The government will promote the development of production/supply systems that are compatible with substantial changes in the demand structure and the like and expansion of exports.

- The government will also steadily promote rice policy reform and the expansion of production of rice for feed and other strategic crops.

- The government will work on enhancing the competitiveness of the livestock industry by such means as establishing and developing “livestock clusters” and enhancing the supply capability of items including horticulture products, organic farm products and medicinal plants according to user needs or other demand.

**Steady promotion of rice policy reform and expansion of production of rice for feed and other strategic crops**

**Enhancement of the competitiveness of the livestock industry by establishing and developing “livestock clusters”**

In light of the recent decrease in the number of farm households and livestock animals raised, the government will promote initiatives including the following:

- enhancement of competitiveness and the production base through promotion of “livestock clusters”;

- reduction of work load through the use of milking robots, external support organizations, and so on;

- securing of high-quality cattle through the use of sexed embryos and semen; and

- promotion of use of domestic feed through use of rice for feed, eco-feed, and promoting grazing.

Source: Compiled by MAFF.

**Enhancement of the supply capability of items including horticulture products, organic farm products and medicinal plants**

In order to respond to needs for vegetables for processing/industrial use which are facing growing demand, the government will promote initiatives including the following:

- development and introduction of varieties dedicated to processing/industrial use;

- establishment of integrated mechanization systems; and

- improvement of distribution efficiency.

For organic farm products, the government will promote the expansion of production by establishing/disseminating cultivation technology systems and promoting matching between users and producers.

With regard to medicinal plants, it will promote the efforts of contract culture, and promote such activities as the establishment of cultivation technology.
Part 3

**Promotion of technological innovation on production/distribution**

- The government will promote the establishment of a new R&D system for promptly solving problems faced by the producers and distributors.
- In order to realize expansion of the scale of activities, labor saving, and cost reduction for business farmers, the government will promote initiatives including smart agriculture using robots and ICT and next-generation greenhouse horticulture.
- The government will also push forward more effective farming safety measures for preventing farming accidents.

**Strategic R&D and acceleration of technology transfer**

In order to promote R&D for promptly solving problems faced by the producers and distributors, the government will strategically promote R&D that directly links to the needs of farmers and other related people through efforts including the following:
- participation of such entities as farmers, food industry business operators, and extension systems in the R&D phase; and
- application of most advanced technology such as robot technology, ICT and genomic technology to agriculture.

The government will also connect universities and research institutes that have innovative technology or other valuable assets with private companies and financial institutions, and promote the creation of platforms for accelerating joint research and commercialization.

**Innovation of production/distribution systems through such means as use of advanced technology**

In order to realize expansion of the scale of activities, labor saving, and cost reduction for business farmers amid the progression of aging and labor shortage, the government will promote initiatives including the following:
- initiatives for realizing smart agriculture and next-generation greenhouse horticulture centers;
- development and introduction of labor-saving cultivation technology suitable for large-scale farm management; and
- development of an environment that facilitates the outsourcing of farm work.

At the same time, the government will promote the introduction of technology for advancing demand-based production and addition of high value to products and establishment of technology for mitigating risks such as abnormal weather.

**Promotion of effective farming safety measures**

For preventing farming accidents, the government will push forward the following initiatives:
- introduction of risk assessment methods;
- review of training frameworks and the like; and
- development/dissemination of high-safety agricultural machinery.

**Platform**

(Universities, National Research and Development Agencies, private companies, prefectural research institutes, etc.)

**Figure 24-1**

Innovation of production/distribution systems through such means as use of advanced technology

**Introduction of robot technology that uses advanced technology**

Lessening of the burden of heavy labor that is difficult to mechanize, such as transporting agricultural products on a slope, by using a power assist suit

Expansion of the scale of work that can be done during the limited cropping season by operating multiple tractors under a human-robot collaboration system

Source: Compiled by MAFF.

**Platform**

Basic technologies, innovative technologies of other fields, etc.

**Figure 24-2**

Innovation of production/distribution systems through such means as use of advanced technology

**Promotion of effective farming safety measures**

Promotion/dissemination of risk assessment methods

Creation of farming safety stickers and posters, and holding of seminars, etc.

Development of agricultural machinery for enhancing safety

Source: Compiled by MAFF.

Source: Compiled by MAFF.

