

Agriculture and Agricultural Policy in Korea

Prof. KIM Chang-gil

KCG's Profile



Name: Kim Chang-gil

Department: Seoul National University Asia Center

Position: Invited Professor

Contact: 82-10-9447-4265

E-mail: changgil@snu.ac.kr

<Education Background>

- Ph.D. in Agricultural Economics from Oklahoma State University, USA

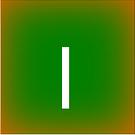
<Research Areas>

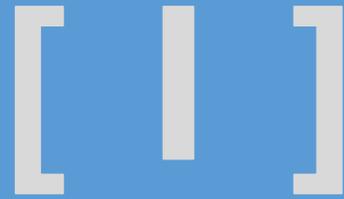
- Sustainable Agriculture Development
- Agricultural and Environmental Resources Management

<Major Careers>

- Former President, Korea Rural Economic Institute
- Chair, JWP on Agriculture and the Environment in OECD
- Former President, Korea Agricultural Economics Association

Contents

-  **I** **Meaning and Role of Agriculture**
-  **II** **Introduction to Korea**
-  **III** **General Status of Korean Agriculture**
-  **IV** **Agricultural Policy in Korea**
-  **V** **Building Agricultural Growth Engine**
-  **VI** **Concluding Remarks**



