

Publications and Summaries of Selected Research Papers

● Publications

PRIMAFF Review (Japanese)	No.4~7	quarterly
Journal of Agricultural Policy Research	No.3	published irregularly
Research Monograph Series (Japanese)	No.2	published irregularly
PRIMAFF Annual Report (Japanese, English)	No.1	annual

● Summaries of selected research papers

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

“Price Formation of the Voluntarily Marketed Rice and its Competition with the non-Orderly Marketed Rice”, by Tetsuro YAKUSHIJI, *Journal of Agricultural Policy Research*, No.3, pp.1-21.

The distribution price of Voluntarily Marketed Rice (VMR) in Japan had been decided mostly according to a floor price set under the “limited price range system” of tender until 1997. But, since 1998, when this system was abolished, the price formation has been changed to become more flexible, reflecting supply/demand factors more sensitively.

While the “price requesting system” of tender was newly introduced after the abolishment, this has weakened VMR’s competitiveness with non-Orderly Marketed Rice (non-OMR), due to higher prices requested by VMR shippers (unions of farmers cooperatives) irrespective of the real market situation. Because of a rapid increase of non-OMR distribution, the sales of VMR are being strongly influenced by the price of non-OMR and have been confronted with fierce competition.

Under the current pricing system, there is concern about the negative impact on producer prices of VMR, which induces shippers to request higher prices that do not reflect real market situations. Focusing on farmyards, the anticipated reduction in distribution prices of VMR may result in reducing the prices received by farmers, and therefore promoting them to sell more non-OMR rather than VMR. On the other hand, the reduction in market prices of VMR may increase demand from rice distributing companies.

In view of this dilemma, much effort should have been made, paying attention to both producers and distributing companies, to reduce shipment cost and request reasonable prices reflecting the real market situation, in order to increase the sales amount of VMR and the producers’ revenue.

(Note) VMR (Voluntarily Marketed Rice) is the rice distributed through registered rice shippers, in accordance with voluntary marketing plans authorized by the Minister. GMR (Government-Marketed Rice) is the rice purchased and sold by the government. OMR (Orderly Marketed Rice) consists of VMR and GMR. An other distribution channel is allowed under the Food Law, which is referred to here as non-OMR.

“The Governance Structure of French Official Quality Products: The Treatment of Labeled Broilers by Competition Rules”, by Fumiaki SUDA, *Journal of Agricultural Policy Research*, No.3, pp.23-65.

There are always some conflicts between competition policy and quality policy. Such was the case for French labeled broilers (Label Rouge). These broilers are produced with close cooperation of the farmers, feed industries, slaughter industries, packers and so on. French Ministry of Finance (DGCCRF) accused such cooperation as a barrier to competition.

On the other hand, French Ministry of Agriculture supported by economists, insisted that coordination among producers are necessary to prevent free rider and to render the commitment credible for the purpose of producing labeled products. These economists safeguarded labeled products by using Transaction Cost Economics which is based on the assumption of “asset specificity”.

This paper follows the logic of these economic justifications and verifies its appropriateness.

“The Situation of Long-term Care Service Programs under the Long-term Care Insurance (LTCI) System: A Comparative Study on Urban and Rural Areas”, by Yoshihiko AIKAWA, Motoyuki GODA, Kimi HOTTA* and Ryuzo KANODO, *Journal of Agricultural Policy Research*, No.3, pp.67-79.**

This paper examines differences in long-term care service programs under the Long-term Care Insurance (LTCI) System, between urban and rural areas. Six areas were chosen as survey sites: Kashiwa, in Chiba Prefecture (urban area) and five rural municipalities in northern Kyushu. It was observed that the use of home-visit nursing and adult day services was much greater in Kashiwa, before the introduction of the LTCI System. However no regional differences were observed in short stay. After the LTCI System was introduced however, the use of long-term care services greatly increased in Kashiwa, eliminating the regional gaps in home-visit nursing services.

Under the LTCI System, a variety of entities are permitted to offer long-term care services. Many profit-making corporations entered this business in Kashiwa, but this phenomenon did not occur in the five municipalities in northern Kyushu. About 30% of the employees belonging to these corporations, have no previous work experience. The LTCI System is supposed to provide new employment opportunities.

The long-term care establishments are running 2.4 home care service offices on average, and 50% of them are established in other facilities. Many medical institutions and welfare facilities are attempting to diversify their business, by starting up home care service businesses. The ratio of establishments which made a loss, was 56% in Kashiwa and 12% in the five municipalities. It was possible to the extent of 75% only by two factors (urban or rural areas, and whether the establishment is an independent one or part of other facilities) to examine whether the establishments were profitable or not.

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2) Norin Suisan Seisaku Kenkyu Sosho (Research Monograph Series)

“Structural Change of Japanese Agriculture: Analyses of the 2000 Agricultural Census”, edited by Noboru HASHIZUME and Osamu CHIBA, *Research Monograph Series*, No.2, 416p.

The purpose of this book is to clarify the movement process in the agricultural structure of Japan by analyzing the 2000 agricultural census. This book is composed of 10 chapters which analyze each theme besides the introductory chapter and the closing chapter. The main points of each chapter are as follows:

In the introductory chapter, we confirmed the present condition of Japanese agriculture, arranged various points under discussion concerning the structural issue, and presented the view of the analysis of this book.

