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# GAIN Report

Global Agricultural Information Network

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## Japan

### Dairy and Products Semi-annual

### 2010 Market Outlook for Japanese Milk and Dairy Products

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**Report Highlights:**

In 2010, post is forecasting weak consumption for drinking milk, slow recovery in the dairy ingredient market, and soaring stocks of nonfat dry milk (NFDM) and butter. Post has raised Japan's import forecast for cheese from the previous year and now projects 195,000 MT, an increase of 9%.

**Commodities:**

Select

**Production, Supply and Demand Data Statistics:**

**Fluid Milk PS&D Table**

Dairy, Milk, Fluid Japan	2008			2009			2010			
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Cows In Milk	862	862	862	848	848	848	840	840	840	(1000 HEAD)
Cows Milk Production	7,982	7,982	7,982	7,900	7,900	7,910	7,850	7,850	7,850	(1000 MT)
Other Milk Production	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Production	7,982	7,982	7,982	7,900	7,900	7,910	7,850	7,850	7,850	(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	7,982	7,982	7,982	7,900	7,900	7,910	7,850	7,850	7,850	(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.	4,442	4,442	4,442	4,300	4,300	4,264	4,250	4,250	4,125	(1000 MT)
Factory Use Consum.	3,458	3,458	3,458	3,525	3,525	3,570	3,525	3,525	3,650	(1000 MT)
Feed Use Dom. Consum.	82	82	82	75	75	76	75	75	75	(1000 MT)
Total Dom. Consumption	7,982	7,982	7,982	7,900	7,900	7,910	7,850	7,850	7,850	(1000 MT)
Total Distribution	7,982	7,982	7,982	7,900	7,900	7,910	7,850	7,850	7,850	(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)
TS=TD			0			0			0	

**NFDM PS&D Table**

Dairy, Milk, Nonfat Dry Japan	2008	2009	2010	
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	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Beginning Stocks	38	38	38	31	31	31	51	51	58	(1000 MT)
Production	158	158	158	165	165	167	165	165	170	(1000 MT)
Other Imports	32	32	32	35	35	34	30	30	25	(1000 MT)
Total Imports	32	32	32	35	35	34	30	30	25	(1000 MT)
Total Supply	228	228	228	231	231	232	246	246	253	(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	170	170	170	150	150	152	155	155	160	(1000 MT)
Other Use, Losses	27	27	27	30	30	22	30	30	22	(1000 MT)
Total Dom. Consumption	197	197	197	180	180	174	185	185	182	(1000 MT)
Total Use	197	197	197	180	180	174	185	185	182	(1000 MT)
Ending Stocks	31	31	31	51	51	58	61	61	71	(1000 MT)
Total Distribution	228	228	228	231	231	232	246	246	253	(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)
TS=TD			0			0			0	

### Butter PS&D Table

Dairy, Butter Japan	2008			2009			2010			
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Beginning Stocks	19	16	16	25	23	23	30	30	30	(1000 MT)
Production	72	72	72	80	80	81	80	80	85	(1000 MT)
Other Imports	20	18	18	0	0	0	0	0	2	(1000 MT)
Total Imports	20	18	18	0	0	0	0	0	2	(1000 MT)
Total Supply	111	106	106	105	103	104	110	110	117	(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	83	83	75	73	74	75	75	77	(1000 MT)
Total Use	86	83	83	75	73	74	75	75	77	(1000 MT)
Ending Stocks	25	23	23	30	30	30	35	35	40	(1000 MT)

										MT)
Total Distribution	111	106	106	105	103	104	110	110	117	(1000 MT)
CY Imp. from U.S.	7	7	7	0	0	0	0	0	0	(1000 MT)
CY. Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
TS=TD			0			0			0	

### Cheese PS&D Table

Dairy, Cheese Japan	2008			2009			2010			
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Beginning Stocks	15	15	15	15	15	15	15	15	15	(1000 MT)
Production	47	47	47	45	45	45	45	45	47	(1000 MT)
Other Imports	187	187	187	185	185	184	190	190	200	(1000 MT)
Total Imports	187	187	187	185	185	184	190	190	200	(1000 MT)
Total Supply	249	249	249	245	245	244	250	250	262	(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	234	234	234	230	230	229	235	235	247	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	234	234	234	230	230	229	235	235	247	(1000 MT)
Total Use	234	234	234	230	230	229	235	235	247	(1000 MT)
Ending Stocks	15	15	15	15	15	15	15	15	15	(1000 MT)
Total Distribution	249	249	249	245	245	244	250	250	262	(1000 MT)
CY Imp. from U.S.	7	7	0	7	7	7	7	7	8	(1000 MT)
CY. Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
TS=TD			0			0			0	

