

Project commissioned by the Ministry of Agriculture, Forestry and Fisheries of Japan

**Fiscal 2013 Survey Project Report
on Support in Development of Overseas Markets for
Japanese Food Products and Food Industry**

**March 2014
Mitsubishi Research Institute, Inc.**

1. Introduction

1.1 Background and objective of the project

Today, Japan is subjected to the attention of the international community anew for its recent developments. The designation of Tokyo as the host of the 2020 Olympics in September 2013 and the nomination of Japanese cuisine on the UNESCO's Intangible Cultural Heritage list in December the same year, are two noted examples of both the ground and the result of such developments surrounding the country. Moreover in its December 12 report titled "Towards a Vigorous Agricultural, Forestry, and Fishery Industries," the Headquarters for Proactivity in Food, Agriculture, Forestry, and Fishery Industries of Japan, proposes the assistance effort of the Japanese government in building food value chains overseas by encouraging exports of agriculture infrastructures and systems through coordinated private investments in economic cooperation. There is also a heightened interest towards Japan, as Japanese food is more commonly served at summit diplomacy meetings or on other occasions.

Under these circumstances, this project is implemented for the purpose of developing new domestic and foreign food markets for Japanese companies with a focus on the Japanese food and dietary culture.

1.2 Subject countries

In this project, two countries were the subject of research--Cote d'Ivoire and Ethiopia.

Cote d'Ivoire is one of the leading countries of the Economic Community of West African States (ECOWAS). Japanese companies expect to operate in emerging markets of the country, where internal conditions have stabilized for promising economic development after years of civil war.

Ethiopia, having the Headquarters of the African Union, expects to see the development of new domestic markets as a major East African country.

1.3 Business Sector

The agricultural value chain (production-processing-distribution-consumption) involves a wide range of business sectors, including agricultural production, agricultural materials, infrastructure, processing, exports and imports, and retailing. In order to determine the feasibility of market entry by Japanese companies in Cote d'Ivoire or Ethiopia, this project focused on business categories in the agricultural value chain in which Japanese companies are already operating in Africa.

1. 4 Research details and method

1. 4. 1 Research conducted within Japan

(1) Public-Private Liaison Conference

A Public-Private Liaison Conference was organized to discuss policies to facilitate the entry of Japanese companies to Cote d'Ivoire and Ethiopia, in which the construction of a food value chain is included. This conference was composed of firms interested in markets across East and West Africa such as Ethiopia and Cote d'Ivoire, experts and academics well acquainted with the socioeconomic situation in the region, concerned government agencies, independent administrative agencies, and other relevant organizations.

(2) Interviews with Japanese companies

Interviews were conducted on Japanese companies which are engaged in production, processing, or distribution of products in the agricultural, forestry, and marine domains. These firms were asked to provide their opinions with respect to their interest in advancing anew into the markets of the two countries and related problems (e.g. product item, market size, timing of market entry, and preconditions). The results of the interviews were summarized as the opinion of the Japanese companies.

1. 4. 2 Research conducted abroad

In the two countries subjected to research (Cote d'Ivoire and Ethiopia), opinions were exchanged with foreign Japanese counterparts active in the local market. Information was also collected in order to consider the results of the aforementioned interviews in Japan. In addition, literature survey was conducted concerning culinary culture, dietary habits, and other relevant characteristics of the country.

Experts from the aforementioned Public-Private Liaison Conference participated in local meetings for an exchange of views.

1. 4. 3 Summary

Based on the research results described above, the second Public-Private Liaison Conference was held in March in Tokyo to discuss the results. At the conference, potential measures for the construction of a food value chain were considered, which includes the exports of agricultural infrastructures and systems to the surveyed countries. The summary of the research was prepared and provided to interested firms.

2. Market trends in fields of a value chain in Ethiopia

2.1 Agricultural production

2.1.1 Market trends

Despite the gradual increase in the recent years, productivity level of grains, vegetables, and other crops in Ethiopia remains to be low in comparison with those of other countries. This is mainly due to small-scale farming based rain-fed cultivation. Modern agricultural technology is still to find application in the country. In addition, experts point out that agricultural chemicals and fertilizers are too expensive for the majority of farmers to obtain. Commercial crops, such as coffee, are no exception.

Small farmers represent 80% of the Ethiopian population, each owning a farmland no more than one hectare in area. These small farmers usually use traditional agricultural tools or buffalos for plowing.

Under these circumstances, it is premature for Ethiopian farmers to buy or introduce Japanese agricultural machines. There are two possible measures to support the introduction of agricultural machines. First measure is to organize small farmers into unions, which would lease agricultural machines to member farmers. Second measure is to develop profession of machine lenders that purchase agricultural machines to till and harvest on behalf of farmers on a commission basis. Currently there are hardly any such unions or professions, and thus long-term effort will be required in order to achieve these goals¹. In addition, the introduction of Japanese agricultural materials, including agricultural chemicals and chemical fertilizers, would be extremely difficult at present because of their high costs.

2.1.2 Trends among major players and foreign-affiliated firms

As stated above, in Ethiopia, an overwhelming majority of unassociated small farmers are making low-productive agricultural products on an individual basis.

