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# Legislation on Rural Modernization : A Brief Account



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Ministry of Government Legislation



Ministry for Food, Agriculture,  
Forestry and Fisheries

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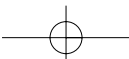
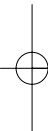
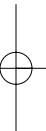
# Legislation on Rural Modernization : A Brief Account



Ministry of Government Legislation



Ministry for Food, Agriculture,  
Forestry and Fisheries



Legislation on Rural Modernization: A Brief Account

**Foreword**

The Ministry of Government Legislation hosted the 1st Asian Forum of Legislative Information Affairs on November 10, 2011 with the aim of facilitating the legislative exchange and cooperation for the co-development and advancement across Asia, and host again the 2nd Asian Forum of Legislative Information Affairs in June, 2012.

The 2<sup>nd</sup> AFOLIA is an international forum where principal issues and challenges that many Asian countries need to tackle to become developed countries are addressed. Key agendas of thematic sessions are carefully selected in order to promote the vibrant exchanges of legislation information and boost interest in the Forum. One of those themes is Korea's agricultural modernization whose contents are included in this book.

This book was organized through the analysis of legislation related to the modernization of rural areas after Korea was freed from Japanese occupation on August 15, 1945. We wrote the main points and meanings of representative legislation that relates to different stages that are divided into the following: Korea's agricultural modernization legislation modern land property relations establishment stage, agricultural infrastructure

maintenance, agricultural production technology development phase, and farming system of commercial and industrial agriculture stage.

Thus, this book will help to deepen the understanding of Korea's agricultural and rural modernization process and other various related aspects. We also hope that this book will be great help in enriching and developing the agricultural sector across Asia.

Going forward, the Ministry of Government Legislation will continue to be committed to ensuring a happy and prosperous Asia through vigorous legislative exchange with Asian countries across various areas. Thank you.

June 2012

**Minister of Government Legislation**  
**Jeong Sun-tae**

Legislation on Rural Modernization: A Brief Account

# 발 간 사

법제처는 아시아 국가의 공동발전과 선진화를 위한 법제정보의 교류·협력을 위하여 2011년 11월 10일 제1회 아시아법제포럼을 개최한 바 있고, 이번 6월 27일에는 작년에 이어 두 번째로 아시아법제포럼을 개최하게 되었습니다.

이번에 개최되는 아시아법제포럼은 아시아 국가들이 개발도상국 단계를 넘어 선진국으로 진입하기 위하여 필요한 당면과제를 논의하는 국제회의입니다. 이번 회의에서는 참여 국가들 사이에 보다 폭 넓은 법제교류의 장이 되도록 다양하고 관심을 끌 수 있는 주제를 선정하여 여러 분과회의를 개최하게 되었습니다. 그 중 하나로 한국의 농촌근대화 법제에 관한 분과회의를 개최하면서 이 자료집을 마련하게 되었습니다.

이 자료집은 대한민국이 일제 강점기에서 벗어난 1945년 8월 15일 이후 한국 농촌이 근대화되고 발전된 모습을 관련 법제 분석을 통해 정리한 것입니다. 이를 위해서 한국의 농촌 근대화 법제를 근대적 토지소유 관계 확립 단계, 농업기반시설 정비 및 농업생산 기술 개발단계, 상업적 및 기업농의 영농체제 확립 단계로 나누어 각 단계별로 관련되는 대표적인 법률의 주요 내용과 그 의미를 서술하였습니다.

아무쪼록 이 자료집이 한국의 농업 및 농촌의 근대화 과정과 그 내용을 다양한 측면에서 이해하는데 도움이 되고, 아시아 각국의 농업을 발전시키고 농촌을 풍요롭게 만드는데 도움이 되었으면 하는 바램입니다.

앞으로도 법제처는 아시아 각국과 다양한 분야에서 활발한 법제 교류를 통해 보다 행복하고 번영된 아시아가 되도록 하는데 노력할 것을 약속드립니다.

감사합니다.

2012. 6.

법제처장



Legislation on Rural Modernization: A Brief Account

## Congratulatory Message(Foreword)

I would like to extend my wholehearted congratulations for publishing 「Legislation on Rural Modernization: A Brief Account」. In particular, I believe that it is a valuable publication at around the time for the 2nd Asian Forum of Legislative Information Affairs where representatives of legislative institutions and legal professionals in participating nations around Asia gather in one place and discuss effective legislative means under the topic of Toward Co-existence & co-Prosperity in Asia through Advanced Legislation.

Agriculture industry has been acting as the backbone for development of Korean economy since liberation from colonized period. Specifically, agriculture industries had been the core primary industry for national economical development since foundation of the country in 1948 until implementation of 'Five-year economical development plans' in 1960s. Moreover, the agricultural industry had made a significant contribution in achieving self-sufficiency in rice and acted as the main labour supply for the economy during industrialization period,

It is not premature to say that various policies and systematically supporting legislative approaches have formed the foundation for rapid



modernization and advancement of the Korean economy. For instance, immediately after liberation, the Republic of Korea was a typical agrarian nation where 77% of the total population engaged themselves in agriculture for living. The most urgent concern for nationals related to tenant farming which comprised of 86% of national households engaged in agriculture.

The Constituent Assembly and the Parliament had announced the principle of "Gyung-Ja-Yoo-Jeon" which is the principle that the possession right to agricultural lands is restricted to immediate farmers or farming corporations. To activate the principle, the legislative bodies have legislated 「Legislation on innovative farmlands」 in June 1949 which completed the fundamental principles of the legislation.

The experience and effort towards expansion and preservation of agricultural lands to achieve self-sufficiency in rice in later years as well as enactment of many other legislation and supporting legislative reforms have played a pivotal role in achieving rapid economical development over a short period of time. I trust that they are sufficient to become a valuable model for currently developing countries, and will only be extended in future years to come.

On the other hand, as globalization and liberalization are becoming more imminent, securing competitiveness in agricultural industries is only too valuable. Creating new strategies for further growth is only too critical at this point of time. Furthermore, as the number of retirees from the period

of baby-booming era is increasing, and incremental proportion of population are willing to return to towns from city area, I trust that it is an integral time to reflect on the changes made in the last sixty years and create new strategies in planning for brighter future.

Considering domestic and international environments, it is only too valuable to publish 「60 years into Legislation process for Republic of Korea - Legislation on Rural area and Agricultural modernization」which provides comprehensive resources on historical overview for Korean agriculture that grew line with economical development for Korea.

I expect that this document provides not only a thorough understanding for agriculture industries for Republic of Korea but becomes an invaluable asset for industrial and national development of other nations in the Asian region. Additionally, I truly appreciate Minister Jeong Sun-tae and all other related parties who contributed to this publishment.

Thank you.

June 2012

**Minister for Food, Agriculture, Forestry and Fisheries**  
**Suh Kyu-yong**

## Legislation on Rural Modernization: A Brief Account

**축사(발간사)**

『대한민국 법제 60년사: 농촌근대화 법제』의 발간을 진심으로 축하드립니다. 특히 아시아 지역의 문제에 대한 근본적인 해답을 찾기 위해 각국 법제기관 및 법제 전문가 등이 한 자리에 모여 “법제 선진화를 통한 아시아의 공존과 번영”이라는 주제 하에 개최되는 제2회 아시아법제포럼에 즈음하여 이 책자가 발간되는 것은 매우 의미있는 일이라고 생각합니다.

해방 이후 지금까지 농림수산업과 농어촌은 한국경제에 있어 중추적인 역할을 담당해 왔습니다. 특히 1948년 건국 이후부터 정부의 경제개발 5개년 계획이 시작되는 1960년대까지 핵심 1차산업으로서 경제를 견인하였으며, 산업화시기에는 농림수산업은 주곡의 자급달성으로, 그리고 농어촌은 노동력의 공급처로 경제발전에 크게 기여해 왔습니다.

이처럼 농림수산업과 농어촌이 대한민국의 근대화에 크게 기여할 수 있었던 데에는 농림수산업 발전을 위한 각종 정책과 이를 체계적으로 뒷받침하는 법제적 접근이 기초가 되었다고 말할 수 있습니다. 예를 들어 해방 직후 대한민국은 전국민의 77%가 농업인구인 전형적인 농업국가였으며 국가의 발전을 위해서는 전체농가의 86%에 달하는 소작농 문제를 해결하는 것이 가장 중요하였습니다. 제헌의회와 정부는 제헌 헌법에 경자유전(耕者有田)의 원칙을 천명하고 이를 이행하기 위해서

『농지개혁법』을 제정(1949.6월 공포)함으로써 ‘농지개혁을 통한 국가경제발전’이라는 법제의 근본을 완성하게 되었습니다.

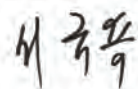
이후 농지 확대와 보전을 통한 주곡 자급 실현, 그리고 농촌 근대화를 위해 추진된 다양한 법령의 제정과 정비를 통해 짧은 기간에 압축적인 성장을 이루어 온 우리의 경험과 노력은 특히 아시아를 비롯한 여러 개발도상국의 경제발전에서 소중한 모델이 되어 왔으며 앞으로도 그러한 역할이 계속 확대되리라 확신합니다.

다른 한편으로, 국제화·개방화가 더욱 확대되는 여건 속에서 어떻게 농림수산 식품 분야의 경쟁력을 확보하고 새로운 성장동력을 만들어 나갈 것이며, 베이비 부머의 은퇴가 본격화되어 과거의 이농(離農)에서 귀농(歸農)·귀촌(歸村)으로 변화되는 시대적 흐름을 어떻게 반영해 나갈 것이냐는 점에서 우리 스스로도 지금까지 지난 60여년간의 변화를 제대로 되짚어보아야 할 중요한 시점이라고 생각합니다.

이러한 국내·외적 상황을 볼 때 한국 경제 발전사와 맥을 같이하는 ‘농촌 근대화’ 과정을 각종 자료 수집과 법제 분석을 통해 정리한 『대한민국 법제 60년사-농촌 근대화 법제』의 발간은 매우 뜻깊은 일이며, 이 책자가 대한민국의 농림 수산 식품 산업과 농어촌에 대한 이해는 물론, 아시아 각국의 국가발전에 큰 도움이 되기를 기대합니다. 마지막으로 동 책자 발간을 위해 다각도로 힘써 오신 정선태 법제처 장님과 관계자 여러분께 깊은 감사를 드립니다. 감사합니다.

2012. 6.

농림수산식품부 장관



Legislation on Rural Modernization: A Brief Account

**Congratulatory Message**

Heartfelt congratulations on your publication of “Legislation on Rural Modernization: A Brief Account.” I believe that it was due to the rapid progress and the support of the enforcement of exemplary agricultural policies that our nation was able to break through difficult times after the relief and proudly rank the world’s 10th-largest economy.

As for the development and distribution of agricultural education and technologies, in 1957, 「Act on Agricultural Instruction」 was established, which allowed researches and testing for agricultural instruction development, and technique education business was also propelled. In 1962, Act on Rural Promotion was established to materialize the agricultural promotion business through testing and research business and instructional business and was able to enforce systematically and efficiently.

Thanks to such legislative support, agricultural promotion business overcame extreme poverty and opened up the era of Green Revolution, providing citizens with safe agricultural products with low prices. The development of Tongilbyuh(Unification Rice), which brought about the era of self-sustenance rice, serves as an example of the admirable success.

In the midst of today’s turbulence of the climate and ecosystem, the importance of agriculture as food security industry is further reinforced and

will clearly expand even more as an employment industry and new-growth engine industry through the help of biotechnological development,

We advocate a sustainable agriculture revolution, and without mentioning Bill gates' opinion on the importance of such investment, from now on, I think that it is time to gather the wisdom of the people for the development of the agricultural sector.

Even our country had a time when food and clothes were all provided with the help of other countries. Now, we have the responsibility as one of the leading countries to lend a helping hand and give back to the international community. I believe that there has to be sufficient legislative support for various cooperative projects, undertaken for current developing countries' agricultural development, to succeed as planned.

In this sense, “Legislation on Rural Modernization: A Brief Account” is a very meaningful publication. Using the footsteps of agriculture and rural community as a stepping stone, I hope that this opportunity renders a turning point for us to leap forward again.

Thank you.

June

2012

**Administrator of Rural Development  
Administration (RDA)**

**Park Hyun-chool**

## Legislation on Rural Modernization: A Brief Account

## 축사

「대한민국 법제 60년사: 농촌근대화 법제」발간을 진심으로 축하드립니다. 우리나라가 해방 이후 어려운 환경을 딛고 오늘날 세계 10위권의 경제대국으로 발돋움 할 수 있었던 것은 농업분야의 비약적인 발전과 모범적인 농촌근대화 과정을 뒷받침 하는 정책들이 법제화되어 지원되었기 때문이라고 생각합니다.

농업관련 교육 및 기술의 개발·보급에 있어서는, 1957년에「농사교도법」이 제정되어 농사의 개량발달을 위한 연구·시험 및 기술교육사업을 본격 추진할 수 있었고, 1962년「농촌진흥법」이 제정되면서 농사교도사업을 시험·연구사업, 지도사업 및 교육·훈련사업으로 보다 구체화하여 이를 체계적·효율적으로 수행할 수 있게 되었습니다.

이러한 법제의 지원으로 농촌진흥사업은 보릿고개를 넘어 녹색혁명의 시대를 열었고, 국민에게 안전한 농산물을 값싸게 공급하는데 기여해 왔습니다. 쌀 자급 시대를 연 통일벼 개발은 그동안의 성과 중 으뜸이라고 할 수 있습니다.

오늘날 기후 및 생태계의 극심한 변화 속에 식량안보산업으로서 농업의 중요성이 더욱 강조되고 있고, 생명공학 기술의 발전에 힘입어 미래에는 고용산업, 새로운

성장동력산업으로서의 역할을 더욱 키워 나가게 될 것입니다. 지속적인 농업 혁명을 주창하고 이에 대한 투자를 강조한 빌 게이츠의 선견을 빌리지 않더라도, 앞으로의 농업 분야 발전에 국민의 지혜를 모아야 할 때라고 생각합니다.

우리나라도 한 때는 먹는 것, 입는 것 모두를 다른 나라 도움으로 해결해야 하던 때가 있었습니다. 이제 우리는 책임 있는 선도국가의 일원으로서 국제사회에 도움의 손길을 되돌려 줄 때입니다. 현재 여러 개발도상국가의 농업발전을 위하여 활발히 전개되고 있는 각종 협력사업이 소기의 결실을 맺도록 법제 차원에서도 충분한 지원이 필요하다고 생각합니다.

이러한 의미에서「대한민국 법제 60년사: 농촌근대화 법제」발간은 매우 뜻 깊은 일입니다. 이를 계기로 우리 농업·농촌이 걸어온 소중한 발자취를 디딤돌 삼아 다시한번 도약 할 수 있는 전기가 마련되기를 기대합니다.

감사합니다.

2012. 6.

농촌진흥청장 **박헌출**



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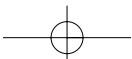
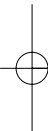
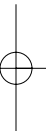
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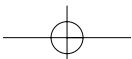
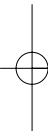
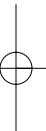
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# Legislation on Rural Modernization : A Brief Account







## I . Meaning of rural modernization

Rural modernization can have a variety of meanings according to how the rural community and its modernization issue are perceived and how researchers look at it. This article defines rural modernization as “establishing the relationship with modern land ownership by eliminating the feudal elements of the rural community” and as increasing agricultural productivity through the development of agricultural production technologies, thereby building a system of commercial and industrial farming.”

The aforementioned concept of rural modernization may be divided into three stages: 1) stage of establishment of the relationship with modern land ownership; 2) stage of increased agricultural productivity through the development of agricultural production technologies, and; 3) stage of establishment of a system of commercial and industrial farming. Conceptually, the process of rural modernization may be divided into such stages; in practice, however, the way each stage of rural modernization is achieved may be mixed and overlapping.

Meanwhile, the major elements of rural modernization may be classified into farmland as the material foundation of agriculture, agricultural infrastructure, agricultural technology to increase productivity, and matters related to the distribution of agricultural products, improvement of varieties, education of farmers, etc.

For convenience, rural modernization may be classified by stage and element as described above; still, it would be correct to say that rural modernization has



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undergone an overlapping process rather than a clearly distinguished process in each stage. There are marked changes in some elements of rural modernization in one stage but none in another. Therefore, concerning rural modernization, it may be more conducive to understanding to explain focusing on the elements that have undergone noticeable changes in each stage.

The primary reason rural modernization is required is that the rural community should be developed and agricultural productivity and efficiency should be increased so that food shortages may be addressed or solved. There is also a need to eliminate the gap between urban and rural areas by eradicating rural poverty for a balanced national economy and to lay the foundation for national development along with rural industrialization and urbanization.

This article seeks to provide assistance to other countries with interest in drafting legislation on rural modernization by looking at the content and meaning of rural modernization legislation enacted in South Korea since its liberation from Japanese occupation on August 15, 1945. For this purpose, this article focuses on introducing the meaning of rural modernization, the laws related to each stage, and their content and meaning.



## II . Establishing the relationship with modern land ownership - farmland reform and expansion

At the time of its liberation from Japanese occupation on August 15, 1945, Korea's industrial structure was characterized by the agricultural sector representing an absolutely large part of the industry as a whole. Farmers made up 77% of the entire population; the proportion of tenant farmers constituted 86% of the 2.06 million farming households, with most of the farmland (material foundation of agriculture) being run by the semi-feudal tenant system. Likewise, the premodern relationship between landowners and tenant farmers, the caste system of the nobility and the common people, and the patriarchal system remained very much alive in the rural community and in the tenant farmers' consciousness. Thus, the issue of overriding importance raised concerning the Korean rural community and agriculture from the US military administration through the Korean War following liberation from Japanese colonial rule was how to initiate land reform.

From the perspective of rural modernization, this issue involved transforming the subjugating and predatory feudal land ownership into an autonomous, independent, and modern land ownership. Even after the farmland reform, farmland expansion, farmland preservation and utilization, comprehensive and systematic management, and utilization of farmland aimed at the more intensive and efficient improvement of land productivity had been performed concurrently with such changes in land ownership. This chapter will explain the aforesaid process of change by looking at the various pieces of legislation on farmland.

## 1. Farmland reform

### A. Background of farmland reform

#### 1) Political background

The US and Soviet troops stationed in Korea following the disarming of Japan partitioned the Korean peninsula into the North and the South for governing purposes; under the influence of the Soviet forces, the North carried out land reform in advance of the South. Note, however, that land reform in the South was aimed at forestalling the support of South Korean residents to North Korea in a period of political chaos brought about by the confrontation between leftists and rightists after liberation from Japanese colonial rule. In March 1946, North Korea instituted land reform based on forfeiture without compensation (approximately 1.325 million ha, 52% of the total arable land in the North) by which land was distributed for free according to ability to work and number of family members.

Meanwhile, in the South, various land reform initiatives were proposed by many political groups. Leftist groups such as Shinmin Party and Korean Workers' Party organized a general federation of national farmers' cooperatives in December 1945 and carried on a struggle for the distribution of former Japanese-owned lands, submitting in February 1947 a land reform bill containing proposals for forfeiture without compensation and free distribution to the US military administration authorities. On the other hand, the Korea Democratic Party (a party of conservative inclination consisting of the landed class, pro-Japanese high-ranking officials, etc.) proposed in 1946 a plan for forfeiture and distribution with compensation that maintains the basic framework of the private property system in order for landowners to be able to turn into capitalists.

Amid the various types of land reform plans proposed by the aforementioned

political groups, the US military administration governing the South under trusteeship implemented a land reform policy as part of its strategies to maintain capitalism and to defend against communism by stabilizing South Korean society. The US military administration authorities promulgated the determination of the maximum allowable farm rent (No. 9 of the US military administration ordinance, October 5, 1945), restricting the amount representing 60~80% of the total crops to 1/3 and managing the former Japanese-owned farmlands as state-vested farmlands through Shinhan Corporation as medium. To counter the communist and radical forces affected by the North's farmland reform, the administration authorities initiated the first farmland reform by selling about 260,000 ha out of a total of 320,000 ha state-vested farmlands by September 1948 (farmers who received less than 2 ha of the farmland were to repay it in installments for 15 years in the amount equal to 3 times the average crop).

Such policy of the US military administration on state-vested property management and distribution became a model for the Korean government to distribute landowners' farmlands; thereafter, the US military administration authorities strongly asked the Syngman Rhee's separate government to institute land reform; note, however, that reform of the farmlands owned by Korean landowners was delayed until March 1950, partly due to the fact that landowners had the upper hand in the Korean Establishment Preparation Board and the National People's Congress, thereby raising fears that they might gain substantial leverage in the process of farmland reform. Nonetheless, Syngman Rhee's government needed capital formation to build an anti-communist system, establish a free democratic regime, and spur the capitalist industrial development, for which it emphasized farmland reform as basic agenda for action and appointed a liberal politician as the

first competent minister responsible for the agricultural sector<sup>1)</sup> to implement farmland reform

2) Economic background

Shortly after independence from Japan in 1945, Korea was a typical agrarian state with 77% of the total population engaged in farming; the total arable land of the South was 2.32 million ha, 1.47 million ha (64.2%) of which was landowners' land, and 850,000 ha of which was farmers' proprietary land. Nonetheless, agricultural productivity was hampered because landowners had control over surplus labor. As such, pending issues for the government included reforming feudalistic farmland first to establish a stable pattern of farmland ownership aimed at stabilizing the agricultural sector and the rural community that formed the pillar of the structure of the industrial economy, thereby preventing severe food shortages and intensifying the will of the farmers to increase production by freeing them from tenant farming; thus ensuring their economic stability and income.

**B. Farmland reform act and its legislation process**

1) Farmland reform by the US military administration

Following the fall of the Japanese empire on August 15, 1945, the United States stationed its troops in the South and had effective control over it from September 8, 1945 to August 15, 1948 when a separate South Korean government was established. The US military administration authorities prepared a farmland reform bill in September 1947 and submitted it to the South Korean Transitional Legislative Assembly; with the proclamation of the Ordinance on the Sale of State-

1) Minister of Agriculture and Forestry(1948-1960); Minister of Agriculture, Forestry and Fisheries(1960-1993)



vested Farmland (No. 173 of the Ordinance of the Military Administration, March 22, 1948), however, it distributed Japanese-owned farmlands that had been under Shinhan Corporation's management and introduced a 3:1 tenant farming system that limited farm rent to 1/3 of annual crops to lower the high farm rent. With the revenue of farm rent obtained from farmers (25% of all farmers) who leased Japanese-owned, state-vested lands lawfully managed by Shinhan Corporation, the US military administration also had the opportunity to procure its administrative funds.

## 2) After the establishment of the South Korean government

On July 17, 1948, the constitution of the Republic of Korea was enacted and promulgated; this was followed by the establishment of the South Korean government on August 15, 1948. Article 86 of the first written constitution stipulates that "farmland shall be distributed to farmers, with the distribution method, content of, and limit on ownership to be prescribed by law"; thus elucidating what is called the principle of "cultivators deserving paddies." To implement this principle, a farmland reform act was enacted. The main issues raised during the legislation process were the farmland compensation price for landowners, the repayment price for the land distributed to tenant farmers, and the upper limit on farmland ownership, etc.

First, the case of farmland compensation price for landowners led to a confrontation between the government and the national assembly, with the former proposing twice the annual crops and the latter suggesting thrice as much; this was in effect more favorable to landowners. Nonetheless, both agreed that compensation should be made by providing 150% of the annual crops in installments for 5 years, taking into account the fact that the price of tenant farmland at that time was about 70% of proprietary farmland and the price of proprietary farmland was about

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200% ~ 250% of the annual crops. In the case of the repayment price for the farmland distributed to tenant farmers, they decided that 125% of the annual crops should be repaid in installments for 5 years; this left the government to make up for the resulting 25% difference between compensation and repayment amount. Moreover, with respect to the upper limit on farmland ownership, it was determined, by vote on the proposal for 2 ha or 3 ha per farming household, that 3 ha per farming household should be permitted. This decision took into account the need to divert the surplus rural population to other industrial sectors by raising the upper limit on ownership because, at that time, the farming population was excessively large. The farmland reform bill wherein the limit on farmland for distribution and the price of farmland for repayment were determined passed the plenary meeting of the national assembly on April 29, 1949, and it was sent to the government; nonetheless, the government exercised its power to veto the bill and sent it back to the national assembly because it could not obtain the financial resources to pay the 25% difference between the compensation price and the repayment price of the farmland to be subsidized by the government, and because it could not secure 30% of the farmland price that was supposed to go to small farmers due to its poor financial conditions. Note, however, that the national assembly passed it again; consequently, the government promulgated the farmland reform act on June 21, 1949.

Nevertheless, the government submitted to the national assembly on July 7, 1949 an amended bill whose main point was to make the farmland repayment price borne by farmers the same as the landowner compensation price, i.e., 150%. As a consequence, the amended Farmland Reform Act promulgated on March 10, 1950 repealed the compensation plan for small farmers to which the government raised objections in its initial enactment and made the compensation price and the



repayment price the same; thus eliminating the additional burden arising from farmland reform of the government. Subsequently, the Enforcement Decree of the Farmland Act as a subordinate act was promulgated on March 25, 1950, followed by the promulgation of its Enforcement Rules on March 28, 1950, thereby completing the legislation for farmland reform.

### C. Content and enforcement of the Farmland Reform Act

#### 1) Main content of the Farmland Reform Act

The main content of the Farmland Reform Act enacted on June 21, 1949 as Law No. 31 prescribed that the purpose of farmland reform should be to distribute farmlands optimally to farmers to increase the economic self-sufficiency of farming households and agricultural productivity, thereby ensuring farmers' standards of living and the balanced development of the national economy.

It also stipulated that farmlands subject to reform should be dry fields · paddies · orchards · miscellaneous lands, and other lands actually used for cultivation despite the legal land category, and that ponds or marshes, farm roads, waterways, etc., should be attached to the farmland in question.

Concerning the farmlands forfeited or state-owned by legally binding treaties or those whose titles of ownership were uncertain, the act prescribed that they should be reverted to the government without any compensation.

As for the other stipulations, farmlands for government purchase should be those owned by non-farming households rather than cultivated by landowners themselves, and farmlands owned by those who temporarily gave up farming for reasons of disease, official duties, school enrollment, etc., should be deferred by the



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Do governor until a specified time limit with the consent of the Farmland Committee in the area where the farmland in question was located. The farmlands excluded from the target of purchase were as follows:

- ① Total area of less than 3 ha of proprietary farmland per farm household that cultivated or ran it (except farmlands in government-recognized special areas such as highlands, mountain regions, etc.);
- ② Self-managed orchards, nursery gardens, mulberry plantations, and other farmlands where perennial crops were cultivated;
- ③ Farmland with area of less than 500 pyeong (about 1652.5 m<sup>2</sup>) cultivated by a non-farming household in the form of small-scale household gardening;
- ④ Farmland whose purpose of use was recognized by the government to have been changed in favor of government agencies, public organizations, educational institutions, etc.;
- ⑤ Farmlands owned by officially recognized schools, religious organizations, welfare agencies within the scope of self-managed farming (lands owned by educational foundations were purchased according to separately established rules);
- ⑥ Farmlands used for special purposes such as scientific studies, research, etc., within the bounds of government authorization;
- ⑦ Existing graveyard for which farm rent did not use to be levied to protect the grave, and;
- ⑧ Incompletely developed and reclaimed farmlands and farmlands developed or reclaimed after the enforcement of this Act.

The act also stipulated that farmlands purchased by the government should be distributed to self-managed farming households under a separate act in the following order, but that its total managed area should not exceed 3 ha: ① The farming household currently cultivating the farmland in question; ② The farming household that cultivates a small farmland relative to its cultivation capability; ③ The bereaved family of a patriotic martyr and with experience in agricultural management; ④ The hired farming household with farming capability, and; ⑤ The farming household



that returned from abroad.

Meanwhile, the act determined that, regarding the price of repayment for the distributed farmland, an amount corresponding to 125% of the output of the main crops from the farmland in question should be repaid in installments for 5 years, grain or payment corresponding to the main crops should be paid to the government, and lump sum repayment or adjustment of the repayment period should be allowed according to the preference of the farming household and reasons acceptable to the government. For the distributed farmland, the act further prescribed that ① the sale, gift, and other ownership disposition and ② the establishment of mortgage, superficies, lien, and other security interests should be restricted, and that tenant farming, lend-lease, and commissioned management, etc., should be prohibited until the completion date of repayment.

The act also specified that landowners who sold their farmlands to the government should be able to apply for the purchase of a business equivalent to their farmland compensation, such as government-owned plants, mines, fishing grounds, distilleries, printing factories, rice-polishing equipment, orchards, nursery gardens, mulberry plantations, sericultural equipment, bamboo thickets, dry riverbeds, reclaimed lands, etc., and that priority should be given to offering help in purchasing a suitable business upon application.

## 2) Progress in the enforcement of the Farmland Reform Act

The government conducted a survey of the actual state of farming households to enforce the Farmland Reform Act, which contained the aforementioned details; the survey results showed that the area subject to purchase was approximately 600,000 ha or 29% of the total arable land area, and that the number of farming households to receive farmland was 520,000. The area excluded from land

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distribution was approximately 82,000 ha including state-owned farmlands, graveyard, farmland whose change of purpose of use was authorized, self-managed school farmlands, self-managed temple farmlands, and special-purpose farmlands belonging to institutes of scientific studies. Moreover, for 5 years after liberation from Japanese colonial rule in 1945, about 700,000 ha was changed into self-managed farmlands by methods such as landowners selling lands to tenant farmers. To prevent such phenomena, supplementary provisions were included in the Farmland Reform Act to prohibit the sale and gift of self-managed farmlands, but they ended up as mere scrap of paper because there were no cases of punishment of violations, making them virtually unenforced.

Meanwhile, regarding the repayment of the price of distributed farmland, 1.5 times the average of main crops should be repaid for 5 years, and the level of average crops should be determined by the Do governor through the process of examination and deliberation by the Farmland Committee. The repayment of the price of distributed farmland was originally planned for completion by 1954 starting with the 1950 autumn crops, but the legal repayment period was extended by 3 years and later extended again, taking into account the plight of farming households resulting from the imposition of temporary land tax and poor crops due to the Korean War.

Despite the aforementioned extension of the repayment period, however, the proceeding was ended by the Act on the Special Measures for the Consolidation of the Farmland Reform Project enacted and promulgated on March 13, 1968, with repayment not completed. The act prescribed matters related to registration and ownership transfer registration regarding acquired farmlands and assigned or resold farmlands, with additional provisions for the unpaid amount for the distributed



farmland and the refund of excess repayment. In addition, the act prescribed that the farmland whose ownership transfer registration was not completed after the distributed farmland had been resold before or after the complete repayment of the amount for the distributed farmland should be registered under the Act on the Special Measures for the Ownership Transfer of the Distributed Farmland.

#### **D. Enforcement results of the Farmland Reform Act**

The Farmland Reform Act was planned to be enforced for 5 years from 1950 to 1954; due to the outbreak of the Korean War, however, its enforcement was delayed. It was not until 1957 that the reform was virtually completed. Officially, farmland reform was completely ended with the enforcement of the Act on the Special Measures for the Consolidation of the Farmland Reform Project enacted and promulgated on March 13, 1968. Allowing for inflation, the actual amount received by landowners as compensation for the deferred repayment for 18 years was lower than what they were originally entitled to, primarily because the repayment of the amount by farming households for the distributed farmland was delayed and the repaid grain was mostly appropriated for military expenditures incurred by the Korean War.

As a result of the farmland reform, a total of 316,862 ha was distributed including about 215,266 ha of paddies; tenant farmlands were reduced to 8.1% of the total area of farmland. The farmland reform provided an opportunity to dismantle the landowning system and to establish the self-managed farming system, based on which agriculture as well as the rural community contributed to the development of Korean capitalism through its labor and capital supply. The funds repaid to the government as payment for the distributed farmland effected by the farmland reform were invested in the agricultural sector such as expansion of the repair facilities,

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thereby contributing to increased agricultural productivity. The farmland reform allowed capitalists to purchase land securities that landowners sold at giveaway prices (the law required issuing land securities when making compensation and paying the determined price of a par-value farm product in won currency for 5 years), enabling them to buy state-vested properties; thus facilitating the formation of capitalist classes. Farmers dismantled the semi-feudal landowning system and established their own land ownership. As such, most of the farmers became landed farmers.

In retrospect, farmland reform is assessed as having the characteristics of reform from above since it embraced the principle of forfeiture and distribution with compensation, excluded farm hands from farmland distribution, excluded the forest, opted not to distribute means of production such as farming cattle, and chose not to cancel farm household debts.

Furthermore, tenant farmers became landed farmers; this heightened their will to farm and generated more interest in increasing agricultural productivity. Land price compensation for landowners was made with the sale price of state-vested farmland under the US military administration and with the farming households' repayment amount obtained from the farmland distribution price generated by the farmland reform under the Act on Special Accounts for Farmland Reform (Law No. 241, April 12, 1952). The remaining surplus funds were invested in farmland improvement projects, made possible by collecting from farmers the repayment amount for the distributed farmlands in kind, at the same time compensating landowners in cash each year for the quantity described in land securities.

As landowners lost their land, they lost their hold over labor under their control; this allowed tenant farmers to become economically independent,



accelerating the dissolution of the caste system and guaranteeing the conditions for the free movement of labor. Tenant farmer-turned landed farmers came to set up a base for providing education for their children. The farmland reform is assessed to have provided opportunities for agricultural capital to become industrial capital through the capital accumulation process, such as purchase by merchants and capitalist class of the land securities received by landowners during the farmland reform and resulting acquisition of ownership of state-vested properties.

## 2. Farmland expansion, utilization, and preservation

### A. Farmland expansion

Although farmland reform was realized with the enactment of the Farmland Reform Act, there were a number of farmers whose farmlands were not enough to support their families, and there were not a few landlords and wealthy farmers who were allowed to own farmlands simply because they were self-managing farming households. Many farmers concealed the fact that they were engaging in tenant farming to avoid the farmland reform; other small landed farmers had to shoulder the burden of repaying the farmlands distributed to them. Such being the case, farmland remained in short supply.

Although the farmland reform was officially completed in 1968, the Ministry of Agriculture and Forestry drafted a farmland bill in January 1959 to ensure that the landed farming system conceived in the Farmland Reform Act was maintained to prevent the results of farmland reform coming to naught. The bill contained regulatory measures such as restricting the ownership of farmland to farmers, imposing limitations on the distance in owning farmland, setting upper and lower

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limits on farmland ownership, and disposing of illegally owned farmland by auction, etc., by maintaining a farmland register and determining the actual state of farmland ownership per farming household. Note, however, that the farmland bill with this content was not submitted to the national assembly because it was considered extremely radical; thus leading to the non-enactment of a farmland bill that might have been the basis of the farmland system. Instead, a policy of farmland expansion was implemented, giving rise to the so-called Reclamation Promotion Act.

The farmland expansion policy was driven in earnest with the enactment on February 22, 1962 of the Reclamation Promotion Act as Law No. 1028. This act sought to promote reclamation to develop an unreclaimed area such as wasteland, grassy place, marsh, or forest into arable land. Reclamation projects could be accelerated with the promulgation of the Act and aid of American surplus farm produce. Under the 7-year program for increasing food production, which started in the 1960s, reclamation of an area spanning 500,000 ha was planned; a nationwide survey on the suitability of areas for reclamation (i.e., survey of the land requiring reclamation, e.g., gradient, and suitability of an area for reclamation) was conducted and completed by 1968. The main content of this law dealt with reclaiming privately owned unreclaimed lands; in case the owner of such land for reclamation applied for permission to reclaim it, permission was immediately granted without any problem. If the landowner in question did not apply for permission to reclaim it, the government purchased the land by force and granted permission for reclamation of 2 ha per farming household, giving priority to small farming households instead of ordinary farming households.

The Act intensified the will of the farmers to reclaim land and delivered the results of expanding 110,000 ha or 6% of the total agricultural land between 1962



and 1965, but purchasing land from owners by force stirred controversy with regard to the invasion of private property along with complaints over the complex application procedures for reclamation. Thus, the Agricultural Land Development Act was enacted on January 16, 1967 as Law No. 1872 to replace the Reclamation Promotion Act.

The Agricultural Land Development Act was intended to implement projects actively such as cultivation, development, and reclamation by the government or the people to achieve agricultural self-sufficiency through the active utilization of arable land lying fallow. To resolve matters related to the suitability of reclamation of land under this law, it was determined that a reclamation committee should be set up at the levels of the central government, city, and province, and that the competent minister responsible for the agricultural sector should conduct surveys on the suitability of reclamation of unreclaimed lands for use as arable land, pasture land, mulberry plantations, etc. Note, however, that some land was not to be reclaimed, details of which were as follows: ① The land whose plan for use was finalized for public use by the state, local government, or public corporation as prescribed by the Presidential Decree; ② Forest reserve · seed-gathering forest and indispensable national forest; ③ Grave site, government-designated places of scenic beauty, and historical sites and land required to preserve temples; ④ Woods and fields with grade of over 15 degrees with the number of standing trees exceeding 30 and woods and fields with grade of more than 20 degrees.

In case of reclaiming land owned by others, 3/10 ~ 5/10 of the developed agricultural land was to be distributed to the landowner, and 5/10 ~ 7/10, to the claimer. In case of reclaiming national land, repayment of the land price was to be done in installments for 5 years with a 5-year grace period starting from the year



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after the land was sold.

Under the Agricultural Land Development Act, government aid including costs associated with reclamation was curtailed relative to the Reclamation Promotion Act, putting a crimp on reclamation projects. The need for a strong drive for the farmland expansion policy arose due to the global food crisis of 1974. Thus, with the enactment of the Farmland Expansion and Development Promotion Act on April 11, 1975 as Law No. 2767, the Agricultural Land Development Act was repealed.

The Farmland Expansion and Development Promotion Act stipulated that unreclaimed lands available for farmland should be designated as area for promoting development. The designation procedures prescribed that the competent minister responsible for the agricultural sector should first select areas for development based on the reports of the competent Do governor and the data from the departments concerned together with applications by landowners or would-be reclaimers, conduct field surveys to investigate the suitability of reclamation in terms of the grade of the land, soil, degree of stocking, etc., and obtain presidential authorization for the basic plan formulated based on the investigation findings. Within the area determined and publicly announced as that of development promotion following these procedures, changing the form and quality of land, erecting structures, digging graves, etc., without the authorization of the competent minister responsible for the agricultural sector -- which might interfere with reclamation -- were all prohibited.

Furthermore, the unreclaimed land available for farmland was designated as the area for promoting development; its development by the relevant landowner was made obligatory. According to the act, if the landowner did not perform his duty, the state should execute development by proxy or have its designee purchase the land



from the owner to develop it.

In addition, strong regulatory devices were in place to ensure that the land developed under this Act was utilized for farmland according to development purposes. First, landowners or cultivators had to use the soil improvement system for the developed farmland as prescribed by the competent minister responsible for the agricultural sector to improve soil fertility. In case of nonperformance of this duty, the state was empowered to carry out execution by proxy under the Act on Administrative Execution by Proxy.

Diverting the farmland developed according to this Act for purposes other than farming required the deliberation of the Cabinet council via the competent minister responsible for the agricultural sector; using the farmland developed under this Act for purposes other than those specified at the time reclamation was authorized required the approval of the competent minister responsible for the agricultural sector.

Moreover, the act stipulated that the head of a Si or of a Gun should regularly check the actual state of farming by keeping the register of the developed farmland available for use to carry out follow-up management of the developed farmland; the head of a Si or of a Gun should be empowered to give administrative orders to the landowner to manage the developed farmland faithfully. For the farmland that did not meet the criteria for cultivation as prescribed by the Presidential Decree without any justifiable reason such as disaster or other force majeure, proxy cultivation was permitted within the prescribed period of over 1 year to less than 3 years.

### **B. Farmland preservation and promotion of use**

To increase food production, preventing farmland from being diverted for other purposes and using it efficiently were no less important than expanding

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farmland. The area of farmland that had been increased by the farmland expansion policy began to show a decreasing trend in 1969. This was because the farmland diverted for city development, industrial sites, and roads as a result of economic growth increased more than the newly developed farmland.

To prevent such decrease in farmland, the Farmland Preservation and Utilization Act was enacted on December 18, 1972 as Law No. 2373. The act stipulated that the concept of farmland for preservation should mean the land used for cultivating farmed or perennial plants or grass despite its legal land category, including the land determined and publicly announced for use as farmland according to other acts. In cases wherein the farmland outside the area of city planning was to be diverted, permission from the City Mayor or Do governor having jurisdiction over the location of the farmland was required (in case of the same person diverting less than 2 ha of farmland for the same business purpose, permission from the head of the Gu, Si, or Gun was required). Note, however, that sites for farmland improvement facilities, sites for national land preservation facilities, sites for farmhouses and their attached facilities, farm huts, compost huts, and other sites for farming facilities as prescribed by the Presidential Decree were excluded from farmlands for diversion.

In addition, to promote farmland use, the act prescribed that farmland owners should seek to increase soil fertility, cultivate it faithfully according to its purpose of use, and utilize it to cultivate or grow perennial plants or grass; the head of a Si and a Gun should be empowered to give administrative orders to whoever was letting his farmland lie fallow or whoever was remiss in cultivating or utilizing it to ensure that farmland was utilized efficiently.

Meanwhile, any landowner who was forced to let his farmland lie fallow for



reasons of disease, moving, or change of trade had to report to the head of the Si having jurisdiction over the location of the farmland in question (the head of the Dong in case there was a district) or to the head of the Eup or Myeon. In addition, the head of a Si or a Gun was empowered to designate the cultivator from among would-be cultivators in lieu of the owner of the farmland in cases wherein there was ① fallow farmland with obvious ownership, ② fallow farmland with no or uncertain ownership, and ③ farmland whose annual yield fell short of its minimum crop yield for more than 2 years in a row without justifiable reason such as disaster or other force majeure.

Moreover, a person planning to change the arable land into an area for cultivating perennial plants or grass had to report to the head of the Si or Gun; the head of Gu, Si, Eup, or Myeon had to prepare and keep a farmland card per lot and an original farmland register per farming household available for use by determining the actual state of farmland ownership and utilization to ensure its efficient use and management.

By 1975, however, the preservation of farmland as the foundation of agricultural production was urgently requested more than anything else to secure the stability of national diet through secure and sustained self-sufficiency of food; therefore, to preserve and utilize farmland more efficiently, the relevant law was amended on December 31, 1975. The amended law stipulated that the competent minister should consult with the minister responsible for the agricultural sector concerning the incorporation of farmland for city planning and for the designation of an industrial complex, and that strong measures should be in place to preserve farmland, including, but not limited to, dividing farmland into an absolute and relative type of land, requiring the deliberation of the Cabinet council when

permitting the diversion of absolute farmland exceeding a specific area, and ordering the development of substitute farmland equivalent to the diverted area or paying the Do governor the cost needed for development, etc.

### C. Modifying laws related to the farmland lend-lease system

Following the introduction of the system on farmland reform and farmland utilization and preservation, the Farmland Lend-Lease Management Act was enacted and promulgated on December 31, 1986 as Law No. 3888 to use farmland more efficiently and systematically.

The purpose of this Act was to protect the rights of the parties to the lend-lease agreement with regard to farmland by determining matters related to farmland lease and its management for the promotion of the rational use of farmland and to increase agricultural productivity, thereby improving farming households' living standards and further fostering the balanced development of the national economy.

Under this Act, "lend-lease" meant a signed agreement under which a farmland owner should allow the other party engaged in farming to use and benefit from his farmland, and the other party should agree to pay rent to the owner. The act prescribed that the lend-lease agreement should be made in writing; note, however, that if it was not made in writing, the rent should not exceed 80% of its upper limit. Parties to the lend-lease agreement had to report to the head of the Si, Gu, Eup, or Myeon having jurisdiction over the location of the farmland regarding the details of the agreement within 60 days of the date of the signing of the agreement. The term of the agreement was to be more than 3 years, extendable by agreement between the two parties. The act also stipulated that, in case the lessor did not notify the lessee of his intention not to renew the terms of the agreement or to change them 3 months before the expiration of the lend-lease period, the agreement should be regarded as



having been renewed at the time of its expiration under the same terms as the previous agreement. The upper limit of the rent was to be determined by the ordinances of a city (including Seoul City and Metropolitan City) or Gun by region, crop, and farmland grade, taking into account farmland productivity, profitability of farm produce, and actual state of a region.

Moreover, the act prescribed that farmland owners should not commission their farmland to others for farming purposes or hire others to farm. In the following cases, however, they could commission farming to others or hire others to farm for them: ① In case a farmland owner resided within the area where the farmland was located and over which a city (including Seoul City and Metropolitan City), Eup, or Myeon had jurisdiction; ② In case it met the criteria prescribed by the Presidential Decree, considering the farmable distance and farming conditions, and; ③ In case special provisions were stipulated in other laws.

#### **D. Enactment and content of the Farmland Act**

The start of the 1990s saw radical change in economic conditions at home and abroad. The inauguration of the WTO system in particular following the settlement of the Uruguay Round (UR) heralded a seismic change in agriculture. Accordingly, the Farmland Act (Law No. 4817, December 22, 1994) comprehensively governing the farmland issue was enacted, with the Farmland Reform Act as its supplementary provisions finally repealed. The main content of the Farmland Act is as follows:

First, it prescribed the basic idea of farmland, specifying that farmland is the foundation of national food supply and preservation of the national environment and one of the valuable but limited resources affecting the development of agriculture and balanced national economy. Therefore, not only must it be cherished but also managed to be conducive to public welfare, exercising rights over farmland involves

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restrictions and obligations. It also stipulated that farmland should be owned and used to increase agricultural productivity but should not be the object of speculation.

Farmland to which this act was applicable included ① paddies · dry fields or orchards and other lands that are actually used as the area for cultivating agricultural products or for growing perennial plants despite its legal land category (land prescribed by the Presidential Decree including grasslands developed according to the Grassland Act is excluded), ② sites for improvement facilities for the lands described in ① (meaning retarding basins, pumping and drainage facilities, waterways, farm roads, embankments, and other facilities needed for preserving and using farmland and as prescribed by the ordinance of the Ministry of Agriculture and Fisheries), and sites for the facilities needed for agricultural production as prescribed by the Presidential Decree, such as fixed-type greenhouses and mushroom-cultivating huts.

The act stipulated that no one except those who would use farmland for proprietary farming should own it according to the principle of “cultivators deserving paddies” and for the sake of preventing speculation; as an exception, however, farmland ownership was allowed even though it was not used for proprietary farming. Typical cases of exception were as follows: in case of the state or a local government owning farmland; in case of acquiring and owning it for tests, research, practice, or nursery; in case of acquiring and owning it by inheritance; in case of acquiring and owning secured farmland, and; in case of being permitted to divert farmland or in case of owning the land in question by the person who reported the diversion of farmland.

The act also prescribed the upper limit on farmland ownership; for example, the farmland outside the agriculture promotion area could not be owned in case it



exceeded 30,000 m<sup>2</sup> (in the case of a farmer, it means that the total area owned by the whole family exceeds 30,000 m<sup>2</sup>). As an exception, however, the aforementioned limit on ownership did not apply in case farmland was owned by the state or by inheritance.

Farmland owners had to manage their own lands, but they were allowed to commission the management of their lands to others in unavoidable circumstances. Cases wherein commissioned management was allowed were as follows: In case of being conscripted or summoned under the Military Service Act; in case of traveling overseas for over 6 months, and; in case one cannot farm for reasons of disease, school enrollment, taking public office by election, etc.

In addition, the act stipulated that, a farmland owner who did not farm the land without justifiable reasons or who owned land exceeding the upper limit on farmland ownership should dispose of such farmland within one year of the occurrence of such reasons, and that the head of the Si, Gun, or Gu should be empowered to order the farmland owner who did not get rid of the farmland within the disposition period to dispose of it within 6 months.

The head of Si or Gun or self-governing Gu was required to formulate plans for using farmland aimed at its efficient use. They had to contain plans for using the farmland by area and use, expanding the scale of farming for the efficient use of farmland and improvement of farming management, and utilizing farmland for purposes other than agriculture.

Furthermore, the City Mayor or Do governor was required to designate the agriculture promotion area to use and preserve farmland efficiently; this required classifying it into the agriculture promotion area and the agriculture protection area (area needed for protecting the agricultural environment such as securing water



supply source for the agriculture promotion area and preserving water quality, etc.) for designation purposes. In addition, those who would divert farmland for other purposes had to divert it or report on the diversion provided they cite valid reasons, in which case they had to pay farmland development fees. Moreover, the head of Si, Gu, Eup, or Myeon was obligated to prepare and keep an original farmland register available as prescribed by the Presidential Decree to use and manage farmland efficiently by determining the actual state of farmland ownership and use.

### III. Stages of organizing agricultural infrastructure and developing agricultural production technologies

At the time of liberation from Japanese occupation, Korea was plunged into great ideological and political turmoil due to the confrontation between leftists and rightists during the US military administration. The influx of overseas Koreans and families defecting from the North led to population growth, thereby increasing the number of farming households. Nonetheless, agricultural production fell, with the US extending food aid to Korea as part of its foreign aid, in connection with which the government instituted the policy of buying food at low prices. Due to the prolonged drought during the Korean war years of 1951 - 1952, the rural community crumbled, exacerbating rural poverty. By the standards of 1953, farming population reached 13.15 million or 61% of the total population of 21.54 million. In this



economic situation, various projects for improving agricultural productivity aimed at increasing food resources for the rural community were undertaken. Details of the endeavor were as follows:

### 1. Projects for improving land and soil fertility

In the 1950s, various educational projects for the rural community and farming were implemented according to the Agricultural Guidance Act to eradicate poverty of the rural community, but the problem of food shortage was not solved. On December 31, 1961, the Act on Land Improvement Project was enacted as Law No. 948 to maintain and increase food and other agricultural products by improving, developing, and preserving farmland for the rationalization of farm management and to secure agricultural productivity. It prescribed that land improvement projects should contribute to the comprehensive development and preservation of national land resources with their suitability for the advancement of the national economy, and that they should be implemented based on plans that properly considered land use and preservation and development of forests and other resources. With such legal basis, the government committed more than 50% of its funds to farmland improvement projects during the 1st 5-year economic development plan (1962-66), with 59 % of the farmland improvement project cost going to agricultural water development projects (reservoir, pumping plant, dammed pool for irrigation, etc.).

The scope of a land improvement project should include: ① irrigation and drainage facilities, farming roads, preservation of farmlands, and creation, management, readjustment, or change of the facilities required to use them; ② exchange, division/consolidation, and compartmentalization and readjustment of farmlands; ③ conversion into rice paddies or into dry fields; ④ filling-up and reclamation; ⑤ disaster recovery of farmlands and facilities needed to use them; ⑥

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rights to farmland and land needed for using that farmland, exchange and division/consolidation of the rights to agricultural facilities and water, and; ⑦ other projects required to improve or preserve farmland. These land improvement projects should be implemented by the state, local governments, land improvement associations, or landowners.

A land improvement association should be established to undertake a land improvement project; it should be organized by more than 15 landowners in the project area who should fix the land improvement project plan and the articles of association to obtain authorization from the competent minister responsible for the agricultural sector, and it should be empowered to impose dues, compulsory labor, or goods on members of the association for their lands, houses, or structures within the area to cover the expenses needed for the project. Where necessary, the association should also be permitted to levy compulsory labor or goods on inhabitants within the area to prevent flood damage. In addition, when the land improvement project was completed, the association was obligated to obtain authorization from the competent minister responsible for the agricultural sector for a replotting plan to be formulated without delay if required, taking into account the nature of the project. A federation of land improvement associations should be set up to guide and supervise the business of associations, to seek the promotion of common interests, and to serve as an agent for farmland development projects and land improvement projects implemented by the state. The detailed project scope included the following: formulation of project plans, design of exploration and survey, construction supervision, provision of land replotting service, production, processing of the materials required for the association's business with recommendations on the purchase of the materials, audit of the association designated by the competent



minister responsible for the agricultural sector, projects related to the investigation, study, dissemination, and promotion of land improvement projects and farming improvement, etc.

In case the state directly implemented land improvement projects, the competent minister responsible for the agricultural sector could finalize the plans before implementing them; any landowner (with the consent of over 2/3 of the landowners concerning the land within the area) making an application after determining the area could implement the project. Apart from the state, Seoul City, Do, Si, or Gun could publicly announce the outline of the plan for a land improvement project and other required matters by the resolution of the council of the local government concerned and implement land improvement projects with the consent of 2/3 of the landowners within the area where land improvement projects would be implemented.

Finally, the last project method for land improvement allowed one or several landowners to implement land improvement projects, in which case they could execute them by obtaining authorization for the project(s) from the competent minister responsible for the agricultural sector after fixing the plan, rules (in case of joint implementation) concerning a land improvement project, and other required matters.

To ensure that land improvement projects implemented by a variety of methods as mentioned above were smoothly executed, national or local taxes and dues on the business and properties of the association and the federation were waived, including taxes on the registration required for land improvement projects and stamp duties on legal instruments prepared by a land improvement project implementer. In addition, in case non-taxable land was changed into taxable land due to the implementation of a land improvement project, land tax was waived for a

certain period of time; if land price was increased from the initiation of the project, land tax on such increment was waived for a certain period of time.

The implementer of a land improvement project should compensate for losses normally sustained by the interested party to the project. The state should award a grant to the person who implemented a project for improving, developing, and preserving farmland.

Land as a source of producing agricultural products should not only allow improvement but also increase agricultural productivity through improvement of soil fertility. For this, on March 15, 1966, the Enhancement of Soil Fertility Act was enacted as Law No. 1766. The Act was designed to build up and improve the soil fertility of arable land, thereby increasing agricultural productivity and ensuring the stability of the farming business. The heads of Si, Gun, or Gu undertook soil fertility projects with soil fertility enhancement project plans for the areas designated by the competent minister responsible for the agricultural sector for soil fertility enhancement. Such soil fertility enhancement projects aim at improving soil with poor physio-chemical properties and consist of soil survey, soil dressing, increased production of self-sufficient fertilizer, rational use of soil improvement agents and chemical fertilizer, drainage, etc. To implement the soil fertility enhancement projects efficiently, the government provided local governments, farming organizations, or individuals with financial aid within its budget to cover the costs required for conducting preliminary or fact-finding survey for the project, purchasing instruments and material for the soil fertility enhancement project, producing soil improvement agents, etc.

**2. Project for improving the rural living environment**

To increase agricultural productivity with the implementation of projects for



improving existing lands and soil fertility, at the same time making the rural living environment better, the Act on the Promotion of Electrification in Agricultural and Fishing Villages was enacted on December 30, 1965 as Law No. 1737. On February 28, 1967, the Act on the Promotion of Amelioration of Roofs in Agricultural and Fishing Villages was introduced as Law No. 1891 with the following main content:

First, the Act on the Promotion of Electrification in Agricultural and Fishing Villages was enacted with the intent of establishing a legal basis for the electrification of the underprivileged rural community as electricity supply was expected to increase according to the Five-Year Electric Source Development Plan put into effect in 1962. Note, however, that the electrification of rural villages was slow until the mid-1960s due to insufficient power generation and uncertain profitability from excessive capital investment. Under this Act, the government deliberated on and determined plans for the electrification of farming and fishing villages and funding plans and appropriated the amount that required the lending of treasury fund in the budget for the following year. Electricity suppliers were obligated to start work without delay according to the project plan upon receipt of requests for equipment installation work. Electrical construction cost was to be covered by charges for equipment installation work by electricity suppliers and by a loan from the government treasury fund; for the loan granted to electricity suppliers, the user was liable for joint debt obligations with the relevant local government's payment guarantee. Repayment of the government loan was to be amortized for 20 years, to be collected monthly when the electricity bills charged by suppliers were paid.

In the 1950-1960s, most of the traditional houses in the rural community were rice straw-thatched houses, one of the causes of harm to the living environment of farm households. On February 28, 1967, the Act on the Promotion of Amelioration

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of Roofs in Agricultural and Fishing Villages was enacted as Law No. 1891 to improve the living environment of farmers and fishermen by replacing with tiles, slates, or zinc those thatched roofs under which a large majority of residents lived. Under this Act, the government planned to improve approximately 900,000 thatched roofs out of about 2.50 million within 10 years and made appropriating the required loan for this project in the budget compulsory. The funds required for roof improvement were to be managed by the National Agricultural Cooperative Federation, and a newly built house was given priority when receiving a loan, which was to be payable for 3 years with a one-year grace period.

This Act was amended on December 26, 1972 because, at that time, the roof improvement projects in agricultural and fishing villages were divided into two systems: one supervised by a local government by its ordinance, and the other by the Ministry of Agriculture under the Act on the Promotion of Amelioration of Roofs in Agricultural and Fishing Villages; this made their efficient implementation difficult. Therefore, projects under the aforementioned Act should also be supervised by local governments, and financing the loans should be secured by the government as per the Act, but loans should be granted from the special accounts of a local government in a unified fashion.

Until 1970, improving agricultural infrastructure such as land improvement projects, underground water development, farm housing improvement, etc., was carried out according to individual laws. Nonetheless, there was a need to change into a modernized agricultural system by increasing the unit production volume of agricultural produce resulting from the overall expansion of farmland and more comprehensive campaigns to improve the living conditions of farming villages. Toward this end, the government launched a comprehensive large-scale agricultural



development project as part of a 10-year rural modernization plan. In the 1970s, such large-scale comprehensive development projects constituting the major projects for improving agricultural infrastructure made up 41%.

On January 12, 1970, the Agricultural Community Modernization Promotion Act was enacted as Law No. 2199 to implement the large-scale comprehensive agricultural development projects under the Loan Agreement of 1969 and to increase agricultural productivity through the improvement, development, preservation, consolidation, and mechanization of farmland alongside farm housing improvement.

Under this law, the Farmland Improvement Association and Agricultural Promotion Corporation should be incorporated, and the Association should maintain/manage the farmland improvement facilities and implement land compartmentalization and readjustment projects within the area under its control; the Corporation should comprehensively undertake projects such as farmland improvement, agricultural mechanization, and farm housing improvement. According to this law, the three projects (agricultural improvement + agricultural mechanization + farm housing improvement) including the expanded development of agricultural infrastructure, improvement of the rural environment, development of agricultural technologies through guidance on farming, etc., were comprehensively implemented. The Agricultural Community Modernization Promotion Act prescribed that three major projects should be implemented. First is the farmland improvement project, which corresponded to the land improvement project under the previous Act on Land Improvement Project. The state, local governments, Agricultural Promotion Corporation, landowners, or Farmland Improvement Association -- which was equivalent to the previous Land Improvement Association -- could implement farmland improvement projects.



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This project involved installing, managing, changing, or merging the facilities required for using irrigation · drainage facilities · farming roads · and other farmlands aimed at increasing farmland facility, compartmentalizing and readjusting farmlands, improving dry fields or paddies, reclaiming land for farming purposes, carrying out disaster recovery of the facilities required for preserving or using farmlands, exchanging, dividing, and integrating rights to a farmland and to the land required for using that farmland and rights to the use of the agricultural facilities and water, etc.

Those who could participate in the farmland improvement projects had to satisfy the following requirements concerning the land within the area of implementation of the farmland improvement project: ① landowners who used and benefited from the land for farming purposes; ② those who held real rights in addition to ownership rights to the land to use and benefit from it for farming purposes, or; ③ those who used and benefited from the land for purposes other than farming, and those who held real rights to the land in addition to ownership rights to use and benefit from it for purposes other than farming. They had to be deemed qualified by the Seoul City Mayor, Busan City Mayor, or Do governor to participate in the farmland improvement projects.

The key agency that implemented farmland improvement projects was the Farmland Improvement Association, which could be established by more than 20 persons who were qualified to participate in farmland improvement projects to effect the improvement of the designated areas including their proprietary lands with authorization from the competent minister responsible for the agricultural sector. The Association established as such was obligated to carry out maintenance and management of the farmland improvement facilities, farmland compartmentalization

### III. Stages of organizing agricultural infrastructure and developing agricultural production technologies



and readjustment projects and incidental projects, improvement of dry fields and paddies, farming improvement projects, disaster recovery of the facilities required for the preservation or use of farmlands, etc. Likewise, the Association president, if deemed necessary to protect and manage the farmland improvement facilities such as reservoir, retarding basin, etc., could restrict or prohibit access by persons other than those assigned to irrigate or drain the area and forbid the use of explosives, hazardous substances, or fishing nets for purposes other than fishing or installation of facilities. The Association was also empowered to impose dues, labor, or goods on its members to cover the expenses required for the project; in case a certain member earned substantially greater profits than other members due to the implementation of the Association's project, special charges could be levied on that member pursuant to the provisions of the articles of association.

Another business entity for farmland improvement projects was Agricultural Promotion Corporation, which comprehensively implemented projects for farmland improvement, agricultural mechanization, and farm housing improvement. It was an organization that merged the Federation of Land Improvement Associations and Underground Water Development Corporation to implement comprehensively projects for farmland improvement, agricultural mechanization, and farm housing improvement and to support the nurturing of model farming villages and the Association's business.

The main business of Agricultural Promotion Corporation was as follows: projects for installing irrigation · drainage facilities; development · river readjustment or reclamation projects; land compartmentalization and readjustment projects; projects for building farm roads; projects for replotting, developing grassland accompanied by farmland improvement; manufacture, supply, purchase,

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and recommendation of the heavy machinery to be used for farmland improvement and of farming equipment designated by the competent minister responsible for the agricultural sector; education on operation management and instructions on using technology; construction, improvement of farmhouses, recommendation of materials used, and technical guidance; technical support to farmland improvement projects implemented by the Association and to the maintenance and management of the Association's farmland improvement facilities; export of technology and service related to farmland improvement projects, etc.

The second project under this law was the farm housing improvement project. In case the Corporation planned to implement a farm housing improvement project, it had to prepare a project plan and consult with the Minister of Construction prior to obtaining authorization from the competent minister responsible for the agricultural sector and notify the Seoul City mayor, Busan City mayor, or Do governor that authorization was obtained. On the other hand, the Do governor was obligated to support actively the farm housing improvement project being implemented in the area under his/her jurisdiction. Furthermore, the competent minister responsible for the agricultural sector could formulate plans for consolidated farm housing improvement projects in a certain area to have the Corporation execute them if deemed necessary to improve the rural environment and rationalize agricultural management; thus fostering the development of an agricultural economy.

The state could pay or lend to the implementers of such farm housing improvement project all or part of the required funds. In addition, in implementing farm housing improvement projects, the Corporation was empowered to build a factory for producing materials for farm housing improvement projects or invest in or provide subsidies to the producer of the materials if deemed necessary to mass-



produce standardized materials for provision at cheap prices.

The implementer of such farmland improvement or farm housing improvement project could expropriate, use, remove, or change land or property in the project area if deemed necessary to execute the project, but was obligated to make fair compensation to the person who sustained losses, if any.

The third project under the Agricultural Community Modernization Promotion Act is the agricultural mechanization project, which will be discussed in the succeeding section.

### **3. Agricultural mechanization project**

Ensuring the sustained improvement of agricultural productivity required building an integrated mechanized farming system from sowing to harvest. The industrialization policy after the launch of the 1st economic development plan spurred a noticeable exodus of people from the rural areas, causing a wage hike and demanding full-scale agricultural mechanization. Korea's agricultural mechanization rapidly advanced in descending order of cultivator, sprayer, tractor, and rice transplanter, and the need for mechanization increased with the creation of large tracts of arable land of up to 175,000 ha due to agricultural land readjustment and expansion. Specifically, with the implementation of the 1st 5-year agricultural mechanization plan from 1972 to 1976, agricultural mechanization began in earnest.

In the 1960s, the agricultural mechanization project for small-scale individual farming households provided financial aid that was barely enough to help purchase small farm machinery such as cultivators, hand sprayers, water pumps, etc. With agricultural wages increasing in the 1970s, however, there was sharp demand for farm machinery.

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As the farming population moved to the urban areas in the 1970s, farming mechanization was further accelerated. In 1977, financial aid began to be provided to help purchase farm machinery such as motor-driven rice transplanters, binders, and combines; a comprehensive model complex for agricultural mechanization was developed mainly by producers' organizations such as farmland improvement associations. In 1981, the integrated mechanization of rice farming began with financial aid to purchase farm machinery if more than 10 farming households participated in organizing a mechanized farming group having farming scale of over 10 ha. Major parts of farming such as cultivation, soil preparation, rice transplantation, harvesting, and pest control were mechanized; in the 1990s, large farm machinery such as tractors, combines, and rice transplanters became a common sight.

In this way, Korea's agricultural mechanization was driven not by market forces but by government financial aid to help purchase farm machinery, characteristically implemented by aiding specific production entities. The legal basis for the project for accelerating agricultural mechanization was the Agricultural Community Modernization Promotion Act and the Agricultural Mechanization Promotion Act, whose main content is as follows:

### **A. Agricultural mechanization project under the Agricultural Community Modernization Promotion Act**

First, agricultural mechanization progressed as part of the major projects undertaken by Agricultural Community Promotion Corporation under the Agricultural Community Modernization Promotion Act. It prescribed that the Corporation should prepare a project plan every year prior to implementing an agricultural mechanization project and obtain authorization from the competent



minister responsible for the agricultural sector. Manufacturers (including foreigners) of farm equipment should be permitted to make investments with authorization from said minister if deemed necessary to manufacture and distribute farm equipment.

In addition, those who carried out the operation, maintenance, or repair of farm equipment had to obtain permission from the competent minister responsible for the agricultural sector. The Act also stipulated that the Corporation should have a farm equipment operation management center, which was responsible for operating and maintaining the heavy machinery to be used for farmland improvement projects, lending farm equipment, providing service using farm equipment, offering technical guidance on the operation and maintenance of farm equipment, etc., and that the state should provide partial or full financial aid or grant loans to those who manufactured, purchased, operated, or managed farm equipment.

To accelerate agricultural mechanization more comprehensively and systematically than the agricultural mechanization promotion project under the Agricultural Community Modernization Promotion Act, a separate Agricultural Mechanization Promotion Act was enacted for enforcement.

#### **B. Mechanization projects under the Agricultural Mechanization Promotion Act**

On December 5, 1978, the Agricultural Mechanization Promotion Act was enacted as Law No. 3210 to prescribe matters required to establish mechanized farming such as enhancing inspections and after-sales service for the quality management of farm machinery aimed at providing prompt, extended supply of quality farm machinery to farmers and at increasing its usage.

Under this Act, the concept of farm machinery was defined as “cultivation · soil preparation · sowing · rice transplantation · irrigation · fertilization and management · pest control · harvesting · formulation and processing · livestock

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feeding and management and other machines and instruments along with their accessory equipment as needed for efficient farming.” An agricultural mechanization project was defined as “the project that seeks to improve the agricultural structure by sophisticating agricultural production technologies through production, distribution, utilization of farm machinery, technical training · after-sales service · safety management, and research and investigation.”

The competent minister responsible for the agricultural sector should prepare a basic plan for agricultural mechanization and publicly announce such, incorporating matters such as those related to the supply of farming machinery, promotion of use of farm machinery, technical training in farm machinery, after-sales service for farm machinery, R&D and inspection of farm machinery, safety management of farm machinery, etc.

The government was required to provide financial aid to purchase or install farm machinery and its subsidiary facilities and to set up a fund that would support the promotion of agricultural mechanization; it was up to the competent minister responsible for the agricultural sector to announce publicly the farm machinery suitable for the promotion of agricultural mechanization as distribution models to accelerate the production and distribution of farm machinery.

Adjustment of agricultural machinery supply and demand should be made if deemed necessary due to pressing situation such as disaster prevention measures; the instability of supply and demand from the supply side of farm machinery should be minimized by policy means such as setting the ceiling price if deemed necessary for the smooth supply of distribution models of farm machinery. Producers and sellers of distribution models of farm machinery should establish an after-sales system. At the same time, the government offered benefits to the manufacturers of the farm



machinery in question in obtaining a loan that would cover all or part of the funds required for its production to ensure the smooth supply of farm machinery publicly announced as distribution models.

