

Required Report: Required - Public Distribution

Date: June 02, 2022

Report Number: CH2022-0058

Report Name: Dairy and Products Semi-annual

Country: China - People's Republic of

Post: Beijing

Report Category: Dairy and Products

Prepared By: Alexandra Baych

Approved By: Adam Branson

Report Highlights:

In 2022, China's raw milk production is forecast to reach 39.65 million metric tons due to a larger herd and production efficiency gains. China's zero-COVID policy is expected to remain unchanged for the foreseeable future. In 2022, the resurgence of COVID-19 and government restrictions, such as lockdowns, are expected to impact dairy and dairy product distribution and use. Dairy processors are expected to increase whole milk powder production from raw milk to limit losses. In 2022, Post estimates that butter imports will increase compared to 2021, due to demand in the bakery sector. Imported fluid milk (primarily ultrahigh temperature milk) is expected to increase over 2021, due to consumer demand for shelf-stable products. Post estimates that imports of whole milk powder, skim milk powder, and cheese will be lower in 2022. High prices for imported dairy products in 2022 are expected to weigh on growth.

EXECUTIVE SUMMARY

Fluid milk

In 2022, China's raw milk production is expected to reach 39.65 million metric tons (MMT), 4.5 percent higher than 2021 due to a larger dairy herd and improved efficiency. Import growth in 2022 is expected to slow to 1.3 MMT due to higher global prices and competition with domestic production.

Whole Milk Powder (WMP)

In 2022, WMP production is expected to increase slightly to 1.02 MMT as producers convert seasonal surplus raw milk to WMP. In 2022, China instituted strict lockdown measures across many cities due to COVID-19 outbreaks. These measures made distribution and purchases of fluid milk products very difficult causing some dairy processors to increase production of WMP. In 2022, WMP consumption is expected pull from stocks and domestic production. The import estimate for 2022 is reduced to 820 thousand metric tons (TMT) from 849 TMT in 2021.

Skim Milk Powder (SMP)

In 2022, SMP production is expected to reach 24 TMT with imports declining to 400 TMT from 426 TMT in 2021. In China, SMP and WMP are often interchangeable as food ingredients. In 2022, producers are expected to consume less imported SMP due to higher WMP domestic production and stocks, leading to a decline in imports.

Cheese

In 2022, imports of cheese products are estimated to decline to 170 TMT from 176 TMT in 2021. China's cheese consumption is driven by hotels, restaurants, and institutions, which have been negatively impacted by COVID-19 restrictions. Higher prices due to increased international logistics costs are another factor contributing to reduced cheese imports in 2022.

Butter

In 2022, butter imports are expected to reach to 150 TMT up from 139 TMT in 2021. Bakeries, an important channel for butter products, are lesser affected by lockdowns than the in-person restaurant sector. Bakeries have continued to operate and deliver products for home consumption, which is expected to grow butter utilization and imports in 2022.

Whey & Whey Products

In 2022, the forecast for imports of whey and whey related products remains unchanged from the 2021 Dairy Annual Report, with imports declining due to lower demand.

NOTE: The Appendix at the end of the document contains China's ongoing retaliatory Section 301 tariffs on U.S. agricultural products, with specific information regarding dairy and dairy related products. Information is also provided in the Appendix regarding China's Decree 248 facility registration measures.

FLUID MILK

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

Dairy, Milk, Fluid	2020		2021		2022	
Market Begin Year	Jan 2020		Jan 2021		Jan 2022	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
(1,000 head), (1,000 MT)						
Cows In Milk	6150	6150	6200	6200	6300	6400
Cows Milk Production	34400	34400	34600	36830	35500	38500
Other Milk Production	1100	1100	1100	1120	1150	1150
Total Production	35500	35500	35700	37950	36650	39650
Other Imports	1040	1040	1300	1268	1400	1300
Total Imports	1040	1040	1300	1268	1400	1300
Total Supply	36540	36540	37000	39218	38050	40950
Other Exports	25	25	23	23	25	25
Total Exports	25	25	23	23	25	25
Fluid Use Dom. Consum.	13000	13000	14501	15595	14995	16925
Factory Use Consum.	23515	23515	22476	23600	23030	24000
Feed Use Dom. Consum.	0	0	0	0	0	0
Total Dom. Consumption	36515	36515	36977	39195	38025	40925
Total Distribution	36540	36540	37000	39218	38050	40950