**Author Defined:**

2010 Japan Dairy Semiannual Draft

2010 Outlook for Fluid Milk, NFDM, Butter and Cheese (Revised)

Preface:

In 2010 post is expecting a fairly limited increase in the consumption of milk and dairy products in Japan. Further expansion is being hampered by the prolonged economic recession and stagnant population growth rates. The 2010 market situation described in the last annual report (JA 9058) remains applicable to the current situation. Post is forecasting weak consumption for drinking milk, slow recovery in the dairy ingredient market, and soaring stocks of nonfat dry milk (NFD) and butter.

This report provides an update on dairy subsidy policy under the new Democratic Party of Japan (DPJ) administration, and examines prospects for Japan's current tariff rate quota (TRQ) commitments for JFY 2010 in lieu of the surplus in NFD and butter supplies that are anticipated for this year. PS&D numbers for CY 2009 are adjusted based on the latest figures available.

### GOJ Current System of Dairy Subsidies Remains in Tact for JFY 2010

The government of Japan (GOJ) is still discussing how to actualize the farm policy initiatives called for by the new administration. Finding feasible policy mechanisms to replace the current dairy subsidy programs remains elusive. In JFY 2001 GOJ changed a longstanding deficiency payment scheme for manufacturing milk to a direct payment scheme as a means of compensating farmers who sell their milk for processing. Hokkaido producers are the main beneficiaries of the subsidies. Policy experts are considering how effective a direct income payment would be for individual farmers under the new initiative versus that of the existing program.

In short, GOJ has not worked out the details of the initiative and the existing dairy subsidy program for fluid milk for processing has been left in tact for JFY 2010 in order to avoid confusion among the growers. As shown in table 2, the subsidy payment level for fluid milk for processing is unchanged from the previous fiscal year at JP Yen 11.85 per kilo. The corresponding quota has been reduced slightly by 100,000 MT to 1.85 million MT over the last fiscal year in order to cope with the likely surplus of NFD and butter with the intent of diverting extra fluid milk to cheese and other powdered milk production.

### Japan's NFD and Butter Stocks to Rise in 2010

Provisionally, post projects a slightly lower level for national fluid milk output in 2010 over the last year at 7.85 million MT since the industry is indicating there was a reduced number of milking cows at the beginning of the year in 2010 (national dairy herd statistics will be announced later). The utilization breakdown for fluid milk in 2010 is projected at 4.125 million MT for drinking (down 3% from last year) and 3.65 million MT for processing (up 2%) reflecting product being diverted to

processing with lower demand for drinking milk this year. With that prospect in mind, post raised this year's projection for domestic NFDM and butter production to 170,000 MT (up 2% from last year) and 85,000 MT (up 5%) respectively.

As mentioned in the 2009 situation summary, sizable NFDM and butter stocks were carried over to 2010 even with the modest increase in use projected for the year. There are ample indications of a surplus in the above commodities, particularly NFDM, with reduced prices in recent months (See Table 9). This price trend may help increase the dairy ingredient market somewhat toward the second half of the year, which in turn could result in a recovery in sales in the confectionary/dessert market; the sector hardest hit by the recession. The reported increase in household consumption of foods will help support sales of bread (bakery) and butter this year. Even then, considerably higher levels of year ending stocks are projected through this year, up by 22% to 71,000 MT for NFDM and up by 33% for butter to 40,000 MT, due to weaker demand and ample supplies for each commodity.

#### Japan Dairy Minimum Access Imports for JFY 2010 to Focus on Non Essential Commodities

Due to the surplus of NFDM and butter anticipated this year, Japan's imports of these essential commodities under the current access TRQ for JFY 2010 are not expected until at least this fall (see Table 7-A, demonstrating the record quantities of butter imported in CY2008). Rather, there will likely be greater sales of less essential commodities under the TRQ (total milk equivalent of 137,000 MT) such as edible whey, dairy spread, and butter oil instead of butter and NFDM during the fiscal year JFY 2010 (April 2010 – March 2011).

