

# Current Situation of Dairy Supply and Demand in Japan

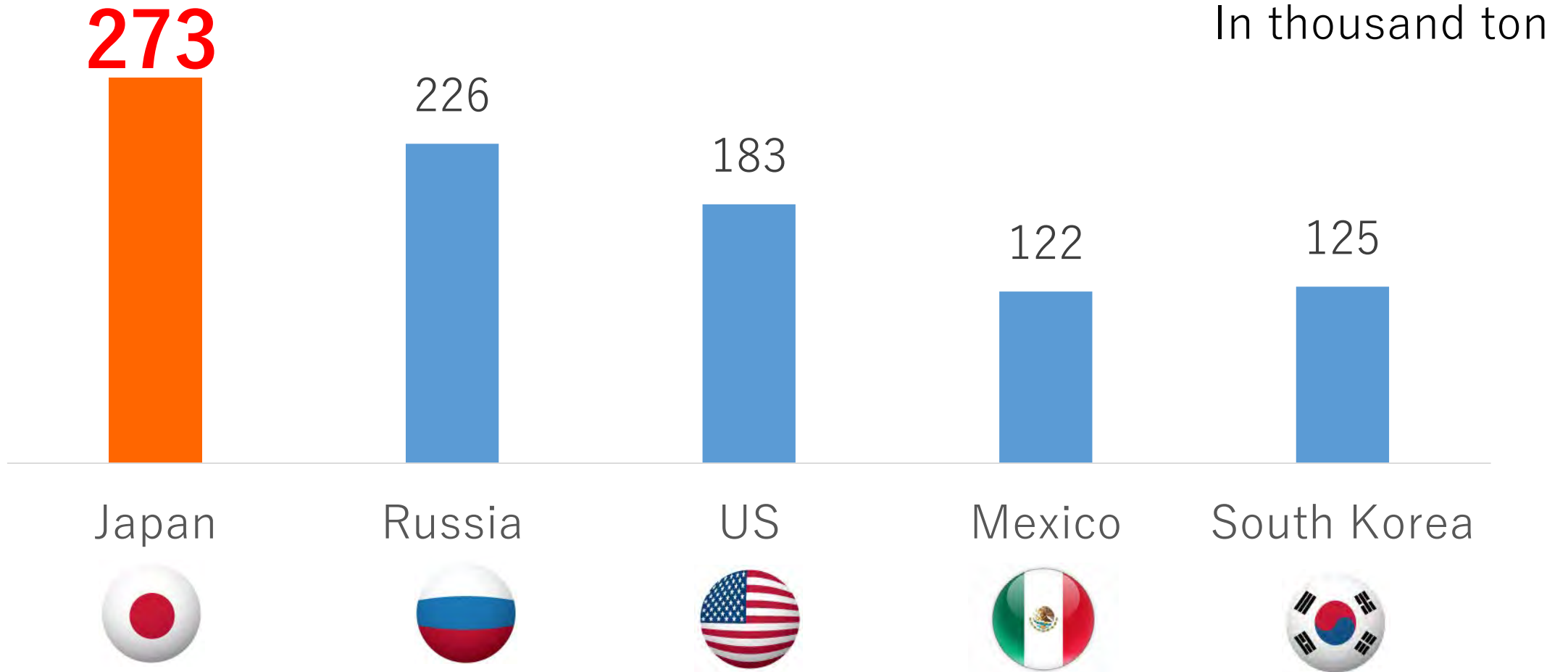
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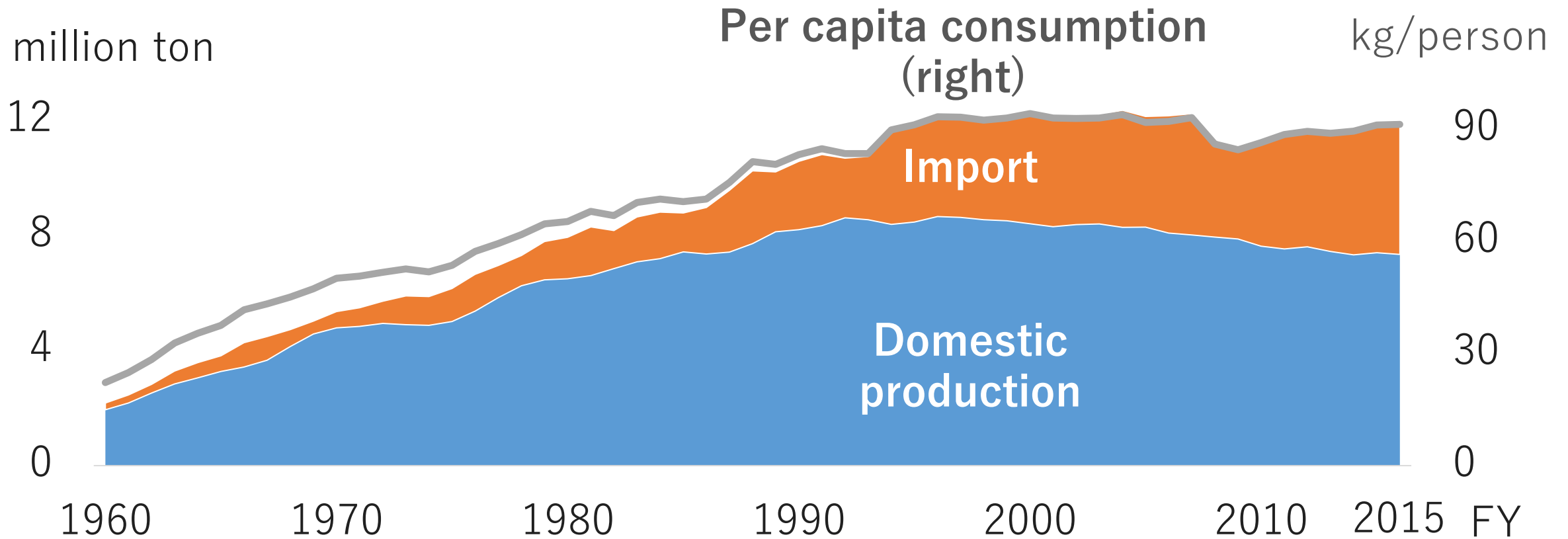
May 2018

