

**Voluntary Report** – Voluntary - Public Distribution

**Date:** April 11, 2022

**Report Number:** JA2022-0032

**Report Name:** Japan Reduces Planned Imports of Butter and Imports of NFDM also Remain Low in JFY2022

**Country:** Japan

**Post:** Tokyo

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

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**Report Highlights:**

The Japanese government announced they would reduce planned imports of butter to 7,600 metric tons (MT) in Japanese fiscal year (JFY) 2022 from 9,500 MT in the previous year while maintaining nonfat dry milk imports at 750 MT. Together with other designated dairy products, including butter oil, whey, and prepared whey, the initial planned imports are estimated at 136,949 MT (milk equivalent), the lowest volume since JFY 2013.

## **General Information:**

On January 28, 2022, Japan's Ministry of Agriculture, Forestry, and Fisheries (MAFF) announced plans to import 7,600 metric tons (MT) of butter and 750 MT of nonfat dry milk (NFDM) for Japan fiscal year (JFY) 2022, which begins on April 1, 2022 and ends on March 31, 2023. The reduction is largely attributable to the COVID-19 pandemic, which reduced demand for fluid milk and fresh dairy products from 2020 through 2021, pushing excess volumes to further processing into butter and NFDM (see [Dairy and Product Annual](#)). Stocks of butter and NFDM remain high so MAFF decided to keep these quotas low through JFY2021.

The announced butter volume of 7,600 MT reflects a 20 percent decrease from the previous year's final volume of 9,500 MT. In its announcement, MAFF noted that butter ending stocks in 2021 totaled 37,125 MT, up nearly 10 percent from 2020.

The NFDM volume of 750 MT is unchanged from the JFY 2021 final volume, which had been revised down from an initial volume of 4,000 MT (see [GAIN report](#)). NFDM ending stocks in 2021 totaled 94,599 MT, up 10 percent from 2020.

Together with announced volumes for other designated dairy products, including butter oil, whey, and prepared whey, total planned imports are estimated at 136,949 MT (milk equivalent), the lowest volume since JFY 2011 and slightly below Japan's WTO quota commitment of 137,202 MT (see Appendix Table 1). MAFF explains that the JFY2022 initial volume may be increased to meet demand during the reviewing processes scheduled in May and September.

Imports of designated dairy products are conducted through a state-trading system operated by the Agriculture and Livestock Industries Corporation (ALIC). Butter tenders are held every month and tenders for other products are held on an ad hoc basis, depending on the demand and supply situation.

Appendix Table 1: Japan's Dairy Current Access Results

Unit: Metric Ton

	JFY2011	Milk Equiv.	JFY2012	Milk Equiv.	JFY2013	Milk Equiv.	JFY2014	Milk Equiv.
Butter	7,459	92,044	7,459	92,044	3,500	43,190	3,000	37,020
NFDM	0	0	0	0	8,768	56,817	9,178	59,473
Dairy Spread	800	9,872	800	9,872	225	2,777	500	6,170
Butter Oil	300	4,515	300	4,515	242	3,642	250	3,763
Whey/Prep. Whey	4,500	30,780	4,500	30,780	4,500	30,780	4,500	30,780
<i>Sub. Total</i>	<i>13,059</i>	<i>137,211</i>	<i>13,059</i>	<i>137,211</i>	<i>17,235</i>	<i>137,205</i>	<i>17,428</i>	<i>137,206</i>
<b>Japan's Additional Importation of Designated Dairy Commodities</b>								
Butter	2,000	24,680	2,000	24,680	0	0	10,000	123,400
NFDM	0	0	0	0	0	0	10,000	64,800
<i>Sub. Total</i>	<i>2,000</i>	<i>24,680</i>	<i>2,000</i>	<i>24,680</i>	<i>0</i>	<i>0</i>	<i>20,000</i>	<i>188,200</i>
<b>Grand total</b>	<b>15,059</b>	<b>161,891</b>	<b>15,059</b>	<b>161,891</b>	<b>17,235</b>	<b>137,205</b>	<b>37,428</b>	<b>325,406</b>
	JFY2015	Milk Equiv.	JFY2016	Milk Equiv.	JFY2017	Milk Equiv.	JFY2018	Milk Equiv.
Butter	2,800	34,552	7,000	86,380	0	0	13,000	160,420
NFDM	10,000	64,800	2,000	12,960	13,000	84,240	27,000	174,960
Dairy Spread	330	4,072	342	4,220	330	4,072	329	4,060
Butter Oil	200	3,010	200	3,010	204	3,070	193	2,900
Whey/Prep. Whey	4,500	30,780	4,500	30,780	6,700	45,828	5,160	35,294
<i>Sub. Total</i>	<i>17,830</i>	<i>137,214</i>	<i>14,042</i>	<i>137,350</i>	<i>20,234</i>	<i>137,210</i>	<i>45,682</i>	<i>377,634</i>
<b>Japan's Additional Importation of Designated Dairy Commodities</b>								
Butter	10,000	123,400	9,829	121,290	13,000	160,420	0	0
NFDM	5,000	32,400	2,000	12,960	21,000	136,080	0	0
<i>Sub. Total</i>	<i>15,000</i>	<i>155,800</i>	<i>11,829</i>	<i>134,250</i>	<i>34,000</i>	<i>419,560</i>	<i>0</i>	<i>0</i>
<b>Grand total</b>	<b>32,830</b>	<b>293,014</b>	<b>25,871</b>	<b>271,600</b>	<b>54,234</b>	<b>816,222</b>	<b>45,682</b>	<b>377,634</b>
	JFY2019	Milk Equiv.	JFY2020	Milk Equiv.	JFY2021 *	Milk Equiv.	JFY2022 *	Milk Equiv.

Butter	20,000	246,800	10,520	129,817	6,400	78,976	7,600	93,784
NFDM	1,400	9,072	750	4,860	750	4,860	750	4,860
Dairy Spread	0	0	0	0	n/a	n/a	n/a	n/a
Butter Oil	200	3,010	195	2,935	1,500	22,575	500	7,525
Whey/Prep. Whey	2,627	17,966	3,683	25,192	4,500	30,780	4,500	30,780
<i>Sub. Total</i>	<i>24,227</i>	<i>276,848</i>	<i>15,148</i>	<i>162,803</i>	<i>13,150</i>	<i>137,191</i>	<i>13,350</i>	<i>136,949</i>

**Japan's Additional Importation of Designated Dairy Commodities**

Butter	0	0	0	0	3,100	38,254	n/a	n/a
NFDM	0	0	0	0	0	0	n/a	n/a
<i>Sub. Total</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3,100</i>	<i>38,254</i>	<i>0</i>	<i>0</i>
<b><i>Grand total</i></b>	<b><i>24,227</i></b>	<b><i>276,848</i></b>	<b><i>15,148</i></b>	<b><i>162,803</i></b>	<b><i>16,250</i></b>	<b><i>175,445</i></b>	<b><i>13,350</i></b>	<b><i>136,949</i></b>

\* Volumes in JFY2021 and 2022 are yearly quota including untendered volume as of March 23, 2022.

Milk Equivalent Conversion Coefficient:

Butter	12.34
NFDM	6.48
Dairy Spread	12.34
Butter Oil	15.05

*(Please note that FAS/Tokyo corrected the coefficient for Butter Oil in March 2022)*

Whey powder	6.84
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Source: MAFF and ALIC

**Attachments:**

No Attachments.