
Case Studies of Agricultural Cooperatives in Japan

PPFS Seminar: Enhancing Market Entry for MSMEs
Including Smallholders in Asia-Pacific Region

Port Moresby, Papua New Guinea, 6 August 2018

Hirofumi KOBAYASHI

General Manager, International Relations Department

JA-Zenchu (Central Union of Agricultural Cooperatives), Japan

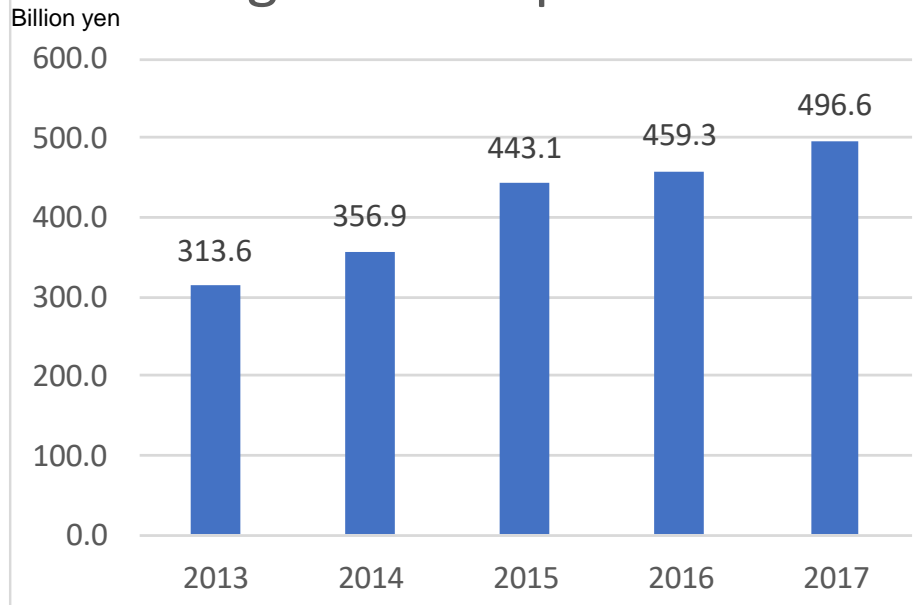




Recent trends in export of agricultural products in Japan

- Recently, Japan's agricultural export has been increasing steadily.
- Agricultural exports are mainly done by those at the national level, such as JA ZEN-NOH and private companies. In terms of grass-root level activities, exports of agricultural products are still a big challenge.
- However, unique cases are emerging at the grass-root level.

Trends in export of agricultural product



Main efforts for the export business of JA ZEN-NOH

Acquisition of UK Food Wholesaler (JA ZEN-NOH and NORINCHUKIN BANK)

The umbrella organization of Japan's agricultural cooperatives, JA ZEN-NOH acquires a British food wholesaler as part of efforts to boost exports of domestic farm products. Scotch Frost of Glasgow, an SFG group trader and distributor, is one of the largest suppliers of ethnic food in the U.K. in London.



7th Nov. 2016, The Nikkei

[Restaurant "Kacho" HCMC, Viet Nam]