In a few cases, foreign-affiliated firms from the Netherland, India, or other countries are engaged in intensive farming in order to cultivate commercial flowers. These flowers are then transported by air as cut flowers to Europe and other countries. Kenya is Africa's largest producer of flowers. However, in recent years, some producers like India's Karuturi have made its base in Ethiopia as it found appeal mainly in its lower wages and its favorable climate in the highlands.

The Ethiopian government has been proceeding these years with its strategy of inviting private capital into large-scale agricultural projects of uncultivated lowlands, which account for about 60% of its territory. In response to this government initiative, foreign-affiliated firms from India, Saudi Arabia and other Middle East countries, and Europe are implementing projects to produce flowers and grains by cultivating up to million hectares of land leased from the government. Many of these developers, however, appear to have been faced with various problems, including poor soil condition that limits the efficiency of agricultural machines as well as conflicts with local residents.

¹ Interview with JICA Ethiopian Office

2. 2 Processing of agricultural products (e.g. food manufacturing)

2. 2. 1 Market trends

Aside from few cities, hardly any processed foods are available in Ethiopia, and thus their consumption is scarce. Most food including grains and vegetables that are distributed and consumed are unprocessed; either fresh or dried.

One issue within Ethiopia is the absence of cold chains. Processed foods, such as instant noodles from Indofood, and beverages (beer, etc.), are either imported or locally produced. They are mostly found at supermarkets in urban areas.

Canned foods are not widely spread, although they can be distributed relatively easily without a cold chain. This is mainly because cans themselves are not manufactured domestically. One possible way to manufacture cans is to build a coil center, which would manufacture cans from imported coils. In this method, however, coils could be damaged due to poor road condition during their transport from Djibouti, where they are unloaded. An alternative is to install a coil center in Djibouti to manufacture cans from imported coils, but this method does not have the desirable efficiency for its increase in the volume².

2. 2. 2 Trends among major players and foreign-affiliated firms

Ethiopia lacks major players in the processing of agricultural and food products, mainly because private firms are still premature under the country's socialist policy. For example, Ethiopia's staple food injera is produced individually by a large number of small processors, and not by large firms. Pasta also is absent of a large manufacturer, and there are about 20 small or medium-sized businesses across the country, which use imported flour.

Among relatively large companies is a local capital firm, Elfora Agro-Industries Plc. Elfora runs agricultural farms, stock farms, and chicken yards, while at the same time engaging in meat processing, distribution, and other fields of business. The company also exports animal products and processed goods to Middle Eastern countries. At least until 2006, the market leader represented almost 70% of the total domestic supply of beef and lamb, approximately 50% for chicken, and as much as 70% for chicken eggs³.

With the exception of Diageo of Britain and Heineken of the Netherlands, very few foreign-affiliated breweries and other manufacturers are engaged in on-site production. As stated above, beer and other beverages are sold in bottles as cans are not manufactured in Ethiopia.

2. 3 Distribution in general

2. 3. 1 Market trends

Infrastructure for distribution of agricultural and food products are little developed or in poor condition due to lack of maintenance, causing the growing distribution cost. Ethiopia's insufficient infrastructure are posing serious problems, including almost daily power outages caused in many regions by insufficient electricity supply, a lack of road networks, and scarce storages and cold

² Interview with local private firms

³ JETRO African Growing Enterprises File

http://www.ide.go.jp/Japanese/Data/Africa_file/Company/ethiopia02.html

chains.

As an inland country, Ethiopia uses a seaport in the Republic of Djibouti for exports and imports. For this reason, the distribution of products may seriously be interfered with by the conditions in Djibouti (e.g. bad weather and accidents). Excessively slow overland distribution frequently disables loading on containers at the Djiboutian port⁴.

Ethiopia imposes a 35% tariff on imported food products. Adding other taxes, importers eventually have to pay about 60% higher than the exporters' price, which causes importers to lose cost competitiveness. Local production would avoid such pricing problems, but this will not be a practical solution for the country, where there is little demand due to low purchasing power of Ethiopians and a lack of large urban populations⁵.

2. 3. 2 Trends among major players and foreign-affiliated companies

As with processing, the distribution domain is dominated by a large number of small and medium-sized businesses in the absence of leading players. It is pointed out that, in years to come, small businesses will be replaced with new large enterprises. However, the current circumstances are not ready for the appearance of major distributors.

Aside from few supermarkets operating in urban areas, foreign-affiliated businesses are reluctant to enter Ethiopian markets in the face of the numbers of regulations. Food-service chains, such as McDonald's and KFC, are yet to operate in Ethiopia.

⁴ Interviews with local private firms

⁵ Interviews with local private firms

3. Japanese Business Expansion into African Region

3.1 Interview survey on Japanese companies operating in Africa

The operation of Japanese companies in the African region is currently extremely limited.

According to the reports by the Japan External Trade Organization (JETRO) and other organizations, there are approximately 400 Japanese companies operating in Africa. Of these, 15 businesses have entered into the agricultural, forestry, marine, and food industries. By region, two third of the Japanese companies are concentrated in South Africa and in North Africa. The latter includes countries along the Mediterranean Sea, such as Egypt, Algeria, Tunisia, and Morocco. In contrast, there are very few companies that have advanced into West Africa or East Africa. Moreover, the number is especially limited for markets in Cote d'Ivoire and Ethiopia, the two subject countries in this report.

