

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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Required Report - public distribution

**Date:** 9/14/2009

**GAIN Report Number:** JA9056

## Japan

### LIVESTOCK AND PRODUCTS ANNUAL

**2009**

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**Report Highlights:**

In 2010 the Japanese beef market is expected to grow slightly to 1.195 million MT. Despite strong demand, Export Verification Program (EVP) restrictions will limit U.S. beef exports to 91,000 MT, up 8% from the previous year. Total pork imports are expected to dip marginally from 1.210 to 1.209 million MT.

## **Executive Summary:**

Japanese consumers in 2010 will continue to seek lower beef prices pending an improvement in the global economy that would result in improved job prospects and higher incomes. Despite a slightly positive economic growth forecast for 2009, the economy has not yet reached a real recovery. In 2010, total beef consumption in Japan is projected to grow only slightly to 1.195 million MT with imports comprising a 57% share. Despite high demand, comparatively lower priced U.S. beef exports to Japan are projected to grow just 8% to 91,000 MT due to the limited supply of cattle that meet the under 20 months Export Verification (EV) program requirement. In 2010 lethargic consumption and a relatively ample supply of domestic pork in Japan will decrease demand for pork imports resulting in a slight slip in total imports to 1.209 million MT. Increased competition with lower priced domestic pork will lead to decreased sales of U.S. chilled cuts. However, U.S. and Canadian seasoned ground pork exports to Japan will increase with solid demand for processing. Post expects Japan's livestock market in 2010 to remain sluggish due to demand for lower priced product. This report is an update to [JA9019](#).

The current political situation is further exacerbating uncertainty in the economy. The lower house election in August shifted the balance of power to the Democratic Party of Japan (DPJ) away from the Liberal Democratic Party that has held power almost continually since World War II. The DPJ campaigned on a platform that included calls for reform in agricultural; thus, Japan's future economic and agricultural policy may well change direction, particularly for various farm subsidies and support programs.

Quantities listed in the text are made on the basis of Carcass Weight Equivalent – CWE (unless specified otherwise). Numbers shown in some of the inserted tables are of the product weight basis before converted to CWE.

Conversion rates from the product weight to CWE are:

Beef Cuts (Boneless) – 1.40

Pork Cuts (Boneless) – 1.30

Processed/Prepared Beef Products – 1.79

Processed/Prepared Pork Products – 1.30

## **Commodities:**

Meat, Beef and Veal

Meat, Swine

Select

# **2010 Beef Market Outlook**

## **Price and Value to be Key to Import Growth in 2010**

Similar to 2009, the Japanese beef market in 2010 is expected to remain price and value conscious, which does not favor consumption of relatively expensive meat products such as beef. Total beef consumption in 2010 is projected to rise by 1% to 1.195 million MT, with domestic production projected slightly down from last year to 520,000 MT (or 1.24 million head) and total imports projected up by 1% to 678,000 MT (Beef Cuts: up by 1% to 658,000 MT, Processed/Prepared: down by 8% at 20,000 MT). Year ending stock levels are projected to be roughly unchanged from the beginning of the year at 126,000 MT.

The market is highly sensitive to price, so exchange rates are a significant driver of sales for imported meats. Japan's imports of Aussie beef in 2010 are projected slightly above the level of the previous year at 511,000 MT, with firm demand for both grass fed cuts (mainly for fast foods and prepared foods) and grain fed cuts (for retail and food service).

### **BSE Import Restrictions on U.S. Beef Curb Overall Market Prospects in 2010**

U.S. beef will continue to face a number of market access constraints under the EV program. Trade sources concur that the maximum supply level U.S. beef cuts to Japan will reach in 2010 will be somewhere between 85,000 – 100,000 MT, and demand will concentrate on various shoulder and plate cuts, which are relatively low priced. Therefore, preliminary post projections for U.S. beef in 2010 are around 91,000 MT, which is still just about 20% of the quality exported in 2000.

Sales of American beef (grain fed) have increased around the country at retail and food service outlets and demand remains strong. However, greater sales will depend on progress made in bilateral talks with GOJ on the EV program. Japanese consumers have demonstrated a preference for U.S. beef, which could substitute for Australian beef in greater quantities if these restrictions are lifted. Cheaper product is not likely to affect sales of domestic beef (particularly Wagyu), which supplies the high end market with marbled beef.

Japan was the largest market for U.S. edible meat (beef offal) prior to the imposition of the BSE restrictions, with annual sales registered in 2000 at USD \$668 million (or 93,000 MT at @USD 7.8) as compared to USD \$90 million (or just over 7000 MT at USD 12.61) in 2008 (Note: Not accounted in the PS&D). While the issue is still pending, bringing an end to Japan's BSE restrictions could greatly expand the sales of edible meat to this market as well.

The World Animal Health body (OIE) has granted controlled risk status to the United States (May 2008) and Japan (May 2009). Given the fact that both Japan and the United States have been classified as controlled risk countries, Japan's BSE restrictions on U.S. beef are no longer relevant to the actual risk status of each country; additionally the substantive BSE risk mitigation measures taken by the United States to date are working to ensure the safety of the beef trade internationally.

### **Beef and Pork Import Safeguard Use Not Foreseen in 2010**

*Note: Discussions in this section are based on the Japanese fiscal year (JFY), which starts April and ends in the following March. For the sake of convenience, the import numbers discussed in this section are all on a customs clearance basis (almost equivalent to boneless product weight basis, not based on CWE).*

For the past four years in a row, Japan used a 'special method' to calculate the trigger level for its beef import safeguard. The current circumstances surrounding Japan's beef market (sluggish consumption, weak market prices for beef, relatively low imports year to date) will most likely support yet another extension of the special measure to be applied in the next JFY 2010 (See Supplemental table II). For more information on Japan's beef safeguard for 2009 please see [JA8077](#).

For the past 5 years, the pork safeguard has not been triggered. At present, the possibility of triggering the pork safeguard in JFY 2010 appears remote. The first quarter trigger level in JFY 2010 is calculated on a

preliminary basis of 224,488 MT, which is 9,175 MT less than the 2009 trigger level. Pork import surges are unlikely to occur the first quarter of JFY 2010, which extends from April to June, due to weak consumption and an increased domestic supply that will keep monthly ending stocks at relatively high levels.

## **2009 Beef Market Situation Update and Outlook**

### **Slight Increase in Beef Consumption Forecast in 2009**

The on-going economic recession has been a major factor limiting Japan's overall beef consumption in the first half of 2009. Prospects for the second half do not look promising, but post expects Japan's beef consumption eventually to trend up over the coming months with lower market prices. Japan's total beef consumption in 2009 is forecast to increase 1% to 1.19 million MT. Japanese consumers tend to prefer inexpensive cuts for home use, which should favor demand for U.S. and Australian beef.

Overall market demand for imported beef appears to be favoring lower priced cuts with the majority of orders being filled by Australian beef. Thus, Japan's total imports in 2009 are projected to rise by 2% to reach around 672,000 MT (Beef Cuts: up by 2% to 651,000 MT, Processed/Prepared: up by 20% to 21,000 Mt). In 2010, Aussie beef will take a majority share, estimated at 77% or (504,000 MT, marginally up from last year) of total beef imports.

Japanese imports of American beef in 2009 are also projected to increase 11% to 84,000 MT, with a 13% share of the market. Unfortunately, the increase in American beef in the first half of 24% over the previous year is likely to be offset in the second half due with less age verified cattle expected to be available. Though the supply is still limited by the EV program, recent growth in the market indicates that Japanese consumers still prefer the taste of American grain fed beef.

In contrast with lower priced American beef, higher priced domestic beef is being negatively affected by the prevailing economic circumstances. Domestic beef production this year is forecast to grow slightly from the previous year by 1% to 525,000 MT (or 1.245 million heads), although market demand has been lethargic during the first half of the year and the situation is expected to continue through the second half.

Monthly cattle slaughter data to date points to increased slaughter of Wagyu (estimated up 4%) cattle through this year, which will more than offset the reduced slaughter of other breeds of Holstein steer and F-1 cross breed.

### **Year to Date Market Situation Summary**

Reduced beef retail prices did not stimulate Japan's household consumption of beef during the first half of 2009, which remained unchanged from the previous year (See supplemental table I). Despite the relatively large sales share held by domestic beef in the Japanese retail market, sales of high priced domestic beef cuts were sluggish, causing wholesale carcass prices to slump across breeds (See supplemental table V-a).

The Japanese food service market also suffered from reduced sales for the period compared with the previous year according to data published by Japan Food Service Association. The only exception being the fast food category [Western style fast foods: hamburger/other ground meat, (pork)/fried

chicken/processed meat products (hot dogs) and Japanese style fast foods: Beef and pork bowl, fast food Sushi, take-out lunch box and others]. The specific segment utilizing large amounts of imported red meat and poultry registered a few points sales growth for the period compared with last year.

