

FFTC-RDA International Seminar on
Enhanced Entry of Young Generation
into Farming (2014. 10. 22.)



HOW TO ENCOURAGE YOUNG GENERATION TO ENGAGE IN FARMING: KOREA'S CASE



Korea Rural Economic Institute
Ma, Sang-jin

Contents

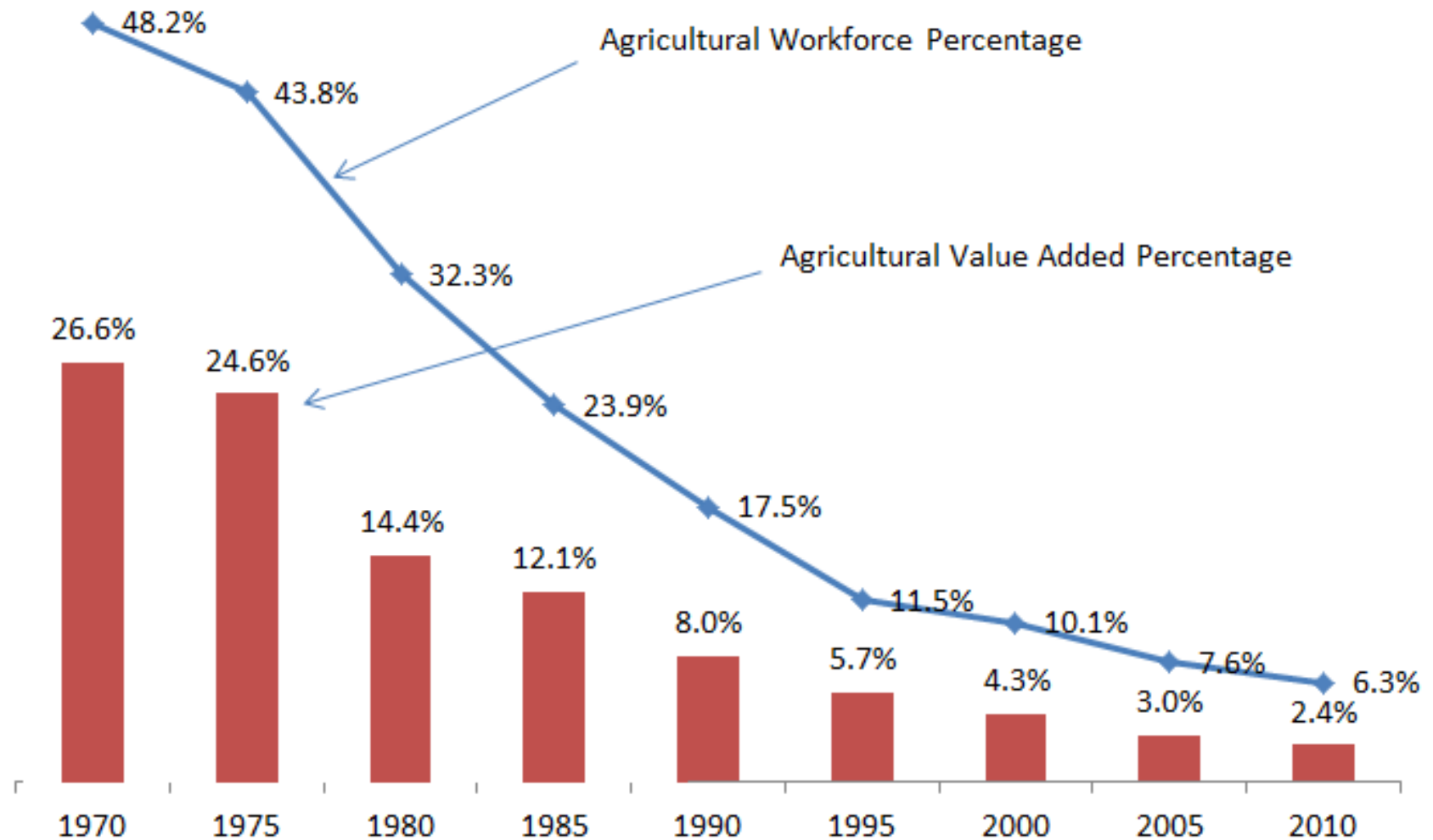
- 1 KOREAN AGRICULTURAL WORKFORCE**
 - 2 RELATED POLICIES**
 - 3 PROBLEMS AND ALTERNATIVE MEASURES**
-

