



Market brief

Japan

Financial year 2023/24

Global exports to Japan

Rank #7 in the global dairy market (by volume).

Destination for over 541,000 tonnes of dairy product, worth over US\$2.1 billion (in 2023/24).

Exports to Japan have decreased by 8% over five years (2019/20–2023/24).

The biggest volume growth (product categories exceeding US\$20 million) has been in:

- Ice Cream (48%)
- Protein (34%)
- Whey Powder (28%).

The biggest volume decline (product categories exceeding US\$20 million) has been in:

- SMP (-52%)
- WMP (-29%)
- Butter (-14%).

Australian market share

Rank #4 in the share of Japanese import volume.

Destination for over 59,000 tonnes of Australian dairy product, worth US\$306 million (in 2023/24).

Exports to Japan have decreased by 18% over five years (2019/20 – 2023/24).

The biggest volume growth (product categories exceeding US\$1 million) has been in:

- Condensed Milk (15%).

The biggest volume decline (product categories exceeding US\$1 million) has been in:

- SMP (-44%)
- Whey Powder (-25%)
- Cheese (-18%).

Tariff environment

Japan's dairy industry remains heavily protected, with a complex network of laws and quotas controlling domestic production and importation. In January 2015, the Japan–Australia Economic Partnership Agreement (JAEPA) entered into force, allowing Australia a reduction in tariffs and additional country specific quotas for selected dairy products. Japan is also a signatory to the regional Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) free trade agreement. The establishment of bilateral trade agreements between Japan, the EU, and US, have improved market access for dairy production into Japan for these major dairy exporters.

With the scheduled review of JAEPA now overdue, (after an initial deadline of 2021), Dairy Australia is working with industry partners and the Australian Government to ensure the review progresses and aims to provide market access improvements for Australian dairy into Japan. According to the agreement, tariff step down began in January 2015, however, many dairy products will remain subject to mixed tariffs and rate quotas. A summary of current tariffs for the major dairy categories imported by Japan can be found in Table 2.

Key international marketing programs and initiatives

Dairy Australia is involved in a number of marketing programs and promotion activities in Japan. The annual Scholarship program has trained over 300 industry representatives from the Japanese dairy and trading companies since 1998. All delegates to the Scholarship program are now Dairy Australia's alumni and Dairy Australia keep regular communication with the alumni through newsletters, industry visits/meetings and catch-up dinners in market. Outside of COVID-19 travel restrictions, Dairy Australia also visits the market regularly and holds seminars in Japan to keep the Japanese industry updated on the Australian dairy industry.

