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2012 Japan Milk and Dairy Products Market Outlook and 2011 Situation Summary Updated

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Report Highlights:

Post forecasts a moderate recovery in 2012 for Japan's allocation of fluid milk for processing use, and as in the previous year, sizable amounts still being used for cream and cheese production. Japan's butter supply outlook remains uncertain. Despite Japan's early commitments for the current access to import 7,459 MT of butter, (on top of the sizable 2011 purchases of 14,024 MT) the annual supply may still be unable to meet any increases in demand that are forecast. Japan's 2012 total cheese imports are expected to expand more than previously forecast due to weakening EU and Oceania prices. Despite this increased competition, Japan's imports of American cheeses are forecast to

exceed last year’s level.

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	2010		2011		2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Cows In Milk	830	830	805	805	800	815
Cows Milk Production	7,721	7,721	7,450	7,474	7,500	7,590
Other Milk Production	0	0	0	0	0	0
Total Production	7,721	7,721	7,450	7,474	7,500	7,590
Other Imports	0	0	0	0	0	0
Total Imports	0	0	0	0	0	0
Total Supply	7,721	7,721	7,450	7,474	7,500	7,590
Other Exports	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0
Fluid Use Dom. Consum.	4,150	4,150	4,060	4,058	4,050	4,080
Factory Use Consum.	3,499	3,499	3,320	3,351	3,380	3,440
Feed Use Dom. Consum.	72	72	70	65	70	70
Total Dom. Consumption	7,721	7,721	7,450	7,474	7,500	7,590
Total Distribution	7,721	7,721	7,450	7,474	7,500	7,590
1000 HEAD, 1000 MT						

Butter PS&D Table

Dairy, Butter Japan	2010		2011		2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	30	30	21	21	19	17
Production	74	74	67	63	70	70
Other Imports	2	2	14	14	12	12
Total Imports	2	2	14	14	12	12
Total Supply	106	106	102	98	101	99
Other Exports	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0
Domestic Consumption	85	85	83	81	82	82
Total Use	85	85	83	81	82	82
Ending Stocks	21	21	19	17	19	17
Total Distribution	106	106	102	98	101	99
1000 MT						

NFDM PS&D Table

Dairy, Milk, Nonfat Dry Japan	2010		2011		2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	58	58	57	57	42	42
Production	156	156	140	137	150	150
Other Imports	30	30	25	27	40	30
Total Imports	30	30	25	27	40	30
Total Supply	244	244	222	221	232	222
Other Exports	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0
Human Dom. Consumption	162	162	160	157	160	160
Other Use, Losses	25	25	20	22	25	25
Total Dom. Consumption	187	187	180	179	185	185
Total Use	187	187	180	179	185	185
Ending Stocks	57	57	42	42	47	37
Total Distribution	244	244	222	221	232	222
1000 MT						

Cheese PS&D Table

Dairy, Cheese Japan	2010		2011		2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	15	15	15	15	15	15
Production	48	48	48	49	49	50
Other Imports	199	199	205	215	210	225
Total Imports	199	199	205	215	210	225
Total Supply	262	262	268	279	274	290
Other Exports	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0
Human Dom. Consumption	247	247	253	264	259	275
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	247	247	253	264	259	275
Total Use	247	247	253	264	259	275
Ending Stocks	15	15	15	15	15	15
Total Distribution	262	262	268	279	274	290
1000 MT						

Author Defined:

Preface:

This report is an update to ***JA 1047***, the 2011 Japan Dairy and Products Annual (12/15/2011). Post's previous PS&D preliminary projections for 2011 and 2012 annual outlook has been further revised based on the latest calendar year data (Jan. – Mar., 2012) available for domestic production, stocks, and imports published (preliminarily) 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 reference to Japan's current access for dairy commodities, so called the minimum access, and dairy subsidies is based on the Japanese fiscal year (JFY: Starting April and ending March next year). In the last Uruguay Round Trade Talks, GOJ agreed to the commitment of import purchases for designated dairy commodities through state trade (up to total milk equivalent of 137,000 MT), which include butter, NFDM, edible whey, butter oil, and dairy spread.

