



Competitiveness



Assessing the Competitive Advantage of Public Policy Support for Supply Chain Resilience

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This paper deals with the supply chain resilience of agricultural products in Japan. It first explains the food flow of Japan. Japanese farmers and fishers produce and sell their products, for a total of 9.4 trillion Japanese yen (¥). At the same time, Japan imports raw products and processed food. The fresh products move through the market to the 'eating out' sector, the processing sector, and consumers. During this process, the value of agricultural products increases, and consumers pay ¥73.5 trillion. Food flow sometimes suffers because of natural disasters. In April 2016, a strong earthquake hit the Kumamoto area, severely affecting the production and supply of watermelons. To increase the resilience of the agricultural supply chain, the sixth industrialisation should be effective and well established. Japan's sixth industry contains 60,000 businesses; most of them are food processing and direct shop businesses. Farmers, farmers' groups, farmers' companies, municipalities, cooperatives, and producers' groups operate direct shops. They sell mostly vegetables, fruits, and processed food.

The paper portrays Direct Shop K located at the urban fringe of Chiba prefecture. Since its establishment in 2004, the shop has become very popular in the region. However, it had to overcome two crises: the effect of the radioactive fallout from the Fukushima nuclear power plant accident and contamination by residual agricultural chemicals. The manager played a large role in the recovery, but Japan's agricultural policy also provided direct and indirect support nationally and locally. Public policy supports the resilience of the agricultural supply chain through measures such as agricultural land use planning, agricultural improvement projects, rapid reconstruction following damage, and improvement of agricultural resources.