



Dairy trade under the EU – Japan Economic Partnership Agreement

EU-JAPAN BUSINESS ROUNDTABLE

15 May 2019

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Outline

- EU, Japan & global dairy market – key figures
- EU – Japan dairy trade
- Outcome and impact of the EU-Japan EPA for dairy



Milk production & trade in Japan, the EU and the world



840 million tonnes

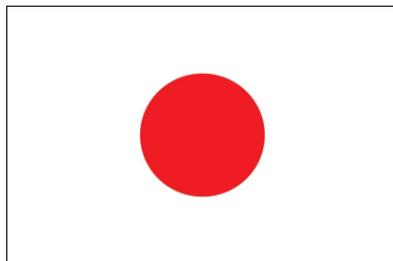
**8% exported (outside of
country/region of origin)**



167 million tonnes

13% exported

About 30% of production traded within single market



7,2 million tonnes

0,3% exported

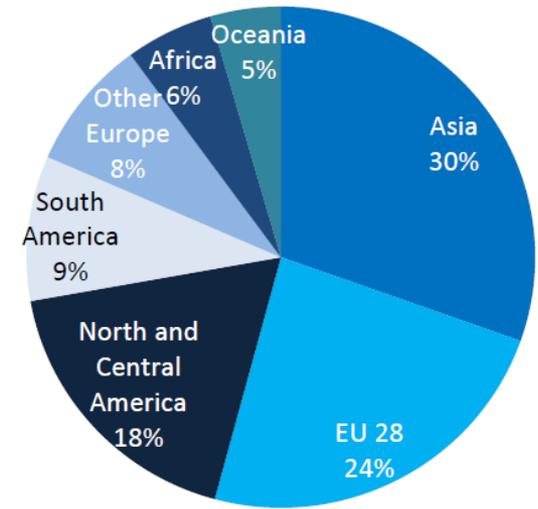
Equivalent of 27% imported

Self-sufficiency around 73%



Development of milk production in EU and Japan

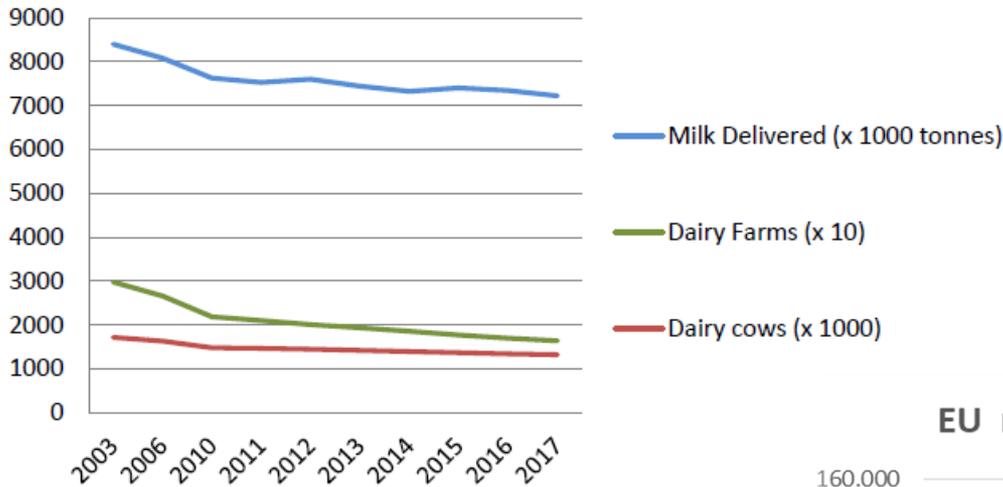
World: cow's milk production (share per region)



