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Effect of Diversification Strategy on Sustainability of Farm Management:

Studies on the Role of Suburban Farms' Managerial Capabilities

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Summary

While the overall number of farms in our country has been decreasing, the number of corporate farms has been increasing annually, and their average scale has been expanding. Though the number of farms employing non-family members has increased in recent years, the concepts of management strategy, organizational culture in farm management have not been widely disseminated. In the field little accumulated research that comprehensively analyzes the implementation of these corporations, which are the subject of this study, differ from agricultural corporations engaged in other types of animal husbandry and crop production. Most of them are from non-farming backgrounds and do not intend to leave the company to run their own farming business; moreover they tend to be highly committed toward their positions.

Keywords Suburban, Management, Capability

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I Introduction

Farmland use in urban areas has been the subject of cons... are related to high residential land prices and planned farmland conservation. In recent years, there has been an increase in calls to promote farmland conservation while meeting demand from urban residents for farming encounters and farm work experiences(Maru, 2016).

Because the farm experience business is also a *farm business*, if the land is owned by the farmer, it is subject to the inheritance tax payment grace period system, which makes it possible to avoid farm-land conversion for the purpose of paying inheritance tax¹). In addition because the farmland is comprehensively managed by the farm manager, poorly maintained landscapes are unlikely to occur. An-other benefit is that users can participate even if they cannot carry all aspects of farm work.

This situation led to urban farmers' moves toward direct marketing such as farm-gate stand sales of vegetables. In addition, by growing multiple crops to enable direct sales to consumers, these farmers required higher labor input than did conventional vegetable farmers, Recently, solutions have been explored such as the use of volunteers for farm work (Geode and Komspan,

1983; Kunimitsu et al., 2013). The farm experience business is drawing interest through using a business model that can save labor and increase income by selling farming knowledge developed through experience in multi-crop cultivation as a service.

1) Berogman and Destwanger (2005) reported that a business model that vertically divided ridges of 21 crops provided preferable landscapes while facilitating effective maintenance and management at a farm in Nerima Ward.

II Methodology

1 Studied cases

(1) Business status and land use

In this study, we conducted an analysis of farm experience businesses in the Tokyo MP. With the exception of the Nishitama region, almost all areas within the Tokyo MP are designated as cities that are subject to taxation of farmland in Urbanization Promotion Areas (UPA) at the same level as housing land, where continued agricultural use of Production Green Land (PGL) is encouraged.

Table 1 shows an overview of experienced farm businesses from the questionnaire survey. The average amount of experience in the business was 4.4 years, and

Table1. Parameters setting for Citespace

Parameters	Value
Selection Criteria	Top 20 %
Node Types	Keyword
Strength of Links	Cosine
Scope	Within Slices
Pruning	FALSE
Years Per Slice	1 year
Time Slicing	2002 JAN to 2021 DEC

Source:Created by the authors.

- Notes:1) The pruning algorithm can be pathfinder or minimam spanning tree.
 2) In the selection criteria, the maximum number of selected items per slice 100.

the average number of contracted users was 73.2, the highest being 138.

Figure. 1 shows the designation status of PGL within managed farmland.

Farmland use in urban areas has been the subject of constant disputes involving development pres-sure related to high residential land prices and planned farmland conservation. In recent years, there has been an increase in calls to promote farmland conservation while meeting demand from urban residents for farming encounters and farm work experiences (Maru, 2016).

Because the farm experience business is also a *farm business*, if the land is owned by the farmer, it is subject to the inheritance tax payment grace period system, which makes it possible to avoid farm-land conversion for the purpose of paying inheritance tax¹⁾. In addition because the farmland is comprehensively managed by the farm manager, poorly maintained landscapes are unlikely to occur. Another benefit is that users can participate even if they cannot carry out all aspects of farm work.

This situation led to urban farmers’ moves toward direct marketing such as farm-gate stand sales of

vegetables. In addition, growing multiple crops to enable direct sales to consumers, these farmers required higher labor input than did conventional vegetable farmers. Recently, solutions have been explored such as the use of volunteers for farm work (Geode and Komspson, 1983; Kunimitsu et al., 2013). The farm experience business is drawing interest through using a business model that can save labor and increase income by selling farming knowledge developed through experience in multi-crop cultivation as a service.

Figure 2 shows the designation status of PGL within managed farmland.

References

Berogman, T. E. and W. K. Destwanger (2005) The Role of Information in Applied Consumption Analysis, in A. K. Weisman, ed., *Economics of Consumer Behavior*, London: White University Press, 111-133.

Geode, C. and T. R. Kompson (1983) *Applied Production Economics: Theory and Application*, New York: APOT Press.

Kunimitsu, Y., T. Iizumi, and M. Yokozawa (2013) Is Longterm Climate Change Beneficial or Harmful for Rice Total Factor Productivity in Japan: Evidence from a Panel Data Analysis, *Paddy and Water Environment* 12(2) 213-225. <http://doi.org/10.1007/s10333-013-0368-0>.

