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Report Highlights:

FAS China (Post) forecasts China's raw milk production in 2024 to remain high. However, declining raw milk prices have caused financial losses for a large number of raw milk producers and slowed the growth in production that the market experienced in previous years. Post forecasts both whole milk powder (WMP) and skim milk powder (SMP) imports to decline due to the large domestic production of raw milk and WMP. SMP imports will remain sensitive to international market prices. Post forecasts butter imports in 2024 to stay at a similar level to 2023. Higher market demand for imported fluid milk and cheese could modestly raise imports as consumers seek for high quality and affordable prices.

EXECUTIVE SUMMARY

The forecasts and revised estimates provided in this report are issued by the FAS China and are not official USDA data.

Fluid milk: Post forecasts China's raw milk production in 2024 to remain high. However, declining raw milk prices have caused financial losses for a large number of raw milk producers and slowed the growth in production that the market experienced in previous years. Higher market demand for imported fluid milk could modestly raise imports as consumers look for high quality and affordable prices.

Whole Milk Powder: Post forecasts WMP production in 2024 to stay at similar levels to 2023 as WMP producers use excess raw milk to make WMP. Post forecasts WMP imports in 2024 to decline from weaker demand and a higher ending inventory in 2023.

Skim Milk Powder: Posts expects SMP production in 2024 to remain stable. Stable demand for SMP and sufficient carryover stocks from 2023 will push SMP imports down in 2024. Import volumes will also depend on international market prices.

Cheese: Domestic cheese production remains minimal, but Post expects China's cheese production to grow in 2024. Post forecasts cheese imports in 2024 to continue to grow but at a slower pace as growth in consumer demand for cheese is also slowing.

Butter: Post forecasts butter imports in 2024 to stay at similar levels to 2023 due to flat demand.

FLUID MILK

Table 1. China: Production, Supply, and Distribution for Fluid Milk

Dairy, Milk, Fluid	2022		2023		2024	
Market Begin Year	Jan 2022		Jan 2023		Jan 2024	
People's Republic of China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Unit: (1,000 head), (1,000 MT)						
Cows In Milk	6400	6400	6500	6500	0	6500
Cows Milk Production	39200	39200	41000	41000	0	41000
Other Milk Production	1150	1150	1200	1200	0	1200
Total Production	40350	40350	42200	42200	0	42200
Other Imports	977	977	700	750	0	800
Total Imports	977	977	700	750	0	800
Total Supply	41327	41327	42900	42950	0	43000
Other Exports	24	24	25	25	0	25
Total Exports	24	24	25	25	0	25
Fluid Use Dom. Consum.	16250	16250	16700	16720	0	16770
Factory Use Consum.	25053	25053	26175	26205	0	26205
Feed Use Dom. Consum.	0	0	0	0	0	0
Total Dom. Consumption	41303	41303	42875	42925	0	42975
Total Distribution	41327	41327	42900	42950	0	43000

PRODUCTION

Raw Milk Production to Cease High-Speed Growth

Post forecasts total milk production in 2024 to stay at similar levels to 2023 instead of increasing like in previous years. Dairy farmers will import fewer dairy cows in 2024 than in 2023 and have started to cull more inefficient dairy cows. Nevertheless, natural herd growth and improved yields could compensate and result in the lactating cow inventory and raw milk production remaining generally stable in 2024.

Raw milk prices continued to decline in the first 9 months of 2023 with a sharper drop compared to that of 2022 (see **Chart 1**). The main reason for the drop is the seasonal oversupply of raw milk. Increasing raw milk prices and supportive government policies in previous years fueled expansion in dairy cattle herds and raw milk production. The production peaked in the last 5 years. However, demand for milk has not recovered from the COVID pandemic as fast as the growth in production. Moreover, the supply imbalance has been exacerbated by sectoral and structural issues that have dairy farms mostly located in northern China, such as Inner Mongolia and Ningxia, while the majority of consumers are in southern China. Recent expansions and new constructions of dairy farms are also in the north. The long distance, cold chain, and transport prices make it costly to ship fresh pasteurized milk from northern to southern China. In the first half of 2023, there was an oversupply of raw milk supplies which lowered raw milk prices.

Low Raw Milk Prices Caused Losses for Raw Milk Producers

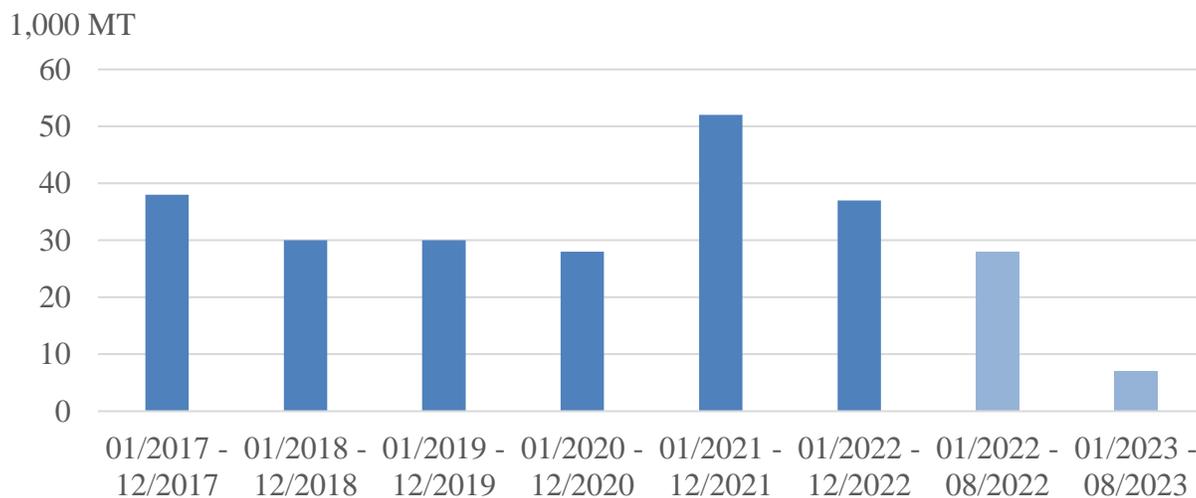
Chart 1. China: Average Raw Milk Prices¹



Source: Ministry of Agriculture and Rural Affairs (MARA)

Industry sources indicated that small- and medium-sized raw milk producers have reduced their imports of alfalfa to control costs for lower raw milk prices. Producers are not concerned with yields due to the current oversupply in raw milk and have turned to lower cost feed inputs. Chinese alfalfa imports have declined significantly in 2023 (see **Chart 2**).

Chart 2. China: Alfalfa Meal and Pellets² Imports



Source: Trade Data Monitor, LLC

¹ Average Raw Milk Prices refer to the average prices from the 10 major raw milk production provinces and autonomous regions of Hebei, Shanxi, Inner Mongolia, Liaoning, Heilongjiang, Shandong, Henan, Shaanxi, Ningxia, Xinjiang.

