



02 Vision of Journalists Covering Agricultural Policy

What we want The Norinchukin Bank to be

Producers are not the only ones taking a close look at our on-the-ground support. Agricultural policy journalists who report on agriculture, fishery and forestry policies at numerous local newspapers all over Japan are also friendly yet tough “watchers of The Norinchukin Bank.” We have received “expectations” and “requests” from frontline journalists in Kumamoto, Miyagi, and Fukushima prefectures, which are all in the midst of recovery from disaster.

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THE FUKUSHIMA
MINYU SHIMBUN

Vision of Journalists

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01



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KUMAMOTO NICHINICHI SHIMBUN



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Original Reconstruction Support Menu Works Also No.1 in Nationwide Venture Finance

In April 2016, there was a major earthquake in Kumamoto, which recorded the maximum seismic intensity of 7. Damage in the agriculture sector amounted to 130.5 billion yen, primarily to infrastructure such as farmland and irrigation channels. In such an adverse environment, it is The Norinchukin Bank's original menu of reconstruction support in addition to national and prefectural government projects that have played a significant role in recovery and reconstruction for farmers.

Shortly after the earthquake, The Norinchukin Bank started to make low-interest loans and other assistance to affected agriculture, fishery and forestry workers, which reached a total of 2.1 billion yen as of January 31, 2017. The Bank also established a subsidy scheme worth approximately 600 million yen, which included livestock purchasing expenses for affected farmers. Agricultural venture managers, who lost their water sources and established wells with emergency loans, have also expressed the view that the prompt funding kept the adverse impact on crops to a minimum.

However, damaged farmland and farmers are scattered around the prefecture, and reconstruction is still underway. An assiduous and medium-to-long term perspective is essential in support for the affected farmers.

Before the earthquake, Kumamoto's agriculture had been "thriving." While national agricultural production had been

flat at around 8.5 trillion yen, Kumamoto Prefecture's agricultural production had risen for six years in a row. In 2015, agricultural production was 334.8 billion yen, up 2% from the previous year, and ranked 6th out of 47 prefectures, putting agriculture within range of becoming a growth industry.

While the increase in production is mainly due to the rise in agricultural commodity prices, the presence of agricultural corporations with high-level management capabilities cannot be overlooked. In particular, enterprises that are concentrating on expanding scale and mechanization have been prominent, offsetting the decline in production capacity due to the fall in the number of farmers.

The Norinchukin Bank has been providing loans and investments for agricultural corporations, including venture enterprises. Its activities in Kumamoto Prefecture ranked first nationwide with 30 investments totaling 271 million yen as of January 2016 through the Agri-Seed Fund, which has converted a portion of profits into a fund, and the Support Fund for Business Entities of Agricultural Leaders. Hokkaido ranked second with 15 investments.

Some of the agricultural corporations are in competition with local Japan Agricultural Cooperatives (JA). However, exploring coexistence and mutual prosperity as well as improving competitiveness will translate into preparation for the liberalization of trade in the future.



JA-Kumamoto fruit sorting plant where machinery was damaged in the earthquake (April 2016)

The feed tank of a livestock farmer in Kikuchi City which collapsed due to the earthquake (April 2016)



Government officials inspecting farmland in Aso City where a two-meter difference in the level of land was formed due to the earthquake (May 2016)

VOICE
02



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Essential to Expand Operations Throughout Tohoku from Points Across the Region

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It has been six years since the Great East Japan Earthquake and the accident at Tokyo Electric Power Company's Fukushima Daiichi Nuclear Power Station. The regeneration of primary industry in the affected area is still underway, but producers who are using the disaster as a springboard to expand their sales channels in the metropolitan area and the Kansai region and to increase their international competitiveness are appearing. The Norinchukin Bank is required to provide a tailored response to producers in the process of reconstruction and strong backing for pioneers.

The JA Group, which includes The Norinchukin Bank, has held a Tohoku Reconstruction Support Business Conference in Sendai every year since 2012, which is attended by affected farmers, marine product processing industries, and department stores from the metropolitan area and a total of more than 160 business negotiations have been concluded. Moves to develop new products aimed at individuals and to collaborate with the restaurant industry are increasing with the aim of expanding urban sales channels.

