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Report Name: Japan Enacts Legislation to Support Green Food System Strategy

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Report Category: Agricultural Situation, Agriculture in the News, Climate Change/Global Warming/Food Security

Prepared By: Keiko Fujibayashi

Approved By: Zeke Spears

Report Highlights:

The Japanese Diet enacted new legislation, the “Act to Promote Environmental Burden Reduction Activities for Establishment of Environmentally Harmonized Food System,” to support adoption of Japan’s Green Food System Strategy by farmers, foresters, and fishermen. The Act emphasizes the importance of productivity improvement in environmentally harmonized food systems through technological development and logistical improvement. The Act calls for the development of certification and marketing systems to measure and communicate efforts to improve environmental outcomes throughout food systems.

General Information

In May 2021, the Ministry of Agriculture, Forestry and Fisheries (MAFF) released “[Measures for achievement of Decarbonization and Resilience with Innovation \(MeaDRI\)](#),” or the Green Food System Strategy (JA2021-0078). The Green Food System Strategy aims to ensure a robust and resilient food industry, improve livelihoods, promote a balanced diet, and preserve the global environment for future generations. The Strategy sets key performance indicators (KPI), for example a “zero emission of fossil fuel-derived carbon dioxide (CO²) in agriculture, forestry and fisheries by 2050.” In April 2022, the Japanese Diet enacted the “Act to Promote Environmental Burden Reduction Activities for Establishment of Environmentally Harmonized Food System,” (hereinafter referred to as “the Act”) to encourage adoption of practices and technologies to achieve MeaDRI’s KPIs. The Act entered into force on July 1.

1. Basic Principle of the Act

The Act calls for the establishment of an environmentally harmonized food system, in which producers, consumers, and all stakeholders work together to reduce the environmental burden throughout supply chains to provide a stable food supply. The Act emphasizes the importance of productivity improvement in environmentally harmonized food systems through technological development and logistical improvement.

2. Stakeholder Responsibilities and Efforts

The Act identifies the government’s responsibilities as well as business and consumer efforts for establishing an environmentally harmonized food system. The Act stipulates that the MAFF is responsible for facilitating 1) the understanding of the food system to stakeholders; 2) technology dissemination; 3) transition to environmentally-friendly production methods; 4) use of environmentally-friendly raw materials; 5) reduction in environmental burden and efficiency improvement in logistics to make environmentally-friendly agricultural, forestry and fisheries products affordable to consumers; 6) dissemination of information and enlightenment for consumers to select environmentally-friendly agricultural, forestry and fisheries products; and 7) development and implementation of a method to calculate and assess environmental load reduction in supply chains, enabling stakeholder to see (visualize) environmental burden reduction efforts.

