



The Wengfu & Zijin Chemical Industry Co., Ltd. ammonium phosphate plant/Shanghang, China



A truck delivering gasoline and other products to JA-SS service stations



A yakiniku restaurant operated directly by JA ZEN-NOH Meat Foods Co., Ltd. Yakiniku Honpo Pure Kitasenju Marui/Tokyo



A farm engaging in contracted cultivation of rice/Saitama Prefecture



TAMAGO COCCO, a sweets shop operated directly by JA ZEN-NOH Tamago Co., Ltd./Tokyo



Angelle, a mini tomato for which ZEN-NOH is the sole seed supplier



ZEN-NOH Grain Corporation's grain export facility with expanded loading capacity/New Orleans, La., U.S.A.



The Southern Prefecture VF Station, which packages strawberries/Fukuoka Prefecture



JA Farmers Tomioka, which includes a direct-sales shop for domestic farm products/Gunma Prefecture



We, the ZEN-NOH Group, are the trusted and reliable go-between linking producers and consumers.

We think about peace of mind from three points of view:

- Efforts to support farm management and lifestyles, and to create vibrant production centers
- Delivering to consumers domestically-produced fresh and safe agriculture and livestock products
- Proactive efforts to protect the earth's environment

JA Manifesto

We, members, employees and officers of JA, act in accord with the fundamental definitions, values and principles of cooperative union activities (independence, self-reliance, participation, democratic management, fairness, and solidarity). We will forecast environmental changes from a global perspective and renovate our organization, business, and management.

We will also cooperate with cooperatives in local communities, across the country, and all around the world, in an effort to realize a more democratic and fairer society.

To this end, we will fulfill our role in society as a community-based agricultural organization sincerely, by carrying out the following initiatives.

We will:

1. Develop agricultural industries in regions to protect the food, nature, and water of our country.
2. Build local communities where people can live a safe and bountiful life by making a contribution to the environment, culture, and welfare.
3. Achieve cooperative results through active participation in and solidarity with JA.
4. Ensure sound management of JA and strengthen confidence in JA in accordance with the principles of independence, self-reliance and democratic management.
5. Pursue the achievement of meaningful lives together through learning the spirit of cooperation and implementing cooperative activities.

Co-operative identity, values & principles in the 21st century

The ICA Declaration on the identity of cooperatives

Definition of a Co-operative

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Co-operative values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

Principle 1 Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Principle 2 Democratic Member Control

Co - operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

Principle 3 Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: Developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible;Benefiting members in proportion to their transactions with the co-operative; and,Supporting other activities approved by the membership.

Principle 4 Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

Principle 5 Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of co-operation.

Principle 6 Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

Principle 7 Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

Source: JA Handbook for Executive Officers/Zenkoku Kyoudou Publishing Co. Ltd.

ZEN-NOH Report 2019

4 Message from ZEN-NOH Representatives

Three-Year Business Plan (FY2019-2021)

- 6 Changing business environment
- 8 ZEN-NOH's courses of action for the next 5-10 years
- 10 Top-priority measures

- 12 ZEN-NOH as a cooperative
- 15 The SDGs and co-operative initiatives
- 16 International network
- 18 Product introductions
- 20 Nationwide Store Network

Special feature

- 22 Smart agriculture
- 23 Yume Farm ZEN-NOH is set up to demonstrate technologies and how to manage greenhouse for maximizing income of Japanese growers
- 24 Technological development to support productivity improvements

ZEN-NOH's businesses

- 26 Rice and farm produce business
- 28 Fruit and vegetables business
- 30 Livestock product sales business
- 32 Export business
- 34 Production materials business
 - Fertilizer business, agrochemicals business, agricultural machinery business, farming and packaging materials business, feed business
- 40 Energy business
- 41 Life support business
- 42 Facilities and agricultural residential business

43 Disaster recovery and restoration

44 Social Responsibility Activities

Data

- 46 JA Group Organization and Businesses
- 47 ZEN-NOH's organizational structure
- 48 Financial Information

50 Public-relations

With an eye on five and 10 years from now Continuing to move forward powerfully To connect the rails we have laid through now with those to the future

全力結集で挑戦し、
未来を創る

Unite, Our Challenge, Our Future

Chairman of
Supervisory Board

長澤 豊

Yutaka Nagasawa



President & CEO,
Board of Directors

山崎 周二

Shuji Yamazaki



We wish to offer our sincerest thanks for the tremendous cooperation and support that the ZEN-NOH Group enjoys in its businesses.

This fiscal year is the first year of our new three-year Medium-Term Plan. Under this three-year Medium-Term Plan, together with continuing to accelerate autonomous reform efforts based on the fundamental approach of doing everything to benefit our members, consumers, and the general public, we also will deploy initiatives with an eye toward the future five and 10 years from now, to respond to the dramatic changes now underway in production, distribution, and consumption structures as well as the international situation.

The catchphrase of this three-year Medium-Term Plan is "Unite, Our Challenge, Our Future" This phrase embodies our resolve to build a new future by boldly taking on the challenges of new business domains while also combining our strengths together nationwide with an eye toward the future and fully carrying out autonomous reform initiatives with all of our strength.

The courses of action that we will aim to have achieved five and 10 years from now are based on the following foundations, on which we will build related concrete measures.

First, we will establish and implement strategies for individual produce and product categories, toward systematic and incremental growth in the value of total domestic agricultural production.

Second, we will firmly develop sales strategies for the individual produce and product categories in which production will expand.

Third, we will strive to build healthy local communities.

Fourth, we will develop new international strategies

in response to dramatic changes in international conditions.

To realize these initiatives, we must review the existing functional divisions within the JA Group and control business operational costs throughout the JA Group as a whole. For this purpose, we will engage in full discussions with JAs on matters including optimal allocation of our management resources. In addition, we will expand the businesses of the JA Group and ZEN-NOH and maximize returns to members through establishing integrated group management to demonstrate the comprehensive abilities of the entire ZEN-NOH Group, including subsidiaries.

Priority measures intended to expand the value of total agricultural production will include use of new technologies to increase productivity, support for addressing shortages in agricultural labor, and utilization of information and communication technologies (ICT). Through such efforts, we will contribute to increasing food self-sufficiency rate and to community development by realizing sustainable agriculture, through providing backing support for business succession for family farms and community management organization and new business entries in the agricultural field.

Over the past three years, ZEN-NOH has laid the rails on the route toward reform and carried out a wide range of efforts based on them. Over the coming three years, we will continue to move forward powerfully through the concerted efforts of all ZEN-NOH Group management and staff to connect these rails with those to the future that lies ahead.

We will appreciate your continued cooperation and understanding with regard to the operations of the ZEN-NOH Group in the future.

Changing business environment

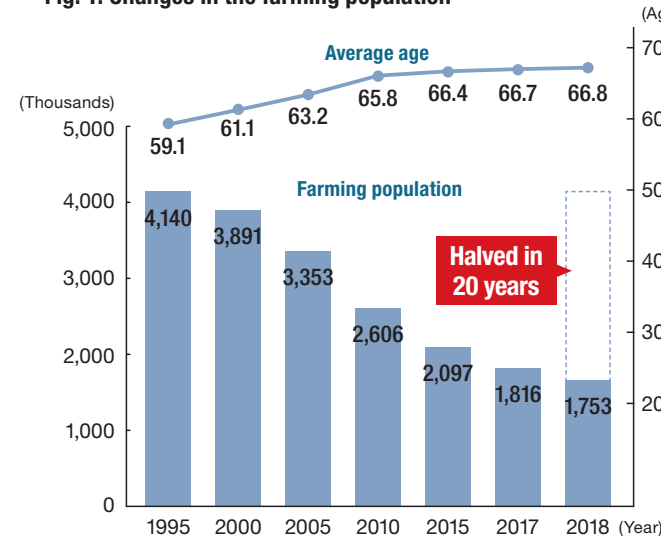
Downsizing and restructuring of agricultural production

As the agricultural workforce decreases rapidly, the labor shortage is intensifying due to the aging of farmers and a lack of members of the next generation of farmers. (Fig. 1)

The production infrastructure also is weakening due to factors such as increases in abandoned cultivated land. (Fig. 2)

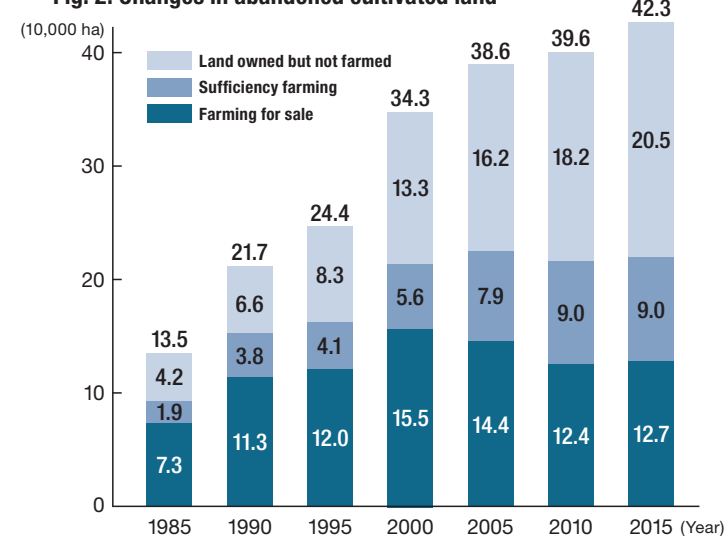
On the other hand, due to an increase in corporate farming organizations and the rising presence of large-scale farming in farm management, the number of young new farmers aged 49 and younger is trending at around 20,000. (Fig. 3, Fig. 4)

Fig. 1. Changes in the farming population



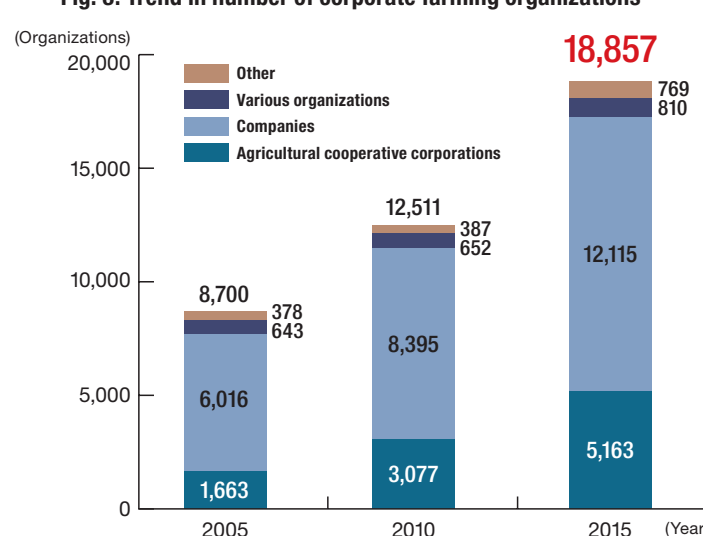
Source: Based on Ministry of Agriculture, Forestry and Fisheries, "Census of Agriculture and Forestry" and "Survey on Movement of Agricultural Structure"

Fig. 2. Changes in abandoned cultivated land



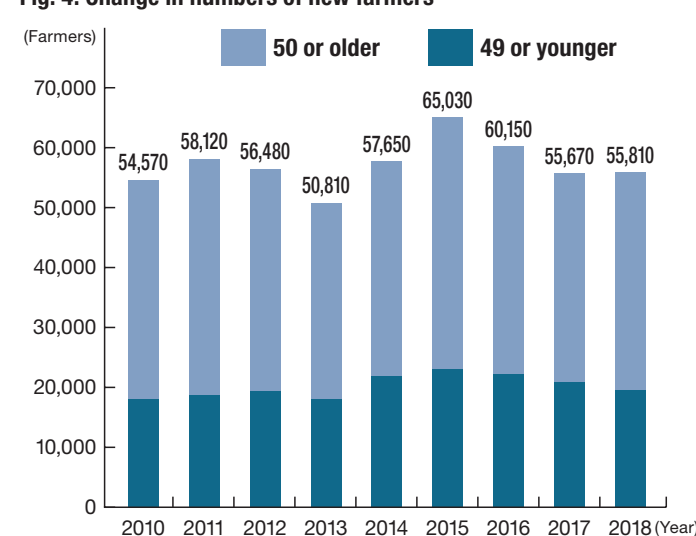
Source: Based on Ministry of Agriculture, Forestry and Fisheries, "Census of Agriculture and Forestry"

Fig. 3. Trend in number of corporate farming organizations



Source: Based on Ministry of Agriculture, Forestry and Fisheries, "Census of Agriculture and Forestry"

Fig. 4. Change in numbers of new farmers



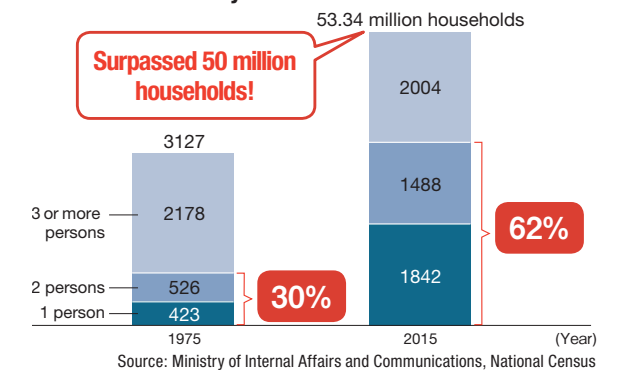
Source: Ministry of Agriculture, Forestry and Fisheries, "Survey on Newcomers in Agriculture"

Consumption trends

Against a backdrop of rising needs for easy-to-prepare meals amid increasing numbers of single-person and dual-income households, the home meal replacement and food service markets are growing. (Fig. 1, Fig. 2) In the grocery retail market, sales by convenience stores and drug stores are growing, while the e-commerce market also is growing and new demand is rising rapidly, such as that for serving foreign visitors to Japan. (Fig. 3)

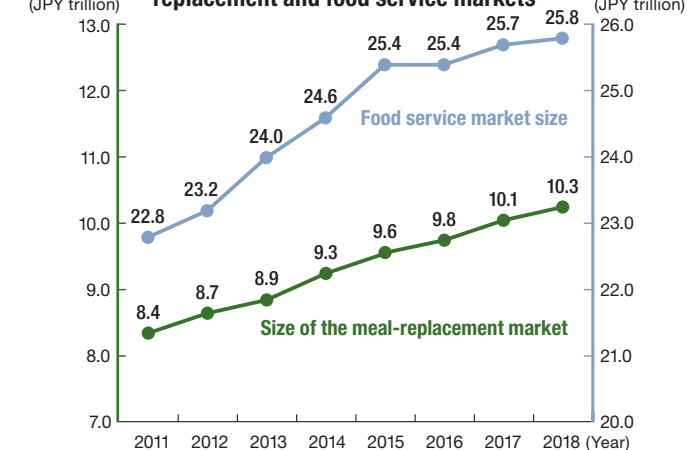
In addition, a program requiring labeling of the production centers of raw materials used in processed foods was enacted in September 2017, and its full implementation will be completed in April 2022, after a transitional period. This is expected lead to increased demand for domestically-produced agriculture and livestock products, by serving as an effective criteria in consumers' product choices. At the same time, there are concerns about the impact on the food-service and other industries of the increase in the consumption tax rate planned for October 2019.

Fig. 1. Changes in numbers of households by number of members



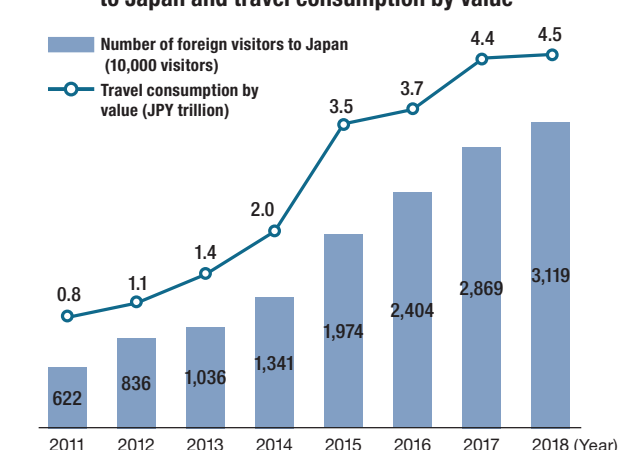
Source: Ministry of Internal Affairs and Communications, National Census

Fig. 2. Changes in the size of the home meal replacement and food service markets



Source: Based on data from the Japan Ready-made Meal Association and the Japan Foodservice Association.

Fig. 3. Changes in the number of foreign visitors to Japan and travel consumption by value



Sources: Based on data from the Japan Tourism Agency and the Japan National Tourism Organization

Conditions faced by the JA Group

JA's economic businesses are experiencing decreasing trade volumes due to contraction of the agricultural production infrastructure. JA's business environment is growing tougher in other ways as well, including a situation in which the earnings capabilities of JA's credit and mutual insurance businesses decline as an unavoidable consequence of the lengthening of the policy of negative interest rates in Japan. Under such conditions, in order for JA to establish a sustainable business foundation and maintain levels of member services, there is a pressing need to improve the earnings ability of its economic businesses through cooperative efforts with producers to establish production infrastructure and strengthening sales capabilities.

Trends in agricultural policies and the international situation

There are concerns about the impact on domestic agriculture of further progress in trade liberalization, including the U.S.-Japan Trade Agreement on Goods (TAG), TPP11, and the Japan-EU Economic Partnership Agreement (EPA). In addition, the agricultural field, which suffers from an increasingly severe shortage of workers, is an industry subject to the amended Immigration Control and Refugee Recognition Act, which took effect in April 2019.

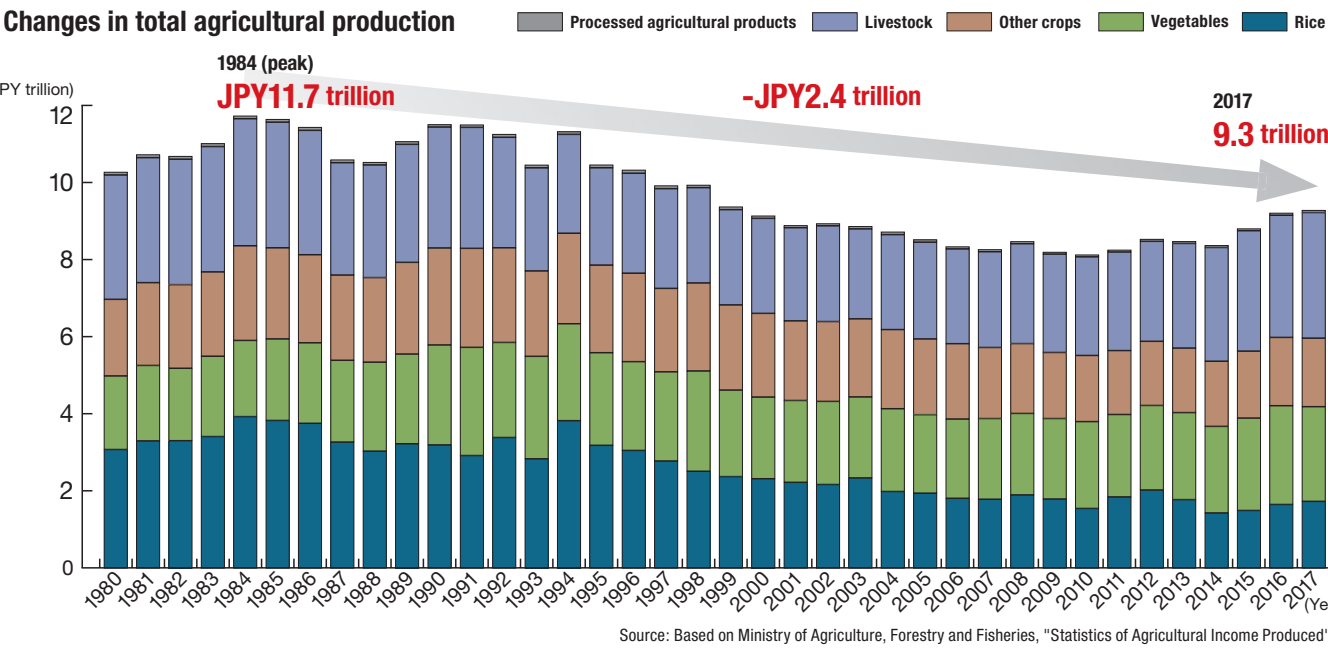
Internationally, subjects of concern include the impact on grain markets of intensification of the U.S.-China conflict, rising energy prices due to instability in the Middle Eastern situation, and the impact of Britain's withdrawal from the EU.

In light of these circumstances, over the next three years (FY2019-2021) we plan, under the basic stance of "benefiting all members, as well as consumers and the public," to continue accelerating autonomous-reform initiatives as well as deploying initiatives with an eye toward five to 10 years in the future, in response to rapidly changing production, distribution, and consumption structures and the international situation.

ZEN-NOH's courses of action for the next 5-10 years

Systematic expansion, in stages, of total agricultural production, through formulation of strategies for individual crops and products

Total domestic agricultural production in 2017, the most recent year for which figures are available, was JPY9.3 trillion, down JPY2.4 trillion from its 1984 peak. To realize sustainable agriculture, we will introduce a wide range of measures to stimulate regional production and establish production infrastructure, based on training and securing agricultural workers. These will include ① new technologies to improve productivity, ② support for securing the workforces needed, and ③ utilization of ICT.



In addition, of the total of 88 million tons of agriculture and livestock products consumed per year in Japan, about one-half is produced domestically, while imports are relied on for the rest. For this reason, ZEN-NOH intends to contribute to increasing Japan's food self-sufficiency through efforts to expand domestic production, by formulating product-specific strategies such as:

- ① Full self-sufficiency in products for which Japan has the production capacity to satisfy domestic demand (rice, eggs, etc.)
- ② Expanding production of products for which domestic demand is not satisfied fully (wheat, soy, etc.)
- ③ Shifting to domestic production of products for which import volumes are high (vegetables etc.)
- ④ Export of products for which Japan has international competitive advantages.

Food Self-Sufficiency Table (FY2018)

Unit: 10,000 tons

	Type/item	Domestic production	Foreign trade		Food intended for domestic consumption	
			Imports	Exports	Volume	Feed materials (included in above)
Produce	Grains	918	2,470	12	3,330	1,477
	Rice	821	79	12	845	43
	Corn	0	1,576	0	1,564	1,201
	Vegetables	1,131	331	1	1,461	0
	Fruit	283	466	6	743	0
	Other	587	483	2	1,081	9
	Subtotal	2,918	3,750	21	6,615	1,486
Livestock	Meat	337	320	2	655	0
	Eggs	263	11	1	274	0
	Milk and dairy products	728	516	3	1,243	3
	Subtotal	1,328	847	6	2,171	3
Total		4,246	4,598	27	8,786	1,489

Note: "Other" under agricultural products indicates the total of potatoes, starches, and pulse.
Source: Based on Ministry of Agriculture, Forestry and Fisheries, "Food supply/demand" table

Developing sales strategies based on market needs

Together with expanding sales in the fresh-foods field, one of ZEN-NOH's strengths, we also will strengthen efforts to address demand for processing and commercial uses. In addition, by developing products with the high added value that consumers seek, based on domestic and international market needs, and expanding consumption of agriculture and livestock products through diverse sales channels, the ZEN-NOH Group will secure a position as a top Japanese food brand.



Support for creating healthy rural communities

Together with enhancing businesses that support community lifeline services based on the facts on the ground in agricultural communities, mountainous regions, and other localities, ZEN-NOH also will attract people and consumption into rural areas (i.e., stimulate demand), through means such as capturing demand from inbound tourists and rural lodging businesses, to contribute to regional development by stimulating local economies and developing healthy communities.



Developing new international strategies in response to rapidly changing international trends

Amid a rising protectionist trend, as seen in U.S.-China trade frictions, there are concerns about an increasing lack of transparency in international grains markets and a global economic slowdown. For this reason, ZEN-NOH will develop new international strategies in areas such as enhancing its procurement capabilities for feed grains, fertilizers, and other materials and increasing exports of domestically-produced agriculture and livestock products by developing supply chains linking domestic production centers with customers overseas.



Maximizing returns to all stakeholders

To realize the above initiatives, it will be essential to review the existing functional subdivision within the JA Group and keep down the Group's overall operating costs. To do so, ZEN-NOH is moving forward with thorough discussions with JA on topics including optimal allocation of our management resources. We also will grow the businesses of both the JA Group and ZEN-NOH and maximize returns to members, by demonstrating the comprehensive power of the ZEN-NOH Group, including subsidiaries, and establishing Groupwide management.

