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## SUMMARIES OF ARTICLES

### Price policies for upland field crops and the new farm subsidy scheme for the stabilization of farm businesses:

A comparison of Japan, the EU and the U.S.

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On October 27, 2005, the Ministry of Agriculture, Forestry and Fisheries (MAFF) announced the outline of a new farm subsidy program that incorporates non-product specific farm business stabilization measures (Japanese-style direct payments), which is scheduled to commence in fiscal year 2007. This represents a shift from product specific price support policies embracing all producers, to an income policy with a focus on core farming entities.

The purpose of this article is to clarify the characteristics of the new measures through a comparison with the direct payment programs of the United State and European Union (EU) and the examination of the new scheme's consistency with WTO agreements, and to point out the issues regarding the implementation.

Some of the Japanese-style direct payments are linked to current production to facilitate the expansion of farm size; hence, they might be subject to some reduction commitments as "amber box" payments under WTO Agriculture Agreement.

Moreover, a reduction in the burden on the consumer by this policy shift is not expected since the subsidy will be financed by a surcharge or markup on imports, as it is now, as well as funds from Japan's national budget.

Unlike a price support program, it is clear how much of a subsidy an entity receives under a direct payment program. Thus, MAFF is accountable to consumers and taxpayers for the introduction and effects of these new measures.

Finally, it is necessary under the new farm subsidy scheme for farm organizations, such as the Hokkaido Union of Agricultural Cooperatives, to effectively provide a supply management function for upland field crops so as not to lose the trust of the markets by having a surplus or shortage.