

ACT ON SUPPORT IN ACTIVITIES OF FARMERS FOR NONFARM INCOME

Act No. 9760, jun. 9, 2009

Amended by Act No. 10331, May 31, 2010

Act No. 11690, Mar. 23, 2013

Act No. 12049, Aug. 13, 2013

Act No. 12050, Aug. 13, 2013

Act No. 12248, Jan. 14, 2014

Act No. 12738, jun. 3, 2014

Act No. 13383, jun. 22, 2015

Act No. 14480, Dec. 27, 2016

Act No. 14532, Jan. 17, 2017

Act No. 15073, Nov. 28, 2017

Act No. 16072, Dec. 24, 2018

Article 1 (Purpose)

The purpose of this Act is to provide opportunities for increasing nonfarm income and contribute to the balanced development of the national economy by supporting the development of sources of nonfarm income and activities for nonfarm income for which farmers, etc. utilize resources and services produced by them.

Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows: *<Amended by Act No. 13383, Jun. 22, 2015>*

1. The term "farmers, etc." means those who fall under the following items:

- (a) Farmers prescribed by Presidential Decree among the farmers under subparagraph 2 of Article 3 of the Framework Act on Agriculture, Rural Community and Food Industry;
- (b) Corporations prescribed by Presidential Decree among the agricultural corporations under subparagraph 2 of Article 2 of the Act on Fostering and Supporting Agricultural and Fisheries Enterprises;

2. The term "nonfarm income" means income other than agricultural income under Article 197 of the Local Tax Act and business income generated from agriculture and forestry under Article 19 of the

Income Tax Act;

3. The term "activities for nonfarm income" means acts, such as the production, distribution and advertising of products for which farmers, etc. have utilized resources and services produced by them, to create nonfarm income, which are less than a certain scale prescribed by Presidential Decree.

Article 3 (Responsibility of the State and Local Governments)

The State and a local government shall formulate and execute policies for the development of sources of nonfarm income and activities for nonfarm income of farmers, etc., and shall prepare administrative and financial support plans, etc. necessary for the promotion of such policies.

Article 4 (Formulation of Comprehensive Plans, etc. for Support in Activities for Nonfarm Income)

(1) The Minister of Agriculture, Food and Rural Affairs shall formulate and execute a comprehensive plan in which the following matters are included (hereinafter referred to as "comprehensive plan"), in consultation with the heads of the relevant central administrative agencies, every five years for the development of sources of nonfarm income and activities for nonfarm income of farmers, etc.: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. The basic objectives and the direction of the promotion;
2. Matters concerning the support of funds, information, technology, human resources, marketing, taxation business, accounting, management, design, integration, etc. on activities for nonfarm income;
3. Other matters necessary for support in the development of sources of nonfarm income and activities for nonfarm income.

(2) Where necessary for formulating a comprehensive plan, the Minister of Agriculture, Food and Rural Affairs may request the heads of the relevant central administrative agencies to submit materials or state their opinions necessary for formulating the comprehensive plan. *<Amended by Act No. 11690, Mar. 23, 2013>*

(3) When the Minister of Agriculture, Food and Rural Affairs has formulated a comprehensive plan, he/she shall notify the heads of the relevant central administrative agencies, the Special Metropolitan City Mayor, the Metropolitan City Mayor, the Do Governor or the Governor of a Special Self-Governing Province of the comprehensive plan. *<Amended by Act No. 11690, Mar. 23, 2013>*

(4) The Administrator of the Rural Development Administration shall formulate and execute an annual promotion plan (hereinafter referred to as "promotion plan") according to a comprehensive plan in connection with an annual implementation plan for agricultural community development projects prescribed in Article 5 of the Agricultural Community Development Promotion Act. *<Amended by Act No. 12050, Aug. 13, 2013>*

(5) The Administrator of the Rural Development Administration shall, as prescribed by Presidential Decree, annually submit the results of implementation of the preceding year and the promotion plan of the relevant year to the Minister of Agriculture, Food and Rural Affairs, who shall evaluate the results of

implementation in accordance with the promotion plan. *<Newly Inserted by Act No. 16072, Dec. 24, 2018>*

(6) The Administrator of the Rural Development Administration shall reflect the results of evaluation prescribed in paragraph (5) when formulating a promotion plan for the following year. *<Newly Inserted by Act No. 16072, Dec. 24, 2018>*