Note: “New Post” data are not official USDA data

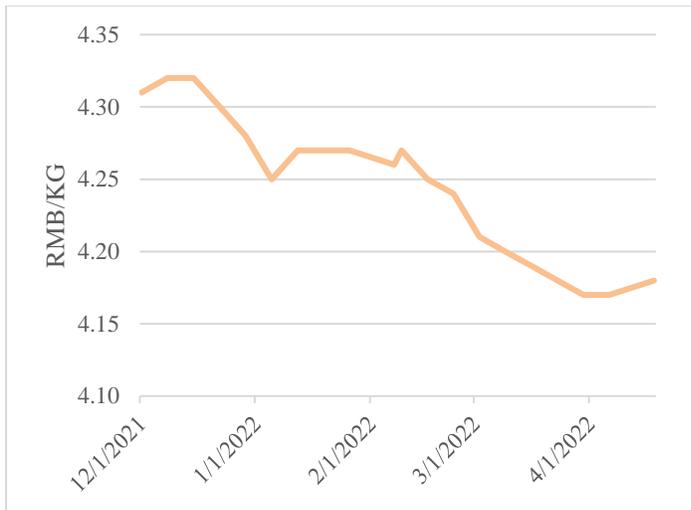
PRODUCTION

China’s 2022 raw milk production is estimated at 39.65 MMT, 4.5 percent increase over 2021. This increase is due to a growing dairy herd, improved genetics, and increased efficiency by large producers. However, raw milk price declines, higher feed costs, and market uncertainties generated by China’s COVID-19 policies will weigh on raw milk production in 2022.

China’s Ministry of Agriculture and Rural Affairs (MARA) publishes weekly raw milk prices from the top 10 major milk producing provincial regions including Hebei, Shanxi, Inner Mongolia, Liaoning, Heilongjiang, Shandong, Henan, Shaanxi, Ningxia, and Xinjiang. In 2022, raw milk prices declined (*see* Chart 1). However, overall production is unlikely to decline as raw milk prices are still relatively high compared to historic norms (*see* Chart 2), large investments in new facilities will need to be recouped and demand from large dairy processors is expected to continue.

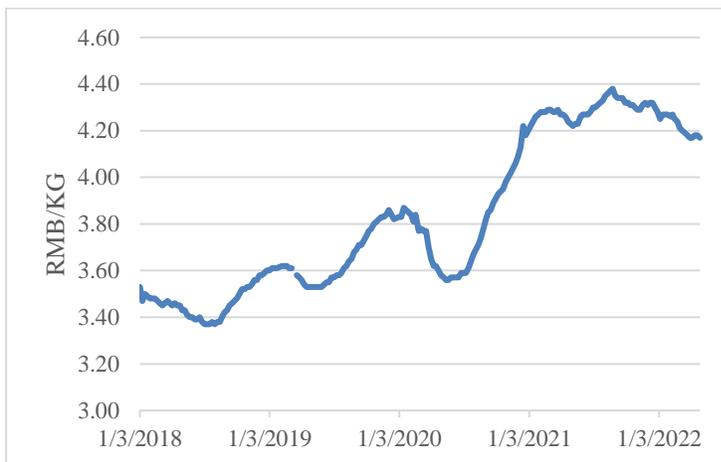
The milk production figure for 2021 is revised based on China’s National Bureau of Statistics (NBS) official data. Industry reports that other milk (such as goat milk) production is gradually increasing in China. In 2022, Post estimates growth in other milk production to be approximately 3 percent over 2021.