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

2012 Market Outlook for Fluid Milk, NFDM, Butter, and Cheese (Revised)

Fluid Milk Section:

- Weak Recovery of National Outputs May Cause Continued Lack of Fluid Milk for Processing Use

Post still projects that that more cows were put into milking at the beginning of 2012, up around one percent at 815,000 heads (unchanged from the annual report). Readers should note that Japan's 2012 year-beginning dairy herd inventory data will be publicized sometime in July and could change the above projection. Japan's 2012 feed distribution, production, and supply for dairy cows have almost been restored back to a normal cycle, which should slightly improve Japan's average output per cow more than last year at around 9,313 kilo.

In light of the above, Japan's national 2012 milk outputs are now projected to rise by one to two percent at around 7.59 million MT (just marginally above Post's previous projection), which is still two percent lower when compared to 2010. Hokkaido's total output is projected up by one to two percent and this province will continue to account for more than 50 percent of the national output. The combined outputs of other regions may also rise by one percent or more, a small rebound (previously projected as a small decline) from a six percent plunge experienced last year.

A 2012 first quarter recovery in Japan's factory use of fluid milk points to an improved outlook for overall consumption of drinking milk products for this year. Based on the above, Post adjusted Japan's 2012 utilization of fluid milk for drinking use slightly upward to 4.08 million MT (up one percent from the 2011 actual). For fluid milk for processing use, Post still projects modest growth at 3.44 million MT (up three percent from the 2011 actual).

As last year's solid demand for domestic cream and cheese may continue through 2012, the same or higher amounts of fluid milk for processing use, especially in Hokkaido, may be allocated for these products (Table 1 and Table 4). Furthermore, shipments of fluid milk from Hokkaido to other regions for drinking use are reportedly persisting. Given these competing demands, securing sufficient amounts of fluid milk for domestic butter and NFDM production continues to be a major issue for the government and the domestic dairy industry. To encourage dairy farmers to divert their milk for more butter and NFDM production, GOJ raised its subsidy payment for fluid milk for processing use for JFY 2012 by two percent (or JP 12.2 yen per kilo of fluid milk) by setting the eligible quota at 1.83 million MT (See Table 2). However, despite this incentive, producers still seem to prefer cream and cheese production.

Butter Section:

- Continued Butter Supply Deficit Met by the Current Access Imports in 2012

As outlined in the Fluid Milk Section, Japan's 2012 butter supply outlook is looking increasingly uncertain. There is doubt if national butter outputs will meet Post's previously projected level of 70,000 MT (up 11 percent over the 2011 actual) as this depends on availability of fluid milk later this year. First quarter production rose only one percent when compared to the same period last year (Table 4). Post has left its butter projection unchanged, assuming some recovery will occur later this year. However, Japan's butter demand outlook was adjusted and will remain contracted with only a small recovery projected at this time. Therefore, Post revised total consumption, lowering it by 2,000 MT to 82,000 MT (up by one percent from the 2011 actual), and also lowered year ending stocks, down by 2,000 MT from the year beginning to 17,000 MT (unchanged from the 2011 year ending level).

With the above shortfalls, Post estimates that Japan would still need to import approximately 12,000 MT of butter this year. GOJ has made a series of announcements to commit the JFY 2012 dairy current access per the below list, which included total 7,459 MT of frozen butter imports. This is in addition to Japan's total butter imports of 14,026 MT made last year with the majority being the current access butter (Table 8-A and 8-B). Even then, in order to meet the projected demand, GOJ may still have to make some additional butter imports (up to 4,000 MT estimated by Post) in excess of the current access at some points this year.

Feb. 2012 – Butter: 4,000 MT
Feb. 2012 – Edible Whey: 3,000 MT (Partial committed out of total 4,500 MT of the edible whey access)
May 2012 – Dairy Spread: 800 MT
May 2012 – Butter Oil: 300 MT
May 2012 – Butter: 3,459 MT
(Please note that by the end of May, GOJ fully committed the JFY 2012 dairy current access and only 1,500 MT of edible whey is left to fill its commitment this fiscal year.)

