GENERAL AGREEMENT ON TARIFFS AND TRADE

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Group on Meat

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Information on Meats Submitted by the Japanese Government

I. EXISTING BEEF POLICIES

(i) Support prices

There is no price support system in existence with regard to beef or beef cattle.

(ii) Market price for beef cattle; yearly average

(US$ per head)

Year	1960	1961	1962	1963	1964
Price	198	213	223	224	231

Notes:
1. The above figures are derived from the selling price at farm per kg. live weight as multiplied by the average live weight at the time of slaughtering (400 kg.).
2. The figures include only the Japanese cattle for slaughtering, excluding dairy cattle.
3. There is no figure available for the market price of intensively fed beef cattle.

(iii) Total producer's return

Since no subsidy is being given to producers, the total producer's return is equal to the selling price at farm.

(US$ per ton live weight)

Year	1960	1961	1962	1963	1964
Female price	528	563	590	600	615
Steer price	494	538	563	562	589

Note: See the notes of (ii) above.

(iv) Aid of other types

There are no specific remarks to be made here.

(v) Total quantity and value of production

(a) Total quantity of production

(1,000 ton live weight)

Year	1960	1961	1962	1963	1964
Beef cattle	210	218	222	271	322
Dairy cattle	52	45	45	67	87
Calves	10	10	12	17	18
Total	272	273	279	355	427

Notes: 1. Since there is no figure available for production in terms of live cattle, the above figures are derived from dressed carcass weight and dressing percentage.

2. Most of calves above are dairy male calves slaughtered at around a week after birth, for manufacturing purpose.

(b) Total value of production

(US$1,000)

Year	1960	1961	1962	1963	1964
Beef cattle	88,865	108,108	111,720	137,760	164,651
Dairy cattle	19,062	19,579	19,260	26,452	35,141
Calves	3,805	4,179	5,118	7,029	7,651
Total	111,732	131,866	136,098	171,241	207,433

Note: The above figures are derived from dressed carcass weight and average wholesale price of dressed carcass.

(vi) Measures at the frontier

Import of beef is subject to an import quota and a tariff of 25 per cent.

II. INCIDENCE ON MEAT PRODUCTION OF POLICIES ON CEREALS AND DAIRY PRODUCTS

(i) Estimated volumes and prices of cereals, and

(ii) Evolution of ratio between cereal prices and fat cattle prices

Owing to the small-scale herd raising of beef cattle in Japan, domestically produced concentrates such as barley, wheat, broken rice, bran and others are used in a relatively large quantity. It is hard, therefore, to find out quantity of consumed cereals, and appropriate statistics are not available. Because of the above-mentioned situation, the producers are hardly sensitive to fluctuations of cereal price. Accordingly, there is little relation between cereal prices and beef production.

(iii) Total producer's returns for milk

Year	1960	1961	1962	1963	1964
Total quantity for sale (1,000 ton)	1,887	2,114	2,437	2,761	3,020
Total producer's returns (US$1,000)	133,977	171,234	219,330	248,490	286,900
Price per kg. (US¢)	7.06	8.06	8.97	9.00	9.56

Note: There is no subsidy given to producers.

(iv) Evolution in the ratio between the prices of fat cattle, live weight basis, and milk prices

(US¢ per kg.)

Year	1960	1961	1962	1963	1964
Cattle (female) price (A)	52.8	56.3	59.0	60.0	61.5
Milk price (B)	7.06	8.06	8.97	9.00	9.56
$\frac{B}{A}$ (%)	13.4	14.3	15.2	15.0	15.5

Notes: 1. Cattle prices (A) are the same as the prices shown in I(iii).

2. Milk prices are the same as the prices shown in II(iii).

The above ratios have only phenomenal meanings, so to speak.

Since the beef production in Japan is, generally speaking, conducted on a small scale as a side business, price fluctuations of livestock products hardly influence the pattern of production.

On the other hand, since beef cattle and dairy cattle are identified and treated as entirely separate breeds and the raising of the Japanese cattle as the supply source of beef has been conducted with dual purposes, namely, for beef and drafting, there has been little co-relation between the prices of cattle and milk. However, as the importance of dairy cattle as the supply source of beef has recently been increasing, the tendency seems to have become clear to decide the slaughtering of dairy cows taking account of the prices of beef or beef cattle and of milk.

(v) Estimated quantity and value of beef and veal production from dairy herds

See I(v) above.

(vi) Comparative evolution of the dairy cattle herd and of the intensively fed beef herd in relation to total cattle herd

(1,000 heads)

Year	1960	1961	1962	1963	1964
Dairy cattle	824	885	1,002	1,145	1,238
Beef cattle:	2,340	2,312	2,332	2,337	2,208
(fat cattle)	(345)	(334)	(414)	(434)	(478)
Total	3,164	3,197	3,334	3,482	3,446

Notes: 1. The figures are as of 1 February each year.

2. The figures of beef cattle include the numbers of cattle for drafting purpose and for breeding.

It is normal that these cattle for drafting and breeding purposes are fattened for a certain period (3-6 months) before the slaughtering for beef production.

3. The figures of fat cattle show the number of cattle intensively fed as of 1 February each year.

III. INTERNAL PRICES

(i) Wholesale prices; yearly average

(US¢ per kg.)

Year	1960	1961	1962	1963	1964
Wholesale prices	79.7	93.6	95.0	95.8	96.4

Note: The figures above show the average prices of "good quality" carcass of steers (the Japanese cattle) in the Tokyo wholesale market.

(ii) Retail prices

(US¢ per kg.)