Acceleration of autonomous reforms

- ① Proactive deployment of measures including direct business discussions with users to sell rice, fruits, and vegetables directly and expand items purchased for resale, development of facilities related to direct sale, and investment in and alliances with other businesses
- ② To maximize benefits of scale in the JA Group, expanding joint purchasing of materials through centralization at ZEN-NOH and increasing the numbers of products purchased centrally, development wide-area logistics systems, and using these to improve efficiency and slim down procurement and supply structures
- ③ Expanding exports through developing supply chains linking domestic production centers to buyers overseas, sharing information on exports, and strengthening negotiating capabilities through centralization of the function at ZEN-NOH



Main progress on autonomous reforms (FY2018)

Expanding direct sales

Rice: 1.29 million tons in FY2018
Fruit and vegetables: 349.7 billion yen in FY2018

Increase in purchases for resale

Rice: 530,000 tons in FY2018
Consolidation of brands and standards of materials

General chemical fertilizers: from 547 to 25 total brands

Cardboard: standards reduced by 18%
(onions, yams, bell peppers)

Standards for direct shipment of agricultural chemicals to farmers expanded

From 21,000 ha in FY2016 to 104,000 ha

Joint purchase of tractors

FY2018: 853 units (large tractors of 60-hp class)

Top-priority measures

The following five top-priority measures will be implemented to give concrete form, as much as possible, to ZEN-NOH's ideal courses of action in the coming three years.

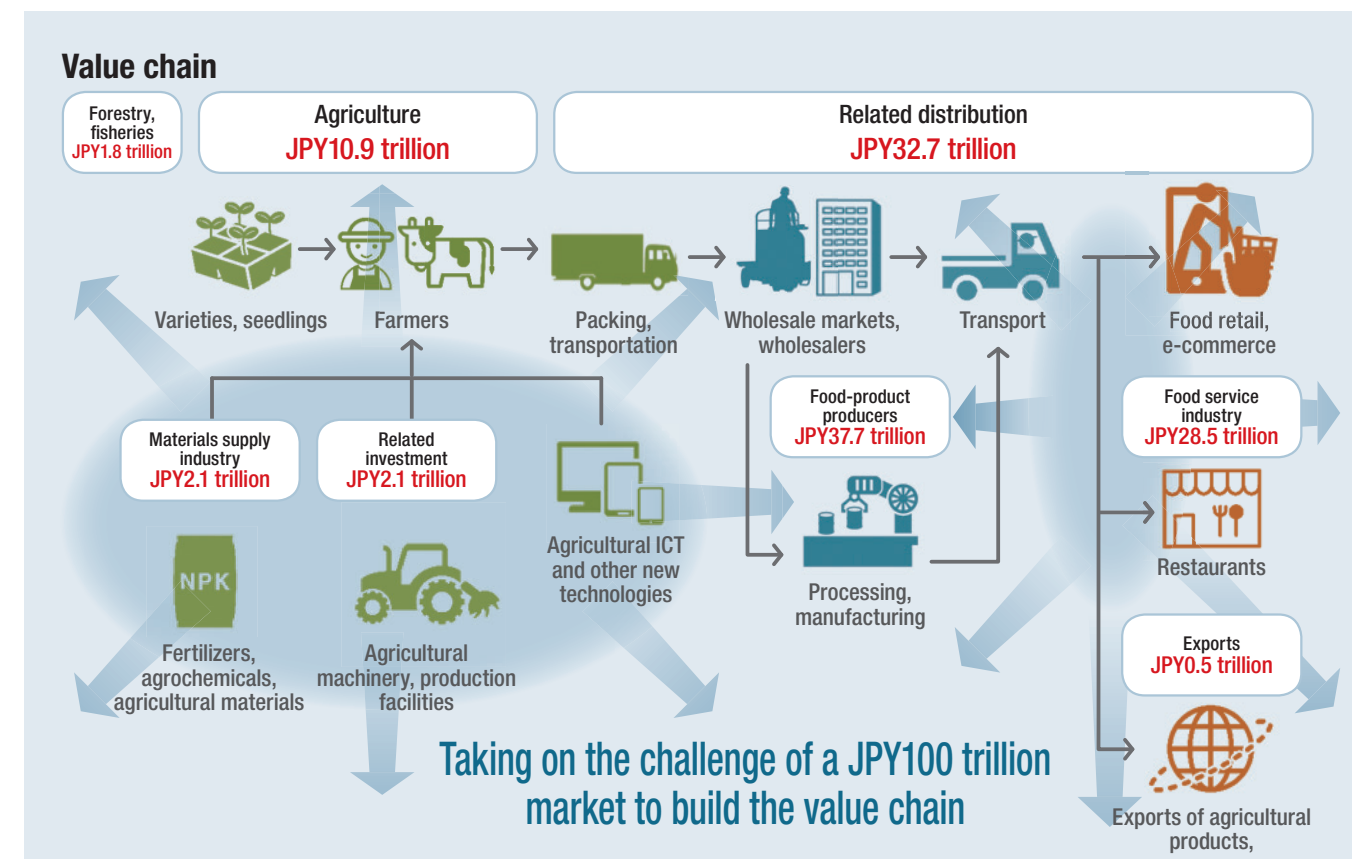
Establishment of production infrastructure

- ① To address labor shortages in the field in agriculture, implementing diverse **labor support measures** suited to the needs of local farmers and JAs, investing in and partnering with production corporations organized by JAs, supporting efforts to secure and train agricultural workers, etc.
- ② **Adoption and promotion of innovative technologies** such as fully automated drones and Z-GIS and other agricultural ICT systems, to help improve the efficiency of agricultural work and farm management
- ③ **Expanding cultivation under contract** with clearly defined buyers, for products such as rice, fruits, and vegetables for processing and commercial use
- ④ Providing **sales-based production solutions** and related materials and services
- ⑤ Promoting production to **replace imported livestock products with domestic products** for certain specific items
- ⑥ **Infrastructure development including business facilities, software, etc.** for deploying the measures above



Establishing a position as the top food brand

- ① Growing market shares in production of food products, food processing, and food service, through enhancing product-development capabilities and **proposing products chosen by consumers and other buyers**
- ② Further deployment of **technological and business alliances with various firms**, toward development of value chains from production through consumption
- ③ **Diversification and expansion of sales channels** through means including full-fledged deployment of e-commerce businesses, responding to new inbound-tourist demand, and business deployment in the home meal replacement and food service markets
- ④ **Development of infrastructure, including business facilities and software**, to deploy the measures above



Support for creating healthy rural communities

- ① Through efforts such as restructuring, strengthening, and improving the efficiency of facility functions centered on produce direct-sales facilities, JA consumer shops, and other facilities, building stronger communities through **measures to secure sustainable lifelines in mountainous regions**
- ② Stimulating local communities through **increasing numbers of large-scale A-Coop stores combined with directly operated shops (JA Farmers)** and consumer businesses suited to new demand such as that from inbound tourism.
- ③ Supporting community lifelines through **expanding the electricity business, deploying the home energy business, and cutting the costs of energy used in agricultural management**



Development of international strategies

- ① **Strengthening competitive advantages in exports**, through means such as increasing sales in existing export markets, expanding export production centers, increasing sales through e-commerce initiatives in various countries, and joint logistics/distribution with other companies
- ② **Strengthening procurement capabilities for raw materials and other materials**, through means such as **enhancing relationships with agricultural cooperative organizations in other countries, overseas suppliers**, and others and opening facilities overseas

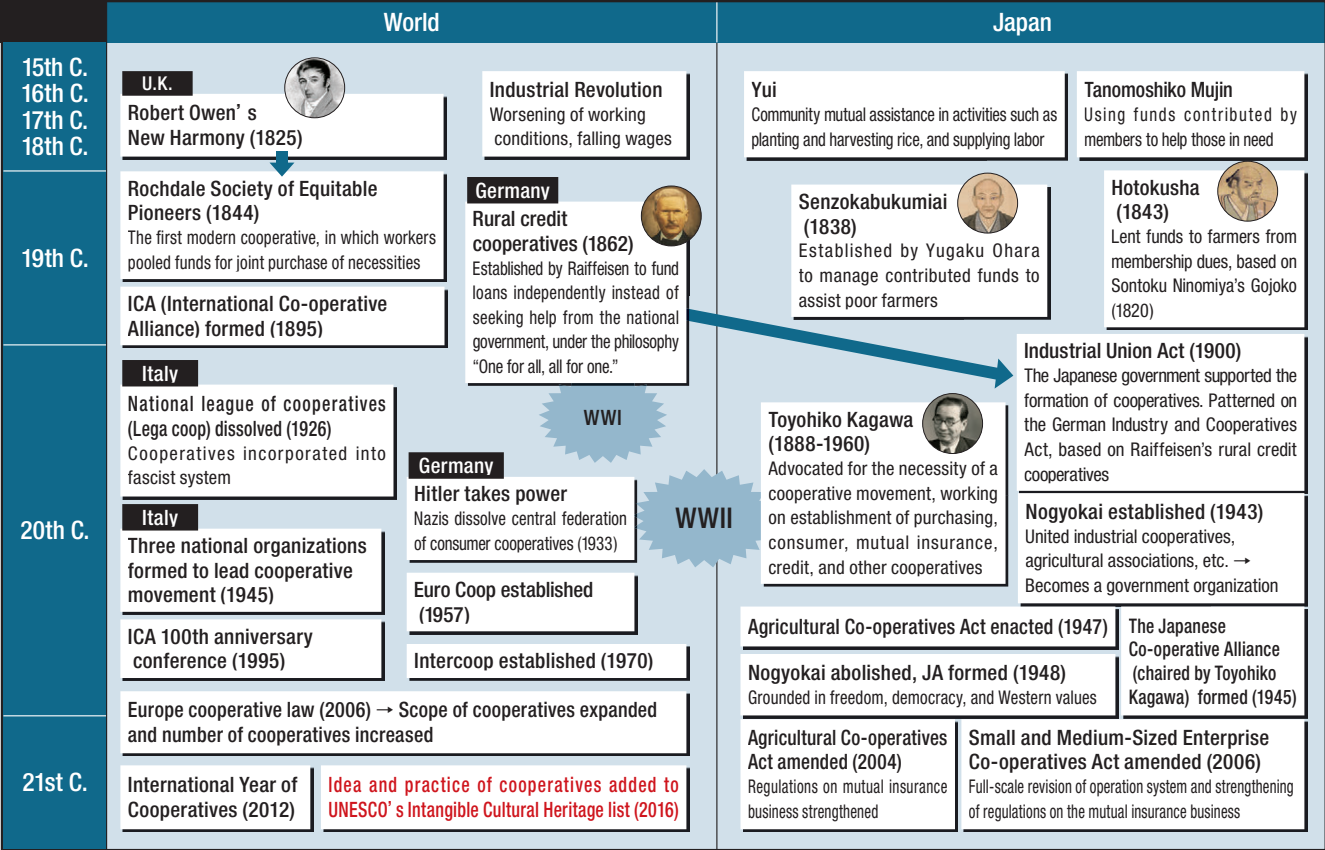


Strengthening support for JAs

- ① Providing support for efforts such as the following in order to deliver practical support for JAs' efforts to strengthen their business foundations: **enhancement of farmers' adaptability, enhancement of sales capabilities, rationalization of logistics, integrated management of and contracting to facility businesses, and development of production centers**
- ② **Practical implementation in the field of autonomous reforms by JAs and ZEN-NOH**, to contribute to increasing farmers' income and expanding agricultural production
- ③ To implement the measures under ① and ② above, **providing integrated support, including human-resources support, to JAs in cooperation with CHUOKAI, NORINCHUKIN Bank, and JA SHINREN**

ZEN-NOH as a cooperative

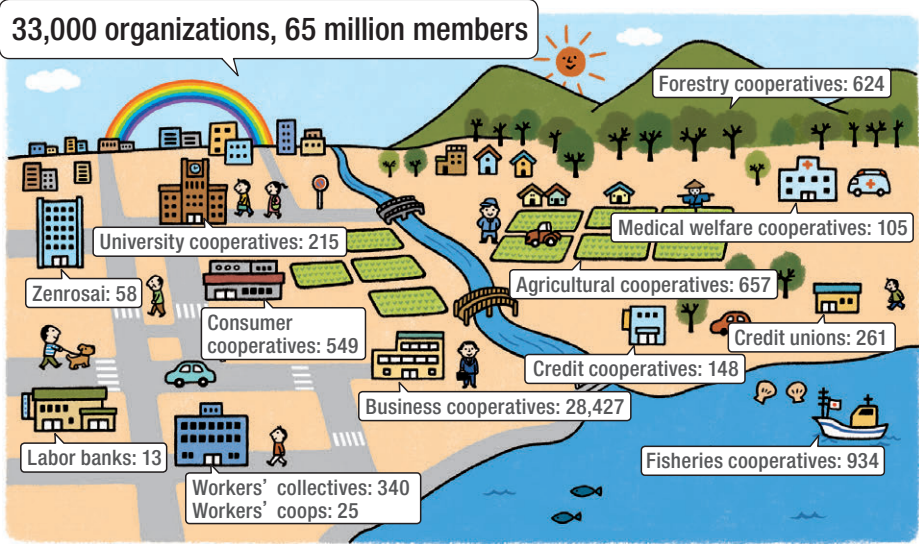
History of cooperatives



Illustrations courtesy of: Yugaku Ohara Museum, Hotoku Museum, Kagawa Archives & Resource Center, Robert Owen Society, JA Group Hyogo Editorial supervision: JCA (pp. 12-14)

Cooperatives support communities and livelihoods

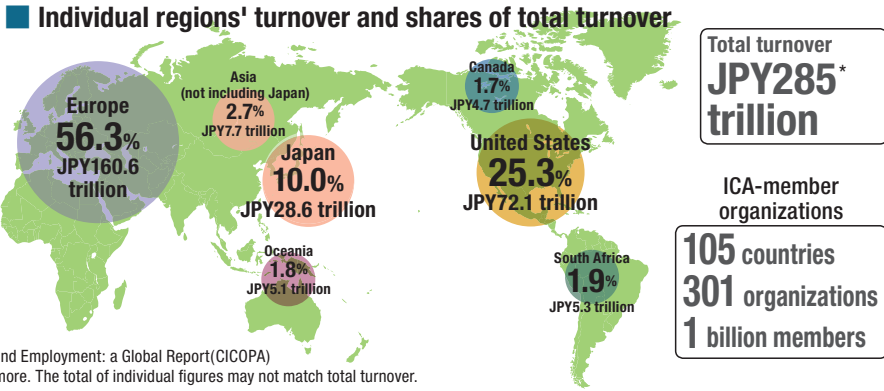
Cooperatives are organizations that manage their operations based on the principles of self-help and cooperation from long-term, multifaceted, and altruistic approaches, aiming to improve the livelihoods of their members. They are deeply involved in our lives over a broad range of areas from primary through tertiary industries. Cooperatives are specifically identified as one of the private-sector participants playing roles in implementing the Sustainable Development Goals (SDGs), adopted by the United Nations General Assembly in 2015.



Notes: Figures shown represent numbers of cooperatives in Japan (source: Cooperatives Japan, 2018) Business cooperatives are organized by small and medium-sized enterprises (SMEs). A requirement for organizing a business cooperative is that at least four businesses (corporations or owner-operator businesses) participate. They are intended to facilitate more efficient management and improve trading conditions for SMEs.

Demonstrating considerable power in the international community as well

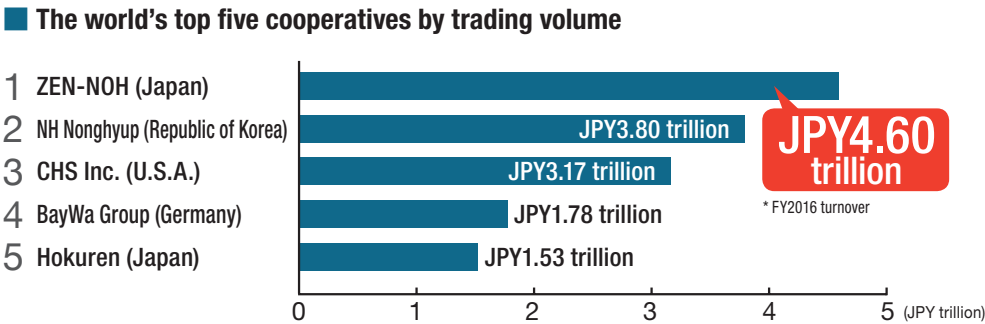
Membership in the ICA, an international federation of cooperatives, consists of 301 cooperatives from 105 countries, whose worldwide membership totals 1 billion people. There are 1,658 cooperatives in the world with turnover, including finance and insurance (income from interest and premiums), of more than USD100 million, and their combined total turnover is more than 285 trillion yen.



Source: The World Co-operative Monitor 2015 (ICA), Cooperatives and Employment: a Global Report (CICOPA)
* Total turnover of cooperatives with turnover of USD100 million or more. The total of individual figures may not match total turnover.

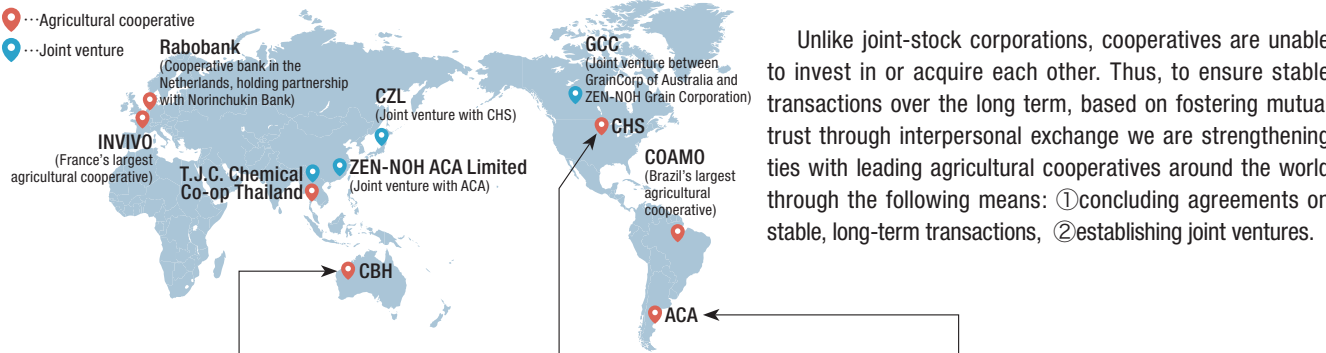
ZEN-NOH's standing among cooperatives worldwide

Around the world, cooperatives are involved in a wide range of businesses including agriculture and foods, consumer businesses, finance, insurance, and public services. A look at trading volume shows that the agriculture and foods segment accounts for 28% of all cooperative business, and ZEN-NOH is the largest cooperative in that segment.



Note: Prepared by ZEN-NOH based on data from the World Co-operative Monitor 2018 (ICA) Note: Figures for the NH Nonghyup in the Republic of Korea include financial and insurance group member companies. Note: Figures for Hokuren were prepared by ZEN-NOH based on FY2016 Business Results, published by Hokuren.

Partnering with leading agricultural cooperatives around the world



Unlike joint-stock corporations, cooperatives are unable to invest in or acquire each other. Thus, to ensure stable transactions over the long term, based on fostering mutual trust through interpersonal exchange we are strengthening ties with leading agricultural cooperatives around the world through the following means: ①concluding agreements on stable, long-term transactions, ②establishing joint ventures.

Australia
CBH Cooperative

The agricultural cooperative in Western Australia, Australia's largest cooperative

Since CBH began trading with ZEN-NOH in 1971, the two cooperatives have built an irreplaceable relationship through trade in a wide range of commodities including oats, lupine, barley, wheat, and rapeseed. Barley, in particular, is an essential material to production of wagyu beef in Japan, as a feed favored by the cattle. We are proud of how Western Australian barley aids in the production of world-famous wagyu beef.

Wally Newman, Chairman

U.S.
CHS

The largest federation of agricultural cooperatives in North America

CHS is a leading global agribusiness owned by 1,100 cooperatives and 75,000 farmers in 48 states across the United States. CHS, whose business is like those of agricultural cooperatives, deals with Fertilizer, agrochemicals, feeds, foods, etc., and operates 1,500 service stations under the brand of Conex across 19 states in the United States to supply fuel products. CHS markets more than 50 million tons of grain and oilseeds annually to domestic and export customers in more than 60 countries. CHS and ZEN-NOH established the joint venture company called CZL Ltd. in 2012, to provide a steady supply of primarily wheat and barley to the Japanese market.

Jay Debertin, President and CEO

Argentina
ACA

Asociacion de Cooperativas Argentinas C. L., the largest association of cooperatives in South America

ACA began trading with ZEN-NOH in 1964, and until now we have exported approximately 10 million tons of feed grains to Japan. We are proud of the way grains produced by Argentine farmers have contributed to livestock farmers in Japan for more than half a century. In addition, in 2011 we established a joint venture with ZEN-NOH in Hong Kong, ZEN-NOH ACA Limited, as our ties with ZEN-NOH strengthen further through joint activities including sale of soybeans to China.

Claudio Soumoulou, Chairman

Dramatic global acquisitions of agricultural cooperatives in Canada and Australia

Many cooperatives worldwide have been acquired by global firms as a result of having shifted to a joint-stock company organizational structure in order to raise funds. While such agricultural cooperatives once accounted for a massive share of grain distribution in their own markets, with these organizational changes and acquisitions their shares have fallen. Tough competition is developing in grains markets worldwide as agricultural cooperatives convert to joint-stock companies and then become involved in successive acquisitions.

1 The case of ABB Ltd. in Australia and Viterra Inc. in Canada

Originally, Australia had both packing cooperatives for wheat and barley, organized by state, and a state government monopoly that exported barley. In 2000, these packing cooperatives and the state agency converted to joint-stock companies and merged to form ABB Ltd.

In Canada, four agricultural cooperatives that needed to consolidate their packing facilities in an effort to end losses in their grain shipping businesses merged and converted to joint-stock companies to raise funds for construction of new packing facilities. In 2007, these became Viterra Inc. Viterra Inc. acquired ABB Ltd. in 2009 as a means of preventing a hostile takeover. However, in 2012 Viterra Inc. was acquired by a major European company, Glencore plc.

Thus, the shift to a joint-stock company organization, intended to make it easier to raise funds, led in a little over a decade to acquisition by an overseas company, which in turn led to a major decrease in packing share.

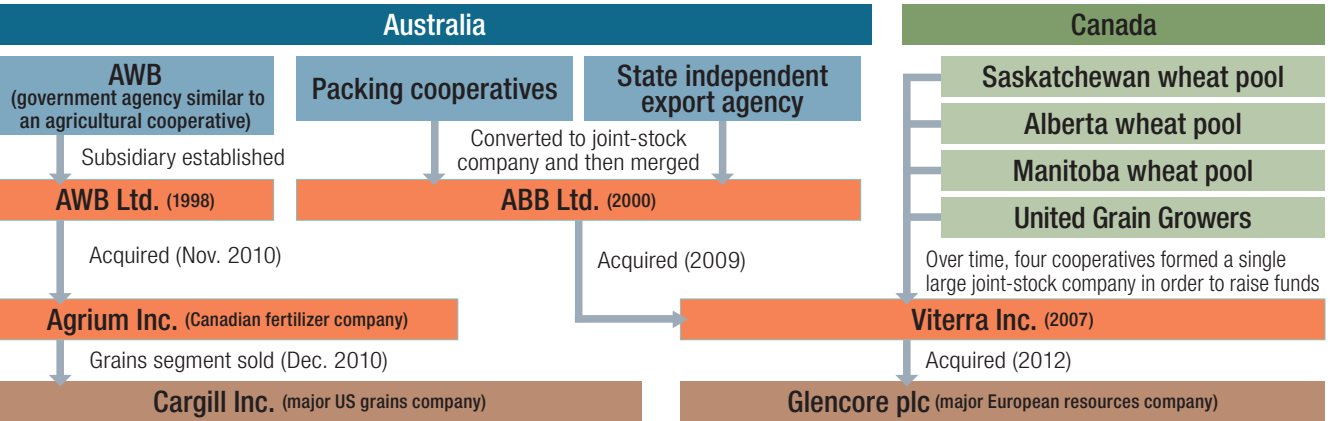
2 The case of AWB in Australia

Originally, AWB was a government agency that resembled an agricultural cooperative, with a monopoly on wheat exports and a pooling system. In 1998, it established a wholly owned subsidiary to which it transferred all of its businesses. In the following year, the original organization was dissolved and stock in the company was split into shares with voting rights, to be held only by farmers, and shares without voting rights. At that time, it remained a joint-stock company defended against hostile takeovers.

Later, in 2008, its articles of association were amended to abolish this distinction in types of stock and make it an ordinary company, and then in 2010 it was acquired by the Canadian fertilizer company Agrium Inc.

