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Report Highlights:

FAS/Tokyo projects that in 2024 as well as 2025 Japan's annual poultry production will expand to meet strong demand for domestically produced chicken. The depreciated yen as well as general inflation are driving consumers and food service businesses to seek domestic suppliers of poultry meat as a cheaper source of animal proteins. As a result, FAS/Tokyo expects Japan's 2025 imports will remain flat from 2024.

General Information

Table 1: Production, Supply and Distribution of Chicken

Meat, Chicken	2023		2024		2025	
Market Year Begins	**Jan 2023**		**Jan 2024**		**Jan 2025**	
Japan	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Beginning Stocks (1000 MT)	149	149	149	149	0	145
Production (1000 MT)	1,785	1,686	1,790	1,720	0	1,750
Total Imports (1000 MT)	1,063	1,063	1,100	1,105	0	1,100
Total Supply (1000 MT)	2,997	2,898	3,039	2,974	0	2,995
Total Exports (1000 MT)	5	5	5	5	0	5
Human Consumption (1000 MT)	2,843	2,744	2,885	2,824	0	2,845
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	2,843	2,744	2,885	2,824	0	2,845
Total Use (1000 MT)	2,848	2,749	2,890	2,829	0	2,850
Ending Stocks (1000 MT)	149	149	149	145	0	145
Total Distribution (1000 MT)	2,997	2,898	3,039	2,974	0	2,995
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

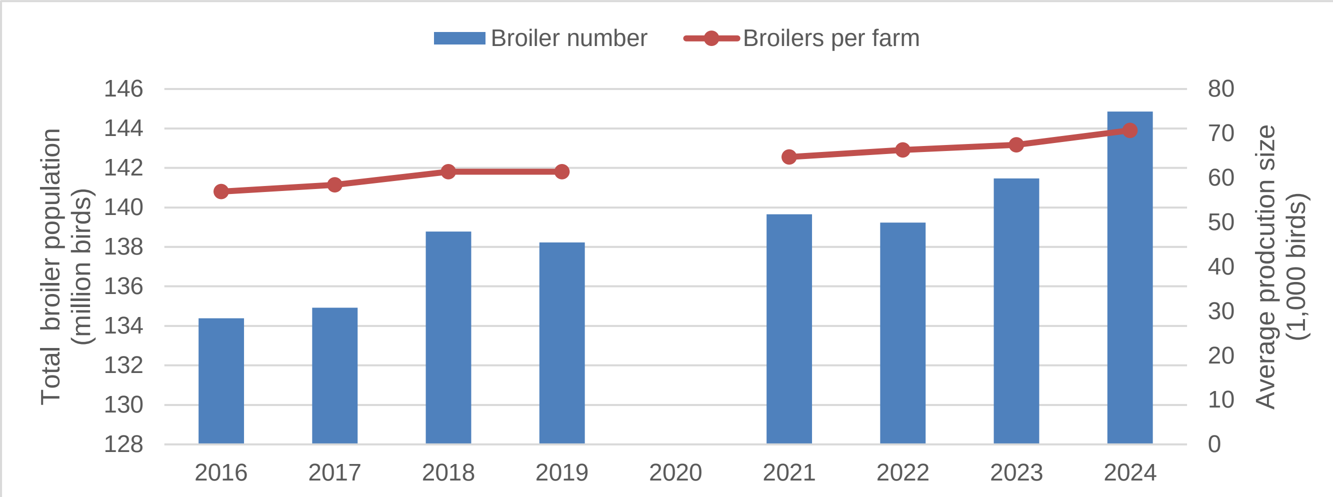
Production

FAS/Tokyo projects Japan's domestic chicken production in 2025 will continue to increase year on year as demand in retail as well as food service industries is boosted by tourism and consumers' price sensitivity (Table 1). High import costs of chicken meat have boosted demand for domestic chicken among food processing companies. To help meet the demand, more spent hens will be slaughtered now that the layer population is recovering from the impact of Highly Pathogenic Avian Influenza (HPAI).

Livestock Statistics published by Ministry of Agriculture, Forestry and Fisheries (MAFF) state Japan's total broiler population is approximately 145 million birds as of February 1, 2024, up two percent from 2023 (Figure 1). Given labor shortages in Japan's agricultural sector, industry sources report that several large-scale operators have renovated or expanded facilities to use greater levels of automation.