In this report, interview was conducted on 11 Japanese companies which have had experience, or are interested in operating in across Africa in domains such as production, processing, distribution, or other related fields for agricultural, forestry, marine goods and food products. Our interviews focused mainly on their experience in market development and the investment environments in Africa in order to have basic understandings on future business advancement into Africa.

In particular, in regards to Cote d'Ivoire or Ethiopia, interviewed firms were asked their evaluation of the market environment and their interest in making entry into the two countries.

Of the 11 Japanese companies interviewed, 10 businesses are currently operating in Africa, and remaining 1 is conducting a feasibility study in Africa.

The interviewed group largely constituted two business types; import of agricultural products from Africa to Japan (5 firms importing coffee, cocoa, soybean, sesame, flowering plants, cotton, and other agricultural products) or the export of Japanese products to Africa (4 firms exporting seeds, agricultural chemicals, agricultural machines, outboard engines, and other machines). There were also companies which produce instant noodles and canned products in India and Thailand to sell them to markets in Africa.

In importing agricultural products from the countries, Japanese firms not only procure products from exporters but also provide technical guidance to local production sites and conduct quality control. Some firms engage in social contribution activities while conducting business. However, in terms of farms, there are currently none owned directly by Japanese companies

Japanese exporters to the countries provide local agents with technical guidance, hold explanatory meetings, offer inspection services for their products, and otherwise quickly respond to problems with local buyers.

When the companies are involved in the distribution of products in African markets, such as in the case of instant noodles and canned products, it is less costly to produce them at local sites than to import from other countries. Local production in Africa would likely be faced by issues such as material procurement, quality control, and labor management. Nevertheless, it was found through the interviews that companies of this business area were positively considering the potential shift to local production in the future.

Following are some main points that became apparent through the interviews.

(1) Appeals of the African market

Africa has an extremely high market potential as with its continuing stable economic growth and its increase of population estimated to continue into the 22nd century.

In addition, the large area of arable land, uncultivated land and land for rice cultivation, and the favorable weather conditions give Africa a noted potential for agricultural development.

(2) Agriculture in Africa

In Africa, different types of agriculture are practiced, depending on regions, and there are also various crops such as cacao, coffee, and flowers that have particular strengths.

There are plantations managed by European capitals or local planters for the exports to European markets. These plantations have large facilities and make use of agricultural machines and agricultural chemicals in the cultivation. Meanwhile, there are also farmers on small farmlands who are engaged in low-productivity farming without funds or practical knowledge. There are also a group of farmers who are ranged between the two levels of farming aforementioned. These are farmers who own few hectares of farmland and produce commercial crops.

Production of processed foods is not as widely present in Africa, and they are still in the course of spreading its market, except in some regions of South Africa where new factories have recently started processing food products to export to African and European markets.

(3) Investment environment in Africa and issues

There are concerns over security when those who come from Japan are to conduct business or to live in Africa.

As for business environment, stability and transparency of government policies and institutions are issues for many Japanese companies. The lack of recognition towards level of quality provided by Japanese goods and services is also a point of concern.

(4) Potential for Ethiopia and Cote d'Ivoire

The evaluation of two countries by the interviews are as follows:

Ethiopia has a great potential for production and marketing of agricultural products as it possess a considerable population, vast expanse of arable land and favorable weather conditions. In addition, there has been an increase in cultivation of flowers to be shipped to Europe in the recent years. Nevertheless, the concern is that the country remains among the poorest countries of the world, with scarce infrastructure and a low educational level.

On the other hand, Cote d'Ivoire is the leading country in the West African economy, with improving infrastructures and a developing educational system. There are also similarities with conditions in Japan as rice cultivation is increasing across the country. One issue is that Cote d'Ivoire is a very small country. Japan expects Cote d'Ivoire to serve as a base for Japanese firms to develop business in West Africa.

(5) Business development in Africa

In promoting marketing activities and collecting payments in Africa countries, Japanese firms should entrust these procedures to reliable companies that are based locally. The roles of Japanese staff should be concerned more with the implementation of local market surveys, the selection of

agents, and technical transfer to local business partners. As for agricultural machines and materials, price competitions with brands from China and India are unavoidable. Experts suggest that Japanese products should be locally accepted following the recognition by the users that the public realizes that Japanese agricultural machines are relatively more durable and thus less expensive in the long run.

Japanese seed companies are advised to combine seeds with a technical support service in their sales. This would include after-sales services, such as inspection and repair. One example is to build a framework under which loans provided to farmers with which they would be able to sell their product (See Figure 3-1).

