FY2014 Annual Report
on Food, Agriculture and Rural Areas
in Japan

Summary

Ministry of Agriculture, Forestry and Fisheries
Japan, 2015
The FY2014 Annual Report on food, agriculture and rural areas in Japan is based on Items 1 and 2 of Article 14 of the Food, Agriculture and Rural Areas Basic Act (Law No. 106 of 1999).
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- Numbers in figures and tables are rounded in principle and may not add up to the total.
- Maps in this report may not necessarily indicate Japan’s territories comprehensively.
### Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AJCEP</td>
<td>ASEAN-Japan Comprehensive Economic Partnership Agreement</td>
</tr>
<tr>
<td>CAA</td>
<td>Consumer Affairs Agency</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GCC</td>
<td>Gulf Cooperation Council</td>
</tr>
<tr>
<td>JAS</td>
<td>Japan Agricultural Standards</td>
</tr>
<tr>
<td>MAFF</td>
<td>Ministry of Agriculture, Forestry and Fisheries</td>
</tr>
<tr>
<td>MHLW</td>
<td>Ministry of Health, Labour and Welfare</td>
</tr>
<tr>
<td>MIC</td>
<td>Ministry of Internal Affairs and Communications</td>
</tr>
<tr>
<td>MOF</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>US</td>
<td>The United States</td>
</tr>
</tbody>
</table>

### Symbols

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ha</td>
<td>Hectare</td>
</tr>
<tr>
<td>a</td>
<td>Are</td>
</tr>
<tr>
<td>kg</td>
<td>Kilogram</td>
</tr>
<tr>
<td>t</td>
<td>tons</td>
</tr>
</tbody>
</table>
Foreword

The Annual Report on Food, Agriculture and Rural Areas in Japan (hereinafter referred to as “this report”) is a report on food, agriculture and rural area trends that is annually submitted to the Diet based on the Food, Agriculture and Rural Areas Basic Act.

This report describes the trends of food, agriculture and rural areas in four chapters -- (1) efforts for securing stable food supply, (2) efforts for creating strong, aggressive agriculture, (3) utilizing local resources to promote rural areas, and (4) restoration/reconstruction from the Great East Japan Earthquake -- and provides feature stories on current agricultural policy topics.

Japan is now plagued with a decline in population. Particularly, the population decline and aging in rural areas are serious. On the other hand, Japan's agriculture and rural areas have the potential to contribute to growth. Under this situation, rural areas are trying to utilize abundant local resources for their invigoration and a movement for coming back to rural areas is steadily emerging.

In March 2015, the Cabinet decided the new Basic Plan for Food, Agriculture and Rural Areas based on the Food, Agriculture and Rural Areas Basic Act. The new plan indicates the direction of measures representing a medium to long-term vision of agriculture policy, food self-sufficiency ratio targets and food self-sufficiency potential indicator, agriculture structure outlook and pictures of specific agriculture development.

Given the above, this report takes up two special topics -- "invigorating rural areas in population-declining society" and "new Basic Plan for Food, Agriculture and Rural Areas."

While this report covers a wide range of topics, we have tried to introduce not only statistical data analyses and comments but also specific efforts taken throughout Japan for developing agriculture into a growth industry as much as possible in a bid to make this report easy to understand.

We hope that this report will help citizens deepen their interest in and understanding of Japan’s food, agriculture and rural areas.
(1) Population decline in rural areas and movement for coming back to rural areas

- As population is aging and declining with the elderly population beginning to fall after shouldering local activities in rural areas, Japan must draw pictures of rural areas’ futures meeting their characteristics and promote initiatives to maintain and invigorate communities and realign livelihood facilities in these areas.
- As mainly young residents in urban areas are increasing their interest in rural areas and pursuing affluent environments and new lifestyles in a movement of “coming back to rural areas,” with older people pursuing settlement in rural areas after their compulsory retirement, initiatives to maintain and invigorate communities are growing in rural areas.

Population and aging trend and outlook in rural and urban areas

![Population and aging trend and outlook in rural and urban areas](image)

As population is aging and declining with the elderly population beginning to fall after shouldering local activities in rural areas, Japan must draw pictures of rural areas’ futures meeting their characteristics and promote initiatives to maintain and invigorate communities and realign livelihood facilities in these areas.

(2) Taking advantage of local resources to invigorate rural communities and enhance local unity

- For the purpose of their invigoration and sustainable development, rural areas must effectively utilize abundant local resources to fully demonstrate local potential, nurture industries, secure employment, expand income and maintain and enhance community functions.
- In rural areas, there are many activities to make rural areas more attractive, such as utilizing local resources by using the capabilities of women and outsiders, social business to solve local challenges, private sector groups' support for local livelihood and other initiatives.

