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Japan

Dairy and Products Semi-annual

Dairy and Products Semi-annual (update as of July 5, 2011)

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Report Highlights:
As of May, it appears that the segments of the dairy sector affected by the March earthquake and tsunami in eastern Japan have largely recovered, and supplies have been restored to Tokyo and surrounding prefectures. However, consumption remains somewhat restrained. The strong JP Yen against the U.S. dollar and reportedly higher international prices in major dairy producing countries may provide continued access opportunities for U.S. products this year. American cheese achieved outstanding success in 2010 with imports up by 99% to a total of 13,672 MT and may again be around 14,000 MT in 2011.

Commodities:

Dairy, Butter
Dairy, Cheese
Dairy, Dry Whole Milk Powder
Dairy, Milk, Nonfat Dry

Author Defined:

2011 Dairy Semiannual

Preface:

This report is an update to ***JA 0029***, the 2010 Japan Dairy and Products Annual (10/15/2010). Post's previous PS&D preliminary projections for 2010 (January to December) were adjusted based on the latest calendar year data preliminarily published by the government of Japan (GOJ) for domestic production, stocks, and imports. Post's previous 2011 annual outlook projection for fluid milk and dairy commodities has been revised to reflect a tighter than anticipated demand and supply outlook for Japan's national fluid milk production in 2011.

At this time it is still difficult to assess the full impact of the devastating earthquake and subsequent tsunami that occurred in March in Eastern Japan. However, in the last part of this section we offer a brief initial assessment of the effect on Japan's dairy farming and industry with particular emphasis on the impact on dairy consumption.

The data discussed in this report are on a calendar year basis unless specified otherwise. For convenience sake, post's reference to Japan's current access for dairy commodities (total milk equivalent of 137,000 MT) and dairy subsidies is based on the Japanese fiscal year (JFY: Starting April and ending March next year).

The conversion coefficient post used to calculate milk equivalent volumes for each commodity are: NFDM (6.48), Edible Whey Powder (6.84), Butter (12.34), Dairy Spread (12.34), and Butter Oil (15.05)

Brief Impact Assessment of the Eastern Japan Earthquake on the Dairy Sector

A huge earthquake in eastern Japan in March devastated the dairy sector in the region. However, on a preliminary basis the overall impact on the nation's total supply of milk and dairy products appears to be limited. This assessment was made on available data (second quarter household consumption and factory shipments of milk and dairy products) in order to assess the likely impact on an annual consumption basis.

The affected region includes the major milk producing prefectures for drinking milk; the disaster initially resulted in an acute shortage of drinking milk supplies in Tokyo and surrounding prefectures for about a month or so after the earthquake. Milk came back into the market relatively quickly, but yogurt supplies were severely affected by rolling electricity blackouts and the government's call for saving electricity that was implemented throughout Japan. These rolling blackouts lasted through the second week of April. It took four to six weeks for the system supplying all of the region's milk to become operational again after the emergency. The industry was able to quickly repair damaged farm facilities and milk factories, secure needed feed, fuel and electricity, and arrange a means of transport to move raw milk and dairy products. In the meantime, it is worth noting that over 33,000 MT of fluid milk (JP Yen 3.3 billion worth of fluid milk) were reportedly destroyed or disposed of in the affected prefectures during the initial four weeks, due in part to the government's temporary prohibition on fluid milk shipments produced in Fukushima and Ibaragi prefectures. Those prohibitions were the result of radiation detections in fluid milk (Note 1: The suspensions imposed on both Ibaragi and Fukushima prefectures were lifted by April 10 except for some localities in Fukushima still affected by radiation).

As of May, most supplies of milk and dairy products in Tokyo and surrounding prefectures were restored to pre-earthquake status and dairy products are back in stock on retail shelves. However, there is concern that there will be a disruption in this summer's electricity supply similar to the rolling blackouts that occurred in the early weeks of April, impacting supplies again. Post notes that fluid drinking milk shipped out from Hokkaido to other regions increased beginning in April covering the temporary fluid milk shortage in the affected region. Increased shipments of fluid milk from Hokkaido, if continued through summer, could contribute to less availability of fluid milk for processing this year.

