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2013 Revised Market Outlook and 2012 Situation Summary

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Report Highlights:

Japan's 2013 national fluid milk output is projected to be slightly lower than the previous year at 7.58 million MT. Weak drinking milk consumption is expected to allow Hokkaido, the major dairy producing province, to retain slightly more of its fluid milk for processing use than last year. However, as in JFY2011 and 2012, the butter supply and demand situation still remains tight, and Japan will most likely continue to import butter using the current access in JFY 2013. High global market prices prevailing this year are expected to curtail the growth of Japan's cheese imports, as well as overall consumption.

Commodities:

Dairy, Milk, Fluid

Dairy, Butter

Dairy, Milk, Nonfat Dry

Dairy, Cheese

**Production, Supply and Demand Data Statistics:
Fluid Milk PS& D Table**

Dairy, Milk, Fluid Japan	2011		2012		2013	
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Cows In Milk	805	805	813	813	810	807
Cows Milk Production	7,474	7,474	7,570	7,631	7,540	7,575
Other Milk Production	0	0	0	0	0	0
Total Production	7,474	7,474	7,570	7,631	7,540	7,575
Other Imports	0	0	0	0	0	0
Total Imports	0	0	0	0	0	0
Total Supply	7,474	7,474	7,570	7,631	7,540	7,575
Other Exports	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0
Fluid Use Dom. Consum.	4,058	4,058	4,010	4,045	3,970	3,925
Factory Use Consum.	3,351	3,351	3,500	3,527	3,510	3,590
Feed Use Dom. Consum.	65	65	60	59	60	60
Total Dom. Consumption	7,474	7,474	7,570	7,631	7,540	7,575
Total Distribution	7,474	7,474	7,570	7,631	7,540	7,575

1000 HEAD, 1000 MT

Butter PS&D Table

Dairy, Butter Japan	2011		2012		2013	
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	21	21	17	16	17	18
Production	63	63	68	69	68	72
Other Imports	14	14	10	10	9	5
Total Imports	14	14	10	10	9	5
Total Supply	98	98	95	95	94	95
Other Exports	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0
Domestic Consumption	81	82	78	77	77	77
Total Use	81	82	78	77	77	77
Ending Stocks	17	16	17	18	17	18
Total Distribution	98	98	95	95	94	95

1000 MT

Preface:

This report is an update to *JA 2025*.

[GAIN 2012 JA 2025 Dairy and Products Annual, November 7, 2012](#)

Post's previous PS&D outlook projections for 2012 and 2013 have been further revised based on the latest data publicized for domestic production, stocks, and imports by the Government of Japan (GOJ).

The data discussed in this report are on a calendar year basis unless specified otherwise. For convenience sake, Post's references to Japan's current access, the so called minimum access, and domestic dairy subsidies are based on the Japanese fiscal year (JFY: starting April and ending March of the following year).

In the Uruguay Round, GOJ committed to import purchases for designated dairy commodities through a state trading enterprise (up to a total milk equivalent of 137,000 MT), which include butter, NFD, edible whey, butter oil, and dairy spreads.

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

2013 Market Outlook for Fluid Milk, Butter, NFD and Cheese (Revised)

Fluid Milk: Slightly Lower National Fluid Milk Outputs Forecast in 2013

Post continue to expect that Japan's 2013 national fluid milk output will be slightly lower than the previous year due to a slight reduction in the number of cows in milk anticipated at the beginning of the year (projected at 810,000 head). However, Post has revised its estimate of the national output to be at around **7.58 million MT**.

Note: Japan's 2013 year beginning national dairy herd inventory data is scheduled to be published in mid-July; therefore, Post's above national output may be subject to further revisions pending the release of this information.

Market sources predict Hokkaido's fluid milk output may only grow slightly over the previous year due to the high cost of inputs and severe weather in early 2013. Meanwhile, a projected fall in the combined output of other milk producing regions (mainly due to weak demand for drinking milk products, the high cost of inputs, and the continued exiting out of farmers) will most likely offset Hokkaido's growth (see Note 2).

