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Report Name: Revisions to COVID-19 Economic Relief Support Programs

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Report Highlights:

In April, Japan established a series of programs funded by a 545 billion yen (US\$5.2 billion) supplementary budget to support the food, agriculture, forestry and fisheries sectors affected by the COVID-19 economic downturn. Revisions have since been made to the programs for rice, horticulture, forestry, and fisheries products.

In April, Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) established a series of programs funded by a 545 billion yen (US\$5.2 billion¹) supplementary budget to support the food, agriculture, forestry and fisheries sectors affected by the COVID-19 economic downturn, for more details see [JA2020-0085](#). Updates and changes to the programs by MAFF include the rollout of the details of the Sales Promotion of Domestic Products program and revisions to the other programs listed below. No additional funding has been made available, but some funding has been shifted between programs and new commodities have become eligible to participate.

1. Sales Promotion of Domestic Products: 140 billion yen (\$1.3 billion)

The Sales Promotion of Domestic Products strategy has four programs designed to promote the sale of domestic products negatively affected by slowed sales, reduced revenue, and increased inventory because of the COVID-19 economic downturn. The designated products covered by the strategy's programs are wagyu beef, fisheries products (approximately 70 species), vegetables and fruit (melons, mangoes, strawberries, cherries, *oba* (green perilla), wasabi and bamboo shoots), leaf tea, flowers, buckwheat noodles and flour, and game meat (deer and wild boar). In November, rice was added to the designated product list for two of the programs, the Online Sales Promotion program and the Regional Creativity Sales Promotion program.

(1) Online Sales Promotion Program

The government will pay the pay delivery fee when consumers purchase designated products from producers through E-Commerce malls and shops. Products delivered by February 7, 2021 are eligible.

(2) Food Education Promotion Program

Funding is provided for the purchase of designated products by operators of cafeterias that offer free food to children from low-income families. To receive the support payments, cafeteria operators and producers must conduct educational activities for the children that promote understanding of the food purchased through this program.

(3) Multiple Sales Channels Promotion Program

Entities who buy or sell designated products through an online marketplace, operated by the company Gurunavi Food Mall, that connects producers and wholesalers with the food service industry are eligible for discounts or fee reductions funded by this program. Food service outlets will receive a maximum 50

¹ The exchange rate used for this report is 104 yen/USD.

percent discount on product purchases and delivery fees when designated products are purchased through the marketplace. Producers and wholesalers will not be charged a fee for the sale of designated products through the marketplace. The support payments will be distributed to Gurunavi, who will administer the discounts as appropriate. The Multiple Sales Channels Promotion Program ends on February 26, 2021.

(4) Regional Creativity Sales Promotion Program

Local governments, producer associations, cooperatives, companies, non-profit organizations, and industry associations are eligible for funding to carry out 14-day sales campaigns for multiple designated products. The support payments cover half the costs for procuring the designated products, including shipping fees and for implementing sales promotion campaigns. The support payment per applicant may be between one million yen (\$9,615) and 200 million yen (\$1.9 million). The program ends on January 31, 2021.

2. Horticulture Production: 24.19 billion yen (\$233 million)

Horticultural producers who suffered revenue loss due to COVID-19 are eligible to receive 50,000 yen (\$481) per 10 are² of vegetable, fruit, flower, and tea production to cover costs for the purchase of seeds, seedlings, farm inputs, soil improvement materials, and machinery rental fees. MAFF revised the support program in October and November to add the following support:

- 800,000 yen (\$7,692) per 10 are for greenhouse production of flowers, *oba*, and wasabi to introduce new varieties and develop new sales channels.
- 250,000 yen (\$2,404) per 10 are for greenhouse production of mangoes, cherries and grapes.
- Payments to cover costs of machinery, equipment, and facilities purchased between April 1 and October 30.
- 2,200 yen (\$21) per person, per day is provided to producer groups for the sorting and preparation of flowers, tea, and greenhouse products for shipment.

3. Storage Costs for Logs and Fisheries Products: 4.186 billion yen (\$40.3 million)

Support payments are provided to forest management entities for the storage, transportation, chemical preservation treatment, and land lease fees for logs intended for export. As demand for logs in domestic markets have also been weak, these support payments are now extended to cover logs for domestic use.

Support payments are provided to fishery cooperatives that purchase fisheries products and store them at cold warehouses. The payments cover the costs for the storage, transportation, processing and interest payments for money borrowed to purchase and store fisheries products. Eligibility for support payments has been extended to products purchased before April 2020.

4. “GO TO EAT” Campaign: 199.8 billion yen (\$1.9 billion)

² 10 are = 0.1 hectare

MAFF implemented the “GO TO EAT” campaign to stimulate demand for the food service industry and support agriculture and fisheries producers who supply products to the food service industry. The campaign consists of two programs.

(1) Restaurants Reservation Points: 61.6 billion yen (\$592 million)

Customers who make online reservations for registered restaurants are given points that (500 yen for lunch and 1,000 yen for dinner) can be used at registered restaurants for their next meals. This program started on October 1 and by November 11, 50 million people had made reservations, equivalent to over 40 billion yen (\$385 million). Once the reservations reach the equivalent value of 61.6 billion yen, no more reservations will be accepted.

(2) Premium Meal Coupon: 86.8 billion yen (\$834 million)

Premium meal coupons may be purchased with 125% of the total cost of the coupon for use at restaurants registered for the program. For example, a 12,500 yen coupon costs 10,000 yen to purchase. The meal coupons are valid for use until the end of March 2021.

In response to an increase in the number of COVID-19 cases, on November 20 nine prefectures³ limited the total number allowed in a dining party using either of the Go To Eat programs to four or fewer people. Additionally, 10 prefectures⁴ suspended the issuance of the meal coupons and requested participants forgo the use of both initiatives altogether.

Attachments:

No Attachments.

³ Nine prefectures are Hokkaido, Saitama, Chiba, Tokyo, Aichi, Kyoto, Osaka, Hyogo, and Okinawa.

⁴ Ten prefectures are Hokkaido, Ibaraki, Saitama, Chiba, Tokyo, Kanagawa, Shizuoka, Aichi, Osaka and Hyogo.