Only one month later, Agrium Inc. sold its grains segment to the major US grains company Cargill Inc., retaining only AWB's fertilizer subsidiary.

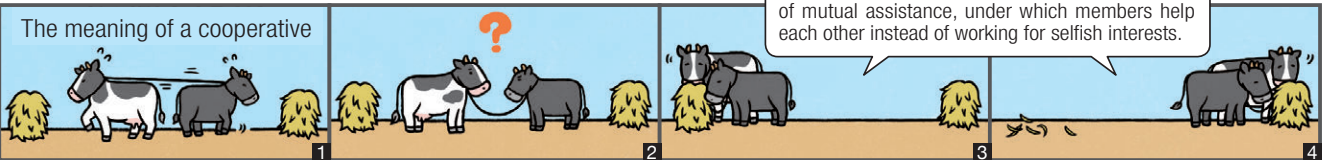
Flow of acquisitions of agricultural cooperatives



Differences between a cooperative and a joint-stock company

	Cooperative	Joint-stock company
Organization	Members seeking to improve their own living	Shareholders who have purchased company stock
Purpose	Improving members' living over the long term (not for profit)	Pursuing short-term returns (for profit)
Management	Members, users, and management are the same	Policies decided on in general meetings of shareholders
Voting rights	One person, one vote	One share, one vote
Acquisition	Impossible	Possible
Operating principles	Prioritizing long-term, multifaceted gains based on a spirit of helping each other	Prioritizing above all short-term profit through competition

The cooperative concept



Source: Based on "What is a co-op?" Japanese Consumers' Co-operative Union

The SDGs and co-operative initiatives

In September 2015, the 2030 Agenda, which included the Sustainable Development Goals (SDGs) as the successors to the Millennium Development Goals (MDGs) established in 2001, was approved by all 193 members of the United Nations General Assembly.

The preamble to the Agenda includes the principle that "leave no one behind." Cooperatives, whose basic principle is "one for all, all for one," are specifically identified as one of the important private-sector participants playing roles in implementing the SDGs.



The first shop of the Rochdale Society of Equitable Pioneers, established in Rochdale, England in 1844

Idea and practice of cooperatives added to UNESCO's Intangible Cultural Heritage list

In 2016, the United Nations Educational, Scientific and Cultural Organization (UNESCO) added the "Idea and practice of organizing shared interests in cooperatives" to its Representative List of the Intangible Cultural Heritage of Humanity, based on an application submitted by Germany. The UNESCO committee noted that "cooperatives allow for community building through shared interests and values creating innovative solutions to societal problems, from generating employment and assisting seniors to urban revitalization and renewable energy projects."

United Nations Decade of Family Farming adopted in 2017

In 2017, the United Nations General Assembly passed a resolution naming the years 2019-2028 the UN Decade of Family Farming, calling on member states to take measures such as promoting policies on family farming, which plays major roles in food security and eradicating poverty and hunger, and sharing knowledge on the subject.

ZEN-NOH will continue activities grounded in the founding principles of cooperatives with the goals of protecting family farming, which plays very important roles in not only agricultural production but also protecting the land in mountainous regions and elsewhere.

Examples of the ZEN-NOH Group's efforts to contribute to the SDGs

A mobile shop in partnership with JA

A solar-power support project utilizing an agricultural facility

Employment creation through supporting agricultural labor

The Rice Paddy Organism Survey, an opportunity to think about the connection between the environment and farming

International network

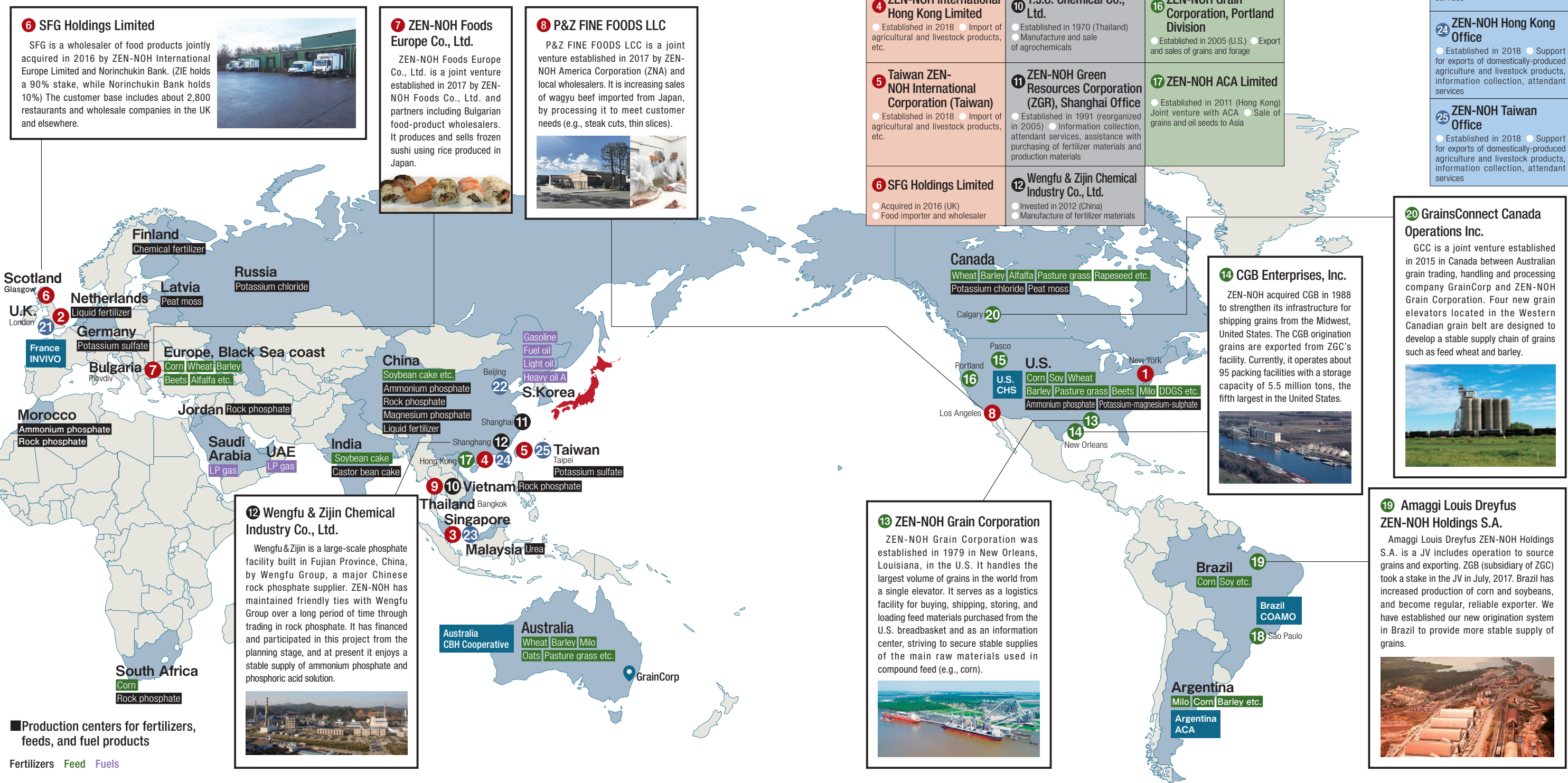
ZEN-NOH strives to expand exports of domestically-produced agriculture and livestock products and secure stable supplies of feed and fertilizer materials through our international network.

In 2018, new overseas facilities were established in Hong Kong and Taiwan, joining exiting facilities in the US, the UK, and Singapore. (Staff also are assigned to the overseas facilities of Group member companies in Thailand and China.) We

also are striving to expand exports of domestically-produced agriculture and livestock products through measures such as acquisition of wholesaler companies.

In the fertilizer businesses, we are strengthening ties with overseas suppliers of raw materials, and in 2012 we invested in Wengfu & Zijin Chemical Industry Co., Ltd., a company producing ammonium phosphate in China, to realize stable supplies of high-quality ammonium phosphate.

In the feed business, we leverage ZGC and CGB to strengthen the origination mostly throughout U.S. Midwest. We affiliate with agricultural cooperative organizations of various countries such as ACA in Argentina and CBH in Australia. And we are currently involved in partnership in both Canada and Brazil to provide access to these production areas.



Product introductions

Some ZEN-NOH Group products filled with the delicious taste of Japanese agricultural products are introduced below.



Packs of polished rice in the popular 300 g size. Consumers can even sample famous rice brands. Nitrogen packing extends the shelf life by six months



Wash-free "GABA Koshihikari" contains about five times the Y-aminobutyric acid of ordinary white rice. It's a food with functional claims that can help control blood pressure



Alcohol-free amazake made from rice koji. Enjoy its rice-based sweetness, with no added sugar. It's perfect for replenishing the sugar of students preparing for exams

ZEN-NOH is the exclusive provider of seeds for the baby plum tomato variety "Angelle" in Japan. With low gelatin content and a crisp texture, it's easy even for children to eat.



"Minna no Yasai" peeled, heat-treated vegetables Packed for making specific dishes such as pork and miso soup, they shorten cooking times. They can be stored at room temperature.



Cut vegetables produced by Green Message Co., Ltd., a joint venture between Kewpie Corporation and ZEN-NO. Processing/ commercial use



"Nihon no Dried Fruits," made using Japanese apples, strawberries, kiwi, and other ingredients. With no added sugar or preservatives, you can taste the sweetness, acidity, body, and fragrance of each fruit.



Dried fruits from "Nippon Yell," a brand of products made from carefully chosen Japanese ingredients Available in 13 varieties, including Ehime Prefecture lemons and Yamagata Prefecture La France pears. The logo was designed by Kansai Super Studio.



"Shun no Kajitsu Jam" is a series of seasonal jams made from Japanese fruits harvested in the year. Please enjoy with bread or yogurt. They are also excellent for making sweets.

"Tokutama," an egg perfectly suited to serving over rice, patented jointly by ZEN-NOH and jd.z-tamago. Co.,Ltd. "Nokyo Tamago," an original egg brand from specified origins (a new product introduced in 2019).



"Nokyo Milk," the pioneer in nonhomogenized milk. "Nokyo Coffee," made with 73% Aomori Prefecture milk, is sold in the Kanto region.



"11/19-B1 Yogurt," made using 11/19-B1 lactic-acid bacteria, which has high natural immunity activity. This product was developed jointly with the University of Tokyo Faculty of Pharmaceutical Sciences and the Genome Pharmaceuticals Institute. A drinkable version also is available



Sliced grilled roast beef made using Hokkaido beef Sliced individual-serving packs are perfect for kitchens running short on staff. Its simple seasonings draw out the delicious taste of the lean meat.



This original curry was supervised by Japan National Team table-tennis player Kasumi Ishikawa, who is affiliated with ZEN-NOH. Its mellow flavor is achieved using Japanese pork, onions, and carrots.

Each 125ml pack of this 100% juice, made using Kawachi Bankan citrus grown in Ehime Prefecture, contains 6mg of the functional ingredient auroptene. "POM Ashita no Karada Kawachi Bankan Juice" (left) is a food with functional claims that helps middle-aged and older people to retain their power of recollection (of words and memories). "Tsuburana Kabosu," made using Citrus sphaerocarpa from Oita Prefecture. Enjoy the delicious texture of summer orange pulp (center). "Ranran Rararasakuranbo," made using the juice of Satonishiki cherries from Yamagata Prefecture These tart cherries melt in the mouth (right).



ZEN-NOH Brand : The tastes of Japan

ZEN-NOH develops and markets processed foods under its own brand, made mainly using domestic agricultural products. With a priority on use of domestic ingredients, a total of about 180 items are offered under the brand, aiming to contribute to safe, comfortable, healthy living. These products are sold through channels such as supermarkets, including ones operated by the JA Group, as well as consumer co-ops, convenience stores, and TV shopping.

Among them, "Okome no Milk" is a unique product that draws out the natural sweetness of rice using proprietary saccharification technology, with no added sugar. Products added to the lineup recently including "Mochi Mugi Gohan," made with Japanese barley, and "Kyushusan Yuki Yasai Aojiru," made using organic vegetables from Kyushu.



The ZEN-NOH brand website



A-Coop brand products Safe, reliable, quality products for living

A-Coop brand is a JA Group brand that prioritizes use of Japanese ingredients. It develops products that make the most of JA's distinguishing features, reflecting feedback from JA members and users.

A number of products introduced recently were developed in collaboration with seasoning and other companies to deliver a refreshing taste to various dishes. These include "A-Coop Homeraresu" vinegar and "Kantan Wafu Dashi Uma! Dashi Pakku" (soup-stock packs) developed jointly with the National Council of the Agricultural Cooperative Women's Association.

These are sold at JA and A-Coop outlets nationwide. (Not available in some outlets.)



Members of the National Council of the Agricultural Cooperative Women's Association discuss candidate soup-stock products for cooking.



The A-Coop brand website



The domestic rice logo is affixed on products whose main ingredients are 100% Japanese rice.



The A-Coop Brand Publicity Committee Facebook

Collaborative products

ZEN-NOH offers numbers products developed in collaboration with other companies.



The "Sapporo Ichiban x ZEN-NOH Cup Star" series, a collaboration with Sanyo Foods Co., Ltd. So far, 20 varieties have been introduced.



Gummy candies, hard candies, and gelatins made using Japanese fruit juice from specified origins, a collaboration with Daiso. 16 types include gummy candies made using Oita Prefecture Citrus sphaerocarpa and hard candies made with Wakayama Prefecture green plums.



"Mainichi no Kenkocha," a blend of grains and green tea made using 100% Japanese ingredients, a collaboration with Ito En, Ltd. It uses 12 healthy ingredients popular among women.



SOYLETES is a domestic soybean financier cake for the athlete developed by supervision of Prof. Kumiko Ebi of Ritsumeikan University. ZEN-NOH's collaboration item with Ritsumeikan University and Matsuo Shouten Inc.

Nationwide Store Network

- Directly operated
- Subsidary
- Affiliate

The ZEN-NOH Group operates a variety of stores in national production areas and in the greater Tokyo area. We promote domestic farm products directly through a diverse range of stores including direct-sales shops for domestic farm products, restaurants, cafes, and other shops, combined with spaces for holding events.

We also are actively expanding our store network overseas, where we have opened Japanese restaurants and yakiniku barbecue restaurants.

The goals of these efforts are to promote the high quality, delicious taste, and safety of wagyu beef from Japan while also growing its consumption by proposing new ways of enjoying it.



ZEN-NOH Group stores page



ZEN-NOH official app



Minori-Minoru Project



Official website

In 2010, the Minori-Minoru Project was established to respond to the views and wishes of producers, collected through the TAC (Team for Agricultural Coordination). It involves implementing new business plans related to topics on which it was difficult for existing ZEN-NOH business divisions to react swiftly, such as community revitalization, increasing the self-sufficiency ratio, gaining the understanding of the public regarding agriculture, and creating places where producers and consumers can meet.

As part of these efforts, in September 2010 Minori Cafe and Minoru Diner opened in Ginza's Mitsukoshi Department Store. These outlets use 100% domestic ingredients (except coffee and some seasonings), in an attempt to transform the structure of the food-service industry, which uses large volumes of imported ingredients, to increase Japan's self-sufficiency ratio.

Since then, it has been expanding nationwide, to locations including Fukuoka (opened November 2014 in Fukuoka Parco), Kyoto (opened November 2015 in Kyoto Takashimaya), Sendai (opened March 2016 in S-PAL Sendai), Niigata (opened January 2017 in LEXN2, adjacent to Niigata Station),

Morioka (opened March 2017 in Morioka Station Building Fesan), Hiroshima (opened March 2018 in Ekie Hiroshima), and Oita (opened December 2018 in Amu Plaza Oita).

In addition, in March 2019 Minori Minoru Kitchen, the Group's first home meal replacement shop, selling bento meals and prepared dishes, opened in Ecute Shinagawa, inside JR Shinagawa Station.

Through these outlets, ZEN-NOH offers menus made using regional ingredients, delivers the delicious taste of domestic and regional seasonal ingredients, and also provides introductions to regional dietary culture and producers' feelings.



Cafe & Restaurant Minori Minoru Amu Plaza Oita (Oita)



Minori Minoru Kitchen Ecute Shinagawa (Tokyo)

- Minori Cafe Ginza Mitsukoshi [Tokyo](#)
- Minoru Diner Ginza Mitsukoshi [Tokyo](#)
- Minori Cafe S-PAL Sendai [Miyagi Prefecture](#)
- Grill Minoru S-PAL Sendai [Miyagi Prefecture](#)
- Minoru Diner Ekie Hiroshima [Hiroshima Prefecture](#)
- Minori Cafe Ekie Hiroshima [Hiroshima Prefecture](#)
- Minori Cafe Fukuoka Parco [Fukuoka Prefecture](#)
- Minoru Dining Fesan [Iwate Prefecture](#)
- Minori Cafe Takashimaya Kyoto [Kyoto Prefecture](#)
- Minoru Diner Takashimaya Kyoto [Kyoto Prefecture](#)
- Minori Minoru Marche S-PAL Yamagata [Yamagata Prefecture](#)
- NEW ● Cafe & Restaurant Minori Minoru Amu Plaza Oita [Oita Prefecture](#)
- NEW ● Minori Minoru Kitchen Ecute Shinagawa [Tokyo](#)

Restaurants

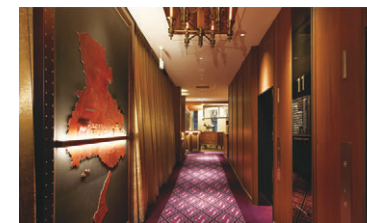
- La Campagne [Tokyo](#)
- Kobe Plaisir Ginza [Tokyo](#)
- Iwate Junjomai no Mise/Ginga Diner [Iwate Prefecture](#)
- Fukushima-gyu Yakiniku Gyuho Asahi [Fukushima Prefecture](#)
- Fukushima-gyu Yakiniku Gyuho Yatsuyamada [Fukushima Prefecture](#)
- Pocket Farm Dokidoki Ibaraki-machi Mori no Katei Ryori Restaurant [Ibaraki Prefecture](#)
- Pocket Farm Dokidoki Tsukuba Ushiku Dokidoki Restaurant [Ibaraki Prefecture](#)
- Wafu Yakiniku Toyama Sodachi [Toyama Prefecture](#)
- Toyama Sodachi Funahashitei [Toyama Prefecture](#)
- Nikusho Jade Kanazawa [Ishikawa Prefecture](#)
- Hidagyu Ryori Takumi [Gifu Prefecture](#)
- Kobe Plaisir [Hyogo Prefecture](#)
- Genki-Ichi Shokudo [Hiroshima Prefecture](#)
- Nagasaki Wagyu Yakiniku Pure [Nagasaki Prefecture](#)
- Kokusandori Izakaya Hasedori Akihabara [Tokyo](#)
- Niku Bar Tokyo Grill Center Akihabara [Tokyo](#)
- Tonkatsu Butaniku O-ryori Jun Atré Urawa [Saitama Prefecture](#)
- Yakiniku Pure Kanda [Tokyo](#)
- Yakiniku Pure Shinbashi [Tokyo](#)
- Yakiniku Honpo Pure Otemachi [Tokyo](#)
- Yakiniku Honpo Pure Shinagawa [Tokyo](#)

- Yakiniku Honpo Pure Ikebukuro [Tokyo](#)
- Yakiniku Honpo Pure Iidabashi Sakura Terrace [Tokyo](#)
- Yakiniku Honpo Pure Kitasenju Marui [Tokyo](#)
- Yakiniku Honpo Pure Marui Mizonokuchi [Kanagawa Prefecture](#)
- Yakiniku/Sukiyaki Jun Umeda Main Store [Osaka Prefecture](#)
- Yakiniku/Sukiyaki Jun Osaka Fukushima [Osaka Prefecture](#)
- Yakiniku/Sukiyaki Jun Ebista Nishinomiya [Hyogo Prefecture](#)
- Yakiniku/Sukiyaki Jun Tenjin-Kego [Fukuoka Prefecture](#)
- Shinsen Hormone Futsukaichitei [Fukuoka Prefecture](#)
- Yakitori Mizutaki Kandakasiwaki [Tokyo](#)
- Joshu Wagyu Senmonten Gunma Sodachi [Tokyo](#)
- Yakiniku Aguri Ashian [Gunma Prefecture](#)

- Yakiniku Aguri Maebashi main store [Gunma Prefecture](#)
- Yakiniku Aguri Nittan [Gunma Prefecture](#)
- Yakiniku Aguri Kaburaen [Gunma Prefecture](#)
- Yakiniku Aguri Rakurakuen [Gunma Prefecture](#)
- Yakiniku Aguri Nodajukuan [Gunma Prefecture](#)
- Miyagi Junmaishu Club Sanaburi [Miyagi Prefecture](#)



Yakiniku Honpo Pure Kitasenju Marui (Tokyo)



Kobe Plaisir Ginza (Tokyo)



Kokusandori Izakaya Hasedori Akihabara (Tokyo)
Niku Bar Tokyo Grill Center Akihabara (Tokyo)

- Tonami Sodachi [Toyama Prefecture](#)
- A-Coop Restaurant Isahaya [Nagasaki Prefecture](#)
- Ginga Rikyu [Iwate Prefecture](#)

Shops & Markets

- ZEN-NOH Antenna Shop Ichigo Ichie [Tokyo](#)
- Agri Shop Aomori [Aomori Prefecture](#)
- JA Nosanbutsu Chokubaijo Aijokan [Fukushima Prefecture](#)
- Pocket Farm Dokidoki Ibaraki-machi [Ibaraki Prefecture](#)
- Pocket Farm Dokidoki Tsukuba Ushiku [Ibaraki Prefecture](#)
- Kaki Ryutsu Center Shinsen Gunma Minori-kan [Gunma Prefecture](#)
- ZEN-NOH no Oniku Kobo Sadamoto [Chiba Prefecture](#)
- JA Green Kanagawa [Kanagawa Prefecture](#)
- Taberu JA-n Yamanashi [Yamanashi Prefecture](#)
- JA Green Mineyama-Tango Yasai-kan Kicharina [Kyoto Prefecture](#)
- JA Koryu Hiroba Toretate Genki-ichi Hiroshima [Hiroshima Prefecture](#)
- NEW ● JA Koryu Hiroba Toretate Genki-ichi Tonari no Noka [Hiroshima Prefecture](#)
- JA no Onikuya-san Omachi [Hiroshima Prefecture](#)
- JA no Onikuya-san Higashi-Onomichi [Hiroshima Prefecture](#)
- NEW ● JA no Onikuya-san Higashi-Hiroshima [Hiroshima Prefecture](#)
- NEW ● JA no Onikuya-san Fukuyama [Hiroshima Prefecture](#)
- JA Green Core Yamaguchi [Yamaguchi Prefecture](#)
- FamilyMart-ZEN-NOH Fresh Hiroba [Ehime Prefecture](#)
- ZEN-NOH no Onikuya-san [Ehime Prefecture](#)
- Hanayaka Seinikuten [Okayama Prefecture](#)
- Antenna Shop Airport [Nagasaki Prefecture](#)
- NEW ● No SHOP & CAFE musubime [Fukuoka Prefecture](#)
- NEW ● JA Farmers Iwate Hiraizumi [Iwate Prefecture](#)
- Fureai Junjo Ichiba Sakkora [Iwate Prefecture](#)
- Chokubaijo Pure Hino [Tokyo](#)
- Chokubaijo Pure Kawachi Nagano [Osaka Prefecture](#)
- Chokubaijo Jun Mekkemon Hiroba [Wakayama Prefecture](#)
- Chokubaijo Jun Yumebatake Kasuga [Fukuoka Prefecture](#)
- Atashi no Chokubaijo Jun Dazaifu [Fukuoka Prefecture](#)
- Farmers' Market Iyokkora [Ehime Prefecture](#)
- NEW ● Tamago COCCO [Tokyo](#)
- JA Farmers Nodajuku [Gunma Prefecture](#)
- JA Farmers Asahi-cho [Gunma Prefecture](#)
- JA Farmers Annaka [Gunma Prefecture](#)
- JA Farmers Brace [Gunma Prefecture](#)
- JA Farmers Asakura-cho [Gunma Prefecture](#)
- JA Farmers Ota-Yabuzuka [Gunma Prefecture](#)
- NEW ● JA Farmers Tomioka [Gunma Prefecture](#)
- JA Farmers Iruma [Saitama Prefecture](#)
- JA ZEN-NOH Farmers Lalaport Izumi [Osaka Prefecture](#)
- NEW ● JA Farmers Tajimanma Wadayama [Hyogo Prefecture](#)
- FamilyMart +A-Coop Aikawa [Akita Prefecture](#)
- FamilyMart + ZEN-NOH Fureai Hiroba Motosawa [Yamagata Prefecture](#)
- FamilyMart +A-Coop Kagano [Ishikawa Prefecture](#)
- FamilyMart +A-Coop Shinji [Shimane Prefecture](#)
- FamilyMart +A-Coop Kobu [Shimane Prefecture](#)
- FamilyMart +A-Coop Obara [Hiroshima Prefecture](#)
- FamilyMart +A-Coop Saijo [Hiroshima Prefecture](#)
- FamilyMart +A-Coop Iyo [Ehime Prefecture](#)
- A-Coop Sue/JA FARMERS Kasuya [Fukuoka Prefecture](#)
- A-Coop Kusu/JA FARMERS Kusu-Kokonoe [Oita Prefecture](#)
- Niku no Eki main store [Gunma Prefecture](#)
- Niku no Eki Raran Fujioka [Gunma Prefecture](#)
- Niku no Eki Tamamurajuku [Gunma Prefecture](#)
- JA Green Kanazawa [Ishikawa Prefecture](#)
- A-Gaiya [Ishikawa Prefecture](#)
- JA ZEN-NOH Mie Meat O-niku no Chokubaijo [Mie Prefecture](#)
- Giovanni [Iwate Prefecture](#)
- Iwachiku Kitchen Morioka Station Fesan [Iwate Prefecture](#)
- Iwachiku Parc Avenue Kawatoku [Iwate Prefecture](#)
- Iwachiku Annex Kawatoku [Iwate Prefecture](#)
- Shokuniku Chokubaitei Fresh [Fukushima Prefecture](#)
- A-Coop Farmers Ueda [Nagano Prefecture](#)
- A-Coop Farmers Shinonoi [Nagano Prefecture](#)
- A-Coop Farmers Minami-Nagano [Nagano Prefecture](#)
- A-Coop Farmers Bingushi [Nagano Prefecture](#)
- A-Coop Farmers Fujimi [Nagano Prefecture](#)
- A-Coop Farmers Pia Midori [Nagano Prefecture](#)
- A-Coop Takagi (Farmers type) [Nagano Prefecture](#)
- Beishin Okome Kitchen Anto [Ishikawa Prefecture](#)



Tamago COCCO (Tokyo)



Ichigo Ichie (Tokyo Otemachi JA Building)

Overseas

- SHIKI BEVERLY HILLS [U.S.A.](#)
- TOKIMEITÉ [U.K.](#)
- Japanese Wagyu Yakiniku Pure 1 (Causeway Bay Store) [Hong Kong](#)
- Japanese Wagyu Yakiniku Pure 2 (Tsim Sha Tsui Store) [Hong Kong](#)



TOKIMEITÉ(London)

JA Town

JA Town is an Internet mall launched by ZEN-NOH in 2001 as a new distribution channel for domestic farm products. As of May 2019, JA Town had grown to 97 shops and about 370,000 members. In April 2016, the Furusato Nozei Shien System, created to support tax payment based on the JA Town system, was developed and the service introduced to local governments and members of the JA Group across Japan.



