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GAIN Report

Global Agricultural Information Network

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Japan Revises Beef and Pork Safeguards After Japan-EU EPA

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Livestock and Products

Trade Policy Monitoring

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Report Highlights:

On January 31, 2019, Japan's Ministry of Finance revised the beef and pork safeguard trigger volumes to reflect the entry into force of a free trade agreement between Japan and the European Union (EU) on February 1. The revision removes EU imports from the trigger conditions which count imports only from countries with which Japan does not have a free trade agreement. This follows an earlier revision on December 30, 2018 after entry into force of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

General Information:

Latest Revision to Safeguard Volumes

As FAS/Tokyo previously reported in [JA8109](#) and [JA9006](#), Japan revised the safeguard trigger volumes for beef and pork to reflect the entry into force of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on December 30, 2018. In this revision Japan removed the volumes imported by CPTPP countries from the trigger conditions, which only count imports from countries with which Japan does not have an economic partnership agreement (referred to as non-EPA countries). In addition to revising the trigger volumes, Japan added a second trigger condition to the pork safeguard (SG) and pork special safeguard (SSG) which calculated imports from all trading partners. For more information on this changes, please refer to the aforementioned GAIN reports.

On January 31, 2019, Japan's Ministry of Finance announced a second revision to the trigger volumes for beef and pork to reflect the entry into force of the Japan-European Union (EU) EPA on February 1 by removing EU countries from the non-EPA trigger calculations. The revised trigger volumes and imports to date for the beef safeguard, pork SG, and pork SSG are indicated in Table 1 and 2 below which replace the safeguard tables listed in FAS/Tokyo's 2019 Livestock and Products Semi-annual Report [JA9023](#). Table 3 provides the list of HS codes for the pork SG and SSG (updated from [JA9006](#)).

January 2019 Trade Data

Official trade data for January 2019 was released by Japan's Ministry of Finance on February 27. Based on the data, FAS/Tokyo estimated imports of beef and pork from non-EPA countries in the tables below. However, these estimates may differ slightly from the actual non-EPA figures which are based not on country of origin, but on tariff treatment. For example, product from a CPTPP country will count as a non-EPA import if the importer does not apply for CPTPP preferential tariff treatment.

Beef

As FAS/Tokyo reported in [JA9023](#), the non-EPA trigger level for frozen beef was surpassed in December 2018, meaning that all partners cumulative trade must remain below the JFY 2018 Q4 trigger level (set at 352,683 MT) to avoid triggering the safeguard on frozen beef. FAS/Tokyo estimates Japan's imports of frozen beef from all trading partners in January was 30,898 MT. This leaves 49,887 MT of room below the all-partners trigger level for the two remaining months of Japan Fiscal Year (JFY) 2018. On February 26, Japan's Agriculture and Livestock Industries Corporation (ALIC) announced its [projection](#) that Japan would import 44,800 MT of frozen beef in these two months.

For chilled beef, FAS/Tokyo estimates that Japan imported 19,676 MT from all partners and 9,395 MT from non-EPA countries in January. This leaves 78,526 MT under the all partners trigger and 47,279 MT under the non-EPA trigger which FAS/Tokyo estimates is sufficient room to avoid either condition being triggered.

Pork

In January, FAS/Tokyo estimates that Japan imported 62,318 MT of pork products subject to the SG from all trading partners and 20,845 MT from non-EPA partners. This leaves 280,443 MT of room under the all-partners trigger and 100,061 MT under the non-EPA trigger for the remaining two months of JFY 2018. FAS/Tokyo does not anticipate either trigger volume being surpassed.

For the pork SSG, FAS/Tokyo estimates 62,320 MT of imports from all partners and 20,845 MT from non-EPA partners in January. The all-partners SSG trade is slightly higher than the SG trade due to the inclusion of live animals (converted at a rate of 54 kilograms per head). This leaves 197,497 MT of room under the all-partners trigger and 62,044 MT under the non-EPA trigger for the remaining two months of JFY 2018. FAS/Tokyo does not anticipate either trigger volume being surpassed.

Table 1 Beef Safeguard Trigger Levels

1-a. Trigger Levels for All Trade Partners for JFY 2018 and Actual Imports Year to Date

Chilled Beef

Unit: Metric Ton

	Trigger Levels for JFY 2018	Actual Entry			Room under the trigger
		Month	Amount	Cum. Total	
Q1	80,525	April	25,139	25,139	55,386
		May	24,915	50,054	30,471
		June	23,467	73,521	7,004
Q2	165,647	July	25,964	99,485	66,162
		August	26,285	125,770	39,877
		September	20,790	146,560	19,087
Q3	244,968	October	23,679	170,239	74,729
		November	24,880	195,119	49,849
		December	22,844	217,963	27,005
Q4	316,165	January	19,676	237,639	78,526
		February			
		March			

Frozen Beef

Q1	104,427	April	37,002	37,002	67,425
		May	29,224	66,226	38,201
		June	23,870	90,096	14,331
Q2	211,350	July	39,593	129,689	81,661
		August	31,434	161,123	50,227
		September	31,479	192,602	18,748
Q3	286,291	October	27,741	220,343	65,948
		November	26,783	247,126	39,165
		December	24,772	271,898	14,393
Q4	352,683	January	30,898	302,796	49,887
		February			
		March			

