

MARKET SNAPSHOT | BEEF & SHEEPMEAT



EXPORTS

Large and established export destination, particularly for grainfed beef



CONSUMERS

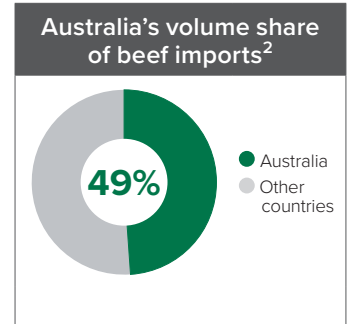
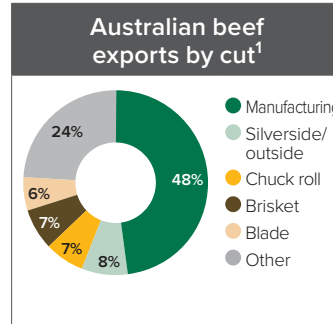
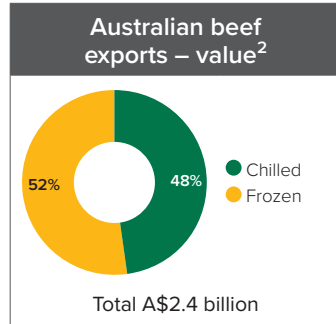
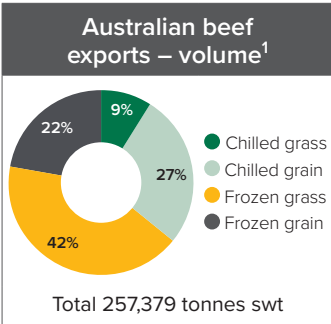
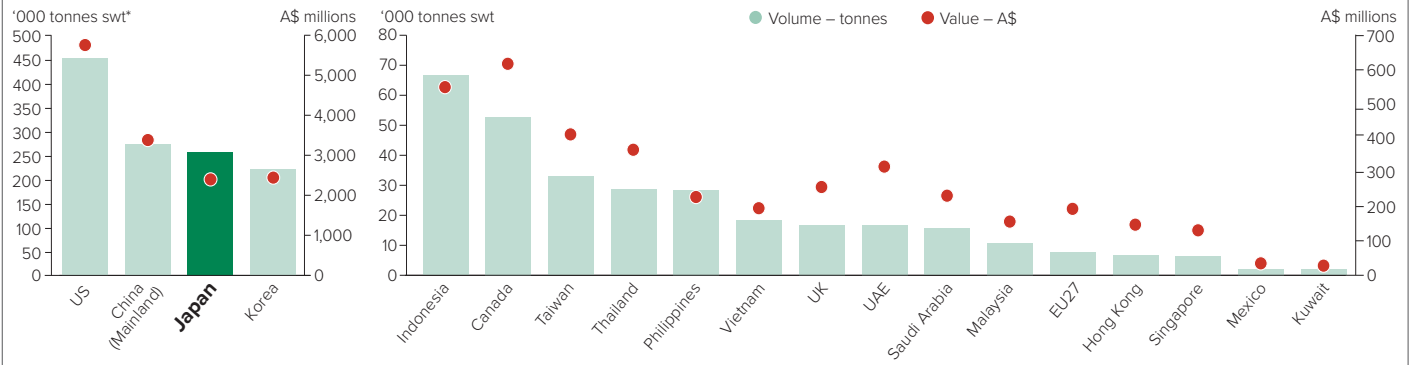
Large pool of mid-income consumers, challenged by increasing cost of living



