

RESEARCH INTEREST

ENHANCING LINKAGE BETWEEN MILITARY AND  
AGRO-FOOD INDUSTRY SECTORS IN KOREA

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**Keywords**

Agro-food industry, food purchase system of the Ministry of National Defense, linkages

**Abstract**

The Ministry of National Defense (MND) is the biggest governmental consumer in the Korean agro-food sector. In 2006, the quantity of purchased agricultural products was about 260 thousand tons and the MND spent about 300 billion won for this purchase. The purpose of this paper is to review the current status of the food purchase system of MND and to suggest renewed roles of MND and the agro-food sector for better alliance. After evaluating the current food purchase system of MND, two main roles of MND were suggested: offering opportunities for Korean agro-food suppliers to sell their high-quality products and developing a purchase system to promote competition among suppliers. As the roles of the agro-food sector, stable supplying of cheap agro-food and making differentiation of domestic agro-food are suggested. There are only few studies due to the difficulty of accessing information, or numerical data, about the agro-food purchase system of MND, but discussing the purchase system of MND to boost the competitiveness of Korean agriculture is very important. This paper is supposed to offer a starting point for this discussion.

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## I. Introduction

In Korea, the food industry has shown a continued growth, the total sales of which in 2007 was about 100 trillion won<sup>1</sup> with 1.6 billion workers employed. The agro-food industry's portion of GDP, which includes the first (industry of agriculture, forestry and fisheries) as well as the second and third industries (the third industry of food processing and food service), was about 7% in 2007.<sup>2</sup>

The growth of the food industry results from several supporters, including the Ministry of National Defense (MND). The MND, which is the biggest public consumer in Korea, regularly purchases huge amounts of food for the military meal service. Generally, MND buys domestic agricultural, livestock and marine products through cooperatives (Nonghyup and Suhyup), and the quantity and the value of their purchase in 2006 were 260 thousand tons and 300 billion won, respectively. The MND also regularly buys domestic processed foods and food materials, such as kimchi and pepper powder.

Even though the MND plays an important role as a major consumer of domestic agro-food, only a small number of papers have focused on the food purchase system of MND and/or the military food service. Jung et al. (1999) analyzed the military's purchase system of chicken, and Seo (2003) studied the menus and the military's food service preference. A few papers, including Park et al. (2002), analyzed the food safety in the military and discussed ways to improve the military's food safety. However, previous research generally failed to analyze the overall food purchase system of the military and the alliance between the military and the agro-food industry, the main topic for discussion in this paper.

This paper begins the discussion with an overview of the Korean military's purchase system of agro-food, and then evaluates the current purchase system of MND. As a result of this discussion, some preferred roles of MND and the agro-food industry will be suggested for the enhancement of the alliance between the military sector and the agro-food sector in Korea.

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<sup>1</sup> Sum of sales in the food processing and service industry.

<sup>2</sup> Kim et al (2007).

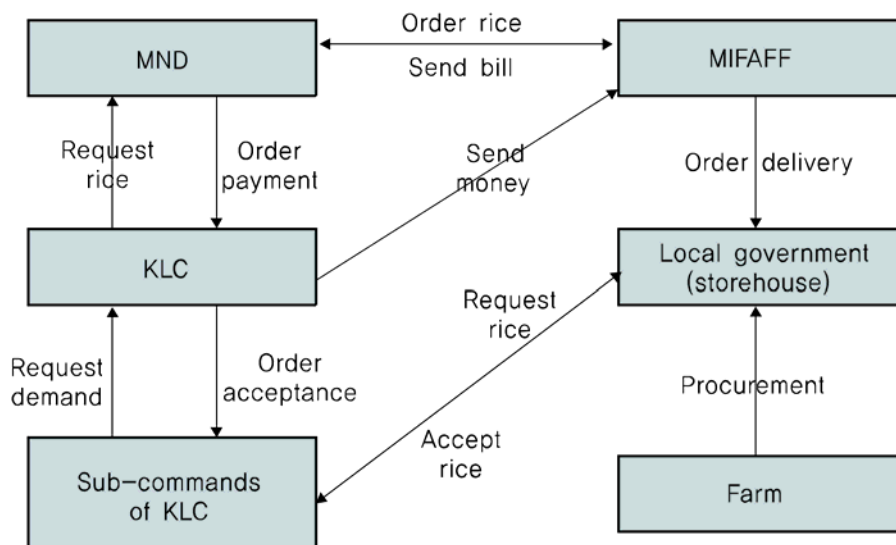
## II. Overview of the Military's Agro-food Purchase System

