

Farmers Whose Annual Income is At Least One Million NT Dollars

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The evolution of individual farmer to new tenant-farmer

Before 1953, farmers in Taiwan had to rent land from landowners. These tenant-farmers handed over a great portion of their income to landlord on a regular time schedule, hence, tenant-farmer's life are hard and poor.

In 1953, Taiwan government carried out the policy called 'land to the tiller'. It means that tenant-farmers who rented land from land owners can now possess land. From then on, farmers were no longer exploited by land owners. After redistributing their property to their descendants, one hundred and ninety thousand farmers in that time evolve to million farmers of today. It comes into the 'individual farmer era'. Although these individual farmers own their lands, they are small and do not have sufficient income to support a family. On the other hand, these farmers still use traditional way to till their lands. They depend highly on human power and they lack new agricultural technology and information. Their product may poor in quality. Without knowing the market demands and grading their product, their products have no competitiveness. They depend on wholesaler to purchase their products after harvest. They tend to lack power in negotiating prices. When it came across over produce, the price will be too low to recover the cost; when it experienced natural disease and crop failure, our government has to compensate for their loss.

Taiwan government takes protection strategy to help farmers, treat agriculture as a welfare policy instead of national industrial. Lack of funds, new knowledge and limited land area are the difficult positions faced by our traditional farmers. These dilemmas result in a vicious cycle, especially having an aging population and outward migration in rural area. Young men are not encouraged to stay at country area or become a farmer.

However, there is a group of 'new tenant- farmers' today, which is known as Dounan new farmer team. They are a group of young and well-educated people who rent lands to cultivate, dedicate themselves in agriculture and make big differences from ordinary farmers.

The dilemma which individual farmer faced

Agriculture in Taiwan has long been faced the problems of aging population and immigration. An ordinary farmer cultivates no more than one hectare (ten thousand

meter square) farm land on average. In 2002, Taiwan joined World Trade Organization (WTO). The importing of rice and vegetables resulted in the declining on product prices. Even in a good year, a farmer can earn only twelve thousand NT dollars per hectare by cultivating rice. And the prices for vegetable was even worsen when it comes to glut. Most people are convinced that traditional farmers in Taiwan have no competitive strength, their income are too low to provide for a family. Our agriculture is supported by government subsidization. Taiwan's government spent twenty billion NT dollars subsidization on agriculture every year to ensure food production.

In consequence, the fallow land in Taiwan has increased. No body is willing to cultivate since it is easier to acquire money from government rather than hard work. Taiwan has more than two hundred thousand hectare fallow land, which is equal to a quarter of total farm land in Taiwan.

The Dounan new farmer team

Realizing that traditional farmer faced the problem of small land and low income. Mr. You-Ze Zhang (see fig.1), the manager of Dounan farmer association, he created a system to change this dilemma.

He gathered a group of young people, rent a lot of farm lands from ordinary farmers to cultivate. In the beginning, Dounan farm association demonstrate how to cultivate for traditional farmers, later, the farm association rent lands from farmers and on the other hand also hire them to help the new farmer team to do cultivate. So the ordinary farmers can earn both income from land rent and part time work. This method will improve farmer's life and give them new concept about agriculture.

Furthermore, he invested a vast amount of money on machines and refrigerators (see fig3-10) to increase the quantity of output. By storing and selling the products at a later time, they can make higher profit than ordinary farmers.

Their managed system is similar to business affairs in which they have managers to take over administrative matters during farm lands and these managers can share bonus from the team's total benefit.



Fig.1: Mr. You-Ze Zhang, the manager of Dounan Farm Association.

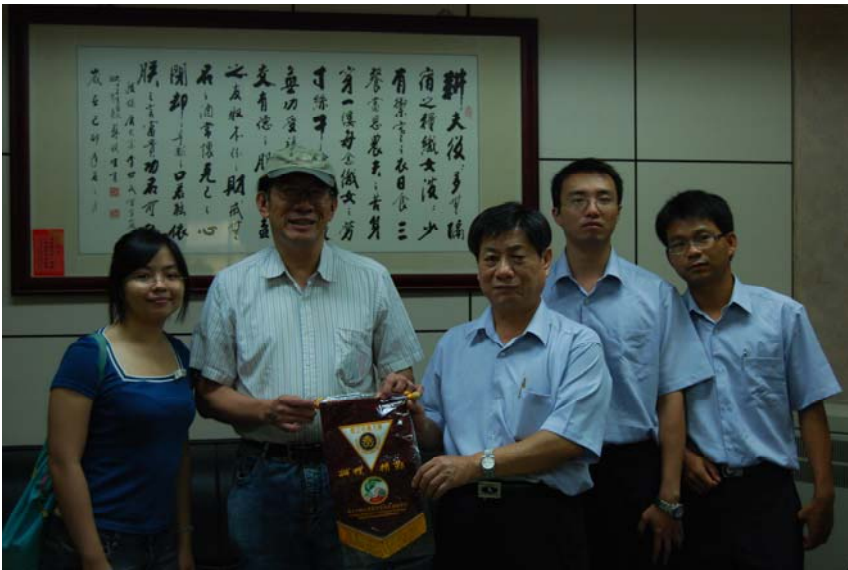


Fig.2 The writer together with the members of the new Dounan farmers team.