1-b. Trigger Levels for Non-EPA Trade Partners for JFY 2018 and Actual Imports Year to Date

Chilled Beef

Unit: Metric Ton

	Trigger Levels for JFY 2018	Actual Entry			Room under the trigger
		Month	Amount (MT)	Cum. Total	
Q1	43,205	April			
		May			
		June			
Q2	91,008	July			
		August			
		September			
Q3	125,634	October			
		November		94,017	31,617
		December	11,776	105,793	19,841
Q4	162,422	January	9,395*	115,143	47,279
		February			
		March			

Frozen Beef

Q1	44,254	April			
		May			
		June			
Q2	89,315	July			
		August			
		September			
Q3	94,915	October			
		November		90,453	4,462
		December	9,548	100,001	-5,086
Q4	108,633	January	8,207*	107,789	n/a
		February			
		March			

Source: Ministry of Finance and Agriculture & Livestock Industries Corporation

* FAS/Tokyo estimate based on Ministry of Finance trade data

Table 2 Pork Safeguard Trigger Levels
2-a SG

All Trade Partners

Unit: Metric Ton

	Trigger Levels for JFY 2018	Actual Entry			Room under the trigger
		Month	Amount	Cum. Total	
Q1		April			
		May			
		June			
Q2		July			
		August			
		September			
Q3	792,226	October			
		November		637,490	154,736
		December	74,028	711,518	80,708
Q4	1,054,279	January	62,318*	773,836	280,443
		February			
		March			

Non-EPA Partners

Q1		April			
		May			
		June			
Q2		July			
		August			
		September			
Q3	528,919	October			
		November		406,606	122,313
		December	45,944	452,550	76,369
Q4	324,805	January	20,845*	224,744	100,061
		February			
		March			

Source: Ministry of Finance and Agriculture & Livestock Industries Corporation

* FAS/Tokyo estimate based on Ministry of Finance trade data

2-b SSG

All Trade Partners

Unit: Metric Ton

	Trigger Levels for JFY 2018	Actual Entry			Room under the trigger
		Month	Amount (MT)	Cum. Total	
Q1	971,357	April			
		May			
		June			
Q2		July			
		August			
		September			
Q3		October			
		November		637,509	333,848
		December	74,030	711,539	259,818
Q4		January	62,320*	773,860	197,497
		February			
		March			

Non-EPA Partners

Q1	286,800	April			
		May			
		June			
Q2		July			
		August			
		September			
Q3		October			
		November			
		December			
Q4		January	20,845*	224,756	62,044
		February			
		March			

Source: Ministry of Finance and Agriculture & Livestock Industries Corporation

* FAS/Tokyo estimate based on Ministry of Finance trade data

Table 3: Pork Safeguard Scope (HS codes)

	HS codes
SG	020311020, <i>020311030</i> , 020311031 , 020311032 , 020311040, 020312021, 020312022, 020312023, 020312024 , 020312025, <i>020319021</i> , 020319022, 020319023, 020319024 , 020319025 , 020321020, <i>020321030</i> , 020321031 , 020321032 , 020321040, <i>020322021</i> , 020322022, 020322023, 020322024 , 020322025 , <i>020329021</i> , 020329022, 020329023, 020329024 , 020329025 , <i>020630092</i> , 020630093, 020630094 , 020630095 , 020630099, <i>020649092</i> , 020649093, 020649094 , 020649095 , 020649099, 021011010, 021011020, 021012010, 021012020, 021019010, 021019020, 021099011, 021099019, 160241011, 160241019, 160242011, 160242019, 160249210, 160249220
SSG	<u>010392011</u> , <u>010392012</u> , <u>010392020</u> , 020311020, <i>020311030</i> , 020311031 , 020311032 , 020311040, <i>020312021</i> , 020312022, 020312023, 020312024 , 020312025 , <i>020319021</i> , 020319022, 020319023, 020319024 , 020319025 , 020321020, <i>020321030</i> , 020321031 , 020321032 , 020321040, <i>020322021</i> , 020322022, 020322023, 020322024 , 020322025 , <i>020329021</i> , 020329022, 020329023, 020329024 , 020329025 , <i>020630092</i> , 020630093, 020630094 , 020630095 , 020630099, <i>020649092</i> , 020649093, 020649094 , 020649095 , 020649099, 021011010, 021011020, 021012010, 021012020, 021019010, 021019020, 021099011, 021099019, 160241011, 160241019, 160242011, 160242019, 160249210, 160249220

Source: Ministry of Agriculture, Forestry and Fisheries and Ministry of Finance

Note:

- 1) This table updates the HS codes in [JA9006](#) which listed 6-digit level codes instead of the full 9-digit level codes.
- 2) Japan updated its HS codes on December 30, 2018 upon entry into force of CPTPP. Codes listed in italics were replaced by the codes in bold.
- 3) Underlined codes denote living animals which for the SSG are converted at a rate of 54 kilograms per head.