



MONTHLY NEWSLETTER FOCUSING ON JAPANESE CONSUMER CO-OPERATIVES

JCCUNews

Japanese Consumers' Co-operative Union

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A massive 9.0 magnitude earthquake struck Japan

The Great Tohoku Earthquake, the biggest-ever earthquake occurred on March 11 2011, and the following tsunami caused huge damages on Tohoku and the neighboring areas. As of March 31, the official death toll had been raised to more than 11,500, and more than 18,200 people are listed as missing. The final toll is expected to reach nearly 30,000. More than 190,000 people remained housed in temporary shelters.

The direct damage to human living, the society and the economy, such as houses, roads and seaports, will be far greater than that of the Hanshin Awaji Earthquake, with cost estimation of 16-25 trillion yen. Local industries, such as agriculture and fishery, got heavy damages, as well.

The subsequent accident in the Fukushima Daiichi nuclear power plant is still in an unpredictable situation with an unclear prospect to terminate the leaking of radioactive materials. The radiation contamination spreading to milk, water, soil and vegetables in the neighboring region makes people anxious about their health. In the metropolitan area, the power rationing caused by power shortage has brought large difficulties to people's life and the economy.

Recovery of victims' living, society and the economy in the affected areas, as well as the damages caused by the accident of the nuclear power plant will request long-term countermeasures in the future.

Co-op's role as a 'business entity' to 'connect people'

Even in the areas with less damage from the earthquake, the aftermath of shopping rush caused a temporary shortage of some products, while rumors curbed the purchases of other products. Accurate information will dissolve consumer's doubt and will break the chain of anxiety spreading in the community.

This is such a challenge for the nation and the entire society to tackle together.

Co-operatives have been in the regional society as a 'business entity' to 'connect people'. We are ready to use our full power to play our role, with the cooperation of the government and other organizations.

Recovery of the victims' living through rebuilding the suffered Co-ops

The Co-ops in the stricken area has been fighting to support the victims' living, by providing water, food, blanket and other relief supplies and establishing some evacuation shelters even though they themselves have gotten serious damages on their staff and facilities.

With our principle of mutual cooperation, the other Co-ops across Japan have been supporting the victims to rebuild their living.

Co-op was quick to support; we have sent relief supplies, provided vehicles and raised fund.

Currently our top priority is on our continuous support, including delivering daily commodities, fuel provision, and operation of vehicles, medical support and mutual aid payment.

Life-concerned issues raised in the disaster were wide-ranging. However, of all others, our most prior issue in 2011 is a recovery of the stricken area through reconstruction of the suffered Coops.

We call on the other Co-ops across Japan to cooperate for further efforts.

Beyond this challenge, our vision for 2020 'To realize a new society with people's cooperation, laughter, and reliance' will be in sight.

Aide Prime Minister Visits JCCU

The Special Advisor to the Prime Minister Ms. Kiyomi Tsujimoto called on Mr. Toshifumi Yamashita, the president of JCCU on March 18 2011 to exchange opinion with him about volunteer activities for the earthquake victims.

Mr. Yamashita first expressed his deepest condolence to the victims of this devastating earthquake.

Ms. Tsujimoto disclosed that the Japanese Government has established a Volunteers Coordination Office, which is headed by her. The Office coordinates activities between support organizations in the affected area and the relevant ministries and agencies.

At first, Mr. Yamashita explained Co-op's support activities which started immediately after the earthquake, including providing relief supplies and dispatching of support team.

Ms. Tsujimoto also pointed out that one of the key elements to manage support activities was proper coordination of volunteers. She said support activities should be provided with the cooperation of the prefectures, volunteer centers, NPOs, and other organizations. She requested Co-op to continue its support and cooperation, as Co-op has a close relationship with the regional society.

Mr. Yamashita said: 'In such a difficult condition, we must exert our power of cooperation. We are willing to give our hands to the suffered area, under the cooperation of the government and other organizations'.



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Earthquake photos



Scene at the Sendai Airport



Miyagi Co-op building collapse





Devastated Co-op store



Iwate Co-op (Home delivery center)

Damages to Co-op facilities

Heavy damages are reported mainly in Aomori, Iwate, Miyagi, Fukushima and Ibaraki prefectures. However, the whole situation is still unclear.

(1) Damages on staff and facilities (HQ, stores, delivery centers and factories)

Co-ops in the stricken areas are confirming safety of their staff and officials. However, the investigation is still unfinished in some heavily damaged areas.

About the safety of members, the Co-ops have started to visit sufferers and yet still uncertain of the whole situation. In addition, this confirming operation is even incapable to start in the official evacuation zones around the Fukushima Daiichi nuclear power plant (estimated 830 thousand Co-op Fukushima members in the area).