Chart 1. China: Raw Milk Price Declines in 2021



Source: MARA

Chart 2. China: Raw Milk Price from 2018 to the Present



Source: MARA

Domestic Policy

China’s 2022 annual agricultural policy document known as the “No. 1 Document” (see GAIN Report [CH2022-0029](#)) emphasizes continued development of China’s dairy industry. This policy encourages provincial governments to invest in farms, herd expansion, genetic improvements, feed and seed sources, and infrastructure. Provincial regions including Anhui, Jilin, and Inner Mongolia have published initiatives to support these kinds of projects.

Milk Production and Productivity

Based on MARA and industry figures, Holstein cattle account for approximately half of all cattle in milk production in large-scale operations. Typically, China's non-commercial dairy operations have a much lower milk production rate than large-scale facilities. During China's Agricultural Outlook Conference, the Chinese Academy of Agricultural Sciences estimated that 2022 average milk production per Holstein cow in China would grow to 8.8 MT, an increase of 0.1 MT from 2021. Previously, when China's Holstein cow population was smaller, the productivity growth rate could be as high as 0.4 MT per year. In comparison, China's 2022 estimated productivity rate is lower than the average milk production rate in the United States.

CONSUMPTION

Fluid milk domestic distribution in 2022 is estimated at 40.95 MMT driven by consumer demand for dairy products in retail and food processing sectors (see Image 1). Utilization in 2022 is expected to grow but at a slower rate than in previous years hampered by COVID-19 restrictions, extended closures of outlets and venues in the hotel, restaurant and institutional (HRI) sector, and a sluggish economy.

Image 1. China: Local Retail Fluid Milk Aisle



In 2022, China's highly consolidated dairy processors are expected to benefit from lower raw milk prices. But dairy processors are not expected to reduce prices, i.e., pass along savings, for dairy products as they are expected to be sticky.

China's dairy processors have shown strong growth over the last few years. For example, in April 2022, one of China's largest dairy processors (and producer of a wide range of fluid milk retail products) reported 2021 annual sales exceeding RMB 100 billion (over \$16 billion), with a net profit growth of 23 percent over the prior year.

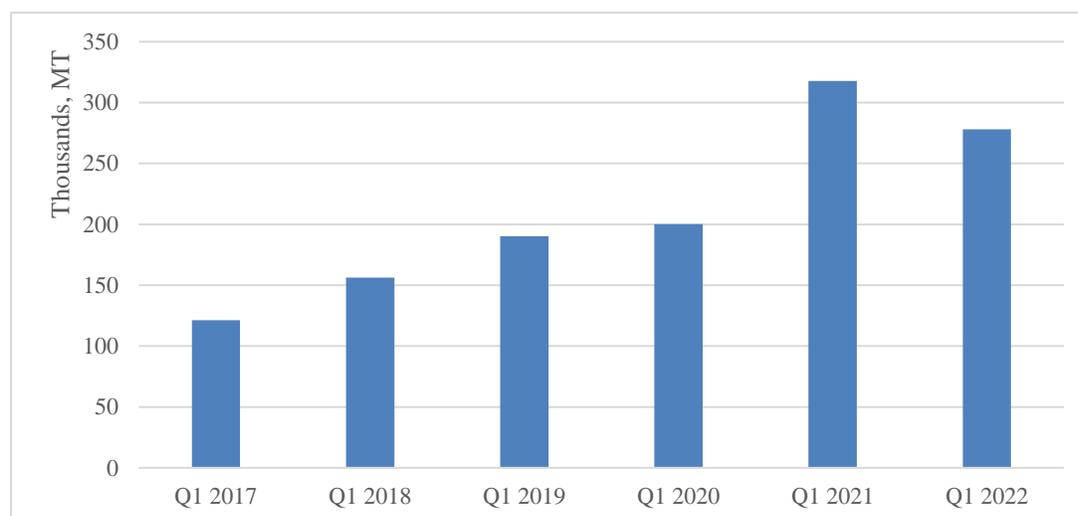
In 2021, dairy processors increased fluid use of raw milk. Fluid use has increasingly grown in importance as a category for raw milk use – as processing raw milk for factory use into WMP is considered costly for producers. For this reason, Post anticipates that growth in China's dairy industry will focus increasingly in fluid use rather than factory or other industrial use.