#### Solid Import Recovery Forecast for Cheese in 2010

Reduced market prices for cheese, in line with substantially lower import prices, have positively contributed to Japan's cheese consumption, bouncing back from the second half of 2009. Going into 2010, Japanese cheese imports have shown a solid recovery as the JP Yen remains strong against other currencies. Solid household consumption and the resumed use of these lower priced imported products in the food service and confectionary industries are mainly attributable to this recovery. Assuming this trend will continue, post has raised Japan's import forecast upward from the previous forecast and now projects 195,000 MT, an increase of 9% from last year.

Following the pattern of the previous year, Japan's import recovery will accommodate more products from the EU, mostly for direct consumption. Products from Oceania are expected to do well in 2010 (for the zero tariff TRQ category – natural cheeses to be blended with domestic cheeses and manufactured into processed cheese products), but these imports may be tempered somewhat by

limited production and higher brought on as a result of drought conditions. Post has made a modest upward projection from last year for U.S. cheese in 2010 to 7,000 MT assuming a continuation of competitive prices for product from the EU and South American countries continues. Domestic cheese production is also forecast to increase modestly up 4% to 47,000 MT, supported by the increasing availability of lower priced fluid milk this year, coupled with the government's initiative to promote domestic cheeses under a subsidy program (GOJ implements a subsidy scheme similar to that of the payment made for fluid milk for processing).

## 2009 Market Situation Summary (Revised)

Post does not anticipate any significant changes for the 2009 projection in the last annual report (JA 9058). A weaker consumption scenario due to the economic recession was in place throughout 2009.

### Economic Recession Limited Overall Milk and Dairy Product Consumption in 2009

Japanese national fluid milk output in 2009 fell slightly below the level of the previous year, down by 1% to 7.91 million MT, mainly a reflection of the reduced number of milking cows at the beginning of year.

Utilization of fluid milk in 2009 was 4.264 million MT for drinking (down 4% from last year) and 3.57 million MT for processing (up 3%). Drinking milk consumption stagnated in 2009 as more fluid milk was diverted to processed products (See Table 3 and Table 4) with NFDM at 167,000 MT (up 6 % from last year) and butter at 81,000 MT (up 13%).

### Sizable NFDM and Butter Stocks Left at the Year End

The above situation resulted in a slight expansion of NFDM and butter supplies at the beginning of the year. However, demand for dairy products was weaker than anticipated, particularly in the confectionary and food service sector due to the recessionary economy. In contrast, Japanese consumers were eating more at home, which helped to increase consumption of butter, cheese, and bread for toast and sandwiches in 2009 (See Table 1). NFDM and butter stocks began to build with year end stocks at 58,300 MT and 29,600 MT respectively. Stocks of these products were carried over to the next year (See Table 5) resulting in a decrease in the average wholesale price for each commodity on a monthly basis (See Table 9).





Ice Cream/Sherbet										
Powdered Milk	gram	556	463	472	2%	447	-5%	115	105	-9%
Bread for Toast/Sandwich	gram	19,102	19,115	19,495	-1%	19,900	2%	4,825	5,057	5%
<b>Expenditure</b>										
		<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>% Chg.</b>	<b>2009</b>	<b>% Chg.</b>	<b>2009</b>	<b>2010</b>	<b>% Chg.</b>
	Unit	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
Milk	Yen	17,987	17,237	16,589	-4%	16,571	0%	3,711	3,762	1%
Cheese	Yen	3,151	3,315	3,655	10%	4,002	9%	960	1,013	6%
Butter	Yen	687	721	802	11%	840	5%	215	227	6%
Margarine	Yen	752	755	870	15%	962	11%	226	236	4%
Yogurt	Yen	8,047	7,950	7,860	-1%	8,138	4%	1,878	1,913	2%
Milk Beverages	Yen	1,035	1,105	1,173	6%	1,198	2%	262	256	-2%
Lactic Acid Bacteria Drink	Yen	3,021	3,478	3,316	-5%	3,239	-2%	757	718	-5%
Ice Cream/Sherbet	Yen	6,823	7,081	7,261	3%	7,541	4%	1,040	1,050	1%
Powdered Milk	Yen	1,015	850	868	2%	832	-4%	216	199	-8%
Bread for Toast/Sandwich	Yen	26,559	27,096	16,652	-39%	16,652	0%	2,219	2,171	-2%

