

## Let's Start! Start Book for a “family management agreement” by a lively family

### **Purpose of Family Management Agreement**

A “family management agreement” is for the management of agricultural, forestry and fisheries businesses in a partnership-like manner in which each member of a family mutually recognizes the other members' characteristics and abilities and they work together as irreplaceable equal partners.

- To upgrade and grow business and life through dialogues in the family and gender equality
- To create a family relationship that respects each member
- For smooth succession by the next generation

The policy of management and each family member's roles and working conditions are determined through family member dialogues. The agreement is carried by all family members and is reviewed when necessary.

A family management agreement is also an effective means of achieving work-life-balance at a corporation farm. Winners of the WAP100 (100 selected management entities with women's active participation to create future agriculture) award have also signed the agreement.

Effects such as:

- a step toward the formation of a corporation;
- a tool for management improvement after the formation of a corporation;

can be expected.

It is important to determine the contents of the agreement considering, among other things, the future development of management.

Issuer: The Japan Association of Agricultural Corporation,  
a public interest incorporate foundation

## What is a family management agreement?

### ○Let's start a family management agreement!

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There are no fixed rules for the content and form of a family management agreement. Let's start with what is needed one-by-one through discussions involving all family members.

#### **Step (1)**

##### **Let's share thoughts with each other**

Let's share thoughts with each other, such as our current conditions of work and life, what we think every day and our sense of gratitude.

#### **Step (2)**

##### **Let's understand each other's burdens and troubles**

Let's also discuss the current sharing of work such as household chores, childrearing and nursing care. Let's share each other's problems and consider ways of settling them, such as whether and how to reduce burdens and streamline work (sharing by all family members, outsourcing, reduction of frequency, etc.)

#### **Step (3)**

##### **Let's decide what should be included**

Based on Step (1) and Step (2), let's include what has been agreed upon in accordance with the reality of family life and management. An agreement, when newly concluded, should include the policy of management, the division of farming work, the sharing of income, work hours and holidays, etc.

\* An agreement is made more workable if it is prepared while listening to opinions of the nearest advisory organs, such as the regional agriculture extension office and the agriculture committee, and is concluded in the presence of a coaching organ as a third party.

#### **Step (4)**

##### **Let's review regularly**

Let's review whether contents of an agreement have been executed on a regular basis. For what has failed to be accomplished, new challenges and other items, let's start discussions from Step (1). It is also important to make reviews in line with life stages.

## Life stage-specific Purpose and merit of agreement

### (1) Farm management by a married couple

[Purpose] Management established on an equal footing as an independent farmer

[Advantage of agreement]

- Mutual recognition as a business partner and positive involvement in the management
- Improvement in sharing or cooperation in housework and childcare

[Agreement details (sample)]

Farming plan/sharing of roles/sharing of profit/sharing of housework and childcare/welfare such as medical checkup

### (2) Timing of successor starting farming

[Purpose] Promotion of motivation, interest, and confidence in successor

[Advantage of agreement]

- Decisions on management targets promote positive involvement of the successor in the farm management.
- A salary/reward for the successor encourages involvement in farm work with responsibility.
- Clarification of regular holidays or working hours creates a sense of pace allotment, and the work is processed according to schedule.
- The successor can explain the work situation easier in case of marriage in the future.

[Agreement details (sample)]

Farm plan/sharing of roles/working hours and holidays/sharing of profit/participation in training and seminar/welfare such as medical checkup

### (4) Timing of management transfer

[Purpose]

Smooth transfer of management and housework in consideration of life security for parent

[Advantage of agreement]

- Promotion of the successor's motivation for management and responsibility
- Smooth transfer of management based on dialogue on inheritance

[Agreement details (sample)]

Sharing of roles/sharing of profit/support and nursing care for parent/preparation for inheritance

### (3) Timing of successor's marriage

[Purpose] Establishment of smooth relationship with parent and spouse welcomed as family members

[Advantage of agreement]

- Each individual can have an appropriate role and evaluation in the management.
- A salary/reward broadens the economical discretion of the successor couple and facilitates life planning.
- Housework/Childcare is considered as a part of labor and shared clearly.
- The spouse of the successor can raise children without hesitation or anxiety.