# Largest Cheese Importer



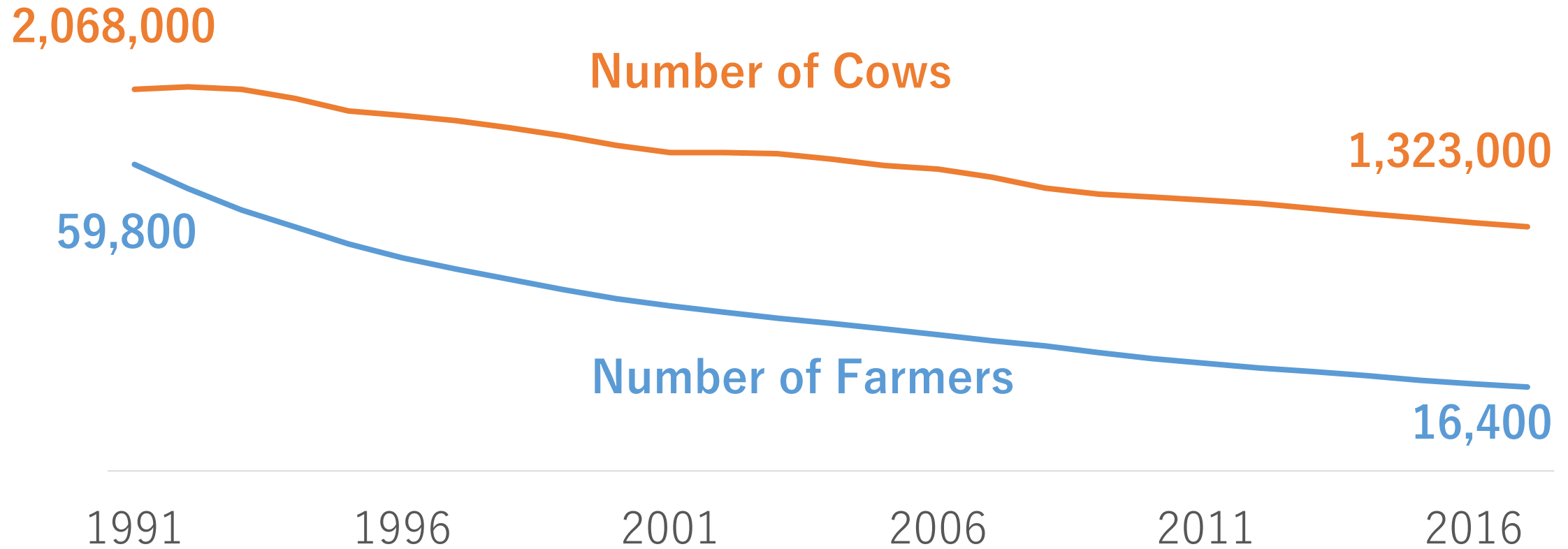
Source: Global Trade Atlas, 2017

# Demand Increased/ Production Decreased



Source: MAFF "Food Balance Sheet"  
 Import includes stock change.

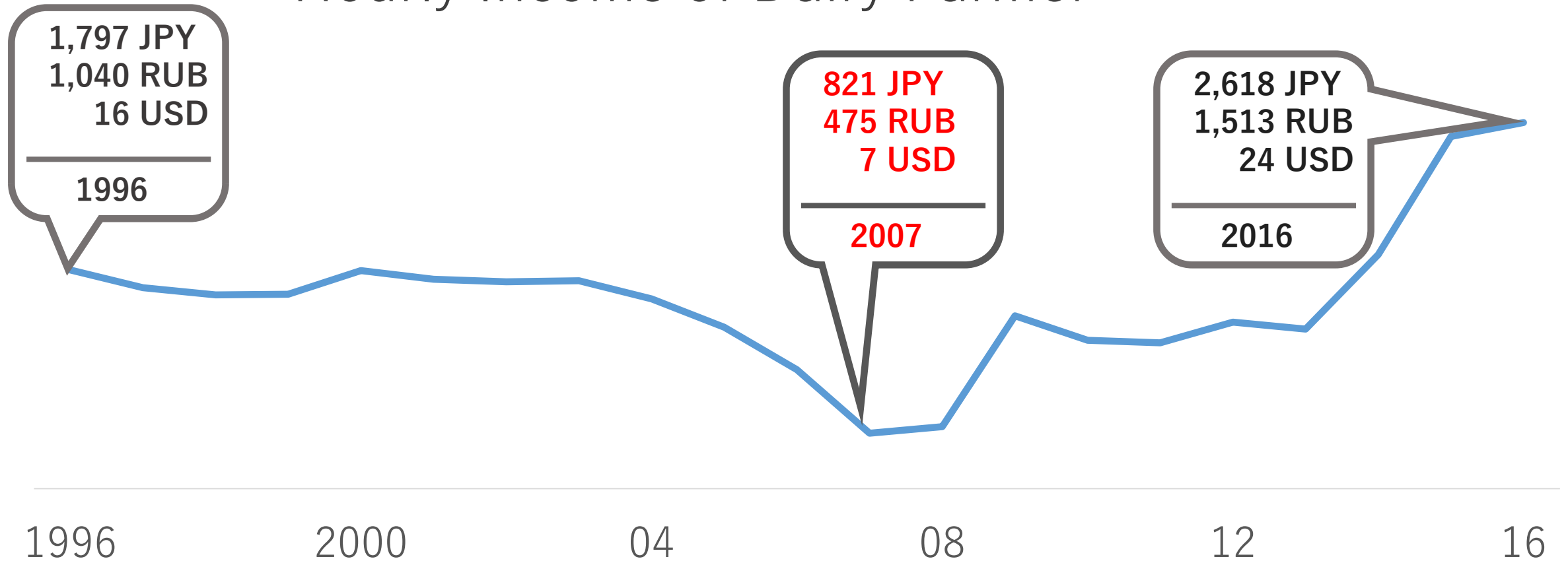
# Cows & Farmers Decrease



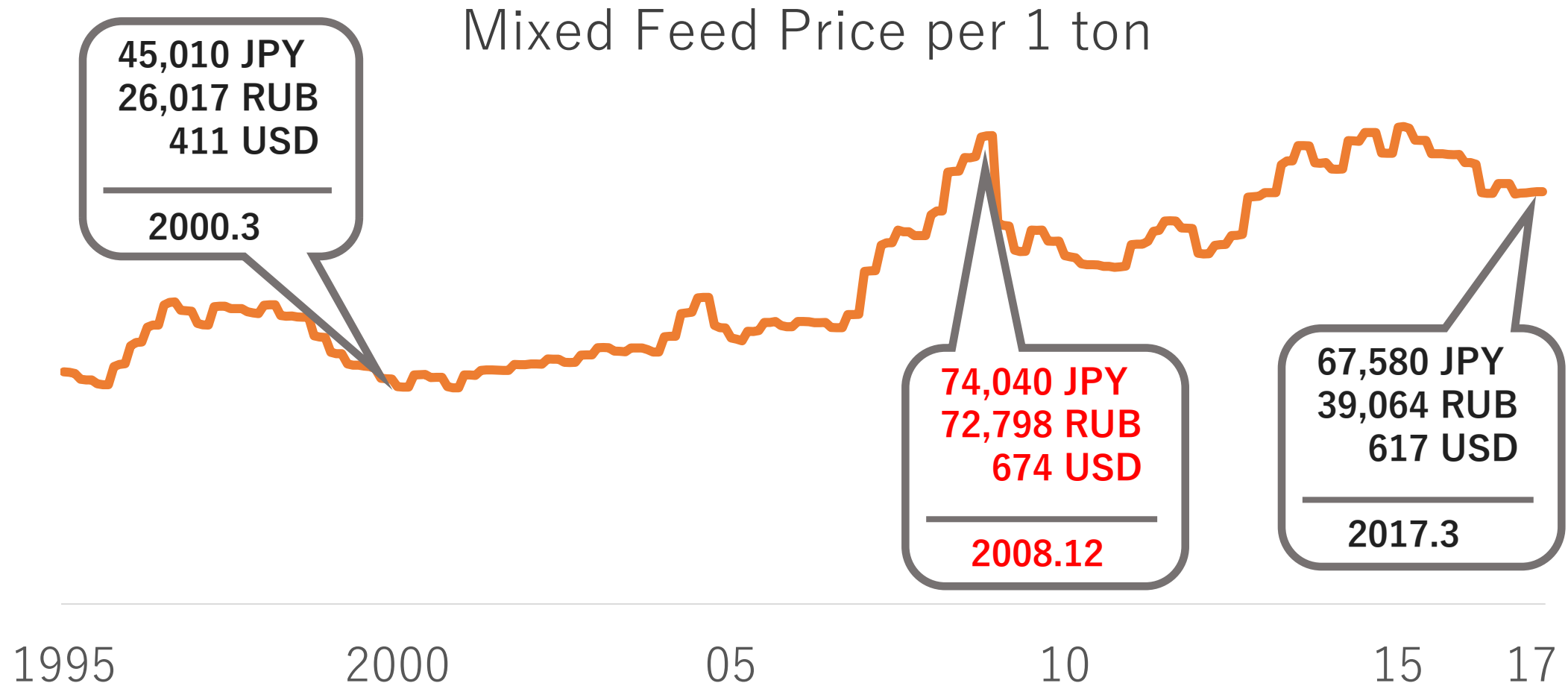
Source: MAFF "Livestock survey"