NFDM Section

- Tighter NFDM Supply Outlook Forecast for 2012

As with butter, not enough fluid milk is available for the domestic production of NFDM this year (Table 4). First quarter production was five percent lower when compared to the same period last year.

Therefore, it is uncertain if Japan will be able to raise national NFDM outputs to the previously projected level of 150,000 MT (up 10 percent from the 2011 actual) this year. However, unlike butter, the current situation does not yet seem to require additional NFDM imports by GOJ.

Japan’s 2012 demand for ingredients for edible-use NFDM is projected to remain unchanged from the previous forecast at 160,000 MT (up two percent from 2011 actual). Post has only changed feed use NFDM imports, up by 2,000 MT to 25,000 MT, to reflect the recovery in Japan’s overall livestock sector (up 14 percent from the 2011 actual). This makes Japan’s 2012 combined total NFDM utilization and demand to be 185,000 MT (up four percent from the 2011 actual). At this time, use of NFDM has been low for processed milk (drinking milk category), but high for yogurt (fermented milk category) and milk beverages to meet solid demands for these products. Stocks are projected to decline to 37,000 MT by the year’s end, down 12 percent from the year’s beginning. GOJ may need to import additional NFDM (potentially a couple of thousands MT), within one to two years to replenish low monthly stocks.

Cheese Section:

- Japan’s Cheese Market to Sustain Modest Growth in 2012

Post revised its previous growth projections for Japan’s 2012 cheese supply and demand further upward, reflecting a stronger market. Post raised its import projection by 10,000 MT to 225,000 MT (up five percent from 2011 actual). Post left domestic cheese production unchanged at 50,000 MT (up two percent from 2011 actual). Likewise, Japan’s 2012 total cheese consumption estimate is raised to 275,000 MT, up four percent from the last year. Posts made these revisions based on first quarter imports which, supported by solid household and food service demand (Table 9-A and 9-B), were up 12 percent when compared to last year.

Additionally, Post has revised its import projections, given falling world market prices for cheese due to an improved EU and Oceania supply situation combined with weakening Euro and Oceania currencies against the Japanese Yen.

U.S. cheese is expected to sustain its presence in the highly competitive Japanese cheese market, and is projected to grow by 12 percent in 2012 to 24,000 MT, easily surpassing last year’s record high imports. This increase is supported by the strong demand of the Japanese food industry, as well as successful marketing by USDEC.

2011 Japan Fluid Milk, Butter, NFDM and Cheese Market Situation Summary (Updated)

Japan’s 2011 national fluid milk outputs were down three percent to 7.474 million MT, mirroring a similar decline in the number of cows in milk at the beginning of the year (805,000 heads, down three percent). Fluid milk allocated for drinking use was down two percent at 4.058 million MT, as well as for processing use, down by four percent at 3.351 million MT. Regionally, Hokkaido’s total outputs were down one percent at 3.876 million MT, accounting for 52 percent of the national total. Combined outputs of other regions, including the earthquake stricken Tohoku and Kanto regions, were also down six percent to 3.598 million MT over the previous year.

In 2011, Hokkaido fluid milk was diverted to earthquake-effected regions suffering from a temporary supply deficit of fluid milk for drinking use. Consequently, this made fluid milk available for processing in Hokkaido scarce, especially for butter and NFDM production. Of the total 3.351 million MT of fluid milk in 2011 allocated for processing use, 1.204 million MT (Equivalent to 111,681 MT of cream output) of fluid milk was used for cream production, up four percent from the previous year. For domestic natural cheese production, 0.492 million MT of fluid milk (Equivalent of 49,000 MT of cheese output) was diverted, a two percent rise.

For JFY 2011, GOJ set a quota of 1.85 million MT for its fluid milk subsidy program for processing use. However the quota was underutilized by 12 – 13 percent due to a lack of fluid milk, which significantly lowered Japan's 2011 domestic outputs of butter (63,000 MT, down 15 percent) and NFDM (137,000 MT, down 12 percent). GOJ imported 14,026 MT of butter mostly through its JFY 2011 dairy current access to alleviate the butter shortage. The United States accounted 36 percent of Japan's total 2011 butter imports, followed by New Zealand (35 percent) and the Netherlands (15 percent).