Reflecting weak drinking milk consumption, especially for regular milk, fluid milk utilization for drinking is expected to fall below the four million MT level, reaching around **3.93 million MT**. This weak consumption should raise the amount of milk available for processing use in 2013 modestly above the previous year's level to **3.59 million MT**, enabling Hokkaido to retain more fluid milk for the production of butter, NFD, cream and cheese. According to a media report, dairy factories in Hokkaido were operating at their full capacity during the first quarter of this calendar year, indicating higher output of domestic dairy commodities in 2013.

Japan's consumption of drinking milk has been on a constant decline over the past decade partly due to the decline in the number of school children, as well as competition with tea and other soft drink beverages. This decline has led an increasing number of small and medium scale dairy farmers in drinking milk producing regions

to discontinue their operations in recent years due to a low return to the high costs of investment and inputs, as well as restricted prospects for expanding the scale of dairy operations due to limited available land (see Table 10). The revised outlook for each key commodity is explained below:

Butter: Supply Shortage to Ease in 2013

The severe domestic butter supply shortfall that had prevailed over the past several years is expected to ease in 2013, largely due to moderately higher domestic butter production (projected at 72,000 MT) anticipated for this year. However, Japan would still need to import butter using the JFY 2013 current import access to balance this year's demand and supply, marking three straight years of state trading purchases. Given the increase in domestic supply, Post now estimates that Japan's JFY 2013 current import access will be only around **5,000 MT** (see Note 1), significantly lower than the 9,000 MT projected in the last annual report. Similar to 2012, Australia and New Zealand are expected to be the two major exporters in this category of trade, although, as in 2011, the United States may be able to capture a sizable share of Japan's current import access butter pending a competitive price offer against other rivals.

However, the prevailing high market price for domestic butter is expected to keep total demand in 2013 at nearly the same contracted level as the previous year, at around **77,000 MT**, still seven percentage points below the 2010, pre-earthquake disaster level. The domestic supply shortfall, coupled with high prices over the past several years, has compelled many end users to switch to new and less expensive alternative products, such as margarine (plant oil based) mixed with butter.

NFDM: Supply Tightness to Ease in 2013

As predicted in the previous annual report, in response to potential supply shortage concerns, Japan announced earlier this year that it will commit its JFY 2013 current access to import **5,000 MT** of NFDM (edible use). The state trading enterprise Agriculture Livestock and Industry Corporation's (ALIC) tender results revealed that New Zealand and Australia were the two primary exporters last year (see Note 1). In the event Oceania supplies are tight, U.S. products will have a chance to capture some of this market. Meanwhile, Post projects Japan's 2013 domestic NFDM production to be moderately higher than last year at around 145,000 MT. Coupled with Japan's current import access for NFDM, the total edible NFDM supply (excluding imported NFDM for feed use) is expected to rise moderately to **150,000 MT**. Post expects that much of the relatively expensive domestic NFDM will become part of year ending stocks due to the continued use of substitutes, including less expensive current access NFDM. (Please also see the Section "2012 Market Situation Summary.")

Japan's 2013 total NFDM imports (the combined total of NFDM imports for school lunches, feed use, and for TRQs, including the current import access) are revised upward by the amount of the additional current access import that is being committed for JFY 2013 to **37,000 MT**.

Note 1: In the milk equivalent calculation, Japan's JFY 2013 current access imports of butter (5,000 MT – anticipated to be committed), NFDM (5,000 MT – already committed) plus edible whey (4,500 MT – anticipated to be committed) could reach 124,880 MT, against a total commitment of 137,000 MT.

Similar to last year, Japan may commit the remainder of the current import access to import a few hundred tons each of dairy spread and butter oil.

Note 2: As fluid milk produced in Hokkaido is mainly used in the production of domestic dairy commodities such as butter, NFD, and fresh cream and cheese, this province has been the major recipient of government subsidy programs historically. Every year, a certain amount of Hokkaido's fluid milk is also shipped to other parts of Japan. For the third straight fiscal year, the Japanese government made another incremental increase in its subsidy payment for fluid milk for processing utilization, with the intention to stabilize domestic production for butter and NFD (see Table 2 "Government Subsidy Payment and Eligible Milk Quota for Processing Use"). In contrast, fluid milk produced in other regions of Japan is mostly for drinking use, such as regular milk, processed milk/fortified milk, fermented milk (yogurt) and milk beverages, and bacterial acid drinks. Fluid milk for drinking is not subject to the government's direct subsidy payment program, and its price, determined through direct negotiations between dairy companies and regional farm cooperatives, is usually higher compared to the price for processing use.