In Chapter 1, we analyzed the tremendous drop in the rate of decrease of noncommercial farm households in all regions and the causes of stagnation in the rate of increase of large-scale farms (5ha or more). As a results of these analyses, the main factor of the former was a rise of the farm household ratio which has continuously become noncommercial farm households. Moreover, a latter factor was a great decrease in middle-scale farms (3-5ha) which expanded the cultivated land. This shows that the formation of new large-scale farms is approaching the limit.

In Chapter 2, we analyzed the agricultural labor force of farm households from the view point of family farm generation by using the new classification. The point here is that the succession of farming is difficult in conjugal farms, which comprise the majority of farm households, because both of two family members are aged.

In Chapter 3, we analyzed the trend of farm household population and the agricultural labor force. The point of this analysis was to clarify the reason why the rate of decrease in the agricultural labor force has decreased tremendously recently. The results of the analysis indicated two reasons existed; one was that the number of men who came to be engaged only in agriculture by forced retirement increased, and the other was a delay in retirement of aged farmers' (70 years old or more). However, these movements became a factor in accelerating the advanced aging of the agricultural labor force further.

In Chapter 4, we analyzed trends in farmland use, and clarified the realities of simultaneous progression in the “Progressive movement” and “Declined movement”. In the former, the tendency of cultivated land to be accumulated by large-scale farms and agricultural holdings other than farm households (AHOFHs), was clear, and it was confirmed that this movement had the effect of evading decline of the farmland use. In the latter, the realities of rapid increase in deserted arable

land and unplanted area became clear in small-scale farms (less than 1ha).

In Chapter 5, we analyzed trends in AHOFHs. The main purpose of this chapter is an analysis of characteristics regarding these AHOFHs, mainly in the field of the rice farming sector which increased at this time. This analysis clarified that the total number of AHOFHs increased because a lot of non-corporate entities were established. These AHOFHs have expanded the cultivated land by borrowing paddy fields though this was limited to specific regions and prefectures.

We analyzed the farm household trends of the livestock sector in the horticulture sector in Chapter 7 and Chapter 6. In the former, it was pointed out that even protected horticulture, which was the growth sector up to now, faced reductions. In the latter, it was confirmed that the movement toward large scale, and principal occupation by the introduction of employment manpower continued in the dairy farming, pig farming, and chicken farming sectors.

In Chapter 8, we analyzed the present condition of farm households which worked on environmentally friendly farming. The ratio of farm households which practice environmentally friendly farming was high in large-scale farms, which can use part of the cultivated land, but this ratio was high in hilly and mountainous areas where a lot of small-scale farms exist if limited the farm households which do not use pesticide at all.

The object of analysis in Chapter 9 is agricultural services enterprises (ASEs). Here, we analyzed rice farming services mainly. As a result, not only the number of ASEs but also the contract area was increased in West Japan where the activity of ASEs was slack up to now. This tendency was remarkable in tilling and reaping, which the farming group undertook entirely.

In Chapter 10, we analyzed trends in rural communities, especially community functions. Judging from the results of the 2000 agricultural censuses, stagnation in activity of rural communities in hilly and mountainous areas could not be confirmed, however it can be pointed out the possibility is high that community functions cannot be kept, because the number of farm households in rural communities will decrease in the future.

In the closing chapter, we arranged the viewpoints and the problems in order to view the agricultural structure of our country by searching out the common features of the structural changes clarified in each chapter. In addition, we forecast the agricultural structure of Japan in 2020 by focusing on the changes in the farm household composition and farmland use by the regions, assuming that the tendencies of latter half of the 1990's will continue in the same way. The number of farm households was expected to decrease by about 40 percent in all regions in the next 20 years; moreover, more than 30 percent of cultivated land was predicted to decrease in regions such as Chugoku and Shikoku due to a lack of successors.

Councilors and Research Staff Members

● Councilors (2001.12. 1 ~ 2003.11.30)

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Heita Kawakatsu	Professor, International Research Centre for Japanese Studies
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Shin-Ichiro Nishimura	Professor, Graduate School of Science, Hokkaido University
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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Ryuichi Fukuda (Overseas Visiting Researcher; Trade and Market Division, Directorate for Food, Agriculture and Fisheries, OECD)

Budget and the Number of Staff

● Budget

Budget for annual revenue for FY 2002:	¥2,852,000
Budget for annual expenditure for FY 2002:	¥923,311,000
(details)	
Researchers expenditure:	¥712,473,000
Ordinary research expenditure:	¥140,804,000
Research project expenditure:	¥70,034,000

● Number of Staff (2003.3.31)

Director General	1
Deputy Director General	1
Researchers (includes Policy Research Coordinators and Assistant Policy Research Coordinators)	48
Administrative officers	30
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Total	80

(Note: Those who retired are included in the data above dated March 31, 2003.)

Library

New Volumes of Acceptance (FY2002) (Volumes)

	Purchase	Donated	Total
Japanese books	1,142	1,718	2,860
Foreign books	236	152	388
Total	1,378	1,870	3,248

Volumes of Library Holdings (as of March 31, 2003)

Japanese books	239,115 Volumes
Foreign books	49,832 Volumes
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Total	288,947 Volumes

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