Fig.3: Cold Storage Building



Fig.4: Inside the Cold Storage Room.



Fig.5: Refrigerated van



Fig.6: Inside the Cold Storage Room.



Fig.7:Tractor Imported from Germany
Japan

Fig.8:Harvesting machine imported from



Fig.9: Imported Tractors and Harvesters

Fig.10:Soil Preparation Machine.

The innovative managed system that farmer can share bonus

The roles of Dounan farmer team's members can be divided into machine operating staff and farm land manager. The farm land managers are experienced team members, whose incomes included fixed salary and bonus. They have three criteria to spot a good farm manager.

Criterion one: expanding the farm land.

First of all, they encourage the farm land manager to rent lands. They pay farmers ten thousand NT dollars for 0.1 hectare to rent their lands, which is higher than government subsidy. The lowest limit for a manager is thirty hectares. They can earn extra points by renting extra hectare of lands. Every extra hectare equals to one bonus point, the more he rents, the more he gains. In this way, these managers will try to rent lands as much as they can, and it will increase the area of their cultivated area and the efficiency of automatic machines.

Criterion two: the productivity of every land unit.

By comparing every manager's farm land production with average harvest

production, they can tell who has the best achievements. The land managers can get extra point when their production is beyond the average. On the contrary, their bonus might decline. To ensure the good productivity, the land managers have to dedicate on taking care of their lands.

Criterion three: the cost control of farm land.

The farm managers hire employees, usually are true farmers, to irrigate and weed. Simultaneously, these managers have to watch over every affair on their lands, and cope with problems they faced. They can compare every manager's cost control during the harvest season. Therefore, every team member can have their own cost control index, and they can improve their efficiency according to production review.

According to the three criteria mentioned above, the best farm manager in the past year gained six hundred bonus points, which means he had three hundred thousand NT dollars as bonus. Adding up the salary, his annual income reached to one million NT dollars, which is ten times more than an ordinary farmer. It is pretty much the same as a college professor's annual income. The best manager said that he rented ten more hectares farm land than other managers. And his secrets of success in renting lands are choosing lands which are not segregated. A farm land should not also be surrounded by fallow lands or obstacles, such as a factory or a pool. He expressed that it is easier to cultivate on a complete land, and it will also help to reduce the cost. On the other hand, the environment of land rim will influence the dosage and seeding cost. He would rather abandon those lands with problems mentioned above. His valuable experiences were added then as part of SOP (standard operating procedure) for farm land management.

To complete the manage system

To aim the goal of high production and high benefit, the team faced the problem of pesticide and fertilizer abuse. Consequently, they designed some methods to cope with these positions. They hire technical staffs, whose job is controlling all the pesticides. The land managers have to apply pesticides from technician. They also establish agriculture and food traceability system to ensure the product's safety.

Not every one in this team can share bonus since it needs technical know-how to manage all the process. Therefore, new members need to learn step by step. From operating the machines to agriculture know-how, realizing how to plant and prevention from disease. It takes three to five years for a new member to be promoted from crew member to farm land manager. Since this team provided a chance for farmers to share bonus, young men are willing to dedicate themselves in agriculture. Thanks to this managed system, rural village in Taiwan started to change.

A bachelor who determined to become a farm manager

In Dounan, it has become a special scene to see tractors shuttling through farm lands. These tractors came from Germany, and each one costs three million NT dollars. This is about the price for a middle luxury Mercedes sedan. It consumes six thousand NT dollars of fuel for driving the tractor one day. In Taiwan, there are few people who can drive expensive tractor. Twenty-nine year old Mr. Zhao-Cheng Chen is one of them. He wears a shirt and tailored pants not typical for ordinary farmer and ploughs in an air conditioning tractor. However, the neighboring farm land nearby are cultivated by a group of old farmers, wearing leaf hat, bending their back, planting potato with their bare hands. When they finish their hard work for one day, they get together talking and drinking tea with their neighbors. On the other side, Zhao-Cheng Chen was surfing on the internet, searching new information about potato fertilizer and seeding. 'There is knowledge and management here, the future is agriculture business era' Zhao-Cheng Chen said. He is the staff of machine operator in this farm team. His grandfather is a traditional farmer in Dounan. His family own twenty thousand square meter farm land. Although their land is larger than other farmers in Dounan, their output was always lesser than others. His grandfather used shoulder pole to carry vegetable and twenty thousand kilogram of vegetable seems too heavy and an endless work. This hard working frame became the depth memory in Chen's mind.

