

Japanese Market Information on Specified Products



Processed Meat

1. The Japanese Market

Domestic production of processed meat products has steadily increased, reflecting the westernization of the Japanese diet, but imports of such products still hold a very small share. Imports of ham are limited to a few high-quality products, but imports of sausages are spreading to advantageously priced products from the United States and other countries for commercial use.

Importers of processed meat must bear in mind that regulations governing such products differ depending on whether the meat is heat-processed or not and where it was produced. Ham and bacon are subject to differential tariffs.

2. Imports

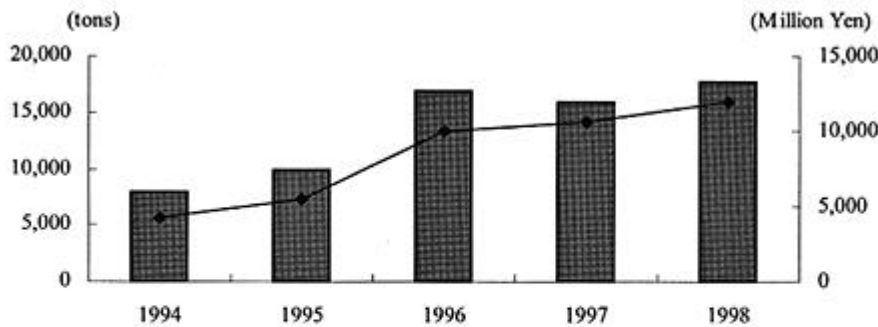
(1) Recent Developments

Total processed meat imports (ham, bacon, sausage, and corned beef only) rose 11.7% over the previous year to 17,111 tons in 1998. This figure is nearly 250% of the figure from five years earlier.

Since imports were liberalized in 1985, processed pork imports increased rapidly before falling sharply in 1990. Since then, imports have edged upward. Growth has been particularly marked among sausages. Imports of processed beef products were liberalized in April 1990, but partly because of differences in tariff rates, imports of boiled beef products have remained level while imports of beef jerky have risen.

Since April 1, 1995, tariff rates on processed meat products (except for beef jerky and some other products) have been lowered as according to the agreements of the GATT Uruguay Round negotiations.

Japan's Processed Meat Imports



	1994		1995		1996		1997		1998	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Ham and Bacon	896	887	1,353	1,375	1,854	2,247	1,942	2,893	2,177	3,108
Sausage	5,151	2,534	7,005	3,345	13,786	7,085	12,887	7,169	14,830	8,431
Corned Beef	1,855	884	1,637	775	1,238	635	1,028	562	703	387
Total	7,903	4,305	9,995	5,495	16,879	9,967	15,857	10,624	17,711	11,926

Unit: tons, Million Yen

Source: Japan Exports and Imports

(2) Countries of Origin

The United States, Italy, and China are the leading exporters of ham and bacon to Japan. The United States and Denmark are the top exporters of sausages. Thailand, Brazil, and China are the leading exporters of corned beef.

Principal Exporters of Processed Meat to Japan

<Ham and Bacon>

COUNTRY	1994	1995	1996	1997	1998	
	Value	Value	Value	Value	Value	Volume
USA	453	604	948	1,212	1,206	999
ITALY	0	0	251	704	873	399
CHINA	23	39	77	338	304	219
FRANCE	16	27	27	54	216	140
S KOREA	0	0	0	11	186	199
OTHERS	395	704	943	572	323	222
TOTAL	887	1,375	2,247	2,893	3,108	2,177

Unit: Million Yen, tons

Source: Japan Exports and Imports



<Sausage>

COUNTRY	1994	1995	1996	1997	1998	
	Value	Value	Value	Value	Value	Volume
USA	1,452	2,078	4,463	4,752	5,666	9,678
DENMARK	189	390	767	942	1,088	2,402
CHINA	8	3	19	100	549	855
CANADA	31	58	222	417	416	837
GERMANY	287	328	409	346	279	322
OTHERS	567	489	1,205	612	433	738
TOTAL	2,534	3,345	7,085	7,169	8,431	14,830

Unit: Million Yen, tons

Source: Japan Exports and Imports



<Corned Beef>

COUNTRY	1994	1995	1996	1997	1998	
	Value	Value	Value	Value	Value	Volume
THAILND	242	192	187	129	110	132
BRAZIL	192	150	108	96	98	238
CHINA	92	69	76	77	97	210
USA	109	106	56	26	38	38
NEWZELD	204	217	170	224	30	45
OTHERS	45	39	39	11	14	41
TOTAL	884	775	635	562	387	703

Unit: Million Yen, tons

Source: Japan Exports and Imports



(3) Share Accounted for by Imports

Domestic production of processed meat products declined in both 1996 and 1997. Although imports are increasing, they still account for a small share of the market, accounting for just 1% of ham and 5% of sausages.

