

Meats

July 14, 2011

PORK / BEEF / CHICKEN / HAM, BACON, SAUSAGE

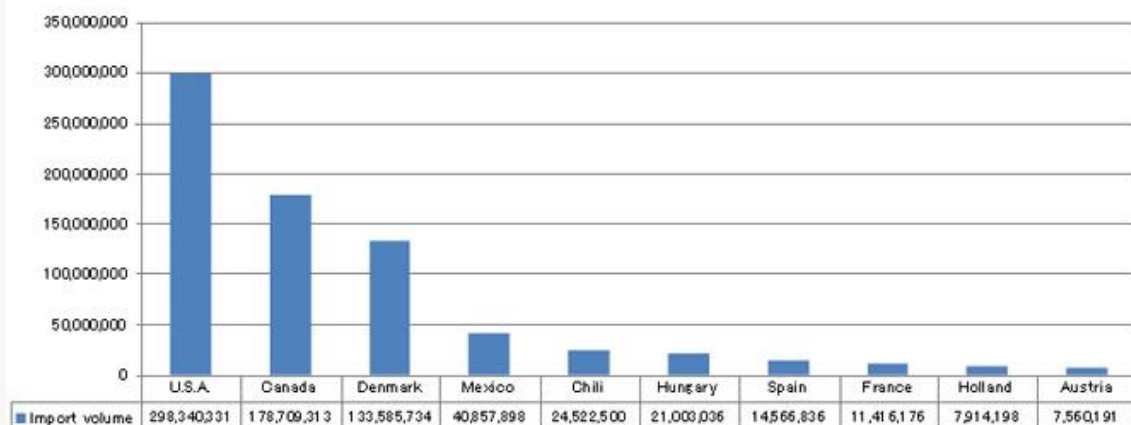
Pork

National pork rose greatly in value from the previous year, along with chilled and frozen imported pork. After Great East Japan Earthquake on March 11, the supply demand relationship changed completely. In addition to the decline of demand in the northwest area, power saving, downturn of transportation facilities, and worries of the future



attacked restaurants and markets in the Tokyo metropolitan area as well. People became distant from products that need refrigerating, freezing or cooking, and products that are already cooked or processed are becoming a seller. Toward the summer, the supply for domestic pork is estimated to be short, and there would be a stronger demand in imported (both chilled and frozen) pork. As the consumers' will to save up and look for lower prices become stronger, the demand for imported pork will rise since the price is relatively stable.

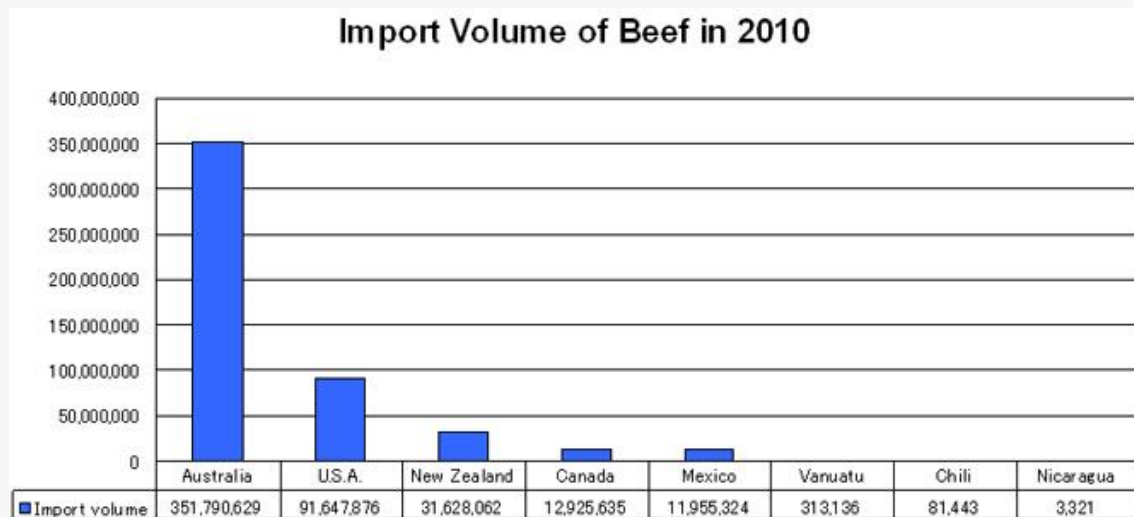
Import Volume of Pork (kg) in 2010



Sources: Compiled from Import Customs Statistics by Ministry of Finance.

Beef

In recent years, although domestic beef is in a slump, imported beef have real presence in the market. Because of the strong yen, imports especially from North America increased, widening its range in restaurants and retail stores. Since the economic recovery is still unclear because of the earthquake, in order to maintain and expand the meat market, imported beef with a price appeal is necessary. The amount of imported beef in 2010 increased 3.8% to 500,000 tons from 2009, and it rose 2 years in a row. Within this, refrigerated beef was 211,000 tons, which was about the same as last year, and frozen beef increased 7.3% to 288,000 tons from the previous year. With frozen beef, import of cheaper parts of meat used for beef bowls, Korean BBQ, and other processed materials have been especially obvious.



Sources: Compiled from Import Customs Statistics by Ministry of Finance.

