

# Interim Report for the Revitalization of Japan's Food, Agriculture, Forestry, and Fisheries

August 2, 2011

The Council to Promote the Revitalization of Food,  
Agriculture, Forestry, and Fisheries

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## I. Introduction

- (1) Japan's food, agriculture, forestry, and fisheries are under serious circumstances, such as declining incomes, serious shortages of core farmers, and an aging population. Vitality of rural areas is also declining. Enhancing the competitiveness and soundness of food, agriculture, forestry, and fisheries is a critical issue to be tackled without delay. At the same time, if Japan's trade and investment environment becomes worse to that of other countries, it may lead to the loss of employment opportunities in the future. In light of this, the Council to Promote the Revitalization of Food, Agriculture, Forestry, and Fisheries (hereinafter referred to as the "Council") has carried out intensive discussions with the aim "to promote both high-level EPAs and improvement of Japan's food self-sufficiency and revitalization of its agriculture industry and rural communities, and also in order to take measures aimed at fostering sustainable and strong agriculture," as stipulated in the "Basic Policy on Comprehensive Economic Partnerships," November 2010.
- (2) Against this background, the Great East Japan Earthquake occurred, causing significant damages to agriculture, forestry, and fisheries. While the earthquake exposed the fragility of modern civilization, the movement of supports for the afflicted region spread throughout Japan and overseas, which reminded us of the value of coexistence with nature and people's "*Kizuna*" (the bonds of friendship) and relationships.

Since the nuclear disaster has not finished yet, people engaging in agriculture, forestry, and fisheries, especially those living in the afflicted region, are filled with enormous anxiety about their agricultural managements or operations. Confidence in Japan's agricultural, forest and seafood products has plummeted.

In addition, there is deepening concern over the further hollowing out of industry after the Great East Japan Earthquake, which may seriously affect regional economies.

- (3) On the other hand, the situation immediately after the Great East Japan Earthquake reminded us of the necessity of stable food supplies in the event that food production and distribution are interrupted. Taking this opportunity, people concerned with agriculture, forestry, and fisheries need to reform their mind-set with a view to meeting people's

expectations for these industries, which are the fundamental building blocks for the life of the people.

Bringing domestic and foreign markets into the view, it is necessary to recognize again the originality, advantages, specialties, and specific features of products from Japanese agriculture, forestry, and fisheries, thereby swiftly restoring the “Japan brand.”

- (4) This interim report, based on the Council’s study to date, summarizes the picture of the revitalization of Japan’s food, agriculture, forestry, and fisheries, and the measures to be immediately examined as nationwide policies. The picture, as well as the measures to be taken to realize it, will also contribute to East Japan’s recovery.

With regard to the afflicted region, it is expected that drastic measures will be taken in the course of reconstruction, taking this interim report into account, which could be good examples for the entire country.

The Council will undertake further consideration based on the purpose indicated in the Cabinet Decision in November 2010.

## II. The perspective to be pursued and the basic approach

### 1. The perspective to be pursued

- (1) While economic globalization continues, various regions and diverse industries coexist.

A sustainable prosperous society will be created, where “*Kizuna*” among people is esteemed and each other’s values are mutually respected.

- (2) Agriculture, forestry, and fisheries will also become lively and attractive industries for which young people wish to work. Not only the people engaged in these industries but also those inhabiting rural areas will lead active lives with vitality and make their livelihoods

without fear. Urban consumers will also be able to obtain daily foods without anxiety about food supply.

- (3) The necessary policy options will be presented with responsibility by the government, and local people's decisions that are made by themselves will be respected.
- (4) Despite shrinking domestic demand, the domestic production base will be maintained through creating new demand and pioneering new markets in Japan and abroad, so that sustainable agriculture, forestry, and fisheries will be realized, which are compatible with high-level economic partnerships with foreign countries.

## 2. The basic approach

- (1) Initiatives to rebuild the distinctive features of “deliciousness,” “safety,” and “environmental friendliness” should be promoted; thereby needs-driven agriculture will be materialized.

