

# The Reality of NPOs

*as Learned from Food Bank Ikoro Sapporo*

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The term "food loss" refers to food that is originally eaten but is thrown away. The amount of food waste in Japan is 25.31 million tons per year, of which the amount of food that is originally eaten but is thrown away, "food loss," is 6 million tons per year (\*1). The amount of food loss per person in Japan is about 47 kg per year, which is the same amount as one Japanese person throwing away a bowl of rice every day. While there is this problem of food loss, there is also the problem of poverty in Japan, where about one in six people face relative poverty (\*2). In the midst of these problems, food banks are an activity that can be expected to have the dual effects of reducing food loss and supporting the needy, and contribute to the SDGs of "1. NO POVERTY," "2. ZERO HUNGER," "12 RESPONSIBLE CONSUMPTION AND PRODUCTION".

In addition to food loss, there is another theme of "employment" in this article. When we hear the word "employment," we may have a strong image of "joining some company," but for those who have a strong awareness of some problem in society and want to solve it with their own hands, starting an NPO may be considered as one of the options for employment, don't you think?

In this article, we interviewed Ms. Yukiko Kataoka, the representative of Food Bank Ikoro Sapporo, a NPO that engages in food bank activities. In this interview, we asked her about how she started the NPO, the current situation of food bank activities, and what it is like to work for an NPO.



(\*1)農林水産省「食品ロスとは」

[https://www.maff.go.jp/j/shokusan/recycle/syoku\\_loss/161227\\_4.html](https://www.maff.go.jp/j/shokusan/recycle/syoku_loss/161227_4.html)

(\*2)厚生労働省「各種世帯の所得等の状況 (p.6)」

<https://www.mhlw.go.jp/toukei/saikin/hwk-tyosa/k-tyosa19/dl/03.pdf>

## **Background to the launch of the NPO "Food Bank Ikoro Sapporo"**

Mr. Kataoka was born in the Tokachi area of Hokkaido and lived there until he was 12 years old. In the Tokachi area where he was born and raised, there was a lot of food produced and processed, and "food" was always close at hand. Later, when she was a student, she developed a desire to do something about surplus crops. After graduation, when she was working at a restaurant, she witnessed a large amount of food being discarded, which led her to want to reduce food loss by effectively utilizing surplus food. In addition, I wanted to give back to society because I was supported by the welfare system during my child-rearing years, and I met people who were suddenly in need through my work experience related to industrial accidents. Four years ago, I founded the NPO "Food Bank Ikoro Sapporo" and started food bank activities.

## **Activities of the NPO "Food Bank Ikoro Sapporo"**

The NPO "Food Bank Ikoro Sapporo" started its food bank activities in 2018 based in Higashi-ku, Sapporo City. We match the food donated to us with people in about 30 welfare facilities, or pack it in parcels and provide it to private households. The food donated to Ikoro Sapporo is mainly food with a shelf life of up to one month, and about 3 tons of food is donated per month. There are various reasons for donating food to Ikoro Sapporo, such as damaged packaging or cardboard, expired shipping dates, or food that is still in good condition but can no longer be found in supermarkets. The types of food sent to us are truly diverse, ranging from cup noodles, agricultural products such as potatoes and onions, sweets, seasonings, and emergency food. The frequency of food donations varies from company to company at different paces, such as once a year or when stockpiles are being replaced. At present, there are about 30 companies that provide us

with food, but some of them have disappeared due to the spread of COVID-19. The food bank activities are mainly carried out with the help of volunteers. The number of volunteers is increasing due to the enactment of the Food Bank Promotion Act in 2019 and the focus on the needy by COVID-19 in 2020.

## **Motivation for the Activity**

Despite the aforementioned background, there is a book that motivated Ms. Kataoka, who was an ordinary housewife four years ago, to start her own food bank business. The book was written by Keiko Yoneyama, the head of Yamanashi Food Bank, one of the largest food banks in Japan. In the book, there were two examples of how an ordinary housewife started an organization from a single room in her house and grew it in ten years. Ms. Kataoka thought that if there was a previous example of what could be done by renting one room in the same situation as these women, then she herself could do it. For the first year, she focused almost exclusively on public relations, with the occasional food item coming in and handing it out being the limit of her activities. However, Kataoka said, "I started to get a lot of support from women my age, and at the same time, the number of volunteers started to increase. This eventually turned into a huge whirlpool, and the encouragement and support of those who were very supportive of the project, and the push to work together, continued to motivate me." She has received so much power that she feels she can't do without their support in the future.