2011 Market Outlook for Fluid Milk, NFDM, Butter and Cheese (Revised)

- National Fluid Milk Outputs to Decline Further and Supplies for Processing Use to be Limited in 2011

Japan's domestic fluid milk production for the nation as a whole in 2011 is expected to be lower than the previous year and could remain slightly short of national demand for dairy commodities. The current situation seems to indicate a reduction in butter and NFDM production. Butter supply should be tight this year, leaving an opportunity for Japan to continue minimum access butter imports in JFY 2011 (See butter and NFDM section).

Post's newly revised national fluid milk output projection for 2011 is 7.55 million MT, down by 2.2% from 2010 and slightly lower than post's previous projection. The projected utilization breakdown for fluid milk in 2011 is estimated at 4.03 million MT for drinking use, down by 3% from last year and 3.45 million MT for processing use, down by 1.4%.

Various factors attributed to the above revision. Especially worthy of note is the prolonged effect of the extremely hot weather on cow productivity last summer. Monthly production data indicates that average daily fluid milk output per cow has been lower nationwide since last August and was still persisting as of March 2011 (Note: average daily per cow output was 28.3 kilograms in 2010). Other factors contributing to the projected fall in national fluid milk output includes a continued decline in Japan's dairy cow inventory (2011 national beginning livestock data has not been released), the continued exit of dairy farmers from the industry, and substantial increases in farm input costs due to high feed and fuel prices, resembling the situation in 2008.

Regular Drinking Milk Consumption to Remain Sluggish in 2011

Following previous year's patterns, overall demand for drinking milk products in 2011 continues to remain sluggish, especially for regular milk, due to lethargic household and school consumption. Similar to last year, lower regular milk consumption is expected to be more than offset by increased consumption of non-regular drinking milk products such as processed milk, milk beverages, and fermented milk that will be supported by health conscious and low price consumption trends.

Domestic Butter and NFDM Productions Continue to Decline in 2011

At the level post is projecting for production of fluid milk for processing in Japan in 2011, domestic production of butter and NFDM is bound to decrease further since the same amount or more fluid milk will be used for cheese and cream production this year. Post's newly revised projection on a year on year basis for domestic butter is around 70,000 MT for domestic down by 5%, and NFDM down by 4% to a total of 150,000 MT.

On the consumption front, the effects from the Eastern Japan Earthquake generally appear to have resulted in diminished monthly consumption and utilization of butter and NFDM in large part to the restrained consumption after the earthquake. On an annual basis, only a modest decline in total consumption for each commodity has been projected; for butter, down by 2% from last year to 83,000 MT with the projected decline mostly attributed to lethargic sales anticipated for confectionaries and desserts. For NFDM, consumption is projected down by 1% to 160,000 MT, assuming that there is a steady ingredient demand for use in processed milk and confectionaries holding from the previous year.

Projected demand and supply balances for butter and NFDM in 2011 will likely leave lower year ending stocks for each, estimated to be very tight for butter at 21,000 MT, even if minimum access imports are

made for the period running from January through December (see the section below), and modestly lower for NFDM at 56,000 MT.

- Prospects for Lower Butter Supplies Allow Japan to Continue Minimum Access Butter Imports in 2011

Reduced domestic butter outputs and low running stocks are expected to allow Japan's total butter imports (minimum access and ordinary imports combined) for January through December 2011 to reach as high as 13,000 MT in order to avoid a short supply scenario.

Entering into 2011, GOJ (MAFF) has already announced a series of dairy minimum access commitments for importation of bulk butter for industrial use; 4,231 MT in January as a part of the dairy minimum access for the previous fiscal year of JFY 2010 (April 1, 2010 – March 31, 2011), 4,000 MT in February as a part of the first commitment on its shopping list for the present fiscal year JFY 2011 (April 1, 2011 – March 31, 2012). Additional butter imports may be made under minimum access commitments during the current fiscal year though the timing is unclear as of yet. The strong JP Yen against the U.S. dollar and reportedly higher international prices in major dairy producing countries may provide continued access opportunities for U.S. products this year.

Unlike butter, post does not foresee any serious NFDM shortage for this year. Although total NFDM supplies may be temporarily tight this summer, particularly for use in desserts/dairy based beverages, demand will likely be met by available domestic stocks. Meanwhile, Japan's supply of condensed skim milk (a by-product of cream production and a NFDM substitute for ingredient use) is expected to hold steady in 2011, partially lessening the probability of a rapid depletion of NFDM stocks.

