

Publications and Summaries of Selected Research Papers

● Publications

PRIMAFF Review(Japanese)	No.1~3	quarterly
Journal of Agricultural Policy Research	No.1~2	published irregularly
Research Monograph Series (Japanese)	No.1	published irregularly
Annual Report (Japanese, English)	No.50	annual

● Summaries of selected research papers

1) Norin Suisan Seisaku Kenkyu(Journal of Agricultural Policy Research)

“Eco-labelling and the WTO Agreement”, by Norio FUJIOKA, *Journal of Agricultural Policy Research*, No.1, pp.1-12.

① Eco-labelling programmes aim to improve the environment by raising consumers’ awareness of the environmental effects of the products and hence by encouraging their behaviour in favor of relatively environmentally-friendly products. They are no means of import restrictions. But they may have adverse effects on trade if their criteria development processes lack transparency or excessively reflect local environment conditions.

Increasing eco-labelling criteria based on processes and production methods (PPMs) are in the background of trade frictions related to eco-labelling programmes. Exporters may face difficulties, such as substantial additional costs, in meeting the PPMs-based eco-labelling criteria, since the PPMs suppliers prefer may not coincide with those required in the overseas market.

② Two points are at issue on eco-labelling programmes in the WTO context. One of them is whether eco-labelling programmes based on non-product-related PPMs are covered by the TBT Agreement, and the other is whether they are free from the GATT/WTO disciplines. Generally speaking, developed countries are affirmative on these issues, while developing countries are negative.

(1) TBT Agreement’s coverage of eco-labelling programmes based on non-product-related PPMs:

The TBT Agreement covers both technical regulation and standard, and Annexes 1.1 and 1.2 to the Agreement define these technical regulation and standard. It seems clear that eco-labelling programmes based on product-related PPMs are included in these definitions, but it is ambiguous in the text whether these eco-labelling programmes are covered by these definitions. So it is persuasive to argue that eco-labelling programmes based on non-product-related PPMs are not covered by the TBT Agreement in the light of the negotiating history of the Agreement.

(2) The relation between eco-labelling programmes based on non-product-related PPMs and GATT/WTO disciplines:

Articles I : 1, III : 4, and XXIII : 1(b) of the GATT 1994 are relevant to this point. As for Article I : 1, there is a precedent about Tuna/Dolphin case, where the Panel found that the “Dolphin-Safe” eco-labelling programme was not inconsistent with Article I : 1 since “the labelling provisions do not establish requirements that have to be met in order to obtain an advantage from the government. Any advantage which might possibly result from access to these labels depends on the free choice by consumers.” But if the government intervention in a programme was more than that in the Tuna/Dolphin case, such a programme can be inconsistent with Article I : 1.

③ Although measures based on PPMs have many problems about the WTO Agreement, voluntary programmes such as eco-labelling programmes can be consistent with the WTO disciplines. Eco-labelling programmes are effective in marketing, and their effect can grow as the consumer’s concern about PPMs is increasing. Japanese agriculture, forestry and fisheries which are considered environmentally-friendly may as well utilize eco-labelling programmes for their marketing purposes.

“Regulatory Reforms for GMOs in Australia”, by Yasuo WATANABE, *Journal of Agricultural Policy Research*, No.1, pp.13-31.

Australia, the third largest agricultural exporter to Japan, has recently reformed its national regulatory schemes for genetically modified organisms (GMOs). Some genetically modified crops (GM crops) have already been grown on trial sites and might be commercialized soon under the new regulating schemes, which may affect Japan’s imports from Australia. In addition, Australia, as a leading country of the Cairns Group, is one of the key players in international agricultural

negotiations, where regulating GMOs has become a hot issue. Therefore, it shall be useful for Japanese authorities, traders and consumers to investigate details of recent regulatory reforms for GMOs in Australia.

In this context, firstly, this report explores the recent regulatory reform of GMO dealings. For the past 13 years, the Genetic Manipulation Advisory Committee (GMAC) has overseen the use of gene technology. However, the system supervised by GMAC has no legislative backing; compliance with GMAC guidelines and GMAC recommendations was voluntary. This meant that there was no legally enforceable way to audit or monitor the use of gene technology or to penalize breaches. But, the range of GMOs is being developed rapidly and some GMOs do not fall neatly within the existing regulations. Also, more GMOs are approaching the commercialization stage. In response to this situation, in December 2000, the Federal Government passed the Gene Technology Act 2000 (GT Act). The legislation came into force on 21 June 2001. The predominant feature of the GT Act is to establish an independent statutory official named the Gene Technology Regulator to administer the legislation and make decisions (e.g. risk assessments) under the legislation.

