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5th ICA/Japan Training Course for Strengthening Management of
Agricultural Cooperatives in Asia
March 1 ~ April 24, 1991, Tokyo Japan

12/3

**Purchasing Business of
Agricultural Cooperaives**

March 12, 1991

By Mr. Goro Suzuki
Zen-noh

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

1. The Development Process of the Purchasing Business of Agricultural Cooperatives

1) The birth of the purchasing cooperatives

1888 Establishment of the first purchasing cooperative

1898 The number of the purchasing cooperatives was increased into 39 cooperatives

◆ These purchasing cooperatives were established by farmers autonomously to protect themselves from unfair transaction and exploitation by merchants who were also worked as money lenders and land owners and they mainly engaged in joint purchasing of fertilizer.

2) Purchasing business in the period of Industry-wise

Cooperative (Enactment of Industrial Cooperative Law, 1900)

Hamlet level --- about 8,000 industrial cooperatives engaged in purchasing business

Items handled -- Fertilizer (soybean dusts, fish dusts, phosphate acid, lime-nitrogen, ammonium sulphate) 60%

Consumer goods (soap, sugar, tooth pastes, sea-products, rubber boots) 40%

3) Establishment of federations

1909 Establishment of regional federation (revision of the industrial cooperative law)

1923 Establishment of the National Federation

◆ These federations were established in response to expansion of import of soybean from China and establishment of large scale chemical fertilizer company.

4) Government efforts for fostering purchasing business of cooperatives

World economic recession (1929) --- Agricultural recession

--- Rules for distribution of fertilizer --- A Five year plan for strengthening industrial cooperatives

Development of purchasing business

Anti-industrial cooperative campaign

- 5) Re-start for purchasing business (Enactment of Agricultural Cooperative Society Law 1947)
Control of Government purchasing price for agricultural products
Decontrol on major commodities such as fertilizer and feeds
Bad-stocks
Uncollective money

Management difficulties in agricultural cooperatives
- Government financial support and efforts made by agricultural cooperative organizations

- 6) Expansion of purchasing business under the high economic growth

1960 - Plan for doubling income of a nation

- Development of food consumption both in quality and quantity
- Rationalization of farming works
- Technical renovation
- Mass consumption society
- Comprehensive and multiple development of agricultural cooperative business

Fertilizer, agricultural chemical, farm machinery, feed-stuff, livestock material, packaging material, consumer goods (clothing, dieting, housing), automobile, fuel

Fostering technical staff

Fostering commodity-wise group

Establishment of greenhouse / *various other facilities*

- 7) Reduction of production costs for agricultural products and roles of purchasing business of agricultural cooperatives

2. Methods for purchasing business

1) Fertilizer

- Soil analysis • soil preparation • guidance for

fertilization

↓

Joint purchasing based on advanced order
according to area of cultivation

↓

Contract on annual volume to supply between agricultural
cooperatives and farm households

Strengthening bargaining power to the manufacturer
Funds for price stabilization system

- Import of raw material
- Self production

2) Feed-stuff

- Import of raw material--- Self production---Independent
delivery---Marketing livestock
- Research Institute for Feed-stuff and Livestocks
- Fund for price stabilization of compound feeds

3) Consumer goods

- Joint purchasing of basic consumer goods
- Development of A-Coop chain stores

4) Petroleum and gas

- Handling fuel for farm machinery
- Operation of gasoline station
- Petroleum terminal
- L.P. Gas for family use

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**Actual Situation of Better Living
Activities in the Primary Society**

The Asa-cho Agricultural Cooperative in Hiroshima Prefecture

March 16, 1991

By Ms. Kiyoko Sumida
Head of Branch Office

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

Actual Situation of Better Living Activities in the Primary Society

The Asa-cho Agricultural Cooperative in Hiroshima Prefecture

by Kiyoko Sumida

I. Introduction

Asa -cho is located in the north from the central part of Hiroshima city, a government designated metropolis (the population is 1.05 million), 95% of the land area of Asa-cho is mountainous forest land and most of the remaining 5% of farmland is terrace farm. What characterises farming in the area is there are many petty farmers and most of them are part-time households category II.

In August of 1945, the atomic bomb was dropped on Hiroshima-city, 200 thousand victims and all the land was burned to ashes. Ever since, a remarkable development has been made for a period of 42 years as an eternal peace city. Here I will give you the brief outline on the present situation of Asa-cho and the Asa-cho Agri. Coop.

- Total number of households: 6,311
- Total population : 21,523
- Total farm household number : 1,341
- Average cultivating area per farm household under management : 0.4 ha
- Average annual income per farm household : 6.7 million yen
of which agricultural income : 250 thousand yen

Outline of the Agri. Coop.

- Number of regular member farm households : 1,550
- Number of associate member households: 2,034
- Total number of the households : 3,584
- Capital : 357 million 865 thousand yen
(average:100 thousand yen per household)
- Official directors : 17
- Auditors : 5
- Employees : 94 males, 30 femals

- Cooperating member organization
 - Women's Association of Agri. Coops group : 1,700
 - Paddy grower's group : 730
 - Flowers & trees group : 208
 - Strawberry production & shipment groups : 42
 - Dairy farming group : 12
 - Shiitake mushroom group : 40
 - trans Vegetable groups : 187
 - Sericulture groups : 8
- Credit business
 - Savings outstanding : 20 billion yen
 - Loans : 13.6 billion yen
- Mutual insurance business
 - Long-term mutual insurance holdings : 114.7 billion yen
- Supply turnover : 3,200 million yen (foods, houses, LPG, daily necessity)
- Marketing turnover : 640 million yen (rice - 200 million yen, flower & trees, raw milk, vegetables)
- Fixed assets : 1,374 billion yen
- Legal reserve : 560 million yen
- Special installment fund : 110 million yen
- Specified installment fund : 334 million yen
- Current surplus for fiscal year 1985 : 115 million yen
- Guidance expenditure : 27 million 560 thousand yen

II. Main business of the Asa-cho Agri. Coop.

- Credit business : 7 coop stores (3 stores without personnel)
(cash cards may be used in all of them)
 - Mutual insurance business : long-term mutual insurance
short-term mutual insurance
automobile insurance, etc
 - Supplying/purchasing business : 11 coop stores (daily commodities including perishable foods, fertilizer, information material, agricultural chemicals, etc.)
- Other activities such as joint purchasing by the women's association, exhibitions, supply of meals to school or factories.

- Fuel & machinery

LPG gas as a fuel has a 90% share (5,550 homes) in Asa-cho. In the seven housing complexes, including Asahigaoka complex, a joint piping facility is built underground. With this system gas is used at 6,500 localities, which ranks number one in the gas supply business industry in western Japan. The gas station has a business tie-up with I.C. (Itoh-chu fuel company) and its handling turnover ranks number one in the western region of Japan. As for machinery, agricultural machinery and automobiles are handled. A characteristic which has become distinct since 5-6 years ago is the over-investment in agricultural machinery and equipments. The actual situation was that 5 - 6 times of the annual income from agriculture was being invested in the purchase of agricultural machinery and equipments. This, as a countermeasure, 8 technicians, including farm advisors made a project team and started an emergency call system for those who could devote themselves to working only on Sundays. During spring and autumn seasons, they would stand by at the Agricultural Machinery Center and go directly to the site upon request from farmers. This system is appreciated very much by the farmers.

- Housing facilities

120 ready-built complexes, including Asahigaoka complex
300 custom made houses

There are 6 first class construction engineers and 8 house building supervisions who also undertake works such as repairs and enlargement of farmer's houses.

- Land utilization measures section

Securing of high quality farmland

Farmland consolidation (2 locations)

Consultation for making effective use of farmland/fallow land

Making efficient use of fixed coops assets

- Mikuni green center

Tree planting has been introduced as a key commodity since around 1963. The reason for its introduction is earning per unit of land is rather high even if it is grown fields. The 1970's marked the height of the floral tree boom.

Tree growing complexes were developed in three places (100 ha) within the township, and were sold to the farm successors. Thus, Asa became the most renowned tree producing centre in western Japan. After the oil crises, however, the growers were forced to reduce its production, and the aging of the farmers themselves is adding to the problem.

Mikuni Green Center was established to do direct selling of products of flower and tree growing farmers.

The national government subsidized the coop to create a 10 ha agricultural coop park, named Asa Nature Recreation Village, known and enjoyed by the Hiroshima citizens as a park where flowers of each 4 seasons bloom all over the hills.

- Farm guidance dept.

Agricultural Development Promotion

Agricultural legislative activities

Secretariat of commodity-wise groups

Morning market, Life-planning for farm households, etc.

- Testing dept.(includes computer processing)

and general affairs dept. (includes personnel administration)

- Asa Gakuen, an educational juridical person, and Asahigaoka kindergarten (established 1986)

- Asahigaoka Inc. (established 1977) for maintenance and control of the Asahigaoka complex

- Life and culture promotion dept.

Better living activities and improvement of dietary habits activities, mostly led by the women's association

- Housing improvement, health control, group medical examinations (thorough check-up, chest X-ray, stomach, uterine and breast cancer examinations), mother-and-child health counselling, blood-donation group, welfare counselling for the elderly and the disabled, publication of cooperative news bulleting(Asa no Hikari), voluntary broadcasting of CATV, wire-broadcasting, children's activity group, social welfare council, social education activities involving elementary school pupils and junior high school students, life and culture activities led by township community center (classical music concerts, lectures on cultural topics, exhibition of painting, children's festivals, sacred music & performance festivities, sport events, Asa-Kita Ward Festival, All-Asa local performing festival, etc.)

Main Business undertaken by the Asa-cho Agricultural Coop

--- Development of Asahigaoka Housing Complex and --- Creation of the new town

Since the latter part of 1970's, attention was drawn to Asa-cho as the bedroom town of Hiroshima city. To prevent land from being developed disorderly, the Agricultural Coop acquired lands, developed them on its own, built and sold ready-built housing and created the Asahigaoka Complex, the agricultural/residential area. At present, the complex consists of 2,300 households, population of 8,200 and the construction costs totalled 20 billion yen. The area of 150 ha brings an energizing and reinvigorating atmosphere into Asa-cho, a township filled with greenery and murmur of brooks, and rich in humaneness.

While urbanization and industrializations made progress in the south side of Ohta River, the problems of aging advances in the northern side of Ohta River. It is sort of an area which represents a miniature of Japan.

III. History of Asa-cho

1) Background situation of the region

Irrigation work began around 1630, and the ancestors developed terraced fields along the valleys in the mountainous area. According to historical record, they "tilled the lands to reach the heavens". (It is recorded that the yield of paddy rice per 0.1 ha was approximately 150 kg). Agrarian reform took place from 1948 through 1952, resulting in the increase of the number of owner farmers to 77% of total farm household.

In 1955, 5 villages merged to form Asa-cho township. A dam was constructed, and after 1962, Japan as a whole began to make its progress towards a full scale economic development.

Also in Asa-cho, the number of workforce in the secondary industry began to increase during this period. Asa-cho in 1963, had an unprecedented heavy snowfall. More than 1 meter of snow forced villages in settlements between the mountains to abandon their homes, leaving 3 villages completely depopulated. This is also a period in which number of its population dropped the lowest.

Suburban

Entering in the 1970's factories and industrial plants were being introduced in this area, and population began to increase accordingly as a bedroom town of Hiroshima city.

	1910	1925	1965	1987
Cultivated land area	11222	11218	8824	5391/ha
Population	12613	11144	9150	21523
No. of households	2586	2543	2193	6311

In order to prevent disorderly development of Asa-cho area, the agricultural coop drew up a plan on the creation of a new town in which both farm families and non farmer residents could live harmoniously and as a result a new town the Asahigaoka complex came to be built.

2) Bases of social life

According to historical documents, the people led life from hand to mouth on the basis of subsistence life. In Asa-cho, in around the 1890's, immigration to Canada, Brazil, the Philippines or the United States was encouraged.

Electrification was started in the houses in the Taisho Era (1912 - 1926) against such a background, the village life was founded on Koju and Kokumi, a kind of neighbourhood sub-groups for mutual help centering on ceremonial purposes such as marriage and funeral. These groups are said to have been established between the mid-Edo period (1700's) and the Meiji period (1868 - 1912)

Almost all of annual events (festivals, new year festivities etc.), funerals, joint work for cleaning of water canal and sewage and other matters related to people's lives were solved through mutual help within the Kochu. It was also closely interrelated to daily life. It was community which also had a function of mutual aid and was closely concerned in the activities of daily life.

This eventually evolved to form local autonomous bodies, which supported the rural communities before and after the chaos of war.

After the war, industrial coops developed into agricultural cooperatives. Considering the fact that the same former neighborhood group members of the Kochu organization all became agricultural cooperative members, the historical background of the village community must not be overlooked. In other words, agricultural cooperative is not an organization composed of individual enlightened with "cooperative spirits" but is a group which is an mere extension of neighborhood groups, on which people based their lives.

3) Living environment

In 1945, when Japan lost WWII, securing of foods became the major national policy. Asa-cho was no exception, and farmers were encouraged to make increase production. It appears that clothing and household goods were brought in from the cities and were traded with potatoes, soy beans, azuki beans and rice.

At the time distribution of commodities was under the control of the government, so clothing was distributed with tickets and foodstuffs rationed.

People were able to supply themselves with miso (soy bean paste), soy sauce, eggs, rice, wheat and barley, vegetables and tofu (bean curd), but had to purchase fish, meat and marine products (seaweed, dried fish, etc.). Therefore, a black-market economy prevailed dominantly so that these necessities were bartered with agricultural products or with money, playing an important role in sustaining the post-war economy of Japan. They were making a living by selling their possessions, one by one.

In 1947, a new, democratic educational system, the ¹⁰⁺²⁻6-3-3 system, was introduced. Around 1948, children were relieved from malnutrition and hunger through supplies of powdered skim milk at school.

Then bread became as staple food in the school lunches in 1950 (this was called "complete school lunch").

1943 The Iimuro Agricultural Coop, predecessor of the Asa-cho Agri. Coop, engaged in bread production for school lunches contributed to helping growth of many children.

At the time, the cooperative owned processing plants for miso, soy sauce, tea, cooking oil, wheat noodles and noodles. Produced goods were processed here to be sold in the cities.

Farming was in full swing by this time, and elementary and junior high schools allowed one-week leave for the children so that they were able to help the family with farm work in the spring and autumn.

Children kept chickens at home, and bought school goods and clothings by selling eggs. At school, everyone would bring vegetables from home and their mothers would come to school to prepare miso-soup for the children which became one of the most pleasure for them.

4) Role of public health centre

It was necessary during this period to give administrative guidance in the area of hygiene for demobilized and repatriated solders and increasing population. Public health centre played a major role in this effort. It first encouraged family planning and proposed an ideal nuclear family with 2 children. Public health nurses directly gave guidance in every school district. Vaccination to prevent dysentery and other infectious diseases designated by law, extermination of mosquitoes, flies, fleas and ticks and removing lice from children's hair were among the jobs which were done by the nurses.

Thorough cleaning and disinfection of houses, led by the public health centre, was conducted with joint cooperation of all villagers.

5) Activities of home life improvement officer

Life improvement activities in the farming villages were conducted right after the war by the home life improvement officers. The main activity undertaken was to improve housing conditions' centering on improvement of the kitchen. This is the time when source of fuel shifted from firewood to propane gas. The home life improvement officers (women) devoted themselves actively to propagating knowledge on the well-balanced diet to farmers wives to devise appropriate farming wear, group cooking and preserved foods and to encourage them to take days off from farm work.

However, during this period, between 1950 and the 1970's the housewives were met with necessity for money. Housing improvement required money, and to use gas in place of firewood, which was available free, required money. In this way, despite the convenience, the women were forced to go to Hiroshima city to work to earn cash. Introduction of television sets and washing machines, expenses for children's education demands even more money. They would get up at 4:30 in the morning, go around paddy field for checking, walk for 30 minutes to the station, catch the 6:30 train, ride the train to Hiroshima for one hour and a half, work industriously in a factory from 8:30 am to 5:30pm, ride back to the house, and then, as soon as they arrive at home and eat dinner, begin to do parched barley flour and finally go to bed around 11:30 at night. The average time of sleep was 4 - 5 hours.

They worked day and night, rearing children and supporting agriculture at the same time, thus supporting the agricultural society as a whole. But these women are now in their late sixties. The work of home life improvement officers may have been necessary at the time, but in reality it was not possible to take a day off from farm work. Also, it is not certain how much of the guidance by them to promote well-balanced diet and group cooking was put to practice.

It is doubtful whether a vertical governmental administration and guidance centering on living skills alone can build up truly prosperous agricultural societies.

IV. The Better Living Activities of the Asa-cho Agricultural Cooperative

I have up to this point, explained briefly the characteristics of the area, social situations, customs, economy, hard situation of Asa-cho. I would now like to explain how the agricultural cooperatives have been involved in the various activities of the Asa-cho district from the view point of better living activities.

1) The birth & progress of group activities

From 1965 to 1970, Japan has experienced a period of high economic growth, making it a material orientated nation.

Money bought everything. It was also a period when consumption was considered as a virtue. But behind all this there were the housewives who were compelled to work in factories & public works and to do other part-time jobs. The reason for this was because cash was a necessity to lead a life with all the conveniences (western style life-style). This now made it difficult to hold monthly meetings of the farm villages.

In some cases, people tended to pay money for the joint work through mutual help that had existed for tens of years. The situation has aggravated to an extent that the farm villages will face total destruction, "we must not forget the fundamentals of cooperative activities by being over shadowed by this high economic growth", "we must take action", and in order to do this, we must ask ourselves seriously what the agriculture cooperatives actually should do within the Asa-cho district, and think over to identify the actual needs. We have started this group activity in belief that what could save the farm villages were group gatherings on village units (the smallest unit), because it is through these groups that people's hearts are united. At first, we started with 6 groups. Although every group differed in their activities, they decided to meet once a month. It was decided to make it on basis of voluntary attendance for these people who agreed to the aims of the group gatherings. The necessary expenditures will be taken care of by the fees paid by the attendants.

Example:

A cooking class was held where each attendant brought his or her own products, vegetables and rice. The theme was a well balanced diet. The attendance at this group was so varied. There were the elder people of the village, healthy working middle-aged housewives or a young mother with a baby. But they all helped each other in their own ways. The elders would take this opportunity to tell the young wife the manners, customs, traditions of the village.

Throughout the history of women in Asa-cho, the best housewives were those who did nothing but just work & work. It was even said, that "women are said to have no home for peaceful living in this world". She must not disobey but only work on her hours from early morning until late evening in the terraced land.

But now by having groups gather together, there would be happy moments of reminiscence the past, or chances of hearing opinions of the younger generation, new cooking recipes would be learned and at times, there were discussions on joint purchase and children's education. Women could express their opinions freely without any worries. These group activities paved way for awakening of the housewives.

The number of groups increased rapidly. The 6 groups that started activities increased to 30 within 3 years and to 88 groups in 10 years and became the bases of better living activity of the Asa-cho Agricultural Cooperative.

The activities of the groups also changed with the years and became more and more interesting. There were groups involved in joint purchasing talks, mutual insurance was also a subject matter, wedding ceremony preparations or funeral arrangements. Group activities that started off as hobby groups and groups to improve home life, now expanded into every area of livelihood as more of consultation group. The farm village could not longer live without group activities.

The tasks of the better living adviser

I have already talked about the relationships with home life improvement officer and public health nurses as mentioned before. Although the home life improvement officers are professionals in the field of home life improvement such as giving technical guidance concerning devise on farmers working wear, technique on food preservation, or surveys made on how time is spent, but life of farm families is not that simple. Take, for example, wedding. First of all, money will be needed. Even if the administrations try to help out on matters on housing or neighbours, they have nothing to back them up. On the other hand, the better living advisers of agricultural cooperative have the support of the agricultural cooperatives of the districts which conduct a multiple line of business.

For this reason they can provide various services to them meeting every needs of member farm families.

There is yet another difference. It is impossible to expect delicate considerations from an administrative guidance organ that deals with Japan as one unit.

But in the case of agricultural cooperatives, it can carry on its activities on district basis and thereby accurately meet the needs of each district and work very close to the actual everyday situations. And what makes the coop different from administration is that as it is engaged in the wide spectrum of businesses ranging from credit, mutual insurance, purchasing, marketing, fuel, machinery, advises on such matters as property, tax affairs, social welfare, health, child rearing marriage and funeral ceremony services by giving full play to such multiple functions it can respond to the needs of member farm households.

This is why the farmer members trust the agricultural cooperatives more than anything else, and I think it is only after gaining this trust that the agricultural cooperatives can survive in the area. We can conclude to say that it directly links to the improvement of social standards of the farm villages

2) Relationship with women's association (Chart No. 1)

In 1952, women of farm village throughout the nation rose up to form the women's association of the agricultural cooperatives. In Asa-cho, there were 5 units of women's associations in 1953. In 1966, with the amalgamation of these agricultural cooperatives, the women's association also amalgamated to form the present women's association of the Asa-cho agricultural cooperatives.

The activities of the Women's Association for one year

- Activities of Women's Association -

1985 4/21 (Sun.)	Start of health check-up of adult diseases by movable van sponsored by the Prefectural Welfare Federation 60 participants
4/26 (Fri.)	The 20th General Assembly of the Asa-cho Agricultural Cooperatives - Inauguration of Director Matsue Nishimoto
6/16 (Sun.)	Lecture on anhydride pots with focus on
7/12 (Fri.)	Japanese style diet life at 41 venues - 560 participants

7/6 (Sat.) Participation at the Kimono Festival

7/23 (Tues.) Mother and child cooking classes
(Kuchi Primary School)

7/24 (Wed.) Mother and child cooking classes
(Kuchi Minami Primary School)

7/25 (Thurs.) Mother and child cooking classes
(Hiuranishi Primary School)

7/26 (Fri.) Mother and child cooking classes
(Okauchi Primary School)

7/28 (Sun.) Health Festival of the Asa-Kita-ward
inhabitants with the collaboration of the
Asa-Kita Public Health Centre, the 2nd Asa-
Kita-ward Inhabitants
Health Festival was held with the partici-
pation of 1,100 even if it was a burningly
hot day. There were all types of health
examinations such as blood donation, X-ray
of the chest, lung-capacity, cardiography,
dental check-up etc.

7/31 (Wed.) Mother and child cooking classes
(Iimuro Primary School)

8/ 1 (Thurs.) Mother and child cooking classes
(Hiura Primary School)

8/21 (Wed.) Summer Holiday Children's Plant Collection
(Mikuni Green Center - implemented at the
nature recreation village) 150 participants

8/24 (Sat.) First Asa-cho Children's Festival

8/25 (Sun.) Exhibition of Children's arts and drafts
as exhibited by children's groups of
various district. It was a stage full
of dreams and very suitable for children's
festival

Self-composed and directed plays, Brass Band
of Hiura and Seiwa city Junior High Schools,
chorus, dancing, instrumental music, perfor-
mance, candle service.

Again, there were instructions given by village
elders on bamboo dragon-flies and Japanese
straw sandals (Zori). It was a very enjoyable
day.

- 9/20 (Fri.) The drawings for second Asa-cho agricultural cooperative original calendar competition of 5th and 6th grades of the primary schools in Asa-cho started. Judging of the Theme "Image of Our Town" 13 drawings accepted
- 9/19 (Thurs.) Examination for cancer of the ovary and of breasts (Town Center)
- 9/26 (Thurs.) " " (Asahigaoka Branch Office)
- 10/ 3 (Thurs.) " " (Kuchi-Minami Branch Office)
- 11/21 (Thurs.) Cooking class with an aim for increased consumption of rice held at the women's study room
- 11/28 (Thurs.) Collective stomach health check-up (held at Town Center)
- Hiroshima Prefecture General Meeting of Ie-no-Hikari
Memorial lecture by Mr. I. Tominaga
500 participants
- 12/ 6 (Fri.)
- 12/ 7 (Sat.) The annual general exhibition held at Town Center
- 12/ 8 (Sun.)
- 1986 1/18 (Tues.) 12th Gathering of Women's Association of Asa-cho Agricultural Cooperatives (General Meeting of Women's Association)
1600 participants
Exhibitions by the groups
Presentations of the performing arts
- 3/18 (Tues.) Group check-up on stomach (at the Town Center)
- 3/19 (Wed.) " (at Asahigaoka Branch Office)
- 3/20 (Thurs.) " (at Kuchi-Minami Branch Office)

3) Health control activities of the Agri. Coop.

"Healthiness is not only a state in which one is neither infirm or sick but a state in which one is also blessed with good physical, psychological and social conditions" (1948, WHO, World Health Organization).

The economic development which originally was aimed to contribute to the happiness of mankind, has on the contrary, given adverse effects upon the happiness of mankind. It is difficult to protect and improve our lives by the strength of the individual alone. The agri. coop. is fundamentally an organizational movement in which man leads humanly life aiming at improvement of soci-economic status.

My recognition of the agri. coop. is that health control activities is a work that originally pertains to the agri. coops.

Looking back at history, during the economic recession after WW , farmer underwent a very difficult life. They could not even afford to see a doctor. There are records of women who had to run into prostitution to undergo medical treatment by a doctor. As a countermeasure to this situation, the village health-care movement started and small clinics were established as part of this movement. These later developed into hospitals of the industrial association. From this process one can tell that movements for health-care of the farmers were initiated by their own organization. In the Asa-cho coop. from 1965 - 1974, 70% suffered from anemia resulting from overwork and lack of nutrition. Only 30% could donate blood. Facing such a situation, it was felt that it would be the health of each individual member that would support agriculture and the rural society (Asa-cho Coop.). Thus in group activities, priority was given on family health-care.

In 1975, the Asa-cho Coop. was the first in Japan to have a health nurse of its own. During this period, a number of activities concerning health-care were conducted for the residents such as the establishment of a "blood donations group", consulting for mothers concerning ways on the rearing of babies, check-ups for cancer, ^ulong X-ray check-ups based on the Tuberculosis Prevention Law, etc.,

4) Joint Purchasing Movement for the Protection of Living

In 1973, the first oil crisis struck Japan.

Scarcity of commodities such as detergents, sugar, gasoline, paper, etc., were created, and it was disclosed that affluence by the economic growth proved to be built merely on a castle in the air. Caused by the hike of prices in crude oil, it has entered into a stagnant period for agri. products, which forced farmers to make the adjustment of their production.

In order to help pig-raising farmers and mikan farmers, joint purchasing campaign was conducted. Furthermore, a campaign was launched to make much of goods and the limited resources with the coop taking an initiative in a bid to protect livelihood of these farmers.

5) Activities Centering on Children

During summer vacation, exhibitions of painting done by children, collection of plants and children's festivals are held. The agri. coop. also plays a social educational role within the district keeping close contact with elementary and junior high schools of the town.

6) The relationship with the senior's groups

Now that Japan has become a member of the aging society in the world, measures have to be taken to cope with the problem of the elderly people. The coop. has been evolving organizational activities in which the elderly will feel worth living such as the medical herb study group to be intimate with nature, giving subsidy to sport activities, organizing of volunteer groups etc.

7) The regional based coop. with the Town Center as its core for the activities

Commemorating the success of Asahigaoka housing complex, a cultural facility was decided to be established in order to contribute widely and for a long period to the Asa-cho district. This facility is a hall having a multiple functions for such activities as culture, sports, wedding ceremonies, parties, culture centers, etc., It is used as a cultural building for the residents of the district.

The motto of the town is "Asa-cho, a town of greenery, peace and dreams".

The home town culture full of human warmth, developed in blessed natural surroundings and energy that invigorates into the new town are characteristics of Asa-cho. The Asa-cho Agri. Coop. town center opened responding to the expectations of the many members of the coop. Throughout the four seasons, various events were held. 50 thousand people used the center in one year. There were various encounters and it left a new page in the history of the coop. This along with the building itself will become an asset and support of Asa-cho toward the 21st century.

Postscript

Japan has made a remarkable progress in the economy after WWII, for which our asian neighbours look with admiration. Japan at present might actually be an advanced nation which marks number 1 in its GNP, however until 30 years ago, it could not have rice as its staple food.

Until that time, its staple food was millets, beans, grains. Recently, Japan is experiencing a rapid economic growth and it is even called an "economic superpower". I don't think the living of the people and history in the background can be ignored.

Among the participants for this seminar, there are people from China, which has a long history of 4,000 years and vast land, people from Korea, which has made great accomplishments through the Semaul movement and is to constitute a new history.

(Asa-cho agri. coop. has its own exchange with the nearest foreign country, i.e. exchange with the Kimuhei City Agri. Coop. Women's Group, visits to the Semaul headquarter, a sister coop. alliance with Lisen agri. coop., etc.)

The Philippines is a country I can not forget. My father died during the second World War at Lizar province of Luzon Island. When I hear news about the agrarian reform, etc., in the Philippines through TV, I feel so close to that country that doesn't sound like somebody else's problem.

I have wishes to study about the Asian nations, thus in the past I have visited Korea, China and Hong Kong. Furthermore, from 14 - 19 March, I plan to go to Singapore, Thailand, etc., and hope to see and study the actual situation, feeling and taking in every aspect through my own eyes, and treading every step with my own feet.

Each country is not a homogeneous nation but heterogeneous, and there are probably differences in language, religion, climate, culture, tradition, customs, land issues, economic and historical back ground. Reality is probably much more severe than what one can imazine.

Fortunately or unfortunately, Japan is now, at present a member of the economic superpowers and advanced nation.

But it will probably not be able to prosper eternally.

Looking back at world history, no country has prospered eternally.

I think we must live the present era based on the firm historical viewpoint that someday there will come a time of decline.

In the end, I would like to express my deepest wishes so that all the participants, even though there are differences in the situation of each nation, will contribute greatly to the development of agriculture and agri. coops. of S.E.Asia.

5th ICA/Japan Training Course for Strengthening Management of Agricultural
Cooperatives in Asia
March 1 ~ April 24, 1991, Tokyo Japan

Case Studies on Farm Guidance Activities
with a Special Reference to the Group
Farming System Being Promoted in Japan

March 19, 1991

By Mr. Yukio Abe
Programme Coordinator
IDACA

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

Procedure of the lecture

Case studies

1. Introductory remarks

2. Main case studies

- 1) The Noda Village Pig Raising Joint Farming Association
- 2) The Onsen Fruits Growers Cooperative

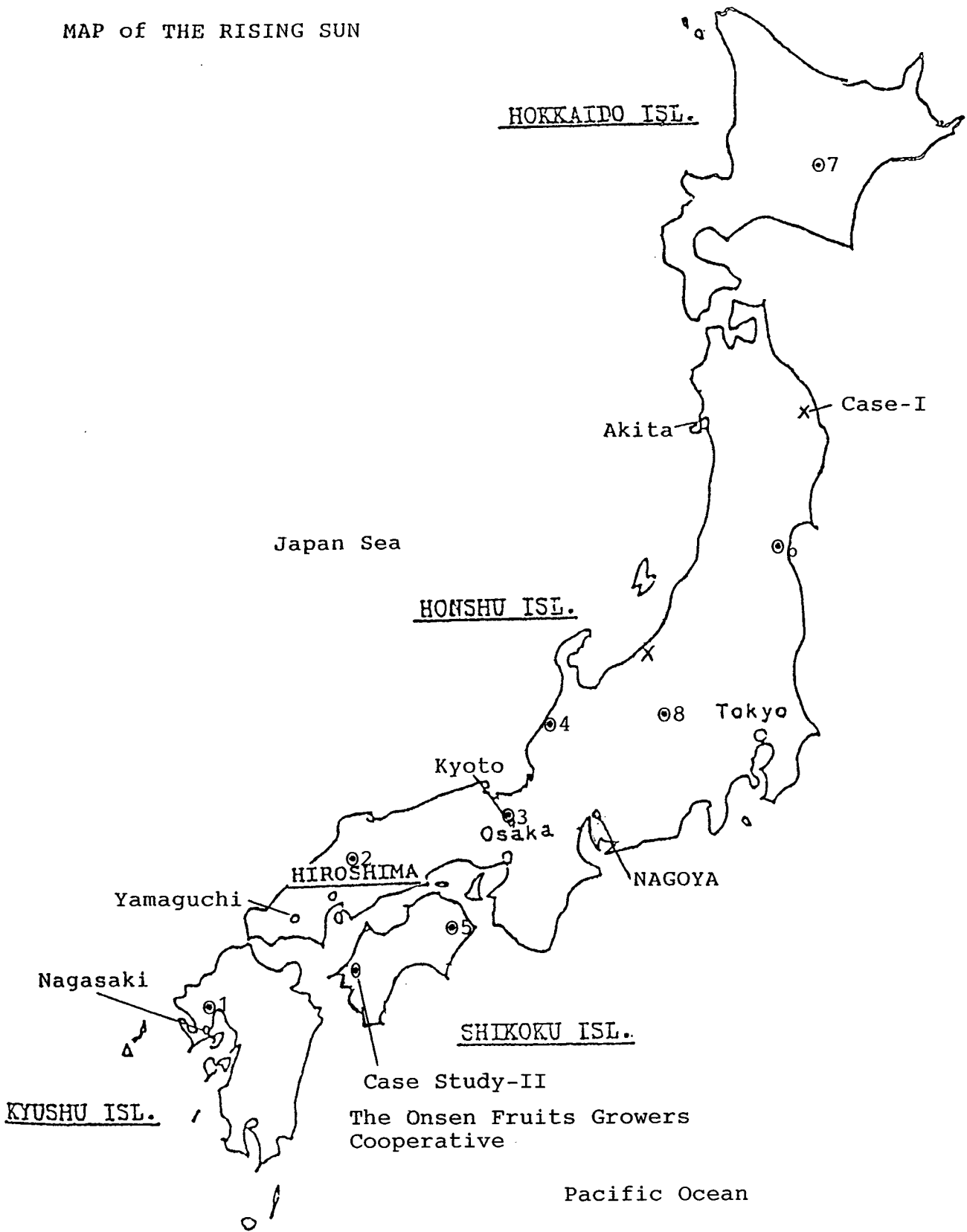
3. Other case studies

*8 case studies will be presented with use of video films.

- 1) The Kusho Producers Association (Saga prefecture)
- 2) The Hitotsugi Farming Group Association (Hiroshima prefecture)
- 3) The Aseri Farming Works Joint Association (Kyoto prefecture)
- 4) The Kumasaka City Paddy Farming Machinery Associate
(Ishikawa prefecture)
- 5) The Nishigawata Paddy Farming Machinery Joint Utilization Association
(Tokushima prefecture)
- 6) The Kotoyomura Agricultural Production Association
(Miyagi prefecture)
- 7) The Itaya Farming Group (Hokkaido)
- 8) The Hodaka-town Agricultural Production Association
(Nagano prefecture)

4. Conclusion

MAP of THE RISING SUN



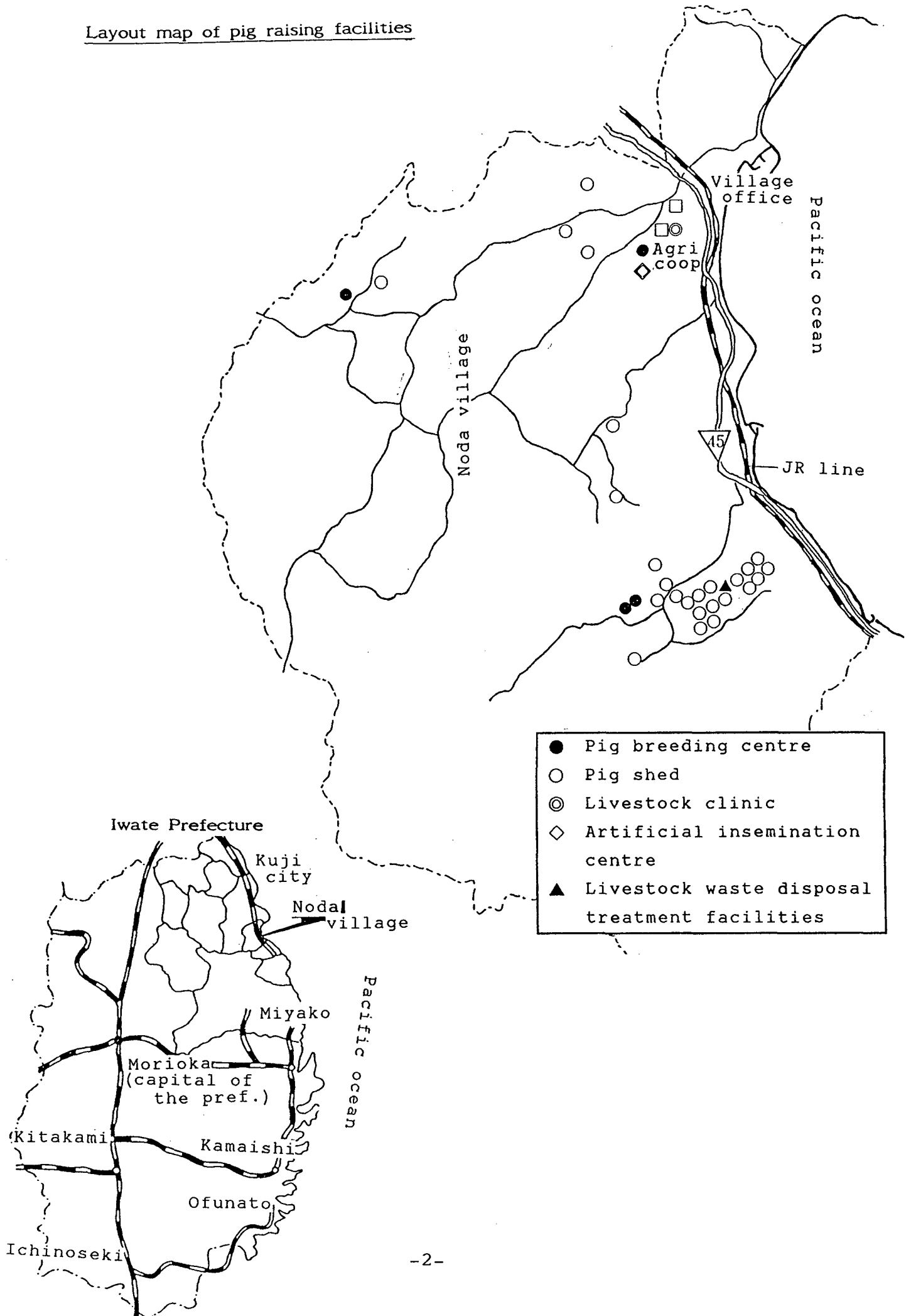
The Onsen Fruits Growers Cooperative

CASE STUDY I.

The Noda-village Primary

Agricultural Cooperative

Layout map of pig raising facilities



Case study-I

The Noda-Village Primary Agricultural Cooperative

1. Outline of the area

1) Location

The Noda village is located in the north eastern part of Iwate prefecture and the northern tip of the famous national park called the Rikuchu Kaigan (coast)

It takes about three hours to reach the village by car from the capital city Morioka.

2) Population & households

- 5,382 persons
- 1,472 households

Although the population of the village has been declining with 5,917 persons in 1960 as a peak, but there has been little changes in it over the recent ten years.

The ratio of those engaged in the primary industry centering on agriculture accounts for 30%.

Those who migrate to cities to work as seasonal worker as commonly found in the Tohoku region have been yearly decreasing. But the percentage of those in the primary industry exceeds over 50%.

3) Main products

Main lines of agricultural products are pigs, broilers, rice and vegetables.

But the weight of rice to total agricultural production is small with 11% and vegetables 8%.

2. Outline of agriculture

1) Agricultural production turnover

(Unit: Million yen)

Items	Turnover
Rice	203
Pigs	789
Vegetables	147
Dairy cattle	56
Chickens	488
Grains & cereals	34
Sericulture	14
Fruits	15
Beef cattle	9
Industrial crops	-
Potatos	20
Others	21
Total	1,796

(Source: Annual report on Agriculture,
Forestry of Iwate Prefecture)

2) Changes in the number of farmhouseholds and agricultural land

Year	No. of Farm Household	No. of those engaged in employment	Areas (ha)				
			Total	Paddy	Upland	Orchards	Forestry
1965	658	2,537	1,988	162	372	11	1,443
1970	656	2,470	2,190	161	419	32	1,578
1975	644	2,417	2,019	163	279	29	1,548
1980	614	3,024	2,002	165	237	41	1,559
1985	582	2,164	1,711	151	195	35	1,330

(Source: Agriculture, Forestry Census)

3. Outline of the Agricultural Cooperative

1) Number of members

The number of members consists of 652 regular members and 360 associate members (Individuals 354 households and groups 6 households).

With the average number of member households per agricultural cooperative in Japan being 2,000 (of which the number of regular member households 1,365), it can be said that this agricultural cooperative is rather small.

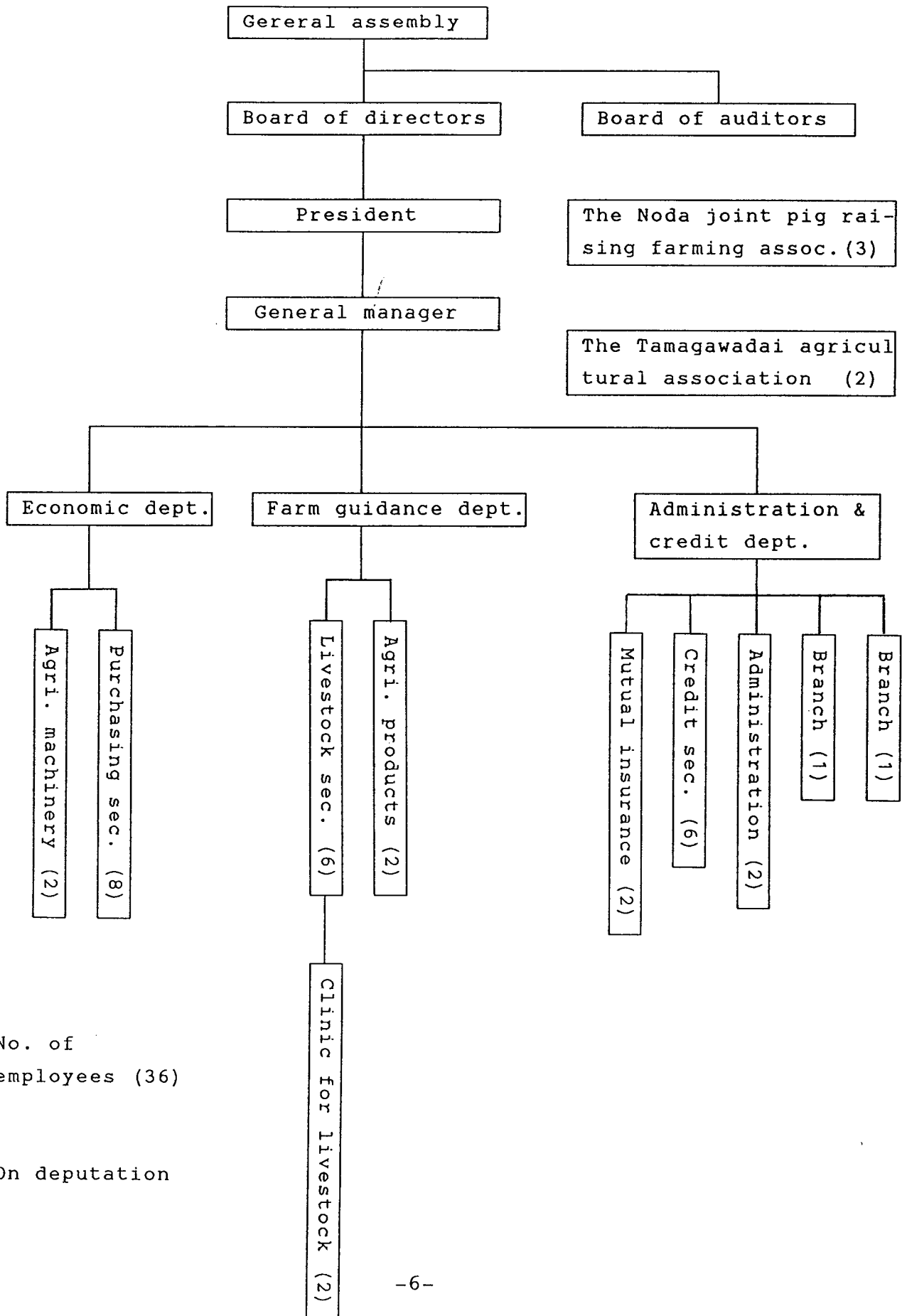
2) Number of officials

• Full-time director	0
• Part-time director	11
• Auditors	3
Total	14

3) Number of employees

Classification	No.	Notes
General manager	1	
Staffs in charge of economic dept.	11	
Staffs in charge of farm guidance dept.	8	Besides these staffs, a manager of other dept. takes up manager post concurrently
Administration & credit dept.	14	
On deputation	4	Those on deputation are assisting pig producers' associations
Total	38	

4) Organizational chart



No. of employees (36)

On deputation

5) Facilities

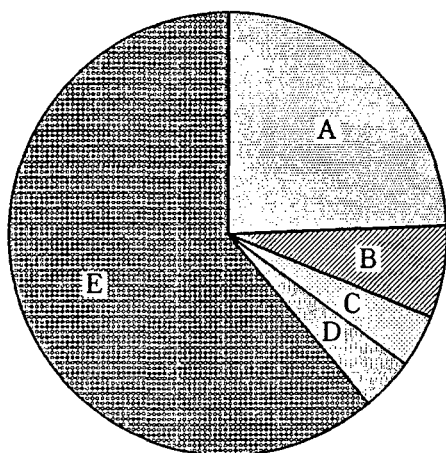
Main office, Old office, 2 branches, Agricultural warehouse, Agricultural machinery centre, Joint collection and shipment centre, Joint nursery centre for cocoon (silkworm), Piglets market, Propane gas warehouse, Production materials warehouse, 2 edible chrysanthemum processing factories, Joint collection centre, Petroleum station, Pig house, Livestock centre, Manure production centre, Simple vegetables cultivation centre, Old agricultural machine centre, Piggery for the Hayashine pigs, Small horn cattle raising centre, Piggery established by affiliated coops, Control office and Pre-cooling unit.

6) Results of economic business turnover (1987)

(1) Marketing

① Sales turnover (1987)

(Unit:%)



A—Contracted farm	242,275	(24.4%)
B—Fruits	66,548	(6.7%)
C—Grains	39,060	(3.9%)
D—Other livestock	39,060	(3.9%)
E—Pigs	606,480	(61.0%)
Total	993,423	

Prospects of marketing business

(Unit: million yen, %)

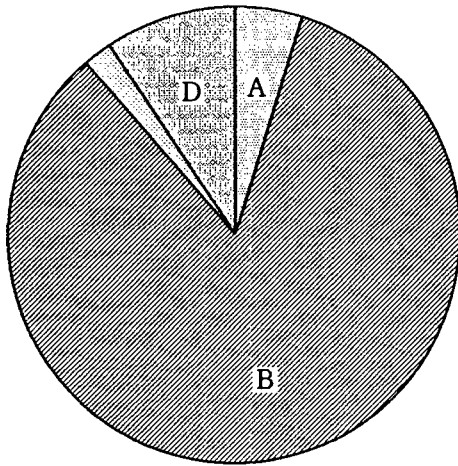
	FY '87	FY '91	Ratio of expansion
Livestock	700	768	109.7
Fruits & vegetables	67	174	259.7
Others	281	276	98.2
Total	1,048	1,218	116.2

Source: The fifth third year plan of the Noda village agri. coop.

(2) Purchasing

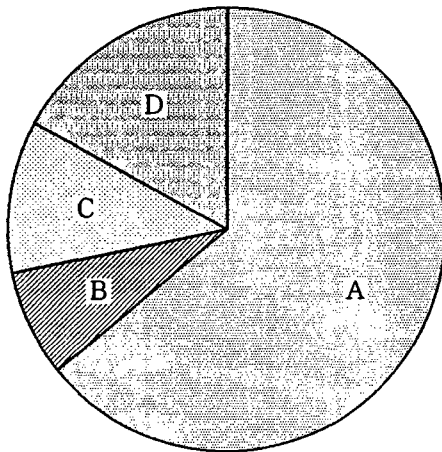
② Supply turnover (1988)

(Unit:%)



A—Fertilizer	38,767,530	(4.8%)
B—Feeds	681,533,340	(83.8%)
C—Agri. chemicals	16,025,183	(2.0%)
D—Production materials	77,390,978	(9.5%)
Total	813,717,031	

(Unit:%)



A—Foods	75,820,314	(64.0%)
B—Clothing	9,216,680	(7.8%)
C—Durable goods	13,176,090	(11.1%)
D—Dairy necessities	20,273,327	(17.1%)
Total	118,486,411	

4. The Noda Joint Farming Association for Pig Raising

1) Outline of the Association

Located in the area facing the Sanriku coast of Iwate prefecture in Tohoku region, the area is not blessed with neither good climate nor favourable geographical conditions. Because of this the people in the area used to make a living relying mostly on half farming and half fishing.

As there is much snowfall in the area during winter season, they could not do farming during that period. Thus they had to go to cities to look for a job as seasonal worker. This resulted in causing a gradual depopulation of the villagers. What made the matter worse, the paddy conversion programme implemented by the government to reduce its subsidy on agriculture put them in a dire strait.

In an effort to tide over such a difficult situation, some farmers decided to introduce pig raising management by adopting joint farming system in an integrated manner. This led to the establishment of the Association with 25 farmers in 1974. This brought about a big change in the life of villagers, attracting those who had left the village return to the village again.

As a result, the village began to become livelier like before. In 1976 two years after its establishment the Association was given a special encouragement prize of the Japan Agricultural Award.

In this context, reasons for the success of the Association can be enumerated as follows.

1. Introduction of the Association based on group farming enabled farmers to perform management efficiently, which was not possible when management had been done on an individual basis.
2. Pig raising with high productivity was made possible by the introduction of integrated management system in collaboration with the agricultural cooperative to which the Association affiliates as a group member.

To put it more concretely, improved types of pig name

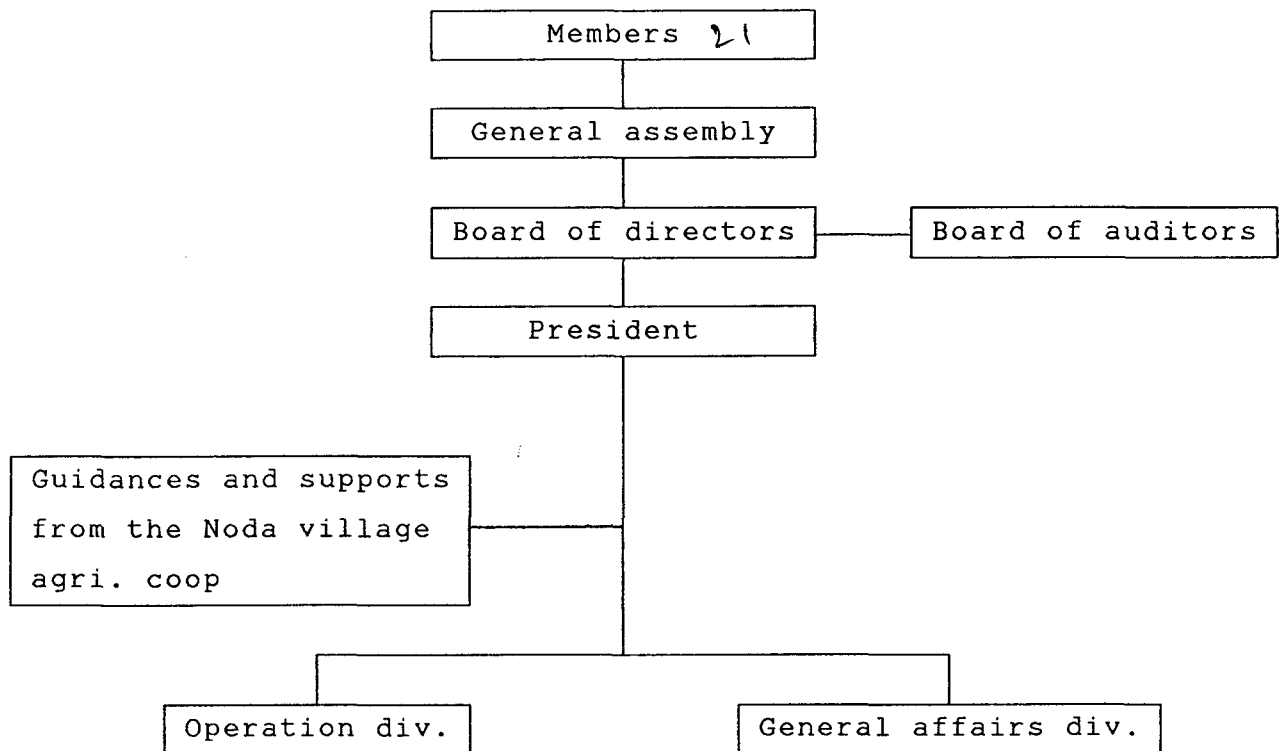
"Hayachine" were developed to tailor the needs of consumers. Although prices of its meats are not necessarily cheaper than ordinary ones, but its meats are given a high rating as being delicious and safe from consumers in the prefecture. Meats are sold mainly to thirty super market chains in the prefecture called "Bell-Mart".

3. Exchange of by-products between paddy and vegetable growers and stock raising farmers has been effectively made. That is, stock farmers give manure to paddy growers, while the latter provide paddy wastes for use of pig raising to the former. Besides this, stock farmers also supply manure to vegetable growers for enabling the production of carrot, asparagus and spinach.

In this way, both farmers came to enjoy a great benefit from the exchange of their by-products. Through this method, animal wastes were also disposed and recycled.

These three points mentioned above are considered to be principal factors contributing to the success of the Association. The Association is further planning to embark on processing business of pigs aiming at increasing returns to ensure farmhouseholds to stabilize their management.

2) Organizational chart of the Noda joint pig raising association



Roles of the association

1. Construction of facilities related to pig raising
2. Purchase of feeder pigs
3. Purchase of feeds and production materials
4. Marketing of pigs
5. Procurement of fund operation
6. Technical guidances
7. Guidances on sanitary control
8. Guidances on book keeping for effective management
9. Control and maintenance of joint assets

Appendix

(from NHK video film programme)

Appendix (from the NHK video film programme)

THE NODA-VILLAGE JOINT FARMING ASSOCIATION FOR PIG RAISING

Chart 1. Expenditure and revenue of businesses in 1986

(Unit: yen)

Items	Amount
Paid-up share capital	16,250,000
Borrowings	398,478,000
Pigs borrowed from agri. coop	16,889,000
Inventory assets	253,842,738
Current surplus	44,988,627
Proceeds from sales of pig	443,859,174
Costs for sales of piglets	209,360,000
Reserves	13,530,000

Chart 2. Change in prices per pig

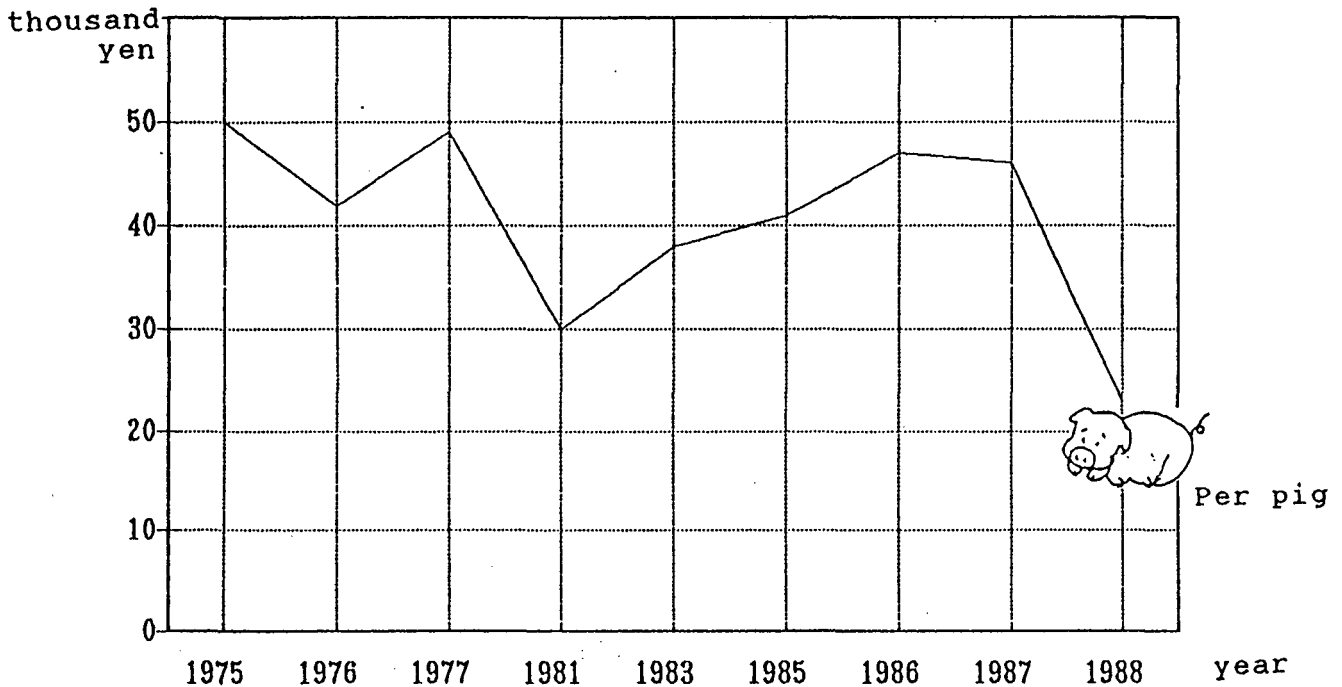


Chart 3. Renumeration system to members of the joint farming association

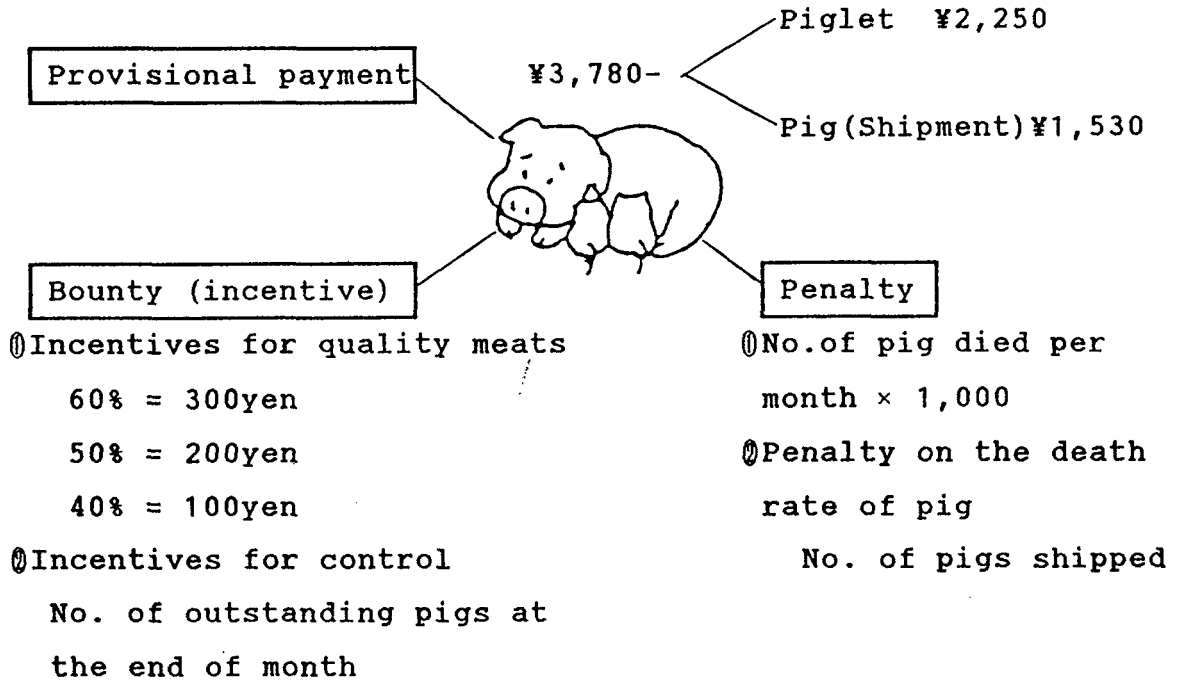


Chart 4.

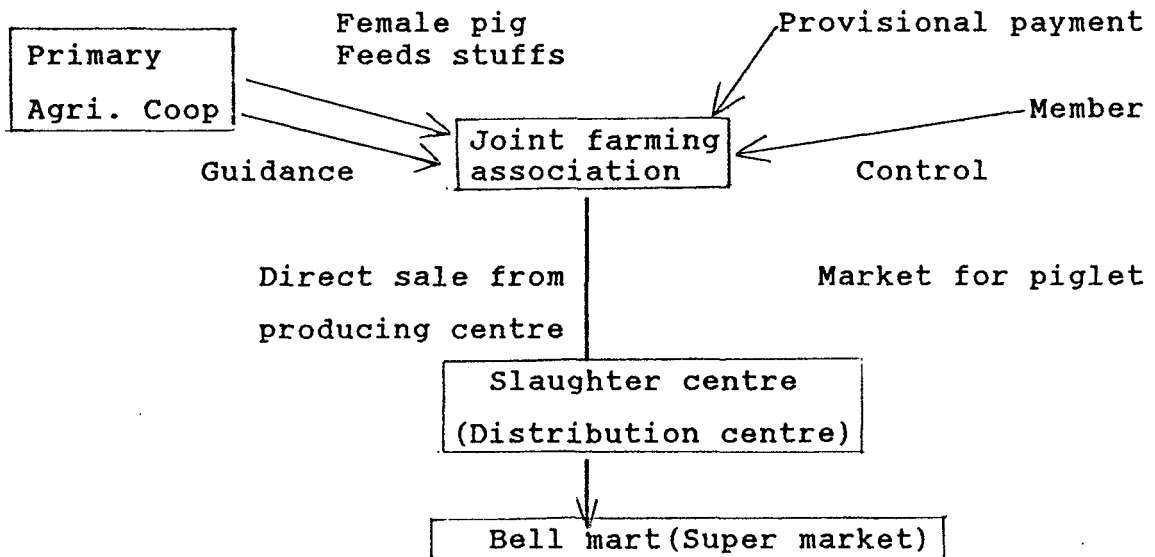


Chart 5.

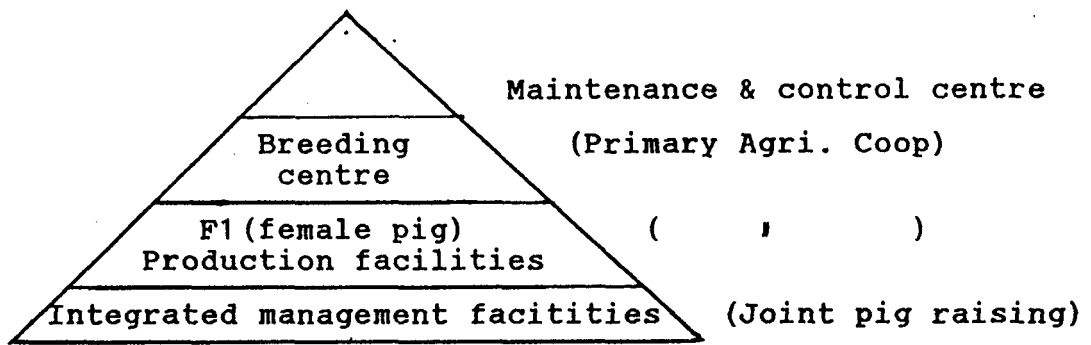


Chart 6.

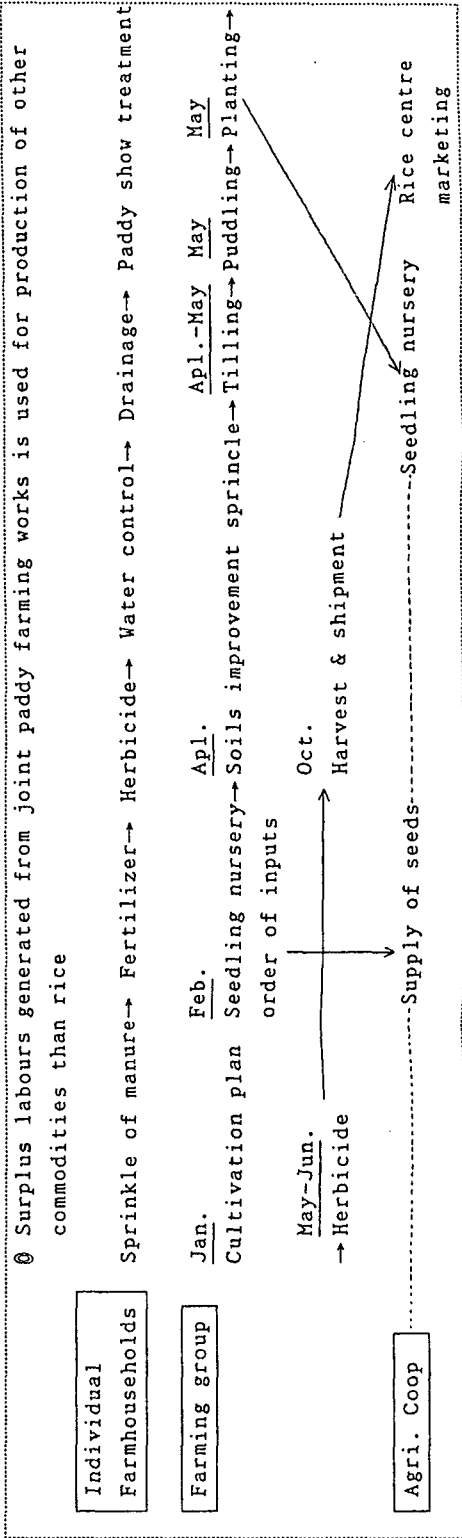
(Unit: g, cm)

	Weight increased	Pork loin	Cross section area of pork loin
Hayachine	841g	2.4cm	20.3cm
Whole country (1979)	740g	2.6cm	18.0cm

Other Case Studies

Other Case Studies (1~8) from the Video Films produced by the CUAC.

Names of Farming Associations	Activities of Farming Associations
<p>1. The Kusho Producers Association (Saga prefecture)</p> <p>Name of the Agri. Coop: (Ogi-gun primary society)</p>	<p>•History ----- Started when land consolidation project was implemented in 1973</p> <p>•No. of households --- 22(of which No. of farmhouseholds 21) No. of full-time farmhouseholds 3 and the remainings part-timers</p> <p>•Commodities ----- Paddy (29 ha), Wheat & barley, Soy-beans, Wagyu, Dairy cattle and Flowers</p> <p>•Aim of the association ----- Efficient utilization of land by groups through reduction of costs</p> <p>•Method for the above aim --- Introduction of "block rotation" system (Soy-beans, rice and wheats)</p> <p>•Other features --- ① Cultivated area 6.04 ha ② Yield 314 kg(per 0.1 ha)</p> <p>③ Working hours 28.7 hours(per 0.1 ha) ④ Yield of paddy 9.5 bales (590 kg) (per 0.1 ha)</p> <p>⑤ Yield of barley 7~8 bales (450 kg) [Soy-beans as crop converted from rice]</p> <p>•Problems --- ① Securing operators are expected to be difficult for the future</p> <p>② Some members tend to leave the machinery joint use association</p>
<p>2. The Hitotsugi Farming Group Association (Hiroshima prefecture)</p>	<p>•History ----- 1969</p> <p>•No. of households --- 52 households (of which No. of full-time households 15)</p> <p>•Commodities ----- Paddy, Dairy, Poultry, Sericulture</p> <p>•Cultivated area ----- 20 ha</p> <p>•Aim of the association ----- Reduction of production costs</p> <p>•Method of the association --- Adoption of division of roles as shown below</p>



Names of Farming Associations	Activities of Farming Associations
	<p>Activities of Farming Associations</p> <p>•Other features --- ① Operators are made up of full-time farmers, farm successors, young part-time farmers, totaling 10 persons</p> <p>Working hours: 8.2 hours per 0.1 ha in 1983 as against 20 hours by individual farmer, Cost reduction (0.1 ha) ex. Hitotsugi 106,164 yen, Hiroshima average 190,285 yen</p> <p>② Paddy joint farming group, Plum processing groups & Women's groups</p> <p>③ Four Operators</p> <p>•Problems ----- ① As it appears difficult to introduce subsidy projects, method and steps different from the conventional ways should be adopted as the farming groups get consolidated</p> <p>② Effects on reduction of costs have been weakening</p>
<p>3. The Aseri Joint Farming Works Association (Kyoto prefecture)</p>	<p>•Population ----- Less than 100 (There were around 150 before)</p> <p>•No. of farm households ----- 30</p> <p>•Average cultivated area --- 0.4 ha</p> <p>•Management method ----- Complete joint management based on hamlet farm</p> <p>•Commodities ----- Paddy, Black beans (as second crop of paddy)</p> <p>Black beans are treated as special products of Furusato (the home country)</p> <p>•Other features ----- Following systems are adopted</p> <p>① Women are expected to play greater roles</p> <p>② Equal wages regardless of sexes</p>
<p>4. The Kumasaka City Paddy Farming Machinery Association (Ishikawa prefecture)</p>	<p>•History ----- July, 1974</p> <p>•Location ----- The south western part of the prefecture</p> <p>•No. of households --- No. of members: 73 persons (of which 44 persons are engaged in paddy farming, the remaining 29 persons entrust farming to others. Most of members are part-time farmers, working nearby companies.)</p> <p>•Cultivated area ----- 37.3 ha (of which paddy 36 ha)</p> <p>Started when land consolidation project was implemented in 1970</p> <p>•Management method --- Matters relating to cultivation plan, operation and soon are decided by consensus among members</p> <p>•Other features ----- ① Four operators are undertaking paddy farming</p> <p>② Introduction of large machinery</p> <p>③ The association is engaged in such activities as nursery of seedling, planting, harvest, husking and etc.</p> <p>④ Part-time farmers are to give a helping hand during busy seasons, that means, all the farm households are involved in paddy farming works in some way or other.</p>

Names of Farming Associations	Activities of Farming Associations
	<ul style="list-style-type: none"> • Aim of the Assoc. ----- ① To pursue paddy farming with higher productivity which can be taken up even by busy part-time farmers ② Aiming at realizing integrated farming system by mechanization ③ Each farmhousehold commissions the farmland to the association and pays administration fee and gets fee when he or she puts in labour for it
<p>5. The Nishigawata Paddy Farming Machinery Joint Utilization Association (Tokushima prefecture)</p>	<ul style="list-style-type: none"> • Location ----- Situated within 40 minutes drive from Tokushima city • Cultivated area ----- 0.23 ha • Slogan of the assoc. ----- Defend regional agriculture with old people's power Average age of members: 70 years old • No. of farmhouseholds ---- 82 • Aim of the Assoc. ----- Reduction of costs of paddy production and promotion of mutual freindship • Activities ----- ① Nursery of seedling, planting of paddy, pest control ② Inheritance of local folk arts and culture to next generations, Old people's club
<p>6. The Kotoyomuro Agricultural Production Association (Miyagi prefecture)</p>	<ul style="list-style-type: none"> • History ----- Established in 1975 • Location ----- One hour drive from Sendai, capital of the prefecture • Aim of the Assoc. --- Until 1972, villagers had tended to rely their main sources of income on non-farming job even though they wanted to remain working in the village. In order to activate the village, processing of "plum" was undertaken to provide them with a job, which led to stopping them from go into work outside the village. • Commodities ----- Paddy, Sugar beats and processing of plums • Management ----- Introduction of compound management Exchange of by-products between paddy growers and vegetable growers • Other features --- The house for rural women was built for their activities. This indicates the fact that the association lays emphasis not only on production aspect, but also on better living for the villagers.

Names of Farming Associations	Activities of Farming Associations
<p>7. The Itaya Farming Group (Hokkaido)</p>	<ul style="list-style-type: none"> • Location ----- Situated in 50 km from Asahikawa city • History ----- Started initially as the association for the joint use of tractors • No. of households --- 24 households • Cultivated area ----- 126 ha (paddy field) 5 ha per household which is lower than on prefectural average • No. of farming groups --- 21 • Commodities ----- Paddy, barley/wheats, vegetables, soy-beans, melon Productivity 1.3 million yen per 1 ha • Surplus labours generated from mechanization is used for production of melon • Other features ----- ① There are three joint utilization organizations under the farming group, namely, tractor group (22 households), rice centre group (19) joint seedling nursery group (6) respectively. ② 15 operators ③ After the introduction of melon, the ratio of full-time increased ④ Started to undertake processing of sun-flower ⑤ Team work spirits are specially emphasized in this association
<p>8. The Hodaka-town Agricultural Production Association (Nagano prefecture)</p>	<ul style="list-style-type: none"> • Location ----- Situated near Matsumoto city, right in the middle of the pref. • No. of members ----- 18 (of which four are female) • Activities ----- Custom farming 150 ha (The association is entrusted with paddy farming works) • Facilities & machines ----- Rice centre 3, (700 bales), Combineharvester 2, Dumper truck 5 and Tractor 8 • History ----- Established in 1961 Started when land consolidation project was implemented Agri. Coop took an initiative for the project and worked closely with the youth association members • Others features ----- ① Introduction of block rotation system (wheat, buck wheat) ② Fee for paddy farming works 20,000 ~ 53,000 yen = 0.1 ha Productivity cost 146,000 yen = 0.1 ha

5th ICA/Japan Training Course for Strengthening Management of Agricultural Cooperatives in Asia

March 1 ~ April 24, 1991, Tokyo Japan

Measures for Promotion of
Regional (Hamlet)
Farm Management Group
(Summary)

March 20, 1991

*Report of the author
of the above.*

By Mr. Kazuhiko Sugawa

July 1990 Deputy Head of Farm Guidance
Division, CUAC (*Report from
Farm Group*)

*(Sept - Tokyo Univ Tech division, 1980)
- Tohoku Univ - Agr. Eng.
- Agr Policy Committee*

1. What is a Regional Farm Management Group? *Hamlet-farming*

In view of the functions of hamlets which have contributed to making sustained development of rural community in Japan, efforts are currently being made to promote utilization of farmland in the form of farming complex.

Thus regional farm management group aims at establishing regional agriculture with high productivity by making efficient use of production materials and labour forces through utilizing its functions.

1) Definition

A regional farm management group is defined as a group to systematize production process by coordinating the collective use of agricultural production factors such as farm land within area of one or several hamlets.

2) Organizing factors of a regional farm management group

(1) Area: Formed with one or several hamlets in accordance with water system and geographical conditions.

(2) Organization: To be formed with the majority of farmers in hamlets concerned.

(3) Function: To form a consensus related to farmland utilization adjustment and to implement production activity producing function.

3) Coordinating and Adjustment Functions

To form consensus among consisting members by having discussions on utilization of farmland, introduction and utilization of facilities and machineries, division of labor and budgetting.

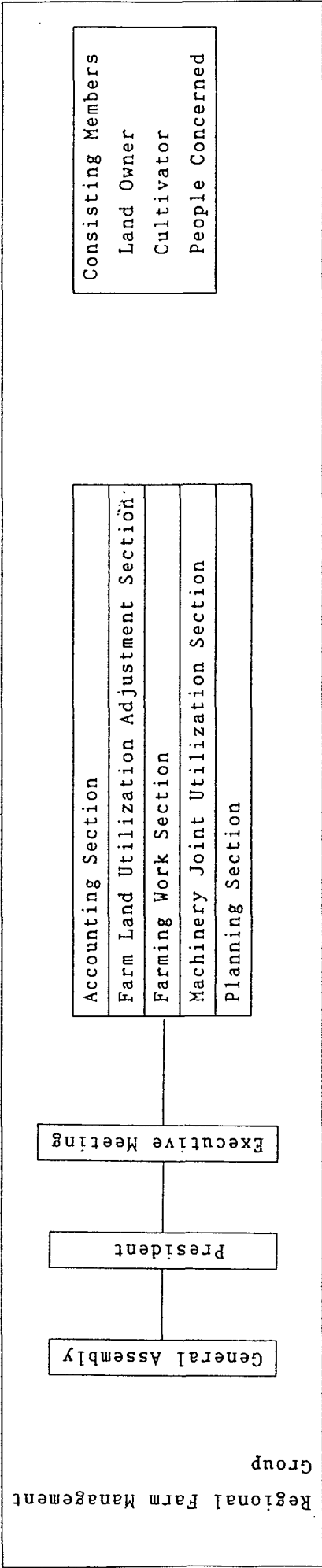
4) Producing Function

To undertake farming works, procure production materials and labor forces and handle accounting works necessary for such works. Consisting members share and execute the works.

(4) Organization (Example)

Administrative Organs (Municipalities)

Linkage Assistance and cooperation



Linkage Assistance and Cooperation

Agricultural organizations such as agricultural cooperatives

2. Guidelines for the Promotion of Fostering Regional Farm
Management Group (Summary)

September 25, 1990
The Central Union of
Agricultural Cooperatives

(Objectives of the Campaign)

To foster regional farm management groups and the core farmers by strengthening farm management guidance activity of cooperatives and farm land utilization adjustment for the purpose of producing safe and high quality products at lower cost.

(Objectives to Increase Productivity)

Cost Reduction Targets for the Main Products

Rice :30% reduction against the national level
Wheat :40% to 50% reduction against the national level
Soy Bean :50% reduction against the national level

(Campaign Period)

9 years from fiscal 1989 and the period is divided into
3 years.

(Action Plan for Fostering Regional Farm Management Group)

The plan should be promoted in all hamlets for paddy fields and upland-fields.

(Action Plan for Farm Land Utilization Adjustment)

The system for entrusting farming work and rationalization of farm land holding should be realized by all agri. cooperatives.

Also, application for drafting promotion plan of farm land utilization, farm management entrusting project, and farm land entrusting project should be promoted to be tied up with regional situations.

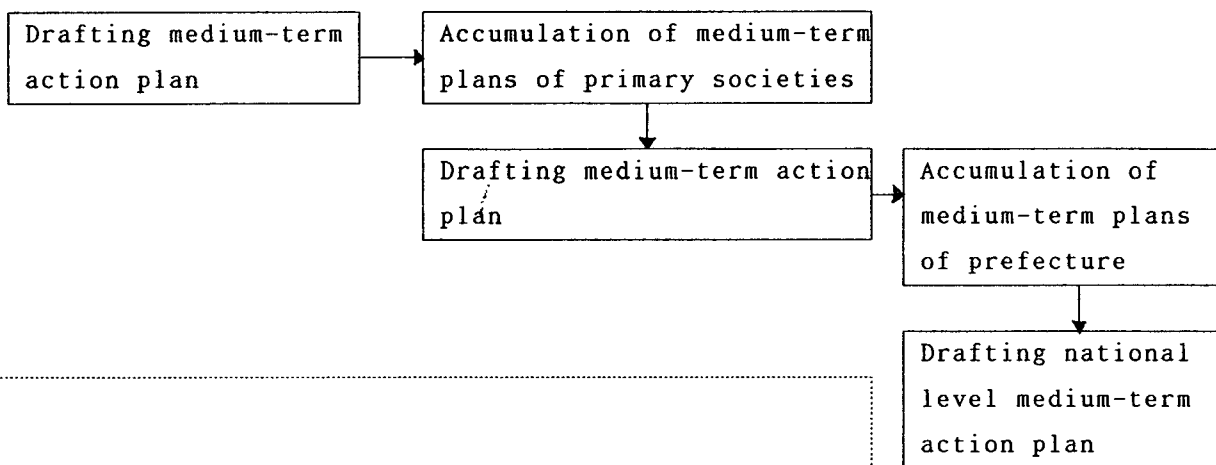
3. Flow Chart for Drafting Action Plan for Fostering Regional Farm Management Group

Primary level
Agri. Coops

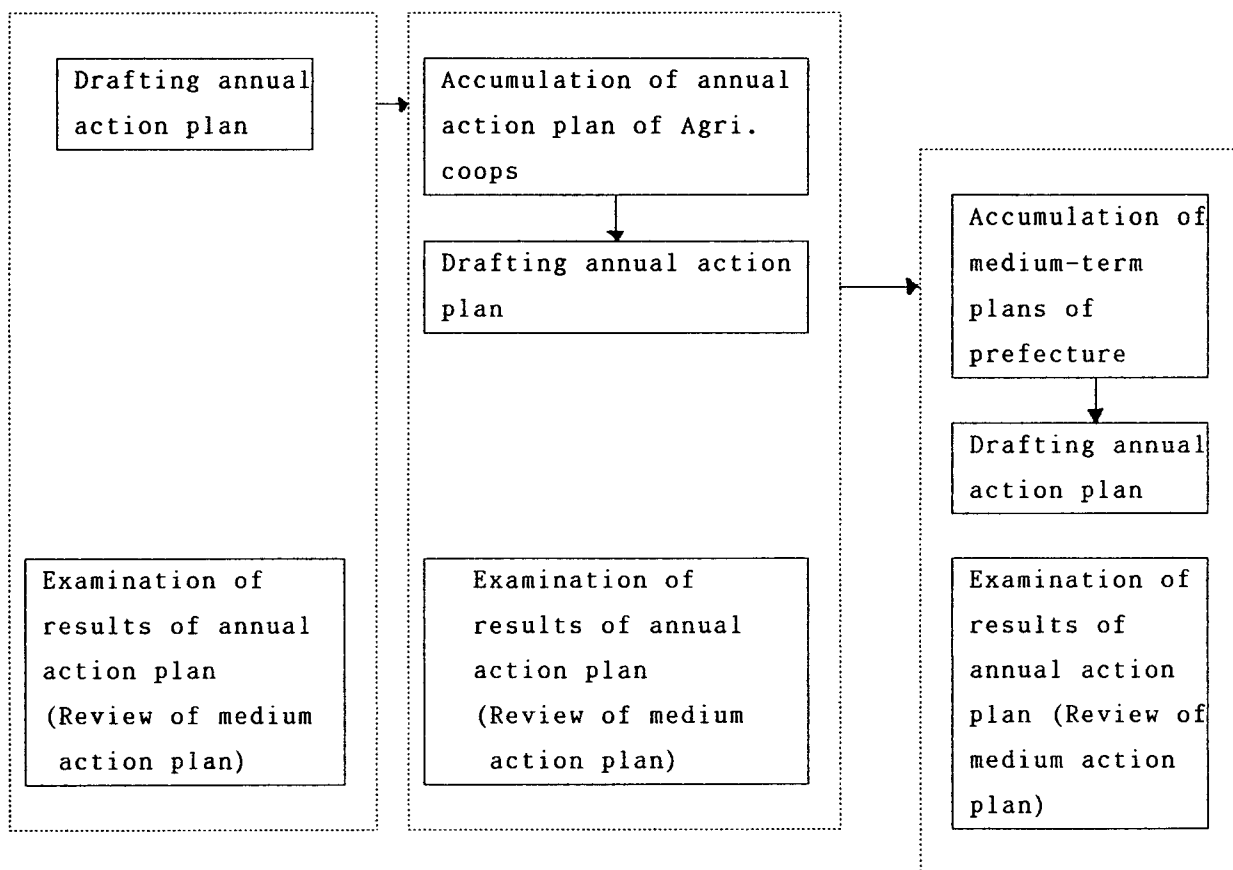
Prefectural level
Agri. Coops

National level
Agri. Coops

(1) Medium-term action plan



(2) Annual action plan

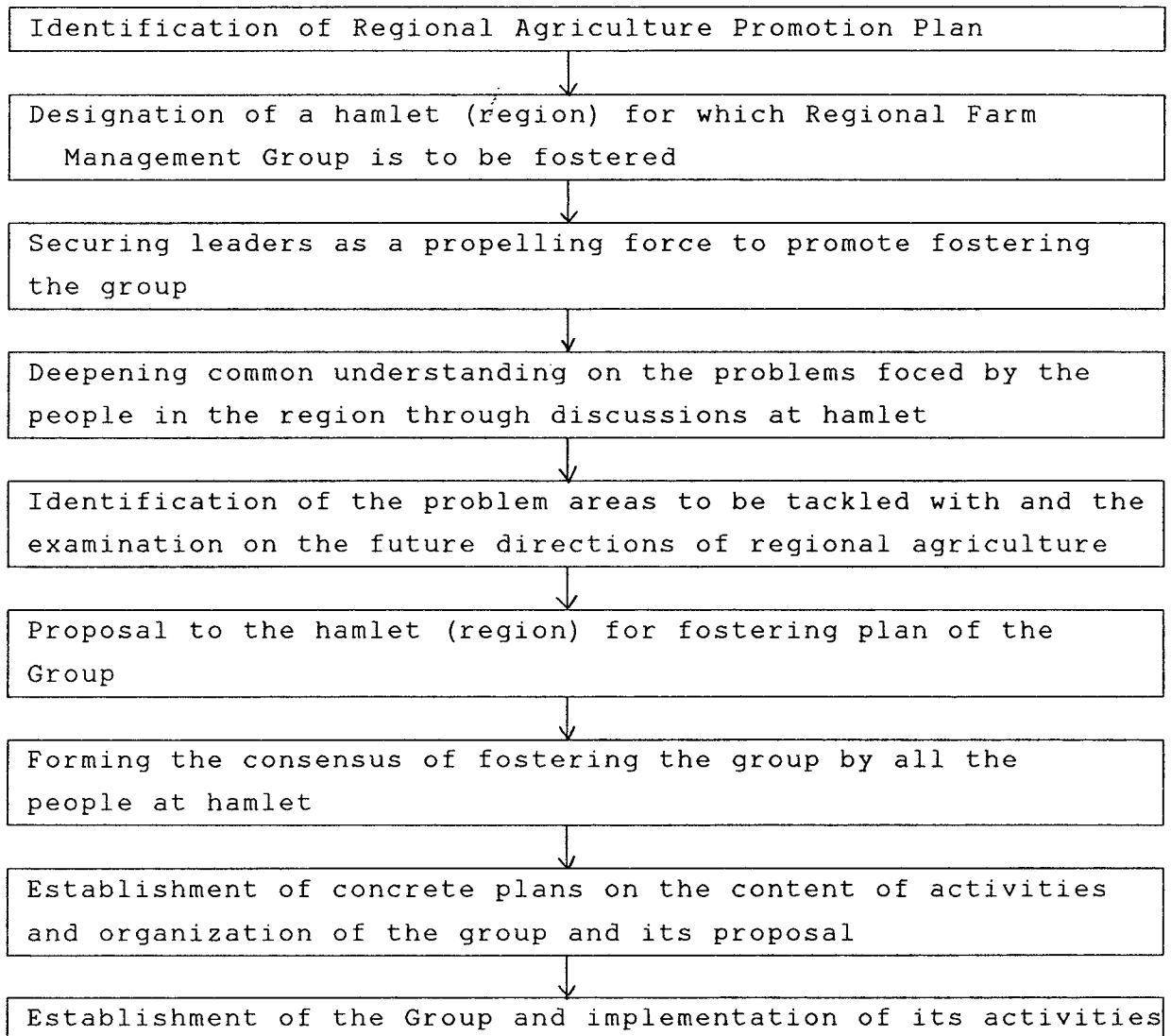


4. How is Regional Farm Management Group Fostered?

- Procedure for fostering Regional Farm Management Group -

It is important for cooperative to take leadership and to have through discussions with member farmers of the hamlet.

Procedures to be taken is as follows:



5. Promotion of Farmland Utilization Adjustment

(1) Agreement on cultivation and farming

(2) Establishment of farming complexes

(farming complexes for converted crops or formation of block rotation system)

(3) Group use of farmland through conducting farming works jointly

(4) Organizing farming works through entrusted farming

(5) Integration and accumulation of farmland by the establishment of the right of its utilization

(6) Elimination and prevention of idle land and devastated land

1) Roles of Agricultural Cooperatives in promoting adjustment of farmland utilization

(1) Adjustment of farmland utilization on a group basis

a. Role as an adviser and a leader

b. Role as a care-taker

c. Role as a planner

(2) Adjustment of non-group farmland utilization

a. Role as an adviser and instructor

b. Role as a care-taker

c. Role as a planner

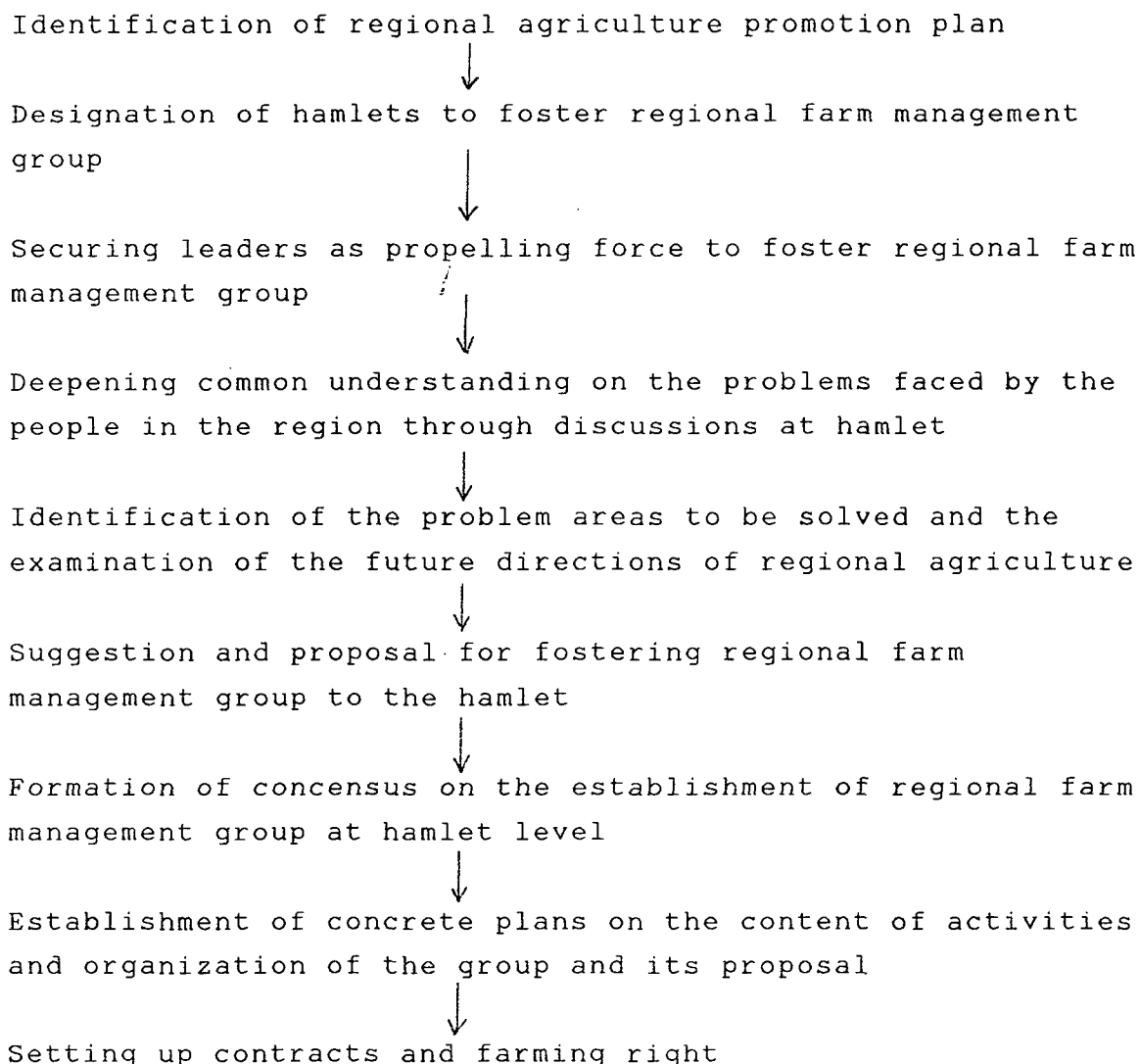
2) Consolidation of agricultural cooperative

- a) Setting up department in charge of farm management planning and assignment of staff in charge.
- b) Liaison and coordination with related organizations such as municipalities.

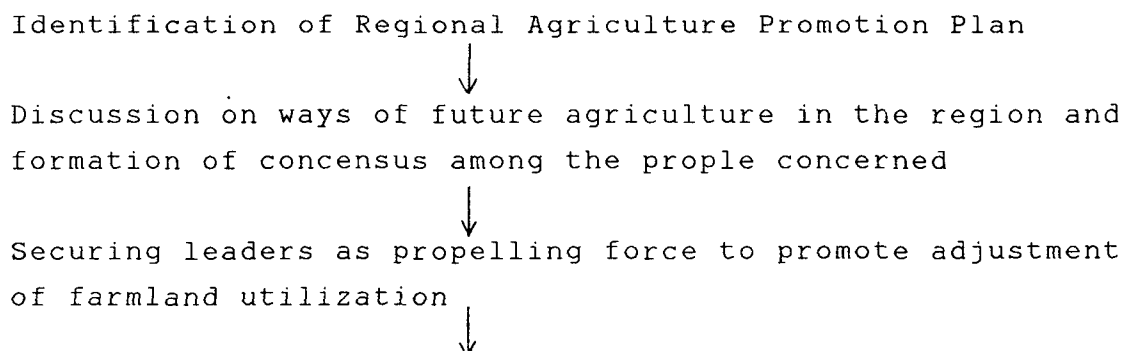
6. How to Promote Farmland Utilization Adjustment

- Procedures for adjusting farmland utilization -

1) Adjustment of group farmland utilization



2) Adjustment for non-group utilization of farmland



Grasp of the status-quo and intentions of the people living in hamlet on the farmland utilization



Organizing of renters and borrowers of farmland



Application for land lease and consignment of farming works



Selection of borrower and entrusted farmers



Formation of consensus among the persons concerned



Setting up of contract and farming right

3) Characteristics of the tasks of agricultural cooperatives for making adjustment of farmland utilization

(1) Promotion of entrusted farming and consignment

(2) Rationalization of farmland utilization

(3) Application of farmland utilization promotion plan

(4) Consignmnet of farmland

(5) Consignment of farm management

5th ICA/Japan Training Course for Strengthening Management of Agricultural
Cooperatives in Asia

March 1 ~ April 24, 1991, Tokyo

ADH/G

Background Information for Study

(I)
Visit to Miyazaki Prefecture

(March 22 - 26, 1991)



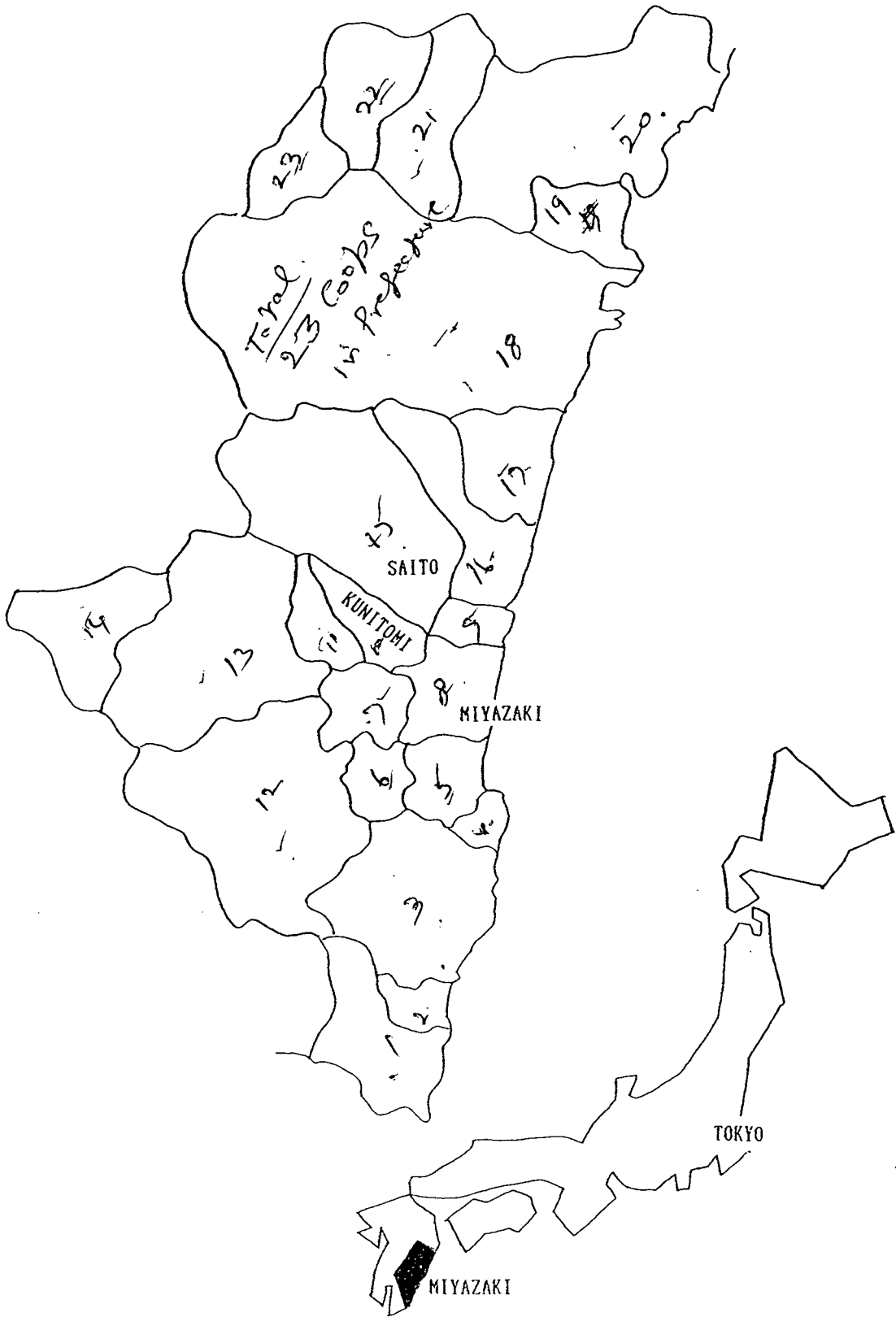
International Cooperative Alliance, Regional Office for Asia and the Pacific
(ICA ROAP)

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

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Location of Miyazaki Prefecture



I. Outline of Agriculture in Miyazaki Prefecture

22/3

Yoshi'zumi
General Manager,
Miyazaki Prefectural Union.

1950s - Age of High econ. growth - formerly popln. exodus;
15d. centres - demand less for food items - Agr. productivity
& income level to equal to salaried employees -
Protective planning for regional disasters - rice is harvested in
July before typhoons come in August -

- Miyazaki - 8 blocks - specialisation in each block -
Greenhouse - livestock - more - Tokyo/Osaka by sea.

- Veg. grown after rice -

- Typhoons flood fields in Sept.

- Soybeans being imported from China & USA - 2 f. local produce
only

22/3/91

I. Outline of Agriculture in Miyazaki Prefecture

1. Position of agriculture in Miyazaki prefecture

Miyazaki prefecture is located in the eastern part of Kyushu and the total land area is 7,735 km² (2% of the whole country). The land area is ranked number 14th among 47 prefectures, 76% of land is covered with forests and the farmland ratio is 10.4%. Looking at natural conditions of the prefecture, it is blessed with temperate climate as symbolized with "Country of sun and greeneries", however, there are some disadvantages such as wide spreaded volcanic ash, concentrative rainfall, disasters by typhoon and long distance for large cities. Regarding sunshine hours and number of fine days, the prefecture is ranked top level in the whole country and such superior natural conditions benefit agricultural development in the prefecture.

Agricultural production of the prefecture is specialized in livestock and vegetables, and the shares in gross agricultural production are 56.2% and 18.8% for the each and the total of the two occupies 75%. The gross agricultural production in 1988 was 348.66 billion yen.

The position of agriculture in the prefecture is comparatively declining with the progress of secondary and tertiary industries. The gross agricultural production occupies 7.4% (1987) of the total gross production of the prefecture. The ratio of agricultural working population among total working population of the prefecture is rather high and agriculture is positioned as one of the major industries of the prefecture.

Climate (average of the prefecture)

Temperature	16.9°C	(3rd in the whole country)
Sunshine hours	2,252 hours	(2nd ")
No. of fine days	81 days	(1st ")
Precipitation	2,490 mm	(3rd ")

22/3 AN

Frucht Premium Produkt

Estab 1973 - 17 olds.

Milieu erfahrung - Low grade merges processed -

Juice / Item - Local products -

2. Trends of farmhouseholds of the prefecture

The number of farmhouseholds in Miyazaki prefecture has decreased year after year, however, recently the decrease ratio is minimized (1975~1980 8.5%, 1980~1985 6.1%) and in January 1989, the number of farmhouseholds was 73,740 households which was 19.1% of the total households.

Looking at the number of full-time farmhouseholds, it was 20,710 in the same year which was decreased by 6.4% against 1988 (average of the whole country was 1.7% of decrease).

The percentage of the full-time farmhouseholds against the total number of farmhouseholds was 28.1% that is higher than the average of the whole country of 14.4%. 66.2% of full-time farmhouseholds (13,710 households) have male productive age family members (over 16 years old) however, the percentage was dropped by 4.3% from the year 1988 and the aging of full-time farmhouseholds is further advanced.

Regarding part-time farmhouseholds, the number of part-time class I farmhouseholds was 13,318 which was decreased by 8.8% from the year 1988 (average of the whole country, decreased by 5%). On the other hand, the number of part-time class II farmhouseholds was 39,710 (53.9% of the total number of farmhouseholds) which was increased by 4.7% from that of 1988 (average of the whole country, decreased by 0.2%).

Agricultural working population is also decreasing together with the number of farmhouseholds and it was 121,150 (40.7% of the farmhousehold population) which was decreased by 2% from the year 1988. The number of the agricultural working population who are mainly engaged in agriculture was 89,000 which was decreased by 4.5% from the year 1988 and looking at their ages, 16-29 years old was 3,690 (4.1%), 30-59 years old was 51,760 (58.2%) and over 60 years old was 33,550 (37.7%). Especially, the ratio of over 60 years old was advanced from 22.2% in 1980 to 28.4% in 1985 and 37.7% in 1989. The ratio of male and female was 42,590 (47.9%) of male and 46,410 (52.1%) of female.

Table-1 Major indices of agricultural economy of Miyazaki prefecture

Items	Unit or standard	1975	1980	1985	1988	1989
No. of farmhouseholds	households	90,205	83,138	78,127	74,670	73,740
No. of full-time farmhouseholds	"	20,672	20,508	20,844	22,120	20,710
Ratio of full-time farmhouseholds	%	22.9	24.7	26.7	29.6	28.1
Farmhouseholds population	persons	377,023	343,045	317,304	295,470	298,020
Agri. working population	"	157,273	138,709	129,571	123,610	121,150
Population mainly engaged in farming (over 16 years old)	male	50,609	49,827	44,696	45,190	42,590
	female	57,502	53,477	45,994	48,030	46,410
	Total	108,111	100,304	90,670	93,230	89,000
Ratio of male of the above	%	46.8	46.7	49.3	48.5	47.9
Farmland area	ha	89,200	83,700	80,700	78,900	77,500
Paddy field	ha	45,500	43,800	42,200	41,600	41,200
Upland field	ha	28,600	27,100	27,500	37,300	36,300
Orchard	ha	13,500	11,100	9,230	8,040	7,240
Pasture	ha	1,610	1,700	1,760	1,430	1,430
Gross agri. production	mil. yen	191,768	270,541	326,491	348,590	
Farmhousehold income	1,000 yen	2,437.0	3,364.1	3,973.9	4,407.8	
Non-agri. income	"	1,328.4	2,043.6	2,687.5	3,058.1	
Agri. production index	1985=100	70.2	86.9	100	104.1	

Source: Miyazaki Statistics and Information Office, Kyushu Agricultural Policy Bureau.

Table-2 Number of farmhouseholds classified full-time and part-time farmhouseholds
(Miyazaki, whole country)

Unit: No of farmhouseholds in Miyazaki pref.; households
No of farmhousehlds in whole country ; 1,000 households
Ratio ; %

Item	No. of total farm- households		Full-time			Part-time						
	No. of F.Hs.	Ratio	No. of F.Hs.	Ratio	Total Ratio	Class I		Class II		No. of F.Hs.	Ratio	
						No. of F.Hs.	Ratio	No. of F.Hs.	Ratio			
Miyazaki pref.												
1975. Feb. 1.	90,205	100.0	20,672	22.9	77.1	25,033	27.8	44,500	49.3			
1980. Feb. 1.	83,138	100.0	20,508	24.7	75.3	20,706	24.9	41,924	50.4			
1985. Feb. 1.	78,127	100.0	20,844	26.7	73.3	17,408	22.3	39,875	51.0			
1989. Jan. 1.	73,740	100.0	20,710	28.1	71.9	13,310	18.0	39,710	53.9			
Whole country												
1975. Feb. 1.	4,953	100.0	616	12.4	87.6	1,259	25.4	3,078	62.2			
1980. Feb. 1.	4,661	100.0	623	13.4	86.6	1,002	21.5	3,036	65.1			
1985. Feb. 1.	4,376	100.0	626	12.3	85.7	775	17.7	2,975	68.0			
1989. Jan. 1.	4,194	100.0	603	14.4	85.6	574	13.7	3,016	71.9			

3. Trend of agricultural production

The agricultural production of the prefecture has developed favorably centering on livestock and vegetables complying with changes of food consumption structure of the nation. The gross agricultural production of the prefecture in 1988 was 248 billion and 590 million yen which was ranked 7th in the whole country.

Looking at the share of commodities in the gross agricultural production, livestock was 56.2% followed by vegetables 18.8%, rice 11.7% and industrial crops 3.9%. The composing ratio of livestock and vegetable is high percentage while that of rice and wheat are declining. The gross agricultural production in 1988 was 106 billion and 254 million yen.

Chart-1 Trends of agricultural gross production

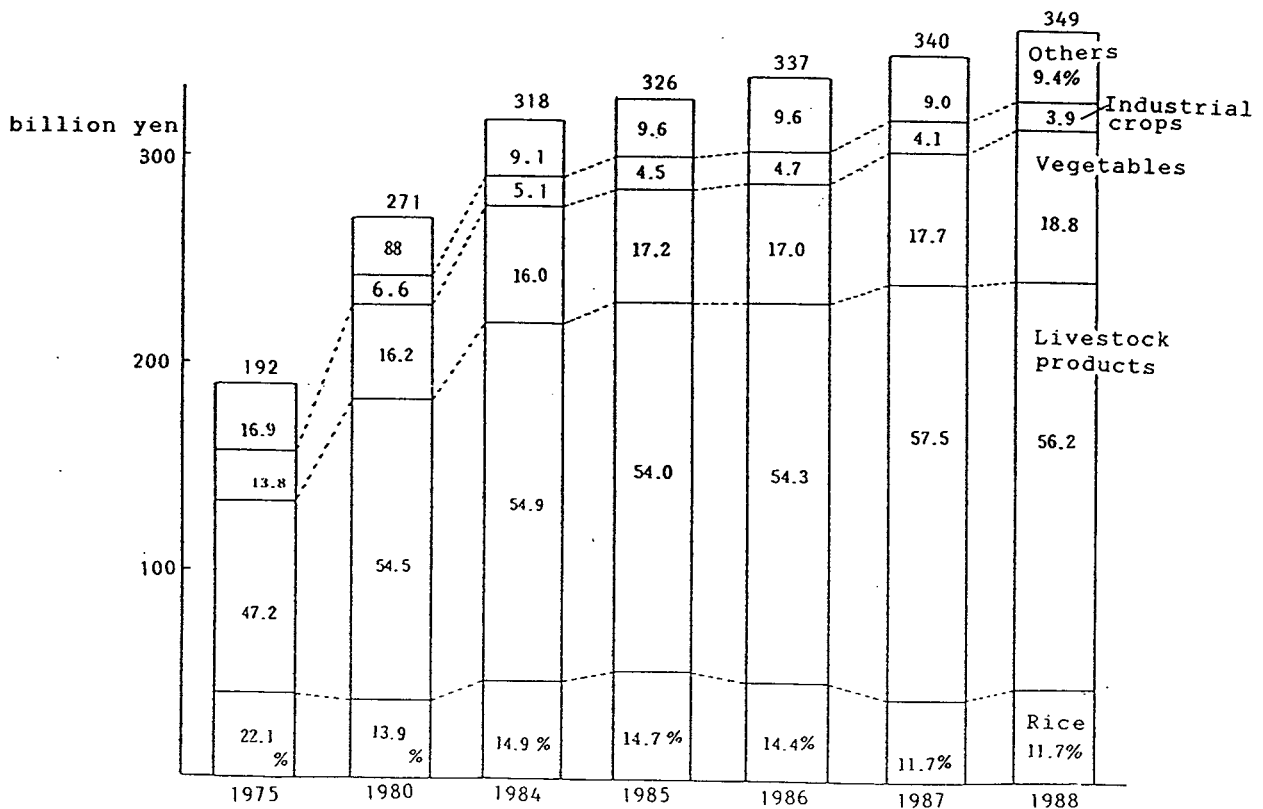


Table-3 Trends of gross agricultural production

(Unit: million yen, %)

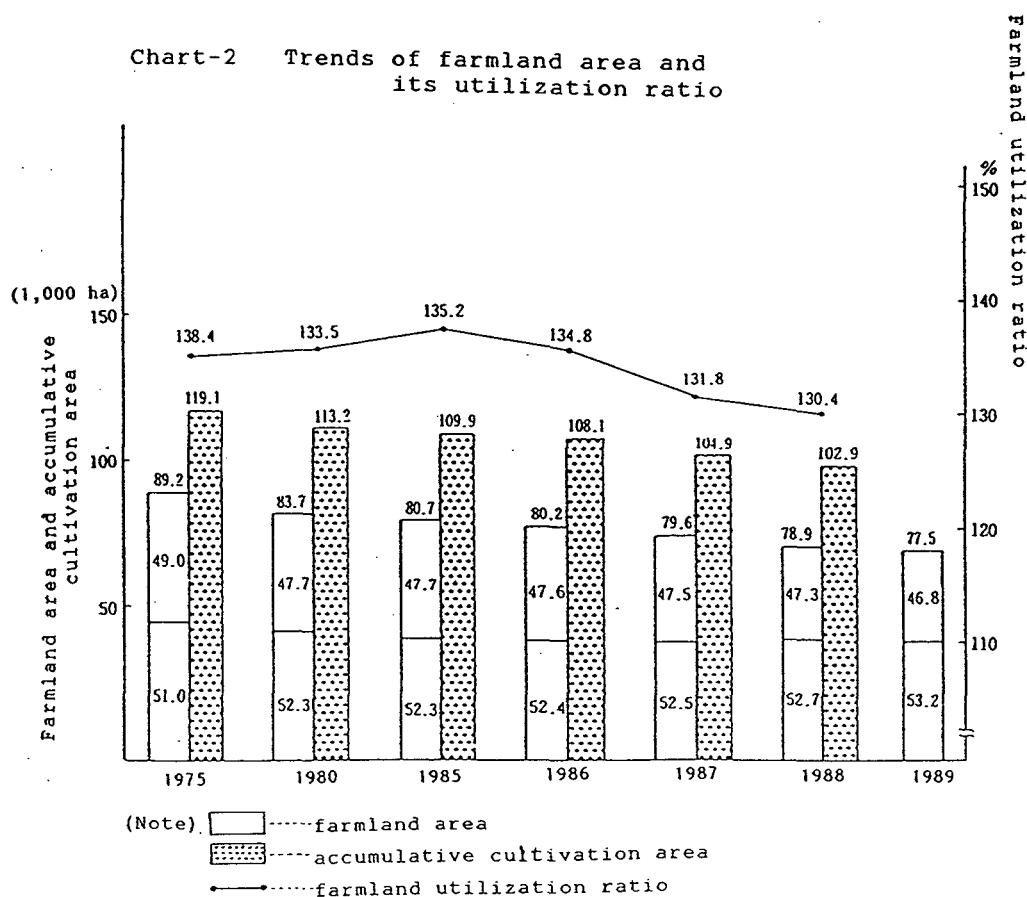
	1980		1987		1988		1988/ 1987
	Sum	Ratio	Sum	Ratio	Sum	Ratio	
Total agri. products	117,394	43.4	139,708	41.1	147,505	42.3	105.6
Rice	37,650	13.9	36,639	11.7	40,721	11.7	111.1
Wheat and barley	935	0.3	497	0.1	374	0.1	75.2
Creals and pulses	1,744	0.6	1,517	0.4	1,471	0.4	79.0
Potatoes	6,362	2.5	9,062	2.7	9,665	2.8	106.7
Vegetables	43,694	16.2	60,099	17.7	65,600	18.8	109.2
Fruits	7,605	2.8	9,372	2.8	9,003	2.6	96.0
Flowers	1,442	0.5	3,874	1.1	4,984	1.4	128.7
Industrial crops	15,552	5.7	14,042	4.1	13,684	3.9	97.5
Seeds and seedlings	1,910	0.7	1,606	0.5	2,003	0.6	124.7
Sericulture	1,993	0.7	790	0.2	958	0.3	121.3
Total livestock products	147,462	54.5	195,123	57.4	195,893	56.2	100.4
Beef cattle	34,497	12.8	39,324	11.6	43,646	12.5	111.0
Milk cow	12,761	4.7	12,849	3.8	13,777	4.0	107.2
Pig	42,411	15.7	50,953	15.0	48,742	14.0	95.7
Broiler	57,484	21.2	91,617	27.0	89,313	25.6	97.5
Other livestock products	309	0.1	380	0.1	414	0.1	108.9
Agro-processed commodities	3,682	1.4	4,036	1.2	4,234	1.2	104.9
Gross agri. production	270,541	100.0	339,657	100.0	348,590	100.0	102.6

4. Trends of farmland and farmland utilization ratio

The farmland area of the prefecture in 1984 was 77,500 ha, of which paddy field was 41,200 ha (53.2%) which was decreased by 400 ha from the previous year and upland field was 36,300 ha (46.8%) which was decreased by 1,000 ha from the last year. The decrease of upland field area was due to the decrease of orchard and pasture areas.

Looking at situations of farmland utilization in 1988, the accumulative cultivated land area was 102,900 ha of which paddy field was 55,400 ha and upland field was 47,500 ha. Commodities cultivated in the farmland were 27,700 ha of paddy and 17,600 ha of feed crops in the paddy field and 19,600 ha of feed crops and 9,790 ha of vegetables in the upland field. These three commodities occupy 72.6% of the accumulative cultivated land areas.

The farmland utilization ratio was declined from 1986 and that of 1988 was 130.4% which was ranked 2nd in the whole country.



Source: The Ministry of Agriculture, Forestry and Fisheries
 "Statistics on commodities"

Table-4 Number of farmhouseholds classified by scale of farmland under management
(Miyazaki pref. whole country)

Unit: Miyazaki pref.- households
Whole country - 1,000 households

	Total No. of F.Hs.	Less than 0.3 ha	0.3~ 0.5 ha	0.5~ 0.7 ha	0.7~ 1.0 ha	1.0~ 1.5 ha	1.5~ 2.0 ha	2.0~ 2.5 ha	2.5~ 3.0 ha	Over 3.0 ha	Exceptio- nal cases
Miyazaki pref											
1975. Feb. 1.	90,205	20,056	14,983	12,427	13,585	14,543	7,504	3,564	1,402	1,544	550
1980. Feb. 1.	83,138	19,381	13,538	11,145	12,041	12,603	6,854	3,343	1,549	1,980	668
1985. Jan. 1.	78,127	20,012	12,756	20,960		11,257	6,248	3,102	1,547	2,145	-
1988. Jan. 1.	74,670	17,760	11,160	9,860	10,860	10,910	6,030	3,800	1,720	2,660	-
1989. Jan. 1.	73,740	28,280		20,300		10,490	6,130	3,760	1,810	2,960	-
Whole country											
1975. Feb. 1.	4,819	1,119	865	692	844	727	349	162	74	76	12
1980. Feb. 1.	4,542	1,105	806	635	769	652	328	161	79	95	11
1985. Jan. 1.	4,367	1,103	53	1,182		583	300	154	80	112	-
1988. Jan. 1.	4,136	1,698		1,177		585	305	159	83	130	-
1989. Jan. 1.	4,092	1,675		1,162		582	300	155	84	135	-

Source: MAFF "Agricultural Census", "Agricultural Survey"

5. Trends of farmhousehold economy

Farmhousehold income of the prefecture has increased while depending more on non-agricultural income and that of 1988 was 4,410,000 yen (ranked 40th in the whole country). The increase ratio of farmhousehold income after 1980 was slowed down. The increase of agricultural income became stagnant from 1980. In the year 1984 and 1985 the agricultural income exceeded that of the previous year and in 1986 it belowed that of the previous year. In 1988, the average agricultural income was 1,350,000 yen which was increased by 4% and ranked 5th in the whole country.

The increase of non-agricultural income tends to be stagnant due to economic recession and that of 1988 was 3,060,000 yen which was increased by 0.4% from the previous year and the national ranking was 44th. The increase of both agricultural income and non-agricultural income is strongly demanded.

II. Outline of Agricultural Cooperatives in Miyazaki Prefecture

II. Outline of Agricultural Cooperatives in Miyazaki Prefecture

1. Outline of the organizations

1) Number of primary societies

Table-5 Number of primary societies classified by the scale
(No. of regular member farmhouseholds)

Scale	1984		1985		1986		1987	
	No. of Societies	Ratio %	No. of Societies	Ratio %	No. of Societies	Ratio %	No. of Societies	Ratio %
More than 4,000 F.Hs.	4	16.0	4	16.0	4	16.7	4	16.7
3,000~3,999	7	28.0	7	28.0	7	29.2	7	29.2
2,000~2,999	2	8.0	2	8.0	3	12.5	3	12.5
1,000~1,999	6	24.0	6	24.0	5	20.8	5	20.8
Less than 1,000 F.Hs.	6	24.0	6	24.0	5	20.8	5	20.8
Total	25	100.0	25	100.0	24	100.0	24	100.0

2) Number of members

The total number of members (individuals) in 24 multi-purpose agricultural cooperatives is 104,017 of which the number of regular members is 79,032 and that of associate members is 24,985.

*23 now
one 9m 99
1990*

3) Number of officials and employees

The total number of officials is 474 and which contains 36 full-time directors, 333 part-time directors and 105 auditors. These numbers are same as that of the last year. These directors are responsible for execution of each business of the cooperative and 27.5% (1,555) of them are in charge of purchasing business and 18.8% (1,065) are in charge of credit business.

