

Mar.19th, 2010

## Direct Payments for Hilly and Mountainous Areas in Japan



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# Purpose of the policy

Hilly and mountainous areas protect the property and lifestyles of numerous people living in the lower reaches , through the multifunctionality of agriculture and rural environments. (flood prevention, watershed protection etc.)

	Nation as a whole	Hilly and mountainous areas	Rate /
Farmland (2006)	4.7 million ha	2.0 million ha	43%
Number of farm households(2005)	2.9 million	1.2 million	43%
Value of agricultural production(2006)	8.6 trillion yen	3.4 trillion yen	39%

Because of the natural , economic and social disadvantages , hilly and mountainous areas are facing increased abandoned farmland , depopulation and aging.

	Hilly and Mountainous Areas	Flat Areas	
Population growth rate(2006)	-1.0 %	-0.5 %	(over 65 years old)
Elderly population rate(2005)	27.3 %	19.0 %	
Abandoned farmland rate (2005)	13.1 %	5.6 %	

**Direct Payment System has been introduced since FY2000.**

Payments to fill the gap of production costs between hilly and mountainous areas and flat areas to make the farming in hilly and mountainous areas sustainable.

# Basic mechanism

## 1 Targeted Areas

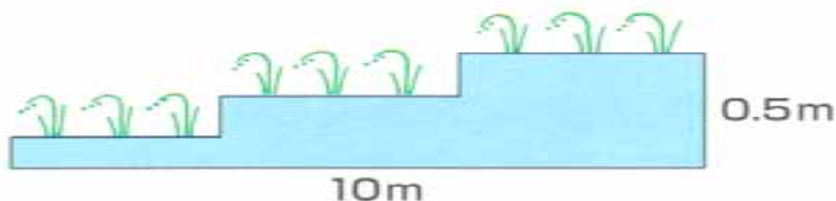
Designated areas under eight less favored area development laws (*the Mountainous Area Development Law, the Peninsula Development Law, the Remote Island Development Law etc.*) or other areas designated by prefectural governors .

## 2 Targeted Farmland

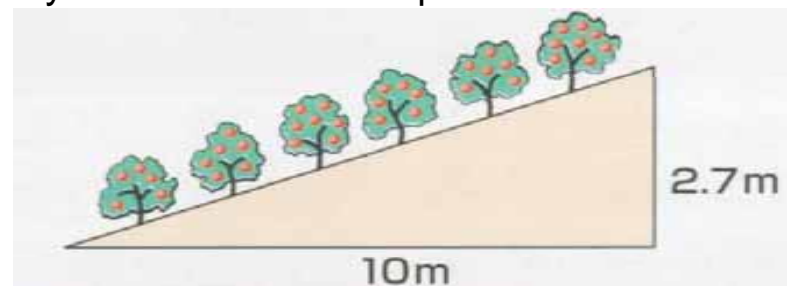
Any contiguous farmland 1 ha or more in size that satisfies any of the criteria shown below.

### Steep slope

Paddy field over 1/20 slope



Dry field over 15 ° slope



### Mild slope

Paddy field over 1/100 slope



Dry field over 8 ° slope



Other criteria include:

- Paddy field on small plot or with irregular shape
- Farmland located in community with high aged population share or high cultivation abandonment rate
- Grassland with lower cumulative temperature and higher grassland ratio

### 3 Required activities

#### Basic Activities      Basic rate ( 80% of system development rate)

Agricultural production activities for at least five consecutive years.

Community agreement concerning the management policy of farmland, roads and water channels.

#### System development Activities      System development rate

##### Activities relating to productivity/revenue improvement

- Communalization of machinery and farm work
- Implementation of high added-value farming
- Processing and marketing of locally produced crops, etc.

##### Activities relating to fostering of farming individuals and entities

- Recruitment of new farmers
- Fostering of certified farmers
- Concentration of farmland in the hands of principal farmers
- Outsourcing of farm work to principal farmers

##### Activities relating to the realization of multifunctionality

- Interaction with urban residents and others through the utilization of the health and recreational function
- Coordination with school education, etc. with regard to the conservation of nature s ecosystems
- Collaboration with nonfarm households, other communities, etc. towards the continued realization of multifaceted functions

#### 4 Payment rates (System development rate)( per 10a)

Land category	Classification	Rate(yen)
Paddy field	Steep slope	21,000
	Mild slope	8,000
Dry field	Steep slope	11,500
	Mild slope	3,500
Grassland	Steep slope	10,500
	Mild slope	3,000
	Grassland with high grassland ratio	1,500

## The result of Direct Payments in FY2008

Number of community agreements	28,299
Acreage covered	665,000 ha (80% of targeted farmland)
Number of participants	641,751
Total payments	52 billion yen [ 1 / 2 national government 1 / 2 local government ]
Average scale of community agreement	
Number of participants	23
Payment	1,820 thousand yen
Acreage	23 ha

# The effect of Direct Payments

## Prevention of farmland abandonment

< 33 thousand ha >



## Maintenance and enhancement of the multifunctionality

< e.g. 41,500 students participated in farming activities >

## Securing of continuous agricultural activities into future

< e.g. 951 new farmers, 7,496 certified farmers >



## Revitalization of community functions

< e.g. Increased opportunities of village meeting >

# Thank you for your attention

