

## CONTEXTUAL INFORMATION – KOREA

### Main economic, land use and agricultural characteristics (2008 or latest available)

GDP per capita (USD)	Population density	Agriculture in GDP	Agriculture in employment
24,801	475/km <sup>2</sup> (2005)	2.2%	6.9%

Source: OECD

Land use (2008)	Total land area	Forest area	Total agricultural area	Arable land	Grassland
000 hectares	9 983	6 375	1 800	1 759	41
% of total area	100	64	18	18	0.4

Source: FAO STATS – Agriculture Data, Forestry area from 1994

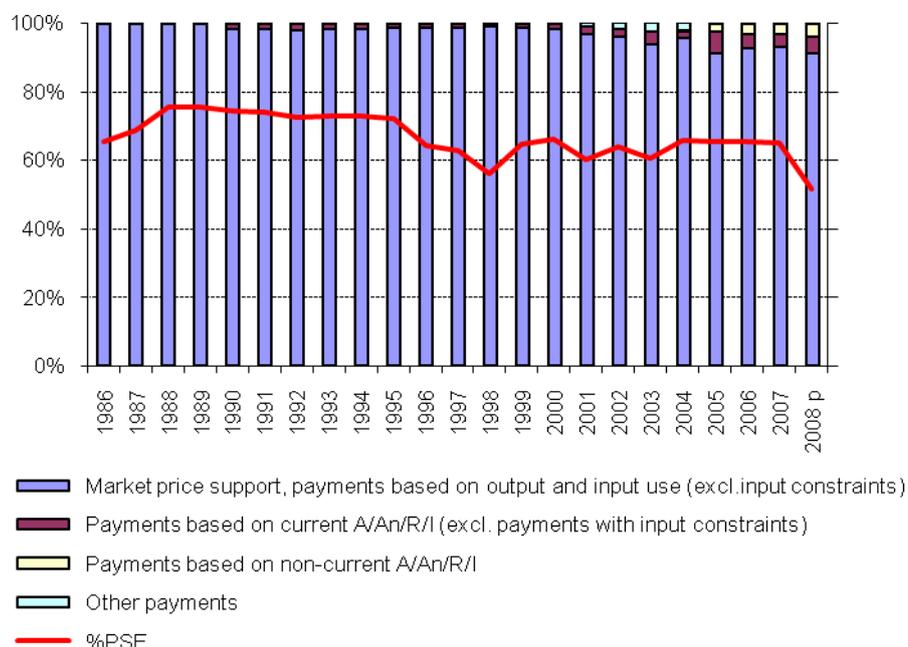
Korea is dominated by large forest areas and has a temperate to Nordic climate. Most of the agricultural land is located in the south, and the less favoured areas represent 38% of total agricultural area. Farming is dominated by rice production accounting for almost 27% of total agricultural production.

The average farm size is 1.45 ha (2008). The farm scale is gradually getting larger but at a rather moderate pace. Ratio of farm household with over 3 ha has increased from 1.4% in 1980 to 7.3% in 2008, while the ratio of farm household with less than 1.5 ha went down from 83.4% to 78.7% over the same period.

### Agricultural policies and support to agriculture

Tariffs and a wide range of tariff rate quotas are applied based on multilateral and bilateral trade agreements. More recently, with the opening of the agricultural market, direct payment schemes have been introduced. In 2008, five types of direct payment programmes were implemented with different objectives. The basic law for agriculture, rural area and food industry was established in 2007 followed by the creation of the Ministry for Food, Agriculture, Fishery and Forestry (MIFAFF). Korea maintains a **Public Stockholding Scheme** for rice, which is a purchase and release mechanism based on current market price. Rural development policies consist of two categories: improving living conditions of rural residents and improving the economic vitality of rural regions. The first involves many ministries and government agencies to provide services in the fields of, for example, education, medical services, roads, drinking water supply, and internet. Since 2004, the government has applied an integrated package programme to hub villages which demonstrate a high growth potential.