² Alfalfa (Lucerne) Meal and Pellets in this report refers to the HS code: 121410

Higher Slaughter of Inefficient Dairy Cows

The drop in raw milk prices has caused financial losses for a large number of raw milk producers. Industry sources indicated an increasing number of small- and medium-sized raw milk producers with lower production efficiency and limited access to dairy processors started to exit the market in 2023.

Large producers have stayed in the market as they have stronger financing and higher production efficiency with a larger inventory of high-yielding dairy cows. However, even they have slowed down the pace of herd expansion. According to industry sources, large producers are accelerating the pace of culling inefficient dairy cows to control costs.

Chart 3. China: Domestic Retail Beef Prices (Unit: RMB/KG)

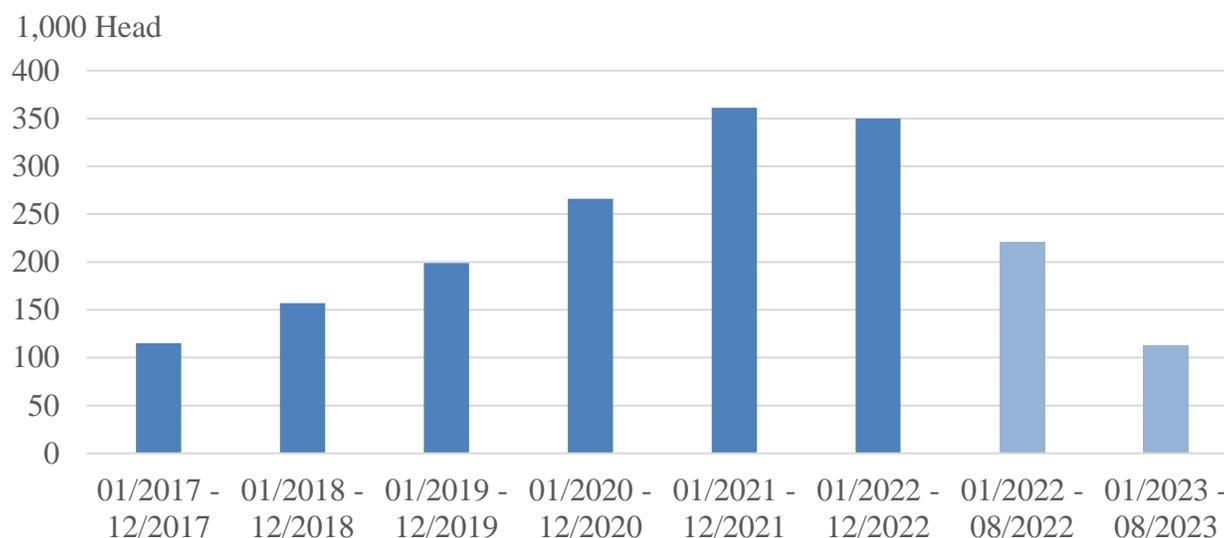


Source: Ministry of Agriculture and Rural Affairs (MARA)

Dairy producers are culling inefficient cows and selling them for beef. In 2023, beef prices started to decline after years of growth (see **Chart 3**). Besides the larger beef supply from beef cattle and the weaker-than-expected recovery of the beef market, large amounts of beef coming from dairy cows also contributed to the decline in beef prices.

Declined Cattle Imports Weigh on Lactating Cow Inventory Next Year

Chart 4. China: Cattle Imports³



Source: Trade Data Monitor, LLC

Cattle imports have experienced successive declines in the last two years with the slowdown in herd expansion. In the first 8 months of 2023, cattle import numbers are only about half as much as the same period last year (see **Chart 4**). According to industry sources, the portion of dairy cattle in the total number of cattle imports has also declined. This means less imported heifers to become lactating cows in 2024. Natural growth from a large cow inventory base and improved production efficiency of the larger dairy farms will help stabilize raw milk production in 2024.

CONSUMPTION

Health Benefits Make Milk Consumption Stable

Post forecasts raw milk consumption to be generally stable in 2024. The price of dairy products is not as affordable as other staple foods, but Chinese consumers view dairy products as having certain health benefits worth the extra price. Although PRC news media and office contacts expect consumer purchasing power and confidence to be flat in 2024, Chinese consumers are unlikely to reduce their spending on dairy products. Industry expects that natural and healthy dairy products such as organic, low or no added sugar, additional probiotics, or from certain high-quality dairy production areas or dairy cow species will remain popular.

Fluid Use with Small Growth and Factory Use Stable

Post expects both fluid use and industrial use of raw milk to remain stable. Fluid use may have some marginal growth as it's more profitable for processors to process milk from raw milk compared to milk powder. Despite these factors, growth in consumer demand will remain limited. According to industry

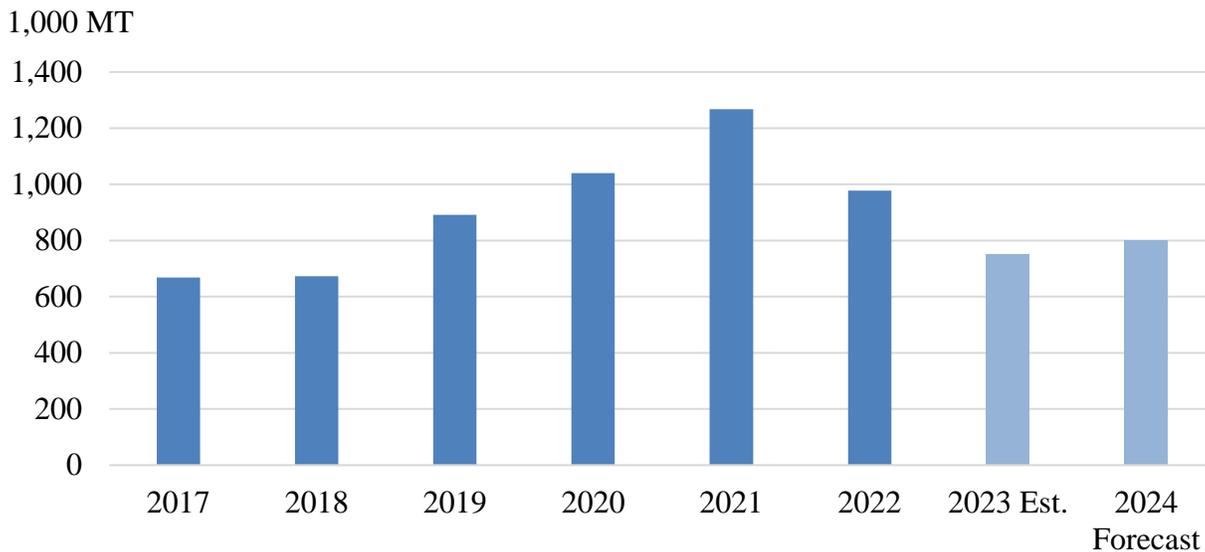
³ Cattle imports refer to the imports of both dairy cattle and beef cattle.

sources, the market for fluid milk is at an equilibrium in 2023 with retail prices peaking and started to decline slightly.