Note, however, that much of the Act was amended in 1994. The main content was as follows: ① automated production equipment was added to the range of farm machinery; ② the competent minister responsible for the agricultural sector should designate and publicly announce new technology-based farm machinery to promote the development and distribution of farm machinery using new technology and give priority to producers and purchasers of this model of farm machinery in receiving support; ③ the system of adjusting supply and demand and price was scrapped to promote the development and distribution of farm machinery through the liberalization of farm machinery supply and demand and price; ④ the system of mandatory inspection of farm machinery was changed to a facultative inspection system to pursue the liberalization of the production and distribution of farm machinery; ⑤ producers and importers of farm machinery were obligated to attach safety devices to farm machinery to prevent safety hazards when using farm machinery.

In April 2009, the Act was again amended; a major part of it was supplemented to provide the legal basis for the expanded implementation of the farm machinery rental business. The state and local governments -- if deemed necessary to promote the farm machinery rental business -- could provide local governments or rental business proprietors with all or part of the funds needed for purchasing farm machinery and for installing, operating, and managing additional facilities. They were obligated to strive to promote the farm machinery rental business such as securing the professional workforce needed for the farm machinery rental business



and developing talent.

Producers and importers of farm machinery had the obligation to check whether safety devices were attached or changed to prevent accidents arising from the use of farm machinery and to enhance safety management. When remodeling or altering the structure of a safety device to ensure the effectiveness of the system requiring the attachment of a safety device to the farm machinery to be produced or imported, including the system of inspecting arbitrary alteration or change of structure of a safety device, they were obligated to obtain confirmation of said remodeling or alteration from the competent minister responsible for the agricultural sector. The minister was empowered to inspect whether or not safety devices were attached to the farm machinery in circulation and which required safety management, including whether or not the structure of a safety device was arbitrarily remodeled or altered.

#### **4. Developing and distributing agriculture-related education and technologies**

Alongside the changes in the farmland system, installation of agricultural infrastructure, and agricultural mechanization, the process of providing education to farmers and developing and distributing agriculture-related technologies is also required in explaining rural modernization. Here, legislation on agriculture-related education and technology development and distribution is divided into the Agricultural Guidance Act and the Agricultural Community Development Promotion Act for explanation purposes.

##### **A. Agricultural education project under the Agricultural Guidance Act**

In December 1947, the Enforcement Decree on Agricultural Technologies was enacted as No. 160 of the US military administration ordinance. Under the Decree,

## III. Stages of organizing agricultural infrastructure and developing agricultural production technologies



the National Agricultural Improvement Center was established followed by an Agricultural Experiment Station in Do and an Agricultural Guidance Center in Gun; thus commencing the project of distributing agricultural technologies aimed at enhancing farmers' own ability to produce more. On January 6, 1949 following the establishment of the Korean government, the Agricultural Technology Center was founded, and an agreement on an agricultural guidance project was signed between Korea and the US, based on which the Agricultural Guidance Act was enacted on February 12, 1957 as Law No. 435. This Act sought to increase the production of agricultural produce and to raise the living standards of the rural community by educating farmers on the knowledge and technology on farming and better living through research and experiments needed for the improvement and development of farming. The scope of the agricultural education project was as follows: ① research aimed at improving and developing farming (agriculture, forestry, livestock industry, horticulture industry, sideline of each farming household, etc.), experiments, guidance on and distribution of knowledge and technology; ② research, experiments, and guidance on the methods of improving and preserving soil fertility; ③ guidance on the method of operating cooperative organizations; ④ providing guidance and education to the rural youth; ⑤ providing guidance on improving rural family life, and; ⑥ training government employees to become engaged in the aforementioned projects. The Act stipulated that an agricultural center should be established under the supervision of the competent minister responsible for the agricultural sector, and that a test site or a research center of each department and its branches should be created under the supervision of the director of the agricultural center. Moreover, to divide research and experiments on farming in Do and duties for the guidance project, an agricultural center was to be established in Do, and an

agricultural education center, in Si and Gun under the supervision of the director of the agricultural center.

### **B. Agricultural community promotion projects under the Agricultural Community Development Promotion Act**

The government undertook the project of expanding and developing education on agriculture and agricultural technology according to the Agricultural Guidance Act enacted in 1957; note, however, that the enactment of the Agricultural Community Development Promotion Act on March 21, 1962 as Law No. 1039 repealed the Agricultural Guidance Act, establishing a legal basis for implementing the project for agricultural community development and promotion by classifying the agricultural education project into experimental research project, guidance project, and training project for more systematic and efficient implementation. Furthermore, it reorganized the agencies for implementing these projects by setting up the Rural Development Administration at the government level and an agricultural community development and promotion center at the Do level and an agricultural community guidance center under the supervision of the Seoul City Mayor and heads of Si and Gun, respectively.

First, the experimental research project included the following: ① experimental research to improve and develop agricultural technologies (agriculture, forestry, animal husbandry, livestock, sanitation, horticulture, sericulture, use and processing of agricultural, forest, and livestock products, agricultural engineering); ② experimental research to improve rural life (food, clothing, shelter); ③ quality crops, vegetable seeds and breeder's seeds, germs and silkworm eggs, quality fruit trees and seedlings of forest trees, mulberry saplings, production of original stock of quality livestock, and preventive measures against infectious diseases in domestic



animals that serve as the basis of farming, and; ④ survey and research for farm management and rural development.

The guidance project covered the following: ① instruction on and dissemination or actual demonstration of scientific knowledge and technology on agriculture and improvement of living; ② dissemination of knowledge and technology on sidelines for rural communities; ③ education for farmers on the preservation and utilization of natural resources that are useful for agricultural development and farmers' living; ④ nurturing agricultural organizations aimed at improving agriculture and farmers' living, and; ⑤ developing a model farming village through farmers' own efforts or financial aid. On the other hand, the training project included the following: ① training the incumbent technical employees of the Ministry of Agriculture; ② training the persons that will be engaged in agricultural research and agricultural guidance projects; ③ training the officials and employees of the organizations affiliated with the Ministry of Agriculture, and; ④ training volunteer leaders for rural communities.

The Act prescribed that, in case a non-public organization proposed the implementation of an agricultural community development and promotion project, it should submit a project plan to the administrator of the Rural Development Administration for authorization, and that government employees for research and guidance should be deployed to work on agricultural community development and promotion projects.

### **5. Changing the rural living environment and modern consciousness among farmers: the Saemaoul Movement**

The voluntary movement of farmers to improve their environment and increase income to overcome the problems faced by the rural community began in

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earnest by the end of the 1960s. On April 22, 1970, during the discussion in Busan regarding some measures against drought with the nation's City Mayors and Do governors, President Park Chung Hee was said to have advocated the Saemaeul Movement for the first time by suggesting mounting a campaign to transform the traditional farming communities into new ones with mutual cooperation between the farmers and the institutions concerned. In this meeting, President Park cited Korea's traditionally unique types of local government such as community compact, farmers' cooperative group, traditional private fund (gye), etc., ordering each of the City Mayors and Do governors to prepare plans to stimulate the efforts of farming and fishing communities toward self-reliance by seeking the cooperation of farmers, institutions concerned, and community leaders.

The movement established according to such instruction was named Saemaeul Movement in 1971; following a model project in 1971, it began in earnest in 1972. Initially, the Saemaeul Movement began with the project for improving the environment of farming communities, which involved equally distributing to each of the 34,655 villages nationwide 335 sacks of cement that had accumulated due to the sluggish construction business and exports at that time. These villages were graded by the level of development characterized by three development stages: basic, self-help, and self-reliance. The agricultural environment improvement project was actively implemented by concentrating support on excellent villages; thus encouraging competition among villages.

Beginning 1975, the Movement spread to cities and factories as well as to farming villages, developing into a nationwide mental reform campaign. To drive this campaign, a systematic organization was created, including the establishment of 4 divisions under the supervision of the Office of the Saemaeul Movement in the



Ministry of Internal Affairs in 1973 along with the setup of an Office of the Saemaeul Movement in the Presidential Secretariat.

Until the early part of the 1980s, the government invested in the Saemaeul Movement, focusing on production infrastructure, increased income, welfare, and environment, mental enlightenment, urban factories, etc. Such investments increased from 96.1 billion won in 1973 to 758.2 billion won. Gradually, the Saemaeul Movement expanded from the initial agricultural community environment improvement-centered project to a project for increasing the income of farmers and fishermen, for which various types of project were implemented such as development of cash crops, model projects for the self-reliance of small farming households, Saemaeul mechanized farming groups, grassland development, and increased saving by farming and fishing villages. In 1972, a training institute for farmers was established as part of a plan to train model farmers; the following year, it was renamed the training institute for training Saemaeul leaders. After 1975, the composition of trainees gradually expanded from model farmers to university professors, journalists, businessmen, religious leaders, and National Assemblymen. Initially, education mainly dealt with farming skills, increased income, and Saemaeul projects. Over time, however, the focus shifted to developing the Saemaeul spirit, including mental reform, national development and social ethics, worthy way of life, etc.

On December 28, 1979, the Act on the Training Institute for Saemaeul Leaders was enacted as Law No. 3171, providing a legal basis for establishing the Training Institute for Saemaeul Leaders as a corporate entity that would be in charge of educating and training Saemaeul leaders and studying and developing the Saemaeul Movement for the purpose of strengthening the Saemaeul Movement and making it lasting.

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The main statutory duty of the Institute was to train Saemaeul leaders and vanguards of the Saemaeul Movement, along with follow-up guidance for the graduates of the Institute and research and development on the Saemaeul Movement. The Act stipulated that the Institute should have not more than 8 directors including the chairman of the board. For the purpose of making the Saemaeul Movement more organized and systematic as a movement advanced in earnest, the Support of the Saemaeul Movement Organization Act was enacted on December 13, 1980 as Law No. 3269. The aim of the Act was to seek to implement and improve the Saemaeul Movement on a sustained basis to contribute to national and social development by supporting and nurturing the organizations for the Saemaeul Movement launched by voluntary campaigns of the people. Organizations for the Saemaeul Movement included the Central Headquarters for the Saemaeul Movement and its affiliated organizations such as the Central Consultative Meeting for the Saemaeul Leaders · Central Federation of Saemaeul Women's Associations · Central Consultative Meeting for the Office Saemaeul Movement · Headquarters for the Promotion of the Factory Saemaeul Movement · Central Consultative Meeting for the Functional Saemaeul Movement, and other organizations associated with the Saemaeul Movement and their line organizations incorporated with authorization from the competent minister. The state was empowered to provide various types of support to such Saemaeul-related organizations including contributions, tax exemptions, and granting of state and publicly owned properties.

Led by the government in the beginning, the Saemaeul Movement produced results marked by three types of liberation of Korean rural communities: liberation from A-frames, liberation from candlelight, and liberation from thatched roofs. The Movement began to transform the shape of Korean farming villages remarkably



such that the thatched roofs disappeared or changed into tiles and slates and the village roads were leveled or built for cultivators to pass on. The Saemaoul Movement can be said to have played the central role in transforming the impoverished rural communities into modernized ones. Such projects -- which improved the rural environment and increased rural income -- deserve to be regarded as a success story of a government-led development policy that utilized the cooperative spirit of the village inhabitants and human and material resource mobilization system of the village community.

## IV. Stage of establishing commercial and industrial farming systems

With three rounds of the 5-year plan (1953-1957, 1958-1962, 1962-1966) for increasing agricultural products executed in the 1950s ~ 1960s, progress was made in farmland expansion, arable land readjustment, irrigation and drainage facilities, emphasis on fertilizer, improvement of cultivation method, improvement of varieties, distribution of quality varieties, etc. As a result, the farmland system was modernized, and the improvement of agricultural infrastructure and agricultural mechanization were implemented; in terms of agricultural structure, such lowered or delayed the growth rate of agricultural production factors such as land and labor, at the same time increasing that of fertilizer, pesticide, and farm machinery.

Such phenomena may be attributed to the fact that the agricultural structure was changed from farming household resources-centered farming to industry-



supplied scientific technology-centered farming. Seen in another context, such changes may mean that, as resource and self-sufficiency-centered agriculture and agricultural production affected by food problems and natural conditions shifted to scientific technology-centered agriculture, the issue of farming household income and market price of agricultural produce came to the fore.

Changes in productivity in the agricultural sector are affected by the development of inputs that may increase agricultural productivity and by the ability to produce and distribute them in non-agricultural sectors. To increase agricultural productivity, the government expanded the irrigation facilities to increase the water volume per unit area (comprehensive development of the 4 major river basins aimed at developing large volumes of agricultural water), developed a new high-yield variety (development of reunification rice, green revolution such as protected rice nursery), and expanded fertilizer supply (free distribution was banned in 1962, distribution was unified through the National Agricultural Cooperatives Federation (NH), and fertilizer exports expanded beyond the self-sufficiency level).

Korea's food self-sufficiency rate fell from 94.5% in 1960 to 56% in 1980. Rice was self-sufficient; due to changes in the consumption structure, however, flour, corn, and bean were imported from overseas. Thus, the government controlled food supply and demand by regulating agricultural production and consumption. Beginning 1969, it enforced the policy of protecting grain-producing farming households and consuming households at the same time through a double grain price system, which helped stabilize price in general. Nonetheless, it resulted in the special account for grain recording deficits and food self-sufficiency rate falling in the government sector. In other words, in the case of flour, bean, and raw cotton, the government imported in 1955 a quantity making up 10% of the entire domestic



production volume according to the Agreement on the Import of Farm Surpluses, thereby contributing to the stable supply of food for the people and to economic stabilization. Nonetheless, such policy caused a fall in the domestic grain price and sapped the will of farmers to produce more, encouraging the preference for flour foods from the long-term perspective and increasing meat consumption due to increased income, which triggered the reduction of imports of corn for feed and lowered the food self-sufficiency rate.

The last stage of rural modernization that progressed in such agricultural and rural environment concerns the commercial and industrial farming system. Legislation included the Act on the Special Measures for the Development of Farming and Fishing Villages (Law No. 4228, April 7, 1990) and the Act on Farming and Fishing Village Development and Promotion Corporation and Farmland Management Fund (Law No. 4229, April 7, 1990).

### **1. Developing agriculture and farming communities under the Act on the Special Measures for the Development of Farming and Fishing Villages**

With the expanded opening of agricultural product imports since the latter part of the 1970s and the resulting deterioration of economic conditions of rural communities, exodus from the agricultural areas was accelerated. The farming population stood at 14.50 million or 58.2% of the total population in 1960, decreasing to 4 million or 8.7% of the total population in 2000. With economic growth as well as the resulting concurrent employment of farming households, the proportion of professional farmers, which accounted for 90.6% in 1960, was reduced to 65.2% in 2000. The population's exodus -- especially the younger generation -- from farming villages into the urban areas was accelerated, leaving the rural

community with an aging population.

To counter this trend, the Act on the Special Measures for the Development of Agricultural and Fishing Villages was enacted to ensure that farmers' income level was comparable to that enjoyed by workers engaged in other industries and labor productivity improved to the fullest extent. Details are as follows:

#### **A. Improving the agricultural structure**

This Act aimed to: seek the development of agriculture; increase agricultural productivity by improving the agricultural structure aimed at protecting farmers' interests; expand the income source of farming communities such as nurturing income-generating industries in farming villages, and; contribute to promoting farmers' welfare by developing pleasant farming areas through improved living environments.

Toward this end, the government, among others, nurtured professional farmers. The competent minister responsible for the agricultural sector issued an executive order, i.e., those engaged in farming for more than 3 years and who have management ability and drive to farm should be nurtured as professional farmers to achieve optimized scale for the agro-industry and increased productivity by rationalizing management; young people residing in farming villages and participating in farming management or showing an interest in management should be selected as next-generation agriculturalists, and provided with the necessary assistance as well as given priority in being nurtured as professional farmers. The heads of the state, local government, and producers' organizations should actively cooperate in nurturing and supporting these next-generation agriculturalists.

Second, the system of farming association corporation was introduced. The Act stipulated that farmers should be able to establish a farming association



corporation to improve agricultural productivity and increase farm household income through the rationalization of farming management, and that the farming association should be incorporated and should be able to own farmlands. Persons qualified for membership with the farming association corporation should be limited to small-scale business farmers who had been engaged in farming in the city or Gun in question for more than 3 years. Establishing a farming association corporation should require more than 5 farmers to prepare jointly the articles of association, which should pass the resolution of an inaugural general meeting and which should be registered in its principal office address to be valid.

In the amendment in 1993, joint shipment, processing, and export of agricultural products were added to the scope of business performed by the farming association corporation whose establishment entity was expanded to allow a person living in the same place as the corporation or in the neighboring city or Gun to set up a farming association corporation. With the amendment of the Act in 1994, the establishment entity was further expanded to include farmers and producers of agricultural products as prescribed by the articles of association, repealing provisions that imposed restrictions on farming experience and place of residence. Such farming association corporation differs from an agricultural corporation since the former was voluntarily established, free entry and secession were permitted, and limit on profit sharing among members was specified in the articles of association.

Third, a legal basis for commissioned farming was provided. This system permitted the establishment of a commissioned farming corporation to ensure the convenience of farming households, which experienced difficulty in farming due to lack of labor, and to increase agricultural productivity. The commissioned farming corporation was allowed to perform as agent for all or part of farm management or

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agricultural work, but the size of farmland permitted for the commissioned farming corporation per farming household could not exceed 30,000m<sup>2</sup>. The state or local governments could pay a subsidy or provide a loan to the commissioned farming corporation. With the amendment of the Act in 1994, the commissioned farming corporation was renamed agricultural corporation; the scope of activities was expanded to increase productivity through business-minded farm management or to distribute, process, and sell agricultural products. In addition to farmers, producers' organizations or farmland improvement association could become establishment entities.

Fourth, the system supported occupational change. Under this system, the competent minister responsible for the agricultural sector was empowered to provide appropriate support to farming households that meet certain requirements and which would switch to another industry so that they could find stable employment. Details of support included provision of vocational training and offering placement service, matters related to funds for finding employment, payment of preparatory grants for occupational change, provision of training allowance including training funds, training expenses, family living expenses, etc.

In addition, the competent minister responsible for the agricultural sector should provide support to members of the farming or fishing household that met specific requirements and transferred all farming assets to another farmer or fisherman or to Agricultural and Fishing Village Development and Promotion Corporation because it could not continue farming for unavoidable reasons such as old age or disease. Likewise, the government should permit an agricultural community guidance organization, a research institute, the university concerned, or the expert involved to conduct joint research or guidance on a specific task and should pay the contributions required for such.



### **B. Stable agricultural product supply and demand and support to the project for increasing farming household income**

The Act stipulated that the competent minister responsible for the agricultural sector should make agricultural projections of some of the agricultural products subject to wide price fluctuations, form and operate an agricultural projection consultative meeting aimed at efficient projections, and engage representatives from farmers and fishermen and related organizations in that meeting. Based on the results of agricultural projections, the minister could order producers' organizations to adjust production and shipment to maintain optimal production and prices of agricultural products.

Meanwhile, the competent minister responsible for the agricultural sector was empowered to order producers' organizations to enter into an agreement with farming households on production and shipment adjustments concerning the items publicly announced by the minister -- taking into account the production conditions -- to guarantee a specific price level for the shipments of the farming household that honored such agreement. Losses sustained by such price guarantee could be made good.

The competent minister responsible for the agricultural sector could provide support in making domestic production adjustments as deemed necessary in the items imported by the government to stabilize supply and demand; in case farmers and fishermen who produced such specific agricultural products organized a producers' organization to expand the market for the products in question and to set up and operate a self-reliance fund for supply and demand adjustments and price stabilization, the minister could pay a subsidy to such producers' organization. The Act also prescribed that the minister should provide the necessary support to farmers, producers' organizations, or agricultural products distributors expanding

the market for their products or adjust supply and demand.

In addition, the state or local governments could provide subsidies or loans to farmers or specific producers' organizations if they ran agricultural product processing business such as food manufacturing or processing, at the same time nurturing the agricultural and marine product processing industry to adjust the agricultural and marine product supply and demand and to increase farming households' income. These subsidies or loans were granted to projects related to the following: ① development of processed agricultural foods including traditional foods; ② installation and repair of processing facilities; ③ purchase of farm produce used for raw material for processing, and; ④ investigation and research project for improving processing, storage, and distribution.

### **C. Promoting export and import of agricultural products**

The government provided the support required to promote the export of agricultural products to increase farming household income and adjust farm produce supply and demand. For this purpose, it assisted traders or trade-related institutions in collecting overseas market information and developing the market and provided them with subsidies or loans.

When lifting import restrictions on agricultural products, the government devised the necessary measures to protect the income of farming and fishing households and to utilize domestic resources efficiently. When formulating plans for the import liberalization of agricultural products, it made an official announcement of import liberalization items in advance, taking into account the impact such would have on the national economy. Furthermore, the competent minister responsible for the agricultural sector was empowered to purchase the domestically produced items in question or exhort others to buy them if the import liberalization of agricultural



products was judged to have considerable impact on domestic agriculture and farming household income, in which case the difference between the import price and purchase price was shouldered by the government. To deliberate on matters related to supplementary measures resulting from the import liberalization of agricultural products, a deliberation council on the supplementary measures for import liberalization was established and operated.

#### **D. Promoting the development of extra farming household income**

The competent minister responsible for the agricultural sector should develop or promote extra income sources for farming and fishing villages to expand employment opportunities for farmers besides farming, to sophisticate the income structure of farming and fishing villages, and to formulate plans for increasing such extra income according to the basic policy on the development of farming and fishing villages. Note, however, that such plans should contain the basic goals of and action plans for improving the income structure of farming and fishing villages together with those for increasing extra income and matters such as those related to support for the development of an agro-industrial complex, provision of budgetary support for the development of agro-industrial complex, manpower supply and demand and support to job training in farming and fishing villages, support for the development of production complexes for the specialties of farming and fishing villages, development of resorts in farming and fishing villages and support to such, etc.

The heads of Si or Gun were obligated to prepare the results of execution of the plans for increasing extra income and file a report to the Do governor by the end of January of the following year; the Do governor had to make a comprehensive report to the competent minister responsible for the agricultural sector within one month of the date of receipt of the report.



### **E. Promoting the development of an agro-industrial complex**

The Act prescribed that the head of Si or Gun should designate and develop an agro-industrial complex to develop extra income sources in the area under his/her jurisdiction, and that the government should provide to the head of Si or Gun subsidies or loans required for developing the agro-industrial complexes according to the plans for increasing extra income besides that earned from farming. The state, local governments, and government-invested institutions that established and managed public facilities such as roads, water supply, electricity, and telephone should install those facilities first in the agro-industrial complexes for the smooth execution of agro-industrial complex development projects; farmers and fishermen wishing to find employment in the agro-industrial complex should register with the head of Si or Gun for employment, with the head of Si or Gun managing the register.

In addition, the state and local governments could provide vocational training as required to employ farmers and fishermen in the occupant factories in the agro-industrial complex, provide employment information, employment guidance, and placement service, and assist the occupant factories in the agro-industrial complex in training their employees.

Small Business Corporation or Korea Agro-Fisheries Trade Corporation was obligated to provide guidance on technologies and management at the request of the head of Si or Gun or business occupants; the state and local governments were responsible for expanding free contracts with the producers of farming and fishing village specialties, state, local governments, or government-invested institutions and for taking the necessary measures to assist export and facilitate affiliation to promote the sale of the products produced in the agro-industrial complex or in the production complex for farming and fishing village specialties designated by the head of Si or Gun.



### **F. Developing farming and fishing village resorts**

The Act prescribed that the head of a Si or Gun should designate resorts in the farming and fishing villages to develop them directly or permit organizations for farmers and fishermen or Farming and Fishing Village Development and Promotion Corporation to develop them to preserve the natural landscape in farming and fishing village areas and to help increase income for farming and fishing villages. Toward this end, amenities should be installed such as rest areas, agro-marine production facilities such as fish farms, selling facilities such as sales outlets, accommodations such as campsites, infrastructure such as access roads, etc.

### **G. Developing zones for farming and fishing village settlement life**

The government should comprehensively improve and expand the living environment, industrial base, and amenities and welfare facilities in farming and fishing villages, develop a zone for farming and fishing village settlement life for the Myeon area to improve the welfare of farmers and fishermen, and include the areas of the neighboring Eup and Myeon if deemed necessary to ensure efficient development.

The head of a Gun should formulate a plan for developing a settlement life zone for the area deemed to require such after canvassing the village and subject to the deliberation of the Gun farming and fishing village development council and obtain authorization for the plan from the competent Do governor. The plan should include the goal and basic direction of the development of a settlement life zone, matters such as those related to the improvement and development of farming and fishing village houses, improvement and development of farming and fishing village roads, expansion of cultural and welfare facilities, improvement and expansion of

the living environment linked to projects for developing income sources including the agro-industrial complex, and development of farming and fishing village water and drainage and maintenance and expansion of their facilities. The head of a Gun was responsible for making project plans and implementing them according to these development plans.

The Act also stipulated that the government should formulate and implement a 10-year plan for developing settlement life zones and provide financial support equivalent to the amount of customs duties levied on the imports of agro-marine products by appropriating in the annual expenditure budget to promote efficiently the development of settlement life zones, for which the state or local governments should provide subsidies or loans to farmers and fishermen, producers' organizations, and other entities needed for the project if deemed necessary to implement the project for the development of settlement life zones. In addition, the competent ministry responsible for the agricultural sector could set up a committee for the development of settlement life zones in charge of deliberating matters related to formulating basic plans for developing settlement life zones, making an annual implementation plan, selecting the area for development, and providing budgetary support.

#### **H. Designating and operating agricultural promotion areas**

The government decided to designate the areas for agricultural promotion by classifying them into those for agricultural promotion (areas consolidated on a considerable scale, required to be used for agricultural purposes) and those for agricultural protection (areas required for protecting the agricultural environment of the agricultural promotion areas) to increase agricultural productivity by efficiently utilizing and preserving farmlands. When the City Mayor or Do governor designates



such area, it was subject to the deliberation of a City & Do farming and fishing village development council and the approval of the competent minister responsible for the agricultural sector; after the designation, details should be publicly announced and reported to the institutions concerned without delay. In the areas for agricultural promotion, land utilization not directly related to the agriculture and fishing industry was prohibited. Activities directly related to the agriculture and fishing industry should include the cultivation of agricultural crops, installation of farmhouses, facilities for agriculture or livestock industry, installation of facilities for the artificial feeding of wild birds and beasts, installation of facilities for collecting, sorting, and packing agricultural products produced in the area in question or in the neighboring area, farmland improvement projects, projects for developing water for farming and fishing village, etc.

The government required making investments first in improving and readjusting farmlands and agricultural facilities and in expanding the agricultural products distribution facilities; farmers who cultivated farmlands within the areas for promotion should be given priority in receiving financial and tax benefits so that agricultural productivity and farming household income could be enhanced.

## **2. Improving the agricultural structure under the Act on Farming and Fishing Village Development and Promotion Corporation and Farmland Management Fund**

This Act sought to promote the transfer of ever-increasing farmlands owned by non-farming households to proprietary farming households to overcome the structural problem of small-scale farming in Korean agriculture, at the same time creating the conditions for small farmers who find it difficult to make a living only from farming to lease their farmlands on a long-term basis or dispose of them to

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switch to different occupations, which required the systematic implementation of the project for improving the agricultural structure.

For this purpose, Agricultural Promotion Corporation, which was founded under the previous Agricultural Community Modernization Promotion Act, would be absorbed into a newly established farming and fishing village promotion corporation in charge of nurturing professional farmers and implementing the project for supporting occupational change by small farmers; a farmland management fund would be set up and operated to ensure the smooth supply of funds required for this project.

In fact, prior to the enactment of this Act, the National Agricultural Cooperatives Federation (NH) had served as government agent in implementing the project for providing farmland purchase funds since 1988; note, however, that this Act required the competent minister responsible for the agricultural sector to devise a comprehensive policy on the project for farmland purchase and sale, provision of farmland purchase funds, lend-lease management of farmlands, etc., to ensure the optimization of business scale of farming households. The details are explained below.

First is the farmland trading system. Under this system, Farming and Fishing Village Promotion Corporation purchases the farmlands owned by non-farmers or farming households that would switch to other occupations or retire to sell them to a farm owner intending to expand his/her farming scale. Farmlands for trading should be limited to rice paddies, dry fields, and orchards within the areas for promoting farming, and farmland purchased from the Corporation should not be resold to others if 8 years had not passed from the date of the farmland purchase agreement.

Second, the project for providing funds for buying farmland was implemented.

## IV. Stage of establishing commercial and industrial farming systems



It was a system wherein purchase funds were lent at low interest to a farmer intending to buy farmland from a non-farmer or a farmer wishing to close the farm or retire. Applicants for the funds were specifically limited to next-generation agriculturalists, farming household children who would buy inherited farmlands, farming association corporations, and persons to be trained as professional farmers.

Third, the long-term lend-lease project was undertaken. Under this system, Farming and Fishing Village Promotion Corporation leased the farmlands of those who did not farm on a long-term basis and lent them to professional farmers, agricultural corporations, or farming association corporations on a long-term basis. In addition, the Corporation could purchase reclaimed or developed lands on long-term lease to sell to active farmers or provide them with the necessary funds to buy the farmland in question.

Fourth, the project aimed at farmland exchange, division, and integration was introduced. Under this system, farmland exchange, division, and integration could be executed or recommended, and technology and funds were provided to promote farming efficiency.

Fifth, farmlands could be redeveloped. Agricultural Community Development and Promotion Corporation could redevelop farmlands, provide technology and funds required for local governments, farmland improvement associations, or farmland owners to implement farmland redevelopment projects aimed at increasing farmland productivity and to ensure efficient use of farmlands and increase extra income for farming households. The Corporation could buy poor-quality farmlands, reclaimed lands, or forests to develop them for use for farming and fishing village houses, farmlands that could increase income for farming and fishing villages, industrial use or farming, and fishing village resorts that could be resold; prior to the

start of such project, however, a project implementation plan needed to be formulated and submitted to the competent minister responsible for the agricultural sector for authorization, and the proceeds from such project should be invested in the development of farming and fishing villages.

To raise and provide the funds required for the optimum scale of farming, consolidation of farmland, and farmland development, a farmland management fund was set up. The financial resources of this fund were secured from government contributions, borrowings, funds created by issuing farmland bond, payment amount for farmland development, contributions from other fund, and proceeds from fund management.

The fund is used for the following: farmland trading, financing farmland purchase, financing of farmland lend-lease projects, financing of farmland exchange/division/consolidation and farmland redevelopment projects, investment in and financing of farmland development projects, expenditure for managing the fund, etc.

### **3. Modernizing the distribution structure of agricultural products**

The aim of promoting the modernization of distribution of agricultural products is to cut distribution margins, thereby increasing profits for producers and reducing the consumer burden. In particular, to reduce distribution margins, the business scale of distributors must first be maintained at an optimum level. In Korea, a great number of merchants, small-scale businesses, and complex distribution channels incurred excessive distribution costs. Second, the distribution function must be efficient. Lowered product value in the process of transportation and storage hikes up the distribution costs. Third, various functions related to the collection of distribution information, quality improvement, etc., must be fulfilled so that



distributors and related institutions will be able to make accurate decisions on distribution activities.

In the stage where the agriculture-centered growth rate is low, the distribution structure is the staple crop-centered production structure wherein wholesale markets dealing groceries other than grains are not developed and wholesale and retail functions are not divided, either. This stage has a self-sufficient production mode; therefore, agricultural production is market price-inelastic. Market areas for agricultural products are limited due to insufficient social overhead capital including roads and communications and lack of means of transportation. Until the early part of the 1970s, Korea had relatively little interest in distribution because it placed administrative emphasis on producing more food and stabilizing the agricultural product price to relieve food shortages. At that time, grain management was performed under the Grain Management Act, and fruits and vegetables were managed according to the Central Wholesale Market Act; note, however, that there were similar wholesale markets all over in addition to the central wholesale markets.

The next stage is a distribution structure wherein industrialization and urbanization have progressed to some degree, with the agricultural production structure becoming stable enough to realize the self-sufficiency of a staple crop. At this stage, agricultural products are mass-produced and standardized, and distribution is characterized by long distance, wide area, and large volume, with the central wholesale markets playing a pivotal role in the distribution structure. The share of public markets in retail decreased with the emergence of supermarkets and chains. With the enactment of the Act on Distribution and Price Stabilization of Agricultural Products in 1976, the distribution of agricultural products has emerged as a central issue of agricultural policy. As a result, public wholesale markets were



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opened in major cities across the country including the Garak-dong public wholesale market for agro-marine products; the distribution market changed around the public wholesale markets in a system of similar wholesale markets to which farmers, fishermen, and producers' organizations delivered agricultural products. In the case of major product items, agricultural cooperatives in the chief production district opened a joint market and attracted wholesalers and retailers in various regions to induce them to buy agricultural produce, providing an opportunity to increase producer bargaining power.

The third stage is the distribution structure in the mass production and consumption stages marked by high income and increased use of leisure time. At this stage, safety, efficiency, and amenity in the people's diet are emphasized, and production of growth-encouraging and processed foods carries great importance. As chain stores become bigger, and direct dealing with local producers expands, the relative importance of central wholesale markets decreases. With the opening of the distribution service market in 1996, major foreign distributors (Carrefour, Wal Mart, etc.) entered the Korean market, as a result of which the distribution system centered on public wholesale markets was changed to that centered on large-scale retail stores. Moreover, as the existing large-scale discount stores and food sector in a department store developed a distribution system based on direct dealing with local producers, the function of the wholesale market marked by multi-level, high cost, and price instability was weakened. Consequently, even wholesalers and distributors in the production area enhanced their capacity to respond to the changing market through economy of scale, distribution cost reduction, development of new distribution channels, etc.

Meanwhile, the distribution pattern of agricultural products was the structure



to which retail and wholesale markets and markets in the production area were intimately linked. For such distribution function to perform effectively and efficiently, the price formed in the retail market was to be transferred promptly to the market in the production area, which in turn would adjust the agricultural product items and production volume. Sale in markets in the production area was classified into pre-harvest sale (selling methods such as dry field sale or vinyl house sale, etc.), garden sale (selling in packaged state after harvest or selling in a farmhouse), and sale on the market in the production area (selling in auction-style collecting ground or in wholesale market in the production area). Sale in the consumption market was divided into individual shipment, joint shipment, and systematic shipment (method by which member associations of the National Agricultural Cooperatives Federation (NH) collect agricultural products to ship to NH joint markets in big cities) according to the method of shipping agricultural products.

Korea's distribution structure in relation to agricultural products made progress in legislation on grain distribution and fruits and vegetable distribution. First, for grain distribution, the Grain Management Act was enacted on February 16, 1950 as Law No. 97 to secure national food and to stabilize the national economy by adjusting supply and demand with regard to stockpiled grain or by controlling its distribution and consumption. The Act prescribed that rice, barley, wheat, oats, rye, and other types of grains determined by the Presidential Decree should be subject to management.

Concerning rice, the government-designated quantity should be sold to the government, in which case the total volume of rice purchased by the government should not exceed 1/3 of the total domestic production volume for the relevant grain year; the person who signed the purchase agreement on state-vested farmland, the

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person who purchased it, or its tenant farmer should pay the entire farm rent for the year of its sale to the government, and the grain purchase quantity and its price should be determined by the government upon obtaining the consent of the National Assembly. The government could dispose of the purchased grain according to its plan for supply and demand or sell it to adjust the grain price. The Act also stipulated that emergency grain should be stockpiled at all times; a person wishing to import or export grain should obtain permission from the government, Grain imports should be sold to the government, with import or export tax on the grain waived where necessary. A person wishing to run a processing business using grain as raw material should obtain government permission.

The government also instituted strong measures for grain management. If deemed necessary, it could restrict or ban the processing or sale of grain for profit-making purposes and enforce the necessary measures concerning the sale of meals or alcoholic beverages at inns, restaurants, high-class Korean-style restaurants, and other cafes if deemed necessary for grain supply and demand.

The Act amended in June 1951 prescribed that the consent of the National Assembly should be obtained concerning the quantities of grain and sale price according to the plans for grain supply and demand, that emergency grain should be stockpiled at all times, and that part of the stockpiled grain should be loaned to the provincial minister if needed for agricultural development, but that the provincial minister should repay it with grain produced the following year. The Act amended in August 1970 stipulated that grain price -- which wields huge influence on economic stability and price -- should be standardized all-year round to stabilize national diet; grain distribution order should be established, processing by illegal method should be prohibited, rice consumption by eating mixed food and flour-based food should



be minimized, and details of restriction and prohibition orders given to grain sellers and processors should be specified to ensure smooth grain supply and demand. Food suppliers using grain as raw material should follow restriction orders concerning the ratio of grain by type required for meal and concerning the sale of steamed rice; owners, sellers, processors, and food suppliers of grain should be ordered to make the required reports.

The amended Act of December 1972 prescribed that presidential authorization should be obtained regarding the government plan for grain supply and demand and purchase and sale price determination, abolishing the system of gaining the National Assembly's consent concerning the aforementioned; adjusting grain supply and demand and carrying out a price stabilization policy require introducing a license system regarding grain dealers' business within certain areas given the small number of grain dealers and an inordinate number of retailers scattered around in a disorderly fashion. Therefore, if grain price determination were left to the free market, it would likely impose an excessive burden of retail margins on consumers because traded quantity per retailer was too small. The policy of reducing grain consumption and improving national diet should be rigorously implemented with the goal of effectively curbing price manipulation, illegal dealings, and cornering and hoarding in response to wide fluctuations in grain price, achieving grain self-sufficiency, and reducing the import of foreign rice.

With the amendment in May 1988, however, the system of requiring the consent of the National Assembly in determining the government grain supply and demand plan along with grain purchase price and volume was reintroduced. Moreover, with the amendment in January 1994, the system requiring that the purchase price and volume of the government-managed grain be officially

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announced in advance with the consent of the National Assembly -- to allow farming households to formulate predictable farming plans -- was introduced. A specific amount of grain other than that purchased by the government should be bought by agricultural cooperative associations at the government purchase price to ensure smooth management of grain supply and demand, but the difference between the producer's price and the government purchase price should be paid to the agricultural cooperative associations; the grain trading business should be changed from the license system to the reporting system, and the grain processing business such as rice milling and flour milling, from the license system to the registration system.

The amendment also prescribed that equipment funds should be lent or granted as aid to persons who operated the business of grain distribution to nurture the grain distribution business responsible for the comprehensive function of grain distribution such as drying, storing, processing, and selling the grain purchased from producers. The amended Act of December 1994 stipulated that the prevailing provisions of import restriction on grain at the time should be removed in preparation for the inauguration of the World Trade Organization (WTO), and that those who would import the grain for which levying customs duties was deferred with the inauguration of WTO should obtain authorization from the competent minister responsible for the agricultural sector; those who would import the grain on which customs duties specified in the production plan for agricultural products were levied apart from the grain subject to permission, or those who exported the grain as prescribed in the decree of the competent ministry responsible for the agricultural sector should receive recommendations from the competent minister responsible for the agricultural sector. If deemed necessary to adjust grain supply and demand and to



manage the imported grain, those who imported grain or sold or processed the imported grain should be regulated concerning the grain sale price, selling method, selling time, and restrictions on its use. The specific amount within the range of the difference between the domestic price and import price should be imposed on or collected from those who imported and sold the grain for which imposing import profits was specified in the production plan for agricultural products, with the collected profit to be paid to the special account for grain management or to the fund for the price stabilization of agricultural and marine products.

The amended Act of January 1997 stipulated that the basis for paying part of the agreed upon amount of purchase (deposit) to the producers who signed the agreement on grain purchase should be provided to revitalize the market function for grain distribution, to implement planned farming by rice farming households, and to increase their real income; any producer who received the deposit but did not want to honor the agreement should pay back the deposit together with the agreed upon interest. If the grain purchased according to the purchase agreement fell short of the purchase quantity officially announced in advance with the consent of the National Assembly, the grain in question should be purchased from the owner within the limit of the budget. The amended Act of January 1999 prescribed that restrictions on processing and selling methods such as mixing and packing the grain under government management for grain price adjustment should be removed; the system that required imported grain dealers to lay aside and manage the fund for grain price stabilization should be abolished due to its ineffectiveness, and the obligatory reporting system for grain trading should be scrapped. Restrictions on the grain processing business as prescribed by the Presidential Decree such as rice milling business should be eased, with the registration system changed to a reporting system

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that enabled new business proprietors to enter the market with ease. The system that designated the government-managed grain transportation, storage, loading service providers for safety management and prompt distribution, and suppliers of packaging materials should be done away with as well. The amended Act of March 2005 prescribed that fixed direct payments should be made to the farmers engaged in rice farming, and that variable direct payments should be paid to them considering the difference between the target price and the rice price for the year in question regardless of the falling rice price by restructuring the rice income supplementation system and the rice farming subsidy system. In case the fixed direct payments made to the farmers did not reach 85/100 of the difference between the target price and the rice price for the year in question, the gap should be closed with variable direct payments. These measures were taken against the backdrop wherein, after negotiations over rice and Doha Development Agenda (DDA), market opening from negotiations over rice was widened with the resulting increase in rice import. There were fears of such changing market situations decreasing farmers' income, underlining the need for establishing and enforcing a comprehensive policy on the direct payment system through which income subsidies were paid to the farmers. The existing rice income supplementation system and the rice farming subsidization system through which payments were made in case the rice price fell below the base price placed limitations on achieving farmers' income stability after the negotiations over rice.

With respect to the distribution of agricultural products other than grain, there had been no law on the wholesale market before the Central Wholesale Market Act was enacted on June 22, 1951 as Law No. 207. Wholesale markets perform the functions of commercial distribution, material distribution, information gathering



and communication, supply and demand adjustment, etc., for which a systematic law was enacted. Prior to the enactment of this Act, the situation was that large organizations of consignment traders were dominating the markets in big cities across the country. The Central Wholesale Market Act was enacted to let local public organizations open the wholesale markets to help facilitate the supply of general groceries to urban dwellers and to optimize the price. Under this Act, one wholesale market per Do was legally opened, allowing it to sell fish, shellfish, salted and dried fish and shellfish, salted fish and shellfish, fruits, vegetables, poultry and meat, eggs, and all or part of the daily groceries wholesale; the business area of the wholesale market was to be determined by the minister of commerce and industry. A person wishing to open a wholesale market should submit to the minister of commerce and industry for authorization an application with the operating procedures and a business plan as attachments, but the minister should not grant authorization if the central wholesale market did not specify in its operating procedures the installation of equipment for the transport, storage, and sale of traded goods and other types of equipment. The operating procedures of the person who would open a wholesale market were to contain the goods traded in the central wholesale market and their category, user, and storage fees that the market would collect, user and storage fees that the person who would start the wholesale business, etc., would collect, etc. The closure of the central wholesale market was to be approved by the minister of commerce and industry.

The Central Wholesale Market Act had been in force until May 7, 1973 when the Act on the Wholesale Market for Agricultural and Marine Products was enacted as Law No. 2483. the latter transferred the wholesale market business controlled by the minister of commerce and industry to the competent minister responsible for the



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agricultural sector, focusing on unifying the system of supervising the wholesale markets wherein agricultural and marine products were primarily traded and the joint markets opened by agricultural cooperatives and fishery cooperatives. As for the major details, one wholesale market was to be opened per city by category. The principle of one market per city was not applicable in principle to the joint market opened by agricultural cooperatives; if deemed necessary, however, the competent minister responsible for the agricultural sector could adjust this principle. The person who opened the market should lay aside an equipment fund aimed at improving the facilities of the wholesale market, and that executives and employees of the corporation performing as agent for the wholesale business of the person who opened the market should not concurrently operate any business within the area of the wholesale market in question to ensure fair trade in the wholesale markets.

The Act on Distribution and Price Stabilization of Agricultural and Marine Products was enacted on December 31, 1976 as Law No. 2962, integrating the Act on the Wholesale Market for Agricultural and Marine Products and the Act on Agricultural and Marine Product Price Stabilization Fund. As for the essential details, markets to which this Act was applicable were the wholesale market for agricultural and marine products and the agricultural and fisheries cooperatives' joint market. The wholesale market for agricultural and marine products referred to that opened in urban areas to trade wholesale all or part of the items prescribed by the Presidential Decree such as fruits and vegetables, poultry and meat, fish, shellfish, seaweeds, and forest products, whereas the agricultural and fisheries cooperatives' joint market meant that opened and operated by the agricultural cooperatives and fisheries cooperatives and national federation to sell agricultural and marine products.



Under this Act, the competent minister responsible for the agricultural sector could give orders to the designated wholesaler in the wholesale market and the head of the agricultural and fisheries cooperatives' joint market as to the shipment of traded items and sale adjustments to ensure the smooth distribution of agricultural and marine products and the stability of national life. The minister could also designate the production complex for each designated agricultural and marine product item so that the necessary support could be provided to the complex, such as lending of production funds and technical assistance.

In addition, the competent minister responsible for the agricultural sector could recommend or arrange for a cultivation/farming agreement between the person who exported or processed more than the specific quantities of agricultural and marine products and a producer within the production complex or a producer of the designated items to ensure the smooth supply of the designated items and maintain optimum prices; in case guaranteeing optimum prices was difficult due to a significant fall in agricultural and marine products produced by the designated producer, the government could make good the losses with profits from the agricultural and marine product price stabilization fund or within the limit of the budget. Moreover, the competent minister responsible for the agricultural sector could buy and stockpile agricultural and marine products with the agricultural and marine product price stabilization fund to adjust supply and demand and to stabilize prices or pay part of the payment amount in advance to the producer who agreed to ship agricultural and marine products so that shipment could be adjusted. Wholesale markets should be opened, operated, and managed by the designated wholesalers in Seoul, Busan, or other cities by city and location category with authorization from the competent minister responsible for the agricultural sector, and closing the

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wholesale market should be authorized by the competent minister responsible for the agricultural sector 3 months in advance. The area of opening of the wholesale market should be in the administrative district of the market where it was opened.

The criteria for permitting a wholesale market included the following: ① the place where the wholesale market was to be opened should be suitable for the trade center of agricultural and marine products; ② the facilities should be suitable enough to meet the criteria; ③ the content of operating procedures should be acknowledged as suitable for ensuring the sound operation of the wholesale market; ④ the content of the operation and management plan should be recognized as good and definitely realizable, etc. The person who opened a wholesale market was obligated to carry out improvement and rational management of the wholesale market facilities to ensure traders' convenience and consumer protection, establish fair trade practices and improve its environment, and promote standardization, package improvement, and maintenance of freshness to increase product value.

The system of a designated wholesaler was also introduced. The designated wholesaler should be a corporation with specific qualifications, and it could carry out the wholesaling of agricultural and marine products only in the wholesale market. In addition, the designated wholesaler had an obligation to pay the security deposit or provide collateral in advance to the person who opened the wholesale market to guarantee its payment to the commissioned shipper and its faithful business operation, including hiring an auctioneer to effect fair and prompt transactions. The person who obtained permission per product category from the owner of the wholesale market should serve as broker for agricultural and marine products, and the participants in wholesale transactions except those who were licensed should register. Agricultural and marine products that were put on the wholesale market



should be traded by auction or tender, with the designated wholesaler posting the quantities of major items brought in and their transaction prices every day on an easily noticeable place. When the agricultural and marine products given in trust were sold, the wholesaler should make prompt payment in full.

The Act also had provisions for restrictions on the collection of fees, etc., prohibiting the market owner, designated wholesaler, or broker from collecting money under any pretext except in the following cases: ① user fee collected by the owner from the designated wholesaler as the minimum cost required to maintain and manage the wholesale market; ② consignment fee for the products put on the market equivalent to a specific percentage of the transaction amount collected by the designated wholesaler from the shipper who consigned agricultural and marine products for trade; ③ brokerage fee equivalent to a specific percentage of the transaction amount charged by the broker to the purchaser of the agricultural and marine products in case the broker executed the purchase of the agricultural and marine products in the wholesale market.

The Act also stipulated that, to protect consumers by establishing trade practices and improving quality, the competent minister responsible for the agricultural sector should prohibit or restrict sale or purchase for the sake of selling the items determined by the Presidential Decree without going through the distribution process of the wholesale market or the agricultural and fishery cooperatives' joint market within the area of a wholesale market or the city area where the agricultural and fishery cooperatives' joint market was opened.

Agricultural cooperatives should obtain authorization from the competent minister responsible for the agricultural sector when intending to open a joint market; a collection center for agricultural and marine products should be installed

and operated along the expressway to establish a distribution system that could directly ship agricultural and marine products to places of mass consumption.

The government developed a ₩60 billion fund for agricultural and marine product price stabilization to ensure ① agricultural and marine product price adjustment and promotion or adjustment of production and shipment, ② promotion of export of agricultural and marine products, ③ storage, management, and processing of agricultural and marine products, ④ promotion of shipment to wholesale markets and agricultural and fishery cooperatives' joint markets, and ⑤ improvement of commercial value of agricultural and marine products. In addition, the competent minister responsible for the agricultural sector was empowered to order the owner of the wholesale market, the agricultural and fisheries cooperatives, or the designated wholesaler to improve the facilities for the sale, transport, and storage of agricultural and marine products to modernize the facilities for the distribution of agricultural and marine products and to determine the standard for trade items to improve the commercial value of agricultural and marine products and to establish fair trade practices. For the agricultural and marine products deemed likely to disrupt fair trade practices because they did not meet the standard, the minister could prohibit or restrict their trade in a specific area or market. Under the Act, Korea's wholesale market for agricultural and marine products are broadly divided into three: the public wholesale market opened and operated by government or local government investments; the general wholesale market built and operated by a private citizen with authorization from the licenser to open a wholesale market, and; the joint market opened by cooperative associations or public organizations. Regarding the distribution of agricultural products, distribution functions characteristic of distribution centers and direct sale were introduced in addition to the



aforementioned system-supported markets. Initially, distribution centers played the role of supplementing the existing wholesale markets, with agricultural cooperatives and local governments acting as operation entities. Distribution centers were expected to promote the rationalization of distribution through the introduction of advanced distribution techniques such as shipment of standardized products, housing all types of distribution facilities such as low-temperature refrigerators, inner packing, and processing facilities, etc. Note, however, that problems arose in terms of the price determination method, shipment volume adjustment, etc.

The direct transaction system refers to a transaction method by which producers in the production area directly supply products to end users such as consumers, large distributors, bulk purchasers, etc., without going through the wholesale markets. Such types of direct transaction show various forms including direct dealings between the producer and consumer, between the producers' organization and consumers, and between the producers' organization and consumer organization, direct transaction by public institutions or by private companies, etc. These distribution methods were implemented in the sense that streamlined distribution stages would benefit producers and consumers, but they caused the problem of distorting price determination and actually increasing the distribution cost due to small trade volume and inadequate facilities and equipment.

#### **4. Nurturing eco-friendly agriculture**

On December 13, 1997, the Act on Nurturing Environmental Agriculture was enacted to support institutionally the promotion of a policy on environmental agriculture aimed at meeting the needs of the people for safe agricultural products by nurturing eco-friendly agriculture and to respond proactively to the trend toward

globalization and internationalization of agriculture with the inauguration of the World Trade Organization (WTO). The Act was enacted on January 26, 2001 as Law No 6378, and its title was changed to the Act on Nurturing Eco-friendly Agriculture. It prescribed that the person who had produced eco-friendly agricultural products should make a voluntary report and indicate on containers or wrappers with figures or letters that the products were eco-friendly. To make the certification system more official and reliable, the system of certification of eco-friendly agricultural products was introduced. Under this system, certification of an eco-friendly agricultural product by the competent minister responsible for the agricultural sector, etc., was a prerequisite to indicating figures or letters. This topic will be discussed around the content of the amended Act on Nurturing Eco-friendly Agriculture.

#### **A. Responsibilities of farmers and state for eco-friendly agriculture**

First, eco-friendly agriculture was defined as that which follows the guidelines for the safe use of pesticide, conforms to fertilizer application norm by crop, maintains the optimum usage level of chemicals such as use of proper feedstuff additives, preserves the environment through the proper treatment and recycling of livestock excretions, and produces safe agricultural products. To nurture such eco-friendly agriculture, farmers were encouraged to practice eco-friendly farming that involved the proper use of chemical substance and to reduce pollution from farming, thereby preserving the environment and farming to produce eco-friendly agricultural products. Private organizations formed for the purpose of researching on eco-friendly agriculture and producing, distributing, and promoting the consumption of eco-friendly agricultural products were encouraged to strive toward developing eco-friendly farming by cooperating on the policies of the state and local governments



and providing their members and farmers with the necessary education and training along with technology development and guidance on farming.

The competent minister responsible for the agriculture sector should formulate plans for nurturing eco-friendly agriculture every 5 years in consultation with the heads of the central administrative institutions concerned to develop eco-friendly agriculture, and the plans should contain the policy goals and basic direction for environmental preservation in the field of agriculture, actual condition of agricultural environmental pollution and countermeasures for improvement, plans for proper use and reduction of pesticide, fertilizer, feedstuff additives, and other chemical substances, schemes for developing various types of technology for the development of eco-friendly agriculture, plans for nurturing a model eco-friendly agricultural complex, plans for revitalizing the production and distribution of eco-friendly agricultural products and their consumption, plans for expanding the role of agriculture for public interest, plans for increasing international cooperation on the development of eco-friendly agriculture and raising the funds required for implementing the plan, etc. The state and local governments decided to implement actively policies such as following the guidelines for the safe use of pesticide and tolerance limit for pesticide residue, conforming to fertilizer application norm, following the guidelines for discharge water quality due to livestock excretions, and preventing the dumping of waste farming materials, etc., to prevent environmental pollution from agriculture, pesticide, fertilizer, livestock excretions, waste farming materials, etc. In addition, the state and local governments decided to execute actively policies such as arable land improvement, prevention of industrial water pollution, minimization of greenhouse gas emissions to conserve agricultural resources such as farmland, agricultural water, air, etc., and to improve the



agricultural environment including soil and water quality improvement, etc.

### **B. Survey of the actual condition of agricultural resources and agricultural environment**

The competent minister responsible for the agricultural sector or the head of a local government selected the following as items of periodic surveys to conserve agricultural resources and to improve the agricultural environment: farmland fertility, heavy metal, pesticide content, variations in soil microorganisms, quality of surface and underground water used as agricultural water, actual state of use of agricultural inputs such as pesticide and fertilizer, real state of agricultural water resources management, soil preservation functioning as public interest, etc. The Act also prescribed that the competent minister responsible for the agricultural sector or the head of a local government should develop policies required for R&D, dissemination, and education of eco-friendly agricultural technologies to develop eco-friendly agriculture, provide the needed financial support, strive toward developing eco-friendly agriculture through the mutual exchange of eco-friendly agricultural technologies, and discover and publicize excellent cases of eco-friendly agriculture for efficient implementation.

### **C. Certification of eco-friendly agricultural products**

Eco-friendly agricultural products should be classified into general eco-friendly products, organic products, organic products in the conversion period, products without pesticides, and products with low pesticides according to the production method and materials used. The competent minister responsible for the agricultural sector -- to nurture eco-friendly agriculture and to protect consumers -- should certify agricultural products to be eco-friendly and permit figures or letters to



be indicated on such products; the certification should be valid for 1 year from the date of certification, but the period could be extended for not more than 1 year.

If the person received the certification by deceit or dishonest means or failed to follow orders to alter marks or stop the use or sale without justifiable reasons, however, the certification could be canceled.

#### **D. Providing support to the production and distribution of eco-friendly agricultural products**

The competent minister responsible for the agricultural sector or the head of a local government could provide the necessary support to producers of eco-friendly agricultural products, producers' organizations, and distributors of products through facility installation funds within the limit of the budget. The competent minister responsible for the agricultural sector could request the heads of public institutions and agriculture-related organizations to give priority to buying eco-friendly agricultural products to promote the purchase of eco-friendly agricultural products. In addition, the competent minister exhorted them to exchange information on eco-friendly agriculture and technology, cooperate mutually on human resources exchange, joint study, R&D, etc., and participate actively in international endeavor for the development of eco-friendly agriculture such as curbing farming and trading of materials hazardous to the environment through global cooperation with environment-related international organizations and related nations.

## V . Conclusion: results of rural modernization

At the time of liberation from Japanese occupation in 1945, Korea was in shambles politically, economically, and socially. It is not too much to say that the conditions in agriculture and rural community in general were at their worst level with impoverished peasants due to tenant farming, low productivity of agricultural products, lack of agricultural production infrastructure, outmoded agricultural technology, etc. Given such backward environment and sustained political instability, Korea's agriculture and rural community have gone through the process of steady growth and change, with the country opening its doors to the world and globalizing on the strength of economic development.

Such phenomenal changes are clearly shown in the statistics on agriculture and agricultural communities. At the time of liberation, Korea's rural population accounted for 77% of the entire population; in 2008, however, the rural population decreased to 1.21 million or 6.6% of the entire population. Farmland area was approximately 2.226 million ha in 1945 but dwindled to 1.759 million ha in 2008. Agricultural crops mainly consisted of rice and barley, but the production of livestock products and vegetables increased sharply.

Meanwhile, there was a large influx of non-farmers into rural communities, exceeding the number of native farmers; farmhouses were transformed from the traditional thatched style into detached and apartment houses with urban amenities installed such as boilers, standing kitchens, and warm water facilities. There were



major changes in rural society such as expanded welfare facilities to farmers along with various types of social insurance benefits.

These changes in rural lifestyle were made possible by the continued enactment of laws related to rural society and agriculture such as the Act on the Special Measures for Development of Agricultural and Fishing Villages, Agricultural Community Modernization Promotion Act, Framework Act on Agriculture and Rural Community, Basic Act on Agriculture and Rural Community Food Industry, etc., which provided the legal basis for rural development.

In addition, with the development of agricultural product distribution and opening and informatization of agriculture and rural communities, more refined and competitive agriculture and rural society were realized thanks to the Act on Nurturing Eco-friendly Agricultural Products. At the same time, however, many problems requiring solution have emerged, such as aging rural population, rural villages being hollowed out, and contraction of agricultural production infrastructure owing to loss of competitiveness due to the opening of the agricultural product market.

Through Korea's rural modernization process, the premodern landowning system was transformed into the modern landowning system; along with industrialization and open-door policy and concomitant changes in rural society and farming method, sophisticated production technologies made the rural community more productive, carrying great historical significance.

In this context, the Framework Act on Agriculture and Rural Community enacted on February 5, 1999 as Law No. 5758 has established and systematized the basic future direction for agriculture and rural communities, which have gone through various types of change. The content of the aforesaid Act will be briefly

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introduced below to complete the discussion of Korea's legislation on rural modernization.

The purpose of enactment of this Act was to develop agriculture into a key national industry that ensures stable supply of national food and contributes to the preservation of the national land environment by increasing agricultural competitiveness in the era of open-door policy and competition and enhancing agriculture in the interest of public welfare, to nurture farmers into economic entities that realize income parity with other industry workers, and to establish the basic direction for policies on agriculture and rural communities aimed at developing agricultural villages into an affluent, pleasant industrial and living space wherein unique tradition and culture are enshrined. In this regard, this Act can be said to have comprehensively established the future direction for our agriculture and rural communities in a programmatic manner.

First, the Act prescribed the basic direction to follow when the state and local governments undertook the implementation of policies on agriculture and rural communities. The main contents of the Act are as follows: taking into account efficiency based on the principles of market economy and function of agriculture that enhances public interest; establishing and maintaining the goal of optimum food self-sufficiency rate and securing of optimum food stock, based on the recognition that stable supply of national food is essential to sound national development and stability of national life; increasing agricultural competitiveness and farmers' income through the improvement of the overall farming structure such as production and distribution of agricultural products; increasing the amenity of rural communities by developing them into living space connected to cities; striving to preserve and inherit the unique tradition and culture of rural communities and to



improve the welfare of rural inhabitants; nurturing sustainable eco-friendly agriculture aimed at increasing the environment preservation functions of agriculture and promoting the production and consumption of safe agricultural products, and; conducting research on North Korea's agricultural production system, farmland, and system of agricultural product distribution in preparation for reunification, making efforts to increase mutual exchanges and cooperation in the agricultural sector between North and South, recognizing that agricultural product trade between North and South is intra-national in character.

Second, with respect to agricultural workforce, the government decided to formulate and execute the following policies: securing economy of scale, specialization, and cooperation suited to the characteristics of individual farming households aimed at increasing the productivity of family farming carried out by family labor; selecting and supporting the person who is active in farming or who is willing to farm aimed at the sustained nurturing of agricultural manpower; selecting farmers with specialized agricultural skills and business management ability and who could play a key/leading role in agricultural development as professional farmers and providing support to them, and; upgrading the status of women farmers and training them to be specialized workforce.

Third, in relation to nurturing and supporting agricultural operations, farmers who would increase productivity through cooperative farming and jointly ship, process, and export agricultural products were permitted to establish a farming association corporation composed of more than 5 members; a person who would operate commercial farming, distribute, process, or sell agricultural products, or act as farming agent for farmers was permitted to establish an agricultural corporation.

Fourth, the basic direction was established for farmers and farmland. The state

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should formulate and execute policies aimed at consulting, advice on farming business, education and training, and information supply to increase farmers' income through continued business innovations and should provide support in establishing and operating agriculture-related organizations such as producers' organizations and farmers' groups to protect farmers' rights and interests and to promote economic activities. It should also draw up and execute policies on farmland ownership to realize the constitutional principle of "cultivators deserving farmland." In addition, the state formulated and implemented policies required for promoting the use of farmland to ensure that farmland was efficiently utilized for the sake of balanced development of agriculture and national economy; the state also made and executed the necessary policies to preserve farmland so that it could be maintained at the optimum scale. In formulating and implementing such policies, the state ensured that quality farmland with improved and consolidated agricultural infrastructure was given priority in preservation.

Fifth, the Act stipulated that, for the purpose of sophisticating the agricultural production infrastructure, the state and local governments should formulate and execute comprehensive policies required for the following to promote the scientific technology of agriculture: improving agricultural infrastructure so that stable agricultural productivity could be maintained; optimizing farming scale and securing farming assets to ensure that agricultural productivity was increased and farmers' income was stabilized; researching on and developing and disseminating agricultural machinery, materials, facilities, and promoting education and training on using them to ensure that farming cost was reduced and agricultural productivity increased, and; researching on and developing and disseminating cutting-edge technologies on agriculture and practical agricultural technologies to ensure that advanced and



cutting-edge agriculture was accelerated. The state and local governments should also take measures to encourage the development of cutting-edge scientific technologies and farming business techniques to disseminate them and to support and nurture venture farming to increase the added value of agriculture through the close link between agriculture and agriculture-related industry. In addition, they should formulate and execute policies required for the following: protecting tangible and intangible intellectual rights in agriculture-related fields such as agricultural genetic resources, agricultural technology, trademark, etc.; protecting agricultural products and their processed products with unique local characteristics aimed at nurturing the region-specific industry and protecting consumers, and; promoting the informatization of agriculture and rural communities. To execute such policies effectively, the state and local governments were empowered to provide the necessary support to persons who provided the relevant information on agriculture and rural communities. Furthermore, the state and local governments had agriculture-related research institutes or organizations carry out research on the development of agricultural technology to develop and disseminate promptly practical agricultural technologies and agriculture-related production technologies.

Sixth, the Act stipulated that the state and local governments should draw up and execute policies required for the following: agricultural observation, production adjustment, purchase and stockpiling, and setup of a self-reliance fund for producers' organizations aimed at stabilizing the supply of agricultural products and improving distribution; active pursuit of producers' organization-led revitalization of direct distribution from production places; expansion of various types of distribution facilities in production and consumption places such as wholesale markets, joint markets, and distribution centers, and improvement of operation;



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promotion of standardization of distribution such as standardization of agricultural product packaging and collection, provision of various types of distribution information, and provision of education on distribution; indication of place of origin and implementation of quality control to increase product value and protect consumers; quarantine and sanitary inspections of exported or imported agricultural products and animals and plants to protect the people's health and agricultural environment, and; R&D on processed agricultural foods and traditional foods, provision of support to the processing facilities to realize harmonious development between agriculture and food industry and increase the added value of agricultural products.

Seventh, the state and local governments should strive toward the exchange of information on agricultural policy and agricultural workforce and technologies, participation in the activities of international organizations related to agriculture, etc., to increase trade of agricultural products and international cooperation, at the same time providing the support required to develop overseas agriculture including the survey of agricultural investment environment to secure the stable supply of agricultural products that are heavily dependent on foreign sources. The state and local governments should formulate and execute the policies required to explore overseas markets and to gather and provide trade information aimed at the export promotion of our agricultural products and dissemination of our food culture and provide support to agricultural business organizations, producers' organizations, and exporters of agricultural products as long as such was not against the pertinent international norm to execute these policies effectively. If the increased import of agricultural products was judged to wield significant impact on the development of domestic agriculture, appropriate measures were to be taken as long as they were not



against the relevant international norm.

Eighth, the state and local governments should formulate and implement a comprehensive policy on the development of rural areas, taking into account each area's special characteristics to improve the quality of rural inhabitants' life and to carry out the balanced development of national land; such development policies should ensure that development harmonizes with the preservation of the environment, and that the necessary policies should be formulated and executed regarding the development of industrial complexes, nurturing of production complexes for local specialties, and development of agriculture-related industries including the agricultural product processing industry to increase rural inhabitants' income and to revitalize the rural economy. Policies necessary to develop green tourism and recreation resources that made the most of the local characteristics should be formulated and executed to cultivate the healthy emotion of urban dwellers and to increase exchanges between urban and rural areas and boost rural inhabitants' income. For such purpose, local cultural facilities should be installed and operated, and support required for holding local cultural events should be provided. Moreover, if deemed necessary to stabilize farmers' income and farming, the following support was to be provided to small farmers: preservation of the environment including soil, protection from agricultural disasters, agricultural restructuring such as economy of scale for farming, and development of areas with hostile or unfavorable conditions.

Finally, the competent minister responsible for the agricultural sector should formulate a basic plan for the development of agriculture and rural communities aimed at agricultural development and balanced development of rural communities; City Mayors and Do governors should draw up and execute a plan for the

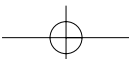
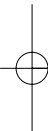
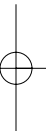


development of agriculture and rural communities of City (Metropolitan City) and Do, taking into account the basic plan and the characteristics of the area under his/her jurisdiction. The heads of Si, Gun, and Gu should formulate and implement a plan for the development of agriculture and rural communities considering the City & Do plans and the characteristics of the area under jurisdiction, with the competent minister responsible for the agricultural sector evaluating the relevance to the basic plan of the plan for development of agriculture and rural communities formulated by each local government, the implementation record of each plan, and the delivered outcomes and providing budgetary support to each local government commensurate with the results.



# 대한민국 법제 60년사 : 농촌근대화 법제







## I. 농촌근대화 의의

농촌근대화 의미는 농촌과 근대화 문제를 어떻게 보느냐, 이를 연구하는 자의 시각에 따라 다양하게 제시될 수 있다. 이 글에서는 농촌근대화 의미를 “농촌의 봉건적 요소를 제거하면서 근대적인 토지소유 관계를 확립하고 농업생산기술의 개발을 통해 농업생산성을 제고시켜 상업적 및 기업농의 영농체제를 확립시키는 것”으로 보았다.

위와 같은 농촌근대화의 개념에 비추어 농촌근대화를 단계별로 구분하면 첫째, 근대적 토지소유 관계 확립단계, 둘째, 농업생산 기술의 개발로 농업생산성 제고 단계, 셋째, 상업적 및 기업농의 영농체제의 확립단계로 구분할 수 있다.

농촌근대화 과정은 개념상 이와 같은 단계별 구분이 가능하나 실제 농촌근대화가 이루어지는 양태는 각 단계가 혼합적이고 중첩적으로 이루어진다고 할 것이다.

한편, 농촌근대화를 주요 요소별로 나누어 보면 농업의 물적 기초인 농지에 관한 것, 농업을 위한 기반시설에 관한 것, 농업생산성 향상을 위한 농업기술에 관한 것, 그 밖에 농산물 유통, 품종개량 및 농업인에 대한 교육에 관한 사항 등으로 나눌 수 있다.