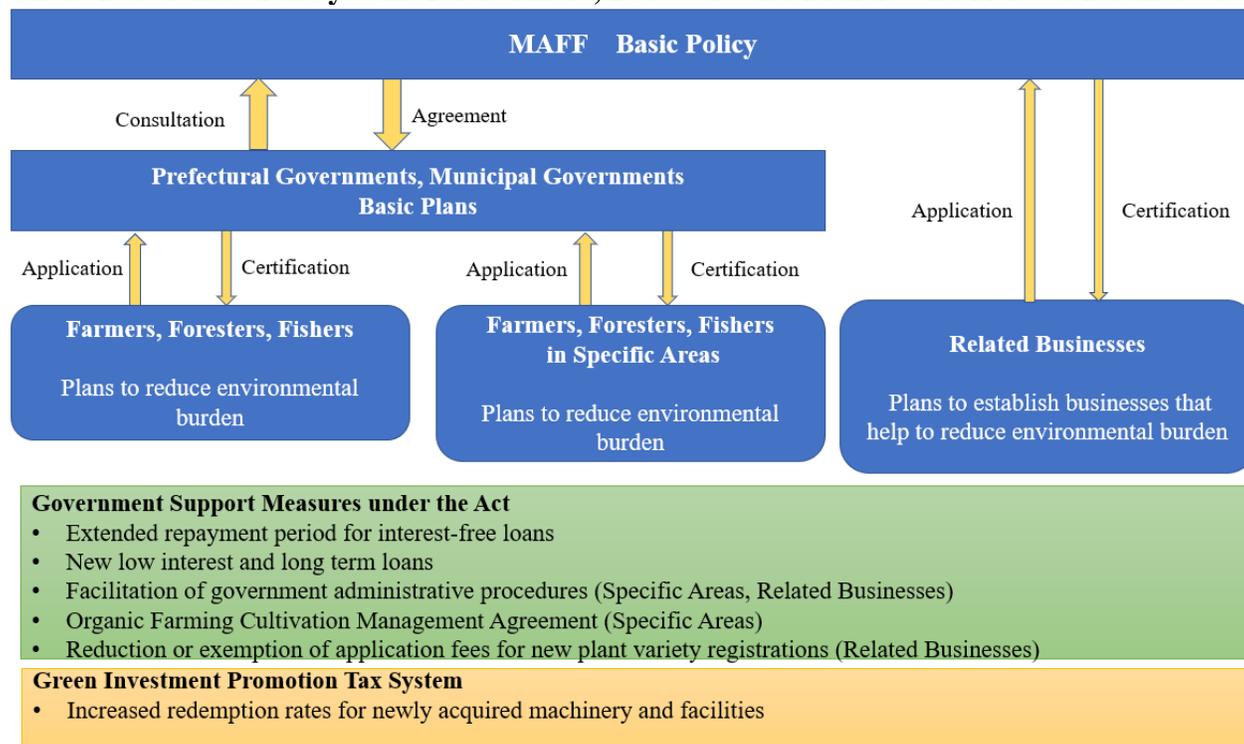
The Act stipulates that local governments are responsible for setting and implementing environmental burden reduction measures suitable to the natural, economic, and social conditions of their regions. The Act calls for businesses and consumers to deepen their understanding of environmentally harmonized food systems and requires businesses to make efforts to reduce the environmental burden of production methods, materials input procurement, and logistics. The Act calls for consumers to make an effort to select agricultural, forestry and fisheries products which help to reduce the environmental burden.

3. Certification System for Environmental Burden Reduction Activities

The Act established a certification system to facilitate adoption of environmentally friendly activities by farmers, foresters, and fishermen. MAFF will rely on prefectural and municipal governments to create a “Basic Plan” to set targets for improving environmental outcomes in their respective regions (Chart 1). The Act also established a system to certify food manufacturers, processors, distributors, input manufacturers, machinery manufacturers, seed developers, plant breeders, and extension service providers etc. (hereinafter referred to as “related businesses”) for their businesses which help farmers, foresters, and fishermen to adopt environmentally friendly activities.

The Act allows municipal governments to designate “specific areas” in their “Basic Plan” to facilitate expansion of organic farming and area-wide adoption of environmentally friendly activities, such as smart agriculture and increased incentives¹ to farmers, foresters, and fishermen in “specific areas.” To promote organic farming, the Act establishes a system to allow organic farmers and neighboring conventional farmers in “specific areas” to make an agreement and define cultivation management responsibilities (pesticide drift and pest control, etc). After the municipal government approves the agreement, they are valid for five years even if farmland owners and renters change.

Chart 1. Certification Systems for Farmers, Foresters and Fishers and Related Businesses



Source: MAFF

4. Act-Related Government Support Measures

The Act sets MAFF support measures for producers and related businesses, including loan incentives to entities that adopt environmental burden reduction activities. The GOJ-affiliated Japan Policy Finance Corporation will extend the repayment period by two years for interest-free loans for qualifying producers. The Japan Policy Finance Corporation will also provide low-interest and long-term loans for certified machinery, input, and materials manufacturers. Outside the Act, the GOJ will establish a new “green investment promotion tax system,” that will increase support for producers and manufacturers when they purchase machinery and facilities to reduce their environmental burden.

¹ Other incentives include simplified government approval procedures for farmland conversion and use of government support payments for purposes other than originally intended.

5. Information Disclosure and “Visualization” of Environmental Burden Reduction and Biodiversity Conservation Efforts in Food Supply Chains

As mentioned in point 2, MAFF is responsible for facilitating the “development and implementation of a method to calculate and assess environmental load reduction in supply chains enabling stakeholders to see (visualize) environmental burden reduction efforts.” Instead of the GOJ establishing a certification or labeling system, MAFF intends to encourage the private sector to convey efforts to reduce the environmental burden and conserve biodiversity to consumers and stakeholders. To do so, MAFF will allocate a part of the 8.4 billion yen (\$66 million²) Japanese Fiscal Year (JFY)³ 2022 budget to commission studies for how to convey these efforts in four areas, 1) visualization of decarbonization efforts in food supply chain; 2) visualization of biodiversity conservation; 3) establishment of sustainable food system; and 4) creation of new markets for the sustainable food systems.

