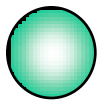


Current Status and Issues of Agriculture and Rural Areas in Hokkaido

**October 2011
Department of Agriculture
Hokkaido Government**



I. Situation surrounding agriculture and rural areas in Hokkaido

1. Characteristics of agriculture in Hokkaido

- In Hokkaido, agriculture makes use of a large area of cultivated acreage, which accounts for 25% of Japan's total cultivated area. Hokkaido contributes 12% of the total agricultural output of Japan, and about 20% of the domestic calorie supply.
- **The cultivated area per farm household in Hokkaido is about 15 times greater than that of any other prefecture. Full-time farmers account for 72% of the population, comparing with 21% in other prefectures. Farmers in Hokkaido run their businesses on a large scale, full-time basis.**

Share of Hokkaido Agriculture in Japan

Classification	Unit	Hokkaido	Japan	Share	Year
Cultivated acreage	Thousand ha	1,156	4,593	25.2%	2010
Total Farmers	Thousand households	44	1,632	2.7%	2010
Commercial Farmers		27	452	6.0%	
Full-time Farmers (Class I)		12	225	5.3%	
Part-time Farmers (Class II)		5	955	0.5%	
Agricultural Population	Thousand people	111	2,606	4.3%	2010
Agricultural Output	Hundred million yen	10,111	83,162	12.2%	2009
Crop farming		4,882	56,254	8.7%	
Dairy farming		5,229	26,371	19.8%	
Domestic Calorie Supply	kcal/person · day	197	964	20.4%	2009

Farm Households in Hokkaido Compared with other Prefectures

Classification	Unit	Hokkaido (a)	Other prefectures (b)	a/b	Year
Cultivated Acreage Under Management per Household	ha	21.5	1.4	15.4	2010
Percentage of Farmers under 65 Years Old (core agricultural workers)	%	67.4	37.4	1.8	2010
Percentage of Full-time Farmers	%	72.1	20.7	3.5	2010
Number of Milk Cows	head	107.5	46.0	2.3	2010
Number of Beef Cattle (per household)		178.3	33.0	5.6	
Agricultural Gross Income	Thousand yen	22,704	3,762	6.0	2009
Agricultural Income		5,858	904	6.5	
Nonagricultural Income	%	630	1,716	0.4	2009
Agricultural Dependency (per household)		90.5	34.4	2.6	

Source: "Survey on Farm Land and Crop Acreage", "Census on Agriculture and Forestry", "Production Agriculture Income Statistics", "Livestock Statistics", and "Statistical Survey on Farm Management" by the Ministry of Agriculture, Forestry and Fisheries

- Note 1: A full-time farmer indicates a farm household whose principal income source is agriculture and which contains a person under 65 years old who is engaged in farm work for 60 days or more in a year.
- Note 2: Agricultural dependency indicates agricultural income as a percentage of gross income (agricultural income+agricultural production related business income +nonagricultural income).

- **Share of food manufacturers in all manufacturing businesses in terms of shipment value**

Classification	Japan	Hokkaido
Share (2009)	9.2%	37.1%

2. Status of agriculture in Hokkaido

Agriculture, forestry and fisheries in Hokkaido, which supply approximately 20% of domestically-supplied calories, significantly contribute to a stable food supply in Japan.

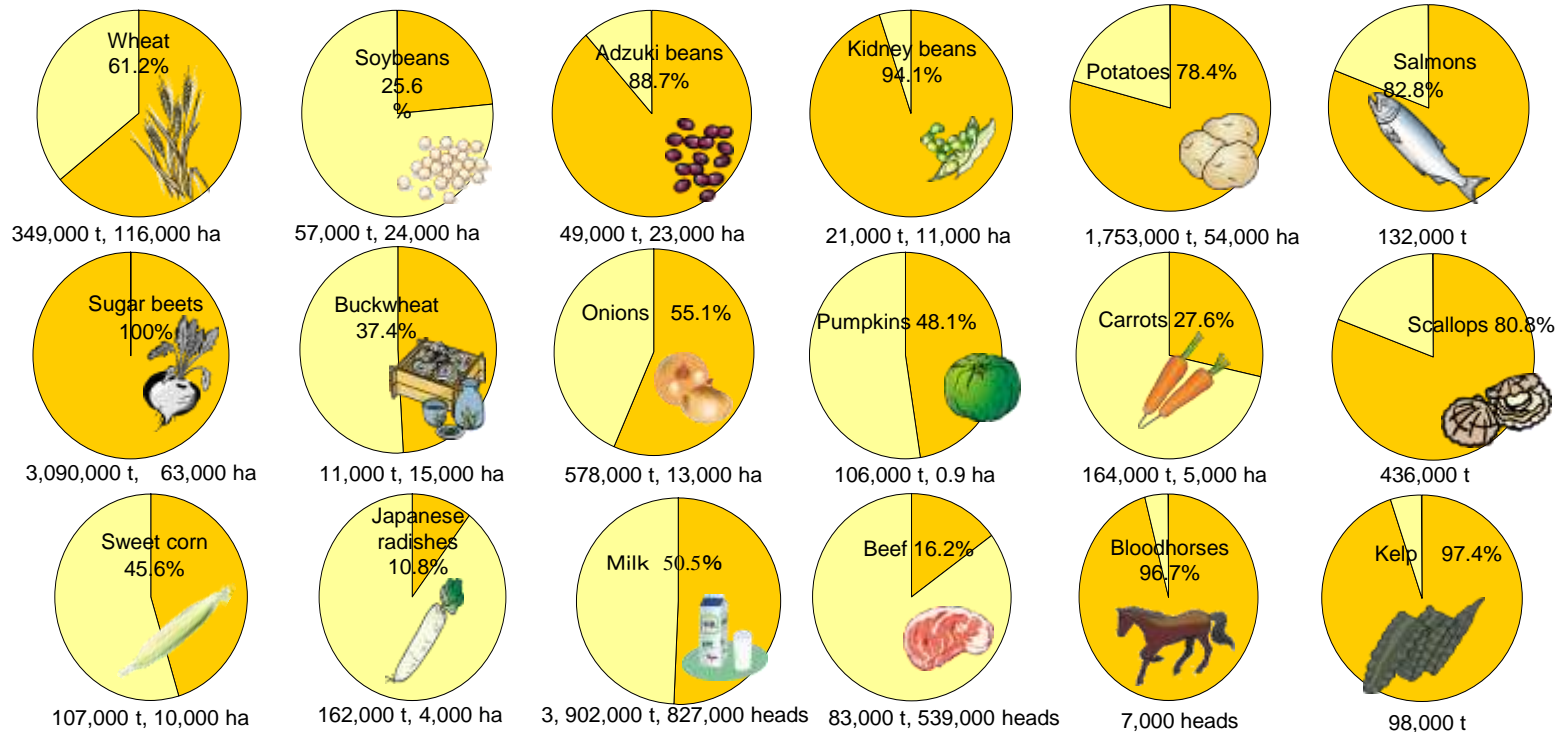
■ Rate of contribution to food self-sufficiency on a calorie basis in Hokkaido

(per capita per day)

Calorie supply	Calories production		
	A. Japan	B. Hokkaido	C. Contribution rate (B/A)
2,436 kcal	964 kcal	197 kcal	20.4%

Source:
Ministry of Agriculture,
Forestry and Fisheries

■ Major agricultural and marine products of which Hokkaido produces the largest volume in Japan (2010)



Source: "Crop Statistics", "Statistics on Milk and Milk Products", and "Annual Report of Statistics on Agriculture, Forestry and Fisheries" by the Ministry of Agriculture, Forestry and Fisheries

3. Food self-sufficiency ratio by Prefecture

The calorie-based food self-sufficiency ratio in Hokkaido is 187%, the highest in Japan. Besides Hokkaido, six prefectures, including Akita, Yamagata, Aomori, Iwate, Niigata and Saga, have a food self-sufficiency ratio of over 100%. However, the output-based food self-sufficiency ratio in Hokkaido, whose major products are milk cattle and vegetables, is 199%, lower than in Aomori Prefecture, Miyazaki Prefecture and Kagoshima Prefecture whose major products are beef cattle and fruits, where the ratio is over 200%. It is one of the most important issues to improve the output-based food self-sufficiency ratio in future Hokkaido.

○ Food Self-sufficiency Ratio of Hokkaido and Major Prefectures

(Unit: %,million yen)

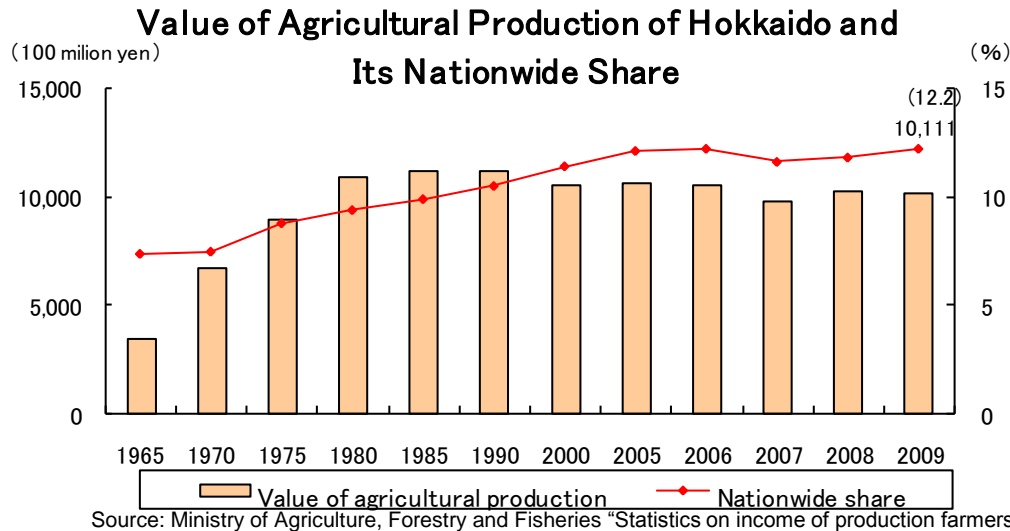
	Self-sufficiency ratio		B/A
	Calorie A	Output B	
Japan	40	70	1.75
Hokkaido	187	199	1.06
Aomori	121	216	1.79
Iwate	108	185	1.71
Akita	175	149	0.85
Yamagata	134	162	1.21
Niigata	101	117	1.16
Saga	100	153	1.53
Miyazaki	67	263	3.93
Kagoshima	95	241	2.54

The figures are as of FY2008(estimate).

