

Voluntary Report – Voluntary - Public Distribution

Date: December 16,2020

Report Number: JA2020-0201

Report Name: Japan Establishes Agricultural Export Expansion Strategy

Country: Japan

Post: Tokyo

Report Category: Agricultural Situation

Prepared By: Keiko Fujibayashi

Approved By: Zeke Spears

Report Highlights:

On November 30, the Government of Japan approved the Export Expansion Action Strategy for Agriculture, Forestry, and Fishery Products, and Food with the stated goal to increase profits for businesses in these sectors. To achieve the overall export targets for these products of two trillion yen (US\$19 billion) in 2025 and five trillion yen (US\$48 billion) in 2030, the strategy identifies 27 products with export growth potential and outlines a course of action for increasing exports. In 2019, Japan's total exports of agricultural and related products totaled 912 billion yen (US\$8.8 billion). The Government of Japan did not identify new, dedicated funding to support this effort within the strategy document, which calls for a market driven approach and greater collaboration throughout the supply chain and across government.

General Information

The [Export Expansion Action Strategy's](#) (Japanese only) stated goal is to increase agricultural, forestry, fishery, and food exports to expand profits for businesses in these sectors. The strategy is a key component of Prime Minister Suga's economic plan for the agricultural sector. It mentions the need to restructure these industries to prioritize exports to fully capture the benefits of trade, rather than thinking of exports as an alternative for surplus product.

The strategy designates key products and regions on which to focus resources, puts forth an action plan for supporting export-focused businesses, and takes steps to streamline the Government of Japan's (GOJ) approach to facilitating exports. For some products and production areas, the strategy identifies existing support programs aimed at promoting exports to meet targets. These, and other associated support payments are allocated through the Ministry of Agriculture, Forestry and Fisheries' (MAFF) annual and supplementary budgets. The Export Expansion Action Strategy builds on many of the same principles in Japan's previous agricultural export strategy released in 2016, for more see [JA6065](#).

In 2019, Japan's agricultural and related product exports reached 912 billion yen (US\$8.8 billion), just short of the one trillion yen (\$9.6 billion) target set in 2016 by the previous GOJ export strategy. The five and ten-year targets, two trillion and five trillion yen respectively, represent a more than doubling and quintupling of current export levels. The targets are in line with other GOJ planning efforts.

Key Principles of the Export Expansion Action Strategy

The Export Expansion Action Strategy is based on three key principles: (1) identify products and set goals that maximize Japan's strengths; (2) support businesses that undertake the challenge of exporting products; and (3) unify the government's approach to addressing export obstacles. For each of the designated products, the strategy defines concrete steps to foster export production areas, improve and increase the number of certified export facilities, and develop sales channels for product-specific industry groups.

1. Identify Products and Set Goals that Maximize Japan's Strengths

- The strategy designates 27 products with competitive advantages in export markets and that have export growth potential and sets a 2025 export target by destination (Annex-Table 1). The GOJ will focus policy resources on these products to increase exports.
- Consortiums will be established to focus on product-specific exports and will include businesses throughout the value chain. The consortiums are tasked with conducting market research and establishing sales and branding strategies. Funding for the consortiums will be determined by summer 2021.
- Existing GOJ export organizations, the Japan Food Product Overseas Promotion Center (JFOODO) and the Japan External Trade Organization (JETRO) will work with the consortiums to facilitate exports. MAFF and the Ministry of Foreign Affairs will explore options to reinforce the role of Japan's Embassies in export promotion.

2. Support Businesses that Undertake the Challenge of Exporting Products

- The Diet will consider a revision to the [Act on Special Measures to Facilitate Investment in Agricultural Corporations](#) to facilitate private sector investment in businesses needed to increase exports.
- The GOJ will foster and develop export-focused production areas for each designated product. Businesses within production areas and that have approved export business plans are eligible for long-term, low interest loans from GOJ-affiliated financial institutions.
- The GOJ will make investments to ensure the cold chain at logistical facilities, including at ports and airports throughout Japan. MAFF and the Ministry of Land, Infrastructure and Transport will establish a logistics improvement plan by the summer of 2020.

