

Korea National Food Cluster FOODPOLIS

Where Innovation Meets Taste



✓ Agency for Korea National Food Cluster

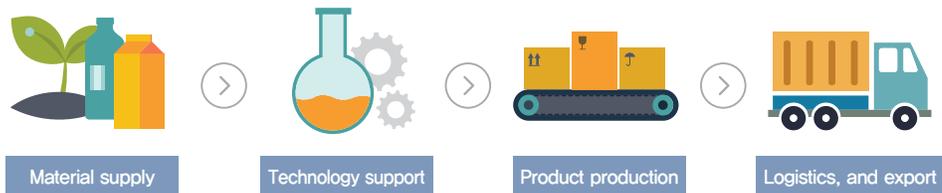


Are you looking for **A to Z solutions** customized to the needs of food companies?

- Agency for Korea National Food Cluster(AnFc) orchestrates the operation and management of the cluster, including the establishment of the industrial complex, attracting food companies, supporting member companies, and public relations.

- The AnFc provides support for resident companies for the entire product manufacturing process from materials supply to R&D, manufacturing, marketing, workforce supply, and export.
- With expert coordinator functions, field experts provide a broad range of supports until the various issues in each manufacturing stage are resolved.

One-Stop Support for the Entire Process of the Food Business



Leveraging a Dedicated Coordinator





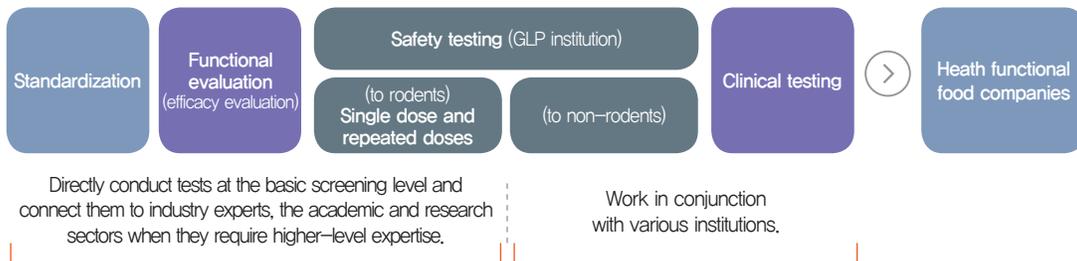
Are you looking for professional consulting in each stage from material identification to commercialization?

- Does it take a lot of time and money for you to get accreditation individually because you have yet to meet experts and specialized institutes for health functional food development?
- Do you remain in the stage of internal basic and applied R&D due to lack of a network for product commercialization?

! Meet the Functional Food Evaluation Center

- The Functional Food Evaluation Center serves as the expert coordinator for the development of high-value-added health functional food based on industry-academia-research cooperation both home and abroad and provides one-stop support for product commercialization.

Specialized services One-Stop support for functional evaluation



! Special Equipment

- More than 200 pieces of equipment for standardization research, functional food evaluation, and safety testing





Are you looking for ways to improve food quality and safety to meet consumers' demands?

- Do you need evaluation and analysis services for quality characteristics evaluation and legally required inspections?

! Meet the Food Quality and Safety Center

- The Food Quality and Safety Center provides reliable analysis services for food ingredients and products and supports sensory evaluation (taste, scent, texture) for new product development and product improvement.

Specialty	Building specialty in quality characteristics analysis
	<p>Support for quality characteristics evaluation</p> <ul style="list-style-type: none"> – Provide objective quality characteristics evaluation for new product launches, cost reduction, and set direction of product improvement. <div style="background-color: #f0f0f0; padding: 5px; margin: 10px 0;"> Consumer sensory evaluation + analysis with devices → Define issues and present solutions → Re-assembly → Product improvement and development </div> <p>Support for internal quality test and special inspection (scheduled for 2018)</p> <ul style="list-style-type: none"> – Perform analysis to secure food safety, including microorganisms, nine major nutritional components, and heavy-metal analysis

! Special Equipment

- Equipment to conduct inspections required by laws and regulations on food safety and research equipment and facilities for quality characteristics evaluation



Are you experiencing difficulties with food packaging?



- Are you experiencing difficulties because there are no institutions specialized in food packaging?

! Meet the Food Packaging Center

- The Food Packaging Center provides a TFPS (total food packaging solution) for food companies, including product planning, packaging design, packaging materials and safety evaluation, design (structure) support, safety evaluation, training, and consulting.