농촌근대화를 편의상 위와 같이 단계 및 요소별로 구분할 수 있으나, 농촌 근대화가 단계별로 명확히 구분되는 것이라기보다는 중첩되어 농촌근대화가 진행되었다 할 것이고, 한편 각 단계별로 농촌근대화의 일부 요소가 뚜렷한 변화가 있는 경우도 있고 그렇지 않은 경우도 있다. 그러므로 농촌근대화를 설명함에 있어서는 각 단계별로 뚜렷한 변화가 나타난 요소를 중심으로 설명하는 것이 보다 이해 편의를 도모할 수 있다.

## 대한민국 법제 60년사: 농촌근대화 법제

농촌근대화가 필요한 이유는 농촌지역을 개발하고 농업의 생산성과 효율성을 높여서 식량부족을 해소하거나 식량부족에 대비하는 것에 일차적인 이유가 있다. 또한 농촌빈곤 해소와 이를 통한 도시와 농촌의 격차를 해소하며 국민 경제에 있어서 균형적인 관계를 형성함으로써 농촌의 산업화 및 도시화와 국가발전의 기초를 다지는 데 있다 할 것이다.

이 글은 대한민국이 1945년 8월 15일 일본의 강점기로부터 벗어난 이후 지금까지 남한에서의 농촌 근대화에 관련된 법제의 내용 및 그 의미를 살펴봄으로써 농촌 근대화에 관심이 있는 다른 국가가 농촌근대화와 관련된 법령을 마련하는 데 도움을 주려는 데 있다. 이와 같은 목적을 위해서 이 글은 농촌근대화 의의, 농촌근대화 단계별 관련 법률과 그 내용을 소개하고 그 의미를 소개하는 데 중점을 두었다.

## Ⅱ. 근대적 토지소유 관계 확립 - 농지개혁 및 농지확대 -

우리나라는 1945년 8월 15일 일본의 억압으로부터 벗어날 당시 전체 산업에서 농업이 차지하는 비중이 절대적으로 높은 산업구조를 형성하고 있었다. 전체 인구 중 77%가 농업인이었고, 206만 농가 중에서도 소작농가의 비율이 86%에 달해 농업의 물적 토대인 농지는 반봉건적 소작제가 대부분으로 되어 있었다. 그리고 농촌사회 및 농민의 의식도 전근대적인 지주소작관계, 양반 및 상민의 신분제, 가부장제가 강하게 남아 있었다. 그러므로 해방 후 미국의 군정과 한국전쟁을 거치는 동안 우리나라의 농촌 및 농업에서 제일 문제된 것은 토지개혁을 어떻게 하느냐 하는 것이었다.

이 문제는 농촌근대화 측면에서 보면 종속적이고 약탈적인 봉건적인 토지 관계로



부터 자율적이고 독립적인 근대적 토지소유관계로 변화시키는 것이었다. 이와 같은 토지 소유관계 변화와 동시에 보다 집약적이고 효율적인 토지생산성 향상을 위해서 농지개혁 이후에도 농지 확대, 농지의 보전과 이용, 그리고 농지에 관한 종합적이고 체계적인 관리 및 이용 등이 이루어져 왔는데, 이 장에서는 위와 같은 변화 과정을 농지관련 다양한 법령 내용을 살펴보는 것으로 설명하고자 한다.

## 1. 농지 개혁

### 가. 농지 개혁 배경

#### 1) 정치적 배경

일본을 무장해제하면서 우리나라에 들어온 미국과 소련은 한반도를 남북으로 분할 하여 통치하게 되었고, 소련영향을 받은 북한은 남한보다 먼저 토지개혁을 하였다. 즉, 남한의 토지개혁은 해방 후 좌우대립의 혼란스런 상황에서 남한 주민이 북한을 지지하는 것을 방지하기 위한 목적도 있음을 고려해서 먼저 토지개혁을 한 북한의 경우를 살펴보면 북한은 1946년 3월 무상몰수(약 132만5천ha, 북한 총 경지 면적의 52%)하여 노동능력과 가족 수에 따라 무상분배를 하는 토지개혁을 하였다.

남한 내에서도 여러 정치 세력 간 다양한 토지개혁 방안이 제시되었다. 신민당 및 조선노동당 등 좌익세력의 경우에는 1945년 12월 전국농민조합총연맹 결성하여 구일본인 소유 토지분배 투쟁을 하면서 1947년 2월에는 무상몰수 무상분배안을 담은 토지개혁법안을 미군정 당국에 제출했고, 한국민주당(지주계급 및 친일고급관료 등으로 구성된 보수성향을 가진 정당)에서는 1946년 지주를 자본가로 전환하게 하기 위해서는 사유 재산제도의 기본을 유지하면서 유상몰수 및 유상 분배안을 제시했다.

한편, 위와 같은 정치세력 사이에 다양한 토지개혁 방안이 제시되었지만, 당시 남한을 신탁통치하던 미군정 당국은 자본주의의 유지와 남한사회 안정을 통한 공산주의에 대한



## 대한민국 법제 60년사: 농촌근대화 법제

방어 전략의 일환으로 토지개혁 정책을 실시하였다. 미 군정청은 최고소작료 결정의 건(1945. 10. 5. 미군정법령 제9호)을 공포하여 총 수확량의 60~80%에 달하던 소작료를 수확량의 3분의 1로 통제하고, 신한공사를 설치하여 일본인 소유였던 농지를 귀속농지로 관리하면서 북한의 농지개혁에 영향을 받은 공산주의와 급진세력에 대항 하기 위해 총 32만 ha의 귀속농지 가운데 1948년 9월까지 약 26만ha에 이르는 귀속농지를 매각(2ha 이내에서 분배받은 농민은 평년작 생산물 3배를 15년간 분할 상환)하여 1차 농지개혁을 하였다.

이러한 미군정의 귀속 재산관리 및 분배정책은 한국정부에 의한 남한의 지주농지를 분배하는 모델이 되었고, 이후 미군정 당국은 이승만 단독정부에 토지 개혁을 강력히 요구 하였으나, 조선인지주 소유농지에 대한 개혁은 1950년 3월까지 미루어지게 되었다. 이는 지주들이 그때까지 건국준비위원회 및 인민위원회의 현장에서 주도권을 가지고 있어서 이들이 실질적으로 농지개혁 주도권을 가지게 될 것을 염려한 측면도 있었다. 그러나 이승만 정부도 반공체제를 구축하고, 자유민주주의 정체 수립과 자본주의 공업 발전을 위해서는 자본형성 필요했고, 이를 위하여 기본적으로 해결해야 할 문제로 농지개혁을 강조하였고, 농지개혁을 위해 진보정치인을 초대 농림부장관으로 임명하기도 하였다.

## 2) 경제적 배경

광복 직후 대한민국은 전형적인 농업국가로서 전체 국민의 77%가 농업인구였으며, 남한의 총경지는 232만ha이고, 이중 지주 소유 토지는 147만ha(64.2%)이며 농민의 자작지는 85만ha였다. 그리고 잉여노동을 지주가 장악하여 농업생산력의 발전이 억압되어 있었다. 그러므로 산업경제 구조상 중심이 되는 농업 및 농촌 분야를 안정화 시키기 위해 우선적으로 봉건적인 농지를 개혁하여 안정적인 농지소유관계를 확립하고 이를 통해 식량 사정 악화를 방지하고, 농민을 소작관계를 벗어나게 해서 토지 소유자로서 증산의욕을 돋게 하여 경제적인 안정과 소득을 보장하는 것이 정부의 현안이 되었다.



## 나. 농지개혁법의 입법경과

### 1) 미군정에서 농지개혁

1945년 8월 15일 일본 패망한 후 미국은 남한 지역에 군대를 주둔시키면서 1945년 9월 8일부터 1948년 8월 15일 남한에서 단독정부가 수립될 때까지 남한지역을 실질적으로 지배하였다. 미군정 당국은 1947년 9월 농지개혁법안을 마련하여 남조선과도입법의원에 제시했으나 귀속농지매각령(1948. 3. 22. 군정법령 제173호)을 공포한 후 신한 공사가 관리하던 구일본인 소유농지를 분배하였다. 그리고 연간 수확량 3분의 1로 소작료를 한정하는 3:1소작제를 도입하여 고율의 소작료를 낮추도록 했으나, 미군정청 입장에서는 합법적으로 일본인이 소유하였던 귀속재산을 관리하는 신한공사의 땅을 소작하는 농민(전체농민의 25%)을 통해 얻은 소작료 수입으로 군정자금으로 충당하는 계기가 되기도 하였다.

### 2) 남한의 정부 수립후

1948년 7월 17일 대한민국 헌법이 제정·공포되고, 이어 1948년 8월 15일 대한민국 정부가 수립되었다. 제헌헌법 제86조에 따르면 “농지는 농민에게 분배하며 그 분배의 방법, 소유의 한도, 소유권의 내용과 한계는 법률로써 정한다.”고 규정하여 이른바 경자유전(耕者有田)의 원칙을 천명하였고, 이를 이행하기 위하여 농지개혁법을 제정 하게 되었는데 입법 과정에서 지주에 대한 농지의 보상가격과 분배받은 농민의 농지상환 가격, 농지의 소유상환 등이 주로 문제가 되었다.

먼저, 농지를 소유한 지주에 대한 농지보상가격의 경우 정부안은 1년 수확량의 2배를, 국회안은 지주에게 더욱 유리한 3배안을 놓고 대립되었으나, 당시 소작 농지의 가격이 자작지의 70% 정도이고, 자작지의 가격이 1년 수확량의 200%~250% 인 점을 감안하여 1년 수확량의 150%를 5년간 분할하여 보상하는 것으로 정리되었다. 불하받은 농지에 대한 상환지가의 경우에는 연 수확량의 125%를 5년에 걸쳐 분할 상환하는 것으로 결정되었는데

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이는 정부가 보상액과 상환액의 차이로 발생하는 25%를 보전해 주어야 한다는 과제를 남겼다. 또한, 농지의 소유상한과 관련하여 농가당 2ha안과 3ha안을 놓고 표결을 거쳐 농가당 3ha를 소유상한으로 결정하였다. 이는 당시 농업인구가 지나치게 많아 소유상한을 늘림으로써 과잉농촌인구를 다른 산업부분으로 전환할 필요가 있음을 감안한 결정이었다. 분배할 농지한도와 상환할 농지가격이 결정된 농지개혁법안은 1949년 4월 29일 국회 본회의를 통과하여 정부에 보내졌으나, 정부는 정부가 보조하여야 할 농지의 보상가격과 상환가격간의 차액 25%에 대하여 재원을 마련할 수 없고, 영세농민에게 농지대가의 30%를 지원하도록 되어 있는데 정부의 재정형편상 확보하기 어렵다는 이유로 거부권을 행사하여 법안을 국회에 되돌려 보냈으나 국회는 이를 재의결하였고, 이에 따라 정부는 1949년 6월 21일 농지개혁법을 공포하였다.

그러나 정부는 농민이 부담하는 농지상환액을 지주보상액과 같은 150%로 하는 것을 내용으로 하여 1949년 7월 7일 개정안을 국회에 제출하였다. 그 결과 1950년 3월 10일 공포된 개정 농지개혁법은 처음 제정당시 정부가 문제 삼았던 영세농민에 대한 보상제를 폐지하고 보상가격과 상환가격을 같게 함으로써 농지개혁으로 인한 정부의 추가부담을 없게 하였고, 이후 하위법령인 농지개혁법시행령이 1950년 3월 25일 공포되었고, 1950년 3월 28일 같은 법 시행규칙이 공포되어 농지개혁을 위한 법제는 완성되었다.

**다. 농지개혁법 내용 및 집행**

1) 농지개혁법의 주요 내용

1946년 6월 21일 법률 제31호로 제정된 「농지개혁법」의 주요내용을 보면, 우선 농지개혁의 목적은 농지를 농민에게 적정히 분배함으로써 농가경제의 자립과 농업 생산력의 증진으로 인한 농민생활의 향상 내지 국민경제의 균형과 발전을 위한 것으로 규정하였다.

그리고 개혁 대상이 되는 농지는 밭·논·과수원·잡종지 그 밖의 법적지목 여하에도



불구하고 실제경작에 사용하는 토지로 하되, 농지경영에 직접 필요한 지소(池沼), 농도, 수로 등은 해당 농지에 부속하는 것으로 하였다.

위와 같은 농지중 법령의 효력이 있는 조약에 의하여 몰수 또는 국유로 된 농지, 소유권의 명목이 분명치 않은 농지에 대해서는 아무런 보상 없이 정부 소유농지로 하였다.

또한, 정부의 매수대상 농지는 농가 아닌 자의 농지와 자경하지 않는 자의 농지로 하되 질병, 공무, 취학 등의 사유로 일시 이농한 자의 농지는 농지가 소재한 지역의 농지위원회의 동의를 거쳐 도지사가 일정기한까지 보류하도록 하였다. 그리고 매수 대상에서 제외되는 농지는 아래와 같다.

① 농가로서 자경 또는 자영하는 일가당 총면적 3ha 이내의 소유농지(정부가 인정하는 고원, 산간 등 특수지역에 있는 농지는 제외함), ② 자영하는 과수원, 종묘포, 상전 기타 속근성 작물을 재배하는 농지, ③ 비농가로서 소규모의 가정원으로 경작하는 500평 이내의 농지, ④ 정부·공공단체·교육기관 등에서 사용목적 변경할 필요가 있다고 정부가 인정하는 농지, ⑤ 공인하는 학교, 종교단체 및 후생기관 등의 소유로서 자경이내의 농지(문교재단의 소유지는 별도로 정하는 바에 따라 매수함), ⑥ 학술, 연구 등 특수한 목적에 사용하는 정부인허 범위내의 농지, ⑦ 분묘를 수호하기 위하여 종전 부터 소작료를 징수하지 아니하는 기존의 위토, ⑧ 미완성된 개간 및 간척농지와 이법 시행후 개간 또는 간척한 농지

정부가 매수한 농지는 별도 법령에 따라 자경할 농가에게 아래와 같은 순서로 배분하도록 하되, 총 경영면적은 3ha를 초과하지 못하도록 하였다. ① 현재 당해농지를 경작하는 농가, ③ 경작능력에 비하여 과소한 농지를 경작하는 농가, ② 농업경영에 경험을 가진 순국열사의 유가족, ④ 영농력을 가진 피고용 농가, ⑤ 국외에서 귀환한 농가

한편, 분배받은 농지에 대한 상환액은 해당 농지의 주생산물 생산량의 125%에 해당하는 양을 5년간 균등하게 나누어 갚도록 하되, 주생산물에 해당하는 현곡 또는 대금을

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정부에 납입하고, 농가의 희망과 정부가 인정하는 사유에 따라서 일시상환 또는 상환 기간을 조절할 수 있도록 하였다. 그리고 분배받은 농지에 대하여는 상환 완료일까지 ① 매매, 증여 기타 소유권의 처분, ② 저당권, 지상권, 선취특권 기타 담보권의 설정을 제한하고, 소작, 임대차, 위탁경영 등 행위를 금지하도록 하였다.

그리고 농지를 정부에 매도한 토지소유자는 정부보유 공장·광산·어장·양조장·인쇄공장·도정설비·과수원·종묘원·상전·양잠설비·죽림지·하천부지·개간지 등 농지보상에 상당한 사업체의 매수를 신청할 수 있도록 하고, 신청이 있으면 적당한 사업체 매수를 우선 알선하도록 하였다.

## 2) 농지개혁법의 집행 경과

정부는 위와 같은 내용을 포함하고 있는 농지개혁법의 시행을 위해 농가실태조사를 하였는데, 그 농가실태조사결과에 따르면 매수대상면적은 총 경지 면적의 29%인 약 60만 ha이고, 분배받을 농가수는 52만호였다. 분배제의 대상지는 국유농지, 위토, 사용목적 변경인허농지, 학교 자경농지, 사찰자경농지 및 학술연구 기간 특수목적 사용농지 등 약 8만2천ha에 이르렀다. 그리고 해방 후 5년간에 걸쳐 약 70만ha가 지주들이 소작인에게 매각하는 등의 방법으로 자작지로 변경되었다. 이와 같은 현상을 방지하기 위해 농지개혁부칙에 자경하는 농지의 매매와 증여행위를 금지하는 규정을 두었으나 위반시 처벌한 사례가 없어 사실상 집행되지 않아 사문화되었다.

한편, 분배농지 대가의 상환은 평년작 주작물의 1.5배를 5년간 분할상환하도록 하였는데, 평년작 수준은 농지위원회의 조사 및 심의를 거쳐 도지사가 결정하도록 하였다. 농지대가 상환은 1950년 추곡부터 1954년 완료할 계획이었으나, 한국 전쟁으로 임시 토지수득세 부과와 흉작 등 어려운 농가 형편을 고려하여 법정 상환기간이 3년 연장 되었고, 그 후 다시 상환기간이 연장되었다.

그러나 위와 같은 상환기간이 연장되었음에도 불구하고 상환이 되지 않은 상태에서 1968년 3월 13일 제정·공포된 「농지개혁사업정리에 관한 특별조치법」로 종결되었다. 이 법에서는 농지개혁사업의 완료를 위해 취득농지, 양도나 전매농지 등의 등기와 소유권 이전 등기에 관한 사항을 정하고, 분배농지에 대한 미상환 금액과 과오납 상환액을 반환에 관한 규정 등을 두었다. 그 외에 분배 받은 농지대가의 상환 완료 전후에 분배농지를 전매하여 이전등기를 하지 못한 농지는 「분배농지 소유권 이전에 관한 특별조치법」에 따라 등기를 하도록 하였다.

#### 라. 농지개혁법 집행 결과

농지개혁법은 1950년부터 1954년까지 5년간 시행할 예정이었으나, 한국전쟁으로 인하여 시행이 지연되어 1957년에 가서야 사실상 완료되었고, 공식적으로는 1968년 3월 13일 제정 공포된 「농지개혁사업 정리에 관한 특별 조치법」의 시행에 따라 농지개혁이 완전히 종결되었다. 18년간에 걸쳐 상환이 지연된 보상으로 그동안 인플레이 등으로 지주들이 실제로 보상 받은 액수는 원래 받아야 할 보상액에 비해 저조한 것이었는데, 이것은 농지 분배를 받은 농가의 대가 상환이 지연되었고, 상환곡도 대부분 한국전쟁에 따른 군비 지출로 충당되었기 때문이다.

농지개혁 결과 논 약 21만5,266ha를 비롯하여 총 31만6,862ha가 분배되었고, 소작지는 전체 농지면적의 8.1%로 줄었다. 농지개혁을 계기로 식민지 지주제가 해체되고 자작농체제가 확립되었으며, 이를 기반으로 농업·농촌은 노동력과 자본의 공급을 통하여 한국 자본주의의 발전에 기여를 하였다. 농지개혁에 의한 분배 농지 대가로 정부에 상환된 자금은 수리시설의 확충 등 농업부문에 투자되어 농업생산력 발전에 기여하였고, 농지개혁은 자본가로 하여금 지주들이 헐값에 매각한 지가증권(법상으로는 보상시 지가증권을 발행하고 5년에 걸쳐 액면농산물의 결정 가격을 원화로 지급 하도록 되어있었다)을 구입하여

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귀속재산을 매수 하는 데 활용하도록 함으로써 자본가 계급의 형성을 촉진하였다. 농민은 반봉건적인 지주적 토지소유를 해체하고 농민적 토지소유를 확립하여 농민들은 대부분 자작농이 되었다.

결과적으로 농지개혁은 유상몰수·유상분배원칙, 머슴을 농지분배대상에서 제외한 점, 산림을 제외하였던 점, 농우 등 생산수단 분배를 하지 않은 점, 농가부채를 무효화하지 않은 점 등에서 위로부터 개혁 성격을 가진 것으로 평가된다.

또한, 소작농이었던 농민들이 자작농이 되어 영농의욕이 고취되었고, 농업 생산성 향상에 더 관심을 가지게 되었다. 미군정하의 귀속농지 매각지가와 농지개혁에 따른 분배지가로 조달된 농가상환금은 「농지개혁사업특별회계법」(1952. 4. 12. 법률 제241호)에 따라 지주에 대한 지가보상을 하고 남은 잉여금은 농지개발사업에 투자 되었다. 이것은 농민들로부터의 분배농지상환금은 현물징수를 했지만, 지주에게는 지가증권에 기재된 각 연도의 물량을 현금으로 보상을 함으로써 가능하였다.

그리고 지주는 토지를 상실하게 되어 예속 노동력에 대한 지배력이 상실되었고, 이로 인해 소작농이 경제적으로 독립하게 되어 신분제 해체가 가속화 되었고, 이는 노동력의 자유로운 이동조건을 보장하게 되었다. 자작농이 된 농민은 자녀교육을 시킬 터전을 마련하게 되었다. 농지개혁으로 지주가 받은 지가증권을 상인과 자본가계급이 사들여 귀속 재산을 불하받는 등 자본을 축적하는 과정을 거쳐 농업자본이 산업자본으로 전환 되는 계기가 된 것으로 평가된다.

## 2. 농지 확대 및 농지 이용·보전

### 가. 농지확대

농지개혁법 제정으로 농지개혁이 되었으나 가족을 부양하기에는 농지가 부족한 농민과 자영농가라는 이유로 농지소유가 허용된 재촌지주나 부농이 많았고, 농지개혁을



기피하여 소작 사실을 숨기 농지도 다수 있었으며, 분배받은 농지에 대한 상환 부담을 지게 된 영세자작농이 있는 등 농지는 계속 부족한 실정이었다.

1968년 공식적으로 농지개혁이 완료되었으나, 농지개혁법이 의도하는 자작농체제를 유지하여 농지개혁의 성과를 헛되지 않게 하려는 취지에서 농림부에서는 1959년 1월 농지 법안을 마련하였다. 그 내용은 농지는 농민만 소유하도록 하고, 농지부를 마련하여 농가 단위로 농지소유 실태를 파악하여 농지소유에 있어서 거리제한, 농지소유 상하한선 설정, 불법 소유농지의 농민에 대한 경매처분 등이 포함되었다. 그러나 이런 내용을 가진 농지 법안은 지나치게 급진적이라는 이유로 국회에 제출되지 않아서 농지제도의 근간이 되는 농지에 관한 법은 제정이 되지 않았다. 그 대신 농지 확대를 위한 정책이 실시되었는데 그에 관한 법률이 개간 촉진법이었다

농지확대정책은 1962년 2월 22일 법률 제1028호로 「개간촉진법」이 제정됨으로써 본격적으로 추진되었다. 황무지, 초생지, 소택지나 임야 등 미개간지를 농경지로 조성 하기 위하여 개간을 촉진하는 데 법의 목적을 두었다. 법률의 공포와 미국 잉여농산물의 지원 으로 개간사업은 가속화 될수 있었는데, 1960년대 시작된 식량증산 7개년계획에서 50만ha의 개간을 계획하여 법에 따라 전국적인 개간적지조사(개간의 필요성이 있는 토지에 대하여 경사토성 그 밖에 개간지로서의 적부를 조사하는 것)를 실시하여 1968년까지 이를 완료 하였다. 이 법의 주요 내용은 사유미간지의 개간에 있었는데 개간 예정지가 된 사유미개간지의 경우 토지소유자가 개간허가신청을 하는 경우에는 즉시 개간허가 되어 문제가 없었으나, 개간예정지인 사유미간지의 소유자가 개간허가신청을 하지 않은 경우에는 정부가 강제로 매수하여 이를 영세농가, 일반농가 등의 순서로 한 농가당 2ha를 기준으로 개간허가를 하도록 하였다.

이 법은 농민들의 개간의지를 고취시켜 1962년부터 1965년 사이에 총 농경지의 6%에 해당하는 11만ha의 농경지를 확대하는 성과를 거두었으나, 토지를 소유자로부터 강제로



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매수하는 것이 사유재산권의 침해논란을 부르고 개간허가절차가 복잡하다는 등의 이유로 개간촉진법을 대체하는 「농경지조성법」이 1967년 1월 16일 법률 제1872호로 제정되었다.

「농경지조성법」은 경작이 가능한 유휴지를 적극 활용하여 식량의 자급자족을 기하기 위하여 개간·개척 및 간척 등의 사업을 정부나 국민이 활발히 추진하도록 하려는 것이었다. 이 법에 따라 미간지에 대한 개간의 적부에 관한 사항을 의결하기 위하여 중앙정부와 시·도에 개간위원회를 설치하도록 하고, 농림부장관은 경작지·목야지·상전 기타의 목적을 위한 개간의 적부에 관한 미간지이용구분조사를 하도록 하였다. 다만, 일부 토지에 대해서는 개간할 수 없도록 하였는데 이에 해당되는 것으로는 ① 국가·지방자치단체 또는 대통령령이 정하는 공법인이 공용 또는 공공용의 목적에 사용하기 위하여 사용계획을 확정된 토지, ② 보안림·채종림 및 요존국유림, ③ 분묘지와 정부가 지정한 명승·고적 및 사찰의 보존상 필요하다고 인정되는 토지, ④ 경사 15도 이상의 임야로서 입목본수도 30이상의 임야와 경사 20도이상의 임야 등이다.

그리고 다른 사람 소유지를 개간할 경우 조성된 농경지를 토지소유자는 10분의 3내지 5로, 개간자는 10분의 5 내지 7의 비율로 분배하도록 하였으며, 국유지 개간의 경우 지가상환은 매도한 다음 해부터 5년 거치 후 5년간 균분상환 하도록 하였다.

이러한 농경지조성법은 개간촉진법에 비해 개간공사비 등 정부의 지원이 축소되어 개간사업이 위축되는 결과를 초래했고, 1974년 세계적인 식량사태에 영향을 받아 농지확대 정책을 강력하게 추진할 필요가 있어 1975년 4월 11일 법률 제2767호로 「농지확대개발촉진법」의 제정으로 폐지되었다.

농지확대개발촉진법에서는 농지로 이용할 수 있는 미간지를 개발촉진지역으로 지정하도록 하였는데, 이 지정절차를 보면 우선 농수산부장관은 국토의 효율적 이용과 농지의 개발을 위하여 관할 도지사의 보고와 관계부처자료 및 토지소유자 또는 개간 희망자의 신청에 의하여 개발대상지역을 선정한 후 현지를 답사하여 토지의 경사, 토양, 입목도등



개간지로서의 적부를 조사하고 그 조사 결과를 기초로 기본계획을 마련하여 대통령 승인을 받도록 하였다. 이러한 절차를 거쳐 개발촉진지역으로 결정·고시된 지역 안에서는 농수산부장관의 허가없이 개간에 지장을 초래하는 토지의 형질 변경 및 공작물 등의 설치, 분묘의 설치 등을 하지 못하도록 하였다.

그리고 농지로 이용할 수 있는 미간지를 개발촉진지역으로 지정하여 개발을 의무화하고, 소유자에게 개발의무를 부여하였다. 만일 소유자가 이를 이행하지 않을 경우 국가가 개발을 대집행하거나 국가가 지정하는 자로 하여금 소유자로부터 해당 토지를 매수하여 개발할 수 있도록 규정하였다.

그 외에 이 법에 따라 개발된 농지를 개발 목적에 따라 농지로 활용될 수 있도록 강력한 규제 장치를 두었다. 우선, 토지소유자 또는 경작자는 이 법에 따라 개발된 농지에 대하여는 지력증진을 위하여 농수산부장관이 정하는 바에 따라 토양개량제를 사용하여야 하고, 이를 이행하지 아니하는 때에는 행정대집행법에 따라 대집행을 할 수 있도록 하였다.

그리고 이 법에 따라 개발한 농지를 농업 외의 목적으로 전용하려는 때에는 농수산부장관을 거쳐 국무회의의 심의를 받도록 하였고, 이 법에 따라 개발한 농지를 개간 허가시에 정한 용도 외에 사용할 때에는 농수산부장관의 승인을 얻도록 하였다.

또한 개발농지의 사후관리를 위하여 시장·군수는 개발농지대장을 비치하고 정기적으로 영농실태를 점검하도록 하고, 개발농지의 성실한 관리를 위하여 토지소유자에게 필요한 지시를 할 수 있도록 하였으며, 재해 기타 불가항력의 사유 없이 대통령령이 정하는 재배 기준에 미달된 농지에 대하여는 1년 이상 3년 이내의 기간을 정하여 대리 경작자로 하여금 대신하여 경작하게 할 수 있도록 하였다.

#### 나. 농지보전 및 이용 촉진

식량증산을 위해서는 농지의 확대도 중요하지만 농지가 다른 용도로 전용되는 것을 방지하고, 효율적으로 이용하도록 하는 것도 중요하다. 농지확대정책으로 늘어나던 농지

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면적은 1969년부터 감소추세로 돌아서게 되었다. 경제성장에 따른 도시개발, 공업용지, 도로 등으로 전용되는 농지가 새로 늘어난 농지보다 많았기 때문이다.

이와 같은 농지감소를 막기 위하여 1972년 12월 18일 법률 제2373호로「농지의 보전 및 이용에 관한 법률」이 제정되었다. 이 법에 따르면, 농지보전 대상이 되는 농지 개념을 법적 지목에도 불구하고 경작 또는 다년생 식물이나 목초의 재배에 사용되는 토지와 다른 법률에 따라 농지로 사용하기로 결정 고시된 토지를 의미하는 것으로 규정 하였다. 도시 계획구역 등의 밖에 있는 농지를 전용하려는 경우에는 그 농지의 소재지를 관할하는 시·도지사(이하 동일인이 동일사업에 사용하기 위하여 2ha 미만의 농지를 전용하는 경우에는 그 농지의 소재지를 관할하는 구청장·시장 또는 군수의 허가)를 받도록 하였다. 다만, 농지개량시설 용지, 국토보존시설용지, 농가주택 및 그 부속시설용지, 농막·퇴비사 그밖에 대통령령으로 정하는 영농시설용지는 전용 대상 농지에서 제외하였다.

그리고 농지이용을 촉진하기 위하여 농지소유자는 농지의 지력의 증진을 도모하고 그 용도에 좇아 성실하게 이를 경작하거나 다년생 식물 또는 목초의 재배를 위하여 활용 하도록 하면서, 시장·군수는 농지를 놀리거나 경작 기타 이용을 게을리 하는 자가 있을 때에는 그 농지를 효율적으로 이용하도록 필요한 지시를 할 수 있도록 하였다.

한편, 농지소유자가 질병·이사·전업 등의 사유로 농지를 놀리게 될 때에는 그 농지의 소재지를 관할하는 시장(구가 설치되어 있는 시에 있어서는 동장) 또는 읍·면장에게 신고하도록 하였다. 또한, 시장·군수는 ① 소유자가 분명한 유휴농지, ② 소유자가 없거나 있어도 분명하지 아니한 유휴농지, ③ 재해 기타 불가항력의 사유 없이 그 연간수확량이 2년 이상 계속하여 최저기준수확량에 미달된 농지에 대하여는 해당 소유자에 갈음하여 경작을 희망하는 자중에서 경작자를 지정할 수 있도록 하였다.

그 외에 경작지를 다년생 식물 또는 목초의 재배지로 하려는 자는 시장·군수에게 신고하도록 하고, 구청장·시장 또는 읍·면장은 농지의 소유 및 이용실태를 파악하여



이의 효율적인 이용관리를 도모하기 위하여 필지별 농지 카드와 농가별 농지원부를 작성·비치하도록 하였다.

그런데, 1975년에 이르러서는 식량의 안보적 차원과 지속적인 식량자급을 통한 국민 식생활의 안정을 기하기 위하여 농업생산기반인 농지의 보전이 무엇보다도 시급 하게 요청되었고, 이에 따라 농지를 보다 효율적으로 보전·이용할 수 있도록 하기 위하여 1975년 12월 31일 법을 개정하였는바, 도시계획이나 공업 단지의 지정시 농지가 편입되는 경우에는 주무부장관이 농림부장관과 협의하도록 하고, 농지를 절대농지와 상대농지로 구분하여 일정면적 이상의 절대농지를 전용 허가할 때에는 국무회의의 심의를 거치도록 하였으며, 나아가 절대농지를 전용할 경우에는 전용면적에 상당하는 대체농지를 조성하거나 조성에 필요한 비용을 도지사에게 납부하도록 하는 등 농지의 보전을 위한 강력한 조치를 마련하였다.

#### 다. 농지임대차 제도 관련 법령 정비

농지개혁과 농지의 이용 및 보전에 관한 제도 도입에 이어 농지를 보다 효율적이고 체계적으로 이용할 수 있도록 하기 위해서 1986년 12월 31일 법률 제3888호로 「농지임대차 관리법」이 제정공포되었다.

이 법은 농지의 합리적 이용과 농업의 생산성을 높이기 위하여 농지의 임대차등과 그 관리에 관한 사항을 정함으로써 농지임대차계약당사자의 권익을 보호하여 농가생활의 향상을 기하고 나아가 국민경제의 균형 있는 발전을 기함을 목적으로 한 것이었다.

이 법에서 “임대차”는 농지의 소유자가 영농에 종사하는 상대방에게 그 농지를 사용·수익하게 하고, 상대방이 이에 대하여 임차료를 지급할 것을 약정함으로써 성립하는 계약을 의미하는 것으로 임대차는 서면으로 하고, 서면에 의하지 않으면 임차료는 임차료상한의 80%를 초과하여 정할 수 없도록 하였다. 임대차계약의 당사자는 그 계약을 체결한 날로

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부터 60일 이내에 농지소재지를 관할하는 시장·구청장·읍장 또는 면장에게 해당 계약 내용을 신고하도록 하였고, 임대차 기간은 3년 이상으로 하되, 계약 당사자가 합의로 연장할 수 있도록 하였다. 그리고 임대차기간 만료전 3개월까지 임차인에 대하여 그 갱신의 거절 또는 임대차조건의 변경의 뜻을 통지하지 아니한 경우에는 그 기간이 만료된 때에 종전의 임대차와 동일한 조건으로 다시 임대차한 것으로 보도록 하였다. 임차료의 상한은 농지의 생산성 및 농작물의 수익성과 지역실정 등을 고려하여 지역별·농작물별·농지등급별로 시(서울특별시 및 직할시를 포함)·군의 조례로 정하도록 하였다.

또한 농지의 소유자는 소유농지를 위탁경영하거나 타인을 고용하여 영농할 수 없도록 하되, 예외적으로 ① 농지의 소유자가 농지가 소재하는 시(서울특별시 및 직할시를 포함한다)·읍 또는 면의 관할 구역 안에 거주하는 경우, ② 통작 거리·영농여건 등을 고려하여 대통령령이 정하는 기준에 해당하는 경우, ③ 다른 법령에 특별한 규정이 있는 경우에는 위탁고용이나 타인을 고용하여 영농을 하도록 규정하고 있다.

### 라. 농지법의 제정과 그 내용

1990년대 들어서 국내외적인 경제여건의 급격한 변화되었다. 특히 우루과이 라운드(UR)협상의 타결에 따른 세계무역기구(WTO) 체제가 출범하여 농업에도 대변혁이 일어날 수 밖에 없는 상황이었다. 이에 따라 농지문제를 종합적으로 규율하는 농지법(1994. 12. 22, 법률 제4817호)이 제정되었고, 그 부칙에서 농지 개혁법은 비로소 폐지되었는데, 농지법 주요 내용을 보면 아래와 같다.

우선, 농지에 대한 기본이념을 정하고 있는데, 농지는 국민의 식량공급과 국토환경보전의 기반이고 농업과 국민경제의 균형 있는 발전에 영향을 미치는 한정된 귀중한 자원이므로 소중히 보전되어야 함은 물론 공공복리에 적합하게 관리되어야 하며 그에 관한 권리의 행사에는 필요한 제한과 의무가 따른다고 하고 있다. 또한 농지는 농업의 생산성을



높이는 방향으로 소유·이용되어야 하며 투기의 대상이 되어서는 안 되는 것으로 규정하고 있다.

이 법이 적용되는 농지는 ①전·답 또는 과수원 그밖에 법적 지목 여하에 불구하고 실제의 토지현장이 농작물의 경작 또는 다년생식물재배지로 이용되는 토지(「초지법」에 의해 조성된 초지 등 대통령령이 정하는 토지는 제외), ② ①의 토지의 개량시설(유지, 양·배수시설, 수로, 농로, 제방 기타 농지의 보전이나 이용에 필요한 시설로서 농림수산부령이 정하는 시설을 말함)의 부지와 고정식 온실, 버섯재배사 등 농업생산에 필요한 시설중 대통령령이 정하는 시설의 부지로 하였다.

농지는 경자유전 원칙과 투기방지 등을 위해서 자기의 농업경영에 이용하거나 이용할 자가 아니면 이를 소유하지 못하도록 하되, 예외적으로 자기의 농업경영에 이용하지 아니하는 농지라도 소유할 수 있는 경우를 정하고 있는데 대표적인 예외 사유로는 국가 또는 지방자치단체가 농지를 소유하는 경우, 시험·연구·실습지 또는 종묘생산용지로 취득하여 소유하는 경우, 상속에 의하여 농지를 취득하여 소유하는 경우, 담보농지를 취득하여 소유하는 경우, 농지전용허가를 받거나 농지 전용신고를 한 자가 해당 농지를 소유하는 경우 등이다.

그리고 농지를 소유하더라도 소유할 수 있는 상한을 정하고 있는데, 농업진흥지역 밖의 농지는 3만㎡를 초과하여(농업인의 경우에는 그 세대원 전부가 소유하는 총면적이 3만㎡를 초과하는 것을 말함) 소유하지 못하도록 하면서 예외적으로 국가 등이 소유하거나 상속하여 소유하는 경우 등 일정한 사유가 있는 경우에는 위와 같은 소유상한 제한을 받지 않도록 하고 있다.

농지의 소유자는 스스로 농지를 경영하여야 하나, 부득이한 경우에는 소유농지를 위탁 경영할 수 있도록 하고 있는데 이와 같이 위탁경영이 가능한 사유는 병역법에 따라 징집 또는 소집된 경우, 6개월 이상 국외여행중인 경우, 질병·취학·선거에 의한 공직취임

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등의 사유로 스스로 경작할 수 없는 경우 등이다.

농지의 소유자가 소유농지를 정당한 사유없이 자기의 농업경영에 이용하지 아니하거나 소유상한을 넘은 농지 등을 소유하고 있는 등의 사유가 있으면 그 사유가 발생한 날부터 1년 이내에 당해 농지를 처분하도록 하되, 시장·군수 또는 구청장은 처분기간 내에 처분대상농지를 처분하지 아니한 농지의 소유자에 대하여는 6개월 이내에 당해 농지를 처분할 것을 명할 수 있도록 했다.

그리고 시장·군수 또는 자치구 구청장은 농지의 효율적인 이용을 위하여 농지이용계획을 수립하되, 그 계획에는 농지의 지대별·용도별 이용계획, 농지의 효율적인 이용과 농업경영의 개선을 위한 경영규모 확대계획, 농지의 농업외 용도로의 활용계획이 포함되도록 하였다.

또한, 시·도지사는 농지를 효율적으로 이용·보전하기 위하여 농업진흥지역을 지정 하도록 하고 있는데, 용도에 따라 농업진흥구역과 농업보호구역(농업진흥구역의 용수원 확보, 수질보전등 농업환경을 보호하기 위하여 필요한 지역)으로 구분하여 지정하도록 하고 있다. 그 외에 농지전용하려는 경우에는 일정 사유에 해당되는 경우에는 농지전용이나 전용신고를 하도록 하고, 이때에는 농지조성비를 납부하도록 하였다. 그밖에 시·구·읍·면장은 농지의 소유 및 이용실태를 파악하여 이를 효율적으로 이용·관리하기 위하여 대통령령이 정하는 바에 의하여 농지원부를 작성·비치하도록 하였다.



## Ⅲ. 농업기반시설 정비 및 농업생산 기술 개발단계

해방 당시 우리나라는 미국의 군정으로 인한 좌우 대립 등으로 인한 사상적·정치적인 혼란이 가중되고, 해외 동포의 유입과 북한에서 남하한 월남가족 등으로 인구가 증가되어 농가수가 증가되었다. 그리고 농업생산이 감소되고 미국이 우리나라에 대한 원조 일환으로 식량 원조를 실시했는데 이에 대해 정부에서는 저가의 식량수매정책을 실시하게 되었고, 특히 한국 전쟁중인 1951년 및 1952년 연속해서 가뭄이 발생하여 농촌사회가 붕괴되어 농촌빈곤 현상이 가중되었다. 1953년 당시 기준으로 총인구 2154만명중 농가인구는 1315만명 이어서 농가인구비율이 61%에 이르렀다. 이런 가운데 농업생산성을 향상하고 식량증산을 위해서 다양한 농업 및 농촌에 대한 다양한 농업생산성 향상을 위한 사업이 실시되었는데 그 내용을 살펴보면 다음과 같다.

### 1. 토지개량 및 지력증진 사업

1950년대 농촌경제의 빈곤현상을 극복하기 위한 「농사교도법」에 따라 다양한 농촌 및 농업에 대한 교육사업이 활발히 진행되었지만, 식량부족현상은 해결되지 않았고, 1961년 12월 31일에는 법률 제948호로「토지개량사업법」이 제정되었다. 이 법은 농업경영의 합리화와 농업생산력의 발전을 위하여 농지를 개량, 개발, 보전하여 식량 기타 농산물생산의 유지 증진에 기여함을 목적으로 하고, 토지개량사업은 국토자원의 종합적 개발과 보전에 이바지 되고 국민경제의 발전에 적합한 것이어야 하며 토지이용, 산림 기타 자원의 보전개발을 적절히 고려한 계획기준에 따라 시행되어야 한다고 규정하고 있다. 위와 같은 법적 근거하에 정부는 제1차 경제개발 5개년계획(1962- 66)기간 동안 정부자금의 50% 이상을 농지개량 사업에 투입하였고, 농지개량사업비중 농업용수개발사업(저수지, 양수장, 보, 저수지 등)에



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59%가 투입되었다.

토지개량사업의 범위는 ① 관개배수시설, 농업용도로 기타 농지의 보전 및 그 이용에 필요한 시설의 신설, 관리, 폐합, 또는 변경, ② 농지의 교환, 분합과 구획정리, ③ 개답 및 개전, ④ 매립 및 간척, ⑤ 농지 및 그 이용에 필요한 시설의 재해복구, ⑥ 농지에 대한 권리 및 그 농지의 이용에 필요한 토지에 관한 권리, 농업용시설과 용수에 관한 권리의 교환 및 분합, ⑦ 그밖에 농지의 개량 또는 보전을 위하여 필요한 사업으로 하였고, 이런 토지개량 사업은 국가 또는 지방자치단체, 토지개량조합이나 토지 소유자가 시행하도록 했다.

먼저 토지개량사업 추진을 위해서 토지개량조합을 구성하도록 하고, 조합의 구성은 토지개량사업의 시행 구역내에 있는 토지 소유자 15인 이상이 토지개량사업계획과 정관을 정하여 농림부장관의 인가를 받아 구성하도록 하고, 조합은 사업에 필요한 경비에 충당하기 위하여 그 구역안의 토지 또는 가옥 그밖의 공작물에 대하여 조합원으로부터 금전 또는 부역현품을 부과할 수 있으며, 수해를 예방하기 위하여 필요한 경우에는 그 구역내에 거주하는 자에 대하여 부역 및 현품을 부과할 수 있도록 했다. 또한, 조합은 토지개량사업의 공사가 완료하였을 경우에 사업의 성질상 필요한 때에는 지체 없이 환지계획을 정하여 농림부장관의 인가를 받도록 했다. 또한 조합으로 구성된 연합회를 두었는데, 토지개량조합 연합회는 조합의 업무를 지도감독하고 공동이익의 증진을 도모하며 농지의 개발에 관한 사업과 국가가 시행하는 토지개량사업을 대행하도록 했는데, 구체적인 사업범위는 사업계획의 설정, 조사측량설계 및 공사감독과 환지 사무의 대행, 조합의 업무에 필요한 자재등의 생산가공 및 구입알선, 농림부장관이 지정하는 조합에 대한 경리의 감사, 토지개량사업과 농사개량의 조사, 연구, 보급 및 선전에 관한 사업 등을 하도록 했다.

국가가 토지개량사업을 하는 경우에는 농림부장관이 직접 또는 토지소유자(지역 내에 있는 토지에 대하여 토지소유자 3분의 2이상의 동의 필요)는 지역을 정하여 신청 하는 경우 시행할 수 있도록 하고, 국가 사업을 시행하는 경우에는 농림부장관은 토지 개량사업계획을



정하여 실시한다. 국가 외에도 서울특별시, 도 또는 시, 군은 해당 자치단체의 의회 의결을 거쳐 토지개량사업계획의 개요 기타 필요한 사항을 공고하고 토지개량사업시행지역내에 있는 토지소유자 3분의 2이상의 동의를 얻어서 토지개량 사업을 실시할 수도 있었다.

토지개량사업 방식으로 나머지 하나는 토지소유자가 1인이나 여러명이 토지개량 사업을 시행할 수 있는데, 이때에는 토지개량사업계획과 규약(여러 명이 하는 공동으로 하는 경우) 기타 필요한 사항을 정하여 농림부장관에게 토지개량사업시행의 인가를 받아 사업을 시행할 수 있다.

위와 같이 다양한 방법에 의해 실시되는 토지개량사업이 원활하게 실시될 수 있도록 조합과 연합회의 업무 및 재산에 대하여는 국가 또는 지방자치단체의 세금과 공과금을 면제하고, 토지개량사업을 위하여 필요로 하는 등기 또는 등록에 대한 등록세와 토지개량 사업시행자가 토지개량사업을 위하여 작성하는 증서에 대한 인지세를 면제하도록 했다. 그 외에 토지개량사업의 시행으로 인하여 비 과세지가 과세지로 되었을 경우 일정 기간을 정해 토지세를 면제하고, 토지 개량사업의 시행으로 인하여 토지의 가격이 증가된 경우에 그 증가된 부분에 대하여는 일정 기간에 한하여 토지세를 면제하도록 하였다.

또한, 토지개량사업시행자는 그 사업의 이해관계인이 그 사업으로 인하여 보통 받은 손실을 보상하도록 하고, 국가는 농지의 개량·개발 및 보전을 위한 사업을 시행하는 자에 대하여 보조금을 교부할 수 있도록 했다.

한편, 농산물 생산의 근원지인 토지는 개량뿐만 아니라 지력의 증진을 통해서도 토지의 농산물 생산력을 높일 수 있다. 그러므로 이를 위하여 1966년 3월 15일 법률 제1766호로 「지력증진법」이 제정되었다. 이 법의 목적은 농경지의 지력을 배양 증진함으로써 농업생산력을 제고하고 아울러 농업경영의 안정을 도모하려는 데 있었다. 시장·군수·구청장은 농림부장관에 의해 지력증진사업지역으로 지정된 지역에 대해 지력증진사업계획을 수립하여 지력증진사업을 수행하도록 하였다. 이와 같은 지력증진사업은 토양의 이·

## 대한민국 법제 60년사: 농촌근대화 법제

화학적 성질이 불량한 농지를 개량하는 것인데 이 사업은 토양조사, 객토, 자급비료의 증산, 토양개량제 및 화학 비료의 합리적 사용, 배수 등으로 이루어진다. 그리고 정부는 지력증진 사업을 효율적으로 시행하기 위하여 예산의 범위 안에서 지방자치단체, 농업단체 또는 개인에 대하여 사업 수행을 위한 예비조사 또는 실태조사에 소요되는 경비, 지력증진사업에 소요되는 기구 및 재료대, 토양개량제 생산시설에 필요한 경비 등을 보조할 수 있도록 했다.

## 2. 농촌생활환경 개선사업

위와 같이 기존의 토지 개량과 지력증진 사업추진으로 농업생산성이 향상될 수 있도록 하면서 동시에 농촌의 생활환경을 개선하기 위해 1965년 12월 30일 법률 제1737호로 「농어촌전화촉진법」이 제정되고, 1967년 2월 28일 법률 제1891호로 「농어촌지붕개량촉진법」이 제정되었는데, 이들 법령의 주요 내용을 보면 아래와 같다.

먼저, 「농어촌전화촉진법」이 제정되었는데, 이 법의 제정취지는 1960년대 중반까지 농어촌은 발전량 부족과 설비투자액의 과다에 따른 수익성 문제 등 때문에 전화(電化) 사업이 제대로 이루어지지 않았으나 1962년도부터 시행된 전원개발5개년계획에 따라 전력의 공급량이 확대될 것으로 예상됨에 따라 소외된 농어촌의 전화를 위한 법적 근거를 마련하는 데 있었다. 이 법에 따라 정부는 지방자치단체의 농어촌전화사업 계획서 및 자금계획서를 심의·결정하여 이에 소요되는 자금중 재정자금의 용자를 필요로 하는 금액을 다음 연도 예산에 계상하고, 전기사업자는 전기시설요청서를 받았을 때에는 사업계획에 따라 지체없이 당해 공사를 착수하도록 하였다. 전기 공사비는 전기사업자의 전기시설공사부담금과 정부의 재정자금에 의한 용자금으로 충당하도록 하고, 전기사업자에 행한 용자금에 대해서는 해당 지방자치단체가 그 지분을 보증하여 수용자로 하여금 연대채무를 부담하도록 하며, 정부용자금의 상환기간은 20년으로 하고, 정부용자금의 상환업무는 전기사업자가 매월 전력요금 수금시에 일괄 수금하도록 하였다.



1950-60년대에는 우리나라 농촌의 대부분의 전통가옥은 벚짚으로 이엉을 엮어서 지붕을 만드는 초가집으로 되어있어 농가 생활환경을 저해하는 원인중 하나였다. 이와 같이 주민의 대다수가 거주하는 농어촌의 초가지붕을 기와, 슬레이트 또는 합석 등으로 개량하여 농어민의 생활환경을 개선하기 위하여 「농어촌지붕개량촉진법」이 법률 제1891호로 1967년 2월 28일 제정되었다. 이 법에 따라 정부는 250만여 초가지붕 중 90만여 호 이상을 10년 이내에 개량하기로 하고 매년 이에 따른 융자금 예산을 계상 하도록 의무화 하였다. 지붕 개량에 필요한 자금은 농업협동조합중앙회에서 관리하도록 하고, 신규주택부터 우선하여 대여하도록 하되, 대여 받은 돈은 1년 거치 후 3년간 균분하여 상환하도록 하고 있다.

이 법은 1972년 12월 26일 개정되었는데, 그 이유는 당시 농어촌지붕개량사업은 지방 자치단체의 조례에 의하여 지방자치단체가 주관하는 사업과 농어촌지붕개량 촉진법에 의하여 농림부가 주관하는 사업으로 이원화되어 있기 때문에 동사업의 효율적인 추진이 어려운 실정이므로 농어촌지붕개량촉진법에 의한 사업도 지방자치단체가 주관하도록 하여 대여금의 자금은 정부가 마련하되, 대여금의 집행은 지방자치단체의 특별회계에서 일원화 하여 집행되도록 하였다.

1970년까지 농업기반시설에 대한 정비는 토지개량사업, 지하수개발이나 농가 주택 개량 등이 개별법에 의해 수행되었다. 그러나 농지의 외연적 및 내연적 확대에 따라 농산물 단위생산량을 제고하고 농업기계화와 농촌생활환경 개선을 보다 조속히 종합적으로 추진 하여 근대화된 농업체제로 전환할 필요성이 있었다. 이를 위하여 정부에서는 농촌근대화 10개년 사업일환으로 대단위 농업종합개발사업을 실시하게 되었는데 1970년대에는 농업 기반 정비 주요사업은 대단위 종합개발 사업이 41%에 이르렀다.

1969년 차관협정에 따른 대단위 농업종합개발사업 시행과 농지의 개량·개발·보전 및 집단화와 기계화에 의한 농업생산력을 증진시키고 농가주택을 개량함으로써 농촌근대화를 촉진시키기 위하여 1970년 1월 12일 법률 제2199호로 「농촌근대화촉진법」이 제정되었다.

## 대한민국 법제 60년사: 농촌근대화 법제

이 법에 따라 농지개량조합 및 농업진흥공사를 법인으로 설립하되, 농지개량 조합은 조합구역안의 농지개량시설의 유지·관리와 구획정리사업 등을 수행하고, 농업진흥공사는 농지개량사업·농업기계화사업과 농가주택개량사업을 종합적으로 수행하도록 하였고, 이 법에 따라 농업생산기반 확대개발, 농촌의 환경정비, 농촌지도사업 강화에 의한 농업기술 개발 등 3개 사업(농업개량사업+농업기계화 사업+농가주택개량사업)을 종합적으로 시행하게 되었다. 농촌근대화촉진법은 크게 3가지의 사업을 실시하도록 하고 있는데, 첫째 농지개량사업이다. 이 사업은 종전의 토지개량사업법에 따른 토지개량사업에 해당되는 것으로 농지개량사업은 국가·지방자치단체·농업진흥공사·토지소유자 또는 종전의 토지개량조합에 해당 하는 농지개량조합이 수행할 수 있도록 하였다.

이 사업은 농지의 효용을 높이기 위한 관개·배수시설·농업용 도로·기타 농지의 보전이나 그 이용에 필요한 시설을 설치·관리·변경 또는 폐합하는 행위, 농지의 구획정리, 개답 또는 개전, 농업을 목적으로 하는 매립 또는 간척, 농지 또는 농지의 보전이나 그 이용에 필요한 시설의 재해복구, 농지에 관한 권리 및 그 농지의 이용에 필요한 토지에 관한 권리, 농업용 시설과 물의 사용에 관한 권리의 교환·분합 등을 하는 것이었다.

농지개량사업에 참여할 수 있는 자는 농지개량사업의 시행구역안에 있는 토지에 관하여 ①농업의 목적으로 사용·수익하는 토지소유자, ②농업의 목적으로 사용·수익 하기 위하여 토지에 소유권 외의 물권을 가지고 있는 자 또는 ③농업외의 목적으로 사용·수익 하는 토지소유자나 농업 이외의 목적으로 사용·수익하기 위하여 토지에 소유권 이외의 물권을 가지고 있는 자로서 서울특별시장·부산시장 또는 도지사가 농지개량 사업에의 참여자격자로 인정한 자에 해당되어야 한다.

농지개량사업을 추진하는 핵심기관은 농지개량조합인데 이 조합은 농지개량 사업에 참여할 수 있는 자격을 가진 20인 이상의 자가 농림부장관의 인가를 얻어 그가 소유하는 토지를 포함하는 일정한 지역을 구역으로 하여 설립할 수 있고, 이렇게 설립된 조합은 관할



하는 구역내에서 농지개량시설의 유지관리사업, 구획정리사업과 그 부대사업, 개답 및 개전, 농사개량사업, 농지 또는 농지의 보존이나 그 이용에 필요한 시설의 재해복구 등의 사업을 수행하도록 했다. 그리고 조합장은 저수지·유지 등의 농지개량시설의 보호 관리상 필요하다고 인정할 때에는 관개 또는 배수를 목적으로 하는 자 이외의 자의 출입을 제한 또는 금지 하거나 어획 그 밖의 시설물 설치목적외의 목적으로 폭발물, 유해물 또는 어망의 사용을 금지할 수 있도록 했다. 또한, 조합은 정관이 정하는 바에 따라 그 사업에 필요한 경비에 충당하기 위하여 조합원으로부터 금전·노역 또는 현품을 부과 징수할 수 있고, 조합의 사업시행으로 인하여 일정한 조합원이 다른 조합원에 비하여 현저한 이익을 받은 때에는 정관이 정하는 바에 따라 특별부담금을 부과징수할 수 있도록 했다.

농지개량사업의 다른 사업주체로서 농업진흥공사가 있는데, 이 조직은 농지개량 사업·농업기계화사업 및 농가주택개량사업을 종합적으로 수행하고 시범농촌의 육성과 조합업무를 지원하게 하기 위하여 토지개량조합연합회와 지하수개발공사를 합병한 조직이다.

농업진흥공사의 주요업무는 관개·배수시설의 설치에 관한 사업, 개간·하천 정리·매립 또는 간척사업, 구획정리사업, 농업용 도로의 개설에 관한 사업, 농지개량사업에 수반하는 환지, 초지조성에 관한 사업, 농지개량사업용 중기와 농림부장관이 정하는 농기구의 제작·공급·구입 및 그 알선 또는 운영관리와 사용기술의 교육, 농가주택의 건설·개량 및 그 자재알선과 기술지도, 조합이 시행하는 농지개량사업과 농지개량사업에 대한 기술지원, 조합의 농지개량시설의 유지관리에 대한 기술지원, 농지개량사업에 관한 기술·용역의 수출 등이다.

이 법에 따른 사업으로서 두 번째 사업은 농가주택개량사업이다. 공사가 농가주택 개량사업을 시행하려는 때에는 그 사업계획을 작성하여 농림부장관의 인가를 받아야 하고, 인가하기 전에 건설부장관과 협의하도록 하여야 한다. 그리고 인가 사실을 서울특별시장·부산시장 또는 도지사에게 통지하여 해당 도지사는 그 관내에서 시행하는 공사의 농가주택

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개량사업을 적극 지원하도록 하였다. 그리고 농림부장관은 농촌의 환경정리 및 농업경영의 합리화에 의한 농업경제의 발전을 도모하기 위하여 필요하다고 인정할 때에는 일정한 지역에 대하여 농가주택의 집단화개량사업계획을 수립하여 공사로 하여금 시행하게 할 수 있다.

국가는 이와 같은 농가주택개량사업을 시행하는 자에 대하여 그 소요자금의 일부 또는 전부를 보조하거나 융자할 수 있다. 그 외에 공사는 농가주택개량사업을 시행함에 있어서 표준화된 자재의 대량생산 및 연가공급을 위하여 필요하다고 인정할 때에는 농가주택개량사업용 자재생산 공장을 설치하거나 그 자재를 생산하는 자에게 투자 또는 보조할 수 있도록 했다.

위와 같은 농지개량사업 또는 농가주택개량사업의 시행자는 그 사업의 행을 위하여 필요한 경우에는 사업시행지역 안에 있는 토지 또는 물건을 수용·사용 또는 제거하거나 변경을 가할 수 있도록 하고 이에 대해서는 손실을 받은 자에게 정당한 보상을 하도록 하였다.

농촌근대화촉진법의 세 번째 사업은 농업기계화 사업인데, 이에 대해서는 별도로 아래 에서 설명한다.

### 3. 농업기계화 사업

농업생산성을 지속적으로 향상시키기 위하여 파종에서 수확까지 일관 기계화 영농체제를 구축하는 것이 필요하다. 제1차 경제개발5개년계획 이후 공업화 추진정책에 따른 농업인구의 이농현상이 두드러짐에 따라 농촌노임이 상승하면서 농업기계화는 본격적으로 요구되었다. 우리 농업에 있어서 기계화는 경운기, 분무기, 트랙터, 이앙기 순으로 급속히 진행되었는데 농경지 정리 및 확대 등으로 약 175,000ha에 이르는 대규모 경지가 생기면서 기계화 필요성은 더욱 컸다. 특히, 제1차 농업기계화5개년계획이 1972년부터 1976년까지 추진되면서 농업기계화는 본격화 되었다.



경작규모가 영세한 개별농가에 대한 농업 기계화 사업은 1960년대에는 경운기, 인력 분무기, 양수기 등 소형농기계 구입자금을 보조하는 수준이었다. 그러나 1970년대에는 농촌 노임이 상승하면서 농기계 수요가 급증하였다.

1970년대에는 농업인구가 도시로 이동하면서 영농 기계화가 더욱 촉진되었는데 1977년도에는 동력이앙기와 바인더, 콤바인 등의 농기계 구입자금을 보조하기 시작했고, 농지개량조합 등 생산자단체를 중심으로 농업기계화 종합시범단지를 조성하였다. 그리고 1981년부터는 10가구 이상의 농가가 참여하여 경작규모가 10ha 이상으로 기계화영농단을 조직하면 농기계 구입자금을 지원하여 벼농사의 일관기계화가 진행되었는데 이것은 경운·정지, 이앙, 수확, 방제 등 주요 작업별로 진행되었고, 1990년대에는 트랙터, 콤바인, 이앙기 등 대형 농기계화가 정착되었다.

이와 같이 우리나라의 농업의 기계화 추진은 시장원리에 의한 것이 아니라 정부의 농기계구입자금 보조사업으로 추진되었고, 특정 생산주체를 대상으로 보조사업을 추진하는 방식으로 진행되었다는 점에 특징이 있다. 농업기계화 촉진 사업의 법적 근거는 「농촌근대화 촉진법」과 「농업기계화촉진법」인데, 그 내용은 아래와 같다.

#### 가. 농촌근대화촉진법에 따른 농업기계화 사업

우선 농업기계화는 농촌근대화촉진법에 따라 농촌진흥공사가 수행하는 주요 사업의 하나로 진행되었다. 공사는 농업기계화 사업을 시행하려는 때에는 매연도 마다 그 사업 계획을 작성하여 농림부장관의 인가를 받아야 하고, 공사는 농기구의 제작·보급에 필요하다고 인정할 때에는 농기구를 제작하는 자(외국인을 포함 한다)에게 농림부 장관의 승인을 얻어 투자할 수 있도록 했다.

그리고 농기구의 운전정비 또는 수리를 업으로 하려는 자는 농림부장관의 면허를 받도록 하였다. 공사에는 농기구운영관리소를 두는데, 농기구운영관리소는 농지개량 사업용



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중기의 운영 및 정비, 농기구의 대여, 농기구에 의한 용역지원, 농기구의 운영 및 정비에 관한 기술지도 등을 하도록 했다. 그리고 국가는 농기구의 제작·구입 또는 운영·관리를 하는 자에게 그 자금의 일부 또는 전부를 보조하거나 융자할 수 있도록 했다.

농촌근대화촉진법에 따른 농촌기계화 촉진사업 보다 종합적이고 체계적인 농업 기계화 촉진을 위해서 별도로 농업기계화촉진법이 제정·시행되었다.

### 나. 농업기계화촉진법에 따른 기계화 사업

농민에게 우량농업기계를 조속히 확대공급하고 그 이용도를 제고하기 위하여 농업 기계의 품질관리를 위한 검사 및 사후봉사의 강화 등 농업기계화 영농관계의 조성에 필요한 사항을 정하기 위하여 1978년 12월 5일 법률 제3210호로「농업 기계화 촉진법」이 제정되었다.

이 법의 주요내용을 보면, 우선 법 적용을 받는 농업기계의 개념을 “경운·정지·파종·이앙·관개·비배관리(肥培管理)·방제·수확·조제가공·가축의 사양 관리 그 밖의 농작업을 효율적으로 수행하기 위하여 필요한 기계·기구와 그 부속작업기구”로 하고, 농업기계화사업의 의미는 “농업기계의 생산·보급·이용·기술훈련·사후봉사·안전관리 및 연구·조사 등을 통하여 농업생산기술을 고도화시켜 농업구조의 개선을 도모하는 사업”으로 정의하였다.

농림수산부장관은 농업기계화기본계획을 작성하여 고시하도록 했는데, 이 계획에는 농업기계의 수급에 관한 사항, 농업기계의 이용촉진에 관한 사항, 농업기계의 기술훈련에 관한 사항, 농업기계의 사후봉사에 관한 사항, 농업기계의 연구·개발 및 검사에 관한 사항, 농업기계의 안전관리에 관한 사항 등이 포함되도록 했다.

정부는 농업기계와 그 부대시설의 구입 또는 설치자금을 지원할 수 있고 농업기계화 촉진을 위하여 기금을 설치·지원하도록 하며, 농수산부장관은 농업기계의 생산과 그 보급을 촉진하기 위하여 농업기계화 사업 촉진에 적합한 농업기계를 보급기종으로 고시하도록 했다.

## Ⅲ. 농업기반시설 정비 및 농업생산 기술 개발단계



그리고 재해대책 등 급박한 사정으로 인하여 농업기계의 수급조정이 필요하다고 인정할 때에는 그 수급조정을 할 수 있도록 하고, 보급기종 농업기계의 원활한 공급을 위하여 필요하다고 인정할 때에는 최고가격을 정할 수 있도록 하는 외에 보급기종농업기계의 제조업자 또는 판매업자는 사후봉사체제를 갖추도록 하는 등 농기계의 공급자 요인으로 인한 농기계의 수급불안이 최소화되도록 하였다. 그와 동시에 정부는 보급 기종으로 고시한 농업기계를 원활히 공급하게 하기 위하여 당해 농업기계의 제조업자 에게 그 생산에 필요한 자금의 전부 또는 일부를 융자할 수 있도록 하는 혜택도 부여하였다.

이 법은 1994년에 많은 부분이 개정되었는데, 그 주요내용으로는 ①농업기계의 범위에 생산시설의 자동화설비등을 추가하고, ②농림수산부장관은 신기술을 이용한 농업기계의 개발과 보급을 촉진하기 위하여 신기술농업기계를 지정·고시하고, 이런 기계를 생산·구입하는 자를 우선하여 지원할 수 있도록 하였으며, ③농업 기계의 수급과 가격을 자율화 함으로써 농업기계의 개발 및 보급을 촉진하기 위하여 수급 및 가격에 관한 조정제도를 폐지하였다. 그리고 ④농업기계에 대한 의무검사제도를 신청에 의한 임의 검사제도로 전환 함으로써 농업기계의 생산 및 유통의 자율화를 도모하고, ⑤농업 기계의 제조업자·수입업자는 농업기계에 안전장치를 부착하도록 함으로써 농업기계의 사용으로 인한 안전사고를 예방할 수 있도록 하였다.

2009년 4월에도 법 개정이 되어 주요 부분이 보완되었는데 그 내용을 보면, 농업 기계 임대사업을 확대 추진하기 위하여 그 법적 근거를 마련하여 국가나 지방자치단체는 지방자치단체나 농업기계의 임대사업을 촉진하기 위하여 필요 하다고 인정하면 지방자치 단체나 농업기계 임대사업자에게 그 농업기계의 구입과 부대시설의 설치·운영 및 관리에 필요한 자금의 전부 또는 일부를 지원할 수 있고, 농업기계의 임대사업에 필요한 전문인력의 확보와 자질 향상 등 농업 기계 임대사업을 촉진하기 위하여 노력 하도록 했다.

그리고 농업기계로 인한 사고예방 및 안전관리를 강화하기 위하여 안전장치 부착·

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변경 확인을 하도록 하고, 안전장치 구조의 임의 개조 또는 변경 여부에 대한 조사제도 등 안전장치 부착 제도의 실효성을 확보하기 위해서 농업기계의 제조업자와 수입업자는 제조하거나 수입하려는 안전관리대상 농업기계에 대하여 안전장치를 부착할 때와 안전장치를 부착한 안전관리대상 농업기계에 대하여 안전장치의 구조를 개조 또는 변경할 때에는 각각 농림수산물부 장관의 확인을 받도록 하고, 농림수산물부 장관은 유통 중인 안전관리대상 농업기계의 안전 장치 부착 여부와 안전장치 구조의 임의 개조 또는 변경 여부에 대하여 조사할 수 있도록 하였다.

### 4. 농업관련 교육 및 기술의 개발·보급

농지체계의 변화, 농업기반시설 설치와 농업기계화와 더불어 농업인에 대한 교육과 농업관련 기술을 개발하여 보급하는 과정 역시 농촌근대화를 설명함에 있어서 필요한 사항이다. 농업관련 교육 및 기술의 개발과 보급에 관한 법제는 농사교도법과 농촌 진흥법의 내용으로 설명하고자 한다.