Smart agriculture

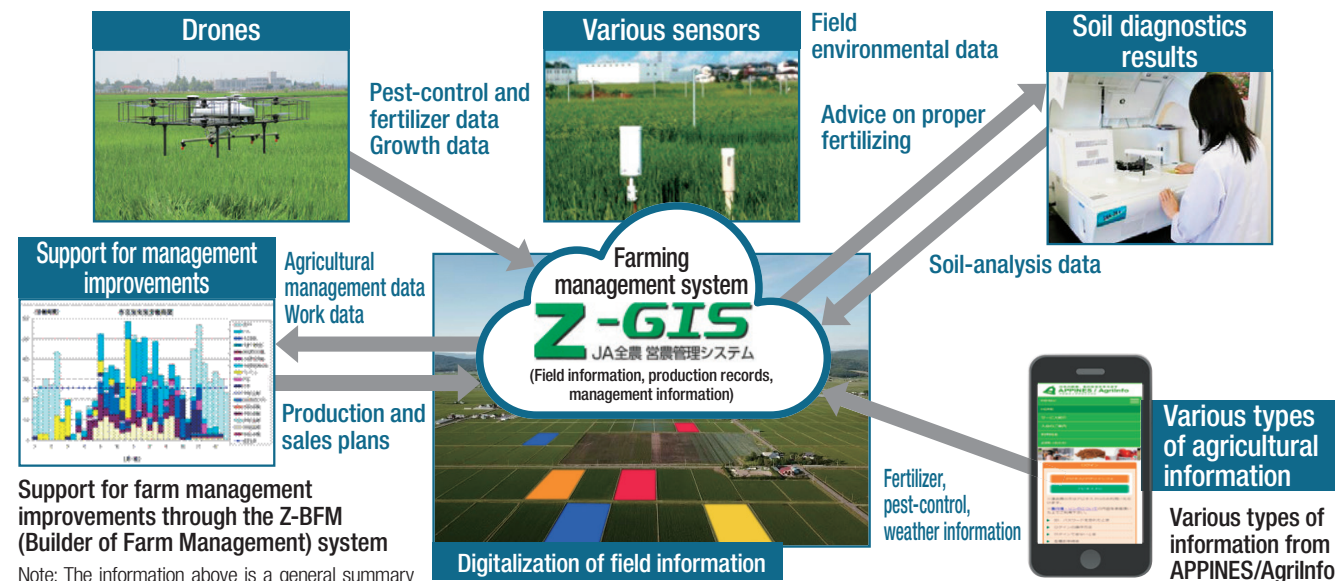
Smart Agriculture, which employs technologies such as information and communication technologies (ICT) and robotics in the agriculture field, has been attracting attention in recent years. ZEN-NOH is working to help improve agricultural productivity and increase farmer's earnings.

Agronomy

As the scale of agricultural production increases, the effective field management and securing stable labor has been required. ZEN-NOH is adopting innovative technologies such as fully automated drones and agricultural management system to help save labor and digitalize and visualize agricultural data.

In 2017, we invested in Nileworks Inc., which develops and sells drones for agricultural use. Drone technology will help to reduce labor and production costs in areas that until now have required considerable labor to apply pesticide, such as mountainous regions.

The Z-GIS is cloud-based GIS system launched in 2018 for agricultural management improvement. The system makes it possible to integrate geographical information (field area, weather, sensing data etc.) and agricultural data such as varieties, production records, and agricultural work information. In April 2019, Z-GIS was upgraded to enable the use of some of the 1km-mesh weather data from APPINES/AgrilInfo, a membership-based agricultural information service for the JA Group.

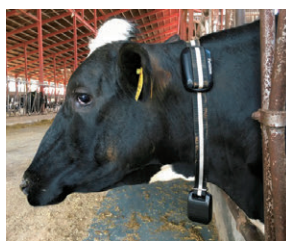


Livestock

As of May 2019, Mobile Gyuonkei, a system intended to monitor cattle for signs of calving, was in use by about 2,000 farmers to help reduce cases of death when cattle calves.

In 2017, we invested in Farmnote Holdings Inc. We propose solutions to help farmers improve results using Farmnote Color, which uses sensors to detect in real time when cattle are in estrus and increases visibility and efficiency in breeding management using artificial intelligence.

The goal is to improve producers' productivity and earnings by introducing outstanding technologies from other industries, such as milking robots, cameras, and wearable sensors.



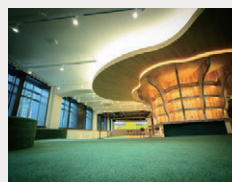
Farmnote Color, fitted to cows to collect data on their activities

Topic //

AgVenture Lab innovation laboratory opens

The AgVentureLab innovation laboratory, established jointly by ZEN-NOH and eight JA Group federations across the country, opened in May 2019 as a facility to realize open innovation to create new businesses.

Based on the concepts of developing agriculture for the next generation, supporting rural communities, and linking people with places, it aims to create new businesses, develop new services, and solve societal problems, through co-creation with startups, partner companies, universities, government agencies, and other partners to utilize wide ranges of knowledge and technologies.



Yume Farm ZEN-NOH is set up to demonstrate technologies and how to manage greenhouse for maximizing income of Japanese growers

ZEN-NOH manages its own demo greenhouses to promote elemental technologies to improve income of horticulture growers.

※“Yume” means dream in Japanese.

Yume Farm ZEN-NOH Tochigi

In 2014, ZEN-NOH started cultivating Japanese beef tomatoes with soil in high-tech greenhouse in Tochigi-City, Tochigi-Prefecture. The yield is over 40 kg/m² for four consecutive years. As the result of this project, one greenhouse was introduced technologies developed in this project in summer 2019. Additionally, technical information is transmitted by means of inspection tours, holding technical seminars, and accepting trainees.



Yume Farm ZEN-NOH Kochi

This greenhouse was built in Aki-City, Kochi-Prefecture in 2017, to demonstrate technologies for stable, high-yield eggplant cultivation. This greenhouse area is 1 ha, the largest greenhouse for eggplant in Japan. Half of the area is hydroponics and the other is soil. ZEN-NOH takes on the challenge of achieving the Japanese eggplant highest yield (30 kg/m²) through using new cultivation system. Based on two years of cultivation experience, ZEN-NOH accelerates efforts to achieve goals and promote elemental technologies developed in this greenhouse.



Yume Farm ZEN-NOH SAGA

Yume Farm ZEN-NOH SAGA, a largescale cucumber demo greenhouse, is under construction in Saga-City, Saga-Prefecture and scheduled to start operation in winter 2019. This greenhouse will be introduced new eco-friendly system supplying surplus heat and CO₂ released from an incineration plant. The target yield is 45-50 kg /m², this means twice as much as the prefecture average.

A comprehensive partnership agreement has been concluded with the city of Saga and JA Saga to ensure the smooth operation of Yume Farm ZEN-NOH SAGA



Topic // New drone now shipping

In October 2017, ZEN-NOH invested in Nileworks Inc., a private-sector startup, and began introducing drone technology for agricultural use. In July 2019, it began shipping the Nile-T19, a fully autonomous drone and its first mass-production model. This drone is capable of applying agrichemicals and other materials while flying over a field registered in advance.

In the future, ZEN-NOH will work together with Nileworks to use agricultural drone technology to reduce labor and production costs in areas that until now have required considerable labor to eliminate pests and manage cultivation, such as mountainous regions.



The fully automated Nile-T19 drone, now shipping

Topic // The agricultural magazine Green Report publishes its 600th issue

Green Report, an agricultural magazine published by ZEN-NOH, publishes its milestone 600th issue in June 2019. It has continued to be published monthly since its first issue on September 1, 1985.

While when it first started publishing Green Report focused mainly on fertilization and pest-control articles regarding subjects such as fertilizers and agrichemicals, in response to readers' requests it later developed into a comprehensive agricultural management journal, covering topics such as farming conditions, production techniques and materials, and activities in the production field. Currently, it publishes 72,500 copies per issue, of which more than 70% (55,000 copies) are distributed to farmers. Its role is to serve as a communication tool linking ZEN-NOH with farmers.

In the future as well, it will continue aiming to provide useful information on agricultural production and management to further enhance its functions as an informational publication for farmers.



Green Report's 600th issue (June 2019)

Technological development to support productivity improvements

ZEN-NOH's R&D units are focusing on both development of technologies that support the everyday activities of producers and fundamental research with an eye toward the future. These initiatives include collaboration between research institutes and also R&D in cooperation with government research institutes and private-sector businesses as well.

Central Research Institute for Feed & Livestock

As a research facility that aids in the management of livestock farms through innovative products and technologies, the Central Research Institute for Feed & Livestock is involved in the commercialization of compound feed and superior breeds and livestock production materials, the development of technologies related to nutrition management and productivity improvements, holding training courses, and other activities.

Its recent achievements include ①development of poultry feed to maximize poultry performance based on breeding improvements, ② development and promotion of pork varieties offering outstanding flavor and productivity and of feeds for them, ③ development of technologies for improving productivity and saving labor in wagyu and dairy cattle using ICT equipment, and of low-cost breeding systems and feeds, ④ breed improvements through genome analysis, and ⑤ development of new methods of analysis of nutrient content of feeds, raw materials, etc.



Establishing a next-generation model of dairy-farm management program

The Kasama dairy/beef cattle laboratory is carrying out research on establishing a next-generation model of a dairy-farm management program, intended to achieve labor saving and higher productivity.

As part of these efforts, it is developing technologies including introduction of milking robots, which have been used increasingly in dairy farming in recent years, special-purpose feeds to maximize performance of milking robots, and stabilization of milk fat content, which will be an issue when adopting robotics.

Institute of Animal Health

The Institute of Animal Health is the department that strives to prevent infectious disease of livestock. It includes a research and development section that works on product development of vaccines and feed supplements and basic research on animal diseases. It also has a diagnostic center, which conducts health inspection of livestock and provides production guidance (called "clinics") and five field clinics across Japan. The diagnostic center tests about 200,000 specimens per year, making it indisputably the largest livestock health inspection facility in Japan. Its field clinics based on the results of inspection are conducted by veterinarians assigned to five sites across Japan—Hokkaido, north Japan, east Japan, west Japan, and Kyushu—greatly contributing to farmers' productivity improvements.



R&D on livestock production without relying on antibiotics, in response to producers' and consumers' needs

Use of the diagnostic center's new testing building begins

A new testing building has been constructed at the diagnostic center, to further improve testing capabilities and expand the diverse range of services offered, including genetic and biochemical testing. The long-awaited new building was completed in March 2018. The first robotic testing equipment in Japan was installed in the new building, and it is used in numerous testing processes today.

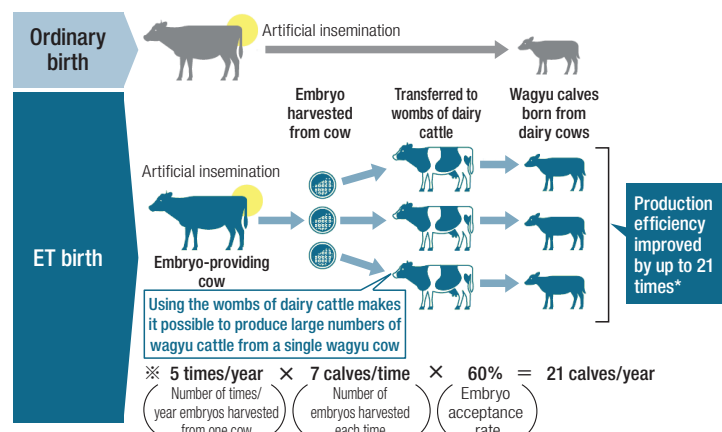


New testing building Robotic testing equipment

ET Center

ET (Embryo Transfer) technology is used to transfer an embryo from one cow to another for birth. The ET Center is a pioneer in this technology, and it boasts world-leading ET technologies. To increase production of wagyu beef, an important asset of Japanese agriculture, the ET Center helps to support the wagyu production through ET using Holstein cows. (See illustration at right.) Currently, the Center supplies about 25,500 bovine embryos and 1,100 pregnant heifers to farmers across Japan each year. The Center is also focusing on development of new technologies and new products as well as offering special training programs (commonly called as Hanshoku Gijuku) intended to train young generations to be professionals in ET.

The ET Center's ET activities



Agricultural Research and Development Center

The Agricultural Research and Development Center was established in 1962 as a research facility focusing on agronomy. Over the 57 years since then, it has carried out R&D on agricultural production technologies, testing on produce and production materials, and HR development for the JA Group, to increase the farmers' disposable income.

Agricultural Product Laboratory

The Agricultural Product Laboratory develops new varieties of rice, vegetables, spray chrysanthemum, and other crops. Crops of the "Harumi" rice variety grown by ZEN-NOH are increasing, thanks in part to its having secured a Special A ranking of flavor.

It also develops cultivation technologies to increase productivity, as it develops and promotes technologies such as subsurface drip irrigation of leeks and direct sowing of onions.



"Harumi" grown by ZEN-NOH



A leek drip-irrigation kit

Agrochemicals Laboratory

In partnership with agrochemical companies, the Agrochemicals Laboratory develops agrochemicals that are highly effective against hard-to-control pests and weeds, while also being less labor intensive. It also is striving to promote integrated pest management (IPM) in combination with various pest-control methods such as biological control.



Control of spider mites by predatory mites using "Banker Sheet" (brand name)

Energy Laboratory

The Energy Laboratory conducts quality testing of gasoline and other petroleum products. It also provides support for earning national qualifications and improving workers' skills through activities such as training sessions related to liquefied petroleum (LP) gas.



Quality testing of petroleum products

Production Materials Laboratory

The Production Materials Laboratory's activities include quality control for materials like cardboard boxes for fruits and vegetables and plastic used in greenhouses, developing new materials to keep fruits and vegetables fresh, and checking the performance of new products. It also holds basic training sessions on agricultural equipment and conducts service technician certifying examination, etc.



Quality checking of cardboard boxes using pressure testing equipment

Fertilizers Laboratory

To promote proper fertilization based on soil analysis, soil analysis is conducted at nine regional soil analysis centers nationwide. It also conducts analysis of the nutrient content in the solution using nutriculture and is developing nutriculture fertilizer distribution planning software called Yoeki Meijin. It has developed and brought to market the ZEN-NOH physical properties diagnostics set for use in diagnostics of the physical properties of soil.



Regional soil analysis center



Soil physical properties diagnostics set

Agrochemical Residue Laboratory

The Agrochemical Residue Laboratory tests fruits and vegetables distributed by the JA Group for chemical residues. In 2015, it earned Good Laboratory Practice (GLP) certification for agrochemicals, and it also conducts chemical residue testing for agrochemical registration.



Sample preparation

Quality Control Office

The Quality Control Office handles quality control (setting quality standards, product inspection, plant inspection, labeling inspection, specifications control) to support the safety and reliability of A-Coop brand products and others.

It also carries out efforts to promote understanding of product knowledge among members of JA women's associations and others.



Seminars

The Center holds training sessions on individual topics such as agribusiness and materials for JA Group staff. Since the Center opened, it has trained a cumulative total of more than 140,000 trainees. Since FY2015, it has held training sessions on cultivation methods for those involved in development of producing regions.



A training session on cultivation methods

Rice and farm produce business

Current state

The share of large-scale farmers is growing

Large-scale farmers share of rice production is growing. The share accounted for by producers growing rice on 10ha or more was 26% in 2015, up nearly fourfold from 10 years earlier.

Trend in area farmed by rice growers

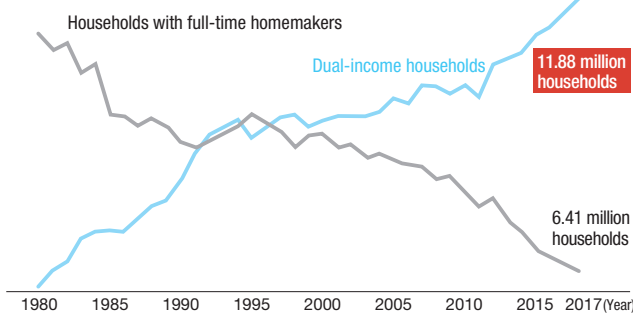
	2005	2010	2015
Less than 2 ha	60%	48%	40%
2-5 ha	22%	21%	20%
5-10 ha	10%	12%	14%
10 ha or more	7%	19%	26%

Source: Based on Ministry of Agriculture, Forestry and Fisheries, "Census of Agriculture and Forestry"

Growing demand for home meal replacements and food service

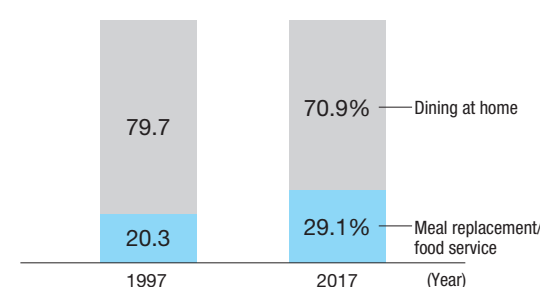
Due to increasing demand for shorter cooking times and simplified dining, due to factors such as rising numbers of single-person households and dual-income households, the home meal replacement and food service markets are growing. Home meal replacements and food service also account for a rising share of rice consumption, reaching approximately 30% in 2017.

Fig. 1. Trends in numbers of households with full-time homemakers and dual-income households



Sources: Ministry of Health, Labour and Welfare, "White Paper on the Labour Economy," Cabinet Office, "White Paper on Gender Equality," Ministry of Internal Affairs and Communications, "Special Survey of the Labour Force Survey," Ministry of Internal Affairs and Communications, "Labour Force Survey (Detailed Tabulation)"

Fig. 2. Home meal replacement/food service and home cooking shares of rice consumption



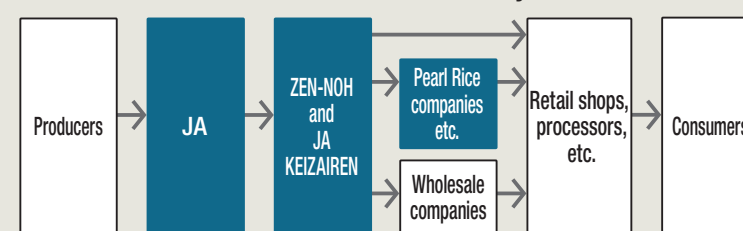
Source: Ministry of Agriculture, Forestry and Fisheries, "Annual Report on Food, Agriculture and Rural Areas in Japan"

ZEN-NOH's role

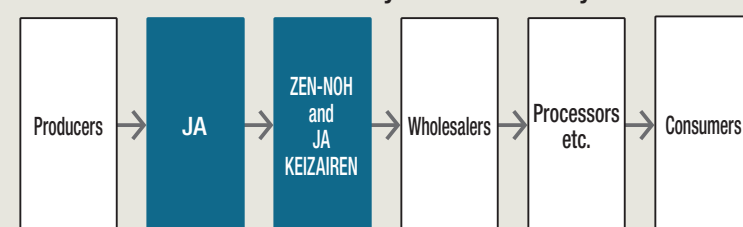
The rice business delivers rice collected from producers through the JA network to consumers through rice wholesalers, manufacturers, and other businesses. It handles a wide range of products including not only rice consumed as a staple food but also raw-material rice such as that used in brewing sake or producing rice flour, glutinous rice, feed rice used to feed livestock, and rice for export to overseas markets.

The farm produce business handles wheat and barley, soybean and the local specialties such as starch which are highly valuable for the society. It also handles dried shiitake mushrooms and processed fruit products (such as raw fruit juice and jams).

Main distribution channels for rice handled by ZEN-NOH



Main distribution channels for soybeans handled by ZEN-NOH



ZEN-NOH's initiatives

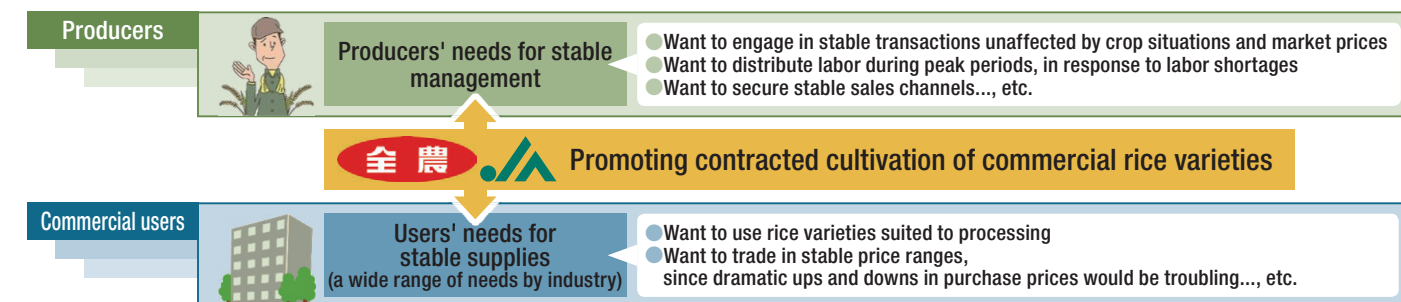
Proposing production of high-yield rice and other products suited to commercial needs

To help stabilize the rice production businesses of producers, ZEN-NOH proposes rice production based on user needs in cooperation with JA.

Demand has been growing in recent years for rice varieties for the commercial market, used in home meal replacements, food service, and other fields. In response to such changes in demand trends, ZEN-NOH proposes to producers, farmers, and others production of rice varieties for the commercial market, centered on high-yield varieties and has been advancing efforts to promote cultivation under contract, with quantities and prices specified in advance for several years.

Specifically, in addition to proposing varieties suited to producers' and farmers' regions and business conditions, such as crop diversity and blight resistance, ZEN-NOH also is developing new varieties suited to farmers' production needs. It also proposes a range of solutions to help cut ZEN-NOH production costs (such as reducing costs of production materials and labor), together with supporting cultivation through use of data and knowledge accumulated through now.

