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# CHANGING ECONOMIC PERFORMANCE OF JAPAN’S AGRICULTURAL COOPERATIVES

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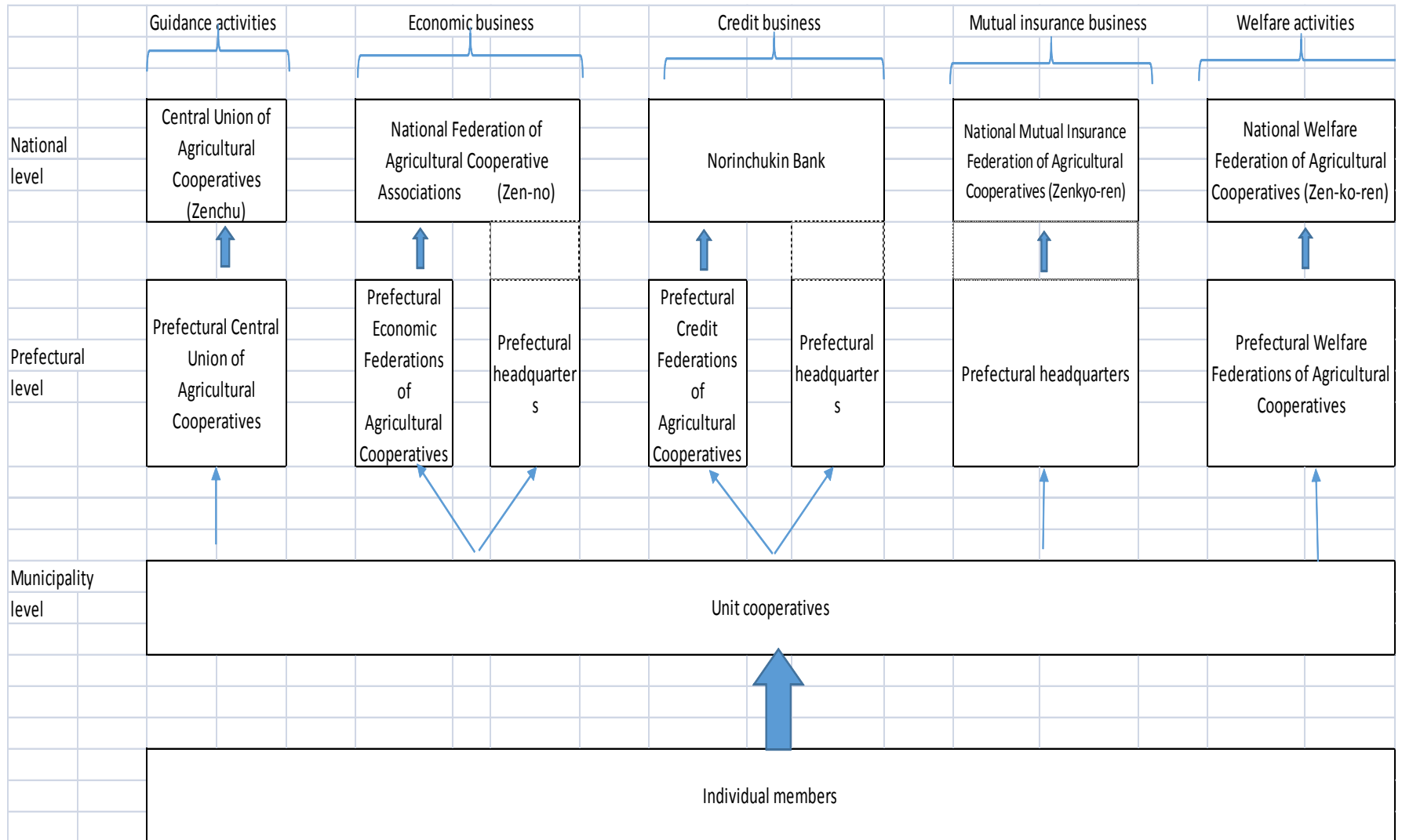
# Roadmap

- JA: System of Japanese agricultural cooperatives
- JA's performance in agricultural input and output markets, 1960-2012
- Prospects for the future of JA