An initiative to use agricultural production and elderly support services to maintain and invigorate a rural community

Sadachio in Izumo city, Shimane Prefecture, is a mountainous rice-farming town. Local business farmers' aging and their growing orders for farming operations led the town to launch the limited liability company Green Work in 2003.

The company directly runs rice paddies totaling 20 hectares, undertakes harvesting and other farming operations under contracts and grazes sheep to help remove causeway slope grass. It also provides outing support services for vehicle-less elderly people, transporting them between their homes, and hospitals and retail shops. The company also delivers meal boxes to elderly people certified for nursing care twice a day throughout the year. These services are indispensable for local elderly people.

An initiative to utilize local resources to invigorate rural areas

Mr. Risho Azechi, president of Shimanto Drama, a company based in Shimanto town, Kochi Prefecture, has developed a social business based on the roadside station Shimanto Towa to cycle the environment, industries and networks by conserving and utilizing Shimanto River as a local resource to help increase visitors through sales of goods produced from the river.

In cooperation with local designers, his company has developed local tea and chestnut products, bags made of old newspaper and other unique goods and communicated these goods with local attractions to consumers throughout Japan. Attracted by the company's operations and the rich local natural environment, young people have increasingly migrated into the town.

The company has promoted initiatives to enhance primary industry production arrangements and local cooperation to create stable jobs and secure local industry supporters.
(3) Promoting migration and settlement in rural areas and nurturing new farmers

- At a time rural business farmers are aging while lacking their successors, initiatives have been implemented for rural areas to accept ambitious young people from throughout Japan for their training as new farmers and promote their migration and settlement to prevent agriculture and relevant local industries from declining. Efforts have also been made for rural areas to revitalize local communities by accepting urban residents willing to live in countryside.

- The government has been united to promote measures for overcoming population decline and vitalizing local economy (in Japan) and work out a vision for building attractive rural communities in line with the new Basic Plan for Food, Agriculture, and Rural Areas.

An initiative to invigorate local communities by promoting settlement and food

With a sense of crisis about depopulation, Onan town in Shimane Prefecture has implemented unique childcare support services under the slogan of “Japan’s No. 1 child-rearing village” and promoted “thorough care for settlers” and the “Class A gourmet initiative,” accepting 150 settlers and achieving a natural population increase of 20 persons in FY2013.

<table>
<thead>
<tr>
<th>Number of inquiries</th>
<th>Settling households</th>
<th>Settlers</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2010-2011</td>
<td>72</td>
<td>13</td>
</tr>
<tr>
<td>FY2011</td>
<td>153</td>
<td>24</td>
</tr>
<tr>
<td>FY2012</td>
<td>160</td>
<td>24</td>
</tr>
<tr>
<td>FY2013</td>
<td>138</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>523</td>
<td>96</td>
</tr>
</tbody>
</table>

Source: Prepared by MAFF based on data from Onan town

**Number of town-supported settlers (Units: inquiries, households, persons)**

Special Topic 2 New Basic Plan for Food, Agriculture and Rural Areas

(1) New Basic Plan for Food, Agriculture and Rural Areas

- The government considered food self-sufficiency ratio targets and prospects, and necessary measures for a medium to long-term agriculture policy vision and developed the new Basic Plan for Food, Agriculture and Rural Areas in March 2015 based on the Food, Agriculture and Rural Areas Basic Act.

**New Basic Plan for Food, Agriculture and Rural Areas**

- Measures to be taken
  - Securing stable food supply
  - Promotion of initiatives to secure food safety and consumer confidence in food
  - Promotion of food education, expansion of consumption of domestic agricultural products and the preservation successions of WASHOU (traditional dietary cultures of the Japanese)
  - Promotion of Aflatoxin prevention (raising value to agriculture, forestry and fisheries products in an innovative way), export of agriculture, forestry and fisheries products and foods, and overseas expansion of the food industry to lead agriculture and food industries to soundly develop by making accurate responses to consumer needs and fulfilling new demand
  - Establishment of comprehensive food security to address various risks involving a stable food supply

- Promotion of rural areas
  - Steady promotion of the multifunctional payment system and direct payment to farmers in the hilly and mountainous areas and enhancement of responses to damage due to wild animals
  - Enhancement of “integration and networking” and other initiatives for Regional Empowerment for Japan’s Growth in consideration of progress in population aging and decline
  - Promotion of exchanges between urban and rural areas, migration/settlement of various human resources from urban areas to rural areas