3. Unified Government to Address Export Obstacles

- The strategy sets targets for the number of approved processing, manufacturing, and distribution facilities for specific products, for specific export markets (Annex- Table 2).
- The GOJ will accelerate the negotiation timeline for improved market access for Japanese products.
- The strategy sets a target for the number of plant varieties registered in overseas markets to comply with the Plant Variety Protection and Seed Act.
- In 2021, MAFF will establish the Exports and International Bureau and it will oversee all export programs and related budgets.

For example, the 2025 export target for beef is 160 billion yen (\$1.5 billion), an increase of 440 percent from 2019 exports. To achieve this level of growth, the strategy calls for Japan to regain market access for beef to China and increase the number of beef processing facilities certified for Hazard Analysis and Critical Control Points (HACCP). In addition, the strategy identifies specific MAFF support payment programs needed to foster and develop production, including MAFF's new program to increase Japan's cattle herd and MAFF's livestock cluster program, for more see [JA2019-0209](#).

Other products with significant growth targets for 2025 are citrus (480 percent increase), sea bream (450 percent increase), timber (350 percent increase), strawberries (310 percent increase), grapes (290 percent increase) and whisky (250 percent increase). To achieve these export targets, the strategy calls for increased production and improved productivity through conversion of rice paddies to orchards, improvement in orchard infrastructure, and upgrading facilities and machinery.

Existing Export Promotion Efforts

The Export Expansion Action Strategy builds on the 2016 agricultural export strategy developed under former Prime Minister Abe. The 2016 strategy developed tailored export promotion approaches by product and proposed measures to strengthen export capabilities. Since the establishment of the previous strategy, Japan has undertaken several initiatives to increase exports:

Export Infrastructure Improvement: In 2016, the Agriculture, Forestry and Fisheries and Regions Vitality Creation Headquarters, which is situated within the Prime Minister's office, designated 41

ports, markets, and factories as export hubs where infrastructure improvement activities were concentrated.

Overseas Sales Promotion: In 2017, JETRO launched [JFOODO](#) to conduct overseas promotion activities.

Stakeholder Community Network: In 2018, MAFF launched a Global Farmers/Fishermen/Foresters/Food Manufacturers Project ([GFP](#)) to facilitate communication between producers, manufacturers, distributors and exporters. Through the program, MAFF, JETRO, and other experts provide advice to registered GFP members. MAFF also prioritizes support payments to GFP members whose export business plans are approved. Currently, 63 members are designated as “GFP global production areas.”

Market Access Facilitation and Coordination: In 2019, the Agriculture, Forestry and Fisheries and Regions Vitality Creation Headquarters established a Ministerial Council to coordinate and facilitate market access and regulatory issues. The Council also reviews progress towards the annual action plan developed by the Agriculture, Forestry and Fisheries Products and Food Export Headquarters.

Agriculture, Forestry and Fisheries Products and Food Export Promotion Act: In April 2020, the Agriculture, Forestry and Fisheries Products and Food Export Promotion Act entered into force and created the legal basis for MAFF to establish one-stop export support office for exporters. Called the Agriculture, Forestry, and Fisheries Products and Food Export Headquarters and located within MAFF, the newly established office provides export procedure guidance, issues export certificates, and approves and registers facilities for exports. It also develops an annual action plan for export facility approvals and registrations and market access negotiation schedules with foreign governments.

The Act also allows the Japan Finance Corporation, operated by the GOJ, to extend long-term, low interest rate loans and loan guarantees to companies whose export business plans are approved by the Agriculture, Forestry and Fisheries Products and Food Export Headquarters, for more see [JA2020-0064](#).

