

TOWARDS SUSTAINABLE DEVELOPMENT OF AGRICULTURE: SIGNIFICANCE OF COOPERATIVES IN THE CASE OF JAPAN

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Abstract

This paper will claim that sustainable development of agriculture is crucially involved in family farming. Further, the strength of family farming is essential for the maintenance and sustainable development of local community. The paper will highlight the role of agricultural cooperatives in this context - ,the importance of family farming and local community for productive, resilient and sustainable development of agriculture. The present Japan agricultural cooperatives, a consumer cooperative, credit union, and credit cooperative, all have their roots in the Industry Cooperative Association Act in 1900. The original main aim of this Act was to protect micro-and small enterprises from overwhelming big business. At present agricultural cooperatives have attracted criticism regarding raison d'être from governmental council and some other groups. Each party shows quite a distinctive standpoint on this issue, the one based on the perspective of community agriculture development and the other the principle of open economy with free competition. The paper will show that agricultural cooperatives are of great importance for sustainable development of agriculture itself but also of the region as a whole.

Keywords: *sustainable agriculture, family farming, community farming, agricultural cooperatives, regional development, market fundamentalism*

JEL classification: *R11, Q13, Q18, Q19*

1 Introduction

Decreasing population of young people in not only rural areas but also small and medium-sized cities has been visible since the 80's in Japan. They have moved out to large cities looking for job, and elderly people have remained in these areas. In consequence, a primary industry, agriculture, has been facing crisis. Agriculture is not just for food production, but has the other important functions for region – protection of natural environment and sustenance of agricultural community. Agriculture as such may not be compatible with economic efficiency, but plays pivotal role as substructure in region. Such features show the significance of agriculture.

Agricultural cooperative in Japan has a long history, which has its origin in 1900. The idea and execution of cooperative organization in agrarian society ascends to the late *Edo* era (1603 – 1868). Agriculture has developed and changed ever since, to which agricultural cooperatives have been corresponding by and large. In this context, the political measures for agriculture and agricultural cooperatives have always come at the top of agenda in Japan.

TPP (Trans Pacific Partnership) is a recent big issue argued on a national scale from two different viewpoints, for or against, the former is for open economy with free competition and the latter for sustainable development of agriculture based on community agriculture. The paper intends to claim agricultural cooperatives and family farming are basic for sustainable agriculture in Japan. For this purpose, the paper structure is as follows. Firstly explored is the background and the principles of agricultural cooperatives. Then the relationships between the cooperatives and community agriculture are explained. Thirdly, a number of case studies will show the going-on projects in regional district. Fourthly, recent criticism of mainly the government council and business leaders for agricultural cooperatives will be remarked. The conclusion is that it is important to grasp the significance of community agriculture, which is the foundation of regional regeneration and sustainable development at the grass roots level. It is the agricultural cooperatives that are the pivot of community agriculture development in Japan.

2 Agricultural cooperatives

Agricultural cooperatives have played the central role for management of community agriculture. They encompass a wide range of activities. It has a long history in organizing farmers

2.1 History

Prototype of cooperatives in Japan emerged in the first half of 19th century in the dismantling period of feudal *Tokugawa* shogunate. History shows two cooperatives in that era, one is for mutual aid organised by *Ninomiya Sontoku* and the other by *Ōhara Yūgaku* to help farmers. Their rules of organization are based on moral and ethics. The former was outstandingly successful, getting support of peasants, expanded cultivation, and increased production and population (Ōtahara, 2013, 1). Legal industrial cooperatives began with enactment of Industrial Union Law in 1900. Even before, however, many modern autogenous cooperatives had been established in agrarian society: credit union, raw silk sales union, tea sales union, fertilizer purchasing were the main among 347 unions in 1898 (Japan Agricultural Cooperatives & Hokkaido Agricultural Cooperative Federation, 2016).

Their activities cover;conducting credit business (savings, loan), economic business (sale of rice, vegetables, every kind of agricultural products), cooperative purchasing (fertiliser, feedstuff, agricultural machines, other commodities for living), contracting to agricultural management, mutual aid business (various life mutual aids, automobile mutual aids, etc.), gas station, hospital, and educational activities for improvement of management and skill. This configuration is derived from 'zoning', in which farmers joined as a whole in agricultural cooperative in the district. 'Zoning' as such had aimed, after the Great Depression in 1929, at rebuilding rural economy in protracted slump. The government vigorously pushed forward a campaign for rural economic rehabilitation movement. The main task was to target and to mine the problems at the grassroots level of villages and farm household. In order to deal with this matter, in 1932 the parliament debated several amendments to the Industrial Union Law. Following the administrative claim, the 1932 National Conference of Industrial Union decided the Five Years' Expansion Plan: 1. *Elimination of unestablished villages*, 2. *All households subscription*, 3. *Four kinds provision (concurrent undertaking of four kinds of provision)*, 4. *Strengthening union control force* (Ōtahara, 2013, 2). This is a start of 'zoning', and followed by 75 per cent of organization rate of the union in 1932. This is the origin and the base of Japan Agricultural Cooperatives. The cooperatives correspond each to three levels of government agencies, with municipality (659 single cooperatives), prefecture, and state. Further, they function as administrative complement (Ōtahara, 2013).