Specialty	To be an institution specialized in food packaging structure, safety, distribution environment assessment, and evaluation
	<p>Food packaging technology development and improvement, and education and consulting support</p> <ul style="list-style-type: none"> – Support for packaging design to ensure optimal shelf life for food contents – Verification of domestic and overseas food packaging materials safety standards, and support for improvement – Support for packaging design customized for domestic and overseas logistics environments

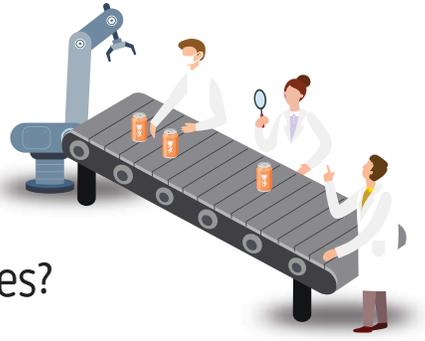
! Special Equipment

- Equipment to conduct tests on the characteristics and safety of food packaging materials and logistics and distribution environments

Oxygen gas transmission rate/ water vapor transmission rate measuring devices (OTR, WVTR)	Scanning electron microscope (FE-SEM)	Mass spectrometer (LC-MS/MS, GC-MS/MS)	Combined vibration tester	Infrared spectrophotometer (FT-IR)

✔ Pilot Plant

Are you experiencing difficulties with developing product prototypes?



- Do you have difficulties with developing prototypes due to the lack of manufacturing facilities to turn R&D outcomes into products?
- Do you need additional costs for new production facilities and operation technologies?

! Meet the Pilot Plant

- The Pilot Plant has GMP production facilities for health functional food and provides diverse facilities to support product commercialization, from facilities for low volume prototype production customized to each company, to consignment processing and production and process standardization testing.

Speciality

Health functional food pilot production and commercialization support

- With the establishment of a production line specialized in GMP prototype production, the Pilot Plant supports prototype production and commercialization, focusing on fermented food, and supports specialized processing and production on consignment.
- Contributes to product competitiveness with technology support to address challenges in commercialization in the field and quality improvement.
- Nurture a professional workforce by using health function food GMP facilities and equipment.

Food Packaging Center
Pilot Plant

! Special Equipment



Do you have a good idea for a business but are worried about the initial investment?



! Meet the Food Venture Center

- The Food Venture Center (Rental factory) is a facility that allows creative and promising food start-ups to lease and use factories at a low price and help them grow into medium-sized businesses, thus, improving business competitiveness through cost reduction.

! Requirements for Lessees

- **Qualification requirements** : Korean or overseas food manufacturers
- **Lease period** First floor : Initial period of five years + extension of two times
(up to five years + five years; 15 years max)
Second and third floors: Initial period of five years + extension of two times
(up to three years + two years; ten years max)
- **Lease area** : 52 rooms (minimum 57.15 m²; maximum 444.83 m²)
- **Lease fee** : (first floor) KRW 7,178/m², (second and third floors) KRW 5,651/m²

* Bills for electricity, water, and wastewater processing should be paid by the companies.

FOODPOLIS Start-Up Support Lab

For those who want to start their own business, including college students and youth, the lab runs a program to provide opportunities for food manufacturing and education and training to support successful business initiation.

[Support Details]

- Place for prototype development, including an open kitchen (231m²) and meeting rooms
- Start-up education and training programs to support practice materials and food sampling events
- Opportunities to use the R&D facilities of the Korea National Food Cluster and expert mentoring

[Support Period] Three months (additional one month extended after evaluation)

[Support Target] Undergraduate (graduate) students and those under the age of 39



What support does the Source Business Center provide?

! Source Business Center

- Builds the ground to nurture future new industry engines for shared growth with support for fermentation-based source business.

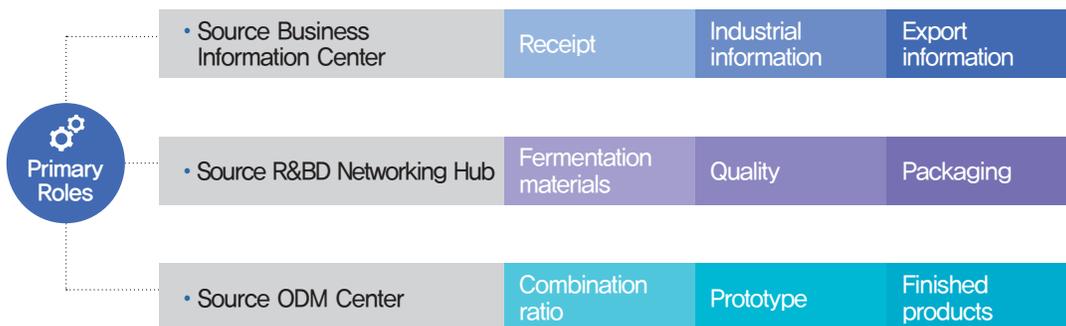
! Overview

- **Time/size of the center** : 2016–2018 (three years), 6,612m² (121 site at the Korea National Food Cluster)
- **Major facilities** : Site 6,612m² (2,000 pyeong), building 992m² (300 pyeong)
 - Prototype and ODM* production facilities and equipment
 - * ODM (original development manufacturing): Develop technology as specified by ordering firms and conduct production
- **Total budget** : KRW 8.2 billion (6.9 billion from central government, 1.3 billion from municipal governments)

! Basic Direction

- To address the challenges that companies experience when running businesses, build a business-friendly support center with competent workforce and equipment to assist them with core technologies, and strengthen the roles as a R&BD networking hub
- Support for basic research, commercialization, and marketing for market exploration

! Major Work



✔ Support Programs and Cases

Are you looking for help from support programs?