(7) Other matters necessary for formulating and executing a comprehensive plan and implementation plan shall be prescribed by Presidential Decree. *<Amended by Act No. 16072, Dec. 24, 2018>*

Article 5 (Research on Actual Conditions)

(1) The Minister of Agriculture, Food and Rural Affairs may conduct research on the actual conditions on sources of nonfarm income and activities for nonfarm income, etc. to formulate and promote a comprehensive plan efficiently and support the development of the sources of nonfarm income and activities for nonfarm income of farmers, etc. *<Amended by Act No. 11690, Mar. 23, 2013>*

(2) Where necessary for research on the actual conditions under paragraph (1), the Minister of Agriculture, Food and Rural Affairs may request a related enterprise, research institute and organization to submit materials or state its opinion. *<Amended by Act No. 11690, Mar. 23, 2013>*

(3) Except in extenuating circumstances, an enterprise and organization, etc. requested to submit materials pursuant to paragraph (2) shall cooperate in such request.

(4) The extent and methods of research on the actual conditions under paragraph (1) and other necessary matters shall be prescribed by Presidential Decree.

Article 6 (Support of Organizations Related to Activities of Farmers, etc. for Nonfarm Income)

The State and a local government may provide financial and other necessary supports to related organizations for the promotion of activities of farmers, etc. for nonfarm income under this Act.

Article 7 (Agricultural Products Processing Technology Utilization Center)

(1) A local government may establish an agricultural products processing technology utilization center in a local agricultural community development agency under Article 3 of the Agricultural Community Development Promotion Act to support the development of the sources of nonfarm income and activities of farmers, etc. for nonfarm income.

(2) An agricultural products processing technology utilization center shall conduct the following matters to support activities of farmers, etc. for nonfarm income:

1. Support in the development of the sources of nonfarm income;
2. Support in technology transfer, training for leaders, education, consultation, counsel, marketing and advertising for the revitalization of activities for nonfarm income;
3. The securing of space and the installation of tools and materials and equipment necessary for activities under subparagraph 2;

4. The installation of tools and materials and equipment used in common for support in activities of farmers, etc. for nonfarm income and the efficient operation thereof;
 5. Analysis of the ingredients of products produced by means of activities for nonfarm income (hereinafter referred to as "products from activities for nonfarm income"), the establishment of an in-house quality test laboratory and the securing of human resources for the operation thereof;
 6. Support in the integration for activities for nonfarm income and joint activities.
- (3) The State may fully or partially subsidize expenses necessary for activities under paragraph (2) within the budgetary limits.
- (4) Other matters necessary for the establishment, operation, etc. of an agricultural products processing technology utilization center shall be prescribed by Presidential Decree.

Article 8 (Quality and Safety Control of Products)

The State and a local government shall support matters necessary for the quality and safety control for the improvement of the quality and productivity of products from activities for nonfarm income, etc. and for the protection of consumers.

Article 9 (Approval of Business Plans)

- (1) Farmers, etc. may prepare a business plan on activities for nonfarm income, as prescribed by Presidential Decree, and conduct a business with approval from the head of a Si/Gun (including the head of an autonomous Gu of a Metropolitan City having jurisdiction over rural communities under subparagraph 5 of Article 3 of the Framework Act on Agriculture, Rural Community, and Food Industry; hereinafter the same shall apply). *<Amended by Act No. 12049, Aug. 13, 2013; Act No. 13383, Jun. 22, 2015>*
- (2) The head of a Si/Gun shall notify an applicant as to whether he/she approves a business plan, within 30 days from the date he/she receives an application for approval of a business plan under paragraph (1). In such cases, where he/she fails to notify as to whether he/she approves a business plan within 30 days, he/she shall be deemed to have approved a business on the date after 30 days have elapsed.
- (3) In order to simplify procedures following the commencement of activities of farmers, etc. for nonfarm income, the Minister of Agriculture, Food and Rural Affairs may prepare and announce guidelines necessary when he/she conducts the business concerning approval of a business plan under paragraph (1). *<Amended by Act No. 11690, Mar. 23, 2013>*

Article 10 (Prior Consultation)

- (1) A farmer, etc. may request the head of a Si/Gun to hold a prior consultation about the possibility, etc. of approval of a business plan before he/she applies for approval of his/her business plan under Article 9 (1).
- (2) Matters necessary for procedures for a prior consultation under paragraph (1) shall be prescribed by Presidential Decree.

Article 11 (Legal Fictions of Authorization, Permission, etc.)

