

## Present Situation and Challenges of the Sugarcane and Sugar Industry in Okinawa Prefecture

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### Summary

The agriculture of Okinawa prefecture has been often described as a typical case of sugarcane monoculture. The prefecture's sugar industry, consisting of farmers and manufacturers, has been recognized as the most important economic sector in the disadvantaged islands. In recent years, however, with the number of sugarcane farmers dwindling, accompanied by a rise in their average age, sugarcane production in Okinawa has been decreasing. As a result, the industry's share in the prefecture's overall economic activities has declined, despite the fact that discussions have frequently concluded that supporting and maintaining the sugar industry is the best, or at least the second-best, way to revitalize the society and economy of the Okinawa islands.

This study examines the present situation in Okinawa's sugar industry in detail by analyzing related statistics for economic production, employment and land use of respective islands in order to examine the propriety of policies for promoting the sugar industry. The review of related statistics shows certain differences in the importance of the sugar industry sector between islands. Remoter islands, such as those in the Yaeyama and Daitojima areas, largely depend on the sugar industry. It is considered that land resource endowments and transportation conditions may be two important factors determining the industry's position. The endowment of relatively large flatland that is formed from the upheaval of coral reef often makes the production of sugarcane comparatively advantageous.

This article also explores the policies presently applied to the sugar industry in six representative sugar production islands of Okinawa. There are diverse supportive policies and activities which aim to increase sugar production. With the industry's lower share of the economy, however, one may suggest that flexible policies, such as strengthened linkage with other economic sectors, would be desirable, since the efficiency of fiscal expenditure to support the industry has been coming under more serious assessment.