

# LEVELING THE PLAYING FIELD IN JAPAN

**Japan is the fifth largest overseas market for U.S. dairy, with \$283 million in 2019 sales.**

Per-capita consumption of dairy products in Japan is growing 4% a year. America's dairy farmers and processors are ready to meet that need but need a strong comprehensive agreement.

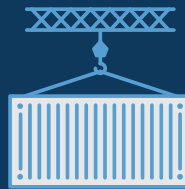


The first stage of the U.S.-Japan agreement will improve market access, but the deal does not deliver the full range of access sought by the U.S. dairy industry. To achieve that, more work is needed to secure additional dairy provisions in a comprehensive agreement.



Because America's biggest dairy export competitors – Europe, Australia, and New Zealand – have preferential trade deals with Japan, the U.S. share of the Japanese market is in jeopardy. The interim agreement has helped; a comprehensive deal should fully tackle that challenge.

The deal covers most but not all dairy products that saw improved tariff treatment under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Roughly 25% of U.S. dairy exports to Japan still lack parity with other suppliers or meaningful market access, highlighting the degree of progress to date and the need for further improvements.



The U.S. could roughly double its share of the Japanese market over the next 10 years, with cheese exports having the potential to more than triple sales. This requires a fully comprehensive deal that builds upon what our key competitors have secured via CPTPP/EU-Japan agreements and safeguards the use of common names.



\*For more about the impact of trade agreements on U.S. Dairy Exports to Japan, read Meros Consulting's 2019 study.