# JA, System of Japanese agricultural cooperatives

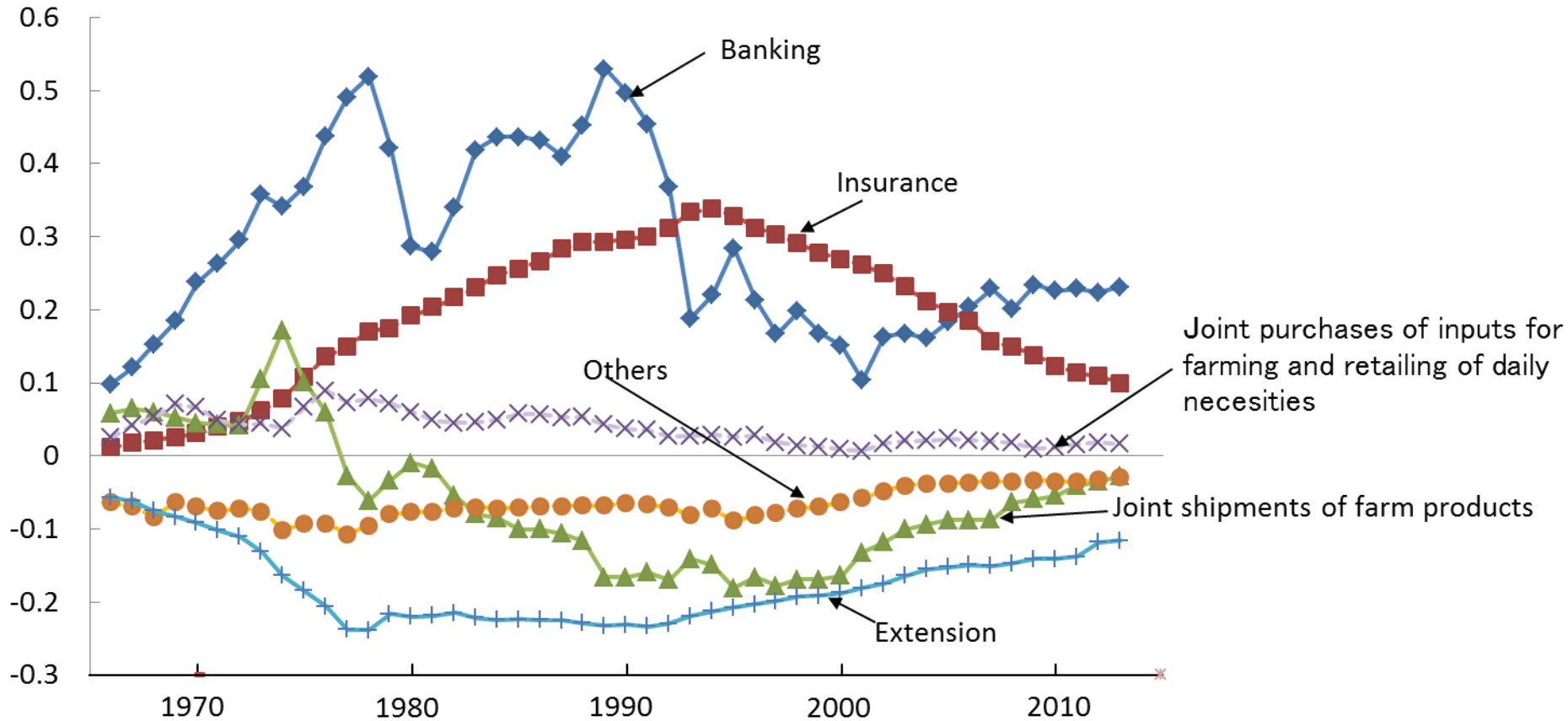
- All the farmers (+non farmers)
- Three-tier structure
- Multi-function

# Three-tier structure of the JA Group



# Profits of JA's businesses

(in 1990 trillion yen)



Note 1. Profits from JA's businesses are estimated by the author and deflated by GDP deflator

2. Profit from joint shipments includes that from agricultural warehousing. Profit from joint purchase of inputs for farming and that from retailing of daily necessities cannot be estimated separately because of the data limitation.

Source: Agricultural Cooperative Division, Economic Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries, Statistics on Agricultural Cooperatives.