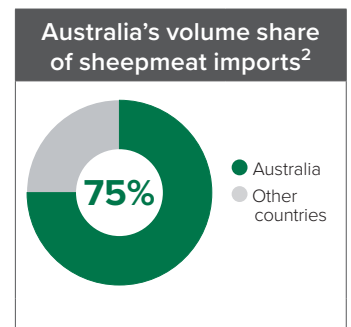
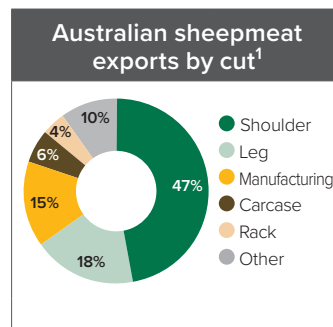
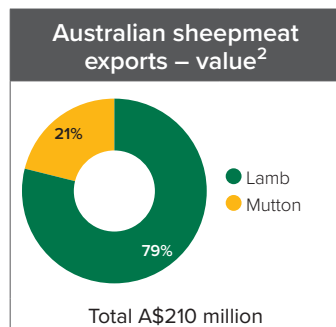
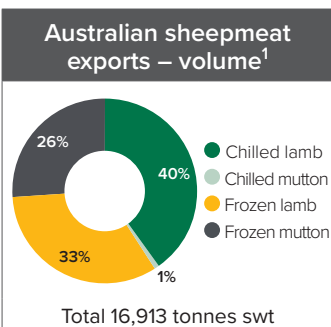
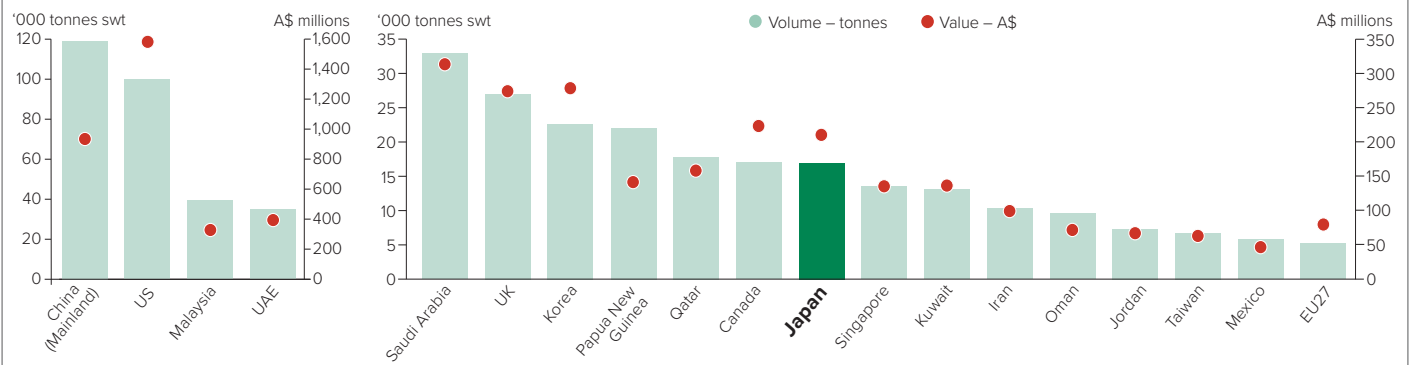
GROWTH

Red meat with good taste that supports health and nutrition

Australian beef exports to Japan in a global context^{1 and 2}



Australian sheepmeat exports to Japan in a global context^{1 and 2}



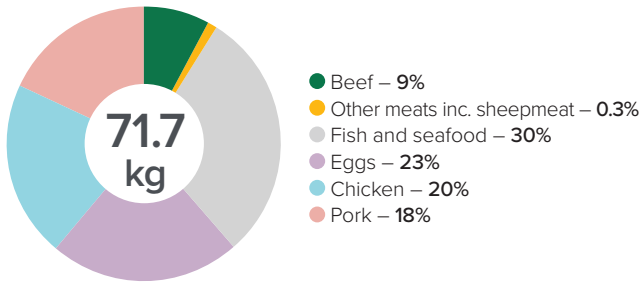
Data source for charts: ¹Department of Agriculture, Forestry and Fisheries (DAFF) 2025, ²Trade Data Monitor, LLC (TDM) Moving Annual Total (MAT) November 2025, *swt = shipped weight

CONSUMERS



- Japanese consumers appreciate balance and variety in their diet, and often seek food that delivers both enjoyment and health benefits. With almost one third of the population (30%) over 65 years of age, Japanese consumers have a strong interest in staying healthy, active and alert (Source: Fitch Solutions).