(1) When the head of a Si/Gun approves a business plan pursuant to Article 9 (1), a farmer, etc. shall be deemed to have obtained permission, etc. on matters about which the head of a Si/Gun has consulted with the head of another administrative agency pursuant to paragraph (4) concerning permission, authorization, license, approval, designation, decision, report and cancellation prescribed in the following subparagraphs (hereafter referred to as "permission, etc." in this Article): <Amended by Act No. 10331, May 31, 2010; Act No. 12248, Jan. 14, 2014; Act No. 14480, Dec. 27, 2016; Act No. 15073, Nov. 28, 2017>

1. Permission to occupy and use public waters prescribed in Article 8 of the Public Waters Management and Reclamation Act and approval or a report of an implementation plan prescribed in Article 17 of the same Act;
2. License to reclaim public waters prescribed in Article 28 of the Public Waters Management and Reclamation Act;
3. Permission to use or to make a profit from administrative property prescribed in Article 20 (1) of the Public Property and Commodity Management Act and the discontinuance of uses of administrative property prescribed in Article 11 of the same Act;
4. Permission to use State property prescribed in Article 30 of the State Property Act;
5. Permission to use agricultural production infrastructure prescribed in the main sentence of Article 23 (1) of the Rearrangement of Agricultural and Fishing Villages Act;
6. Permission to convert farmland prescribed in Article 34 (1) of the Farmland Act, a report of the conversion of farmland prescribed in Article 35 (1) of the same Act and approval for change of uses prescribed in Article 40 (1) of the same Act;
7. Permission to occupy and use a road prescribed in Article 61 (1) of the Road Act;
8. Permission to open a private road prescribed in Article 4 of the Private Road Act;
9. Permission for felling, etc. prescribed in Article 14 of the Erosion Control Work Act and the cancellation of designation of an area for erosion control prescribed in Article 20 of the same Act;
10. Approval for the establishment of a factory, etc. prescribed in Article 13 (1) of the Industrial Cluster Development and Factory Establishment Act;
11. Permission to convert a mountainous district prescribed in Article 14 of the Mountainous Districts Management Act and a report of the conversion of a mountainous district prescribed in Article 15 of the same Act, permission or a report of temporary use of a mountainous district prescribed in Article 15-2 of the same Act, approval for change of uses of land converted from a mountainous district pursuant to Article 21 of the same Act, and permission to fell standing trees, etc. prescribed in Article 36 (1) of the Creation and Management of Forest Resources Act and a report on felling of standing trees, etc. prescribed in Article 36 (4) of the same Act;
12. Permission to open a grave set on land of others prescribed in Article 27 (1) of the Act on Funeral Services, etc.;

13. Permission or a report of the conversion of grassland prescribed in Article 23 of the Grassland Act;
14. Permission for river works prescribed in Article 30 of the River Act and permission to occupy and use a river prescribed in Article 33 of the same Act.

(2) When the head of a Si/Gun gives a farmer, etc. permission for building prescribed in Article 11 of the Building Act concerning a place of business for which he/she has obtained approval of a business plan pursuant to Article 9 (1), he/she shall be deemed to have obtained approval, etc. on matters about which the head of the relevant Si/Gun has consulted with the head of another administrative agency pursuant to paragraph (4) concerning permission, authorization, approval, consent or report (hereafter referred to as "approval, etc." in this Article): *<Amended by Act No. 12246, Jan. 14, 2014; Act No. 14532, Jan. 17, 2017; Act No. 15073, Nov. 28, 2017>*

1. Permission for building prescribed in Article 11 (1) of the Building Act, a report of building prescribed in Article 14 (1) of the same Act, permission to build a temporary building prescribed in Article 20 (1) of the same Act or a report of building of a temporary building prescribed in Article 20 (3) of the same Act, and a report of building of a structure prescribed in Article 83 (1) of the same Act;
2. Permission for or a report of the installation of discharge facilities prescribed in Article 23 of the Clean Air Conservation Act, Article 33 of the Water Environment Conservation Act, Article 8 of the Noise and Vibration Control Act and Article 11 of the Act on the Management and Use of Livestock Excreta;
3. Consent to permission for building, etc. prescribed in Article 7 (1) of the Act on Fire Prevention and Installation, Maintenance, and Safety Control of Fire-Fighting Systems, a report of fire-fighting system installation prescribed in Article 13 (1) of the Fire-Fighting System Installation Business Act and permission to establish a factory, etc. prescribed in Article 6 (1) of the Safety Control of Dangerous Substances Act;
4. Authorization for the installation of exclusive waterworks prescribed in Articles 52 and 54 of the Water Supply and Waterworks Installation Act;
5. A report of the establishment of specific soil pollutants control facilities prescribed in Article 12 of the Soil Environment Conservation Act;
6. Approval or a report of the establishment of waste disposal facilities prescribed in Article 29 (2) of the Wastes Control Act;
7. Permission to occupy and use prescribed in Article 24 of the Sewerage Act and a report of the installation of drainage facilities prescribed in Article 27 (3) and (4) of the same Act;
8. A report of the installation of private sewerage treatment facilities prescribed in Article 34 (2) of the Sewerage Act.