Regarding specializations of farm advisers of agricultural cooperatives, 32.9% of them are engaged in guidance on livestock and 24.2% are engaged in vegetables.

Table-6 Trends of farm advisers of agri. coops classified by their specializations

(Unit: persons, %)

Specializations	1984		1985		1986		1987	
	No. of farm advisers	Ratio	No. of farm advisers	Ratio	No. of farm advisers	Ratio	No. of farm advisers	Ratio
Livestocks	<u>233</u>	40.0	223	36.9	222	34.9	<u>212</u>	32.9
Vegetables	<u>120</u>	20.6	129	21.3	132	20.8	<u>156</u>	24.2
Sericulture	<u>35</u>	6.0	38	6.3	35	5.5	<u>33</u>	5.1
Agri. products	<u>59</u>	10.2	63	10.4	61	9.6	<u>59</u>	9.2
Fruits	<u>40</u>	6.9	35	5.8	38	6.0	<u>35</u>	5.4
Management guidance for farmhouseholds	<u>50</u>	8.6	56	9.3	88	13.9	<u>91</u>	14.1
Farm machineries	<u>13</u>	2.2	13	2.1	12	1.9	<u>14</u>	2.2
Others	<u>32</u>	5.5	48	7.9	47	7.4	<u>44</u>	6.8
Total	<u>582</u>	100.0	605	100.0	635	100.0	<u>644</u>	100.0

✕ ✕

✕

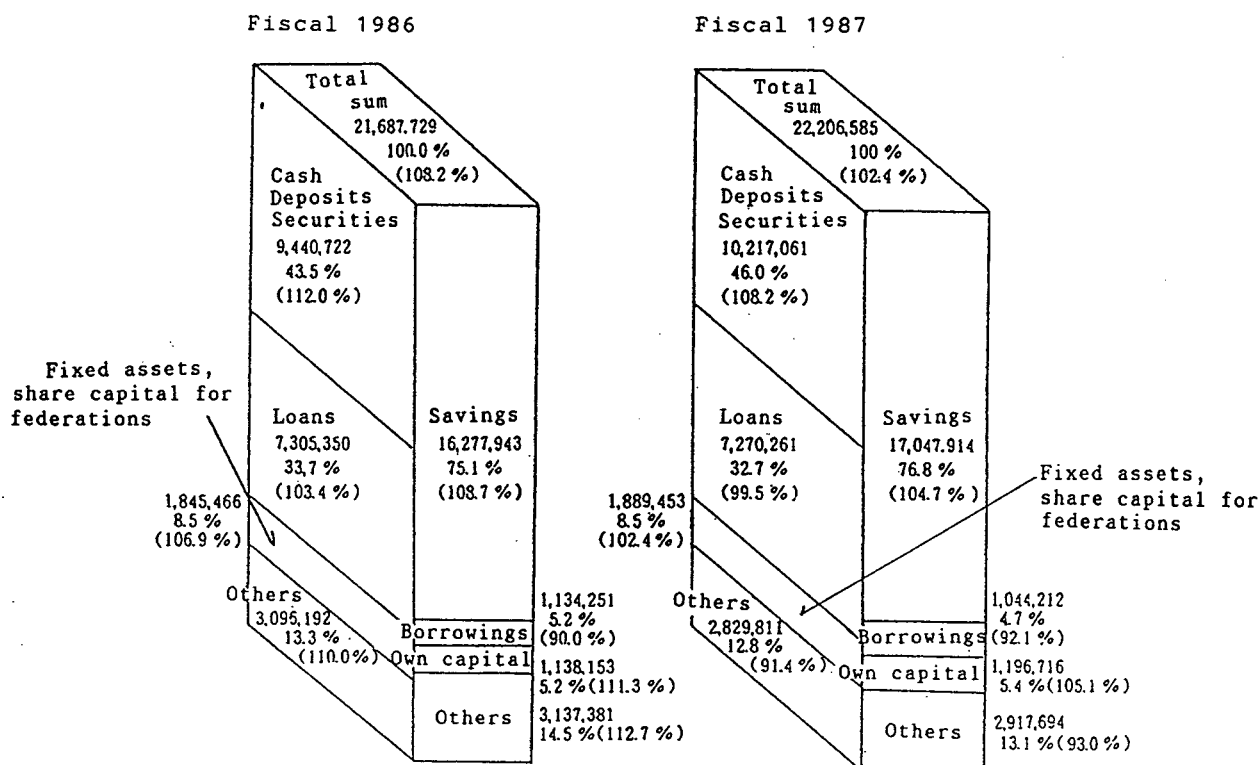
2. Financial conditions of agricultural cooperatives

1) Procurement and operation of funds

Looking at situation of procurement and operation of funds at the end of this fiscal year, the percentage of savings is very high in the aspect of procurement and the percentage was 76.8% which was increased by 1.7% from the last year. The borrowings was 4.7% which was decreased by 0.5% from the last year.

On the other hand, in the aspect of operation of funds, the percentages of deposits and loanings are high and showing 45.3% and 32.7% for each. The percentage of deposits was increased by 2.4% while that of loanings was decreased by 1% from the last year.

Chart-3 Balance sheet (Average per society)
 (% shows ratio to the pre. year)
 (Unit: 1,000 yen)



2) Situation of profit and loss in this fiscal year

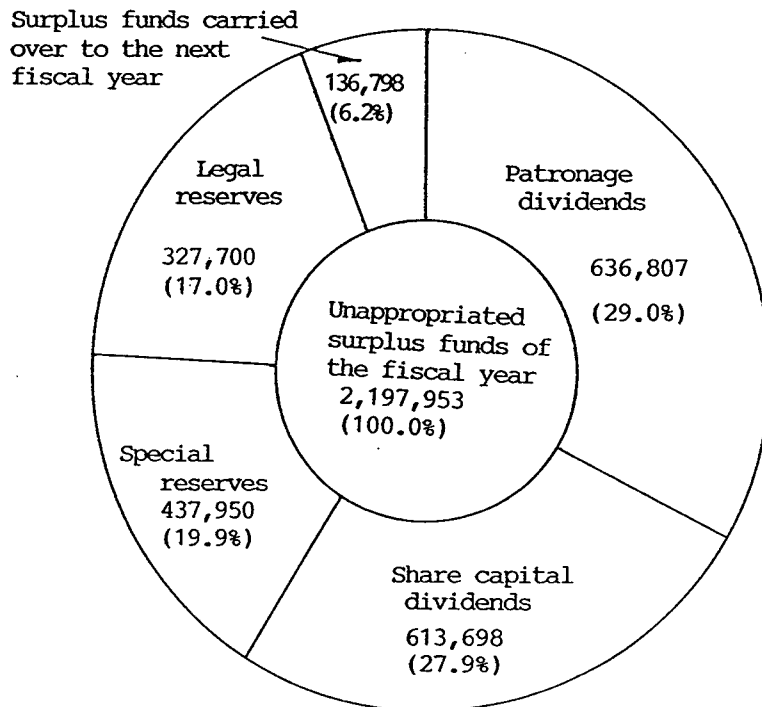
*due to
loss
credit
business*

The total business profit of this fiscal year was 30 billion and 127 million yen which was decreased by 3.1% (642 million yen) from the last year. The net business profit was also decreased by 19.6% (585 million yen) from the last year and that amount was 2,397 million yen. The surplus fund of the fiscal year was 2,047 million yen that was also decreased continuously from the last year.

The situation of appropriation of the surplus fund is as shown by the chart-4. The returns to the members (patronage dividend + share capital dividend) were added up 1,051 million yen and they were decreased by 7.6% (113 million yen) from the last year.

Chart-4 Situation of appropriation of the surplus funds

(Unit:1,000 yen)



3) Situation of own capital

The net own capital of agricultural cooperatives at the end of this fiscal year was 26 billion and 660 million yen which showed increase of 2.8% (734 million yen) from the last year.

On the other hand, the total sum of fixed assets and share capital for federations was 45 billion and 346 million yen that was 2.4% of increase (1,055 million yen) from the last year. The shortage of own capital was 18 billion and 686 million yen that was increased by 1.7% (321 million yen) from the last year.

3. Situation of major businesses

1) Credit business

(1) Savings

Total savings 409 billion and 151 million yen
(Increased by 4.7%, 18 billion and
480 million yen from the last year)

Average amount of saving per society
17 billion and 47 million yen
(Increased by 1 billion and 847 mil-
lion yen)

The percentage of time savings --- 78.6%,
3,216 billion and
900 million yen

The percentage of savings in liabilities and
capitalizations --- 76.8%

(2) Loans

Total loans 174 billion and 486 million yen
(Decreased by 0.5%, 842 million yen
from the last year)

Average amount of loan per society
7,270 million yen
(Decreased by 35 million yen)

Percentage of long-term loan
67.7%, 118 billion and 269 million
yen

Percentage of loan in assets --- 32.7%

Saving/loan ratio ----- 42.6% (Decreased by
2.3%)

(3) Borrowings

Total amount of borrowings
25 billion and 61 million yen
(Decreased by 7.9%, 2 billion and
160 million yen from the last year)

(4) Deposits

Total deposits 241 billion and 238 million yen
(Increased by 7.9%, 17 billion and
723 million yen)

Percentage of deposit in assets --- 45.3%

(5) Securities

Total amount of securities
2 billion and 437 million yen
(Increased by 54.2%, 857 million
yen)

Chart-5 Trends of major accounts of credit business (Part-I)

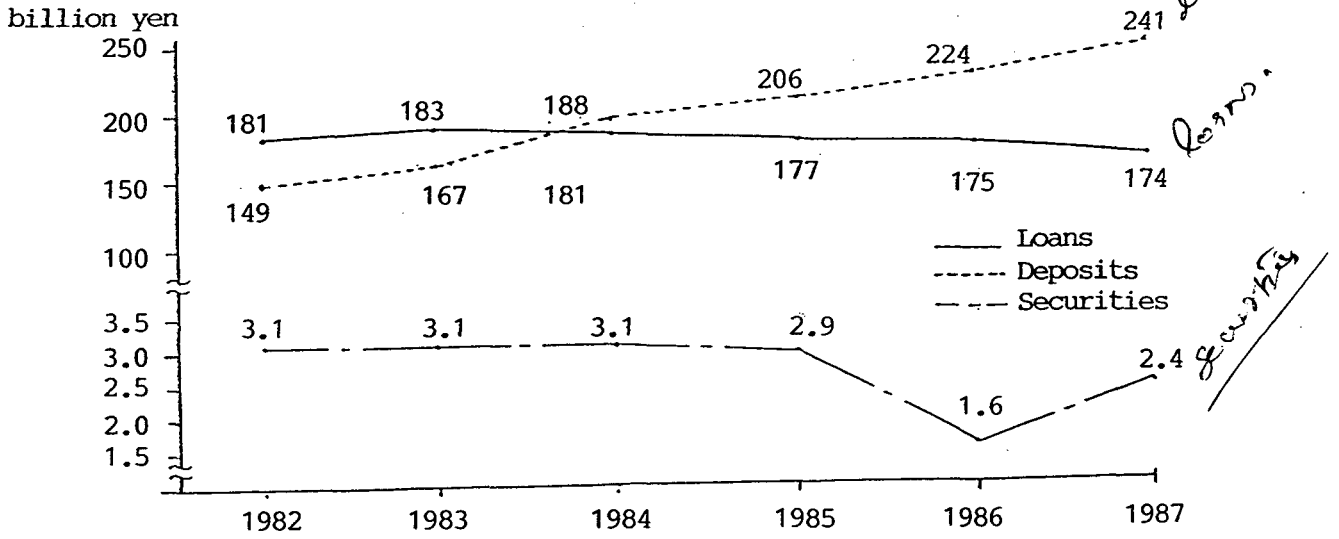
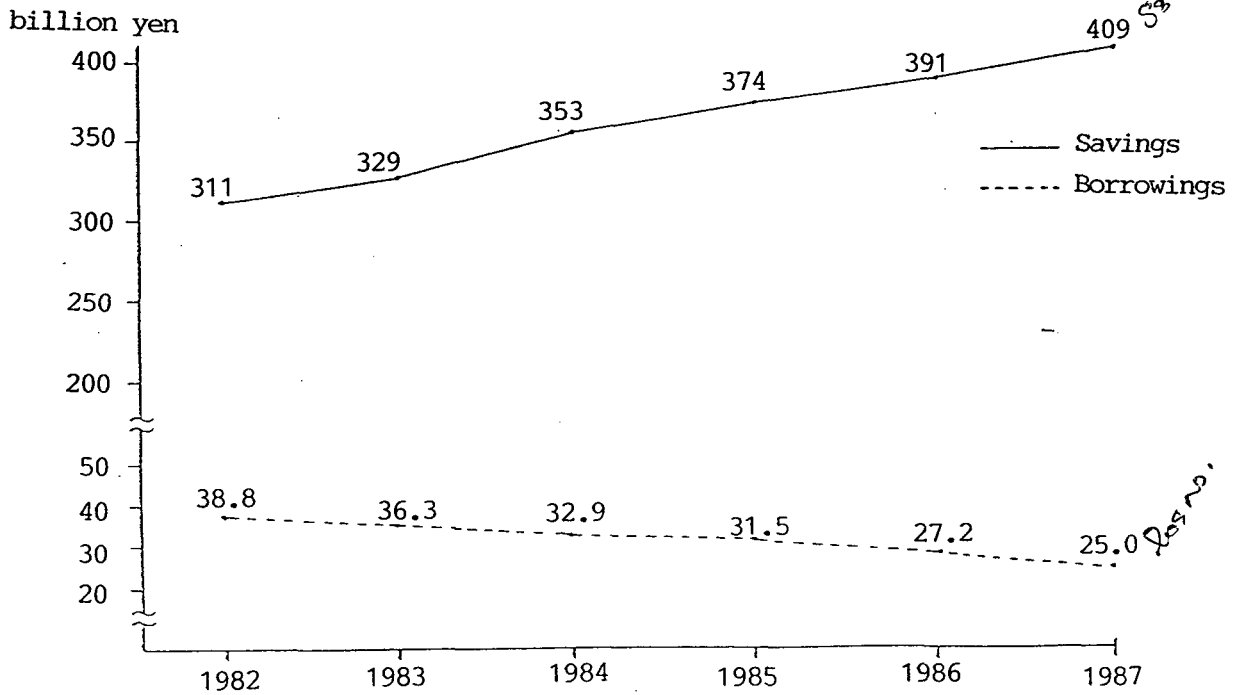


Chart-6 Trends of major accounts of credit business (Part-2)



2) Purchasing business

The total amount of supply of commodities in this fiscal year was 119 billion and 487 million yen that was 95.3% of that of the last year. This was due to the decrease of supply of production materials by 6.9% from the last year, and that was 90 billion and 364 million yen while supply of consumer goods was increased by 2.8% and that was 29 billion and 122 million yen. The account receivable for purchasing business was decreased by 0.7%.

Table-7 Composing ratio of commodities supplied by primary societies

(Unit: yen, %)

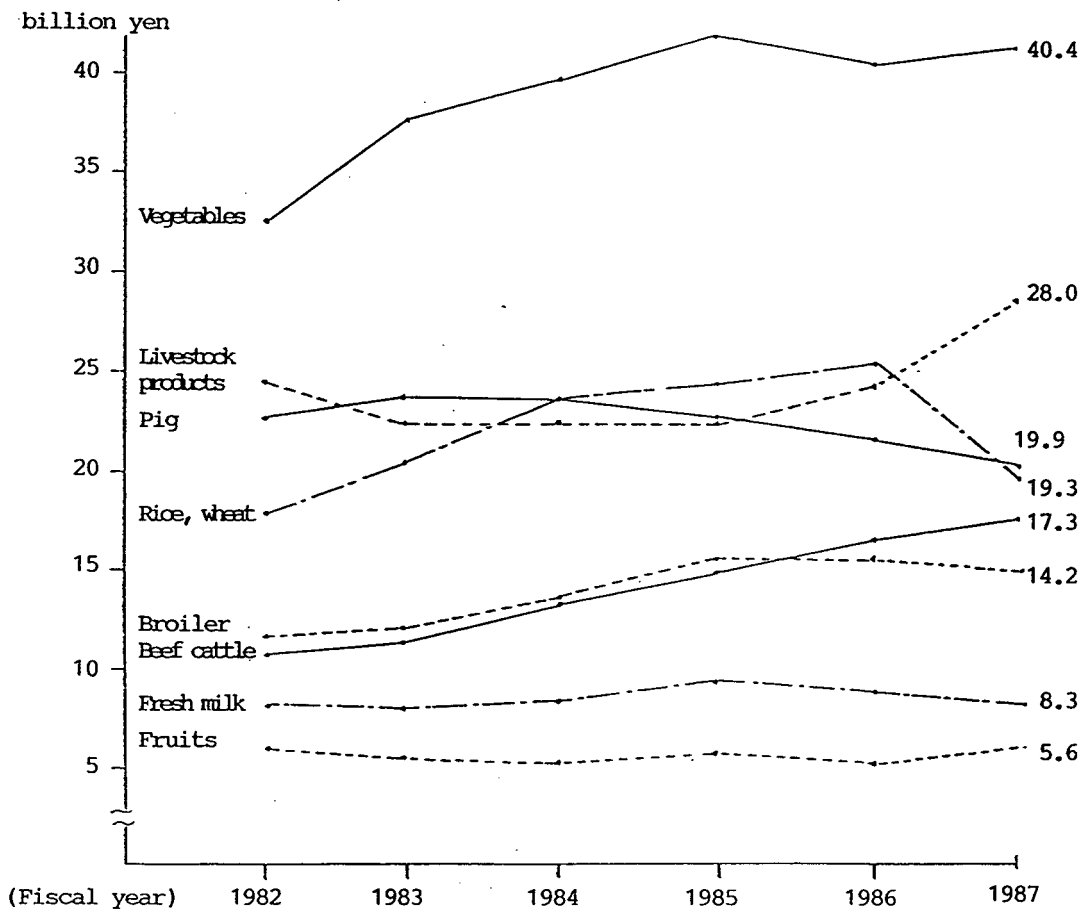
Commodities	Sum	%
<u>Production materials</u>		<u>75.5%</u>
Feed-stuffs		30.5%
Petroleum		11.9%
Farm machineries		6.4%
Fertilizers		5.5%
Agri. chemicals		4.5%
Greenhouse materials		2.6%
Automobiles		3.5%
Parking materials		3.8%
Construction materials		1.2%
Others		5.6%
<u>Consumer goods</u>		<u>24.5%</u>
Foods		15.5%
Daily neccesities		3.0%
Home fuel		2.1%
Durable goods		1.5%
Clothes		1.0%
Rice		0.5%
Others		0.8%
Total	119,489,001,000 yen	100.0%

mj)w/f

3) Marketing business

The total marketing turnover in this fiscal year was 168 billion and 389 million yen which was increased by 3% (5 billion and 64 million yen) from the last year. Looking at the trends of marketing of major commodities, beef cattle (109.2%) and livestock (116.3%) were expanded while pigs (91.5%) were decreased.

Chart-7 Trends of marketing turnover of major commodities



4) Mutual insurance business

(1) Long-term mutual insurance

(Life, Building, Child, Life-term, House construction)

New contract of this year

37,248 policies, 506 billion and 657 million yen
(at the end of the term)

New insurance policy inforce (gurantee)

332 billion and 383 million yen

Total insurance policy inforce (gurantee)

3 trillion, 329 billion and 40 million yen

480,773 policies, 493 billion and 287 million yen

(2) Short-term mutual insurance (Fire, Accident)

New contract at the end of this fiscal year

360 billion and 685 million yen
(9.0% increase)

4. Resolutions of the 4th Congress of Agricultural Cooperatives
in Miyazaki Prefecture

1988

Based on the resolution of the 4th Congress of Agricultural Cooperatives in Miyazaki Prefecture, we developed positive cooperative activities with all agricultural cooperative organizations. We were engaged in fostering core farmers to be leaders for agricultural production centering on hamlet farm management groups and producers organizations, expansion of management scale, rationalization of production costs to secure agricultural income and strengthening management and organizations. Also, we implemented various education programmes as basis of cooperative development such as long-term training for middle class employees of primary societies, training for officials, employees in each grade and members.

From the view point of obtaining understandings and cooperations from citizens for the stand point of agricultural cooperatives to protect Japanese agriculture and to secure stable food supply, the comprehensive agricultural lobbying activities were strongly carried out and also public relations activities were strengthened to exchange with consumers and financiers.

Situations for implementation of activities

- 1) Establishment of agriculture in Miyazaki pref. to comply with globalizations
 - (1) Strengthening functions of farm management planning in primary societies
 - (2) Fostering members organizations
 - (3) Strengthening functions of adjusting farmland utilization
 - (4) Promotion of measures for reorganization of paddy field utilization
 - (5) Promotion of low cost, high quality production

- (6) Strengthening farm management guidance
- 2) Strengthening function of comprehensive better living centre in primary societies
 - (1) Consumer activities (Study on consumption tax) 3/1.
 - (2) Health care activities
 - (3) Measures for persons of advanced age
 - (4) Better living and culture activities
 - (5) Life designing activities
- 3) For vitalization of organizations and strengthening management bases
 - (1) Strengthening comprehensive communications with members
 - (2) Promotion of membership to farm successors and women and their participation
(Examination of participation of farm successors and women by establishing system to accept plural members from a household, and promotion of participation of farm successors and women in youth association or women's association)
 - (3) Promotion of amalgamation of agricultural cooperatives
 - (4) Restructuring prefectural federations
(Adoption of managing director system, general manager shall not be assigned other than economic federation)
 - (5) Fostering youth association of agricultural cooperatives
 - (6) Fostering women's association of agricultural cooperatives

- 4) Strengthening management capability to be competent
 - (1) Well planning for management
(Drafting middle or long-term management plan, review,
strengthening administration functions)
 - (2) Establishment of self accounting in each section
 - (3) Strengthening internal auditing system
 - (4) Drafting a plan for satisfying own capital
 - (5) Measures for liquidation of fixed liabilities
 - (6) Completion of staff administration and establishment of
working system
 - (7) Normalization of agriculturist pension scheme business
- 5) Measures for information - oriented society
 - (1) Research for developing total information system in
agricultural cooperative organizations
 - (2) Advancement of the existing system and development of new
system
 - (3) Diffusion of the system utilization
- 6) Strengthening education activities
 - (1) Establishment and promotion of education activities in
agricultural cooperatives
 - (2) Promotion of member's education
 - (3) Completion of official's and employee's education
 - (4) Strengthening qualification examination for employees of
agricultural cooperatives (farm advisers and so on)

- (5) Obtaining capable employees (PR activities, unified examination for recruitment)
- (6) Strengthening long-term education for newly employed staff by using agricultural cooperative training centre
- 7) Implementation of agricultural robbying activities
 - (1) Demanding agricultural policy and obtaining agricultural budget
 - a. Demanding prefectural and national agricultural policy and obtaining agricultural budget
 - b. Measures for livestock
 - c. Measures for other special projects
 - (2) Measures for prevention of import of rice
 - (3) Measures for distribution of rice
 - a. Completion of measure of readjustment of paddy field utilization in the latter half period
 - b. Measures for price of rice
 - c. Measures for expansion of rice consumption
(Expansion of consumption of one more bale of rice in a farmhousehold. Measures ^{to prevent} for illegal rice distribution)
 - (4) Strengthening agricultural robbying activities
 - (5) Strengthening publicity activities in agricultural cooperatives
 - (6) Strengthening eternal publicity activities (aiming at formation of national consensus on foods, agriculture and agricultural cooperataives and creation of agricultural cooperatives opened to the local residents)
 - (7) Strengthening organizational set up for publicity activities

(8) Implementation of Japan Agriculture Prize
(Implementation of prefectural examination committee for
Japan Agricultural Prize)

III. Outline of Miyazaki Economic Federation of Agricultural Cooperatives

22/13

III . Outline of Miyazaki Economic Federation of Agricultural Cooperatives

1. Outline

Establishment April, 1953

Number of members Regular member 37
 Associate member 8

Share capital 3,215 million yen .

Number of officials Director 14
 Auditor 4

Number of employees 436

Operational area Whole Miyazaki Prefecture

Fixed assets 7,937 million yen

2. Business turnover of the federation (fiscal 1989)

Rice 17.7 billion yen (7%) 1988 8%

Other marketing commodities 134.9 billion yen (51%) 1988 52%

Supply of goods

(purchasing business) 111.3 billion yen (42%) 1988 40%

3. Marketing turnover of major commodities. (fiscal 1989)

Vegetables 51.7 billion yen

Feed stuff 31.2 "

Pig 20.3 "

Rice 17.7 "

Beef cattle 13.0 "

4. Affiliated cooperative companies.

- 1) Public corporation for Distribution of Farm Products of Miyazaki Prefecture Co.Ltd.

- Business relating storage and transportation of farm products.

- 2) Miyazaki Kumiai Meat Co.Ltd.

- Operation of slaughter house, procurement and processing of meat and byproducts and its marketing, cold storage of meat and byproducts, transportation

- 3) Miyazaki Prefecture Nokyo Juice Co.Ltd.

Processing and marketing of juice and other agricultural products.

- 4) Miyazaki Direct Marketing Company of Economic Federation Ltd.

Marketing, processing and packaging of farm products.

- 5) Miyazaki Nosan Co.Ltd. and Kirishima Nosan Co.Ltd.

Procurement of raw materials to make pickles, processing and marketing.

- 6) Miyazaki Chubu•Hokubu•Nambu Broiler Co.Ltd.

Consigned processing of broiler, feeder chicken, young chicken and hatching chicks.

- 7) A-coop Miyazaki Co.Ltd.

Demonstration sale of furniture and interior goods, lighting and kitchen materials.

8) Kumiai Fruits and Vegetables Co.Ltd.

Wholesale of fruits and vegetables.

5. Outline of Miyazaki Prefecture Nokyo Juice Co.Ltd.

Establishment December 1973.

Share capital 943 million yen

Land area 48,167 m²

Building 10,325 m²

Plant 9,273 m²

Office 563 m²

Whelfare and health 411 m²

Table-8 Facilities of production line

Packaging	Quantity of packaging	No.of line	Capacity 1day(8H)
Canning	250g x 30	1	3,300 c/s
"	190g x 30	Joint use	4,000
"	No.1 size x 60	1	2,000
"	No.3 sylinder x12	Joint use	850
Bottling	1ℓ x 6	1	3,200
"	720ml x 12		2,000
"	200g x 30	2	7,000
Paper pack	120ml x 40	1	600

6. The Miyazaki Prefectural Economic Federation of Agricultural cooperatives

Outline of consumer goods supply centre (Agro.processing facilities by the Miyazaki pref. economic federation)

1) Background and purposes of establishment of facilities

It is urgent to step up productivity, strengthen merchandizing power, keeping less inventory at the backgard warehouse of the stores in order to make efficent store operation for rationalization as well as to meet the diversified needs of members accurately.

While on the other hands, it is being called for to re-inforce the distribution system in the area linking marketing business with purchasing business.

To comply with such needs, it has been decided that a comprehensive distribution centre equipped with processing, storing functions and etc. of agricultural, livestock and marine products should be established with a view to making integrated supply to A co-op stores in the prefecture.

2) Outline of facilities

1st floor (4,797m²)

- Packing, putting into a bag and pricing of fruits and vegetable products
- Cold salted water treatment facility for fish
- General foods (Dried products) warehouse for shipment of sundry goods, warehouse for meats, fish and fruits & vegetables
- Shipment centre for meats, fish and fruits & vegetables

2nd floor (867m²)

- Warehouse for sorting of general foods

3rd floor (4,016m²)

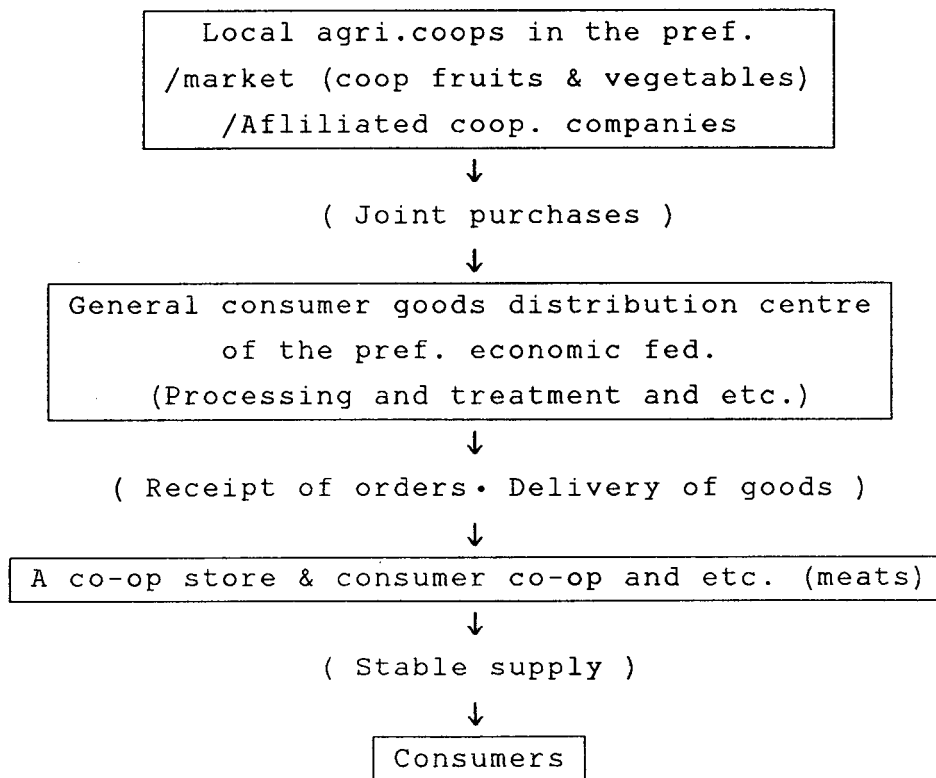
- Storing, sorting, warehouse (Cold warehouse, refrigerator) of joint purchasing goods for perishable goods
- Cutting of portions of meat, slice, packing pricing
- Sliced fish, packing, and pricing
- Fish in slice, packing, putting into a bag, pricing
- Half processed goods processing of ingredients for cooking, packing and pricing

4th floor (3,486m²)

- Computer room
- Merchandise inspection room
- Offices of affiliated (subsidiary) cooperative companies such as coop meats and coop sales
- Meeting rooms

3) Distribution mechanism

Chart-8



4) Expected effects and etc.

- (1) Establishment of ensuring stable quality products supply system through A co-op stores dealing in locally produced agricultural, livestock and marine products by the promotion of order purchase, processing, treatment, shipment and etc.
- (2) Increase of value added on commodities by undertaking processing and treatment.
- (3) Upgrading of store operation management techniques of A co-op chains
 - a. Increase of labour productivity
 - Abolition of processing and treatment works which used to be managed by individual store
 - b. Increase of investment efficiency
 - Restraint of investment in fixed assets
 - c. Strengthening of merchandizing power
 - Establishment of thorough product control system
 - d. Rationalization of inventory
 - Reduction of loss ratios of perishable foods by lessening inventory of individual stores.
 - e. Systematization of store operation and the establishment of supply system of materials for sidedishes tied to the operation of individual stores
- (4) Establishment of information networks on receipt of goods and delivery works by introduction of computer system.

23/3

IV. Kunitomi Primary Agricultural Cooperative

23/3/91 Kunitomi Primary Agrl. Coop.

Nageshwar, President

Hukunaga, A Manager.

OGATA, Manager

Terele, Planning Chief

Nageshwar, — do —

———— x —————

Welcome by President - welcome - 8 billion popln. by 2000 in the world - farming popln. rising - serious problem - Town Kunitomi popln. 21,000, 6400 household 2400 farm households. Agrl. prodn. 11 billion, 14000 prodn 34 billion ¥. New factories set up. 1.3 ha. average landholding. 90% of land has been consolidated. River - dam - irrigation Eru pipelines - water party - Coop & goes develops - 6700 agrl. population - 60 yrs. old. 40% of persons in the area -

Livestock - 4.6 billion ¥ - main product

beef 2.3 "

Tobacco - 300 ha, 1.7 bill ¥

rice - 1.6 bill ¥

TOTAL → 16.6 bill.

4700 members - 400 merged since last yr

IV. Kunitomi Primary Agricultural Cooperatives

1. Outline of Kunitomi Town

Kunitomi town was established to merge Hachishiro village and Honjo town in September, 1956. In 1977 merger took place further with Kiwa village.

As a result of the merger, Kunitomi became the largest town then in the prefecture.

Located in almost central part of Miyazaki prefecture, Kunitomi town has an easy traffic access to Miyazaki city. It is about 16 km in distance to reach Miyazaki from the town. Therefore, the town has had a close relationship socially and economically with Miyazaki city since olden times.

Its topography is composed of plain paddy field areas and mountainous slope areas.

As for soils, volcanic ashes can be popularly found in mountainous areas and upland fields, whereas alluvial zones are spread in paddy field areas.

Arable land is found in the above-mentioned ground and along each river side.

The land is mainly used for upland field cultivation and steep hilly areas for forestry and orchard.

Climate is characterised by much rain falls with high humidity.

Annual temperature in ten years from 1968 to 1978 averaged at 17.1°C. And the maximum temp. ever recorded was 36.4°C, while the minimum temp. -8°C.

As mentioned in the foregoing, it has an easy access to Miyazaki with only 40 minutes bus ride.

It has a total population of 21,000 and the number of its households stood at 6,400, of which 2,400 are farmhouseholds. (of which the number of full time farmhouseholds being 750.)

Kunitomi is a typical rural area known for the production of horticulture, vegetables and livestock.

Of late, Kunitomi primary agri.coop. made a drastic reform of the conventional internal structure in efforts to tailor members' every needs by establishing Fureai section (Member relation section) exclusively allocated with 18 staff for the purpose.

CPM -

Communication given importance - between Coop. & the Members -

750 fulltime farmers - 2 bill. $\%$ income

Tobacco 7 mill. $\%$ plus one or two crops

Livestock farmers - fulltime farmers -

Gross income - 15 mill. $\%$ Gross income -

Tobacco monopoly - from 1960s - price ~~decided~~ by Co. decided
in consultation with govt.

2000 $\%$ per leg

Member Relations

- stl. emphasis by the Socy.
- 18 engaged out of 150 for Mkt. / PR Activities
- 15-20 hours/week by 2 staff every day.
- 5th year. App rec'd by Members -
-

2. Overview of the Kunitomi Primary Agri.Coop

1) No.of members & households

a. No.of Reg.Members	<u>2,694</u> persons	
of which male	<u>1,984</u>	"
Female	<u>710</u>	"
No.of Reg.Member Households	<u>2,184</u> households	
No.of Representatives	<u>500</u> persons	

b. No.of Associate Members		
Individuals	<u>1,054</u> persons	3 748
of which male	491	"
Female	554	"
Groups	9	

2) No.of officials & employees

a. Officials	<u>17</u> persons	
Full-time Dir.	1	"
Part-time Dir.	13	"
Auditors	3	"
b. Employees	<u>152</u>	"
General Manager	1	"
General Employees	151	"

3) Cultivated area

Total Cultivated areas 3,030ha, of which Agricultural lands

• Paddy field	1,800ha
• Ordinary Upland field	1,030ha
• Orchard	200ha
	<u>3,030 ha.</u>

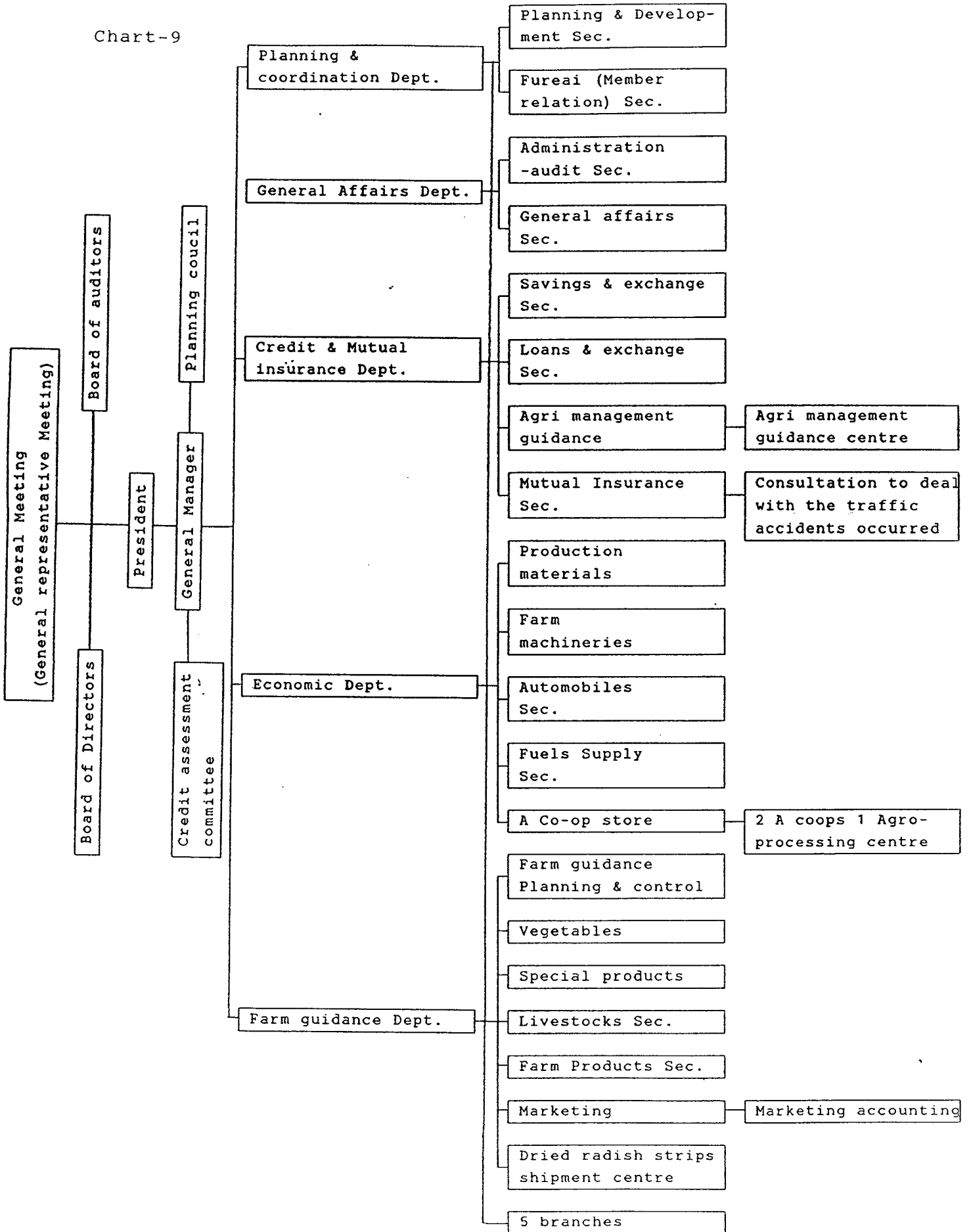
4) Allocation of Employees

Table-9

Allocation		By types of works		Total		
		Male	Fe- Male	Total		
Main office	General Manager	1	0	1		
	①	Planning & Development Sec.	2	0	2	
		Fureai (Member relation) Sec.	15	0	15	
	②	Administration-audit Sec.	2	0	2	
		General affairs Sec.	3	4	7	
	Credit & mutual insurance Dept.	Savings & exchange Sec.	2	6	8	
		Loans & exchange Sec.	5	0	5	
		Agri management guidance	3	1	4	
		Mutual Insurance Sec.	4	3	7	
	Economic Dept.	Production materials	11	2	13	
		Farm machineries	8	0	8	
		Automobiles Sec.	8	1	9	
		Fuels Supply Sec.	3	0	3	
		A Co-op store	5	0	5	
	Farm guidance Dept.	Farm guidance planning & control	8	0	8	
		Vegetables	7	0	7	
		Special products Sec.	2	0	2	
		Livestocks Sec.	4	0	4	
		Farm products Sec.	4	1	5	
		Marketing Sec.	6	2	8	
	Branches	5 branches	17	12	29	
	Total		120	32	152	

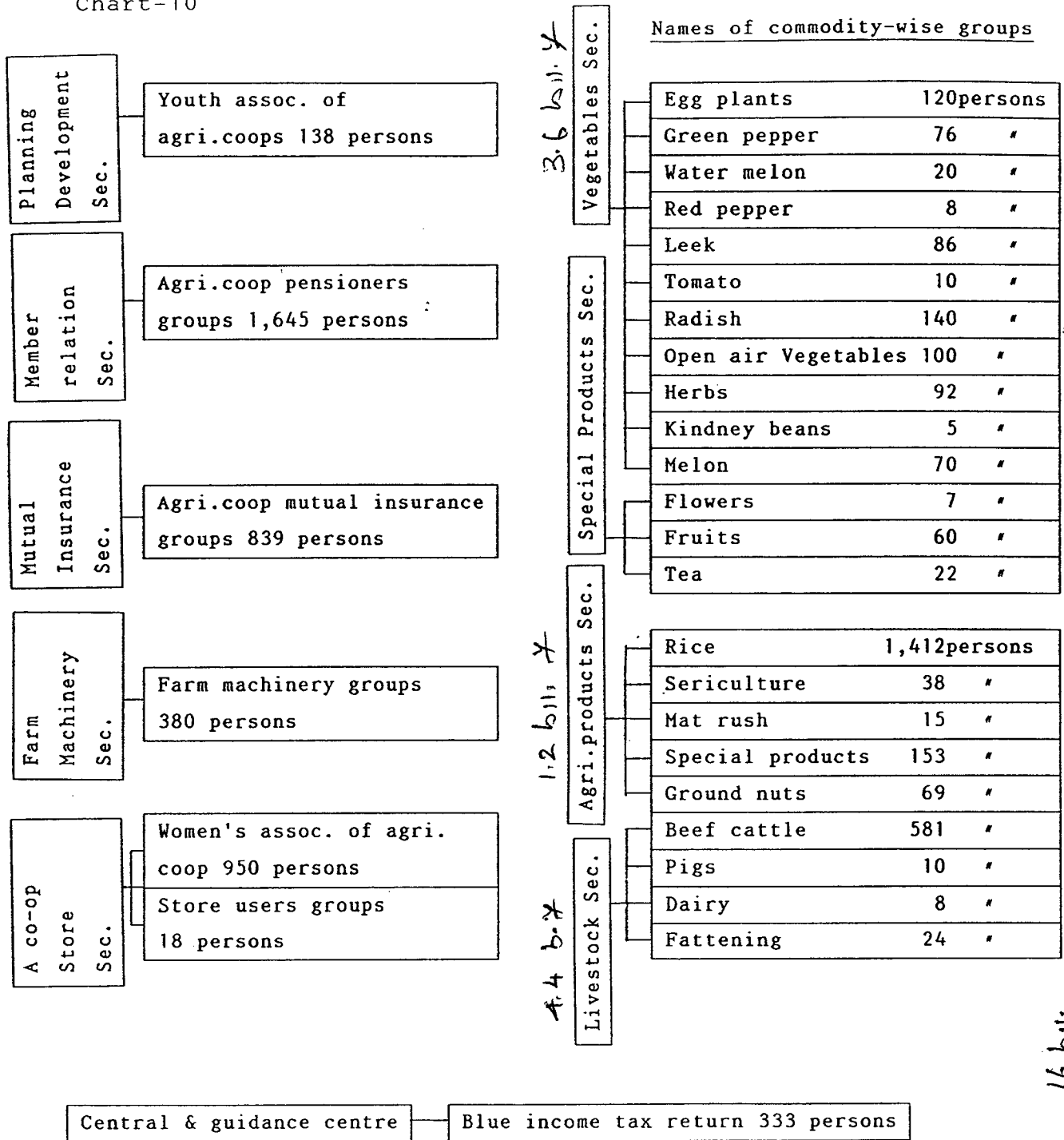
3. Organizational Structure

Chart-9



4. Various organizations

Chart-10



3.6 bill. Y

1.2 bill. Y

4.4 bill. Y

16 bill. Y
Total turnover in 1990.

Tobacco. 2 bill. Y
8 mill. Y for producer.

5. Changes in the main businesses

Chart-11

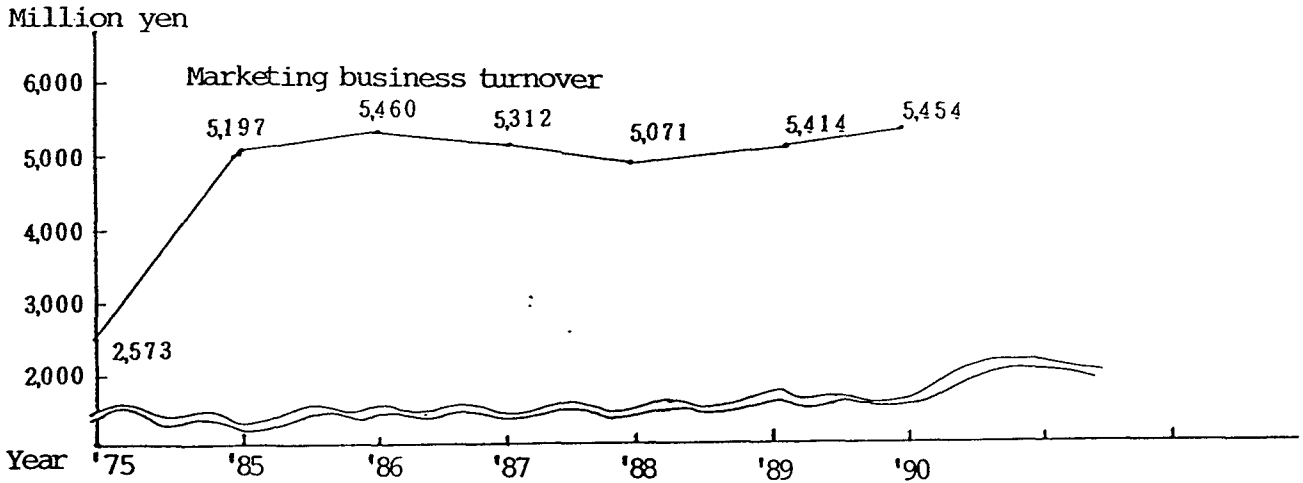


Chart-12

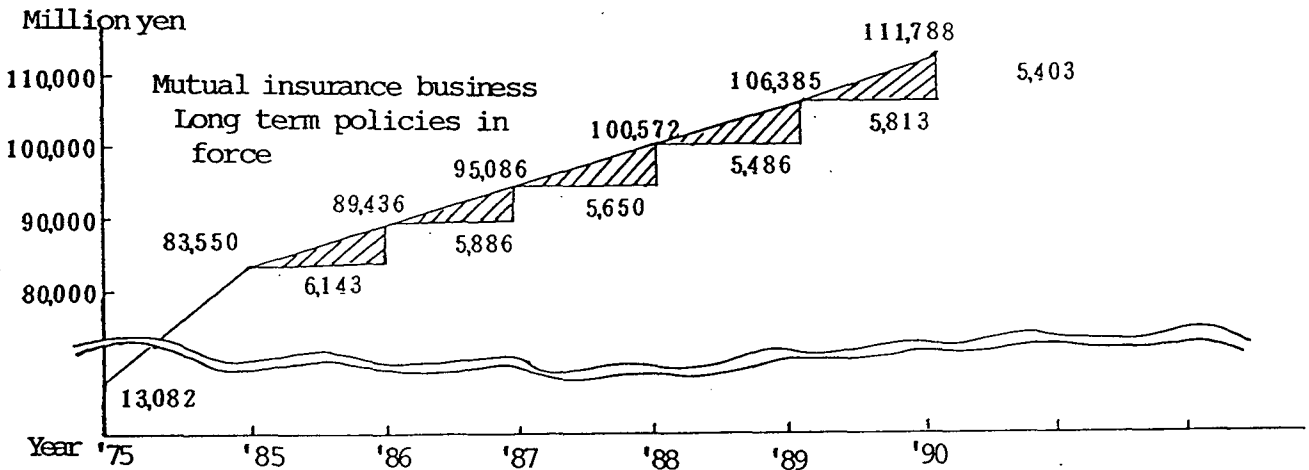


Chart-13

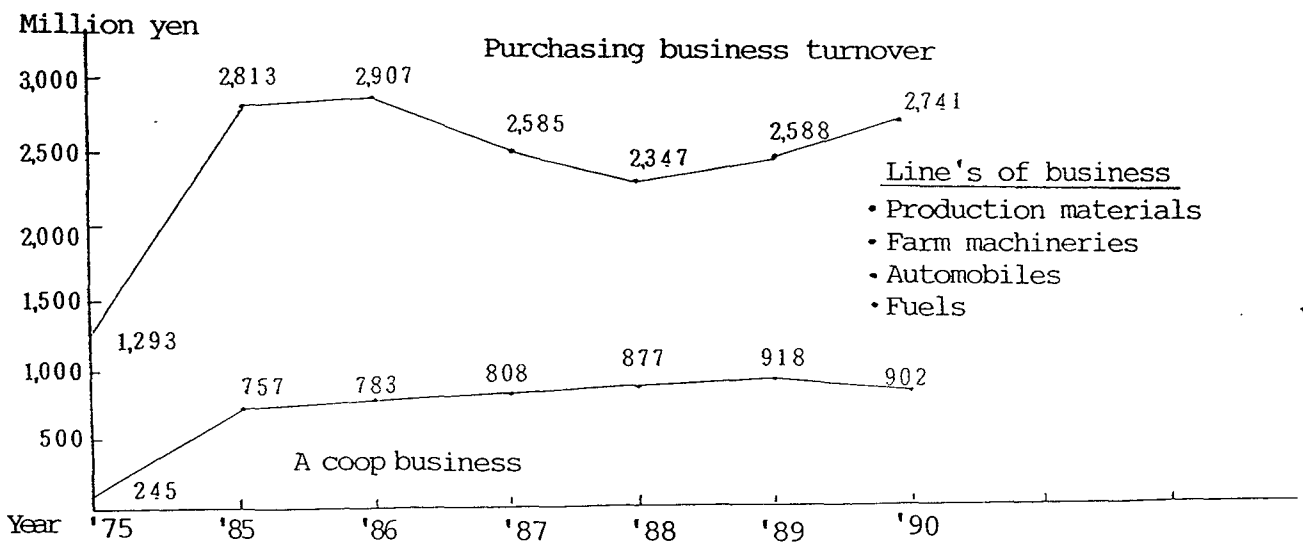


Chart-14

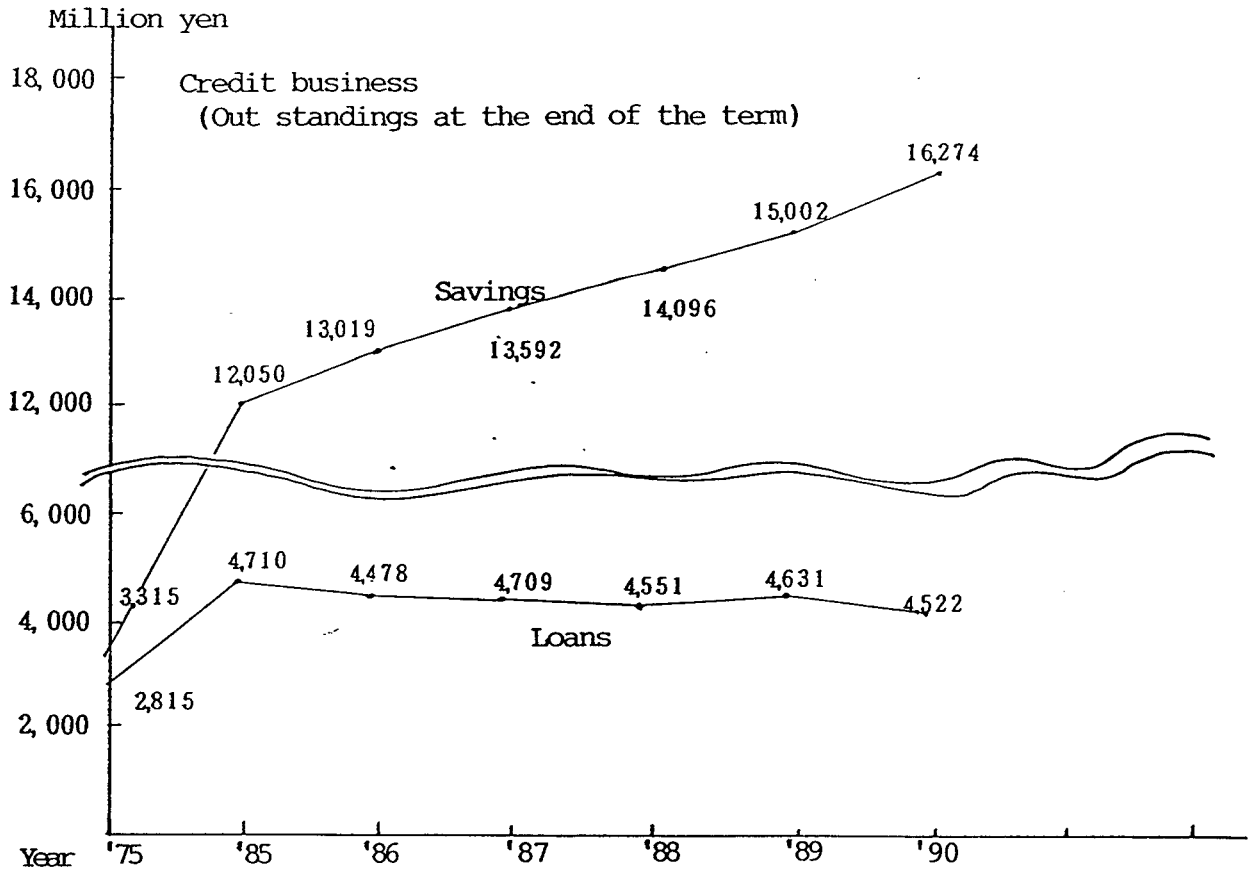


Chart-15

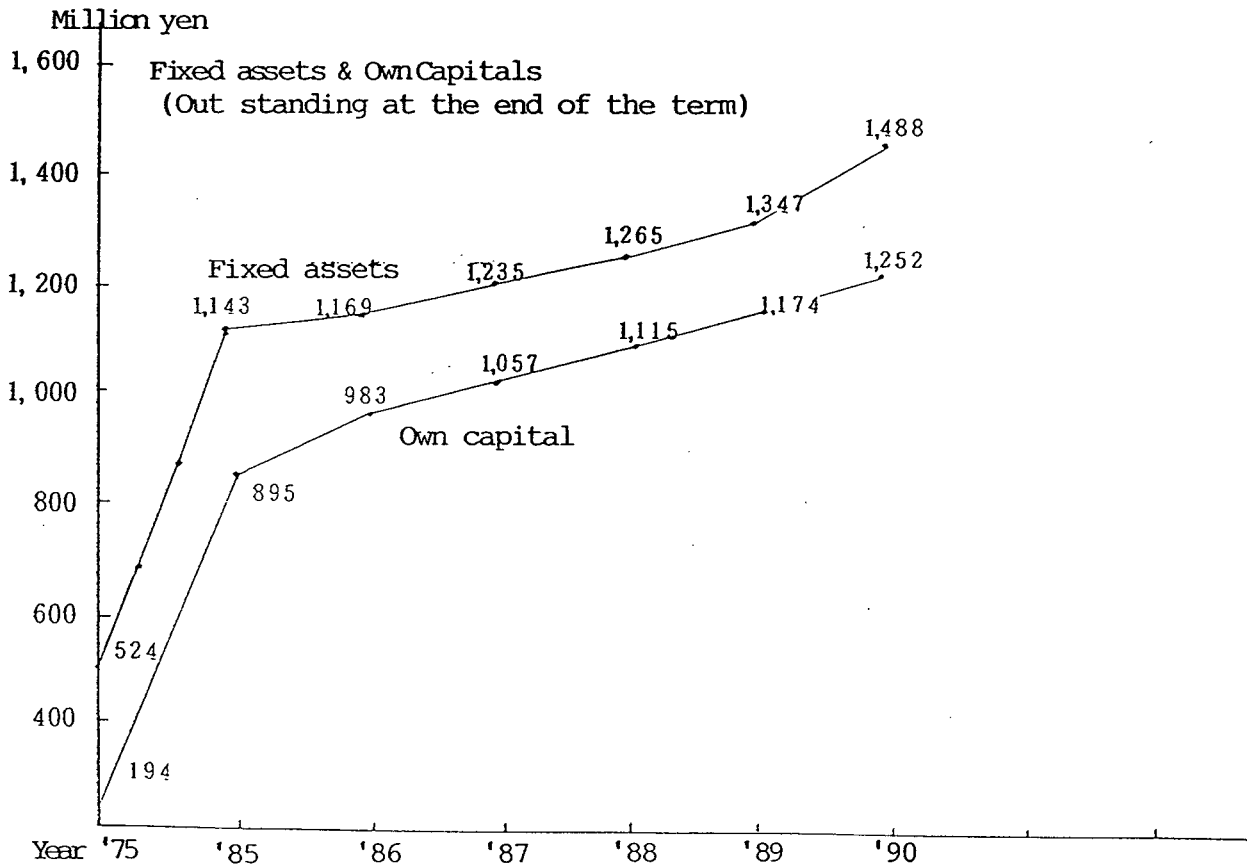


Table-15

Unit: thousand yen

Items		F.Y. 1989			Ratios Attained	F.Y. 1990		
		Results				Plan		
		Volume	Amount	Commission		Volume	Amount	Commission
Agri. products	Rice	87,936	890,297	25,301	962	92,000	883,965	25,449
	Mat rush	73,119	83,293	2,476	89.7	81,000	85,050	2,381
	Ground nuts	18	7,237	217	75.4	19	7,500	225
	Soy-beans	3,159	24,518	524	49.3	2,415	18,730	333
	Cocoon	212	52,799	1,323	111.6	233	59,415	1,485
	Others	552	2,678	71	91.0	476	2,112	55
	Sub-total		1,060,822	29,912	94.0		1,056,772	29,928
Livestocks	Fresh Milk	983	909,917	2,750	89.5	979	910,477	2,731
	Calves	1,235	633,617	5,883	117.6	1,300	650,000	6,500
	Beef cattle	173	151,443	1,817	88.2	200	174,000	2,088
	Pigs	10,082	271,567	5,779	95.3	10,500	308,700	6,174
	Sub-total		1,147,544	16,229	104.6		1,223,747	17,493
Special products	Orchards	195	24,132	723	61.1	190	40,500	1,222
	Tea	93	116,293	2,347	96.1	95	125,000	2,500
	Mushroom	67	36,614	732	75.5	90	45,000	900
	Flower	547,501	47,520	1,426	135.8	886,500	86,420	2,593
	Bamboo shoot	2	1,126	34	28.1	7	3,500	105
	Sub-total		225,685	5,262	91.0		300,420	7,320
Vegetables	Egg plants	4,829	1,110,219	31,216	89.2	5,375	1,356,025	37,969
	Water melon	188	34,381	964	100.0	92	17,380	487
	Green pepper	3,184	742,722	20,893	76.3	1,995	677,200	18,962
	Red pepper	37	36,575	1,027	87.9	50	48,340	1,354
	Leek	397	134,174	3,853	79.0	715	199,200	5,578
	Tomato	121	36,537	1,023	67.1	184	80,300	2,248
	Melon	153	79,352	2,223	70.7	293	207,250	5,803
	Raw Radish	661	86,013	2,369	86.0	4,130	94,908	2,847
	Burdock	206	38,272	1,149	95.7	224	64,150	1,925
	Sweet corn	318	91,566	2,747	140.9	470	150,600	4,518
	Yam	438	75,728	2,271	75.7	769	112,590	3,378
	Dried radish strips	821	415,682	12,471	127.1	850	410,000	12,300
	Others		139,135	4,250	115.6	882.6	223,350	6,600
	Sub-total		3,020,356	86,456	88.1		3,641,293	103,969
Grand total			5,454,407	137,859	92.4		6,222,232	158,710

Profit & loss

Table-16

Unit: thousand yen

Items		F.Y. 1989		Ratios achieved	Plan for F.Y. 1990
		Plan	Results		
Earnings (A)	Commission	151	137	90.8	158
	Misc. income	37	52	140.0	30
	Total	189	190	100.6	189
Expend- itures(B)	Marketing exp.	2.8	1.3	46.9	2.8
	Misc. exp.	17	14	83.0	18
	Total	20	15	77.9	21
Balance (A) - (B)		169	178	103.3	167

Table-17 Ratios of Agri. Products Transacted

Commodities	Sum, %
Agri. Products	1,060 million yen
Rice	83.9%
Mat ruch	7.9
Cocoon	5.0
Soy-beans	2.3
Others	0.9
Livestocks	1,147 million yen
Calves	55.2%
Pigs	23.7
Beef	13.2
Fresh Milk	7.9
Total of livestock products	5,454 million yen
Vegetables	55.5%
Livestocks	21.0
Agri. products	19.4
Special products	4.1
Special products	225 million yen
Tea	51.5%
Flowers	21.1
Mushrooms	16.2
Orchards	10.7
Bomboo shoots	0.5
Vegetables	3,020 million yen
Egg plants	36.7%
Green pepper	24.6
Dried radish strips	13.8
Leek	4.4
Sweet corn	3.0
Raw radish	2.8
Melon	2.6

6. Results of business activities in F.Y.1989

1) Farm guidance dept.

(1) Farm guidance and planning control business

- a. Paddy agriculture establishment measures were promoted in a bid to let converted crops take a firm root.
- b. Entrusted farming and farming in trust were implemented to establish a base for achieving low cost agriculture.
- c. Green house lease business was promoted for its expansion.
- d. Nursing of various vegetables were conducted to increase their production.
- e. Bamboo breaking machines were used to expand its production.

(2) Vegetables business

- a. Green house vegetable production with the use of heating apparatus. Each commodity-wise group strived for improving the production by conducting analysis of a liking of consumers on vegetables.

As a result of the efforts thus made, such vegetables as cucumber, kidney beans, melon, red pepper won a high reputation, but in green pepper and tomato their prices became lower than the previous year because of the keen competition with other producing areas.

"Production of Green house vegetables with no use of heating apparatus and tunnel vegetables."

As such farm products as leeks, burdocks, sweet

corns, which are considered as health food, were rated highly, thus farmers engaged in growing these vegetables tried to increase the areas.

As for pumpkin, its marketability was enhanced as a result of complying with the market demands for completely matured products.

b. Multi and open air vegetables

Sweetcorn, radish, burdock and leek obtained higher prices in the markets, but the production of potatoes fell short of targetted turnover of the initial plan.

As for dried radish strips , use of pre-cooling facilities enabled the coop to ensure their stable prices and supply throughout the year.

Regarding processed radishes, the number of radishes shipped to markets decreased as a result of the occurrence of out-of-standard radishes due to earlier maturing.

c. Herbs

Meetings on the cultivation of herbs were held to enhance their quality.

(3) Special products

a. Tea (Green tea)

Measures taken for increasing quality of green tea are as follows;

- Prevention of damages caused by frost so as to ensure stable production of tea
- Replanting and renewing varieties of tea

b. Flowers

Expansion of joint marketing was made by consolidating flower producers group.

c. Mandarin oranges

Following measures were taken through implementation of mandarin oranges;

- Reorganization project

- Renewing of low production varieties of orchards and the introduction of early harvesting varieties and of green house production.

d. Persimons

Due to bad weather during summer period, merchandizability of the products declined. Thus it was a tough year for persimon growers.

e. Mushrooms

Efforts were made to ensure stable production even though the environment their for production and marketing was quite worsening.

(4) Agricultural products

a. Rice.

As the year 1989 was the third year for the first term paddy agriculture establishment measures, the environment surrounding agriculture became severer.

To testify the fact, the paddy field converted areas reached some 30.8% and such paddy varieties as "Mizuho" and "Minami-Nishiki" were downgraded because of stricter inspection by the gov't.

In addition, the quota of government purchase rices was reduced to 103, 199 bags respectively.

In the midst of such a sever environment, efforts were made to increase yield of paddy as well as to promote the production of early harvested varieties of paddy.

As for the cultivation of middle and ordinary season paddy, they declined both in quality and yield due mainly to a bad weather.

b. Mat rush

Although its yield was increased, but its prices went down over the previous year. This is mainly attributable to increased volumes of imported mat rush.

c. Groundnuts

Due to lower prices of the products over the last two years, member farmers showed their reluctance to increase the production. Consequently total volumes transacted by the coop declined as a result of decreased acreage.

d. Soy-beans

Contract farming of small soy-beans was completed. Production of ordinary soy-beans dwindled in terms of the total volumes handled because of the deterioration in quality and yield caused by a bad weather.

e. Sericulture

With the demand for silk rising recently because of a silk boom, prices of cocoons soared.

In order to meet the increasing demands for it, following measures were taken to promote its production in close cooperation with related organs;

- To rejuvenate or increase mulberry plants
- To increase yield
- To upgrade the quality of cocoons

f. Paddy seedling nursery centre

Efforts were made to supply all seedlings ordered (full-fledged, medium and infant seedlings) from members. And efficient use of the centre facility was made throughout the year.

(5) Livestock farming business

a. Beef cattle

i. Increase of quality female breeding cattles were made. (64 cattles)

ii. With the shortage of feeder cattles across the country and the values of beef cattles enhanced as

discriminated products, a consumption of the beef cattles consequently increased.

As a result, prices of calves were kept at a higher level.

- ii. Training on Wagyu (Japanese Black beef) raising techniques was conducted and also training for the youth association and the women's association engaged in fattening of beef cattles were held.
- iii. Construction of the agri.coop fattening centre was started with a view to the demonstration of integrated farm management system and etc.

b. Beef cattle fattening

- i. Although there existed an apprehension to introduce beef cattles because of rising trends of feeder cattles, but it was concluded that they be intruded through the vigorous promotion of beef cattle fattening project. (Mainly to rely on gov't subsidy for their introduction)
- ii. By holding trainings and the competition of dressed-carcuss, efforts were made to upgrade control techniques as well as quality of meats in order to increase returns (income) to farmers.

c. Pig raising

- i. Trainings on ways to protect pigs from heats in summer and colds in winter were conducted. Also efforts were made to strenthen pest control system and to improve pig sheds.
- ii. Personnal computers were used to control individual pigs, thereby stepping up productivity.
- iii. Reduction of production costs was made by holding regular meetings and examination meetings.

d. Dairy

- i. Various types of meetings were held in a bid to make a planned production of quality milk which meets the needs of consumers for the reduction of its production costs.
- ii. Efforts were made to secure quality of feed stuffs.

(6) Agriculture warehousing business.

Control of storage for rice, wheats and soy-beans was made.

(7) Guidance business

Table-18 Income and expenditure

Unit : thousand yen

Items		F.Y. 1989		Ratios atta- -ined	Plan in 1990
		Plan	Results		
Income	Dues	0	0	0	0
	Actual income	660	1,650	250.0	1,310
	Others	8,754	34,917	398.8	10,501
	Total - (A)	9,414	36,567	388.4	11,811
Expenditures	Management improvement exp.	2,005	25,614	1277.5	2,795
	Locally produced rice improvement exp.	2,031	1,986	97.8	2,027
	Vegetables horticulture exp.	10,904	13,790	126.5	17,550
	Orchards business exp.	300	472	157.3	900
	Tobacco business exp.	5,070	5,286	104.3	5,400
	Livestock business exp.	1,940	2,494	128.5	4,131
	Farm guidance improvement measures exp.	1,400	1,236	88.3	1,700
	Better living improvement exp.	570	282	49.5	570
	Strengthening of various organizations exp.	32,050	37,375	116.6	35,770
	Education & information exp.	1,500	1,933	128.9	3,340
Total - (B)	57,770	90,468	156.6	74,183	
Balance (A) - (B)		-48,356	-53,901	111.5	-62,372

2) Economic business department

(1) Supply of production materials

Due to trends of stagnant prices of farm products and production control of main farm products, demands for production materials became generally sluggish. However, efforts were made to ensure stable supply by encouraging advance purchase of the goods in a close link with other departments of the coop.

Moreover, with part-time farming increasing recently, needs were felt that the coop should keep open business hours on Saturdays, so that part-time farm families who are normally busy with their works during week days could benefit from utilizing its services.

Besides this, disinsection of soils and machine spraying of agricultural chemicals were implemented in all the areas in order to reduce the production costs and also to promote improvement of soils.

As a result of these efforts made, initial plan was fulfilled as a whole, however it fell short of the plan in fertilizer supply business.

(2) Agricultural machinery supply business

Staffs in charge of agricultural machinery were sent to undergo a training for upgrading their technical skills as well as for enhancing services to customers. As such, all-out efforts were made to reduce the production costs.

(3) Automobiles supply business

Relevant information regarding selection and pricing of car and etc. was furnished in order to facilitate customers to make a right decision for its purchase. To provide such better services is expected to win a trust from customers and have competitive edge with other private dealers.

- iv. Exhibition sales of kimono, the Japanese traditional dress and clothes took place on the 2nd floor of the processing centre.
- v. Mobile vans loaded with consumer goods were used to make visits around remote villages for convenience of villagers
- vi. A new A co-op store was opened by entering into a contract with a company on a lease basis through intermediary of the local chamber of commerce.

b. Women's association

Following activities were carried out;

- i. Meetings involving women's association at all the branches were conducted to encourage member farmers'wives to join the association.
- ii. Member farmers'wives in four coops' branches were encouraged to form a women's association since it exist.
- iii. Dissemination of home made processed foods was made in a newly openend processing centre built for activities of women's association of agri.coop.
- iv. On the spot sale was conducted centering mainly around kitchen garden group.
- v. Laundry facilities (large washing machines and dryer) were used for reduction of family expenditures as well as for enhancement of health.

Hygienic angle

2. /

Table-19 Turnover

Unit: thousand yen

Items	F.Y. 1989		Ratios attained	Plan in 1990	
	Results			Amount	Commission
	Amount	Commission			
Fruits & Vegetables	123,619	24,416	95.0	130,450	23,611
Salted goods	80,147	14,979	94.9	84,340	15,603
General foods	174,894	21,312	95.7	180,010	22,501
Cakes & Cookies	76,510	13,606	93.0	80,070	14,412
Sundry goods	122,135	21,379	92.1	125,550	22,599
Meats	122,759	32,947	89.7	132,730	31,191
Fish	78,098	13,643	101.0	80,780	15,752
Side-dish foods	83,256	28,036	95.9	86,150	30,152
Durable goods	40,784	3,402	102.0	73,600	5,741
Total	902,202	173,720	94.6	973,680	181,562

3) Credit & Mutual insurance dept.

(1) Savings

a. Against targetted promotional savings amount of 16.8 billion yen, it exceeded more than the target amount with the result of 17.9 billion yen.

b. "sera vie" a new attractive savings commodity intended for young women was promoted. As a result of it, 353 of them bought the commodity.

• Results of main business transacted

- Installment savings	6,094 cases
- Transfer of public utility charge through the coop	6,166 "
- Transfer of various types of pensions through the coop	1,594 "

- Transfer of salary through the coop	557	"
- Users of coop's cash cards	3,574	"

(2) Loans

- a. Loans on farming and better living activities based on the accumulation of farm management plans were provided.
- b. Expansion and utilization of "unified loans" and "Fureai loans" were promoted.
 - New contract in F.Y. 1989...509 cases
 - New loans advanced 587 million yen
- c. Strengthening of loaning system and swift handlings of loan evaluation were carried out.
- d. Efforts were made to reduce the production costs, liquidate fixed liability and ensure stable farming by making use of various institutional loans.
- e. Close contact with related organs established

(3) Agricultural management control guidance business

Following matters were implemented;

- a. In an attempt to make management of individual farmhouseholds sound, study meetings to closely examine the actual conditions of their management were implemented.
This was based upon the idea that their consciousness towards sound management be enhanced.
- b. In cooperation with relevant administrations and related organs, guidances on management and techniques were given to members.

c. Regarding blue income tax return, adequate guidances on ways to make a correct filing (declaration) of income tax were given together with upliftment of knowledge of member on taxes.

Baside this dissemination of double entry book keeping system and computerization of office works were promoted.

(4) Mutual insurance business

Sales promotion activities involving all the employees of the coop were actively executed for the attainment of target amount in mutual insurance business. As a result of such an effort, increase of 8.3 billion yen was made.

In terms of long term insurance policies inforce, they amounted to 111.7 billion yen or 52 million yen per household.

Having made a vigorous promotion for subscription of pension insurance, the coop succeeded in achieving the amount of about 48 million yen with 138 cases.

Our coop also conducted thorough health examination at the cooperative hospital run by Kagoshima pref. welfare federation of agri.coops to those who contracted over 100 million yen of insurance with the coop.

In short term mutual insurance (automobile and automobile liability), our coop conducted consultation services on ways to smoothly deal with the problems of traffic accidents. For that, an expert services were made available to the members.

New contract amount

Table-20

Unit: million yen & car

Items		F.Y. 1989	Ratios	Planned		
		Results	attained %	amount in F.Y. 1990		
Long-term insurance	Endowment life ins.	New contract	6,915	124.1	5,740	
		Policies enforced	89,396	101.6	91,504	
	Children's ins.	New contract	91	305.0	70	
		Policies enforced	261	131.0	313	
	Home construction ins.	New contract	1,380	98.6	1,190	
		Policies enforced	22,131	99.8	22,503	
	Pension	New contract	0.13	104.5	0.137	
		Policies enforced	48	121.5	49	
	Total	New contract	8,387	119.8	7,000	
		Policies enforced	111,788	101.3	114,321	
	Short-term insurance	Automobile liability ins.		2,367 cars	84.5	2,700 cars
		Automobile ins.		4,515 "	107.5	4,300 "
Fire ins.		4,555	151.9	2,000 "		
Personal accidents ins.		31,615	10,538.3	400		
Total		36,170	1,096.1	2,400		

4) Other businesses

(1) Paddy seedling nursery centre business

Table-21 Profits & losses

Unit: thousand yen

Items		Results in F.Y. 1989	Planned amount in 1990
Income	Seedling fee	82,535	83,000
	Misc. income	6,620	8,236
	Total	89,155	91,236
Expenditures	Land Rent	2,242	2,242
	Repair fee	586	2,400
	Personnel exp.	31,556	32,356
	Production Materials exp.	39,994	34,078
	Water, Light, Heat exp.	1,333	1,300
	Fuels exp.	1,798	1,900
	Transpovitation	0	0
	Miscellaneous	13,184	15,221
	Total	90,599	89,497
Balance		△ 1,444	1,739
Personnel expenses		3,397	
Profits & losses		△ 4,841	

Note: Personnel expenses of employees engaged in this business and depreciation costs were disbursed from business administration costs of main account of the coop.

(2) Processing business by rural women (operated by womens association)

Table-22

Unit: thousand yen

Items		Results in F.Y. 1989	Planned amount in 1990
Income	Laundry utilization fee	609	1,000
	Sales of products	1,255	4,720
	Misc. income	45	0
	Total	1,909	5,720
Expenditures	Materials exp.	773	1,500
	R & D exp.	15	48
	Water, Light, Heat exp.	1,353	1,310
	Labour costs	75	1,026
	Depreciation costs	80	1,836
	Total	2,296	5,720
Balance		△ 387	0

(3) Beef cattle fattening centre business

Table-23

Unit: thousand yen

Items		Results of F.Y. 1989	Planned amount in F.Y. 1990	
Income (A)	Sales of beef cattle	25,935	20,800	
	Manure fee	121	300	
	Mis. income	578	240	
	Total	26,634	21,340	
Expenses (B)	Fixed exp.	Feeder stocks exp.	32,800	67,876
		Inventory assessment amount	(20,876)	(61,013)
		Total	11,924	6,863
	Variable exp.	Personnel exp.	2,400	2,580
		Mutual Ins. premium	898	1,161
		Sanitary & treatment exp.	507	800
		Feeds exp.	9,863	8,960
		Water, Light, Heat exp.	12	200
		Transportation	368	206
Land Rent	300	150		
Misc. exp.	362	420		
Sub-total	14,710	14,477		
Total	26,634	21,340		
Balance (A)-(B)		0	0	

7. Why member relation section(Fureai sec.)came to be newly established in the coop ?

Excerpt from coop's monthly Buletin

In recent years closely knit relationship which persisted between coop and members has tended to be weakening. One of the reasons for this may derive from the fact that many a coop in japan became nothing but a mere sales agent of goods intent on pursuit of its business expansion and think only of protecting their own interests for which harsh criticism has been voiced by members. And it has caused members to tend to leave the coop. To address the problem, it is getting increasingly essential to build a firm relationship again based upon mutual trust between them.

When looking around us, there are at present much uncertainties to worry about adversely affecting the agricultural cooperative organizations. In other words, the environment surrounding us is by far in favour of us now. For instance, farmers have began to be put under the control of private enterprises which try to make inroads into hitherto territory or share of the coop. To give you an idea about how penetrating they are into management of farmhouseholds, not only commercial banks and insurance companies but also other private enterprises are attempting to do business with farm families through making regular calls at their homes. Such an active business promotional activities by the private sectors are said to spur the trend that farmers leave the coop, thus posing a menace on coop.

Recent stagnant growth of agricultural cooperative businesses lies basically in this reason. For example, it is said that of late utilization of coop businesses by young people and women is on the decrease. How can this trend be stopped from further aggravating.

For this, it is imperative to make a dialog between president of coop and members. And it is apparently better that president of the coop visit each and every houses of member farmhouseholds, having a tete-a- tete communication with them. But in reality it would be physically difficult to do so, given busy schedules of the president. To make it up for this,

member relation section was conceived to be set up to help play a complementing role for that purpose. That was the reason why Fureai section came to be newly established giving a priority to dealing with members affairs.

Now, we make it a rule that whenever we visit our members in their home, we deliberately refrain from using the term "Promotion" which connotates business transaction. Instead we made it our goal that we serve as giver of useful and relevant information to them so as to be loved by them. In this regards, we are fully convinced that we ought to create such an agricultural cooperative which seeks to strengthen a mutual bond, to be trusted, and to be needed by members.

Aimed at deepening a bond with member farmfamilies and regional residents, member relation section examines thoroughly the present situation of utilization of agricultural cooperative services by members and their families. On the basis of such stronger ties between members and coop, we make a ledger on the status quo of the members utilization of agricultural cooperative businesses. Moreover, it is necessary for us to change the conventinal passive attitude of "wait and see" or "defend" into "attack" and "go for broke".

In carrying out member relation activities, at first we need to have some staffs in charge and decide the areas which they are to cover. They are expected to give a comprehensive information and consultation regarding farming and better living to farmfamilies and regional residents so as to clarify overall merits of utilizing agricultural cooperative services. That is, the staffs should give various consultation services on the types of loans available on living and farming and etc. in the coop.

In purchasing business, we are trying to furnish them useful information from the standpoint of merits of customers. All will go well only when interaction is made. If we try to talk to young people about merits of utilizing comprehensive services of coop with the mind of enthusiasm and patience, they will understand our good intention. For example, in deciding the purchase of a car, they will hear our sincere advice. We have increased the number of young employees who deal with members at the counter of the coop. One can say that development of agricultural cooperative largely depends

upon bringing a full play to powers of members, powers of officials and powers of employees.

For that purpose, it is vital for us to break away from conventional one-sided approach(top-down).

As mentioned above, we are trying to furnish members with all sorts of information needed by them as fast as possible by fully reflecting their opinions and requests into businesses undertaken by us through making improved relations with members, womens and the youth. After all such efforts will definetely help contribute enhancement of agricultural production and better living activities in the end.

Because of this, we would like to make it our motto to rebuild the agricultural cooperative movement which is genuinely trusted, needed, loved by all the members.

Main activities of the member relation section;

- (1) To make a regular visit to member farmfamily houses in order to step up a bond with them.
- (2) To provide information which will benefit farm management of members so as to reflect their opinions and requests fully into businesses undertaken by coop
- (3) To endeavour for meeting every needs of members by giving them advices on any minute affairs
- (4) To make effors for building an agricultural cooperative which is trusted and is easy to use by all the members
- (5) To make a plan for creating a place where members can interact with the agricutlural cooperatives and its emplyees so as to infiltrate an image into the people that the our coop is synonymous with fureai which means "Warm member relation" in Japanese.

8. Balance sheet

as of 31st Jan. 1990,

Unit: 1,000 yen

Items		Amount	Items		Amount		
Credit business	Cash	50,169,702	Credit business	Current savings	2,648,885,299		
	Deposits	11,661,972,363		Fixed savings	13,641,403,514		
	Securities			Sub-total	16,290,288,813		
	Loans	4,521,990,968		Borrowings	429,349,450		
	Misc. assets	72,000		Misc. credit liability	55,171,927		
	Credit debtors account	240,863,824		Credit borrowers account	426,480,192		
	Sub-total	16,475,068,857		Sub-total	17,201,290,382		
	Mutual in- surance	M.I. loans		740,000	Mutual in- surance	M.I. borrowings	740,000
M.I. advance		2,461,505	M.I. funds	148,804,753			
Uncollected M.I. premium		25,915,559	Prepaid insurance premium	80,086,711			
Sub-total		29,117,064	Sub-total	229,631,464			
Economic business	Economic business account receivable	633,611,583	Economic business	Economic business account payable	302,269,368		
	Break down	Bills receivable		46,631,036	Break down	Accounts payable on purchasing	270,873,726
		Account receivable on purchasing		569,849,641		Accounts payables on marketing	5,000
		Account receivable on marketing		7,770,572		Other accounts payable	31,390,642
		Other accounts receivable		9,360,334		Economic business consigned liabilities	179,827,685
	Economic liabilities received	369,410,990		Break down	Provisional payment on marketing	177,361,349	
	Break down	Advance on marketing			59,295,462	Advance on purchasing	2,466,336
		Provisional payment on marketing		310,115,528	Economic business borrowings	124,650,000	
	Inventory assets	356,610,810		Misc. liabilities	146,795,243		
	Break down	Purchasing goods		192,966,027	Education materials accounts	236,360	
		Goods at coop stores		21,729,074	Economic business Creditors account	16,737,977	
		Provisional payment for introduction of livestock		141,915,709	Sub-total	658,331,633	
		Misc. assets		122,259,157	Reserves	Reserves for bad loans	48,330,695
	Deferred assets	45,346,254		Reserves for retirement allowances		203,130,515	
	Economic business debtors account	33,580,275		Reserves for bonus		35,200,000	
	Sub-total	1,560,819,069		Sub-total		286,661,210	
	Fixed assets	Depreciation assets		1,446,701,451	Capitalizations	Share capital	820,535,000
Reserves for depreciation		△ 608,682,510	Revolving paid-up share capital	115,625,856			
Land		231,733,071	Surplus fund	Legal reserves		103,000,000	
Provisional account on building				Capital reserves		106,420	
Intangible fixed assets		2,237,977		Special reserves		191,000,000	
External investment		566,550,000		Surplus brought forwards		5,587,176	
Sub-total		1,638,539,989		Current surplus		91,775,838	
				Sub-total		391,469,434	
Total assets	19,703,544,979	Toatal	1,327,630,290				
		Total of liabilities and capitals	19,703,544,979				

9. Profit & loss statement

Unit: million yen

Expenditures			
	Items	Amount	
Credit business	Interests on savings	471,219,400	
	Interests on borrowings	23,244,461	
	Misc. exp. on credit	48,518,847	
	Sub-total	542,982,708	
Mutual insurance business	Interests on M.I. borrowings	5,551	
	Misc. exp. on M.I.	16,480,025	
	Sub-total	16,485,576	
Economic business	Purchasing	Purchasing supply exp.	28,113,516
		Misc. exp. on purchasing	10,060,316
		Sub-total	38,173,832
	Marketing	Marketing exp.	1,331,217
		Misc. exp. on marketing	14,449,231
		Sub-total	15,780,448
	Store operation	Supply for store	94,389,628
		Misc. exp. on store	3,595
		Sub-total	94,393,223
	Agri. warehousing business	4,190,845	
	Guidance business	90,468,350	
	Automobile repair business	38,831,682	
	Other businesses	9,714,500	
	Overall business profits		851,021,164
	Overall business expenses		1,010,343,842
Business administration costs	Personnel exp.	678,647,396	
	Travel exp.	11,188,618	
	Operation exp.	47,551,762	
	Taxes & burdens	23,992,963	
	Facilities exp.	78,033,052	
	Depreciation costs	59,431,097	
	Misc. exp.	2,504,733	
	Total	901,349,621	
Business profits		108,994,221	
Out of business exp.		47,214,136	
Transferred into special reserves		86,164,195	
Special loss		12,171,703	
Total of expenses		1,897,920,819	
Current surplus		91,775,838	
Grand total		1,989,696,657	

Income			
	Items	Amount	
Credit business	Interests on deposits	449,611,570	
	Interests on securities	0	
	Interests on loans	298,888,885	
	Misc. income from marketing	56,603,296	
	Sub-total	805,103,751	
	M.I. business	M.I. additional income	198,224,561
Interests on loans		5,551	
Misc. income		6,830,154	
Sub-total		205,060,266	
Economic business	Purchasing	Purchasing commission	243,792,902
		Misc. income	86,828,592
		Sub-total	330,621,494
	Marketing	Marketing commission	137,859,800
		Misc. income	52,754,776
		Sub-total	190,614,576
	Store operation	Commission from store operation	173,719,866
		Misc. income from store operation	8,072,039
		Sub-total	181,791,905
	Agri. warehousing business	20,660,834	
	Guidance business	36,567,065	
	Automobiles repair business	76,636,946	
Other businesses	14,308,169		
Total		851,200,989	
Gross business income		1,861,365,006	
Out of business income		40,244,562	
Refund from special reserves		86,340,531	
Special profits		1,746,558	
Current surplus		(91,775,838)	
Grand total		1,989,696,657	

10. Plan for appropriation of surplus fund

1) Current surplus fund unappropriated		
Surplus carried forwards	5.5	million yen
Current surplus	91.7	"
<u>Total</u>	<u>97.3</u>	<u>"</u>

2) Appropriated surplus		
Legal reserves	20	million yen
Special reserves	30	"
Patronage dividend	25	"
Paid-in share capital dividend	16.4	"
<u>Total</u>	<u>191.4</u>	<u>"</u>

Notes: (1) Special reserves include 5 million yen of educational funds

(2) In pursuance with the bye-law No.20, above patronage dividend of 25 million yen is to be invested as revolving share capital

(3) Share capital dividend is 2% against paid-up share capital at the end of the term.

(4) Share capital dividend of 16 million yen is to be invested into advance share capital savings

3) Surplus carried forwards to next term 5.9 million yen

Surplus carried forwards to next term includes a 5 million yen earmarked for such activities as education, living and culture.

Patronage dividends to be distributed back to members

- Marketing business	32.0%	8.0 million yen
- Purchasing business	26.0%	6.5 "
- Credit business	30.0%	7.5 "
- Mutual insurance business	120.0%	3.0 "

25/3

V. Saito Agricultural Cooperative Society

2013

AIROSTAI OKASA

Mr. ~~Owens~~

Vice President, SAITO Agr. Coop. Socy
(can ex. director.)

KAGAWA, Manager,

total Agr. produ. 24 billion in 81/86

Socy handles only $\frac{15.8}{8.2}$ bil. - about 70% - ?

(Q - does this mean that all producers are not members? if so, how to bring them into the Socy of members why sale outside?)

Management finance lecture?

Green pepper 60 tons sup produ

(Simita Mirel)

12-14 per possible

5000 kg

Planted August - Oct - June harvested

1 kg. 350-400 ¥.

gross income 3.5 mill. ¥ from income

last year 4.0 mill ¥ "

fuel, fertilizer, - major produ. costs.

- Econ. factu has processing plant for Veg. Juice
- 65 tons of pepper used for Juice -
- Processing done depending on price of fresh pepper.
- Advl. payments are given to farmers for sharing of profits by Econ. factu. -

25/3

V. Saito Agricultural Cooperative Society

1. Outline of the area

1) Outline of the area

The operational area of the society is located in the middle part of Miyazaki prefecture where there are a lot of mountains. There are Kyushu mountains in the north west and highland areas in east-west and the end of south direction and the Hitotsuse river and its two branch rivers are running between the mountains and highland area which are forming Saito plain land in the basin. There are the Hitotsuse dam constructed in 1963 in the Hitotsuse river system which generating 180,000 kw of electricity. Saito is the town where is famous for agriculture, old burial mounds, electricity, ravines and forestry.

Total land area 709.42 km²

Total population 39,463

2) Farmland area

Paddy field 2,725.14 ha

Upland field 1,293.40 ha

Orchard 315.86 ha

Total 4,334.40 ha

3) Number of households and population in the area

Total number of households 12,300 households

Number of farmhouseholds 3,977 households

Total population 39,463

 Male 18,692

 Female 20,771

Farmhousehold population 17,076

 Male 8,370

 Female 8,706

- 30% extra paid for raw material price -

- Prod. cost per ha for paddy 1,660,000 ¥. Income
0.1 ha. 450kg of paddy $\frac{860,000 \text{ ¥}}{800,000 \text{ ¥}}$ Cost of prodn.
net income

Rice one crop per year.

cost -
fertilizer 22 %
fixed 26 %
exp. mech.
seedlings -

- Returns to farmers - dividends
Indo
Pstronfered on paddy 60 %
Material at low rate - 2% loss.
Firm market price.
2-4% security to purchases
done -
feed stuff - 0.7% loss
Joint use of pesticides / fertilizers.

Credit & ins. only profitable ones - others policy business -
even credit is getting expensive due to high interest rates -

- total operating cost of Socy. 4,731 million ¥

Guarantee 70 million - 63 mill.

- 600 members membership firm next plans.

4) Number of farmhousehlds

Full-time farmhouseholds	1,366	x
(of which having male agriculturists)	1,114	✓
Part-time class I farmhouseholds	802	x
Part-time class II farmhouseholds	1,809	x
Total	3,977	

2. Establishment of Saito Agricultural Cooperative Society

1974...Amalgamation of Saito city Agricultural Cooperative Society, Nishimera Agricultural Cooperative Society and Higashimera Agricultural Cooperative Society

3. Number of members and paid-in share capital

As of January 31st, 1990
Unit:person, thousand yen

Regular members	<u>4,709</u>
Male	4,275
Female	<u>434</u>
Group members	0
Associate members	1,261
Male	775
Female	474
Group members	14
Total number of members	5,970

Total paid-in share capital 1,004,302 (thousand yen)

Number of members and paid-in share capital in the end of January 1989

Total number of members	5,608
Paid share capital	977,957 (thousand yen)

4. Number of representative members 582 (constant number 585)

5. Number of employees assigned for each section

	<u>Male</u>	<u>Female</u>	<u>Total</u>
Guidance	38	7	45
Marketing	28	13	41
Saving	21	36	<u>57</u>
Loaning	21	4	25
Mutual insurance	13	8	21
Purchasing	70	23	<u>93</u>
Transportation	4	0	4
Automobile repair workshop	5	0	5
Administration	21	3	24
Total	<u>221</u>	<u>94</u>	<u>315</u>

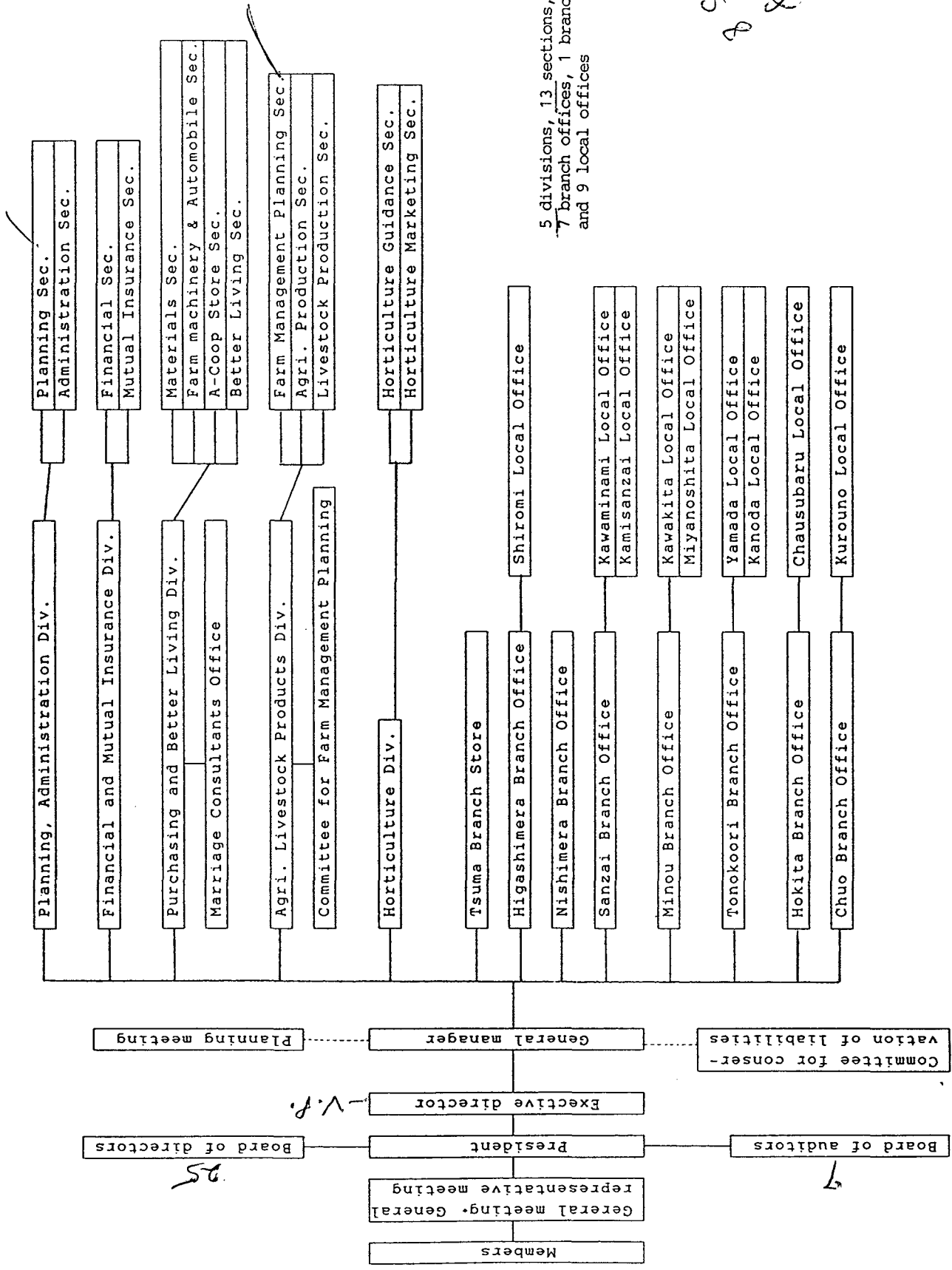
(Contents of employees assigned for guidance section)

Horticulture	11 /	Tea	1 -	} Emphasis of Study.
Fruits	2 /	Agri. production	10 /	
Livestock	7 /	Better living	<u>6 /</u>	
Sericulture	2 /	Farm management	<u>5 /</u>	
Shiitake	1 /	Total	<u>45 /</u>	
Mushroom				

25 directors
 7 Auditors
32 officials

6. Internal organization structure of the society

Chart-12 Internal structure of Saito Agricultural Cooperative Society



5 divisions, 13 sections,
7 branch offices, 1 branch store
and 9 local offices

Handwritten notes:
Saito Agri. Socy.
Saito Agri. Socy.

7. Outline of business of the society

1) Marketing business		(Unit: million yen)
Rice	(136,925 bales ^{30 kg,} [60kg])	1,612 ✓
Paddy seed		126 /
Tea	(139 tons)	196 /
Shiitake	(54.5 tons)	192 /
Cocoon	(35 tons)	91 ✓
Other agri. products		109 /
Calves	(2,186 calves)	1,173
Beef cattle		1,060
Milk	(3,857 tons)	372
Pigs	(9,425 pigs)	259
Broiler	-	-
<u>Green pepper</u>		<u>3,785 /</u>
Cucumbers		842
Leeks		628
Sweet corns		591
Open field cucumbers		382
House mandarins		360
Sweet potatoes		106
Kidney beans		102
Other horticultural products		764
<u>Total marketing turnover</u>		<u>12,753</u>

2) Purchasing business		(Unit: million yen)
Fertilizer		558
Agri. chemical		428
Feed stuff		589
Fuel		1,493
Materials for geenhouse		576
Automobiles		478
Farm machineries		707
Consumer goods		462
Sales of A-coop stores		1,580
<u>Total supply in values</u>		<u>7,734</u>

3) Credit business (Unit: million yen)

Total sum of savings	30,175 ✓
Ordinary savings	5,334
Time savings	22,933
Time accumulative savings	1,600
Special savings	303
Savings for share capital	5
 Total sum of loanings	 9,851

4) Mutual insurance business (Unit: million yen)

Long-term insurance policy inforce	232,775 ✓
New contracts	18,218 ✓
 Automobile insurance	 7,996 cases ✓
 Automobile liability insurance	 3,989 cases ✓

5) Other business

Seedlings nursery centre	125,696 cases
Seeds centre	14,061 bags
Automobile repair workshop	
Regular check up	1,027 cars
Ordinary check up	1,077 cars
Repair	749 cars
 Vinyle factory	 1,870,000 meters
Transportation (H.V. Int. Co)	28,730
	(thousand yen)

8. Organizational activities

1) Agricultural lobbying and publicity activities

The wide range of agricultural lobbying and publicity activities were promoted covering requests for basic agricultural policies looking forward the future prospectives, prevention of import liberalization of farm products, measures for production, distribution, pricing, measures for taxation and so on.

(1) Establishment of basic agricultural policy

Efforts were made for suggesting basic policy looking forward the future prospectives and obtaining necessary budgets.

(2) Implementation of campaign for prevention of liberalization of trade of farm products

Efforts were made to block import liberalization of farm products centering on rice, reduction of customs and relaxation or abolition of some import restrictions.

(3) Measures for rice

Efforts were made to request expansion of policies and consolidation of circumstances for paddy farming in the future on the basis of maintenance of the Food Control Act.

(4) Measures for livestock

In order to expand the production bases, we made efforts to improve the government price support system, distribution system and the price stabilization funds.

(5) Measures for vegetables and fruits

Efforts were made to expand the project for expansion of vegetables and fruits, to increase items of vegetable to be designated by the government as designated producing area to secure stable supply and to stabilize its prices and to strengthen other price stabilization system for fruits and vegetables.

(6) Measures for local special products

In order to encourage production of special products, we made efforts to strengthen measures for production and prices for cocoon, soybean, shiitake, tea and so on.

(7) Publicity activities

Various publicity activities were carried out to obtain better understanding and cooperations to foods and agriculture from consumer and local residents.

2) Youth association

The youth association of the society has involved in activities to deepen awareness as farm successors to protect future agriculture and activities to vitalize the group.

(1) Implementation of study

- a. Training for officials and leaders
- b. Committee for studying agricultural policies and agri. coop.
- c. Discussion meetings

(2) Participation in business of agri. coop.

- a. Delivery of vinyle sheet for greenhouse
- b. Collection of radish for processing
(cutting into fine strips)
- c. Entrusted work by using power disk

(3) Agricultural robbing and publicity activities

- a. Activities to appeal for agricultural policy
- b. Presentation of agricultural products to expand its consumption

(4) Activities to strengthen the organization

- a. Recreation activities (baseball, soft-ball)
- b. Participation in planning of the agriculture festival
- c. Implementation of joint tour with women and rural youths to promote mutual understanding

3) Prime men's group

The group has engaged in the following activities to establish regional agriculture and to improve living through enhancing consciousness of the group members.

- (1) Implementation of study visit to agriculture relating organizations in the prefecture
- (2) Possitive participation in various events
- (3) Implementation of friendship sports assembly to deepen mutual understandings and to promote physical strength
- (4) Implementation of campaign for being punctual

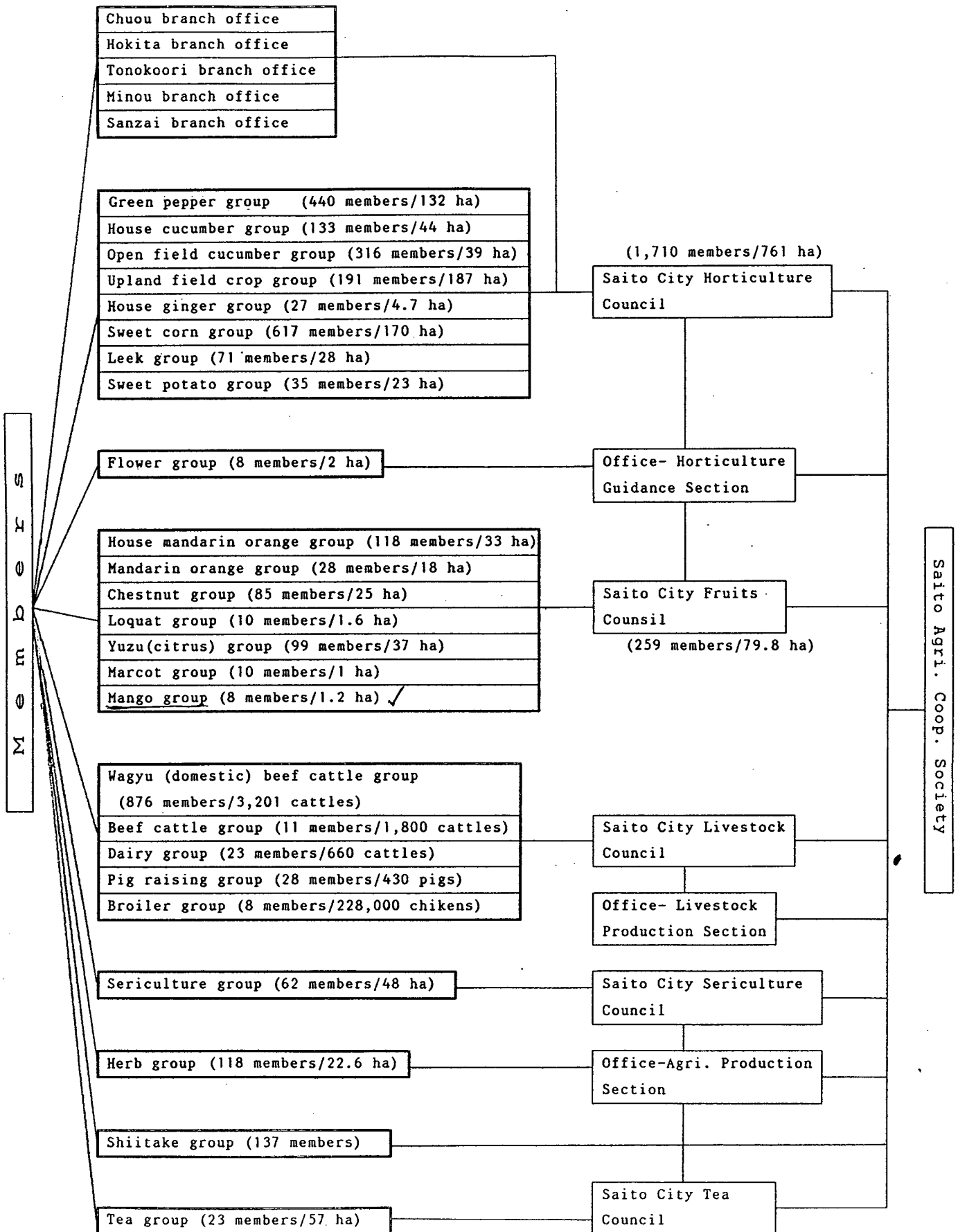
4) Women's association

The association has engaged in various study meetings and trainings in order to acturize the long-term plan for activities of women's association of the agricultural cooperative society.

- (1) The specified studies to strengthen the organization were pushed. The women's association's news bulletin "Hot-line" was awarded the 1st prize continuously for 3 times at the pregectural contest.

- (2) Efforts were also made to foster successors to protect agriculture through assembly for parents and children and activities of young wives group.
- (3) As activities to protect health of members, the association has strongly promoted to increase application ratio for various health screenings and also to strengthen study for advanced age society.
- (4) Study on life designing was held at chapter discussion meeting as a part of activities to protect and to enjoy living.
- (5) Questionnaires and study meetings were held to encourage women's participation in the management of agricultural cooperative as regular members.

9. Organizational Structure of Commodity Wise Groups — Chart-13



10. Measures for Promotion of Regional Agriculture in Saito

The circumstances surrounding agriculture are very much severe as represented by stagnant demand and prices for farm products or import pressures. On the other hand, the decrease of agricultural labour power and advancing part-time farming and aging of farming population are being the causes for weakening vitality in farming villages. To comply with such circumstances, it is necessary to promote reorganization of agricultural producers organizations, improvement of production technology, strengthening distribution measures and also to enhance management capability of farmhouseholds.

Based on the resolution of the 13th congress of Agricultural Cooperatives in Miyazaki Prefecture, we drafted the Measures for Promotion of Regional Agriculture in Saito with long-term prospectives and then we will positively push on the plan.

5 Pillars for development

Tasks	Matters to be implemented	Concrete measures for implementation
1. Creation of villages with vitality	I. Fostering hamlet level organizations and establishment of the compound production structure within a hamlet	(1) Fostering hamlet level organizations (2) Establishment of the compound production structure within a hamlet (3) Promotion of enhancing use of farmland (4) Establishment and promotion of farm management patterns to ensure 5.2 million yen of income target
2. Fostering capable farmers	II. Strengthening activities to foster member's organizations and to obtain farm successors	(1) Fostering commodity-wise group and its leaders ^{20-40,} (2) Fostering farm successors under linkages with youth association, <u>prime men's association</u> and women's association ⁴⁰⁻⁶⁰ (3) Strengthening a function of consultation (4) Strengthening a function of farm management planning and improving capability of farm advisers
3. Sound soil preparations	III. Strengthening measures for local power and establishment of brand producing area	(1) Planned implementation of soil analysis and adequate guidance for fertilizer application (2) Promotion of self sustained farm management and soil improvement measures (3) Establishment of high quality brand commodities as one of major producing areas which will be distributed to wholesale markets, middle men and retailers (super stores) and at the corner of coop. office (4) Establishment of crop rotations
4. Establishment of sound management	IV. Establishment of sound farmhousehold management and promotion of farm book keeping	(1) Promotion of farm book keeping activities (2) Guidance on agricultural taxation by blue return form and strengthening consultation function for taxation (3) Prevention of excessive investment and strengthening guidance for farmhousehold management

Tasks	Matters to be implemented	Concrete measures for implementation
5. Activities to increase agricultural income	V. Implementation of "1-2-3" campaign for farm management to increase agricultural income 10% up in agri. earnings, 20% down in production cost, (X) 30% up in <u>agricultural income</u>	(1) Strengthening close guidance on farming technology (2) Establishment and implementation of action plan to achieve the production plan (3) Establishment of advance purchasing structure based on guidance and improvement of utilization ratio of agri. coop. business (4) Strengthening joint marketing structure (5) Introduction of new technology

② 2.0% Produce cost reduction mainly by pooling of machinery + Jt. use of machinery
Reduce production costs

1) Promotion of campaign for preparation of productive soil

(1) Basic directions and the target

a. Basic directions

Soil fertility is the prime precondition for agricultural productivity and it is recently dropped. The major conceivable causes are single cropping in farm management and high dependency in chemical fertilizers. In order to solve these problems and to make more productive soil, we will promote campaign for preparation of good soil to suit each local condition and plot based on soil examinations so as to produce farm produces with high quality and stable productivity.

b. The target

- i. Adequate guidance on application of fertilizer shall be promoted based on soil analysis
- ii. Establishment of structure to supply manure through mutual linkages between greenhouse products producers and livestock producers
- iii. Improvement of less productive soil, improvement of fertility of soil by increasing application of organic fertilizers
- iv. Soil sterilization by solar heat, and promotion of filling water for pesticide

c. Measures for implementation

- i. Planned implemetation of soil analysis
- ii. Promotion of self sastained farm management and measures for soil improvement
- iii. Establishment of brand high quality products producing area

iv. Establishment of suitable crop rotations

v. Promotion of use of deep tilling farm machinery

2) Directions for adoption of compound farm management

This area is classified into paddy zone, upland zone and mountaineous zone and each zone has unique farm management patterns. Key commodities produced in this area are vegetables (house, open field), rice, livestock, fruits and so on and basically by the adoption of single commodity or plural commodities out of these commodities, the farm management is classified into single commodity management or compound commodity management.

a. Compound commodity management in paddy zone

Paddy field area developed along the Hitotsuse and the Sanzai rivers and there they are producing house vegetables in addition to paddy by forming farming complexes. In the future, further development of producing area shall be promoted by solving some technical problems such as retardation of crop due to continuous production. Also, measures for conversion of paddy field shall be positively promoted and we will establish farm management patterns by adoption of open field vegetables, special products, house fruits and beef cattle through increasing farmland utilization ratio.

b. Compound farm management in upland field zone

In the upland field zone centering around Chausubaru and Sanzaibaru, dairy farming, beef cattle, tea, open field vegetables and tobacco shall be promoted as key commodities while making efforts to highly utilize farmland and to improve soil productivity. Especially, in the Hitotsuse river area, the irrigation facilities for upland field will be completed in 1990 and we will introduce new cropping patterns and crop rotation by using irrigation water, improve yielding and quality of existing commodities and

then we will establish highly productive upland field farm management as farming complex through strengthening production and distribution organizations.

c. Compound farm management in the mountaineous zone

In Nishimera and Higashimera areas, the local special products such as yuzu (citrus) is already stabilized. In the future, through reorganizing production and distribution structure, the compound farm management centering forestry mixed with production of paddy, yuzu, shiitake, vegetables and beef cattles shall be encouraged.

(5) Production plan according to commodities

Table-24 Production plan for ordinary crops and special products

Commodities	1986			1987			1988			1989		
	Area ha	Quantity t	Sum ¥1,000	Area ha	Quantity t	Sum ¥1,000	Area ha	Quantity t	Sum ¥1,000	Area ha	Quantity t	Sum ¥1,000
Rice	1,850	5,267	1,931,226	1,722	4,907	1,472,100	1,722	4,907	1,472,100	1,722	4,907	1,472,100
Paddy seeds	85	350	136,400	75	320	123,200	75	320	123,200	75	320	123,200
Soybean	285	390	101,400	300	420	109,200	320	450	117,000	350	510	132,600
Herb (Saiko)	2.5	1.2	7,200	6	3.4	20,400	10	4.8	28,800	15	6	36,000
Shiitake												
Tea	52	115	145,000	54	118	147,000	55	120	150,000	56	120	150,000
Seedlings	68.7	52.7	94,360	65.6	55.3	99,540	63	53	95,400	62	52	93,600
Total	2,343.2	6,220.9	2,618,096	2,222.6	5,870.7	2,150,040	2,245	5,903.8	2,192,300	2,280	5,966	2,237,000

Table-25 Production plan for fruits

Commodities	1986			1987			1988			1989		
	Area ha	Quantity t	Sum ¥1,000	Area ha	Quantity t	Sum ¥1,000	Area ha	Quantity t	Sum ¥1,000	Area ha	Quantity t	Sum ¥1,000
House mandarin orange	5.7	230	144,000	6.7	280	182,000	8.4	370	240,500	16.5	640	416,000
House loquat	2.4	14.6	26,999	2.5	18	32,400	2.6	20	36,000	2.8	23	41,400
House marcot	0.3	2.6	1,690	0.6	8	5,200	1.1	13	8,450	1.3	18	11,700
House mango	0	-	-	0	-	-	0.2	0.5	500	1.1	3	3,000
House Iyo citrus	0.6	8	2,000	0.6	15	3,750	0.6	18	4,500	0.6	20	5,000
Mandarin orange	39	260	10,400	38	260	10,400	36	260	10,400	35	260	10,400
Yuzu (citrus)	13	76	24,663	12.5	130	35,650	13.5	142	38,300	15	158	42,650
Chestnut	25	33	12,540	25	40	15,200	25	40	15,200	25	40	15,200
Total	86	624.2	222,292	85.9	751	284,600	87.4	863.5	353,850	97.3	1,162	545,350

Table-26 Production plan of vegetables

(Unit: ha, ton, 1,000 yen)

Item	1986			1987			1988			1989		
	Area	Quantity	Sum	Area	Quantity	Sum	Area	Quantity	Sum	Area	Quantity	Sum
Green pepper	150	13,389	5,087,820	150	13,000	4,940,000	150	13,000	4,940,000	150	13,000	4,940,000
Cucumber	54	3,100	932,400	57	3,500	1,050,000	60	3,650	1,095,000	65	3,920	1,170,000
Open field cucumber	41	1,200	285,600	55	1,600	380,800	60	1,750	416,500	60	1,750	416,500
Pumpkin	4.5	50	13,850	6.5	75	20,775	9	95	26,315	10	110	30,470
Sweet corn	173	2,100	541,800	230	2,700	196,600	250	3,050	786,900	250	3,050	786,900
Leek	19	1,300	356,200	22	1,500	441,000	25	1,700	465,800	28	1,900	520,600
Ginger	4	102	46,104	4	102	46,104	5	128	57,856	6	153	69,156
Edible burdock	43	620	138,260	50	720	160,560	55	790	176,170	60	860	191,780
Sweet potato	30	324	53,136	35	377	61,828	40	432	70,848	45	485	79,540
Potato for processing	20	288	17,280	25	360	21,600	30	432	25,920	30	432	25,920
Radish for processing	35	1,260	25,200	35	1,260	25,200	38	1,360	27,360	40	1,440	28,800
Ishikawa early harvestable radish	14	140	29,960	20	200	42,800	25	250	53,500	30	300	64,200
Kyojimo	10	122	25,132	12	146	30,076	14	171	35,226	15	184	37,904
Daikichi	1	14	2,576	3	43	7,912	5	72	13,248	5	72	13,248
Okura	18	260	106,340	20	288	117,792	20	288	117,792	20	288	117,792
Chilly	2	25	16,650	2	25	16,650	2	25	16,650	2	25	16,650
Broccoli	6	34	6,800	7	40	8,000	8	45	8,000	10	57	11,400
Melon	0.6	10	3,240	1	17	5,508	1	17	5,508	1	17	5,508
Cut radish	100	240	84,000	100	240	84,000	100	240	84,000	100	240	84,000
Nozawana for processing	3	65	3,250	3	65	3,250	3	65	3,250	3	65	3,250
Hydro culture honewort	0.2	4	1,840	0.2	6	2,760	0.2	8	3,680	0.2	10	4,600
Shallot	8	115	17,250	10	144	21,600	10	114	21,600	10	144	21,600
Egg plant	1	31	9,300	1	31	9,300	1	31	9,300	1	31	9,300
Lettuce	1.7	21	4,830	2	25	5,750	3	37	8,510	3	37	8,510
House kidney bean	5	65	52,000	5	65	52,000	6	77	61,600	6	77	61,600
Open field kidney bean	22	142	49,700	25	162	56,700	27	174	60,900	30	194	69,300
Open field pumpkin	2.5	38	3,800	3	46	4,600	4	3	60,300	5	78	7,800
Sub-total	768.5	25,059	7,657,278	883.7	26,737	7,783,165	951.2	28,102	8,597,733	985.2	28,899	8,796,328
No. of cut flowers	1.6	5,470,000	27,350	1.6	5,470,000	27,350	1.6	5,470,000	27,350	1.6	5,470,000	27,350
Total	770.1	25,059	7,684,628	885.3	26,737	7,810,515	952.8	28,102	8,625,083	986.8	28,899	8,923,678
(No. of cut flowers)		(5,470,000)		(5,470,000)		(5,470,000)		(5,470,000)				

1989年産野菜
 1988年産野菜
 1987年産野菜
 1986年産野菜

Table-27 Production plan of livestocks

(Unit: sum=1,000 yen)

	1986		1987		1988		1989	
	Quantity	Sum	Quantity	Sum	Quantity	Sum	Quantity	Sum
Calf	2,005	707,308	1,950	741,000	2,000	760,000	2,050	779,000
Beef cattle	1,295	926,081	1,100	739,600	1,100	739,600	1,150	782,000
Milk	3,432	315,147	3,192	309,989	3,192	309,989	3,192	309,989
Piglet	218	2,679	240	24,000	260	31,200	260	31,200
Pig	10,500	325,500	11,000	385,000	11,000	385,000	11,000	385,000
Broiler	2,058	545,714	2,058	545,714	2,058	545,714	2,058	545,714
Total	19,508	2,822,429	19,540	2,745,303	19,610	2,771,503	19,710	2,832,903

Table-28 Marketing plan for various commodities (Part-I)

(Unit:1,000 yen)

Fiscal Year Commodities	R e s u l t										P l a n										C v e r s e Insurance ratio								
	1988 (A)					1989 (B)					1990 (C)					1991 (D)					1992 (E)					B/A	C/B	D/C	E/D
	Quantity	Sum	Commissions	Rate	Quantity	Sum	Commissions	R g g	Quantity	Sum	Commissions	R g g	Quantity	Sum	Commissions	R g g	Quantity	Sum	Commissions	R g g									
Rice	139419	1474232	41283	28	136928	1612004	49882	31	141200	1602600	48080	30	141200	1602600	48080	30	141200	1602600	48080	30	1096	994	1000	1000					
Soybean	12225	92547	1752	1.9	6453	47728	1112	23	4054	30400	640	21	5000	37500	790	21	6000	45000	950	21	516	637	1233	1200					
Shiitake	39060	123499	3801	3.1	54530	192271	5780	30	45200	169500	5090	30	47300	179740	5390	30	50700	192660	5780	30	156	88	106	107					
Tea	133526	147745	3266	2.2	139838	195807	4295	22	133000	180000	4140	23	143000	185900	4280	23	146000	189800	4360	23	133	92	105	102					
Cocoon	38805	81009	2042	2.5	35003	91124	2294	2.5	35400	85000	2130	2.5	37000	92500	2310	2.5	38000	98800	2470	2.5	1125	933	1088	1068					
Paddy seeds	15296	125809	5923	4.7	18303	125791	5715	4.5	16400	127000	5700	4.5	17000	131750	5930	4.5	17500	135630	6100	4.5	100	101	1037	1021					
Ground nut	10068	2656	80	3.0	7666	3067	92	3.0	14700	4400	130	3.0	14700	4400	130	3.0	14700	4400	130	3.0	1155	1435	100	100					
Herb (Saike)	4427	26586	798	3.0	8430	50596	1518	3.0	8800	52000	1560	3.0	9300	57200	1710	3.0	10000	61500	1850	3.0	190	1027	110	107					
Others		6170	174			7684	230			9100	280			10000	300			11000	330		1245	1184	1099	110					
Sub-total		2077253	59119			2326072	70918			2260000	67750			2301590	68920			2341390	70050		112	972	1018	101					
Beef cattle	1178	1002972	6841	5.000 4.500	1198	1060000	6945		1256	1118400	7490		1280	1139200	7550		1280	1139200	7550		1057	1055	1019	100					
Pig	2550	74511	728	1.0	2320	65087	650		2420	70350	710		2420	70350	700		2420	70350	710		874	1081	1000	100					
Calf	2070	1013022	14332	1.5	2186	1172620	15603		2200	1135100	15510		2300	1150000	16220		2350	1175000	16570		1157	968	1013	102					
Piglet	334	3712	33	1.8	288	2978	54		318	2970	50		318	2970	50		318	2970	50		802	997	1000	100					
Milk	3627	350035	5589	1.6	3857	372082	5965		3972	381050	6100		4031	386570	6190		4091	392330	6280		1063	1024	1014	101					
Pig raising centre	6918	191303	1913	1.0	7105	194162	1941		7200	208320	2080		7200	208320	2080		7200	208320	2080		1015	1073	100	100					
Broiler	217	99987	217																										
Sub-total		2735541	29653			2866929	31158			2916190	31940			2957410	32790			2988170	33240	1.1	1048	1017	1014	101					
Total		4812794	88772			5193001	102076			5176190	99690			5259000	101710			5329560	103290	1.9	1079	997	1016	101					
Total Market ing Turnover		12491759	294652			12753128	291886			13576190	309690			14189640	324970			14919880	343040	2.3	1021	1071	1039	103					

Agri. Production Sec.

