



Kingdom of the Netherlands

# Structure, land use and profitability of farming in Japan

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Market Report 2020

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## 1. INTRODUCTION

The structure of the Japanese farming sector is not easy to comprehend. The country has limited farm land, about 2.5 times the arable land in the Netherlands. Japan's farming sector is facing a serious demographic challenge with a shrinking and rapidly aging farmers' population. But how is the sector structured? After World War II, a drastic land reform was carried out. The government forced absentee landlords to sell all their land, and sold this land usually to the tenant who had been farming it. Where in European countries land consolidation programs have been carried out since WWII, Japanese agriculture remained small-scaled, and seemed not to follow global trends of economy of scale. According to Japanese statistics, about 2.1 million people (2.9% labor force) in Japan are still active in the agricultural sector; much higher than any other high-income country in the world.

Currently, there is in Japan a strong trend towards larger and corporate farms, and non-agro-companies entering the sector. For decades the number of small farms has declined. Three percent of the farms already accounts for 53% of the total agricultural production. This downward trend will continue in the future, considering experiences in other countries, and reinforced by free trade agreements (TPP, EU, and the USA).

The Japanese government has ambitious plans to increase the self-sufficiency rate to 45% in 2030 and bring agricultural export to JPY1 trillion in 2020. To achieve this, the sector needs to be reshaped into Smart Agriculture, using all kinds of modern equipment like drones, AI, Robots, IoT, and able to do capital-intensive investments. But the question must be raised which type of Japanese farmer will be able to apply these kinds of innovations from size and output perspective.

The Agricultural Section at the Netherlands Embassy executed a desk study on the structure of the Japanese farming sector to get a better perspective on the Japanese farmer of the future. As one of the key economic drivers of future changes within the family farming sector is the differential between farm incomes and incomes in the rest of the economy. A farm structure analysis was done with emphasis on land use and earning capacity. The social and cultural importance of farmers in for example rural areas is not part of the study. Public sources such as MAFF statistics were used, as well as the recent OECD study on sustainable agriculture in Japan. Finally, data of Japan's 500 largest agricultural (corporate) farms, except rice farms, was acquired and is available for Dutch companies on request.

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June 2020*

## 2. TERMINOLOGY

“Family farm” and “family farmer” may be defined in several ways, both within the EU, and world-wide. Definitions can be based on share of farm labour, on ownership and control (and thus succession between generations), on legal status (sole holders) or on who bears the business risk. Europeans generally consider a family farm as a farm business.

Family farming in Japan covers a wide range of farm types and sizes, with both full- and part-time farmers, and farmers with and without other gainful activities. The objectives of some family farms are focused on commercial farm business operations, while others produce mainly to satisfy household food needs. The Ministry of Agriculture, Forestry and Fisheries (MAFF) uses several definitions for farms and farmers which are used to develop their policies and subsidy schemes. For outsiders it is not easy to comprehend. In this report, simplified terms are used, as summarized below, to indicate the corresponding official categories defined by MAFF. Definitions of the official categories are explained in Box 1.

Simplified term used in this report	Category defined by MAFF
Agricultural management entities (see Box 1)	Agricultural management entities
Corporate farms	Corporate organized management entities AND Corporate commercial farm households
Commercial farms	Commercial farm households
Non-commercial farms	Non-commercial farm households
Non-farms with farmland	Land tenure non-farm households
Business farms	Business farm households
Semi-business farms	Semi-business farm households
Side-business farms	Side-business farm households
Farmers	Core persons mainly engaged in farming

### Box 1: Definitions of categories in Japan’s agricultural statistics

**Agricultural management entity:** An establishment that either produces agricultural products or performs farming work on contract, and meets one of the following conditions:

- (a) Cultivates 0.3 ha or more of farmland
- (b) Perform farming operations at a scale equal to or greater than any of the following standards:
  - (1) Planted area for outdoor grown vegetables: 0.15 ha
  - (2) Cultivated area for greenhouse grown vegetables: 350 sqm
  - (3) Cultivated area for fruit trees: 0.1 ha
  - (4) Cultivated area for outdoor grown flowers: 0.1 ha
  - (5) Cultivated area for greenhouse grown flowers: 250 sqm
  - (6) Number of milking cows: 1
  - (7) Number of beef cattle: 1
  - (8) Number of Pigs: 15
  - (9) Number of hens: 150

- (10) Number of broiler chickens shipped each year: 1,000
- (11) Total sales of agricultural products equivalent to JPY500,000 or more per year
- (c) Performs farming work on contract

**Corporate organized management entity:** An agricultural management entity that is not managed by a household

**Commercial farm household:** a farm household cultivating 0.3 ha or more of farmland, or earning JPY500,000 or more per year from sales of agricultural products

Commercial farm households are divided into 3 sub-categories: (1) Business farm households, (2) Semi-business farm households and (3) Side-business farm households.

1. **Business farm household:** a farm household whose main source of income (50 % or more) is farming, and which possesses at least one family member under the age of 65 engaged in self-employed farming for 60 days or more in a year
2. **Semi-business farm household:** a farm household whose main income (50 % or more) is from sources other than agriculture and which possesses at least one family member under the age of 65 engaged in self-employed farming for 60 days or more in a year
3. **Side-business farm household:** a farm household without any members under the age of 65 engaged in self-employed farming for more than 60 days a year (commercial farm households other than business and semi-business farm households)

Japan's agricultural statistics also include the following categories that are not commercial farms, but do own farmland.

**Non-commercial farm household:** a farm household cultivating less than 0.3 ha of farmland and earning less than JPY 500,000 per year from sales of agricultural products

**Land tenure non-farm households:** a household other than a farm household owning 0.05 ha or more in cultivated land and abandoned cultivated land

There are several categories for farmers. The figure of "core persons mainly engaged in farming" indicates the number of self-employed farmers. This category excludes housewives, students, etc. who primarily engage in activities other than farming during regular working hours.

**Core person mainly engaged in farming:** a farm household member aged 15 or over who primarily engages in self-employed farming during regular working hours

Source: Ministry of Agriculture, Forestry and Fisheries

### 3. STRUCTURE AND FARM NUMBERS OF THE JAPANESE FARMING SECTOR

#### 3.1 Structure of households owning farmland

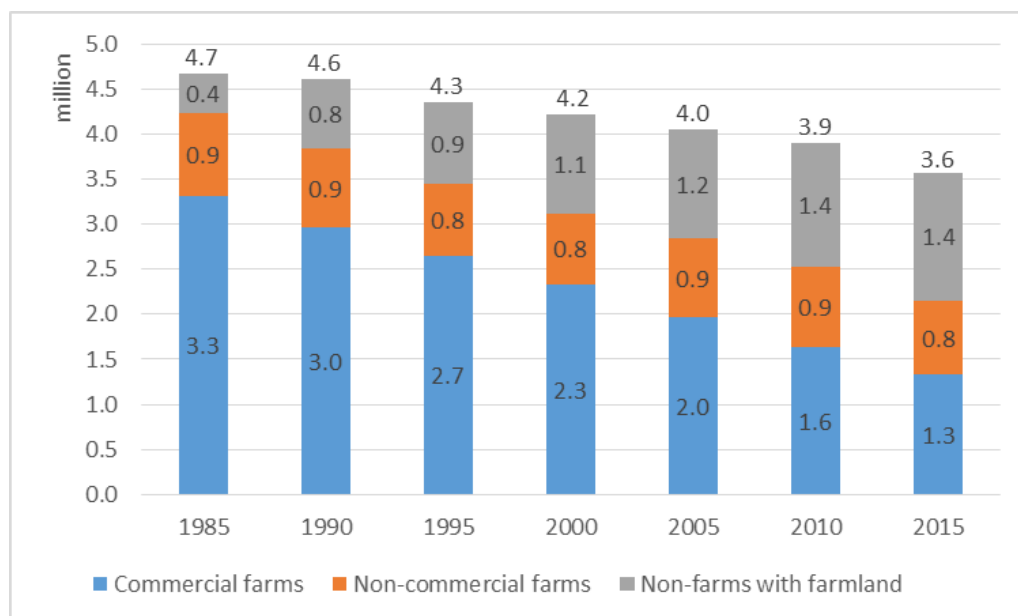
MAFF conducts once every five years the “Census of Agriculture and Forestry”. In years other than census years, MAFF conducts a “Survey on Movement of Agricultural Structure”, which is a sampling survey on key figures. According to the most recent census data, Japan had approximately 3.6 million households owning farmland in 2015. Of this number, 1.3 million (37 %) were commercial farms and 0.8 million (23 %) were non-commercial farms (Figure 1).

MAFF’s definition of *commercial farms* managed by households are:

- those cultivating >0.3 ha of farmland
- OR earning >JPY500,000 (€ 4,250) per year from sales of agricultural products

Note that Japan has a large number of non-farms owning farmland (1.4 million or 40 %). Their farmland is either rented to commercial farms or left unused. According to MAFF, a total of 97,814 ha of farmland was sitting idle and unused across Japan in 2018. This number is expected to rise as the population involved in agriculture is ageing and labor shortages continue.

