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Report Name: New Policies for Foreign Ag Labor in Japan

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Report Highlights:

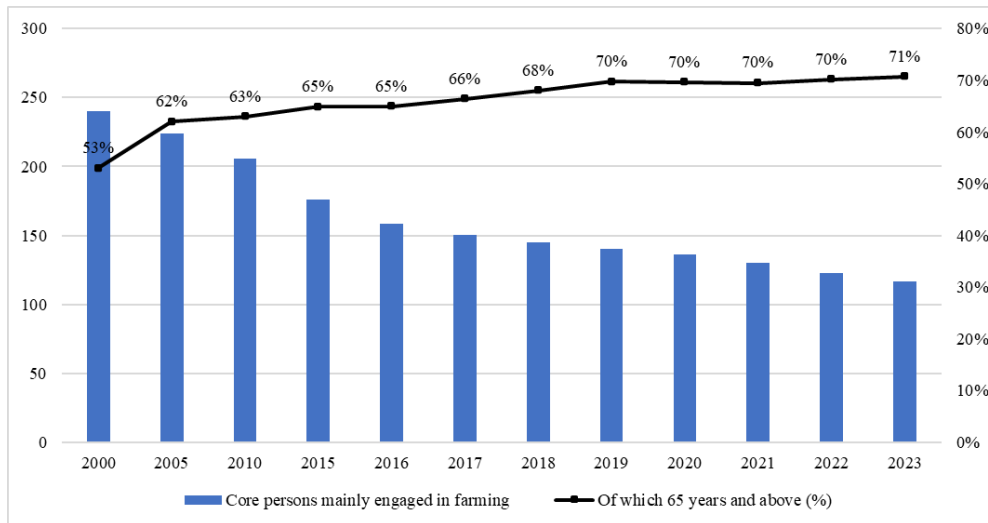
With the aging of the population and the decline in the number of people in rural areas, securing labor in the field of agriculture has become more challenging in Japan. While the number of visa holders in agriculture has increased 45 percent compared to April 2019, when the new visa program targeting foreign workers that have specific skills and abilities was introduced, the majority of workers still gain employment through the Technical Intern Program, which has faced ongoing criticism due to humans' rights violations and inadequate support. The Japanese government recently enacted revised laws to develop a new system which places focus on nurturing and securing foreign talent starting in 2027.

Japan faces demographic challenges

As of October 1, 2023, Japan’s population declined 0.48 percent from the previous year to just over 124 million, recording the 13th consecutive year of decline. While Japan’s total population decline has continued since 2009, the trend has been preceded by a decrease in the number of farmers and the aging of the farming population. The number of core persons engaged in farming (which is defined as “household members involved in self-employed farming who are working mainly in agriculture during regular hours”) has halved from approximately 2.4 million in 2000, to 1.16 million in 2023. Of those, over 70 percent are age 65 and above (Chart 1).

With the aging of the population and the decline in the number of people in rural areas, securing labor in the field of agriculture has become more challenging. Japan’s Ministry of Agriculture, Forestry and Fisheries (MAFF) is putting forward various measures to improve the situation, including utilization of smart agriculture, promotion of farmland consolidation, and promoting a diverse group of agricultural human resources and entities. This report will focus on a different initiative: the securing of foreign labor.

Chart 1: Farmer population and proportion of workers 65 years and over



Source: Ministry of Agriculture, Forestry and Fisheries (MAFF)

