



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

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Japan: Beef and Lamb - April 2023

A MARKET INTELLIGENCE REPORT

Report

This is a joint report from the MFAT, NZTE and MPI teams at the NZ Embassy in Tokyo.



Japan's meat market is the third largest in the world (after the US and China), estimated to be worth [NZ\\$88 billion](#) in 2023, up 3.5% on last year. Japanese consumers eat nearly 20% more meat per person than they did 20 years ago, but – consistent with trends in New Zealand – pork and poultry (which comprise 81% of the market) continue increasingly to be more popular than beef and lamb (which comprise 19% of the market).

Over the last twenty years, demand for beef in Japan has increased by 8%, but domestic production has decreased by 10% over the same period. This has created increased opportunities for imported beef, which now makes up half of the market. Australia supplies more than 50% of Japan's total grain-fed beef imports, but its recent supply has decreased due to the 2019-2020 droughts, and the growing appetite for beef in China.

New Zealand businesses have been able to meet some of the demand in the Japan market, exporting NZ\$349 million worth of beef to Japan in 2022 (up 29% from 2021).

Demand for lamb in Japan has remained relatively flat. But Japan's domestic supply is minimal, so almost all lamb is imported – with more than 90% being sourced from Australia or New Zealand. Over the last ten years, Australian lamb suppliers have reduced their exports to Japan in favour of higher prices in China. This has opened the door for New Zealand businesses to meet the growing demand in Japan, with lamb prices almost

doubling in price over the last 10 years. New Zealand exported NZ\$99.4 million worth of lamb to Japan in 2022 (up 10% from 2021).

Under [CPTPP](#), New Zealand exporters are able to access the lowest tariff rates for beef and lamb exports to Japan. Tariffs on beef exports are reducing from 38.5% to 9% over 16 years, and nearly all tariffs on lamb were eliminated upon entry into force (December 2018). To check the current tariffs on beef or lamb to Japan, check out [MFAT's Tariff Finder](#).

Beef

In the Japan market, beef is typically categorised by source (domestic vs imported) and feed type (grass-fed vs grain-fed). Japanese consumers perceive domestic beef – which is predominantly grain-fed – to be of higher quality, and it therefore generally commands a higher price than imported beef. This is especially true for [Wagyu](#) (from four specific Japanese cattle breeds that fulfil certain requirements). For imported beef, grass-fed beef can achieve a higher price point, as it is perceived as being superior in terms of sustainability.

Japanese consumers consider beef to be a premium meat product. Beef is used in a wide range of modern and traditional Japanese recipes and is a popular meat choice for consumption at home and in the foodservice sector. During the COVID period, with more Japanese eating at home rather than in restaurants, there was a bump in demand for frozen ready-to-eat dishes. Western influences on the Japanese diet have changed consumer preferences. For example, beef dishes such as [yakiniku \(BBQ\)](#), [gyudon \(beef rice bowl\)](#) and [Hamburg steaks](#) are now popular staples in Japanese cuisine.

Lamb

Lamb is attractive to health conscious consumers due to its low fat and high iron content. Its addition to local cuisine has made it trendy among consumers. Historically, foodservice makes up most imported lamb sales as consumers eat lamb in restaurants. Lamb is popular among locals and tourists on the northern island of Hokkaido, where it is commonly barbecued on table-top grills. COVID-19 has led some consumers to cook and eat lamb at home. As such, large Japanese retailers are starting to carry lamb in their meat sections. However, lack of knowledge about how to prepare lamb at home places limits on demand for home consumption.

Perceptions of New Zealand beef and lamb

Japanese consumers are becoming increasingly aware of New Zealand's farming practice of feeding cattle and sheep grass year-round. Grass-fed beef and lamb is considered safe and of high quality – it is also popular for its nutritional benefits, especially among health-conscious Japanese.

Aside from the price, Japanese shoppers often cannot tell the difference between New Zealand and Australian meat products. On occasion, local Japanese businesses have substituted Australian meat for New Zealand meat when our exporters are unable to meet the high demand during the Japanese winter.

New Zealand exporters: telling their brand story

NZTE-commissioned research by Kantar shows that New Zealand producers can reach Japanese consumers by:

- Highlighting the natural goodness of New Zealand's environment.
- Emphasising the nutritional and health benefits of grass-fed beef and lamb.
- Focusing on the taste, flavour and freshness. [NZTE's Made with Care campaign](#) has key messages around taste, nutrition and quality that exporters can use in their marketing efforts.
- Localising messaging – ensuring it takes Japanese culture into account. Focusing on animal welfare, and the hormone-free and organic qualities of New Zealand beef and lamb will appeal to Japanese consumers.

Three additional keys to marketing beef and lamb in Japan include:

- **Seasonality.** Understand how and when Japanese consume beef and lamb. The Japanese generally enjoying barbecuing in summer, but they consume meat differently during winter. Look at ways to tailor marketing plans to coincide with seasonal traditions and festivities.
- **Social media.** Exporters should consider using social media as part of their marketing strategies. 31% of Japanese shop with their mobile phones, and 69% of all e-commerce sales in Japan are made on mobile devices. Social media features heavily in the B2C space and e-commerce retailers have seen considerable growth in 2020.
- **Managing consumer expectations.** The Japanese are known for their high expectations around product quality and a strong attention to detail. Not only is the quality of products important, but exporters need to ensure that the quality of their brands is consistent throughout the purchase funnel – from advertising and service to packaging and delivery. This includes translating and localising brand messaging to capture the interest of target audiences.

For more information about exporting beef and lamb to Japan, please check out the following articles on the myNZTE website:

- [Is Japan the right market for your beef and lamb products? - myNZTE](#)
- [Identifying beef and lamb consumers in Japan - myNZTE](#)
- [Where to sell your beef and lamb in Japan - myNZTE](#)
- [Building your beef and lamb brand in Japan - myNZTE](#)

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