Japan's 2011 market demand for cheese rose by seven percent from the previous year to an estimated 264,000 MT. Total imports also rose by eight percent to 215,256 MT with Oceania cheeses (Australia, up six percent, New Zealand, up 26 percent) accounting for 66 percent of the total. 2011 was a remarkable year for American cheeses. The United States was the third largest supplier to Japan, renewing its 2010 record, with imports surging 57 percent to 21,424 MT. Imports from the United States were supported by its competitive offer prices (partly due to a strong yen) and adequate supplies to meet the strong demand for shredding. Imports from EU countries, mainly for cheeses for direct consumption, generally stagnated due to high prices.

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

	Milk				Powdered Milk				Butter			
	Expenditure (JP Yen)		Quantity (liter)		Expenditure (JP Yen)		Quantity (gram)		Expenditure (JP Yen)		Quantity (gram)	
CY 2009	**16,569**	**0%**	**85.05**	**-1%**	**832**	**-4%**	**451**	**-5%**	**841**	**5%**	**484**	**5%**
CY 2010	**16,322**	**-1%**	**85.41**	**0%**	**717**	**-14%**	**393**	**-13%**	**852**	**1%**	**504**	**4%**
CY 2011												
Jan.	1,161	-7%	6.20	-7%	70	-3%	33	-18%	67	3%	41	17%
Feb.	1,122	-7%	6.03	-5%	60	-6%	26	-28%	87	7%	52	13%
Mar.	1,246	-4%	6.60	-3%	87	38%	46	59%	83	2%	49	2%
Apr.	1,248	-4%	6.37	-3%	50	-2%	27	-10%	70	3%	43	8%
May	1,308	-5%	6.69	-2%	47	-13%	27	-7%	68	-3%	41	-5%
Jun.	1,289	-9%	6.90	-7%	60	25%	25	25%	63	-6%	37	-5%
July	1,421	-3%	7.67	-3%	50	-9%	26	-13%	55	0%	32	-3%
Aug.	1,421	-8%	7.34	-11%	53	0%	27	-10%	65	16%	38	12%
Sept.	1,353	-8%	7.13	-8%	62	15%	35	35%	67	3%	38	-3%
Oct.	1,350	-3%	6.81	-8%	59	-5%	33	-15%	74	-6%	42	-13%
Nov.	1,257	-2%	6.69	0%	59	-17%	29	-29%	74	-5%	38	-21%
Dec.	1,271	-4%	6.56	-4%	58	-17%	34	-21%	95	9%	50	-2%
CY 2011 Total	**15,447**	**-5%**	**81**	**-5%**	**715**	**0%**	**368**	**-6%**	**868**	**2%**	**501**	**-1%**
CY 2012												
Jan.	1,170	1%	6.37	3%	58	-17%	32	-3%	73	9%	41	0%
Feb.	1,163	4%	6.15	2%	61	2%	30	15%	93	7%	53	2%
Mar.	1,231	-1%	6.42	-3%	50	-43%	28	-39%	78	-6%	42	-14%
CY 2011 Jan/Mar	**3,529**		**19**		**217**		**105**		**237**		**142**	
CY 2012 Jan/Mar	**3,564**	**1%**	**19**	**1%**	**169**	**-22%**	**90**	**-14%**	**244**	**3%**	**136**	**-4%**

