

## Consumption tax increase and effect on members' living

Every year JCCU conducts investigation on the amount of consumption tax paid by members. Based on this result the extra burden which members are likely to incur as a result of the increase in the consumption tax rate from 5% to 8% is estimated.

The "consumption tax check" revealed that the average annual consumption tax per household in the fiscal 2013 was 166,672 yen which is 3.65 percent of the total consumption expenditure. When the consumption tax rate is raised to 8%, and consumption spending of the household remains the same as in the fiscal 2013, the annual consumption tax per household will be 266,675 yen on the average, which is about 100,000 yen increase compared to the 2013 fiscal year estimate. This increase is about 2.46% of the total income.

For annual household income less than 4 million yen, the annual consumption tax is expected to be 3.48% of the total income, while for household income more than 10 million yen the percentage would be 1.92% indicating that the burden rate imposed by the consumption tax increase is about 1.8 times. The research reveals that the percentage of the consumption tax to be contributed by the lower income household would rather be higher than higher income household, a situation which is described as regressive.

Based on this finding, JCCU has put in its business policy for the fiscal 2014, measures that will suppress the effect of the consumption tax increase on members living.



## JCCU Launches "Love Co-op Campaign"

A two-year campaign from March 21, 2014 to March 20, 2016 is set forth to promote members loyalty for CO-OP products under the theme "Love Co-op".

More than 2 million members are to join the campaign which aims at improving the loyalty of CO-OP products among members.

CO-OP products development started in 1960 based on members request for safe and reliable products and this year marks the 55<sup>th</sup> anniversary since its commencement.

Until today co-op members have played a major role in the development and improvement processes by giving their voice and supporting the spread of the products across the nation.

In order to support members' living which is likely to become increasingly severe due to the consumption tax hike scheduled to take effect from April 2014, JCCU is taken measures to lower the cost price of its brand products to suppress selling price rise to strengthen the competitiveness of the products.

In order to reach members with this concept, JCCU has taken initiative to spread CO-OP products through "Love Co-op campaign" for two years.

Through this campaign JCCU will continue to expand members' participation in product development and improvement and provide a stage where members could have exchanges with CO-OP product as theme.

In various places, co-op will provide a chance for members to participate in product tasting, monitoring, group interviews and recipes episode collection and reflect the opinion and comments in the development and improvement processes of CO-OP products.

Also, popularity vote of the Co-op products by co-op members is performed in various places

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nationwide and the higher rank products selected will be introduced and exchanged between the areas to promote inter-regional exchanges and the strengthening of ties between the members.

TV commercial was also broadcasted nationwide centering on the home delivery from the period February 28, 2014 to March 20 to increase CO-OP product visibility among members and non-members.



Above: Campaign character "Love Co-op"  
This mark is printed on co-op business cards, envelopes, posters for events and some novelty goods etc.



## Consumer Survey 2014 on Home Delivery Service

JCCU carried out a consumer survey with members who have experience in using the home delivery service about their priority regarding the service.

The survey targeted 1,000 women between the age 20-59 living with children.

First, when asked about the reason for using the service the top ranking (31.1%) said they could get valuable information through home delivery "flyers and pamphlets".

The second ranking (20.2%) said the service was ideal for "pregnancy and childbirth", since they could rely on food safety of the service.

The third place (16.6%) gave a reason of "neighboring personal influence", the chance to communicate with neighbours through the service.

The fourth (14.1%) said that the home delivery staffs eagerness to promote the business to new members was the reason and the fifth place (13.6%) was through friends recommendation.

Moreover, when asked 479 of the members presently using the facility, about the merit of using the home delivery service, 65.8% said it "saves the time and trouble to go shopping",

64.1% said it is "not necessary to carry heavy purchased goods home" because of the delivery facilities and 60.3% says they can slowly and carefully do plan purchase at home.

Finally, when asked about their expectation for the use of the service the results revealed that food safety and reliability was ranked highest (75.2%) in importance among other services.

The second place was service that allows for savings (41.9%), The third (40.1%), was "service that can help citizens in a region at the time of disasters. The fourth was "service for childcare support" (35.9%), and the fifth, service that provide support to senior citizens (29.8%).

## Three-year anniversary of the Great East Japan Earthquake and current status of reconstruction exercise

Japan marked on Tuesday March 11, 2014, the third anniversary of the earthquake and tsunami that devastated the northeastern coast of Japan, which also triggered Fukushima Daiichi nuclear plant accident.

The recovery and reconstruction of the affected areas is still halfway.

In this three years, while a portion of the restoration work is quite advanced, such as restoration of the transportation network and removal of rubbles, other works such as the new urban development plan is hardly progressing.

Although evacuees who live in temporary housing have decreased in number from 321,433 to 277,609 in 2012, many more (142,000) from Fukushima Prefecture who are victims of the Tokyo Electric Power Fukushima Daiichi Nuclear power plant disaster are still in tough situation.

In respect of the progress of disaster waste disposal, there has been an increase from 34% in 2012 to 89% in 2013.

In Iwate and Miyagi Prefectures, the target for the treatment of both disaster waste and tsunami deposits in fiscal 2013 was achieved.