- Sustainable development of agriculture
  - Development/availing of business farmers for realizing a strong and sustainable agriculture structure and steady promotion of the Farming Income Stabilization Measures
  - Development of an environment wherein women farmers can fully exert their potential capacity
  - Consolidation of farmland to business farmers and securing of farmland through full-capacity operation of the Public Corporations for Farmland Consolidation to Core Farmers through Renting and Subleasing (Farmland Banks)
  - Development of an agricultural production base that contributes to acceleration of structural reform and building national resilience

- Promotion of rice policy reform, expansion of production of rice for feed and other strategic crops, and realization of technological innovation, etc. at agricultural production/distribution sites

- Promotion of responses to climatic change, etc.

- Restoration/reconstruction from the Great East Japan Earthquake
  - Promotion of steady renovation of farmland and agricultural facilities
  - Promotion of initiatives to secure food safety and eliminate unfavorable factors

- Reorganization/restructuring of relevant bodies
  - Implementation of reform of agricultural cooperatives and committees
  - Studying of desirable mutual rural integration and lead improvement distinct in considering desirable relevant systems
(2) Food self-sufficiency ratio targets

- Since the preparation of the previous Basic Plan, the total food self-sufficiency ratio has remained around 40% on a calorie supply basis and around 70% on a production value basis.
- Food self-sufficiency ratio targets are set based on verification of the previous Basic Plan, with consideration given to their feasibility over a period for the plan.
- The total food self-sufficiency ratio targets for FY2025 have been set at 45% on a calorie supply basis and 73% on a production value basis.
- Given that the self-sufficiency ratio for livestock products is greatly influenced by the feed self-sufficiency ratio, the feed self-sufficiency ratio target is set at 40% in line with the total food self-sufficiency ratio targets.

<table>
<thead>
<tr>
<th>Food self-sufficiency ratio targets</th>
<th>Present (FY2013)</th>
<th>FY2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food self-sufficiency ratio on a calorie supply basis</td>
<td>39</td>
<td>45</td>
</tr>
<tr>
<td>Food self-sufficiency ratio on a production value basis</td>
<td>65</td>
<td>73</td>
</tr>
<tr>
<td>Feed self-sufficiency ratio</td>
<td>26</td>
<td>40</td>
</tr>
</tbody>
</table>

Source: MAFF

(3) Food self-sufficiency potential indicator

- At a time when there are factors that can destabilize international food supply and demand, many people are concerned about a decline in food supply capacity of domestic production.
- Since the food self-sufficiency ratio does not count the food production potential of farmlands in which flowers and other non-food crops are currently cultivated, it does not fully reflect the food production potential of Japan’s agriculture, forestry and fisheries sector.
- Therefore, we have newly released “food self-sufficiency potential indicator” which evaluates Japan’s food production potential. By sharing the trend of Japanese food self-sufficiency potential, we intend to deepen national discussions on food security.

Food self-sufficiency potential indicator in FY2013

Food self-sufficiency potential indicator trends

Note: *An estimate of energy appropriate for maintaining a temporary body weight (without an increase or decrease) in the case of a relatively short term.
(4) Farmland outlook and how to secure farmlands, agriculture structure outlook

- The total farmland area in 2025 is projected at 4.4 million ha with consideration given to the past trend and effects of efforts to reduce farmland abandonment and restore abandoned farmlands.

- Under the agriculture structure outlook, farmers that implement efficient, stable management and those that pursue such management are combined into “business farmers.” The latter group of business farmers is eligible for the Farming Income Stabilization Measures, lending and investment measures to help make their farm management efficient and stable.

- With business farmers’ share of the total farmland area having risen from 30% to 50% over the past decade, we pursue an agriculture structure in which the share will rise to 80% over the next decade.

(5) Farm management outlook

- As well as macro paths for expanding agricultural income and relevant income in rural areas, we propose micro paths indicating that farmers would implement in line with regional conditions and crops.

- The micro business management paths indicate (1) farm management models providing pictures of efficient and stable management as well as management development and income expansion measures for major farm management types and regions, and (2) regional strategy examples by which regional agricultural and related income increases through agricultural development and AFFrinovation (adding value to agriculture, forestry and fisheries products in an innovative way).