### 1. Agro-food purchase system

The military's agro-food purchase system may be outlined in three dimensions: the purchase system of rice; the purchase system of agricultural, livestock and marine products; and the purchase system of processed foods. For the purchase of rice, MND concluded agreements for the supply and demand of military rice with the Ministry for Food, Agriculture, Forestry and Fisheries (MFAFF) in 1963 and established the current purchase system.

First of all, Figure 1 presents the military's rice purchase system. The MND estimates the total demand of rice for troops through the Korea Logistics Command (KLC) and then makes rice purchase orders to MFAFF on a quarterly basis. The MFAFF secures rice at local storehouses and makes “sub-commands” to KLC to receive rice. Under the supervision of MND, KLC makes rice payments to MFAFF once every three months.

FIGURE 1. Purchase system of rice



Note 1) MND is the Ministry of National Defense.

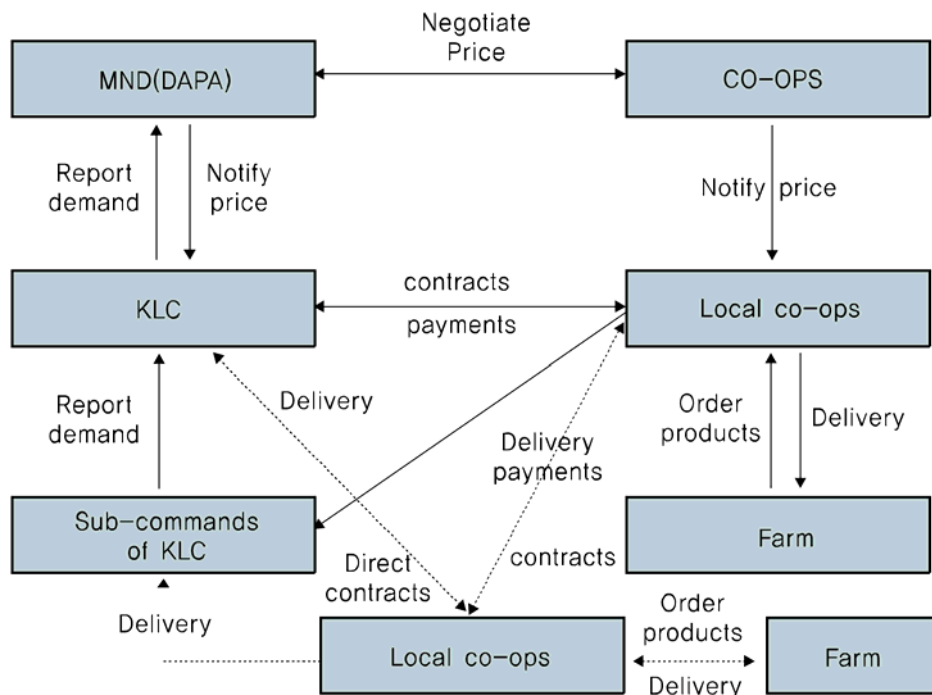
2) MFAFF is the Ministry for Food, Agriculture, Forestry and Fisheries.

3) KLC is the Korea Logistics Command.