USHICHAN FARM, an agricultural corporation from Ishinomaki City in Miyagi Prefecture, has discovered a way out overseas. The farm fattens a total of about 5,000 head of cattle in Miyagi and Iwate Prefectures and has developed its own original brands of beef for each area. Kazutaka Sato, the CEO, who received a 1.1 billion yen loan from The Norinchukin Bank has reflected that overseas demand for beef cattle has growth potential and that the loan opened up a path to reconstruction.



USHICHAN FARM agricultural corporation

Kesenuma Shishiori Processing Cooperative, a cooperative made up of affected marine product processing companies in Kesenuma City, Miyagi Prefecture, aims to export marine products with the assistance of The Norinchukin Bank. In March 2017, Kesenuma Shishiori Processing Cooperative had its first business conference in Singapore and sold Kesenuma food ingredients and processed goods. The Sendai Branch of The Norinchukin Bank says of the response that although PR was the main focus, there were buyers who entered into concrete business negotiations.

In reality, sales have not returned to pre-earthquake levels for many producers. There has been a significant impact from the loss of business partners due to the earthquake as well as business partners being taken by other areas in the period before reconstruction was achieved. The twin obstacles of weathering and rumor are impeding reconstruction in Fukushima Prefecture where the nuclear power accident occurred. Fukushima products containing radioactive substances are unlikely to be on the market in the first place due to meticulous inspections and distribution management, but consumers in urban areas still tend to avoid them.

In its FY2016 – FY2018 Medium-Term Management Plan, The Norinchukin Bank states that the "Food and Agriculture Business" will be a pillar of new business. It will link producers and the business community to make agriculture into a growth industry. It will be essential to mobilize all kinds of measures including loans and investments, export assistance, and nurturing of the next generation of farmers to expand operations throughout Tohoku from points across the region.



Annual Tohoku Reconstruction Support Business Conference in Sendai

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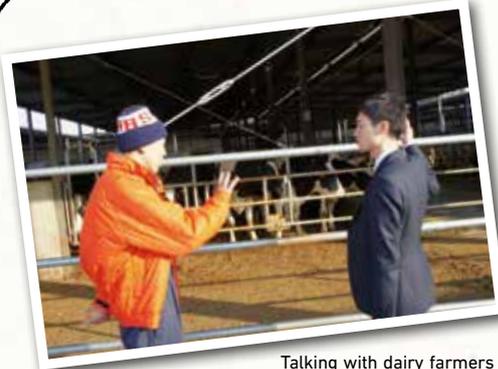


Graduated from Waseda University. Joined Fukushima-Minpo Co. in April 2003. Responsible for prefectural government in News Department from April 2014 following stints in Copy Desk, Editorial Office, the Sukagawa Branch, the Tanagura Branch Office, and the Social Affairs Department. Aged 38 and from Date City.

Cattle Farm Restored from Disaster to Support Large-Scale Dairy Farming

It has been six years since the unprecedented multiple disasters of the earthquake, tsunami, and nuclear power station accident. All measures have been taken to revive the farming industry, which is a core industry, with the decontamination of farmland and the establishment of a testing system for radioactive substances. Market confidence is steadily returning, albeit step by step. However, every time news is reported about contaminated water or molten fuel at Tokyo Electric Power Company's Fukushima Daiichi Nuclear Power Station, where decommissioning is continuing, rumors over fears about whether the prefecture's agriculture, fishery and forestry products are safe or not come up again. It could be said rumors like continuous snow cover that never melts are the same thing as prejudice or discrimination.

