


Situations Surrounding Japan and JA Group's Activities

-Cooperatives' role to address the challenges we're facing-

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What's JA?

"JA" stands for "Japan Agricultural cooperatives"

Objective:

- Enhancement of agricultural production
- Improvement of farmers' financial and social status
- Establishment of better local society


based on the spirit of "mutual assistance".

Number of member cooperatives : 710 coops
organized in every prefecture and municipality
throughout the country

Number of members : 9.6 mil.

- Farmers as Regular Members
- Non-farmers as associated members who use coop's services

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 JA's activities and its scale of operation
- "Multipurpose cooperative"

Marketing:

Farm products
Sales volume : 52.9 bn. USD (=74 mil. USD/cooperative)
*FY2009

Supply:

Production input
26.0 trillion USD (= 37mil.USD/coop)

Daily commodity
11.8 bn. USD (= 17 mil. USD/coop)
*FY2009

Credit:

Deposit : 1.05 trillion USD (=1.46 bn. USD/coop)
Loaned money : 295 billion USD(=415 mil. USD/coop)
*FY2009


Mutual insurance:


Long-Term Insurance : 4 trillion USD(=5.63 bn. USD/coop)* Policies in Force
*FY2009


Medical and Welfare services:


Medical services : 115 hospitals
Welfare services : 1019 nursing care facilities
*FY2011

Besides,
newspaper and books publication, tourism business etc. 3

 An Example of JA Miyoshi


JA Miyoshi

 JA三次


经营理念
信頼と期待されるJAを目指します
地域社会に貢献するJAを目指します
活力ある地域農業を目指します

Management philosophy:
We aim for JA trusted and counted on.
We aim for JA contributing to community.
We aim for active local agriculture.

Marketing

Marketing of farm products
47.9 mil. USD

Supply

Supplies of production inputs and daily commodities
22.6 mil.USD

Credit


Deposit in total: 1.3 bn. USD
Loaned money in total: 333 mil. USD

Mutual Insurance


Long-term Insurance: 7.01 bn. USD

as of 2009 4


Distinguished Activities of JA Miyoshi




▶ Farmers' Markets



▶ Community Farming



▶ Day-care center



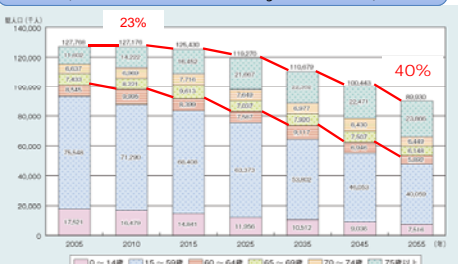
▶ Food and Agriculture Education

Contribution to local agriculture and people's living through various activities

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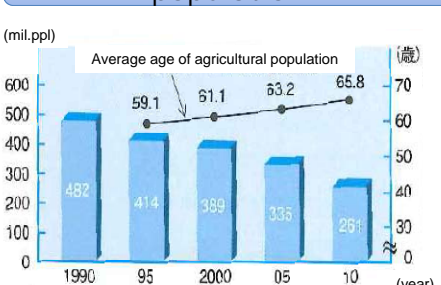
Situation surrounding Japan and its agriculture – Decreasing and aging population

Population by age (over 65 indicated by red lines)



Ref. Ministry of Internal Affairs and Communications (2005), The National Institute of Population and Social Security Research (2010 and later)