Source: MND, Logistics Management Bureau

Next, the military purchase system of agricultural, livestock and marine products was set up in the early 1970s. As shown in Figure 2, the Defense Acquisition Program Administration (DAPA) negotiates price with co-ops (i.e. Nonghyup and Suhyup) and notifies the determined price to KLC. The practical delivery and payments for products are carried out between KLC, or “sub-commands” of KLC, and local co-ops. Basically, commercial transactions for these products are proceeded through contracts.

Figure 2. Purchase system of agricultural, livestock and marine products



Note 1) MND is the Ministry of National Defense.

2) DAPA is the Defense Acquisition Program Administration.

3) Co-ops include Nonghyup and Suhyup.

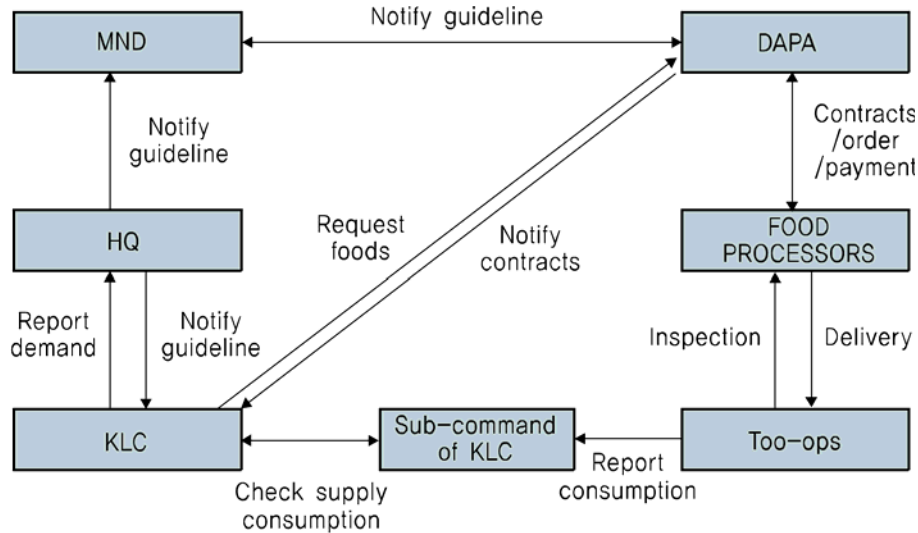
4) KLC is the Korea Logistics Command.

Source: MND, Logistics Management Bureau

Figure 3 presents the military purchase system of processed foods. The MND establishes and notifies purchase guidelines to DAPA, and DAPA finds food processors for the supply of processed foods to troops. DAPA determines suitable food processors through competitive bids or private contracts, which will be discussed later in detail. Food processors deliver processed foods to

troops, and troops conduct inspection. The payments for processed foods are proceeded by DAPA.

Figure 3. Purchase system of processed foods



Note 1) MND is the Ministry of National Defense.

2) DAPA is the Defense Acquisition Program Administration.

3) HQ is the Headquarters of Army, Airforce and Navy.

4) KLC is the Korea Logistics Command.

Source: MND, Logistics Management Bureau

## 2. Current status of agro-food purchase

Table 1 presents the changes in the quantity and the value of agricultural and livestock products purchased by MND from 2004 to 2006. During this period, the total quantity and the value of agricultural and livestock products purchased by MND decreased by 15.2% and 1.9%, respectively. As reasons for these decreases, two factors can be identified: a decreasing number of soldiers and the changing trend of food consumption. First of all, the Korean government has decreased the size of troops. The total number of Korean soldiers was 681 thousand in 2004, but this number decreased to 674 thousand in 2006 (Army: 541 thousand, Navy: 68 thousand, and Airforce: 65 thousand)<sup>3</sup>. Next, today's

<sup>3</sup> Data from MND.

young Korean soldiers generally consume less food and rice in particular.

The shape of the change in each product is different. In the case of agricultural products, the quantity of agricultural products decreased by 16.6% from 213 thousand tons in 2004 to 178 thousand tons in 2006, while the value decreased by 7.7% from 92 billion won to 85 billion won during the same period. The comparison of the change rates of value and quantity shows that the quantity of agricultural products purchased by MND decreased more, which means that the price increase of agricultural products may affect the purchase of MND due to limited budget.

