

## Characteristics and Issues of Foreign Workers' Employment in Large-scale Agricultural Areas: The Case of Hokkaido

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### 1. Introduction

Accepting foreign workers in the agricultural sector was one of the solutions to the labor shortage, and since the late 2010s, the Japanese agricultural sector has become increasingly dependent on foreign workers. Even during the COVID-19 pandemic, there were no major changes in the direction of hiring foreign workers. On the other hand, institutional changes such as the introduction of the specific skills system are having an impact on the employment of foreign human resources in agriculture.

This paper clarifies changes in the acceptance of foreign workers in the agricultural sector under the influence of the COVID-19 pandemic and changes in the usage of systems related to immigration status, focusing on an analysis of the actual conditions of agriculture in Hokkaido, where large-scale farm management is most concentrated in Japan.

### 2. Increasing Demand for Employed Labor and the Weight of Foreign Workers in Hokkaido Agriculture

The total number of foreign employees in Hokkaido's agriculture and forestry industry was approximately 1,367 in 2015. As of 2019, this number has doubled to more than 3,000, indicating that employment of foreign workers in Hokkaido's agricultural sector expanded rapidly through the latter half of the 2010s. Furthermore, the total number has not decreased even after the coronavirus pandemic, and due to immigration relaxation, it grew further to exceed 4,000 people in 2022.

During this period, changes occurred that went beyond simply an increase in the number of foreign workers. This is a change in the composition of residence status.

Previously, agricultural employment was considered unskilled labor. Therefore, the status of residence available for agriculture has been limited. As of October 2022, more than 70% of the approximately 44,000 foreign workers in the agricultural sector were technical interns.

In contrast, employment technical interns in Hokkaido's agricultural sector has declined to 56.3% as of October 2022, and instead, employment with "professional/technical field residence status" accounts for 34.2%. Specified skilled foreigners were hired to replace technical intern trainees who were unable to enter Japan due to the COVID-19 pandemic. However, it should be noted that the number of other specialized residence statuses such as "engineering/humanities/international services" and "specific skill" was increasing even before the COVID-19 pandemic.

### 3. Trends in Accepting Foreign Technical Interns

Even if there is a downward trend, I will summarize the characteristics of employment of foreign technical intern trainees, who have until now accounted for the largest share of foreign workers in Hokkaido's agricultural sector.

First, Hokkaido is characterized by a high employment rate in the livestock sector. In prefectures other than Hokkaido, a high proportion of foreign technical intern trainees are generally employed in the cultivation sector. The reason why the employment rate in the cultivation sector has been low in Hokkaido has been because of cold region agriculture. In other words, in Hokkaido, it is difficult to find employment throughout the year, and the focus is on seasonal employment for several months in the summer. This has made it difficult to employ technical intern trainees.

Secondly, regarding the acceptance of foreign technical intern trainees, one of Hokkaido's characteristics is that there are many cases where agricultural cooperatives have become supervising organizations and have established regional and organizational systems for accepting foreign technical interns as part of their farmer support projects.

Third, there are many variations in the method of accepting foreign technical intern trainees. In particular, in addition to directly accepting technical intern trainees from farmers,

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there is a system in which agricultural cooperatives accept technical intern trainees to work at farms with which they have signed work contracts. This has made it possible for farmers, who have been restricted by seasonal employment, to employ foreigners. It will also ease the burden on farmers to accept foreign workers. This is called the agricultural cooperative system, and it is popular in agricultural regions outside of Hokkaido.

#### **4. Employment Trends and Actual Situation of Specific Skilled Foreigners**

In Hokkaido agriculture, employment of foreigners with specific skills is rapidly increasing. However, it is not just a substitute for foreign technical intern trainees. Like foreign technical interns, some specified skilled foreigners supplement the labor force for field work in agricultural management.

However, there is also an increasing number of cases in which foreigners with specific skills are employed as workers at fruit sorting facilities and as human resources to maintain the functions of production areas. Furthermore, there are cases where they are employed as specialized human resources to support farmers, such as the workers of the Dairy Farm Helper User Association. The introduction of the specific skills system does not only mean securing a quantitative workforce, but also expands the scope of foreign workers' activities and allows them to play a wide range of roles.

#### **5. Actual Situation of Accepting Foreign Workers in Large-Scale Dairy Farming Areas**

A town we surveyed, which is called Town B hereafter, is one of the largest clusters of large-scale dairy farms in all of Hokkaido, and the majority of foreign workers in this town are working in dairy farms and beef cattle operations. As of the end of September 2022, there were 176 foreigners residing in Town B. Broken down, Vietnamese accounted for 42.6% (75 people) of the total, followed by Chinese at 20.5% (36 people). Looking at the breakdown of residence statuses for people from these two countries, Vietnamese people mainly have "engineering/humanities/international services" and "specific skilled" statuses. On the other hand, Chinese people have the highest proportion of technical intern trainees. The residence status of Indonesians, which has increased rapidly in recent years, is mainly for specific skilled foreign workers.

Farm C in this case is a large-scale dairy corporation established in 2014 by five dairy farmers. The purpose of establishing the corporation was to eliminate the heavy labor burden on individual family businesses and to streamline management. As of 2022, almost seven years after full-scale operation began in 2015, the number of animals kept is approximately 1,700. The area of cultivated land for feed is approximately 400 ha. All operations related to feed production are outsourced to local TMR (total mixed ration) centers.

Although the production scale of Farm C expanded after becoming a corporation, it was not possible to attract the necessary number of Japanese employees desired. Therefore, in addition to foreign technical intern trainees, Farm C has been working to secure foreign workers with multiple residence statuses such as "engineering/humanities/international services" and "specific skilled."

Currently, Farm C has four executives, 19 Japanese employees and 15 foreign workers. These last comprise 9 Chinese technical interns (3 male and 6 female), 4 specified skills (2 Vietnamese female, 1 male, and 1 Chinese male), and 2 engineering/Humanities/international services (one Vietnamese male and one female).

From now on, Farm C plans to hire technical intern trainees for milking work, and to focus on employing foreigners with specific skills for other work.

#### **6. Conclusion**

With the introduction of not only the Foreign Technical Intern Training System, but also the Specified Skilled Worker System, which has made it possible to use multiple statuses of residence, Hokkaido agriculture has changed from farm production and harvesting by individual management to production area management by agricultural cooperatives. Employment opportunities for foreign workers have expanded, from staffing at collection and shipping facilities, to professional farming support personnel such as dairy farm helper user associations. As a result, there is a need for further improvement in labor management at individual management or agricultural cooperatives, and due to competition for human resources, further improvement in working conditions and living support is also required.

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