

ABOUT US

Offices Kinshicho and
Sagamihara
Telephone: 03 5637 8809
Web
www.tomtom-english.com
Email
kinshicho@
tomtom-english.com



@tomtomenglish



Tom Tom English (Kinshicho)
Tom Tom English(Sagamihara)



TOM TOM ENGLISH



Bureaucratic bungling behind butter shortage

VOCABULARY

Shortfall =

A deficit of something
that was expected

Bureaucrat =

An official in a
government
department (usually
perceived as being
concerned with
procedures rather than
people's needs)

Subsidy =

Money given by a
public body to help an
industry or business

Draw =

Discussion questions

1. Did you notice the butter shortage? Has it affected you? How much better do you consume?
2. What do you think about the “3 inane plans”? Was it obvious that they would fail?
3. Do you think the government should interfere in agriculture, or should it allow the free market to determine supply and demand?
4. Do you think that the “amakudari” system caused this problem, or is it just a coincidence that ALIC is run by ex-bureaucrats?
5. What do you think about the amakudari system in general? What are the pros and cons?

VOCABULARY

Destabilize =

Upset the stability of
something

Stubborn =

Determination to not
change, even when
there are clear reasons
to change

Backtrack =

To go backwards,
retrace steps, or reverse
a policy

Hoard =

To collect and store
away for the future

These days it's common in Japanese supermarkets to see signs that read "Butter limited to one item per customer." The problem began in 2013, and butter has gradually vanished from stores. For confectionery manufacturers, it's becoming a matter of life and death. "To make shortbread, we use about 250 kilograms of butter a month," says Kazufumi Hondo, president of confectioner Paris 16e. "The year before last, we sold a 450 gram loaf for 480 yen. Now it's 580 yen. To make up for the butter **shortfall**, from last year we began producing our own from dairy cream."

What's behind the butter shortage? Friday blames it on the Ministry of Agriculture, Forestry and Fisheries and a group called the Agriculture & Livestock Industries Corporation (Nochiku Sangyo Shinko Kiko), which is largely made up of "amakudari"—retired bureaucrats on their second careers—which has been working at expanding certain vested interests.

"Three 'inane plans' being pushed by the Agriculture Ministry have caused the supply and demand to collapse," says Yoshihiro Asakawa, a journalist covering agribusiness. The first was the **subsidy** system for processed dairy products. Dairy farmers in Hokkaido receive a 12.9 yen **subsidy** for each kilogram of raw milk used in the making of butter. Hokkaido produces 80% of Japan's butter, and the policy has led to an over-concentration in one part of the country. So if Hokkaido dairy production is even slightly **destabilized**, it will result in a drop in butter production.

The second problem stems from the subsidies for cheese. As Japan keeps importing more cheese, the ministry has shown **stubborn** determination to develop its domestic industry, offering a subsidy of 15.53 yen per kilogram of raw milk used in the making of cheese. Half the cost of building production plants is covered by government subsidies.

The Agriculture & Livestock Industries Corporation (ALIC) has been encouraging production of cheese through 31 billion yen in government subsidies. After last year's butter shortage, the bureaucrats tried to **backtrack** and persuade the cheese makers to shift their raw materials to address the butter shortfall, but other bureaucrats told them not to bother, claiming that consumers would **hoard** butter if they could buy more.

Total demand is expected to reach 74,700 tons this year, but only 64,800 will be produced, leaving the shortfall to be made up by imports. But then ALIC - which is the sole entity authorized to import butter—stepped in with "inane plan" number 3. This involves piling an additional markup on top of the existing 35% import duty. The end result is a fourfold rise in the retail price of a kilogram of butter, from about 500 yen to 2,000 yen, pricing it out of the market.

Friday notes that of the 10 directors of ALIC, five are former Agriculture Ministry bureaucrats. ALIC's director earns around 16.72 million yen. Enough, the magazine notes bitterly, to let him live off the fat of the land.