Helped by a strong yen and fairly solid demand for inexpensive products, Japan's first half 2009 imports of beef cuts rose 3% (or CWE 322,585 MT) (See Table 2-a, 2-b and 2-c). U.S. beef outperformed last year's results; up 24% (or CWE 35,730 MT).

Sales of Aussie beef cuts for the period were sluggish with total imports up 1%, and an 8% increase in chilled cuts being offset by a 4% decline in frozen cuts. Trade sources explained the main reason for the increase was that major importers of Aussie beef were reducing stocks purchased during an expensive period last year and the sources expect that imports of frozen cuts from Australia will pick up in the second half to meet demand for inexpensive frozen cuts used in fast foods and take out lunch boxes. Aussie grain fed cuts, supported by a reportedly improved feed lot situation, did very well in the first half of the year (particularly chilled cuts, up 13%), according to MLA data (See table 1). At the same time, the decline of frozen grain fed cuts, down 19% is an indication that this segment is being substituted with U.S. frozen grain fed cuts.

## **2010 Pork Market Outlook**

### **Sluggish Market to Lower Domestic Outputs and Imports in 2010**

Amid economic recession, the 2010 outlook appears slightly gloomy at present as weaker than anticipated pork sales reported in 2009 are expected to continue for sometime. Total consumption in 2010 is projected to be down slightly to 2.485 million MT; though the volume is still considered relatively high in historic terms. The decline is partially attributed to lower hog slaughters (projected down 1% to 16.48 million heads) expected in 2010. Likewise, Japan's pork production is also projected to decline by 1% to 1.27million MT in 2010. The reason for the expected decline is that domestic hog may start adjusting their output to shore up the low prices for hog carcasses, which prevailed during 2009. Nevertheless, a sluggish consumption outlook in 2010 and a relatively ample supply of domestic pork is expected to remain in stocks next year.

The above situation is expected to trim total pork imports in 2010 to a projected 1.209 million MT with pork cuts down by 1% to 988,000 MT and processed/prepared (includes seasoned ground pork products) up by 3% to 221,000 MT). A slight reduction in U.S. pork in 2010 is also likely, projected to fall to 409,500 MT due to increased competition for chilled cuts with low priced domestic pork (for retail and food service). Furthermore, import demand for low value frozen cuts (U.S. picnic and shoulder loin) for various processing purposes is expected to be replaced by seasoned ground pork also supplied by the United States.

Given the favorable exchange rate in 2009, Japanese end users are said to have been switching their raw material needs from generic frozen cuts to seasoned ground pork for processed products marketed in the value segment, according to a trade contact. (Note: Seasoned ground pork is not subject to Japan's pork differential duty system, the so called gate price system (See [JA9019](#)).

If the strong yen and lower hog prices reported in overseas market continue to persist through next year, it should make it difficult for importers to clear the pork gate price to import cheap frozen cuts without paying substantial amounts of differential duty. The EU share of raw material frozen cuts for processing will also likely remain limited as in 2009.

## **2009 Pork Market Situation Update and Outlook**

### **Increased Supply of Domestic Pork Will Lead to Reduced Imports in 2009**

Japan's total pork consumption in 2009 is projected to rise marginally from last year to 2.494 million MT. As described in the last semiannual report, 2008 was a very good year for both domestic and imported pork (Ref. [JA9019](#)). However, the favorable situation did not last. Amid on-going recession in 2009, some signs of weakening demand (weaker than anticipated consumption, symptoms of surplus, deteriorating wholesale market prices) have developed since late last year. The slow down in pork consumption especially in retail did not allow for a reduction of supplies in domestic pork cuts, which resulted in deteriorating wholesale market prices for domestic hog carcasses.

Note: In contrast with post's last semiannual forecast, MAFF's recent statistics on livestock inventories indicated that Japan's beginning year sow numbers in 2009 were actually up 3% from last year to 937,000 head. This points to an increased hog slaughter in 2009, projected to rise by 3% to 1.285 million MT (or 16.67 million heads). Domestic hog producers have apparently responded positively to the relatively high market prices for domestic pork that have prevailed for the past couple of years and perhaps did not anticipate the recession would be this serious. In addition, the emergency subsidies and financial support programs for livestock producers that have been in effect since JFY 2008 may have given security and incentives for continued expansion of output in 2009. The above measures were mainly designed to alleviate the impact of skyrocketing feed prices and would ease farmers' debt burden.

Increased domestic pork production is expected to hold back total imports this year, with production projected to drop by 5% to 1.21 million MT with pork cuts down by 6% to 996,000 MT and processed/prepared up by 5% to 215,000 MT). This will allow total pork consumption in 2010 to rise slightly; however, the actual situation may become even worse for both domestic pork and imports toward the end of the year when domestic slaughter will reach a seasonal peak in Japan.

While the United States will continue to remain the largest supplier of pork to Japan in 2009, strong competition from domestic pork used in retail and food service outlets will result in decreased exports of U.S. pork cuts by 5% to 416,000 MT comprising an estimated 42% share of total pork cut imports. The decline will likely be partially offset by increased imports of seasoned ground pork, projected to increase by 12% to 136,500 MT for the year (at an estimated 64% share of prepared/processed products).

Post expects no significant changes for the year's ending stocks, estimated at 238,000 MT, in line with levels at the beginning of the year.

## Summary of the Market Situation Year to Date

In the first half of 2009, Japan's household consumption of pork was up 1%, processed pork with ham was down 1%, sausage up 2% and bacon up by 2% (See supplemental table I). Amid economic recession, the available data suggests there is solid demand for less expensive processed products. From January – June 2009, Japanese imports of sausages rose 19% over the same period last year (See table 3-e) from China (up 1%), the United States (up 44%), and Thailand (up 119%). During the same time, imports of prepared/processed products increased along with U.S. products (mostly seasoned ground pork) rising 14% from last year (See table 3-d).

As mentioned in the Beef Section, the Japanese food service market also suffered from reduced sales from the previous year, according to the data published by Japan Food Service Association. Family restaurant chains (which include pork cutlet chains) registered a couple of percentage point's lower sales than the first half of the previous year. The only exception was the fast food category [Western style fast foods: hamburger/other ground meat (pork)/fried chicken/processed meat products (hot dogs), Japanese style fast foods: Beef and pork bowl, fast food Sushi, and take-out lunch box]. This specific segment uses imported red meat and poultry plus processed/prepared products and had slight growth for the period.

Reflecting sluggish consumption and competition with Japan's first half 2009 imports of pork cuts dropped 9% or CWE 478,114 MT. Chilled cuts were down 2% and frozen cuts were down 12% (See Table 2-a, 2-b and 2-c). U.S. pork cuts imported in the same period was also down from last year by 5% or CWE 202,141 MT. Imports of frozen cuts from Denmark and the EU were substantially down for the period. Trade sources explained the main reason for the import decline of frozen cuts for the first half was that there were ample stocks and no growth in demand for processing.

**Table 1 Australian Beef Exports to Japan**

| Annual              | Metric Ton (On Board Vessel Basis) |                 |                  |                     |                  |                  |                   |
|---------------------|------------------------------------|-----------------|------------------|---------------------|------------------|------------------|-------------------|
|                     | 2007<br>Jan/Dec                    | 2008<br>Jan/Dec | % Chg<br>Jan/Dec | 08 Share<br>Jan/Dec | 2008<br>Jan/June | 2009<br>Jan/June | % Chg<br>Jan/June |
| <b>Chilled Beef</b> | <b>185,141</b>                     | <b>160,648</b>  | <b>-13%</b>      | <b>100%</b>         | <b>79,061</b>    | <b>84,401</b>    | <b>7%</b>         |
| Grass               | 62,331                             | 57,659          | -7%              | 36%                 | 29,970           | 28,889           | -4%               |
| Grain fed           | 122,810                            | 102,989         | -16%             | 64%                 | 49,091           | 55,512           | 13%               |
| <b>Frozen Beef</b>  | <b>192,722</b>                     | <b>206,654</b>  | <b>7%</b>        | <b>100%</b>         | <b>101,322</b>   | <b>94,309</b>    | <b>-7%</b>        |
| Grass               | 144,081                            | 157,460         | 9%               | 76%                 | 76,922           | 74,519           | -3%               |
| Grain fed           | 48,641                             | 49,194          | 1%               | 24%                 | 24,399           | 19,790           | -19%              |
| <b>TOTAL</b>        | <b>377,863</b>                     | <b>367,302</b>  | <b>-3%</b>       | <b>100%</b>         | <b>180,383</b>   | <b>178,710</b>   | <b>-1%</b>        |
| Grass               | 206,412                            | 215,119         | 4%               | <b>59%</b>          | 106,893          | 103,408          | -3%               |
| Grain fed           | 171,451                            | 152,183         | -11%             | <b>41%</b>          | 73,490           | 75,302           | 2%                |

