A comparative study of farmland management corporations in Korea and Germany

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한국과 독일의 농지관리기구에 관한 비교 연구

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ABSTRACT : 본 연구는 한국과 독일의 연구협약에 따라 진행된 공동연구 프로젝트 일환이며 과업은 (1) 한국과 독일 농지 관리기구의 조직과 기능을 비교하고 (2) 그 차이점과 함의를 분석하여 (3) 한국 농지관리시스템의 기능적 발전방안을 모색 하는 것이다. 한국은 유럽의 농업 선진국에 비해 농업구조가 취약해 미래전망이 밝지 못한데 이는 한국이 경자유전에 근거 한 농지거래의 제한과 투기로 인한 농지가격의 상승, 이에 편승한 부재지주의 비합리적 농지이용, 복잡한 농지관련 세금과 농업지원체계 등이 비효율성을 야기하고 있기 때문이다. 독일 농지시장은 규제와 투기가 적어 시장기능이 잘 작동되며 유연 한 조직인 농지관리기구가 선매권과 합리적인 농지거래 개입 등을 통해 시장기능이 원활히 작동하는데 중요한 역할을 수행 하고 있다. 비록, 한국과 독일이 여러 환경적 차이가 있어 독일 경험이 정책 조언으로 바로 연결되기는 쉽지 않지만 경직된 경자유전에 대한 변화가 필요하며 2030세대 농업인 지원정책 등은 보다 미래 경쟁력을 담보할 적절한 조치로 판단되어졌다.

Key words : 농지관리기구, 농지시장, 농업구조개선, 경자유전, 농업경쟁력, 농지유동화

I. Objective and approach of the study

The aim of this study is to compare farmland management corporations in Korea and Germany and to identify differences and their underlying causes. Based on the findings of the comparison measures with respect on an improvement of the functionality of the Korean farmland management system are to be derived.

The comparisons of land management corporations in Korea and Germany are performed by study of literature and statistics and by expert interviews.

II. Organization and tasks of LSG

1. Organization of LSG

In Germany, land management and settlement corporations (Landgesellschaften and Landsiedlungsgesellschaften - LSG) are originally based on the Imperial Settlement Act (Reichssiedlungsgesetz - RSG) from the year 1919. These are corporations where the majority of the capital is indirectly or directly held by the state. They shall contribute to the implementation of state policies for rural development and therefore they are under the technical control of the responsible state ministry (BLG, 2013).

The LSG are limited liability enterprises and institutions of the states for the improvement of the agricultural structure and the development of rural areas. LSG act as non-profit organizations in planning, financing and implementation of state measures aiming at improving the structure of agriculture and rural development. The LSG are practically engaged in almost all areas from planning over finance to the execution measures aimed at improving

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agricultural structure. They work in close coordination with the responsible state agencies and public authorities.

The LSG dispose of a network of subsidiaries, outposts and offices, whose organization is often quite similar to structures of the public administration. This secures a comprehensive service in all rural areas. There are nine rural development corporations in the 13 German territorial states (see figure 8). The states without a LSG (e.g. North Rhine-Westphalia) authorize their chambers of agriculture with a great deal of the respective tasks. The non-profit rural development corporations (LSG) are headed by the Federal Union of the LSG which represents the LSG on the national and international level and organizes common interests of the LSG. The Federal Union of the LSG is currently lead by a very active and cross-linked director, and thus has a strong influence in policy-making.



Figure 1. The non-profit rural development corporations (LSG) in Germany

For their activities in the common interest, the LSG receive a capital base from the states which normally has the form of cash but in some states also the form of land contribution. Additionally, the LSG with their activities in

the common interest are exempted from corporation income tax. The tax exemption also includes the execution of measures for settlement, the improvement of agricultural structure and land development in rural areas.

All LSG together occupy 916 workers (full-time equivalent) whereupon the volume among the 'Laender' varies between 28 and 237. The land stock of the LSG in Germany amounts to 62,000 ha (range from 84 to 28,150 ha). The turnover in 2012 added up to about 260 million EUR. Equity capital according to the trade accounts reached 366 million EUR (end of 2010) and the nominal capital is 63 million EUR.

On the European level there is an organisation called European Association for Rural Development Institutions (AEIAR). AEIAR unifies 24 agencies and institution from 11 EU Member States. The members are partly involved in the execution of regulatory and subsidy mission by the Member States and partly in implementing official missions on behalf of the Member States, or they supplement state administrations by their activities (AEIAR, 2013). The land management and land consolidation instruments deployed by AEIAR members shall contribute to a significant degree to reducing or solving land use conflicts, which may arise from varying claims on use of agricultural and natural land. AEIAR members shall seek to make a more marked contribution to reducing infrastructural and building claims on agricultural and natural land with their instruments and in the context of their activities (AEIAR, 2013).