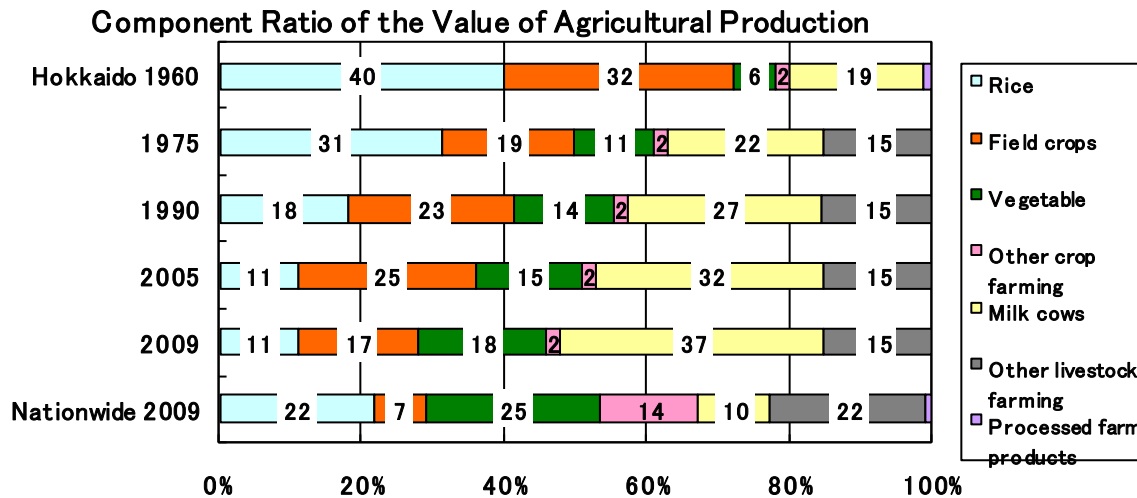
4. Value of agricultural production: changes and component ratio

- While the value of agricultural production is declining throughout the country, the value of agricultural production in Hokkaido has remained at nearly one trillion yen since 1984.

The component ratio of the value of production throughout Hokkaido is greater for dairy cattle, field crops and vegetables than other prefectures.



Note) The policy for ensuring consistency in the operating income of rice paddies and field farming was introduced in 2007. This led to some of the grants that had been previously included in the value of production of wheat, soybeans, beets and potatoes for starch materials being given to management bodies in a lump sum as grants based on past records of production. They are not included in the value of production of the relevant crops. In the past, each municipality was considered to be a unit when estimating the figures. Instead, a prefecture is now considered to be a unit when estimating the figures. For this reason, intermediate products that are sold/purchased between municipalities within the same prefecture are not included in the value of production.



5. Agricultural characteristics in each area

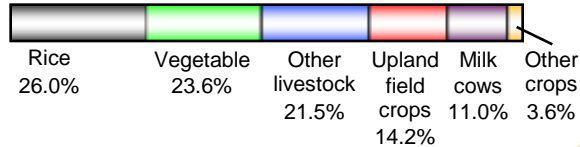
○ Hokkaido contains a large area of Japan, and its weather and location conditions vary between regions. For this reason, many regions of Hokkaido have unique agricultural practices.

Central Hokkaido area



Agriculture based on rice cultivation, including vegetable, bloodhorse, and beef cattle production, making use of regional peculiarity

Agricultural output 399.5 billion yen (2006)

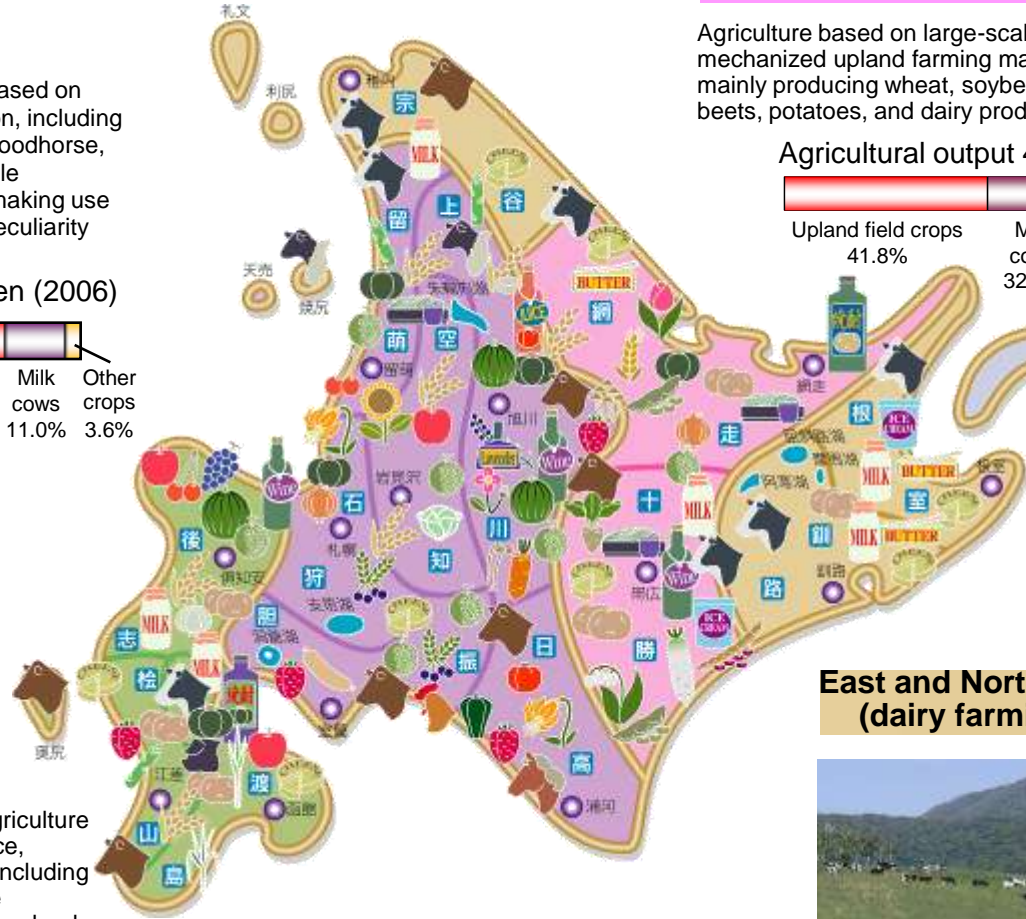
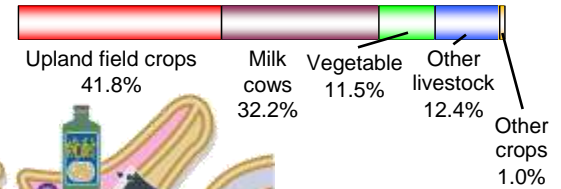


East and North Hokkaido (upland farming) area

Agriculture based on large-scale and mechanized upland farming management, mainly producing wheat, soybeans, sugar beets, potatoes, and dairy products



Agricultural output 411.3 billion yen (2006)

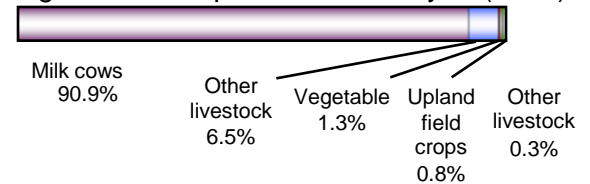


East and North Hokkaido (dairy farming) area



Agriculture based on large-scale dairy farming at EU level making use of vast meadows

Agricultural output 152.4 billion yen (2006)

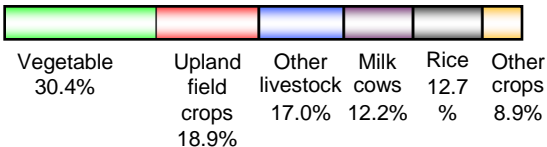


South Hokkaido area



Intensive agriculture based on rice, cultivation, including greenhouse horticulture, upland farming, and fruit cultivation

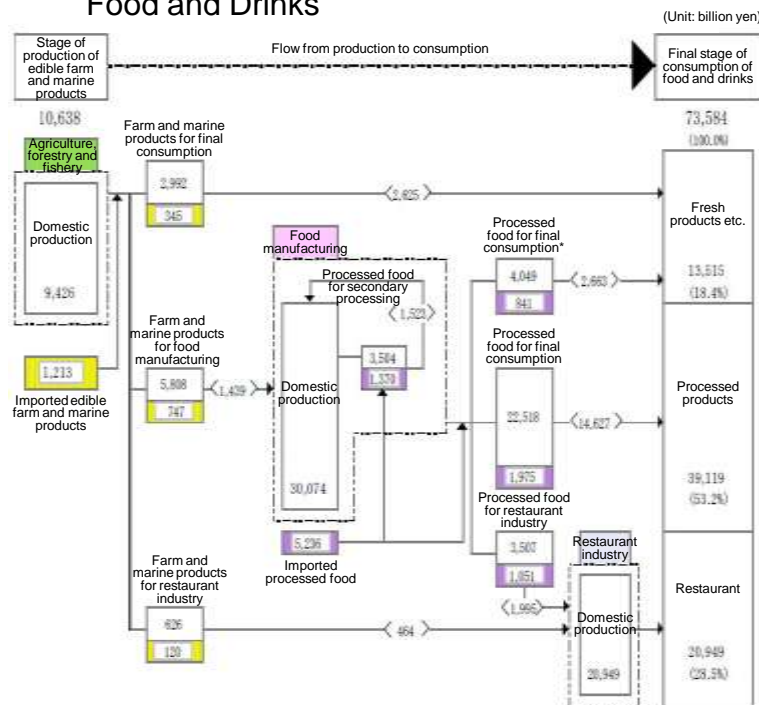
Agricultural output 89.6 billion yen (2006)



6. Industrial structure of Japan and agricultural, forestry, marine and food industries in Hokkaido

- The edible farm and marine products that are supplied domestically are worth 10.6 trillion yen (including imports). Their added value is increased by, for example, the production of food and offers of service. Final consumption reaches 73.6 trillion yen.
- The value of production of the agricultural, forestry and fishery industries in Hokkaido accounts for 12.8% of the value of production nationwide. Pushing forward with commitments to increasing the added value may propel growth to an even greater level.

