

Voluntary Report – Voluntary - Public Distribution

Date: June 13, 2023

Report Number: JA2023-0049

Report Name: USJTA Treatment for Yogurt and Other Dairy Components
2023

Country: Japan

Post: Tokyo

Report Category: Country/Regional FTA's, Product Brief, Dairy and Products

Prepared By: Akiko Satake

Approved By: Mark Wallace

Report Highlights:

The U.S.-Japan Trade Agreement (USJTA) entered Year 5 of the agreement implementation on April 1, 2023. This report is one in a series of product briefs highlighting the tariff benefits for specific commodities and products from Year 5 (2023) to Year 7 (2025) of the Agreement. Additional information is available at www.usdajapan.org/usjta/.

Overview: In 2022, the United States exported \$223 million of lactose, milk albumin, and other dairy components (excluding cheese, butter, milk powder, and whey) to Japan. The United States accounted for 26 percent of Japan’s total imports of these products. Overall, Japan ranked as the #2 overseas market for these products. The years below correspond to Japan’s fiscal year beginning April 1.

Product Name Japan Customs HS Code		Base Rate	Year 5 (2023)	Year 6 (2024)	Year 7 (2025)	Final Tariff (Year)	2022 Imports from U.S.
Milk albumin 350220000		2.9%	Free			Free (2019)	\$156,607,030
Lactose and lactose syrup 170211000, 170219000		8.5%	Free			Free (2019)	\$66,660,646
Products consisting of natural milk constitutions used for infant formula (no added sugar) 040490-118/128/138	Fat content 1.5% or less	29.8% + 400 yen/kg	Free (within CSQ)			Free (2019)	\$13,341,326
	Fat content between 1.5% and 30%	29.8% + 679 yen/kg					
	Fat content exceeding 30%	29.8% + 1,023 yen/kg					
Casseinates and other casein derivatives, excl. casein (already duty free) 350190000		5.4%	Free			Free (2019)	\$358,023
Dairy product preparations with over 30% of natural milk constituents, less than 30% fat (excl. base for non-alcoholic beverage and vitamin supplements), out of WTO quota 210690112		21.0%	5.2%	5.2%	5.2%	5.2% (2023)	\$30,260
Frozen yogurt, containing sugar or other sweetening matter in immediate packaging less than 10kg 040310211		26.3%	11.9%	9.5%	7.1%	Free (2028)	\$0
Other frozen yogurt 040310219		29.8%	13.5%	10.8%	8.1%	Free (2028)	n/a

Country-Specific Quota (CSQ): Products consisting of natural milk constitutions used for infant formula (no added sugar) are included in the CSQ for U.S. whey which grows from 5,400 metric tons (MT) to 9,000 MT by 2028. In addition, Japan created a 750 MT tender within its current WTO dairy quota specifically for skimmed milk powder with a minimum 35 percent protein content by weight on a milk solids-not-fat-basis.

Market Considerations: The United States is a major supplier of lactose and milk albumin to Japan. These products are attractive to Japanese buyers since they can be imported outside of Japan’s government-operated dairy quota system (which manages imports of butter, nonfat dry milk, and whey). Under the U.S.-Japan Trade Agreement, ad valorem tariffs on lactose and milk albumin were eliminated immediately on January 1, 2020. Lactose is a key ingredient in seasonings, confectionary, and dairy drinks. Whey protein concentrate (with over 80% protein content) and whey protein isolate are imported as milk albumin.

Additional Resources: Further information is available at www.usdajapan.org. For additional questions, please contact the USDA Agricultural Trade Office at atotokyo@usda.gov, Tel: 81-3-3224-5115.

Attachments:

No Attachments.