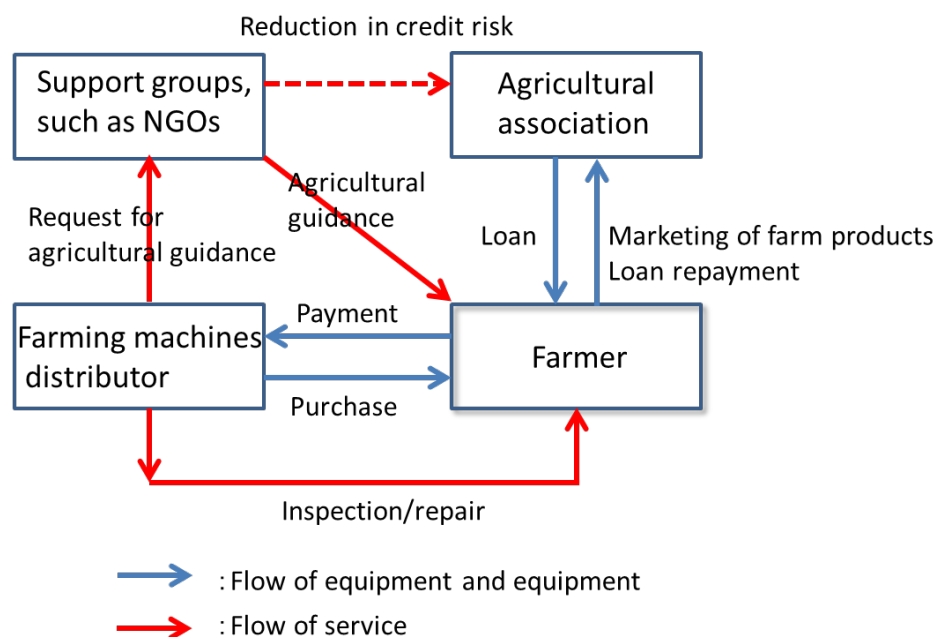


Figure 3-1 Example of a framework for marketing agricultural machines

3.2 Business model operations in Africa

The following is a typical business model for Japanese companies to apply in businesses in Africa:

Japan currently imports agricultural products from Africa, headed by cacao from Ghana, and coffee and cut flowers from Ethiopia. Japanese firms import these products via trading houses or on their own account, while some develop and import soybean, sesame, and other products.

The majority of agricultural products are imported from large local farms, export associations, or some other organizations. In the future, Japanese companies may be able to own their own farms in Africa. Also, they may seek stable supply of goods by engaging in development of social infrastructures, such as schools, in cooperation with local agricultural producers through support from governments.

There are already initiatives made to acquire western companies and apply their resources to a development-and-import scheme or to process agricultural produce locally.

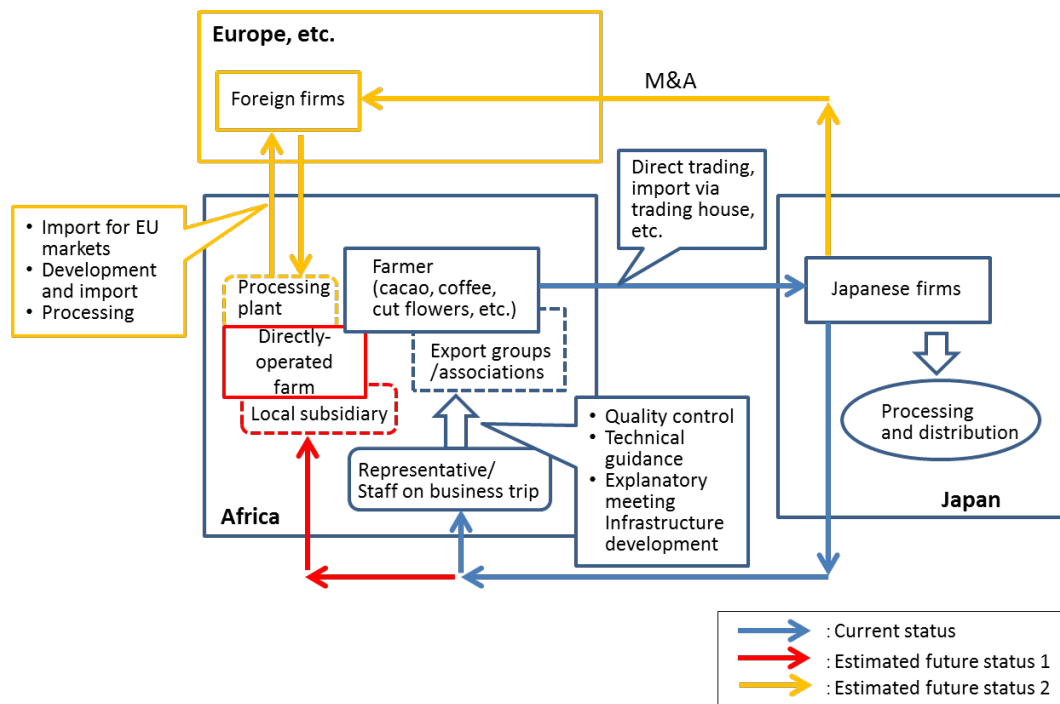


Figure 3-3 shows a business model for selling agricultural materials, machines, and other products in African markets. In this model, distributors are selected in each country to sell agricultural machines.

