

THE FOODPOLIS

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'A Silicon Valley of the Food Industry' Master Plan announced for the National Food Cluster

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Launching Foodpolis, the future of the food industry



SUH, KYU YONG

MINISTER OF FOOD,
AGRICULTURE,
FORESTRY AND
FISHERIES

The birth of Foodpolis, a new center for the global food industry

After a great deal of hard work to ensure the best possible launch, our National Food Cluster Master Plan has now been announced. I believe it will serve as the foundation for the promotion of the food industry, which the Korean government now recognizes as an important engine of economic growth.

Foodpolis will be a unique city full of leading global food companies, cutting edge R&D centers and food industry professionals, which together will have a highly beneficial influence on our food culture and the food industry. We believe that producing great food can contribute to the better health of people the world over, and Foodpolis aims to harness Korea's food culture and knowledge to this end.

Within the global food industry, which is estimated to be worth about 5 trillion USD, international food companies are competing fiercely for market share. Many of the contenders have established food clusters including Food Valley (Netherlands), Öresund (Denmark, Sweden), Napa Valley (U.S.) and Emilia-Romagna (Italy) in efforts to grow their global market shares.

As a response, the Korean government decided to create a National Food Cluster, Foodpolis, which will serve as the core infrastructure for the food industry in Korea. Iksan was chosen as the site for Foodpolis because of its excellent infrastructure and extensive arable land nearby, providing ideal conditions, as companies can add value through the use of locally produced crops.

Foodpolis is designed to be an export-oriented cluster targeting North East Asian markets including China and Japan. We envision close collaboration between companies in Foodpolis and national agriculture and food R&D institutes. These partnerships will lead to advances in food processing technology, which will then allow commodities produced within Foodpolis to be exported efficiently through seaports and airports nearby.

The Korean government intends to host 150 food companies and 10 research centers in order to create a hub for the North East Asian food market. It is committed to making continued investment to ensure Foodpolis' success as one of the leading food clusters in the world.

The Foodpolis newsletter is an important tool for communicating our vision and business plan, and will play a key role in the promotion of Foodpolis. I encourage readers to stay tuned for more exciting news. 🌿

SUH, KYU YONG THE MINISTER OF FOOD, AGRICULTURE,
FORESTRY AND FISHERIES



Creating a city of R&D and Export-oriented Food Industries and Culture

As the name 'Food+Polis' suggests, the National Food Cluster has been designed to serve as a hub where food culture and industry generate synergy, and where its products can make a positive contribution towards improving global health and wellbeing standards.

Foodpolis, Korea's National Food Cluster, will open in Iksan City in Jeokbuk province. It will play a leading role as a state of the art facility for competing in the fast growing North East Asian food market of 1.5 billion people and the global food market of 6.8 billion people.

The National Food Cluster will generate a strong synergy effect by bringing together food companies and R&D centers on a shared site of 2,320,000m² linked to a residential and commercial town of 1,260,000m².

Top notch infrastructure to ensure business success

Every company within the Foodpolis industrial park will avail of a first class water supply, transport and logistical services, eco-friendly waste water and solid waste treatment services, as well as clean energy from new and renewable sources. A new town will be built for the employees of the R&D centers and companies in Foodpolis, offering a wide range of housing options including townhouses, apartments and traditional Korean Hanoks.

The town will also boast schools for the children of foreign residents, high schools specializing in food industry-related disciplines as well as an international theme park for residents and visitors.



COVER VIEW

DRAFT LAND USE PLAN FOR FOODPOLIS



The new Master Plan is expected to trigger significant innovation and changes in the domestic food industry. The plan is designed to shift food production from simple processing to high value-added R&D, as well as to change the focus from the domestic market to export opportunities, and from independent company operations to highly networked collaborations.

A key strength of the Korean National Food Cluster is the wide array of organizations that can offer innovative support for food companies in the Cluster. **Plans are already in progress to establish six support organizations including a food quality safety assurance center, a functional effect assessment support center, a packaging center, pilot plants, plants for rent and a National Food Cluster support center.**

Innovation through R&D and networking - a key strength of Foodpolis

Foodpolis offers an extensive incentive package to attract food companies and relevant institutes from Korea and overseas. Companies will be provided with information on world food market trends and export opportunities, including inspection service support, in order to ensure the mutual success of Foodpolis and its resident companies.