#### 가. 농사교도법에 따른 농사교도사업

1947년 12월 군정법령 제160호로 농업기술교육령이 제정되어 국립농사개량원이 설립되었고, 도에는 도농사시험장, 군에는 농사교도소를 두어 농민 스스로 증산능력을 키우도록 하는 농사기술을 보급하는 사업이 실시되었다. 정부 수립후 1949년 1월 6일 농사기술원이 설립되고, 한·미간 농사교도사업에 관한 협정이 체결되어 이를 근거로 1957년 2월 12일 법률 제435호로 「농사교도법」 제정되었다. 이 법은 농사의 개량발달을 위한 필요한 연구 시험을 하여 농사 및 생활개선에 관한 지식과 기술을 농민에게 교도함으로써 농산물을 증산하고 그의 생활향상을 기함을 목적으로 하고 있고, 농사교도사업의 범위를 ①농사(농업, 임업, 축산업, 원예업과 각 농가의 부업 등)의 개량발달을 위한 연구, 시험 및 지식과 기술의 교도보급, ②농업토양의 개량 및 보존방법에 대한 연구시험과 그 지도, ③협동조직



체의 운영방법의 지도, ④농촌 청소년의 지도교양, ⑤농촌가정생활의 향상을 위한 지도, ⑥ 위와 같은 사업에 종사할 공무원의 양성 등으로 하였다. 이와 같은 농사교도사업을 위한 조직으로 농림부장관 소속하에 농사원을 설치하도록 하고, 농사원장 소속하에 각과의 시험장 또는 연구소 및 그 지장, 지소를 둘 수 있도록 하였다. 또한, 도의 농사에 관한 연구 시험 및 교도사업의 사무를 분장하기 위하여 농사원장 소속하에 도에 도농사원을 두며, 시·군에 시·군농사 교도소를 두도록 하였다.

#### 나. 농촌진흥법에 따른 농촌진흥 사업

정부에서는 1957년에 제정된 농사교도법에 따라 농업에 대한 교육과 농업기술을 확대 개발하는 사업을 하였으나, 1962년 3월 21일 법률 제1039호로「농촌진흥법」을 제정하면서 농사교도법을 폐지하고, 농사교도사업을 보다 체계적이고 효율적으로 수행하기 위해 농사교도사업을 시험연구사업, 지도사업 및 수련사업으로 구분하여 농촌진흥 사업을 수행하는 근거를 마련하였다. 또한 이런 사업을 수행할 수 있는 기관을 정비하여 중앙에 농촌진흥청, 도에 도농촌진흥원을, 서울특별시와 시장 및 군수 소속하에 농촌 지도소를 각각 두도록 했다.

먼저, 시험연구사업으로는 ①농사기술(농업, 임업, 축산, 가축, 위생, 원예, 잠업, 농림축산물의 이용, 가공, 농공)의 개량발달을 위한 시험연구, ②농촌생활(의, 식, 주)의 향상을 위한 시험연구, ③농사의 기본이 되는 우량작물, 채소종자와 원원종, 원종과 잠종, 우량과수와 임목의 묘목, 상묘, 우량가축의 원종축의 생산 및 가축전염병예방책의 생산, ④농업경영 및 농촌발전을 위한 조사연구가 있다.

그리고 지도사업으로는 ①농업과 생활개선에 관한 과학적 지식 및 기술의 교시보급 또는 실지전시, ②농촌의 부업에 관한 지식 및 기술의 보급, ③농업 발전과 농민생활에 유용한 자연자원의 보존 및 이용에 관한 농민교육, ④농업과 농민생활의 개선을 목적으로

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하는 농촌조직의 육성, ⑤농민의 자력 또는 보조에 의한 시범농촌건설사업의 조성 등이 있다. 그 외에 수련사업에는 ①농림부관계 현직기술공무원의 수련, ②농사 연구, 농업의 지도사업에 종사할 자의 수련, ③농림부산하단체의 간부 및 직원의 수련, ④농촌자원지도 자의 수련으로 구분하고 있다.

공공단체 외의 단체가 위와 같은 농촌진흥 사업을 하려는 때에는 농촌진흥청장에게 사업계획서를 제출하여 그 승인을 얻도록 했다. 또한, 농촌진흥사업에 종사하게 하기 위하여 연구공무원과 지도공무원을 두도록 하였다.

### 5. 농촌 생활환경 변화와 농민의식의 근대화 -새마을 운동 -

농촌 문제를 극복하려는 농민들의 자발적인 환경개선, 소득증대를 위한 운동은 1960년대 말부터 본격화 되었다. 1970년 4월 22일에 당시 박정희 대통령이 부산에서 전국 시·도지사를 소집하여 한해(旱害)대책을 논의하면서 농민, 관계기관 등이 서로 협조하여 농촌의 새마을 가꾸기 운동을 벌여보자는 제안을 하면서 처음 새마을 운동을 주창한 것으로 알려지고 있다. 박대통령은 이 회의에서 한국 고유의 지방자치인 향약과 두레, 계, 품앗이 등을 지목하였고, 각 시·도지사에게 농민과 관계기관 및 지역사회 지도자의 협조를 전제로 농어촌 자조 노력의 진작방안을 강구할 것을 지시하였다.

이와 같은 지시에 따른 운동은 1971년도 새마을 운동으로 명명되었고, 1971년 시범 사업을 거쳐 1972년도 본격적으로 실시되었다. 초기 새마을운동은 농촌의 환경정비 사업으로 시작되었는데, 이런 사업은 당시 건설경기하락과 수출부진으로 소비되지 못한 시멘트를 전국의 3만4,655개 마을에 일률적으로 335포대씩 나누어주고, 이들 마을을 기초, 자조, 자립마을로 3단계로 등급화 하여 우수한 마을에 집중적으로 지원함으로써 마을간에 경쟁을 유발하는 것으로 환경정비사업을 적극 추진하였다.

1975년도부터는 농촌뿐 아니라 도시와 공장으로도 확대되어 범국민 정신개조운동



으로 발전하였다. 이를 위하여 1973년 정부부처인 내무부에 새마을담당관실과 그 소속 하에 4개의 과가 신설되었고, 대통령비서실에 새마을담당관실도 설치하는 등 조직적인 체계를 갖추어 추진되었다.

정부는 1980년대 초반까지 생산기반, 소득증대, 복지 및 환경, 정신개발 및 도시 공장 등으로 구분하여 새마을 운동에 투자하였다. 이런 투자액은 1973년 961억원에서 1979년 7582억원으로 증가했다. 새마을운동은 점차 초기의 농촌환경 개선사업 위주로 하던 것을 농어민 소득증대사업을 확장되었는데, 이런 소득증대사업으로는 소득작목 개발, 영세농 시범 자립시범사업, 새마을 기계화 영농단, 초지조성, 농어촌 저축활동 등 다양한 사업을 전개하였다. 1972년에는 모범 농업인 교육계획 일환으로 농업인연수원이 설치 되었고 이듬해에는 새마을지도자연수원으로 명칭을 바꾸어 새마을지도자 교육을 실시하게 되었는데 교육대상은 모범 농업인으로 하던 것을 점차 확대되어 1975년 이후에는 대학교수, 언론인, 기업가, 종교지도자, 국회의원으로 넓혀 갔다. 교육내용도 영농기술과 소득증대 새마을 사업이 강조되다가 점차 정신개혁, 국가발전과 생활윤리, 가치 있는 생활방법, 등 새마을 정신계발에 중점을 두었다.

1979년 12월 28일에는 법률 제3171호로 「새마을지도자연수원법」이 제정되었는데, 이는 새마을운동을 심화하고 영속화하기 위하여 새마을지도자의 교육 양성과 새마을 운동의 연구발전에 관한 사항을 담당하기 위하여 법인으로 새마을지도자연수원의 설치근거가 되었다.

연수원의 법률상 주요 업무로는 새마을지도자 및 새마을운동의 선도요원에 대한 교육, 연수원수료생에 대한 사후지도, 새마을운동에 관한 연구발전 등이었고, 연수원에는 이사장 1인을 포함한 8인 이내의 이사를 두도록 하였다. 새마을 운동이 본격화 되면서 새마을 운동을 보다 조직적이고 체계적으로 하기 위해서 1980년 12월 13일 법률 제3269호로 「새마을운동조직 육성법」이 제정되었다. 이 법은 국민의 자발적 운동에 의하여 조직된 새마을

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운동조직을 지원·육성함으로써 새마을운동의 지속적인 추진과 향상을 도모하고 국가·사회발전에 기여함을 목적을 하였고, 새마을운동조직으로는 새마을운동중앙본부와 그 산하조직인 새마을지도자중앙협의회·새마을부녀회중앙연합회·직장새마을운동중앙협의회·공장새마을운동 추진본부·직능새마을운동중앙 협의회 기타 새마을운동관련조직 및 그 계통조직으로서 주무부장관의 인가를 받아 설립된 법인으로 구분되었다. 이러한 새마을 관련 각종 조직에 대해 국가는 출연금, 조세감면, 국·공유재산 교부 등을 통해 다양한 지원을 할 있도록 했다.

새마을운동은 처음부터 정부주도하에 실시되어 우리나라 농촌사회에서 3가지 해방 즉 지계로부터의 해방, 촛불로부터의 해방, 초가지붕으로부터의 해방이라는 성과를 가져왔다. 이로 인해 농촌의 모습이 획기적으로 변모하기 시작되었는데, 초가지붕이 사라지고 기와지붕 또는 슬레이트 지붕으로 변모하였으며, 경운기가 다닐 정도의 다져진 마을길이 놓여졌다. 피폐된 농촌의 모습에서 근대화된 농촌으로 탈바꿈하는데 그 중심역할을 새마을운동이 담당하였다고 볼 수 있다. 이러한 농촌 환경개선이나 소득 증대사업은 마을 주민의 협동 정신이나 마을 공동체의 인적·물적 자원동원 체계를 활용한 정부주도의 개발방식의 성공 사례라 할 수 있다.



## IV. 상업적 및 기업농의 영농체제 확립 단계

1950-60년대에 세 차례에 걸쳐 집행된 농업증산5개년계획(1953-57, 1958-62, 1962-66)으로 농지확장, 경지정리, 관배수시설, 비료중시, 경종법 개선, 품종개량 및 우량 품종의 보급 등이 이루어졌다. 이에 따라 농지제도가 근대화되고, 농업 기반시설의 정비와 농업기계화 등이 추진됨에 따라 농업구조가 농업생산요소중 토지 및 노동 성장률은 낮거나 지체된 반면에 비료, 농약 및 농기계 성장률은 높아졌다.

이와 같은 현상은 농가에서 조달하는 자원위주 농업에서 공업분야에서 공급하는 과학기술 위주로 농업구조가 변화된 것이라 할 것이다. 이런 현상은 다른 측면에서 보면, 자원 및 자급위주 농업과 식량문제와 자연조건에 따라 농업생산이 영향 받던 농업문제가 과학기술 위주 농업으로 변화되면서 농가소득문제가 중시되고 시장에서 농산물 가격에 따른 농업문제로 변화 되었다는 것을 의미 하는 것이기도 하다.

농업분야에서 생산성 변화는 농업생산성을 높일 수 있는 투입물 개발과 이를 비농업 부문에서 생산 및 보급할 수 있는 능력에 영향을 받게 된다. 정부는 농업생산성을 높이기 위해서 단위면적당 수량을 증대시키기 위해서 관개시설을 확장(대단위 농업 용수 개발을 위한 4대강 유역 종합개발)하고, 새로운 다수확 품종(통일벼 개발, 보온 못자리 보급 등 녹색혁명)을 개발하였으며, 비료공급을 확대 했다(62년 자유유통 금지, 농협을 통한 일원적 공급, 비료자급 넘어 수출까지 확대).

우리나라의 식량자급률은 1960년 94.5%에서 1980년 56%로 떨어졌고, 쌀은 자급 되었으나 소득증대에 따른 소비구조 변화로 밀가루, 옥수수, 콩을 외국에서 수입하는 등 정부주도로 농산물의 생산 및 소비를 통제하여 식량수급을 조절하였다. 1969년부터 이중



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곡가제로 생산농가와 소비가계를 동시에 보호하는 정책을 취해 일반물가 안정에 기여했으나, 정부 부문에서는 양곡특별회계의 적자와 식량자급률이 하락하는 결과를 초래했다. 즉 밀, 옥수수, 콩 및 원면의 경우 1955년 잉여농산물 도입협정에 따라 국내 총생산량 10%에 해당하는 양을 도입하여 국민식량 안정공급과 경제안정에 기여 했으나, 국내곡가하락과 농민의 생산의욕을 저하시키고, 장기적으로 밀가루 음식에 대한 선호를 부추기고 소득증가로 육류 소비가 증가하면서 사료용 옥수수 수입과 식량자급률 낮추는 데 영향을 주었다.

이러한 농업 및 농촌 환경하에 진행된 농촌근대화의 마지막 단계는 상업적·기업적 영농체제에 관한 것인데, 이에 관한 법제로는「농어촌발전특별조치법」(1990. 4. 7. 법률 제4228호)과「농어촌진흥공사 및 농지관리 기금법」(1990. 4. 7. 법률 제4229호)을 들 수 있다. 이들 법제를 중심으로 그 변화 내용을 살펴보고자 한다.

## 1. 농어촌발전특별조치법에 따른 농업 및 농촌의 발전

우리나라 농촌인구는 1970년대 후반부터 농산물수입개방이 확대되어 농가 경제가 악화된 이후 이농이 가속화되었다. 1960년에 농가인구는 1,450만명으로 총인구 대비 58.2% 이던 것이 2000년에는 4백만명으로 총인구 대비 8.7%로 감소했다. 그리고 경제 성장과 더불어 농가의 겸업화가 진행되자 1960년 전업농가 비율이 90.6%이던 것이 2000년에는 그 비율이 65.2%로 줄어들었다. 농촌인구의 도시로의 이농 현상이 가속화 되고 특히 젊은 사람들이 이농함에 따라 농가인구 고령화 되었다.

이에 농업소득만으로 다른 산업종사자에 버금가는 소득수준을 확보하고 노동력이 최대한 발휘될 수 있도록 하기 위한 다양한 정책들이 담긴 농어촌발전특별조치법이 제정 되었는데 그 내용을 보면 아래와 같다.



### 가. 농업구조 개선

이 법은 농업의 발전을 도모하고 농민의 이익을 보호하기 위하여 농업의 구조를 개선하여 생산성을 향상시키고, 농촌공업을 육성하는 등 농촌의 소득원을 확충하며, 생활환경을 개선하여 농촌을 쾌적한 생활공간으로 조성함으로써 농민의 복지향상에 이바지함을 목적으로 하였다.

이와 같은 목적을 달성하기 위해서 첫째, 전업농가를 육성하였다. 농림수산부장관은 농산업의 경영규모의 적정화와 경영합리화를 도모함으로써 생산성을 향상시킬 수 있도록 3년 이상 농업의 경영에 종사하고 있는 자로서 농업의 경영능력과 의욕이 있는 농가를 전업농가로 육성하도록 하였다. 그리고 농촌에 정착하여 농업을 경영하고 있거나 경영할 의사가 있는 청소년을 농민후계자로 선정하고, 농민후계자에 대하여 필요한 지원을 하도록 하고, 농민후계자를 우선적으로 전업농가로 육성하도록 했다. 그리고 국가·지방자치단체 및 농산물의 생산자단체의 장은 농민후계자의 육성·지원에 적극 협조하도록 하였다.

둘째, 영농조합법인 제도가 도입되었다. 농민이 농업경영의 합리화로 농업생산성의 향상과 농가소득의 증대를 도모하기 위하여 영농조합법인을 설립할 수 있도록 하고, 영농조합법인은 법인으로 하며, 농지를 소유할 수 있도록 했다. 영농조합법인의 조합원이 될 수 있는 자는 당해 시·군에서 3년 이상 영농에 종사하고 있는 소규모 경영농민으로 하고, 영농조합법인을 설립하고자 할 때에는 5인 이상의 농민이 공동으로 정관을 작성 하도록 하고, 창립총회의 의결을 거친 후 그 주된 사무소의 소재지에서 설립등기를 함으로써 성립하도록 했다.

1993년에 법 개정을 통해 영농조합법인이 수행하는 사업 범위에 농산물의 공동 출하와 가공 및 수출을 추가했고, 설립주체도 확대하여 법인소재지와 동일 하거나 인접 시나 군에 거주하는 자도 영농조합법인을 설립할 수 있도록 했다. 그리고 1994년 법 개정시에는 설립주체를 더욱 확대해서 농업인과 농산물의 생산자단체중 정관이 정하는 자로 하여 영농경력과

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거주제한을 두던 것을 폐지하였다. 이와 같은 영농조합 법인은 임의로 설립되고 조합원 가입 탈퇴가 자유롭고, 조합원에 대한 이익분배한도를 정관으로 정하는 점에서 농업회사 법인과 차이가 있다.

셋째, 위탁영농을 가능하게 하는 법적 근거를 마련했다. 이 제도는 농민의 농업 노동력의 부족 등으로 농업경영이 곤란한 농가의 영농의 편의와 농업생산성의 향상을 도모하기 위하여 위탁영농회사를 설립할 수 있도록 하고, 위탁영농회사는 농업경영이나 농작업의 전부 또는 일부를 대행할 수 있도록 하되, 농가당 위탁 영농을 할 수 있는 규모는 3만㎡를 초과하지 못하도록 했다. 국가 또는 지방자치단체는 위탁영농회사에 대하여 보조금을 지급하거나 용자할 수 있다. 위탁영농회사는 1994년 법 개정으로 농업회사법인으로 명칭을 변경했고, 활동영역도 넓혀서 기업적 농업경영을 통하여 생산성을 향상시키거나 생산된 농산물의 유통·가공 판매도 가능하도록 했다. 그리고 설립주체도 농업인 외에 농산물생산 단체 및 농지개량조합도 가능하도록 했다.

넷째, 전업을 지원하는 제도인데, 이것은 농림수산부장관이 다른 산업으로 업을 전환하고자 하는 농가중 일정한 요건에 해당되는 농가에 대하여 안정된 전업이 보장되도록 적절한 지원을 할 수 있도록 하는 것이다. 지원 내용으로는 직업훈련의 실시 및 취업의 알선, 취업준비금의 지급에 관한 사항, 전업 장려금의 지원, 훈련준비금·훈련비·가족 생계비를 포함한 훈련수당의 지급 등으로 하였다.

그밖에 농림수산부장관은 고령·질병 또는 부득이한 사유로 인하여 농업의 경영을 계속할 수 없는 농가중 일정 요건에 해당되는 농어가가 경영자산을 일괄하여 농어민이나 농어촌진흥공사에 이전하는 경우에는 경영자산을 이전한 당해 농가의 구성원에 대하여 지원할 수 있도록 하고, 정부는 농산자원의 효율적인 개발·이용과 농업의 생산성의 향상을 위하여 농촌지도기관·연구기관·관계대학 또는 관계전문가로 하여금 특정 과제에 대한 공동연구 및 공동 지도를 하게 할 수 있도록 하고 이에 필요한 출연금을 지급할 수 있도록 했다.



### 나. 농산물의 수급안정 및 농가소득 사업 지원

농림수산부장관은 가격의 등락폭이 큰 일부 농산물에 대해서는 농업관측을 실시 하도록 하고, 이를 효율적으로 실시하기 위하여 농업관측협의회를 구성·운영하되, 농업 관측 협의회에는 농어민·관련단체의 대표 등을 참여시키도록 했다. 이런 농업관측 결과에 따라 농산물의 적정한 생산과 적정한 가격을 유지하기 위하여 생산자단체로 하여금 생산조정 또는 출하조정을 하게 할 수 있다.

한편, 농림수산부장관은 생산조정 또는 출하조정을 위하여 생산여건 등을 감안하여 농림수산부장관이 고시하는 품목에 대하여는 생산자단체로 하여금 생산농가와 생산 조정 또는 출하조정의 약정을 체결하게 할 수 있도록 하고, 이런 약정을 이행한 농가가 출하하는 해당 품목에 대하여 일정한 수준의 가격을 보장하도록 하였다. 이와 같은 가격보장으로 발생한 손실은 보전할 수 있도록 했다.

그리고 농림수산부장관은 국내 수급안정을 위해 정부가 수입하는 농산물중 필요 하다고 인정되는 품목에 대하여 국내생산조정을 위한 지원을 할 수 있도록 하면서 이와 같은 특정 농산물을 생산하는 농어민이 생산자단체를 조직하여 해당 농산물의 판로확대, 수급 조절 및 가격안정을 위한 자조금을 조성·운영하는 경우 그 생산자단체에 대하여 보조금을 지급할 수 있도록 하였다. 또한 농산물의 판로확대 또는 수급조절을 하는 농민·생산자 단체 또는 농산물의 유통업을 영위하는 자 등에 대하여 필요한 지원을 할 수 있도록 했다.

그 외에 농수산물의 수급의 조절과 농가의 소득증대를 위하여 농수산물가공산업을 육성하도록 하면서, 국가 또는 지방자치단체는 농민 또는 일정한 생산자단체가 식품 제조·가공업 등 농산물가공업을 영위하면 보조금을 지급하거나 융자할 수 있도록 하였는데, 이런 보조금지급이나 융자 대상으로는 ①전통식품 등 농산물가공품의 개발, ②가공시설의 설치 및 보수, ③가공원료로 사용되는 농산물의 구매, ④가공·저장 및 유통의 개선을 위한 조사·연구사업 등으로 하였다.

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### 다. 농수산물의 수출 및 수입 촉진

정부는 농가의 소득을 증대시키고 농산물의 수급조절을 위하여 농산물의 수출촉진에 필요한 지원하도록 하고, 이를 위해 무역업자 또는 무역에 관련되는 기관의 해외시장정보의 수집과 시장개척을 지원하거나 보조금의 지급 또는 용자를 할 수 있도록 했다.

그리고 농산물의 수입제한을 해제하려는 때에는 농어가의 소득을 보호하고 국내 자원을 효율적으로 활용할 수 있도록 필요 시책을 강구하도록 하고, 농산물의 수입자유화 예시계획을 수립하려는 때에는 농어가소득과 국민경제에 미칠 영향 등을 감안하여 자유화 품목과 시기를 예시할 수 있도록 했다. 또한, 농림 수산부장관은 농산물의 수입 자유화로 인하여 국내농업이나 농가의 소득에 미치는 영향이 크다고 판단되는 품목에 대하여는 국내에서 생산되는 당해 품목을 수매하거나, 타인으로 하여금 수매하도록 권고할 수 있고, 이 경우 수입가격과 수매가격의 차액을 보전하도록 했다. 이와 같은 농수산물의 수입자유화에 따른 보완대책에 관한 사항을 심의하기 위하여 수입자유화 보완대책심의회를 설치하여 운영하도록 했다.

### 라. 농외소득원의 개발촉진

농림수산부장관은 농업외의 취업기회의 확대와 농어가소득구조의 고도화를 위하여 농어촌의 농업소득외의 소득원을 개발 또는 육성하도록 하고, 농어촌발전기본방침에 따라 매년 농외소득증대계획을 수립하되, 그 계획에는 농어촌소득 구조의 개선과 농외 소득의 증대의 기본목표와 실천계획, 농공단지의 개발의 지원에 관한 사항, 농공단지의 개발을 위한 예산지원에 관한 사항, 농어촌인력수급·취업훈련 및 그 지원에 관한 사항, 농어촌 특산품생산단지의 지원에 관한 사항, 농어촌휴양지의 개발·지원에 관한 사항 등이 포함하도록 했다.

그리고 시장·군수는 매년 농외소득증대계획의 추진실적을 종합작성하여 다음 연도



1월말까지 관할 도지사에게 보고하도록 하고, 도지사는 추진실적을 보고 받은 날부터 1월 이내에 농림수산부장관에게 종합하여 보고하도록 했다.

#### 마. 농공단지의 개발촉진

시장·군수는 관할 지역안의 농외소득원을 개발하기 위하여 농공단지를 지정하여 개발하도록 하고, 정부는 농외소득증대계획에 따라 시장·군수에게 농공단지의 개발에 필요한 보조금을 지급하거나 융자할 수 있도록 했다. 도로·상수도·전기·전화 등 공공 시설을 설치·관리하는 국가·지방자치단체와 정부투자기관은 농공 단지의 개발 사업의 원활한 시행을 위하여 그 시설을 농공단지 안에 우선적으로 설치하도록 하고, 농공단지에 취업하고자 하는 농어민은 시장·군수에게 취업에 관한 등록하도록 하고 시장·군수가 이를 관리하도록 했다.

그리고 국가 및 지방자치단체는 농어민의 농공단지입주공장 취업에 필요한 직업 훈련을 실시하고, 고용정보제공·취업지도 및 취업알선을 하도록 하며, 농공단지에 입주 하여 공장을 설치·운영하는 입주자의 종업원훈련에 대하여 지원할 수 있도록 했다.

중소기업진흥공단 또는 농수산물유통공사는 시장·군수 또는 입주업자의 요청이 있을 때에는 기술 및 경영에 관한 지도를 하도록 했으며, 국가 및 지방자치단체는 농공단지 또는 시장·군수가 지정한 농어촌특산물생산단지에서 생산된 제품의 판매를 촉진하기 위하여 당해 제품생산자와 국가·지방자치단체·공공단체 또는 정부투자기관과의 수의 계약을 확대하고 수출의 지원 및 계열화의 촉진 등 필요한 조치를 할 수 있도록 했다.

#### 바. 농어촌휴양지의 개발

시장·군수는 농어촌지역안의 자연경관을 보전하며 농어촌소득증대에 이바지하기 위하여 농어촌휴양지를 지정하여 직접 개발하거나 농어민단체·또는 농어촌진흥공사 등이 시장·군수의 승인을 얻어서 개발하도록 하고 이를 위해 휴게소등 편의시설, 양어장 등

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농수산물생산시설, 판매장 등 판매시설, 야영장 등 숙박 시설, 진입로 등 기반시설 등을 설치하도록 했다.

### 사. 농어촌정주생활권 개발

정부는 농어촌지역의 생활환경, 산업기반 및 편의·복지시설 등을 종합적으로 정비·확충하고 농어민의 복지를 향상시키기 위하여 면 지역을 대상으로 농어촌정주생활권을 개발하도록 하되, 효율적인 개발을 위하여 필요한 경우 인근 읍·면의 지역을 포함할 수 있도록 했다.

그리고 군수는 정주생활권의 개발이 필요하다고 인정되는 지역에 대하여 지역주민의 의견을 들은 후 군농어촌발전심의회 심의를 거쳐 정주생활권개발계획을 수립하여 관할 도지사의 승인을 얻도록 했다. 이 계획에는 정주생활권개발의 목표와 기본방향, 농어촌 취락의 정비·개발, 농어촌도로의 정비·개발, 문화복지시설의 확충, 농공단지 등 소득원 개발사업과 연계한 생활환경의 정비·확충, 농어촌용수와 배수의 개발과 그 시설의 정비·확충 등에 관한 사항이 포함되도록 하고, 군수가 이런 개발계획에 따라 사업계획을 수립하여 시행하도록 했다.

한편, 정부는 정주생활권개발을 위한 10개년계획을 수립·추진하도록 하고, 정주생활권개발을 효율적으로 추진하기 위하여 농수산물의 수입으로 인하여 징수되는 관세액 상당액을 매년 세출예산에 계상하여 지원하여야 하고, 이를 위해 국가 또는 지방자치단체는 정주생활권개발사업의 시행을 위하여 필요하다고 인정되는 경우에는 농어민, 생산자단체 기타 정주생활권개발사업의 시행을 위하여 필요한 자에게 보조금을 지급하거나 융자할 수 있도록 했다. 그 외에 농림수산부에 정주생활권개발위원회를 두어 정주생활권의 개발에 관한 기본계획, 연차별 추진계획, 개발대상지역의 선정, 예산의 지원에 관한 사항을 심의하도록 했다.



### 아. 농업진흥지역의 지정·운영

정부는 농지를 효율적으로 이용·보전함으로써 농업의 생산성의 향상을 도모하기 위하여 농업진흥지역을 지정하되, 농업진흥구역(상당한 규모로 농지가 집단화된 지역으로서 농업목적으로 이용하는 것이 필요한 지역)과 농업보호구역(농업진흥 구역의 농업환경을 보호하기 위하여 필요한 지역)으로 구분하여 지정하도록 하였다. 시·도지사가 이런 지역을 지정할 때에는 시·도농어촌발전심의회(이하 '심의회')의 심의를 거쳐 농림수산부장관의 승인을 얻어 지정하도록 하고, 지정 후에는 지체없이 고시하고 관계기관에 통보하도록 했다. 농업진흥구역안에서는 농수산업과 직접 관련되지 아니한 토지이용 행위를 할 수 없도록 하였다. 농수산업과 직접 관련되는 행위로는 농작물의 경작, 농가 주택, 농업용 또는 축산업용시설의 설치, 야생조수의 인공사육시설의 설치, 해당 지역 또는 인근지역에서 생산되는 농산물을 집하·선별·포장하는 시설의 설치, 농지개량 사업 및 농어촌용수를 개발하기 위한 사업 등으로 규정하였다.

그리고 정부는 진흥지역에 대하여 농지 및 농업시설의 개량·정비와 농산물 유통시설의 확충 기타 농업의 발전을 위하여 우선적으로 투자하도록 하고, 진흥지역안의 농지를 경작하는 농민에 대하여는 금융·세제상의 지원을 우선적으로 실시하여 농업생산성의 향상과 농가소득의 증대를 도모하도록 했다.

## 2. 농어촌진흥공사 및 농지관리 기금법에 따른 농업구조 개선

이 법 제정의 취지는 우리 농업의 구조적 문제점인 경영규모의 영세성을 극복하기 위하여 계속 증가되고 있는 비농가소유 농지가 자경농가에게 이전되도록 촉진하고, 동시에 농업경영만으로 가계유지가 어려운 영세농은 농지를 장기임대하거나 처분하고 다른 직업으로 전업할 수 있는 여건을 조성하는 등 농업구조개선사업의 체계적인 추진이 필요하게 되었다. 이를 위하여 종전의 농촌근대화촉진법에 따라 설립된 농업 진흥공사를 흡수하여



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전업농의 육성과 영세농의 전업 지원사업을 담당할 농어촌진흥 공사를 설립하고 이 사업에 소요되는 자금의 원활한 공급을 위하여 농지관리기금을 설치·운영하려는데 있다.

한편, 이 법이 제정되기 전부터 농업협동조합은 통해 영농규모 확대를 위해 정부 대행으로 1988년부터 농지구입 자금지원 사업을 실시하였으나, 이 법에서는 농림수산부장관에게 농가의 경영규모 적정화를 기하기 위하여 농지의 매입·매도사업, 농지구입자금의 지원과 농지의 임대차의 관리 등에 관한 시책을 종합적으로 강구하도록 했다. 이를 구체적으로 설명하면 아래와 같다.

첫째, 농지매매사업인데, 이 제도는 비농가, 전업하거나 은퇴하려는 농가가 소유한 농지를 농어촌진흥공사가 매입하여 영농규모를 확대하려는 경영주에게 매도하는 제도이다. 매매 대상이 되는 농지는 농업진흥지역 내의 논, 밭과 과수원으로 하였다. 공사로 부터 매입한 농지는 당해 농지의 매매 계약일부터 8년이 경과하지 아니한 때에는 이를 타인에게 전매할 수 없도록 하였다.

둘째, 농지구입자금 지원 사업을 실시했는데, 이것은 농업인이 비농가, 농가에서 벗어 나가거나 은퇴하는 자의 농지를 구입하고자 할 때에는 구입자금을 저리로 임대하는 제도이다. 지원대상자의 구체적인 범위는 농민후계자, 상속농지를 구입하는 영농자녀, 영농조합법인, 전업농 육성대상자로 하였다.

셋째, 장기임대차사업을 실시했는데 이것은 농업을 하지 않는 자의 농지를 농어촌진흥공사가 장기간 임차하여 전업농, 농업회사법인 또는 영농조합법인에게 장기로 임대하는 제도이다. 그리고 공사는 장기간 임대차되고 있는 간척농지와 개간농지를 매입하여 경작 농민에게 매도하거나 경작농민의 당해 농지구입에 필요한 자금을 지원할 수 있도록 했다.

넷째, 농지교환 및 분합사업을 도입했는데 이것은 영농의 능률화를 촉진하기 위하여 농지의 교환·분합을 시행하거나 알선하고 필요한 기술과 자금을 지원 하도록 하는 제도이다.



다섯째, 농지를 재개발할 수 있도록 하였다. 농촌진흥공사는 농지의 생산성 향상을 위하여 농지를 재개발하거나 지방자치단체·농지개량조합 또는 농지소유자의 농지 재개발 사업에 필요한 기술과 자금을 지원할 수 있고, 농촌진흥공사는 농지의 효율적 이용과 농업 외의 소득의 향상을 위하여 불량농지·간척지 또는 임야 등을 매입하여 농어촌취락용지, 농어촌의 소득의 증대를 위한 농지·공업 용지 또는 농어촌휴양지 등으로 개발하여 이를 매도할 수 있도록 하되, 이런 사업을 하려는 때에는 사업시행계획을 수립하여 농림수산부장관의 승인을 얻도록 하고 있다. 그리고 이런 사업으로 발생된 수익금은 농어촌 개발에 투자하도록 하고 있다.

위와 같은 영농규모적정화, 농지의 집단화와 농지조성사업에 필요한 자금을 조달·공급하기 위해 농지관리기금을 설치했는데, 이 기금의 재원은 정부출연금, 차입금, 농지채권의 발행으로 조성되는 자금, 농지조성납입금, 다른 기금으로부터의 출연금 및 기금 운용수익금으로 조성되었다.

기금의 용도는 농지의 매매사업과 농지구입자금의 용자, 농지임대차사업에 필요한 자금의 용자, 농지의 교환·분합사업과 농지재개발사업에 필요한 자금의 용자, 농지조성사업에 필요한 자금의 투자 및 용자, 기금운용관리에 필요한 경비의 지출 등이다.

### 3. 농산물 유통 구조의 근대화

농산물 유통에 있어서 근대화 촉진은 유통마진을 절감시켜 생산자에게는 수익을 높이고 소비자부담을 경감시키는데 있다. 유통마진을 절감하는 방안으로는 제시된 것을 보면, 먼저, 유통업자의 사업규모를 적정수준으로 유지시켜야 한다. 우리나라는 많은 수의 상인, 사업규모 영세성, 복잡한 유통경로로 인해서 유통 비용이 과다하게 발생 하였다. 둘째, 물류기능이 효율적으로 기능해야 하는데, 수송과 저장과정에서 상품가치 저하되면 유통비용이 늘어나는 요인이 된다.

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셋째, 유통업자와 관계기관으로 하여금 유통활동에 대한 정확한 의사결정을 내릴 수 있도록 하기 위해서는 유통 정보, 품질화 등 제반기능이 효과적으로 수행되도록 해야 한다.

농업위주의 성장이 낮은 단계에서 유통구조는 주곡위주의 생산구조이고 이 단계에서는 곡물을 제외한 식료품을 취급하는 도매시장이 발달되지 못하고 도매기능과 소매 기능이 분화되지 않은 상태이다. 그리고 이런 단계에서는 자급자족적 생산양식이어서 농업생산은 시장가격에 비탄력적이다. 도로 통신 등 사회간접 자본 확충이 미약하고 수송수단 부족으로 농산물 판매지역이 제약된다. 우리나라는 1970년대 초반까지 식량부족 해소를 위해 식량 증산과 농산물가격 안정에 농정의 비중을 두었기 때문에 유통에는 관심이 적었다. 이 시기에는 양곡관리법에 따라 곡물관리, 중앙도매시장법에 따라 청과물 관리가 되었으나 중앙도매시장과 유사도매시장이 난립된 시기였다.

그 다음 단계는 공업화 및 도시화가 어느 정도 진행되고, 안정된 농업생산구조를 이루어 주곡을 자급하는 단계에서 유통구조이다. 농산물의 생산이 대량화 및 표준화된 모습을 띠게 된다. 이 단계에서 유통단계는 원거리화, 광역화, 대형화 되고, 중앙도매 시장이 유통구조의 중추적 기능을 담당하게 된다. 소매시장은 슈퍼마켓, 연쇄점의 출현 등으로 공설 시장이 접하는 비중이 낮게 된다. 우리의 경우 1976년 「농산물유통 및 가격안정에 관한 법률」이 제정되면서 농산물 유통이 농업정책의 핵심문제로 떠올랐다. 이에 따라 가락동 농수산물공영도매시장을 비롯한 전국 주요 도시에 공영도매 시장이 개설되면서 농어민과 생산자조직이 농산물을 출하고 유사도매시장 체제에서 공영도매시장 중심으로 유통시장이 변화된 시기라 할 것이다. 그리고 주요 품목의 경우에는 주산단지의 농업협동 조합이 공판장을 개설하여 여러 지역의 도매상 및 소매상을 끌어들여 농산물을 구매하도록 유도했고, 생산자의 거래교섭력을 높이는 계기가 되었다.

세 번째 단계는 고소득과 여가선용이 높아지는 대량생산 대량소비단계에서 유통 구조이다. 이 단계에서는 식생활 환경에서 안전성, 효율성 및 쾌적성이 강조된다. 성장

## IV. 상업적 및 기업농의 영농체제 확립 단계



식품과 가공식품 생산이 큰 비중을 차지하게 된다. 연쇄점의 대형화와 산지 직거래가 확대되고 중앙도매시장의 중요성이 상대적으로 감소하게 된다. 우리의 경우 1996년 유통서비스 시장을 개방하면서 외국의 대형 유통업체(까르푸, 월마트 등)가 진출하였고, 이에 따라 공영도매시장 중심의 유통체계가 대형소매점 중심으로 전환되었다. 또한 기존의 대형할인점, 백화점 식품부문이 직거래 유통을 개발함에 따라 다단계·고비용 및 가격 불안정이라는 특징을 가진 도매시장 기능이 약화되었다. 그 결과 도매 및 산지유통 기구들도 규모화, 물류비용 절감, 새로운 유통 경로개발 등 시장변화에 대한 대응력을 강화했다.

한편, 농산물 유통 형태는 소매시장, 도매시장과 산지시장이 유기적으로 연결되어 있는 구조이다. 이런 유통기능이 효율적이고 능률적으로 수행되기 위해서는 소매시장에서 형성된 가격이 산지시장에 신속하게 전달될 때 농산물 품목과 생산량을 조정하게 된다. 산지시장에서 판매는 포전판매(농산물을 수확하기 전에 발떼기나 하우스떼기 등으로 판매하는 방식), 정전판매(수확후 포장한 후 판매 하거나 농가에서 판매하는 것), 산지시장판매(산지에 있는 경매식 집하장이나 산지 도매시장에서 판매하는 방식)로 나누고, 소비시장에서 판매는 농산물 출하방법에 따라 개별출하, 공동출하, 계통출하(농협의 회원조합이 농산물을 모아서 대도시 농협공판장에 출하시키는 방식)로 나뉜다.

우리나라의 농산물 관련 유통구조는 양곡유통과 청과물 유통으로 나누어 법적 발전을 해왔다. 먼저 양곡유통과 관련해서는 「양곡관리법」이 법률 제97호로 1950년 2월 16일 제정되었는데, 이 법은 양곡을 관리비축하여 그 수급과 가격의 조절 또는 배급과 소비의 통제를 함으로써 국민식량의 확보와 국민경제의 안정을 기할 목적으로 제정되었고, 관리 대상인 양곡은 미곡, 맥류와 대통령령으로 정하는 기타 곡류로 하였다.

그리고 미곡에 대해서는 정부가 지정하는 양을 정부에 매도할 의무를 부과했고, 이 경우 정부가 매입하는 미곡의 총량은 당해 미곡연도의 국내총생산량의 3분의 1을 초과하지 못하도록 했다. 또한 귀속농지의 매수를 계약한 자, 매수한 자 또는 그 소작인은

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그 불하연도의 소작료의 전부를 정부에 납부하도록 하였고, 양곡의 매입수량과 가격은 정부에서 정하고 국회의 동의를 얻도록 했다. 정부는 이 법에 따라 매입한 양곡을 수급계획에 의하여 처분하거나 양곡 가격을 조절하기 위하여 매각할 수 있도록 했다. 그리고 비상시 대비하기 위한 양곡을 항상 비축하도록 하고, 양곡을 수입 또는 수출을 하려는 자는 정부의 허가를 얻도록 하고 수입한 양곡은 정부에 매도하도록 했으며 필요시 양곡의 수출·수입세를 감면할 수 있도록 했다. 그 외에 양곡을 원료로 하여 가공업을 하려는 자는 정부의 허가를 얻도록 했다.

또한 정부는 필요하다고 인정하는 때에는 영리를 목적으로 하는 양곡의 가공 또는 그 제품의 판매를 제한 또는 금지할 수 있도록 하고, 양곡수급상 필요하다고 인정할 때에는 여관, 음식점, 요정 기타 식당 등에서 식사 또는 주류 등의 판매에 관하여 필요한 사항을 명할 수 있도록 하는 등 양곡 관리를 위한 강력한 정책 수단을 규정하였다.

이 법은 1951년 6월의 개정으로 양곡수급계획에 따른 수량 및 매매가격에 관하여 국회의 동의를 얻도록 하고, 비상시에 대비하기 위한 양곡을 항상 비축하며 비축양곡은 농업개발에 필요할 때에 그 일부를 지방장관에게 대여할 수 있도록 하되, 지방장관은 다음 연도산 양곡으로 반환하도록 했다. 1970년 8월 개정시에는 경제안정과 물가에 큰 영향을 미치는 곡가의 연중 평준화로 국민의 식생활안정을 기하고 양곡의 유통질서를 확립하며 부정한 방법에 의한 가공금지 및 혼·분식이행을 통한 미곡소비절약을 기함으로써 양곡의 수급원활에 기여할 수 있도록 하기 위하여 양곡판매업자와 가공업자에 대하여 행하는 제한·금지명령의 내용을 명시하고, 양곡을 원료로 하는 음식판매업자에 대하여 식사에 소요되는 양곡의 곡류별 비율 및 반飯食매의 제한을 명할 수 있도록 하며, 양곡의 소유자·판매업자·가공업자와 음식판매업자에 대하여 필요한 보고 등을 명할 수 있도록 했다.

그리고 1972년 12월에 다시 법 개정을 하여 정부양곡수급계획과 그 매입 및 판매 가격결정에 있어서 국회의 동의제도를 폐지하되, 대통령 승인을 얻도록 하고, 양곡수급



조절과 가격안정정책의 수행에 있어 양곡상의 영세성과 과다한 소매상이 무질서하게 곳곳에 산재하기 때문에 곡가의 형성을 자유시장에 일임하는 경우 소매상당 취급물량이 너무도 적은 탓으로 소비자에게 중간마진의 과중한 부담을 강요하게 할 우려가 있으므로 일정한 지역 내에서는 양곡상 영업에 대한 허가제를 도입하였으며, 곡가의 급격한 변동에 대처 하여 가격조작, 부정거래와 매점매석을 효과적으로 억제하며, 미곡 자급화와 외미도입 감소를 목표로 양곡소비절약을 위한 시책을 강력히 추진하고 식생활개선을 하도록 했다.

그러나 1988년 5월 개정시에는 정부의 양곡수급계획과 양곡매입가격·매입량을 국회의 동의를 얻어 결정하도록 하는 제도를 다시 도입했다. 또한 1994년 1월 개정시에는 농가에서 예측 가능한 영농계획을 수립할 수 있도록 하기 위하여 다음 연도의 정부관리 양곡의 매입가격과 매입량을 일괄하여 국회의 동의를 얻어 이를 예시할 수 있도록 하는 수매예시 제도를 도입했고, 양곡의 원활한 수급관리를 위하여 정부가 매입하는 양곡 외의 일정량을 농업협동조합으로 하여금 정부매입가격으로 수매하도록 하되, 산지가격과 정부 매입가격의 차액을 농업협동조합에 지급할 수 있도록 했으며, 양곡 매매업을 허가제에서 신고제로 전환하고, 도정업·제분업 등의 양곡가공업을 허가제 에서 등록제로 전환했다.

그리고 생산자로부터 매입한 미곡을 건조·보관·가공 및 판매하는 등 종합적인 미곡의 유통기능을 담당하는 미곡유통업의 육성을 위하여 미곡유통업을 수행하는 자에게 시설자금을 융자하거나 보조할 수 있도록 했다. 1994년 12월의 개정에서는 세계무역기구(WTO)출범에 대비하여 양곡에 대한 현행 수입제한규정을 삭제하되 세계무역기구(WTO)의 출범에 따라 관세화가 유예된 미곡 등을 수입하려는 자는 농림수산부장관의 허가를 받도록 하고, 허가대상미곡 외에 농산물이행계획서상의 관세를 부과하는 양곡을 수입하거나 농림 수산부령이 정하는 양곡을 수출하고자 하는 자는 농림수산부장관의 추천을 받도록 하였다. 양곡의 수급조절과 수입양곡의 관리를 위하여 필요한 경우 양곡을 수입하는 자 또는 수입 양곡을 판매·가공하는 자에 대하여 양곡의 판매가격, 판매의 방법·시기 및 용도제한 등을

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명할 수 있도록 하고, 국내 양곡유통의 혼란을 방지하기 위하여 농산물이행계획서상에 수입이익금을 부과할 수 있도록 명기한 양곡을 수입·판매하는 자에 대하여 국내가격과 수입 가격과의 차액의 범위 안에서 일정한 금액을 부과·징수할 수 있도록 하였다. 이렇게 징수한 이익금은 양곡관리특별회계 또는 농수산물가격안정기금에 납입하도록 하였다.

1997년 1월 개정시에는 양곡유통의 시장기능을 활성화하고 쌀 생산농가의 계획적인 영농추진 및 실질소득의 제고를 위하여 양곡의 매입약정을 체결한 생산자에게 그 매입약정 금액의 일부(先金)를 미리 지급할 수 있는 근거를 신설 하고, 선금을 지급받은 생산자가 약정의 이행을 원하지 아니하는 때에는 지급 받은 선금에 약정이자를 가산 하여 반납하도록 하고, 매입약정에 의하여 매입한 양곡이 국회의 동의를 얻어 예시한 매입량에 미달하는 경우에는 예산의 범위 안에서 소유자로부터 양곡을 매입할 수 있도록 하였다. 1999년 1월 개정시에는 곡가조절용 정부관리양곡의 혼합·포장등 가공·판매방법에 대한 제한과 수입 되는 양곡을 취급하는 양곡판매업자 등에게 양곡가격의 안정을 위한 기금을 적립·운용하도록 하는 제도는 실효성이 없으므로 이를 폐지하고, 양곡매매업에 대한 신고의무를 폐지하며, 양곡가공업중 도정업 등 대통령령이 정하는 가공업은 등록제에서 신고제로 완화 하여 신규 사업자가 시장진입을 쉽게 할 수 있도록 하였으며, 정부관리양곡의 안전관리 및 신속한 유통을 위하여 정부관리양곡을 수송·보관·하였하거나 포장재를 공급하는 자를 지정 하는 제도를 폐지하였다. 2005년 3월 개정시에는 쌀협상 및 도하개발아젠다(DDA) 협상 이후 쌀협상에 따른 시장개방의 폭이 확대되고 이에 따라 쌀의 수입이 증가하는 등 변화되는 시장환경으로 인하여 농업인들의 소득감소가 우려되므로 농업인들에게 소득 보조금을 지급하는 직접지불 제도에 관한 시책을 종합적으로 수립·시행하여 쌀가격이 기준가격보다 하락할 경우에 지급하는 종전의 쌀소득보전금의 지급제도와 논농업보조금 제도로는 쌀협상 이후 농업인들의 소득안정을 도모하기에는 한계가 있으므로, 쌀소득 보전금제도와 논농업보조금 제도를 개편하여 쌀가격의 하락과 관계없이 논농업에 종사



하는 농업인들에게 매년 고정직접지불금을 지급하도록 하고 목표가격과 당해 연도의 쌀 가격의 차이를 고려하여 변동직접지불금을 지급하도록 하였다. 농업인들에게 지급한 고정 직접지불금이 목표가격과 당해 연도 쌀가격 차이의 100분의 85에 미치지 못할 경우 그 부족분을 변동직접 지불금으로 지급하도록 하였다.

양곡 외의 농산물의 유통과 관련해서는 우리나라는 1951년 6월 22일 법률 제207호로 「중앙도매시장법」이 제정 될 때까지 도매시장에 관한 법은 없었다. 도매시장은 상거래적인 유통기능, 물적인 유통기능, 정보수집 및 전달기능, 수급조절 기능을 수행하는데 이를 위한 체계적인 법률이 제정된 것이다. 이 법이 제정되기까지는 거대한 위탁상 조직이 전국 대도시를 중심으로 상권을 장악하고 있는 상황이었다. 그러다 중앙도매시장법이 제정되었는데, 제정 취지를 보면, 지방공공단체가 도매시장을 개설하여 도시에 거주하는 사람에게 공급되는 일상식료품의 수급을 원활히 하고, 가격의 적정 등에 기여하려는데 있었다. 이 법에 따라 1도 1도매 시장이 법적으로 개설되었는데, 이는 생선어류·패개류·염건어개류·염장어개류·과실류·소채류·조수육류·조란류 기타 일용식료품중 그 일부 또는 전부의 도매를 하게 하도록 했고, 중앙도매시장의 업무구역은 상공부장관이 지정하도록 했다. 도매시장을 개설하고자 하는 자는 업무 규정과 사업계획서를 첨부한 신청서를 제출하여 상공부장관의 허가를 받도록 하고, 상공부장관은 허가를 할 때 개설하고자 하는 중앙도매시장이 그 업무 규정에 제출된 취급물품의 운반·저장·판매 그 밖의 설비가 구비되거나 또는 구비할 것을 조건으로 하지 아니하면 이를 허가할 수 없도록 하였다. 도매시장 개설자의 업무 규정에는 중앙도매시장의 취급물품 및 그 소속부류, 중앙도매시장의 수수할 사용료·보관료 및 수수료, 도매 업무를 행할 자의 수수할 사용료·보관료 및 수수료 등이 포함되도록 하며, 중앙도매시장의 폐지는 상공부장관의 허가를 받도록 하였다.

이러한 중앙도매시장법이 집행되다가 1973년 5월 7일 법률 제2483호로 「농수산물 도매시장법」이 제정되었는데, 이 법에서는 상공부장관이 관장하던 도매시장업무를 농림부



## 대한민국 법제 60년사: 농촌근대화 법제

장관에게 이관함으로써 주로 농수산물을 다루는 도매시장과 농협 및 수협이 개설하는 공판장에 대한 감독체계를 일원화하는데 중점을 두었다. 주요내용은 도매 시장의 개설은 부류별로 1도시 1시장제로 하고, 농협이 개설하는 공판장은 원칙적으로 1도시 1시장 원칙의 적용을 받지 않으나 필요하다고 인정할 때에는 농림부장관은 이를 조정할 수 있게 하였으며, 도매시장의 시설을 개선하게 하기 위하여 개설자는 시설 기금을 적립하게 하고, 도매시장에 있어서의 공정한 거래를 도모하기 위하여 개설자의 도매시장업무를 대행하는 법인의 임직원은 당해 도매시장 구역내에서 겸업행위를 할 수 없게 하였다.

「농수산물유통 및 가격안정에 관한 법률」이 1976년 12월 31일 법률 제2962호로 제정되었는데, 이 법은 그동안 시행된 농수산물도매시장법과 농수산물가격안정기금법을 통합한 것이었다. 주요 내용을 보면 아래와 같다. 적용대상이 되는 시장은 농수산물도매 시장과 농수협공판장으로 하였다. 농수산물도매시장은 청과류·조수육류·어류·패개류·해조류 및 임산물 등 대통령령이 정하는 품목의 전부 또는 일부를 도매거래하게 하기 위하여 도시지역에 개설하는 시장을 의미하고, 농수협공판장은 농업협동조합 및 수산업협동조합과 그 중앙회가 농수산물을 판매하기 위하여 개설·운영하는 사업장을 의미하는 것으로 하였다.

이 법에 따라 농수산부장관은 농수산물유통의 원활과 국민생활의 안정을 위하여 도매 시장의 지정도매인과 농수협공판장의 장에 대하여 거래품목의 출하 및 판매조정에 관한 명령을 할 수 있고, 농수산물의 품목을 지정하여 그 품목별로 생산단지를 지정하여 생산자금의 융자와 기술지도등 필요한 지원을 할 수 있도록 했다.

그리고 농수산부장관은 지정품목의 원활한 수급과 적정한 가격 유지를 위해 일정 수량 이상의 농수산물을 수출 또는 가공하거나 소비하는 자에 대하여 생산단지안의 생산자 및 지정품목생산자와 재배계약 또는 양식계약의 체결을 알선·조정할 수 있고, 정부는 지정생산자가 생산한 농수산물의 현저한 가격하락으로 생산비 등 적정한 가격 보장이 어려운

## IV. 상업적 및 기업농의 영농체제 확립 단계



경우에는 농수산물가격안정기금의 이익금이나 예산의 범위 안에서 그 손실을 보상할 수 있도록 했다. 또한, 농수산부장관은 수급조절과 가격안정을 위하여 농수산물가격안정기금으로 농수산물을 구매하여 비축하거나 농수산물의 출하를 약정하는 생산자에게 그 대금의 일부를 미리 지급하여 출하조정을 할 수 있도록 했다. 도매시장은 서울특별시·부산시 또는 시 부류별·개소별로 농수산부장관의 허가를 받아 개설하고, 지정도매인을 두어 운영·관리 하도록 하며, 도매시장을 폐쇄하려는 때에는 3개월 전에 농수산부장관의 허가를 받도록 했다. 그리고 도매시장의 개설구역은 도매시장이 개설되는 시의 행정구역으로 하였다.

도매시장의 허가기준은 ① 도매시장을 개설하고자 하는 장소가 농수산물거래의 중심지로서 적절한 위치에 있을 것, ② 기준에 적합한 시설을 갖추고 있을 것, ③ 업무규정의 내용이 도매시장의 건전한 운영을 기함에 적합하다고 인정될 것, ④ 운영관리계획서의 내용이 충실하고 그 실현이 확실하다고 인정될 것 등이다. 도매시장 개설자는 거래 관계자의 편익과 소비자의 보호를 위하여 도매시장시설의 정비·개선과 합리적인 관리를 하고, 공정한 거래질서의 확립과 환경개선을 하며, 상품성 향상을 위한 규격화와 포장 개선 및 선도유지의 촉진을 하도록 했다.

그리고 지정도매인 제도를 도입했는데, 지정도매인은 법인으로서 일정 자격을 갖추고 도매시장에서만 농수산물 도매업을 하도록 했다. 또한 지정도매인은 위탁 출하자에 대한 대금의 지급과 성실한 업무수행을 보증하기 위하여 도매시장 개설자에게 미리 보증금을 납부하거나 담보를 제공하도록 하고, 그 외에 지정 도매인은 도매 시장에서 공정하고 신속한 거래를 이룩하기 위하여 경매사를 두도록 했다. 도매시장에서는 부류별로 개설자의 허가를 받은 자가 농수산물의 중매업을 하도록 하고, 중매업 허가를 받은 자 외에 도매거래에 참가하는 매매참가인을 등록하도록 했다. 도매시장에 상장된 농수산물은 경매 또는 입찰의 방법으로 매매하고, 지정도매인은 그가 거래하는 주요품목의 입하수량 및 거래가격 등을 매일 당해 시장안의 보기 쉬운 곳에 게시하도록 하고, 수탁한 농수산물이 매매된 때에는

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그 대금의 전부를 즉시 결제하도록 하였다.

이 법에서는 또한 수수료 등의 징수제한 규정을 두었는데, 개설자, 지정도매인 또는 중매인은 다음 금액 외에는 어떠한 명목으로도 금원을 징수할 수 없다. 즉 징수가 허용되는 금액으로는 ① 개설자가 지정도매인으로부터 도매시장의 유지·관리에 필요한 최소한의 비용으로서 징수하는 도매시장사용료, ② 지정도매인이 농수산물의 매매를 위탁한 출하자로부터 징수하는 거래액의 일정률에 해당하는 위탁상장수수료, ③ 중매인이 도매시장에서 농수산물의 매수를 중매한 경우에 이를 매수한 자로부터 징수하는 거래액의 일정률에 해당하는 중매수수료로 하였다.

또한, 농수산부장관은 거래질서의 확립과 품질향상을 통한 소비자 보호를 위하여 대통령령이 정하는 품목에 대하여 도매시장구역 또는 농수협공판장이 개설된 시의 구역 안에서는 도매시장 또는 농수협공판장의 유통과정을 거치지 아니하고 판매하거나 판매를 목적으로 매수하는 행위를 금지 또는 제한할 수 있도록 하는 규정을 두었다.

농업협동조합이 공판장을 개설하려는 때에는 농수산부장관의 승인을 얻도록 하고, 농수산물을 대량소비지에 직접 출하할 수 있는 유통체제를 확립하기 위하여 고속도로변 등에 농수산물집하장을 설치·운영도록 했다.

정부는 600억원의 농수산물가격안정기금을 조성하여 ① 농수산물의 가격조절과 생산·출하의 장려 또는 조정, ② 농수산물의 수출촉진, ③ 농수산물의 보관·관리 및 가공, ④ 도매시장과 농수협공판장에의 출하촉진, ⑤ 농수산물의 상품성향상을 기하 도록 했다. 그 외에 농수산부장관은 농수산물의 유통시설의 근대화를 촉진 하기 위하여 개설자나 농수협 또는 지정도매인에 대하여 농수산물의 판매·수송·보관·저장시설의 개선·정비를 명할 수 있도록 하고, 농수산물의 상품성 향상과 공정한 거래형성을 위하여 거래품목의 규격을 정할 수 있도록 하였다. 이와 같은 규격에 적합하지 아니하여 공정한 거래질서를 해할 우려가 있다고 인정되는 농수산물에 대하여는 일정한 지역 또는 시장에서 거래를 금지 또는 제한



할 수 있도록 했다. 위와 같은 법령에 따라 우리나라의 농산물 도매시장을 크게 세 가지로 나누어진다. 첫째 정부나 지방자치 단체의 투자로 개설 운영하는 공영도매시장, 둘째 도매 시장 개설 허가권자의 허가를 받아 민간이 건설하여 운영하는 일반 도매시장, 마지막으로 협동 조합이나 공공단체가 개설한 공판장으로 나누어진다. 농산물 유통과 관련해서는 위와 같은 제도적 뒷받침이 되는 시장을 통한 유통 외에도 물류센터 및 직거래 형식의 유통기능을 도입했는데, 우선 물류센터는 농협과 지방자치단체가 운영주체로서 기존 도매시장을 보완 하는 역할을 수행했다. 물류 센터에는 저온저장고, 소포장 및 가공시설 등 제반 유통시설을 갖추고 규격품 출하 등 선진 유통기법을 도입하여 물류합리화를 촉진할 것으로 기대되었으나 가격결정 방식, 출하 물량 조절 등에 있어서 문제점이 나타났다.

직거래제는 산지의 생산자가 도매시장을 경유하지 않고 직접 소비자, 대형 유통업체, 대량 수요처 등 수요자에게 직접 공급하는 거래방식이다. 이런 거래는 생산자와 소비자간, 생산자 단체와 소비자간, 생산자 단체와 소비자단체간 직거래, 공공 기관에 의한 직거래, 민간업체에 의한 직거래 등 다양한 형태로 다양한 직거래 방식이 있다. 이와 같은 방식의 유통체계는 유통단계 축소를 생산자와 소비자에게 이익을 준다는 취지에서 추진 되었으나, 가격결정이 왜곡되고 거래물량이 소량이고 시설 및 장비 등의 부족으로 오히려 유통비용을 증가시키는 문제도 있었다.

#### 4. 친환경농업 육성

1997년 12월 13일 「환경농업육성법」이 제정되었는데, 이것은 우리나라 라 농업을 환경 친화적인 농업으로 육성하여 국민들의 안전농산물 욕구에 부응하고, 세계무역기구(WTO) 체제의 출범에 따른 농업의 국제화 및 세계화 추세에 능동적으로 대응할 수 있도록 환경농업정책의 추진을 제도적으로 뒷받침하기 위한 것이다. 이 법률은 2001년 1월 26일 법률 제6378호로 개정되어 법 명칭을 「친환경농업육성법」으로 변경하고, 그동안 친환경

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농산물을 생산한 자가 자율적으로 신고를 하고 용기·포장 등에 친환경 농산물임을 나타내는 도형이나 문자를 표시할 수 있도록 했는데 인증제도를 보다 공식적이고 믿을 수 있도록 하기 위하여 농림부장관 등으로부터 친환경농산물의 인증을 받아야만 이를 표시할 수 있도록 하는 친환경농산물 인증제도를 도입하였다. 개정된 친환경농업육성법의 내용을 중심으로 설명하고자 한다.

### 가. 친환경 농업을 위한 농업인 및 국가 등의 책무

우선, 친환경농업의 의미를 “농약의 안전사용기준 준수, 작물별 시비기준량 준수, 적절한 가축사료첨가제 사용 등 화학자재 사용을 적정수준으로 유지하고 축산 분뇨의 적절한 처리 및 재활용등을 통하여 환경을 보전하고 안전한 농산물을 생산하는 농업으로 하였다. 이러한 친환경농업이 육성되도록 하기 위해 농업인은 화학자재를 적정하게 사용하는 등 환경친화적인 농법을 실천하여 영농활동으로 인한 오염을 줄임으로써 환경을 보전하고 친환경농산물을 생산하기 위한 농업이 영위하도록 했고, 친환경농업의 연구와 친환경농산물의 생산·유통·소비촉진의 목적을 위하여 구성된 민간단체는 국가 및 지방자치단체의 친환경농업 시책에 협조하고 그 회원들과 농업인 등에게 필요한 교육·훈련·기술개발·영농지도를 실시함으로써 친환경농업의 발전에 노력 하도록 했다.

농림부장관은 관계 중앙행정기관의 장과 협의하여 매 5년마다 친환경농업의 발전을 위한 친환경농업육성계획을 수립하도록 하되, 농업분야의 환경보전을 위한 정책목표 및 기본방향, 농업의 환경오염 실태 및 개선대책, 농약, 비료, 가축사료첨가제 기타 화학자재의 적절한 사용 및 감축방안, 친환경농업의 발전을 위한 각종 기술개발 방안, 친환경농업시범단지 육성방안, 친환경농산물의 생산, 유통의 활성화 및 소비촉진 방안, 농업의 공익적 기능 증대방안, 친환경농업의 발전을 위한 국제협력 강화방안 및 계획의 추진에 소요되는 재원의 조달방안 등이 포함되도록 했다. 그리고 국가 및 지방자치 단체는 농약, 비료, 축산분뇨,



폐영농자재등 농업으로 인하여 발생하는 환경오염을 방지하기 위해 농약안전 사용기준 및 잔류허용기준 준수, 비료의 작물별 시비기준량 준수, 축산분뇨의 방류수 수질기준 준수 및 폐영농자재 투기 방지 등의 시책을 적극 추진하도록 했다. 그 외에도 국가 및 지방자치단체는 농지, 농업용수, 대기등 농업자원을 보전하고 토양개량, 수질개선 등 농업환경을 개선하기 위하여 농경지 개량, 농업용수 오염방지, 온실가스 발생 최소화 등의 시책을 적극 추진하도록 했다.

#### 나. 농업자원 및 농업환경의 실태조사

농림부장관 또는 지방자치단체의 장은 농업자원의 보전 및 농업환경의 개선을 위해 주기적으로 조사해야 할 사항으로 정했는데, 그 조사 사항으로는 농경지의 비옥도, 중금속, 농약성분, 토양미생물 등의 변동사항, 농업용수로 이용되는 지표수와 지하수에 대한 수질, 농약·비료 등 농업투입재의 사용실태, 농업의 수자원 함양, 토양보전 등 공익적기능 실태 등이다. 그리고 농림부장관 또는 지방자치 단체의 장은 친환경 농업을 발전시키기 위하여 친환경농업기술의 연구개발과 보급 및 지도에 필요한 시책을 강구하고 이에 필요한 비용을 지원하며, 친환경 농업기술을 상호 교류하여 친환경 농업의 발전에 노력하도록 하며, 친환경농업의 효율적인 추진을 위하여 우수사례를 발굴·홍보하도록 했다.

#### 다. 친환경농산물의 인증

친환경농산물은 그 생산방법과 사용자재 등에 따라 일반친환경농산물·유기농산물·전환기유기농산물·무농약농산물 및 저농약농산물로 분류하고, 농림부장관은 친환경 농업의 육성과 소비자보호를 위하여 농산물이 친환경농산물임을 인증할 수 있도록 하고, 이러한 인증을 받은 친환경농산물의 포장·용기 등에 친환경농산물의 도형 또는 문자의 표시를 할 수 있도록 하면서 그 인증 유효기간을 인증 받은 날부터 1년으로 하되, 1년을 초과하지 아니하는 범위에서 기간을 연장할 수 있도록 했다.

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그러나 친환경농산물인증을 받은 자가 거짓이나 부정한 방법으로 인증을 받거나 정당한 사유없이 표시변경·사용정지 또는 판매금지 등의 명령에 따르지 아니한 경우 등에는 그 인증을 취소할 수 있도록 했다.

#### 라. 친환경농산물 생산·유통지원

농림부장관 또는 지방자치단체의 장은 예산의 범위 안에서 친환경농산물 생산자, 생산자단체 및 유통업자에 대하여 시설 설치자금 등 필요한 지원을 할 수 있고, 농림부장관은 친환경농산물의 구매를 촉진하기 위하여 공공기관의 장 및 농업관련 단체의 장등에게 친환경농산물의 우선구매를 하도록 요청할 수 있도록 했다. 그 외에도 환경관련 국제기구 및 관련 국가와의 국제협력을 통하여 친환경농업관련 정보 및 기술을 교환하고, 인력교류·공동조사·연구개발등에 상호 협력하며, 환경위해 농업활동 및 자재의 교역억제등 친환경농업의 발전을 위한 국제적 노력에 적극 참여하도록 했다.

## V. 마침말 - 농촌 근대화 결과 -

1945년 일본의 점령으로부터 벗어나던 당시 우리나라는 정치, 경제 및 사회적으로 혼란 그 자체였다. 농업 및 농촌의 사정은 소작제로 인해 농민 삶의 궁핍, 농산물의 저생산성, 농업 생산기반 시설 미비, 농업기술 수준 낙후 등 농업 및 농촌의 모든 환경이 최저 수준이었다 해도 과언이 아니다. 이런 낙후된 환경과 정치적인 불안정이 지속되는 가운데서도 경제개발 및 발전으로 한국의 농업 및 농촌은 개방화되고 세계화되면서 꾸준한 발전과 변화과정을 거쳐 왔다.



이와 같은 변화는 농업 및 농촌 관련 통계수치만 보더라도 확연히 나타난다. 해방 당시 우리나라 농촌인구는 전체인구의 77%에 이르렀으나 2008년에는 농촌인구가 121만명으로 감소되어 전체 인구대비 6.6% 수준으로 줄었다. 농지면적은 1945년 당시 약 222만 6천ha이던 것이 2008년에는 175만9천ha로 감소했으며, 농작물도 쌀 및 보리 등 위주에서 축산물과 채소류 생산이 급격히 증가하였다.

한편, 농촌사회도 비농업 종사자가 농업에 종사하는 자보다 더 많이 거주하게 되었고, 농가 생활편의 시설도 초가집에서 단독주택 내지 아파트 형태로 변경되어 보일러, 입식 부엌과 온수시설 등 도시형 농가편의시설을 갖춘 농가로 변화 되었으며, 농민에 대한 각종 복지시설이 확충되고 국민연금 등 각종 사회보험 혜택을 받게 되는 등 다양한 변화가 이루어졌다.

위와 같은 농촌 생활상의 변화는 그동안 제정된 농어촌발전특별조치법, 농촌근대화 촉진법, 농업농촌기본법, 농업농촌식품산업기본법 등 다양한 농촌 및 농업관련 법령에 따라 법적 근거를 가지고 지속적으로 추진된 결과라 할 것이다.

그 외에도 농업유통 발전과 농업 및 농촌이 개방화되고 정보화 되면서 농촌의 변화는 친환경농산물 육성법 등에 따라 보다 세련되고 경쟁력 있는 농업 및 농촌으로 변모 하면서도 동시에 농업인구의 고령화, 농촌의 공동화, 농산물 시장 개방으로 인한 경쟁력 상실 등으로 농업생산기반 위축 등 해결해야 될 문제도 많이 발생되고 있는 실정이다.

