

# **Promotion of Organic Agriculture**

**Ministry of Agriculture, Forestry and Fisheries**

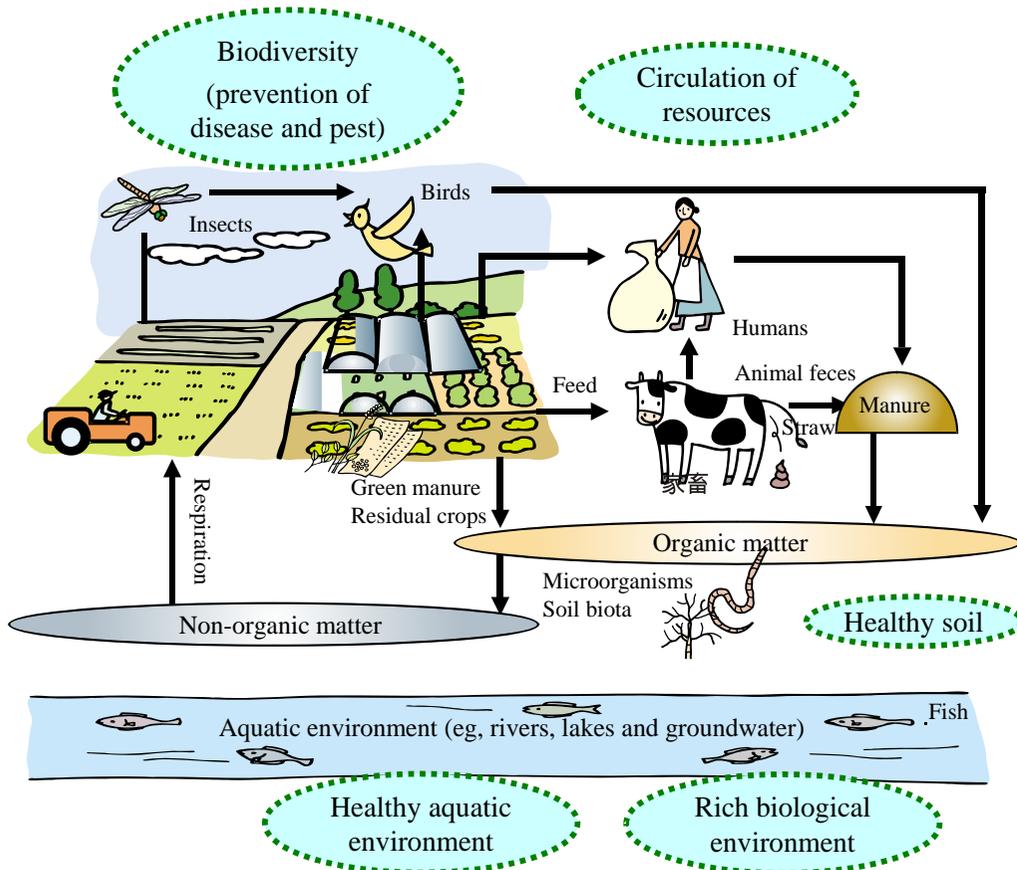
August 2017

Sustainable Agriculture Division, Agricultural Production Bureau

# 1. Purposes of Organic Agriculture

- The Food, Agriculture and Rural Areas Basic Act specifies that the sustainable development of agriculture must be ensured by... maintaining and improving the natural circulation function of agriculture (meaning the function of agricultural production activities to depend on and promote circulation of substances through the medium of organisms in nature).
- In 2006, the Act on the promotion of organic agriculture was established through all-party lawmaker-sponsored legislation.
- In principle, organic agriculture does not involve the use of chemically synthesized fertilizers, pesticides or genetic modification technology. It is intended to significantly improve the natural functioning of the agricultural biosphere and to greatly reduce the burden agriculture places on the environment.
- It is necessary to promote organic agriculture because of its potential to fully meet the needs of consumers and users and appeal to customers by selling agricultural products which are "competitive" in terms of quality and brand image.

○ Image of the natural functioning of the agricultural biosphere



○ What are organic agriculture and organic farm products?

## Definition of "organic agriculture" under the Act on the Promotion of Organic Agriculture

Agriculture that uses methods that basically do not, in principle, use chemically synthesized fertilizers, pesticides or genetic modification technology and which aims to minimize the burden of agricultural production on the environment.

