Policies for Sustainable Agricultural Development

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This paper reviews the policies for sustainable agricultural development in the basic plan for food, agriculture and rural areas. Specifically, the plan promotes the development and securing of motivated farmers, regardless of the scale of business or the management form such as family and corporation. In addition, it deals with the accumulation and consolidation of farmland to motivated farmers, construction of production and supply systems that respond to changes in the demand structure, strengthening of production bases for that purpose, and spread and establishment of smart agriculture.

Key words: basic plan for food, agriculture and rural areas, sustainable agricultural development, agriculture policy

1. Introduction

This paper reviews the Agricultural Policy section of the Basic Plan, in particular, Policies for Sustainable Agricultural Development in the main text, and the Prospects and Securing of Agricultural Land, Prospects for Agricultural Structure, and Prospects for Agricultural Management in the reference material.

2. The Sustainable Development of Agriculture

The aim of agricultural policy under the Food, Agriculture and Rural Areas Basic Act is described as "sustainable development of agriculture". Its basic philosophy is stipulated in Article 4, and its specific policies are in Articles 21 to 33. Article 2 and Article 3 stipulate "securing a stable food supply" and "fulfillment of multifunctional roles" as the roles expected of the people in agriculture and rural areas. In order for these roles to be fully fulfilled, it is necessary for agriculture itself to continue to develop sustainably into the future. As stated in the Basic Food, Agriculture and Rural Areas Policy Study Group (2000), the position of Sustainable Development in the Basic Law is that the conditions for agricultural development are as follows: i) Agricultural resources such as agricultural land, which is a prerequisite for agricultural production, are secured, ii) The efficient combination of factors of agricultural products (economic efficiency), and iii) The maintenance and promotion of the natural circulation function (the sustainability of the environment surrounding agriculture), and those development aspects of agriculture are defined as “sustainable development” from the viewpoint of providing the same guarantees to future generations. In order to achieve this, it is necessary to establish an efficient and desirable agricultural structure through the optimal combination of agricultural resources, such as agricultural land and water, and the securing of human resources. At the same time, Article 4 stipulates that it is necessary to realize agriculture in harmony with the environment through the maintenance and promotion of natural circulation functions.

3. The Process of Discussion in the Council

The main policies on sustainable agricultural development stipulated in Articles 21 to 33 of the Basic Act were organized in Shiokawa (2019) at the Agricultural Economics Society of Japan Annual Meeting 2019. These policies are categorized as those relating to management, such as farm workforces, new farming, labor force, and management stability measures; those relating to production and technology, such as crop-specific policies, technology policy, and environmental policy; and those relating to land, such as farmland accumulation and infrastructure development. For each of these three categories as reference materials for the basic plan, the Perspectives of Agricultural Structure, Prospects of Agricultural Management, and Prospects and Securing of Agricultural Land are also formulated. The following is an overview of agricultural policies, which are divided into three categories: measures for farm workforces, measures for agricultural land, and measures for stabilization of management and product-specific measures.

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1) Measures for Farm Workforces

Article 21 of the Basic Act states that in order to ensure the sustainable development of agriculture, it is important to realize an agricultural structure that plays a significant role in agricultural production by operating entities that can secure high productivity and profitability through efficient production and maintain income continuously for a long period of time. The Act defines such an agricultural structure as a “desirable agricultural structure” and clarifies the basic direction of measures to promote the development of production infrastructure and the expansion of scale of farm management in order to realize such a structure. Measures have been implemented such as intensive support for farmers through management stabilization measures, finance, and tax systems, promotion of agricultural land accumulation and intensification for farmers by agricultural land banks, and establishment of agricultural management consulting offices in each prefecture for agricultural management diagnosis and guidance visiting. As a result, there has been an increase in the share of the area used by the motivated farmers in the total arable land area (Figure 1). Nakashima (2018) pointed out the possibility of this as “the room for the growth of Japanese agriculture.”

However, degraded farmland is occurring at a faster rate than the “prospects and securing of agricultural land,” and the area of agricultural land is decreasing at a faster rate than the “prospects and securing of agricultural land.”