Source: Ministry of Internal Affairs and communication Bureau

	Cheese				Margarine				Toast Bread			
	Expenditure		**Quantity (gram)**		**Expenditure**		**Quantity (gram)**		**Expenditure**		**Quantity (gram)**	
CY 2009	**4,001**	**9%**	**2,395**	**6%**	**963**	**11%**	**1,387**	**-3%**	**8,927**	**0%**	**19,911**	**2%**
CY 2010	**4,080**	**2%**	**2,588**	**8%**	**874**	**-9%**	**1,259**	**-9%**	**8,572**	**-4%**	**19,956**	**0%**
CY 2011												
Jan.	319	0%	214	5%	66	-10%	93	-10%	666	-3%	1,526	-4%
Feb.	332	1%	207	-4%	71	-5%	104	-5%	681	-3%	1,553	-4%
Mar.	336	-8%	221	-3%	82	-7%	122	-7%	785	0%	1,771	-4%
Apr.	337	-2%	214	-1%	78	3%	105	5%	770	0%	1,692	-5%
May	360	6%	231	9%	76	-6%	107	-4%	757	-3%	1,714	-4%
Jun.	337	5%	205	1%	70	-1%	95	-12%	716	-3%	1,661	-1%
July	323	8%	205	8%	68	5%	101	11%	691	-3%	1,581	-7%
Aug.	327	9%	211	7%	69	6%	101	7%	695	5%	1,567	1%
Sept.	345	6%	226	10%	71	6%	110	10%	690	3%	1,557	-4%
Oct.	353	0%	236	5%	76	6%	104	-4%	733	3%	1,678	0%
Nov.	363	0%	233	0%	73	7%	108	11%	720	7%	1,624	7%
Dec.	440	5%	271	4%	79	8%	106	0%	729	6%	1,572	-2%
2011 Jan/Dec	**4,172**	**2%**	**2,674**	**3%**	**879**	**1%**	**1,256**	**0%**	**8,633**	**1%**	**19,496**	**-2%**
CY 2012												
Jan.	332	4%	219	2%	70	6%	97	4%	688	3%	1,517	-1%
Feb.	343	3%	226	9%	82	15%	112	8%	724	6%	1,651	6%
Mar.	362	8%	223	1%	87	6%	129	6%	781	-1%	1,736	-2%
2011 Jan/Mar	**987**		**642**		**219**		**848**		**2,132**		**4,850**	
2011 Jan/Mar	**1,037**	**5%**	**668**	**4%**	**239**	**9%**	**828**	**-2%**	**2,193**	**3%**	**4,904**	**1%**

Source: Ministry of Internal Affairs and Communication Bureau

	Yogurt				Confectionaries				Milk Beverages			
	Expenditure (JP Yen)		Quantity		Expenditure (JP Yen)		Quantity		Expenditure (JP Yen)		Quantity	
CY 2009	**8,138**	**4%**			**80,403**	**2%**			**1,200**			
CY 2010	**8,446**	**4%**			**78,861**	**-2%**			**1,229**	**2%**		
Cy 2011												
Jan.	666	11%			6,078	-5%			97	15%		
Feb.	681	12%			6,252	-2%			87	4%		
Mar.	785	11%			6,634	-8%			100	14%		
Apr.	770	5%			6,220	0%			96	3%		
May	757	0%			6,570	-2%			103	-5%		
Jun.	716	-7%			5,663	-4%			112	-1%		
July	691	-8%			6,333	-1%			118	4%		
Aug.	695	-4%			7,250	-4%			124	5%		
Sept.	690	-7%			5,782	0%			112	4%		
Oct.	733	2%			5,835	-2%			117	6%		
Nov.	720	6%			5,821	-1%			108	9%		
Dec.	729	10%			8,359	-1%			111	1%		
Total	**8,633**	**2%**			**76,797**	**-3%**			**1,285**	**5%**		
CY 2012												
Jan.	688	3%			6179	2%			107	10%		
Feb.	724	6%			6421	3%			95	9%		
Mar.	781	-1%			7133	8%			108	8%		
2011 Jan/Mar	**2,132**				**18,964**				**284**			
20112 Jan/Mar	**2,193**	**3%**			**19,733**	**4%**			**310**	**9%**		
Source: Ministry of Internal Affairs and Communication Bureau												

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

	Unit Subsidy Payment		Eligible Volume
	Yen/Kg.	Type	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**
Source: ALIC Monthly			