In 2019, the new Rice Production/Origination Division was established at the Head Office. In cooperation with prefectural headquarters and JAs, it promotes production proposals and contracted cultivation based on ascertaining production region needs through visiting large-scale producers and corporations.



Enhancing and increasing direct sales to users

Ties are being strengthened with users, rice wholesalers, and others through promoting investment and business alliances. In 2018, capital and business alliances were forged with Kitoku-Shinryo Co., Ltd., a major rice wholesaler, and Sato Foods Co., Ltd., a major producer of packed rice and mochi. In addition, to increase consumption by proposing new ways of eating rice, a capital and business alliance was formed with Yuwaeru Inc., a producer of packed brown rice, and to achieve goals such as creating new ways of eating rice, such as rice noodles, and develop new producer regions, a capital and business alliance was formed with Meal Works Co., Ltd., which operates Thai restaurants and produces and sells rice noodles made from domestic Japanese rice and farina.



Promotion of domestic soybeans and wheat

Recently more people have become health conscious, and wider generations consumes soybean products such as natto and soy milk. And as a result, demand for domestic soybeans has been increasing. ZEN-NOH aim for construct the stable supply system by production promotion as well as supporting of production technology for increasing the unit crop, and working on the contract farming which brings farming land and demand together. Furthermore, as for the wheat, the number of bread, udon noodles and other products which are emphasized use of domestic wheat are increasing, and in order to meet the requirement of quality and quantity, ZEN-NOH is promoting the pre-seeding contract.



Fruit and vegetables business

Current state

Shrinking production infrastructure for fruits and vegetables

Total land under cultivation for fruits and vegetables have decreased by approximately 200,000 ha over roughly two decades through 2017, due to causes such as the aging of producers and a shortage of labor. (From 898,000 ha in 1995 to 685,000 ha in 2017)

For this reason, there is a pressing need to take measures to maintain and expand production infrastructure.

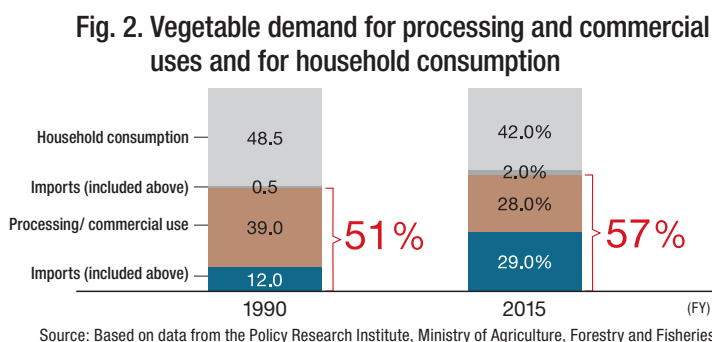
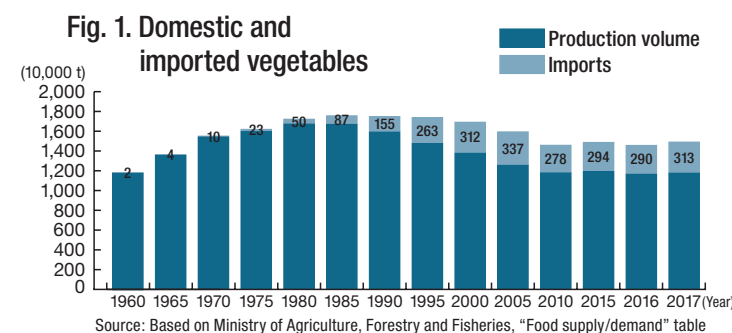
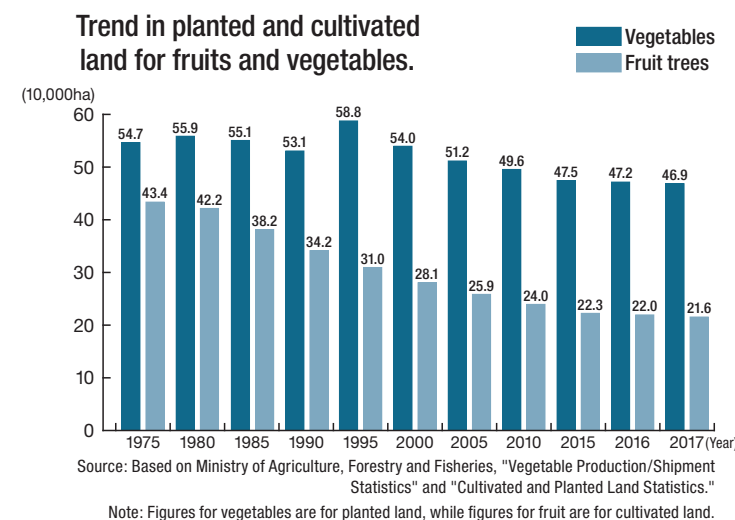
Vegetable imports are increasing, centered on processing and commercial uses

Vegetable imports have been rising since the 1980s, and in recent years approximately 3 million tons of vegetables—equivalent to one-fourth of domestic production—have been imported. (Fig. 1)

At the same time, against a backdrop of simplification of meal preparation and increased dining out,* demand for vegetables is shifting from household consumption to processing and commercial uses. Roughly 60% of demand for vegetables is for processing and commercial uses. (Fig. 2)

The majority of imported vegetables are destined for processing and commercial uses, and about one-half of vegetables for processing and commercial uses are imported. For these reasons, conversion from imported to domestic vegetables in processing and commercial uses is a key point related to increasing domestic production.

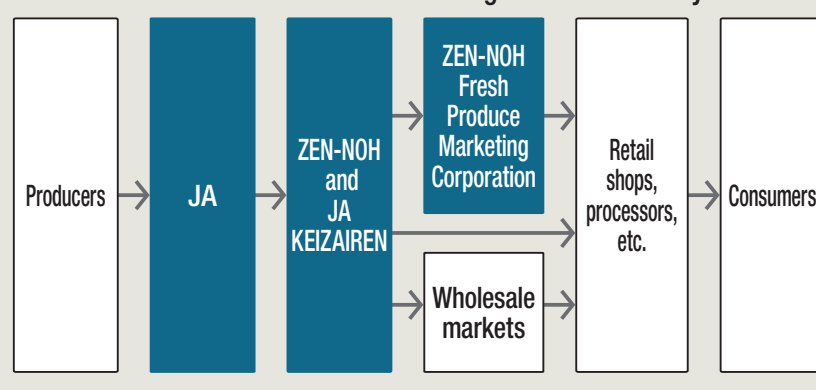
* The prepared dish (home meal replacement) market is growing, reaching a scale of JPY10 trillion in 2017. (See p.7)



ZEN-NOH's role

In the fruits and vegetables business, fresh produce collected from producers via JAs is delivered to consumers through channels including ZEN-NOH Fresh Produce Marketing Corporation, wholesale markets, retailers, and food processors.

Main distribution channels for fruits and vegetables handled by ZEN-NOH



ZEN-NOH's initiatives

Expanding direct sales

Efforts are underway to clarify priority trading partners and expand infrastructure related to direct sales by ZEN-NOH and ZEN-NOH Fresh Produce Marketing Corporation and forward direct trading in cooperation with partner markets. Direct sales of JPY430 billion (up 23% vs. 2018) are planned in 2021.

Business alliances with home meal replacement/ food service suppliers and others

Business alliance agreements were concluded in March 2018 with Delica Foods Holdings Co., Ltd., Kanemasa Distribution Group, and M.V.M Shoji Co., Ltd. Through strengthening ties with each company, proactive progress will be made on deploying integrated efforts from production through sales, through means including development of contracted producer areas, joint use of infrastructure and logistics networks, joint product development, and expansion of sales channels.

Infrastructure development of regional collection, shipping, and other facilities

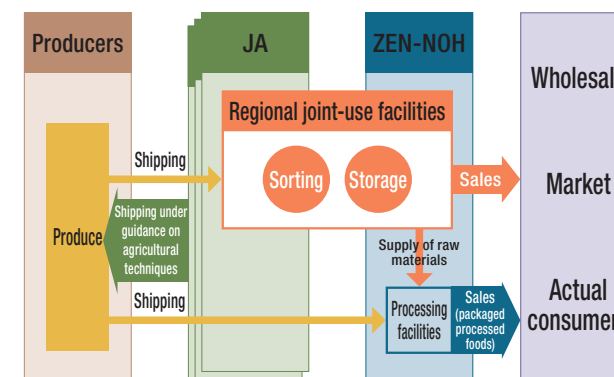
To reduce producers' burdens in selection, sorting, and adjustment work, ZEN-NOH is opening new regional collection, shipping, and other facilities as well as facilities related to direct sales.



Sorting strawberries at the Fukuoka prefectural headquarters' Southern VF Station

Joint business initiatives with JAs

Through means such as strengthening guidance on agricultural techniques by JAs and enhancing ZEN-NOH's sales capacity, the division of responsibilities within the JA Group is being revised to help improve producers' earnings and maintain and expand the integrated Groupwide production infrastructure.



Growing the processed food-products business

Amid rising demand for processed food products, since 2016 ZEN-NOH Fresh Produce Marketing Corporation has produced and sold "Minna no Yasai" heat-treated and prepared domestic vegetables.

Green Message Co., Ltd., established as a joint venture between ZEN-NOH and Kewpie Corporation, produces and sells cut vegetables. (Its plant began operation in April 2015.)

In addition, as demand for frozen fruits and vegetables grows, it is advancing fully into the frozen fruits and vegetables business, through means including planning a new frozen vegetables plant.



"Minna no Yasai" prepared vegetables.



Cut vegetables produced by Green Message Co., Ltd.

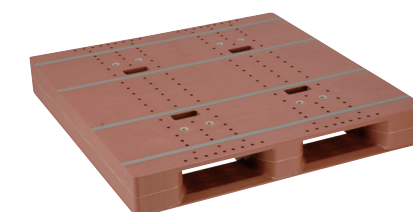


Frozen vegetables at the Tochigi prefectural headquarters

Improving logistics efficiency

We are setting up stocking points in production centers and consumer regions, to establish a joint shipping structure extending across prefectural boundaries, in response to logistics issues such as a shortage of qualified truck drivers.

We also participate in the Agriculture Pallets Promotion Council, established in August 2018, to promote streamlining of logistics through joint use of pallets.



A pallet used by the Agriculture Pallets Promotion Council, fitted with an IC tag read at each stage of the logistics process to prevent loss and misuse.

Livestock product sales business

Current state

Increase in number of stock per farm

While the number of farms raising livestock decreases, the number of stock per farm is increasing as producers grow in scale. From 2000 to 2019, in addition to the pork and poultry businesses, in which large-scale farming is firmly established, the number of stock per farm of dairy cattle grew 1.7-fold to 89 head and that of beef cattle grew 2.2-fold to 54 head.

Trends in numbers of farms and numbers of stock

		1960	1980	2000	2019
Dairy cattle	Number of farms (Farms)	410,400	115,400	33,600	15,000
	Number of stock (Head)	823,500	2,091,000	1,764,000	1,332,000
	Head per farm (Head/farm)	2	18	53	89
Beef cattle	Number of farms (Farms)	2,031,000	364,000	116,500	46,300
	Number of stock (Head)	2,340,000	2,157,000	2,823,000	2,503,000
	Head per farm (Head/farm)	1	6	24	54
Swine	Number of farms (Farms)	799,100	141,300	11,700	4,320
	Number of stock (Head)	1,918,000	9,998,000	9,806,000	9,156,000
	Head per farm (Head/farm)	2	71	838	2,119
Egg-laying hens	Number of farms (Farms)	3,487,000	186,500	4,890	2,120
	Number of stock (Thousand birds)	79,837	121,822	140,365	141,792
	Birds per farm (Birds/farm)	23	653	28,700	66,900

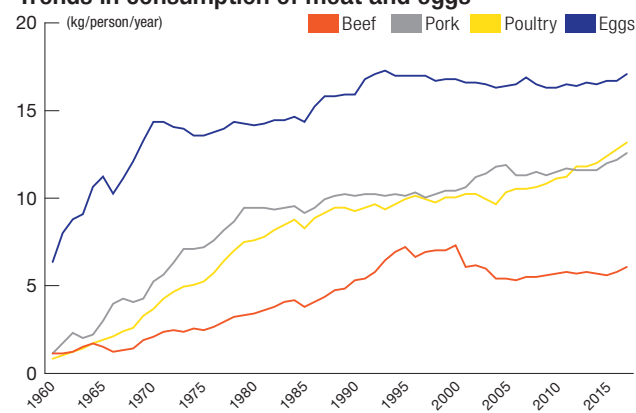
Note: Egg-laying hens: figures for 1964 are shown under 1960 and for 1981 under 1980, 2000 and 2018 figures do not include farmers with less than 1,000 birds.

Source: Based on Ministry of Agriculture, Forestry and Fisheries, "Livestock Statistics."

Per-capita annual consumption of meat and eggs is increasing

The trend in consumption of meat and eggs is favorable, with per-capita annual consumption increasing year-on-year in FY2017 for all of the following: beef, pork, poultry, and eggs. Conceivable background factors behind this increase in consumption include rising demand for meat in the home meal replacement and food service markets in recent years as well as increased consumption of chicken breast due to the spread of knowledge about its beneficial effects.

Trends in consumption of meat and eggs



Source: Based on "Annual supply of pure food stuffs per capita" in Ministry of Agriculture, Forestry and Fisheries, "Food supply/demand" table

Meat business

Serving as the base for the ZEN-NOH Group's marketing, processing and distribution of meats in major consumption areas, the meat business delivers domestic beef, pork, and processed meat products to consumers in a consistent manner.

Through its traceability system and other measures, JA ZEN-NOH Meat Foods Co., Ltd. supplies safe and reliable domestically produced meats. Efforts are being made to expand certification under the international Safe Quality Food (SQF) standard at processing facilities and to improve product quality. In 2017 it opened a new deli meats plant, as it works enhance the deli business for products including roast beef. It also directly operates the Yakiniku Pure restaurant chain, Jun, Tonkatsu restaurants, and other outlets.

Main distribution channels for meats handled by the ZEN-NOH Group



Topic "Wagyu Koshien," a national competition for beef cattle raised by high-school students

"Wagyu Koshien" is a competition in which students from agricultural schools and other high schools across Japan compete in the quality of meat from wagyu cattle they raise themselves and in their everyday efforts. This competition has been held every January since it began in January 2018, with the twin goals of (1) raising motivation to enter the field of agriculture among high-school students who can power the future of agriculture, (2) encouraging networking among students from across Japan who have similar interests and increasing their motivation and skills.

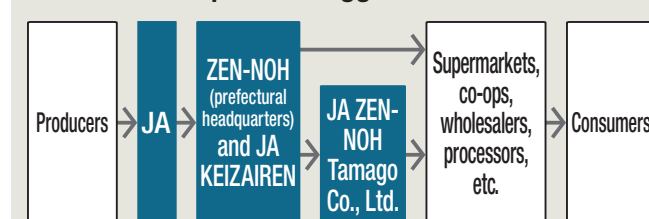


Egg business

It delivers domestically produced eggs and processed products to consumers nationwide through joint efforts with designated producer centers and the feed division as well as struggles to improve the quality.

As Japan's largest receiver of eggs, JA ZEN-NOH Tamago Co., Ltd. publishes market egg prices and plays a major role in stable distribution of eggs. It is striving to increase sales of fresh, delicious, safe Japanese-produced eggs.

ZEN-NOH Group's main egg distribution channels



Topic Tamago COCCO, a specialist in sweets made using eggs

In 2016, JA ZEN-NOH Tamago Co., Ltd. began its entry to the sweets production and retail business, opening the sweets shop Tamago COCCO. As a place where customers can learn first-hand about the wonders of domestic eggs, Tamago COCCO offers puddings, egg tarts, madeleines, and other sweets made using its prized eggs and domestically produced main ingredients.



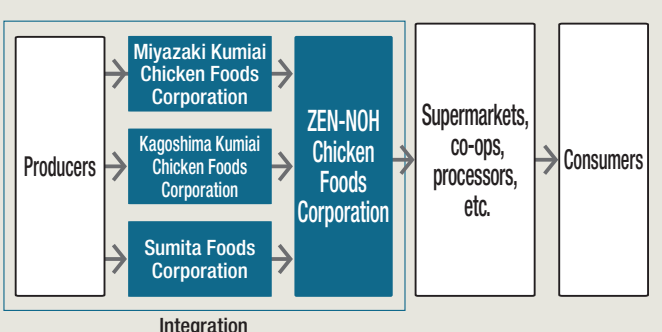
In April 2019, it opened at its new location in Tokyo's Ichigaya.

Poultry business

The poultry business not only sells poultry and processed food products made from it but also integrates production, treatment, and processing. With production facilities in Miyazaki, Kagoshima, and Iwate prefectures, which account for about 60% of total domestic poultry production, ZEN-NOH Chicken Foods Corporation and its subsidiaries in each prefecture are one of the largest groups in the poultry industry in Japan, handling everything from production through treatment, processing, and sales.

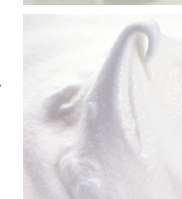


ZEN-NOH Chicken Foods' main poultry distribution channels

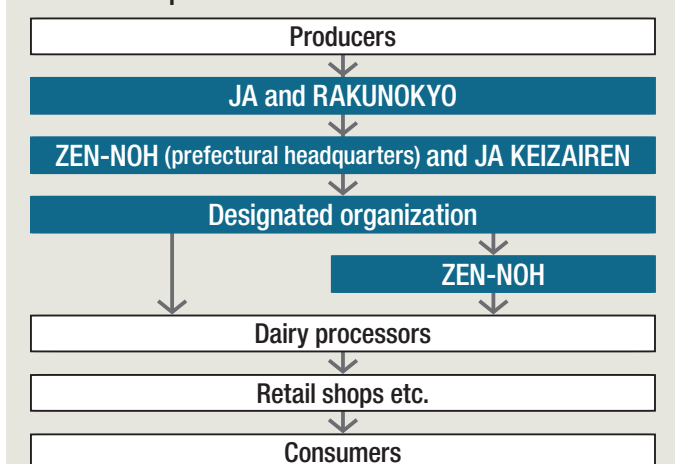


Dairy business

The dairy business coordinates supply and demand for raw milk nationwide through sale of raw milk, butter, nonfat milk, and other commercial dairy products as well as milk for commercial use. It also carries out initiatives on the production side, including efforts to improve milk quality and assistance with introduction of superior breeds of dairy cattle. It also delivers fresh, delicious milk, including milk under the Nokyo Milk brand, milk-based drinks, and other products to consumers through affiliated dairy-industry companies.



The JA Group's main distribution channels for raw milk

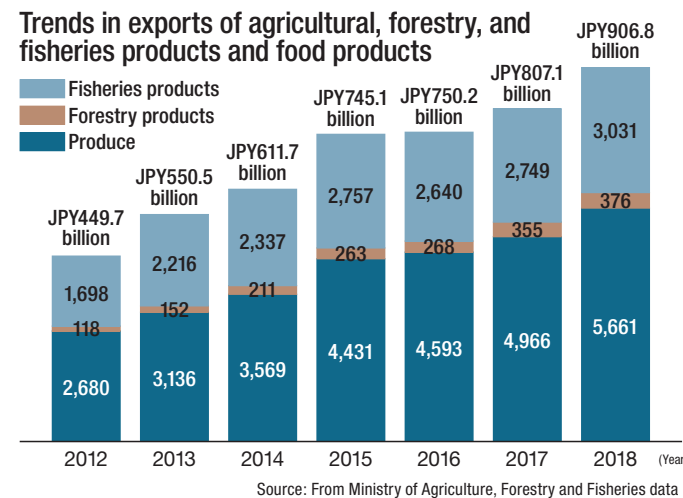


Export business

Current state

Exports of agricultural, forestry, and fisheries products and food products set a new record high for the seventh consecutive year

In 2018, exports of agricultural, forestry, and fisheries products and food products set a new record high for the seventh consecutive year, at JPY906.8 billion. As domestic food demand in Japan is expected to fall due to the decreasing population, development of export demand will be very important to maintain agricultural production.



2019 JA Group target for agricultural exports: JPY38 billion

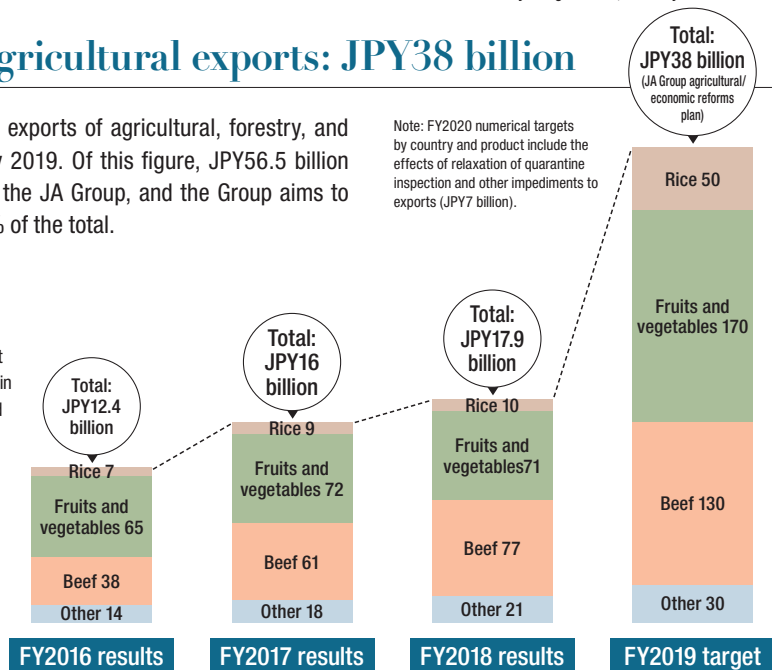
The Japanese government has set a target for total exports of agricultural, forestry, and fisheries products and food products of JPY1 trillion by 2019. Of this figure, JPY56.5 billion (approx. 6%) consists of the main products handled by the JA Group, and the Group aims to export JPY38 billion in agricultural exports, or about 70% of the total.

Note: FY2020 numerical targets by country and product include the effects of relaxation of quarantine inspection and other impediments to exports (JPY7 billion).

JA Group export growth targets

Breakdown of FY2019 Japanese government targets	
Fruits and vegetables	JPY25 billion
Beef	JPY25 billion
Rice (brown, polished)	JPY6.5 billion
Flowers	JPY15 billion
Tea	JPY15 billion
Processed foods	JPY500 billion
Fisheries products	JPY350 billion
Processed rice products (Japanese sake, rice snacks)	JPY53.5 billion
Forestry products	JPY25 billion

Total government target for the main products handled by the JA Group: **JPY56.5 billion**
(Total for rice based on ZEN-NOH estimates)



Eliminating export barriers is key

To increase exports, it will be important to address import restrictions in various countries, to overcome the negative image overseas due to the 2011 nuclear accident, and to stimulate recovery of exports.

Exports and imports in Japan and other countries and regions

	U.S.		EU		China		Taiwan		Hong Kong		Singapore		Australia	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Total (JPY100 million)	84	6,831	32	3,327	34	4,808	211	149	254	3	43	18	6	2,949
Polished rice	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Beef (frozen)	○	○	○	○	×	×	○	×	○	×	○	×	○	○
Pork (frozen)	×	○	×	○	×	×	○	×	○	×	○	×	×	○
Poultry (frozen)	×	○	×	○	×	×	○	×	○	×	○	×	×	○
Persimmons	○	○	○	○	×	×	○	×	○	×	○	×	○	×
Cherries	×	○	○	×	×	×	○	○	○	○	○	○	×	×
Grapes	×	○	○	○	×	×	○	○	○	×	○	×	×	○
Oranges	○	○	○	○	×	×	○	×	○	×	○	×	×	○
Melons	×	○	○	○	×	○	○	×	○	○	×	×	×	○
Cabbage	×	○	○	○	×	○	○	○	○	○	○	×	×	○
Onions	×	○	○	○	×	○	○	○	○	○	○	×	×	○

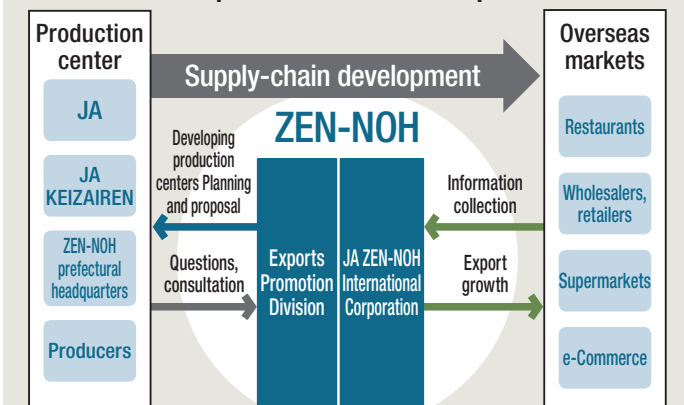
Notes: 1. Export/import amounts are from actual results for fresh and processed meats; dairy products and eggs; and rice, fruit, and vegetables from 2018 trade statistics.
Notes: 2.: ○permitted unconditionally; ○permitted conditionally or results recorded; × not permitted

ZEN-NOH's role

In April 2017, ZEN-NOH established the new Exports Promotion Division to promote the export business and develop production centers for export. With export administration operations centralized at subsidiary JA ZEN-NOH International Corporation, this business is establishing new overseas facilities and strengthening sales in overseas markets.