He expected to become a farm manager of Dounan new farmer team some day in the future. Farm land manager needs to possess knowledge about machineries, plant disease management, and new crop production techniques. A traditional farmer might have experience on farming, but they lack new knowledge and management techniques. Mr. Zhao-Cheng Chen believed that he can do much better than traditional farmers.

A million annual income sales clerk who change his career into agriculture

Mr. Wen-Ping Lin, who was engaged in financial circles, now is one of team members in Dounan new farmer team. He graduated from collage, has seven finance licenses, and earning one million annually. However, he gave up all of these, decided to become a farmer. He came from a traditional farm family. He feels that life in the countryside is solid and real. In the beginning, he felt not easy to adapt his life as a farmer. Other elder farmers cast doubt on him, wondering why a well-educated young man was dedicated in agriculture. Since agriculture knowledge is very widespread, and the technique is hard to master, he has to learn from the beginning. Therefore, he always read papers about crops on the internet after work. He studied the paper about farm marketing produce. 'You will find that Taiwan agriculture has extreme disparity between the rich and poor, some farmers can earn a million in one season (three month)

by operating agriculture tourism.’ These farmers he mentioned about are landowners who own big lands. These lands are utilized in different profitable enterprises. ‘Although we do not own the land, we have technique threshold and might succeed in our way’ Lin said.

The threshold for farm business

The average cultivated area of a couple of traditional farmer is no more than one hectare. However, Dounan new farmer team, which made up of fifteen members, owns more than five hundred cultivated hectares. Although they are young, they are the biggest export trade proprietor in Taiwan. Their output value of potato and tomato reached to two hundred million NT dollars per year.

Their dominance came from machinery. This team applied for pensions from council of agriculture.

They bought machines such as seeding machine and tractors. The price for one set of seeding machine is over fifteen million, which is too expensive for an ordinary farmer to afford. However, Dounan new farmer team rent a lot of lands from other ordinary farmers and they have enough fund. With the help of seeding machines, they can cultivate twenty five times faster than ordinary farmers and the cost is only one-fifth of traditional way. Their cultivated areas are wide and large which are located at the central and southern part of Taiwan.

Equipment from New Zealand

They also built large refrigerating equipments to store their products. Their refrigerators have installed automatic washing equipment and snapshot classification system (see fig.11-12).

They learned this equipment system from ZESPRI International. By extending the storage time, their products will have much longer shelf-life and thus can be marketed in competitive price at a later time. They store their products when they over-produced in the market. On the other hand, they purchase goods from other farmers in a lower price, and sell those products later. The harvest season of potato in Dounan usually starts in February. At the production site, the price of these produce is only five NT dollars for one kilogram. Dounan new farmer team will buy potatoes from other farmers during this time and they will not sell these potatoes until May. In the non production season, it is about twenty-five NT dollars per kilogram. In typhoon season, the price will even reach to forty NT dollars per kilogram. They will earn profit from this process by their accurate market analysis.



Fig.11, Fig.12: Automatic Grading and Packaging Facilities

Build their own market and long term cooperation

The amount of fund is the threshold of this farm enterprise. For an ordinary farmer, he can not afford expensive machine and has no such large land to cultivate; there is no middlemen who would buy their potatoes in the non productive season. Unless the ordinary farmer has any other means to sell his product, dealing with middlemen seems to be the only option left to sell their potatoes.

This is the advantage position of Dounan new farmer team, they sell their products to the market directly instead of through middlemen. They sell their products in Taiwan and Japan. In Taiwan, they sell to Carrefour discount store and in Japan they cooperate with Aomori and Nagano county to help them sell their products to the local farm association.

From February to July, they sell their potatoes to Japan. During this period, Japan do not produce potatoes and thus, market has great demand on that. However, an order from Japan always reach to hundreds to thousands tons, furthermore, the products must pass through pesticide residue test. These are the barriers to an individual farmer. Nevertheless, the Dounan new farmer team has the ability to come over these situations and become the biggest potato and carrot export trade businessmen in Taiwan.

They treated agriculture as an enterprise and define themselves as farm business man rather than merely a farmer. They enlarge their production scale, and decrease the prime cost. In this way, they can provide a large amount and continuous supply of products. But their goal is much more than just to become a successful enterprise, they have profound cognition on their own duty. They believed that the person who dedicate in agriculture should have sense of responsibility, because it concerns about people's health, economy and country stability. Mr. You-Ze Zhang encouraged young people who want to engage in agriculture must be pragmatic and have passion on it. Pragmatic can create unlimited value, he said. He indicated that our school education tend to mislead our students to believe high level biotechnology is the ultimate solution to

agriculture, but actually our agriculture still have far way to improve. We should change our attitude and become a new farmer who has the innate abilities in farming and selling his produce.

In the future, they hope that this idea can be applied in an extensive area, combining with research and development in a command center. Furthermore, they are planning to practice the idea of “green agriculture” in their farm land. Not only produce safe and healthy product they produce but also give consideration to environment. They knew that as long as they want to plunge into agriculture, there are fields always waiting for them.