# Struggle During 2004 - 2008

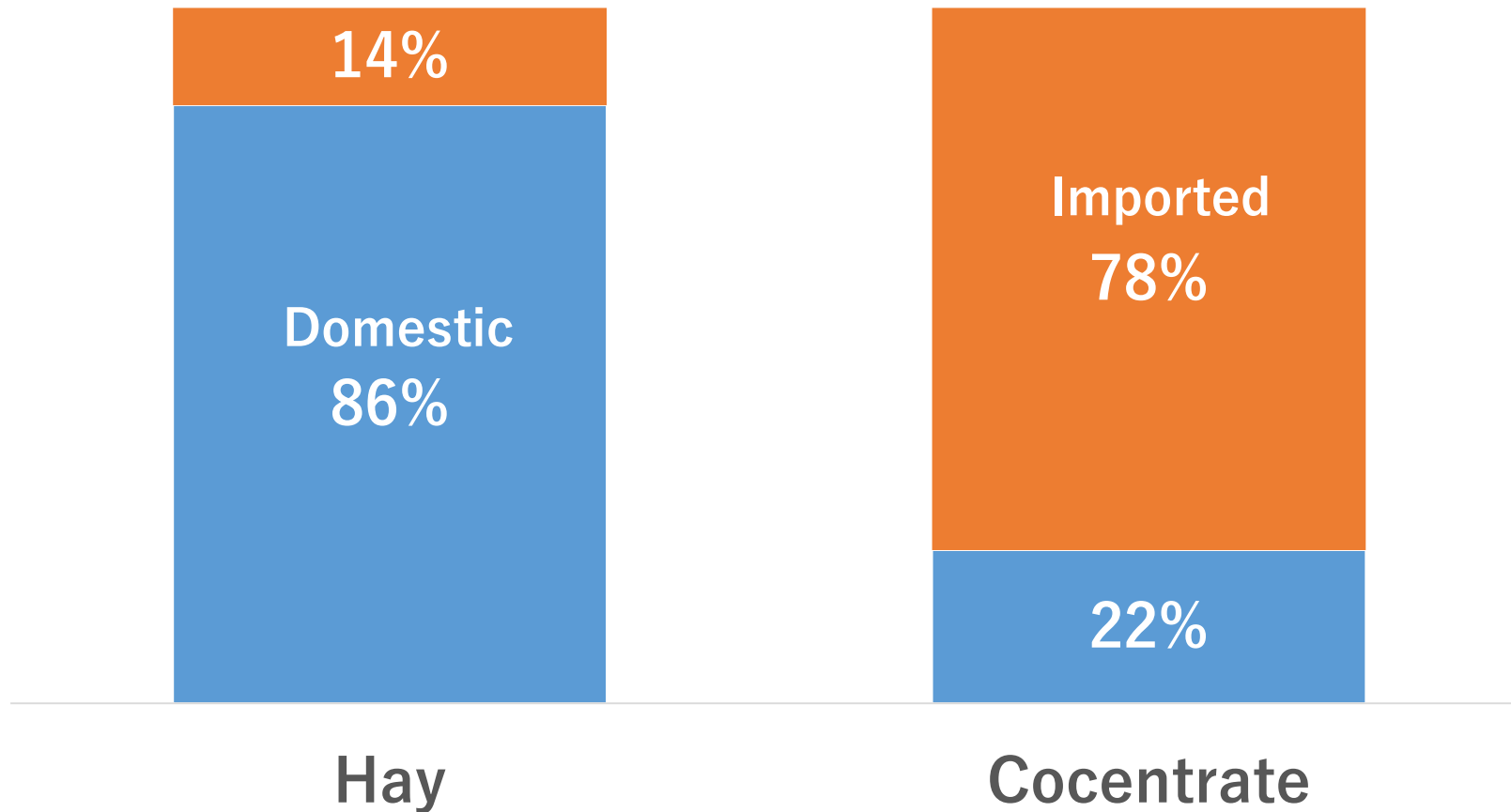
## Hourly Income of Dairy Farmer



# Mixed Feed Price Keeps Going Up



# Depends on Import Feed



Source: MAFF "Feed Situation" Share is calculated based on energy.

# Feed import

## Hay

Item	Amount	Major exporter
Alfalfa	0.07 Mt	Canada(39%)
Others	2.1 Mt	US(73%)