### Farm management model types

<table>
<thead>
<tr>
<th>Farm management type</th>
<th>Farming system (number of models)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice cultivation</td>
<td>Land-extensive crops (3)</td>
</tr>
<tr>
<td></td>
<td>Land-extensive crops/vegetables (4)</td>
</tr>
<tr>
<td>Dry field farming</td>
<td>Hokkaido dry field crop rotation system (1)</td>
</tr>
<tr>
<td></td>
<td>Sweet potato/composite vegetable cultivation (1)</td>
</tr>
<tr>
<td></td>
<td>Sugar cane cultivation (1)</td>
</tr>
<tr>
<td></td>
<td>Tea cultivation (2)</td>
</tr>
<tr>
<td>Vegetable farming</td>
<td>Outdoor vegetable farming (4)</td>
</tr>
<tr>
<td></td>
<td>Indoor vegetable farming (2)</td>
</tr>
<tr>
<td>Fruit farming</td>
<td>Citrus fruits (1)</td>
</tr>
<tr>
<td></td>
<td>Apple (1)</td>
</tr>
<tr>
<td></td>
<td>Pear (1)</td>
</tr>
<tr>
<td></td>
<td>Composite fruit production/grape (1)</td>
</tr>
<tr>
<td>Flower farming</td>
<td>Cut flowers (2)</td>
</tr>
<tr>
<td></td>
<td>Potted plants (1)</td>
</tr>
<tr>
<td>Dairy farming (3)</td>
<td></td>
</tr>
<tr>
<td>Beef cattle farming</td>
<td>Breeding (2)</td>
</tr>
<tr>
<td>Hog farming (1)</td>
<td>Integrated breeding and fattening</td>
</tr>
<tr>
<td>Organic farming (1)</td>
<td></td>
</tr>
</tbody>
</table>

Source: MAFF

### Regional strategy examples

- **Demonstrating/creating regional agriculture strengths**
  1. Improving profitability through stockbreeding cluster
  2. Developing next-generation greenhouse horticulture areas
  3. Utilizing strengths of new varieties and technologies for cooperation with user industries
  4. Utilizing strengths of production areas for attracting food companies
  5. Launching businesses for AFFrinovation (adding value to agriculture, forestry and fisheries products in an innovative way)
  6. Utilizing local agriculture, forestry and fisheries products for cooperation with food companies
  7. Providing vegetables for processing and other food industries
  8. Developing production areas for exports
  9. Exporting high-quality agricultural products under an intellectual property right strategy
  10. Developing medicinal plant production areas
  11. Developing organic farming areas
  12. Developing processing at community-based farm cooperatives
  13. Utilizing special local products for unique processed goods with higher value added
  14. Developing farm products utilizing regional characteristics
  15. Establishing local distribution systems including farm stands for local consumption of local produce

- **Utilizing buried rural resources**
  16. Developing farm stands with farming experiences and rural restaurants
  17. Utilizing tourist farms and other facilities for exchanges between urban and rural residents
  18. Implementing farming experience farms and other projects meeting urban resident needs
  19. Utilizing exchanges for promoting regional agriculture
  20. Taking advantage of renewable energy for promoting agriculture

Source: MAFF
1 Global food supply and demand, and efforts for establishing food security

(1) Global food supply/demand trends

- International grain prices plunged from the peaks in 2008 and 2012. Major factors behind the plunge included abundant wheat stocks in the world, estimations of bountiful corn and soybean harvests in the U.S., and the aggressive export of the Thai government stocks of rice.
- Global food demand is expected to increase 1.6-fold from 4.47 billion t. in 2000 to 6.93 billion t. in 2050 mainly due to population and GDP growth.
- Global grain output has increased thanks to the yield improvement through technology innovations while the harvested area has leveled off. In the future, the yield growth is expected to slow down from a remarkable increase through the introduction of high-yield varieties under the green revolution in the 1960s. Over the medium to long term, the global food supply-demand balance is feared to tighten due to global population growth and economic growth in developing countries.

Changes in International prices of grains and soybeans

- **Record high prices**
  - Wheat: 470.3 dollars per ton, February 27, 2008
  - Corn: 327.2 dollars per ton, August 21, 2012
  - Rice: 1,038 dollars per ton, May 21, 2008
  - Soybeans: 650.7 dollars per ton, September 4, 2012

Global food demand outlook

- **2000**
  - Livestock products: 44.7
  - Other agricultural products: 11.9
  - Oilseeds: 24.1
  - Grains: 24.3

- **2050**
  - Livestock products: 69.3

Source: Prepared by MAFF based on data from The Chicago Board of Trade, and the Rice Committee, Board of Trade of Thailand