- Dairy Policy Continues to Support Fluid Milk for Production of Domestic Dairy Products

The continued trend of higher prices prevailing in the international dairy market this year, combined with a prospective decline in domestic fluid milk outputs, will likely result in continued government subsidies to the dairy sector during this fiscal year with the major recipient being Hokkaido producers. Similar to last year, MAFF allocated a total budget of JP Yen 21.9 billion in JFY 2011 in direct subsidy payments for fluid milk to be utilized in the manufacture of designated dairy commodities (butter, NFDM, etc.). The level of payment for a kilo of fluid milk was raised from the previous year to JP Yen 11.95 and up to 1.85 million MT of the eligible fluid milk quota (See table 2).

Separate from the above, MAFF also arranged a partial subsidy payment this fiscal year to promote the increased use of fluid milk for cheese production (with an allocated budget for the program of 6.8 billion). For the last fiscal year 2010, Hokkaido alone used a total of 460,000 MT in fluid milk (up by 6% from last year) for domestic natural cheese production. More fluid milk will likely be diverted for domestic cheese production this year. Meanwhile, a subsidy for partial fluid milk for cream production, which existed till the last fiscal year, has been terminated as of this fiscal year.

- Slow Recovery for Cheese Consumption and Imports Anticipated in 2011

With the persisting deflationary trend the Japanese cheese market is expected to remain relatively strong as it recovers from the slump experienced in 2008 through 2009. However, post anticipates the pace of recovery this year may slow from the level of growth achieved last year. Restrained consumption after the earthquake and continued high prices in Oceania, EU and the United States should contribute to the slow down this year; thus, total consumption, is projected up by only one percent to 250,000 MT and total imports are also projected up by only 1%, which was estimated in previous outlook projections.

Similar to last year, the market is expected to support continued solid sales of certain European and American products in 2011 assuming the Japanese Yen continues to hold its strength against the Euro and U.S. dollar. For January through March, Japan's cheese imports in the natural cheese category were 49,910 MT, down by 1% and for the processed cheese category up by 4% to 2, 098 MT. In the same period, American cheese (mostly shredded) experienced robust growth, up 62% from last year to 5,014 MT. It is uncertain, however if U.S. cheese will be able to sustain robust growth though post anticipates American cheese will likely clear the record established last year, up modestly to reach the 14,000 MT level in 2011. Meanwhile, with high prices and the relatively strong currency situation, post expects imports of Oceania products to be flat or lower than last year. Imports of European cheeses, with continued price hikes, could also be curtailed this year.

Products falling under the zero tariff quotas may be an area with relatively good growth prospects; GOJ has allocated 65,900 MT for JFY 2011, an increase of 3500 MT from the last fiscal year supported by a prevailing consumption trend in favor of less expensive processed cheese products produced domestically. Imported natural cheeses under the above quota are blended with domestic natural cheeses as raw materials.

Limited availability of fluid milk for processing use is anticipated this year and may effectively curve this year's growth prospects for domestic natural cheese production as well; projected now at 50,000 MT, up by a modest 4% from the previous year. The situation suggests that the newly built cheese factories in Hokkaido will continue to be underutilized from their potential annual production capacity of 70,000 MT.

2010 Market Situation Summary (Revised)

Post's previous dairy PS&D numbers for CY 2010 (Jan. – Dec.) were adjusted based on MAFF's preliminary production, stock, and import data publicized in recent months. In brief, there was higher than projected consumption and use of butter and NFDM with lower than projected output in 2010 that resulted in much lower year end stocks for each commodity. On the other hand, despite high international prices, Japan's cheese consumption remained solid throughout the year, which came in slightly under post's previous projections for increased consumption and imports. A strong yen resulted

in competitive American cheese prices in 2010 and was a record breaking year for the United States with annual imports spiking nearly 100% from the previous year, beating post's forecast in the last annual report.

