

## **Action Plans for Making Agriculture as a Future Growing Industry in Korea**

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On January 13, 2015, the Korean Ministry of Agriculture, Food and Rural Affairs (MAFRA) presented its action plans for making agriculture as a future growing industry as a part of a three-Year Plan of Economic Innovation in agriculture, in the presence of President Park Geun-hye. The presentation was a part of the joint briefing by 6 economy-related ministries including the Ministry of Strategy & Finance, the Ministry of Employment & Labor, and the Ministry of Land, Infrastructure & Transport, as the government is entering its 3rd year. The theme of the joint briefing was ‘Economy with Sound Foundation, Balanced Economy with Domestic Market & Export Market’.

Particularly MAFRA presented five action plans for three core tasks. The three core tasks that MAFRA will implement in 2015 are as follows: First, MAFRA will enhance the responding ability of Korea’s agriculture and farm villages against external impact by creating good jobs and new added values through the process to make agriculture a “6th industry”. Second, MAFRA will enhance global competitiveness and aggressively nurture Korea’s agriculture as an export industry by modernizing and scaling up full-time farming and small- & medium-sized farming operations through a select-and-focus strategy based on customized agricultural administration. Third, by ‘Creating Happy Farm Villages,’ MAFRA will accelerate incoming human & material resources, including returnees to farm villages, and support poor elderly farmers so that they are not excluded from their societies.

The five action plans that have been selected to carry out measures for agriculture as a future growth industry are as follows:

- (1) Creating jobs and new added values through the process of making agriculture a “6th industry”: MAFRA plans to create good jobs and added value, and boost local economies by promoting the “6th industry” by converging traditional agriculture with the 2nd and the 3rd industry.

Goal	<ul style="list-style-type: none"> <li>- 10% increase year on year for the number of start-ups in the “6th industry”</li> <li>- Reducing distribution costs to KRW 730 billion</li> <li>- 11 million people participating in the farm village experience and tour program</li> </ul>
Core measures	<ul style="list-style-type: none"> <li>- Establishing a reasonable farmland system by allowing agricultural convergence industrial complexes within agriculture promotional areas</li> <li>- Easing forestry regulations (forest registration certificate when creating private forest lodges)</li> <li>- Providing customized support for companies as “6th industry” entities</li> <li>- Expanding more direct sales stores for local foods (100 stores accumulated), opening a home-shopping channel for agricultural products and products by small- and medium-sized businesses (June 2015)</li> <li>- Strengthening collaboration among agricultural tourism resources and establishing tourism infrastructure</li> </ul>
Changed or new systems in 2015	<ul style="list-style-type: none"> <li>- Establishing directory for manufacturing &amp; processing facilities by area</li> <li>- Establishing and operating online direct sales stores for local foods</li> <li>- Nurturing consortium for agricultural tourism (8 sites, KRW 400 million)</li> <li>- Allowing breakfast service for minbak (Korean style guest house)</li> </ul>

(2) Enhancing competitiveness of agricultural foods by modernizing and scaling up businesses: MAFRA plans to enhance competitiveness of Korea’s agriculture by modernizing and scaling up agriculture through ICT convergence distribution and joint business invigoration in order to tackle market opening due to FTAs with major trading partners.

Goal	<ul style="list-style-type: none"> <li>- Accomplishing ICT distribution area of 755ha (accumulated)</li> <li>- Expanding joint management for rice farming areas to up to 40,000ha (increased by 25% compared to 2014)</li> <li>- Increasing the satisfaction point for environmentally-friendly agricultural products to 65 points (60.9 in 2013)</li> </ul>
Core measures	<ul style="list-style-type: none"> <li>- Spreading Smart Farm and strengthening technology support on site for farming households</li> <li>- Establishing a standard model of ‘Creative Village (happy farm village utilizing ICT)’ (by cooperating with the Ministry of Science, ICT &amp; Future Planning)</li> <li>- Preparing for graded support measures for Deulnyeok Gyeongyeongche (April), developing area-customized model (June)</li> <li>- Establishing a forecast system for crops using Smart Farm Map and satellites</li> </ul>
Changed or new systems in 2015	<ul style="list-style-type: none"> <li>- Livestock pens equipped with the ICT will be available for chickens as well (previously they were only available for pigs).</li> <li>- Easing the membership conditions of Deulnyeok Gyeongyeongche (e.g. farmland collectivization, duty to collaborate with rice processing complexes or RPCs)</li> <li>- Increasing the cap of rice subsidies for large-scale farming from 50ha to 400ha</li> <li>- Establishing GAP certificates in the course of distribution, introducing an in-turn-supervising system for butcheries</li> </ul>

(3) Nurturing elite workforce: MAFRA plans to nurture an elite workforce, which will

lead the future of Korea's agriculture based on creative ideas and expertise with intensifying nurturing systems at agricultural high school and colleges as well as securing 200,000 more workers in agriculture.