(2) Damages on the logistics and systems

Co-op Tohoku Sunnet Federation has gotten heavy damages on its data center and logistics centers, especially on the store food distribution center, freezing DC, and daily food center causing a suspension in their delivery service. Co-op Net Union's Inzai Freezing Center had a water outage and damage on its automation machine, and the Union had to halt the delivery of frozen food in Ibaraki, Chiba and Saitama. JCCU logistics centers were seriously damaged, mainly in a freezing DC in Iwanuma (Miyagi) and a DC in Inzai (Chiba).

(3) Damages on the business arose from the situation.

The extensive damage includes suspension of business caused by shortage of power and/or water.

Other factors constraining a normalization of the business include: limited transportation and communication methods, power rationing in the metropolitan area resulting in confusion in production and distribution, and contamination caused by the accident at the Fukushima Daiichi nuclear power plant, and its subsequent restriction in the production of certain commodities.

JCCU's top priority on supporting the suffered area causes other Co-ops' shortage in the supply.

(4) Damages on the suppliers and local registered farmers

Co-op products' suppliers have gotten serious damages, too. Only 244 of the 432 factories in Tohoku and Kanto area remain operative. The situation with the local registered farmers is still unclear.

Introducing some of the task force activities



Kerosene delivery truck

On March 22, the first aid 'kerosene' from Co-op Kobe arrived at Miyagi Co-op HQ in Sendai.



Members of Iwate Co-op making rice balls



Supplies loading process



Loaded trucks ready for delivery

Support from overseas

In the President of ICA Pauline Green's letter on March 16, she announced the creation of 'Japan Disaster Recovery Fund' and asked for contributions from ICA members. JCCU has also received offers of help from Co-operatives in Singapore, Korea, the US and Thailand.

Nineteen overseas Co-ops have sent messages, too.

The messages clearly express concern for the people of Japan as well as the co-operatives that suffered from this catastrophe.

On behalf of JCCU and the cooperatives nationwide, we express our profound gratitude to all ICA members.

The first two paragraphs of the message from the ICA President Dame Pauline Green to JCCU is given below:

I write to send on to the JCCU and all our co-operative colleagues across Japan my shock and horror at the devastating effects of the earthquake, tsunami and now the radiation threat that have struck Japan so cruelly in the recent days. Technology is such these days that the whole world has been watching these events unfold and has shared the sorrow and trauma of so many people. Please do share with your colleagues, the heartfelt concern of the global cooperative movement at their loss.

I know that co-operative colleagues around the world will be wondering just what they can do to show their concern for their Japanese colleagues. I have already been asked if the ICA can suggest ways in which cooperatives can offer support for the long term regeneration of those Japanese co-operatives from all sectors of the economy that have been affected.

Follow the link below to the ICA website for the established "Japan Disaster Recovery Fund"

http://www.ica.coop/activities/ts unami/japan2011-appeal.html

Support from Co-ops across Japan

Urgent support from JCCU

(1) Assessment of the situation in the stricken area and information transmission

On the day of the earthquake, JCCU established a task force (disaster countermeasures), headed by Mr. Yano, the Managing Director/CEO and started to collect information about the stricken area.

JCCU dispatched some staff to Miyagi Co-op, Iwate Co-op and Co-op Fukushima to support, as well as to investigate the areas by establishing a local administrative office to facilitate communication and information collection. Information gathered in the areas was timely posted on JCCU website for members access.

(2) Collecting and shipping of relief supplies

On the first day, two trucks loaded with urgently needed materials left for the stricken area. Since then, with the support of our suppliers, relief supplies had arrived at the JCCU logistics center in Okegawa, Saitama. With the support of our client cargo distributors and their drivers, these goods were sent to the stricken areas by 523 trucks in total. While checking the changing needs in the stricken areas, 8,920 thousands goods, mainly food (water, beverages, bread and pot noodles), including 220 thousands of relief supplies requested from the local governments have been delivered.

(3) Support for suffered co-ops to restart business

JCCU and member co-ops regard the earlier restarting of the retail business as essential for lifeline restoration for the victims. Therefore, some basic items have been delivered to the stores of Co-op Tohoku Sunnet Federation to enable them start operating the stores. Additional delivery of some supplies such as fuels, ingredients for free-meal service, helmets, working outfits, PCs and other items have been supplied to the task force headquarters to enable them work effectively to help the sufferers.

(4) The JCCU task force called for support to the member Co-ops

To provide a proper support to meet the needs of the suffered area, JCCU task force takes the following four roles:

1) Coordination of support for Co-op's business reconstruction

2) Coordinating support for the rebuilding of victim's living (volunteer activities)

3) Coordination between supporting and supported Co-ops in each area

4) Transmission of information about the support activities

JCCU has opened a special bank account to accept money donation and announced to the member Co-ops in Japan. We also have opened another account to accept donations from individual people.

Additional requests from JCCU to the member Co-ops include a support for 'visitation' to the home delivery users and to dispatch staff to help the suffered Co-op's store reopen. Other necessary procedural step to facilitate the delivery of relief supplies was an acquisition of the 'Emergency Vehicle Certification' to run co-op trucks in traffic restriction area. We have sent information about this to the appropriate ministry.