Post does not expect factory use to grow as raw milk production is flat. WMP is the major factory product of raw milk, but it's not profitable. Usage for other dairy products, such as cheese, may grow. Due to their small volume, growth in production of other dairy products will not drive growth in overall factory use.

TRADE

Chart 5. China: Imports of Fluid Milk



Source: Trade Data Monitor, LLC and Post Estimates

Modest Import Momentum from Market Demand

Post forecasts fluid milk imports in 2024 to moderately rebound. UHT milk is the most imported fluid milk import, and higher market demand for UHT milk will drive growth for both domestic production and imports. In China, UHT milk is the dominant product in the milk market. Consumers recognize UHT milk as having many health benefits. Families purchase UHT milk for their children and elder family members. Consumption of UHT milk is a growing trend, and imported UHT milk has better quality and price than domestically produced UHT milk.

Although consumption of fluid milk continues to grow, the growth rate will slow down in 2024 through competition from other dairy products. Consumers in affluent areas are gradually developing a preference for pasteurized milk over UHT milk. According to industry sources, the market share of pasteurized milk has grown to around 15 percent. Industry sources also indicated pasteurized milk witnessed sales growth in the first half of 2023 despite the slow economy and the weak consumer confidence. With the large production and inventory of raw milk, milk processors could easily increase production of pasteurized milk. Post expects the popularity of domestically manufactured pasteurized milk to continue in 2024, which will make it hard for the fluid milk imports to hit the peaks seen in 2020 and 2021.

Chart 6. China: Imported Fluid Milk Prices



Source: Trade Data Monitor, LLC

Post revised the 2023 fluid milk import estimate to 750 thousand metric tons (TMT) from Post's earlier, higher estimate. In the first 8 months of 2023, imports of fluid milk products declined by over 20 percent by volume mainly due to a large domestic supply. Average prices, based on Chinese import data, rose by 25 percent (see **Chart 6**).

WHOLE MILK POWDER

Table 2. China: Production, Supply, and Distribution for Whole Milk Powder

Dairy, Dry Whole Milk Powder	2022		2023		2024	
Market Begin Year	Jan 2022		Jan 2023		Jan 2024	
People's Republic of China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Units: 1000 MT						
Beginning Stocks	150	150	150	150	0	175
Production	1050	1050	1175	1175	0	1175
Other Imports	700	700	550	550	0	495
Total Imports	700	700	550	550	0	495
Total Supply	1900	1900	1875	1875	0	1845
Other Exports	3	3	5	6	0	5
Total Exports	3	3	5	6	0	5
Human Dom. Consumption	1747	1747	1695	1694	0	1690
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	1747	1747	1695	1694	0	1690
Total Use	1750	1750	1700	1700	0	1695
Ending Stocks	150	150	175	175	0	150
Total Distribution	1900	1900	1875	1875	0	1845

PRODUCTION

Post forecasts WMP production in 2024, mainly for the purpose of consuming surplus raw milk, to remain flat. Dairy processors normally do not proactively produce WMP as it's not profitable. They produce WMP due to seasonal imbalances between raw milk production and consumption. Unlike other major dairy producing countries that could produce high value products, such as cheese, out of raw milk, China mainly produces fluid milk with its raw milk supply. Raw milk production is normally in the first half of the year, while the majority of fluid milk consumption is in the second half of the year when most major Chinese holidays occur. Holidays often boost fluid milk consumption when consumers buy fluid milk as gifts for families and friends. When there is a surplus of raw milk that the fluid market cannot absorb, processors will use the excess raw milk to process WMP.

Some local governments provide subsidies to help lessen the losses that dairy processors face when having a surplus of raw milk and must produce WMP. In 2023, major dairy production regions that provided subsidies to dairy processors for purchasing raw milk and WMP production included Hebei, Shandong, and Heilongjiang. For example, the Department of Agriculture and Rural Affairs of Henan Province announced it would provide subsidies from January 1 to June 30, 2023, to processors in Henan who purchased raw milk and processed it into WMP that exceeds 50 tons. Reportedly, in 2023, the Department of Agriculture and Rural Affairs of Hebei Province announced an allocation of 15 million yuan in subsidies to the processors in Hebei that processed WMP.

CONSUMPTION

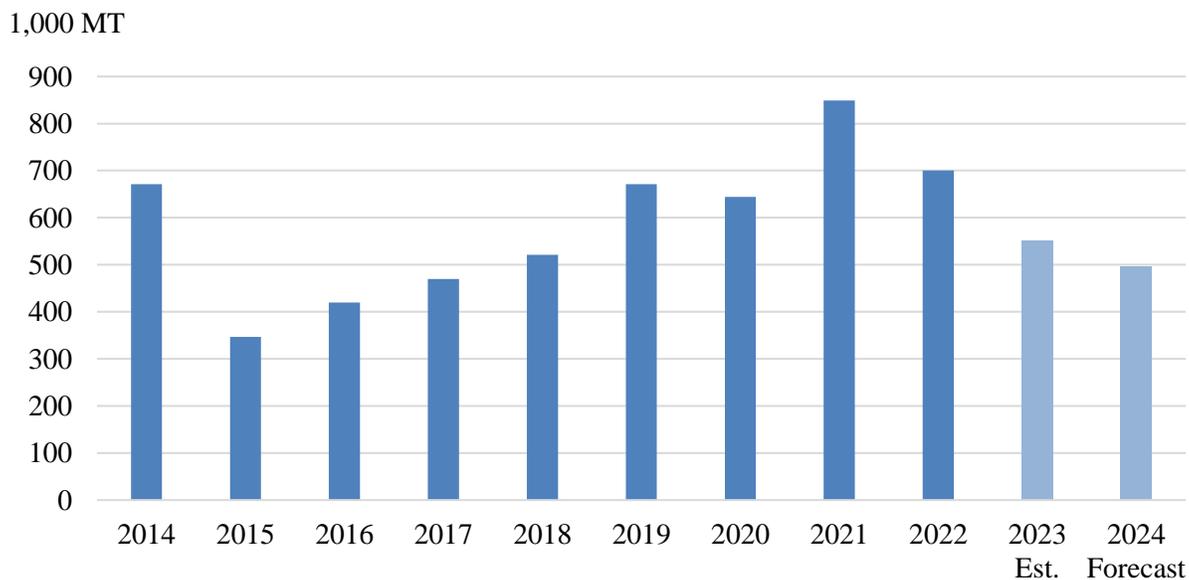
WMP Consumption May Decline Marginally

WMP demand has been declining in recent years among health-conscious consumers looking for additional health benefits from other dairy products. Products made from WMP, such as reconstituted milk, reconstituted yogurt and milk drinks, have become less popular especially in affluent areas. Post expects this trend to continue in 2024. However, Post forecasts WMP consumption in baked goods to remain flat as the bakery sector is relatively stable.