(3) When the head of a Si/Gun approves the use of a building pursuant to Article 22 of the Building Act concerning a place of business for which a farmer, etc. has obtained approval of a business plan pursuant to Article 9 (1), he/she shall be deemed to have undergone an inspection, etc. on matters about which the head of the relevant Si/Gun has consulted with the head of another administrative agency pursuant to

paragraph (4) concerning inspection, report, consent or application under the following subparagraphs (hereafter referred to as "inspection, etc." in this Article): <Amended by Act No. 12738, Jun. 3, 2014; Act No. 14532, Jan. 17, 2017; Act No. 15073, Nov. 28, 2017>

1. Inspection of the completion prescribed in Articles 62 (1) and 98 (2) of the National Land Planning and Utilization Act;
 2. Report on starting the operation of discharge facilities, etc. prescribed in Article 30 (1) of the Clean Air Conservation Act, Article 37 of the Water Environment Conservation Act, and Article 13 of the Noise and Vibration Control Act;
 3. Consent to approval for use prescribed in Article 7 (1) of the Act on Fire Prevention and Installation, Maintenance, and Safety Control of Fire-Fighting Systems, inspection of the completion of fire-fighting system installation prescribed in Article 14 of the Fire-Fighting System Installation Business Act and inspection of the completion of a factory, etc. prescribed in Article 9 of the Safety Control of Dangerous Substances Act;
 4. Inspection before the use of electric facilities for private use prescribed in Article 63 of the Electric Utility Act;
 5. Application for registration of the movement of land prescribed in Article 64 (2) of the Act on the Establishment, Management, etc. of Spatial Data;
 6. Report on the commencement of use of waste disposal facilities prescribed in Article 29 (4) of the Wastes Control Act;
 7. Inspection of completion prescribed in Article 37 of the Sewerage Act.
- (4) When the head of a Si/Gun approves a business plan prescribed in Article 9 or grants permission for building prescribed in Article 11 (1) of the Building Act and grants approval for use prescribed in Article 22 (1) of the same Act, where matters falling under paragraphs (1) through (3) belong to the authority of another administrative agency, he/she shall consult with the head of such administrative agency, and the head of the administrative agency requested to hold consultation shall present his/her opinion within the period prescribed by Presidential Decree. In such cases, where the head of another administrative agency fails to present his/her opinion within such period, he/she shall be deemed to have no relevant opinion.
- (5) A person who intends to receive legal fictions of authorization, permission, etc. granted under paragraphs (1) through (3) shall submit related documents prescribed by the relevant Act, along with an application for approval, when he/she applies for approval of a business plan.

Article 12 (Cancellation, etc. of Approval of Business Plans)

- (1) Where a person who has obtained approval of a business plan falls under any of the following subparagraphs, the head of a Si/Gun may cancel approval of a business plan and permit to build a place of business, or order him/her to restore the relevant land to its original state:
1. Where he/she fails to start building a place of business by the date prescribed by Presidential Decree from the date he/she obtains approval of a business plan or suspends work for more than the period

- prescribed by Presidential Decree after he/she starts building a place of business;
2. Where he/she transfers a site for a place of business for which he/she has obtained approval of a business plan without commencing construction of a place of business;
 3. Where he/she leases a site for a place of business for which he/she has obtained approval of a business plan to another person or uses it for the purpose other than a place of business.
- (2) Where a person fails to restitute land, in violation of an order for the restoration to the original state under paragraph (1), the head of a Si/Gun may restitute land by performing vicarious execution.
- (3) The Administrative Vicarious Execution Act shall apply to procedures for the vicarious execution under paragraph (2).
- (4) Where the head of a Si/Gun intends to cancel approval of a business plan pursuant to paragraph (1), he/she shall hold a hearing.

