

Voluntary Report – Voluntary - Public Distribution

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Report Name: USJTA Treatment for Yogurt and Other Dairy Components

Country: Japan

Post: Tokyo

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

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Report Highlights:

The U.S.-Japan Trade Agreement (USJTA) entered into force on January 1, 2020. Once USJTA is fully implemented, nearly 90 percent of U.S. food and agricultural products imported into Japan will be duty free or receive preferential tariff access. This is one in a series of reports providing concise overviews of how the agreement affects certain product groups. Please note that the information provided is not fully comprehensive and additional details may be found in the agreement text itself. Additional information is available at www.usdajapan.org/usjta.

Overview: In 2019, the United States exported \$75 million of lactose, milk albumin, and other dairy components (excluding cheese, butter, milk powder, and whey) to Japan. The United States accounted for 16 percent of Japan’s total imports of these products. Overall, Japan ranked as the #5 overseas market for U.S. dairy products. The years below correspond to Japan’s fiscal year beginning April 1.

Product Name Japan Customs HS Code		Base Rate	Year 1 (2019)	Year 2 (2020)	Year 3 (2021)	Final Tariff (Year)	2019 Imports
Lactose and lactose syrup 170211000, 170219000		8.5%	Free			Free (2019)	\$38,844,125
Milk albumin 350220000		2.9%	Free			Free (2019)	\$37,775,731
Products consisting of natural milk constitutions used for infant formula (no added sugar) 040490-118/128/138	Fat content 1.5% or less	29.8% + 400 yen/kg	Free (within CSQ)			Free (2019)	\$1,531,411
	Fat content between 1.5% and 30%	29.8% + 679 yen/kg					
	Fat content exceeding 30%	29.8% + 1,023 yen/kg					
Casseinates and other casein derivatives, excl. casein (already duty free) 350190000		5.4%	Free			Free (2019)	\$170,102
Dairy product preparations with over 30% of natural milk constituents, less than 30% fat (excl. base for non-alcoholic beverage and vitamin supplements), out of WTO quota 210690112		21.0%	15.7%	13.1%	10.5%	5.2% (2023)	\$80,639
Frozen yogurt, containing sugar or other sweetening matter in immediate packaging less than 10kg 040310211		26.3%	21.5%	19.1%	16.7%	Free (2028)	\$28,785
Other frozen yogurt 040310219		29.8%	24.3%	21.6%	18.9%	Free (2028)	n/a

Country-Specific Quota (CSQ): Products consisting of natural milk constitutions used for infant formula (no added sugar) are include in the CSQ for U.S. whey which grows from 5,400 metric tons (MT) to 9,000 MT by 2028. In addition, Japan will create a 750 MT tender within its current WTO dairy quota specifically for skimmed milk powder with a minimum 35 percent protein content by weight on a milk solids-not-fat-basis.

Market Considerations: The United States is a major supplier of lactose and milk albumin to Japan, accounting for 42 and 30 percent, respectively of Japan’s total imports in 2019. These products are attractive to Japanese buyers because they can be imported outside of Japan’s government-operated dairy quota system (which manages imports of butter, nonfat dry milk, and whey). Under the U.S.-Japan Trade Agreement, ad valorem tariffs on lactose and milk albumin were eliminated immediately on January 1, 2020. Lactose is a key ingredient in seasonings, confectionary, and dairy drinks. Whey protein concentrate (with over 80% protein content) and whey protein isolate are imported as milk albumin.

Additional Resources: Further details are available at www.usdajapan.org/usjta/.

Attachments:

No Attachments.