Basic Plan p. 47–49

Figure 24-3

Promotion of effective farming safety measures

Industrial, academic, and government researchers and businesses bring new technologies and ideas and launch new research projects, thereby creating new technologies.

Food industry

Distribution industry

Prefectural governments, extension systems

Mechatronics industry, administrative agencies

Coordinator

Innovation of production/distribution systems through such means as use of advanced technology

Strategic R&D and acceleration of technology transfer

Industrial, academic, and government researchers and businesses bring new technologies and ideas and launch new research projects, thereby creating new technologies.

Mechatronics industry, administrative agencies

Coordinator

Source: Compiled by MAFF.
Part 3

Promotion of environmental policy

Since agriculture, forestry and fisheries are considerably affected by climate change, the government will formulate an adaptation plan for the agriculture, forestry and fisheries sector, coupled with the formulation of an adaptation plan for the whole government.

- The government will also promote the conservation and sustainable use of biodiversity through agricultural production activities.

- The government will maintain and enhance the natural cyclical function of agriculture and establish sustainable agriculture.

Promotion of mitigation/adaptation measures for climate change

The government will promote efforts including the following to reduce the emission of greenhouse gases:
- Energy-saving measures for greenhouse horticulture and agricultural machinery;
- Optimization of fertilization; and
- Promotion of use of livestock excrement.

The government will formulate a climate change adaptation plan for the agriculture, forestry and fisheries sector and promote such activities as impact assessment and development of adaptation technology.

Conservation and sustainable use of biodiversity

The government will send out information on the verification results of the effects of “Ikimono Marks” (such as labeling on a biodiversity-friendly agricultural product) and case examples of progressive efforts being made, and promote exchanges between urban areas and rural areas, such as green tourism, initiatives toward increasing systems that are selected as Globally Important Agricultural Heritage Systems (GIAHS), and biodiversity conservation initiatives in collaboration with corporate activities.

The government will also promote the conservation and use of genetic resources based on international frameworks.

Maintenance and enhancement of the natural cyclical function of agriculture and its communication

The government will establish sustainable agriculture by maintaining and enhancing the natural cyclical function of agriculture through promoting agricultural production in harmony with the environment in various regions by way of making cyclic use of resources, such as livestock excrement and rice straw, and appropriate use of pesticides and fertilizers.

The government will verify the effects of agriculture on the environment and promote communication between people concerned.
Part 3

Steady promotion of the multifunctional payment system and performance of local community functions

Basic Plan p. 51–53

- The government will promote the maintenance and management of local resources through joint activities by the whole area, including family management entities, corporation management entities, and local residents.
- The government will also support the continuance of farming in hilly and mountainous areas, etc. with disadvantageous production conditions.
- The government will promote the networking of neighboring communities through the development of "small hubs" and traffic networks.

Initiatives for promoting the implementation of agriculture's multifunctional roles

In order to ensure the maintenance/implementation of agriculture's multifunctional roles into the future and back up structural reform including consolidation of farmland to business farmers, the government will support fundamental conservation activities (farmland maintenance payment) and qualitative improvement activities (quality improvement payment) of resources such as farmland, irrigation systems and farm roads by local communities. (Multifunctional payment system)

By continuing to implement the direct payment system to farmers in hilly and mountainous areas for offsetting disadvantageous agricultural production conditions in hilly and mountainous areas, the government will maintain agricultural production activities in areas under disadvantageous conditions, and thereby secure agriculture's multifunctional roles. (Direct payment system to farmers in hilly and mountainous areas)

Figure 26-1 Outline of the Japanese agricultural direct payment system

Figure 26-2 Networking of communities

The government will promote the creation of a future vision for the region under the initiative of local residents.

It will enhance the support framework for such efforts, and promote the conservation of farmland, reorganization/development of facilities related to agriculture and daily life and the development of an environment for realizing well-planned land use.

Further, the government will consider the desirable form of role-sharing between diverse people concerned, among other aspects, in the maintenance and management of farmland and agricultural facilities.

The government will further accelerate initiatives for supporting local livelihood, and promote the launching of organizations and development of business that can flexibly respond to region-specific needs.

Supporting joint activities for maintaining agriculture's multifunctional roles
- Backing up farmland consolidation through supporting on a regional basis the management of water channels, farm roads, etc., which burdens business farmers

Support targets
- Fundamental conservation activities such as mowing farmland slopes, dredging up mud from water channels and maintaining the surface of farm roads
- Expansion/reinforcement of frameworks in response to structural changes of rural areas, creation of conservation and management schemes, etc.