TABLE 1. Change in the purchase of agricultural and livestock products

			unit: ton, million won, %							
Products			2004		2005		2006		Change (2004 ~ 2006)	
			Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Agricultural products	Rice		89,169	1,969	85,199	1,620	78,699	1,449	-11.7	-26.4
	Vegetable	Subtotal	114,523	79,225	100,916	73,545	92,736	74,893	-19.0	-5.5
		Chinese cabbage	34,371	12,135	33,264	13,907	25,250	11,532	-26.5	-5.0
		Radish	22,584	6,642	19,767	6,502	16,734	5,911	-25.9	-11.0
		Pepper	2,480	5,257	1,572	4,108	1,524	4,073	-38.5	-22.5
		Others	55,088	55,191	46,313	49,028	49,228	53,377	-10.6	-3.3
	Fruit	Subtotal	9,220	11,312	7,065	10,706	6,228	9,011	-32.5	-20.3
		Apple	1,945	3,898	1,820	3,223	1,495	3,479	-23.1	-10.7
		Pear	996	1,399	1,225	1,645	779	1,400	-21.8	0.1
		Water melon	2,276	1,644	2,026	1,693	1,341	1,159	-41.1	-29.5
		Mandarin	2,331	1,917	343	1,281	512	639	-78.0	-66.7
		Others	1,672	2,454	1,651	2,864	2,101	2,334	25.7	-4.9
	Subtotal		212,912	92,506	193,180	85,871	177,663	85,353	-16.6	-7.7
Livestock products	Korean beef		911	13,726	882	15,945	776	14,486	-14.8	5.5
	Imported beef		5,555	29,322	4,429	25,130	4,605	25,439	-17.1	-13.2
	Pork		12,286	62,774	11,131	65,799	11,131	69,478	-9.4	10.7
	Chicken		15,722	44,022	12,290	42,201	11,769	41,257	-25.1	-6.3
	Eggs		9,725	17,207	7,514	16,266	7,503	16,556	-22.8	-3.8
	Milk		47,594	50,716	46,104	52,551	45,025	51,798	-5.4	2.1
	Subtotal		91,793	217,767	82,350	217,892	80,809	219,014	-12.0	0.6
Total			304,705	310,273	275,530	303,763	258,472	304,367	-15.2	-1.9

Source: MND, Logistics Management Bureau

The MND also decreased the purchase of livestock products. The quantity of livestock products decreased by 12% from 92 thousand tons in 2004 to 81 thousand tons in 2006. However, the value of livestock products increased by 0.6% from 218 billion won to 219 billion won in 2006 due to a huge increase in price. In particular, the prices of Korean beef, pork, and milk increased by 5.5%, 10.7%, and 2.1%, respectively.

Basically, MND has tried to purchase domestic agricultural and livestock products. However, MND purchased foreign products if there was an insufficient supply. In 2006, for example, MND purchased 2.2% of the total purchase of beef, dried bracken, and peeled balloon flower roots from overseas.

Table 2 shows the changes in the quantity and the value of processed foods purchased by MND. The quantities of bread and jam purchased by MND show big increases, which may come from the increase in the soldiers' consumption of bread as the military meal. The value of processed foods, except pepper powder and the rice cake for cooking (Tuk-guk or Tuk-bok-ki), increased due to a few factors including the surge in prices.