Maru, T. (2016) How Social Customs Restrict EU Accession Effects on Female Labor Participation in Agricultural Production in Rural Adana, Turkey: A Simulation Analysis, *Japanese Journal of Rural Economics* 18(1): 17-31. <http://doi.org/10.18480/jjre.18.17>.

Mobarak, A. M. and Rosenz , M. (2012) Selling formal insurance to the informally insured, Yale University Economics Department Working Paper No. 97, New Haven: Department of Economics, Yale University. <https://ssrn.com/abstract=2009528>.

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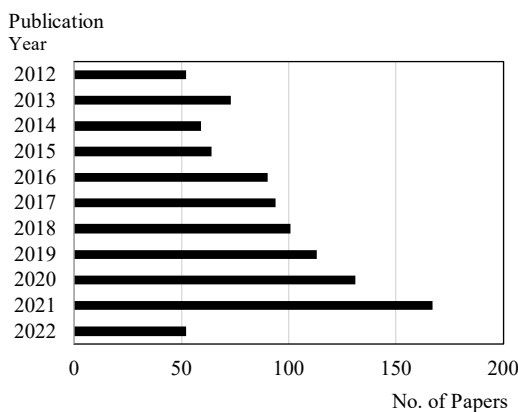


Figure 1. Number of published patents analyzed in this study by year

Source: WIPO(2016) dataset.

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(Regarding the citation of references)

References (text, footnotes, figures, and tables) should be followed by the author's surname and the year of publication (Western calendar year) in parentheses. If there are two authors, connect their last names with "." or "and." When there are three or more authors, only the first author's last name should be indicated; the second and all subsequent authors should be omitted using "et al." The same should apply to citations of one's own work. When two or more references by the same author have the same year of publication, differentiate them by adding a, b, c, and so on after the year of publication. When quoting portions of content from the literature, follow the examples below:

Example: "... (Tanaka, 2000: p.15)

According to Suzuki et al. (2005: p. 2), "..."

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Takahashi, D. (2011) Trends in overseas expansion and withdrawal by Japan's food-related industries (in Japanese), *The Agricultural Economics Society of Japan Collection of Papers 2011*: 134-141.

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*If the article is available online, add the DOI as a URL.

(2) Citing Japanese books:

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Weber, M. (1989) *The Protestant Ethic and the Spirit of Capitalism* (in Japanese, translated by Otsuka, H.), Iwanami Shoten.

*If a foreign author's name is written in katakana, insert a "." between the first and last name. In case of multiple authors, use "," even if the authors include Japanese nationals.

(3) Citing chapters in Japanese books (edited):

Shimada, H. (2002) Perspectives and Methods of Agribusiness Analysis, in Mochida, N. and Minami, T. (eds.), *Aguri Bijinesu no Keiryō Bunseki (in Japanese)*, Tokyo University of Agriculture Press: 3-15.

*If the name of a foreign national is included in katakana among the editors, follow the process outlined under point (2) above.

(4) Citing foreign language journals:

Maru, T. (2016) How Social Customs Restrict EU Accession Effects on Female Labor Participation

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in Agricultural Production in Rural Adana, Turkey: A Simulation Analysis, *Japanese Journal of Rural Economics* 18(1): 17-31. <http://doi.org/10.18480/jjre.18.17>.

Kunimitsu, Y., T. Iizumi, and M. Yokozawa (2013) Is Long-term Climate Change Beneficial or Harmful for Rice Total Factor Productivity in Japan: Evidence from a Panel Data Analysis, *Paddy and Water Environment* 12(2): 213-225. <http://doi.org/10.1007/s10333-013-0368-0>.

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*If the article is available online, add the DOI as a URL.

(5) Citing foreign language books:

Geode, C. and T. R. Kompson (1983) *Applied Production Economics: Theory and Application*, New York: APOT Press.

(6) Citing chapters in foreign language books (edited):

Berogman, T. E. and W. K. Destwanger (2005) The Role of Information in Applied Consumption Analysis, in A. K. Weisman, ed., *Economics of Consumer Behavior*, London: White University Press, 111-133.

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(7) Discussion Papers

Yamashita, K. (2009) Kankyo to Boeki no Keizai Bunseki, RIETI Discussion Paper Series 09-J-028, Tokyo: Research Institute of Economy, Trade and Industry, <https://www.rieti.go.jp/jp/publications/dp/09j028.pdf>.

Mobarak, A. M. and Rosenzweig, M. (2012) Selling formal insurance to the informally insured, Yale University Economics Department Working Paper No. 97, New Haven: Department of Economics, Yale University. <https://ssrn.com/abstract=2009528>.

*If the discussion paper is available online, provide the URL.

(8) Information published on the Internet (if the year of publication is unknown, it may be omitted):

Ministry of Agriculture, Forestry and Fisheries (2008) *Shokuryo Jikyu-ritsu no Heya*, <http://www.maff.go.jp/j/zyukyu/index.html> (accessed on December 1, 2009).

U.S. Department of Agriculture (2014) Agricultural Act of 2014: Highlights and Implications, <http://www.ers.usda.gov/agricultural-act-of-2014-highlights-and-implications.html> (accessed on October 1, 2014).

*This guide is in accordance with decisions made by the Editorial Boards of Agricultural Economics-related societies.

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