In the first half of 2023, WMP production outpaced consumption resulting in a high inventory of WMP. Processors who overproduce WMP tend to keep it in inventory instead of selling to the market as WMP prices are low. Post forecasts WMP inventory to decline in the second half of 2023 due to increased seasonal demand and lower seasonal production. The effective result is that Post expects 2023 year-ending inventories to exceed 2022 levels.

TRADE

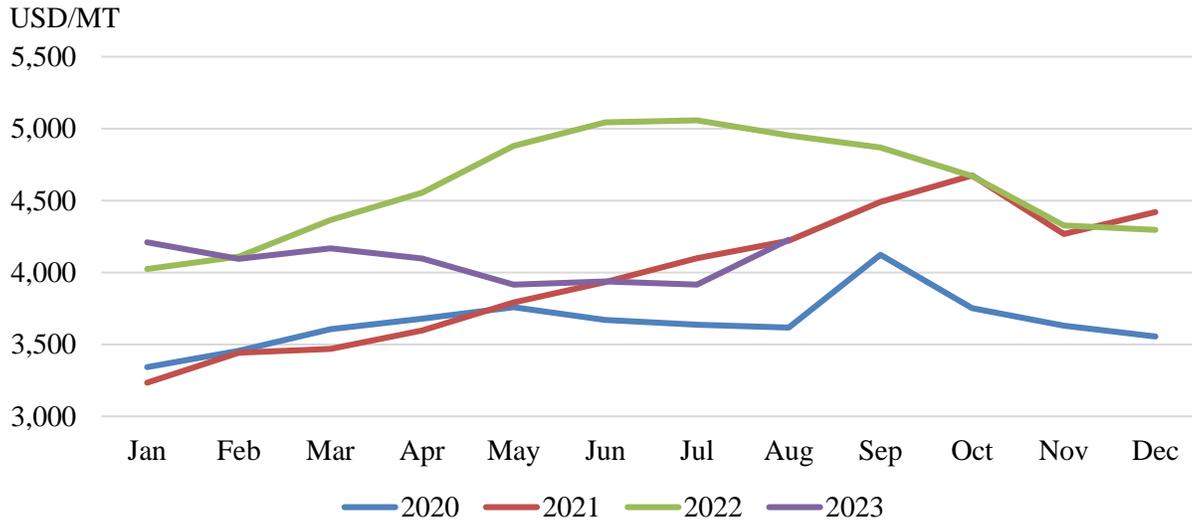
Chart 7. China: Imports of WMP



Source: Trade Data Monitor, LLC and Post Estimates

Post forecasts WMP imports to decline in 2024 because of weaker demand and ample 2023 ending inventory. Industry sources indicated that although imported WMP generally has more standardized nutrition levels, processors can benefit from domestic WMP as they can sometimes get higher protein content. Despite imported WMP prices that were generally lower than the same period last year, the import incentive hasn't been generated owing to adequate supplies (see **Chart 8**).

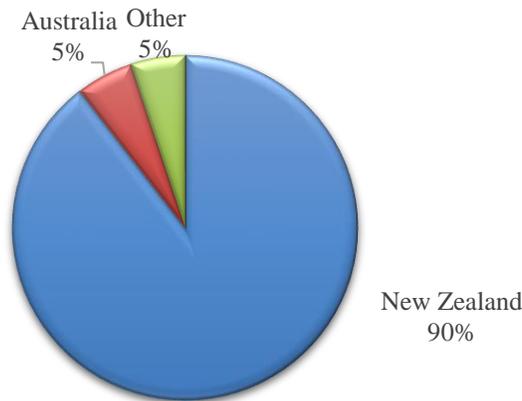
Chart 8. China: Imported WMP Prices



Source: Trade Data Monitor, LLC

New Zealand is China’s top WMP supplier, accounting for 90 percent of the market share (see **Chart 9**) through the first 8 months of 2023. The safeguard measures⁴ for milk powder imports from New Zealand will end in 2023. However, imports from New Zealand may not grow significantly in 2024 due to the expected abundance of domestic raw milk and WMP.

Chart 9. China: Imports of WMP in the first 8 months of 2023 (by Origin)



Source: Trade Data Monitor, LLC

⁴ The 2008 free trade agreement between China and New Zealand gradually reduced tariffs on New Zealand dairy products imported into China to zero by 2019. However, special safeguard measures for milk, milk powder, butter, and cheese returns the tariff to the most-favored-nation tariff once the import volume exceeds the import trigger level. The applicable period for the special safeguard measures for milk, butter, and cheese products was from 2009 to 2021, and the applicable period of the special safeguard measures for milk powder is from 2009 to 2023. Milk powder includes WMP and SMP. The HS Codes include: 04021000, 04022100, 04022900, and 04029100.

SKIM MILK POWDER

Table 3. China: Production, Supply, and Distribution for Skim Milk Powder

Dairy, Milk, Nonfat Dry	2022		2023		2024	
Market Begin Year	Jan 2022		Jan 2023		Jan 2024	
People's Republic of China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Units: 1000 MT						
Beginning Stocks	0	0	0	0	0	0
Production	25	25	25	30	0	30
Other Imports	335	335	400	400	0	370
Total Imports	335	335	400	400	0	370
Total Supply	360	360	425	430	0	400
Other Exports	1	1	1	2	0	1
Total Exports	1	1	1	2	0	1
Human Dom. Consumption	359	359	424	428	0	399
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	359	359	424	428	0	399
Total Use	360	360	425	430	0	400
Ending Stocks	0	0	0	0	0	0
Total Distribution	360	360	425	430	0	400

PRODUCTION

SMP production in 2024 will remain stable at 30 TMT. China's domestic production of both butter and SMP is minimal. Domestic SMP production is based on advanced orders from food processors and manufacturers. There is no incentive to produce additional SMP with there being no significant growth in raw milk production in 2024.

