



Rice at Risk

~Low Income and Fewer Future Farmers~

Current Situation

~Aging of farmers~

The decline in young farmers and the aging population has become a serious problem. People over 60 reached 88.7% of the total number of rice farmers. It is a very high percentage because there is a difference of 24.7% in over 60 between rice farmers and greenhouse vegetable farmers.

The proportion aged over 60

Rice farmers

89%

(MAFF 2024)

VS

All farmers

78%

(MAFF 2025)

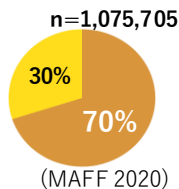
Proportion of all Japanese over 60 around 38% Japanese population → 38%



Do you have plan for a successor?

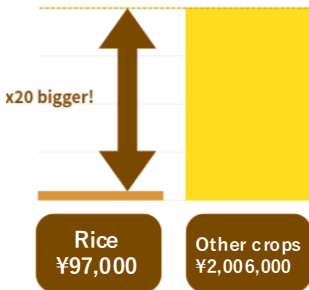
70% of farmers have no clear plan for a successor.

30% of them have a plan for a successor.



-Securing Successors-

The profits of rice farmers

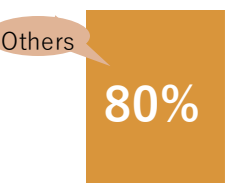


- Average annual income of rice farmers is only **¥97,000**.
 - Difference of **¥2million** between rice and other crops.
- (MAFF 2024)

One of the reasons is
-Low income-

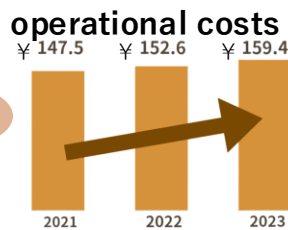
Main Cause

1.Detail of income



(MAFF 2023)

2.Amounts of operational costs



1. 80% of income is paid as operational costs.
2. Operational costs are gradually increasing.

→ **High Operational Cost**

Looking closely at the details of operating expenses.

The big items are

- 1 : costs paid for **workers**
- 2 : costs paid for **machinery**
- 3 : costs paid for **fertilizer**
- 4 : **middleman** costs

(MAFF 2022)



We focused on the cost used for **machinery**, **fertilizer** and **middlemen** and we researched some existing cases that have taken place to reduce those costs.

Case 1 : Machinery

- 1 An initiative to jointly purchase combines by the NFAC.

→ A price reduction of 15% to 18%

- 2 A smart agriculture project to share new technology Machinery by JA.

→ The discount achieved was 26%.

- 3 To get rid of the unnecessary functions and Introduce auction by JA.

→ A price reduction of 20% to 30%



Case 2 : Fertilizers

- 1 To decrease the amount of brands for mass production.

→ A price decrease of 10% to 30%

- 2 To analyze the soil and adjust phosphate fertilizers.

→ A price reduction achieved 22%.

All cases were successful.

It has become clear that there is a lot of room to improve and lower machinery and fertilizer expenditures.

Case 3 : Middleman costs

JA is an organization that helps farmers work safely by supporting them with sales, supplies and financial services. However, the problem of JA is that there is a tendency for profits to decrease instead of stabilizing because there are up to 5 layers of intermediaries until retail.

Where money goes:



Farmers selling rice with JA are suffering a loss of **40%** compared to direct sales.

Ex. There is difference of 7000 yen per 60kg

High Middleman Cost!

Solutions



New online platform

「**COMNECT**」

- Sales method : direct sales online
 - farmers can get income without middleman costs
 - farmer's profit will increase more than selling through JA.
 - make long term contract between customers and farmers
- selling rice with added value
- connect farmers with young people who want to farm
 - list farmers who is looking for a successor

References

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"Agricultural and Forestry Census (2020)" Ministry of Agriculture, Forestry and Fisheries 2020

"Agricultural Management Statistics Survey: Operating Income and Expenditure of Agricultural Management Entities (2024,2023)" Ministry of Agriculture, Forestry and Fisheries 2024