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Japan

Dairy and Products

Semiannual Report

2007

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Report Highlights: Highlight
Japan's milk output in CY 2007 is projected to be at 8.05 million MT, down by 1% from last year. As in recent years, Japan's fluid milk consumption is expected to be lackluster in 2007. Utilization of milk as a beverage is projected to be 4.57 million MT, down by 2% from last year. High international prices for dairy commodities are beginning to change the market outlook for butter and NFDM. Some Japanese dairy commodities have suddenly become price competitive with imported products. Strong demand for butter has made the supply situation tight compared to last year. This has allowed the Japanese government to manage its JFY 2007 minimum access import commitments by focusing on importing butter and dairy spreads. Japan's total cheese imports in 2007 are projected to rise only slightly from last year's to 210,000 MT. High EU dairy prices, cuts in export subsidies, and a high Euro give other suppliers, including the United States, better export opportunities in Japan. U.S. cheese exports should do well in 2007 and are projected to hit 6,000 MT, building on last year's solid growth.

Includes PSD Changes: Yes
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Note: Import figures discussed in the text are all customs clearance based. Discussions pertaining to market access (WTO or Uruguay Round Agreement minimum market access commitments) are based on the Japanese fiscal year (JFY), which starts in April and ends in March of the following year.

2007 Outlook for Fluid Milk, NFDM, Butter and Cheese

Lower National Fluid Milk Production Forecast for 2007

Due to a projected lower number of dairy cattle, Japan's fluid milk production in 2007 is forecast lower. Recently published data on the number of cattle registered in Japan's cattle identification system indicate that the number of Holstein cows fell 2.1% from the previous year to 1.575 million head as of April 2007. (Virtually all of Japan's dairy herd is Holstein.) The data also suggest a shift has been taking place in the country's dairy calf production in recent years from Holsteins for milking to F-1 cross bred animals for beef. Holstein dairy cattle are often freshened with Japanese Wagyu beef cattle. A 5% increase in dairy beef cattle production occurred in part due to high prices for domestic beef and trade restrictions on imported beef. Note: The National Cattle Herd Inventory data for 2007 have not yet been released.

Rising costs of feeds and fuel in recent years, caused by soaring international grain and crude oil prices, will hurt Japan's dairy farming operations in 2007. Because of this, some marginal operations may go out of business and cows may be culled earlier.

Fluid Milk Consumption to Remain Weak in 2007

There remains a weak outlook for Japan's overall fluid milk consumption in 2007. Japanese average household consumption of milk and milk products for the first five months of 2007 was mixed (See table 1). A 4.3% drop of the regular white milk consumption is a major reason for the decline. Competitions with other beverages such as tea drinks and vegetable and fruits juice drinks are blamed for declining consumption of regular milk. Based on Jan. – Mar. 07 data, utilization of fluid milk for drinking this year is projected down by 2% from a year before to 4.57 million MT (See table 2).

Table 1. Japanese Household Consumption of Dairy Commodities

Period: January - May, 2007 (Preliminary)						
		Quantity			**Expenditure**	
		2007	**07/06**		**2007**	**07/06**
	Unit	**Jan./May**	**% Chg.**	**Unit**	**Jan./May**	**% Chg.**
Milk	Liter	36.49	-2.5%	Yen	6,869	-4.3%
Milk Beverages		-	-	Yen	427	8.4%
Yogurt		-	-	Yen	3,273	-1.7%
Lactic Acid Bacteria Drink		-	-	Yen	1,349	18.0%
Powdered Milk	gram	206	-13.1%	Yen	363	-11.9%
Butter	gram	214	3.9%	Yen	304	9.0%
Cheese	gram	989	2.5%	Yen	1,340	4.6%
Ice Cream		-	-	Yen	2,144	5.4%
Coffee Flavor Beverages		-	-	Yen	1,170	4.2%
Margarine	gram	604	2.0%	Yen	326	2.8%

Bread	gram	19,200	0.9%	Yen	11,490	2.3%
Source: Ministry of Internal Affairs and Communications						

