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FROM - SEOUL

SUBJECT - End-of-Tour Report - Ryland L. Holmes

REFERENCE -

In this report Mr. Holmes has managed to embrace a proper mix of optimism and skepticism concerning the present and future of rural development in Korea. As much or more than any other provincial advisor, he has performed with exceptional skill and insight.

Among the items identified as significant by Mr. Holmes, the need for a home economics program is a highlight, along with a desire on the part of farm people for electric power, a long-pending requirement for a certified seed program and continually expanding efforts to promote agri-business projects. In passing, he notes the need for competent interpreters for all U.S. staff and that these should be well paid, particularly in the light of the competition for their services outside of our Mission.

Mr. Holmes is scheduled for a year's training in economic development at the University of Maryland. He has mapped out his own program to suit his own needs and ambitions. The Mission heartily approves of this approach to career development.

The critical job of Head of the Field Branch of RDD will be unfilled upon the departure of Mr. Lane Holdcroft next spring. It is our hope and design that Mr. Holmes can return to Korea to assume this responsibility.

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END-OF-TOUR-REPORT

Name: Ryland L. Holmes Job Title: Development Officer Rural
Country of Assignment: Korea Prior Country Assignment: USAID/Liberia
Tour of Duty Began: September 2, 1965 7 years, 3 months
Tour of Duty Ended: August 24, 1967
Project Activity (Name and No.): Rural Development Policy Planning and Survey.
489-11-110-594

Summary

This report covers the period from September 2, 1965 to the present. During this period the writer served as Senior Rural Development Officer in two provinces and for more than five months was Acting Field Coordinator of activities being conducted by 16 provincial advisors located in nine different provinces. As senior provincial rural development advisor, the writer was involved in planning, implementation and evaluation of all projects and programs relevant to rural development. Korea is considered short in many natural resources but possesses the important resource of talented, hard working and imaginative people; the writer worked with these people at all levels of government.

U.S. surplus or excess commodities have been utilized fully to advance the development process. Commodities made available and utilized include P-480 grains, trucks, wire, metal drums, office furniture, tractors, sedans and construction equipment. The ROKG has provided adequate skilled personnel and considerable funds to support the use of U.S. surplus commodities received.

The female element of the Korean society is playing an important role in shaping the economy and improving living standards. It appears that the time is ripe for effective contributions by a USOM home economist.

The writer foresees a great future for development as an outgrowth of the agribusiness concept. A combination of agriculture and business (domestic and foreign) should provide the needed capital and skills to develop existing resources and to explore new markets.

Preconditions and incentives for a 'takeoff' in food production appear in sight. The agronomic factors are materializing and the ROKG is giving serious consideration to programs that will provide the necessary incentives for increased production.

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Korea has made great improvements in domestic economic fiscal policies and of its export opportunities; however, a considerable increase in the supply of long-term, low-interest foreign capital or foreign aid grants will be needed for achievement of its development goals. Also, it appears that Korea clearly feels the necessity to draw on the tremendous reservoir of technology already invented. The writer feels that government officials and businessmen recognize that most of the technologies and scientific principles which are important for their economic development are already present in developed countries and in most cases have been pretty well tested.

The climate for change in Korea appears to be favorable. There are no obvious signs that the introduction of new ideas, new chemicals or new machinery have upset the social, economic, and political relationships - factors which are deep in the structure of any society. Within recent years the economy has been better prepared to meet local costs required to take advantage of imported ideas, equipment and technology. The lack of trained scientists who are receptive to imported technology is no serious inhibiting factor to rapid development.

Any country needs to conduct some research to seek answers to immediate problems common to its own land and people. However, many of the most needed solutions to technical agricultural problems faced by Korea represent relatively simple adaptations and applications of known techniques. This can be accomplished only through existing institutions and arrangements, collaboration of professional skills in other scientific or engineering disciplines, management, economics and political scientists.

The most promising prospect for increasing food supplies in Korea appears to be through the most effective utilization of lands now under cultivation. The use of adapted, high-yielding crop varieties; better fertilization, irrigation and cultural practices, more effective disease and pest control; and improved harvesting and storage methods can be combined to double present unit yields of many crops. There is still a need in Korea to fully utilize suitable sloped lands for production of food and cash crops. These sloped lands should be conditioned for protection from erosion, bench terracing being the appropriate approach.

