

**Voluntary Report** – Voluntary - Public Distribution

**Date:** May 13,2020

**Report Number:** JA2020-0099

**Report Name:** MAFF Increases COVID-19 Dairy Support Payments

**Country:** Japan

**Post:** Tokyo

**Report Category:** Agricultural Situation, Dairy and Products

**Prepared By:** Aki Imaizumi

**Approved By:** Alexander Blamberg

**Report Highlights:**

Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) announced additional support payments for dairy producers to redirect excess milk supplies resulting from the COVID-19 pandemic. The payments, valued at approximately \$37.8 million, will support processing of raw milk into certain dairy products as well as facilitate the donation of dairy products to food banks. These new payments follow approximately \$67.5 million in previously announced COVID-19 funding for the dairy industry.

## General Information:

On April 20, Japan's Ministry of Agriculture, Forestry, and Fisheries (MAFF) announced \$17.5 million in new supports for dairy manufacturers to process excess milk supplies resulting from school closures and falling foodservice demand due to COVID-19 (See JA2020-0090). On May 4, in response to the Japanese government extending the national state of emergency until May 31, MAFF added an additional \$20.3 million to facilitate the transportation of excess milk to medical workers and welfare facilities, including food banks. Both of these programs will be implemented by the Agriculture and Livestock Industries Corporation (ALIC), a state-trading enterprise. On May 8, ALIC announced details of how these programs will be administered. The total cost of these programs is estimated at \$37.8 million and will be funded by ALIC's annual budget.

### 1. Support for Dairy Processors (\$17.5 million)

Eligible recipients are dairy processors accepting at least two metric tons of milk per day intended for the production of gouda and cheddar cheese, butter, and whole milk powder. Processors are able to receive payments for milk volumes accepted from April 7 to the last day of the state of emergency, or June 15, whichever is earlier (minus actual volumes processed during the same period in 2019). Payments will be issued under the following sub-programs:

Sub-program	Target	Payment
Purchase of raw milk	Dairy processors	Maximum 50 yen/kg (milk basis)
Storage and distribution of processed products	Storage and distribution costs (maximum storage period is six months)	Cheese/butter: 3 yen/kg per month Whole milk powder: 2 yen/kg per month
Plan development	Miscellaneous costs	Fixed amount

### 2. Support for Milk Donations (\$20.3 million)

Eligible recipients are the Japan Dairy Association (J-milk) and other dairy associations approved by ALIC. Targeted dairy products are milk and dairy products (e.g. yogurt) that are mainly derived from domestic milk. Recipients will receive support payments for donations made from April 27 to June 14. Payments will be issued under the following sub-programs:

Sub-program	Target	Payment
Donation support payments	Costs of donated products (excluding transportation cost)	Up to the market price of the donated products
Plan development	Miscellaneous costs	Fixed amount

## Attachments:

No Attachments.