Trade

In 2022, imports of fluid milk are estimated at 1.3 MMT. Imported fluid milk is typically in the form of ultrahigh temperature (UHT) shelf-stable milk products. Following citywide lockdowns in Shanghai, refrigerated milk products were mostly unavailable. The delivery of products via cold chain logistics also became increasingly difficult. Products such as UHT can be stored at room temperature, without refrigeration and for a longer period than pasteurized milk products. Post anticipates that COVID-19 restrictions will remain for the foreseeable future. For this reason, consumers are likely to gravitate towards products that can be stored, such as UHT milk – ensuring demand for imported fluid milk.

Imports in 2021, totaled 1.268 MMT based on China Customs data. In the first quarter (Q1) of 2022, the average price of imported fluid milk products rose but import volumes remained relatively similar to prior years (see Chart 3).

Chart 3. China: Comparison of Q1 Fluid Milk Imports by Volume



Source: Trade Data Monitor (TDM)

Policy

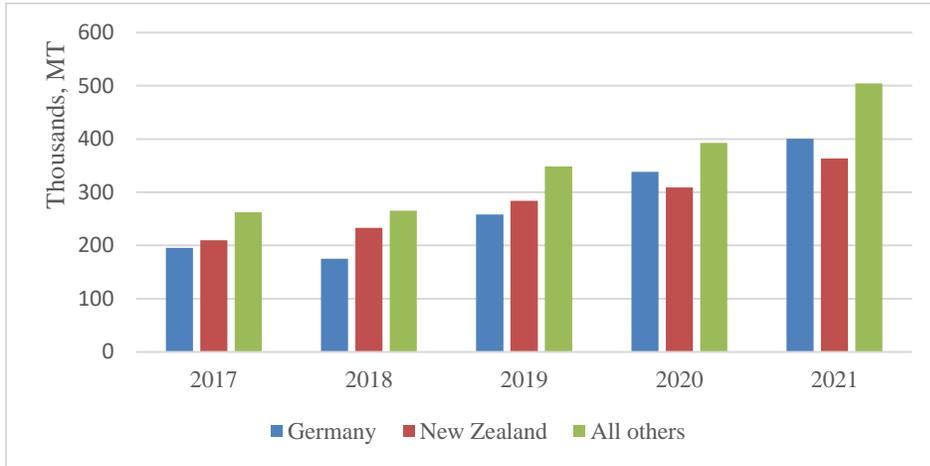
Germany and New Zealand remain the two largest suppliers of imported fluid milk to China (see Chart 4). In 2022, the General Administration of Customs of China (GACC) announced that under the China-New Zealand free trade agreement (FTA), China would remove special safeguard measures on imports of New Zealand fluid milk, butter, and cheese starting in 2022. Each of these commodities is grouped into a basket and the tariff rates on these goods has declined since the FTA was implemented in 2008.

- Fluid Milk (Basket 1) includes products from the following tariff lines: 04012000, 04014000, and 04015000
- Butter (Basket 3) includes products from the following tariff lines: 04051000 and 04059000

- Cheese (Basket 4) includes products from the following tariff lines: 04061000, 04063000, and 04069000

New Zealand’s now tariff free access for fluid milk products is expected to contribute to strong Chinese imports moving forward in comparison to imports from other suppliers.

Chart 4. China: Fluid Milk Imports by Country



Source: TDM

In 2022, GACC published multiple country-specific notifications for dairy product inspection and quarantine requirements. In March 2022, China granted market access to Mongolian dairy products, including fluid milk, cheese, and whey powder, among others. However, many additional steps will be necessary for Mongolian producers to export to China – including GACC facility registration.