Source: Meat Livestock Australia (Table compiled by post)  
[http://www.aussiebeef.jp/b2b/3\\_summary/summary\\_03.aspx](http://www.aussiebeef.jp/b2b/3_summary/summary_03.aspx)

**Table 2-a) Japanese Beef Imports, Chilled and Frozen Combined, CY 2007 – 2009 YTD**

| Quantity: Metric Ton (Customs Clearance Basis) |           |         |         |                       |             |          |          |                       |
|--|-----------|---------|---------|-----------------------|-------------|----------|----------|-----------------------|
| Rank   | Country   | 2007    | 2008    | % Change<br>- 08/07 - | Share<br>08 | 2008     | 2009     | % Change<br>- 09/08 - |
|  |           | Jan/Dec | Jan/Dec | Jan/Dec               | Jan/Dec     | Jan/June | Jan/June | Jan/June              |
| 0  | --World-- | 473,652 | 458,018 | -3%                   | 100%        | 223,485  | 230,418  | 3%                    |

|    |               |         |         |      |     |         |         |       |
|----|---------------|---------|---------|------|-----|---------|---------|-------|
| 1  | Australia     | 393,828 | 358,223 | -9%  | 78% | 178,954 | 181,242 | 1%    |
| 2  | United States | 34,147  | 54,109  | 58%  | 12% | 20,641  | 25,522  | 24%   |
| 3  | New Zealand   | 33,710  | 30,792  | -9%  | 7%  | 17,821  | 17,279  | -3%   |
| 4  | Mexico        | 7,256   | 9,341   | 29%  | 2%  | 4,408   | 4,466   | 1%    |
| 5  | Canada        | 3,368   | 4,712   | 40%  | 1%  | 1,303   | 1,722   | 32%   |
| 6  | Vanuatu       | 411     | 510     | 24%  | 0%  | 178     | 148     | -17%  |
| 7  | Chile         | 451     | 122     | -73% | 0%  | 71      | 39      | -45%  |
| 10 | Others        | 483     | 209     | -57% | 0%  | 108     | 0       | -100% |

Source of data: Japan Customs (World Trade Atlas)

**Table 2-b) Japanese Beef Imports, Chilled, CY 2007 – 2009 YTD**

| Quantity: Metric Ton (Customs Clearance Basis) |               |         |         |                       |             |          |          |                       |
|--|---------------|---------|---------|-----------------------|-------------|----------|----------|-----------------------|
| Rank   | Country       | 2007    | 2008    | % Change<br>- 08/07 - | Share<br>08 | 2008     | 2009     | % Change<br>- 09/08 - |
|  |               | Jan/Dec | Jan/Dec | Jan/Dec               | Jan/Dec     | Jan/June | Jan/June | Jan/June              |
| 0  | --World--     | 216,059 | 199,480 | -8%                   | 100%        | 95,809   | 103,986  | 9%                    |
| 1  | Australia     | 188,151 | 159,153 | -15%                  | 80%         | 78,240   | 84,718   | 8%                    |
| 2  | United States | 17,815  | 31,142  | 75%                   | 16%         | 13,254   | 14,972   | 13%                   |
| 3  | New Zealand   | 6,181   | 5,769   | -7%                   | 3%          | 2,815    | 2,929    | 4%                    |
| 4  | Canada        | 2,168   | 2,032   | -6%                   | 1%          | 815      | 776      | -5%                   |
| 5  | Mexico        | 1,740   | 1,381   | -21%                  | 1%          | 683      | 590      | -14%                  |
| 6  | Others        | 4       | 3       | -35%                  | 0%          | 2        | 0        | -100%                 |

Source of data: Japan Customs (World Trade Atlas)

**Table 2-c) Japanese Beef Imports, Frozen, CY 2007 – 2009 YTD**

| Quantity: Metric Ton (Customs Clearance Basis) |               |         |         |                       |                 |          |          |                       |
|--|---------------|---------|---------|-----------------------|-----------------|----------|----------|-----------------------|
| Rank   | Country       | 2007    | 2008    | % Change<br>- 08/07 - | Share<br>- 08 - | 2008     | 2009     | % Change<br>- 09/08 - |
|  |               | Jan/Dec | Jan/Dec | Jan/Dec               | Jan/Dec         | Jan/June | Jan/June | Jan/June              |
| 0  | --World--     | 257,593 | 258,538 | 0%                    | 100%            | 127,676  | 126,432  | -1%                   |
| 1  | Australia     | 205,676 | 199,070 | -3%                   | 77%             | 100,714  | 96,524   | -4%                   |
| 2  | New Zealand   | 27,529  | 25,023  | -9%                   | 10%             | 15,006   | 14,351   | -4%                   |
| 3  | United States | 16,333  | 22,967  | 41%                   | 9%              | 7,387    | 10,549   | 43%                   |
| 4  | Mexico        | 5,516   | 7,959   | 44%                   | 3%              | 3,725    | 3,875    | 4%                    |
| 5  | Canada        | 1,200   | 2,680   | 123%                  | 1%              | 489      | 946      | 94%                   |
| 6  | Others        | 1,340   | 838     | -37%                  | 0%              | 355      | 187      | -47%                  |

Source of data: Japan Customs (World Trade Atlas)

**Table 2-d) Japanese Beef Imports, Processed/Prepared Products, CY 2007 – 2009 YTD**

| Quantity: Metric Ton (Customs Clearance Basis) |         |         |         |                       |             |          |          |                       |
|--|---------|---------|---------|-----------------------|-------------|----------|----------|-----------------------|
| Rank   | Country | 2007    | 2008    | % Change<br>- 08/07 - | Share<br>08 | 2008     | 2009     | % Change<br>- 09/08 - |
|  |         | Jan/Dec | Jan/Dec | Jan/Dec               | Jan/Dec     | Jan/June | Jan/June | Jan/June              |

|   |             |        |       |      |      |       |       |      |
|---|-------------|--------|-------|------|------|-------|-------|------|
| 0 | --World--   | 12,960 | 9,883 | -24% | 100% | 4,611 | 6,024 | 31%  |
| 1 | Australia   | 6,332  | 4,335 | -32% | 44%  | 2,222 | 2,649 | 19%  |
| 2 | Brazil      | 1,738  | 2,500 | 44%  | 25%  | 1,028 | 2,234 | 117% |
| 3 | China       | 2,973  | 1,514 | -49% | 15%  | 584   | 694   | 19%  |
| 4 | New Zealand | 1,498  | 1,189 | -21% | 12%  | 637   | 305   | -52% |
| 5 | Others      | 419    | 344   | -18% | 3%   | 139   | 143   | 3%   |

Source of data: Japan Customs (World Trade Atlas)

**Table 3-a) Japanese Pork Imports, Chilled and Frozen Combined, CY 2007 – 2009 YTD**

| Unit: Metric Ton (Customs Clearance Basis) |               |         |         |                    |              |          |          |                    |
|--|---------------|---------|---------|--------------------|--------------|----------|----------|--------------------|
| Rank                                       | Country       | 2007    | 2008    | % Change - 08/07 - | Share - 08 - | 2008     | 2009     | % Change - 09/08 - |
|  |               | Jan/Dec | Jan/Dec | Jan/Dec            | Jan/Dec      | Jan/June | Jan/June | Jan/June           |
| 0  | --World--     | 760,398 | 817,691 | 8%                 | 100%         | 402,845  | 368,549  | -9%                |
| 1  | United States | 270,642 | 336,993 | 25%                | 41%          | 163,080  | 155,493  | -5%                |
| 2  | Canada        | 165,620 | 174,686 | 5%                 | 21%          | 84,655   | 85,665   | 1%                 |
| 3  | Denmark       | 161,356 | 159,784 | -1%                | 20%          | 74,213   | 65,186   | -12%               |
| 4  | Mexico        | 48,346  | 56,551  | 17%                | 7%           | 26,181   | 25,161   | -4%                |
| 5  | Chile         | 45,997  | 23,777  | -48%               | 3%           | 20,536   | 12,548   | -39%               |
| 6  | Others        | 68,438  | 65,900  | -4%                | 8%           | 34,179   | 24,497   | -28%               |

Source of data: Japan Customs (World Trade Atlas)