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

							Unit: 1,000 Kilo Liters
	2009	2010	2011	% Chg.	2011	2012	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Mar	Jan/Mar	
Total Drinking Milk Products	3,804	3747	3653	-3%	862	868	1%
Regular Milk	3,180	3,069	3,064	0%	715	736	3%
Processed Milk	625	678	589	-13%	147	131	-11%
Milk Beverages	1,180	1,210	1,279	6%	268	286	7%
Fermented Milk	821	841	843	0%	186	239	28%
Lactic Acid Bacteria Drinks	199	184	178	-3%	37	38	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
	2009	2010	2011	% Chg.	2011	2012	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Mar	Jan/Mar	
Butter	80,998	73,621	62,845	-15%	19,887	20,113	1%
Cream	104,898	107,441	111,681	4%	25,502	28,031	10%
Whole Milk Powder	12,565	13,250	14,302	8%	4,832	3,696	-24%
Prepared Milk Powder	34,914	32,942	27,559	-16%	7,481	4,752	-36%
Skim Milk Powder (NFDM)	167,256	155,625	137,141	-12%	41,265	39,036	-5%
Ice Cream (Unit: kilo liter)	128,614	130,589	137,072	5%	24,724	27,078	10%
Source: ALIC Monthly							

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

Unit: Metric Ton							
	2009	2010	2011	% Chg.	2011	2012	% Chg.
	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Dec	Jan/Mar	Jan/Mar	
For School Lunch Program	2,109	1,983	1,959	-1%	446	466	4%
For Feeds	22,143	24,909	22,264	-11%	6,618	10,032	52%
For Other Use (Current Access)	10,082	3,292	3,014	-8%	907	850	-6%
Total NFDM Imports	34,333	30,184	27,237	-10%	7,971	11,349	42%
Source: ALIC Monthly							

Table 6: Monthly Ending Stocks of Butter and NFDM

Unit: 1,000 Metric Ton										
Butter										
	2007	2008	% Chg.	2009	% Chg.	2010	% Chg.	2011	% Chg.	2012	% Chg.
Jan	24.1	19.7	-18%	25.4	29%	32.6	29%	22.55	-31%	18.93	-16%
Feb	23.6	19.4	-18%	26.7	38%	32.8	23%	21.14	-36%	18.87	-11%
Mar	23.2	19.4	-16%	28.1	45%	32.6	16%	20.61	-37%	19.08	-7%
Apr	23.1	19.9	-14%	29.6	49%	32.5	10%	21.34	-34%		
May	23.8	21.2	-11%	32.3	52%	34.1	6%	22.96	-33%		
Jun	24.4	21.1	-13%	33.8	59%	34.5	2%	22.66	-34%		
July	23.7	20.7	-13%	34.0	64%	33.9	0%	21.84	-36%		
Aug	23.6	22.9	-3%	35.0	53%	33.1	-6%	22.95	-31%		
Sept	20.3	22.4	10%	34.3	53%	30.0	-12%	21.82	-27%		
Oct	18.8	21.9	17%	32.9	50%	27.3	-17%	20.65	-24%		
Nov	16.4	22.3	36%	31.3	40%	24.4	-22%	18.56	-24%		
Dec	15.8	22.5	42%	29.6	32%	21.0	-29%	16.51	-21%		
NFDM											
	2007	2008	% Chg.	2009	% Chg.	2010	% Chg.	2011	% Chg.	2012	
Jan	68.8	41.5	-40%	36.1	-13%	65.1	80%	60.69	-7%	45.91	-24%
Feb	69.2	42.6	-38%	38.7	-9%	67.7	75%	60.64	-10%	46.44	-23%
Mar	68.3	42.8	-37%	43.1	1%	69.7	62%	58.70	-16%	47.62	-19%
Apr	68.9	43.4	-37%	49.5	14%	71.8	45%	58.17	-19%		
May	69.1	43.3	-37%	55.1	27%	74.8	36%	58.22	-22%		
Jun	65.3	42.1	-36%	55.8	33%	74.5	34%	54.70	-27%		
July	59.7	38.4	-36%	54.5	42%	71.3	31%	50.34	-29%		
Aug	53.9	35.0	-35%	55.0	57%	68.6	25%	47.11	-31%		
Sept	46.0	29.9	-35%	53.6	79%	61.4	15%	42.88	-30%		
Oct	40.3	27.6	-32%	52.9	92%	57.6	9%	40.39	-30%		
Nov	36.7	27.2	-26%	53.8	98%	56.3	5%	39.09	-31%		
Dec	38.1	30.5	-20%	58.3	91%	57.4	-2%	41.81	-27%		
Source: ALIC Monthly											

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

Unit: JP Yen per Kg.

