

Eight Policy Proposals for the Revitalization of Japanese Agriculture

< Summary >

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Our policy proposals aim for productivity improvement and the enhancement of competitiveness of Japanese agriculture. In Japan, there has been a theory about the heterogeneity of agriculture that agriculture is different from other industries; however, our proposals aim to drop such thinking and make agriculture an attractive industry that will encourage young people to engage in by having market-oriented ideas, economies of scale, and technologies take root in agriculture. What is important, among others, is to have farmers with initiative, and we need to create agriculture where such young farmers have dreams and hopes. We should aim for such agriculture that will increase the income of those who engage in it and will create employment opportunities for young people. What is indispensable for the realization thereof is a coalition with enterprises.

The agriculture, forestry, and fisheries industries are virtually the industries that can serve as the trigger for regional development and the creation of employment opportunities, and Japan has technologies and infrastructures enough to achieve them. Nevertheless, it has been pointed out for more than 15 years that there exist various challenges facing us, such as the increase of abandoned farmlands, the aging of the people engaged in farming, and the malfunction of the market mechanism, and to our regret, we have not seen any major improvement in these issues so far. The next five years during which the number of people who give up farming is expected to increase due to aging and for other reasons is the last chance for the structural reform of Japanese agriculture. Under the circumstances, we now need to work actively on sweeping reform.

To achieve this, among others, we should improve agricultural productivity based on the consumer-oriented idea of incorporating the needs of the market into products. Not agriculture based on the uniform policy throughout Japan but the “right crop for the right land” policy utilizing regional individualities should be promoted. Under the initiative of each prefecture and municipality, effective community-based agricultural administration should be implemented and the Japanese government should focus on outlining the design of institutional arrangements and expanding the best practices of prefectures and municipalities horizontally. In addition, by bringing not only the domestic market but also overseas markets into view, a major step forward should be made to promote export, primarily to countries participating in the TPP agreement under negotiations. Front-runners should be nurtured in the special agricultural districts, and the cases are deployed horizontally.

To accomplish these measures, it is essential to facilitate the entry of enterprises and actively introduce management and marketing expertise and technologies, such as ICT. When we successfully develop agriculture into the sextiary sector¹, including food-related industry, agriculture can be one of the prime industries for employment creation in any region. Necessary reforms for that purpose are the following eight items:

- Simplification of agriculture-related laws for making them more effective through a drastic review of the laws
- Establishment of an/the organization to guide Japan's agriculture policy to make Japanese agriculture business internationally competitive, and a review of the roles to be played by the state, prefectures and municipalities with regard to agriculture policy
- Formation of the Golden Triangle through the creation of the Japanese version of the National Institute of Food and Agriculture (NIFA)
- Reinforcement of the management foundation of the agricultural sector through cooperation between industry and people engaged in the agricultural business
- Easing of the requirements relating to agricultural production corporations
- Realization of the "right crop for the right land" policy through the phased abolition phase-out of rice production adjustments
- Reduction of fragmented and dispersed farmlands (preferably none of them) and correction adjustment to use farmlands more appropriately
- Review of the role and membership composition of agricultural committees

The most crucial point for agricultural reform is the designing of institutional arrangements that welcome the entry or collaboration of diversified parties concerned. It goes without saying that when entering the market, enterprises will need to have a long-term commitment and determination as well. In addition, under the initiative and leadership of the head of each prefecture and municipality, only when diversified parties concerned have brought in various technologies, know-how, and wisdom will innovations be generated, resulting in competitive agriculture differentiated according to regional characteristics.

Furthermore, the challenges we need to study from now on are as follows: First, farming in hilly and mountainous areas, bearing multiple functions, such as land conservation, watershed conservation and appropriate landscape formation, needs to be evaluated by using the criteria different from the productivity improvement through large-scale production. Second, the reality is that Japanese agriculture does not work out without foreign technical intern trainees and it is of pressing importance not only to nurture new initiative farmers, in Japan but also to review the technical intern training program to establish win-win relationships between trainees and initiative farmers.

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¹ The sextiary sector in the proposal defines agriculture (or the primary industry) as a competitive and independent industry integrated with a broad base of related industries. In order to realize the new style of agriculture as a sextiary sector, the following (measures) are required: one is that exclusive Japanese agriculture should be open to newcomers/entry and cooperate with the manufacturing (secondary) and service (tertiary) industries to enhance the added value of agriculture and its related sectors as a whole; the other is that productive efficiency should be improved by applying the industrial technology of the manufacturing industry.