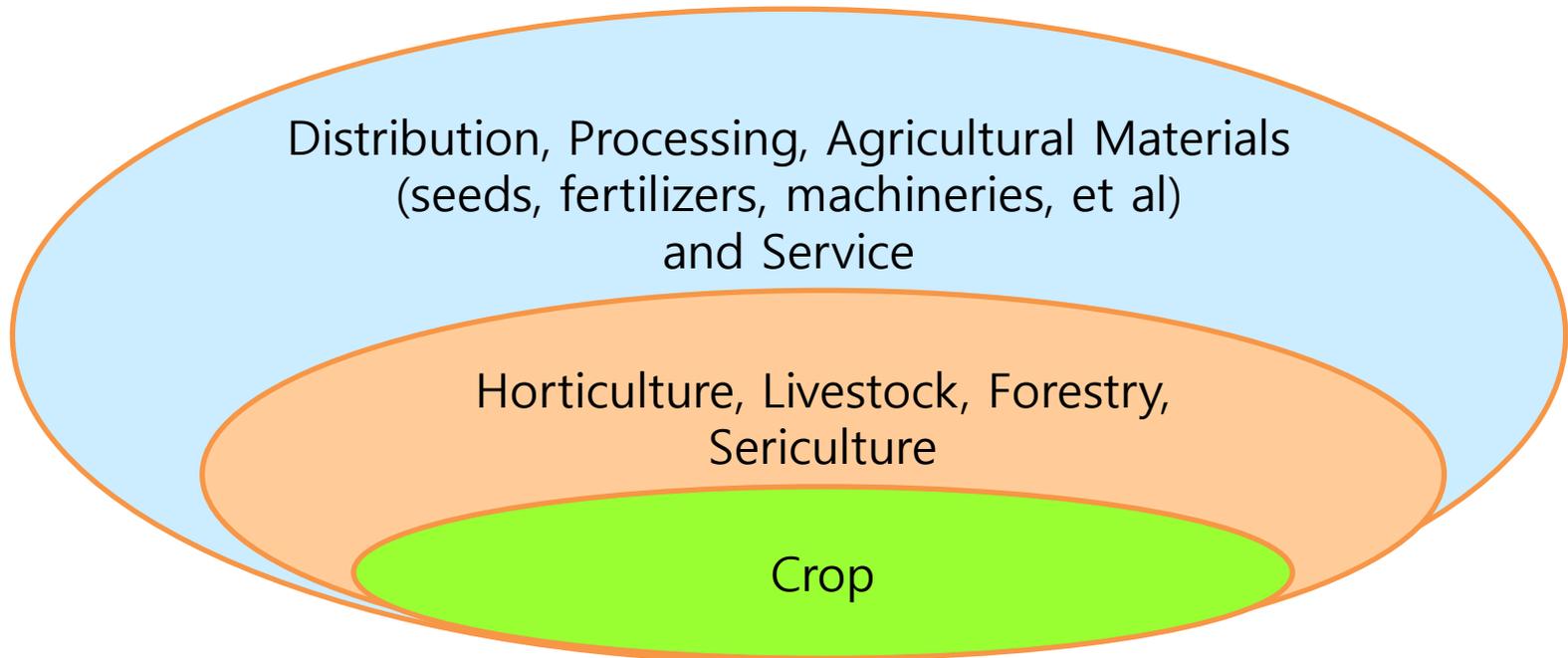
Meaning and Role of Agriculture

1. Meaning of Agriculture

- ▶ Agriculture is the practice of cultivating plants and livestock useful to humans using land to obtain food products
 - Agriculture : Agri (soil, field) + Culture (cultivation)
 - Unlike industries, it relies on the development of **natural vitality of organic life**.
 - Dominating **natural environmental factors** such as temperature, precipitation, and sunlight (use of solar energy)
 - Crop production dominates the production and area of land (**land factor productivity**)
 - Producing **energy** (conversion of solar energy into chemical energy)

2. Scope of Agriculture

- ▶ Agriculture encompasses crop, horticulture, livestock, forestry, and sericulture.
- The scope of agriculture extends to agricultural industries related to distribution, processing, agricultural materials, and service.



3. Roles of Agriculture

▶ In developing countries,

- Agriculture is the most important sector.
- Difficulty in gov't support due to budget constraints.
- Abundant labor in agriculture.
- Low prices of Agricultural Products (It helps Urban poor workers, but discourage farmers to increase productivity)

▶ In developed countries,

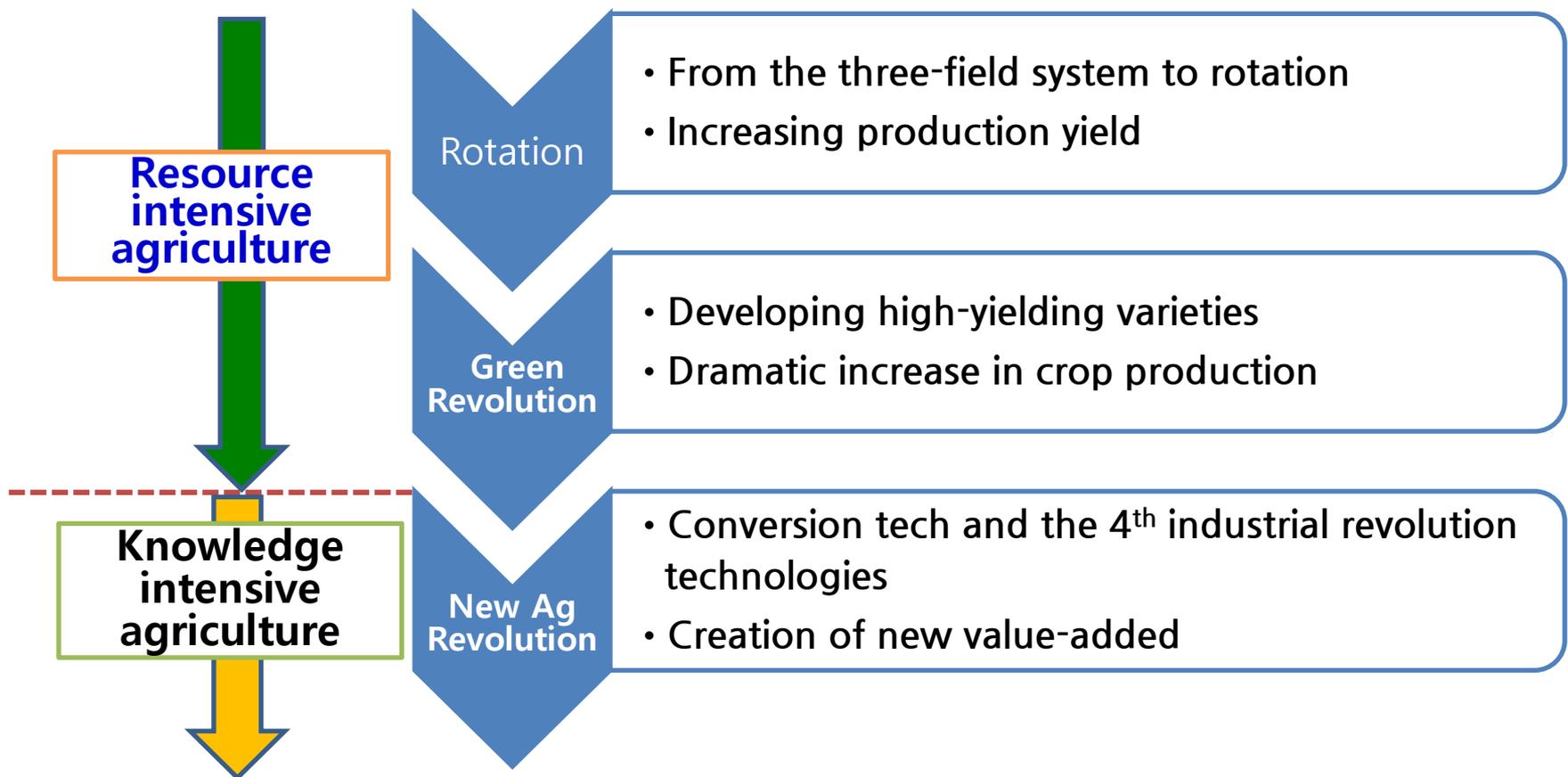
- Ag. provide multifunctional roles including public goods
- Gov't protect and subsidize agriculture (Tax-payers pay for budget)
- High prices for Agricultural Products (Consumers pay for farmers)

