

(Reference)

Major achievements of five years with the GFVC Strategy

— Support of private-sector companies' overseas business expansion —

Outline of the GFVC Strategy (June, 2014)

1. Objectives

- [1] **Overseas expansion** of Japan's food industry(*)
- [2] Economic growth of developing countries through a **combination of private investment and economic cooperation**
- [3] **Development of export environment** for Japanese food products
(*The food industry covers a wide range of sectors including production, manufacturing/processing, distribution and consumption of agricultural, forestry and fisheries products. It also includes industries related to flowers, seeds, agricultural inputs, agricultural machinery and food processing machinery.)

2. Target value

Around five trillion yen in overseas sales of the food-related industries (i.e. food manufacturing industry and foodservice industry) (FY2020)

3. Current state (results)

[1] Overseas sales

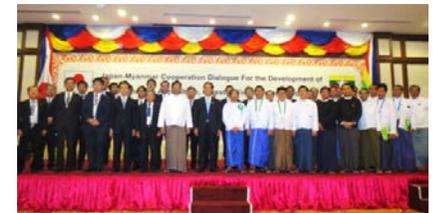
- The target was achieved with around 5.9 trillion yen in FY2017, up from around 2.5 trillion yen in FY2010.

[2] Number of council members

- 77 companies/organizations at the time of the establishment in 2014
⇒ 454 companies/organizations (October, 2019)

[3] Bilateral dialogues

- 4 countries at the time of the strategy formulation in 2014
⇒ 13 countries (October, 2019)
(Vietnam, Myanmar, Indonesia, Thailand, Cambodia, Philippines, India, Brazil, Argentina, South Africa, Kenya, Russia, Uzbekistan)



1. Bilateral programs, etc.

(1) The Medium to Long Term Vision for Japan-Vietnam Agricultural Cooperation

(Formulated in 2015, revised in 2018)

Action plans over a five-year period were developed for model regions in order to solve mid- to long-term challenges of Vietnamese agriculture. Efforts to establish FVCs through a combination of private investment and economic cooperation were included. (High-quality, mass distribution services through multi-temperature management by Japanese private-sector companies were officialized in the said vision.)



(2) Road Map to Construct Food Value Chain in Myanmar

(Formulated in 2017)

Action plans were developed, summarizing item-specific measures and cross-item measures for public and private sectors to take in the following five years in order to establish and advance FVCs in Myanmar through effective public-private collaboration between Japan and Myanmar. (Local cold chain business, freezing processing business, etc. conducted by Japanese private-sector companies were officialized in the said roadmap.)



(3) The Program for Promoting Investment into India by Japan in the Field of Agriculture and Fisheries

(Formulated in 2018)

The Program was developed for the purpose of promoting investment by Japan's food-related companies in the sectors of agriculture and fisheries in India. The two countries provide necessary support by registering individual investment projects. Registered projects include an egg business plan by a Japanese company among others.

2. Development of local consultation systems

(1) Installation of a consultation desk concerning agricultural business [Vietnam] (2015)

To support business expansion of Japanese companies, “Adviser for Agribusiness Japan Desk” was assigned to the Ministry of Agriculture and Rural Development of Vietnam.

(2) Installation of a consultation desk concerning import/export of agricultural, forestry and fisheries products [Cambodia] (June, 2016)

To provide consultation on application procedures for Japanese companies' import/export of agricultural, forestry and fisheries products, obtainment of an import license, and customs-clearance procedures, “Contact Point” was established in the Ministry of Agriculture, Forestry and Fisheries of Cambodia.



