



Nippon Ham Corner in setan Department Store, Tokyo, Japan, sells Certified Angus Beef product to the Japanese.

ALAN WAGGONER PHOTOS

Certified Angus Beef in the Pacific Rim

by Cindy Folck

Tokyo, Japan, is more than 5,400 miles from Los Angeles, almost half a world away. Their time zone is hours ahead, so they actually are experiencing tomorrow while you are reading this today.

Half a world apart may seem like a long way, but with our modern technology in communication and transportation, the world is becoming a smaller place.

In March, Alan Waggoner, director of packing and export divisions for the Certified Angus Beef Program, was in Japan. He traveled with a delegation of more than 60 leaders from the U.S. agriculture industry. They were there to punctuate the long-awaited liberalization of the import quotas on beef for the Japanese market.

After a three-year transition period, which began in 1988 with the easing of beef import quotas in Japan, all

imported beef quotas were abolished April 1.

The delegation traveled to Japan, Taiwan and Hong Kong to take part in a series of special events to increase visibility and support for U.S. red meat products.

"The trip was very educational and revealed many opportunities for the Certified Angus Beef Program, especially in Japan," says Waggoner.

The first stop for Waggoner was the Foodex, which is a large trade show featuring food products from Japan and other foreign countries. There were more than 500 displays with thousands of Japanese attending the show. Food items displayed at the show varied from alligator meat to cheese and wine. Several licensed CAB export companies also had displays at the show.

The U.S. Meat Export Federation

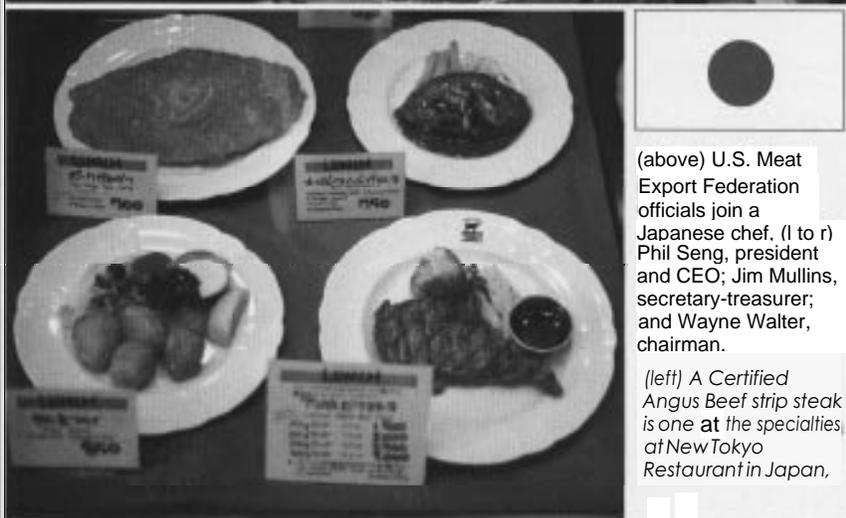
and other American organizations had large displays as did Australia and New Zealand.

Waggoner also attended the U.S./Japanese Meat Trade Symposium, which was sponsored by the Meat Export Federation and the Chicago Mercantile Exchange.

The symposium focused on several subjects, including the safety of meat from the United States, the available supply of meat products and how Japanese could benefit from using the Chicago Mercantile Exchange.

"One of the most exciting events I attended was the Meat Extravaganza," says Waggoner. The Meat Extravaganza was sponsored by the U.S. Meat Export Federation and was attended by more than 800 Japanese and American businessmen.

The evening featured entertainment



(above) U.S. Meat Export Federation officials join a Japanese chef. (l to r) Phil Seng, president and CEO; Jim Mullins, secretary-treasurer; and Wayne Walter, chairman.

(left) A Certified Angus Beef strip steak is one of the specialties at New Tokyo Restaurant in Japan.

and fine cuisine in an effort to thank the Japanese for their business and support of meat products from the United States.

Waggoner says the delegation learned a great deal about the Japanese meat market during the tour. Japan already represents a significant export market for CAB. Last year, six million pounds of CAB product were sold to Japan through licensed export companies. This represents 90 percent of total CAB Program exports.

Japan is also a large market for U.S. beef exports. Seventy percent of total U.S. beef exports are destined for Japan, which amounted to \$1 billion in 1989.

Japan's beef imports total approximately 400,000 metric tons. The U.S. has 55 percent of the market by

value, while Australia ranks second with 41 percent. However, the two positions are almost reversed when it comes to volume, with Australia exporting considerably more pounds of beef product.

Waggoner noted that current per capita beef consumption in Japan stands at 12 pounds per year, less than one-fifth that of the United States. The Japanese Agricultural Administration Council estimates total beef demand could range from 1.5 to 1.7 million tons by the year 2000.

"Even though the trip was brief, it was very educational and informative and helped us realize the tremendous potential of the Japanese beef market," says Waggoner.

The outlets for U.S. beef in Japan

exist in both restaurants and retail stores. The last day Waggoner and the delegation spent in Japan was at Daiei Supermarkets. They were promoting U.S. grain fed beef from Kansas and featuring special prices.

"When our delegation arrived at the promotion, people were lined up and clapping for us as we got off the bus. There were even several television stations covering the event!" says Waggoner.

After the tour of Japan, the group went to Taiwan to review the meat market potential. Taiwan is a poor, third-world country, with an average per capita income of only 8,000 U.S. dollars.

However, a Taiwanese processing plant that was visited by the group was extremely modern and employed very high-tech equipment in addition to a high level of sanitation, says Waggoner.

While in Taiwan, Waggoner attended a banquet for local beef importers, retailers and other officials. The banquet's purpose was to thank Taiwanese for their purchases of U.S. beef products.

The last part of the journey was spent in Hong Kong, touring many of the meat markets and talking with Hong Kong meat buyers.

"There seems to be a lot of potential in Hong Kong restaurants for Certified Angus Beef product," says Waggoner. The Hong Kong area is popular among tourists visiting the Pacific Rim.

Waggoner notes that CAB has potential to become the international standard for high quality beef. The supply from the producer level through the packing level must be increased to meet the demands of this newly-opened market.

"The increased supply must come from all directions of the production chain," he says. Meeting the demand for high quality beef like Certified Angus Beef is a challenge for producers to increase the population of black cattle that have the genetic potential to meet CAB specifications and a challenge at the feedlot level to increase sorting of cattle into specific marketing groups at the feedlot level.

The opportunities are endless to market and promote Certified Angus Beef product half a world away — no matter what time it is.

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