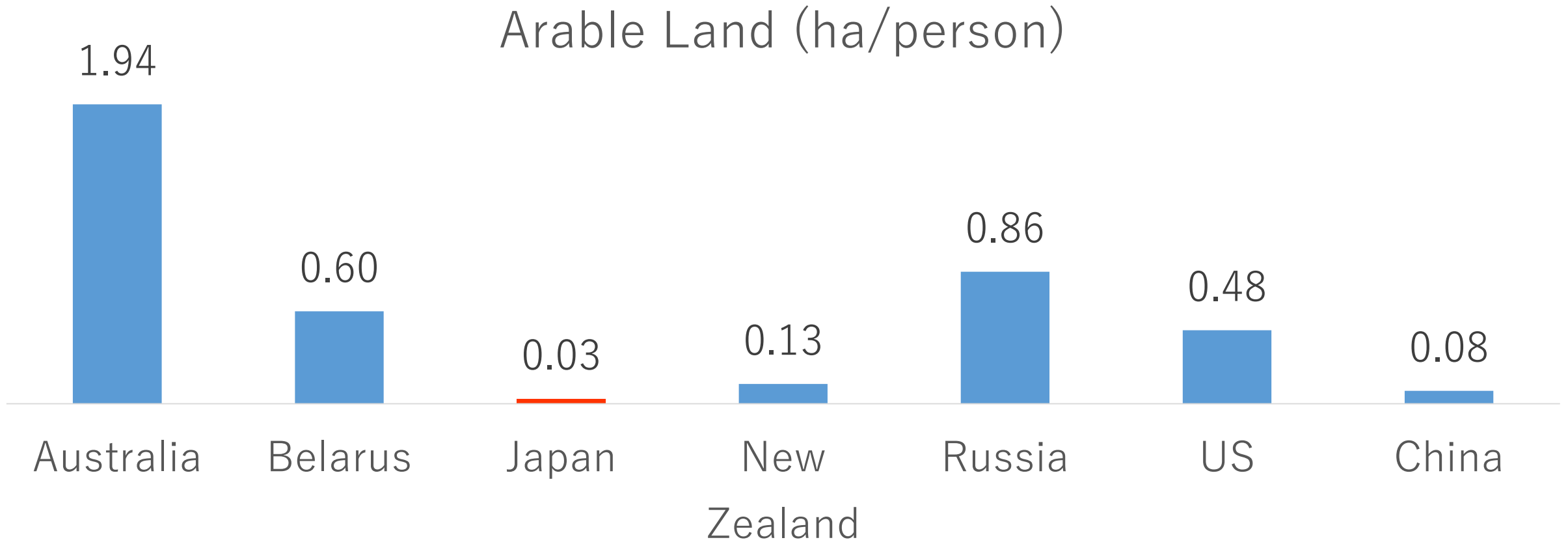
## Grains

Item	Amount	Major exporter
Corn	15.3 Mt	US(78%) Russia(1%)
Wheat	5.5Mt	US(55%) Russia(1%)
Oil-cake of soybean	1.5 Mt	China(39%)
Oil-cake of other	1.2 Mt	Indonesia (66%)

Source: Global Trade Atlas, 2017



# Limited Land Resource



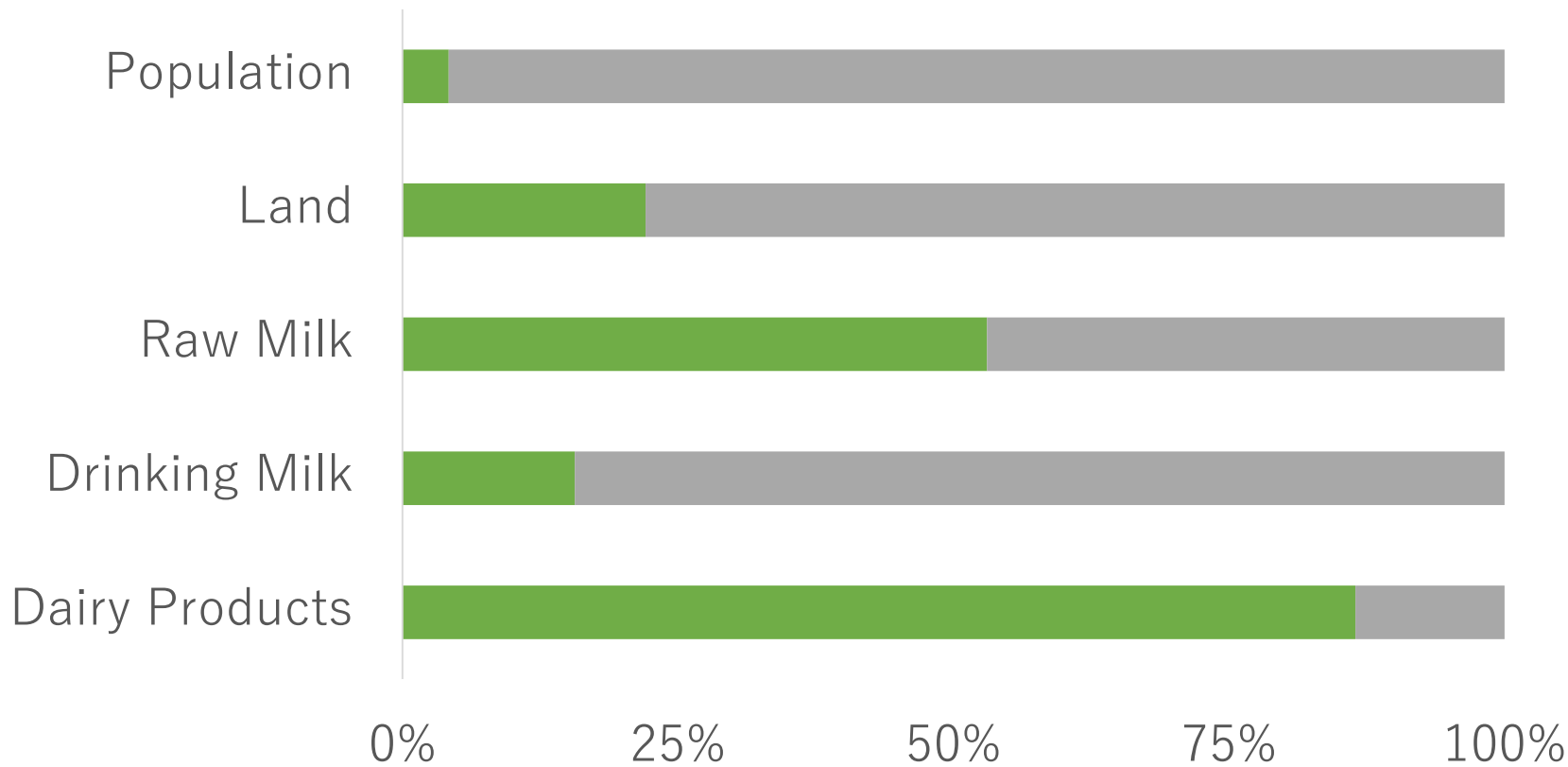
# Production Indices

items		Japan
Average herd size(*)	Cows	52
Average farm land	ha	30
Milk Production per cow	kg/cow	8,526
Milkfat content	%	3.90

Source: MAFF "Milk and dairy products survey", "Livestock survey", J-milk

\*Calves and heifers are excluded. 10

# Produced in Northern Island



Source: MAFF "Milk and dairy products survey"  
MIAC "Demographic forecast"

# Production Indices

items		Japan	Hokkaido	Honsyu
Average herd size(*)	Cows	52	73	39
Average farm land	ha	30	67	6
Milk Production per cow	kg/cow	8,526	8,375	8,706
Milkfat content	%	3.90	3.97	3.81