1

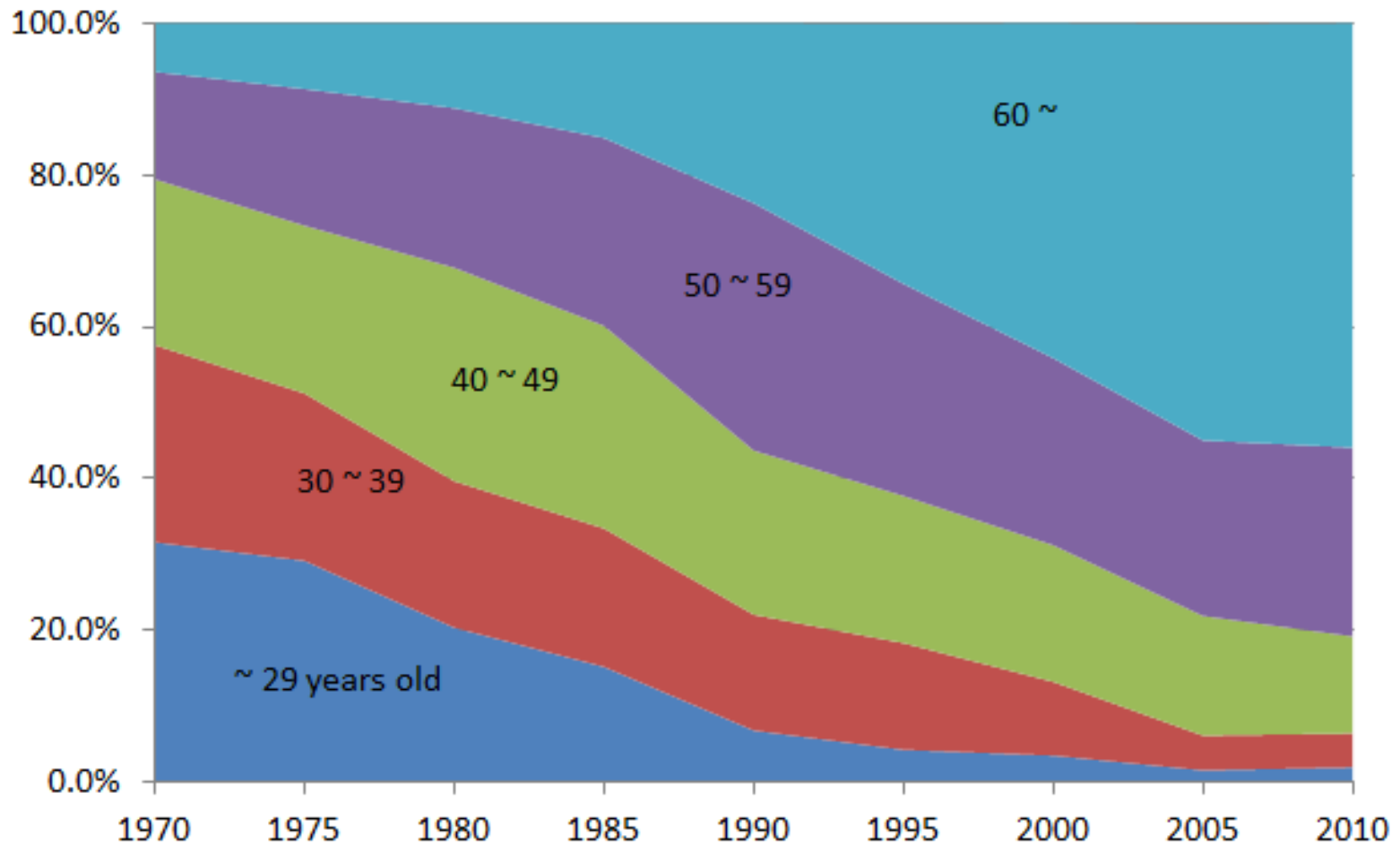
KOREAN AGRICULTURAL WORKFORCE



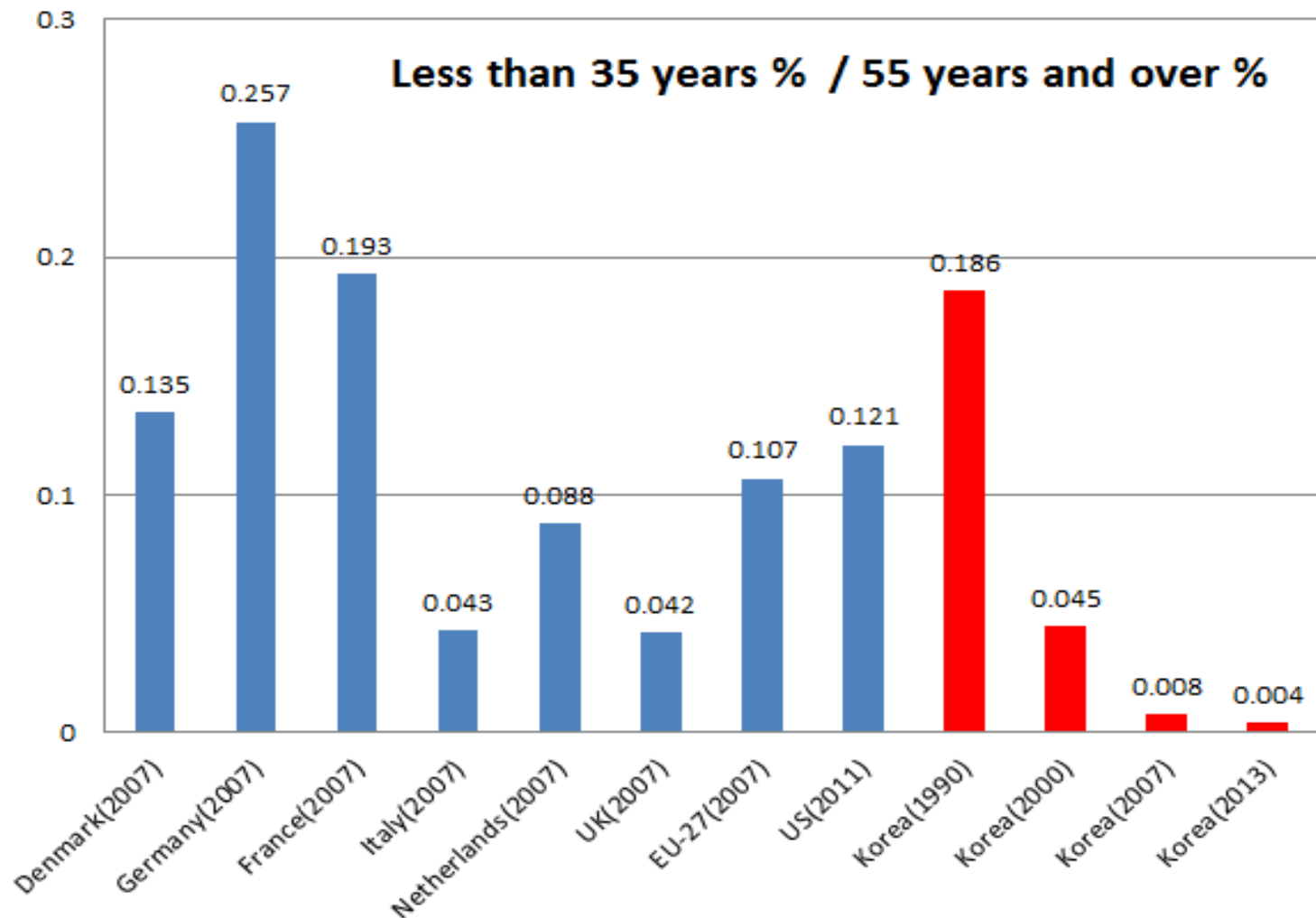
Declining Agricultural Workforce



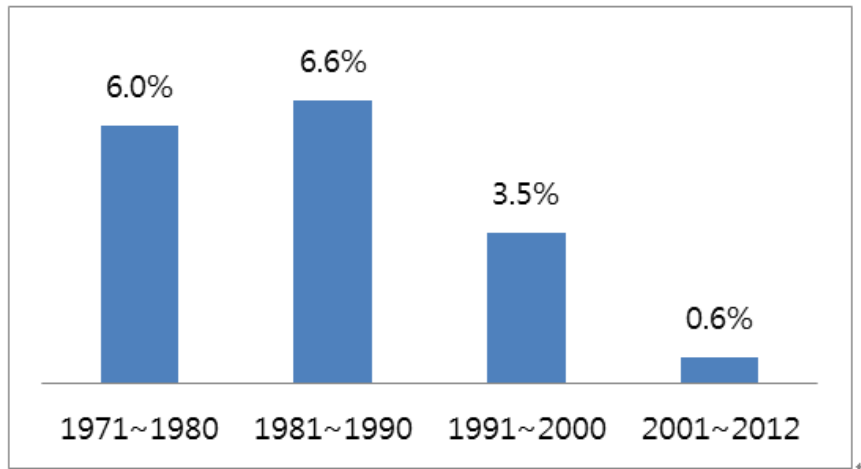
Ageing Agricultural Workforce



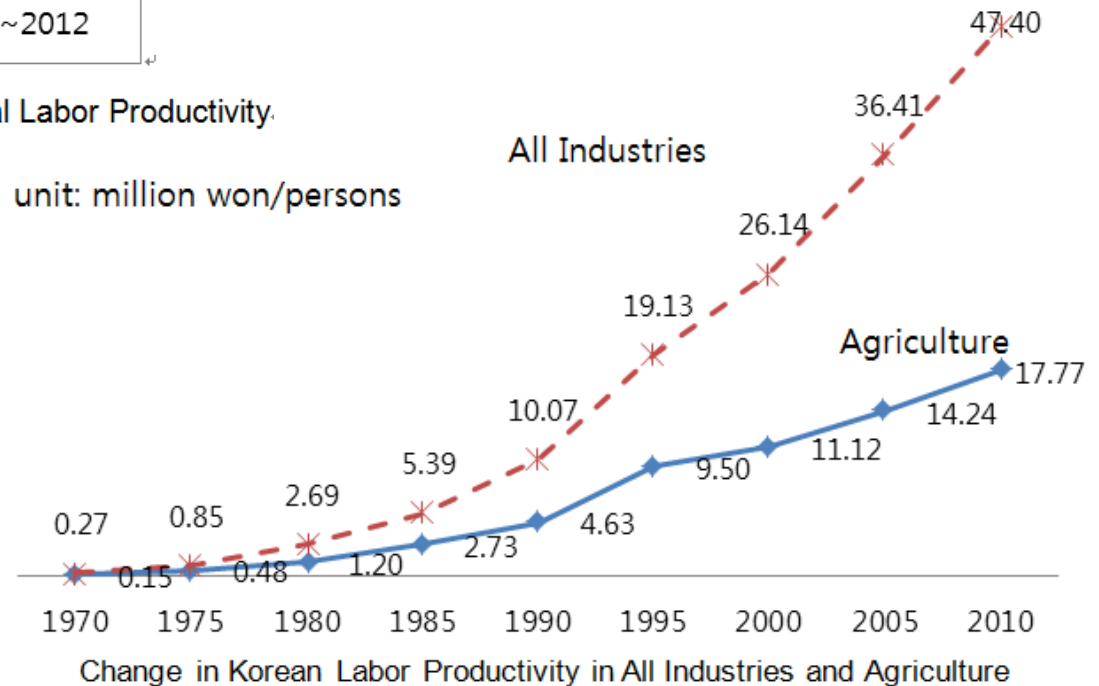
Young Agricultural Workforce Scarcity