Imports' Share in the Japanese Market

	1993	1994	1995	1996	1997
Ham	122,679	127,685	131,462	125,646	121,539
Bless Ham	8,314	8,408	8,062	7,337	7,617
Chopped Ham	33,584	31,294	27,464	24,938	23,006
Bacon	77,408	76,598	76,649	78,313	78,305
Sausage	301,199	302,775	309,057	307,131	299,694
Mixed Products	2,564	1,332	1,078	892	834
Total	545,748	548,091	553,771	544,258	530,995
(per previous year)	-	100.4%	101.0%	98.3%	97.6%

Unit: tons

Source: Japan Meat Processors Association

3. Laws and Regulations

(1) Domestic Animal Infectious Diseases Control Law

Processed meat products of cattle, pig, and other cloven-hoofed animals are subject to inspections mandated by the Domestic Animal Infectious Diseases Control Law. Imports of ham, bacon, sausage, and corned beef must be accompanied by an "Inspection Certificate" issued by a government agency of the exporting country.

This law also designates import-prohibited items and areas to prevent the spread of infectious diseases such as hood and mouth disease, cattle plague, and rinderpest. It also uses animal epidemiological information from around the world to set "Designated Quarantine Goods."

(2) Food Sanitation Law

This law requires the attachment of a health certificate issued by the exporting country when importing meat. The law also sets provisions for labeling of packaged processed meat products.

(3) JAS Law

This law sets quality labeling standards for processed meat products such as hams, sausages, bacons, canned meat products, and bottled meat products. It also sets JAS standards for processed meat products. Products that meet JAS standards may be

labeled with a JAS mark of approval. Cured ham, sausages, and bacon come with special JAS standards. Products that meet these standards may be labeled with a special JAS mark of approval.

(4) Measurement Law

Cabinet ordinance requires certain products that come in sealed wrappers or other containers to indicate their content volume as well as the name and address of their manufacturer (or importer). The law also requires the content volume to be stated to a certain range of accuracy specified by Cabinet ordinance. Processed meat products are subject to this requirement.

(5) Rules of Fair Trade in Labeling of Processed Meat Products under the Act Against Unjustifiable Premiums and Misleading Representation (Voluntary Industry Standard)

The Ham and Sausage Fair Trade Council sets recommendations for labeling under its "Rules for Fair Trade in Labeling of Ham and Sausage" established under the Act Against Unjustifiable Premiums and Misleading Representations. Only council members, however, are required to label their products according to these rules.

4. Taxes

(1) Customs Duties

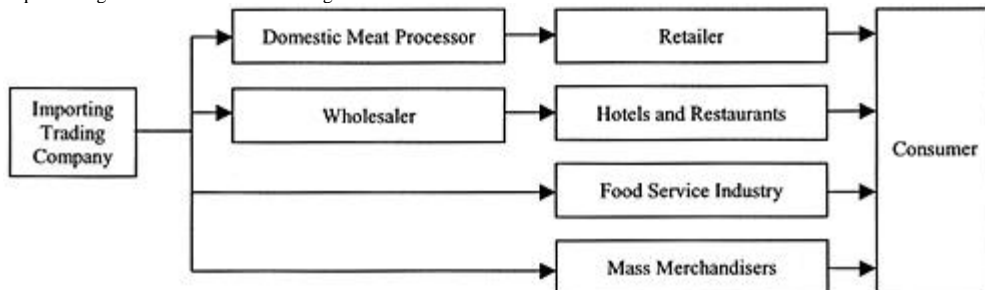
HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
0210.11~19	Hams and shoulders and cut thereof, salted, dried or smoked	(10%)	(¥1,095/kg) (9%)*		8.8% or Differential*
1601.00-000	Sausage and related products, and prepared food items based on these products	10%	(12.5%)		
1602	Other prepared or preserved meat, meat offal or blood				
1602.41~49	Of swine Bacon, ham and pressed and formed ham	(10%)	(¥1,065.5/kg) (8.8%)*		8.8% or Differential*
1602.50~600	Corned beef	25%	21.9%		

(2) Consumption Tax

(CIF + Customs Duty) x 5%

5. Distribution

Hams, sausages, and other meat products are usually distributed directly by the manufacturer rather than through wholesalers. This is partly out of a desire to shorten the time refrigerated meat products spend in transit. Products that do not require refrigeration are distributed through food wholesaler channels.



6. Industry Contacts

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