■ Flow From Production of Edible Farm and Marine Products to Final Consumption of Food and Drinks



Source: Ministry of Agriculture, Forestry and Fisheries calculation of the economy of industries related to agriculture and food

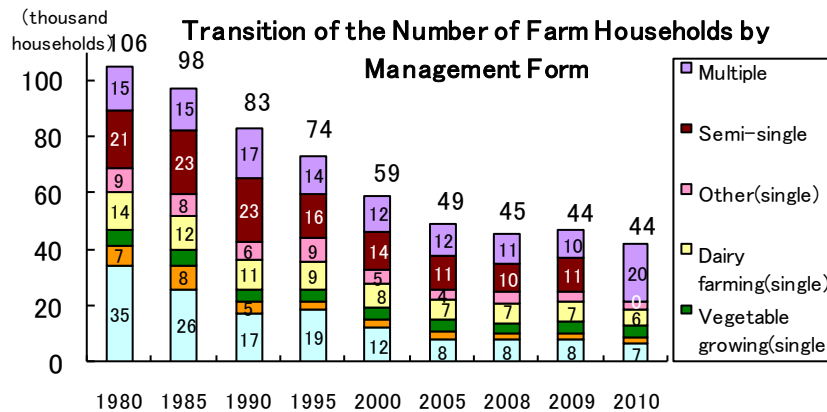
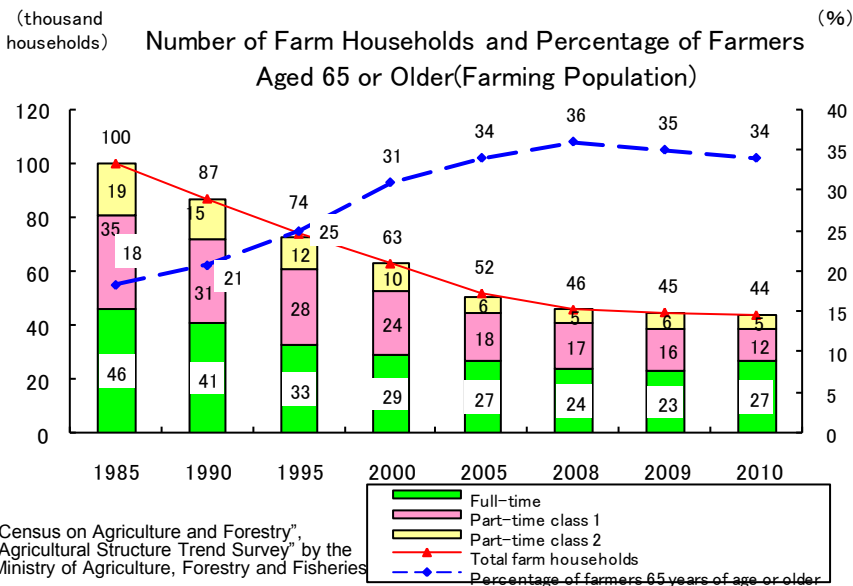
■ Agriculture, forestry, fishery and other industries in Hokkaido

Industry	Classification		Hokkaido	Japan	Percentage (%)
Agriculture	Cultivated area	2010	1,156,000 ha	4,593,000 ha	25.2
	Value of production (A)	2009	¥1,011.1 billion	¥8,316.2 billion	12.2
Forestry	Forest area	2010	5,336,000 ha	24,461,000 ha	21.8
	Value of production (B)	2009	¥43.7 billion	¥412.2 billion	10.6
Fishery	Value of production of marine fishery and aquafarming (C)	2009	¥258.0 billion	¥1,383.7 billion	18.6
(A)+(B)+(C)			¥1,312.8 billion	¥10,112.1 billion	13.0
Food	Value of shipments of food, beverages etc.	2009	¥2,166.2 billion	¥34,441.4 billion	6.3

Source: Ministry of Agriculture, Forestry and Fisheries and Ministry of Economy, Trade and Industry

7. Changes in agricultural structure

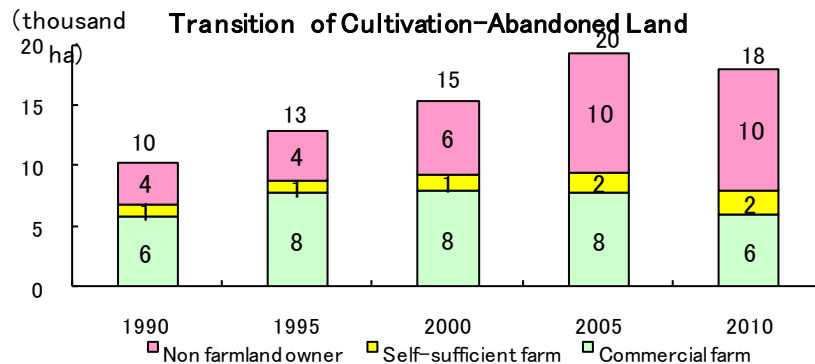
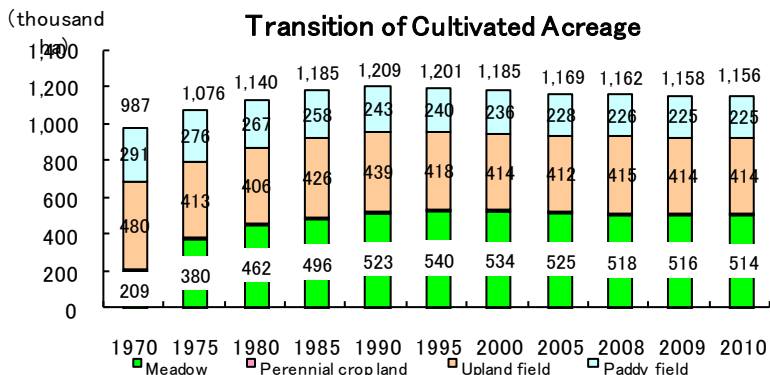
- While farm households in Hokkaido continue to decrease in number, the percentage of farmers aged 65 or older, which have continued to rise, remains at about 30% in recent years.
- As for the number of single crop farm households by management form, rice growers make up the largest part, but have decreased significantly.
- While the cultivated acreage has decreased after the peak in 1990, cultivation-abandoned land has continued to increase.



Source: "Census on Agriculture and Forestry", "Agricultural Structure Trend Survey" by the Ministry of Agriculture, Forestry and Fisheries

Note 1: The percentage of the largest products in total product sales in single, semi-single, and multiple farm households is 80% or more, 60-80%, and less than 60%, respectively.

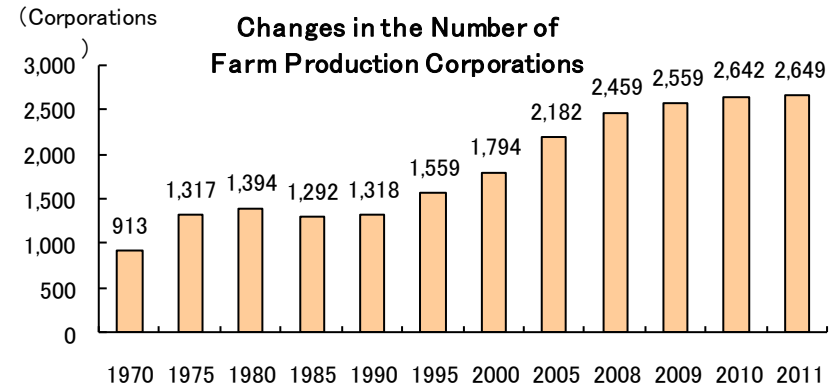
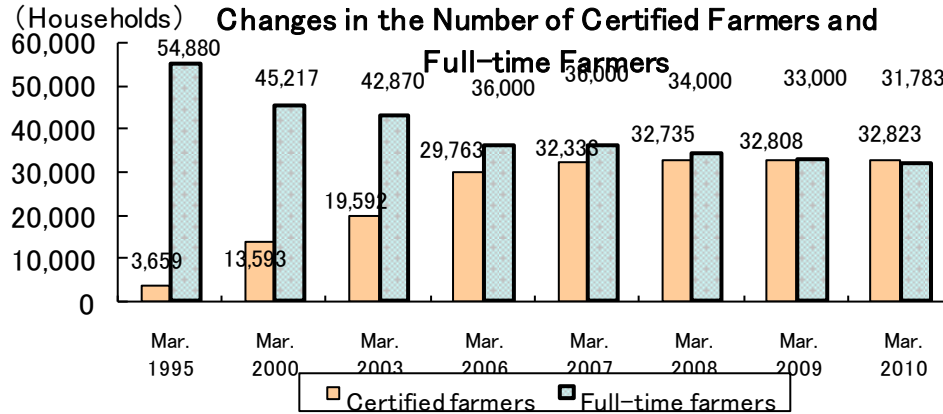
Note 2: Upland field cropping means the sum of wheat, coarse cereals, potatoes, beans, and industrial crops.



Source: "Census on Agriculture and Forestry" by the Ministry of Agriculture, Forestry and Fisheries

8. Trends of farmers

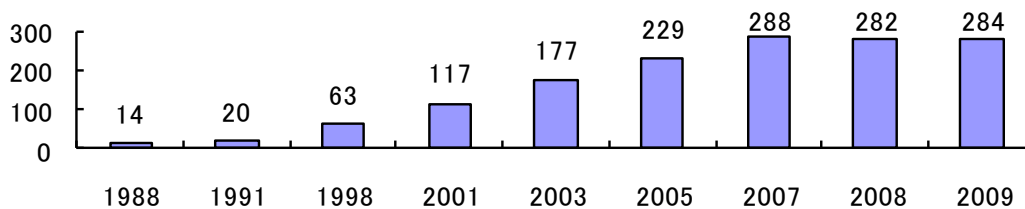
- As of the end of March 2010, the number of certified farmers in Hokkaido was 32,823 management bodies. This figure has remained virtually unchanged in recent years, and is almost equal to the number of full-time farmers.
- The number of farm production corporations is consistently increasing, with 2,649 as of the end of January 2011.
- The number of contractors is also consistently increasing, with 284 as of the end of March 2010. While the aging of farmers and a shortage of labor are anticipated, contractors are expected to serve as one of the key regional systems for supporting individual management.