Transition of agricultural population

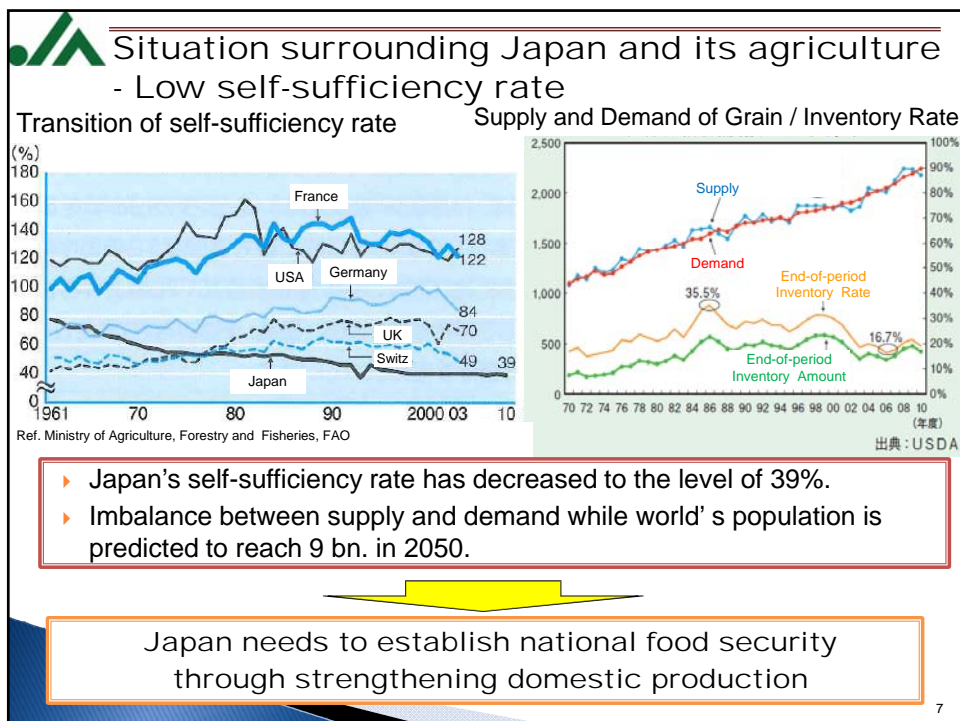


Ref. Ministry of Agriculture, Forestry, and Fishery

- ▶ Declining birthrate and aging population.
- ▶ These trends are quite noticeable in agriculture.
- ▶ The society and economy of rural areas has already been significantly undermined
- ▶ The gap between urban areas and rural ones is more and more growing.

It is needed to support and strengthen local agriculture

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Situation surrounding Japan and its agriculture

- Great East Japan Earthquake

- ▶ On 11th Mar, 2011, Great East Japan Earthquake occurred
- ▶ Huge Tsunami wiped away the coast area of northeast Japan
- ▶ Heavy damage to agricultural products due to the nuclear accident and spread of harmful rumor that they were polluted with radiation

The first photo shows a massive pile of debris and destroyed buildings. The second photo shows a pile of damaged agricultural products, including tomatoes. The third photo shows a farmer pouring milk from a can into a container, with a caption indicating the milk is polluted with radiation.

Giant Tsunami, Earthquake, Nuclear Accident...

A Farmer dumping milk polluted with radiation

Importance of "mutual assistance" and "Kizuna (bond) between people" is being reconsidered triggered by the disaster.

What is necessary to address these challenges

- 1.Establishment of Food Security Based On Sustainable Domestic Agriculture**
In order to establish food security, it is needed for cooperatives to contribute to domestic sustainable agriculture
- 2.Realization of local community which are rich and comfortable**
Cooperatives should play a role as local essential utilities to support local community, in cooperation with local citizens and public administration including disaster response.
- 3.Realization of Co-existence of sustainable agriculture in each country.**
For establishment of sustainable agriculture and realization of rich society, it is essential to establish flexible trade rule with consideration on diversity of each country.

“Cooperative Enterprises Build A Better World”
2012 has been recognized as the International Year of Co-operatives by the United Nations. JA group implement activities that promote agriculture and enrich local society,

2012 国際協同組合年

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1. For establishment of sustainable domestic agriculture – the JA Group vision

- ▶ Policies to raise and stabilize farmers' incomes are vital.
- ▶ However, our country has small land area and many mountainous regions, so streamlining by large-scale management is impossible like continental agriculture in the United States.
- ▶ Therefore, JA Group accumulate farmland for leading farmers of the local agriculture and aim for establishment of local agriculture in cooperation with local residents, etc.

Comparison of average land area per farmer

Country	Average land area per farmer (ha)	Times that of Japan
Japan	1.9	1
USA	198.1	104
Australia	3023.7	1591

Hilly and mountainous regions - **73%**

Type	Area	Ratio
City	4.4 million ha	12%
Plains	5.59 million ha	15%
Hills	11.99 million ha	32%
Mountain	15.18 million ha	41%

Cooperatives need to play a role to improve farmer members' income and sustainable development of agriculture according to the situations they are in

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1. For establishment of sustainable domestic agriculture – Strengthening of marketing ability of leading farmers

- ▶ A small number of retailers account for much of the market share, and the producers are inclined to be in a weaker position.
- ▶ JA has large market shares (46% of rice market and 59% of vegetable/fruit market in 2009) but they have been declining.
- ▶ In order for farmers to be fairly rewarded, JA Group make sales proposals to actual demanders based on producer's intention, and production proposals to producers in view of various needs of markets and actual demanders.

