

Prospects for South-North Agricultural Cooperation

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The agricultural cooperation project that has been discussed to help solve the food shortage of North Korea is now moving into the realm of action. This change is, first of all, due to the active policy toward Pyongyang on the part of the Kim Dae-jung Government. It is based on the judgment that structural improvement of North Korean agriculture is not only a better prescription for the food shortage problem in North Korea but also a better catalyst to encourage interchange and cooperation between the two Koreas.

Under the past civilian administration, government policy on agricultural cooperation with Pyongyang was laid out in two stages. In the first stage, the government was satisfied with the provision of agricultural materials through the U.N. Only at the second state, when Seoul-Pyongyang dialogue had shown some progress—for example, through the holding of the four-party talks—was the government willing to be specific in ways to help improve the agricultural structure and productivity of North Korea.¹ The agricultural cooperation project was considered to be a policy card to induce Pyongyang to the dialogue table.

The civilian government also announced that contacts and vis-

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¹ Ministry of Unification (1997. 10). "Materials Submitted to the Parliamentary Inspection by the Committee of Reunification and Foreign Affairs"

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its by entrepreneurs and agricultural experts for the purpose of agricultural cooperation would be permitted as a model case of economic cooperation. However, this policy line was not carried out until the end of the term. It was only at the end of this January just before the inauguration of the new Government, that Professor Kim Soon-kwon (January 24 - February 3, 1998), known as Dr. Super Maize, and Mr. Jeong Hyuk (January 22-26), the research director of KIST who developed man-made seed potatoes, were able to visit North Korea to investigate the current situation of North Korean agriculture.

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The government is also searching for the ways to increase cooperation for the improvement of the agricultural structure at the government level. The Ministry of Unification revealed the direction of agricultural cooperation at the government level in the work report to the president on March 17. It includes 1) discussion of ways of agricultural cooperation through contacts and dialogue, open or secret, between the authorities 2) substantial support for an increase in agricultural productivity through the provision of fertilizers, agricultural chemicals and technologies 3) active participation in the activities of international organizations such as UNDP round table for North Korea (Geneva April 29-30).

What is noteworthy is that the government is willing to consult with Pyongyang through the open and secret contacts and dialogue "between the authorities". In fact, there is a limit in the capability of non-governmental groups or individuals to produce any visible result in the project to improve the agricultural structure.

² Presidential Take-over Committee (1998.2). "100 Tasks of the New Government"

Since this project is comprehensive in nature and needs huge financial resources, governmental support is a necessity to achieve a reform of North Korean agriculture. This posture of the new government is considered as adopting a two-stage strategy: first, increasing the scope of agricultural cooperation at the non-governmental level, and second, starting dialogue between the authorities on the basis of accumulated non-governmental cooperation and going forward to initiate real change in the agricultural structure of North Korea.

Non-governmental actors, such as religious groups, colleges of agriculture, and enterprises have pushed forward with agricultural cooperation in many areas of agriculture thanks to the new policy line of the government. As of the end of March, no organization or enterprise has attained the permission to start cooperation with North Korea in the agricultural area. But after April, not a few organizations and enterprises are expected to get involved in the project of improving the agricultural structure with the permission of the government.

Agricultural cooperation at the non-government level is likely to start from the "Doorae Village" located in Rajin-Sonbong area, which is led by a religious group. The Headquarters for Promoting Doorae Village in North Korea (led by Reverend Kim Jin-hong) concluded a long-term lease contract with the Administration and Economy Committee of Rajin-Sonbong (president Kim Soo-yeol) to build a soy sauce factory and a "Doorae Village," which is the first agricultural production community on the 3.1 million pyong (1 pyong = 3.954 square yards) of ground inside the Rajin-Sonbong Special Economic Zone. (see table 1 for the details)

Twenty experts will be staying in the Rajin-Sonbong Doorae Village and transfer all kinds of agricultural technology. With the participation of 100 residents the Village will produce beans, maize, potatoes, and processed pig meat from April. These products will mainly be used for domestic use, and part of them will be exported. To do this, the Headquarters for Promoting Doorae Village will build a large-scale pig barn, and plant seed potatoes. It already concluded a contract to secure the seeds from the Daesang group, which already has a seed growing company.