Source: Research conducted by the Department of Agriculture, Hokkaido Government

Source: Ministry of Agriculture, Forestry and Fisheries "Agriculture and forestry census," "Survey on the structural dynamics of agriculture" etc.
Research conducted by the Department of Agriculture, Hokkaido Government

Changes in The Number of Contractor Organizations



Source: Research conducted by the Department of Agriculture, Hokkaido Government

9. Formulation and implementation of the Hokkaido Agriculture and Rural Areas Vision 21

○ In March 2004, the Hokkaido Agriculture and Rural Areas Vision 21 was formulated with the aim of clarifying the picture of the agriculture and rural areas of Hokkaido in the future, in accordance with the basic philosophy of the Hokkaido Agriculture and Rural Areas Promotion Ordinance (enacted in April 1997).

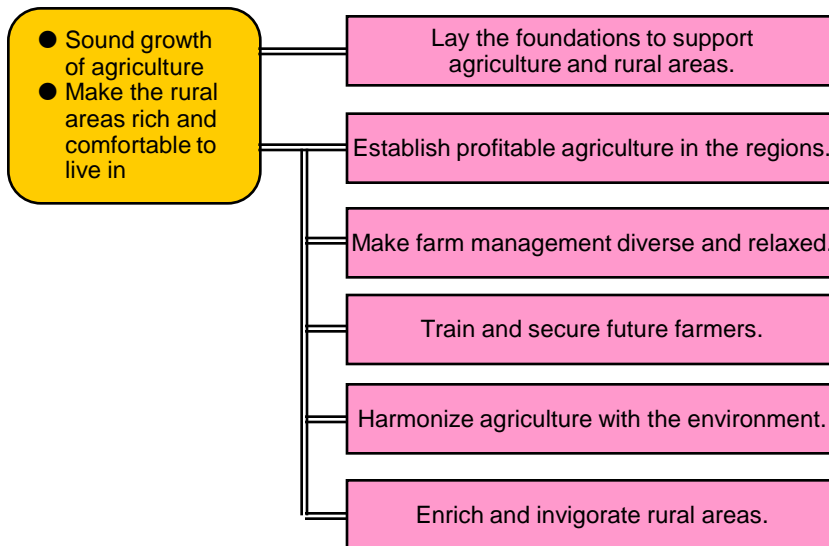
■ Outline of the Hokkaido Agriculture and Rural Areas Promotion Ordinance

- The Hokkaido Agriculture and Rural Areas Promotion Ordinance was enacted in April 1997. It was the first of its kind in Japan, and was aimed at ensuring the sound growth of agriculture in Hokkaido and making its rural areas rich and comfortable to live in. The basic philosophy of the ordinance is to appreciate and nurture the assets of agriculture and rural areas of Hokkaido and ensure that they are appropriately inherited by the generations to come.
- The ordinance defines Hokkaido's attitudes and a basic framework for the agricultural administration of Hokkaido. By placing priority on the benefit of local communities, Hokkaido comprehensively and systematically implements its unique measures, as well as national measures.
- The fund for facilitating exchange between the rural areas of Hokkaido was established in accordance with the ordinance. The fund is used to facilitate commitments designed for local people to become familiar with and broaden their understanding of agriculture and rural areas.

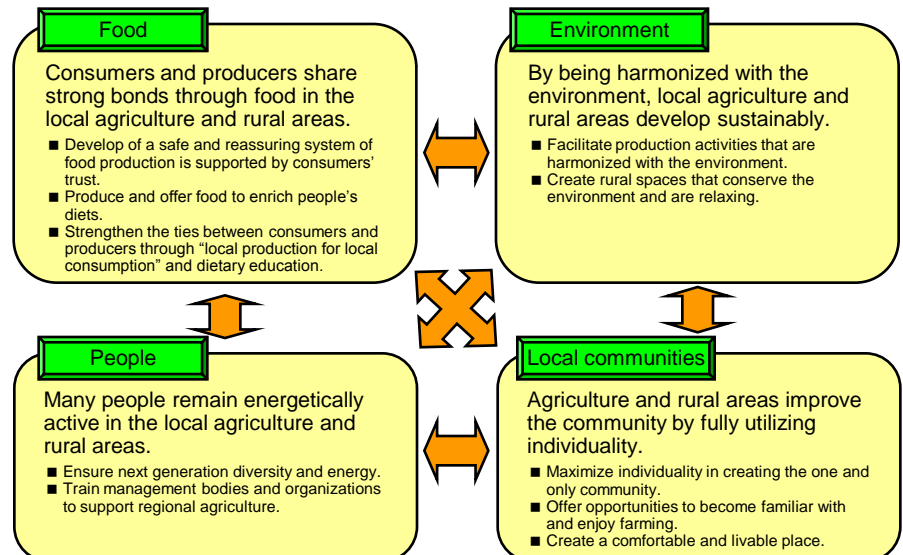
■ Outline of the Hokkaido Agriculture and Rural Areas Vision 21

- "Food" and "environment" based on relationships of trust between consumers and producers, and "people" and "local communities" supporting these relationships are considered in envisioning the ideal for agriculture and rural areas in Hokkaido in around a decade's time and in planning the basic direction of the commitment to realizing the ideal.
- Aside from being the common guidelines for people concerned with agriculture in Hokkaido, the Vision 21 is based on the sufficient understanding of consumers and other local people of the role of agriculture and rural areas, and characteristically serves as a message to ask for involvement in "local production for local consumption," green tourism and other commitments that are relevant to the people and are designed for the growth of the local agriculture and rural areas.

■ Basic plan of the ordinance



■ Ideal of the Vision 21 in the future and basic direction of commitments toward the realization of the ideal



10. Fourth-term Hokkaido Agricultural and Rural Development Promotion Plan

Basic concepts for plan formulation

[Plan outline]

The Fourth-term Hokkaido Agricultural and Rural Development Promotion Plan was formulated in accordance with the sixth clause of the Hokkaido Agriculture and Rural Village Development Code (No. 10 Hokkaido Code 1997). This plan is intended to build Hokkaido agriculture and its rural villages so that they can sustainably develop into the future by accurately responding to changes and issues in the environment surrounding Hokkaido's agriculture and its rural villages while comprehensively and systematically promoting policies related to the promotion of agriculture and rural villages.

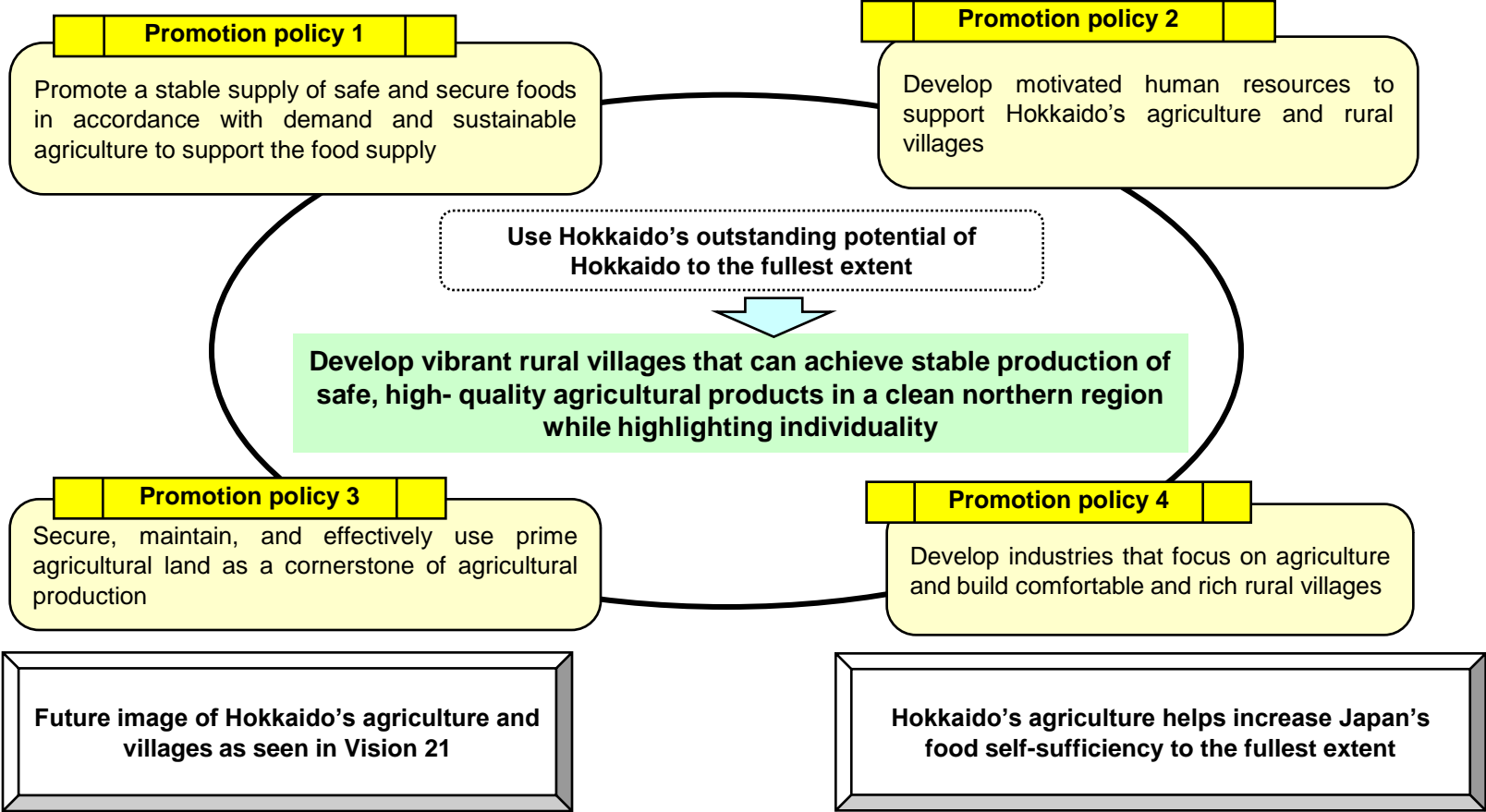
[Plan characteristics]

- A mid-term policy from Hokkaido's agricultural administration to clarify the approach of measures related to agriculture and rural villages, which the Hokkaido government desires to promote.
- The plan represents the basic approach of policies for proposing measures and making requests for system improvements related to agriculture and rural village promotion that reflect the reality of Hokkaido-specific issues to the central government.
- The plan is expected to be used as a reference by municipal governments and related organizations when they take proactive initiatives according to the circumstances in each region.
- The plan presents the basic approach and core policies of Hokkaido's agricultural administration. For areas that have formulated individual plans and policies, specific policies are promoted based on those plans and policies.