[Agreement details (sample)]

Sharing of roles/sharing of profit/assurance for maternity leave and childcare period/sharing of housework and childcare/nursing care/participation in training and seminar

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### ◇Institutional merits

The following institutional benefits are available if a family management agreement includes each family member's participation in management, the division of income and other issues and is concluded and implemented.

#### **Joint application for certified farmers**

A couple and others are allowed to jointly file as certified farmers on condition that they have concluded a family management agreement which specifies the sharing of income and participation in decisions on the policy of management, in the case that they effectively engage in joint management.

#### **State subsidy for farmer annuity**

Concluding a family management agreement with a certified farmer, etc., who files blue-form returns, his or her spouse or successor is eligible for a state subsidy covering a premium (20,000 yen) as the base of the annuity at a set rate.

## Examples of family management agreements (married couple)

This section introduces four examples of actual purpose-oriented agreements.

\* Following are examples of winners of the fiscal 2016 WAP100 award.

### **Example (1) K.K. Sasara** (Business: Production and sale of tea)

The company was established by three families in 2006. Based on advice of a regional agriculture extension office, three families signed management agreements simultaneously with the preparation of their company's management plan. "Protection of leisure time" is given importance in the posted example. The agreement has enabled the families to secure holidays and sleeping hours, among others. Participation by managers' wives has widened the range of product development to dressing and others which do not limit tea to "drinking."

### Family management agreement

Address: ○○○○XXXX

Name: ○○○○

Name: ○○○○

#### **Article 1 (Purpose)**

This agreement shall be concluded for the purpose of enabling ○○ and △△ to establish healthy, happy and enjoyable family lives through their mutually responsible participation in management by engaging in production, processing and sale of tea in compliance with the corporate philosophy of K.K. Sasara.

#### **Article 2 (Division of families' roles)**

While the division of roles in farming shall be determined based on K.K. Sasara's division of roles, the division of families' roles shall be determined through talks between ○○ and △△. Although △△ is primarily responsible for the management of household chores and living expenses, he shall always engage in management through talks with his wife.

#### **Article 3 (Hobbies and leisure time)**

For the refreshment of ○○ and △△, leisure time shall be actively secured for the sake of ○○'s athletic activities as his hobby and △△'s gardening as his hobby.

(Supplementary provisions)

1 This agreement shall commence from (date) (month), 20xx.

2 Entries in this agreement may be changed whenever necessary.

3 Five copies of this agreement shall be prepared and ○○, △△ and witnesses shall hold one each.

(date) (month) 20xx

A (husband)	seal
B (wife)	seal
C (witness)	seal
D (witness)	seal
E (witness)	seal

**Example 2: Ohata Chikusan LLC (Business: Pig farming)**

We signed a family management agreement between husband and wife in 2000. We talked with each other and wrote our conclusions on paper. Consequently, the paper resulted in the agreement. It includes contents such as trips with peer pig farmers which were common when the agreement was signed. Conditions, such as “gathering at a destination for an overnight trip and dissolution after breakfast the following morning,” are aimed at making arrangements without neglecting the care of pigs. Our family management agreement is expressive of our feeling that we want to take responsibility in our own works.

**Family management agreement**

This agreement between ○○○○○ (manager) and △△△△△ (wife) is aimed at establishing modern agriculture and a healthy, happy and comfortable life through their mutual and responsible participation in management.

**1 Management plan**

The goal and plan of management are determined through talks when necessary. Weekly work schedules are also determined through talks.

**2 Division of roles**

[Manager] Overall management of parent pigs, mating, feeding, transport of hogs to the slaughter station, disposal of excrements, management of upland fields, placement of orders for feed, composition of medicines and treatment of sick pigs  
[Wife] Management of parent pigs' childbirth (care of childbirth, temperature management, cleansing, etc.), transfer of pigpen after shipment of hogs, management of baby pigs after weaning, feeding, agricultural bookkeeping, general management of ledgers and general household chores  
[Joint] Measurement of pigs for shipment, sorting of pigs after transfer, loading hogs for shipment, transfer of parent pigs after mating and operation of forklift  
☆When either of the couple is away from home, the other takes over his or her work.