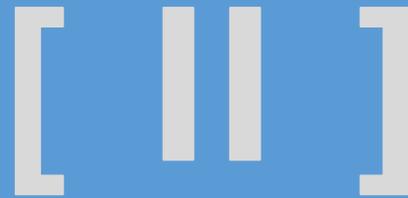
4. Rural Economy

- Low productivity, underinvestment in agriculture and non-farm rural employment, lack of adequate infrastructure, poor occupational safety and health and working conditions, and limited or no access to services (including financial services)
- Holding considerable potential for economic growth, employment creation and promotion of decent work if the right policies are in place
- Characterized by great diversity and should not be considered as being exclusively agricultural
 - mixture of on-and off-farm activities ranging from smallholder agriculture to highly sophisticated commercial business

5. Path of Agricultural Technology Development

- ▶ Modern agricultural innovation proceeds
: rotation \Rightarrow high yielding varieties \Rightarrow new ag revolution





Introduction to Korea

1. General Features of Korea

► Geographical and Topographical Features

- The Korean Peninsula (lat. 33° - 43°; long. 124° - 132°)
 - lies in the middle of Northeast Asia, flanked by China to its west and Japan to its east.
 - shows the characteristics of continental climates with seasonal winds blowing from the Asian continent and extensive seasonal differences in precipitation.



- Historical significance of agriculture
 - As Korea is under the influence of Asia's monsoon climates-high temperatures and humidity in summer, rice farming has long been developed. Historically, it thought highly of agriculture as the foundation of national growth.

-
- ▶ **Size : 100,413 km² (2020) - Ranks 110th in the world**
 - About 63.3% of the territory : forestry and mountainous areas
 - The arable land : 18.6% of the total land

 - ▶ **Population : 51,830 Thousand people (2020.12)**
 - **Ranks 28th in the world**
 - The population density : 516 Person/ km²
 - Ranks the 24th in the world
 - The growth rate of population : 0.1%(2020)
 - The total fertility rate : 0.84(2020)
 - Ranks 1st in the world
 - Aged people over than 65 years : 16.4%(2020)
 - Over the past 10 years (2011~2020), the aging rate has increased by 4.4% annually.

