Research Focus

Japan–Australia Agricultural Policy Dialogue

Christopher Findlay* and Trevor Wilson*

An informal dialogue between Australia and Japan on strategic agricultural policy issues was organised by the ANU's Australia–Japan Research Centre on 31 May 2005. The idea for such a 'dialogue' – to improve mutual understanding on long-term agricultural policy issues – emerged from the second Australia–Japan Conference in 2002. Held in Tokyo, the dialogue meeting brought together academics, experts and industry representatives from both countries to consider issues such as food safety, changing rural demographics and structural adjustment. Government officials or advisors on agricultural policy also attended this 'one-and-a-half track' dialogue meeting. Coordinators of the meeting were Professor Christopher Findlay from the Australian National University and Professor Shinichi Kobayashi from Nihon University.

Discussions in the dialogue identified a number of issues of common interest to participants and to policy makers. These included the following:

Trade facilitation of agricultural products

The meeting identified two key issues in the facilitation of trade in agricultural products, one related to standards and the other to security.

Issues linked to food safety standards hinge on how standards are set, the extent to which they are linked to global standards, how national differences can be accommodated, and how to avoid testing (compliance) procedures becoming new forms of impediments.

The second dimension is the security of supply chains, in a number of respects, including food safety during the transport process (and the use and processing of data from radio frequency identification – or RFID – tags). This also extends to the desirability of minimising vulnerabilities to tampering or exposure to threats.

Securing the integrity of the supply chain while preserving confidentiality of data required to do this, is an important consideration. However, at the same time that data can contribute to trade facilitation goals. For example, data collected on the composition of shipments, and used in the management of supply chain logistics, can also be made available to customs agencies in order to facilitate clearance. Real-time data on the quality of shipments produced, through the use of RFID tags combined with predictive modelling methodologies from the biological sciences, is relevant to their clearance by food safety authorities, as well as contributing to more efficient supply chain management. On the other hand, the question also arises as to whether changes in technology and greater reliance on information technology innovations introduce new forms of vulnerability into supply chains.

To some extent, governments determine the standards to be applied in both these dimensions. However, it is recognised that the private sector plays a key role, and that increasingly new players are driving standards in the supply chain.

Participants in the Tokyo dialogue meeting agreed that these issues could be explored through case studies of trade facilitation projects in agricultural product supply chains alongside tightening food safety standards, including through work undertaken jointly with private sector participants. The Pacific Economic Cooperation Council, for example, recently completed a case study of shipments of salmon from Latin America to the United States and the processes required to meet U.S. bio-safety standards. This study could be extended to other fresh produce supply chains, in a number of respects, including food bio-safety standards. This study could be extended to other fresh produce supply chains, in a number of respects, including food bio-safety standards.

Towards a Pacific community: Renewing the commitment

The 16th General Meeting of the Pacific Economic Cooperation Council (PECC XVI) will take place in Seoul on 5–7 September. The meeting brings together both government and business leaders from the region as well as leaders from the academic and research community throughout the world to examine the validity and viability of the idea and vision behind the Pacific Community in light of the new global economic and political environment. Speakers include Han Duck-soo (Deputy Prime Minister and Minister of Finance and Economy, Korea), Hang Chee How (Minister of State for Trade and Industry, Singapore), Mari Pangestu (Minister of Trade, Indonesia), Choi Dong-Doo (Chairman, Asian Bankers Assn), Bob Hawke (former Prime Minister, Australia), Michel Rocard (Chair, European Parliament Committee and former Prime Minister of France), and Karl Kaiser (Harvard University).

Minerals network meeting

The 3rd PECC Minerals Network Meeting will be held from Sept 9–11 in Taiyuan, Shanxi, China. The theme of this meeting is Mining in Economy: Development and Environmental Protection. Some important issues will be addressed and in-depth discussions will be carried out. Representatives from PECC community in the sector of mining industries are expected to attend and make presentations on development in the mining industry. The event will be expected to serve as a platform where participants may exchange and share views and find insights and perspectives on their respective investment policies, experiences and lessons learned in their operation and management of the mining industry. In addition, activities aimed at seeking economic cooperation and potential projects might be carried out for the benefit of domestic and overseas participants.

