

Voluntary Report – Voluntary - Public Distribution

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Report Name: Japan Establishes Emergency Corn Reserve Program

Country: Japan

Post: Tokyo

Report Category: Agricultural Situation, Grain and Feed

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Report Highlights:

In response to the Fall Armyworm outbreak in Japan in July 2019, which caused damage to silage corn production, Japan's Ministry of Agriculture established a program to support storage costs for imported feed corn to stabilize compound feed supplies. The support program is administered by the Agriculture and Livestock Industries Corporation (ALIC).

Emergency Countermeasure Program for Feed Grain Reserves

In response to the July 2019 Fall Armyworm outbreak in Japan, which caused damage to silage corn production, the Ministry of Agriculture, Forestry, and Fisheries (MAFF) established a program to support storage costs of imported feed corn ([JA9111](#)). The program will support storage costs for increased quantities of imported feed corn which is anticipated to offset corn silage as compound feed. The support program is administered by the Agriculture and Livestock Industries Corporation (ALIC). ALIC, a quasi-governmental organization, implements management programs and other support programs for Japanese agricultural producers and industries. Agriculture Minister Eto announced at a December 27, 2019 press conference that ALIC had received multiple applications for the support program, but did not disclose the amount of imported corn for storage covered by these applications. The details of the support program are as follows.

1. Program participants

- The National Federation of Agricultural Associations (JA Zennoh)
- The National Federation of Dairy Co-operative Association
- Japan Feed Manufacturers Association

These organizations coordinate with their member and affiliated feed mills and ALIC for applications and support payment transactions.

2. Feed Grain Qualified for the Program

Feed grain is defined as feed corn that the program participants, or their member compound feed manufacturers, purchased in advance and stored in accordance with their emergency purchase reserve plans with the quality equivalent to or superior than U.S. Yellow Corn No.3, Brazilian ANEC43, and Argentina Grade No. 2.

3. Support Payment

- (1) Support payments are provided for storage costs in Japan for a maximum of two months. Support payments are also provided for storage costs overseas for maximum three months when three-months' worth of feed corn is purchased at once and stored overseas.
- (2) Support payments are provided to cover interest payments of feed corn purchases and storage costs (maximum two months for storage costs). (Support Payment = Purchase and Storage Costs x 0.041%)
- (3) Support payments are provided for cleaning and maintenance fees for silos storing feed corn.
- (4) Support payments are provided to program participants for instruction and assistance for their member applicants.

4. Quantity of Feed Corn Eligible

As this program is designed to compensate the storage costs for imported corn needed to supplement the shortage of silage corn, only the increased amount of imported corn from the previous year is eligible for support payment for storage costs.

Each month is divided into three periods, early, middle, and late, and increases in the quantity of feed corn reserved for each period is determined using the designated dates in Table 1 below. The quantity of feed corn eligible for the support payment is the difference between the quantity of feed corn reserved on the designated date of each period (the total of feed corn reserves under this emergency program and the regular contingency reserves) and the quantity of feed corn reserved at the end of the same month in the previous year (the average of the previous three months and the following three months of the month concerned of the previous year).

Table 1. Support Payments Date Structure

Period	Time Frame	Designated Dates
Early period	1st – 10 th of each month	1 st of each month
Middle period	11 th – 20 th of each month	11 th of each month
Late period	21 st – the final day of each month	21 st of each month

5. Term of the Program

Only feed corn purchases made on or after September 2, 2019 are eligible for this program. The program will last from September 2, 2019 until March 31, 2020, the last day of the 2019 Japanese Fiscal Year (JFY) and will not continue in JFY 2020.

6. Program Budget

3,181 million yen (US\$29 million) is earmarked for this program from ALIC’s JFY 2019 budget, which is provided by MAFF.

Additional Support Program

Separate from the above Emergency Feed Grain Reserve Program, the Government of Japan (GOJ) also operates the “Feed Grain Reserve Program.” As Japan relies heavily on imported feed ingredients, GOJ operates this contingency program to maintain a feed ingredient reserve for 850,000 MT of corn, sorghum, wheat, barley, bran, and soybean meal. The GOJ subsidizes the storage costs for the reserve that the private sector holds for this purpose. Corn is believed to account for 90 percent of the 850,000 MT reserve. The GOJ earmarked 1,750 million yen (US\$16 million) for this program in JFY2019.

Attachments:

No Attachments.