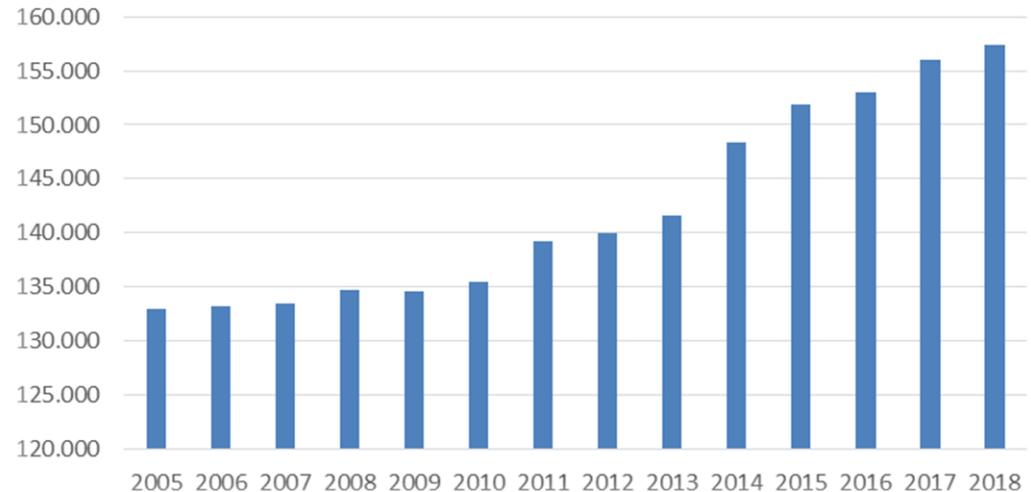
World total 2017: 696 billion kg

Source: IDF

Milk production 2013-2017 in Japan



EU milk production 2005-2018 (in '000 tonnes)