Annex

Table 1. Export Targets (billion yen)

	Export destinations	2019 actual	2025 target	Target Number of Export-Focused Production Areas		Export destinations	2019 actual	2025 target	Target Number of Export-Focused Production Areas	
1. Beef	Total	29.7	160	15	6. Apples	Total	14.5	17.7	7	
	Hong Kong	5.1	33			Taiwan	9.9	12		
	Taiwan	3.7	23.9			Hong Kong	3.7	4.5		
	The United States	3.1	18.5			Thailand	0.45	0.55		
	EU	2.1	10.4			All others	0.49	0.64		
	China	0	40			7. Grapes	Total	3.2	12.5	4
	All others	15.8	34.3				Hong Kong	1.7	7.4	
2. Pork	Hong Kong	1.6	2.9	5	Taiwan		1.2	3.5		
	Singapore	1.2	2.1		Thailand		0.15	0.58		
	Thailand	0.2	0.3		Singapore		0.14	0.64		
	Taiwan	0.0003	0.07		All others	0.07	0.32			
	All others	0.2	0.3		8. Peaches	Total	1.9	6.1	5	
3. Chicken Meat	Total	2.1	4.5	9		Hong Kong	1.4	4.4		
	Hong Kong	1.4	2.4			Taiwan	0.43	1.4		
	Vietnam	0.2	0.6			Singapore	0.05	0.17		
	Singapore	0	0.2		All others	0.06	0.19			
	EU	0	0.2		9. Citrus	Total	0.67	3.9	9	
All others	0.6	1		Hong Kong		0.27	1.6			
4. Chicken Eggs	Total	2.3	6.3	11		Taiwan	0.23	1.4		
	Hong Kong	2.2	5.5			Singapore	0.06	0.36		
	Taiwan	0.05	0.1			Malaysia	0.03	0.15		
	Singapore	0.02	0.5			Canada	0.03	0.15		
	The United States	0.03	0.1		France	0.01	0.07			
	All others	0.03	0.2		All others	0.04	0.23			
5. Dairy Products Infant Formula	Total	11.2	19.6	2	10. Strawberries	Total	2.1	8.6	8	
	Vietnam	7.4	12.9			Hong Kong	1.5	6.1		
	Taiwan	1.5	3.4			Singapore	0.2	0.8		
	Hong Kong	1.4	1.6			Thailand	0.18	0.75		
	All others	0.9	1.6			Taiwan	0.18	0.75		
5. Dairy Products Long Life Milk	Total	1.4	1.9			The United States	0.02	0.13		
	Hong Kong	1	1.3			All others	0.03	0.1		
	Taiwan	0.2	0.3			11. Sweet Potatoes	Total	1.7	2.8	12
	Singapore	0.1	0.2		Hong Kong		0.83	1.25		
	All others	0.1	0.1		Singapore		0.46	0.75		
5. Dairy Products Cheese	Total	1.1	2.2		Thailand		0.24	0.45		
	Taiwan	0.3	0.9		Taiwan		0.09	0.15		
	Hong Kong	0.4	0.7		Malaysia		0.06	0.15		
	Thailand	0.1	0.3		Canada		0.01	0.05		
	All others	0.2	0.3		All others	0.01	0.05			