Many members of the food industry community are remarking that the financial support, consultation opportunities, tax exemptions, government funding support and food supply are all hugely attractive. In addition, to spread the word about Foodpolis as far and wide as possible, several exhibitions and conventions targeted at tourists and visitors will be hosted in the Food Cluster. In particular, we plan to invest in the globalization of traditional Korean food.

Envisioned as a "new center for the global food industry," with 553.5 billion KRW of planned investment and a target to host 150 food companies and 10 R&D centers, the National Food Cluster will create a food industry cluster with expected combined annual sales of 15 trillion KRW, annual exports of 3 billion USD and positions for 22,000 employees.

FOODPOLIS VISION

BUSINESS OVERVIEW

Location: Wanggung-myeon, Iksan city, Jeollabuk-do, Republic of Korea

Site area: 2.32 million m²

Residential town area: 1.26 million m²

Project budget: 553.5 billion KRW

VISION 2020

'A new core for the global food industry'

TARGETS

Become one of the top five global food clusters

※Host 150 food companies and 10 R&D centers

CORE BUSINESS STRATEGY

Establish a national cluster with strong R&D and export capacity

- ★ Establish a strong support infrastructure
- ★ Provide support for innovation
- ★ Establish an export support structure and promote mutual growth with farming and fishery towns
- ★ Supply a skilled workforce and support capacity building



GENEROUS FINANCIAL SUPPORT INCLUDING INITIAL INVESTMENT, EMPLOYMENT AND CAPACITY BUILDING

1 Establishment incentives for companies in the Food Cluster

Classification		Details
Investment support	Large scale investment	Up to five percent of total investment to a maximum of 10 billion KRW (by Jeollabuk-do province) Up to five percent of total investment to a maximum of 10 billion KRW (by Iksan city)
	General investment	Up to 5 billion KRW for investment greater 1 billion KRW (by Jeollabuk-do province) Up to 5 billion KRW for investment than 1 billion KRW (by Iksan city)
Employment support	Jeolla buk-do(province)	500,000 KRW per employee for up to 6 months (500 million KRW per company)
	Iksan city	600,000 KRW per employee for up to 6 months (200 million KRW per company)
Training support	Jeolla buk-do(province)	100,000~500,000 KRW per employee for up to 6 months (500 million KRW per company)
	Iksan city	600,000 KRW per employee for up to 6 months (200 million KRW per company)
Relocation support	Jeolla buk-do(province)	100,000 KRW per employee for up to 3 years
Logistics center establishment support	Iksan city	Up to five percent of investment over 30 billion (-Up to 1 billion KRW maximum-)
Support for SMEs		Loans for investment in facilities, operating expenses and incorporation
		Marketing, exhibition and market research support

2 Tax exemptions and reduction

National tax : Corporate tax, income tax (100% exemption for 5 years & 50% reduction for two years) for companies relocating from 'overpopulated districts' **Local tax** : 100% exemption on acquisition tax and registration tax, 100% exemption on property tax for five years

CHECK OUT THE INCENTIVE CALCULATOR!



You can calculate what incentives are available for your business by entering your company information including type of business, investment area and the size of investment that you are considering.



3 Reduction set-up costs

- Special discounts on property prices and site selection rights for companies that signed MOUs early on
- Establishment of a special fund for companies operating in Foodpolis using funds from the Ministry for Food, Agriculture, Forestry and Fisheries.
- Provision of investment and operating expenses through the designated host bank

INCENTIVE PROGRAMS FOR FOREIGN

BENEFITS FOR THOSE WHO MOVE INTO FIZ (FOREIGN INVESTMENT ZONE)

Incentive Programs		Benefits	
Foreign Investment Zone(FIZ)	National tax	100% exemption for the first three years, 50% reduction for following two years	
	Local Tax	100% exemption for fifteen years (Acquisition tax, registration tax, and property tax)	
	Tariff exemption	Exemption applied to capital goods inflow raised from the acquisition of new stocks	
	Free/reduced land lease	Land lease benefits (free of charge or at least 50% reduction) for 50 years, duration extendable (up to 100 years)	
Subsidy	Investment Subsidy	Jeolla buk-do(Province)	Minimum investment amount of USD 8,5 million, the subsidy to be provided within 5% of the invested amount up to USD 4 million
		Iksan city	USD 4 million of the maximum per company in 5% of the investment amount if investment exceeds over USD 85,000
	Employment Subsidy		Up to USD 430 per person for up to six months / the subsidy ceiling to be USD 430,000 per company
	Education/ Training Subsidy	Jeolla buk-do(Province)	USD 90 ~ 430 per person for six months, USD 430,000 per company
		Iksan city	USD 520/month per person for six months, USD 170,000 per company
Consulting Subsidy		1% of the final investment amount, within the limits of USD 88,000	