**Figure 1. Figure 1 Producer Support Estimate: Korea**  
(Percentage PSE, structure of PSE)



Source: OECD, PSE/CSE database 2009

### Agri-environmental policies

The main agri-environmental concerns in Korea relate to reduction of environmental loading in agricultural system and expansion of environmentally friendly farming practices. The objective is to increase the amount of environmentally friendly certified products up to 10% of total agricultural products by 2010 and reduce by 2013 the use of chemical fertilizers and pesticides to 40% of its 2004 level.

*“The Agro-Environmental Policy towards the 21<sup>st</sup> Century” was launched in 1996 to address environmental issues in agriculture.* The initiative seeks to limit harmful impacts of agriculture on the environment and encourage wider use of practices which can reduce environmental pressure, such as Integrated Pest and Nutrient Management and organic farming. Although fertiliser and pesticide inputs are subsidised, since 1997 pesticides have been subject to an environmental charge per container, while an emission charge on excess livestock pollution has applied since 1991 per cubic metre of waste. Cross compliance and direct payments have been implemented to reinforce existing agri-environmental measures.

The following programmes are implemented to support environmentally friendly agricultural production:

- *Environmentally friendly agricultural zone promotion project* provides supports to investments by groups of farmers (10 farms totalling more than 10 hectares of land in the village) into facilities and equipments necessary to practice environmentally friendly agriculture. Priority is given to investments in water retention areas or areas where environmentally friendly agriculture can be practiced.

- Since 1999 direct payments are provided to support environmentally friendly farming practices such as *organic farming*, *farming with no use of pesticides*, and *low pesticide use farming*.
- To reduce pesticide use in agriculture programmes were introduced in 2005 to promote the use of natural enemies to liquidate insects and pests and support production of environmentally friendly and safe agricultural products. The target is to convert 50 000 hectares (half of total cultivation area of protected horticulture), into the area where insects and pests are controlled by using natural enemies.
- *Direct Payment for Environmentally Friendly Livestock Practice* was introduced in 2004 with a budget of KRW 5.8 billion (USD 5 million), for which cattle farmers are eligible if they recycle more than 60% of manure; and poultry and pig farmers if they reduce stocking densities by 20-30% below 'normal' standards.

*Certification system for environmentally friendly agricultural products* certifies safety and quality through integrated check according to strict references of exclusive certification organization in order to promote environmentally friendly agriculture and protect consumers. The certification references for crop products are quality control of business management, cultivation field, irrigation water, seeds, cultivation method and quality control for products. The certification references for livestock products are breeding farms, breeding condition, self-support feed basis, origin and stand-up meal of livestock, feed and nutrition management, animal welfare and disease control, quality control etc. Environmentally friendly agricultural products are categorized into three categories for crops: *organic* (transition stage), *no-pesticide* and *low-pesticide*. For livestock products, there are two categories: *organic* and *no-antibiotics*. The certification for environmentally friendly agricultural products is conducted by public organization such as NAQS (National Agricultural Products Quality Management Service) and some private organizations (by end 2009, there were 58 private organizations).

With priority given to environmentally sensitive region, *environmentally friendly agricultural zone promotion projects* will be implemented by local governments from 2006 to support environmentally friendly agriculture. The programme is designed to support production of environmentally friendly agricultural materials, cover expenses for building production and distribution facilities and infrastructures such as crop – livestock resources recycling centre, education centres and tourism. The targeted regions are local government sites with about 1 000 ha of agricultural land. The amount for support per site is KRW 10 billion, and in total 50 sites is expected to be promoted between 2006 and 2013.

Korean Ministry of Agriculture and Forestry (English) <http://english.mifaff.go.kr/main.tdf> ;

Korean Rural Economic Institute (KREI) (English) <http://www.krei.re.kr/eng/index.php> .

Korea Statistical Information Service (English). <http://kosis.kr/nsportal/eng/>