
JA Group's efforts to add value to agricultural products

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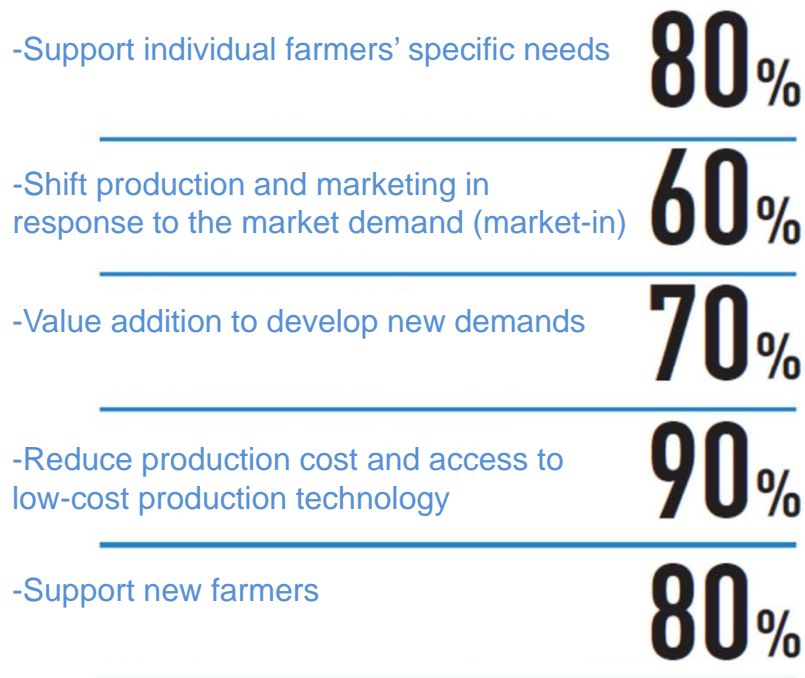
JA-Zenchu (Central Union of Agricultural Cooperatives), Japan



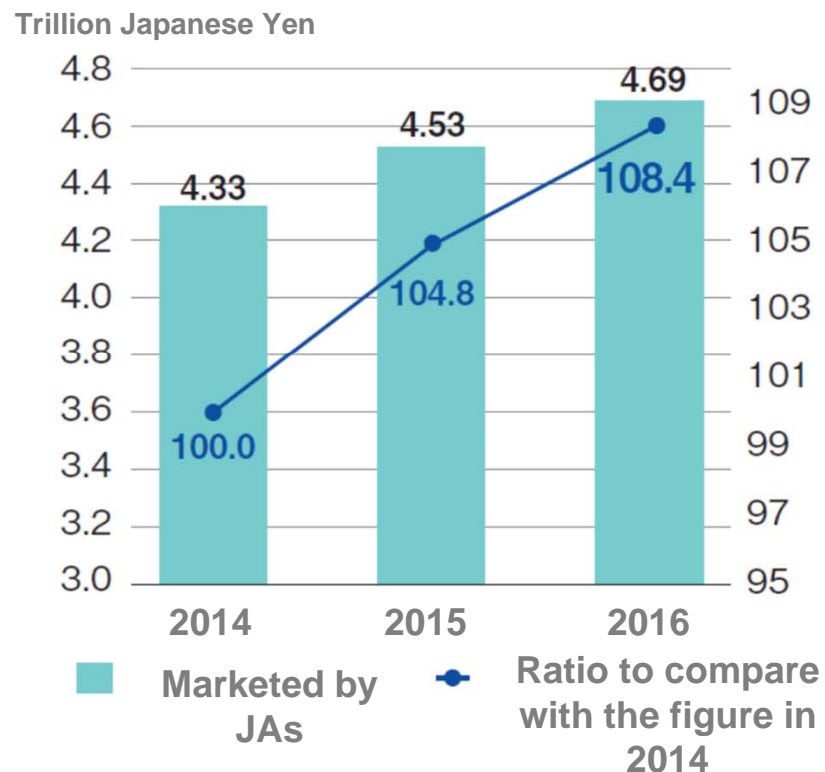
Activities of JAs to increase farmers' income



< The ratio of JAs doing businesses to increase farmers' income >



< Marketing turnover of agricultural and livestock products by JAs >



< What's JA? >

■ Number of JA : 646

Organized in every prefecture and municipality throughout the country.

■ Number of members : 10.3million (Regular Member 4.4million, Associate Member 5.9million)

■ Objectives

- Promotion of agricultural production
- Improvement of farmers' financial and social status
- Vitalize rural communities based on the principle of "mutual cooperation".