TABLE 2. Change in the purchase of processed foods

unit: kg, can, Ea, million won, %

Products	2004		2005		2006		Change (2004 ~ 2006)	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Pepper powder	2,649,055	27,954	1,987,195	21,533	2,511,415	27,860	-5.2	-0.3
Kimchi	53,715,819	44,626	52,093,877	53,779	50,317,632	47,488	-6.3	6.4
Ham-sausage	3,231,342	9,011	3,519,120	12,480	3,216,071	11,695	-0.5	29.8
Cracker	17,295,696	3,213	18,186,970	4,007	17,757,479	4,079	2.7	27.0
Noodles (Ramen, Kooksoo)	25,560,065	10,575	28,908,363	13,053	25,979,068	11,374	1.6	7.6
Rice Cake for cooking	3,277,558	2,640	3,719,505	2,931	3,130,310	2,596	-4.5	-1.7
Soy sauce	2,311,618	1,540	2,290,804	1,661	2,409,453	1,991	4.2	29.3
Bread	71,736,840	11,463	83,544,303	15,247	88,683,887	16,566	23.6	44.5
Jam	1,258,624	3,185	1,823,418	4,619	1,641,821	4,288	30.4	34.6
Juice	64,198,183	14,224	62,294,625	16,197	59,460,912	15,067	-7.4	5.9

Note: The unit of juice is can; the unit of crackers, noodles, and bread is Ea; and the unit of others is kg.

Source: MND, Logistics Management Bureau

The different directions of change in the quantity and the value of the processed foods purchased by MND imply the pressure of inflation on MND that has purchased the processed foods with a limited budget. For example, the quantities of kimchi, ham and sausage, and juice purchased decreased by 6.3%, 0.5%, and 7.4% respectively, while the prices of these products increased by 6.4%, 29.8%, and 5.9% respectively.

### 3. Current status of enterprises supplying processed foods

The MND (in fact, DAPA) conducts private contracts or competitive bids to determine food enterprises that will be supplying processed foods to troops. As shown in Table 3, Nonghyup has concluded private contracts with DAPA and supplied pepper powder from 2004 to 2006.

The private contractors of kimchi were 3 food processors: Nonghyup, KimchiJoHap, and SangYeeYongSaChon. For the supply of jam, MND concluded private contracts with the Military Mutual Aid Association that has good connections in the military sector.

TABLE 3. Enterprises supplying major processed foods to MND

Products		Methods	Suppliers
Pepper powder		Private contracts	Nonghyup (2004 ~ 2006)
Kimchi		Private contracts	Nonghyup, KimchiJoHap, SangYeeYongSaChon (2004 ~ 2006)
Jam		Private contracts	Military Mutual Aid Association (2004 ~ 2006)
Ham-sausage		Competitive bids	Private companies (2004 ~ 2006)
Juice	Apple	Private contracts	Military Mutual Aid Association (2004 ~ 2006)
	Peach	Private contracts	Military Mutual Aid Association (2004 ~ 2006)
	Grapes	Competitive bids ➔ Private contracts	HaiTai Beverage (2004), Military Mutual Aid Association (2005 ~ 2006)
	Orange	Private contracts	Military Mutual Aid Association (2004 ~ 2006)
	Pineapple	Private contracts	GoYupJaeJounWooHoi (2005 ~ 2006)
	Onion	Private contracts ➔ Competitive bids	HyunDae Co-op. (2004 ~ 2006)

Source: MND, Logistics Management Bureau



The suppliers of ham and sausage were determined through competitive bids. Since the competitive bidding system offers advantages to enterprises suggesting a lower price, private companies, such as Daelim, Dongyang, Dongwon, and Lotte, have supplied ham and/or sausage to DAPA.

The suppliers of juice were determined through various methods. The juices of apple, peach, orange, and pineapple were supplied by the Military Mutual Aid Association or GoYupJaeJounWooHoi through private contracts with DAPA. However, the supplier of grape juice was changed from HaiTai Beverage to the Military Mutual Aid Association through a competitive bid in 2004, and the association won the supply rights in 2005 and 2006 through private contracts. Thus, the shift in the method of determining suppliers might be a possible reason for the change of the supplier.

The case of supplying onion juice is striking. For the supply of onion juice in 2004, DAPA concluded a private contract with HyunDae Co-op., a small-sized enterprise with a new technology of extracting juice. Then, this co-operative still supplies onion juice to DAPA even though the method of selecting the supplier was shifted to competitive bids.