Through the promotion of the Sixth Industrialization (i.e., turning agriculture, forestry, and fisheries into value-added industries by integrating, among others, processing and/or retailing functions with them), Japan's agriculture, forestry, and fisheries will produce more values, and thus be transformed into further growing industries.

- (2) Human resources necessary for the Sixth Industrialization and other developments should be secured through smooth business successions.

In particular, in field crop agriculture, a large number of farmers are expected to rapidly retire in the next five years due to aging and other factors. Therefore, through consensus formation based on thorough discussions, farming scale should be expanded substantially with the aim of realizing an agricultural structure where management entities with 20–30 ha farmland in the case of flat land areas and 10–20 ha in the case of hilly and mountainous areas are the majority. In order to achieve this, policy frameworks for core farmers, farmlands, production measures, and relevant organizations should be reviewed and reformed in an integrated manner.

- (\*1) The goal of aforementioned notion is not to exclude farmers smaller than the indicated scales from the policy perspectives. It is important to promote farming scale expansion by presenting policy options while respecting local people's decisions that are made by themselves.
- (\*2) The aforementioned notion does not change the direction of the Basic Plan for Food, Agriculture, and Rural Areas regarding the preparation of environment in which every farmer with eagerness can develop its management; rather, it tends to reinforce the direction.
- (3) Agriculture, forestry, and fisheries are potentially the growing industries. From the viewpoint of reinforcing strengths and overcoming weaknesses, the entire policies for agriculture, forestry, and fisheries should be reviewed in a positive manner. While learning from other countries the management expertise and techniques of farmers, foresters, and fishermen as well as national policies, a high goal should be set and efforts to attract good human resources should be made.
- (4) The government should provide a safety net for those who are engaging in agriculture, forestry, and fisheries. As the safety net is provided, the multifunctional character of agriculture, forestry, and fisheries will be maintained.

### III. Seven strategies for the revitalization of agriculture, forestry, and fisheries

Concrete measures for the revitalization of agriculture, forestry, and fisheries should be considered, based on the following seven strategies.

[Strategy 1] Enhancing the competitiveness and soundness

—Securing ambitious core farmers and gathering scattered farmlands—

- Increasing newcomers to agriculture, thereby securing human resources to maintain Japan's agriculture in the future
- Achieving 20–30 ha per farming unit in field crop agriculture in flat land areas

(1) Securing core farmers

(i) Aging of workforce has progressed to the point that the average age of core persons mainly engaging in farming is 66.1 as of 2010. It is important to increase the number of young people who find agriculture attractive and are actually engaging in it. With reference to France's policies to support newcomers to agriculture among others, the human resource development scheme, including encouragement of new entry into agricultural sector and further utilization of women's capabilities, should be considered in order to secure human resources who will maintain Japan's agriculture in the future.

(ii) Corresponding to diverse paths toward the development of agricultural management, such as multiple farming, incorporation, optimization of machinery and technology, and the Sixth Industrialization, a set of indicators should be created in order to evaluate farm owners in an objective manner. Based on this, education schemes for farmers commensurate with their developing stages should be considered.

(2) Accelerating the expansion of farming size

Along with the appropriate promotion of the Program for the Direct Payment of Income Support and the shift of cultivated lands into larger blocks, schemes to gather scattered farmlands and to enhance the competitiveness and soundness of agriculture, such as mechanisms for concentrating farmland use to core farmers at the timing of inheritance and for urging the intensive use of agricultural machineries, should be considered.

With the combination of above-mentioned measures and measures such as turning agriculture into high-value-adding industry, promoting community-based farming co-operatives, and strengthening *Kizuna* with consumers, conducted in an appropriate manner according to each locality, agricultural structures in which management entities with the farmland of 20–30 ha in case of flat land areas and 10–20 ha in case of hilly and mountainous areas are the majority should be pursued, as stated in “II-2. Basic approach.”