Livestock Production Sec.

Table-29 Marketing plan for various commodities (Part-II)

(Unit:1,000 yen)

Fiscal Year	R e s u l t												P l a n												C r o s s e		
	1988 (A)				1989 (B)				1990 (C)				1991 (D)				1992 (E)				B/A	C/B	D/C	E/C			
	Quantity	Sum	Commi-ssions	Rate	Quantity	Sum	Commi-ssions	Rate	Quantity	Sum	Commi-ssions	Rate	Quantity	Sum	Commi-ssions	Rate	Quantity	Sum	Commi-ssions	Rate							
House green pepper	13514	4135726	113054	27	14655	3785414	94635	25	12642	4089970	102250	25	13034	4170880	104270	25	13499	4319680	107990	25	91	108	101	103			
House cucumber	2802	746672	19532	26	2595	841237	21033	25	3311	993140	24830		3471	1041300	26030		3602	1080630	27020		112	118	104	103			
Open field cucumber	1482	347624	8690	25	1756	382401	9557	25	1521	311840	7800		1710	342000	8550		1710	342000	8550		110	81	109	100			
Pumpkin	109	24284	629	26	82	18228	455	25	22	5310	130		19	3800	100		31	6200	160		75	29	71	163			
Sweet corn	1817	527802	13195	25	1896	590769	14769	25	2098	650440	16260		2214	664200	16610		2394	718200	17950		111	110	102	108			
Leek	1989	627724	16456	26	2190	627836	15895	25	2204	608630	15220		2470	666900	16670		2820	761400	19040		100	96	109	114			
Edible burdock	303	75255	1894	25	333	80841	2021	25	700	170360	4260		720	176400	4410		781	191350	4780		107	210	103	108			
Sweet potato	310	85466	2136	25	427	105789	2644	25	416	102970	2570		405	101250	2530		502	125500	3140		123	97	98	123			
Sweet potato for processing	987	56679	1117	20	589	36108	1278	35	759	34150	850		641	28850	720		534	24030	600		63	94	84	83			
Ginger	196	45111	1127	25	119	37303	932	25	163	46300	1160		173	48440	1210		173	48440	1210		82	124	104	100			
Taro potato	391	60447	1518	25	296	64439	1610	25	498	95780	2390		504	97690	2440		504	97690	2440		106	148	101	100			
Cut radish	251	136886	3563	26	236	91945	2320	25	244	92890	2320		251	95300	2380		251	95300	2380		67	100	102	100			
Radish for processing	4289	95303	4308	45	4462	98193	2777	28	4600	82800	2070		4750	85500	2140		5000	90000	2250		103	84	103	105			
Kidney bean	203	129353	3407	26	175	102319	2558	25	247	115060	2880		282	129720	3240		282	129720	3240		79	112	112	100			
Okura	153	72129	1803	25	174	70766	1769	25	262	115820	2890		288	126720	3170		317	139480	3490		98	163	109	110			
Chilly	37	36738	961	26	37	32099	802	25	65	54900	1370		80	68000	1700		80	68000	1700		87	171	123	100			
Tomato	14	4961	134	27	5	2821	70	25	22	10180	250		31	14260	360		31	14260	360		56	361	140	100			
Melon	126	45196	1142	25	140	48587	1214	25	112	40910	1020		126	45990	1150		189	68990	1720		107	84	112	150			
Flower (chrysanthemum)	444,000	33283	929	28	399,000	19266	481	25	599	33850	850		567,000	31,750	790		567,000	31,750	790		57	175	93	100			
House mandarin	261	203709	5092	25	500	359901	8997	25	826	549720	13740		900	598500	14960		1200	798000	19950		176	152	108	133			
House loquat	15	26988	706	26	9	13701	342	25	96	13440	340		103	14420	360		121	16940	420		50	98	107	117			
Yuzu (citrus)	147	28275	752	27	145	28102	702	25	124	24800	620		150	30000	750		210	42000	1050		99	88	120	140			
Marcot	13	6570	196	29	13	7372	184	25	82	4920	120		171	10260	260		202	12120	300		112	66	208	118			
Mango	01	242	6	25	1	2162	54	25	35	4200	110		114	13680	340		176	21120	530		893	194	325	154			
Others	428,000	14061	383	27	579,000	17123	428	25	1,904,000	47590	1190		6,750,000	168750	4220		6,750,000	168750	4220		88	204	140	106			
	987	112481	3150	27	813	95405	2483		5879	100230	2510		7458	156080	3900		8408	178770	4470		88	204	140	106			
Total	872,000	7678965	205880	26	978,000	7560127	189810	25	2,503,000	8400000	210000		7,317,000	8930640	223260		7,317,000	9590320	239750		98	112	105	107			
	30,3961				31,648				31,7894				33,0035					35,0007									

Horticulture Marketing Sec.

11. Rules for Green Pepper Producers Group of Saito City
Horticulture Promotion Council

Article 1. Objectives

This group aims at enhancement of economical development of the group members through promotion of increasing production, unification of quality to uplift merchandize power of green peppers and through promotion of full utilization of the agricultural cooperative channel for joint marketing.

Article 2. Name of the group and its office

This group is named as Green Pepper Producers Group of Saito City Horticulture Promotion Council and its office is set at the head office of Saito Agricultural Cooperative Society.

Article 3. Business

In order to achieve the objectives as mentioned in Article 1, the group shall engage in the following business activities with close liaison with relating organizations.

- (1) Examination of excellent varieties, its production and checking out packaging materials
- (2) Study and examination of farming and management technologies
- (3) Implementation of joint marketing of the products
- (4) Matters relating agreement on labour cost for transportation and packaging works
- (5) Other necessary matters to achieve the objectives of the group

Article 4. Officials

- (1) The following officials shall be appointed for the group, the period of the duty of official is 2 years and they are possible to be re-elected.

Chairman 1, Vice chairman 1, Auditor 2
a few committee members

- (2) Committee members shall be selected from each branch office level of the cooperative
- (3) Chairman of the group shall be decided based on mutual recommendation by the committee members
- (4) Officials are possible to receive remuneraries within a limit of the budget

Article 5. Duties of officials

The chairman shall represent the group and shall administrate the accounting of the group. Vice chairman shall support the chairman and shall work for the chairman in case he is absent.

Employees of agricultural cooperative in the head office shall engage in office works and accounting of the group.

Article 6. Meetings

Meetings to be held by the group are committee meetings and general meeting. The account settlement shall be discussed and decided at committee meeting, however, if necessary, they can hold temporal general meeting. In the effect for meetings, more than half of participation in the general meeting and more than 2/3 of participation in committee meeting are necessary to hold the meetings and to approve resolutions.

Article 7. Members of the group and their registration

Members of the group should be also members of agri. coop who are registered in the green pepper producers group and who can implement planned production and joint marketing of the group and also positively cooperate to this rule.

Article 8. Participation and resignation

- (1) Those who want to participate in the group have to submit registration form to the chairman after approved by the committee.
- (2) In case the group member violates this rule or converted crops or stopped production of green peppers, the committee can resign or exclude him from membership under examinations at committee meeting.

Article 9. Expenses

The expenses of the group shall be procured from membership fees and various assistances. The amount of the membership fee and timing for collection shall be decided at committee meeting.

Article 10. Fiscal year preiod

The fiscal year period of the group is starting from 1st August up to 31st July in the next year.

Article 11.

Other necessary matters than discribed in this rule shall be decided by the chairman after examination at committee meeting.

Article 12.

Revision of this rule shall be decided at the general meeting.

Additional rules (1) This rule is to be forced from 1st August, 1973.

(2) Membership fee shall be paid by the end of _____ every year.

5th ICA/Japan Training Course for Strengthening Management of Agricultural
Cooperatives in Asia
March 1 ~ April 24, 1991, Tokyo Japan

28/3

Management of Member's Organization
of Agri. Coop. Case Study on the
Mikkabi-cho Agricultural Cooperative

MSrch. ~~April~~ 28, 1991

By Mr. Atsushi Kuroyanagi
General Manager,
Mikkabi-cho Primary
Agricultural Cooperative

Part I

Overview of the Mikkabi-cho Primary Agricultural Cooperative Society
(As of, March 31, 1990)

1. Overview of the area of operation

1) Land area (Size of the governing territory)

70.24 km² , extended in north to south direction by
10 km and in east-west 10 km

2) Cultivated land area 1997 ha

of which citrus 1,744 ha, paddy field 240 ha and
the others 13 ha

3) Number of households 3,758 (No. of population: 16,486)

of which 1,568 households have domicile within 1.5 km²
697 households within 3.0 km
1,528 households longer than 3.0 km

4) Annual average precipitation 1,880 mm
(Average temp 16.2℃)

5) Chapters (Hamlets) 33
of which number of urbanized chapters 11

6) Amalgamation

- merger of municipalities in 1955
- merger of two primary agri. coop societies in March 1961

7) Financial institutions in the town

The Shizuoka bank 1, credit bank 1, post offices 2

8) School

Primary school	5	Junior high school	1
Senior high school	1		

2. Outline of the agri. coop

1) Facilities

Head office, branch 1, citrus grading centre, large warehouse for fertilizer and feed, large warehouse for materials, agri. chemical warehouse, agri. warehouse, agri. machinery centre, livestock whole sale market, Farms (2), Automobiles repair work shop, Petroleum station (2), Kumiai Market (Super store) (2), Orchid nursery centre, Farm guidance centre, Training centre for physical fitness, wire-broad casting station (MBS), Special product centre, Special cram school, coin laundry. Land area of head office 66.600 m².

2) Officials & employees

- Officials

Full-time directors	2
Part-time directors	15
Auditors	5

- Employees

General manager	1
2 departments, 15 sections and one branch	

3) Supporting member organizations

Members of general representative meeting	396
Hamlet leaders	33 (those representing each chapter),
Noji leaders	33 (leaders of 207 advisors)
Committee member for operation of repair work shop	33
Chapter leaders of women's association of agri. coop	28
(Han leaders	175, members 1,600),

Leaders of youth organization of agri. coops	17	(members 220)
Young citrus study group members	14	
Citrus shipment members	1,087	
Representative committee member of citrus	26	(Han leaders 172)
Study group of greenhouse production of mandarin orange		24
Committee for livestock producers	110	
Members of beef-cattle raising group	40	
Members of pig raising groups	57	
Members of broilers raising group	11	
Members of vegetables and fruits growing groups	82	
Members of orchid nursery group	23	
Members of kiwi growing group	190	
Members of asparagus growing group	50	
Members of melon producers group	30	

In each of these groups there are study circles or committees and also research groups meant for farming women.

OB's group of youth association (members 60)

Study group on the drafting of master plan of agri. coops agriculture promotion plan

Committee for the promotion and planning of agriculture,

Committee for the promotion of health control,

Committee for the marriage consultation.

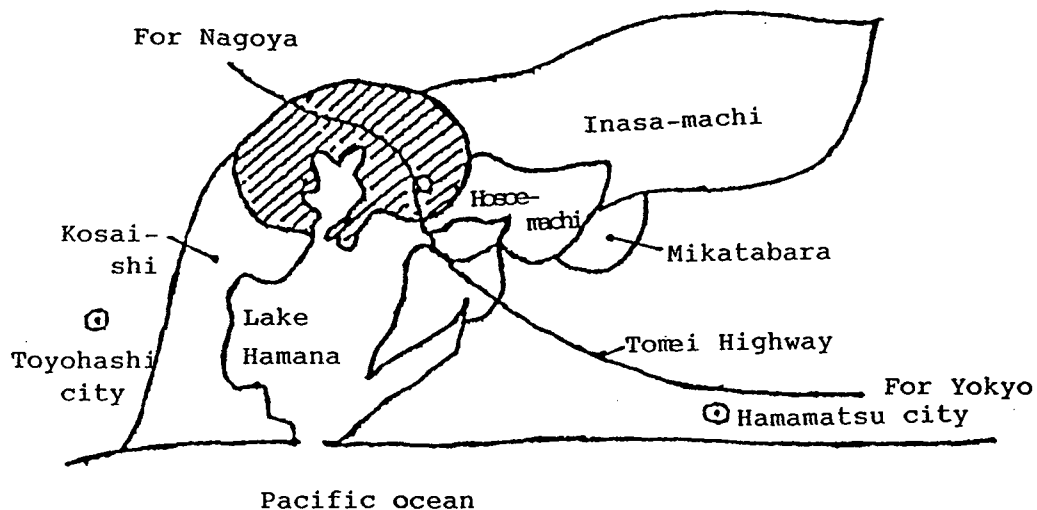
Target for main business

(Unit: billion yen)

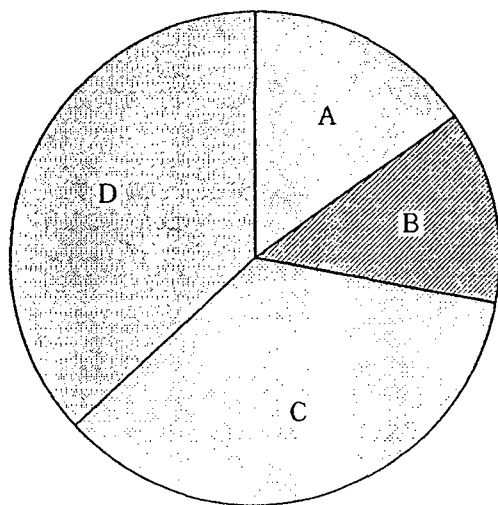
Savings	31
Loans	7.3
Mutual insurance	241
Marketing	9.5
Purchasing	7.7

Map in the district

50 min. for Hamamatsu city by car, 40 min. for Toyohashi city



No. of households by types of farming in 1990

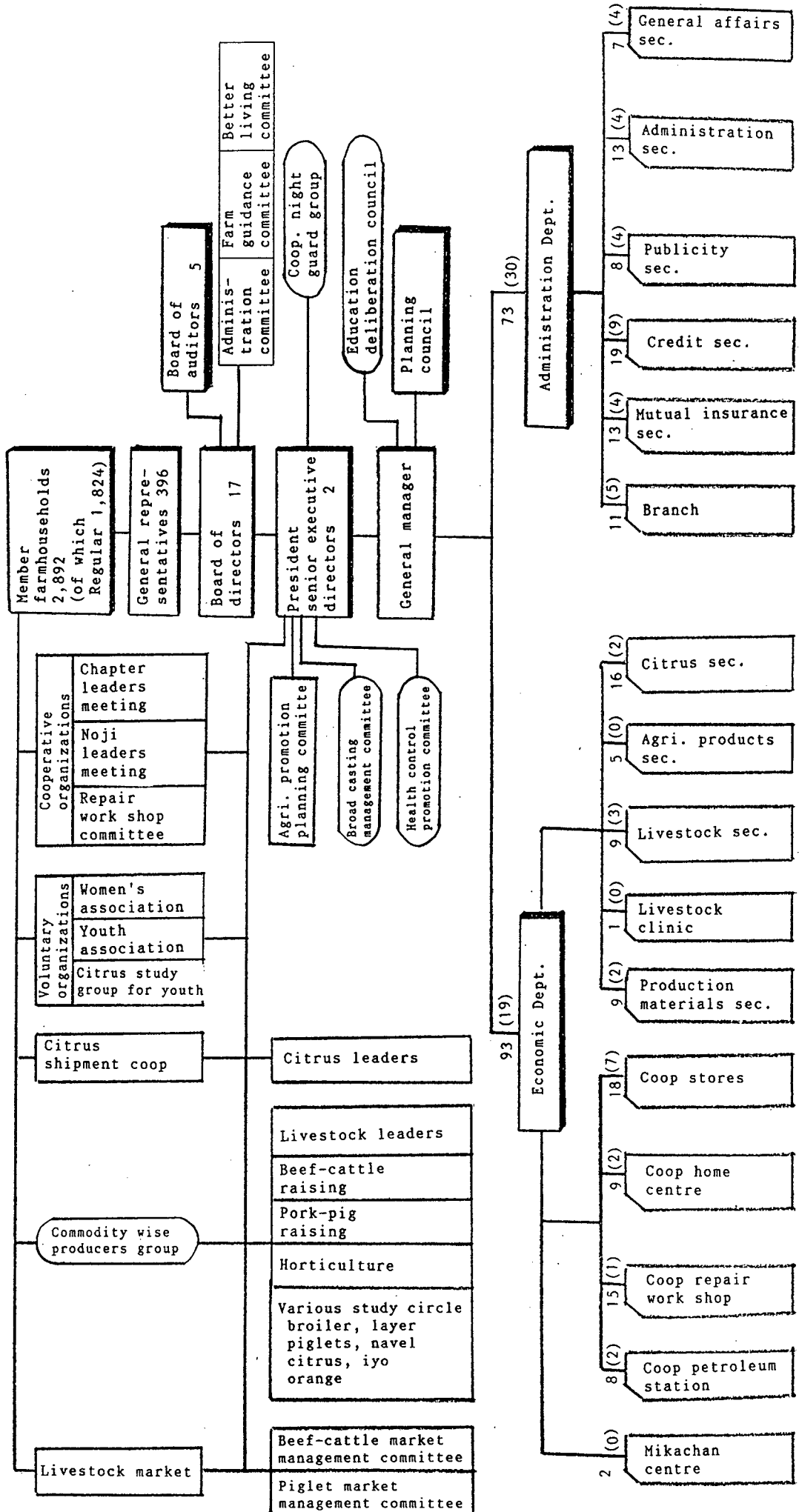


A : Full-time farmer	440	(15.2%)
B : Part-time I	370	(12.8%)
C : Part-time II	1,014	(35.1%)
D : Associate members	1,068	(36.9%)
Total	2,892	

Organization and internal structure

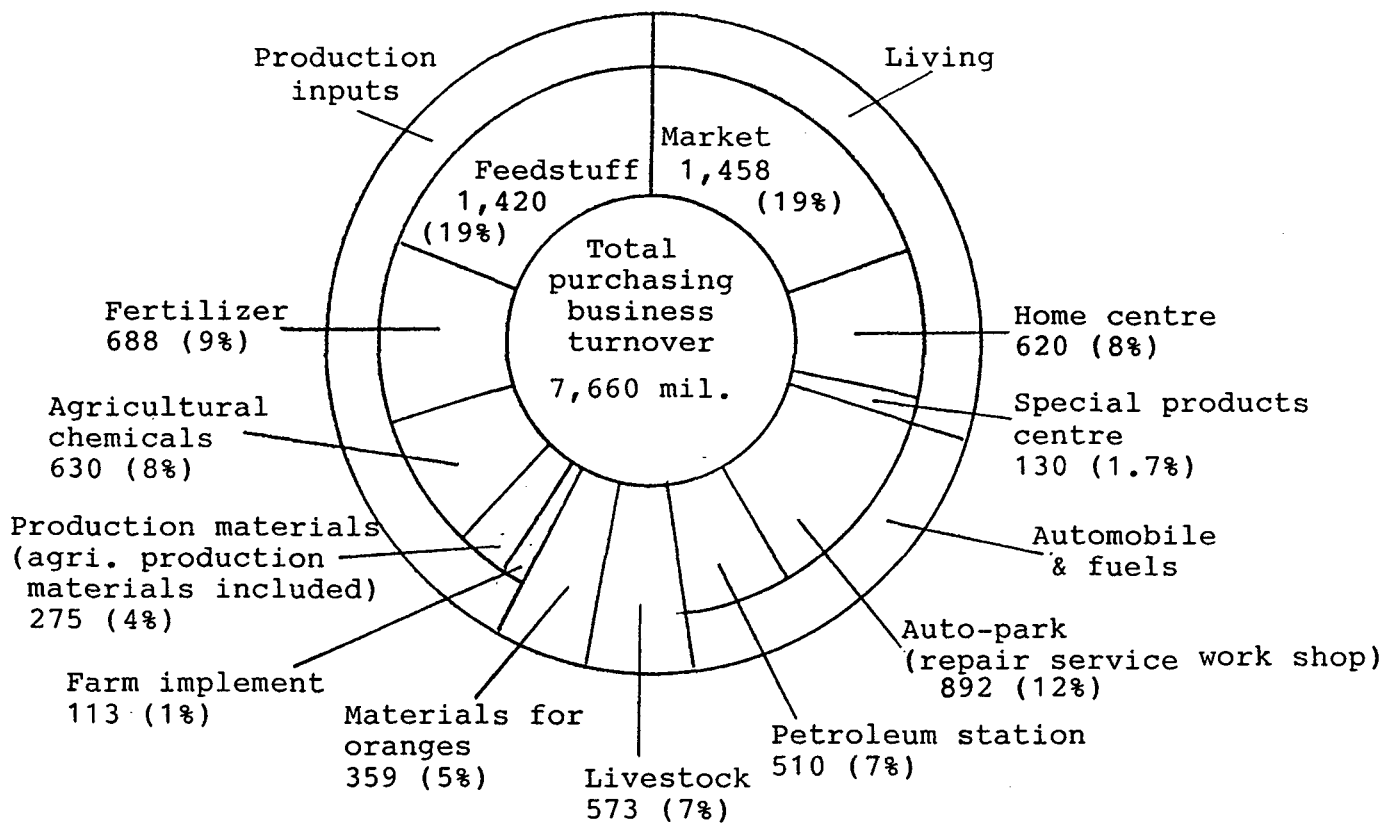
(as of April 1, 1990)

- No. of full-time directors 2
- No. of male employees 126
- No. of female 50 persons

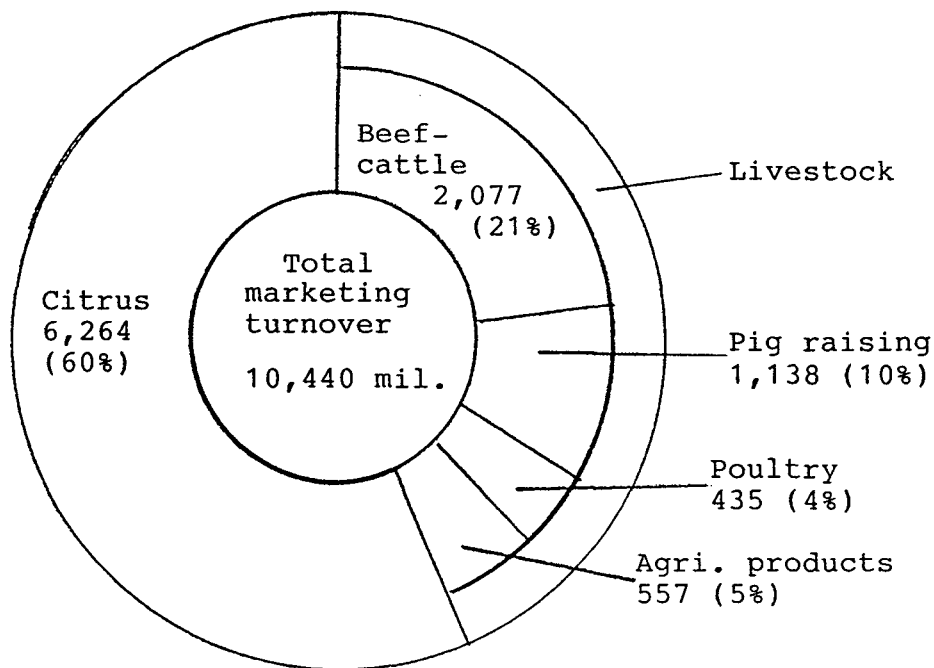


Total purchasing business turnover

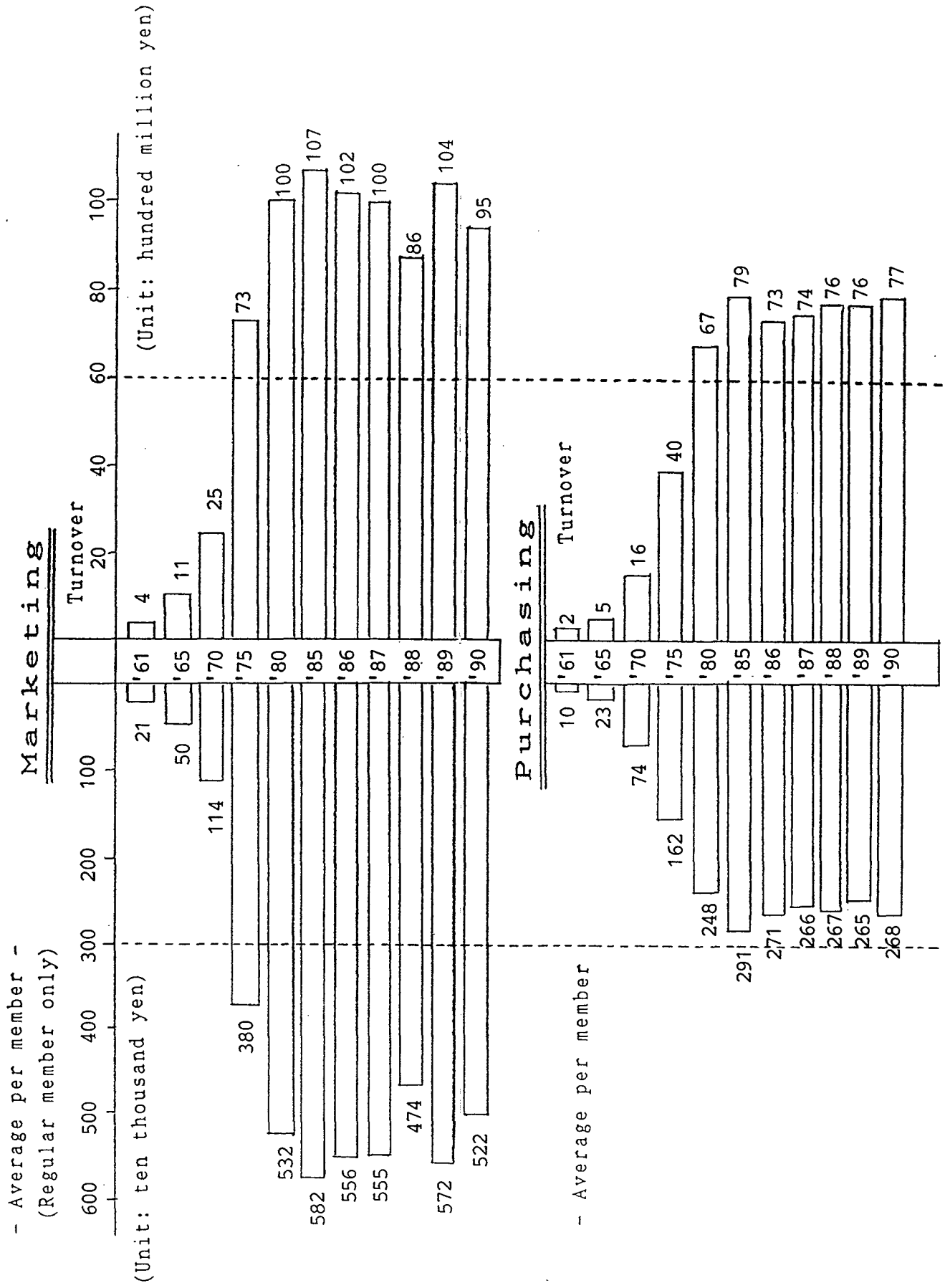
(Unit: million yen)



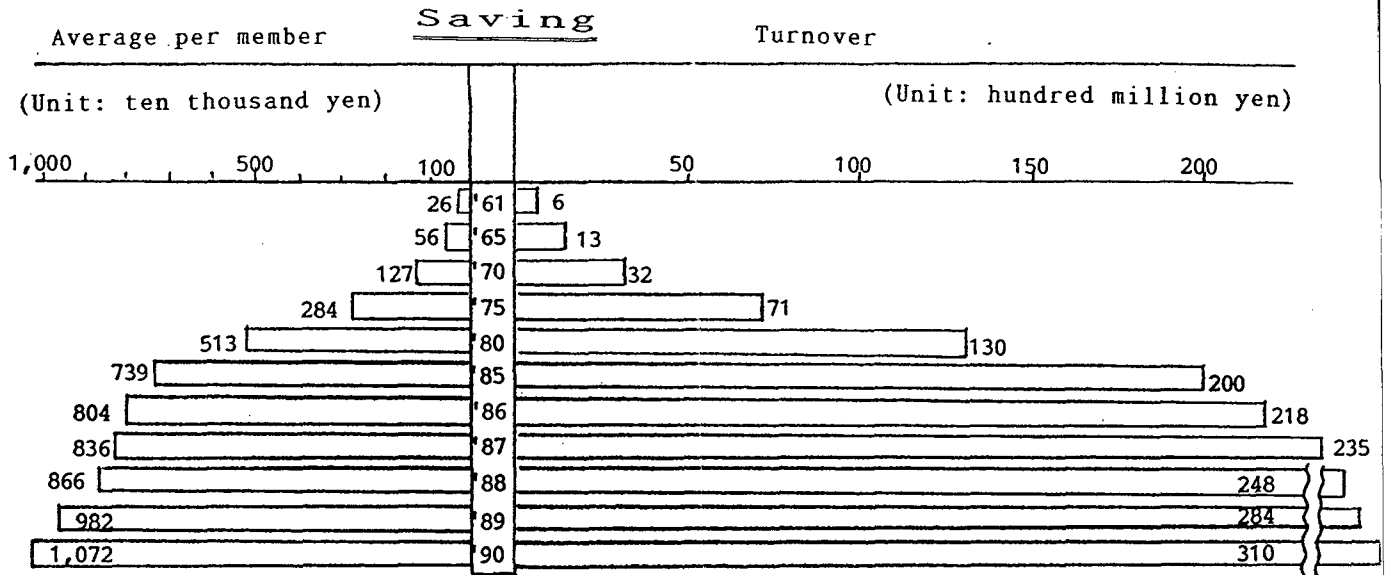
Total marketing business turnover



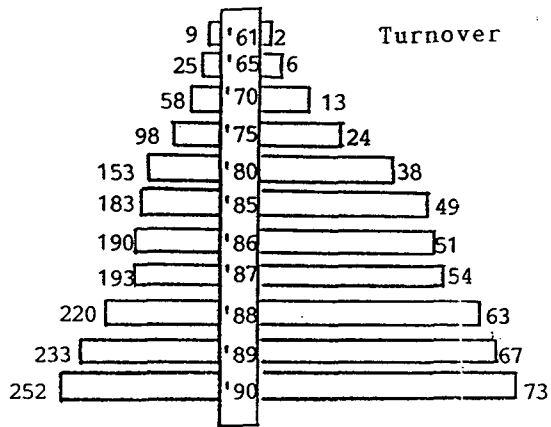
Total purchasing business turnover



Changes in the principal business turnover



Loans



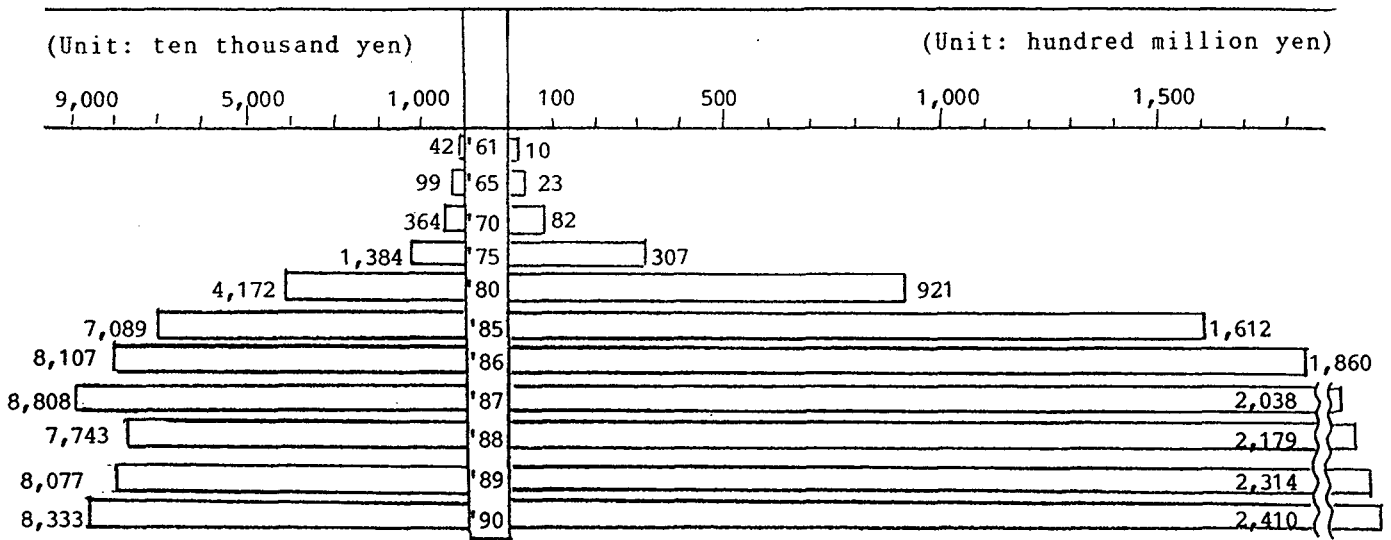
(Unit: thousand yen)

	Savings	Loans
Whole country	6,280	1,520
Shizuoka Pref.	6,920	2,130
Mikkabi	9,820	2,330

Average
per member

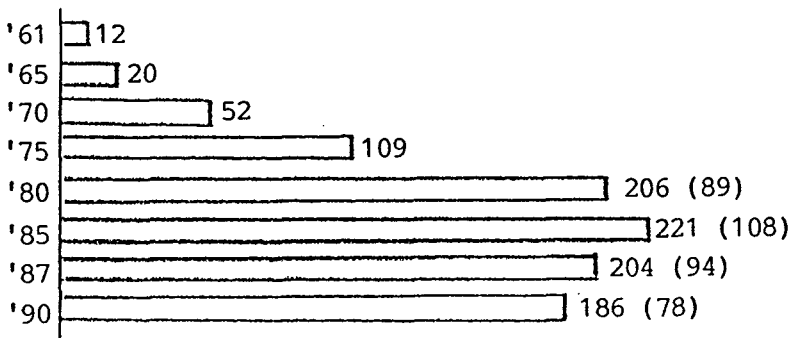
Mutual insurance

Turnover



Changes in the share capitals per member

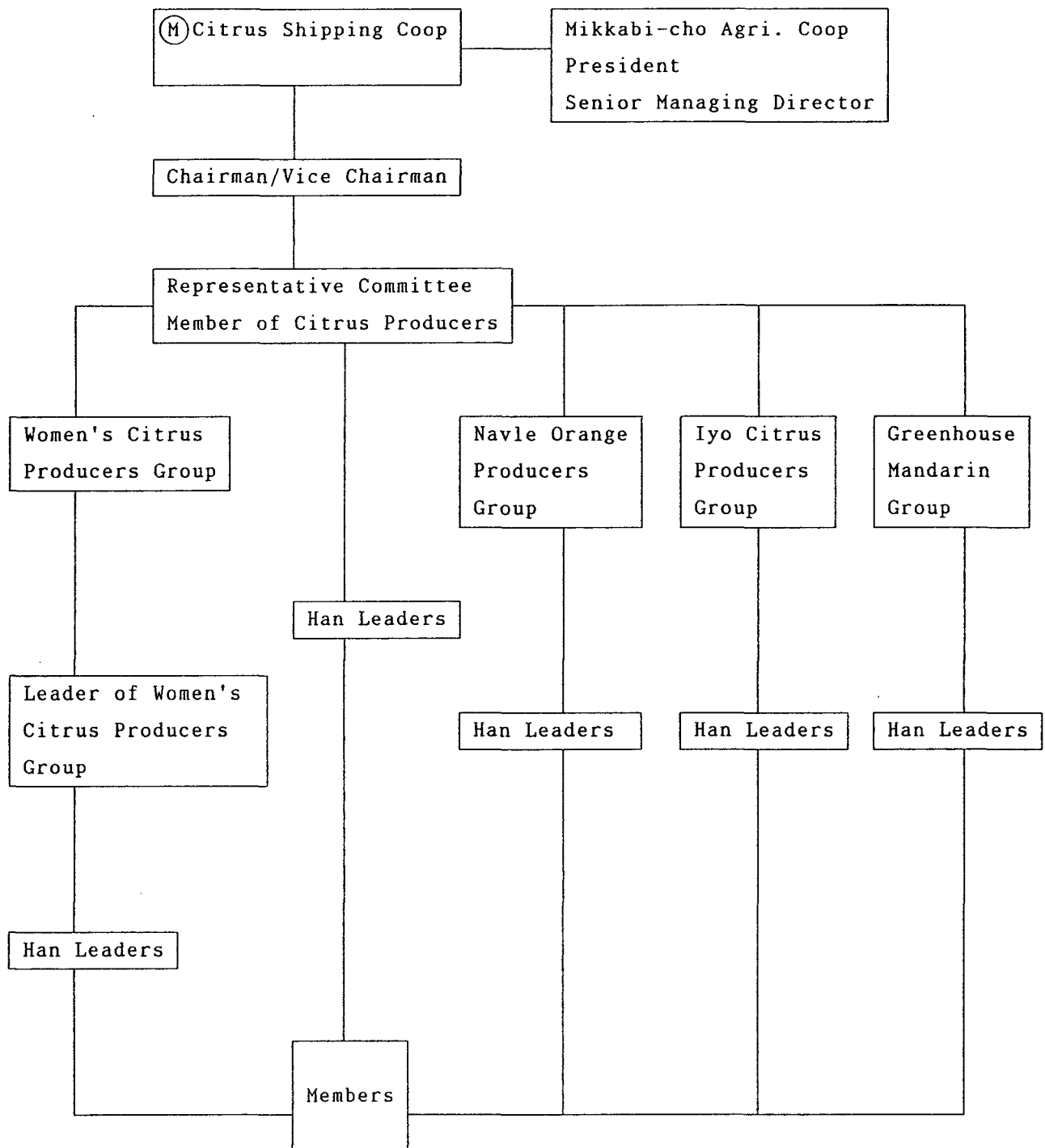
() shows revolving capital
(Unit: thousand yen)



Trends of number of members

Year	No. of persons
1961	2,584 /
1965	2,572 /
1970	2,526
1975	2,507 /
1980	2,532
1984	2,661
1985	2,713
1986	2,765
1987	2,814
1988	2,865
1990	2,892

Organizational Structure of (M) Citrus Shipping Coop



Shipping cycle of mandarin orange

Mon. Tue. Wed. Thu. Fri. Sat. Sun. Mon.

1. Members ○ Submitting order of shipping sheet to Han leader

2. Han leader ○ Collection of orders and submitting them to representative committee member

3. Representative committee member ○ Collection of orders and submitting to citrus section of the coop

4. Citrus section of coop. ○ Collection of orders
Liaison with wholesale markets
Inspection of shipping to each representative committee member

(Decide date and time of shipping every one hour according to volume of order for shipment in the next week)

Name of producer: _____

Date: _____

Time: _____

Quantity: _____ kg

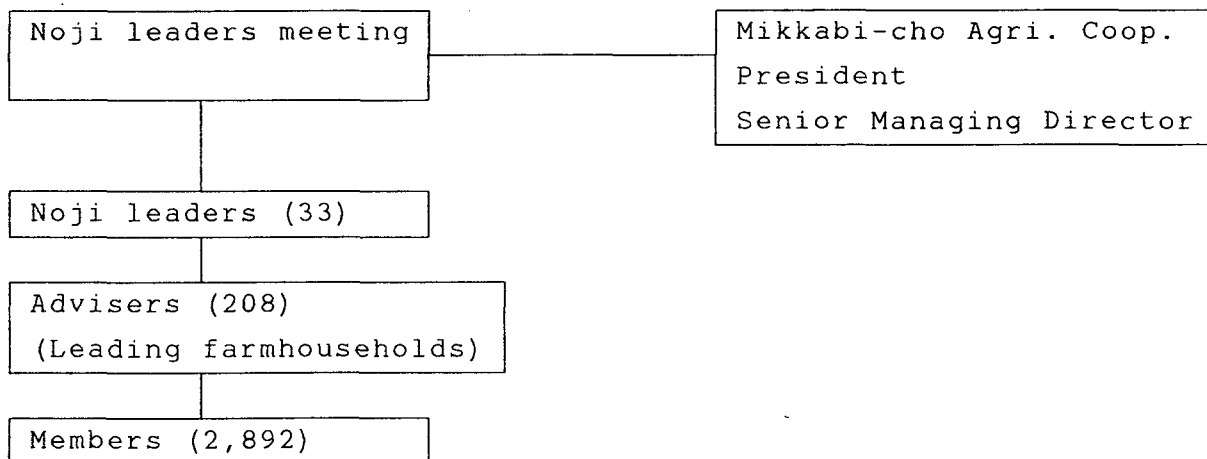
Allowance of decrease or increase is within 5%

Agreements

1. Members shall order expected quantity of shipment for the next week to han leader by the evening of Tuesday.
2. Han leaders shall collect orders from members and submit them to representative committee member of the chapter by the evening of Wednesday.
3. Representative committee members shall collect orders for shipping within their chapter and apply to citrus section of agri. coop by 9:00 a.m. of Thursday.
4. Citrus section of the agri. coop shall collect applications for shipment in the next week from all chapters and make plan for shipment to each designated wholesale market.
5. Instruction of shipment shall be passed from representative committee members to han leaders and then from han leaders to members.
6. Members shall bring mandarin orange to agri. coop's grading and shipment centre according to the decided schedule from Monday to Saturday.

Organizational structure of Noji leaders meeting

└─(Agricultural affairs)



Explanation on situation of fertilizer business,
design of fertilizer and methods for advanced order
system

Nov. Collection of advanced order sheets at each chapter
by advisers

Dec. Follow up by production material division, and farm
advisers in charge of citrus production to those
farmhouseholds ordered less quantity judging from
their management scale

Jan.~ Feb. Blending and delivery of spring fertilizer by labour
contribution of farm advisers

Accounts for fertilizer shall be settled from savings
of the members after three months

Date for settlement of the account 15th June

May Blending and delivery of summer fertilizer
Settlement of the accounts → October

Sep. Blending and delivery of autumn fertilizer
Settlement of the accounts → January

Indication sheet for shipment

Name of chapter	Code number of member	Name of member
Varieties	Date of shipment	
Grade	Month:	Date:
Pooling	Hours: 00:00 ~ 00:00	
	Indicated quantity	

Please show the sheet at the entrance and submit the sheet at
the exit of the grading centre

Bill of receipt of mandarin orange

Members code No.		No. of receipt	Name of member
	Weighing number	Weight	
Total weight			

For bending

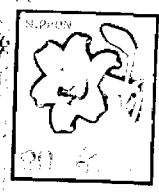
1 2 3 4 5

B rix							
4L	3L	2L	L	M	S	2S	3S

Pool No.	Date of shipment		Year	Month	Date
Capacity of shipping package			No. of packages		
15 kg	30 kg	20 kg	Cases		
Name of varieties		Grade			
		Higher than fair	Out of grade	Marutoku	
Code number of the box					

The Institute for the Development
of
Agricultural Cooperation in Asia

4771 Aihara-cho Machida-shi Tokyo 194-02 Japan
cable address: IDACAINASIA
TEL: 0427-82-4331



BY AIR MAIL

Evaluation table of mandarin orange

①

Major varieties		Early harvestable variety							
Items for evaluation		More than 110	More than 100	More than 90	More than 80	More than 70	More than 60	More than 50	Less than 50
Points for evaluation	Ranking (points) Grading								
	Higher than blue mark Marutoku	%	%	%	%	%	%	%	%
Sugar content (higher than blue mark)		Excellent	Superior	Good	Blue mark	Average			
Colour		Just right	Right	Fair	Inferior	Bad			
		%	%	%	%	%			
Out looks		Just right	Right	Fair	Inferior	Bad			
		%	%	%	%	%			
Quality		Just right	Right	Fair	Inferior	Bad			
		%	%	%	%	%			
Home grading		Just right	Right	Fair	Inferior	Bad			
		%	%	%	%	%			

②

Items for reduction of points	Yellow colour	Acariasis	Greasy spot
	Light blue	Canker	Care for quality
	Blue in the back	Damaged by chemicals	Care for storage
	Affeted by wind	Aspergillus rot	Care for treatment
	Tall shape	Fly speck	Decayed calyx
	Rough skin		
	Abnormal shape of hilum		Mixed with blue mark
	Yellow tea thrips	Separated skin	Mixed with marutoku
	Melanose	Wilted	Mixed with fruits for processing

③

	Grade	Excellent	Superior	Fair	Blue mark	Marutoku	Total
	Size	%	%	%	%	%	%
Ratio of shipping classified by size and grades	4L, 4L						
	3L, 3L						
	2L, 2LA						
	L, 2L						
	M, LA						
	S, L						
	2S, M						
	3S, Small						
	Total						
Average sweetness per month (higher than blue mark)		September	October	November	December		
Average shipping ratio	Month	September	October	November	December		
	Standards						
	higher than blue mark	%	%	%	%		
	Marutoku						
	Total						

The Mikkabi-cho Primary Agricultural
Cooperative Society

Part II

1. The Mikkabi-cho Primary Agricultural Cooperative Society
(see another paper attached)

2. The history of Mikkabi-cho Agricultural Cooperative Society

The history of Mikkabi-cho Agricultural Cooperative Society starts off through the amalgamation of Mikkabi-cho Agricultural Cooperative and Higashihama Agricultural Cooperative in April 1, 1961. Before that, in August 1947, their predecessors, the Mikkabi-cho Agricultural Association and the Higashihama Agricultural Association were dissolved by the enactment of agri. coop law and in May of 1948 these new Agricultural Cooperatives came into being. Thus 38 years have passed since the establishment of the present Mikkabi-cho Agricultural Cooperative.

- (1) Bankruptcy of the Agricultural Cooperative and stoppage of savings refundment

Before the amalgamation of cooperatives, the former Mikkabi-cho Agricultural Cooperative stopped its refundment of savings on the noon of May 21, 1951. It went through a painful experience of bankruptcy. At that time, the members of the cooperative were 1500 people. It had produced a deficit amount of 12 million yen, equivalent to half of the total savings deposited with the coop which was 24 million yen. The government inspector decided that management of the cooperative could not continue under this condition, and stopped the refundment of savings. The main cause for this deficit was the bad debt from uncollected money in sales of "mikan" and "tatami mats" which are special products of the society. Another minor cause was the inferior goods inventory of purchase goods inherited from the days of the pre-war coop. The abnormal inflation after the war, the shift from a controlled economy to a free economy, the deterioration of merchandiser's morals, inadequate management ability of the management personnels and other leaders aggravated the situation. Because the deficit amount was half of the total savings amount, half of the money received from the members was money that the cooperative could not use. If the remaining half of the fund was used internally along with fixed assets, the amount of money to operate financially would be limited.

Thus the cooperative was in such poor condition that it could not even afford to pay saving interests.

On noon of May 21, 1951, all the employees were gathered and were reported about the management conditions from the government inspector of the prefectural office.

They were told "Your cooperative will stop refundment of savings from this noon " and all the employees listened in amazement.

The workers who heard this became worried. "What would happen to the cooperative members ? ", "There is no money for them to depend on living from tomorrow, the whole town will be in panic ".

Within one hour, cooperative members heard about the situation and rushed into the cooperative. People filled with anger threw thins and yelled "Give me back my saving", "You thieves!", "Apologize!" "This is the result of slip-shod administration !".

Afterward, day and night, meetings of officials, each organization and general meetings were held to discuss a countermeasure.

(2) Reconstruction of the Agricultural Cooperative

If the cooperative is disorganized, only half of the 24 million yen saving will be restored.

Some suggested that if the members united to reconstruct the management, they would be able to recover from this deficit. So there was a debate whether reconstruction or disorganization would be the best solution. As a result, they reached the conclusion that they would reconstruct the cooperative under certain conditions.

The following year, on December 12, 1952, the agricultural cooperative re-started work under the following conditions:

1. Abandonment of saving interests accruing to members' savings { during the period of closure.
2. Until the average new saving amount per household reached 5,000 yen, per hamlet, moratorium of withdrawal of the deposited savings was decided (5,000 yen is equivalent to two months payment of a freshman salary worker.)
3. Gather special contributions of 700 thousand yen per year, a total of 3.5 million yen over 5 years. (700 thousand yen is equivalent to the project management fee for 1 year.)

4. a 3.8 million yen compensation through the joint responsibility of officials.

Breakdown;

President: 2.5 million yen

Managing Director: 200 thousand yen

Director of Citrus: 200 thousand yen

Part-time Director and Auditor: 20 thousand yen

(For reference: personnel cost per person in 1 year was 32,000 yen)

5. Disposal of fixed assets (2 million yen)
6. Because of cause of collapse was in dealing "mikans" and "tatami mats", the organization would not deal with these items anymore.
7. Expansion of members use of various services

It was not easy to win the approval of others concerning this restructuring proposal. However, the heated discussions contributed to laying the valuable groundwork for the reconstruction of the agricultural cooperative. During the reconstruction process, the most active group was the Youth Organization of Agri. Coops. They were creative and were quick to take action. They made compound fertilizer on their own at the agricultural cooperative to avoid purchase from merchants and promote the purchasing business competing with the fertilizer merchants, they went around each district showing films and promoted the participation of family members in the agricultural cooperative. Because there was only a few television sets at that time in a village, people of all ages gathered to see the films. However, as television sets diffused in most homes, this film show by cooperatives was finished. The womens' association of agri. coop formed so-called "mothers-in-law society" and relieved the mother-in-law who would always be at home finding fault with the daughters-in-law. Old men also joined in resulting in the establishment of the aged.

Furthermore, the agricultural coop enhanced communication with its members by holding talk sessions frequently in each area. As for the operation of the coop, they took steps to make its management known to its member so that the people would always know what is going on with publication of papers such as the Nokyo News (Agricultural coop news bulletin) and improving the business reports by making it easy to read, including many photos.

Through rationalization of work and introducing machinery in the office, they succeeded in cutting expense costs keeping the business management expenses from growing.

In this way, the coop reconstructed itself through such strenuous efforts for improvement.

(3) Start dealing with "Mikan" (mandarin orange)

Since one of the conditions for the reconstruction of the society was not to deal with "mikan" and "tatami mats", the number of "mikan" merchants rapidly increased in Mikkabi-cho after the collapse of the agriculture cooperative in 1951. Some of the large scale "mikan" growing farmers while marketing "mikan" produced from their own farmland, they also bought up "mikan" produced by other farmers for selling to merchants.

Such "Niwaka Shonin" (Instant merchants) increased a lot.

The agricultural cooperative members had to purchase fertilizer and agricultural chemicals with a price offered by the merchants and "mikan" they produced was bought up with a cheap price by the merchants because the merchants could easily beat down the price. Because of this situation, the agricultural cooperative members came to a conclusion that even though withdrawal from marketing "mikan" was a condition for reconstruction, it was necessary for the cooperative to deal in "mikan".

Thus they submitted a petition to the general meeting of the society in 1958, and it was decided that the cooperative would start marketing "mikan" again.

However, the society failed for the first two years in marketing "mikan". Member farmers always tended to make choice for selling between "mikan" merchants and the agricultural cooperative in terms of price, etc.

The merchants visited to the farmers households, looked at the quality of the "mikan" on the spot and bought up all good quality products and left the low grade one.

The farmer would then ship the remaining low grade "mikan" to the society. As a result, the society had to market low grade mikan which caused decrease of the average price.

Furthermore, the agricultural coop adopted a consigned marketing method on the other hand, "mikan" merchants adopted a buying in method. When the market price showed a sign of going up, merchants bought up "mikan" with the price after 3 days or 1 week at the market. However, as the society adopted a consigned marketing, they bought up "mikan" with the price of the previous day for collection and grading and shipped them in the following day. In the account settlement, the price per kg for the day would be calculated. In this case, the merchant's price includes extra-earnings while the society receives less profits.

On the contrary, when the market rate showed a sign of declining, if the merchant purchases from the farmer at the present price and sells it to the market, he would lose money. Also, if they purchase from the farmers, taking into consideration the future decline in prices, they would have to purchase at a low price. Thus merchants do not purchase from the farmers under these conditions. This caused the farmers anxieties and they shipped their product to the agricultural coop. with low price.

As for the agricultural cooperative, this situation hinders them from making shipment plans and to make advantageous marketing. Discussion were held at the Board of Directors meeting to study the marketing system. As a result, a policy was adopted in that through the full-utilization contract system, farmers who would ship to the agricultural cooperative society would ship their whole products to the society. Those who want to sell to merchants, would sell exclusively to merchants.

Also, rather than the agricultural cooperative directly dealing with the "mikan", they made a volunteer association which would have autonomous operation and control.

(4) Establishment of Maru-M Citrus Shipment Association

In 1960, the Maru-M Citrus Shipment Association was established which would be in charge ranging from production to shipment and marketing of "mikan", the main product of Mikkabi-cho. This association was positioned as an independent volunteer association from the agricultural cooperative society, however, in terms of organizational structure, it is one of the cooperating organizations with in the society.

This association voluntarily agreed upon the following regulations as their statute with the agricultural cooperative society.

1. The member of the Maru-M Citrus Shipment Association is to be a member of the Mikkabi-cho Agricultural Cooperative Society and whom contracts to ship all his citrus produced in his farm land.
2. To become a member of the association, a collateral is required and the agreement of more than 2/3 of the Maru-M Citrus Association members of each hamlet (Chapter).
3. Those who violate regulations of Maru-M Citrus Association, will not receive the settlement account (10% reserved capital of the total net income pay), and will be excluded from membership of the Maru-M Association.
4. Those who withdraw or have been excluded from membership, will not be allowed to re-join the Maru-M Association for at least 5 years.
5. The shipment quantity of each shipment period and pooling account period is to be reported in hamlet (chapter) units of shipment members. The actual shipment quantity has to be within a +5% quantity of that reported. If the actual shipment quantity surpasses this limit, the chapter will not receive activity aid funds. Furthermore, they will be penalized by paying a fine of 20 yen per kg.

The above regulations were voluntarily decided by the Maru-M Association to reinforce the joint marketing system and its solidarity.

As a method to promote membership into the Maru-M Citrus Shipment Association, talk sessions were held in each hamlet, with the leadership of the sales manager of each hamlet. Officials (the agricultural coop directors & auditors) were to take the initiative in members.

Among the 21 officials (directors and auditors) at that time, only 16 of them became members. So the remaining 5 officials did not become members. They still had anxieties for shipping their total products to the agricultural cooperative society. Some even thought that it might be more beneficial to sell to merchants. Directors who belonged to hamlets, which produced much in quantity, did not become members. As a result, the overall membership of coop. members in the Maru-M Citrus Association of those hamlets which produced much was low.

This was an unfortunate situation. Out of the total citrus producing farmers, 154 people contracted membership, which was only 12%.

The Maru-M Citrus Shipment Association which had a tough beginning, went through various trials and was able to ultimately establish the "Maru-M Mikkabi Mikan" brand name of today.

The 154 members of the Maru-M Citrus Association shipped, from September to April, all their production with careful plan. The rest of the producers sold to merchants or shipped the products by themselves to the market and competed against each other. After shipment and marketing was completed for one year, people found out the average proceeds per kg and they discovered the merit of joint marketing. Thus, the next year membership grew to 665 people, the following year 827 people, and 1,019 people in the third year. Today, the Maru-M Citrus Shipment Association has a membership of 1,122.

The joint marketing ratio of Mikkabi-cho, which marks 82% of the total production and the establishment of Maru-M Mikkabi Mikan brand which was sold to the consumers at the reasonable price in Japan was not achieved overnight. It took them years to increase their production in order to keep the reputation as a production center of "mikan". The unification and solidarity of the officials was also a big factor which contributed to the success of the Maru-M Association.

The primary condition for wining trust was the continued shipment of a set quantity, at a set time from the Production Centre → Wholesale market → middleman → retailer → consumer.

"Emphasizing sales at strategic points and ensuring stable supply" was a basic policy the Maru-M shipment association kept along with the producer cooperative members for 27 years. Because this policy was successful, the Maru-M Mikan was able to establish itself as a brand. However, for the long-term survival of this brand, it is important to properly grasp the taste preferences, tendencies and changes in the distribution system. Based on this knowledge, the Maru-M association would improve the quality if necessary and always strive for a stable supply of fresh and good tasting mikan.

3. The Management of the Maru-M Citrus Shipment Association

As shown on supplementary (1) the management of Maru-M Citrus Shipment Association is executed by the representative committee, with great importance attached to its autonomous nature. As a result, it differs from other commodity-wise groups in that the attendance of the full-time directors; advisors is only upon necessity or whenever there is a request from the representative committee.

The Management Division Citrus Section takes charge of the office work and accounting and the secretary general is the chief of the Farm Management Division. The chief of the Farm Management Division, the chief of the Citrus Section and the section in charge attend the representative committee meetings to hold conferences.

4. The regulations and the outline of the Maru-M Citrus Shipment Association are as stated as in the page 11 - 20.

5. Commodity-wise Groups other than Citrus

Apart from the Citrus Shipment Association there are following commodity-wise groups the members of the society; Livestock group, Pig-raising group, Beef-cattle raising group, Broiler group, Orchid group, Fruit & vegetable group and Kiwi-fruit group. These group have agreement to use fully the business of agricultural cooperatives autonomously by the member groups.

Apart from these groups there are research and study groups, agricultural cooperative women's association and youth associations.

The agricultural cooperative carries out farm management guidance and aims at the cost-down of the farm inputs by joint purchase of fertilizers, farm chemicals and feed-stuffs.

The farm management advisors are grouped according to commodities and give technical advise and guidance on all matters ranging from production to shipment, with very good results. However, a large number of farm households of Mikkabi-cho are not producing only a single farm product, but they are mostly multiple product management.

In order to supplement the general management guidance, together with specialized guidance, a consultation room has been set up, focusing upon farm management planning section and livelihood guidance, serving as the communication bridge with the members.

6. The organization of the members

(1) Chapter Directors

There are organizations of region-wise members together with the organization of product-wise members. With administrative districts, there are 33 community units (hamlet) called "Chapter" with sub-organizations of 263 neighbourhood associations called "HAN".

As the representative of 2,713 members, there are 396 delegates and each chapter has a member of representative. He is called "Director of Chapter". The pipeline for transmitting information for such matters as the agriculture cooperative business report runs from the agricultural cooperative → chapter director → member of representative → members.

A monthly meeting of the Director of Chapters are held where the details of the management of the agricultural cooperative and its business reports are discussed. Each Director of Chapter holds a monthly meeting of the delegates in his own chapter when the information from the agricultural cooperatives is reported, and opinions of the farmer members or any demands to the agricultural cooperative are reported by the member of representatives.

Each delegate reports to its Han members about the business activities of the agricultural cooperatives and puts together all the opinions & demands to the agricultural cooperative.

The pipeline here is from members → Delegates (representatives) → Director of Chapters → Agricultural Cooperative.

In July, every year, discussion meetings called the " Tea Room Meeting " are held in the homes of the members of representatives. These discussion sessions are considered as important media of communication with the members as it is at these discussions that reports on closing accounts and business activities of the agricultural cooperatives are reported and discussed further and at the same time opinions and demands of the members are heard.

There is also a general training programme set up for the members of representatives once a year in order to make them realize the full responsibility as members of representatives.

(2) Head of Agricultural Activity in the Chapter

Each chapter has a Head of Agricultural Activity in the Chapter together with the Director of Chapter, and each HAN has a Liaison Advisor. It is an organization that gives guidance on agricultural production and technology and takes orders for joint purchasing of such production materials as fertilizers chemicals and also carries out collection of rice.

A monthly meeting of the Head of Agricultural Activity is held when such matters as the current agricultural situation and the arrangement for joint purchase of production materials are discussed. The Heads then advise the Liaison Advisors of each HAN to convey the information acquired and to carry out joint purchase. Each Liaison Advisor then visits each members' household in order to take orders for production materials such as fertilizers and agricultural chemicals. The orders are sent out to the Head of Agricultural Activity in the Chapter which in turn is sent in to the Agricultural Cooperatives.

The Agricultural Cooperative makes orders accordingly from the prefectural federation and delivers them to each farm household.

As regards production guidance, each chapter has its own discussion groups and holds actual training on the spot.

There are in addition, such essential communication media as wire-broadcasting and monthly cooperative bulletins.

7. Establishment of the Necessary Facilities

There is a ¥ 3.2 billion investment in the fixed assets of Mikkabi-cho Agricultural Cooperative Society.

On this approximately 7 hectare property, nearly all the necessary facilities have been set up around the main office.

In order to enhance the marketing power of the Agricultural Cooperatives, the greatest efforts have been put into the grading center of its main product, the mandarin orange.

There is also a livestock market under the direct management of the Agricultural Cooperative in order to promote the livestock business. The piglets and beef cattle reared in Mikkabi-cho are marketed 100% via this market. They market about 22,000 piglets and 4,300 beef cattles every year.

For the promotion of beef cattle rearing, a beef cattle rearing comple are set up where each of 5 farm households are rearing 100 beef cattles.

The facilities are built by the Agricultural Cooperative and the farm households bear the depreciation cost of the fixed assets and interests. Once the repayment is completed, the facilities are handed over to the farm households without any compensation. In the while of Mikkabi-cho 46 farm households are rearing 4,600 beef cattles.

Apart from this, there are pig rearing centres , orchid nursery centres, melon complex being operated.

Again, there are such facilities under the direct management of the Agricultural Cooperative, such as the farm management centre, farm machinery centre, automobile repair workshop as well as facilities for every day life such as cooperative super store, home centre , petrol stand, wire-broadcasting, training centre, special products centre and cram schools. All these facilities, with an exception of a few, are mostly centered around the main office. In reality , the agriclultural cooperative is the centre of agricultural development as well as that of livelihood.

These centres will continue to improve in its functions in order to improve the agricultural production and the livelihood of the members.

8. Regulations of the Mikkabi-cho Citrus Shipment Association

established	Sept. 20 1960
revised	Sept. 16 1963
"	Sept. 15 1965
"	Augu. 3 1984

- Article 1 This union shall be called the Mikkabi-cho Citrus Shipment Association with its office at; Mikkabi-cho Agricultural Cooperative 885 Mikkabi, Mikkabi-cho
- Article 2 The aims of the Association shall be towards the mutual profits of the members of the association, and the establishment and the strengthening of the Mikkabi-cho Agricultural Cooperative Citrus Marketing System.
- Article 3 The members of this Association are the members of the Mikkabi-cho Agricultural Cooperative who contract shipment of the whole citrus products to the society
- Article 4 Application for membership to this Association shall be done by filling in and signing the designated application form with one guarantor. Application during the business year shall not be accepted.
- Article 5 The organization of this Association is as follows; There shall be one representative, one assistant representative in each hamlet, and a chief of HAN. The representatives of hamlets shall represent the hamlets and the chief of HAN shall represent the HAN each taking charge of their respective areas.
- Article 6 This Association shall be composed of the following officials and secretariats
1. Chairman - 1 elected at the General Assembly
 2. Vice-chairman-1 "
 3. Committee representative - few elected by the hamlets
 4. Advisors - few elected at the General Assembly
 5. Secretariats - few composed of the Citrus Sales Section members
- Article 7 The term inservice of the officials shall be 2 years Re-election is possible.
- Article 8 The chairman of the association shall represent the Association and carry out business in general. The vice-chairman assists the chairman and in case of his absence, the vice-chairman will take charge.

Article 9. This Association shall have General Assembly and Committee Meetings
General Assembly shall be held once a year. But an extra ordinary General Assembly shall be convened by the Chairman, as required. It shall come into effect with an attendance of 1/2 or more, and resolution shall be passed with a majority vote. However, the Committee Meeting has the power to make decisions in case of urgency or The Committee Meeting shall be called upon by the Chairman of the Association and shall be held on requirement for the purpose of the smooth run of the business.

Article 10 The committee meeting shall be composed of the Chairman and Vice-chairman of the Association and committee members.

Article 11 Should any member hinder in any way the order of this Association, the following penalty regulations may apply in accordance with the decisions of the committee.

- 1. Secondary settled account shall not be paid
- 2. Advice for withdrawal or dismissal of membership

Article 12 The accounts of the Association shall be entrusted to the Mikkabi-cho Agricultural Cooperative.

Article 13 The business year of the Association shall start in July 1st and end on June 30.

Article 14 Supplementary clause

- 1. Alterations & abolitions to this regulation shall be decided at the General Assembly
- 2. This Regulation shall be put into effect as of August 3, 1984.

established Sept. 28 1960
revised Sept. 16 1962
Sept. 10 1963
Sept. 1967
Sept. 1972
Sept. 1974
January 1976
August 1 1984

9. - The outline of the Mikkabi-cho Citrus Shipment Association
Business Operations -

Outline:

The aim is towards the improvement of the system of joint marketing and better business results. This is promoted by setting up strong hamlets.

HAN organizations and joint responsibility system to strive, together with the producers themselves, towards regular and smooth collection of commodities. Decreasing production costs and promotion of advantageous sales by members of Mikkabi-cho mandarin oranges through flexible plan of joint shipment and pooling account.

1. The Operation Policy

a) A statement of expected production mid - September

The amount of production is to be reported collectively so that the early harvest variety of green house orange can be shipped successively from late September to mid-December.

The amount of production of the regular products is also to be reported collectively. In reporting, the representative committee members will gather together.

b) To submit a plan of individual shipment in early December

Each member will submit to the hamlet representative the monthly statement of shipment plan from December to April.

A revised statement, in accordance with inquiry on stock may be accepted when the necessity arises.

c) The responsibility of collection of commodities lies with the hamlet representative

Collection will be done at hamlet levels and in principle, the planned monthly shipment will be carried out according to the wishes of the individual who has seat in the statement. However, should there arise a situation whereby it will be more advantageous to either suppress or increase the planned amount of shipment, the original plan may be adjusted upon holding a committee meeting.

- d) Shipment of other low grade citrus products will be decided on separately.

2. Method of Evaluations (Grading)

The assessor will be an employee of the Association, and recognized by the committee. The evaluations shall be done on point adding system. Evaluation will always focus upon the quality of the commodity, such as size, shape and quality. In order to carry out the evaluation smoothly.

3. Management of Workshops

- a) The chairman of the Association shall be responsible for the management of the workshops
- b) It shall aim at higher efficiency and lower costs

4. Method of marketing

Marketing for external markets

- a) In principle, the commodity shall be shipped to wholesale companies designated by the Shizuoka Citrus Federation of Agricultural Cooperatives.
- b) In case of marketing to other areas than the above-mentioned, it must be recognized by the committee meeting before - hand
Cash sales shall be excluded in this case.

Local sales

- a) Cash-sales will only be transacted with trust-worthy whole salers and retailers.

5. Pooling Account

Early harvest variety of citrus

- a) Joint shipment of one group of hamlets desiring shipment shall be considered as one pool.

Ordinary citrus

- b) The committee will decide upon the period of the pooling account according to requests for shipment.

6. Payment of the marketing account

- 1) Within one business year

a) Advance payment

The amount paid shall be the amount added to the unit price per kg as decided on by the committee for the shipment within one year.

b) Primary settlement of accounts

Early harvest variety

The account is to be settled without delay after the close of marketing with deducting 10%

Ordinary variety

The account is to be settled without delay after the close of marketing, except for 10% of the total.

c) Secondary settlement of accounts

The settled account of 10% of the balance shall be paid after gaining recognition by the committee, on completion of the marketing.

2) Early harvest variety and ordinary variety

Primary settlement of accounts

On completion of the marketing, 90% of the payment shall be paid as primary settled account.

3) Secondary settlement of accounts

The settled account which will be the 10% of the balance, shall be paid following the completion of the marketing of citrus products, upon recognition by the committee.

7. Payment of the Third settlement of account

The incentives from wholesale markets and the estimated other surplus funds are to be paid at the end of the business year. But there will be ¥ 30 million put aside as 5 year revolving fund (Reimbursement shall begin from the 6th year successively)

8. Hamlet Activity Funds

In order to have a smooth run of the hamlet organization, ¥0.12/kg per shipment and ¥0.05/per member shall be paid. Payments are to be done in December, March and May.

However, 20% of the actual sales of the previous year shall be paid in advance.

9. Commissions to the Agricultural Cooperative

The amount as set by the committee shall be paid.

10. Grading Centre Depreciation Cost of Fixed Assets

The amount as set by the committee shall be paid as Depreciation Cost of Fixed Assets for Grading Centre

11. This outline of business operations can be abolished or altered with the authority of the representative committee meetings.

12. This outline shall be effective after January 1976.

5 Articles of Maru-M Shipment Association Mikan Selling

Article 1 We are all to strive for the shipment of good quality mikan. We are to support the characteristics of "good color, good taste, and lasts long".

Article 2 We are to get rid of seefishness and strive all for the solidarity of the Maru-M organization. Do not think "I have a small role to play, thus whatever I do will not have much impact". (The individual has a big role to play).

Article 3 Let's obtain reliability from the market by strictly implementing planned shipment. Strive for a producing center that will be trusted by the market and middlemen.

Article 4 Let's increase the market share by producing mass amounts

Article 5 Let's sell "reliability" to the consumer and be responsible until the end.
Let's give careful care to the product until it reaches the consumer.

Account Settlement of Mikan

1. Advanced Payment Method (for amount sold within 1 year)
 - a. Shipment plan sheet advanced payment(1st time: mid October, 2nd time: beginning of November, Payment through deposit accounts of members)
 - b. Account settlement is conducted after sales of previously shipped mikan is completed.
(A 10% account settlement deduction method by pool calculation)
2. Account settlement of mikan to be carried over to the following year
(a 10% account settlement deduction method by pool calculation)
Payment through deposit accounts of members.
3. Secondary Account Settlement
10% payment in case of early or ordinary harvest variety after completion of the marketing
4. Tertiary Account Settlement
Reserve fund--- incentives received from wholesale market, citrus federation and mutual help association, transfer of surplus of direct expenses and ball carton cost

Production Dates, Dealing Dates and Number of Association Members
(Joint Marketing)

Year	Congress of Agri.Coops	No. of members	Amount	Sales turnover (10 mil. yen)	Sales turn-over per farm household (10 thousand yen)	Nation wide production yield (thousand yen)	Prefectural production yield (thousand yen)
1960	1	154	1,627	10.5	22	894	195
1961	2	665	3,822	34.0	52	876	193
1962	3	827	5,372	54.0	65	892	190
1963	4	1,019	4,507	49.0	48	974	171
1964	5	1,247	12,705	95.0	76	1,229	239
1965	6	1,253	8,497	86.0	68	1,331	235
1966	7	1,268	11,560	104.0	82	1,750	315
1967	8	1,302	13,570	132.0	102	1,605	302
1968	9	1,305	17,123	134.0	101	2,352	341
1969	10	1,339	16,765	182.0	137	2,038	355
1970	11	1,339	18,228	169.0	126	2,552	373
1971	12	1,318	22,285	231.0	176	2,488	359
1972	13	1,307	31,369	218.0	167	3,568	456
1973	14	1,300	26,581	217.0	167	3,389	424
1974	15	1,261	25,541	274.0	211	3,383	400
1975	16	1,256	35,906	318.0	252	3,665	421
1976	17	1,254	25,734	404.0	330	3,088	348
1977	18	1,223	38,991	419.0	343	3,539	414
1978	19	1,222	30,484	433.0	355	3,026	331
1979	20	1,190	43,385	388.0	325	3,589	393
1980	21	1,184	35,618	518.0	367	2,892	2956
1981	22	1,171	32,684	532.0	398	2,841	346
1982	23	1,159	40,891	523.0	323	2,864	307
1983	24	1,144	33,287	509.0	336	2,870	305
1984	25	1,333	23,333	577.0	407	2,008	213
1985	26	1,122	33,620	627.0	432	2,491	261

Item	Commission	in case of fiscal 1985	Amount re- turned	
1. market commission	7 %	175 yen	0.9% 22.50	The amount returned is allotted to tertiary account settlement
2. related commission	1 %	25 yen	0.15% 3.75	
3. mutual aid reserve	0.5 %	12.50 yen	0.5% 12.50	
4. Carton box		120 yen		
5. transport cost		100 yen	0	
6. direct expense	5.8yen/kg	87 yen		
7. depreciation	2.0yen/kg	30 yen	0	
8. association	2.0 %	50 yen	0	
9. fund for price compensation	1 yen/kg	15 yen		
		614.50 yen		2,500 -614.50 = 1,885.50 1,885.50 + 15 kg = 125.7 kg 125.70

5th ICA/Japan Training Course for Strengthening Management of Agricultural
Cooperatives in Asia
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**Measures for Strengthening Management
Bases of Agricultural Cooperatives**

April 1, 1991

By Mr. T. Aketa
Head of Management Division,
Central Union of Agricultural
Cooperatives

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

Measures for strengthening management bases of agricultural cooperatives

I. Present situation

1. Present situation of agricultural cooperative organizations

(1) Number of members in primary societies (chart-1,2)

The number of members in multi-purpose agricultural cooperative societies in fiscal 1988 was 8,344,000 of which there were 5,554,000 regular members and 2,790,000 associate members. The ratio of associate members to total number of members was 33.4% and its ratio is increasing every year.

(2) Number of multi-purpose agricultural cooperative societies

The number of multi-purpose agricultural cooperative societies has been on the decrease year after year through promotion of amalgamation programme and as a result it has become 3,688 at the end of March 1990.

The average number of members per society in fiscal 1988 was 2,099 and that of employees was 75. However, there are some primary societies with more than 20,000 members and 1,000 employees.

(Reference) Amalgamation Assistance Law *valid until March '92*
(before not known yet)

At present, preferential measures in taxation is taken regarding the amalgamation of agricultural cooperatives. Its contents are as follows.

- 1) Measures for tax exemption on liquidation income.
- 2) Exemption from the obligation of income tax at the source on the income from deemed dividends.
- 3) Measures for acceptance of deficits by amalgamated coop from amalgamating coops.
(In general, it is not accepted)
- 4) Measures for reduction of taxation rate of registration and license tax resulting from assets transfer of amalgamating coops.

(3) Number of employees (chart-1)

The number of employees in multi-purpose agricultural cooperative societies is levelling off at about 290,000. The number of employees in fiscal 1988 was 296,156, showing a slight decrease compared with fiscal 1987.

Recent trends of employees are as follows;

1) Increase of middle-aged and elderly employees

Average age of male employees is 37.4 years old and that of female is 32.7 years old. Thus, middle aged and elderly employees will make progress for a while.

2) Increase of temporary and part-time staffs.

3) Difficulties in employment and the percentage of those employees who quit a job in the middle of their work has been rising.

Employment of newly graduates is increasingly getting difficult, while middle management staff leaving a job halfway is on the increase. Since 1987, the number of the employees who resigned the job in the middle of their works exceeded that of retired employees.

2. Trends of major business turnovers

(1) Credit business

Outstanding savings in primary societies at the end of March 1990 was 51 trillion and 210.3 billion yen and the outstanding loan was 12 trillion and 488.5 billion yen. A serious problem in credit business is the yearly decrease in the ratio of loans to savings which largely affects profits of credit business. Ratio of loans to savings at the end of December 1990 was 23.4% which was unbelievably low compared ed with other financial institutions.

(Reference)

Ratio of loans to savings

1986 Mar.	30.3%
1987 Mar.	28.4%
1988 Mar.	26.7%
1989 Mar.	25.6%
1990 Mar.	24.4%
1990 Dec	23.4%

Flow of funds in credit business by agricultural cooperative organizations is as shown in chart-3.

(2) Mutual insurance business

Business structure of mutual insurance business is as shown in chart-4.

Total long-term insurance policies in force of multi-purpose agricultural cooperatives at the end of fiscal 1988 were 32,763,240 in terms of the number of policies and 26,547,563,046 yen in terms of amount respectively. On the other hand, short-term insurance contracts were 34,650,222 cases and ^{yearly} premium received was 330,229,530 ~~000~~ yen. Both in long-term insurance and short-term insurance, the increase ratio to the previous year is declining year after year, therefore, better services and review of sales promotion methods are needed.

(3) Purchasing and marketing businesses

Trends of purchasing business turnover of multi-purpose agricultural cooperative societies according to commodities are shown in table-1. Purchasing business turnover in fiscal 1988 was 5,038.3 billion yen, of which supply of production materials was 3,085.9 billion yen and that of consumer goods was 1,952.4 billion yen. Supply turnover of consumer goods is slightly increasing every year, however, that of production materials is decreasing. It indicates the fact that reform of management structure in multi-purpose agricultural cooperative societies be essential together with marketing business. As

regards marketing business, its business turnover has been making annual decline due mainly to stagnant prices of farm products. Thus the business turnover in fiscal 1988 stood at 6.1 billion yen. (Table-2)

The chart-5 gives an outline of economic business by agricultural cooperative organizations.

3. Situation of income and revenue by departments

Table three shows the situation of net profits and loss by departments of agri. coops.

It could be noted that while credit and mutual businesses record a surplus, purchasing and marketing businesses tend to be in the red.

II. Policy for the improvement of management bases

The biggest tasks that agricultural cooperative ought to grapple with in their management are deregulation and liberalization of finance because of the internationalization of overall economy.

In the 18th national congress of agricultural cooperatives held in 1988 was mapped out the "basic strategy of agricultural cooperatives looking towards the 21st century. This basic strategy calls for the three policies i.e. the reconstruction of Japan's agriculture responsive to the internationalization, the revitalization of the regional community and the creation of competitive and dynamic management. Following items are related to the third policy.

(1) Fostering of dynamic organizational foundation and management by member farmers' initiative

- 1) promoting the participation of farmers' successors and women as regular members and their involvement in management, thus widening the scope of younger leadership in the cooperative movement.
- 2) Promoting the participation of regional residents as associate member in cooperative.

- 3) Unfolding comprehensive services as cooperatives open to the respective communities.
- 4) Strengthening functions of branch offices of coop in order to further step up ties with member farmers and local residents and thereby evolve various services in a comprehensive manner.
And also circle activities making use of hobbies will be undertaken by organizing group of farm families with all their needs taken up.
- 5) Strengthening educational activities for school children (elementary, junior high, senior high) as well as for farm successors.

(2) Management control

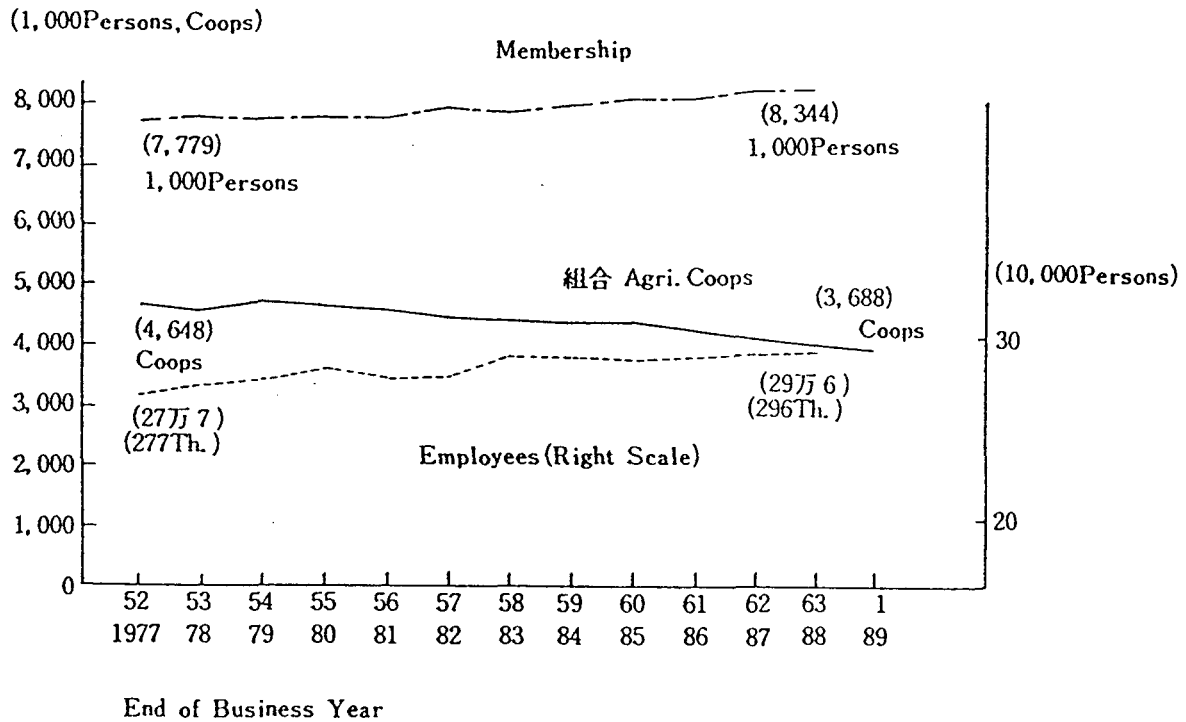
- 1) Reinforcement of business execution system and planning & research departments.
- 2) Establishment of long term management plan in order to renovate management structure.
- 3) Improvement of revenue and expenditure of deficit-ridden departments and introduction of responsibility accounting system.
- 4) Strengthening of functions of internal control.
 - Establishment of internal auditor system
 - Appointment of experienced and learned people to the post of auditor
 - Implementation of audit for the settlement of accounts in unions' audits
- 5) Repletion and consolidation of owned capital and measures for liquidation of fixed credit.
- 6) Securing of balance between assets and liabilities and measures for prevention of occurrence of bad debt.

- 7) Reallocation of personnel resulting from review on business structure and strengthening of education by job specialization.
 - 8) Flexibility in business hours and in the hours of labour responsive to the diversified needs of members.
 - 9) Establishment of wage system reflecting labour productivity and also establishment of wage control reflecting diversified employment patterns.
 - 10) Promotion of personnel exchanges.
 - 11) Systematization of information processing by means of computer apparatus and efficient and effective utilization of information.
- (3) Promotion for amalgamation of agri. coops and review on three tier organizational system
- 1) Promotion of amalgamation of multi-purpose agri. coops in a bid to reduce their number to 1,000 by the year 2,000.
 - 2) Reallocation of management resources at the prefectural level and streamlining of management by reviewing business operation system.
 - 3) Establishment of flexible business utilization system not necessarily sticking to conventional three tier organizational structure in compliance with characteristics of businesses and commodities. The general council of CUAC made suggestion for the future direction of restructurization of the organizations to change from 3 tier system into 2 tier system as bases namely Primary Societies and National Level Federations in order to establish rationalized and effective business system adequate for each organization under 2 tier structure.

Change of Number of Members or the like of Multi-Purpose Agri. Coops

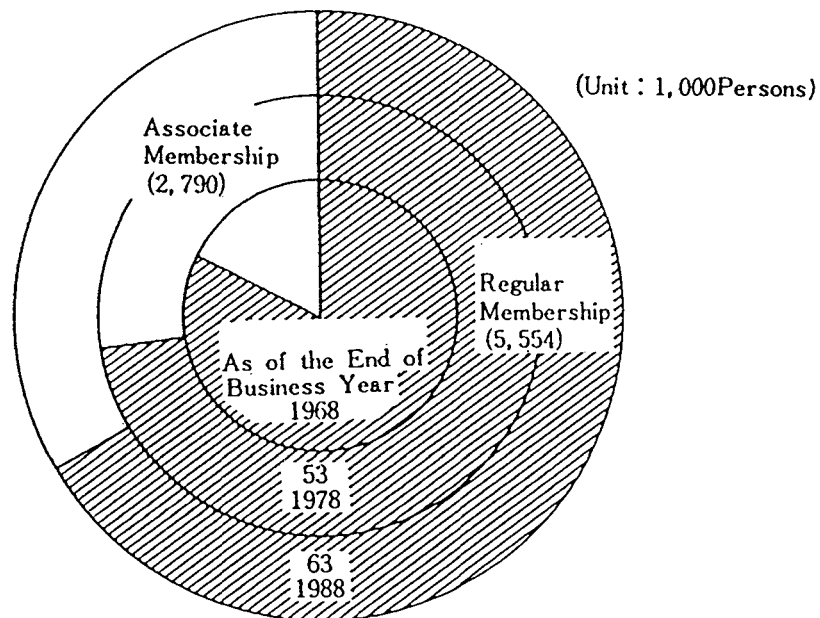
(Chart-1)

Evolution of Number, Membership and Employees of Agri. Coops



(Chart-2)

Change of Regular and Associate Membership



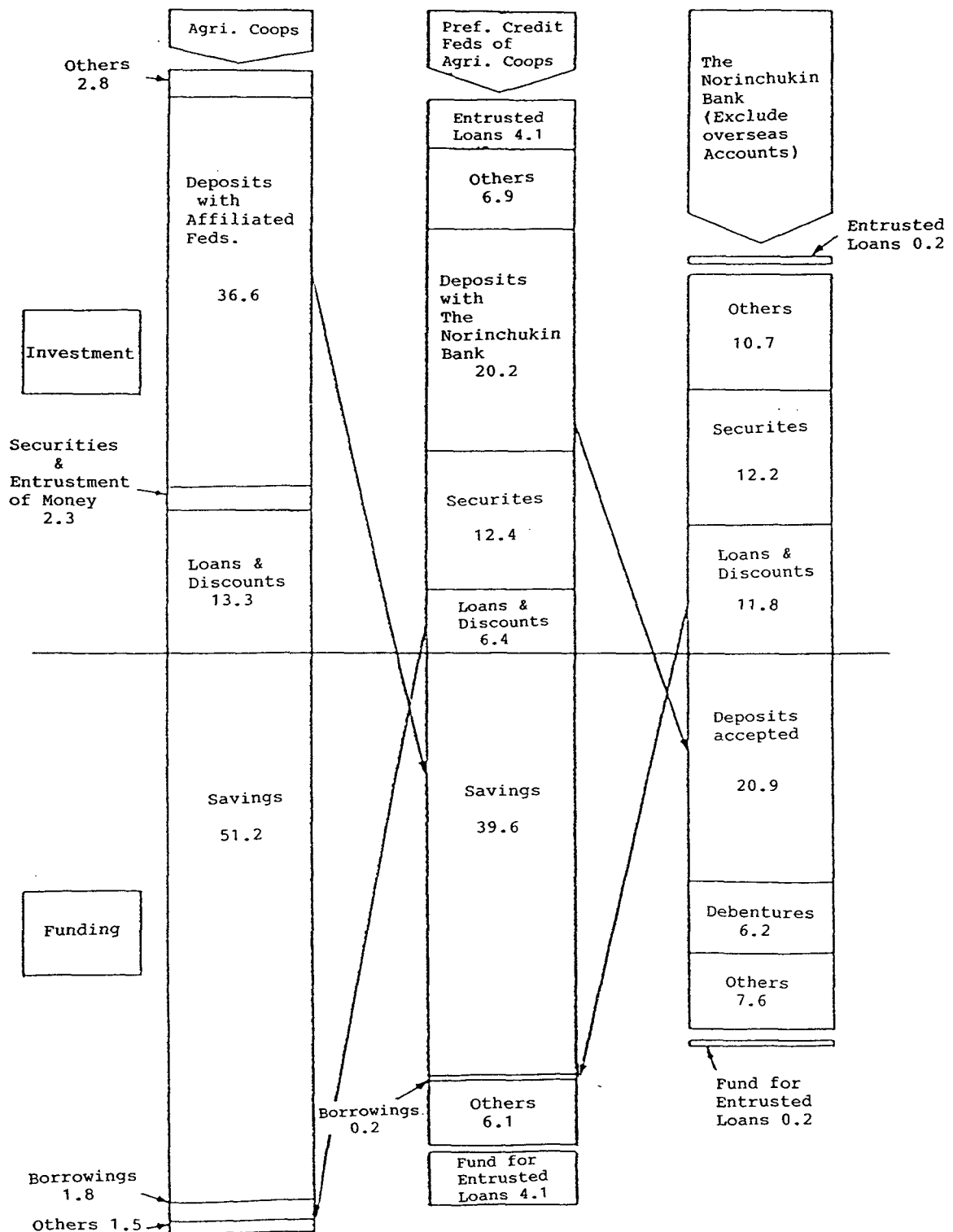
Funding and Investment of Agri. Coops Credit Institutions of Three Levels

(Chart-3)

Funding and Investment of Agrei. Coops Credit Institutions of Three Levels

As of March 31, 1990

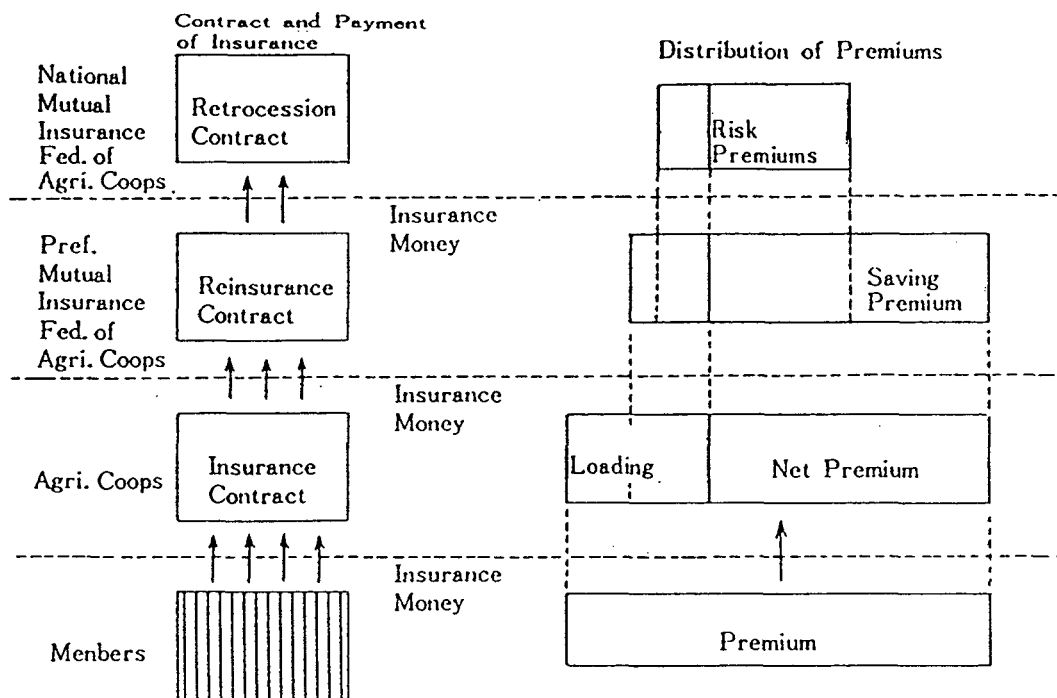
(Unit: Trillion Yen)



(Chart-4)

Mechanism and Present Status of Mutual Insurance Business of Agri.Coops

Mechanism of Mutual Insurance Business of Agri. Coops



(Table-1) Amount of Purchasing Business of Agri. Coops by Commodities

(Unit: Million yen)

	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988
Fertilizer	498,196	489,599	471,080	421,571	420,444
Feed	811,793	746,758	604,319	536,164	532,606
Agricultural Machinery	363,707	378,441	383,023	364,716	379,709
Materials for Packing &					
Temperature Keeping Materials	242,552	239,366	244,149	247,412	265,018
Agricultural Chemicals	312,714	329,249	334,599	323,894	331,740
Motor Car	221,631	236,934	253,415	268,490	304,383
Oil	637,423	624,788	525,865	504,808	493,310
Others	329,993	327,463	336,159	399,744	358,696
Total	3,418,009	3,372,598	3,152,611	3,006,797	3,085,907
Rice	201,813	207,082	214,201	210,376	214,145
Other Foodstuffs	878,278	909,309	926,844	941,748	967,098
Clothing	72,518	73,092	72,794	74,095	76,646
Sundry Goods	198,773	206,407	212,200	213,373	219,421
Propane Gas	137,407	139,740	132,794	127,574	127,119
Durable Consumers Goods	109,629	114,419	117,433	121,968	132,273
Others	200,095	205,252	202,499	205,692	215,751
Total	1,798,513	1,855,302	1,878,766	1,894,827	1,952,451
Grand Total	5,126,522	5,227,899	5,031,376	4,901,624	5,038,358

Source: Statistics on Agri. Coops, MAFF

(Table-2) Amount of Marketing Business of Agri. Coops by Commodities

(Unit: Million yen)

	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988
Rice	2,525,982	2,589,391	2,576,539	2,196,113	1,981,000
Wheat	179,412	194,555	189,469	173,319	197,629
Potatoes	75,335	77,438	77,736	73,129	66,306
Silk Cocoon	64,359	55,946	49,599	32,294	41,523
Vegetables	957,036	1,023,939	971,845	1,086,702	1,181,588
Fruits	676,367	714,403	674,139	649,944	657,754
Eggs	99,148	109,310	103,300	72,323	71,842
Raw Milk	342,947	355,177	354,846	327,325	341,326
Milk	24,455	25,929	19,059	22,349	23,256
Beef Cattles	394,263	422,733	442,392	455,703	452,824
Hogs (Pigs)	331,091	294,528	268,268	254,664	235,433
Other Livestock Products	282,413	273,651	286,674	295,010	292,674
Others	571,189	559,103	559,548	564,692	583,122
Total	6,523,996	6,696,103	6,573,416	6,203,568	6,126,278

Source: Statistics on Agri. Coops, MAFF

Note:1. Other Livestock Products include Chicks, Breeding Stocks, Broilers and Milking Cow etc.

2. Others include Miscellaneous Cereals, Beans, Tea Leaves, Industrial Crops and Other Agri., Forestry and Fishery Products etc.

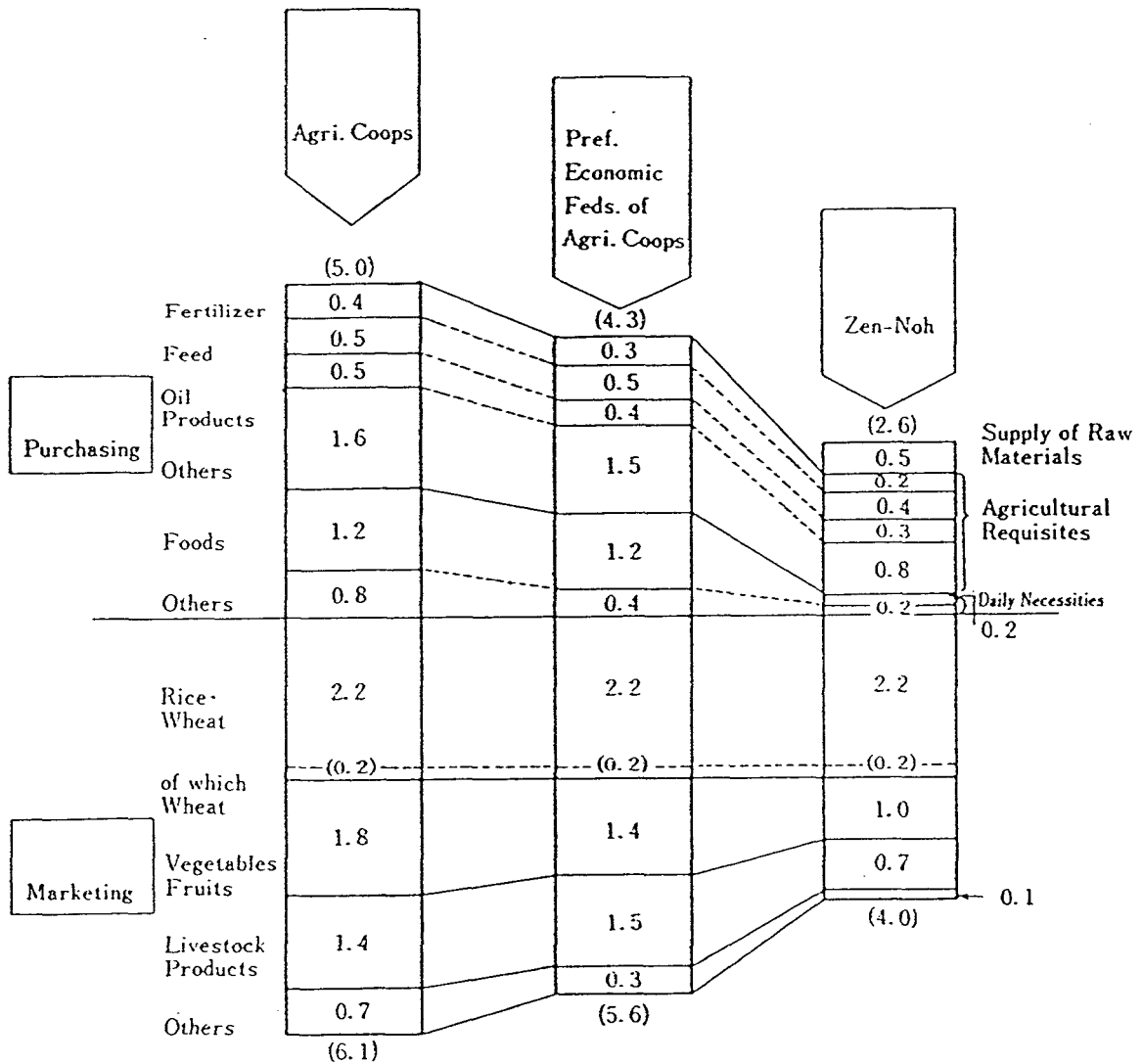
Outline of Marketing and Purchasing Business of Agri. Coops of Three Levels

(Chart-5)

Marketing and Purchasing Business
of Agri.Coops of Three Levels

Business Year, 1988

(Unit : Trillion Yen)



(Table-3) Net Profits by Businesses (Per Agri. Coop) (Δ Net Losses)

F. Y.	Credit	Insurance	Purchasing	Marketing	Warehouse	Processing	Others	Total	(Unit: Thousand yen, %)										
									Component Proportion	Ratio	1978	1979	1980	1981	1982	1983	1984	1985	1986
1978	85,882	24,822	Δ 17,245	Δ 7,586	Δ 2,284	Δ 6,636	Δ 7,493	69,460											
1979	85,590	31,801	Δ 14,059	Δ 10,135	Δ 3,677	Δ 7,770	Δ 5,039	76,711											
1980	65,879	37,595	Δ 13,259	Δ 14,030	Δ 4,896	Δ 9,100	Δ 7,519	54,670											
1981	67,246	40,800	Δ 16,856	Δ 12,858	Δ 7,167	Δ 8,661	Δ 8,239	54,265											
1982	84,279	46,775	Δ 20,905	Δ 13,499	Δ 8,075	Δ 9,503	Δ 8,333	70,740											
1983	102,505	52,068	Δ 22,764	Δ 11,850	Δ 9,564	Δ 10,701	Δ 7,972	91,723											
1984	102,860	55,265	Δ 21,113	Δ 11,624	Δ 8,562	Δ 9,081	Δ 5,848	101,900											
1985	101,687	58,941	Δ 23,746	Δ 13,025	Δ 7,058	Δ 10,872	Δ 5,415	100,509											
1986	101,662	62,579	Δ 22,882	Δ 13,896	Δ 6,837	Δ 8,275	Δ 7,003	105,347											
1987	99,283	67,569	Δ 21,164	Δ 14,697	Δ 5,464	Δ 6,367	Δ 5,243	113,917											
1988	108,550	73,301	Δ 21,477	Δ 16,475	Δ 5,338	Δ 8,540	Δ 4,043	125,981											
1978	123.6	35.7	Δ 24.8	Δ 10.9	Δ 3.3	Δ 9.6	Δ 10.8	100.0											
1979	111.6	41.5	Δ 18.3	Δ 13.2	Δ 4.8	Δ 10.1	Δ 6.6	100.0											
1980	120.5	68.8	Δ 24.3	Δ 25.7	Δ 9.0	Δ 16.6	Δ 13.8	100.0											
1981	123.9	75.2	Δ 31.1	Δ 23.7	Δ 13.2	Δ 16.0	Δ 15.2	100.0											
1982	119.1	66.1	Δ 29.6	Δ 19.1	Δ 11.4	Δ 13.4	Δ 11.8	100.0											
1983	111.8	56.8	Δ 24.8	Δ 12.9	Δ 10.4	Δ 11.7	Δ 8.7	100.0											
1984	100.9	54.2	Δ 20.7	Δ 11.4	Δ 8.4	Δ 8.9	Δ 5.7	100.0											
1985	101.2	58.6	Δ 23.6	Δ 13.0	Δ 7.0	Δ 10.8	Δ 5.4	100.0											
1986	96.5	59.4	Δ 21.7	Δ 13.2	Δ 6.5	Δ 7.9	Δ 6.6	100.0											
1987	87.2	59.3	Δ 18.6	Δ 12.9	Δ 4.8	Δ 5.6	Δ 4.6	100.0											
1988	86.2	58.2	Δ 17.0	Δ 13.1	Δ 4.2	Δ 6.8	Δ 3.2	100.0											

Source: Report of Survey on Analysis of Agri. Coop Management, MAFF

(Unit: Million yen)

Liabilities & Net Worth		1989. March	1990. March
rch	Accounts		
81	Savings	46,492,330	51,210,379
88	Current Savings	95,266	103,835
01	Ordinary Savings	8,291,029	8,926,732
87	Savings for Purchasing	235,362	242,508
67	Savings at Notice	130,678	120,017
16	Savings Reserved for Share Capital		
49	Subscription	31,521	38,899
35	Other Savings	31,809	26,702
01	Special Savings	214,059	182,705
90	Time Savings	34,866,742	38,905,909
76	Negotiable Certificates of Deposits	173,062	138,146
98	Installment Savings	2,422,802	2,524,926
77	Borrowings of Credit Business	1,475,731	1,404,097
02	Borrowings of Mutual Insurance Business	125,513	102,458
57	Agency's Fund	1,898	1,675
44	Miscellaneous Liabilities of Credit Business	302,426	371,556
95	Passive Transit Accounts of Credit Business	958,139	861,012
80	Acceptances & Guarantees	13,107	13,456
60	Mutual Insurance Fund	211,504	216,617
51			
56			
17	Sub-Total	49,580,648	54,181,250
18	(of which Public Deposits)	963,278	1,209,913
68)	(of which Financial Institutions Deposits)	29,595	24,668
51	Accounts Payable of Purchasing & Marketing		
59	Business	610,633	490,633
56	Bills Payable	17,610	14,555
27	Accounts unpaid from Purchasing Business	551,475	434,806
99	Accounts unpaid from Marketing Business	23,751	25,339
32	Other Accounts Payable	17,797	15,933
041	Accounts Payable on Consignment	489,033	561,815
73	Borrowings of Purchasing & Marketing Business	271,168	276,195
738	Miscellaneous Liabilities	403,248	490,756
261	Depreciation Reserve	1,499,761	1,594,154
20	Other Reserves	1,026,528	997,313
02	Share Capital Paid-In	1,054,856	1,099,493
26	Revolving Capital Fund	34,207	35,745
42	Surplus	1,380,380	1,607,079
086	Inter-Office Accounts	3,020,248	3,622,812
83	Sub-Total	9,790,062	10,775,995
787	Income	6,347,857	6,438,542
98	Grand Total	65,718,567	71,395,787

Trial Balance Sheet

Agricultural Cooperatives

Assets		
Accounts	1989. March	1990.
Cash on Hand	187,322	19
Deposits	34,419,814	38,17
with Affiliated Feds.	33,921,621	36,58
with Non-Affiliated Fin. Instns.	498,193	1,58
Securities & Entrustment of Money	1,983,125	2,25
Government Bonds	1,035,030	1,01
Local Government Bonds	236,685	20
Bank Debentures	107,723	31
Stock & Shares	-	-
Entrustment of Money	603,687	19
Corporate Bonds & Other Securities	-	51
Loans & Discounts	12,795,393	13,33
Loans on Bills	1,412,453	1,44
Loans on Deeds	10,349,846	10,87
(of which FC Loans)	882,320	84
Overdrafts	867,927	87
Bills Discounted	8,920	-
Mutual Insurance Loans	156,247	13
Monetary Claims Bought	-	17
Miscellaneous Assets of Credit Business	168,603	21
Customers' Liability for Acceptances & Guarantees	13,107	1
Active Transit Accounts of Credit Business	583,120	59
Sub-Total	50,150,484	54,96
(A) - (B)	(Δ 569,836)	(Δ 77
Accounts Receivable of Purchasing & Marketing Business	914,721	74
Bills Receivable	30,998	2
Proceeds on Credit from Purchasing Business	800,221	62
Proceeds on Credit from Marketing Business	37,766	4
Other Accounts Receivable	45,736	4
Accounts Receivable on Consignment	495,466	55
Articles Inventoried	478,197	49
Miscellaneous Assets	382,231	45
Fixed Assets	3,533,987	3,71
Investments	627,624	68
Deferred Assets	22,279	2
Special Budget Accounts	95,313	10
Loss Brought Forward	5,775	-
Inter-Office Accounts	3,044,907	3,65
Sub-Total	9,600,500	10,43
Expenditures	5,967,583	6,00
Grand Total	65,718,567	71,39
Number of Coops Surveyed	3,909	-

Note: The Sub-Total is exclusive of (A)-(B)

2/4

5th ICA/Japan Training Course for Strengthening Management of Agricultural
Cooperatives in Asia

March 1 ~ April 24, 1991, Tokyo Japan

**How to Integrate Individual Members
Farming Plan to Agricultural
Cooperative Plan**

April 2, 1991

By Mr. Kazuo Tsukada
Section Chief, Int'l Dept.
The Central Union of Agricultural
Cooperatives (CUAC/Zenchu)

Exercise - How to integrate individual members farming plan to agricultural cooperative plan

1. Aim

- a. To draft income target, combination of commodities to be produced, production and sales plans.
- b. On the basis of the accumulation of production and sales plans drawn up by member farmhouseholds, sales volumes and amount of agricultural cooperatives which forms a part and parcel of their marketing plan are to be calculated.

2. Implementation method

- a. On the assumption that participants are members of IDACA agricultural cooperative, income target should be set up taking into consideration the number of family members with the income target presented by the coop as a standard.
- b. In the next place, either the scale of planting should be determined by selecting commodities to be produced or the scale of raising hen layers should be determined. Feeding scale for hen layers shall be decided by each member within capacity of each hamlet. It is necessary to make a consideration to cover necessary working hours by family labour powers only.
- c. On the basis of estimated yield, merchandize ratio, joint marketing ratio and estimated unit price per 0.1 ha, sales volume and amount through agri. coop should be obtained. These should be substituted for commodity-wise gross income and also commodity-wise income based upon income ratio to be obtained. At the end overall agricultural income should be calculated and the difference of agricultural income set up at the beginning is to be calculated.
- d. Commodity-wise production and sales volume and sales value through agricultural cooperative should be totalled.

- e. Sales volume and amount of agricultural cooperative should be calculated by obtaining commodity-wise production and marketing volume by hamlets.

3. Premises in drafting plan

- a. Irrigation and drainage of paddy field is easy and second cropping after harvest of paddy and upland crops is possible. (Cultivation period for soybean and sweet potato duplicates that of paddy) But no crop conversion, namely from paddy into other crops will be implemented. Double cropping of paddy is not possible.
- b. Current cultivated area under management of member farmers neither increase nor decrease irrespective of crops.
- c. No hiring of labour forces.
- d. Utilization ratio of agricultural cooperative is 100% in marketing, in other words, all members utilize the services of marketing.
- e. No other income than agricultural income.
- f. Outline of each hamlet

(Unit: ha and feather)

	Hamlet No. 1	Hamlet No. 2	Hamlet No. 3	Hamlet No. 4
Number of member households	5	5	6	5
Characteristic feature of the area	Plain land urbanization in progress	Plain land genuine village	Plain land genuine village	Mountain areas depopulated trends
Income target (Husband, wife 2 children)	¥3.6 mil	¥3.6 mil	¥3.6 mil	¥3.6 mil
Cultivated area under management	Paddy	450	535	505
	Upland	170	295	415
	Orchards	95	120	200
Number of hen layers	1,000	3,000	3,000	12,000

4. Yield and sales unit by commodities

	Yield per 0.1 ha (kg)	Sales unit per kg (yen)	Merchandize ratio (%)	NET Income ratio (%)	(Ref) Labour hours required per 0.1 ha
λ Rice	500	330	85	58	60
Wheat	360	140	95	50	55
* Soy-beans	300	250	85	60	40
λ Sweet potato	3,000	160	90	60	90
Irish potato	4,000	120	90	45	90
Vegetables	3,500	200	80	56	320
Apple	2,500	240	95	55	250
Peach	1,800	280	95	56	250
Eggs	* 16	230	95	15	** 50

* Per hen

** Per 100 hens

Upper limit of agricultural labour hours by family members shall be set as follows:-

Husband	2,400 hours
Wife	1,400 hours
Children	800 hours
Grand father	500 hours
(Grand mother)	

5. Cultivated area under management by member farm households

Hamlet No. 1

Member	Cultivated area under management (a)			Family Composition
	Paddy	Upland	Orchards	
A	80	20	30	Husband & wife, 2 children
B	65	40	20	Husband & wife
C	90	30	20	Husband & wife
D	95	50	20	Husband & wife, child
E	120	30	5	Husband & wife, 3 children, G. mother
Total	450	170	95	

Hamlet No. 2

Member	Cultivated area under management (a)			Family Composition
	Paddy	Upland	Orchards	
A	100	50	20	Husband & wife, 2 children
B	70	30	10	Husband & wife
C	120	70	35	Husband & wife, 3 children
D	115	65	40	Husband & wife, child, G. father
E	130	80	15	Husband & wife, 2 children
Total	535	295	120	

Hamlet No. 3

Member	Cultivated area under management (a)			Family Composition
	Paddy	Upland	Orchards	
A	85	70	30	Husband & wife, child
B	120	65	20	Husband & wife, 2 children, G. mother
C	120	50	20	Husband & wife, child, G. mother
D	60	100	20	Husband & wife, 2 children
E	40	60	70	Husband & wife, child, G. father
F	80	70	40	Husband & wife, 2 children, G. mother
Total	505	415	200	

Hamlet No. 4

Member	Cultivated area under management (a)			Family Composition
	Paddy	Upland	Orchards	
A	40	90	30	Husband & wife, 2 children
B	30	80	40	Husband & wife, child
C	40	90	30	Husband & wife, child, G. father
D	50	70	20	Husband & wife, child
E	75	90	40	Husband & wife, 2 children, G. mother, G. father
Total	235	420	160	

5th ICA/Japan Training Course for Strengthening Management of Agricultural
Cooperatives in Asia
March 1 ~ April 24, 1991, Tokyo Japan

Background Information for Study

Visit to Aichi Prefecture

(April 8 - 10, 1991)



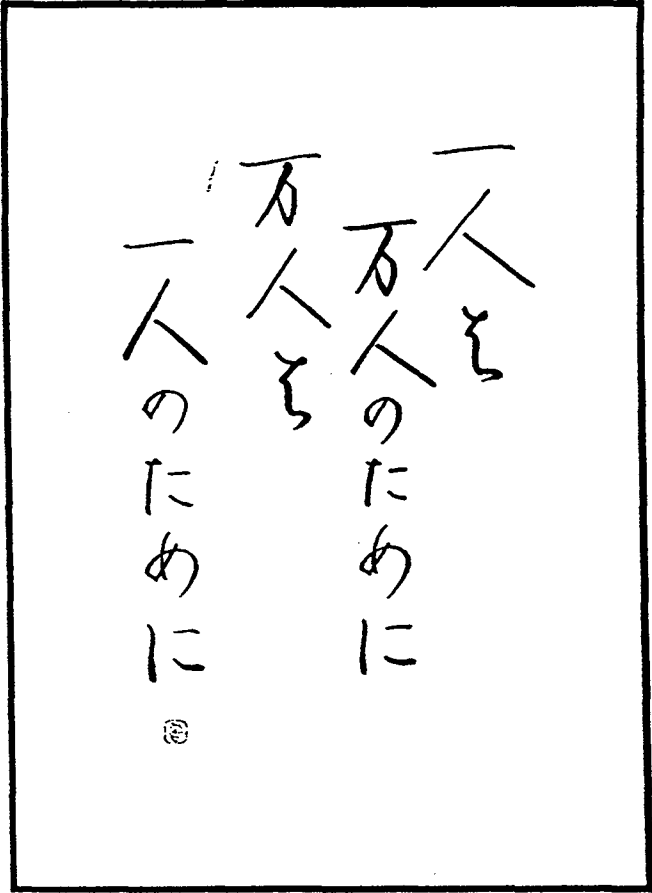
(A new logo of the Agri. Coop. organizations in Japan)

International Cooperative Alliance, Regional Office for Asia and the Pacific
(ICA ROAP)

The Aichi Prefectural Union of Agricultural Cooperatives

The Central Union of Agricultural Cooperatives (CUAC)

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)



ONE FOR ALL, ALL FOR ONE.

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**I. Regarding the Implementation of
Regional Agriculture Promotion
Plan in Aichi Prefecture**

1. Regarding the implementation of regional agriculture promotion plan in Aichi prefecture

1) Background

On the basis of the resolution concerning the tasks of Japan's agriculture and the measures of agricultural cooperatives during 1980s at the 15th National Congress of Agr.Coops held in 1979, the agricultural cooperative organization in Aichi had formulated and then implemented the agricultural promotion plan as the first three year programme since 1980. Thereafter, the second and the third phases were launched in 1983 and 1986 successively.

However, it was found that the agricultural promotion plan was in reality not drafted by all agr.coops in the prefecture as had been envisaged initially. The reasons behind consisted of two main factors; ① the agr.coops are so urbanized that their agricultural production became considerably small in volume and ② there were neither the section nor the staff for this because of the fact that these agr.coops are too small in scale to allocate some staff for drafting the plan.

Viewed in this light, the Prefectural Union of Agr.Coops has decided to help assist these coops without the promotion plan to draft such a plan and those already with the promotion plan, to review its actual results for improvement.

Moreover, the Prefectural Union is actively promoting so-called "priority agr.coop formula" with a view to proliferating the establishment of model agr.coops in an attempt to make adaptation of regional agr.promotion plan by all coops thoroughly.

On the other hand, the agr.coops in the prefecture drafted and then implemented the medium-term perspective plan named " three year plan for strengthening cooperative activities " by taking into consideration the actual

conditions of the regional area as well as will and opinions of member farmers.

Its plan is composed of three pillars, namely

- ① regional agricultural promotion plan
- ② better living activities plan.
- ③ business operation plan of agr.coop (see the chapter of the Anjo-shi agr.coop)

Of these three pillars, we shall here throw a light on the first pillar for ways of formulating regional agricultural promotion plan as our emphasis of the study during Aichi field trip is placed on it.

As regard this plan, following three items were put forwards as agricultural promotion measures at the 16th National Congress of Agr.Coops held in 1982.

- (1) Formulation of agricultural land utilization plan and measures for fostering and strengthening of regional farming groups
- (2) Measures for reorganization of agricultural production with paddy field conversion measures as the main core
- (3) Promotion of the measures for reduction of production costs of farm produce especially rice

The above-mentioned tasks are still going on and need to be further consolidated.

Next, let us see the special features of strategies on how the agr.coop organizations in Aichi especially the Prefectural Union tackled the regional agriculture promotion plan in the first phase on the basis of the resolution adopted at the 16th national congress of agr.coop in 1982.

Like in other prefectures, movement was evolved with three pillars as mentioned above.

The first pillar is that amidst such trends as the decline of farmland, the increase of part-time

farmhouseholds, the decrease in the number of farmhouseholds and the progress of urbanization of regional environment, two questions cropped up ①how to secure farmland as base for agricultural production and ②how to secure farm successors.

The second pillar is that in order to cope with the production adjustment of rice caused by its overproduction, the conventional rice oriented agricultural production was compelled to shift to the other types of production. In other words, it was an attempt to make up for the decreased portion of agricultural income resulting from the production control by introducing those commodities other than rice into the paddy field which had been laid fallow.

Third pillar is that it was a task to grapple with the reduction of production costs of farm products as a countermeasure for trade liberalization.

To cope with these problems, it was considered essential that a firm base for securing continuity of agricultural production be established by securing farmland which would constitute an integral part of agricultural production. This would definitely lead to putting a brake to the declining trends of full-time farmers and farm successors.

In this way, establishment of hamlet level farming came to be promoted aimed at making a rational use of existing farmland as well as securing the farmland. Although you may find the details on hamlet in the later pages of this background paper, in short the hamlet represents a cluster of farmhouseholds as basic unit and such hamlet per se must try to secure farmland keeping in view the prevailing hamlet conditions.

For stepping up agricultural productivity and marketing power, it was decided that *agricultural management entrusted groups (custom farming groups), that is to say, farmers engaged in land use type agriculture mainly aimed at increasing income be fostered, let alone fostering of regional farming groups to which reference is made.

* The primary purpose of the groups is to undertake paddy farming which is entrusted from other farmers on an consigned basis and farmers who entrust farming to them could in turn engage in the production of other commodities than rice by making use of surplus labour generated thereof.