Through the first six months of 2024, Japan's chicken production expanded three percent year on year (Table2). Driving this expansion are strong wholesale prices for chicken (Figure 2). High prices for beef and pork as well as a depreciated yen are supporting this strong demand for domestic chicken meat.

Figure 1: Japan’s Broiler Population and Average Farm Size (as of February 1)



Note: Data is not available in 2020 as the Census of Agriculture and Forestry was hold.

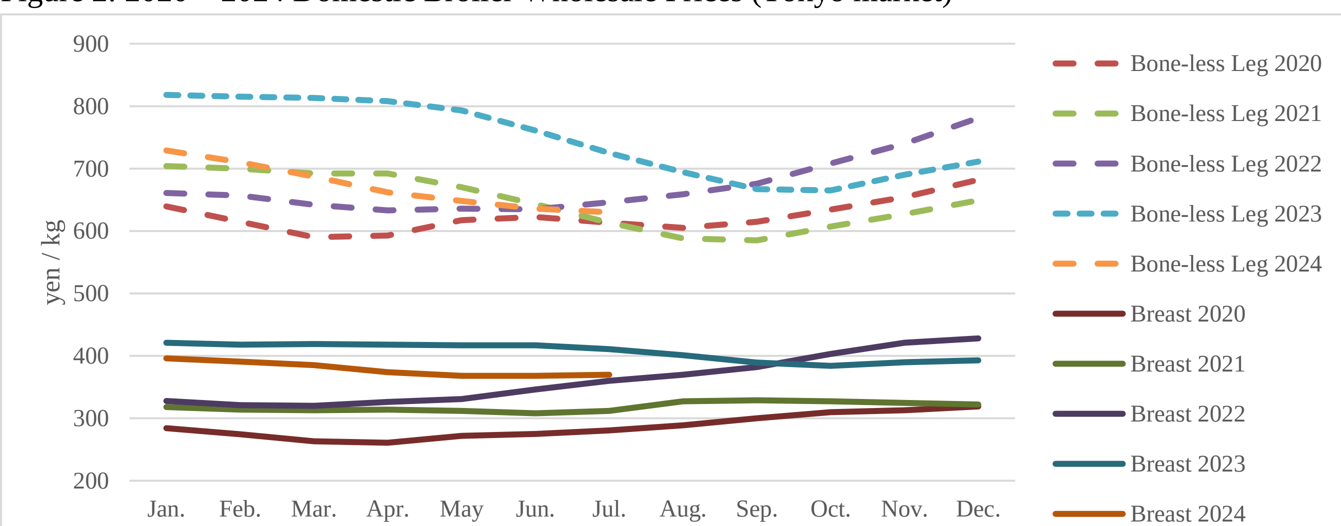
Source: MAFF

Table 2: Chicken Production in January – June Unit: MT, RTC

	Chicken (bone-in)
2023	837,703
2024	862,765
Change	3%

Source: ALIC

Figure 2: 2020 – 2024 Domestic Broiler Wholesale Prices (Tokyo market)