### III. Evaluation of MND's Purchase System

#### 1. Quality and satisfaction level of agro-food

Generally, the agro-food consumed at the military has shown an improvement of quality, which resulted from the continued increases in the budget thanks to the growth of the Korean economy. In particular, MND has made continued effort to increase the military expenditure to provide better food for soldiers.

Table 4 shows that the total expenditure per person a day increased by 9.7% from 4,380 won in 2002 to 4,805 won in 2006. Specifically, the subtotal expenditure for staple food decreased by 14.6% from 2002 to 2006, while the subtotal expenditure for subsidiary food and dessert increased by 18.7% and 25.8%, respectively. Korean soldiers didn't eat barley any more after 2003. These changes in subtotal expenditure might have arisen from the effort of MND to satisfy the young Korean soldiers showing a new trend of food consumption.

TABLE 4. Change in the expenditure for military meal

unit: won/person/day

Year		2002	2003	2004	2005	2006
Total		4,380	4,542	4,665	4,665	4,805
Expenditure for staple food	Subtotal	1,269	1,284	1,332	1,179	1,084
	Rice	1,246	1,261	1,332	1,179	1,084
	Barley	23	23	0	0	0
Expenditure for subsidiary food	Subtotal	2,731	2,813	2,883	3,022	3,242
	Green crop	638	622	641	693	731
	Meat	918	981	1,028	1,116	1,205
	Sea food	594	588	574	523	580
	Spicery	321	382	395	442	468
	Sauce	84	79	76	87	77
	Bean sprouts	176	161	169	161	182
Expenditure for dessert		380	445	450	464	478

Source: MND, Logistics Management Bureau

In spite of the efforts by MND to provide better military food, the satisfaction level of military meal still remains low. According to Table 5, which shows the results of a survey conducted by the Logistics Management Bureau, only 50.2 % of soldiers were satisfied with the quality of military food in 2006.

TABLE 5. Satisfaction level of soldiers

unit: %

Year	2005	2006
Textile(clothes)	43.8	44.3
Agro-food	51.7	50.2
Shoes/Chemicals	52.6	46.3
General supplies	51.2	51.5

Source: MND, Logistics Management Bureau

This low level of satisfaction might have resulted from two reasons: the small size of suppliers and the method of determining food suppliers. Generally, the size of suppliers of military food is relatively small. As shown in Table 6, the number of large-size suppliers is 11, which is 14% of total suppliers. Since medium- or small-size food suppliers don't have financial and human resources

enough to increase the level of food quality or safety, these suppliers rarely increase the satisfaction level of soldiers in the military.

TABLE 6. Suppliers of military food

unit: Ea, billion won

	Number of companies	Number of contracts	Value of contracts
Large-size suppliers <sup>1)</sup>	71	79	175
Medium-size suppliers <sup>2)</sup>	11	14	19
Small-size suppliers <sup>3)</sup>	22	37	80
Total	38	28	76

Note 1) Suppliers with more than 300 employees

2) Suppliers with 51 ~ 299 employees.

3) Suppliers with less than 50 employees.

Source: MND, Logistics Management Bureau

In addition, the price-focused private contracts or competitive bids favoring suppliers with military connections set up the barriers against enterprises with the ability to supply better and/or cheaper food. For example, only 11% of the suppliers were food processors with the Hazard Analysis and Critical Control Point (HACCP) certification system and only 21% of the suppliers met the quality standards set by the International Standardization Organization (ISO).<sup>4</sup>

Table 7. Suppliers with certifications

unit: Ea

Certification of system			Mark for quality	
Kook-Bang	ISO	HACCP	KS	Q
15	53	8	24	0

Source: MND, Logistics Management Bureau

<sup>4</sup> Data from Logistics Management Bureau, MND.

