



Media Report for The Tasmanian Department of Economic Development and Tourism 22 - 28 November 2008

Politics/Economy/Social

Friday 28 November, 2008

Reforms Would Make Farmland Easier For Firms to Rent

A long-standing barrier to the leasing of farmland to joint-stock companies will be lifted as part of the Agriculture Ministry's proposed farmland reforms.

The changes are aimed at slowing the decline in land under cultivation and improving productivity by promoting large-scale farming. Concerns are rising about Japan's ability to feed itself, which some say has fallen dangerously low.

The Agriculture Ministry aims to propose legislative changes next year. Non-government members of the Council on Economic and Fiscal Policy will release Friday an economic growth strategy that will include farmland reform measures.

Existing regulations, which date back to 1952, were intended to promote small, owner-operated farms. Farmland can be owned only by individuals or agricultural corporations. Joint-stock companies must jump many hurdles to form these corporations or to rent farmland.

However, amid the aging rural communities and other demographic changes, farmland is increasingly being abandoned or illegally converted into commercial property. The reforms would eliminate restrictions on leasing and ease rules on forming agricultural corporations. Leases of longer than 20 years would also be allowed.

(Summary from Nikkei Net Interactive)

Industry/Market – Australia

Monday 24 November, 2008

Australian Beef Price Goes Down by 6%

The wholesale price of Australian beef is falling. The price of chilled beef full-set (Tokyo district) on 21 November was 45 JPY (6%) lower than the previous week at 690 JPY (centre

value). Compared to the same period last year, it was 17% lower. This was mainly due to the high yen/low AUD exchange rate of.

(Summary translation from Nikkei Ryutsu Shimbun MJ, Page 14)

Tuesday 25 November, 2008

Mitsui to Spend \$5.6billion with BHP, Itochu in Australia Operations

Mitsui & Co. announced on 25 November that Mitsui, BHP Billiton and Itochu will spend \$5.6 billion to increase iron ore output at their three joint ventures in Australia.

The three companies currently run joint ventures Mount Newman, Yandi and Goldsworthy. In each of the three ventures, BHP owns 85%, Itochu holds an 8% stake and Mitsui has a 7% share. The three companies will shoulder the burden of the latest investment in proportion to their holdings.

The new investment will increase the annual combined capacity at the joint ventures to 205 million tons by the latter half of 2011 from the 155 million tons that the companies expect by 2010, Mitsui said in a statement.

(Summary from Nikkei Net Interactive)

Friday 28 November, 2008

JT to Dissolve Australian Ham & Sausage Units

Japan Tobacco (JT) announced on 28 November that it will dissolve its money-losing Australian firm that makes and sells ham and sausages, as well as the unit's two subsidiaries.

In August, JT agreed to sell all shares in Hans Continental Smallgoods to an Australian investment fund but scrapped the plan in September after the parties were unable to agree on the price.

JT decided to dissolve Hans Continental Smallgoods after concluding that the unit is unlikely to make a large contribution to its processed food operations, of which wholly owned frozen food company Katokichi forms the core.

(Summary from Nihon Keizai Shimbun evening edition)

Industry/Market/Trends – Japan

Thursday 26 November, 2008

Aeon and Daiei to Unify Supply Operations

Aeon and equity-method affiliate Daiei are integrating their distribution networks in an effort to trim costs.

Aeon Global SCM, a unit created in August 2007 to oversee the retailer's supply chain, now manages deliveries to Daiei supermarkets and other stores in Hokkaido and central Japan. The operations were previously handled by a Daiei subsidiary. Daiei stores in the northern Tohoku region are slated to link up with Aeon Global in February.

Aeon and Daiei have also begun sharing warehouse space in the Tokyo metropolitan area. Daiei started selling Aeon's TopValu proprietary-brand goods this year. It has also been purchasing national brand-name products through Aeon's procurement subsidiaries. The distribution tie-up will enable Daiei to cut costs and expand its TopValu sales.

Aeon, which has a 20% stake in Daiei, plans to raise its groupwide private-brand sales from last fiscal year's 265 billion yen to 750 billion yen by the year ending February 2011.

(Summary from Nihon Keizai Shimbun morning edition)

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