<Table 1> Details of the Agricultural Cooperation Contract in Doorae Village of North Korea

Project Purpose	<ul style="list-style-type: none"> - increase in profit through food production, processing, circulation, export; tourism, agriculture, and complex farming, which will be carried out by the formation of a comprehensive agricultural zone and by using scientific methods - Contribution to the development of agriculture and stock farming through the spread of scientific methods of management
Content of Project	<ul style="list-style-type: none"> - dissemination of seeds: best quality seeds from all over the world - transfer of advanced agricultural technology - formation of agricultural complex for main food staples: rice, barley, wheat, bean, potato, maize - formation of agricultural complex for cash crops: horticulture, fruit, medicine, vegetable oil, fiber - formation of agricultural processing complex: processing all the agro-livestock products - formation of livestock complex: cattle, goat, sheep, pig, fowl, duck - research institute for agricultural technology and training farms - works related to the introduction of machines, fertilizers, and raw materials for farming tools - export of agro-livestock products - all other works related to the agriculture
Scale of Investment	8 million dollars over several years
Place of Investment	Rajin-Sonbong zone
Others	<ul style="list-style-type: none"> - both parties consult on management of technology and distribution of products, and agricultural union of Doorae Village takes charge of export - profits coming from this cooperative farm are to be reinvested for the agricultural development of the zone - Administration and Economy Committee of Rajin-Sonbong guarantees free admission and stay of visiting administrative and technological staff - Administration and Economy Committee of Rajin-Sonbong guarantees duty-free passage of all the materials, seeds, and livestock from abroad - conflicts between the two parties are subject to the law of the special zone, but about matters outside the range of the law of the special zone, conflicts will be subject to the international law - matters not deal with in this document will be arranged by the consultation of both parties

Agricultural cooperation at the enterprise level is also brisk. A company named Baeksan Silup, specializing in agro-fishery trade with China, has leased 20,000 pyong of ground on a long term basis for the first time as a private company and is promoting cultivation of mushrooms that would produce 300 tons a year. Dongbu Hannong Inc. is hurrying for the construction of a seeds and seedling factory. The Agro-Fishery Circulation Corporation, Central Association of Agricultural Farms, and College of Agriculture at Kangwon University are also discussing ways of agricultural cooperation with North Korea. The Central Association of Medium and Small-Scale Companies has agreed to conclude a contract with Kwangmyongsong Economic Association of North Korea to grow and import such agricultural products as sesame, buckwheat, black beans, and beans. These products will be used as raw materials for food processing companies of medium and small scale in South Korea.

Renowned scholars and experts of universities and government research institutes are participating in the project for the improvement of agricultural structure of North Korea one after another. Professor Kim Soonkwon of Kyongbuk National University, known as Dr. Super Maize, visited collective farms in six areas including Kaechon, Anju, Mundok, Wonsan, Tongchon for ten days in early February, and conducted a survey on the current state of maize farming. He brought back eight kinds of maize seed including "Wasong no. 1" and the soil of Tongchon maize farm, and is currently testing the suitability of growing super maize in North Korea. He also founded an "International Maize Foundation" and is promoting the "National Movement for Planting Maize in North Korea." The major goals of the movement include: 1) interchange of seeds and production technology 2) joint study on rearing and growing through foundation of joint research institute on maize, test growing and contract growing of agricultural products, intercropping of mung beans, buckwheat, red beans, and beans with maize 3) support for agricultural materials such as fertilizers, tools, and agricultural technology.³

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Also absorbed in forging comprehensive measures to support North Korean agriculture are Mr. Jeong Hyuk, research director on seed potatoes of KIST and Professor Kim Kyung-liang who studies agricultural economics and the distribution system of North Korean agricultural products.