**Figure 1: Number of households with farmland by type, 1985-2015**



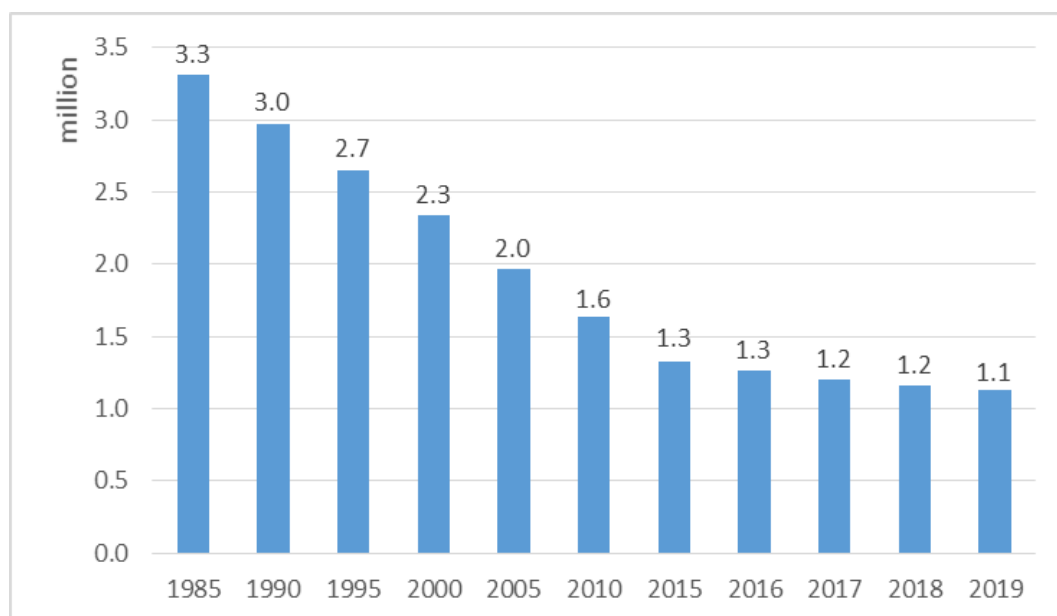
Source: Ministry of Agriculture, Forestry and Fisheries (online statistics 2020)

The non-farms with farmland can, although they are not farming themselves, still be members of the farmer cooperative JA Group. JA Group refers to the national group of 694 regional agricultural cooperatives in Japan that supply members with input for production, undertake packaging, transportation, and marketing of agricultural products, and provide financial services. As of 2018, JA Group had 4.2 million official members (farmers) and 6.2 million associate members (non-farmers). Official members must satisfy eligibility requirements concerning cultivated farmland area and the number of days worked on a farm. Each JA sets its own requirements for official membership, but it is usually limited to those who cultivate more than 0.1 ha of land and engage in more than 90 days of farming in a year. Local residents who do not meet the requirements can become associate members by paying the membership fee. With its large membership of commercial and non-commercial farms, JA is a powerful, politically-relevant group.

### 3.2 Commercial farms

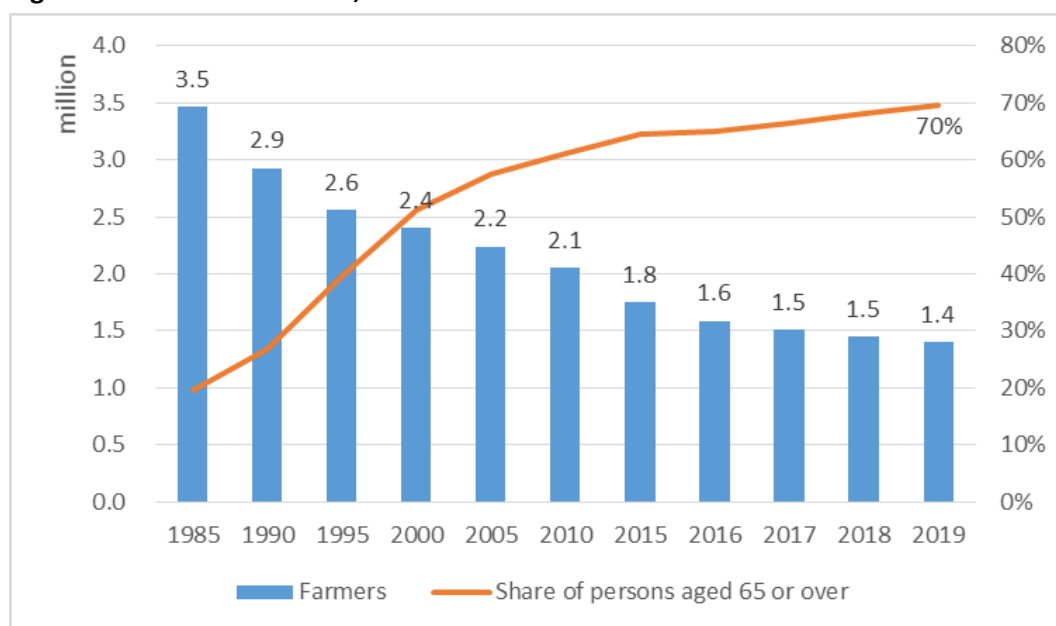
The number of commercial farms declined from 3.3 million in 1985 to 1.1 million in 2019 (Figure 2). During the same period, the number of *farmers* - household members aged 15 or over who primarily engage in self-employed farming during regular working hours - decreased from 3.5 million to 1.4 million. The share of farmers aged 65 or over increased from 20 % to 70 % (Figure 3).

**Figure 2: Number of commercial farms, 1985-2019**



Source: Ministry of Agriculture, Forestry and Fisheries (online statistics 2020)

**Figure 3: Number of farmers, 1985-2019**



Source: Ministry of Agriculture, Forestry and Fisheries (online statistics 2020)

### **Commercial farms (1.3 million in 2015, 1.1 million in 2019)**

Commercial farms are divided by MAFF into 3 sub-categories: (1) business farms, (2) semi-business farms and (3) side-business farms. The 3 sub-categories are defined by MAFF as follows:

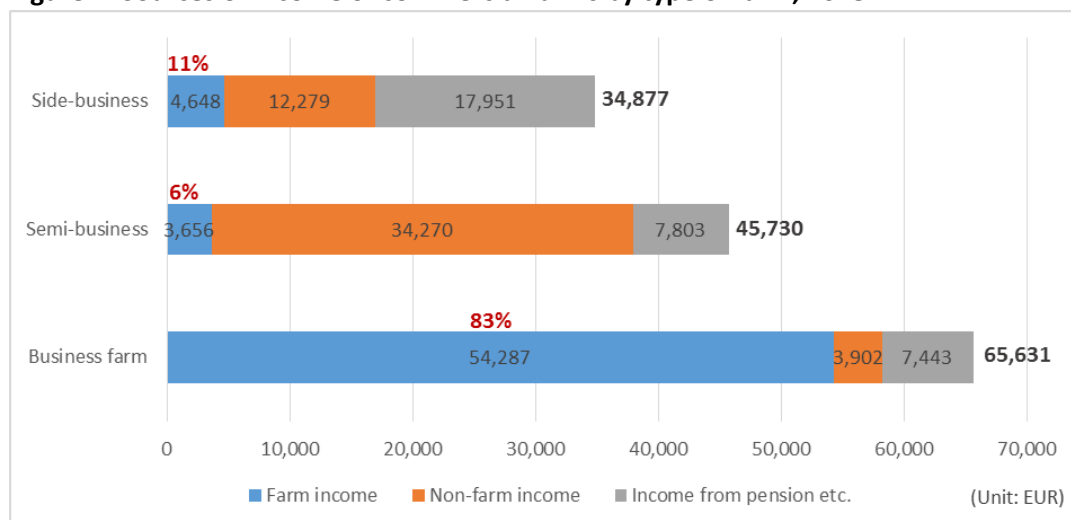
- **Business farms** are farm households whose main source of income (>50 %) is farming, and which possess at least one family member under the age of 65 engaged in self-employed farming for 60 days or more in a year.
- **Semi-business farms** are farm households whose main income (>50 %) is from sources other than agriculture and which possess at least one family member under the age of 65 engaged in self-employed farming for 60 days or more in a year.
- **Side-business farms** are farm households without any members under the age of 65 engaged in self-employed farming for more than 60 days a year (commercial farm households other than business and semi-business farm households).

There is a marked difference between the income composition of business farms and that of semi-business and side-business farms. While on average business farms earn more than 80 % of the household income from farming, semi-business and side-business farms earn only 6 % and 11 % of their household income from farming, respectively (Figure 4). This indicates that only business farms are (more or less) professional farmers who earn their living mainly from farming. The rest of commercial farms depends mainly on other



income such as off-farm salary employment and pension. Side-business farms by definition has no household members who are younger than 65.

