

Publications and Summaries of Selected Research Papers

● Publications

PRIMAFF Review (Japanese)	No.12~15 quarterly
Journal of Agricultural Policy Research	No.7~8 published irregularly
Research Monograph Series (Japanese)	No.6 published irregularly
PRIMAFF Annual Report (Japanese, English)	No.3 annual

● Summaries of selected research papers

1) Norin Suisan Seisaku Kenkyu (Journal of Agricultural Policy Research)

“Statistical Analysis on the Continuance of Rural Community in Hilly and Mountainous Areas” by Noboru HASHIZUME, *Journal of Agricultural Policy Research*, No.7, pp.1-24.

The number of 4,959 rural communities has decreased compared with ten years ago, because a lot of rural communities disappeared in urban areas and hilly and mountainous areas. However, a few farm households are scattered among non-farm households in 70% of these communities. On the other hand, communities in which farm households have disappeared was estimated at about 1,500, and the number of farm households in 1990 was 5 or less in many of them.

In addition, we clarified the contributory factors of communities in which farm households have disappeared in hilly and mountainous areas by the discriminant analysis. The main factors were scale of a petty communities, rapid decrease in the number of farm households, and poor access to public facilities such as public offices and elementary schools.

Moreover, in hilly and mountainous areas in Shimane Prefecture, we made the correlation table of rural communities by the number of farm households, and analyzed the movement of communities from 1990 to 2000. As a result of this analysis, the rural community which was not able to maintain the community functions appeared when the number of farm households became 5 or less, and it was confirmed that this movement accelerated when becoming 3 or less. The clarification from these analysis consequences is that at least 5 farm households are necessary for the rural community in hilly and mountainous areas.

“An Inquiry into the Application of Tax Return to the Farm Income Safety-net Program” by Isoo TSUNEKAWA, *Journal of Agricultural Policy Research*, No.7, pp.25-49.

The purpose of this paper is to consider the condition of application of tax return to the new farm income safety-net program which is being planned in MAFF. Until now, several studies have showed that there is an unfair income tax system between farmers and employees. They also refer to the structure of tax evasion. If they are right, it will be difficult to use tax return of farmers'. The author tried to reexamine the original data and methods used in those former studies and estimated catching rate of farmers' taxable income based on recent data by myself. The results obtained are as follows :

- (1) In former studies some incorrect use of data were found, for example the estimation of total national income of agriculture or the sum total under the minimum taxable farm income.
- (2) Based on the correction of former studies, catching rate of taxable farm income showed as 20-40% should be revised to 50-80%.
- (3) The author estimated that the catching rate of taxable farm income is about 70-80%.
- (4) The rate of it has been improved nowadays.
- (5) Though there is still a gap of 20-30%, the main causes of it seems to be the institutional or conventional ones. So intentional tax evasion is partial.
- (6) It seems there is little problem to use the tax return of farmers' to safety-net program in terms of unfair tax system. But for the practical use of it, many issues till remain.

“The Movement of Chinese Policy on Grains : From the Protective Price Policy to the Price Policy for International Competitiveness”, by Shoichiro KAWAHARA, *Journal of Agricultural Policy Research*, No.7, pp.51-69.

After a poor harvest in 1994, Chinese government enforced a policy for increasing production of grains through raising prices and so on. This policy made the yield of grains dramatically increase

and caused overproduction. At the same time, the continuance of grains purchase at protective prices largely expanded the financial burden. Though a reform of grains distribution was enforced in 1998 in order to reduce the financial burden, that reform completely failed with a large quantity of unsold grains in governmental food enterprises and enlargement of the financial burden.

In consideration of the failure of the reform in 1998 and joining WTO, Chinese government basically changed the grains policy which is essentially containing reduction of articles for protective prices purchase and alleviation of regulations for grains purchase, which caused Chinese policy on grains shift to the price policy for international competitiveness. That policy is fundamentally composed by trading at a market price, putting governmental food enterprises into competition and fostering main producing districts with competitive power.

The price policy for international competitiveness, for the present, seems to obtain good results, that is expansion of quantity of grains export and so on. On the other hand, maintaining this policy necessitates to make a farmhouse management more efficient and to stabilize domestic grains prices.

“The Progress of the Rural Finance and the Character of Organization of Rural Credit Cooperatives in China”, by Shoichiro KAWAHARA, *Journal of Agricultural Policy Research*, No.8, pp.1-31.*

Although rural credit cooperatives in China are expected to play important roles as the basis of the rural finance, they cannot fulfill their function as expected and cannot transform themselves into organization of cooperative society.

In view of such circumstances, this paper will try to elucidate the character of organization of rural credit cooperatives in the light of the progress of the rural finance, and then will try to give some answers to the question of why rural credit cooperatives cannot transform themselves into organization of cooperative society.

Before Chinese Revolution, there also existed rural credit cooperatives in China, but they were very small in size and immature of credit organization.

In the period of the agricultural cooperation, rural credit cooperatives were established nationwide in China. At that time, a rural credit cooperative was formally established in each village, and was ruled by a village group as an organization owned by a village group.

In the period of the people's commune, rural credit cooperatives had double characters, one was a character of the basic organization of Bank of People, and the other was a character of the organization owned by a village group.

With the policy of Reform, Chinese government dissolved the double characters, but this caused village groups to interfere more intensively with rural credit cooperatives. And loans within the range of village groups, especially those to village-town enterprises, had remarkable bad influence to the management of rural credit cooperatives.

After the reform of the rural finance system in 1996, though the transformation into organization of cooperative society has been tried, rural credit cooperatives have not been able to free themselves from characters which were historically formed.