Predicting the future of the food industry and food clusters

An expert view on the future of national food clusters and their role

The 1st International Food Cluster Forum was held at the Seoul Palace Hotel on February 21st. In his keynote speech, Professor James Allen Dator emphasized that famine and environmental challenges are the two most important issues humanity must overcome and he highlighted the importance of the food industry in this regard. He warned that the future will be quite grim if we fail to respond effectively to food supply imbalances, depletion of energy resources and climate change.

Other food industry experts participated in the forum, including Martin Hall (Director of Food Science at Campden BRI), Lotta Törner (CEO, Skane Food Innovation Network) and Dong-Hwa Shin (Commissioner, Food Industry Promotion Commission). They shared their views on the future of the global food industry, the development of advanced food products, and the role of national food clusters.

Martin Hall, a renowned international expert in food science, explained the merits and shortcomings of today's functional food products. Lotta Törner, who gained industry recognition for the development of the Pro Viva Active fruit yogurt, outlined a system for establishing mutually beneficial relationships between food clusters and the companies within them. Commissioner Shin made a presentation entitled 'Advanced Food Science Technologies and the Food Cluster', and introduced a new growth strategy for increasing market share in the global food market.

Participants in the forum were convinced of the need for national food clusters and their growth potential after listening to the thought-provoking presentations. The forum made it clear that the key to the success of food clusters lies in the progress of food science and the establishment of academia-industry collaboration networks. 

“Foodpolis has the potential to become a new center for the food industry”



James Allen Dator

“The significance of the food industry will continue to increase”

Professor, and Director of the Hawaii Research Center for Futures Studies, Department of Political Science, University of Hawaii at Manoa

Professor Dator, one of the ten most renowned experts in futures studies, emphasized the importance of the food industry by comparing it to the aerospace industry. “Personally I am very interested in going to Mars. But I know that the majority of people are far more interested in eating good food on Earth,” he observed. He also forecasted that the food industry will outpace other industries in the future, emphasizing its large potential for growth through syntheses with robotics, artificial intelligence and nano technologies.



Martin Hall

“Technology integration is a critical component in the success of the food industry”

Director of Food Science at Campden BRI

“Due to external factors such as environmental challenges and climate change, consumers' demands for healthy food and food products tailored to their specific needs have increased, making the integrated use of technology essential,” claimed Martin Hall in his presentation. He suggested that the key to a successful national food cluster lay in an investment strategy focused on advanced genetic engineering, packaging and nano technologies which can be deployed in the global food market.

Lotta Törner

“The key to success is in establishing academia-industry collaboration networks and in a collaborative growth strategy”

CEO, Skane Food Innovation Network's group



Lotta Törner, who successfully led the development of the functional fruit yogurt, ProViva Active through academia-industry collaboration, focused on the importance of establishing a strong network. “The Swedish food industry achieved outstanding growth based on industry-research institute collaboration, which resulted in an open innovation business model,” she remarked. She emphasized that the success of a national food cluster is dependent on the establishment of academia-industry collaboration networks and on a collaborative growth strategy.



Dong-Hwa Shin

“Foodpolis will contribute to the globalization of Korean food”

Commissioner, Food Industry Promotion Commission / Chair, Korea Food Safety Association / Professor Emeritus, Chonbuk National University

Professor Shin Dong-Hwa, who has been coordinating Korean national policies on food and food culture, presented a new strategy for taking the lead in the global food industry through the use of integrated food science and related technologies. He predicted that by using the National Food Cluster as a springboard, Korean food culture can go from strength to strength.

Napa Valley, California, U.S. : Creating a tourist-friendly food cluster



A success made of great natural environment, tailored specialty products and collaboration

Located in Napa County in California, Napa Valley is a renowned food cluster that specializes in wine production. Since wines produced here succeeded in beating Bordeaux wine in blind tests at the famous 'Judgment of Paris' in 1976, demand for Napa Valley wine has soared. Consequently, California has seen the advent of industrial scale wineries, including Robert Gerald Mondavi Winery and Kendall Jackson Wine Estate.

