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SUBJECT - **End-Of-Tour Report, Alex W. Franklin**

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Attached is the End-Of-Tour-Report prepared by Mr. Alex W. Franklin, Rural Development Advisor to the ROKG Provincial Governor and Staff Kyongsang Pukto, Taegu, Korea. This report reflects the Mr. Franklin's views while summarizing the services rendered by him beginning June 7, 1968 and ending March 30, 1970. The report was prepared at this time because Mr. Franklin normal two year assignment was officially reduced to 22 months to accommodate Mission's continuity of effort during 1970 rice growing season. The report presents a factual resume of the functions, problems and progress of Kyongsan Pukto rural development activities which are cogent to overall USAID-Korea agricultural objectives and programs. During Mr. Franklin's tour, he made a substantial contribution to the effectiveness of the rice prosperity zone, concept by advising ROKG officials to use larger amounts of inputs (limestone, fertilizers, pesticides, improved seeds, etc.) which were influential to increasing rice and other basic crop yields. He gave sound advise to the Provincial Office of Rural Development (PORD) in building designs, farm layout and cropping sequences which culminated in the erection of new modern facilities for use by PORD administrative, rural guidance and research personnel as well as increased production in agriculture.

His advisory activities led to strengthening the provincial livestock project for both dairy and beef animals through training of personnel and better production of forages and silage crops. Together with his counterparts his ideas and advisory efforts have had an appreciative impact on provincial agricultural development programs.

We wish Mr. and Mrs. Alex W. Franklin every success during their home leave and look forward to resumption of our association with them upon return from home leave.

Att: Appendix A

PORTER

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END-OF-TOUR REPORT

Name: Alex W. Franklin Job Title: Rural Development Advisor
Kyongsang-Pukdo

Country of Assignment: Korea Prior Country Assignment & Years: Korea -
Two years

Tour of Duty Began: 7 June 1968

Tour of Duty Ended: 30 March 1970

Project Activity (Name and No.): Rural Development Policy Planning and
Survey, 489-11-110-594

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A. INTRODUCTION

During my two tours in Korea, as an USAID/RDD Advisor, 1966-1970, there has been a noticeable change in the role of the USAID/RDD Advisor. In the past there was almost daily need for contact with the provincial governor and other officials but this has decreased as the ROK administrators have become more sophisticated and confident to such level that the daily contact is no longer necessary in working with some provincial officials. In order to adapt to the changing rural development situation the advisor had to modify his role. Even though the functions of the RDD Advisor have changed, this Advisor feels that his immediate Korean counterparts and other officials welcomed his assistance and offered him full cooperation in fulfilling his duties.

1. Introduction to Province

Kyongsang Pukdo is the largest province in Korea. There are 24 Guns (counties) and 238 Myons (sub-divisions) in addition to 5 cities with more than 50,000 population. The total population of the province is about 4.8 million people. Taegu, the largest city, has a population of about one million. Of the nine Korean provinces, Kyongsang Pukdo ranks second in rice and barley production, and first in the production of silk cocoons and apples. It is primarily an agricultural province, however, the current administration under the leadership of Governor Yang, is rapidly developing the industrial sector. This is taking place in both the cities and the rural areas. This is a positive program by the government to contribute to the development of the rural areas and raise living standards throughout the province by enticing more industry into the rural areas with tax incentives and by establishing special industrial development areas.

2. Summary

This advisor has concentrated his efforts in the following major areas during this tour:

(1) Assisted the Provincial Office of Rural Development. Emphasis has been on developing better utilization of fertilizer, lime, improved seed, and agricultural management practices to increase farm productivity.

(2) Assisted provincial officials in the determination of policies and the development and implementation of provincial programs.

(3) Assisted with the livestock development programs, e.g. buildings, feed programs facilities, etc.

(4) Agri-business development; assisted in the marketing and processing of agriculture products.

(5) Advised on land reclamation projects and soil conservation programs.

(6) Helped to improve the training program for provincial Guidance workers (Agriculture agents).

(7) Encouraged the provincial government to improve the coordination among the various bureaus and sections of the government and with the private agencies outside the government.

(8) Served on committee for the provincial food for peace program.

(9) Developed plans for increasing agriculture yields.

3. Comments on some of the programs and areas of work by the Advisor.

(1) The problem of increasing agriculture yields, in this advisor's opinion, is not as great as most people think. Most of the Korean technicians and farmers realize that if given the necessary inputs, under average conditions, there will be an increase in yields. The basic problem is required capital which the average farmer lacks. However, if money was available he might still be reluctant to use it for these inputs such as fertilizer, etc, since the farmer has experienced over-production and therefore low prices in the past and has suffered from weak agricultural policy. The government must establish a proper system of price supports and reduce the risk the farmer now faces by increasing production. If this were done the farmer would certainly

respond. The government and non-farm people not necessarily the farmer want an increase in agricultural production. The farmer under present conditions is content to provide only for himself and his family.