# ESTIMATES OF JA'S SHARE IN THE AGRICULTURAL INPUT MARKET

$$\text{Ratio I - A} = \frac{UCT + UCN}{I}$$

$$\text{Ratio I - B} = \frac{UCT}{I}$$

*UCT* = unit cooperatives' total sales of tangible farming inputs

*UCN* = unit cooperatives' total charges for intangible farming inputs

*I* = farmers' total expenditure for farming inputs

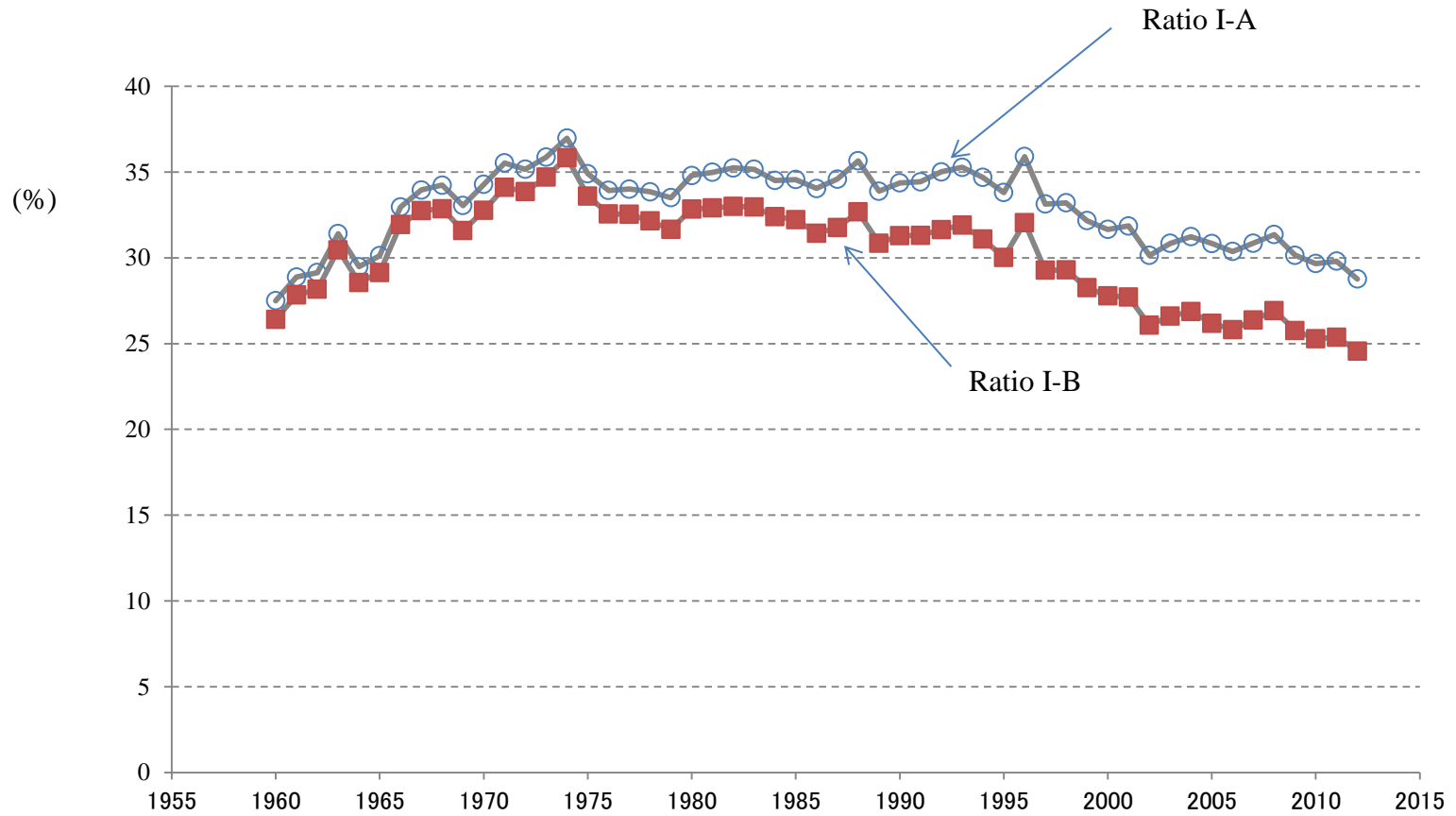


Figure1. JA's share in the market for inputs for farming

Source: Based on Table 1.