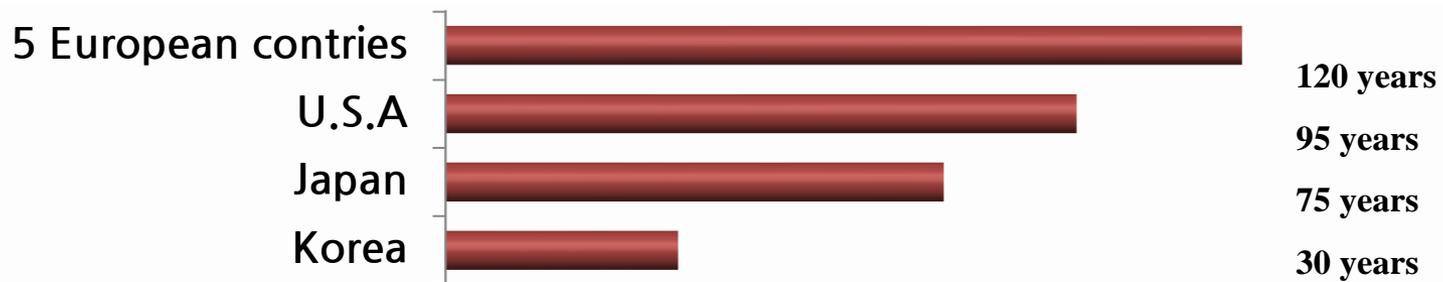
2. National Economy and Agriculture

- ▶ **Overcoming colonial times and wars and laying the foundation for the economy.**
 - Korea's modern era started with tragic events.
 - In the early 20th century, it intended to adopt a western economic system. However, before it fulfilled the conversion, the nation was annexed by Japan.
 - Later, the Korean War broke out in 1950 and pulled the nation into chaos.
 - The nation, rising from the ashes after the war, had to rebuild its economic foundation.
 - Korean government endeavored to grow the economy in 1960s.
 - It set up the Economic Planning Board and made five-year economic development plans to build industrial infrastructures and increase exports.
 - The government increased investments for economic development and provided financing for exporters.

► Position of agriculture in the process of economic development

- Korea went through modernization and industrialization in the past 60 years.
 - Korea's economic structure has grown through primary, secondary, and tertiary industries.
 - ☞ Colin Clark's 『*The Condition of Economic Progress (1940)*』:
As an economy becomes more developed, it tends to shift its focus from primary to secondary and tertiary industries.
 - Although there were not enough statistics available at the time of the country's establishment, the working population in the primary industry must have reached at least 80% to 90%.
 - The reduction in the agricultural workforce resulting from economic advancement is a common phenomenon among advanced countries.
 - Nonetheless, Korea experienced structural changes two to five times faster than in developed countries.