Table 2. Japanese Utilization of Fluid Milk for Drinking Use Category

Period: January - March, 2005 – 2007					
					Unit: 1,000 Kilo Liters
	2005	2006	% Chg.	2007	% Chg.
	Jan/Mar	Jan/Mar	Jan/Mar	Jan/Mar	Jan/Mar
Regular Milk	913	884	-3%	861	-3%
Processed Milk	105	105	0%	102	-3%
Milk Beverages	263	268	2%	284	6%
Fermented Milk	194	195	1%	206	6%
Lactic Acid Bacteria Drinks	36	34	-6%	38	12%
Note: Processed Milk: low fat, high fat, vitamin and mineral fortified, calcium enriched					
Milk Beverages: flavored milk (coffee and fruits flavored)					
Fermented Milk: Yogurt etc.					
Source: Agriculture & Livestock Industry Corporation (ALIC), Ministry of Agriculture Forestry and Fisheries (MAFF)					

Fluid Milk Utilization for Processing in 2007 Unchanged

Based on lower national fluid milk outputs forecast in CY 2007, combined with a weak outlook for beverage milk consumption, the use of fluid milk for processing is projected to stay roughly the same level as the previous year at 3.40 million MT.

Cream and Cheese Productions to Grow in JFY 2007 under an Incentive Scheme

Meanwhile, Japan's traditional direct subsidy payment scheme to dairy farmers for milk for processing was adjusted slightly in JFY 2007 (Apr07 - Mar08) from the last fiscal year (See table 2). Per unit payments for one kilo of fluid milk for processing was increased by 0.15 yen to 10.55 yen, but the annual quota eligible for the payment was lowered by 50,000 MT to 1.98 million MT. Thus, even if the quota is filled, lower butter and NFDM production for CY 2007 are projected, down by one percent to 79,000 MT and 180,000 MT, respectively. Jan. – Mar. production data are also point to a reduction of butter and NFDM in 2007 (See table 3).

This would leave over 1.4 million MT of extra fluid milk to be used for other processing in 2007, which is expected to be diverted to produce cream, cheese, and fermented milk products under a new government production incentive program. The scheme aims to encourage the use of fluid milk for any of the above three commodities (other than for NFDM and butter under the direct subsidy scheme). The level of incentive payment is set at 10 yen per kilo, almost equivalent to the direct payment scheme for butter and NFDM.
Payment is made for the use of fluid milk over and above a certain standard volume set each fiscal year (about 1 million MT in JFY 2006). Some 540,000 MT of fluid milk used over and above the standard volume reportedly became eligible for the incentive payment and was diverted to produce primarily cream and cheese during last fiscal year.]

Table 3. Japanese Production of Processed Milk Products

Period: January - March, 2005 – 2007					
				Unit:	Metric Ton
	2005	2006	% Chg.	2007	% Chg.
	Jan/Mar	Jan/Mar	Jan/Mar	Jan/Mar	Jan/Mar
Butter	23,295	24,692	6%	22,217	-10%
Cream	19,679	22,452	14%	25,160	12%
Whole Milk Powder	4,323	4,478	4%	4,566	2%
Prepared Milk Powder	8,836	8,023	-9%	6,575	-18%
Skim Milk Powder (NFDM)	49,927	52,894	6%	49,182	-7%
Ice Cream (Unit: kilo liter)	21,795	25,228	16%	29,197	16%
Source: ALIC Monthly					

Table 4. Subsidy Payment for Fluid Milk for Processing

	Unit Subsidy Payment			Eligible Volume	
JFY1995	11.49	yen/kg	deficiency payment	2.30	million MT
JFY1996	11.49	yen/kg	deficiency payment	2.30	million MT
JFY1997	10.87	yen/kg	deficiency payment	2.40	million MT
JFY1998	10.84	yen/kg	deficiency payment	2.40	million MT
JFY1999	10.80	yen/kg	deficiency payment	2.40	million MT
JFY2000	10.30	yen/kg	deficiency payment	2.40	million MT
JFY2001	10.30	yen/kg	direct payment	2.27	million MT
JFY2002	11.00	yen/kg	direct payment	2.20	million MT
JFY2003	10.74	yen/kg	direct payment	2.10	million MT
JFY2004	10.52	yen/kg	direct payment	2.10	million MT
JFY2005	10.40	yen/kg	direct payment	2.05	million MT
JFY2006	10.40	yen/kg	direct payment	2.03	million MT
JFY2007	10.55	yen/kg	direct payment	1.98	million MT
Source: ALIC Monthly					