The vision of the motivated farmers in the future was one of the most frequently discussed themes in the interviews and deliberations of the Planning Committee. The comments in the field are follows;

- In the future, it is feared that sudden succession of rice paddies of the order of 50 or 100 hectare may occur. For this reason, it is necessary to reduce costs through expansion of scale and accumulation of farmland.
- As there is a risk that farm work will become difficult due to unavoidable management expansion, aging, and sudden illness, it is necessary to have a system in which a part of the farm work can be outsourced.
- Since there are no successors to many farmers, there is a need for policy support such as matching for smooth succession to third parties with facilities such as livestock, fruit trees, and horticulture.

This can be seen from the changes in the age of key farmers who support agriculture in Japan (Figure 2). Aging is progressing year by year, and further decreases are expected in the future. As pointed out in Ando (2020), while Japanese agriculture is shrinking, there is an urgent need for reorganization, such as generational change and management succession, in the field, and many pointed out the need to strengthen the production base.

Based on the discussions in the Council, an Ideal Agricultural Structure in the outlook for the new agricultural structure is explained in Figure 3. In the previous Basic Plan, only the left-hand chart was positioned. However, as the rural population declines in earnest in the future, in order to maintain the region and pass it on to the next generation, consideration needs to be given to the sustainability of the management of small and medium-sized agricultural business entities, in view of the fact that they sustain agricultural production and support the local community, together with the people responsible. In addition, attention must be paid to the role of agricultural work supporters in supporting the leaders and other business entities. For this reason, the figure is organized from the viewpoint of supporting the community together with not only the motivated farmers but also the various business entities that support the community, such as next-generation agricultural support services such as work agencies utilizing advanced technologies such as drones.

A farmer who has the willingness and ability to become an efficient and stable farm manager may be large or small in scale or working in a mountainous area. She/he has been provided with wide-ranging support irrespective of regional conditions. However, regarding the management of small, medium and family businesses, it is recognized that these

![Figure 1. Share of the area used by the motivated farmers in the total arable land area](image-url)
considerations are indispensable for realizing structural reform, because they play an important role not only in the area of industrial policy, such as improving productivity, but also in the area of regional policy, such as the realization of beautiful and vigorous farming villages, and because it is necessary to build cooperative relationships for maintaining regional agricultural production, such as mowing grass and managing waterways with the broad participation of relevant parties.

2) Measures on Agricultural Land

As shown in Figure 1 above, the proportion of agricultural land cultivated by motivated farmers is increasing along with the progress of structural reforms. However, in order to achieve a KPI of 80% of the share of the workforce in 2023, it is necessary to further integrate and consolidate the workforce. Many motivated farmers have expressed their expectations for the People and Agricultural Land Plan and the Agricultural Land Intermediate Management Organization.

As there is a need to accelerate the accumulation and intensification of agricultural land by the full operation of the Agricultural Land Intermediate Management Organization, the accumulation and intensification of agricultural land is to be accelerated by such means as “the substantive Accumulation Bank”. So, the basic plan describes an initiative to discuss with farmers who support the region
using a map showing farmers’ employment by age group and the status of securing successors in a “visualized” manner, and determine the ideal form of management entity which will be responsible for future use of farmland in the region and full operation of the Agricultural Land Intermediate Management Organization.

On the other hand, the area of agricultural land has declined at a faster pace than the projection made at the time of the formulation of the previous Basic Plan. Breaking down these factors, we see the main factors are the decline due to the conversion of agricultural land to other uses and the deterioration of agricultural land. Various opinions were exchanged in the council regarding measures to prevent and eliminate the generation of degraded farmland.

- The use of drones and AI technologies in disadvantaged areas such as hilly and mountainous areas should be considered for various agricultural land uses such as grazing and extensive management.
- It is necessary to secure a certain area of farmland, but it may be difficult to forcibly maintain degraded farmland as farmland under unfavorable conditions. It is necessary to incorporate into the zoning of agricultural land the idea of leaving agricultural land that should not be managed but should be maintained through extensive management.