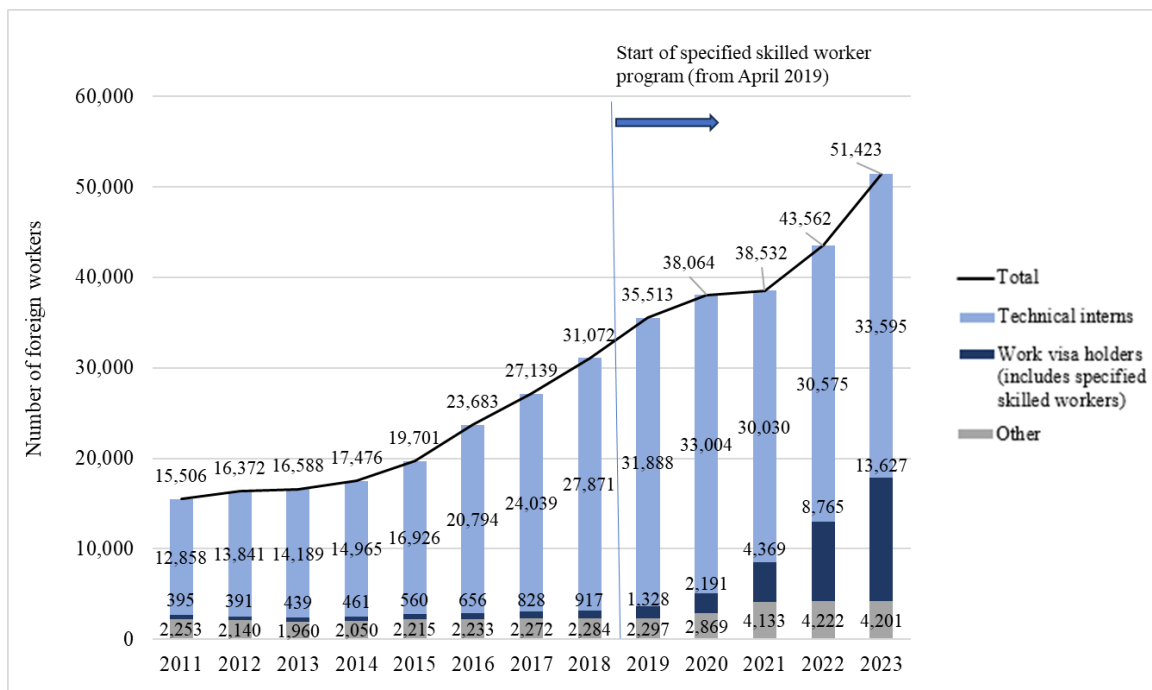
Current status of foreign farm labor

As of 2023, based on the number of visa holders in agriculture, foreign ag laborers in Japan totaled 51,423, a jump of 45 percent compared to April 2019, when the Specified Skilled Worker program began. (Chart 2). Most foreign agricultural workers work under the Technical Intern Training Program, which is a program introduced in 1993 with the purpose of promoting international cooperation and enabling foreigners to acquire skills they can use back in their home countries. By contrast, the Specified

Skilled Worker Program was introduced to attract foreigners who have specific skills and abilities and can immediately join the workforce to alleviate current labor shortages.

The Technical Intern Training Program allows foreign workers to stay in Japan for a combined maximum stay of five years; they are not permitted to change employers, to return home, nor to bring family to Japan during their work tenure. By contrast, the Specified Skilled Worker Program Type 1 status permits foreigners to work in jobs that require “considerable knowledge or experience” in 12 designated industrial sectors, also for up to 5 years, but with the additional benefit that job transfers are permitted, if desired. Workers with Type 2 status (highly specified skills), may stay in Japan indefinitely and they may bring immediate family members to Japan. The Type 2 category initially was limited to two sectors: ship building and construction. Faced with the ongoing shortage of labor, however, the Japan government in June 2023 added nine more industries, including almost all industries in the “Type 1 status” except nursing care. The four industrial sectors related to food and agriculture are “agriculture”, “fisheries”, “food and beverage manufacturing”, and “food service”, all of which fall under both “Type 1 status” and “Type 2 status” within the program.

Chart 2: Number of visa holders in agriculture

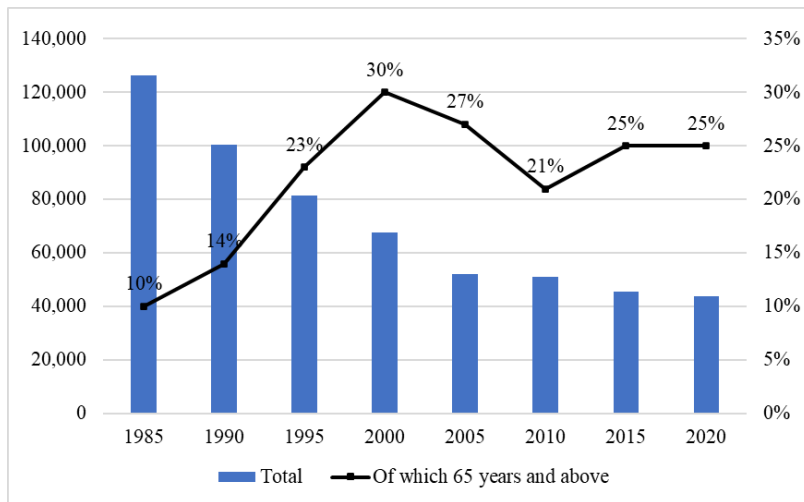


Source: Ministry of Health, Labour and Welfare (MHLW), Ministry of Agriculture, Forestry and Fisheries (MAFF)

Additionally, on March 29, 2024, the Cabinet added the forestry and timber industry sectors as eligible to hire workers under the Specified Skilled Worker visa (Type 1). The decline in the number of forestry workers has leveled off in recent years, but at 44,000 workers is still down 16 percent from 10 years ago

(Chart 3). Maximum targets were also set for accepting 1,000 foreign workers in the forestry industry and 5,000 in the lumber industry over a five-year period beginning Japanese Fiscal Year (JFY) 2024 (Source: [MAFF \(forestry\)](#), [MAFF \(lumber\)](#)).

