

Global Food Value Chain Strategy

July 2017

MAFF

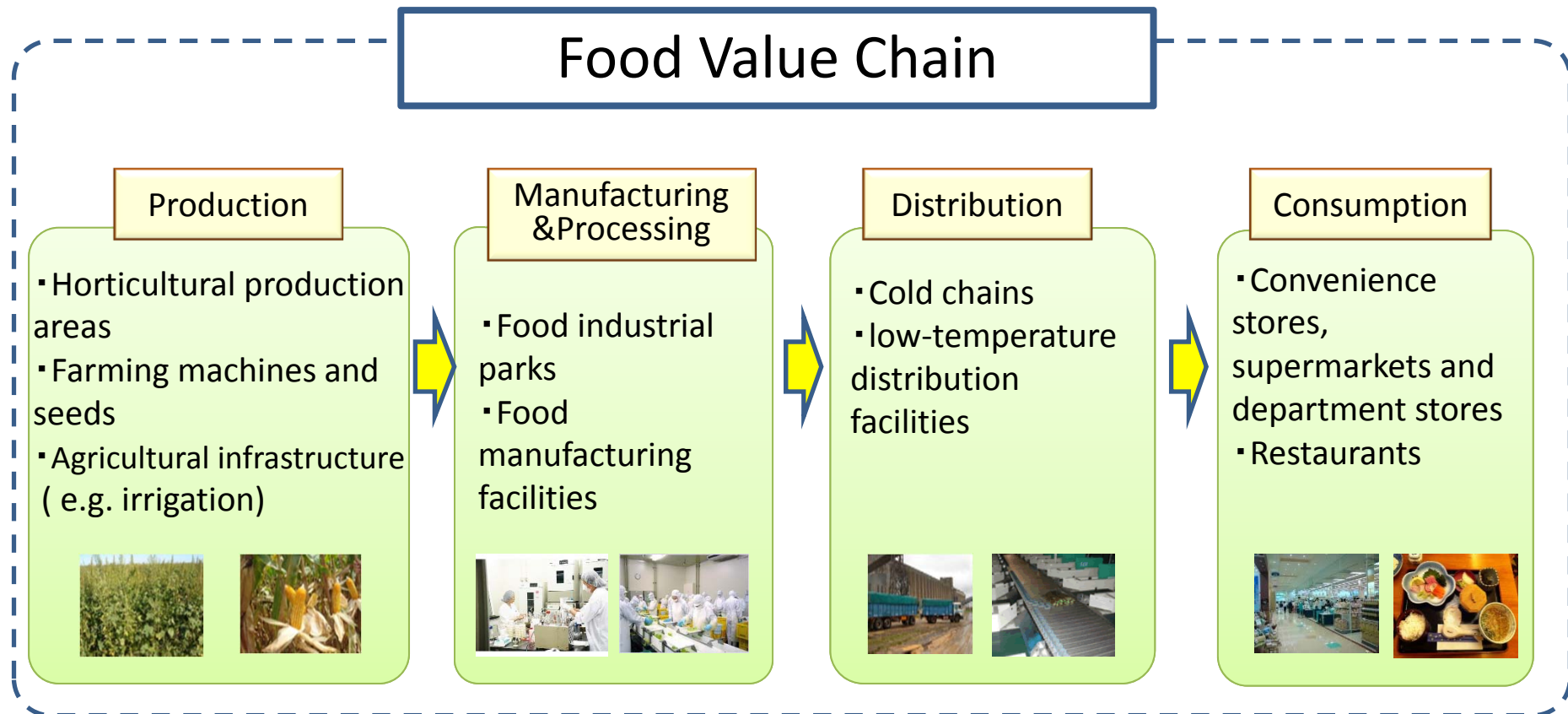
Ministry of Agriculture, Forestry and Fisheries

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1. Concept of Global Food Value Chain



- ◆ Food Value Chain (FVC) is a series of activities that create and build value at every stage from agricultural production, manufacturing, processing, distribution to consumption.
- ◆ Developing FVC will deliver higher value as a whole and increase profits for each stakeholder from production to consumption.

