

Fund for Promoting Agro-food Technology Commercialization

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The Ministry of Agriculture, Food and Rural Affairs (MAFRA) is now operating an 'Excellent Technology Commercialization Fund' starting in 2012 for owners of small agro-food businesses and agricultural corporations whose enterprises have excellent technologies, such as patents but who do not themselves have commercialization ability. The size of excellent technology commercialization fund is about Korea won 100 billion. It is for helping the commercialization of agro-food technologies which are under small-scale agribusiness companies.

Most agro-food businesses are small-scale having limits in commercialization even if they have excellent technologies. There are 69,336 agro-food field businesses in Korea. However, most of them are small businesses with 69,303 comprising 99.9% of total agro-food businesses. About 100 technology cases received excellent technology commercialization fund in 2012. It is supporting an average of Korea won 530 million per business.

Eligible conditions for receiving the excellent technology commercialization fund are small businesses or agricultural corporations that commercialize excellent technologies in agriculture, food, and rural affairs. MAFRA assesses the business potential and supports only the case that is confirmed as excellent technology for commercialization. Businesses commercializing technologies that have already been acknowledged as excellent technologies, such as new technologies certified by MAFRA, agricultural machines with new technologies appointed by MAFRA, New Excellent Products (NEP) New Excellent Technology (NET), INNO_BIZ, etc. can apply without separate technology evaluation. They just need to present a commercialization capital needs scale evaluation.

The total management quantity for the 'excellent technology commercialization' fund in 2013 is Korea won 100 billion, which can be supported by a loan of 3% annual interest, payable in three years, with a two-year grace period at a maximum amount of Korea won one billion per applying business. Fifty percent (50%) of the technology evaluation expense (Korea won 350,000 of Korea won 700,000) is also offered to encourage business participation. For businesses that cannot easily obtain a loan from Nonghyup (Agricultural Cooperative) due to low security capacity, they can get obtain a loan through 'Nongshinbo' (Credit Guarantee Fund for Farmers and Fishermen). Up to five extra points can be earned according to the 'excellent technology commercialization' technology evaluation grade for the 'Nongshinbo guarantee evaluation'.

In order to receive 'excellent technology commercialization' fund support, a basic credit consultation must be performed through a Nonghyup office, a technology evaluation must be received from Foundation of Agri-Tech Commercialization and Transfer (FACT), and an 'excellent technology confirmation' issued from the MAFRA must be submitted to Nonghyup. Particularly, FACT is an agro-technology evaluation and transaction institution established in 2009 by Korean government. It carries out technology evaluations and reports the results to MAFRA. The minister then issues an 'excellent technology confirmation' for technologies achieving 70 points or more, based on the FACT evaluation results.

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