52/kg and Holstein steers $4.84-$5.40/kg.

iii) *Types of cuts.*

The types of cuts for retail market are chuck, brisket, sirloin, and round.

iv) *Government policies which impact significantly.*

Price support system:

a) For half carcass - stabilization of upper and lower prices on half carcass (based on the law concerning the price stabilization of livestock products of 1961). For 93/94, the price levels per kg of half carcass was announced on March 31, 1993 with an upper