[Plan period]

Five years between 2011 and 2015

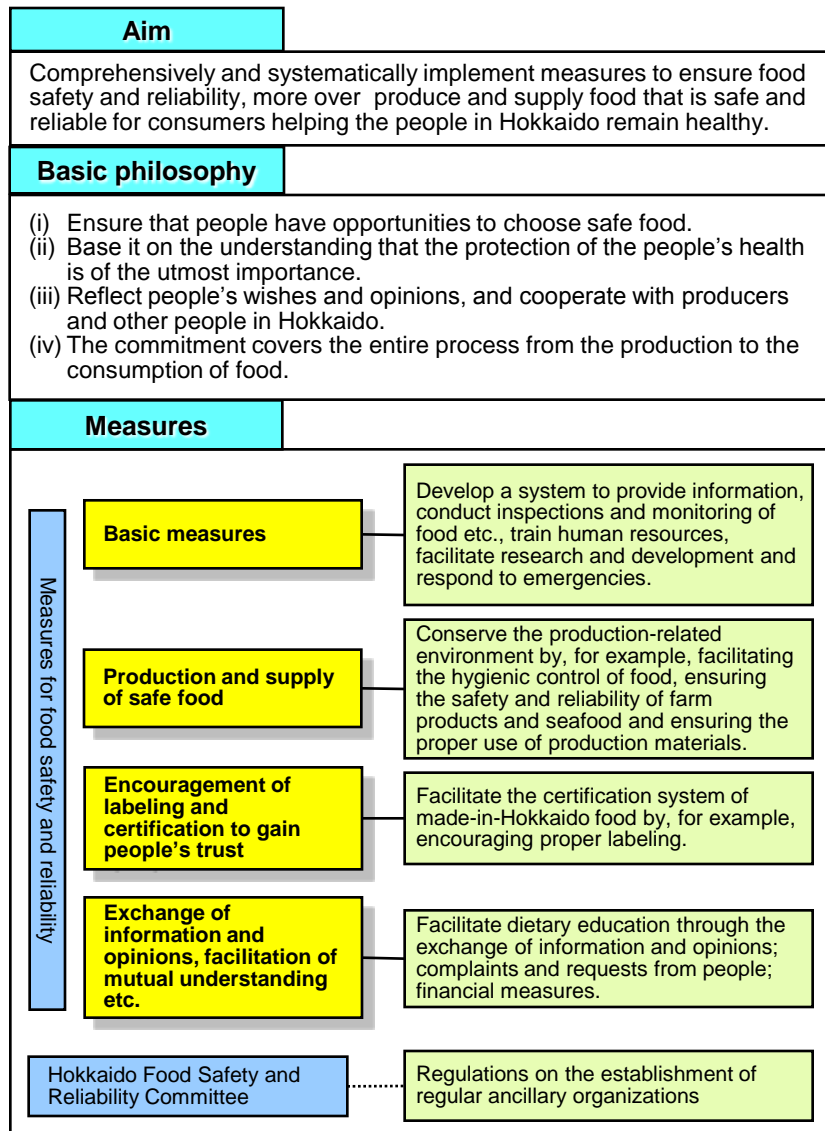
Promotion policies and development approach for agriculture and rural villages



11. Secure food safety and reliability

○ In March 2005, the Hokkaido Food Safety and Reliability Regulations and the Hokkaido Regulations on the Prevention of Crossing etc. through the Cultivation of Genetically-modified Crops etc. were enacted in Hokkaido.

Outline of the Hokkaido Food Safety and Reliability Regulations



Outline of the Hokkaido Regulations on the Prevention of Crossing etc. through the Cultivation of Genetically-modified Crops etc.

Aim	
<ul style="list-style-type: none"> ○ Prevent crossing and commingling. Prevent the occurrence of confusion in the production and distribution processes. ○ Coordinate industrial activities concerning the development of genetically-modified crops etc. with activities for the production of regular agricultural crops. ○ Protect the health of the people in Hokkaido and promote the industries in Hokkaido. 	
Mechanism of the system	
Classification	Description
Open-type regular cultivation License required	<ul style="list-style-type: none"> (i) The grower sends the governor an application for a license after a regional explanatory meeting is held. (ii) The governor listens to the opinions of the Food Safety and Reliability Committee before deciding for or against licensing the grower. The committee shall include a specialized group of researchers who undertake research and deliberations from a scientific standpoint. (iii) The governor may give the licensed grower recommendations, order the discontinuation of cultivation, order the implementation of specific measures, and cancel the license whenever necessary.
Open-type trial cultivation (Designed for testing and research conducted by a test/research organization at a rice field for research purposes) Notification required	<ul style="list-style-type: none"> (i) The test/research organization sends a notification to the governor after a regional explanatory meeting is held. (ii) The governor listens to the opinions of the Food Safety and Reliability Committee. The committee shall include a specialized group consisting of researchers that undertake research and deliberations from a scientific standpoint. (iii) The governor may give the test/research organization recommendations, order the discontinuation of cultivation, and order the implementation of specific measures.

- As both of the regulations had been in effect for three years or longer as of 2008, the status of their enforcement was inspected and verified.
- Taking into consideration the results of the inspection and verification as well as the opinions of many people in Hokkaido, the Basic Plan on Food Safety and Reliability in Hokkaido (2nd) and the Dosanko Dietary Education Plan (Hokkaido dietary education encouragement plan (2nd) were formulated in December 2009 in line with the Food Safety and Reliability Regulations.
- In line with these plans, measures for food safety/reliability and dietary education are implemented comprehensively and effectively.

Outline of Basic Plan on Food Safety and Reliability in Hokkaido (2nd)

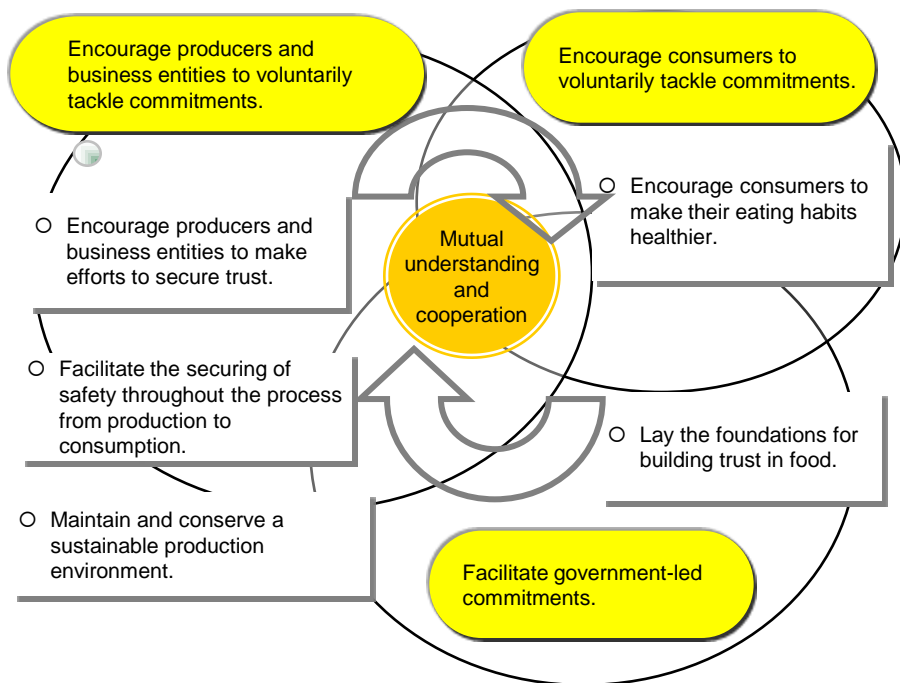
Aim

Clarify the goals and details of the comprehensive implementation of the mid-term food safety/reliability measures in line with the provisions of the Hokkaido Food Safety and Reliability Regulations. Taking into consideration the results of the inspection and verification concerning the status of the enforcement of the regulations (conducted in 2008) and in response to the changes in the current state of affairs concerning food, the basic plan was reviewed in early 2009.

Period Fiscal 2009 - 2013

Details of the plan

- Specify measures in line with the relevant regulations.
In terms of the key issues, also focus on the entity that works on the commitment and clarify how the measures will develop.



Outline of Dosanko Dietary Education Plan

Definition of dietary education

Through a variety of experience, educate and equip people with knowledge about food and the ability to choose good food and make their eating habits richer and healthier.

Period

2009 – 2013

Goal

Promoting people to obtain high-quality eating habits, which effectively leads them to have prolonged life span and to be mentally enriching.

Twelve practices to learn from and base one's actions on in accordance with the basic plan and dietary education for the achievement of the goal

- I Facilitate dietary education to make people's eating habits healthier.
 - (i) Learn about the relationships between food, spirit and body.
 - (ii) Learn how to become more health-conscious through eating.
 - (iii) Learn what is good about Japanese-style eating habits.
 - (iv) Be knowledgeable enough to accurately understand food-related information.
- II Facilitate dietary education to help people learn more about food and become mentally enriched by improving their eating habits.
 - (v) Learn how valuable food is and be thankful for the blessings of nature.
 - (vi) Understand the process of making food.
 - (vii) Learn basic cooking skills.
 - (viii) Cultivate one's taste.
 - (ix) Appreciate gourmet food.
 - (x) Deepen one's thoughts about the environment through eating.
- III Facilitate dietary education to achieve eating habits that ideally represent Hokkaido.
 - (xi) Learn about the agricultural, forestry, fishery and food industries of the region.
 - (xii) Learn the importance of "local production for local consumption."

