Japan continues to be one of the best opportunities in the world for U.S. exporters of food products, including beef, according to a new report from the USDA’s Global Agricultural Information Network (GAIN). The report summarizes trends in the Japanese food market and provides tips and technical information for food companies seeking to develop export business in Japan.

In 2011, the United States exported $14.86 billion worth of agricultural and fish products to Japan, according to the report, and the total food and drink market in Japan is valued at around $821.31 billion.

Growth in U.S. beef exports to Japan has been limited by BSE-related restrictions since 2001. The country currently imports only beef cuts derived from animals 20 months of age or younger, with strict import restrictions specified under the Export Verification program. However, ongoing negotiations have generated optimism that Japan will soon ease its age restrictions to 30 months, which would allow significant expansion of our beef trade and market share in Japan.

During 2011, the U.S. supplied about 120,605 metric tons of chilled and frozen beef, valued at $687 million, to Japan, while the country’s total volume of imported beef was 517,231 metric tons valued at $2.65 billion.

Japan also imports significant amounts of beef offal and variety meats such as tongues, which have limited value in our domestic market. During 2011, the country imported 44,192 metric tons of those products, with a value of $412 million. The U.S. share was 17,186 metric tons with a value of $173 million.

The authors note that Japanese consumers are highly concerned about food safety and traceability, place great importance on quality and appreciate taste and all of its subtleties. They tend to be well-educated and knowledgeable about food and are increasingly health-conscious.

The report lists a number of advantages U.S. exporters have in the Japanese food market, including:

- A weak U.S. dollar relative to the Japanese yen.
- U.S. food cost/quality competitiveness
- Reliable supply of U.S. agricultural products
- Advanced U.S. food processing technology
- Relatively low U.S. shipping costs
- Science-based U.S. food safety procedures
- Growing Japanese emulation of U.S. cultural and food trends

Challenges to building exports to Japan include:

- Long transport distance.
- High cost of marketing in Japan.
- Complicated labeling laws.
- Increasing competition with China and other food exporting countries.

Read the full report from USDA/GAIN.