## 2. Level of efficiency and benefit of purchase system

Basically, the private contracts or competitive bids conducted by MND (DAPA) are one of the common methods used to determine suppliers in Korea. These systems for determining suppliers are aimed at maximizing economic efficiency. However, MND needs to consider other benefits of the purchase system: health and/or morale of soldiers consuming the food.

Human resource, i.e. soldiers, is the most important resource in the military sector, and the quality of military meal is one of the main factors affecting the soldiers' morale. In particular, the young soldiers are familiar with the good food they have had before their enlistment in the military, and thus low-quality military meal depresses them.

Moreover, soldiers' health usually depends on the food safety of military food. The current system of MND, which focuses on lower expenditure of food, is not suitable for increasing the level of health and morale of soldiers.

## 3. Justification for determining suppliers

As presented in Table 3, organizations that have special connections with the military, such as the Military Mutual Aid Association, SangYeeYongSaChon, and GoYupJaeJounWooHoi, have been granted the privilege to supply many processed products through private contracts. Even though there may be a need to support the above organizations, which were established to help retired soldiers or bereaved families, these organizations generally have supplied food processed with cheap foreign (mainly Chinese) raw materials. Their processed foods could have met the conditions of private contracts because of low price but may not be good for improving the level of health and morale of soldiers.

In fact, MND is required to consider another justification for determining food suppliers: supporting the domestic agro-food sector. As a major consumer of agro-food with the public's tax money, MND should offer more opportunities for selling domestic agro-food. The public may question MND for supporting only the organizations having connections in the military sector. Recently, MND has begun to answer.<sup>5</sup>

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<sup>5</sup> MND conducted a survey in 2007 asking soldiers about changing the snack from bread to rice cake, and has developed a guideline to provide meals.

## IV. Ways for Better Alliance between Agro-food Sector and MND

### 1. Role of MND

#### *1.1. Offering the opportunity to supply good domestic agro-food*

In the case of agricultural, livestock and marine food products, MND usually purchases fresh domestic products. However, troops are supplied with processed foods that are made in many cases with cheap foreign raw materials (especially Chinese).

The main reason for the low supply of domestic processed foods in spite of the high competitiveness in quality and safety is the low competitive power in price. As a major food consumer with the public budget, MND should consume more domestic processed foods through the following ways.

#### **1) Offering incentives for domestic agro-food**

For the easier access of domestic agro-food to the military markets, MND needs to consider offering incentives for agro-food processed with domestic raw materials. For example, DAPA may put additional points to enterprises processing foods with domestic raw materials when choosing suppliers. DAPA can also set restrictions on suppliers to make them use more domestic raw materials.<sup>6</sup>

#### **2) Increasing national budget for purchase and system efficiency**

In order to increase the consumption of domestic agro-food, which is more expensive than foreign food, MND needs to secure more budget for purchase. The justification to increase the budget may come from two fronts: supporting the domestic agro-food industry through more consumption and improving the soldiers' morale and health.

MND also should make efforts to increase the efficiency of the procurement system and save the budget. For instance, MND can reduce budget squandering through more efficient logistics and effective stock management.

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<sup>6</sup> However, it may violate the guideline of WTO or other related agreements.

### **3) Strengthening management of the origin of food**

The Korean government, including the National Agricultural Products Quality Management Service (NAQS), controls the information on the origin of food. However, the management of the origin of food consumed in the military sector is not yet strong; accordingly, some enterprises supply foreign food without any information or with false information of origin.

In order to strengthen the management of the origin of food in the military sector, MND needs to find ways to cooperate with other government agencies and/or intensify the role of the Logistics Management Bureau.

### **4) Purchasing more various processed foods**

The military sector can be a food market for fostering new enterprises with new technologies. If MND offers temporarily a market for enterprises with new but excellent food<sup>7</sup>, the contribution of MND will be highly beneficial. For example, it may set a good example by tentatively purchasing processed rice cake with longer use-by dates.