(2) Efforts for establishing comprehensive food security

- Given various risks expected to affect stable food supply, the government in preparation for unforeseeable events is selecting risks expected to affect supply of major agriculture, forestry and fisheries products and establishing a mechanism to regularly verify the impact and frequency of each risk and responses thereto. It is also sorting out specific procedures to address unforeseeable events.
- High temperatures and drought in the United States in FY 2012 led feed grain (corn and others) supply sources to be diversified in FY 2012 and 2013. In FY 2014, the U.S. supply share increased on record U.S. output.
(3) Trends in agriculture trade negotiations

- Japan has concluded or signed economic partnership agreements with 14 countries and one region (as of the end of March 2015). Japan’s EPA negotiations are ongoing with Canada, Colombia, Turkey and the European Union, Japan-China-Republic of Korea, and RCEP (the Regional Comprehensive Economic Partnership). The Japan-Australia EPA has entered into force in January 2015 and the Japan-Mongolia EPA was signed in February 2015.
- Japan has participated in the TPP (Trans-Pacific Partnership) negotiations since July 2013.
- On the Doha Round negotiations under the World Trade Organization, Ministers concluded the Ninth WTO Ministerial Conference in December 2013 with agreement on a package of: some parts of Agriculture, Agreement on Trade Facilitation, and Development and LDC issues.

### Status Quo of EPAs/FTAs

<table>
<thead>
<tr>
<th>Partners, etc.</th>
<th>Negotiations</th>
<th>Partners, etc.</th>
<th>Negotiations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>- 7 rounds have been held since November 2012</td>
<td>AJCEP</td>
<td>- A field of trade in goods was signed in April 2008 and has entered into force in December 2008.</td>
</tr>
<tr>
<td>Colombia</td>
<td>- 10 rounds have been held since December 2012</td>
<td>GCC</td>
<td>- Negotiations are ongoing in a field of trade in services and investment</td>
</tr>
<tr>
<td>Japan-China-South Korea FTA</td>
<td>- 6 rounds have been held since March 2013</td>
<td>South Korea</td>
<td>- Negotiations have suspended since November 2004</td>
</tr>
<tr>
<td>EU</td>
<td>- 9 rounds have been held since April 2013</td>
<td></td>
<td>- Working-level talks have continued since June 2008. The latest round held in May 2011.</td>
</tr>
<tr>
<td>RCEP</td>
<td>- 7 rounds have been held since May 2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>- 1 round has been held since December 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TPP</td>
<td>- Japan has participated in TPP negotiations since the 18th session in July 2013</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: MAFF (as of the end of March 2015)

2 Japan’s food self-sufficiency ratio trends

- The total food self-sufficiency ratio on a calorie supply basis has stayed around 40% since FY 1997. In FY 2013, demand for domestically produced table rice slightly increased due to a last-minute demand rise before a consumption tax hike in April 2014, while domestic wheat and soybean production declined. As a result, the total food self-sufficiency ratio remained unchanged from the previous year at 39%.
- The total food self-sufficiency ratio on a production value basis has remained between 65% and 75% since FY 1995. In FY 2013, the ratio dropped by 2 percentage points from the previous year to 65% as import prices rose for all products due to the yen’s depreciation, with domestic fruit production declining.

### Source: MAFF, “Food Balance Sheet”
3 Food consumption trends and promotion of Shokuiku (food education)
(1) Food consumption trends

○ In the future, couple-and-child households’ share of total households is expected to decline sharply, while single-member households’ share is projected to greatly increase. Then, fresh foods’ share of food consumption in all households may decline, with the share rising for processed foods. People may thus growingly depend on cooking and meals outside households. Externalization of our diet is projected to grow.

○ Among single-member households that are expected to increase in the future, particularly, eating-out and fresh food consumption may decrease, with processed food consumption expanding remarkably.

<table>
<thead>
<tr>
<th>Breakdown of ordinary households by type</th>
<th>(Multi-member households)</th>
<th>(Single-member households)</th>
<th>(All households)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2035</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
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<td></td>
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<td>2035</td>
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<td>2000</td>
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<td>2010</td>
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<tr>
<td>2020</td>
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<td></td>
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<tr>
<td>2035</td>
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</tr>
</tbody>
</table>


(2) Promotion of Shokuiku (food education), conservation and succession of WASHOKU

○ In promoting the Japanese dietary pattern, MAFF publicizes scientific grounds, advantages of rice meals, effective uses of home-meal replacements and eating-out, and other details of Japanese dietary pattern, while addressing consumers’ diverse characteristics and needs.

○ Given that agriculture, forestry and fisheries experiences contribute to promoting consumers’ understanding about eating and the agriculture, forestry and fisheries sector, and that these experiences contribute to their confidential relationship with agriculture, forestry and fisheries producers, these experiences for a wide range of generations are promoted, along with the diffusion of the Japanese dietary pattern.