Protein consumption per capita



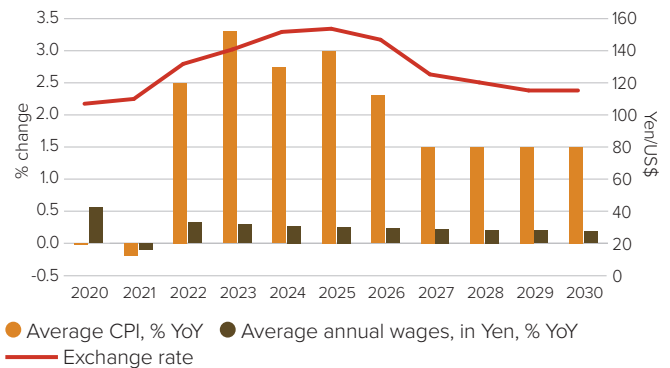
Source: Ministry of Agriculture, Forestry and Fisheries of Japan (MAFF), Annual consumption volume per person in kg product weight, Japanese Fiscal Year (JFY) April 2024 to March 2025

- Beef is considered to be the most premium protein, underpinned by a strong emotional connection and a uniquely enjoyable flavour experience. Japanese consumers highly regard marbled Japanese Wagyu beef as the most prestigious beef for special occasions, while *akami* (leaner meat) such as Australian beef is more suited for a variety of Western and Japanese-style everyday meals.
- Eased but still elevated levels of inflation, a weakened Yen and slow real wage growth continue to challenge Japanese consumer spending.
- In contrast, inbound tourism to Japan has surged, with 2025 projected to set a new record for international arrivals and

tourism receipts expected to surpass US\$60 billion (Source: Fitch Solutions). This growth in tourism has supported the hotel and foodservice businesses as Japan aims to attract 60 million foreign visitors by 2030 (Source: Ministry of Foreign Affairs of Japan).

- Sustainability remains an emerging concept in Japan. Consumers expect businesses to lead the movement with initiatives like reducing packaging waste and loyalty incentives (Source: Japan Finance Corporation).
- Despite economic and socio-demographic challenges, Japan is one of the four largest importers of beef globally, and ranks in the top 10 in global grocery market size at US\$324.4 billion (Australia ranks 19th) (Source: TDM, IGD). These market factors, and established trust from consumers provide Australia with ongoing opportunities to enhance Japan's beef demand into the future by continuously reinforcing the goodness of beef, and leveraging Australia's reputation as a safe, natural and trusted supplier.

Japan economic indicators



Source: Fitch Solutions, Includes estimates and forecast, CPI = Consumer Price Index, YoY = year-on-year

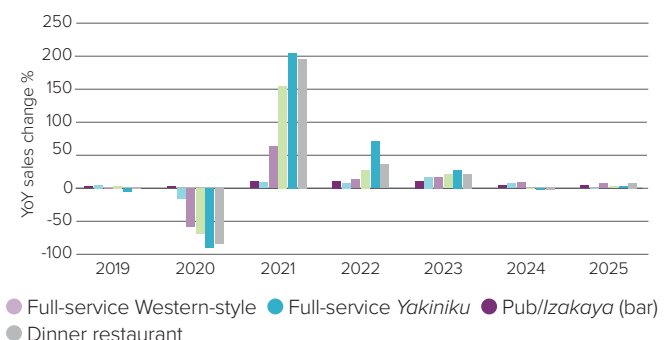
FOODSERVICE



- Japan's restaurant sector is one of the most developed in the world in size and sophistication, with a diverse range of global cuisines and price points available to consumers. It is also the key channel for beef, which accounts for approximately 51% of total beef consumed in the market (Source: MLA estimates 2025). Consumers appreciate highly marbled Japanese Wagyu beef for high-end dining, while leaner/less marbled Australian beef is enjoyed across the foodservice sector.
- Australia is a major supplier of beef to hamburger chains and casual dining restaurants in Japan. Mid-range eateries and hotels are also key users of Australian beef. Products such as premium grassfed, highly marbled or breed-specific Australian beef are also emerging with potential for further growth. MLA estimates that almost half of Australian beef exported to the market is utilised in the foodservice sector.
- Workers have returned to the office and the usual after work drinks and meal rituals but the tough economic climate has led to more people preferring to socialise in smaller circles and spend time privately.
- A significant rise in inbound tourism, coupled with growing global interest in Japanese cuisine, has revitalised the fine dining segment, which had long struggled due to Japan's slow economy. Tokyo and Osaka are at the forefront of this trend, both ranking among the top three global cities in Michelin-starred restaurants, a testament to Japan's fine dining scene.