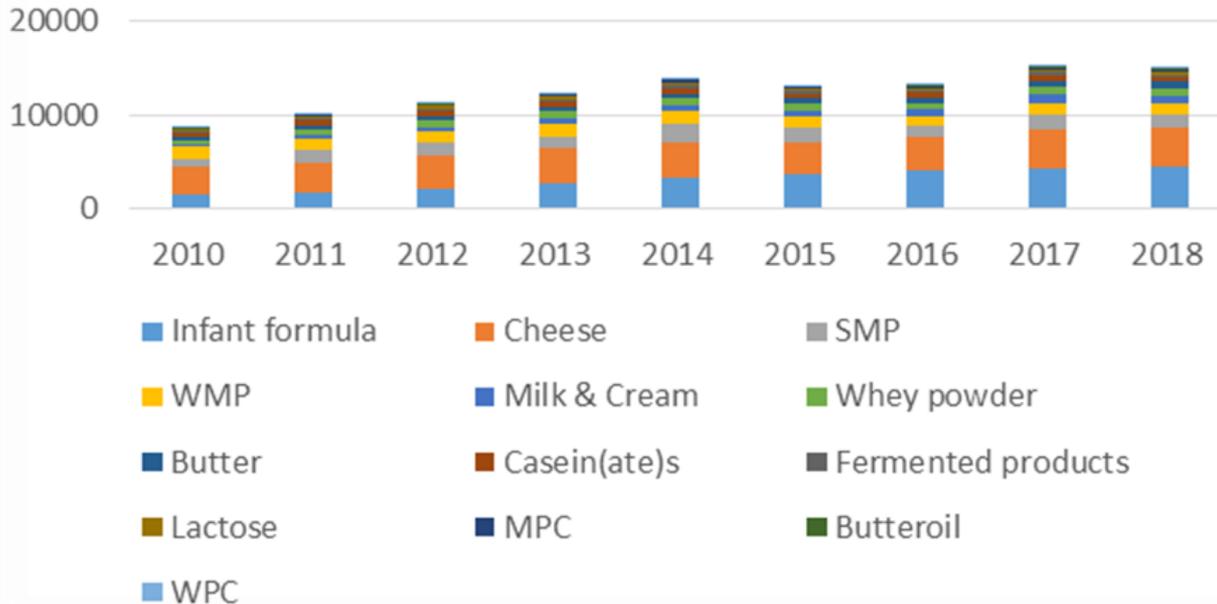
Source: Eurostat



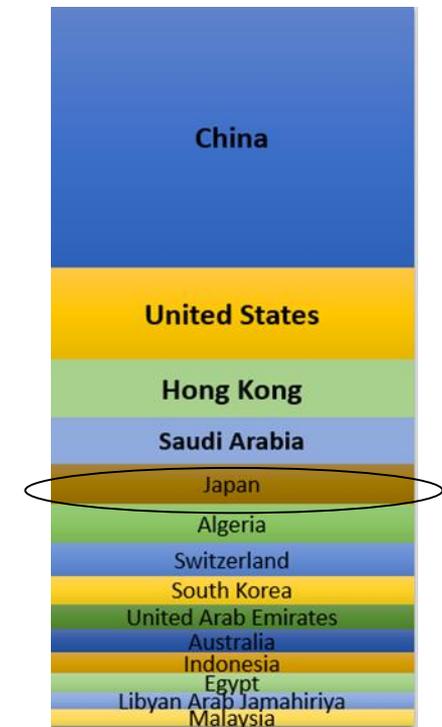
EU dairy exports

– Japan is an important partner

EU exports of dairy products in value
(in million Euros)



MAIN DESTINATIONS
IN 2018 (€)

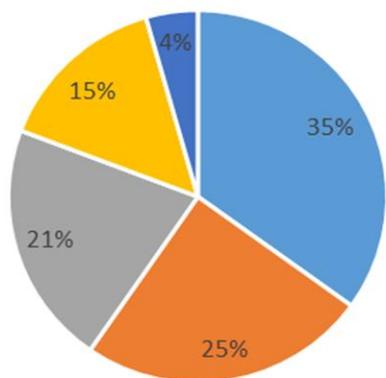


Source: Trade Data Monitor



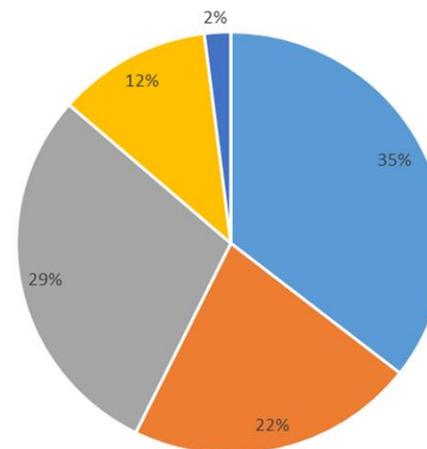
Japan dairy imports by origin

Origins of Japan dairy imports in 2018
in values (USD)