○ It is important to take advantage of the registration of “WASHOKU” (traditional dietary culture of the Japanese) as a UNESCO (United Nations Education, Scientific and Cultural Organization) Intangible Cultural Heritage for generating national momentum for transmitting “WASHOKU” to following generations and maintaining and increasing favor for “WASHOKU.”

Comparison of rate of reasons for selecting domestically produced vegetables
(Presence or absence of agriculture, forestry and fisheries experiences) (Multiple answers)

<table>
<thead>
<tr>
<th>Reason</th>
<th>0</th>
<th>20</th>
<th>40</th>
<th>60</th>
<th>80</th>
<th>100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very fresh</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delicious</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliable producers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Willing to support domestic products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: MAFF surveys
Notes: 1) Survey covering males and females aged 20 or more throughout Japan (released in March 2015)
2) Respondents with agriculture, forestry and fisheries experiences were covered by a questionnaire survey (666 respondents). Those without these experiences were covered by an Internet survey (1,983 respondents).

Washoku school lunch promotion project’s initiatives
Twenty WASHOKU cooks have formed a Washoku school lunch promotion project to transmit WASHOKU to young people. The project has implemented initiatives for transmitting WASHOKU cultures in school lunches at 25 elementary and junior high schools in Japan, including their cooperation with nutrition teachers and other school nutrition officials to develop WASHOKU menus and communicate WASHOKU to young people.

At Tanesashi Elementary School in Aomori Prefecture’s Hachinohe city, the project conducted a Shokuiku (food education) cooking class for its 30 pupils under the theme “How Wonderful WASHOKU Is”

Cooks explained about cooking processes and techniques while practicing cooking in front of the pupils.

Cooks also cooked a menu they practiced cooking in front of the pupils.

Municipal officials in charge of school nutrition officials to develop WASHOKU menus and communicate WASHOKU to young people.

At Tanesashi Elementary School in Aomori Prefecture’s Hachinohe city, the project conducted a Shokuiku (food education) cooking class for its 30 pupils under the theme “How Wonderful WASHOKU Is”

Cooks explained about cooking processes and techniques while practicing cooking in front of the pupils.

These pupils observed the cooking practice with interest and ate the entire meal, deepening their understanding and awareness of foods.

Shokuiku class
(1) Efforts for improving food safety

- Risk management based on scientific evidence targeting throughout the food chain, from production to consumption, is essential to improve food safety.
- The GAP (Good Agricultural Practices) scheme has been promoted in the production phase. The number of GAP-introducing production areas has steadily increased. In the manufacturing stage, the gradual introduction of the HACCP (Hazard Analysis and Critical Control Point) system is promoted.
- With respect to Livestock products, the farm HACCP concept is promoted, which applies the HACCP system to Livestock farms to enable advanced sanitary control.
- In December 2013, a highly concentrated agricultural chemical (Malathion) was mixed into a frozen food product during the manufacturing process at a plant in Japan. In a bid to promote business operators’ food defense, MAFF in June 2014 released a report by a panel on how to prevent poisonous substances from being put into foods intentionally.

Supply of safe livestock products through integrated hygiene management from farms to consumers

**Food Chain**
- **Production stage**
  - Production farms
    - 1. Checking the general hygiene management program
    - 2. Conducting hazard analysis and creating hazard lists
    - 3. Creating a hygiene management plan
    - 4. Verifying the implementation situation for hygiene management

- **Manufacturing, processing and distribution stages**
  - Dairy factories, meat processing plants, etc.
    - 1. Checking the general hygiene management program
    - 2. Conducting hazard analysis and creating hazard lists
    - 3. Creating a hygiene management plan
    - 4. Verifying the implementation situation for hygiene management

- **Consumption stage**
  - Consumers
    - Appropriate storage, cooking, etc. in accordance with the type of food

**Support for introducing HACCP**
- MAFF
  - Creation and dissemination of certification criteria
  - Training on-site managers and leaders
  - Support for facility development

**Regulation and monitoring, etc.**
- MHLW
  - Regulation and monitoring based on the Food Sanitation Act, etc.
  - Approval of the Comprehensive Sanitation Management and Production Process
  - Dissemination of HACCP, creating a standard of hygiene management based on HACCP, etc.

