



BUTTER BLUES. A shopper chooses dairy products as the shelf selling butter, right, is almost empty at a supermarket in Tokyo. Worsening butter shortages are a symptom of deeply entrenched resistance to reforms that Prime Minister Shinzo Abe is struggling to deliver with "Abenomics." (AP Photo/Shizuo Kambayashi)

Japan runs short of butter as dairy farms dwindle

By Elaine Kurtenbach
AP Business Writer

TOKYO — When Japanese pose for pictures, instead of saying "Cheese!" some say "Butter!" These days, butter is more likely cause for frowning, since it is rationing that comes to mind.

As the Christmas cake rush approached, grocery stores limited customers to a maximum of two packages of butter each. The government also announced its latest plan for "emergency imports" to ease shortages of the spread.

The butter shortfall stems from several factors, including stressed out dairy cows, aging farmers, rising costs, and trade and price restrictions.

The official reason for short supplies of milk used to make butter is lower output due to unusually hot weather last summer in the northern island of Hokkaido, Japan's dairy basket. Fresh milk sells for more per ton than butter, so dairy producers are said to be giving butter short shrift and butter sections are often bare on shelves crammed with various margarines and other spreads.

But the worsening shortages are also a symptom of industry protections that limit farm imports and of deeply entrenched resistance to a market-opening overhaul. Prime Minister Shinzo Abe is struggling to deliver on reform promises even as his party won a stronger mandate for his "Abenomics" policies in last month's election.

Apart from overworked cows and difficulties growing enough forage to feed them, dairying is among many Japanese agricultural industries in decline. Farmers are retiring without heirs willing to take over their farms and prices for feed and fuel have surged, cutting into profits.

Japan had 417,600 dairy farms in 1963. As of February, it had 18,600 despite heavy government subsidies.

Japanese farmers, like those in the U.S. and many other countries, traditionally have been protected from foreign competition, both to ensure a degree of food self-sufficiency for the resource-scarce island nation and for political reasons.

Despite Abe's vows to modernize farming and "drill deep" through the country's bedrock of bureaucracy and vested interests, his government has made little headway apart from tinkering with land reforms.

Tariffs on imports of farm produce average 23 percent. Overall, the government pays a subsidy to dairy farmers of 12.8 yen (11 cents) per kilogram for butter and 15.41 yen (13 cents) per kilogram for cheese.

Dairy farmers like Shinjiro Ishibashi, who is raising about 300 head of cattle on his farm in Chiba, east of Tokyo, count on the support. Japan's farm lobby remains a

stronghold for the ruling Liberal Democratic Party, which while talking up sweeping reforms is also reassuring farmers it will continue to look after their interests.

"Mr. Abe says he will preserve our 'beautiful Japan,' and I expect him to do it," said Ishibashi, alluding to Abe's constant praise for Japan's traditional farming lifestyle.

Japan's farm protection policies are one reason the 12 nations negotiating a U.S.-led trans-Pacific trade pact have been unable to reach an agreement. Negotiators meeting in Washington ended another year without a consensus.

Among the countries negotiating the trade pact, Japan has the second largest food market after the U.S. and foreign dairy and other farmers are eager for more access.

But "sacred territory" issues such as pickup trucks for the Americans and beef, pork, dairy, sugar, and rice in Japan have frustrated efforts to reach an overarching agreement.

A Japanese government study estimated that opening farm markets under the trade pact could reduce domestic farm output by about 2.7 trillion yen (\$22.5 billion), or more than 40 percent of total farm, fisheries, and forestry production.

But a report by the U.S. Department of Agriculture (USDA) questioned that figure, saying it does not take into account issues such as supply constraints in other countries. The USDA report estimated that market liberalization for dairy products could boost Japan's butter imports by about half, to about 6 billion yen (over \$50 million).

Japan's Agriculture and Livestock Industries Corp. (ALIC), which is overseen by the farm ministry, buys and sells products through an open and online bidding process to help ensure stability of prices and supplies, in effect subsidizing loss-making farmers and manufacturers.

The system, meant to ensure stable supplies, appears to be failing to do that, at least for butter.

Japan's raw milk output in the fiscal year ended in March was 7.45 million tons, down from an industry peak of just over 8.6 million tons in 1997. Butter consumption per person has held steady, at about 2 kilograms (4.4 lbs.) for about a decade, while milk consumption has been falling.

Apart from the emergency imports, four major local dairy companies were ordered to increase output of butter for home use by 30 percent in early December, reducing drinking milk and cream production, the farm ministry said.

It said it would do everything possible, beginning next year, to stabilize supplies.

A victory for Abe in last month's election

Continued on page 7

ASTHMA IS ON THE RISE.

Help us find a cure.
1-800-LUNG-USA

THE 19TH ANNUAL JAPANESE NEW YEAR CELEBRATION

USHER IN THE YEAR OF THE SHEEP WITH

MOCHITSUKI

SUNDAY • JANUARY 25 • 11 AM – 4 PM

Enjoy taiko drumming, mochi-pounding, and delicious Japanese food! Fun for the whole family!

ADVANCED TICKETS: \$4-\$10
Buy online with no service fees at www.boxofficetickets.com

TICKETS AT THE DOOR: \$5-\$12
Free for children under 3!

PORTLAND STATE UNIVERSITY
Smith Memorial Student Union (SMSU)
1825 SW Broadway
Portland, OR 97201

For more information, visit www.mochipdx.org

Oregon Symphony
CARLOS KALMAR, MUSIC DIRECTOR

Concertmaster Sarah Kwak

Saturday, January 24 | 7:30 pm
Monday, January 26 | 8 pm

Paul Ghun Kim, conductor

- Sarah Kwak, violin
- Messiaen: Hymne
- Glazunov: Violin Concerto
- Mozart: Symphony No. 35, "Haffner"
- Tchaikovsky: Francesca da Rimini

"She tore it up in a performance as dazzling as any recent star guest soloist. It's for moments like that that symphony concerts should offer instant replay."

THE OREGONIAN

Tickets start at \$22

OrSymphony.org | 503-228-1353 | Groups save: 503-416-6380

ARLENE SCHNITZER CONCERT HALL

LET THE GAMES BEGIN

BLACKJACK BACCARAT PAI GOW

PALACE CASINO

Find us on: [facebook.](https://www.facebook.com/palacecasino)

318 NW Pacific Hwy • La Center • 1-877-855-DEAL
20 min north of Portland • Exit 16 off 1-5 • nwcasinos.com

Control your diabetes For Life.

ภาษาไทย: ควบคุมโรคเบาหวานเพื่อชีวิตของท่าน

อังกฤษ: Manage your diabetes to live a better life

越南语: Kiểm soát tiểu đường để sống khỏe

韩语: 당뇨의 양호를 위해서요. 항상!

泰语: ควบคุมโรคเบาหวานเพื่อชีวิตของคุณ

中文: 珍惜生命 控制血糖

Tagalog: Pamahalaan ang inyong diyabetis, upang manatiling malusog at masigla.