

**Voluntary Report** – Voluntary - Public Distribution

**Date:** March 10, 2023

**Report Number:** JA2023-0013

**Report Name:** Japan Announces Measures to Strengthen Food Security

**Country:** Japan

**Post:** Tokyo

**Report Category:** Agricultural Situation, Grain and Feed

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**Report Highlights:**

On December 27, 2022, the Government of Japan (GOJ) released the “Food Security Reinforcement Policy Framework,” which aims to lower Japan's dependence on imports and to push increased domestic production of wheat, soybeans, feed grains, hay, and fertilizer inputs. The GOJ will fund new food security reinforcement measures through the Japanese Fiscal Year (JFY) 2022 second supplementary budget and JFY2023 annual budget.

## Food Security Reinforcement Policy Framework

On December 27, 2022, the Government of Japan (GOJ) released the “Food Security Reinforcement Policy Framework” (hereinafter referred to as the “Policy Framework”) as a roadmap to ensuring a stable food supply. Japan relies on imports for over 60 percent of food consumed on a calorie basis and recent supply chain pressures related to the global pandemic and Russia’s invasion of Ukraine prompted a review of Japan's food security. The GOJ designed the Policy Framework to strengthen Japan’s food security and calls for a structural transformation in agriculture to shift from a heavy dependence on imports as well as to increase domestic production of agricultural and fisheries products and inputs. The Policy Framework also stresses the need for the appropriate pricing of agricultural products to reflect the true cost of production and makes farming sustainable. Corresponding to the establishment of the Policy Framework, the GOJ intends to revise the [Basic Law on Food, Agriculture, and Rural Areas](#)<sup>1</sup> to reflect the proposed structural changes to strengthen food security. The GOJ will fund specific measures through the Japanese Fiscal Year (JFY)<sup>2</sup> 2022 second supplementary budget and the JFY2023 annual budget.

The Policy Framework and planned funding are summarized below.

### 1. Structural Transformation to Break Away from Excessive Dependence on Imports

(1) Increase production and utilization of domestic resources and reduce imported raw materials for fertilizer and feed.<sup>3</sup>

- Increase use of compost and sewage sludge for fertilizer, establish compost supply chains, stockpile imported raw materials for fertilizer.
- Increase production and use of domestic feed materials by connecting crop and livestock farmers and promote domestic production of fishmeal for aquaculture feed.
- Facilitate implementation of energy-saving technologies in horticulture, dairy farming, forestry, and fisheries.

#### Targets

- Reduce chemical fertilizer use by 20 percent by 2030 from 2016 levels.<sup>4</sup>
- Double compost and sewage sludge use for fertilizer and increase the ratio of domestic materials in fertilizer use (on a phosphorus basis) from 25 percent in 2021 to 40 percent by 2030.
- Increase organic farming areas from 25,000 acres in 2020 to 63,000 hectares by 2030.<sup>5</sup>
- Reduce and absorb greenhouse gas emissions in agriculture, forestry and fisheries by 3.5 percent by 2030 from 2013 levels.<sup>6</sup>

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<sup>1</sup> MAFF established the Basic Law on Food, Agriculture and Rural Areas in 1999 as a primal legislation for agricultural administration which sets “securing stable food supply” as one of the four basic principles. The GOJ intends to submit a revised bill to the Diet by March 2024.

<sup>2</sup> Japanese Fiscal Year (JFY) runs from April 1 to March 31.

<sup>3</sup> Japan relied on imports to meet 75 percent of feed material needs (87 percent for formula feed materials and 24 percent for roughage) in JFY2021.

<sup>4</sup> Corresponds to target MAFF set in the Green Food System Strategy ([JA2022-0063](#))

<sup>5</sup> Corresponds to target MAFF set in the Green Food System Strategy ([JA2022-0063](#))

- Increase feed crop production areas by 32 percent by 2030 from 2021 levels.<sup>7</sup>

(2) Move away from excessive dependence on imports while ensuring stable imports and appropriate stockpiles

- Increase production of wheat and soybeans in upland fields<sup>8</sup> and promote conversion of paddy fields into upland fields.
- Increase support for expanding the production and use of rice flour from domestic rice to substitute wheat flour made from imported wheat.
- Encourage food businesses to shift use of raw materials from imports to domestic products.

#### Targets

- By 2030, increase production areas compared to 2021 levels by 9 percent for wheat, 16 percent for soybeans, 32 percent for feed crops, and 188 percent for rice for rice flour.<sup>9</sup>

## **2. Agricultural Input Price Hike Mitigation**

(1) Mitigation of impact on management of agriculture, forestry and fisheries

- To mitigate the impact of input price increase on producers, MAFF will continue to operate safety net programs for fuels for greenhouse and fishery operations, compound feed for livestock farmers, and to provide support payments to farmers for the fertilizer purchase.<sup>10</sup>
- The GOJ-affiliated Japan Finance Corporation will extend financial support to affected producers.