Mainly because of problems and restrictions which were formed in the history of rural credit cooperatives, they cannot transform themselves to organization of cooperative society. In these conditions, rural credit cooperatives are now obtaining a new character of organization and are stepping forward to regional banking facilities.

*Latter part is included in No.9 (Jun. 2005)

“The Meaning of the Precautionary Principle”, by Norio FUJIOKA, *Journal of Agricultural Policy Research*, No.8, pp.33-52.

The precautionary principle emerged and has been developed in European environmental policy sectors. But the concept of the principle hasn't well defined. The question whether the principle has become a rule of customary international law or not is controversial and judicial precedents seem to hesitate to recognize its normative status. EU invoked the precautionary principle to the area of food safety policy in the later 1990s, and consequently EU positions on the principle which are outlined in European Commission Communication (2000) appears to have shifted in favor of a science-based US approach under the influence of WTO, Codex, and OECD. However, the difference of the approach between EU and US has remained and the precautionary principle has certainly become a principle by which decision makers and courts may be affected in the interpretation and application of treaties, or rules of customary law in the area of the environmental and food safety policy. It also should be noticed that the precautionary principle will be applied in a different way between these two policy sectors.

“Recent Developments of the European GMO Policy : Implications from the European Commission and the United Kingdom”, Masashi TACHIKAWA, *Journal of Agricultural Policy Research*, No.8, pp.53-81.

In 2003, the European Union (EU) has issued its new regulations regarding genetically modified organisms (GMOs), and this has given momentum to uplift current de facto moratorium of GMOs since 1998. We can also watch a national-scale public dialogue on GMOs in the United Kingdom (UK) in 2003. Almost at the same time, the UK government has released the outcome of farm scale evaluation (FSE), which would have profound impact on policy direction related to European GMOs. In this way, we can witness various events in 2003 that would have crucial impact on the future GMO policy in the European countries. In this sense, what occurred in the year of 2003 would be regarded as a watershed to create future course of GMO policy in Europe. This report traces these major events occurred in the UK and EU, and try to shed lights on the future policy development related to GMOs.

The first part of the report focuses on the UK, describing the outcomes of the FSE, public dialogue process, and reactions from the UK government. The second part of the report tries to elucidate complicated process of EU regulatory system related to GMOs; what kind of changes happened through the introduction of new regulations, how the approval procedures have been changed, what kind of other measures are being discussed to prepare future commercialization of GMOs, and so on. The final part wraps up these situations surrounding GMOs in Europe and mention future research issues.

2) Norin Suisan Seisaku Kenkyu Sosho (Research Monograph Series)

“Development of Vegetables Farming in Japan”, by Toshitaka KATSUKI, *Research Monograph Series*, No.6, 284 p.

This study was conducted to analyze the development of vegetable production, taking into consideration its supply-demand changes in the long run.

Section I analyzes the phenomenon of location changes of vegetable production from the 1960s of rapid economic growth until the middle of the 1980s when vegetable production turned into an over-supply situation. The investigation shows that the processes of the expansion of vegetable cultivation and distribution can be divided into three groups: “peripheral extension”, “remote absorption”, and “estrangement”.

Section II analyzes the development of vegetable sector using the Agricultural Census data from 1970 to 2000. The analysis results clarify the following. The vegetable sector contributed to expansion of farmer’s self-employment opportunities. However, since 1985, the number of workers in the vegetable sector has decreased and they have aged rapidly. Under such circumstances, vegetable farming has expanded at a faster pace than before in parallel with formation of labor-hiring type farming in some regions.

Section III, considering the situation mentioned above, examines the actual conditions of support systems for vegetables farming and related problems. Since the 1990s, some major agricultural cooperatives have taken over nursing of seedlings and host-harvest works from the farmers. Thus, the farming system has changed into a labor-saving one. As a result, the scale of production in each area has been maintained by expanding the farm size while the number of farmers has been decreasing. Vegetable production areas are now developing with establishment of such a support system.

Thus far, this study examines the development of vegetable production, which forms a major part of Japanese agriculture. It is pointed out that the development of vegetable production is reflected by the characteristics of Japanese family farming, which have pursued labor-intensive management in order to use family labor as much as possible. The vegetable production sector had a role of expanding farmer’s self-employment opportunities. After that, it turned into a sector where the shortage of labor brought about decreased production.

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Shin-Ichiro Nishimura	Professor, Graduate School of Science, Hokkaido University
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Kazuko Yamamoto	Journalist
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Kenji Yoshinaga (Overseas Visiting Researcher; Director, Land and Water Development Division, FAO)

Budget and the Number of Staff

● Budget

Budget for annual revenue for FY 2004:	¥2,749,000
Budget for annual expenditure for FY 2004:	¥895,315,000
(details)	
Personnel expenditure:	¥682,228,000
Research expenditure (excludes Research project expenditure):	¥154,383,000
Research project expenditure:	¥58,704,000

● Number of Staff (as of March 31, 2005)

Director General	1
Deputy Director General	1
Researchers (includes policy research coordinators and assistant policy research coordinators):	50
Administrative officers	28
.....	
Total	80

(Note: Those who retired are included in the data above dated March 31, 2005.)

Library

New Volumes of Acceptance (2004) (Volumes)

	Purchase	Donated	Total
Japanese books	923	1,305	2,228
Foreign books	127	597	724
Total	1,050	1,902	2,952

Volumes of Library Holdings (as of March 31, 2005)

Japanese books	244,640 Volumes
Foreign books	51,153 Volumes
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Total	295,793 Volumes

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