

**Voluntary Report** – Voluntary - Public Distribution

**Date:** March 30,2020

**Report Number:** JA2020-0066

**Report Name:** Japan Provides COVID-19 Emergency Funding to Producers and Food Manufacturers

**Country:** Japan

**Post:** Tokyo

**Report Category:** Agricultural Situation

**Prepared By:** Keiko Fujibayashi

**Approved By:** Zeke Spears

**Report Highlights:**

The Government of Japan released two tranches of emergency funding for COVID-19 countermeasures, 15.3 billion yen (US\$140 million) on February 13 and 430.8 billion yen (US\$3.9 billion) on March 10. The second tranche of funding provides support to producers and food manufacturers affected by COVID-19 related school closures.

## General Information

The Government of Japan (GOJ) recommended all primary, junior high, high, and special support schools, a total of 12.9 million students, close on March 2 for approximately two weeks to prevent the spread of COVID-19. The Ministry of Education, Culture, Sports, Science and Technology (MEXT), which oversees Japan's school meal program, received 18.9 billion yen (US\$170.6 million) in the second tranche of emergency funding to mitigate the impact of the program's suspension. MEXT will use some of the funding to reimburse school lunch fees to parents. Farmers and food manufacturers who supply the program are also eligible to receive support payments from MEXT when diverting product intended for school lunches to food banks as donations, or to process into fertilizers and feed. MEXT will also provide payments to school lunch food suppliers for costs associated with finding other buyers, storage, and delivery to new buyers. To prepare for the resumption of school lunches, school lunch food suppliers including manufacturers, are eligible for payments to purchase equipment and machinery and to train of employees on how to improve sanitary conditions. MEXT has notified program participants how the program will be administered.

Also in the second tranche of COVID-19 related emergency funding, the Ministry of Agriculture, Forestry and Fisheries received 2.3 billion yen (US\$21.5 million) to compensate dairy farmers and processors for lost income from the suspension of school meal programs ([JA2020-0059](#)).

The GOJ owned Japan Finance Corporation has also relaxed the existing loan conditions for farmers, foresters, and fishermen affected by COVID-19. Borrowers are now eligible for loans without collateral or interest for the first five years, and the borrowing limit has been doubled to 12 million yen (US\$110,400). This will also be funded through the second tranche of the GOJ's COVID-19 emergency package.

FAS/Japan anticipates additional COVID-19 emergency funding will be made available to the food and agricultural industries in Japan.

## Attachments:

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

No Attachments.