For further details on these events, please visit http://pecc.org

Events

13 September, Conference on Papua New Guinea: 30 Years of Independence, ANU

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chains. Also of interest is the manner in which retailers, including supermarkets, are driving the specification of products and the form of their delivery, and the implications of those developments for trade facilitation procedures as well as for compliance with standards.

There was also interest in the extent to which these developments, alongside foreign direct investment, promote the participation of new developing country suppliers of fresh agricultural products (such as China). The penetration of Chinese agricultural products into fresh food markets in both Australia and Japan is already evident, and all parties would benefit from a greater knowledge and familiarity with China’s systems of compliance and risk management.

**Structural change in the agricultural industry**

The meeting compared the experience of the dairy industries in Australia and Japan. Participants were especially interested in the extent to which common questions emerged from these comparisons. The contribution of institutions to outcomes and the role of various interests in driving reform were key talking points. Japanese participants emphasised the momentum for change building up in the Japanese agricultural sector and the many initiatives already under way. They indicated that on-the-ground policy debate in Japan is now much more about innovation and how to provide or enhance rural lifestyle options than it is about food self-sufficiency.

It was suggested this discussion continue by:

a) including comparisons of dairy sector developments in other countries, New Zealand in particular, and

b) considering other sectors in which to make comparisons between countries.

**Finance and technological change to revitalise agricultural industries**

Another topic of considerable common interest to participants was the policy options available for the provision of finance for agriculture, in particular for new (especially younger) entrants to the sector. It was noted that both Australia and Japan had experience of using a variety of models (such as corporate structures, cooperative or community leasing schemes, contracting and share-farming, and direct government support). Participants agreed that further analytical work on the classification and analysis of the effects of these different funding models would be valuable.

A further interest in these financing options relates to their impact on the rate of innovation and adoption of new technology. A number of factors are likely to affect rates of change in these areas, including farmer age, farm structures, and other sectoral characteristics, as well as the organisation and productivity of basic research. However, also important are likely to be the management, financial and risk-sharing structures in which the decisions to invest are made. Exploring these links, perhaps through case studies or empirical work on diffusion of specific innovations, was a topic for further work. Research could be undertaken in both Australia and Japan and the results shared and compared.

**Conclusion**

Decisions are yet to be made on whether it would be feasible to continue the dialogue process. But it is evident that several fruitful areas for further study have been identified. Networking has also been strengthened between Australian and Japanese who share common interests in advancing agricultural trade between Australia and Japan. In addition, as a sequel to the Tokyo meeting, Professor Kobayashi gave a seminar on Japan’s food safety from the perspective of consumers’ perceptions on livestock products and policy issues in Canberra on 29 July 2005. These efforts have all considerably enhanced knowledge and understanding of agricultural trade issues between Australia and Japan.

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**23–24 September, Indonesia Update: Indonesia, Australia and the Region**


**School Seminars**

**20 September**, Scott Macwilliam (APSEG), Poverty reduction in PNG: A blast from a (liberal) past

**27 September**, Richard Denniss (Australia Institute), The use and abuse of macroeconomic models in the Australian policy process

*Seminars are held at 12.30pm in Seminar Room 4, First Floor, Crawford Building

**Short courses/training**

**29 August–16 September**, Responsible Parliamentary Government (enrolments closed)

**5–12 September**, Leadership, Management and Governance in the Public Sector Executive Training & Study Visit (tailored for Office of the Civil Service Commission of Thailand – restricted participation)

**12 September–28 October**, Public Sector Financial Management (tailored to requirements of the Beijing Financial Bureau – restricted participation)

Contact: Exmond Decruz, Manager, Professional Short Courses & Executive Training [Exmond.Decruz@anu.edu.au](mailto:Exmond.Decruz@anu.edu.au)

**Publications**

*The China Boom and its Discontents*, Ross Garnaut and Ligang Song (eds), Asia Pacific Press, $40

Pacific Economic Bulletin 20-2 Special issue on Solomon Islands

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Reshaping the Asia Pacific Economic Order, Hadi Soesastro and Christopher Findlay (eds), Routledge (forthcoming)

**Paciﬁc Economic Papers**

349 A$86

ASEAN Monetary cooperation: issues and prospects

Arief Ramayandi

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