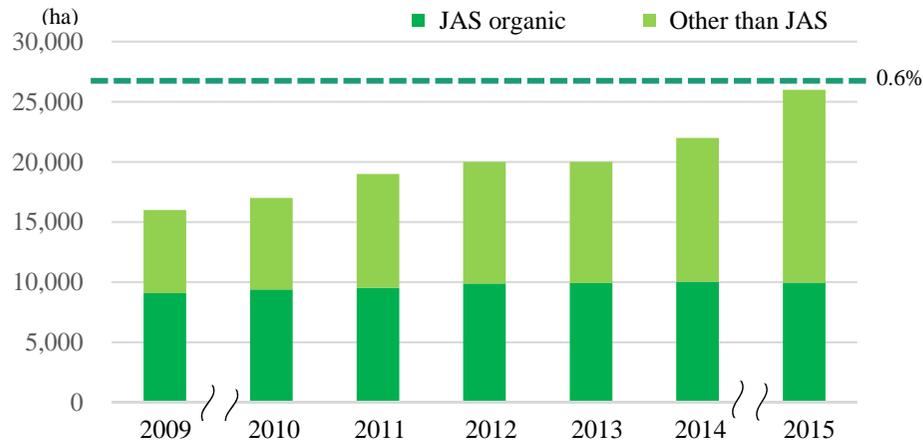
## JAS Standard for organic farm products

- Soil productivity should be improved by using manure, etc. In principle, no chemically synthesized fertilizers and pesticides should be used at least for two years before planting seeds or seedlings.
- Only organic seeds and seedlings should be used in principle.
- No genetic modification technology or radiation should be used.
- Organic farm products should be managed to avoid mixing them with regular products or contaminating them with chemicals, etc.

# Current Status of Organic Agriculture (1)

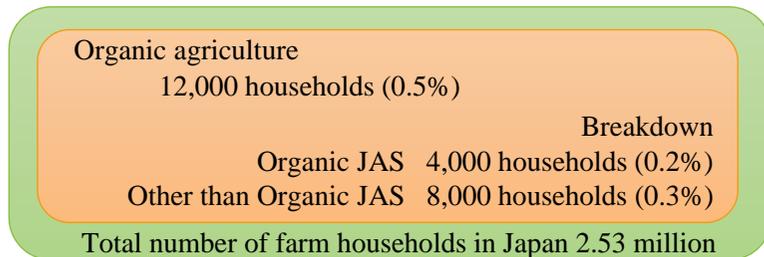
- The percentage of agricultural land devoted to organic agriculture has been gradually increasing (26,000 ha as of 2015)). It currently accounts for only 0.6% of cultivated land in Japan (the goal is to achieve 1.0% by FY2018).
- Organic farmers are an average of seven years younger than the average age for all farmers. About 50% of organic farmers are under 60 years of age. Approximately 30% of persons who want to become farmers hope to engage in organic agriculture.

## ○ Area devoted to organic agriculture



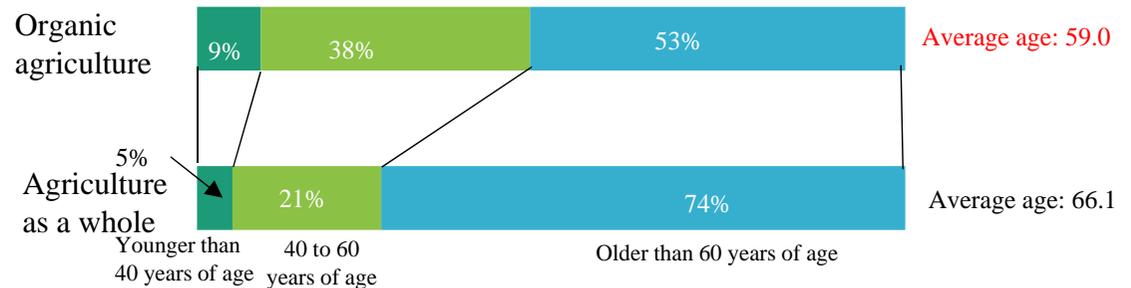
Source: Estimates of the Sustainable Agriculture Division, researched by Food Manufacture Affairs Division  
 Note: Different research and estimation methods were used to examine areas not covered by organic JAS in 2009, from 2010 to 2014 and in 2015, respectively.