(3) The proper forms of relevant organizations and industries

(i) The task of agricultural cooperatives and agricultural committees should be further reviewed based on the notion that they should commit to play a role exclusively for farmer's management improvement. Additionally, thorough verification should be conducted about implementation of the revised Agricultural Land Act. It should be continually examined whether farmland schemes are functioning in accordance with the original intention of its revision.

(ii) Cost reduction of fertilizer and other production materials should be further considered.

[Strategy 2] Enhancing the competitiveness and soundness

–The Sixth Industrialization, transformation into growing industries, and more efficient distribution system–

Reconstructing the distinctive features of “deliciousness,” “safety,” and “environmental friendliness”

Sustainable development of agriculture, forestry, and fisheries will be achieved when they accord with the needs of consumers in Japan and abroad. In light of this, it is important to promote consumer-oriented management in agriculture, forestry, and fisheries, thereby encouraging the change of mind-set of people engaging in those industries.

(1) Value addition in agriculture, forestry, and fisheries

(i) In order to promote the Sixth Industrialization, wide-ranging knowledge is necessary with respect to the production skills, manufacturing skills, management, and marketing, among others. However, there are few people who are familiar with such wide-ranging knowledge. Therefore, capacity building of experts who can give advice to people engaging in agriculture, forestry, and fisheries (the Sixth Industry Planners) should be enhanced. In addition, through utilizing measures based on the Sixth Industry Act, relevant facilities should be smoothly established.



(ii) Agricultural corporations addressing the Sixth Industrialization will have high capital needs and must be creditworthy. Therefore, supports through provision of funds should be given in order to increase their capital strength, while examining the solutions for problems raised at the timing of the creation of such funds.

(iii) Efforts for objective evaluation on qualities and/or other elements, such as the application of environment-friendly agriculture and HACCP, should be expanded.

(iv) By gathering competences in independent administrative agencies, universities, the private sector, prefectures, and other entities, advanced technologies should be developed, commercialized, and disseminated in a strategic manner for the transformation of agriculture, forestry, and fisheries into growing industries. At the same time, tie-ins with small and medium enterprises (SMEs) policies, such as management support for those SMEs' efforts of business improvement through partnerships between agriculture, manufacturing, and commerce sectors, should be promoted.

## (2) Strengthening *Kizuna* with consumers

(i) In order to fully bring out the regional powers, following activities should be promoted: utilization of allotment gardens and green tourism, which has a potential to change the lifestyles of urban residents; introduction of initiatives for corporations and consumers to support agriculture, forestry, and fisheries; promotion of local production for local consumption through school lunches or other public facilities; tie-ins with measures against the damage caused by wildlife; and mutual partnerships between social welfare programs and agriculture, forestry, and fisheries.

When promoting the activities mentioned above, especially in hilly and mountainous areas with a rich natural environment, efforts should be made to ensure the participation of people concerned in the activities, so that the community becomes the place for the creation of new value, as well as the place for senior citizens to live in with ease.

(ii) Based on the new relationships between supply side and demand side, initiatives contributing to the reconstruction of “Japan brand” should be considered, such as a festival

for food, agriculture, forestry, and fisheries with a wide range of participation, including foreign consumers, stakeholders in industry, and governments.

(3) Rebuilding strategies for the export of Japan's agricultural, forest, and seafood products

(i) While the necessity of safety assurance for foods has increased due to the nuclear accident, foreign countries' appreciation for Japan's agricultural, forest, and seafood products has become unstable, and thus a loss has been caused due to the introduction of more stringent regulations by those foreign countries. Export strategies, including enhancement of exporting system, should be rebuilt in order to restore confidence in Japan's agricultural, forest, and seafood products and foods, thereby recovering from the decline and increasing exports again.

(ii) In order to increase credibility in Japan's high-quality agricultural, forest, and seafood products and to obtain appropriate evaluations for them, a system for protecting geographical indications should be introduced.

(iii) Consideration for registration of the Japanese cuisine in Japan to the World Heritage status should be commenced.