WHOLE MILK POWDER

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

Dairy, Dry Whole Milk Powder	2020		2021		2022	
Market Begin Year	Jan 2020		Jan 2021		Jan 2022	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
1000 MT						
Beginning Stocks	50	50	100	100	125	150
Production	992	992	950	1010	970	1020
Other Imports	644	644	880	849	880	820
Total Imports	644	644	880	849	880	820
Total Supply	1686	1686	1930	1959	1975	1990
Other Exports	1	1	2	2	1	1
Total Exports	1	1	2	2	1	1
Human Dom. Consumption	1585	1585	1803	1807	1919	1889
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	1585	1585	1803	1807	1919	1889
Total Use	1586	1586	1805	1809	1920	1890
Ending Stocks	100	100	125	150	55	100
Total Distribution	1686	1686	1930	1959	1975	1990

Note: “New Post” data are not official USDA data

PRODUCTION

In 2022, WMP production is estimated to exceed 1 MMT on increased raw milk production. Post estimates WMP production in 2022 to increase by 10 TMT. In the first half of 2022, many cities across China experienced prolonged lockdowns due to COVID-19 and this had the effect of shifting distribution options and demand. For example, delivery of fluid milk and dairy products in Shanghai, a major consumption base in China, substantially declined as COVID lockdown measures were implemented. To mitigate losses, some dairy processors increased WMP production. The Shanghai Dairy Association reported that in March 2022 a local dairy processor processed more than 1 TMT of raw milk into WMP daily.

CONSUMPTION

In 2022, WMP consumption is estimated to reach nearly 1.9 MMT, mainly driven by demand from the bakery sector and manufacturers of dietary supplement beverages. Other factory uses, such as reconstituted milk and yogurt products, are shrinking as consumers gravitate towards less processed products. Contacts have noted that WMP and SMP are interchangeable ingredients for food processing, such that increased domestic production of WMP may lead to declines on SMP demand by producers.

In China, WMP or fluid milk are commonly used as ingredients for infant formula. Post expects that WMP consumption as an ingredient in infant formula to decline as China's declining birth rate is impacting demand for infant formula. The government's promotion of breastfeeding, stricter labeling and oversight regulations for infant formula producers are also expected to weigh on domestic infant formula production.

TRADE

In 2022, WMP imports are estimated at 820 TMT a reduction of 29 TMT from 2021, due to higher import prices, higher beginning stocks, and lower demand. With increased domestic WMP production prices for domestic WMP are expected to decline in 2022 making imported WMP less price competitive. Additionally, the price of imported WMP in Q1 2022 surged 23 percent, on lower global stocks and increased logistics costs. Large purchases of imported WMP at the end of 2021 led to an increase of carryover stocks into 2022. China Customs data for 2021 indicated that imports reached nearly 850 TMT in 2021, nearly 32 percent growth over 2020. These higher stocks are expected to also lower WMP import demand. In 2022, with lower imports and increased consumption, 2022 stocks are expected to move lower to 100 TMT.

In 2022, New Zealand is expected to remain the dominant supplier of WMP. Contacts note that New Zealand WMP is competitively priced, faces lower tariffs, and is considered a benchmark against which other imported WMP products are compared. Imports from Uruguay have also increased. In 2021 and Q1 2022, Uruguay's WMP exports exceeded Australia making Uruguay the second largest exporter of WMP to China. According to media reports, Uruguay is engaging China in free trade agreement conversations, which would likely cover agricultural products.