Specific activities to increase agricultural income



< Responding to the needs of consumers >

(Ratio of JAs introducing businesses in more market-oriented ways)

Contracts with processors and retailers

54.8%

Internet marketing

46.9%

Buy out from JA members

48.6%



JA Saga, SAGA prefecture
Products development according to
consumer needs (cut vegetable)

< Develop new demand by exports taking advantage of intellectual properties >

(Ratio of JA working on export)



31.9%



(GI registration in Japan)

76 products

(JA related products)
50 Products

JA Obihiro Kawanishi,
HOKKAIDO prefecture
Exports Yam, a local specialty under
GI registration



Specific activities to increase agricultural income



< Collaboration with food industries >

JAs collaborating with chamber of commerce and local enterprises

338JA

JAs developing new products including processed foods

177JA



JA Zenchu, National Level

In order to promote collaboration with the other industries, leaders of cooperatives in agriculture, forestry and fisheries sectors signed an MOU with industries leaders in May, 2017. This ceremony was witness by Minister of state for the promotion of overcoming population decline and vitalizing local economy in Japan.

< JAs working for environmental conservation agriculture >

(Ratio of JAs working for environmental conservation agriculture)

Environmental conservation agriculture

54.8%

Organic farming

46.9%



JA Tajima, HYOGO prefecture

Under the slogan to let storks return to the fields, JA Tajima is promoting eco-friendly rice production. Such rice is in advantageous price.

Functional foods indication as a means to add value

< JA's position on the functional foods indication (28th JA National Convention, 2019) >

“JA Group aim to add value through utilization of the new Functional Foods Indication System that allows to appeal consumers positive effects on human health”

< Our understanding on functional foods indication >

- Helpful in responding to the consumers' consciousness on health
- Expected to add value and return the profits to farmers through differentiation and branding from other agricultural products.
- Submitting scientific evidence of functional ingredients, securing sales lots and strict quality management are challenges.

< Number of the qualified functional foods (2019, August 1st) >

Agricultural Products: 37 items

Main items: Mandarin orange (13 items), Bean sprouts (8 items), Apple (2 items),
Tomato (2 items), Melon (2 items), Spinach (2 items), etc.

(Reference)

Total number of qualified functional foods: **2253 items**

13/37 items are JA brand

Case study of JA's Functional foods indication



< “Mikkabi Mikan”, the first agricultural product qualified with functional foods indication >

☛ What is “Mikkabi Mikan”?

Mikkabi Mikan is the brand name of mandarin orange produced by JA Mikkabi. Mikkabi Mikan contains functional component “ β -cryptoxanthin” abundantly, and it has been qualified as functional food for the first time in September 2015.

☛ What is “ β -cryptoxanthin”?

Component that makes tangerine yellow, and it is reported to keep bone health by promoting bone metabolism .

Packing materials marked with Indicator of functional food



< What JA Mikkabi does for Mikkabi Mikan >

- All farmers must follow strict rules to produce Mikkabi Mikan.
- JA Mikkabi hosts study session about sales method of Mikkabi Mikan for distributors.
- JA Mikkabi produces processed foods made with Mikkabi Mikan such as juice and sweets.

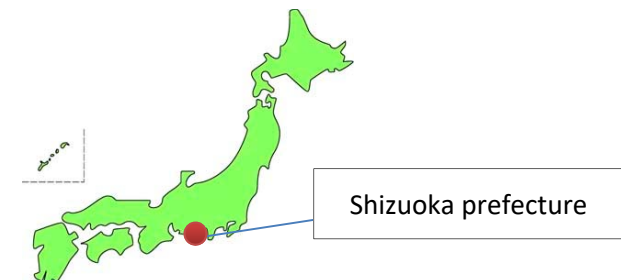


Process foods made with Mikkabi Mikan

【JA Mikkabi】

JA Mikkabi is located in Shizuoka prefecture (in the middle of Japan) and it has 2701 members including 1619 regular members. This area has been production area of mandarin orange over 300 years. They market Mikkabi Mikan as a main product, and work on direct sale for consumer and food processing.

Source: JA Mikkabi's website





Pros and challenges of the Functional Food Indication

Pros

- ✓ Expansion of consumption by responding to the needs of consumers' consciousness on health
- ✓ Differentiate and branding from other like-products
- ✓ Adding value of agricultural products and returning profits to farmers.

Challenges

- ✓ Analysis and submission regarding scientific evidence
- ✓ Stable volume of production and strict quality control
- ✓ To disseminate understanding of the indication system and strategize marketing methods