

Dairy, Egg & Egg Products

October 14, 2011

VOLUME OF JAPANESE CHEESE IMPORTS RANKS 2ND IN THE WORLD

Volume of Japanese cheese imports ranks 2nd in the world

Here we will introduce some survey data by research companies for a better, more comprehensive understanding of the current cheese market in Japan.



Japan relies 80% of the cheese consumption on imports.

On a country basis, Japan ranks 2nd in import volume, importing about 200,000

tons every year. Of that, natural cheese is 95% of the whole, and the rest are processed cheese. Looking at the imports of natural cheese on a country basis, 50% is from Australia. Fresh cheese holds the majority by category. New Zealand follows Australia, and with both Oceania countries, imported natural cheese account for 75%.

Next, out of the EU countries' breakdown of import volume, Germany (around 10,000 tons) has the most on the base of total import volume followed by Denmark, Italy, and Netherland (all 3 countries around 5000-6000 tons). But looking at fresh cheese, the ranking is different with Italy at the top with 3000 tons followed by Denmark, Germany, US, Argentina, and Norway.

Cheese Import Volume by Country *2011 is an estimate

Unit: 1000 tons

	2007	2008	2009	2010	2011
Russia	250	340	310	305	335
★ Japan	225	187	184	199	200
US	161	137	131	109	118
Mexico	86	68	73	80	90
EU (27 countries)	83	83	81	78	80
Australia	64	70	65	75	75
Korea	50	47	49	58	64
Canada	26	26	24	24	25
Brazil	4	5	16	16	16
Philippine	12	14	14	14	14
Ukraine	12	13	9	10	10
New Zealand	6	4	6	6	6
Argentina	3	3	3	4	4
Total	982	997	965	978	1,037

(Source) USDA "World Markets and Trade" (In selected countries)

Next is the "Movements in the Domestic Natural Cheese Production Volume by Category" (1999~2008). This data will help grasp an idea of the needs in the Japanese market.

Movements in the Domestic Natural Cheese Production Volume by Category

Units: tons

Category/Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Gouda	15,332	14,946	15,957	13,203	14,347	15,019	14,758	14,557	16,020	15,280
Cheddar	8,269	8,224	8,545	9,533	9,644	10,200	11,259	11,567	12,533	12,120
Edam	7	6	4	6	3	5	5	5	3	4
Blue	34	28	26	12	11	10	11	5	5	6
Camembert	4,573	4,250	4,016	3,736	3,614	3,658	4,133	4,746	4,784	4,650
Cream	766	913	667	880	731	694	860	962	1,413	1,460
Cottage	637	468	513	835	788	798	824	795	736	700
Quark	3,174	3,168	3,299	2,342	2,020	39	27	21	38	50
Mozzarella	860	982	1,014	1,334	1,415	1,410	1,512	1,946	1,890	2,050
Mascarpone	296	178	184	142	154	272	1,136	1,679	1,715	1,760
Others	2,368	1,853	1,960	3,650	3,382	3,742	3,689	2,794	3,990	5,002
Total	36,316	35,016	36,185	35,673	36,109	35,847	38,214	39,076	43,127	43,082

Months: April to March

*Others are string, brie, fromage blanc, etc

Sources: Up to 2007 is from Ministry of Agriculture, Forestry and Fish, Livestock Industry Bureau, Milk and Dairy Products Division. After 2008 is from estimation by Fuji-Keizai Co., Ltd.

Next is the specified data of "Consumption Volume of Cheese by Use and Business Category" (2009)

Consumption Volume of Cheese by Use and Business Category (2009)

Units: tons

Use	Business Category	Total	Domestic NC	Imported NC
Processed	Confectionery/Breadmaking	4,100	500	3,600
	Frozen Products	9,950	700	9,250
	Seafood Processing	3,300	500	2,800
	Livestock Processing	7,650	100	7,550
	Modified Fat	8,350	450	7,900
	Others	7,800	450	7,350
	Subtotal		41,150	2,700
Professional Use	Delivered Pizza	10,050	1,200	8,850
	FR (Family Restaurant)	3,200		3,200
	FF (Fast Food)	1,600	250	1,350
	Café	1,850	50	1,800
	Bar and Restaurants	2,410	60	2,350
	Others	24,740	890	23,850
	Subtotal		43,850	2,450
Total		85,000	5,150	79,850
Commercial Use	Volume Seller (GMS/SM)	51,200	11,150	40,050
	CVS	2,250	2,080	170
	Co-op	2,550	570	1,980
	Others	8,200	2,000	6,200
	Subtotal		64,200	15,800
Grand Total		149,200	20,950	128,250

* NC stands for Natural Cheese

Sources: Prepared by Fuji-Keizai based on interviews

Finally, here is the data of "The Consumption of Imported Natural Cheese by Use and Business Category" (2009).