On the other hand, in Fukushima Prefecture where the work is delayed, loading of disaster waste and tsunami deposits into a provisional yard and the subsequent processing is aimed to be completed in the 2013 fiscal year and as early as possible in the 2014 fiscal year respectively.

Support activities through co-op business as well as with producers were continued in 2013.

The reconstruction of agricultural land has increased from 34% in 2012 to 63%.

Salt removal is being carried out on the agricultural land towards resumption of farming activities.

On the other hand, revival of the fishing port in the fishing industry is hardly progressing with only 2% achieved, that is, from 35% in 2012 to 37% in 2013.

Completion of public housing for the victims who left the temporary housing is only 1.9% (groundbreaking is 60%) in fiscal 2013. Large-scale land reclamation is required for the construction of residential house but only 4% has been completed.

This fact implies that residents of temporary housing are not reduced (103,958 persons as of 2013 fiscal year). Living in temporary housing has become a prospect that still linger.

While the disaster areas look for long term and continuing support, through JCCU Co-op Action slogan "Let's get connected", Co-ops nationwide have come up with ways to help. Co-op is working in cooperation with various groups to assist in volunteering activities. Also, the people in the disaster areas look to Co-op with high expectation because of Co-op's Sanchoku business, which develops close ties with the local producers.

## Concluding Elderly Citizen "Watching Agreement"

While elderly people's "isolated death" and "solitary death" serve as a social problem, efforts of regional protection network is underway between Co-op Ehime, the local government and the private sector companies in the region, to watch over senior citizens who live alone, for the purpose of early detection of their safety and to ensure their security.

Taking the opportunity of regular visits to their homes for delivery of ordered products, co-op delivery staff can identify and report risk situations to the government welfare administration office which carries out correspondence of the elderly-people.

An agreement and signing ceremony to this effect was held on February 28, 2014 at Ehime Prefectural Office with the attendance of NAKAMURA Tokihiro, Governor of Ehime and officials from 5 cities in the prefecture.

Similar agreement was concluded with Niihama city on February 21.

Currently the regional protection network is operating in seven cities in the prefecture.



Agreement signing ceremony in Ehime prefectural office

## Peace Building through Consumer Co-operative Activities

Kanagawa Prefecture Consumer Co-operative Union on March 17, 2014 organized a public lecture under the theme "Peace in Japan" in collaboration with its member activity committee members. 179 people of whom 118 are from co-op attended the lecture.

Next year will be 70 years after the World War II. As a result of the bitter experience and the regret of the war the predecessors of consumer co-ops took as its slogan "for peace and better life" to foster peace among peoples, communities and nations.

Every year in August, consumer co-ops organize "Peace Action" activities in Hiroshima and Nagasaki to convey the experience of the horrors of the atomic bomb and to promote the abolishment of nuclear weapons. However, there are worries that as survivors' age and memories fade and gradually the postwar generation who do not know the war grow up to be the voters of Japan, the question of Japan assuming a greater military role, or even becoming a nuclear power is bothering.

In order not to forget the war or to repeat it and also to raise the platform for citizens discussion about peace, the public lecture was organized.

The resource person Mr. KOGA Makoto (Liberal Democratic Party of Japan, former Secretary General) highlighted in his lecture, the current Japanese constitution renouncing war and emphasized on the need to respect the noble spirit of "pacifism", "sovereignty of the people" and "respect for fundamental human rights" by maintaining Article 9 of the constitution.



## News in Brief

### Co-op Mirai gives grant to organizations that contribute to the local society

As part of Co-op Mirai's contribution to the local society, it has established "Co-op Mirai social contribution activities grant" that support NPOs, the various volunteer organizations, civic-activities organizations, etc. that contribute to the local society.

Until March 20 2014, a total amount of 9.86 million yen had been granted to 76 organizations in Chiba and Saitama Prefectures and Tokyo.

The "Co-op Mirai social contribution activities grant" is given as a subsidy to organizations consisting of five or more persons with its base located in either of its business areas (Chiba, Saitama, and Tokyo), and has already commenced its social activity or just about to start.

### Three Co-ops won the Food Industry Award

On March 17, 2014 the first biomass resources comprehensive utilization promotion council award was held in which three consumer co-operatives were honored.

The award intended to honor companies and organizations that raised the track record with global warming and energy-saving measures as well as food loss mitigation in line with the practice of the food industry.

Co-op Sapporo was awarded the Food Industry Director General's award for having built a biogas plant intending for processing food waste and decomposable organic materials.

Iwate Co-op was also honored for having carried out various measures, such as power saving operation management (energy reduction) in transportation and storage facilities by employing "local production and local consumption" utilizing raw materials and food

The activity themes which are targets of support are "food and food education", "consumers rights", "welfare and health", "child training and child care development of the next generation", "education, culture and sports", "environmental protection", "crime and disaster prevention, disaster relief", etc.

Co-op Mirai started inviting applications from organizations in its business area in November 2013.

In cooperation with other local organizations Co-op Mirai looks forward to positively impacting the community through this grant.

items produced locally and directly from the farms in Iwate for its private-brand product development.

PAL System Consumer Co-operative Union won award for promoting waste reduction project involving 1 million of its members.



Ceremonial photograph



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