**Information provision and risk communication through websites**
- MAFF, etc.

**Trends of GAP-introducing agricultural production areas**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>439</td>
</tr>
<tr>
<td>2008</td>
<td>1,138</td>
</tr>
<tr>
<td>2009</td>
<td>1,572</td>
</tr>
<tr>
<td>2010</td>
<td>2,194</td>
</tr>
<tr>
<td>2011</td>
<td>2,462</td>
</tr>
<tr>
<td>2012</td>
<td>2,607</td>
</tr>
<tr>
<td>2013</td>
<td>2,713</td>
</tr>
</tbody>
</table>

Source: MAFF surveys

Notes: 1) Numbers for 2007 and 2008 are those at the end of July. Numbers for the years from 2009 are those at the end of fiscal year (March).
2) The number for 2011 excludes areas in Fukushima Prefecture.

**Overview of a report by a panel on how to prevent poisonous substances from being put into foods intentionally (released in June 2014)**

**Messages from the case where Malathion was intentionally mixed into foods**
- Documenting crisis response procedures including responses to complaints and recall of products, and implementing training
- Rechecking responsibility arrangements for crisis management including business management and quality assurance
- Understanding concepts of food defense

**Useful information for food business operators’ food defense**
- Improving awareness of food defense under the assumption that poisonous substances could be intentionally mixed into food products
- Creating an environment where it is difficult to mix poisonous substances into food products
- Besides efforts for improving food safety, crisis management training are important.

**Diffusing the report among food business operators**
- Diffusing the report among food business operators through seminars and information services in cooperation with relevant organizations and local governments

Source: MAFF
(2) Animal epidemic prevention and phytosanitary measures

- Over recent years, neighboring countries have seen outbreaks of domestic animal infectious diseases such as foot-and-mouth disease and avian influenza. Shoe sole disinfection and baggage checks with quarantine detector dogs are implemented for travelers to prevent domestic animal infectious diseases from entering Japan. In addressing outbreaks of avian influenza and other diseases in Japan, the MAFF cooperates with prefectural and other authorities in implementing appropriate measures.

- In order to effectively and efficiently prevent pests from entering Japan, MAFF identifies quarantine pests based on scientific grounds, and decides to implement appropriate phytosanitary measures against the quarantine pests according to their pest risks.

Outbreaks of Highly pathogenic avian influenza (Subtype H5N8) (from 2014)

<table>
<thead>
<tr>
<th>Country</th>
<th>Outbreaks</th>
<th>Poultry outbreak</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1 case</td>
<td>830 cases</td>
</tr>
<tr>
<td>Japan</td>
<td>6 cases</td>
<td></td>
</tr>
<tr>
<td>Taiwan</td>
<td>830 cases</td>
<td></td>
</tr>
<tr>
<td>South Korea</td>
<td>352 cases</td>
<td></td>
</tr>
</tbody>
</table>

*Including H5N2 and H5N3

Sources: Prepared by MAFF based on data from CAA

Note: The figure covers outbreaks between January 2014 and April 7, 2015

(3) Efforts to secure consumers’ confidence

- Based on the Food Labeling Act (put into force in April 2015), the “Food Labeling Standards” have been established, integrating 58 standards under the Food Sanitation Act, the Act on Standardization and Proper Quality Labeling of Agricultural and Forestry Products (JAS Act) and the Health Promotion Act.

- In response to the Implementation Plan for Regulatory Reform and the Japan Revitalization Strategy, a new system has been created for food business operators to indicate the functionality of so-called health foods and other processed food products and agriculture, forestry and fisheries goods based on scientific evidence under their own responsibility.

Overview of Food Labeling Standards

<table>
<thead>
<tr>
<th>Previous standards</th>
<th>Food Labeling Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 standards under the Food Sanitation Act</td>
<td>Balancing consumers’ information requests with business operators’ feasible information provision to drafting food labels that are easy for both parties to understand</td>
</tr>
<tr>
<td>52 standards under the JAS Act</td>
<td>&lt;&lt;Major changes from the previous system&gt;&gt;</td>
</tr>
<tr>
<td>1 standard under the Health Promotion Act</td>
<td>(1) Unifying processed food and fresh food categories</td>
</tr>
<tr>
<td>Integrating 58 standards under 3 acts into one</td>
<td>(2) Improving rules for using the marks unique to the production facility</td>
</tr>
<tr>
<td></td>
<td>(3) Improving rules for allergen labeling</td>
</tr>
<tr>
<td></td>
<td>(4) Requiring nutrient labeling</td>
</tr>
<tr>
<td></td>
<td>(5) Improving rules for nutrition claims</td>
</tr>
<tr>
<td></td>
<td>(6) Changing rules for Food with Nutrient Function Claims</td>
</tr>
<tr>
<td></td>
<td>(7) Changing rules for raw material labeling</td>
</tr>
<tr>
<td></td>
<td>(8) Improving rules for labeling additives for sales promotion</td>
</tr>
<tr>
<td></td>
<td>(9) Adopting part of labeling rules provided in notifications, etc. as standard</td>
</tr>
<tr>
<td></td>
<td>(10) Improving labeling layouts</td>
</tr>
</tbody>
</table>

Scope of products of which functionality can be labelled

- [Foods with nutrient function claims]
  - Prescribed functions of nutrients can be labelled (vitamins, minerals)
  - (Example) Calcium is a nutrient required for forming bones and teeth.