SKIM MILK POWDER

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

Dairy, Dry Whole Milk Powder	2020		2021		2022	
Market Begin Year	Jan 2020		Jan 2021		Jan 2022	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
1000 MT						
Beginning Stocks	0	0	0	0	0	0
Production	20	20	22	22	24	24
Other Imports	336	336	440	426	475	400
Total Imports	336	336	440	426	475	400
Total Supply	356	356	462	448	499	424
Other Exports	1	1	1	2	1	1
Total Exports	1	1	1	2	1	1
Human Dom. Consumption	355	355	461	446	498	423
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	355	355	461	446	498	423
Total Use	356	356	462	448	499	424
Ending Stocks	0	0	0	0	0	0
Total Distribution	356	356	462	448	499	424

Note: “New Post” data are not official USDA data

PRODUCTION

In 2022, SMP production is estimated at 24 TMT. Production is expected to remain low as China does not produce sufficient cream or butter to support a meaningful expansion of SMP. For smaller producers, converting skim milk into SMP is cost prohibitive. Finally, imported SMP is cost competitive and provides a consistent quality for users of SMP as an ingredient— making domestic SMP less attractive.

CONSUMPTION

In 2022, SMP total domestic consumption is forecast at 423 TMT with a year-on-year decline of 5 percent due to a larger supply of WMP in the market (see WMP section above). As noted, WMP and SMP are often considered interchangeable ingredients for products including bakery, nutrition beverages, yogurt, and ice cream. Dairy processors that produce WMP also consume SMP as an ingredient in the production of processed foods. For this reason, increased domestic supply of WMP (with a shorter shelf life compared to imported WMP) is expected to cause demand for SMP to decline. China’s SMP consumption is primarily based on imported SMP.

Finally, the market for non-fat reconstituted milk and non-fat yogurt products for which SMP may be used as an ingredient remains relatively small. Any demand growth in these products is

not expected to offset WMP substitution. For the reasons stated above, imports and consequently consumption of SMP in 2022 is expected to decline.

TRADE

Estimated 2022 SMP imports are reduced to 400 TMT, a 6 percent decline from 2021 due to lower market demand. In Q1 2022, the price for imported SMP surged 19 percent, year-on-year, to an 8 year high based on China Customs data. Higher import prices and increase domestic WMP production will lower imports in 2022.

New Zealand, Australia and the United States dominate China’s SMP imports accounting for nearly 60 percent of total 2021 imports. In Q1 2022, China’s imports of U.S. SMP grew by over 17 percent, driven by competitive import prices and importer confidence in the quality of U.S. SMP.

Imports and exports for 2021 were adjusted to reflect final year trade data.

CHEESE

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

Dairy, Cheese	2020		2021		2022	
Market Begin Year	Jan 2020		Jan 2021		Jan 2022	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
	1000 MT					
Beginning Stocks	0	0	0	0	0	0
Production	14	16	16	18	19	20
Other Imports	129	129	170	176	200	170
Total Imports	129	129	170	176	200	170
Total Supply	143	143	186	194	219	190
Other Exports	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0
Human Dom. Consumption	143	143	186	194	219	190
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	143	143	186	194	219	190
Total Use	143	143	186	194	219	190
Ending Stocks	0	0	0	0	0	0
Total Distribution	143	143	186	194	219	190

Note: “New Post” data are not official USDA data

PRODUCTION

China’s cheese production in 2022 is estimated at 20 TMT, as local producers expand production, at a pace like 2021. China’s cheese production capacity is limited. Most domestically produced cheese is processed cheese. Producers consider the cost for natural cheese production to be too high based on domestic raw milk prices and an inability to profit from the byproducts

of cheese production. China's production of processed cheese uses imported cheese as an ingredient. Processed cheese production requires less complex technology and expertise than natural cheese production.

The *14th Five-Year Plan Action Plan to Enhance the Competitiveness of the Dairy Industry* (link in [Chinese](#)) was issued by MARA in February 2022. The plan encourages enterprises to carry out cheese processing technology research, upgrade cheese production technology/equipment, increase the output of domestic cheese, develop cheese products suitable for Chinese consumers, and improve the processing and utilization level of cheese byproducts such as whey and protein concentrates. Post will continue to monitor additional measures and funding announcements issued in support of the plan.