! Support Programs

• Joint Technology Development with Companies

– Implement technology development projects jointly with companies, leverage the infrastructure (equipment, workforce) of the Korea National Food Cluster

• Advanced Technology Development

– Build technology to commercialize the outcomes of research for business application

• Connect to Employment

– Develop technology required by companies in joint research and connect the staff participating in the research to work for the company

• Global Joint Research

– Support for building a global R&D network and learn/apply advanced technologies by supporting joint research between food companies and research labs (college)

• Venture Company Technology Support

– Support for technology innovation required for venture firms to lead future food industry

• Inspection and Analysis Equipment Support Project

– Company support for inspection and analysis and equipment use, leverage the infrastructure (equipment and workforce) of the Korea National Food Cluster

• Ingredients Supply

– Provide information on agricultural product ingredients and assist materials supply and build material brokerage service system

• Export Support

– Provide export information and run a cluster management system

• Workforce Supply

– Build system to support internship program, provide workforce brokerage service, and support nurturing talent

• Marketing and Logistics Support

– Provide merchandising support(home shopping etc.) and logistics consulting

! Support Cases



Upon request from a buyer in Japan, conducted analysis of oligosaccharide for treatment of constipation in the elderly

→ Export to Japan in 2017 and additional requests coming from Europe for oligosaccharide products using Korean rice



Developed package to keep processed meat products fresh

→ Build package materials database for new products, suggest measures for quality improvement



Convert production of functional ingredients from China to Korea, ensure optimization of the growing environments in Korea, and build functional ingredients library based on ingredient tests by place of production

→ Expected to strengthen export competitiveness with improved product safety



Design and develop package to export frozen baumkuchen (layered cake)

→ In the process of designing package box resistant to external impact and vibration for shipment via vessels



Are you looking for incentives?

! Foreign Investment Zone (FIZ) and Entry Requirements

[Entry requirements] Foreign investment shares shall exceed 30% of the total investment amount and the amount of foreign investment shall be at least KRW 100 million.

[Lease period] The lease period may be extended every ten years up to a maximum period of 50 years in total.

[Rent and rental deposit]

- (Annual rent) Equivalent to 1% (with 10% VAT) of the original land acquisition value
- The acquisition value is designated as KRW 150,761 per m², and thus the rent at 1% is KRW 1,507 per m²
- (Rental deposit) Equivalent to 5% of the original land acquisition value or KRW 7,745/m² (payable in four installments per year)

! Incentives

- In order to be eligible for incentives, the ratio of foreign investment must be maintained at 30%, and a foreign national must be the majority shareholder

Specialty	Details	Criteria for Reduction or Exemption
Reduction or exemption of national tax (corporate and income taxes)	100% reduction or exemption for five years, 50% reduction or exemption for two years	USD 30 million of investment (Manufacturing)
Reduction or exemption of local tax (acquisition and property taxes)	<ul style="list-style-type: none"> - Property tax : Reduction or exemption of the entire amount for 15 years - Acquisition tax : 100% reduction or exemption for seven years, 50% reduction or exemption for three years 	N/A
Reduction of tariffs, individual consumption tax, value-added tax	Reduction or exemption of all capital goods imported for five years	Only applicable to the amount of foreign investment
Education and training subsidy	<ul style="list-style-type: none"> - KRW 500,000 per person for six months - North Jeolla Province: Up to KRW 500 million per company - Iksan City : Up to KRW 200 million per company 	Since the number of employees exceeds 20
Employment subsidy	<ul style="list-style-type: none"> - North Jeolla Province : KRW 1 million per person for six months (Up to KRW 1 billion per company) - Iksan City : KRW 500,000 per person for six months (Up to KRW 200 million per company) 	Since the number of employees exceeds 20
<p>※ Where a lot is sold directly, negotiations may be held to subsidize expenses for land purchase, construction, equipment purchase, infrastructure installation, etc.</p>		

Land Use Plan

Location : Wanggung-myeon, Iksan-si, Jeollabuk-do

Size : 2,322,932m²

Target business : Food and beverage manufacturing and related industries

Sales price : 150,761won/m² (498,383won/3.3m²)



Agency for
FOODPOLIS Korea National Food Cluster **Contact Us**
+82-63-720-0574

110, Dongchonje-gil, Wanggung-myeon, Iksan-si, Jeollabuk-do,
 54576, KOREA www.foodpolis.kr

The Korean National Food Cluster is a food industry specialized industrial complex that drives R&D and the export-oriented food industry.