

Japan's Wagyu Quest and the Case for Reciprocal Beef Trade



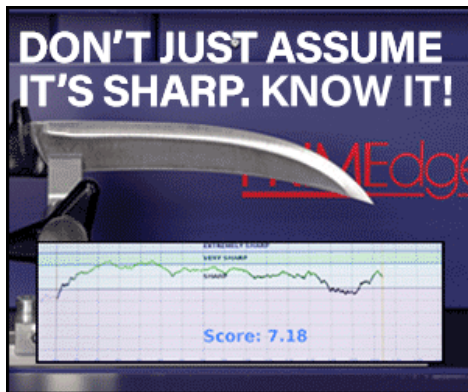
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By Phil Seng

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Japanese Prime Minister Takaichi and President Donald Trump will meet on March 19, where both leaders are expected to reaffirm their commitment to fair and reciprocal trade. For decades, U.S. presidents urged Japan to open its tightly restricted beef market, which once symbolized the closed nature of the Japanese economy.

Today, the roles are reversed. Prime Minister Takaichi should urge the United States to remove restrictions that limit Japanese Wagyu beef exports to the American market. Japan now finds itself in the unusual position of having a bilateral trade agreement with the United States — yet still faces a trade-distorting tariff-rate quota (TRQ) on beef imports, including the 26.4% out-of-quota tariff currently applied once the quota is triggered.

implemented in 2020 through executive authority rather than a comprehensive congressional free trade agreement, the current U.S.-Japan Trade Agreement (USJTA) delivered important tariff reductions, but it did not resolve the structural barrier that Wagyu exporters now face in the U.S. market.



Japan's Longstanding Support for U.S. Agriculture

Beef access may not rank among the top issues in the broader U.S.-Japan relationship. Yet a closer look reveals that liberalizing the U.S. market for Japanese Wagyu would reinforce a mutually beneficial agricultural partnership. Thirty-five years ago, Japan eliminated its own beef import quota, and 20 years ago it reopened its market to U.S. beef following the BSE crisis. Expanding access for Wagyu today would strengthen a supply chain that significantly benefits

American farmers. More than 80% of the feed used by Japanese livestock consists of imported grains and oilseeds, much of it from the United States.

A compelling argument for reform lies in Japan's longstanding role as a cornerstone customer for U.S. agriculture. For more than 75 years, Japan has been one of the most reliable buyers of American feed grains and oilseeds — imports that sustain Japan's livestock sector and directly support U.S. farmers.

Japan consistently imports roughly 10–15 million metric tons of corn annually from the United States along with significant volumes of soybeans, wheat, and sorghum.

In other words, a thriving livestock sector in Japan directly supports U.S. agriculture, from Midwestern grain farmers to the broader feed supply chain that underpins livestock production. This raises the natural question of why isn't there stronger support among U.S. grain producers for more liberalized Japanese beef access when their own export success depends so heavily on Japan's livestock industry?

Tariff-Rate Quotas and Market Challenges

When the USJTA entered into force in 2020, Japan's previous country-specific quota of 200 metric tons was folded into the broader "All Others" quota of 65,005 metric tons. At the time this appeared workable because Japan had not historically filled the quota.

That changed when Brazil, previously ineligible to export beef to the United States, gained U.S. market access and was included in the same quota category. Since then, Brazil has repeatedly filled nearly the entire quota. In 2025 the quota was triggered after just 17 days, and in 2026 it was exceeded on Jan. 6, with approximately 99% of the quota filled by Brazilian shipments. As a result, Japanese Wagyu exporters and U.S. importers face steep tariffs almost immediately each year.

Meanwhile, the U.S. has approved specific quota arrangements or allocations for other countries. The U.S.-UK trade agreement created a 13,000-metric-ton carve-out for British beef within the same quota framework, while Argentina recently received a 100,000-metric-ton allocation. In contrast, Japanese Wagyu imports face the 26.4% tariff once the TRQ is filled, even though Japan remains one of the United States' closest economic and strategic partners.

For American importers, the consequences are significant. Wagyu beef can be five to 10 times more valuable than commodity beef, meaning the ad valorem tariff becomes proportionally more expensive for importers, foodservice operators, and retailers. The quota also creates uncertainty in the marketplace, forcing importers to speculate about when tariffs will take effect and limiting decisions about product range, quality grades, and whether to import frozen or chilled beef.

This uncertainty discourages participation across the supply chain, from importers and distributors to restaurants and retailers, ultimately reducing availability for American consumers while pushing prices higher for one of the world's most prized beef products.

Japan's Track Record as a Trusted Trade Partner

Japan has repeatedly strengthened the bilateral agricultural relationship over the past four decades. It liberalized its beef market between 1988 and 1991, reforms that later served as a model for market-opening agreements in Korea. Japan also reformed its retail and distribution laws, allowing U.S. exporters to sell directly into the Japanese market. In 1995 Japan decoupled domestic pork prices from import pricing, enabling a surge in chilled U.S. pork exports. In 2006 it reopened its market to

U.S. beef following the BSE crisis, restoring one of America's most valuable export destinations.

The results speak for themselves: Over the past 50 years Japan has imported more than \$100 billion in U.S. red meat and by-products and remains one of the most dependable markets for American agriculture.

At the same time, Japanese beef represents an almost negligible presence in the U.S. market, accounting for less than 0.003% of total U.S. beef imports. Japanese Wagyu also occupies a highly specialized ultra-premium niche that complements rather than competes with the mainstream U.S. beef market. In practical terms, expanded Wagyu access would be economically negligible for U.S. producers but symbolically important for maintaining credibility in reciprocal agricultural trade.

Why Equal Treatment Matters

Japan is not seeking special treatment — only equal treatment. For decades, Japan has opened its markets, invested in American agriculture, and supported the livelihoods of U.S. farmers and ranchers. Ensuring fair access for Japanese Wagyu to the United States would acknowledge the depth of this partnership while reinforcing a trade relationship that benefits both countries.

Trade between allies should reflect trust, reciprocity, and long-term partnership. When nations invest in each other's success, market access should move in both directions. That is how trade becomes durable, balanced, and mutually beneficial.

A Gift for the Future

It is customary when heads of state meet to exchange gifts. In this case, the United States could offer one with lasting value — leveling the playing field for Japanese Wagyu in the American market. After all, Japan has already made the down payment.

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