# ESTIMATES OF JA'S SHARE IN THE AGRICULTURAL OUTPUT MARKET

$$\text{Ratio O - A} = \frac{UCS}{OM + OS}$$

$$\text{Ratio O - B} = \frac{UCS}{OM}$$

*UCS*= total value of unit cooperatives' joint shipment of agricultural products

*OM*= total value of agricultural products sold

*OS*= total value of farmers' self-consumption of agricultural products



# JA's share in the distribution of agricultural products

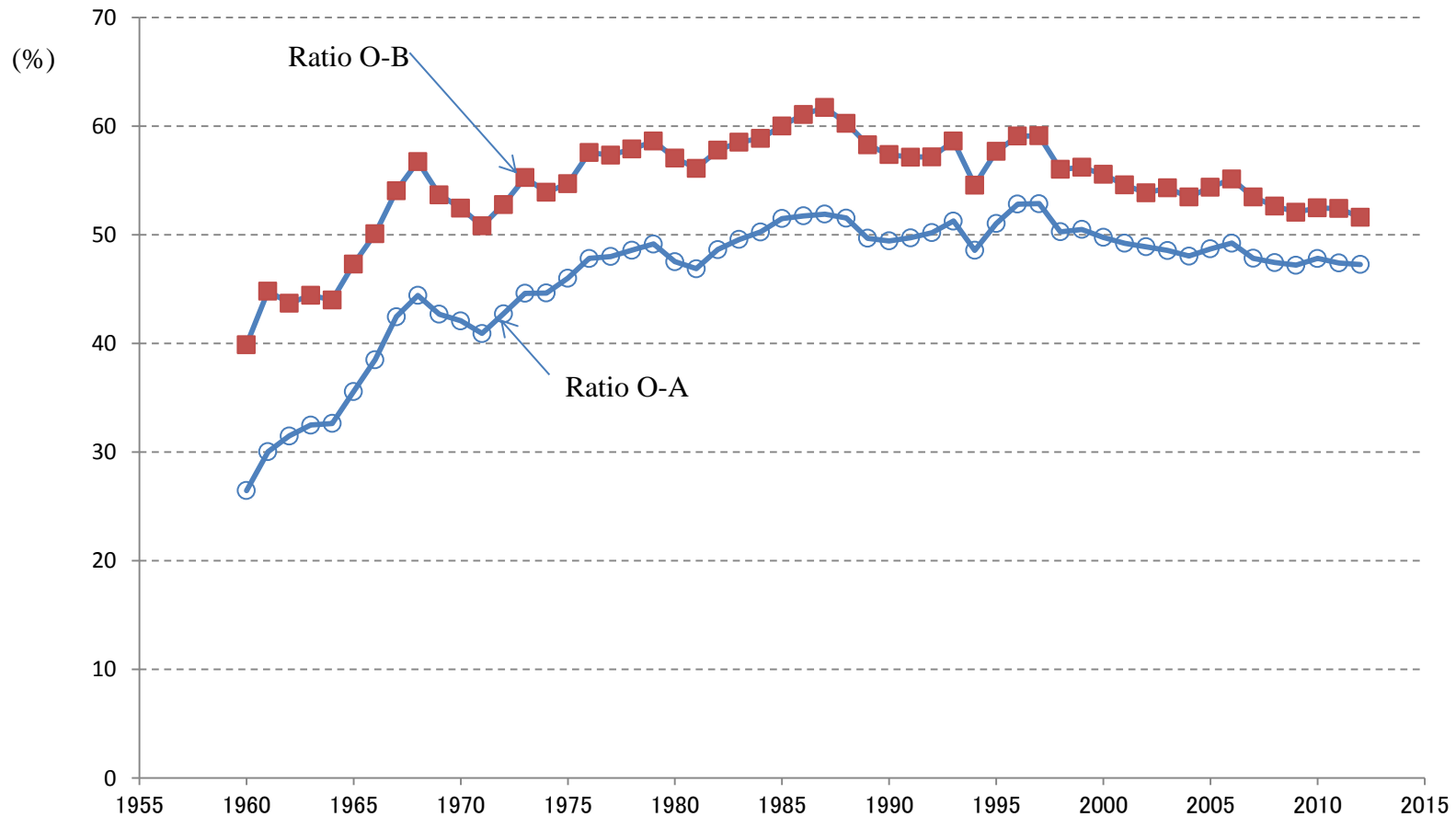


Figure 3. JA's share in the distribution of agricultural products (including all agricultural products)

Source: Based on Table 2.

# Indicator of the solidarity of the JA Group

## Percentage Utilization of Cooperative Channels

### For farming inputs: *UCP/UCTP*

*UCTP*=unit cooperatives' total procurement of tangible farming inputs

*UCP*=of which purchased from *Keizairen* or *Zen-no*

### For joint shipment of agri. products: *UCM/UCS*

*UCS*= total value of unit cooperatives' joint shipment of agricultural products

*UCM*=of which marketed through *Keizairen* or *Zen-noh*

# Percentage Utilization of Cooperative Channels

For farming inputs: *UCP/UCTP*

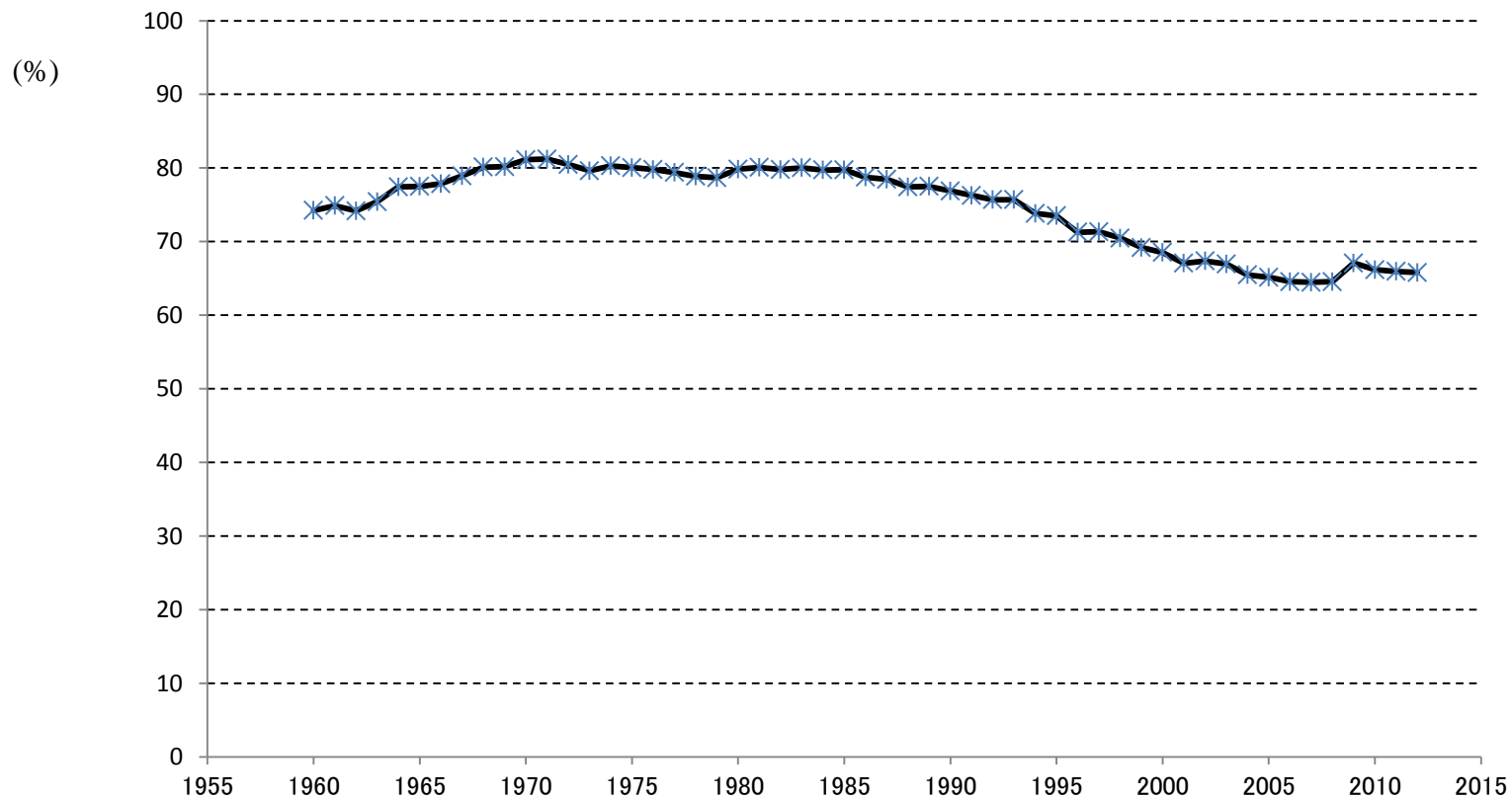


Figure 2. Percentage Utilization of Coop. Channel for JA's supply for farming

Source: Based on Table 1.