Stagnant Ag Labor Productivity Growth



Annual Average Growth Rate of Korean Agricultural Labor Productivity.





2

POLICIES FOR YOUTH ENTRY INTO AGRICULTURAL WORKFORCE



Farm Successor Fostering Program

Background & Purpose

- **Declining number of farmers & successors**
- **To foster New Ag workforce**

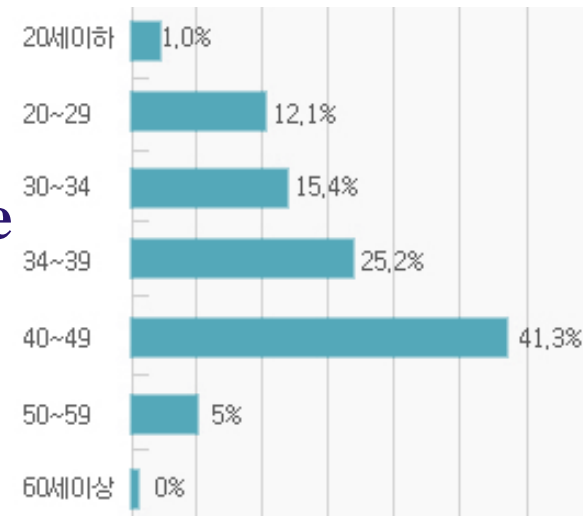
Program Outline

- **Target: New Farmers under 50 years old**
 - **Support: Max 300,000 US \$ (Loan)**
 - **Quota: About 2,000 farmers / year
(half for Ag School Graduates / half for Current Farmer under 10 year experience)**
-