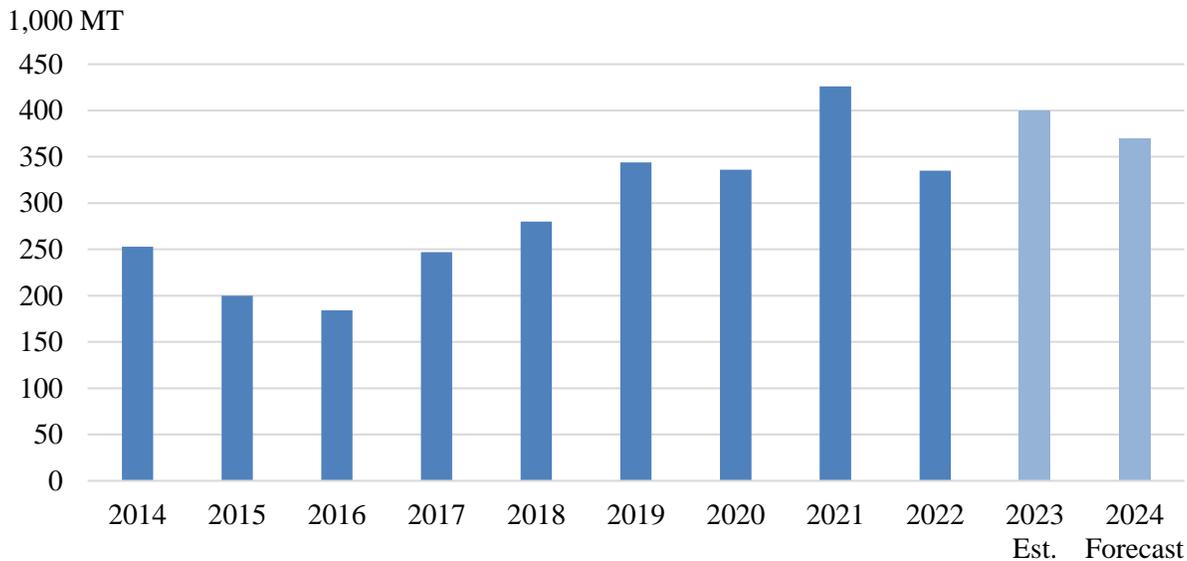
Post has revised the 2023 SMP production estimate up to 30 TMT. Due to a seasonal oversupply of raw milk in 2023, processors are reportedly producing additional butter and SMP.

CONSUMPTION

Post forecasts China's 2024 SMP consumption down due to an abundance of substitute products. The main use of SMP is in food processing such as processed food, dairy beverages, and bakery products. According to industry sources, WMP and SMP are often interchangeable in food processing. As domestic raw milk remains a competitively priced option, industry sources expect food processors may choose to use more raw milk or WMP for certain products. SMP consumption also depends on international SMP prices. SMP supply mainly comes from imports as domestic SMP production is minimal. Industry members report that food processors will switch between raw milk, WMP, and SMP depending on local prices.

TRADE

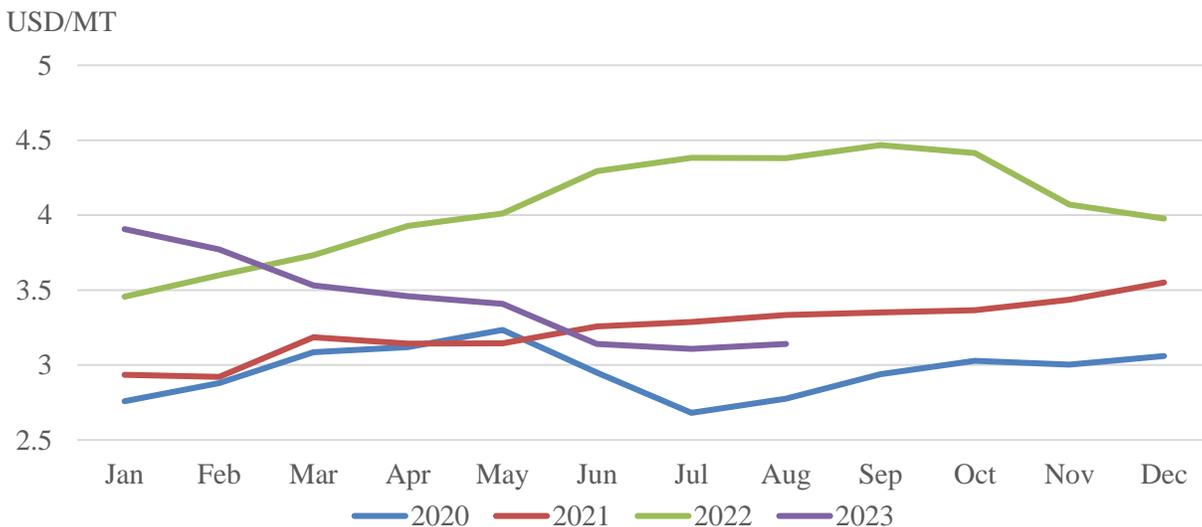
Chart 10. China: SMP Imports



Source: Trade Data Monitor, LLC and Post Estimates

Post forecasts 2024 SMP imports down as demand is stable while some 2023 inventory could carry over to 2024. There is no reliable data source for SMP inventory, but contacts indicate there will be some carry over from 2023 into 2024. Import volumes will also depend on the international market price.

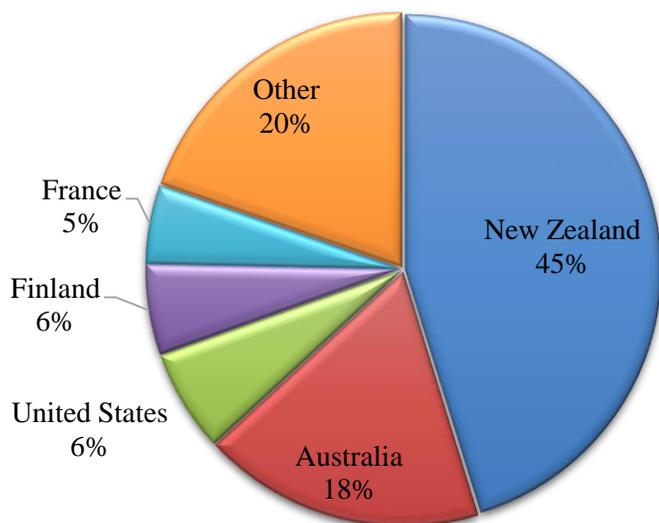
Chart 11. China: Imported SMP Prices



Source: Trade Data Monitor, LLC

Post revised the 2023 SMP import estimate up to 400 TMT. In the first 8 months of 2023, declining SMP prices (see **Chart 11**) led to increased imports with an almost 13 percent increase from the same period year over year. Although consumption is gradually recovering in 2023, high supply levels are expected to temper demand and lower imports are forecast in 2024.

Chart 12. China: Imports of SMP in the first 8 months of 2023 (by Origin)



Source: Trade Data Monitor, LLC

New Zealand dominates the Chinese SMP import market, accounting for 45 percent of China's SMP imports, followed by Australia, the United States, Finland, and France (see **Chart 9**). As noted in the WMP trade section, New Zealand receives preferential tariffs up to a certain limit for milk powder products, and 2023 is the last year for special safeguard measures on milk powder.

CHEESE

Table 4. China: Production, Supply, and Distribution for Cheese

Dairy, Cheese	2022		2023		2024	
Market Begin Year	Jan 2022		Jan 2023		Jan 2024	
People's Republic of China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Units: 1000 MT						
Beginning Stocks	0	0	0	0	0	0
Production	20	20	25	25	0	28
Other Imports	145	145	170	170	0	180
Total Imports	145	145	170	170	0	180
Total Supply	165	165	195	195	0	208
Other Exports	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0
Human Dom. Consumption	165	165	195	195	0	208
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	165	165	195	195	0	208
Total Use	165	165	195	195	0	208
Ending Stocks	0	0	0	0	0	0
Total Distribution	165	165	195	195	0	208

PRODUCTION

Post forecasts 2024 domestic cheese production⁵ up 12 percent. Chinese cheese producers primarily produce processed cheese using imported ingredients. The production of natural cheese from raw milk in China is limited. However, some cheese producers have established their own cheese production lines from raw milk and started to produce natural cheese as demand for natural cheese is increasing. In addition, the processed cheese market has become more competitive.