2. Major tasks of LSG

the administration for agriculture and rural As development tends to be municipalized expert knowledge will be successively reduced in these areas. The LSG with their services supplements supply of the public administration. In selected fields they also act on behalf of the public administration. With their flexible service supply and reliability, the LSG could establish as comprehensive development companies for rural areas. The different structural situation in the states and regions is reflected in the orientation and focus of the relevant LSG. Advancing reforms of public administration and the increasing weight of public-private-partnerships in financing projects are additional push factors for service institutions like the LSG. But LSG is not the only suppliers in the respective service zones. There are also private companies and organizations which are approved by the state and are competitive on the market (North German farming community, Agricultural chambers, etc.).

Since 1990, an integrated and multi-sectoral approach to rural development has gained importance. Rural development and the accompanying support programs need a professional implementation to be successful, i.e. sustainable and efficient. The non-profit associations LSG offer their competencies to the state as well as to private actors in order to carry out public support and regulatory measures for rural development.

At present, LSG contributes to the implementation of rural development programs (RDP) which have to be designed under specific regulations of the European Union (EU) if the member states intend to use the vast EU-funds for agricultural and rural development. The most prominent funds or regulations in this respect are the European Regional Development Fund (ERDF) and the European Agricultural for Rural Development (EAFRD). The precise task formulation and the common public interest are laid down in the respective statutes of the LSG. The LSG are especially engaged in the following tasks:

- · Supervision of single farm investments
- Planning, location management and approving management for investment projects
- · Realization of land consolidation measures
- Services supporting contract-based nature protection
 and conservation
- Village and regional development: preparation and realization of plans for the development of rural and communal development including integrated regional concepts and integrated urban development

· Regional management, support of local action groups

For all these tasks the staff of the LSG consists of experts for managerial, constructional, process engineering and energy-specific solutions in farming businesses as well as for asset valuation, nature protection, landscaping, regional planning etc.

The tasks of the LSG have undergone a significant change. The development can be divided into the following four periods (table 1) :

1) Results in phase 1 (1950-1972):

- 60,000 farms bought farmland for "area extension"

(ø 3-4 ha)

- 13,400 re-settlements (moving farms out of the village) with 7,100 farms buying additional farmland (ø 5 ha)
- LSG provided ca. 227,000 ha farmland (by purchase) for the farmers without fees for the land management.
- Land consolidation:
- Field change between owners (i.e., neighboring fields, change of ownership, new cadaster)
- "Easy" consolidation program (i.e., combining fields in a part of the community)
- Traditional land consolidation (i.e., combining fields and new infrastructure like ways, hydraulic system)
- · 1,200 cases of farmland change with ca. 10,000 ha
- 1,550 cases of farmland change with ways and hydraulic measures, ca. 170,000 ha

2) Results in phase 2 and 3 (West Germany, 1973–2009):

- 18,200 cases of integrating house and garden
- Area extension (1971-1990):
- 14,597 cases with a total of 73,765 ha (ø 5 ha); thereof were 3,300 re-settlement farms
- · 854 cases in grassland regions
- Area extension (1990-2009):
- 2,550 cases in measures for farm development with ca. 14,500 ha (ø 5-6 ha);
- Land Consolidation (1973-2009):
- · 6,500 cases of farmland change (82,000 ha)
- 800 cases of farmland change with ways and hydraulic measures (375,000 ha)
- Public support of the management covers 75 to 90 % (1,000 to 2,000 EUR per ha)

3) Results in phase 4 (East Germany, 1990-2009)

- Ca. 1.2 million ha of farmland (out of a total of 6 million ha) had to be privatized.
- After a long struggle between different stakeholders and parties in the Federal Parliament (Bundestag) about the formalities of land privatization in East Germany, a regulation was adopted which set the rules for the advantaged purchases or compensation payments for formerly expropriated landowners (during 1945-1949, when Soviet Union occupied East Germany).

- From 1992 to 2010, 644,100 ha of state land were privatized by the government (via a state owned agency). 389,100 ha were sold at a price discount of 75 % from the market prices and about 255,000 ha were sold at market prices.
- Since EU-Commission stopped sales at that large reduced prices for a distortion of competition in 1998, and following the requirement of the EU-Commission the price discount was reduced to 25 % of the market

prices. The advantaged purchase of farmland for formerly expropriated landowners was stopped in 2009 due to demands of the EU-Commission.