**Figure 4: Sources of income of commercial farms by type of farm, 2018**



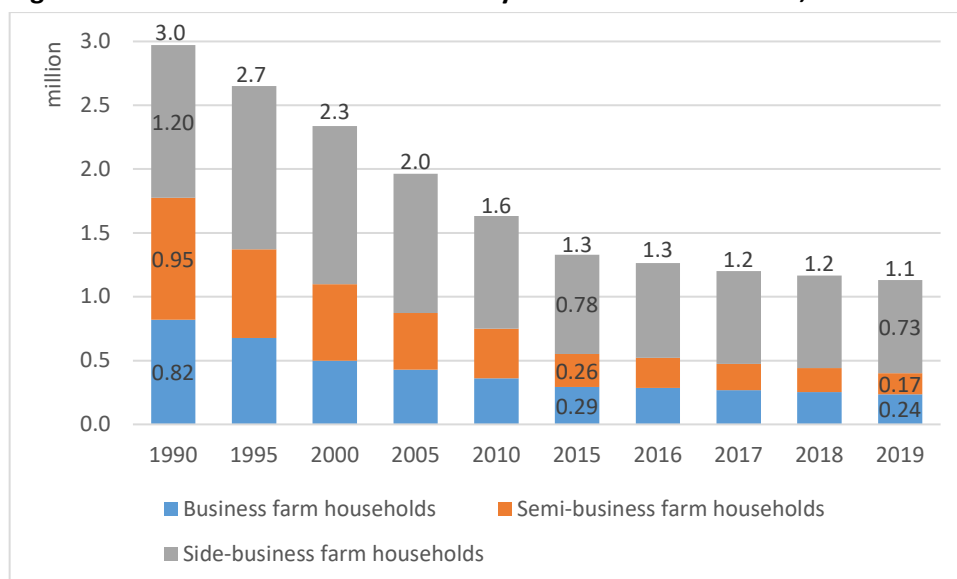
Source: Ministry of Agriculture, Forestry and Fisheries, "Report of Statistical Survey on Farm Management" (2018)

Note: Conversion rate: 1 euro = 122 yen

Between 1990 and 2019, the number of business farms decreased from 820,377 to 235,500 (3.75% year-on year), and the number of semi-business and side-business farms decreased from 954,339 to 165,500 (4.35% year on year), and 1,195,811 to 729,100 (2.1% year on year), respectively (Figure 5). In 2019, business farms accounted for 21% of the total of commercial farms.

A slower decline of the smaller (side business) farms (-2.1% year on year) and non-commercial farms (-0.6% year on year) suggests that a rather stable, ageing group of small farmers keeps on producing agricultural produce (mostly rice) for the local market. But on the other hand, especially the middle group of semi-business farms is not able to keep up in terms of competitiveness, and leaves the business in a much higher pace.

**Figure 5: Number of commercial farms by status of farm business, 1990-2019**



Source: Ministry of Agriculture, Forestry and Fisheries (online statistics 2020)

To make a long and complex story short: out of 3.6 million landowners, 1.1 million commercial farms, Japan has 235,500 business farms, where professional farming is the main source of income. All the rest are semi-business or side-business farms who depend on off-farm income but still connected to the Japanese agricultural sector. Politically they are considered important, as the LDP has traditionally very strong ties with the farmers that live in rural areas.

### 3.3 Size of commercial farms

Japan has a total cultivated area of 4.4 million ha, of which 2.9 million ha is cultivated by commercial farms. The national average farm size per commercial farm is therefore small at about 2.5 ha nationwide (26 ha in Hokkaido, 1.8 ha in the other prefectures) (Table 1). However, this does not reveal much about the current state of business farms in Japan because nearly 80% of commercial farms are semi-business or side-business farms.

**Table 1: Average area of land (ha) cultivated by commercial farms, 2000-2019**

	2000	2015	2016	2017	2018	2019
National (ha)	1.96	2.20	2.35	2.41	2.46	2.50
Hokkaido (ha)	21.48	23.81	24.32	24.69	24.92	25.36
Non-Hokkaido (ha)	1.42	1.57	1.68	1.72	1.74	1.77

Source: Ministry of Agriculture, Forestry and Fisheries (online statistics 2020)

In 2015, business farms (290,000 in 2015) cultivated 1.6 million ha. The average area per business farm was 5.6 ha while that of semi-business and side-business farms was much lower at 1.6 ha and 1.1 ha, respectively (Table 2).

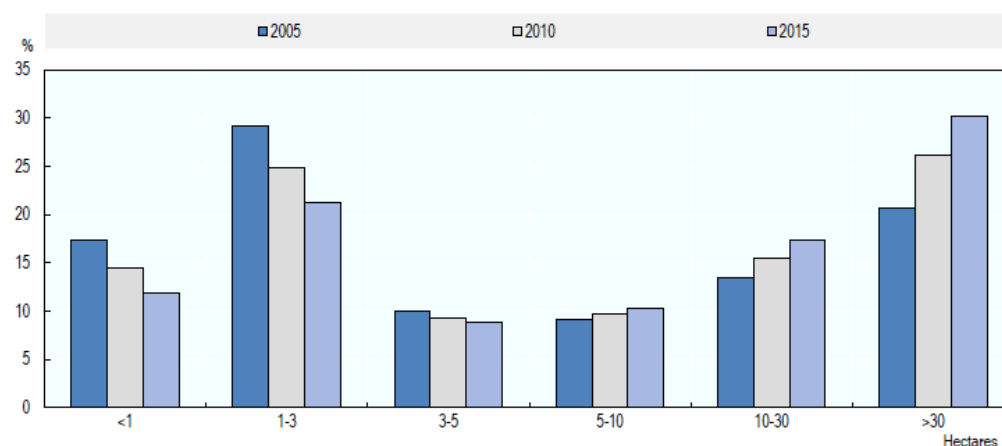
**Table 2: Area of land (ha) cultivated by business, semi-business and side-business farms, 2015**

	Cultivated area (ha)	Number of farms	Average area per farm (ha)
Total (commercial farms)	2,914,860	1,324,687	2.2
Business farms	(56%) 1,617,761	290,662	5.6
Semi-business farms	(14%) 414,259	256,508	1.6
Side-business farms	(30%) 882,841	777,517	1.1

Source: Ministry of Agriculture, Forestry and Fisheries, “Census of Agriculture and Forestry” (2016)

OECD (2019) points out that the concentration of land use to large farms accelerated in Japan in the last decade. The share of farms operating more than 10 ha of land increased from 34% to 48% between 2005 and 2015. In 2015, the number of large-scale farms (cultivating >10 ha of land, 3% of the total number of farms) cultivated nearly half (48%) of the total cultivated area of commercial farms in Japan. Farms larger than 10 ha grew significant, while the smaller farms have a double digits decline (Figure 6).

**Figure 6: Distribution of farm size in Japan, 2005, 2010 and 2015**



Source: MAFF (2016<sup>[24]</sup>), *Census of Agriculture and Forestry*, <http://www.maff.go.jp/i/tokei/census/afc/>.

Source: OECD, *Innovation, Agricultural Productivity and Sustainability in Japan* (2019)

## 4. RISE OF CORPORATE FARMS

### 4.1 Number of Corporate Farms

Although rather small-scale family farms have dominated Japan's farming sector for most of the postwar era, the agricultural structure is changing rapidly. As aging farmers stop in large numbers without successors, the government has since 2005 reinforced policies to promote farmland rental. It has actively encouraged consolidation of farmland under the management of business-oriented operators. While the majority of Japanese farms are still family-owned and operated, there is a shift from a traditional family business to corporate farms with modern management that employ regular workers.

The trend of increasing corporate farming is found in MAFF's statistics on "agricultural management entities". Although MAFF used the "farm household" as an agricultural production unit for a long time, it became less accurate, because companies<sup>1</sup> and agricultural producers' cooperative corporations<sup>2</sup> entered the farming business over the past decades. To measure the agricultural structure more accurately, MAFF started in 2005 a new survey on "agricultural management entities", which includes *both* farms managed by households *and* organizations (companies etc.). The structure of the Japanese agricultural sector in 2015 are shown in Figure 7.

The definition of "agricultural management entities" is aligned with that of commercial farms managed by households in terms of the area of cultivated farmland (>0.3 ha) and the sales amount of agricultural products (>JPY500,000). In addition, sector-specific size standards<sup>3</sup> for horticulture and livestock farming (farming area or number of livestock) are introduced. The definition of "agricultural management entities" also includes service providers that do not sell agricultural products but perform farming work on contract.

Although the total number of "agricultural management entities" steadily declined and reached 1.4 million in 2015 and 1.2 million in 2019, the number of corporate farms managed by organizations increased from 8,700 in 2005 to 18,900 in 2015. In 2015, more than 90% of these corporate farms were companies (64%) and agricultural producers' cooperative corporations (28%) (Figure 8).

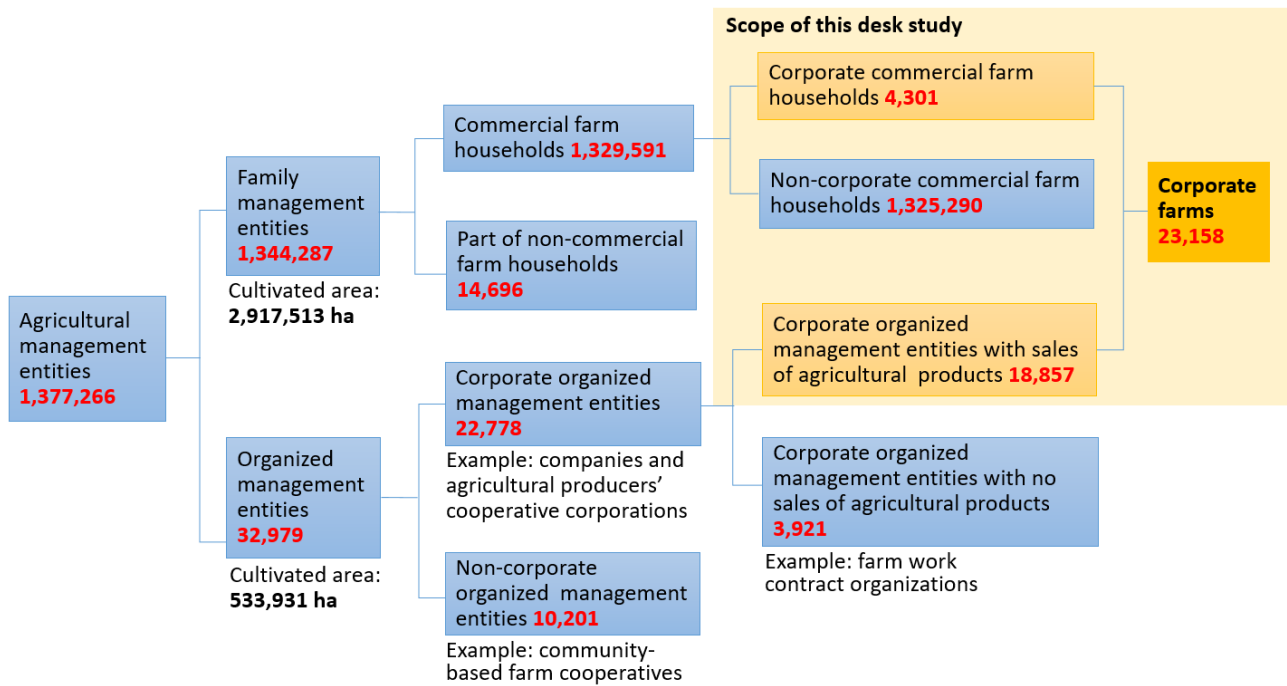
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<sup>1</sup> Companies are established based on the Companies Act.

