

Prepared by the New Zealand Embassy in Tokyo.

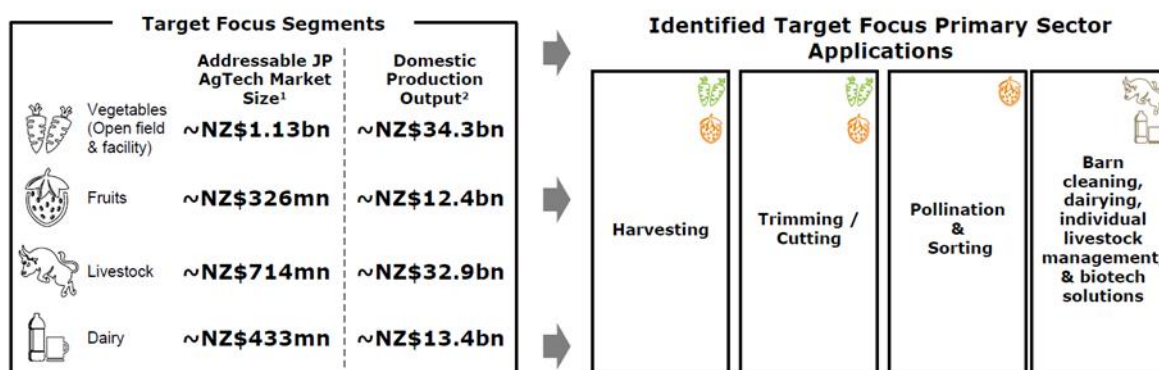
Summary

- NZTE hosted a series of 14 webinars last year to encourage interaction between New Zealand and Japanese agritech businesses – the 550 participants confirmed the high interest in this sector.
- The agritech sector in Japan is worth NZ\$2.6 billion, with many opportunities for New Zealand agritech businesses in the production of vegetables (NZ\$1.13 billion), livestock (NZ\$714 million), fruit (NZ\$326 million), and dairy (NZ\$433 million).

Report

- Catalysts driving growth in the agritech sector include:
 - Labour shortage from population decline and aging workforce (average age of Japanese farmers is 67)
 - National food security (63% of Japan's food is imported)
 - Shifting dietary preferences (stronger demand for wheat, vegetables, fruits, livestock and dairy)
 - Growing international demand for Japanese food products
 - Declining arable land, low productivity, high cost operations
 - Accommodative government policies (e.g. aim to increase domestically produced food from 37% to 75% by 2030; increase farmland use from 55% to 80% by 2023)