Cheese: Highest Records of Total Consumption/Imports Forecast in 2013

As projected in the 2013 annual cheese market outlook section, a potential slowdown in imports due to high global market prices may be becoming a reality (see JA 2013, Japan Dairy and Products Annual, dated November 7, 2012).

Although high global market prices will likely keep the projected 2013 import growth rate fairly modest, at around **240,000 MT**, Post still projects a record year for cheese imports. Australia, New Zealand, and the United States are expected to remain the top three exporters of cheese to Japan, followed by the EU. With the increase in Hokkaido's fluid milk supply for processing use that is projected for this year, domestic manufacturers will be able to modestly increase the production of natural cheese over last year to around 50,000 MT. Likewise, Japan's 2013 total cheese consumption is also projected to have a record year, estimated at **290,000 MT**, supported by solid demand in the retail, convenience, food service, and bakery sectors. (Note: Post revised its previous PS&D data for domestic natural cheese production for 2010 [46,000 MT], 2011 [45,000 MT] and 2012 [48,000 MT] to reflect publicized data by the Ministry of Agriculture, Forestry and Fisheries [MAFF]).

Japan announced the allocation of 65,700 MT for the "Zero Tariff TRQ" for JFY 2013 for imported natural cheese to be blended with domestic natural cheese to manufacture processed cheese products, which roughly accounts for 40 percent of the nation's total cheese consumption. As with 2012, more price competitive Australian and New Zealand exports are expected to take a dominant share of this TRQ trade in 2013.

2012 Japan Fluid Milk, Butter, NFD and Cheese Market Situation Summary (Revised)

Fluid Milk: Japan's National Fluid Milk Output Moderately Recovered in 2012

According to the latest production data publicized by the Ministry of Agriculture, Forestry and Fisheries (MAFF), Japan's 2012 national milk output recovered more than Post's previous forecast, to **7.63 million MT**, reflecting a

slight increase in the year beginning national dairy herd inventory (increased number of cows in milk), combined with a slightly higher than the previous year average per cow output, estimated at 9,386 kilograms (see Table 10). In most parts of Japan, including the regions affected by the 2011 earthquake, output increased moderately, with Hokkaido accounting for more than 50 percent of total national output. Actual breakdowns of fluid milk utilization were almost in line with the Post's annual outlook, with drinking use down two percentage points to **4.05 million MT** and for processing use up five percentage points to **3.53 million MT** from the 2011 actual levels.

Similar to previous years, Japan's overall drinking milk production, with the exception of fermented milk and inexpensive milk beverages, remained lethargic in 2012. Regular milk, which accounted for more than 86 percent of total fluid milk utilization for drinking use, was unchanged from 2011. For the rest of the drinking use market, production of fermented milk (yogurt) and milk beverage products increased significantly, reflecting robust demand. However, this was not sufficient to offset large declines in the use of fortified/processed milk in 2012, which led to Japan's total fluid milk utilized for drinking to fall moderately (see Table 3).

In combination with the above, the amount of fluid milk shipped from Hokkaido to other parts of Japan during 2012 was lower compared to the previous year, which in turn allowed the region to retain more fluid milk for the production of domestic butter, NFD, cheese and fresh cream.

The market situation for each commodity is briefly summarized below:

Butter: High Prices and Demand Shifts to Alternative Products Caused Total Demand to Shrink in 2012

Japan's butter market suffered from a lack of supply in 2012 despite increased domestic butter output, which rose 10 percentage points from the previous year to **69,000 MT**. As in JFY 2011, to alleviate the domestic supply shortfall, Japan committed the JFY 2012 current access to import 7,459 MT of butter, as well as an additional 2,000 MT of butter imports under a state trade purchasing scheme (see JA 2025). These purchases were made after Japan imported 13,690 MT of butter during JFY 2011 through the current access (11,690 MT) and the additional state trade purchasing schemes (2,000 MT) [see Note 3].