<sup>2</sup> Agricultural producers' cooperative corporations are established based on the Agricultural Cooperative Act. Business activities are limited to agricultural management and agriculture-related businesses.

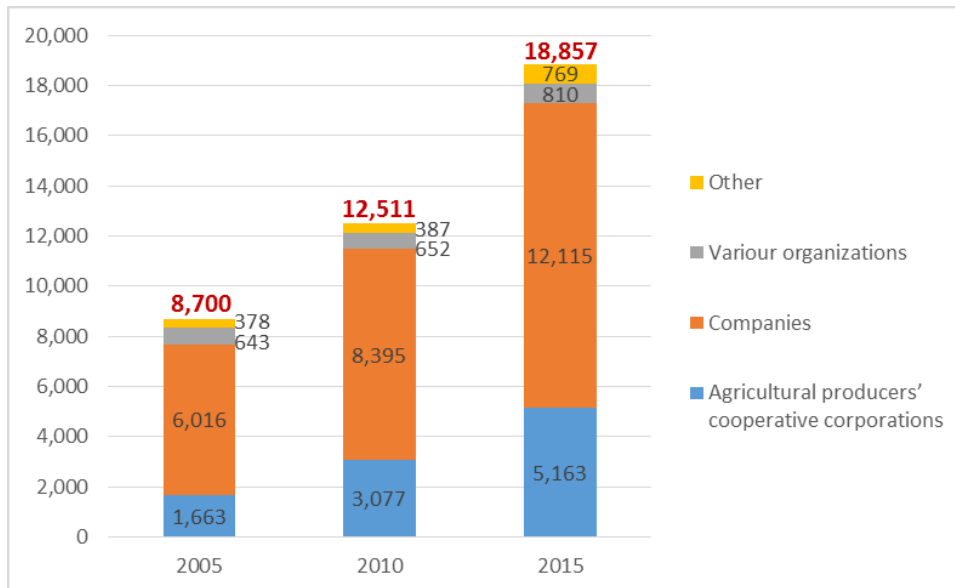
<sup>3</sup> For sector-specific size standards, MAFF calculated the values corresponding to the gross profit of arable land area of 0.3 ha .

**Figure 7: Structure of Japanese agricultural sector, 2015**



Source: This figure was prepared based on data presented in “White Paper on Food, Agriculture and Rural Area in Japan FY 2016” (2017)

**Figure 8: Number of corporate farms (managed by organizations) with sales of agricultural products, 2005-2019**

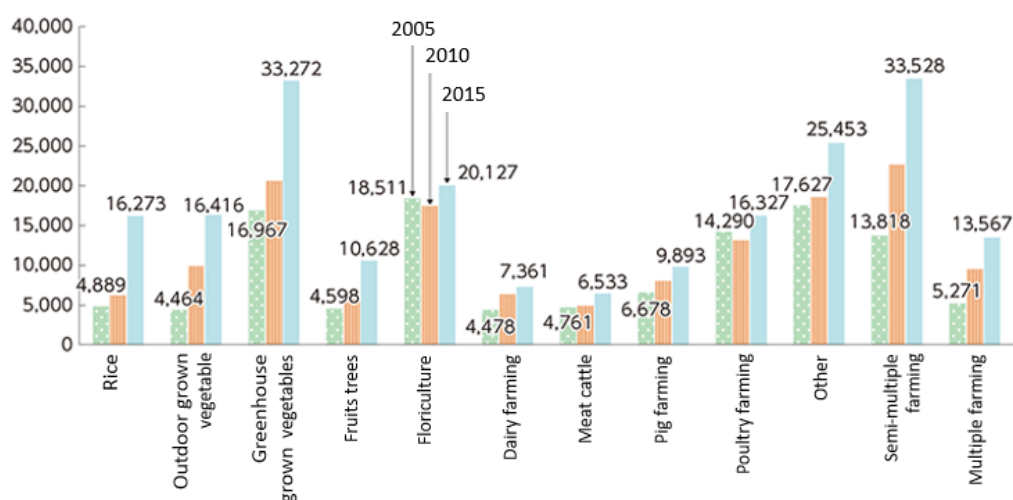


Source: Ministry of Agriculture, Forestry and Fisheries (online statistics 2020)

## 4.2 Hired workers

Parallel to the increase of corporate farming, the number of workers permanently hired by “agricultural management entities” has also increased in Japan. In 2015, more than 220,000 workers were hired. In particular, there has been a remarkable increase in the number of workers hired in rice farming, open-field vegetable farming, and greenhouse vegetable farming (Figure 9).

**Figure 9: Number of permanently hired workers on Japanese farms by sector, 2005-2015**



Source: This figure was prepared based on data presented in “White Paper on Food, Agriculture and Rural Area in Japan FY 2016” (2017)

In addition to these permanently hired workers, many foreign agricultural trainees fill labor shortages in the farming sector. There are roughly 30,000 foreign agricultural trainees in Japan who are allowed to stay in Japan up to 5 years. To address serious labour shortages, the government officially opened its doors to lower-skilled foreign workers in April 2019 under the new Specified Skilled visa program.

The wording “corporate farms” can however be misleading, as also many small (in sales) companies are in the total number. Table 3 shows the changes in the number of corporate farms (managed by organizations) with sales of agricultural products, categorized in annual sales groups. In 2015, only 45 % of the corporate farms (managed by organizations) had annual sales of over JPY 30 million (>€253,000). 48% of the corporate farms cultivated more than 5 ha agricultural land. (Annex 1, Table 11).

**Table 3: Number of corporate farms (managed by organizations) with sales of agricultural products, in categories of annual sales of agricultural products, 2005-2015**

	2005	2010	2015	% Change 2005-2015
< 3M (<€25,000)	892	1,314	2,642	196.20%
3-7M (<€59,100)	618	1,002	1,809	192.70%
7-15M (<€127,000)	869	1,625	2,723	213.30%
15-30M (<€253,000)	1,082	1,892	2,920	169.90%
30-50M (<€422,000)	937	1,525	2,082	122.20%
50-100M (<€844,000)	1,370	1,694	2,364	72.60%
100-300M (<€2,533,000)	1,581	1,872	2,243	41.90%
300-500M (<€4,222,000)	409	516	672	64.30%
> 500M (>€4,222,000)	547	648	851	55.60%
<b>Total</b>	<b>8,700</b>	<b>12,511</b>	<b>18,857</b>	<b>116.70%</b>

Source: Ministry of Agriculture, Forestry and Fisheries (online statistics 2020)

Note: Corporate farms (managed by organizations) do not include corporate farms managed by households.

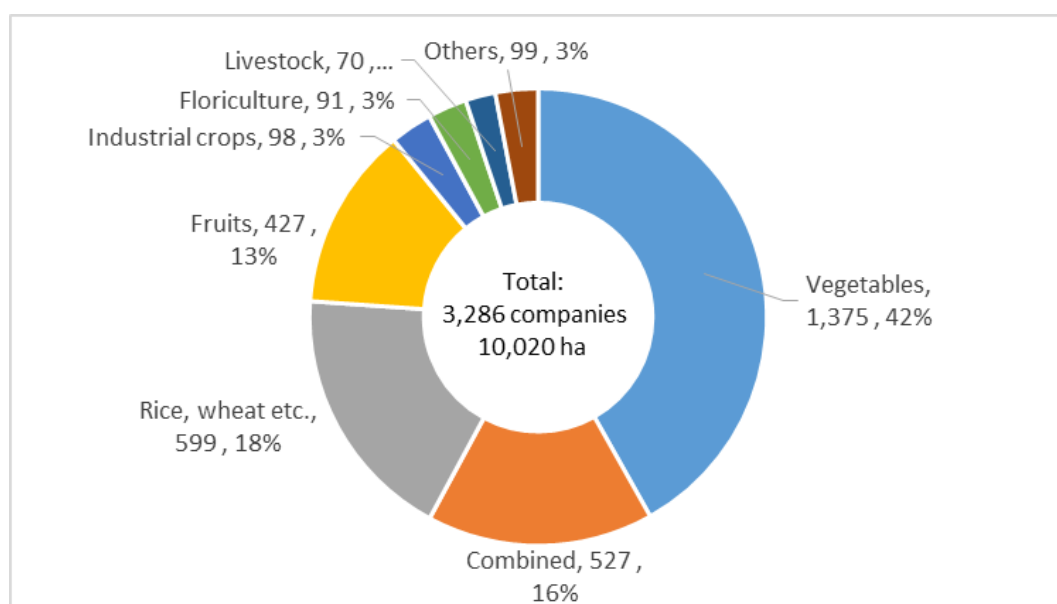
### 4.3 Entry of non-agricultural companies into corporate farming business

The sharp increase in corporate farms with sales of agricultural products is closely linked to the government's policy changes concerning the Cropland Act. Immediately after World War II, a drastic farmland reform was implemented in Japan. All of the farmland owned by non-resident landlords and holdings above certain limits were confiscated and re-distributed to actual tillers. The Cropland Act (1952) was based on the principle that farmland should be owned by its cultivator. The law from 1952 facilitated the acquisition of farmland by cultivators, while in principle prohibiting corporations from acquiring it.