Forecast Butter Consumption Indicates Minimum Access Butter Imports in JFY 2007

Butter consumption in 2007 is projected to remain at last year's level of 89,000 MT. This will make the stock situation rather tight for the calendar year. With this outlook, MAFF, as a manager of Japan's dairy minimum access import programs, has already committed to JFY 2007 tenders of 6,625 MT of butter this June through a tender by Agriculture and Livestock Industry Cooperation (ALIC). Based on this system, Japan's butter import projection for calendar year 2007 at about 9,000 MT (See table 3). Note that this projection is for calendar year and includes a part of the minimum access butter committed to and imported during the last fiscal year for the Jan. – Mar. 2007 period. Despite imports, year-ending butter stocks are projected to be tight and lower than the last year's at 21,000 MT.

Table 5. Japan's Dairy Minimum Access Commitment Results and Schedule

		Unit: Metric Ton
	JFY 2006	JFY 2007
Butter	6,679	6,625 (announced)
Dairy Spread	2,000	2,000 (envisaged)
Edible Whey	4,399	4,500 (envisaged)
Note: As a result of Uruguay Round Agreement, Japan agreed to provide annual market access totaling 137,200 MT (milk equivalent). An edible whey portion of 4,500 MT will be filled under a simultaneous buy and sell system (SBS). For JFY 2006, edible whey purchases fell short of the access commitment due to a shortage abroad for protein concentrated whey.		

The EU and Australia are the two major suppliers of minimum access butter. According to an industry paper, the average bid price for the ALIC tender conducted in June shot up to reflect high international prices for butter; i.e., for Category I - white butter mostly from EU (used mainly for beverage milk products), up 50% from the last March tender at 845 yen per kg, largely affected by its dairy export subsidy cut and high Euro against JP yen, and for Category II, yellow butter mostly from Oceania (used mainly for bakery) at 580 yen per kg, up 16%, affected by draught conditions in Australia. Depending on how the world market outlook for butter turns in terms of the supply and the price in coming years, American white butter may become competitive with the EU in Japan's minimum access market.

High International Price for NFDM Improves Japan's NFDM Market Outlook in 2007

In the ingredients market, demand for NFDM is expected to stay weak, projected down by 5% to 215,000 MT in 2007 (edible use: down by 5% to 190,000 MT and feed use: unchanged from last year's 25,000 MT). However, for the first time in last six years, Japan's NFDM market outlook in 2007 is forecast to improve with the possibility of utilizing some long accumulated surplus stocks. Slightly lower domestic NFDM production forecast in 2007 will begin to balance the total demand and supply for this year without the voluntary supply and demand control program jointly implemented by domestic manufacturers and dairy producers over the last several years (see JA 6057). Large NFDM stocks are estimated to level off by 5% in 2007 to 61,000 MT.

Analogous to other dairy products such as butter and cheese, the surging international price of NFDM exceeds the prevailing domestic price, often significantly, and there is even the unusual prospect of Japanese NFDM exports. More than dozen trade inquiries from abroad for Japan's domestic NFDM stocks have reportedly made to domestic dairy companies in recent months. However, for the time being, the domestic industry seems to be keeping stocks as a hedge against future shortages. Tight supply and high prices in the international market will likely keep Japan's imports of NFDM (for school lunch programs, feeds and other uses combined) in 2007 unchanged from last year's 33,000 MT.

Despite High International Price, Market Outlook for Japan's Cheese Demand and Supply to Stay Firm in 2007

Despite higher import prices for cheese, Japanese household consumption of cheese has grown 4.6% for the first five months this year (See table 1). Assuming this trend keeps up for the rest of the year, post projects a 2% increase in Japan's total cheese consumption in 2007, to 251,000 MT. This growth is being slightly offset by lower demand in the hotel, restaurant, and institution (HRI)sector. Thus, in 2007, Japan's total cheese imports are expected to grow by 1% to 210,000 MT. The EU is expected to loose market share in 2007.

According to one source, Japanese cheese importers are making advance imports in anticipation of further price hikes on the international. This was reflected in a 13% hike in Japanese cheese imports for 07 Jan. – May, but imports may loose its steam in the second half of the year (See table 6-a, 6-b).

