

Decline of Japanese Pork Specified Cut Self-Supply Ratio

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Abstract

The purpose of this study is to analyze the self-supply ratio of Japanese domestic pork cut and the influence of the existing price stabilization system (that stabilizes fluctuations in pork carcass prices) and the differential tariff system (that regulates the volume of imported pork). The benchmark price of Japanese domestic pork is unreliable. The benchmark definition is mainly based on the dressed carcass price of the Tokyo wholesale market, but this market share was only 0.81% in 1998, and cut meat has been mainly distributed instead of carcasses in Japan. Therefore, an alternative benchmark should be developed. Between 1988 and 2000, the self-supply ratio of total pork cut decreased from 77.7% to 58.0% in Japan. The imported pork cut market share increased because Japanese consumers prefer tenderloin and loin to the other pork cuts, so that those two cuts were in short supply. In 2000, the chilled pork supplied from the North American Free Trading Agreement Area accounted for 88% of the total chilled imported pork cut, and the ratio of chilled pork to the total imported pork cut was 29.0%. In 2000, the self-supply ratio was 32.2% (loin) and 26.1% (tenderloin). The annual sales by wholesale price per year was a record ¥141.4 billion (loin) and ¥23.5 billion (tenderloin). Therefore, the self-supply ratio of pork cut of the popular Japanese cuts was very low. The 10 highest-ranking Japanese meat processors have made profits mainly as wholesalers from the two current Japanese systems. Two major systems, the Different Tariff System and the Stabilization System of Livestock Prices, should be restructured, because these two major systems have been more beneficial to specific meat processors rather than Japanese consumers and have not worked as benchmark for domestic pork prices in Japan. It would be more beneficial to Japanese consumers, if new systems should be established in places of these two systems.

Key words: Pork, Self-supply Ratio, Cut Meat, Loin, Tenderloin