At the government level, the project of improving the agricultural structure of North Korea is expected to be carried out in a way that Ministry of Unification takes the charge of general coordi-

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nation, while related organs such as Ministry of Agriculture and the Office of Rural Development are jointly involved. More specifically, the Ministry of Agriculture is formulating the following measures: 1) contract growing as has been done by private enterprises; 2) method of joint ventures such as Doorae Village; 3) investment in areas adjacent to the Korean Peninsula such as the Samgang field of China, or the Russian Maritime Province; 4) investment in the form of Trust Funds after the formation of an international consortium; and 5) commissioned growing in which North Korea provides land and labor while South Korea provides technology, superior seeds, agricultural chemicals, and fertilizers. To make these measures more effective the Ministry of Agriculture is examining ways to secure the stability of investment, financing procedures, and the simplification of administrative procedures in contacting people of North Korea.

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³ Professor Kim Soon-kwon argues that the urgent thing to do to help alleviate the food shortage of North Korea is the maize-planting movement. This is because 83% of the maize growing area is concentrated in North Korea. According to him, if the North Korean work force and South Korean seeds, fertilizers, and production technology are combined, 4.2 million tons of maize can be produced. This amounts to providing 32 million North Korean people each with 350 grams of maize a day.

similar climate and environment to North Korea.

The Government is also utilizing U.N. organizations to support North Korean agriculture. The government donated heavy equipment worth 1.2 million dollars to help North Korea recover from flood damage through the UNDP at the end of last year. From this year the government is likely to participate in the agricultural structure improvement project led by U.N. organizations. In tune with the level of participation of other countries, rice-planting machines, chemicals, fertilizers, hand sprayers, vinyls, and seeds of wheat, barley, and maize are being considered for donation. Urgent need for support is also being raised in the recovery of irrigation facilities, construction of waterways, restoration of lost arable land, and repair of supplementary field roads. The Government is also considering participation in the sericulture development project promoted by IFAD (International Fund for Agricultural Development), which is expected to contribute much to increase rural income and prevent recurring natural disasters in North Korea.

International organizations are more interested in the support of agricultural development and management than the simple donation of food. At the initial stage of support, government is likely to use the Trust Fund to finance the project, and at the main stage, burden-sharing with the surrounding countries will be promoted given the budget crunch in the midst of economic retrenchment. The use of the trust fund to support North Korean agriculture makes it possible for the government to limit the use of fund to North Korea, and to designate a part of the materials, technologies, and work force. The trust Fund method is estimated to be useful, for example, for the model-farm development project.

Participation in the agricultural cooperation project through the NGOs is also considered an appropriate approach in the current situation where the lack of dialogue between Seoul and Pyongyang is deterring the improvement of agricultural structure of North Korea. Especially the "spring barley double-cropping project,"

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which has been carried out by the consortium of a Korean NGO (Headquarters of Movement for Mutual Support among Our People) and American NGOs (Carter Center and Rockefeller Foundation), is viewed as being a new approach to agricultural cooperation between the two Koreas that spares excess financial burden given the current economic crisis of South Korea.⁴ This form of cooperation can be useful to induce foreign NGOs to buy Korean-made materials, which might help recovery of the difficult economy.⁵

These diverse approaches to the agricultural cooperation between the two Koreas are expected to enhance the capability of North Korea in purchasing agricultural materials such as fertilizers, chemicals, and seeds with its own funds as well as increasing agricultural productivity with its own technology. Also expected is the on-going reform of agriculture led by the self-help of Pyongyang on the basis of policy change, which again is expected to be induced by the superior performance of joint venture farms between South and North Korea.

North Korea is willing to accept the agricultural restructuring project supported by South Korea in the midst of the extreme shortage of food. The Seoul government is also more active in participating in cooperation projects to alleviate the food shortage problems through the structural improvement of North Korean agriculture. In sum, this year should see greater cooperation in agriculture than any other area in the South-North relationship. **EKR**

⁴ The Headquarters of Movement for Mutual Support among Our People sent last mid-March 800 tons of urea composite fertilizer donated by the Korea Association of Fertilizers to participate in the "spring barley double-cropping project."

⁵ Bishop Choi Chang-moo (Chief Director of Headquarters of Movement for Mutual Support among Our People) (Feb. 27, 1998), "The future direction of support for North Korea in 1998," Policy talks between social leaders.