Market brief
China

Financial year 2022/23

Global exports to China

Rank #1 in the global dairy market (by volume).

Destination for over 3,056,000 tonnes of dairy product, worth over US$11 billion (in 2022/23).

Exports to China have increased by 6% over five years (2018/19 – 2022/23)

The biggest volume growth (product categories exceeding US$20 million) has been in:
- Butter blend (1276%)
- Protein (98%)
- Casein (81%)

The biggest volume decline (products categories exceeding US$20 million) has been in:
- Yoghurt (–85%)
- Condensed milk (–41%)
- Buttermilk (–33%)

Australian market share

Rank #4 in the share of China's import volume.

Destination for over 241,000 tonnes of Australian dairy product, worth US$842 million (in 2022/23).

Exports to China have increased by 19% over five years (2018/19 – 2022/23).

The biggest volume growth (product categories exceeding US$20 million) has been in:
- Protein (8377%)
- Lactose (96%)
- SMP (49%)

The biggest volume decline (products categories exceeding US$20 million) has been in:
- Butter (–69%)
- WMP (–25%)
- Whey powder (–18%)
- Condensed milk (–15%)

Tariff environment

In 2008, New Zealand and China signed a free trade agreement, providing New Zealand with significant commercial advantage through lower dairy tariffs. This was recently updated in April 2022, maintaining duty-free access for all dairy products as well as the removal of the milk powder safeguard by 2024. Since the China–Australia FTA (ChAFTA) came into effect in December 2015, tariffs for dairy products have been gradually declining. Tariffs for all dairy products are due to be abolished by 2026. A summary of current tariffs for major dairy categories imported by China can be found in Table 2.

Key international marketing programs and initiatives

Dairy Australia is involved in a number of marketing programs and activities in China. These include the China Dairy Scholarship program which exposes managers from major dairy food companies to the Australian dairy sector, and the China Alumni Program for past scholars. Outside of COVID-19 travel restrictions, Dairy Australia regularly visits China and presents seminars to customers in key markets.
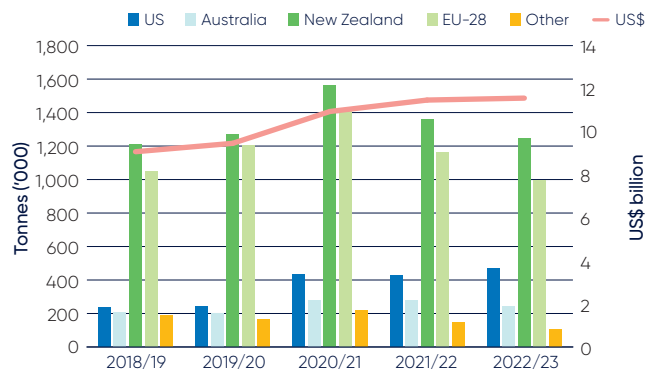
Figure 1 Dairy imports

DELIVERING for DAIRY

Figure 2 Top dairy exports to China by volume

Milk	22%
Whey powder	19%
WMP	12%
SMP	11%
Infant powder	11%
Other	25%
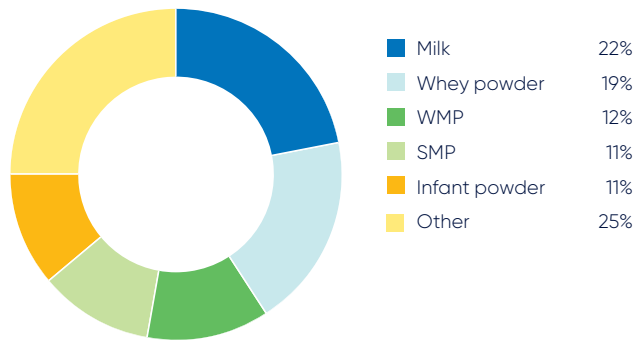
Figure 4 Top Australian dairy exports by volume