# Percentage Utilization of Cooperative Channels

For joint shipment of agri. products: *UCM/UCS*

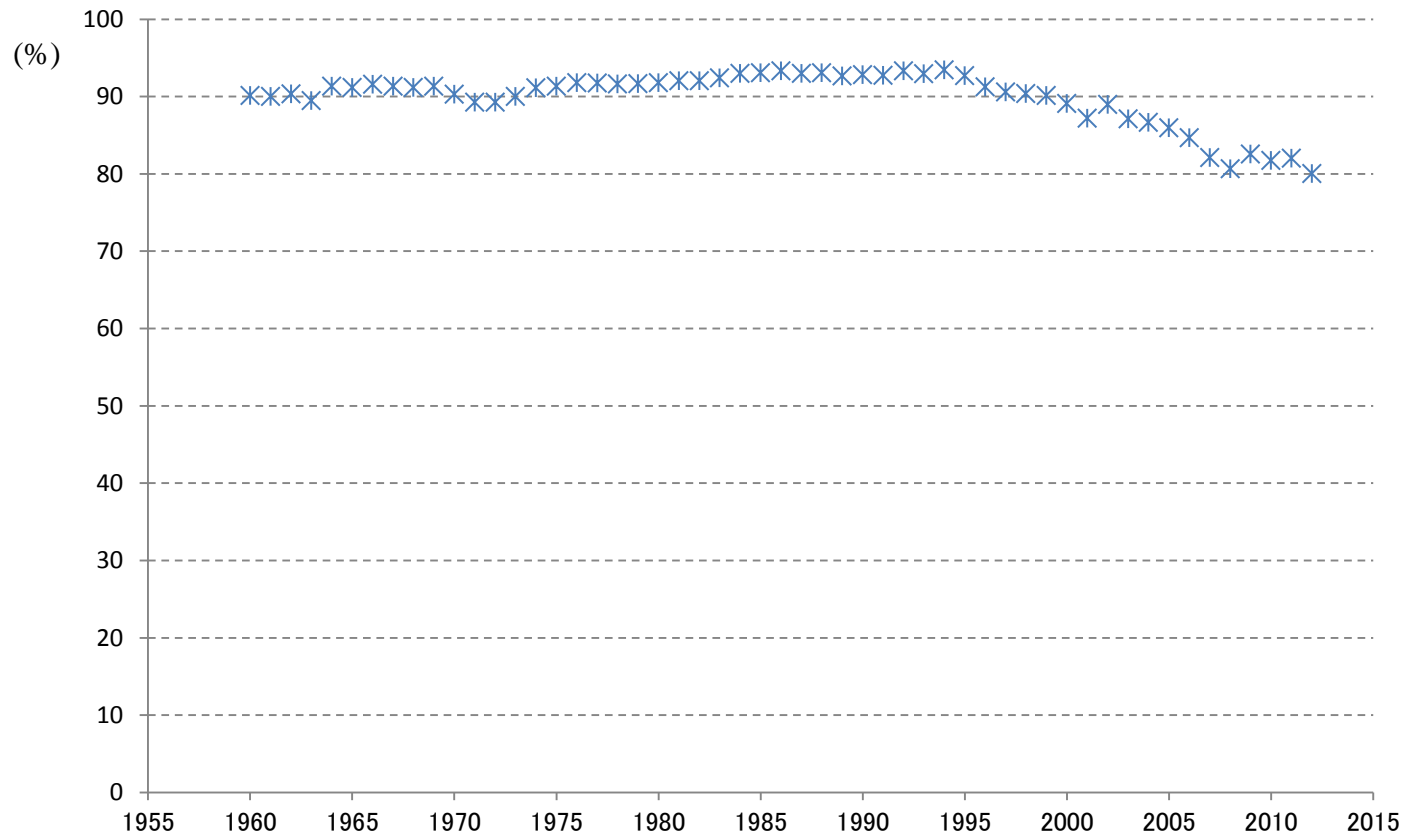


Figure 4. Percentage Utilization of Coop. Channel for JA's supply for farming  
Source: Based on Table 2.