**Table 3-b) Japanese Pork Imports, Chilled, CY 2007-2009 YTD**

| Unit: Metric Ton (Customs Clearance Basis) |               |         |         |                    |              |          |          |                    |
|--|---------------|---------|---------|--------------------|--------------|----------|----------|--------------------|
| Rank                                       | Country       | 2007    | 2008    | % Change - 08/07 - | Share - 08 - | 2008     | 2009     | % Change - 09/08 - |
|  |               | Jan/Dec | Jan/Dec | Jan/Dec            | Jan/Dec      | Jan/June | Jan/June | Jan/June           |
| 0  | --World--     | 235,028 | 267,968 | 14%                | 100%         | 124,743  | 122,505  | -2%                |
| 1  | United States | 160,560 | 188,454 | 17%                | 70%          | 86,660   | 89,769   | 4%                 |
| 2  | Canada        | 58,970  | 63,904  | 8%                 | 24%          | 30,066   | 26,743   | -11%               |
| 3  | Mexico        | 14,487  | 14,928  | 3%                 | 6%           | 7,596    | 5,835    | -23%               |
| 4  | Others        | 1,010   | 683     | -32%               | 0%           | 420      | 157      | -63%               |

Source of data: Japan Customs (World Trade Atlas)

**Table 3-c) Japanese Pork Imports, Frozen, CY 2007 – 2009 YTD**

| Unit: Metric Ton (Customs Clearance Basis) |               |         |         |                    |              |          |          |                    |
|--|---------------|---------|---------|--------------------|--------------|----------|----------|--------------------|
| Rank                                       | Country       | 2007    | 2008    | % Change - 08/07 - | Share - 08 - | 2008     | 2009     | % Change - 09/08 - |
|  |               | Jan/Dec | Jan/Dec | Jan/Dec            | Jan/Dec      | Jan/June | Jan/June | Jan/June           |
| 0  | --World--     | 525,371 | 549,723 | 5%                 | 100%         | 278,102  | 246,044  | -12%               |
| 1  | Denmark       | 161,329 | 159,703 | -1%                | 29%          | 74,132   | 65,186   | -12%               |
| 2  | United States | 110,082 | 148,539 | 35%                | 27%          | 76,421   | 65,724   | -14%               |
| 3  | Canada        | 106,650 | 110,782 | 4%                 | 20%          | 54,589   | 58,921   | 8%                 |

|   |        |        |        |      |     |        |        |      |
|---|--------|--------|--------|------|-----|--------|--------|------|
| 4 | Mexico | 33,859 | 41,623 | 23%  | 8%  | 18,584 | 19,326 | 4%   |
| 5 | Chile  | 45,967 | 23,777 | -48% | 4%  | 20,536 | 12,548 | -39% |
| 6 | Others | 67,484 | 65,298 | -3%  | 12% | 33,840 | 24,340 | -28% |

Source of data: Japan Customs (World Trade Atlas)

**Table 3-d) Japanese Pork Imports, Processed/Prepared Products, CY 2007 – 2009 YTD**

| Unit: Metric Ton (Customs Clearance Basis) |               |         |         |                       |             |          |          |                       |
|--|---------------|---------|---------|-----------------------|-------------|----------|----------|-----------------------|
| Rank                                       | Country       | 2007    | 2008    | % Change<br>- 08/07 - | Share<br>08 | 2008     | 2009     | % Change<br>- 09/08 - |
|  |               | Jan/Dec | Jan/Dec | Jan/Dec               | Jan/Dec     | Jan/June | Jan/June | Jan/June              |
| 0  | --World--     | 170,472 | 157,303 | -8%                   | 100%        | 78,160   | 81,717   | 5%                    |
| 1  | United States | 81,593  | 94,231  | 15%                   | 60%         | 47,302   | 54,145   | 14%                   |
| 2  | China         | 62,892  | 33,175  | -47%                  | 21%         | 14,990   | 12,838   | -14%                  |
| 3  | Canada        | 9,150   | 12,334  | 35%                   | 8%          | 6,247    | 6,270    | 0%                    |
| 4  | Thailand      | 4,621   | 6,486   | 40%                   | 4%          | 3,249    | 2,192    | -33%                  |
| 5  | Denmark       | 3,788   | 4,138   | 9%                    | 3%          | 2,142    | 2,068    | -3%                   |
| 6  | Chile         | 3,396   | 2,417   | -29%                  | 2%          | 2,152    | 1,911    | -11%                  |
| 7  | Mexico        | 1,326   | 1,582   | 19%                   | 1%          | 745      | 773      | 4%                    |
| 10   | Others        | 3,705   | 2,940   | -21%                  | 2%          | 1,334    | 1,521    | 14%                   |

Source of data: Japan Customs (World Trade Atlas)

**Table 3-e) Japanese Sausage Imports, CY 2007 – 2009 YTD**

| Unit: Metric Ton (Customs Clearance Basis) |               |         |         |                       |                 |          |          |                       |
|--|---------------|---------|---------|-----------------------|-----------------|----------|----------|-----------------------|
| Rank                                       | Country       | 2007    | 2008    | % Change<br>- 08/07 - | Share<br>- 08 - | 2008     | 2009     | % Change<br>- 09/08 - |
|  |               | Jan/Dec | Jan/Dec | Jan/Dec               | Jan/Dec         | Jan/June | Jan/June | Jan/June              |
| 0  | --World--     | 43,392  | 36,810  | -15%                  | 100%            | 16,769   | 20,006   | 19%                   |
| 1  | China         | 30,267  | 20,775  | -31%                  | 56%             | 9,665    | 9,716    | 1%                    |
| 2  | United States | 6,305   | 7,786   | 23%                   | 21%             | 3,452    | 4,973    | 44%                   |
| 3  | Thailand      | 1,738   | 2,783   | 60%                   | 8%              | 1,100    | 2,403    | 119%                  |
| 4  | Others        | 5,082   | 5,467   | 8%                    | 15%             | 2,552    | 2,915    | 14%                   |

Source of data: Japan Customs (World Trade Atlas)

## Supplemental Tables

### I. Average Annual Quantities and Expenditures of Beef, Pork, Chicken and Processed Meat Products Purchased per Household CY 2004 – 2009 YTD

|      | Beef    |        |          |        | Pork    |        |          |        |
|------|---------|--------|----------|--------|---------|--------|----------|--------|
|      | Expend. |        | Quantity |        | Expend. |        | Quantity |        |
|      | Yen     | % Chg. | gram     | % Chg. | Yen     | % Chg. | gram     | % Chg. |
| 2004 | 20,918  | -2%    | 7,059    | -10%   | 23,362  | 7%     | 17,304   | 6%     |
| 2005 | 21,324  | 2%     | 7,195    | 2%     | 23,191  | -1%    | 17,407   | 1%     |
| 2006 | 20,705  | -3%    | 6,891    | -4%    | 23,249  | 0%     | 17,305   | -1%    |