12. Systematic development of agriculture and rural areas

- In addition to their basic role of ensuring a consistent food supply, agriculture and rural areas function in many areas such as land security (Flood prevention) and the maintenance of rural landscapes.
- In March 2005, the Hokkaido Agriculture and Rural Areas Development Policy was formulated. The policy sets forth the new direction of the development of agriculture and rural areas with the aim of creating rich “rural spaces.” In line with the policy, agriculture and rural areas are developed in a more focused and efficient manner.

Appraised value of the multifaceted functions of agriculture and rural areas in Hokkaido

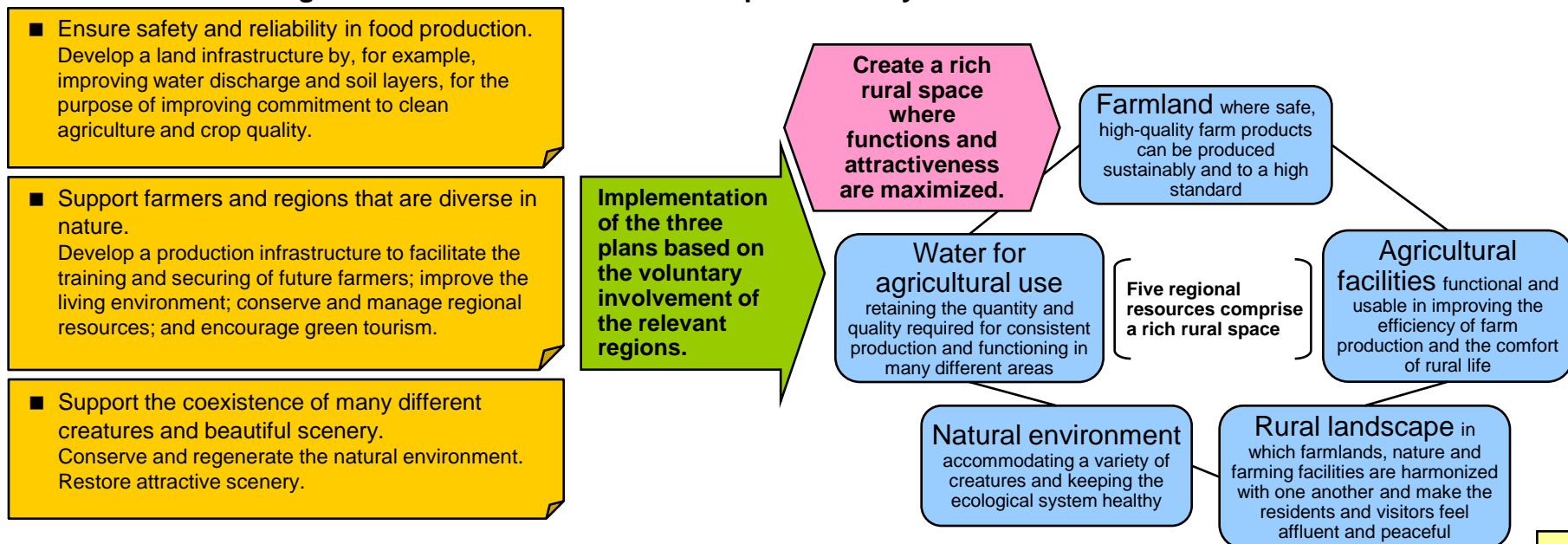
(Unit: 100 million yen)

Land security	7,405	Flood prevention 6,143, prevention of soil erosion 32, recharging water resources 543, air purification 687
Amenities	4,149	Landscape conservation 2,464, health recuperation for 1,044, ecological conservation 641
Education and culture	1,027	Nature education 1,017, practical agricultural training 10

**Appraised value total:
1.2581 trillion yen**

Source: Department of Agriculture, Hokkaido Government (1997)

Outline of Hokkaido Agriculture and Rural Areas Development Policy





II. Direction of development of agriculture and rural areas in Hokkaido

1. Efforts to establish a food brand connecting consumers, producers and business entities with one another.

1-(1) Food appreciation movement

- The food appreciation movement, the combined government-private effort to comprehensively encourage “local production for local consumption,” “dietary education” and “slow food,” has been developed, and many associated commitments have been implemented in Hokkaido.
- Food Appreciation Day is designated as a part of the system to encourage local people to buy local products. The movement also supports the Food Appreciation Fair and Sapporo Marche organized by producers etc.
- Restaurants and accommodation providers that serve cuisine using carefully selected made-in-Hokkaido ingredients are authorized as Northern Food Appreciation Restaurants. People who are knowledgeable or skilled in utilizing the regional climate and food culture for creating cuisine unique to Hokkaido are registered as Masters of Hokkaido’s Unique Cuisines.

(i) Food Appreciation Day is designated.

The third Saturday and Sunday of each month are designated as Food Appreciation Day, when advertising activities are run in conjunction with supermarkets so that “local production for local consumption” will lead directly to purchases.



(ii) Food Appreciation Fair and Marche (2010)

- Food Appreciation Fair: Held from May – November in 11 different locations around Hokkaido.
- Sapporo Marche: Held in ten different locations in Sapporo.



(iii) Northern Food Appreciation Restaurants

Designed to acknowledge accommodation providers and restaurants that commit to “local production for local consumption” by encouraging the use of made-in-Hokkaido ingredients and helping their guests become aware of the benefits of these ingredients through serving carefully selected cuisine cooked using only made-in-Hokkaido ingredients.

317 restaurants as of August 2011



(iv) Masters of Hokkaido’s Unique Cuisines

People who are knowledgeable about utilizing the regional climate and food culture in creating cuisine unique to Hokkaido are registered as Masters of Hokkaido’s Unique Cuisines. Information about these masters is displayed on various websites.

171 masters as of August 2011



1-(2) Labeling of made-in-Hokkaido food

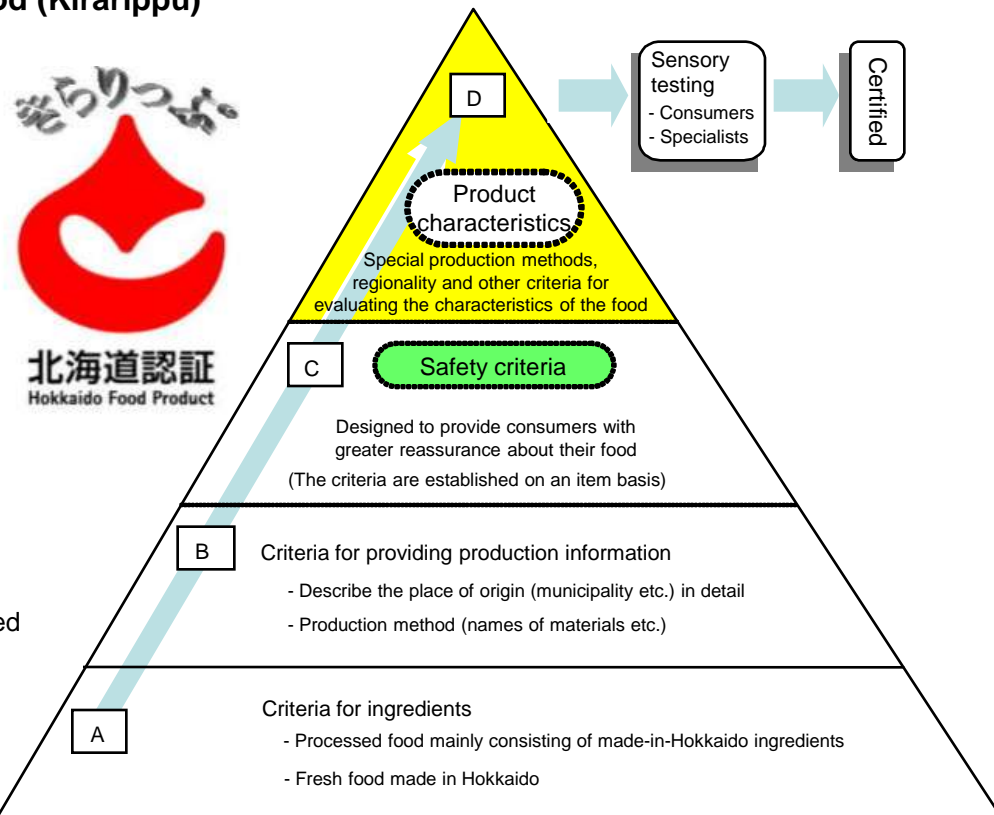
(i) Independent certification of made-in-Hokkaido food (Kirarippu)

Characteristics

- Foods that are manufactured and processed in Hokkaido by using farm, livestock or marine products made in Hokkaido
- The production area, production method and other information are provided
- Advanced hygienic control
- Outstanding characteristics such as special materials and production methods
- Sensory (taste) testing is performed
- Strictly inspected by a third-party organization

Certification status

- 21 standards and a total of 47 companies and 64 products had been certified as of August 2011
(Certified items: ham, bacon, sausages, soy sauce salmon roe, soy sauce, wine, *miso*, *tofu*, Japanese sake, natural cheese, buckwheat noodles, salmon roe, ice cream, aged and salted salmon, *natto*, *shochu*, raw Chinese noodles and aged and salted pink salmon, beer, cured ham, fish sauce)



(ii) Registration of made-in-Hokkaido food

Criteria etc.

- Manufactured and processed in Hokkaido
- The main ingredients are made in Hokkaido
- The label states that the ingredients are made in Hokkaido
- It is available to consumers in exactly the same form as when the product is finally shipped

Registration status

- 94 companies and 278 items as of August 2011



1-(3) Commitments to improve the added value of farm products etc.

- With the aim of consistently facilitating the process from production and processing through to distribution backed by cooperation between local farmers and processing companies/distributors, Hokkaido encourages efforts to add more value to local farm products under the guidance of Mr. Takeo Koizumi, a professor emeritus at the University of Tokyo and Honorary Food Adviser of Hokkaido.
- Kitauma Project; unified sales strategy for products derived from local projects

Status of advertising activities etc.