- Extreme Summer Temperatures Negatively Affected Nation's Fluid Milk Output

Japan's national fluid milk outputs in 2010 totaled **7.72 million MT**, 2.4% lower than the actual output last year. The above decline is mainly attributed to a reduced number of milk cows at the beginning of the year (829,700 head, down by 2% from the previous year beginning stock) in addition to the impact of a hot summer. Due to the extremely hot weather prevailing nationwide, daily fluid milk output per cow began decreasing in August and continued through the remainder of the year. Regionally, Hokkaido's output was down by 1% (or at 3.90 million MT), which is 50% of national output. Output in other milk producing prefectures was also down by 4% from the previous year. Fluid milk utilization breakdowns in 2010 were: for drinking milk, down by 2.7 % from the previous year at 4.15 million MT and for processing, down by 2.0% at 3.50 million MT.

- NFDM and Butter Production Fell/Fresh Cream and Cheese Production Rose in 2010

Japan's annual domestic production of NFDM and butter respectively fell in 2010 from the previous year; for NFDM, down by 7% to 155,625 MT and for butter, also down by 9% to 73,621 MT as more fluid milk was available for processing and allocated for fresh cream and cheese production (See table 3 and 4).

On the other hand, total consumption/use for NFDM and butter for the year was much better than forecast earlier; for NFDM (excluding feed use), up by 7% to 162,000 MT and for butter, up by 15% to 85,000 MT, which left lower than forecast year end stocks; for NFDM estimated down by 2% to 57,000 MT (representing approximately 4.4 months of ingredient use) and for butter, estimated down by 30% to 21,000 MT (representing approximately three months of consumption/use) for each from the beginning of the year.

Note that GOJ allocated 1.85 million MT of the raw milk subsidy quota for processing use to manufacture designated dairy commodities such as NFDM and butter for JFY 2010 (See table 2). However, actual use of the above quota reportedly fell short by about 50,000 MT of the given quota at the end of March (See Table 2).

Japan's total butter imports for the calendar year were 2,032 MT, which included 1,668 MT of minimum access butter committed in March 2010 as a part of the 2009 dairy minimum access quota. Total NFDM imports in 2010 were fairly minimal reaching 30,184 MT, mostly for feed use (See table 6 and 7).
At the same time, Japan's dairy manufacturers have raised output of domestic cheese (up by 7% from last year to an estimated 48,000 MT), fresh cream for confectionaries/desserts (up by 2% to 107,441 MT) and condensed skim milk (a by-product of fresh cream, there is no data available but it is most

likely up by the same percentage as fresh cream) for use in some processed drinking milk/desserts such as premium ice cream products to meet relatively solid market demand for each product (See table 4).

Note: GOJ/MAFF allocated JP Yen 6.6 billion for JFY 2010 to subsidize fluid milk for domestic cheese production aiming at boosting outputs in cheese factories built in Hokkaido in recent years that remain underutilized.

- GOJ to Fill JFY 2010 Minimum Access Obligation by 4th Quarter Announcement for Butter Imports

With an aim of bringing into balance the supply and demand situation, in January 2011 (the 4th quarter of JFY 2010), GOJ announced it would use the remainder of its JFY 2010 dairy minimum access commitments to import 4,231 MT of bulk butter for industrial use (reflected in post's PS&D 2011 calendar year import projection).

GOJ fully met its obligations for JFY 2010 with the list of products purchased as follows: Total milk equivalent of 137,202 MT; Edible Whey: 7,258 MT, Dairy Spread: 1,565 MT, Butter Oil: 1,065.9 MT and Butter: 4,231 MT [Country Breakdowns for the current access butter imports were: New Zealand: 2,156 MT, United States: 1,302 MT, Netherlands: 575 MT, Germany: 154 MT, and France: 44 MT].

- Cheese Consumption and Imports Higher in 2010 on Solid Demand

In 2010, Japan's total cheese consumption was estimated to have reached 247,000 MT, up by 8% from the previous year supported by the strong JP yen with imports reaching a total of 199,080 MT, also up by 8% from the previous year. Although the average C&F price was up by 7% from last year to US Dollar 4,712 the strong yen partially offset higher international cheese prices.

Import growth for Australia (up 1%) and New Zealand (up 5%) were curtailed by the unfavorable currency exchange rate against the US dollar and JP Yen, and high local prices. European cheeses showed a strong comeback in 2010 (See Table 8) supported by a relatively weak Euro against JP yen from Germany (up 10%), France (up 14%), and The Netherlands (up 17%).

