Minister’s Summary by Minister Yosano
3rd Meeting (February 3, 2009)
(1) Agenda for the future deliberations of the CEFP
(2) Issues of the Agricultural Reform

Kaoru Yosano here. Today, the Council on Economic and Fiscal Policy (CEFP) held the 3rd meeting of the year.

The first subject on the agenda was "agenda for the future deliberations of the CEFP," and CEFP members approved an agenda proposed.

Then, Member Shirakawa (Governor of the Bank of Japan) told that today the Bank of Japan decided to resume stock purchases. In response, Member Nakagawa (Minister of Finance) welcomed the decision of the Bank of Japan.

The next subject on the agenda was agricultural reform. I expressed my intention to allow a detailed reform plan to reflect valuable comments on agricultural administration reform presented today, under the direction of Temporary Member Ishiba (Minister of Agriculture, Forestry and Fisheries). Agricultural administration reform is really one of the top priority issues for the Aso administration.

I would like to see the CEFP continuously discussing this issue with close cooperation with the meeting of ministers related to agricultural administration reform.

At the end of the meeting, the Prime Minister made the following statements:
So-called “Basic Policies” has so far tied together a variety of budget requests for the next fiscal year presented by each ministry. This trend has been increasingly evident. Yet, I would like to let “Basic Policies 2009” serve as “the design drawing of Japan’s economic recovery,” by making the details of “Basic Policies 2009” more distinctive. Regarding the agricultural reform, we have just created a framework in our administration to prepare for agricultural administration reform. I would like the
CEFP meeting to discuss appropriate policies in a frank manner. Developing new growth strategy is one of urgent issues, and I would like every ministry and agency to work together so that Member Nikai (Minister of Economy, Trade and Industry) can smoothly draw up new growth strategy.

I have had strong impression that Minister Ishiba’s presentation today and the Expert Members’ papers have shared basically the same direction and viewpoints.

The followings are some of CEFP members’ comments.

An expert member expressed his strong support for the direction toward agricultural reform that Minister Ishiba presented, pointing out the importance of disseminating success stories of younger generations who have tremendous success in agriculture, in order to encourage many more to follow their steps. He also expressed his hope for initiating a reform plan as a priority project next year so as to bring to the light specific problems concerning the plan and to let the public learn more about the necessity for agricultural reform.

Another expert member regarded “the shift from the ownership to effective use of farmlands” will form the foundation of the reform, and expressed his hope for more active cooperation between agriculture and industry to improve overall supply chains.

Still another expert member expressed his concerns over the decline of farming population who are mainly engaged in agriculture, suggesting that farming population will be continuously declining and aging unless 80,000 or so enter agriculture every year. He pointed out the fact that only about 10,000 youngsters enter agriculture a year, and suggested that agriculture may potentially create 100,000 employment opportunities a year. He expressed his hope that parties concerned would systematically explain how things are going concerning complex subsidy systems, and crops grown just for obtaining crop changeover encouragement subsidies.

Member Hatoyama (Minister of Internal Affairs and Communications) expressed his hope for organizing “cooperation volunteers” to reinvigorate rural areas and hopefully, to create some employment opportunities.

Member Nakagawa pointed out the importance of the following three things one needs to keep in mind when discussing Japanese agriculture: (1) climatic variety and wide variety in agricultural practices on the Japanese archipelago which runs in a northeast-southwest direction, (2) strong political implications in agricultural issues both in Japan and abroad, and (3) the need of clarifying “for what purposes we are going to reform Japanese agriculture?” when discussing the reform.

(End)