Farm Successor Fostering Program

● Outputs & Outcomes

- **Over 130,000 Farmers Supported**
 - About 90%, engaged in agriculture
 - 3 per each village,
10% of Current Farmers
- **Leaders of Ag Production & Rural Development**
- **Formed The Biggest Farmer Organization**
(Korean Advanced Farmers Federation:
www.kaff.or.kr)



우리농업의 희망
한국농업경영인중앙연합회
KOREAN ADVANCED FARMERS FEDERATION

Korea National Agricultural College (1)

Purpose

- To foster elite members leading the development of agriculture & rural communities with International views

Program(1)

- Admission Priority: Farming Background / Agricultural High School Graduate
- Special Grant : Free Dormitory & Tuition, Special Exemption from Military Service, Priority for Farm Successor Fostering Program Selection
- Obligation : Farming for 6 years after graduation

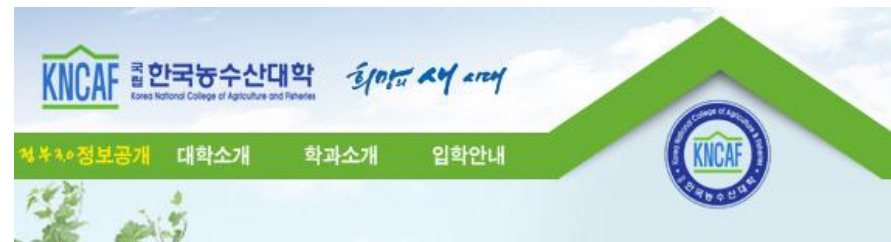


Korea National Agricultural College (2)

Program(2)

– Sandwich Education & Training System

- 1st year : Basic education in the college (Education in basic subjects of culture and agriculture)
- 2nd year : Experience in practical fields (Practical field training in advanced farms in Korea or abroad)
- 3rd year : Comprehensive education in the college (Education based on problem-solving and farm planning)



Korea National Agricultural College (3)

Program(3)

- **Entrance Quota: 300 students**
- **Department:**
Food Crops / Medicinal & Industrial Crops / Vegetable Crops /
Fruit Tree / Floriculture / Forestry and Landscape Architecture /
Beef & Dairy Science / Swine & Poultry Science / Horse Industry

Outputs & Outcomes

- **3,000 graduates since 2000**
 - **90.7% of the graduates working at farms**
 - **Double or more over average farm income**
(Korean Farm Income: 30,000 US \$)
-

Special Program in Agricultural Schools

Background & Purpose

- **Declining employment of Ag schools and students**
- **To encourage more ag students to engage in Farming**

Program

- **Farm based Learning Experiences**
 - **Advanced Farmers into School**
 - **10 ag high schools / 10 ag colleges → Support 200 thousand US \$ each year**
-

Special Program in Agricultural Schools

Outputs & Outcomes

- **2,000 Ag high Students, 1,000 Ag College Students Each year**
 - **Enhanced Ag Job Awareness & Competencies (ag high students 25% up, ag college students 26.5% up)**
-