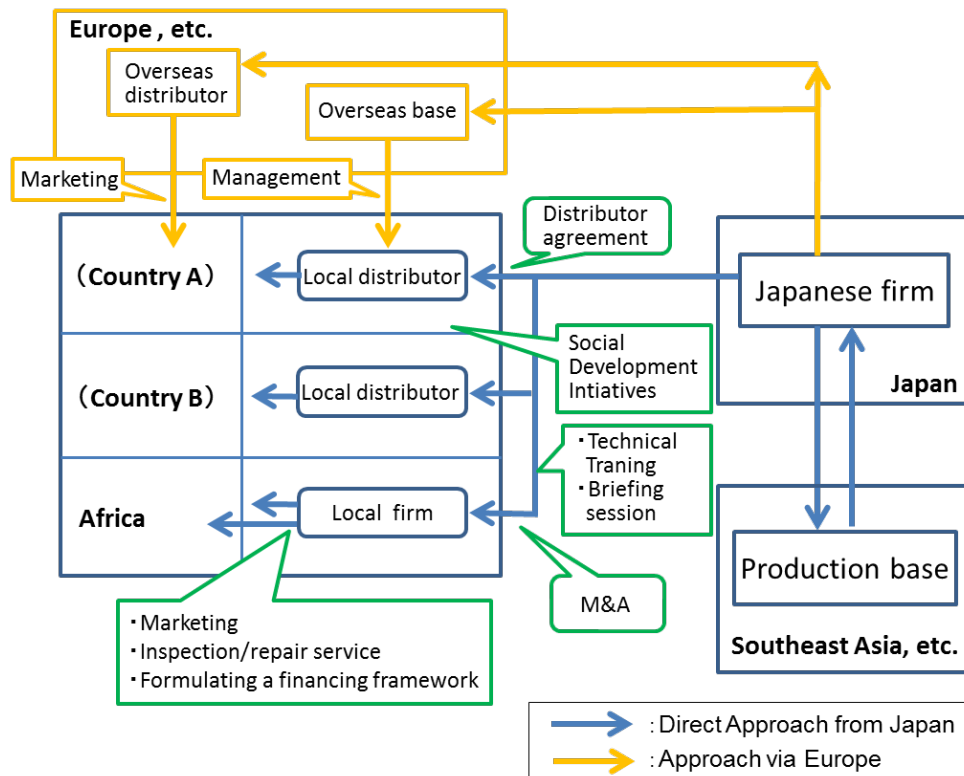


Figure 3-3 Business model for operations in Africa (Marketing of agricultural machines and materials in Africa market)

4. Policies for development Food Value Chain

4. 1 Introduction

4. 1. 1 Concept of food value chain development

In this project, policies and measures were discussed with respect to the development of a food value chain in Cote d'Ivoire and Ethiopia. This includes exports of agricultural infrastructures and systems, and opinions were collected through interviews with Japanese companies, a literature survey, a local survey, and a public-private liaison meeting. This Chapter provides a policy roadmap of Japan's initiatives to construct food value chains based on public-private coordination.

In the current report “the development of food value chain” points to a condition where companies operate businesses and government organizations work in support at an appropriate timing and manner in the course of production or supply of agricultural, forestry or marine products. There should also be synergy between initiatives of the companies and of the government in this process.

It is to be noted that this roadmap has been prepared by this project, not by the Japanese government. There are many uncertainties in both countries. The entry of Japanese companies into their markets is subject to the solution of these problems.

4. 1. 2 Selection of crops and business domains

In preparing a roadmap, we selected particular crops and business domains in Cote d'Ivoire and Ethiopia that are subjected to analysis. There are three criteria for the selection: (a) the needs in the countries (consistency with the policies and the market size), (b) trend in the aid policies of the Japanese government (subject of ODA projects), and (c) seeds of the Japanese companies (its motivation for market entry and the advantages possessed) (Figure 4-1).

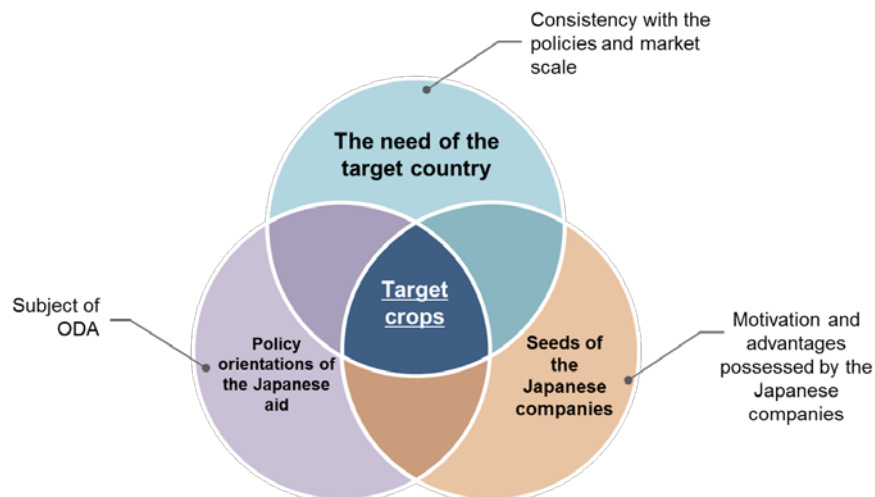


Figure 4-1 Three perspectives on the target crops and business domains

4. 1. 3 Model of Food Value Chain

In each roadmap, the horizontal axis represents time (coordinated with the increase of GDP per capita) and the vertical axis represents each stage of the value chain. The initiatives of the Japanese government are colored in green and that of the Japanese companies are colored in red.