In 2011, the United States emerged as a successful bidder in Japan's current access/state trading imports for butter due to the limited and high priced Australian supply. However, in 2012, Australia was able to export less expensive products, reducing the United States to only a minor supplier (see JA 2025 and Tables 8-A, and 8-B).

Despite the above, average wholesale market price for domestic butter for bulk users remained eight percent higher than the previous year at JP Yen 1,186 per kilo gram (see Table 7). This caused Japan's 2012 total butter demand to drop six percentage points to an estimated **77,000 MT**, as related Japanese industries such as dairy, bakery, and confectionary companies switched to other alternatives such as non dairy oil, domestic cream, imported dairy spreads, and imported butter oil.

Note 3: Frozen non-salted butter for industrial use accounted for a majority of these imports. Japan's ordinary butter imports are usually minimal, amounting to only a few hundred metric tons each year, due to prohibitively high duties.

NFD: Increased Use of Other Alternatives Lowered Ingredient Demand for NFD in 2012

In contrast to butter, domestic NFDM production showed a slight increase in 2012, up two percentage points from the previous year to **139,000 MT**. Japanese NFDM imports (combined total for school lunches, feed use, and other edible TRQ imports – no current access/state purchases were made) rose 19 percentage points from the previous year to 32,000 MT. This rebound was mostly attributable to an increase in the imports of feed use products, with very little growth for other edible products (see Table 5). As explained in detail in the last annual report (see JA 2025), the limited increase in the supply of domestic NFDM prompted Japanese dairy ingredient users to switch to other alternative products - such as non-fat concentrated milk (a fresh cream by-product), imported edible whey, and other imported powdered milk products - wherever appropriate. These substitutions lowered Japan's 2012 ingredient demand for edible use NFDM, down seven percentage points from the previous year to an estimated **146,000 MT**. Meanwhile, despite NFDM stocks being slowly drawn down, the average market price for domestic NFDM for bulk users was four percentage points higher than the previous year at JP Yen 15,391 per 25 kilo gram bag, demonstrating that some tightness still existed in the 2012 overall supply (see Table 7).

Cheese: Cheese Imports Hit Record High in 2012

Japan's total cheese imports hit a record high in 2012, up nine percentage points from the previous year, reaching 235,000 MT and breaking the record established in 2007. Likewise, total consumption broke its 2007 record, reaching an estimated **283,000 MT** (see Tables 9-A, 9-B). 2012 global market prices were lower than the previous year and the relative strength of the Japanese yen against other major currencies lowered the average import price of cheese by four percentage points to 4,956 US dollars per metric ton, prompting relatively solid market demand. Australia and New Zealand claimed a majority of this import growth, with a combined share of 68 percent of total imports.

Largely due to successful promotions by the U.S. Dairy Export Council, as well as solid demand for natural cheeses for shredding, Japan's imports of U.S. cheese rose a significant 24 percent over the previous year to reach **26,700 MT**, accounting for 11 percent of total imports. Imports of relatively high priced European natural cheeses, mostly for direct consumption, also increased moderately.

Table 1: Japanese Household Consumption of Milk and Dairy Products (Two or more person's household)

		2010	2011	% Chg.	2012	% Chg.	2012	2013	% Chg.
Quantities Purchased	Unit	Jan./Dec.	Jan./Dec.		Jan./Dec.		Jan./Mar.	Jan./Mar.	
Milk	Liter	85.41	80.99	-5%	81.01	0%	18.94	18.19	-4%
Cheese	gram	2,588	2,674	3%	2,760	3%	668	733	10%
Butter	gram	504	501	-1%	504	1%	136	135	-1%
Margarine	gram	1,259	1,256	0%	1,255	0%	338	321	-5%
Powdered Milk	gram	393	368	-6%	362	-2%	90	91	1%
Bread for Toast/Sandwich	gram	19,956	19,498	-2%	19,571	0%	13,065	13,188	1%
		2010	2011	% Chg.	2012	% Chg.	2011	2012	% Chg.
Expenditures	Unit	Jan/Dec	Jan/Dec		Jan./Dec.		Jan./Mar.	Jan./Mar.	
Milk	Yen	16,332	15,448	-5%	15,266	-1%	3,566	3,463	-3%
Cheese	Yen	4,080	4,171	2%	4,284	3%	1,039	1,047	1%
Butter	Yen	852	868	2%	906	4%	244	249	2%