|                            |                |               |                 |               |                    |               |                 |               |
|----------------------------|----------------|---------------|-----------------|---------------|--------------------|---------------|-----------------|---------------|
| 2007                       | 20,868         | 1%            | 6,869           | 0%            | 23,923             | 3%            | 17,723          | 2%            |
| 2008                       | 20,885         | 0%            | 6,776           | -1%           | 25,555             | 7%            | 18,310          | 3%            |
| <b>2008<br/>(Jan/June)</b> | <b>9,942</b>   |               | <b>3,293</b>    |               | <b>12,581</b>      |               | <b>9,104</b>    |               |
| <b>2009<br/>(Jan/June)</b> | <b>9,478</b>   | <b>-5%</b>    | <b>3,283</b>    | <b>0%</b>     | <b>12,383</b>      | <b>-2%</b>    | <b>9,226</b>    | <b>1%</b>     |
|                            | <b>Chicken</b> |               |                 |               | <b>Ground Meat</b> |               |                 |               |
|                            | <b>Expend.</b> |               | <b>Quantity</b> |               | <b>Expend.</b>     |               | <b>Quantity</b> |               |
|                            | <i>Yen</i>     | <i>% Chg.</i> | <i>gram</i>     | <i>% Chg.</i> | <i>Yen</i>         | <i>% Chg.</i> | <i>gram</i>     | <i>% Chg.</i> |
| 2004                       | 10,052         | -6%           | 10,849          | -6%           | 1,717              | 9%            | 1,633           | 3%            |
| 2005                       | 10,749         | 7%            | 11,647          | 7%            | 1,761              | 3%            | 1,662           | 2%            |
| 2006                       | 10,871         | 1%            | 11,985          | 3%            | 1,793              | 2%            | 1,669           | 0%            |
| 2007                       | 11,295         | 4%            | 12,379          | 3%            | 1,835              | 2%            | 1,682           | 1%            |
| 2008                       | 12,830         | 14%           | 12,661          | 2%            | 2,040              | 11%           | 1,796           | 7%            |
| <b>2008<br/>(Jan/June)</b> | <b>6,191</b>   |               | <b>6,245</b>    |               | <b>1,043</b>       |               | <b>940</b>      |               |
| <b>2009<br/>(Jan/June)</b> | <b>6,278</b>   | <b>1%</b>     | <b>6,634</b>    | <b>6%</b>     | <b>1,057</b>       | <b>1%</b>     | <b>953</b>      | <b>1%</b>     |
|                            | <b>Ham</b>     |               |                 |               | <b>Sausages</b>    |               |                 |               |
|                            | <b>Expend.</b> |               | <b>Quantity</b> |               | <b>Expend.</b>     |               | <b>Quantity</b> |               |
|                            | <i>Yen</i>     | <i>% Chg.</i> | <i>gram</i>     | <i>% Chg.</i> | <i>Yen</i>         | <i>% Chg.</i> | <i>gram</i>     | <i>% Chg.</i> |
| CY                         |                |               |                 |               |                    |               |                 |               |
| 2004                       | 5,838          | -5%           | 3,072           | -3%           | 6,356              | -1%           | 4,976           | 1%            |
| 2005                       | 5,841          | 0%            | 3,047           | -1%           | 6,357              | 0%            | 4,894           | -2%           |
| 2006                       | 5,765          | -1%           | 2,977           | -2%           | 6,373              | 0%            | 4,877           | 0%            |
| 2007                       | 5,938          | 3%            | 3,028           | 2%            | 6,613              | 4%            | 4,932           | 1%            |
| 2008                       | 5,870          | -1%           | 2,913           | -4%           | 7,211              | 9%            | 5,176           | 5%            |
| <b>2008<br/>(Jan/June)</b> | <b>2,397</b>   |               | <b>1,200</b>    |               | <b>3,539</b>       |               | <b>2,540</b>    |               |
| <b>2009<br/>(Jan/June)</b> | <b>2,222</b>   | <b>-7%</b>    | <b>1,183</b>    | <b>-1%</b>    | <b>3,519</b>       | <b>-1%</b>    | <b>2,595</b>    | <b>2%</b>     |
|                            | <b>Bacon</b>   |               |                 |               |                    |               |                 |               |
|                            | <b>Expend.</b> |               | <b>Quantity</b> |               |                    |               |                 |               |
|                            | <i>Yen</i>     | <i>% Chg.</i> | <i>gram</i>     |               |                    |               |                 |               |
| 2004                       | 2,061          | 1%            | 1,235           | 2%            |                    |               |                 |               |
| 2005                       | 2,157          | 5%            | 1,273           | 3%            |                    |               |                 |               |
| 2006                       | 2,263          | 5%            | 1,307           | 3%            |                    |               |                 |               |
| 2007                       | 2,362          | 4%            | 1,366           | 5%            |                    |               |                 |               |
| 2008                       | 2,428          | 3%            | 1,366           | 0%            |                    |               |                 |               |
| <b>2008<br/>(Jan/June)</b> | <b>1,222</b>   |               | <b>684</b>      |               |                    |               |                 |               |
| <b>2009<br/>(Jan/June)</b> | <b>1,199</b>   | <b>-2%</b>    | <b>699</b>      | <b>2%</b>     |                    |               |                 |               |

Source: Ministry of Internal Affairs and Communication Bureau

## II. Japanese Beef Safeguard Monitor JFY 2008 – 2009

| Beef Safeguard Trigger Levels for JFY 2008 and Actual Imports (S20) Year to Date |                |              |       |     |      |
|--|----------------|--------------|-------|-----|------|
| Unit: Metric Ton (Customs Clearance Basis)                                       |                |              |       |     |      |
| Chilled Beef   | Trigger Level  | Cum. Total   | April | May | June |
|  | Quarterly Cum. | Actual Entry |       |     |      |

|                        |                |                |         |          |           |
|------------------------|----------------|----------------|---------|----------|-----------|
| I (Apr. - Jun.)        | <b>74,339</b>  | <b>52,403</b>  | 16,621  | 17,766   | 18,016    |
|                        |                |                | July    | August   | September |
| I - II (Apr. - Sept.)  | <b>152,455</b> | <b>104,004</b> | 18,609  | 16,982   | 16,010    |
|                        |                |                | October | November | December  |
| II - III (Apr. - Dec.) | <b>230,642</b> | <b>155,532</b> | 16,812  | 16,911   | 17,805    |
|                        |                |                | January | February | March     |
| III - IV (Apr. - Mar.) | <b>292,354</b> | <b>204,035</b> | 13,935  | 16,983   | 17,585    |

| <b>Frozen Beef</b>     | <b>Trigger Level</b> | <b>Cum. Total</b> | April   | May      | June      |
|------------------------|----------------------|-------------------|---------|----------|-----------|
|                        | Quarterly Cum.       | Actual Entry      |         |          |           |
| I (Apr. - Jun.)        | <b>82,947</b>        | <b>71,165</b>     | 21,940  | 20,403   | 28,822    |
|                        |                      |                   | July    | August   | September |
| I - II (Apr. - Sept.)  | <b>160,040</b>       | <b>140,588</b>    | 20,537  | 28,693   | 20,193    |
|                        |                      |                   | October | November | December  |
| II - III (Apr. - Dec.) | <b>246,871</b>       | <b>201,132</b>    | 19,978  | 21,409   | 19,157    |
|                        |                      |                   | January | February | March     |
| III - IV (Apr. - Mar.) | <b>323,924</b>       | <b>262,128</b>    | 22,346  | 21,207   | 17,443    |

**Beef Safeguard Trigger Levels for JFY 2009 and Actual Imports (S21) Year to Date**

**Unit: Metric Ton (Customs Clearance Basis)**

| <b>Chilled Beef</b>    | <b>Trigger Level</b> | <b>Cum. Total</b> | April   | May      | June      |
|------------------------|----------------------|-------------------|---------|----------|-----------|
|                        | Quarterly Cum.       | Actual Entry      |         |          |           |
| I (Apr. - Jun.)        | <b>74,339</b>        | <b>55,213</b>     | 19,018  | 16,580   | 19,615    |
|                        |                      |                   | July    | August   | September |
| I - II (Apr. - Sept.)  | <b>152,455</b>       |                   | 0       | 0        | 0         |
|                        |                      |                   | October | November | December  |
| II - III (Apr. - Dec.) | <b>230,642</b>       |                   | 0       | 0        | 0         |
|                        |                      |                   | January | February | March     |
| III - IV (Apr. - Mar.) | <b>292,354</b>       |                   | 0       | 0        | 0         |

| <b>Frozen Beef</b>     | <b>Trigger Level</b> | <b>Cum. Total</b> | April   | May      | June      |
|------------------------|----------------------|-------------------|---------|----------|-----------|
|                        | Quarterly Cum.       | Actual Entry      |         |          |           |
| I (Apr. - Jun.)        | <b>83,263</b>        | <b>64,164</b>     | 20,815  | 15,619   | 27,730    |
|                        |                      |                   | July    | August   | September |
| I - II (Apr. - Sept.)  | <b>164,488</b>       |                   | 0       | 0        | 0         |
|                        |                      |                   | October | November | December  |
| II - III (Apr. - Dec.) | <b>246,871</b>       |                   | 0       | 0        | 0         |
|                        |                      |                   | January | February | March     |
| III - IV (Apr. - Mar.) | <b>323,924</b>       |                   | 0       | 0        | 0         |

Source: Ministry of Finance (ALIC Monthly)

Note: For JFY 2006 - JFY 2009 beef SG trigger levels, the levels are determined based on a special measure by GOJ as per our voluntary report.

### III. Japanese Pork Safeguard Monitor JFY 2008 – 2009

#### Pork Safeguard Trigger Levels for JFY 2008 and Actual Imports Year to Date (S20)

| Unit: Metric Ton (Customs Clearance Basis) |                |              |         |          |           |
|--|----------------|--------------|---------|----------|-----------|
|  | Trigger Level  | Cum. Total   |         |          |           |
|  | Quarterly Cum. | Actual Entry | April   | May      | June      |
| I (Apr. - Jun.)                            | 266,645        | 205,774      | 70,932  | 70,951   | 63,891    |
|  |                |              | July    | August   | September |
| I - II (Apr. - Sept.)                      | 495,418        | 401,769      | 67,525  | 65,193   | 63,277    |
|  |                |              | October | November | December  |
| II - III (Apr. - Dec.)                     | 708,728        | 596,802      | 71,687  | 59,619   | 63,727    |
|  |                |              | January | February | March     |
| III - IV (Apr. - Mar.)                     | 917,530        | 759,898      | 55,231  | 50,532   | 57,333    |