American cheese achieved outstanding success in 2010 with imports up by 99% to a total of 13,672 MT on an annual basis. The corresponding share of the total advanced by three percentage points to 7%, matching the previous record established in 2008. The reasons for the sudden advancement of U.S. cheese in the Japanese market can be attributed to; successful USDEC promotions over the years, Japanese importer/end user strategy of diversifying supply sources, and lower U.S. cheese prices supported by the strong yen in 2010. The average C&F price for US cheeses was USD 5,549, down by 22% from the previous year, making U.S. products more affordable and price competitive.

Table 1: Japanese Household Consumption of Milk and Dairy Commodities (Two or More Persons Household)

Quantity								
		2007	**2008**	**% Chg.**	**2009**	**% Chg.**	**2010**	**% Chg.**
	Unit	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
Milk	Liter	90.90	86.14	-5%	84.99	-1%	85.36	0%
Cheese	gram	2,385	2,271	-5%	2,394	5%	2,586	8%
Butter	gram	500	465	-7%	484	4%	504	4%
Margarine	gram	1,381	1,433	4%	1,387	-3%	1,260	-9%
Yogurt								
Milk Beverage								
Lactic Acid Bacteria Drink								
Powdered Milk	gram	463	472	2%	447	-5%	383	-14%
Bread for Toast/Sandwich	gram	19,115	19,495	-1%	19,900	2%	19,949	0%
Confectionaries								
Expenditure								
		2007	**2008**	**% Chg.**	**2009**	**% Chg.**	**2010**	**% Chg.**
	Unit	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
Milk	Yen	17,237	16,589	-4%	16,571	0%	16,303	-2%
Cheese	Yen	3,315	3,655	10%	4,002	9%	4,079	2%
Butter	Yen	721	802	11%	840	5%	851	1%
Margarine	Yen	755	870	15%	962	11%	874	-9%
Yogurt	Yen	7,950	7,860	-1%	8,138	4%	8,455	4%
Milk Beverages	Yen	1,105	1,173	6%	1,198	2%	1,229	3%
Lactic Acid Bacteria Drink	Yen	3,478	3,316	-5%	3,239	-2%	3,382	4%
Powdered Milk	Yen	850	868	2%	832	-4%	717	-14%
Bread for Toast/Sandwich	Yen	8,249	8,901	8%	8,926	0%	8,572	-4%
Confectionaries	Yen	76,160	78,970	4%	80,402	2%	78,861	-2%

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

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

	Unit Subsidy Payment		Eligible Volume
	Yen/Kg.	Type	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
JFY 2011	11.95	direct payment	1.85

Source: ALIC Monthly

Table 3: Japanese Utilization of Fluid Milk for Drinking Milk Products

							Unit: 1,000 Kilo Liters
	2007	2008	% Chg.	2009	% Chg.	2010	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
Total Drinking Milk Products	4,039	3,951	-2%	3,804	-4%	3747	-2%
Regular Milk	3,592	3,509	-2%	3,180	-9%	3,069	-3%
Processed Milk	446	442	-1%	625	41%	678	9%
Milk Beverages	1,312	1,241	-5%	1,180	-5%	1,210	3%
Fermented Milk	844	813	-4%	821	1%	841	2%
Lactic Acid Bacteria Drinks	173	179	4%	199	11%	184	-7%
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 Dairy Commodities

							Unit: Metric Ton
	2007	2008	% Chg.	2009	% Chg.	2010	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
Butter	75,058	71,698	-4%	80,998	13%	73,621	-9%
Cream	103,109	107,535	4%	104,898	-2%	107,441	2%
Whole Milk Powder	14,027	13,543	-3%	12,565	-7%	13,250	5%
Prepared Milk Powder	30,039	30,197	1%	34,914	16%	32,942	-6%
Skim Milk Powder (NFDM)	172,545	158,179	-8%	167,256	6%	155,625	-7%
Ice Cream (Unit: kilo liter)	134,035	126,179	-6%	128,614	2%	130,589	2%
Source: MAFF							