Margarine	Yen	874	880	1%	888	1%	239	223	-7%
Yogurt	Yen	8,446	8,717	3%	10,270	18%	2,516	2,559	2%
Milk Beverages	Yen	1,229	1,285	5%	1,336	4%	310	312	1%
Lactic Acid Bacteria Drink	Yen	3,381	3,391	0%	3,558	5%	813	822	1%
Powdered Milk	Yen	717	715	0%	679	-5%	170	164	-4%
Bread for Toast/Sandwich	Yen	8,572	8,634	1%	8,524	-1%	2,195	2,118	-4%
Confectionaries	Yen	78,861	76,801	-3%	77,778	1%	19,742	19,727	0%

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

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

	Unit Subsidy Payment		Type	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	
JFY 2011	11.95		direct payment	1.85	
JFY 2012	12.20		direct payment	1.83	
JFY 2013	12.55		direct payment	1.81	

Source: ALIC Monthly

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

	Unit: 1,000 Kilo Liters						
	2010	2011	2012	% Chg.	2012	2013	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Mar	Jan/Mar	
Total Drinking Milk Products	3,747	3,652	3,586	-2%	868	829	-4%
Regular Milk	3,069	3,064	3,068	0%	736	716	-3%
Processed Milk	678	589	518	-12%	131	113	-14%
Milk Beverages	1,210	1,276	1,328	4%	286	301	5%
Fermented Milk	841	843	986	17%	239	243	2%
Lactic Acid Bacteria Drinks	184	178	184	3%	38	37	-3%

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: ALIC Monthly

Table 4: Japanese Production of Dairy Commodities

	Unit: Metric Ton						
	2010	2011	2012	% Chg.	2011	2013	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec		Jan/Mar	Jan/Mar	
Butter	73,621	62,845	68,984	10%	20,113	21,247	6%
Cream	107,441	111,663	112,992	1%	28,031	33,634	20%

Whole Milk Powder	13,250	14,302	12,451	-13%	3,696	3,552	-4%
Prepared Milk Powder	32,942	27,559	23,914	-13%	4,752	4,752	0%
Skim Milk Powder (NFDM)	155,625	137,141	138,598	1%	39,036	41,869	7%
Ice Cream (Unit: kilo liter)	130,589	137,072	137,767	1%	27,078	27,769	3%
Source: ALIC Monthly							

Table 5: Japanese Imports of Non Fat Dry Milk (NFDM)

Unit: Metric Ton							
	2010	2011	2012	% Chg.	2012	2013	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec		Jan/Mar	Jan/Mar	
For School Lunch Program	1,983	1,959	1,966	0%	466	478	3%
For Feeds	24,909	22,264	26,886	21%	10,032	8,552	-15%
For Other Use (Current Access)	3,292	3,014	3,436	14%	850	1,656	95%
Total NFDM Imports	30,184	27,237	32,288	19%	11,349	10,086	-11%
Source: ALIC Monthly							

