

Voluntary Report – Voluntary - Public Distribution

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Report Name: Japan Revises Agricultural Export Facilitation Act

Country: Japan

Post: Tokyo

Report Category: Agricultural Situation

Prepared By: Keiko Fujibayashi

Approved By: Zeke Spears

Report Highlights:

On May 19, Japan's Diet approved the Ministry of Agriculture, Forestry and Fisheries proposed revisions to the Agricultural Export Facilitation Act. The revisions allow product-specific industry groups to implement check-off systems and establishes a new fund to extend low-interest and long-term loans to producers, manufacturers and distributors to promote exports. The revised Act also establishes a system to allow private, MAFF-approved inspection bodies to issue export certificates.

Background

On May 19, the Diet approved a bill to revise the Export Facilitation Act ([JA2020-0201](#) and [JA2021-0103](#)), which sets export targets and implementation measures to increase Japanese food, forestry, and agricultural product exports. Japanese exports of these products have been steadily on the rise, totaling 1.2 trillion yen (\$9.8 billion)¹ in calendar year (CY) 2021. To further boost exports and meet the two trillion yen (\$16.3 billion) by CY2025 and five trillion yen (\$41 billion) by CY2030² export targets, the Diet approved the revised Export Facilitation Act to implement the following measures.

1. Establishment of Approval System for Product-Specific Industry Groups

The Ministry of Agriculture, Forestry, and Fisheries (MAFF) will establish a system to approve product-specific industry groups to promote collaborative, industry-wide efforts to increase exports. The MAFF approved product-specific industry groups can implement a voluntary check-off system and establish export quality and packaging specifications. The GOJ-financed Japan Policy Finance Corporation will extend credit insurance to the MAFF-approved product-specific industry groups. The Food Distribution Rationalization Promotion Organization, a public interest incorporated foundation established by MAFF, will extend loan guarantees to the industry groups. In addition, the Export Facilitation Act mandates the [Food and Agricultural Materials Inspection Center](#) and the [Japan External Trade Organization](#) (JETRO) to provide support to the new industry groups.

2. Expansion of Support for Approved Exporters

The GOJ will expand financial support to approved exporters³. The Japan Policy Finance Corporation will establish a new fund, “Agricultural, Forestry and Fisheries Products and Food Export Foundation Reinforcement Fund,” exclusively for financing export facilitation. The Fund provides low-interest and long-term (25 year-redemption period) loans to approved exporters for establishment of export facilities, working capital, and sublease loans for affiliated companies overseas. The Japan Finance Policy Corporation also provides approved exporters with standby credit. The approved exporters are also eligible for loan guarantees by the Food Distribution Rationalization Promotion Organization. In addition, the GOJ allows additional depreciation deduction for newly acquired machinery, facilities, equipment, and buildings owned by approved exporters.

3. Issuance of Export Certificates by Private Inspection Bodies

The Export Facility Act now allows for the MAFF Minister to approve and register private inspection bodies and to allow them to issue export certificates to expedite certificate issuance. MAFF registered inspection bodies can issue export certificates only when importing countries accept certificates issued by private bodies. In relation to this, the Diet approved the revision to the Plant Protection Act on April 22 to allow MAFF registered inspection bodies to carry out phytosanitary inspections on export shipments. For approval and registration of export facilities, the Export Facilitation Act establishes a

¹ USD = 122 yen

² In 2020, MAFF set the export target in the “Basic Plan for Food, Agriculture and Rural Areas.”

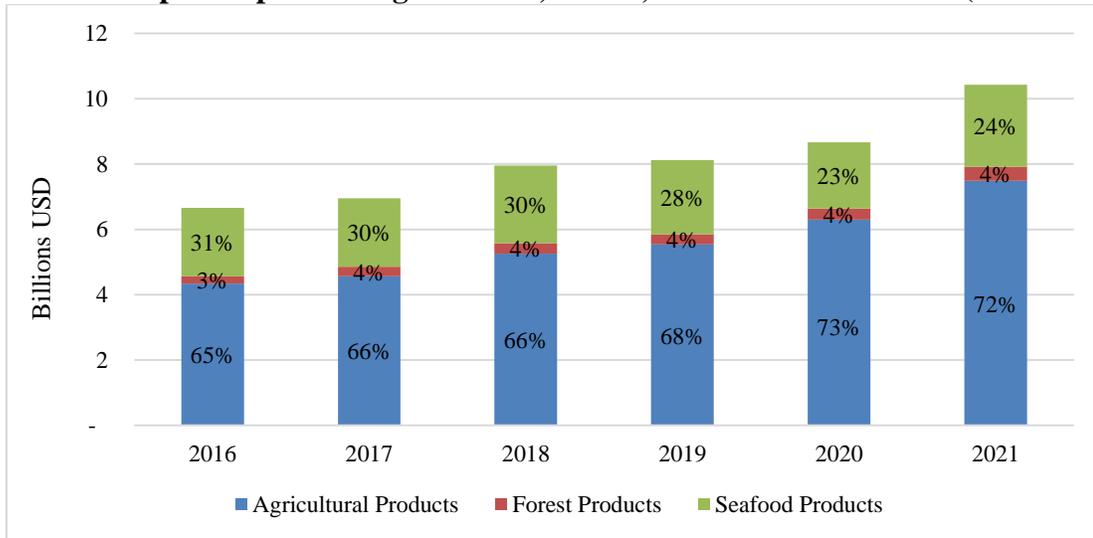
³ MAFF designates Approved Exporters by approving export plans of farmers, foresters, fishers, food manufacturers and distributors.

system in which the MAFF Minister approves and registers third party certifiers and allows them to approve facilities exporting Japanese products.