#### Pork Safeguard Trigger Levels for JFY 2009 and Actual Imports Year to Date (S21)

| Unit: Metric Ton (Customs Clearance Basis) |                |              |         |          |           |
|--|----------------|--------------|---------|----------|-----------|
|  | Trigger Level  | Cum. Total   |         |          |           |
|  | Quarterly Cum. | Actual Entry | April   | May      | June      |
| I (Apr. - Jun.)                            | 233,663        | 172,956      | 59,527  | 56,592   | 56,837    |
|  |                |              | July    | August   | September |
| I - II (Apr. - Sept.)                      | 448,131        |              | 0       | 0        | 0         |
|  |                |              | October | November | December  |
| II - III (Apr. - Dec.)                     | 666,791        |              | 0       | 0        | 0         |
|  |                |              | January | February | March     |
| III - IV (Apr. - Mar.)                     | 871,699        |              | 0       | 0        | 0         |

Source: Ministry of Finance (ALIC Monthly)

### IV. Japanese Year Beginning Cattle Inventory

#### Number of Japanese Cattle Raised (2004 - 2009)

| (Unit: 1,000 farms/1,000 Heads)       |              |              |              |              |            |              |            |              |            |
|---------------------------------------|--------------|--------------|--------------|--------------|------------|--------------|------------|--------------|------------|
|                                       | 2004         | 2005         | 2006         | 2007         | %chg       | 2008         | %chg       | 2009         | %chg       |
| <b>Number of Beef Cattle Farms</b>    | 93.9         | 89.6         | 85.6         | 82.3         | -4%        | 80.4         | -2%        | 77.3         | -4%        |
| <b>Number of Dairy Farms</b>          | 28.8         | 27.7         | 26.6         | 25.4         | -5%        | 24.4         | -4%        | 23.1         | -5%        |
| Beef Cattle (Wagyu and Other)         | 1,708        | 1,697        | 1,703        | 1,742        | 2%         | 1,823        | 5%         | 1,889        | 4%         |
| Dairy Cattle for Beef                 | 471          | 471          | 468          | 460          | -2%        | 431          | -6%        | 411          | -5%        |
| F-1 Cross Bred Cattle                 | 609          | 579          | 584          | 604          | 3%         | 636          | 5%         | 622          | -2%        |
| Sub Total Dairy & F-1 Cattle for Beef | 1,080        | 1,049        | 1,052        | 1,064        | 1%         | 1,067        | 0%         | 1,033        | -3%        |
| <b>Total Beef Cattle Raised</b>       | <b>2,788</b> | <b>2,746</b> | <b>2,755</b> | <b>2,806</b> | <b>2%</b>  | <b>2,890</b> | <b>3%</b>  | <b>2,922</b> | <b>1%</b>  |
| <b>Total Dairy Female</b>             | <b>1,690</b> | <b>1,655</b> | <b>1,636</b> | <b>1,592</b> | <b>-3%</b> | <b>1,533</b> | <b>-4%</b> | <b>1,500</b> | <b>-2%</b> |

|                            |              |              |              |              |            |              |            |              |            |
|----------------------------|--------------|--------------|--------------|--------------|------------|--------------|------------|--------------|------------|
| <b>Raised</b>              |              |              |              |              |            |              |            |              |            |
| <b>Total Cattle Raised</b> | <b>4,478</b> | <b>4,401</b> | <b>4,391</b> | <b>4,398</b> | <b>-1%</b> | <b>4,423</b> | <b>-1%</b> | <b>4,422</b> | <b>-1%</b> |

Source: MAFF Livestock Statistics (As of February 1)

**V-a) Average Wholesale Price of Medium Grade Domestic Beef Carcasses, CY 2006 – 2009 YTD**

|                                       |          |          |          |          |              | Unit: Yens per kilo |
|---------------------------------------|----------|----------|----------|----------|--------------|---------------------|
| <b>WAGYU STEER A-3 GRADE</b>          |          |          |          |          |              |                     |
| Year/Month                            | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave.  |                     |
| 2007                                  | 1,894    | 1,856    | 1,822    | 1,857    | <b>1,857</b> |                     |
| 2008                                  | 1,807    | 1,639    | 1,577    | 1,575    | <b>1,650</b> |                     |
| %chg                                  | -5%      | -12%     | -13%     | -15%     | <b>-11%</b>  |                     |
| 2009                                  | 1,542    | 1,533    |          |          |              |                     |
| %chg                                  | -15%     | -6%      |          |          |              |                     |
| <b>WAGYU STEER A-2 GRADE</b>          |          |          |          |          |              |                     |
| Year/Month                            | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave.  |                     |
| 2007                                  | 1,645    | 1,533    | 1,469    | 1,421    | <b>1,517</b> |                     |
| 2008                                  | 1,539    | 1,339    | 1,265    | 1,197    | <b>1,335</b> |                     |
| %chg                                  | -6%      | -13%     | -14%     | -16%     | <b>-12%</b>  |                     |
| 2009                                  | 1,267    | 1,309    |          |          |              |                     |
| %chg                                  | -18%     | -2%      |          |          |              |                     |
| <b>Holstein Steer B-2 Grade</b>       |          |          |          |          |              |                     |
| Year/Month                            | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave.  |                     |
| 2007                                  | 826      | 779      | 716      | 730      | <b>763</b>   |                     |
| 2008                                  | 768      | 801      | 728      | 788      | <b>771</b>   |                     |
| %chg                                  | -7%      | 3%       | 2%       | 8%       | <b>1%</b>    |                     |
| 2009                                  | 807      | 768      |          |          |              |                     |
| %chg                                  | 5%       | -4%      |          |          |              |                     |
| <b>Holstein Cow C-2 GRADE</b>         |          |          |          |          |              |                     |
| Year/Month                            | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave.  |                     |
| 2007                                  | 506      | 534      | 532      | 488      | <b>515</b>   |                     |
| 2008                                  | 496      | 575      | 548      | 476      | <b>524</b>   |                     |
| %chg                                  | -2%      | 8%       | 3%       | -2%      | <b>2%</b>    |                     |
| 2009                                  | 479      | 474      |          |          |              |                     |
| %chg                                  | -3%      | -18%     |          |          |              |                     |
| <b>F1 Cross Breed Steer B-3 GRADE</b> |          |          |          |          |              |                     |
| Year/Month                            | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave.  |                     |
| 2007                                  | 1,371    | 1,343    | 1,324    | 1,362    | <b>1,355</b> |                     |
| 2008                                  | 1,287    | 1,256    | 1,211    | 1,238    | <b>1,252</b> |                     |
| %chg                                  | -6%      | -6%      | -9%      | -9%      | <b>-8%</b>   |                     |
| 2009                                  | 1,140    | 1,141    |          |          |              |                     |
| %chg                                  | -11%     | -9%      |          |          |              |                     |
| <b>F1 Cross Breed Steer B-2 GRADE</b> |          |          |          |          |              |                     |
| Year/Month                            | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave.  |                     |
| 2007                                  | 1,185    | 1,132    | 1,080    | 1,073    | <b>1,117</b> |                     |
| 2008                                  | 1,085    | 1,064    | 977      | 956      | <b>1,020</b> |                     |
| %chg                                  | -8%      | -6%      | -10%     | -11%     | <b>-9%</b>   |                     |
| 2009                                  | 949      | 974      |          |          |              |                     |
| %chg                                  | -13%     | -8%      |          |          |              |                     |

Source: ALIC Monthly (Quarterly data are compiled by post)

**V-b) Average Wholesale Price of Imported Beef, Chilled Cuts, CY 2007 – 2009 YTD**

| Unit: Yen per Kg.   |          |          |          |          |              |
|---|----------|----------|----------|----------|--------------|
| <b>Full Set, Aussie Beef, Chilled, (Short Grain Fed)</b>              |          |          |          |          |              |
| Year/Month  | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave.  |
| 2007  | 938      | 930      | 959      | 1,042    | <b>967</b>   |
| 2008  | 1,017    | 1,004    | 971      | 876      | <b>967</b>   |
| %chg  | 8%       | 8%       | 1%       | -16%     | <b>-0%</b>   |
| 2009  | 730      | 746      |          |          |              |
| %chg  | -28%     | -26%     |          |          |              |
| <b>Full Set, Aussie Beef, Chilled, (Grass Fed)</b>                    |          |          |          |          |              |
| Year/Month  | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave.  |
| 2007  | 854      | 817      | 817      | 861      | <b>837</b>   |
| 2008  | 856      | 771      | 846      | 739      | <b>803</b>   |
| %chg  | 0%       | -6%      | 4%       | -14%     | <b>-4%</b>   |
| 2009  | 638      | 630      |          |          |              |
| %chg  | -25%     | -18%     |          |          |              |
| <b>Navel-end Brisket, Aussie Beef, Chilled</b>                        |          |          |          |          |              |
| Year/Month  | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave.  |
| 2007  | 687      | 638      | 640      | 617      | <b>645</b>   |
| 2008  | 652      | 598      | 728      | 622      | <b>650</b>   |
| %chg  | -5%      | -6%      | 14%      | 1%       | <b>1%</b>    |
| 2009  | 573      | 640      |          |          |              |
| %chg  | -12%     | 7%       |          |          |              |
| <b>Strip Loin, Aussie Beef, Chilled</b>                               |          |          |          |          |              |
| Year/Month  | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave.  |
| 2007  | 1,336    | 1,370    | 1,445    | 1,337    | <b>1,372</b> |
| 2008  | 1,452    | 1,175    | 1,248    | 980      | <b>1,214</b> |
| %chg  | 9%       | -14%     | -14%     | -27%     | <b>-12%</b>  |
| 2009  | 1,042    | 989      |          |          |              |
| %chg  | -28%     | -16%     |          |          |              |
| <b>Chuck Eye Roll, US Beef, Chilled</b>                               |          |          |          |          |              |
| Year/Month  | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave.  |
| 2008  | 915      | 876      | 887      | 896      | <b>894</b>   |
| 2009  | 799      | 732      |          |          |              |
| %chg  | -13%     | -16%     |          |          |              |
| Source: ALIC Monthly Statistics (Quarterly data are compiled by post) |          |          |          |          |              |