Furthermore, as encouraged in the prefecture, land utilization measures brought about by paddy conversion, introduction of commodities to be newly produced and the measures for establishment of cultivation system for such commodities would be promoted. At the same time, as indicated above, it was decided to promote fostering of large-scale paddy farming farmhouseholds.

On the basis of these policies mentioned on the foregoing paper, the third phase for the promotion of regional agriculture is presently underway with ingenuity and combined efforts of agr.coops and members farmhouseholds.

In the next place, as regards concretization and implementation plan of agricultural promotion measures of agr.coops which was decided at the foregoing 16th national congress of agr.coops, the Aichi prefectural agriculture committee whose secretariat office is set up in the Prefectural Union has drawn up its outline(summary) and list of the committee members for making organizational and planned promotion. They are shown below.

2) A sample of items to be incorporated in the regional agricultural promotion plan (Its contents and mutual relation of each items) (A sample which was presented for reference to coops in the prefecture by the Aichi pref. union)

Items of each plan and its mutual relation

Basic plan of regional agriculture promotion	Farming plan of hamlets and farmhouseholds	Regional agriculture and promotion plan for concretization	Agri. coop business utilization plan	Related matters
<p>Environment surrounding regional agriculture and basic direction of agriculture promotion</p> <p>Basic plan on the land utilization and agriculture promotion by hamlets</p>		<p>Paddy field use conversion plan (Plan on a hamlet basis)</p> <p>Agricultural land use plan (Plan on a hamlet basis)</p>		<p>I. Regional conditions</p> <p>1. Natural conditions</p> <p>(1) Location & topography</p> <p>(2) Weather (Temperature, hours of sun shine, rainfall and etc.)</p> <p>(3) Total area</p> <p>(4) Land utilization</p> <p>2. Socio-economic conditions</p> <p>(1) Total number of households, total population, population engaged in employment by industries</p> <p>(2) Turnover by industries, income of the people at municipal level</p> <p>(3) Wage standard, living standard</p> <p>(4) Transportation & communication</p> <p>(5) Local finance</p> <p>II. Agriculture</p> <p>1. Those mainly involved in management</p> <p>(1) No. of farmhouseholds, No. of households by full-time & part-time farmhouseholds, No. of households by scale of management</p> <p>(2) No. of households by the amount of agricultural income</p> <p>(3) Farmers production organization</p> <p>2. Agricultural land</p> <p>(1) Cultivated land (paddy and upland field-wise and etc.)</p> <p>Area for agricultural land</p> <p>(2) Area of destroyed cultivated land</p> <p>(3) Area of consolidated land, cultivated land area by production environment</p> <p>(4) Prices of agricultural land</p> <p>3. Labour forces</p> <p>(1) Farm household population</p>

Note: With regards to the establishment of income target, selection of key crops to be produced, farming patterns and etc., please refer to the text book on "the regional agricultural promotion plan" published by Zenchu and AARRO.

Basic plan of regional agriculture promotion	Farming plan of hamlets and farmhouseholds	Regional agriculture promotion plan for concretization	Agri. coop business utilization plan	Related matters
				<p>(2) Population engaged in farming, No. of core farmers</p> <p>(3) Farm household complementing ratio</p> <p>4. Capital and equipment</p> <p>(1) Farm machinery</p> <p>(2) Joint utilization facilities</p> <p>(3) Dynamic state of farm household funds</p> <p>5. Items</p> <p>(1) Area by kinds of commodities and livestock and No. of livestock</p>
Income target of members	Income target			<p>I. Agricultural income</p> <p>II. Non-agri. income</p> <p>III. Farm household income</p> <p>(1) Family expense standard</p> <p>(2) Economic surplus</p> <p>IV. No. of farm households by income strata</p> <p>V. No. of farm households by target income</p>
Selection of key commodities to be produced in the regional area/ policy for consolidation of producers groups by commodities	Selection of key commodities to be produced	Plan for the promotion of regional integration		<p>I. Agri. gross production turnover by commodities and livestock and its ratios</p> <p>II. Yields by commodities</p> <p>III. The amount of commodities shipped by crops and livestock and No. of farm households who marketed them</p> <p>IV. Realizable prices by crops and livestock (average)</p>
Selection of farming patterns	Selection of farming patterns			<p>I. Present situation on the combination of commodities by areas (hamlets)</p> <p>II. Management trial balance by commodities</p> <p>III. Farming techniques by commodities</p> <p>IV. Actual conditions on farm management by areas (hamlets)</p>

Basic plan of regional agriculture promotion	Farming plan of hamlets and farm households	Regional agriculture promotion plan for concretization	Agri. coop business utilization plan	Related matters
	Production and marketing plan of farm products	Production amount plan (No. of livestock raising farm households by types of stocks and No. of crop growing farm households by types of crops, production amount per unit, total production and total production turnover)	Marketing plan (marketing policy, monthly and annual sales plans)	I. Production and marketing turnovers and incomes by types of crops and livestock II. Amount and turnovers transacted by agri. coops III. Demand by commodities IV. Marketing conditions V. Position on marketing conditions (sales expenses and etc.)
	Plan for utilization of facilities and machines and their acquisition	Plan for utilization and repair of facilities and machines	Plan for utilization and installment of machines and facilities	
	Fund management and operation plan and the plan for compensation of risks in agricultural management	Mutual aid plan	Plan for purchase of production inputs Fund management and operation plan	

3) Summary on the establishment of the committee for the Aichi prefecture agriculture promotion

(1) Purpose of establishment of the committee

In order to deliberate upon concretization and implementation plan of agriculture promotion measures of agr.coops which was decided at the 16th National Congress of Agr.Coops, the Aichi agricultural promotion measures committee shall be established.

(2) Main items for deliberation

Following matters shall be deliberated upon on the basis of the tasks which were raised from agricultural coops., secondary federation and national federations.

- ① Pertaining to the future direction of agricultural production in the prefecture
- ② Pertaining to responses of agr.coops to agricultural promotion measures
- ③ Pertaining to strengthening of farm guidance activities
- ④ Pertaining to other important agricultural promotion measures

(3) Members of the committee

- ① The committee members shall be composed of president and vice-president of the agr.coops from Owari and Mikawa regions; representatives of the major producing center of farm products, those people selected from among the Prefectural Union and Economic Federation and the learned people who are mandated by the President of Prefectural Union.
- ② The committee shall elect one president and one vice-president from among the committee.

(4) Term of office

- ① The term of office of committee members shall be three years. But during the first year of establishment of the committee its term shall be one year.
- ② The term of a substitute member shall be within the remaining period of the predecessor.

(5) Operation

- ① The committee shall be headed by the committee president. In case when the president could not attend the committee, the vice-president shall instead preside over its meeting.
- ② The committee shall be convened by the President of the Prefectural Union at the request of the President of the committee.
- ③ Concerning necessary matters for operation shall be decided by the President of the Prefectural Union.

(6) Secretaries' body

- ① Secretaries' body shall be allocated to help make smooth conduct of deliberations of the committee.
- ② Secretary shall be chosen from among employees of the Prefectural Union, Economic Federation and be mandated by the President of the Prefectural Union.

(7) Secretariat

Farm guidance and better living department shall act as secretariat to this committee.

Supplementary rule; This summary shall be enforced effective 29th Aug, 1983

Appendix;

Main tasks for examination;

1. Defining future direction of agricultural production in the prefecture
2. Responses of agr.coops on agricultural promotion measures
3. Strengthening of farm guidance system of agr.coops
4. Development policies for advanced farming technology

Composition of the committee members

- * President ----- Vice-president of the Prefectural Union
- * Members ----- Director in charge of agriculture, forestry and fishery of the prefectural government, Director of the prefectural agricultural experiment station, Professors of local universities, Presidents and Vice-presidents of agr. coops in Owari and Mikawa districts, Representatives of the main producing areas of agricultural products and Managing Directors of the Prefectural Union and the Economic Federation

Composition of secretaries

- * Prefectural union----- General Manager, Manager in charge of farm guidance and better living and his assistant
- * Economic Federation---- General Manager, Assistant General Manager, and other departmental heads (managers) (Agricultural comprehensive measures, rice and grains, horticulture and livestock departments)

II. The Anjo-shi Agricultural Cooperative

1. General Situation of Anjo City

1) Overview

Situated within the radius of 30 km from Nagoya city, Anjo city lies in the central part of Nishimikawa. Blessed by the rich water resources by the irrigation and drainage project in Meiji era about 100 years ago, Anjo city has been developed as agricultural city. Given geographical access adjacent to Toyota and Nagoya cities urbanization has made its rapid progress because of the improvement of traffic networks resulting in the advance of factories and the development of housing in the area. There are two companies which operate railway services to these cities. In addition to this, there are two national roads (No.1 & No.23) which run through the city.

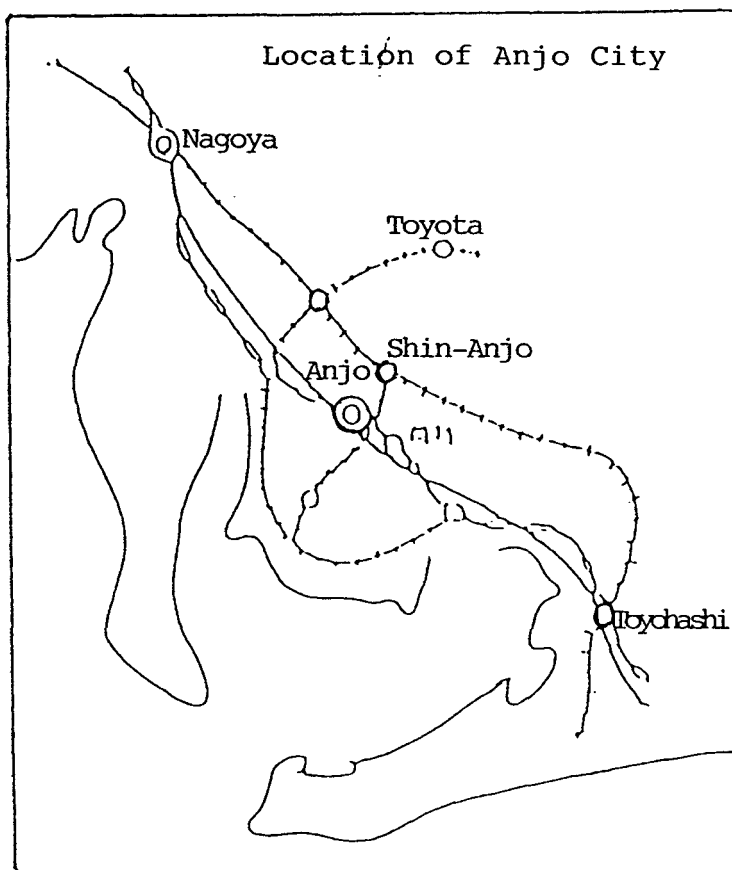
It is expected that the city will be further developed now that the Shinkansen, bullet train stops at Anjo, expansion of conventional industrial zones under way. With regards to agriculture, some setback are likely to occur because of the progress of urbanization and industrialization, trade friction of farm products, review of food control act, decrease of rice consumption, and etc. All of these problems call for a change of agricultural structure.

Bearing this in mind, the key to the further development of agriculture in the area lies in the fact that by evolving activities on a group wise centering around core farm households, the effective utilization of farmland, the increase of productivity, the promotion of agriculture rooted firmly in the area and the creation of agriculture full of attractiveness should be aimed at.

To that end, various measures for fostering farm successors, agriculture leaders through the promotion of group farming as well as of land improvement project are taken for bringing up economically viable farmers and producers groups.

2) Climatic conditions

- Annual temperature	14.8 °C
- Annual humidity	67%
- Annual rainfall	1,326 mm
- Days of rains per annum	111 days
- Land above sea level	13 ~ 14 m



3) Population

(Unit: persons, households)

Year	Population	Number of households
1970	94,307	22,135
1980	123,843	31,471
1985	133,059	34,682
1990	139,692	38,583

(Source: Anjo city statistics)

4) Area

(Unit: ha)

Year	Paddy field	Cultivated field	Housing land	Forests, wilderness, etc.	Others
1970	5,021	1,004	1,048	122	1,372
1975	4,545	882	1,497	186	1,457
1980	4,214	775	1,745	250	1,583
1985	4,024	718	1,815	267	1,743
1990	3,915	703	1,886	278	1,785

(Source: Anjo city statistics)

5) No. of farmhouseholds by full-time & part-time farmhouseholds and cultivated areas under management

(Unit: households)

Classification	No. of farmhouseholds				Per farm-household
	Total No.	Full-time	Part-time I	Part-time II	
1970	6,000	537	2,278	3,785	0.80 ha
1975	6,044	375	1,085	4,584	0.76
1980	5,532	349	590	4,593	0.75
1985	5,548	385	516	4,647	0.73

2. Outline of the Anjo-shi Agricultural Cooperative

1) Members

Classification		1982	1983	1990
Regular members	Individuals	4,944	5,310	5,395
	Groups	8	8	4
	Total	4,952	5,318	5,399
Associate members	Individuals	3,454	3,688	4,436
	Groups	31	32	29
	Total	3,485	3,720	4,465
Total		8,437	9,038	9,864

2) Officials & employees

(1) Officials

No. of Directors 21 persons (of which part-time 19 persons)

No. of auditors 4 persons

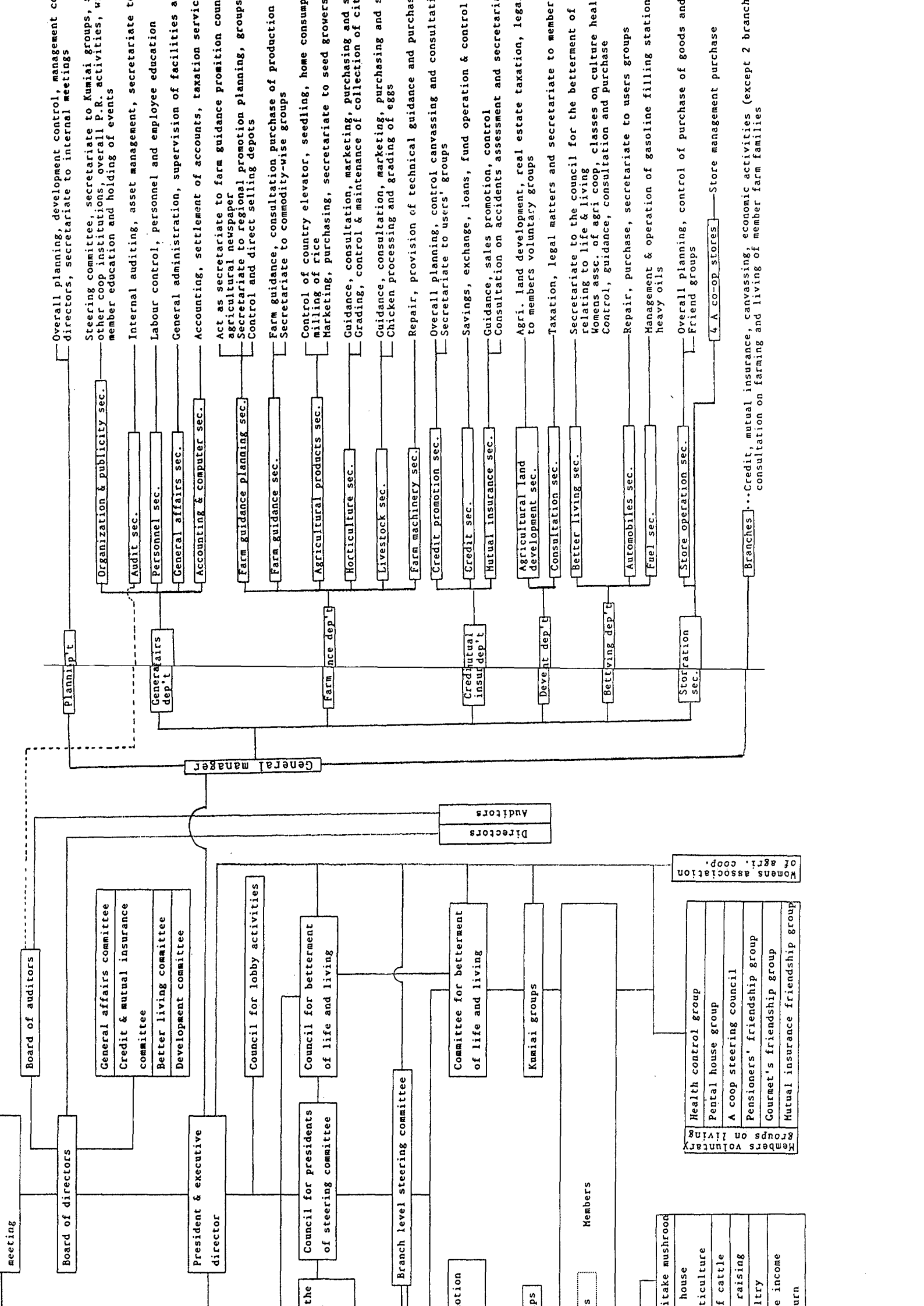
(2) Employees

(as of April 1, 1990)

	Regular employees			Part-time employees		
	Male	Female	Total	Male	Female	Total
General affairs	22	10	32	-	9	9
Farm guidance	46	7	53	4	18	22
Credit & mutual insurance	19	11	30	-	8	8
Development	7	1	8	-	1	1
Better living	39	6	45	1	13	14
Store operation	47	21	68	1	122	123
Branches	91	84	175	-	5	5
Total	271	140	411	6	176	182

3) Office & store

- | | |
|-------------------------|---|
| (1) Main office | ① Main office
② General centre |
| (2) Branch | 26 branches |
| (3) A co-op | 7 stores |
| (4) Petroleum | 4 stores |
| (5) Consultation centre | ① Consultancy on tax and legal matters
② " on marriage
③ " on health examination
④ " on travelling |
| (6) A co-op Anjo | On the spot direct sale |

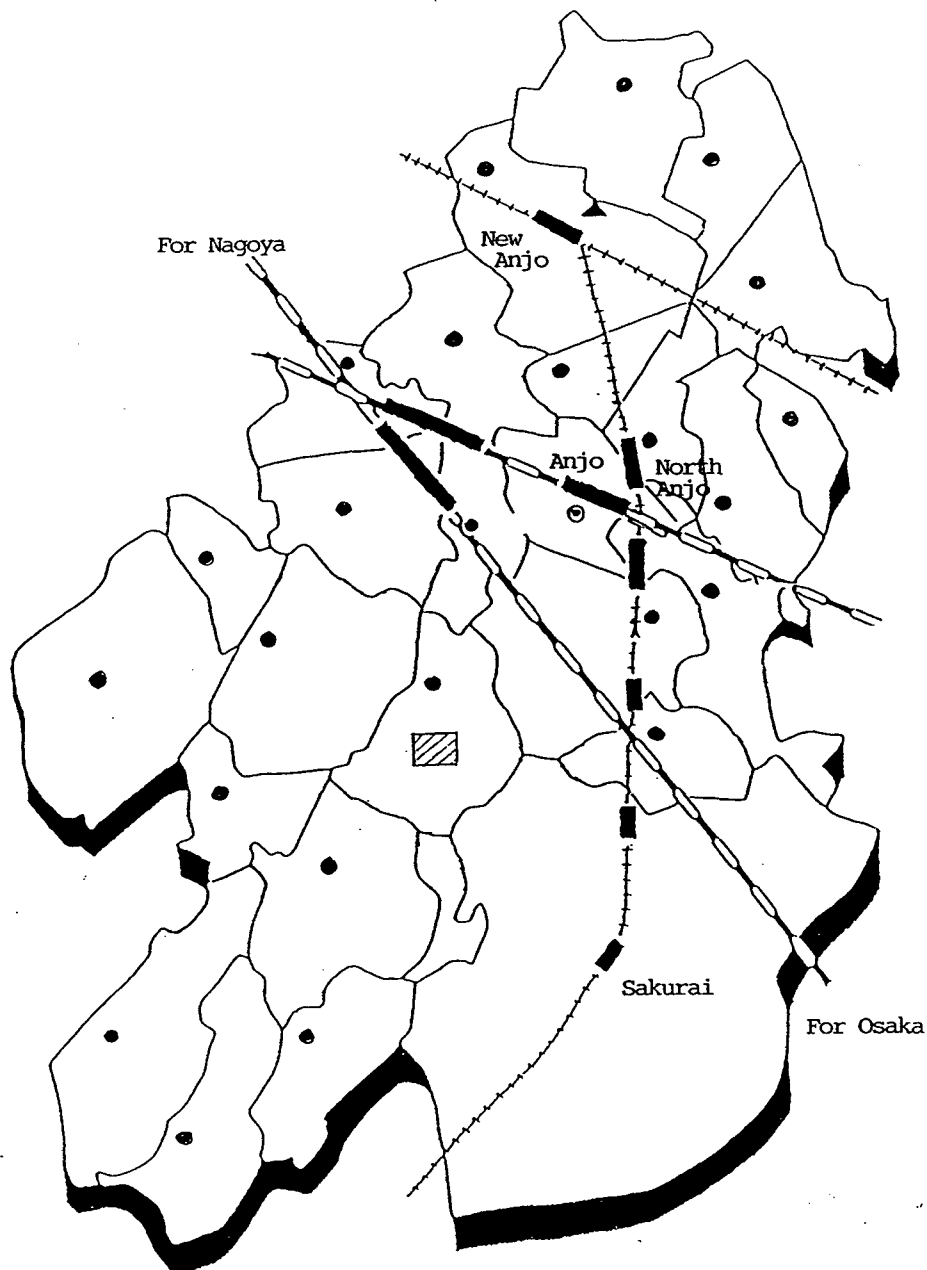


5) Outline of the commodity-wise groups

	Name of commodity-wise groups	No. of members (persons)	Area/ No. of stocks (ha, head, feather)	Section in charge	Annual turnover (mil. yen)
1.	Paddy growers	122		Farm guidance sec.	
2.	Seed growers	83	Paddy 56, wheats & barley 56, soy-beans 10 ha	Agri. products sec.	124
3.	Cucumber	62	8.0	Horticulture sec.	820
4.	Strawberry	32	4.6	"	123
5.	Fig	260	42	"	480
6.	Pear	294	56	"	219
7.	Kiwi fruits	100	8.4	"	26
8.	Grapes	90		"	4
9.	Shiitake mushroom	18		"	41
10.	Hot house horticulture	80	156,334 m ²	"	479
11.	Beef cattle	8	1,230 heads	Livestock sec.	453
12.	Pig raising	24	10,500 heads	"	192
13.	Poultry	11	123,000 heads	"	287
14.	Blue income return	337		Farm guidance & planning sec.	
15.	Youth assc. of agri. coops	49	-	"	-
16.	Womens assc. of agri. coops	4,679	-	Better living sec.	-

6) Locations of branches and farming in Anjo

- There are 26 sub-branches in the area of operation. A.T.M. & CD computer terminals have been installed in such areas as main office, branches, hospital, JR stations for the convenience of members farmfamilies.
- In Anjo miscellaneous farm products such as rice, cucumber, pear, figs and etc. are produced.

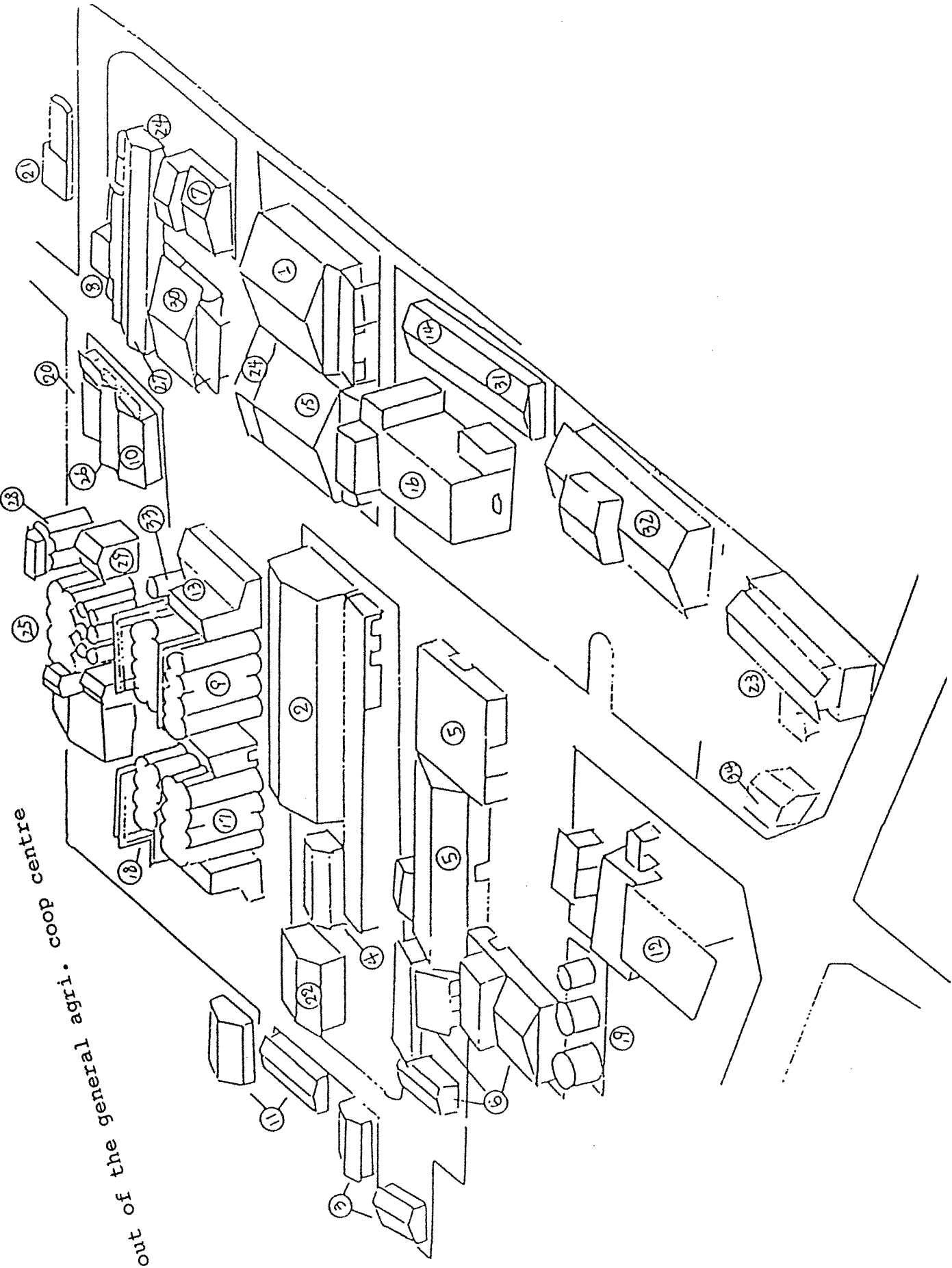


- ⊙ Main office
- Branches
- ▨ General Agricultural Cooperative Centre

7) Facilities

Name of facilities	No.	Amount (¥1,000)	Area (m ²)	Notes
Veg. collection & shipment	1	11,820	1,367	1,800 per year
Low temperature warehouse	2	94,000	1,565	Capacity 100,000 bales of rice
Propane gas filling station	3	2,000	67	
Seed centre	4	12,590	273	
Farm machinery centre	5	93,000	2,100	Authorized car in spection, car washing
Automobile repair factory	6			Field for seeds 60 ha
Eggs grading centre	7	25,950	560	3,000 kg per day
Chicken slaughter house	8	75,750	595	Stopped operation in 1990
Country elevator No.1	9	153,600	840	2,000 t
Grains drying centre	10	18,140	360	60~70 ha
Paddy seedling centre	11	20,520	735	100 ha Amount of seeds nursed
Petroleum filling centre	12	36,500	2,450	
Country elevator No.2	13	149,750	840	2,000 t per unit
Warehouse for agri. chemicals	14	1,320	84	
Pear grading centre	15	53,490	1,081	1,000 t grading
General Agri. Coop centre	16	121,400	1,215	
Country elevator No.3	17	201,180	840	2,000 t per unit
Country elevator No.4	18	260,600	840	2,000 t per unit
Petroleum supply relay station	19			
Warehouse for feed	20	8,080	275	
Sewage disposal tank	21	10,850		Lagoon method
Flower collection & shipment centre	22	15,000	330	
Better living centre house	23	2,995,000	1,373	
Figs collection & shipment centre	24	22,500	311	
Country elevator No.5	25	550,000	1,500	2,500 t per unit
Warehouse for patecon	26	70,000	140	
Soy-bean collection & shipment shipment centre	27	45,000	853	

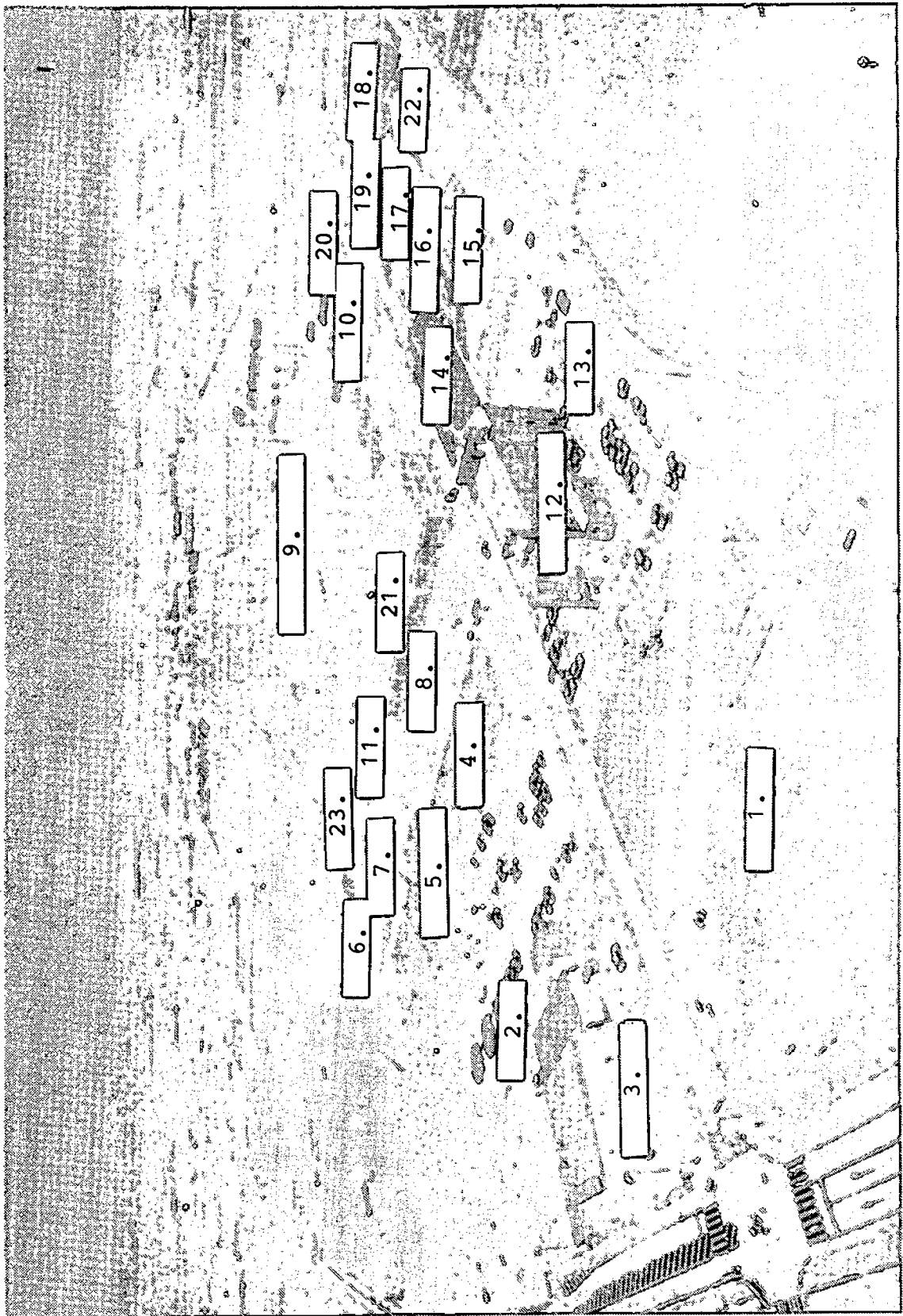
Barley silo bulk shipment facilities	28	17,000		1,000 t
Drying facilities	29	111,000		
Pre-cooling warehouse	30	89,300	438	Tunnel type pre-cooling unit, 2 rooms cold storage 207 m
Fertilizer warehouse	31			
Rice milling centre	32	1,000	36	
Paddy husk tank	33	224,500		Capacity 700 m ²
Log house (Tea parlor)	34	300,000	194	



8) Layout of the general agri. coop centre

9) Bird's eyes view of The General Agri. Coop Centre

1. The centre ground (The ground was converted into and now used as the Better Living Centre and Rice Refining Factory)
2. Petroleum filling centre
3. Petroleum supply relay station
4. Automobile repair factory
5. Farm machinery centre
6. Propane gas filling station
7. Flower collection & shipment centre
8. Rice milling centre
9. Country elevator No.1, No.4
10. Grains drying centre
11. Paddy seedl centre
12. General agri. coop centre
13. Warehouse for agri. chemicals
14. Pear grading cente
15. Veg. collection & shipment centre
16. Figs collection & shipment centre
17. Pre-cooling warehouse
18. Chicken slaughter house
19. Soy-bean collection & shipment centre
20. Warehouse for feed
21. Low temperature warehouse
22. Egg grading centre
23. Paddy seedling centre



10) Business performed in 1990

(1) Overview of business

In recent years prices of farm products have been kept stagnant as seen in the lifting of producers' prices of rice. Against such a severer environment, in 1990, the second year of the 6th three year plan of the coop, following activities were carried out for members to realize a healthy and brighter life by establishing agriculture responsive to the internationalization trends as well as co-existing with local regional residents under the theme of "Aiming at the construction of famlet farming and the creation of a rich life".

With regard to farming activities, the hamlet farming promotion plan was formulated with a view to realization of hamlet farm and a committee for the promotion of farming at each coop branch was organized to implement the plan.

Moreover, the establishment of farming complex of "Koshihikari rice" was further promoted so as to establish the brand name of Anjo rice as well as to increase the production & quality rice.

Add to this, efforts were made to disseminate planning of another variety "Aoinokaze" which has a potential along with the Koshihikari.

In regard to better living activities, we strived for making people be aware of the importance of keeping health and improving health examination activities. This activities were conducted by the committee for the enhancement of better living.

For a place of recreation of member farm families, Soseikan house was built on May, 1990.

2) Various business activities

a. Guidance activities

Expenditures for conduct of guidance activities are divided into five groups as shown below.

(As of F.Y. 1990)

Expenditure items	Scope of activities	Total costs (Unit: 1,000 yen)
Improvement of farm management	<ul style="list-style-type: none"> • Measures for construction of hamlet farming • Regional agriculture promotion project • Special products development project • Introduction of demonstration farm • Group pest control project • Livestock & horticulture promotion project • Fostering of various producers groups • Disinfection • Project relating to paddy agriculture establishment measures 	32,937
Better living & culture	<ul style="list-style-type: none"> • Health control (Group health examination through medical check-up and meetings) • Marriage consultation services • Cooking classes • Womens' school • Health-sports-day • Various study meeting • Guidance for dissemination of life planning 	12,856
Education & information	<ul style="list-style-type: none"> • Issuing of periodical cooperative news-letter to member farm families • Agri. coop festival • Rice festival • Hamlet meetings • Classes for self-enlightment • Members' studying • Production of agri. coop calendar • Production of video & slide 	33,777
Promotion of various groups	<ul style="list-style-type: none"> • Provision of assistances to misc. members groups (Womens assc., youth assc., rental housing assc., land use group, blue income filing group) • Tax consultation, steering group • Farm management promotion committee • Life enhancement committee • Meeting for training of general representatives • Allowances to committee members 	33,517
Agricultural adjustment measures (Lobby activities)	<ul style="list-style-type: none"> • Supply demand adjustment campaign • Countermeasures against levy of of taxes • Lobby activities 	1,587
	Total expenditures	114,708

b. Results of economic businesses

i. Marketing

(Unit: 1,000 yen)

	1987	1988	1990
Gov't rice	1,298,938	1,260,734	1,174,449
Semi-gov't controlled rice	810,608	631,862	857,289
Wheats & barley	537,438	541,619	449,850
Soy-beans	145,976	253,095	203,341
Seeds & others	152,458	166,889	148,350
Total of crops	2,945,418	2,854,199	2,833,288
Fruits	829,571	777,847	855,087
Vegetables	819,200	850,177	912,325
Flowers & plants	378,395	427,747	479,168
Total of horticulture products	2,027,166	2,055,771	2,246,580
Eggs	211,086	250,470	291,178
Chickens	279,033	174,545	165,428
Beef cattle	413,372	417,131	453,487
Piglet	58,671	40,273	28,685
Pig	167,356	156,530	163,452
Total of livestocks	1,129,518	1,038,949	1,102,230
General total	6,102,102	5,948,919	6,182,098

ii. Purchasing

(Unit: 1,000 yen)

	1987	1988	1990
Fertilizer	385,338	368,874	316,625
Agri. chemicals	372,356	340,978	308,249
Other materials	217,887	271,658	140,372
Bags & seeds	64,311	73,387	57,371
Shipment materials	141,944	152,821	135,989
Feeds	422,392	366,914	349,959
Feeder cattle	267,741	258,685	254,498
Farm materials	414,011	540,901	371,489
Total of production requisites	2,285,980	2,374,218	1,934,552
LP Gas	363,294	355,044	341,232
Furniture	196,337	241,909	223,207
Housing equipment	255,211	290,087	220,210
Organized purchase	321,166	345,409	285,465
Automobiles	709,990	762,817	807,193
Oils	875,182	847,873	886,602
Purchase at store	4,664,939	4,688,373	4,784,514
Total of consumer goods	7,386,119	7,531,512	7,548,423
Grand total	9,672,099	9,905,730	9,482,975

c. Results of credit & mutual insurance business

i. Credit business

(Unit: million yen)

	1987	1988	1990
Current savings	17,571	18,055	20,283
Time deposits	68,110	76,342	84,310
Fixed installment	6,121	6,723	7,310
Total of savings	91,803	101,120	111,905

Deposits with affiliated coops	62,303	69,869	61,590
Deposits with non-affiliated	1,983	1,262	16,489
Securities	17,852	18,077	21,074
Loans	14,712	17,227	19,584

ii. Mutual insurance business

① Long term mutual insurance policies in force

(Unit: million yen)

	1987	1988	1990
Endowment life	31,380	33,392	33,964
Children's	164	183	202
Whole life			1,409
Home construction	16,517	17,428	18,423
Pension	17	21	26
Total of mutual insurance	48,080	51,027	54,025

② Cases of new contracts of short term mutual insurance

(Unit: cases)

	1987	1988	1990
Automobiles	15,497	16,367	16,827
Automobiles liabilities	9,202	10,071	9,717
Fire	606	478	789
Personal accidents	1,349	83	73

③ Payments claimed in F.Y. 1990

(Unit: million yen)

① By Accidents	787 cases	529
② By Maturity	437 "	316
③ By Pension	26 "	53
Total payment	1,250 "	851

d. Development of agricultural land for housing • others

i. Project for development of agricultural land for housing

① Following activities were carried out as measures for coping with the plan for urban type land use.

- Meetings for use of agricultural land held in the vicinity of JR Mikawa-anjo station

- Explanation meeting on the model plan of community development held near the JR station
- Study meetings on community development held in each town (area)
- A council for the promotion of community development with the city office as secretariate established
- Lectures on legal relations concerning land use held
- A bulletin "Community development" No.7 published

- Meeting for agricultural land use held in the northern district (three places)

- A liaison committee for agricultural land use established
- A manual for community development published and survey on the peoples' intentions on land use conducted
- A bulletin "Community development" No.2 published

- Meetings for agricultural land use held in Sakuno district

- Land use consultation group established
- Lectures on land use held
- A manual of community development published and survey on the peoples' intentions on land use conducted

② For the provision of guidances on fund operation and operation of agricultural land turned houses and apartments, study meeting were held on ways to make a correct filing of taxes such as salary of care taker, income and transfer tax resulting from their rent fees. Moreover lecture meetings and visits to advanced areas

were conducted

- ③ Legal consultation services by a legal advisor specializing in such areas as land use and taxes were provided as part of consultation activities
- ④ As for leisurely farming for tourists, efforts were made to seek better understanding of owners of the farm towards agriculture by holding such activities as competition of agricultural products

ii. Others

① Organization, education and publicity activities

- Meeting with farm successors held
- Hamlet farming promotion plan formulated centering on the farming promotion committee
- "Walk rally" or lecture meetings were conducted as part of health control activities. These activities were undertaken by the life betterment committee
- Scholarship for fostering farm successors was provided to 11 persons including two women
- Information services were given to member farm families with publication of three kinds of news letters and broad casting of video film and cable radio
- Various events such as agricultural festival, rice festival, agricultural products fair, soft-ball championship, Karaoke (song) contest, golfing and etc. were held in a bid to establish a closer relationship between members and regional residents

② Improvement of facilities

- Rebuilding of agricultural meeting repair workshop
- Establishment of a new tank for unhusked rice
- Enlargement of pre-cooling storage for figs

(3) Balance sheet & profit & loss statement

a. Balance sheet

As of Mar. 31, 1990 (Unit: thousand yen)

Assets		Liabilities and Capitals	
Items	Amount	Items	Amount
Credit business	121,513,100	Credit business	115,506,077
Mutual insurance	110,819	Mutual insurance	813,562
Economic & other business assets	2,668,406	Economic & other business assets	2,682,235
Fixed assets	3,994,597	Reserves for retirement allowance	1,402,244
External assets	406,448	Reserves for bad debt	93,705
Deferred assets	38,948	Reserves for price fluctuation of national bond	103,332
		Reserves for special events	58,000
		Other reserves	104,041
		Reserves for supply of housing	47,100
		Reserves for taxes	510,000
		Borrowings for investments in equipments	486,740
		Special accounts	105,302
		Total liabilities	121,912,330
		Paid-in share capital	940,233
		Revolving fund	395,608
		Legal reserves	353,720
		Special installment	4,437,301
		Unappropriated surplus	693,129
		Total of capitals	6,819,991
Total assets	128,732,332	Total of liabilities and capitals	128,732,322

b. Profit & loss statement

From April 1, 1989 to Mar. 31, 1990 (Unit: thousand yen)

Expenditures		Income	
Items	Amount	Items	Amount
Credit business	3,619,844	Credit business	5,975,985
Mutual insurance business	128,019	Mutual insurance business	982,821
Purchasing business	8,098,808	Purchasing business	9,678,428
Marketing business	6,097,256	Marketing business	6,348,839
Warehousing business	7	Warehousing business	47,846
Utilization business	80,900	Utilization business	559,681
Processing business	285,558	Processing business	300,024
Guidance business	114,708	Guidance business	38,198
Total of business exp.	18,425,102	Total of business income	23,931,826
Business administration	4,279,066		
Non-business	273,743	Non-business	185,064
Special loss	397,687	Special profits	506,472
Misc. reserves brought forwards	119,302	Refund to misc. reserves	10,653
Corporate & residential Taxes	475,551		
Current surplus	663,561		
Total	24,634,016	Total	24,634,016

3. Implementation of Hamlet Farm Management Promotion Plan by the Anjo-shi Agricultural Cooperative

1) Implementation of Hamlet Farm Management Promotion Plan by the Anjo-shi Agricultural Cooperative

Anjo-shi Agricultural Cooperative Society has formulated the medium and long term plans composed of four pillars, (1) farm management (2) better living (3) operation of organizations and (4) financial system of agri. coop. since 1971 aiming at the establishment of desirable agricultural cooperative to be pursued in the future. With 1990, the final year for the 6th third year plan, the society is attempting to establish agriculture responsive to the surging globalization and the import liberalization. The establishment of the following five items are implemented as target.

- (1) Realization of hamlet farm
- (2) Suggestions and proposals for the creation of rich living
- (3) Cooperation with local residents
- (4) Promotion of cooperative activities
- (5) Establishment of a strong management structure responsive to various changes

In these 5 items as mentioned above, focus is put on farm management aspects.

Agriculture in Anjo city consists of urban type agriculture with a few full-time farmhouseholds and the stable part-time farmhouseholds mostly with their own farmland. According to the questionnaire on members, 21% of regular members replied that they had no agricultural income, 15.9% of them to reduce their management scale or leave farming and remaining 5% to feellike expanding their management scale.

On their farm management, 50% of member farmers complained about insufficient agricultural income caused by such factors as cheap and unstable prices for agricultural products, high costs of production materials and excessive investment in farm machineries.

Regarding the fludization of farmland, the number of those farmhouseholds who feel that they could lease out their farmland if certain conditions were met exceeds the number of those farmhouseholds who want to expand the scale of their farm management.

In the light of such circumstances and intentions of members as mentioned above, in the 6th medium-term plan, a farm management plan was formulated for its implementation in order to reduce the production costs as well as to increase farmhousehold income, thereby establishing Anjo agriculture firmly.

Nextly, let's see the details of the concrete farm management promotion plan.

2) Farm management promotion plan of the society

- (1) Efforts will be made to strengthen members organizations and to establish hamlet farm to respond to paddy agriculture establishment measure project (including conversion of crops).
- (2) Efforts will be made to strengthen planning for farm management and improve its guidance activities.
- (3) Promotion of soil preparations by establishing manure supply system through exchanges of by-products between livestock growing farmhouseholds and agricultural • horticultural farm-households.
- (4) By drawing-up farm management patterns according to types of farmhouseholds as classified by full-time, part-time I and part-time II, efforts will be made to increase their income and to form a large producing area.
- (5) Promotion of small group activities by horticultural farm-households for pleasure and enjoyment of producing.

Priority items	Measures and the measures for implementation	Concrete measures for implementation		
		1st year (1988)	2nd year (1989)	3rd year (1990)
[1] 1) Establishment of hamlet farm	Mentioned in the latter pages	Setting up the council	Drafting, implementation	Drafting, implementation
2) Strengthening members organizations for establishing paddy farming and identifying their definite roles	(1) Setting up the council for promotion of Farm Management of Anjo-shi Agri. Coop. (2) Setting up the Council for Promotion of Farm Management by each branch office of the society	Drafting, implementation of farm management promotion plan Setting up committee Drafting, implementation of farm management promotion plan by each branch office	Drafting, implementation	Drafting, implementation
3) Strengthening farm management association	(3) Establishment of agri. crop rotational system in paddy field (1) Upgrading of capability of the paddy group (2) Fostering and identifying of farm successors (3) Strengthening the organization dealing mainly with key organization	Drafting, implementation of promotion plan Holding training courses (2 times a year) Holding of committee meeting on measures to be taken • Each commodity-wise group • Each branch office	to be continued to be continued to be continued	to be continued to be continued to be continued

Priority items	Measures and the measures for implementation	Concrete measures for implementation		
		1st year (1988)	2nd year (1989)	3rd year (1990)
[2] Improvement of farm guidance function	(4) Expansion of management scale by promoting fluidization of farmland	Establishment of key organization and implementation	to be continued	to be continued
	(1) Establishment of comprehensive farm management system	Establishment of farm management planning division		
	(2) Selection and promotion of special products	Drafting a plan for promotion of special products and its implementation	Drafting, implementation	Drafting, implementation
	(3) Fostering farm advisers and upgrading their capabilities	Operation of direct sales depot Holding training course and sending farm advisers for training	to be continued	to be continued
(4) Establishment of farm management information system	To select each instructor getting each subject Study, implementation	to be continued	to be continued	
		R&D system on the forecasting of occurrence of blights on paddy, meteorological information and the analysis of its growth	Supplying information for practical use	to be continued

Priority items	Measures and measures for implementation	Concrete measures for implementation		
		1st year (1988)	2nd year (1989)	3rd year (1990)
4) Production of tasty Anjo rice	(3) Conservation of environment and prevention of epidemics (1) Introduction of new variety & research (2) Formation of farming complex for Koshihikari variety of rice (3) Unification of variety	Implementation of regular visits to stock farmers Research on new variety & examination Setting up priority areas for the promotion of rice Setting up targets	to be continued to be continued to be continued Dissemination	to be continued to be continued, dissemination to be continued Koshihikari 30% Aoisora 5~10% Tsukinohikari 30% Nihonbare 25% Koganebare 5~10%
5) Reexamination of the control system of insect pests	(1) Reexamination of aerial spraying (2) Supplying information on the control	Research by forming a project team Use of telephone services	Establishment of a system & implementation to be continued	to be continued to be continued
6) Research on new farming technology	(1) Research and dissemination of direct broadcasting (2) Research on direct broadcasting by helicopter	Research and dissemination Testing by helicopter	Research and dissemination Examination	Research and dissemination Examination, dissemination

Priority items	Measures and measures for implementation	Concrete measures for implementation		
		1st year (1988)	2nd year (1989)	3rd year (1990)
	(3) Development of new control method	Establishment of system by grain type control	Dissemination	Dissemination
	(4) Research and establishment of low chemical use cultivation method	Setting up demonstration plots in North & East area	Research	to be continued
	(5) Research on cultivation of soybeans in unplowed land	Research at the demonstration plot	to be continued	to be continued
	(6) Establishment of agri.coop run demonstration plot	Securing 0.28 ha of demonstration plot Research on farming technique and varieties Providing of technical guidance & demonstration for actual operation of farm machineries. Testing agricultural chemicals and examination on production materials	to be continued	to be continued
[3] Developing soil preparation campaign	(1) Introduction of manure broadcaster and the establishment of its consignment system (2) Assistance measures for those producers who apply organic fertilizers (3) Improvement of soil analysis system	Study meeting for adoption of manure spreading machine Examination on measures for the assistances Use of the system and supplying information	Adoption of the machine Implementation	to be continued to be continued to be continued

Priority items	Measures and measures for implementation	Concrete measures for implementation		
		1st year (1988)	2nd year (1989)	3rd year (1990)
	(4) Efficient use of soil improvement machinery	Promotion of utilization	to be continued	to be continued
	(5) Grasping the amount of manure which can be supplied by livestock farm households	Research, examination		
	(6) Research on the effects of manure application	Research and testing at demonstration plot of agri. coop.	to be continued	to be continued
	(7) Research on materials other than manure	Research	to be continued	
[4]	1) Setting up farm management patterns by stratum of farm households	Dissemination	Dissemination	Dissemination
	2) Advantageous marketing of rice and diversification of varieties to be produced	Implementation	to be continued	to be continued
	(2) Setting up the demonstration plot for the production of rice for wine	Research	Research	Dissemination
	(3) Expanding the production of rice for glutinous rice	Setting up the area for promotion, dissemination	to be continued	to be continued

Priority items	Measures and measures for implementation	Concrete measures for implementation		
		1st year (1988)	2nd year (1989)	3rd year (1990)
3) Upgrading brand name of "Superior Anjo seeds"	(1) Improvement of production system (2) Production of seed production calendar	Reexamination of seeds producing plots Implementation	to be continued to be continued	to be continued to be continued
4) Establishment of marketing system for horticultural products	(1) Improvement of producers groups (2) Fostering core farm households and self supporting farm households (3) Establishment of advantageous marketing	Establishment of grading inspector system and its implementation Strengthening commodity-wise groups and fostering their leaders Development and research on the processing of special products Expansion of home delivery business of gifts	to be continued to be continued to be continued	to be continued to be continued to be continued
5) Establishment of marketing system for livestock products	(1) Upgrading the brand name of "Superior Anjo Wagyu"	Introduction of excellent feeder cattle, research on feeding Research and the establishment of marketing channels Implementation of a sampling party and conduct of survey by questionnaire	to be continued	to be continued

Priority items	Measures and measures for implementation	Concrete measures for implementation		
		1st year (1988)	2nd year (1989)	3rd year (1990)
6) Responding to low cost agriculture and improving repairment techniques	(1) Strengthening home visit activities and consultations	Allocation of canvasser	to be continued	to be continued
	(2) Technical guidance meeting for operating farm machinery	Implementation	Implementation	Implementation
	(3) Checkingup and repair	Implementation	to be continued	to be continued
	(4) Reexamination of advanced order system and reorganization	Examination	Implementation	to be continued
7) Supplying production materials at low cost	(1) Research on the improvement of distribution channels	Research, implementation	Research, implementation	Research, implementation
	(2) Improvement of consultation activities through home visit	Allocation of consultants in charge	to be continued	to be continued
	(3) Reexamination of incentive system on advanced order	Examination	Implementation	Implementation
	(4) Exchange meeting with consumers organization	Implementation	to be continued	to be continued
[5] 1) Expansion of consumption of locally produced farm products through setting up exchanges with consumers for mutual understanding and solidarity	(1) Exchange meeting with consumers organization	Implementation	to be continued	to be continued
	(2) Implementation of study from experiences on farming	Holding of events for consumers groups and children	to be continued	to be continued

Priority items	Measures and measures for implementation	Concrete measures for implementation		
		1st year (1988)	2nd year (1989)	3rd year (1990)
	(3) Implementation of practical exercise on processing and cooking of farm products	Implementation of practical exercise by using locally produced farm products (soybean paste, bean curds)	to be continued	to be continued
2) Measures for fostering farm successors for the creation of bright future agriculture	(1) Grouping farm successors	Expansion of membership of youth and middle aged men's association	to be continued	to be continued
	(2) Positive use of excellent techniques and talents held by elderly people	Research	Implementation	to be continued
	(3) Forming one group per branch office	Setting up model branch offices (4 branch offices)	to be continued	to be continued
		<ul style="list-style-type: none"> • Vegetable producers group • Fruits producers group • Herb producers group 		
3) Promoting agriculture for the creation of worth while living	(1) Commodities to be promoted onion, sunny lettuce, fig, pear			

3) The background of hamlet farm system

The contents of "Farm Management Promotion Plan" are as mentioned in the forgoing pages. One of the unique features of Anjo-shi Agricultural Cooperative Society is that it is positively promoting farm management centering on "Hamlet Farm System". Here let us see its background and how it is promoted at present.

Agriculture in Anjo city which has been developed centering on paddy farming and is being now faced with a drastic turning point of changing its pattern to a great degree to cope with the changes of socio-economic environment. Farmland area under management which constitute bases of paddy farming is very small with only 0.7 ha per farmhousehold and thus it is almost impossible to carry on farm management relying solely on paddy farming.

Under such background, the society has been fostering the farm management association (paddy growers group), seeking financially self-supporting entity. Positioning them as core farmers, farm management has been promoted by encouraging the accumulation of farmland of part-time farmhouseholds and the entrusted farming works by core farmers with a hamlet as bases.

However, the present farm management is still insufficient to cope with the pressures against globalization trends, to absorb the quota of some 35% of conversion of paddy field utilization in to Anjo agriculture as dictated by the project for reorganization of paddy field utilization. Added to that, given the low rice price policy, it became imperative to forge agricultural which ensures stability towards future.

In view of this, based on the idea that the area should be regarded as an object, effective use of farmland and highly productive agriculture will be seeked through the promotion of farm management by the hamlet farming system.

(1) Management of paddy field (rice, wheat, soybean)

Regarding paddy field management which requires heavy works using large size farm machineries, the society is entrusted with individual farm management and farming works from part-time farmhouseholds. On the basis of which it

tries to make effective use of farmland and to secure management bases for the farm management association as well as to reduce the production costs. Also, the society induces part-time farm households to refrain from over investments and thereby to stabilize management of part-time farming.

(2) Promotion of house horticulture and fruits

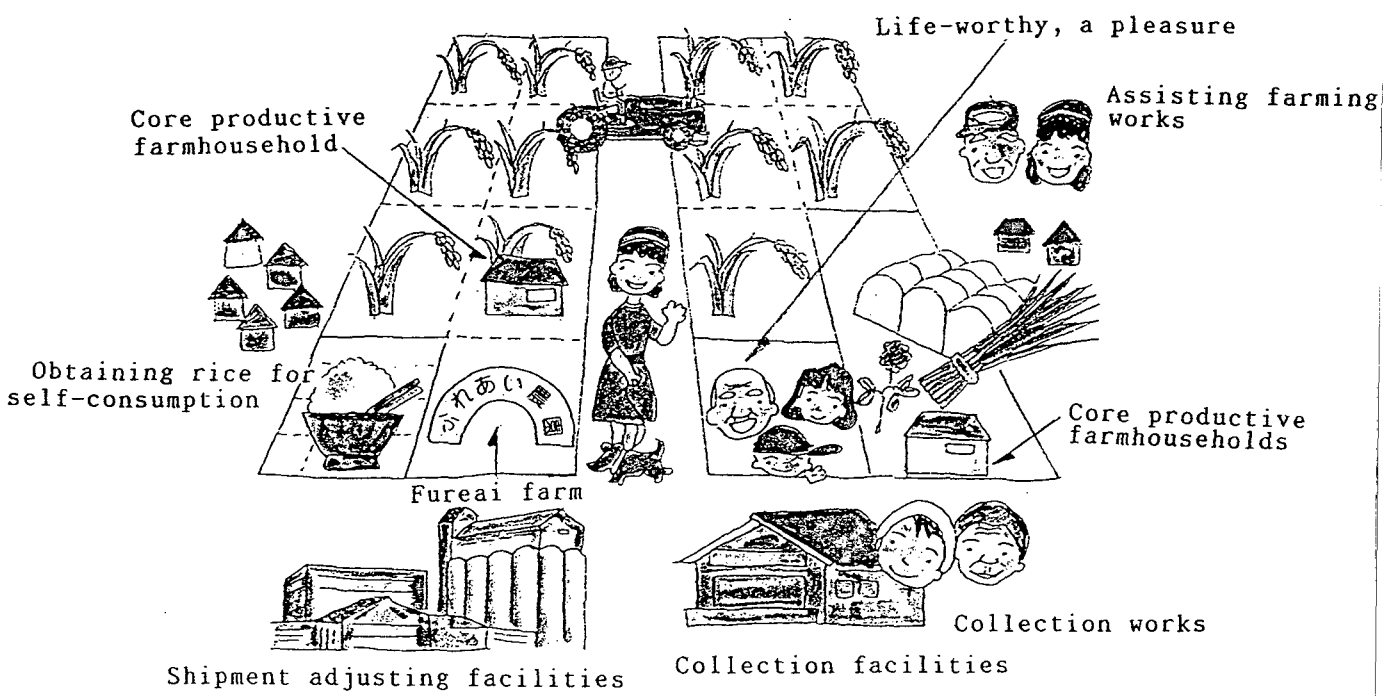
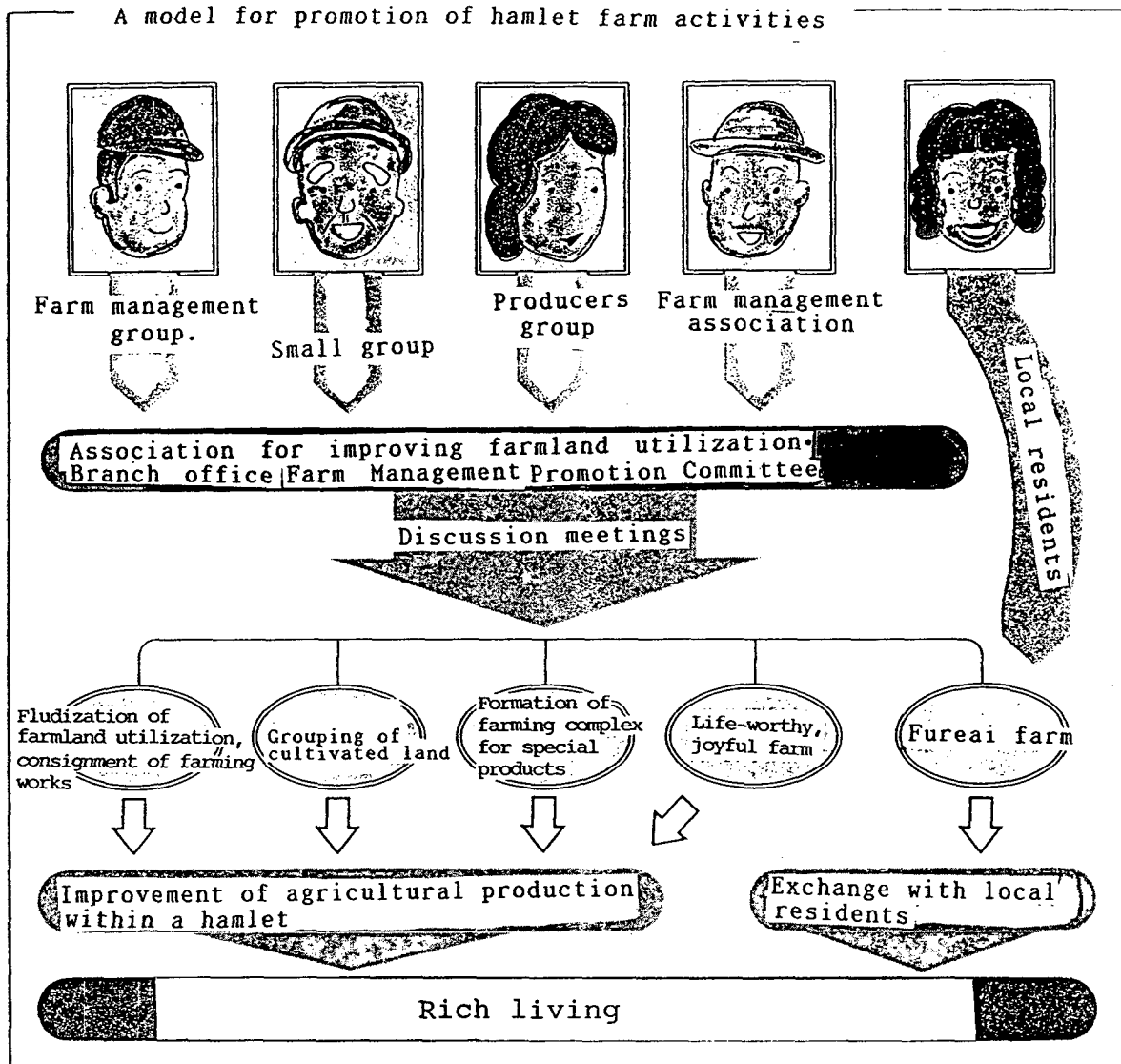
The society will engage in the promotion of house horticulture and fruits in order to establish and stabilize special products in the area with full energy. Also, the society will be engaged in the formation of farming complexes by each commodity and the concentration of plots through fludization of farmland so as to make rationalization of farming works and stabilize yieldings.

(3) Conversion of paddy field utilization will be promoted with the consignment of farming works to farm management association as a base. However, depending on local conditions it will be promoted through linkages between farm management association and part-time farm households to supplement each other.

(4) By introducing local special products exploiting regional characteristics, the society will establish "life-worthy and joyful agriculture" by utilizing labour powers of advanced aged people and women as main force in farming works.

(5) The society will open "Fureai farm" for non-farm households and school children as one of the ways to use converted paddy field effectively in order that it contributes to creation of village community which gives life-worthy living for both farm households and other local residents.

4) Promotion of hamlet farm



5) Objectives of a hamlet farm

The target year for establishment of a hamlet farm is after 5 years from now on. Let's see how it's established and promoted by the society. In the hamlet farm, farm management plans will be presented and drafted in a manner to match the prevailing conditions of both full-time and part-time farmhouseholds. The actual examples are shown as follows.

(1) For full-time farmhouseholds

a. Establishment of worthy of carrying on agriculture

At present, the number of financially self-supporting farmhouseholds in operation area of Anjo-shi Agricultural Cooperative is as follows.

Paddy field management	94	farmhouseholds
Fruits	20	"
House vegetables	71	"
Livestocks	26	"
Flowers, ornament plants ...	30	"

The society aims at the realization of worthy agriculture in the process of establishing a hamlet farm within a hamlet centering on these core productive farmhouseholds. Then, the meaning and concrete objectives of worthy agriculture are as follows.

- ① Realization of agricultural income a 9 million yen
- ① Implementation of adopting salary system the family labour they put in to boost its morale on farming.
- ① Introduction of part-time workers to expand management scale and to create leisure time.
- ① Implementation of off-work days to promote health and to enrich living
- ① Working hours should be less than 2,000 hours a year.
- ① Creation of environment of farm management congenial to fostering farm successors.

In order to achieve the above objectives, it is necessary to take following measures.

- i. Expansion of farm management scale by adjusting farmland utilization

Table-1 Target for expansion of management area by each commodity (per farmhousehold)

Commodity	Target for expansion of management
Paddy field management	Paddy 10 ha, Wheat 10 ha, Soybean 10 ha, Consigned work --- 30 ha
House cucumber	0.4 ha
House strawberry	0.5 ha
Potted flower	0.3 ha
Cut flower	0.4 ha
Fig	0.6 ha (house 0.3 ha, open field 0.3 ha)
Pear	1.2 ha (house Kosui 0.4 ha, open field 0.4 ha, open field Hosui 0.2 ha, open field Niitaka and new variety 0.2 ha)
Dairy	60 milk cows
Beef cattle	150 cattles
Pig raising	150 pigs
Poultry	20,000 hen layers

ii. Improvement of yielding and quality

Improvement of farming technology, adoption of excellent variety and establishment of organic fertilizer supply system.

iii. Reduction of production costs

Promotion of direct broadcasting to paddy field in flooding area to rationalize production costs at low and concentration of farmland.

iv. Promotion of salary system

Implementation of salary system, management analysis and family agreement .

v. Promotion of employment system

Establishment of a intermediary system .

vi. Promotion of holidays

Establishment of helper system and off-work days.

vii. Creation of environment comfortable and congenial to farming works

Improvement of farming works, examination on combination of commodities and rationalization of working hours

Table-2 Income target for financially self-supporting farmhouseholds after 3 years

(Source: Agricultural Extension Office)

Commodities	Management scale (ha) (No. of livestock)	Labour power (person)	Income Target (million yen)
Paddy field management	Paddy 10, wheat 5, soybean 5	2.0	9.33
	Consigned work (tilling, paddy harvest)		
House cucumber	Forced cucumber 0.4	3.0	8.8
House strawberry	Forced strawberry 0.4	3.0	7.2
Pear	Kosui 0.7, Hosui 0.4, Shinsui 0.2, Nikitaka 0.2	3.0	7.78
Fig	Open field fig 0.4, House fig 0.3	2.5	7.12
Grape	Kyoho 0.7, Seedless delata 0.3	2.5	4.54
Ornament plant	Ornament plant 3,000 m ²	4.0	8.3
House egg plant	Egg plant 0.4	3.0	8.54
Beef cattle	Constant feeding 150, Marketing 90	1.5	8.1
Pig raising	Feeder 70, Marketing 1,250	2.0	8.4
Poultry	1,500 hen layers	2.0	7.5
Broiler	Constantly 45,000, 4 cycles a year 180,000	2.0	7.2
Dairy	40 milking undelivered cows	2.0	8.8

Table-3 Indices for selection of farm management pattern

(Unit: per 0.1 ha, number of livestock, 1,000 birds)

Commodities	Income 1,000 yen	Commodities	Income 1,000 yen
Paddy	42	Grape (Kyoho)	520
Wheat	25	Delaware	300
Soybean	23	Ornament plant	2,766
Forced cucumber	2,200	Egg plant	1,942
Strawberry	1,800	Beef cattle	90
Pear (average of 3 varieties)	550	Feeder pig	120
Pear (Niitaka)	630	Hen layer	500
Open field fig	610	Broiler	40
House fig	1,560	Dairy	220

b. Suggestions for part-time I and II farmhouseholds

The efficient use of paddy field is being strongly called for in the implementation of the project for reorganizing paddy field utilization. Also, the mixed residence of farmhouseholds and non-farmhouseholds, aging of agricultural labour power and high dependency on women in farming works are advancing in farming villages. To cope with such circumstances, the society will promote worthy agriculture by fully utilizing excellent skills and experiences of advanced aged people and cares and attentions of the women to details for the purpose of familiarize oneself with a job of working with soil and living in a farming village through farming.

The society suggests some commodities which could be produced easily by advanced aged people or women for ensuring stable income based on the results of fiscal 1987.

Regarding commodities other than mentioned below, please refer to the indices of farm management patterns for the selection of commodities and for deciding your own farm management pattern to suit your family conditions.

i. Onion

Working hours : 160 h/0.1 ha
Working period: Aug. to June

Management balance

Item	Sum (yen)
Gross income	325,000
Expenses for management	110,962
Seedlings	13,000
Fertilizer	29,050
Agri. chemical	4,450
Multi. sheet	9,600
Shipment cost	54,862
Income (yen)	214,038
Income ratio (%)	65.8

ii. Sunny lettuce

Working hours : 154 h/0.1 ha
Working period : Sep. to March

Management balance

Item	Sum (yen)
Gross income	380,000
Expenses for management	154,150
Seedlings	950
Fertilizer	14,700
Agri. chemical	9,200
Multi. sheet	22,500
Shipment cost	106,800
Income (yen)	225,850
Income ratio (%)	59.4

iii. Fig

Working hours : 549 h/0.1 ha

Management balance

Item	Sum (yen)
Gross income	1,215,200
Expenses income	648,300
Fertilizer	53,700
Agri. chemical	55,600
Materials	215,000
Shipment cost	324,000
Income	566,900
Income ratio (%)	46.7

iv. Pear

Working hours : 426 h/0.1 ha

Management balance

Item	Sum (yen)
Gross income	952,500
Expenses for management	517,300
Fertilizer	43,300
Agri. chemical	73,900
Materials	76,600
Facilities	36,200
Depreciation	86,300
Shipment cost	201,000
Income (yen)	435,200
Income ratio (%)	45.7

(2) For part-time farm households

a. Promotion of joyful and worthy agriculture

At present, almost 90% of farm households in this area are part-time farm households who are mainly engaged in paddy field management. Their paddy farming types can be divided into 3 types of ① self completion type, ② farming work consigned type and ③ management consigned type. Their management balances are as follows.

Table-4 Balance of management for different types of part-time farm households

(Per 0.1 ha, Unit:yen)

		①Self completion type		②Farming work consinged type	③Management consigned type
		Using farm machinery owned	Buying new farm machinery		
Earnings	Marketing account	132,920	"	"	
	Cost for farmland				24,923
Expenses	Seedling exp.	1,680	"	11,400	
	Fertilizer exp.	12,767	"	12,767	
	Agri. chemical exp.	12,537	"	10,978	
	Power, light & heat exp.	2,392	"	900	
	Materials exp.	4,692	"		
	Water right exp.	2,950	"	2,950	
	Country elevator cost	9,920	"	9,920	
	Machinery cost	54,318	85,651	6,427	
	Taxations	1,385	"	1,385	
	Fee on consigned farming			42,500	
	Total	102,641	133,974	99,227	0
Income		30,279	Δ 1,054	33,693	24,923

Notes; 1)Products of 1989, management area 0.7 ha

2)Marketing account of Tsukinohikari (3rd grade, 1st rank).
8 bales (60 kg x 8)

3)Machinery cost includes standard depreciations and repair charge

4)Fee on consigned farming work includes charges for tilling (2 times) ;)
paddling, transportation and harvesting

As it is clearly seen in the Table-4, almost half of the expenses for paddy farming is stemming from depreciation costs of farm machineries. Because of this, in the course of renewal of farm machineries, one could not avoid running deficits in management. Therefore, the society suggests to the part-time farm households that they convert crops from rice to other commodities and there by to establish a joyful and worthy agriculture for women and advanced aged people.

Following 2 methods are considered for realization of a joyful and worthy agriculture.

- i. For farm households who consign paddy farming entirely to other farmers (those farm households consigning management and farming works entirely to other farmers)

In order to prevent deficits in paddy farming and to realize a joyful and worthy agriculture, those farm households will engage in production of fig or pear by utilizing excessive labour power of women or advanced age people created as a result of consigning farming works to other farm households. This will not only lead to making improvement of farm households income, but also exchanges with other producers producing the same commodities, promotion of health, consolidated power and expansion of scale as major producing area.

Table-5 Cultivation system and profitabilities of commodities to be promoted to part-time farm households

Commodities	Cultivation system	Major Variety	Management balance			Working hours for a year	Labour earnings per hour
			Gross income	Production cost	Income		
Fig (per 0.1 ha)	middle of March ○ ————— middle of Aug. - middle of Oct. □	Masui dofin	1,260	597	663	549	1.2
Pear (per 0.1 ha)	end of Jan. ————— beginning of Aug. ○ ————— □	Kosui	840	294	546	350	1.6
Strawberry (per 0.1 ha)	middle of Sep.- end of Sep. ————— middle of Dec.- middle of May ○ ————— □	Mehou	2,610	1,250	1,360	1,200	1.1
Shiitake (per 0.1 ha)	beginning of Dec.- end of Apr. ————— beginning of Oct.- middle of June ☆ ————— □	241 family	6,000	2,500	3,500	1,500	2.3

○ Transplantation ☆ Making fungus bed □ Harvest

Formation of farming complexes, joint use of machinery and facilities, joint works and organizing producers groups are considered necessary for the production of fig and pear and ect. Besides such conversion of crops, it is also important that this type of farmers work for full-time farmers of for agri. coops as part-timer. This is a complementary to both parties.

ii. For self completion type farmhouseholds in paddy farming
(Those who want to continue paddy farming as a part of
a joyful and worthy agriculture)

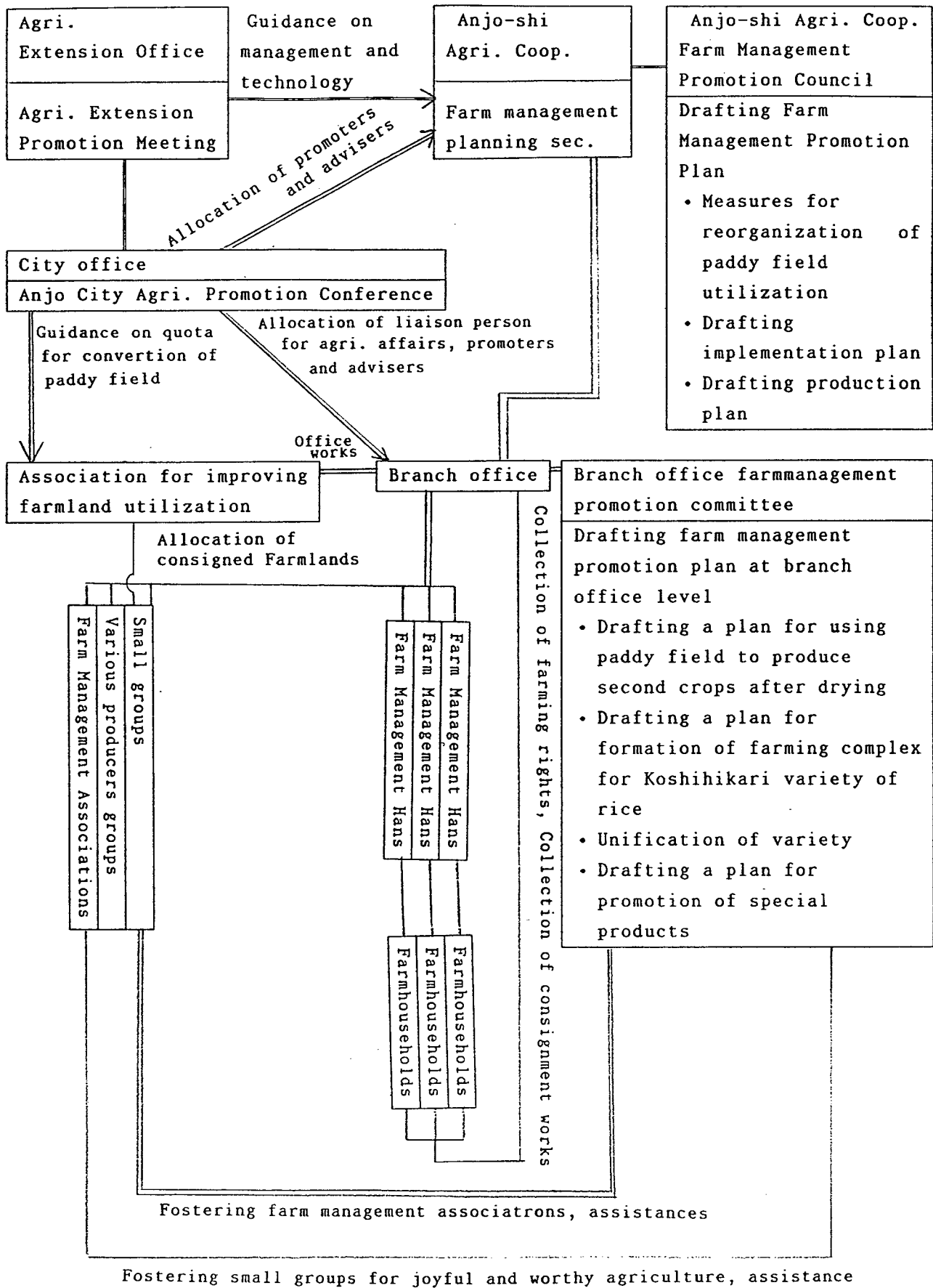
Following measures are considered to be taken in
avoiding over investment in farm machineries.

- To consign machinery works to other farmhouseholds and to engage in symple works such as water management.
- To promote joint use of farm machineries in a hamlet.

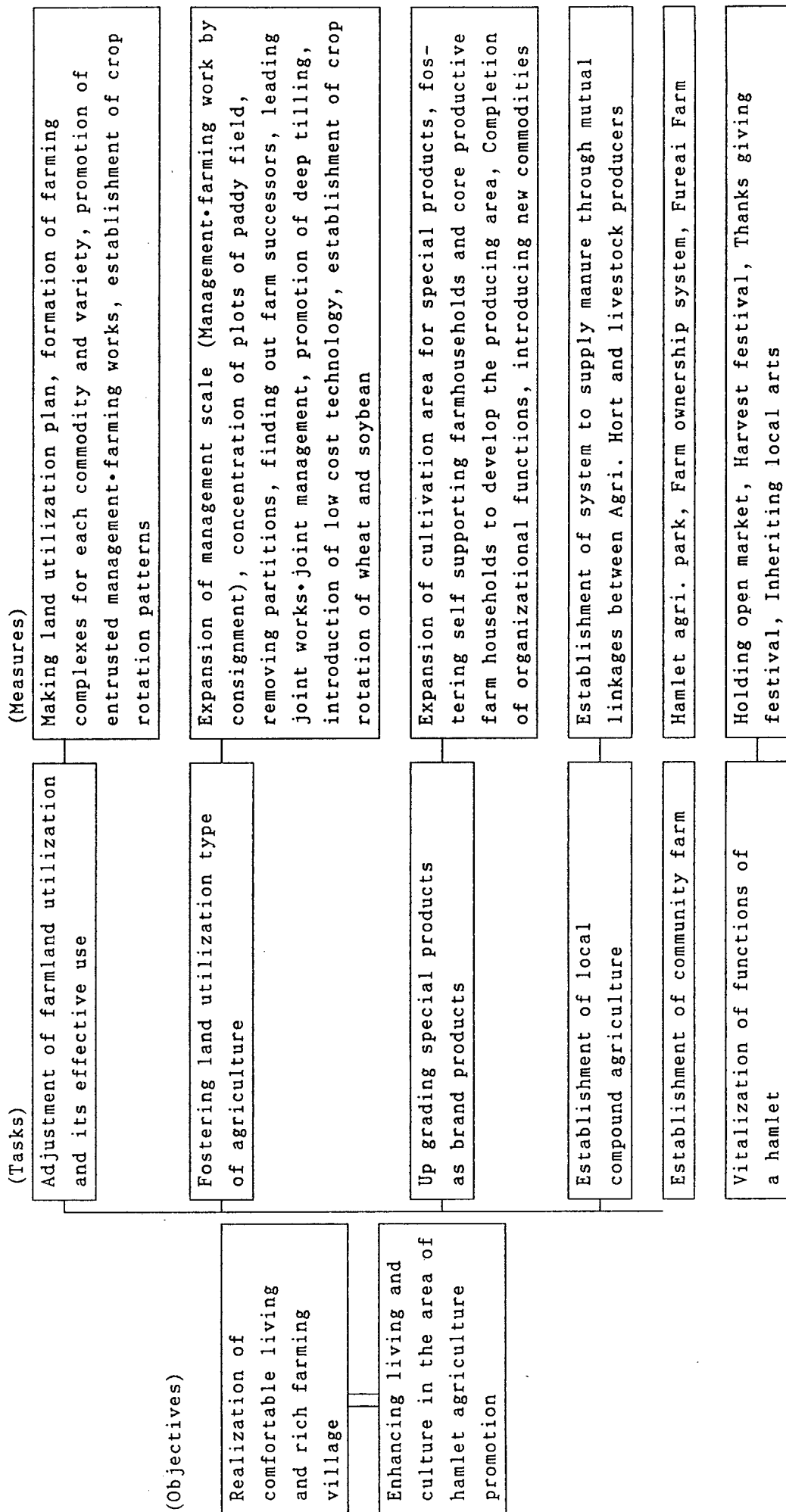
Also, by using excess labour power for paddy farming, production of paddy seeds as high value added products will be promoted.

Nextly, let's see organizational structure and methods for establishment of "Hamlet Farm".

6) Organizational structure for establishment of a hamlet farm



7) Tasks necessary for establishment of a hamlet farm



8) Measures for promotion of a plan for establishment of hamlet farm

Based on the organizations and policies for establishment of hamlet farm, a plan for the establishment will be drafted. The procedures for the plan and its implementation are as mentioned below.

(1) Drafting a plan for establishment of hamlet farm

Let's draft a plan targeting for 5 years to establish future agriculture. The procedures for drafting a plan are as follows.

a. Grasping the present situations and necessary tasks

In the process of drafting a plan, the primary task is to grasp the present situations. Hamlet farm shall be established by fully utilizing its characteristics of each hamlet, therefore, knowing your own hamlet is very important.

The contents of survey are;

- o Situations of farmlands...Area, conditions of concentration, soil conditions
- o Situations of farmhouseholds...Number of farmhouseholds classified by full-time and part-time, situations of farm successors, intention of farmhouseholds, farm machineries owned by them, situations of joint works.
- o Situations of agri. products...Commodities to be produced, amount of production, special products.

These items need to be studied based on the past experiences. The methods for the checking it are;

- o Data relating to each item...to grasp various situations
- o Questionary.....to grasp intentions of farmhouseholds
- o Hearing.....to grasp what was the special products produced in a hamlet in the past and methods for the production

In the process of the survey, cooperation of learned and experienced persons are necessary and sometimes the formation of task force are effective. After grasping the present situations, let's find out necessary tasks for developing agriculture and farming village for the future. The points to be examined are;

- o Whether suitable products from suitable soil is practiced
- o Whether farm successors are obtained
- o Whether paddy fields are effectively utilized
- o Whether horticulture is promoted
- o Whether linkage between agri. horticulture and livestock growers is established
- o Whether communication with non-farmhouseholds are actively promoted
- o Whether vitalization of a hamlet is promoted and so on

Out of these check points, let's find out necessary tasks for the future.

b. Setting up targets and its measures

Let's set up targets in 5 years perspective based on the examination of necessary tasks to be implemented. After taking into consideration the present situation of hamlet thoroughly, you may as well set up targets with

concrete figures keeping in view the magnitude of difficulties of their realization. Once the targets are decided, let's consider the measures for their achievement. In the decision of the measures for achievement, it is necessary to set up targets to be achieved by each year.

- (2) Drafting annual plan based on the long-term planning and its implementation

Once, the long-term perspective plan is drawn up, it is necessary to draft a single year plan based on the policy of the long-term plan. A single year plan shall be established every year to identify detail tasks to be implemented in the year to cover the target over 5 years. In drafting a single year plan, let's clarify responsibilities as to who plays what role and when in the group or hamlet. For that, what is it that is needed to be done. Then let's put it into practice step by step.

- (3) Examination of the results and feedback

After the completion of a task, it is important to examine its effects. It will be also useful for implementing tasks in the future and the needs may arise to rectify the tasks and the plan for implementation. There is a big task which needs concrete tackling. For tackling it there exists the detailed procedures to be taken for implementation.

Let's restart drafting the next plan by reexamining these detail items one by one. Such repetition will lead to the establishment of hamlet farm.

- (4) The members of the Council for Establishment of Hamlet Farm of Anjo-shi Agricultural Cooperative Society

Chairman	President of Anjo-shi Agri. Coop.
Vice chairman	Executive Director
Members	• Chief of Economic Section, Nishimikawa Office of Aichi Prefecture
	• Director of Anjo Agri. Extension Office of Aichi Pref.

- Deputy Chairman of Agricultural Committee of Anjo City
- Manager of Economic Environment Dept. of Anjo City
- Chief of Agricultural Section, Economic Environment Dept. of Agricultural Committee of Anjo City
- Professor of Agricultural Dept. of Tokyo Univ.
- Professor of Agricultural Dept. of Nagoya Univ.
- Chairman of Hamlet Farmland Utilization Improvement Association
- General Manager of Anjo-shi Agri. Coop.
- Manager of Farm Management Dept. of Anjo-shi Agri. Coop.
- Manager of Better Living Dept. of Anjo-shi Agri. Coop.

9) The future directions and implementation measures for each field of hamlet farm management

The establishment of a hamlet farm will be promoted through producers as mentioned above, nextly, let's see the future directions and implementation measures for each field of hamlet farm management which are presented to member farmhouseholds by the agricultural cooperative society.

(1) Paddy field management

a. Paddy field

Present situation		Paddy, Varieties		Measures															
1. Composition of varieties		Targets																	
Cultivation area for each variety of paddy in 1989 (ha)		1. Adjustment for composition of varieties																	
		Koshihikari..... 40%																	
		Tsukinohikari, Koganebare, Nihonbare..... 45%																	
		Aoinokaze..... 10%																	
		Rice for Sake(contract farming)... 5%																	
		2. Ratio of semi controlled rice(Koshihikari, Aoinokaze, Nihonbare)..... 60%																	
		3. Unification of varieties according to water systems																	
<table border="1"> <thead> <tr> <th>Variety</th> <th>Koshihikari</th> <th>Aoisora</th> <th>Tsukinohikari</th> <th>Nihonbare</th> </tr> </thead> <tbody> <tr> <td>Area</td> <td>431</td> <td>161</td> <td>799</td> <td>251</td> </tr> <tr> <td>%</td> <td>24</td> <td>9</td> <td>45</td> <td>14</td> </tr> </tbody> </table>		Variety	Koshihikari	Aoisora	Tsukinohikari	Nihonbare	Area	431	161	799	251	%	24	9	45	14			
Variety	Koshihikari	Aoisora	Tsukinohikari	Nihonbare															
Area	431	161	799	251															
%	24	9	45	14															
<table border="1"> <thead> <tr> <th>Koganebare</th> <th>Others</th> <th>Sticky rice</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>110</td> <td>25</td> <td>7</td> <td>1,784</td> </tr> <tr> <td>6</td> <td>1.6</td> <td>0.4</td> <td>100</td> </tr> </tbody> </table>		Koganebare	Others	Sticky rice	Total	110	25	7	1,784	6	1.6	0.4	100						
Koganebare	Others	Sticky rice	Total																
110	25	7	1,784																
6	1.6	0.4	100																
2. Small cultivation area for semi-controlled rice (such as Koshihikari) for advantageous marketing																			
3. Unification of variety (farming complex) is not progressed except for Koshihikari																			
		(1) Drafting farming plan for each variety																	
		(2) Holding hamlet meeting for adjustment of varieties																	
		(3) Establishment of demonstration plots for new varieties																	
		(4) Assistance for dissemination of Koshihikari and Aoinokaze																	

Paddy Farming Technology		
Present situation	Targets	Measures
<p>1. Lack of stability of production due to insufficient soil preparation</p> <p>2. Direct seeding to paddy field filled with water implemented in fiscal 1989 for 40 ha</p> <p>3. Pesticide by using airplane or collective pesticide are being difficult as they may likely cause environmental problems</p>	<p>1. Soil preparation by applying organic fertilizer, soil improvement agent and deep tilling (over 15 cm)</p> <p>2. Implementation of direct seeding by 30% (including direct seeding to dried paddy field) by farm management association for dividing labours and reducing costs</p> <p>3. Reduction of production costs and formation of image of Anjo rice (Anjo rice = less chemical, healthy)</p>	<p>1.</p> <p>(1) Developing campaign for soil preparation</p> <p>(2) Promotion of consignment works for soil preparation (Promotion of application of soil improvement agent, deep tilling)</p> <p>(3) Use of "Man, soil, village project"</p> <p>(4) Establishment of linkage between agri. horti. and livestock growing farmhouseholds</p> <p>(5) Establishing demonstration plots for soil preparations</p> <p>(6) Soil preparations with block rotation methods</p> <p>2.</p> <p>(1) Promotion of direct seeding</p> <p>(2) Installment of direct seeding machine in a hamlet level</p> <p>(3) Establishment of demonstration plots for direct seeding</p> <p>(4) Consignment of direct seeding works</p> <p>3.</p> <p>(1) Promotion of less chemical farming</p> <p>(2) Establishment of demonstration plots for less chemical farming</p>

Farmland Conditions		
Present Situation	Targets	Measures
<p>1. Smallness of one plot</p> <p>2. Many farmlands are not equipped with the pipeline irrigation facilities</p>	<p>Efficient farming works in a large plot of farmland equipped with pipeline irrigation</p>	<p>(1) Concentration of farmland</p> <p>(2) Removing partitions</p> <p>(3) Use of "Man, soil, village projects"</p> <p>(4) Farmland consolidation project to establish farmland with large plot</p>
Conversion of Paddy Field Utilization		
Present Situation	Targets	Measures
<p>1. Rotation for conversion</p> <p>Fixed 16%</p> <p>Rotation with one year 43%</p> <p>Rotation with 3 ~ 4 years 33%</p> <p>Individual conversion 8%</p> <p>2. Farmland is used for production of wheat for single crop</p> <p>3. Adequate commodities for conversion other than wheat and soybean are not possible to find out</p>	<p>1. Stabilization of rotation with 3 ~ 4 years</p> <p>2. Effective use of paddy field by adoption of soybean after wheat and wheat after paddy</p> <p>3. Introduction of new commodities</p>	<p>1. Discussions at hamlet</p> <p>2. (1) Promotion of farming pattern of soybean after wheat</p> <p>(2) Promotion of wheat as a second crop in the final year for conversion plan</p> <p>3. (1) Finding out new commodities and its examination</p> <p>(2) Establishment of demonstration plots for newly introduced commodities</p>

b. Organization for entrusted farming (Farm management association)

Management Style		
Present situation	Targets	Measures
<p>There are following management types under way</p> <ol style="list-style-type: none"> 1. Complete joint works..... 5 assoc. 2. Joint works only for converted crops..... 8 " 3. Individual management..... 12 " <p>The merits of joint works compared with individual management are;</p> <ul style="list-style-type: none"> •Economicl advantageous for farm machinery and facilities •Efficiency of farming works •Social reliability •Stabilization of farm successors 	<ol style="list-style-type: none"> 1. Complete joint works10 assoc. 2. Joint works only for converted crops..7 " 3. Individual management.....8 " 	<p>(1) Study on merits of joint works by making data</p> <p>(2) Promotion of joint use of large size farm machineries such as combine</p> <p>(3) Promotion of joint works</p>
Activities of Farm Management Association		
<p>Present situation</p> <p>Only a half of the associations are conducting regular meetings and information exchange meeting as basic organizational activities and members consciousness of belonging to the association is sometimes weak.</p>	<p>Targets</p> <p>Playing full functions of the association by vitalizing the activities</p>	<p>Measures</p> <ol style="list-style-type: none"> (1) Identifying objectives for the activities, division of roles (2) Establishing a position as a major promotor of paddy field management in a hamlet (3) Enhancing members consciousness of belonging to the association (4) Implementation of regular meeting and information exchange meeting

Contents of Management																		
Present situation	Targets	Measures																
<p>1. Small management scale <average management area per member farm-household></p> <table border="0"> <tr><td>Paddy</td><td>4 ha</td></tr> <tr><td>Wheat</td><td>3 ha</td></tr> <tr><td>Soybean</td><td>2 ha</td></tr> <tr><td>Entrusted farming works (accumulated total)</td><td>7 ha</td></tr> </table> <p>2. Number of farmhouseholds specified in paddy farming is 30 farmhouseholds (29%) only</p> <p>3. Low efficiency of farming works due to separation of plots</p>	Paddy	4 ha	Wheat	3 ha	Soybean	2 ha	Entrusted farming works (accumulated total)	7 ha	<p>1. Expansion of management scale <targets for management area per member farm-households></p> <table border="0"> <tr><td>Paddy</td><td>10 ha</td></tr> <tr><td>Wheat</td><td>10 ha</td></tr> <tr><td>Soybean</td><td>5 ha</td></tr> <tr><td>Entrusted farming works</td><td>30 ha</td></tr> </table> <p>2. Specification of paddy farming</p> <p>3. Concentration of farmland</p>	Paddy	10 ha	Wheat	10 ha	Soybean	5 ha	Entrusted farming works	30 ha	<p>1. (1) Promotion of consignment</p> <ol style="list-style-type: none"> a. Developing promotion campaign b. Using project for rationalization of farmland ownership <p>(2) Promotion of conversion of paddy to other crops for part-time farmhouseholds</p> <p>(3) Leading horticulture and livestock growing farmhouseholds increasingly specializing in the production of their own products</p> <p>2.(1) Encouragement of specializing paddy-farming</p> <p>(2) Establishment of individual management improvement plan</p> <p>3. (1) Drawing a present condition map and target map of farming</p> <p>(2) Adjustment in a hamlet or farm management association</p> <p>(3) Setting up farming rights for farmland owned by members of the association</p> <p>(4) Mutual exchange of farmland after deciding farming rights</p>
Paddy	4 ha																	
Wheat	3 ha																	
Soybean	2 ha																	
Entrusted farming works (accumulated total)	7 ha																	
Paddy	10 ha																	
Wheat	10 ha																	
Soybean	5 ha																	
Entrusted farming works	30 ha																	

Capability of Major Promoters of Paddy Field Management		
Present situation	Targets	Measures
<p>1. Advancing ages of members</p> <p><Ages distribution ></p> <ul style="list-style-type: none"> • 20 years - 29 3 • 30 - 39 23 • 40 - 49 26 • 50 - 59 37 • 60s 14 <p>2. Many farm successors of the members are employed in other industry</p> <p><Situation of farm successors></p> <ul style="list-style-type: none"> • No. of farm successors 11 • Student, little boy 42 • Engaged in farming 3 • Employed in other industry 47 <p>3. Only a half of the members are wishing for expansion of management area</p>	<p>Fostering and obtaining members of farm management association</p>	<p>(1) Realization of management which attracts farm successors</p> <p>(2) Finding out major promoters of paddy field management in a hamlet</p> <p>(3) Merging farm management associations, mutual exchanges</p>

The following table shows outline of 25 farm management associations in the operation area of the agricultural cooperative

Outline of farm management associations

		Hokubu 22 members					Tobu 24 members					Nanbu 31 members					Seibu 26 members					Total						
Farm management associations A ~ Y		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y		
Year for establishment		77	68	83	80	63	79	80	73	87	73	69	78	73	78	73	72	80	77	81	68	80	71	77	70	64		
Number of members		5	5	2	6	4	4	5	3	1	3	4	4	3	3	5	3	5	6	6	3	3	3	2	9	6	103	
Juridical corporation														0							0				0		3	
Management Type	Complete joint works			0										0							0	0			0		5	
	Joint works only for converted crops	0				0	0		0	0	0				0											0	8	
	Individual		0		0			0	0			0			0	0	0	0	0				0	0			12	
Contents of members management	Full-time (Head of family)	Specified in paddy field management	3	1		2		1		1			1				4	1	1	3		2		9		30		
		Paddy field management + Open field vegetables																									0	
		Paddy field management + House vegetables			1				2				2		1	3	2	1	5	3		3	1			2	26	
		Paddy field management + Fruits	2	4	1	2	4	1		1			1		1	1	1			2				1		4	26	
		Paddy field management + Flowers										2	1	3													6	
		Paddy field management + Livestocks				1					1	1	1						1						1		6	
		Sub-total	5	5	2	5	4	2	2	2	1	1	4	4	3	3	5	3	5	6	6	3	3	3	2	9	6	94
		Part-time (Head of family)	Paddy field management + Regular job																									
	Paddy field management + Temporal job					1		1	3	1		2															8	
	Paddy field management + Self-employed						1																				1	
Sub-total					1		2	3	1		2															9		
Total		5	5	2	6	4	4	5	3	1	3	4	4	3	3	5	3	5	6	6	3	3	3	2	9	6	103	
Properties jointly own	Buildings			0										0							0	0	0		0	0	7	
	Whole farm machineries													0							0	0			0		5	
	Part of farm machineries	0	0	0	0	0	0	0	0		0	0	0		0	0	0	0	0				0		0	18		
	Non								0															0			2	
Number of associations for improving farmland utilization		2	2	1	4		3	1	1	1	1	5	1	1		1	1		1	1	1		1	1	1	1	33	
Number of farmhouseholds		334	182	276	191	*	239	140	162	53	169	251	96	290	206	184	316	190	226	170	185	328	173					
Total farmland area in a hamlet (ha)		168	112	278	160	*	158	103	165	61	81	204	68	185	194	172	236	131	257	141	107	444	111					
of which paddy field area (ha)		153	95	246	141	*	138	95	148	54	68	181	62	162	177	140	187	91	233	121	87	412	95					

Note: * included in the area of C

(2) Horticulture

a. Fig

Scale of Production Area • Management Scale		
Present situation	Targets	Measures
<p>1. Cultivation area 42 ha (of which House 0.5 ha) (fig producers group)</p> <p>2. Farmhouseholds engaged in production 266 (of which House 5) (fig producers group)</p> <p>3. Average cultivation area 0.15 ha</p> <p>4. Major producing farmhouseholds are 11, but their management scales are small</p> <p>5. 10% of farmhouseholds are employing part-time workers</p> <p>6. Major labour forces are women (60%), and advanced age people (more than 60 years old) 30%</p>	<p>1. Cultivation area 70 ha (of which House 3 ha)</p> <p>2. Farmhouseholds engaged in production 350 (of which House 10)</p> <p>3. Average cultivation area 0.2 ha</p> <p>4. Major producing farmhouseholds 30 Management scale 0.6 ha</p> <p>5. 30% of farmhouseholds shall employ part-time workers</p> <p>6. Expansion of new cultivation area for housewives and advanced age people seeking for worthy agriculture</p>	<p>(1) Leading present producers to expand scale of management</p> <p>① Adjusting farmland utilization</p> <p>② Propagation for expansion of management</p> <p>③ Preparation of documents for dissemination</p> <p>④ Establishment of employment system</p> <p>⑤ Reexamination of pesticide system (joint automation)</p> <p>⑥ Improving efficiency of shipment</p> <p>(2) Obtaining producers who newly engage in production</p> <p>① Finding out producers (ex. "Let's plant fig 2 years before your retirement age")</p> <p>② Preparation of documents for dissemination (for production of fig, handy and profitable)</p> <p>③ Promotion at discussion meeting</p> <p>④ Individual guidance on production plan</p> <p>⑤ Establishment of farming complex</p> <p>⑥ Promotion of cutting branches to level</p> <p>⑦ Joint pesticide</p> <p>⑧ Use of "Man, soil, village projects"</p>

b. Pear

Scale of Production Area • Management Scale		
Present situation	Targets	Measures
<p>1. Cultivation area 58 ha (pear producers group)</p> <p>2. Farmhouseholds engaged in production 303 (")</p> <p>3. Average cultivation area per household 0.2 ha</p> <p>4. Major labour forces are 40% of advanced age people and 40% of house wives and change of generation is now taking place</p>	<p>1. Cultivation area 75 ha</p> <p>2. Farmhouseholds engaged in production 250</p> <p>3. Average cultivation area per household 0.3 ha</p> <p>4. Major labour forces, advanced age people, house wives</p> <p>5. Fostering farmhouseholds who are purely engaged in production of pear (1.2 ha)</p>	<p>(1) Leading producers to expand their management</p> <p>① Use of institutional funds</p> <p>② Adoption of green house and netting facilities</p> <p>③ Making a plan for expansion of management</p> <p>④ Establishment of employment system</p> <p>(2) Obtaining new producers</p> <p>① Finding out new producers (ex. "Let's plant pear 4 years before your retirement age")</p> <p>② Establishment of farming complex</p> <p>③ Making indices for standard management</p> <p>④ Use of "Man, soil, village projects"</p>
Varieties		
Present situation	Targets	Measures
<p>Composition of varieties</p> <p>Kosui 60%</p> <p>Hosui 22%</p> <p>Niitaka 8%</p> <p>Others 10%</p>	<p>Composition of varieties</p> <p>Kosui-Hosui 60%</p> <p>Niitaka 20%</p> <p>Aikansui 20%</p>	<p>(1) Introducing new variety</p> <p>(2) Dissemination of greenhouse farming</p>
Organizations		
Present situation	Targets	Measures
<p>Pear producers group of Anjo-shi Agri. Coop. is working for joint shipment and improving technical standards</p>	<p>1. Strengthening activities of producers group</p> <p>2. Organizing core productive farmers</p>	<p>(1) Establishment of youth division in pear producers group</p> <p>(2) Organizing women's division in pear producers group</p> <p>(3) Diversification of marketing system</p>

c. House horticulture

Scale of Production Area • Management Scale		
Present situation	Targets	Measures
<p><u>House cucumber</u> 18 ha</p> <p>Producing farmhouseholds 62 (cucumber producers group)</p> <p>Average area under management per household 0.29 ha</p> <p><u>House strawberry</u></p> <p>Cultivated area 5 ha</p> <p>Producing farmhouseholds 32 (strawberry producers group)</p> <p>Average area under management per household 0.16 ha</p> <p><u>House flower</u></p> <p>Cultivated area 18 ha</p> <p>Producing farmhouseholds 90 (Anjo City Greenhouse Horticulture Association)</p> <p>Average area under management per household 0.16 ha</p>	<p><u>House cucumber</u></p> <p>Cultivated area 25 ha</p> <p>Producing farmhouseholds 62</p> <p>Average area under management per household 0.4 ha</p> <p><u>House strawberry</u></p> <p>Cultivated area 8 ha</p> <p>Producing farmhouseholds 40 ha</p> <p>Average area under management per household 0.2 ha</p> <p><u>House flower</u></p> <p>Cultivated area 25 ha</p> <p>Producing farmhouseholds 100</p> <p>Average area under management per household 0.25 ha</p>	<p>(1) Promoting fluidization of farming rights and concentration of the farmland</p> <p>(2) Promoting employment and establishment of employment</p> <p>(3) Expansion of management scale and conversion of crops for farmhouseholds managing in small scale</p> <p>(4) Collaboration with other areas for formation of major production area</p> <p>(5) Obtaining new producers</p>
Farming methods		
Present situation	Targets	Measures
<p><u>House cucumber</u></p> <ul style="list-style-type: none"> • Shortage of application of organic fertilizer • Seedling producers are only 5 <p><u>House strawberry</u></p> <ul style="list-style-type: none"> • Nursery of seedlings in cold mountain 45% (low efficiency due to long distance and lack of persons who manage nursery) • Short term night cooling nursery 15% • Utilization ratio of excellent seedlings is 90% <p><u>House flower</u></p> <ul style="list-style-type: none"> • Many varieties are produced but all year round production is not established yet 	<p><u>House cucumber</u></p> <ul style="list-style-type: none"> • Application of fully matured, high quality manure • Promotion of consignment for nursery of seedlings to rationalize labour and to obtain high quality seedlings <p><u>House Strawberry</u></p> <ul style="list-style-type: none"> • Reduction of nursery of seedlings in mountain • Short term night cooling nursery 25% • Utilization ratio of excellent seedlings 100% <p><u>House flower</u></p> <ul style="list-style-type: none"> • Establishment of all year round production and employment 	<p><u>House cucumber</u></p> <ul style="list-style-type: none"> • Establishment of manure house and manure supply system • Making management indices and obtaining supplier of seedlings <p><u>House Strawberry</u></p> <ul style="list-style-type: none"> • Establishment of joint nursery centre for night cooling of seedlings • Joint nursery, farming complex • Effective use of night cooling facilities <p><u>House flower</u></p> <ul style="list-style-type: none"> • Making farm management pattern to realize all year round production

10) Methods for preparation of forms for hamlet farm management plan and its contents

We have made reference to the actual situation of farm management promotion pushed on by the society by adopting "Hamlet farm method" aiming at efficient use of farmland and realization of highly productive agriculture through closer collaborations between the society and farm households in the area.

At present, farm management promotion through "Hamlet farm method" has been found in many primary societies throughout the country as it is practiced by Anjo-shi Agricultural Cooperative Society with the objectives to establish new production structure in Japanese agriculture and to vitalize hamlets. For pushing on farm management promotion by "Hamlet farm method", the following study, analysis and examinations are necessary.

- ① Outline of a hamlet
- ② Present situation and necessary tasks for hamlet farm management
- ③ Targets and measures for hamlet farm management
- ④ Promotional structure for hamlet farm management

25 hamlets in the operational area of Anjo-shi Agricultural Cooperative Society are making efforts to draft "Hamlet Farm Management Promotion Plan" by grasping the situation of each hamlet. On the basis of this, the society accumulates these plans which are to be collected from all hamlets, to make business plan for each division and finally to draft "Regional Agriculture Promotion Plan" as a promotion plan of the society in the field of farm management.

Nextly, we would like to introduce some of the examples of "Hamlet Farm Management Promotion Plan" as practiced in "Izumi hamlet" which will serve as basic data for "Regional Agriculture Promotion Plan" of the primary society.

(1) Outline of a hamlet

Items \ Year	1975	1980	1985	at present
Paddy field (ha)				
Orchard/upland field (ha)				
Total (Farmland ratio in a hamlet)				
Farmland area which established farming right (ratio)				

Notes: Besides farmland, same statistics will be studied on farmhouseholds and agricultural products.

(2) Present situations and necessary tasks for hamlet farm management

(a) Adjustment of farmland utilization and improvement of its efficiency		
Items	Present situation	Tasks (problems)
i. Situation of farmland utilization Paddy field utilization ratio, situation of upland field utilization.	1. Paddy field utilization ratio 117% (Paddy·wheat·soybean/paddy field area) 2. They are using upland field to produce vegetables for their own consumption (except for some orchards)	In order to improve farmland utilization ratio, it is necessary to examine introduction of some commodities other than wheat and soybeans.

Notes: Other items to be included are;

- ii. Situations of formation of farming complexes (Converted crops, paddy, horticulture)
- iii. Situations of consignment for management·farming works
(Ratio for establishment of farming right, area for consignment of farming works)
- iv. Crops rotation system (in paddy field)

(b) Development of land utilization type of agriculture		
Items	Present situation	Tasks (problems)
i. Situation of leader farm households, its number, capability for entrusted farming, intentions for joint works.	6 members of farm management association are engaged in farming of 60 ha of paddy, 75 ha of wheat and 50 ha of soybeans. Regarding capacity to receive consignment they have some extra labour forces. One farm management association engaged in complete joint work and another association is engaged in joint works for converted crops only.	Promotion of joint works in two farm management associations is necessary for economical merits to use farm machineries and facilities. Fostering future leaders for paddy field management in the area. Expansion of management scale is necessary for these leaders.

Notes: Other items to be included are;

- ii. Concentration of paddy field area
- iii. Production techniques (low cost, soil preparations)
- iv. Situation of conversion of crops (commodities to be produced)

(c) Up grading special products as brand products										
Items	Present situation	Tasks (problems)								
i. Fruits	<table border="1"> <thead> <tr> <th>Cultivation Area</th> <th>No. of Farmhouseholds</th> </tr> </thead> <tbody> <tr> <td>•Fig 1 ha</td> <td>6 FHs</td> </tr> <tr> <td>•Pear 5.3 ha</td> <td>19 FHs</td> </tr> <tr> <td>•Kiwi 0.6 ha</td> <td>4 FHs</td> </tr> </tbody> </table> <p>Commodity-wise groups are organized for producers of each commodity. Part-time farming by house-wives and advanced age people.</p>	Cultivation Area	No. of Farmhouseholds	•Fig 1 ha	6 FHs	•Pear 5.3 ha	19 FHs	•Kiwi 0.6 ha	4 FHs	<p>1. Expansion of management scale of present producers to strengthen production power.</p> <p>2. Expansion of management scale of new producers to strengthen production power</p>
Cultivation Area	No. of Farmhouseholds									
•Fig 1 ha	6 FHs									
•Pear 5.3 ha	19 FHs									
•Kiwi 0.6 ha	4 FHs									

Notes: Other items to be included are;

- ii. House horticulture
- iii. Open field vegetables
- iv. Situations for production of feed crops, leader producers of livestock and producers groups

(d) Establishment of local linkages in agriculture		
Items	Present situation	Tasks (problems)
i. Mutual supplements between farmhouseholds engaged in agri. production and livestock production Use of manure Use of paddy straw	① Paddy straw are utilized by fruits and horticultural producing farmhouseholds.	① Mutual supplements between farmhouseholds producing different commodities shall be strengthened.

Notes: Other items to be included are situations of supplementation of labour forces (supplying labour forces from part-time farmhouseholds to full-time farmhouseholds, organization for supplying labour forces)

(e) Vitalization of a farming village		
Items	Present situation	Tasks (problems)
i. Situations of urbanization and non-farmhousehold residents	① Urbanization if progressed and new housing are increasing	① There are a few chances to contact each other between farmers and non-farmers. Further collaborations are necessary

Notes; Other necessary items to be included are;
 ii. Culture of a hamlet
 iii. Local Community

(f) Others (land consolidation in a hamlet)		
Items	Present situation	Tasks (problems)
i. Pipeline irrigation system	Pipeline irrigation system covers 70% of the target area	Completion of establishing pipeline irrigation to cover whole target area

(3) Targets and measures for hamlet farm management

- a. Dicing directions for full-time•part-time farmhouseholds
 - i. For full-time farmhouseholds•••establishment of worthy agriculture
 - ii. For part-time farmhouseholds•••developing joyful•worthy agriculture
- b. Basic idea for land utilization

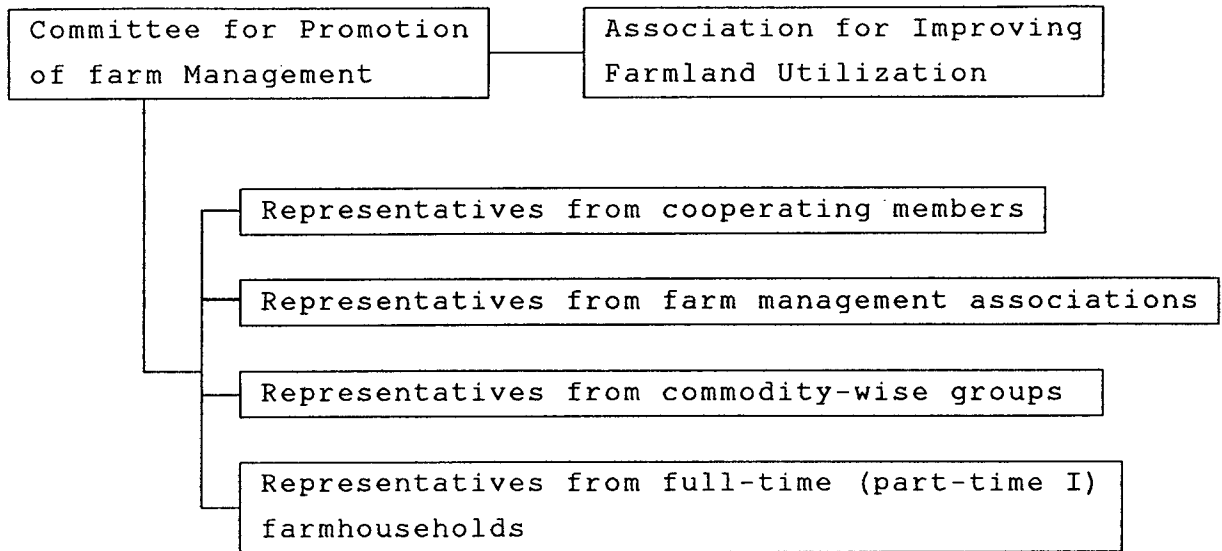
c. Targets and measures for each item

Items	Targets (FY 1993)	Measures (What, who, when, how)
a. Concentration of paddy field area	<p>a. Redistribution of 100% of consigned farmland by adjusting utilization rights.</p> <p>b. Removing partitions of each plot of paddy field</p>	<p>a. Improvement of farmland utilization by the project for rationalization of farmland ownership Redistribution of consigned farmland centering on farm management association based on consensus in a hamlet.</p> <p>FY1990...Renewal of new consignment for promotion of farmland utilization</p> <p>FY1991...Farmland utilization rights undergoing are also redistributed by exchanges after adjustment</p> <p>(Notes) The ratios of redistribution should be 30% (after 3 years), 60% (after 4 years) and 100% (after 5 years).</p> <p>b. FY1992...Checking paddy fields to remove partitions in a hamlet.</p> <p>FY1993...Promotion for owner producers.</p>

Notes: Other items to be included are;

- b. Formation of farming complex for each variety of paddy
- c. Creation of forum for discussion

(4) Promotional structure for hamlet farm management



(Notes) Based on liaisons and collaborations with Izumicho Association for Improving Farmland Utilization (administrative guidance) and Izumi Branch Office Farm Management Promotion Committee (cooperative guidance), whole hamlet will be engaged in the promotion.

Establishment of Hamlet Farm Promotion Council and examination of its members.

11) Production plan (Quantity of production)

Based on the accumulation of these hamlet farm management plans, the following production plan will be decided.

Fiscal Year	1987 (standard year)							1988						
	Commodities	Scale of production	Quantity of production	Quantity of marketing	Joint marketing ratio	Marketing turnover (1,000 yen)	Indices	Scale of production	Quantity of production	Quantity of marketing	Joint marketing ratio	Marketing turnover (1,000 yen)	Indices	
Agril. products	Rice (bales-60kg)	1,970	127,036	124,698	100%	2,109,546	-	1,950ha	156,000	121,000	100%	2,045,000	97	
	Wheat(bale)	950	53,187	53,187	100	537,438	-	950	57,000	57,000	100	513,000	95	
	Soybeans (bale)	450	9,437	9,437	100	145,976	-	400	14,000	14,000	100	513,000	95	
	Seeds and others(bale)	109	5,640	5,640	100	152,458	-	117	5,894	5,894	100	115,000	75	
	Total	3,479				2,945,418	-					2,869,000	97	
	Pear	52ha	1,500t	947t	63	249,070	-	52.5ha	1,575t	945t	60	250,000	100	
	Fig	32.3	1,280	936	73	440,311	-	35	1,400	1,000	71	450,000	102	
	Strawberry	5.3	160	158	99	102,785	-	5	150	120	80	120,000	117	
	Kiwi	10.5	130	103	79	30,106	-	10	130	110	84	30,000	100	
	Grape	10	130	10	8	2,435	-	10	130	10.6	8	3,500	144	
Melon					4,863	-					6,500	134		
Sub-total					829,570	-					860,000	104		
Cucumber	16.8	3,430	3,016	88	745,470	-	17	3,000	2,800	93	700,000	94		
Shiitake	60,000woods	24	23	96	26,572	-	60,000woods	21	20	95	18,000	68		
Onion	10	400	76	19	2,832	-	15	600	100	16	3,000	106		
Others					44,321	-					19,000	43		
Sub-total					819,201	-					740,000	90		
Flower and ornament plants					378,395	-					450,000	119		
Total					2,027,166	-					2,050,000	101		
Beef cattle	1,350	1,040	876	84	413,372	-	1,370	1,050	720	68	380,000	92		
Pig	590	11,770	5,357	46	167,356	-	610	12,200	5,600	45	185,000	111		
Piglet	150	2,800	2,680	96	58,671	-	150	2,800	2,800	100	62,000	106		
Egg	140,000	2,100t	1,266t	60	211,086	-	135,000	2,025t	1,150t	56	270,000	128		
Broiler	525,000	525,000	495,178	94	279,033	-	450,000	450,000	230,000	51	173,000	62		
Others						-								
Total					1,129,518	-					1,070,000	95		
Grand Total					6,102,102	-					5,989,000	98		

Scale of livestock shows constant number of feeding animals.

5th ICA/Japan Training Course for Strengthening Management of Agricultural
Cooperatives in Asia

March 1 ~ April 24, 1991, Tokyo Japan

Better Living Activities

March 14, 1991

Nobumi

By Mr. ~~Yukio~~ Ito

Deputy Manager

Farm Management and

Better Living Dept.

CUAC

For the improvement of homelife in farmhouseholds
(Better living activities)

1. For the realization of objectives of better living activities
by agricultural cooperatives

(1) The objective of better living activities by agricultural cooperatives is to realize the healthy and rich living for the members and their family.

(2) It is necessary to secure richness in phsycal, mental and economical conditions in order to realize the healthy and rich living.

(3) The followings are the necessary premises for securing rich conditions.

a. Stable living manners by having future prospects

b. Securing satisfactory income

c. Rich consumption life

d. Healthy and worth while living

e. Bright and joyful family life

f. Intellectual satisfaction and affluent and comfortable life

g. Securing comfortable living circumstances created by a human solidarity

(4) The better living activities by agricultural cooperatives aim at realization of above mentioned matters through cooperative activities.

(5) The significance of the cooperative movement is to concentrate powers in a certain direction based on agreement and put it into action by the organizaion to realize healthy and rich living of the members and their family as the members as its major promoters.

(6) It is necessary to link the activities with business of the agricultural cooperative to self support the management of the movement to promote its activities with

continuous and stable manners.

2. How agricultural cooperatives have been promoted the better living activities

(1) The campaign for the comprehensive planning of the agri. coop business activities (1955).

a. Agricultural cooperatives tackled with forming the business plans by accumulation of farm management plans and life designs by the members and also they promoted the integration and linkages of various businesses which were divided vertically into divisions.

b. Concrete activities.

(a) Promotion of the campaign for purchasing cooperative brand products

(b) Promotion of the campaign for construction of the healthy farming village

(2) The campaign for the three year plan for reformation and expansion of agricultural cooperatives (National Congress of Agri. Coops in 1956).

a. Through an involvement in homelife improvement of the members by multi-purpose agricultural cooperatives they intended to enhance sprits of autonomy and cooperation on the part of the members and there by to establish viable agricultural cooperatives as organizations for concentration of economic powers held by farmhouseholds.

b. Items implemented.