Industry experts expect the new standard of Processed Cheese and Cheese Products GB 25192-2022⁶ to improve the overall quality of processed cheese in China. Some cheese processors started to produce more natural cheese partly because the new standard requires a higher ratio of raw cheese in processed cheese.

⁵ In this report, the domestic cheese production refers to natural cheese produced from domestic raw milk.

⁶ National Food Safety Standard - Processed Cheese and Cheese Products GB 25192-2022 came into effect on December 30, 2022. The new national standard divides processed cheese products into processed cheese and processed cheese products according to the proportion of raw cheese ingredients. The raw cheese usage ratio of processed cheese is adjusted from more than 15 percent to more than 50 percent, and products with a cheese ratio between 15 percent and 50 percent can be called "cheese products". <https://www.chinesestandard.net/PDF/English.aspx/GB25192-2022>

CONSUMPTION

Post forecasts cheese consumption for 2024 to further grow driven by consumer demand but at a slower pace. Challenges to and an overall slower economy could curb further growth of cheese consumption as cheese products are relatively high priced and considered a high-end dairy product.

Processed cheese dominates the Chinese cheese market. Mozzarella, cheddar, and cream cheese are popular in the Hotel, Restaurant, and Institutional (HRI) sector and in home baking, while processed cheese sticks marketed towards children dominate the retail market. These domestically produced cheeses use common food names such as mozzarella and cheddar.

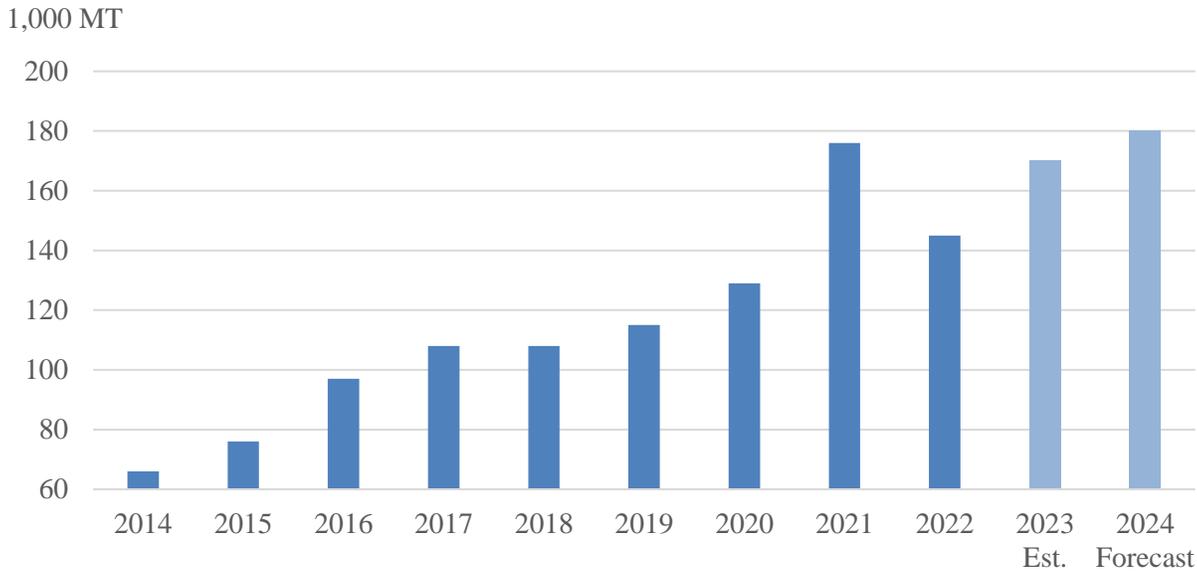
Picture 1. China: Re-processed Cheese Products in Small Packages Marketed Towards Children



In recent years, traditional supermarkets are losing popularity, and some have closed in affluent cities in southern and eastern provinces. New retail forms such as e-commerce, convenience stores, and club stores (e.g., Sam's Club) are taking over more market share. These new retail stores normally carry more cheese products which could bring more opportunities for cheese marketing to drive consumption.

TRADE

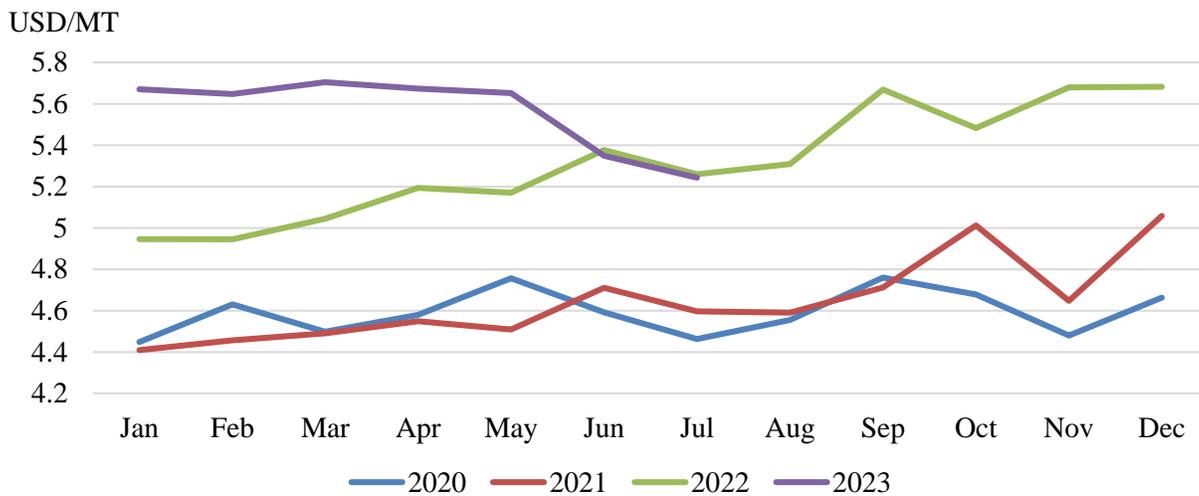
Chart 13. China: Imports of Cheese



Source: Trade Data Monitor, LLC and Post Estimates

Post forecasts cheese imports in 2024 to grow to 180 TMT (see **Chart 13**). China's cheese supply mainly relies on imports. A majority of imported cheeses are used to produce processed cheeses. In 2023, the number of cheese processing facilities has increased, increasing China's processed cheese production capacity. However, Post expects marginal growth in consumer demand in 2024 due to economic circumstances.