2. Overview of Global Food Value Chain Strategy finalized on June 6 2014

1. Objectives of the Strategy

- ◆ To develop food value chains through cooperation among academia, public and private sectors capitalizing on unique strength of the Japanese food industry.
- ◆ To promote economic growth of developing countries by way of official economic cooperation and investments by the Japanese food industry.
- ◆ To promote export of Japanese food and food-related infrastructure, and to assist overseas business of the Japanese food industry

2. The basic pillars of the strategy

- ◆ Cooperation among academia, public and private sectors
- ◆ Create fora such as bilateral dialogues with partner countries and public-private council
- ◆ Take advantage of economic cooperation
- ◆ Develop food-related infrastructure such as cold chains
- ◆ Create favorable business and investment environments for the Japanese food industry
- ◆ Strengthen the information-gathering system
- ◆ Develop human resources both inside and outside Japan
- ◆ Develop the research and technology
- ◆ Facilitate the financing for overseas business

3. The Region-Specific Strategy

The following 7 regions and countries have high potential for private sectors investments through Public-Private Cooperation.

ASEAN

Middle East

China

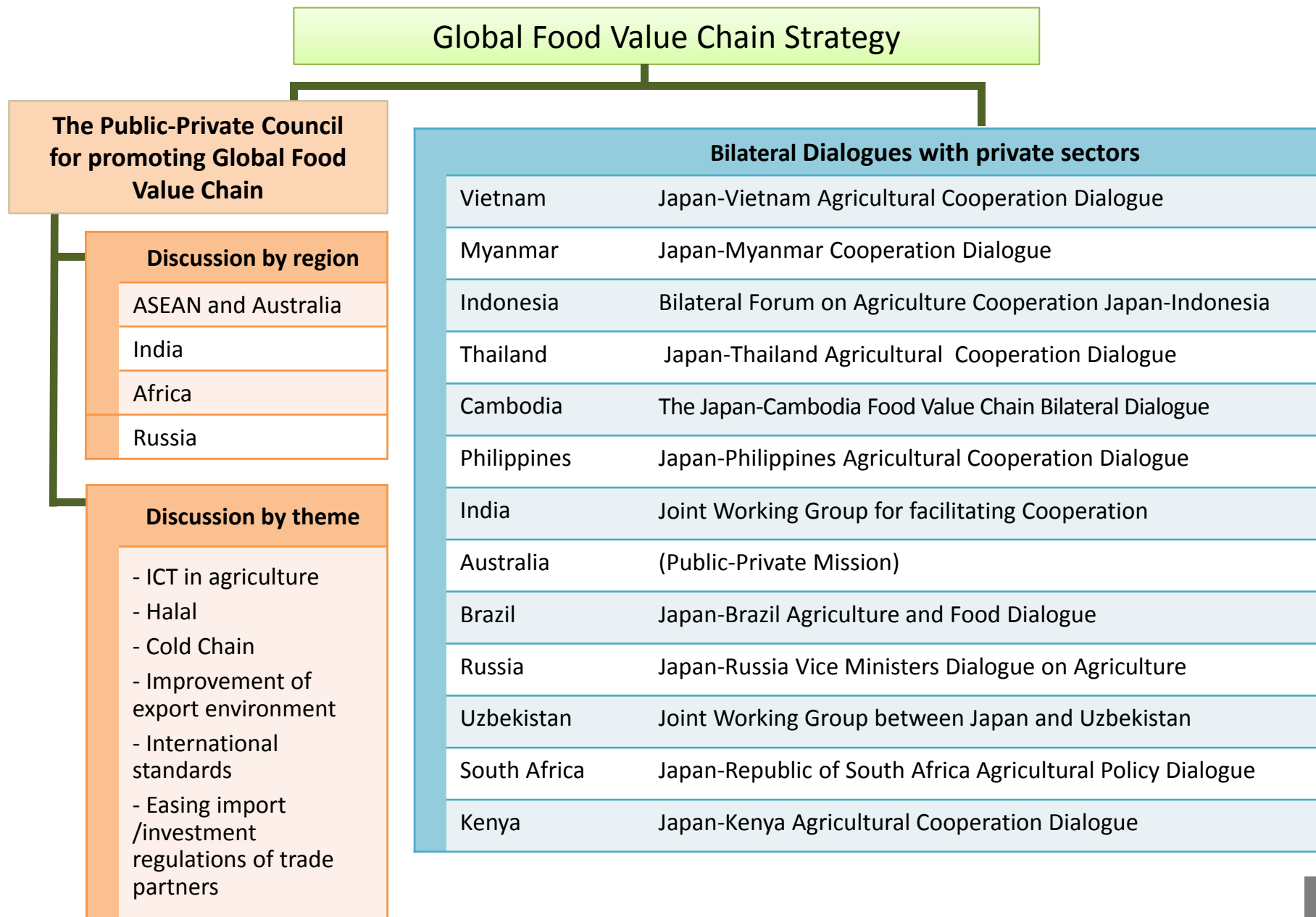
India

Africa

Central and South America

Russia and Central Asia

3. The Structure of Promoting Global Food Value Chain Strategy



4. The Public-Private Council for Promoting Global Food Value Chain

1. History

The Public-Private Council was started **on June 20, 2014** for implementing **“Global Food Value Chain Strategy”**.

2. Members 353 in total (as of June 16, 2017)

Private companies (263)	Incorporated administrative agencies, industrial associations and NPOs (47)
Academia (11)	
Local governments (24)	The cabinet office and Ministries (7)

3. Activities

1. Collecting, analyzing and sharing information related to food value chain
2. Sending missions, planning projects and making research related to food value chain
3. Creating more favorable environment for business and investment related to food value chain

5. Bilateral Dialogues with private sectors under the Global Food Value Chain Strategy (1)

Vietnam

Implementing The 5 year(2015~2019) Action Plan on selected model areas under the Medium-long Term Vision.

-Japan -Vietnam Agricultural Cooperation Dialogue (Jun. 2014, Aug. 2015, Sep. 2016)