3. Memorandum of Cooperation concerning FVC establishment

[1] Vietnam	Apr 2018	Memorandum of Cooperation for Utilization of Standards/Certifications concerning Quality of Agricultural Products/Food in Vietnam
[2] Cambodia	Nov 2018	Memorandum of Cooperation for FVC Establishment
[3] India	July 2016	Memorandum of Cooperation on Development of Food Value Chain in Andhra Pradesh
	Nov 2016	Memorandum of Cooperation with the Ministry of Agriculture & Farmers Welfare of India
	Feb 2018	Memorandum of Cooperation on Designing of Master Plan concerning FVC Establishment with the State of Andhra Pradesh
	Oct 2018	Memorandum of Cooperation on Development of Food Value Chain with the State Government of Uttar Pradesh
	Oct 2018	Memorandum of Cooperation on Development of Food Value Chain with the State Government of Maharashtra
[3] India	Oct 2018	Memorandum of Cooperation in the Field of Food Processing Industry with the Ministry of Food Processing Industries of India
	Oct 2018	Memorandum of Cooperation on Development of Food Value Chain with the State Government of Maharashtra
	Oct 2018	Memorandum of Cooperation in the Field of Food Processing Industry with the Ministry of Food Processing Industries of India
[4] Argentina	May 2017	Memorandum of Cooperation in the Areas of Agriculture, Livestock, Fishing, Forestry and Agroindustry between Japan and Argentina
[5] Brazil	Feb 2016	Memorandum of Cooperation between the Government of Japan and the Government of the Federative Republic of Brazil in the Field of Agriculture and Food
[6] Russia	Dec 2016	Memorandum concerning Increased Cooperation in the Fields of Agriculture and Fisheries
[7] Uzbekistan	Oct 2015	Signed a memorandum for the purpose of enhancing partnership in the fields of agriculture and food
[8] Australia	Jan 2017	Memorandum with Northern Territory
	Mar 2017	Memorandum with the State of Queensland
	Sept 2017	Memorandum with the State of Western Australia
	Nov 2018	Memorandum of Cooperation for Collaboration on Food and Agribusiness with Department of Economic Development, Jobs, Transport and Resources, the State of Victoria
	Nov 2018	Memorandum of Cooperation for Collaboration on Food and Agribusiness with Department of Agriculture and Fisheries, the State of Queensland
[8] Australia	Nov 2018	Memorandum of Cooperation with Department of Primary Industries, the State of New South Wales



4. Relaxation/elimination of regulations

- (1) **Elimination of import regulations on Japan-made food (submission of radioactive material inspection certificates) [Argentina]** (Dec 2017)
- (2) **Elimination of import regulations on Japan-made food (radioactive material inspection certificates for food made in Fukushima Prefecture) [Brazil]** (Aug 2018)
- (3) **Agreed on exportation certificate formats for edible fisheries products and feed for aquaculture [India]** (Oct 2018)
- (4) **Elimination of import regulations on fisheries products [Russia]** (Nov 2018)
Lifting the requirement of attaching radioactive material inspection certificates to fisheries products produced in Fukushima Prefecture
- (5) **Elimination of double customs procedures [Cambodia]** (Feb 2019)
Apart from customs inspection by the customhouse, an import/export procedure imposed by “Camcontrol” (an organ of the Ministry of Commerce) existed, being a barrier for trade. Japan requested its abolition through bilateral dialogues. The procedure was eliminated in February 2019.
- (6) **Permission of selling chocolate containing alcohol [India]** (May 2019)
India did not allow the sale of liquor-filled chocolates as the country bans alcohol intake of those aged 20 or younger. The restriction has now been relaxed, allowing the sale of such products as long as the product package or label clearly communicates that the product contains alcohol.
- (7) **Lifting of import bans on some fisheries products [Philippines]** (June 2019)
Lifting import bans on yamame trout, sand lance, dace and ayu produced in Fukushima Prefecture
- (8) **Revision of soy sauce standards [India]** (*A bill for amendment is now being developed in India.)
Agreed on the revision of India’s unique standards, according to which soy sauce has to be thick to be recognized as soy sauce in India. Currently, a bill for amendment is being developed in India. Export and local production of regular, Japanese-style soy sauce will be allowed after legislation.

5. Promotion of Japan's standards/systems

(1) Joint research towards the utilization of standards/certifications concerning quality of agricultural products/food in Vietnam

To promote the safety of Vietnam's agricultural products/food and the development of standards/certifications, a working group was established with the participation of Japanese companies as well, holding joint research concerning GAP, HACCP, organic certifications, etc.