In the 1990s, the Napa Valley's wine industry introduced tour programs with amenities and attractions including hotels, restaurants and hot-air balloon rides. The popularity of both Napa Valley wines and the tour programs continues to grow, despite the U.S. financial crisis. There are currently over 400 large-scale wineries in the Napa Valley area, producing an impressive variety of wines.

The basis of Napa Valley's success as a food cluster is its ideal climate and optimal geographical location for grape farming. Located at a high altitude of 92~370m, Napa Valley enjoys strong sunlight and cool winds from the Pacific Ocean. The latter results in fog in the mornings, which has a cooling effect, and which in turn contributes to the healthy growth of the grapes in the region.

Strong collaboration between regional government and local residents has been crucial to making Napa Valley the renowned food cluster that it has become. It is also noteworthy that many wine makers and key figures in the wine business are graduates of nearby universities, including U.C. Davis and U.C. Fresno, both of which have excellent collaborative programs with the wineries.

In fact, this relationship between the wineries and local academic institutions has played a key role in helping Napa Valley wines to outstrip French wines in terms of reputation. 🌿



ROBERT GERALD MONDAVI, FOUNDER OF ROBERT MONDAVI WINERY

Robert Gerald Mondavi achieved his ambition of creating a fine wine in the Napa Valley, superior to Bordeaux wine, and turned Napa Valley into a prime production location for Cabernet Sauvignon. He was also behind the creation of wine tour programs that now attract more than 100,000 visitors annually to Napa Valley, and produce countless word-of-mouth 'publicity agents' for Napa Valley wines.

Taking the lead in the European market with ice cream for patients

The evolution of ice cream

In October 2011 at the Anuga Food-Tec, one of the three largest international food trade fairs, the National Food Cluster Inward Investment

team signed an MOU with IS FRA SKARØ BIO SYNERGY, a Danish dairy food specialty company.

A total of 6,596 companies from over 100 nations were represented at the fair last year, demonstrating its status as the world's largest food trade fair. The National Food Cluster Inward Investment team held meetings with a large number of firms, identifying each company's investment preferences.



Is Fra Skarø Bio Synergy on the rise

The signing of the MOU with IS FRA SKARØ BIO SYNERGY was one of the key achievements, which led to discussions about the establishment of a dairy product manufacturing plant and R&D center in Korea. IS FRA SKARØ BIO SYNERGY specializes in the production of organic ice cream and holds a patent for ice cream for patients, in addition to having the capacity to produce great tasting ice cream without the use of unhealthy additives.

IS FRA SKARØ BIO SYNERGY chose the Korean National Food Cluster as its strategic partner for entry into the Asian market, and in turn agreed to establish a production plant and R&D center within the National Food Cluster. The Cluster establishment team also agreed to provide the necessary administrative support and investment information and advice. 🌸



The Inward Investment team, which signed an MOU with IS FRA SKARØ BIO SYNERGY

COMPANY OVERVIEW

Name	IS FRA SKARØ BIO SYNERGY	Address	Osterhovedvej 4, Skarø 5700 Svendborg, Denmark
CEO	Martin Jorgensen	Tel	+45-2929-1520
Homepage	www.isfraskaroe.dk	Key Product	Organic Ice cream
Note	Owns a patent for ice cream for patients. Plans to establish a production plant and R&D center within the Korean National Food Cluster		

MOUs signed with 55 companies from 13 countries

1 Ministry for Food, Agriculture, Forestry and Fisheries – Food Valley in Netherland, MOU (May. 8, 2012)

2 Ministry for Food, Agriculture, Forestry and Fisheries – CJ CheilJedang in Korea, MOU (Sep. 25, 2012)



COMMENTARY



Message from IU, Korean Pop Idol

IU, one of Korea’s most popular stars, recently relayed a positive message about the National Food Cluster. Having performed in New York, Tokyo and Hong Kong, she understands the charm of local cuisine and the value of food culture. She was pleased to hear about the Cluster, which she believes will allow Korea to move to the forefront of global food culture.