Figure 1 Dairy imports

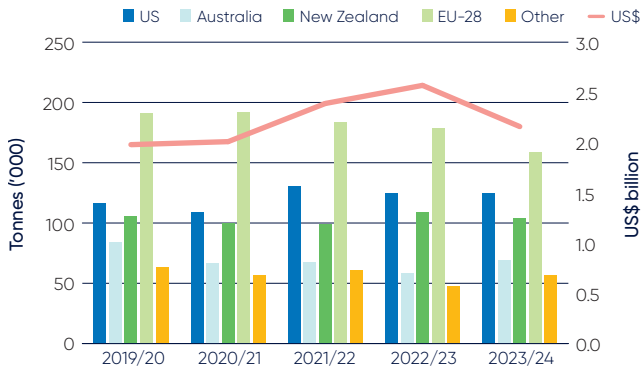


Figure 4 Top Australian dairy exports by volume

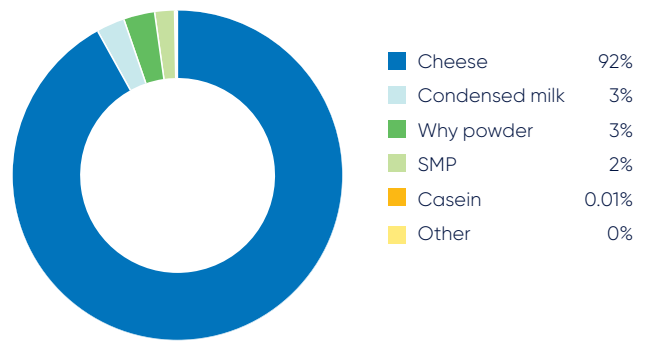


Figure 2 Top dairy exports to Japan by volume

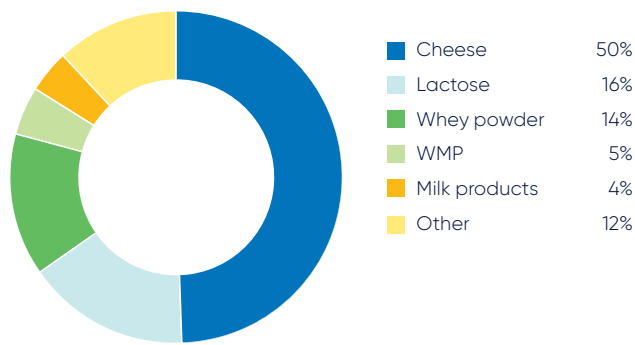


Figure 5 Top Australian dairy exports by US\$ value

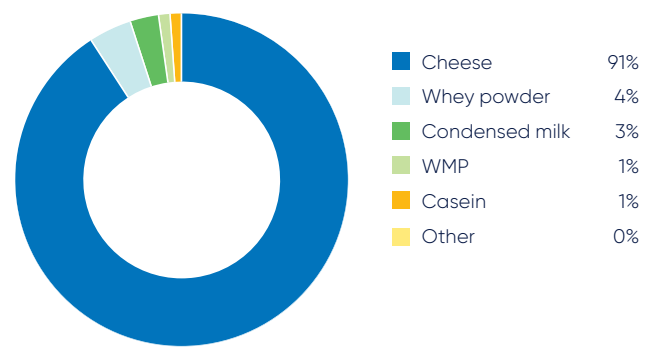


Figure 3 Top dairy exports to Japan by US\$ value

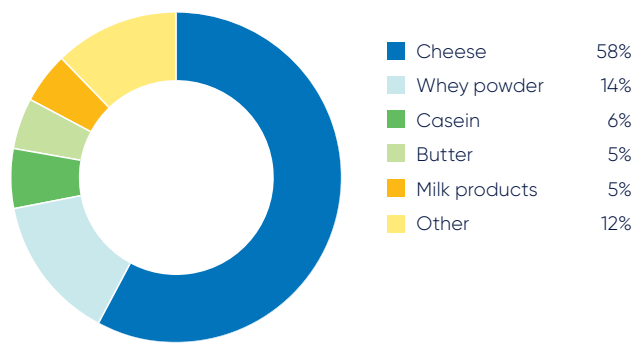


Table 1 Australia exports

Product group	Market share (US\$ %)		Volume ('000)		Value (million US\$)	
	2019/2020	2023/2024	2019/2020	2023/2024	2019/2020	2023/2024
Cheese	27	23	76.63	62.83	306.75	277.72
Condensed Milk	78	85	1.73	2.00	5.48	9.45
Whey Powder	5	4	2.37	1.77	10.87	11.37
SMP	11	12	3.02	1.70	7.94	4.08
Casein	1.6	1.3	0.01	1.51	1.82	0.26
Total imports	17	14	84.5	69.0	334.8	306.1

Table 2 Dairy tariffs

Tariff category	Product category	Applied tariff %
0406	Fresh (unripened or uncured) cheese, including whey cheese, and curd. Free within Country Specific Quota.	12.6
0406	Cheese for processing, unspecified (pooled quota), when blended according.	0.0
0402	Milk and cream, concentrated or containing added sugar or other sweetening matter: in powder, granules or other solid forms, of a fat content, by weight, not exceeding 5%.	35.0
3502	Milk albumin, including concentrates of two or more whey proteins.	0.0

Further information

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