For more fairness and transparency, the process of selecting food enterprises to be supported by MND needs to be proceeded by other related groups such as MIFAFF.

#### *1.2. Construction of a new purchase system for domestic agro-food*

In addition to offering a larger access to the food market in the military sector, MND should consider innovating the current purchase system to develop the competitive power of domestic agro-food suppliers. “Strategies for selection and concentration” need to be established based on following guidelines.

#### **1) Building up a system considering price and quality**

The current system to determine food suppliers is based on price, and thus enterprises offering a lower price have more chance to supply their products. In

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<sup>7</sup> Of course, this food should be guaranteed as “absolutely” safe to soldiers.

order to purchase domestic agro-food with better quality and safety, MND should set up a new system considering quality and safety as well as price. For example, a new system may offer some incentives to suppliers who meet the conditions for quality or safety such as HACCP, ISO, and other certifications.

## **2) Purchasing from multiple suppliers**

Soldiers at each troop normally consume foods from one supplier, while civilians consume foods from multiple suppliers. This situation offers a less competitive market (i.e. monopoly) at the military to food enterprises.

In order to solve this problem, MND can make multiple enterprises to supply the same kind of products to each troop. When soldiers consume more than one food product at the same time, they can compare food products and push suppliers to a more competitive environment.

## **3) Strengthening post-management**

Unlike the private sector, the food enterprises that supply products to the military rarely get the feedback about quality and satisfaction, or evaluation after sale. Recently, the Headquarter of Army signed a memorandum of understanding with the Korea Food and Drug Administration to increase the level of food safety management at the military. MND needs to step up this endeavor to strengthen the management both before and after purchase.

## **4) Increasing transparency of purchase system**

The process taken by MND to determine suppliers and purchase agro-food is still criticized for unfairness. Transparency is very important in increasing the efficiency of the agro-food purchase system, and thus MND should introduce a new system to increase transparency.

For example, MND can organize a committee, the members of which include experts from outside of the military sector, to evaluate and determine food suppliers, and make the whole process open to the public.

## 2. Role of agro-food sector

### *2.1. Stable supplying of cheaper agro-food*

One of the most common complaints for consuming domestic agro-food is the unstable supply at expensive prices. In order to make the price of agro-food lower, food processors should jointly buy domestic raw materials and set up a united logistics system to save expenditure. For example, food enterprises may refer to the case of small-size supermarkets that established a joint purchase system to save expenditure.

Domestic food suppliers also need to offer a more stable supply of agro-food at any time. Making their business size larger through mergers or unifying the supply system may be a good solution to increase the stability of food supply in the military sector.

### *2.2. Making differentiation of domestic agro-food*

Differentiation based on quality and/or safety of domestic agro-food is a key factor to win the competition against foreign agro-food. Food suppliers should keep improving the level of quality and safety and strengthen differentiation through certification systems like HACCP, ISO, and others.

In addition, food enterprises need to create a new market through invention or innovation. For example, rice cake with longer use-by dates to substitute bread is a good sample.

## V. Conclusion

MND is the biggest of governmental consumers in the Korean agro-food sector. In 2006, the quantity of purchase of agricultural products stood at about 260 thousand tons and MND spent about 300 billion won for this purchase.

This paper briefly reviewed the Korean military's purchase system for agro-food, and then evaluated MND's current purchase system based on several criteria: quality and soldiers' satisfaction level of agro-food, efficiency level and benefits of purchase system, and justification for determining suppliers.



After evaluating the food purchase system of MND, two main roles of MND were suggested: offering opportunities for Korean food suppliers to sell their high-quality products and developing a purchase system to promote competition among food suppliers. As the roles of the agro-food industry, stable supply of cheap agro-food and production of differentiated domestic agro-food are suggested.

There are only few studies about the food purchase system of MND due to the difficulty of accessing information or numerical data, but the discussion on the buying system of MND to boost the competitiveness of Korean agriculture is very important. This paper is supposed to offer a starting point for this discussion.

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