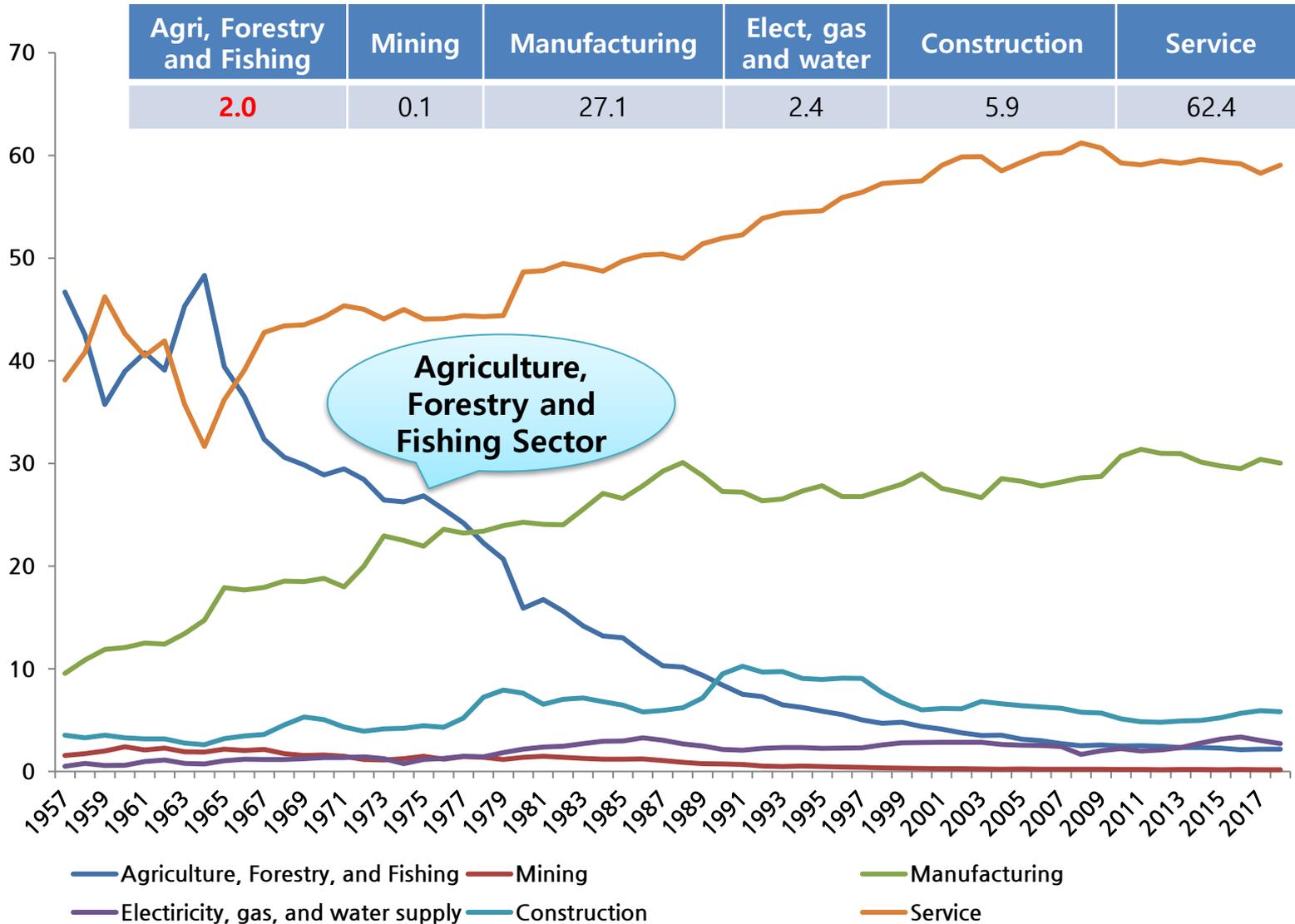
- Changed in industrial structure two to five times quicker than those of the advanced countries
 - Lengths of time that the ratio of the agricultural GDP to be reduced from 40% to 5%



	GDP portion of agriculture			Employment portion of agriculture		
	Point of 40% time	Point of 7% time	Years taken	Point of 40% time	Point of 16% time	Years taken
United Kingdom	1788	1901	113	1800	1868	68
Netherlands	1800	1965	165	1855	1957	102
United States	1854	1950	96	1897	1950	53
Germany	1866	1958	92	1900	1942	42
Japan	1896	1969	73	1940	1971	31
Korea	1965	1991	26	1977	1991	14

► Share of Agriculture in GDP

<Share of Industry in GDP (2020)>



► Roles of Korea Agriculture

- Agriculture has played significant roles in the Korean economy.
 - Produced and supplied foods for the nation. Korea achieved self-sufficiency in rice production in 1978 through the Green Revolution.
 - Contributes to developing other industries. Exchanges in agricultural products and daily necessities help advance commerce and transportation. Besides, crops and livestock products are used as raw materials for different industries.
 - Preserves the natural environment and national territory. Green plants purify the air, while the rural landscape provides amenities. Recently, agriculture's multi-functions, such as flood control, water resource development, air purification, and land preservation, gain attention.
 - Promotes economic and social stability. Food is an indispensable element for humans to live. Therefore, a decline in agriculture will soon cause a drop in related industries and make the nation's economic and social functions unstable.