(2) Study of possibilities of dissemination of GAP in Cambodia and support for the development of certification schemes, etc.

- Japanese companies and MAFF collaborate and conduct production/selling based on J-GAP in test agricultural fields, thereby checking to see whether GAP, the global standard, can be implemented in Cambodia.
- Support was provided to develop a scheme for operation of Cambodian GAP (on-site training, revision of a register) and for certification based on ASEAN GAP. In 2019, 40 to 50 cases are expected to be certified.

(3) Reconciliation of food-related standards/systems between Japan and Thailand

- After the first bilateral dialogue between the governments of the two countries, a trial project was conducted based on the agreement for cooperation towards mutual protection of the system for protected geographical indication (GI), thereby correcting the labels of counterfeit Yubari King melons in Thailand.
- At the second government-to-government dialogue/public private forum, Japan presented the country's food-related standards/systems including the GI system, the system for health food/functional food, nursing meals (Smile Care Food), etc., thereby requesting the reconciliation of specifications, classification of standards, etc. between the two countries in the future.



(4) Promotion of human resources development and certification systems in ASEAN

- Through funding projects implemented by the ASEAN Secretariat, MAFF set up courses concerning FVCs with donations in major universities in the ASEAN region. In the courses, experts from Japanese private-sector companies provide lectures on practical knowledge/technologies concerning FVCs.
- To improve skills of administrative officials, agricultural extension workers, and agricultural cooperative employees engaged in FVC establishment in the ASEAN countries, MAFF provided them with training concerning GAP application in their countries, introduced Japanese agricultural cooperative's method for classification of standards during their training in Japan, and held workshops concerning ASEAN GAHP (Good Animal Husbandry Practice).
- To increase the recognition of GAP certification which originated in Japan, MAFF conducted information/opinion exchanges with administration officials of each country in the ASEAN region, and a survey of processing/distributing businesses on the state of efforts for GAP and the needs concerning recognition and expectations.



(5) Promotion of Japan's distribution standards

By collaborating with the Ministry of Land, Infrastructure, Transport and Tourism, MAFF promoted Japanese-style cold-chain distribution based on the cold-chain distribution guidelines agreed on between Japan and ASEAN.

6. Major case of support for business expansion of Japanese companies

(1) Local production

[1] Ise Foods [Egg business (India)]

- The company set up a booth in the **Japan Pavilion** of the World Food India (WFI2017) held in November 2017, in which Japan participated as a partner country. Ise Foods was given an opportunity for making announcement of the establishment of a local joint corporation with Suzuki Motor Corporation at a WFI session held by Japan, in which then-Vice Minister Taniai participated.
- In March 2018, **an MoU was exchanged** with the Ministry of Food Processing Industries in the presence of then-Special Advisor to the Prime Minister, Miyakoshi.
- Ise Foods played the leading role in the establishment of “Japan-India Food Business Council” in May 2018. MAFF supported the preparation for its establishment and participates in the Council as an observer.
- The company’s egg business conducted in the state of Telangana was registered as the first project under the **Program for Promoting Investment into India by Japan** in the Field of Agriculture and Fisheries



[2] Kagome [Processed tomato products (India)]

In December 2018, the company participated in the first dialogue held based on a memorandum between the state of Maharashtra and MAFF. MAFF supported the conclusion of an MoU between Kagome and the Ministry of Food Processing Industries when a Japan-India summit meeting was held in October 2018. Kagome started production and sales of processed tomato products (tomato sauce, puree, etc.) in Maharashtra in April 2019.

[3] Fuji Oil [Production of new soybean varieties (Australia)]

Approached by MAFF, the company has conducted development of new varieties of soybeans in an experiment station of the state of Queensland since April 2018. If all goes well, the company will start experimental production of new varieties in the said state from the end of 2020.



[4] Alps Pharmaceutical Ind. [Production of medicinal plants (Myanmar)]

The company presented its plan for local cultivation business of a medicinal plant (senna) to Myanmar government officials (Department of Agriculture) in the **Japan-Myanmar Cooperation Dialogue for the Development of Myanmar’s Agriculture, Forestry, Fisheries and Foods** in January 2018. The company met Chief Minister of Magway Region Government in December 2018. The company is expected to exchange an MoU with Magway Region Government for realization of senna cultivation business in the region.