CONSUMPTION

Cheese consumption in 2022 is reduced to 190 TMT from 194 TMT in 2021. In 2022, cheese consumption is being impacted by China's COVID-19 restrictions. Food service is a major channel for cheese distribution and consumption. In the first few months of 2022, lockdowns and continued restrictions on food service, including in affluent cities such as Shanghai and Shenzhen, negatively impacted consumption. Any prolonged lockdowns are expected to lead to further declines in cheese consumption and HRI spending in 2022. Furthermore, transportation disruptions due to COVID-19 restrictions including testing, disinfection, warehouse lockdowns, worker, and trucker shortages – have all impacted the distribution of cheese products.

In 2021, a strong economy and the ability of importers to adjust to disruptions culminated in a consumption growth rate of over 35 percent over 2020 – based on China Customs data and market analysis.

TRADE

In 2022, the cheese import estimate is reduced to 170 TMT from 176 TMT in 2021. Imports are expected to decline due to COVID-19 lockdowns and logistics disruptions (as mentioned in the fluid milk section and consumption section above). Restrictions have included temporary road closures, testing requirements for truckers and workers, and other measures which at times blocked the movement of goods across provincial and/or local areas in China. For example, in North China companies reported that access to cold storage warehouses containing imported products had been sealed without access to products for over 3 months. In other instances, the positive detection of COVID-19 in staff and/or alleged detection on the outer packaging of products has caused warehouse and/or market closures for extended periods of time. These delays and closures are detrimental for perishable products, such as cheese.

New Zealand, Australia, Denmark, the United States, and Italy are China's top five suppliers of imported cheese. New Zealand accounts for over half of all of China's imports and volumes are expected to continue to grow following the expansion of duty-free access under the China-New Zealand FTA. In the last five years, Denmark and Ireland have also seen impressive growth in supplying cheese to China.

China's cheese consumption relies on imported cheese products, as domestic production remains limited. China's imports are based on China Customs data. Import volume of cheese products increased by over 30 percent in 2021 compared to 2020.

BUTTER

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

Dairy, Butter	2020		2021		2022	
Market Begin Year	Jan 2020		Jan 2021		Jan 2022	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
1000 MT						
Beginning Stocks	0	0	0	0	0	0
Production	108	11	109	11	109	12
Other Imports	123	123	145	139	170	150
Total Imports	123	123	145	139	170	150
Total Supply	231	134	254	150	279	162
Other Exports	1	1	2	2	2	2
Total Exports	1	1	2	2	2	2
Domestic Consumption	230	133	252	148	277	160
Total Use	231	134	254	150	279	162
Ending Stocks	0	0	0	0	0	0
Total Distribution	231	134	254	150	279	162

Note: “New Post” data are not official USDA data

PRODUCTION

In 2022, China’s butter production is estimated at 12 TMT. Domestic butter is mainly used to produce cream (including high-fat cream) and anhydrous cream. China’s higher raw milk costs make domestic butter production more expensive than imported butter. For certain processors, the small volume of butter byproducts – such as skim milk and SMP – make it difficult to market and sell byproducts. For this reason, the full value of raw milk used for butter production is not fully realized. Post refers to industry butter production data in making our estimates and forecasts for China’s butter production. Posts conversations with industry sources and contacts indicates that butter production in China is minimal, with limited growth.

Growth in domestic butter production in 2022 is driven by an immediate need for butterfat as an ingredient in value-added products. Dairy processors have increased domestic production to meet production demands as logistics disruptions coupled with China’s increasing COVID-19 restrictions make imports more difficult.

CONSUMPTION

In 2022, butter consumption is estimated at 160 TMT. Growth in butter consumption is driven by the bakery and food service sectors, which relies on imported butter products. Butter imports are based on China Customs data.