Despite being exposed to irrationality about Fukushima products, producers have faith in the power of agriculture. "There's no point in worrying. We adults must make an effort to be optimistic for the children of Fukushima," says Kazumasa Tanaka, President of Feliz Latte, a restored cattle farm in Tsuchifune, Fukushima City. He is a dairy farmer who was forced to evacuate due to the nuclear power station accident and had to put down his cows. In September 2015, he started the largest dairy operation in Tohoku together with fellow affected dairy farmers. The farm milks about 500 cows and delivers instantly to dairy cooperatives in the prefecture using state-of-the-art equipment. This milk is loved inside and outside the prefecture as Rakuou Milk and Rakuou Café au Lait. Fumiko



Talking with dairy farmers and deepening knowledge is also important daily work for The Norinchukin Bank employees



The dairy farmers who operate the restored cattle farm

Hayashi, Mayor of Yokohama City, who inspected the ranch, spoke highly of Rakuou Café au Lait and paved the way for it to be sold in the convenience stores in Yokohama City municipal buildings. Sales are apparently still strong now.

The restored cattle farm got on track for large-scale dairy farming through joint management. In addition to national and prefectural support, The Norinchukin Bank's Reconstruction Support Program provided funding assistance. The Bank has provided backing of approximately 570 million yen in loans and investments as expenses for installation of state-of-the-art equipment and working capital through its Reconstruction Loan and Reconstruction Fund. The restored cattle farm has established a goal to develop and sell sixth sector products utilizing its own milk in the near future. The farm's delicious milk products and large-scale management know-how are bringing people in from Japan and overseas, as well as providing a place for new farmers to work. We hope that The Norinchukin Bank will demonstrate its role further in regional revitalization centered on agriculture.



Shipping raw milk from a restored cattle farm boasting state-of-the-art equipment

VOICE
04 →

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High Evaluation for the Support Summed Up in the Words of the Producers Working Hard

"The Norinchukin Bank had the same aspiration for the reconstruction and revitalization of Fukushima agriculture." These are the words of Eiju Hangai, President of Minamisoma Tomato Farm (Minamisoma Fukko Agri KK), a newly established vegetable factory in Minamisoma City, Fukushima Prefecture, which faces the Pacific Ocean and was hit by the Great East Japan Earthquake and the accident at Tokyo Electric Power Company's Fukushima Daiichi Nuclear Power Station.

With the recovery of agriculture from a complex disaster that is without any global precedent presenting a major challenge, the Minamisoma Tomato Farm was completed in November 2015 using subsidies from the national government and loans from The Norinchukin Bank. Shipments of "Asubito tomatoes," (asubito means people who open the way to the agriculture of tomorrow in Fukushima) began in March the following year. There are currently around 70 staff, and more than 8 million tomatoes can now be shipped a year. Eiju Hangai commends the advice of The Norinchukin Bank, which had similar aspirations, for its friendly service and close scrutiny of business plans as being instrumental in the establishment of the farm.

Fukushima Prefecture is also facing the challenges of population decline and the aging of its population. Now we want to shift focus from the relatively mild Pacific side to Tadamimachi in Minamiaizu district, which is covered with

heavy snow in the winter.

Compared with the "Nango tomato," the vegetable brand of Minamiaizu district, Tadamimachi has few new entrants into rice production, and there are many elderly people. In July 2016, local farmers established Nekka, a limited liability company, to manufacture shochu from the town's renowned rice in what is said to be Japan's smallest distillery and to take over rice production.

The Norinchukin Bank provided Nekka with support for the formulation of funding plans. Yoshihiro Wakisaka, Representative Partner, says that The Norinchukin Bank joined with the local JA to be in the most familiar place and worked from a local perspective. The rice shochu made its debut in April 2017.

The evaluation of The Norinchukin Bank is summed up in the words of Mr. Hangai and Mr. Wakisaka, producers working hard on the ground.

Reconstruction of agriculture from the earthquake and the nuclear power station accident and regional revitalization require the power of cooperatives that place an emphasis not only on the economic dimension, but also on the social dimension. As a financial institution that is based on agricultural, fishery and forestry cooperatives, The Norinchukin Bank is expected to provide even more support than before for the diverse initiatives of enthusiastic producers.



Minamisoma Tomato Farm ships over 8 million tomatoes a year



All the officers of Nekka



Striving to produce rice shochu