**3 Labor remuneration**

Adoption of a monthly pay structure for each person under the management by way of a limited liability company  
To be managed by a certified tax accountant based on agricultural bookkeeping  
Means of payments: Bank account and cash  
Payment amount: To be determined at a board meeting after book closing

**4 Work Hours**

[Work hours] From 6 a.m. till 6 p.m. (9 hours)  
Lunch break: Long break from 12 noon to 3 p.m. (free time for shopping, napping, outing, etc.)  
[Holidays] Two unspecified days per month  
☆When either member of the couple is away from home, the work process is adjusted following an advance declaration.  
☆Morning and early evening services, patrol and others at the pigpen are limited to the scope of the couple's abilities for the sake of enjoying their shared hobby (paragliding).

**5 Transfer of management**

[Agricultural management] To continue peak work until 60 years old and transfer management to a successor if available  
To scale down management if there is no successor and increase time for hobbies  
[Transfer of household finances] Based on agricultural management

**6 Related to livelihood**

(1) Training and travelling  
The couple meets peer pig farmers at monthly information exchange meetings which include dining, New Year's parties, cherry blossom viewing and an information exchange meeting also attended by clients. The couple also attends an autumn study tour (in Japan) and a year-end party (overnight spa stay).  
☆For an overnight stay, participants gather at a destination after work and the gathering is over after breakfast the following morning.  
(2) Health checkup  
To receive a community health checkup (cancer, lung and basic health screening) once a year  
(3) Burden of living cost  
The couple shares the cost from their monthly pay  
(4) Post-retirement life  
The couple has individually joined the farmer annuity, the national annuity, the green annuity and a personal pension program.

When needs arise to decide on issues other those stipulated in this agreement, decisions shall be made through talks on each occasion. The agreement shall be reviewed through consultation with witnesses when necessary.

(Supplemental provisions)

- 1 This agreement shall commence on (day) (month) 20xx
- 2 This agreement shall be effective for one year from the date of commencement and shall be automatically renewed unless either party files for non-renewal.
- 3 Six copies of this agreement shall be prepared and the manager and his wife as well as witnesses shall hold one each

Day Month 20xx

Signatory parties of the agreement  
Address: ○○○○○ X X X X  
Manager A seal  
Wife B seal  
Witnesses  
Witness C seal  
Witness D seal  
Witness E seal  
Witness F seal

## Specific example of family management agreement (parents and successor)

### Example (3) Marusen Kawamura (Business: vegetable, fruit, flower and sightseeing garden)

A family management agreement was prepared in 2003 and revised in 2013 to add “sections in charge” and “contents” in order to clarify the division of roles among family members as a premise for possible incorporation in the future. The revised agreement has been posted. As an advantage of the agreement, family members, given roles, feel they have “a place where they belong in the family” and have developed a sense of responsibility for the work they take charge of. As we are too busy every day to have enough time to talk with each other, time to dine out for “family meetings” is indispensable.

#### Commitments by Kawamura family - family management agreement –

[Slogan] Take on the challenge of agriculture utilizing characteristics unique to Tamogino and pursue agriculture with leeway and pleasure through family cooperation

Article 1 [Agricultural management and life target of our family]

- (1) To develop our family's agriculture, members shall aim to realize a healthy, comfortable and happy life by exercising their abilities and through their responsibility and cooperation.
- (2) Principal contents of sections in charge are as follows and family members cooperate with each other in household chores as much as possible.

	Section	Principal Contents
Manager	Fruits and vegetables	Cultivation and management of fruits and vegetables, supervision of overall management, bookkeeping, tax filing and cooperation in household chores
Wife of manager	Apples, vegetables and sightseeing garden	Cultivation, management and sale of apples and vegetables, management of employment, acceptance of people for farming experience, management of household budget, transportation of aged people, preparation of meals, childrearing and overall household chores
Successor	Flowers, apples and vegetables	Cultivation, management and sales of flowers, apples and vegetables and child rearing
Wife of successor	Sightseeing garden and flowers	Management of experiential café, acceptance of people for farming experience, processing, sales, management of flowers, preparation of meals and childrearing

- (3) Family members' mutual respect of privacy
- (4) Attention to health management such as receiving regular health checkups

#### Article 2 [Holding of family meeting]

- (1) A summary family meeting shall be held once a year (on December 25) to confirm agricultural management and life in the year concerned and discuss the management policy and other matters of concern from then on. An annual report on family finances shall be made at the meeting.
- (2) A meeting shall be held before the start of work every day to discuss each member's report on progress in farming work, coordination for work, etc.