한국의 농촌근대화 과정은 전근대적인 토지소유제가 근대적인 토지소유제도로 변모되었고, 산업화와 개방화되면서 그에 맞게 농촌사회 및 농업방식이 변화되면서 보다 생산성 높고 기술력이 고도화되면서 경쟁력 있는 농촌으로 변모되었다는데 의의가 있다 할 것이다.

위와 같은 농업 및 농촌 사회의 다양한 변화와 앞으로 농업 및 농촌이 나아가야 할 기본적인 방향을 정립하고 체계화한 것이 1999년 2월 5일 법률 제5758호로 제정된 「농업·농촌기본법」이라 할 것이다. 이하에서는 위 법률 내용을 간략히 소개하는 것으로



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우리나라 농촌근대화 법제를 마무리 하고자 한다.

이 법의 제정취지는 개방·경쟁시대에 대응하여 농업의 경쟁력을 높이고 공익적 기능을 강화하여 농업을 국민식량의 안정적 공급과 국토환경보전 등에 이바지하는 국가 기간산업으로 발전시키며, 농업인을 다른 산업종사자와 균형된 소득을 실현하는 경제주체로 성장시켜 나가고, 농촌을 고유한 전통과 문화를 보존하는 풍요롭고 쾌적한 산업·생활 공간으로 발전시켜 나가기 위하여 농업·농촌정책의 기본적인 방향을 설정하는 것으로 하고 있다. 그러므로 이 법은 우리나라 농업 및 농촌이 나아가할 방향을 프로그램적으로 종합 정립한 것이라 할 수 있다.

먼저, 국가 및 지방자치단체가 농업·농촌시책을 추진함에 있어서 지켜야할 기본 방향을 규정했다. 그 내용은 시장경제원리를 바탕으로 한 효율성과 농업의 공익적 기능 고려, 국민식량의 안정적 공급이 국가의 건전한 발전과 국민의 생활안정을 위하여 필수적인 요소임을 인식하여 적절한 식량자급수준의 목표 설정·유지와 적정 식량재고량 확보, 농산물의 생산·유통 등 종합적인 농업구조의 개선을 통하여 농업의 경쟁력을 높이고 농업인의 소득 증대, 농촌을 도시와 연계된 생활공간으로 발전시켜 농촌의 쾌적성 증대, 농촌지역의 고유한 전통과 문화를 보전·계승하고 농촌주민의 복지증진을 위한 노력, 농업의 환경보전기능을 증대시키고 안전한 농산물의 생산 및 소비를 촉진 하기 위하여 지속가능한 환경 친화적인 농업의 육성, 마지막으로 통일에 대비하여 북한의 농업생산체제, 농지 및 농산물유통제도 등에 대한 조사·연구를 하고, 남북한간의 농산물거래는 민족내부거래임을 인식하고 남북한간 농업부문의 상호교류 및 협력을 증진시키기 위하여 노력하 도록 했다.

둘째, 농업인력과 관련하여 정부는 가족노동력에 의한 가족농의 생산성 향상과 경영 안정을 위하여 농가의 특성에 맞는 규모화·전문화·협동화 시책의 수립·시행, 농업 인력을 지속적으로 육성하기 위하여 농업을 경영하고 있거나 경영할 의사가 있는 자를 후계농업인의 선정 및 지원, 전문농업기술 및 경영능력을 갖추고 농업발전에 중추적이고 선도적인



역할을 할 수 있는 농업인의 전업농업인으로 선정 및 지원, 여성농업인의 지위향상과 전문인력화를 위한 시책을 수립·시행하도록 했다.

셋째, 농업경영체의 육성 및 지원관련해서 협업적 농업경영을 통하여 생산성을 높이고 농산물의 출하·가공·수출등을 공동으로 하려는 농업인은 5인 이상을 조합원으로 하여 영농조합법인을 설립할 수 있고, 기업적으로 농업을 경영하거나 농산물의 유통·가공·판매를 하려는 자 또는 농업인의 농작업을 대행하려는 자는 농업회사법인을 설립할 수 있도록 했다.

넷째, 농업인 및 농지에 관한 기본 방향을 설정했는데, 국가는 농업인이 지속적인 경영혁신을 통하여 소득을 높일 수 있도록 농업경영의 상담·자문·교육훈련 및 정보제공등을 위하여 시책을 수립·시행하도록 하고, 농업인의 권익을 보호 하고 경제활동을 촉진하기 위하여 생산자단체 및 농업인단체 등 농업관련단체의 설립 및 운영을 지원할 수 있도록 했으며, 헌법상 경자유전의 원칙이 달성될 수 있도록 농지의 소유 등에 관한 시책을 수립·시행하도록 했다. 그리고 농지가 농업과 국가경제의 균형 있는 발전을 위하여 효율적으로 이용될 수 있도록 농지의 이용증진에 필요한 시책을 수립·시행하도록 하고, 농지가 적절한 규모로 유지될 수 있도록 농지의 보전에 필요한 시책을 수립·시행하도록 하였으며, 이런 시책을 수립·시행함에 있어서 농업생산 기반이 정비되어 있거나 집단화되어 있는 우량 농지가 우선적으로 보전될 수 있도록 하도록 했다.

다섯째, 농업생산기반 구조의 고도화를 위해서 국가 및 지방자치단체는 지속적이고 안정적인 농업생산력이 확보될 수 있도록 농업생산기반의 정비를 위하여 필요한 시책을 수립·시행하여야하며, 농업의 생산성을 향상시키고 농업인의 소득이 안정될 수 있도록 농업경영규모의 적정화 및 농업경영자산의 유동화를 위하여 필요한 시책을 수립·시행하도록 하고, 영농비용을 절감하고 농업의 생산성을 높일 수 있도록 농업기계·농업자재·농업시설의 연구·개발·보급과 그 활용을 위한 교육훈련 등의 촉진을 위하여 필요한 시책을

## 대한민국 법제 60년사: 농촌근대화 법제

수립·시행하며, 농업의 선진화·첨단화를 촉진할 수 있도록 첨단 농업과학기술 및 실용 농업기술의 연구·개발·보급 등 농업과학기술진흥을 위한 종합적인 계획을 수립·시행 하도록 했다. 그 외에 농업분야의 첨단과학기술 및 영농·경영기법의 개발을 장려하고 이를 보급하며, 농업과 농업관련 산업의 유기적인 연계를 통하여 농업의 부가가치를 높이기 위하여 벤처농업 등을 지원·육성할 수 있도록 했다. 그리고 농업유전자원, 영농기술, 상표 등 유·무형의 농업관련분야의 지적 권리를 보호하기 위하여 필요한 시책을 수립·시행하도록 하고, 지역특화산업의 육성과 소비자보호를 위하여 지역의 고유한 특성을 가진 농산물 및 그 가공품에 대한 보호를 위하여 필요한 시책을 수립·시행하며, 농업 및 농촌지역에 대한 정보화의 촉진을 위하여 필요한 시책을 수립·시행하도록 하며, 이런 시책을 효과적으로 추진하기 위하여 농업 및 농촌지역 관련정보를 제공하는 자들에게 필요한 지원을 할 수 있도록 했다. 또한, 실용농업기술, 농업관련 생산기술 등을 신속하게 개발·보급하기 위하여 농업관련 연구기관 또는 단체 등으로 하여금 농업기술개발연구를 수행하게 할 수 있도록 했다.

여섯째, 농산물의 수급안정 및 유통개선을 위하여 농업관측, 생산조정, 수매비축 및 생산자단체의 자조금 조성 등 필요한 시책을 수립·시행할 수 있도록 하고, 생산자단체를 중심으로 한 생산자유통의 활성화를 적극 도모하며, 농산물의 생산지와 소비지에 도매 시장, 공판장, 물류센터 등 다양한 유통시설의 확충과 그 운영개선을 위하여 필요한 시책을 수립·시행하도록 하였다. 농산물의 포장·규격화 등 물류의 표준화를 촉진하고 다양한 유통정보의 수집·제공 및 유통교육 등을 위하여 필요한 시책을 수립·시행하여야 하며, 농산물의 상품성제고와 소비자보호를 위하여 원산지표시 및 품질관리 등을 위한 시책을 수립·시행하도록 했다. 국민의 건강과 농업환경의 보호를 위하여 수출입 농산물과 동식물에 대한 검역 및 위생검사 등을 위하여 필요한 시책을 수립·시행하도록 하고, 농업과 식품 산업의 조화로운 발전과 농산물의 부가가치를 높이기 위하여 농산물가공식품 및 전통



식품의 연구개발, 가공시설에 대한 지원 등을 위하여 필요한 시책을 수립·시행하도록 했다.

일곱째, 농산물의 교역 및 국제협력 증진을 위하여 농업정책에 관한 정보 및 농업인력·기술의 교류, 농업관련 국제기구활동에의 참여 등 필요한 노력을 하도록 하면서 해외 의존도가 높은 농산물의 안정적 공급을 위하여 농업투자환경조사 등 해외농업개발에 필요한 지원을 할 수 있도록 했다. 그리고 농산물의 수출진흥과 우리 식문화의 전파 등을 위하여 해외시장개척, 무역정보의 수집·제공 등을 위하여 필요한 시책을 수립·시행하도록 하면서 이러한 시책을 효과적으로 추진하기 위하여 농업경영체, 생산자 단체 및 농산물을 수출하는 자들에게 국제규범에 저촉되지 아니하는 범위 안에서 지원을 할 수 있도록 했다. 그리고 농산물의 수입 증가로 인하여 국내의 농업발전에 미치는 영향이 크다고 인정되는 경우에는 국제규범에 저촉되지 아니하는 범위 안에서 적절한 조치를 강구하도록 했다.

여덟째, 농촌주민의 삶의 질 향상과 국토의 균형 있는 개발을 위하여 각 지역의 특수성을 고려한 종합적인 농촌지역개발시책을 수립·시행하도록 하고, 이러한 개발시책을 수립하는 때에는 환경보전을 고려하여 개발과 보전이 조화되도록 하였다. 그리고 농촌주민의 소득 증대와 농촌경제의 활성화를 위하여 산업단지조성, 지역 특산품생산단지의 육성, 농산물 가공업을 비롯한 농업관련 산업의 육성 등을 위하여 필요한 시책을 수립·시행하도록 했다. 그 외에 도시민의 건전한 정서함양과 도·농간의 교류확대 및 농촌주민의 소득증대를 위하여 지역의 특색을 살린 녹색관광 및 휴양자원의 개발을 위하여 필요한 시책을 수립·시행하되, 이를 위해 지역문화시설 등의 설치·운영과 지역의 문화행사개최 등을 위하여 필요한 지원을 할 수 있도록 했다. 또한, 농업인의 소득 및 경영안정을 위하여 필요하다고 인정되는 때에는 영세농 등을 위한 지원, 토양 등 환경의 보전을 위한 지원, 농업재해에 대한 지원, 농업경영의 규모화 등 구조조정을 위한 지원, 조건불리 지역에 대한 지원 등을 수행하도록 했다.

마지막으로 농림부장관은 농업의 발전과 농촌지역의 균형 있는 개발을 위하여 농업



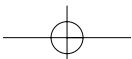
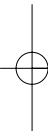
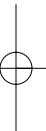
· 농촌발전기본계획을 수립하도록 하고, 시·도지사는 기본계획과 그 관할지역의 특성을 고려하여 광역시·도 농업·농촌발전계획을 수립·시행하도록 했다. 그리고 시장·군수 및 자치구의 구청장은 시·도 계획과 그 관할지역의 특성을 고려하여 시·군·구 농업·농촌발전계획을 수립·시행하도록 했다. 그리고 농림부장관은 각 지방자치단체의 농업·농촌발전계획에 대하여 기본계획과의 연계성, 추진실적 및 성과 등을 평가하여 그 결과에 따라 예산을 차등 지원할 수 있도록 했다.



## Laws on Rural Modernization

- Agricultural Community Modernization Promotion Act
- AGRICULTURAL GUIDANCE ACT
- ACT ON DISTRIBUTION AND PRICE STABILIZATION OF AGRICULTURAL AND FISHERY PRODUCTS
- AGRICULTURAL MECHANIZATION PROMOTION ACT
- FRAMEWORK ACT ON AGRICULTURE
- FARMLAND ACT
- FARMLAND PRESERVATION AND UTILIZATION ACT
- AGRICULTURAL COMMUNITY DEVELOPMENT PROMOTION ACT
- GRAIN MANAGEMENT ACT
- ENVIRONMENT-FRIENDLY AGRICULTURE FOSTERAGE ACT





# Agricultural Community Modernization Promotion Act

[Enforcement Date 1970.1.12] [Act No. 2199, January 12, 1970 Enactment]

## CHAPTER I.

## GENERAL PROVISIONS

### Article 1 (Purpose)

This Act seeks to increase the productivity of agriculture through the improvement, development, and preservation and collectivization of farmland and agriculture mechanization and to improve farmhouses, thereby promote the modernization of the agricultural community.

### Article 2 (Definitions)

The terms used in this Act shall be defined as follows:

1. "Farmland improvement project" means the following projects enforced by this Act:
  - A. Installation, maintenance, change or abolishment, and amalgamation of the facilities required for the conservation or use of irrigation, drainage, farm-to-market, and other farmland (hereinafter referred to as "farmland improvement facilities")
  - B. Land readjustment
  - C. Conversion into paddy field or opening of new dry field
  - D. Filling or reclamation for agricultural purpose
  - E. Disaster recovery of farmland or facilities required for the preservation or use of farmland
  - F. The exchange and subdivision and amalgamation of the rights to farmland, rights to the land required for the use of farmland, and rights to use the agricultural facilities and water





- G. Other projects required for the improvement or conservation of farmland
2. "Agriculture mechanization project" refers to the production or introduction of the machine and instruments used in agriculture to supply them to farms or provide their service to farmers to increase the production of agricultural products.
  3. "Farm implements" pertain to agricultural machines and tools.
  4. "Farmhouse improvement project" means the construction or improvement of farmhouses suitable for agricultural community modernization.

### **Article 3 (Juridical Personality)**

The Farmland Improvement Association or Agricultural Development Corporation established in accordance with this Act shall be a corporation.

### **Article 4 (Principle of Farmland Improvement Project)**

The farmland improvement project shall be implemented to contribute to the comprehensive development and conservation of farmland resources to make them appropriate for the increase in agricultural productivity and development of agricultural economy.

### **Article 5 (Qualification to Participate in Farmland Improvement Projects)**

- (1) The following persons may participate in a farmland improvement project in relation to the land within the enforcement zone of the farmland improvement project:
  1. Land owner who uses and profits for agricultural purpose
  2. Person who has a real right (including registered lease; the same shall apply hereafter) in addition to the ownership to use and profit for agricultural purpose
  3. Land owner who has a real right in addition to the ownership to use and profit for non-agricultural purpose and who is recognized as a person qualified to participate in the farmland improvement project by the Mayor of Seoul Metropolitan City, Mayor of Busan, or Do governor in accordance with the presidential decree
- (2) The following persons are deemed qualified under paragraph (1):



1. Person whose farmland is distributed by the Farmland Reform Act and who uses and profits from the land for agricultural purpose
2. Person who purchases land in accordance with the Treatment of State-Reverted Properties Act and uses and profits from the land for agricultural purpose
3. Person who borrows state-owned land in accordance with the State Properties Act and other laws and uses and profits from the land for agricultural purpose
4. Person who acquires land by obtaining a reclamation license of public waters in accordance with the Public Waters Reclamation Act and uses and profits from the land for agricultural purpose
5. Person who acquires land by obtaining a cultivation permission in accordance with the Farmland Creation Act and uses and profits from the land for agricultural purpose

#### **Article 6 (Person Concerned)**

A person concerned in this Act means an owner of a land related to this farmland improvement project or a farmhouse improvement project or an owner of an object attached to the land, a person who has a registered right for the land or the object, a person who has fishing rights, or a person who fishes in accordance with conventional practice as per Article 40 of the Fisheries Act.

#### **Article 7 (Implementing Body of the Farmland Improvement Project)**

The nation, a local government, Agricultural Development Corporation, the Farmland Improvement Association, or a landowner implements the farmland improvement project.

#### **Article 8 (Use of Name and Prohibition of Using Similar Name)**

- (1) The Farmland Improvement Association shall use its letters in its name.
- (2) Entities other than the Farmland Improvement Association or Agricultural Development Corporation in accordance with the provisions of this Act are prohibited from using the words “Farmland Improvement Association” or “Agricultural Development Corporation” or similar words in their name.

**CHAPTER II.****AGRICULTURAL IMPROVEMENT ASSOCIATION****SECTION I. ESTABLISHMENT****Article 9 (Purpose)**

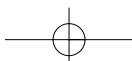
The purpose of the Farmland Improvement Association (hereinafter referred to as “association”) is to maintain the farmland improvement facilities within the association area efficiently and perform a land readjustment project or manufacture a farmland improvement product, etc., thereby contributing to the increase in agricultural productivity of the members of the association.

**Article 10 (Application for Authorization)**

- (1) Persons numbering twenty or more and who meet the requirements under the provision of Article 5 may establish a union with certain area including the land they own with authorization from the Minister of Agriculture and Forestry.
- (2) To establish a union, a farmland improvement facility shall be established because of the implementation of a farmland improvement project by the State, a local government, or Agricultural Development Corporation in the area under the provision of paragraph (1).
- (3) The application for establishment of a union shall include business plan, articles of association, written consent to the establishment of union by at least two-thirds of the persons who meet the requirements under the provision of Article 5, and other documents defined by the Ordinance of the Ministry of Agriculture and Forestry.

**Article 11 (Review and Notification)**

- (1) Upon receiving the application for the establishment of a union, the Minister of Agriculture and Forestry shall review the business plan and articles of association, determine whether it may be established or not, and notify the applicant of its decision.
- (2) If the Minister of Agriculture and Forestry determines that the application is suitable under the provision of paragraph (1), he shall announce the decision and set a period of 10 ~ 20 days for the persons concerned to read the copies of the business plan and articles of association.





### **Article 12 (Objection)**

- (1) If the persons concerned have an objection to the decision of the Minister of Agriculture and Forestry in relation to the notification under Article 11 (2), they may file an objection within 40 days of the date of the notification.
- (2) In case of objection under the provision of paragraph (1), the Minister of Agriculture and Forestry shall make a decision and notify the applicant accordingly within 90 days of the date of notification under Article 11 (2).
- (3) In case the Minister of Agriculture and Forestry determines that there are grounds for rejecting the application under the provision of paragraph (1), he shall reject the application under the provisions of Article 10.

### **Article 13 (Authorization of Establishment)**

- (1) In case there is no objection within the period under the provision of Article 12 (1), or the objection is rejected because there are no grounds for such, the Minister of Agriculture and Forestry shall authorize the establishment of a union.
- (2) The Minister of Agriculture and Forestry shall, upon authorization of the establishment of a union under the provision of paragraph (1), announce the authorization without delay.

### **Article 14 (Articles of Association)**

- (1) The articles of association of a union shall contain the following:
  1. Purpose
  2. Name
  3. Area of the union
  4. Address of the principal place of business
  5. Matters concerning the admission and withdrawal of members
  6. Matters concerning the organization
  7. Matters concerning executives and employees
  8. Matters concerning assets
  9. Matters concerning business
  10. Matters concerning accounting
  11. Matters concerning the conduct of business
  12. Matters concerning the payment of expenses



13. Method of public notice
  14. Matters concerning the dissolution of the union
  15. Other matters deemed necessary
- (2) Authorization from the Minister of Agriculture and Forestry is required to amend the articles of association.

### **Article 15 (Registration)**

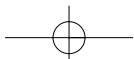
- (1) Unions are duly formed only upon completion of registration of their establishment regarding the following matters within 3 weeks of authorization of its establishment in the principal place of business:
1. Matters specified in Article 14 (1), subparagraphs 1 ~ 4
  2. Date of authorization of establishment
  3. Name and address of the president and the auditor of a union
  4. In case there are assets, their total amount
- (2) In case of alteration of matters specified in the foregoing paragraphs, the alteration shall be registered within 2 weeks in the principal place of business.
- (3) In case of failure to register matters that need to be registered under the provisions of paragraph (1), they shall be neither valid nor effective against a third party.

### **Article 16 (Taking over and Maintaining Facilities)**

A union established under the provision of Article 15 (1) shall take over and maintain in the area of the union the farmland improvement facilities transferred from the persons who installed the facilities. In this case, the rights and obligations of the State, local government, or Agricultural Development Corporation occurring in relation to the installation of the farmland improvement facilities shall be succeeded generally by the union. Note, however, that the scope of obligation with regard to the union succeeded from the State or local government shall be prescribed by the Presidential Decree.

### **Article 17 (Payment of Cost of Establishment)**

The cost of establishment of a union shall be borne by the union. In case a union is not established, however, the applicant for establishment under the provisions in Article 10 shall pay for the cost.





### **Article 18 (Alteration in Area)**

- (1) A union attempting to include an area other than the union area shall announce its articles or association, the area to be included, and the farmland improvement project plan and obtain the consent of at least two-thirds of the persons who meet the requirements under the provision of Article 5.
- (2) The area to be included under the provision of paragraph (1) shall be the area where the farmland improvement facilities are operated by the State, local government, or Agricultural Development Corporation or the area benefitted by the farmland improvement of the union.
- (3) In case of the latter case under paragraph (2), the Minister of Agriculture and Forestry may include in the area of the union the area to be included if the latter is receiving the same benefit as the former, notwithstanding the consent under the provision of paragraph (1).
- (4) In case a certain area in the area of the union may not benefit from the farmland improvement facilities in the area of the union for reasons prescribed by the Presidential Decree, the union shall obtain approval from the Minister of Agriculture and Forestry and exclude the land from the area of the union if there is an application from a union member.

## **SECTION 2. UNION MEMBER**

### **Article 19 (Union Member)**

When a union is established, the person who meets the requirements prescribed in Article 5 in relation to the land within the union area shall become a member.

### **Article 20 (Member' s Obligation to Report)**

A person who acquires rights such as ownership shall report such to a union within 14 days of the date of acquisition.

### **Article 21 (Notification to Member)**

A union serving notice or peremptory notice to a union member shall send it to the address in the list of members.

## SECTION 3. DECISION-MAKING BODY

### Article 22 (General Meeting)

- (1) A union shall have a general meeting. In case of a union whose members exceed 200 persons, however, it shall have a board of representatives.
- (2) The general meeting or the board of representatives shall consist of a union president as well as union members or representatives.
- (3) Representatives shall be elected by union members among members who are 25 years of age or older.
- (4) The total number of representatives shall be 30 persons if the number of union members is less than 1,000, 50 persons in case of more than 1,000 but less than 5,000 members, 80 persons in case of more than 5,000 but less than 10,000 members, 100 persons in case of more than 10,000 but less than 20,000 members, and 150 persons in case of more than 20,000 members.
- (5) The term of a representative shall be four years. For the term of a representative elected to fill a vacancy, the term shall be the remaining term of the predecessor.
- (6) The provisions for a general meeting shall apply to the board of representatives.

### Article 23 (Matters Subject to Resolution of the General Meeting)

The following matters shall be subject to resolution of the general meeting:

1. Amendment of the articles of association
2. Matters related to the sale of debentures
3. Matters related to the expense chargeable to members
4. Establishment, amendment, or repeal of regulations
5. Establishment, amendment, or discontinuance of farmland improvement project plan
6. Budget preparation
7. Approval of settlement of revenue and expenditure, business report, and inventory
8. Execution of agreement other than the budget chargeable to a union
9. Acquisition, management, or disposition of real estate
10. Establishment, management, or disposal of reserves
11. Merger, split-off, or dissolution



12. Other matters falling under the jurisdiction of a general meeting as per other laws or the articles of association

#### **Article 24 (Regular General Meeting and Extraordinary General Meeting)**

- (1) The president of a union may call a general meeting once per business year under the articles of association.
- (2) An extraordinary general meeting may be convened if deemed necessary by the president of the union.
- (3) The president of the union shall be the chairman of a general meeting.

#### **Article 25 (Request for Calling a General Meeting and Calling by an Auditor)**

- (1) A union member may request the union president to call the general meeting by submitting a written request stating the purpose of the meeting and reason for calling the meeting, with the consent of at least one-fifth of the members required. In the case of the board of representatives, however, the consent of at least one-third of the representatives is required.
- (2) The union president shall, upon receiving the request under paragraph (1), hold the general meeting within two weeks.
- (3) If the union president is not able to hold a general meeting even after the request under paragraph (1) is made due to a vacancy in the president's post or other unavoidable grounds, or in case the union president omits to hold a general meeting within the period of time prescribed in paragraph (2) without justifiable grounds, the auditor shall call the meeting within five days. In such cases, the auditor shall assume the chairmanship of the general meeting on behalf of the union president.
- (4) If the auditor does not call the general meeting in accordance with the provision of paragraph (3), the members requesting the general meeting under the provision of paragraph (1) shall call the meeting. In such case, the person elected among the members shall assume the chairmanship of the general meeting on behalf of the union president.

#### **Article 26 (Notice of Calling for a Meeting)**

When a general meeting is called, each member shall be notified of the date and





purpose of the meeting five days before the opening of the meeting. In case of urgent circumstances, the notice may be served by three days before the beginning of the meeting.

### **Article 27 (Opening of Meeting and Quorum)**

A general meeting shall be opened when majority of the union members are present. A resolution may be passed by the majority vote of those present. Note, however, that a resolution concerning any matter specified in Article 23, subparagraphs 1, 5, and 22 shall be adopted with the affirmative vote of at least two-thirds of the members present at the meeting when at least two-thirds of the members are present.

### **Article 28 (Minutes of the General Meeting)**

- (1) The proceedings of a general meeting shall be recorded in the minutes.
- (2) The minutes shall contain the proceedings and result thereof, etc., and they shall be signed and sealed by five or more signatories of the minutes as elected among union members by the president and the general meeting.
- (3) The president shall keep the minutes at the office. In case of a request to read the minutes from a union member, the president shall comply with such request.

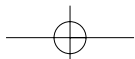
### **Article 29 (Application of the Regulations of Civil Law)**

Articles 35 and 62 of the Civil Law shall apply to the liability in case of an illegal action of a union and the appointment of a representative for the union president.

## **SECTION 4. EXECUTIVES AND EMPLOYEES**

### **Article 30 (Appointment and Term of Executives)**

- (1) A union shall have one president and two auditors as executives.
- (2) The president and the auditors shall be elected by the general meeting among union members 30 years of age or older, and the term shall be four years for the president and three years for the auditors.
- (3) The office of an auditor shall be honorary, but auditors may be entitled to the reimbursement of expenses on an actual cost basis.





### **Article 31 (Reasons for Disqualification)**

- (1) The following persons shall not be qualified as an executive of a union:
  1. Any person who is not a citizen of Korea
  2. Any incompetent or quasi-incompetent person or person declared bankrupt and who is not yet reinstated
  3. Any person for which two years have not passed since his/her imprisonment without labor or heavier punishment as sentenced by a court was completely executed or a final decision is made for the exemption from execution
  4. Any person whose qualification is suspended by court judgment or operation of any other Act
  5. Any person for which two years have not passed since the sentence of a fine imposed on him/her for his/her violation of this Act or dismissal as disciplinary punishment for his/her violation of any other Act was completely executed
- (2) An executive shall be discharged immediately upon discovery or occurrence of the grounds or events set forth in paragraph (1).
- (3) An act of the union wherein an executive discharged under the provision of paragraph (2) was involved shall not become invalid or ineffective.

### **Article 32 (Duties of Executives)**

- (1) The union president shall have overall control over the business affairs of the union and shall represent the union.
- (2) The auditor shall audit the accounting and management of the union and report the result at a general meeting.
- (3) The auditor shall represent the union regarding an agreement or a lawsuit with the union or the union president.

### **Article 33 (Prohibition on Holding of Additional Position or Competitive Transaction)**

- (1) The union president shall not hold an additional position without authorization from a general meeting.
- (2) The union executive shall not run or work for a business that is in actual competitive relationship with the business of the union.

**Article 34 (Executives' Duties and Liabilities)**

- (1) Each executive shall abide by this Act and the provisions of an order issued under this Act or articles of association and shall perform his/her duties in good faith.
- (2) Each executive shall be liable for the damages inflicted upon the union by his/her intentional or grossly negligent act in the course of performing his/her duties.

**Article 35 (Appointment of Employee)**

- (1) An employee of a union shall be appointed by the union president.
- (2) If deemed necessary, the Minister of Agriculture and Forestry may order the president of a union to carry out personnel interchange between unions.

**Article 36 (Code of Conduct, Etc., for Executive and Employees)**

The union president shall determine the code of conduct for executives and employees of a union in accordance with the standard set by the Minister of Agriculture and Forestry.

**SECTION 5. BUSINESS**

**Article 37 (Business)**

A union shall engage in the following business activities within its area:

- 1. Maintenance of farmland improvement facilities
- 2. Land readjustment and business activities incidental to land readjustment
- 3. Conversion into paddy field and opening of new dry field
- 4. Farm work improvement project
- 5. Disaster recovery of farmland or facilities necessary for the preservation or use of farmland
- 6. Other business activities to accomplish the purpose of a union

**Article 38 (Consignment of Business)**

If deemed necessary, a union may entrust part of the business specified in Article 37 to Agricultural Development Corporation.

**SECTION 6. IMPOSITION of EXPENSES**



### **Article 39 (Imposition of Expenses)**

- (1) A union may impose money, labor, or goods from a union member to cover the expenses necessary for the business thereof in compliance with the articles of association.
- (2) In case of imposition of expenses under paragraph (1), the benefit received by the land from this business shall be considered.
- (3) In case of paragraph (1), the labor and goods shall be imposed as calculated in monetary equivalent, and the labor and goods may be paid by money.
- (4) Upon imposing labor under the provisions of paragraph (1), the intent of Labor Standards Act shall apply.
- (5) Upon determining the amount of money imposed under paragraph (1), the following reserves and repayments shall be appropriated:
  1. Depreciation reserve for facilities and other reserves necessary
  2. Principal repayments for debts
- (6) The Minister of Agriculture and Forestry shall determine the appropriation standard for reserves and repayments.
- (7) A union wishing to impose the expenses under the provisions of paragraph (1) shall acquire authorization from the Minister of Agriculture and Forestry.

### **Article 40 (Imposition of Special Reserves)**

In case a certain union member receives considerably more benefits than other union members, special reserves may be imposed and collected under the articles of association.

### **Article 41 (Liabilities of a Withdrawing Member)**

A person disqualified by the reduction of the union area under the provision in Article 18 (4) shall pay his/her share of the union debt prior to the disqualification. In case the payment of such share is recognized to be very inadequate, however, the share may be reduced as prescribed in the presidential decree. In this case, the shortage shall be paid by the State.

### **Article 42 (Collection of Initiation Fees)**

In case the union area is altered, and there is land newly included, a union may



collect initiation fees from the owner of such newly included land as provided for in the articles of association of a union.

**Article 43 (Imposition of Penalty)**

- (1) A union may impose penalty on its members as provided for in the articles of association of a union.
- (2) The requirements of imposition of penalty and the limit in the amount thereof are specified by the Presidential Decree.

**Article 44 (Filing for Objection)**

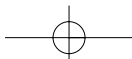
- (1) In case a person on whom a union imposes money, labor, or goods has an objection to such imposition, he/she may file an objection to the union president within twenty days of the date of receiving such notification.
- (2) Upon receiving the objection in paragraph (1), the union president shall determine the suitability of the objection within twenty days.
- (3) A person who wishes to appeal the decision of a union president shall file an appeal with the Minister of Agriculture and Forestry within fourteen days of receiving a written decision.
- (4) The Minister of Agriculture and Forestry, upon receiving the application for the decision under the provision of paragraph (3), shall make a decision within twenty days of the date of receiving such application and notify the union president and the applicant accordingly.

**Article 45 (Delegation of Collection of Amount Imposed)**

A union may delegate the collection of expenses or other money imposed on a union member to a Gu, Si, or Gun. In such case, the union shall pay commission equal to four thousandth of the money collected by the Gu, Si, or Gun.

Article 46 (Collection Method for Amount Imposed) The urging, disposition for failure of payment, and handling of and overpayment of union expenses and other amount imposed by a union shall comply with the examples of collection of local taxes.

**SECTION 7. ACCOUNTING**





### **Article 47 (Fiscal Year)**

The fiscal year of a union shall follow the fiscal year of the State.

### **Article 48 (Accounting)**

- (1) The accounts of a union shall be integrated accounting and shall be classified into current account and business account for accounting by district.
- (2) Funds for each department under the provision of paragraph (1) shall not be mutually misused.

### **Article 49 (Budget)**

- (1) A union shall prepare its business plan and budget every fiscal year and shall go through a resolution of the general meeting and obtain authorization from the Minister of Agriculture and Forestry one month before the beginning of the year.
- (2) Paragraph (1) shall apply to the revision of the business plan and budget.

### **Article 50 (Continuing Expenditure)**

- (1) In case there is a business with expenditure continuing beyond one fiscal year, the union may set up continuing expenditure. In such case, such expenditure shall go through a resolution of the general meeting and obtain approval from the Minister of Agriculture and Forestry in advance.
- (2) The limit of continuing expenditure under the provision of paragraph (1) shall be five years from the relevant fiscal year.

### **Article 51 (Reserve Fund)**

- (1) The union may set up a reserve fund to appropriate it for the expenditure that is not included in the budget or the expenditure exceeding the budget. A resolution from a general meeting shall be passed to set up a reserve fund.
- (2) The expenditure of a reserve fund shall be reported to and approved by the next general meeting.

### **Article 52 (Debt)**

- (1) If deemed necessary, a union may have long-term or temporary debt after obtaining approval from the Minister of Agriculture and Forestry.



(2) A temporary debt under the provision of paragraph (1) shall be repaid in the current year. In case of failure to repay in the current year because of lack of cash, however, the temporary debt may be carried over to the next year.

**Article 53 (Prescription)**

The provisions of Articles 71 ~ 73 of the Budget and Accounts Act shall apply to the rights of a union with purpose of demanding the fulfillment of a debt and to the term, suspension, or discontinuance of the rights' negative prescription to the union.

**Article 54 (Settlement of Accounts)**

A union shall prepare a settlement of accounts (including property lists in a business report) in each fiscal year, obtain approval in the general meeting, report it to the Minister of Agriculture and Forestry by April 30 of the following year, and announce the summary of a settlement.

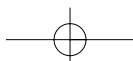
**Article 55 (Provisions of Accounting, Remuneration, Etc.)**

The union president shall determine the financial guarantee and remuneration of the treasurer, executives, and employees of the union in compliance with the standard set up by the Minister of Agriculture and Forestry.

**SECTION 8. PROTECTIVE MANAGEMENT OF FARMLAND IMPROVEMENT FACILITIES**

**Article 56 (Maintenance of Facilities)**

- (1) The union president shall maintain in good faith the facilities within the union area.
- (2) The union president may, upon recognizing the need for the protective maintenance of farmland improvement facilities such as a reservoir, etc., take the following measures:
  - 1. Restriction or prohibition of entrance and exit for a person with purpose other than irrigation or drainage
  - 2. Prohibition of using explosive, harmful chemicals, or fishing net for purposes other than fishing or installation of facilities
- (3) In case of taking measures in paragraph (2), the union president shall post a notice board displaying such intent in advance at the farmland improvement facilities.





### **Article 57 (Use of Facilities for Other Purpose)**

- (1) A union may use farmland improvement facilities for other purposes as long as there is no disruption in use by a union member.
- (2) Regarding the use for other purposes under the provision in paragraph (1), the details of use, charge for usage, and other important matters shall be prescribed by an the articles of association.

## **SECTION 9 DISSOLUTION, MERGER, AND SPLIT-OFF**

### **Article 58 (Grounds for Dissolution)**

- (1) A union shall be dissolved under any of the following cases:
  1. If the general meeting resolves to dissolve the union
  2. If it is merged
  3. If the Minister of Agriculture and Forestry orders the dissolution of the union
- (2) In case a union is to be dissolved under any of the grounds specified in paragraph (1), the reason shall be restricted to the fact that the purpose of establishment thereof cannot be accomplished.

### **Article 59 (Prior Authorization of Dissolution, Merger, and Split-off)**

To dissolve a union (case specified in Article 58 (1), subparagraph 3), the resolution shall be made at a general meeting, and the authorization of the Minister of Agriculture and Forestry shall be obtained in advance.

### **Article 60 (Notice of Dissolution)**

When dissolution is authorized by the Minister of Agriculture and Forestry, such shall be notified without delay.

### **Article 61 (Liquidation)**

- (1) The union shall be liquidated in case of the dissolution of the union except merger.
- (2) The union president shall become the liquidator in case of paragraph (1), except in the case of a liquidator being appointed at a general meeting.
- (3) The liquidator shall inspect the status of assets owned by the union immediately





upon his/her inauguration and prepare a list of assets, determine the disposal method for the assets for approval in the general meeting, and report to the Minister of Agriculture and Forestry.

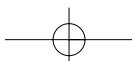
- (4) The liquidator shall not distribute the union's remaining assets unless and until the union's obligations are performed.
- (5) The residual property after liquidation, if any, shall be disposed of in accordance with the provisions of the articles of association.

**Article 62 (Merger)**

- (1) In case either party of the merging unions continues to exist after the merger, the union shall request authorization for the amendment of the articles of association together with a written merger resolution from each related union.
- (2) The Minister of Agriculture and Forestry shall -- following the authorization specified in paragraph (1) -- immediately announce the intent of continuance of existence and amendment in the articles of association for the union that continues to exist after the merger and the intent of dissolution after the merger for the union that ceases to exist after the merger.

**Article 63 (Consolidation)**

- (1) To establish a new union by merger, the members of an establishment committee with fifteen or more members each from each related union jointly prepare a business plan, its articles of association, a member list, a ledger of land, and other documents prescribed by the decree of the Ministry of Agriculture and Forestry to apply for authorization of establishment of a union by merger with the Minister of Agriculture and Forestry. In case of the appointment of an establishment committee member, the provisions in Article 27 shall apply.
- (2) The application for authorization of establishment in paragraph (1) shall be accompanied by a written merger resolution from each related union.
- (3) The Minister of Agriculture and Forestry shall, following the authorization specified in paragraph (1), immediately announce the intent of continuance of existence and amendment in the articles of association for the union that continues to exist after the merger and the intent of dissolution after the merger for the union that ceases to exist after the merger.





### **Article 64 (Split-off)**

- (1) For the split-off of a union, the scope of rights and obligations of the union established after the split-off shall be resolved at a general meeting.
- (2) In case a resolution is passed at a general meeting under the provision in paragraph (1), the fifteen or more members of an establishment committee appointed at a general meeting among the union members shall jointly prepare the documents prescribed in paragraph (1) and apply to the Minister of Agriculture and Forestry for authorization of establishment of a union by a split-off as per the latter part of the provisions in Article 63 (1).
- (3) The application for authorization of establishment as per paragraph (2) shall be accompanied by a written split-off resolution from each related union.
- (4) The Minister of Agriculture and Forestry shall -- following the authorization specified in paragraph (2) -- immediately announce the intent of establishment of a union by a split-off.

### **Article 65 (Objection of Creditor to Merger or Split-off)**

- (1) The union shall -- upon obtaining authorization under Article 59 regarding the merger or split-off -- prepare a property list within fourteen days of obtaining the authorization and keep the list posted for more than twenty days.
- (2) Within the announcement period in paragraph (1), the union shall announce to the creditors the intent that an objection shall be submitted within a certain period in case the creditors have an objection, and serve peremptory notice to each creditor that already knows about the intent. In this case, the submission period for such objection shall be more than one month.
- (3) In case the creditors fail to submit an objection to the resolution within the period specified in paragraph (2), they are deemed to have approved the resolution of merger or split-off.
- (4) In case creditors submit an objection, the resolution of merger or split-off shall not take effect until the union pays its debts or provides equivalent security.

### **Article 66 (Registration of Merger or Split-off)**

In case of merger or split-off, the registration of alteration under Article 15 (2) shall be submitted for a union that continues to exist after the merger, and the



registration of establishment under Article 15 (1), for a union established after the merger or split-off at the place where the main office is located to take effect.

**Article 67 (Succession to Rights and Obligations)**

The union continues to exist after merger, and the union established after the merger shall generally succeed the rights and obligations of the union after it ceases to exist because of the merger.

**Article 68 (Compliance with the Civil Law)**

In relation to the dissolution and liquidation of a union, the provisions in Articles 81, 85, 86 ~ 92, 94, and 95 in the Civil Law apply.

**CHAPTER III. AGRICULTURAL DEVELOPMENT CORPORATION**

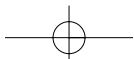
**SECTION I. ESTABLISHMENT**

**Article 69 (Establishment and Purpose)**

- (1) Agricultural Development Corporation (hereinafter referred to as “Corporation”) is established by merging the Union of Land Improvement Associations and Groundwater Development Corporation to perform the overall farmland improvement project, agriculture mechanization project, and farmhouse improvement project, foster model agricultural communities, and support the union operation.
- (2) The Corporation shall generally succeed the rights and obligations of the Union of Land Improvement Associations and Groundwater Development Corporation.

**Article 70 (Place of Business)**

- (1) The Corporation shall have its principal place of business in Seoul.
- (2) The Corporation may have branch offices or liaison offices and farm implement operation and maintenance offices and their branches if necessary and with the approval of the Minister of Agriculture and Forestry.





### **Article 71 (Area of Business)**

The Corporation shall operate nationwide.

### **Article 72 (Capital)**

- (1) The Corporation's capital shall be 20 billion won, which shall be provided in full by the government in the form of cash or goods.
- (2) The payment period and method shall go through review in the Cabinet meeting and determined by the President.
- (3) The property to be succeeded by the Corporation under the provision of Article 69, paragraph (2) shall be evaluated based on the current book value as of December 31, 1969. The succeeded property is considered the contribution by the government at the time of establishment of the Corporation and regarded as paid capital at the time of establishment.
- (4) The property at the time of establishment of the Corporation shall be reevaluated within one year of the date of establishment as prescribed by the Presidential Decree.

### **Article 73 (Articles of Association)**

- (1) The articles of association of a union shall contain the following descriptions:
  1. Purpose
  2. Name
  3. Address of the principal place of business
  4. Matters concerning organization
  5. Matters concerning capital
  6. Matters concerning executives and employees
  7. Matters concerning the board of directors
  8. Matters concerning business
  9. Matters concerning accounting
  10. Matters concerning the agricultural development bond
  11. Method of public notice
  12. Other matters necessary
- (2) Authorization from the Minister of Agriculture and Forestry is required to amend the articles of association of the Corporation.

### **Article 74 (Registration)**

- (1) A corporation is duly formed only upon completion of registration of their establishment in the principal place of business as prescribed by the Presidential Decree.
- (2) Any and all matters that need to be registered shall not be valid or effective against a third party pending their registration.

## **SECTION 2. EXECUTIVES AND EMPLOYEES**

### **Article 75 (Appointment of Executives)**

- (1) A corporation shall have the following executives:
  1. 1 president
  2. 2 vice presidents
  3. not more than 10 directors
  4. 1 auditor
- (2) The president of the Corporation, with the recommendation of the Minister of Agriculture and Forestry and after a review in the Cabinet meeting, shall be appointed by the President of the Republic of Korea. The vice president and directors of the Corporation, with the recommendation of the president of the Corporation, shall be appointed by the Minister of Agriculture and Forestry.
- (3) The auditor, upon consultation with the Minister of Agriculture and Forestry, shall be appointed by the Minister of Finance.

### **Article 76 (Term of Office for Executives)**

- (1) The term shall be four years for the president and the vice president and three years for the auditor.
- (2) The term of an executive elected at a by-election shall be the remaining term of his/her predecessor.

### **Article 77 (Duties of Executives)**

- (1) The union president shall have overall control over the business affairs of the Corporation and shall represent the Corporation.
- (2) The vice president shall assist the president. If the president is unable to



perform his/her duties due to unavoidable circumstances, the vice president designated in accordance with the order stipulated by the articles of incorporation shall act on behalf of the president.

- (3) A director shall attend the board of directors to review crucial matters of the Corporation. If the president and the vice president are unable to perform their duties due to unavoidable circumstances, a director designated in accordance with the order stipulated by the articles of incorporation shall act on behalf of the President. Note, however, that the directors may take responsibility for the Corporation's business affairs assigned to each of them as stipulated by the articles of incorporation.
- (4) The auditor shall audit the accounting and business affairs of the Corporation.

#### **Article 78 (Board of Directors)**

- (1) The Corporation shall have the board of directors adopt resolutions on important matters concerning the Corporation's business affairs as stipulated by the articles of incorporation.
- (2) The board of directors shall consist of the president, vice president, and directors. The president shall assume the chairmanship of the meetings.
- (3) A directors' meeting shall be duly constituted when majority of constituents are in attendance. Resolutions shall be adopted based on the affirmative vote of majority of the attendees at the meeting.
- (4) The auditor may attend a directors' meeting to state his/her opinion.

#### **Article 79 (Status of Executives)**

The executives of the Corporation, subject to penalties under the criminal law and other laws, shall be considered civil servants.

#### **Article 80 (Restrictions on Executives' or Employees' Holding of Concurrent Office or Running of Competitive Transaction)**

- (1) No executive of the Corporation shall engage in businesses for profit other than his/her duties without the approval of the Minister of Agriculture and Forestry.
- (2) No executive or employee of the Corporation shall run or work for a business that is in actual competitive relationship with the Corporation.

### **Article 81 (Appointment of Employee and Code of Conduct)**

- (1) An employee of a Corporation shall be appointed by the president.
- (2) The president shall, based on the resolution by the board of directors and approval from the Minister of Agriculture and Forestry, prescribe matters concerning the code of conduct for executives and employees and appointment of employees.

### **Article 82 (Applicable Provisions)**

The provisions of Articles 31 and 34 shall apply to the grounds for disqualification and responsibilities of an executive of the Corporation.

## **SECTION 3. BUSINESS**

### **Article 83 (Business)**

A Corporation shall engage in the following business activities to accomplish the purpose under Article 69:

1. Installation of irrigation and drainage facilities
2. Cultivation, arrangement of river, landfill or reclamation
3. Land readjustment
4. Business concerning the opening of a road for farming
5. Replotting involved in a farmland improvement project
6. Business concerning grassland preparation
7. Investigation, survey, and design concerning a farmland improvement project (including grassland preparation)
8. Cadastration of area where the farmland improvement project is implemented
9. Production, supply, purchase, and their aid or operation and maintenance and training of usage skills of farm implements
10. Installation, operation, and investment with regard to farm implement production and service facilities prescribed by the Minister of Agriculture and Forestry
11. Construction and improvement of farmhouses, aid in material supply and technical guidance



12. Matters related to the preparation of model agricultural community
13. Farmland improvement projects performed by a union and technical support to farmland improvement projects
14. Technical support for the maintenance of farmland improvement facilities of a union
15. Helping find materials, etc., necessary for the union business
16. Farmland improvement projects commissioned by the State, local government, union, or land owner
17. Export of services and labors related to a farmland improvement project
18. Project entrusted under laws other than those specified above or project requested by the Minister of Agriculture and Forestry
19. Other business activities to accomplish the purpose of the Corporation

#### **Article 84 (Introduction of Foreign Capital)**

- (1) To perform the project under Article 83, the Corporation may, with the approval of the government, raise funds from loan or introduce goods or technology from an international institution, a foreign country, or a foreigner.
- (2) Concerning the interest rate, method and time of payment, method and time of repayment of principal, etc., regarding the repayment of principal and interest in relation to the introduction of foreign capital under the provisions of paragraph (1), the Corporation shall follow what the government approved.
- (3) If necessary, the government may subsidize part of the repayments under the provisions of paragraph (2).

#### **Article 85 (Issuance of Agricultural Development Bond)**

- (1) If necessary for the project under Article 83, the Corporation may issue agricultural development bonds with the approval of the Minister of Agriculture and Forestry.
- (2) Upon approving the issuance of bonds under the provisions of paragraph (1), the Minister of Agriculture and Forestry shall consult with the Minister of Finance.
- (3) The government shall guarantee the repayment of the principal of and interest on agricultural development bonds.
- (4) The prescriptive period for agricultural development bonds shall be fifteen





years for the principal and five years for the interest.

- (5) Matters necessary for the issuance of agricultural development bonds shall be prescribed by the Presidential Decree.

## SECTION 4. ACCOUNTING

### **Article 86 (Budget and Accounting)**

- (1) The Corporation's fiscal year shall coincide with the government's fiscal year.
- (2) Concerning the budget and accounting of the Corporation, the Government-Invested Institution Budget and Accounts Act shall apply except to matters prescribed in this Act.

### **Article 87 (Appropriation of Profits)**

The Corporation shall, if it has net income as a result of the settlement of accounts for each year, appropriate such in the following order:

1. Settlement of deficits brought forward
2. Accumulation of one-half or more of net income until the reserve reaches the total amount of capital
3. Payment to the National Treasury

### **Article 88 (Debt)**

The provisions in Article 52 shall apply to the debt of the Corporation.

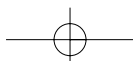
### **Article 89 (Financial Guarantee and Remuneration)**

The president shall determine the financial guarantee and remuneration of executives and employees of the Corporation with the approval of the Minister of Agriculture and Forestry.

## SECTION 5. DISSOLUTION

### **Article 90 (Dissolution)**

The dissolution of the Corporation shall be separately prescribed by the law.



## CHAPTER IV.

## PROJECT IMPLEMENTATION

## SECTION I. IMPLEMENTATION OF FARMLAND IMPROVEMENT PROJECT

## SUBSECTION 1. IMPLEMENTATION OF PROJECT BY THE STATE

**Article 91 (Implementation by Request)**

- (1) A local government, a union, or twenty or more landowners may select a certain area and request the Minister of Agriculture and Forestry for the implementation of a farmland improvement project as prescribed by the Presidential Decree.
- (2) The application under paragraph (1) shall have the consent of at least two-thirds of the persons who meet the requirements concerning the land within the area under the provision of Article 5.

**Article 92 (Review and Notification)**

- (1) Upon receiving the application under the provisions of Article 91, the Minister of Agriculture and Forestry shall review the content of the application and establish a farmland improvement project if he deems the application to be appropriate.
- (2) When establishing a plan for a farmland improvement project under the provision of paragraph (1), the Minister of Agriculture and Forestry shall announce such intent without delay and set a period of 10 ~ 20 days to have the persons concerned read the copies of the plan.

**Article 93 (Objection)**

- (1) If the persons concerned have an objection to the plan for a farmland improvement project under Article 92, they may file an objection within 40 days of the date of notification as per Article 92 (2).
- (2) In case an objection is filed as per the provision of paragraph (1), the Minister of Agriculture and Forestry shall make a decision and notify the applicant accordingly within 90 days of the date of notification under Article 92 (2).
- (3) In case there is no objection within the period in paragraph (1), or the

application is dismissed as groundless, the Minister of Agriculture and Forestry shall implement the plan for a farmland improvement project.

#### **Article 94 (Implementation Not by Request)**

- (1) If necessary to accomplish the purpose in Article 1, the Minister of Agriculture and Forestry may, even if there is no application under the provisions of Article 91, establish a plan for a farmland improvement project and implement a farmland improvement project.
- (2) To implement a farmland improvement project under paragraph (1), the Minister of Agriculture and Forestry shall announce the summary of such plan for a farmland improvement project, etc., and obtain the consent of at least two-thirds of the persons who meet the requirements concerning the land within the area under the provision of Article 5.
- (2) For the case in paragraph (2), the provisions of Articles 92 (2) and 93 shall apply.

#### **Article 95 (Exceptions in the Implementation of the Land Readjustment Project)**

- (1) If a land readjustment project is acknowledged to be promoted especially, the Minister of Agriculture and Forestry shall implement a land readjustment project jointly with a local government, notwithstanding the provisions of Articles 91 ~ 94.
- (2) If a land readjustment project is to be implemented under the provision of paragraph (1), an overview of the project plan and other necessary matters shall be announced without delay, and a period of 10 or more days shall be set to have the persons concerned read the copies of the plan.
- (3) In case the Minister of Agriculture and Forestry and a local government implement a land readjustment project under the provision of paragraph (1), the criteria for the details of business that the State and local government will take charge of shall be prescribed by the Presidential Decree.

#### **Article 96 (Change in Plan)**

- (1) To change the plan of a land readjustment project, the Minister of Agriculture and Forestry shall prescribe the overview and other necessary matters in the



change of the plan of a land readjustment project, except in case of a change of plan of land readjustment implemented under the provisions of Article 95.

- (2) In case of a change in the plan of a land readjustment project under the provision of paragraph (1), the consent of at least two-thirds of the persons who meet the requirements under the provision of Article 5 -- concerning the land within the area where the land readjustment project is implemented -- shall be obtained. In case the change in plan consists of only the extension of area where the land readjustment project is implemented, however, only the consent of at least two-thirds of the persons who meet the requirements under the provision of Article 5 concerning the land within the area to be extended is required.
- (3) In case of a change in the plan of a land readjustment project under the provision of paragraph (2), the provisions of Articles 92 (2) and 93 shall apply.

#### **Article 97 (Combining Land Readjustment with Other Projects)**

A land readjustment project shall be performed in combination with other land improvement projects in case the State performs installation, cultivation, landfill, or reclamation of land improvement facilities under this Act and acknowledges that the combination with a land readjustment project will enhance the effectiveness of the land improvement project and contribute to the rationalization of the agricultural management of the land.

#### **Article 98 (Implementation of Emergency Construction)**

The Minister of Agriculture and Forestry shall -- in case natural disaster, extraordinary geographical phenomenon, and other unavoidable disasters occur, and a recovery project in Article 2, subparagraph 1 E needs to be implemented urgently -- implement emergency construction regardless of the provisions under Articles 91 ~ 94.

#### **Article 99 (Charges)**

- (1) The State may charge part of the expenses of a land improvement project to the Seoul Metropolitan City, city of Busan, or Dos overseeing the area where the land improvement project is implemented by the State as prescribed by the Presidential Decree.

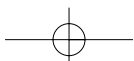


- (2) The Seoul Metropolitan City, city of Busan, or Do may collect part of the charges under the provisions of paragraph (1) from persons who meet the requirements under the provision of Article 5 and who benefitted from the land improvement project within the limit of the benefit he/she receives as ordinance according to the standard prescribed by the Presidential Decree.
- (3) In case the person who shall pay the charge under the provisions of paragraph (2) is a union member of a union whose area contains all or part of the land where the land improvement project is implemented by the State, the Seoul Metropolitan City, city of Busan, or Do may collect the charge from the union instead of the union member.

#### **Article 100 (Distribution Plan of Filled Land)**

- (1) The Minister of Agriculture and Forestry shall -- in case of filled land or reclaimed land (hereinafter referred to as “filled land”) prepared under the project in Article 2, subparagraph 1 D and which is implemented by the State -- draw up a distribution plan of the filled land and announce the plan before the completion of the project in accordance with the Presidential Decree.
- (2) Any person who wishes to receive a share of the filled land under the provisions of paragraph (1) shall apply to the Minister of Agriculture and Forestry in accordance with the Ordinance of the Ministry of Agriculture and Forestry.
- (3) Upon receiving the application for shares under the provisions of paragraph (2) and acknowledging that the distribution to the applicant is appropriate, the Minister of Agriculture and Forestry shall issue a notice of distribution to the applicant in accordance with the Ordinance of the Ministry of Agriculture and Forestry.
- (4) The Minister of Agriculture and Forestry may have the person who received a notice of distribution under the provisions of paragraph (3) use the land specified in the notice of distribution under the condition prescribed by the Ministry of Agriculture and Forestry by the time ownership is transferred to the person.

#### **Article 101 (Management and Disposal of Property Created by the Land Improvement Project)**





- (1) The property and rights recorded in the following (hereinafter referred to as “land improvement property”) shall be managed and disposed of by the Minister of Agriculture and Forestry:
1. rights to structure, object, or water created by a land improvement project implemented by the State and which have not been transferred to a union
  2. Land created by a project under Article 2, subparagraph 1 D and implemented by the State
  3. Land, forest tree, structure, other object, or rights acquired by the State for a land improvement project implemented by the State
  4. State-owned land, forest tree, structure, other object or rights determined to be in use for a land improvement project implemented by the State as specified in the Presidential Decree
- (2) The State may transfer the land improvement facilities it maintains to a local government or a union where the facilities are located. In this case, the local government or the union that received the facilities shall generally succeed the rights and obligation of the State as created in relation to the installation of the facilities. Note, however, that the scope of the debt to be succeeded by a union from the State is prescribed by the Presidential Decree.
- (3) Matters necessary for the management and disposal of land improvement property shall be prescribed by the Presidential Decree.

### **Article 102 (Application of Public Waters Reclamation Act)**

The Public Waters Reclamation Act shall apply to the implementation of a project under Article 2, subparagraph 1 D.

## **SUBSECTION 2. IMPLEMENTATION OF PROJECT BY LOCAL GOVERNMENT**

### **Article 103 (Application for Authorization)**

- (1) To implement a land improvement project, the local government shall prepare a land improvement project plan and other documents prescribed by the Ordinance of the Ministry of Agriculture and Forestry with the resolution of the assemblies and apply for the authorization of the land improvement project



with the Ministry of Agriculture and Forestry.

- (2) To apply for authorization in paragraph (1), the local government shall announce the overview and other necessary matters and obtain the consent of at least two-thirds of the persons who meet the requirements under the provision of Article 5 concerning the land within the area where the land improvement project is to be implemented.

#### **Article 104 (Review and Notification)**

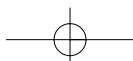
- (1) Upon receiving the application under the provisions of Article 103, the Minister of Agriculture and Forestry shall review the farmland improvement project, determine if he considers the application to be appropriate, and notify the applicant of the result.
- (2) If the Minister of Agriculture and Forestry determines the application to be appropriate under the provision of paragraph (1), he shall announce the decision without delay and set a period of 10 ~ 20 days to have the persons concerned read the copies of the farmland improvement project plan.

#### **Article 105 (Objection)**

- (1) If the persons concerned have an objection to the decision of the Minister of Agriculture and Forestry in relation to the notification under Article 104 (2), they may file an objection within 40 days of the date of such notification.
- (2) In case an objection is filed as per the provision of paragraph (1), the Minister of Agriculture and Forestry shall determine if the objection is appropriate and notify the applicant accordingly within 90 days of the date of the notification under Article 104 (2).
- (3) In case the Minister of Agriculture and Forestry determines that the objection filed under the provision of paragraph (1) has grounds, he may dismiss the application under Article 103 (1).

#### **Article 106 (Authorization of Implementation)**

- (1) In case no objection is filed within the period in Article 105 (1), or the application is dismissed as groundless, the Minister of Agriculture and Forestry shall authorize the implementation of the farmland improvement project.





- (2) Upon authorizing the implementation of the farmland improvement project, the Minister of Agriculture and Forestry shall announce the authorization without delay.

### **Article 107 (Change in Plan)**

- (1) To change the plan for a land improvement project approved under the provisions of Article 106 or discontinue or abrogate a land readjustment project, the local government shall obtain approval from the Minister of Agriculture and Forestry.
- (2) In case in paragraph (1), the provisions of Articles 96 (2) and (3) shall apply to a change in the plan of a land improvement project.
- (3) Upon giving approval under the provision of paragraph (1), the Minister of Agriculture and Forestry shall announce the approval without delay.

### **Article 108 (Charges)**

- (1) A local government may impose part of the expenses paid for a land improvement project on the persons who have benefitted from the land improvement project implemented by the local government as prescribed in the Ordinance.
- (2) A local government may impose a special charge on the persons who have distinctively benefitted more than others from the land improvement project implemented by the local government as prescribed in the Ordinance.
- (3) In case of the collection of charges in paragraph (2), the provisions of Article 99 (3) shall apply.

### **Article 109 (Applied Provisions)**

The provisions of Articles 44, 97, 98, 100, 101 (excluding Article 101, paragraph (3), and 102 shall apply to the land improvement project implemented by the local government, management and disposal of property created by the land improvement project, and application for objection to the management and disposal of property and imposition of charges.



**SUBSECTION 3. IMPLEMENTATION OF PROJECT BY UNION****Article 110 (Application for Authorization)**

- (1) To implement a land improvement project other than the land improvement project under Article 37, subparagraphs 1, 4, and 6 on a land within the area of a union, the union shall prepare a land improvement project plan, a written resolution of a general meeting, and other documents prescribed by the Ordinance of the Ministry of Agriculture and Forestry and apply for the authorization of implementation of the land improvement project with the Ministry of Agriculture and Forestry except for the case wherein a disaster recovery project under Article 37, subparagraph 5 needs to be implemented urgently because a natural disaster and other unavoidable disaster occurred.
- (2) In case the Ministry of Agriculture and Forestry gives authorization to a land improvement project in paragraph (1), the provisions of Articles 103 (2) and 104 ~ 106 shall apply.

**Article 111 (Change in Plan)**

- (1) To change the plan of a land improvement project plan approved under the provisions of Article 110 or discontinue or abrogate a land readjustment project, a union shall -- with resolution from a general meeting -- obtain authorization from the Minister of Agriculture and Forestry.
- (2) In case of a change in the land improvement project plan under the provision of paragraph (1), the provisions of Articles 92 (2), 93, and 96 (2) shall apply.

**Article 112 (Maintenance Method of Land Improvement Facilities)**

Matters concerning the maintenance of land improvement facilities of a union under the provisions in Article 27, subparagraph 1 shall be implemented in accordance with the standard prescribed in the Ordinance of the Ministry of Agriculture and Forestry. In this case, a project plan shall be prepared, and the authorization of the Ministry of Agriculture and Forestry shall be obtained for the project in relation to the alteration, repair, etc., of land improvement facilities as implemented with financial support from the State.



### **Article 113 (Reporting Completion)**

- (1) A union shall -- in case a land improvement project approved by the Ministry of Agriculture and Forestry is completed -- report the completion to the Ministry of Agriculture and Forestry.
- (2) The Ministry of Agriculture and Forestry shall -- upon receiving the report in paragraph (1) and reviewing the implementation status of the project and finding it inappropriate -- order the implementation status to be rectified.

### **Article 114 (Applied Provisions)**

The provisions of Articles 98 and 101 (excluding Article 101, paragraph (3)) shall apply to a land improvement project implemented by a union.

## **SUBSECTION 4. IMPLEMENTATION OF PROJECT BY CORPORATION**

### **Article 115 (Application for Authorization)**

- (1) To implement a land improvement project, a Corporation shall prepare a land improvement project plan and other documents prescribed by the Ordinance of the Ministry of Agriculture and Forestry and apply for authorization of the land improvement project with the Ministry of Agriculture and Forestry.
- (2) For the application for authorization and granting of authorization in paragraph (1), the provisions of Articles 103 (2) and 104 ~ 106 shall apply.

### **Article 116 (Transfer of Facilities)**

- (1) The Ministry of Agriculture and Forestry may -- upon completion of a land improvement project implemented by the Corporation -- take the following measures in consultation with the Corporation:
  1. In case there is a union within the area where the land improvement facilities are located, have the union take over and manage the land improvement facilities.
  2. In case there is no union within the area where the land improvement facilities are located, but there is a union in an area nearby, and having the union take over and manage the land improvement facilities is deemed

suitable, the Minister of Agriculture and Forestry may have the union take over and manage the land improvement facilities.

3. In case of underground water development facilities, the Ministry of Agriculture and Forestry may have a Si (including the Seoul Metropolitan City and Busan; the same shall apply hereinafter) or a Gun take over and manage the facilities regardless of the provision of subparagraph 2.
- (2) A Si or a Gun that takes over the land improvement facilities under paragraph (1) shall generally succeed the rights and obligation of the Corporation arising in relation to the installation of the facilities.
- (3) The Corporation may -- if acknowledged to be necessary -- directly manage and operate the land improvement facilities it installed by obtaining approval from the Minister of Agriculture and Forestry, notwithstanding the provisions in paragraph (1).

#### **Article 117 (Implementation of Investigation and Design Project)**

- (1) In case the Corporation is entrusted by the Minister of Agriculture and Forestry to perform investigation, survey, design, and project implementation for the land where a land improvement project is to be implemented, the Corporation shall prepare a project implementation plan and obtain authorization from the Minister of Agriculture and Forestry.
- (2) Upon obtaining authorization under the provisions in paragraph (1), the Corporation shall have an employee concerned explore the site to investigate correctly if the land improvement project is appropriate including water source and condition of location, prepare the drawing and specification, and obtain authentication of design from the Minister of Agriculture and Forestry.

#### **Article 118 (Applied Provisions)**

The provisions of Articles 45, 46, 97, 98, 100, 101 (excluding Article 101, paragraph (3)), 102, 107, 108, and 113 shall apply to the land improvement project implemented by the Corporation or maintenance thereof.

#### **SUBSECTION 5. IMPLEMENTATION OF PROJECT BY LAND OWNER**



### **Article 119 (Application for Authorization)**

- (1) To implement a farmland improvement project for a certain selected area, one or more landowners shall prepare the land improvement project plan, rules (only for the case of joint implementation by several persons), and other documents prescribed by the Ordinance of the Ministry of Agriculture and Forestry and apply for authorization of the land improvement project with the Ministry of Agriculture and Forestry.
- (2) The application under paragraph (1) shall obtain the consent of all the persons who meet the requirements concerning the land within the area under the provision of Article 5.
- (3) In case the Ministry of Agriculture and Forestry gives authorization for a farmland improvement project in paragraph (2), the provisions of Articles 104 ~ 106 shall apply.

### **Article 120 (Change in Plan or Rules)**

- (1) A person who obtained authorization under the provisions of Article 111 but wishes to change the farmland improvement project plan or rules or discontinue or abrogate a farmland improvement project shall obtain authorization from the Minister of Agriculture and Forestry.
- (2) Concerning the change of plan of the farmland improvement project plan or rules under the provisions in paragraph (1), the overview of the farmland improvement project plan or rules shall be announced, and consent shall be obtained from all the persons who meet the requirements concerning the land within the area under the provision of Article 5. In case the change in plan consists of only the extension of area where the land readjustment project is implemented, however, only the consent of all the persons who meet the requirements under the provision of Article 5 concerning the land within the area to be extended is required.
- (3) A person wishing to obtain authorization for the change in rules in relation to the belonging of rights and obligation, abrogation of a farmland improvement project, or reduction in the area where a farmland improvement project is implemented shall obtain consent from a creditor, if any. If it is not possible to obtain consent, however, a statement of reason may substitute the consent.



(4) Upon granting authorization for the change of the farmland improvement project plan or rules or discontinuance or abrogation of a farmland improvement project in paragraph (1), the Minister of Agriculture and Forestry shall announce such fact without delay.

**Article 121 (Joint Liability of Persons Jointly Implementing a Project)**

In case several persons jointly implement a farmland improvement project, such persons shall be jointly liable for the principal borrowed for the project by the persons jointly implementing a project and the interest thereof and other debts occurring because of the implementation of the farmland improvement project.

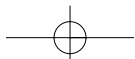
**Article 122 (Applied Provisions)**

The provisions of Articles 102, 104 ~ 106, and 113 shall apply to a farmland improvement project implemented by a landowner.

**SUBSECTION 6. REPLOTTING**

**Article 123 (Assignment of Land for Temporary Use)**

- (1) A person who implements a farmland improvement project may assign a land for temporary use for the land within the area where the farmland improvement project is implemented -- -- even before the completion of construction in relation to the farmland improvement project -- to substitute the previous land as provided for in the Ordinance of the Ministry of Agriculture and Forestry, if necessary.
- (2) Concerning the assignment of land for temporary use in paragraph (1), matters to be specified in a replotting plan shall be considered; the purpose, register, soil property, hydraulics, slope, temperature and other natural conditions, and usage conditions shall be taken into account.
- (3) Upon assigning land for temporary use in accordance with the provisions in paragraph (1), a person who implements a farmland improvement project shall notify the person with ownership, superficiesaries, leasehold, or rights by the loan of use of the land for temporary use, prior land, and starting date of use.





