

# Japan lifted restrictions on US beef imports!

United States has long-standing restrictions on U.S. grown beef. A major reason was mad cow disease. It's believed that humans can catch mad cow disease by eating meat from contaminated carcasses. These restrictions lasted for about a decade. Japan has implemented a decision to allow imports of beef from United States up to 30 months old and that will reflect in significant increase of jobs in packing operations across the U.S. The decision was effective starting from February 1<sup>st</sup>, 2013. This decision has been an extreme positive step towards success of cooperation between two governments.

There are predictions that Japan beef imports from the United States would increase almost 50% in value and volume of imported products. Soon after, the U.S. became top exporter of frozen beef to Japan, with \$172 million exported meat value as announced by World Trade Center of Denver. When we talk about ban of U.S. beef to Japan, it is worth to mention some of the losses in an average state such as Colorado. That states counts as 5<sup>th</sup> on the list of U.S. when it comes to production of beef planned for export to Japan and it lost about \$160 during the years of 2004 and 2005.

Different requirements for different countries add complexities to production plants in the United States. Decision to move under 30 months of age, gives us statistics with results estimated that more than 90 percent of the cattle in the U.S. will be eligible for beef exports to Japan. In comparison to the previous law only 20 percent has been available.

Almost all American beef exports are of animals younger than 30 months. These animals were especially grown for slaughter. Animals over the mentioned age are mostly consumed domestically. Japan imported even more than 1 million metric tons of beef at the same time their domestic beef productions was very limited, which makes this market very attractive to foreign exporters. Cattle in Japan are intensively fed from weaning until slaughter and it usually occurs later than in the United States where they are grown up to the certain age or weight. By doing so, Japanese beef is heavily marbled with fat and prized by the consumers for its tenderness. In comparison to U.S. beef, price of Japanese produced beef is relatively higher.

When we talk about the period of time before import of U.S. beef was implemented, we can go as far as 1990s when Japan ended its beef quota. Until the year of 2000, half of imports were coming from the United States. That created a market for less expensive beef easily reachable for consumers. This year (2013), Japan has also eased restrictions and further opened the door on beef imports from other countries such as Canada, France and the Netherlands.

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