

The Potential of the Distinctive Dairy Management: Addressing Institutional Issues and Consumer Market

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1. INTRODUCTION

After the Second World War, Japanese dairy farmers have kept a stable and low-cost production by developing an efficient production and logistic system. On the other hand, this has caused many problems. There are some farmers who have established their own unique management policy to tackle this problem, but they have struggled under restrictive Japanese dairy policies. Recently, due to globalization of the agricultural market and the trend in policy deregulation, the dairy policies have reformed. In 2018, a new policy is going to be added in the current policies. This reform is expected to motivate the production of the farmers who produces high quality dairy product in a distinctive management method. However, to motivate these farmers, there also needs to be a support by the market – the consumers. The purpose of this research is to explore the possible issues and the future trend of the distinctive dairy farming management in Japan from both governmental and economical perspectives.

2. METHODS

(1)Interview to the dairy farms with distinctive management: An interview was conducted to 4 farmers who practices a distinctive management, in order to investigate the problems within the current dairy policies from their perspective. A literature review was done before the interview was taken place. In addition, I have monitored the minutes from the conference on the dairy policy reform to understand the content and the idea behind the policy reform.

(2)Consumer survey: An online survey was conducted to consumers who buys pasteurized milk, in order to clarify how dairy products with distinctive quality is evaluated in the market. In this research, I have asked the consumers of their i. Preference towards the milk ii. Current milk consumption iii. Evaluation against the milk (stated preferences) iv. Reaction towards the milk with distinctive quality v. Daily food consumption and lifestyle after the screening of whether they have had an experience in buying pasteurized milk or not.

3. RESULTS AND DISCUSSION

(1)4 patterns of distinctive dairy farming management can be seen, which shows its uniqueness in their logistic and marketing strategy. However, the current daily policy is still restricting these farmers, by i. The regulation on outsourcing of the processing and direct selling ii. The standard on the milk quality and its evaluation method iii. The lack of the milk manufactures who accepts milk with distinctive quality, and iv. The inaccessibility of the government support. Out of these issues, i. is about to be solved by the new policy reform, but other issues will still remain in concern. Currently, the impact and the practice of the new policy is discussed.

(2)39 people who consumes pasteurized milk, and 1,061 people who consumes ordinary milk have answered the survey. Half of the current consumers of pasteurized milk have no strong interest on food quality, but the other half showed some concern on food safety. One third of the ordinary milk consumers do not frequently buy high quality milk, but they have showed a strong interest against milk quality and some even showed interest towards high quality milk. The observation on the consumers' lifestyle has indicated, that consumers interested in sustainable lifestyle tends to be more attracted to the distinctive quality milk. It was also found out that those consumers who are interested in organic products are the most likely potential consumers of the milk.