However, to address the problem of land abandonment and increase the number of users of farmland, the government has relaxed farmland regulations in stages over the past decades. In 2003, non-agricultural companies were allowed for the first time to lease farmland, as an experiment, to undertake farming business in designated structural deregulation zones. Since September 2005, they have been allowed to do so nationwide (limited to abandoned land designated by local authorities). In the same year MAFF started with their statistics on "agricultural management entities". The leasing of farmland was fully liberalized in 2009 when the Cropland Act was amended and non-agricultural companies were allowed to lease farmland anywhere in Japan for up to 50 years, including non-abandoned farmland. Subsequently from that moment, there has been a sharp increase in the number of non-agricultural companies entering the farming business by leasing farmland. These numbers are included in the corporate farm figures.

As of December 2018, 3,286 non-agricultural companies were engaged in farming by leasing farmland, of which 2,089 (64%) were stock companies,<sup>4</sup> 794 (24%) were non-profit organizations<sup>5</sup> and 403 (12%) were special limited-liability companies.<sup>6</sup> The total area of farmland leased by the non-agricultural companies is still relatively small and reached 10,020 ha in 2018. Out of the 3,286 non-agricultural companies, 884 (27%) were crop/livestock related companies, 650 (20%) were food-related companies and 336 (10%) were construction companies. By type of crop, the largest share (42% of the total) started vegetable farming (Figure 10).

**Figure 10: Composition of non-agricultural companies entering farming business by product (2018)**



Source: Ministry of Agriculture, Forestry and Fisheries (online statistics 2020)

Although the *leasing* of farmland was fully liberalized in 2009, the *ownership* of farmland is still strictly regulated under the amended Cropland Act. To obtain farmland ownership, agricultural corporations have to obtain the status of “Corporation Qualified to own Cropland” defined by the Cropland Act by fulfilling certain requirements. The requirements concern the form of corporation, the main business of the corporation, members, and their voting rights and executive officers. The government eased the requirements in stages to make it easier for companies to own farmland.

<sup>4</sup> Stock companies are established based on the Companies Act.

<sup>5</sup> Non-profit organizations are established based on the Act on Promotion of Specified Non-profit Activities (NPO Act).

<sup>6</sup> Limited liability companies were established based on the Limited Liability Companies Act before 1 May 2006. These companies exist as “Special limited liability companies” today. The Limited Liability Companies Act was abolished with the establishment of the Companies Act (enforced on 1 May 2006).



Under the amended Cropland Act,<sup>7</sup> to be able to own farmland more than half of sales must be from agricultural business (including sales and processing); the majority of the board must work on agriculture-related activities for at least 150 days a year; and at least one board members (or a key employee such as a farm manager) must work on a farm at least 60 days a year. For non-agricultural companies or conglomerates, this may be still a difficult obstacle to enter the agricultural sector as a producer.

Non-agricultural companies have found alternative ways to start a farming business, by :

- establishing a daughter corporation qualified to own farmland,
- *OR* leasing farmland,
- *OR* starting a farming business that does not require cultivation on soil, e.g., especially greenhouse horticulture, fruit production, but also livestock farming, and agricultural service (figure 10).

Nevertheless, the number of corporations with farmland steadily increased over the past decade. As of January 2019, 19,213 corporations were qualified to own farmland. Of this number, stock companies (limited to companies with only nontransferable stocks) accounted for the largest share (36%), followed by special limited liability companies (33%), agricultural producers' cooperative corporations (29%) and membership companies (3%). By product, rice and wheat accounted for the largest share (43%), followed by vegetables (19%), livestock (17%), and fruits (7%).

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<sup>7</sup> The last major amendment was enforced in April 2016.

## 5. Economic performance of the commercial and corporate farms

### 5.1 Output and sales

OECD (2019) concludes that the economic importance of large-scale farms is increasing, especially in terms of their economic output. Commercial farmers have different sizes expressed in area or in Standard Output. One of the key economic drivers of future changes within the family farming sector – and in contrast to the non-family farming sector- is the differential between farm incomes and incomes in the rest of the economy. Therefore the earning capacity of the agricultural enterprise is important.

For many years there is a trend that the percentage of number and output of large-scale farms (>JPY 50 million annually) is increasing while the number of smaller farms is declining (Table 5). In 2015, only 2.6 % of the total farms – or approximately 35,000 farms - (sales value > JPY30 million/250,000 euro) accounts for more than half (53%) of the country's agricultural produce in value. A significant growth compared to 2005 when these figures were 1.8% and 40.7% respectively. These large-scale farms include both commercial as corporate farms.

**Table 4: Agricultural Management Entities, total number of commercial and corporate farms, by sales of agricultural products (2005, 2010, 2015)**

Sales in JPY (€)	2005	2010	2015
No sale	248,625	172,508	132,034
<0.5M (<€4,250)	570,143	528,644	470,357
0.5-1M (€4,250-8,500)	341,461	288,050	211,374
1-2M (€8,500-17,000)	292,426	225,910	165,978
<b>Total companies sales &lt;2M (&lt;€17,000)</b>	<b>1,452,655</b>	<b>1,215,112</b>	<b>979,743</b>
2-3M (€17,000-25,500)	134,429	113,929	89,339
3-5M (€25,500-42,500)	132,535	102,718	85,221
5-7M (€42,500-59,500)	72,691	57,246	47,975
<b>Total companies sales 2-7M (€17,000-60,000)</b>	<b>339,655</b>	<b>273,893</b>	<b>222,535</b>
7-10M (€59,500-85,000)	65,202	57,096	49,441
10-15M (€85,000-127,000)	60,302	49,853	43,676
<b>Total companies sales 7-15M (€60,000-127,000)</b>	<b>125,504</b>	<b>106,949</b>	<b>93,117</b>
15-20M (€127,000-170,000)	28,056	25,142	23,344
20-30M (€170,000-255,000)	28,111	24,910	23,181
<b>Total companies sales 15-30M (€127,000-255,000)</b>	<b>56,167</b>	<b>50,052</b>	<b>46,525</b>
30-50M (€255,000-425,000)	20,623	18,212	18,346
50-100M (€425,000-850,000)	9,683	9,289	10,451
100-300M (€850,000-2,550,000)	3,911	4,193	4,722
300-500M (€2,550,000-4,250,000)	552	670	896
>500M (>€4,250,000)	630	714	931
<b>Total companies sales &gt;30M (&gt;€255,000)</b>	<b>35,399</b>	<b>33,078</b>	<b>35,346</b>
<b>Total</b>	<b>2,009,380</b>	<b>1,679,084</b>	<b>1,377,266</b>

Source: Ministry of Agriculture, Forestry and Fisheries (online statistics 2020)

\*Besides 1,325,290 Commercial farms and 23,158 Corporate Farms, the figures also include: Non-corporate management entities (10,021); Corporate entities with no-sales of agricultural products (3,921); part of non-commercial farms households, which makes in total 1,377,266 "Agricultural Management Entities".

**Table 5: Percentage in number and output**

Sales in JPY (€)	% in number			% in output (sales)		
	2005	2010	2015	2005	2010	2015
<2M (<€17,000)	72.3%	72.4%	71.1%	10.7%	9.6%	7.4%
2-7M (€17,000-60,000)	16.9%	16.3%	16.2%	16.6%	14.5%	12.0%
7-15M (€60,000-127,000)	6.2%	6.4%	6.8%	16.7%	15.5%	13.6%
15-30M (€127,000-255,000)	2.8%	3.0%	3.4%	15.3%	14.9%	13.9%
<b>&gt;30M (&gt;€255,000)</b>	<b>1.8%</b>	<b>2.0%</b>	<b>2.6%</b>	<b>40.7%</b>	<b>45.4%</b>	<b>53.0%</b>

Source: Ministry of Agriculture, Forestry and Fisheries (online statistics 2020)

At the same time, about 980,000 part-time, small farmers produced less than JPY2 million worth of products (<17,000 euro), a number which account for 70 % of the total number of commercial farms (Table 4). It's mostly this group rice farmers that is dominating the image of Japanese agriculture.