(a) Further dissemination of principles of agricultural cooperatives

(b) Planning on farmhouseholds economy

(c) Implementation of reorganizations to strengthen the cooperatives

- (d) Measures for strengthening organizations
- (e) Expansion of agricultural cooperative businesses

(3) The campaign for improving the constitution of agricultural cooperatives (The National Congress of Agricultural Cooperatives in 1959)

a. At the National Congress of Agri. Coops in 1961 the following resolution was made with the reason that the Agricultural Cooperatives have engaged in integration of the business centering on improvement of farm management but the final target of agri. coops, enhancement of living and culture of the members were ended unsatisfactory. The resolution adopted was "The needs for improvement of agricultural productivity are to be considered as a task for agricultural cooperatives. However, what is called economical achievement is one of the measures for better living and the altimate objective for the cooperative movement is to make it possible to realize comfortable living for human, rich and democratic human life through 'cooperation' by hands of many people.

We used to use the terms of farm management improvement and better living together with the same emphasis, but the original objective for agricultural cooperatives is to realize better living for the members and farm management improvement is just one of the means for achieving that objective. Therefore, agricultural cooperatives should give more emphasis on the activities those aim at improving living and culture of farmhouseholds in the future and they should also strongly recognize the needs for changing business methods for that purpose. A cooperative is not merely an enterprize to conduct economic business but it is the organization for movements aiming at creation of society in which precedence is given for human. This should be firmly understood by persons concerned with agricultural cooperatives".

b. In response to this resolution, the following tasks were implemented from 1962.

- (a) Dissemination of significance of better living activities by agricultural cooperatives
- (b) Fostering better living advisers by agricultural cooperatives and promotion of their activities
- (c) Establishment of the section in charge of better living activities by agricultural cooperatives, allocation of specified employees and establishment of the promotion committee
- (d) Establishment of committee for promotion of better living activities by prefectural and national level cooperative organizations

(4) Drafting outlines for promotion of better living activities by agricultural cooperatives (1967).

The national level agricultural cooperative organizations have drafted the following outlines and based on these outlines, prefectural level agricultural cooperative organizations have implemented the activities.

- a. The outline of the promotion of the project for improving housing by agricultural cooperatives
- b. The outline of the promotion of the business for purchasing consumer goods by agricultural cooperatives
- c. The outline of the promotion of the project for health screening activities by agricultural cooperatives
- d. The outline of the promotion of the activities for enrichment of culture by agricultural cooperatives
- e. The outline of guidance on life designing by agricultural cooperatives

(5) Drafting basic idea of better living activities
(The National Congress of Agri. Coops in 1970)

It can be said that the real better living activities were started after the "Basic idea for better living

activities". It was the event to reconfirm that better living activities were the original activities together with farm management activities by agricultural cooperatives.

a. Reconsiderations for the agricultural cooperative movement (quoted from the basic idea)

"Agricultural Cooperatives will even lose its meanings for existense if they could not cope with changes of the bases namely in farmers, agriculture and farming villages, could not compete with private enterprizes and also could not bring about frofits and services for its members. In view of this, agricultural cooperatives are requested to positively cope with this age of turbulence by having firm prospects for the future and by giving quick response to the problems to be broken up in the future. For that purpose, we should return to the very root of the cooperative movement and we should promote new activities to renew the cooperative based on deep reconsiderations for agricultural cooperative movements in the past.

b. The objectives for better living activities by agricultural cooperatives

- (a) Play the full functions for safe guarding and improving homelife
- (b) creation of local communities in farming villages

c. Activities to realize the objectives

- (a) Providing adequate information and activities for education and consultation
- (b) Activities to secure and promote health
- (c) Activities to improve welfare of advanced aged people and to secure healthy growth of children
- (d) Activities to strengthen the bases of living to prepare for risks
- (e) Activities to organize the confortable living environment

- (f) Activities to secure and to improve consumer life
- (g) Activities to enjoy living and to enhance culture
- (h) Activities to provide adequate chances of occupation
- (i) Activities to promote adequate assets management

(6) The campaign by the comprehensive 3 year plan

In order to make the basic rdea into concrete activities, the following activities were promoted.

a. The priority tasks in the 1st 3 year plan (1971~1973)

- (a) Promotion of life designing activities
- (b) Promotion of health screening activities
- (c) Promotion of consumer activities
- (d) Establishment of organizations for better livng activities

b. The priority tasks in the 2nd 3 year plan (1974~1976)

- (a) The positive promotion of activities to safe guard living and health
- (b) Establishment of measures for land and creation of local community comfortable to live

c. Promotion of the campaign for strengthening cooperative activities (1977~1979)

- (a) Strengthening cooperative activities by the members
- (b) Strengthening the degree of involvement by agricultural cooperatives

(7) The drafting of basic policy for better living activities by agricultural cooperatives (At the National Congress of Agricultural Cooperatives in 1979)

The better living activities by agricultural cooperatives have progressed in a great deal through promotion of the activities by "Basic idea". However, in response to the change of circumstances surrounding

agricultural cooperatives the basic policy was drawn up to clarify the priority tasks.

- a. Activities to safeguard life and health
- b. Activities to protect to stabilize and to improve household economy
- c. Activities to protect and to improve living environments
- d. Activities to protect family members above all advanced aged people
- e. Activities to improve quality of living

- (8) The drafting of the basic principles for better living activities by agricultural cooperatives (Resolved at the National Congress of Agricultural Cooperatives in 1985)

As the circumstances for living of members were greatly changed and in addition to this, the gaps of engagements among agricultural cooperatives were expanded. Therefore, the reexamination was made for "Basic idea" and "Basic policy" so as to clarify activities to be certainly promoted by all agricultural cooperatives during 3 years from 1986 to 1988 and in the basic principles the following 6 priority tasks were decided.

- a. Further satisfaction of consultation on living
- b. Establishment of the joint purchasing activities to help living of the members
- c. Further satisfaction of activities to protect and to improve health
- d. Promotion of activities to enrich and to assist living of advanced aged people
- e. Further satisfaction of better living culture schooling activities to enrich minds
- f. Further satisfaction of financial activities and guarantee designing activities to promote life designing

Farmhousehold income and family expenses

	Total farmhousehold income per house- hold (¥1,000) A	Dependency ratio (%)	Total family expenses (¥1,000) B	B/A (%)	Ratio of cash ex- penses in family expenses (%)	Expenses for foods & drinks in family expenses (%)	C/B (%)	Ratio of consumption of products produced by farmhouseholds in the expenses for foods & drinks
1945	14	86.2	-	-	-	-	-	-
1950	215	67.5	-	-	-	-	-	-
1955	379	70.7	312.8	82.5	57.1	149.3	47.7	67.9
1960	449	52.2	368.4	82.0	71.0	153.5	41.6	55.8
1965	835	46.8	654.5	78.3	78.5	234.0	35.7	45.7
1970	1,592	35.0	1,225.2	76.9	80.6	353.5	28.8	34.9
1975	3,961	32.2	2,650.0	66.9	86.2	687.4	25.9	27.1
1980	5,594	21.1	3,942.0	70.4	86.5	903.5	22.9	20.9
1985	6,916	19.4	4,700.7	67.9	85.6	1,023.9	21.7	18.4

5th ICA/Japan Training Course for Strengthening Management of Agricultural
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Farm Guidance Activities
by Agricultural Cooperatives

March 14, 1991

By Mr. Osamu Ikeda
Chief of Farm Guidance Div.
CUAC

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

1. Why does agri. coops in Japan conduct farm guidance activities?

Agricultural cooperative is organized by member farmhouseholds with the aim of providing maximum services to them. Farm guidance is conducted as one of the services to them.

2. What is farm guidance undertaken by agricultural cooperatives?

By being involved in the guidances on farm management and cultivation techniques of farmhouseholds daily and comprehensively, farm guidance activities aim at improving and developing farmhouseholds management as well as to provide guideline for future direction to be pursued by farmhouseholds.

3. Who is responsible for implementation of farm guidance?

Farm advisers of agricultural cooperatives who passed qualification examination play a central role in farm guidance activities. These farm advisers provide individual guidances to member farmhouseholds by establishing direct contacts with them.

Also, prefectural union is indirectly concerned with farm guidance activities. It presents future directions of farmhouseholds to be pursued and conducts education and training for farm advisers.

Total number of Agri. Coops	4,200	
Total number of farm advisers	20,000	
Total number of farmhouseholds	4,400,000	3,800,000 (1990 census)

4. How the expenses for farm guidance activities are procured?

Contribution is defined that agricultural cooperatives have members pay special money for the purpose of conducting farm guidance activities.

In this case, criteria for the payment is that with a certain equitable amount as base, payment is to be made in proportion to cultivated area and the number of livestock.

Average expenses for farm guidance per cooperative	
70 million yen	
Procurement of the fund	
Contribution	0.04%
Surplus fund of Coop	89.96%
Subsidy	10.00%

Contribution per society	3 million yen
Criteria on expenses for contribution	
Basic unified amount	30%
Cultivated area	60%
Number of livestocks	2%
Others	8%

5. Historical backgrounds of farm guidance activities by agricultural cooperatives and change of circumstances surrounding agriculture and farm-households

(1) Historical process in farm guidance activities

1) Farm guidance activities at the initial stage (1957~)

- Guidance on production techniques
 - rice, vegetables, dairy, pig, poultry
- Consultation on farm management
 - dissemination and establishment of individual farm management plan

↓

Change of circumstances surrounding agriculture and farmhouseholds and new demands from farmhouseholds

→ Expansion of management bases of agricultural cooperatives

↓

2) Farm guidance activities at present

- Guidance on production techniques, management consultation
- Establishment of medium and long term production plan of the area

- Fostering producers groups
- Fostering commodity-wise groups
- Fostering farm succesors
- Planned introduction of farm machinerics and facilities and their effecient use
- Development of advanced technology and transmission of information
- Establishment of marketing channels
- Financial asistance

(2) What are the major changes in circumstances surrounding agriculture and farmhouseholds?

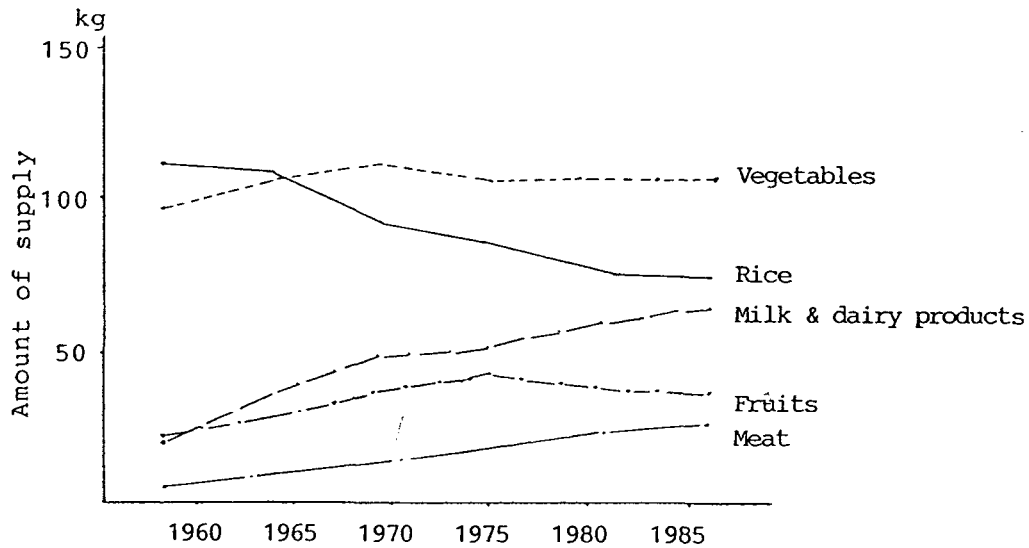
1) Stagnant demands for agricultural products and diversified needs

Per capita calory intake is levelling off with 2,600Kcal/day and it is projected that its trends may likely continue in the future. Thus quontitative expansion in demands for agricultural products can not be expected.

Looking at the demands in terms of each commodities, rice is expected to decrease a little and, vegetagles stagnant as a whole, fruits will decrease. However, demands for meats especially beef is forecasted to increase.

On the other hand, consumers needs will diversify further and they demand for high quality and safety products.

Per capita annual supply of major foods



Source: MAFF "Table on demands for foods"

2) Increase of high age full-time farmhouseholds and expanding gaps of farm management scale

The number of farm households in 1985 was 4,380,000, making annual decrease of 1%. Under such circumstances, the number of full-time farmhouseholds has been slightly increasing. However, looking at its contents, one could note that the increase of aged full-time farmers is the major reason for the increase while the number of farmhouseholds with male labour power is on the decrease.

On the other hand, looking at the management scale of farm-households, the classes of those holding more than 3 ha and less than 0.3 ha are increasing and thus gaps between them tend to expand.

In terms of farm management, specialization in the production of commodity is making its headway and products techniques diversifying.

Trends of number of farmhouseholds and its outlooks (Simulation)

(Unit: 1,000 households, %)

	Actual figure				Estimation				Annual increase rate				
	1975	1980	1985	1990	1995	2000	80/75	85/80	90/85	95/90	2000/95		
Total number of farmhouseholds	4,953	4,661	4,376	4,122	3,808	3,444	Δ 1.2	Δ 1.3	Δ 1.2	Δ 1.6	Δ 2.0		
of which with no labour power exclusively engaged in farming	2,725	2,832	2,726	2,616	2,451	2,239	0.8	Δ 0.8	Δ 0.8	Δ 1.3	Δ 1.8		
Full-time farmhouseholds	616	623	626	599	552	494	0.2	0.1	Δ 0.9	Δ 1.6	Δ 2.2		
of which with male labour power	448	427	389	352	314	278	Δ 1.0	Δ 1.8	Δ 2.0	Δ 2.3	Δ 2.4		
of which with no male labour power	168	196	237	247	238	216	3.1	3.9	0.8	Δ 0.7	Δ 1.9		
Part-time I	1,259	1,002	775	671	593	536	Δ 4.5	Δ 5.0	Δ 2.8	Δ 2.4	Δ 2.0		
Part-time II	3,078	3,036	2,975	2,852	2,663	2,414	Δ 0.3	Δ 0.4	Δ 0.8	Δ 1.4	Δ 1.9		
In Hokkaido	134	120	109	103	95	82	Δ 2.2	Δ 1.9	Δ 1.1	Δ 1.6	Δ 2.9		
Other prefectures	4,819	4,542	4,267	4,019	3,713	3,362	Δ 1.2	Δ 1.2	Δ 1.2	Δ 1.6	Δ 2.0		
less than 0.5 ha	1,995	1,921	1,855	1,867	1,816	1,712	Δ 0.8	0.7	0.1	Δ 0.6	Δ 1.2		
0.5 ~ 1.0	1,436	1,304	1,182	1,052	925	802	Δ 1.9	Δ 1.9	Δ 2.3	Δ 2.5	Δ 2.8		
1.0 ~ 2.0	1,076	980	883	766	657	556	Δ 1.9	Δ 2.1	Δ 2.8	Δ 3.0	Δ 3.3		
2.0 ~ 3.0	236	240	234	224	194	171	0.3	Δ 0.5	Δ 0.9	Δ 2.8	Δ 2.5		
more than 3.0 ha	76	95	112	118	121	121	4.6	3.3	1.0	0.5	0.0		

Source: "Agricultural Census", "Statistics on Changes of Agricultural Structure"

3) Weakening trends of agricultural labour power

Farmhousehold population has been decreasing and the number of population who was exclusively engaged in farming was 3.7 million in 1985. By the year 2000 it will be 2.4million, more-over the ratio of more than 65 years old are expected to rise 22% and 40% respectively.

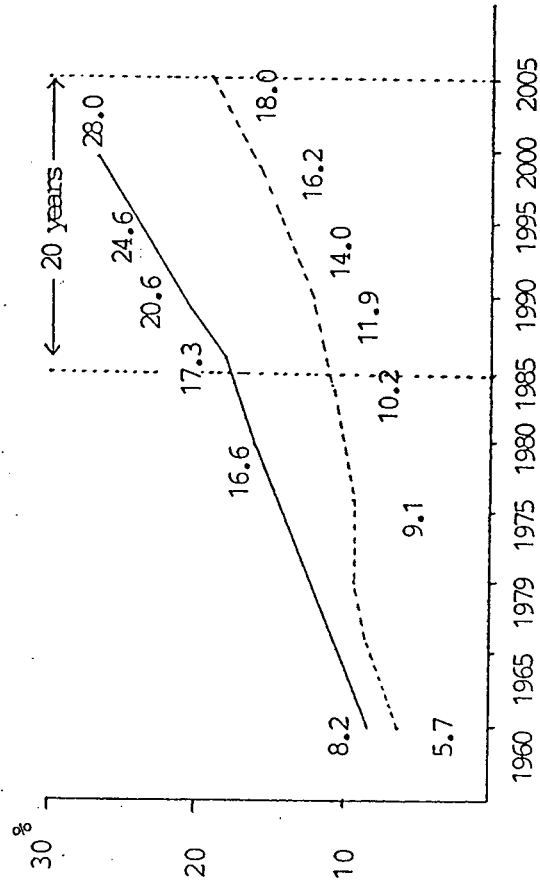
The number of school graduates who were newly employed in agriculture in 1985 was 5,000. On the other hand, that of those who were newly employed in agriculture over 50 years old was 50,000. Thus the aging of agricultural labour power is predicted to make its progress in future.

Trends and outlooks of agricultural labour power (Simulation)

(Unit: 1,000, %)

	Actual figure					Estimates					Annual increase rate					
	1975	1980	1985	1990	1995	2000	80/75	85/80	90/85	95/90	2000/95	80/75	85/80	90/85	95/90	2000/95
Farm household population	23,197	21,366	19,839	18,648	17,030	15,225	Δ 1.6	Δ 1.5	Δ 1.2	Δ 1.8	Δ 2.2					
of which more than 65 years old	3,182	3,330	3,423	3,836	4,182	4,258	1.5	0.6	2.3	1.7	0.4					
the ratio	13.7	15.6	17.3	20.6	24.6	28.0										
Population exclusively engaged in farming	4,889	4,128	3,696	3,522	2,923	2,406	Δ 3.3	Δ 2.2	Δ 1.0	Δ 3.7	Δ 3.8					
of which more than 65 years old	691	688	795	950	976	938	Δ 0.1	2.9	3.6	0.5	Δ 0.8					
the ratio	9.7	11.2	21.5	27.0	33.4	39.0										

Trends of aging of farm household population



Source: Farmhousehold population - MAFF Agricultural Census; Survey on farmhousehold

4) Decline in hamlet functions and the change of rural community

Due to diversification of farmhouseholds and relative increase of the aged farmers, change has been brought about in the structure of agricultural production. Take rice farming for example, farmers used to undertake the whole process of its production by themselves, but recently they tend to entrust their farmings either partially or entirely to other core farmers.

Farming which is partially entrusted is mainly nursery and harvest works, while farming which is wholly entrusted is filling, pest control works and so on.

With the sense of solidarity and autonomy at hamlet level weakened, it is increasingly getting difficult to conduct production activities jointly. Such a trend can be conspicuously found both in suburban areas where mixed residence between urban and rural dwellers is making progress and mountain areas where depopulation of villages is also steadily advancing.

5) Direction of agricultural policy

A strong demand for the opening of the domestic markets of farm products has been continuously and persistently mounting from the oversea countries centering on the U.S. since 1965. In recent years focus is put on rice for its liberalization, not to mention about beef and oranges whose liberalization has been already called for since several years.

Since 1977, the Japanese government has been implementing production control to overcome the problem on the overproduction of rice. Its control is getting severe year by year. Thus the selection of new crops to take firm roots in stead of rice has become one of the greatest tasks to Japanese farmers and the agri. coops.

Changes in the increase of areas under conversion by crops

(Unit: ha, %)

	1977	1978	1981	1984	1987
Vegetables	54,332 (30.4)	79,931 (18.2)	108,262 (16.2)	113,993 (18.7)	124,118 (15.8)
Feed crops	54,759 (25.9)	116,823 (26.7)	172,251 (25.8)	129,422 (21.2)	132,232 (16.8)
Soy-beans	12,399 (5.9)	69,277 (15.8)	97,345 (14.6)	77,349 (12.7)	103,906 (13.2)
Wheat & barley	3,203 (1.5)	40,586 (9.3)	110,549 (16.5)	99,268 (16.3)	126,373 (16.1)
Rice for industrial use	-	-	-	52,729 (8.7)	72,290 (9.2)
	211,737 (100.0)	438,041 (100.0)	668,202 (100.0)	609,282 (100.0)	785,125 (100.0)

Note: Parenthesis shows ratios to total areas under conversion

Decrease in the bounty for crop conversion

(Unit: 10 a/yen)

	1978	1987
Wheat & Soy-beans	55,000	20,000
Vegetables	40,000	7,000

6. Priority on and ways for the promotion of farm guidance activities by agricultural cooperatives

Priorities will be given on the following matters in order to cope with the change in the environment of agriculture and farm families.

(1) Establishment and implementation of medium and long term production plan involving the whole areas

Production plan will be drawn up aimed at the establishment of / agriculture exploiting local characteristics.

Followings are its concrete steps to be taken.

- ① To conduct survey on actual conditions of agriculture and farmhouseholds in the area thoroughly.
(Various conditions of the area, family conditions, commodities to be produced, management and etc.)
- ② To grasp the trends of demands and markets by commodities.
- ③ To formulate medium and long term production plan involving the whole area
- ④ To integrate medium and long term plan involving the whole areas with the production plan of individual farmhouseholds.

(2) Fostering & strengthening of producers organizations

It is essential to organize farmers into groups in order to step up productivity as well as to reduce costs of production.

Followings are its concrete procedures to be taken.

- ① - Organizing of production groups for the purpose of making agreements and unification of planting and cultivation
- Organizing of producers groups with the aim of making

joint use of facilities and machines

- Formation of trusts and commission of farming works

② In fostering producers groups, agri. coops need to study following measures in order to ensure stable management of member farmhouseholds.

- Integrated business operation ranging from production down to marketing
- Strengthening of control of facilities and machines autonomously
- Introduction of mutual aid system for the compensation of prices

(3) Fostering those who take responsibility for agriculture in the future.

By arousing the morales of farmers to enable agriculture to be continued for long time in the area, full-time farmers should be fostered through identification of farm leaders.

Followings are its concrete steps to be taken.

- ① Establishment of the youth association of agricultural cooperatives
- ② Implementation of education and trainings

7. Promotion of making highly use of farmland

It is gaining momentum to make highly use of farmland in a bid to introduce new crops resulting from the crop conversion programme as well as to increase productivity of paddy.

- ① With the introduction of converted crops as an opportunity, guidances will be given on more effective use of farmland suiting the needs of local areas through establishment of crop rotation and block rotation systems. Land should be utilized group-wise from the view point of its effectiveness and efficiency.

② In making highly use of farmland, consolidation of land is vital. Thus land readjustment and land improvement will be positively promoted.

8. Well planned introduction of machines and facilities and promotion of efficient utilization

Introduction and maintenance of machines necessary for the production of commodities will be made, while restraining their investments as much as possible. Moreover, their efficient use will be actively promoted.:

① Agri. coops should acquire specific machines in view of making efficient use of machines. Promote utilization of machines positively by renting them to farming groups.

② As for facilities owned by coops, efficient utilization will be promoted by renting them to joint utilization groups. Also by establishing links with neighbouring coops or among different coops in a wider area, efficient utilization of facilities will be promoted by removing uneconomical facilities or by their integration.

General Course in Agricultural Cooperatives
From May 17 to July 9, 1988, Tokyo, Japan

Background Information on Agriculture and
Agricultural Cooperative Movement
in Aichi Prefecture
From May 30 to June 2, 1988



Japan International Cooperative Agency (JICA)
The Institute for the Development of Agricultural
Cooperation in Asia (IDACA)

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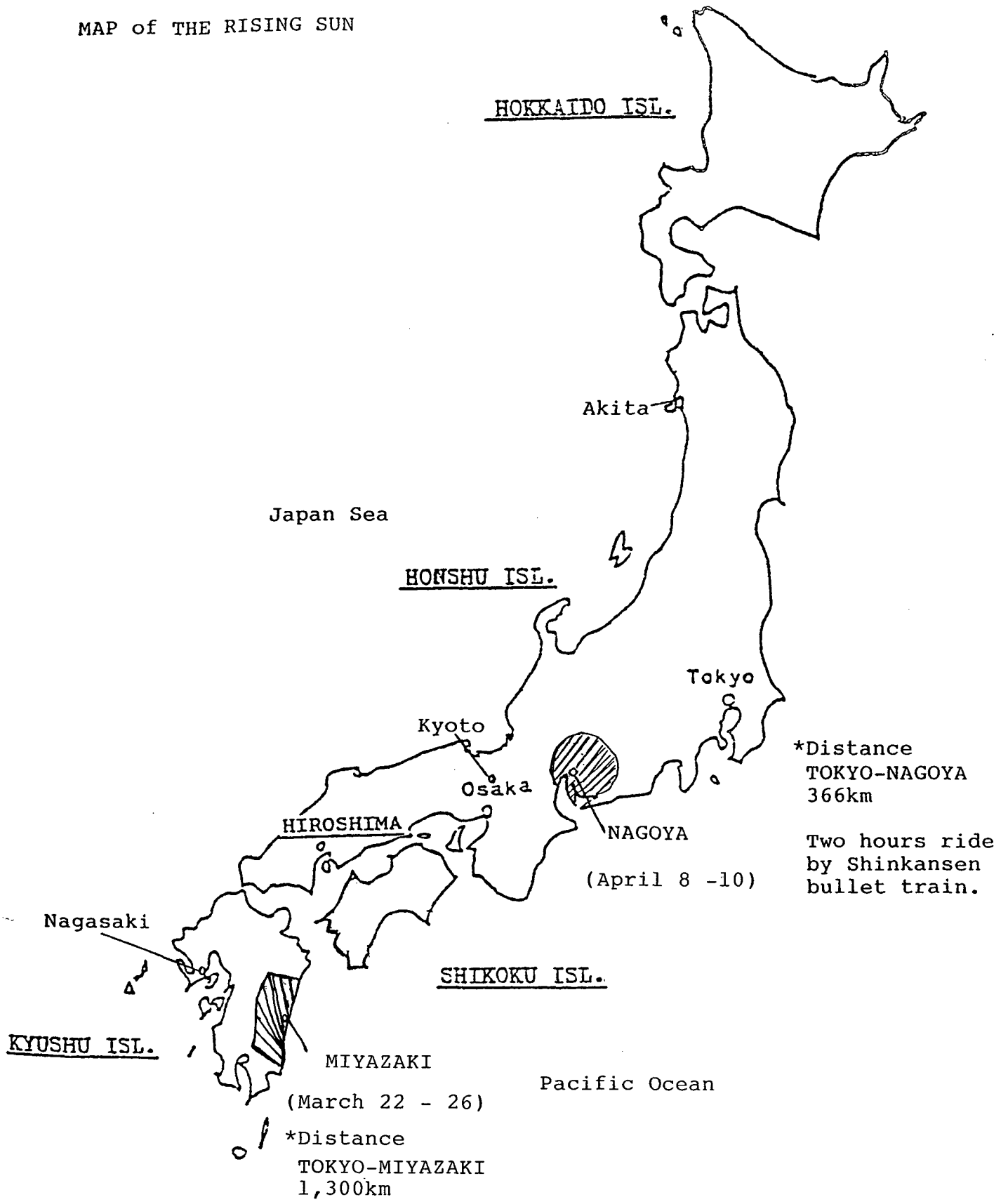
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I. Overview of Aichi Prefecture

MAP of THE RISING SUN



I. Overview of Aichi Prefecture

1. History

After the promulgation of new constitution on May, 3, 1947, the Law for the promotion of amalgamation of towns and villages was enacted in the following year. As a result of this, the number of municipalities which had numbered 13 cities and 204 towns & villages decreased to 30 cities, 47 towns and 11 villages on April 1, 1978.

2. Topography

Aichi prefecture, located in almost the central part of Japanese archipelago is extended 106Km in East-west and 94Km in south-north. It has a total length of coastline of 538Km and its area is 5,138Km². It borders on Mie prefecture in the west. Gifu prefecture in the north, Nagano prefecture in the north-west and Shizuoka prefecture in the east south, facing the pacific ocean in the south.

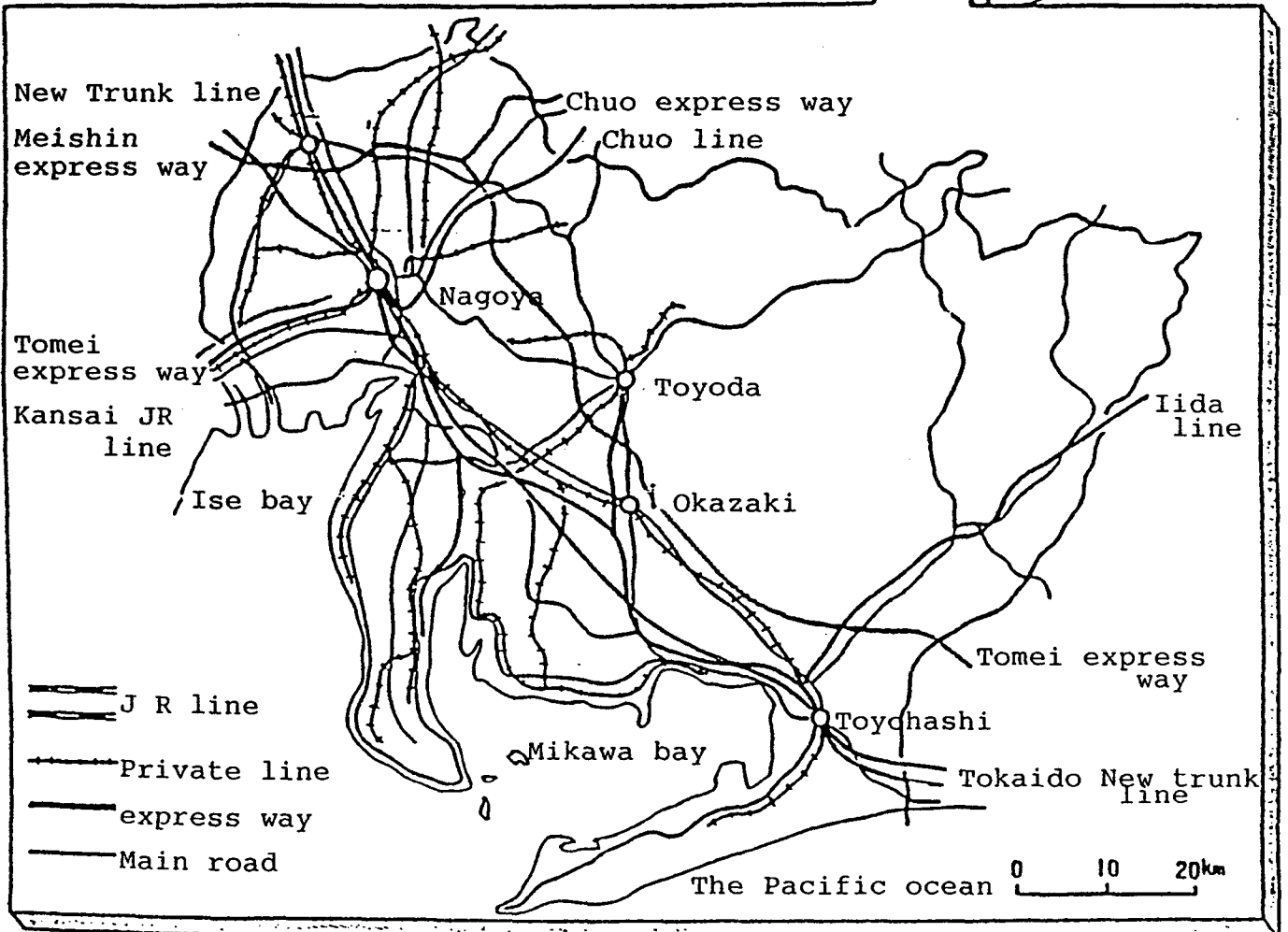
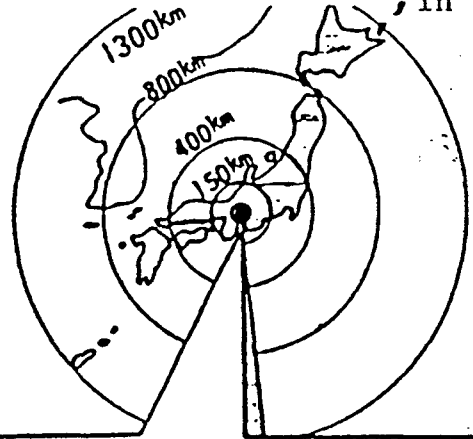
With areas stretching from eastern part to western part being plain, the Kiso river flows into the Ise Bay and the Yasaku river into the Mikawa bay. Toyokawa area which forms two plains of the Nobi and the Mikawa is suitable for agriculture because of fertile soil. It is mountaineous areas form north to north east with over 1,000m mountains above sea level, offering a natural scenic beauty.

Both Chita and Nobi peninsulas are famous as tourist resorts for their scenic beauty, having marvelous coastal lines by the pacific ocean, the Ise bay, and the Mikawa bay.

Aichi prefecture, beside being blessed with a favourable climate, prospered as a pivotal point of traffic and is still thriving as an industrial as well as commercial center of the middle part of Japan.

Chart 1. Location of Aichi Prefecture

Location of Aichi Prefecture in Japan



3.Symbol marks of Aichi prefecture



This symbol mark of the prefecture represents Asahi Wharf which was selected on August, 15, 1950.



Prefectural flower is a rabbit-ear iris or Kakitsubata in Japanese.



Prefectural bird is a Japanese scopsowl or Konohazuku



Prefectural tree is Kakitsubata.

4.Present situation of Aichi Prefecture

Aichi Prefecture, which plays a leading role in regional development with Nagoya City in the vanguard, has a population of 6.45 million (1985), about one-third of the population of the entire Chubu district of nine prefectures in the central part of the Japanese archipelago.

The prefecture is the fourth largest in the nation following Tokyo, Osaka and Kanagawa. It is often said that the position of Aichi Prefecture in Japan resembles that of Japan in the world. This means that the prefecture plays the role of a production center important to Japan as the same way Japan plays the role of a world factory producing excellent industrial goods and exporting them to the whole world.

Aichi Prefecture's industrial shipment, totaling ¥27.45 trillion (1986), account for slightly more than 40% of the

total for the nine prefectures in Chubu, and have been the nation's largest for nine years in a row since 1977. Aichi commercial sales and agricultural production also rank high in relation to the country as a whole. The Prefecture's economic and commodities internationalization has been progressing rapidly. This is evidenced by the fact that Nagoya Port has been the nation's top external trade cargo handler.

Export related industries centering on cars and machine tools are concentrated in Aichi Prefecture, and shipments of their manufactured goods in terms of value had continued to rank top in Japan for 10 successive years until 1986, accounting for around 10 percent of the overall shipments in Japan. However, the appreciation of the yen observed since the autumn in 1985 has brought about a great change in the industries in Japan, which has also seen a decline in exports from Aichi Prefecture. As a result, more and more export related companies including car manufacturers have come to find their way into foreign countries in an effort to eliminate trade conflicts through making use of the appreciation of the yen, and some ceramic ware and textile manufacturers in traditional production centers have been even forced to switch to the production of different products.

Under such conditions, there has been a strong movement in Aichi Prefecture toward enhancing its function as an "information transmission center" and fostering software industries, aside from simply producing machines.

5. Nagoya City

Nagoya is situated almost at the center of Japan, and is blessed with a good port. Thanks to the intense industrial activities, the quantity of goods now handled by the Port

Nagoya puts it among the world's top ten.

Before Japan's high economic growth during the 1960, there were already many thriving industries in Nagoya such as ceramics, textiles and the precision machinery industry.

Since then, various manufacturing industries developed rapidly. The motor vehicle industry, especially the car industry, has become the major industry, and is the present industrial base of Nagoya. Also, a host of other manufacturing industries-steel, metal products, foodstuffs, various kinds of machinery and appliances - are to be found everywhere in and around the city. With this background of industrial development, Nagoya's commercial and financial expansion has been phenomenal, putting it almost on a level with Tokyo or Osaka as an economic center.

6. Various data on the prefecture

Chart 2. Area of land utilization by types of land

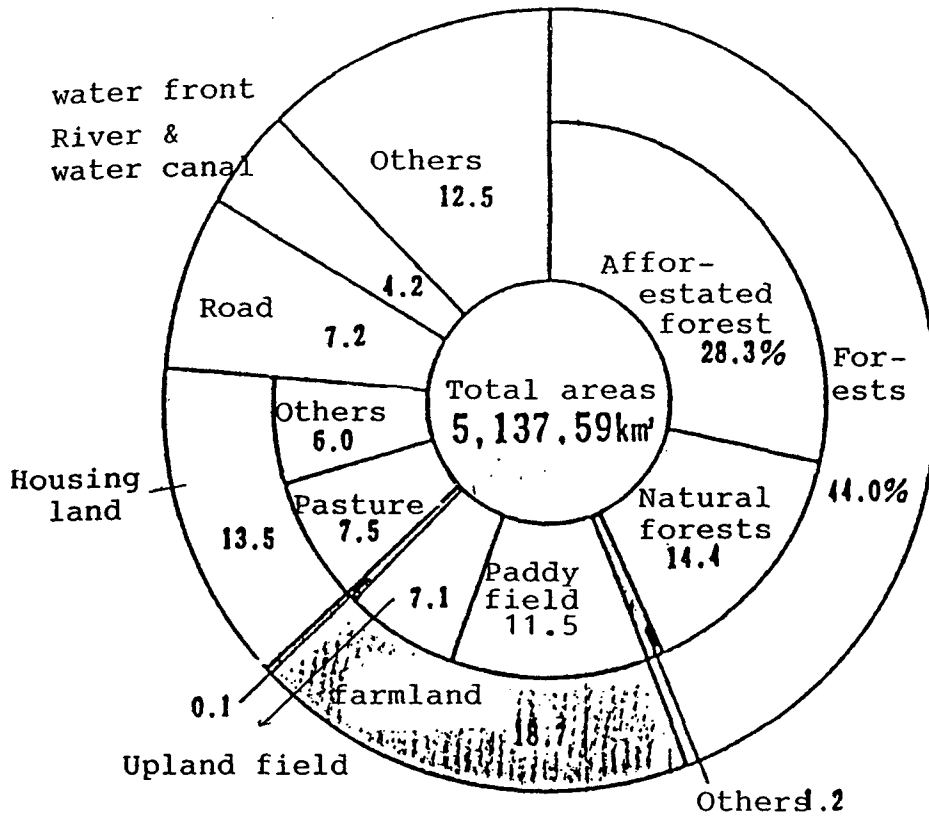


Chart 3. Climate (Nagoya)

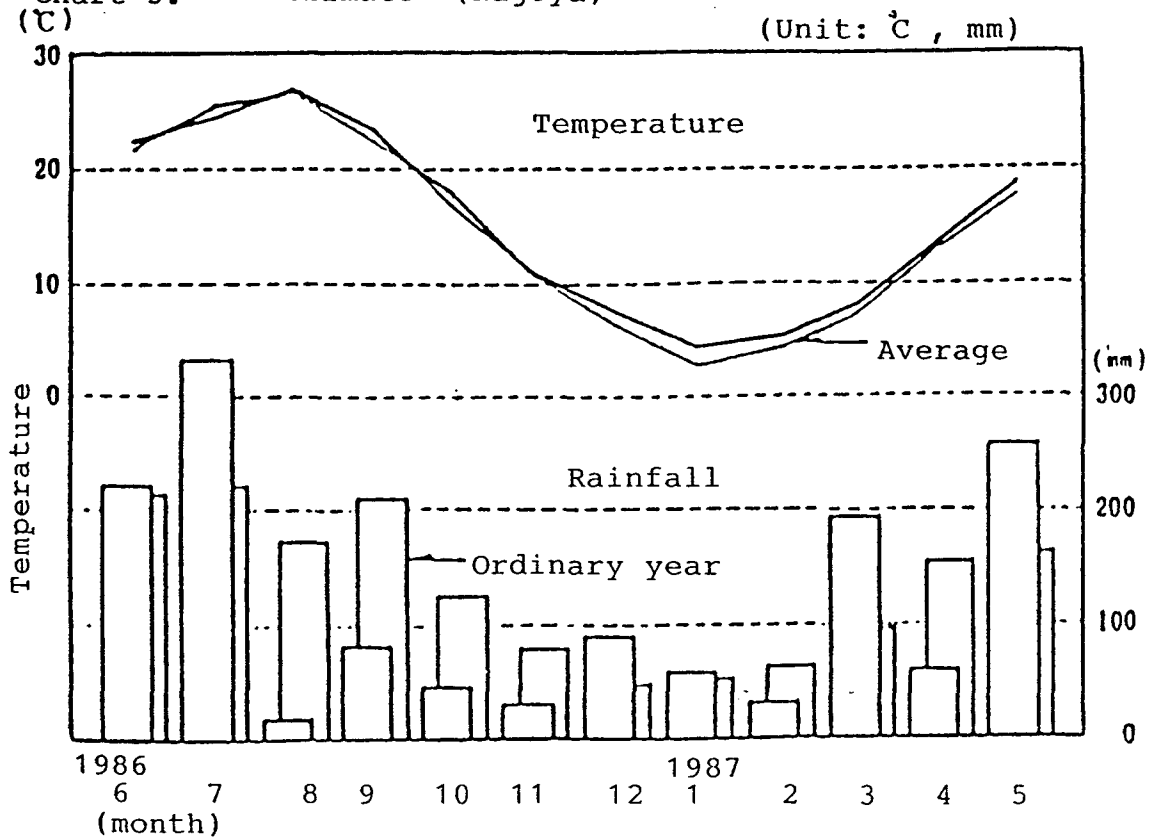


Chart 4. Changes in the population

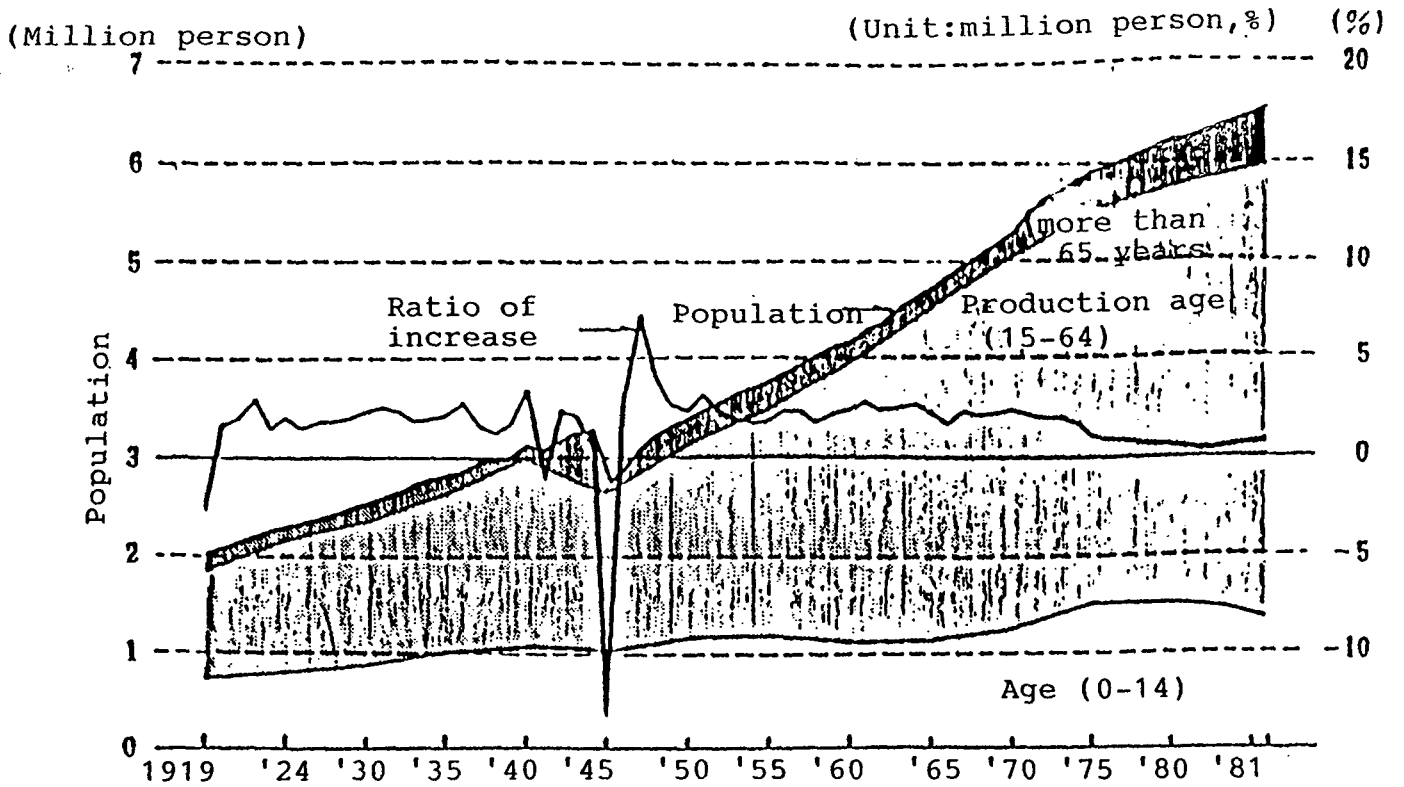


Chart 5. Population mobility

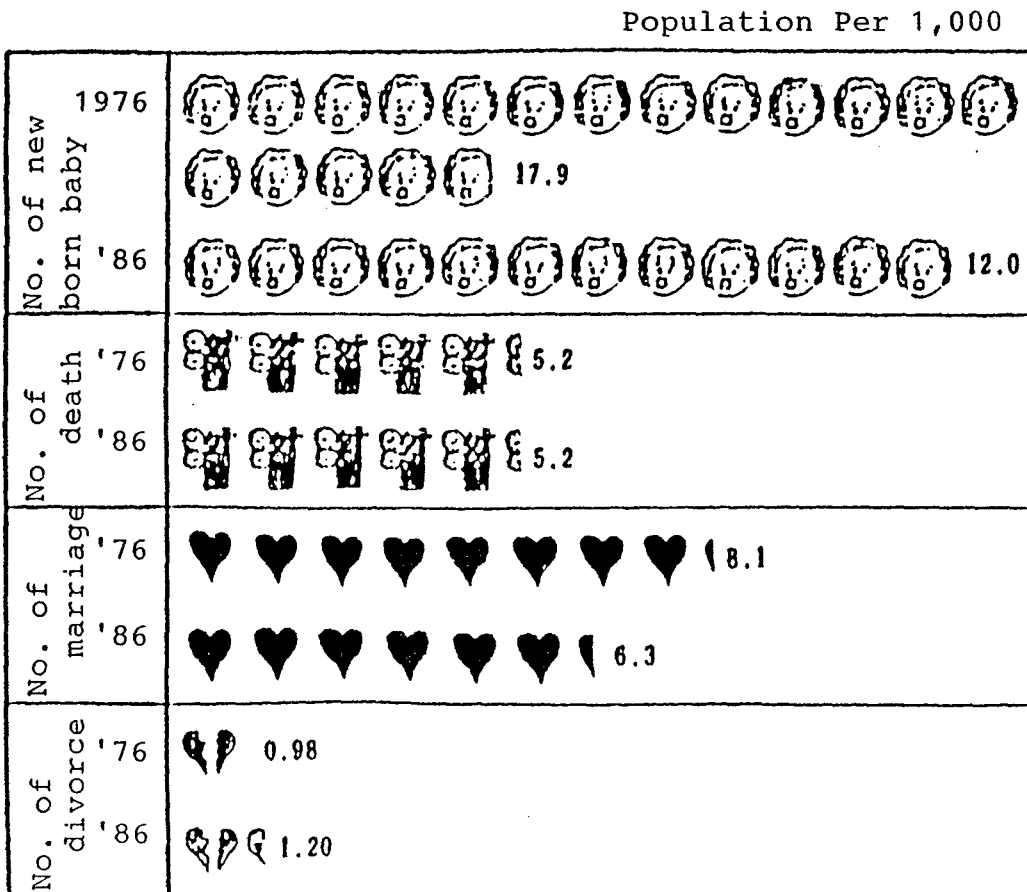


Chart 6. Changes in the number of children by different schools

(Unit: 10 thousand person)

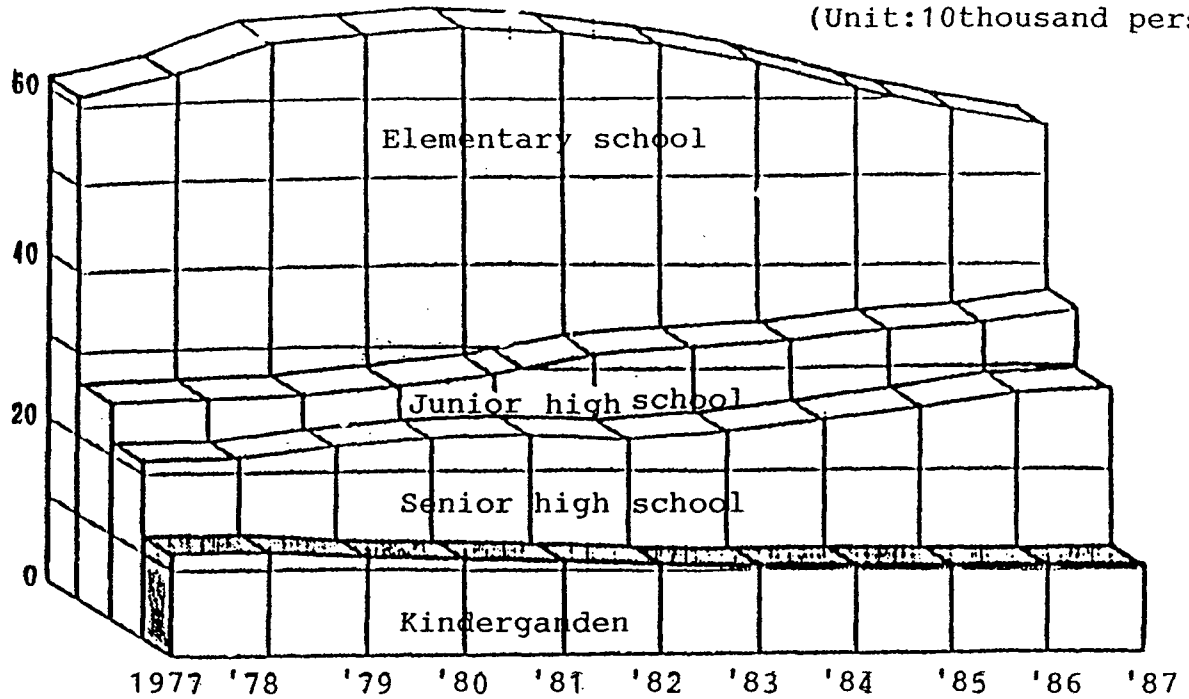


Chart 7. Ratios of mortality by main causes (Unit: %)

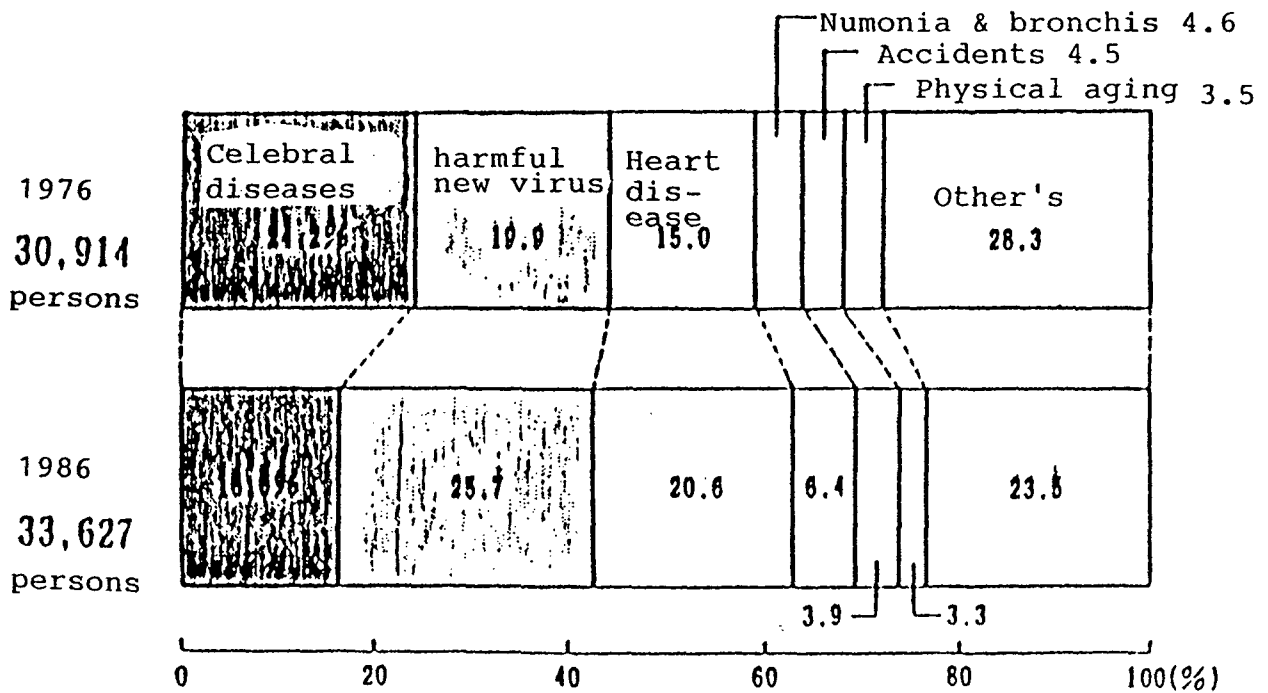


Chart 8. Ratios of economic growth

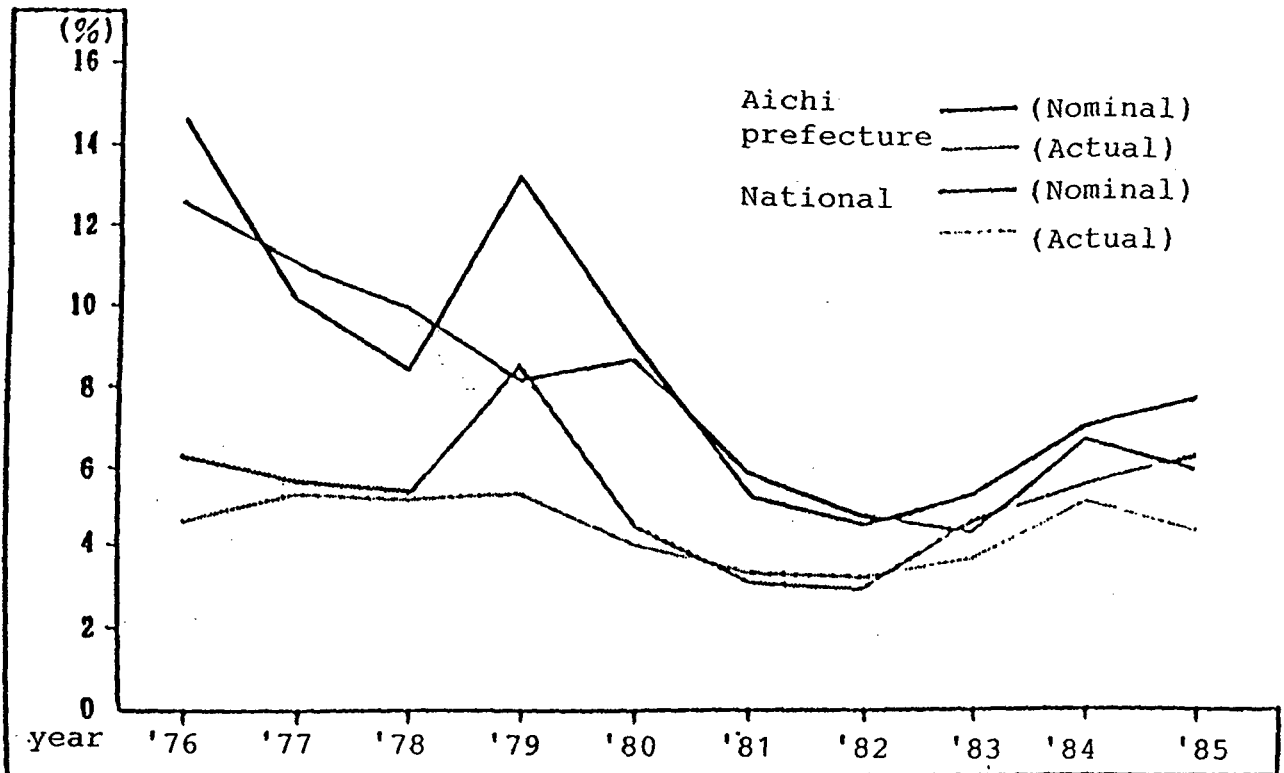


Chart 9. Changes in commodity prices indices and yen rate
1985=100 (yen/dollar)

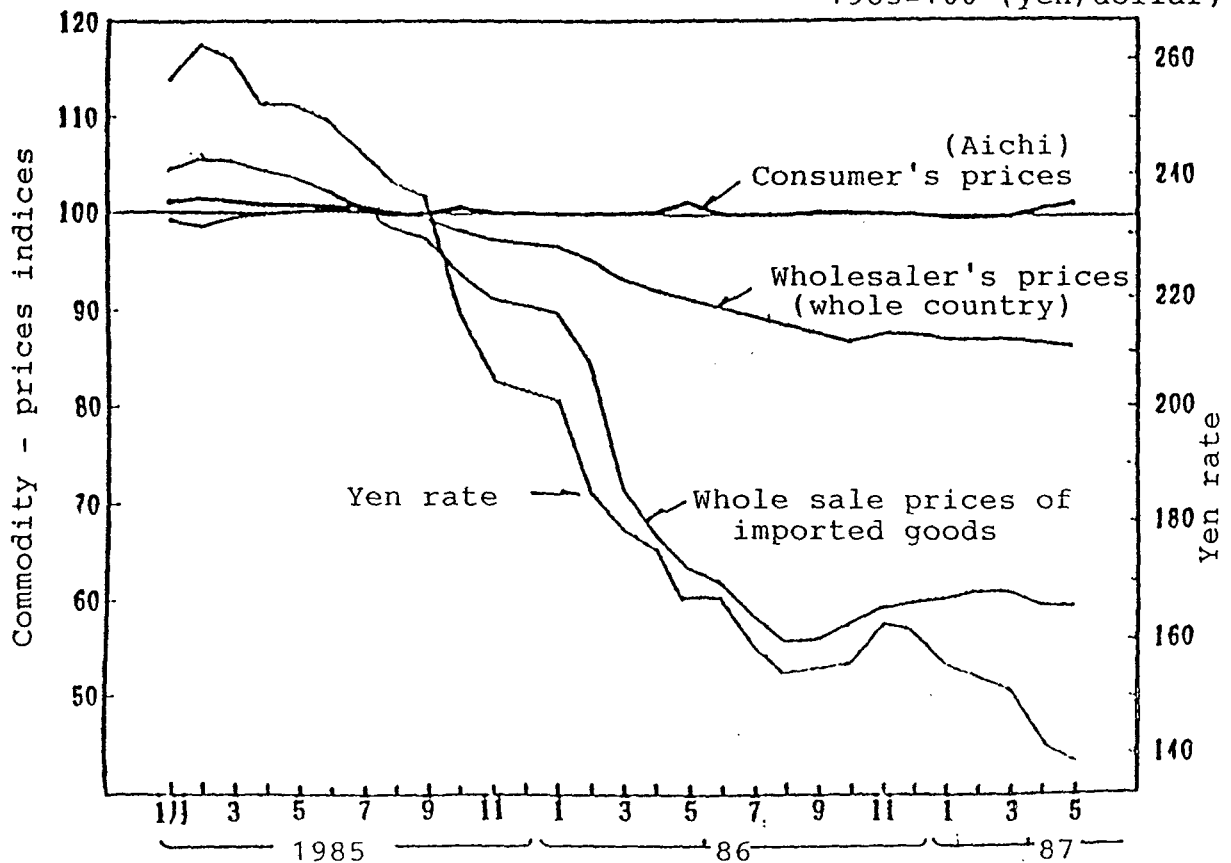
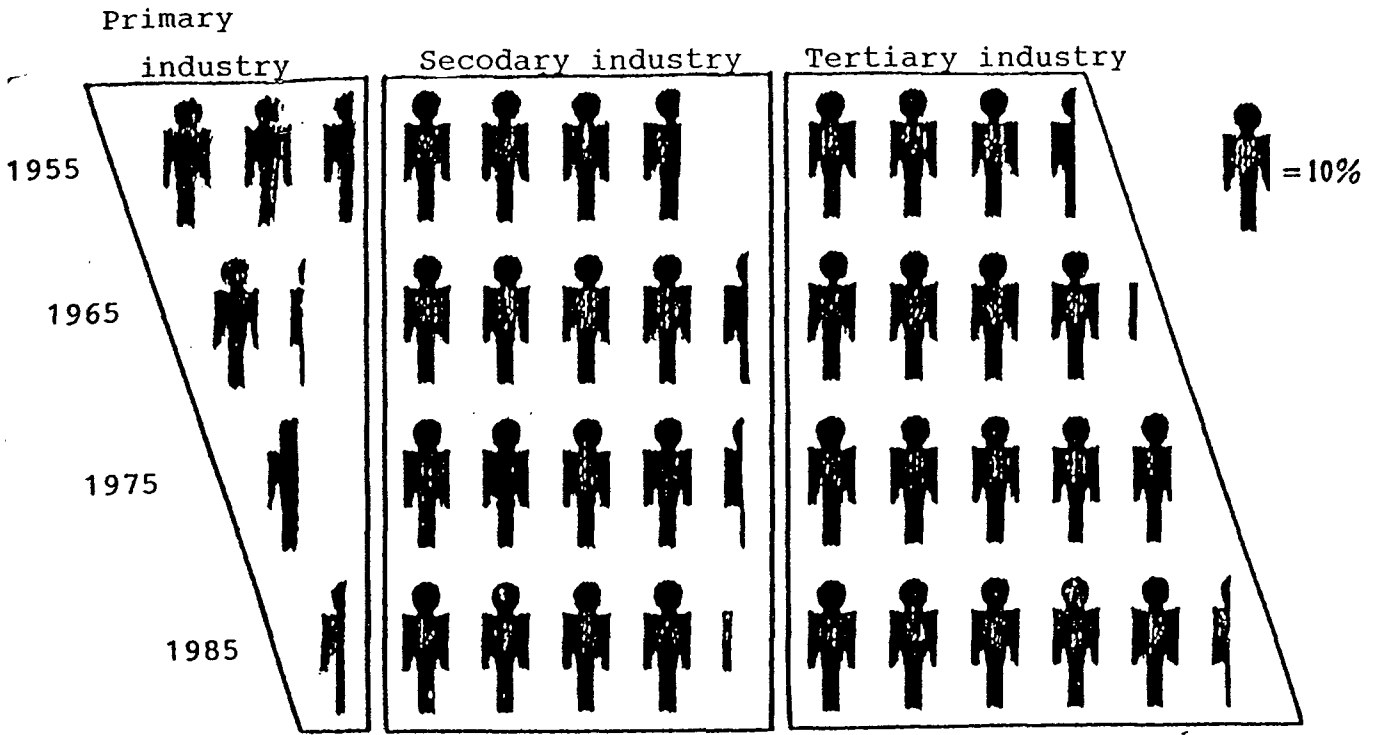
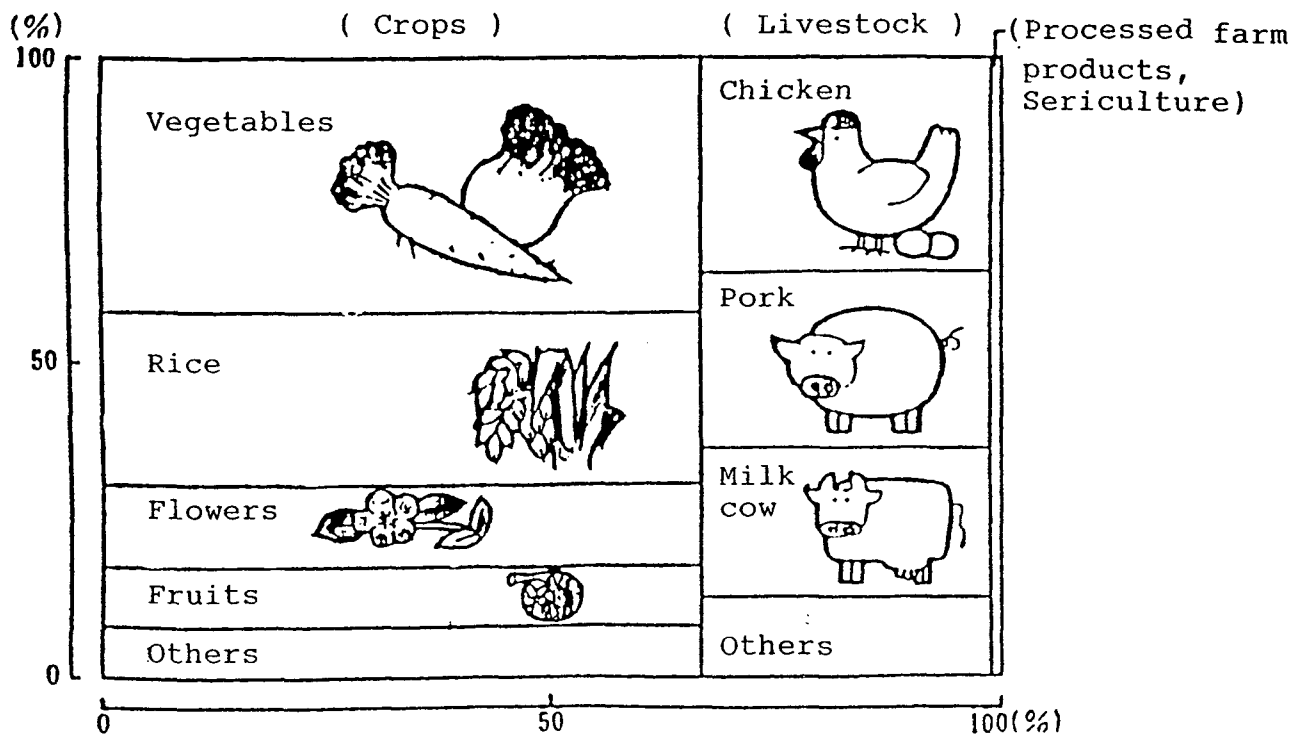


Chart 10. Changes in the ratios of employees by industries



Source: Report of National Census bureau by statistic

Chart 11. Ratios of Agricultural Gross Production Turnover



15/4

5th ICA/Japan Training Course for Strengthening Management of Agricultural Cooperatives in Asia

March 1 ~ April 24, 1991, Tokyo Japan

**Publicity Activities of
Agricultural Cooperatives**

April 15, 1991

By Mr. Tadafumi Yoshida
Manager
Development Department
Ie-no-hikari Publishing Association

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

1. The environment of communication and information surrounding Agriculture and agricultural cooperatives
 - (1) Diffusion of mass media and development of highly information oriented society
 - (2) Criticism on agricultural policy and agricultural coop cooperatives by mass media and it's impacts
 - (3) Import liberalization of agricultural and livestock products and trends of public opinion

2. Management and communication activities of agricultural cooperatives
 - (1) Organizational activities and communication activities
 - (2) Changes of communication patterns in rural community
 - (3) Changes of environment and it's impact on agricultural cooperative management

3. Major tasks of agricultural cooperative publicity activities (Major tasks for communication with members)
 - (1) Appealing members' participation in cooperative activities
 - (2) Dissemination and implementation of regional agriculture promotion plan
 - (3) PR of utilizing agricultural cooperative businesses (Marketing, Purchasing, Credit, Mutual Insurance, Processing and etc.)
 - (4) Promotion of various better living activities and cultural activities
 - (5) Creation of local community to suit the characteristics of farming village

(6) Providing agricultural education and information to students and next generation of member farmhouseholds

(Major tasks for communication with local residents and consumers)

(1) Formation of national concensus on foods and agriculture

(2) Expansion of demands for domestic agricultural products and diffusion of Japanese style diet habits

(3) Promotion of mutual exchanges with urban residents (consumers and consumer cooperatives etc.) and improvement of the image on agricultural cooperatives

4. Various measures for publicity activities in agricultural cooperatives

(1) Personal communication

1) Meeting and communications in various member's organizations

2) Hamlet meetings for members

3) Home visits by employees of agricultural cooperatives

4) Various consultation activities

(2) Visual media

1) News paper

2) Magagine, books

3) Agricultural cooperative bulletin

4) Poster, calendar, pamphlet, direct mail

5) Signboard, drop curtain, package and etc.

(3) Audio media

1) Wire broadcasting (telephone)

2) Wireless broadcasting, PR car (speaker)

3) Radio program, commercial program

4) Audio tape, etc.

(4) Audio visual media

- 1) T.V. program, commercial program, CATV
- 2) Movie, video tape
- 3) Slide film
- 4) New media and etc.

(5) Comprehensive promotion

- 1) General meeting, general representative meeting
- 2) Various convention, study meetings
- 3) Agricultural cooperative (agriculture) festival
- 4) Exhibition, morning market, contests and other events

5. Present situation of agricultural cooperative publicity activities

(From survey on all agricultural cooperatives conducted by CUAC,
~~September~~ 1987)
April

(1) Implementation of discussion meeting and home visit

(3,481 coops = 100 %, in fiscal 1989)

- | | |
|--|-------|
| 1) Hamlet discussion meeting for all members (1~3times/year) | 70.7% |
| 2) " for women's association | 38.1% |
| 3) " for youth association | 22.4% |
| 4) Home visit by employees of agri. coop. | 61.5% |
| 5) Questionnaires for members (once a year) | 23.9% |

(2) Publication of cooperative bulletin for members

1) Situation of publication (Classified by number of regular member households, as of April 1st, 1990)

No. of regular member households	No. of agri. coops surveyed	No. of Agri. Coops publishing bulletins
~ 999	1,890 (100%)	1,246 (65.9%)
1,000 ~ 1,999	885 (")	819 (92.5%)
2,000 ~ 2,999	343 (")	334 (97.4%)
3,000 ~ 4,999	260 (")	259 (99.6%)
5,000 ~	97 (")	97 (100.0%)
Total	3,481 (100%)	2,760 (79.3%)

2) Number of publication throughout a year

(2,760 agri. coops = 100%, 1990)

1 ~ 3 times	15.3%
4 ~ 5 times	14.1%
6 times	13.9%
7 ~ 11 times	6.3%
12 times	45.0%
More than 13 times	4.4%
D.K.	1.0%

3) Relevant readers for whom bulletins are circulated

(2,760 agri. coops = 100%, 1990)

Regular members only	15.8%
Regular and associate members	59.5%
All households in the area	25.0%

(3) Major publications (3,481 agri. coops = 100%, 1990)

1) Information news for officials and employees	20.7%
2) Poster	10.7%
3) Calendar	75.1%
4) Pamphlet for children	7.0%

(4) Situation on use of audio visual media

1) Wire broadcasting	446 agri. coops (March 31, 1988)
2) Village CATV	16 villages and towns (March 31, 1989)
3) Video program	879 agri. coops (fiscal 1989)
4) Slide film	888 agri. coops (fiscal 1989)
5) Movie film	184 agri. coops (fiscal 1989)

(5) Use of magazine, news paper and books

1) The Ie-No-Hikari= The light of the home	1,200,000 copies (average circulation in fiscal 1990)
2) The Chijo= The Good Earth	70,000 copies (")
3) The Kodomo-No-Hikari= The light of Children	80,000 copies
4) Nihon Nogyo Shimbun (daily)	500,000 copies (")
5) Ie-No-Hikari publications (annually)	1,110,000 copies in fiscal 1988

(6) Holding various events (3,481 agri. coops= 100%, 1989)

1) Agriculture, agricultural cooperative festival	76.8%
2) Direct sale of agri. products	72.7%
3) Periodical morning market	46.6%
4) Observation and use of agri. coop facilities	35.4%
5) Dialogue with consumers	28.2%
6) Sports assembly, cultural festival	24.5%

(7) Activities for school students

(3,481 agri. coops= 100%, fiscal 1989)

1) Contests for picture and composition	71.3%
2) Issuing savings account book	66.0%
3) Observation of agri. coop facilities	58.1%
4) Providing sub-text books	36.9%
5) Assistance for school lunch	33.5%
6) Schooling on agriculture for parents and children	21.7%
7) Schooling on traffic safety	11.6%

(8) Implementation of better living and cultural activities

Johari

A I D M A

Attention
Interest
Desire
Memory
Action

Schick

A I C A D
Awareness
Int. gr.
Creation
Adaptation
Diffusion.

(3,481 agri. coops= 100%, fiscal 1989)

1) Cooking school	39.4%
2) Gate ball	52.0%
3) Lecture meeting	23.6%
4) Handicrafts	22.1%
5) Shooling on better living	17.8%
6) Kimono wearing	17.6%
7) Tug of war	16.9%
8) Flower arrangement	12.8%
9) Group tour	11.3%
10) Dancing	10.3%

(9) Various consultation activities

(3,481 agri. coops= 100%, fiscal 1989)

1) Traffic accidents	76.2%
2) Pension	67.0%
3) Taxation	65.8%
4) Living funds	56.0%
5) Health	55.2%
6) Tour	54.7%
7) Housing	32.5%
8) Assets management	28.5%
9) Farm succesor	23.0%
10) Legal matters	20.5%

6. Publicity Activities by Unions and Federations of Agricultural Cooperatives

- (1) Supplying information to mass media and opinion leaders
- (2) Preparation of various materials for information and campaigns
- (3) Production of video, slide film and movie films
- (4) Sponsoring T.V. and radio program and CM.
- (5) Implementation of National events
- (6) Advertisement through mass media

Business

(7) Out-door advertisement (signboard, drop curtain, etc.)
Traffic advertisement

(8) Publicity activities in overseas

7. Future Tasks for Agricultural Cooperative Publicity Activities.

(1) Strengthening publicity activities targeting consumers.
(local residents)

(2) Diffusion of communication name of Agricultural Cooperative.

- JA -

(3) Allocation of staffs and budgets for publicity activities.

(4) Toward success of the 30th ICA Congress (1992, Tokyo).

16/4

5th ICA/Japan Training Course for Strengthening Management of Agricultural
Cooperatives in Asia

March 1 ~ April 24, 1991, Tokyo Japan

Price Stabilization Systems for
Agricultural and Livestock Products

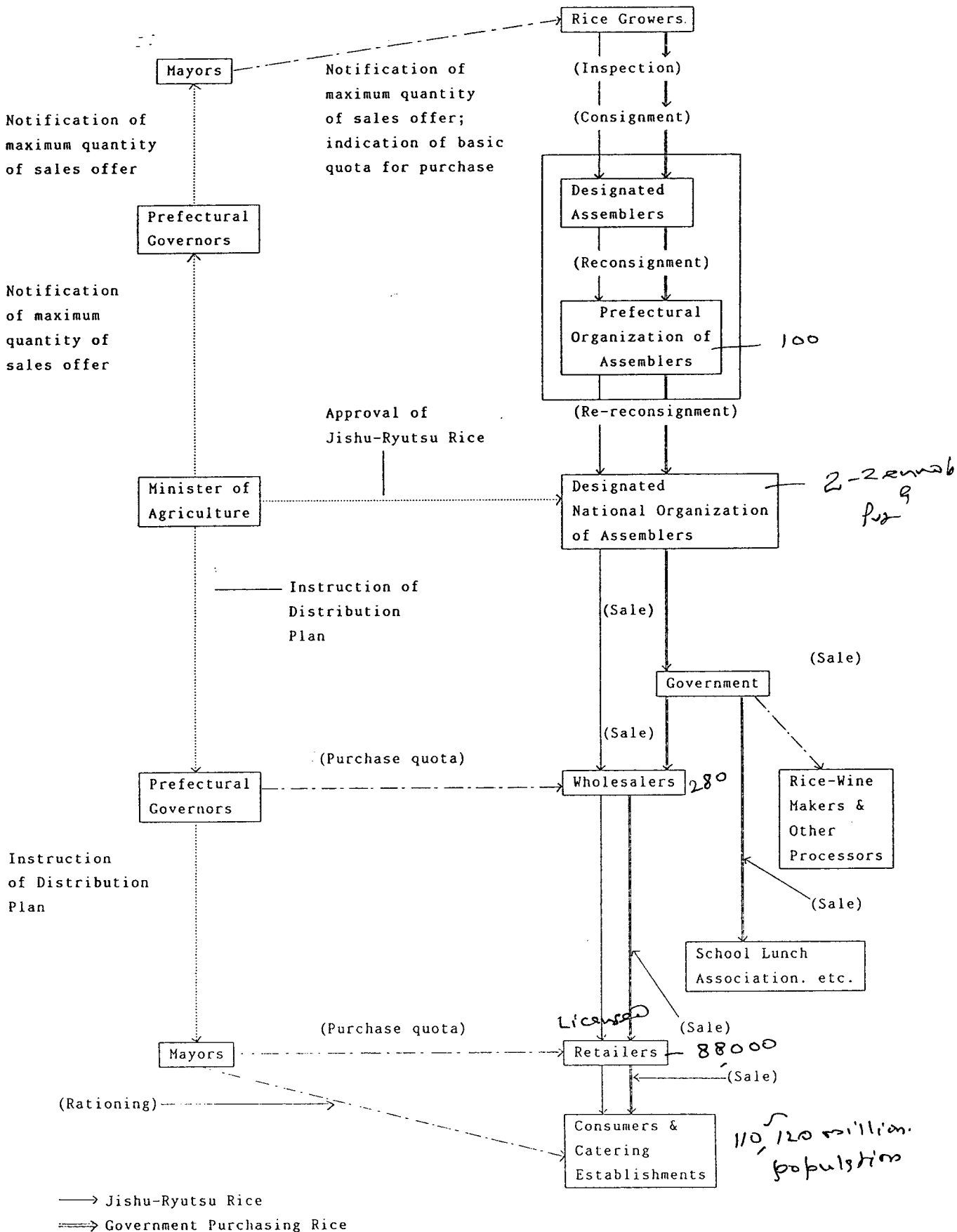
April 16, 1991

By Mr. Naoki Higuchi
Livestock and Horticulture Section
Agricultural Policy Department
Central Union of Agricultural
Cooperatives (CUAC/Zenchu)

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

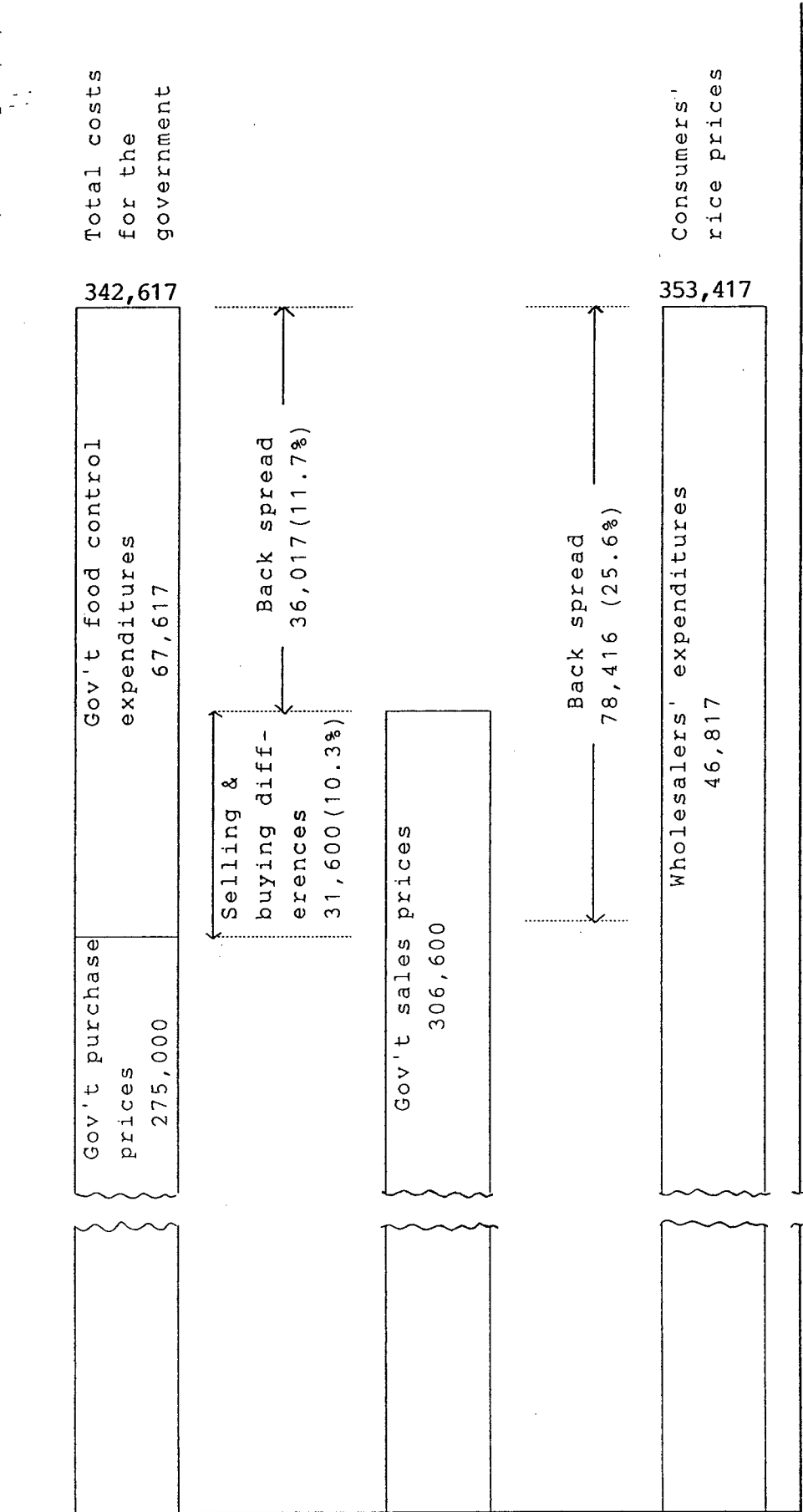
2. Price stabilization policy according to commodities

(1) Mechanism of Rice Marketing

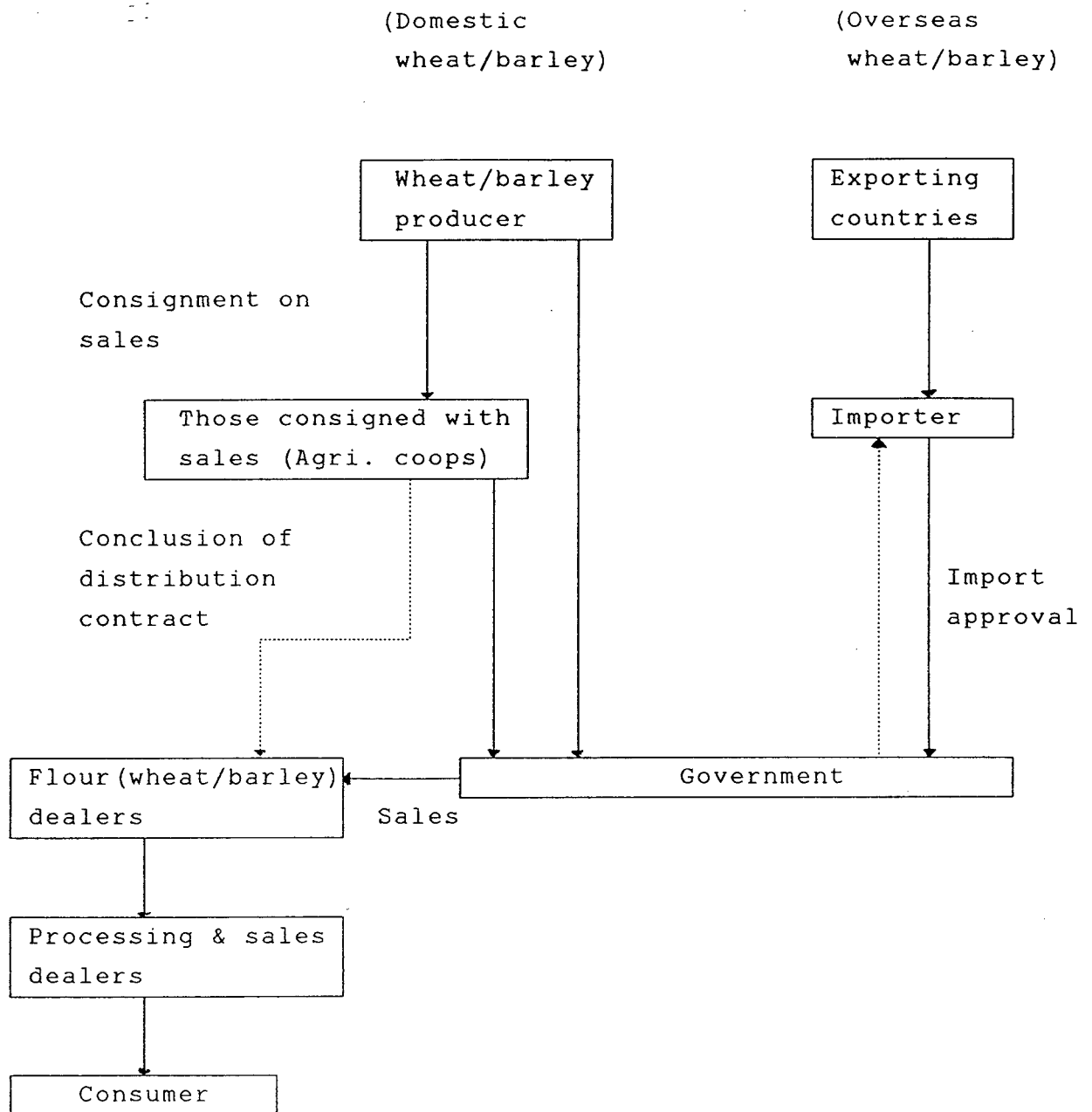


(2) Relation on Rice Prices

(Unit: yen/t)



(3) Mechanism of Wheat Marketing



(4) Relation on Wheat Prices

(Unit: thousand yen/t)

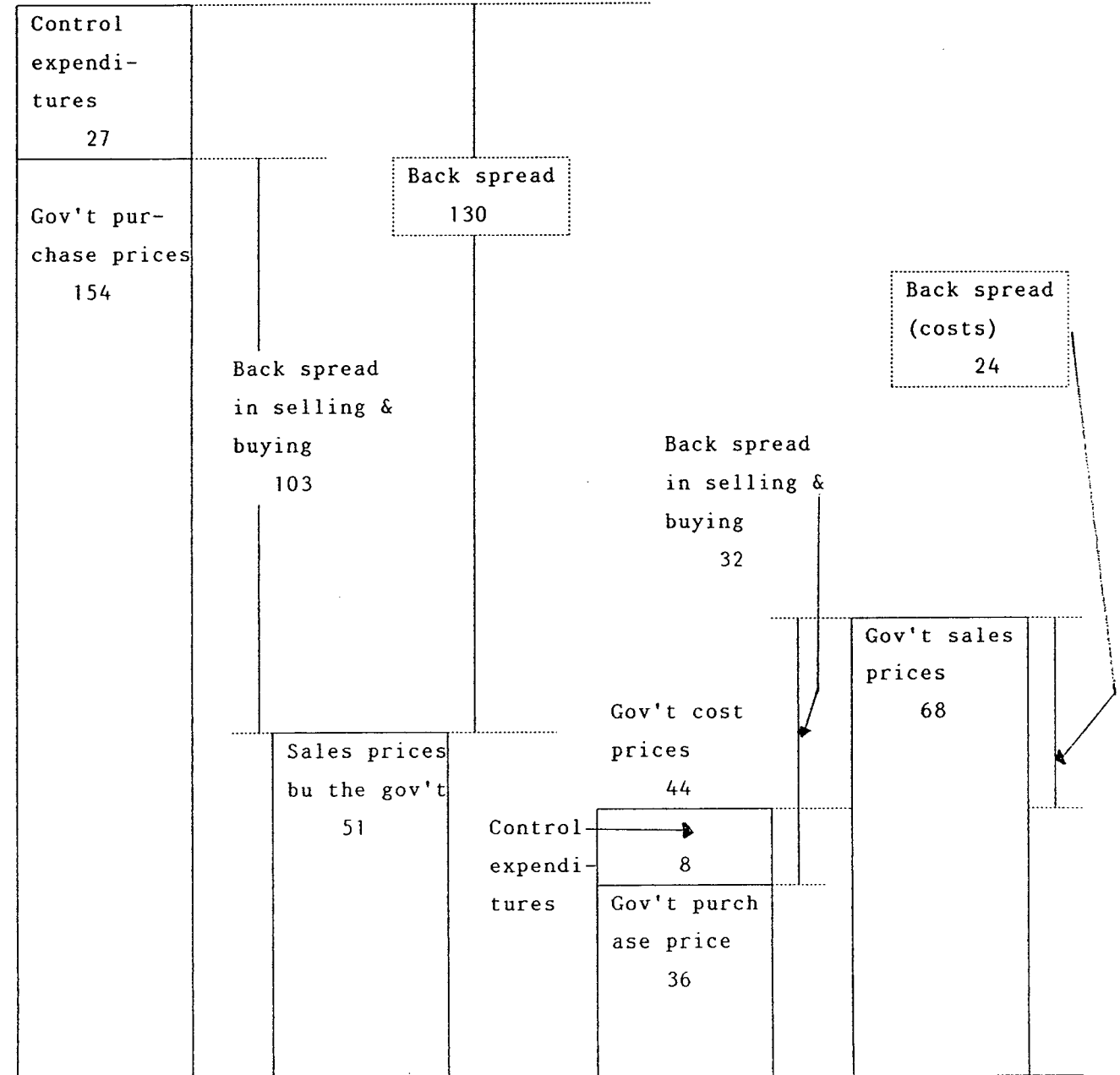
① Domestic wheat (Grade I, II)

② Import wheat

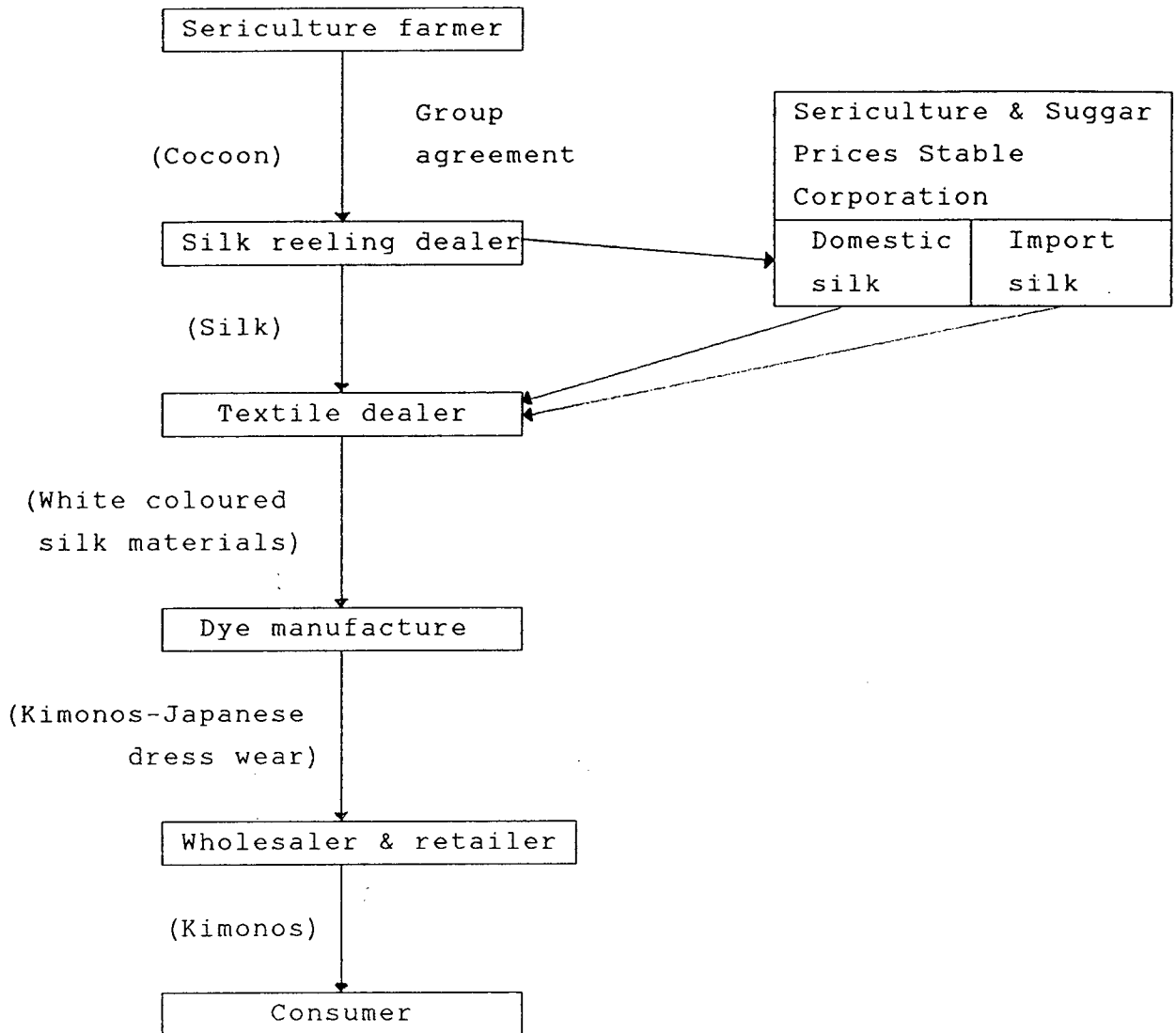
Gov't cost

Prices

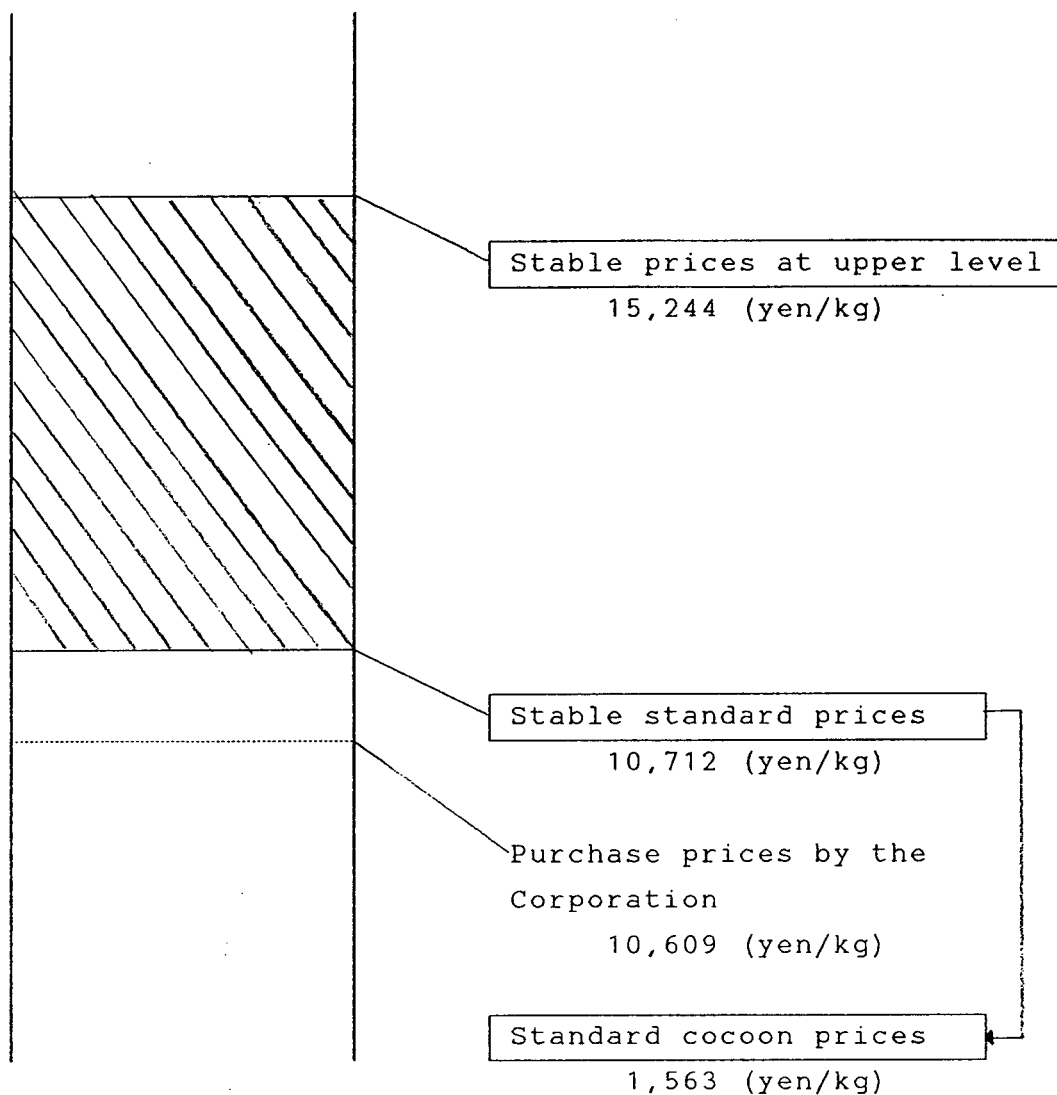
181



(5) Mechanism of Distribution of Cocoon and Silk



(6) Prices Stabilization Measures (Cocoon, 1990)



Note: The Minister of MAFF decides on , whereas the remainings are to be decided by the Corporation.

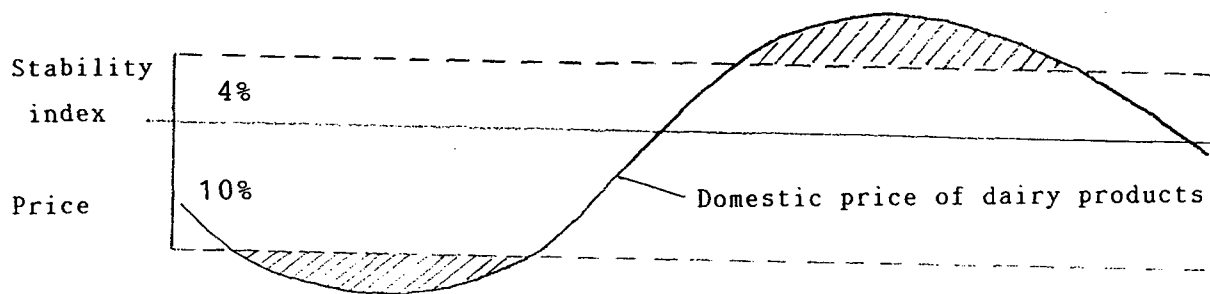
Milk and dairy products

(7) Price stabilization system for dairy products

(at price hike)

Distribute stocks in hand
at Livestock Development Corporation

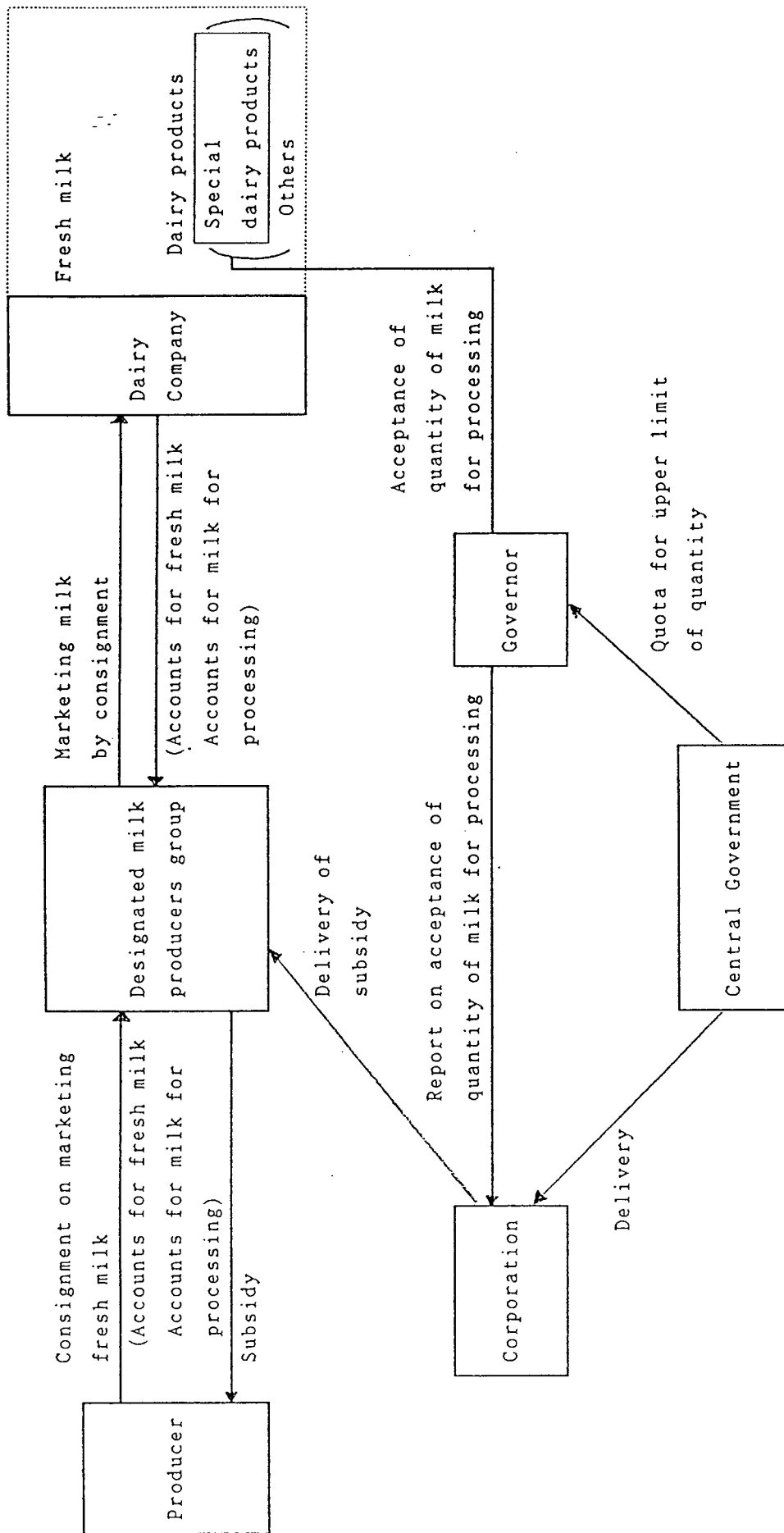
(in case there is no stocks
they import dairy products to market)



(at low price)

Buy up domestic dairy products by
Livestock Development Corporation

(8) System for loss compensation



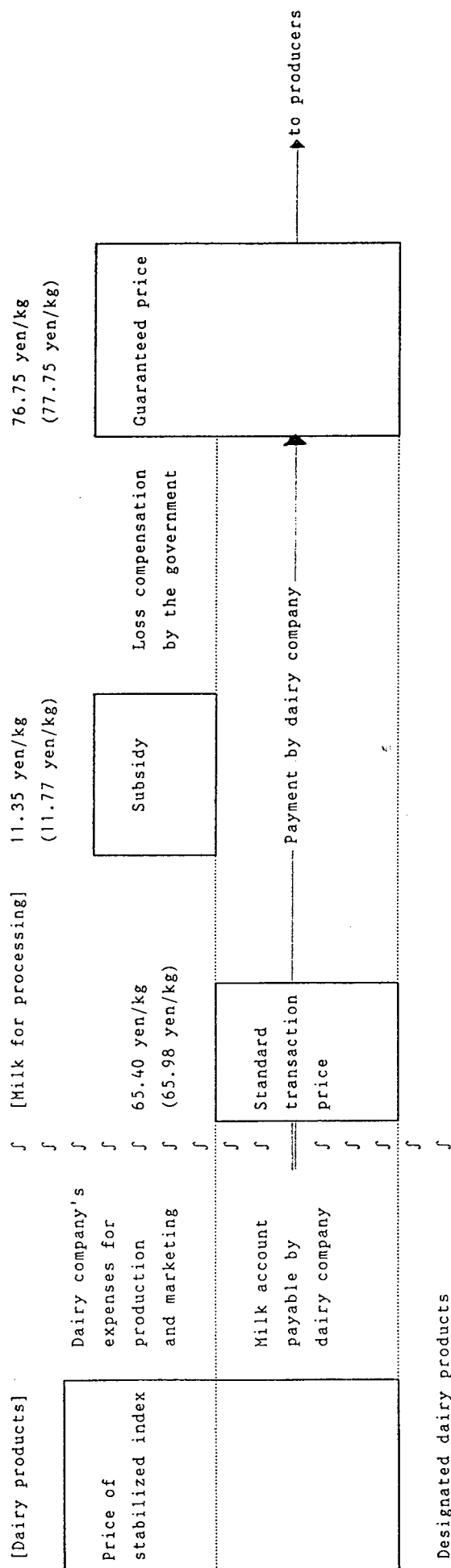
(9) Guaranteed price for milk processing in fiscal 1991

(Price of stabilized index) (Decreased ratio to previous year)

Notes) 1. Price of fiscal 1991 includes consumption tax.
2. () figures in 1990

Butter (raw material)	1,051 yen/ 1.0kg	- 1.3%
Skim milk	12,663 yen/25.0kg	- 1.3%
Condensed milk	8,055 yen/24.5kg	- 1.5%
Low fat condensed milk	7,193 yen/25.5kg	- 1.5%

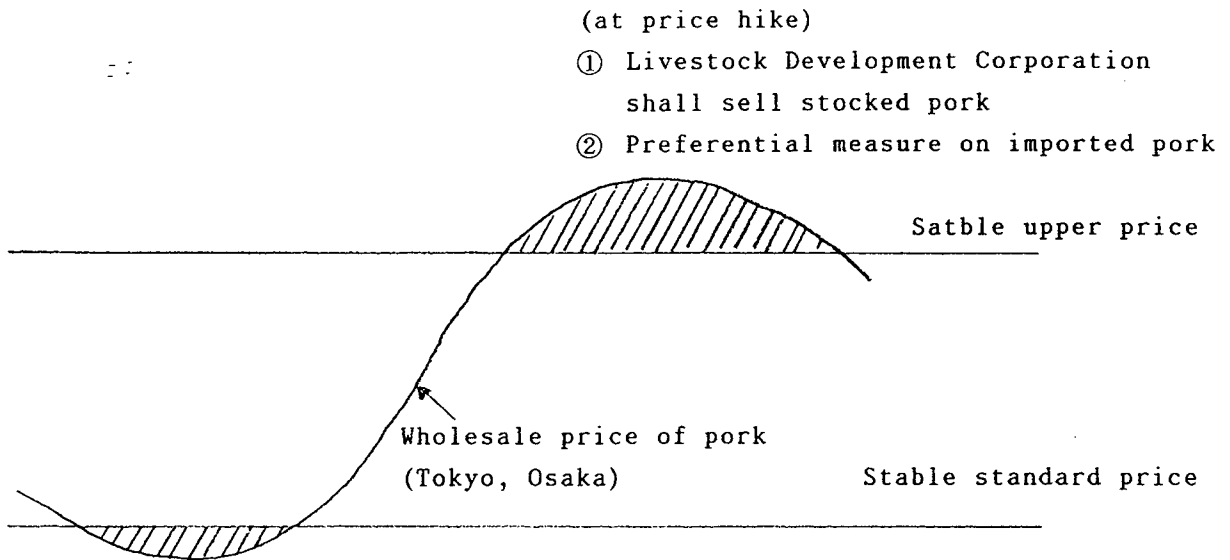
Limit of quantity
2,400,000 tons
(2,350,000 tons)



Butter, Skim milk, Sugar added condensed milk,
Low fat condensed milk, Powder milk, Sugar added powder milk, Condensed milk, Low fat milk (for rearing calves)

Special dairy products (raw material for processing is covered by compensation)

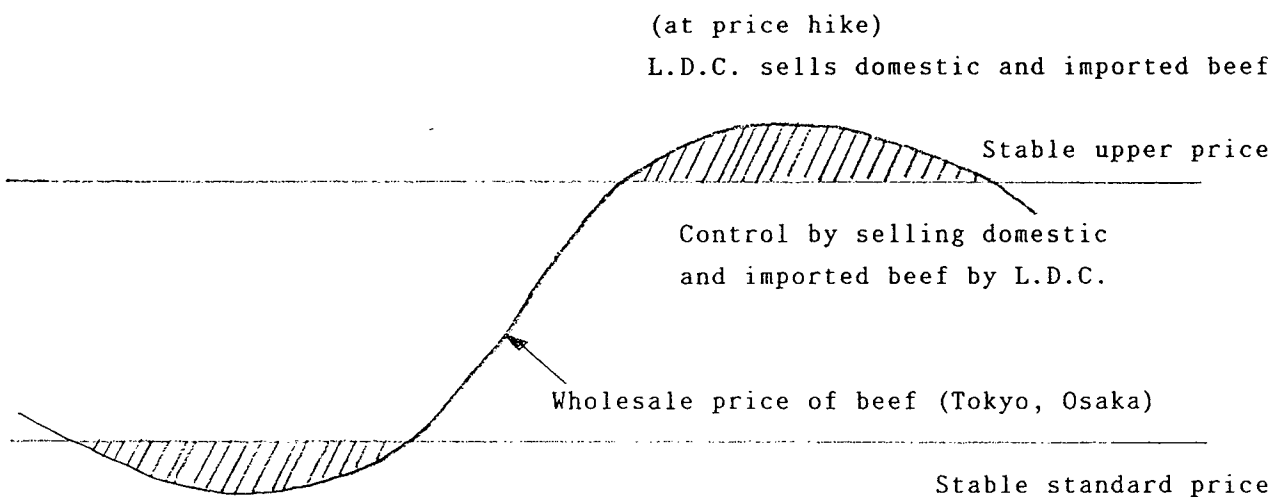
(11) Price stabilization system of pork



(at low price)

- ① Shipping control by producer's organizations (storage expenses and interest are subsidized by Livestock Development Corporation)
- ② L.D.C. buys up designated pork for storage

(12) Price stabilization system of beef



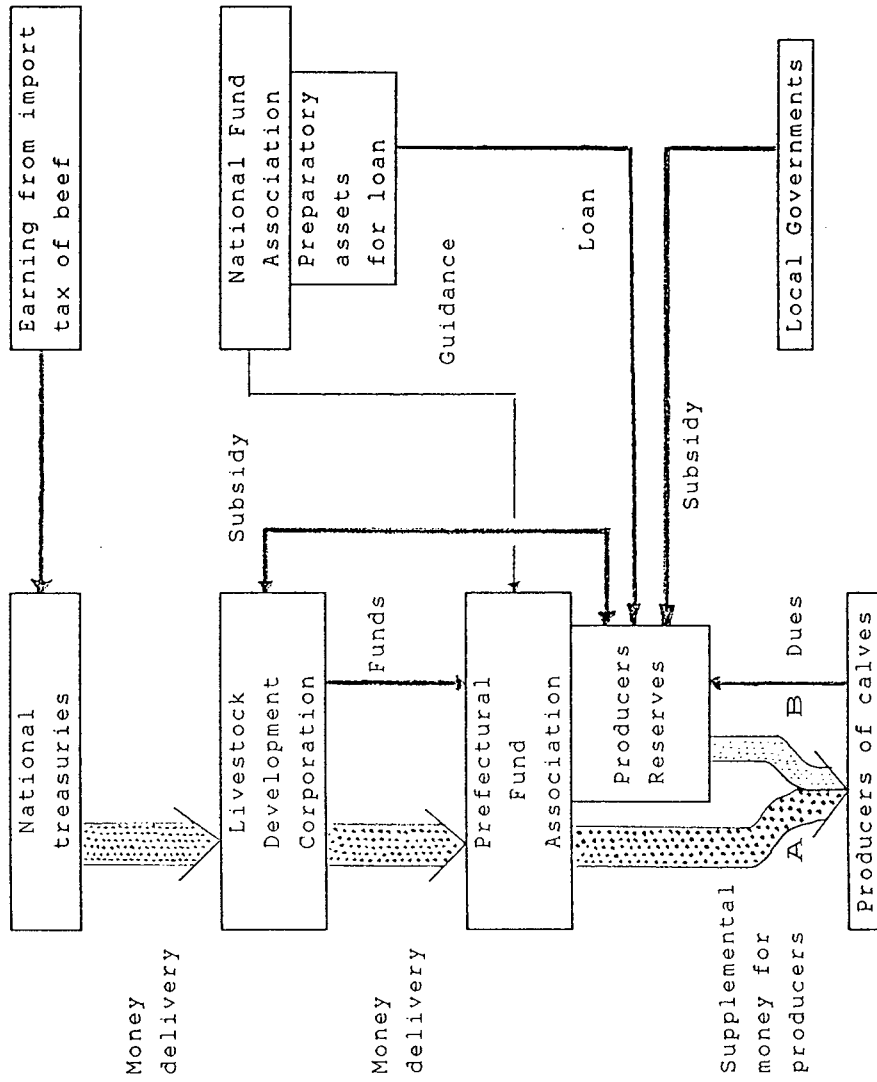
(at low price)

- ① Stop selling imported beef
- ② Shipping control by storage by producers organizations (L.D.C. subsidize interests and storage expenses)
- ③ L.S.D. shall buy up designated beef for storage

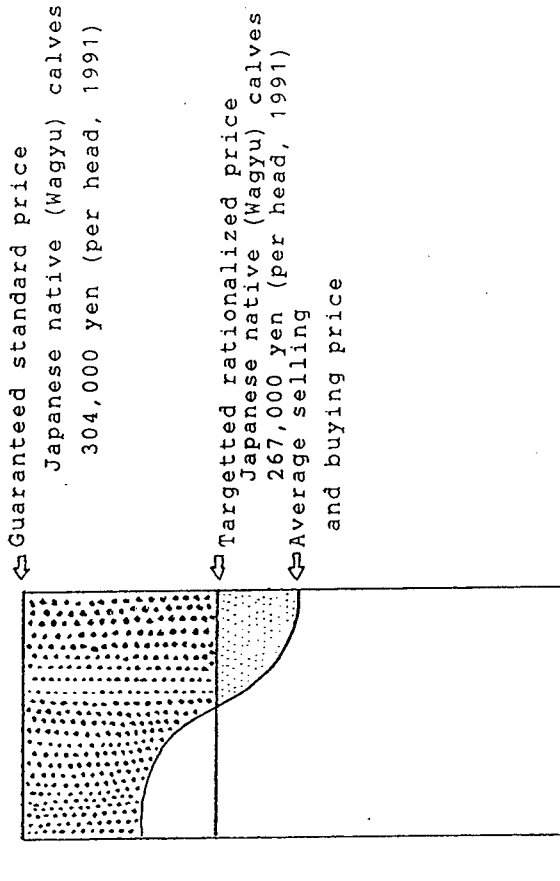
Calves for beef cattle

(13) Price stabilization system for calves for beef cattle

[New system (for fiscal 1990)]



(Balance profits of imported beef shall be spent out from fiscal 1990)

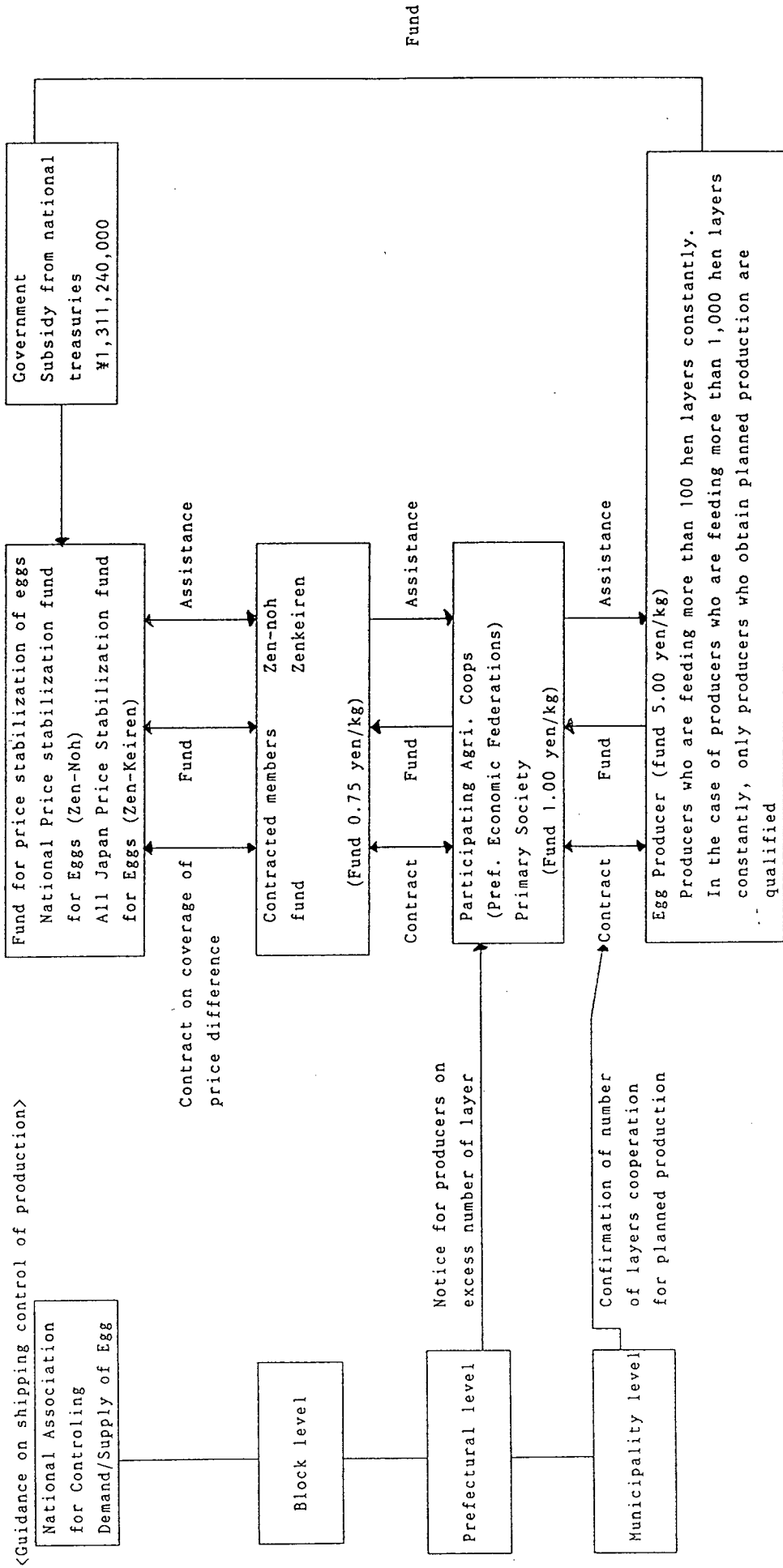


Notes: A... within a range of "Guaranteed standard price - targetted rationalized price"
 B... within a range of "Less than targetted rationalized price"

Hen Layer Egg

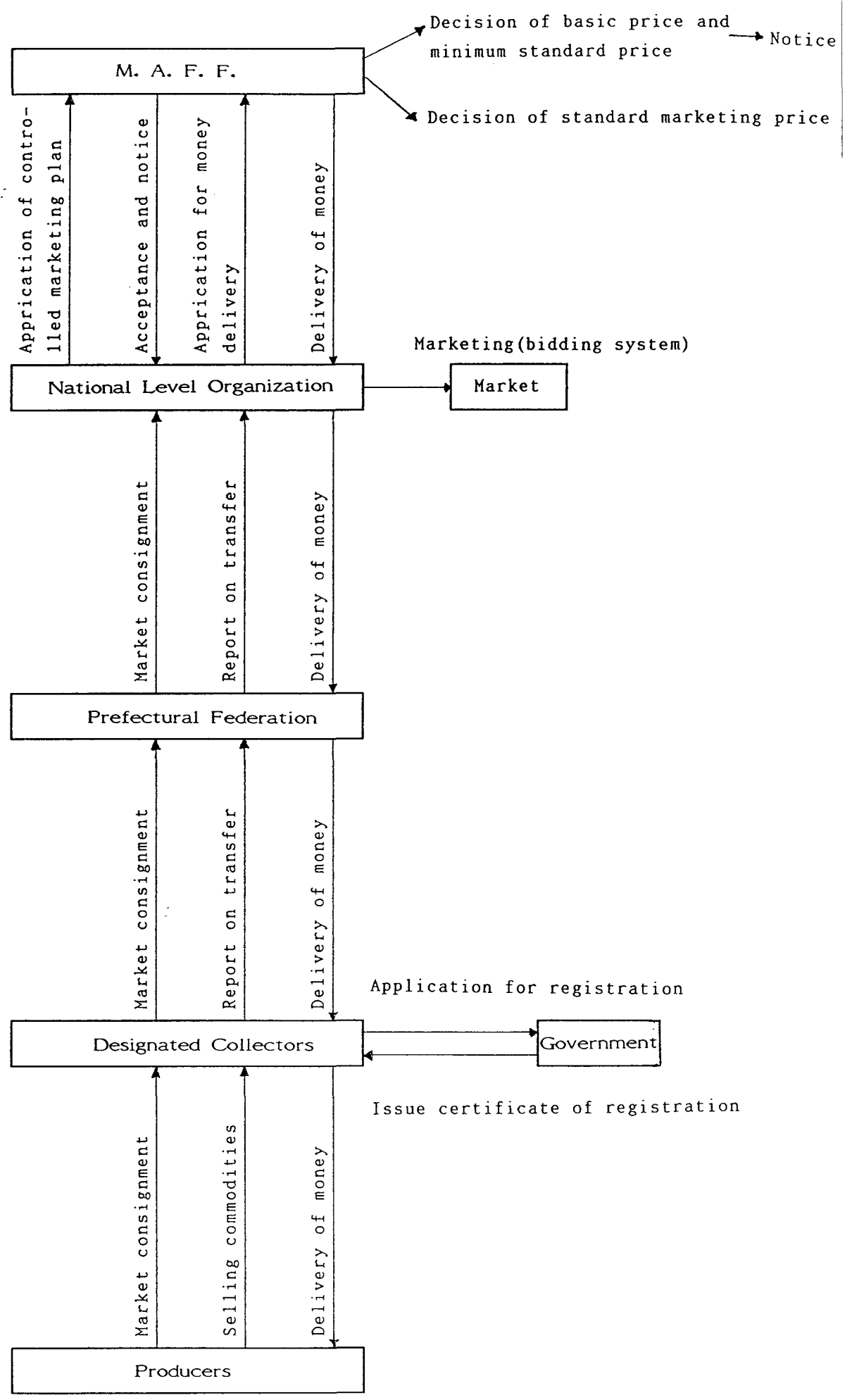
(14) Price Support System

(Notes) Fund as of fiscal 1989

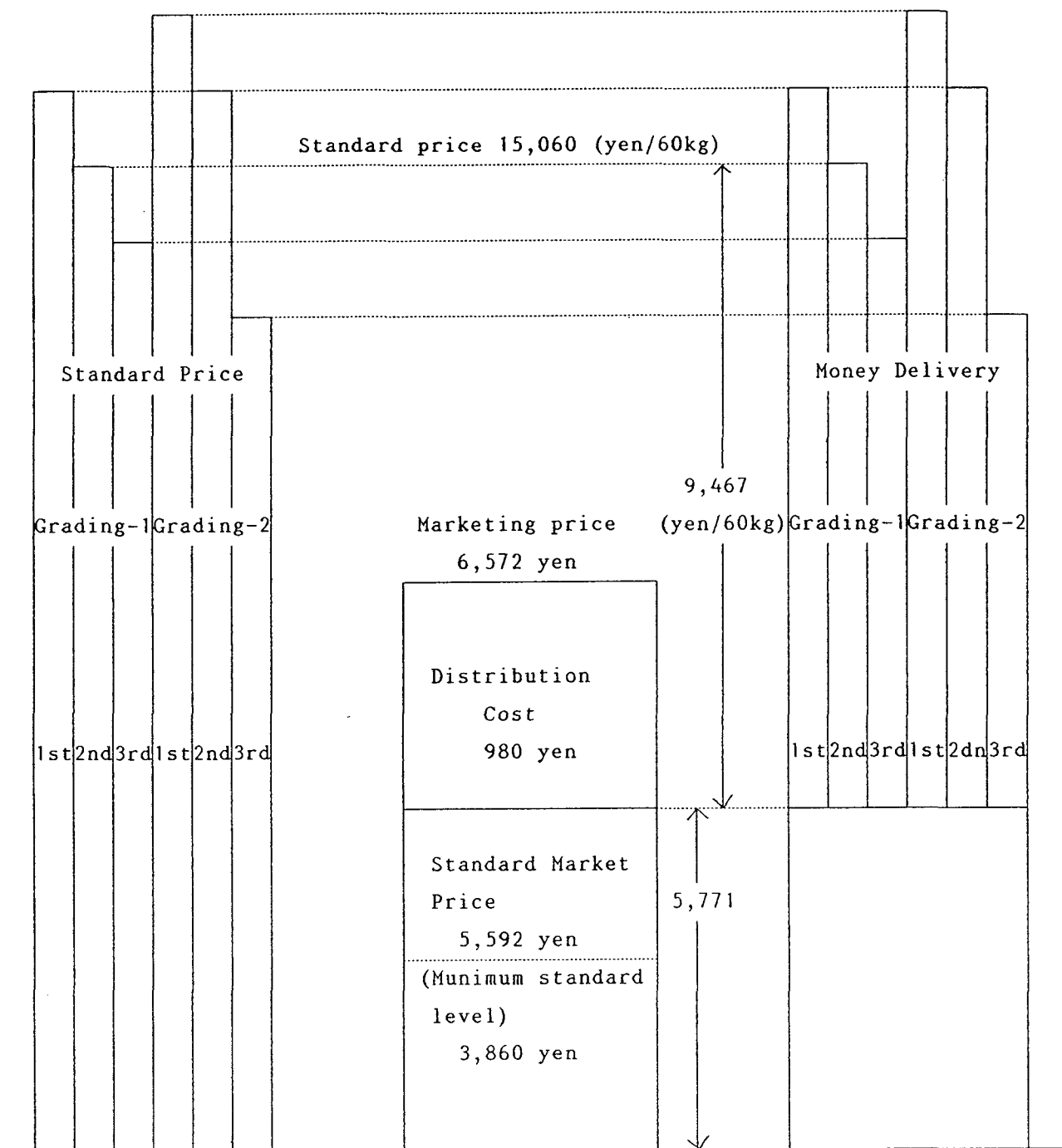


Soybeans, Rape Seeds

(15) Money Delivery System for Soybeans and Rape Seeds



(16) Money Delivery System (Soy bean, rape seed, 1989)



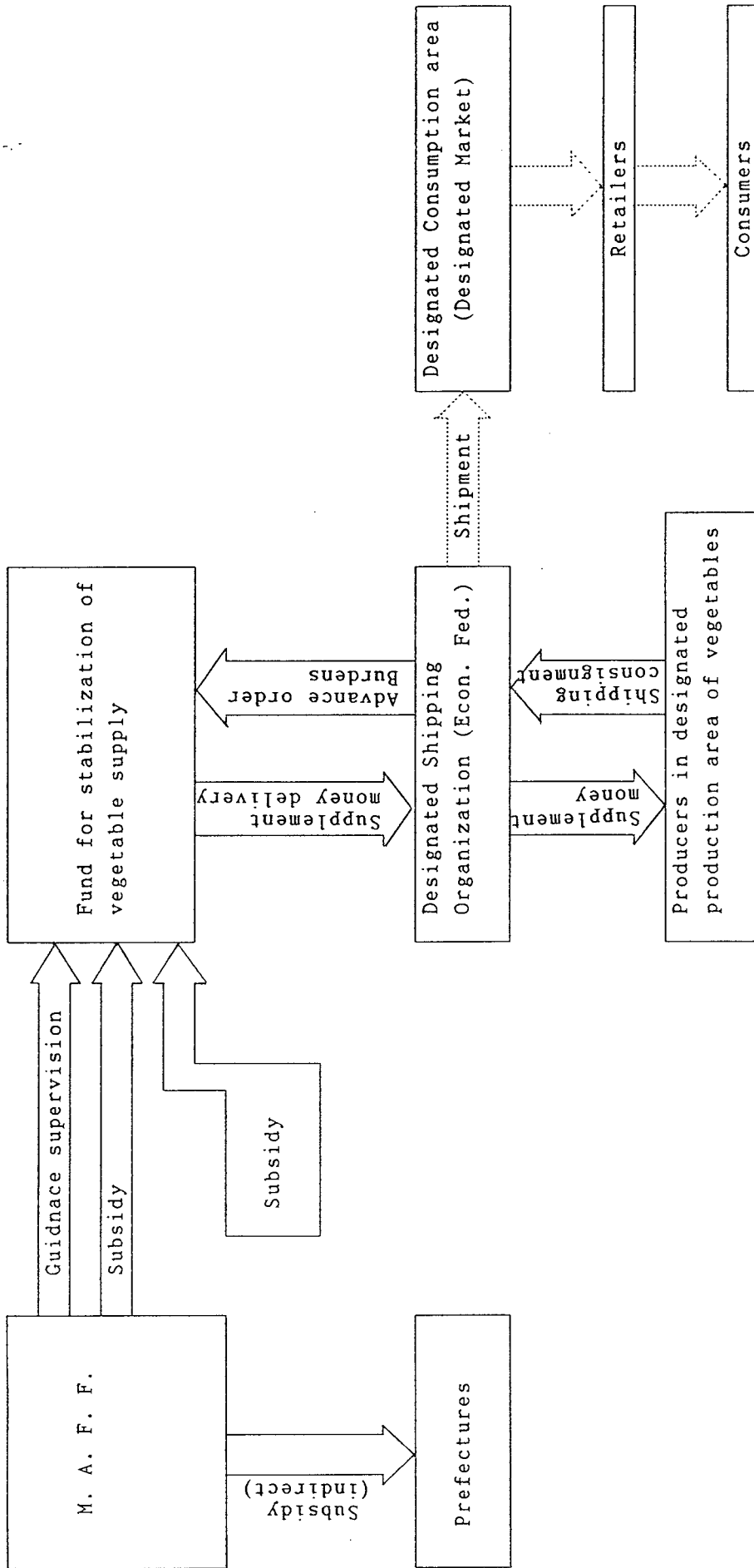
Sugar

(17) Price stabilization System for Sugar

Price	Market of imported sugar			Market of domestic sugar
	(Case-1) Purchasing price was lower than lower stable price limit	(Case-2) Purchasing price was in the middle of price rationalization target and lower price limit	(Case-3) Buying Price (average import price)	
Upper Stable Price 1989 160,100 yen/t 1990 160,000 yen/t		Differences of selling and buying price	Buying Price (average import price) Supplement from price stabilization fund Refundment price	Buying price Delivery of money from national treasury Supplement from adjustment fund Price for refundment
Price Rationalization target for domestic sugar 1989 137,600 yen/t 1990 133,600 yen/t	Differences of selling and buying price			Differences of selling price and buying price
Lower stable price limit 1989 29,800 yen/t 1990 29,100 yen/t	Price for refundment Collected as adjustment fund Reserve for price stabilization fund (Buy up price coverage import price)	Price for refundment Differences of selling and buying price Collected as adjustment fund Buying price (average import price)		
Differences of selling and buying price				

Vegetables

(18) Price Supplement System for Designated Vegetables



Types of Price Stabilization Policies for Agricultural & Livestock Products

Types	Commodities	Standards for decision of price
(Market control type)		
Price Control System	Rice	The government will decide both the <u>purchasing price</u> and the <u>selling price of rice</u> which is controlled by the government for total <u>quantity of rice</u> to be distributed to markets and it is purchased by the government.
Stable Price Zone System	Pork, Beef, Cocoon, Silk	Through controlling selling and buying of the products by the governmental institution, the <u>market price is stabilized</u> within a certain price zone.
Stable Price Index System	Designated dairy products	Through controlling selling and buying of the products by the governmental institution, the <u>market price is stabilized</u> in a certain price level.
Minimum Price Guarantee System	Sweet potato, Irish potato, Beat, Sugar cane, Wheat	The <u>minimum price is guaranteed</u> by the government through buying up products in case the market price below a certain minimum price level.
(Loss compensation type)		
Money Delivery System	Milk for process, Soybean, Rape seeds	The balance between the standard price and the producers selling price (in case of soybeans and rape seeds) or the balance between the guarantee price and the standard transaction price shall be paid as compensation for the loss.
Price Stabilization Fund	Vegetables, Feeder calves, Egg, Fruits for processing	In case the market price below a certain standard a part of the balance is covered by the fund formulated by the government and producers.