- Sales performance in casual dining and quick-service restaurants has been mixed, with much of the growth driven by inflation. Economic uncertainty has made consumers more price-conscious and selective about where they find 'value for money' and enjoyment when dining out. This has intensified competition among operators, as seen in numerous *yakiniku* (Japanese-style barbecue) outlet closures over the past year.
- To adapt to challenging economic conditions, businesses are implementing differentiated strategies such as using cheaper protein cuts on menus, introducing limited-time seasonal dishes, and launching promotions aimed at solo diners.

Japan foodservice sales performance



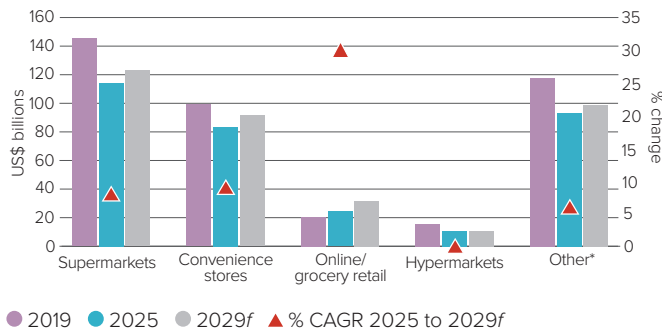
Source: Japan Foodservice Association, Comparison in the month of April 2025



RETAIL

- The Japanese retail food market is highly sophisticated, but also very fragmented, with almost 60% of the grocery market occupied by many regional and/or smaller retailers (Source: IGD).
- Supermarkets are the most common place for Japanese consumers to purchase both fresh and cooked food items, including imported beef. Supermarket sales have grown since 2024 as a result of rising food prices, offsetting softened consumer spending.

Grocery retail sales by channel forecast



Source: IGD, CAGR = compound annual growth rate, f = forecast, *Other includes traditional channels and other modern retail

- Variety and convenience are very important for Japanese consumers. Convenience stores are Japan's second largest retail

channel with ready-to-eat meals like *bento* (lunchboxes) and delicatessen items accounting for 13.5% of total grocery sales, making them the second largest category after fruits and vegetables (Source: Japan Chain Store Association). While red meat does not traditionally occupy a lot of space, major retailers are taking measures to increase beef consumption by ranging more beef options in different time-saving formats (Source: Agriculture and Livestock Industry (ALIC) Meat Sales Trend Survey Results H1 2025). Besides *bento* boxes, Australian beef is often used for frozen/long-life food items and snacks such as beef jerky.

- Online retail is expected to grow faster than offline, albeit from a smaller base (Source: IGD). Many Japanese consumers, particularly older generations, still prefer to seek out the 'value offer of the day' (price, freshness, seasonality and variety) in-store.

Japanese consumers' top associations with Australian beef

- ✓ I trust the beef from here
- ✓ Has consistent quality standards
- ✓ Is guaranteed safe to eat
- ✓ Is my/my family's favourite beef
- ✓ Is fresh

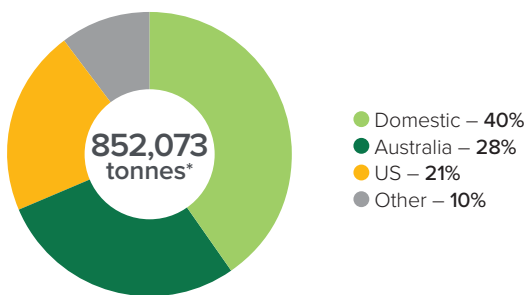
Source: MLA Global Consumer Tracker 2025

COMPETITIVE LANDSCAPE



- Beef consumption in Japan in JFY24 was estimated to be 852,000 tonnes (product weight), a 2% decline from the previous year. The fall in domestic consumption was partially offset by slightly higher consumption of imported beef (Source: ALIC).