4. 2 Food Value Chain in Ethiopia

4. 2. 1 Selection of crops and business domains

Ethiopia is currently working to increase its production level of its agricultural products headed by rice, cotton, sugarcane and sesame, and initiatives are made to invite large-scale foreign investments. There has already been land allocated to such investments and expectations are high among Japanese companies for entry into the production market. At the same time, there are also barriers for the Japanese firms to overcome; issues over soil and climate, the relative prematurity of the economy, as well as the fact that rice is not a common diet in the country.

As to agricultural machines, the agricultural market is largely dominated by small-scale farmers, who use buffalos in cultivation, in the absence of well-organized large-scale farms. This fact may delay the establishment of a market appropriate to the entry of Japanese manufacturers. In the current condition, domains in which Japanese companies may make its market entry remain limited. For the time being, it is the basic development of infrastructure such as the expansion of irrigated land and the increase of productivity that should be the target of governmental initiatives from Japan.

In considering such situation, the sectors of high potential within Ethiopia are primary products of high added-value, such as flowers and coffee. The following roadmap has therefore selected the above crops which are also potential export goods to Japan and/or Europe.

4. 2. 2 Production of flowers and coffee

(1) Needs of Ethiopia

In the Ethiopian agriculture, most are small-scale individual farmers and large-scale agriculture remains under-development. There are issues regarding the quality and traceability of the product. Consequently, despite the large potential possessed by primary products in Ethiopia, export volume is still limited. In addition, in regards to primary processing, the expansion of the industry unit scale, processing skills (packaging, marketing etc.) and development of human resource are demanded for. In the distribution phase, the development of distribution infrastructure and the capacity development of the customs are the main issues.

(2) Support from the Japanese government

JICA has implemented multiple projects related to agricultural production and processing. Its initiatives include “Quality Seed Promotion Project for Smallholder Farmers” (from February 2010 to February 2014), “One Village One Product Promotion” (from March 2010 to May 2014), “Project for Enhancing Development and Dissemination of Agricultural Innovations through Farmer Research Groups (FRGs)” (from March 31, 2010 to March 2015), and “Forest Coffee Cultivation Project.”

“Quality Seed Promotion Project for Smallholder Farmers” aims to increase the production and

consumption of quality seeds by improving the production process of seeds from the production phase to the distribution phase in Amhara Region, Oromia Region and Southern Nations, Nationalities and People's region. With the aim of reinforcing the processing of value-added primary products and developing new agricultural products, "One Village One Product Promotion" involves federal and state governments in establishing the One Village One Product Promotion System and assists farmer groups in developing and marketing agricultural products. Meanwhile, "Project for Enhancing Development and Dissemination of Agricultural Innovations through Farmer Research Groups (FRGs)" introduced an "FRG approach" to develop techniques highly operable to farmers through their participation for the purpose of officially establishing a participatory study program based on farmers' needs.

In addition, a forest coffee distribution and production promotion project is to start during fiscal 2014 through public-private coordination, as the successor to the Belete-Gera Participatory Forest Management Project, which ended in 2012. Under this project, the forest coffee certification program was introduced with the aim of preserving forests and increasing income of local residents. This project gave Japanese firms an opportunity to improve the quality of produced coffee and sell such coffee products in Japanese and European markets.

As seen from above, JICA has focused on increasing income of small-scale Ethiopian farmers, by helping improve productivity and providing them with marketing assistance. JICA's efforts are expected to enable local farmers to diversify their means of livelihood and revitalize the local community through business utilizing local resources.

In addition to these current and future projects and activities, the Japanese government is expected to contribute to Ethiopia by (a) providing technical assistance with respect to customs procedures and other matters in order to facilitate exports from Ethiopia, (b) developing infrastructures to be used for distribution after production and processing (e.g. roads and railways leading to airports and Djiboutian ports), and (c) continuing efforts to reorganize farmers and production systems.

(3) Seeds for Japanese companies

In our interviews, some Japanese companies pointed out that, while Ethiopia has high potential for producing high value-added primary products, such as coffee and flowers, exports to Japan have not been increasing due to problems with production technology and traceability. Also, some interviewees indicated that coffee imports have been recovering from a sharp drop since the solution of problems of residual agrochemicals found in 2008 in Ethiopia and that demand is growing for roses and other fresh flowers from Ethiopia in line with decreasing domestic production.

Judging from the abovementioned standpoints, private Japanese companies expect to increase imports of primary products and provide support to the country in production and quality management for the purpose of increasing exports to Japan. The Ethiopian government has a keen interest in expanding exports to acquire foreign currencies. In addition to exports, the engagement of private Japanese companies in assisting Ethiopia in production and quality management through cooperation with JICA will contribute greatly to the country in reinforcing production of value-added primary products. At the same time, Japanese companies will have the merit of improving product quality and traceability.

(4) Roadmap for a food value chain policy

In this model roadmap, we propose to construct a food value chain that will lead the way from production to processing, distribution and consumption, by investment and support to expand export

from the government and people of Japan.