#### Article 3 [On work hours and holidays]

- (1) Daily working hours shall be from 8:00 to 17:00 in principle/Break: 12:00 to 13:00/Rest: 15 minutes each in the morning and afternoon
- (2) There shall be two days off per month (1 day per two-week period) in principle. During the busy farming season (May to November), however, holidays shall be decided in line with progress in work through talks by family members.

#### Article 4 [On labor remuneration]

- (1) The manager shall pay remuneration in cash to a successor and other family members.  
Wife of manager: ○○ yen per year  
Successor: ○○ yen per year  
Wife of successor: ○○ yen per year
- (2) If income exceeds or falls far below expectations, the amount of remuneration may be changed through talks by family members.
- (3) Bonuses shall be determined, based on half-yearly income, through talks by family members.

#### Article 5 [On living expenditure]

The manager shall bear living expenditure, while the wife of the manager shall manage household finances and report the balance of payments to family members.

#### Article 6 [Training and welfare]

- (1) Family members each shall participate in various training and other sessions as much as possible to improve their abilities.
- (2) A family trip shall be conducted once every year for the refreshment of family members.

#### Article 7 [Transfer of management and household finances]

- (1) The manager and his wife shall decide on the transfer of management and household finances, considering the intention of the successor and his wife.
- (2) For the couple's post-retirement life, nursing care and other life plans, preparations shall be made by deepening internal discussions.

#### Article 8 [Others]

When needs arise to decide on issues other than those stipulated in this agreement, decisions shall be made through talks on each occasion. Consultation with witnesses shall also be conducted when necessary.

(Supplemental provisions)

- (1) This agreement shall commence from (day) (month), 20xx.
- (2) This agreement shall be effective for one year from the date of commencement and shall be automatically renewed unless either party files for non-renewal.  
Day, Month, 20xx

Signatory parties of the agreement  
Address: ○○○○○XXXXX  
Manager A seal  
Wife of manger B  
Successor C seal  
Wife of successor D seal  
Witnesses  
Witness E seal  
Witness F seal

**Example 4 Izumi Farm (Products: Vegetables, Fruits, etc.)**

A family management agreement was concluded between the manager and his wife, in 1996, between the manager couple and their successor in 2000 and between the manager couple and the successor couple in 2015. Given as the biggest advantage of the agreement was it "makes us feel assured and believe we can succeed if we follow it." The transfer of management has been progressing as mentioned in contents of the agreement and the successor has become the core of management. The scale of management has been expanded thanks to a shift to a breed of grape matching the times, although the cultivated area remains unchanged.

**Family management agreement**

(Purpose)

Article 1 To realize dream-inspiring and rewarding agriculture, members of our family conclude a family management agreement with the aim of improving the health of our family's agriculture and agricultural life through members' exercise of their abilities and smooth family relations.

(経営方針)

Article 2

- 1) Maintenance of the status quo leads to decline. Moderate expansion of scale
- 2) To engage in agricultural production with a sense of professionalism at all times  
To record, grasp and analyze management conditions and provide opportunities for free expression of opinions

(Division of management roles)

Article 3

Roles shall be divided as follows

- 1) On management of production activities  
Grape Person in charge ○○○ Deputy in charge □□□  
Grape Person in charge □□□ Deputy in charge ○○○  
Morning market Person in charge △△△
- 2) On agricultural bookkeeping and blue-form return  
Person in charge △△△ Deputy in charge ○○○ and ■■■
- 3) Bookkeeping of daily work record  
Persons in charge ○○○ and ■■■ Deputy in charge △△△

(Labor remuneration)

Article 4 Remuneration shall be set as follows through talks between family members

- 1) Kind of labor remuneration Monthly pay
- 2) Date of payment End of Month
- 3) Means of payment Account transfer
- 4) Bonus Once per year (August)
- 5) Amount

Subject	Monthly pay	Bonus
△△△	XXX yen	XXX yen
○○○	XXX yen	XXX yen
■■■	XXX yen	XXX yen

\*When the amount of payment becomes extremely inappropriate, it may be changed through discussions among family members.

(Labor conditions)

Article 5

- 1) Daily working hours shall be eight and may be extended or shortened depending on whether farming work is busy or slack.
- 2) There shall be one day off (Sunday) per week and this may be changed as the occasion demands.