In the annex a sectoral analyses of the output and company size can be found for:

- Greenhouse (Hectares, output)
- Dairy production (cows, output)
- Pork production (pigs, output)
- Poultry production (Chicken, output)

## 5.2 Profitability of the farms

The sales volume/output is just one indicator of the viability of the farm, another one is the profitability. The Japanese government spends a large amount of its budget on subsidizing Japanese farmers. OECD calculated that the producer support estimate (PSE) was about 46% of gross farm receipts in 2015-17, down from 63% in 1986-88 but still much higher than the OECD average. Market price support (MPS), executed by ALIC, remains the main element of the PSE, mainly sustained by high import tariffs and product support schemes.. MPS for rice, milk, and pork account for half of Japan's MPS in 2015-17. As a result of the prize stabilization measures, prices received by Japanese producers are on average 72% above world market prices (OECD 2019). Although Japanese farmers have higher (input) costs, in general high prices lead to higher profitability, and a high number of professional farmers .

For a long time the image of an ageing, small-scaled, heavily subsidized farmer is dominating the picture of Japanese agriculture. For a large part this is correct, as the vast majority is working part-time on approximately 1.6 ha of (mostly rice) land, generating an additional income of €3,400-4,600 on top of other income sources. Table 6 shows the average income and costs figures of Commercial farms in Japan by type of farm. Table 7 shows the average income and costs figures of the 18,857 corporate farms (managed by companies and other organizations) in Japan.

Although there are big differences in size, both the net average income of the fulltime Commercial farms and the corporate farms are however quite substantially. With an average net income of €54,230 on an sales value + subsidy of €166,230 the full-time commercial farmer has a lower average income compared to the Netherlands, but still a good income. The situation is even much better on the corporate farms (€1,343,921 sales value) and €131,491 net income.

**Table 6: Gross income (sales + subsidies), costs and income of commercial farms, 2018**

	Agricultural gross income (EUR)		Agricultural costs (EUR)	Agricultural net income (EUR)	Cultivated area (ha)	% Income/output	
	Subsidies etc.	Sales					
Business farm	166,230	13,451	152,779	112,000	54,230	7.0	32.62%
Semi-business	44,615	2,869	41,746	41,197	3,418	2.4	7.66%
Side-business	20,254	1,639	18,615	15,623	4,631	1.7	22.87%

Source: Ministry of Agriculture, Forestry and Fisheries, "Report of Statistical Survey on Farm Management" (2018)

Note: Subsidies etc. includes subsidies and mutual aid insurance money. Conversion rate: 1 euro = 122 yen

**Table 7: Average gross income (sales + subsidies), costs, net income and scale of farming of corporate farms by sector, 2018**

	Agricultural gross income (EUR)		Agricultural expenditures (EUR)	Agricultural income (EUR)	Scale of farming (ha, number of livestock)	
	Subsidies etc.	Sales				
Corporate farms (average)	1,344,680	102,566	1,242,115	1,213,115	131,566	28.05
Rice paddy farming	405,205	126,893	278,311	281,828	123,377	35.94
Upland field farming	671,762	130,459	541,303	542,672	129,090	40.07
Outdoor grown vegetables	1,082,549	101,115	981,434	921,951	160,598	24.92
Greenhouse grown vegetables	979,689	18,418	961,270	832,762	146,926	3.87
Fruit trees	348,377	10,180	338,197	270,574	77,803	6.648
Outdoor grown floriculture	157,361	10,361	147,000	145,656	11,705	1.937
Greenhouse grown floriculture	534,074	410	533,664	518,443	15,631	0.99
Dairy farming	2,090,795	153,475	1,937,320	1,817,893	272,902	195.6
Breeding cattle	1,204,344	118,475	1,085,869	1,158,885	45,459	194
Beef cattle	4,927,934	266,770	4,661,164	4,925,779	2,156	1,040.40
Pig farming	6,034,508	70,820	5,963,689	5,749,303	285,205	9,690.20
Layer farming	4,948,967	154,992	4,793,975	4,823,344	125,623	175,620
Broiler farming	2,202,393	9,254	2,193,139	2,030,057	172,418	601,590

Source: Ministry of Agriculture, Forestry and Fisheries, "Report of Statistical Survey on Farm Management" (2018)

Note: Corporate farms excludes those managed by households. Subsidies etc. includes subsidies and mutual aid insurance money. Conversion rate: 1 euro = 122 yen

In conclusion, Japan has approximately 18,800 corporate farms and 235,000 full-time commercial-business farms: of those approximately 60,000 farmers has an average agro-sales value of €170,000, which leads in combination with all kinds of subsidies to a good income of more than €50,000. In comparison: Japanese households had an average annual income of 5.17 million yen (€42.5k) in 2019 (Statistics Bureau Japan 2020).

In comparison: the average income of the Dutch farmer was in 2019 around €85,900, based on an output value of €599,700 (profitability 14%). Of course there are a lot of sectoral differences, especially between the capital intensive sectors like horticulture under class and livestock sectors (poultry and pig) with its dependency on feed imports.

**Table 8: Sales value, costs and income on Dutch farms, 2019**

	Sales value (EUR)	Costs (EUR)	Family farm income (EUR)	% Income/Output
Dutch Farm average	599,700	513,800	85,900	14%
Dairy farms	414,300	365,200	49,100	12%
Pig farms	1,299,000	975,700	323,300	25%
Laying hens farms	889,800	819,500	70,300	8%
Arable farms	316,700	274,600	42,100	13%
Horticulture under glass	2,472,300	2,147,600	324,700	13%
Starch potato farms	284,200	269,400	14,800	5%

Source: WUR-Agrimatie 2019

Still the standard earning capacity of an average Japanese farmer with an average output value of €170,000 can be compared with the Netherlands. The difference can be explained by Japan's higher output/income ratio of 32.6%, which is almost 2.5 times higher than the Netherlands. It's questionable whether the high farm gate prizes will remain in the future, as Japan signed several free trade agreements with the EU, USA, TPP and Australia. On the short term not much will change much as long transition periods and TRQs remain. Higher transportation costs protects the market for perishable products such as fruit and vegetables, and rice is excluded from trade liberalization. About 35,000 Agricultural Management Entities with an output more than 30 million yen (€255k) every year grow in number as their share of the national agricultural output.

## 6. SUMMARY

The Japanese government has ambitious plans to increase the self-sufficiency rate from 37% to 45% in 2030 and bring agricultural export to JPY1 trillion in 2020. To achieve this, the sector needs to be reshaped into Smart Agriculture using all kinds of modern equipment like drones AI Robots IoT. It also requires a resilient farmer who has the size and is able to do capital-intensive investments. For many years there is a trend that the percentage of number and output of large-scale farms is increasing while the number of smaller farms is declining. This economic desk study analyzed farm size, output, and earning capacity of Japanese farmers to get a better picture of the Japanese farmer of the future. The social and cultural importance of farmers in rural areas was not part of the scope of the study.

Family farming in Japan covers a wide range of farm types and sizes, with both full- and part-time farmers, and farmers with and without other gainful activities. The objectives of some family farms are focused on commercial farm business operations, while others produce mainly for local needs. In 2019 Japan had 3.6 million landowners, 2.1 million households occasionally working on the land, and 1.1 million (part-time) family farms, the so-called commercial farms. These commercial farms are defined as those cultivating >0.3 ha of farmland OR earning more than JPY500,000 (€ 4,250) per year from sales of agricultural products.

The number of commercial farms has declined sharply over the years: from 3.3 million in 1985 to 1.1 million in 2019. Commercial farms can be divided in three categories: business farms (235,500); semi-business (165,500); and side-business farms (729,100). While business farms earn more than 80 % of the net household income (average €55,000) from farming, semi-business and side-business farms earn respectively only 6 % and 11 % of their household income from farming. So in Japan there are 235,500 business farms that generated more than half of their income from agriculture.

Japan has a total cultivated agricultural area of 4.4 million ha of land of which 2.9 million ha is cultivated by 1.1 million commercial farms. The national average farm size per commercial farm is therefore small (26 ha in Hokkaido; 1.8 ha in the other prefectures). However this does not reveal much about the current state of business farms in Japan, because nearly 80% is semi-business or side-business farms. The average area of the 235,500 business farms is 5.6ha, while that of semi-business and side-business farms is much lower (res. 1.6 ha and 1.1ha).

The majority of Japanese commercial farms is still family-owned, although there is a steady shift towards corporate farms with modern management that employ workers. The number of corporate farms increased from 8,700 in 2005 to 18,900 in 2015. The average size of corporate farms can be compared with Hokkaido's commercial farming (26 ha).The wording "corporate farm" can however be misleading as also many small (in sales value) companies are included. In 2015 about only 45 % of these corporate farms had annual sales of

over JPY 30 million (€253,000). Generally these corporate farming organizations are commercially quite successful. In 2003 non-agricultural companies entered the agricultural sector when they were allowed to lease farmland. As of December 2018, 3,286 non-agricultural companies are engaged in farming. The role of the non-agricultural holdings must however not be overestimated: in 2018 they leased only 10,020 hectares in total.

For a long time the image of an ageing, small-scaled, heavily subsidized farmer above 70 is dominating the picture of Japanese agriculture. For a large part this is correct, as the majority is working part-time on 1 or 2 hectares of (mostly rice) land, generating an additional income of €3,400-4,600 on top of other income sources. Commercial and corporate farms are however much more successful.