Australia and New Zealand, two major suppliers of cheese to Japan, will continue to dominate, together accounting roughly 70% the total imports. However, the import prices from Oceania have also been trending up in 2007.

For the first time, Japan's imports of U.S. cheese are expected to hit the 6,000 MT mark in 2007, often replacing EU-origin cheese for direct consumption. Last year, Japanese imports of American cheeses, particularly cream cheese, in 2006 rose 28% to 4,904 MT, due in part to increased price competitiveness.

Meanwhile, Japan's domestic cheese production, helped by the government production incentive scheme mentioned earlier, is expected to increase 2% in 2007 to a projected 41,000 MT. The above forecast takes into account an added production capacity from several new medium scale cheese factories that were put into operational during 2007 (According to MAFF data, the number of cheese factories increased from 135 in 2006 to 139 in 2007). Japan's plant capacity to produce cheese is expected to expand substantially from the current level to 70,000 – 80,000 MT a year from 2008 onwards as several large scale factories come on line. These new factories are said to be able to process additional 300,000 MT of fluid milk per year.

Table 6-a. Japanese Cheese Imports 2007 (Jan. – May)

					% Change	07 Share
Rank	**Country**	**2005**	**2006**	**2007**	**- 07/06 -**	**%**
		Jan/May	**Jan/May**	**Jan/May**	**Jan/May**	**Jan/May**
0	--World--	87,182	80,329	91,119	13%	100%
1	Australia	40,872	33,235	39,271	18%	43%
2	New Zealand	21,186	23,008	25,648	11%	28%
3	Germany	5,200	4,497	4,311	-4%	5%
4	Denmark	4,318	4,110	3,827	-7%	4%
5	Argentina	511	1,413	3,760	166%	4%
6	United States	1,622	1,887	3,236	72%	4%
7	Netherlands	3,121	3,193	3,186	0%	3%
8	France	3,032	2,995	2,789	-7%	3%
9	Italy	2,112	2,202	2,530	15%	3%
10	Others	5,208	3,789	2,561	-32%	3%
Source of data: Japan Customs (World Trade Atlas)						

Table 6-b. Average Import Price of Cheeses 2007 (Jan. – May)

Avg Price (Thousands of Japanese Yen)					
					% Change
Rank	**Country**	**-/ KG - 2005**	**-/ KG - 2006**	**-/ KG - 2007**	**- 07/06 -**
		Jan/May	**Jan/May**	**Jan/May**	**Jan/May**
0	--World--	0.36	0.41	0.41	0%

1	Australia	0.3	0.34	0.35	3%
2	New Zealand	0.3	0.34	0.34	0%
3	Germany	0.35	0.36	0.4	11%
4	Denmark	0.52	0.54	0.58	7%
5	Argentina	0.28	0.34	0.33	-3%
6	United States	0.78	0.84	0.67	-20%
7	Netherlands	0.43	0.43	0.47	9%
8	France	0.79	0.83	0.88	6%
9	Italy	1.03	1.01	1.09	8%
Source of data: Japan Customs (World Trade Atlas)					

2006 Situation Summary for Fluid Milk, NFDM, Butter

In response to a milk surplus, Japanese dairy farmers curtailed their milk production in CY 2006 to 8.134 million MT, a 1.8% cut in milk output from the previous year. Household beverage consumption was especially weak (See table 7 and 8).

Reflecting weak ingredient demand for NFDM, domestic NFDM production in 2006 was cut 3% from the previous year to 181,000 MT. NFDM was also made subject to a voluntary surplus control program jointly implemented by dairy farmers and manufacturers. In 2006, surplus domestic NFDM stocks were put up for sale, reportedly at substantially discounted prices. Thus, NFDM imports were minimal at 32,000 MT in 2006, mostly for feed use. As a result, the year ending NFDM socks was trimmed by 13,000 MT to 64,000 MT, down 17% from the beginning of the year. (See table 9 and 10).

Domestic production of butter was also reduced, down 5% to 80,000 MT in 2006. This is partly due to increased production of cream under a production incentive scheme implemented in JFY 2006. The scheme encourages more fluid milk use for cream, cheese and fermented milk. Reflecting strong ingredient demand, Japan's cream production increased 14% in 2006 to 94,125 MT. The situation made the supply of domestic butter tighter than anticipated in the second half of 2006, leaving a smaller than anticipated year ending stock at 22,000 MT. In response, Japan used most of its JFY 2006 dairy minimum access commitments for butter (6,679 MT) and dairy spread (2,000 MT), all of which were imported by the end of March 2007, which is the ending month of Japanese fiscal year (See table 9).