- Beginning in 2007, the state agency sells the remainder of the state farmland via auctions or directly to the current cultivator at market prices.

Table 1. Four periods of development in LSG tasks in Germany

Periods	Objectives	Measures	Comment		
1950-1972	Integration of refugees and displaced persons ; farm growth/area extension	Public loans (0% / 2% interest / amortization) ; public loans (1% /3% interest / amortization)	Distribution of land and safeguarding of nutrition was most urgent in the beginning		
1973-1990	Farm growth by leasehold ; improve farmland structure ; re-settlement	Land consolidation ; support for purchase of farmland (esp. grassland (1973-1981)), investment support	Many farms had to move out of the village in order to survive and to develop		
1991-2009	East Germany ; establishment of new farms; modernization of existing holdings	Access to farmland at reduced prices ; comprehensive investment support	The unification of Germany brought about an enormous investment backlog		
Since 2010	Competitiveness of the farm sector ; public goods (e.g. animal welfare)	Investment support, additional support for public goods	No public support for farmland purchase		

Source : Goetz (2013)

A targeted acquirement of land often requires an own stock of land for an exchange of plots. The LSG are well suitable for land management since they possess the necessary land stock and have the experience and contact both with the involved persons and the responsible administrative bodies. Thus they can help to carry out infrastructure projects, land consolidation projects and rural development by solving land use conflicts. Currently, the German LSG disposes of the following fund of land ;

- 62,000 ha of own business and trust transaction
- 130,000 ha land administration inclusive commission transaction
- 11,800 ha per year transaction inclusive commission transaction

Based on different structural conditions in agriculture, in non-agricultural sectors and landscapes, the 'Laender' partly pursue differing political goals and use different instruments in order to achieve them. The common instruments for land consolidation are regulated in the land consolidation act. (Land Consolidation Act);

- Comprehensive land consolidation according to § 1 Land Consolidation Act
- Simplified approaches to land consolidation according to § 86 Land Consolidation Act
- Accelerated land consolidation according to § 91 Land Consolidation Act
- Voluntary land exchange according to § 103 Land Consolidation Act
- Voluntary exchange of land use

The voluntary exchange of land use is the easiest and fastest approach to consolidate plots between land users and is predominantly performed in southern states where the parcels are comparatively small (KTBL, 2007). The most comprehensive approach is land consolidation according to § 86 FlurbG which can take even more than ten years and can even comprise new infrastructure. Each of these instruments has its own field of application and specific attributes (table 2) :

Attribute	Regular land consolidation	Voluntary land use exchange	Common land cultivation	Exchange of land use	
Initiator	Responsible authority for land consolidation	Normally the cultivators	Normally the cultivators	One or two cultivators	
Participants	Stakeholder community	Owners and cultivators	Cultivators (and -if so- owners)	Cultivators (and -if so- owners)	
Participation	By order	Voluntary	Voluntary	Voluntary	
Coverage	One or more communities or parts or of that	Normally a local subdistrict or more	Neighboring lots	Single lots	
Consideration of pathways plans	Yes (normally)	Yes (normally)	No (normally)	No (normally)	
Change of ownership	Yes	No	No	No	
Cultivation	Separate	Separate	Common machinery	Separate	
Additional costs for machinery	No	No	Yes (regularly)	No	
State support	Up to 85%	Moderation up to 100%, lessor<= 200 EUR/ha	No	No	
Duration of the process	1 to more than 10 years	0.5 to 1 year	Until now little experience	Short-term	
Reversibility	No	After lease contracts end	Yes	Yes	

Table 2. Common approaches for improvement of land cultivation in Germany

Source : KTBL (2007)

The common cultivation of small parcels of land offers in naturally and structurally disadvantaged regions an opportunity to cultivate larger fields with a cost efficient machinery. The GPS technology provides the technique to capture costs and returns per small plot and assign them to the specific land owner.

III. Organization and tasks of KRC

1. Organization of KRC

In Kore, Korea Rural Community Corporation(KRC) is a quasi-governmental institution under the auspices of the Ministry for Agriculture, Food and Rural Affairs. Policy objectives as well as instruments to achieve these objectives are set by the government. Implementation and management of projects designed by the government are carried by KRC. KRC was established by the Korea Rural Community Corporation and Land Management Fund Act with about 3.5 billion EUR (5 trillion won) capital investment by the government. The purposes of the establishment of KRC and installment of the farmland management fund are to contribute to the increase of the agricultural productivity and the socio-economic development in rural areas by implementing agricultural infrastructure projects and farmland bank projects and by promoting comprehensive management of agricultural infrastructure facilities and optimizing farmer's farming scale.