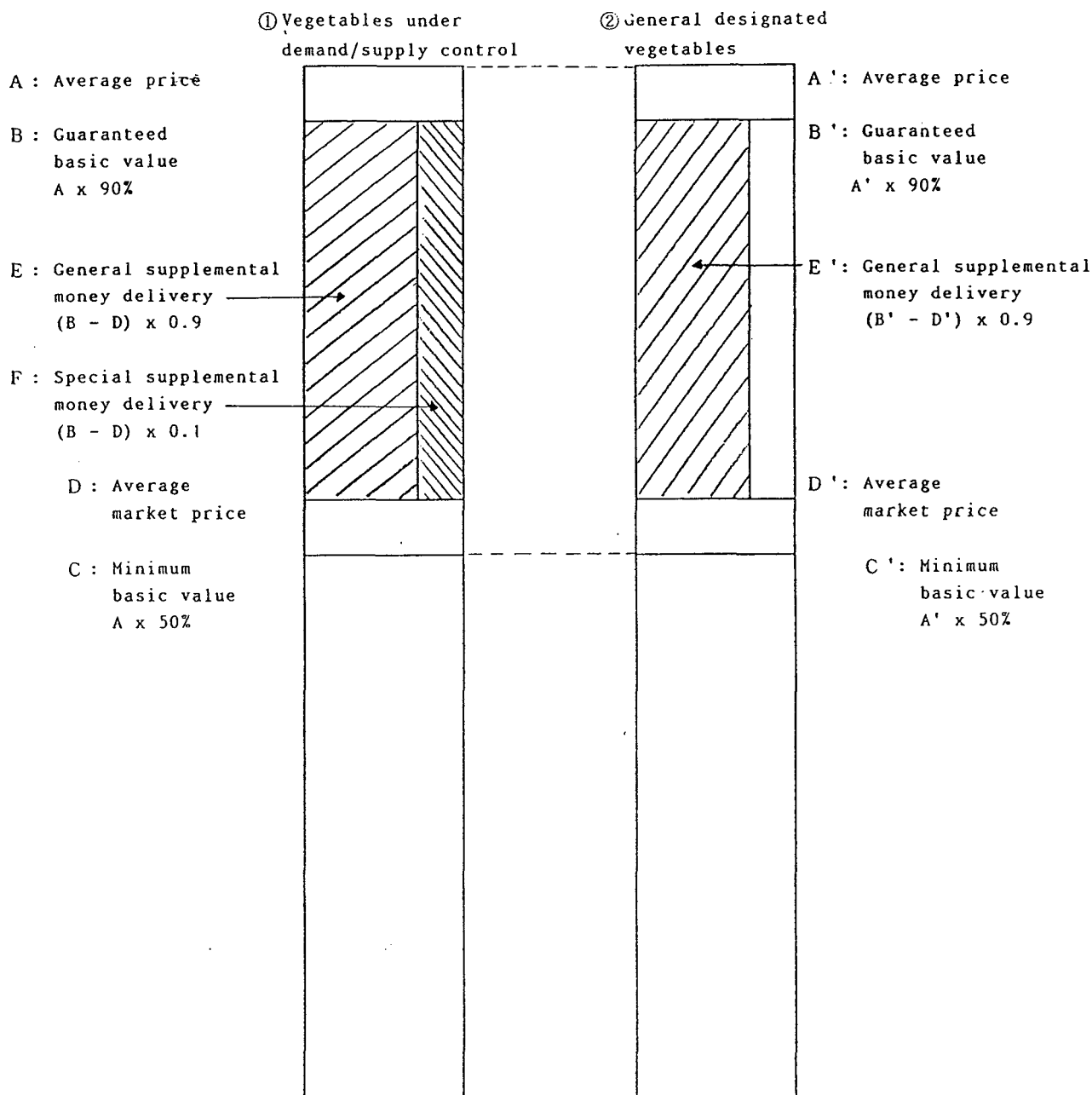
16/4/91

16/4

Types of Price Stabilization Policies for Agricultural & Livestock Products

Types	Commodities	Standards for decision of price
(Market control type)		
Price Control System	Rice	The government will decide both the purchasing price and the selling price of rice which is controlled by the government for total quantity of rice to be distributed to markets and it is purchased by the government.
Stable Price Zone System	Pork, Beef, Cocoon, Silk	Through controlling selling and buying of the products by the governmental institution, the market price is stabilized within a certain price zone.
Stable Price Index System	Designated dairy products	Through controlling selling and buying of the products by the governmental institution, the market price is stabilized in a certain price level.
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Money Delivery System	Milk for process, Soybean, Rape seeds	The balance between the standard price and the producers selling price (in case of soybeans and rape seeds) or the balance between the guarantee price and the standard transaction price shall be paid as compensation for the loss.
Price Stabilization Fund	Vegetables, Feeder calves, Egg, Fruits for processing	In case the market price belowed a certain standard a part of the balance is covered by the fund formulated by the government and producers.

(19) Amount of the supplemental delivery money



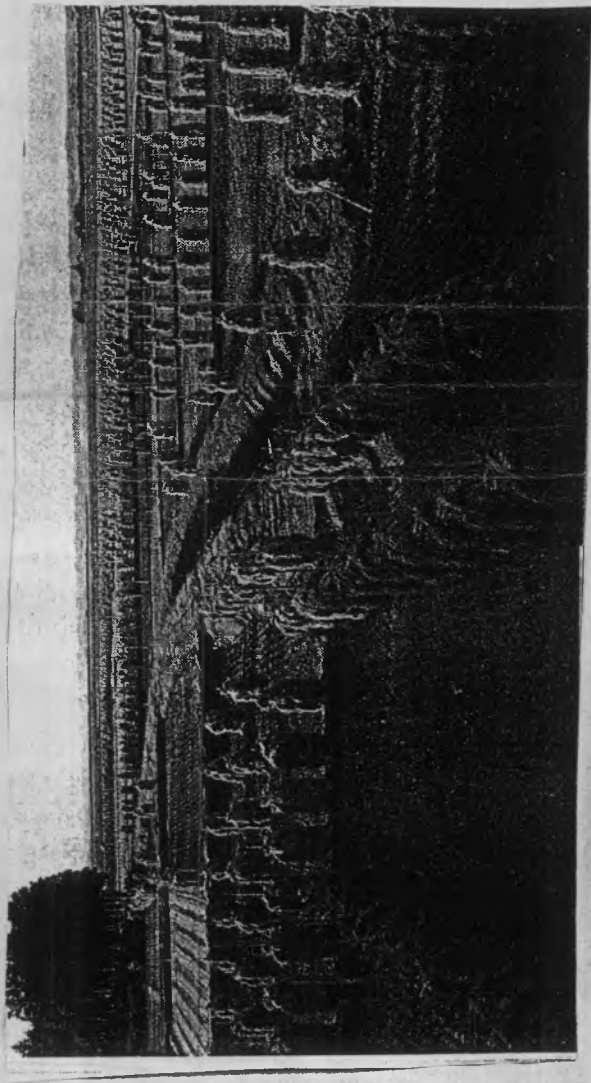
(20) Share of burdens for creation of the fund by designated shipping organization, Prefecture and Government

(Unit: %)

Types of vegetables	Bearers Funds	Burden of designated shipping organization	Subsidy	
			Government	Prefecture
Vegetables under demand/supply control	General supplemental money delivery	17.5	6.5	17.5
	Special supplemental money delivery	17.5	6.5	17.5
General designated vegetables	Fund	20	6.0	2.0

Village Industry

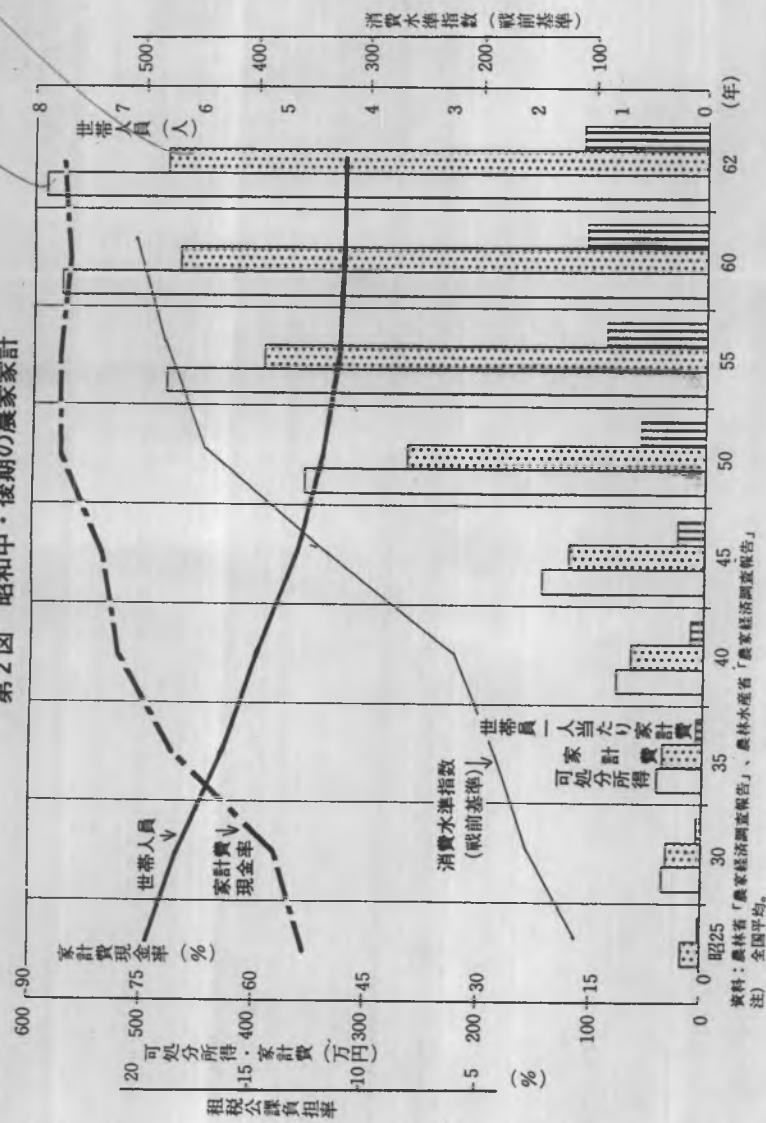
15/2



1950 ~ 1970

昭和25年
昭和27年

第2図 昭和中・後期の農家家計



家計費
可処分所得

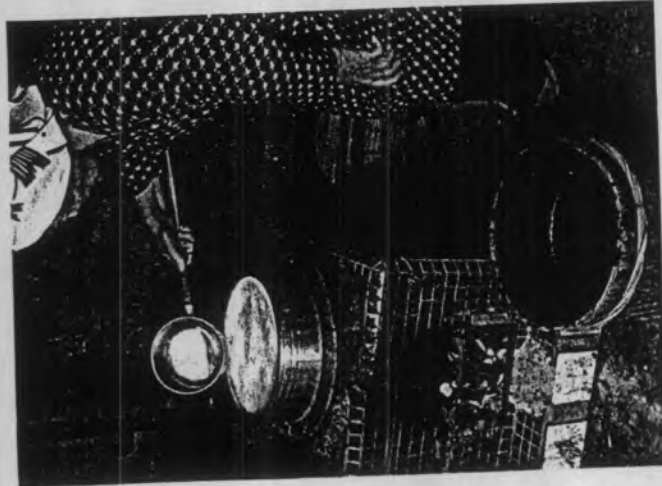


味噌玉を干す



こうじづくり

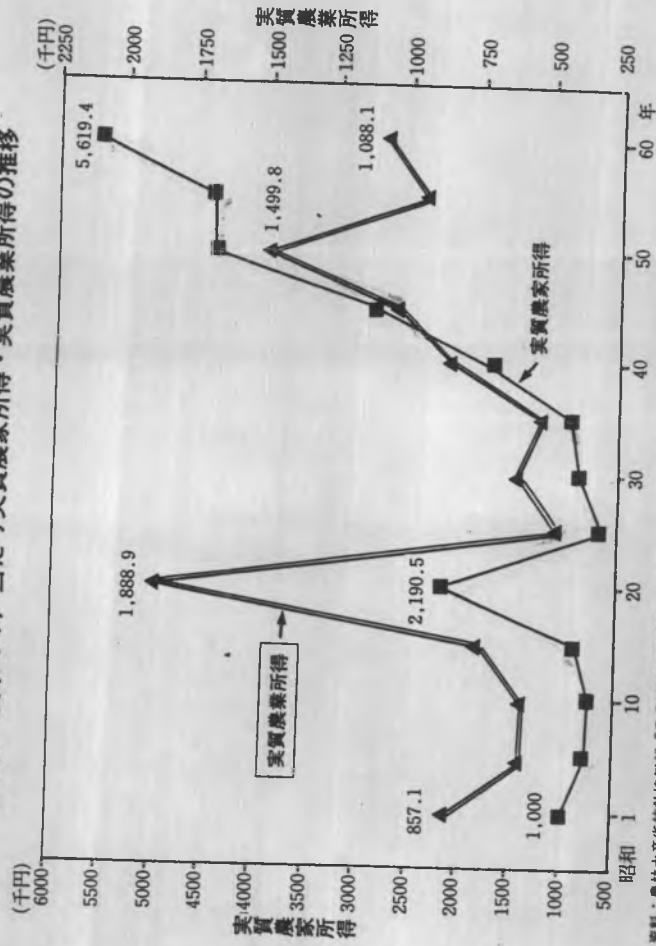
こうじのうね立てをして熱を逃がす。



豆腐づくり

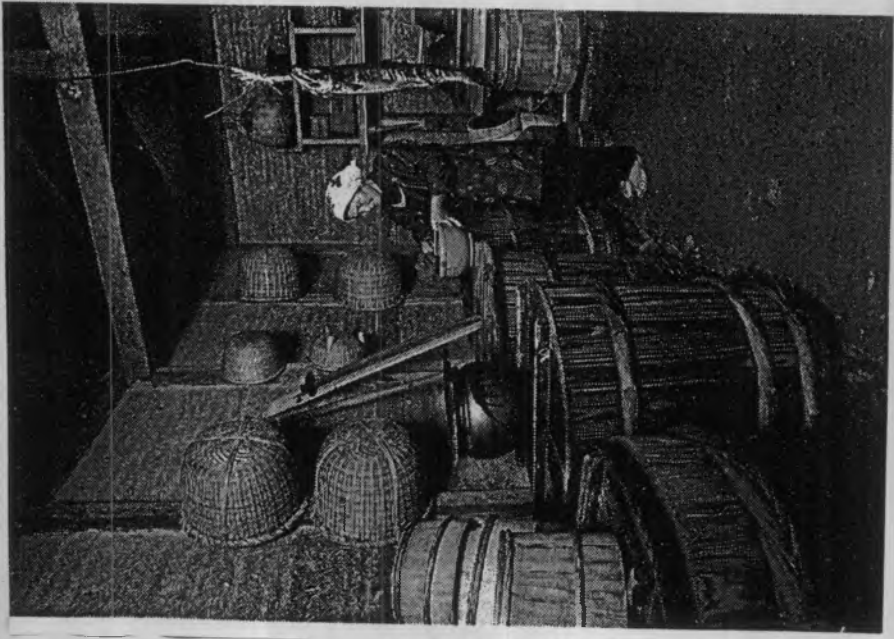
にがりのかわりに海水を使う。

第2図 農家の1戸当たり実質農家所得・実質農業所得の推移



資料：農林水産省統計情報部「農業経済年報統計 第1巻」
 農林水産省統計情報部「農業経済調査報告」(各年度)
 総務庁統計局「日本長期統計総覧 第4巻」

注) 1. デフレータとして総合卸売物価指数(昭和55年基準)を用いて傾向の概要を示す。
 2. 昭和1年~昭和20年の数値は都府県平均値。



味噌蔵から味噌を出す



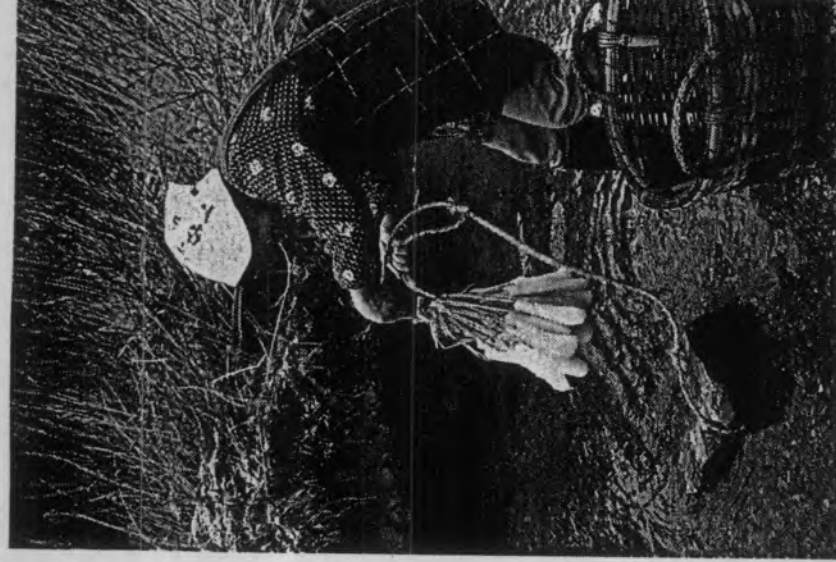
ゆりなど、その漬物



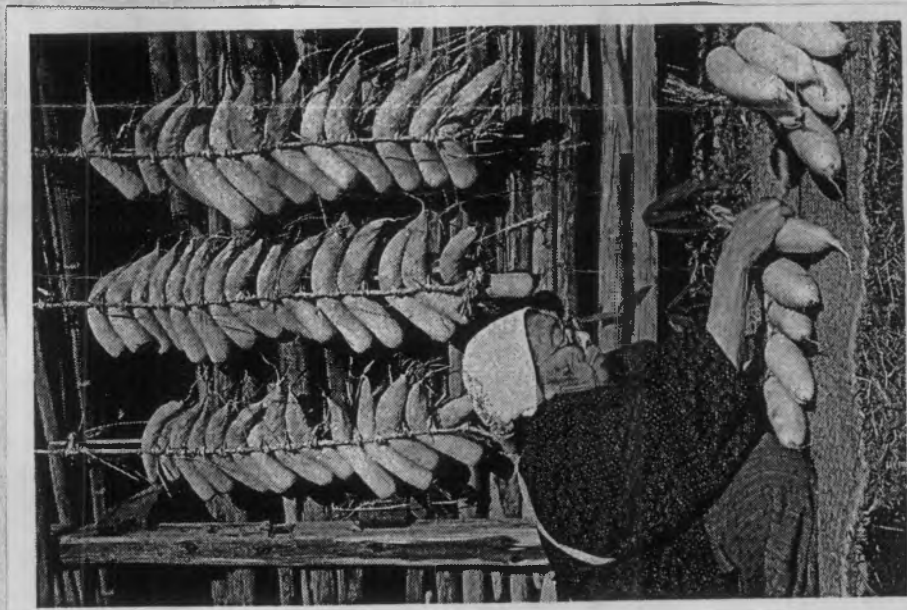
白菜を漬ける
葉の間にもていねいに塩をふりかける。



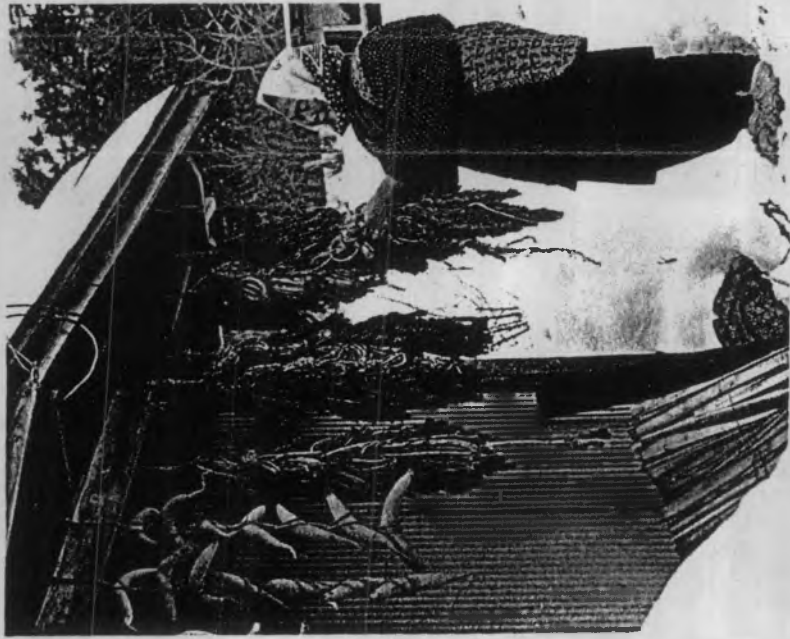
凍み豆腐づくり——盆地の冬の寒さを利用して、寒のころに干す



凍み大根をつくる
ゆでた大根を沢水にさらし、あくを抜く。



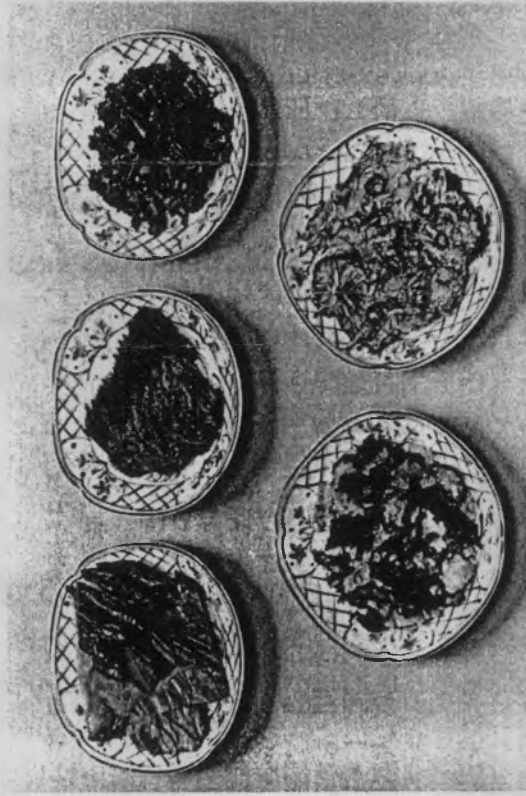
「黒さまの嫁迎え」の供えもの



大根を干す
大根葉も1本残らず縄で編んで、軒下につるす。



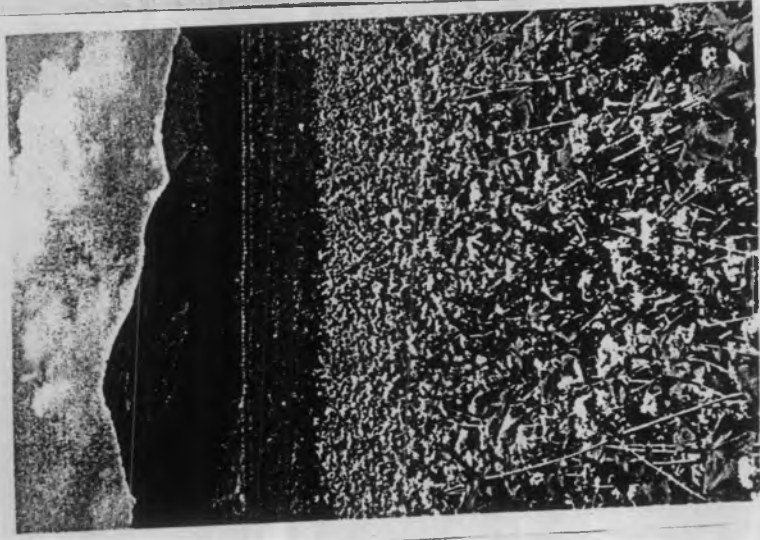
漬物小屋の内部



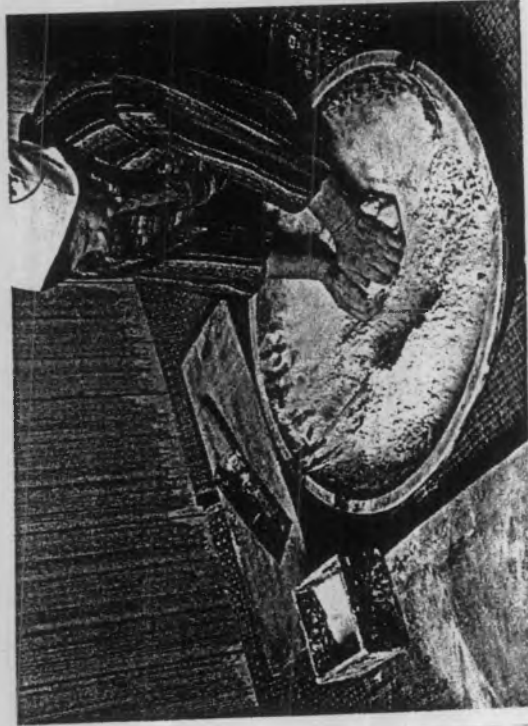
漬物のいろいろ

上：〔左から〕きゅうりとかたうりの粕漬，
なすと大根の味噌漬，しその実漬

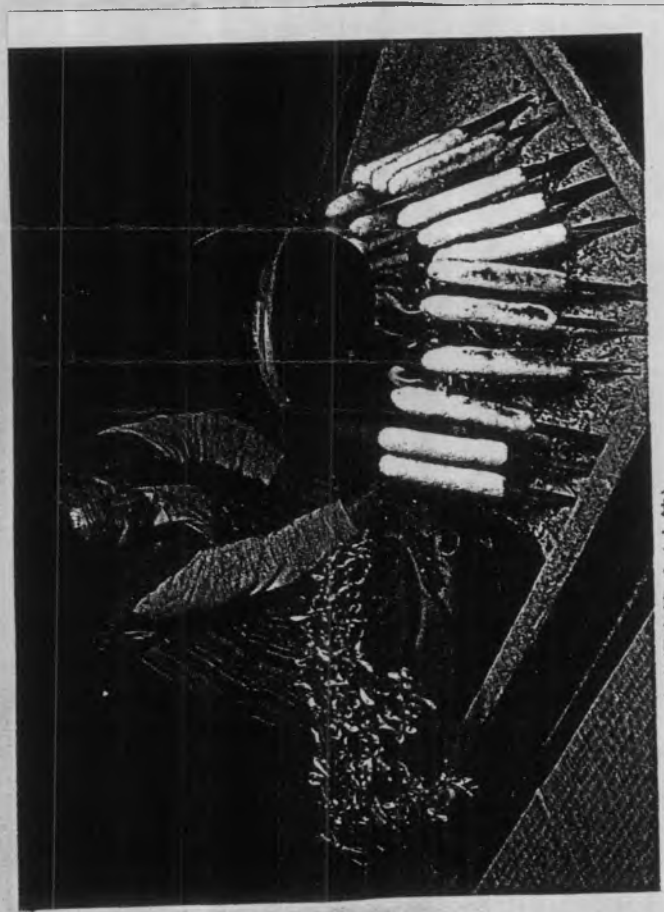
下：〔左から〕赤ものずし，なすずし



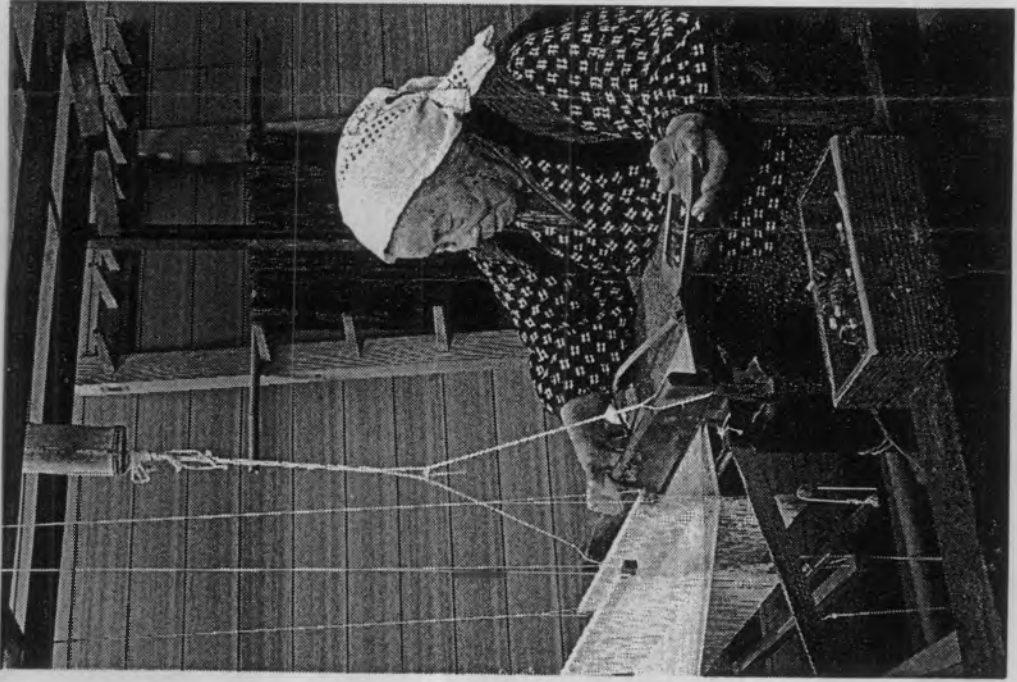
そばの花盛り



そば切りをつくる
そば粉に熱湯を少しかけ、粗く混ぜた後、しばらく
くねかせてのりっ気を出すところ。

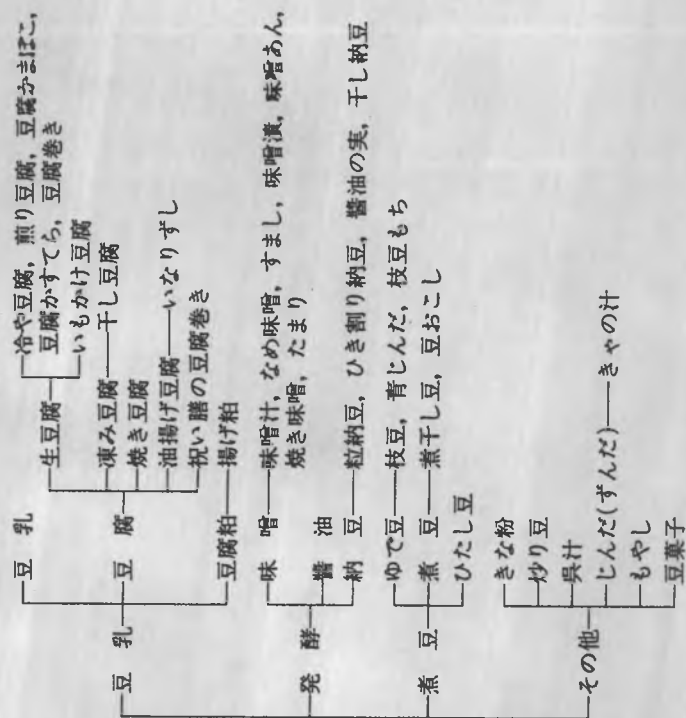


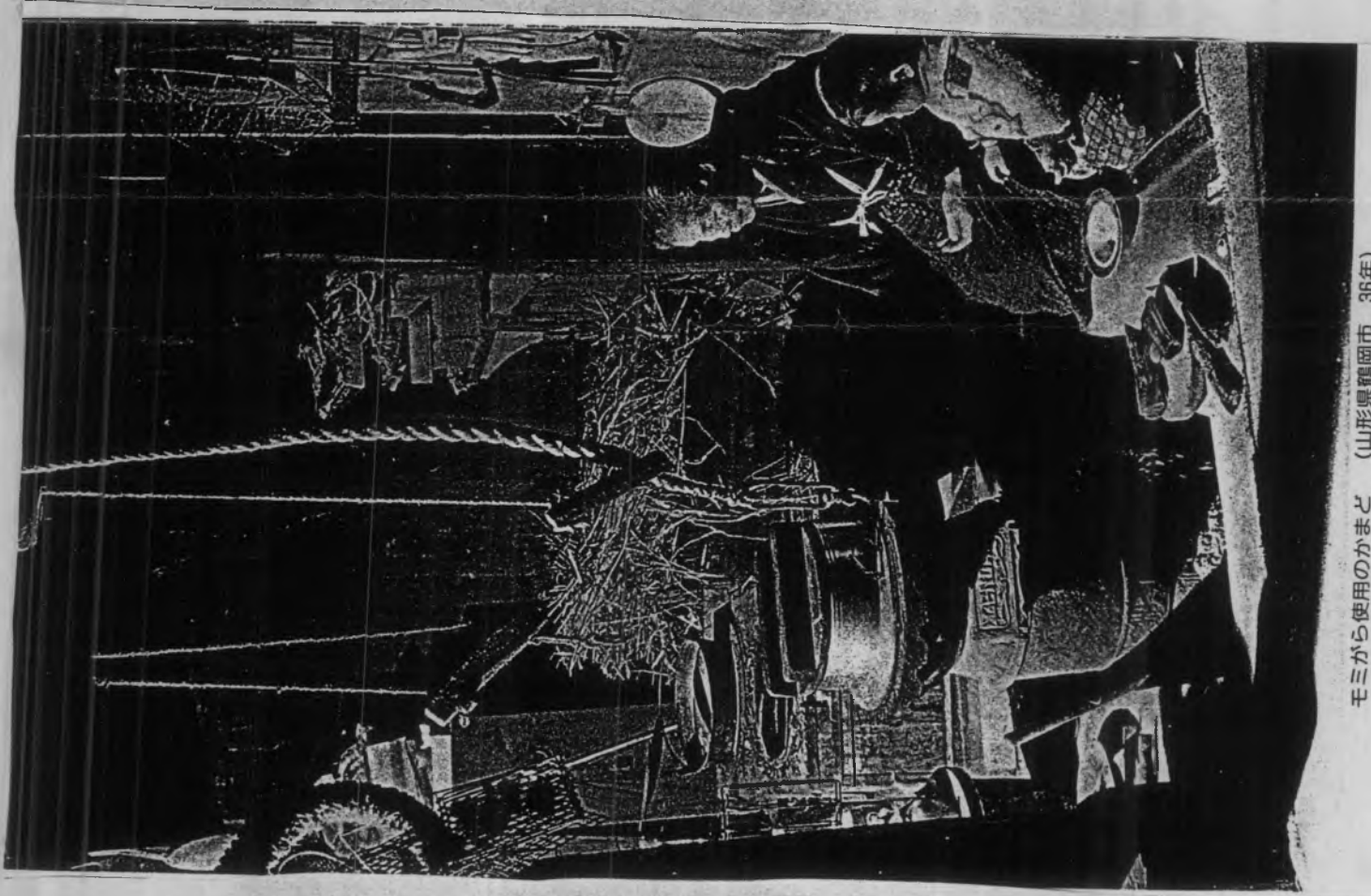
●出来秋——たんぼを焼く（大館）



母から受け継いだ機織りの技術を生かして、
家族の着物を織る

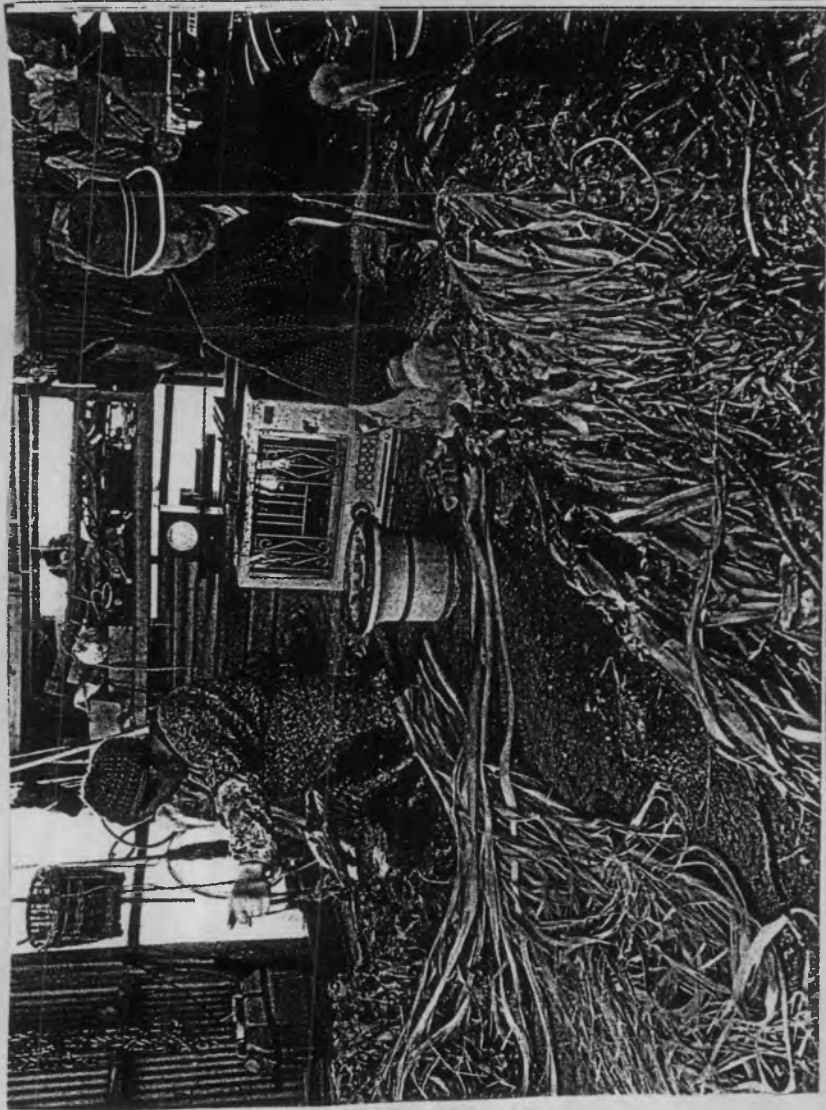
大豆利用のしかた



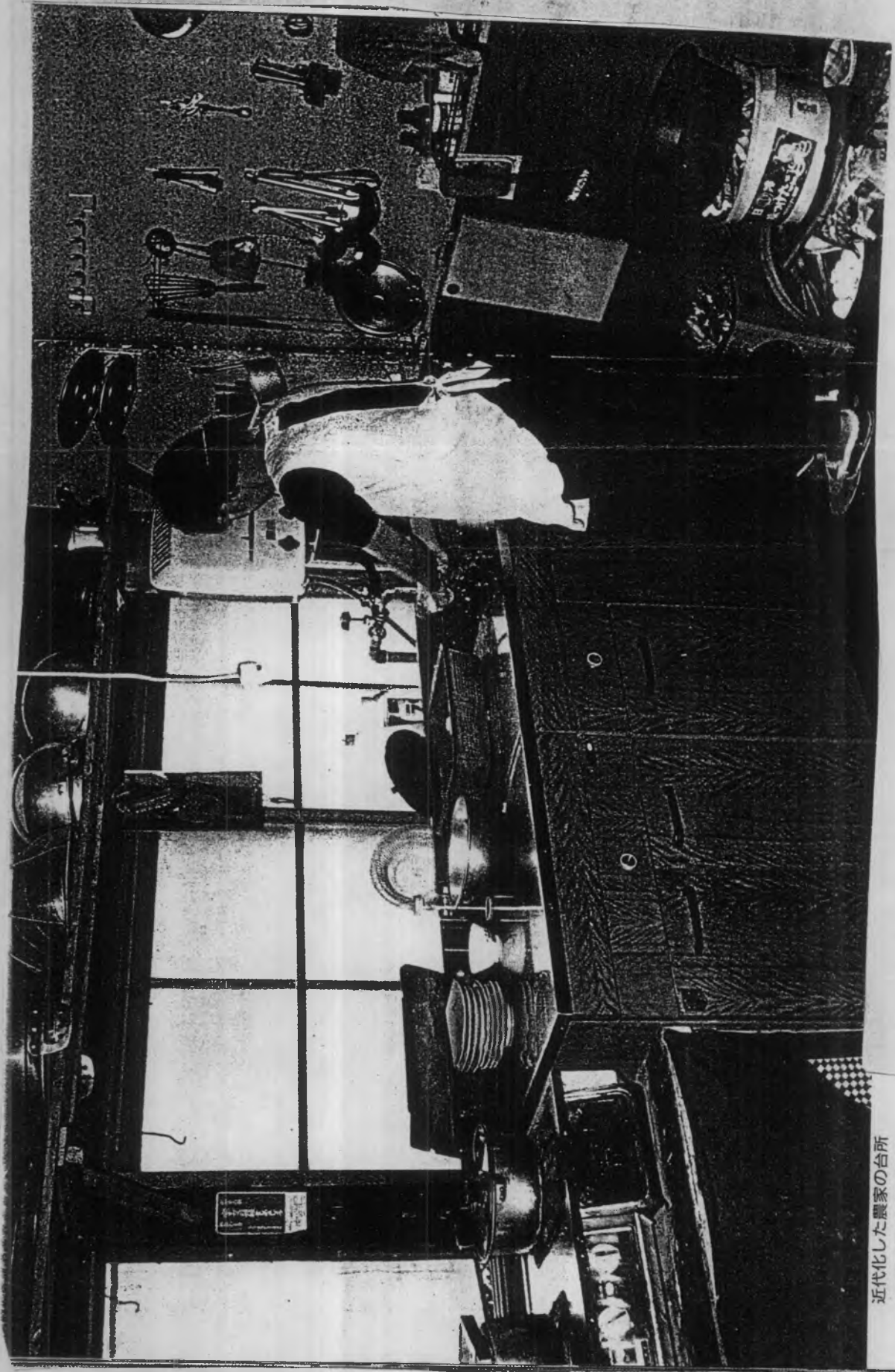


毛ミがら使用のかまど (山形県鶴岡市 36年)

1953

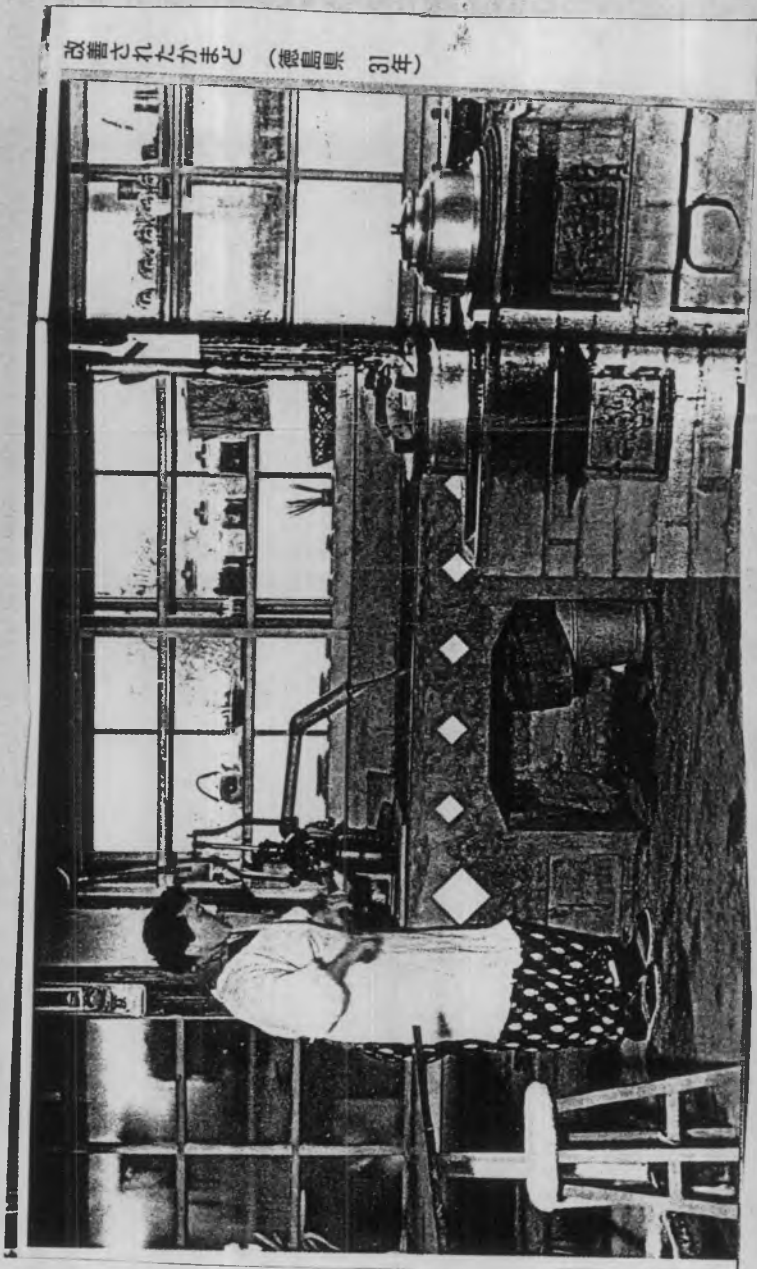


ミツマタの葉を剥いて
製紙（一万円札紙幣）
の原料（岡山県 53年）



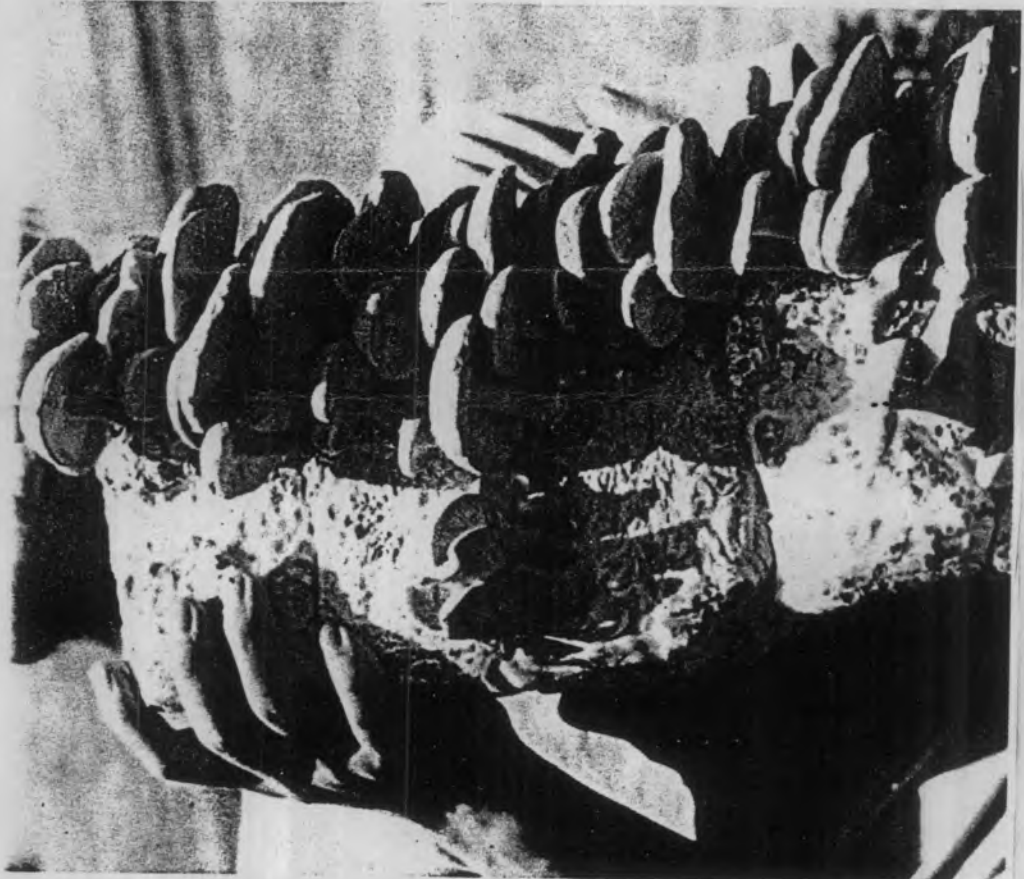
近代化した農家の台所
(長野県阿智村 45年)

改善されたかまど (徳島県 引年)



For flowering
in with room

#01J



木乃くろ菌床に発芽したシイタケ (山口県・鹿野きのこセンター 69年4月)

Sevenside

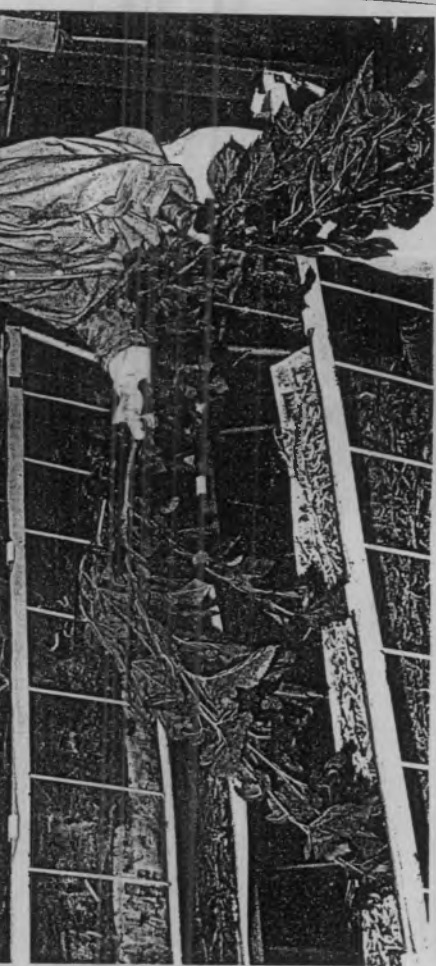
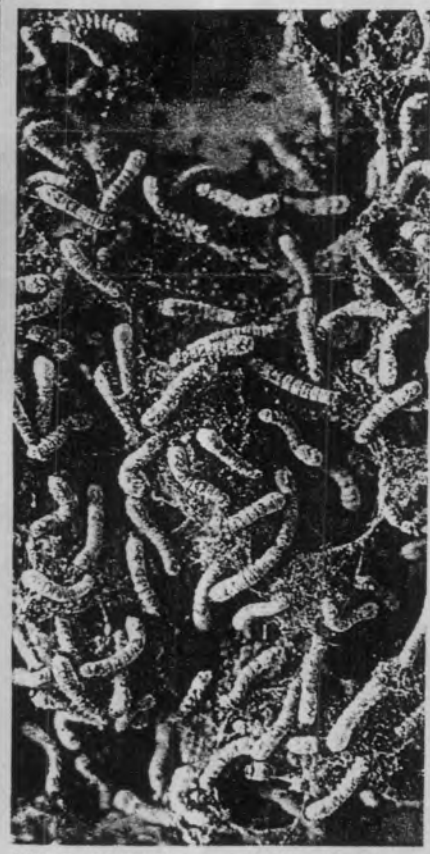
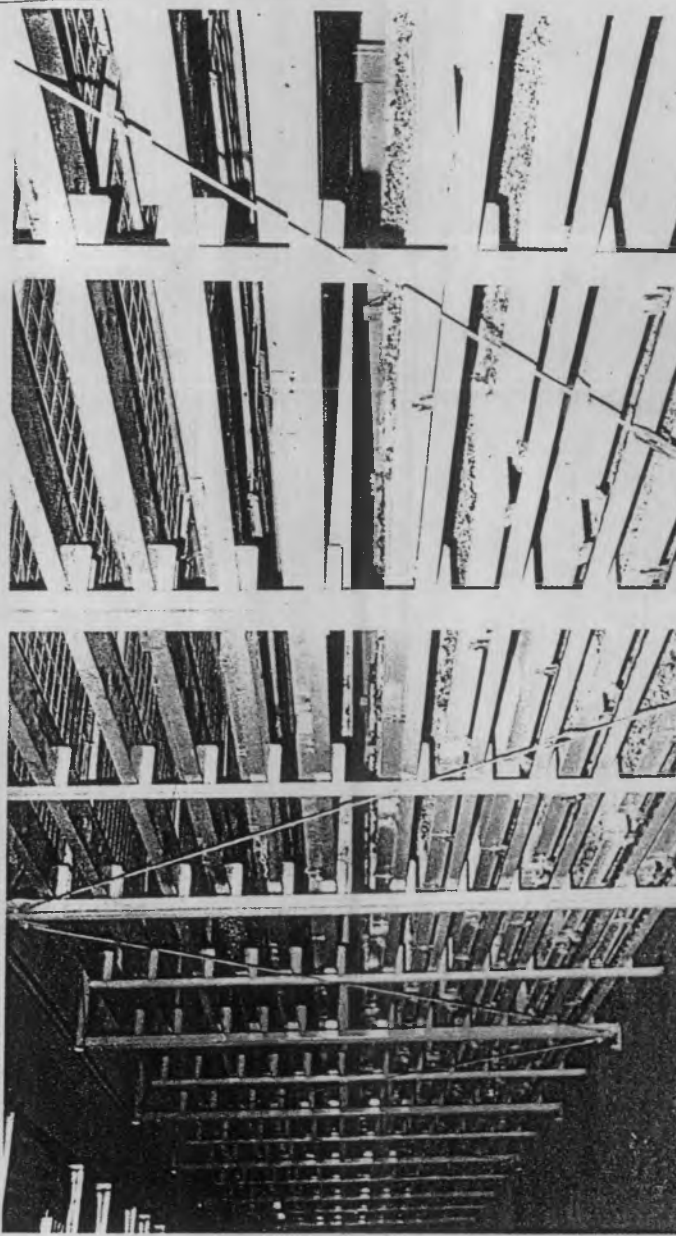


圖 (長野県上郷町 60年)

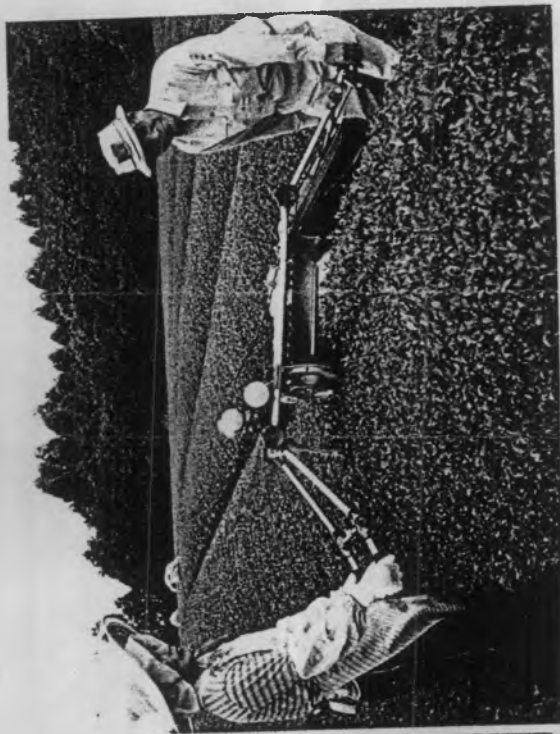


稚蚕の人工飼料育による蚕歴 (60年)

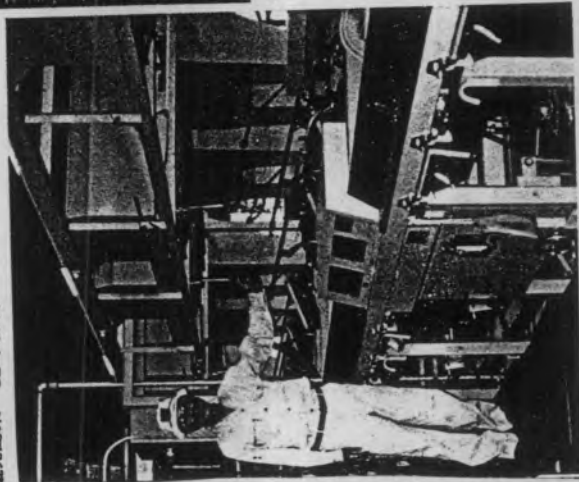


稚蚕用多段循環式の飼育装置 (56年)

Handby's



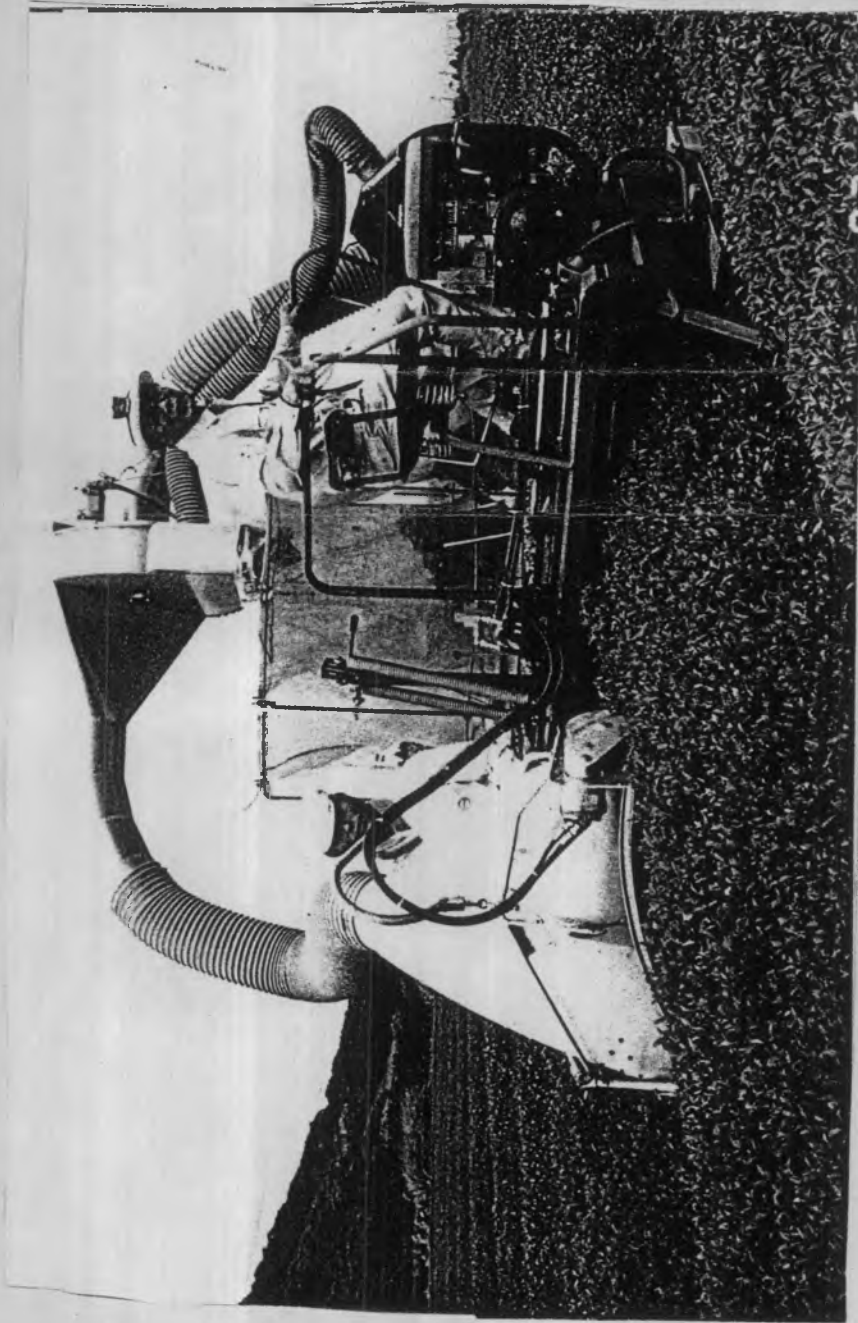
ハンドタイプの茶摘採機 (鹿児島県蒲生町 62年6月)



操に管理されている製茶工場
鹿児島県 (62年6月)

茶の乗用型摘採機 (鹿児島県蒲生町 62年6月)

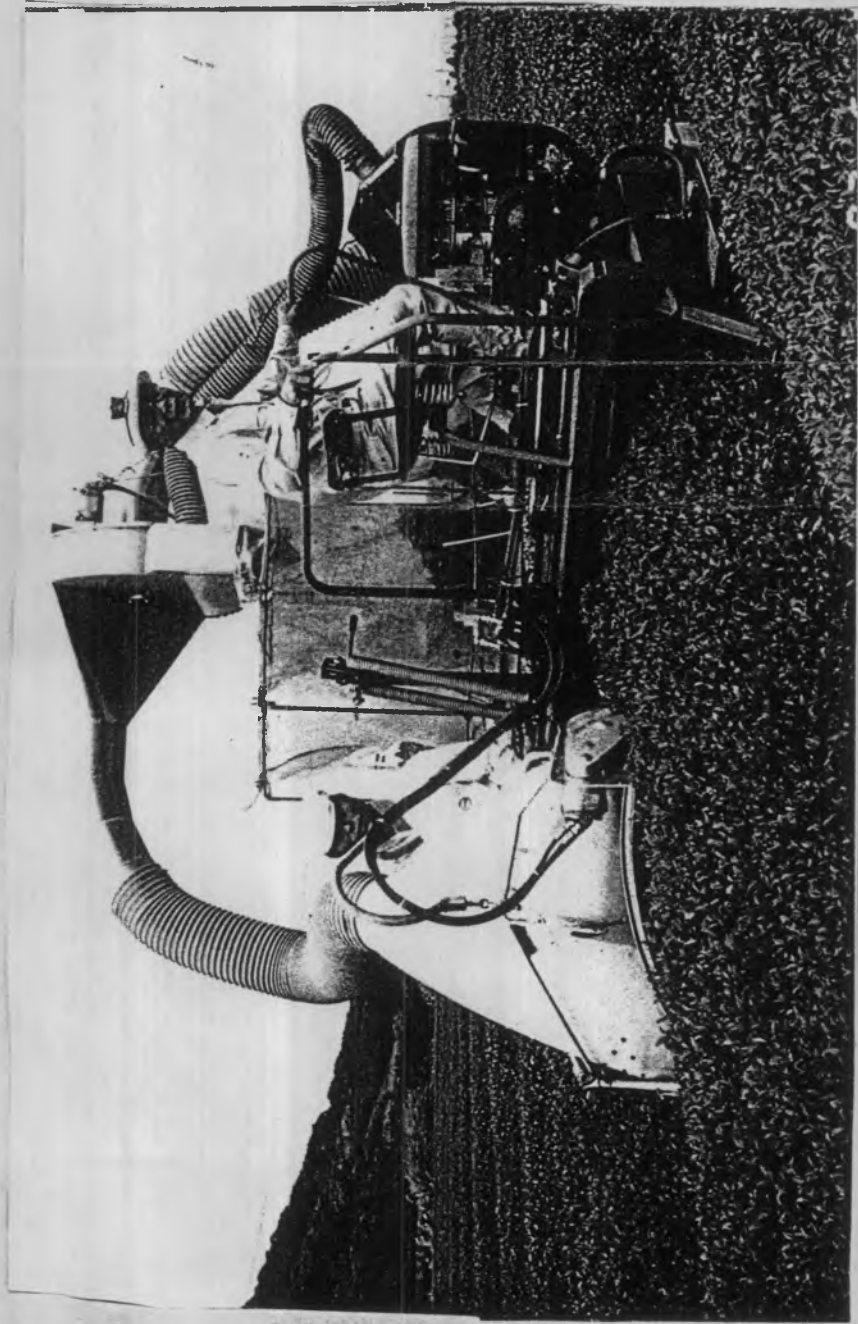
Freezer box nearby



3
Growth
Mycarium Stereomyces

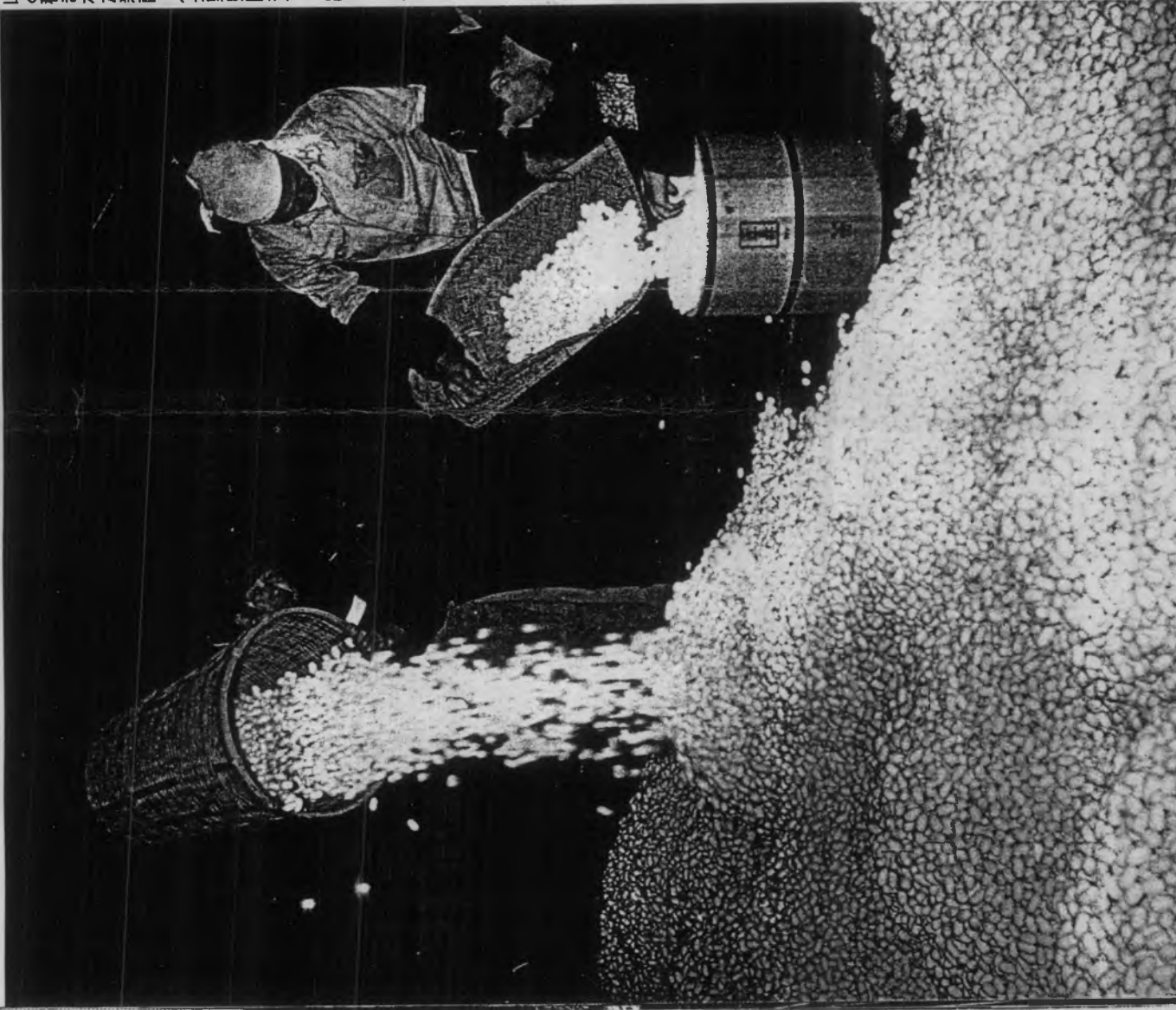
オガクス菌床によるシイタケ栽培 (福岡県・国際食菌研究所 59年4月)





Calvin D. Colwell
1929

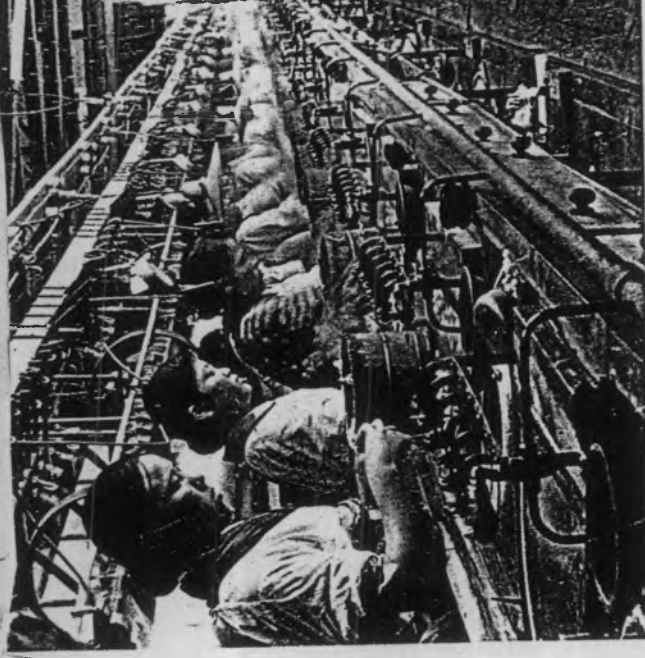
山と積まれた新繭 (長野県岡谷市 29年6月)



は日本農業の
省に蚕糸局がで
年が黄金時代。
「おカイコ様」

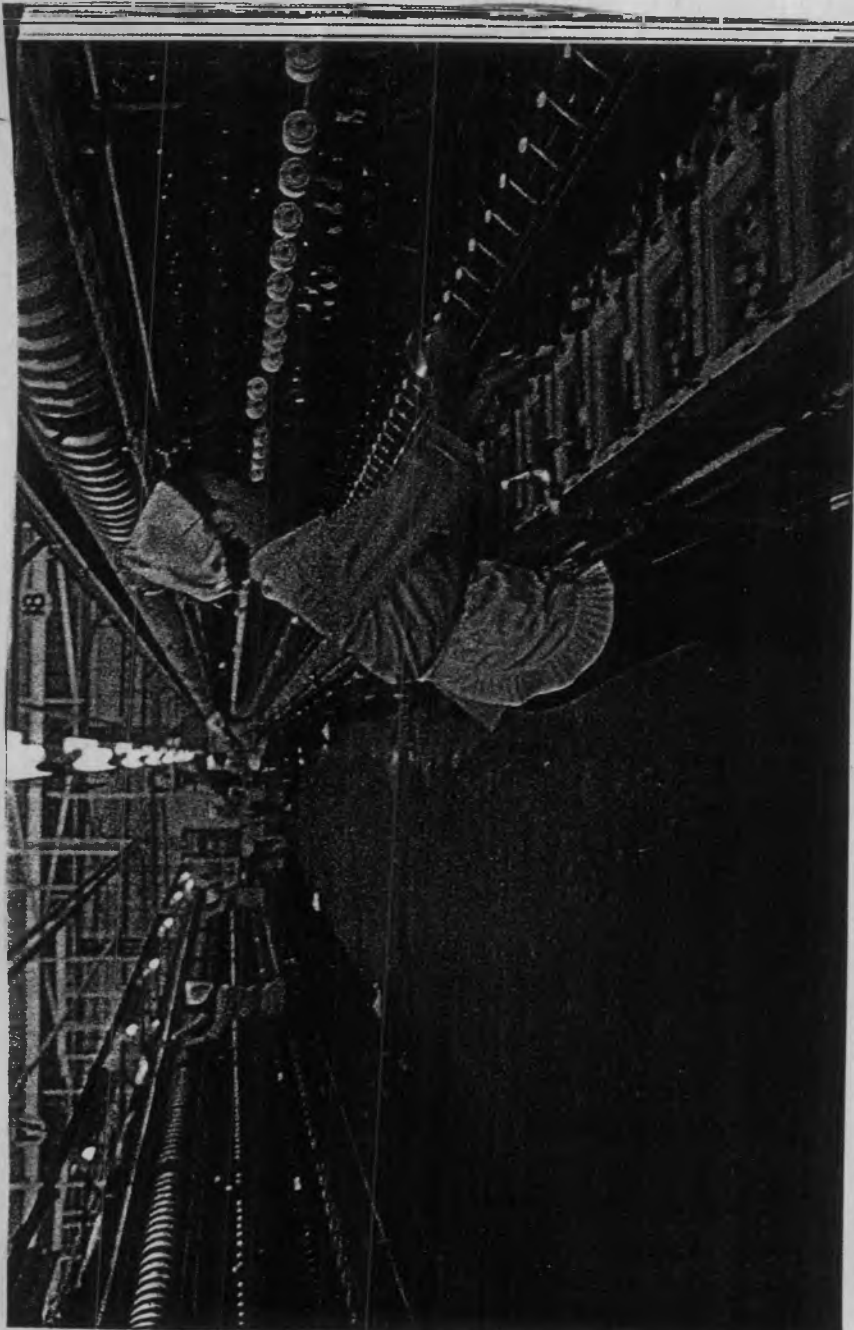
ニューヨーク株式
落し端を突いた
生糸の輸出が激
の好況時は一貫
五匁の繭価八円
年は三円、九年
で落ちこんだ。
糸業の苦難が始

Old S. Rice Factory
1932



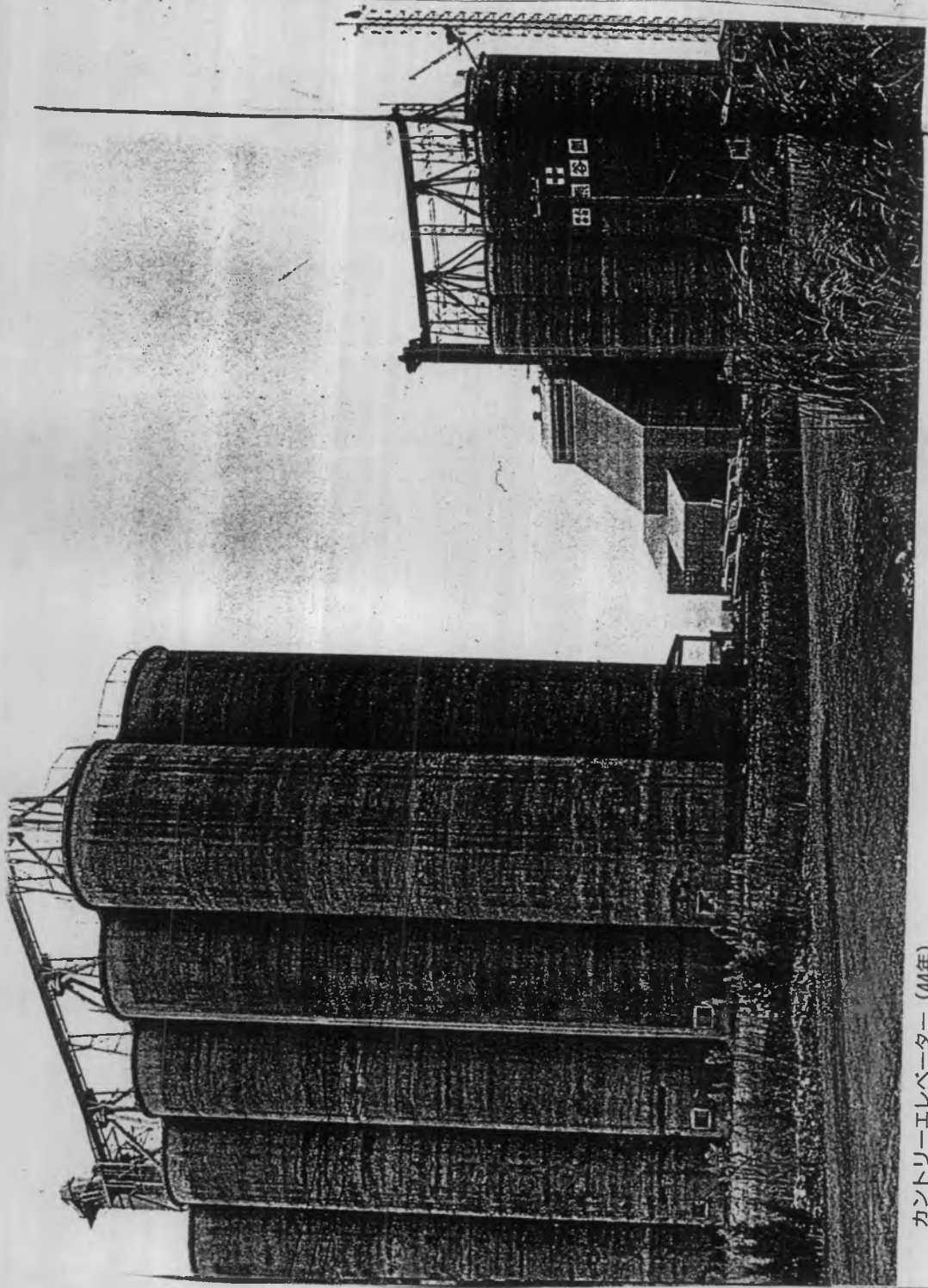
多糸繰糸機の普及 (12年)

1947
1947



動繰糸機が登場、人がまばら (長野県新町 47年)

1972
Rice Silos / Daversford



カントリーエレベーター (44年)

5th ICA/Japan Training Course for Strengthening Management of Agricultural
Cooperatives in Asia
March 1 ~ April 24, 1991, Tokyo Japan

**Processing Business of Agricultural
Cooperative Organizations**

March 15, 1991

By Mr. Nobuyuki Kohashi
Head of Training Division
Central Cooperative College

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

I . Tasks and Directions for Development for Processing and Distribution Business of Agricultural Cooperative Organizations

1. Introduction

- Justification of processing business -

2. Backgrounds for processing business by agricultural cooperative organizations

1) Lessons we learned from development of rural industries

2) Processing business of agricultural cooperative
organizations in the high economic growth boom

3) Processing business of agricultural cooperative
organizations in the low economic growth period

4) New development for processing business of agricultural
cooperative organizations

- One processing food for each village -

3. Present situations and necessary tasks to be implemented for developing processing business

1) Present situation of processing business

2) Necessary tasks for developing processing business

4. Directions for development of processing business of agricultural cooperative organizations

II . Measures for promotion of processing/distribution business

1. Concepts and objectives for processing/distribution business
 - 1) Objectives for processing/distribution business in agricultural cooperatives
 - 2) Points to be considered before starting processing/distribution business
2. Needs for marketing-oriented promotion of the business
 - 1) Concepts for marketing
 - 2) Creation of markets: risk•benefits for pioneer
 - 3) Marketing strategy
3. Distribution of commodities according to different marketing channels
4. Measures for marketing administration

III . Processing business

1. Measures for operation of processing plants
 - 1) Measures for maintenance of operation ratio
 - 2) Importance of processing technologies
 - 3) Maintenance of know-how
2. Measures for procurement of raw materials
 - 1) The way of thinking on quality of raw materials
 - 2) Measures for procurement of raw materials

- 3) The way of thinking on procurement cost of raw materials
3. Measures for administration of production
4. Measures for maintenance of health and hygiene
5. Distribution of resources
6. Measures for promotion of business planning
 - 1) The character of business planning
 - 2) Necessary analysis for planning
 - 3) Prospecting demands
 - 4) Check list
 - 5) Types of demands
7. " Vitalization of village" by rural industry and tourism

IV. Marketing

1. Commodity planning
 - 1) Classification of commodities
 - 2) Concepts for future commodities
 - 3) Production of commodities suitable for agricultural cooperative
 - 4) Points to be considered for commodity planning
 - 5) Procedures for developing new products
2. Measures for brand products

- 1) Needs for brand name
 - 2) Brand strategy for products of agricultural cooperative
3. Policy for marketing channel
- 1) Distribution of perishable foods and processed foods
 - 2) Distribution of processed foods targeting local distribution
4. Measures for promotion of marketing
- 1) Promotion of marketing in local markets
 - 2) Establishment of communication system

5th ICA Training Course for Strengthening Management of Agricultural
Cooperatives in Asia

March 1 ~ April 24, 1991, Tokyo Japan

**The Framework of Japan's
Agricultural Insurance Scheme**

April 17, 1991

By Mr. Akira Matsuo
Head of Agricultural Safety and Techniques Office
Planning and Research Department
National Agricultural Insurance Association

National Agricultural Insurance Association (NAIA)

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Section 2	Types of the Agricultural Insurance	2
Section 3	Features of Agricultural Insurance Scheme ...	4
Section 4	Organizational Structure of the Agricultural Insurance Scheme	5
Section 5	Rice and Other Grains Insurance	7
Section 6	Livestock Insurance	19
Section 7	Fruit and Fruit-tree Insurance	24
Section 8	Field Crop Insurance	32
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3.	Problemes of Japan's Agricultural Insurance System ..	44

Section 1. Introduction

Agriculture in an industry affected most by nature. Japan is situated in the Asian monsoon zone where meteorological changes are the greatest. Therefore, large portions of Japanese agriculture suffer heavy losses as a result of frequent damage caused by typhoons, floods, cool summers and other meteorological events.

In the event of these calamities, Japanese farmers are liable to be hit badly by them on account of their production conditions and small-scale management, and it is very hard for them to recover their losses caused by disasters by themselves. Additionally, maintenance of Japanese agriculture and a stable food supply are important government objectives.

Because of this, the government of Japan has established and maintains the Agricultural Insurance Scheme which uses insurance to help stabilize farmers suffering from damage caused by natural disasters and contribute to the growth of Japanese agriculture. This scheme is the centerpiece of the government's measure for natural disasters in agriculture and financial assistance is provided from the government. The system has been amended many times to meet the changing agricultural situation and has made considerable contributions to the development of agriculture in Japan.

Section 2. Types of the Agricultural Insurance

The Kinds of programs which are operated under the agricultural insurance scheme are determined by a national law. In addition, much of the business contents are also prescribed by laws and regulations. Listed below are the types of agricultural insurance.

- a. Rice and Other Grains Insurance program (nationwide program)
- b. Sericultural Insurance program (nationwide program)
- c. Livestock Insurance program (nationwide program)
- d. Fruits and Fruit-trees Insurance program (optional program)
- e. Field Crops Insurance program (optional program)
- f. Greenhouse Insurance program (optional program)
- g. Farmers' Properties Insurance program (optional program)

This scheme offers insurance coverage for many crops and in fact covers almost all principal agricultural products in Japan (Table 1).

Table 1 Crops to be insured

Programs	Items which may be insured
Rice and Other Grains Insurance	Paddy rice, upland rice, wheat and barley
Sericultural Insurance	Silk-cocoons
Livestock Insurance	Cattle, horses and swine
Fruit and Fruit Trees Insurance	<p>Fruit insurance:</p> <p>Mikans (a variety of mandarine orange), summer oranges, other citrus fruits, apples, grapes, pears, peaches, loquats, cherries, persimmons, chestnuts, umes (fruits similar to plums), plums and pineapples</p> <p>Fruit-trees insurance:</p> <p>Trees of the above-listed fruits (excluding those trees which have not reached fruit bearing age)</p>
Field Crops Insurance	Potatoes, soybeans, "azuki" red beans, kidney beans, sugar beets, sugar canes, hops and tea plants
Greenhouse Insurance	Greenhouses (Plants cultivated in a greenhouse and/or heaters, thermostats and other equipment used in cultivation of greenhouse plants are also eligible for coverage)
Farmers' Properties Insurance	Farmer's house and machinery

Section 3. Features of the Agricultural Insurance Scheme of Japan

Agricultural Insurance is one of insurance but it is different from other private insurance. It comes to the character of Agricultural disaster and small agricultural management (average area: 1.1 hectare).

The Agricultural Insurance of Japan has several features as follows,

- 1) Agricultural Mutual Relief Association (AMR Association) and Local Government have to enforce Paddy rice, Upland rice (Wheat, Barley), Sericulture and Livestock insurance. Other insurance programs (Fruit and Fruit-tree, Field crops, Greenhouse, Farmers' Properties) are implemented under the options of AMR Association or Local Government.
- 2) All farmers whose scale of farming meets certain standard designated by the prefectural governor are automatically brought into the scope of insurance.
- 3) Government enforces reinsurance of abnormal loss with Excess Loss Cover Reinsurance form.
- 4) Government is obligated bearing the part of pure premium (minimum bearing: 40%) and subsidize charge of expenses with every year's budget.
- 5) Insured objects is evaluated before participation (Valued insurance).

(Note)

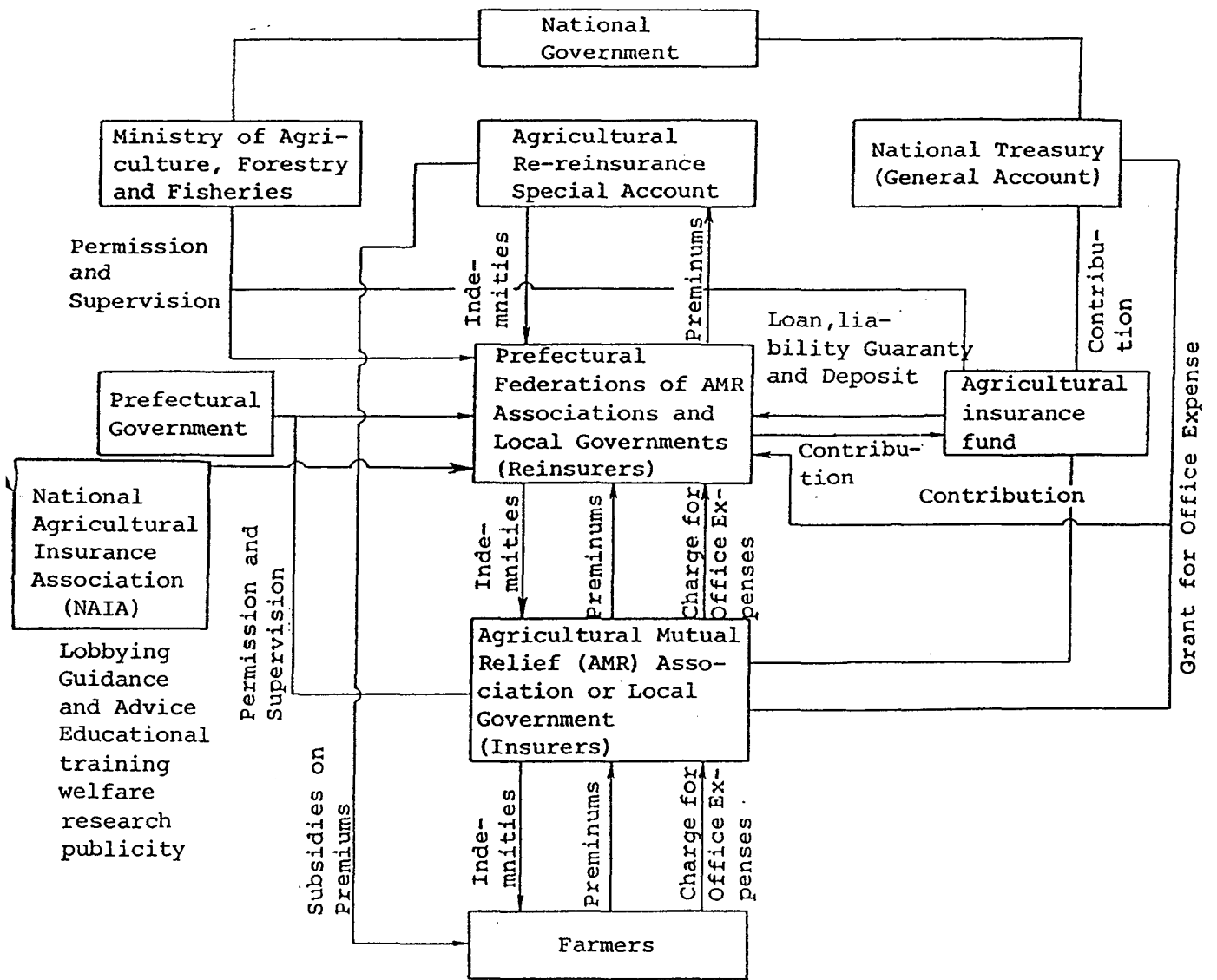
We are very difficult to set up Agricultural Insurance Scheme. Because agricultural loss is, It happens at the same time widely. It happens at the same place deeply. Besides amount of loss is the largest, i.e., damage rate is very high. So we should think out set up risk sharing system specially. That's to say, we divided damages into ordinal part and abnormal part. Ordinal part is done with Association, Local Government and Federations' insurance, abnormal part is done with Government insurance. In other words, Japanese Agricultural Insurance is formed by means of combining Associations' insurance and Government compensation.

Section 4. Organizational Structure of the Agricultural Insurance Scheme

The Japan's Agricultural Insurance Scheme starts as the local farmers' cooperative action to establish a joint reserve fund by accumulating the contributions as premium for the purpose of making up for the loss suffered by farmers who are actually hit by a natural disaster. That is the insurance by Agricultural Mutual Relief (AMR) Associations or local governments.

As is the case in other countries, a natural disaster often causes big losses to farmers over a large area. As regards the agricultural insurance, therefore, the risk cannot be adequately dispersed within the limits of local communities or even prefecturers. As a result, this insurance program is operated on a device of dispersing risk, in which liabilities by the AMR Association and the local governments are reinsured by their prefectural federations, and further, the federations' liabilities are re-reinsured by the national government.

The organization of the agricultural insurance is indicated in the following chart.



Section 5. Rice and other Grains Insurance

(1) Crops to be insured: paddy rice, upland rice
and mugi (wheat and barley)

(2) Participation

A policy automatically comes in effect, whenever a farmer cultivates either one of paddy rice, upland rice or mugi over the specific acreage designated by the prefectural governor within the range from 20 to 40 areas (30 to 100 areas for paddy or upland rice cultivated in Hokkaido, and 40 to 100 ares for mugi in Hokkaido).

(3) Insured Disaster

Farmers are insured against damages caused by typhoon, flood, drought, cool summer, heavy snow, other meteorological events (including earthquake and volcanic eruption), plant diseases, insects, wild birds and animals.

Note: The associations or local governments which have an adequate complete diseases and insect control system, may be authorized to exclude disease and insect damage (other than bacterial leaf blight and downy mildew) from the insured causes. In this case, a discount in premium is applied.

(4) Insurance Period

Paddy rice: Translating season (sprouting season in the case of direct sowing) through harvest

Upland rice and mugi: Sprouting season (transplanting season the case of transplanting) through harvest

(5) Insured Yield

The grains insurance provides 3 types of policies:

1. The plot unit formula

Indemnity is paid in case the damage caused by disaster exceeds 30% of the standard yield in one plot

2. The semi-offset farmer unit formula

Indemnity is paid in case the total of the damage in the damaged plots exceeds 20% of the total average crop of one farmer

3. The whole-offset farmer unit formula

Indemnity is paid in case the damage counted as the reduction of total crop of a farmer exceeds 10% of his total standard yield

In the case of plot unit formula, 70% of the standard yield of the specific plot is insured. In the case of semi-offset farmer unit formula and whole-offset farmer unit formula, 80% and 90% of the standard yield throughout his cultivated plots are respectively covered.

Note: "Plot" (hitsu) refers to a cultivated lot which is clearly divided by roads, balk and footpath, or channels.

(6) Amount of Insurance

(Plot unit formula)

Amount of insurance is determined for each plot as indicated below.

Amount of insurance per kilogramme x insured yeild (70% of the standard yeild of the plot)

(Semi-offset farmer unit formula)

Amount of insurance is determined for each farmer as indicated below.

Amount of insurance per kilogramme x insured yield (80% x Σ standard yield of each plot)

(Whole-offset farmer unit formula)

Amount of insurance is determined for each farmer as indicated below.

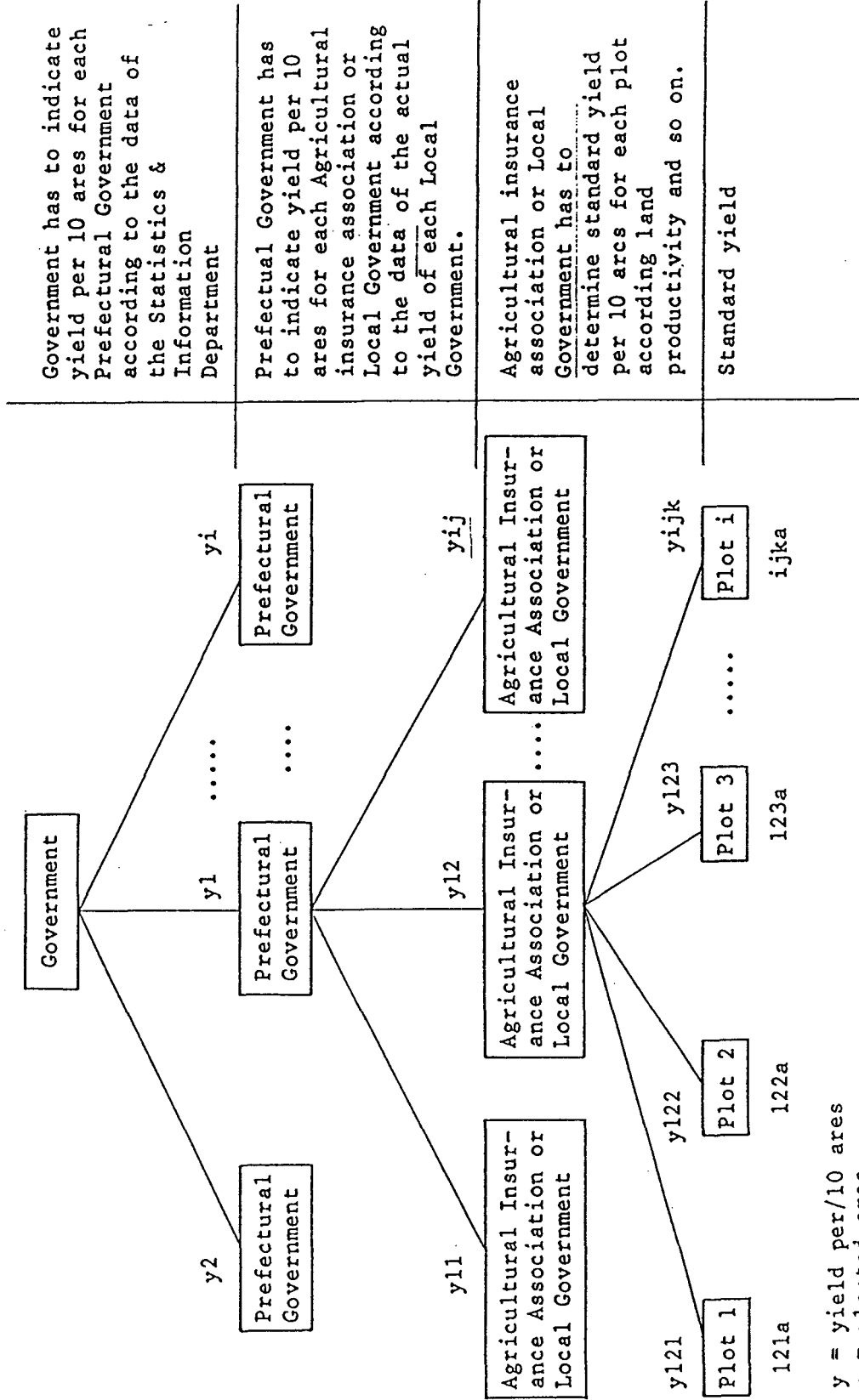
Amount of insurance per kilogramme x insured yield (90% x Σ standard yield of each plot)

The Ministry of Agriculture, Forestry and Fisheries determines the maximum of the amounts of insurance per kilogramme as their supported prices. Among more than the prices listed by the Minister of Agriculture, Forestry and Fisheries (hereinafter referred to as the "Minister"), associations and local governments or farmers themselves select an amount of insurance per kilogramme.

(7) Premiums

A premium is determined as multiplying the amount of insurance by the premium rate. The Minister determines the minimum premium rate based on the annual insurance damage rates of each association and local government during the past 20 years. The associations and local governments determine their actual premium rates not less than the minimum. The premium rates are revised every three years.

The Procedure of Determining Standard Yield



Government has to indicate yield per 10 arcs for each Prefectural Government according to the data of the Statistics & Information Department

Prefectural Government has to indicate yield per 10 arcs for each Agricultural insurance association or Local Government according to the data of the actual yield of each Local Government.

Agricultural insurance association or Local Government has to determine standard yield per 10 arcs for each plot according land productivity and so on.

Standard yield

y = yield per/10 arcs
a = planted area

Restrictive condition: $1.05 y_{ij} \geq \frac{\sum y_{ijk} \cdot ijka}{\sum ijka} \geq 0.95 y_{ij}$

* Indicated yield by Government

Government indicate yield per 10 arcs which is calculated with following method for each prefectural government.

Unit: 10 kilo

Year	1970 (1)	1971 (2)	1972 (3)	1973 (4)	1974 (5)	1975 (6)	1976 (7)	1977 (8)	1978 (9)	1979 (10)	1980 (11)	1981 (12)	1982 (13)	1983 (14)	1984 (15)	1985 (16)	1986 (17)
Yield per 10 ares	442	441	456	470	455	481	427	478	499	482	412	453	458	459	517	501	
Normal yield per 10 ares	431	440	442	444	446	450	455	455	460	466	471	474	477	478	479	481	
Rate of damaged amount to normal production	9.2	15.2	7.3	6.6	9.3	6.4	16.6	5.9	5.6	7.1	22.0	13.0	13.5	12.3	4.0	6.4	

Estimate 1986' normal yield per 10 ares by square root multiple regression

$$\text{Formula } Y = 472.2 + 15.89\sqrt{X} - 5.368Z \quad (1970 - 1985)$$

Where X : 1970 : 1 \bar{Z} : average of Rate of damaged amount to normal production
 1971 : 2

1985 : 16 : 10
 1986 : 17

Estimate 1986 Normal yield
 Trend' value : 484 kilogram

It is possible to subdivide the premium rate designated by each association or local government to the "risk grade premium rate" determined on the basis of each ranking of risk, if necessary.

(8) Subsidy for Premiums

The national government subsidizes the farmers with a certain portion of premiums. The percentage of the government share is specified by the legislation depending upon premium rates. The average of the governmental share is approximately 59% in the case of paddy rice.

Note: Percentage share of premiums paid by the national government from fiscal 1986

Paddy rice		Upland rice		Mugi	
Premium rates	Government share	Premium rates	Government share	Premium rates	Government share
Above 4%	60%	Above 15%	70%	Above 12%	70%
		11 - 15	65	9 - 12	65
		7 - 11	60	6 - 9	60
2 - 4	55	4 - 7	55	3 - 6	55
Below 2%	50	Below 4%	50	Below 3%	50

Premium rates and the percentage paid by the national government

(National average)

Objects of insurance	Premium rates	Farmers' share	Government share	Percentage to be paid by the government
Paddy rice	3.285%	1.535%	1.751%	53.3%
Upland rice	21.440	8.272	13.169	61.4
Mugi	14.260	5.674	8.586	60.2

(9) Loss Adjustment

Loss Adjustment is conducted according to a specific procedure fixed by the Minister.

Plot to Plot survey:

Loss Adjusters carry out a survey on all the plots reported as damaged, and estimated by eye the yield of each plot. In the case of whole-offset farmer unit formula, instead of plot to plot survey, records at the country elevator are used as the data on farmer-by-farmer yields.

Sampling survey:

In order for the associations or local governments staff and the members of the Loss Adjustment Committee to assess the results of the plot to plot survey conducted by the loss adjusters, a sampling survey is conducted by means of eye estimation or test harvesting.

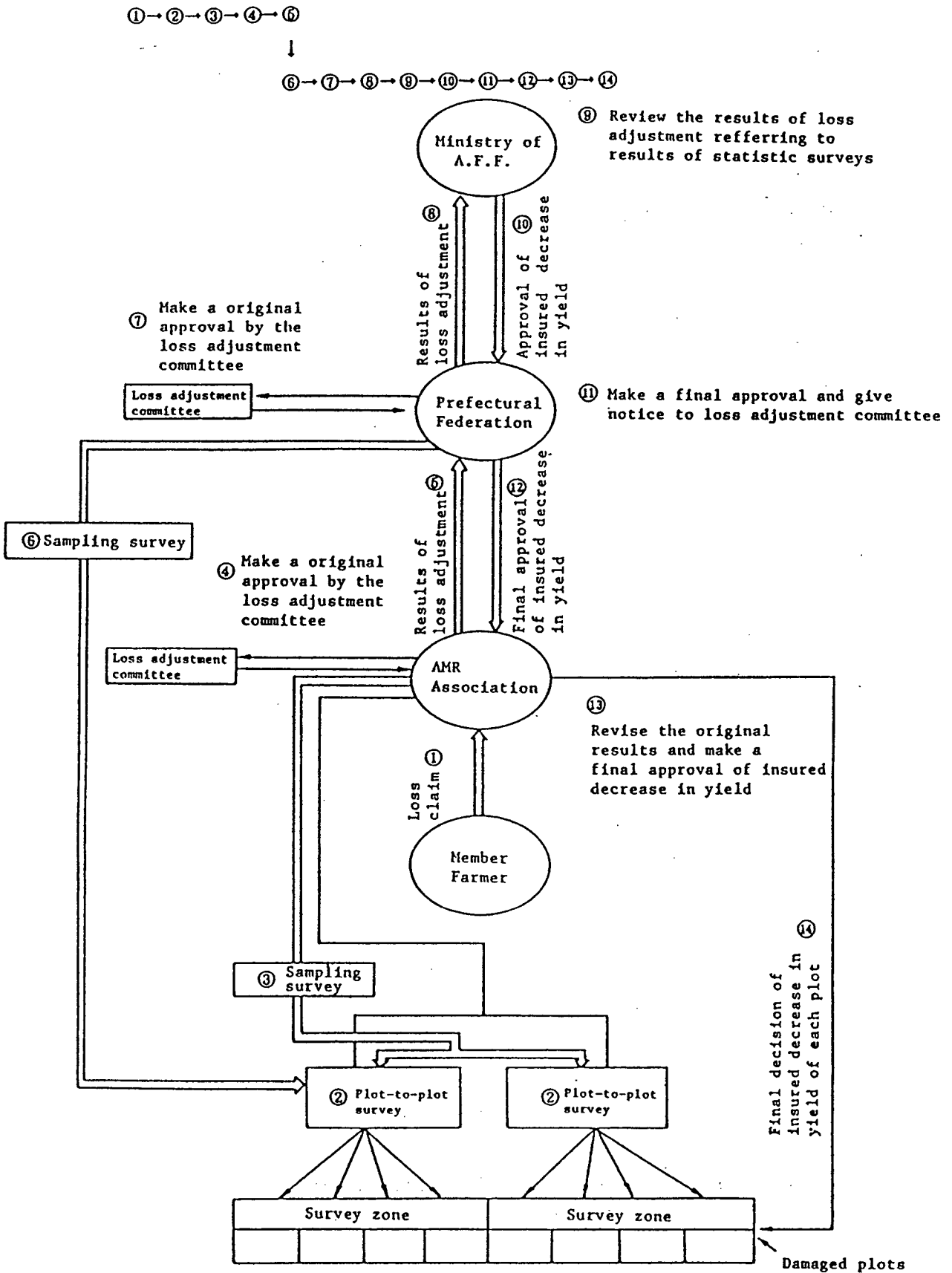
Loss Adjustment Committee:

The committee shall assess the degree of damage through discussing the results of the plot to plot survey and sampling survey, and reports to the chairman of the mutual or the mayor.

Judgement of damaged amount:

The association and local government makes this final judgement, upon the approval the total liable losses within its territory by the federation which carries its own sample -- harvesting survey.

Procedures of Loss Adjustment



(10) Indemnities

(Plot unit formula)

Associations and local governments indemnify farmers on each of the plots with more than 30% decrease in yield, based on the following calculation.

$$\text{Indemnity} = \text{Amount of insurance selected per kilogramme} \times (\Sigma \text{ decreased yield of the plot} - \Sigma \text{ standard yield of the plot} \times 0.3)$$

(Semi-offset farmer unit formula)

Associations and local governments indemnify the farmers whose decrease in yield exceeds 20% of the standard yield, based on the following calculation.

$$\text{Indemnity} = \text{Amount of insurance selected per kilogramme} \times (\Sigma \text{ decreased yield of the damaged plot} - \Sigma \text{ standard yield of the plot} \times 0.2)$$

(Whole-offset farmer unit formula)

Associations and local governments indemnify the farmers whose decrease in yield exceeds 10% of the standard yield, base on the following calculation.

$$\text{Indemnity} = \text{Amount of insurance selected per kilogramme} \times (\Sigma \text{ decreased yield of the plot} - \Sigma \text{ standard yield of the plot} \times 0.1)$$

(Expense for Loss Minimizing Activity)

While the insured have a duty to minimize losses, the insurer of agricultural insurance, in general, does not pay their expense. In the case of rice insurance with areas designated by the Minister as one where regional joint activity preventing proliferation of plant disease and insects can be effectively carried out, however, the insurer pays the insured's expense for chemicals and fuel additionally needed that action when an official warning is issued, within some limit. This payment is also called "indemnity", and counted as indemnity in (re-) reinsurance and in calculating premiums.