In addition, it is building efficient shipping systems that maintain freshness through testing and adoption of new technologies effective for maintaining the quality of fresh fruits and vegetables, joint distribution, and other efforts.

Overview of export business development



ZEN-NOH's initiatives

Enhancing sales capabilities

Overseas subsidies were established in Hong Kong and Taiwan in 2018, joining the existing subsidiaries in the U.K., Singapore, and the U.S. Each overseas facility is strengthening its management structure by expanding local hiring efforts. ZEN-NOH also invests in and forges alliances with companies involved in home meal replacement, food service, and other businesses overseas, as well as enhancing its retail business through means including expansion of e-commerce sales around the world.



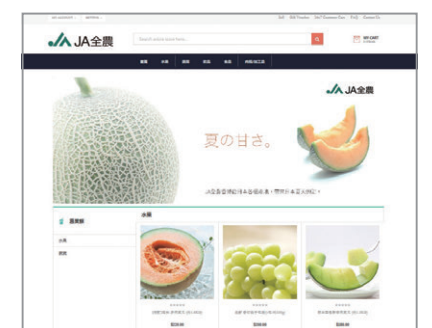
The opening ceremony for the ZEN-NOH Taiwan Office (August 2018)

Developing production centers for export

Based on the needs of export markets, ZEN-NOH is expanding production centers for export and adopting shipping structures based on relay networks. It also is carrying out feasibility testing of low-cost high-yield rice cultivation.

Logistics

To streamline logistics, ZEN-NOH is striving to cut logistics costs through joint logistics and shipping with companies in similar and dissimilar industries and to establish techniques for maintaining freshness through adoption of new technologies.



Hong Kong's jashop.hk (launched June 2019), an e-commerce site selling Japanese agricultural products.

Topic Sake brand developed for export only

JA ZEN-NOH International Corporation, Nihon Shurui Hanbai Co., Ltd., the largest wholesaler of alcoholic beverages in Japan, and Ozawa Shuzo Co., Ltd., a sake brewer located in the city of Ome in Tokyo, have developed jointly the Z1 brand of Japanese sake exclusively for export. The brand name Z1 is intended

to inspire consumers who have never had a drop of Japanese sake to give it a try. In May 2019, a ship left port in Tokyo with the first shipment bound for the U.K. ZEN-NOH is striving to grow exports of processed products such as sake.



Topic ZEN-NOH exhibits in SIAL China 2019

In May 2019, ZEN-NOH, ZEN-NOH Foods Co., Ltd., and JA ZEN-NOH International Corporation exhibited rice and processed food products jointly with local importers and wholesalers in SIAL China 2019, under the name ZEN-NOH Group. SIAL China is one of the world's largest comprehensive food trade fairs, attracting numerous

buyers from across China. The rice exhibit, organized in partnership with a Japanese manufacturer of nigiri-sushi-rice-balls making robots, offered attendees small nigiri-sushi-rice-balls made of Japanese rice. Despite severe restrictions on exports, ZEN-NOH will continue efforts to promote exports to China in the future as well.



Production materials business

Current state

High reliance on imports for fertilizer and feed raw materials

Japan relies on imports for nearly all of its fertilizer raw materials. While global fertilizer consumption is increasing from year to year together with growing populations and other factors (Fig. 1), fertilizer raw materials such as rock phosphate and potassium are distributed unevenly around the world (Fig. 2, Fig. 3). To secure stable supplies of these raw materials, it is vital to maintain and strengthen ties with overseas mines.

Japan depends on imports from overseas for much of its feed raw materials as well. Corn makes up about one-half of compound feed raw materials. As much of the corn produced in the U.S., a major exporter, is consumed to use in ethanol production, exports are increasing from new origins such as Brazil and Argentina. (Fig. 4, Fig. 5) To secure stable supplies of corn, it is essential to procure from diversified sources, including these countries.

Production material costs as a share of the cost of agricultural production

Costs of agricultural equipment account for about 20% of rice production costs, while costs of fertilizer account for about 8% and those of agrochemicals for about 7%. (Fig. 1)

Feed costs as a share of livestock production costs, while varying by type of livestock, are high at roughly 30-60%. (Fig. 2)

For producers, procuring stable supplies of these production materials at costs as low as possible is an important management point.

Fig. 1. Trend in global fertilizer consumption

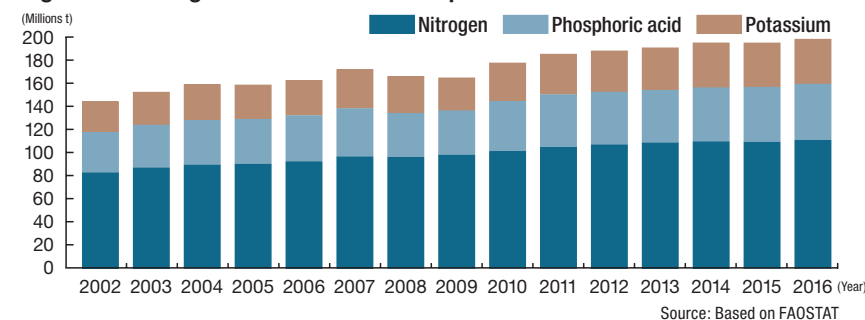


Fig. 2. Rock phosphate production (2016)

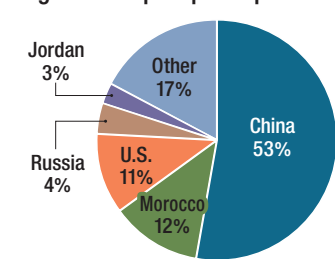


Fig. 3. Production of potassium chloride (2016)

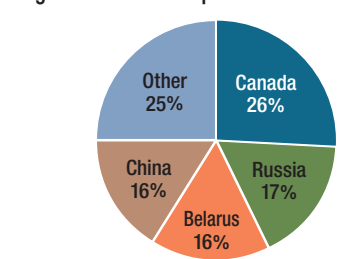


Fig. 4. Trends in demand for U.S.-produced corn

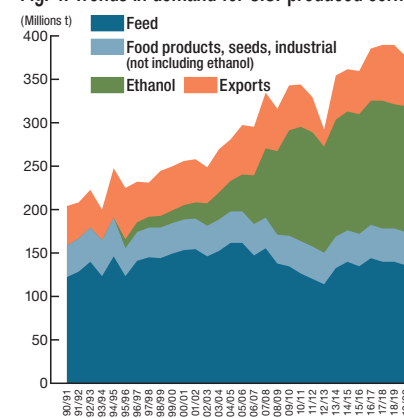


Fig. 5. Trends in corn exports by country

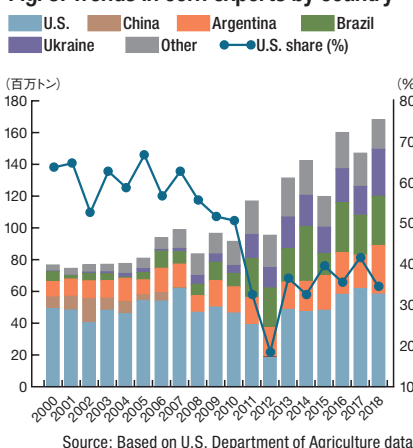


Fig. 2. Feed costs as a share of management costs

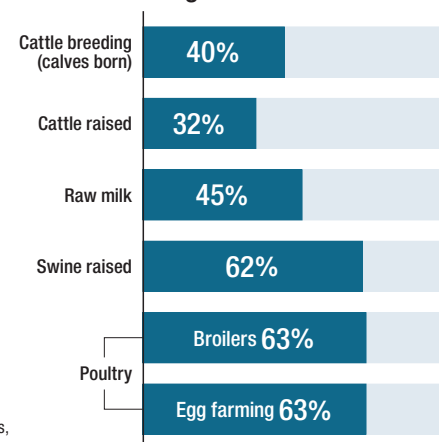
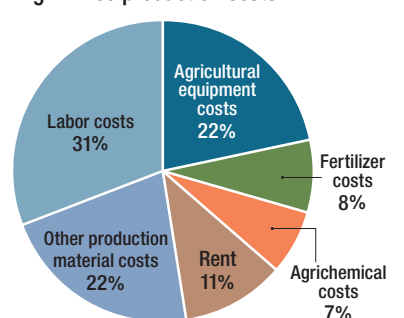


Fig. 1. Rice production costs (2017 production)



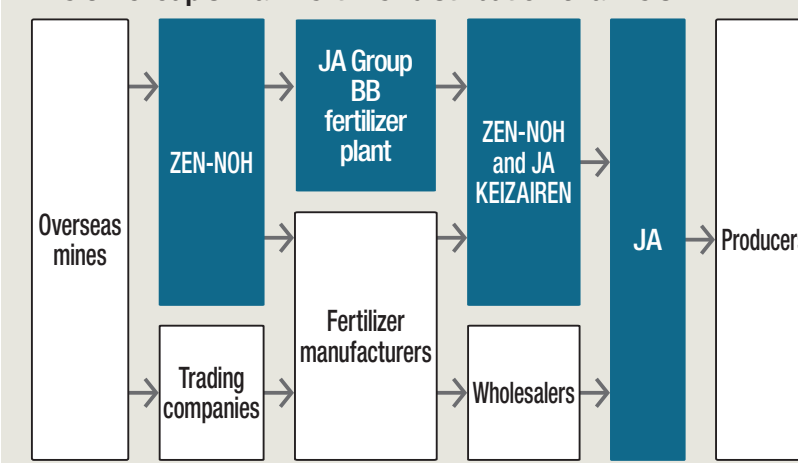
Fertilizer business

ZEN-NOH's role

The fertilizer business supplies producers with fertilizers purchased from JA Group BB fertilizer plants or fertilizer manufacturers, through JA KEIZAIKEN and JAs. It also contributes to stable supplies and price stability in the fertilizer market through importing fertilizer raw materials itself.

* Bulk-blending (BB) fertilizer: Fertilizer distributed in the form of granules of raw materials such as nitrogen, phosphoric acid, and potassium themselves, as opposed to chemical fertilizer in which each granule contains a mixture of such raw materials

The JA Group's main fertilizer distribution channels



ZEN-NOH's initiatives

Efforts to secure stable supplies of fertilizer raw materials

ZEN-NOH is building ties with overseas mines through transactions conducted over the years, in order to secure stable supplies of fertilizer materials. We also have invested in Wengfu & Zijin Chemical Industry Co., Ltd., a company established in 2012 to produce ammonium phosphate in Fujian Province, China, to realize stable supplies of high-quality ammonium phosphate.

In addition, the supply of large-granule ammonium sulfate, a vital nitrogenous fertilizer, remains tight due to plant closures and other factors. In 2018, ZEN-NOH established Nippon Ryuan Service G.K. in the city of Ube, Yamaguchi Prefecture, as a joint venture with Ube Industries, Ltd. to store and ship large-granule ammonium sulfate, as part of our efforts to secure a stable supply of high-quality large-granule ammonium sulfate.



Wengfu & Zijin Chemical Industry Co., Ltd., a producer of ammonium phosphate in which ZEN-NOH has invested (Fujian Province, China)



Large-granule ammonium sulfate shipped from Nippon Ryuan Service G.K., a joint venture between ZEN-NOH and Ube Industries, Ltd. (Ube, Yamaguchi Prefecture)

New joint purchasing initiatives

In 2018, new joint purchasing initiatives that began in spring 2017 centralized purchasing on 25 brands of general-purpose chemical fertilizers from the roughly 550 available. In autumn 2018, 30,000 t of fertilizer was contracted for, and in spring 2019 83,000 t, a figure much higher than in the previous year, was added. Bidding is conducted for accumulated contracted volumes, and the fertilizers are purchased from the manufacturer bidding the lowest price.

Topic

JA-CAT agricultural materials shops operated jointly with JAs

ZEN-NOH is opening agricultural materials shops operated jointly with JAs. The first of these shops, JA-CAT Tsuyama, opened in March 2017 under joint operation with JA Tsuyama (in the city of Tsuyama, Okayama Prefecture). JA-CAT Kagamino opened in the same JA's service area in March 2019. ZEN-NOH will strive to improve members services and increases their satisfaction even further in the future, as it opens more JA-CAT shops.

* CAT stands for "Communication plaza with Agricultural Tools."



JA-CAT Tsuyama, jointly operated by JA and ZEN-NOH

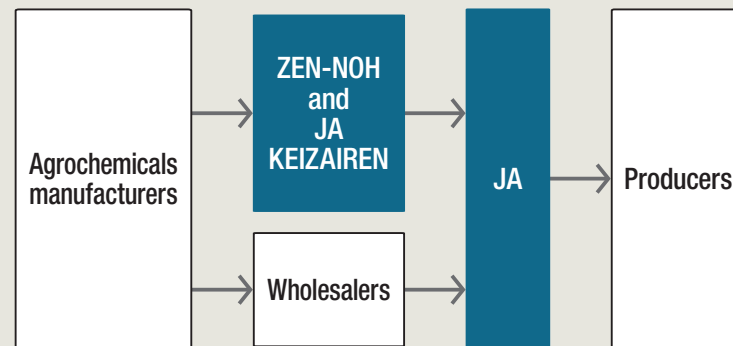
Agrochemicals business

ZEN-NOH's role

In the agrochemicals business, ZEN-NOH has been supplying agrochemicals to producers through JA KEIZAIEN and JAs and also has been co-developing new agrochemicals with Agrochemical companies.

For the safety use of agrochemicals by producers, ZEN-NOH is making a strong effort to encourage appropriate applications under good manner for both people and environment, making application records and expanding to use protective gear for safety.

The JA Group's main agrochemicals distribution channels



ZEN-NOH's initiatives

Development of new agrochemicals

ZEN-NOH has been developing new agrochemicals required for Japanese agriculture in cooperation with agrochemical companies.

In September 2018, ZEN-NOH got registration of Pyraxalt®, new insecticide highly effective for Plant hopper for rice developing with DuPont Production Agriscience K.K.

The products containing Pyraxalt® was launched in 2019.

* Plant hopper: one of the most concerned insect pests of rice especially in Western Japan and the Kanto region.

ピラキサルト™
powered by PYRAXALT™

Development of Generic agrochemicals

ZEN-NOH has developed and promoted two Generic agrochemicals to contribute cost reduction.

In 1995, Penncozeb (Fungicide) was launched as the first Generic agrochemicals in Japan, moreover J-Ace (Insecticide) was introduced in 2003 as the second Generic agrochemicals.

In April 2018, we established ZM Crop Protection Corporation., a joint venture with Mitsubishi Corporation for the main purpose of maintain the registration and manage of production for ZEN-NOH's products.



Expanded sales of special standards for direct shipment of agrochemicals to large-scale farmers

In 2014, we began sales under special standards for direct shipment to users (for 4-20 ha), even larger than the large-scale standards (for 1 ha), to large-scale producers. These enable sale at prices roughly 20-30% lower than under ordinary standards (for 10 a), through means including production to order and direct shipment from manufacturers, in addition to benefits of scale. Our supply performance is increasing year by year, and we will continue to promote the spread of these standards in the future.



Development of wide-area logistics facilities

To build efficient logistics systems, we are making progress on the development of wide-area logistics facilities serving areas across prefectural boundaries. We opened the Northern Kyushu Wide-Area Distribution Center in 2012 and the Chugoku-Shikoku Wide-Area Distribution Center in 2018. These facilities' centralized activities include bulk ordering from manufacturers, bulk shipping from manufacturers' plants, integrated management of inventories, and aggregating products by shipment destination and packing them for individual farmers.



Integrated pest management (IPM) initiatives

In response to the issue of resistance to chemicals, we are promoting use of "Banker Sheet®" technology that does not rely solely on agrochemicals.

* Banker Sheet® technology uses packs containing natural enemies of pests to protect the natural enemies from the effects of changes in temperature and humidity, irrigation, and dispersion of agrochemicals.
* IPM: Integrated pest management



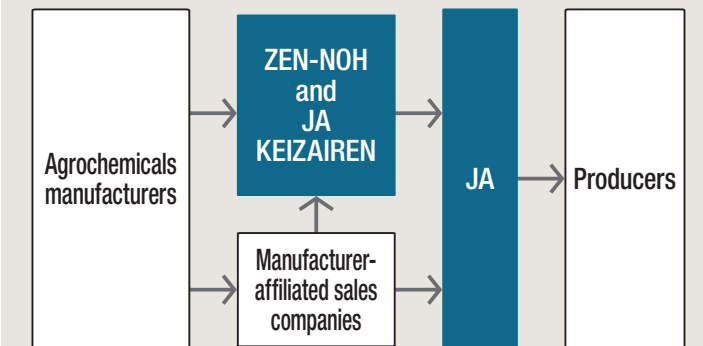
Agricultural machinery business

ZEN-NOH's role

In the agricultural machinery business, ZEN-NOH supplies producers with agricultural machinery sourced from manufacturers or manufacturer-affiliated sales companies, through JA KEIZAIEN and JAs.

In addition to the tractors, rice planters, and combines essential to agricultural production, we also handle a wide range of other machinery including machinery used in vegetable farming, drying and preparation machinery, and machinery used in farm work.

The JA Group's main agricultural machinery distribution channels



ZEN-NOH's initiatives

Joint procurement of large-scale tractors reflecting the views of farmers

To reduce the costs of agricultural machinery, we are promoting joint procurement of large-scale tractors (60-hp class).

By focusing on the necessary functions based on seeking the views of more than 10,000 producers and bidding utilizing the advantages of scale backed by enlisting the cooperation of producers nationwide, we have realized price reductions of roughly 20-30% compared to standard models in the same class.

In FY2018, we shipped 853 units, much higher than the target of 597 units. We plan to implement joint procurement of mid-sized tractors in the future.

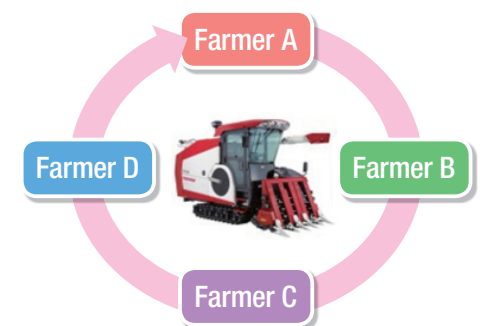


Shared leasing of agricultural machinery (joint use of large combines)

To lower the costs of agricultural machinery, we are advancing a shift from private ownership to joint use.

In shared leasing of agricultural machinery, a team of four producers with differing harvest times use a single combine.

In FY2018, this approach was employed by 75 farms in 27 teams, cutting costs by roughly 20% compared to purchase of the machinery.



Development of wide-area parts centers

Using agricultural machinery for a longer time helps to reduce production costs. For this reason, we are opening wide-area parts centers nationwide, serving territories that cross prefectural boundaries, to enable swift machinery repairs and improvements.

The Tohoku Wide-Area Parts Center, which began operation in January 2019, will strive to improve services through increasing its rate of immediate delivery by enhancing the items in its inventory, enabling next-morning delivery through nighttime shipments, and adopting an ordering system linked to a parts-search function, among other efforts.



Farming and packaging materials business

ZEN-NOH's role

The materials businesses, which handle various materials needed in processes from cultivation through shipping, is divided into the segments of farming and packaging materials.

The farming materials business supplies materials such as steel materials and covering materials mainly for greenhouse use, materials for related equipment, and seedling materials. The packaging materials business supplies materials such as cardboard boxes and paper rice bags used to transport the produce harvested by farmers. It also handles the cardboard materials from which cardboard boxes are made.

ZEN-NOH's initiatives

Expanding promotion of biodegradable mulch

Considerable attention has been focusing in recent years on recycling of plastics. Waste plastics produced in the field of agriculture include covering materials for greenhouses and tunnels, mulch, and other materials. ZEN-NOH cooperates with the industry and related agencies in promoting waste reduction through proper collection and recycling of waste plastics.

ZEN-NOH handles biodegradable mulch products centered mainly on the Corn Mulch II brand made using imported raw materials. Since biodegradable mulch breaks down in the field soil after use, it generates no waste plastics and helps reduce the effort required to collect mulch after harvest in large-scale farming.



In use for green soybeans



In use for taro

ZEN-NOH's original simple hydroponic cultivation system "With One"

"With One" is a hydroponic cultivation system that bundles together supplies such as polystyrene foam planters and irrigation equipment. It helps to improve producers' disposable income through means such as putting unused greenhouses to effective use and utilizing rice seedling greenhouses in the off season. Since its introduction in FY2013, its use has spread centered on the Tohoku region, and as of the end of March 2019 it was in use in cultivating approximately 11 ha on 163 farms.



Standardization on national-standard cardboard boxes

ZEN-NOH is advancing standardization on national-standard cardboard boxes for three types of vegetables: onions, taro, and bell peppers. By the end of FY2019, this is expected to result in a reduction of approximately 30% in the number of box standards used for these three vegetables, which had stood at 1,300 standards. Similar efforts began in FY2018 for carrots and white potatoes. Through these initiatives, we will promote use of pallets in shipping of agricultural produce, by advancing standardization on cardboard-box standards designed with pallet sizes in mind.



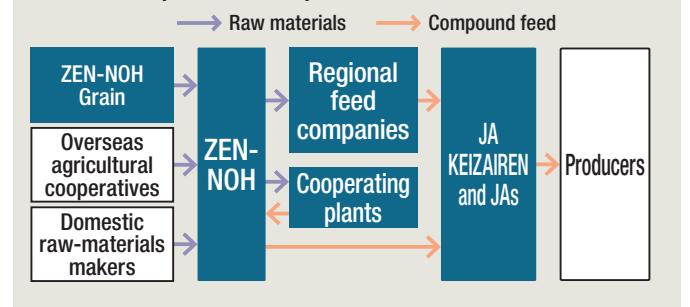
Feed business

ZEN-NOH's role

The feed business procures raw feed materials from overseas grain-producing regions and domestic raw-materials makers and supplies compound feed produced at the feed plants of Group member companies to producers through JA KEIZAIKEN and JAs.



The JA Group's main compound feed distribution channels



ZEN-NOH's initiatives

Efforts to secure a stable supply of compound feed raw materials

To secure a stable supply of compound feed raw materials, ZEN-NOH established ZEN-NOH Grain Corporation in 1979 in New Orleans, Louisiana, in the U.S. It operates grain storage and loading facilities.

We also have established CGB Enterprises, Inc. as a joint venture with Itochu Corporation to handle origination of materials in grain-producing regions. This has resulted in a complete supply chain from the upstream level. Competition for originating grains is intensifying amid growing global demand. In response, ZEN-NOH Grain Corporation expanded its export elevator, which then began full-scale operation in April 2018. This has increased its capacity of loading ships for export from 13.5 to 19 million tons per year.

In Brazil, ZEN-NOH has established Amaggi Louis Dreyfus ZEN-NOH Holdings S. A. (ALZ), a grain originating and exporting company, as a joint venture with a Brazilian grain handlers that has enhanced its grain-procurement structure in that market.

In Canada, Grains Connect Canada Operations Inc. (GCC) is a grain originating joint venture established in 2015 with the Australian grains originating, shipping, and sales company GrainCorp. Furthermore, in December 2018 we reached agreement with a Canadian grain company on the establishment of Fraser Grain Terminal Ltd. (FGT) to operate an export facility.



ZEN-NOH Grain (U.S.)



ALZ (Brazil)



GCC (Canada)

Supplying non-genetically modified corn

In the U.S., a major production area of corn, which is the main raw material in livestock feed, genetically modified organism (GMO) seeds have increased their share of planted crops to 92% (as of 2018). In response to the needs of consumers such as consumers' cooperatives, the ZEN-NOH Group uses identity-preserved (IP) handling from producing area to livestock farmers in Japan, to supply feeds made using non-genetically modified corn that is not treated with chemicals post-harvest (PHF/NON-GMO).