### **Article 124 (Effect of Assignment of Land for Temporary Use)**

- (1) In case there is assignment of land for temporary use under the provisions in Article 123 (1), a person with rights in Article 123 (3) for prior land may use and benefit from the whole or part of the land for temporary use from the starting date of use as notified until there is a notification under the provisions in Article 127 (4) -- with the same condition as that of the prior land -- in accordance with the law or details of the title prescribed in an agreement.
- (2) For the case in paragraph (1), a person with rights in Article 123 (3) for prior land shall not use or benefit from the prior land as the contents of his/her rights for the prior land.
- (3) In case there is assignment of land for temporary use under the provisions in Article 123 (1), a person with rights in Article 123 (3) for the land for temporary use shall not use and benefit from the land for temporary use as the contents of his/her rights for the land from the starting date of use as notified in accordance with Article 123 (3) until there is a notification under the provisions in Article 127 (4).

### **Article 125 (Loss Compensation, Etc., Due to Assignment of Land for Temporary Use)**

- (1) A person who implements a farmland improvement project shall compensate for the loss commonly caused by the assignment of land for temporary use under Article 123 (1).
- (2) A person who implements a farmland improvement project may collect the amount equal to the profit gained by the persons who benefitted from the assignment of land for temporary use under Article 123 (1).

### **Article 126 (Replotting Plan)**

- (1) In a replotting plan, the following matters shall be specified as provided for in the Ordinance of the Ministry of Agriculture and Forestry:
  1. Replotting design
  2. Statement of replotting for each lot
  3. Statement of settlement
  4. Statement of land with no replotting assigned and other land subject to special treatment



5. Other matters prescribed by the Ordinance of the Ministry of Agriculture and Forestry
- (2) Concerning a replotting plan, the replotted land shall be equal to a prior land with the purpose, register, soil property, hydraulics, slope, temperature and other natural conditions, and usage conditions of the prior land taken into account. The prior land shall be land whose purpose in the register is farmland, fields, and paddies or land that is actually cultivated as farmland, fields, and paddies if the purpose in the register is not farmland, fields, or paddies.
  - (3) In case the Minister of Agriculture and Forestry acknowledges the replotting to be necessary to rationalize the apicultural management of a farmer, replotting may be determined without the provisions in the first part of paragraph (2).
  - (4) A person who may receive replotting shall be a landowner on the register. In case actual ownership is changed because of trade, transfer, exchange, subdivision and amalgamation, etc., but registration has not been completed, a person may be estimated as an owner on the register if such fact is verified by the certification of facts from the head of a Gu, a Si, or a Gun having jurisdiction over the land.
  - (5) When assigning replotted land in accordance with the first part of paragraph (2) and paragraph (3), monetary settlement shall be applied if there is a part that may not be compensated for, a person who owns land measuring 100 pyeong (330.58m<sup>2</sup>) or less in the replotting plan area, or a person who received 1 section of land but owns the remaining land measuring 100 pyeong or less. In this case, the method and time of payment and collection of the amount shall be specified in the replotting plan.
  - (6) In case there is restriction on rights other than ownership or disposal for the whole or part of prior land, the replotted land to be exchanged with such land shall have the land or part thereof specified so that it can be an object of restriction on the rights or disposal.
  - (7) Replotted land shall not have a section with 1 lot number spread over more than two Gus, Sis, Eups, and Myeons.

### **Article 127 (Authorization of Replotting Plan)**

- (1) In case a replotting plan is acknowledged to be necessary, a person who



implements a farmland improvement project shall prepare a replotting plan without delay and obtain authorization from the Minister of Agriculture and Forestry.

- (2) A replotting plan under paragraph (1) shall be prepared to contribute to the rationalization of the agricultural management of a farmer.
- (3) To apply for authorization in paragraph (1), a person who implements a farmland improvement project shall announce the overview and other necessary matters for more than fourteen days and obtain the consent of at least two-thirds of the persons who meet the requirements under the provision of Article 5 concerning the land within the area.
- (4) Upon authorizing the implementation of the farmland improvement project under paragraph (1), the Minister of Agriculture and Forestry shall announce the authorization without delay and notify the head of a Gu, a Si, or a Gun and the registrar having jurisdiction over the land.

#### **Article 128 (Report of Change in Rights)**

In case of transfer, creation, change, or extinction of rights or restriction on disposal with regard to a land within the area where a farmland improvement project is implemented before the authorization in accordance with the provisions of Article 127 (1), the person directly concerned shall report such fact to the person who implements a farmland improvement project.

#### **Article 129 (Effect of Disposing Replotted Land and Settlement Amount)**

- (1) A replotted land to be distributed in accordance with the replotting plan announced under the provisions in Article 127 (4) shall consider the replotted land as prior land from the next day of notification of the replotting plan except for the case under Article 162 (1).
- (2) The provision in paragraph (1) shall have no effect on the rights that wholly belong to the prior land in accordance with the original copy in the administrative or judicial sense.
- (3) Upon notification under the provisions of Article 127 (4), a person who implements a farmland improvement project shall pay or collect the settlement amount in accordance with the notified replotting plan.



### **Article 130 (Collection of Replotted Land Disposal Settlement Amount)**

In case a person who implements a farmland improvement project collects the settlement amount from the disposal of replotted land under the provisions of Article 129 (3), the provisions in Article 46 shall apply.

### **Article 131 (Rating of Land Price)**

The price rating of prior land shall be investigated and determined before the commencement of construction, with the price rating of land to be distributed to be investigated and determined after the completion of construction.

### **Article 132 (Resolution of General Meeting of Benefitted Persons)**

- (1) The determination of price rating of prior land and land to be distributed shall be subject to the resolution of a general meeting of benefitted persons in each section.
- (2) A resolution may be passed by the majority vote of benefitted persons in each section.
- (3) Provisions concerning the general meeting of a union shall apply to a general meeting of benefitted persons.

### **Article 133 (Registration by Disposal of Replotting)**

- (1) Upon authorization under the provisions of Article 127 (1), a person who implements a farmland improvement project shall immediately entrust or apply for registration of land and building concerning the replotting plan.
- (2) In case there is change in the indication of land already registered because of a farmland improvement project even though there is no disposal of replotting, a person implementing a farmland improvement project shall entrust or apply for change in registration of indication of land.

## **SUBSECTION 7. EXCHANGE AND SUBDIVISION AND AMALGAMATION**

### **Article 134 (Exchange and Subdivision and Amalgamation by Si or Gun)**

- (1) A Si (including the Seoul Metropolitan City and Busan; the same applies



hereinafter) or a Gun may -- in case of an application from two or more landowners, or if the need is acknowledged even without application -- implement a project in Article 2, subparagraph 1 F (hereinafter referred to as “exchange and subdivision and amalgamation”) with authorization from the Minister of Agriculture and Forestry.

- (2) An exchange and subdivision and amalgamation application and other documents specified by the Ordinance of the Ministry of Agriculture and Forestry shall be attached to the application for authorization in paragraph (1).
- (3) The provisions in Articles 104 ~ 106 shall apply in case the Ministry of Agriculture and Forestry wishes to approve an exchange and subdivision and amalgamation plan in paragraph (1).

### **Article 135 (Exchange and Subdivision and Amalgamation by Si or Gun by Application)**

- (1) Two or more landowners may request a Si or a Gun having jurisdiction to rearrange a certain section including the land they cultivate and to implement exchange and subdivision and amalgamation in accordance with the Ordinance of the Ministry of Agriculture and Forestry.
- (2) To apply based on the provisions in paragraph (1), consent shall be obtained from at least two-thirds of the persons who meet the requirements under the provision of Article 5 concerning the land within the area.
- (3) In case the Si or Gun received the application in paragraph (1), reviews the application, and acknowledges that the application is appropriate, the Si or Gun shall prepare an exchange and subdivision and amalgamation plan without delay. In case the project is passed through other Si or Gun, an exchange and subdivision and amalgamation plan shall be prepared after consultation with the Si or Gun concerned.
- (4) In case a Si or a Gun fails to prepare an exchange and subdivision and amalgamation plan within six months of the date of receiving an application under the provisions in paragraph (1), the applicant may request the Minister of Agriculture and Forestry to order the Si or Gun concerned to prepare an exchange and subdivision and amalgamation plan.
- (5) In case the Minister of Agriculture and Forestry receives the request in paragraph

(4), reviews the request, and acknowledges that the exchange and subdivision and amalgamation project is especially necessary, he may order the Si or Gun concerned to prepare an exchange and subdivision and amalgamation plan.

### **Article 136 (Exchange and Subdivision and Amalgamation by Si or Gun Not by Application)**

In case a Si or a Gun acknowledges that the exchange and subdivision and amalgamation project is especially necessary even without application, even though there is no application under Article 135 (1), it may announce the overview and other necessary matters of an exchange and subdivision and amalgamation plan and prepare the exchange and subdivision and amalgamation plan with the consent of at least two-thirds of the persons who meet the requirements under the provision of Article 5 concerning the land within the area. In this case, an exchange and subdivision and amalgamation plan shall be prepared after consultation with the Si or Gun concerned if the project is passed through other Si or Gun.

### **Article 137 (Principle of Exchange and Subdivision and Amalgamation Plan)**

Upon preparing the exchange and subdivision and amalgamation plan under Articles 135 and 136, a Si or a Gun shall make the land register and the price of land newly obtained by a landowner have no distinctive difference with the land register and price of land that he/she lost.

### **Article 138 (Exchange and Subdivision and Amalgamation by Union)**

- (1) To exchange and subdivide and amalgamate certain farmland in a union area, a union may -- with the resolution of a general meeting -- prepare the exchange and subdivision and amalgamation plan and obtain authorization from the Minister of Agriculture and Forestry.
- (2) The provisions of Articles 103 (2) and 104 ~ 106 shall apply to an authorization under the provisions in paragraph (1).

### **Article 139 (Method of Determining Exchange and Subdivision and Amalgamation)**



- (1) An exchange and subdivision and amalgamation plan shall not be specified for land that is specified by the Ordinance of the Ministry of Agriculture and Forestry as restricted in disposal and land for which the superficies or leasehold is created and whose purpose of rights is for seizure, provisional seizure, or provisional disposal.
- (2) For the case of exchange and subdivision and amalgamation plan for the ownership of farmland, the farmland obtained and lost by an owner by exchange and subdivision and amalgamation and time of transferring ownership shall be specified.
- (3) In case of paragraph (2), if mortgage, superficies, leasehold, or right of use is created for the land that the owner will lose, the land with which mortgage, superficies, leasehold, or right of use is created for substitution, time of creation, and period when the rights will last, land price, and other conditions shall be specified.
- (4) In case of paragraph (2), if the need to create easement by exchange and subdivision and amalgamation is acknowledged, the land to create such easement, easement holder, and time of creation, purpose of easement, and other conditions shall be specified. If a person who currently has easement acknowledges that there is no need to use such rights, such rights and the time of extinction thereof shall be specified.
- (5) The method of determining an exchange and subdivision and amalgamation plan and necessary matters other than those prescribed in this Act shall be prescribed by the Presidential Decree.

#### **Article 140 (Effect of Exchange and Subdivision and Amalgamation)**

- (1) In case a notice is served under the provisions of Articles 134 (2) and 138 (2), ownership is transferred, mortgage, superficies, leasehold, or right of use is created, and easement is either created or rendered extinct by the announced exchange and subdivision and amalgamation plan.
- (2) In case mortgage, superficies, leasehold, or right of use is created under the provisions of paragraph (1), prior rights corresponding to such rights shall become extinct.

### **Article 141 (Exchange and Subdivision and Amalgamation of Rights Other Than Ownership)**

The provisions of Articles 139 and 140 shall apply in case of exchange and subdivision and amalgamation concerning superficies, leasehold, or right of use of farmland.

### **Article 142 (Settled Amount)**

- (1) In case notice is served under Article 134 (3) or 138 (2), a Si, a Gun, or a union shall pay or collect the settled amount in accordance with the announced exchange and subdivision and amalgamation plan.
- (2) The provisions of Article 46 shall apply in case a Si, a Gun, or a union collects the settled amount.

### **Article 143 (Exchange and Subdivision and Amalgamation of Rights for Land Other than Farmland)**

The provisions of Articles 134 ~ 142 shall apply in case of exchange and subdivision and amalgamation performed together with the collectivization of farmland, of rights to land other than farmland, rights to agricultural facilities, and rights to water.

## **SECTION 2. IMPLEMENTATION OF AGRICULTURAL MECHANIZATION**

### **Article 144 (Authorization of Implementation of Project)**

To implement the agricultural mechanization project, the Corporation shall prepare the project plan each year as provided for in the Presidential Decree and obtain authorization from the Minister of Agriculture and Forestry.

### **Article 145 (Approval of Investment)**

- (1) The Corporation may -- if deemed necessary for the manufacture and supply of agricultural implement -- invest in a manufacturer of agricultural implement (including a foreigner).
- (2) To make investment under the provisions of paragraph (1), the Corporation shall obtain approval from the Minister of Agriculture and Forestry.



### **Article 146 (Driver's License for Farm Implement)**

- (1) To operate a business involving the service or repair of agricultural implement, a person shall obtain a license from the Minister of Agriculture and Forestry.
- (2) To obtain a license under the provisions of paragraph (1), a person shall pass the exam prescribed by the Ordinance of the Ministry of Agriculture and Forestry.

### **Article 147 (Business of Farm Implement Operation and Management Office)**

- (1) The farm implement operation and management office shall implement the following businesses:
  1. Operation and service of heavy equipment for a farmland improvement project
  2. Farm implement rental
  3. Providing labor using farm implement
  4. Technical training concerning the operation and service of farm implement
- (2) Authorization from the Minister of Agriculture and Forestry shall be obtained concerning the limit of the amount that the Corporation collects for the work under paragraph (1), subparagraphs 2 ~ 4.

### **Article 148 (Financial Support from the State)**

If deemed necessary, the State may subsidize or lend all or part of the capital to a person who manufactures and purchases or operates and maintains farm implement as prescribed by the Presidential Decree.

## **SECTION 3. IMPLEMENTATION OF FARMHOUSE IMPROVEMENT PROJECT**

### **Article 149 (Authorization of Implementation of Project)**

- (1) To implement a farmhouse improvement project, the Corporation shall prepare the project plan for authorization by the Minister of Agriculture and Forestry.
- (2) To grant authorization as per paragraph (1), the Minister of Agriculture and Forestry shall consult with the Minister of Construction.
- (3) Upon granting authorization under the provisions of paragraph (1), the Minister of Agriculture and Forestry shall notify the mayor of Seoul Metropolitan City,



mayor of Busan, or Do governor accordingly.

- (4) The mayor of Seoul Metropolitan City, mayor of Busan, or Do governor shall actively support a farmhouse improvement project implemented by the Corporation and which is within his/her jurisdiction.

### **Article 150 (Establishment of Collectivization Improvement Project)**

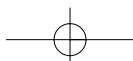
- (1) If deemed necessary to tidy up the environment in an agricultural community and promote the economic development of the agricultural community through the rationalization of agricultural management, the Minister of Agriculture and Forestry may establish a collectivization improvement project for a farmhouse for a certain area.
- (2) The Minister of Agriculture and Forestry shall -- upon preparing a collectivization improvement project under the provisions of paragraph (1) -- announce the project and have the Corporation implement the project.

### **Article 151 (Authorization of Implementation of Collectivization Improvement Project)**

- (1) Upon implementing a collectivization improvement project for a farmhouse, the Corporation shall prepare the action plan for authorization by the Minister of Agriculture and Forestry.
- (2) To grant authorization in paragraph (1), the Minister of Agriculture and Forestry shall consult with the Minister of Construction.
- (3) The Minister of Agriculture and Forestry shall -- upon granting authorization under the provisions of paragraph (1) -- announce the overview of the plan and other matters necessary and notify the head of the Si or Gun concerned.
- (4) Upon receiving a notice as per paragraph (3), the head of the Si or Gun shall post such fact in an easily seen place within the area where a collectivization improvement project for a farmhouse is implemented.

### **Article 152 (Financial Support from the State)**

- (1) If deemed necessary, the State may subsidize or lend all or part of the capital required to a person who implements a collectivization improvement project for a farmhouse.





- (2) The Corporation may receive payment for the materials that it helped find directly from a financial institution as prescribed in the loan policy of a financial institution providing loan in accordance with the provisions of paragraph (1).

### **Article 153 (Installation of Material Manufacturing Plant and Investment)**

If deemed necessary for the mass production and low-cost supply of standardized materials in implementing a farmhouse improvement project, the Corporation may install a manufacturing plant for a farmhouse improvement project or invest in or aid a person who manufactures such materials. In this case, the Corporation shall obtain approval from the Minister of Agriculture and Forestry.

## **SECTION 4. EXPROPRIATION, USE, COMPENSATION OF LAND, ETC.**

### **Article 154 (Expropriation, Use, Compensation of Land, Etc.)**

- (1) A person who implements a farmland improvement project or a farmhouse improvement project may -- if necessary for the implementation of the project -- expropriate, use, or remove or alter the land or an object within the area where the project is implemented.
- (2) In case of paragraph (1), the Land Expropriation Act shall apply to the expropriation and use except matters prescribed in this Act. In such case, authorization from the Minister of Agriculture and Forestry shall be deemed acknowledgment of a project under the Land Expropriation Act.
- (3) In case the land or an object is removed or altered as per the provisions of paragraph (1), fair compensation shall be given if there is a person who suffers loss because of such action.

### **Article 155 (Temporary Use of Land in Emergency, Etc.)**

- (1) The State, local government, union, or Corporation may temporarily use another person's land or use or expropriate earth and rock, bamboos and trees, and other actual objects to prevent the irrigation and drainage facilities, farm-to-market, and other facilities necessary for the preservation or use of farmland (including facilities under construction) being maintained from disasters caused





by snowstorm, flood, tidal wave, or damage to land.

- (2) A person who suffers loss because of such use or expropriation as per paragraph (1) may claim proper compensation.

### **Article 156 (Loss Compensation for the Person Concerned)**

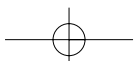
A person who implements a farmland improvement project or a farmhouse improvement project shall -- in case another person suffers loss caused by the project for reasons other than Article 154 (1) -- make fair compensation for the loss except when the provisions in Article 164 (2) are violated.

### **Article 157 (Determination of Compensation Amount)**

- (1) The amount of compensation to be made under the provisions of Articles 154 (2) and (3), 155 (2), 156, or 168 (5) shall be determined by discussion between the parties. In case an agreement has not been reached, or a discussion is not possible, the mayor of Seoul Metropolitan City, mayor of Busan, or Do governor (Minister of Agriculture and Forestry in case a person offering compensation is the mayor of Seoul Metropolitan City, mayor of Busan, or Do governor) makes a decision as provided for in the Presidential Decree.
- (2) A person who has an objection to the decision as per the provisions of paragraph (1) may ask lodge an appeal with the Minister of Agriculture and Forestry as provided for in the Presidential Decree.

### **Article 158 (Deposit of Settlement Amount or Condensation Amount)**

- (1) If a person who implements a farmland improvement project or a farmhouse improvement project pays the settlement amount determined by a replotting plan or an exchange and subdivision and amalgamation plan, price for land in the section with no accompanying replotting, or compensation amount under the provisions of Articles 154 ~ 156, and the restriction on rights other than ownership or on disposal registration is registered, or the right of pledge is created for the land, object, or rights, the person shall deposit the settlement amount or the compensation amount except when consent is obtained from the person who has the proper rights.
- (2) A person who has a right other than ownership in paragraph (1), a person who





registers concerning the restriction on disposal, or a person who has a right of pledge may claim his/her right for the deposited settlement amount or compensation amount.

## SECTION 5. ADJUSTMENT OF RIGHTS

### **Article 159 (Reduction or Reclaiming of Rent for Land, Etc.)**

In case the use of land as the object of superficies, easement, or leasehold is disrupted because of the implementation of a farmland improvement project, the superfiary, easement holder, or leaseholder may claim for the reduction of rent for land, payment for service, or rent for the land or claim for the return of the rent for land, payment for service, or rent for the land.

### **Article 160 (Relinquishment of Rights or Termination of Agreement)**

- (1) In case the purpose of creation of superficies or easement or lease or loan of use is not accomplished because of the implementation of a farmland improvement project, the superfiary, easement holder, or leaseholder or the lessee in the loan of use may relinquish his/her right or terminate the agreement.
- (2) In case of relinquishment of right or termination of the agreement as per the provisions of paragraph (1), the person who has the right may claim for loss compensation generated by the relinquishment of right or termination of the agreement from the appropriate person who implements a farmland improvement project.
- (3) If loss compensation is made under the provisions of paragraph (2), a person who implements a farmland improvement project may make a claim against the landowner as prescribed by the Presidential Decree.

### **Article 161 (Claim for Increase in Rent for Land, Etc.)**

- (1) In case the value of land as the object of superficies, easement, or leasehold is increased because of the implementation of a farmland improvement project, the owner or lessor may claim for the increase in payment for rent for land or easement or rental.
- (2) In case of a claim made under the provisions of paragraph (1), the superfiary,



easement holder, or leaseholder may relinquish his/her right or terminate the agreement to avoid the obligation.

### **Article 162 (Effect of Easement)**

- (1) The easement existing on land determined to be included in replotting shall remain as it is on the land after the notice served as per the provisions of Article 127 (4).
- (2) If a person who is an easement holder is no longer deemed to require receiving the benefit of exercising the right because of the implementation of a farmland improvement project, the easement becomes extinct.
- (3) An easement holder who no longer receives benefit may make a claim for the creation of easement within the limitation of preserving the benefit, except in case of reduction in payment concerning easement by the claim under the provisions of Article 159.

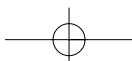
### **Article 163 (Deadline of Claim for Ground Rent)**

In case more than 30 days have passed from the date of notification of replotting plan or authorization of an exchange and subdivision and amalgamation plan, a claim for reduction of ground rent, etc., or refund, relinquishment of right or termination of an agreement, claim for increase in ground rent, etc., and claim for the effect of easement under the provisions of Article 159 or 162 shall not be made except for the case in Article 162 (2).

## **SECTION 6. MISCELLANEOUS RULES**

### **Article 164 (Effect of Notification)**

- (1) In case of failure to announce the required matters under the provisions of this Act, such matters shall be neither valid nor effective against a third party.
- (2) If the authorization of implementation under the provisions of this Act is announced concerning a farmland improvement project or a farmhouse improvement project, the person who has ownership or other rights to land in the area in related to the notice shall neither change the characteristics of the land nor install a structure without permission from the Minister of Agriculture



and Forestry except for the case wherein there is no interference on the project concerned.

### **Article 165 (Transfer, Etc., of National Land)**

- (1) If deemed necessary to abolish all or part of a road, an irrigation canal, a drainage, a bank, a ditch, a reservoir, or the riverbed owned by the government, the Minister of Agriculture and Forestry may transfer the national land to a person who implements a farmland improvement project for free as prescribed by the Presidential Decree. To transfer the riverbed, the Minister of Agriculture and Forestry shall consult with the Minister of Construction.
- (2) person who implements a farmland improvement project may donate to the State the land such as a road, an irrigation canal, a drainage, a bank, a ditch, a reservoir, or the riverbed newly constructed during construction that can substitute the land transferred to him/her for free under paragraph (1).
- (3) National forest or hybrid land in the enforcement area of a farmland improvement project may be sold to a person who implements a farmland improvement project by a private contract, notwithstanding the provisions in the State Properties Act and Forestry Act.
- (4) The proceeds from the sale of the land transferred for free under the provisions of paragraph (1) shall not cover the expendable cost.

### **Article 166 (Subsidy)**

- (1) The State may give subsidy to a person who implements a farmland improvement project as prescribed by the Presidential Decree.
- (2) A local government may give subsidy to a union or a landowner implementing a project under this Act within its jurisdiction as prescribed by the ordinance.
- (3) The subsidy in paragraph (2) may be given in cash or kind.

### **Article 167 (Entrustment of Survey, Design, and Construction Supervision)**

- (1) If deemed necessary for the implementation of a farmland improvement project by the union or a landowner, the landowner may consign the survey, design, and construction supervision to the State, Seoul Metropolitan City, city of Busan, Do, or Corporation.

- (2) In the case of paragraph (1), the consignor shall shoulder the expenses.

### **Article 168 (Survey, Inspection, Reading of Documents, Etc.)**

- (1) The following persons may enter other persons' land to survey and inspect if necessary for the investigation of land, etc., concerning a farmland improvement project when prior notice is served to the occupant of land:
1. Civil servant of the national or a local government
  2. Executive or employee of a union or the Corporation
  3. Applicant under the provisions of Articles 91 and 119
- (2) To take action in paragraph (1), a person in paragraph (1), subparagraph 3 shall obtain permission from the head of a Gu, a Si, or a Gun.
- (3) If the notification under the provisions of paragraph (1) may not be given, such fact shall be announced as prescribed by the Ordinance of the Ministry of Agriculture and Forestry.
- (4) A person who performs survey or inspection under the provisions of paragraph (1) and who falls under paragraph (1), subparagraphs 1 and 2 shall carry a token to indicate the authority; a person falling under paragraph (1), subparagraph 3 shall carry a certificate together with the permission in paragraph (2) to show them to the person concerned.
- (5) In case of loss that commonly occurs because of an action under the provisions of paragraph (1), a person who implements a farmland improvement project shall compensate for such loss.
- (6) A person listed in each subparagraph of paragraph (1) may read or copy the necessary document, ledger, or drawings from the registrar, public tax office, or office of Gu, Si, Gun, Eup, or Myeon or request for their copy.
- (7) The government office shall respond to any request for reading or copying without delay.

### **Article 169 (Exception of Rearrangement Such as Transfer of Land Register)**

- (1) Concerning the rearrangement such as transfer of land register accompanying the disposal of replotting, the provisions in Article 216 of the Local Tax Act and Articles 10 ~ 19 and 28 ~ 31 of the Cadastral Act shall not apply. In case of land division under Article 175 (3), Article 17 of the Cadastral Act shall apply.



- (2) In case of report of or application for change in land because of the implementation of a farmland improvement project, the person who implements a farmland improvement project may substitute the landowner regardless of the provisions in relation to farmland tax in the Local Tax Act and the provisions in the Cadastral Act.

### **Article 170 (Discontinuance of Other Registration)**

the Minister of Agriculture and Forestry approves and announces a replotting plan or an exchange and subdivision and amalgamation plan concerning a farmland improvement project, no other registration may be submitted before the registration of the farmland improvement project is submitted unless the applicant of registration proves that the grounds for registration occurred before the authorization and announcement of a replotting plan or an exchange and subdivision and amalgamation plan by the dated document.

### **Article 171 (Method of Sending Documents)**

If a document does not need to be sent because of the address, and the residence is known, and a person who implements a farmland improvement project makes an announcement instead of sending the document, the document is deemed to have been sent on the date of announcement and considered to have reach the other party within ten days of the date of announcement.

### **Article 172 (Effect on the Successor of Disposal Action, Etc.)**

Disposal and its process and other actions under this act or a provision related to an order under this act shall have effect on the successor of a person having ownership or other rights to land, object, or right concerning the action.

### **Article 173 (Succession of Rights and Obligations)**

The rights and obligations of a person who has ownership or other rights to the land within the enforcement area of a farmland improvement project or a farmhouse improvement project shall be transferred to the successor simultaneously when the ownership or other rights to land are transferred.

### **Article 174 (Calculation of Term)**

The calculation of the term concerning the application for objection under the provisions of this Act does not include the days required for the delivery of the document.

### **Article 175 (Report of Commencement and Completion of Construction, Etc.)**

- (1) A person who implements a farmland improvement project shall report the matters specified by the Ordinance of the Ministry of Agriculture and Forestry to the head of a Gu, a Si, or a Gun and registrar before the commencement of the project.
- (2) In case of commencement or completion of construction, a person who implements a project in paragraph (1) shall report such fact to the head of a Gu, a Si, or a Gun and registrar without delay.
- (3) In case the implementation of construction concerning a farmland improvement project involves disposal of replotting, a person who implements a project shall perform conclusion survey and go through the process of division without delay after the completion of construction.

### **Article 176 (Cadastral Survey)**

A civil servant in civil engineering technology whose duty is related to a farmland improvement project or an employee of the Corporation in civil engineering technology and who passed the screening under the provisions on the cadastral surveyor or a qualifying examination for a registered surveyor or an assistant to a registered surveyor under the Land Survey Act may perform cadastral survey, notwithstanding the provisions in Articles 19 and 20 of the provisions on the cadastral surveyor.

## **SECTION 7. SUPERVISION**

### **Article 177 (Supervision)**

- (1) The Ministry of Agriculture and Forestry shall supervise the union and the Corporation.
- (2) Under this Act and any and all orders under this Act, the Ministry of Agriculture and Forestry may supervise a person who implements a farmland

improvement project, the agriculture mechanization project, and a person who implements a farmhouse improvement project and give orders and take the necessary actions for supervision.

### **Article 178 (Report and Inspection)**

If deemed necessary for the efficient implementation of the project or to determine the progress thereof, the Ministry of Agriculture and Forestry may hear the report of the project or inspect the construction status.

### **Article 179 (Request for Inspection by Union Member)**

- (1) In case the execution of business including accounting by a union violates this Act, any order or disposal under this Act, the articles of association or a business plan, a replotting plan, and an exchange and subdivision and amalgamation plan, a union member may -- with the consent of one-tenth of the total number of union members -- request inspection from the Ministry of Agriculture and Forestry on such grounds.
- (2) In case of a request under paragraph (1), the Ministry of Agriculture and Forestry shall inspect the business or accounting status of a union.

### **Article 180 (Dismissal of Executive, Etc.)**

- (1) In case a violation is found after the inspection under the provisions in Articles 178 and 179, the Ministry of Agriculture and Forestry may order the rectification of the violation.
- (2) If a union violates an order in paragraph (1), the Ministry of Agriculture and Forestry may order full or partial change of the executives of the union within the specified period. If the Corporation violates an order in paragraph (1), the Ministry of Agriculture and Forestry may propose or demand the dismissal of the president from the president and the dismissal of an auditor from the Minister of Finance and dismiss a vice president and a director.

### **Article 181 (Cancellation of Resolution, Election, Etc.)**

- (1) A union member may -- on the grounds of the calling procedure of a general meeting, method of resolution, or method of electing an executive violating the





law or the articles of association -- request the Ministry of Agriculture and Forestry for the cancellation of the resolution, election, or winning of an election with the consent of one-tenth of the total number of union members.

(2) In case of in paragraph (1), the Ministry of Agriculture and Forestry may cancel the resolution, election or winning of an election, if it is deemed that there has been a violation.

**Article 182 (Dissolution Order of Union)**

The Ministry of Agriculture and Forestry may order the dissolution of a union under any of the following cases:

1. The union conducts a business other than that prescribed in Article 37.
2. The union fails to commence the project more than one year from the date of announcement of authorization of establishment without justifiable reason or suspends the project for a period longer than that prescribed by the Presidential Decree.
3. Its purpose of establishment cannot be accomplished because the union area is determined to be a city planning area, an industrial complex, etc.

**Article 183 (Delegation of Authority)**

The Ministry of Agriculture and Forestry may delegate part of the authority under the provisions of this Act to the mayor of Seoul Metropolitan City, mayor of Busan, or Do governor as prescribed by the Presidential Decree.

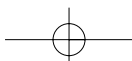
**SECTION 8. PENALTY**

**Article 184 (Penalty)**

Any person who violates the provisions of Article 164 (2) shall be punished with imprisonment for not more than one year or fine of not more than two hundred thousand won.

**Article 185 (Same as Before)**

The following persons shall be punished with imprisonment for not more than six months or fine of not more than one hundred thousand won:





1. Person who rejects or interrupts the removal or change of land or object in Article 154 (1)
2. Person who rejects or interrupts a survey or an inspection under Article 168 (1)
3. Person who fails to make a report under the provisions of Article 178, makes a false report, or rejects or interrupts the inspection in Article 178 or submits false inspection data
4. Person who rejects, interrupts, or avoids an inspection under Article 179 (2)

#### **Article 186 (Same as Before)**

A person who moves, soils, damages, or removes the notice concerning the implementation of a project under this Act as placed under this Act shall be punished with a fine of not more than thirty thousand won.

#### **Article 187 (Same as Before)**

Any executive or employee hired by a person implementing a project under this Act and who prepares false documents intentionally or by negligence after performing survey and design or supervising construction shall be punished with imprisonment for not more than six months or fine of not more than one hundred thousand won.

#### **Article 188 (Penalty Against the Employer and Employee)**

If the CEO of a corporation, or a representative of a corporation or an individual, or an employee, or other staff commits an act described in Articles 184 or 185 concerning the task of the corporation or the individual, both the corporation and the individual shall be slapped with penalty as well as a person who committed the act.

#### **Article 189 (Fine)**

A union's liquidator violating the provisions in Article 61, paragraphs 3 ~ 5 shall be punished with fine of not more than thirty thousand won.

**Addendum <No. 2199, January 12, 1970>**

### **Article 1 (Enforcement Date)**

This Act takes effect on the day of its proclamation.

### **Article 2 (Abolished Law)**

The Land Improvement Projects Act and Underground Water Development Corporation Act shall be abolished on the day of completion of Agricultural Development Corporation's registration under the provisions of Article 11 (5) of the Addendum.

### **Article 3 (Actions Against a Land Improvement Union)**

- (1) A land improvement union established under the Land Improvement Projects Act at the time of this Act's enforcement shall be deemed a land improvement union established under this act at the same time this Act takes effect.
- (2) A land improvement union under the provision of paragraph (1) shall establish the articles of association and register under the provision of Article 15 (1) within twenty days of enforcement of this Act.
- (3) The prior rules of a land improvement union are valid until the rules of a land improvement union established under this Act are enacted within the scope that does not run counter to this Act.

### **Article 4 (Actions Against Long-Term Debt of a Land Improvement Union)**

For the sound fostering of land improvement union under this Act, the government shall rationally adjust and rearrange the long-term debt of a land improvement union before the enforcement of this Act by December 31, 1972.

### **Article 5 (Actions Against Executives, Etc., of a Land Improvement Union)**

Executives and employees -- at the time of enforcement of this Act -- are deemed executives and employees of the land improvement union under this Act at the same time this Act takes effect. Note, however, that the term of executives shall be the end date of the term under the prior provisions.



### **Article 6 (Interim Actions Against an Application for Authorization of Land Improvement Union's Establishment)**

An application for authorization of a land improvement union -- which is already being processed -- under the Land Improvement Projects Act at the time of this Act's enforcement shall be deemed an application for authorization of a land improvement union under this Act within the scope corresponding to the establishment requirements of a land improvement union.

### **Article 7 (Interim Actions Against Authorization, Etc., Concerning Projects)**

- (1) Matters that already obtained authorization, approval, or other measures concerning a land improvement project under the Land Improvement Projects Act at the time of this Act's enforcement shall be deemed to have obtained authorization, approval, or other measures concerning a land improvement project under this Act.
- (2) An application for authorization or approval of a land improvement project -- which is already being processed -- under the Land Improvement Projects Act at the time of this Act's enforcement shall be deemed an application for authorization or approval of a land improvement project under this Act.
- (3) The disposal procedure and other actions already taken under the Land Improvement Projects Act at the time of this Act's enforcement shall be deemed taken under this Act.

### **Article 8 (Transfer of Projects)**

- (1) The land improvement project under Article 2, subparagraph 1 A and which is already implemented by a land improvement union at the time of enforcement of this Act shall be transferred to the Corporation upon the latter's establishment. In this case, the union shall report such fact to the Minister of Agriculture and Forestry.
- (2) If deemed necessary to consider the progress of production process and other matters after receiving the report in paragraph (1), the Minister of Agriculture and Forestry may have the construction continued by the union, notwithstanding the provisions in Article 37.
- (3) A land improvement project taken over by the Corporation under paragraph (1)

shall be deemed a land improvement project for which the Corporation obtained authorization and which is currently implemented by the Corporation under the provisions of Article 115. The rights and obligations of a union arising in relation to the land improvement project shall be generally succeeded by the Corporation.

### **Article 9 (Temporary Measures for General Meeting)**

- (1) A general meeting and a board of representatives shall be established at the time prescribed by the Presidential Decree, notwithstanding the provisions in Article 22.
- (2) Until a general meeting and a board of representatives are established, matters requiring resolution shall be implemented by obtaining approval from the Minister of Agriculture and Forestry.

### **Article 10 (Temporary Measures Against the Selection of Union Executives)**

Until a general meeting and a board of representatives are established, executives of a land improvement union shall be appointed by the Minister of Agriculture and Forestry as prescribed by the Presidential Decree.

### **Article 11 (Preparation of Establishment of Corporation)**

- (1) To handle tasks concerning the merger of Union of Land Improvement Associations and Groundwater Development Corporation and establishment of Agricultural Development Corporation, the establishment committee of Agricultural Development Corporation (hereinafter referred to as “establishment committee”) shall be established.
- (2) The establishment committee consists of a chairman and 5 ~ 7 establishment committee members appointed by the Minister of Agriculture and Forestry. The Deputy Minister of Agriculture and Forestry assumes the chairmanship of the committee.
- (3) Upon completion of the merger of the Union of Land Improvement Associations and Groundwater Development Corporation, the establishment committee shall obtain approval from the Minister of Agriculture and Forestry.
- (4) To grant approval to the merger process under the provisions of paragraph (3),





# AGRICULTURAL GUIDANCE ACT

[Enforced on Feb. 12, 1957] [Act No. 435, Feb. 12, 1957]

## Article 1 (Purpose)

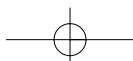
The purpose of this Act is to increase agricultural production and enhance the life of farmers by conducting experiment and research necessary for the advancement of agriculture and by providing farmers with guidance in knowledge and technology for agriculture and the betterment of life.

## Article (Projects) In this Act, "agricultural guidance projects" refer to the following projects:

1. Experiment and research for the advancement of agriculture (farming, forestry, livestock industry, horticulture and other agricultural avocations) and guidance in and distribution of knowledge and technology;
2. Experiment and research in the improvement and preservation of agricultural soil and guidance therein;
3. Guidance in the operation of cooperative organizations;
4. Guidance and instruction for adolescents in agricultural community;
5. Guidance in the improvement of family living in agricultural community;
6. Training of public officials who are to engage in projects in each of the preceding subparagraphs;
7. Projects directly related to the execution of projects in each of the preceding subparagraphs.

## Article 3 (Organization of the Institute of Agriculture)

- (1) The Institute of Agriculture shall be established under the Minister of Agriculture in





order to manage guidance projects and experimental research for agriculture.

- (2) The Institute of Agriculture shall have the Experiment Bureau and the Guidance Bureau.
- (3) The Institute of Agriculture shall have one Administrator and have one Director General in each Bureau.
- (4) The Administrator shall, from among those persons who have a great wealth of knowledge and experience in agriculture, be appointed by the President upon the recommendation of the Minister of Agriculture.
- (5) The Director Generals shall be appointed from among Grade II public officials in technical service and shall assist the Administrator.
- (6) The Administrator shall exercise the overall control of the affairs of the Agency and direct and supervise public officials under his/her jurisdiction.

#### **Article 4 (Experiment Station Research Center)**

In order to attain the goals of experimental research in agriculture, experiment stations or research centers and sub-stations thereof may be established in each Bureau under the Administrator of the Institute of Agriculture, as prescribed by Presidential Decree.

#### **Article 5 (Do Institute of Agriculture and Guidance Office)**

- (1) In order to take partial charge of experimental research and guidance projects related to agriculture, under the Administrator of the Institute of Agriculture, the Do Institute of Agriculture shall be established in Do, and the Si/Gun Agricultural Guidance Office shall be established in Si/Gun.
- (2) The branch offices of the Si/Gun Agricultural Guidance Office may be established in major districts of Si/Gun.
- (3) The Do Institute of Agriculture shall have the Experiment Bureau and the Guidance Bureau.
- (4) The Do Institute of Agriculture shall have one Administrator and have one Director General in each Bureau.
- (5) The Administrator shall be appointed from among Grade II public officials in technical service, and the Director Generals shall be appointed from among Grade III Class A public officials in technical





service and shall assist the Administrator.

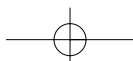
- (6) The Do Institute of Agriculture shall direct and supervise the Si/Gun Agricultural Guidance Office.

#### **Article 6 (Public Officials Engaged in Research or Guidance)**

- (1) The Institute of Agriculture shall have public officials engaged in research in order to have them engage in experiment and research.
- (2) The Institute of Agriculture shall have public officials engaged in guidance in the Institute of Agriculture and in the Agricultural Guidance Office in order to have them engage in agricultural guidance projects.
- (3) Public officials engaged in guidance shall consist of the senior guidance officers and the guidance officers.
- (4) The senior guidance educators shall be appointed from among Grade III public officials, and the guidance educators shall be appointed from among Grade IV public officials.
- (5) Public officials engaged in research or guidance shall be persons who have completed specialized academic courses and meet such qualifications prescribed by Presidential Decree.
- (6) A public official engaged in guidance shall, after his/her appointment, obtain a prescribed training every year.
- (7) A public official engaged in guidance may not participate in or concurrently perform duties other than the agricultural guidance projects as provided for in this Act.

#### **Article 7 (Favorable Treatment of Public Officials Engaged in Research or Guidance)**

- (1) A public official engaged in research or guidance shall, in light of the special nature of his/her duties and responsibilities, be favorably treated in comparison with a general public official, and his/her salary shall be separately prescribed by Presidential Decree.
- (2) A research allowance or guidance allowance shall be paid to the public official under the preceding paragraph.





### **Article 8 (Cooperation from Other Organizations)**

Any organization of the State or local public authorities shall provide cooperation and convenience necessary for implementing agricultural guidance projects and the duties of public officials engaged in research or guidance.

### **Article 9 (Subvention and subsidy)**

A subvention or a subsidy from the national budget may be granted to local public authorities or any other persons who execute the agricultural guidance projects prescribed by this Act.

### **Article 10 (Execution of Guidance Projects by Other Organizations)**

- (1) Any organization of the State or local public authorities may, within budgetary limits, execute agricultural guidance projects in accordance with agricultural guidance projects prescribed by this Act.
- (2) Any organization or entity in the preceding paragraph, if intending to execute the projects prescribed by this Act, shall maintain close contact with the executive bodies prescribed by this Act in advance and during the course of such execution.

### **Article 11 (Enforcement Decree)**

The organization of the Institute of Agriculture, the Do Institute of Agriculture and the Agricultural Guidance Office, types of the fixed number of public officials, remunerations, and other necessary matters except as provided for in this Act shall be prescribed by Presidential Decree.

# ACT ON DISTRIBUTION AND PRICE STABILIZATION OF AGRICULTURAL AND FISHERY PRODUCTS

[Enforced on Jul. 1, 1977] [Act No. 2962, Dec. 31, 1976]

## CHAPTER I. GENERAL PROVISIONS

### Article 1 (Purpose)

The purpose of this Act is to ensure the smooth distribution of agricultural and fishery products and maintain their prices at proper levels to protect the interests of both consumers and producers and to contribute to the stability of the life of citizens.

### Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows:

1. The term “agricultural and fishery products” means agricultural, livestock, fishery, and forest products prescribed by Ordinance of the Ministry of Agriculture and Fisheries;
2. The term “agricultural and fishery products wholesale market” means a market set up in a city area to wholesale, in whole or in part, items prescribed by Presidential Decree, such as vegetables and fruits, poultry and meat, fish, shellfish, seaweeds, and forest products.
3. The term “agricultural and fishery cooperative joint market” means the place of business which is opened and operated for the purpose of selling agricultural and fishery products by agricultural cooperatives, fisheries cooperatives, and the national federations thereof (hereinafter referred to as “agricultural and fisheries cooperatives”).



### **Article 3 (Prohibition of Use of Similar Name)**

Any market other than an agricultural and fishery products wholesale market under this Act shall not use “agricultural and fishery products wholesale market” or any other name similar thereto.

### **Article 4 (Exclusion from Application of Other Act)**

The agricultural and fishery products wholesale market (hereinafter referred to as “wholesale market”) and the agricultural and fishery products joint market under this Act shall be excluded from the application of the Market Act.

## **CHAPTER II.**

## **ADJUSTMENT OF PRODUCTION OF AGRICULTURAL AND FISHERY PRODUCTS AND THEIR SHIPMENT**

### **Article 5 (Adjustment of Shipment)**

The Minister of Agriculture and Fisheries may, if deemed necessary for the smooth distribution of agricultural and fishery products and the stability of the life of citizens, issue an order concerning selling adjustment and the shipment of traded items to the designated wholesaler of any wholesale market and to the head of any agricultural and fishery cooperative joint market.

### **Article 6 (Designation of Producing Complexes)**

(1) When the Minister of Agriculture and Fisheries deems it necessary to encourage or control the production and shipment of agricultural and fishery products to adjust the supply and demand of such products, he or she may designate the items of agricultural and fishery products (hereinafter referred to as “designated item”) and designate the producing complexes or producing water surfaces of each of such agricultural and fishery products (hereinafter referred to as “producing complex”) and provide necessary assistance, such as lending production money, giving technical guidance, etc.



- (2) Necessary matters concerning designation and cancellation of producing complexes under paragraph (1) shall be prescribed by Presidential Decree.

### **Article 7 (Designation of Producers of Designated Items Outside of the Producing Complex)**

- (1) When necessary for the fulfillment of the objectives under Article 6, the Minister of Agriculture and Fisheries may designate a person or an organization of such persons who produces the designated items in an area other than the producing complex and provide necessary assistance, such as lending production money, giving technical guidance, etc.
- (2) The provision of Article 6 (2) shall apply mutatis mutandis to paragraph (1).

### **Article 8 (Contract Production)**

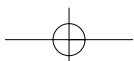
When the Minister of Agriculture and Fisheries deems it necessary for the smooth supply and distribution of the designated items and the maintenance of the appropriate levels of prices thereof, he or she may recommend and mediate the execution of production contracts or culture contracts between persons who export, process, or consume agricultural and fishery products in the amount not less than that prescribed by the Minister of Agriculture and Fisheries and the producers in the producing complexes under Article 6 or the producers of the designated items (hereinafter referred to as “designated producer”) under Article 7, as prescribed by Presidential Decree.

### **Article 9 (Compensation for Losses Caused By Shipment)**

Where it is difficult to secure appropriate prices in consideration of production costs due to a marked fall in the prices of agricultural and fishery products produced by designated producers, the Government may compensate such losses with the proceeds from the Agricultural and Fishery Product Price Stabilization Fund under Article 44 or within budgetary limits, as prescribed by Presidential Decree.

### **Article 10 (Stockpile Business, etc.)**

- (1) The Minister of Agriculture and Fisheries may, when it is deemed necessary to adjust the supply and demand of agricultural and fishery products (excluding



rice and barley) and stabilize the prices thereof, adjust shipment thereof by purchasing and stockpiling agricultural and fishery products or making partial advance payments to producers who are committed to the shipment of agricultural and fishery products with the financial resources from the Agricultural and Fishery Product Price Stabilization Fund.

- (2) In conducting the stockpile or shipment adjustment business under paragraph 1, agricultural and fishery products produced by designated producers shall be preferentially treated, except for cases where there are special circumstances.
- (3) Necessary matters concerning the purchase, management, sales, and implementation of shipment adjustment business of the agricultural and fishery products for the stockpile under paragraphs (1) shall be determined by Presidential Decree.
- (4) The Minister of Food, Agriculture and Fisheries may entrust the business under paragraph (1) to the national federations of agricultural cooperatives or of fisheries cooperatives.

### **Article 11 (Loss Settlement of Stockpile Business, etc.)**

The Minister of Agriculture and Fisheries shall settle any cost loss incurred by wear and tear or price falls and any management costs necessary for the business of transport, storing, packing and control of insects and pests, etc. of stockpiled goods arising from the stockpile business under Article 10 as the costs for the business concerned, as prescribed by Presidential Decree.

## **CHAPTER III.**

## **AGRICULTURAL AND FISHERY PRODUCTS WHOLESALE MARKET**

### **Article 12 (Opening and Operation of Wholesale Market)**

- (1) Seoul Special Metropolitan City, Busan City or Si (hereinafter referred to as "Si") shall open a wholesale market by obtaining permission from the Minister of Agriculture and Fisheries for each business category and for each unit, as prescribed by Presidential Decree.



- (2) The opener of a wholesale market (hereinafter referred to as “opener”) shall have a designated manager operate and manage such market.
- (3) The opener of a wholesale market shall, when it intends to close down such wholesale market, obtain permission from the Minister of Agriculture and Fisheries three months prior to the date of closure.

### **Article 13 (Area for Setting Up Wholesale Market)**

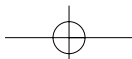
A wholesale market shall be set up in the administrative district of the Si: Provided, That the Minister of Agriculture and Fisheries may, when he or she deems it necessary to ensure the smooth distribution of agricultural and fishery products in the area concerned, incorporate an area adjacent to the area for setting up a wholesale market into such area.

### **Article 14 (Permission for Opening)**

- (1) The head of Si shall, when he or she intends to get permission for setting up a wholesale market under Article 12 (1), file an application for setting up such wholesale market, accompanied by its business regulations and its operation and management plan, to the Minister of Agriculture and Fisheries, as prescribed by Presidential Decree.
- (2) Matters to be prescribed as the business regulations under paragraph (1) and matters necessary for preparing the operation and management plan shall be determined by Ordinance of the Ministry of Agriculture and Fisheries.
- (3) The opener shall, when it intends to alter its business regulations, get approval from the Minister of Agriculture and Fisheries

### **Article 15 (Standards for Permission)**

- (1) The Minister of Agriculture and Fisheries shall, when details of an application for permission filed under the provisions of Article 14 satisfy requirements in the following subparagraphs, grant permission for it:
  1. The place where a wholesale market is to be set up is required to be located at the center of the trade of agricultural and fishery products;
  2. Facilities are required to be in conformity with the standards as prescribed in Article 57 (2);





3. Contents of the business regulations are required to be acknowledged as proper for ensuring the sound operation of a wholesale market;
  4. Contents of the operation and management plan are required to be sound and its implementation is required to be acknowledged as certain.
- (2) The Minister of Agriculture and Fisheries may, where the facilities required under the provisions of paragraph (1) 2 are not installed, grant permission on condition that such facilities be installed within a certain period.

### **Article 16 (Opener's Responsibilities)**

- (1) The opener shall implement matters falling under each of the following subparagraphs to ensure conveniences to traders and protect consumers:
1. Upgrades and improvements of wholesale market facilities and rational management of such facilities;
  2. The establishment of a fair transaction order and the improvement of environment; and
  3. Standardization aimed at increasing the quality of products, the improvement of packaging, and the promotion of the maintenance of freshness.
- (2) The opener shall work out and implement investment plans to efficiently carry out the matters under subparagraph 1 of paragraph (1).

### **Article 17 (Designation of Designated Wholesaler)**

- (1) The opener shall designate a designated wholesaler by obtaining permission from the Minister of Agriculture and Fisheries.
- (2) The designated wholesaler shall be a corporation.
- (3) Qualifications of the designated wholesaler and necessary matters for designation thereof shall be prescribed by Presidential Decree.

### **Article 18 (Business Site of Designated Wholesaler)**

- (1) Any designated wholesaler shall be prohibited from running wholesale business of agricultural and fishery products at any site other than the wholesale market.
- (2) Any designated wholesaler shall be prohibited from concurrently running any business other than the wholesale business of agricultural and fishery products and the appurtenant business thereto.



### **Article 19 (Business Year)**

The business year of the designated wholesaler shall conform to the fiscal year of the Government.

### **Article 20 (Keeping of Accounting Books)**

The designated wholesaler shall keep accounting books and record necessary matters as prescribed by Ordinance of the Ministry of Agriculture and Fisheries.

### **Article 21 (Payment of Guarantee by Designated Wholesaler, etc.)**

- (1) In order to guarantee the payment of money due to consignors and the faithful execution of its business, the designated wholesaler shall pay in advance the guarantee money or provide a collateral to the opener and shall secure the operation funds.
- (2) Necessary matters concerning standards for the guarantee money and for the operation funds and the operation thereof under paragraph (1) shall be prescribed by Ordinance of the Ministry of Agriculture and Fisheries.

### **Article 22 (Permission for Closure, etc.)**

- (1) When the designated wholesaler intends to close down its business, it shall obtain permission from the opener thirty days prior to the date of closure.
- (2) The opener shall, when it has given permission for closure under paragraph (1), make a report thereon to the Minister of Agriculture and Fisheries through a Do governor (referring only to the cases of a Si other than Seoul Special Metropolitan City and Busan City) and shall publicly notify it on a daily newspaper.
- (3) When the designated wholesaler intends to suspend its business on a day other than designated business suspension days under the business regulations, it shall obtain permission from the opener ten days prior to the date of business suspension and shall, when it obtains such permission, publicly notify it.

### **Article 23 (Permission for Intermediate Sale Business)**

- (1) Any person other than a person who has obtained permission by business category from the opener shall not run the intermediate sale business of



agricultural and fishery products in a wholesale market.

- (2) Standards for permission under paragraph (1) shall be prescribed by Presidential Decree.
- (3) Any person who has obtained permission for his or her intermediate sale business under paragraph (1) (hereinafter referred to as “intermediate seller”) shall be prohibited from performing the act of obstructing participation in the trade by trade participants registered under Article 24.

#### **Article 24 (Registration of Trade Participants)**

- (1) Except for the intermediate seller, any person who intends to participate in wholesale trade in the wholesale market shall register with the opener as prescribed by Ordinance of the Ministry of Agriculture and Fisheries.
- (2) When there is an application for registration of trade participants under paragraph (1), the opener shall not refuse it.

#### **Article 25 (Payment of Guarantee Money by Intermediate Seller, etc.)**

- (1) The intermediate seller shall, in order to secure the payment of money for the agricultural and fishery products he or she purchases, pay in advance the guarantee money or provide collateral to the designated wholesaler.
- (2) Standards for the guarantee money under paragraph (1) shall be prescribed by Ordinance of the Ministry of Agriculture and Fisheries.

#### **Article 26 (Appointment and Dismissal of Certified Auctioneers)**

- (1) Any designated wholesaler shall have certified auctioneers to ensure speedy and fair transactions in any wholesale market.
- (2) The designated wholesalers shall appoint or dismiss certified auctioneers after obtaining the approval from the opener.
- (3) The opener may, when a certified auctioneer has violated this Act or an order under this Act or performed a markedly unfair act in carrying out his or her duties, cancel the approval for his or her appointment.
- (4) Matters concerning qualification standards for the certified auctioneer and the appointment and dismissal thereof shall be prescribed by Presidential Decree.

## **Article 27 (Duties and Status of Certified Auctioneers)**

- (1) Any certified auctioneer shall perform duties falling under each of the following subparagraphs:
  1. Decision on the priority of auctions for the agricultural and fishery products put on sales under Article 30;
  2. Evaluation of prices of the agricultural and fishery products put on sales; and
  3. Decision on successful bidders on agricultural and fishery products put on sales.
- (2) Any certified auctioneer shall be prohibited from engaging in any other duties, except in cases where he or she has obtained permission from the opener, and shall be prohibited from conducting any unfair acts favoring the interest of specific persons by taking advantage of his or her status.
- (3) Any certified auctioneer shall be deemed a civil servant in the application of the provisions of Articles 129 through 132 of the Criminal Act.

## **Article 28 (Principle of Sales on Consignment)**

Any wholesale trade executed by any designated wholesaler in the wholesale market shall be done in the form of sales on consignment: Provided, That where special reasons prescribed by Ordinance of the Ministry of Agriculture and Fisheries exist, such wholesaler may purchase and wholesale agricultural and fishery products on its own account.

## **Article 29 (Transaction Method)**

Any agricultural and fishery products in the wholesale market shall be traded by means of auction or bidding: Provided, That where special reasons prescribed by Ordinance of the Ministry of Agriculture and Fisheries exist, such products may be traded at fixed prices or ad libitum.

## **Article 30 (Method of Auction or Bidding)**

- (1) Any designated wholesaler shall sell agricultural and fishery products put on sales on any wholesale market by means of auction or bidding prescribed by Ordinance of the Ministry of Agriculture and Fisheries in order of consignment to any person bidding the highest price.



### **Article 31 (Notice of Shipped Amounts, etc.)**

Any designated wholesaler shall put up each day a notice of the shipped amounts and the trade prices of the major items that it trades in an easily observable area in the market concerned.

### **Article 32 (Prohibition on Refusal of Consignment, etc.)**

Any designated wholesaler or any certified auctioneer shall, in the execution of its or his or her business, not refuse or evade the consignment of agricultural and fishery products shipped in or the sales of consigned agricultural and fishery products without any justifiable reasons or unjustly discriminate against traders.

### **Article 33 (Takeover of Traded Agricultural and Fishery Products)**

- (1) Any purchaser of agricultural and fishery products put on sales in any wholesale market shall take over such products immediately after the trade is effected.
- (2) Any designated wholesaler may, in the event that the purchaser under paragraph (1) refuses or neglects the takeover of his or her purchased agricultural and fishery products without any justifiable reasons, store such products for a specific period at the purchaser's expenses, or execute the trade again by the cancellation of the problematic trade without any peremptory notice for its execution.
- (3) In cases of paragraph (2), any loss incurred by the difference shall be borne by the initial purchaser.

### **Article 34 (Payment)**

- (1) Any designated wholesaler shall, when agricultural and fishery products consigned are traded, settle payments to the consignor of such products without delay: Provided, That when there is a special agreement between a designated wholesaler and a consignor with respect to the method of payment, the settlement of such payments shall be governed by such special agreement.
- (2) When a designated wholesaler has not settled payments under paragraph (1), any unpaid portion of the payments shall be paid to the consignor with additional remunerations added for the delay of payment, as prescribed by Presidential Decree.

### **Article 35 (Limitations on Collection of Fees, etc.)**

- (1) Any opener, any designated wholesaler or any intermediate seller shall be prohibited from collecting money for any purpose other than the amount of money in the following subparagraphs:
1. Usage fees which the opener collects from any designated wholesaler as minimum expenses required for the maintenance and management of its wholesale market;
  2. Consignment fees corresponding to a fixed rate of the traded amount, which any designated wholesaler collects from any shipper who has consigned his or her agricultural and fishery products for sale;
  3. Intermediate commissions corresponding to a specified percentage of the traded amount, which any intermediate seller who has intermediated the purchase of agricultural and fishery products in any wholesale market collects from a person who has purchased such products.
- (2) The rates of the usage fees and commissions as prescribed in each subparagraph of paragraph (1) shall be determined by Ordinance of the Ministry of Agriculture and Fisheries.

### **Article 36 (Restrictions on Trade)**

The Minister of Agriculture and Fisheries may, when deemed particularly necessary for establishing trading order and protecting consumers through the improved quality of products, prohibit or restrict the act of selling or purchasing for the purpose of selling, without going through the distribution process of any wholesale market or any agricultural and fishery cooperative joint market, items prescribed by Presidential Decree in any wholesale market area or in any district of a Si in which any agricultural and fishery cooperative joint market is set up.

### **Article 37 (Maintenance of Trade Order)**

- (1) Anyone shall be prohibited from violating the normal trade in the wholesale market, and the opener shall take measures necessary to maintain trading order in the wholesale market.
- (2) The Minister of Agriculture and Fisheries may, as prescribed by Presidential Decree, have public officials under his or her control (including public officials



belonging to local governments) crack down on any person who trades in violation of this Act.

- (3) The public officials engaged in the crackdown under paragraph (2) shall produce certificates showing their authority to the persons concerned.

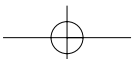
**Article 38 (Association of Designated Wholesalers)**

- (1) Designated wholesalers may establish an association of designated wholesalers for the wholesale markets of agricultural and fishery products (hereinafter referred to as “association”) to ensure the sound and independent progress of the wholesale market.
- (2) In case of the establishment of an association, not less than ten persons qualified as members of the said association shall become promoters and host the inaugural general meeting by obtaining the consent of a majority of the persons qualified as members of the said association and shall draw up the articles of association and obtain an authorization for such establishment from the Minister of Agriculture and Fisheries.
- (3) The association shall be a corporation.
- (4) The association shall be supervised by the Minister of Agriculture and Fisheries.
- (5) Except as provided in this Act, the provisions concerning an incorporated association as referred to in the Civil Act shall apply mutatis mutandis to the association.

**CHAPTER IV. AGRICULTURAL AND FISHERY COOPERATIVE JOINT MARKET**

**Article 39 (Establishment of Joint Market)**

When intending to open a joint market, any agricultural and fishery cooperative shall obtain approval from the Minister of Agriculture and Fisheries.



#### **Article 40 (Establishment of Local Sales System)**

Agricultural and fishery cooperatives shall work out and implement measures for sales in order to protect producers, such as implementing the local auction system for major items shipped from producing areas, expanding cooperative shipments, etc.

#### **Article 41 (Establishment and Operation of Agricultural and Fishery Products Collection Centers)**

- (1) Agricultural and fishery cooperatives shall, when deemed necessary for creating a distribution system under which agricultural and fishery products can be shipped directly to mass-consumption areas, establish and operate agricultural and fishery products collection centers.
- (2) When agricultural and fishery cooperatives establish an agricultural and fishery products collection center under paragraph (1), the State and local governments shall cooperate in selecting proper locations and opening new road networks to ensure the efficient operation of the agricultural and fishery products collection center and increase conveniences for producers to ship out their agricultural and fishery products.
- (3) Agricultural and fishery cooperatives shall take appropriate measures to promote the standardization of items shipped to agricultural and fishery products collection centers, and shall put up a notice to inform the trade prices per items for that day or the day before in agricultural and fishery products collection centers.

#### **Article 42 (Preferential Support)**

The State and local governments shall, when agricultural and fishery cooperatives request the use of distribution facilities for agricultural and fishery products established by the State and local governments, preferentially provide conveniences.

#### **Article 43 (Operation of Agricultural and Fisheries Cooperatives Joint Market, etc.)**

The trade methods and other matters necessary for the operation of the agricultural and fishery cooperative joint market shall be prescribed by Ordinance of the Ministry of Agriculture and Fisheries.



<b>CHAPTER V.</b>	<b>AGRICULTURAL AND FISHERY PRODUCT PRICE STABILIZATION FUND</b>
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**Article 44(Establishment of Fund)**

- (1) The Government shall establish the Agricultural and Fishery Product Price Stabilization Fund (hereinafter referred to as the “Fund”) to secure financial resources for the purpose of promoting a smooth supply and demand of agricultural products and the stabilization of their prices and facilitating the modernization of distribution facilities.
- (2) The Fund shall be sixty billion won.

**Article 45 (Raising Fund)**

- (1) The Fund shall be raised from the financial resources in the following subparagraphs:
  - 1. Contributions from the Government budget;
  - 2. Surpluses from the settlement of accounts of the Fund
- (2) When it is deemed necessary for the operation of the Fund, borrowings from the Bank of Korea or other funds may be made on the Fund’ s account.

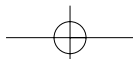
**Article 46 (Fund Management Agency)**

The Minister of Agriculture and Fisheries shall operate and manage the Fund.

**Article 47 (Operation of Fund)**

The Minister of Agriculture and Fisheries may, as prescribed by Presidential Decree, extend loans or lending from the Fund if necessary for the policy measures in the following subparagraphs;

- 1. Price adjustment of agricultural and fishery products and the encouragement or adjustment of production or shipment;
- 2. Promotion of exports of agricultural and fishery products;
- 3. Storage, management and processing of agricultural and fishery products;
- 4. Promotion of shipment to wholesale markets and agricultural and fishery cooperative joint markets;







5. Enhancing the marketability of agricultural and fishery products;
6. Other projects recognized as necessary by the Minister of Agriculture and Fisheries for the improvement of distribution structure, stabilization of prices of agricultural and fishery products.

#### **Article 48 (Accounting Organ of Fund)**

- (1) The Minister of Agriculture and Fisheries shall appoint the fund accounting commander taking charge of the causative acts of the Fund expenditure and of the Fund revenue collection (hereinafter referred to as the “accounting commander”) and the Fund accounting official engaged in receipts and disbursements of the Fund (hereinafter referred to as the “accounting official”) from among public officials under his or her jurisdiction.
- (2) The Minister of Agriculture and Fisheries shall, where he or she appoints the accounting commander and the accounting official under paragraphs (1), notify the Chairman of the Board of Audit and Inspection, the Minister of Finance and the Governor of the Bank of Korea.
- (3) The provisions for the financial officer and tax revenue collection officer under the Act on Liability of Accounting Personnel, etc. shall apply mutatis mutandis to the accounting commander, and the provisions for the disbursing officer and the accounting official under the same Act shall apply mutatis mutandis to the accounting official.

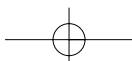
#### **Article 49 (Deductible Expenses of Fund)**

Where any of the following expenses are incurred, the Minister of Agriculture and Fisheries shall include them as deductible expenses of the Fund:

1. Deficits that have occurred as a result of the implementation of the stockpile business of agricultural and fishery products projects under Article 10;
2. Interests on the loan, and expenses needed to operate the Fund.

#### **Article 50 (Plans for Fund Operation)**

- (1) The Minister of Agriculture and Fisheries shall establish a plan for Fund operation prior to the commencement of each fiscal year and shall obtain approval from the President through the deliberation by the State Council.





- (2) The plan for Fund operation under paragraph (1) shall contain the matters under the following subparagraphs:
  - 1. Matters concerning the revenue and expenditure of the Fund;
  - 2. Matters concerning purposes, subjects, interest rate and period for loaning or lending;
  - 3. Other matters necessary for the operation of the Fund.
- (3) The period for the loans under paragraph (2) 2 shall not exceed one year: Provided, That the same shall not apply to the case where it is deemed to be inappropriate to make the loan period not exceeding one year in the light of the purpose for using the loans, such as a loan of the fund for facilities.

**Article 51 (Prohibition of Use for Other Purposes)**

Any person who has gotten loans from the Fund shall be prohibited from using such loans for purposes other than those for which such loans have been extended.

**Article 52 (Report on Settlement of Accounts)**

The Minister of Agriculture and Fisheries shall prepare a report on the operation and settlement of accounts of the Fund each fiscal year to furnish it to the Minister of Finance no later than the 20th of March of the following fiscal year.

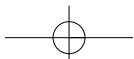
**Article 53 (Operation and Management of Fund)**

Except those provided for in this Act, necessary matters for the operation and management of the Fund shall be prescribed by Presidential Decree.

CHAPTER VI.	UPGRADES OF AGRICULTURAL AND FISHERY PRODUCTS DISTRIBUTION STRUCTURE
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**Article 54 (Basic Policy for Upgrades)**

The Minister of Agriculture and Fisheries shall, where it is deemed necessary to





ensure a smooth supply and demand of agricultural and fishery products and establish the distribution order of such products, formulate a basic policy for upgrading the distribution structure for agricultural and fishery products (hereinafter referred to as the “basic policy”) which contains matters falling under each of the following subparagraphs and publish the basic policy.

1. Matters relating to the upgrades of the facilities of wholesale markets and agricultural and fishery cooperative joint markets falling short of the facility standards under Article 57 (2);
2. Matters relating to the reorganization of merchants who sell agricultural and fishery products in violation of Article 36.
3. Matters relating to the replacement and relocation of the facilities of wholesale markets and agricultural and fishery cooperative joint markets;
4. Matters relating to the prevention of price manipulations by intermediate sellers and auctioneers;
5. Matters relating to the establishment of a competitive service system of the distribution structure and the shortening of distribution channels to protect both producers and consumers;
6. Matters relating to the upgrades of wholesale markets whose business performance has been poor or whose operation has been in suspension, and the replacement of designated wholesalers.

### **Article 55 (Upgrade Plan by Area)**

- (1) Seoul Special Metropolitan City Mayor, Busan City Mayor or Do governor (hereinafter referred to as “Do governor”) shall, when the basic policy under Article 54 is published, draw up an upgrade plan by area in line with the basic policy and implement it after getting approval from the Minister of Agriculture and Fisheries.
- (2) The Minister of Agriculture and Fisheries may, when details of the upgrade plan by area referred to in paragraph (1) are deemed incompatible with the basic policy, or the upgrade plan is deemed ineffective due to a change in circumstances, grant approval after partially modifying or supplementing the upgrade plan.