Supporting joint activities for improving the quality of local resources (farmland, water channels, farm roads, etc.)

Support targets
- Joint activity: minor repairs of water channels, farm roads and irrigation ponds
- Joint activity: planting of vegetation for good scenery, creation of biotopes
- Lifetime extension: activities for extending the lifetime of facilities, etc.

Supporting the difference in the production costs between areas with disadvantageous conditions (sloping areas, etc.) such as hilly and mountainous areas and flat areas

Supporting additional costs associated with agricultural production activities that contribute to conservation of the natural environment

* The effects of the payment and how the initiative has taken root are verified after five years, and the results are reflected in the measure.

Support targets
- Lifetime extension: activities for extending the lifetime of facilities, etc.
- Joint activity: planting of vegetation for good scenery, creation of biotopes
- Fundamental conservation activities such as mowing farmland slopes, dredging up mud from water channels and maintaining the surface of farm roads
- Expansion/reinforcement of frameworks in response to structural changes of rural areas, creation of conservation and management schemes, etc.

Supporting additional costs associated with agricultural production activities that contribute to conservation of the natural environment

* The effects of the payment and how the initiative has taken root are verified after five years, and the results are reflected in the measure.

Source: Compiled by MAFF.

Source: Compiled by MAFF.
The government will accelerate the securing of employment and increase of income in the entire rural area through the creation of new value by fully using the abundant local resources of the rural area and introduction of agriculture-related industries.

While enhancing economic circulation within the region whereby economic value that had flowed out of the rural area in the past is circulated within the area, the government will aim to strengthen economic networks between regions and develop the regions into wide-area economic zones in the future.

Creation of new value by using local agricultural products and other assets

The government will promote Affrinnovation whereby local farmers can create new value based on agriculture by fully using local resources, such as not merely shipping their agricultural products as they are, but adding high value to such products as well as their by-products through processing or direct sales in response to consumer and user needs, and developing business integrated with diverse initiatives such as tourist farms, farm restaurants and agricultural guest houses, according to the regional characteristics.

In promoting such initiatives, the government will invigorate rural communities by accelerating not only initiatives led by farmers, but also community-based initiatives implemented in collaboration with various people concerned, and spreading the synergy effect to the entire community.

Production/use of renewable energy led by communities in rural areas

Rural areas have abundant resources such as biomass, water and land. By using these resources as renewable energy sources in biomass power generation and small hydropower generation, etc., and expanding the initiatives of local entities such as farmers, the government will promote the improvement of farm management and return of profits to the community and vitalize rural areas.

Creation of employment and income through the introduction of agriculture-related industries to rural areas and other means

The government will develop an environment for accelerating the creation of employment and income in rural areas through the introduction of agriculture-related industries, such as the food manufacturing industry, to rural areas and other means. The government will also consider the desirable form of comprehensive measures for expanding employment opportunities by such means as attracting agriculture-related industries to rural areas under cooperation among relevant ministries.

Figure 27-1: Breakdown of the annual total sales value of agricultural production related business, etc.

<table>
<thead>
<tr>
<th>FY2012</th>
<th>Direct sales of fishery products 31.1 billion yen (1.6%)</th>
<th>Direct sales of agricultural products 844.8 billion yen (43.8%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tourist farms 37.9 billion yen (2.0%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Processing of fishery products 154.3 billion yen (8.0%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Processing of agricultural products 823.7 billion yen (42.7%)</td>
<td></td>
</tr>
<tr>
<td>Annual total sales value</td>
<td>1.9305 trillion yen (100.0%)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled by MAFF based on MAFF, “Comprehensive Survey on Affrinnovation,” etc. Note: “Processing of agricultural products” denotes an act of farming organizations and agricultural cooperatives, etc. processing, for the purpose of sale, agricultural products which they or their members have produced, irrespective of the percentage of the materials they constitute (including manufacture of non-food products). “Other agricultural production related business” denotes the total for agricultural guest houses, farm restaurants and exports of agricultural products.

Figure 27-2: Return of profits made by renewable energy to the community

Expenditures

- Capital cost
- Operating and maintenance cost
- Taxes
- Power source-specific cost

Income

- Cost for building the power generation facility
- Cost for facility retirement
- Personnel cost
- Land rental
- Miscellaneous costs (e.g., non-life insurance premiums)
- General administration cost
- Fuel cost
- Interest on loan

Rural areas have abundant resources such as biomass, water and land. By using these resources as renewable energy sources in biomass power generation and small hydropower generation, etc., and expanding the initiatives of local entities such as farmers, the government will promote the improvement of farm management and return of profits to the community and vitalize rural areas.