(2) Appropriate price formation and fostering public understanding

- The GOJ will facilitate an environment that makes it easier to reflect production and distribution costs in prices for food and agricultural products, and to foster public understanding of food, agriculture, forestry and fisheries.
- The GOJ will strengthen efforts to reduce food loss, support food banks that provide food to children's cafeterias, and food education efforts through home meals for children.
- The GOJ will maintain an environment in which all consumers can obtain food physically, socially, and economically at any time.

#### Targets

- Halve food loss in food businesses to 2.7 million tons by 2030 from 2000 levels.

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<sup>6</sup> Corresponds to target MAFF set in Climate Change Countermeasure Plan on October 2021.

<sup>7</sup> Corresponds to the target set in MAFF's 2020 Basic Plan for Food, Agriculture and Rural Areas ([JA2020-0197](#))

<sup>8</sup> MAFF defines "upland" as arable land excluding paddies and normally refers to land where herbaceous crops are cultivated.

<sup>9</sup> Corresponds to the target set in MAFF's 2020 Basic Plan for Food, Agriculture and Rural Areas ([JA2020-0197](#))

<sup>10</sup> See [JA2022-0078](#) and [JA2022-0073](#)

## Funding to Meeting Policy Framework Goals

The GOJ will allocate 164.2 billion yen (\$1.26 billion)<sup>11</sup> from the JFY 2022 supplementary budget to implement measures to meet the Policy Framework targets. The GOJ will also allocate funding from the JFY2023 annual budget to continue some of the programs. The main measures include:

### 1. Increase in Fertilizer Production and Establishment of Reserve System for Imported Fertilizer Materials (27 billion yen (\$207 million))

- MAFF will provide support payments to livestock farmers and compost manufacturers to partially cover costs for building facilities for the manufacture and palletization of compost. MAFF will also provide support to cover costs to conduct pilot projects for sewage sludge use in fertilizer.
- Following the GOJ's designation of fertilizer as one of the eleven "specified important goods" in the Enforcement Order of the Economic Security Promotion Act in December 2022, MAFF established a contingency reserve system for imported ammonium phosphate and potassium chloride<sup>12</sup> and provide support payments to fertilizer manufacturers and related warehouses to cover storage costs for reserves. MAFF intends to store the amount equivalent to three months of annual demand (one month demand for ammonium phosphate and two months demand for potassium chloride) by 2027.

### 2. Increase in Feed Materials Production (12 billion yen (\$92 million))

- MAFF will increase support payments for feed crop production and establishment of domestic supply chains for domestic rice straw and hay (see [JA2022-0101](#)).

### 3. Expand Rice Flour Use (14 billion yen (\$108 million))

- MAFF will provide support payments to rice flour manufacturers and food processors to cover some costs for the development of products that use rice flour as well as the purchase of machinery and to build facilities for manufacturing rice flour and rice flour products.
- MAFF will provide support payments to farmers and farmers cooperatives for the purchase of machinery and facility construction necessary to increase seed production for rice varieties suitable for rice flour for making bread and noodles.

### 4. Facilitate Procurement Shift from Imports to Domestic Food Materials (10 billion yen (\$77 million))

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<sup>11</sup> 130 yen/USD

<sup>12</sup> Between July 2021 and June 2022, China accounted for 90 percent of Japan's ammonium phosphate imports, and the United States for 10 percent. Alternative suppliers of ammonium phosphate near Japan are limited. Canada accounted for 59 percent of Japan's potassium chloride imports, followed by Russia for 16 percent, and Belarus for 10 percent. Japan imported 47 percent of urea for fertilizer use from Malaysia and 37 percent from China. Even if the supply from Russia decreases and global supply becomes tight, MAFF believes that Japan will be able to import urea from other suppliers.

MAFF will provide support payments to food manufacturers, food service providers, and food retailers that switched from using imported to domestically produced food materials to partially cover costs for product development, production, sales, advertisement, machinery purchase and facility construction. The products applicable to this support payments are those imported materials whose prices rose at least 20 percent and face procurement risks such as geopolitics, abnormal weather, and disasters. MAFF regards wheat, buckwheat, soybeans, rapeseeds, palm oil, powdered eggs, added sugar food preparations, meat and meat products as products eligible for support payments. This is the continuation of the program set under the “Emergency Economic Package” in April 2022 ([JA2022-0039](#)).

#### **5. Increase in Wheat and Soybeans Production** (14.5 billion yen (\$111 million))

MAFF operates [“Direct Payments for Rice Paddy Utilization”](#) and [“Direct Payments for Upland Field Crops.”](#) to provide farmers support payments for wheat and soybeans production in paddy and upland field. To promote a shift in production from paddies to upland field, MAFF will increase support payments for conversion from paddies to upland fields, facilitate cluster production (consolidation of production areas), and provide support payments for implementation of irrigation system on upland fields, machinery and drier purchase, construction of stock centers and processing facilities in JFY2023. MAFF also provide support payments for farmers who produce wheat and barley (2023/24 crop) as a second crop after harvesting rice.

#### **Attachments:**

No Attachments.