[5] Kameda Seika [Rice crackers (Cambodia)]

In response to the request from LyLy Food of Cambodia, MAFF introduced Kameda Seika to the company, which led to the establishment of a local joint corporation in 2018. Its factory started operation in January 2019, exporting products mainly to Australia.

(2) IT/smart agriculture, agricultural materials

[1] Nippon Biodiesel Fuel [Electronic agricultural cooperatives (multiple African countries)]

In response to a proposal by the Public-Private Round-Table Council in March 2019, a **small-group discussion group** was established under the Public-Private Council for Promoting Global Food Value Chain to promote the development of agriculture-related infrastructure including electronic agricultural cooperatives in Africa. The group has started discussions in cooperation with related companies.



[2] Nouentai [Imec agricultural method (Botswana)]

Using the **subsidized project** program, the company examines greenhouse cultivation of highly functional tomatoes using a special film (Imec) which needs less water.



[3] Kihara Works [Food dryers (Russia)]

Using the **subsidized project** program, the company promotes the sale of its food driers and peripheral equipment as a package in Russia. The company exchanged a memorandum for the promotion of food processing equipment with a local Russian company in 2019.

[4] MIRAI [Plant factory (Russia)]

In October 2018, the company participated in **Japan Booth** of “Golden Autumn,” a Russian agricultural exhibition, in which Japan took part as a partner country. Also, in a **seminar held by Japan**, the company was provided an opportunity for making an announcement of a plan the company is working on for building an artificial-light-only plant factory in Moscow.



[5] Hokkaido Corporation [Fertilizers (Russia)]

The company participated in the **public-private mission to the Russian Far East** in 2017, during which the company signed a contract for agricultural field tests of soil ameliorating fertilizers made in Japan with the All-Russian Scientific Research Institute of Soybean. After a two-year experiment, the company plans fertilizer registration and local sale.

(3) Cold chains/distribution

[1] Suzuyo Philippines [3-temperature-zone warehouses/2-temperature-setting simultaneous transportation vehicles (Philippines)]

The company has actively participated in dialogues since **the 1st Japan-Philippines Agricultural Cooperation Dialogue** held in March 2016, and successfully found a local Japanese company as a matching partner. By using 3-temperature-zone warehouses and new vehicles that enable simultaneous transportation in two different temperature settings, Suzuyo is delivering Japan-quality, fresh, safe vegetables produced by contracted farmers in the Philippines.



[2] Nissan Steel Industry [Film to maintain freshness of vegetables and fruits (India)]

In November 2017, the company set up a booth in **Japan Pavilion** of the WFI2017 in which Japan participated as a partner country. The company was provided opportunities for giving a presentation of “freshmama,” a film to maintain freshness of vegetables and fruits, in a **WFI session held by Japan** and attended by then-Vice Minister Taniai and a **public-private session** in the first meeting of Japan-India Joint Working Group.

Through the series of PR activities above, the company received a positive response from India and decided to go for local manufacturing and sales. Support was provided for **conclusion of an MoU** with the Ministry of Food Processing Industries of India, which took place concurrently with a Japan-India summit meeting in October 2018. The company is set to begin OEM production in a factory in the state of Karnataka in early FY2020.



[3] Mayekawa MFG [Freezers (Russia/India)]

The company participated in the **public-private missions to the Russian Far East** in 2016 and 2017. During the visits, the company signed a contract to deliver cooling facilities for fisheries products with the fishing port of Vladivostok.

Based on the information gained through the participation in **bilateral dialogues** with and **public-private missions** to India, the company decided to build a factory in Chennai.



[4] Nippon Express [Highly-functional cold boxes (Australia)]

Approached by MAFF, Humpty Doo, an onshore fish farming company in Darwin in the Northern Territory, filleted farmed barramundi and exported them (to Singapore, Osaka, etc.) on a trial basis by using highly functional cold boxes of Nippon Express in August 2017.