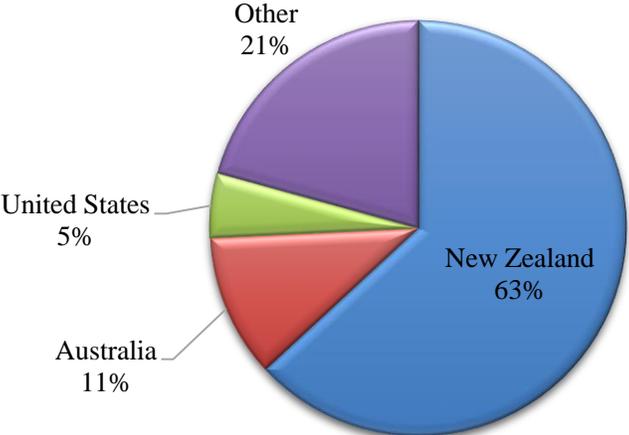
Chart 14. China: Imported Cheese Prices



Source: Trade Data Monitor, LLC

In the first 8 months of 2023, cheese imports grew by 18 percent despite declining imports of most other dairy products and higher import prices of cheese products (see **Chart 14**). New Zealand remained the top cheese supplier, accounting for over 63 percent of the market share, followed by Australia and the United States (see **Chart 15**).

Chart 15. China: Imports of Cheese in the first 8 months of 2023 (by Origin)



Source: Trade Data Monitor, LLC

BUTTER

Table 5. China: Production, Supply, and Distribution for Butter

Dairy, Butter	2022		2023		2024	
Market Begin Year	Jan 2022		Jan 2023		Jan 2024	
People's Republic of China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Units:1000 MT						
Beginning Stocks	0	0	0	0	0	0
Production	109	13	110	17	0	17
Other Imports	153	153	135	140	0	140
Total Imports	153	153	135	140	0	140
Total Supply	262	166	245	157	0	157
Other Exports	2	2	2	2	0	2
Total Exports	2	2	2	2	0	2
Domestic Consumption	260	164	243	155	0	155
Total Use	262	166	245	157	0	157
Ending Stocks	0	0	0	0	0	0
Total Distribution	262	166	245	157	0	157

PRODUCTION

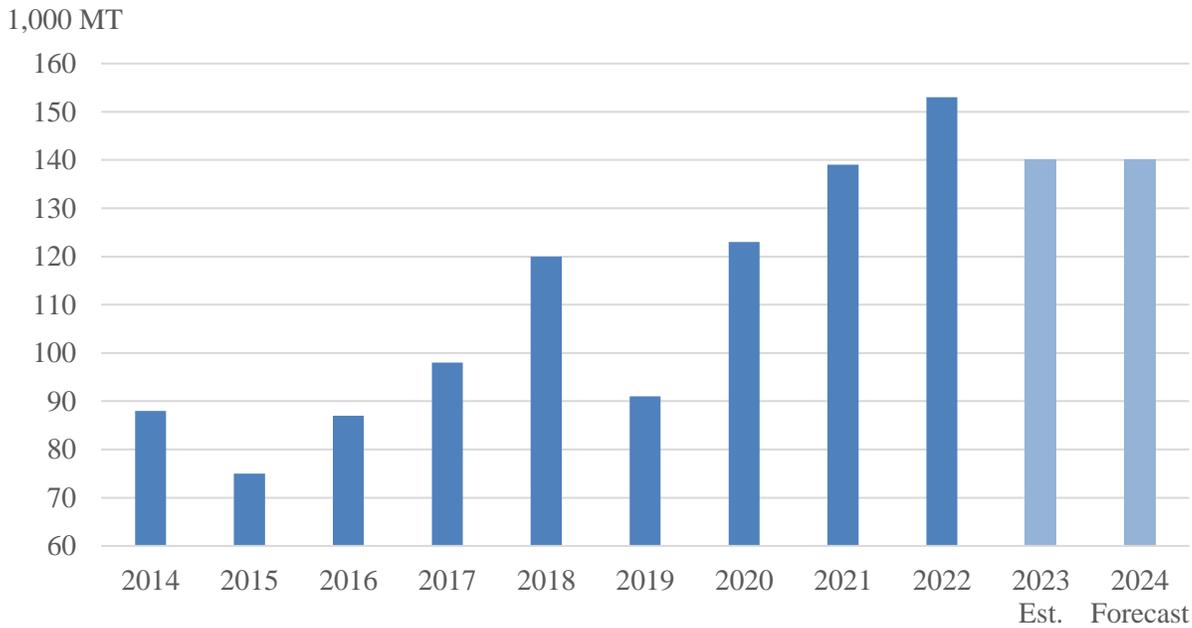
Post forecasts butter production in 2024 to remain low and to stay at similar levels to 2023. In 2024, processors may not be incentivized to greatly increase butter production as raw milk production will not grow significantly from 2023 and butter demand is not expected to grow dramatically.

CONSUMPTION

In 2024, Post forecasts butter consumption at the same level as 2023. Butter consumption has been growing during the past years. However, since the main use of butter is in bakery products and the food service industry, consumers will not significantly expand their use of butter to control costs due to challenges in the economy. In addition, sources report food processors will also hesitate to switch from plant-based (or artificial) butter to dairy butter due to cost concerns as dairy butter is a lot more expensive.

TRADE

Chart 16. China: Imports of Butter



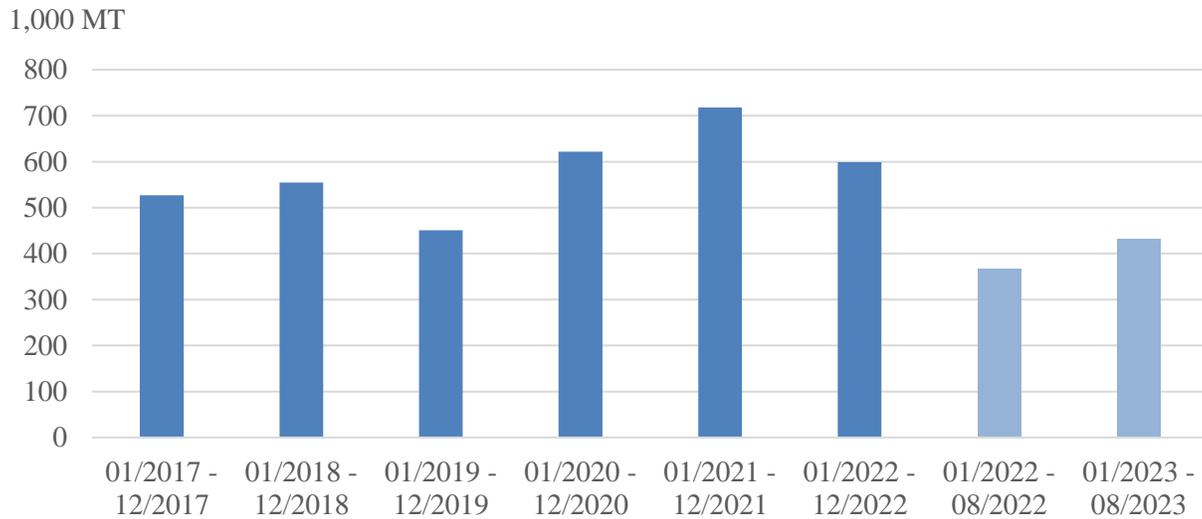
Source: Trade Data Monitor, LLC and Post Estimates

Post forecasts butter imports in 2024 to stay at the same level as 2023 (see **Chart 16**). China's butter supply mainly relies on imports as domestic butter production is minimal. In 2024, demand for butter will remain flat, which will limit any growth in imports. Industry expects that New Zealand will continue to dominate the market.