General

The writer has served as Rural Development Officer in Korea since April, 1964. However, this report covers only the period from September 2, 1965 to the present. More than five months of this period were spent at USOM/Korea Headquarters as Acting Field Coordinator of activities being conducted by 16 provincial rural development advisors located in nine different provinces. The writer's post of assignment has been in Pusan City, with the responsibility of serving as Senior Rural Development Advisor in Kyongsang-Namdo and Cheju-Do Provinces. An assistant Advisor was assigned to Kyongsang-Namdo in July, 1966 and one to Cheju-Do in January, 1967.

The major duties of the writer have been to advise the governors, their staff and other agency staff on all matters relevant to rural development; to provide advisory services to all levels of provincial governments and agencies in the

planning, execution and evaluation; to insure that AID support for rural development is used according to mutually agreed terms and conditions; and to serve as senior permanent USOM representative in the provinces and to help the Mission to assure coordination of all activities within the provinces.

The format suggested for the End-of-Tour Report does not lend itself well to describe adequately the performance of the writer because of the nature of his varied activities. The writer will attempt to present observations on appropriate topics suggested in the format, such as existing differences between U.S. and local practices and adaptations attempted, human resource factors, material resource factors and financial and economic resources available. Observations on these topics will be presented in relationship to specific activities.

An in-depth evaluation of accomplishments in the Division of Rural Development over the past decade was conducted during the early part of 1967. The final evaluation report represents a review and appraisal of RDD efforts to assist the ROKG in developing the agriculture sector. All factors examined by the report are directly related to functions of provincial rural development advisors. It would be a great waste of effort as well as unnecessary duplication to describe, in any detail, the factors covered by the evaluation report. Although the evaluation project was a nation-wide study, accomplishments of the provinces were a part. Provincial programs are extensions of national plans and policies.

Training and Rural Guidance Activities

In-service training of provincial government employees and organized training of lay-leaders have been continuing activities in the province. Training sessions for government officials assigned in the provinces are designed and conducted at the gun (county), provincial and national (Office of Rural Development) levels. The Republic of Korea Government (ROK) officials devote a great deal of time and effort in training activities and have demonstrated recognition of the need for an effective program consistently to equip workers with the knowledge, skill and know-how. The writer, the assistant Provincial Advisors and RDD Advisors located at CED/Suwon recognize the need to improve training activities. During this reporting period special emphasis has been placed on improved methods of conducting training sessions, greater use of visual aids (including simple aids that can be made by instructors), timely subject-matter, the use of discussion groups versus lectures and fewer participants per session in order to encourage greater participation. Buildings and other facilities and equipment specifically for training of rural guidance workers are located in only three guns in Kyongsang-Namdo. Other guns in the province utilize existing multi-purpose facilities. During this period a new provincial training center was constructed in Chinju City which is more centrally located than the former center. Provincial rural development officials have been assisted with acquiring excess property (desks, office furniture, etc.) to equip the new center.

To realize the benefits from agricultural research in terms of increased production farmers must have a knowledge and understanding of, and confidence in

research results. These results reach the farmer through several different avenues but the rural guidance workers are considered the primary vehicle for transferring new or improved ideas from the source to the potential user. Unlike the U.S., sources of reliable information are limited; thus the need for an outstanding program conducted by rural guidance workers. This writer recognizes the need to strengthen the link between the research stations and the farmers.

Through the 4-H Club movement new ideas are being carried to farmers in remote areas. Korea has the second largest 4-H Club enrollment in the world; the U.S. has the largest enrollment. In the 4-H Club program, emphasis must be placed on quality. Members must receive some form of satisfaction if they are expected to remain active and useful in a community as a part of the innovation program. Small landholdings limit the numbers of individual 4-H projects in agricultural production and livestock. However there is a need to encourage small individual projects. The America-Korean Foundation (AKF) continues, in an effective manner, in promoting 4-H activities.

