

Voluntary Report – Voluntary - Public Distribution

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Report Name: USJTA Treatment for Cheese

Country: Japan

Post: Tokyo

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Report Highlights:

This is one in a series of reports providing concise overviews of how the U.S.-Japan Trade Agreement (USJTA), which entered into force on January 1, 2020, affects certain product groups. Once USJTA is fully implemented, nearly 90 percent of all U.S. food and agricultural products imported into Japan will be duty free or receive preferential tariff access. 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 2018, the United States exported \$149 million of cheese products to Japan, making Japan the #3 overseas market for U.S. cheese. Japan is a major importer of U.S. hard cheeses such as cheddar as well as cream cheese and grated/powdered natural cheese. The United States accounted for 12 percent of Japan’s total cheese imports. 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)	2018 Imports
Hard cheese (e.g. Cheddar, Gouda, Monterey Jack) 040690090	29.8%	26.0%	24.2%	22.3%	Free (2033)	\$68,137,334
Cream cheese (less than 45% fat) excl. TRQ intended to processed cheese 040610090	29.8%	26.0%	24.2%	22.3%	Free (2033)	\$31,058,727
Cream cheese (45% fat or more) exc. TRQ intended to processed cheese 040610090	29.8%	26.8%	26.8%	26.8%	26.8 % (2019)	
Grated or powdered natural cheese 040620200	26.3%	23.0%	21.3%	19.7%	Free (2033)	\$27,043,592
Fresh cheese (shredded) 040610020	22.4%	19.6%	18.2%	16.8%	Free (2033)	\$19,312,943
Grated or powdered processed cheese 040620100	40%	35%	32.5%	30%	Free (2033)	\$2,275,872
Blue veined cheese excl. TRQ intended to processed cheese 040640090	29.8 %	27%	25.7%	24.3%	14.9 % (2029)	\$383,127

Country Specific Quota: Japan created a country specific quota for U.S. processed cheese (not grated or powdered) which starts at 105 metric tons (MT) and grows to 150 MT over 10 years. In-quota tariffs immediately drop from 40 percent to 32.7 percent, gradually phasing to zero by 2028.

HS Code	Out of Quota	Year 1 (2019)	Year 2 (2020)	Year 3 (2021)	Year 4 (2022)	Year 5 (2023)	Year 6 (2024)	Year 7 (2025)	Year 8 (2026)	Year 9 (2027)	Year 10 (2028)
040630000	--	105	110	115	120	125	130	135	140	145	150
CSQ (MT)											
Tariff	40%	32.7%	29.0%	25.4%	21.8%	18.1%	14.5%	10.9%	7.2%	3.6%	0.0%

Market Considerations: Nearly 90 percent of cheese consumed in Japan is imported. Cheese consumption has grown continuously since 2013. Consumption has traditionally focused on domestically produced processed cheese products which use imported natural cheese as ingredients. Popular processed products include sliced cheese, cheese sticks, and bite-sized cheese wedges. Increasing popularity of Western cuisine in recent years has boosted retail consumption of fresh cheeses including mozzarella, camembert, and cream cheese. Certain cheese terms are restricted for use under Japan’s agreement with the European Union. These terms include feta, fontina, asiago, and gorgonzola. Other generic terms such as cheddar, mozzarella, camembert, and gouda are available for general use. The full list of restricted terms is available on the Japanese government’s [website](#).

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

Attachments:

No Attachments.