Milk	46%
SMP	26%
Cheese	8%
WMP	5%
Protein	4%
Other	11%
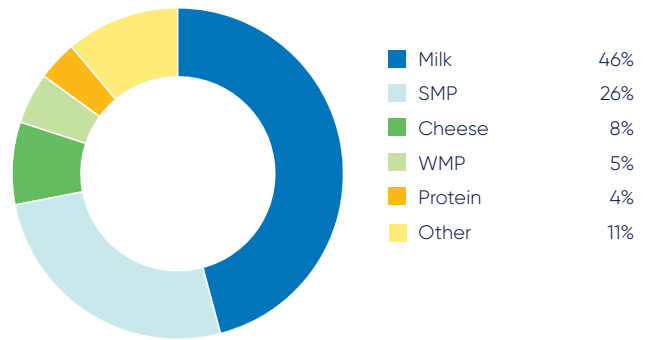
Figure 3 Top dairy exports to China by US$ value

Infant powder	36%
WMP	13%
SMP	10%
Whey powder	10%
Cream	7%
Other	24%
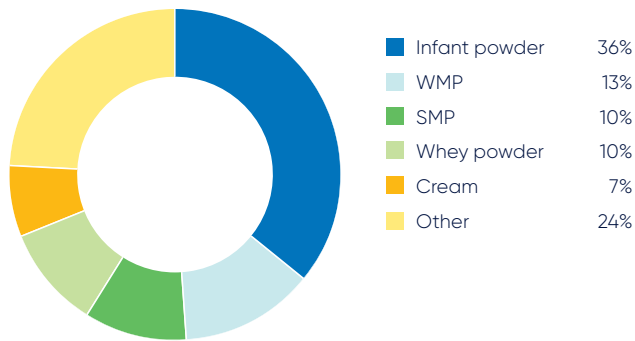
Figure 5 Top Australian dairy exports by US$ value

SMP	35%
Infant powder	12%
Protein	12%
WMP	11%
Milk	11%
Other	19%
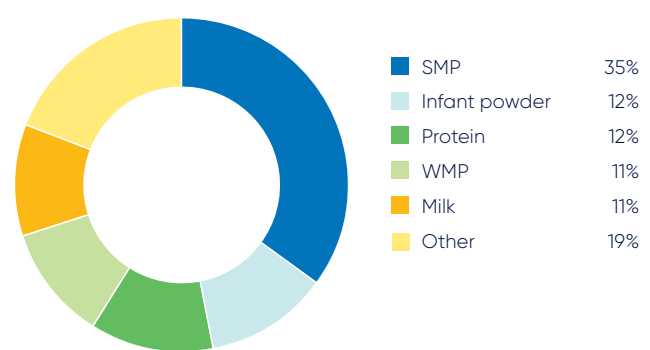
Table 1 Australia exports

Product group	Market share (US$ %)		Volume ('000)		Value (million US$)	
	2018/2019	2022/23	2018/2019	2022/23	2018/2019	2022/23
Cheese	14.0	9.0	20.0	18.8	74.6	84.8
Milk	11.4	9.9	94.1	110.2	84.6	89.7
Protein	0.8	76.2	0.1	9.4	0.5	97.2
SMP	11.0	18.4	42.4	63.4	109.1	298.2
WMP	3.5	4.1	17.0	12.8	104.2	89.4
Total imports	**4.0**	**5.0**	**203.8**	**241.6**	**537.3**	**842.2**

Table 2 Dairy tariffs

Tariff category	Product category	Applied tariff %
0401	Milk and cream, not concentrated nor containing added sugar or other sweetening matter.	1.5
0402	Milk and cream, concentrated or containing added sugar or other sweetening matter.	2.5
0406	Cheese and curd: fresh (unripened or uncured) cheese, including whey cheese, and curd: Grated or powdered cheese, of all kinds: Processed cheese, not grated or powdered.	1.2
1901	Powdered formulas: food preparations of goods of headings No. 04.01 to 04.04, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included: Preparations for infant use, put up for retail sale.	0.0

Further information

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