Figure 27-3: Elements required for realizing hopes to settle in rural areas

- The existence of a medical institution: 58.0%
- Access to a low-price house/land: 61.6%
- Access to information on the place of residence: 47.2%
- Securing of transportation means necessary for living: 43.4%
- Existence of work for maintaining livelihood: 39.2%
- Existence of a childcare support facility for pre-school children, such as a nursery school: 73.8%
- Existence of an educational facility for children: 21.8%

Source: Cabinet Office, “FY2014 Poll on Rural Areas.”
Part 3

Promotion of exchanges between urban and rural areas and migration/settlement to rural areas

The government will work to explore new tourist demand by combining green tourism with wide-area tourist excursion routes, and the like. The government will construct a framework for accepting tourists from abroad and carry out promotional activities. It will advance the development of facilities for accommodation and hands-on experience, a framework for accepting tourists, and human resources who will support the experience activities, among other activities.

The government will promote initiatives for expanding welfare farms, which are for health improvement and the development of life motivation for elderly people and self-reliance support for people with disabilities and people struggling financially, and having such farms become firmly established.

The government will promote initiatives for expanding welfare farms, which are for health improvement and the development of life motivation for elderly people and self-reliance support for people with disabilities and people struggling financially, and having such farms become firmly established.

Exchanges between urban and rural areas in collaboration with tourism, education, welfare, and other sectors

The government will work to promote initiatives for enhancing information provision and consultation support that will be required for migration/settlement to such places as rural areas.

It will work on creating a framework that allows people to live in rural areas on a trial basis, promoting the style of having a residence in an urban area as well as one in a rural area, and developing a framework for providing detailed consultation service before and after migration. At the same time, it will promote initiatives including the development of training facilities for people who want to engage in farming by using such a building as an empty house or a closed school and formulation of a comprehensive support plan packaging “farming” and “residing” in a rural area.

The government will drive forward collaborative activities among local governments, agricultural organizations, educational institutions, companies, and other entities.

Migration/settlement of various human resources from urban areas to rural areas

The government will work to explore new tourist demand by combining green tourism with wide-area tourist excursion routes, and the like. The government will construct a framework for accepting tourists from abroad and carry out promotional activities. It will advance the development of facilities for accommodation and hands-on experience, a framework for accepting tourists, and human resources who will support the experience activities, among other activities.

The government will promote initiatives for expanding welfare farms, which are for health improvement and the development of life motivation for elderly people and self-reliance support for people with disabilities and people struggling financially, and having such farms become firmly established.

Promotion of urban agriculture playing multifunctional roles

The government will work to promote urban residents’ understanding of the functions of urban agriculture, and, through appropriate sharing of roles with local governments, it will further initiatives for maintaining and developing farm management, promoting local consumption of agricultural products, encouraging farming experiences and interchange activities at such places as allotment gardens and experience farms, and enhancement of the disaster prevention function of urban farmland.

The government will consider reviewing systems relating to the promotion of urban agriculture and conservation of urban farmland, while making effort to increase the people’s understanding to a sufficient level.

- In light of such trends as the growing public interest in agriculture and rural areas, the government will deepen collaboration among various sectors, such as tourism, education and welfare, with agriculture at the core, and strategically promote exchanges between urban and rural areas.

- The government will promote initiatives for drawing the increased number of visitors to rural areas to migrate/settle to these areas.

- The government will also push forward initiatives for achieving sustainable promotion of urban agriculture.

**Figure 28-1**

Number of visitors from urban areas to rural areas (the total annual number of lodgers at green tourism facilities)

- Source: Surveys by Rural Development Bureau, MAFF.
- Note: The figure for FY2010 excludes the figures for the three prefectures affected by the Great East Japan Earthquake (Iwate, Miyagi and Fukushima).

**Figure 28-2**

Are urban residents hoping to settle in rural areas?

- Source: Cabinet Office, “Poll on Rural Areas” (released in August 2014)

**Figure 28-3**

Multifunctional roles of urban agriculture

- Source: Compiled by MAFF.

