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Elaboration of Japan's Negotiating Proposal:
The role of agriculture to provide environmental benefits

Non-Paper by Japan

(Proposal in December 2000 [G/AG/NG/W/91])

Pursuit of the multifunctionality of agriculture and food security as the major issues of the agricultural policies worldwide

4. For that purpose, it is important for each Member to acknowledge the diversity of agriculture resulting from the differences in the natural conditions and historical backgrounds. Based on this notion, it is essential to ensure that the benefits of the multifunctionality of agriculture can be sufficiently reaped through sustainable production. It is further essential to secure a stable food supply, which is indispensable for human life. Thus, the negotiations should be conducted while recognizing the above-mentioned elements as being the major issues of the agricultural policies worldwide.

- Agriculture serves various environmental functions, such as land conservation, fostering water resources, the preservation of the natural environment and the creation of beautiful landscapes.
- Farming activities can exert both positive and negative effects on the environment. For example, improper use of agricultural inputs can impose a severe environmental burden. At the same time, it should be pointed out that no environmental benefits would be provided through agricultural activities if domestic agricultural production ceases to exist. Therefore, if domestic production cannot be maintained by itself, a certain level of governmental support is required in order to secure the environmental benefits, which are jointly produced by agriculture.
- Among the various environmental benefits arising from agricultural activities, the following, in particular, are well recognized in Japan.

1. Land conservation

(i) Prevention of floods

To prevent floods, or mitigate their negative impacts: Paddy fields store rainwater

temporarily before it flows gradually downstream or into surrounding areas. Croplands also prevent the sudden outflow of rainwater by storing rainwater in soil temporarily.

(ii) Prevention of soil erosion

To curb soil erosion caused by water and winds: Maintenance works of ridges, application of organic matters to swell soil, and leveling of farmlands, are all activities carried out in conjunction with cultivation.

(iii) Prevention of landslides

To prevent landslides: By allowing irrigation water in paddy fields to constantly penetrate into the subsoil, the ground water level can be stably maintained. If paddy fields are abandoned, cracks would open up in the subsoil and thus they no longer have the function of maintaining the ground water level stable. Under such circumstances, the sudden rise in the ground water level at the time of heavy rain would increase the risk of landslides.

2. Fostering water resources

To foster water resources: Irrigation water in paddy fields, and rainwater in croplands, penetrates the ground, thereby helping to stabilize surface water flows and store ground water.

3. Preservation of the natural environment

(i) Purification of water

To purify water: Impure substances found in the surface water are filtered through the natural process of penetrating the ground in paddy fields and croplands. The microorganisms in paddy fields also help to purify water.

(ii) Management of organic wastes

To recycle organic wastes, such as city wastes, slops, livestock manure: These wastes, if used on farmland as compost, are decomposed by microorganisms into organic matters and then absorbed by the crops themselves.

(iii) Decomposition and removal of excessive organic matters

To decompose and remove undesirable substances: Undesirable substances, such as an excessive amount of organic matters, are decomposed and eliminated through the activities of microorganisms in the soil

(iv) Air purification

To purify the air: The vegetation found in paddy fields and croplands absorbs polluted

gases. Vegetation also has the function of absorbing carbon dioxide and emitting oxygen, which serves to stabilize the composition of the atmosphere.

(v) Preservation of biodiversity and wildlife habitats

To preserve wildlife habitats, such as paddy fields, croplands, farm ponds, and irrigation ditches: Agricultural activities also help to maintain the ecosystem in farmland, which is based on the food chain, involving a wide variety of flora and fauna.

4. Creation of beautiful landscapes

To provide local residents and visitors with amenities: By maintaining rural landscapes that reflect the history and culture of the region, beautiful landscapes in rural areas have been created in conjunction with agricultural activities, which have been continuing for many generations.

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(Annex) Japan's Proposal Examined from the Viewpoint of the Multifunctionality of Agriculture and Food Security

The concept of the multifunctionality of agriculture and food security is reflected in the following part of this proposal as follows:

1. Market access

Appropriate levels of tariffs and access opportunities should be determined with flexibility, taking into account various elements: securing the benefits of multifunctionality; ensuring food security; the current situation of production and consumption for each product; international supply and demand; and the progress of domestic agricultural policy reform.

In particular, due consideration should be given to the products which became subject to tariffication as a result of the Uruguay Round, in order to secure the benefits of multifunctionality and to ensure food security in each country.

Special safeguard measures should be maintained.

2. Domestic support

In order to enable each country to promote agricultural policy reform, while giving consideration to securing the benefits of the multifunctionality of agriculture and ensuring food security, the following improvements should be made:

- requirements for "Green Box" policies should be improved, based on the experiences of implementation;*
- the "Blue Box" policies should be maintained;*
- domestic support level should be determined in a realistic manner*

5. Consideration for developing countries

Flexibility should be given to developing countries with regard to the disciplines and the levels for border measures and domestic support, taking into full consideration that developing countries put their highest priority on stable food supply.

The idea of a possible framework for international food stockholding should be examined, in order to complement existing bilateral and multilateral food aid schemes and to enable loan of food in the case of temporary shortage.

- The above-mentioned environmental benefits are supplied jointly with other agricultural outputs through agricultural production activities. Such benefits cannot be obtained through foreign trade, but only through the domestic agricultural activities in each country. In addition, we cannot prevent people from enjoying such benefits without paying the price. Thus their supply and demand cannot be properly adjusted through market mechanism.
- Consequently, in order to maintain such environmental benefits, it is essential to have a certain level of domestic production. Policy measures are necessary in order to ensure that an appropriate level of environmental benefits is supplied through agricultural production activities. Since the “Green Box” alone cannot ensure domestic production, various policy measures aiming at maintaining domestic production, which would secure the level of environmental benefits that the society desires, should be incorporated in the agricultural reform under Article 20 of the Agreement on Agriculture.
- Japan’s negotiating proposal submitted last year was prepared bearing in mind the information referred to in this paper. We look forward to having further discussions with Members in due course.