	Export destinations	2019 actual	2025 target	Target Number of Export-Focused Production Areas		Export destinations	2019 actual	2025 target	Target Number of Export-Focused Production Areas			
12. Flower	Total	0.88	1.88	4	20. Pearls	Total	32.9	37.9	3			
	The United States	0.27	0.59			Hong Kong	28.5	24				
	China	0.21	0.48			China	0.8	10				
	Hong Kong	0.11	0.22			Thailand	0.4	0.5				
	EU	0.04	0.18			All others	3.2	3.4				
	All others	0.25	0.41			21. Soft Drinks	Total	30.4	78.6	Several manufacturers		
13. Green Tea	Total	14.6	31.2	15	China		7	20				
	The United States	6.5	11.8		Hong Kong		5.6	13.1				
	EU	2.3	3.5		The United States		4.6	11.7				
	China	0	8		All others		13.2	33.8				
	All others	5.8	7.9		22. Snacks and confectionaries	Total	20.2	46.5	20 manufacturers			
14. Rice, Precooked, single-serve, microwavable pouched rice, Rice Flour, Rice Flour Products	Total	5.2	12.5	30 ~ 40		Hong Kong	5.9	11.7				
	Hong Kong	1.5	3.6			China	4.2	10.5				
	The United States	0.7	3		23. Sauces, Curry roux, Mayonnaise, Dressings, etc	Total	36	85	Several manufacturers			
	China	0.4	1.9			The United States	7.5	17.3				
	Singapore	0.8	1.6			China	1.5	4.2				
All others	1.8	2.2		EU		3	8.2					
15. Timber	Total	6	27.1	7	All others	24	55.3	24. Miso (fermented soybean paste), Soy sauce	Total	11.5	23.1	10 areas, 30 makers for Miso, 20 areas, 40 makers for soy sauce
	China	1.8	7.8		The United States	2.3	5					
	The United States	1.2	12.7		China	1.1	2.6					
	South Korea	0.7	1		All others	8.1	15.5					
	Taiwan	0.4	2.5		25. Nihonshu (Rice Wine)	Total	23.4		60	700		
	All others	2	3.1			The United States	6.76		18			
16. Plywood	Total	6.5	8	4		China	5	13				
	China	0.6	1.6			Hong Kong	3.94	11				
	South Korea	0.1	0.2			EU, UK	1.42	4				
	Taiwan	0	0.1			Taiwan	1.36	4				
	All others	5.8	6.1			Singapore	0.86	2				
17. Buri (Yellowtail Fish)	Total	22.9	54.2	5		All others	4.07	8				
	The United States	15.9	32		26. Whisky	Total	19.45	68	25			
	China	1.3	6			EU, UK	5.53	20				
	Hong Kong	1.1	4			The United States	5.4	19				
	All others	4.6	12.2			China	2.53	9				
18. Tai (Sea Bream)	Total	3.5	19.3	1		Taiwan	1.28	5				
	South Korea	2.3	4		All others	4.71	15					
	The United States	0.5	3		27. Shochu, Awamori (Distilled Liquor)	Total	1.56	4	140			
	Taiwan	0.3	3			China	0.53	1.5				
	All others	0.4	9.3			The United States	0.38	1.2				
19. Scallops	Total	44.7	65.6	3		Taiwan	0.07	0.2				
	China	26.8	27		All others	0.58	1.1					
	Taiwan	5.4	7									
	The United States	2.3	13									
	All others	10.2	18.6									

Source: Office of the Prime Minister of Japan

Table 2. Target Number of Facilities Approved for Exports

		Number of Approved Facilities	
		Actual by 2020	Target by 2025
	Export destinations		
Beef Processing Facilities	The United States, EU, Hong Kong, others	15	25
	Taiwan, Singapore, others	25	40
Pork Processing Facilities	Singapore, Thailand, others	8	13
Poultry Processing Facilities	Hong Kong, Singapore, EU, others	3	10
Farms and Facilities for Chicken Eggs	Singapore, the United States	12	20
Distribution and Processing Facilities for Farm Products	Processing and quality management requirements by country	48	120
Wood Products Processing Facilities	The United States, China, South Korea, Taiwan, others	5	25
Fisheries Products Processing Facilities	The United States	484	760
	Vietnam	718	1,040
	China	1,554	1,850
	EU	83	135
Food Manufacturing Facilities	International Certifications: ISO22000, FSSC22000, JFS-C	2,219	4,500
Fisheries Products Wholesale Markets at Ports	EU	1	4
Wholesale Markets	HACCP certification	1	4
	Accommodating large lots	1	9

Source: Office of the Prime Minister of Japan

Attachments:

No Attachments.