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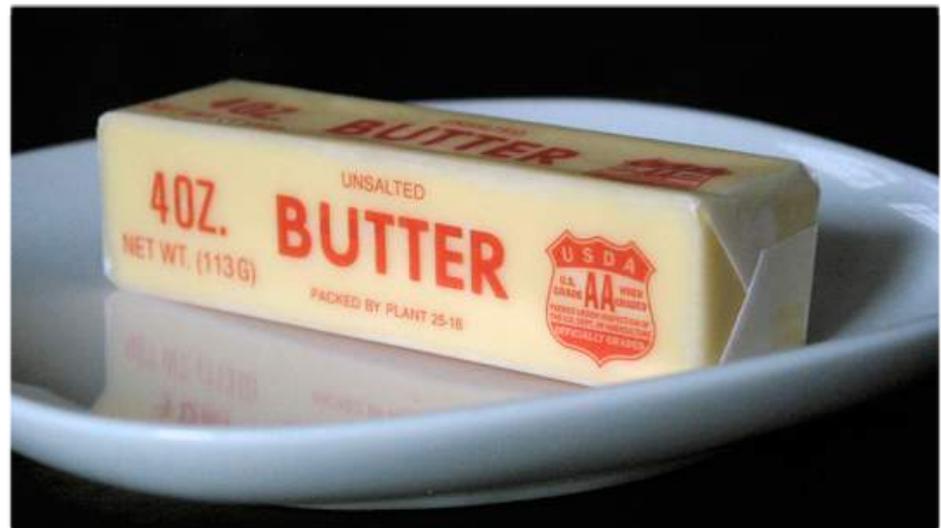


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Bureaucratic bungling behind butter shortage

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)

Inane =

Lacking sense or
meaning; silly

Discussion questions

1. Did you notice the butter shortage? Has it affected you? How much butter do you consume?
2. What do you think about the “3 inane plans”?
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 real problem.

"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 making our own butter from dairy cream."

Why is there a butter shortage? Friday blames it on the Ministry of Agriculture, Forestry and Fisheries and a group called the Agriculture & Livestock Industries Corporation (ALIC), which is mostly made up of "amakudari"—retired bureaucrats on their second careers. ALIC has been working at expanding certain industries.

"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 comes from the subsidies for cheese. Japan keeps importing more cheese but the ministry has shown **stubborn** determination to develop the domestic cheese industry. It offers 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 also covered by government subsidies.

The 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**. They tried to persuade the cheese makers to shift their raw materials to butter. But other bureaucrats told them not to do this. They said that 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. The shortfall will be made up by imports. ALIC - which is the sole entity authorized to import butter—then made stepped "inane plan" number 3. They put an extra charge on to the existing 35% import duty. The end result is that the retail price of a kilogram of butter has gone up from about 500 yen to 2,000 yen. At that price, nobody will buy it.

Friday notes that of the 10 directors of ALIC, five are former Agriculture Ministry **bureaucrats**. ALIC's director earns around 16.72 million yen. It's enough to buy a lot of butter.