Catalysts Driving JP AgTech Growth



Insights from industry

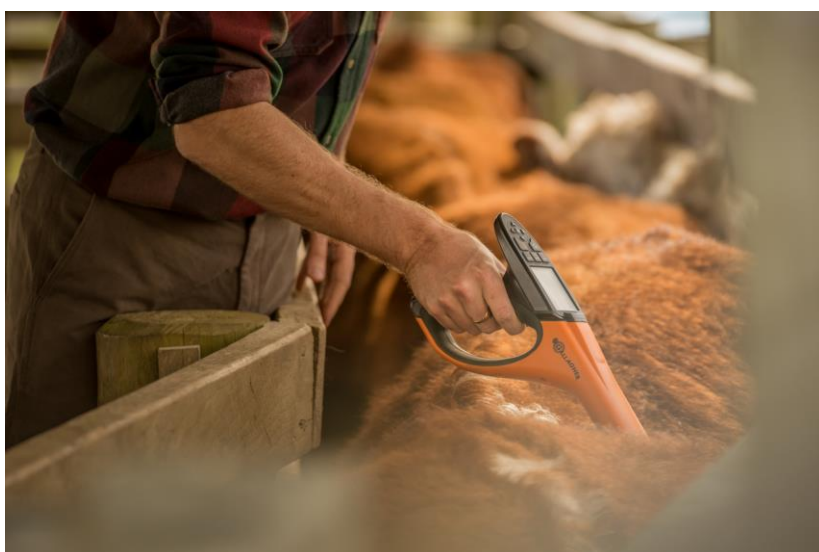
- There are new business opportunities in research, particularly in agritech, horticulture and agriculture, and a lot more in livestock. Opportunities exist for partnerships and investments with shared values and real support to connect with farmers. We are seeing a lot more partnerships.
- Technology enables the creation of new business models, especially with new business opportunities in research – particularly in agritech, horticulture and agriculture – and a lot more in livestock. There is potential for agritech businesses to increasingly collaborate.
- The e-commerce boom has led to big shifts towards selling directly to consumers. Agritech purchase patterns have also changed.
- Japanese farmers are not using data as much as relying on intuition and tradition, so there is a huge opportunity in that area. The Japanese government aims to have almost all farmers incorporate some form of data into agricultural practices by 2025.
- Japan's farming sector lacks soil and pasture management solutions. Things like remote sensing technology, measurement of soil nutrient status, soil mapping and irrigation systems are commonly used in New Zealand and so your solution will be welcomed in-market.
- Many Japanese farmers do not practise livestock management and health, animal husbandry, parasite management and do not have a good on-farm quality assurance system. New Zealand agritech businesses can provide their solutions in these areas to help commercialise pasture-based farming of livestock.
- One of the exciting areas in collaboration is a prominent and progressive partnership between Robotics Plus and Yamaha Ventures. Despite New Zealand and Japanese agriculture industries being quite small in comparison to the US, it is a good example of an investment into New Zealand by Yamaha Motors, to be able to develop technology and take it onto the global stage. This is an example of two companies that are bringing their strengths – New Zealand's innovation, agritech and robotics combined with the power of Japan – to create a partnership to take on the world.



Tips for market success (from NZTE)

- Ensure that your agritech solutions can support smaller scale growers (80% of farmers work within 2 hectare land parcels)
 - Align your solutions with government directives. Tailor your business strategy to focus on high value segments which the Japanese Government is focused on, such as growing exports of dairy and livestock.
-

- Engage local stakeholders, especially the Japan Agricultural Cooperatives (JA), as they hold significant influence in the sector. Look at partnering and collaborating with them so that you have localisation support from the get-go. JAs also provide access to agritech players who have access to key distribution channels.
- Agritech businesses with established products – e.g. tractors, pregnancy scanners, fencing and milking machines – should collaborate with large, well-connected corporate partners who have a sizeable budget for marketing.
- Agritech businesses with disruptive products should collaborate with a partner who is mission-focused, ideally privately owned, and an influential innovator and disrupter in the industry. Conduct in-market trials to quantify the benefits of your product, and invest in localisation – an essential step in the Japan market.
- Listen to the feedback from distributors and partners to finetune your product, and try to view this with a Japanese mindset, not a Kiwi mindset. Quality and fine details are important in Japan.
- NZTE’s partner in the Japanese market, Farmage, is providing a test bed in Hokkaido for New Zealand companies to help them localise and customize to the local market.



For more information

- Check out the following on myNZTE:
 - [Why Japan is a ripe market for New Zealand agritech businesses – myNZTE](#)
 - [How to use the New Zealand Agritech Story to your advantage - myNZTE](#)
- Please contact [NZTE](#) or [MFAT](#) at the New Zealand Embassy in Tokyo for more information.



More reports

View full list of market reports from MFAT at www.mfat.govt.nz/market-reports

If you would like to request a topic for reporting please email exports@mfat.net

To get email alerts when new reports are published, go to our [subscription page](#).

To contact the Export Helpdesk

Email exports@mfat.net

Call 0800 824 605

Visit Tradebarriers.govt.nz

Disclaimer

This information released in this report aligns with the provisions of the Official Information Act 1982. The opinions and analysis expressed in this report are the author's own and do not necessarily reflect the views or official policy position of the New Zealand Government. The Ministry of Foreign Affairs and Trade and the New Zealand Government take no responsibility for the accuracy of this report.