* PHF (Post Harvest Free): avoiding use of chemicals to maintain quality after harvesting
* Non-GMO: non-genetically modified organisms



Grain farmer members organized by CGB implement an IP handling program

Streamlining of the compound feed production and supply structure

JA Nishi-Nihon Cooperative Feed & Mills Co., Ltd., which manufactures and sells compound feed to the Western Japan region (Kinki, Chugoku-Shikoku), has streamlined its supply structure through consolidation of three former mills at the newly constructed Kurashiki Mill (which began operation in June 2017).

In addition, Hokuren Cooperative Feed Mills Co., Ltd. plans to develop an efficient supply structure in Hokkaido by establishing a joint venture specializing in production of compound feed under contract, with Snow Brand Seed Co., Ltd. (Plans call for operation to begin in December 2021.)



The Kurashiki Mill of JA Nishi-Nihon Cooperative Feed & Mills Co., Ltd.



Hokuren Cooperative Feed Mills Co., Ltd. will establish a feed-production joint venture with Snow Brand Seed Co., Ltd.

Energy business

ZEN-NOH's role

The energy business delivers stable supplies of the energy (electricity, petroleum, LP gas) needed for rural living and farming.

The electricity business engages in retail sales of electricity under the JA Denki brand name. It purchases electricity from power-generating companies and strives to enhance its supply infrastructure.

The petroleum business supplies gasoline, fuel oil, and other fuels through JA-SS service stations. It sources these from suppliers in Japan and around the world and distributes them through ZEN-NOH Group petroleum facilities and other facilities.

The gas business supplies LP gas under the brand name Kumiai Propane. In addition to domestic supplies, it also imports LP gas directly from producer states in the Middle East.



ZEN-NOH's initiatives

Maintenance and enhancement of lifeline functions

Supplies of petroleum and LP gas from the JA Group serve as a lifeline for farmers, members, and residents of rural communities.

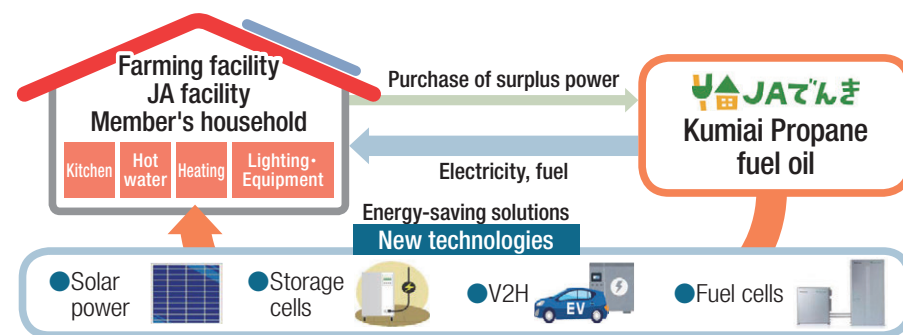
The petroleum business is striving to improve the efficiency of distribution through revising its area strategies as appropriate (including consolidation and closure of service stations and shifting to wider-area distribution facilities) as well as promoting use of self-service stations, to ensure stable fuel supplies over the medium to long term.

The gas business is enhancing its promotion of non-use notification services for elderly people who live alone (services that notify relatives or others if LP gas has not been used for 24 hours or longer) and bathroom heaters/dryers as a measure to combat heat stroke.

Deploying the home energy business

ZEN-NOH strives to help members lower their home energy costs, by developing a new menu of options that adds electricity to our petroleum and LP gas services.

Furthermore, we also are making progress on developing home energy supply models that combine various new energy-saving technologies (such as solar power, storage cells, V2H, and fuel cells) with various heat sources.



※ V2H : Vehicle to Home Efforts to put electricity stored in electric vehicles to effective use in the home

Topic Home electricity supply begins

To cut members' agricultural and home energy costs, we entered the electricity diagnostics and retail business and began supplying electricity to JA Group facilities and agricultural facilities in 2016.

After having realized a switchover to these services to a certain degree and developed the related supply infrastructure, in December 2018 we began rolling out steadily home electricity supply for members. Currently, we are negotiating with individual JAs to enable the swift nationwide deployment of this service.

In addition, since the feed-in tariff (FIT) program under which electricity generated by home solar panels is purchased at fixed prices will be discontinued gradually beginning in November 2019, we will promote purchase of electricity from members' households and use of storage cells.



Life support business

ZEN-NOH's role

The life support business supplies the products and services that rural residents need in their daily lives. In addition to operating A-Coop stores, ZEN-NOH also is deploying a wide range of other related business, such as JA-Kurashi-no-Takuhaibin, which lets users order products for everyday life on the Internet, joint purchase using reserved orders, grocery delivery and buyer's clubs that deliver groceries and other items to homes periodically, a funeral business to provide support for members' funerals, and a home medical supplies business.

ZEN-NOH's initiatives

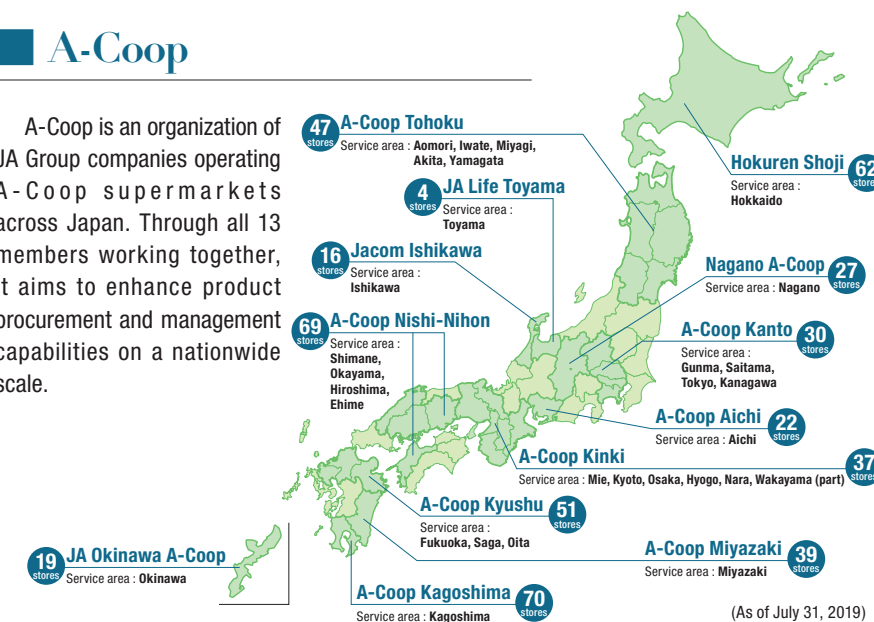
Farm-stay efforts, to revitalize regions by connecting urban and rural communities

As a measure to stimulate rural communities by attracting consumption (demand) from urban communities and elsewhere, ZEN-NOH aims to develop new businesses in lifestyle-related fields, including farm-stay service that includes use of vacant homes in rural areas as well as supply of related materials and equipment. For this reason, we are working on efforts including support for startup of farm-stay businesses and development of a portal site where users can make reservations for farming experiences and accommodations.



A-Coop

A-Coop is an organization of JA Group companies operating A-Coop supermarkets across Japan. Through all 13 members working together, it aims to enhance product procurement and management capabilities on a nationwide scale.



(As of July 31, 2019)

Topic JA Farmers

ZEN-NOH and A-Coop consider A-Coop supermarkets to be not just key facilities in members' daily lives but also bases for sale of domestic agricultural and livestock products. JA Farmers stores, in which A-Coop supermarkets include direct-sales facilities for agricultural produce opened in cooperation with local JAs, are opening steadily across Japan, reaching a number of 21 stores. (As of July 31, 2019)



JA-Kurashi-no-Takuhaibin

JA-Kurashi-no-Takuhaibin is a service that lets members and users order products on the Internet for delivery directly to their homes. It not only greatly shortens the lead time from when an order is placed to its delivery but also can help reduce inventory at JAs, simplify shipping, and enable a choice of payment methods (such as credit card or COD), compared to traditional joint-purchasing methods. The product range contains about 1,000 items, from 257 JAs in 31 prefectures (as of March 31, 2019).

In the future, we plan to cooperate with other businesses to make it even more convenient for members and users.



Facilities and agricultural residential business

The facilities and agricultural residential businesses support construction, by acting on the client's behalf, of the grain drying and preparation facilities, fruit and vegetable collection and shipping facilities, cattle barns, meat processing facilities, warehouses, shops selling agricultural products directly, stores, and other facilities needed by JAs and other organizations to deliver producers' agricultural and livestock produce to consumers as well as residential housing and other properties intended to manage members' assets and put their land to effective use. Under contract to members, JAs, and other clients, these businesses offer a system that supports activities from building planning through design, construction management, inspection, and delivery, all on behalf of the client.

Facilities business

Agricultural facilities such as fruit and vegetable collection and shipping facilities require not only functions for uniform processing of large volumes of produce but also the abilities to save labor and improve efficiency with regard to plant equipment, in light of the shortage of labor and other factors, as well as reducing renovation, maintenance, and repair costs of aged facilities. To respond appropriately to such diversifying needs, in FY2014 ZEN-NOH established the plant construction manager qualification system, intended to train and further improve the skills of those who implement and support planning, decisions on scale, basic design, selection of contractors, and construction management, from the client's perspective. At present, 22 people have earned the class-I qualification and 59 have earned the class-II qualification. All are working energetically at construction sites across Japan.



Grain drying and preparation facility



Fruit and vegetable collection and shipping facility

Agricultural residential business

Centered on staff who possess professional qualifications, such as real-estate brokers*, this business helps members manage their assets and utilize their land effectively, through asset-management consulting services for members mainly in cooperation with JAs in the greater Tokyo area. In construction of rental housing, single-family homes, and other projects, it acts on the client's behalf from inspection of construction through delivery of the finished project. It also handles renovation and other activities.

* 52 people (As of July 2019)



Premium retirement homes with long-term care



Retail facilities

Design business

At present, ZEN-NOH includes 172 class-I architects and 39 class-II architects, who design a wide range of buildings ranging from agriculture facilities to general buildings such as offices, chiefly in the facilities business. In addition to basic planning to work out building structures with clients and preparation of execution drawings, their wide range of activities also includes preparation of various applications submitted to the authorities and others, estimating volumes of building materials to be used and design costs, and creating perspective drawings that give clients an idea of what the completed building will look like. In design of agricultural facilities in particular, since ZEN-NOH has expertise on the plant equipment installed inside the buildings its specialized knowledge enables design of facilities that can be used smoothly, helping to support JAs nationwide.



Perspective drawing



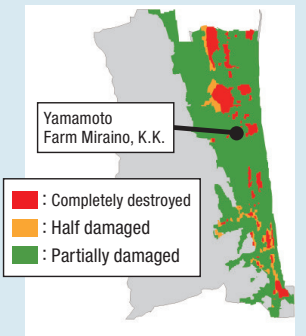
Construction plans

Disaster recovery and restoration

We work together with government and other parties to assist in recovery and restoration from successive natural disasters, which have caused massive damage to agricultural production in recent years to do efforts in response to the needs in affected areas. In the Tohoku region, where improvements are underway to agricultural infrastructure, including farmland and agricultural facilities, damaged by disaster, we are advancing efforts in areas such as adoption of advanced technologies, sales support based on related needs, enhancing system for providing agribusiness guidance, and promoting sales of agricultural and livestock products from the region to establish a new agricultural structure through agricultural corporations.

Support for recovery from the Great East Japan Earthquake Corporation with JA investment: Yamamoto Farm Miraino, K.K.

The tsunami caused by the Great East Japan Earthquake brought devastating damage to the town of Yamamoto in southeastern Miyagi Prefecture. Yamamoto Farm Miraino, K.K., an agricultural production corporation, was established in July 2015 aiming to resume farming in this district with the support of the JA Group (JA Miyagi Watari, ZEN-NOH, the Norinchukin Bank, and others). Aiming to build a large-sale management model based on proper land use, this cooperation is growing vegetables (such as leeks, onions, sweet potatoes, and carrots) through ground farming, with ZEN-NOH providing support in the areas of cultivation techniques, varieties, adoption of integrated mechanization systems, and sales. In March 2018, it, along with two other corporations in the prefecture, earned Global GAP certification (for tomatoes) under the JA Group Good Agricultural Practice (GAP) Third-party Certification Support Program.



Tsunami damage in Yamamoto

Tohoku-Miyagi Revive Marathon

ZEN-NOH and its Group companies sponsor the Tohoku-Miyagi Revive Marathon, held in the coastal region of southern Miyagi Prefecture (since 2017). We supported operation of the Tohoku-Miyagi Revive Marathon 2018, held in October 2018, through means including giving participants tomatoes grown in Miyagi Prefecture as well as rice balls made from prefecture rice.



Sponsoring the JA Youth Kizuna Project

Ever since the Great East Japan Earthquake in 2011, JA Youth (JA Youth Division, Prefectural Federations of JA Youth Organizations, National Federation of JA Youth Organizations) has carried out the JA Youth Kizuna Project. This Project's activities have included providing A-Coop wet wipes for sale by individual youth organizations, with part of the proceeds from such sales being donated to youth organizations in prefectures affected by disasters such as the torrential downpours in Western Japan in 2018, typhoons, and earthquakes.

ZEN-NOH supports this initiative by supplying A-Coop wet wipes.



The ZEN-NOH Tohoku Project

Since FY2015, ZEN-NOH has carried out the ZEN-NOH Tohoku Project, aiming to enhance sales of agricultural and livestock products and processed products from the six prefectures of the Tohoku region.

ZEN-NOH Tohoku Project sales booths are being set up at various events, we are cosponsoring the Tohoku Sosei Genki Project, organized by seven newspapers in the Tohoku region, and we publicize Tohoku agricultural and livestock products at various events, among other activities.

We also are developing the Tohoku Wagyu beef brand and commercializing samplers of famed rice varieties from the six Tohoku prefectures.



* Tohoku Wagyu is a wagyu beef brand under which calves born at the Fujisawa ranch operated directly by JA ZEN-NOH Kita-Nihon Cooperative Feed & Mills Co., Ltd. and fattened in Tohoku are marketed. The concept behind this brand is a focus on red meat that balances the taste and texture of wagyu.

Social Responsibility Activities

SR activities

Social Responsibility

As an active member of local communities, ZEN-NOH employs a proactive approach to social responsibility. Covering a wide range of areas from food and agricultural education through sports and the environment, these activities contribute to building the future of our communities. They include not only support for professional and amateur sports, but also activities to deepen education on food and agriculture for children, who will form the Japanese society of the future, and welfare and cultural activities.

Supporting sport Supporting the activities of athletes by providing them with Japanese foods. —

Table tennis

As an official sponsor of the Japan National Table Tennis Team, in addition to sponsoring tournaments held in Japan and publicizing domestic agricultural and livestock products through provision of additional prizes and food samples, ZEN-NOH also supplies Japanese foods to players taking part in international tournaments and supports them. Table-tennis player Kasumi Ishikawa, under contract to ZEN-NOH, won the silver medal in the mixed double's event in the World Table Tennis Championships in April 2019 (held in Budapest, Hungary).



Photo courtesy: Nittaku News



Curling

As an official sponsor of the Japan National Curling Team, ZEN-NOH sponsors tournaments held in Japan including the ZEN-NOH Japan Curling Championships and the ZEN-NOH Japan Mixed Doubles Curling Championships as well as providing additional prizes and food samples.

Furthermore, together with providing "Nippon no Shoku" Japanese foods to Japanese athletes participating in international tournaments held overseas, we also provide meals at their tournament venues to support the activities of the Japan National Team worldwide.



ZEN-NOH Chibi-lympics: Spring Chibi-lympics

ZEN-NOH is a special sponsor of the ZEN-NOH Chibi-lympics, held every year on May 5, Children's Day. Held at Nissan Stadium in the city of Yokohama and other venues, the ZEN-NOH Chibi-lympics on May 5, 2019 featured the best efforts of 4,900 young athletes in front of 22,000 spectators.



ZEN-NOH Cup Japan Elementary School Curling Championships Winter Chibi-lympics

Curling teams of elementary-school students compete for the national championship in the ZEN-NOH Chibi-lympics ZEN-NOH Cup Japan Elementary School Curling Championships. This tournament was held for the first time in December 2018, featuring thrilling competition among young athletes from across the country.



ZEN-NOH Cup All-Japan Table Tennis Championship Tournament (Hopes Cub Bambi Division)



All-Japan Table Tennis Championship Tournament (Cadet Division)



ZEN-NOH/"Hagitomo" swimming lessons

Taught by former Japan National Team competitive swimmer Tomoko Hagiwara, who competed in the Sydney Olympics, these swimming lessons are intended to teach the joy and importance of a good diet through sports.



JA ZEN-NOH WCBF youth baseball lessons

ZEN-NOH is a special sponsor of these lessons, organized by the World Children's Baseball Foundation (WCBF), which is chaired by Sadaharu Oh. Instructors are former professional baseball players in Japan, including Oh himself.



Nutrition education project for high-school baseball players

Together with Ritsumeikan University, ZEN-NOH is carrying out a joint nutrition education project for high-school baseball players over the three-year period 2018-2020. This project aims to develop nutrition education programs for high-school baseball players and other athletes by supplying rice to four schools partnering in the study and researching the advantages of a diet centered on rice as well as cooperating with local JAs in activities to contribute to the community.



Food and agricultural education

Rice Paddy Organism Survey

ZEN-NOH is carrying out the Rice Paddy Organism Survey in conjunction with JAs, producers, consumers, and children nationwide, arranging activities to enable participants to learn, through the five senses, about the deep connection between the environment and farming and the importance of conserving biodiversity.



Implemented:
604times
Total participants:
29,403
(2008-2019)



ZEN-NOH parent-child cooking classes ZEN-NOH Minna no Kodomo cooking classes

ZEN-NOH hosts parent-child cooking classes using fresh domestic farm products and cooking classes in which children with disabilities participate, in cooperation with various ZEN-NOH Group companies. This program allows children to take on the challenge of preparing a bento box lunch without relying on their parents, to enhance their understanding of and interest in the importance of food and food ingredients.

In these classes, employees of ZEN-NOH Group companies and ZEN-NOH itself deliver classes on Japanese agriculture and ingredients along with food quizzes, communicating to participants the importance of agriculture and food.



Implemented:
78times
Total participants:
2,404
(2006-2019)

ZEN-NOH parent-child agricultural experience tours

These tours are organized with the cooperation of JAs to provide consumers who are generally unfamiliar with agricultural practices with an opportunity to interact with producers by experiencing farm work, including planting and harvesting vegetables, flowers, and rice, so that they can have a better understanding of agriculture.



Implemented:
65times
Total participants:
2,392
(2005-2019)

JAs are organizations that conduct business activities through the participation and collective efforts of their members. They collectively purchase the materials necessary for agricultural production and market agricultural products under the provisions of the Agricultural Cooperative Association Act. They are also involved in a wide range of business activities including those that provide members with products necessary for daily life; savings accounts and credit services such as loans; and mutual insurance services that offer life, property, and car insurance.

Prefectural-level federations and central unions as well as the national-level federation ensure that the business activities of Jas are conducted efficiently. The entire JA organization is known as the JA Group. It consists of three levels: JAs; prefectural-level JA federations and CHUOKAI (Prefectural Central Union of Agricultural Cooperatives) organizations; and the national JA federation.

What is ZEN-NOH’s role?

The ZEN-NOH Group is responsible for the marketing and supply business of the JA Group, including sale of agricultural products and supply of materials for use in agricultural production. It cooperates with JAs, who are members of the ZEN-NOH Group, and prefectural federations to create scale advantages in carrying out competitive marketing and supply activities. These activities support increases in members’ farm incomes and expansion of their agricultural production capacity. ZEN-NOH’s role is to supply food products to consumers across Japan through such activities.

JA KEIZAIREN and prefectural JAs

Among JA federations, JA KEIZAIREN do business in their prefectures, while national federations, including ZEN-NOH, do business nationwide.

Previously, JA KEIZAIREN in each prefecture handled economic activities such as sale of agricultural and livestock produce under contract and handling of production materials, but these were consolidated into eight organizations under organizational reforms, and other KEIZAIREN were merged with ZEN-NOH successively beginning in 1998, so that as of April 2019 ZENNOH included 32 prefectural headquarters.

JA regional consolidation across multiple municipalities also is underway, leading to the birth of seven prefectural JAs in which JAs succeed the activities of the JA KEIZAIREN.

ZEN-NOH Profile

Established

March 30, 1972

Business goal

All member cooperative unions work together to promote ZEN-NOH businesses, thereby increasing the production efficiency of the work of member farmers, improving their economic conditions, and contributing to the raising of their status in society. Our businesses, which provide production materials, daily necessities, and process and market agricultural products, are conducted with this goal in mind.

Offices

Main office: Tokyo
Prefectural headquarters: Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima, Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Yamanashi, Nagano, Niigata, Toyama, Ishikawa, Gifu, Mie, Shiga, Kyoto, Osaka, Hyogo, Tottori, Okayama, Hiroshima, Tokushima, Ehime, Fukuoka, Nagasaki, Oita

Membership

945 cooperative unions (including 160 secondary unions)

Capitalization

115.2574 billion yen

Employees

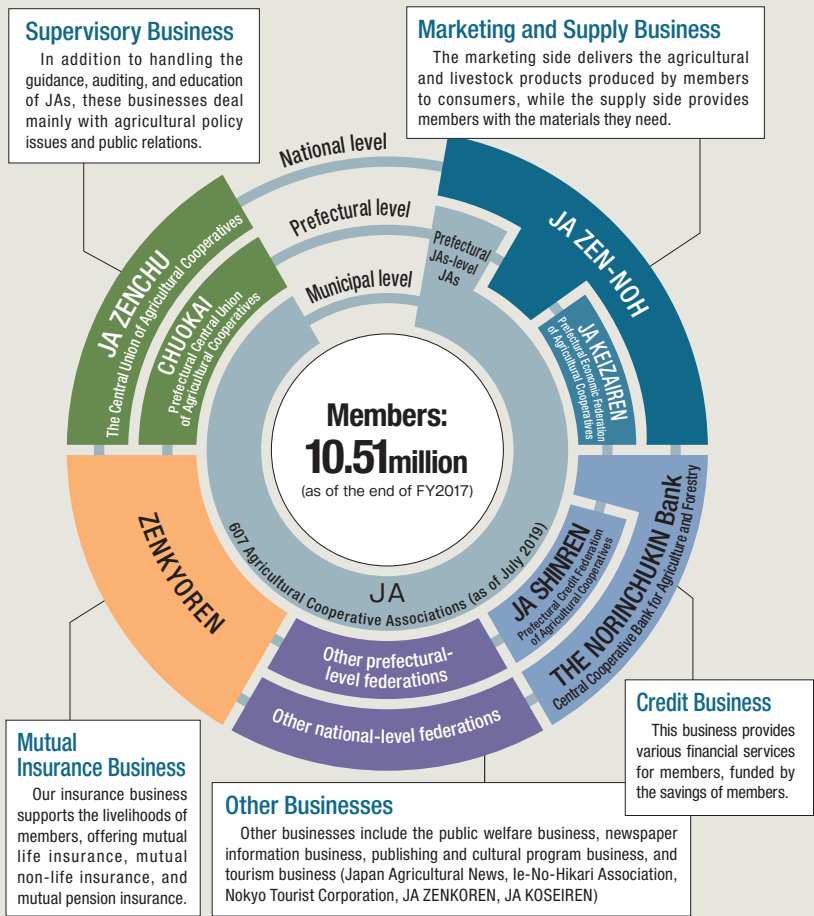
7,960

(as of March 31, 2019)