Source: Household Statistic Ministry of Internal Affairs and Communications (Compiled from E-Stats Data System)

Table 2: Government Subsidy Payment and Eligible Fluid Milk Quota for Processing

Year (Japanese Fiscal Year)	Unit Subsidy Payment	Type of Subsidy	Eligible Volume
	Yen/Kg.		Million MT
JFY1995	11.49	deficiency payment	2.30
JFY1996	11.49	deficiency payment	2.30
JFY1997	10.87	deficiency payment	2.40
JFY1998	10.84	deficiency payment	2.40
JFY1999	10.80	deficiency payment	2.40
JFY2000	10.30	deficiency payment	2.40
JFY2001	10.30	direct payment	2.27
JFY2002	11.00	direct payment	2.20
JFY2003	10.74	direct payment	2.10
JFY2004	10.52	direct payment	2.10
JFY2005	10.40	direct payment	2.05
JFY2006	10.40	direct payment	2.03
JFY2007	10.55	direct payment	1.98
JFY 2008	11.55	direct payment	1.95
JFY 2008 (Revised)	11.85	direct payment	1.95
JFY 2009	11.85	direct payment	1.95
JFY 2010	11.85	direct payment	1.85

Source: ALIC Monthly

Table 3: Japanese Fluid Milk Utilization of Drinking Category (YTD 2010)

Unit: 1,000 Kilo Liters								
	Revised	Updated		Updated		Updated	New	
	2007	2008	% Chg.	2009	% Chg.	2009	2010	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Mar	Jan/Mar	Jan/Mar
Total Drinking Milk Products	4,039	3,951	-2%	3,804	-4%	917	891	-3%
Regular Milk	3,592	3,509	-2%	3,180	-9%	799	736	-8%
Processed Milk	446	442	-1%	625	42%	118	155	32%
Milk Beverages	1,312	1,241	-5%	1,180	-5%	260	263	1%
Fermented Milk	844	813	-4%	821	1%	192	190	-1%
Lactic Acid Bacteria Drinks	173	179	4%	199	11%	45	41	-10%

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: MAFF

Table 4: Japanese Production of Processed Milk Products (YTD 2010)

Unit: Metric Ton								
	Revised	Updated		Updated		Updated	New	
	2007	2008	% Chg.	2009	% Chg.	2009	2010	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Mar	Jan/Mar	Jan/Mar
Butter	75,058	71,698	-4%	80,998	13%	22,417	23,390	4%
Cream	103,109	107,535	4%	104,898	-2%	26,194	24,959	-5%
Whole Milk Powder	14,027	13,543	-3%	12,565	-7%	4,394	3,840	-13%
Prepared Milk Powder	30,039	30,197	1%	34,914	16%	7,492	8,408	12%
Skim Milk Powder (NFDM)	172,545	158,179	-8%	167,256	6%	45,182	48,104	6%
Ice Cream (Unit: kilo liter)	134,035	126,179	-6%	128,614	2%	24,420	23,456	-4%

Source: MAFF

Table 5: Monthly Ending Stocks of Butter and NFDM (YTD 2010)

Unit: 1,000 Metric Ton										
	Butter					NFDM				
	2008	2009	% Chg.	2010	% Chg.	2008	2009	% Chg.	2010	% Chg.
Jan	19.7	25.5	29%	32.6	28%	41.4	36.3	-12%	65.1	79%
Feb	19.4	26.7	38%	32.8	23%	42.6	38.7	-9%	67.7	75%
Mar	19.4	28.1	45%			42.8	43.1	1%		
Apr	19.9	29.6	49%			43.4	49.5	14%		
May	21.2	32.3	52%			43.3	55.1	27%		
Jun	21.1	33.6	59%			42.1	55.4	32%		
July	20.7	34.0	64%			38.4	54.5	42%		
Aug	22.9	35.0	53%			35.0	55.0	57%		
Sept	22.4	34.3	53%			29.9	53.6	79%		
Oct	21.9	32.9	50%			27.6	52.9	92%		
Nov	22.3	31.3	40%			27.2	53.8	98%		
Dec	22.5	29.6	32%			30.5	58.3	91%		