**V-c) Average Wholesale Price of Imported Beef, Frozen Cuts, CY 2007 – 2009 YTD**

| Unit: Yen per Kg.                             |          |          |          |          |             |
|---|----------|----------|----------|----------|-------------|
| <b>Chuck &amp; Blade, Aussie Beef, Frozen</b> |          |          |          |          |             |
| Year/Month                                    | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave. |
| 2007  | 575      | 568      | 563      | 551      | <b>564</b>  |
| 2008  | 559      | 575      | 643      | 531      | <b>577</b>  |
| %chg  | -3%      | 1%       | 14%      | -4%      | <b>2%</b>   |
| 2009  | 473      | 458      |          |          |             |
| %chg  | -15%     | -20%     |          |          |             |
| <b>Top Side, Aussie Beef, Frozen</b>          |          |          |          |          |             |
| Year/Month                                    | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave. |
| 2007  | 653      | 618      | 637      | 691      | <b>650</b>  |
| 2008  | 675      | 675      | 730      | 656      | <b>684</b>  |
| %chg  | 3%       | 9%       | 15%      | -5%      | <b>5%</b>   |

|                                      |                 |                 |                 |                 |                    |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| 2009                                 | 538             | 542             |                 |                 |                    |
| %chg                                 | -20%            | -20%            |                 |                 |                    |
| <b>Trimming, Aussie Beef, Frozen</b> |                 |                 |                 |                 |                    |
| Year/Month                           | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007                                 | 445             | 452             | 450             | 448             | <b>449</b>         |
| 2008                                 | 446             | 517             | 608             | 464             | <b>509</b>         |
| %chg                                 | 0%              | 14%             | 35%             | 3%              | <b>13%</b>         |
| 2009                                 | 385             | 396             |                 |                 |                    |
| %chg                                 | -14%            | -23%            |                 |                 |                    |
| <b>Short Plate, US Beef, Frozen</b>  |                 |                 |                 |                 |                    |
| Year/Month                           | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2008                                 | N.A.            | 739             | 799             | 827             | <b>591</b>         |
| 2009                                 | 824             | 845             |                 |                 |                    |
| %chg                                 | N.A.            | 14%             |                 |                 |                    |

Source: ALIC Monthly Statistics (Quarterly data are compiled by post)

#### VI-a) Average Wholesale Price of Domestic Pork, Chilled Cuts, CY 2007 – 2009 YTD

| Unit: Yen per Kg.             |                 |                 |                 |                 |                    |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| <b>Full-set: Chilled</b>      |                 |                 |                 |                 |                    |
|                               | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007                          | 630             | 700             | 771             | 692             | 698                |
| 2008                          | 736             | 795             | 805             | 620             | 739                |
| %chg                          | 17%             | 14%             | 4%              | -10%            | 6%                 |
| 2009                          | 599             | 651             |                 |                 |                    |
| %chg                          | -19%            | -18%            |                 |                 |                    |
| <b>Picnic: Chilled</b>        |                 |                 |                 |                 |                    |
|                               | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007                          | 480             | 521             | 547             | 530             | 520                |
| 2008                          | 564             | 630             | 630             | 495             | 580                |
| %chg                          | 17%             | 21%             | 15%             | -7%             | 12%                |
| 2009                          | 448             | 480             |                 |                 |                    |
| %chg                          | -21%            | -24%            |                 |                 |                    |
| <b>Shoulder Loin: Chilled</b> |                 |                 |                 |                 |                    |
|                               | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007                          | 867             | 921             | 1,032           | 955             | 944                |
| 2008                          | 969             | 999             | 1,031           | 848             | 962                |
| %chg                          | 12%             | 8%              | -0%             | -11%            | 2%                 |
| 2009                          | 785             | 822             |                 |                 |                    |
| %chg                          | -19%            | -18%            |                 |                 |                    |
| <b>Loin: Chilled</b>          |                 |                 |                 |                 |                    |
|                               | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007                          | 952             | 1,000           | 1,109           | 1,001           | 1,016              |
| 2008                          | 1,018           | 1,042           | 1,073           | 872             | 1,001              |
| %chg                          | 7%              | 4%              | -3%             | -13%            | -1%                |
| 2009                          | 826             | 887             |                 |                 |                    |
| %chg                          | -19%            | -15%            |                 |                 |                    |
| <b>Tender Loin: Chilled</b>   |                 |                 |                 |                 |                    |
|                               | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007                          | 1,030           | 1,155           | 1,251           | 1,115           | 1,138              |

|      |       |       |       |      |       |
|------|-------|-------|-------|------|-------|
| 2008 | 1,148 | 1,194 | 1,215 | 986  | 1,136 |
| %chg | 11%   | 3%    | -3%   | -12% | -0%   |
| 2009 | 968   | 1,032 |       |      |       |
| %chg | -16%  | -14%  |       |      |       |

**Belly: Chilled**

|      | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave. |
|------|----------|----------|----------|----------|-------------|
| 2007 | 832      | 863      | 889      | 894      | 870         |
| 2008 | 924      | 932      | 930      | 780      | 891         |
| %chg | 11%      | 8%       | 5%       | -13%     | 3%          |
| 2009 | 743      | 752      |          |          |             |
| %chg | -20%     | -19%     |          |          |             |

**Ham: Chilled**

|      | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave. |
|------|----------|----------|----------|----------|-------------|
| 2007 | 504      | 554      | 592      | 564      | 553         |
| 2008 | 594      | 657      | 652      | 518      | 605         |
| %chg | 18%      | 19%      | 10%      | -8%      | 9%          |
| 2009 | 478      | 519      |          |          |             |
| %chg | -20%     | -21%     |          |          |             |

Source: ALIC Monthly Statistics (Quarterly data are compiled by post)

**VII-b) Average Wholesale Price of Domestic Pork, Frozen Cuts, CY 2007 – 2009 YTD**

| Unit: Yen per Kg.            |          |          |          |          |             |
|------------------------------|----------|----------|----------|----------|-------------|
| <b>Picnic: Frozen</b>        |          |          |          |          |             |
|                              | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave. |
| 2007                         | 459      | 468      | 476      | 495      | 474         |
| 2008                         | 528      | 577      | 589      | 502      | 549         |
| %chg                         | 15%      | 23%      | 24%      | 1%       | 16%         |
| 2009                         | 445      | 431      |          |          |             |
| %chg                         | -16%     | -25%     |          |          |             |
| <b>Shoulder Loin: Frozen</b> |          |          |          |          |             |
|                              | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave. |
| 2007                         | 785      | 785      | 797      | 795      | 791         |
| 2008                         | 818      | 835      | 837      | 765      | 814         |
| %chg                         | 4%       | 6%       | 5%       | -4%      | 3%          |
| 2009                         | 718      | 695      |          |          |             |
| %chg                         | -12%     | -17%     |          |          |             |
| <b>Loin: Frozen</b>          |          |          |          |          |             |
|                              | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave. |
| 2007                         | 843      | 844      | 844      | 832      | 841         |
| 2008                         | 838      | 848      | 856      | 791      | 833         |
| %chg                         | -1%      | 0%       | 1%       | -5%      | -1%         |
| 2009                         | 734      | 719      |          |          |             |
| %chg                         | -12%     | -15%     |          |          |             |
| <b>Tender Loin: Frozen</b>   |          |          |          |          |             |
|                              | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Yearly Ave. |
| 2007                         | 873      | 887      | 911      | 916      | 897         |
| 2008                         | 902      | 925      | 942      | 898      | 917         |
| %chg                         | 3%       | 4%       | 3%       | -2%      | 2%          |
| 2009                         | 846      | 825      |          |          |             |

|   |                 |                 |                 |                 |                    |
|---|-----------------|-----------------|-----------------|-----------------|--------------------|
| %chg  | -6%             | -11%            |                 |                 |                    |
| <b>Belly: Frozen</b>  |                 |                 |                 |                 |                    |
|   | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007  | 750             | 761             | 763             | 776             | 762                |
| 2008  | 808             | 833             | 828             | 726             | 799                |
| %chg  | 8%              | 9%              | 9%              | -6%             | 5%                 |
| 2009  | 681             | 655             |                 |                 |                    |
| %chg  | -16%            | -21%            |                 |                 |                    |
| <b>Ham: Frozen</b>  |                 |                 |                 |                 |                    |
|   | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007  | 477             | 487             | 516             | 524             | 501                |
| 2008  | 556             | 606             | 615             | 526             | 576                |
| %chg  | 16%             | 24%             | 19%             | 0%              | 15%                |
| 2009  | 464             | 479             |                 |                 |                    |
| %chg  | -16%            | -21%            |                 |                 |                    |
| Source: ALIC Monthly Statistics (Quarterly data are compiled by post) |                 |                 |                 |                 |                    |