## **For those who want to be active in NPOs**

Ms. Kataoka said, "I don't think it's okay to cut corners because we are a non-profit organization," and "I take on more responsibility than any other job I've ever had". The activities of NPOs are rewarding and wonderful. Now, what should we do to establish an NPO and carry out activities like Ms. Kataoka did?

## What's specified nonprofit organization (NPO法人)?

### Definition

Organizations that have acquired legal personality for the purpose of specific non-profit activities.

### Features

NPOs are required to reinvest all profits earned in their business and must not distribute profits. However, they can pay salaries to their employees. This is because salary is treated as an activity expense.

Based on the right table, we will look at the advantages and disadvantages of working as an NPO.

### Advantages of NPOs

- Gains social credibility
- Low establishment costs
- Preferential tax treatment
- Activities can be continued even if the members change
- Can provide activities and support that general companies cannot because they are not profitable

### Disadvantages of NPOs

- Takes a long time to establish (about 4 months from the time the documents are prepared)
- Requires a certain number of staff (10 or more)
- Fields of activity are limited
- Accounting and taxation procedures are complicated
- Difficult to raise funds for activities

Although it is difficult to gather enough people to establish an NPO, it would be beneficial if one person started her activities alone and then increased the number of participants as Ms. Kataoka did. However, raising funds to continue the activities will be a major issue. There are three main ways to raise funds: donations and membership fees from supporters of the activities, grants, and profits from non-specified non-profit activities. It is difficult to expand activities only with donations and membership fees from supporters. In

addition, it is difficult to continue stable activities mainly with grants due to the variation in the application period and benefit period for each grant and the high magnification of the grants (grants and other support for NPOs can be found on the NPO policy portal site of the Cabinet Office <https://www.npo-homepage.go.jp/policy-portal/>). Therefore, the key to securing stable funding for activities is to make a profit from "other businesses" that do not belong to specified non-profit activities. The accounting for "other businesses" can be used to fund the activities of the specified non-profit activities after accounting for them separately from the specified non-profit activities.

	NPO	Company
Purpose of Activities	Social benefits	Economic benefits
Establishment costs	Inexpensive (not subject to registration and license tax laws: 登録免許税法)	Expensive (tens of thousands of yen in registration and license tax)
Time required for establishment procedures	At least 3 months	1 to 2 weeks
Personnel required for establishment	More than 10 people (more than 3 directors and more than 1 supervisor)	Minimum 1 person
profit-making enterprise	Possible, but accounting needs to be separated from specified non-profit business	Possible
Activities	Only activities that belong to the fields defined by law are allowed. Re-certification is required when the field of activity is changed.	No special regulations

### NPO

- Name seal
- Number of people (10 or more)
- Specified non-profit activities in the fields specified by law
- Other application documents

## Company

- Name seal
- Personnel (at least one person)
- Registration and license tax (for a one-person company, stock company: approximately 250000 yen, limited liability company: approximately 60000 yen)
- Paid-in capital (minimum 1 yen)
- Other application documents

It is easy to apply for an NPO once you have gathered enough people. If the activities you want to do are within the regulations, establishing an NPO may be a good idea. On the other hand, if you want to engage in activities outside the regulations or for profit, you should consider establishing a corporation. Although the cost of establishing a company is higher than that of establishing an NPO, it is possible to gain social credibility and engage in a wider range of activities than NPOs. Due to the amendment of the Companies Act (会社法), the minimum amount of capital is now one yen. However, it should be noted that companies with extremely low capital will have less credibility when receiving loans from banks. It may be a good idea to establish an NPO or a company to work on your own goals.

## Summary

In this article, we interviewed Ms. Yukiko Kataoka, the representative of the NPO "Food Bank Ikoro Sapporo", about the current situation of food loss in Sapporo City and what it means to work as an NPO. Through this interview, we were able to learn about the connection between food loss and support for the needy, which we are not usually able to know, and the issues that need to be addressed in order to continue food bank activities in the future. In order to reduce food loss, it is important to cherish the meal in front of us and to be conscious of eating without leaving any leftovers. If you are interested in food loss and support for the needy through this article, please try to participate in the volunteer activities of "Food Bank Ikoro Sapporo".

Also, like Ms. Kataoka, you can consider establishing an NPO as one of your work options. Throughout the interview, I could see that Ms. Kataoka is working responsibly and with a sense of fulfillment in the food bank activities she has chosen to start. No matter what form of employment you choose, I feel that it is important to approach your work with a sense of responsibility like Ms. Kataoka.