(5) Financial support

JCCU has stopped to send bills for March to the Co-ops in the six prefectures in the Tohoku area. JCCU is also preparing to provide emergency loans to the Co-ops under funding problems.

(6) Information provision for the Diet and government, and discussion of countermeasures

After the earthquake, JCCU has been informing ministries concerned and political parties about Co-op's damages and situations of the support activities. We are also requesting them to provide and deliver relief supplies and fuels, as well as to transmit easily understanding information to consumers.

On March 25, the Health, Labor and Welfare Ministry issued an official letter confirming the emergent adjournment of the general assembly.

(7) Public relations of the member Co-ops and JCCU

With our website and 'Information Plaza' (a members' discussion board for Japanese Co-ops) JCCU is informing about the challenges of the Co-ops in the stricken area and support from the other Co-ops across Japan. Besides, newly established 'Task Force Blog' (in Japanese) reports daily briefing of the situation and support activities.

The suffered Co-ops, JCCU and other Co-ops issue a press release daily. Our activities have been featured in the media, including major newspapers and TV news. Local media also reported our support activities such as dispatch of staff and fund-raising.

Comment & Message Board

From staff of Miyagi Co-op:

I had a chance to accompany a delivery truck of Co-op Sapporo to deliver rice balls and bananas (3,500 each) to an evacuation center in Onagawa. The driver was Mr. Tatsumi Sato, from Otaru Center of Co-op Sapporo, in charge of sales promotion (to expand membership). Today was his sixth day in Miyaqi Co-op. Until yesterday, we had only delivered goods to some branches and had no chance to see the quake and tsunami affected areas. However, when we saw the devastated scene of Onagawa, we both were shocked and fell into silence.



Mr. Tatsumi Sato (truck driver)



A devastated area



Collapsed buildings



Message from Osaka Yodogawa Co-op to sufferers in the stricken area

JCCU's plan for the revitalization of the Co-op business activities to restore victim's life

1. Action Plan to rebuild people's life back

(1) Co-ops across Japan to start fundraising campaign

Co-op's fund-raising campaign has started just after the earthquake. Because such an extensive damage requires a continuous longterm campaign, JCCU is calling for a continuing support from member Co-op across the nation.

(2) Support through Co-op's business activities

Rebuilding the victim's life necessitates the revival of Co-op's function as a community lifeline. The regional Co-op's products supply, medical support by the Medical and Welfare Co-op Federation, mutual aid payment by the Co-op Insurance Consumer Co-op Federation are working together to be capable of supporting the victim's life.

(3) To spread volunteer activities

The establishment of the 'Disaster Volunteer Center' in each damaged prefectures is in preparation. Based on each prefecture's Co-op Society, JCCU is to join in the establishment of the Center, to expand the volunteer activities with the dispatched staff from the member Coops across the nation.

(4) Information provision and Lobbying

The Natural Disaster Victims Relief Law was established with the Co-op's strong approach after the Great Hanshin Earthquake. Now we are providing sufficient information about the law and other public support to the victims. When any shortcomings or problems are found in the law, we will call on the government to make an improvement.

2. Business plan to rebuild the damaged Co-ops

(1) Preferential materials and products supply to the stricken area

About half of the Co-op products' manufacturers in the stricken area (478 plants in total) have been paralyzed for production. The shortage of fuel and power rationing in the metropolitan area has worsened productivity.

On the other hand, demand of some products, such as bottled water, beverage, pot noodles, and long life bread has rapidly increased. In the delivery business, some products received ten times as many orders as expected.

Therefore it is increasingly difficult to secure enough required quantity to meet customers' demand.

Under such a circumstance, JCCU, by taking our stance to show priority on the support for the stricken area, has decided our order of preference for the product supply with the understanding of Co-ops across the nation.

JCCU will keep to this order in the meantime, however, it will make the best effort to return to stable, normal supply system as early as possible.

(2) Speedy redevelopment and joint procurement of products

Currently JCCU is unable to provide 576 items due to paralyzed production. A concentrated redevelopment is ongoing for some designated products with higher needs as Co-op products. Some NB products and brands from other makers, which are needed in greater quantity, might replace other Co-op brand items with less need.

(3) Support for the reconstruction

The systems and logistics of Co-op Tohoku Sunnet Federation are to be reconstructed. If it takes a long period to recover, an alternative method will be introduced in the logistics for earlier normalization of the shipping.

(4) Consolidate the relief money

JCCU will set up a rule to distribute the relief money collected and donate to the stricken area.

(5) Adjustment of the public assistance, to support financing

We are adjusting the current conditions of the disaster loan by the government-affiliated financial institutions such as Development Bank of Japan to be applicable to Co-ops, and will inform the damaged Co-ops.

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