Thailand

Exchanging views on policies for promoting private investment in the sectors of agriculture, forestry, fisheries and food industry.

-Japan Thailand Agricultural Cooperation Dialogue (Oct. 2016)

Myanmar

Discussing the progress and issues in implementing the The Food Value Chain Road Map in Myanmar.

-Japan-Myanmar Cooperation Dialogue for the Development of Myanmar's Agriculture, Forestry, Fisheries and Foods (Sep. 2014, Jul. 2015, Jan. 2017)

Cambodia

Using practically "the contact points in the MAFF of Cambodia" and "the table of FVC related programs of public and private sectors" for business monitoring in Cambodia

-Cambodia-Japan Food Value Chain Bilateral Dialogue (Dec. 2015, Jan. 2017)

Indonesia

Discussing a framework for long and medium term cooperation among public and private sectors. Exchanging views on policies, governments' efforts and current business activities.

-Bilateral Forum on Agriculture Cooperation Japan-Indonesia (Jun. 2015, Nov. 2016)

The Philippines

Confirming that the policy dialogue aims at raising food self-reliance and development of food value chain through the growth of agricultural and food industries by public and private cooperation. Clarifying issues and making the framework for both countries to address those issues by next third dialogue.

-Japan-Philippines Agricultural Cooperation Dialogue (Mar. 2016)

5. Bilateral Dialogues with private sectors under the Global Food Value Chain Strategy (2)

India

Setting up the joint working group for facilitating cooperation based on the memorandum for Japan-India agricultural cooperation.

- The Japan-India Agricultural Cooperation Dialogue (Sep. 2015)
- Public-Private Mission to India (Nov. 2015)
- Fact Finding Mission to India (Feb. 2017)

Australia

Taking actions under long and short term perspectives in order to produce agricultural and processed products and export them to ASEAN market by Japan and Australia.

- Japan-Australia Joint Public-Private Mission to ASEAN (Jan. 2016)
- Public-Private Mission to Northern Australia (Feb. 2016)
- Public-Private Forum for agricultural development in Northern Australia in Tokyo (Mar. 2017)

Brazil

Proposals from the Japanese companies delivered. Discussing improvement of grain transportation infrastructure and business/investment environment, and industry-academia collaboration between Câmara de Comércio e Indústria Japonesa do Brasil and EMBRAPA.

