INTERNATIONAL MEAT CONSULTATIVE GROUP

Thirteenth Meeting - 14 November 1979

Statement Made by the Representative of Japan

RECENT DEVELOPMENTS OF BEEF IN JAPAN

1. Domestic production

The domestic production of beef, which continued to increase steadily after its recovery in the second half of 1976, has recently stagnated. Beef production in 1978 increased over 10 per cent compared to 1977 but from January to August 1979 it showed only a 1 per cent increase compared to that in the same period in 1978 due to a decrease in the production of wagyu meat (Japanese cattle).

The reasons for the decrease in wagyu meat production have not been clarified, but presumably the tendency of the wholesale price of beef from 1977 to the first six months of 1978 did not give, in spite of the establishment of the Price Stabilization Scheme, a perspective for the future market situation to calf raisers who had not yet completely got over "the oil crisis shock".

So the production of wagyu meat will probably continue to remain at its present level for the time being. However, after that, it is expected to recover gradually again, reflecting the effect of the high wholesale prices since the latter half of 1978. On the other hand the production of dairy-cattle meat is expected to increase, because dairy farmers are promoting the slaughtering of low ability cows from this October to March 1980 corresponding to the stagnant situation of demand and supply of fresh milk.

2. Demand

Personal consumption expenditure has considerably increased since the beginning of 1979: The increase rate of personal consumption expenditure in 1978 compared to that of the previous year was 5.9 per cent and the monthly figures for the first half of this year were from 7.9 per cent to 9.2 per cent.
However the increase per capita of the consumption of beef this year was lower than that of last year, (i.e. 10.4 per cent in 1978, and 2.6 per cent during the period from January to July 1979).

The prices of pork, chicken and eggs are at low levels because of overproduction. As this tendency will not probably change before March 1980, it may have some influence on the demand for beef.

3. Prices

Although in 1978 the wholesale prices of middle grade meat of wagyu steer cattle and dairy steer cattle remained within the Stabilizations Price Band, established under the Beef Price Stabilization Scheme, from the beginning of 1979, these wholesale prices of beef have risen to the upper level of that Band and have stayed there.

4. Importation

The general beef import quota in fiscal year 1979 amounted to 114,000 tons and this is 20 per cent more than that of the previous year. The special quota for the first half of the current fiscal year was fixed at 9,200 tons which exceeds by 1,200 tons that of the previous year and the special quota for the latter half of the current fiscal year has not been fixed yet.