

Growth of LISA and Problems of Regional Agricultural Promotion in Southern Sorachi , Hokkaido

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The objective of this report is provide an analysis of the effects of introduction of Low Input Sustainable Agriculture (LISA) using as a case study the Minami-Sorachi region of Hokkaido where such efforts are comparatively active, and discuss issues regarding promotion of production sites through environmentally-friendly agriculture.

LISA, which encompasses accommodation of consumers and end-users as well as reduction of production costs, has been promoted in Hokkaido since the 1990s (and in the year 2000, the "Northern Clean Agricultural Product (Yes! Clean) Labeling System" was created). In the Minami-Sorachi region, which is located on the suburbs of Sapporo, trials to cultivate onions using fertilizers containing reduced levels of agricultural and other chemicals were begun around 1987 based on the concluding of an agreement with a restaurant chain. Although the size of the management scale in the Minami-Sorachi region is certainly not large as compared with other parts of Hokkaido, an attempt was made to introduce cultivation using fertilizers containing reduced levels of agricultural and other chemicals in order to accommodate not only competition from imported onions and onions brought in from other parts of Japan, but also competition among producers located in Hokkaido. Subsequently, testing to determine the proper amounts of fertilizer and the like were conducted while taking aggressive steps to promote LISA in the region starting in 1998. One of the leading organizations that took the initiative in the deployment of these efforts was the Minami-Sorachi Onion Promotion Association, and producers belonging to the Kuriyama Onion Promotion Association in particular deployed systematic and aggressive programs. As of 2007, 14 organizations in the Minami-Sorachi region, including the Kuriyama Onion Promotion Association (consisting of 76 farmers) are registered members of the Yes! Clean program.

According to the results of a survey conducted by the Hokkaido Central Agricultural Experiment Station in 2004, the introduction of LISA in the town of Kuriyama has led to a cost increase of roughly 30% per 10 acres as compared with customary cultivation. This cost increase is attributable to increases in fertilizer costs, material costs, agricultural equipment costs and labor costs. Conditions for compensating for these costs increases consist of: (1) reductions in distribution costs following shipping due to reduced fruit sorting costs and a reduction in the burden of transport costs on farmers, (2) realization of effects of raising sales cost by 5 to 10%, and (3) maintaining yield. JA Kuriyama has adopted the use of container shipping and taken steps to reduce farmer fruit selection costs and shipping costs. However, although sales that go through the Hokuren Agricultural Cooperative are conducted on a contractual basis, farmers are forced to comply with Hokuren shipping schedules and accounts are settled collectively in the form of a pool. In addition, there are questions regarding the level of brand recognition of Hokkaido's own certification system, and the risk to reductions in yield is by no means small.

Due to the presence of business risks as described above, although cultivation using fertilizers containing reduced levels of agricultural and other chemicals mainly by onion farmers is demonstrating an expanding trend, it is being deployed in parallel with customary cultivation practices. In addition, as the size of farmers increases, buyers are placing greater emphasis on their own shipping modes, including vendors and cooperatives other than shipping channels. In order for

farmers having different management policies to incorporate LISA in a systematic manner as production sites, it will be necessary for each organization to take steps to strengthen their operations with the aim of reducing this business risk as well as make adjustments in utilizing organized commercial farmers in their region.

Keywords: LISA, Yes! clean farm products, farmland-use adjustment, regional agricultural promotion, Southern Sorachi