Table 6: Monthly Ending Stocks of Butter and NFDM

Unit: 1,000 Metric Ton							
Butter							
	2010	2011	% Chg.	2012	% Chg.	2013	% Chg.
Jan	32.6	22.6	-31%	18.9	-16%	21.9	16%
Feb	32.8	21.1	-36%	18.9	-11%	22.2	18%
Mar	32.6	20.6	-37%	19.1	-7%	23.5	23%
Apr	32.5	21.3	-34%	19.4	-9%		
May	34.1	23.0	-33%	21.5	-6%		
Jun	34.5	22.7	-34%	21.5	-5%		
July	33.9	21.8	-36%	21.5	-1%		
Aug	33.1	23.0	-31%	23.2	1%		
Sept	30.0	21.8	-27%	22.4	3%		
Oct	27.3	20.6	-24%	21.3	3%		
Nov	24.4	18.6	-24%	20.5	10%		
Dec	21.0	16.0	-24%	18.0	13%		
NFDM							
	2010	2011	% Chg.	2012		2013	
Jan	65.1	60.7	-7%	45.9	-24%	45.3	-1%
Feb	67.7	60.6	-10%	46.4	-23%	46.7	1%
Mar	69.7	58.7	-16%	47.6	-19%	49.5	4%
Apr	71.8	58.2	-19%	48.2	-17%		
May	74.8	58.2	-22%	48.2	-17%		
Jun	74.5	54.7	-27%	47.1	-14%		
July	71.3	50.3	-29%	44.9	-11%		
Aug	68.6	47.1	-31%	43.2	-8%		
Sept	61.4	42.9	-30%	39.7	-7%		
Oct	57.6	40.4	-30%	36.7	-9%		
Nov	56.3	39.1	-31%	36.6	-6%		
Dec	57.4	41.8	-27%	40.3	-4%		
Source: ALIC Monthly							

Table 7: Average Wholesale Price of Dairy Products for Bulk Users

Butter	
Unit: JP Yen per Kg.	

	2010	2011	% Chg.	2012	% Chg.	2013	% Chg.
Jan	1,081	1,062	-2%	1,140	7%	1,224	7%
Feb	1,073	1,057	-1%	1,142	8%	1,233	8%
Mar	1,074	1,065	-1%	1,158	9%	1,233	6%
Apr	1,060	1,069	1%	1,172	10%		
May	1,057	1,077	2%	1,179	9%		
Jun	1,051	1,087	3%	1,189	9%		
July	1,049	1,094	4%	1,192	9%		
Aug	1,049	1,110	6%	1,203	8%		
Sept	1,050	1,120	7%	1,212	8%		
Oct	1,050	1,129	8%	1,213	7%		
Nov	1,050	1,133	8%	1,217	7%		
Dec	1,051	1,138	8%	1,219	7%		
NFDM							
Unit: JP Yen per 25 Kg.							
	2010	2011	% Chg.	2012	% Chg.	2013	% Chg.
Jan	14,981	14,564	-3%	15,200	4%	15,761	4%
Feb	14,955	14,512	-3%	15,211	5%	15,753	4%
Mar	14,957	14,515	-3%	15,236	5%	15,759	3%
Apr	14,922	14,584	-2%	15,246	5%		
May	14,884	14,641	-2%	15,251	4%		
Jun	14,751	14,701	0%	15,243	4%		
July	14,656	14,736	1%	15,264	4%		
Aug	14,610	14,864	2%	15,449	4%		
Sept	14,593	14,987	3%	15,567	4%		
Oct	14,568	15,085	4%	15,638	4%		
Nov	14,571	15,140	4%	15,699	4%		
Dec	14,574	15,156	4%	15,685	3%		

Source: ALIC Monthly

Table 8-A: Japanese Imports of Butter YTD

Unit: Metric Ton, Customs Clearance Basis								
Partner Country	Calendar Year (Jan. – Dec.)					Year To Date (Jan. – Mar.)		
	2010	2011	2012	% Change (2012/2011)	Share	03/2012	03/2013	%Change
World	2,032	14,026	9,774	-30%	100%	116	121	4%
New Zealand	474	4,974	4,753	-4%	49%	13	13	0%
Netherlands	860	2,037	1,989	-2%	20%	0	25	n.a.
Australia	269	931	1,848	98%	19%	67	67	0%
United States	173	5,016	986	-80%	10%	3	0	-100%
Others	256	1,068	198	-81%	2%	33	16	-52%

Source of Data: Global Trade Atlas (Japan Customs)

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

Unit Value(United States Dollars) per Metric Ton							
Partner Country	Calendar Year (Jan. - Dec.)				Year To Date (Jan. - Mar.)		
	2010	2011	2012	% Change (2012/2011)	03/2012	03/2013	%Change
World	4,766	5,554	3,516	-37%	7,872	6,692	-15%
New Zealand	3,941	5,029	3,212	-36%	5,517	5,058	-8%
Netherlands	4,384	6,121	3,634	-41%	0	4,267	n.a.
Australia	4,825	5,241	3,436	-34%	6,295	5,552	-12%
United States	4,351	5,533	3,596	-35%	3,909	0	n.a.