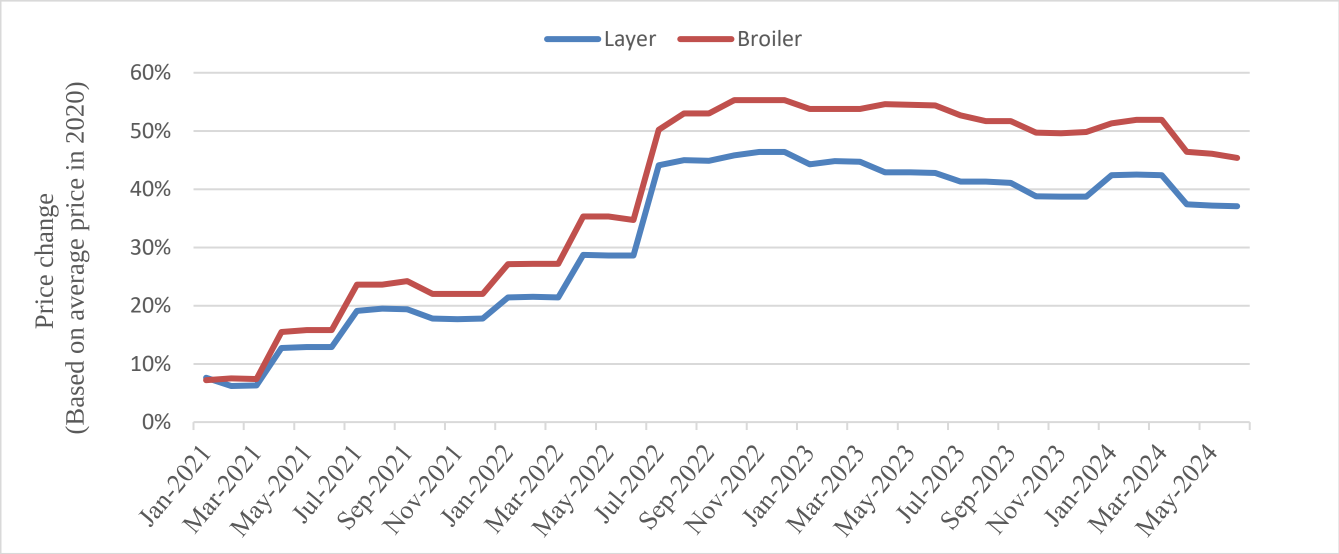
Source: ALIC

Production costs remain high for both broiler and layer flocks, a result of the need to import feed stocks with the much-depreciated yen (Figure 7 in Trade section).

Compound feed prices have been at record high levels since mid-2022 (Figure 3), although MAFF's Compound Feed Stabilization System was not triggered in Q4 of Japanese Fiscal Year (JFY, April 1 – March 31) 2023 and Q1 of JFY2024. As a partial offset to high feed costs, industry sources say that feed processors have improved feed formulas to be more digestible, which enables broilers to reach their targeted weights faster and with less feed.

According to MAFF, Japan confirmed 11 cases of HPAI outbreaks from November 25, 2023, through April 29, 2024. The cull totaled 856,000 birds, 96 % of which were layers. Although the damage to broiler operations was limited, necessary investments in biosecurity protections drives up production costs for broiler farmers as well.

Figure 3: Compound Feed Price Trend



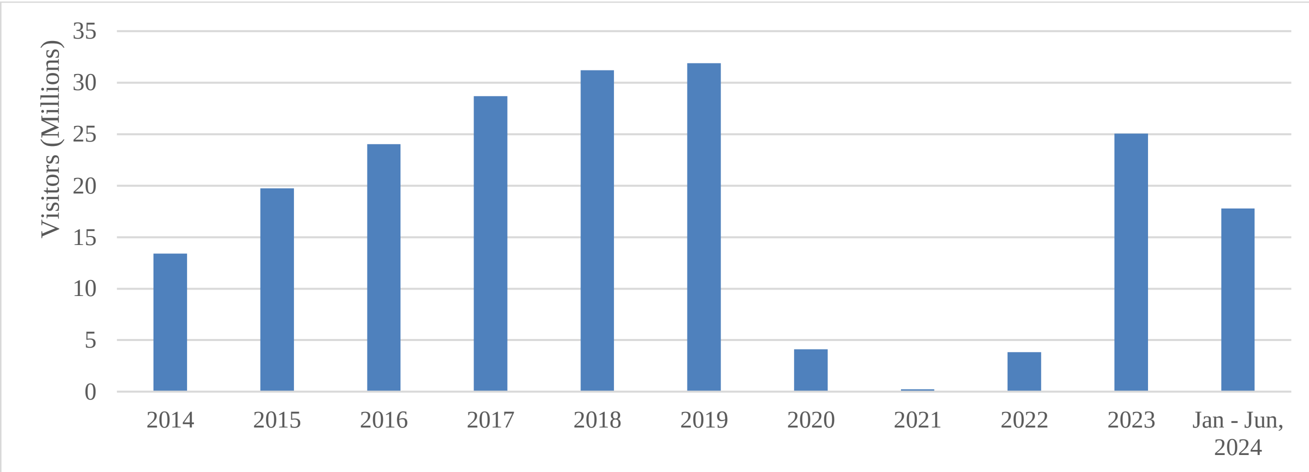
Source: MAFF

Consumption

FAS/Tokyo projects chicken consumption will be steady in 2025 as increasing numbers of visitors from overseas boosts demand among the Hotels, Restaurants and Institutional (HRI) sector.

Perhaps to take advantage of the weak yen, tourists are flocking to Japan. In the first half of 2024, the number of overseas visitors already reached 71% of the total number of visitors in 2023 (Figure 4). Since most tourists dine in restaurants, meat consumption, including chicken, has risen accordingly.