(4) More efficient distribution system

From the viewpoint of making the distribution system more efficient, enhancing the competitiveness of agricultural cooperatives and other entities in the food and distribution industries should be considered.

[Strategy 3] Promoting the utilization of resources in rural areas for energy production

- (1) Rural areas are abundant in energy sources such as land, water, wind, heat, and biomass. In order to create wealthy rural areas, it is important to effectively utilize these local resources, thereby generating new incomes and employments.

Moreover, utilizing these resources for renewable energy supply (solar power, small-scale hydraulic power, wind power, geothermal power, and biomass) will contribute to the formation of a decentralized energy supply system and the efficient use of national land, among others.

- (2) Therefore, locally-led initiatives for renewable energy supply should be promoted, thereby encouraging both the promotion of agriculture, forestry, and fisheries and the vitalization of rural areas in an integrated manner.
- (3) In order to promote the initiatives mentioned above, technological development of renewable energy should be accelerated, and, at the same time, an independent decentralized energy system (smart village), which is resistant to disasters and highly efficient, should be introduced as a model.

[Strategy 4] Revitalizing forests and forestry

With the goal of 50 % wood self-sufficiency, promoting “Forest and Forestry Revitalization Plan”

- (1) In order to revitalize forest and forestry by maximum effective use of Japan’s forest resources, and to establish sustainable forest management and a stable domestic timber supply system, following activities should be promoted in a comprehensive manner: the maintenance of diverse forests, well-organized forestry operation and road network improvements, human resource development, and expanded use of wood products.
- (2) Stable supply of wood should be promoted in order to secure housing materials and other necessary items for rehabilitating disaster victims’ livelihoods.
- (3) Additionally, the following employment opportunities to supplement income from forestry should be created: local production for local consumption, effective utilization of forest resources abundant in mountainous villages such as the promotion of the utilization of biomass energy, cooperation between cities and mountainous villages, and promotion of special forest products such as mushrooms.

## [Strategy 5] Revitalizing fisheries

Creating attractive fisheries through modernization and resource management

- (1) By introducing energy-efficient and cost-reducing fishing vessels, promoting joint ventures and fleet rationalization, and introducing shared use of vessels, fishery business with high productivity and high profitability should be promoted. Additionally, for aquaculture, collaboration and joint ventures based on their characteristics in management, as well as application of advanced hygiene management and appropriate culture densities, should be promoted.
- (2) Future generations of active fishermen should be increased and maintained through, among others, matching job seekers with fishing communities. With the measures for resource management and the Direct Payment for Income Support for Fisheries, effective fishery resource management and stable fishery business should be secured.
- (3) Initiatives taken by fishery cooperatives and others with the aim of restructuring their organization and projects should be promoted in order to ensure management bases of the fisheries-related organizations, with a view to enabling them to play a supporting role in local fishing industries.
- (4) Initiatives taken by distributors and processors for stable supply of safe seafood products should be supported. In addition, functions for distribution and processing in fishing ports, which function as a central platform for the Sixth Industrialization, improved quality and hygiene control, and production and distribution of seafood products, should be strengthened.

## [Strategy 6]

Constructing earthquake-resistant infrastructures for agriculture, forestry, and fisheries

- (1) Reviewing agriculture, forestry, fisheries, and related industries for future earthquakes and tsunamis

(i) From the viewpoint of disaster prevention and mitigation, infrastructures should be reviewed throughout the country. Seaside disaster prevention forests should be restored and raised.

(ii) In light of the implementation of this interim report and the lessons learned from the Great East Japan Earthquake, the policy direction of the Agricultural Land Improvement Project should be reviewed.

(iii) Along with the review of conservation of resources such as farmland and irrigation water and provision of land improvement facilities, a community supporting system should be considered in order for rural communities to smoothly conduct the aforementioned activities.

## (2) Measures to ensure stable food supply chain and feed supply for disasters

Stable supply systems of rice, fresh raw food, and feed for livestock farmers should be built, which remain functional even in the event of disasters.