Export business for primary products such as flowers and coffee are being participated in by Japanese government. Moreover, JICA provides technical cooperation in production and processing through projects, such as “Quality Seed Promotion Project for Smallholder Farmers” and “Forest Coffee Cultivation Project”. Production of high-quality and traceable primary products is expected as the outcome of these JICA projects. On the other hand, it is also important that Japanese companies participate in JICA projects productively also from the viewpoint of CSR.

Moreover, it is also necessary to be involved in infrastructure development (roads, railways, airports) through ODA projects of the Japanese government. This will not only bring down the cost of distribution which will increase the competitiveness of the export products from Ethiopia, but also increase opportunities for Japanese companies. On top of this, technical cooperation projects involving airport customs will be implemented to facilitate the export process.

Actions of the Japanese government and Japanese companies in production of flowers and coffee can be described as below.

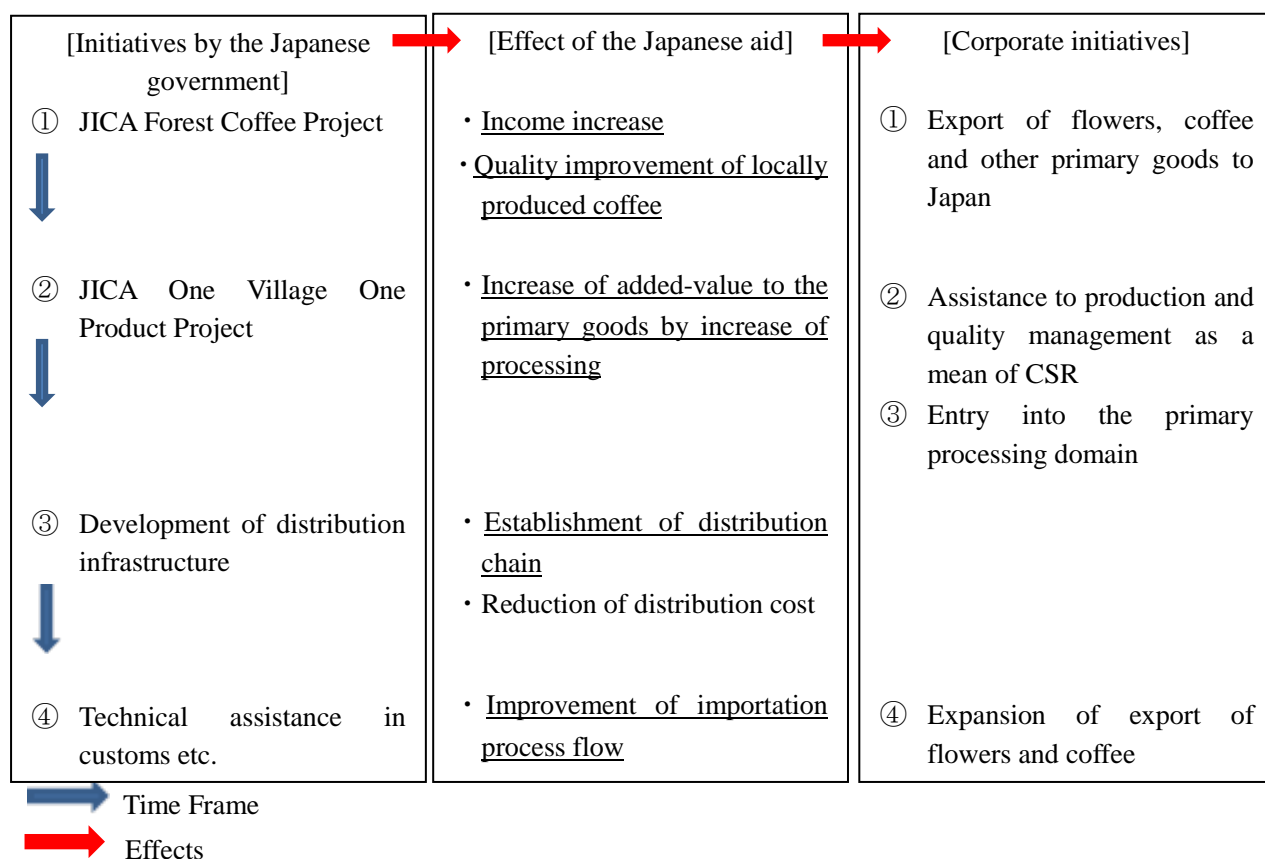


Figure 4-2 Actions of the Japanese government and Japanese companies in production of flowers and coffee

Figure below shows the roadmap for construction of a food value chain through Japan's assistance in production and export segments. Important points are: 1. Expansion of export by supporting production and quality control; and 2. Infrastructure development for distribution and export.