6. Green Food System Strategy Support Payment Programs

In coordination with the Act, MAFF earmarked a total of 11.7 billion yen (\$85 million) in its JFY2021 supplementary budget and JFY2022 annual budget combined ([JA2022-0008](#)) to support the Green Food System Strategy. MAFF will allocate 8.4 billion yen (\$61 million) to technology development, and experimental projects for smart agriculture and pelletized compost application and distribution. The remaining 3.3 billion yen (\$26 million) is to facilitate a transition to farming with reduced use of chemical fertilizer and pesticides and organic farming. The support payments can be used to cover training and inspection fees for Organic Japan Agricultural Standard (JAS) certification and consolidate and convert fallow farmland to Organic JAS certified farmland.

7. Direct Payment for Environmental Conservation Agriculture

Complementing the Act, MAFF will continue to provide additional financial support through the “Direct Payments for Environmental Conservation Agriculture,” program. Since JFY2013, MAFF has provided support payments to individual farmers who implement organic farming and environmental burden reduction measures in farming under this scheme.

Within this payment scheme, MAFF provides support payments to farmer groups and farmers through prefectural and municipal governments when they halve chemical fertilizers and chemical-synthesized pesticides application as well as adopt measures against climate change and for biodiversity conservation (Table 1). From JFY2022, MAFF will provide an additional 40,000 yen (\$290)/ha for increased organic farming areas. Accordingly, MAFF’s budget for the, “Direct Payment for Environmental Conservation Agriculture,” increased eight percent, to 2.7 billion yen (\$20 million), in JFY2022 from JFY2021.

In JFY2020, MAFF provided total support payments through this scheme of 4.45 billion yen (\$32 million), covering 80,789 ha, which was down from 4.59 billion yen (\$33 million) and 89,082 ha respectively in JFY2017. In JFY2018, MAFF commissioned an evaluation of the program to a third party which assessed that the program was highly effective as it reduced greenhouse gas emissions by 143,393 t CO²/year, and conserved biodiversity.

² USD = 138 yen is used in this report.

³ Japanese Fiscal Year runs from April 1 to March 31.

Table 1. Direct Payment for Environmental Conservation Agriculture

Nationwide Measures		Payment (Yen/ha)
1	Organic farming excluding production of feed crops, buckwheat and miscellaneous cereals	120,000
2	Organic farming above 1, with high carbon storage effect	Additional 20,000 to 1. above
3	Organic farming to produce feed crops, buckwheat and miscellaneous cereals	30,000
4	Compost application	44,000
5	Cover crops	60,000
6	Living mulch	54,000 (32,000 for wheat and barley)
7	Grass coverage in orchards	50,000
8	Non-tillage sowing	30,000
9	Mid-summer drainage in paddy fields	8,000
10	Plowing after autumn harvest	8,000

Source: MAFF

MAFF also operates an environmental burden reduction support payment program for the livestock sector. With a target to reduce 280,000 MT of CO²-equivalent GHG emission from dairy and beef cattle production by 2031, MAFF provides support payments to dairy and beef cattle farmers when they implement the following environmental burden reduction measures. MAFF allocates seven billion yen (\$51 million) to this program from its JFY2022 annual budget, 15 percent increase from the previous year.

Table 2. Environmental Support Payments for Dairy and Beef Cattle Farmers

Measures		Payment
1	Switch imported feed to domestically produced silage corn, hay, straw and other	2,000 yen/MT for silage corn, 800 yen/MT for hay and straw
2	Implement two measures from 1) ~ 4)	15,000 yen/ha
	1) Grazing	
	2) Non-tillage sowing	
	3) Use of biodigester as fertilizer for feed crop production	
	4) Reduction in chemical fertilizer	
3	Produce organic feed	45,000 yen/ha
4	Feed fatty acid calcium for methane emission reduction	2,000 yen/cow

Source: MAFF

Attachments:

No Attachments.