The lime program, seems to be a problem of economics. The farmer does not see any result or realize a profit from liming until about the third or fourth year after the initial application; therefore with a slow return on his investment and when you consider the small land holding and high interest rates in Korea, you can understand the farmer's reluctance to invest in a lime program. The government is aware of this problem and is implementing a program by which will provide to the farmer subsidy for most of the cost of lime, however, there are still some problems to be worked out in processing and transportation of lime before the program will be effective.

(2) Prosperity Zone farming

Korean farmers have very small farms averaging about 2 acres per family. Mr. Chung Jae Won the FORD Chief, has started a program which is designed to increase yields. This program consolidates several farms into one large unit on a voluntary basis. Each individual farmer remains independent and receives the production from his land but by combining farm units the program gives each farmer the advantages of farming on a larger scale which results in a more timely and uniform application of fertilizer and insecticide, improves the cultural practices and increases the use of mechanization on the zoned farms. In addition the agricultural agents can work with a larger number of farmers more effectively.

This Advisor strongly recommends this program and if it were developed properly on a national scale it could contribute more to the advancement of Korean agriculture than any program which has previously been tried.

(3) Land reclamation and conservation

This area is moving slowly and may seem, to some people, to be static or even diminishing. However, this writer believes that there has been progress in the conservation field. Consideration should be given to the heavy demands being made on Korea's forest land. The majority of the rural people in Korea depend on the forests for fuel to heat their homes and prepare meals.

Many ROKG officials believe the cost and benefit ratio of the bench terracing program has been too high. This advisor feels that if the beginning program had been more selective and implemented more slowly Korea would have obtained more benefit. Some bench terracing projects have proven very successful and this program should be continued on a more rational basis.

(4) Livestock program

Modern livestock production is something completely new to Korea, and many mistakes are evident. The poultry industry is reasonably well managed and large producers are making money. Credit should be given in many cases to several large joint venture (American/Korean) companies now operating in Korea. Most of raw ingredients for feed are now being imported into Korea at less cost and the feed being produced is usually of better quality than that milled from domestic grains.

The Korean Government has encouraged a crash program to establish dairy and beef industries. The main problem the ROKG has encountered is developing adequate feed resources. This advisor has worked with the provincial Government in developing their program which is designed to establish improved pastures on the hills and upland areas. It is too early to tell how successful these pastures will be, however, the provincial livestock station and several farmers have accepted this advisor's recommendations for the program which will enable them to produce greater yields of forage (TDN) from each unit of land. As an example, last year the livestock station produced 23 tons of high quality corn, soybean and barley silage per acre which is much higher than the national average and this year the station should produce close to 30 tons per acre.

4. Conclusion

Korea is ~~modernizing~~ at a rapid rate and as a result valuable agricultural land is being taken over by industry. Productive agricultural land is expensive and needed for food production. It is my opinion that factories should be located on the hills and upland on less productive land. This is possible for about the same cost as the choice level agricultural land. However, even if it is more expensive it should be done because Korea cannot afford the loss of crop land. This problem deserves the attention of the National and Provincial Governments. I also suggest a committee at the national level of USAID and ROKG personnel to study and make recommendations on this subject.

The Korean farmer obtains high yields, considering his inputs but most of the current inputs by the Korean farmer are items which do not require cash investment. There is no way to obtain additional agricultural production without increasing the cash investment needed for additional fertilizer, lime, insecticide and improved seed, but this must be done so the farmer can afford the costs without risking his entire investment.

Livestock; this area is wide open and needs vast improvement. The RDD advisor is in an excellent position to guide and direct the program during the next tour. They need advice in all areas, the most important of which is feed management and production.

Food processing is expanding in Korea and should continue to grow in the next few years at a very rapid rate. Koreans are beginning to demand good quality, properly packaged, easy to prepare food.

Flour is increasingly important in the Korean diet and Korea is importing over one million tons of U.S. wheat annually. This amount could double within the next five years.

American business (suppliers of industrial equipment) are not as aggressive as representatives from other countries and many do not realize the potential market for U.S. products in Korea. Japan is beginning to move rapidly into Korea and England and Germany are also becoming more aware of the potential Korean market. Korean industry is progressing rapidly and the U.S. business is going to have to be aggressive to meet their needs to insure a part the market.

Finally, I wish to express my thanks to Governor Yang, Mr. Chung, PORD Chief of Kyongsang Pukdo, and their staffs for their excellent cooperation as well as the various USAID staff members in Seoul who have generously given me their support and cooperation during this advisors past tour.