- [Food for Specified Health Uses]
  - Government-approved health-supporting functions can be labelled (dietary fiber, oligosaccharide, etc.)
  - (Example) Improving stomach conditions

- Other food products including agriculture, forestry and fisheries products
  - If certain requirements are met, business operators may label function claims on their own responsibility.

Source: Prepared by MAFF based on data from CAA

Source: Prepared by MAFF based on data from CAA
5 Food industry trends

The domestic production value of the food industry has remained in decline since the late 1990s against the background of food price drops, the falling birthrate and other changes. The value came to 79 trillion yen, accounting for 9% of total industrial production (911 trillion yen) in FY 2012, indicating the food industry’s key role in supporting local economies.

The contents of Home Care Foods were clarified as foods not only for people with weakened functions of chewing or swallowing but also for preventing undernourishment and for making daily life more comfortable. The nickname for such foods, “Smile Care Foods”, was chosen from suggestions by the public. The flowchart “How to choose “Smile Care Foods (foods for elderly or patients)” was elaborated for consumer’s appropriate choice of Smile Care Foods according to the functions and nutrition condition.

In June 2014, MAFF formulated “The Global Food Value Chain Strategy” indicating basic and regional strategies to promote overseas business and investments of Japanese food industry and to enhance export and create favorable environment for Japanese food export and overseas business. Based on the strategy, MAFF will promote establishing food value chains from production, manufacturing, processing, distribution to consumption through Public-Private Partnership mainly in developing countries.

Trends of domestic food industry production value

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic production value of all industries (calendar year)</td>
<td>677</td>
<td>867</td>
<td>918</td>
<td>934</td>
<td>950</td>
<td>906</td>
<td>901</td>
<td>911</td>
</tr>
</tbody>
</table>

Sources: Cabinet Office, “National Accounts” MAFF, “Economic Accounts for Agriculture and Food Related Industries”

Note: The domestic production value of all industries represents a total of output from various economic operations. The domestic production value of the food industry covers production values for the food industry, relevant distribution industry and restaurants in the “Economic Accounts for Agriculture and Food Related Industries.”

In order to reduce food losses estimated to total 5 million to 8 million tons annually, the working team composed of food-related businesses has made progress in taking measures including the revising of deadlines for delivering processed food products.

Over recent years, a decline in food and drink shops and other changes have led a growing number of elderly and other consumers to feel inconvenience and difficulties in purchasing food products, eating and drinking. It is important to continuously tackle the food access problem through horizontal cooperation between central and local governments and their collaboration with private sector companies, nonprofit organizations and local residents.

Major achievements of the working team on commercial practices to reduce food losses in FY 2014

- Revising delivery deadlines for processed foods: As recommended by the working team on commercial practices, five companies revised delivery deadlines for beverages or confectionary products for a best-before period of more than 180 days.
- Revising best-before date and labeling methods: Best-before date extended for 199 products between December 2013 and October 2014, with 159 products subjected to specified months at the end of the best-before periods.
- Reducing losses of foods for daily deliveries: Losses of foods for daily deliveries were estimated on a nation-wide basis:
  - Manufacturers: some 2.5 billion yen or 6,500 tons
  - Retailers: about 7.6 billion or 18,600 tons

Source: Prepared by MAFF based on reports by the working team on commercial practices to reduce food losses in FY 2014

Note: *Major target products included bread, tofu, milk products, natto, etc. A distribution survey covered mainly supermarkets and cooperatives.

Cooperating with local supermarkets for nationwide mobile retail services

Tokushimaru Inc. in Tokushima Prefecture’s Tokushima city has cooperated with local supermarkets as suppliers of goods and sales partners conducting mobile retail sales to implement minitruck-based mobile retail services for houses of elderly people on a nation-wide basis.

Sales partners, while receiving accounting know-how from the company, conduct mobile retail services twice a week with vehicles carrying 300 to 400 food and other daily life products provided by local supermarkets.

Mobile salespersons notify any abnormal changes involving elderly persons living alone to local support centers, contributing to local safety and security.