The Consumption of Imported Natural Cheese by Use and Business Category (2009)

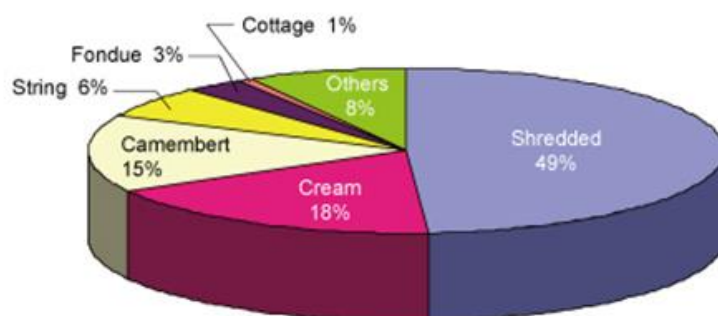
Unit: tons

Use	Business Category	Total	Block	Shredded	Diced	Sliced	Powdered	Others
Processed	Confectionery/Bread making	3,600	750	1,950			900	※
	Frozen Products	9,250	4,950	2,700	1,600			※
	Seafood Processing	2,800	1,850		400			550
	Livestock Processing	7,550	6,200	1,350				
	Modified Fat	7,900	7,900					
	Others	7,350	3,500	1,200	450	70	750	1,380
	Subtotal	38,450	25,150	7,200	2,450	70	1,650	1,930
Professional Use	Delivered Pizza	8,850	2,250	4,300	2,300			
	FR (Family Restaurant)	3,200	670	2,200			330	
	FF (Fast Food)	1,350	170	350	5	825		
	Café	1,800	550	1,100		80	70	※
	Bar and Restaurants	2,350	770	1,350			130	100
	Others	23,850	14,800	5,400	1,200		950	1,500
Subtotal	41,400	19,210	14,700	3,505	905	1,480	1,600	
Total		79,850	44,360	21,900	5,955	975	3,130	3,530
Commercial Use	Volume Seller (GMS/SM)	40,050	8,700	26,750	450		3,150	1,000
	CVS	170	20				150	
	Co-op	1,980	480	1,230			170	100
	Others	6,200	1,400	3,850			850	100
	Subtotal	48,400	10,600	31,830	450		4,320	1,200
Grand Total		128,250	54,960	53,730	6,405	975	7,450	4,730

Sources: From interview survey by Fuji Keizai

The average cheese consumption of the Japanese is about 2 kg a year per person. Recently, the cheese consumption volume has not changed. Taking a look at the purchasing price of natural cheese per household by category, the largest is the share of shredded cheese, which has about half of the shares. Cream cheese and Camembert follow this. Looking at these results, not many people eat natural cheese, enjoying the flavor each has. That means there is still the potential for an increase in the natural cheese.

The Annual Purchasing Price of Natural Cheese by Category per 100 Households



Source: 2005 survey data by Snow Brand Milk Product Co., Ltd.

In the past, there was always an epoch on the expanding demand of natural cheese. Also, along with event and booms, the diffusion of recipes using cheese helped the growth. During the 1964 Tokyo Olympics, many cheese products were imported for foreign tourists, and this is where pizza, an idea of eating melted cheese was introduced, which helped the consumption growth. During the Osaka Expo held in 1970, European cheeses were introduced at the cheese corner at a Netherlands Pavilion and it started to become more recognized. In 1999, during the "French Year in Japan", the consumption volume of French wine increased vastly. Due to this boom, the effects of polyphenol in wine were introduced and the demand for Camembert increased along with wine. Other than that, the combination of Bojolet Nouveau and cheese, and due to the recent Italian boom, cheeses such as mozzarella and Parmesan used in pizza, salad, and pasta are fixed as the absolutely necessary products for Italian dishes. Having over 4000 Italian restaurants is also a great existence.

From all these examples, we could say that there will be future possibilities of growth by promoting cheese. The possibility of increase in demand for cheese marketing is quite high. Recently, it is pointed out that constituents of cheese are effective to prevention and improvement of cancer and lifestyle disease. If these effects are made clear, cheese will not only have good taste and nutrition, but also have good prospects as a food with health claims. There are hopes for the increase in cheese demands from these factors as well.