## ○ Number of organic farm households (2010)



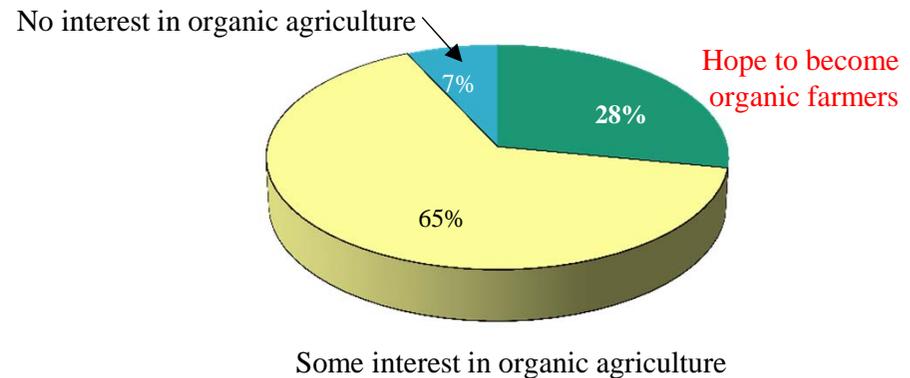
Source: 2010 World Census of Agriculture and Forestry in Japan Report on the Project to Prepare FY2010 Organic Agriculture Basic Data, researched by the Labelling and Standards Division

## ○ Average age and age distribution of organic farm households



Source: FY010 Report on the Project to Prepare FY2010 Organic Agriculture Basic Data, 2010 World Census of Agriculture and Forestry in Japan (core persons mainly engaged in farming)

## ○ Survey of participants in the *Shin Nougyojin Fea* (New Farmers Fair) (conducted by the National Chamber of Agriculture)



## 2. Current Status of Organic Agriculture (2)

- The cost of organic vegetables (bearing the Organic JAS Mark) is 1.5 times that of conventionally grown vegetables. About 60% of consumers who currently do not purchase organic farm products say that they would do so if certain pricing and supply stability conditions are met.
- The areas devoted to organic agriculture in other developed countries are larger than those in Japan. The market size is 4.0 trillion yen in Europe and 4.8 trillion yen in the U.S., which are much larger than the market size in Japan (about 13 million yen).

- Sales price comparison between organic products and standard domestic products

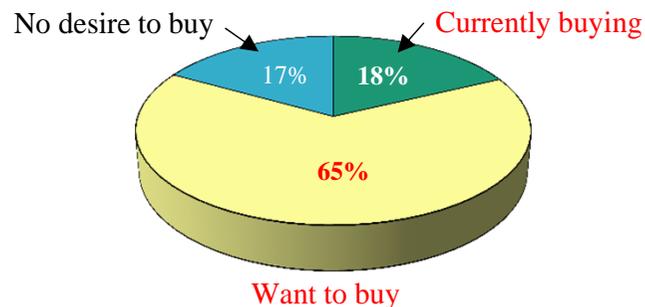
|                     | Products      | Standard domestic products (yen/kg) | Organic products (yen/kg) | Ratio (%)  |
|---------------------|---------------|-------------------------------------|---------------------------|------------|
| Tubers              | Daikon radish | 204                                 | 315                       | <b>155</b> |
|                     | Carrot        | 394                                 | 685                       | <b>174</b> |
|                     | Potato        | 385                                 | 568                       | <b>147</b> |
| Leaf vegetables     | Cabbage       | 178                                 | 291                       | <b>163</b> |
|                     | Spinach       | 1,072                               | 1,441                     | <b>134</b> |
|                     | Green onion   | 669                                 | 960                       | <b>143</b> |
|                     | Onion         | 296                                 | 536                       | <b>181</b> |
| Fruiting vegetables | Tomato        | 697                                 | 1,078                     | <b>155</b> |
|                     | Eggplant      | 676                                 | 966                       | <b>143</b> |
|                     | Green pepper  | 959                                 | 1,793                     | <b>187</b> |

Source: Statistics Department, Minister's Secretariat, "Report of Survey on Trend of Price of Fresh Vegetables" (March 2017)

Note: 1. Stores selling standard domestic products and other products in major cities (21 cities) in Japan were compared.

2. "Organic products" means products bearing the Organic JAS Mark.