Chart 3: Number of workers in forestry and timber industry



Source: Ministry of Agriculture, Forestry and Fisheries (MAFF)

Challenges in current foreign labor system

As the number of foreign agricultural workers continues to grow, the Technical Intern Training Program in particular has been criticized for exploiting predominantly young foreign workers as an inexpensive labor source. While official agriculture-specific statistics are not available, the average monthly salary of all workers under the Technical Intern Training Program was 177,800 yen as of 2022. This is approximately the same level as the starting salary for high school graduates in Japan (181,200 yen) and considerably lower than the Specified Skilled Worker program (205,700 yen), according to the [Basic Survey on Wage Structure compiled by the Ministry of Health, Labour and Welfare of Japan](#).

A law introduced in 2017 improved monitoring and supervision of companies and farms that accept foreign workers under the program, but criticism regarding the program continued within Japan and abroad. As a result, in 2022, the Japan government launched a full-scale review of the program to address issues such as humans' rights violations and inadequate support for the trainees.

Anticipated changes to policies affecting foreign workers

In response to ongoing criticism regarding the Technical Intern Training Program, the Japanese government cleared a bill on May 21, 2024, to reform the program and replace it with a new system. The

new system aims to develop foreign workers over a period of three years, with a goal of “nurturing and securing foreign talent” and promoting them to the Specified Skilled Worker system after the three-year training period. On June 14, 2024, the revised laws were enacted by the Japan parliament, with an aim for the programs to start in 2027.

For workers to transition from the new program to the Specified Skilled Workers program, the scope of work permitted under the new program will be aligned with what is covered in the Specified Skilled Workers program. That is, the program will cover all general crop farming and livestock farming, including rice and cattle farming, as with the Specified Skilled Worker Program (Chart 4).

Chart 4: Comparison of foreign trainee programs in Japan

	(OLD)	(NEW)	Specified Skilled Worker program	
	Technical Intern Training Program	New foreign worker scheme	Type 1	Type 2
Status of Residence				
Year started	1993	2027 target	April 2019	
Purpose	Promoting international cooperation and enabling foreigners to acquire skills to bring back to their home countries	Nurturing and securing foreign talent	Accept foreign nationals that have a certain level of expertise and skill and can begin work immediately in response to circumstances of serious labor shortages	
Length of stay	5 years maximum through three separate stages	3 years (after 3 years, can qualify for Specified Skilled Worker program)	5 years	No limit
Permitted work in agriculture	General crop farming (excluding rice farming), general livestock farming (excluding beef farming)	Same as Specified Skilled Worker Program Type 1	General crop farming (cultivation management, collection/shipping/sorting of agricultural products, etc.), general livestock farming (breed management, collection/shipping/sorting of livestock products, etc.)	
Skill level	1st year: skill acquisition 2nd year: skill enhancement 3rd year: mastery of skills	To have passed “N5” level of the Japanese language proficiency test	Considerable degree of knowledge or experience	Skilled expertise
Accompanying family	Not allowed	Not allowed	Not allowed	Allowed
Transferring of workplace	Not allowed for 3 years	Allowed within same work after 1-2 years	Allowed	
Consignment/Temporary work	Not allowed	Allowed	Allowed	

Source: Created using information from Ministry of Foreign Affairs, Japan International Trainee & Skilled Worker Cooperation Organization

Implications for U.S. Ag

The intention of these policy revisions is to bolster the economic vitality of Japanese agriculture, particularly in operations requiring the highest percentage of manual labor. Japanese authorities have also stated their goal of boosting Japanese agriculture exports. But, given the small scale of the policy revisions and program implementation, and given the continued aging and decline of Japan’s overall

population, especially among the ag sector, domestic consumption will absorb the bulk of production the labor programs generate; we expect little impact on US or other large foreign markets.

Attachments:

No Attachments.