Article 13 (Special Cases on Support in Activities of Women in Agricultural Villages for Nonfarm Income)

Where the State and a local government provide support in accordance with the Act on Support for Female-Owned Businesses, they shall provide funds, human resources, technology, education and direct transaction market, etc. to women in agricultural villages preferentially for the promotion of their activities for nonfarm income, the extension of those women's rights in economy and the preservation and development of agriculture and agricultural villages.

Article 14 (Lending of State or Public Property without Compensation)

- (1) Where necessary for the promotion of activities of farmers, etc. for nonfarm income, the State or a local government may lend State property, public property and commodities to farmers, etc. without compensation in accordance with the State Property Act and the Public Property and Commodity Management Act.
- (2) Where a farmer fails to conduct his/her target business until two years have passed from the date he/she lent pursuant to paragraph (1), the State or a local government may cancel or terminate a contract for lending.

Article 15 (Promotion of Purchase of Public Institutions)

- (1) The heads of institutions falling under the following subparagraphs (hereinafter referred to as "public institution") shall promote the purchase of products from activities for nonfarm income produced by farmers, etc. preferentially:
 1. A public institution under Article 4 of the Act on the Management of Public Institutions;
 2. Other public institutions prescribed by Presidential Decree.
- (2) The head of a public institution shall formulate and publish a purchase plan of products from activities for nonfarm income produced by farmers, etc. under this Act.

(3) Where the head of a public institution prepares a purchase plan of products from activities for nonfarm income produced by farmers, etc. pursuant to paragraph (2), he/she shall consult with the Minister of Agriculture, Food and Rural Affairs in advance. *<Amended by Act No. 11690, Mar. 23, 2013>*

(4) A public institution may purchase products from activities for nonfarm income produced by farmers, etc. by private contract.

(5) The statutes concerned shall apply to procedures for and methods, etc. of a private contract under paragraph (4).

(6) When the head of a supervising agency conducts assessment of institutions on the relevant public institution, he/she shall include actual results of the purchase of products from activities for nonfarm income produced by farmers, etc. without fail.

Article 16 (Delegation of Authority)

The Minister of Agriculture, Food and Rural Affairs may delegate part of his/her authority under this Act to the Administrator of the Rural Development Administration, as prescribed by Presidential Decree.

<Amended by Act No. 11690, Mar. 23, 2013>

ADDENDUM

This Act shall enter into force one year after the date of its promulgation.

ADDENDA <Act No. 10331, May 31, 2010>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 13 Omitted.

ADDENDA <Act No. 11690, Mar. 23, 2013>

Article 1 (Enforcement Date)

(1) This Act shall enter into force on the date of its promulgation.

(2) Omitted.

Articles 2 through 7 Omitted.

ADDENDUM <Act No. 12049, Aug. 13, 2013>

This Act shall enter into force on the date of its promulgation.

ADDENDA <Act No. 12050, Aug. 13, 2013>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Articles 2 through 4 Omitted.

ADDENDA <Act No. 12246, Jan. 14, 2014>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 5 Omitted.

ADDENDA <Act No. 12248, Jan. 14, 2014>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Articles 2 through 25 Omitted.

ADDENDA <Act No. 12738, Jun. 3, 2014>

Article 1 (Enforcement Date)

This Act shall enter into force one year after the date of its promulgation. (Proviso Omitted.)

Articles 2 and 3 Omitted.

ADDENDA <Act No. 13383, Jun. 22, 2015>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 4 Omitted.

ADDENDA <Act No. 14480, Dec. 27, 2016>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Act No. 14532, Jan. 17, 2017>

Article 1 (Enforcement Date)

This Act shall enter into force one year after the date of its promulgation: Provided, That, among the Acts amended under Article 6 of the Addenda, amendments to Acts, which were promulgated before this Act enters into force but the enforcement dates of which have yet to arrive, shall enter into force on the enforcement date of the relevant Act, respectively.

Articles 2 through 7 Omitted.

ADDENDUM <Act No. 15073, Nov. 28, 2017>

This Act shall enter into force on the date of its promulgation.

ADDENDA <Act No. 16072, Dec. 24, 2018>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Article 2 (Applicability to Submission of Annual Results of Implementation)

The amended provisions of Article 4 shall begin to apply to promotion plans formulated and executed after this Act enters into force.