Women in the Korean society are playing a greater part in shaping the economy and improving living standards. As is the case of other developing countries, changes in diet and improved home facilities and conveniences are realized correspondingly with the shift from a subsistence to a cash economy. This shift is coming about at a slow rate, even in the rural sectors. These changes bring into focus new needs for guidance. Recently, pilot programs promoted by home economics guidance workers in the use of improved work clothes and improving kitchen facilities have been very successful. A larger number and better trained home economics guidance workers are needed. Several years ago USOM home economic advisers were not very successful in stimulating and guiding changes. The changed economic conditions, desires for improved home facilities and the many new and different food stuffs appearing on the domestic market make a favorable atmosphere at present for effective contributions by USOM home economists.

Communications and Transportation

As recognized by most people, the growth of expectations is intimately connected with communications. This facility must be adequate for an innovator as a newcomer (advisors), among people within a community and among people of different communities. In recent years, the number of public and private transportation units has increased greatly. A large percentage of existing vehicles are 15-20 years old. Although owners manage to keep these machines running, the cost is prohibitive. Within the past two years a population of new transportation devices has emerged. Since people who live in remote areas are influenced largely by observing the mode of living of urban or urban-oriented individuals, increased and improved transportation units as well as new and improved roads are playing their part in bringing about changes.

Rural electrification is a public facility which needs added attention. Data in Kyongsang-Namdo show that 111,000 houses are electrified of a total of 541,000 houses in 20 guns and six cities, or 20% of all houses. The six cities have an

average of 48% of the houses electrified. Although total available electric power is not adequate to meet present and foreseeable needs, recent observations in rural areas indicate that the cost of electricity and installation charges are factors that prohibit full utilization of even existing electric power. Data for Cheju-Do show that only 10% of the 72,000 houses have been electrified.

Rural isolation has been lessened by the village amplifying system. The program was first initiated several years ago but was given special attention during the past two years. With the use of U.S. excess property wire all but 122 villages in Kyongsang-Namdo now have amplifying systems. Villagers in remote areas can now listen to programs daily. Special farm programs are broadcast periodically, although sometimes poorly timed.

In any non-English speaking country, usually language barriers cause some difficulties. There must be communication, and a minimum of understanding must pass from the change agent to those receiving the innovation, and vice versa, if any degree of success is to be realized. It is recognized by many that the Korean language is difficult to master by foreigners. Only one of the provincial advisors has a command of the host country language sufficient to function without an interpreter. In fact, very few Americans presently residing in Korea can master the language. Thus the information, advice and counsel pass through an interpreter and, as the information at times is fairly highly specialized, neither the local people nor the interpreter will understand if the innovator is not careful. The interpreter keeps his job on the basis of understanding both languages that are being used. He will not admit inability to understand either the language or the ideas of the adviser for fear of jeopardizing his position. It is a natural tendency for him to act as if he understands even when he does not.

The RDD has been generally fortunate in obtaining good interpreters, good in the sense that they have a fair command of both languages, have a will to improve their English language, both oral and written, and have a desire and do put forth an effort to become more knowledgeable in subject matter areas. This writer feels that field interpreters should be well paid and should be given an opportunity for in-service training in subject-matter areas that are common to nation-wide programs.

Agri-Business

The term agribusiness is not new, but it surely has started a spark and is now burning in the thinking, programming and planning for development on a nation-wide basis. These programs and plans become a part of developmental objectives at all levels. The elements of agribusiness have been defined as people, money, organization and management, technical skills and continuous research input. In the initial stages promising agribusiness industries included marine products, sericulture, viticulture, mushrooms and food processing. These five industrial areas are common to most of the provinces, while certain provinces are giving more emphasis to particular agribusiness potentials. Kyongsang-Namdo has moved ahead in marine products and mushroom production and has made a good start in food processing.

The writer provided continuous assistance in promoting oyster production and, for the first time, export of oyster seeds. He also assisted in acquiring U.S. excess property wire to further demonstrate the "hanging method" of oyster seed production. In 1966, more than 10,000 cases of oyster seeds were produced using the hanging method. Of the total produced, more than 3,000 cases were exported to the West Coast of the U.S. and the remaining cases were used locally to produce oysters for domestic consumption, plus processing and exporting the finished product. In 1967, it is estimated that more than 10,000 cases of seeds will be available for export, with an additional 30,000 cases available for domestic uses.