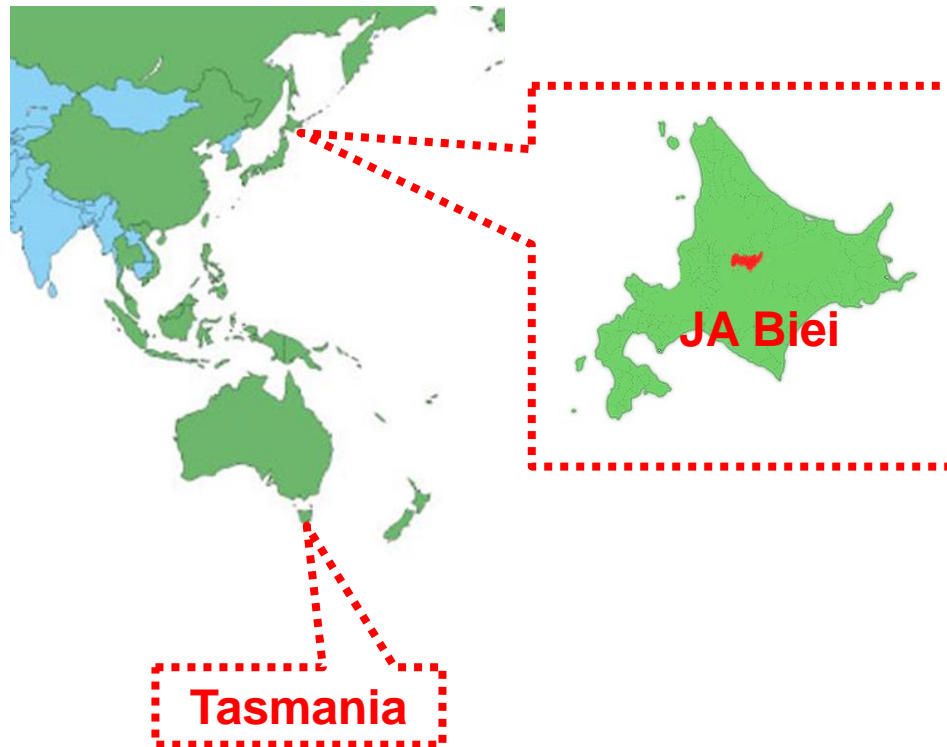
Restaurant



Japanese cuisine



- In 2017, JA Biei and the State Government of Tasmania, Australia, signed an agreement on human resources exchanges. JA Biei dispatches young farmers to Tasmania since then.
- Tasmania is located in the same latitude as Biei and the weather conditions are similar with each other. Taking advantage of the counter seasonality, young farmers in Biei are trained in Tasmania during the agricultural off-season in Hokkaido.



Signing ceremony between JA Biei and Tasmania State Government





- In addition to training, both parties also signed contracts for pumpkin production, renting 50 a of farmland for test production of two varieties of pumpkin.
- These activities are reported in the newsletter for members of JA Biei, as well as in the “Japanese Investment in Australia”, Australian Government.



Planting pumpkins



News letter



Tasting events

[JAPANESE INVESTMENT IN AUSTRALIA] AGRIBUSINESS, FOOD AND BEVERAGE



Tasmanian agriculture
Today, agricultural cooperative, JA Biei, is partnering with Tasmanian farmers on trial projects to establish a horticultural production platform for exports.

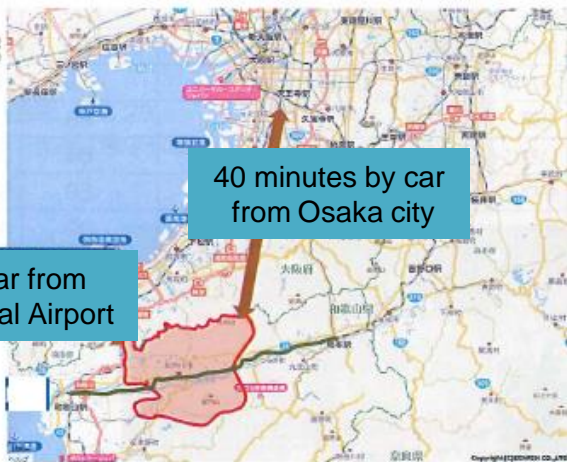
Inbound Business by JA Kinosato (Wakayama Pref.)



- JA Kinosato in Wakayama Pref. takes advantage of its location where it is located close to the Kansai International Airport, the city of Osaka and the Koyasan, UNESCO World Heritage. Its Farmers' Market registers as a duty-free shop, attracting inbound foreign tourists to purchase their fresh and processed products.
- In addition to the inbound business, JA Kinosato is also working on export business.



40 minutes by car from Kansai International Airport



Inbound Business of JA Kinosato



Progress of Export Business of JA Group Wakayama in 2017
Exports amounted to **366.6 tons** (95% of the previous year)
Exports totaled **151, 329,000 yen** (120% of the previous year)



➤ Reason to Start Duty-Free Shop

Planned to promote our product to visitors from foreign countries in memory of the 1200th year for the Koyasan, UNESCO World Heritage.

➤ Preparation to Apply for the Certificate of Duty-Free Shop

There was no preceding experience in any JA and we struggled to learn how to operate the business such as accounting system.

➤ Preparation of the Store for Duty-Free Sale

Prepared duty-free signs in the store, packaging materials necessary for duty free marketing, receipt, and others. Trained the shop staffs.

➤ Invitation of Visitors from Foreign Countries

Actively cooperated with travel agencies that take foreign visitors to this area. Conducted monitor tour to get feedbacks from the agriculture tourism business for foreign visitors.

➤ Communication with the Visitors

Bus guides or car drivers help to be an interpreter and no problem in communication. Individual travelers often understand Japanese to some extent and we manage to communicate with the finger pointing list.

➤ Future Operation

Accommodate Wi-Fi environment, expand the duty-free products and modify cashier system. We would like to meet the needs of foreign visitors by communicating with the interpreter guide registered in the Wakayama prefecture.





Thank You!