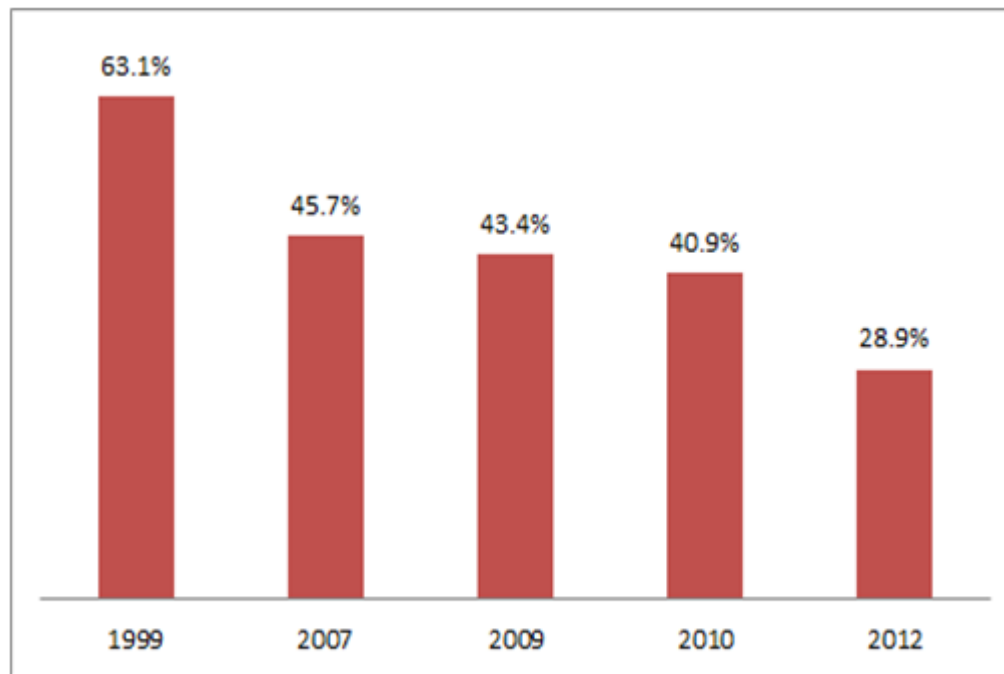
3

PROBLEMS & ALTERNATIVE MEASURES



Problems

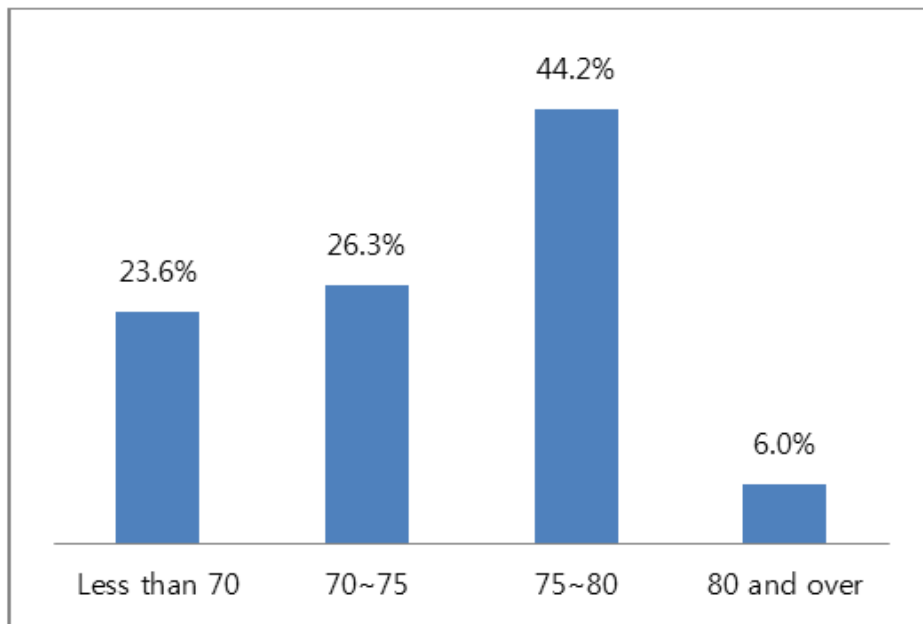
🌐 Less Preferred Farming Jobs



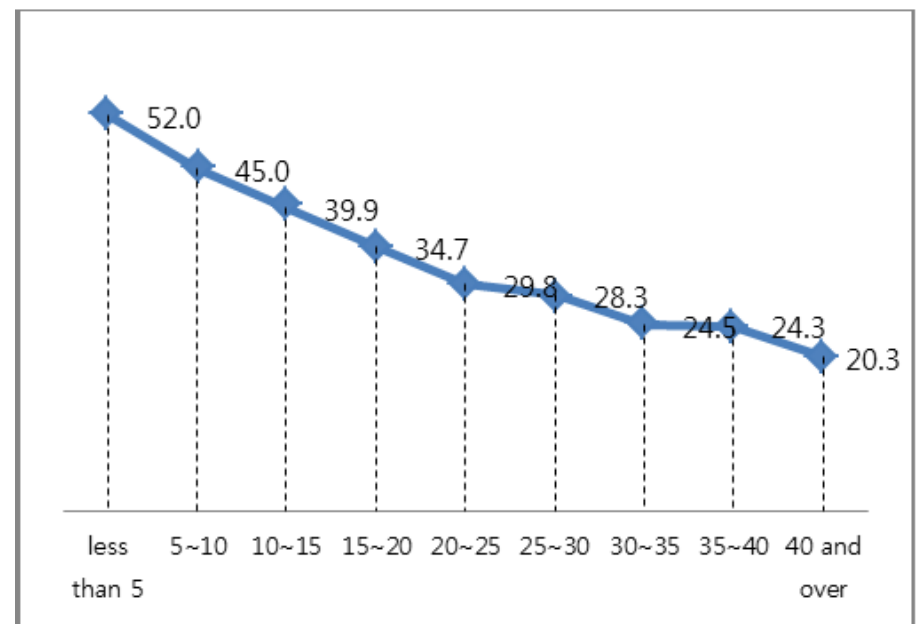
Public Who Agree to Have Their Children Engaged in Farming

Problems

● Rising Retiring & Entering Age (Chae & Park 2012)