Kimhae Gun, Kyongsang-Namdo, is the largest centralized area for mushroom growing in the ROK. One company (there are two other large companies in the area) operates 36 concrete constructed houses totaling 216,000 sq. ft. of growing space. These houses are equipped with steam and ventilation facilities. In addition to the central facilities the company contracts with local farmers in nearby villages, providing these farmers with quality materials and technical know-how. Canneries are operated in nearby Pusan City, and the finished product is exported.

Oyster seed and mushroom production are just two examples of agribusiness industries that are off to a good start. Conditions in Kyongsang-Namdo are very favorable for expansion of food processing, especially vegetables, marine products, poultry and mushrooms.

The writer foresees a great future for development as an outgrowth of the agribusiness idea. A combination of business and agriculture (foreign and domestic) will provide the needed capital and skills, and joint efforts (agriculture-business and foreign-domestic) will provide the needed contacts and skills to explore new markets. The International Executive Service Corps (IESC) should be able to play an outstanding role in providing short-term, high-level assistance in providing specialized skills as well as opening up new roads to potential markets.

Land Development and Improvement

Modern civilization depends on an adequate supply of food to meet minimal requirements for normal health and activity. Modernization is a key word in the language of all Koreans - officials, businessmen and farmers.

During this reporting period the writer worked with government officials and other agencies to bring about an increase in arable land and to improve existing arable land to realize yield increases. Observations indicate that the most successful land reclamation project has been in bench terracing. The success of this project has been due to the national support provided in terms of directives, trained technicians to assist with the program, and the recognized need and participation by the farmers. The bench terrace program, as in most other land development and improvement programs, has been supported with PL 480

commodities, and it has been determined that the greatest returns per unit of input are realized from the bench terrace efforts. The 1967 overall land development and improvement program in Kyongsang-Nando Province places less emphasis on land reclamation by bench terracing. Information indicates that only 1,242 hectares of land in Kyongsang-Nando had been bench terraced prior to 1966, and a total of 19,000 hectares had been bench terraced by the end of 1966. It is estimated that 56,000 hectares are suitable (10-35% slope with adequate topsoil) for bench terracing. Acreage per gun suitable for bench terracing ranges from 634 hectares to 8,700 hectares.

Paddy rearrangement has been a highly successful land improvement program, also supported with PL 400 commodities. Over 4,000 hectares were rearranged in 1966, and the 1967 program calls for rearranging an additional 8,000 hectares. It is estimated that rearrangement of paddy fields results in a 15% increase in unit yields of rice because of better and more timely irrigation, better drainage and the convenience of fertilization. The outstanding advantage of paddy rearrangement is that double cropping is possible - rice following barley within the same cropping year. At present 65% of paddy land in the province is suitable for double cropping.

Some other less successful land development and improvement projects consist of tideland reclamation, river bed reclamation, small irrigation and reservoir construction and flood control. Technically, these projects have been successful; however, the writer raises some question regarding the input-output ratio.

A mobile construction and development corps is being developed in Kyongsang-Nando for the purpose of reclamation and land improvement, paddy rearrangement, dikes and irrigation facilities. The mobile corps is a mechanized unit consisting of trucks, tractors, bulldozers, cranes and pumps. It is envisioned that a mobile unit will be assigned to each gun. Considerable additional planning, organization and finance are needed before the approach of the mobile construction corps will be fully effective; this writer feels that the idea is sound.

In Cheju Province, land development and improvement have, primarily, been confined to pasture renovation. The writer has traveled in most parts of Korea and it is his strong opinion that Cheju-Do offers the greatest potentials for beef production. It is estimated that there are more than 40,000 hectare of suitable land for pasture development. At least one-half of this area is relatively level and free of large rocks, which are conditions favorable for mechanization and rotation cropping systems. A pasture renovation program was initiated in 1966, utilizing PL 400 commodities as support; 600 hectare were prepared, seeded with recommended pasture mixtures, fertilized and lined - although the rate of lime applied was inadequate. A target of 4,000 hectare has been set for 1967, to be renovated by the use of machinery and the use of PL 400 grain.