Source: ALIC Monthly

Table 6: Japanese Imports of Non Fat Dry Milk (YTD 2010)

Unit: Metric Ton								
	Revised	Updated		Updated		Updated	New	
	2007	2008	% Chg.	2009	% Chg.	2009	2010	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Mar	Jan/Mar	Jan/Mar
For School Lunch Program	2,405	2,258	-6%	2,109	-7%	549	549	0%
For Feeds	31,032	27,028	-13%	22,143	-18%	7,229	9,007	25%
For Other Use (Mostly Current Access)	2,351	2,940	25%	10,082	243%	1,387	389	-72%
Total NFDM Imports	35,788	32,226	-10%	34,333	7%	9,165	9,945	9%

Source: ALIC Monthly

Table 7-A: Japanese Imports of Butter (YTD 2010)

Unit: Metric Ton (Customs Clearance Basis)						
Rank	Country	2007	2008	2009	% Change - 09/08 -	- 09 -
		Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
0	--World--	11,384	18,153	333	-98%	100%
1	New Zealand	144	3,149	143	-95%	43%
2	Australia	2,002	4,080	87	-98%	26%
3	France	139	241	70	-71%	21%
4	United States	5	7,062	26	-100%	8%
5	Denmark	700	114	4	-97%	1%
6	Others	8,394	3,507	2	-100%	1%

Source: Japan Customs (World Trade Atlas)

Table 7-B: Average C&F Price of Imported Butter (YTD 2010)

Unit: US Dollars per Kg.					
Rank	Country	2007	2008	2009	% Change - 09/08 -
		Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
0	--World--	3.72	4.19	6.2	48%
1	New Zealand	2.34	4.19	2.44	-42%
2	Australia	2.99	3.99	4.91	23%
3	France	11.65	10.17	15.56	53%
4	United States	5.54	3.8	5.16	36%
5	Denmark	3.78	4.52	5.68	26%
6	Germany	4.12	4.94	16.6	236%

Source: Japan Customs (World Trade Atlas)

Table 8-A: Japanese Imports of Cheese 2009 (Jan. – Dec.)

Unit: Metric Ton (Customs Clearance Basis)						
Rank	Country	2007	2008	2009	% Change - 09/08 -	- Share - 09
		Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
0	--World--	225,081	186,503	184,243	-1%	100%
1	Australia	97,029	87,487	84,059	-4%	46%
2	New Zealand	65,259	50,630	49,751	-2%	27%
3	Germany	10,881	9,015	10,185	13%	6%
4	Denmark	9,192	7,783	8,156	5%	4%
5	France	7,521	7,051	7,141	1%	4%
6	United States	6,834	7,339	6,885	-6%	4%
7	Italy	6,495	5,535	5,915	7%	3%
8	Netherlands	7,663	5,656	5,626	-1%	3%
9	Argentina	8,885	3,768	4,239	12%	2%
10	Others	5,323	2,237	2,285	2%	1%

Source: Japan Customs (World Trade Atlas)

Table 8-B: Average C&F Price of Imported Cheese 2009 (Jan. – Dec.)

Unit: US Dollars per Kg.					
Rank	Country	2007	2008	2009	% Change - 09/08 -

		Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
0	--World--	3.74	5.39	4.41	-18%
1	Australia	3.1	4.68	3.65	-22%
2	New Zealand	3.13	4.85	3.75	-23%
3	Germany	3.68	4.94	3.7	-25%
4	Denmark	5.22	7.03	6.35	-10%
5	France	7.67	9.26	9.37	1%
6	United States	6.34	7.3	7.13	-2%
7	Italy	9.82	11.53	10.22	-11%
8	Netherlands	4.27	5.79	4.42	-24%
9	Argentina	2.96	4.75	3.14	-34%

Source: Japan Customs (World Trade Atlas)

Table 8-C: Japanese Cheese Imports 2010 YTD (Jan. – Mar.)