- Japan-Brazil Dialogue on Agriculture and Food (Dec. 2014, Feb. 2016, Jul. 2017)
- The Seminar on Improvement of Grain Transportation Infrastructure in Brazil (Oct. 2015, Oct. 2016)

Russia

(Dialogues)Discussing cooperation in the agriculture and related areas.

(Missions)Visiting project sites and firms in the Far East with the aim of facilitating Japanese business in Russia.

- Japan-Russia Agriculture Dialogue (May 2013, May 2015, Jul. 2016)
- Japan-Russia Vice ministers Dialogue on Agriculture (Jun. 2017)
- Public-Private Mission to the Russian Far East (Aug. 2015, Oct. 2016, Jul. 2017)

Uzbekistan

Discussing project formulation through public-private partnership taking into account priority areas of Uzbekistan and interests of both countries' private sectors.

- Joint Working Group between Uzbekistan and Japan (Mar. 2016, Feb. 2017)

Kenya

Exchanging views on activities for developing FVC. Sending missions for investigating agriculture and food industry as well as investment environment in Kenya.

The First Kenya-Japan Agricultural Cooperation Dialogue, the Workshop for promoting the development of market oriented food industry, the Public- Private Joint Mission to Kenya (Feb. 2016)

South Africa

Discussing activities to develop FVC and increase of small farmers' income in South Africa

- Japan-Republic of South Africa Agricultural Policy Dialogue (May 201

6. The Medium- to Long-Term Vision for Japan-Vietnam Agricultural Cooperation (Outline)

1. The significance of the Medium-long Term Vision

- Development of agriculture in Vietnam (70% of population lives in rural area and agricultural production accounts for approx. 20% of GDP.) is absolutely imperative for improving lives in rural areas and for balanced development. In the future development of the FVC (from production, processing/manufacturing, distribution, to consumption) is very important.
- Since agriculture is diverse, it is necessary to take measures for specific issues of each region, not to give uniform treatment across the county. Cross-sectoral measures for the whole social economic system as well as agricultural technics, collaboration of economic cooperation and private investment are also necessary.
- “The Medium-long Term Vision“ is made up of the 5 year(2015~2019) Action Plan in order to solve the issues of agriculture and food-related industries in model areas. The steady implementation of the Action Plans in the Vision by Japan and Vietnam would contribute greatly to the comprehensive development of agriculture in Vietnam.

2. Main Action Plan (2015~2019)

① Increase of Productivity and value addition

■ Model area (Nghe An province)

- Increase in agricultural productivity and value addition by rehabilitation of degraded irrigation and formulation of safety vegetable production system.
- Progress of agricultural mechanization and high quality feed crop production etc.

■ Measures across the country

- Implementation of plant variety protection system based on the 1991 Act of the UPOV Convention.
- Collaborative research on characterization of plant genetic resources and trans-boundary animal disease.
- Dispatch of a policy adviser for fisheries from Japan.
- Provision of used fishery vessels for fishery surveillance from Japan etc.

② Food processing and product development

■ Model area (Lam Dong province)

- Production of high-value-added agricultural products to meet international and domestic demand.
- Establishment of food processing and shipping facility.
- Examination and implementation to relate agriculture with tourism and establishment of agricultural park.
- Improvement of distribution system quality keeping of agricultural and livestock products etc.

③ Improvement of distribution system ,cold chain

■ Model area (Neighbor to big cities)

- Promotion of private investment for cold chain and construction of cool and cold storage warehouse.
- Ensure transparency of legal system for food sanitation management based on Food Safety Law.