The farmland bank project (starting in 2005) is a non-profit fund loan business managed by national fund. Therefore KRC shall return profits from the farmland bank project to the fund and shall request the government that losses from the project to be proceeded as the fiscal loss. The profits could occur in the process of implementing the project through a surplus from sale or lease and the rental fee. And the government shall give the expenses from the project to KRC through the land management fund.

The Korean government has established a farmland ledger system and a farm manager registration program to ascertain the actual conditions of ownership and utilization of the farmland. But the government has not given KRC free access to this system because of the law relating to individual information protection. KRC is only allowed a restrictive use of the system within a formal requesting process when it needs statistical data and for follow-up controls. Because KRC lacks access to an efficient information system, this often leads to a shortage of local workforce who shall implement several projects (e.g. identify eligible applicants). KRC has only limited autonomy for applying the business enforcement rule differently, establishing the scope of budget and considering local characteristics (such as the level of farmland price, types of farmland, quality of farm management etc.) in the project design.

In order to contribute to the achievement of the legally fixed goals, KRC is exempted from taxation or subject to reduced taxation with respect to several taxes occurring in the process of real estate mobilization. The rationale for this is that KRC is a quasi-governmental institution and the mobilization of real estate is a government policy enforcement project. In addition, ownership of all the farmland acquired by farmland sales business is consecutively transferred to farmers. Additionally, taxes on farmland and farmland transfer are taxed specifically in order to increase farmland mobility and the competitiveness of the agricultural sector. But in case of farmland bank project (starting in 2005), KRC shall be levied special rural development tax (20/100 of the amount of reduction or exemption of income tax, acquisition tax, registration & license tax), property tax (farm recovery support business: reduced by 50/100, stockpiling business: applied basic tax rate) and local education tax (applied same way of reduction or exemption for property tax).

Similar to the central government, KRC controls lots of projects all over the country through its regional subsidiaries. The organizational and management structure of KRC is basically hierarchical and bureaucratic. The location and size of regional organizations shall be determined individually by considering the amount of the project budget, the object, subject etc. But the business operation methods, procedures and contents are equally applied all over the country.

Statutory KRC shall comprise one head office, 4 institutes, 9 regional headquarters, 93 district offices, and 8 special project offices. The head office is located in Naju-Si and comprises special offices handling several projects with regard to planning and budgeting. Regional offices exist in 93 cities and comprise between 4 and 10 teams(more small unit), group or field operation offices

whose task is to implement projects.

2. Major tasks of KRC

Farmland Bank's most important purpose is to contribute to the political targets regarding number of farms, size of farms (e.g., within the "Farm Size Increasing Project" 70,000 professional full-time rice farms with 6 ha until 2013; 24,000 orchard farms with 1.5 ha till 2017). Moreover it has to promote the improvement of agricultural structure (land mobilization) and to stabilize the farmland market. The political objectives are fixed in multiannual governmental plans (e.g., the agricultural and rural development plans). In 1995, following the Uruguay Round Agreement of 1994, the Korean Agricultural Ministry started a support program of professional full-time agricultural enterprises for rice farming. The rice farms related goal set for 2013 seems to be almost exactly achieved by 2013 (table 3).

The KRC carries out farmland sale and lease projects for farmers to strengthen their agricultural competitiveness through the increase of farm size. The total lease area from 2003 to 2012 is as follows: a) field or rice field lease: 42,034 ha; (b) orchard lease: 840 ha; (c) entrusted farmland lease (starting in 2005): 57,892 ha (see figure 13). While for the cases (a) and (b) there are government funds like in other farmland bank projects. In the case of the farmland lease entrust business the KRC manages the business by annual entrust fees which is levied from the owner of the entrusted farmland and deducted from annual lease fee which is levied from the farmer before transferring it to the owner (table 4).

Despite KRC acquires farmland through several projects/businesses (farmland bank business, farmland sales business, farmland purchase for farm recovery support business and farmland stockpiling business) it does not own a larger amount of land. Nearly all ownership of the farmland acquired by the farmland sales business is transferred to farmers almost simultaneous with the acquisition of the farmland in order to prevent the illegal diversion of public fund. As for the farmland acquired by the farm recovery support business the respective farmer is guaranteed the right to repurchase the farmland during the period of the leasehold. Therefore only the farmland relinquished and the farmland acquired by stockpiling business is owned by KRC (table 5).