# Rice and JA

Until 1994:

Under the Food Control Law (FCL),

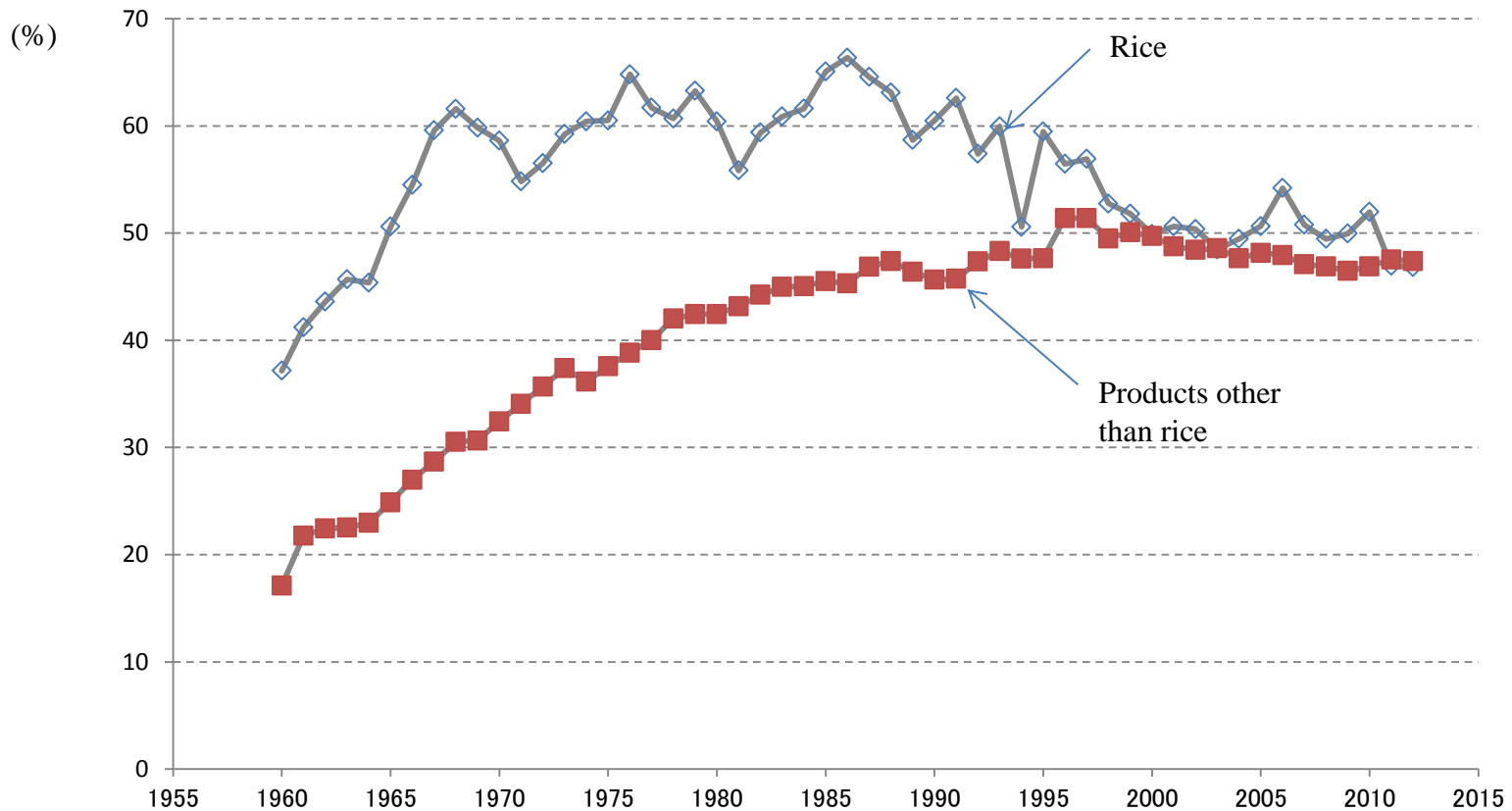
JA = monopolistic position in rice marketing

1995:

New Food Law

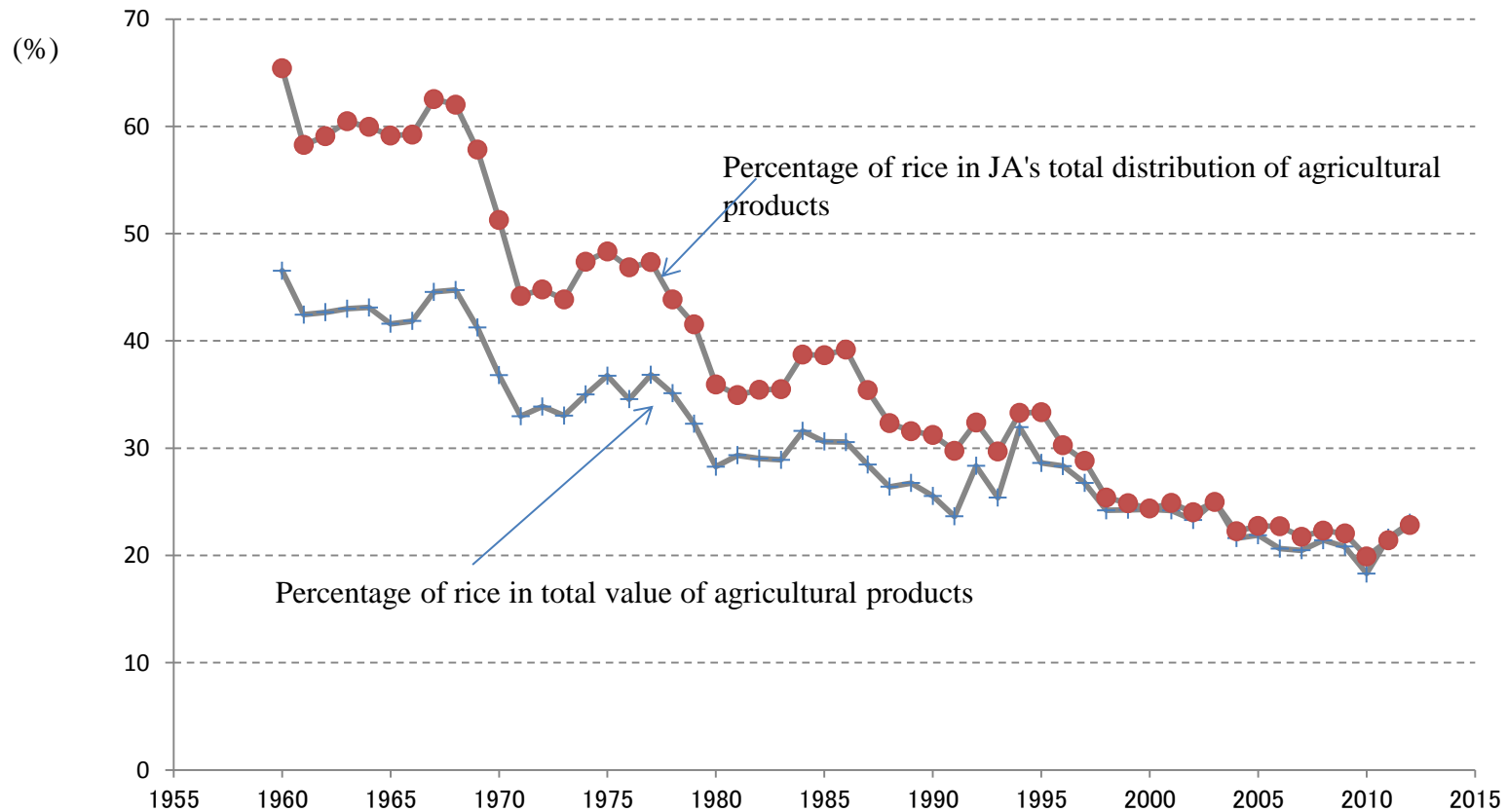
Liberalization of rice marketing

# JA's share in the distribution of rice and other agricultural products

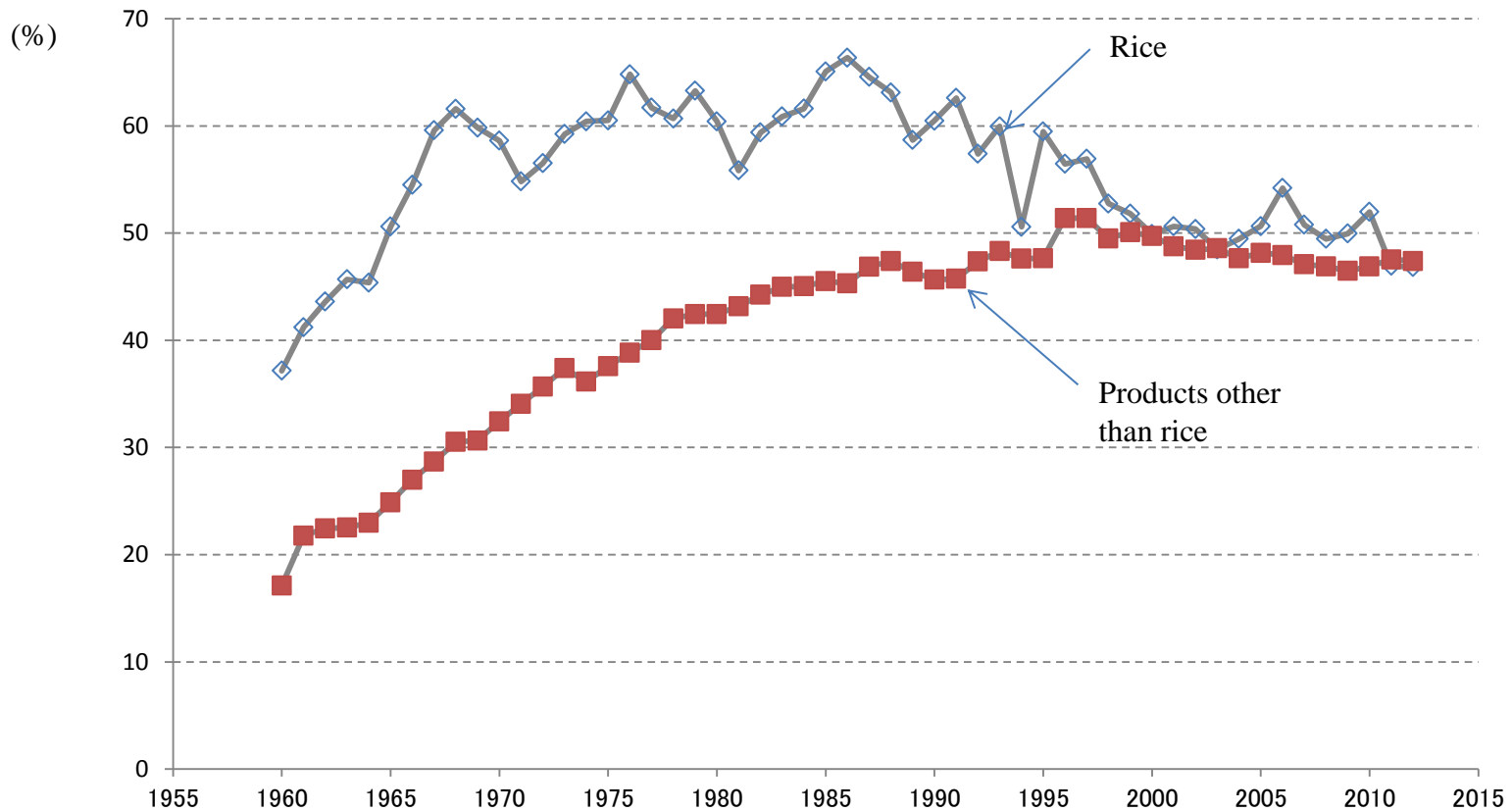


Source: Based on Table 3.

# Percentage of rice in the total value of agricultural products and in JA's total distribution of agricultural products



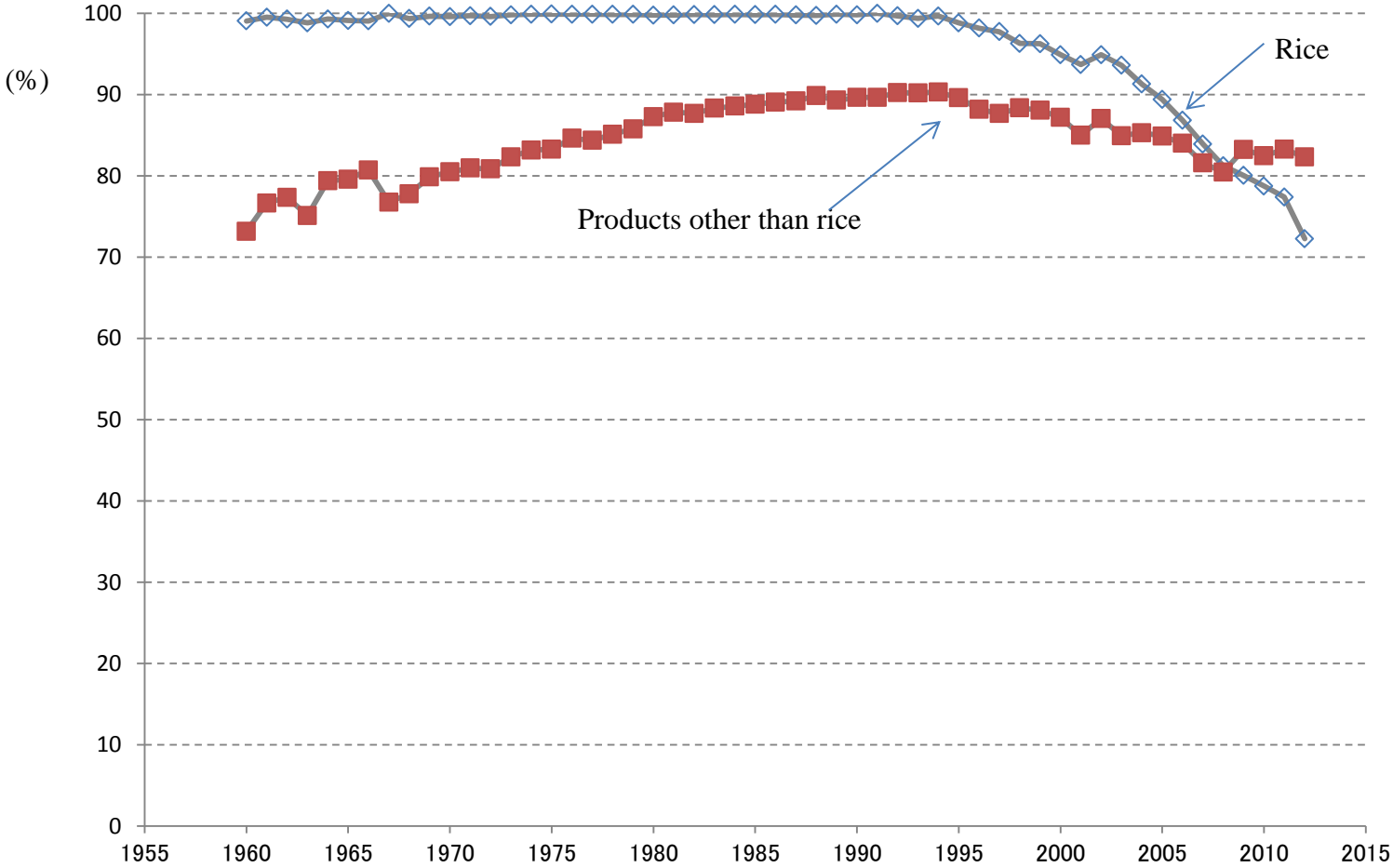
# JA's share in the distribution of rice and other agricultural products



Source: Based on Table 3.



# Percentage Utilization of Coop. Channel for rice and other agricultural products



Source: Based on Table 3.

# Turning point in the mid-1990s

- Liberalization of rice
- Financial deregulation
- Election reform
- Reduction of public construction projects

# The changing political dynamics of Japanese agriculture (since around the late-2000s)

- More and more agricultural subsidies will be allocated for large-size companies in the commercial and industrial sectors.
- Unfriendly attitudes to JA among lawmakers and mass media