

Securing Stable Food Supply and Food Security in Japan (Part 1)

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The Basic Law on Food, Agriculture and Rural Areas, which was enacted in 1999, stipulates Japan's basic policy on securing food supply and food security. This report explains its relevant provisions such as Articles 2, 15-2, 19, and policy directions based on those provisions. The following explanations are translation of "Commentary on the Basic Law on Food, Agriculture and Rural Areas", which was written in 2000 by the study group of the Ministry of Agriculture, Forestry and Fisheries.

I. Securing Stable Food Supply

Article 2 (The Basic Law on Food, Agriculture and Rural Areas)

1. In consideration of the fact that food is indispensable in maintaining human life and important as a basis for healthy and fulfilled living, a stable supply of good-quality food at reasonable prices shall be secured for the future.
2. In consideration of the fact that there are certain unstable factors in the world food trade and supply/demand, this stable food supply to the people shall be secured with increase of domestic agricultural production as a basis, together with an appropriate combination with imports and stockpiles.
3. Food supply shall be managed in such a way as to improve agricultural productivity and to comprehensively promote the sound development of agriculture and food industries, in response to the more sophisticated and diversified public demand.
4. Even in cases where domestic supply is insufficient to meet demand or is likely to be for a certain period, due to unexpected situations such as a bad harvest or interrupted imports, the minimum food supply required for the people shall be secured so as not to be a hindrance to the stability of peoples' lives and smooth operation of the national economy.

1. Food is indispensable in maintaining human life, and ensuring the minimum level of its supply is always demanded as the basis for human survival. Further, today, existence of the minimum required food shall not be sufficient, a certain level in both quantity and quality shall be required as a basis for healthy and fulfilled living. However, Japan's food self-sufficiency ratio has decreased from 79% (FY1960) to 41% (FY1997) on total supply calorie basis, from 82% to 28% on all cereals including those used for feeds. Hence, Japan became one of the lowest levels among the major developed countries, and has significantly increased dependency for importation.
2. On the other hand, world food supply and demand situation has been in a very unstable situation. There are some possibilities that it could be tightened over the medium to long

term.

- Agricultural production itself tends to vary subject to natural conditions. The ratio of world trade to production is low (ex. 20% for wheat, 5% for rice) and there are only a few exporting countries in the world (ex. export share of US for maize and soybean was 75%), therefore, international food market is likely to fluctuate dramatically.
- While world population growth (5.7 billion in 1995 to 8 billion in 2025) and income growth (increasing demand for cereals used for feeds due to increasing meat consumption) would increase the demand for agricultural products for the future, the future supply of agricultural products might not be increased as ever, because of constraints of expansion of agricultural land, decreased yield growth due to soil degradation, and exacerbation of desertification.

Although, in such a situation, the possibility of unexpected situations such as export prohibition of soybean by US in 1973 has been getting bigger, preparedness for emergencies shall not be fully established yet.

3. Against the above situation, the most important challenge in securing food for Japanese national is a stable supply of 'good-quality food' (= safe food with the quality level of the people seek) 'at reasonable prices' (= reasonably accountable price to be formed by properly reflecting the quality evaluation and supply and demand situation), so that Japanese nationals could always obtain necessary amount of food. Since securing safety shall be the most fundamental factor for food intake, 'good-quality food' must fulfill the safety requirements.
4. Under the situation where the world's food supply & demand and trade are having very unstable factors, food supply should be secured with increase of domestic agricultural production as a basis. Especially for our country with extremely low food self-sufficiency ratio, it is necessary to urgently strengthen the domestic food supply capacity. However, it should be unrealistic for all food supply to be covered by only domestic agricultural production. So it is necessary to increase domestic agricultural production as much as possible by promoting agricultural productivity improvement and supplying food in response to the demand of the consumers with reasonable prices (= simply increasing the production blindly could not be understood by the consumers). Stable food supply shall be secured with such increased domestic production, together with an appropriate combination of imports and stockpiles.

'There are certain unstable factors in the world food **supply/demand**' refers to the following situations;

- Insecurity of food supply/demand itself
 - ✓ Unique characteristics of agricultural production of its fluctuation due to strong constraints of natural conditions
 - ✓ International market to be heavily influenced by harvest volatility in major exporting and consuming countries
- Risks for increasing insecurity of short-term food supply/demand
 - ✓ Exporter tends to be concentrated to certain countries and regions such as US under the WTO regime
 - ✓ Basic policy direction of major food exporting countries to decrease the level of stockpiles

- ✓ Increased possibility for fluctuating agricultural production due to abnormal weather
- Possibility for tightening food supply/demand over the medium to long term
 - ✓ Increased food demand because of population and income growth
 - ✓ Unclear production expansion due to constraints of expansion of agricultural land, decreased yield growth, exacerbation of desertification, manifestation of environmental issues and so on

‘There are certain unstable factors in the world food **trade**’ refers to the following situations;

- Special characteristics of trade structure
 - ✓ The ratio of world trade to production is generally low
 - ✓ Export share of a few countries for major commodities
- Export restrictions
 - ✓ There exists the law which can restrict or prohibit export in the US, the world’s largest food exporting country
 - ✓ Disciplines on export prohibitions and restrictions of the WTO Agriculture Agreement shall be inadequate
- Risks associated with long-distance transportation
 - ✓ Import failure had occurred in the past due to port strike, ship accidents and so on

(To be continued)

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