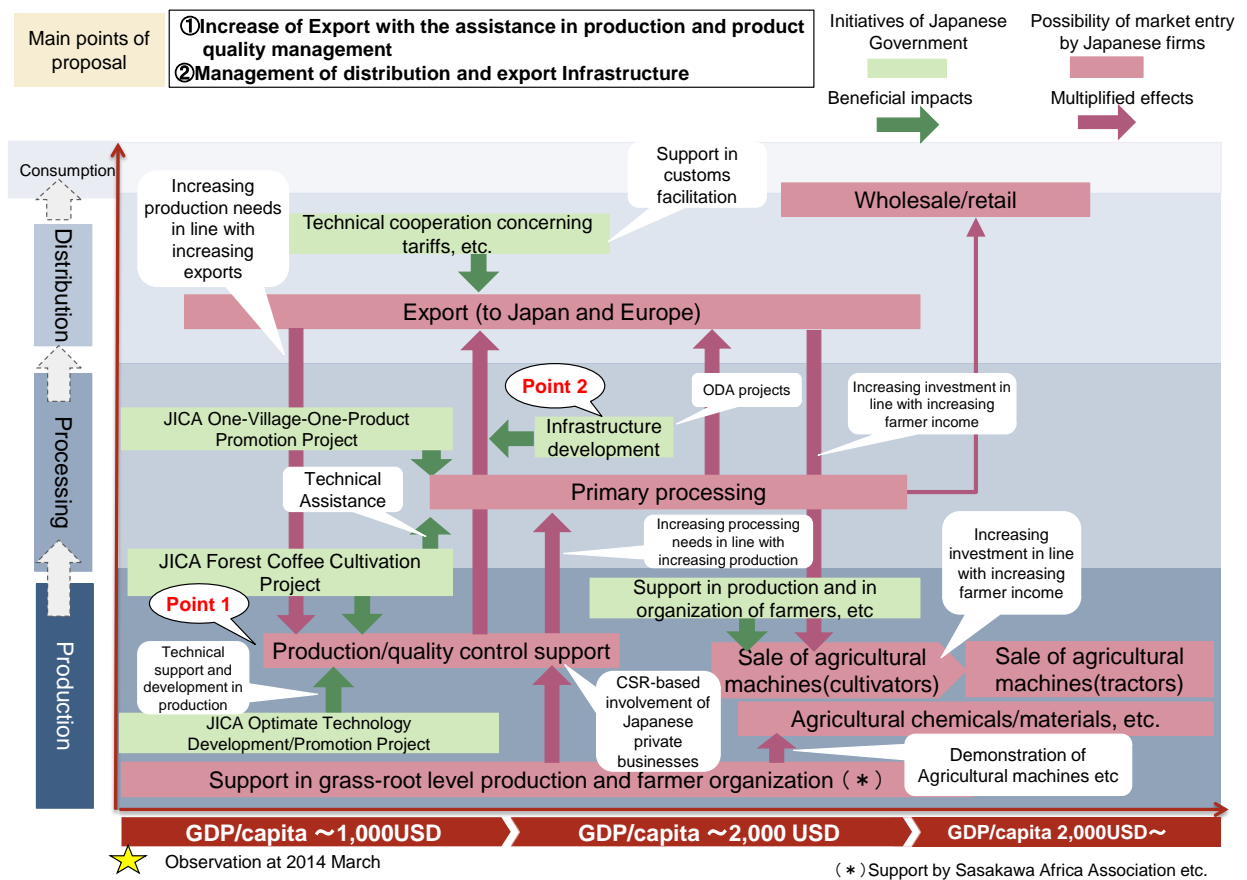


Figure 4-3 The construction of food value-chain by assistance in the production and exportation domain

(5) Supposed uncertainties

There could be certain uncertainties in the construction of the food value chain that could hinder the promotion of investment represented in the roadmap:

- the slowing down of the economic development,
- the budget limitations of Japan's ODA (such as Yen-loan)
- the issue of residual pesticides,
- destabilization of the political condition,
- slow progress of the institutional development and softening of regulations.

4.3 Other initiatives expected by the Japanese government

Finally, below are some possible initiatives by the Japanese government (especially the Ministry of Agriculture, Forestry and Fisheries) apart from the individual domains mentioned above.

4.3.1 Organization of intergovernmental dialogue

It is proposed that an intergovernmental dialogue is organized in order to exchange views regarding the improvement of infrastructure, institutions and policy-making. Such dialogues are to be initiated and held occasionally by the Japanese Ministry of Agriculture, Forestry and Fisheries, and the Ministry of Agriculture in the subject country. Infrastructure and institutions are not necessarily in control of the Ministry of Agriculture, though discussions especially on the agricultural domain are expected. Moreover, it is supposed that political dialogue is held regarding such field as technology regarding rice cultivation and processing of food. The assistance of the Japanese government to the policy-making of the subject country could increase the possibility of market entry by Japanese companies.

4.3.2 Support for business development in Africa

In this research, it was found that there are various companies that make use of preparatory cooperation study (Promotion of BOP business cooperation) by JICA and this project scheme was evaluated very high. However, this scheme is not made especially for the agricultural domain. It is expected that there would be a project for pilot programs and such in the domain of agriculture, forestry and marine products organized chiefly by the Ministry of Agriculture, Forestry and Fisheries.

4.3.3 Business matching

There is high demand for business matching also from Japanese companies. Ministry of Agriculture, Forestry and Fisheries of Japan should take the initiative to exchange opinions with prospective partners in selected countries and to support Japanese companies to deepen understanding of the investing environment in selected countries. It is expected that prospective companies will be selected from each area in the food value chain, and then these companies will be sent to selected countries for a business matching mission to exchange opinions with prospective partners. These activities will help companies to observe the investing environment and to improve understanding in investment opportunities, which will lead to concrete business actions in the future.