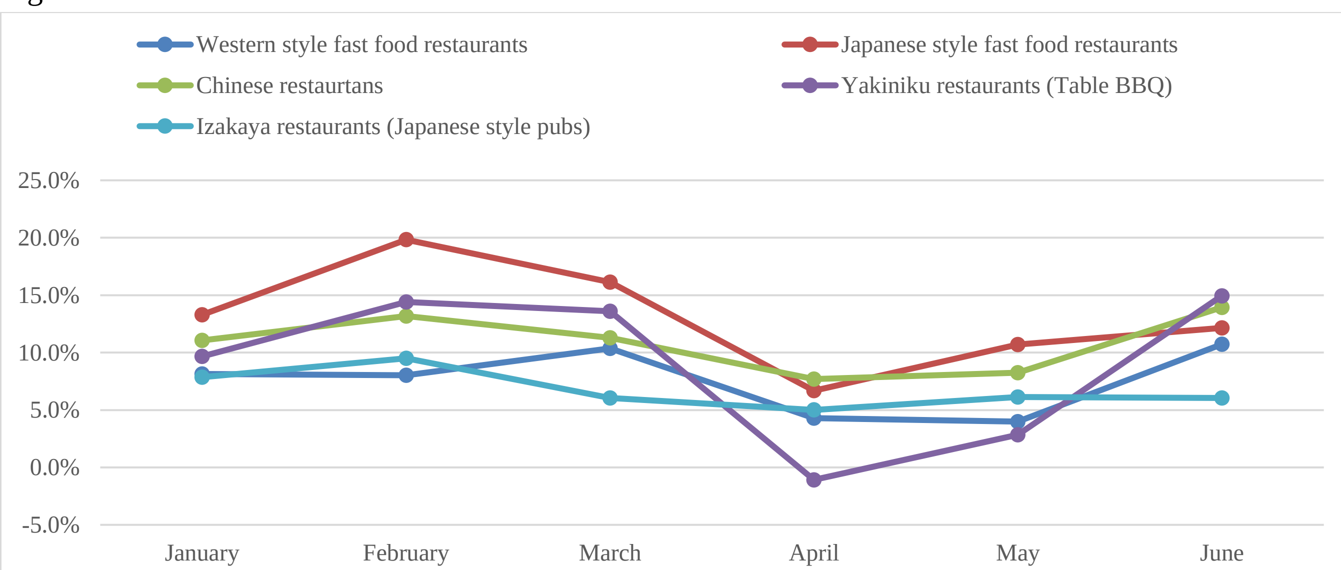
Figure 4: Total Foreign Visitors to Japan (2014- June 2024)



Source: Japan Tourism Statistics

The tourism boost has benefited sales across the food service industry, including *Izakaya* restaurants (Japanese style pubs), many of which had nearly shut down during the COVID-19 epidemic (Figure 5). Also, in response to the market impact of inflation, some restaurants as well as convenience stores have substituted chicken for beef or pork in certain recipes.

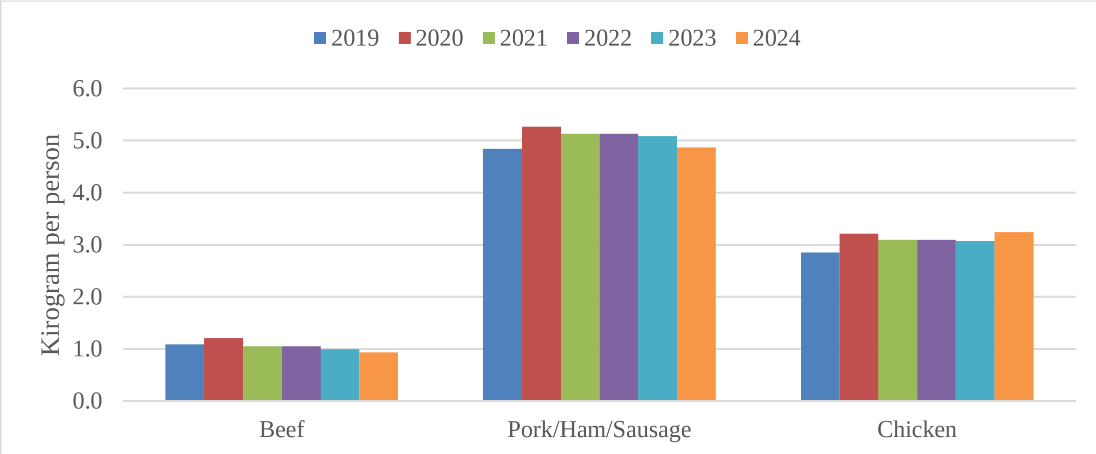
Figure 5: Sales in Food Service Industries in 2024 vs. 2023