Table 5: Monthly Ending Stocks of Butter and NFDM

Unit: 1,000 Metric Ton

Butter	2007	2008	% Chg.	2009	% Chg.	2010	% Chg.	2011	% Chg.
Jan	24.1	19.7	-18%	25.5	29%	32.6	28%	22.6	-31%
Feb	23.6	19.4	-18%	26.7	38%	32.8	23%	21.1	-36%
Mar	23.2	19.4	-16%	28.1	45%	32.6	16%		-100%
Apr	23.1	19.9	-14%	29.6	49%	32.5	10%		
May	23.8	21.2	-11%	32.3	52%	34.1	6%		
Jun	24.4	21.1	-14%	33.6	59%	34.2	2%		
July	23.7	20.7	-13%	34.0	64%	33.3	-2%		
Aug	23.6	22.9	-3%	35.0	53%	32.5	-7%		
Sept	20.3	22.4	10%	34.3	53%	29.9	-13%		
Oct	18.8	21.9	16%	32.9	50%	27.3	-17%		
Nov	16.4	22.3	36%	31.3	40%	24.4	-22%		
Dec	15.8	22.5	42%	29.6	32%	21.0	-29%		
NFDM									
	2007	2008	% Chg.	2009	% Chg.	2010	% Chg.	2011	% Chg.
Jan	68.8	41.4	-40%	36.3	-12%	65.1	79%	60.7	-7%
Feb	69.2	42.6	-38%	38.7	-9%	67.7	75%	60.6	-10%
Mar	68.3	42.8	-37%	43.1	1%	69.7	62%		-100%
Apr	68.9	43.4	-37%	49.5	14%	71.8	45%		
May	69.1	43.3	-37%	55.1	27%	74.8	36%		
Jun	65.3	42.1	-36%	55.4	32%	74.0	34%		
July	59.7	38.4	-36%	54.5	42%	71.0	30%		
Aug	53.9	35.0	-35%	55.0	57%	68.2	24%		
Sept	46.0	29.9	-35%	53.6	79%	61.4	15%		
Oct	40.3	27.6	-32%	52.9	92%	57.6	9%		
Nov	36.7	27.2	-26%	53.8	98%	56.3	5%		
Dec	38.1	30.5	-20%	58.3	91%	57.3	-2%		

Source: MAFF/ALIC

Table 6: Japanese Imports of Non Fat Dry Milk

Unit: Metric Ton

	2007	2008	% Chg.	2009	% Chg.	2010	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec
For School Lunch Program	2,405	2,258	-6%	2,109	-7%	1,983	-6%
For Feeds	31,032	27,028	-13%	22,143	-18%	24,909	12%
For Other Use (Current Access)	2,351	2,940	25%	10,082	243%	3,292	-67%
Total NFDM Imports	35,788	32,226	-10%	34,333	7%	30,184	-12%

Source: ALIC Monthly

Table 7-A: Japanese Imports of Butter

Calendar Year: 2008 - 2010								
Partner Country	Unit	Quantity			% Share			% Change
		2008	2009	2010	2008	2009	2010	2010/2009
World	MT	18,153	333	2,032	100%	100%	100%	510%
Netherlands	MT	2,412	0	860	13%	0%	42%	N.A.
New Zealand	MT	3,149	143	474	17%	43%	23%	231%
Australia	MT	4,080	87	269	22%	26%	13%	209%
United States	MT	7,062	26	173	39%	8%	9%	565%
France	MT	241	70	136	1%	21%	7%	94%
Germany	MT	613	2	111	3%	1%	5%	5450%
Others	MT	596	5	9	3%	2%	0%	80%

Source: Global Trade Atlas (Japan Customs)

Table 7-B: Average C&F Price of Imported Butter

Calendar Year: 2008 - 2010								
Partner Country	Unit	Unit Value(United States Dollars)			% Share			% Change
		2008	2009	2010	2008	2009	2010	2010/2009
World	Per MT	4,192	6,199	4,766				-23%
Netherlands	Per MT	4,813	0	4,384				
New Zealand	Per MT	4,191	2,443	3,941				61%
France	Per MT	10,175	15,556	10,660				-31%
Australia	Per MT	3,992	4,914	4,825				-2%
United States	Per MT	3,797	5,162	4,351				-16%
Germany	Per MT	4,940	16,605	4,276				-74%