Table 7. Japanese Utilization for Fluid Milk for Drinking Use Category

Period: January - December, 2004 - 2006					
Unit: 1,000 Kilo Liters					
	2004	2005	% Chg.	2006	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
Regular Milk	3,971	3,823	-4%	3,702	-3%
Processed Milk	483	467	-3%	439	-6%
Milk Beverages	1,189	1,203	1%	1,243	3%
Fermented Milk	778	800	3%	839	5%
Lactic Acid Bacteria Drinks	174	174	0%	166	-5%
Note: Processed Milk: low fat, high fat, vitamin and mineral fortified, calcium enriched					

Milk Beverages: flavored milk (coffee and fruits flavored)
Fermented Milk: Yogurt etc.
Source: Agriculture & Livestock Industry Corporation (ALIC), Ministry of Agriculture Forestry and Fisheries (MAFF)

Table 8. Japanese Household Consumption of Dairy Products

Period: January - August (Preliminary)						
	Quantity			Expenditure		
		2006	06/05 % Chg.		2006	06/05 % Chg.
	Unit	Jan/Dec	Jan/Dec	Unit	Jan/Dec	Jan/Dec
Milk	Liter	94.24	-3.3%	Yen	17,987	-4.6%
Cheese	Gram	2,325	1.6%	Yen	3,151	3.3%
Butter	Gram	507	4.1%	Yen	687	3.2%
Margarine	Gram	1,383	-4.2%	Yen	752	-3.6%
Yogurt	-	-	-	Yen	8,047	-0.6%
Lactic Acid Bacteria Drink	-	-	-	Yen	3,021	-7.1%
Coffee beverages	-	-	-	Yen	3,351	6.2%
Ice Cream	-	-	-	Yen	6,823	-4.5%
Source: Ministry of Internal Affairs and Communications (Daily Dairy News, Feb. 14th Issue)						

Table 9. Japanese Production of Processed Milk Products

Period: January - December, 2004 - 2006					
					Unit: Metric Ton
	2004	2005	% Chg.	2006	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
Butter	80,098	84,071	5%	80,476	-4%
Cream	83,059	82,436	-1%	94,215	14%
Whole Milk Powder	14,944	14,366	-4%	13,794	-4%
Prepared Milk Powder	34,759	32,037	-8%	31,189	-3%
Skim Milk Powder (NFDM)	182,658	186,766	2%	180,643	-3%
Ice Cream (Unit: kilo liter)	112,622	116,320	3%	128,340	10%
Source: ALIC Monthly					

Table 10. Japanese Imports of Non Fat Dry Milk

Period: January - December, 2004 - 2006					
					Unit: Metric Ton
	2004	2005	% Chg.	2006	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
For School Lunch Program	2,996	2,651	-12%	2,568	-3%
For Feeds	32,470	30,381	-6%	24,677	-19%

For Other Use (Current Access)	1,374	967	-30%	4,817	398%
Total NFDM Imports	36,840	33,999	-8%	32,062	-6%
Source: ALIC Monthly					