### **Article 56 (Market Opening or Order to Upgrade)**

- (1) The Minister of Agriculture and Fisheries may, if he or she deems it necessary for effectively implementing the basic policy under Article 54, order the openers or the agricultural and fishery cooperatives to merge, relocate or close down the wholesale markets or the agricultural and fishery cooperative joint markets, as prescribed by Presidential Decree.
- (2) The Minister of Agriculture and Fisheries may, if he or she deems it necessary to open a wholesale market or an agricultural and fishery cooperative joint market in a specific area to ensure a smooth supply and demand of agricultural and fishery products in the said area, order the head of a Si or of an agricultural and fishery cooperative having jurisdiction over the said area to open such wholesale market or such agricultural and fishery cooperative joint market.
- (3) The Government shall compensate any loss incurred by the order referred to in paragraph (1) to the openers, designated wholesalers or agricultural and fishery cooperatives, as prescribed by Presidential Decree.

### **Article 57 (Modernization of Distribution Facilities, etc.)**

- (1) The Minister of Agriculture and Fisheries may, for promoting the modernization of distribution facilities for agricultural and fishery products, order any openers, any agricultural and fishery cooperatives or any designated wholesalers to improve and upgrade the facilities used for sales, transportation, custody and storage of agricultural and fishery products.
- (2) The standards for the facilities to be installed in any wholesale market or in any agricultural and fishery cooperative joint market shall be prescribed by business category by Ordinance of the Ministry of Agriculture and Fisheries in consideration of the population and trading volume of the area concerned.

### **Article 58 (Promotion of Standardization, etc.)**

- (1) The Minister of Agriculture and Fisheries may, for the improvement of marketability of agricultural and fishery products and the formation of fair trade, determine standard dimensions for traded items and order any openers, any agricultural and fishery cooperatives or any designated wholesalers to take measures necessary for the promotion of standardization.



- (2) The Minister of Agriculture and Fisheries may restrict or prohibit, in specific areas or markets, the trading of agricultural and fishery products deemed to be feared to harm a fair trade order due to their inconformity to the standard dimensions under paragraph (1), as prescribed by Presidential Decree.

### **Article 59 (Financial Support)**

The Government may provide any openers or any agricultural and fishery cooperatives with loans or subsidies within the limit of budget to improve the distribution structure of agricultural and fishery products and to develop distribution establishments.

## **CHAPTER VII. SUPERVISION**

### **Article 60 (Report)**

The Minister of Agriculture and Fisheries may get any designated wholesaler or the opener of any agricultural and fishery cooperative joint market to file a report with respect to its current property and the current performance of its business.

### **Article 61 (Inspection)**

- (1) The Minister of Agriculture and Fisheries may, under the conditions as prescribed by Ordinance of the Ministry of Agriculture and Fisheries, get his or her public officials (including public officials belonging to local governments) to check the business, books and the state of property of any wholesale market, any agricultural and fishery cooperative joint market or any person who has been extended loans or lending from the Fund.
- (2) The provisions of Article 37 (3) shall apply mutatis mutandis to the public officials assigned to make the checks under paragraph (1).

### **Article 62 (Order)**

- (1) The Minister of Agriculture and Fisheries may, where it is deemed necessary to properly operate any wholesale market and any agricultural and fishery cooperative joint market, order the opener or the designated wholesaler to

change the business regulations, improve the business performance and take other measures necessary for the sake of his or her supervision.

- (2) The Minister of Agriculture and Fisheries may order any person who has received loans or lending from the Fund to take measures necessary for the sake of his or her supervision.

### **Article 63 (Suspension of Operation or Cancellation of Permission)**

- (1) When any opener has violated this Act or an order or disposition issued under this Act, the Minister of Agriculture and Fisheries may cancel the permission for opening.
- (2) When any designated wholesaler or intermediate seller has violated this Act or an order or disposition issued under this Act, the Minister of Agriculture and Fisheries may order its or his or her business suspended for a fixed period not exceeding six months or cancel the approval under Article 17 (1), or may order the opener to cancel the permission under Article 23 (1).

### **Article 64 (Delegation of Authority, etc.)**

The Minister of Agriculture and Fisheries may, as prescribed by Presidential Decree, delegate part of his or her authorities under this Act to the head of the Fisheries Administration and Do governor or entrust it to the chairman of National Agricultural Cooperative Federation and the chairman of National Federation of Fisheries Cooperatives.

## **CHAPTER VIII.**

## **PENAL PROVISIONS**

### **Article 65 (Penal Provisions)**

Any person falling under any of the following subparagraphs shall be punished by imprisonment for not more than two years, or by a fine not exceeding 2 million won:

1. A person who uses “agricultural and fishery products wholesale market” or any other market name similar thereto in violation of Article 3;
2. A person who runs a wholesale market for agricultural and fishery products for the purpose of wholesaling agricultural and fishery products under Article 2 (2)



without obtaining permission under Article 12 in the wholesale market area or in the jurisdictional area of Si in which an agricultural and fishery cooperative joint market has already opened;

3. A person who sells or purchases agricultural and fishery products in violation of Article 36;
4. A person who continues to run its or his or her business after having been subjected to a disposition taken under Article 63.

### **Article 66 (Penal Provisions)**

Any person falling under any of the following subparagraphs shall be punished by imprisonment for not more than one year or by a fine not exceeding one million won:

1. A person who has closed down or suspended his or her business in violation of Article 22;
2. A person who has appointed or dismissed a certified auctioneer in violation of Article 26 (2);
3. A person who has collected expenses, including fees, in violation of Article 35;
4. A person who has failed to make a report or made a false report under Article 60;
5. A person who has refused, obstructed or evaded the crackdown or inspection or made a false statement to the questioning by a person engaged in the crackdown or inspection under Article 37 (2) or 61 (1).

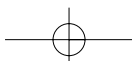
### **Article 67 (Penal Provisions)**

Any person falling under any of the following subparagraphs shall be punished by a fine not exceeding fifty thousand won:

1. A person who interferes with trade in violation of Article 37 (1);
2. A person who violates an order issued under Article 62.

### **Article 68 (Joint Penal Provisions)**

When the representative of a corporation or an agent, employee or other servant of corporation or individual commits an offense under Articles 65 through 67 in connection with the business of the corporation or individual, not only shall such violator be punished, but the corporation or individual shall also be punished under the provisions of the relevant Article.



# AGRICULTURAL MECHANIZATION PROMOTION ACT

[Enforced on Mar. 6, 1979] [Act No. 3120, Dec. 5, 1978]

## Article 1 (Purpose)

The purpose of this Act is to contribute to the improvement of agricultural productivity and the modernization of agricultural community by facilitating the distribution of agricultural machinery and promoting more efficient use of such machines.

## Article 2 (Definitions)

The terms used in this Act are defined as follows:

1. The term "agricultural machinery" refers to machines and equipment, and parts and accessories thereof, needed to efficiently perform plowing, grading, seeding, transplanting, irrigation, fertilization and management, pest control, harvesting, product processing, management of livestock, and other agricultural works. Provided, That the heavy machinery under Article 2 (1) of the Heavy Machinery Management Act shall be excluded.
2. The term "agricultural mechanization project" means a program for promoting the improvement of agricultural structure by enhancing agricultural production technology through research, survey, production, distribution and use of agricultural machinery, technical training, follow-up management, and safety control.

## Article 3 (Duty to Promote Agricultural Mechanization)

The State or a local government shall promote agricultural mechanization by preparing policies necessary for promoting distribution of agricultural machinery and facilitation of joint use thereof, research, development, and follow-up management, and for technical guidance and training of users of agricultural machinery.



#### **Article 4 (Financial Support)**

- (1) The Government may grant a full or partial subsidy to a person who intends to purchase an agricultural machine or install an auxiliary facility for the use of such machine for the funds required for such purchasing or installation.
- (2) In order to facilitate the supply of an agricultural machine publicly notified as a distribution model under Article 7, the Government may provide a full or partial loan for a fund required for the manufacturing of such agricultural machine to a manufacturer of such agricultural machine.

#### **Article 5 (Basic Plan for Agricultural Mechanization)**

- (1) The Minister of Agriculture and Fisheries shall establish the basic plan for agricultural mechanization (hereinafter referred to as "basic plan") and publicly notify the contents thereof. The same shall also apply to any modification thereto.
- (2) The basic plan under paragraph (1) shall stipulate the following matters:
  1. Matters concerning the supply and demand of agricultural machinery;
  2. Matters concerning the facilitation of the use of agricultural machinery;
  3. Matters concerning technical training in agricultural machinery;
  4. Matters concerning follow-up management of agricultural machinery;
  5. Matters concerning research, development, and testing of agricultural machinery;
  6. Matters concerning safety control of agricultural machinery;
  7. Matters necessary for facilitating agricultural mechanization, such as financial support.

#### **Article 6 (Implementation Plan)**

The Minister of Agriculture and Fisheries shall draw up every year an implementation plan necessary to carry out the basic plan under Article 5.

#### **Article 7 (Public Notification of Distribution Models)**

The Minister of Agriculture and Fisheries shall, if necessary to facilitate the production and distribution of agricultural machines, publicly notify agricultural machines appropriate for the promotion of agricultural mechanization projects as distribution models.



### **Article 8 (Establishment of Fund)**

The Government shall establish the Agricultural Mechanization Promotion Fund (hereinafter referred to as "Fund") in order to secure financial resources necessary for the promotion of agricultural mechanization projects.

### **Article 9 (Creation of the Fund)**

The Fund shall consist of the following financial resources:

1. Contributions from the Government;
2. Loans from foreign countries;
3. Contributions from individuals and groups;
4. Proceeds from the operation of the Fund.

### **Article 10 (Operation and Management of the Fund)**

(1) The Fund shall be used for the following purposes:

1. Support for purchasing or producing agricultural machinery;
2. Support for facilitating the joint use of agricultural machinery;
3. Support for research, development, or survey of agricultural machinery.
4. Support for technical training in or follow-up management of agricultural machinery
5. Projects that the Minister of Agriculture and Fisheries deems necessary for the implementation of the basic plan under Article 5.

(2) The Fund shall be managed by the Minister of Agriculture and Fisheries.

(3) Matters necessary for the operation and management of the Fund shall be prescribed by Presidential Decree.

### **Article 11 (Adjustment of Supply and Demand)**

When it is deemed necessary to make an adjustment to supply and demand of agricultural machinery due to urgent conditions such as disaster recovery, the Minister of Agriculture and Fisheries may issue the manufacturer or seller of distribution models under Article 7 (hereinafter referred to as "distribution model agricultural machines") the following instructions:

1. Adjustment to the production plan of each model
2. Adjustment to the volume of sales in each region



3. Adjustment to the seller of each model
4. Matters particularly necessary for implementing countermeasures against disasters.

### **Article 12 (Price Adjustment)**

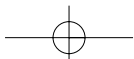
The Minister of Agriculture and Fisheries may, if deemed necessary for facilitating the smooth supply of distribution model agricultural machines, designate the maximum price for such machines pursuant to the provisions under Article 2 of the Price Stabilization and Fair Trade Act.

### **Article 13 (Joint Use)**

The Government may, if considered necessary for facilitating joint use of agricultural machinery and enhancing the extent of such use, grant full or partial subsidies for funds expended on purchasing such agricultural machinery and on installing, operating, and managing auxiliary facilities therefore to joint-use business operators of agricultural machinery.

### **Article 14 (Testing of Distribution Model Agricultural Machines for Approval)**

- (1) A manufacturer or an importer of an agricultural machine shall receive a test of such manufactured or imported distribution model agricultural machine by the Minister of Agriculture and Fisheries for approval. Provided, That an imported distribution model agricultural machine may be exempted from such test in part or in whole, as prescribed by Ordinance of the Ministry of Agriculture and Fisheries.
- (2) The Minister of Agriculture and Fisheries, if necessary for a test under paragraph (1), may cause a public official under his/her jurisdiction to inspect the accounting books and other documents of the manufacturer or the importer of the relevant agricultural machine, or may have the distribution model agricultural machine submitted for inspection and have its test pieces collected.
- (3) A public official who conducts inspection under paragraph (2) shall present an identification verifying his/her authority to the related persons.
- (4) Necessary matters concerning the types, standards and methods of a test under paragraph (1), and handling and disposal of products for testing purposes, etc. shall be prescribed by Ordinance of the Ministry of Agriculture and Fisheries.





### **Article 15 (Follow-up Management, etc.)**

- (1) A manufacturer or a seller of a distribution model agricultural machine shall be equipped with a follow-up management system, as prescribed by Ordinance of the Ministry of Agriculture and Fisheries.
- (2) A person who intends to engage in follow-up management of agricultural machinery as a business shall be equipped with qualifications and the facilities specified by Ordinance of the Ministry of Agriculture and Fisheries.

### **Article 16 (Safety Control)**

The Minister of Agriculture and Fisheries may, if deemed necessary for safety control of agricultural machinery, instruct a manufacturer of agricultural machinery to attach safety devices to agricultural machinery.

### **Article 17 (License)**

- (1) A person who intends to operate an agricultural machine prescribed by Presidential Decree shall obtain a license from the Minister of Agriculture and Fisheries. Provided, That a person who has obtained a driver's license for motor vehicles under other Acts and is designated by Ordinance of the Ministry of Agriculture and Fisheries shall not require such license.
- (2) Necessary matters concerning the driver's license under paragraph (1) shall be prescribed by Ordinance of the Ministry of Agriculture and Fisheries.

### **Article 18 (Registration of Agricultural Machinery)**

A person who owns an agricultural machine under Article 17 (1) shall register such agricultural machine with a Mayor of Seoul Metropolitan City, a Mayor of Busan Metropolitan City or a Do governor (hereinafter referred to as "Do governor")

### **Article 19 (Entrustment of Agricultural Mechanization Projects)**

The Minister of Agriculture and Fisheries may entrust part of agricultural mechanization projects to an agricultural cooperative (including the National Agricultural Cooperative Federation) or a corporation or an organization established to facilitate agricultural mechanization projects.

### **Article 20 (Delegation of Authority)**

Part of the authority of the Minister of Agriculture and Fisheries under this Act may be delegated to a Do governor, the Administrator or the Rural Development Administration, or the head of the National Agricultural Materials Inspection Service, as prescribed by Presidential Decree.

### **Article 21 (Penal Provisions)**

A manufacturer or an importer who sells a distribution model agricultural machine without receiving a test under Article 14 (1) shall be punished by imprisonment for not more than one year or by a fine not exceeding one million won.

### **Article 22 (Penal Provisions)**

A person who falls under any of the following subparagraphs shall be punished by a fine for negligence not exceeding fifty thousand won:

1. A person who drives an agricultural machine concerned on a road provided in the Road Act without obtaining a driver's license under Article 17 (1);
2. A person who fails to register under Article 18 (1).

### **Article 23 (Joint Penal Provisions)**

Where the representative of a corporation, or an agent, an employee or any other employed person of a corporation or an individual is punished under Article 21 or Article 22 in connection with the business of the said corporation or individual, not only shall such wrongdoer be punished accordingly, but the corporation or the individual shall be punished by a fine or a fine for negligence as prescribed in the respective Articles.

### **Article 24 (Enforcement Decree)**

Matters necessary for the enforcement of this Act shall be prescribed by Presidential Decree.



# FRAMEWORK ACT ON AGRICULTURE

[Enforced on Jan. 16, 1967] [Act No. 1871, Jan. 16, 1967]

## CHAPTER I.

## GENERAL PROVISIONS

### Article 1 (Purpose)

The purpose of this Act is to prescribe, in light of the fact that agriculture forms the basis of the national economy, the direction of the basic policy of the Government to modernize agricultural management through the amelioration and correction of its natural, economic and social constraints, to ensure increase in the production of food and other agricultural products through the advancement of agricultural productivity, and to enhance the levels of living and culture of agricultural community through the improvement of the production, pricing, and distribution structures of agricultural products, the increase in income of agricultural households and the realization of a parity of their income with those engaged in other industries.

### Article 2 (Government Policy)

- (1) The Government shall comprehensively establish and implement all policies necessary for increasing agricultural productivity, inducing growth in income of agricultural households, and improving the structure of agriculture.
- (2) Regarding the policies under the preceding paragraph, the uniqueness of each local community shall be taken into consideration.

### Article 3 (Cooperation of Local Government)

Local Governments shall take administrative and financial measures necessary for



the implementation of various projects prescribed in this Act.

#### **Article 4 (Submission of Document Relating to Agricultural Policy)**

The Government shall submit each year to the National Assembly, together with a budget bill, an agricultural trend report and a document specifying policy on the agricultural production, management, prices, income, and the living standards of farmers, etc., through the deliberation of the Agricultural Policy Council (hereinafter referred to as "Council").

#### **Article 5 (Annual Report on Agricultural Trend)**

The Government shall submit each year a report on the policy under the preceding Article through the deliberation of the Council.

#### **Article 6 (Agricultural Observation)**

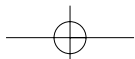
- (1) The Government shall make an observation on the production of and demand for major agricultural products and shall publish it through the deliberation of the Council.
- (2) The Government shall, in establishing and implementing plans and polices on agricultural production, distribution of agricultural products and prices thereof, take into consideration the results of agricultural observation under the preceding paragraph.

#### **Article 7 (Financial and Monetary Measures)**

The Government shall take financial and monetary measures necessary for fulfilling the objectives of this Act, and shall establish the Agricultural Modernization Fund, etc. for the rationalization of agricultural production, distribution, processing and disposal, etc. and earmark the Fund in the budget every year in order to ensure its efficient operation.

#### **Article 8 (Reduction and/or Exemption of Taxes)**

The Government shall take legislative measures necessary for granting tax reductions and/or exemptions to the processing and exportation of agricultural products, agricultural accidents, the exchange, subdivision or combination of





farmland and the readjustment of arable land, agricultural mechanization and the importation of original seeds, and facilities for the welfare and cultural enhancement of agricultural community.

## CHAPTER II.

## AGRICULTURAL PRODUCTION

### **Article 9 (Measures on Agricultural Production)**

In order to improve agricultural productivity and increase gross agricultural production, the Government shall work out and implement necessary policy measures, such as the expansion and rearrangement of agricultural production infrastructure, the upgrading of agricultural capital equipment, and the enhancement of agricultural technology, etc.

### **Article 10 (Measures on Agricultural Accidents)**

The Government shall work out and implement rational policy measures to ensure the stability of agricultural management, such as financial insurance or compensation systems for agricultural accidents.

### **Article 11 (Supply of Agricultural Materials)**

In order to increase agricultural productivity, the Government shall work out and implement policy measures to ensure the production and improvement of agricultural materials such as fertilizers, pesticides, and agricultural implements, and the cheap supply thereof.

### **Article 12 (Expansion of Technology and Guidance Projects)**

The Government shall work out and implement policy measures necessary for the training of agricultural guidance officers, experimental research projects, and farmer education and technology distribution.





**CHAPTER III.**

**PRICE AND DISTRIBUTION**

**Article 13 (Stability and Adequacy of Prices for Agricultural Products)**

- (1) In order to increase the income of agricultural households, the Government shall work out and implement policy measures necessary for ensuring the stabilization of adequate prices for major agricultural products.
- (2) Regarding the policy measures for the stabilization of reasonable prices under the preceding paragraph, production conditions, supply and demand conditions, prices and other economic conditions shall be taken into account, and the deliberation of the Council shall be required.

**Article 14 (Improvement of Distribution of Agricultural Products)**

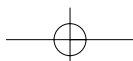
- (1) For the rationalization of the distribution of agricultural products, the Government shall take necessary measures, such as the improvement of the buying and selling business of agricultural cooperatives and agricultural organizations, etc., and the rearrangement of distribution structures, and the improvement of trade conditions, etc.
- (2) The Government shall work out and implement policy measures necessary for the improvement and expansion of facilities for the processing of agricultural products and the improvement of technology, and the supply of funds, etc.

**Article 15 (Import Control and Export Promotion)**

- (1) The Government shall, if necessary for the protection and promotion of domestic agricultural products substituting for imported agricultural products, take necessary measures such as tariff rates control and import restrictions.
- (2) In order to promote the export of agricultural products, the Government shall take necessary measures, such as the establishment of trade order, market research and the strengthening of public relations.

**Article 16 (Improvement of the Structure of Food Consumption)**

The Government shall take measures necessary to improve the structure of food consumption and to enhance the nutrition levels of citizens.



**CHAPTER IV.****IMPROVEMENT OF AGRICULTURAL STRUCTURE****Article 17 (Fosterage of Self-supporting Family Farming)**

The Government shall work out and implement policy measures necessary to foster the self-supporting family farming to ensure the realization of the improvement of management efficiency, of adequate remuneration for labor in family management, and of a parity of their income with those engaged in other industries.

**Article 18 (Promotion of Corporate Farming and Cooperative Farming)**

- (1) The Government shall work out and implement policy measures necessary for the promotion of corporate farming to ensure the increased production of agricultural products for export and for industrial use as raw materials.
- (2) In order to improve agricultural productivity, the Government shall work out and implement policy measures necessary for engendering cooperation-oriented agricultural management by promoting the organization of entities for agricultural production.

**Article 19 (Prevention of Fractionation of Agricultural Management)**

In order to ensure the maintenance of the adequate scale of agricultural management, the Government shall work out and implement policy measures necessary for the prevention of the fractionation of farmland.

**Article 20 (Increase of Employment Opportunity)**

In order to ensure the availability of employment opportunities for farmers, the Government shall work out and implement policy measures such as the promotion of industrial enterprise in agricultural community, the promotion of avocations in agricultural households, etc., and the job training of farmers for moving out into other industries, etc..

**Article 21 (Expansion and Rearrangement of Production Infrastructure)**

- (1) In order to develop and expand the agricultural production infrastructure, the

Government shall work out and implement policy measures necessary for the expansion of the right to food, such as clearing, reclamation, water resources development and pasture development, etc. and for the prevention of abandoned or idle farmland.

- (2) For the rationalization of agricultural management, the Government shall work out and implement policy measures necessary for the furtherance of the use of land designated for agricultural use, such as exchange, subdivision or combination of farmland, and the readjustment of arable land, etc., and for the formation of main production areas for the geographical optimization of crop production.

### **Article 22 (Measures for Livestock Farming)**

In order to increase income for agricultural households and improve the diets of citizens, the Government shall work out and implement necessary policy measures, such as the promotion of the livestock farming, the improvement of distribution structures, the expansion and reinforcement of processing facilities and livestock cooperative organizations, etc.

### **Article 23 (Measures for Mountainous Districts)**

For the rationalization of forestry management and the improvement of the economic use thereof, the Government shall take necessary measures, such as the development of mountainous districts, the improvement of the mountainous district system, and the formation of forestry cooperative organizations.

## **CHAPTER V.**

## **RURAL WELFARE AND CULTURAL IMPROVEMENT**

### **Article 24 (Improvement of Rural Welfare)**

In order to improve the levels of the welfare and culture of agricultural community, the Government shall work out and implement policy measures, such as the improvement of living conditions of farmers, the improvement and expansion of public health and hygiene, and of transportation, telecommunications, telephone and other cultural facilities, and social security, etc.



**Article 25 (Improvement of Rural Culture)**

In order to develop the cooperative spirits of local community and ensure the improvement of farmers' knowledge, the Government shall take measures necessary for the preservation of agricultural community's folk culture and the cultural assets thereof.

**CHAPTER VI. AGRICULTURAL ADMINISTRATIVE ORGANIZATIONS AND AGRICULTURAL ORGANIZATIONS**

**Article 26 (Rearrangement and Reinforcement of Agricultural Administrative Organizations)**

The State and local governments shall rearrange and strengthen the agricultural administrative organizations to ensure the efficient execution of agricultural policy measures.

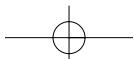
**Article 27 (Improvement of Agricultural Organizations)**

In order to develop agriculture and improve the economic and social status of farmers, the State and local Governments shall work out and implement policy measures necessary for the democratic organization of agricultural organizations, such as agricultural cooperatives, and the independent operation thereof.

**CHAPTER VII. AGRICULTURAL POLICY COUNCIL**

**Article 28 (Establishment)**

The Government shall establish the Agricultural Policy Council under the President as an advisory organ for the deliberation of matters concerning important policy measures under this Act.



**Article 29 (Organization)**

- (1) The Council shall be constituted of not more than fifteen members.
- (2) Matters concerning the organization and operation of Council shall be prescribed by Presidential Decree.

Article 30 (Budgetary Measure) The Government shall earmark the expenses necessary for the operation of the Council in the budget every year.

# FARMLAND ACT

[Enforced on Jan. 1, 1996.1.1.] [Act No. 4817, Dec. 22, 1994]

## CHAPTER I.

## GENERAL PROVISIONS

### Article 1 (Purpose)

The purpose of this Act is to contribute to the strengthening of agricultural competitiveness, the balanced development of the national economy and the preservation of national land based on the stabilization of farmers' agricultural management and the improvement of agricultural productivity through the efficient utilization and management of farmland by prescribing necessary matters for ownership, utilization and preservation, etc. of farmland.

### Article 2 (Definitions)

The terms used in this Act shall be defined as follows:

1. The term "farmland" means any of the following pieces of land:
  - (a) A rice field, a field, an orchard and other land actually used as farmland for crops or land for cultivating perennial plants regardless of the legal land category: Provided, That the foregoing does not include any land prescribed by Presidential Decree, including grassland created under the Grassland Act;
  - (b) Land for facilities prescribed by Presidential Decree as facilities necessary for agricultural production, such as fixed structure greenhouses and mushroom-growing houses, and land for improvement facilities (prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries as facilities necessary for the preservation or use of farmland, such as irrigation



- reservoirs, water lifting and drainage systems, water channels, farm roads, embankments and other facilities) for the land referred to in item (a).
2. The term “farmer” means an individual person who is engaged in agriculture as prescribed by Presidential Decree;
  3. The term “agricultural corporate body” means an incorporated farming association established under Article 6 of the Act on the Special Measures for Development of Agricultural and Fishing Villages, and an agricultural corporation established under Article 7 of the same Act and satisfying all requirements of the following items:
    - (a) An agricultural corporation shall be an unlimited partnership, a limited partnership, or a limited-liability company;
    - (b) The total amount of investment contributed by farmers shall exceed 1/2 of the total investment amount of such agricultural corporation;
    - (c) The employee who represents an agricultural corporation (in the case of a limited partnership, referring to a director) shall be a farmer.
    - (d) Not less than 1/2 of the employees having executive authority of an agricultural corporation (in the case of a limited partnership, referring to directors) shall be farmers.
  4. The term “agricultural management” means that a farmer or an agricultural corporate body conducts agricultural business on his/ her/its own account and responsibility;
  5. The term “self-cultivation” means that a farmer is constantly engaged in the cultivation of crops or the culture of perennial plants in his/her own farmland, or cultivates or cultures not less than half the farming with his/her own labor, or an agricultural corporate body cultivates crops or cultures perennial plants in its own farmland;
  6. The term “entrusted management” means the agricultural management that the owner of farmland entrusts all or any part of the farming to another person by agreement with him/her to pay a certain remuneration for the farming;
  7. The term “lease” means a contract under which the owner of farmland promises the other party who intends to conduct agricultural management by using the farmland concerned to allow him/her to use and benefit from the farmland and

the other party promises to pay a lease charge in return.

8. The term “free-lending” means a contract under which the owner of farmland promises the other party who intends to conduct agricultural management by using the farmland concerned to allow him/her to use and benefit from the farmland free of charge and the other party promises to return the farmland concerned after using and benefiting from the farmland concerned.
9. The term “diversion of farmland” means that farmland is used for purposes other than for agricultural production or improvement of farmland, such as the cultivation of crops or the culture of perennial plants.

### **Article 3 (Basic Concept concerning Farmland)**

- (1) Since farmland is the foundation necessary for food supply to the nation and for the preservation of national land, and is a valuable finite resource influencing the harmonious development of agriculture and the national economy, it shall be carefully preserved and properly managed for public welfare. The exercise of the rights to farmland shall entail necessary restrictions and obligations.
- (2) Farmland shall be owned and used in a manner that enhances the productivity of agriculture, and shall not become an object of speculation.

### **Article 4 (Obligations of the State, etc.)**

- (1) The State and local governments shall devise and execute policies concerning farmland so that the basic concept concerning farmland may be realized.
- (2) When devising policies concerning farmland, the State and local governments shall endeavor to contribute to the fosterage of agriculture and the balanced development of the national economy by making the preservation and reasonable utilization of farmland possible through necessary regulations and adjustments.

### **Article 5 (National Obligations)**

The whole nation shall respect the basic concept concerning farmland and cooperate for the policies concerning farmland executed by the State and local governments.



## CHAPTER II.

## OWNERSHIP OF FARMLAND

**Article 6 (Restriction on Ownership of Farmland)**

- (1) Farmland shall be owned by a person who uses or will use it only for his/her own agricultural management.
- (2) In any of the following cases, notwithstanding paragraph (1), a person may own farmland even if it is not used for his/her own agricultural management:
  1. Where the farmland is owned by the State or a local government;
  2. Where the farmland is acquired and owned, as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries, by a school under the Education Act, or by a public organization, agricultural research institution, agricultural producer organization, or a producer of seeds and seedlings or of other agricultural machinery and materials as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries for use as necessary land for experiments, research, practice, or land for producing seeds and seedlings with a view to conducting his/her intended business;
  3. Where the person acquires and owns the farmland by inheritance (including testamentary gift to an inheritor; hereinafter the same shall apply);
  4. Where the person retains the ownership of the farmland owned at the time he/she ceased farming after he/she, who had conducted agricultural management for a period longer than that prescribed by Presidential Decree, ceased farming;
  5. Where the person acquires and owns mortgaged farmland under Article 12 (1).
  6. Where a person who has obtained permission for diversion of farmland under Article 36 (1) (including any authorization, permission, and approval, etc. which is legally construed as permission for diversion of farmland under other Acts), or a person who has made a report on diversion of farmland under Article 37 or 45, owns the farmland;
  7. Where the person owns farmland, the consultation on diversion of which under Article 36 (2) has been completed;
  8. Where the person acquires and owns farmland smaller than 1,500 square meters as prescribed by Presidential Decree in a farmland development

project district under Article 21 (2) of the Rural Development Corporation and Farmland Management Fund Act.

9. Where farmland is acquired and owned under any of the following items:
  - (a) Where the Rural Development Corporation acquires and owns farmland under the Rural Development Corporation and Farmland Management Fund Act;
  - (b) Where farmland is acquired and owned under Article 16, 43, 56, 67, or 85 of the Rearrangement of Agricultural and Fishing Villages Act;
  - (c) Where a farmland improvement cooperative acquires and owns farmland under Article 16 of the Agricultural Community Modernization Promotion Act;
  - (d) Where reclaimed farmland is acquired and owned under the Public Waters Reclamation Act;
  - (e) Where farmland is acquired and owned by land expropriation;
  - (f) Where farmland is acquired and owned under the Act on Special Cases concerning the Acquisition of Land for Public Use and the Compensation for their Loss;
  - (g) Other cases where farmland is acquired and owned by a project operator, etc. in connection with the development project of land, etc. as prescribed by Presidential Decree.
- (3) Where farmland is leased or lent free of charge under subparagraphs 2 through 4 of Article 22, notwithstanding paragraph (1), the farmland may continue to be owned during the period of the lease or lending, even if not used for his/her own agricultural management.
- (4) Except as permitted in this Act, no special case concerning the ownership of farmland shall be prescribed.

#### **Article 7 (Maximum Level of Farmland Ownership)**

- (1) A person shall not own farmland located outside of an agricultural promotion area under Article 30 in excess of 30,000 square meters (in the case of a farmer, it means that the total farmland owned by all members of his/her household shall not exceed 30,000 square meters): Provided, That this shall not apply to a person who falls under any of the following subparagraphs:



1. A person who owns farmland under Article 6 (2) 1 through 3, 5 through 7, or 9;
  2. A farmer whose ownership of farmland is recognized in consideration of cultivated crop, management capabilities, the collectivization of farmland, and the efficient use of agricultural machinery, etc. by the head of a Si (referring to the head of a Si which does not have Gus; hereinafter the same shall apply to Article 8, 10, 11, 19, 64 and 65)/Gun/Gu having jurisdiction over the seat of the farmland, as prescribed by Presidential Decree (This shall apply only to a case where the total area owned by all members of the farmer's household does not exceed 50,000 square meters);
  3. A person who owns farmland due to the merger of agricultural corporations, or due to other reasons prescribed by Presidential Decree.
- (2) Notwithstanding paragraph (1), an incorporated farming association may own farmland not exceeding an area computed by multiplying 30,000 square meters by the number of the members who are farmers.
- (3) A person who has acquired farmland by inheritance but does not conduct agricultural management thereof may own a total of 10,000 square meters of the land only, of the farmland inherited, and a person who ceased farming after he/she had conducted agricultural management for a period longer than that prescribed by Presidential Decree may own a total of 10,000 square meters of the farmland only, of the farmland owned at the time when he/she ceased farming.

### **Article 8 (Issuance of Qualification Certificates for Acquisition of Farm-land)**

- (1) Any person who intends to acquire farmland shall obtain the qualification certificate for acquisition of farmland from the head of a Si (in the case of a Si in the form of urban-rural complex, referring only to cases where the seat of the farmland is in a Dong district), the head of a Gu (in the case of a Gu of a Si in the form of urban-rural complex, referring only to cases where the seat of the farmland is in a Dong district), or the head of an Eup or Myeon (hereinafter referred to as the "head of a Si/Gu/Eup/Myeon") having jurisdiction over the seat of the farmland; if falling under any of the following subparagraphs, a person may acquire farmland without obtaining the qualification certificate for acquisition of farmland:



1. Where acquiring farmland under Article 6 (2) 1, 3, 5, 7 or 9;
  2. Where acquiring farmland by merger of an incorporated agricultural body;
  3. Where acquiring farmland due to the partition of co-owned farmland, or due to other reasons prescribed by Presidential Decree.
- (2) A person who intends to obtain a qualification certificate for acquisition of farmland under paragraph (1) shall formulate an agricultural management plan, and after obtaining confirmation that the plan meets the provisions under Article 6 and 7 from not less than two members of the Farmland Management Committee having jurisdiction over the seat of the farmland under Article 46 as prescribed by Presidential Decree, and file an application for issuance of the certificate to the head of a Si/Gu/Eup/Myeon: Provided, That a person who acquires farmland under Article 6 (2) 6 may apply for issuance of the certificate without obtaining confirmation from the members of the farmland management committee:
1. Area of the farmland to be acquired;
  2. Plan for securing labor force, agricultural machinery, equipment and facilities required for the agricultural management of the farmland to be acquired;
  3. Utilization status of the farmland owned (only applicable to a person who owns farmland).
- (3) Confirmation standards under paragraph (2) shall be prescribed by Presidential Decree.
- (4) When a person who acquires farmland after having obtained a qualification certificate for acquisition of farmland under the main sentence of paragraph (1) and paragraph (2) applies for registration of ownership of the farmland, he/she shall attach the qualification certificate for acquisition of farmland to the application therefor.

**Article 9 (Entrusted Management of Farmland) An owner of farmland shall not entrust the management of his/her own farmland to another person except in any of the following cases:**

1. Where conscripted or called under the Military Service Act;
2. Where traveling abroad for not less than six months;



3. Where an incorporated agricultural body is in the process of liquidation;
4. Where self-cultivation is impossible on account of disease, school attendance, taking public office by election, or due to other reasons prescribed by Presidential Decree;
5. Where the management of farmland is entrusted according to the performance plan of the farmland utilization promotion project under Article 16;
6. Where a farmer entrusts part of his/her farming work to another person because his/her own labor force is insufficient.

### **Article 10 (Disposal of Farmland, etc. not Used for Agricultural Management)**

- (1) Where an owner of farmland falls under any of the following subparagraphs, he/she shall dispose of the farmland concerned (in the case of subparagraph 5, referring to farmland whose area exceeds the maximum limit of ownership of farmland) within one year from the date of accrual of the relevant cause:
  1. Where an owner fails to use his/her farmland for his/her own agricultural management without justifiable reasons, or where the head of a Si/Gun/Gu has recognized as such;
  2. Where three months have passed since an agricultural corporation owning the farmland has failed to meet the requirements of any of the items under subparagraph 3 of Article 2;
  3. Where the head of a Si/Gun/Gu has recognized that a person who acquired the farmland under Article 6 (2) 2 ceases to use the farmland for the purported project concerned;
  4. Where a person who acquired the farmland under Article 6 (2) 6 has not commenced the purported project within two years from the date of acquisition of such farmland;
  5. Where it has been proved that the owner of farmland owns the farmland exceeding the maximum limit of ownership of farmland under Article 7;
  6. Where it has been proved that the farmland was acquired with the qualification certificate for acquisition of farmland issued under Article 8 (1) by fraudulent or other unjust means;
  7. Where the head of a Si/Gun/Gu has recognized that the owner of farmland has not implemented the details of the agricultural management plan under



Article 8 (2) without justifiable reasons.

- (2) The head of a Si/Gun/Gu shall notify the owner of farmland who has become liable to dispose of farmland that he/she shall dispose of the farmland with information on the farmland subject to disposition and the period of obligation for disposition, etc., as prescribed by Ordinance of Ministry for Agriculture, Forest and Fisheries.

### **Article 11 (Disposition Orders and Requests for Purchase)**

- (1) The head of a Si/Gun/Gu may order an owner of farmland who has not disposed of farmland subject to disposition within the period of obligation for disposition under Article 10 (1) to dispose of the farmland within six months.
- (2) Where an owner of farmland is ordered to dispose of his/her farmland under paragraph (1), he/she may request the Rural Development Corporation under the Rural Development Corporation and Farmland Management Fund Act to purchase the farmland.
- (3) The Rural Development Corporation may, where it is requested to purchase farmland under paragraph (2), purchase the farmland on the basis of the officially notified land price under the Public Notice of Values and Appraisal of Lands, etc. Act (referring to the individual land price calculated under Article 10 of the same Act if there is no officially published land price for the land concerned; hereinafter the same shall apply). In such cases, if the actual transaction price of the land in the neighborhood is lower than the officially published land price, it may purchase the land concerned on the basis of the actual transaction price.
- (4) The funds necessary for the purchase of farmland by the Rural Development Corporation under paragraph (3) shall be financed by the Farmland Management Fund under Article 32 (1) of the Rural Development Corporation and Farmland Management Fund Act.

### **Article 12 (Acquisition of Mortgaged Farmland)**

- (1) A mortgagee of farmland who falls under any of the following subparagraphs may, if there is no successful bidder, even though the date of auction to execute the mortgage right has been held on no less than two times, participate in

auction for the mortgaged farmland in the auction held thereafter and acquire ownership of the mortgaged farmland:

1. Agricultural cooperatives under the Agricultural Cooperatives Act, fisheries cooperatives under the Fisheries Cooperative Act, livestock industry cooperatives under Livestock Cooperatives Act, forestry cooperatives under the Forestry Cooperatives Act, and ginseng cooperatives under Ginseng Cooperatives Act, and the National Federations thereof;
  2. Rural Development Corporation;
  3. Financial institutions established under the Banking Act and other financial institutions prescribed by Presidential Decree.
- (2) The mortgagee of farmland under paragraph (1) 1 and 3 may entrust the disposition of the farmland that he/she has acquired under paragraph (1) to the Rural Development Corporation.

## CHAPTER III.

## UTILIZATION OF FARMLAND

### SECTION I Promotion of Utilization of Farmland, etc.

#### **Article 13 (Formulation of Farmland Utilization Plan)**

- (1) The head of a Si/Gun/autonomous Gu (excluding the head of a Si/autonomous Gu, the farmland over which he/she has jurisdiction is the same as or smaller than the area prescribed by Presidential Decree) shall hear the opinions of the inhabitants for the efficient utilization of farmland as prescribed by Presidential Decree and formulate a plan for the overall utilization of the farmland under his/her jurisdiction (hereinafter referred to as “farmland utilization plan”) through the deliberation of the Si/Gun rural development deliberation committee under Article 52 of the Act on the Special Measures for Development of Agricultural and Fishing Villages. The same shall also apply to any modification of the formulated plan.
- (2) Each of the following shall be included in the farmland utilization plan:
  1. Utilization plan by district and by use;



2. Plan for expansion of management scale for the efficient utilization of farmland and the improvement of the agricultural management;
  3. Plan for utilization of farmland for purposes other than farming.
- (3) If the head of a Si/Gun/autonomous Gu has formulated the farmland utilization plan (including cases of modification; hereafter the same shall apply in this Article) under paragraph (1), he/she shall confirm and publicly announce the contents of the plan with the approval of the competent Special Metropolitan City Mayor, Metropolitan City Mayor or Do Governor (hereinafter referred to as the “Mayor/Do Governor”), and make the contents of the plan available for public perusal.
- (4) When the farmland utilization plan is confirmed, the Mayor/Do Governor, or the head of a Si/Gun/autonomous Gu shall endeavor to ensure that the farmland under his/her jurisdiction may be properly utilized or developed in accordance with the farmland utilization plan, and make necessary investment and support.
- (5) Matters necessary for formulating the farmland utilization plan shall be prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries.

#### **Article 14 (Execution of Farmland Utilization Promotion Projects)**

The head of a Si/Gun/autonomous Gu, the Rural Development Corporation or other person prescribed by Presidential Decree (hereinafter referred to as “project operator”) may execute any of the following projects for the promotion of the utilization of farmland in accordance with the farmland utilization plan (hereinafter referred to as “farmland utilization promotion project”):

1. A project promoting the transfer of ownership in farmland by means of sale and purchase, exchange, partition or merger, etc. of farmland;
2. A project promoting establishment of the right of lease of farmland (including rights accruing from free lending; hereinafter the same shall apply) by means of the long-term lease or the long-term free lending of farmland;
3. A project promoting entrustment of agricultural management;
4. A project fostering agricultural management bodies in order to improve agricultural management by the joint use or collective use of farmland by farmers or agricultural corporate bodies.



### **Article 15 (Requirements for Farmland Utilization Promotion Projects)**

A farmland utilization promotion project shall meet the requirements of each of the following items:

1. Farmland shall be used for the purpose of agricultural management;
2. Establishment of the right of lease, transfer of the ownership of farmland, entrustment of and being entrusted with agricultural management shall contribute to the expansion of the scale of the agricultural management of a farmer or an agricultural corporation or to the collectivization of utilization of farmland;
3. It shall contribute to the promotion of efficiency of agricultural management by the reduction of expenses of agricultural management, including both production and distribution expenses of agricultural products through automatization, mechanization, etc.

### **Article 16 (Formulation of Implementation Plans for Farmland Utilization Promotion Projects)**

- (1) When the head of a Si/Gun/autonomous Gu intends to implement a farmland utilization promotion project, he/she shall formulate an implementation plan for the farmland utilization promotion project, as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries, and shall, after obtaining the consent under paragraph 5, confirm it through deliberation by the Si/Gun rural development deliberative council. The same shall also apply to any modification to the formulated plan.
- (2) When a project operator, other than the head of a Si/Gun/autonomous Gu, intends to perform a farmland utilization promotion project, he/she shall formulate an implementation plan for the farmland utilization promotion project, as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries, and shall, after obtaining the consent under paragraph 5, have it confirmed by obtaining the approval of the head of a Si/Gun/autonomous Gu. The same shall also apply to any modification to the approved matter.
- (3) When the head of a Si/Gun/autonomous Gu makes a decision to approve an implementation plan for the farmland utilization promotion project, he/she shall do so through deliberation by the Si/Gun rural development



deliberative council.

- (4) Each of the following matters shall be included in an implementation plan for the farmland utilization promotion project:
  1. Implementation Areas of the farmland utilization promotion project;
  2. Matters concerning a person who has ownership or a right of lease of farmland, a person for whom a right of lease will be established, a person to whom ownership will be transferred or a person who entrusts agricultural management or who will be entrusted therewith;
  3. Matters concerning farmland for which the right of lease is established, or farmland the ownership of which is transferred or farmland the agricultural management of which is entrusted or farmland a person is entrusted with its agricultural management;
  4. Matters concerning the terms of the right of lease to be established or the details of entrusting or being entrusted with agricultural management;
  5. The timing for transfer of the ownership, the price for the transfer and the payment method therefor, and other matters prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries.
- (5) When the project operator has formulated an implementation plan for the farmland utilization promotion project, he/she shall obtain the consent of the persons included in the plan concerned pursuant to the classifications set forth in the following subparagraphs:
  1. In the case of a project promoting the transfer of ownership under the subparagraph 1 of Article 14, not less than two thirds (2/3) of the owners;
  2. In the case of a project promoting establishment of the right of lease under the subparagraph 2 of Article 14, not less than two thirds (2/3) of those who shall establish the right of lease and those against whom the right of lease shall be established;
  3. In the case of a project promoting entrustment of management under the subparagraph 3 of Article 14, not less than two thirds (2/3) of trustees and trusters (In the case where trustees are designated after the public notification of the implementation plan for the farmland utilization promotion project, referring to trusters).

## **Article 17 (Public Notification and Effect of Implementation Plans for Farmland Utilization Promotion Projects)**

- (1) When the head of a Si/Gun/autonomous Gu has confirmed an implementation plan for the farmland utilization promotion project under Article 16 (1) or has approved an implementation plan under paragraph (2) of the same Article, he/she shall, without delay, publicly notify the implementation plan as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries, and make it available for the perusal of interested persons.
- (2) Where public notification of an implementation plan for the farmland utilization promotion project has been made under paragraph (1), the project operator, with the consent of the persons included in the implementation plan for the farmland utilization promotion project and referred to in each subparagraph of Article 16 (5), shall thereby entrust the registration of the relevant farmland, as prescribed by Presidential Decree.
- (3) Where the project operator entrusts the registration under paragraph (2), the papers which have confirmed the implementation plan for the farmland utilization promotion project under Article 16 (1) or the papers which have obtained the approval of the implementation plan for the farmland utilization promotion project under paragraph (2) of the same Article and the written consent under paragraph (2) shall be deemed papers proving the cause of the registration under Article 40 (1) 2 of the Registration of Real Estate Act.
- (4) Article 3 of the Act on Special Measures for the Registration of Real Estate shall not apply to an entrustment of registration in accordance with an implementation plan for the farmland utilization promotion project.

## **Article 18(Support to Farmland Utilization Promotion Projects)**

The State and local governments shall provide necessary guidance and arrangement for the smooth execution of a farmland utilization promotion project and may partially subsidize expenses incurred in relation to the project within their budgetary limits.

## **Article 19 (Designation of Cultivators by Proxy, etc.)**

- (1) The head of a Si/Gun/Gu may designate a person who will cultivate idle



farmland (referring to farmland prescribed by Presidential Decree as farmland not used for the cultivation of crops or for the culture of perennials) instead of an owner or a lessee of the said farmland (hereinafter referred to as “cultivator by proxy”) as prescribed by Presidential Decree.

- (2) When intending to designate a cultivator by proxy under paragraph (1), the head of a Si/Gun/Gu shall notify in advance the owner or the lessee of the farmland as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries thereof, and when he/she has designated a cultivator by proxy, he/she shall send a written notice of designation to the cultivator by proxy and the owner or the lessee of the farmland, respectively.
- (3) The period for cultivation by proxy shall be one year unless prescribed otherwise.
- (4) The cultivator by proxy shall pay 10/100 of the yield to the owner or the lessee of the farmland concerned as the rent of the farmland, as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries. In such cases, if the owner or the lessee refuses to receive the rent or if it is difficult to pay the rent, the cultivator by proxy may deposit the rent of the farmland.
- (5) In order for the owner or the lessee of the farmland cultivated by proxy to cultivate the said farmland in person, he/she shall apply, no later than three months prior to the expiration of the period for cultivation by proxy under paragraph (3) and after the expiration of the period for cultivation by proxy, for the suspension of the designation of the cultivator by proxy to the head of a Si/Gun/Gu as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries, and the head of a Si/Gun/Gu who receives the said application shall notify the cultivator by proxy and the owner or the lessee of the farmland concerned of the suspension of the designation of the cultivator by proxy within one month from the date of the receipt of the application.
- (6) The head of a Si/Gun/Gu may terminate the designation of the cultivator by proxy even before the expiration of the period for cultivation by proxy where the owner or the lessee of the farmland cultivated by proxy applies for termination of the designation as cultivator by proxy with justifiable reasons or the cultivator by proxy neglects his/her cultivation, or where there are other reasons prescribed by Presidential Decree.



- (7) When a cultivator by proxy has been designated under paragraph (1), the owner or the lessee of the relevant farmland shall not interfere with the cultivation of the cultivator by proxy.

### **Article 20 (Improvement and Preservation of Soil)**

- (1) The State and local governments shall implement projects concerning the improvement and preservation of soil and devise policies concerning experiments, research, survey, etc. for the improvement and preservation of soil so that farmers and agricultural corporate bodies may continue the environment-preservable agricultural management.
- (2) In order to achieve the purposes referred to in paragraph (1), the State may partially subsidize, within its budgetary limits, the expenses incurred by local governments, agricultural producers' organizations, farmers or agricultural corporate bodies as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries in executing projects for improvement and preservation of soil.

### **Article 21 (Prevention of Fractionation of Farmland Ownership)**

In order to prevent the fractionation of farmland ownership of farmers or agricultural corporate bodies, the State and local governments may give necessary support so that a farmer or an agricultural corporate body may be inherited, donated or transferred en bloc.

## **SECTION 2 Lease, etc. of Farmland**

### **Article 22 (Lease or Free Lending of Farmland)**

Except in any of the following cases, no farmland shall be leased or lent free of charge:

1. Farmland under Article 6 (2) 1, and 3 through 9;
2. Farmland leased or lent free of charge pursuant to an implementation plan for the farmland utilization promotion project under Article 16;
3. Farmland owned by a person who has not be engaged temporarily in agricultural management by reasons of disease, conscription, school attendance, taking

public office by election, or other unavoidable reasons as prescribed by Presidential Decree;

4. Farmland of which period of use for a person's own agricultural management is over five years, out of the pieces of the farmland owned by the person prescribed by Presidential Decree, who has ceased to be engaged in agricultural management due to attaining the age of 60 or older.

### **Article 23 (Method of Contract for Lease or Free Lending)**

A contract for lease or free lending shall be, in principle, entered into in writing.

### **Article 24 (Period of Lease)**

- (1) The period of a lease shall be not less than one year: Provided, That it shall be not less than three years where perennial plants are cultured or where agricultural facilities are installed for the cultivation of crops.
- (2) The period of a lease may be continuously extended by an agreement between the parties to the contract. In this case, the provisions of the paragraph (1) shall apply mutatis mutandis to the extended period, except the cases as prescribed by Presidential Decree.
- (3) Where the period of a lease is shorter than the period under paragraph 1 or 2 or where there is no set period thereof, the shortest period under paragraph 1 is deemed to have been agreed to: Provided, That this shall not apply in the cases under the latter part of paragraph 2.

### **Article 25 (Ceiling on Lease Charges)**

- (1) The ceiling on lease charges shall be prescribed, by regions and by crops, by ordinance of Si (including the Special Metropolitan City and the Metropolitan City)/Gun through the deliberation of the farmland management committee having jurisdiction over the seat of farmland, in conformity with the standards determined by Presidential Decree.
- (2) Where a lease contract is entered into with a lease charge in excess of the ceiling on lease charges under paragraph 1, that excess portion shall not be valid.

**Article 26 (Implicit Renewal)**

Where the lessor has not notified the lessee of his/her intention that he/she will not renew the lease or will change the terms and conditions of the lease no later than three months prior to the termination of the lease, it shall be deemed that the lease has been renewed in the same conditions as the previous lease at the time the validity of the lease has been terminated.

**Article 27 (Restriction on Termination of Contract)**

- (1) A lease contract shall not be terminated by one party without the consent of the other party: Provided, That this shall not apply where there are reasons prescribed by Presidential Decree.
- (2) Any special agreement whereby a right to terminate a lease is reserved by one party or both parties to a lease contract shall not be valid.

**Article 28 (Succession to Legal Status of Lessor)**

A transferee of the leased farmland shall be deemed to have succeeded to the legal status of the lessor of the farmland under this Act.

**Article 29 (Special Cases of Lease of State Farmland and Public Farmland)**

Article 23, 24, and 26 through 28 shall not apply to the farmland which is State property or public property under the State Property Act or under the Local Finance Act.

<b>CHAPTER IV.</b>	<b>PRESERVATION, ETC. OF FARMLAND</b>
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**SECTION I Designation and Use of Agricultural Promotion Areas**

**Article 30 (Designation of Agricultural Promotion Areas)**

- (1) The Mayor/Do Governor shall designate an agricultural promotion area for the efficient utilization and preservation of farmland.
- (2) The agricultural promotion area under paragraph (1) may be designated after



classifying it into the following areas of specific use:

1. Agricultural promotion area: Area required to be used for agricultural purposes through the collectivization of farmland to the scale prescribed by the Minister of Agriculture, Forestry and Fisheries as an area for which agricultural promotion is to be planned and which falls under any of the following items:
  - (a) Area where the farmland being used or to be used for agricultural purposes has been collectivized as an area where a farmland creation project or an agricultural infrastructure rearrangement project has been performed or is being performed;
  - (b) Area where the farmland being used for agricultural purposes has been collectivized as an area other than that under item (a);
2. Agricultural protection area: Area necessary for the protection of agricultural environment, including the securing source of water supply and preservation of water quality in an agricultural promotion area.

### **Article 31 (Areas Subject to Designation of Agricultural Promotion Area)**

Agriculture and forestry areas, quasi-agriculture and forestry areas, and natural environment preservation areas under Article 6 of the Act on the Utilization and Management of the National Territory and green-belt areas under Article 17 (1) 4 of the Urban Planning Act shall be subject to the designation of an agricultural promotion area: Provided, That green-belt areas in the Special Metropolitan City shall be excluded.

### **Article 32 (Procedures for Designation of Agricultural Promotion Areas)**

- (1) The Mayor/Do Governor shall designate an agricultural promotion area with the approval of the Minister of Agriculture, Forestry and Fisheries through the deliberation of the Si/Do rural development deliberation council under Article 52 of the Act on the Special Measures for Development of Agricultural and Fishing Villages.
- (2) When the Mayor/Do Governor has designated an agricultural promotion area under paragraph (1), he/she shall, without delay, publicly announce such fact and notify the related agencies thereof and shall have the head of a





Si/Gun/autonomous Gu make it available for public perusal.

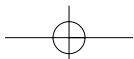
- (3) Where a green-belt area under Article 17 (1) 4 of the Urban Planning Act is included in an agricultural promotion area, the Minister of Agriculture, Forestry and Fisheries shall consult with the Minister of Construction before he/she approves the designation of the agricultural promotion area under paragraph (1).
- (4) Procedures for designation of an agricultural promotion area and other necessary matters for such designation shall be prescribed by Presidential Decree.

**Article 33 (Change of Agricultural Promotion Areas, etc.)**

- (1) Where there are reasons prescribed by Presidential Decree, the Mayor/Do Governor may change agricultural promotion areas or areas of specific use.
- (2) Article 32 shall apply mutatis mutandis to the designation of an agricultural promotion area or the designation of an agricultural promotion through a change of an area of specific use and the procedures, etc. therefor under paragraph (1): Provided, That any change of trivial matters prescribed by Presidential Decree may be made without the deliberation of the Si/Do rural development deliberation council or the approval of the Minister of Agriculture, Forestry and Fisheries.

**Article 34 (Restrictions on Conduct in Areas of Specific Use)**

- (1) No conduct of utilizing farmland not directly related to agricultural production or farmland improvement shall be made in an agricultural promotion area: Provided, That this shall not apply to any of the following conducts of utilizing farmland:
  - 1. Installation of processing and treatment facilities for agricultural and fishery products prescribed by Presidential Decree (referring to agricultural, forest, stock farm and fishery products; hereinafter the same shall apply) and of experimental and research facilities related to the agricultural and fisheries industries (referring to the agricultural, forestry, livestock, and fisheries industries; hereinafter the same shall apply);
  - 2. Installation of children's playgrounds, village halls and other convenience facilities and welfare facilities necessary for farmers' community life





- prescribed by Presidential Decree;
3. Installation of farmers' housing or other agricultural facilities or livestock facilities prescribed by Presidential Decree;
  4. Installation of national defense and military facilities;
  5. Installation of rivers, banks or other facilities for the preservation of national land corresponding thereto;
  6. Repairs, restoration and movement of cultural assets, excavation of buried cultural properties, installation of tombstones, monuments or other similar structures;
  7. Installation of roads, railroads, facilities for the supply of electricity and other public facilities prescribed by Presidential Decree;
  8. Conduct of using the farmland as a place for exploration for the exploitation of underground resources or for mining of underground mineral and for concentration and piling up of ore;
  9. Installation of facilities prescribed by Presidential Decree and necessary for development of agricultural and fishing villages, including the development of income sources of agricultural and fishing villages, etc.
- (2) No conduct of utilizing land referred to in the following subparagraphs shall be made in an agricultural protection area: Provided, That this shall not apply where there are conducts of utilizing farmland under paragraph (1):
1. Installation of air pollutant emission facilities under subparagraph 9 of Article 2 of the Clean Air Conservation Act
  2. Installation of wastewater discharge facilities under subparagraph 5 of Article 2 of the Water Quality Conservation Act
  3. Installation of designated waste disposal facilities under subparagraph 7 of Article 2 of the Wastes Control Act
  4. Installation of facilities of which the sites are not smaller than that prescribed by Presidential Decree.
- (3) The provisions of restriction on conduct in paragraphs (1) and (2) shall not apply to existing buildings, structures and other facilities installed with the authorization, permission or approval, etc. obtained or with the report made under the related Acts and subordinate statutes at the time of the designation of the agricultural promotion area.



- (4) The provisions of restriction on conduct in paragraphs (1) and (2) shall not apply to a construction work or a project only which is being performed by the person (referring to the person who has commenced the construction work or the project being performed where it is not required to obtain authorization, permission or approval, etc. under the related Acts and subordinate statutes or in cases of no necessity of report) who is performing the construction work or the project with the authorization, permission, approval, etc. obtained or the report made with respect to construction of buildings, installation of structures and other facilities, or changes in the form and quality of the land and other acts corresponding to the acts under the related Acts and subordinate statutes at the time of designation of the agricultural promotion area.

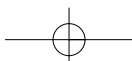
### **Article 35 (Expansion of Development Investment and Preferential Support to Agricultural Promotion Areas)**

- (1) The State and local governments shall make preferential investment in the improvement and rearrangement of farmland and agricultural facilities, the expansion of road for agricultural and fishing villages and of distribution facilities for agricultural products, and other projects for development of agriculture for an agricultural promotion area, as prescribed by Presidential Decree.
- (2) The State and local governments shall preferentially give necessary support, including subsidies or tax reduction under the Act on Regulation of Tax Reduction and Exemption to farmers or agricultural corporate bodies cultivating crops or culturing perennial plants on farmland in an agricultural promotion area.

## **SECTION 2 Diversion of Farmland**

### **Article 36 (Permission and Consultation on Diversion of Farmland)**

- (1) Any person who intends to divert farmland to another use shall obtain permission from the Minister of Agriculture, Forestry and Fisheries through the confirmation of the farmland management committee having jurisdiction over the seat of the farmland concerned, as prescribed by Presidential Decree, except





in any of the following cases. The same shall also apply where he/she intends to change approved matters:

1. Where farmland is diverted through consultation legally construed as permission on diversion of the farmland under other Acts;
  2. Where the diversion is made to the farmland following a consultation made under paragraph (2) or the farmland excluded from that subject to consultation under the proviso to paragraph (2) 1 as farmland in an urban planning zone under the Urban Planning Act Article 2 (1) 2;
  3. Where the diversion of the farmland is made with the report under Article 37;
  4. Where the farmland subject to readjustment under the Readjustment of Slash-and Burn Fields Act or the farmland illegally reclaimed without obtaining permission for the forest damage or making a report thereof under the Forestry Act is restored to a forest;
  5. Where the diversion of the farmland is made in order to change the form and quality of the land or to install structures with the permission of the River Management Office under the River Act.
- (2) In any of the following cases, the competent Minister or the head of a local government shall consult on the diversion of farmland with the Minister of Agriculture, Forestry and Fisheries in advance, as prescribed by Presidential Decree:
1. When designating or determining a residential area, commercial area or industrial area or urban planning facilities in an urban planning area under Article 2 (1) 2 of the Urban Planning Act, where farmland is included in the area concerned or in the land of planned facilities: Provided, That this shall not apply where an already designated residential area, commercial area or industrial area is changed to an area for another purpose or to cases where urban planning facilities are decided to be installed in an already designated residential area, commercial area or industrial area;
  2. Where any change in the form and quality of the land is permitted under Article 4 of the Urban Planning Act on farmland in a green-belt area or a restricted development area or a prearranged area for urban development.

### **Article 37 (Reports on Diversion of Farmland)**

- (1) Any person who intends to divert farmland to a site for any of the following facilities shall make a report to the head of a Si/Gun/autonomous Gu through the confirmation of the farmland management committee having jurisdiction over the seat of the farmland concerned, as prescribed by Presidential Decree. The same shall also apply to any modification of reported matters:
1. Farmers' housing, facilities for agriculture, facilities for distribution and processing of agricultural and fishery products;
  2. Convenience facilities for community life of farmers, including children's playground and village hall;
  3. Research facilities related to agriculture and fisheries, and fisheries facilities, including fish farms and fish nurseries.
- (2) Matters concerning the scope and scale of the facilities subject to report and the scope of the installers, etc. under paragraph (1) shall be prescribed by Presidential Decree.

### **Article 38 (Permission, etc. on Temporary Use of Farmland for Other Purposes)**

- (1) Any person who intends to temporarily use farmland for any of the following purposes shall obtain the permission of the Minister of Agriculture, Forestry, and Fisheries on condition that he/she will restore it to farmland after having used it for such other purpose for a certain period, as prescribed by Presidential Decree. The same shall also apply to any modification of the permitted matters: Provided, That in the case of the State or a local government, it shall consult with the Minister for Agriculture, Forestry, and Fisheries:
1. Where installing simple facilities for agriculture and simple facilities for treatment of agricultural and fishery products which are not facilities subject to a building permit or building report under the Building Act;
  2. Where installing a field office or incidental facilities, other facilities corresponding to the said office and facilities or piling up or burying goods for the principally purported project (applicable only to any project permitted in relevant farmland);
  3. Where excavating soil, stones, and minerals prescribed by Presidential Decree.



- (2) Where the Minister of Agriculture, Forestry and Fisheries is requested by the competent Minister or the head of a local government for consultation on the temporary use of farmland for other purposes in relation to the authorization, permission or approval, etc. on a project or a project plan, etc. under other Acts, he/she may consult with the competent Minister or the head of a local government on the premise that the competent Minister or the head of a local government, when authorizing, permitting or approving the project or the project plan, shall attach conditions to a person who intends to implement the project concerned that he/she shall restore the farmland to its original state as farmland after using it for other purposes for a certain period.
- (3) Where the Minister of Agriculture, Forestry and Fisheries grants permission under paragraph (1) or makes consultation under paragraph (2), he/she may have a person who intends to implement the project submit the plan for restoration to farmland and deposit restoration expenses, as prescribed by Presidential Decree.
- (4) Restoration expenses under paragraph (3) shall be calculated by such standards prescribed by Presidential Decree, and the timing and procedure for the payment thereof, and other necessary matters shall be prescribed by Presidential Decree.

### **Article 39 (Restrictions on Permission for Diversion of Farmland, etc.)**

- (1) In granting permission on any diversion of farmland under Article 36 (1), the Minister of Agriculture, Forestry and Fisheries shall not permit the diversion of farmland, except for the farmland within a urban area or a quasi-urban area under Article 6 of the Act on the Utilization and Management of the National Territory, to be used as a site for any of the following facilities:
  1. Air pollutants discharge facilities under subparagraph 9 of Article 2 of the Clean Air Conservation Act, prescribed by Presidential Decree;
  2. Wastewater discharge facilities under subparagraph 5 of Article 2 of the Water Quality Conservation Act, prescribed by Presidential Decree;
  3. Facilities which are apprehended to impair the agricultural promotion or the preservation of farmland, prescribed by Presidential Decree.
- (2) When the Minister of Agriculture, Forestry and Fisheries grants permission or

makes consultation (including consultation legally construed as permission on the diversion of farmland under other Acts) on any diversion of farmland under Article 36 or grants permission and makes consultation on any temporary use of farmland for another purpose under Article 38, he/she may restrict the diversion of farmland or the temporary use of farmland for other purpose in a case falling under any of the following subparagraphs:

1. Where the farmland to be diverted needs to be preserved as superior farmland because it is included in the area where agricultural production infrastructure has been rearranged or where a rearrangement project for agricultural production infrastructure is to be performed;
2. Where the diversion of the farmland concerned or the temporary use of the said farmland for another purpose seriously hinders sunshine, ventilation and consolidated cultivation or brings about the removal of farmland improvement facilities, thereby remarkably influencing the agricultural management of farmland in the neighborhood;
3. Where the diversion of the farmland concerned or the temporary use of the said farmland for another purpose is apprehended to impair farmland in the neighborhood or farmland improvement facilities, including washouts, etc.;
4. Where the project plan and the fund raising plan to realize the objectives of the diversion are unclear;
5. Where the area of the farmland to be diverted is excessively larger than that needed to realize the objectives of the diversion.

#### **Article 40 (Farmland Creation Charges)**

(1) Any of the following persons shall pay charges for the creation of farmland corresponding to the farmland he/she intends to divert (hereinafter referred to as “farmland creation charges”) to a person who operates and manages the Farmland Management Fund:

1. A person who has obtained permission on the diversion of farmland under Article 36 (1);
2. A person who intends to divert farmland (including farmland excluded from consultation under the proviso to the subparagraph 1 of paragraph 2 of Article 36) in a planned land of the area or in a planned land for facilities, for



- which consultation on the diversion of farmland has been completed under Article 36 (2) 1;
3. A person who intends to divert farmland, for which consultation on the diversion of farmland has been completed under Article 36 (2) 2;
  4. A person who intends to divert farmland for which consultation legally construed as permission on the diversion of the farmland has been completed under other Acts;
  5. A person who intends to divert farmland after reporting on the diversion of the farmland under Article 37 or 45.
- (2) When permission for a person who paid the farmland creation charges has been cancelled under Article 41, or when the area of farmland to be diverted has been reduced as compared with the beginning by a modification to a project plan or by other corresponding reasons, a person who operates and manages the Farmland Management Fund shall refund the corresponding farmland creation charges, as prescribed by Presidential Decree.
- (3) In any of the following cases, the Minister of Agriculture, Forestry and Fisheries may reduce or exempt the farmland creation charges as prescribed by Presidential Decree:
1. Where the State or a local government diverts farmland for official or public purposes;
  2. Where farmland is diverted to install important industrial facilities prescribed by Presidential Decree;
  3. Where farmland is diverted to install facilities under any subparagraph of Article 37 (1) or other facilities prescribed by Presidential Decree.
- (4) The amount of farmland creation charges per unit for each farmland shall be determined and publicly notified by the Minister of Agriculture, Forestry and Fisheries.
- (5) Where a person liable to pay farmland creation charges fails to pay them by the designated deadline, the charges may be collected pursuant to the example of disposition on default of national taxes.
- (6) The timing and procedure for the payment of farmland creation charges, and other necessary matters shall be prescribed by Presidential Decree.



#### **Article 41 (Cancellation of Permission on Diversion of Farmland, etc.)**

Where a person who has obtained permission on the diversion of farmland under Article 36 (1) or obtained permission for the temporary use of farmland for other purpose under Article 38 or reported on the diversion of farmland under Article 37 or 45 falls under any of the following subparagraphs, the Minister of Agriculture, Forestry and Fisheries, or the head of a Si/Gun/autonomous Gu may cancel the permission or order suspension of the related construction work, suspension of the operation, reduction of the scale of the business, modification of the project plan, and other necessary measures as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries: Provided, That where he/she falls under subparagraph 6, the permission concerned shall be cancelled:

1. Where it is proved that he/she has obtained the permission or has made the report by fraudulent or other unjust means;
2. Where he/she violates the purpose or conditions of the permission or modifies the project plan or project scale without permission or reports;
3. Where he/she, having obtained the permission or having made the report, has not commenced the purported project for farmland diversion, including creation of building sites and installation of facilities, etc. for not less than two years or has suspended the construction works for not less than one year after having commenced the purported project for farmland diversion without justifiable reasons;
4. Where he/she has not paid the farmland creation charges;
5. Where a person who has obtained permission or has made the report applies for cancellation of the permission or withdraws the report;
6. Where a person who obtained the permission has violated an order for measure under the main sentence of this Article, including suspension of the related construction work, etc.