2.2 Issues: What the Cooperative is doing?

It is the point that the cooperatives are organised essentially aiming at supporting economically disadvantaged people. In actuality, what they are doing regionally? They support agriculture in many ways – by sale, purchasing production materials, provision of information, coaching, technical supervision by permanent or visiting staff, use business. They meet needs for both large and small farmers, for elderly farmer, and farmer with a side-job. Apart from agricultural support itself, they support people's everyday life necessity in region as mentioned section 1 above. Notably, welfare work (Agricultural Cooperatives for Health and Welfare) is particularly helpful in rural area where aging population is increasing. At the municipality level, they provide regular health check annually, at the prefectural level, they provide clinics and hospitals, and welfare work for elderly people, in particular (Kawamura, 2016) (JA Zenkōren).

Agricultural cooperatives have been thoroughly engaged and involved in agriculture and people both economically and socially. Their bond is with people, different from corporation which bond with money. Further, corporations target maximum profit and do not expand business if profit hits the limit. Cooperatives expand business as long as income is over expense. It is notable that cooperatives contribute to regional service (Kawamura, 2016). Otherwise, the structure of agricultural community has been changing in terms of increasing part-time and decreasing full-time farmers. Further, wide area merger at the level of municipality may have resulted in a less close and contact relationships between local people and agricultural cooperatives. This may bring a negative influence over the cooperatives in terms of regional management. Above all it is the imperative that local people have the will themselves to solve a problem or difficult situation together. This makes agricultural cooperatives possible to play an active part in such a situation with them (Kawamura, 2016).

In sum, Japan agricultural cooperatives have contributed basically to the region through their local cooperatives in management of agriculture and of business, recreating town, people and job. It is notable that the cooperatives have accumulated a lot of useful and precise information in terms of conversion of agricultural land, land use adjustment and village farming, which have also enabled them to contribute to administration. It would be natural consequence that the Cooperatives as such should be the core of management issues challenging to community or village or 'teikei' in terms of agricultural status and prospect in Japan. However, the present government is planning, based on market fundamentalism (Shimohirao, 2000), to dismantle this comprehensive agricultural cooperative and to trust each part in corporations. This is the reality of community agriculture and agriculture cooperatives in Japan.

3 Case studies: community agriculture development

Community agriculture requires a kind of dialogue with environment, between producers and consumers for development. Such relationships open up mutual understanding and aid in terms of community agriculture, local culture and environment. This development would be a major factor to lead to regional regeneration

3.1 'Michi no eki (roadside station)'

Apart from, as the normal provider of agricultural products, there has been a variety of community agriculture's relationship with consumers. It seems depending on regional resources, including natural or physical ones and also infrastructure. One of the notable examples may be 'Michi no eki (roadside station)'. It is actually roadside rest areas which are government (Ministry of Land, Infrastructure, Transport and Tourism) designated stops and found along roads and highways. It combines three main facilities, for 'rest for 24 hours available with free parking and toilet', 'transmission of information about traffic, tourism, medical help and so on', and 'regional cooperation and promotion related to culture, knowledge, tourism and recreation'. At present (April, 2017) the registered 'Michi no eki' accounts for 1,117 in number (Ministry of Land, Infrastructure, Transport and Tourism). It started in the year of 1993 with 103 registered 'Michi no eki'. Its outstanding attraction is commonly *local agricultural products, local speciality, or the principle products of the district*. 'Michi no eki' have been achieving innovative or creative developments which vary depending on managerial challenges to its district resources (Ministry of Land, Infrastructure, Transport and Tourism). Its assignment is finding out its feature product, which may imply re-finding out their resources, environment or traditional culture or history. Agencies including government and regional cooperatives, co-op (i.e. pal-system group), and agricultural cooperatives are crucially involved in managerial issues. Also, Small and Medium-Sized Enterprise Cooperatives have been crucial in supporting their managerial challenges with their considerable expertise and temporary staffing in dealing with small business (Shoko Research Institute) as one of the core for regional regeneration.