The regulatory reform of labelling genetically modified food (GM food), as reviewed in the second chapter of the report, was another notable development in Australia. Food Standard A18 approved by the Australia New Zealand Food Standards Council (ANZFS) regulates GM food labelling in Australia and New Zealand. On 28 July 2000, ANZFS agreed in principle to new labelling requirements for GM food. ANZFS formally approved the revised standard on 24 November 2000. It was gazetted on 7 December 2000 and comes into effect on 7 December 2001. The new standard requires all GM foods and ingredients to be labelled where they contain novel DNA and/or novel protein in the final food or have altered characteristics. It means that some GM foods are required to be labelled even though they are substantially equivalent to conventional foods. However, as defined in A18, GM food labelling requirements have some exemptions such as the unintentional presence of a GM food not more than 1%. The revised GM food labelling standard will be almost as rigid as the current EU standard.

Finally, this report concludes with some expectations. Australia is lagging behind key trading rivals such as US, Canada and Argentina in the GM crop field. It seems that Australia has established a solid legislative basis, i.e. the GT Act, for the future commercialization of GM crops to catch up with its rivals of the world grain market. On the other hand, the revised GM food labelling standard might put Australia into a difficult position because the country has strongly accused such a rigid GM food standard as disguised protection against trade liberalization. Australia may change its strategy in future international negotiations for GM food standard.

“Reactions of Users of the Public Nursing Care Insurance System and their Characteristics: With an Emphasis Placed on the Questionnaire Survey on Users of Care Service Conducted in the City of Kashiwa”, by Yoshihiko AIKAWA, Kimi HOTTA* and Ritsuko YAMANE*, *Journal of Agricultural Policy Research*, No.1, pp.33-64.

The purpose of this paper is to examine the reactions of users of the Public Nursing Care Insurance system, which was introduced in April 2000, based on the results of the questionnaire survey conducted in a city in the Tokyo metropolitan area. The results can be summarized as follows:

- ① Only a half of those in need of nursing care regularly lived with their families. In addition, while women played a central role in giving nursing care, the number of “daughters living together” who provided nursing care was almost the same as that of “wives of the sons living together.” This is a characteristic commonly observed in cities.
- ② Seventy to eighty percent of those in need of nursing care (or their families) were satisfied with the Public Nursing Care Insurance system. From this it may be concluded that the system has generally been accepted favorably. However, though there were not many users discontent with care need assessments, those dissatisfied with the assessments complained that “No consideration was given to the family’s ability to give nursing care” or that “Assessment of the condition of dementia was too low.” These opinions suggest that the care need assessment method of the system has these defects.
- ③ In the Public Nursing Care Insurance system, users have to pay 10% of the insurance premiums. While those who suffered from severer disability desired less economic burden even if it meant a lower service level, their families wanted, on the contrary, a better service even though it resulted in a heavier economic burden.
- ④ After the introduction of the system, users of nursing care service increased by about 26%. On the other hand, 24% of those who had already used the service before the start of the system increased the level of use, and 13% of them decreased the level of use. This means that only 11% of these continued users of the service (24% - 13%) increased their utilization level. The average use

level of the service of those in need of nursing care was 50% of the upper limit. This shows that even after the system was introduced, the tendency to use nursing care service moderately has continued.

*Kaigo Hoken Shimin Kaigi

“Variability of Farm Income and New Farm Safety Net Programs”, by Kunihiisa YOSHII, *Journal of Agricultural Policy Research*, No.2, pp.1-26.

This report investigates farm income variability, and revenue insurance and NISA-type risk management savings accounts as new farm safety net programs in Japan. The analysis is based on Farm Economy Survey data for 2,854 farms, conducted by the MAFF over the 1995-1999 period.

First, the report shows that combining average annual farm income with Farm Income DI (diffusion index, defined as the percentage of farms whose farm income increased less the percentage of farms whose farm income decreased in the previous year), the influence of farm income variability on the farmhouse and rural economy can be evaluated appropriately.

Second, the report considers three types of revenue insurance models based on single-crop, combined rice and wheat and/or soybean, and whole-farm agricultural sales. Under these models, average damage ratios (equivalent to premium rates) are calculated for the 2000-2009 simulation period. The results show that rice revenue insurance and whole-farm revenue insurance present relatively low damage ratios.

Finally, the report examines the level of withdrawals from NISA-type savings accounts for the 2000-2009 period. Results show that certain farmer account balances dry up and withdrawals were not possible when required, even if higher contribution rates were applied, whereas other account balances accumulate year-on-year beyond farm needs.

“Korean Agricultural Policies Shift towards an Environmentally Friendly Agriculture: An Interview with Minister of Agriculture and Chief of Staff of Agriculture in the Executive Mansion”, by Kyoichiro ADACHI, *Journal of Agricultural Policy Research*, No.2, pp.27-46.

