



# 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%

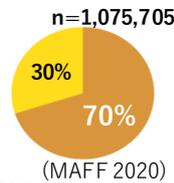
(MAFF 2025)

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

#### 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:

Producer

64%

Distribution & Retail

36%

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

"Recent Trends in Rice Consumption and Production (2024)" Ministry of Agriculture, Forestry and Fisheries, Bureau of Agriculture 2024

"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