IV. Conclusions

In the next 10 years, an increase of partition of ownership of farmland caused by the insecurity of farming succession and a rapidly aging workforce in rural districts seem to be a massive problem for the farmland market a sustainable agricultural production. Without a specific measure like the support of farmland sales or farmland inheritance the cultivation of a considerable share of land will be fairly vulnerable because (young) farmers cannot afford to buy expensive farmland by their own efforts. Most of them will be obliged to cultivate farmland on rental base since a great deal of the farmland belongs to the non-farmers due to inheritance.

On the other side, the general weak structure of the

Table 3. The trend of the policy achievement of the farm size increasing project (2006-2015)

	Unit	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total rice cultivating area (A)	1,000ha	955	950	936	924	892	853	849	833	816	800
Rice cultivating area ofthesupportedrice farmers (B)	1,000ha	312	326	336	347	361	379	393	416	419	423
B/A	%	33	34	36	38	40	44	46	50	51	53
Rice cultivating area per farm household	%	4.4	4.6	4.8	5.0	5.2	5.4	5.6	5.9	6.0	6.2

Source : Wonjong Jo (2016), Report of KRC (various years)

Table 4. The trend of the farmland lease in Korea (2006-2014)

Unit	2006	2007	2008	2009	2010	2011	2012	2013	2014
1,000ha	1,800	1,782	1,759	1,737	1,715	1,698	1,730	1,711	1,691
1,000ha	774	763	756	797	821	803	826	856	844
1,000ha	10	9	8	19	11	13	12	12	12
%	43.0	42.8	43.0	45.9	47.9	47.3	47.7	50.0	49.9
%	0.6	0.5	0.5	1.1	0.6	0.8	0.7	0.7	0.7
%	1.3	1.2	1.1	2.4	1.3	1.6	1.5	1.4	1.4
	1,000ha 1,000ha 1,000ha % %	1,000ha 1,800 1,000ha 774 1,000ha 10 % 43.0 % 0.6	1,000ha 1,800 1,782 1,000ha 774 763 1,000ha 10 9 % 43.0 42.8 % 0.6 0.5	1,000ha 1,800 1,782 1,759 1,000ha 774 763 756 1,000ha 10 9 8 % 43.0 42.8 43.0 % 0.6 0.5 0.5	1,000ha 1,800 1,782 1,759 1,737 1,000ha 774 763 756 797 1,000ha 10 9 8 19 % 43.0 42.8 43.0 45.9 % 0.6 0.5 0.5 1.1	1,000ha 1,800 1,782 1,759 1,737 1,715 1,000ha 774 763 756 797 821 1,000ha 10 9 8 19 11 % 43.0 42.8 43.0 45.9 47.9 % 0.6 0.5 0.5 1.1 0.6	1,000ha 1,800 1,782 1,759 1,737 1,715 1,698 1,000ha 774 763 756 797 821 803 1,000ha 10 9 8 19 11 13 % 43.0 42.8 43.0 45.9 47.9 47.3 % 0.6 0.5 0.5 1.1 0.6 0.8	1,000ha 1,800 1,782 1,759 1,737 1,715 1,698 1,730 1,000ha 774 763 756 797 821 803 826 1,000ha 10 9 8 19 11 13 12 % 43.0 42.8 43.0 45.9 47.9 47.3 47.7 % 0.6 0.5 0.5 1.1 0.6 0.8 0.7	1,000ha 1,800 1,782 1,759 1,737 1,715 1,698 1,730 1,711 1,000ha 774 763 756 797 821 803 826 856 1,000ha 10 9 8 19 11 13 12 12 % 43.0 42.8 43.0 45.9 47.9 47.3 47.7 50.0 % 0.6 0.5 0.5 1.1 0.6 0.8 0.7 0.7

Source : Wonjong Jo (2016), Report of KRC (various years)

Table 5. The trend of the farmland sale in Korea (2006-2014)

	Unit	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total farmland area(A)	1,000ha	1,800	1,782	1,759	1,737	1,715	1,698	1,730	1,711	1,691
Total sale area (B)	1,000ha	61	55	53	56	52	53	51	53	58
Farmland bank sale(C)	1,000ha	4.4	3.7	3.8	3.1	3.9	3.7	3.7	3.6	3.0
Ratio (B/A)	%	3.4	3.1	3.0	3.2	3.0	3.1	2.9	3.1	3.4
Ratio (C/A)	%	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Ratio (C/B)	%	7.2	6.7	7.2	5.5	7.5	7.0	7.3	6.8	5.2