Source: MAFF "Milk and dairy products survey", "Livestock survey", J-milk

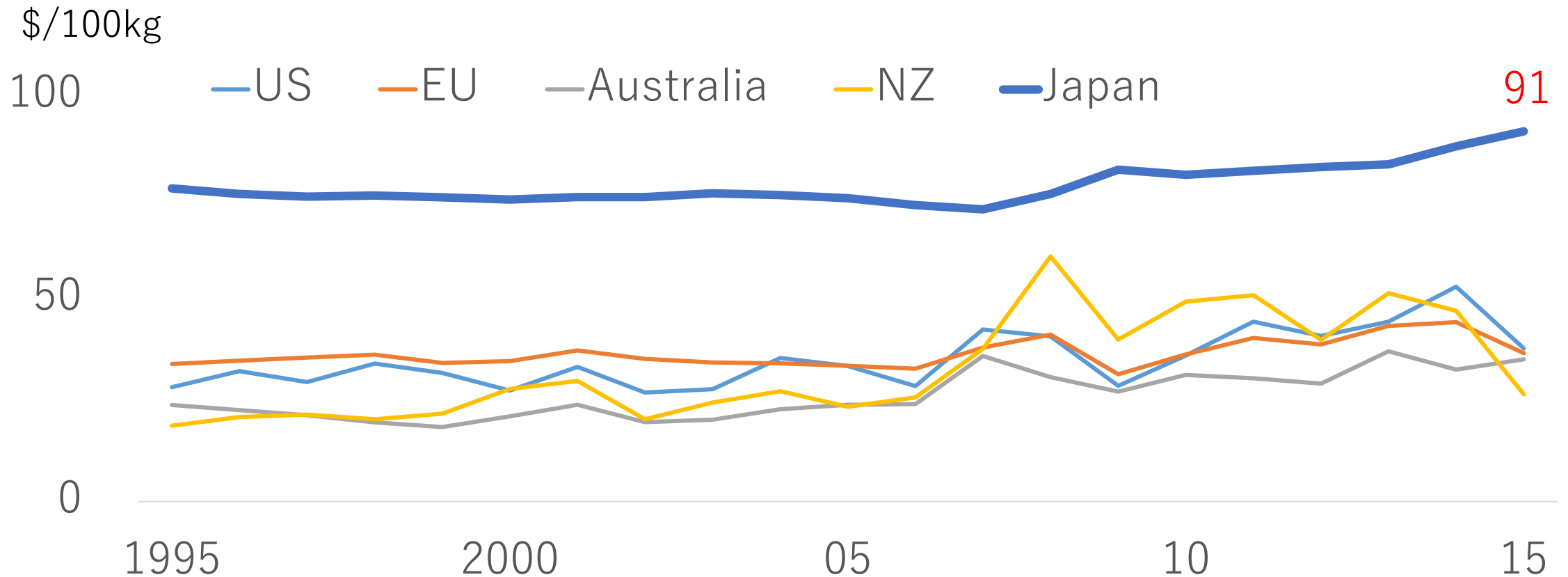
\*Calves and heifers are excluded. 12







# Farm Gate Milk Price is High



Source: J-milk “Farm gate raw milk price of major exporters”

Before 2006 it is EU15 and after 2007 it is EU28. Used currency rate on May 9 2018.

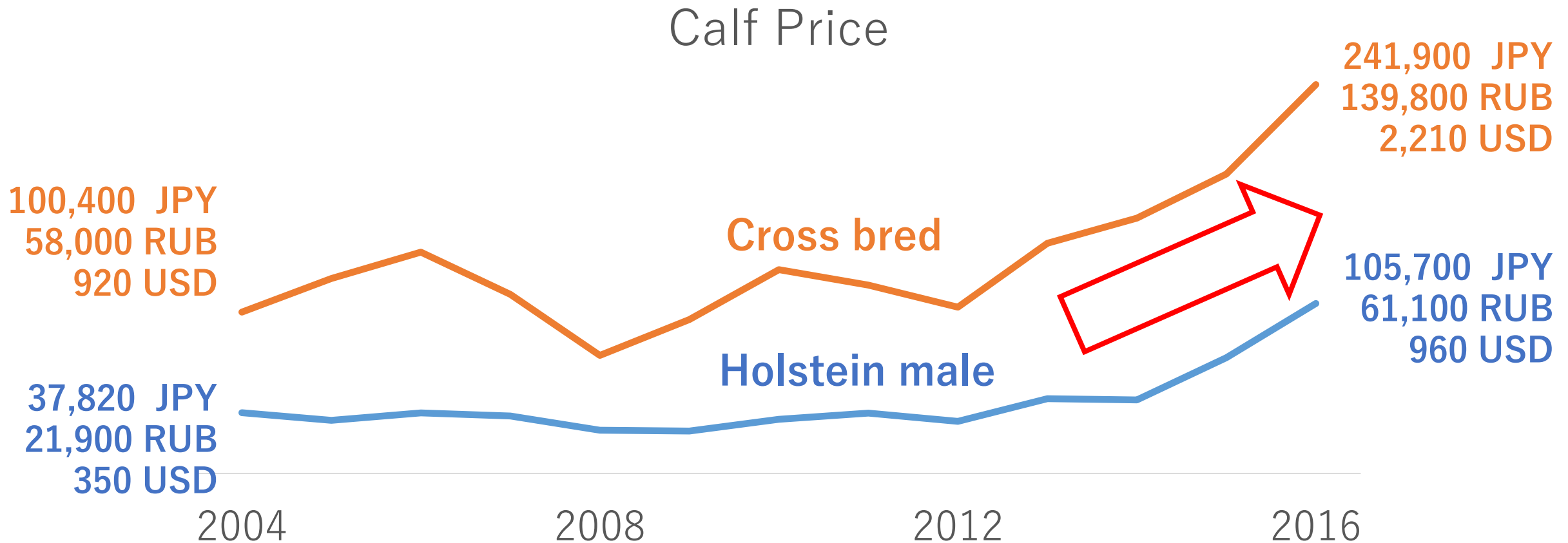


# Retail Price

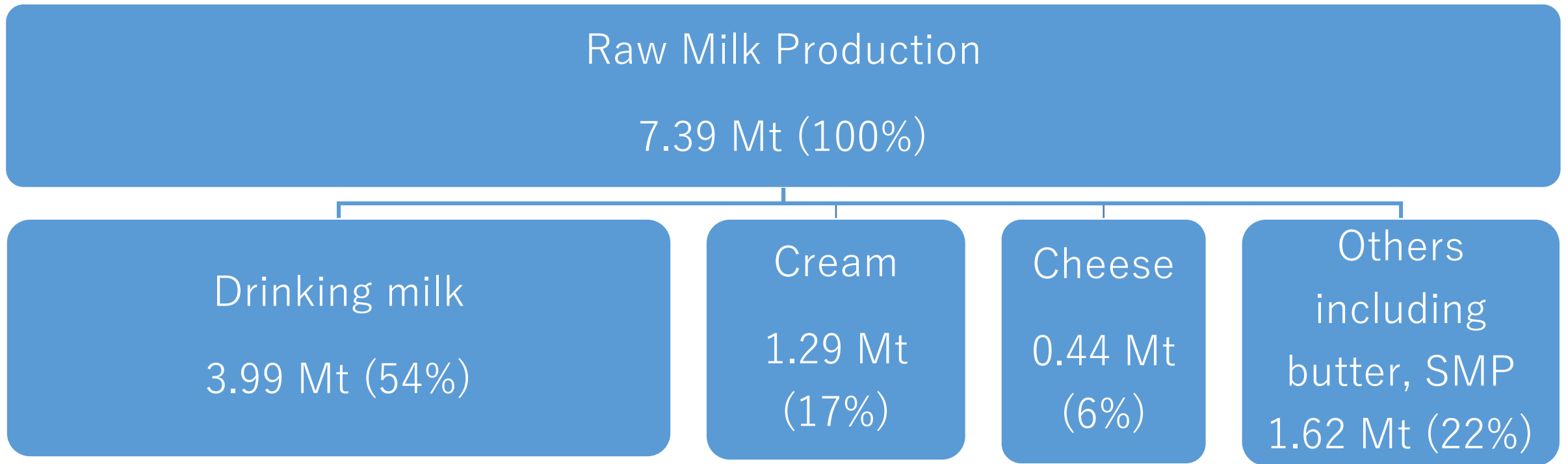
	size	JPY	RUB	USD
Milk	1litter	221	128	2.0
Butter	200g	430	248	3.9