Japan’s Exports of Agricultural, Forestry and Fisheries Products and Food

Japan’s exports of agricultural, forestry and fisheries products and food have steadily increased over the last 6 years (Chart 1), particularly for food and agricultural products.

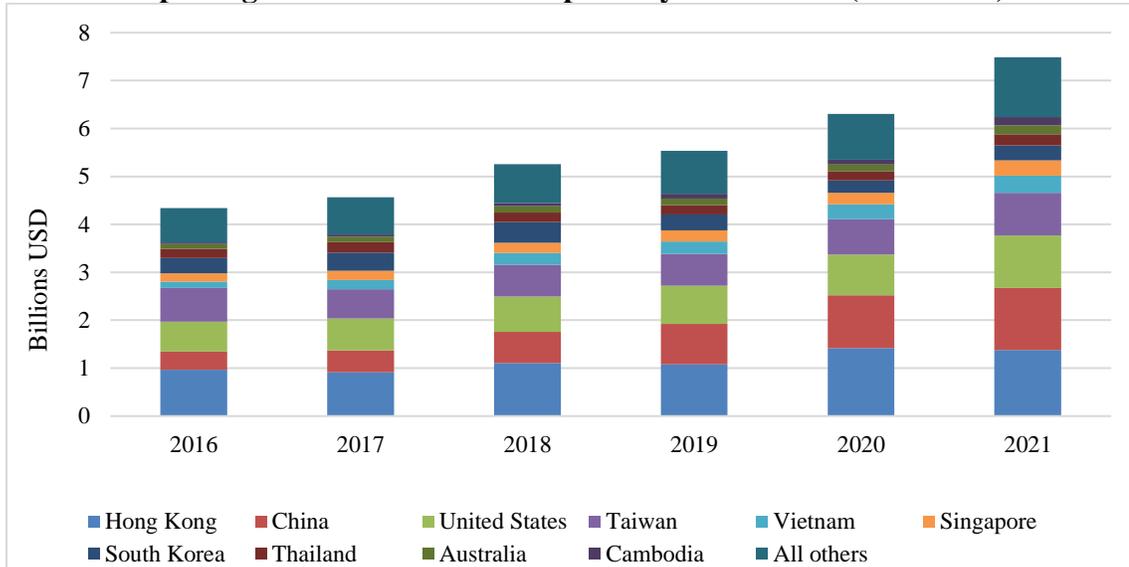
Chart 1. Japan Exports of Agricultural, Forest, and Seafood Products (2016-2021)



Source: Trade Data Monitor

Hong Kong has been the top market for Japan’s agricultural product exports, followed by China, the United States, and Taiwan. These four markets account for over 60 percent of Japan’s exports by value. Exports to China have grown 244 percent over the last six years. Exports of beef, instant coffee, alcoholic beverages such as *Sake* (rice wine) and whiskey, soft drinks, and seafood have marked significant growth in the last several years (Table 1).

Chart 2. Japan Agricultural Products Exports by Destination (2016-2021)



Source: Trade Data Monitor

Table 1. Japan's Top Food and Agricultural Product Exports (Million Yen)

Rank	Product	2016	2017	2018	2019	2020	2021	2021/16
1	Alcohol beverages	42,996	54,503	61,827	66,083	71,030	114,668	167%
2	Scallops	54,834	46,254	47,675	44,672	31,446	63,943	17%
3	Beef	13,552	19,156	24,731	29,675	28,874	53,679	296%
4	Sauces	27,372	29,590	32,539	33,657	36,542	43,533	59%
5	Soft drinks	19,431	24,505	28,167	30,391	34,164	40,570	109%
6	Yellow tail	13,473	15,380	15,765	22,920	17,262	24,620	83%
7	Confectionary/snacks	18,162	18,222	20,364	20,156	18,809	24,422	34%
8	Mackerel	17,986	21,885	26,690	20,612	20,444	22,025	22%
9	Logs	8,466	13,683	14,800	14,714	16,339	21,070	149%
10	Green tea	11,551	14,357	15,333	14,642	16,188	20,418	77%
11	Tuna and bonito	9,794	14,262	17,943	15,261	20,388	20,413	108%
12	Apples	13,299	10,948	13,970	14,492	10,702	16,212	22%
13	Sea cucumber	18,175	20,740	21,070	20,775	18,117	15,515	-15%
14	Tobacco	21,873	13,820	18,513	16,375	14,203	14,553	-33%
15	Infant formula	7,728	8,398	8,827	11,263	13,714	13,918	80%
16	Seeds for sowing	14,623	15,166	12,751	13,108	12,516	12,422	-15%
17	Soup broth	8,334	9,498	11,510	10,982	10,673	11,827	42%
18	Fish paste	9,272	9,520	10,667	11,168	10,382	11,258	21%
19	Instant coffee	2,419	2,363	2,792	3,493	9,231	8,822	265%
20	Bonsai trees	8,033	12,632	11,962	9,288	10,552	6,931	-14%

Source: MAFF

Attachments:

No Attachments.