VIII-c) Average Wholesale Price of Imported Pork, Chilled Cuts, CY 2007 – 2009 YTD

|                                     |                 |                 |                 |                 |                    |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| Unit: Yen per Kg.                   |                 |                 |                 |                 |                    |
| <b>Loin, US: Chilled</b>            |                 |                 |                 |                 |                    |
| <b>Year/Month</b>                   | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007                                | 635             | 637             | 637             | 632             | 635                |
| 2008                                | 626             | 622             | 643             | 625             | 629                |
| %chg                                | -1%             | -2%             | 1%              | -1%             | -1%                |
| 2009                                | 621             | 605             |                 |                 |                    |
| %chg                                | -1%             | -3%             |                 |                 |                    |
| <b>Loin, Canada: Chilled</b>        |                 |                 |                 |                 |                    |
| <b>Year/Month</b>                   | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007                                | 671             | 677             | 682             | 674             | 676                |
| 2008                                | 656             | 650             | 671             | 650             | 657                |
| %chg                                | -2%             | -4%             | -2%             | -4%             | -3%                |
| 2009                                | 635             | 631             |                 |                 |                    |
| %chg                                | -3%             | -3%             |                 |                 |                    |
| <b>Tender Loin, US: Chilled</b>     |                 |                 |                 |                 |                    |
| <b>Year/Month</b>                   | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007                                | 833             | 856             | 849             | 783             | 830                |
| 2008                                | 745             | 751             | 852             | 763             | 778                |
| %chg                                | -11%            | -12%            | 0%              | -3%             | -6%                |
| 2009                                | 736             | 724             |                 |                 |                    |
| %chg                                | -1%             | -4%             |                 |                 |                    |
| <b>Tender Loin, Canada: Chilled</b> |                 |                 |                 |                 |                    |
| <b>Year/Month</b>                   | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007                                | 892             | 895             | 902             | 863             | 888                |
| 2008                                | 846             | 845             | 884             | 841             | 854                |
| %chg                                | -5%             | -6%             | -2%             | -3%             | -4%                |
| 2009                                | 796             | 787             |                 |                 |                    |
| %chg                                | -6%             | -7%             |                 |                 |                    |
| <b>Shoulder Loin, US: Chilled</b>   |                 |                 |                 |                 |                    |
| <b>Year/Month</b>                   | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007                                | 669             | 682             | 667             | 658             | 669                |
| 2008                                | 652             | 648             | 661             | 643             | 651                |

|                                       |                 |                 |                 |                 |                    |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| %chg                                  | -3%             | -5%             | -1%             | -2%             | -3%                |
| 2009                                  | 631             | 617             |                 |                 |                    |
| %chg                                  | -3%             | -5%             |                 |                 |                    |
| <b>Shoulder Loin, Canada: Chilled</b> |                 |                 |                 |                 |                    |
| <b>Year/Month</b>                     | <b>1st Qtr.</b> | <b>2nd Qtr.</b> | <b>3rd Qtr.</b> | <b>4th Qtr.</b> | <b>Yearly Ave.</b> |
| 2007                                  | 702             | 717             | 714             | 696             | 707                |
| 2008                                  | 683             | 676             | 698             | 673             | 682                |
| %chg                                  | -3%             | -6%             | -2%             | -3%             | -4%                |
| 2009                                  | 648             | 649             |                 |                 |                    |
| %chg                                  | -5%             | -4%             |                 |                 |                    |

Source: ALIC Monthly Statistics (Quarterly data are compiled by post)

#### VII-a) Monthly Ending Beef Stocks, Frozen, CY 2007 – 2009 YTD

| Unit: Metric Ton (Carcass Equivalent) |                |                |           |                |           |         |        |
|---------------------------------------|----------------|----------------|-----------|----------------|-----------|---------|--------|
| Month/Year                            | 2006           | 2007           | % Chg.    | 2008           | % Chg.    | 2009    | % Chg. |
| Jan.                                  | 86,628         | 106,942        | 23%       | 101,830        | -5%       | 114,384 | 12%    |
| Feb.                                  | 84,958         | 104,017        | 22%       | 100,194        | -4%       | 115,133 | 15%    |
| Mar.                                  | 90,222         | 106,968        | 19%       | 101,938        | -5%       | 110,956 | 9%     |
| Apr.                                  | 94,703         | 103,488        | 9%        | 98,662         | -5%       | 101,165 | 3%     |
| May                                   | 95,644         | 108,269        | 13%       | 103,544        | -4%       | 101,452 | -2%    |
| Jun.                                  | 102,873        | 112,503        | 9%        | 104,682        | -7%       | 108,608 | 4%     |
| Jul.                                  | 103,779        | 113,320        | 9%        | 112,221        | -1%       |         |        |
| Aug.                                  | 100,678        | 113,883        | 13%       | 116,736        | 3%        |         |        |
| Sept.                                 | 98,438         | 112,468        | 14%       | 122,966        | 9%        |         |        |
| Oct.                                  | 95,269         | 108,665        | 14%       | 123,063        | 13%       |         |        |
| Nov.                                  | 104,160        | 106,582        | 2%        | 120,012        | 13%       |         |        |
| <b>Dec.</b>                           | <b>102,473</b> | <b>110,641</b> | <b>8%</b> | <b>116,134</b> | <b>5%</b> |         |        |

Source: ALIC Monthly Statistics (Conversion rate from the product weight to carcass equivalent used is 1.4 for pork)  
Data do not include stocks of frozen offal (variety meat), imported processed and prepared products.

#### VIII-b) Monthly Ending Pork Stocks, Frozen, CY 2007 – 2009 YTD

| Unit: Metric Ton (Carcass Equivalent) |                |                |            |                |            |         |        |
|---------------------------------------|----------------|----------------|------------|----------------|------------|---------|--------|
| Month/Year                            | 2006           | 2007           | % Chg.     | 2008           | % Chg.     | 2009    | % Chg. |
| Jan.                                  | 271,825        | 229,237        | -16%       | 215,210        | -6%        | 242,187 | 13%    |
| Feb.                                  | 265,901        | 243,250        | -9%        | 213,395        | -12%       | 247,941 | 16%    |
| Mar.                                  | 272,463        | 240,609        | -12%       | 221,711        | -8%        | 252,377 | 14%    |
| Apr.                                  | 273,507        | 236,846        | -13%       | 238,494        | 1%         | 256,396 | 8%     |
| May                                   | 280,716        | 251,245        | -10%       | 250,532        | -0%        | 265,288 | 6%     |
| Jun.                                  | 278,803        | 244,873        | -12%       | 242,774        | -1%        | 268,905 | 11%    |
| Jul.                                  | 270,063        | 242,336        | -10%       | 234,295        | -3%        |         |        |
| Aug.                                  | 259,930        | 244,132        | -6%        | 240,890        | -1%        |         |        |
| Sept.                                 | 238,957        | 232,467        | -3%        | 240,707        | 4%         |         |        |
| Oct.                                  | 226,429        | 226,330        | -0%        | 240,872        | 6%         |         |        |
| Nov.                                  | 223,649        | 211,637        | -5%        | 232,638        | 10%        |         |        |
| <b>Dec.</b>                           | <b>220,984</b> | <b>207,802</b> | <b>-6%</b> | <b>237,377</b> | <b>14%</b> |         |        |

Source: ALIC Monthly Statistics (Conversion rate from the product weight to carcass equivalent used is 1.3 for pork)  
Data do not include stocks of frozen offal (variety meat), imported processed and prepared products.