In 2022, China’s strict restrictions following COVID-19 outbreaks across the country caused major disruptions across China’s major cities. Compared to food service, consumption from the bakery sector was less affected by lockdowns as consumers could purchase products for home

delivery. However, contacts have indicated that increased economic uncertainty has led some bakeries to switch from butter to margarine to cut costs.

In 2021, butter consumption reached nearly 140 TMT, a growth of 13 percent over 2020 imports based on China Customs data.

TRADE

In 2022, butter imports are estimated at 150 TMT, 8 percent higher than in 2021. The rate of growth over previous years is slowing. The supply of butter to bakery and food service sectors relies on imported products. However, higher import prices and continued logistics restrictions may hamper stronger import growth.

New Zealand dominates China's imported butter market and accounts for nearly 80 percent of total imports. The China-New Zealand FTA may further increase New Zealand's dominance as butter imports will be able to enter China duty-free and without special safeguard measures. Other exporting countries, including the United States, have had strong growth in exports often correlated with the price competitiveness of the products.

In 2021, butter imports reached 139 TMT, a 13 percent growth over 2020 imports, based on China Customs data.

WHEY AND WHEY PRODUCTS

The market outlook for whey and whey related products (HS040410, HS350220) has not changed since the [2021 Dairy Annual Report](#). China Customs data indicates that in 2021, imports of whey and modified whey products (HS040410) saw annual growth of over 15 percent, while HS350220 declined by 10 percent.

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).

APPENDIX

Decree 248

On January 1, 2022, GACC began enforcing the Regulations on the Registration and Administration of Overseas Producers of Imported Food (i.e., Degree 248). The decree requires the registration of overseas food production and cold storage facilities that export most food, and a small number of animal feed, products to China. According to GACC Decree 248, dairy products are one of the 18 categories of products whose overseas producers must register with GACC through the competent authorities of their countries/regions. U.S. facilities and U.S. exporters of dairy and related products to China are encouraged to search for current information on Decree 248 and the facility registration process in the FAS GAIN system. U.S. companies can also contact: Decree248Inquiry@usda.gov for additional information. The current list of all Decree 248 registered facilities is accessible on the [GACC website](#).

Retaliatory Section 301 tariffs

China maintains retaliatory Section 301 tariffs on most U.S. dairy products. On April 15, 2022 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 November 30, 2022 (See GAIN Report [CH2022-0050](#)).

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 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.

Recent China Dairy Standards and Requirements

- Update to Imported Dairy Product Inspection and Quarantine Requirements ([CH2022-0004](#))
- China Allows Dairy Products to Clear Customs with Importers Certification of Relevant Testing of Imports ([CH2021-0090](#))
- China Notifies Draft Labeling for Infants and Young Children ([CH2021-0088](#))
- China Notified Draft Standard of Cream Butter and Anhydrous Milk Fat ([CH2021-0083](#))
- China Notifies Formula for Young Children Standard ([CH2021-0070](#))
- China Notifies Older Infants Formula Standard ([CH2021-0072](#))
- China Notifies Infant Formula Standard ([CH2021-0071](#))
- China Notifies Cheese Standard ([CH2021-0073](#))
- China Notifies Draft Good Manufacturing Practice for Formula Food for Infants and Young Children ([CH2021-0043](#))

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

HS Code (8-digit)	Description	MFN Rate	Section 301 Retaliation	Total Applied Tariff
	Implementation Date	Jan 1, 2020	Feb 14, 2020	Feb 14, 2020
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%
04031000	Yogurt	10%	27.5%	37.5%
04039000	Buttermilk, Curdled/Fermented/Acidified Milk & Cream	20%	27.5%	47.5%
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 (HS 04021000) and Whey for Feed Use (HS 0404100), among other products, in the February 18, 2020 announcement.

**SCTC announced a tariff exclusion for Whey for Feed Use (HS0404100), among other products, effective April 15, 2022 to November 30, 2022. See GAIN Report [CH2022-0050](#) for more information.

Attachments:

No Attachments