Mr. Koizumi and the governor on the street during a promotional campaign (Yurakucho, January 30)



Major project-related goods



Pumpkin syrup (Abashiri-shi)



Haruyutaka Wheat Vinegar (Shimokawacho)



Strong Powder and Pasta of JA Douou



Kireimame (Honbetsucho)



Tokachigyozu (Obihiro-shi)



Rapeseed Oil (Takikawa-shi)

[Reference] Examples of rural commitments to produce high value-added foods

- In Hokkaido, local farm products are utilized in an effort to revitalize rural areas through, for example, making high value-added products.

- The Agricultural Policy Planning Department has run the Added Value Improvement Project since 2007, and supports commitments originating from within the regions of Hokkaido.

Commitments to the revitalization of rural areas are being developed all around Hokkaido

- Making farmers' cheese (69 locations in Hokkaido)
- Producers sell farm products they have made directly. Farm inns and farm restaurants (1,253 in Hokkaido)
- Producers participate in cooking contests (encouraging producers to launch their business)
- Encouraging the utilization of the regional climate and food culture in creating cuisine that is unique to Hokkaido (Masters of Hokkaido's Unique Cuisines)



Winner of the cooking contest



The winner's creation

Central area (Ishikari, Sorachi, Shiribeshi, Iburi and Hidaka)

- Ebetsu wheat is used to make ramen and sweets (Ebetsu-shi)
- Takikawa rapeseed is used to produce cooking oil etc. (Takikawa-shi)
- Women from local farms make and sell *torimeshi*, a kind of chicken rice that dates back to the days of the development of Hokkaido (Bibai-shi Nakamura district)
- Local women make croquettes from lily roots, a specialty, and sell them (Makkari-mura)
- Only vegetables grown in the area are used to make pickles that are free from additives or preservatives, and that are served in local restaurants (Akaigawa-mura)
- Homemade grapes are used to make wine (Mikasa-shi)



Winery of a farmer in Mikasa-shi



Women in the rural area of Bibai-shi Nakamura district

Southern area (Oshima and Hiyama)

- *Fukkurinko*, a new species of rice grown mainly in the southern area of Hokkaido, is used to create cuisine (all areas under the jurisdiction)
- Apples grown in the area are used to produce cider (Nanae-cho)



Northern area (Kamikawa, Rumoi and Soya)

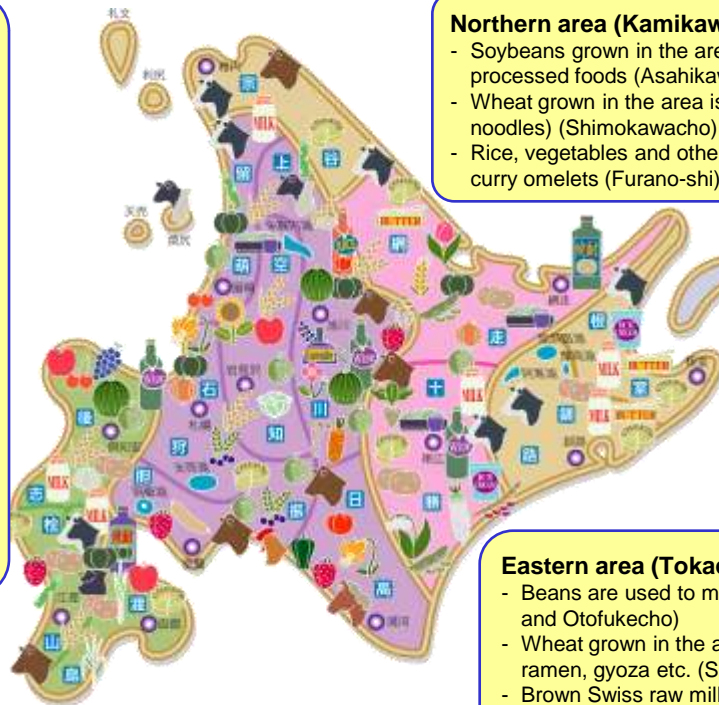
- Soybeans grown in the area are used to produce soybean milk and other processed foods (Asahikawa-shi)
- Wheat grown in the area is used to make *tenobemen* (hand-stretched noodles) (Shimokawacho)
- Rice, vegetables and other ingredients grown in the area are used to make curry omelets (Furano-shi)



Farm restaurant in Naganumacho



Farm stand



Eastern area (Tokachi, Abashiri, Kushiro and Nemuro)

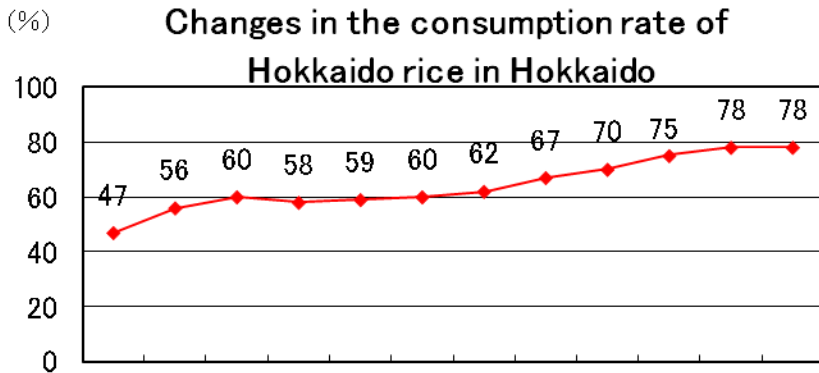
- Beans are used to make a new processed food (Honbetsucho and Otofukecho)
- Wheat grown in the area is used to produce ramen, gyoza etc. (Sharicho and Obihiro-shi)
- Brown Swiss raw milk is used to make cheese (Shintokucho)
- Chinese yams are exported from Kawanishi, Obihiro-shi to Taiwan, and hairless Chinese yams are produced in Makubetsucho
- Making milk jam (Kamishihorocho)



Chinese yams harvested in Kawanishi, Obihiro-shi

1-(4) Komechen and Mugichen

- Komechen (literally “rice change;” encouraging consumers to switch from rice harvested in other prefectures to rice harvested in Hokkaido) is being developed with the aim of achieving a consumption rate of 80% in Hokkaido.
- Mugichen (literally “wheat change”) has also been launched with the aim of encouraging consumers to switch from imported wheat to wheat harvested in Hokkaido. Individuals and organizations involved in the process from production, distribution, and processing through to consumption cooperate with one another to meet demand for wheat production and consumption/distribution.



1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

Source: Research conducted by Department of Agriculture, Hokkaido Government

Hokkaido rice being advertised at the Nemuro sanma (Pacific saury) festival



□ Mugichen logo



* Recognized as the advertising symbol of Mugichen, the logo is used in many regions and organizations (advertising documents, events etc.).

□ Mugichen supporters



* Distributed and posted as proof of being a Mugichen supporter

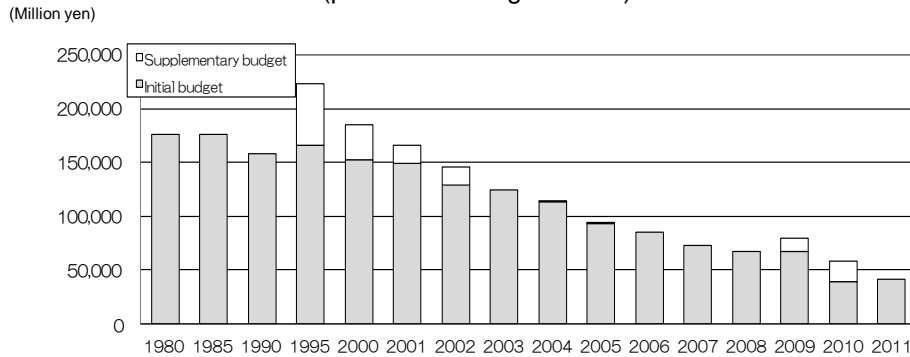
Outline

- Location
 - Bakeries, restaurants and other shops offering wheat-derived products directly to consumers
- Certification requirements
 - At least 30% of the wheat used in meals served in a shop is made in Hokkaido;
 - or
 - At least one item is completely derived from made-in-Hokkaido wheat; and
 - Aiming to use made-in-Hokkaido wheat for at least 50% of the wheat used in meals served in a shop

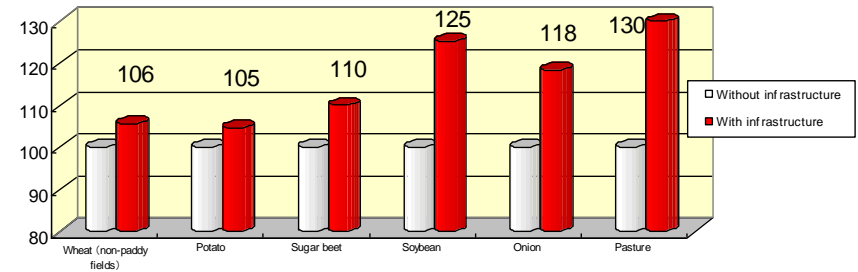
1-(5) Building infrastructures for farm production

- Budgets for building infrastructures for agriculture and rural areas have been controlled in recent years due to the financial difficulties experienced by the national and local governments.
- The damage that resulted from the cold weather and extreme humidity in 2009 was one of the events that led the people to refresh their understanding of the importance of building agricultural infrastructures.
The Hokkaido Government researched the effectiveness of building infrastructures and learned that paddy fields equipped with a water drainage system enjoyed greater quality, crops and workability than paddy fields without such a system.
- Commitments to improve the efficiency of projects currently include reducing the cost of public works through, for example, prolonging the service life of facilities to reduce life-cycle costs as well as construction costs.
- To ensure the consistency of local farm production, the development of farm production infrastructures needs to be continued systematically and effectively.

Changes in Budgets for Building Infrastructures for Agriculture and Rural Areas (prefectural budget based)

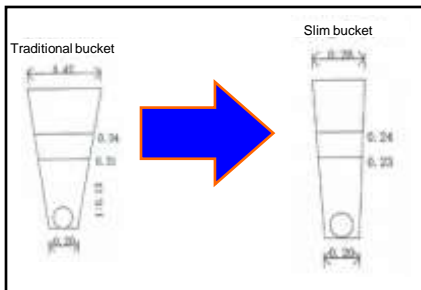


Comparison of yield between paddy fields with and without infrastructure (Damage resulting from cold weather and extreme humidity in 2009: non-paddy field farming, pasture: without infrastructure is considered as 100 in the calculation.)