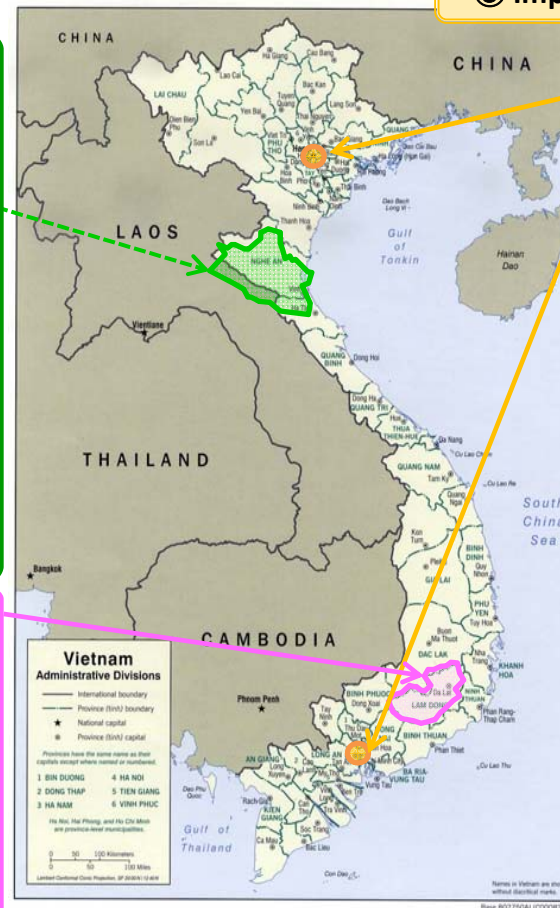
④ Cross-sectoral grappling

■ Consideration for climate change (Model area : Mekong Delta)

- Improvement of infrastructure for anti-flow upstream of salty water.
- Collaborative research on reducing greenhouse gases emissions from vast paddy field .

■ Human resources development (Can Tho University etc.)

- Establish partnership programs on food-related areas. In collaboration with Japanese food-related companies, lecturers will be sent.
- Improve capacity building of education and research ability at Can Tho UNI and establish gene bank system for native pig resources at National Institute of Animal Science .



7. Food Value Chain Roadmap in Myanmar (Outline)

1. Background

- ◆ More than 60% of the national labor forces are working in agriculture, forestry and fisheries sectors, which contribute to approximately 30% of the GDP of the country.
- ◆ Sizable development in agriculture could be achieved by addressing **prioritized basic issues** out of a lot of issues, because it is difficult to get achievement quickly in agriculture development that could take place slowly under natural condition.
- ◆ “FVC Road Map” has shown the prioritized measures that is composed of “Measures to be taken for individual products” with 5 sections and “Horizontal measures” with 8 sections. Each section is consist of two subsections “Measures to be taken” and “5 years’ Road Map tables”.
- ◆ The Road Map is expected to be used as the basis for measures actively taken by the Government of Myanmar, collaborative assistance provided by the Japanese Government and other Development Partners and investment by the private sector, contributing to the comprehensive development of agriculture and fisheries in Myanmar, if this is implemented appropriately.

2. 5 years Road Map Table (2016-2020) (only main items)

【Measures to be taken for products】

■ Rice and Pulse

- Purification of varieties, removal of Red Grains, Reduction of broken rice ratio.
- Development and rehabilitation of irrigation and drainage facilities, construction of farm roads with farmland consolidation and mechanization
- Renovation of rice milling plants by using SME loan



■ Horticulture Crops

- Supply of safe and high-quality products, chemical inputs of appropriate quality
- Establishment of modern distribution system (wholesale market etc.)
- Strict quality control in a production and processing system by encouraging foreign investment including cold chain



■ Livestock

- Supply of high-quality breeds through application of artificial insemination techniques
- Dressed carcass trading on upgraded slaughtering system by introducing cold chain
- Strengthen the capacity of diagnosis of various animal diseases including FMD, Enlarge the production capacity of vaccine



■ Fisheries

- Grasp the exact amount of aquatic resources by scientific resources surveys
- Improving aquaculture techniques (seed, facilities etc.)
- Hygiene and quality control system with ISO Laboratory Unit for export



【Horizontal Measures】

■ Agricultural Finance

- Expansion of Term Loan by MADB (Myanmar Agricultural Development Bank)
- Developing the capacity of MADB in terms of loan examination
- Introduction of credit guarantee insurance to MADB loan



■ Agricultural Inputs

- Improve law and management system
- Improve PPD laboratories capability for pesticide residue analysis
- Establishing a whole picture of plant protection administration and laboratories



■ Food Industry

- SME development through SME loan and tax relief and exemption
- Introduction of Foreign Companies Investment
- Establish processed food quality standard



■ Research and Extension

- The collaboration between the research units and the extension service units
- Increase the number of extension staffs, Equip extension service operational bases with a minimum set of devices
- Formulation of a National Extension Implementation Plan