Source: Food Service Association

The volume of retail chicken meat sold in the first half year of 2024 and equaled the volume sold in the same period of 2020 (Figure 6). One additional impact of higher prices has been a slight shifting of consumer preference: since in Japan leg meat is more expensive than breast meat, more consumers are now choosing to buy breast meat.

Figure 6: Japan's Retail Sales Trends in January – June (2019 – 2024)



Source: Ministry of Internal Affairs and Communication (MIAC)

As reported in Poultry and Products Annual in September 2023 (JA2023-0086), in the 2022 winter season (October 2022 – March 2023) HPAI outbreaks led to culls of 18 million birds, 93% of which were layers. Accordingly, meat production from spent hens dropped, which in turn forced processors to replace meat processed from spent hens with meat from domestic broilers or imported chickens.

Trade

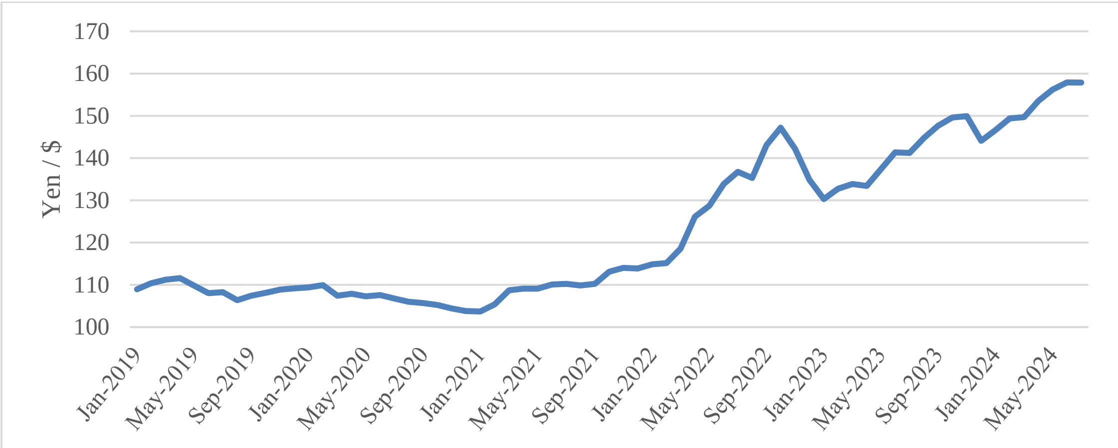
FAS/Tokyo projects Japan's chicken imports will remain flat year on year, but for the first half of 2024, Japan's chicken imports were up from all major trading partners (Thailand, Brazil and China) (Table 3). Nevertheless, pricing challenges still facing importers include the weak yen (Figure 7), higher prices for breast meats, and the supply shock--felt in both Thailand and Brazil--that was caused by export restrictions in Turkey (TU2024-0022).

Table 3: Japan's Chicken Imports in January - June

	January - June		
	2023	2024	Change
Total	**518,034**	**553,946**	**7%**
Thailand	220,092	233,917	6%
Brazil	211,241	227,622	8%
China	78,830	84,056	7%
Other	7,871	8,351	6%

Source: Trade Data Monitor (TDM)

Figure 7: Currency Exchange Rate (Japanese Yen – US Dollar, Monthly average)