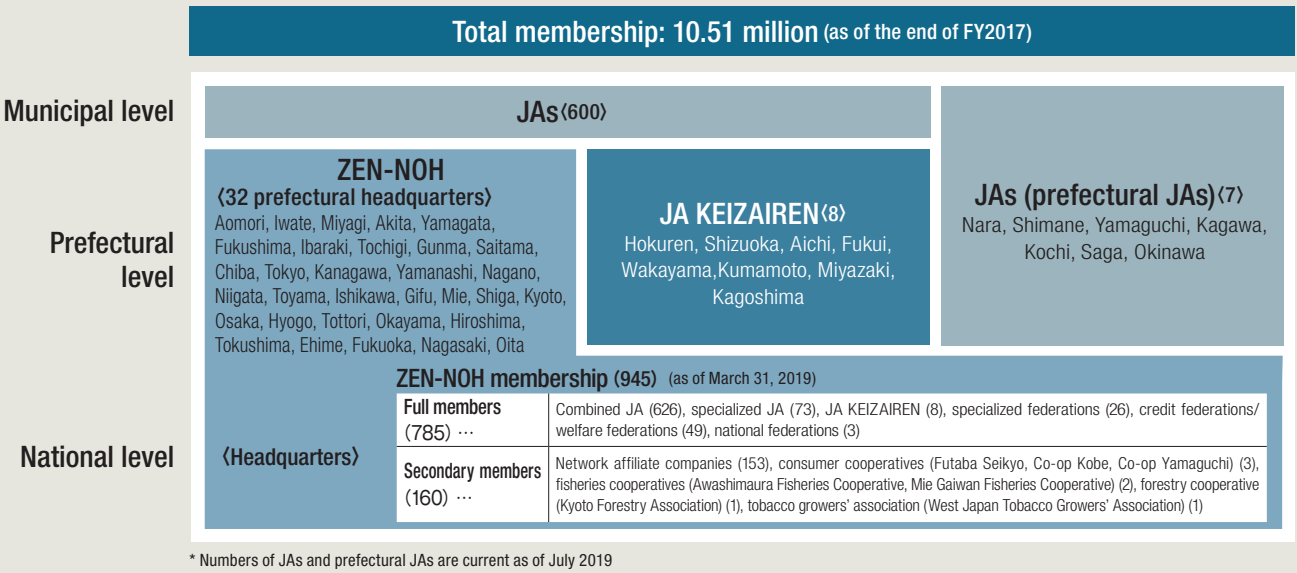
History of consolidation between ZEN-NOH and the economic federations

1998	October	Three federations: Miyagi, Tottori, and Shimane
2000	April	Three federations: Tokyo, Yamaguchi, and Tokushima
2001	April	21 federations: Aomori, Yamagata, Shonai, Tochigi, Chiba, Yamanashi, Nagano, Niigata, Toyama, Ishikawa, Gifu, Mie, Shiga, Kyoto, Osaka, Hyogo, Okayama, Hiroshima, Kochi, Fukuoka, and Nagasaki
2002	April	Six federations: Iwate, Akita, Ibaraki, Gunma, Saitama, and Oita
2003	April	Two federations: Fukushima and Kanagawa
2004	April	One federation: Ehime
2008	April	Merger of the Yamagata Prefectural Headquarters and the Shonai Headquarters
2015	March	In connection with the start of JA Shimane, the Shimane Prefectural Headquarters was abolished
2019	January	In connection with the start of JA Kochi Prefecture, the Kochi Prefectural Headquarters was abolished
	April	In connection with the start of JA Yamaguchi Prefecture, the Yamaguchi Prefectural Headquarters was abolished

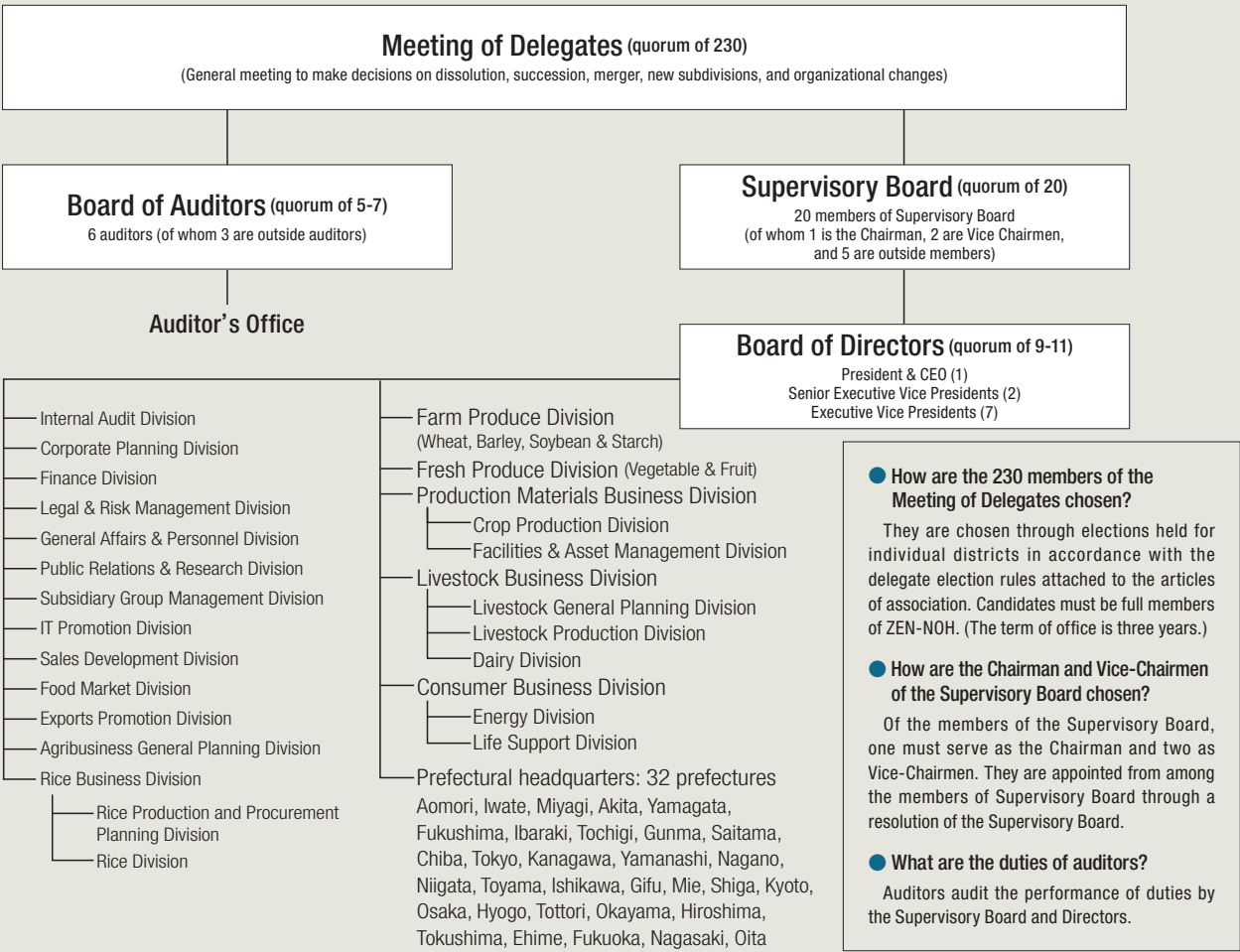
Structure of the JA Group



1. JA Group Organizational Chart (economic activities)



2. ZEN-NOH Organizational Chart (as of July 31, 2019)



Financial Information

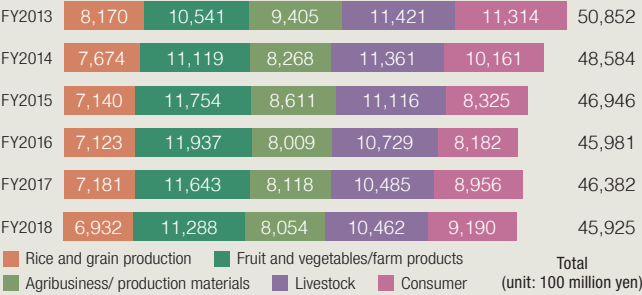
FY2018 Profit and Loss Statement

(April 1, 2018–March 31, 2019)

(Unit: million yen)

Item	Amount	Previous year	Year-on-year
1. Total operating income	91,272	91,713	100%
(1) Operating earnings	4,681,651	4,726,405	99%
(2) Operating expenses	4,590,379	4,634,692	99%
2.Business administrative expenses	94,493	92,466	102%
(1) Personnel expenses	58,431	58,309	100%
(2) Business expenses	9,537	8,579	111%
(3) Office expenses	7,439	7,125	104%
(4) Taxes and dues	7,366	6,613	111%
(5) Equipment/facility expenses	8,619	8,555	101%
(6) Depreciation expenses	3,100	3,283	94%
Operating profit	- 3,221	- 753	-
3. Non-operating profit or loss	11,376	10,554	108%
Ordinary income	8,154	9,800	83%
4. Extraordinary profit or loss	- 2,066	- 2,019	-
Income before taxes	6,087	7,780	78%
Provision for corporate, residential and business taxes	324	317	102%
Adjustment to corporate tax, etc.	1,575	2,706	58%
Net surplus	4,187	4,756	88%

Turnover by Different Business Operations



FY2018 Balance Sheet (as of March 31, 2019)

Assets	Amount	Previous year	Change over previous year
1. Current assets	843,661	875,568	- 31,906
Cash	359	352	6
Deposits	19,825	41,741	- 21,916
Notes receivable	654	662	- 7
Marketable securities	19,702	20,798	- 1,095
Accounts receivable	453,467	460,357	- 6,890
Unliquidated claims	180,629	200,001	- 19,371
Inventories	161,070	142,557	18,513
Other current assets	8,712	8,796	- 83
Deferred tax assets	3,267	4,156	- 888
Allowance for doubtful accounts	- 4,027	- 3,854	- 172
2.Fixed assets	366,626	369,186	- 2,559
Tangible fixed assets	335,937	335,622	315
Less accumulated depreciation	- 194,106	- 194,216	109
Intangible fixed assets	5,652	5,856	- 203
Outside investments	170,122	170,348	- 225
Long-term securities	27,475	28,659	- 1,184
Long-term accounts receivable	581	850	- 268
Long-term prepaid expenses	1,279	1,422	- 143
Other fixed assets	18,378	18,700	- 321
Long-term deferred tax assets	2,186	3,067	- 881
Allowance for doubtful accounts	- 208	- 413	205
Allowance for doubtful accounts—outside investments	- 673	- 712	38
Total	1,210,288	1,244,754	- 34,465

FY2018 Turnover

(Unit: 100 million yen)

Business Operation	Result	Previous year	Year-on-year
Rice and grains business total	6,932	7,181	97%
Pearl Rice	480	466	103%
Rice	5,336	5,610	95%
Wheat and barley	212	209	101%
Soybean and coleseed	250	259	97%
General farming products	654	637	103%
Fruits and vegetables business total	11,288	11,643	97%
Fruits and vegetables	11,223	11,580	97%
Prefecture-level direct sales	64	62	103%
Agribusiness and production materials business total	8,054	8,118	99%
Sales projects	-	1	-
JA Green	48	50	97%
Fertilizer	1,918	1,886	102%
Agrichemicals	1,203	1,196	101%
Production materials	390	369	106%
Packing materials	149	148	101%
Cardboard products	983	985	100%
Agricultural machinery	1,277	1,260	101%
Facility and housing	2,085	2,224	94%
Livestock business total	10,462	10,485	100%
Livestock production business	1,000	1,177	85%
Single-ingredient feed and feed ingredients	3,716	3,479	107%
Livestock product sales	1,864	1,907	98%
Dairy farming business	3,099	3,150	98%
Livestock sales	783	772	101%
Consumer business total	9,190	8,956	103%
Automobiles	177	166	107%
Oil	6,194	5,918	105%
Gas	858	852	101%
Daily necessities	1,962	2,020	97%
Grand total	45,925	46,382	99%

* Figures shown are rounded off to the nearest 100 million yen.

(Unit: million yen)

Liabilities and Member's Equity	Amount	Previous year	Change over previous year
3.Current liabilities	807,689	836,687	- 28,997
Notes payable	13,178	14,445	- 1,267
Short-term borrowing	200,442	186,663	13,778
Accrued liabilities	529,182	548,765	- 19,582
Unliquidated liabilities	11,267	12,897	- 1,629
Other current liabilities	47,595	67,877	- 20,281
Reserve for bonus	4,433	4,501	- 67
Reserve for losses from gift voucher redemption	1,557	1,508	48
Reserve for point card certificates	32	27	4
4. Fixed liabilities	68,977	76,864	- 7,887
Long-term borrowing	7,265	8,383	- 1,118
Long-term accrued liabilities	5,383	6,280	- 896
Long-term deposits received	1,386	1,401	- 14
Long-term business deposits	1,159	1,200	- 40
Assets retirement obligations	2,286	2,487	- 201
Reserve for retirement benefits	51,153	56,754	- 5,601
Allowances and reserves	342	357	- 15
Total liabilities	876,667	913,552	- 36,885
5.Net assets	333,621	331,202	2,419
Capitalization	115,257	115,261	- 3
Capital reserve	9,622	9,622	-
Revaluation reserve	36	36	-
Earned surplus reserve	97,477	96,517	960
Voluntary reserve	85,494	81,004	4,490
Unappropriated earnings	8,406	11,934	- 3,528
Evaluation adjustment	17,326	16,825	500
Total	1,210,288	1,244,754	- 34,465

FY2018 Consolidated Profit and Loss Statement

(April 1, 2018–March 31, 2019)

(Unit: million yen)

Item	Amount	Previous year	Year-on-year
1. Total operating income	216,259	222,169	97%
(1) Operating earnings	6,198,586	6,182,405	100%
(2) Operating expenses	5,982,326	5,960,235	100%
2.Business administrative expenses	204,372	199,695	102%
(1) Personnel expenses	128,524	126,276	102%
(2) Business expenses	18,645	17,998	104%
(3) Office expenses	11,135	10,624	105%
(4) Taxes and dues	10,683	10,011	107%
(5) Equipment/facility expenses	25,528	24,866	103%
(6) Depreciation expenses	9,543	9,509	100%
(7) Other expenses	310	409	76%
Operating profit	11,887	22,474	53%
3.Non-operating profit or loss	17,464	12,595	139%
Ordinary income	29,351	35,069	84%
4.Extraordinary profit or loss	- 1,923	- 59	-
Income before taxes	27,428	35,009	78%
Provision for corporate, residential and business taxes	7,652	7,329	104%
Adjustment to corporate tax, etc.	4,708	5,319	89%
Total corporate tax, etc.	12,361	12,648	98%
Income	15,066	22,360	67%
Income attributable to non-controlling interests	2,150	3,882	55%
Net income	12,916	18,478	70%

FY2018 Consolidated Balance Sheet (as of March 31, 2019)

(Unit: million yen)

Assets	Amount	Previous year	Change over previous year	Liabilities and Member's Equity	Amount	Previous year	Change over previous year
1.Current assets	1,186,318	1,246,794	- 60,475	3. Current liabilities	1,018,256	1,075,925	- 57,669
(1) Cash and deposits	125,176	150,891	- 25,715	(1) Notes payable	15,089	16,209	- 1,119
(2) Notes receivable	2,201	2,257	- 56	(2) Short-term borrowing	344,527	351,631	- 7,104
(3) Marketable securities	20,182	21,283	- 1,101	(3) Accounts payable	522,001	546,002	- 24,001
(4) Accounts receivable	484,058	492,226	- 8,168	(4) Unliquidated liabilities	11,416	12,951	- 1,535
(5) Unliquidated claims	159,862	182,083	- 22,220	(5) Other current liabilities	115,541	139,300	- 23,758
(6) Inventories	256,167	246,044	10,123	(6) Reserve for bonus	9,438	9,594	- 155
(7) Other current assets	136,937	148,985	- 12,047	(7) Deferred tax liabilities	240	235	4
(8) Deferred tax assets	5,170	6,478	- 1,307	4. Fixed liabilities	224,834	229,779	- 4,944
(9) Allowance for doubtful accounts	- 3,437	- 3,455	18	(1) Long-term borrowing	105,839	101,619	4,220
2.Fixed assets	681,930	669,436	12,494	(2) Liabilities for retirement benefits	73,450	79,420	- 5,969
(1) Tangible fixed assets	1,083,348	1,072,807	10,541	(3) Other long-term provisions	7,770	9,569	- 1,799
Less accumulated depreciation	- 667,563	- 665,769	- 1,794	(4) Long-term monetary liabilities	19,974	20,703	- 729
(2) Intangible fixed assets	12,357	12,450	- 92	(5) Assets retirement obligations	6,183	7,266	- 1,083
(3) Outside investments	171,539	164,006	7,533	(6) Long-term deferred tax liabilities	10,557	10,215	341
(4) Long-term securities	28,186	29,703	- 1,516	(7) Other fixed liabilities	1,059	984	74
(5) Long-term loans receivable	23,063	23,130	- 66	Total liabilities	1,243,090	1,305,705	- 62,614
(6) Long-term prepaid expenses	1,567	1,738	- 170	5. Net assets	625,158	610,525	14,632
(7) Fixed assets for retirement benefits	2,225	1,663	561	(1) Capitalization	115,257	115,261	- 3
(8) Other fixed assets	20,110	19,581	529	(2) Capital reserve	9,754	9,711	43
(9) Long-term deferred tax assets	8,162	11,388	- 3,225	(3) Retained earnings	428,329	417,545	10,784
(10) Allowance for doubtful accounts	- 869	- 1,036	166	(4) Evaluation adjustment	21,143	19,077	2,066
(11) Allowance for doubtful accounts—outside investments	- 200	- 228	28	(5) Minority equity	50,748	49,006	1,742
Total	1,868,249	1,916,230	- 47,981	(6) Other	- 76	- 76	0

Breakdown of Operating Earnings by Business Segment

(April 1, 2018–March 31, 2019)

(Unit: million yen)

Business Operation	Amount	Previous year	Year-on-year
Rice and grains	784,867	804,124	98%
Fruits and vegetables	1,212,800	1,243,150	98%
Agribusiness and production materials	870,642	876,367	99%
Livestock	2,204,552	2,161,586	102%
Consumer	1,093,736	1,065,237	103%
Other (transportation, etc.)	191,966	191,740	100%
Total	6,358,566	6,342,205	100%
Elimination*	- 159,979	- 159,800	-
Total	6,198,586	6,182,405	100%

* This indicates inter-segment sales/transfers.

Public relations

By publishing the weekly bulletin JA ZEN-NOH Weekly and the food and agriculture magazine Apron, ZEN-NOH strives to communicate information not only to let people know more about itself but also to deepen their understandings of food and agriculture. We also produce radio and television programs whose content includes information about domestic agricultural and livestock products as well as interviews with JA personnel and producers.

Bulletin

"JA ZEN-NOH Weekly"

Website



This weekly pamphlet, published since 1998, is distributed in 30,000 copies sent to JAs and other recipients nationwide, to communicate broadly information about ZEN-NOH's activities. Its wealth of content includes news about various ZEN-NOH projects, initiatives of prefectural headquarters, special JA features, and interviews with experts. It also introduced a Web edition in April 2018.



"Apron"

Website



This magazine was launched in 1978 to deepen the public's understanding of and sympathy for food and agriculture. It communicates information including introductions to producer regions and recipes using seasonal agricultural produce. Starting in 2019, it also is publishing a series of essays on food and agriculture by members of the Japan P.E.N. Club. It publishes 360,000 copies each month, which are distributed mainly in A-Coop stores nationwide.



Radio

"JA ZEN-NOH Countdown Japan"

Every week, this program welcomes the most topical guests including singers, actors, and celebrities to chat and introduce the latest music charts. One of Tokyo FM's longest-running, best-known programs, it also gives listeners a chance to win seasonal fruits and rice from JA Town.



Frequency: Tokyo FM (JFN38 network)
Broadcast time: Every Saturday, 1:00~1:55 pm
Hosts: George Williams, Rei Yasuda

"Agrizm Weekend"

This program conveys the appeal of agriculture through speaking with producers from across Japan. It reports on the activities of new famers, the younger generation of farmers, students at agricultural high schools, and more.



Frequency: Tokyo FM (JFN38 network)
Broadcast time: Every Saturday, 9:30-9:50 am (Broadcast time may vary by FM station)
Host: Ryoko Kawase

"TODAY'S AGRI NEWS"

This program provides an introduction to interesting news from the day's Japan Agricultural

TODAY'S AGRI NEWS
EVERY Mon-Fri AM 6:30-6:35

News, including trends in agricultural policies, new JA initiatives, and produce market prices. It also includes a feature in which JA officers from across the country talk about autonomous reform initiatives.

Frequency: Tokyo FM (JFN38 network)
Broadcast time: Every Monday-Friday, 6:30~6:35 am
Host: Ken'ichi Suzumura (voice actor)

"Agrizm" (Nippon "Omusubi" Tayori)

This program supports Japan's agriculture by connecting people through rice balls and increasing consumption of domestic rice through eating rice balls. It provides introductions to listener's episodes related to rice balls and communicates information on topics such as rice producer areas and local ingredients.



Frequency: Tokyo FM (JFN38 network)
Broadcast time: Every Thursday, 3:50-4:00 pm (Broadcast time may vary by FM station)
Host: Ryoko Kawase

TV

"Kids' Dinner"

The program character Omusubi-kun visits kids working hard across Japan. In every show, one family is presented with a straw bag of rice. They use that rice to make bento box meals, which everybody then shares. This program aims to support children's dreams through local dishes.



Channel: BS Asahi (Channel BS5)
Broadcast time: Every Sunday, 11:55 am-12:00 noon
Rebroadcast: Every Thursday, 10:54-11:00 pm

The program's original character, Omusubi-kun

"Takkyu Japan!"

"Takkyu Japan!" is a table-tennis program that delivers video highlights from the latest tournaments and news about the Japan National Table Tennis Team. It delves deeply into competitive tactics, the passion of table-tennis athletes, and other topics. It also introduces ZEN-NOH's efforts to support the activities of Japan National Table Tennis Team athletes through diet.



Channel: BS TV Tokyo (Channel BS7)
Broadcast time: Every Saturday, 10:00-10:54 pm

© BS TV Tokyo

Message from table tennisplayer Kasumi Ishikawa

I'll continue cheering for Japanese food and agriculture as a player on the ZEN-NOH team. Thank you for all the encouragement you provide. The "Nippon no Shoku" rice and other Japanese foods provided by ZEN-NOH are my main sources of energy as I strive to do the very best I can through daily practice and training while competing in matches around the world. Thanks to your support, I intend to keep doing my best and avoid injury while eating agricultural and livestock products from Japan.

Kasumi Ishikawa, Japan National Table Tennis Team

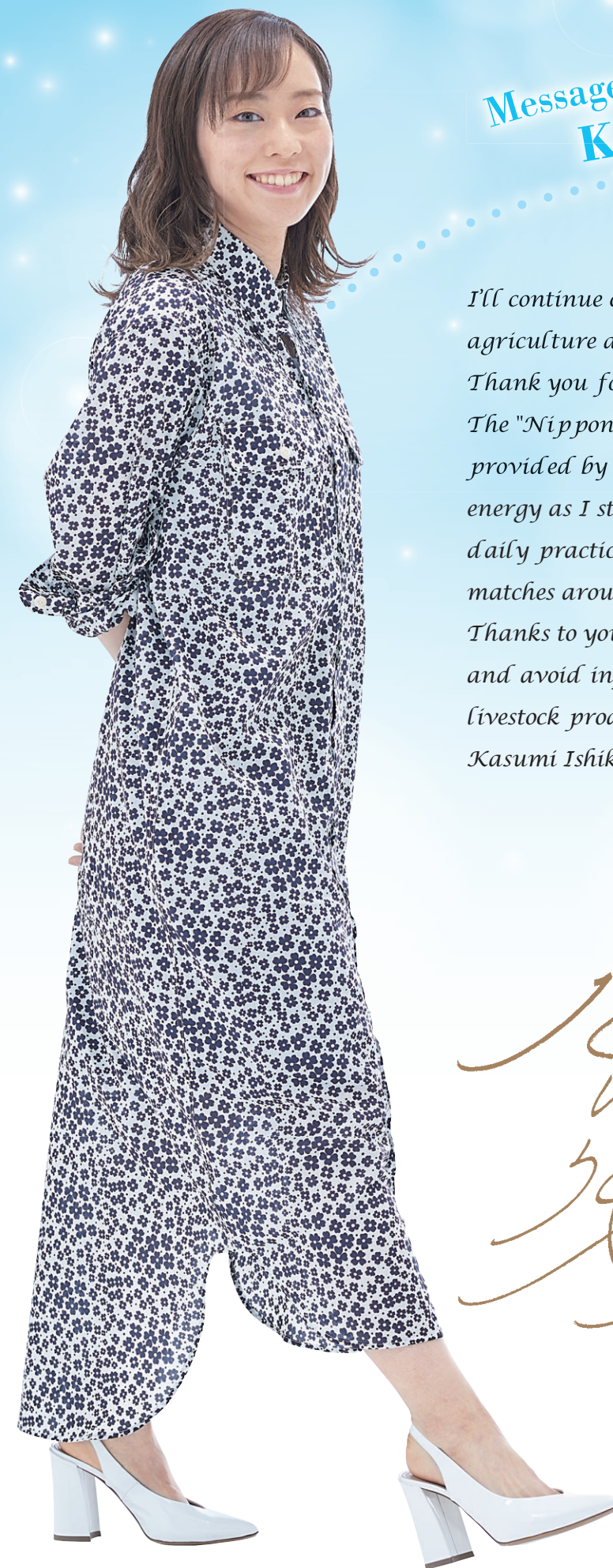


Photo courtesy: Nittaku News