(Farming program and bookkeeping)

Article 6

We shall work out a farming program and life design through family discussions to achieve balanced development between our family's farming and life. We shall keep agricultural accounts, household accounts and other accounts to set management targets and assess management results every fiscal year.

(Future management transfer)

Article 7

The manager shall transfer management rights and assets to a successor, on condition of his wife's consent, when he becomes 65 years old.

(How to live, maintenance of health and nursing care)

Article 8

- 1) The family shall seek smooth family life while mutually respecting privacy (how to spend money and time). All family members receive a comprehensive health checkup once every year.
- 2) The successor shall live separately from his parents on the same premises when he marries and attend to his parents, when nursing care of them becomes necessary, with affection and responsibility.

(Sharing of household chores)

Article 9 While the wife shall be primarily responsible for household chores and childrearing, time spent on them shall be counted as hours of work. Roles shall be shared as the occasion demands and all family members shall make efforts with a sense of caring in order to live a comfortable life.

(Training programs, etc.)

Article 10

Members shall actively participate in various kinds of training workshops, study sessions, study tours and other events.

(Other necessary matters)

Article 11

All family members shall discuss matters, other than those stipulated in this agreement, and make decisions.

(Supplementary provisions)

- 1) This agreement shall be reviewed in January every year.
- 2) In witness whereof, this agreement has been signed and sealed by all parties and posted in the house.

Day Month 20xx

Parties concerned  
Manager A seal  
Wife B seal  
Successor C seal  
Wife D seal  
Witnesses  
Witness E seal  
Witness F seal

## Inquiry offices for family management agreements, etc.

For inquires about joint filing for family management agreements and certified farmers  
Please refer to

**Nearest city,  
town or  
village office**

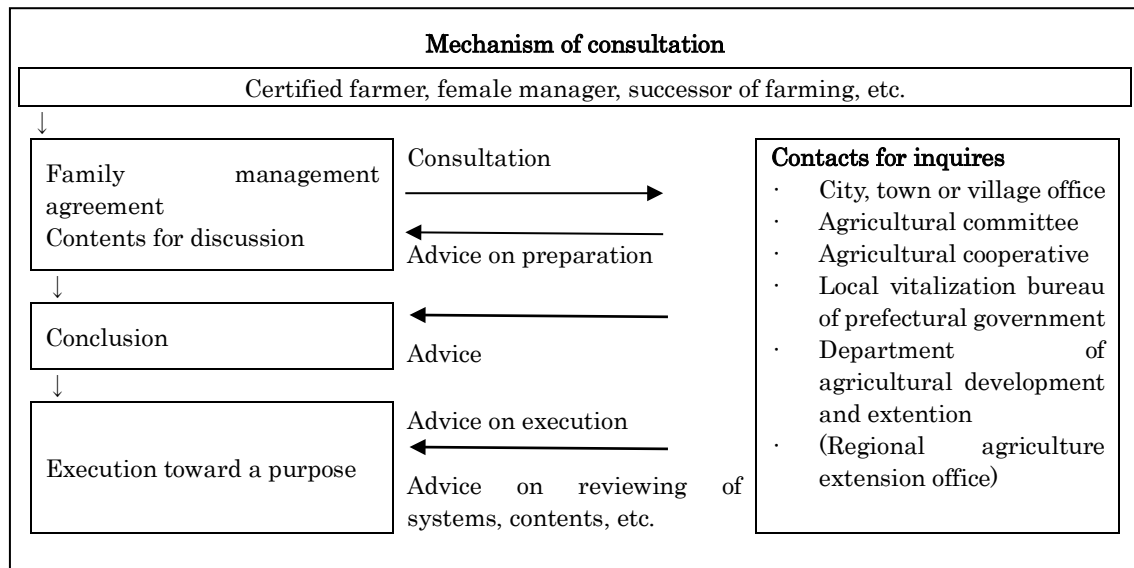
**Agricultural  
committee**

**Agricultural  
cooperative**

**Regional  
agriculture  
extension office**

\*Contacts for inquiries differ depending on the locality

\*A family management agreement is made more authentic if it is signed with the presence of not only family members but also an official or officials from an advisory organ or organs.



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