#### **Article 42 (Approval for Alteration of Use)**

- (1) Where a person intends to use any farmland being used or having been used for a purported project of farmland diversion for another purpose within the period prescribed by Presidential Decree through obtaining permission on the farmland diversion under Article 36 (1) or consultation on the farmland



diversion under the same Article (2) 2 or making a report on the farmland diversion under Article 37 or 45, he/she shall obtain the approval of the head of a Si/Gun/autonomous Gu:

- (2) A person who intends to use any farmland diverted to a site for facilities for which the farmland creation charges are reduced or exempted as a site for facilities of which rate of reduction or exemption of the farmland creation charges is different from that of the said site and who is subject to approval under paragraph (1) shall pay the corresponding farmland creation charges as prescribed by Presidential Decree.

#### **Article 43 (Restrictions on Changes of Land Category of Farmland)**

No farmland shall be changed to fall under any land category other than a field, rice field or orchard except in any of the following cases:

1. Where permission on the diversion of farmland (including consultation legally construed as permission on the diversion of farmland under other Acts) has been obtained under Article 36 (1) or diversion of farmland has been made under paragraph (2) of the same Article;
2. Where diversion of farmland has been made for the purpose described in Article 36 (1) 4 or 5;
3. Where diversion of farmland has been made after reporting on the diversion of farmland under Article 37 or 45;
4. Where the head of a Si/Gun/autonomous Gu recognizes that the restoration of farmland to its original state is almost impossible because the form and quality of the farmland has been remarkably changed by reasons of natural disasters or other force majeure.

#### **Article 44 (Restoration to Original State, etc.)**

(1) Where a person conducts any of the following acts, the Minister of Agriculture, Forestry and Fisheries, or the head of a Si/Gun/autonomous Gu may order the person who has committed such conduct to restore the farmland to its original state within a designated period:

1. Where he/she has diverted farmland or has used it for another purpose without permission on the diversion of farmland under Article 36 (1) or



- without permission on the temporary use of farmland for another purpose under Article 38;
2. Where he/she has diverted farmland without reporting on the diversion of farmland under Article 37 or 45;
  3. Where permission on the diversion of farmland has been cancelled under Article 41;
  4. Where a person who made a report on the diversion of farmland has violated an order for measure under Article 41;
- (2) Where a person has not restored the farmland to its original state in violation of the restoration order under paragraph (1), the Minister for Agriculture Forestry and Fisheries, or the head of a Si/Gun/autonomous Gu may restore the said farmland to its original state by the vicarious execution.
- (3) The Administrative Vicarious Execution Act shall apply to procedures for the vicarious execution under paragraph (2).

#### **Article 45 (Special Cases for Permission on Farmland Diversion)**

When a person obliged to obtain permission for the diversion of farmland under Article 36 (1) intends to divert farmland in the area prescribed by Presidential Decree for the use permitted in the quasi-urban area under the Act on the Utilization and Management of the National Territory, the person may divert the farmland after reporting to the head of a Si/Gun/autonomous Gu, as prescribed by Presidential Decree, notwithstanding Article 36 (1) or 39 (1).

### **SECTION 3 FARMLAND MANAGEMENT COMMITTEE, ETC.**

#### **Article 46 (Establishment of the Farmland Management Committee)**

- (1) Each Si (referring to a Si which has no Gus; and in the case of a Si in the form of urban-rural complex, referring to a Dong district only; the same shall apply in this section), Gu (in the case of a Gu of a Si in the form of urban-rural complex, referring to a Dong district only; the same shall apply in this section), and Eup or Myeon shall have the farmland management committee (hereinafter referred to as "committee") for the efficient management of farmland and the lease thereof: Provided, That this shall not apply in cases of Si, Gu, Eup or



Myeon having no farmland under its jurisdiction.

- (2) Where the Minister of Agriculture, Forestry and Fisheries deems it necessary in the light of regional peculiarities and the actual situations of farmland distribution, he/she may have one committee established in two or more adjacent Si/Gu/Eup or Myeon, as prescribed by Presidential Decree.

#### **Article 47 (Composition of the Committee)**

- (1) The committee shall consist of not less than 10 and not more than 40 members, including one chairperson and one vice-chairperson.
- (2) The member of the committee shall be a person falling under any of the following categories:
  1. The competent head of a Si/Gu/Eup/Myeon;
  2. Not less than 5 and not more than 30 persons commissioned by the competent head of a Si (including the Special Metropolitan City Mayor and the Metropolitan City Mayor) or Gun from among persons who have engaged in agricultural management in the Si/Gu/Eup or Myeon over which the committee has jurisdiction for a period not less than that prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries.
  3. One person recommended by each head of the Agricultural Guidance Office, Rural Development Corporation, Agricultural Cooperative and other agriculture-related institutions or organizations as prescribed by Presidential Decree from among their officers and employees.
- (3) The chairperson shall be the competent head of a Si/Gu/Eup/Myeon, and the vice-chairperson shall be elected from among and by its members: Provided, That in a case under Article 46 (2), the chairperson shall be the head of a Si/Gu/Eup/Myeon which has the largest area of farmland under its jurisdiction.
- (4) In order to efficiently carry out the confirmations under Article 48 (4), the chairperson may organize and operate a subcommittee that consists of not more than 5 members including the chairperson. In this case, a resolution by the subcommittee shall be deemed to be a resolution by the committee.
- (5) The term of office, appointment and dismissal of a member and the organization, meeting and other necessary matters concerning the operation of the committee shall be prescribed by Presidential Decree.

### **Article 48 (Function of the Committee)**

The committee shall take charge of any of the matters set forth in the following subparagraphs:

1. Investigation, etc. of farmland not used for its owner's own agricultural management under Article 10 (1);
2. Consultation on the formulation of an implementation plan for a farmland utilization promotion project under Article 16;
3. Deliberation on the ceiling on lease charges under Article 25
4. Confirmation of permission for diversion of farmland under Article 36 (1) and of a report on diversion of farmland under Article 37.
5. Other matters concerning the management of farmland prescribed by Presidential Decree.

### **Article 49 (Expense Subsidy)**

The State may subsidize expenses necessary for the operation of the committee within the budgetary limits.

### **Article 50 (Legal Fiction as Public Official in Applying Penal Provisions)**

A member of the committee under Article 47 (2) who is not a public official shall be deemed to be a public official in applying penal provisions under the Criminal Act and other Acts.

### **Article 51 (Formulating and Keeping of Farmland Ledgers)**

- (1) For the efficient utilization and management of farmland by ascertaining the actual conditions of ownership and utilization of the farmland, the head of a Si/Gu/Eup/Myeon shall draw up and keep the farmland ledger on file.
- (2) If necessary to draw up and arrange a farmland ledger under paragraph (1) and to ascertain the actual conditions of utilization of farmland, the head of a Si/Gu/Eup/Myeon may have the owner of the farmland report necessary matters or have a relevant public official investigate the conditions thereof.
- (3) If a matter of change occurs in the contents of farmland ledger, the head of a Si/Gu/Eup/Myeon shall, without delay, arrange the matter of change in the farmland ledger.



- (4) Where matters to be recorded in a farmland ledger under paragraph (1) are recorded through an electronic data processing system, the electronic file (referring to the magnetic disc, magnetic tape or other farmland ledger recorded and kept by similar means to such as above) shall be deemed the farmland ledger under paragraph (1).
- (5) Matters necessary for the form, drawing up and management of the farmland ledger and for the electronic data processing system, etc. shall be prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries.

#### **Article 52 (Public Perusal of Farmland Ledgers or Issuance of Copies thereof, etc.)**

- (1) If the head of a Si/Gu/Eup/Myeon is requested for perusal of a farmland ledger or for issuance of a copy thereof, he/she shall make the farmland ledger available for perusal or shall issue a copy thereof as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries.
- (2) If the head of a Si/Gu/Eup/Myeon receives an application by a farmer or an agricultural corporate body who conducts self-cultivation on his/her or its own farmland, he/she shall issue a certificate of self-cultivation as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries.

### **CHAPTER V.**

### **SUPPLEMENTARY PROVISIONS**

#### **Article 53 (Delegation and Entrustment of Authority, etc.)**

- (1) The Minister of Agriculture, Forestry and Fisheries may delegate part of his/her authority under this Act to a Mayor/Do governor and the head of a Si/Gun/Gu as prescribed by Presidential Decree.
- (2) The Minister of Agriculture, Forestry and Fisheries may entrust part of his/her affairs under this Act to the Rural Development Corporation, an agriculture-related agency or organization, as prescribed by Presidential Decree.

#### **Article 54 (Rewards)**

The Minister of Agriculture, Forestry and Fisheries may pay a person who reports



on or accuses any of the following persons to the competent authorities or an investigation agency a reward, as prescribed by Presidential Decree:

1. A person who has been issued with a qualification certificate for acquisition of farmland under Article 8 (1) by fraudulent or other unjust means for the purpose of ownership of farmland in violation of restrictions on ownership of farmland or the maximum level of ownership of farmland under Article 6 or 7;
2. A person who has violated Article 34 (1) or (2);
3. A person who has diverted farmland without permission for farmland diversion under Article 36 (1) or a person who has obtained permission for farmland diversion under Article 36 (1) by fraudulent or other unjust means;
4. A person who has diverted farmland without reports under Article 37 or 45;
5. A person who has used farmland for other use without permission on the temporary use of farmland for other use under Article 38 (1);
6. A person who has used diverted farmland for another use without approval therefor in violation of Article 42 (1).

#### **Article 55 (Special Cases for Restriction on Conducts for Parcel of Farmland Extended over Agricultural Promotion Area and Agricultural Protection Area, etc.)**

- (1) Where a parcel of farmland is extended over both an agricultural promotion area and an agricultural protection area, and part of the farmland belonging to the agricultural promotion area is smaller than the size prescribed Presidential Decree, when the restriction on conduct under Article 34 is applied to the said part of the farmland, the provisions concerning agricultural protection areas shall be applied.
- (2) Where part of a parcel of farmland is extended over an agricultural promotion area and the area of the farmland belonging to the agricultural promotion area is smaller than the size prescribed by Presidential Decree, Article 34 (1) and (2) shall not be applied to the said part of the farmland.

#### **Article 56 (Report and Investigation, etc.)**

- (1) The Minister of Agriculture, Forestry and Fisheries, or the head of a Si/Gun/autonomous Gu may cause an incorporated agricultural body, a person



entrusted with the management of farmland, a lessor of farmland, a lender of farmland for free use, a person who has obtained permission for farmland diversion, or a project operator of a farmland utilization promotion project to make a necessary report or to submit materials on the ownership, transaction, utilization or diversion of farmland or may have a public official under his/her control inspect or investigate them.

- (2) A public official who makes inspection or investigation under paragraph (1) shall carry a certificate indicating his/her authority and shall display it to persons concerned.
- (3) Matters necessary for inspection, investigation and certificates under paragraphs (1) and (2) shall be prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries.

### **Article 57 (Hearings)**

When the Minister of Agriculture, Forestry and Fisheries or the head of a Si/Gun/autonomous Gu intends to cancel permission or order suspension of the related construction work, suspension of the operation, reduction of the scale of the business, modification of the project plan, or other necessary measures under Article 41, he/she shall give the addressee of the disposition concerned or his/her agent, or other interested party a chance to state his/her opinion in advance as prescribed by Ordinance of the Ministry of Agriculture, Forestry and Fisheries: Provided, That this shall not apply where the addressee or his/her agent, or other interested party fails to respond to such a chance without due cause or where it is not possible to give him/her a chance to state his/her opinion by reason of the address unknown, etc.

### **Article 58 (Fees)**

A person who applies for the issuance of a qualification certificate for acquisition of farmland under Article 8, a person who applies for permission under Article 36 or 38, a person who makes a report on the diversion of farmland under Article 37 or 45, or a person who applies for the issuance of a copy of a farmland ledger or a copy of a self-cultivation certificate under Article 52 shall pay the fees prescribed by Presidential Decree.





**CHAPTER VI. PENAL PROVISIONS**

**Article 59 (Penal Provisions)**

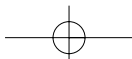
- (1) A person who diverts the use of any farmland in an agricultural promotion area without having obtained permission for farmland diversion under Article 36 (1) or obtains permission on farmland diversion by fraudulent or other unjust means shall be punished by imprisonment for not more than five years or by fines not exceeding the amount equivalent to the price of the land concerned according to the publicly notified land price thereof (hereinafter referred to as "land price").
- (2) A person who diverts the use of any farmland outside an agricultural promotion area without having obtained permission for farmland diversion under Article 36 (1) or obtains permission on farmland diversion by fraudulent or other unjust means shall be punished by imprisonment of not more than three years or by fines not exceeding the amount equivalent to 50/100 of the land price concerned.
- (3) The punishment of imprisonment and fines under paragraphs (1) and (2) may be imposed concurrently.

**Article 60 (Penal Provisions)**

- A person who falls under any of the following subparagraphs shall be punished by imprisonment for not more than five years or by fines not exceeding 20 million won:
- 1. A person who violates Article 34 (1) or (2);
  - 2. A person who uses farmland for another purpose without having obtained permission for temporary use of farmland for other purposes under Article 38 (1);
  - 3. A person who uses diverted farmland for other purposes without having obtained approval, in violation of Article 42 (1).

**Article 61 (Penal Provisions)**

- A person who falls under any of the following subparagraphs shall be punished by imprisonment for not more than three years or by fines not exceeding 10 million won:
- 1. A person who has been issued with a qualification certificate for acquisition of farmland under Article 8 (1) by fraudulent or other unjust means for the purpose of ownership of farmland in violation of restrictions on ownership of farmland





or the maximum level of ownership of farmland under Article 6 or 7;

2. A person who diverts farmland for other uses without reports under Article 37 or 45.

### **Article 62 (Penal Provisions)**

A person who falls under any of the following subparagraphs shall be fined not exceeding 3 million won:

1. A person who entrusts the agricultural management of his/her own farmland to another person, in violation of Article 9;
2. A person who leases or lends free of charge his/her own farmland, in violation of Article 22.

### **Article 63 (Joint Penal Provisions)**

Where a representative of a corporation, or an agent, employee, or other servant of a corporation or individual commits a violation under Article 59 through 62 in connection with the business of the corporation or individual, in addition to the punishment of such violator, the corporation or individual shall be punished by a fine under each relevant Article.

### **Article 64 (Fine for Negligence)**

- (1) A person who falls under any of the following subparagraphs shall be punished by a fine for negligence not exceeding 1 million won:
  1. A person who interferes with the cultivation of cultivators by proxy, in violation of Article 19 (7);
  2. A person who makes a false report or submits a false inspection material under Article 56 (1);
- (2) Standards for the imposition of a fine for negligence under paragraph (1) shall be prescribed by Presidential Decree.
- (3) A fine for negligence under paragraph (1) shall be imposed and collected by the Minister of Agriculture, Forestry and Fisheries or the head of a Si/Gun/Gu (hereinafter referred to as “person entitled to impose”), as prescribed by Presidential Decree.
- (4) A person who is dissatisfied with the disposition of fine for negligence under paragraph (1) may raise an objection to the person entitled to impose within 30

days from the date when he/she is notified of the disposition.

- (5) Where a person who was ordered a disposition of fine for negligence under paragraph (1) raises an objection under paragraph (4), the person entitled to impose shall, without delay, notify the competent court, which, in turn, shall proceed to a trial on a fine for negligence pursuant to the Non-Contentious Case Litigation Procedure Act.
- (6) Where no objection is raised and no fine for negligence is paid within the period under paragraph (4), the fine for negligence shall be collected pursuant to the example of disposition on default of national or local taxes.

### **Article 65 (Charges for Compulsory Performance)**

- (1) The head of a Si/Gun/Gu shall impose a charge for compulsory performance equivalent to 20/100 of the land price of the farmland concerned on a person who has not performed a disposition order by the fixed period without justifiable reasons after having been ordered a disposition under Article 11 (1).
- (2) The head of a Si/Gun/Gu shall notify a person in writing of his/her intention to impose and collect a charge for compulsory performance in advance prior to the imposition of the charge for compulsory performance under paragraph (1).
- (3) In cases of imposition of a charge for compulsory performance under paragraph (1), the head of a Si/Gun/Gu shall impose the charge for compulsory performance with a notice specifying the amount of the charge for compulsory performance, the reason for the imposition, the payment period, the agency receiving the payment, the method of raising objections and the agency to which objections are to be raised, etc.
- (4) The head of a Si/Gun/Gu may impose and collect a charge for compulsory performance under paragraph (1) once a year until the disposition order is performed, from the date when the disposition order was issued for the first time.
- (5) When a person who was ordered a disposition under Article (1) has performed the order, the head of a Si/Gun/Gu shall immediately discontinue the imposition of new charge for compulsory performance, but shall collect the charge for compulsory performance already imposed.
- (6) Article 64 (4) through (6) shall apply mutatis mutandis to the collection and objection procedures for charges for compulsory performance.



# FARMLAND PRESERVATION AND UTILIZATION ACT

## CHAPTER I.

## GENERAL PROVISIONS

### Article 1 (Purpose)

The purpose of this Act is to contribute to the promotion of agricultural production by properly regulating the diversion of farmland to ensure its preservation and enhance its utilization.

### Article 2 (Definitions)

- (1) The term "farmland" under this Act means land used for the cultivation of crops or for the culture of perennial plants or grass regardless of the legal land category thereof and land decided and publicly notified to be used as farmland under other Acts.
- (2) The term "diversion" under this Act means making changes in the form and quality of farmland or installing facilities, structures, etc. that interfere with farming in order to use such farmland for purposes other than the cultivation of crops or the culture of perennial plants or trees and grass.
- (3) The term "farmland improvement facilities" under this Act means facilities and land directly necessary for the preservation or use of farmland, such as irrigation reservoirs, water channels, farm roads, embankments, water lifting stations, etc.

## CHAPTER II.

## PRESERVATION OF FARMLAND

**Article 3 (Restrictions on Diversion of Farmland)**

(1) A person who intends to divert farmland located outside of the urban planning districts under Article 2 (2) of the Urban Planning Act and areas designated as the prearranged areas for industrial complexes or areas designated as the industrial development promotion zones (hereinafter referred to as "urban planning zones, etc.") under Article 3 of the Export Industry Industrial Complex Development Act or under Article 2 of the Provincial Industry Development Act shall obtain permission from the Seoul Metropolitan City Mayor, Busan City Mayor or Do Governor (hereinafter referred to as "Do Governor") having jurisdiction over the seat of the farmland, as prescribed by Presidential Decree, except for cases where the farmland is to be used as land for purposes falling under any of the following subparagraphs: Provided, That where the same person diverts farmland of which the area is smaller than 19834.8 square meters, shall obtain permission from the head of Gu/Si/Gun (hereinafter referred to as "head of Gun") having jurisdiction over the seat of the farmland.

1. Land for farmland improvement facilities;
2. Land for facilities for the preservation of the national territory;
3. Land for a farmer's house and the appurtenant facilities thereto;
4. Land for a farmer's shelter, compost storage house and other agricultural facilities prescribed by Presidential Decree;
5. Land for which a person has obtained permission under Article 5 and uses for the same purpose as the permission has been granted for.

(2) In granting permission under the preceding paragraph, the Do Governor or the head of Gun may reduce the area for the diversion of farmland or add conditions deemed necessary for the protection of farmland or the agricultural and fishery industry.

**Article 4 (Diversion for Official or Public Purposes)**

(1) When a State agency or a local government intends to divert farmland located

outside of the urban planning zones, etc. in order to create or expand facilities for official or public purposes, the State agency shall obtain consent from the Minister of Agriculture, and the local government shall obtain approval from the Minister of Agriculture: Provided, That this shall not apply to the cases where farmland is used for any of the purposes set forth in the following subparagraphs:

1. Land for facilities for national defense or military purposes;
  2. Land for national expressways and national roads under the Road Act, railroads, harbors, or airport facilities;
  3. Land for farmland improvement facilities
  4. Land for facilities for the preservation of the national territory
  5. Land for facilities for multi-purpose dams and the land to be submerged due to such dams under the Specific Multi-Purpose Dams Act;
  6. Land for the expansion of existing educational facilities of schools established under the Education Act.
- (2) The agency implementing the projects under each subparagraph of the preceding paragraph shall not divert farmland unless it is necessary and unavoidable for the fulfillment of the project objectives.
- (3) The Minister of Agriculture may entrust parts of his/her authority under paragraph (1) to Do governor, as prescribed by Presidential Decree.

### **Article 5 (Change of Rights for Diversion)**

Where a person transfers ownership of farmland or establish or transfer surface rights or leasehold interests on farmland in order to divert farmland located outside of the urban planning zones, etc., he/she shall obtain permission from the Do governor as prescribed by Presidential Decree, except in cases under subparagraphs 1 to 4, paragraph (1), Article 3.

- (2) Any application form for registration of the establishment or transfer of rights under the preceding paragraph shall be accompanied by the permission form thereof.
- (3) The proviso of Article 3 (1) and the provisions of Article 3 (2) shall apply mutatis mutandis to the permission under paragraph (1).

## **Article 6 (Demarcation of Boundaries for Land Permitted for Diversion)**

Any person who has received permission under Article 3 or 5 and any organization that has obtained consent or approval under Article 4 (1) shall, where the farmland concerned is not to be diverted within three months from the date of such permission, consent or approval, carry out the proper demarcation of boundaries discernibly indicating the area, and shall put up a signboard describing the date, month and year of permission, consent or approval and the name of the agency granting such permission, consent or approval, the purpose of diversion and the lot size, etc..

## **Article 7 (Cancellation and Change of Permission on Diversion, etc.)**

(1) The Minister of Agriculture, the Do governor, or the head of Gun may cancel any permission that any person obtained under Article 3 or 5, change any of the permitted matters, or order the suspension of the relevant construction or operation, where any person who has obtained permission under Article 3 or 5 falls under any of the cases referred to in the following subparagraphs:

1. Where it has been proved that the person has obtained permission by fraudulent or other unjust means;
2. Where the person has obtained permission for an area which is excessively larger than necessary for a project or has become excessively larger than necessary for a project due to a reduction in the size of the project after having obtained permission;
3. Where the person has violated any purpose of condition of permission;
4. Where a person has not executed the purported project within two years from the date of permission: Provided, That this shall not apply to any case where the commencement of construction has been delayed due to any reasons unattributable to the person who has obtained such permission and the person has obtained permission for a period extension.

(2) Where permission has been canceled or any of the permitted matters has been changed under the preceding paragraph, the Minister of Agriculture, Do governor, and the head of Gun may order the person who has obtained such permission to restore the farmland concerned to its original state within a fixed period.

## **Article 8 (Liability for Public Investment Expenses)**



- (1) Where any farmland for which permission has been granted under Article 3 or 5 benefits from any farmland improvement project implemented with any investment by the State or a local government, the person who has obtained such permission shall pay to the Government the relevant investment expenses in accordance with the liability standard amount determined and publicly notified each year by the Minister of Agriculture, as prescribed by Presidential Decree.
- (2) The liability standard amount of the preceding paragraph shall not exceed 3/10 of the relevant project expenses calculated at the time of permission.

### **Article 9 (Change of Land Category of Privately Owned Farmland)**

The land category of privately owned farmland located outside of the urban planning zone, etc. shall not be changed into land category other than that of farmland, except for cases falling under any of the following subparagraphs:

1. Where farmland is diverted by obtaining permission under Article 3 or 5;
2. Where farmland is diverted for any of the purposes falling under subparagraphs 1 to 4, paragraph (1), Article 3;
3. Where the form and quality of the farmland is considerably changed due to natural disaster, force majeure and other equivalent causes, and there is no prospect for restoring it to its original state.

## **CHAPTER III.**

## **UTILIZATION OF FARMLAND**

### **Article 10 (Obligation of Cultivation)**

- (1) The owner of farmland shall strive for the enhancement of the soil fertility of farmland and cultivate it for crops or utilize it for the culture of perennial plants or trees or grass pursuant to its purpose of use.
- (2) The head of Gun may, where any person idles his or her farmland or is lazy in its cultivation and other utilization thereof, issue necessary instructions to such person to ensure the efficient utilization of the farmland. In this case, the head of Gun shall, as prescribed by Ordinance of the Ministry of Agriculture, give the owner of the farmland an advance notice of any measures to be taken under Article 13 if the owner fails to follow such instructions.



### **Article 11 (Report of Expected Idle Farmland)**

In case of the expected idling of farmland due to causes such as the illness, relocation, and job change of an owner of farmland, the owner shall, as prescribed by Ordinance of the Ministry of Agriculture, report it to the head of Si (in case of a Si in which there are Gus, referring to the head of Dong) /Eup/Myeon having the jurisdiction over the seat of the farmland.

### **Article 12 (Determination of Minimum Standard Yield)**

- (1) In order to promote the efficient utilization of farmland, the head of Gun shall determine every 3 years the minimum standard yield for the farmland under his/her jurisdiction, as prescribed by Presidential Decree.
- (2) The head of Gun may appoint or commission as investigator relevant employees of the concerned agricultural guidance office of the Gu/Si/Gun, or of the concerned agricultural cooperative or farmland improvement cooperative of the Si/Gun and have them conduct investigation necessary for the determination of the minimum standard yield under the preceding paragraph.
- (3) The head of Gun shall, upon the determination of the minimum standard yield under paragraph (1), publicly notify it by Ri/Dong without delay.

### **Article 13 (Designation of Cultivators)**

- (1) The head of Gun may designate a person who will cultivate farmland falling under any of the following subparagraphs instead of its owner from among persons who hope to do so:
  1. Idle farmland of which the owner is clearly identified;
  2. Idle farmland of which the owner does not exist or is not clearly identified even if the owner does exist;
  3. Farmland whose annual yield has fallen short of the minimum standard yield under the preceding Article for not less than two consecutive years without any natural disasters, force majeure, or other equivalent causes.
- (2) The head of Gun shall, upon the designation under the preceding paragraph, deliver the notice prescribed by Ordinance of the Ministry of Agriculture to the person who will cultivate the farmland and the owner of the farmland and shall, in case of farmland under subparagraph 2 of the preceding paragraph, publicly

notify its meaning by Ri/Dong.

- (3) A person who has obtained designation under paragraph (1) and cultivates farmland instead of the owner of the farmland shall pay, to the owner of the farmland as the land use fee, the amount converted into the relevant year's government purchase price of the grain whose quantity shall be determined in advance by the head of Gun, not exceeding 2/10 of the amount calculated by deducting the corresponding amount of farmland tax from the standard yield of the relevant farmland under the Land Taxation Standard Survey Act and within the limits set to ensure the stability of the cultivator's agricultural management: Provided, That where the actual yield falls short of the standard yield due to natural disasters, force majeure, and other equivalent causes, and the head of Gun confirms it as prescribed by Ordinance of the Ministry of Agriculture, the land use fee shall be the amount calculated by multiplying the converted amount by a figure obtained from dividing the actual yield by the standard yield.
- (4) When the head of Gun deems that the farmland under the preceding paragraph has become so barren that it is impossible to efficiently cultivate it without spending excessively more efforts or fertilizers to it compared with other farmland, he/she may, in cases of the farmland under subparagraph 1 or 2 of paragraph 1 only, have the land use fees unpaid for a fixed period.

#### **Article 14 (Report of Change in Cultivated Plants)**

In case of changing farmland for crop cultivation into farmland for the culture of perennial plants or grass, it shall, as prescribed by Ordinance of the Ministry of Agriculture, be reported to the head of Gun.

#### **Article 15 (Utilization of Farmland in Urban Planning Zone, etc.)**

The provisions under Article 10 through 14 shall apply to farmland for which permission has been granted under Article 3 or 5 and also to farmland located in an urban planning zone, etc., for which the purpose of diversion has not yet been executed.

#### **Article 16 (Exchange, Subdivision or Consolidation of Farmland)**

- (1) In order to ensure the rationalization of agricultural management, the head of



Gun shall work out and implement policy measures necessary for nurturing the exchange, subdivision, or consolidation of farmland.

- (2) In order to ensure the efficient implementation of policy measures under the preceding paragraph, the State and local governments may, within budgetary limits, subsidize all or part of expenses for the registration or provide necessary financial support for the price difference between exchanged farmlands.

## CHAPTER IV.

## SUPPLEMENTARY PROVISIONS

### Article 17 (Formulating and Keeping of Farmland Cards and Farmland Ledgers)

- (1) For the efficient utilization and management of farmland, the head of a Gu/Si or Eup/Myeon shall draw up and keep on file the farmland card by lot and the farmland ledger by farmhouse.
- (2) If necessary for drawing up and arranging farmland cards and farmland ledger under the preceding paragraph and ascertaining other actual conditions of utilization of farmland, the head of a Gun/Eup/Myeon may have the owner of the farmland or the cultivator thereof report specific matters or have a relevant public official investigate the conditions thereof.
- (3) When the relevant public official investigates under the preceding paragraph, he/she shall carry a certificate indicating his/her authority and shall display it to the interested persons.
- (4) Necessary matters concerning the formats of the farmland card and farmland ledger and the preparation and management thereof shall be prescribed by Ordinance of the Ministry of Agriculture.

### Article 18 (Fees)

A person who applies for permission under Article 3 or 5 shall pay a fee prescribed by Presidential Decree.



### **Article 19 (Enforcement Decree)**

Matters necessary for the enforcement of this Act shall be prescribed by Presidential Decree.

## **CHAPTER V.**

## **PENAL PROVISIONS**

### **Article 20 (Penal Provisions)**

- (1) Any person falling under any of the following subparagraphs shall be punished by imprisonment for not more than three years or by a fine corresponding to not less than 2/10 and not more than 3/10 of the standard market price of the farmland concerned under the Registration Tax Act:
1. A person who has obtained permission under Article 3 or 5 by fraudulent or other unjust means;
  2. A person who has not obtained permission under Article 3 or 5 or has diverted farmland in violation of the purpose of such permission.
- (2) Crimes under the preceding paragraph shall be dealt with only after a complaint is filed by the Ministry of Agriculture, Do Governor, or the head of Gun.

### **Article 21 (Joint Penal Provisions)**

Where the representative of a corporation, or an agent, employee, or other servant of a corporation or individual commits a violation under paragraph (1) of the preceding Article in connection with the business of the corporation or individual, not only shall such violator be punished, the corporation or individual shall also be punished by a fine under the same paragraph of the same Article.

# AGRICULTURAL COMMUNITY DEVELOPMENT PROMOTION ACT

[Enforced on Apr. 1, 1962] [Act No. 1039, Mar. 21, 1962]

## Article 1 (Purpose)

The purpose of this Act is to promote the improvement of the welfare of farmers by prescribing matters necessary to conduct experimental research, guidance, distribution of technology, and education and training for leaders needed for such work to promote the development of agricultural community.

## Article 2 (Administrator and Deputy Administrator of Rural Development Administration)

- (1) Rural Development Administration shall have one Administrator and one Deputy Administrator.
- (2) The Administrator and the Deputy Administrator shall be appointed by the prime minister upon the recommendation from the Minister of Agriculture from among those persons who have a great wealth of knowledge and experience in agriculture and rural development.
- (3) The Administrator shall exercise the overall control of the affairs of the Administration and direct and supervise public officials under his/her jurisdiction.
- (4) The Deputy Administrator shall assist the Administrator, administer the internal affairs of the Administration, and, in case of any accident to the Administrator, act on his/her behalf.

## Article 3 (Do Rural Development Administration)

- (1) The Do Rural Development Administration shall be established under the jurisdiction of a Do governor to take partial charge of provincial experimental research projects related to agriculture, agricultural community development projects and training projects.



- (2) The Do Rural Development Administration shall have one Director and shall have Grade II Class B state public officials in general service engaged in research or guidance to assist the Director.

#### **Article 4 (Agricultural Community Guidance Center of the Seoul Metropolitan City/Si/Gun)**

- (1) The Agricultural Community Guidance Center shall be established under the jurisdiction of a Mayor of the Seoul Metropolitan City/Si and a head of Gun to take partial charge of agricultural community guidance projects.
- (2) The Agricultural Community Guidance Center shall have one head of the Agricultural Community Guidance Center.
- (3) The Agricultural Community Guidance Center shall have Grade III Class B state public officials in general service engaged in guidance to assist the Head of the Agricultural Community Guidance Center.
- (4) The Agricultural Community Guidance Center of Si/Gun may have branch offices of the Agricultural Community Guidance Center in important areas located under the jurisdiction of the Agricultural Community Guidance Center.

#### **Article 5 (Definition of Projects)**

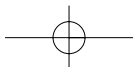
- (1) The term "experimental research projects" in this Act means the following projects:
  1. Experimental research for the improvement and development of agricultural technology (agriculture, forestry, livestock, domestic animals, hygiene, horticulture, sericulture, and the use, processing, agricultural engineering of agricultural, forestry, and livestock products)
  2. Experimental research for the improvement of the life of agricultural community (food, clothing and shelter)
  3. Production of high quality crops that form the basis of agriculture, vegetable seeds and breeder's seeds, original seeds and silkworm eggs, seedlings of high quality fruit trees and forestry woods, mulberry saplings, original stock of high quality livestock, and production of methods to prevent contagious domestic animal diseases.
  4. Investigations and research on agricultural management and the development of agricultural community.



- (2) The term "guidance projects" in this Act means the following duties:
1. Guided distribution or on-site demonstrations of scientific knowledge and technology related to agriculture and the improvement of life.
  2. Distribution of knowledge and technology related to avocations in agricultural community.
  3. Education of farmers on the protection and use of natural resources useful to the life of farmers and the development of agriculture.
  4. Promotion of agricultural community organizations aimed at improving agriculture and the life of farmers.
  5. Development of model agricultural community building projects that are subsidized or self-funded by farmers.
  6. Duties related to the execution of duties prescribed in each of the preceding subparagraphs.
- (3) The term "training projects" in this Act means the following duties:
1. Training of incumbent public officials in technical service relevant to the Ministry of Agriculture.
  2. Training of persons who are to be engaged in agricultural research and agricultural guidance projects.
  3. Training of senior officials and staff of organizations affiliated with the Ministry of Agriculture.
  4. Training of agricultural community volunteer leaders.

### **Article 6 (Conducting of Projects)**

- (1) The State or local governments may not conduct guidance projects unless there is due authorization by this Act.
- (2) Public organizations which are able to conduct guidance projects under other Acts shall closely cooperate with the rural development agencies that are authorized by this Act.
- (3) When organizations, other than public organizations under paragraph (2), intend to conduct guidance projects, they shall submit business plans to the Administrator of the Rural Development Administration and receive authorization therefrom.





### **Article 7 (Public Officials Engaged in Research or Guidance)**

- (1) The Rural Development Administration shall have public officials engaged in research or guidance to have such public officials work for agricultural community development projects.
- (2) Public officials engaged in research means public officials in technological service who are engaged in experimental research projects.
- (3) Public officials engaged in guidance means public officials engaged in guidance projects or training projects.

### **Article 8 (Qualification and Appointment)**

- (1) Public officials engaged in research or guidance shall be persons who have completed specialized academic courses, in light of the uniqueness of their duties, and meet the qualifications prescribed by each relevant Decree.
- (2) Public officials engaged in research or guidance may be appointed from among local public officials.
- (3) Public officials of Grade III or above engaged in research or guidance shall be appointed by the Prime Minister upon the recommendation of the Minister of Agriculture.
- (4) Among public officials engaged in guidance at the Agricultural Community Guidance Center, the appointment and dismissal of Grade IV State public officials shall be performed by a Do governor upon the recommendation of the Director of a Do Rural Development Administration.

### **Article 9 (Duties)**

No public official engaged in research or guidance shall be involved in duties, other than projects provided for in this Act.

### **Article 10 (Subventions and Subsidies)**

If the State deems it necessary, the State may provide subventions or subsidies to schools, private organizations or natural persons that conduct experimental research projects or guidance projects, within budgetary limits.

### **Article 11 (Enforcement Decree)**

The organization of the Rural Development Administration and other matters necessary for the enforcement of this Act shall be prescribed by each relevant Decree.





# GRAIN MANAGEMENT ACT

[Enforced on Feb. 16, 1950] [Act No. 97, Feb. 16, 1950]

## Article 1

The purpose of this Act is to secure national food supplies and stabilize the national economy by regulating the price and the supply and demand of grain or controlling its distribution and supply, through stockpiling and managing grain.

## Article 2

The term "grain" means rice, barley, wheat, oats, rye, etc. and other types of cereals prescribed by Presidential Decree.

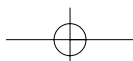
## Article 3

The persons who produce grain or the persons who obtain grain, acquired through their rights over the land, shall, only in the case of rice, sell the grain to the Government in the amount determined by the Government. Provided, That this shall not apply to food grain for self-consumption and seed grain.

The total amount of rice purchased by the Government pursuant to the preceding paragraph shall not exceed one third (1/3) of the total domestic production for the same rice crop year.

## Article 4

The persons who have purchased or contracted to purchase the vested farmland pursuant to Act No. 173 of the South Korean Interim Government and their sharecroppers shall pay the annual payment amount payable for the transfer of such farmland or their farm rent in whole to the Government, as prescribed by Presidential Decree.





### **Article 5**

The purchasing amount and price of grain shall be determined by the Government and shall require the consent of the National Assembly.

### **Article 6**

The Government may, if deemed necessary, pay a portion of the purchasing price of grain in materials necessary for farming.

In case where the preceding paragraph is applicable, substitute materials shall be evaluated by the statutory price or the prime cost.

### **Article 7**

The Government may, in accordance with the supply and demand plan, dispose of the grain purchased pursuant to this Act or sell it to regulate grain price.

### **Article 8**

The Government may, if it is deemed necessary for grain management, purchase grain sold at the market and sell grain at the market to regulate the supply and demand of grain or the price thereof.

### **Article 9**

The Government shall maintain the reserve grain at all times to prepare for emergency.

### **Article 10**

The government may, if deemed necessary for controlling the supply of and demand for grain, import or export grain.

### **Article 11**

A person who intends to import or export grain shall obtain permission from the Government.

The grain imported pursuant to the preceding paragraph shall be sold to the Government.

## Article 12

The Government may, if deemed necessary, reduce and/or exempt export/import taxes for grain in accordance with Presidential Decree.

## Article 13

A person who runs a grain processing business shall obtain permission from the Government.

## Article 14

The Government may, if deemed particularly necessary for grain management, order necessary matters to a grain dealer, a transportation business operator, or a grain processing operator, as prescribed by Presidential Decree.

## Article 15

The Government may, if deemed necessary, impose restrictions on or prohibit the for-profit processing of grain or the sale of such product.

## Article 16

The Government may, if deemed necessary for the control of supply and demand of grain, order necessary matters regarding the sale of meals or alcoholic drinks, etc. at an inn, a restaurant, a high-class Korean-style restaurant and other eateries, as prescribed by Presidential Decree.

## Article 17

The Government may, if deemed necessary, order a grain producer, an owner of grain, a grain seller, a grain miller, or a grain processing operator to report necessary matters, or have documents and accounting book, etc. inspected by a relevant public official.

## Article 18

A person who falls under any of the following subparagraphs shall be punished by imprisonment for not more than three years, or by a fine not exceeding three hundred thousand won:



1. A person who intentionally fails to sell or pay grain to the Government in violation of the provisions under Article 4 or Article 11 (2).
2. A person who runs a grain processing business without obtaining permission in violation of the provisions under Article 13.
3. A person who violates an order, or who refuses an inspection by a relevant public official under Article 17.
4. A person who interferes with the purchase or sale of grain, or who agitates, instigates or aids other persons for the purpose of interfering with the purchase or sale of grain.

### **Article 19**

A grain dealer who hoards or holds back selling of grain for profiteering purposes shall be concurrently punished by imprisonment for not more than ten years and by a fine at least ten times the price of the hoarded grain.

### **Article 20**

A person who carries out a forced requisition of food grain for self-consumption or seed grain prescribed under Article 3 of the Grain Management Act by intentionally making a wrongful adjustment of the quantity of grain purchase shall be punished by imprisonment for not more than two years or by a fine not exceeding two hundred thousand won.

### **Article 21**

A person who exports or intends to export grain without permission in violation of the provisions under Article 11 shall be punished by death, or imprisonment for life or for not less than five years.

A person who imports grain without permission in violation of the provisions under Article 11 shall be punished by imprisonment for not more than ten years and not less than one year.

A fine not less than ten times the amount converted into the market price of the grain exported or imported without permission may be concurrently imposed on a person who has committed crimes under the preceding paragraphs.

## Article 22

A person who agitates, instigates or aids other persons to export grain without permission shall be punished by imprisonment for life or for not less than one year, and a fine not exceeding five hundred thousand won may be imposed concurrently.

## Article 23

Grain owned or possessed by the criminal shall be forfeited, and if such forfeiture is not possible in part or in whole, the value thereof may be collected.

## Article 24

The enforcement of this Act shall be budgeted by a special account.

## Article 25

The Government may cause an agency designated by the Government to vicariously execute the business of buying and/or storing, receiving and releasing, transporting and milling of grain carried out in accordance with the provisions under this Act.

# ENVIRONMENT-FRIENDLY AGRICULTURE FOSTERAGE ACT

[Enforced on Apr. 1, 2009] [Amended by Act No. 9623, Apr. 1, 2009]

## CHAPTER I.

### GENERAL PROVISIONS

<Amended by Act No. 9623, Apr. 1, 2009>

#### Article 1 (Purpose)

The purpose of this Act is to increase the role of agriculture in environmental preservation, reduce environmental pollution caused by agriculture, foster farmers who practice environment-friendly agriculture, thereby pursuing sustainable and environment-friendly agriculture.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

#### Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows:

1. The term “environment-friendly agriculture” means agriculture producing safe agricultural, stockbreeding, or forest products (hereinafter referred to as “agricultural products”) by using no chemical materials, such as synthetic agricultural chemicals, chemical fertilizers, antibiotics and antimicrobials, or minimizing use of such materials, and maintaining and preserving the agricultural ecosystem and environment by recycling byproducts of agriculture, stockbreeding or forestry;
2. The term “environment-friendly agricultural products” means agricultural products produced in the course of managing environment-friendly agriculture;
3. The term “environment-friendly agricultural technology” means agricultural



methods or theories used for the management of environment-friendly agriculture, or methods of producing materials.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 3 (Obligations of State and Local Governments)**

- (1) The State shall implement a comprehensive policy aimed at promoting environment-friendly agriculture, including formulation of basic plans and policies on environment-friendly agriculture, and encouragement of voluntary participation from local governments and farmers.
- (2) Local governments shall formulate policies on environment-friendly agriculture in consideration of regional characteristics of districts under jurisdiction, and move aggressively to implement such policies.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 4 (Obligations of Farmers)**

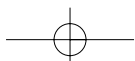
Farmers shall endeavor to preserve the environment by reducing pollution caused by farming activities and manage agriculture-producing, environment-friendly agricultural products, by practicing environment-friendly agricultural methods, such as minimizing use of chemical materials.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 5 (Roles of Private Organizations)**

Private organizations (hereinafter referred to as “private organizations”), which have been formed for the purposes of research in environment-friendly agriculture and production, distribution, or promotion of consuming environment-friendly agricultural products, shall cooperate in implementing policies of the State and local governments on environment-friendly agriculture, and provide education, training, advanced technology, and farming guidance necessary for their members and farmers, etc., thereby contributing to the development of environment-friendly agriculture.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]



CHAPTER II.

FOSTERAGE AND SUPPORT OF ENVIRONMENT-FRIENDLY AGRICULTURE

<Amended by Act No. 9623, Apr. 1, 2009>

**Article 6 (Plan to Foster Environment-Friendly Agriculture)**

- (1) The Minister of Food, Agriculture, Forestry and Fisheries shall formulate a plan (hereinafter referred to as “fosterage plan”) to foster environment-friendly agriculture for the development of environment-friendly agriculture every five years, in consultation with the heads of the relevant central administrative agencies.
- (2) A fosterage plan shall include the following matters:
  1. Policy goals and basic directions for environmental preservation in the area of agriculture;
  2. Actual conditions on environmental pollution from agriculture and measures to improve such conditions;
  3. Measures to reduce synthetic agricultural chemicals, chemical fertilizers, and chemical materials, such as antibiotics and antimicrobials;
  4. Measures to develop various technologies for the development of environment-friendly agriculture;
  5. Measures to foster a model environment-friendly agricultural complex;
  6. Measures to boost the production and distribution of environment-friendly agricultural products and promote consumption of such products;
  7. Measures to increase the function of agriculture to serve public interests;
  8. Measures to strengthen international cooperation for the development of environment-friendly agriculture;
  9. Measures to procure financial resources for implementing a fosterage plan;
  10. Measures to foster civil certifying institutions;
  11. Other matters prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries for the development of environment-friendly agriculture.
- (3) The Minister for Food, Agriculture, Forestry and Fisheries shall inform a





Special Metropolitan City Mayor, Metropolitan City Mayor, Do Governor, or the Governor of a Special Self-Governing Province (hereinafter referred to as “Mayor/Do Governor”) of a fosterage plan established under paragraphs (1) and (2).

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

**Article 7 (Action Plans on Environment-Friendly Agriculture)**

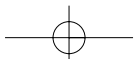
- (1) Mayor/Do Governor shall formulate and implement action plans of City/Do for the development of environment-friendly agriculture in accordance with a fosterage plan.
- (2) Mayor/Do Governor shall, when he/she formulates action plans of City/Do under paragraph (1), submit such plans to the Minister for Food, Agriculture, Forestry and Fisheries and notify the head of Si/Gun/autonomous Gu (hereinafter referred to as “the head of Si/Gun”) of such fact.
- (3) The head of Si/Gun shall formulate action plans of Si/Gun for the development of environment-friendly agriculture in accordance with action plans of City/Do and submit such plans to the Mayor/Do Governor, and actively promote such plans.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

**Article 8 Deleted. <by Act No. 9623, Apr. 1, 2009>**

**Article 9 (Prevention of Environmental Pollution Caused by Agriculture)**

- (1) The State and local governments shall aggressively promote the implementation of policies on compliance with standards for the safe and appropriate use of agricultural chemicals and maximum residue limits, compliance with the standard amount of sprayed fertilizers by crop, compliance with the effluent limits for livestock excretions and a ban on the dumping of agricultural waste, so as to prevent environmental pollution from agricultural activities, including agricultural chemicals, fertilizers, livestock excretions, and agricultural waste materials.
- (2) The implementation of policies under paragraph (1) shall be governed by standards pursuant to Article 23 of the Agrochemicals Control Act, Article 58





of the Water Quality and Ecosystem Conservation Act, and Article 13 of the Act on the Management and Use of Livestock Excreta.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 10 (Preservation of Agricultural Resources and Improvement of Agricultural Environment)**

- (1) The State and local governments shall aggressively promote the implementation of policies to improve farmland, prevent pollution of agricultural water, and minimize emissions of greenhouse gases, so as to preserve agricultural resources, including farmland, agricultural water, and air, and to improve the agricultural environment, including soil and quality of water.
- (2) The implementation of policies under paragraph (1) shall be governed by standards pursuant to Articles 4-2 and 16 of the Soil Environment Conservation Act and Article 10 of the Framework Act on Environmental Policy.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 11 (Research on Actual Conditions of Agricultural Resources and Agricultural Environment)**

- (1) The Minister for Food, Agriculture, Forestry and Fisheries or the heads of local governments shall periodically conduct research on the following matters, as prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries, so as to preserve agricultural resources and improve the agricultural environment:
  1. Changes in farmland fertility, heavy metals, agricultural chemicals, soil microbes, etc.;
  2. Qualities of the surface water and underground water used as agricultural water;
  3. Actual conditions on the use of materials involved in agriculture, such as agricultural chemicals and fertilizers;
  4. Actual conditions on the function of agriculture to serve the public interests, such as the cultivation of water resources and soil preservation;
  5. Other matters necessary for the preservation of agricultural resources and the improvement of the agricultural environment.



- (2) The Minister for Food, Agriculture, Forestry and Fisheries may require the head of an organization belonging to the Ministry for Food, Agriculture, Forestry and Fisheries or persons prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries to conduct research on matters referred to in paragraph (1).

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 12 (Entry into and Exit from Land Owned by Third Parties)**

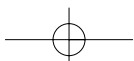
- (1) The Minister for Food, Agriculture, Forestry and Fisheries or the heads of local governments may require the relevant public officials to enter or exit land owned by other persons in the relevant region or regions adjacent thereto, or to collect minimum amounts of samples necessary for research, when it is deemed necessary for conducting an inspection of the actual conditions of the agricultural environment under Article 11.
- (2) The owners, possessors, or managers of land shall not refuse, obstruct, or evade inspection pursuant to paragraph (1) without any justifiable ground.
- (3) Any person who intends to enter or exit land owned by other persons under paragraph (1) shall carry a certificate indicating his/her authority to enter or exit the land, and show his/her certificate to the relevant persons.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 13 (Development and Dissemination of Environment-Friendly Agricultural Technology)**

- (1) The Minister for Food, Agriculture, Forestry and Fisheries or the heads of local governments shall formulate policies necessary for the research and development, dissemination, and direction of environment-friendly agricultural technologies, so as to develop environment-friendly agriculture.
- (2) The Minister for Food, Agriculture, Forestry and Fisheries or the heads of local governments may subsidize necessary costs for persons who are in charge of the research and development, dissemination, or direction of environment-friendly agricultural technologies and materials.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]





**Article 14 (Education and Training on Environment-Friendly Agriculture)**

The Minister for Food, Agriculture, Forestry and Fisheries or the heads of local governments shall provide education and training to farmers or the relevant public officials for the development of environment-friendly agriculture.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

**Article 15 (Exchanges and Publicity of Environment-Friendly Agricultural Technology)**

(1) The State, local governments, civil organizations, and farmers shall strive to develop environment-friendly agriculture by exchanging environment-friendly agricultural technologies.

(2) The Minister for Food, Agriculture, Forestry and Fisheries or the heads of local governments shall discover and publicize exemplary cases for the efficient promotion of environment-friendly agriculture.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

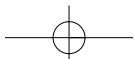
CHAPTER III.	<p>DISTRIBUTION MANAGEMENT OF ENVIRONMENT-FRIENDLY AGRICULTURAL PRODUCTS</p> <p>&lt;Amended by Act No. 9623, Apr. 1, 2009&gt;</p>
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**Article 16 (Classification of Environment-Friendly Agricultural Products)**

(1) Environment-friendly agricultural products shall be classified into organically grown agricultural products and pesticide-free agricultural products (referring to antibiotic-free stock farm products in cases of stock farm products), depending on methods of production and materials used for agriculture, etc.

(2) Detailed standards for use, etc. of materials for production of environment-friendly agricultural products shall be determined by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]



## **Article 17 (Certification of Environment-Friendly Agricultural Products)**

- (1) The Minister for Food, Agriculture, Forestry and Fisheries may certify agricultural products as environment-friendly agricultural products under Article 16 (1), so as to foster environment-friendly agriculture and protect consumers.
- (2) Figures or characters of environment-friendly agricultural products (hereinafter referred to as “labels of environment-friendly agricultural products”) may be marked in packages or containers of environment-friendly agricultural products (hereinafter referred to as “certified products”) certified as environment-friendly agricultural products under paragraph (1), as prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries.
- (3) Matters necessary for certification standards for environment-friendly agricultural products under paragraph (1) shall be prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 17-2 (Designation of Certifying Institutions)**

- (1) The Minister for Food, Agriculture, Forestry and Fisheries may designate persons, with human resources and facilities required for certification of environment-friendly agricultural products, as certifying institutions, and enable certifying institutions to certify environment-friendly agricultural products (hereinafter referred to as “certification of environment-friendly agricultural products”) under Article 17 (1). In such cases, when the Minister for Food, Agriculture, Forestry and Fisheries intends to certify agricultural products, which are produced in nations other than the Republic of Korea and imported to the Republic of Korea as environment-friendly agricultural products, he/she may designate persons with human resources and facilities required for certification of environment-friendly agricultural products in the relevant nations as certifying institutions.
- (2) Any person who intends to be designated as a certifying institution under paragraph (1) shall file an application on such designation to the Minister for Food, Agriculture, Forestry and Fisheries, as prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries.



- (3) The term of validity for the designation of a certifying institution under paragraph (1) shall be five years from the date on which such designation is granted to the certifying institution.
- (4) Any person who intends to continue to be engaged in certification duties even after the term of validity of designation under paragraph (3) expires, shall be re-designated as a certifying institution every five years before the term of validity expires.
- (5) Matters necessary for designation standards for certifying institutions under paragraph (1), scopes of certification duties and requirements and procedures for re-designation under paragraph (4) shall be prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 17-3 (Application and Examination of Certification)**

- (1) Any producer or importer of environment-friendly agricultural products or any person who repackages certified products for distribution shall, when he/she intends to obtain certification for environment-friendly agricultural products, file an application to the Minister for Food, Agriculture, Forestry and Fisheries or persons (hereinafter referred to as “certifying institutions”) designated as certifying institutions under Article 17-2 (1), as prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries: Provided, That neither any person who has been sentenced to a fine or heavier punishment (including declaration of suspension of execution) in violation of any of the provisions of the subparagraphs of Article 17-5 nor any person whose certification has been cancelled under Article 18-2 may file an application for certification, unless one year lapses after the date on which the sentence is confirmed or the date on which certification is cancelled, respectively.
- (2) The Minister for Food, Agriculture, Forestry and Fisheries or certifying institutions, upon receiving an application for certification under paragraph (1), shall examine whether such application for certification meets certification standards (hereinafter referred to as “certification standards”) under Article 17 (3).
- (3) Anyone who raises an objection to outcomes of certification examinations under paragraph (2) may file an application for reexamination to the Minister



for Food, Agriculture, Forestry and Fisheries or certifying institutions which have conducted such certification examinations.

- (4) Necessary matters concerning the scope of repackaging under paragraph (1) and procedures and methods, etc. for examination and reexamination under paragraphs (2) and (3) shall be prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

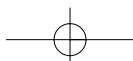
**Article 17-4 (Term of Validity of Certification)**

- (1) The term of validity of certification of environment-friendly agricultural products shall be two years from the date on which such certification is granted: Provided, That the term of validity of certification of organically grown agricultural products shall be one year.
- (2) The term of validity of certification pursuant to paragraph (1) may be extended within a period not exceeding two years (one year, in cases of organically grown agricultural products), as prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

**Article 17-5 (Prohibition of Unlawful Acts) No person shall commit acts falling under any of the following subparagraphs:**

- 1. Receiving certification for environment-friendly agricultural products by fraud or other wrongful means;
- 2. Labeling agricultural products, other than certified products, as environment-friendly agricultural products or similar products (including labels printed in foreign languages which are likely to be mistaken for labels of environment-friendly agricultural products; hereinafter the same shall apply) or attaching labels which are different from the details of certification of environment-friendly agricultural products, to certified products;
- 3. Selling products by mixing certified products with agricultural products which have not been granted certification, or keeping, transporting or displaying mixed products for the purpose of sale;
- 4. Selling agricultural products or keeping, transporting or displaying agricultural





products for the purpose of sale, with the knowledge that products labeled as environment-friendly agricultural products or similar products are not certified products, or such products have labels different from the details of certification of environment-friendly agricultural products;

5. Advertising products, other than certified products, as environment-friendly agricultural products under Article 16 (1) or advertising certified products, the advertisements of which are different from the details of certification of environment-friendly agricultural products.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 17-6 (Revocation of Designation of Certifying Institutions)**

- (1) The Minister for Food, Agriculture, Forestry and Fisheries shall, when certifying institutions fall under any of the following subparagraphs, revoke their designation or order such certifying institutions to suspend in whole or in part the collection of their duties for a specific period not exceeding six months: Provided, That when certifying institutions fall under subparagraph 1, their designation shall be revoked;
  1. When certifying institutions have been designated by fraud or other wrongful means;
  2. When certifying institutions have not granted certification to agricultural products for not less than one year without any justifiable ground;
  3. When certifying institutions have failed to meet designation standards under Article 17-2 (5);
  4. When it is recognized that certified products fail to satisfy certification standards as a result of examination or verification, etc. pursuant to Article 18 (1), which is attributable to intention or gross negligence of certifying institutions.
- (2) When certifying institutions have granted certification to agricultural products during the period of business suspension, in violation of an order to suspend business under paragraph (1), the Minister for Food, Agriculture, Forestry and Fisheries may revoke their designation.
- (3) No person for whom two years have not elapsed since designation of certifying institutions are revoked under paragraph (1) or (2), may be designated as a certifying institution.





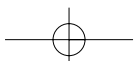
- (4) Detailed standards for administrative dispositions pursuant to paragraph (1) shall be prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries, in consideration of the types and degrees of violations.  
[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 17-7 (Succession)**

- (1) Any person who falls under any of the following subparagraphs shall succeed to the status of a person who has obtained certification of environment-friendly agricultural products or a certifying institution:
1. In cases where a person, who has obtained certification of environment-friendly agricultural products, dies, a successor who intends to continue to produce, import or distribute such certified products;
  2. In cases where a person who has obtained certification of environment-friendly agricultural products or a certifying institution has made a transfer of such business, such transferee;
  3. In cases where a corporation which has obtained certification of environment-friendly agricultural products or a certifying institution effects a merger, a corporation which has survived such merger or a corporation established by merger.
- (2) Any person who has succeeded to the status of a certifying institution, or who has succeeded to the status of a person who has obtained certification of environment-friendly agricultural products under paragraph (1) shall report such fact to the Minister for Food, Agriculture, Forestry and Fisheries, or the relevant certifying institution (referring to the Minister for Food, Agriculture, Forestry and Fisheries, when designation of a certifying institution has been revoked), respectively.
- (3) Matters necessary for reporting under paragraph (2) shall be prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries.  
[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 18 (Order to Change Labels)**

- (1) The Minister for Food, Agriculture, Forestry and Fisheries may order any person who has obtained certification of environment-friendly agricultural products or



any distributor of such certified products to take necessary measures, such as changing labels of environment-friendly agricultural products, stopping the use of such labels or banning sales of such products, when he/she recognizes that certified products fail to meet certification standards or unlawful acts have been committed in violation of Article 17-5, after examining certified products or verifying the processes of production or distribution.

- (2) With respect to the examination of certified products or verification of the production or distribution process under paragraph (1), the provisions of Article 10 of the Agricultural Products Quality Control Act shall apply *mutatis mutandis*.
- (3) Detailed standards for administrative dispositions under paragraph (1) shall be prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

#### **Article 18-2 (Revocation of Certification)**

When any person who has obtained certification of environment-friendly agricultural products falls under any of the following subparagraphs, the Minister for Food, Agriculture, Forestry and Fisheries or certifying institutions may revoke such certification: Provided, That when he/she falls under subparagraph 1, such certification shall be revoked:

1. When a person has obtained certification by fraud or other wrongful means;
2. When certified products have failed to satisfy certification standards remarkably as a result of examination or verification under Article 18 (1);
3. When a person has failed to comply with orders, such as changing labels, the suspension of the use of labels or banning sales of products under Article 18 (1), without any justifiable ground.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

#### **Article 18-3 (Reporting or Inspection)**

- (1) The Minister for Food, Agriculture, Forestry and Fisheries may enable certifying institutions or persons who have obtained certification of environment-friendly agricultural products to report matters on their duties or



submit data, or enable the relevant public officials to enter and exit offices, etc. to inspect the relevant documents, facilities or equipment, when he/she deems it necessary for the enforcement of this Act.

- (2) Certifying institutions or persons who have obtained certification of environment-friendly agricultural products shall possess and keep the relevant documents, such as data on certification examinations, the use of farming materials or transactions involving certified products, as prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries.
- (3) Public officials who enter and exit offices to conduct an inspection under paragraph (1) shall carry certificates indicating their authority to enter or exit offices, and show them to interested parties.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 19 (Support for Production and Distribution of Environment-Friendly Agricultural Products)**

- (1) The Minister for Food, Agriculture, Forestry and Fisheries or the heads of local governments may provide necessary support, such as funds for establishing facilities, to producers of environment-friendly agricultural products, producers' organizations, distributors or certifying institutions within budget.
- (2) Support for the production and distribution of environment-friendly agricultural products may be provided, depending on the degree of contribution to environment-friendly agriculture.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

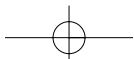
### **Article 19-2 (Recommendation for Labeling Certified Products)**

The Minister for Food, Agriculture, Forestry and Fisheries may recommend persons who produce, import or distribute certified products to label such products, to ensure that consumers can gain a clear understanding of information on the methods of production and materials used for such certified products.

[This Article Newly Inserted by Act No. 9623, Apr. 1, 2009]

### **Article 20 (Preferential Purchase)**

- (1) The Minister for Food, Agriculture, Forestry and Fisheries or the heads of local



governments may request the heads of public institutions or the heads of agriculture-related organizations, etc. to preferentially purchase environment-friendly agricultural products, so as to promote the purchase of environment-friendly agricultural products.

- (2) The State or local governments may provide necessary support, such as funding within budget, to public institutions or agriculture-related organizations which make preferential purchases under paragraph (1), so as to promote the consumption of environment-friendly agricultural products.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

## CHAPTER IV.

## INTERNATIONAL COOPERATION <Amended by Act No. 9623, Apr. 1, 2009>

### **Article 21 (International Cooperation)**

The Government shall promote the exchange and sharing of information and technology concerning environment-friendly agriculture through international cooperation with international organizations related to environment or the relevant nations, cooperate in exchanges of human resources, joint surveys, research and development, etc. and actively take part in global efforts for the development of environment-friendly agriculture, such as controlling agricultural activities and trade in materials that cause substantial damage to the environment.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 22 (Establishment of Standards and Objectives of Domestic Environment-Friendly Agriculture)**

The Government shall establish the effective standards and objectives of domestic environment-friendly agriculture, by considering the international conditions, domestic resources, environmental and economic conditions, etc.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 22-2 (Fees)**

- (1) Any person who falls under any of the following subparagraphs shall pay fees:
  1. Any person who intends to obtain certification of environment-friendly agricultural products;
  2. Any person who intends to be designated as a certifying institution under Article 17-2 (1);
  3. Any person who intends to be re-designated as a certifying institution under Article 17-2 (4);
  4. Any person who intends to extend the term of validity of certification under Article 17-4 (2).
- (2) Necessary matters concerning the amount of fees under paragraph (1), the methods and periods of payment, etc. shall be prescribed by Ordinance of the Ministry for Food, Agriculture, Forestry and Fisheries.  
[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 23 (Delegation or Entrustment of Authority)**

The Minister for Food, Agriculture, Forestry and Fisheries may delegate a part of his/her authority under this Act to the Administrator of Rural Development Administration, Chief of Korea Forest Service, Mayor/Do Governor or the head of an institution belonging to the Ministry for Food, Agriculture, Forestry and Fisheries, or entrust such authority to civil organizations, as prescribed by Presidential Decree.  
[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 24 (Hearings)**

- (1) The Minister for Food, Agriculture, Forestry and Fisheries shall hold a hearing, when he/she intends to revoke the designation of certifying institutions under Article 17-6 or revoke certification under Article 18-2.
- (2) When certifying institutions intend to revoke certification under Article 18-2, such institutions shall provide the opportunity to submit a written opinion to any such person who has obtained such certification of environment-friendly agricultural products.
- (3) With respect to submission of opinions under paragraph (2), the provisions of



Article 22 (4) through (6) and Article 27 of the Administrative Procedures Act shall apply mutatis mutandis. In such cases, “administrative agency” or “competent administrative agency” shall be deemed “certifying institution.”

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

**Article 24-2 (Legal Fiction as Public Official in Application of Penal Provisions)**

Executives and employees of certifying institutions who are engaged in certification duties under the former body of Article 17-2 (1), or executives and employees of civil organizations who perform the entrusted duties under Article 23 shall be deemed public officials, when penal provisions under Articles 129 through 132 of the Criminal Act are applied.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

<b>CHAPTER V.</b>	<b>PENAL PROVISIONS</b> <Amended by Act No. 9623, Apr. 1, 2009>
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**Article 25 (Penal Provisions)**

Any person who falls under any of the following subparagraphs shall be punished by imprisonment for not more than three years or by a fine not exceeding 30 million won:

1. Any person who obtains certification of environment-friendly agricultural products by fraud or other wrongful means, in violation of subparagraph 1 of Article 17-5;
2. Any person who attaches labels of environment-friendly agricultural products or similar products, or attaches labels which are different from details of certification of environment-friendly agricultural products, in violation of subparagraph 2 of Article 17-5;
3. Any person who sells products by mixing certified products with agricultural products which are not granted certification, or who keeps, transports or displays mixed products for the purpose of selling such products, in violation of subparagraph 3 of Article 17-5;



4. Any person who sells agricultural products, or keeps, transports or displays agricultural products for the purpose of selling them, with the knowledge that such products labeled as environment-friendly agricultural products or similar products are not certified products, or such products have labels different from details of certification of environment-friendly agricultural products, in violation of subparagraph 4 of Article 17-5;
5. Any person who advertises products, other than certified products, as environment-friendly agricultural products under Article 16 (1) or advertises certified products, the advertisements of which are different from details of certification of environment-friendly agricultural products, in violation of subparagraph 5 of Article 17-5.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

#### **Article 25-2 (Penal Provisions)**

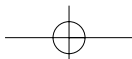
Any person who falls under any of the following subparagraphs shall be punished by imprisonment for not more than one year or by a fine not exceeding 10 million won:

1. Any person who is designated as a certifying institution by fraud or other wrongful means pursuant to Article 17-6 (1) 1, from among persons designated as certifying institutions under the former body of Article 17-2 (1);
2. Any person who grants certification to environment-friendly agricultural products, without being designated as a certifying institution under the former body of Article 17-2 (1);
3. Any person who grants certification to environment-friendly agricultural products during the period of business suspension under Article 17-6 (1), from among persons designated as certifying institutions under the former body of Article 17-2 (1);
4. Any person who fails to comply with measures, such as changing labels of environment-friendly agricultural products, the suspension of the use of such labels or banning sales of products under Article 18 (1).

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

#### **Article 26 (Joint Penal Provisions)**

If the representative of a corporation, or any agent, employee or other employed





person of the corporation or any other private individual commits an offense pursuant to Article 25 or 25-2 in connection with the duties of the corporation or the individual, not only shall such offender be punished accordingly, but the said corporation or the private individual shall also be punished by the fine prescribed in the relevant Article: Provided, That the foregoing sentence shall not apply where the corporation or individual has not neglected to exercise due diligence and supervision over the relevant duties in order to prevent such violations from occurring.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]

### **Article 27 (Fines for Negligence)**

(1) When any person falls under any of the following subparagraphs, he/she shall be punished by a fine for negligence not exceeding 3 million won.

1. Any person who refuses, obstructs or evades inspection in violation of Article 12 (2);
2. Any person who succeeds to the status of a certifying institution or the status of a person who obtains certification of environment-friendly agricultural products, but fails to report such fact in violation of Article 17-7 (2);
3. Any person who refuses, obstructs or evades inspection in violation of Article 10 of the Agricultural Products Quality Control Act applied mutatis mutandis in Article 18 (2);
4. Any person who fails to report or submit data, falsely reports or submits false data, or refuses, obstructs or evades inspection of facilities or equipment under Article 18-3 (1);
5. Any person who fails to possess and keep the relevant documents in violation of Article 18-3 (2).

(2) Fines for negligence under paragraph (1) shall be imposed and collected by the Minister for Food, Agriculture, Forestry and Fisheries, Mayor/Do Governor or the head of Si/Gun, as prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 9623, Apr. 1, 2009]



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