Butter

	2008	2009	% Chg.	2010	% Chg.	2011	% Chg.	2012	% Chg.
Jan	984	1,164	18%	1,081	-7%	1,062	-2%	1,140	7%
Feb	995	1,176	18%	1,073	-9%	1,057	-1%	1,142	8%
Mar	1,016	1,177	16%	1,074	-9%	1,065	-1%	1,158	9%
Apr	1,060	1,178	11%	1,060	-10%	1,069	1%		
May	1,074	1,173	9%	1,057	-10%	1,077	2%		
Jun	1,091	1,158	6%	1,051	-9%	1,087	3%		
July	1,124	1,164	4%	1,049	-10%	1,094	4%		
Aug	1,136	1,131	0%	1,049	-7%	1,110	6%		
Sept	1,143	1,114	-3%	1,050	-6%	1,120	7%		
Oct	1,154	1,102	-5%	1,050	-5%	1,129	8%		
Nov	1,162	1,085	-7%	1,050	-3%	1,133	8%		
Dec	1,163	1,086	-7%	1,051	-3%	1,138	8%		

NFDM

	2008	2009	% Chg.	2010	% Chg.	2011	% Chg.	2011	% Chg.
Jan	13,300	14,994	13%	14,981	0%	14,564	-3%	15,200	4%
Feb	13,327	15,033	13%	14,955	-1%	14,512	-3%	15,211	5%
Mar	13,505	15,160	12%	14,957	-1%	14,515	-3%	15,236	5%
Apr	14,096	15,226	8%	14,922	-2%	14,584	-2%		
May	14,311	15,254	7%	14,884	-2%	14,641	-2%		
Jun	14,646	15,241	4%	14,751	-3%	14,701	0%		
July	14,697	15,172	3%	14,656	-3%	14,736	1%		
Aug	14,769	15,030	2%	14,610	-3%	14,864	2%		
Sept	14,831	14,949	1%	14,593	-2%	14,987	3%		
Oct	14,951	14,943	0%	14,568	-3%	15,085	4%		
Nov	14,953	14,931	0%	14,571	-2%	15,140	4%		
Dec	14,982	15,005	0%	14,574	-3%	15,156	4%		

Source: ALIC Monthly

Table 8-A: Japanese Imports of Butter YTD

Annual Series: 2007 - 2011, Year To Date: 03/2011 & 03/2012

Quantity (Metric Ton/Customs Clearance Basis)

Partner Country	Unit	Calendar Year							Year To Date		
		2007	2008	2009	2010	2011	% Change (11/10)	% Share (2011)	03/2011	03/2012	% Change
World	**MT**	**11,384**	**18,153**	**333**	**2,032**	**14,026**	**590%**	**100%**	**144**	**116**	**-19%**
United States	MT	5	7,062	26	173	5,016	2799%	36%	0	3	n/a
New Zealand	MT	144	3,149	143	474	4,974	949%	35%	17	13	-24%
Netherlands	MT	6,152	2,412	0	860	2,037	137%	15%	58	0	n/a
Australia	MT	2,002	4,080	87	269	931	246%	7%	42	67	60%
Germany	MT	1,720	613	2	111	703	533%	5%	0	0	n/a
France	MT	139	241	70	136	358	163%	3%	27	30	11%
Others	MT	1,222	596	5	9	7	-22%	0%	0	3	n/a