One of the key economic drivers of future changes within the family farming sector – and in contrast to the non-family farming sector- is the differential between farm incomes and incomes in the rest of the economy. The business farmers have an average net income of €54,230 generated from sales and subsidies in value of €166,230. The situation is even much better on the corporate farms (€1,343,921 sales value) and €131,491 net income. In comparison: Japanese households had an average annual income of 5.17 million yen (€42.5k). A Dutch farmer earned in 2019 around €85,900, based on an output value of €599,700 (profitability 14%). In Japan profitability is much higher thanks to higher prices and subsidies. Prices received by Japanese producers are on average 72% above world market prices. The OECD producer support estimate (PSE) was between 2015-2017 about 46% of gross farm receipts.

Despite the decline of numbers, side business farms (-2.1% year on year) and non-commercial farms (-0.6% year on year) are relatively keeping its position in the rural areas. It suggests that a rather stable, refreshing group of ageing farmers stay in business (mostly rice) for the local market, or to satisfy household food needs. Especially the middle group of semi-business and smaller business (full-time) farms are struggling to survive. Between 1990 and 2019, the number of business (-3.75%) and semi-business farms (-4.35%) dropped significantly.

Three percent of the farms already accounts for 53% of the total agricultural production. This last group is yearly growing in economic importance. In 2019 there were approximately 60,000 large commercial farms or corporate commercial farms that have an average agro-sales value of €170,000, which leads in combination with all kinds of subsidies to a net income of more than €55,000. A list of the 500 largest non-rice Japanese farms was acquired and is available for Dutch companies on request.



## Annex 1 SECTORAL ANALYSIS

**Table 9: Agricultural Management Entities, total number of commercial and corporate farms, in greenhouse horticulture (vegetable farming), numbers by sales and size, 2015**

	<0.1ha	0.1-0.3 ha	0.3-0.5 ha	0.5-1.0 ha	1.0-2.0 ha	2.0-3.0 ha	>3.0ha	Total
No sale	138	51	6	6	2	-	-	203
<0.5M (<€4,250)	4,451	780	123	48	2	-	-	5,404
0.5-1M (€4,250-8,500)	5,637	1,519	189	75	7	1	-	7,428
1-2M (€8,500-17,000)	7,453	3,449	534	204	37	2	1	11,680
<b>Total companies sales &lt;2M (&lt;€17,000)</b>	<b>17,679</b>	<b>5,799</b>	<b>852</b>	<b>333</b>	<b>48</b>	<b>3</b>	<b>1</b>	<b>24,715</b>
2-3M (€17,000-25,500)	5,336	4,352	831	353	56	6	1	10,935
3-5M (€25,500-42,500)	5,613	7,148	1,753	822	148	13	3	15,500
5-7M (€42,500-59,500)	3,056	5,666	1,793	907	193	20	7	11,642
<b>Total companies sales 2-7M (€17,000-60,000)</b>	<b>14,005</b>	<b>17,166</b>	<b>4,377</b>	<b>2,082</b>	<b>397</b>	<b>39</b>	<b>11</b>	<b>38,077</b>
7-10M (€59,500-85,000)	2,913	6,566	3,009	1,592	450	49	14	14,593
10-15M (€85,000-127,000)	2,203	5,060	4,115	2,216	776	95	24	14,489
<b>Total companies sales 7-15M (€60,000-127,000)</b>	<b>5,116</b>	<b>11,626</b>	<b>7,124</b>	<b>3,808</b>	<b>1,226</b>	<b>144</b>	<b>38</b>	<b>29,082</b>
15-20M (€127,000-170,000)	1,110	1,677	2,227	1,629	556	123	62	7,384
20-30M (€170,000-255,000)	946	1,010	1,524	1,820	722	200	121	6,343
<b>Total companies sales 15-30M (€127,000-255,000)</b>	<b>2,056</b>	<b>2,687</b>	<b>3,751</b>	<b>3,449</b>	<b>1,278</b>	<b>323</b>	<b>183</b>	<b>13,727</b>
30-50M (€255,000-425,000)	524	438	452	991	643	173	182	3,403
50-100M (€425,000-850,000)	234	182	98	271	314	110	184	1,393
100-300M (€850,000-2,550,000)	72	57	32	54	87	62	80	444
300-500M (€2,550,000-4,250,000)	8	15	6	11	7	1	18	66
>500M (>€4,250,000)	14	13	1	13	8	6	21	76
<b>Total companies sales &gt;30M (&gt;€255,000)</b>	<b>852</b>	<b>705</b>	<b>589</b>	<b>1,340</b>	<b>1,059</b>	<b>352</b>	<b>485</b>	<b>5,382</b>
<b>Total</b>	<b>39,708</b>	<b>37,983</b>	<b>16,693</b>	<b>11,012</b>	<b>4,008</b>	<b>861</b>	<b>718</b>	<b>110,983</b>

Source: Ministry of Agriculture, Forestry and Fisheries, "Census of Agriculture and Forestry" (2016)

**Table 10: Agricultural Management Entities, total number of commercial and corporate farms, in dairy farming, number by sales and size, 2015**

	1-9 cows	10-19 cow	20-29 cows	30-49 cows	50-99 cows	100-299 cows	>300 cows	Total
No sale	72	22	17	10	17	4	2	144
<0.5M (<€4,250)	250	49	19	29	9	4	-	360
0.5-1M (€4,250-8,500)	232	37	16	14	13	5	-	317
1-2M (€8,500-17,000)	337	44	25	28	18	5	-	457
<b>Total companies sales &lt;2M (&lt;€17,000)</b>	<b>891</b>	<b>152</b>	<b>77</b>	<b>81</b>	<b>57</b>	<b>18</b>	<b>2</b>	<b>1,278</b>
2-3M (€17,000-25,500)	252	61	24	30	28	4	-	399
3-5M (€25,500-42,500)	374	145	44	53	32	7	-	655
5-7M (€42,500-59,500)	212	190	47	39	30	3	-	521
<b>Total companies sales 2-7M (€17,000-60,000)</b>	<b>838</b>	<b>396</b>	<b>115</b>	<b>122</b>	<b>90</b>	<b>14</b>	<b>-</b>	<b>1,575</b>
7-10M (€59,500-85,000)	173	419	125	69	34	8	1	829
10-15M (€85,000-127,000)	108	726	381	150	42	11	-	1,418
<b>Total companies sales 7-15M (€60,000-127,000)</b>	<b>281</b>	<b>1,145</b>	<b>506</b>	<b>219</b>	<b>76</b>	<b>19</b>	<b>1</b>	<b>2,247</b>
15-20M (€127,000-170,000)	32	337	641	353	66	6	-	1,435
20-30M (€170,000-255,000)	45	132	856	1,357	351	9	1	2,751
<b>Total companies sales 15-30M (€127,000-255,000)</b>	<b>77</b>	<b>469</b>	<b>1,497</b>	<b>1,710</b>	<b>417</b>	<b>15</b>	<b>1</b>	<b>4,186</b>
30-50M (€255,000-425,000)	24	35	247	1,997	1,766	65	1	4,135
50-100M (€425,000-850,000)	6	12	29	226	2,042	654	1	2,970
100-300M (€850,000-2,550,000)	5	5	5	15	95	887	52	1,064
300-500M (€2,550,000-4,250,000)	-	-	3	2	2	24	84	115
>500M (>€4,250,000)	1	3	-	1	3	4	54	66
<b>Total companies sales &gt;30M (&gt;€255,000)</b>	<b>36</b>	<b>55</b>	<b>284</b>	<b>2,241</b>	<b>3,908</b>	<b>1,634</b>	<b>192</b>	<b>8,350</b>
<b>Total</b>	<b>2,123</b>	<b>2,217</b>	<b>2,479</b>	<b>4,373</b>	<b>4,548</b>	<b>1,700</b>	<b>196</b>	<b>17,636</b>

Source: Ministry of Agriculture, Forestry and Fisheries, "Census of Agriculture and Forestry" (2016)

**Table 11: Agricultural Management Entities, total number of commercial and corporate farms, in pig farming, number by sales and size, 2015**