Source: MIAC "Retail price survey", 2017 The survey is conducted in Tokyo.

# High Secondary Income



# Product Mix



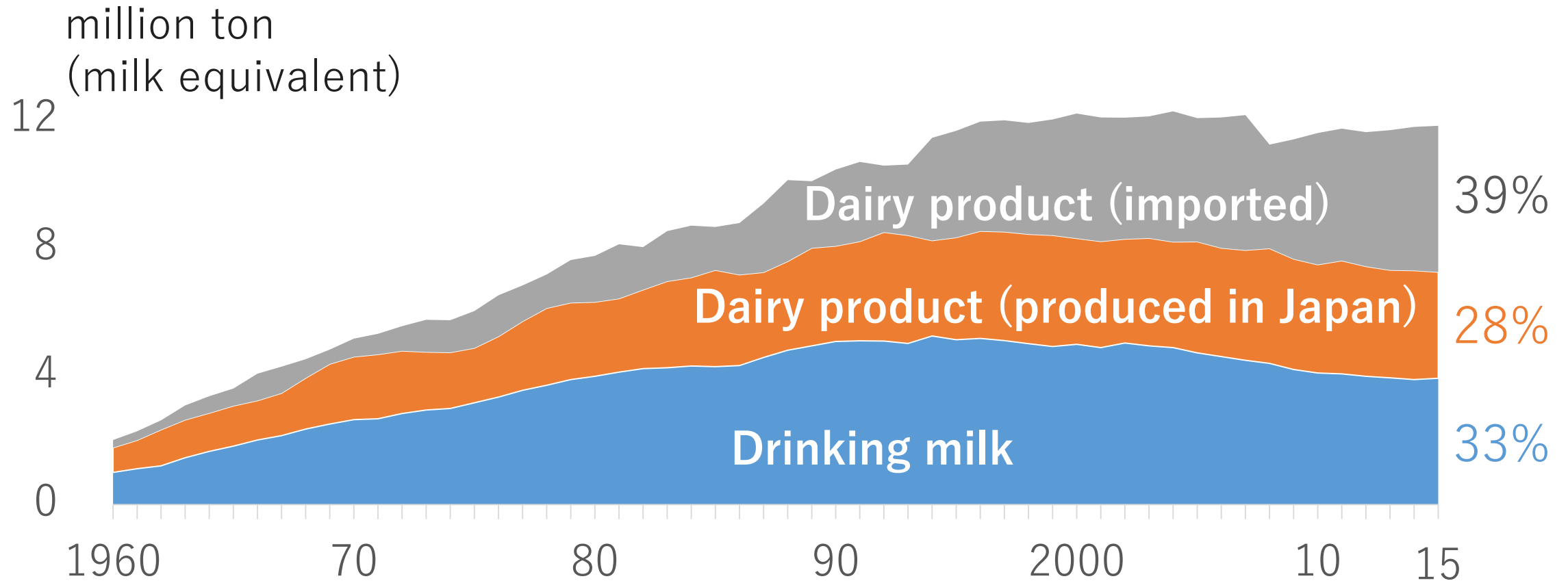
# Drinking Milk is Major Product.

	Japan	Russia	Belarus	US	EU	China	NZ	data
Raw Milk	7,280	30,600	7,300	97,840	151,700	35,500	21,540	2017
Drinking Milk	3,560 (49%)	5,378 (18%)	2,008 (28%)	22,437 (23%)	31,136 (21%)	25,210 (71%)	676 (3%)	2015 (※)
Butter	59	262	125	838	2,310	-	535	2017
SMP	-	-	-	1,065	1,660	-	638	2017
WMP	-	-	-	55	725	1,400	1,380	2017
Yogurt	1,114	2,636	-	2,139	9,441	5,300	-	2015
Cheese	45	840	275	5,545	9,875	-	355	2017

