

**Voluntary Report** – Voluntary - Public Distribution

**Date:** October 04,2019

**Report Number:** JA2019-0023

**Report Name:** MAFF Reduces Non-Fat Dry Milk Quota for JFY 2019

**Country:** Japan

**Post:** Tokyo

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

**Prepared By:** Aki Imaizumi

**Approved By:** Alexander Blamberg

**Report Highlights:**

On October 4, Japan's Ministry of Agriculture, Forestry, and Fisheries announced that it would decrease planned imports of non-fat dry milk (NFDM) by 6,000 metric tons (MT) in Japanese fiscal year 2019. Planned imports are now set at 14,000 MT, compared to the 20,000 MT originally announced in May. Industry sources report that lower than expected consumption of yogurt and other dairy products in the summer months pushed NFDM stocks higher.

## General Information:

On October 4, 2019, the Ministry of Agriculture, Forestry and Fisheries (MAFF) announced that it would lower the volume of planned non-fat dry milk (NFDM) imports by 6,000 metric tons in Japanese fiscal year (JFY) 2019 which began in April 2019. MAFF had originally announced planned imports of 20,000 MT beginning in May 2019, already down 7,000 MT from the previous year (see [JA9061](#)). Planned NFDM imports for JFY 2019 are now set at 14,000 MT. The planned volume for butter imports remains unchanged at 20,000 MT.

According to MAFF data, NFDM stocks at the end of August were 76,000 MT, up 8.3% from the previous year. Industry sources report that mild early summer temperatures led to lower consumption of ice cream and yogurt which reduced demand for NFDM. Fresh milk consumption also declined, pushing domestic producers to send more milk to processing which boosted local production of butter and NFDM. Industry sources report that through the first half of JFY 2019 only 4,045 MT (around 20 percent) of the NFDM import quota had been successfully tendered.

Each year, MAFF sets the quota volumes based on its analysis of the supply and demand situation in Japan. Japanese imports of designated dairy products, including butter and NFDM, are conducted through a state-trading system operated by the Agriculture and Livestock Industries Corporation (ALIC). Tenders for NFDM will continue to be held every two months and butter every month. TRQ volumes for other dairy products, including natural cheese for processing, skimmed milk powder, evaporated milk, butter and butteroil, and certain whey products, were announced by Japan's Ministry of Finance on April 1, 2019 (see [JA9047](#)).

For more information on Japan's dairy import policies, see [ERS: Dairy Policies in Japan](#).

Table 1. Japan's Current Access and Additional Importation of Designated Dairy Commodities

Unit: Metric Ton

Dairy Current Access Results

	JFY 2015	Milk Equiv.	JFY 2016	Milk Equiv.	JFY 2017	Milk Equiv.	JFY 2018	Milk Equiv.	JFY 2019	Milk Equiv.
Butter	2,800	34,552	7,000	86,380	13,000	160,420	13,000	160,420	20,000	246,800
NFDM	10,000	64,800	2,000	12,960	13,000	84,240	27,000	174,960	14,000	90,720
Dairy Spread	330	4,072	330	4,072	111	1,370	329	4,060	-	-
Butter Oil	200	3,030	200	3,030	130	1,970	187	2,833	-	-
Whey/ Prep. Whey	4,500	30,780	4,500	30,780	5,818	3,980	5,160	3,529	-	-
Sub. total	17,830	137,234	14,030	137,222	32,059	251,980	45,676	345,802	40,000	337,520

Japan's Additional Importation of Designated Dairy Commodities

	JFY 2015	Milk Equiv.	JFY 2016	Milk Equiv.	JFY 2017	Milk Equiv.	JFY 2018	Milk Equiv.	JFY 2019	Milk Equiv.
Butter	10,000	123,400	10,000	123,400	-	-	-	-	-	-
NFDM	5,000	32,400	2,000	12,960	21,000	136,080	-	-	-	-
Sub. Total	15,000	155,800	12,000	136,360	21,000	21,000	-	-	-	-
Total	32,830	293,034	26,030	273,582	53,059	388,060	45,676	345,802	40,000	337,520

Source: MAFF and Agriculture and Livestock Industry Corporation (ALIC)

Milk Equivalent Conversion Coefficient:

Butter	12.34
NFDM	6.48
Dairy Spread	12.34
Butter Oil	15.15
Whey Powder	6.84

**Attachments:**

No Attachments.