Japan beef consumption by supplier



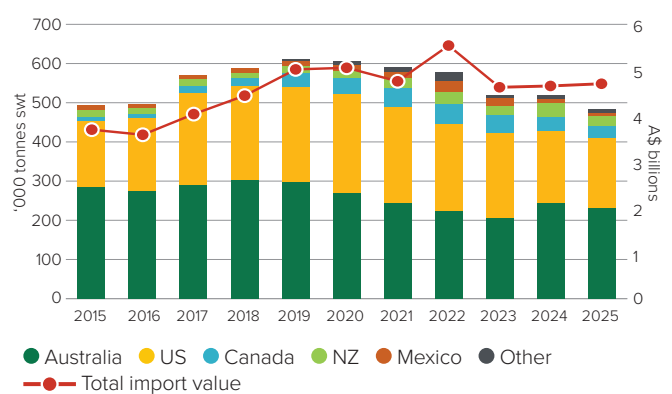
Source: ALIC, TDM, MLA estimate, *based on product weight, JFY24

- Australia and the United States (US) are the main suppliers of imported beef into Japan. More than 80% of imports from the US are brisket/shortplate cuts, mainly supplied to *gyudon* (beef rice bowl) users, and another 11% are shoulder/round cuts for other foodservice and supermarket trade. The US is also a major supplier of beef offal (tongue in particular) to Japan's *yakiniku* restaurants (Source: TDM).
- The average import value of US beef in 2025 increased by 10% to 970 Yen/kg (or A\$10.12), due to a combined effect of reduced supply from the US and the weak Yen.
- Australia has two effective trade agreements for beef with Japan – the Japan-Australia Economic Partnership Agreement (JAEPA) and the Comprehensive and Progressive Agreement

for Trans-Pacific Partnership (CPTPP). The import tariff on beef for CPTPP member countries, including Australia, will be reduced to 9% by 2033, from the current 21.6% (20.8% from 1 April 2026) – with the CPTPP tariff being more favourable for Australian beef than JAEPA. The tariff on US beef is matched with the CPTPP rate under the US-Japan Trade Agreement.

- Canada and New Zealand (NZ) have increased their shipments to Japan since the commencement of the CPTPP, albeit from a low base. Other competitors such as Mexico and Uruguay have also supplied small volumes to date (Source: TDM).
- Japan exported a small quantity of premium beef (10,407 tonnes swt in JFY24, up 20% from the previous year), with the majority being highly marbled Wagyu beef. Their main markets are North Asia, South-East Asia and North America, which take almost 90% of total shipments. Australia imported 82 tonnes swt of Japanese beef during the same period (Source: TDM).

Japan beef imports by supplier*



Source: TDM, *MAT year ending September

Sheepmeat

CONSUMERS



- Sheepmeat has a small but established presence in Japan, in comparison to other niche proteins. Lamb resonates with the market's tradition of seeking a variety of foods that deliver enjoyment, but also nutritional balance in the diet.
- Japanese consumers, particularly those who are young and more trend conscious, have positive associations with lamb being tasty and having high nutritional value. However, many also feel they are unfamiliar with lamb and are unsure how to cook it (Source: *MLA Global Consumer Tracker 2025*). Current per capita sheepmeat consumption is extremely low, indicating scope for potential future growth.

Attributes important for all proteins and lamb associations

What attributes are important for Japanese consumers (all proteins) when they are paying 'a bit more'?	What associations do consumers have with lamb?
Tastes delicious	Low in fat
Guaranteed safe to eat	High nutritional value
Consistent quality standards	Tastes delicious
High nutritional value	Meat is tender

Source: *MLA Global Consumer Tracker 2023*

FOODSERVICE



- Foodservice is the main channel for sheepmeat in Japan. In particular, *Genghis Khan* (sheepmeat barbecue on a table-top grill) restaurants have been a significant driver of Australian sheepmeat demand in Japan.
- Japan has experienced a significant increase in tourist numbers since 2024. This has helped drive demand for foodservice operators in major cities and key tourism areas, including *Genghis Khan* restaurants in Hokkaido. Growing popularity of *Genghis Khan* restaurants has slowly moved to the mainland, with establishments in Tokyo and Osaka reportedly attracting local patrons.
- Lamb does not have the price competitiveness of pork or chicken but is appealing for restaurants that seek a point of difference and higher value dishes. Lamb is seen on menus in various foodservice outlets, including *shabu shabu* (thinly sliced meat in clear hot pot broth), Chinese-style skewers, steakhouses and meat bistros.
- Osaka is increasingly seen as Japan's food capital, with local menus incorporating lamb into familiar dishes such as soba noodles and croquettes.