As these issues need to be investigated and analyzed over the medium to long term, the Project for Rural Policy and Land Use will continue to be comprehensively examined even after the formulation of the basic plan.

For the sustainable development of agriculture, it is essential to ensure effective use of agricultural land and water by providing high-quality farming conditions. Article 24 of the Basic Act stipulates the "improvement of the infrastructure for agricultural production" and stipulates the promotion of necessary measures. For details, see Sugiyama (2020).

3) Measures to stabilize management and measures by product

Articles 30 to 31 of the Basic Act provide for the stabilization of prices and management of agricultural products and compensation for losses caused by agricultural disasters. The current Basic Plan describes measures to stabilize business income and the agricultural accident compensation system. In this new plan, a description was added regarding the income insurance system that started operating in 2019.

In addition, measures for each crop are described in the Basic Plan. It is important to understand this in conjunction with the problems to be overcome for each item in the food self-sufficiency rate. For example, with regard to rice, Japan will steadily promote the reform of rice policy and promote production and sales linked to actual demand through advance contracts, multi-year contracts, etc.; the elimination and leveling of dispersed complexes through the concentration and intensification of farmland; the dissemination of high-yield and labor-saving cultivation technologies through high-yield varieties and smart agricultural technologies; and the reduction of production costs through the recommendation of material costs. In addition, as domestic demand for rice as a staple food declines, it is important to work to expand overseas demand. Therefore, the plan promotes the cultivation of production areas that can respond to the quality and quantity required by overseas markets by carrying out strategic promotions in conjunction with the development of global production areas for export as stated in the food policy.

As for domestically produced wheat and soybeans, the government has set up a Wheat and Soybean Production Expansion Project to strengthen cooperation to meet actual demand and to address production issues, the integrated promotion of infrastructure development for the cultivation of rice paddies and the introduction of cultivation technologies and facilities to shift to highly profitable crops such as vegetables and fruit trees.

In addition to recapturing the domestic market share of processed and commercial vegetables, further expansion of fruit and vegetable exports will be pursued.

Agricultural industries also play a significant role in reducing costs. This is stipulated in Article 33 of the Basic Act on Rationalization of Production and Distribution of Agricultural Materials. Based on the Agricultural Competitiveness Enhancement Support Law that came into effect in 2017 after the formulation of the previous Basic Plan, the government will work to supply high-quality and low-cost agricultural materials and streamline the distribution and processing of agricultural products by encouraging the voluntary restructuring and entry of the agricultural materials industry and by making prices of agricultural materials visible.

4. Main Points of the Basic Plan

In light of the above, the composition of the Basic Plan and the main points are as follows.

i) Fostering and securing motivated farmers for the
realization of a strong and sustainable agricultural structure

ii) Active use of diverse human resources and actors to support the agricultural field

iii) Concentration of agricultural land under motivated farmers and securing of agricultural land

iv) Promotion of the stabilization of farm management

v) Development of infrastructure for agricultural production that contributes to the industrialization of agriculture and the strengthening of the national land

vi) Strengthening the production base to respond to changes in the demand structure, and rationalizing the distribution process structure

vii) Promotion of innovation in agricultural production and distribution sites through the use of information and communication technologies

viii) Promotion of environmental policies such as response to climate change

5. Conclusion

This paper introduces the position of the agriculture policy under the Basic Law, the progress of the discussions in the Planning Committee, and the points of the new plan. Because of the limitations of space, it was difficult to cover all of them. For detailed discussion, please see the minutes on the website.

Last but certainly not least, as mentioned above, in reviewing the Basic Plan, we would like to take this opportunity to hear the opinions of many people within a limited period of time (26 farmers and food businesses in the March-June 2019 meeting of the Planning Subcommittee and 63 farmers, related business operators and local government officials from 41 prefectures in the field survey and local opinion exchange meeting held in November-December 2019) and to thank them very much for their suggestions for formulating the Basic Plan.

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