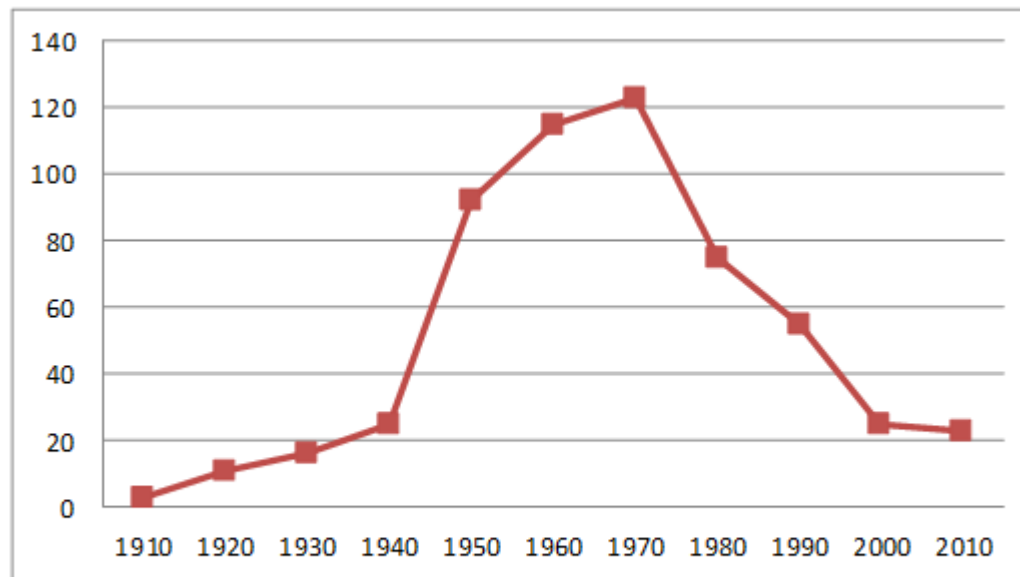
Expected Retirement Age of Korean Farm



Farming Entry Age by Farming Experience Period

Problems

Declining number of Agricultural Schools



Number of Agricultural High Schools in Korea

Problems

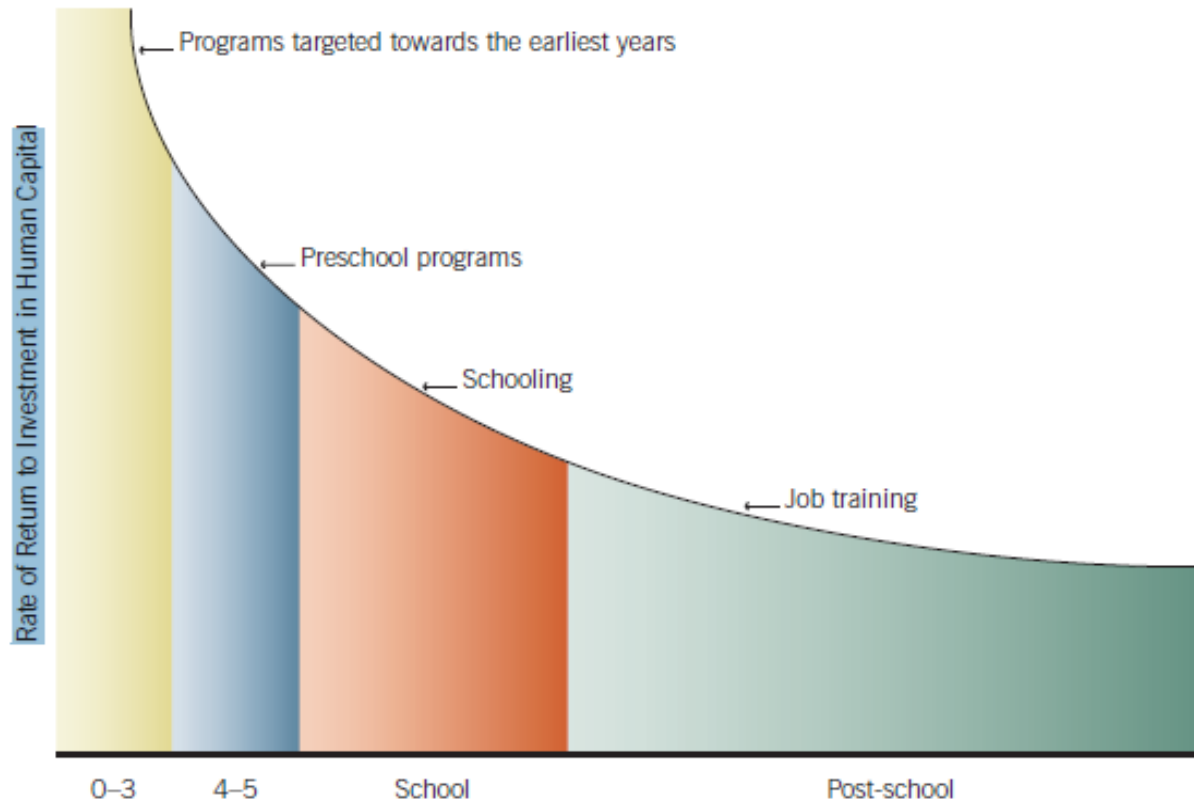
Agricultural Schools: Going out of Agriculture Trends

- Names & Contents Changes
- Graduates' Low Entry into Farming

Career of Agricultural High School Graduates : 2008~2014

Year	Graduate		Higher Education		Employment		Farming	
2008	6,714	(100.0)	4,798	(71.5)	1,005	(15.0)	126	(1.9)
2010	7,305	(100.0)	5,447	(74.6)	1,305	(17.9)	63	(0.9)
2012	6,977	(100.0)	3,922	(56.2)	2,134	(30.6)	17	(0.2)
2014	7,123	(100.0)	2,739	(38.5)	2,615	(36.7)	44	(0.6)
Average	7,037	(100.0)	5,184	(73.7)	1,089	(15.5)	85	(1.2)

Activating Education About Agriculture



Returns to Investment in Human Capital Over the Life Cycle
Source: Heckman(2008).

Fostering Selective Agricultural Schools

Provincial Agricultural School Development

- **1 Ag high School & 1 Ag College / 1 Province**
 - **Integrated Management**
 - **Link Local Ag Workforce Demand**
 - **Cooperation of Ag school with Local Ag Agencies**
 - **Career Path from School to Work**
-

Linking Retiring Farmers & New Farmers

Agricultural Corporations

- **11,747 Agricultural Corporations (2013), About 14% of Total Agricultural Production)**
 - **80 Thousand Workers**
 - **Share their Skill & Network with New Farmers**
 - **Link Retiring Farmers' Farm with New Farmers**
-

Intermediary Body for Local Ag Workforce

Problem of Local Ag Workforce Management

- **Lack of Interest & Professionality**
- **Lack of Consistency**

Intermediary Body for Local Agricultural Workforce Development

- **Local Farm Successor Fostering**
 - **Seasonal Workforce Management**
 - **Farm Connection: Elite (Old) & New**
 - **School to Work Connction**
-

Capital Formation Supporting

Individual Development Account(IDA)

- **New farmers' Biggest Obstacle to Entry: Economic Capital including farmland, facilities, and operating funds**
 - **To help these farmers of limited means through business and financial training and matched savings accounts**
 - **In a matched savings account program, for every contribution the farmer makes, the government (through a local partner) 'matches' that amount, effectively doubling (or tripling) its value**
-



Q & A

msj@krei.re.kr