Source of Data: Global Trade Atlas (Japan Customs)

Table 9-A: Japanese Imports of Cheese YTD

Unit: Metric Ton, Customs Clearance Basis								
Partner Country	Calendar Year (Jan. – Dec.)					Year To Date (Jan. –Mar.)		
	2010	2011	2012	%Change (2012/2011)	Share	03/2012	03/2013	%Change
World	199,080	215,262	234,616	9%	100%	58,370	61,818	6%
Australia	85,120	90,062	93,505	4%	40%	22,945	26,767	17%
New Zealand	52,098	56,329	66,170	17%	28%	18,654	17,295	-7%
United States	13,672	21,424	26,656	24%	11%	6,428	6,316	-2%
France	8,150	9,023	9,475	5%	4%	2,189	2,022	-8%
Germany	11,203	9,363	9,400	0%	4%	1,948	2,335	20%
Denmark	7,769	8,295	7,928	-4%	3%	1,734	1,863	7%
Italy	6,241	6,584	7,784	18%	3%	1,510	1,715	14%
Netherlands	6,605	6,373	6,189	-3%	3%	1,526	1,851	21%
Argentina	4,248	4,057	3,588	-12%	2%	669	586	-12%

Source of Data: Global Trade Atlas (Japan Customs)

Table 9-B: Average C&F Price of Imported Cheese YTD

Unit: United States Dollars per Metric Ton							
Partner Country	Calendar Year (Jan. – Dec.)				Year To Date (Jan. –Mar.)		
	2010	2011	2012	%Change (2012/2011)	03/2012	03/2013	%Change
World	4,712	5,175	4,956	-4%	5,028	4,499	-11%
Australia	4,012	4,462	4,433	-1%	4,629	4,098	-11%
New Zealand	4,179	4,511	4,263	-5%	4,472	3,722	-17%
United States	5,549	5,262	4,836	-8%	4,840	4,793	-1%
France	9,617	10,103	9,795	-3%	9,773	8,927	-9%
Germany	3,826	4,594	4,137	-10%	4,352	4,063	-7%
Denmark	6,583	7,301	6,911	-5%	6,948	6,431	-7%
Italy	10,159	11,586	10,640	-8%	10,436	10,717	3%
Netherlands	4,424	5,196	4,721	-9%	4,863	4,430	-9%
Argentina	3,663	4,258	4,090	-4%	4,283	3,820	-11%

Source of Data: Global Trade Atlas (Japan Customs)

Table 10: Japanese National Dairy Herd Year Beginning Inventory

	2011	2012	% Change
All Prefectures			
Number of Farms (Farms)	21,000	20,100	-4%
Number of National Dairy Herd Total (Heads)	1,467,300	1,449,000	-1%
Total Cow(Heads)	932,900	942,600	1%
Cows in milk (Heads)	804,700	812,700	1%
Dry Cows (Heads)	128,200	129,900	1%
Heifer (Heads)	534,400	506,400	-5%
Hokkaido			
Number of Farms (Farms)	7,500	7,270	-3%
Number of Hokkaido Dairy Herd Total (1,000 Heads)	827,900	821,900	-1%
Total Cow	479,600	495,400	3%
Cows in milk (Heads)	407,000	421,200	3%
Dry Cows (Heads)	72,600	74,200	2%
Heifer (Heads)	348,300	326,600	-6%
Other Prefectures			
Number of Farms (Farms)	13,500	12,830	-5%
Number of Hokkaido Dairy Herd Total (1,000 Heads)	639,400	627,100	-2%
Total Cow	453,300	447,200	-1%
Cows in milk (Heads)	397,700	391,500	-2%
Dry Cows (Heads)	55,600	55,700	0%
Heifer (Heads)	186,100	179,800	-3%

Source: MAFF Livestock Statistics

Note: 2013 data is scheduled to be publicized in mid-July.