Year	1960	1961	1962	1963	1964
Retail prices	152.6	177.0	195.0	208.0	223.0

Note: The figures above show the retail prices of "middle grade" in Tokyo. There is no strict definition of "middle grade" with respect to quality and cuts. The sliced meat of beef is sold with the grades of "upper", "middle" and "lower" at retail meat shops. There exists difference in quality of "middle grade", according to time and place of selling.

(iii) Costs of marketing

It is very difficult to calculate the cost of marketing, as it varies according to differences in varieties of cattle, quality of meat, prices of meat, marketing channels and other factors.

(iv) Charges on wholesale and retail sales of meat

No charge is being imposed on wholesale and retail sales of meat.

IV. INTERNATIONAL PRICES; YEARLY AVERAGE

(c.i.f. US$ per ton)

Year	1960	1961	1962	1963	1964
Australia	572	580	521	483	588
New Zealand	533	552	477	486	541
United States	817	923	798		
Ryukyu Island	503	1,099	1,061	1,056	1,081
Formosa			1,063	1,067	

Note: Main origins of imported beef above are Australia and New Zealand and most of beef from these sources are the brisket.

V. BILATERAL AGREEMENTS AFFECTING IMPORTS AND EXPORTS

There is no bilateral agreement affecting imports or exports.

VI. DATA ON PRODUCTION, IMPORTS, EXPORTS AND CONSUMPTION OF BEEF AND ESTIMATES FOR 1970, and

VII. TRENDS IN TOTAL PER CAPUT CONSUMPTION OF ALL TYPES OF MEAT INCLUDING ESTIMATES FOR 1970

(i) Quantity of production, imports and consumption of beef

(1,000 tons)

Year	1960	1961	1962	1963	1964
Production	142.5	142.7	146.1	185.9	223.9
Import	5.8	5.4	4.8	4.7	6.2
Consumption	148.3	148.1	150.9	190.6	230.1

Note: The figures above are in terms of dressed carcass weight.

The figures of imports include the weight of boneless meat. There being no export, the figures of consumption are equal to the sum of production and imports.

(ii) Trends in total per caput consumption of meats

(kg.)

Year	1960	1961	1962	1963	1964
Beef and veal	1.2	1.2	1.2	1.6	1.8
Pork	1.2	2.1	2.7	2.3	2.6
Chicken	0.4	0.8	1.0	1.2	1.4
Meat of horses	0.3	0.2	0.3	0.3	0.3
Mutton and lamb	0.2	0.2	0.2	0.4	0.5
Meat of whale	1.6	1.9	2.4	2.0	1.8
Total	4.9	6.4	7.8	7.8	8.4

Note: The figures above are weight of edible parts.

(iii) Estimates of supply and demand for 1970

Production

In Japan, beef cattle raising has generally been conducted as a side business, keeping one or two cattle for drafting purposes as well. Recently, with the rapid mechanization of farming, the purposes of cattle raising have been shifted from dual usage of cattle to usage for beef only. Along with this shift, producing areas and type of raising are also in the process of change.

The number of beef cattle, after having reached a peak in 1956 has been on the gradual decline.

Since, however, the raising of beef cattle is, as mentioned above, on a stage of structural change at present, no reasonable estimate of beef production can be made for the future.

The Government, with the basic objective of preventing a further decrease in, and of increasing as much as possible, the number of beef cattle, so as to meet the increasing demand for meat, is making efforts for more effective raising of beef cattle and better use of dairy male calves, which have so far been slaughtered shortly after their birth.

Beef production in 1970 is estimated to be at the present level or more than that, due partly to the Government policy and partly to the estimated increase in the number of dairy cattle.

Consumption

In estimating beef consumption, two factors - consumption trend of meats as a whole and relationship of substitution between beef and other meats as well as fish meat - must be taken into account:

1. The per capita consumption of meats as a whole excluding whale meat, as shown in the table above, has been recently on the increase by more than 10 per cent a year. Although meat consumption as a whole will surely increase in the future as well, it is doubtful whether the above ratio of increase will be maintained, various factors being taken into consideration.

2. Since meat consumption has not a stable position as food in the Japanese dietary habit, there is a strong relationship of substitution between varieties of meats and between meat and fish meat, the traditional supply source of protein. Pork and chicken have rapidly been gaining their shares in supply and demand of meats as a whole; the share of beef, on the other hand, has been on the decline. Since, compared with that of beef, production of pork and chicken seems to be more easily expanded with progress of rationalization, the share of beef in meats as a whole will continue to decline.

In the light of the above, it is difficult to make an estimate of consumption of beef alone. However, depending on the consumption trend of meats as a whole, consumption of beef may remain stable or show a gradual increase in absolute quantity, setting aside its share in the consumption of meats as a whole.

Supply-demand situation

Since a self-sufficiency of meats taken as a whole might become possible, as mentioned above, given favourable relationship of substitution among meats, a reasonable estimate of supply and demand of beef alone is almost impossible, making it difficult to estimate beef imports in the future. However, if we dare to say, beef imports will increase gradually, depending on increase in demand for meats as a whole.

VIII. SANITARY REGULATIONS

The Domestic Animal Infectious Diseases Control Law (enacted in 1950), to prevent malignant infectious diseases from being imported, requires State veterinary inspectors to inspect animals and meats as they are exported or imported. Under this law, importation of animals and meats from those areas where malignant infectious diseases have occurred or threaten to occur is prohibited.

IX. IMPORT POLICY FOR LIVE CATTLE

Import of live cattle is subject to an import quota, but tariff is free.