Calculation of Indemnity (Paddy rice)

Unit:Kilogram

	A plot	B plot	C plot	Total
Standard Yield	500	480	500	1,480
Production	300	300	510	1,110
Decrease	200	180	+10	Semi-Offset 380 Whole-Offset 370

C plot:10ares
field

B plot:10ares
field

A plot:10ares
field

Indemnity (The amount of insurance per kilogram)

The plot unit formula

A plot :
 $\text{₱}295 \times (200\text{kg} - 500\text{kg} \times 0.3)$
 $= \text{₱}14,750$

B plot :
 $\text{₱}295 \times (180\text{kg} - 480\text{kg} \times 0.3)$
 $= \text{₱}10,620$

C plot :
no damage

Total Indemnity ₱25,370

The Semi-Offset formula

$\text{₱}295 \times (380\text{kg} - 1,480\text{kg} \times 0.2)$
 $= \text{₱}24,780$

C plot :
no damage
Consider production
to the Standard Yield

₱24,780

The Whole-Offset formula

$\text{₱}295 \times (370\text{kg} - 1,480 \times 0.1)$
 $= \text{₱}65,490$

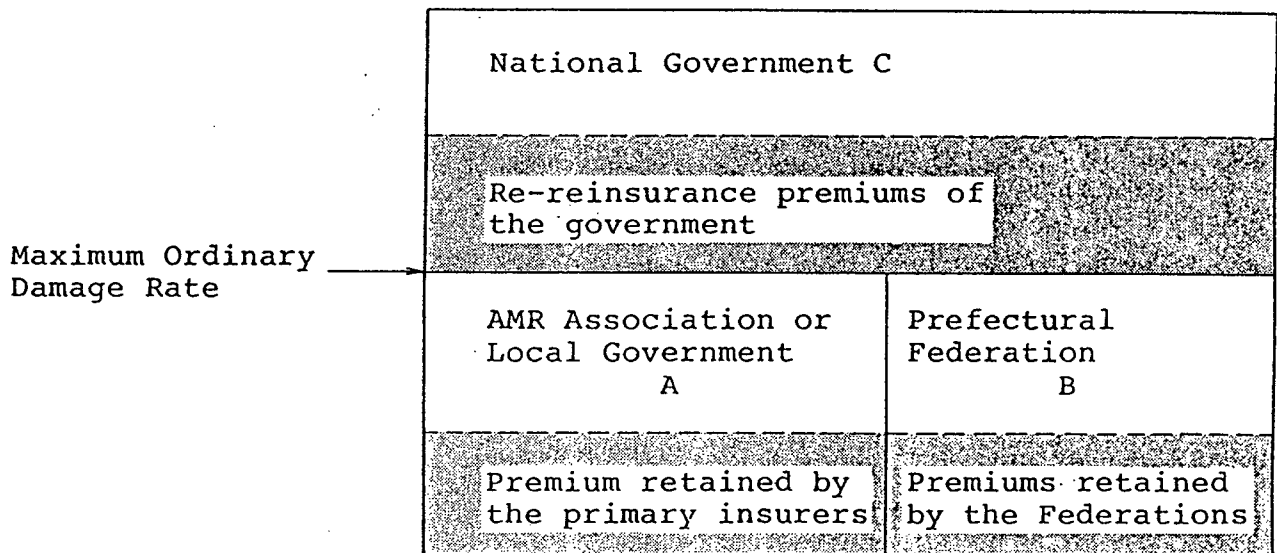
₱65,490

Calculation of this indemnity is as follows:

$$\text{Indemnity} = \frac{\text{Total regional expenses within the limit}}{\text{Charge on the specific farmer for the expenses Total regional expenses (within the limit)}} \times \frac{\text{The farmer's amount of insurance per kg}}{\text{Average amount of insurance per kg in the region}}$$

(11) Reinsurance and Re-reinsurance

AMR associations or local governments, their prefectural federations and the national government share the grains insurance liability on a combined formula of quota share reinsurance and stop loss reinsurance. This formula is illustrated with the following chart.



Notes: 1. Retained liability at each stage

- a. AMR Association or Local Government: A
- b. Prefectural Federation: B
- c. National Government: C

2. Shaded parts indicate premiums retained at each stage, corresponding to the liability of the party concerned.

3. Underlying retention by the primary insurers and their federations is calculated by the multiplying the total liability of each insurer by the "maximum ordinary damage rate," which is decided by the Ministry, insurer by insurer, according to its past records.

4. B is decided by the government, insurer by insurer,
 A+B
 within the range from 20% to 50%.

Business Showing of Paddy rice Insurance (1988)

(Unit: million yen)

Items	Association	Federation	Government
1. Coverage	1.901.674 ----->	1.866.791 --->	1.850.291
2. Premium	62.485 ----->	40.786 --->	30.468
	33.292 (Gov.)		
	29.193 (Far.)		
3. Indemnity	95.151	<--- 79.156	<--- 71.893
4. Balance	5.705	3.053	- 41.425
(Surplus or Shortage)			
* Charge for Office Expenses			
Lording....	16.545 ----->	2.732	

Section 6. Livestock Insurance

The livestock insurance is a combination of life insurance and health insurance of livestock.

(1) Livestock to be insured: cattle, horses and swine.

(2) Participation

a. A policy of livestock insurance is, like in private insurance, a contract agreed upon by a farmer and an association or local government.

Farmers have a moral obligation to put their own cattle and horses into insurance, where the general meeting of association or the assembly of a local government so decides.

b. In general, each policy covers all dairy cows and heifers, all beef cattle, all horses, all breeder hogs or all feeder pigs. This method is called "open policy."

As far as bulls and stallions used for breeding and other livestock with special reasons are concerned, a policy may cover one special animal. This method is called "specified policy."

Note: Under an open policy, when an animal is newly bought by the insured farmer or when one of his young animals reaches the required age, it automatically gets covered by the policy. In this case, the farmer shall report the change to the association or the local government concerned.

(3) Insured Causes

Indemnity is paid, when death, disuse, disease and injury (death only in the case of a feeder pig and fetuses of beef cattle) of an insured animal occurs.

Note: Experienced farmers are permitted to exclude some part of disuse, disease and injury from the insured causes, and to enjoy some discount in premium

(4) Insurance period

Insurance liability takes effect on the day following the day when the first animal premium is paid.

(5) Amount of Insurance

Amount of insurance is decided by the insured farmer within a maximum of 80% of the insurable value and not less than a minimum (from 20 to 40% of the insurable value) determined by the association or local government.

Note: The insurable value under an open policy is the total value of the insured livestock. In the case of a specified policy, it is the value of the specific animal insured.

(6) Premiums

A premium is determined as multiplying the amount of insurance by the premium rate. The Minister determines the minimum premium rate based on the annual insurance damage rates in each district during a certain period of years in the past. The associations and local governments determine their actual premium rates not less than the minimum. The premium rates are revised every three years.

It is possible to subdivide the premium rate designated by each association or local government at the "risk grade premium rate" determined on the basis of each ranking of risk, if necessary.

Amount of insurance and indemnity of livestock insurance

Amount of insurance

Open policy

In the case of participation 3 dairy cattles

(Unit: 1,000 yen)

Items	insurable value (market price)	amount of insurance	rate of insurance
A cattle	200
B cattle	300
C cattle	400
Total	900	450	50%

Farmer selects one of the rate of insurance within the range of maximum 80% and not less than minimum from 20% to 40% (determined by AMR. and Local Government) and then AMR. and Local Government decide farmers amount of insurance.

Note: Rate of insurance = amount of insurance / insurable value,
50% = 450 / 900.

Specified policy

Amount of insurance is decided one by one the range from 80% to 40% - 20%.

Items	insurable value	amount of insurance	rate of insurance
cattle	400	320	80%
Beef	450	270	60%

Indemnity

Death and Disuse

In the case of death (C cattle)

Indemnity = (insurable value of the animal concernd - value of residue) x amount of insurance / insurable value
(proportional - cover)
(400 - 50) x 450 / 900 = 175

Disease and injury

Indemnity = 10yen marks used

Every farmer has marks which is computed with their amount of insurance.

Dairy cattle: amount of insurance x around 10%.

Beef cattle : amount of insurance x around 6%.

Note: The list of medical treatment mark is classified 9 sections (subdivided into 97 parts) by contents of medical treatment respectively.

- | | |
|------------------------------|----------------------------|
| 1.- Medical examination fee. | 6.-Treatment fee. |
| 2.-Recipe. | 7.-Guindance fee. |
| 3.-Document fee. | 8.-Surgical operation fee. |
| 4.-Inspection fee. | 9.-Clinic charge. |
| 5.-Injection fee. | |

(7) Subsidy for Premiums

The national government subsidizes the farmers with 50% of premiums for cattle and horses, 40% of premiums for swine.

(8) Indemnities

(Death and disuse)

Associations or local governments indemnify farmers, based on the following calculation.

$$\text{Indemnity} = \text{Amount of damage (value of the animal concerned} \\ - \text{value of residue)} \times \frac{\text{Amount of insurance}}{\text{Insurance value}}$$

(Disease and injury)

Associations or local governments pay the veterinary charge, as the indemnity to the farmers, within the annual limit for each policy, which is to be calculated in a fixed relation to the amount of insurance.

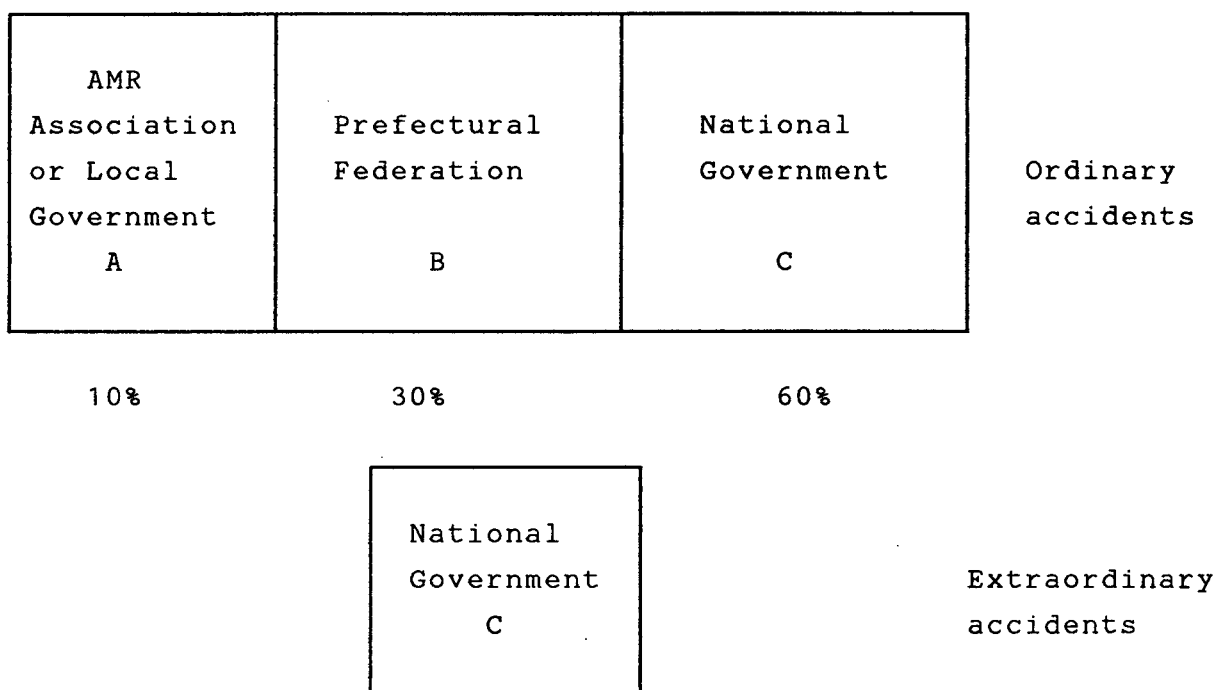
However, the charge for the initial veterinary examination for each disease or injury is excluded from insurance coverage in order to avoid moral hazards.

(9) Reinsurance and Re-reinsurance

AMR Associations or local governments, their prefectural federations and the national government share the livestock insurance liability on a quota share basis.

In the case of extraordinary accidents (designated epidemics and natural disaster), however, the national government undertakes the whole liability.

This formula is illustrated with the following chart.



Notes: 1. Retained liability at each stage

- a. AMR Association or Local Government: A
- b. Prefectural Federation: B
- c. National Government: C

2. In the case of ordinary accidents, the share of AMR Association or local government can be changed to 20% or 0%, prefectural federation is always 30% and the national government's is the rest.

Section 7. Fruits and Fruit-trees Insurance

The fruits and fruit-trees insurance consists of two kinds of programs, i.e., "fruits insurance" which covers loss of fruit harvest, and "fruit-trees insurance" which covers damage to fruit-trees.

Note: Implementation of program

While rice and other grains insurance, sericultural insurance and livestock insurance are the compulsory components of agricultural insurance for every AMR Association or local government all over the nation, fruits and fruit-trees insurance, field crops insurance and greenhouse insurance are optional. First, Prefectural federations decide on which program they reinsure their members. When a federation carries reinsurance on a certain program, its member associations and local governments have an option whether or not to carry the program.

(1) Objects to be insured

(a) Fruits insurance:

Mikans (a variety of mandarine orange), summer oranges, some other citrus fruits, apples, grapes, pears, peaches, loquats, cherries persimmons, chestnuts, Umes (fruits similar to plum), plums and pineapples.

(b) Fruit-trees insurance:

Trees of the above-listed fruits (excluding those trees which have not reached the fruit bearing age).

(2) Participation

A policy of fruits insurance or fruit-trees insurance is a contract to be agreed upon by a farmer and the association or local government concerned. However, a farmer whose acreage of the orchards concerned is less than the established minimum are not qualified to be insured.

Qualified farmers may be obligated to put their orchards into fruits and/or fruit-trees insurance, if the general meeting of the association or the assembly of the local government so decides. The minimum acreage is to be decided by the associations or local governments within the range from 5 ares to 30 ares.

(3) Insured Disaster

(a) Fruits insurance:

Farmers are insured against a yield decrease and quality deterioration caused by typhoon, flood, drought, severe winter, heavy snow and other meteorological events (including earthquake and volcanic eruption), fire, plant disease, insects, wild birds and animals.

Notes: i) Quality deterioration can be indemnified only in the areas designated by the Minister, as where reliable loss adjustment is feasible based on each farmer's sales record supplied by a cooperative.

ii) Specific risk insurance (called as against multirisks insurance), in which farmers are insured against tempest, hail or cold weather only, is also sold at farmers' option.

(b) Fruit-trees insurance:

Farmers are indemnified when trees die with withery, are washed away, disappear, are buried and are heavily damaged as a result of disaster listed in (a).

(4) Insurance Period

(a) Fruits insurance:

The season of bud-formation (spring shoots, growth-ending season for citrus fruits) through harvest (Flowering season through harvest in the case of specific risk insurance and short period formula).

Note: Short period formula is enforced in the areas designated by the Minister.

(b) Fruit-trees insurance:

One year starting the day determined by the AMR associations or local governments.

(5) Amount of Insurance

(a) Fruits insurance

There are 3 types of policies: the first type is of the semi-offset farmer unit formula, the second one is of the whole-offset farmer unit formula; the third one covers farmer's income, counting yield, quality and price alike (indemnity is paid only when a farmer's income drops because of yield decreases and quality deterioration caused by insured disaster (hereinafter referred to as "the disaster P x Q formula").

Note: The disaster P x Q formula is operated on an experimental basis for the time being.

(Semi-offset farmer unit formula)

Amount of insurance is determined for each farmer as indicated below.

(Price rate of the fruit x } standard yield of each plot) x
Coverage rate

(Whole-offset farmer unit formula)

Amount of insurance is determined for each farmer as indicated below.

(Price rate of the fruit x standard yield of each farmer) x
Coverage rate

(Disaster P x Q formula)

Amount of insurance is determined for each farmer as indicated below.

standard income x coverage rate

Notes: 1. Each year the Minister announces the price rate by prefectures (sometimes by districts smaller than the prefectures), by varieties or variety groups of fruit and sometimes by growing ways or harvesting seasons.

2. The maximum coverage rate is 70% (in case of specific risk insurance is 80%). AMR Associations and local governments determine minimum within a range of 40% to 60%. Farmers decide their respective coverage rates within those limits.

(b) Fruit-trees insurance

Amount of insurance is to be decided each farmer is within a range. The maximum is 80% of the insurable value and the minimum is determined by the associations or local governments, not less than 40% and not more than 60% of the value.

(6) Premiums

The Minister determines the minimum premium rate based on the annual insurance damage rates of each district during the past 20 years. The associations and local governments determine their actual premium rates not less than the minimum. The premium rates are revised every three years.

It is possible to subdivide the premium rate designated by each association or local government to the "risk grade premium rate" determined on the basis of each ranking of risk, if necessary.

(7) Subsidy for Premium

The national government subsidizes the farmers with 50% of premiums.

(8) Loss Adjustment

Loss adjustment is conducted according to a specific procedure fixed by the Minister.

(a) Fruits insurance

i) Plot to plot surver

(Semi-offset farmer unit formula)

Loss adjusters carry out a survey on all the plots reported as damaged, and estimate by eye the yield of each plot.

(Whole-offset farmer unit formula)

Records at the co-operative sorting house are used as the data on farmer-by-farmer yields.

ii) Sampling survey:

In order for the associations or local governments staff and the members of the Loss Adjustment Committee to assess the results of the plot to plot survey conducted by the loss adjusters, a sampling survey is conducted by means of eye estimation or sample measuring and counting.

iii) Loss Adjustment Committee:

The committee shall assess the degree of damage through discussing the results of the plot to plot survey, sampling survey and the sorting house's records survey, and reports to the chairman of the association or the mayor.

iv) Judgement of damage amount:

The association or local government makes its final judgement, upon the approval of the total liable losses within its territory by the Federation which carries own its sampling, measuring and counting survey and the sorting house's records checking.

(b) Fruit-trees insurance

Loss adjusters carry out a survey on all fruit-trees reported as damaged, and survey the degree of damage and estimate the amount of liable losses.

(9) Indemnities

(a) Fruits insurance

(Semi-offset farmer unit formula)

Associations and local governments indemnify the farmers whose decrease in yield exceeds 30% of the standard yield, based on the following calculation.

Indemnity = Amount of insurance x

$$\left\{ \frac{10}{7} \times \frac{\Sigma (\text{Standard yield} - \text{actual yield})}{\Sigma \text{ standard yield}} - \frac{3}{7} \right\}$$

In the case of specific risk insurance associations and local governments indemnify the farmers whose total of decreases of yield in their damaged orchard exceeds 30% of their farmer-by-farmer standard yield, based on the following calculation.

$$\text{Indemnity} = \text{Amount of insurance} \times \left\{ \frac{5}{4} \times \frac{\text{¥ (Standard yield - actual yield)}}{\text{¥ standard yield}} - \frac{1}{4} \right\}$$

(Whole-offset farmer unit formula)

Associations and local governments indemnify the farmers whose decrease in yield throughout all their own orchards exceed 20% of the standard yield, based on the following calculation.

$$\text{Indemnity} = \text{Amount of insurance} \times \left\{ \frac{5}{4} \times \frac{\text{¥ standard yield} - \text{actual yield}}{\text{¥ standard yield}} - \frac{1}{4} \right\}$$

(Disaster P x Q formula)

Associations and local governments indemnify a farmer based on the following calculation, when his actual yield is below his standard yield, and his actual income is below 70% of the standard income.

$$\begin{aligned} & (\text{Standard income} \times 0.7 - \text{actual income}) \times \\ & \frac{\text{Amount of insurance}}{\text{standard income} \times 0.7} \end{aligned}$$

(b) Fruit-tree insurance

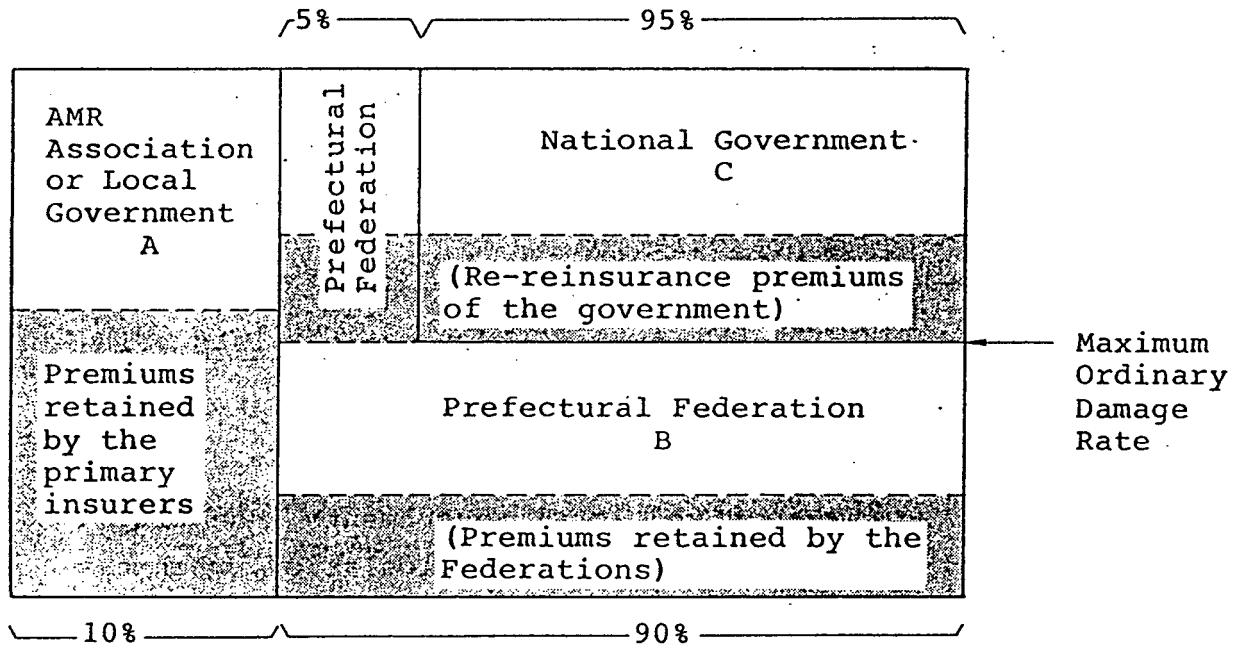
Associations and local governments indemnify the farmers whose loss exceeds either ¥100,000 or 10% of the insurance value, based on the following calculation.

$$\begin{aligned} \text{Indemnity} = \\ \text{Amount of damage} \times \frac{\text{Amount of insurance}}{\text{Insurable value}} \end{aligned}$$

(10) Reinsurance and Re-reinsurance

Reinsurance between AMR Associations or local governments and their prefectural federations is a quota share one.

Re-reinsurance between the federations and the national government is a stop loss reinsurance with 10% retention of the excess loss by the federations. This formula is illustrated with the following chart.



Notes: 1. Retained liability at each stage.

- a. AMR Association or Local Government: A
- b. Prefectural Federation: B
- c. National Government: C

* Although the liability and premiums retained by the association or local government is 10% of the total, it can be increased to 20%, if their federation so decide.

2. Shaded parts indicate premiums retained at each stage, corresponding to the liability of the party concerned.

Section 8. Field Crops Insurance

(1) Crops to be insured: potatoes, soybeans, "azuki" red beans; kidney beans, sugar beets, sugar canes, hops and tea plants.

(2) Participation

Farmers cultivating either one of potatoes, "azuki" red beans, kidney beans, sugar beets, sugar canes and hops over the minimum acreage designated by the AMR Associations or Local Governments within the range from 5 to ares to 30 ares (30 to 100 ares for those crops cultivated in Hokkaido) can apply for the insurance on condition that they do on all of their crops to be insured. Tea plants insurance is experimental program in specific areas designated by the Minister. Those farmers have a moral duty to apply when the associations or the local governments concerned so decide.

(3) Insured Disaster

Farmers are insured against damage caused by typhoon, flood, drought, cool summer, heavy snow and other meteorological events (including earthquake and volcanic eruption) and damage from fire, plant diseases, insects, wild birds and animals.

(4) Insurance Period

Sprouting season (transplanting season for the crops to be transplanted through harvest.

(5) Insured Yield

This program provides 2 types of policies: one, in which the indemnity is paid in case of the aggregate the loss in the damaged plots exceeds 20% - 30% of the total standard yield of one farmer (the semi-offset farmer unit formula); the other, in which the indemnity is paid case the damage counted as the reduction of total yield of a farmer exceeds 20% of his total standard yield (the whole-offset farmer unit formula).

In the case of semi-offset farmer unit formula, 70% (80% for soybean) of the standard yield throughout his cultivating plots are covered. This formula is applied to soybeans, "azuki" red beans, kidney beans and tea plants.

In the case of whole-offset farmer unit formula, 80% of the standard yield throughout his cultivating plots are covered. This formula is applied to potatoes, sugar beets, sugar canes and hops.

(6) Amount of Insurance

(Semi-offset farmer unit formula)

Amount of insurance is determined for each farmer as indicated below.

Amount of insurance per kilogramme x insured yield (70% - 80% for soybean x Σ standard yield of each plot)

(Whole-offset farmer unit formula)

Amount of insurance is determined for each farmer as indicated below.

Amount of insurance per kilogramme x insured yield (80% x Σ standard yield of each plot)

Among more than two prices listed by the Minister, associations and local governments select an amount of insurance per kilogramme.

(7) Premium Rate

The Minister determines the minimum premium rate based on the annual insurance damage rates of each district during the past 20 years. The associations and local governments determine their actual premium rates not less than the minimum. The premium rates are revised every three years.

It is possible to subdivide the premium rate designated by each association or local government to the "risk grade premium rate" determined on the basis of each ranking of risk, if necessary.

(8) Subsidy for Premiums

The national government subsidizes the farmers with 60% of premiums.

(9) Loss Adjustment

Loss adjustment is conducted according to a specific procedure fixed by the Minister.

Plot to plot survey:

Loss adjusters carry out a survey on all the plots reported as damaged, and estimate by eye the yield of each plot. In the case of whole-offset farmer unit formula, instead of plot to plot survey, records at the country elevator are used as the data on farmer-by-farmer yields.

Sampling survey:

In order for the associations or local governments staff and the members of the Loss Adjustment Committee to assess the results of the plot to plot survey conducted by the loss adjustments, a sampling survey is conducted by means of eye estimation or test harvesting.

Loss Adjustment Committee:

The committee shall assess the degree of damage through discussing the results of plot to plot survey and sampling survey, and reports to the chairman of the association or the mayor.

(10) Indemnities

(Semi-offset farmer unit formula)

Associations or local governments indemnify a farmer, when the aggregate of decrease of yield in his damaged plots exceeds 30% (20% for soybean) of his total standard yield, based on the

Notes: 1. Retained liability and each stage.

a. AMR Association or Local Government: A

b. Prefectural Federation: B

c. National Government: C

* Although the liability and premium retained by the association or local government is 10% of the total, it can be increased to 20%, if their federation so decides.

2. Shaded parts indicate premiums retained at each stage, corresponding to the liability of the party concerned.

Section 9. Greenhouse Insurance

(1) Facilities to be insured: greenhouse

In addition, plants which are cultivated in a greenhouse (hereinafter referred to as "the plants" in this section) and/or heaters, thermostats and other equipments which are used for cultivating the plants (hereinafter referred to as "the equipments" in this section) can be insured together with the greenhouse concerned, if AMR association or local government so decides.

(2) Participation

A policy is to be agreed upon house by house. Farmers whose total acreage of greenhouse is over the minimum designated by association or local government within the range from 2 to 5 ares can apply for the insurance. In this case, the acreage of a greenhouse made of glass counts twice as large.

Those farmers have a moral obligation to apply, when the AMR association or local government concerned so decides.

Applications are not accepted unless a farmer applies on all his greenhouses.

(3) Insured Causes

Farmers are insured against damage caused by typhoon, flood, hail other meteorological events (including earthquake and volcanic eruption), fire, explosion, aircrafts or vehicle accidents, plant diseases, insects, wild birds and animals.

Note: The farmer whose total acreage of greenhouse is over 5 ares and experienced in horticulture over 5 years, or has an adequate complete disease and insect control system, may be authorized to exclude disease and insect damage from the insured causes.

(4) Insurance Period

One year beginning on the day following the day when the premium is paid.

(5) Amount of Insurance

Amount of Insurance is decided on each greenhouse by the insured farmer within a maximum of 80% of insurable value and not less than a minimum (from 40% to 60% of insurable value) determined by the association or the local government.

Note: Insurance value is the value of the greenhouse (the value of the equipments and/or the plants are added, when they are covered) at the beginning of the insurance period, assessed by the insurer.

The value of the plants is fixed at a certain percentage of the greenhouse value, indifferent to the kind of the plants. This percentage is specified, depending upon the structure of the greenhouse, and taking account of the usual cost of production.

(6) Premiums

The Minister determines the minimum premium rate based on the annual insurance damage rates of each group of prefectures during the past years. The associations and local governments determine their actual premium rates not less the minimum. the premium rates are revised every three years.

It is possible to subdivide the premium rate designated by each association or local government to the "risk grade premium rate" determined on the basis of each ranking of risk, if necessary.

(7) Subsidy for Premiums

The national government subsidizes the farmers with 50% of premiums.

(8) Indemnities

Associations and local governments indemnify farmers, when damage of a greenhouse (including the equipments and the plants) is more than ¥30,000 (10% of the insurable value for the greenhouse whose insurable value is less than ¥30,000) losses, based on the following calculation.

$$\text{Indemnity} = \text{amount of damage} \times \frac{\text{Amount of insurance}}{\text{Insurable value}}$$

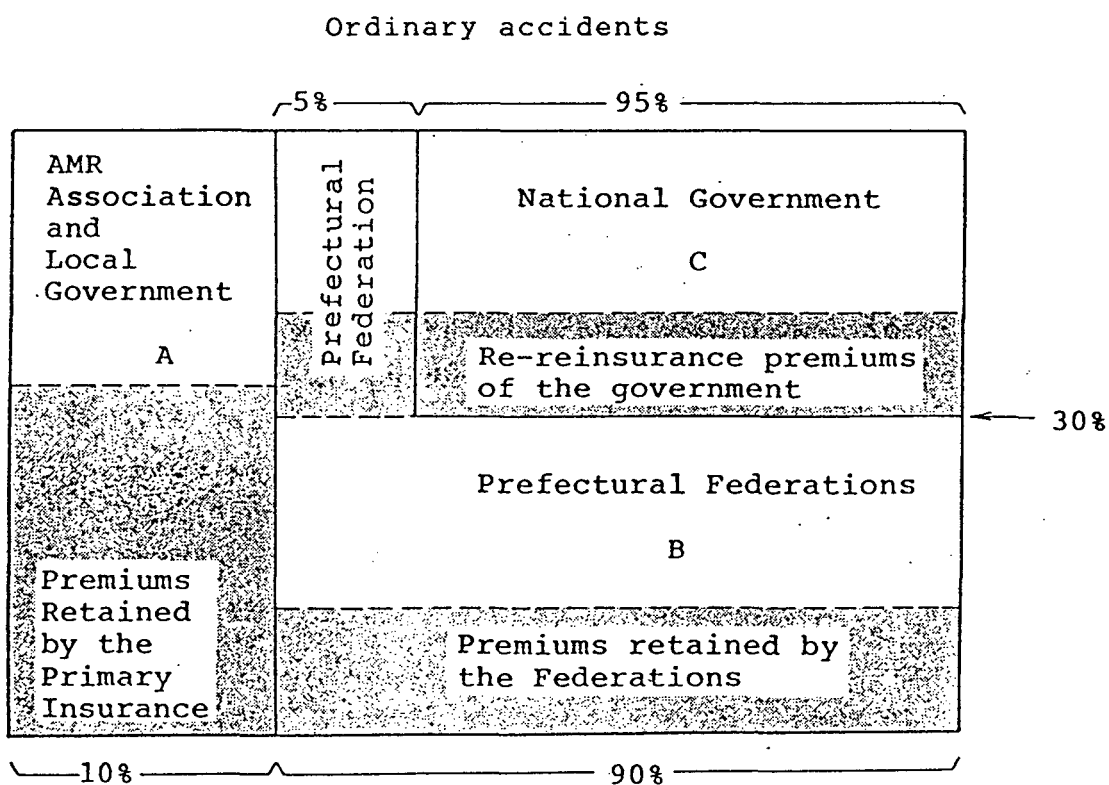
(9) Reinsurance and Re-reinsurance

(Ordinary Accidents)

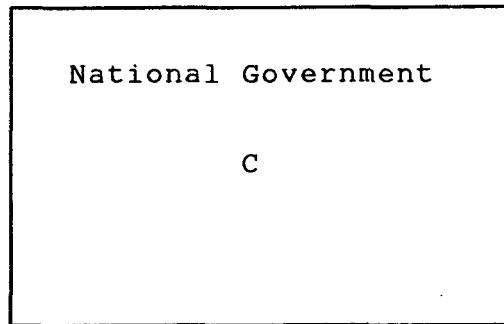
AMR associations and local governments are reinsured by their prefectural federations on a quota share basis. The national government provides excess of loss re-reinsurance for each greenhouse, with 5% quota retention by the federation.

(Extraordinary Accidents)

In the case of total loss caused by specified windstorm, combinations of wind and snow, and earthquakes.



Extraordinay accidents



- Notes: 1. Retained liability at each stage.
- a. AMR Association or Local Government: A
 - b. Prefectural Federation: B
 - c. National government: C
2. Shaded parts indicate premiums retained at each stage, corresponding to the liability of the party concerned.

Section 10. Agricultural Insurance Fund

The Agricultural Insurance Fund is a quasi-governmental corporation established by a legislation "the Agricultural Insurance Fund Law," with the Prefectural Federations as its members.

The objective of the Agricultural Insurance Fund is to finance mainly its member federations and partly their further members (AMR associations and local governments) for paying indemnities, which are not covered by (re-)reinsurance, retained premiums and reserves (accumulated past surplus).

This financing is needed based upon following feature of the agricultural insurance: big disasters often cause damages to many farmers unanimously in an area; damage rates immensely fluctuate from year to year; it is not feasible to make premium rate big enough to compare to the maximum annual damage rate; an insurers accounts can be balanced only in a long-term and be often falls short of money to pay indemnities.

The size of the fund is approximately ¥3.6 billion, of which ¥1.8 billion is from the National Government, the same amount from the members and ¥2 billion is from surpluses accumulated during the past 30 years.

1. Records of the Agricultural Insurance in 1988

	Total of the amounts of insurance 100 million yen	Premiums			Indemnities paid by the government million yen
		Total amounts million yen	Farmer's share million yen	Government share million yen	
Rice and grain insurance	19,107	62,485	29,193	33,292	71,893
Paddy rice					95,151
Upland rice	24	521	201	320	67
<u>Mugi</u>	1,351	19,265	7,665	11,600	3,296
Total	20,392	82,271	37,458	45,213	104,515
Sericultural insurance	289	1,126	518	606	26
Dairy cattle	3,016	34,420	17,398	17,022	12,865
Beef cattle	3,835	18,213	9,564	8,648	6,927
Horse	438	1,657	924	733	540
Breeding pig	138	2,296	1,393	903	995
Fattening pig	298	2,219	1,331	887	1,148
Total	7,725	58,804	30,611	28,193	22,474
Fruit and fruit-tree insurance	1,173	6,115	3,057	3,057	1,391
fruits					4,320
Fruit-tree	92	98	49	49	2
Total	1,265	6,212	3,106	3,106	1,393
Field crops insurance	1,282	8,957	3,583	5,374	269
Greenhouse insurance	2,990	4,669	2,341	2,328	109
Total	33,943	162,040	77,218	84,822	99,527
Total					168,747

2. Outline of National Budget (General Account) for Agricultural Insurance in Fiscal 1990

(Unit: Million yen)

Item	Budget
1. Inspection of prefectural federation re-insurance operations and others	4
2. Subsidies to prefectural governments for guidance and supervision expenses	35
3. Grants for office expenses of insurances and re-insurers	55,189
4. Transferred to the reserve account	100
5. Transferred to the agricultural account Subsidies for premiums on grain insurance, sericultural insurance and field crop insurance	46,367
Subsidies for expenses incurred for controlling plant disease and noxious insects	717
6. Transferred to the livestock account Subsidies for premiums on livestock insurance	27,467
Reinsurers share to provide financial aid for activities against specific prevailing animal diseases	704
7. Transferred to the fruit and fruit tree account Subsidies for premiums on fruit and fruit trees insurance	3,689
8. Transferred to the greenhouse account Subsidies for premiums on greenhouse insurance	2,516
9. Transferred to the office expense account	1,280
Total	138,068

3. Problems of Japan's Agricultural Insurance System

Today, we have some problems to be solved in the System. Most of them come from the rapid change of the agricultural situation in Japan. Particularly rice is over-production, and the diversion program for rice is enforced since 1978. (Around 600 hectares at 1984) Other products is in the same situation more or less.

Accordingly,

- 1) The volume of the objects of insurance is decreasing every year.
- 2) Farmer's interest for the System is going to be light gradually. Farm village is changing to city area and part-time households are 86% (3,750 thou.) of the total farmers' households, full-time households are only 14% (438 thou.). And then agricultural income of part-time households is only 20% of all their income (1,070 thou. yen) non agricultural income is 80% (4,296 thou. yen).
- 3) Organization of the System is very complex, i.e., 3 stages (Government, Prefectural Federation and AMR Association, Local Government) and content of the System too.
- 4) The cost of the loss adjustment is high. At present time, loss adjustment is conducted by means of eye survey. Sampling survey and test harvesting require a lot of loss adjusters.
- 5) Government's burden for pure premium and subsidy for office expenses are in a large amount. These burden and subsidy are pointed out as over-bearing Finance Authority every year.

Burden for pure premium	:101,260 million yen
Subsidy for office expense	: 54,714 million yen
Others	: 1,627 million yen
Total	:157,601 million yen

This is around 5% of Ministry of Agriculture, Forestry and Fisheries budget.

6) The content of the fruit and fruit-tree insurance has to be examined fundamentally.

Because fruit insurance accounts of both Government and Prefectural Federation in the red seriously.

Items	Surplus	Shortage
Rice and Other Grains Ins.	47	0
Sericultural Ins.	36	9
Livestock Ins.	43	4
Fruit and Fruit-tree Ins.	25	19
Field Crop Ins.	39	2
Greenhouse Ins.	41	4

co-op

Consumer Co-op Movement in Japan



Approaching the 21st Century



The origin of the Japanese consumer co-op movement dates back to the 19th century, and at the early stage, the major role of the co-ops was to improve the living standards of the people. Dr. Toyohiko KAGAWA, Father of the Japanese movement and the first President of the Japanese Consumers' Co-operative Union (JCCU), a man who contributed greatly to the welfare of the poor, promoted the spread of co-operative ideas, advocating seven basic concepts; Mutual Sharing of Benefits, Humane Economy, Sharing of Capital, Elimination of Exploitation, Decentralisation of Power, Political Neutrality, and Emphasis on Education.

Faithfully following these co-operative ideas, the Japanese consumer co-ops have attracted the support of consumers and have grown to become one of the largest consumer organisations in Japan.

During the last few decades, Japan has made great strides in industrial development through the pursuit of economic efficiency based on the principle of free competition. In the course of this development, however, it has forgotten the value of fraternity, the most important links between people. With this as a background, the co-ops are expected to play the role of builders of new communities where everyone, including the aged, the handicapped and children, can live together in a co-operative way.

The co-op suggests a shift in the way of living and thinking, from a material-orientation to a human-orientation, and a spread of the spirit of sharing and caring by expanding the co-operative network. Living up to the slogan, "Creation of Life and Communities Full of Humanity", we are making efforts to develop a wider ranging movement as we approach the 21st century.

A handwritten signature in black ink, which appears to read "Isao Takamura".

Isao Takamura
President of the Japanese
Consumers' Co-operative Union



Variety of Consumer Co-ops

Some 12 million co-op members belong to more than 650 co-op societies formed throughout the country. These co-ops are divided by type of business into:

Retail Co-ops: Supplying members with a wide range of consumer products and services and embracing 80% of the total co-op membership. There are five types of retail co-ops, as follows:

- * Citizen Co-ops: Serving local residents, mostly member housewives, through stores, joint buying, catalogue sales, etc.
- * Institutional Co-ops: Serving workers in their work places through stores, canteens, etc.
- * Expanded Institutional Co-ops: Serving both workers and local residents. A kind of institutional co-op expanded to neighbouring residential areas.
- * University Co-ops: Serving students and faculty members in universities and colleges through book stores, daily commodity stores, canteens and other services.
- * School Teachers' Co-ops: Serving teachers at both public and private elementary, junior and senior high schools, mainly through catalogue sales and joint buying.

Medical Co-ops: Serving members through operating hospitals and clinics, emphasising preventive health care and friendly, convenient services.

Insurance Co-ops: Providing many kinds of life and non-life insurance for members, mostly trade union members. Operated in every prefecture and integrated by the National Federation of Workers and Consumers Insurance Co-operatives (ZENROSAL).

Housing Co-ops: Supplying houses and housing plots to workers in co-operation with trade unions and Labour Banks. Operated in every prefecture and coordinated by the National Federation of Housing Co-operative Societies (ZENJUREN).



CO-OP Brand - a Mark of Reliability

CO-OP brand products emphasise their image of "safe", "reliable", "healthy", and "reasonably priced" products. While the JCCU develops CO-OP brand products to supply its member co-ops, additionally many co-ops carry their own CO-OP brands of daily-delivered perishables requiring freshness.

In the 1960s, the Japanese rapid economic growth had brought floods of hazardous products to the marketplace, and had deteriorated the environment. Under such a situation, the co-op started to develop its own products as a safer alternative.

Since then the CO-OP brand, with an increase of items, has gradually taken root among members and has grown to be one of the most prevalent and popular private brands in Japan, and will continue to be so thanks to the overwhelming support given by the 12 million co-op members. All CO-OP brand products are developed on the basis of member mothers' sincere desires to give their children safe, healthy food and a favourable environment.

To realise their desires, members actively take part in the process of the development and improvement of the products. Most CO-OP brand products are produced by private manufacturers based on specifications of the co-ops, although some large-scale co-ops have their own factories for some lines of foods. Co-ops pay the closest attention to quality control and a strict examination is made of all CO-OP brand products at factories or laboratories.





Close Co-operation with Producers

In the Japanese distributive trade, co-ops are the pioneers of direct transactions with farmers and fishermen. Today, 30% of the food products supplied by co-ops are shipped directly from the producers, bypassing the wholesalers. When engaged in direct transactions, co-ops ensure that the following requirements are met:

- * The producer and the production place are shown to member consumers.
- * The method of production is clearly understood by member consumers.
- * Close communication between the producer and member consumers is established and maintained.



These principles generate a mutual confidence between co-op members and producers and help to ensure the safety and reliability of products. Direct transactions have an aspect of co-operation between co-ops of different kinds. About 50% of the produce and 70% of the marine products supplied by this method are from agricultural and fishery co-ops and their federations.

Co-ops are trying to restore the close relationship the consumer used to have with the producer, before such ties weakened in the course of rapid industrialisation. The co-ops' efforts to establish a new link is a truly creative endeavour, which has changed and will continue to change the status of the existing distribution system.



Co-op Stores in the Community

While half of the products supplied by co-ops are delivered to the members' doorsteps, the other half are sold through over 2,000 co-op stores, nearly half of which are operated by citizen co-ops in residential areas.

The co-op stores are divided into three categories, Mini-store (sales area less than 500m²), Supermarket (500-1,500m²), and Super-supermarket (over 1,500m²). The majority of stores are mini-stores which handle almost exclusively CO-OP brand food items. Supermarkets deal with food and household articles as the main lines of merchandise, some 60-70% of which are CO-OP brand. Super-supermarkets are also called "Combination stores", where the merchandise assortment of food and non-food is fifty-fifty.

One of the characteristics of the Japanese legal provision for the consumer co-ops is a prohibition of non-member purchases, and therefore, measures are taken at stores in each co-op to identify the customer as a member.

In Japan, where one and a half million retailers exist, opening a new store is not easy, and this is especially so for the co-op. There are two major tasks the co-op and its members must tackle before store construction.

The first is to organise neighbouring consumers into a co-op to ensure active support of the store. The success of the store depends on how many members it has and how much patronage it is given by them. The second is to obtain the agreement of retailers in the community on the store's opening. This is indispensable for a future smooth operation based on harmonisation with and co-prosperity of the local community.



Joint Buying in the Spirit of Sharing

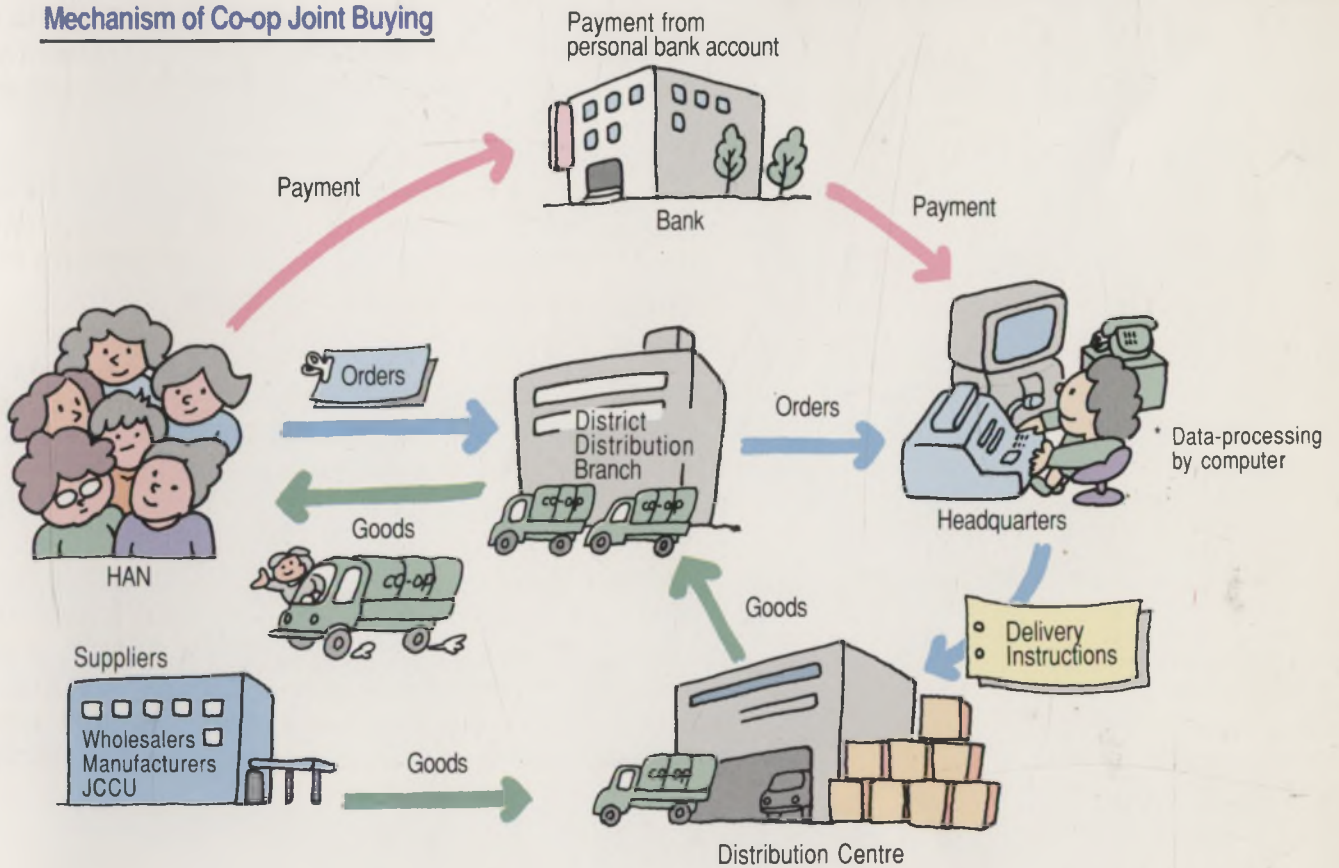
Half of the co-op products are supplied to members by the joint buying system in which a group of co-op members living in the same neighbourhood (HAN) places orders jointly, and the ordered products are delivered to the group one week later.

Joint buying is very prevalent in the co-op's supply system in Japan, as it does not require a large investment and is convenient for the members. The members can purchase safe and reliable products even without nearby co-op stores, and also reduce shopping time thanks to the delivery service. Moreover, they become practiced in planned purchases, which contributes to a better household economy.

The most important aspect of joint buying is that it provides members with a place to meet and talk every week, and it prompts members to help each other not only in shopping but also in everyday life. As the percentage of nuclear families grows and neighbourhood ties weaken, the housewives increasingly hope to build new human relationships. The joint buying fosters and strengthens the spirit of mutual sharing and caring among members.



Mechanism of Co-op Joint Buying



HAN - a Place for Co-operation



To become a co-op member, the consumer must pay a share capital of ¥3,000-5,000, whereupon she/he will be invited to join a "HAN". The Japanese term "HAN" means a small organisation group.

A unique feature of Japanese co-ops is the formation of "HAN" groups as the basic organisational unit, each being made up of 5-10 individual members living in the same neighbourhood. The HAN is formed both in retail and medical co-ops. Here an example from a citizen co-op is shown.

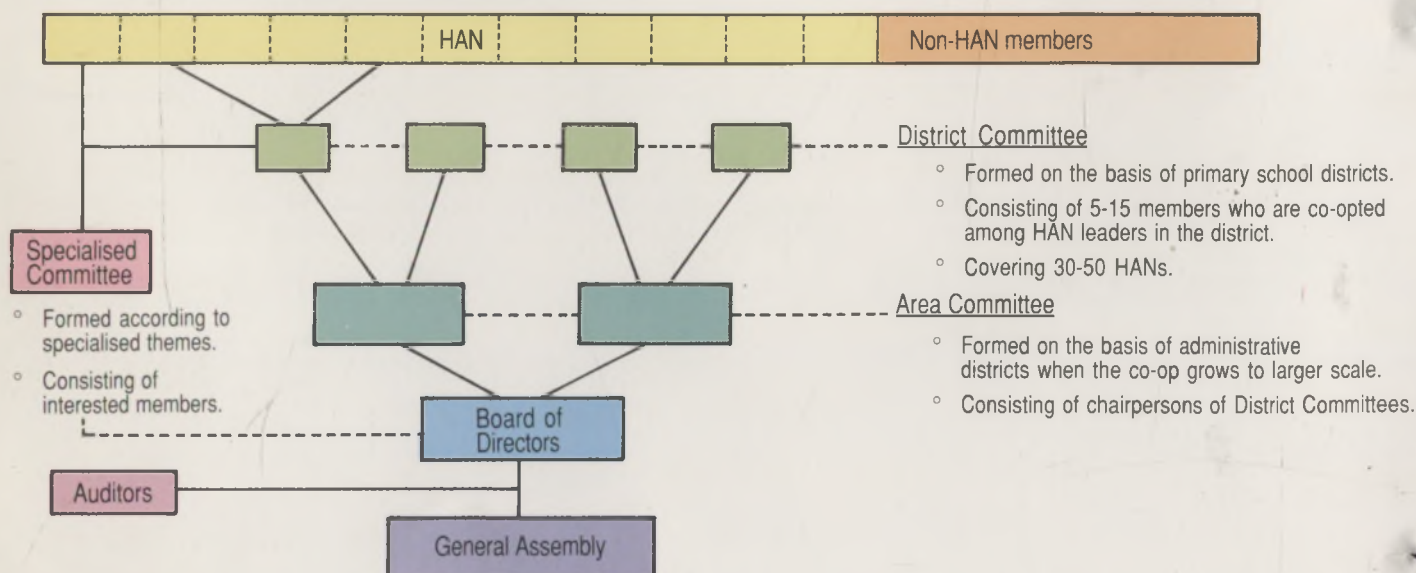
Basically there are 2 types of HAN: one based on joint buying and the other centred around a co-op store. To participate in a joint buying activity, the member must be a HAN member, but all co-op members can utilise the co-op stores. Some members living close to a co-op store, therefore, are less motivated to join a HAN. Nevertheless, the co-op encourages as many members as possible to join a HAN in the hopes of stimulating more members to take part in the co-op administration.

The HAN helps to assure the democratic administration of co-op societies no matter how huge they become, since the HAN is where members voice their opinions, complaints and requests on the co-op, as well as where information on co-op's policy, activity and other matters is available.

The HAN also functions as a centre of member activities such as recruiting membership, increasing share capital, holding study meetings and recreational events, etc. The members in the HAN discuss various topics, learn from and help each other in daily life. In other words, the HAN is a place for co-operation among members.

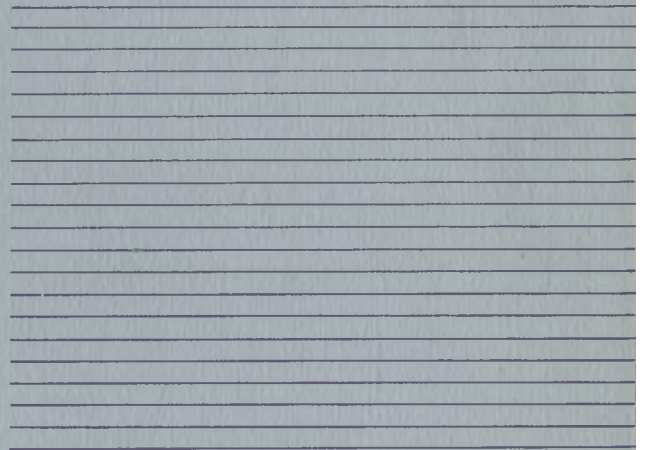


Administrative Structure of Co-op Society



CO·OP

INFORMATION

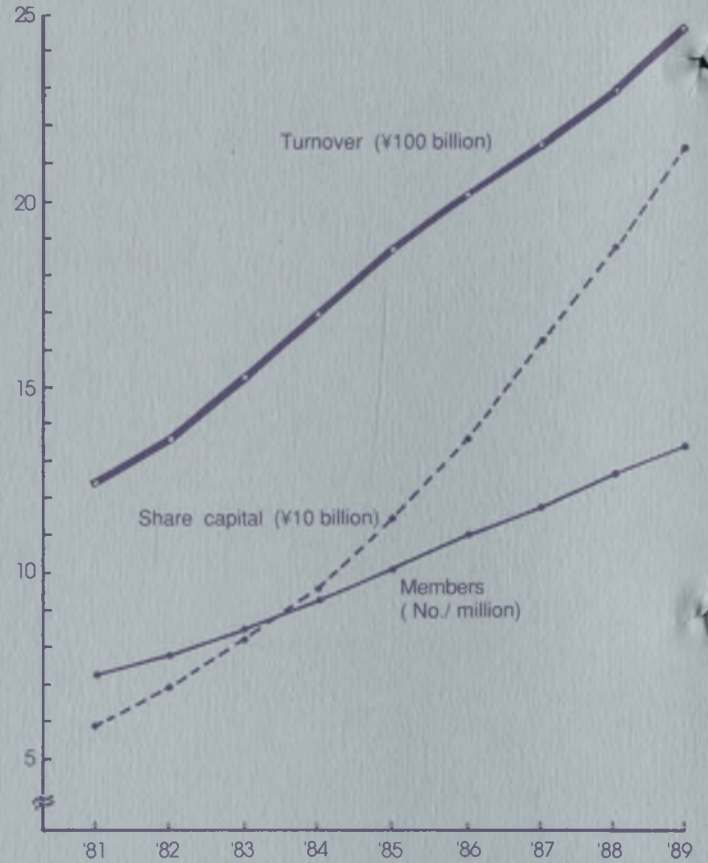


*1990 Edition
for Fiscal Year 1989
(from April 1989 to March 1990)*

Sum-up of Japanese Co-ops

	1989	1988	'89/'88(%)
Co-op societies (No.)	665	665	+1.5
Members (No.)	13,364,233	12,664,439	+5.5
Han groups (No.)	943,285	831,820	+13.4
Han members (No.)	5,311,079	5,010,451	+6.0
Han members ratio (%)	39.7	39.6	-
Total turnover (¥ Mil.)	2,502,803	2,326,805	+7.6
Retail sales (¥ Mil.)	2,275,281	2,123,863	+7.1
Services sales (¥ Mil.)	227,522	202,942	+12.1
Share capital (¥ Mil.)	215,863	187,149	+15.3
Share capital per member (¥)	16,153	14,778	+9.3
Co-op bonds (¥ Mil.)	79,264	77,094	+2.8
Retail outlets (No.)	2,330	2,259	+3.1
Sales area (m ²)	1,049,347	1,005,574	+4.4
Full-time employees (No.)	51,465	48,566	+6.0
JCCU wholesale (¥ Mil.)	393,536	367,166	+7.2
JCCU CO-OP brands wholesale (¥ Mil.)	233,610	228,032	+2.4
Co-op retail share in Japan (%)	2.64	2.45	-

Evolution of Japanese Co-ops



Japanese Top 10 Co-ops

	Turnover (¥ Mil.)	'89/'88 (%)	Members (No.)	'89/'88 (%)
1. Nadakobe	297,057	+6.7	969,196	+3.7
2. Kanagawa	134,216	+3.0	769,716	+5.1
3. Sapporo	131,909	+5.2	630,058	+5.8
4. Tokyo Citizen	80,240	+7.2	380,390	+7.7
5. Saitama	63,459	+7.5	270,467	+9.7
6. Miyagi	62,282	+7.4	296,057	+5.7
7. Toyota	60,449	+2.2	164,347	+4.5
8. Kyoto	54,228	+7.3	287,413	+7.6
9. F	53,054	+3.0	239,435	+4.8
10. Osaka Izumi Citizen	46,486	+6.4	180,094	+7.8

* The top 10 co-ops represent 40% of the total turnover of the Japanese co-ops.

World Top 10 Co-ops

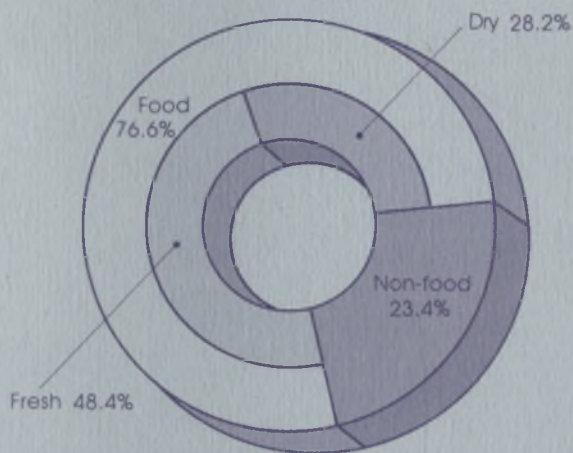
	Turnover (ECU Mil.)	'89/'88 (%)	Members (No.)
1. Konsum Österreich, Austria	1,862	+3.0	792,000
2. Nadakobe Co-op, Japan	1,758	+6.7	969,000
3. CRS, Great Britain	1,663	+6.4	1,358,000
4. FDB Retail, Denmark	1,486	-	696,000
5. Konsum Stockholm, Sweden	1,259	+3.5	324,000
6. Coop Dortmund-Kassell, W. Germany	1,228	+2.5	500,000
7. CWS Retail, Great Britain	1,071	+9.7	1,164,000
8. Tradeka, Finland	925	+9.0	-
9. Co-op Kanagawa, Japan	794	+3.0	770,000
10. Co-op Sapporo, Japan	781	+5.2	630,000

* Inter-Coop Statistics 1989. The figures on Japanese co-ops are adjusted based on the final data.

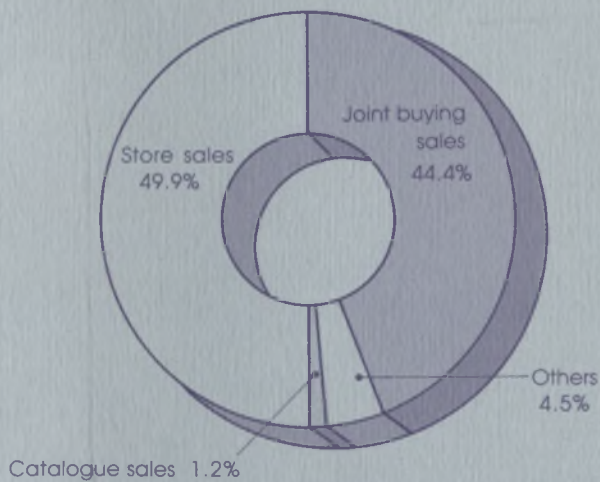
Composition of Co-op Stores

	Number (%)	Sales area (%)	Turnover (%)
- 199m ²	48.9	10.2	15.6
200m ² -	26.1	19.3	21.0
500m ² -	19.2	36.4	34.8
1,500m ² -	4.3	18.8	16.1
3,000m ² -	1.5	15.3	12.5

Retail Sales According to Products



Retail Sales According to Operation Types



Basic Figures of Non-retail Co-ops

(Medical Co-op)

Co-op societies (No.)	117
Members (No.)	1,367,145
HAN groups (No.)	14,490
HAN members (No.)	180,000
Hospitals (20 and more beds) (No.)	81
Clinics (less than 20 beds) (No.)	194
Beds (No.)	12,634
Doctors (No.)	1,620
Nurses (No.)	8,711
Other staff (No.)	8,073
Turnover (¥ Mil.)	173,967

(Insurance Co-op)

Co-op societies (No.)	59
Policies (No.)	27,980,000
Premium income (¥ Mil.)	263,300
Claims paid (¥ Mil.)	91,100
Full-time employees	2,359

(As of May, 1990)

(Housing Co-op)

Co-op societies (No.)	49
Members (No.)	875,060
Housing units constructed (No.)	2,196
Full-time employees (No.)	425

(As of March, 1990)

Basic Figures of University Co-op

Co-op societies (No.)	170
Members (No.)	985,398 *
Turnover (¥ Mil.)	159,730
Full-time employees (No.)	2,500

(As of March, 1990)

* As of September, 1989

Profile of Japanese Consumers' Co-operative Union (JCCU)

Head office:	4-1-13, Sendagaya, Shibuya-ku, Tokyo 151, Japan Phone: (03) 497-9103
Established:	March 1951
President:	Mr. Isao Takamura
No. of member Co-ops:	665
No. of member prefectural unions:	43
Total co-op members:	13.3 million
Total co-op turnover:	2,502,803 million yen
JCCU turnover:	393,536 million yen
Of which, wholesale of CO-OP brand products:	233,610 million yen
No. of JCCU CO-OP brand items:	9,643 (as of March, 1990)
Share capital:	6,489 million yen (as of Mrch, 1990)
No. of full-time employees:	748
Functions:	As a sole national consumer co-op organisation, it fulfills the following functions. * Formulation of co-op national policies * Coordination of member activities at national level

- * Representation of co-ops' voice at national and international level
 - * Planning, development and supply of CO-OP brand products
 - * Other business operations including mutual insurance, travel agency, and publishing
 - * Guidance on member co-op management and staff education through correspondence courses and seminars
- Subsidiaries:
- * Co-optrade Japan Ltd.
Set up in 1956 as an international trading organ owned wholly by JCCU. Has trading relationship with co-operative organisations and other trading concerns of 25 countries throughout the world. Main trading items are marine products, food, clothing, logs for import and machines, electric appliances for export.
 - * Co-op Clean Co., Ltd.
Set up in 1978 as a joint venture with detergent company. Develops and controls production of a large variety of CO-OP brand detergents free from allergic reactions and causing less pollution to the natural environment.
 - * National School Supplies Co., Ltd.
Set up in 1967. Supplies both schools and students with economical but quality education materials developed through practical teaching experience.

JCCU Balance Sheet (as of March 20, 1990)

ASSETS

Current Assets	¥ 88,092,078,181	
Fixed Assets		
Tangible Fixed Assets	6,605,856,800	
Intangible Fixed Assets	78,900,590	
Other Fixed Assets	4,770,510,457	11,455,267,847
Total Assets	¥ 99,547,346,028	

LIABILITIES AND CAPITAL

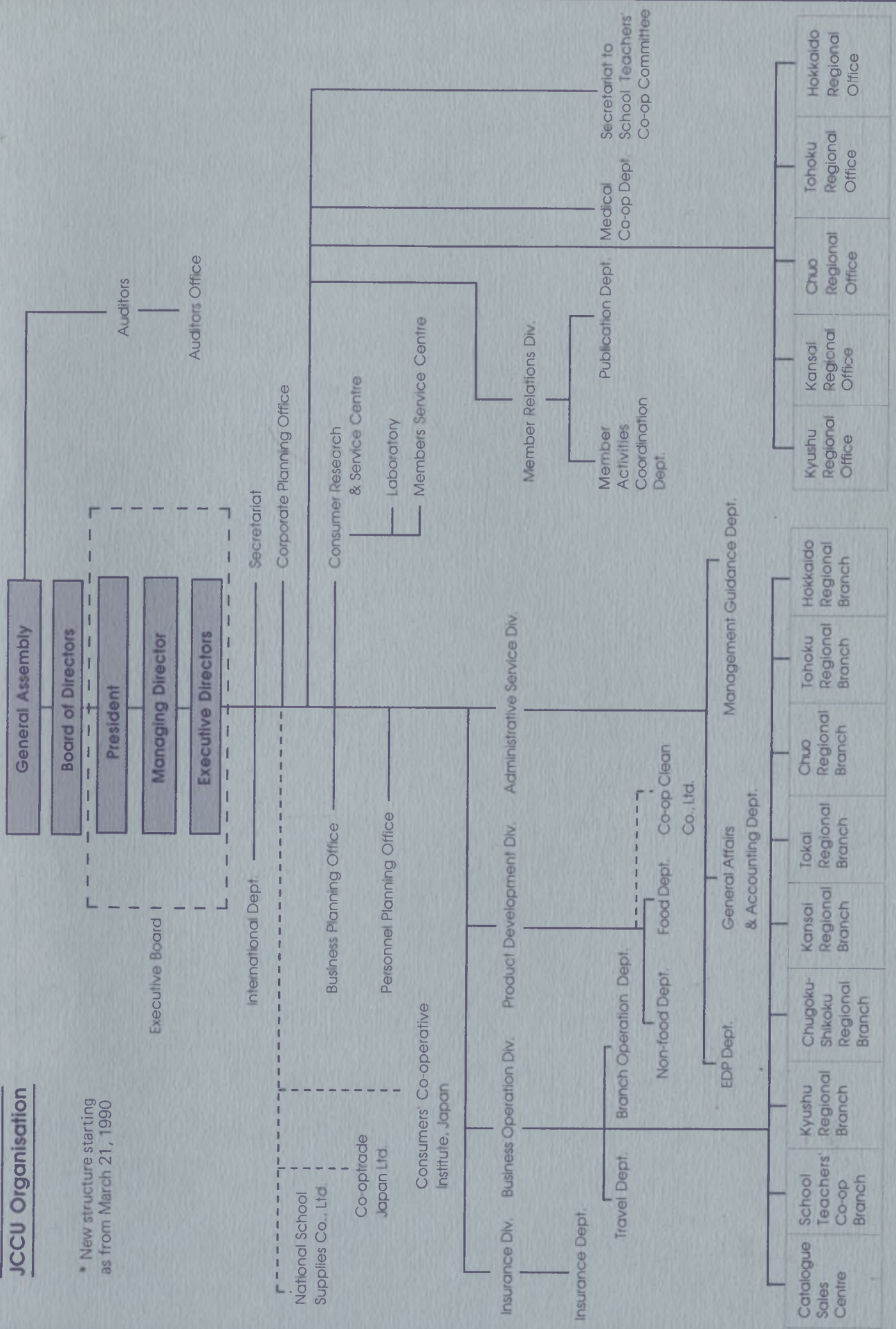
Current Liabilities	¥ 79,705,176,046	
Fixed Liabilities	5,153,921,874	
Share Capital	6,489,900,000	
Retained Surplus		
Legal Reserves	4,251,000,000	
Voluntary Reserves	1,340,000,000	
Unappropriated Surplus	2,607,348,108	8,198,348,108
Total Liabilities and Capital	¥ 99,547,346,028	

JCCU Profit and Loss Statement (from March 21, 1989 to March 20, 1990)

Sales	¥ 383,824,411,403
Cost of Sales	<u>365,849,217,945</u>
Gross Profit	17,975,193,458
Subscriptions Revenue	661,063,900
Management Guidance Surplus	258,252,870
Mutual Insurance Surplus	189,475,823
Other Revenues	<u>1,078,115,446</u>
Total Revenues and Surplus Funds	20,162,101,497
Trading Expenses	<u>17,808,479,618</u>
Trading Surplus	2,353,621,879
Non-trading Net Revenues	<u>1,474,973,159</u>
Current Surplus	3,828,595,038
Extraordinary Profits	475,068,441
Extraordinary Losses	<u>165,276,077</u>
Surplus for Year before Taxation	4,138,387,402
Taxation	<u>1,537,911,213</u>
NET SURPLUS FOR YEAR	¥ 2,600,476,189

JCCU Organisation

* New structure starting as from March 21, 1990



Major Japan Data

Population 1)	121,049,000 (1985)
Households 1)	38,133,000 (1985)
Gross national product 2)	347,060 billion yen (1989)
Private consumption 2)	189,809 billion yen (1989)
Retail sales 1)	101,719 billion yen (1985)
Consumer Price Index 1)	
Food	102.2 (fiscal year 1985 as * 100*)
Total	103.7 (1985 as * 100*)

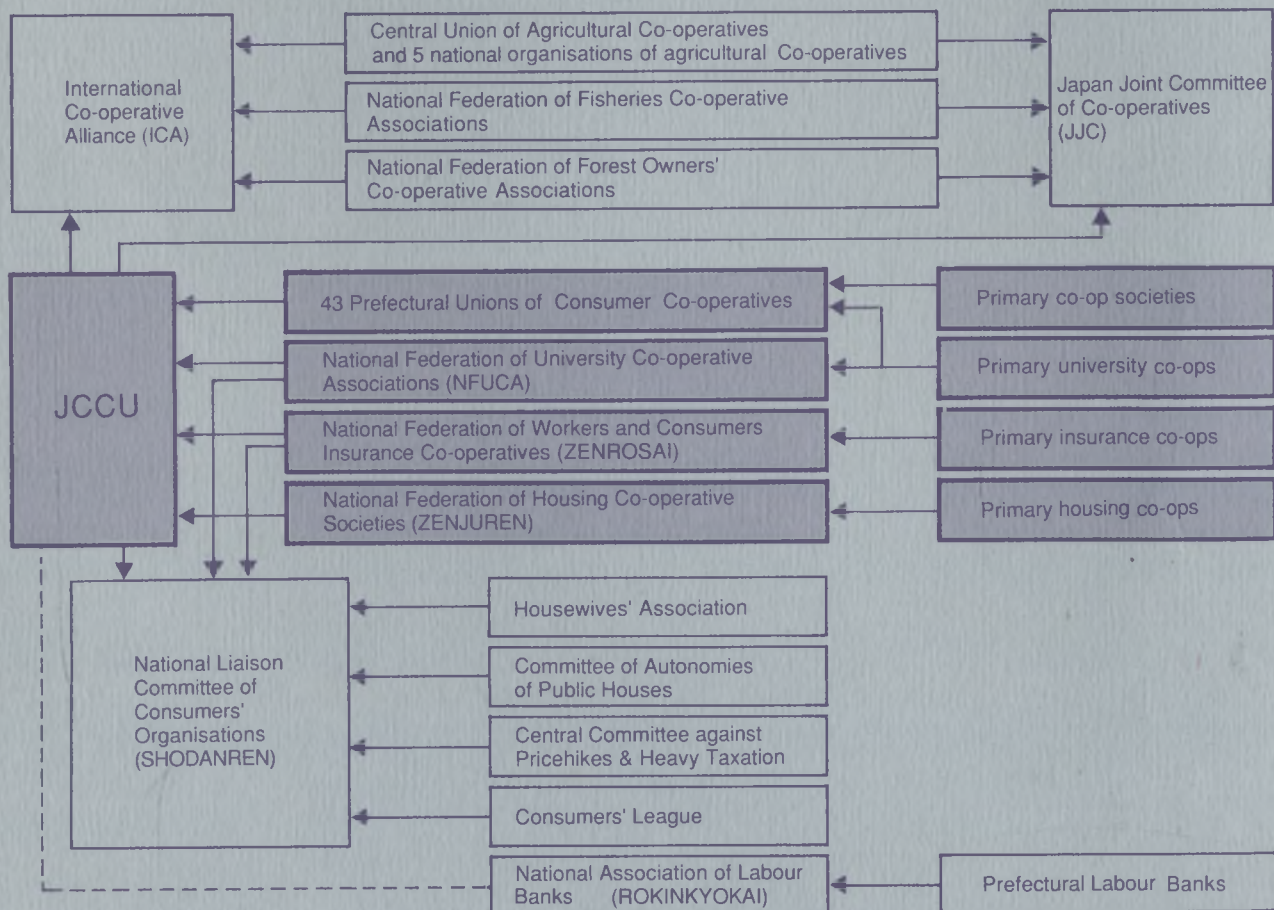
Source: 1) Toyokeizai Data Bank
2) Economic Planning Agency

Composition of Japanese Workers' Household Consumption Expenditures (Monthly average in yen for 1989)

	Yen	Composition
Total income	495,849	
Total expenditures	316,489	100.0%
Food	76,795	24.3
Housing	15,846	5.0
Utilities	15,888	5.0
Furniture & household goods	12,388	3.9
Clothing	22,578	7.1
Medical & health care	8,092	2.6
Transport & communications	32,217	10.2
Education	15,349	4.8
Recreation & entertainment	29,585	9.3
Others	87,753	27.7

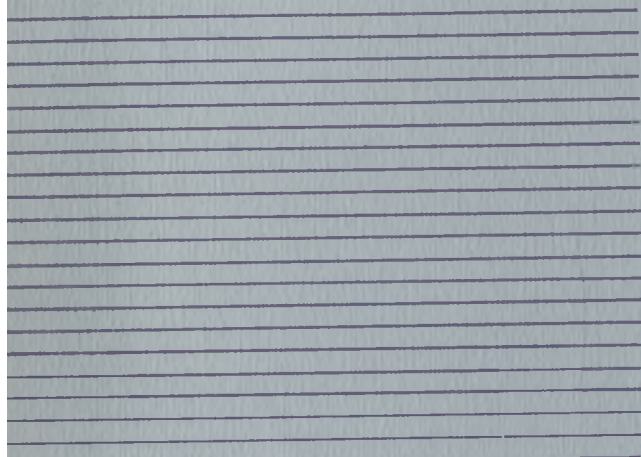
Source: Management and Coordination Agency of Japanese government


JCCU Members and Related Organisations



LOCATIONS OF TOP 10 CO-OPS AND JCCU OFFICES





 **Japanese Consumers' Co-operative Union**

4-1-13, Sendagaya, Shibuya-ku, Tokyo 151, Japan
Telephone: (03) 497-9103
Telex: 2423380 NCOOP J
Telefax: (03) 497-0722
Telegram: Consumunion Tokyo

Member Activities Expanding the Sphere of Life

While the most frequent activity for many members is the joint buying or shopping at a co-op store, there are diverse types of co-op activities in which members participate voluntarily, based on their respective interests.

Although member housewives are most closely involved with the daily life of households, naturally their interest and demands are not limited only to things related to consumer life but extend to various social and economic problems.

In this regard, they are actively involved in various themes, such as peace, household economy, food safety, dietary habits, environment, culture, education, welfare, mutual aid, UNICEF fund-raising, and consumer rights. Especially, the peace campaign is one of the most active fields in every co-op.

The basic unit for member activities is also the HAN, and a District Committee coordinates and promotes these activities. A Specialised Committee is set up, if the theme requires deeper study. Through such activities, an increasing number of member housewives have expanded their sphere of life from the home to the outside world. The energy shown in those activities is the power able to ensure a bright future of "Peace and a Better Life Full of Humanity".



Co-op International Activities

The JCCU is a member of the ICA (International Co-operative Alliance: 72 countries, 183 organisations, 590 million individual members) and has been active in promoting ICA's objectives since its affiliation in 1952.

The JCCU works closely with overseas movements for common purposes, such as spreading the co-operative ideas, promoting the co-operatives, and realising world peace. Through these joint efforts, friendly relations have been expanded and strengthened.

The ICA Consumer Committee for Asia has played a leading role in consumer co-op development in Asia. The JCCU is positive, as a member of the committee, in providing technical and financial assistance in response to increasing expectations from Asian movements, and fund-raising campaigns for this purpose have been started throughout the country.

UNICEF fund-raising campaign is another international mutual aid activity. The Japanese co-ops, with an almost 10-year history of participation in this campaign, are now one of its major promoters in Japan. The campaign is widely and strongly supported not only by member mothers but also by their children.

Interco-operative trade has expanded recent years. Co-optrade Japan Ltd., a JCCU subsidiary, is engaged in import and export business with overseas co-ops and other trading firms around the world.



Unique Japanese Co-ops

Medical Co-ops:

Medical co-ops are formed by people who wish to keep in good health. The co-ops operate hospitals and clinics, in response to members' wish to have their own medical facilities that they can utilise free from care.


Today, over one million households belong to more than 100 medical co-ops in Japan. Here also, members organise HAN groups as basic units, where they study about health checks and healthy living practices, as the emphasis of the activities in medical co-ops is placed on preventive medicine. Another feature of medical co-ops is an equal relationship between patients, doctors and other medical staff. Constant efforts are made to maintain personal communication among them, and patient-oriented services.

University Co-ops:

University Co-ops are operated in universities and colleges to serve students and faculty members, and run a wide range of business such as book stores, daily commodity stores, canteens, travel, insurance, ticket agencies and other services. While these business operations are conducted by employees, member-relation activities are promoted by the co-op student committees.

University co-ops have contributed to the development of citizen co-ops since the 1960's, when some of today's leading co-ops were founded thanks to their financial and manpower assistance. University co-ops educate students to understand co-operative ideas through daily contact with them, hoping they will still support the co-op movement after graduation.



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FISHERY COOPERATIVES IN JAPAN AND ROLE OF ZENGYOREN

April 18, 1991

by Masaaki Sato*
Deputy Manager
Member Cooperative Activities Promotion
Division,
Zengyoren (National Federation of Fisheries
Cooperative Associations),
Japan

* Secretary of ICA Fisheries Committee

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I. Fishery Cooperatives in Japan

1. Organizational Structure of Fishery Cooperatives in Japan

The structure of fishery cooperatives in Japan is three tiered. Namely, fishermen belong to local level fishery cooperatives as member. The local fishery coops are affiliated to prefectural level federation of fishery cooperatives as member. These prefectural level federations belong to Zengyoren (National Federation of Fisheries Cooperative Associations).

The sense of belonging of Japanese fishermen to fishery cooperatives is strong. In Japan, membership qualifications of fishery cooperatives are as follows.

- He/she must be engaged in fishery for more than a given number of days as provided for in the articles of association of the cooperative in question. The number of days is determined by the cooperative between 90 and 120 days a year in accordance with the fishery cooperative law.
- He/she must have his/her residence in the area of the cooperative in question.
- Those individuals or companies who own more than 3,000 Gross Ton of fishing vessels can not become full member of the cooperative. Such people/companies may join the cooperative as associate member.

In Japan, fishermen belong to fishery cooperatives 100 % as either full member or associate member.

One of the reasons for this high percentage of membership may be attributable to usefulness of the cooperatives' services to the members. For example, about 50 % of fishery products caught by the fishermen in Japan are marketed through fishery cooperatives: the cooperatives have the power to sell the products for fishermen at advantageous prices. The services rendered by the fishery coops to the member fishermen cover almost every aspect of fishermen's requirement: from welfare, obtaining of fishing gear, insurance, etc. etc.. In other words, fishery coops in Japan are multi-purpose cooperatives.

However, there has been a move for promoting amalgamation/merger of fishery coops in recent years in order to tide over economic difficulties of the coops affected by slow growth of the fishing industry. Stagnant fish prices plus increasing labour cost, increase in the prices of fishing materials such as gear and fuel oil have hard pressed the management of business.

Free competition in bank interest has hard pressed the credit business of the coops as well. This has pushed the whole fishery cooperative sector to look for ways of survival, including reorganization of the three tier system.

Why fishery cooperatives are necessary ?

For this answer, Fig. 1 may give you basic ideas.

As regards organizational structure of fishery cooperatives in Japan, see Fig. 2.

2. Role of Zengyoren

The role of Zengyoren is to represent the interest of member organizations and fishermen members and bring the demand of members to the government calling for appropriate policies.

In addition to this, Zengyoren has the following functions.

- Providing of educational and training courses to the officers and staff of member organizations as well as primary fishery cooperatives;
- Making various information available to member organizations such as on government policy trends, changes in market situations, world news on fishery matters, progress and development of other industries etc, credit news and so forth,
- Supplying of fuel oil and other materials for fishing such as engines, fishing net etc.;
- Marketing of fishery products of the members etc..

When necessary, Zengyoren sends its mission to support government negotiations on fisheries with foreign countries.

I I. Japanese Government Support to Fishing Industry and Fishery Cooperatives

1. Support from Legal Aspects

Fisheries Law and Fisheries Cooperative Association Law are the basic laws which rule fishing industry and fisheries cooperatives in Japan. Accordingly, major objectives and contents of these two laws are briefly outlined hereunder to clarify in what aspects legal support to Fisheries Cooperatives is provided for.

(1) Fisheries Law

Fisheries Law is the law which provides for fundamental legal framework for production of fisheries, namely use of fishing ground (such as which fishing ground may be used, who can use it, what kind of fishing gear may be allowed and what kind of fishes may be caught).

Fishes are Res Nalius. This Res Nalius principle is applied to fishes: those who catch first can own them.

If it is left free, it may well lead to fisheries disputes.

In order to prevent this from happening and secure reasonable use of fishing ground, a system of fishing right is provided.

The fishing right is largely divided into the following three.

- Common fishing right
- Demarcated fishing right for aquaculture of nori (laver, a species of seaweed) and oyster etc.
- Set net fishing right which is permitted to large set net set in position in waters of over 27 meters in depth.

Exclusive ownership of specified demarcated fishing right, which is part of the common fishing right and demarcated fishing right, is permitted only to Fishery Cooperatives.

Fishing right is applied to only relatively immobile fishing methods. While in the case of mobile fishing methods chasing after fishes, fishing permit system is applied.

As regards relatively large scale fisheries such as of skipjack and tuna, there are regulations of fishery control for each type of fishery. Based upon such regulations, the government determines number of fishing vessels to be licenced after hearing the opinion of the Central Fishery Coordination and Adjustment Commission.

Fishery licence controlled by the government is known as designated fishery licence. Most of all important offshore and far seas fisheries are governed by this licence system.

The Fisheries Law of Japan is complex, elaborate and systematic.

Marked characteristics of this Law is that it provides for limited entry system that is much more comprehensive than those of other countries.

(2) Fisheries Cooperative Association Law

This law was established with a view to contributing to improving socio-economic status of fishermen and fish processors (members of fishery coops and fish processors cooperatives). For this purpose it provides for provisions that should help them carry out their economic activities under cooperatives by joining efforts and increase productivity of fisheries. The business of fishery cooperatives is not meant for profit-making on the part of cooperatives but rather, it is undertaken for the benefit of fishermen (members).

Different from general companies in which any kind of businesses may be undertaken as long as they are within the framework of their business purposes, kinds of fishery cooperatives' businesses which may be engaged in are limited by the Fisheries Cooperative Association Law. This is the characteristic feature which makes cooperatives different from general companies.

Fishery cooperatives have their own articles of association in which organization, business, membership, management, establishment and dissolution etc. are provided for in detail based upon this law.

The basic idea and backbone of this law are derived from the Cooperative Principles adopted at the ICA Congress.

Members (i.e., fishermen) of fishery cooperatives have various rights supported by the Fisheries Cooperative Association Law.

They include;

- Decision making right at the time of general meeting;
- Voting right;
- Eligibility of candidacy and right to be elected as director or representative;
- Right to request convening of general meeting;
- Right to request re-election of directors;
- Right to use the services of fisheries cooperatives;
- Right to receive dividend out of retained earnings, and so forth.

Conversely, members have the following obligations to the fishery coops;

- Obligation to cooperate with maintaining of order within the cooperative;
- Obligation to pay his (her) membership share capital;
- Obligation of ex-members who retired within the fiscal year to pay his (her) duty apportioned against the loss of the cooperative;
- Obligation to pay surcharges, and so forth.

Regular inspection of fishery cooperatives business and their account by responsible administrative authorities is an example of direct government

support to fishery cooperatives. This is done regularly based upon Article 123 of Fisheries Cooperative Association Law which in essence reads as follows.

<Article 123>

The administrative authorities must inspect the business or account of fishery cooperatives regularly once a year by checking account books and other relevant documents.

Prefectural governments are obliged under this provision to implement this once a year. Fifty per cent of the expenses required for this inspection are subsidized by the government in accordance with Article 123-2.

The objective of the inspection is to diagnose soundness of management of the cooperative and to provide necessary guidance and advices as appropriate by checking if there are any illegalities and/or failures in business administration and accounting.

(3) Other relevant laws

There are other laws relevant to fisheries as follows.

- Fisheries Resource Conservation Act
- Coastal Fisheries Promotion Act
- Coastal Fishing Ground Development Act
- Special Act for Fisheries Re-construction and Development
- Fishery Production Coordination Cooperative Act
- Wholesale Market Act
- Fisheries Cooperative Amalgamation Promotion Act
- Small and Medium Scale Fisheries Loan Gurantee Act
- Agriculture, Forestry and Fisheries Credit Fund Act
- Fisheries Modernization Promotion Fund Act
- Agriculture, Forestry and Fisheries Central Cooperative Bank Act
- Agriculture, Forestry and Fisheries Finance Corporation Act
- Fishing Vessel Act
- Ships Act
- Ships Safety Act
- Ships Crew Act
- Seamens' Act
- Fishing Port Act
- Public Waters Reclamation Act
- On the Sea Traffic Safety Act
- Anti-Pollution Basic Act
- Water Quality Degradation Prevention Act
- Act for Prevention of Oceanic Pollution and Disasters on the Sea
- Oil Pollution Damage Compensation Act
- Fisheries Accident Compensation Act
- Fishing Vessel Damage Compensation Act
- Insurance Act for Remuneration of Fishing Vessel Crews and so forth.

2. Support from Taxation Aspects

In order to secure strengthening of self-capital and achieving of modernization of small and medium scale fishing management units as well as fishery coops, the following tax preferential treatment measures are taken.

(1) Measures for individual fishermen

The following measures are taken to benefit individual fishermen from taxation point of view. Namely, they are:

- Various items credited against income tax, namely tax exemption measures such as;
 - * Basic deduction from the assessable income
 - * Tax exemption for wife/husband
 - * Tax exemption for dependents
 - * Deduction of 100,000 Yen/year from income for taxation (This much is regarded as kind of clerical expenses.)
- Reduction of tax payment by application of;
 - * Family members tax reduction system for those who are engaged full time in fisheries (350,000 Yen/person/year can be deducted.)
 - * Business operator remuneration tax reduction system (This system is to regard family fishing business as one unit and apply tax reduction (= lowering) measures as it is done in ordinary companies.)
- Applying special average taxation method with which to reduce payable taxes which must be otherwise paid by progressive scale system of taxation

This refers to application of this special measure to income of individual fishermen's fisheries and aquaculture businesses such as, for example, from catches by capture fisheries and collection of laver (a kind of seaweed), aquaculture of yellowtail, oyster, eel, scallop and pearl.

This is because their income is regarded as fluctuation income since their catches and harvest are highly liable to suffer from changes in natural phenomena.

For example, suppose that the average income per year of fisherman A for the past three years was 900,000 Yen.

However, his income from fishing this year is good, bringing him as much as 1,400,000 Yen, 500,000 Yen higher than that of average income of the past 3 years.

Now, according to the progressive scale system of taxation, income tax progressively increases as the income increases, for example, as follows.

Income/year in Yen	Percentage of tax on income
Less than 1,000,000	10 %
1,000,001 ~ 2,000,000	15 %
2,000,001 ~ 3,000,000	20 %
5	
7,000,001 ~ 8,000,000	50 %
Over 8,000,001	55 %

The benefit of this special average taxation method is as follows.
 If he pays his income tax normally, then he must pay 210,000 Yen (1,400,000 Yen x 0.15 = 210,000 Yen).
 But if he uses this method, he only needs to pay 140,000 Yen.
 The reason is that the difference between 1,400,000 Yen and 9,000,000 Yen is 500,000 Yen. This special average taxation method allows to apply income taxation method as follows.

	Difference = 500,000 Yen

	<p>This special measure allows to add one fifth of this difference i.e., 100,000 Yen, in addition to the average income of the past three years as basic figure for income tax assessment. Thus, his income tax this year is calculated on the basis of 10 % rate, same as before and apply this rate to total income.</p> <p>900,000 + 100,000 = 1,000,000 ⇒ 10 % 1,400,000 x 10 % = 140,000 Yen</p>

900,000 Yen ⇒ 1,400,000 Yen
 Average income of past 3 years Income of this year

Similarly, in local taxes, the following tax abating measures are taken.

- Family members tax reduction measures for those who are engaged full time in fisheries concerning inhabitant(= resident) tax and business tax.
- Business operator remuneration tax reduction measures concerning inhabitant tax (This measure is to regard family fishing business as one unit and apply tax reduction (= lowering) measures as it is done in ordinary companies.)
- Business owner tax reduction measure concerning business tax

(2) Measures for juridical person (fishing companies)

Reduced rate of corporate tax is applied to small and medium scale juridical person (= fishing companies) whose capital is less than 100 million Yen (704,000 U.S. \$).

In addition to this, the following measures are taken.

- Allowance for extra appropriation to doubtful accounts
- Inclusion of entertainment expenses into loss account in case of juridical person of 50 million Yen (352,000 U.S.\$) or less in its capital in its capital

In local tax also, the following tax reducing measures are taken for

juridical persons (fishing companies).

- Application of reduced rate of business tax
- Reduction of equalized tax burden of inhabitant (= resident) tax of juridical person

(3) Measures for fisheries cooperatives etc.

Corporate tax rate on special juridical person like fishery cooperatives etc. is specifically set at lower percentages compared to ordinary companies (see Table 1).

In addition to this, the following measures are taken for the benefit of fishery cooperatives.

- Inclusion of fisheries cooperative business patronage dividend into loss account
- Inclusion of retained income into loss account

(4) Other measures for modernization etc. of small and medium scale fisheries

In addition to the above mentioned measures, special measures are taken to help modernize and rationalize businesses of small and medium scale fisheries. They are as follows;

- Allowing of special depreciation on machinery etc. of small and medium scale fisheries operators/proprietors,
- Allowing of extra depreciation on fishing vessel of small and medium scale fisheries operators and proprietors,
- Special tax reduction concerning subsidies etc. associated with change of occupation, cessation of business etc.,
- Special tax reduction on fisheries compensation/indemnity against government/administrative authorities' taking of properties for public use,
- Tax exemption of alcohol drinks and goods loaded on board ships going to foreign ports etc.,
- Exemption of import tariff (customs duty) and petroleum tax concerning marine diesel oil for primary industry use, and so forth.

3. Support from Budgetary Aspects

The budgetary support by the government includes financial assistance programme such as by subsidizing bank interest for building of fishing vessels, building of cold storages, etc..

III. Resolutions of Demand adopted at the 3rd All Japan Fisheries Cooperatives Rally for Government Policies and Action

The following resolutions of demand were unanimously adopted at the 3rd All Japan Fisheries Cooperatives Rally held in Tokyo on November 17, 1989 in which 1,900 representatives of fisheries cooperative organizations participated from all across the country.

Incidentally, the items underlined below indicate most important demand items.

1. Development of Fisheries in the Fishery Zone of Japan.

Major emphasis is placed on the following items.

- * Establishment of most appropriate measures for marine resources management within the 200-mile fishery zone of Japan
- * Conservation of fishing ground environment
- * Promotion of farming fisheries
- * Development of fishing ground

In more concrete terms, the following items are included.

(1) Establishment of complete 200 mile zone regime

- * Doing away with exception clause of Japan's 200 mile fishery zone and applying it to all foreign vessels working in the zone

Japan declared its 200-mile fishery zone in 1977 but it was not a complete law because China and South Korea were exempted from its application.

Consequently, various problems have continued to occur in the 200 mile fishery zone of Japan, particularly in relation to the frictions between Japanese fishing vessels and Korean vessels. This demand is therefore the one which calls for derogation of this except clause and demands application of 200 mile fishery zone provisions equally to them.

(2) Conservation of Fishing Ground and Ensuring Safety of Fishery Products

- * Institutionalization of support structure for fishery products safety research in order to secure the safety thereof and environment conservation

- * Application of stronger measures with which to restrict use of agricultural and other chemical substances, disposition of sewage and waste materials,
Protecting of fishing ground from being polluted by outflow of soil and sand
- * Application of stronger measures to prevent oil pollution, outbreaks of red tide,
Securing of safety of nuclear-power generations
- * Establishing of disposal measures of wastes of fishery origin such as fibre-reinforced plastic boats which are hard to process for recycling and use

(3) Establishment of Fisheries, Controlled for Resource Management, Introducing of Stronger Measures against Pouching and Coordination between Professional Fishing and Sport Fishing

- * Establishing of dependable fishery resource study system for realizing of resource conservation oriented fisheries.
- * Application of appropriate fisheries administrative measures with changes of current fishing licence system when necessary and by making functional use of fisheries interest coordination system
- * Improvement of illegal fishing policing system,
Positive application and improvement of relevant laws and regulations and
Application of stricter government sanctions
in order to effectively prevent pouching
- * Securing of positive application of relevant laws and regulations and amending thereof as appropriate and
Making best use of fisheries coordinating committee
for ensuring order in sport fishing practices
- * Making comprehensive review of existing systems surrounding fisheries and initiate works for betterment thereof and start deliberations, without delay, upon appropriate changes which may be necessary for supporting fisheries cooperatives and/or fishermen's resource management initiatives

(4) Promotion of Fishing Ground Development

- * Promotion of Coastal and Offshore Fishing Ground Development on the basis of appropriate development plan in an effective way by using farming fisheries and aquaculture as part of its methods.

In doing so, the Coastal Fisheries Ground Development Program must be effectively deployed as major framework of the plan.

- * Rehabilitation of fishing ground conditions by implementing coastal fisheries ground development program, fishing port improvement program and new coastal fisheries structure reform program in a concerted way

(5) Promotion of Farming Fisheries and Aquaculture

- * Making further efforts in development of stronger and healthier aquaculture/stocking fry and juvenile production technologies and fry/juvenile releasing technologies so as to promote farming fisheries with a view to making it an essential part required for development of Japan's fisheries

- * Carrying out surveys to find suitable fry/juvenile releasing sites

- * Positive application of such regulations as:
regulations on fish stock nursery zone protection, and
fisheries coordination regulations

- * Making comprehensive reviews on these regulations and revise them as appropriate for establishment of better resource conservation, utilization and management mechanism concerning released stocks

- * Implementation of the following policies and measures for development of aquaculture;
 - introducing of effective fish disease prevention and quarantine system such as by systematizing network of qualified fish disease prevention and quarantine inspectors
 - optimization of use of fishing ground
 - strengthening of product quality control
 - systematization of planned production system
 - development of offshore aquaculture technology

2. Promotion of Fish Consumption, Marketing, Processing and Measures to Secure Reasonable Prices of Fish.

Major emphasis is placed on the following items.

- * Taking following measures in the light of market competition between domestic fishery products and imported fishery products and livestock products plus changes in consumption patterns (due to for example diversification of needs of consumers) and marketing structure,
 - increase of added value of domestic fishery products
 - stabilization of fishery product prices
 - improvement of marketing and distribution system
- * Securing of competitive power of domestic fishery products in the market
- * Securing of order in import of fishery products

In more concrete terms, the following items are included.

(1) Securing of Order in Import of Fishery Products

- * Maintaining of existing import quota system and its items for the purpose of securing balance between demand and supply
- * Implementation of effective measures as follows in order to secure order in due consideration of possible effect of imported fishery products;
 - application of import quota as appropriate
 - control of import (including tariff measures) in close association with changes of production control measures by use of fisheries coordination system
 - having talks between government and private sectors for securing of demand and supply balance
 - having meetings and talks with major fishery products exporting countries

(2) Strengthening of Production Control Measures and Fish Price Securing Measures

- * Improvement of existing system of production control, and development of planned production system under government initiatives
- * Development of a new fish price stabilization system

(3) Fish Consumption Increase Measures

- * Implementation of substantial fish consumption campaign and its related activities
- * Using of fishery products as international cooperation assistance materials
- * Promoting of measures to create increased demand for fishery products in foreign countries

(4) Improvement of Fish Marketing and Distribution System

- * Increased assistance to establishment of fisheries cooperative information network system covering information encompassing production to consumption
- * Support to improvement of fisheries cooperatives' collective (=joint) marketing system
- * Support to introducing of fishery product quality guarantee system
- * Further improvement of freshness retaining system and live fish transport/distribution system

(5) Application of Fishes to Development of New Products and Improvement of Added Value

- * Development of possible uses for producing medicine and industrial products etc. other than foods
- * Promotion of technologies for new product development with which to change under-exploited resources to food materials
- * Improvement of research and development facilities for producing of added value products by product freshness management and processing technologies, and Government administration support thereupon
- * Improvement of necessary facilities as appropriate

3. Stronger Support to Management of Fisheries Business

Major emphasis is placed on the following items.

- * Implementation of following measures for securing stable business management of fisheries
 - rectification of imbalance between the state of stocks (resources) and fishing efforts,
 - strengthening of management structure by cost reduction and increase in added value of the products
 - increasing of support to institutional finance and insurance on fisheries both of which being support pillars of management
 - promotion of planned fishery business operations

In more concrete terms, the following items are included.

(1) Promotion of Reorganization of Fishery Production Structure

- * Promotion of reorganization of fishery production structure by following measures with a view to rectifying imbalance between state of stocks and fishing efforts and to providing bases for reconstruction of fisheries management
 - overall review of current fisheries production structure
 - re-adjustment of fishing licences on a comprehensive and scheduled manner
- * Implementation of appropriate measures to help unemployed fishing vessel crews affected by reduction of fishing fleet
- * Securing of labour forces required for managing of fish processing industry

(2) Reduction of Cost

- * Improvement of research and development structure for production technologies centered on energy saving and cost saving studies in order to realize cost reduction of management of fisheries business
- * Strengthening of administrative guidance designed to help curb overinvestment and take in appropriate technologies

(3) Stronger Support to Institutional Finance and Fisheries Insurance System Development

- * Further development of institutional fishery finance system for securing stability of management of fisheries
- * Securing smooth flow of loans by substantiating the work of small and medium scale fisheries loan guarantee fund system
- * Improvement of fisheries insurance system and securing of 100 % subscription to this system

(4) Promotion of Planned and Scheduled Fisheries Business Development

- * Promotion of planned and scheduled coastal fisheries business development program in order to improve management structure of coastal fisheries and vitalize fishing communities.
- * Improvement of extension services by having stronger and close ties with fisheries extension workers

4. Realization of Active and Viable Fishing Communities.

Major emphasis is placed on the following items.

- * Realization of dynamic and attractive fishing communities
- * Improvement of settlement conditions including:
 - development of basic production structure and environment for life
 - creation of employment opportunities
- * Securing of interest of fishing sector as against advances by other industries to coastal "water front" area development
- * Improvement of welfare measures for fishermen

In more concrete terms, the following items are included.

(1) Improvement of fisheries production basis and environment for life

- * Promotion of fishing port construction and development
- * Securing of scheduled development of environment conditions in fishing communities in order to establish happy communities both in terms of economy and culture

(2) Coordination of Interest between Fishery and Other Industries concerning Development of Coastal Areas

- * Coordination of interest between fisheries development and conservation of natural environment in the event of development of coastal areas
- * Especially, establishment of a system that obliges parties concerned to get fisheries cooperatives etc. necessarily involved in preliminary meetings/consultations etc..
- * Inclusion of justifiable/reliable assessment of such development to fisheries when environmental assessment is made in connection with development in coastal areas

(3) Securing of Orderly Development of Marine Recreational Businesses.

- * The government is requested to present its ideal image or or picture before the population on "how marine recreation should be".
- * Positive application of relevant laws and improvement thereof for development of marine recreational businesses
- * Institutionalization of administrative guidance system concerning development of marine recreational works

(4) Improvement of Safety Measures concerning Work in Fishing Industry and Betterment of Welfare

- * Strengthening of countermeasures to prevent marine disasters and labour accident, for example, by;
 - improvement of communication system,
 - improvement of safety measures, and
 - promotion of labour accident insurance
- * Strengthening of welfare measures such as, for example, improvement of medical care system, fishermen's pension scheme etc.

(5) Promotion of Youth Groups of Fisheries Cooperatives as well as Women's Groups of Fisheries Cooperatives

- * Stronger support to development of organizations of youth groups and women's groups of fisheries cooperatives. In providing such support, both of these two groups of fisheries cooperatives need to be looked upon as central promoters of revitalization of fishing communities
- * Rendering necessary support to secure successors of fishing profession

(6) Support to Appropriate Socio-Economic Development Measures in Fishing Communities

- * Rendering of positive support to;
 - fishing communities for their fish processing and marketing development programs wherein fisheries cooperatives play a central role as a promoter,
 - activities of experience exchange gatherings with people of cities and other urbanized areas

5. Institutionalization of Fisheries Cooperatives for Stronger Management Structures

Major emphasis is placed on the following item.

- * Implementation of necessary measures to help overcome weak management structure of fisheries cooperatives

In more concrete terms, the following items are included.

(1) Promotion of Amalgamation of Fisheries Cooperatives and Business Merger etc.

- * Strengthening of administrative support to amalgamation as well as business merger of fisheries cooperatives in order to help establish stronger management basis of fisheries cooperatives and secure better functions which could meet needs of the members
- * Take necessary administrative steps to support the above objective

(2) Building Up of Stronger Financial Basis of Fisheries Cooperatives

- * Expanding the scope of "Fisheries Cooperative Credit Business Improvement Program" and take necessary measures to substantiate realization of stronger financial as well as management bases of fisheries cooperatives
- * Making deliberations on possible measures for drastic improvement of management of fisheries cooperatives by seeing the development of the above measure

(3) Review/Amendment of Fisheries Cooperative Association Law and Overall Review of Japan's Legal and Other Systems concerning Fisheries

- * Making necessary amendments to Fisheries Cooperative Association Law, without delay, with special emphasis attached to amendment of provisions related to credit business of fisheries cooperatives and/or prefectural credit federations of fisheries cooperatives in order to substantially strengthen organizational, managerial as well as functional aspects of fisheries cooperatives so as to be able to respond to rapid changes of time such as seen in the recent development of liberation of financial market and approval of competitive bank interest rate in Japan
- * Making overall review of Jpan's legal and other systems concerning fisheries

(4) Improvement of Systematization of Training and Education Programs as well as Information Service Activities in Fisheries Cooperatives

- * Giving support to human resource development programs of fisheries cooperative organizations
- * Providing assistance to institutionalization of training and education system necessary for th above
- * Improvement of information service system in fisheries cooperative sector

Figure 1. Necessity of Fishery Cooperatives

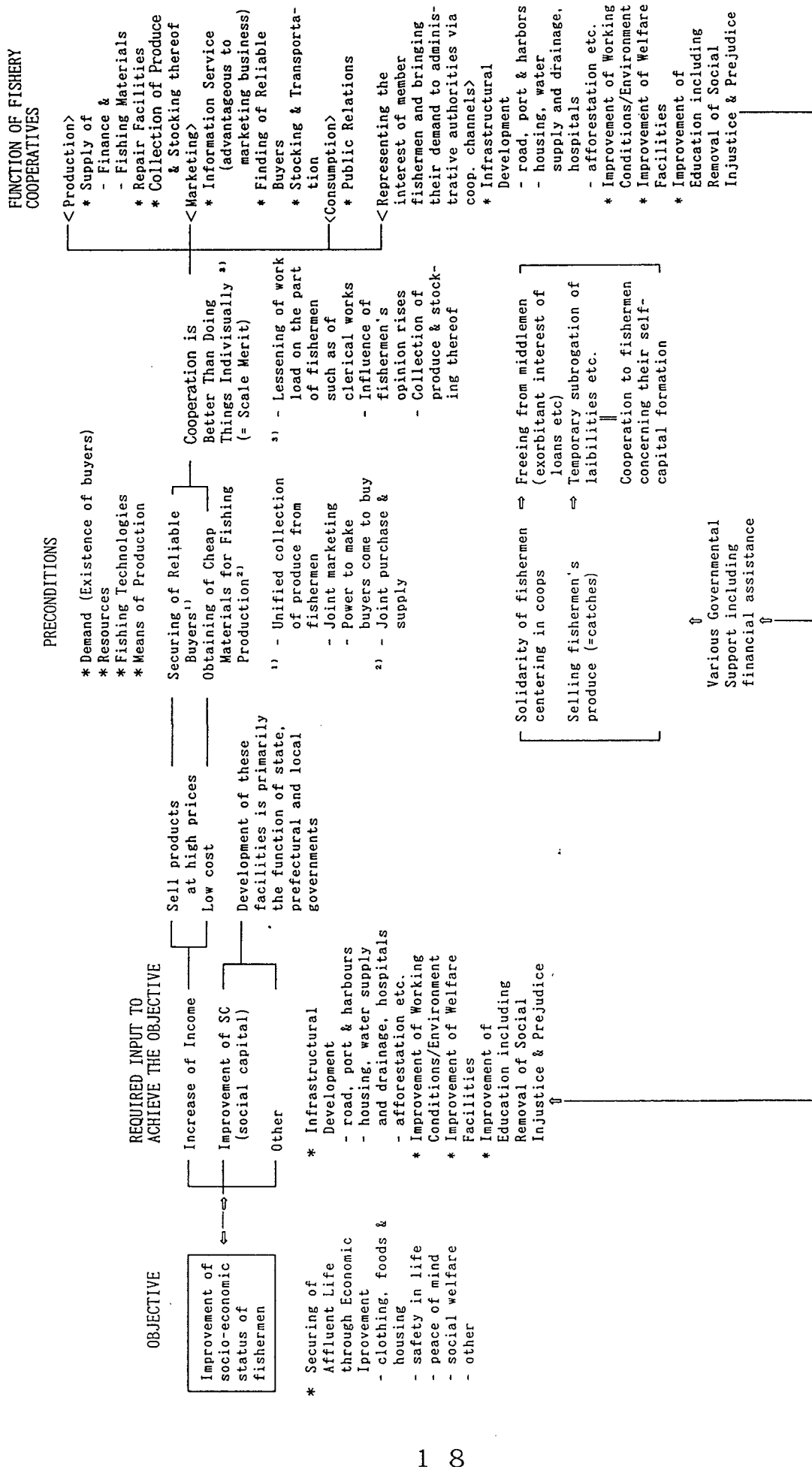
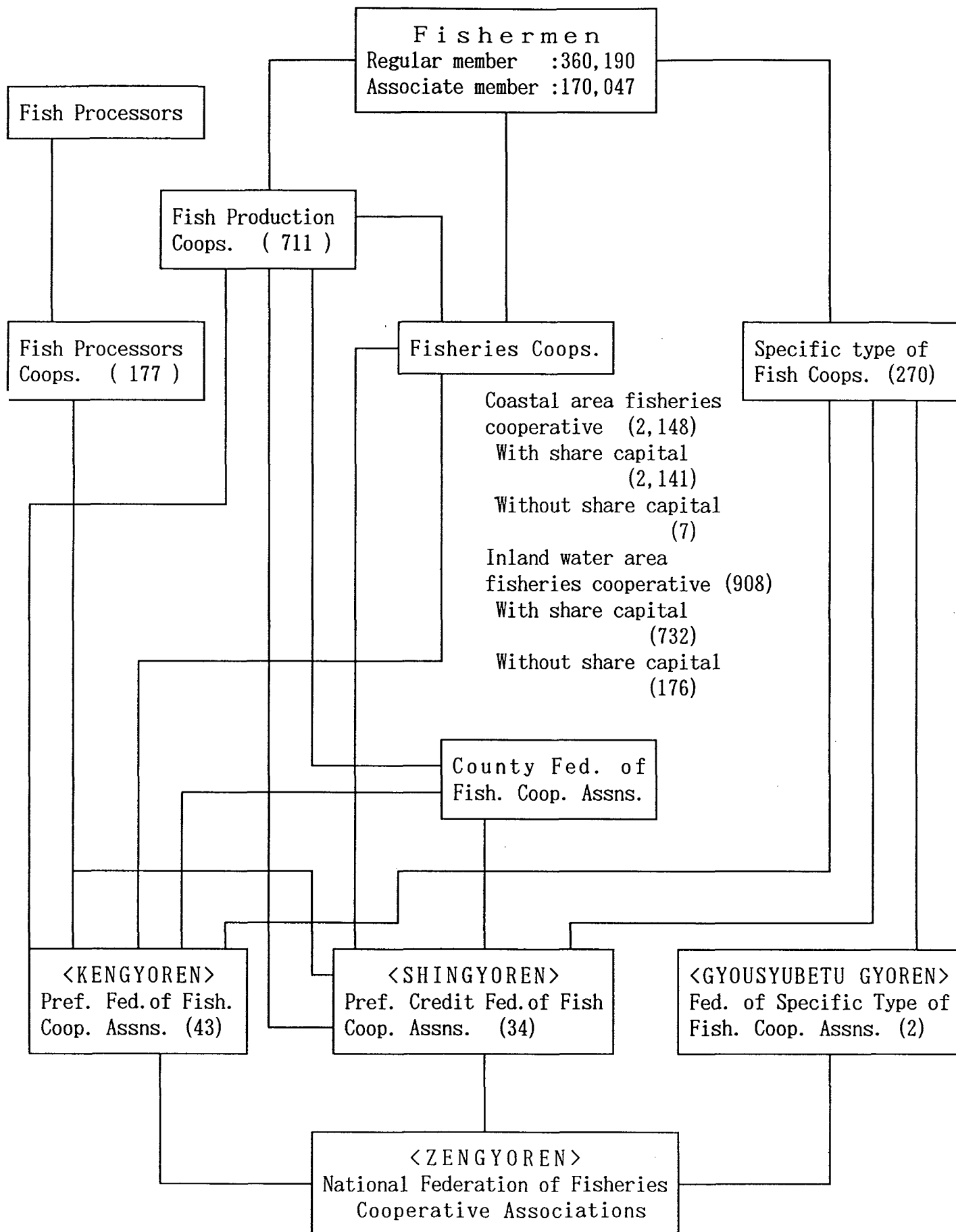


Fig. 2 Organizational Structure of Fishery Cooperatives in Japan



(as of March 31, 1991)

Table 1. Comparison of corporate tax rate between ordinary companies and cooperatives in Japan

Classification				Tax rate in %			
				~ '88	FY '89	FY '90 ~	
O c r d m i p n a n r i y e s	Over 100 million Yen in capital	Dividend and profit from investment to securities (from net profit)		32	35	37.5	
		Other than above (from net profit)		42	40		
	Those companies with less than 100 100 million Yen or nothing in capital	Less than 8 million Yen/year in net profit	Dividend and profit from investment to securities (from net profit)		24	26	28.0
			Other than above (from net profit)		30	29	
		Over 8 million Yen/year in net profit	Dividend and profit from investment to securities (from net profit)		32	35	37.5
			Other than above (from net profit)		42	40	
	Cooperatives etc.		Dividend and profit from investment to securities (from net profit)		22	25	27.0
			Other than above (from net profit)		27	27	

OUTLINE OF AGRICULTURAL EXTENSION SERVICE

IN JAPAN

April 19, 1991

**Extension and Education Division
Agricultural Production Bureau, MAFF**

JAPAN INTERNATIONAL COOPERATION AGENCY

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1. History of Technical Guidance

(1) Change of agricultural technical guidance

After overcoming years of food shortages, Japan has accomplished stability and improvement to achieve an agricultural productivity which is so great that the nation is now even suffering from a constant excess in rice production. This progress is attributed largely to the agricultural extension services, beginning in 1948, which allowed farmers to achieve scientific agricultural techniques and helpful knowledge. It is noticed, however, that the long history of guidance in agricultural techniques before the start of the extension services formed the basis for this progress.

- i. 1872 - Introduction of advanced technology and (farm machinery, crops and livestock) western countries and founding of agricultural school and employment of foreign teachers
- ii. 1879 - Implementation of agricultural guidance by agricultural guidance communication system
- iii. 1886 - Inauguration of the itinerant instructor system (the first technical system in the country)
- iv. 1894 - Establishment of agricultural experimental stations in the national government and prefectures (these stations gave technical guidance for former as well as performed experimental activities)
- v. 1900 - Appointment of agricultural technicians belonging to the agricultural association (they conducted agricultural guidance by visiting villages or setting up demonstration farm)

- vi. 1945 - Establishment of the agricultural guidance farm (about 2,000 farmers)
- vii. 1948 - Inauguration of the active agricultural extension service (start of the cooperative agricultural extension service)

(2) Change of home-life improvement

i. 1868 - 1933

- Implementation of voluntary home-life improvement by farmers (improvement in kitchen' improvement in marriage and funeral customs, installation of simplified water supply systems, keeping of housekeeping logs, regular holding of meetings, improvement in clothing, self-sufficiency in vegetables, improvement in nutrition conditions)
- Governmental guidances on home-life improvement (recommendation of use of rice hulls as fuel for cooking stoves, survey of sanitary conditions in agricultural villages)

ii. 1925 - 1945

- Implementation of improvements for pregnant women, infant care, housing and nutritional diet
- Holding of lecture meetings for the enhancement of life and culture primarily designed for women leaders

2. The Characteristics of Agricultural Extension Service

(1) Agricultural extension service

i. Cooperative agricultural extension service

In accordance with the Agricultural Improvement Promotion Law of 1948, Prefectures and Ministry of Agriculture, Forestry, and Fisheries have collaborated in agricultural guidance service. The "Cooperative Agricultural Extension Service" project has some salient features as described below.

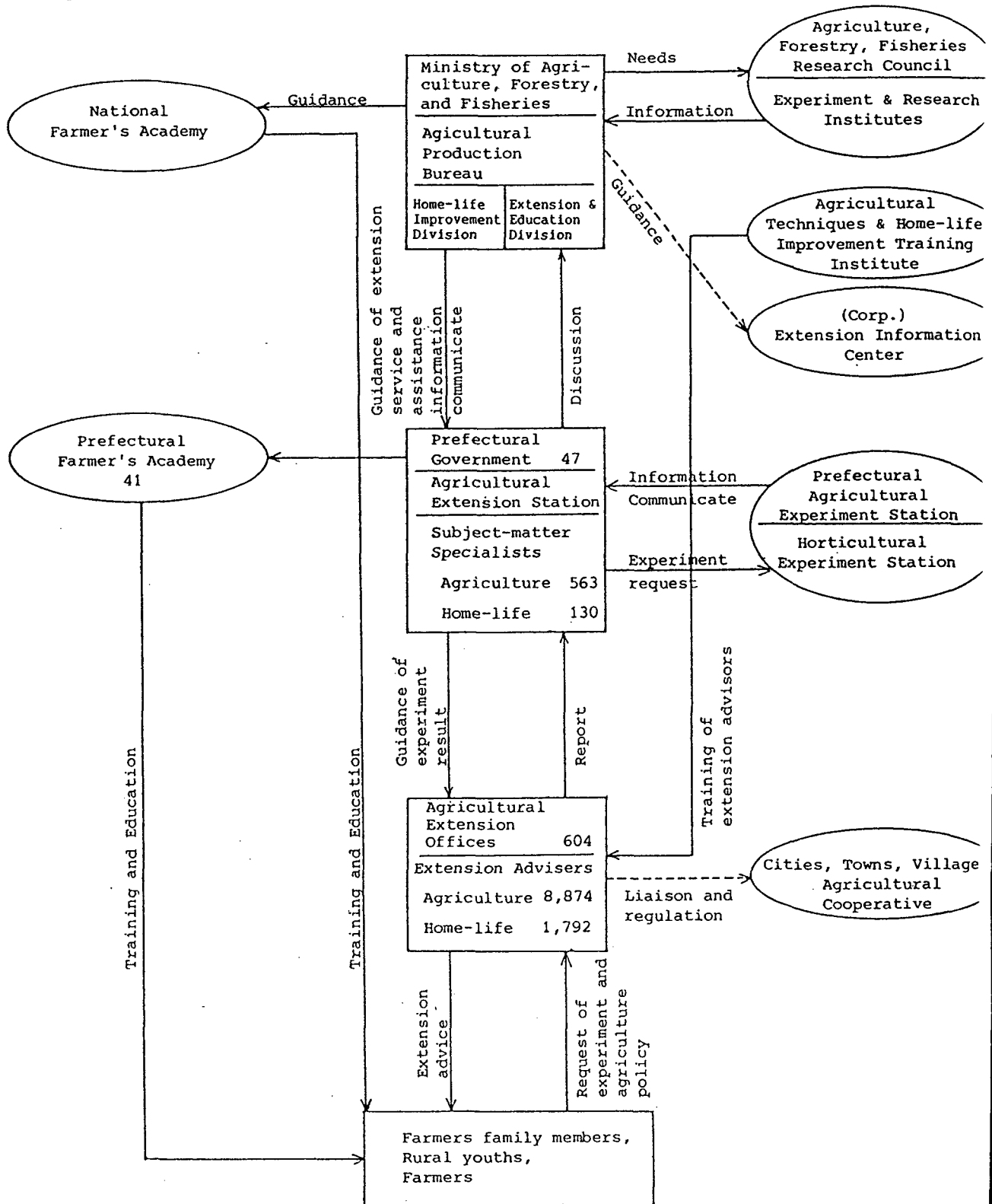
- a. Firstly, systems and structures to encourage farmers are so arranged that they can improve their farming or better their living by themselves, for more is made of human resources than is material aid.
- b. Secondly, since family farming is specially characteristic of Japanese agriculture, the betterment of farmers' living is essential to improve farming itself. The betterment of living, accordingly, is incorporated in these projects.
- c. Thirdly, to foster farmers, above all youths, leading agricultural production or rural communities is one of the main objects.