Butter import estimates for 2023 remains lower than 2022 given weaker demand and a high inventory. In the first 7 months of 2023, butter imports declined by 13 percent year-over-year.

WHEY AND WHEY PRODUCTS

Chart 17. China: Imports of Whey and Modified Whey Products

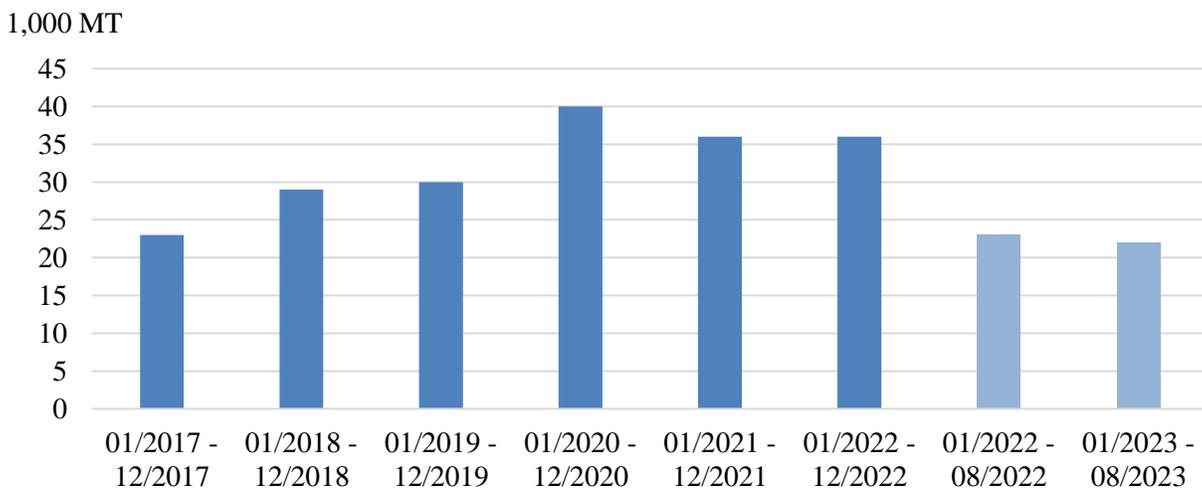


Source: Trade Data Monitor, LLC

The United States is the dominant supplier of both whey and whey related products. Importers of U.S. whey and whey related products are eligible for tariff exclusions under the Section 301 exclusion process (see Appendix section for more information).

In 2024, the declining birth rate could continue to weigh on whey imports for food use such as infant formula. However, more demand could come from the feed sector, such as a feed ingredient for piglets, depending on the expansion in the animal husbandry sector.

Chart 18. China: Imports of Whey Related Products



Source: Trade Data Monitor, LLC

APPENDIX

Retaliatory Section 301 tariffs

The People's Republic of China maintains retaliatory Section 301 tariffs on most U.S. dairy products. On November, 2022, the People's Republic of China extended tariff exclusions on whey for feed use (HS04041000, protein content by weight 2-7 percent and lactose content of 76-88 percent) through May 31, 2023 (See GAIN [CH2022-0131](#) Report).

On February 18, 2020, the State Council Tariff Commission (SCTC) announced a tariff exclusion process for U.S. agricultural commodities impacted by Section 301 retaliatory tariffs levied by the People's Republic of China. Importers may apply for tariff exclusions which are approved on a case-by-case basis. These exclusions do not automatically extend to all importers. Please refer to GAIN Report [CH2020-0106](#) for more information on the exclusion process.

Table 6. China: Tariffs on U.S.-Origin Dairy Products

HS Code (8-digit)	Description	MFN Rate	Section 301	Total Applied Tariff
		Jan 1, 2023	Feb 14, 2020,	Jan 1, 2023
04011000	Milk & Cream, Fat ≤ 1%, Not Concentrated or Sweetened	15%	27.5%	42.5%
04012000	Milk & Cream, 1%	15%	27.5%	42.5%
04014000	Milk & Cream, 6%	15%	27.5%	42.5%
04015000	Milk & Cream, Fat > 10%, Not Concentrated or Sweetened	15%	27.5%	42.5%
04021000	Milk & Cream in Solid Forms, Fat ≤ 1.5%, Concentrated*	10%	25.0%	35.0%
04022100	Milk & Cream in Solid Forms Of >1.5% Fat, Concentra	10%	25.0%	35.0%
04022900	Milk & Cream in Solid Forms Of >1.5% Fat, Concentra	10%	25.0%	35.0%
04029100	Milk & Cream Not in Solid Form, Concentrated	10%	25.0%	35.0%
04029900	Milk & Cream Not in Solid Form, Concentrated, Sweetened	10%	25.0%	35.0%
04032010	Yogurt: Whether or not concentrated, other than the additives allowed to be added, only containing added sugar or other sweetened matter or flavored or containing added fruit, nuts or cocoa	10%	27.5%	37.5%
04032090	Yogurt,	10%	25%	35%
04039000	Buttermilk,	20%	27.5%	47.5%

	Curdled/Fermented/Acidified Milk & Cream			
04041000	Whey and Modified Whey**	2%	25%	27.0%
04049000	Products Consisting of Natural Milk Constituents	20%	25.0%	45.0%
04051000	Butter	10%	25.0%	35.0%
04052000	Dairy Spreads	10%	25.0%	35.0%
04059000	Other Fats & Oils Derived from Milk	10%	25.0%	35.0%
04061000	Fresh Cheese, Incl. Whey Cheese, Curd	12%	27.5%	39.5%
04062000	Grated Or Powdered Cheese	8%	27.5%	35.5%
04063000	Processed Cheese, Not Grated or Powdered	8%	27.5%	35.5%
04064000	Blue-Veined Cheese, Other-Veined Cheese Prod. By P	8%	27.5%	35.5%
04069000	Cheese, Nesoi	8%	27.5%	35.5%

*SCTC enumerated Milk & Cream in Solid Form (HS04021000) and Whey for Feed Use (HS0404100), among other products, in the February 18, 2020 announcement.

**SCTC announced a tariff exclusion for Whey for Feed Use (HS0404100), among other products, effective from December 1, 2022 to May 31, 2023. See GAIN Report [CH2022-0131](#) for more information.

Attachments:

No Attachments