RETAIL



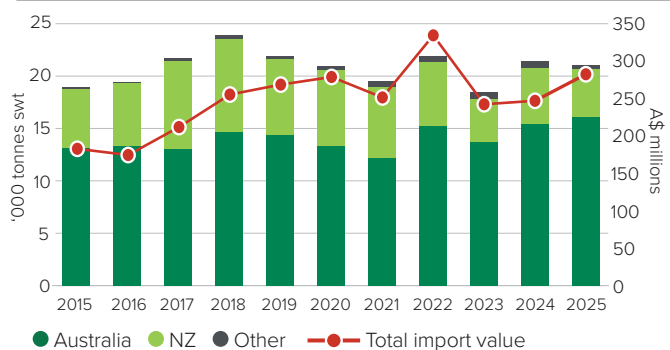
- Hokkaido remains the largest lamb region in terms of sales volume. More than three in four Japanese from the region have purchased lamb in retail, compared to the 32% national average (Source: *MLA Global Consumer Tracker 2025*). Concurrently, retailers in Kanto (East Japan) and Kansai (West Japan) continue to increase their shelf space for lamb. Besides growing consumer interest, stable supply from Australia since 2024 has also helped retailers promote lamb.
- New Zealand has a competitive presence in the sector with its smaller-sized bone-in (lamb cutlet) products, while Australia offers a greater range of products including shoulder, rack, chump, *yakiniku*-style cuts and steak cuts.
- As lamb becomes more familiar in Japanese dining, interest in preparing it at home is growing. To address limited cooking experience, convenient products like *Ajitsuke Genghis Khan* (cut, marinated and typically sold frozen) are gaining popularity. However, increasing cost of living pressure and the weak Yen have led to a more challenging sales environment for higher value proteins such as lamb.
- Country of origin labelling is mandatory at Japanese retail, and communicating Australian lamb as a tasty, healthy meal option that is 'a little bit different' remains a priority in a market where people place great emphasis on quality, variety and balanced nutrition.

COMPETITIVE LANDSCAPE



- The Japanese sheepmeat industry remains very small, with the latest production data recorded in 2023 of 101 tonnes carcass weight (cwt), 0.5% of its total sheepmeat consumption (Source: *MAFF*).

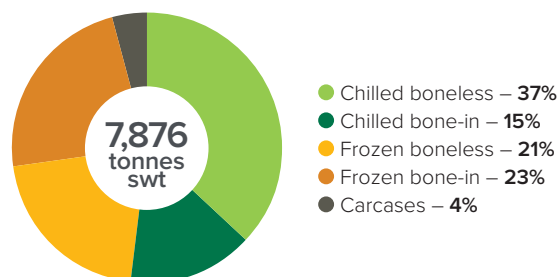
Japan sheepmeat imports by supplier*



Source: *TDM, *MAT year ending September*

- Australia and NZ make up almost all of Japan's imported sheepmeat but reduced supply from New Zealand in the past year has allowed Australia to grow. Other smaller volume suppliers include Iceland, the United Kingdom (UK), France, Argentina and Chile.

Japan sheepmeat imports from New Zealand*



Source: *TDM, *MAT year ending September*



Market access overview – beef

Trade agreements	Import tariffs*	Competitors	Volume restrictions	Technical access
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) Japan-Australia Economic Partnership agreement (JAEPA)	Under CPTPP : 21.6% for chilled and frozen beef From 1 April 2026 – 20.8% From 1 April 2033 – 9%	US: The US-Japan Trade Agreement – tariff is matched with CPTPP Canada, NZ, Mexico: Same condition as Australia under CPTPP	Safeguard Tariff bounces back to 24.7% if imports exceed trigger level*	No major hurdles

Best access  Major challenges

Source: Trade agreements, Department of Foreign Affairs and Trade (DFAT), MLA
 *Visit DFAT Free Trade Agreement Portal (ftportal.dfat.gov.au) for detailed tariff schedule under JAEPA and CPTPP, safeguard, prepared meat, offal and live animals



Market access overview – sheepmeat

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) Japan-Australia Economic Partnership agreement (JAEPA)	NIL (for all countries)	New Zealand: Same access conditions as Australia	Zero	No major hurdles

Best access  Major challenges

Source: Trade agreements, DFAT, MLA



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