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Basic Plan p. 54–56
Part 3

Restoration/reconstruction from the Great East Japan Earthquake

Basic Plan p. 56–57

- The government will continue to promote steady restoration of farmland and agricultural facilities, etc. toward early resumption of farm management by affected farmers.

- The government will respond to the Fukushima Daiichi Nuclear Power Plant accident and promote initiatives to ensure food safety and remove harmful rumors.

Restoration/reconstruction from the earthquake/tsunami disaster

Toward early resumption of farm management by farmers affected by the Great East Japan Earthquake, the government will continue to promote the steady restoration of farmland, agricultural facilities, and the like in such areas as where damage was enormous. The government will promote the improvement of productivity through such measures as the expansion of farmland partitions, and, by conducting large-scale empirical research using advanced technology, push forward analysis of the effects of technology introduction and dissemination of the technology to affected areas.

Table 29-1: Areas of tsunami-affected farmland that are available for resuming farming

<table>
<thead>
<tr>
<th>Item</th>
<th>Damage details</th>
<th>Progress in restoration (%)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmland (as of Jan. 2015)</td>
<td>Tsunami-affected farmland in six prefectures (Aomori, Iwate, Miyagi, Fukushima, Ibaraki and Chiba) – 21,480 ha</td>
<td>70% (About 15,060 ha available for resuming farming)</td>
<td>Iwate: 62% (4,550 ha) Miyagi: 54% (12,030 ha) Fukushima: 30% (1,630 ha) Others: 100% (950 ha) Under the Basic Guideline for Reconstruction of Agriculture and Rural Communities after the Great East Japan Earthquake, farmland restoration and salt removal are under way in tsunami-affected farmland toward resuming farming there. The government will aim to make an additional farmland area of about 820 ha (4%) available for resuming farming within FY2015.</td>
</tr>
<tr>
<td>Farms (as of Feb. 1, 2014)</td>
<td>Tsunami-damaged farms (six prefectures in Tohoku and Kanto regions) – 15,100 farms</td>
<td>55% (About 5,610 farms resumed farming)</td>
<td>Iwate: 54% (260 farms) Miyagi: 85% (3,910 farms) Fukushima: 24% (670 farms) The approximately 5,610 farms that have resumed farming include those that have resumed part or all of the target agricultural production processes or preparations for them. (As of Feb. 1, 2014; six prefectures in the Tohoku and Kanto regions)</td>
</tr>
</tbody>
</table>

Figure 29-1
Areas of tsunami-affected farmland that are available for resuming farming

* The farms’ resumption status was estimated based on the results of MAFF officials’ interviews with people concerned about the extent (proportion) of damage and restoration and on the number of farms as indicated in the 2010 Census of Agriculture and Forestry, for each affected rural community or municipality.

Restoration/reconstruction from the nuclear accident

Toward the resumption of farming in the evacuation areas and other affected areas, the government will continue to provide support for the conservation, maintenance of decontaminated farmland, and farming demonstrations according to the progress of farmland decontamination and the return of farmers.

The government will maintain its efforts to provide scientific data, on the basis of scientific evidence, with accurate and plain information on monitoring results and farm-level measures for reduction of radioactive substances in agricultural products.

The entire government will also continue to provide scientific data to countries and areas that impose import restrictions, and negotiate to resume import.

Figure 29-2
Key points of “Principles for strengthening countermeasures against harmful rumors” (compiled by the Reconstruction Agency on June 23, 2014)

- Principle 1. Remove the source of harmful rumors
  (1) Implementation of radioactive substances inspection for the products of affected areas
  (2) Understanding and announcement of the radiation dosage within the environment

- Principle 2. Provide accurate and plain information to prevent rumors
  Providing information on radioactivity and reinforcement of communication with the public

- Principle 3. Support industries that suffered from harmful rumors
  (1) Expansion of the sales channel of products of affected areas, development of new products, etc.
  (2) Promotion of inviting visitors to affected areas from other parts of Japan and from abroad

Figure 29-3
Monitoring results in FY2014 (as of March 30, 2015)