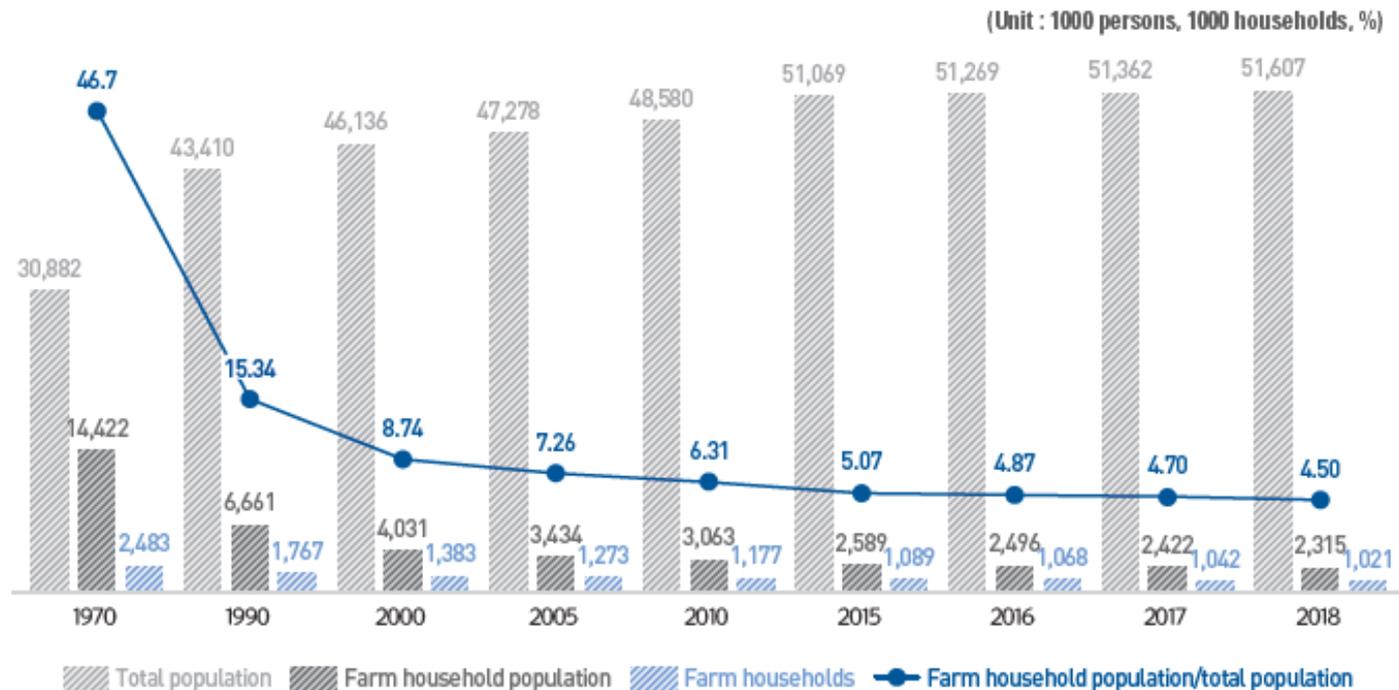


General Status of Korean Agriculture

1. Farm Households Population

- ▶ Continuous decline in the number of farm households
 - Recorded 2.31 million households, accounting 4.5% of the total population in 2018