## (3) Reviewing the Food Security Manual

The Food Security Manual should be reviewed in light of the lessons learned from recent earthquakes and nuclear accidents.

### [Strategy 7] Taking effective countermeasures against nuclear disasters

The recent nuclear disasters following the earthquakes and tsunamis are among the worst in the world. Damages to Japan's agricultural, forest, and seafood products are still expanding, so that people's confidence in them is enormously damaged.

Having sympathy for farmers, foresters, and fishermen suffering from the damages, the government should straightforwardly deal with nuclear disasters. The countermeasures against nuclear disasters include the following, although the list is not exhaustive.

- (1) In order to prevent the distribution of foods contaminated by radioactivity exceeding the provisional regulation level under the Food Sanitation Act, the surveillance system of radioactive materials should be strengthened. In addition, surveys should be steadily conducted on the level of radioactive materials contained in domestic agricultural, forest, and seafood products, farmland soil, forests, and ocean regions, among others. Furthermore, measures for the reduction of radioactive materials in farmland soil should be implemented.
- (2) In order to enable farmers to work without anxiety, appropriate information and technical guidance should be provided for livestock farmers and field crop farmers on site. In addition, when farmers wish so, farmers' relocation to specific areas with future prospects, as well as provision of training for them, should be supported.
- (3) In order to appropriately communicate with consumers, the results of surveys on radioactive materials should be disseminated swiftly.
- (4) With regard to the compensation for people engaging in agriculture, forestry, and fisheries who are suffering from damages caused by nuclear disasters, all possible measures, including provisional payments, should be taken, under the initiative of the Relevant Ministerial Meetings of Nuclear Power Station Accident Economic Impacts Response Team and other initiatives, in order to ensure prompt and appropriate compensation.

#### **IV. Important issues to be addressed promptly**

- (1) "The Guideline on Policy Promotion" mandated the Council to "consider measures to cope with new challenges of rehabilitating agriculture, forestry, and fishery industries in East Japan, and restoring confidence in Japan's agricultural and marine products." This interim report contains Strategy<sup>6</sup> (constructing earthquake-resistant infrastructures for agriculture, forestry, and fisheries) and Strategy 7 (taking effective countermeasures against nuclear disasters). Accordingly, it is necessary to take all

possible measures against earthquake disasters in agricultural, forest, and fishery sectors. In implementing the measures, which could be model cases for future national policies, in the afflicted areas, it is necessary to bear in mind the geographical and other specific conditions, as well as the characteristics of local agriculture, forestry, and fisheries carried on so far.

- (2) This interim report summarized measures that should be considered for enhancing the competitiveness and soundness of agriculture, forestry, and fisheries nationally, based on the issues derived from the Council's consideration before earthquake, while adding post-earthquake issues such as Strategy 6 and Strategy 7. The government needs to work intensively in the next five years for the enhancement of the competitiveness and soundness of Japan's food, agriculture, forestry, and fisheries and for the promotion of regional economies, and thus for the realization of an early revitalization of them.
- (3) Making compatible high-level economic partnerships and the revitalization of agriculture, forestry, and fisheries is an important issue. In order to realize this aim, it is indispensable to resolve issues specified in this interim report, and secure the understanding of the people as well as stable financial resources in addition. Consideration will thus be made in a concrete manner on issues such as the shift of burdens from consumers to taxpayers, reforming direct payment schemes, and formation of benefit distribution mechanism accrued from opening up of the country.

In addition, in order to avoid various deep confrontations of opinions and to enable people to discuss rationally, necessary information should be disclosed to the public.

- (4) Through (1)–(3) above, for the basic policy that was to have been developed at around June and for the action plan that was to be drawn up at around October according to the “Basic Policy on Comprehensive Economic Partnerships,” the new timelines will be considered to replace the intended schedules, taking into account the overall schedule for the revitalization of Japan and the progress in restoration and reconstruction.

