

Analysis of group management entities

Census analysis team of the project on the structure of the agricultural industry and rural regions

Group management entities increase slightly in number, while unincorporated organizations increasingly become incorporated

This study targeted “group management entities,” which were newly defined in the 2020 census, and reclassified individual data for each year. Figure 1 shows the trends from 2005 to 2020.

The number of group management entities grew from 33,364 in 2005 to 38,363 in 2020. During the five-year period that began in 2015, their number increased by 1,061, or 3%. Simultaneously, the proportion of group management entities among agriculture management entities increased from 3% to 4%. This is because the number of agriculture management entities declined significantly.

Regarding the number of group management entities by organizational type, organized management entities (group management entities other than incorporated family-owned farm management entities), which continuously increased until 2015, have declined by 3%. By contrast, the number of incorporated family-owned farm management entities, which had been declining, has increased significantly (49%).

The factors behind the surge in the number of incorporated family-owned farm management entities require further investigation. It is clear, however, that the number of organized management entities declined in part because of an accelerated decline in the number of management entities that were already declining in the previous census, that is, unincorporated organized management entities and agricultural cooperatives (mostly agricultural services enterprises). The decline was also due to a slowdown in the rate of increase in the number of agricultural producers’ cooperative corporations (from a 60% increase to a 19% increase) and companies (from a 43% increase to a 10% increase).

The growth rate of agricultural producers’ cooperative corporations and that of companies have declined significantly, but they together accounted for 54% for all group management entities in 2020, up from 49% in 2015.

The number of unincorporated organized management entities, however, declined by more than 20%, as it did in the previous census. This indicates that the incorporation of unincorporated organized management entities continued to increase during these five years.

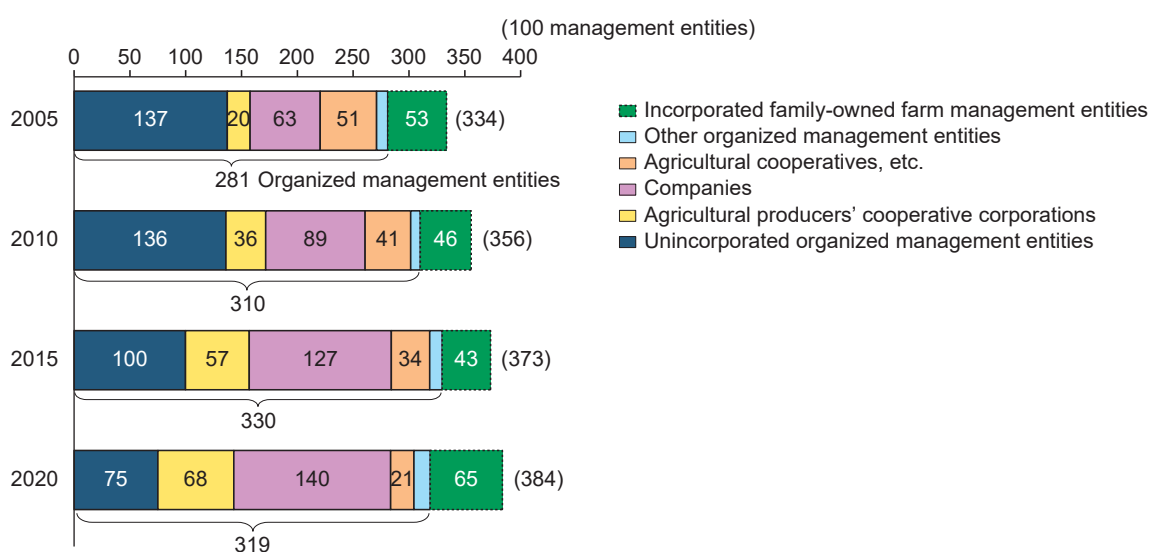


Figure 1. Changes in the number of group management entities by organizational type

Source: Based on the reclassification of individual data from the Census of Agriculture and Forestry for each year

Group management entities' share of leased rice paddies exceeds 40%

Figure 2 shows group management entities' shares of farmland resources by organizational type and how their shares have changed over time. The share of farmland used by group management entities increased during the five-year period that began in 2015, especially the share used by incorporated organized management entities.

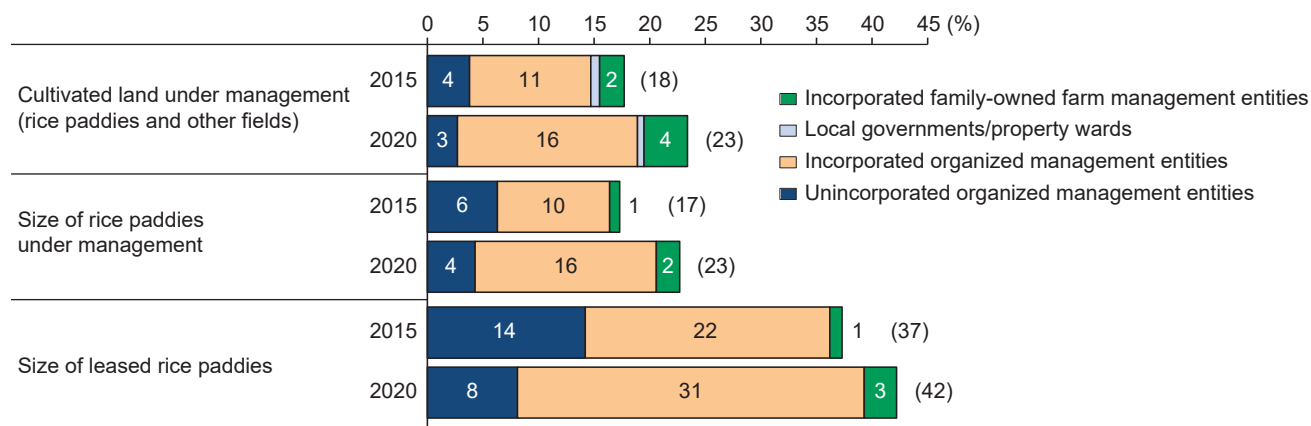


Figure 2. Shares of farmland resources among group management entities for each organizational type
Source: Based on the reclassification of individual data from the Census of Agriculture and Forestry (2015 and 2020)

Their share of cultivated land under management (rice paddies and other fields) increased by five percentage points, from 18% in 2015 to 23% in 2020. Their share of rice paddies under management also shows a similar pattern.

Furthermore, their share of leased rice paddies rose five percentage points, from 37% in 2015 to 42% in 2020. By organizational type, the share of unincorporated organized management entities declined, as was the case for cultivated land under management, while the share of incorporated organized management entities rose.

The increase in the share of farmland used by incorporated organizations over the latest five years exceeded the increase seen in the 2010-2015 period, although this is not indicated in Figure 2. Thus, group management entities have been further increasing their farmland share as incorporated organized management entities accumulate more farmland.

(Analysis by IIDA, Takushi)