3.2 'Sannchoku teikei'

Another type of community agriculture with consumers is notably '*sannchoku teikei*' or just called '*teikei*' in the West. This began in 1960s in Japan and has

spread out to Swiss, Germany and to the United States (Tsutaya, 2009). In the West it is related to 'CSA (community supported agriculture)'. 'Teikei' literally indicates to sell farm products in a style similar to the direct sales by using a shared store or the like. It is a direct relationship between producers and consumers. Kyoto co-op established the three principles of 'sannchoku teikei': • Producer and growing area are defined, • Growing methods (used chemicals and fertilisers) are defined, • Producer and consumer cultivate a relationship between (Yoshida, 1988). It seems to be expanding in various ways. Among them 'JA Farmers' Market' is well recognised as large-sized with direct relation between producers and consumers. It accounts for about 1,700 of its number in Japan (Nikkei, 06/12 2016). They are managed by local JA (Japan Agricultural Cooperatives). One of the hugely successful 'JA Farmers' Market' is 'Mekkemmon hiroba (good bargain plaza)' in Wakayama prefecture. Its success may be explained by a number of managerial approaches which reflects the current situation of agricultural farmers and consumers. Many farmers are aging in average and rural areas getting depopulated. They tend to grow small quantity each, but a large variety of products as a result. This trend actually suits consumers' demand which covers a wide variety of products. In this context small scaled farmers assemble their small productivity. Then as a whole district agricultural productivity is improved. Further, marketing management is carried out by JA staff who have good experience and expertise in actual agriculture and management (Takayama, 06/12 2016).

There are many cases recognized in which some relationships are made for the distribution of farm products under the collaboration with agricultural cooperatives, co-op (pal-system) and farmers in a local community. In some cases, such a relationship has developed in and extended to further involvement of consumers to experience agricultural labor and production with farmers (Takayama, 2016). Actually such development and extension of relationship between producers and consumers nurture their common aim at environment protection, organic production and 'work and live together' for sustainable agriculture and future.

Both local agricultural products in 'Michi no eki' and 'sannchoku teikei' are expected not only fresh but ideally organic. However, the reality of organic farming is rather disappointing. According to Ministry of Agriculture, Forestry and Fishery, while the percentage is increasing trend, the ratio of organic farming land is 0.5 per cent in 2016 and the target is 1 per cent by 2018

4 Comparative viewpoints of Japan with the West in terms of community agriculture and CSA (community supported agriculture)

'*Sannchoku teikei*' or just called '*teikei*' in the West began in 1960s in Japan and has spread out to Swiss, Germany and to the United States (Tsutaya, 2009). In some cases in Japan, such a relationship has developed in and extended to further involvement of consumers to experience agricultural labor and production with farmers (Takayama, 2016). In the West, it is related to 'CSA (community supported agriculture)'. Even derived from '*teikei*', CSA looks quite distinctive from a structural aspect of it. '*Teikei*' is part of community agriculture aiming at village or town regeneration.

CSA is a marketing strategy where consumers buy "shares" in the farm before planting begins and receive a portion of whatever is available each week of the growing season; some shares include other products, such as eggs, honey, flowers, and/or meat (Brown & Miller, 2008). It is spreading and has become increasingly visible (Brown & Miller, 2008; White, 2013). It is notable that some articles about CSA are pointedly related to ecology, environment, microeconomic degrowth and ethics (Jorgenson & Clark, 2012; Sproul, & Kropp, 2015; Chales, 2011).

5 Community agriculture and TPP (Trans Pacific Partnership)

TPP indicates essentially open economy with free competition. It is opposite to the perspective of community agriculture and cooperatives. It is crucial to grasp that TPP could boost corporation agriculture and disintegrate community agriculture. This could help a further disappearing rural landscape. This is the main logic that agricultural cooperatives are against TPP.

6 Conclusion

Community agriculture may be characteristic of Japan. It is generally for rice as the staple crop ever since the feudal Edo era, while people's diet at present is changing in westernized somehow. It has been the foundation of community solidarity. We should appreciate that it must be not only for self-sufficiency of rice as staple food. Rice farming offers not only physical but also environmental reward (Kitaide, 2016). For example, irrigated rice field provides clean water by filtering function, keeping level of underground water properly, a better substitute

for dam. Further, irrigated rice field is wildlife habitat, frog, *medaka* (tiny fish in the water), loach, crayfish, dragonflies, diving beetles, spiders and so on.

Promoting self-sufficiency of rice as staple food is important on the one hand. Various challenges of alternative crops are going on the other. Agricultural cooperatives and other cooperatives are always with these challenges. TPP could destroy community agriculture as such.

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