(Reference Materials)

- Members of the Council to Promote the Revitalization of Food, Agriculture, Forestry, and Fisheries
- Course of deliberations
- On convening the Council to Promote the Revitalization of Food, Agriculture, Forestry, and Fisheries (The Decision by the Headquarters for the Revitalization of Food, Agriculture, Forestry, and Fisheries, November 30, 2010)



## Members of the Council to Promote the Revitalization of Food, Agriculture, Forestry, and Fisheries

Chair:	Prime Minister
Vice-chairs:	Minister for National Policy
	Minister of Agriculture, Forestry and Fisheries
Members:	Chief Cabinet Secretary
	Minister of Internal Affairs and Communications
	Minister of Finance
	Minister for Foreign Affairs
	Minister of Economy, Trade and Industry
Kazunuki OHIZUMI	Dean, School of Project Design, Miyagi University
Tokiko KATO	Singer, former United Nations Environment Program (UNEP) goodwill ambassador
Heita KAWAKATSU	Governor of Shizuoka Prefecture
Eizo KOBAYASHI	Chairman, Itochu Corp.
Ritsuko SAGARA	Chair, Ibaraki Women Agriculturalists Association
Shinichi SHOGENJI	Professor, Graduate School of Bioagricultural Sciences, Nagoya University
Yukiko FUKAGAWA	Professor, Faculty of Political Science and Economics, Waseda University
Toshihiro BUTTA	President, Butta Agricultural Products Corp.
Akio MIMURA	Chairman, Nippon Steel Corp.
Noritoshi MURATA	President, Seven & i Holdings Co., Ltd.
Mamoru MOTOKI	President, Central Union of Agricultural Co-operatives

## Course of deliberations

2010

- November 30: First meeting of the Council
1. Regarding the Council's management procedures
  2. Regarding the Council's board of governors
  3. Regarding major points of discussion
  4. Regarding scheduling for future consideration

2011

- January 21 Second meeting
- Regarding what agricultural reform should be introduced to achieve sustainable management (in particular, consideration for enhancing competitiveness in field crop agriculture such as rice-paddy agriculture)
- February 25 Third meeting
1. Overview of discussion points for the March interim report, and how to proceed henceforth
  2. Consideration for enhancing the competitiveness of field crop agriculture
  3. Consideration for reforming the food supply and distribution systems, and transformation into growing industries/Sixth Industry
- June 10 Fourth meeting
- The situation of agriculture, forestry and fisheries after the Great East Japan Earthquake and the measures for recovery and reconstruction
- July 12 Fifth meeting
- Consideration for making an interim report for the revitalization of food, agriculture, forestry, and fisheries
- August 2 Sixth meeting
- Regarding the Interim Report for the Revitalization of Food, Agriculture, Forestry, and Fisheries

## On convening the Council to Promote the Revitalization of Food, Agriculture, Forestry, and Fisheries

November 30, 2010

The Decision by the Headquarters for the Revitalization  
of Food, Agriculture, Forestry, and Fisheries

1. The Council to Promote the Revitalization of Food, Agriculture, Forestry and Fisheries (hereinafter referred to as the “Council”) shall be convened in order to consider and promote measures that will promote both high-level economic partnerships and improvement of Japan’s food self-sufficiency and revitalization of its agriculture industry and rural communities and foster sustainable and strong agriculture, by mobilizing the competences of both public and private sectors.
2. The Council shall comprise the following members. However, the Chair may, when necessary, add members or request the attendance of relevant persons.
  - Chair: Prime Minister
  - Vice-chairs: Minister for National Policy  
Minister of Agriculture, Forestry and Fisheries
  - Members: Chief Cabinet Secretary, Minister for Internal Affairs and Communications, Minister of Finance, Minister for Foreign Affairs, Minister of Economy, Trade and Industry, and experts and other persons designated by the Prime Minister
3. The Council’s general affairs shall be handled in the Cabinet Secretariat, with the cooperation of the Ministry of Agriculture, Forestry and Fisheries.
4. The Chair shall decide other necessary matters related to the Council’s management.