Source: Bank of Japan

Supplemental Table 1: Monthly Average Wholesale Prices of Domestic Broiler Cuts

Unit: JP yen/kg

Bone-less Leg											
	2019	**2020**	**chg.**	**2021**	**chg.**	**2022**	**chg.**	**2023**	**chg.**	**2024**	**chg.**
Jan.	667	640	-4%	704	10%	661	-6%	818	24%	729	-11%
Feb.	669	615	-8%	700	14%	657	-6%	815	24%	710	-13%
Mar.	650	590	-9%	692	17%	642	-7%	813	27%	687	-15%
Apr.	625	593	-5%	692	17%	633	-9%	808	28%	662	-18%
May	605	617	2%	670	9%	636	-5%	793	25%	648	-18%
Jun.	581	623	7%	643	3%	635	-1%	761	20%	636	-16%
Jul.	565	613	9%	613	0%	646	5%	725	12%	630	-13%
Aug.	554	605	9%	588	-3%	659	12%	694	5%		
Sep.	561	615	10%	585	-5%	676	16%	667	-1%		
Oct.	572	634	11%	607	-4%	708	17%	665	-6%		
Nov.	586	654	12%	627	-4%	740	18%	690	-7%		
Dec.	616	682	11%	649	-5%	781	20%	711	-9%		
1st Qtr Ave.	662	615	-7%	699	14%	653	-6%	815	25%	709	-13%
2nd Qtr Ave.	603	611	1%	668	9%	635	-5%	787	24%	649	-18%
3rd Qtr Ave.	560	611	9%	595	-3%	660	11%	695	5%		
4th Qtr Ave.	592	657	11%	628	-4%	743	18%	689	-7%		
Year Ave.	**604**	**623**	**3%**	**648**	**4%**	**673**	**4%**	**747**	**11%**		

Breast										
	2019	**2020**	**chg.**	**2021**	**chg.**	**2022**	**chg.**	**2023**	**chg.**	**2024**	**chg.**
Jan.	285	284	0%	318	12%	328	3%	421	28%	396	-6%
Feb.	269	274	2%	314	15%	321	2%	418	30%	391	-6%
Mar.	251	263	5%	313	19%	320	2%	419	31%	385	-8%
Apr.	246	261	6%	314	20%	326	4%	418	28%	374	-11%
May	243	272	12%	312	15%	331	6%	417	26%	368	-12%
Jun.	241	275	14%	308	12%	346	12%	417	21%	368	-12%
Jul.	237	281	18%	312	11%	360	15%	411	14%	370	-10%
Aug.	239	289	21%	327	13%	370	13%	401	8%		
Sep.	251	300	20%	329	10%	382	16%	389	2%		
Oct.	273	310	14%	327	5%	403	23%	384	-5%		
Nov.	280	313	12%	325	4%	421	30%	390	-7%		
Dec.	286	319	12%	322	1%	428	33%	393	-8%		
1st Qtr Ave.	268	274	2%	315	15%	323	3%	419	30%	391	-7%
2nd Qtr Ave.	243	269	11%	311	16%	334	7%	417	25%	370	-11%
3rd Qtr Ave.	242	290	20%	323	11%	371	15%	400	8%		
4th Qtr Ave.	280	314	12%	325	3%	417	29%	389	-7%		
Year Ave.	**258**	**287**	**11%**	**318**	**11%**	**361**	**13%**	**407**	**13%**		

Source: ALIC Monthly Statistics (Quarterly average price is compiled by FAS/Tokyo based on original ALIC monthly data.)

Supplemental Table 2: Japanese Monthly Ending Poultry Stock Estimates

Unit: MT

	2019	2020	chg.	2021	chg.	2022	chg.	2023	chg.	2024	chg.
Jan.	162,133	166,107	2	156,031	-6	158,303	1	150,021	-5	157,029	5
Feb.	158,883	167,710	6	157,208	-6	163,173	4	153,092	-6	159,005	4
Mar.	152,329	170,447	12	163,802	-4	157,653	-4	153,902	-2	165,978	8
Apr.	153,163	171,702	12	161,412	-6	147,646	-9	147,050	0	162,563	11
May	152,778	169,368	11	162,167	-4	146,863	-9	156,845	7	167,304	7
Jun.	153,595	170,786	11	155,848	-9	149,569	-4	162,211	8	169,774	5
Jul.	156,610	170,149	9	148,270	-13	150,012	1	160,217	7		
Aug.	156,959	167,132	6	146,306	-12	149,715	2	165,332	10		
Sep.	164,346	166,214	1	141,357	-15	147,061	4	162,546	11		
Oct.	167,174	160,947	-4	142,877	-11	152,720	7	160,680	5		
Nov.	166,192	157,700	-5	148,227	-6	153,312	3	150,833	-2		
Dec.	161,807	151,091	-7	149,901	-1	148,824	-1	149,211	0		

Note: Figures represents the poultry meat estimates. Imported poultry cuts account roughly 80% of ending stocks on the average with the majority being broiler meat.
Source: ALIC

Attachments:

No Attachments