Source : Wonjong Jo (2016), Report of KRC (various years)

Korean agricultural sector will contribute to the decreasing competitiveness of the sector which will be aggravated by the reduction of agricultural subsidies enforced by international negotiations (Doha trade-negotiation of the World Trade Organization). The income of farmers is decreasing due to the rising prices of raw materials and the decline of farmland area. The rice price is predicted to drop in the mid- and long-term since the internal Korean rice market has to be further liberalized and there is large supply of rice on the world rice market.

The Korean land tax system as well as the measures to mobilize land and to provide social security for farm households which wish to abandon farming is overly complex. The 'land-to-the-tiller' seems to be a major obstacle for an effective land market and misleads to 'illegal' behavior. Land prices are exorbitantly high but a sharp decrease in land prices would harm many farmers who are indebted and use land as security collateral.

In order to overcome the described obstacles it seems to be necessary that KRC gets full access to the farmland information system which is managed by the government. In addition KRC should be better involved in the formulation of the farmland utilization plans established by the responsible local government. And furthermore KRC should receive more autonomy for project planning and management. With these institutional improvements it should be possible for KRC to better consider the local characteristics within the farmland bank project which should lead to a more efficient implementation of the project.

Therefore it seems to be necessary to adjust or introduce the following measures :

- The 'land-to-the-tiller' principle should be relaxed so as to make provisions for a free rental land market. The lease contract should be long-term in order to provide planning reliability for investors and especially young and growth oriented farmers.
- In order to improve productivity consulting services shall be extended in a way that even non-competitive farmers will make demands on it.
- In Korean agriculture, there should be a transformation of the agricultural structure policy away from the focus on individual farm size growth towards organization and support of region-unit farming enterprises. The latter arises from the fact that farm succession is insecure in

many cases and the workforce in rural districts is rapidly aging.

- There should be more effective land management tools like a well-working registration system for farmland transactions and leases and a scheme with preemptive rights for the KRC similar to that in Germany (which however needs transparency and acceptance among stakeholders).
- The farmland exchange among farmers, partitioning or merging businesses should be speeded up and supported.
 Farmland should primarily be commonly cultivated ("collective farms") and it should not be tried to increase single farms' sizes.

Due to the vast differences in historical experiences and social, legal, political, structural and economic environment it is not admissible to simply transfer institutional solutions Isolated from one country to another. legal recommendations without recognition of the relevant environment can result in negative impacts even if the logic of the proposal seems straightforward. Therefore one would be well advised not to recommend simplistic solutions for the transfer of the German land market regulations to the Korean situation.

But some basic German experiences seem to be suitable for further consideration by Korea:

- The complex system of land taxation and promotion schemes shall be eased in order to get more acceptance and to become more effective.
- The vast illegality in the ownership of the Korean farmland due to the basic principle "farmland to the tiller" has to be solved. There should be an acceptable approach to transfer "illegal" land into legality, e.g. by paying a special one-time fee.
- Speculation with farmland has to be reduced. The lack of a transparent farmland market and the enormous amounts for diverted farmland lead to a relatively high ratio of idle land and impedes an efficient land market. Land use and construction planning should more reflect the scarce farmland share and the small degree of self-sufficiency in the area of food.
- Land lease should become the major means of expanding a farm, since farmers cannot afford the current farmland prices.
- Farmers should be supported through education, advisory services and investment subsidies. Without the

perspective of a profitable farm return there will be no sufficient investments by young farmers. But it is not only the farming conditions that are relevant for investments, also the conditions of living in the peripheral regions have to improve (school, basic services, etc.).

- LSG in Germany are seen as important, professional and successful actors in farmland management and rural development. One major reason for that is their status as quasi-private and flexible institution without a strong profit orientation.
- The "2030 generation farmer" project is a reasonable answer to the fact that young farmers must have better perspectives as to maintain and develop full-time farms.

This study is excerpted from an international collaborative research results promoted by Research Agreement and Technical Support between Rural Research Institute of KRC(Korea) and Thünen-Institute of Farm Economics(Germany) in 2013

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 - Received 25 March 2016
 - First Revised 19 May 2016
 - Finally Revised 30 May 2016
 - Accepted 30 May 2016