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of samples</th>
<th>Number of samples above the maximum levels</th>
<th>Percentage of samples above the maximum levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>109.8 million</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Wheat and barley</td>
<td>383</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Pulse</td>
<td>2,579</td>
<td>0</td>
<td>0.1%</td>
</tr>
<tr>
<td>Vegetables</td>
<td>16,712</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Fruits</td>
<td>3,302</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Tea</td>
<td>206</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Raw milk</td>
<td>1,846</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Meat and eggs (excluding wild meat)</td>
<td>188,304</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Mushrooms and wild edible plants</td>
<td>8,557</td>
<td>103</td>
<td>1.2%</td>
</tr>
<tr>
<td>Fishery products</td>
<td>20,910</td>
<td>100</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Source (Figure 29-2): Prepared based on materials from the Reconstruction Agency.
Source (Figure 29-3): Compiled based on data released by MHLW and local governments. Data are those of the 17 prefectures targeted by “Concepts of Inspection Planning and the Establishment and Cancellation of Items and Areas to which Restriction of Distribution and/or Consumption of Foods concerned Apples” (Nuclear Emergency Response Headquarters). However, data for fishery products are those for the whole of Japan.
Part 3

Reorganization/restructuring of relevant bodies

Basic Plan p. 57–58

In the process of considering the desirable form of land improvement districts, in the future.

- The government will carry out reform to allow local agricultural cooperatives to focus on the improvement of farmers’ income by actively engaging in such activities as profit-boosting sales of agricultural products in concert with farmers through original and creative efforts.

- The government will also carry out reform concerning agricultural committees so that farmland uses in the region will be optimized from the viewpoint of farmers, particularly business farmers.

Hierarchical organization of agricultural cooperatives, hierarchical organization of agricultural committees

Figure 30-1 Outline of the Bill for Partial Amendment of the Agricultural Cooperatives Act

Purpose

In order to make agriculture a growth sector, it is necessary to develop an environment where economic entities that utilize the policies for Affrinnovation, overseas exports and farmland consolidation, etc. can conduct vigorous activities. Therefore, agricultural cooperatives, agricultural committees and agricultural production corporations will be integrally revised.

Outline of the amendment

Amendment of the Agricultural Cooperatives Act

- Local agricultural cooperatives will be allowed to freely conduct economic operations and focus on the improvement of farmers’ income.
- Providing that local agricultural cooperatives may choose to partially reorganize a part of their organization into a stock company or co-op, etc.
- Providing that local agricultural cooperatives may choose to partially reorganize a part of their organization into a stock company or co-op, etc.
- Federations and the central union will appropriately support the free economic activities of local agricultural cooperatives.
- Providing that the national federation of agricultural cooperative associations may choose to reorganize into a stock company.
- Shifting prefectoral central unions to agricultural cooperative federations that will carry out management consultation, audits, representation of opinions and comprehensive adjustments.
- Shifting the national central union to a general incorporated association that will carry out representation of opinions of cooperatives and comprehensive adjustments.

Amendment of the Act on Agricultural Committees, etc.

- Amendment will be made to promote the optimization of farmland use (consolidation to business farmers, prevention of cultivated land abandonment and promotion of new entry to the agricultural sector).
- Providing that cooperatives must not force farmers to use their business skills to sell, etc. agricultural products, in principle.
- Providing that cooperatives must not force farmers to use their business skills to sell, etc. agricultural products, in principle.
- Stipulating that the cooperatives should realize high profitability through appropriate business activities and endeavor to distribute the surplus in accordance with the amount of use of businesses to farmers, among other matters, while giving the maximum consideration for increasing agricultural income.
- Providing that a majority of directors should be composed of certified farmers and people who have practical skills to sell, etc. agricultural products, in principle.
- Providing that a majority of directors should be composed of certified farmers and people who have practical skills to sell, etc. agricultural products, in principle.

Amendment of the Agricultural Land Act

- Reviewing the requirements for agricultural production corporations (requirements for board members and voting rights) in order to promote management development through Affrinnovation.
- Providing that agricultural committees will be able to better achieve the optimization of farmland use.
- Providing that agricultural committees will be able to better achieve the optimization of farmland use.
- The amendment will contribute to the management development of agricultural production corporations, which are business farmers.

Effects

- Local agricultural cooperatives will be able to actively engage in profit-boosting sales, etc. of agricultural products in concert with farmers through original and creative efforts.
- Agricultural committees will be able to better achieve the optimization of farmland use.
- The amendment will contribute to the management development of agricultural production corporations, which are business farmers.

Source: Compiled by MAFF.

Agricultural mutual relief organizations, land improvement district

Due to the aging of farmers, it has become difficult for farmers themselves to operate the agricultural disaster compensation system. The system also has problematic differences in the service levels between the agricultural mutual relief associations.