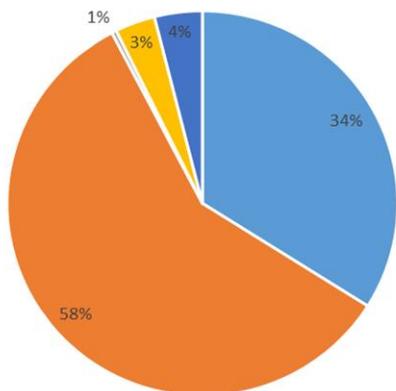


- EU
- New Zealand
- Australia
- United States
- ROW

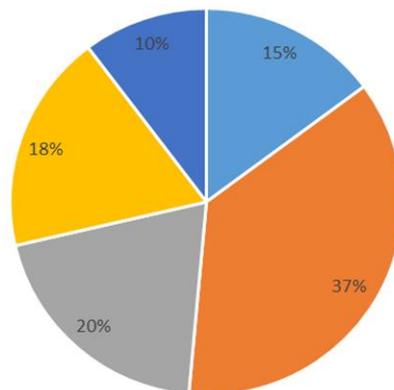
Cheese imports



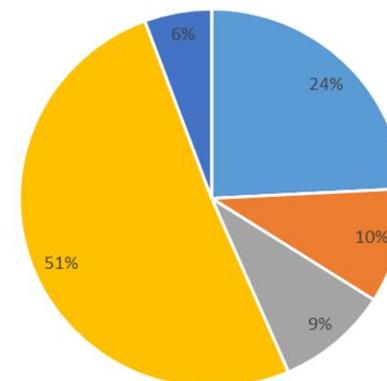
Butter imports

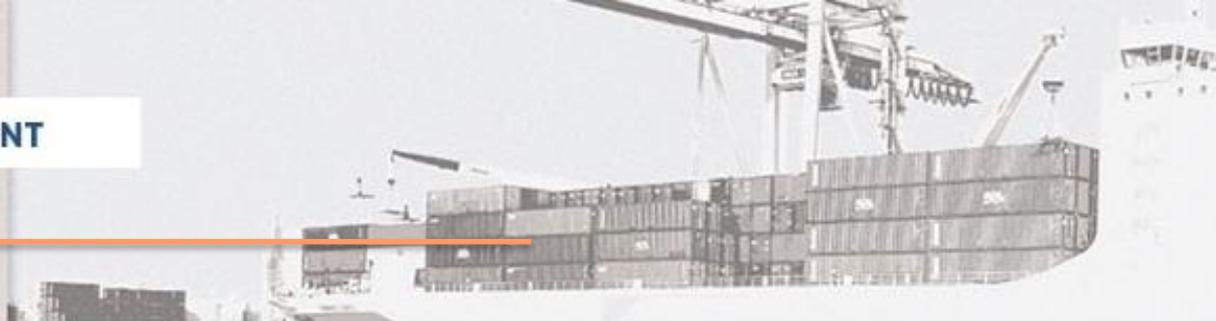


SMP imports



Whey powder imports





Concessions for dairy are good but complex and with long implementation periods

- **Market access for cheese:**
 - Access for hard and mature cheese, cream cheese with fat content < 45% and grated or powdered cheese **liberalized over 15 years** in equal stages (all cheeses under 0406 90 except for soft cheeses)
 - TRQ for all other cheeses heading to **0 duty in 15 years**, from 20 000 t to **31 000 t in year 15**, followed by indefinite TRQ growth, depending on consumption
 - Current duty 29,8%

- **Market access for butter/SMP/milk powder, butter milk powder and condensed milk:**
 - Pooled TRQ, quota-size of 12 857 t in ME, rising to 15 000 t in 10 years (in quota duty applies)
 - In-quota duty for condensed milk will be 0

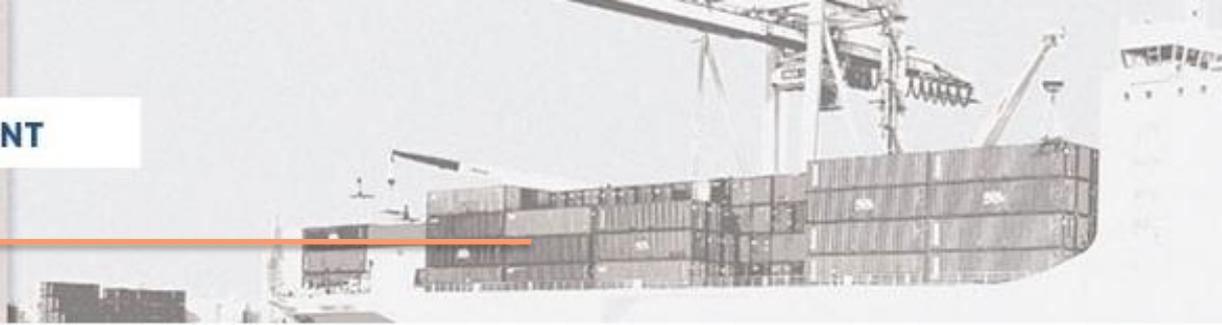
- **Myriad of TRQs and duty reductions for whey derivatives**

- **Other concessions:** TRQ for WMP for chocolate manufacturing, SMP for feed almost at zero duty, various concessions for liquid dairy products

- **Protection of geographical indications**

EU-JAPAN

ECONOMIC PARTNERSHIP AGREEMENT



Appreciation

- Good and balanced agreement – largest bilateral FTA of all time
- Japan is already EU's 2nd export market for cheese and 6th market for all dairy products
- The EPA will boost EU exports (of cheese in particular) but only gradually.
- Main competitors New Zealand and Australia will also enjoy preferential access through the Transpacific Partnership – level playing field.
- Overall, the impact will be measured. EU exports may progressively compensate for some of the decline in domestic production and replace imports from other origins.
- EU focus is on value added products, in particular cheeses.
- Everything will depend on the growth of dairy consumption in Japan.
- EU dairy sector wishes to be an increasingly strong partner for Japan, supplying the Japanese market with high quality dairy products.



- Thank you for your attention -