Chicken

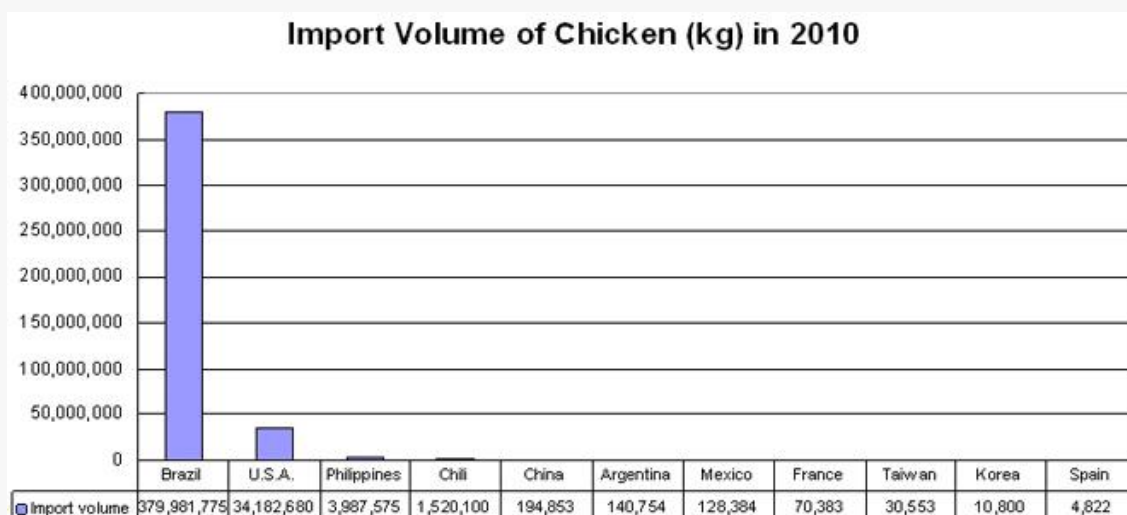
Due to worsening economic conditions and hovering individual consumption, the demand for meat concentrated on low-priced chicken. Not only in super markets, but also the demand for fried chicken in convenience stores and restaurants increased.

Shortage on domestic chickens and from the price increase, the amount of imports rose intensely. From January to October in 2010, there was a total of 27% increase of 350,000 tons. Imports of prepared chicken products rose 18% to 300,000 tons.

In the business use market of chicken processed products, product development of packed

lunches and bread are what the convenience stores are putting an emphasis on. In co-op, influenced by the aging society, chicken products are the most popular.

In addition to frying or making a saute, other ways of eating such as boil in pouch and cooking with the microwave will become more widespread. Currently, the demand of fish with white flesh is full of vigor in the Western countries, and prices of materials for mince and fillet are rising globally. Through these kinds of environmental changes, chicken will be replaced with fish being in the same white meat category and its demand of chicken will increase even more.



Sources: Compiled from Import Customs Statistics by Ministry of Finance.

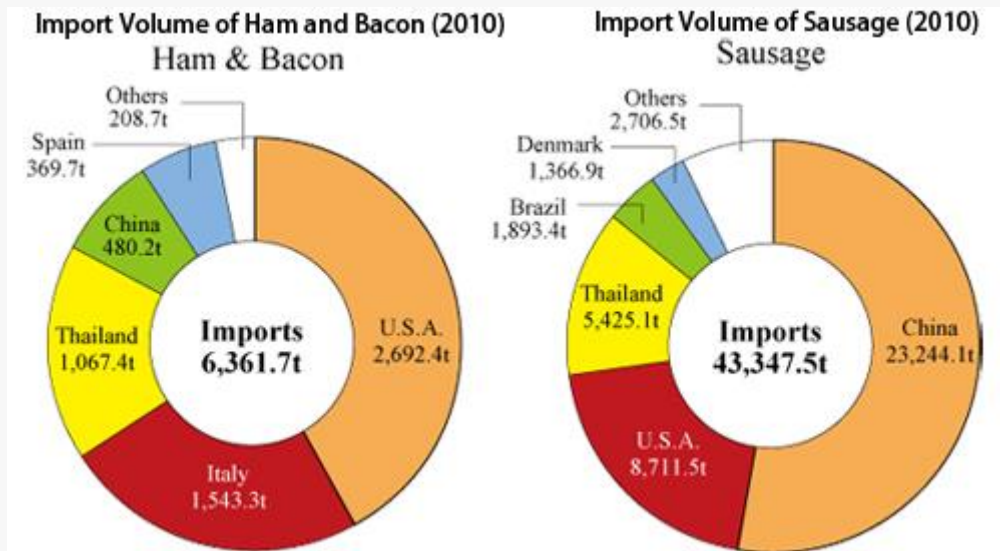
Ham, Bacon, Sausage

The imported amount of meat products such as ham, bacon, and sausages increased 7.9% to 49,709 tons from the previous year, and out of that, sausages make 85%. With ham and bacon, the imports from the US make up 42% of the overall amount, followed by Italy (24%), Thailand (17%), China (7.5%), Spain (5.8%), and so on.



With sausages, China has the biggest share of 53.6%, followed by the US (20%), Thailand (12.5%), Brazil (4.4%), Denmark (3.2%), and so on.

It is maintained that there will be stronger demand for low-priced imported sausages.



Sources: Compiled from Import Customs Statistics by Ministry of Finance.