Conditions for Increased Production

Conditions facing Korea to increase food production in order to feed the growing population are somewhat different from many less-developed countries. The

Limited crop land per person is the significant factor of concern in connection with the production of adequate food. Because of population growth and limited possibilities for expanding the area of land under cultivation, in the future the area of cropland per person may even shrink as the country becomes more urbanized and industrialized. Thus, it is timely that officials push forward with plans to increase production resulting from increased unit yield in addition to increasing arable land.

The provinces concerned, as well as the nation as a whole, have to some extent developed or are placing emphasis on preconditions for a yield-per-acre takeoff. Considerable progress has been made in agronomic areas of fertilizer, water resource and management, and improved varieties. The high level of literacy in the country permits the use of printed material, thereby facilitating the dissemination of research results. When increases in food output depend more on yield increases versus expansion of land, agriculture becomes much more dependent upon other sectors of the economy. The industrial sector is rapidly becoming established and equipped to supply the needed inputs of fertilizer, lime, insecticides, tools, farm implements and small tractors to support a desired unit yield output. Combined with preconditions the government is moving ahead on providing incentives in terms of conditions for favorable prices for farm products, and these prices are favorable with respect to the purchased inputs to raise yields. Although this condition is contrary to the opinions of many.

In Kyongsang-Nardo the total production of barley has doubled since 1960 with only about 2% increase in acreage. This great increase in production was realized from unit yield increases resulting from improved varieties, increased and timely application of complete chemical fertilizer and better drainage. In 1967, there is a province-wide move on to increase drastically the unit yield of rice.

To further production and to make the best use of land, the province has developed a land classification project for special crops. The entire province is divided into nine production areas: sericulture, mushrooms, citrus fruit, rush production, pearls and oysters, hanging method of oyster seed production, flower production, vegetable production and dairy farming.

Adequate source of credit, when it is needed and at a reasonable price, are some factors limiting full use of technology and the desired increase in production. The National Agricultural Cooperative Federation's (NACF) function is to fill this need at least partially. NACF has an organization designed adequately to fill the needs within the limits of its resources. The financial condition of NACF should become more healthy as more domestic or farmer-owned capital is generated.

Future Measures and Directions for U.S. Activities

1. Greater emphasis should be placed on per unit yield increase in addition to land expansion.

2. Capital accumulation by NACF should be continued at a greater pace, and should include savings in-kind as well as initiating new kinds of insurances.
3. As fertilizer, farm tools and other production items become more available private concerns should handle such items, in addition to NACF, in order that farmers may acquire their needs on a more timely basis.
4. A certified seed program is essential at this stage of development. Establishment of such a program should be given greater priority by both USOH and ROKG.
5. Research projects should be designed to seek answers to immediate farm problems and research work conducted by different institutions should be better coordinated.
6. As desires for development become greater, so do pressures on funds become greater and the function of determining priorities become more complex. To cope with this situation greater emphasis must be placed on the concept of selecting projects with the greatest potential for success in terms of input-versus-output.
7. The desires and hopes of village families, especially women, can well serve to stimulate increased agricultural production. Rural people are becoming dissatisfied with present living conditions. It is now timely for USOH's support in terms of a home economics advisor(s).
8. There is a continuing need for greater coordination and cooperation of personnel, facilities and research findings between FORD and local colleges, ORD and national colleges.
9. The agribusiness concept appears to be an excellent one and it should be expanded to the provincial level in terms of functional provincial committees.
10. As Korea approaches self-sufficiency in food, there will be increasing need for processing facilities, storage facilities and an adequate marketing system.
11. The use of U.S. excess grain as relief-development projects should be continued, but contributed in decreasing amounts. As ROKG becomes more economically strong, USOH should consider the 480 grain support to only certain kinds of projects and so designate the amounts of grain for each.
12. The number of provincial rural development advisors has already begun to decrease. The writer foresees a change in the role of a provincial advisor. At present considered a generalist in the field of agriculture, his new role will evolve into advising in management, planning, programming and evaluation at the provincial level with far less time available for gun (county) or myon (township) level activities.