

Philippines engages Korean firms to boost farm mechanization efforts

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A delegation from the Department of Agriculture (DA), led by Secretary Francisco P. Tiu Laurel Jr., recently visited the Korea Agricultural Machinery Industry Cooperative (KAMICO) in South Korea to discuss investment opportunities and policy coordination related to the planned 20-hectare Korea Agriculture Machinery Industry Complex in Nueva Ecija.

"This project plays a crucial role in realizing President Ferdinand Marcos Jr.'s vision of a modernized Philippine agriculture—one that ensures food security and uplifts the lives of our farmers. It will also attract foreign investments, generate jobs and transfer newer technologies," said Secretary Tiu Laurel

One of the key topics tackled during the visit was the package of investment incentives that the Philippine government is offering to foreign investors, including an Income Tax Holiday for six years and a reduction of the Corporate Income Tax rate from 25 percent to 20 percent for eligible projects. Recognizing the importance of clear and competitive incentives, KAMICO requested a follow-up meeting with the Department of Trade and Industry (DTI) in Manila to iron out the specifics and assess how their member-companies can fully benefit from the incentives.

Among the issues discussed was the cost of leasing the cabin in Cabanatuan City. In order to facilitate the smooth implementation of the project, the DA agreed to coordinate with the local government unit (LGU) to determine a fair rental rate.

Tong Yang Moolsan (TYM), a South Korea-based agri-machinery firm with 70 years of experience in the industry, was also met separately. TYM is known for its customized tractors and advanced machinery solutions tailored to specific farm needs. The company has been actively participating in Philippine agri-machinery roadshows and has supplied equipment under the Rice Competitiveness Enhancement Fund (RCEF), in partnership with the Philippine Center for Postharvest Development and Mechanization and DA Regional Field Offices.

Agriculture Undersecretary Jerome Oliveros praised TYM's product quality and reiterated the DA's shift toward a "Fit-for-Purpose" procurement approach, aligning with reforms under the New Government Procurement Act. Rather than favoring the lowest-cost suppliers, the DA prioritizes machinery that is durable, efficient, and supported by robust after-sales service. Oliveros proposed that TYM gather testimonials from Filipino farmers already using their machinery to reinforce public confidence in government-acquired equipment.

DA urged TYM to explore machinery production for high-value crops such as coffee, cacao, onion, and coconut, while considering the Philippines' diverse agricultural terrain. These engagements are part of the DA's broader push to modernize the country's agricultural sector and attract foreign investments to sustain long-term growth.

Agriculture Attache Nikko Macalintal said the DA team also visited Asia Tech, a prominent South Korean agri-machinery company known for its innovations in rice and high-value crop machinery. Asia Tech is currently focused on developing energy-efficient technologies, aligning with global sustainability trends. The DA delegation explored potential areas of collaboration, particularly in connection with the development of KAMIC in Cabanatuan City.

Asia Tech expressed plans to actively participate in the KAMIC initiative by sourcing local materials for the construction of their machines. This strategy aims to stimulate the development of a local supply chain, fostering job creation and industrial growth in the Philippines. Asia Tech also committed to localizing their machinery designs to better suit the country's unique agricultural conditions, ensuring improved efficiency and relevance for Filipino farmers.