Owing to the shift from a military administration to a civilian administration of February in 1993, Korean agricultural policies began to change direction from a “Scale and Cost Oriented Policy” to an “Environmentally Friendly Policy”.

The individuals who led this paradigm shift in Korean agricultural policy were Huh Shin-Haeng, Choe Yang-Boo, and Kim Sung-Hoon, all famous Korean agricultural economists. During President Kim Yeong-Sam’s Administration, Huh Shin-Haeng took office (Feb. 26, 1993- Dec. 21, 1993) as the first “scholar” Minister of Agriculture, Choe Yang-Boo took office (Dec. 23, 1993 - Feb. 24, 1998) as the first “scholar” Chief of Staff of Agriculture in the Executive Mansion, the so-called Blue House, and at President Kim Dae-Jung’s Administration, Kim Sung-Hoon took office (Mar. 3, 1998 - Aug. 7, 2000) as the second “scholar” Minister of Agriculture in the history of the Ministry of Agriculture in Korea.

They believed that a Sustainable Agriculture (Huh), an Environmental Agriculture (Choe) and an Environmentally Friendly Agriculture (Kim) could ensure the survival Korean agriculture and they actively promoted these forms of agriculture.

Under their strong leadership from Feb. 1993 to Aug. 2000, Korean Agricultural Policy Reform succeeded, with Korean Agricultural Policies now oriented towards the Environmentally Friendly Agriculture with, for example, the Sustainable Agriculture Promotion Act, the Direct Payment System for the Environmentally Friendly Agriculture, the Direct Payment System for the Paddy Farming, the stern Certification System for the Environmentally Friendly Agricultural Products.

Due to the nature of the Presidential system, Korean Agricultural Policies often change dramatically. It is therefore difficult to look into the future of Korean Agricultural Policies, but this trend needs to be watched more carefully.

“Territories and the Environment in French Agricultural Policies”, by Keiichi ISHII, Research Monograph Series, No.1, 251p.

The main subject of this work is to examine the evolution of French agricultural policies intended for socio-economically fragile areas and the environment, taking into account the implications of farm subsidies, which are important instruments of said policies.

The Agricultural Orientation Law was adopted in 1999 and provides for sustainable development in agriculture. The reasons behind the adoption of such legislation are as follows: 1) the enhanced dependency of farms on subsidies and the concentration of subsidy allocation on a limited number of farms, caused serious social justice and equity problems in agricultural policy; 2) The decrease in the number of farms, and in the amount of land dedicate to large farms, can only result in desertification of rural society, while recent structural change can limit the margin of socio-structural policy, which had encouraged aged and low-income farmers to retire thereby facilitating land transference; and, 3) Further interventive price cuts on mass-products were introduced in Europe.

With the restriction on enlargement and intensification of farms, and a foreseeable declining trend in product prices, the only viable strategy left for farmers to take is one of labour intensive farming. Not only value-added products with high quality, but also environmental goods or services, i.e., products not commercialized in the market, can be considered labour intensive products. Creating or reinforcing a local production centre based on high quality products requires standardizing certain aspects of production shared by local producers. Maintenance of traditional landscapes and water quality, and biotope preservation is necessary to agglomerate plots of land held by several farmers. If such measures are not taken, the efforts made by individual farms would have little impact on the environment. These are reasons why a local organization dedicated to farmers becomes necessary with the creation of localized policy .

These inherent local and environmental issues will lead to a decentralized agricultural policy in France involving direct payments, since income distribution by means of direct payments would be more flexible and have more merit than price-supported centralized income distribution.

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Toshio Yamada	Senior Executive Director, Central Union of Agricultural Co-operatives
Kazuko Yamamoto	Journalist
Hiroshi Yoshikawa	Professor, Faculty of Economics, University of Tokyo

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Budget and the Number of Staff

Budget

Budget for annual income for FY 2001:	3,294,000
Budget for annual expenditure for FY 2001:	915,283,000
(details)	
Researchers expenditure:	696,216,000
Ordinary research expenditure:	153,603,000
Research project expenditure:	63,098,000
General promotion for environmental researches:	2,366,000

Number of staff (2002.3.31)

Director General	1
Deputy Director General	1
Researchers (includes policy research coordinators and assistant policy research coordinators):	50
Administrative officers	30
Total	82

(Note: Those who retired are included in the data above dated March 31, 2002.)

Library

New Volumes of Acceptance (2001)

(Volumes)

	Purchase	Donated	Total
Japanese books	1,354	2,108	3,462
Foreign books	236	929	1,165
Total	1,590	3,037	4,627

Volumes of Library Holdings (as of March, 2002)

Japanese books	236,054 Volumes
Foreign books	49,249 Volumes
Total	285,303 Volumes

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