

The Outline of Japan's Agricultural Insurance Scheme

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National Agricultural Insurance Association (NAIA)

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Purpose of the Agricultural Insurance Scheme

Agricultural Insurance Scheme aims to compensate farmers' losses **caused by disasters, stabilize farmers' management** and **contribute to development of agricultural productivity**.

(Compensation Against Agricultural Loss Law)

The Agricultural Insurance Scheme was established in 1947.

Types of the Agricultural Insurance Scheme (Five Programs)

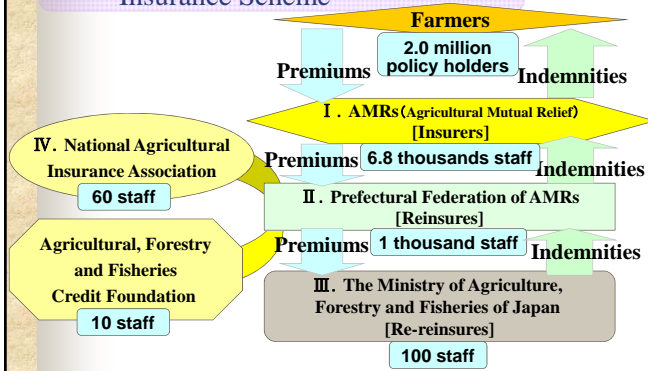
- Rice, Wheat and Barley Insurance(1948)
- Livestock Insurance(1948)
- Fruit and Fruit-tree Insurance(1973)
- Field Crop Insurance(1979)
- Greenhouse Insurance(1979)

※Almost all kinds of crops and livestock may be covered, except vegetables and flowers which are grown outdoors, and fowls.

Types of the Agricultural Insurance Scheme and Items to be insured

Programs	Chief items to be insured
Rice, Wheat and Barley Insurance	Paddy Rice, Upland Rice, Wheat and Barley
Livestock Insurance	Cattle(and Cattle's Fetus), Horse and Swine
Fruit and Fruit-tree Insurance	Fruit Insurance: Unahu orange, Apple, Grape, Pear, etc. Fruit-tree Insurance: Trees of the above-listed fruit
Field Crop Insurance	Potato, Soybean, Tea plant, Silk-cocoon, etc.
Green house Insurance	Greenhouses, Equipment (Heaters etc.), Removing cost of ruined greenhouse

The Organization of the Agricultural Insurance Scheme



Outline of Rice, Wheat and Barley Insurance

1. Crops to be insured

Paddy Rice, Upland Rice, Wheat and Barley

2. Participation

- A farmer who has fields over specific area is qualified to be insured. *1
- A policy automatically comes into effect, when a farmer cultivates fields over specific area. *2
- A farmer has to insure all the plot he has.

*1: AMR decide it. Minimum area is 30 are in Hokkaido, 10 are except in Hokkaido.

*2: For paddy rice it is decided by Prefectural Governor with in the range of 30 ~ 100 are in Hokkaido, 20 ~ 40 are except in Hokkaido.

3. Risk covered

A decrease in yield caused by typhoon, flood, drought, low temperature, heavy snow, the other meteorological events (including earthquake and volcanic eruption), fire, insect, bird and animal.

(note) A decrease in product price caused by quality loss is also insured.

4. Insurance Period

From transplanting season (for Paddy Rice) or sprouting season (for Upland Rice, Wheat and Barley) to harvest.

5. Underwriting formula

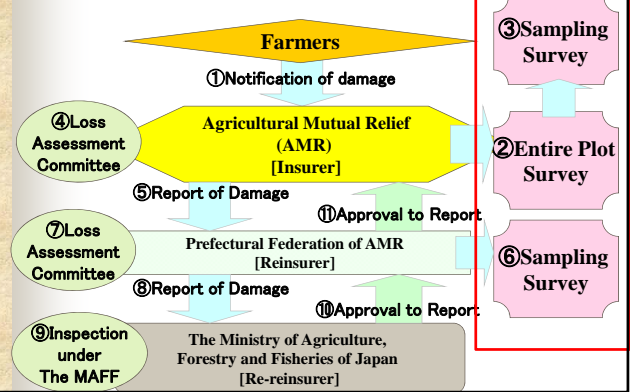
① Plot unit formula

Coverage yield is determined for each plot.

Indemnities is paid when the decrease ratio in yield exceeds the exemption ratio of the standard yield in the plot.

A Farmer can decide the exemption ratio from among 30%, 40% and 50%.

Loss assessment



Participation Rate (2013)