- Consumers' willingness to buy organic farm products



Source: FY2015 Agriculture, Forestry and Fisheries Information Exchange Network Business

- Percentages of agricultural land devoted to organic agriculture in other countries (2015)

| Country | Percentage (%) | Country     | Percentage (%)          |
|---------|----------------|-------------|-------------------------|
| Italy   | 11.7%          | South Korea | 1.0%                    |
| Germany | 6.5%           | China       | 0.3%                    |
| France  | 5.0%           | Japan       | 0.2% (organic JAS only) |

Source: Organic Agriculture Research Institute (FiBL) and IFOAM, "The World of Organic Agriculture"

- Organic food **markets growing** in other countries

- Europe: Total sales **4.0 trillion yen**, **7.5%** market growth from 2014 to 2015 (Germany: approx. 1.2 trillion yen, France: approx. 74 million yen, UK: approx. 35 million yen)
- US: Total sales of **4.8 trillion yen**, **11%** market growth from 2014 to 2015 (Market share: 5%)
- China: Market **tripled in size** from 2009 to 2013
- South Korea: shipping of organic farm products **increased 36% annually**



**The Japanese organic food market is one tenth the size of Europe's.**

Organic food market size: **about 13 million yen**  
(Market share of less than 1%)

Source: FiBL and IFOAM, "The World of Organic Agriculture"

### 3. Promotion of Organic Agriculture

- According to the Act on the Basic Principle Concerning the Promotion of Organic Agriculture (April 2014), both the significant number of people who want to become organic farmers and the expected increasing demand for organic products make further organic agriculture promotion necessary. The goal is to double the percentage of agricultural land devoted to organic agriculture in Japan from 0.4% to 1.0% by FY2018.
- Various efforts are being made to achieve this goal, such as farm work consultation services, provision of technical and management training, supporting the farmers during the transition from conventional to organic agriculture, diversification of sales routes, technological development and consumer education.

#### Basic policy on promotion of organic agriculture (April 2014)

| Issues   | Promotion of organic agriculture   | Goal  |
|--|--|---|
| <p>○ It is important to make it easier for farmers to begin practicing organic agriculture despite increased risks from crop diseases and pests, etc. and significantly increased working hours and production costs.</p>  | <p><b>[Support for organic farmers, etc.]</b></p> <ul style="list-style-type: none"> <li>• Municipal support, such as offering farm work consultation, information services and training by advanced organic farmers in order to facilitate entry into organic agriculture</li> <li>• Support the transition from conventional to organic agriculture in each area to increase sales lots and local production in response to the needs of users, etc.</li> <li>• Continuous support, such as assistance with the maintenance, etc. of shared facilities and machines and measures to directly support sustainable agriculture.</li> </ul> | <p><b>Double the percentage of agricultural land devoted to organic farming to 1.0% by FY2018</b></p> |
| <p>○ It is important to maintain and increase the production, distribution, sale and use of agricultural products produced by organic agriculture.<br/>○ It is important to provide various sales opportunities to enable consumers to easily buy organic farm products.</p> | <p><b>[Support for distribution and sales]</b></p> <ul style="list-style-type: none"> <li>• Diversification of sales routes through the use of e-commerce and collaboration with other industries.</li> <li>• Support the simplification of procedures to facilitate use of the certification system for Organic JAS standards to widen the area of distribution</li> <li>• Support for "shop in shop" sales and farmer's markets, etc. in order to increase local distribution</li> </ul>   |   |
| <p>○ It is important to support the formulation and dissemination of techniques suitable for local climates, soil conditions, etc.</p>   | <p><b>[Promotion of technical development, etc.]</b></p> <ul style="list-style-type: none"> <li>• Establishment of techniques compatible with local climates and soil characteristics, etc. in order to ensure stable quality and yield</li> <li>• Understanding of technical needs and provision of R&amp;D results in order to reduce cost and labor</li> </ul>  |   |
| <p>○ It is important to educate consumers about organic agriculture and maintain their trust in it.</p>  | <p><b>[Enhancement of consumers' understanding and awareness]</b></p> <ul style="list-style-type: none"> <li>• Education regarding the various ways in which organic agriculture serves the public interest and the labeling rules for the certification system for Organic JAS standards</li> <li>• Enhancement of mutual understanding between city dwellers and organic farmers through <i>Shokuiku</i> (food and nutrition education) and community supported agriculture</li> <li>• Introduction of advisors to support future organic farmers and organic agriculture instructors</li> </ul>   |   |