

Changing Agriculture

Amnak Co. has restored about 9 hectares of dormant farmland in the Noza area of Yabu. Photo: Courtesy of Yabu City

As a National Strategic Special Zoneⁱ, Yabu City in Hyogo Prefecture is introducing unprecedented agricultural reforms as it strives to establish a model for the sixth industrialization of agriculture.

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YABU, its population about 24,000, is located in northern Hyogo Prefecture which is much prone to heavy snowfall and depopulation. The city estimates that the population will shrink to less than 10,000 by 2060, 47.4% of which will consist of senior citizens. Facing the issues of an aging agricultural workforce and the spread of abandoned farmland, Yabu applied to become a National Strategic Special Zone, a national framework that promotes economic and social structural reforms, centering on agriculture as the key industry of the city. In May 2014, it was designated as a reform base for agriculture in hilly and mountainous areasⁱⁱ. Through this, the requirements for corporations to participate in agriculture were greatly relaxed. Yabu restores abandoned farmland, implements revolutionary agriculture with high added value for agricultural produce and food products, and establishes an agricultural model that has an

eye to exporting agricultural products, collaborating with private corporations which have working capital and management know-how.

At first when Yabu was designated a National Strategic Special Zone, some local farmers had misunderstood the initiative, thinking that the state would liquidate the abandoned farmland, and were worried that the private corporations engaging in agriculture would withdraw from agriculture once their business did not go well. Regarding this unprecedented undertaking by the city, Norimitsu Tani, the head of the Division for the National Strategic Special Zone and Regional Revitalization, General Planning Department in Yabu says, “We received some severe feedback from both citizens and outsiders. Yet, we saw it as an opportunity for changing agriculture in Yabu, so we kept negotiating with local farmers and citizens. Thanks to this effort, citizens and the administration are working hand in hand to implement this policy today.”

Under Japanese law, farmland cannot be bought or sold in the same way as general land or buildings, but the law requires the permission of an organization called the Agricultural Commission. Moreover, corporations must meet certain requirements in order to buy farmland. The purpose of the law was

ⁱ The National Strategic Special Zones is a policy that aims to revitalize local economies by bringing in new investments and human resources. This is achieved by offering incentives in the form of relaxed regulations and lower taxes in designated areas or fields to create an environment that facilitates the economic activities of private business actors.

ⁱⁱ The hilly and mountainous areas signify areas between where the plains end and the mountainous areas begin.



to preserve farmland, therefore it raises the hurdle for new entry to agriculture, and has led to increasing abandoned farmland in line with the scarcity of workforce and successors caused by depopulation. When Yabu was designated a National Strategic Special Zone, this removed the hurdle and opened up opportunities for diverse people thinking about taking up agriculture.

At present, thirteen corporations are collaborating with local farmers in Yabu, establishing new agricultural JV corporations or participating in agriculture as a second business initiative, thus advancing the sixth industrialization business taking care of the production, processing and sales of agricultural products all together (see December 2017 issue, pp. 20-21).

Amnak Co. is a participant from outside of Yabu. It has restored about 9 hectares of dormant farmland in the Noza area in Yabu, and is overseeing the whole process from sake rice production to harvesting and polishing as well as exporting the Japanese sake to Taiwan after branding it in collaboration with a local brewery. According to Tani the local residents have commented, “I would never have dreamed that fields that had been abandoned for ten or twenty years would come back to life and be full of rice plants again” and, “I really hope that the business will succeed so that this beautiful landscape of terraced rice fields can remain.” He adds, “Yabu thanks the corporations participating in agriculture here, and we, as administrators, are also working to provide assistance so that the agriculture can live on.”

Hyogo Nakabayashi Co., a local bookbinder, started growing garlic in both the high- and lowlands in Yabu as a way to level out work volume over the year, dedicating some workers for garlic production in order to deal with its shrinking main business. By

- 1 An employee of Hyogo Nakabayashi Co. holds bulbs of the company's garlic.
 - 2 An employee of Amnak Co. in the company's rice fields
 - 3 Asakura Sansho, a local specialty promoted by Yabu Partners Co.
- Photos: Courtesy of Yabu City (1, 2); Courtesy of Yabu Partners Co. (3)

taking advantage of the rather large differences in temperature in Yabu, it becomes possible to plant and harvest different kinds of garlic according to their best period. Hyogo Nakabayashi is hoping to turn Yabu into a garlic-producing area by making the most of these characteristics and the terrain. They had previously converted one of their bookbinding factories into a plant factory that uses only artificial light to grow lettuce and other foliage plants. This year, they hired a new employee who has just graduated from the agriculture high school in Yabu.

Moreover, Yabu Partners Co., a company 100% financially backed by the city, provides consulting for new corporate participants and cultivates new distribution channels of agricultural products, strengthening the brand name of Yabu. This company has also started supporting the sales expansion of Japanese pepper called Asakura Sansho, a local specialty, winning a strong reputation among overseas chefs after selling it at the Expo Milano in July 2015. As a result, the pepper is now exported to France, Italy and the United Kingdom. The company is also experimenting with the production of mini paprika and Chinese lantern plant for food which are predicted to increase revenue, and recommending them to new farmers.

After being designated as a National Strategic Special Zone, Yabu has revitalized its original local industry and is aiming to become a sustainable agricultural city that can keep on attracting people through agriculture. Yabu will continue its work to create an environment that facilitates agricultural projects by local farmers and corporations participating in the agriculture industry. 