It is expected that the organizational operation of land improvement districts will become affected by changes in the agricultural structure and rural areas.

The government will consider the desirable form of agricultural mutual relief organizations in the process of considering the desirable form of the agricultural disaster compensation system as well as the introduction of income insurance.

The government will continue to further the strengthening of the organizational operation base of the districts. At the same time, it will also consider the desirable form of land improvement districts in the process of verifying and considering the desirable form of the land improvement system, after identifying and analyzing the current status of land improvement districts, in the future.
The ratio of farmland used by business farmers has risen from 30% to 50% in the past decade.

The government pursues an agriculture structure in which the ratio will rise to 80% in the next decade.

If the trend up to 2010 were to continue, the number of farmers aged under 70 is expected to fall below 900,000 by 2025. Based on the premise that the number of young farmers who remain in the job doubled, the unbalanced age distribution will be corrected, and it will be possible to secure more than 900,000 farmers aged under 70 by 2025.

(Reference) Required number of farmers

At present, the number of core persons mainly engaged in farming and permanently hired workers on farm producing products other than land-extensive crops (such as vegetables, fruits and nuts, and livestock) is about 600,000 people. About the same number of people will be required in order to maintain the same level of production in the future.

For land-extensive crops, on the other hand, supposing that farmland consolidation has shown progress and one farmer can cultivate about 10 ha, the number of such farmers required is estimated to be about 300,000 people.

Combining them together, at least about 900,000 farmers will be required.
- Toward expanding agricultural income and relevant income in rural areas, the outlook indicates macro paths for such incomes.

- The government also indicates micro paths to enable people at agricultural production sites to more specifically envisage what kinds of efforts they should make according to regional conditions and crops.

 Paths for expanding agricultural income and relevant income in rural areas (macro paths)

Toward expanding agricultural income and relevant income in rural areas, the outlook presents the following as macro paths: with regard to agricultural income, the direction of efforts for increasing the production value and reducing the production cost for each item; with regard to relevant income in rural areas, the direction of efforts for increasing employment and income for seven fields that are expected to grow in the future, such as processing/direct sales, export, and exchanges between urban areas and rural areas.

Expansion of agricultural income

Production value (price (P) $\times$ production quantity (Q))

- Increase of the production value
  - Promotion of demand expansion
  - Export expansion also focusing on large markets such as the United States and EU
  - Further utilization of abandoned cultivated land and paddy fields based on demand, etc.

- Reduction of the production cost
  - Acceleration of farmland consolidation
  - Reduction of the material cost, etc.
  - Technological development
  - Infrastructure improvement, etc.

Expansion of relevant income in rural areas

Increase of employment and income through promotion of Affrinnovation, etc.

- Promotion of farmer-led processing and direct sales efforts
- Securing of employment opportunities by attracting or launching food companies, etc.
- Exploration of new markets, such as development of care food and functional food
- Introduction of renewable energy such as solar power or small hydropower or utilization of biomass
- Promotion of exchanges between urban areas and rural areas by opening agricultural guest houses, etc.
Exemplification of farm management models (micro paths)

The farm management outlook exemplifies descriptions of “effective and stable farm management” and their paths of management development and income increase for major farm management types and regions.

The examples are presented in a manner that will serve as useful reference according to the actual conditions of each region when creating or reviewing basic indicators, etc. of farm management which are created by prefectural or municipal governments.

Figure 33-1  Farm management model types and an example of a model

Below is an example of paddy farming management. Examples of other farm management types can be viewed at the following URL (Japanese version only).

(http://www.maff.go.jp/j/keikaku/k_aratana/pdf/8_keiei.pdf)

Exemplification of regional strategies (micro paths)

The farm management outlook exemplifies regional strategies for enabling people to envisage increasing of the total of agricultural income and relevant income in the region as a result of creation of employment and income through development of regional agriculture as well as such business development as Affrinnovation in collaboration with related industries.

It is expected to serve as a useful reference for each region in considering future actions for increasing income. For example, it is assumed to be used as a reference when local governments and production areas formulate a plan or strategy for agricultural promotion.

Figure 33-2  Exemplification of regional strategies and an example of a strategy

Below is an example of a livestock cluster. Examples of other cases can be viewed at the following URL (Japanese version only).

(http://www.maff.go.jp/j/keikaku/k_aratana/pdf/8_keiei.pdf)