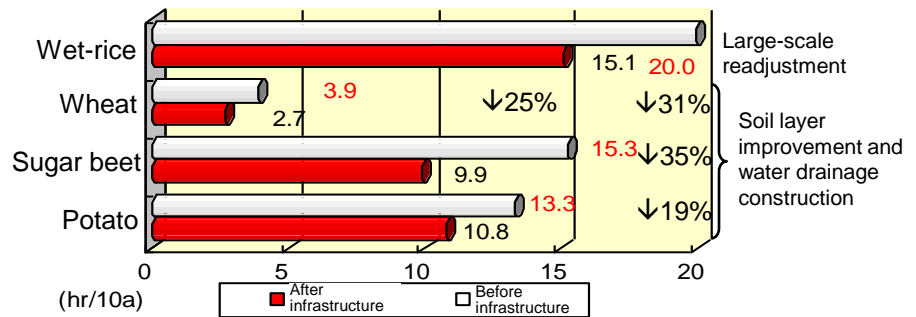
Source: Research on the Effectiveness of Building Infrastructures (Department of Agriculture, Hokkaido Government)

Reducing the cost of public works



- A slim bucket with a narrower width than that of the traditional design is used for excavating the underdrain ditch for drainage construction. (Value of reduction: 170 thousand yen/ha; reduction percentage: 7.8%)

Shortened Labor Hours Due to Land Readjustment and Other Reasons



Example: wet-rice: 2006 Moseushi Rokku area, other: 2004 Northern part of Obihiro
Source: Department of Agriculture, Hokkaido Government

2. Harmonizing the sustainable growth of agriculture and rural areas with the environment

[Clean agriculture and organic agriculture]

- Clean agriculture and organic agriculture are designed to consistently offer safe farm products that meet consumers' needs, while pursuing harmony with the environment.

(1) Clean agriculture

- Minimize the use of chemical fertilizers and pesticides by focusing on creating healthy soil through the use of organic substances and the like.

YES!clean label

The made-in-Hokkaido farm products carrying this label have met specific requirements such as the use of clean agriculture technologies and a reduction in the use of chemical fertilizers and pesticides.

Requirements for label certification

- Produced in Hokkaido and satisfies the registration criteria
- Produced in accordance with the cultivation standards
- Collected, stored and shipped separately from other farm products



Hokkaido safety-guaranteed label

(2) Organic agriculture

- Stay away from the use of chemical fertilizers and pesticides and minimize the environmental load as much as possible.

Inspection and certification of organic farm products

Organic JAS standards

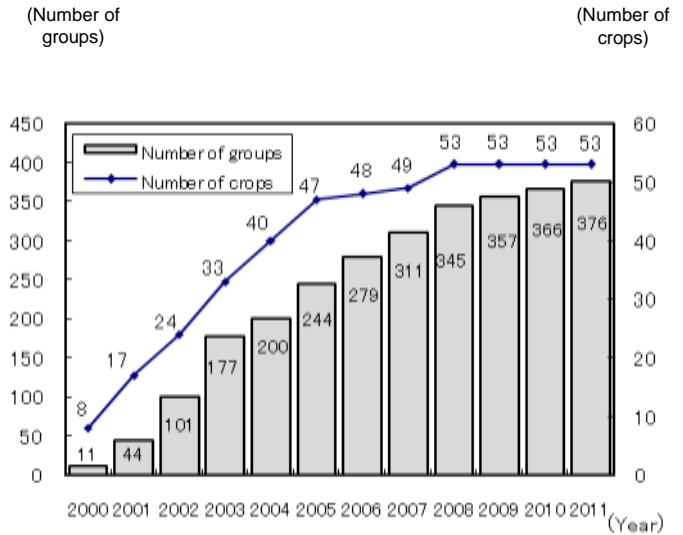
- Continuous non-use of chemical fertilizers and pesticides for at least two years
- Separated from farm products produced using existing procedures
- No use of genetic modification technology
- Compost etc. is used to make soil
- Prevent chemical fertilizers and pesticides from spreading.



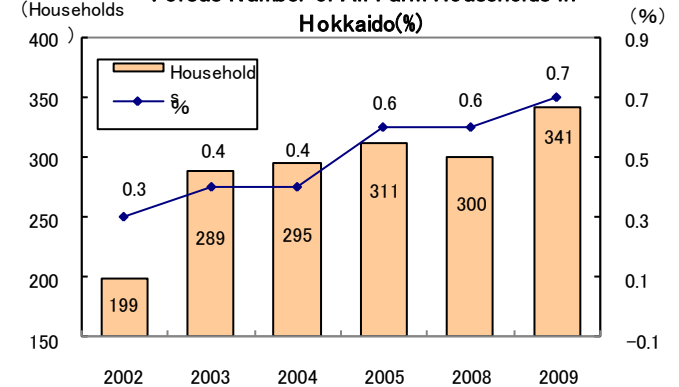
Certifier's name

Organic JAS mark (national standard)

Number of groups and crops registered with YES!clean



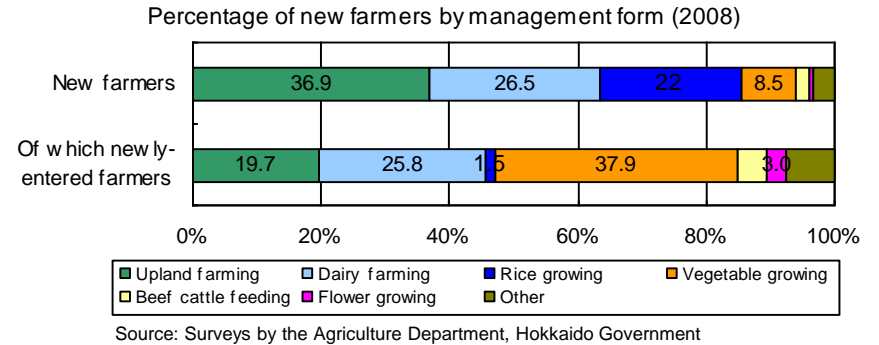
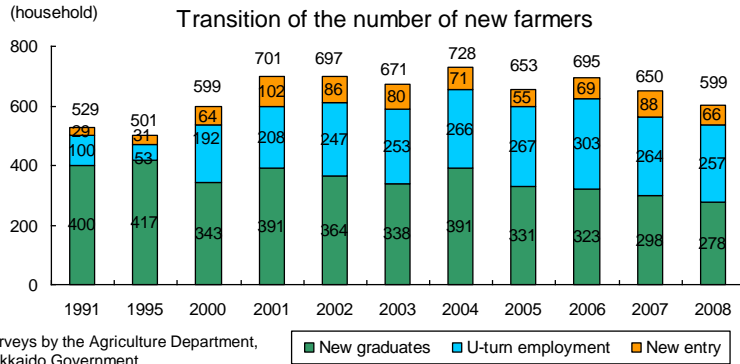
Number of Organic JAS-certified Farm Households Versus Number of All Farm Households in Hokkaido(%)



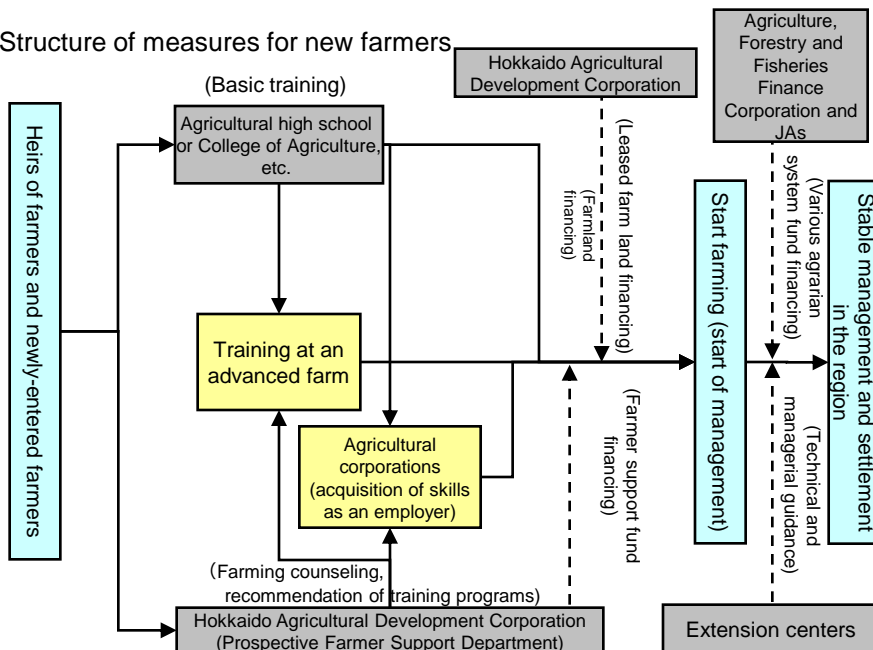
3. Fostering and ensuring prospective farmers

[Promotion of new farmers]

- The number of new farmers had remained at around 700 since 2001, and it exceeded 700 in 2010. As for farming forms, upland farming and dairy farming are popular among all new farmers, and vegetable growing and dairy farming are popular among newly-entered farmers.
- The Hokkaido Government implements comprehensive measures such as on-site training education at the Hokkaido College of Agriculture as well as farming counseling and offering agrarian system funds in cooperation with the Hokkaido Agricultural Development Cooperation (Farmer Support Center) for Prospective Farmers.



Structure of measures for new farmers



[Hokkaido College of Agriculture]
 It offers training programs and education in the advanced department for prospective farmers, and implements basic training for U-turn farmers and newly-entered farmers. It became a special technical school in accordance with the School Education Law in April, 2006.
 (Educational content)
 - Training Department (Livestock Management Course and Field & Horticultural Crops Management Course)
 - Training Department (Rice Culture Management Study Course)
 - Advanced Department (Agricultural Management Study)

[Hokkaido Agricultural Development Corporation (Prospective Farmer Support Department)]
 It aims at fostering and ensuring young farmers who bear the future of agriculture in Hokkaido. Its membership is made up of related organizations in Hokkaido as well as Hokkaido government, who provide comprehensive support for new farmers.
 (Detailed activities)
 - Support activities to start farming through farming counseling
 - Financing farming support fund for approved farmers
 - Improvement in training and education systems during their technology acquisition