Source: Global Trade Atlas (Japan Customs)

Table 8-A: Japanese Imports of Cheese

Calendar Year: 2008 - 2010								
Partner Country	Unit	Quantity			% Share			% Change
		2008	2009	2010	2008	2009	2010	2010/2009
World	MT	186,503	184,242	199,080	100%	100%	100%	8%
Australia	MT	87,487	84,059	85,120	47%	46%	43%	1%
New Zealand	MT	50,630	49,751	52,098	27%	27%	26%	5%
United States	MT	7,339	6,885	13,672	4%	4%	7%	99%
Germany	MT	9,015	10,185	11,203	5%	6%	6%	10%
France	MT	7,051	7,141	8,150	4%	4%	4%	14%
Denmark	MT	7,783	8,156	7,769	4%	4%	4%	-5%
Netherlands	MT	5,656	5,626	6,605	3%	3%	3%	17%
Italy	MT	5,535	5,915	6,241	3%	3%	3%	6%
Argentina	MT	3,768	4,239	4,248	2%	2%	2%	0%
Ireland	MT	496	971	2,295	0%	1%	1%	136%
Others	MT	1,743	1,314	1,679	1%	1%	1%	28%

Source: Global Trade Atlas (Japan Customs)

Table 8-B: Average C&F Price of Imported Cheese

Calendar Year: 2008 - 2010								
Partner Country	Unit	Unit Value(United States Dollars)			% Share			% Change
		2008	2009	2010	2008	2009	2010	2010/2009
World	Per MT	5,388	4,414	4,712				7%
Australia	Per MT	4,675	3,649	4,012				10%
New Zealand	Per MT	4,849	3,746	4,179				12%
France	Per MT	9,257	9,371	9,617				3%
United States	Per MT	7,297	7,129	5,549				-22%
Italy	Per MT	11,531	10,219	10,159				-1%
Denmark	Per MT	7,032	6,347	6,583				4%
Germany	Per MT	4,939	3,703	3,826				3%
Netherlands	Per MT	5,789	4,416	4,424				0%
Argentina	Per MT	4,747	3,137	3,663				17%
Ireland	Per MT	5,033	4,561	3,732				-18%

Source: Global Trade Atlas (Japan Customs)

Table 9: Average Wholesale Price of Dairy Products for Bulk Users

							Unit: Yen per Kg.
Butter							
	2008	2009	% Chg.	2010	% Chg.	2011	% Chg.
Jan	984	1,164	18%	1,081	-7%	1,062	-2%
Feb	995	1,176	18%	1,073	-9%	0	-100%
Mar	1,016	1,177	16%	1,074	-9%	1,065	-1%
Apr	1,060	1,178	11%	1,060	-10%	0	
May	1,074	1,173	9%	1,057	-10%	0	
Jun	1,091	1,158	6%	1,051	-9%	0	
July	1,124	1,164	4%	1,049	-10%	0	
Aug	1,136	1,131	0%	1,049	-7%	0	
Sept	1,143	1,114	-3%	1,050	-6%	0	
Oct	1,154	1,102	-5%	1,050	-5%	0	
Nov	1,162	1,085	-7%	1,050	-3%	0	
Dec	1,163	1,086	-7%	1,051	-3%	0	
							Yen per 25 Kg.
NFDM							
	2008	2009	% Chg.	2010	% Chg.	2011	% Chg.
Jan	13,300	14,994	13%	14,981	0%	14,564	-3%
Feb	13,327	15,033	13%	14,955	-1%	0	-100%
Mar	13,505	15,160	12%	14,957	-1%	14.515	-3%
Apr	14,096	15,226	8%	14,922	-2%	0	
May	14,311	15,254	7%	14,884	-2%	0	
Jun	14,646	15,241	4%	14,751	-3%	0	
July	14,697	15,172	3%	14,656	-3%	0	
Aug	14,769	15,030	2%	14,610	-3%	0	
Sept	14,831	14,949	1%	14,593	-2%	0	
Oct	14,951	14,943	0%	14,568	-3%	0	
Nov	14,953	14,931	0%	14,571	-2%	0	
Dec	14,982	15,005	0%	14,574	-3%	0	
Source: ALIC Monthly							