<The percentage of farm household population in the total population>

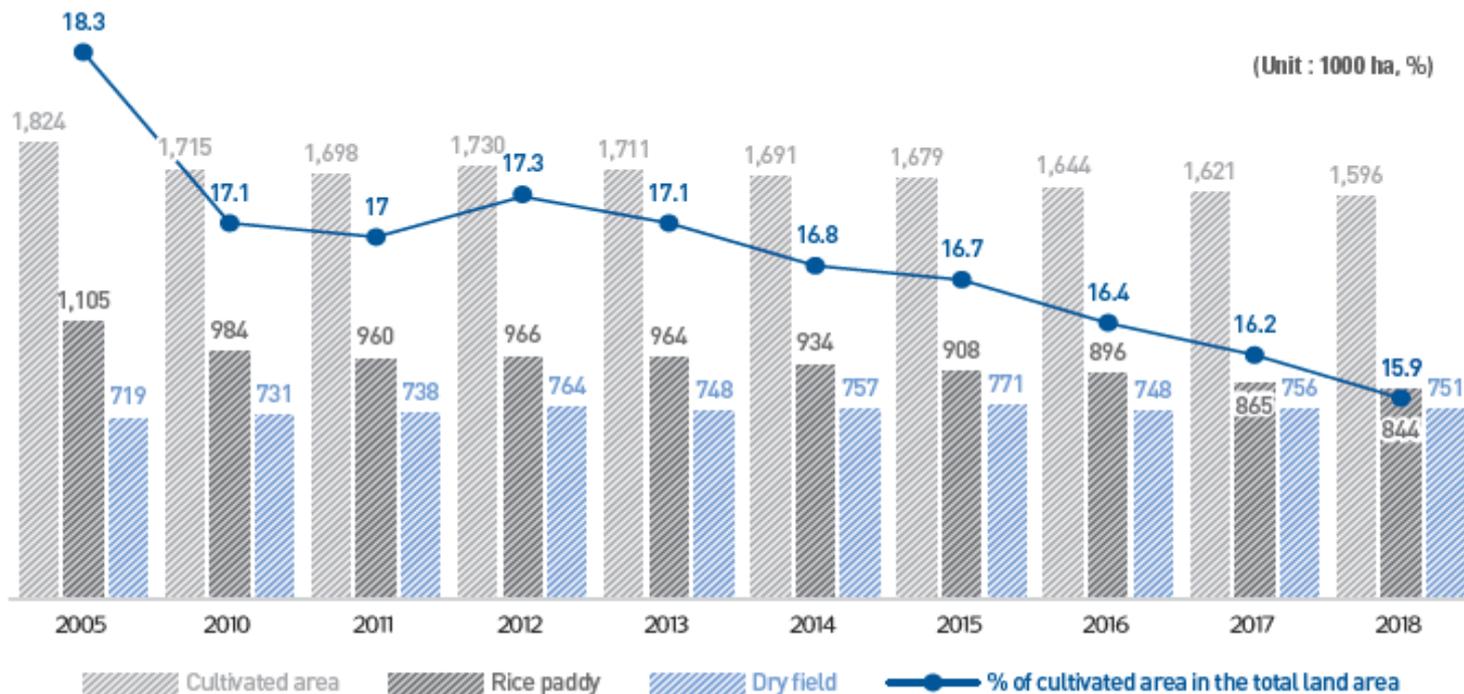


* Farm household: a household which directly cultivates 10 a or more of land or runs an agricultural business earning 1,091 dollars or more in annual sales revenue by selling agricultural or livestock products.

2. Cultivated area: paddy field and dry field

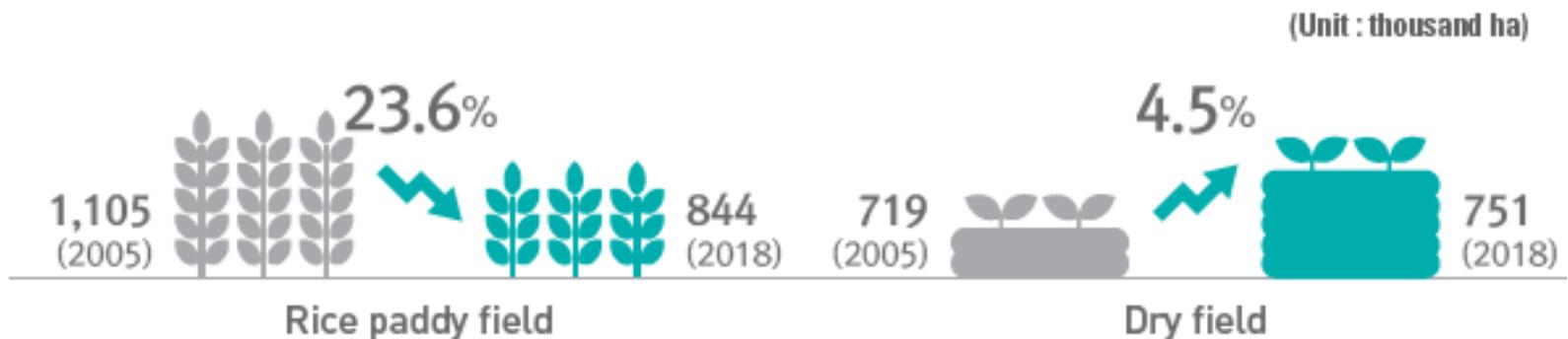
- ▶ The total size of cultivated land area has decreased from 1,824 thousand ha in 2005 to 1,596 thousand ha in 2018, due to the farmland conversion for road building and city expansion.