Table 11. Japanese Wholesale Price of Non Fat Dry Milk

Butter (Yen/Kg.)							
	2004	2005	% Chg.	2006	% Chg.	2007	% Chg.
Jan	962	951	-1%	947	0%	944	0%
Feb	962	951	-1%	947	0%	944	-100%
Mar	962	951	-1%	947	0%	944	-100%
Apr	958	949	-1%	947	0%	944	-100%
May	957	949	-1%	947	0%	0	-100%
Jun	953	948	-1%	948	0%	0	-100%
July	950	948	0%	950	0%	0	-100%
Aug	951	948	0%	943	-1%	0	-100%
Sept	950	948	0%	943	-1%	0	-100%
Oct	949	947	0%	943	0%	0	-100%
Nov	951	948	0%	944	0%	0	-100%
Dec	951	947	0%	944	0%	0	-100%
NFDM (Yen/25 Kg.)							
	2004	2005	% Chg.	2006	% Chg.	2006	% Chg.
Jan	13,480	13,272	-2%	13,076	-1%	13,004	-1%
Feb	13,480	13,254	-2%	13,071	-1%	13,019	-100%
Mar	13,480	13,258	-2%	13,062	-1%	13,019	-100%
Apr	13,444	13,254	-1%	13,062	-1%	13,019	-100%
May	13,434	13,237	-1%	13,047	-1%	0	-100%
Jun	13,371	13,233	-1%	13,005	-2%	0	-100%
July	13,370	13,223	-1%	13,020	-2%	0	-100%
Aug	13,354	13,197	-1%	13,013	-1%	0	-100%
Sept	13,353	13,189	-1%	13,010	-1%	0	-100%
Oct	13,289	13,173	-1%	13,002	-1%	0	-100%
Nov	13,286	13,078	-2%	13,001	-1%	0	-100%
Dec	13,278	13,090	-1%	13,007	-1%	0	-100%
Source: ALIC Monthly							

Table 11-a. Japanese Cheese Imports 2006 (Jan. – Dec.)

						Unit: Metric Ton (Customs Clearance Basis)
					% Change	Share
Rank	Country	2004	2005	2006	- 06/05 -	- 06 -
		Jan/Dec	Jan/Dec	Jan/Dec	% Change	- 06 -

0	--World--	218,679	211,692	207,420	-2%	100%
1	Australia	100,054	93,157	87,642	-6%	42%
2	New Zealand	51,576	55,226	57,304	4%	28%
3	Germany	13,759	12,704	11,402	-10%	5%
4	Denmark	11,629	10,266	9,836	-4%	5%
5	Netherlands	10,244	8,278	8,487	3%	4%
6	France	7,306	7,676	8,020	4%	4%
7	Italy	5,366	5,420	5,661	4%	3%
8	Argentina	170	2,590	5,084	96%	2%
9	United States	4,318	3,817	4,904	28%	2%
10	Others	14,257	12,558	9,079	-28%	4%
Source of data: Japan Customs (World Atlas)						

Table 11-b. Japanese Average Import Price of Cheese 2006 (Jan. – Dec.)

					Unit: US Dollars per Kilo gram
					% Change
Rank	Country	-/ KG - 2004	-/ KG - 2005	-/ KG - 2006	- 06/05 -
		Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
0	--World--	3.21	3.47	3.48	0%
1	Australia	2.59	2.88	2.9	1%
2	New Zealand	2.48	2.9	2.85	-2%
3	Germany	2.94	3.15	3.15	0%
4	Denmark	4.59	4.78	4.74	-1%
5	Netherlands	3.5	3.82	3.77	-1%
6	France	7.78	7.32	7.3	0%
7	Italy	9.49	9.06	8.88	-2%
8	Argentina	4.12	2.75	2.83	3%
9	United States	7	7.77	6.91	-11%
Source of data: Japan Customs (World Trade Atlas)					

Table 11-c. Japanese Cheese Imports by Products Category in 2006 (Jan. – Dec.)

							Unit: Metric Ton (Customs Clearance Basis)
HS	Description		2004	2005		2006	- 06/05 -
			Jan/Dec	Jan/Dec		Jan/Dec	
--World--					% Chg.		% Chg.
0406 CHEESE AND CURD			218,679	211,692	-3%	207,420	-2%
HS Category							
040690	OTHER CHEESE		134,372	126,601	-6%	124,447	-2%
	090	A. Outside TRQ	92,751	81,343	-12%	75,002	-8%

	010	B. Under TRQ (Pooled Quota)	41,621	45,258	9%	49,445	9%
040610	FRESH CHEESE		73,343	73,250	0%	69,967	-4%
040620	CHEESE, GRATE/POWDER		4,481	4,383	-2%	4,636	6%
040630	CHEESE,		5,730	6,692	17%	7,546	13%
040640	CHEESE, BLUE, OTHER		754	766	2%	824	8%
	090	A. Outside TRQ	754	766	2%	824	8%
	010	B. Under TRQ (Pooled Quota)	0	0	-	0	-
For JFY 2006 (April 06 - March 07), Japan allocated 63,600 MT of natural cheese TRQ (zero tariff) as raw material for processed cheese manufacturing.							
Source of data: Japan Customs (World Trade Atlas) - Table compiled by Post							