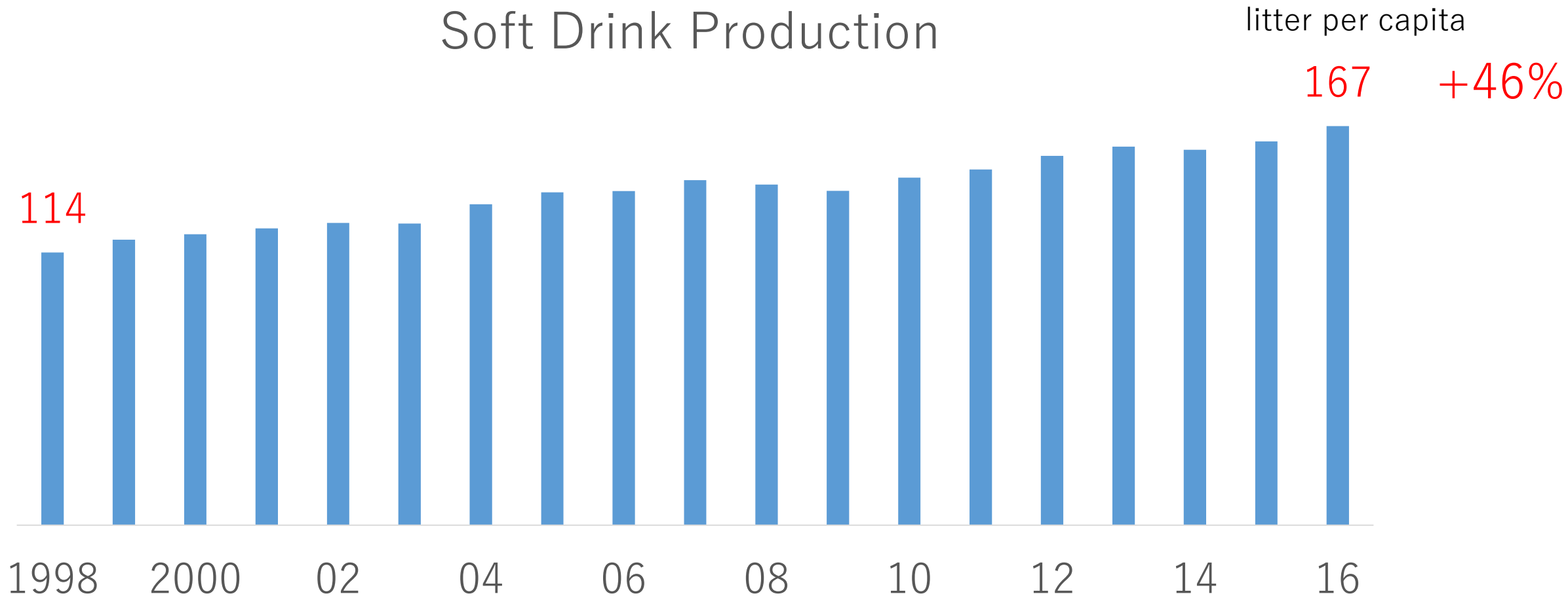
Source: USDA, JIDF

※ Belarus and NZ include cream and some other products.