Goal	<ul style="list-style-type: none"> <li>- Creating new agricultural workforce to sites (200,000 people)</li> <li>- Training 70,000 professional farmers (farmers for small but solid businesses, young farmers in family businesses meister)</li> <li>- 35% rate of commercialization of developed technology (30% in 2014)</li> </ul>
Core measures	<ul style="list-style-type: none"> <li>- Restructuring curriculum of agricultural high schools and colleges by focusing on practicum courses</li> <li>- Enhancing training sessions for cutting-edge technology like ICT and supporting the acquisition of advanced technology from overseas</li> <li>- Spreading smart learning organizations to resolve issues on site and in real time, utilizing social network services</li> <li>- Supporting start-ups or employment by creating an eco-system that is business-friendly in agriculture</li> </ul>
Changed or new systems in 2015	<ul style="list-style-type: none"> <li>- Establishing special training courses for local specialties from main production areas (e.g. tomato college)</li> </ul>

(4) Expanding exports of agro-foods with utilizing FTAs: MAFRA will carry out customized strategies by FTA partners and aggressively develop mass markets like the Chinese market, halal food markets and online markets. The ministry also plans to resolve complaints including providing information by agricultural food exporting companies and boost mutual cooperation between agriculture and companies.

Goal	<ul style="list-style-type: none"> <li>- Accomplishing the export goal of USD 7.7 billion through new market development with utilizing FTAs</li> <li>- Increasing export rate to up to 40% among FTA partners</li> <li>- Expanding mutual cooperation cases between agriculture and companies to up to 20 (14 cases in 2014)</li> </ul>
Core measures	<ul style="list-style-type: none"> <li>- Supporting specialty strategies by overseas market, resolving tariff barriers including quarantine</li> <li>- Supporting management systems for the origins of FTA items (agricultural &amp; fishery specialty) (by cooperating with the Ministry of Trade, Industry &amp; Energy)</li> <li>- Opening Korean agricultural food stores in overseas online shopping malls and department stores</li> <li>- Running management counseling of mutual cooperation and preparing incentives for participating companies</li> </ul>
Changed or new systems in 2015	<ul style="list-style-type: none"> <li>- Supporting customized exports to FTA partners including China</li> <li>- Aggressively developing markets like halal food markets and online markets</li> <li>- Supporting the comprehensive resolution of complaints by agricultural food exporting companies</li> </ul>

(5) Establishing happy farm villages where anyone would want to live: MAFRA plans to enhance settlement conditions for improving residents' living conditions and to

strengthen stabilizing tools in the lives of poor elderly farmers who are being excluded from their societies due to the expansion of FTAs. MAFRA plans to implement various policy support in order to promote young generations' returning to farm villages. The ministry will also improve settlement conditions and realistic welfare services, and focus on stabilization in the lives of poor elderly farmers for improving farm villages.

Goal	<ul style="list-style-type: none"> <li>- Designating 30 complexes (1,200 households) to improve vulnerable residential areas</li> <li>- Expanding the range of beneficiaries of the national pension to up to 311,000 citizens</li> <li>- Expanding the number of returning agricultural households (in their 40s or younger) to up to 14,000</li> </ul>
Core measures	<ul style="list-style-type: none"> <li>- Nurturing leading complexes to boost central areas</li> <li>- Expanding realistic welfare infrastructure (agricultural transportation model, 'Happy Bus')</li> <li>- Improving welfare services for the elderly including joint home and joint dining facilities</li> </ul>
Changed or new systems in 2015	<ul style="list-style-type: none"> <li>- Project to improve living conditions in vulnerable residential areas</li> <li>- Raising standard national pension income (KRW 850,000 in 2014 → 910,000 in 2015)</li> <li>- Reasonably rearranging the assessment rate of collateral land for farmland pensions (70% → 80%)</li> <li>- Eliminating standards for land size for land pension members (previously: 3ha)</li> </ul>

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