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Cooperatives need to play a role establishment of environment in favor of producers by leading distribution and sales taking their advantages

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1. For establishment of sustainable domestic agriculture – cooperation with various kinds of bodies/corporations

Promotion of local production/consumption centered on farmers' market (number of markets: 2,000, sales: 26.2 million yen)

⇒ Realized sales free from influence of retailers.
Contributed to environment - reduction of transportation cost by long haul.

Promote value-addition to agriculture in cooperation with local enterprises

⇒ Provide highly value-added products
Raise farmers' incomes.

Ensure food security and provide information


⇒ Deliver safe agricultural/husbandry products to establish consumers' trust

It is necessary to


- ▶ Cooperate with various kinds of bodies/corporations
- ▶ Recognize the role of cooperatives to activate local agriculture and improve farmers' income.




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 2. Realization of Rich and Comfortable local community
- JA Group's Vision

- ▶ Under population decline, widening urban-rural gap and weakened local society, people's anxiety is increasing.
- ▶ In that situation after Great East Japan Earthquake, people in Japan are increasingly re-discovering importance of "mutual cooperation" and "Kizuna (bond) between people".



JA group play essential local functions to realize "rich and comfortable local community" , in cooperation with various bodies

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 2. Realization of Rich and Comfortable local community
- JA Group's Activities to support local community

Credit
Mutual Insurance



Livelihood support
for elderly people



Medical Care
Nursing Care



(写真提供：JA長野厚生連)

Food /Agriculture
Education



Farmers Markets
Group Purchase



Support to families
raising children



Cooperatives' essential local functions through their various activities should be re-recognized

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2. Realization of Rich and Comfortable local community
– Power of Cooperatives seen in Emergency Situation




Rescuing and Supporting Activities of JA Group


Material	<u>Rice</u> 370 tons, <u>Vegetables</u> 600 tons, <u>Foods</u> 320,000 servings, <u>Drinks</u> 520,000 liters, <u>Soup-kitchen services</u> etc.
Human	<u>Volunteers</u> for recovery and restoration 10,000 person-day, <u>Dispatching Rescue team</u> such as medical expert 3,000 persons
Financial	"JA Group's <u>donation</u> for Recovery and Restoration" 10 bn. Yen. <u>Mutual insurance money</u> for houses 840 bn. Yen

Cooperatives power based on "Cooperation" and
"Mutual assistance" should be re-recognized

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2. Realization of Rich and Comfortable local community
– Aiming at Future Denuclearization


- ▶ Harmful rumor on agricultural products caused by nuclear plant accident
(monetary damage : approximately 210 bn. Yen)
- ▶ Re-recognition of importance to ensure safety and security of food
- ▶ Increasing demand on recycling society utilizing natural energy



Future denuclearization

to accomplish our mission,
"to provide safe and secure agricultural products into the future".

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3. Realization of Co-existence of sustainable agriculture in each country.

- ▶ It is necessary to establish the basis on which various agriculture both in developed and developing countries/regions can co-exist into the future.
- ▶ If only trade liberalization were pursued, only agriculture in competitive countries and large-scale farmers would survive, and small-scale farmers and agricultural production of many countries would be endangered.
- ▶ Trade liberalization is one of the means for establishment of food security, and liberalization itself is not the goal.

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It is necessary to establish flexible trade rules with consideration on diversity of each country so that agriculture and agricultural cooperatives can develop in a sustainable way.

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Necessary policies to play cooperative roles

1. To establish food security by sustainable domestic agriculture,
 - ▶ Support to cooperative role for improvement of farmers' income and sustainable development of agriculture
 - ▶ Establishment of systems for a better status of producers in marketing and distribution of agricultural products
 - ▶ Support to approaches for better farmers' incomes such as value-addition and local production/consumption in cooperation with enterprises
2. To realize rich and comfortable community,
 - ▶ Support to various activities of cooperatives which function as local essential utilities
 - ▶ Re-recognition of roles played by cooperatives through "cooperation" and "Mutual assistance"
 - ▶ Future denuclearization
3. To realize co-existence of sustainable agriculture of each country,
 - ▶ Establishment of flexible trade rules with consideration on each country's diversity

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