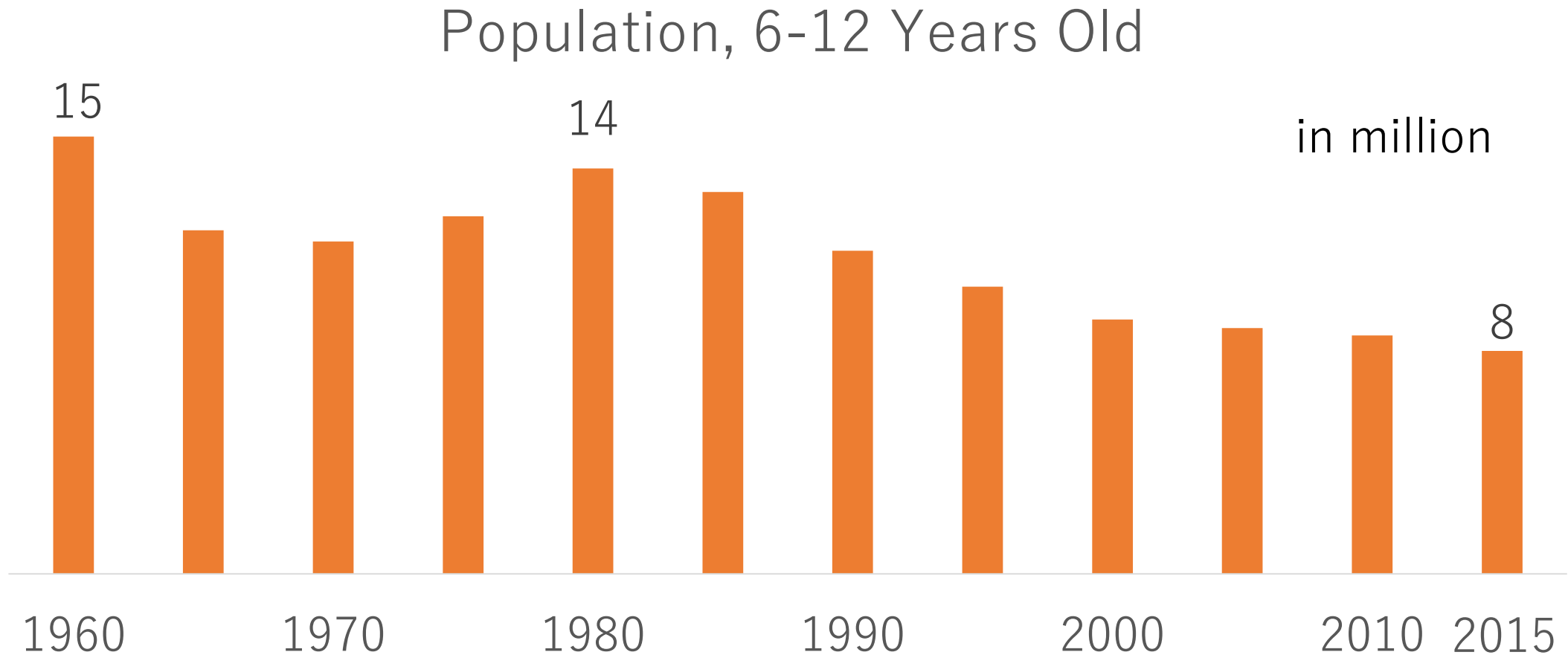
# Consumption



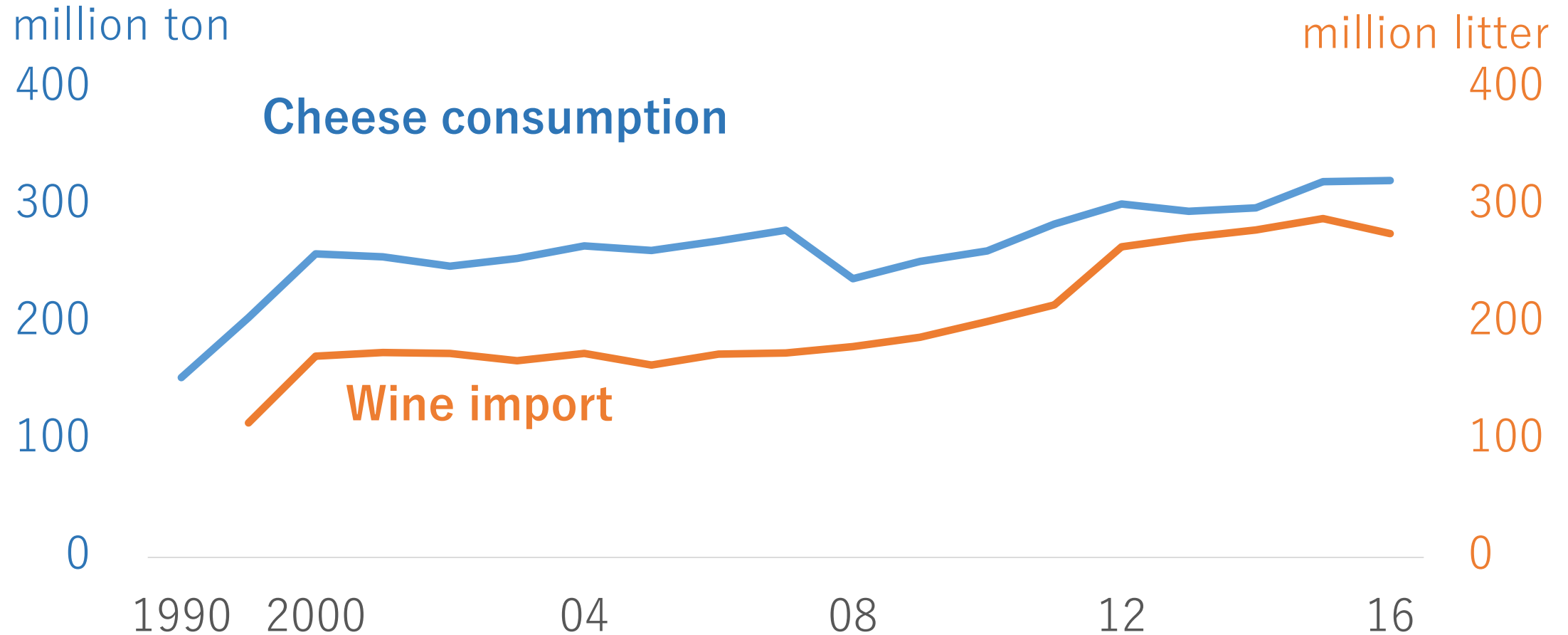
# Soft Drink Increase



# Children Decreased

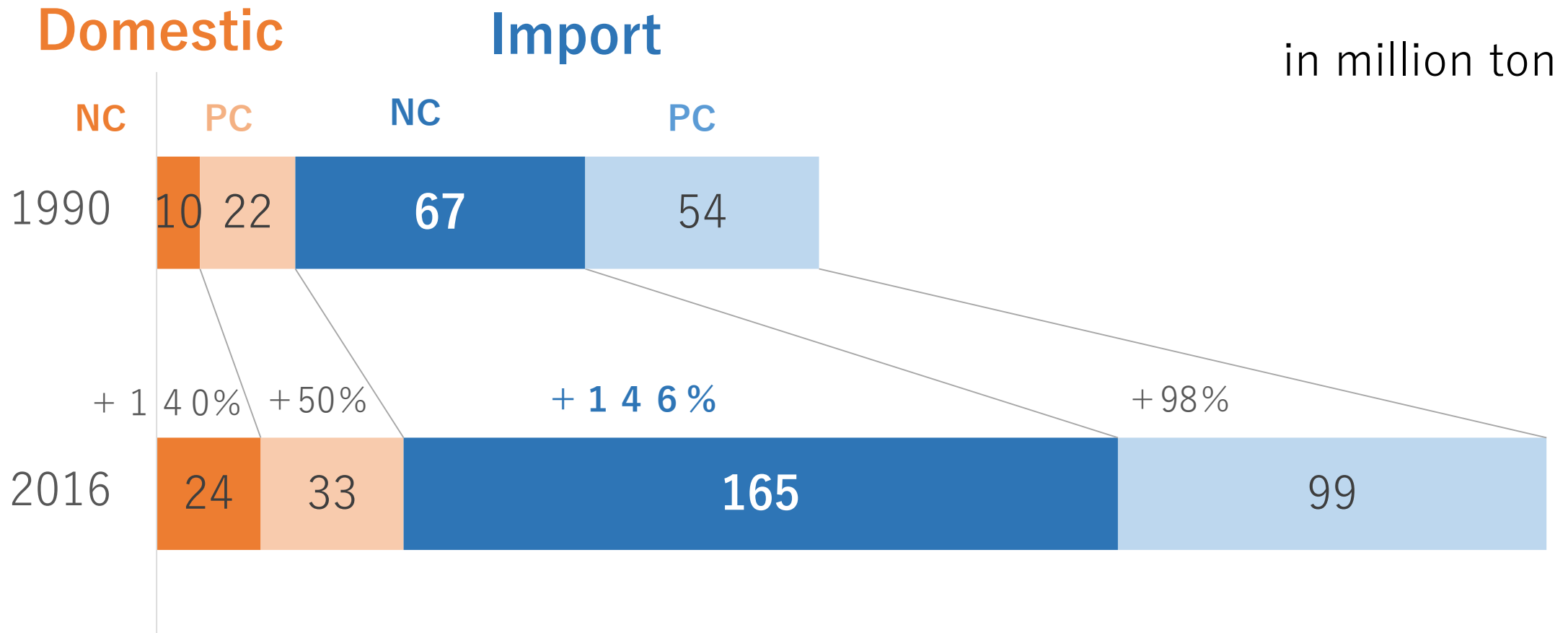


# Cheese & Wine Grow Up





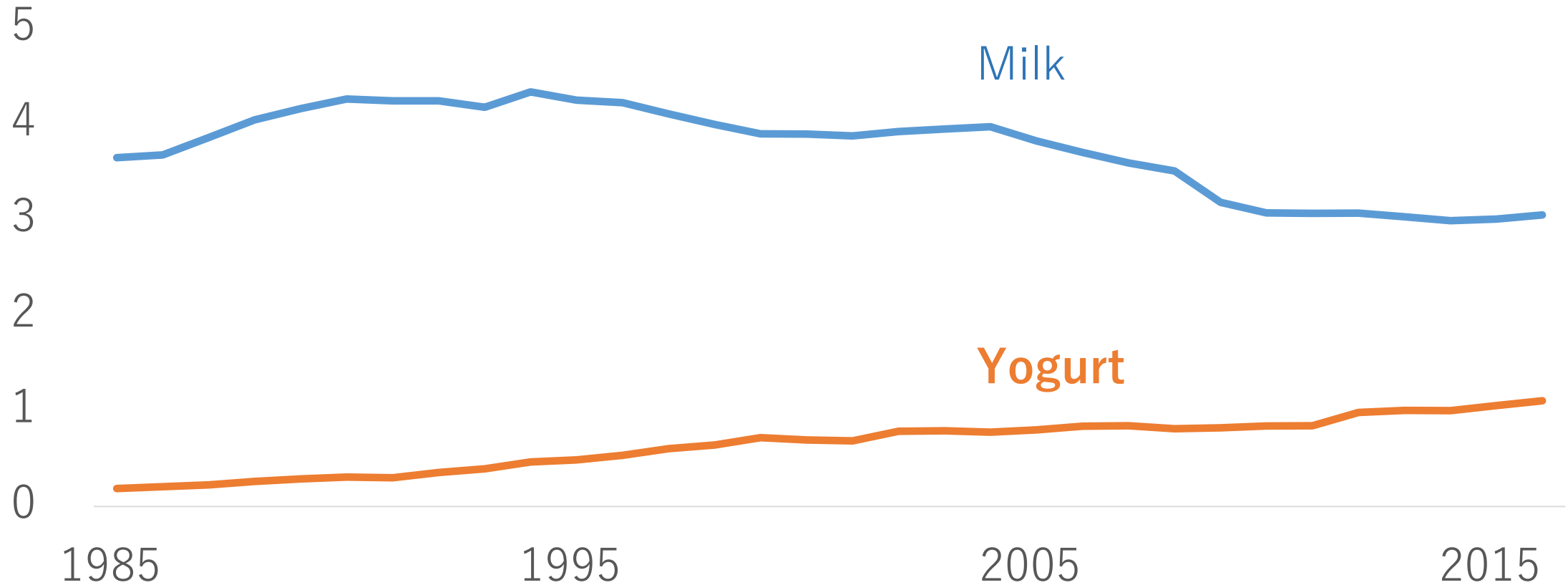
# Cheese Consumption in Detail



# Yogurt Keeps Increasing

in million litter

Production amount



**Thank you for your  
attention**



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