	Sows for breeding only			Pigs for fattening only					Integrated management (pigs for fattening)					Total	
	1-99	>100	Sub-total	1-99	100-999	1,000-1,999	>2,000	Sub-total	1-99	100-999	1,000-1,999	2,000-4,999	>5,000		Sub-total
No sale	12	4	16	9	10	-	2	21	4	4	7	5	2	22	59
<0.5M (<€4,250)	31	2	33	34	13	1	-	48	21	13	4	-	-	38	119
0.5-1M (€4,250-8,500)	18	1	19	21	4	2	-	27	18	5	1	1	1	26	72
1-2M (€8,500-17,000)	19	-	19	24	10	1	3	38	18	8	1	1	-	28	85
<b>Total companies sales &lt;2M (&lt;€17,000)</b>	<b>80</b>	<b>7</b>	<b>87</b>	<b>88</b>	<b>37</b>	<b>4</b>	<b>5</b>	<b>134</b>	<b>61</b>	<b>30</b>	<b>13</b>	<b>7</b>	<b>3</b>	<b>114</b>	<b>335</b>
2-3M (€17,000-25,500)	12	-	12	12	8	-	-	20	36	16	1	-	-	53	85
3-5M (€25,500-42,500)	18	-	18	24	17	5	1	47	45	18	1	-	-	64	129
5-7M (€42,500-59,500)	17	2	19	8	12	1	1	22	30	33	3	3	1	70	111
<b>Total companies sales 2-7M (€17,000-60,000)</b>	<b>47</b>	<b>2</b>	<b>49</b>	<b>44</b>	<b>37</b>	<b>6</b>	<b>2</b>	<b>89</b>	<b>111</b>	<b>67</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>187</b>	<b>325</b>
7-10M (€59,500-85,000)	7	1	8	17	31	12	2	62	28	63	5	-	-	96	166
10-15M (€85,000-127,000)	11	3	14	8	19	11	2	40	24	135	3	1	-	163	217
<b>Total companies sales 7-15M (€60,000-127,000)</b>	<b>18</b>	<b>4</b>	<b>22</b>	<b>25</b>	<b>50</b>	<b>23</b>	<b>4</b>	<b>102</b>	<b>52</b>	<b>198</b>	<b>8</b>	<b>1</b>	<b>-</b>	<b>259</b>	<b>383</b>
15-20M (€127,000-170,000)	8	-	8	7	16	2	5	30	15	110	2	2	1	130	168
20-30M (€170,000-255,000)	8	3	11	7	18	2	4	31	8	203	5	4	-	220	262
<b>Total companies sales 15-30M (€127,000-255,000)</b>	<b>16</b>	<b>3</b>	<b>19</b>	<b>14</b>	<b>34</b>	<b>4</b>	<b>9</b>	<b>61</b>	<b>23</b>	<b>313</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>350</b>	<b>430</b>
30-50M (€255,000-425,000)	4	4	8	5	32	12	5	54	15	322	32	6	1	376	438
50-100M (€425,000-850,000)	3	8	11	4	38	9	6	57	2	261	323	25	3	614	682
100-300M (€850,000-2,550,000)	1	9	10	2	8	27	24	61	4	26	216	349	28	623	694
300-500M (€2,550,000-4,250,000)	-	2	2	1	-	-	19	20	-	2	3	72	73	150	172
>500M (>€4,250,000)	-	-	-	-	-	3	21	24	-	-	6	11	173	190	214
<b>Total companies sales &gt;30M (&gt;€255,000)</b>	<b>8</b>	<b>23</b>	<b>31</b>	<b>12</b>	<b>78</b>	<b>51</b>	<b>75</b>	<b>216</b>	<b>21</b>	<b>611</b>	<b>580</b>	<b>463</b>	<b>278</b>	<b>1,953</b>	<b>2,200</b>
<b>Total</b>	<b>169</b>	<b>39</b>	<b>208</b>	<b>183</b>	<b>236</b>	<b>88</b>	<b>95</b>	<b>602</b>	<b>268</b>	<b>1,219</b>	<b>613</b>	<b>480</b>	<b>283</b>	<b>2,863</b>	<b>3,673</b>

Source: Ministry of Agriculture, Forestry and Fisheries, "Census of Agriculture and Forestry" (2016)

**Table 12: Agricultural Management Entities, total number of commercial and corporate farms, in poultry commercial farming (egg-laying hens), number by sales and size, 2015**

	1-299 hens	300-999 hens	1,000-4,999 hens	5,000-9,999 hens	10,000-49,999 hens	50,000-99,999 hens	100,000-299,999 hens	300,000-499,999 hens	>500,000 hens	Total
No sale	57	4	4	-	12	3	3	2	3	88
<0.5M (<€4,250)	463	26	8	9	5	1	1	-	-	513
0.5-1M (€4,250-8,500)	306	35	7	2	1	-	1	-	-	352
1-2M (€8,500-17,000)	311	57	13	4	5	2	-	-	-	392
<b>Total companies sales &lt;2M (&lt;€17,000)</b>	<b>1,137</b>	<b>122</b>	<b>32</b>	<b>15</b>	<b>23</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>1,345</b>
2-3M (€17,000-25,500)	183	63	27	5	6	1	-	-	-	285
3-5M (€25,500-42,500)	181	96	46	4	11	1	1	-	-	340
5-7M (€42,500-59,500)	74	37	55	5	5	3	-	-	-	179
<b>Total companies sales 2-7M (€17,000-60,000)</b>	<b>438</b>	<b>196</b>	<b>128</b>	<b>14</b>	<b>22</b>	<b>5</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>804</b>
7-10M (€59,500-85,000)	66	36	86	22	13	-	2	-	-	225
10-15M (€85,000-127,000)	56	23	104	23	12	3	1	-	-	222
<b>Total companies sales 7-15M (€60,000-127,000)</b>	<b>122</b>	<b>59</b>	<b>190</b>	<b>45</b>	<b>25</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>447</b>
15-20M (€127,000-170,000)	16	13	43	33	21	1	-	-	-	127
20-30M (€170,000-255,000)	21	4	50	68	35	3	1	-	-	182
<b>Total companies sales 15-30M (€127,000-255,000)</b>	<b>37</b>	<b>17</b>	<b>93</b>	<b>101</b>	<b>56</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>309</b>
30-50M (€255,000-425,000)	16	4	21	86	113	5	6	-	-	251
50-100M (€425,000-850,000)	16	6	10	24	240	15	8	2	1	322
100-300M (€850,000-2,550,000)	4	1	4	3	155	136	43	4	1	351
300-500M (€2,550,000-4,250,000)	-	-	2	-	15	39	72	3	-	131
>500M (>€4,250,000)	3	-	3	1	13	6	88	57	50	221
<b>Total companies sales &gt;30M (&gt;€255,000)</b>	<b>39</b>	<b>11</b>	<b>40</b>	<b>114</b>	<b>536</b>	<b>201</b>	<b>217</b>	<b>66</b>	<b>52</b>	<b>1,276</b>
<b>Total</b>	<b>1,773</b>	<b>405</b>	<b>483</b>	<b>289</b>	<b>662</b>	<b>219</b>	<b>227</b>	<b>68</b>	<b>55</b>	<b>4,181</b>

Source: Ministry of Agriculture, Forestry and Fisheries, "Census of Agriculture and Forestry" (2016)

**Table 13: Corporate farms (managed by organizations) numbers by type of farming and cultivated area, 2015**

	Total	0	< 0.3 ha	0.3-0.5 ha	0.5-1.0 ha	1.0-1.5 ha	1.5-2.0 ha	2.0-3.0 ha	3.0-5.0 ha	5.0-10 ha	10-20 ha	20-30 ha	30-50 ha	50-100 ha	> 100 ha
Single farming	13,821	3,259	373	472	1,023	743	517	760	976	1,458	1,567	901	925	560	287
Rice	3,712	17	11	47	116	93	76	123	176	488	812	651	680	340	82
Wheat	134	4	-	-	2	5	2	8	12	23	37	14	12	9	6
Cereals, potatoes and pulses	522	6	5	15	37	28	20	30	55	103	91	48	37	27	20
Industrial crops	525	9	2	11	42	28	19	39	69	114	118	28	29	11	6
Outdoor grown vegetables	1,070	16	31	69	110	85	66	88	135	167	160	55	44	32	12
Greenhouse grown vegetables	1,137	244	68	92	198	121	89	112	94	79	34	4	1	1	-
Fruit trees	917	30	37	40	114	102	56	118	148	157	81	17	11	3	3
Flowering plants, trees and shrubs	1,113	171	57	75	189	131	102	121	106	102	43	7	6	1	2
Other crops	1,035	588	69	47	56	36	21	28	39	49	34	15	22	13	18
Dairy farming	560	73	3	9	24	18	13	18	35	54	56	35	30	81	111
Beef cattle	790	337	20	20	45	27	20	31	49	74	64	18	36	29	20
Pig farming	1,023	734	36	18	47	41	21	23	46	28	19	4	4	2	-
Poultry farming	1,104	945	31	24	36	19	11	16	8	12	-	1	-	-	1
Sericulture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other livestock farming	179	85	3	5	7	9	1	5	4	8	18	4	13	11	6
Semi-multiple farming	3,154	62	29	51	149	125	92	161	234	426	530	407	434	344	110
Multiple farming	1,331	25	9	16	53	53	37	66	122	160	227	155	175	152	81
No sales	551	-	24	85	102	57	31	39	54	47	44	17	16	19	16
<b>Total</b>	<b>18,857</b>	<b>3,346</b>	<b>435</b>	<b>624</b>	<b>1,327</b>	<b>978</b>	<b>677</b>	<b>1,026</b>	<b>1,386</b>	<b>2,091</b>	<b>2,368</b>	<b>1,480</b>	<b>1,550</b>	<b>1,075</b>	<b>494</b>

Source: Ministry of Agriculture, Forestry and Fisheries, "Census of Agriculture and Forestry" (2016)

## Annex 2 REPRESENTATION OF THE LARGE-SCALE CORPORATE FARMS

Large-scale corporate farms are less dependent on services provided by JA Group and have organized themselves in a new branch organization called the Japan Agricultural Corporations Association (JACA). While JA Group represents the interest of all farmers in Japan including small-scale non-corporate family farms the JACA association represents the interest of corporate farms. JACA was founded in June 1999 and has 2057 members as of March 2020. The association gathers information and conducts research for the benefit of its members and makes recommendations on agricultural management policies to the government. The association also provides training and education to managers and employees working for agricultural corporations. Politically they operate under the radar: JA Group remains the powerful organization representing interests of the whole agricultural sector. The member list of JACA is available on the association's website (link shown below) but it provides only names of companies in Japanese.

Japan Agricultural Corporations Association (JACA)

[https://hojin.or.jp/common/common\\_category/disclosure/membership\\_list/](https://hojin.or.jp/common/common_category/disclosure/membership_list/)