In short, these methods, are educational, for their importance is attached rather to bringing up progressive farmers than to the diffusion of technical knowledge.

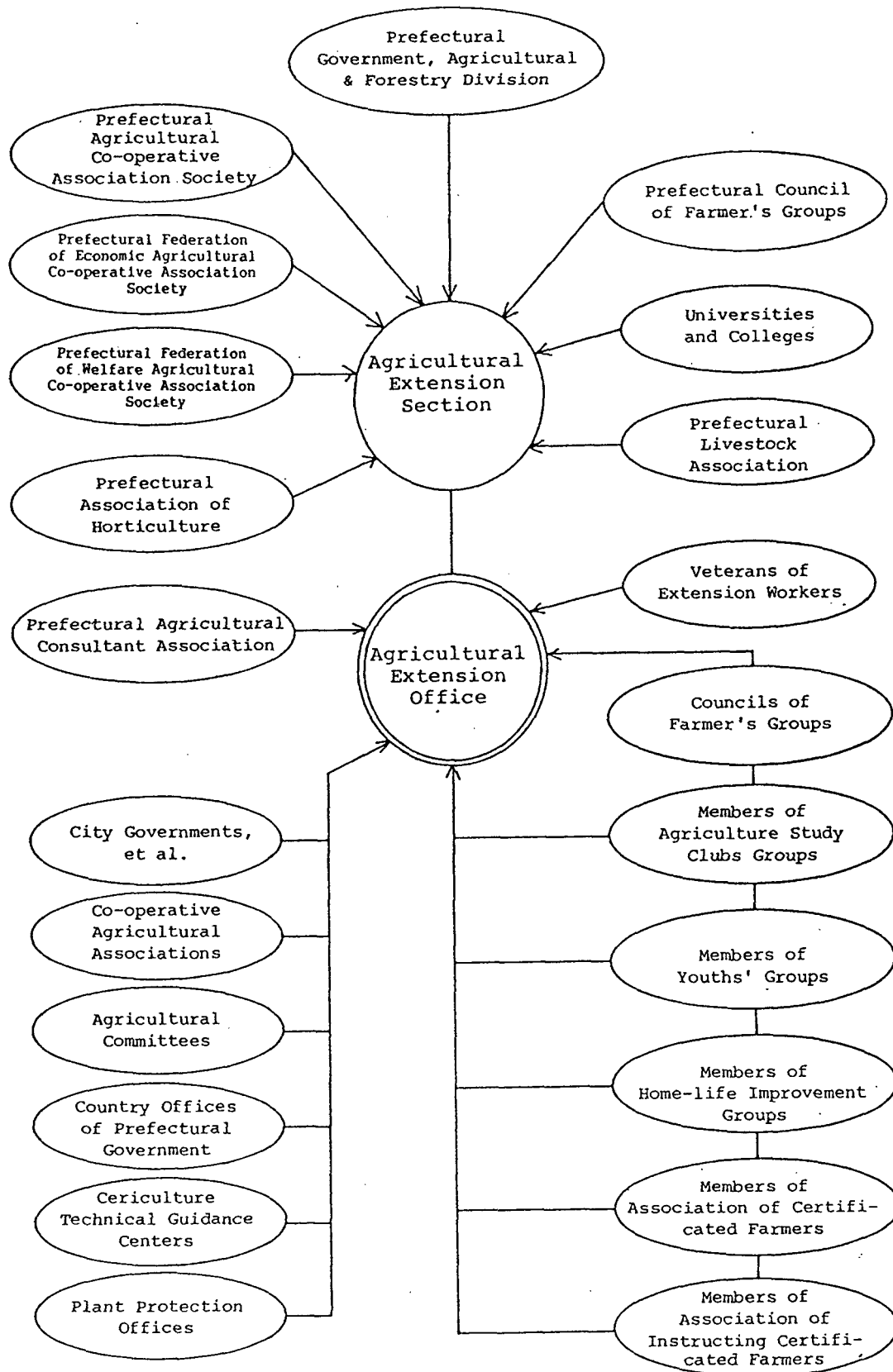
Agricultural Improvement Promotion Law
(Purposes of Law)

Article 1. The purpose of this law shall be to enable farmers to have access to wholesome, appropriate and practical knowledge relevant to their agricultural issues and to increase public welfare in order to ensure the development of efficient agricultural practices increased agricultural production, and the improvement of farm households' living.

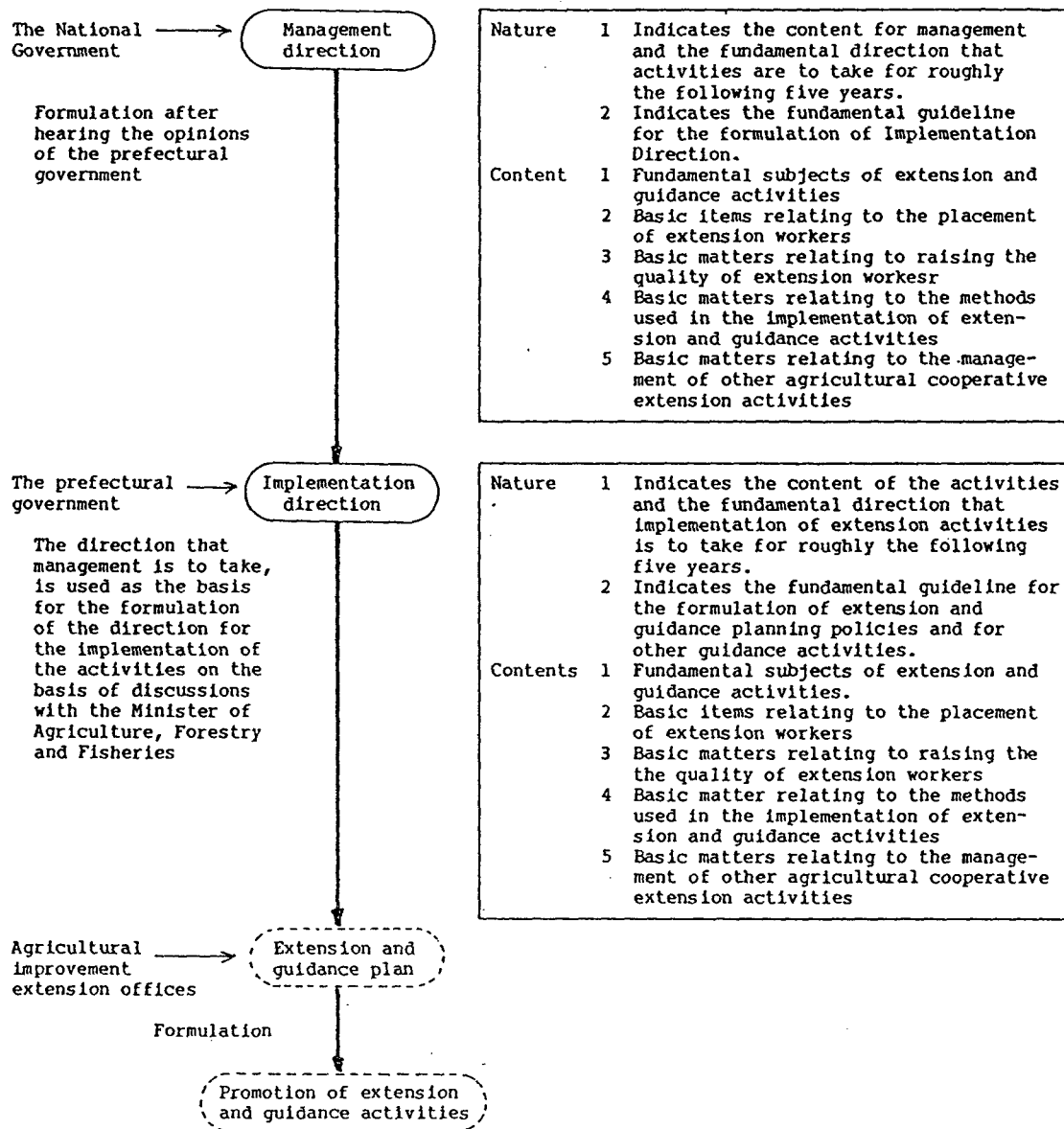
(2) System of the cooperative agricultural extension service



i. Relationship between prefectures and extension offices



ii. The national government sets a direction of management relating to the fundamental matters of agricultural extension activities, whereas the prefectural government formulates of the direction of the activities after consultation with the Ministry. Accordingly to these directions of the national and prefectural government agricultural extension activities are promoted effectively and efficiently.



(3) Programme and their characteristics

- i. Every extension adviser, agricultural and home-life improvement, are stationed at every extension office set up in a rural district.

Guidance by extension advisers is therefore given through direct contact with farmers.

- ii. Farmers or their groups are selected and trained as model cases of certain subjects of the programme.

It is expected that the other member of the communities will follow these examples and their living as well as farming will be improved and developed throughout the communities.

- iii. The arrangements for comprehensive guidance are made against diversified problems.

Several extension advisers highly informed of farming or living are organized into a task force, a subsection of an extension office. Their guidance is very effective since they are synthesizing and systematizing agricultural knowledge.

- iv. Subject matter specialists are to give proper assistance to the task forces of extension advisers.

- v. With cooperation of experiment and research organizations, subject matter specialists and extension advisers, research information is conveyed to the field level where extension advisers are making practical use of the information so as to solve the field problems.

On the other hand, the field problems are given through the extension systems to experiment and research organizations and colleges and so on, so that their experiment and research may be based on reality.

3. Administration of Cooperative Agricultural Extension Service

(1) Establishment of extension staff

The staff engaged directly in the extension service are classified into subject-matter specialists and extension advisers, both of whom are sub-classified into those specialized in agriculture and those engaged in home-life.

A. Subject-matter specialists

The subject-matter specialists are assigned to the agricultural extension divisions of prefectural governments or to the agricultural experiment stations.

The subject-matters specialists can be broadly divided into two groups depending on the specific fields covered by them, those undertaking technical matters in agriculture and home-life, and these engaged in extension and guidance activities for rural youth and for the improvement of agriculture and home-life.

The following are the field subjects of subject-matter specialists in service in 1985.

1988

Agriculture:	Person
Paddy and wheat	65
Vegestables and potatoes	78
Fruits trees	62
Industrial crops and miscellaneous cereals	20
Flowering grasses	38
Forage crops and grassland improvement	28
Soil and fertilizers	40
Control diseases and insect pests	37
Animal husbandry	60
Agricultural and livestock products processing	0
Farm machinery	21
Farm management	50
Extension and guidance activities (agriculture)	39
Extension and guidance activities (rural youth)	25
Total	563

Home-life improvements:

Labor hygiene	22
Eating habits	31
Residential circumstance	23
Home management	21
Extension and guidance activities (home-life)	33
Total	130

B. Extension advisers

The extension advisers are assigned to the Agricultural extension office. They are engaged in the field extension and guidance service aimed at giving advanced techniques and knowledge to farmers through close personal contact.

In 1989, agricultural extension advisers numbered 8,874 and the home-life improvement advisers 1,792 a total of 10,666.

(2) Qualification for extension staffs

The Agricultural Improvement Promotion Law provides that it cannot appoint anyone to the post of the subject-matter specialist or extension advisers unless he has passed the qualifications tests prescribed in the said Law. The qualifications for extensions workers are as described below:

i. Subject-matter specialists

The subject-matter specialist must have passed the qualifications test conducted by the Ministry of Agriculture, Forestry and Fisheries and must have engaged in agricultural research, education or extension activities for a period more than 10 years after graduating from university.

ii. Extension advisers

The extension adviser must have passed the qualifications test conducted by the prefectural government after graduating from university.

The qualification test for the extension advisers is conducted in accordance with the relevant prefectural ordinance. In order to assure that the test will be conducted according to a unified nationwide method, the Ministry of Agriculture, Forestry and Fisheries takes the necessary steps to prescribe the standards for conducting the test.

(3) Duty for extension adviser

The duties of extension staff are as described below:

i. Subject-matter specialist

A. Technical specialist

(A) Guidance activities of extension staff

- a. To give techniques and knowledge to extension advisers, which are necessary for their activities and to guide them.
- b. To conduct training for the specific matters in charge as well as to take part in the formulation of basic policy concerning the trainings of extension adviser
- c. To collect and supply information on the results of experiments and research and other information necessary for extension activities concerning specified matters and collection of their information

(B) Investigation and research

- a. In order to transfer the technology developed in the experiment and research centres to the relevant

fields, an actual survey is conducted by establishing demonstration farms and model farm households, etc.

b. To conduct investigations and research on the materials and actual surveys necessary for the extension activities concerning specialized matters

c. To conduct investigations and research as well as experiments and research for the development and establishment of technology related home-life improvements

(C) Liaison with research institutes

a. To establish links with the relevant experiment and research centres in implementing the investigation and research, raising problems from the standpoints of extension activities and for collecting the results of experiment and research achievements

b. To establish liaison with the relevant universities and experimental research centres in implementing the experiments and research, for the development and establishment of the technology necessary for the improvement of life

(D) To determine the trends of related businesses of the governmental department concerned concerning the specialized matters

B. Subject-matter specialists for extension activities

a. To give guidance concerning ways to establish plans for extension activities

- b. To give guidance concerning ways to perform efficient extension activities, to guide rural youth and to make use of audio-visual aid equipment
- c. To establish communication between extension offices concerning extension activities of extension advisers
- d. To draw up training plan of extension advisers

ii. Extension advisers

Function of agricultural extension advisers

Functions

- (1) To give educational guidance in art, farming and living
- (2) To develop, establish and combine field arts
- (3) To give advice in farming or housekeeping
- (4) To judge technical suitability for bounty of finance
- (5) To promote local communities acting for a common purpose "to organize production cooperations, to make an area famous for a certain product, to bring up leading groups, and so forth"
- (6) To help local communities to be sound and lively
- (7) To act as a mediator of information, education and opinion between farmers and administration
- (8) To be a counsellor for youths, regarding employment in agriculture and marriage

A. Guidance to farmers

- a. To conduct enlightenment guidance in order to motivate youth to willingly take up farming or elevate morale for the improvement of agriculture and life of farm households

- b. To give technical guidance related to agricultural production or the betterment of life of farm household with holdings of lecture meetings and establishment of model farm household and setting-up of demonstration farm as well as implementation of regional village visit
 - c. To provide guidance for techniques and knowledge related to the improvement of management through analysis and diagnosis of farm management and household expenditure as well as guidance in ways to keep household books
 - d. To conduct trainings relating to the improvement of agriculture and life of farm household in order for rural youths to perform modern farm management
 - e. To give guidance in ways to organize groups which improve agriculture and the life of farm households (These groups are composed of agricultural production unions, home-life improvement groups and rural youths, etc.)
 - f. To provide advice or give opinions from the aspects of techniques and management to farm households or relevant departments concerning applications for the borrowing of farms of the Agriculture Fishery Forestry Finance Corporation
- B. Collection and provision and information on extension activities
- a. To collect and process the agriculture data necessary for extension activities, or informations on techniques knowledge, case studies of extension

works, opinions of farm households and to provide such to the farm households

C. Liaison with relevant organizations

- a. To transmit the wells of farm households determined through extension activities to the municipality offices, agricultural cooperatives and other organs, etc.
- b. To collaborate with the relevant organizations from the aspects of techniques management as well as organization when formulating business plans and putting them into practice
- c. Determining the effect of extension activities to compile the effects of extension activities by registering its results

4. Extension Activities

(1) Fundamental subject of extension activities

i. Swift dissemination of high-level and comprehensive Techniques

The importance of technical innovation has become increasingly greater to establish highly-productive and wholesome farming management.

Agriculture-related techniques have been constantly progressing as a result of research and development activities by testing and research institutes coupled with development efforts in private companies and farmers' voluntary efforts to improve their management methods.

In such a situation, activities are being made to spread up-to-date, advanced and comprehensive techniques to meet the specific needs of the farmers and residents in each community.

ii. Promotion of regional agriculture promotion by organization

To establish a regional agriculture that meets the characteristics of the area and the needs of the farmers, comprehensive activities are being carried out in such fields as technical guidance, business management guidance and the promotion of organized agricultural production. In addition, guidance and advice services are conducted actively in the field of direction and planning of regional agriculture promotion activities, by performing the function of an "organizer" of regional agriculture.

iii. Maintenance and enhancement of health of agriculturalists

To ensure highly-productive farming management and sound and stable home-life in farm households, activities are being

made to achieve rationalization of production and housework, improvement in eating habits and the effective prevention against diseases and injuries that may be caused by the production environment or agricultural machines, so that the health of farmers will be maintained and improved. Other activities are also conducted, in coordination with the agencies concerned, to construct a system for promoting voluntary health management in communities.

iv. Foster capable farm successors

To maintain and improve highly-productive regional agriculture, it is important to carry out intensive and systematic education in order to foster farmers, including members of "core farms households, who perform the leading role in promoting regional agriculture, and those who are expected to play such a role in the future.

For this purpose, efforts are made to establish production organizations and to cultivate leaders in each village. Based on the principle of providing agricultural business successors with continuous and consistent training services depending on their age, practical training and education are actively conducted for the young people in farm villages.

v. Creating a vigorous rural community

For the development of highly-productive, sound farming management systems and the promotion of regional agriculture, it is necessary to heighten the vitality of the communities by taking effective measures for each of the above-mentioned goals as well as by cultivating the sense of solidarity in agricultural societies and improving the community's functions for coordinated utilization and the cooperative management of various agricultural resources,

while taking into account a future increase in non-agricultural households in farm villages, part-time agricultural households and rate of aged population.

To achieve this, efforts are being made to support and promote voluntary group activities aimed at improving production and the living environment and heightening the position of the aged people and women among the members engaged in the promotion of regional agriculture. This is concurrent with performing extension activities intended for allowing each of the community residents to display his abilities and for the proper management and effective utilization of spaces in farm villages and various agricultural resources including the farmland.

(2) Activities by extension

A. Subject-matter specialists

The activities of the specialist cover such wide areas as guidance and support to extension advisers, surveys and investigations on specific matters, and liaison with other organizations including testing and research institutes and various administrative agencies.

(A) Guidance given to extension advisers accounts for 45 - 50% of the time spent for all extension activities

In most cases, guidance is offered directly by extension advisers attending the training sites or visiting the extension offices.

Guidance is mainly focussed on special issues. For general issues, guidance services are offered through relevant teams of subject-matter specialists.

(B) Investigations and researches

a. Agriculture

To improve the activities for training extensions advisers, efforts are made to solve technical and managerial problems taking place in agricultural production sites and to carry out field studies in which the techniques, etc. developed in testing and research institutes are demonstrated at actual agricultural sites.

[Examples]

- Establishment of cultivation techniques for stable production of quality seeds of rice.
- Research for accumulation and analysis systems for computers for agricultural bookkeeping

b. Home-life improvement

Since there is not a sufficient number of testing and research institutes dealing with agricultural home-life, subject-matter specialists themselves are engaged in experiments and investigations concerning the application to the actual sites of techniques required especially for improving home-life.

[Examples]

- Establishment of joint processing techniques of regional farm products
- Improvement of equipment for work to prevent accidents in the harvesting and processing of soy-beans

(Reference)

Activity ratio of subject-matter specialists

(Unit: %)

	Agriculture	Home-life
1. Guidance for extension advisers	45	51
2. Investigations and researches	10	8
3. Relation with research organization	6	2
4. Relation with administrative organizations	15	13
5. Others	24	26
Total	100	100

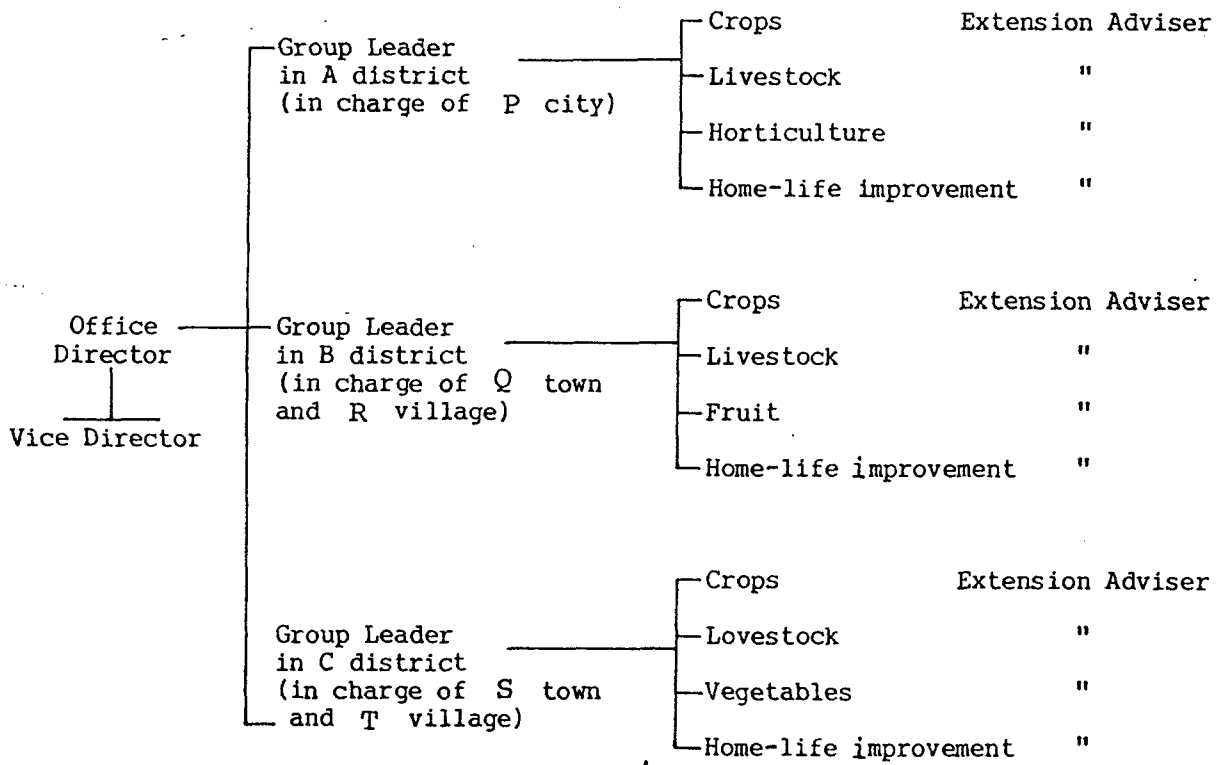
(The survey report in 1988 by Extension and Education Div. of MAFF)

B. Activities by extension advisers

(A) Activities system in agricultural extension office

The activities of extension advisers consist of regional efforts assigned to guidance teams composed of agricultural extension advisers and home-life advisers in order to ensure comprehensive improvement in both agricultural production and home-life in farm households.

Regional shared assignment system (one example)



Main facilities and instrumental material agricultural extension office

Facilities	Soil laboratory, farmers centre
Cars for round services	About three extension advisers are equipped with one car
Instruments for diffusive guidance	<ul style="list-style-type: none"> ● Temperature recorder, brightness meters for horticultures, weather observation instruments, etc. ● 8 mm projector, V.T.R set, personal computers and equipment for information activities, etc. ● Green meters, E.C meters, pH meters, etc. ● Fatigue measuring meter, colory meter, etc.
Various type of demonstration farms	45 have been founded fields of the kind per one office, the object of the programme is to adapt new techniques, pesticides, fertilizers and so for the fields (one area of demonstration farms about 10 to 50 arc.).

Average scale of extension office in 1986

Indicator	Average scale
Number of extension advisers	Agriculture 15, home-life 3
Number of cities, town and villages	About 5
Numbers of farmers	About 7,200 households
Cultivated area	About 8,800 hectares
Average number of farmer households per extension advisers in charge of agriculture	About 500 households
Average cultivated area per extension adviser in charge of agriculture	About 590 hectares

(B) Extension activities and activities programme

Specific extension activities are carried out for each target area. Intensive efforts are performed for selected areas, or "concentrated guidance areas", which have various problems to be solved in an organic, consistent way, and the achievements are extended over surrounding areas.

In other areas, a group is formed to perform concentrated extension guidance services and intensive guidance is performed for solving problems as to agricultural reformation and home-life improvement.

Extension activities are being performed systematically according to extension guidance plans. The plans are aimed at i. investigating the background behind the relevant problems, ii. establishing goals based on surveys as to how to solve the problems in a way consistent with the actual conditions of farm households, iii. showing how and when activities are conducted for the farm households, and iv. examining the results concerning how the farmers have achieved the improvement, and what effects have brought about.

(C) Scope of activities

a. Activities related to agricultural techniques and farm management

These represent the most important activities performed by the agricultural extension advisers, and accounting for 80 percent of the total hours used for their guidance services.

The activities cover wide areas ranging from production activities (rice growing, horticulture, stock raising, etc.) to product distribution.

- b. Activities related to a harmony between life and production aiming at good health

These activities account for about 80 percent of the total hours used by home-life advisers.

They are aimed at maintaining and promoting the health of farmers and their families. It will be achieved by improving their eating habits, increasing work safety through the proper use of agricultural agents and farming equipment and through the improvement in machines and tools, establishing efficient work systems through the effective utilization of the labour force, machines and facilities, distributing the labour force in an appropriate way, keeping accounts to ensure systematic management of farming business and home-life, and offering guidance in analysis, design, etc.

- c. Activities related to rural youth

In the field, both agricultural extension advisers and home-life advisers are engaged in efforts aimed at promoting guidance services and group activities to allow farmers to gain the techniques and knowledge required for improving the farm management and home-life in farm households.

- d. Activities related to the creation of regional community

Major activities are to promote organized agriculture and to improve the agricultural structure over each area through guidance in agricultural techniques and farming management.

- e. Activities related to recognition of use of paddy field

These activities cover the promotion of organized group efforts to achieved shift in crops as well as guidance services aimed at spreading and establishing advanced crop shift techniques consistent with the features of each area.

(D) Methods of extension activities

The following flow chart shows each process of activities for farmers in connection with the needs or trends of farmers of their groups:

- Where problems are proposed by farmers.
 - (1) To offer advise direct to each farm households and to offer guidance to solve problems
 - (2) To make arrangements to allow those who have similar problems and those who live in the same community to solve their problems in cooperation
 - (3) To ask for cooperation from appropriate agencies to solve problems which are beyond the capacity of each household or farmers' group
 - (4) To make public and spread information on the efforts of a household or a farmers' groups which has succeeded in solving their problems
- Where problems are indicated by extension advisers.
 - (1) To investigate the agricultural conditions in the area, perform examinations with agencies concerned about the desirable direction of future agricultural progress, and to guide the farmers

- (2) To foster the farmers who are expected to play an active role in promoting farming management in line with a planned direction for the future
- (3) To work with farmers to understand the agricultural plans developed by the national or prefectural government and to promote organized activities in line with the agricultural policies

The above activities are carried out through the following extension methods depending on their purpose and contents.

- Individual guidance

This guidance service is usually performed by visiting each household. In some cases, guidance is offered at an extension office or through such means as telephone and letter.

- Group guidance

This service is mostly offered at meetings (lecture, discussion) held in an office room or at the actual site. Movies, slides, video tapes, diagrams and tables are used.

Other means including exhibition farm fields and fairs (contests) are used to encourage farmers to make study efforts constantly during the group's daily production activities and farmers' home-life.

- Other means for guidance intended for a large and unspecified number of persons include posters, handbills, leaflets, closed-circuit broadcasting, radio,

television and public relations magazines, as well as the establishment of exhibition farm fields and model farm households.

Recently, a good guidance effect has been obtained by using personal computers to perform various diagnosis services.

(Reference)

Activity ratio of extension advisers

(Unit: %)

	Agriculture	Home-life improvement
1. Guidance related agricultural techniques and agricultural management	81	6
2. Guidance related with health-oriented home-life and harmonized production activities	4	82
3. Guidance related rural youth	8	4
4. Others	6	8
Total	100	100

5. Training of Extension Advisers

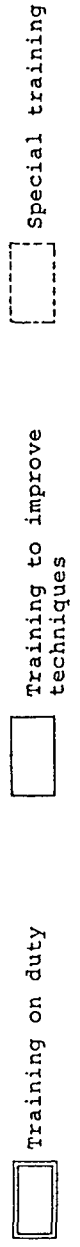
Extension activities are activities being conducted by extensions advisers engaging in the activities. Accordingly, success on failure of business greatly hinges upon the quality and guiding ability of individual extension advisers. For that reason, both national and prefectural government endeavor to enhance their quality by conducting training in a planned manner on the basis of the Agricultural Improvement Promotion Law.

Standard training courses for agricultural extension advisers have been developed to perform training in a systematic way.

The training courses cover the in-service training required for understanding the extension service systems and advisers' responsibilities, as well as technical improvement training and problem-solving training to improve knowledge and techniques required for the extension activities.

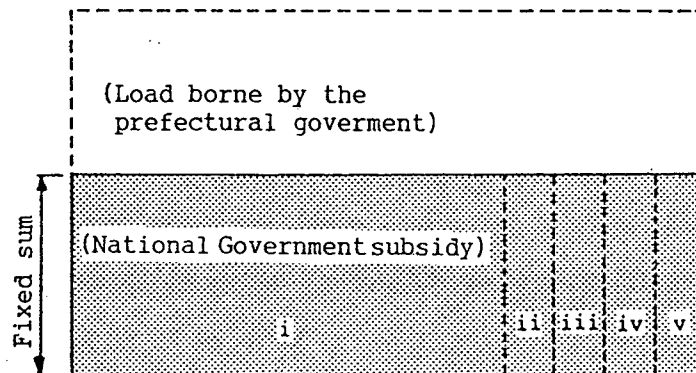
Training System of Agricultural Extension Advisers

Length of service	5	10	15	20	25	
Purpose of training supervised by	Acquirement of basic extension method and individual techniques	Acquirement of farm management techniques	Acquirement of organizing and planning techniques	Acquirement of guiding ability for all-around activities	Acquirement of the promotion of planned and systematic activities	
Extension office						
Prefecture	Basic training for extension activities (Individual (Farm management) (Regional organization (Regional development))					
Government	Training for acquiring the necessary knowledge to solve problems Training of newly appointed personnel (Training on duty)					
	Training of leader of regional group Special training (Important agricultural projects)					
	Training for head of extension office (Training on duty)					



6. Fund of Cooperative Agricultural Extension Service

- Fixed sum subsidy
- No computation for each specific activity



- i Placement of extension workers
- ii Management of extension office, etc.
- iii Management of prefectural agricultural academy, etc.
- iv Training of extension workers and the fostering of town and village leaders, etc.
- v Consolidation of facilities for prefectural agricultural academy, etc.

7. Reference

(1) Outline of Japanese agriculture

A. Natural condition of agriculture

1) Outline of land utilization

1986

Land use for	Area (Unit: 10,000 ha)	Ratio (%)
Cultivated land	559	14.8
Forest	2,524	66.9
Field	33	0.9
River, Waterway, Lake	114	3.0
Road	105	2.8
Housing lot	142	3.8
Others	300	7.8
Total	3,777	100.0

2) Cultivated land area (Unit: 1,000 ha)

Paddy field	3,000
Upland field	1,800
An orchard	400
Others	390
Total	5,590

3) Weather

i. Precipitation of year (Unit: mm)

Sapporo	1,158
Tokyo	1,460
Niigata	1,822
Osaka	1,400
Fukuoka	1,690

London	594
Rome	653
San Francisco	475
Chicago	843
Washington	1,036

ii. Temperature average (Unit: °C)

Sapporo	8.0
Tokyo	15.3
Niigata	13.1
Osaka	16.2
Fukuoka	16.0

London	10.5
Rome	16.1
San Francisco	13.8
Chicago	10.5
Washington	13.9

B. General characteristics of Japanese farm households

a. Owner-farmers

(Every farmers cultivates own land)

b. Scale of farm management per household is small.

(1.2 ha in average)

c. Part-time farmers are many. (86% in 1984)

d. Farmers have sign educational backgrounds.

e. The number of farmers decreases year by year.

C. Number of farm households by size of cultivated land

(Unit: 1,000 nos)

Item	Total	Under 1.0 ha	1.0-2.0	2.0 ha over
Total	4,194			452
Whole-country (excluding Hokkaido)	4,092	2,837	881	374
Hokkaido	102	24		78

(This report was surveyed in 1988 by MAFF.)

D. Number of farm households classified by full-time and part-time in 1988

(Unit: 100 nos)

Total	4,473 (100%)
Full-time farm households	603 (14%)
Part-time farm households	
Total	3,590 (86%)
Mainly engaging in farming	574 (14%)
Mainly engaging in other jobs	3,016 (72%)

E. Summary of farms households economy

Item	1970		1975		1980		1985		1988	
	¥1,000	Ratio	¥1,000	Ratio	¥1,000	Ratio	¥1,000	Ratio	¥1,000	Ratio
Total	1,393	100	3,406	100	4,515	100	5,503	100	5,775	100
Agri-income	508	36	1,096	32	952	21	1,066	19	953	17
Non-agri- income	885	64	2,310	68	3,563	79	4,437	81	4,822	83

F. Educational career of new born farmers

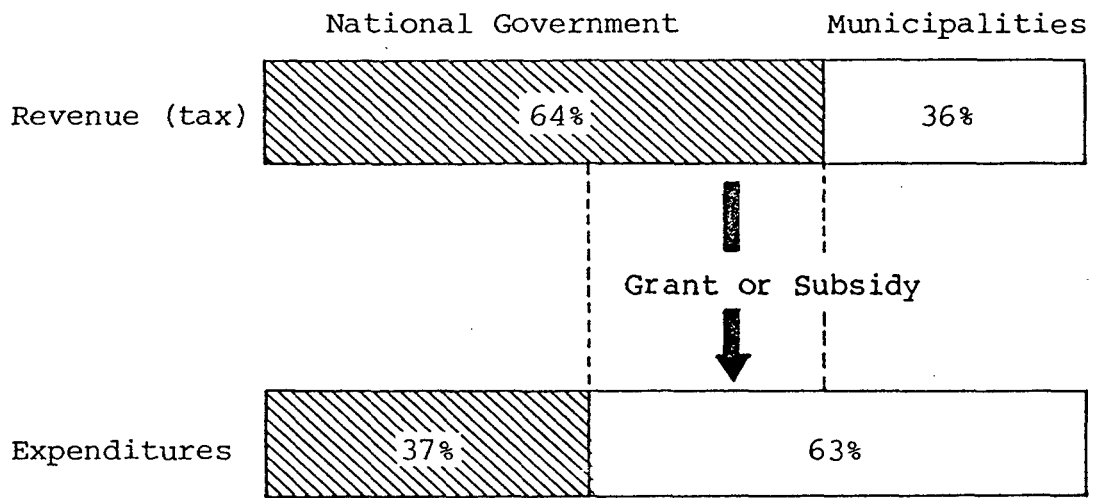
(Unit of number: 1,000 nos)

Year	Total		University/ College graduate		High school graduate		Junior high school graduate	
	Number	Ratio (%)	Number	Ratio (%)	Number	Ratio (%)	Number	Ratio (%)
1965	68.0	100	2.8	4	27.0	40	38.2	56
1970	36.9	100	2.8	7	24.6	67	9.5	26
1975	9.3	100	0.9	9	8.1	83	0.8	8
1980	7.0	100	1.6	23	5.2	75	0.2	3
1985	4.2	100	0.6	24	3.2	76	0.4	10
1988	2.1	100	1.2	57	0.9	43	0.0	0

G. Changes in the numbers of farm households

Year	Total farm households	Full-time farm households	Part-time farm households
1950	6,176,000	3,086,000	3,090,000
1955	6,043,000	2,106,000	3,937,000
1960	6,057,000	2,078,000	3,979,000
1965	5,665,000	1,219,000	4,446,000
1970	5,402,000	845,000	4,557,000
1975	4,953,000	616,000	4,337,000
1980	4,661,000	623,000	4,038,000
1984	4,473,000	605,000	3,868,000
1989	4,194,000	603,000	3,591,000

C. Finance (of National Government and Municipalities)



(3) Relations to farm advisers of agricultural cooperatives

The agricultural cooperatives assigns farm advisers in their offices, who are different from extension advisers.

The comparison of extension advisers and farm advisers are shown as follows:

	Extension advisers	Farm advisers of cooperative
Status	Employees of prefecture	Employees of cooperative
Character	Public	Non-public
Percentage of full work	100% (only Extension work)	In charge of other work also
Aim of guidance	Fostering of leading Farmers by integrated and concentrated guidance, and diffuding it's results	Services for member farmers
Characteristics	<p>(1) Extension activity: fully engaged in all-round fostering and guidance to make good farmers and villagers</p> <p>(2) Systematic and continuous guidance (mainly on the growth of farmers and their groups and the development process of subject-matter)</p> <p>(3) Necessary technical sources have been required systematically through research institutes and subject-matter specialists.</p>	<p>(1) Centering on the work related to economic operations.</p> <p>(2) Systematic guidance on the problems which are common among farmers (equal treatment to every member)</p> <p>(3) Some limits on the security of necessary technical sources</p>

OUTLINE OF THE FARMLAND IMPROVEMENT
PROJECTS IN JAPAN

The Institute for the Development of Agricultural
Cooperatin in Asia (IDACA)

OUTLINE OF THE FARMLAND IMPROVEMENT
PROJECTS IN JAPAN

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1. Outline of the Projects

(1) Objectives of the projects

1) Objectives

The objectives of the farmland improvement projects are to secure the land and water sources necessary for agricultural production, and to improve the improvement level of their utilization for the purpose of supporting a stable food supply system in Japan and the sound growth of the farming industry and rural communities.

2) Law and regulations

The farmland improvement project is to be carried out systematically in line with a long-term plan of land-improvement program established by the Land Improvement Act in accordance with the concept behind the Agriculture Basic Act.

The project is also one of the key undertakings in the National Overall Development Plan and the National Land Utilization Plan.

3) History of the Project

In Japan, farmland development and improvement have been undertaken in response to the national demand in each era. The system of farmland improvement projects was established in 1899 and, followed by the Water Irrigation Association Act in 1909 and a series of other agriculture-related laws. The general system was finally completed by the establishment of the Land Improvement Act in 1949. The system played a major role in the emergency operations soon after World War II for the increase in food production and the absorption of surplus labor.

Later on, several projects were promoted including the establishment of irrigation and drainage, consolidation of paddy fields and uplands, and farm roads, as well as the reclamation of farmland, for the purpose of improving farm productivity and the selective expansion of farm industry. Furthermore, corresponding to the recent trends in the diversified life style of the farm villages, a coordinated

readjustment of both the living environment and production was undertaken.

(2) Descriptions of the projects

In the farmland improvement project, the executing agencies, and rates of subsidy are decided according to the type, nature and scale of each project. Different from other public works, these projects are carried out on a cost-sharing basis by the beneficiaries.

These farmland consolidation projects are executed in principle based on the Land Improvement Act.

Explanation 1: Types of projects

The farmland improvement projects are classified into the following items by the nature of each activity.

1. Irrigation and drainage project:
Project to execute new construction and repair of dams, headworks, irrigation and drainage canal, irrigation and drainage pumping up facilities, etc.

2. Land development project for cultivation:
Project to create farmland and to make an overall provision for farm roads, equipment and facilities for irrigation and drainage required for the new farmland.

3. Reclamation project by drainage:
Project to reclaim land by drainage, and the construction of farm roads and canals in the reclaimed land.

4. Farmland consolidation project:

Overall readjustment project primarily intended for paddy fields, their irrigation and drainage, farm roads, etc.

5. Overall readjustment project on a partition of upland areas:
Overall readjustment project primarily intended for upland areas for their readjustment, irrigation and drainage facilities, farm roads, etc.
6. Farm road construction project:
Project for undertaking and improving new farm road construction.
7. Overall readjustment project of farm villages:
Overall readjustment of the environment of farm village life in conjunction with the readjustment project on agricultural production bases.
8. Farmland disaster prevention project:
Readjusting disaster prevention facilities such as flood control dams and drainage facilities.
9. Maintenance project:
Maintaining land-improvement facilities.

Explanation 2: Types of executing agencies

The farmland improvement projects are undertaken by such organizations as the national, prefectural governments, and private and public corporations, as the different scale of each activity requires different technical abilities and different financial capacities.

(1) National projects

National projects are very large in scale, and they are the key activities of regional developments. For example, for irrigation and drainage activities, the minimum beneficiary acreage is 3,000 ha, in principle, and for the irrigation and drainage, 400 ha for farmland reclamation.

(2) Projects by the prefectural government

Projects for smaller beneficiary area than those of the national projects. For example, the minimum beneficiary acreage for general irrigation and drainage is 200 ha, for farmland reclamation 40 ha,

for farmland consolidation 60ha, and 60ha for farm road construction.

- (3) Undertakings by corporations include small-scale irrigation and drainage activities, farmland development, readjustment of paddy fields and farm roads, disaster-prevention, overall farm village readjustment activities

These are undertaken by the following organizations.

1. Land-improvement district:

This is a unit of 15 or more farmers (or farm households) organized for the purpose of executing the farmland improvement in a certain district.

2. Municipalities:

Voluntary activities of cities, towns and villages

3. Agricultural Cooperatives:

Independent or joint activities of the Agricultural Cooperatives, the Agricultural Cooperatives

federations, the Corporation for the Rationalization of Farmland Ownership or a group of several farmers

(4) Corporation activities:

Farmland Development Corporation and Water Resources Development Corporation

Farmland development by the Farmland Development Corporation is carried out primarily on the improvement and reclamation of land for cultivation, covering a large acreage of 500 ha or more. The activities of the Water Resource Development Corporation are based on the Basic Plan of Water Resource Development, and concentrate on the readjustment of dams, irrigation canals, head works, etc. The scales of these activities are at the same level as governmental projects.

Explanation 3: Share of government subsidies

The farmland improvement project is carried out with funds from the state treasury or at the expense of public corporations as well as the beneficiaries. In addition, there is finance available in the form of low-interest money from the Agricultural Forestry and Fisheries Finance Corporation (AFFFC).

Project	Executing Agency	Subsidy share	Minimum acreage for selection	Description
Irrigation & drainage	State	58%, 60%	Beneficiary acreage: 3,000 ha	New construction & conservation work on dams, irrigation canals & drainage pump up facilities
	Prefecture	50%	200 ha	
	Corporations	45%	20 ha	
Farmland development for cultivation	State	74%, 75%	Acreage for reclamation: 400 ha	United development of farmlands, grasslands, farm roads, irrigation & drainage facilities, etc.
	Prefecture	40% - 65%	40 ha	
	Corporation	40 - 55%	10 ha	
Farmland consolidation	Prefecture	45%	Beneficiary acreage 200 ha	Land a partition readjustment & small-scale construction of irrigation canals & farm roads
	Corporations	40, 45%	20 ha	
Overall readjustment of upland	Prefecture	50%	Beneficiary acreage of key activities: Irrigation: 100 ha Drainage: 100 ha Farm roads: 100 ha	Overall readjustment of a partition including land readjustment, irrigation canals, farm roads, etc.

Explanation 4: Changes in project costs

The cost of the farmland improvement projects continued to increase slightly even under the control of public works which has been in force since 1980, exceeding 900 billion yen in 1983. Later on, however, it was decreased, affected by the "minus ceiling" budget, down to 878.9 billion yen in 1985, and 1.5 trillion yen for the project costs.

Table 1 Changes in the costs for the farmland improvement projects
(National expenditure & Project costs)
(100 million yen)

Source	1970	1975	1980	1981	1982	1983	1984	1985
National treasury	1,890	3,595	8,975	8,997	8,997	9,000	8,919	8,789
Project costs	3,125	5,953	14,958	14,968	14,946	15,056	14,926	15,080

(Reference: Agricultural Structure Improvement Bureau,
Ministry of Agriculture, Forestry and Fisheries)

2. Long-term Plan of Land Improvement Program

The long-term plan for land improvement, pursuant to the Agricultural Basic Act (enacted in 1961), was set for a period of 10 years based on the land.

Improvement Act which had been amended in 1964, for the purpose of readjusting the fundamentals before promoting the agricultural policy, and in close connection with its enforcement.

The long-term plan of land improvement program has up to now been made on three occasions, and the current activities are being undertaken under the 3rd plan.

Outlin of the Long-term Plane
of Land Improvement Program

Item	1st plan	2nd plan	3rd plan
Cabinet decision	March 25,1966	May 1, 1973	April 12,1983
Period	1965 - 1972	1973 - 1982	1983 - 1992
Amount of project costs(100 mil.yen)			
Overall readjustment of farmland	%	%	%
	8,500 (32.7)	66,100 (50.8)	159,300 (48.6)
Main irrigation and drainage	7,000 (26.9)	22,400 (17.2)	57,800 (17.6)
Disaster prevention	2,000 (7.7)	9,700 (7.5)	23,800 (7.3)
Development of farm land for cultivation	5,500 (21.2)	13,800 (10.6)	46,100 (14.1)
Loans	3,000 (11.5)	8,000 (6.2)	17,000 (5.2)
Reserve funds	- -	10,000 (7.7)	24,000 (7.3)
Total	26,000 (100.0)	130,000(100.0)	328,000(100.0)
Farmland acreage of target year	6,040,000 ha	5,840,000 ha	5,500,000 ha

Item	1st plan	2nd plan	3rd plan
Target amount of the plan			
Farmland consolidation	ha 850,000	ha 1,200,000	ha 1,000,000
Upland readjustment	810,000	600,000	600,000
Development of farm land for cultivatio	750,000	700,000	470,000
Target achievement (100 million yen)	(as of the end of 1972) 27,030 104.0%	(as of the end of 1982) 123,732 95.3%	(as of the end of 1987) 86,684 26.4%

Reference: Survey by the Agricultural Structure Improvement Bureau ,
Ministry of Agriculture, Forestry and Fisheries.

Notes: Planned amount in parentheses indicates the share of each
activity in the total amount for the plan except the
financing and reserve funds, etc.

(1) The 1st long-term plan of land improvement program
The 1st long-term plan of land improvement program (by the decision of the Cabinet in March, 1966) was to execute within 10 years from 1965 a project featuring the main points of paddy-field readjustment of approximately 850,000 ha and farmland reclamation of 750,000 ha, totalling 2.6 trillion yen.

The main features were:

- a) that paddy-field readjustment activities were given a key position for the promotion of the modernization and mechanization of agriculture in order to cope with the rapid decrease in the farming population;
- b) that the reclamation of farmland was concentrated on fields for livestock feed and orchards to meet with the expected growth in the demand for dairy products and mandarin oranges; and
- c) that paddy-field reclamation was still planned (this plan later became the subject of control in 1969 and 1970).

For the 1st long-term plan for land improvement, the projected amount of 2.6 trillion yen had already been spent by fiscal year 1972, so the plan was switched to the 2nd long-term plan, although 2 years were still left for the 1st plan.

(2) The 2nd long-term plan of land improvement program
The 2nd long-term plan for land improvement covered 10 years' ending in 1982, amounting to a total of 13 trillion yen which consisted of farmland development of about 300,000ha, development of pasture of about 400,000 ha, overall upland readjustment of about 600,000ha, and farmland readjustment 1,200,000ha.
of about 1,200,000 ha.

The main features were:

- a) for the realization of highly efficient farming and the reorganization of paddy-field utilization, the ratio of upland readjustment activities jumped from 33% to 55% by further reinforcing paddy-field readjustment, the integration of upland readjustment, farm-

village improvement, and other relative projects;
and

- b) farmland reclamation put emphasis on uplands for growing livestock feed, in compliance with the change in the demand for the supply and demand of farm products.

The cumulative results of investments up to 1982 reached 12.4 trillion yen covering about 95% of the total projected volume of 13 trillion yen, and this almost achieved the target amount on a nominal base.

However, owing to the increase in commodity prices during the planned period, and to the budget control on public works, the acreage of land readjustment during the project period only reached 50% of the target.

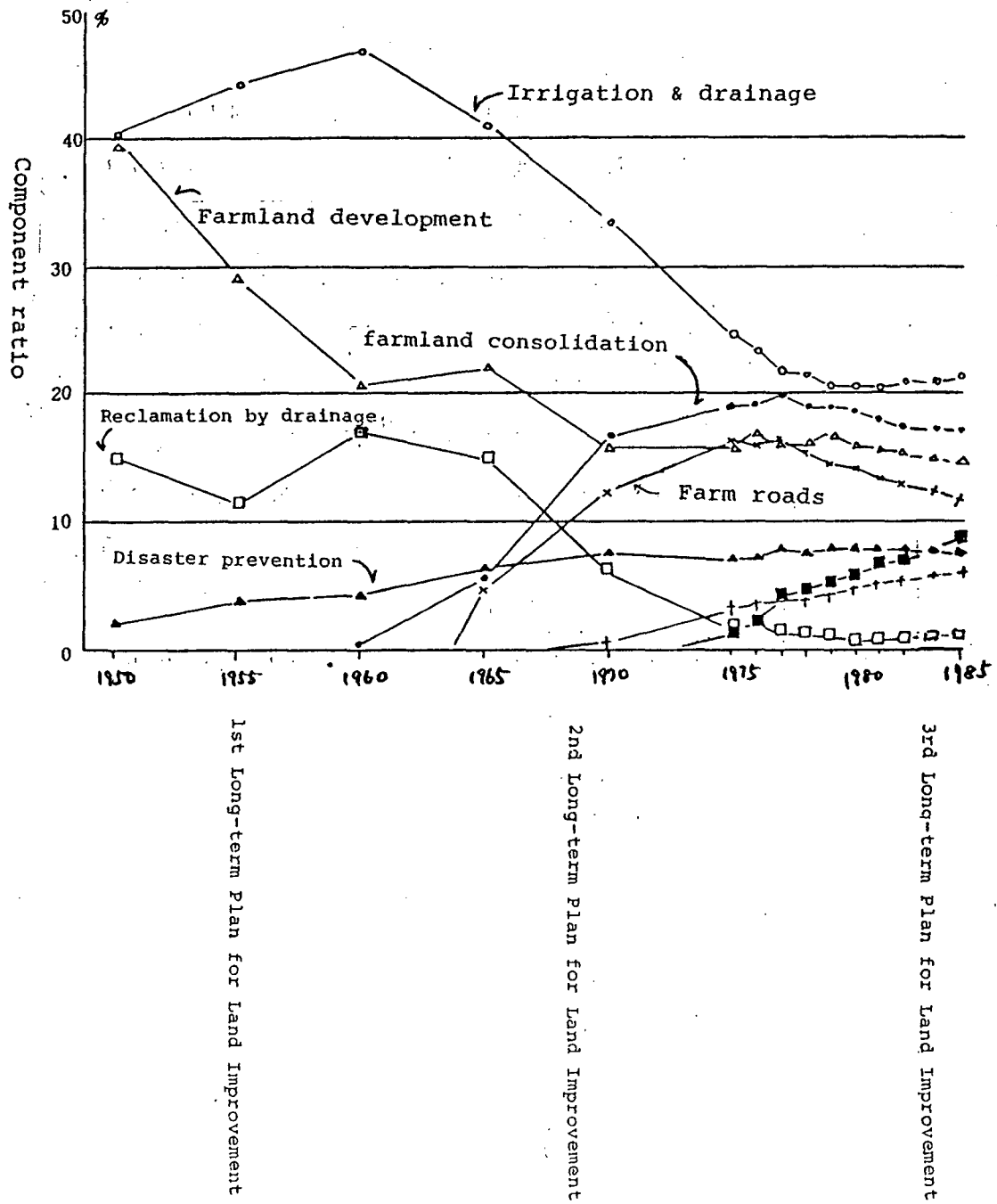
(3) The 3rd long-term plan of land improvement program
The 3rd long-term plan for land improvement is currently under way, and aims at activities that will amount to 32.8 trillion yen starting in 1983 and ending in 1987. The two main objectives of this plan are a) to secure farmland with an acreage of 5.5 million ha, and b) to increase the readjustment ratio of farmland up to 70%. For this, the plan intends to readjust 1 million ha of paddy fields, 0.6 million ha of uplands, and 470,000 ha of farmland reclamation.

3. Objectives of Farmland Improvement Projects in Japan and Related Problems

The activities of consolidating agricultural farmland have been executed in compliance with the demand of each era, and by changing the system, working details and the points of emphasis.

By looking over the changes in the activities, there has been a trend toward the integration of activities and a gradual quantitative equalization of each project.

Figure 1 The changes in the ratio by project of postwar activities for consolidating agricultural farmland



1) Irrigation and drainage project

These activities, mainly consisting of the readjustment work of irrigation and drainage, focused on the increase in food production during the 10 years from 1945 and for some years after 1955 on productivity improvement and the selective expansion of farming production. From 1968 onward, the activities were concentrated on a close joint work with paddy-field readjustment for the diversification of paddy-field utilization, with the basic aim of improving productivity, and on the stabilization and rationalization of water utilization.

The national undertaking in 1984 of irrigation and drainage achieved a total beneficiary acreage of 787,000 ha, covering 191 districts, including 150 districts by the general account and 41 districts by the special account. Out of these, paddy fields shared 469,000 ha and uplands represented 40%.

Activities by the Prefectural Government were promoted with an emphasis on irrigation and drainage.

In 1984, the activities covered 453 districts, including 136 new districts.

2) Farmland development project

The targets of farmland development were uncultivated hills, wild fields and farmlands which were little used. The project aimed to create highly productive lands through reclamation and readjustment, and by filling in or reclamation through underwater drainage lands, for the purpose of reinforcing overall self-sufficiency in food and improving general farm management (expanding the scale).

In 1984, the activities covered 126 districts of farmland and grassland, plus 7 reclaimed districts by the national projects, 162 upland districts and 24 grassland districts by the metropolitan and prefectural undertakings, and 17 districts by the Farmland Development Corporation.

3) Farmland consolidation project

Since the system for the farmland consolidation project was organized in 1963, the system has grown steadily in amount as a key project among the farmland improvement projects. It has further been promoted until now, through the modification of the working systems and methods to adapt itself to the changing situation of agriculture and the agricultural policy. The main achievements are detailed below:

1. It backed up major national projects such as the "Shinkansen" lines (bullet-train lines), highways, the introduction of the manufacturing industry into farm villages, the development of green areas for farming the development of water resources, airports, etc. Furthermore, in order to assist the sound growth of agriculture and to avoid possible social frictions, the paddy-field readjustment project promoted the systematic organization

of other activities rejected to other undertakings.

2. To help promote the conversion from rice production which was activated in response to the problem of rice overproduction, the readjustment level of the paddy fields for diversification was enhanced, and higher-pitched activities such as these have been extended to an all-year-round basis.
3. To protect the farmland from being converted in a disorderly manner into non-farming uses, - a tendency resulting from the increased demand for land for non-agricultural purposes - and to secure suitable farmlands, the necessary steps were taken to facilitate the combined exchange of farming areas with non-farming areas and the construction work necessary for such exchanges.
4. Considering the local conditions, especially the topography, farm management and location,

special efforts have been made with fruitful results in promoting the development of mountain farm villages and desolate islands by raising the limits of adoption and subsidies.

As of 1984, the number of districts in operation across Japan was approximately 2,900, including 1,400 districts by prefectural activities, and 1,500 districts by corporations. This meant about 60 districts per prefecture, showing that the projects were being carried out systematically on a nationwide scale.

4) Overall upland readjustment project

Until some time ago, the consolidation of upland fields was not promoted, with productivity also left at a low level. Since 1955, however, a great change has taken place in the structure of food consumption by the Japanese people, by the growth of national income and the changes in people's eating habits, resulting in increased consumption of vegetables, fruit and meat. This highlighted

the importance of upland farming, and a strong demand developed for investment in upland production to improve productivity and to consolidate upland field conditions for the high selectability of the cultivation of vegetables.

With this in the background, the Pilot Project for Overall Land Improvement in Upland Areas (the so-called "Hata-So Pilot") was established in 1966, with the Overall Project for Upland Improvement ("Hata-so") in 1968. The aim of these projects was to form an integrated and organic system to execute through a sole executing agency the various activities necessary for the upland field areas, and to enable the positive promotion of upland field operations in the farmland consolidation projects.

5) Farm road construction project

In the past, farm road construction projects were undertaken as corporation-managed projects, but as progress was made in farm mechanization and motorization, and in order to meet with the changes

in the times, a new project was undertaken in 1965 called the Farm-Road Construction Project for Financing Gasoline Tax in Primary Industries. This inaugurated full-scale farm-road construction activities. With the progress made in nationwide traffic networks, farm product distribution reached a new stage with an expanding market, mass transportation, the standardization of farm-product transactions, etc. As a link in the program for fostering a farming complex for wide-area distribution, a new project was started called the Construction Project on Farm Road in the Wide-Area Farming Complex.

From 1965 to 1984, the newly created or improved farm roads extended some 36,000 km, with paved farm roads some 11,000 km.

6) Project for disaster prevention

Japan, because of its harsh natural environment, has always suffered a great many disasters, and furthermore, following the rapid changes in the

social and economic conditions, due to the recent progress in urbanization and the introduction of an urban way of life into farm villages, the form of disasters has become more complicated.

The disaster prevention activities are divided into three categories by subject and nature:

a) farm-land protection, b) farm-land maintenance, and c) anti-pollution measures.

7) Overall improvement project of farm villages
The Overall Improvement Project of Farm Villages consists of three activities: the Model Project of Farm Village Overall Improvement which started in 1973 (Model Project), the Overall Improvement Project of Farm-Village of 1976, and the Hamlet Level Irrigation Project of 1983.

Looking at each district, the Model Project is being undertaken mainly among the flatland and mountain farm villages where the farm production

fundamentals have been improved to some extent, and where there is a positive will to work for increased farm production. The other small scale overall pilot projects such as Hamlet Level Irrigation Project were intended by its very nature for the basic improvement of the living environment to meet with the middle-mountain farm production, and it covered the economic zone of mountain farm villages.

(2) Improvement level of the Farmland improvement Project

The improvement level of farmland means the basic line of farmland conditions as a target for improving productivity such as strengthening farm productivity, farm labor improvements, etc. Such a level has gradually been enhanced with the improvement of the economy, and agricultural and civil-engineering technology.

The following is a summary of the development.

Table 2 Historical changes in the level of paddy-field improvement

State or technology	Consolidation level			Paddy-field consolidation stage	
	Before the consolidation of cultivated lands (early Meiji Era)	Consolidation stage of cultivated lands till the 1940's	1950's	1960's	Recent trends
Advance of mechanization	Mainly by manual cultivation	Cultivation using animal power (paddy fields were cultivated using horses)	Spread of small-sized machines (power cultivators)	Spread of large & medium-sized machines (mechanization of rice planting and harvesting)	Farm operation by large & medium-sized machines systematized with improved efficiency
Rice yield	on 150 - 200 kg level	on 200 - 300 kg level	on 350 - 400 kg level	on 400 - 500 kg level	on 450 - 500 kg level
Division	Irregular and small divisions	Adjusted by units of 8 to 10 a	Same as the left column	Adjusted by units of 20 to 30 a	For rice only: Units of 30 to 60 a For general purpose: Units of 20 to 30 a
Irrigation	Irrigation available (for both irrigation & drainage)	Same as the left column	Reinforcement of water supply sources (setting the standard)	Separation of irrigation from drainage & lining canals	Partially converted to pipelines Automation of water control
Drainage	None in particular	None in particular	Reinforcement of drainage (setting the standard)	Same as the left column	Drain capacity ensured as general-purpose paddy fields (underground water level in winter: 70 cm or deeper) Lining drain pipes
Farm roads	Provided only for trunk lines (width: 3 to 4 m)	In some partial areas for grouped farmlands (width: 1 to 2 m)	Farm roads provided to contact each division of cultivation	Trunk farm roads (width: 6 to 7 m) paved Farm roads in the grouped farmlands (width: 3 to 4 m)	Farm roads in the grouped farmlands partially paved

- 1) Farmland consolidation until the early Meiji Era (up to around 1890)

From the time of the ancient burial mounds till the Ritsuryo Period (7th Century), many irrigation works were constructed centered around reservoirs. From the Sengoku Period (period of civil strife) through the early Meiji Era, many activities for flood control, reclamation by drainage and land clearing were undertaken by "samurais" and "daimyos", merchants, wealthy farmers, etc. However, these activities were rather intended for the improvement of new farmland (mainly for the development of new paddy fields), than for consolidation of farmland.

Further, the gridiron farmlands which still remain in some parts of the Kinki District and the Inland Sea District since the early Ritsuryo Age were not created for furthering farm production, but only for controlling the farmlands on the principle of public lands and public farmers.

The paddy fields in these days had the minimum amount of irrigation water required for rice production, with irregularly shaped partition of fields which were also small in size. Very few farm roads were provided in the grouped farmlands. Work depended mostly on the toil of laborers.

- 2) Consolidation level in the cultivating land readjustment stage

In the middle of the Meiji Era, new farming tech-

nology called the Meiji Farming Method was established and began to spread. The technique featured a) the diffusion of new-high breed variety with large inputs, b) investments in increased production and the application of purchased fertilizers such as soybean cake, c) intensive farming techniques such as salt water selection, planting on right angle ridges, cultivation and weeding, d) deep tilling by horse power, etc.

The spread of such new technology was supported by progress in readjusting partitions of cultivated lands including the zoning of farmlands and the arrangement of irrigation and drainage systems as well as farm roads. The larger volume of fertilizer, helped by the deep tilling, had an even larger effect, and this proved the efficiency of using animal power for deep tilling, compared with manpower.

In order to effectively use animal-power cultivation, the wet paddy fields had to be dried and the footpaths as well as farm roads readjusted.

The Meiji Farming Method', in combination with the

adjustment of cultivating lands, spread across the country under the name, "Kanden Bako," (Paddy-field drying and horse cultivation"). In 1900, the Cultivated Land Adjustment Act (former act) came into force to launch a new stage of full-scale adjustment of cultivated lands.

At this stage, the adjustment was made in expanding the unit division of paddy fields to 8 to 10 a (area) to facilitate the effectiveness of animal-opwer cultivation, and in providing farm roads in the grouped farmlands for the smooth transport of cows and horses along with the farming machinery.

This form of consolidation continued up to around 1945, but since 1965, by the spread of small-type farm machinery such as motorized tractors, the consolidation began to focus on irrigation and drainage facilities and farm roads.

3) Consolidation level at the stage of paddy-field readjustment

Since 1955, the rapid change in Japan's agriculture influenced the policy on farmland consolidation

which was a basic part of the general structural policy. It was becoming necessary to newly readjust the paddy fields in compliance with the large and medium-sized machinery such as man-driven tractors which were being introduced more and more. For this, a new paddy-field readjustment project started in 1963.

At this stage of paddy-field readjustment, the consolidation level was enhanced even further and with clearer objectives. Paddy fields were expanded to a partition of 20 to 30 ares to allow farm work with large and medium-sized machinery, and for the same purpose, the provision of paved farm roads with widths of 6 to 7 m as trunk roads and those with widths of 3 to 4 m as farm roads running through grouped farm lands were set as the target.

Furthermore, for irrigation, the separation of irrigation from drainage was set as the target so as to make it possible to enforce water control by each division of cultivation. In the upland sector,

the same type of farm road construction as in the paddy fields, the extension of upland irrigation, and the reinforcement of drainage functions were aimed at, in addition to steps for machine work as the revision of field slopes, and revision of partition and shapes of the field: these steps were designated as the standard level of readjustment.

4) Recent trends in farmland consolidation standards
The recent level of consolidation for farmlands is set to meet the requirements of the agriculture for an overall reinforcement of self-sufficiency in food through the improved productivity of land-utilization agriculture, the reorganization of farm production, etc.

For paddy fields, it is felt necessary to set an objective to improve general paddy fields for them to be ready for wider use by strengthening the draining capability down to an underground water level of 50 cm or less in the summer season (or 70 cm or less during wintertime) to allow a crop

rotation from paddy fields to uplands and a secondary crop in winter, and by widening the partition to meet mechanical operations. For other paddy fields which are not planned for upland use, it is also felt necessary to widen the partition to 30 60 a.

For this exercise of a fast and efficient water control and to prevent this deterioration of irrigation water, caused by urban lifestyles, another aim is set to promote the change of irrigation facilities into pipelines and automated systems.

For the uplands, it is also necessary to raise the standard of consolidation so as to cope with the highly efficient and mechanized farming, for example, by readjusting all farmland partitions which need to be changed in the shapes in accordance with the growing products, and by establishing the upland irrigation facilities.

(3) Adjustment with various land-utilization plans
For establishing an overall land-utilization plan

on a nationwide scale, the Comprehensive Land Development Act and the Land Utilization Law Planning Law were enacted. In their practical administration, each utilization plan will be made up in compliance with each relative law.

The Land Utilization Planning Law is made for the purpose of realizing an overall and systematic utilization of the national land from the viewpoint that the national land is a limited natural resource for the current and future generation of the nation, and that it is a common factor for the nation's activities in life and production. It is therefore an integrated system of various land-utilization plans.

In the practical sector of each type of land utilization, the plans will be made under the Agriculture Promotion Act, City Planning Law, etc.

Land improvement projects are carried out on the basis of the land utilization plan of the plan for agricultural promotion zone which is made out under

the Agriculture Promotion Act.

Projects concerning the readjustment and development of agricultural land such as the farmland readjustment and the farmland improvement projects are intended for the area divisions of farm land designated as areas for agricultural promotion. On the other hand, such projects as the model project for improvement of farm villages, the overall improvement project of farm villages, and the farm-road construction project for farming complex over wide areas are to be promoted.

Furthermore, the project may also be applied in some areas for recovery from disaster or anti-pollution measures, other than those to be promoted, although in principle the land utilization plan is a prerequisite foundation under the Agriculture Promotion Act.

- (4) Overall improvement project of farm village environments

Japan's agriculture and farm villages: after going through a period of high economic growth, have changed remarkably. There were increased population of part-time farmers, coupled with an influx of population from urban areas.

The new situation has created several problems for Japanese agriculture. The spreading deterioration of farmlands, the fouling of irrigation water, idle land use and irrigation control resulting from decreased awareness for the need of joint control, and furthermore, the difficulty in reaching a consensus in enforcing new undertakings for the farmland consolidation projects for the future.

Meanwhile, the farm villages are required to provide much more versatile functions, changing from unitary rice-production to diversified farm production to follow the progress made in fruit, livestock, upland products etc., as a living space for part-time farm households and ex-farmers still living in the villages, and as a space for rural industries activities, etc.

Under these circumstances in agriculture, it is most important in carrying out the maintenance and improvement of farm villages to accept the fact that part-time farm households and the influx of urban population will still continue to increase, which is something that should be dealt with positively.

It is from such a viewpoint that the present overall project be implemented for the improvement of farm villages. Great hopes are placed on this project as a solution to the big problem of farm villages in Japan. This has been proven by the growth of the working cost of the project.

The outline of these improvement activities on farm villages is summed up in the following table, while Figure 2 shows an example of the ideal concept for the project for a unified improvement of farm-production basis and the living environment.

Table 3 Types and descriptions of the overall improvement projects for farm villages

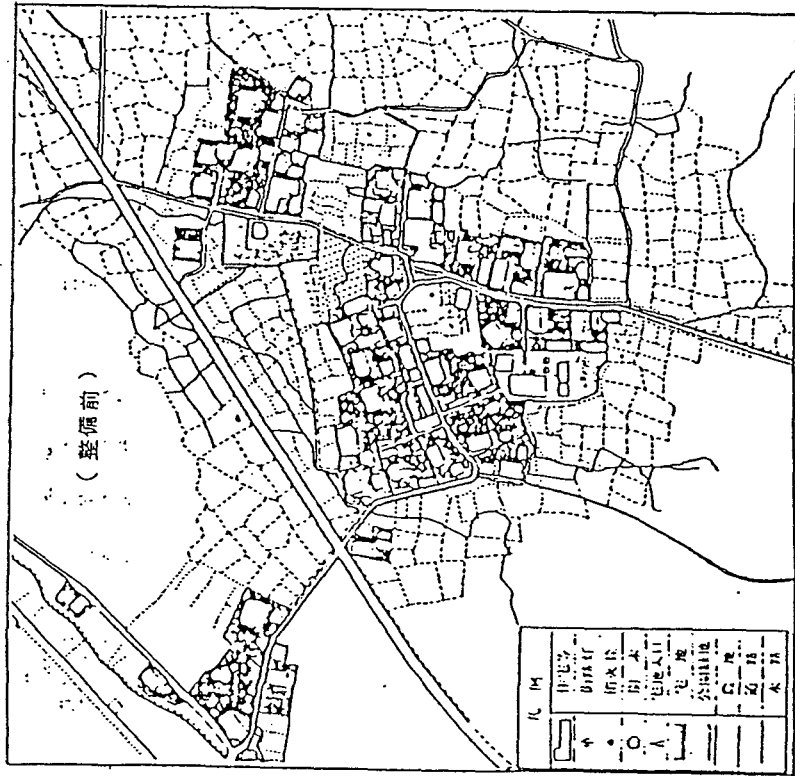
Item	Model project of the overall improvement of farm villages	Improvement project of farm-village environment	Drainage project of farming hamlets
1. Subject areas	Cities, towns and village (covered by the overall farm-village improvement plan)	For basic hamlet levels (several farming hamlets)	For basic hamlet levels (several farming hamlets)
2. Executing agencies	Corporations organized by cities, towns, villages, the prefectural governments, agricultural cooperatives, land-improvement district, farm-households, etc.	The same as left	The same as left
3. Project cost for 1 area	Approx. 1 billion yen	Approx. 400 million yen	Approx. 500 million yen

Item	Model project of the overall improvement of farm villages	Improvement project of farm-village environment	Drainage project of farming hamlets
	<p>facilities in hamlets #water-supply facilities for drinking water ,other purposes and farming #readjustment of cultivating lands #disaster-prevention and safety measures for hamlets</p> <p>3.Improvement of the farm-village environments and measures: for #environmental control measures for rural communities #farm village environment improvement centers #farm villa</p>	<p>poses and farming #irrigation and drainage facilities in hamlets ,establishment of farm-village parks and green areas #consolidation of land for farm-modernization facilities,d</p> <p>isaster-prevention and safety measures for rural communities</p> <p>3.Specially approved projects</p>	

Item	Model project of the overall improvement of farm villages	Improvement project of farm-village environment	Drainage project of farming hamlets
4. Descriptions of activities	<p>1. Improvement of farm-production basis</p> <p>*paddy-field consolidation *establishment of farm irrigation and drainage facilities *construction of farm roads *development, improvement and maintenance of farmland</p> <p>2. Project for improvement of farm-village environments: *farm road construction in rural communities *irrigation and drainage,</p>	<p>1. Improvement of farm-production basis</p> <p>*paddy-field consolidation *establishment of farm irrigation and drainage facilities *construction of farm roads *development, improvement and maintenance of farmland</p> <p>2. Improvement of the farm-village living environment: *farm road in hamlets *water-supply facilities for drinking water, other pu</p>	<p>1. Drainage facilities in hamlets</p>

Item	Model project of the overall improvement of farm villages	Improvement project of farm-village environment	Drainage project of farming hamlets
	ge parks 4. Specially approved projects		
5. Rate of subsidies	50% (2/3 for Okinawa)	55% (75% for Okinawa, 65% for Amami-oshima)	55%

Figure 2 Unified improvement of farm-production basis and the living environment



(before the consolidation)



(after the consolidation)

(5) Effects of the land improvement projects

1) Evaluation of the economic effects from an administrative viewpoint

Land improvement projects are performed by consolidating and developing farmland which constitutes the basis of agricultural production activities. Their objectives are, from the standpoint of the national economy and national administration, a stable food supply, and from the private standpoint of farm-household economy, an increase in income by a step-up in production and enhanced farm productivity. In this connection, according to the governmental criteria for project approval, it is specified that a land improvement project must be supported, in its implementation, by a huge amount of investment, and that the decision making must be based on sufficient examination of the details of the project through an economic analysis, and on the assurance of its effectiveness.

From this, the following calculation formulas have been drawn up to demonstrate "investment efficiency," and the results of these calculations show the conditions for approving the area of a new project.

$$\text{Investment efficiency} = \frac{\text{Justifiable investment amount}}{\text{Project cost}}$$

$$\text{Justifiable investment amount} = \frac{\text{Annual increase in net profit}}{\text{Capital rebate rate}} \times (1 + \text{Construction interest rate})$$

Where:

$$\text{Capital rebate rate} = \frac{i(1+i)^n}{(1+i)^n - 1} \quad \begin{array}{l} i: \text{ interest rate} \\ n: \text{ durable life (years)} \end{array}$$

$$\text{Construction interest rate} = \alpha \times 0.4 \times 0.05 \times T$$

$$\alpha = \text{farmer's share rate} = 0.25 \quad \begin{array}{l} T: \text{Period from the project start} \\ \text{till the time of effect (years)} \end{array}$$

Note: The project cost which is used to calculate investment efficiency must not only be the one directly applied to the project itself, but the total investment value including the

total investment amount for land improvement required to obtain the desired effect.

The appropriate sum of investment represents the annual increase in net profit which is rebated to capital. To be more specific, it is obtained by dividing the annual increase in net profit by an annual redemption interest rate corresponding to the durable life (years) of the project, and by further reducing from the quotient thereof the interest rate which is valid during the construction period, in order to bring it back to the starting point of the investment.

The rate of rebate to capital represents the annual redemption interest rate corresponding to the given interest rate and the overall durable life of the subject facility.

The durable life of the subject facility is based on a separate table made out on the standard durable lives of newly constructed facilities. T denotes the construction period of the subject project. The annual increase

in net profit refers to an annual average increase in net profit which is generated during the overall durable years of the subject facility, and it must be a concrete sum that can be obtained correctly through actual measurement. Presently, it is mainly expressed by an increase in net profit, the deducted portion of the maintenance cost of the facilities, and the saved amount of labor in farm management. In the case of farm roads, the saved amount of transportation costs is added to the above-mentioned amount, and the reduced amount of the loss in the case of farmland maintenance.

2) Overall effect of land improvement project
Land improvement project allows the realization of highly efficient agricultural production, while adding to the effective maintenance of the national land resources, by taking advantage of the various functions adjustment. Land improvement project also has unique characteristic not seen in other public works: for example, a wide influence extending

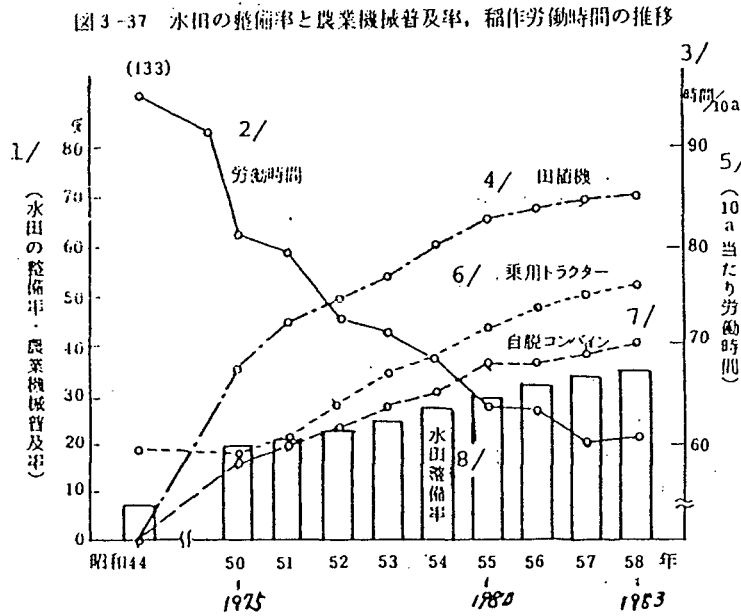
beyond the agricultural sector, and joint work with other public works in local areas such as general road construction.

In addition to these characteristics and functions, land improvement project receives public subsidies, in its implementation as a farmland consolidation project to improve agricultural production, in consideration of its long-standing achievement of farmland and agricultural irrigation facilities that have been developed and consolidated. These are indeed valuable properties of the nation.

However, the recent situation of the national economy is becoming more critical with respect to agricultural investments, and the administrative authorities are being strongly requested to clarify the actual effect and significance of land improvement.

The following figure shows the effects of land improvement project.

Figure 3 Ratio of readjusted paddy-fields and the diffusion rate of farm machinery, and the change in working hours for rice production



- 1/ Ratio of consolidated paddy fields and diffusion of farm machineries
- 2/ Working hours
- 3/ Hours/10 a
- 4/ Rice transplanters
- 5/ (Working hours per 10 a)
- 6/ Man-driven tractors
- 7/ Combine harvesters
- 8/ Ratio of consolidated paddy fields

Sources: "Survey on Rice-Production Cost";
 "Basic Survey on the Farmland Consolidation and Land Utilization" by the Ministry of Agriculture, Forestry and Fisheries

Note 1: Farm machinery diffusion rate indicates the ratio of farm machinery owned by rice-producing farm households.

Note 2: Paddy-field consolidation ratio indicates the ratio of shape-adjusted partition of approx. 30 a (at the end of March each year.)

Note: Effects of highly efficient machinery introduced through farmland consolidation

The most influential factor on farm productivity improvement is the shortening of working hours through mechanization. When reviewing the spread of farm machinery in the rice-production sector, it was after 1970 when machinery such as man-driven tractors, rice transplanters, and automatic threshing combine harvesters rapidly came into widespread use. This has completed the integrated mechanical work system of today based on these medium-sized machines. Consequently, the working hours for rice production have been significantly reduced recently, to about 60 hours per 10 a.

For the effective use of highly efficient machinery, it is necessary to have (a) a large management scale and (b) closely located farm fields, and (c) to ensure conditions suitable for machine operation.

Farmland consolidation, through the enlargement of each partition and farm-road construction, has contributed to providing the conditions which facilitate machine operation and transport. The rapid diffusion of farm machinery and the great reduction in working hours in recent years, along with the divisional reshaping of partition of farmland to about 10 a, are all supported by the farmland consolidation projects which have been implemented so far.

THE DEVELOPMENT PROCESS FOR THE FARMLAND

CONSOLIDATION PROJECTS IN JAPAN

The Institute for the Development of Agricultural Cooperation
in Asia (IDACA)

THE DEVELOPMENT PROCESS FOR THE FARMLAND
CONSOLIDATION PROJECTS IN JAPAN

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THE DEVELOPMENT PROCESS FOR THE FARMLAND

CONSOLIDATION PROJECTS IN JAPAN

1. PREFACE:

Farmland consolidation project in Japan from the latter half of 1800 to the first half of 1900.

In 1968, at the start of new Meiji Government, Japan's economy turned in the direction of modernization, which was subsequently followed by high growth rates in various industries.

In the early Meiji Era, the basic policy of agricultural administration was concentrated on the promotion of agriculture and the employment of retired samurais. In 1870, when the Meiji Government decided to undertake reclamation projects, research on cultivation began in the Tohoku District, and in 1880 large-scale reclamations were undertaken in national projects (Azumi Canal in Fukushima Prefecture, Sanbongi

in Aomori Prefecture, and Nasugahara in Tochigi Prefecture).

All these large-scale national projects were executed for the sole purpose of giving employment to former samurais who had lost their jobs as a result of the "Haihan Chiken" (abolition of clans and the establishment of prefectures).

At the same time, the Meiji Government encouraged agricultural land development projects through private capital. A typical example of this was the Meiji Irrigation Canal in Aichi Prefecture.

The population of Japan in the early 1900's exceeded 10 million, and this meant the urgency for an increase in food production. During this period, the landowner system made remarkable progress, and the landowners' demands for an expansion of arable land and an increase in productivity corresponded to the national demand. Under these circumstances, the Arable Land Readjustment Act was enacted in 1900. This Act

aimed for the direct introduction of a land readjustment project which originated from northern Germany, as a result of the rationalization of large-scale farming management and an upland field management of that country. Hence the Act inevitably required several amendments for Japan, but the project itself represented a central movement in the farmland consolidation in Japan under the landowner system in the first half of 1900.

In order to promote the consolidation of farmland in a large scale, it was necessary to control flooding for the purpose of protecting paddy fields which spread out in the alluvial plains along the big rivers. The Meiji Government right from the beginning devoted its efforts to flood control, and has remained a matter for project until this very day by the Ministry of Construction.

Since the end of the Meiji Era till the early Taisho Era (around 1910), the arable-land readjustment projects made good progress, contributing to the

expansion of cultivated land and the improvement of land productivity.

In 1918, the activities for the farmland consolidation had a strong impact on the need for new development, by the rice riot.

Taking this opportunity, the Government took up the matter of increased food production as a national policy, and established three main programs, the existing arable-land readjustment project, and two new policies on reclamation project, irrigation and drainage improvement project for the purpose of arable-land expansion and the creation of land owner farm households.

In 1919, a Reclamation Assistance Act was established, whereby a state reclamation enterprise and other organizations were founded to promote the reclamation.

Note: This undertaking achieved by 1940, 72,500 ha

of newly cultivated paddy fields and 31,000 ha of upland fields, totalling 103,500 ha.

For readjusting the basic facility of farm irrigation, much room was still left for the undertaking of many more large-scale projects, even exceeding the range of the farmland readjustment projects in the past, such as drawing water from big rivers. The Government decided that it was very important to make great efforts to promote farm irrigation from both the technical and financial aspects. In April 1923, a Government Notice was issued entitled, "Guidance on Subsidizing the Improvement of the Main Canal of Irrigation and Drainage".

Thus the fundamentals were established for today's activities of consolidating farmland in Japan. In the practical management of the projects, besides such administrative aims as the creation of land owner farm households, productivity improvements, and increases in food production, some countermeasure projects were undertaken in line with readjustment resulting from an

agricultural crisis caused by typhoons, and a crop failure around 1925.

The consolidation of farmland from the late 1800 to the first half of 1900 are as outlined above. Generally, this type of project needed a long lead time from the start till completion. Even for small projects, it took 3 to 5 years, or 7 to 10 years for a medium-scale project and more than 10 years for a government-managed undertaking.

Agriculture, on the other hand, progressed rapidly, always making major changes, while following the development and upheavals of the national economy.

Occasionally, this brought about gaps in the short-term viewpoint between agriculture and the rigidity of fundamental consolidation.

However, when looking back at the 100 years since the latter half of the Nineteenth Century until today, it can be clearly said that the long-term consolidation

project has eventually played out its role by following the changes of the times, and by adjusting its objectives according to the agricultural demands on each occasion.

2. History of the Postwar Projects for Farmland Consolidation in Japan

(1) 1945 - 1949: Emergency reclamation projects amidst the postwar chaos

After the Second World War, projects for farmland consolidation in Japan were initiated by the "Outline of Emergency Reclamation Enforcement" formulated by the Cabinet in November 1945. Just after the war, the Japanese Government was faced with the serious problem of how to prevent social disorders caused by the surrender: a 44% loss of living zone due to devastated homes, factories and transportation networks, along with the stoppage of foreign trade, an increase in unemployment due to jobless workers, demobilized soldiers and repatriates, as well as the unprecedented

rice harvest failure in 1945. The general state of Japanese society was becoming worse and worse.

An emergency reclamation project was set up in such social disorder with the primary purpose of self-sufficiency in food and the promotion of the return-to-farm movement of the jobless factory workers, soldiers and other people. Under this project, it was planned to clear land 1.55 million ha in area within 5 years, plus an area of 100,000 ha in 6 years by draining, thus recovering one million farm households with providing their farmland, with a land improvement of 210 ha in 3 years. To provide the necessary land, the former parks used by the military and state lands were to be released, and privately owned land suitable for the purpose was also to be taken over by law.

These emergency steps proved to be very successful, with such immediate effects as the absorption of the unemployed and the establishment of self-sufficiency in food system.

After the middle of 1947, the Japanese economy began to recover from the postwar chaos, and social conditions became stable.

The reclamation project, after going through several changes, was switched in 1962 to a new pilot system of reclamation. The old project can be summarized as resulting in 212,000 new settlers, 384,000 ha of newly developed land, and 4,000 ha of drained land for cultivation, making the total new farmland area of 388,000 ha. In addition, 184,000 ha were also reclaimed by farm households for increased plantations, and this made the grand total 572,000 ha.

The uncultivated land taken over totalled 1,488,000 ha, including the former parks used by the military, national forests and private lands.

(2) 1950 - 1960: Project for increased food production during the period of economic recovery

1949 was the year that initiated a great change in the farmland consolidation. The first reason for the change was the retrenched finance of the Government as a result of the so-called "Dodge Budget", and the Second Land Improvement Act.

The Japanese economy until that time had been oriented toward a "selective" production emphasizing basic products such as iron and coal. Although this trend achieved the aimed result to some extent, it also accelerated inflation which eventually inhibited production itself. The Dodge Budget was a countermeasure taken to solve this problem through the retrenched finance of the Government. On the other hand, it seriously affected the farmland consolidation. The group-managed undertakings in particular were made the object of attack, where the taking over of new farmlands was completely eliminated. Consequently, the funds for consolidation activities in agriculture were largely curtailed, in terms of the budget when taking into account price increases.

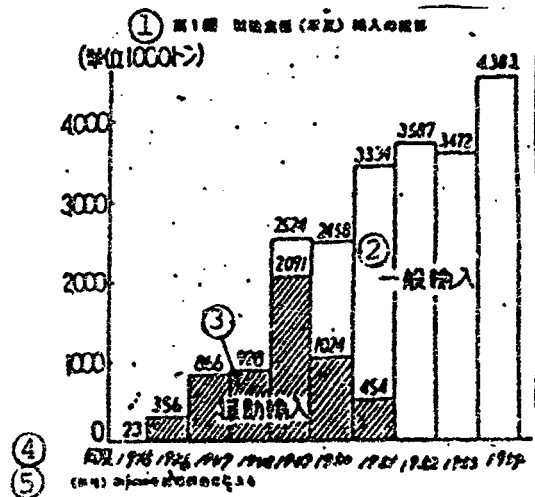
For the practical enforcement of laws on land improvement, the consolidation of farmland used to be carried out through the Act of Associations for Cultivated Land Readjustment, the Act of Irrigation Associations, and the Hokkaido Land Development Associations Act, but it was newly decided that, to replace these acts, the tillers after the agrarian reform should take the initiative by executing the consolidation project by means of their own plans and in a democratic manner.

This new law formed the basis for actively promoting the undertakings of the central government, as well as the prefectural and municipal governments.

In 1950, when inflation reached zero as a result of the Dodge Budget, the Japanese economy entered into a period of recovery, with only the big problem of food imports hindering this recovery. Until that time, Japan had depended on imported food through aid programs, but this was switched to general imports from

1952, increasing year by year thereafter. (See Figure 1.)

- ① Figure 1 Postwar Food Imports (rice & wheat)
- ② General imports
- ③ Food through aid
- ④ Year
- ⑤ Source: Economic White Paper



The biggest objective in that period of consolidating farmland was to solve food shortage. In 1957, a 5-year plan for increasing food production was established, which read to the following effect:

"In 1950, Japan imported 2.4 million tons of food amounting to 100 billion yen, accounting for 35% of total imports for the same year. --- Food shortages in Japan are increasing every year, and are expected to reach 5.85 million tons by 1960, equivalent to about 250 billion yen. --- It is difficult under these circumstances to realize our economic independence, and

the national economy is threatened to failure according to the international situation. --- Through the expansion of and improvements to cultivated land, we can still increase food production by 5.7 million tons, and by promoting this project as scheduled, we shall be able to achieve almost total self-sufficiency in food by 1960."

This project was brought to discussion at the Agricultural Counsellors' Conference and other meetings, but owing to the difficulty in raising the necessary funds, it failed to materialize in the end. However, later on, this project became the basis of Japan's agricultural policy in the period from early 1955, and at the same time became the slogan of the fundamental consolidation programs.

In 1955, farmland consolidation projects shifted their emphasis to such subjects as large-and medium-scale overall irrigation development projects and large-scale land reclamation.

It was also around that time that the metropolitan and prefectural enterprises concerned with irrigation improvement began to take action. Furthermore, foreign capital inflows and technical assistance, as well as a special accounting system, were introduced. For example, the Aichi Irrigation Water Project, cultivation by machines, and the Shinozu Peat Bog Development Project were started from 1955 with a loan from the World Bank. Land reclamation project of the Hachirogata Lake was undertaken from 1957 with technical assistance from Holland.

By this time, the farmland consolidation project had grown to be linked with the general economic policy of the Government. The newly established evaluation method of economic effects made it possible to examine each project from the viewpoint of economic efficiency. At the same time, it became possible to undertake a more rationalized method of executing multiple projects combined together, by sharing and dividing the cost in a more effective way with the joint projects of power-source development and flood control.

(3) 1961 - 1968: Farmland consolidation projects
under the Agriculture Basic Act

In 1955, Japan had an unprecedented big rice harvest, followed by a high level of production which still continues on a stable basis. On the other hand, dependence on rice as the staple food showed a downward trend. Moreover, in the midst of rapid economic growth in other sectors, the comparatively slow growth rate of agriculture gradually became apparent.

Under these circumstances, there was a strong demand from both inside and outside the farming world for the development of a completely new agricultural policy.

In 1959, an official report was issued entitled "Fundamental Problems of Agriculture and Basic Countermeasures." To comply with this report, the Agriculture Basic Act came into force in 1961, with the basic concept of promoting the steps necessary for supporting the independence of agriculture as the

mainstay of the Japanese economy, and of playing the role of a food supplier for the advance of the national economy.

In line with this trend, the Land consolidation project took the first step in improving the system of farm land development project by setting up a new pilot system of cultivation, and by incorporating the grass-land development plan into public works.

As first mentioned, the postwar farmland development system was started with the emergency reclamation program, and all the programs were carried out under governmental management, on land procurement, land settlement, reducing the number of crop types farmed on one farm, all expenses defrayed out of the National Treasury. This was switched over to the "General Principles of Pilot Projects" featuring the main points of self-procurement of land, self-finance by the local sector, and management-support of the growing fields such as fruit cultivation and livestock raising.

Concerning grasslands, the "General Principles on Undertaking Grassland Improvement Projects" were established in 1966, with a decision to execute the full-scale improvement of grasslands under the sponsorship of the State, and prefectural governments, and the Agricultural Cooperative Society.

Consequently, the farmland development project was inaugurated as a main part of agricultural policy under the enforcement of the Agriculture Basic Act.

With regard to land improvement project, a new system for paddy field readjustment was formed in 1963 in order to incorporate into a stable project the various operations which had been carried out separately as arable-land readjustment plans, such as land readjustment, small-scale irrigation, culvert drainage, and the transfer and mixing of soil. Through such incorporation, the new project aimed to form the foundation for the mechanization of agriculture by the grouping of cultivated land through exchange of farmland. This activity has made rapid progress since

its establishment, to become one of today's core projects for land improvement, and also the driving force behind agricultural mechanization that has improved remarkably during those ten years.

Based on the Land Improvement Act which was amended in 1964, a long-term land-improvement plan was made out and finalized in March 1966 by the Cabinet. This plan, in compliance with the aims of the Agriculture Basic Act, thoroughly reviewed all the existing land-improvement programs, and determined the size of each project (costs necessary for each project) by clarifying the roles and aims of future projects.

In this way, the land consolidation activities under the Agriculture Basic Act expanded their scale by creating various new systems. In terms of working expenditure, the scale increased fourfold in the ten-year period, from the total amount of about 100 billion yen around 1961 up to nearly 400 billion yen in 1970.

(4) 1969 - 1982: Development of comprehensive agricultural administration and land improvement projects

After the enactment of the Agriculture Basic Act, during the rich growth rate of the national economy, Japan's farming production rate showed a steady increase, in spite of the rapid flowout of farm labor.

In 1955, a new situation surfaced with the failure in the balance of the demand and supply of food, exemplified by the overproduction of rice, and with the unstable price fluctuation of farm products.

In 1968, rice overproduction became an obvious problem, with 3 million tons of surplus rice at that time increasing year by year up to 7.2 million tons in 1970. Based on the report of the deliberation Council of Agricultural Policy, entitled "Fundamental Precautions for Promoting Agricultural Policy," the government adopted an comprehensive policy on agriculture in order to concentrate on the supply and

demand adjustment of rice as an urgent problem in executing agricultural and related policies.

By the enactment of the comprehensive policy, the farmland consolidation projects were faced with the necessity of coping with the situation from a new standpoint.

The first point was to reorganize the project for paddy fields, for the purpose of controlling the reclamation of new paddy fields and the diversion of rice production, for example, through the diversified use of paddy fields. The second point was to heighten the land readjustment level in order to provide the basic conditions for fostering a highly efficient management system.

The control of the new paddy fields was in force for two years, 1969 and 1970. As a consequence, the planned area for paddy fields of 106,000 ha was completely reduced, and excepting some unavoidable

areas accounting for 7,700 ha where the restitution of work or reimbursement would be required, all the remaining areas were transferred for ordinary upland reclamation.

Further, on the diversion of paddy fields, special projects were organized in some areas for the permanent conversion to ordinary uplands. On the other hand, many farm households desired the alternating use of land for rice and upland farm produce. In view of this, the changeover operation shifted its objective to the readjustment of paddy fields for multiple uses, enabling the free programming of rice and other farm products in rotation.

In 1973, the Government was obliged to make an interim amendment, in the 8th year of execution, on the 10-year plan for land improvement for the two reasons explained below. One reason was that several points of the comprehensive agricultural policy had to be combined with the plan, and the second reason was that

the total target amounting to 2.6 trillion yen had already been achieved by that time.

The second long-term plan for land improvement was then set for the years 1973 through 1982, with a huge budget of 13 trillion yen, and as the new items, a project relating to the comprehensive readjustment of farm villages and a project for the development of large-scale livestock ranches were added to the plan.

The biggest issue of the land improvement project under the comprehensive policy of agriculture was how to make adjustments between the land-utilization plans and the land improvement projects under the Act Concerning the Readjustment of the Areas for Agricultural Promotion.

From that time on, the Government took up the subjects of securing and utilizing very fertile lands for cultivation, and then liquidity of farmland and the expansion of scale of management of key farm households.

Land improvement project thus necessitated the undertaking of the important function of readjusting all these basic conditions. In practice, this was meant to promote land improvement in order to back up the agricultural promotion plans drawn up by the local towns and villages.

(5) 1958 -- : Current state and future prospect of the farmland consolidation project in Japan

In spite of the restrictions on general public works since 1955, the progress in the farmland consolidation project continued to show a slight increase, exceeding 900 billion yen (national expenditure) in 1963. However, from that point on, the amount dropped, affected by the "minus ceiling" budget, down to 878.9 billion yen (national expenditure) in 1985, with working costs at 1.5 trillion.

Changes in Expenditure for the Farmland Consolidation

(¥100 million)

Source	1970	1975	1980	1981	1982	1983	1984	1985
National expenditure	1,890	3,595	8,975	8,997	8,997	9,000	8,919	8,789
Local work costs	3,125	5,953	14,958	14,968	14,946	15,056	14,926	15,080

(Reference) Data from the Ministry of Agriculture & Forestry,
Agricultural Structure Improvement Bureau

In the meantime, the 3rd long-term plan for land-improvement was finalized by the Cabinet in April 1983. This plan proposed a guideline for the land-improvement projects over the forthcoming 10 years from 1983. The plan was devised in accordance with the Land Improvement Act, as the previous 2nd plan had been terminated in 1982, and as the projected total of 13 trillion yen had been almost achieved (12.39 trillion yen).

The new land-improvement plan set the primary aim, which read as follows:

"To comply with the trend toward the improvement of the structure of agriculture, which comprises a selective expansion of farm production during the planned period, and with the forecast of an increase in farm production and the expansion of agricultural management, and to contribute to the overall development and maintenance of the national resources."

The plan was therefore prepared on the basis of several notices issued by the Agricultural Policy Deliberation Council: "Basic Direction on Agricultural Policy for the 1980's" (October 1980), "On the Promotion of the Basic Direction of Agricultural Policy for the 1980's" (August 1982), and "A Long-Term Perspective on the Supply and Demand of Farm Products - (1987)". The plan was also based on the results of the "Basic Survey on the Land Consolidation of Land Utilization," which was conducted by the Ministry of Agriculture and Forestry and Fisheries, as well as the actual results of past projects.

Details of the long-term plan will be described in the following section. The general point is to execute an undertaking equivalent to 32.8 trillion yen during the period starting in 1983 and ending in 1992. The major targets are:

- a) securing a farmland area of 5.5 million ha, and
- b) increasing the ratio of farmland consolidation up to 70% within the period covered. For this purpose, the readjustment of paddy fields totalling approximately 1 million ha, and uplands totalling 600,000 ha, and the creation of a farmland area of 470,000 ha were to be executed, according to the plan.

However, the current situation surrounding Japan's agriculture has become more and more severe, as a result of the mounting pressure for the liberalization of distribution of farm products. For this reason, the 3rd long-term plan for land improvement is facing severe problems from a practical viewpoint.

Details of this problem will be discussed in a separate paper. This problem includes the following subjects:

- 1) Securing farmland and irrigation water for farms in order to strengthen self-sufficiency in food
- 2) The promotion of the farmland consolidation for increased farm productivity
- 3) The promotion of multi-use paddy fields to re-organize farm production and to make efficient use of land
- 4) Readjustment for the efficient utilization and maintenance of national land and resources

5th ICA TRAINING COURSE FOR STRENGTHENING MANAGEMENT OF
AGRICULTURAL COOPERATIVES IN ASIA

1 Mar.-24 April, 1991

(CONTENTS OF PRESENTATIONS)

ICAROAP/IDACA

4th Mar. (Mon.) (Lecture and discussion)

Subject: Present situation of agriculture in
Japan

◇ The subject deals with the trends of the structural changes in agriculture, land, labour and capitals. While pursuing the trends from the establishment of the Agricultural Basic Law in 1961 up to the present days, explanation will be made on what changes have been brought about in rural community and agriculture through agrarian reform, democratization of villages in post-war period, agricultural policies, rice prices under the Food Control Act and high economic growth are expounded. And also the current problems and tasks in the fields of regional agricultural promotion to cope with over production, an attempt to reduce the production costs in response to increasing liberalization of farm trade, growing part-time farming and aging farm population will be discussed.

5th Mar. (Tue.) (Lecture and discussion)

Subject: Present situation and functioning of
Agricultural cooperatives in Japan

◇ General outline of its business, management and organizational systems of multi-purpose agricultural cooperatives will be dealt with under this subject with a view to making the participants understand over-all systems

of agricultural cooperative movement in Japan.

In particular, the following areas will be highlighted.

- (1) Integrated business operation and
- (2) Organizational/management system

Also, current problems and tasks of agricultural cooperatives will be discussed, considering recent changes of economic milieu and structure in rural society. Participants are expected to learn how agri.coops serve member farmers through three tier system of the Japanese movement.

6th Mar. (Wed.) (Lecture and discussion)

Subject: Changes and characteristics of
rural community in Japan

Characteristics of social structure of rural community in Japan and Japanese experiences on changes in rural community life, environments and living of farm households after land reform in post-war period are presented.

7th Mar. (Thu.) (Lecture and discussion)

Subject: Japanese experiences of marketing
business of agri.coops and methods of
promotion of joint marketing

◇ It is an important task for agri. coops to obtain advantageous prices of commodities by securing market outlets in order to ensure stable and better income of member farmers. In such a situation where farmers have an option to sell their products either through agri.coops or to merchants, explanation will be made on how attempts have been made to convince them of the merits of marketing jointly through coops .

Participants will also learn what kinds of marketing strategy have been adopted to evolve joint marketing in a profitable way.

In addition to this, the distribution function of

agricultural cooperatives through their own fresh and perishable goods distribution centres other than conventional market mechanism through public wholesale market and the functional division at different levels in marketing business of agri.coop organization are studied.

8th Mar.(Fri) (Observation)

◇ Observation of Ota Wholesale Market and presentation on the role of wholesale market in distribution of fruits and vegetables and mechanism of its distribution system. Presentation is given by Ohta Fruits and Vegetables Market of Zen-noh.

11th Mar.(Mon.) Observation

◇ Observation of Tsukuigun Agricultural Cooperative Society .Participants shall gain total image of primary agricultural cooperative society in Japan before presentations advances.(Observation of one of the branch offices,A-Coop store ,Milk plant and visit to farm households.

12th Mar.(Tue.) (Lecture and discussion)

Subject: Japanese experiences of purchasing
business and methods of joint
purchasing

◇ This subject gives an overview on how the supply system of production materials and consumer goods has been developed and on the division of functions at different levels in the purchasing business of agri.coop organization.In relation to this, focus is placed on how the Japanese agri.coops have endeavoured to improve their business transaction after serious business slump of agricultural cooperatives with a great deal of defective inventories during the chaotic economy of post-war period.

Having overcome such a deteriorated management, agri.coops of Japan have regained the strength in purchasing business by increasing cooperative share of business transactions. Furthermore, they have been making all-out efforts to cope with liberalization of farm import by reducing costs of production inputs. The fact about how it's being tackled with is elaborated in this lecture. As for consumer goods, the process of development in store purchasing and non-store purchasing and their future prospects are touched upon.

13th Mar. (Wed.) (Lecture and discussion)

Subject: Japanese experiences on procurement
of farm management funds by member
farmers

◇ Agricultural cooperative movement in developing countries are evolved centering on credit business, but own capital and savings made by members are very much insufficient in amount. Even if loans are advanced to member farmers through agricultural cooperative channel by governmental financial institutions, their repayment ratios are often quite low, thus adversely affecting its management.

In view of the fact that strengthening credit business leads to the reinforcement of management foundation of agri.coops, Japanese experiences on how agri. coops have succeeded in expanding own capitals and differences of functions between commercial bank and agri.coop are highlighted.

14th Mar. (Thu.) (Lecture and discussion)

Subject: Japanese experiences on farm
guidance system and better living
activities of agri.coop.

◇ Farm guidance activities play the most important role in an integrated approach of multi-purpose agricultural

cooperatives and in promoting member participation. Society extends guidance services through commodity groups organized by member farmers and help them to formulate individual farm management plans and marketing plans. Japanese experiences how farm guidance activities are implemented through their day to day activities will be presented.

◇Regarding better living activities, the reason why agri. coops in Japan have undertaken such activities, how they are implemented and how the problems have been tackled will be introduced on the basis of the Japanese experiences.

In addition, relations between the activities of the women's associations of agri.coops and of better living activities as well as tasks of a society in this field and supplementary function of business federations are outlined.

15th Mar. (Fri) (Lecture and Discussion)

Subject: Japanese experiences on agro-
processing by agricultural coopera-
tive organizations

Agricultural cooperative organizations have tackled with various agro-processing business activities in order to give additional values to the commodities produced by the members, to maintain the market prices and to increase farm income by quantity control through planned shipment.

Objectives, types, management and adequate size of facilities of the agricultural cooperative agro-processing will be introduced on the basis of Japanese experiences, and also some typical successful examples of agro-processing business carried out by agricultural cooperatives at primary level in recent years will be introduced.

18 Mar. (Mon.) (Lecture and discussion)

Subject: Better living activities
undertaken by agri.coops (Case study)

Taking one Primary Agri.Coop Society as a model ,the case will be presented on the following three points
(1)How better living activities are performed through day-to-day works of the society,
(2)What kinds of groups have been involved in promoting better living activities and 3)what kinds of activities are carried out by better living advisers of the society.

19th Mar.(Tue.) (Lecture and discussion)

Subject:Case study on farm guidance of Agri.
Coops.

◇ Various case studies of some advanced farm management and farm guidance activities of agricultural cooperatives will be introduced through video films.

20th Mar.(Wed.) (Lecture and discussion)

Subject:Japanese experiences on promotion
of regional (hamlet level) farm
management groups by agricultural
cooperatives

◇ At present,agricultural cooperatives in Japan are making efforts to foster regional farm management groups within the operational area of each cooperative as one of the useful measures to cope with current problems of regional agriculture such as aging of agricultural labour power,conversion of paddy field and needs to promote regional special products.

The regional or hamlet level farm management group intends to consider one agricultural hamlet as a farm and to promote group farming and collective use of farmland so as to realize reduction of production costs and efficient use

of various resources within a hamlet. In this lecture, the concept, objectives and measures of hamlet farm management groups will be introduced and discussion will follow on usefulness and applicability of such groups to other Asian countries in developing rural communities.

22 Mar. (Fri.)-26 (Tue.)

(First study visit to Miyazaki prefecture)

Subject: Farm guidance and better
living activities of
agri.coops

During the first field trip study programme is made to incorporate following items so as to facilitate participants' understanding on the subjects to be taken up after the field visit as well as to deepen their understanding about the subjects already taken up.

Contents;

1. To study the functions of primary multi-purpose agri.coops and union/federations at the prefectural level.
2. To study how the business plan of primary agri.coop is formulated on the basis of accumulation of production plans of member farmers.
3. To study important roles played by voluntary members' organizations like commodity-wise groups, youth and women's associations of agri.coops in business performances of agri.coops as their supporting groups.
4. To study how agri.coops formulate regional agricultural promotion plan based on the preferences of member farmers and on the basis of such plan, farm guidance services are extended.
5. To study how agri.coops have been involved not only in production activities of members but in guidance services for better living to uplift members' living standards and

in promoting tie-up with the women's association of agri. coops.

6.To make observation of facilities related to better livings as well as businesses owned by multi-purpose agri.coops and federations.

28 Mar.(Thu.) (Lecture and discussion)

Subject:Management of member's organization of agricultural cooperatives.

(Case study of Mikkabicho Agri.Coop)

◇ The experience of Mikkabicho Agricultural Cooperative for drafting farm management plan of members through member organizations and promotion of agricultural production through farming complex system and how the society get the consensus of members for marketing plan of the society through their daily activities will be introduced.

29th Apr.(Fri.) (Lecture and discussion)

FORENOON Subject: Land improvement project in Japan and methods of land consolidation project

◇ Summary account on trends of long-term land improvement project, characteristics and scale of the first three projects which have been implemented will be introduced and also what structural changes of rural communities have been brought in through such projects to improve agricultural infra-structure will be discussed.

In addition, outline of various projects such as irrigation/draining, farmland consolidation, upland field comprehensive improvement, rural community comprehensive improvement, farmland disaster prevention and farmland development will be introduced together with the respective roles of planner, implementor and beneficiary of the project.

AFTERNOON Subject: Agricultural structural improvement
project in Japan

◇ An overview introduction is given on how the production structure in villages and establishment of regional specialty products have made progress and also on how the improvement of facilities for modernizing agriculture together with land consolidation projects has been promoted in the process of evolving agricultural structural improvement project based on the Agricultural Basic Law which has been carried out since 1963 for three time, the first, the second and the third which is popularly known as the new agricultural structural improvement. Besides this, the future outlook of regional agriculture and improvement of living environment of rural community will also be outlined.

1st Apr. (Mon.) (Lecture and discussion)

Subject: Practice of business administration of
agri.coops, auditing and promotion of
amalgamation

◇ The management environment surrounding the agri.coop has become very unstable due to the growing socio-economic difficulties within and outside of organizations as well as changes in the agricultural policy. Under such circumstances, the agri.coops have been making efforts to strengthen the management of agri. coops and establish firm foundation of agriculture of tomorrow together with member farmers. Agri.coops are also endeavouring to meet the diversified needs of member farmers and to cope with the economic changes through the encouragement of amalgamation of the agri.coops. Efforts are also being made to improve managerial defect and to ensure sound management by strengthening agricultural cooperative audit system. Experiences on such aspects and future prospect of

management of agri.coops will be discussed.

2nd Apr.(Tue.) (Lecture and discussion)

Subject: Measures for drafting the regional
agriculture promotion plan by
agri.coops

The regional agriculture development plan of agri.coops is formulated on the basis of the organizational or group action programmes with the consent of all the farmers in the area. As for production plan, it is made on the basis of the regional agricultural management plan (income target and farm management pattern). The plan incorporates implementation programme for organizational approach, fostering young farm successors, investments for the introduction of equipments and facilities.

On the basis of such master plan, marketing and other business plans of agri.coops are to be formulated. In this context, participants are made to understand ways and means of formulation of such plans and programmes.

3rd Apr.(Tue.)~4th Apr.(Thu.) (Group works and discussion)

Subject: Regional agriculture promotion
plan (Case study)

Regional agriculture promotion plans drawn up by agri.coops may differ depending upon regional circumstances and also the key crops to be grown.

On the basis of the presentation on April 4, participants are requested to draft a model plan of regional agriculture promotion through group works.

8th Apr.(Mon.)-10th Apr.(Wed.)

Second study visit (study at the
Anjo city Primary Agri.Coop.)

In the Anjo City Agri.Coop Society, participants are expected to study cooperative activities centering mainly on regional agriculture promotion plan that has been promoted by the society for the reduction of agricultural production costs as well as for the reorganization of agricultural labour forces. It is also scheduled to exchange views with the representatives of member producers' groups and to observe facilities for the production and the distribution owned by the society and producer's organizations.

15th Apr. (Mon) (Lecture and discussion)

Subject: Publicity activities of Agricultural
Cooperative Organizations

◇ Planning of agricultural cooperative news, publicity activities to promote understanding on agricultural cooperative activities for non-members and other various means of communications between agricultural cooperatives, members and non-members will be introduced.

16th Apr. (Tue.) (Lecture and discussion)

Subject: Price stabilization measures for
agri.products by agri. coops.

◇ Present situation of the government policies relating directly to the producers such as food control system, various price stabilization methods for agricultural and livestock products and average payment system adopted by primary society are explained. Also preconditions for successful implementation these systems are examined.

17th Apr. (Wed.) (Lecture and discussion)

Subject: Agricultural loss compensation
scheme in Japan

◇ The system of the scheme, three tier organizational structure for promotion of the business and roles of the government are outlined.

18th Apr. (Thu) (Lecture and discussion)

Forenoon: Introduction to consumer cooperatives in Japan.

Afternoon: Introduction to fishery cooperatives in Japan.

19th Apr. (Fri.) (Lecture and discussion)

Subject: Agricultural extension service by the Government

◇ What is mainly emphasized in this lecture are the roles and trends of agricultural extension service in Japan, its present situation and its future tasks. Also the relationship between farm guidance activities by agri.coops and extension service by the government will be explained.

FIFTH ICA/JAPAN TRAINING COURSE FOR STRENGTHENING MANAGEMENT
OF AGRICULTURAL COOPERATIVES IN ASIA
INDIA / THAILAND / JAPAN / KOREA
22nd October 1990 - 10th May 1991

PARTICIPANTS INDIVIDUAL REPORT ON THEIR PARTICIPATION IN THE
FIFTH TRAINING COURSE

1. NAME

2. Sponsoring Organisation's
Name and Address

3. National Organisation
Name and Address
(If different from sponsoring
Organisation)

4. Designation and Nature of
Duties in Home Country

5. Permanent Contact /
Residential Address

6. General:
6.1 Your selection for training:
What was your objective in applying
as a candidate for joining
the Training Course?

6.2 In your opinion have you achieved the objective for which you joined the training course.

6.3 What are the most important areas of cooperative activities which have impressed you during Training Programme to influence your career?

6.4 From which part of the training course you have been benefited greatly during the period?

PART I OF THE COURSE, NEW DELHI, OCTOBER 22, - DECEMBER 24, 1990

7. Was the information sent to you with the letters of invitation and acceptance regarding the training course, practical arrangements, travelling, food and climate etc adequate.

If not, what other additional information would you suggest to be added with the letters of invitation and acceptance?

8. Reveiw Session: Important and new aspects you noticed during agricultural cooperative review on different countries.

9. MODULES CONDUCTED ON INTEGRATED COOPERATIVE SYSTEM, PLANNING AND MANAGEMENT, MONITORING AND EVALUATION AND PROJECT PREPARATIONS in terms of :

9.1 The material distributed:

9.2 Training Methods:

9.3 Audio-visual aids:

9.4 Application of computer technology:

9.5 Time allocation for each lecture/module

9.6 What was the most important and effective training aspect you noticed and experienced during the lectures

10. Your comments and suggestions on
STUDY VISITS IN INDIA:

10.1 Types of institutions selected:

10.2 Material and information supplied:

10.3 Practical arrangements:

10.4 Time allocation :

10.5 What was the most important impressions
you gathered during the field visits in
respect of :

a) Value adding to primary produce
(please give examples)

b) Improving socio-economic standards
of the farmers. Please explain with the
help of your observations
during the visit.

10.5 Time allocation for the visits:

11. YOUR COMMENTS ON THE HOME COUNTRY ASSIGNMENT (HCA)
IN RESPECT OF :

11.1 Duration of HCA:

11.2 Collection of information and
availability of information and
data:

11.3 Preparation of Project Study:

11.4 Practical arrangements during HCA:

11.5 Support and guidance received from
your sponsoring organisation:

12. YOUR COMMENTS AND SUGGESTIONS ON STUDY VISITS IN THAILAND:
in respect of :

12.1 Total Programme:

12.2 Selection of cooperatives:

12.3 Material and information available during study visits.

12.4 Practical arrangements:

12.5 Time allocation for the visits:

13. PROJECT APPRAISAL SESSION IN BANGKOK:

13.1 Did the Project Appraisal Session (PAS) for your individual project help you to understand the approach and strategy to be followed for effective project preparation?

13.2 Has the PAS helped you to further improve your project?

13.3 Your general comments on the PAS held in the presence of United Nations agencies and other aid-giving agencies.

13.4 Do you think the PAS has helped in improving possibilities of getting external assistance for the projects in your country?

PART - II OF THE COURSE, IDACA, TOKYO. FEBRUARY 28 - APRIL 24,
1991

14. Your comments on the Part II of the
Programme in IDACA:

14.1 The methodology of lectures:

14.2 Group Work:

14.3 Material distributed:

14.4 Topics covered by lecturers:

14.5 What is the most important aspect
of the training programme in IDACA
you experienced?

14.5 Do you think any other subject
should have been included in
the IDACA training programme?

14.6 Time allocation:

14.7 Field Visits in Japan:

14.7.1 Cooperatives selected for
visits and the total programme

14.7.2 Material distributed before
visits:

14.7.3 Practical arrangements:

14.7.4 Did you want to see any other
cooperative activity in Japan
during the visit period:

15. YOUR COMMENTS ON FIELD STUDY VISITS IN THE REPUBLIC OF KOREA
in respect of:

15.1 Selection of cooperatives and
the total programme

15.2 Material distributed:

15.3 Practical arrangements:

15.4 In your opinion, should other
types of cooperatives be included
in the field visits?

16. HOW DO YOU PLAN TO INITIATE ACTION FOR IMPLEMENTING THE PROJECT YOU HAVE PREPARED DURING HOME COUNTRY ASSIGNMENT? PLEASE GIVE DETAILS ON

16.1 Your personal involvement in the implementation of the Project.

16.2 The organisation which will be responsible for implementing the project.

16.3 The extent to which the project has already been accepted as a viable proposal by your sponsoring organisation/government.

16.4 The extent to which you will be involved in updating the project.

16.5 Any other comments you wish to make regarding project implementation.

17 GENERAL COMMENTS AND SUGGESTIONS, IF ANY:

17.1 The training programme in different countries:

17.2 Lectures in different countries:

17.3 Practical arrangements in different countries:

17.4 How do you plan to use the training
experience in your future career?
What specific areas of work can be
improved by your experience?

17.5 Your suggestions for further improvement of
the training programme in different countries:

17.6 Any other comments:

Date: _____

Signature: _____

Points for Group Discussion

13th April 1991

1. Whats are the useful findings during study visits to Aichi Prefecture ?

- (1) Roles of the prefectural union for promotion of regional agricultural promotion plan to the primary societies.
- (2) Roles of Bulk Blending Plant of fertilizer (Tokai Kumiai Feeds Company).
- (3) Roles of Kumiai Feeds Company.
- (3) Roles of Rice Mill run by the Economic Federation of Agricultural Cooperatives.

2. Whether the methods of regional agricultural promotion plan are relevant to your cooperative organization in developing agriculture and cooperative business or not ?

- (1) For implementation of the plan what kinds of basic conditions are to be established
- (2) Whether the hamlet farm management group relevant to your country and how it shall be promoted?
- (3) Possibilities for establishing various members organizations in your cooperative organizations and how it shall be promoted?

i. Commodity-wise groups

ii. Youth Associations and Women's Associations.

iii. Other member groups.

**FIFTH ICA/JAPAN TRAINING COURSE FOR STRENGTHENING
MANAGEMENT OF AGRICULTURAL COOPERATIVES IN ASIA,**

Part II, IDACA, Tokyo. Japan.

March 1 - April 25, 1991

POINTS FOR GROUP DISCUSSION ON SATURDAY, 20.4.91

1. Please explain in detail the measures which help in stabilisation of prices of agricultural and livestock products. Please also explain the respective roles of national government, prefectural government and the agricultural cooperatives.
2. A. Explain how the Agricultural Insurance System operates in Japan and give the premium and compensation amounts for such insurance.

B. What is the role played by the National Agricultural Insurance Association (NAIA)
3. What are the main activities of the following two organisations/agencies which contribute to better productivity and better understanding of agricultural cooperative activity in Japan ;
 - a) Agricultural Extension Service by government.
 - b) Publicity activities by Ie-No-Hikari Association

GROUP REPORTS SHOULD BE READY BY NOON, MONDAY, 22.4.91

FIFTH ICA/JAPAN TRAINING COURSE FOR STRENGTHENING
MANAGEMENT OF AGRICULTURAL COOPERATIVES IN ASIA,

Part II, IDACA, Tokyo. Japan.

March 1 - April 25, 1991

POINTS FOR GROUP DISCUSSION on 29th MARCH 1991

1. Please explain the important factors in the management of Mikkabi cho agricultural cooperative.
2. What are the special characteristics of member participatin activities in this cooperative?
3. Explain the important reasons for the introduction of land improvement projects and agricultural structural improvement projects. Give characteristics of each.
4. In what way these projects have contributed to :
 - a) increase in agricultural productivity
 - b) increase in member farmers income,
5. Has increased production created some additional problems for farmers and agricultural cooperatives? Please explain efforts towards diversification.

NOTE: REPORTS SHOULD BE READY BY 9 a.m. ON 30th March 91