Fluid Milk PS&D Table

Japan Dairy, Milk, Fluid									
	2005	Revised		2006	Estimate		2007	Forecast	UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007	MM/YYYY
Cows In Milk	910	910	910	900	900	900	900	900	890	(1000 HEAD)
Cow Milk Production	8285	8285	8285	8170	8170	8134	8150	8150	8050	(1000 MT)
Other Milk Production	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Production	8285	8285	8285	8170	8170	8134	8150	8150	8050	(1000 MT)
Other Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Imports	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	8285	8285	8285	8170	8170	8134	8150	8150	8050	(1000 MT)
Other Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Fluid Use Dom. Consum.	4775	4775	4775	4665	4665	4645	4630	4630	4570	(1000 MT)
Factory Use Consum.	3429	3429	3429	3425	3425	3408	3440	3440	3400	(1000 MT)
Feed Use Dom. Consum.	81	81	81	80	80	81	80	80	80	(1000 MT)
Total Dom. Consumption	8285	8285	8285	8170	8170	8134	8150	8150	8050	(1000 MT)
Total Distribution	8285	8285	8285	8170	8170	8134	8150	8150	8050	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY. Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

(Post Estimates are not USDA official data)

Non-Fat Dry Milk PS&D Table

Dairy, Milk, Nonfat Dry										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007	MM/YYYY
Beginning Stocks	83	83	83	77	77	77	79	79	64	(1000 MT)
Production	187	187	187	187	187	181	185	185	180	(1000 MT)
Other Imports	34	34	34	35	35	32	30	30	32	(1000 MT)
Total Imports	34	34	34	35	35	32	30	30	32	(1000 MT)
Total Supply	304	304	304	299	299	290	294	294	276	(1000 MT)
Other Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Human Dom. Consumption	197	197	197	192	192	201	190	190	190	(1000 MT)
Other Use, Losses	30	30	30	28	28	25	25	25	25	(1000 MT)
Total Dom. Consumption	227	227	227	220	220	226	215	215	215	(1000 MT)
Total Use	227	227	227	220	220	226	215	215	215	(1000 MT)
Ending Stocks	77	77	77	79	79	64	79	79	61	(1000 MT)
Total Distribution	304	304	304	299	299	290	294	294	276	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY. Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

(Post Estimates are not USDA official data)

Butter PS&D Table

Japan Dairy, Butter										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007	MM/YYYY
Beginning Stocks	23	23	23	27	27	27	29	29	22	(1000 MT)
Production	84	84	84	84	84	80	85	85	79	(1000 MT)
Other Imports	6	6	6	5	5	4	5	5	9	(1000 MT)
Total Imports	6	6	6	5	5	4	5	5	9	(1000 MT)
Total Supply	113	113	113	116	116	111	119	119	110	(1000 MT)
Other Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Domestic Consumption	86	86	86	87	87	89	87	87	89	(1000 MT)
Total Use	86	86	86	87	87	89	87	87	89	(1000 MT)
Ending Stocks	27	27	27	29	29	22	32	32	21	(1000 MT)
Total Distribution	113	113	113	116	116	111	119	119	110	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
CY. Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

(Post Estimates are not USDA official data)

Cheese PS&D Table

Japan Dairy, Cheese										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007	MM/YYYY
Beginning Stocks	15	15	15	15	15	15	15	15	15	(1000 MT)
Production	36	36	39	37	37	40	37	37	41	(1000 MT)
Other Imports	212	212	212	200	200	207	200	200	210	(1000 MT)
Total Imports	212	212	212	200	200	207	200	200	210	(1000 MT)
Total Supply	263	263	266	252	252	262	252	252	266	(1000 MT)
Other Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Human Dom. Consumption	248	248	251	237	237	247	237	237	251	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	248	248	251	237	237	247	237	237	251	(1000 MT)
Total Use	248	248	251	237	237	247	237	237	251	(1000 MT)
Ending Stocks	15	15	15	15	15	15	15	15	15	(1000 MT)
Total Distribution	263	263	266	252	252	262	252	252	266	(1000 MT)
CY Imp. from U.S.	4	4	4	4	4	5	4	4	6	(1000 MT)
CY. Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

(Post Estimates are not USDA official data)