“It is very exciting to hear that a new city full of state of the art food companies, food science technologies and culture will be established in Korea. I am eager to be one of the first to visit Foodpolis when it is established. I hope food scientists and companies will develop high quality food products which can contribute to the good health of a great number of citizens who are too busy to eat properly. I am certain that everyone will be excited to hear about Foodpolis.”

Foodpolis Inward Investment Team Success Stories

The National Food Cluster Inward Investment team began its work in 2009 and has signed MOUs with 55 companies and institutes, both domestic and overseas. Team members have actively participated in food industry seminars and forums in order to develop relationships and establish networks internationally, and to encourage business investment interest. Recently, the Inward Investment team participated in the Food Expo organized by the Institute of Food Technologists in Las Vegas, which was held between 24th and 30th June. The 72nd annual general meeting of the Institute was also hosted during this Expo.

Building a network of leading food companies

Team members held meetings with over one hundred companies and identified more than ten companies which were particularly interested in investing. The team also established a special booth, designed to publicize the key advantages of and opportunities afforded by the National Food Cluster. Influential figures from the food industry and high level government representatives were invited to meet the team.

They also held meetings at the French, American and Colombian embassies. French officials agreed to promote collaboration between the French and Korean food clusters, while American officials expressed interest in logistics and our port system, and agreed to introduce the team to corporate executives whose businesses could benefit from the opportunities offered by the National Food Cluster. The Colombian officials also expressed strong interest in establishing coffee processing and sales companies in the Cluster to help expand their coffee business into the Northeast Asian market.

The team plans to participate in SIAL Paris, which will be held between 21st and 25th October, and to conduct intensive investment activities in Europe and the U.S. 🌿



Suh, Kyu Yong the Minister of Food, Agriculture, Forestry and Fisheries and well-known food bloggers visit the Foodpolis publicity center in Iksan city

Minister visits, conducts media outreach

Minister Suh visited the Foodpolis publicity center in Iksan city with 30 online food writers. Mayor Lee, Han-Soo of Iksan city briefed Minister Suh and the bloggers at the observatory located on the center’s roof top. Mayor Lee and Minister Suh then held discussions with the bloggers and asked them for support in establishing the National Food Cluster.

AGENDA

NATIONAL FOOD CLUSTER EVENTS (SEP. ~ DEC. 2012)

Month	Name of event	Date	Summary
Sep.	• Moscow Food Expo	17~20	• Investment consulting, company visits
	• Sao Paulo Food Exhibition and U.S. Company Visits	18~20	• Operating investment booth, U.S. company visits
	• 15 th International Biotechnology Symposium and Exhibition	16~21	• Operating investment booth, presentation at academic seminars
Oct.	• Tokyo HI-Stec Exhibition	3 ~ 5	• IR events, seminars and company visits
	• International Fermented Food Expo	18 ~ 22	• Operating investment booth
	• SIAL Paris 2012 The Global Food Market Place	21 ~ 25	• IR events, investment booth, company visits, participation in Sweden-Belgium forum
Nov.	• Chicago IR Roadshow	7 ~ 9	• IR events, food company visits
	• New York IR Roadshow	12	• IR events, food company visits
	• SIAL China (in Shanghai)	14 ~ 16	• Operating investment booth, IR events, company visits
	• The Second International Food Cluster Forum	14	• Presentation at expert seminars (Minister Suh scheduled to participate)
	• SIAL UAE Abu Dhabi	26 ~ 28	• IR events, participation in symposium sessions, company visits
	• India IR Roadshow	Mid-November	• IR events, food company visits
Dec.	• Beijing IR Roadshow	Mid-December	• IR events, company visits
	• Southeastern Europe IR Roadshow	Mid-December	• IR events, company visits

Supervision : Agency For Korean National Food Cluster



Part of Your World, Food Polis

A CITY SPECIALIZING IN THE FOOD INDUSTRY

A BRIGHT NEW FUTURE FOR THE FOOD INDUSTRY

THE NATIONAL FOOD INDUSTRY CLUSTER, FOODPOLIS, WILL LEAD THE WAY



FOODPOLIS
KOREAN NATIONAL FOOD CLUSTER

AGENCY FOR KOREAN NATIONAL FOOD CLUSTER

TaeyangB/D 4F 40-9, Jungang-dong, Gwacheon-si, Gyeonggi-do, Korea 427-806

Tel. +82-1688-8782 Homepage. www.foodpolis.kr

427-806 경기도 과천시 중앙동 40-9 태양빌딩 4층