Source of Data: World Trade Atlas - Japan Customs

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

Annual Series: 2007 - 2011, Year To Date: 03/2011 & 03/2012										
Unit Value(United States Dollars)										
Partner Country	Unit	Calendar Year						Year To Date		
		2007	2008	2009	2010	2011	% Change (11/10)	03/2011	03/2012	%Change
World	per MT	3,724	4,192	6,199	4,766	5,554	17%	7,299	7,872	8%
United States	per MT	5,543	3,797	5,162	4,351	5,533	27%	0	3,909	n/a
New Zealand	per MT	2,336	4,191	2,443	3,941	5,029	28%	4,742	5,517	16%
Netherlands	per MT	3,786	4,813	0	4,384	6,121	40%	4,913	0	n/a
Australia	per MT	2,985	3,992	4,914	4,825	5,241	9%	7,076	6,295	-11%
Germany	per MT	4,116	4,940	16,605	4,276	6,393	50%	14,705	15,271	4%
France	per MT	11,649	10,175	15,556	10,660	9,025	-15%	14,352	12,461	-13%
Source of Data: World Trade Atlas – Japan Customs										

Table 9-A: Japanese Imports of Cheese YTD

Annual Series: 2007 - 2011, Year To Date: 03/2011 & 03/2012											
Quantity (Metric Ton/Customs Clearance Basis)											
Partner Country	Unit								Year To Date		
			2008	2009	2010	2011	% Change (11/10)	% Share (2011)	03/2011	03/2012	% Change
World	MT	225,081	186,503	184,242	199,080	215,262	8%	100%	52,008	58,370	12%
Australia	MT	97,029	87,487	84,059	85,120	90,062	6%	42%	21,009	22,945	9%
New Zealand	MT	65,259	50,630	49,751	52,098	56,329	8%	26%	14,800	18,654	26%
United States	MT	6,834	7,339	6,885	13,672	21,424	57%	10%	5,014	6,428	28%
Germany	MT	10,881	9,015	10,185	11,203	9,363	-16%	4%	2,610	1,948	-25%
France	MT	7,521	7,051	7,141	8,150	9,023	11%	4%	1,804	2,189	21%
Denmark	MT	9,192	7,783	8,156	7,769	8,295	7%	4%	1,856	1,734	-7%
Italy	MT	6,495	5,535	5,915	6,241	6,584	5%	3%	1,473	1,510	3%
Netherlands	MT	7,663	5,656	5,626	6,605	6,373	-4%	3%	1,418	1,526	8%
Argentina	MT	8,885	3,768	4,239	4,248	4,057	-4%	2%	1,095	669	-39%
Others	MT	5,322	2,239	2,285	3,974	3,752	-6%	2%	929	767	-17%
Source of Data: World Trade Atlas - Japan Customs											

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

Annual Series: 2007 - 2011, Year To Date: 03/2011 & 03/2012										
Unit Value(United States Dollars)										
Partner Country	Unit	Calendar Year						Year To Date		
		2007	2008	2009	2010	2011	%Change (11/10)	03/2011	03/2012	%Change
World	**per MT**	**3,739**	**5,388**	**4,414**	**4,712**	**5,175**	**10%**	**4,874**	**5,028**	**3%**
Australia	**per MT**	3,099	4,675	3,649	4,012	4,462	**11%**	4,187	4,629	**11%**
New Zealand	**per MT**	3,125	4,849	3,746	4,179	4,511	**8%**	4,369	4,472	**2%**
United States	**per MT**	**6,338**	**7,297**	**7,129**	**5,549**	**5,262**	**-5%**	**4,940**	**4,840**	**-2%**
Germany	**per MT**	3,681	4,939	3,703	3,826	4,594	**20%**	4,353	4,352	**0%**
France	**per MT**	7,671	9,257	9,371	9,617	10,103	**5%**	10,030	9,773	**-3%**
Denmark	**per MT**	5,223	7,032	6,347	6,583	7,301	**11%**	7,000	6,948	**-1%**
Italy	**per MT**	9,822	11,531	10,219	10,159	11,586	**14%**	11,132	10,436	**-6%**
Netherlands	**per MT**	4,265	5,789	4,416	4,424	5,196	**17%**	5,069	4,863	**-4%**
Argentina	**per MT**	2,962	4,747	3,137	3,663	4,258	**16%**	4,019	4,283	**7%**
Source of Data: World Trade Atlas - Japan Customs										