Unit: Metric Ton (Customs Clearance Basis)					
Rank	Country	2008	2009	2010	% Change
		Jan/Mar	Jan/Mar	Jan/Mar	- 10/09 -
		Jan/Mar	Jan/Mar	Jan/Mar	Jan/Mar
0	--World--	51,133	44,627	52,245	17%
1	Australia	24,841	20,716	22,744	10%
2	New Zealand	15,620	12,684	14,513	14%
3	United States	1,262	1,659	3,087	86%
4	Germany	1,615	2,162	2,971	37%
5	Denmark	1,986	1,852	1,791	-3%
6	France	1,548	1,548	1,770	14%
7	Netherlands	1,502	1,330	1,546	16%
8	Argentina	875	763	1,496	96%
9	Italy	1,281	1,228	1,321	8%
10	Others	603	686	1,007	47%

Source of data: Japan Customs (World Trade Atlas)

Table 8-D: Average C&F Price of Imported Cheese YTD 2010 (Jan. – Mar.)

Unit: US Dollars per Kg.					
Rank	Country	-/ KG - 2008	-/ KG - 2009	-/ KG - 2010	% Change
		Jan/Mar	Jan/Mar	Jan/Mar	- 10/09 -
		Jan/Mar	Jan/Mar	Jan/Mar	Jan/Mar
0	--World--	4.78	5.04	4.2	-17%
1	Australia	4.01	4.47	3.54	-21%
2	New Zealand	4.22	4.64	3.67	-21%
3	United States	8.38	7.35	5.8	-21%
4	Germany	4.9	4.07	3.6	-12%
5	Denmark	6.7	6.54	6.25	-4%
6	France	9.15	9	9.31	3%
7	Netherlands	5.73	4.64	4.03	-13%
8	Argentina	4.81	4.39	3.11	-29%
9	Italy	11.99	9.93	10.43	5%

Source of data: Japan Customs (World Trade Atlas)

Table 9: Average Wholesale Price of Dairy Products for Bulk Users (YTD 2010)

Butter (Yen/Kg.)									
	2006	2007	% Chg.	2008	% Chg.	2009	% Chg.	2010	% Chg.
Jan	947	944	0%	984	4%	1,164	18%	1,081	-7%
Feb	947	944	0%	995	5%	1,176	18%	1,073	-9%
Mar	947	944	0%	1,016	8%	1,177	16%	1,074	-9%

Apr	947	944	0%	1,060	12%	1,178	11%	0	-100%
May	947	944	0%	1,074	14%	1,173	9%	0	-100%
Jun	948	945	0%	1,091	15%	1,158	6%	0	-100%
July	950	946	0%	1,124	19%	1,164	4%	0	-100%
Aug	943	950	1%	1,136	20%	1,131	0%	0	-100%
Sept	943	956	1%	1,143	20%	1,114	-3%	0	-100%
Oct	943	965	2%	1,154	20%	1,102	-5%	0	-100%
Nov	944	968	3%	1,162	20%	1,085	-7%	0	-100%
Dec	944	977	3%	1,163	19%	1,086	-7%	0	-100%

**NFDM (Yen/25 Kg.)**

	2006	2007	% Chg.	2008	% Chg.	2009	% Chg.	2010	% Chg.
Jan	13,076	13,004	-1%	13,300	2%	14,994	13%	14,981	0%
Feb	13,071	13,019	0%	13,327	2%	15,033	13%	14,863	-1%
Mar	13,062	13,019	0%	13,505	4%	15,160	12%	14,957	-1%
Apr	13,062	13,019	0%	14,096	8%	15,226	8%	0	-100%
May	13,047	13,019	0%	14,311	10%	15,254	7%	0	-100%
Jun	13,005	13,041	0%	14,646	12%	15,241	4%	0	-100%
July	13,020	13,049	0%	14,697	13%	15,172	3%	0	-100%
Aug	13,013	13,063	0%	14,769	13%	15,030	2%	0	-100%
Sept	13,010	13,078	1%	14,831	13%	14,949	1%	0	-100%
Oct	13,002	13,136	1%	14,951	14%	14,943	0%	0	-100%
Nov	13,001	13,146	1%	14,953	14%	14,931	0%	0	-100%
Dec	13,007	13,257	2%	14,982	13%	15,005	0%	0	-100%

Source: ALIC Monthly