

Voluntary Report – Voluntary - Public Distribution

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Report Name: Japan Reduces Planned NFDM Imports to 750 MT

Country: Japan

Post: Tokyo

Report Category: Country/Regional FTA's, Dairy and Products

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Report Highlights:

On May 27, Japan's Ministry of Agriculture, Forestry, and Fisheries (MAFF) announced that it would revise planned imports of nonfat dry milk (NFDM) from a previously announced volume of 4,000 metric tons (MT) to just 750 MT for Japanese fiscal year 2020. The decrease in planned imports is a result of increasing domestic production of NFDM due to low demand for fresh milk during the COVID-19 pandemic. The 750 MT allows Japan to meet its commitment under the U.S.-Japan Trade Agreement. Separately, Japan will maintain planned imports of 20,000 MT of butter.

General Information:

On May 27, Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) announced that it would lower planned imports of nonfat dry milk (NFDM) from a previously announced volume of 4,000 metric tons (MT) to just 750 MT for Japanese fiscal year (JFY) 2020 (April-March). See [JA2020-0027](#) for details of previous announcement. MAFF also announced that planned butter imports would remain unchanged at 20,000 MT.

The decrease in planned NFDM imports is a result of excess fresh milk supplies being further processed into butter and NFDM during the COVID-19 pandemic. Prior to the pandemic, NFDM stocks were already reaching historic highs as a result of sluggish demand (see [JA2019-0183](#)). School and restaurant closures due to COVID-19 further depressed demand, leading the government to support diversion of fresh milk to further processing (see [JA2020-0099](#)). In March and April, NFDM production was estimated to have increased 15 percent year-on-year. Butter production increased 32 percent during the same period, however the government estimated that increased home-cooking during the pandemic would keep butter demand high, requiring sustained imports.

The 750 MT marks a drastic decline in planned NFDM imports. In JFY 2017, Japan imported 34,000 MT of NFDM before lowering imports to 27,000 MT in JFY 2018 and 14,000 MT in JFY 2019 (see Table 1 below). Nevertheless, by maintaining butter imports at 20,000 MT Japan is likely to remain well above its dairy imports commitments under the World Trade Organization. Meanwhile, the government intends for the 750 MT of NFDM imports in JFY 2020 to fulfill the terms the U.S.-Japan Trade Agreement in which Japan committed to reserve 750 MT for imports of milk powder with protein content of 35 percent or higher. MAFF is likely to review these volumes again in September.

Table 1: Planned NFDM Imports

JFY	Initial Quota (as of January)	Revised Quota
2015	15,000	15,000
2016	4,000	4,000
2017	13,000	34,000
2018	27,000	27,000
2019	20,000	14,000
2020	4,000	750

Source: MAFF

Attachments:

No Attachments.