<The percentage of cultivated area in the total land area>



▶ The area of rice paddies decreases, while the area of dry field increases

- The size of paddy field recorded 844 thousand ha, reduced from 1,105 thousand ha in 2005.
 - * Paddy field refers to lands that use water to grow crops such as paddy rice
- The total size of dry field has increased by 32 thousand ha (4.5%) from 719 thousand ha in 2005, recording 751 thousand ha.
 - * Dry field refers to lands used for growing fruit trees, vegetables, etc. without a flooded parcel.

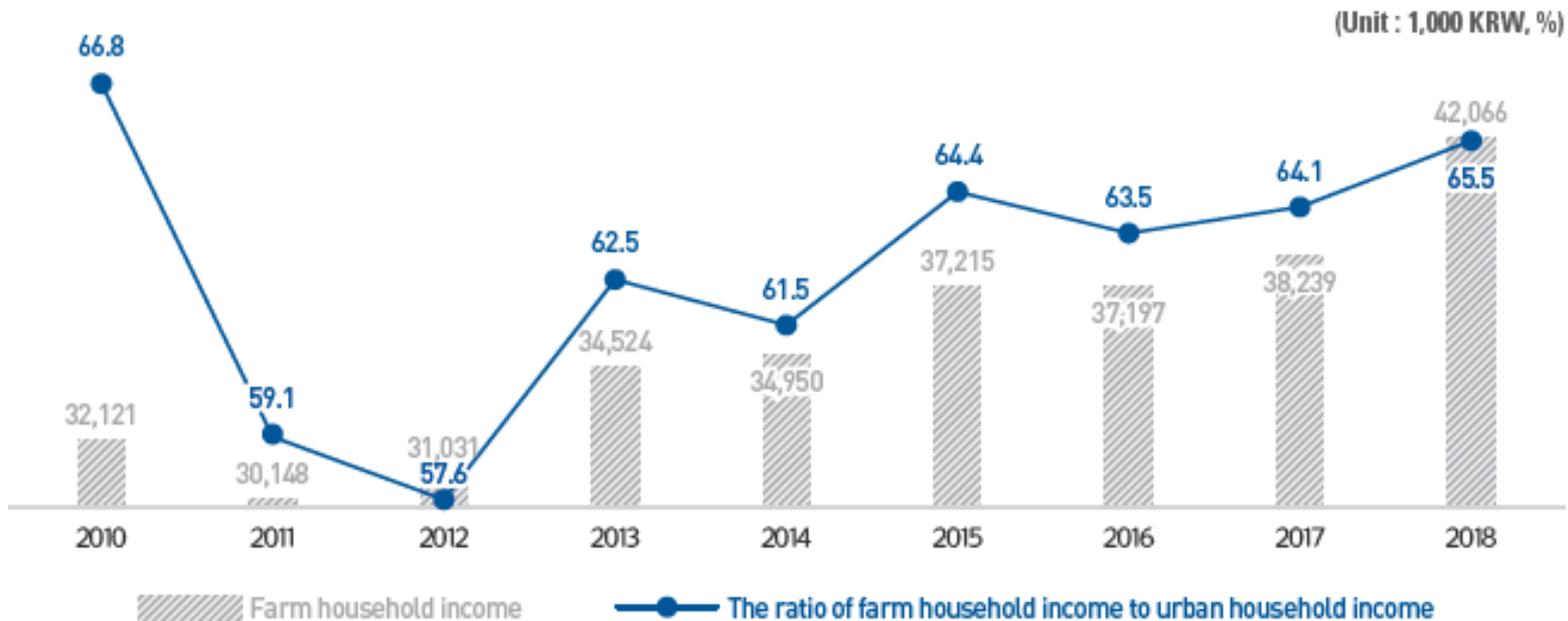


3. Farm Households Income

▶ Very slow increase in farm household income due to increased import and price fall

- Gap between urban and rural household income widened. Low income household is concentrated in elderly population.

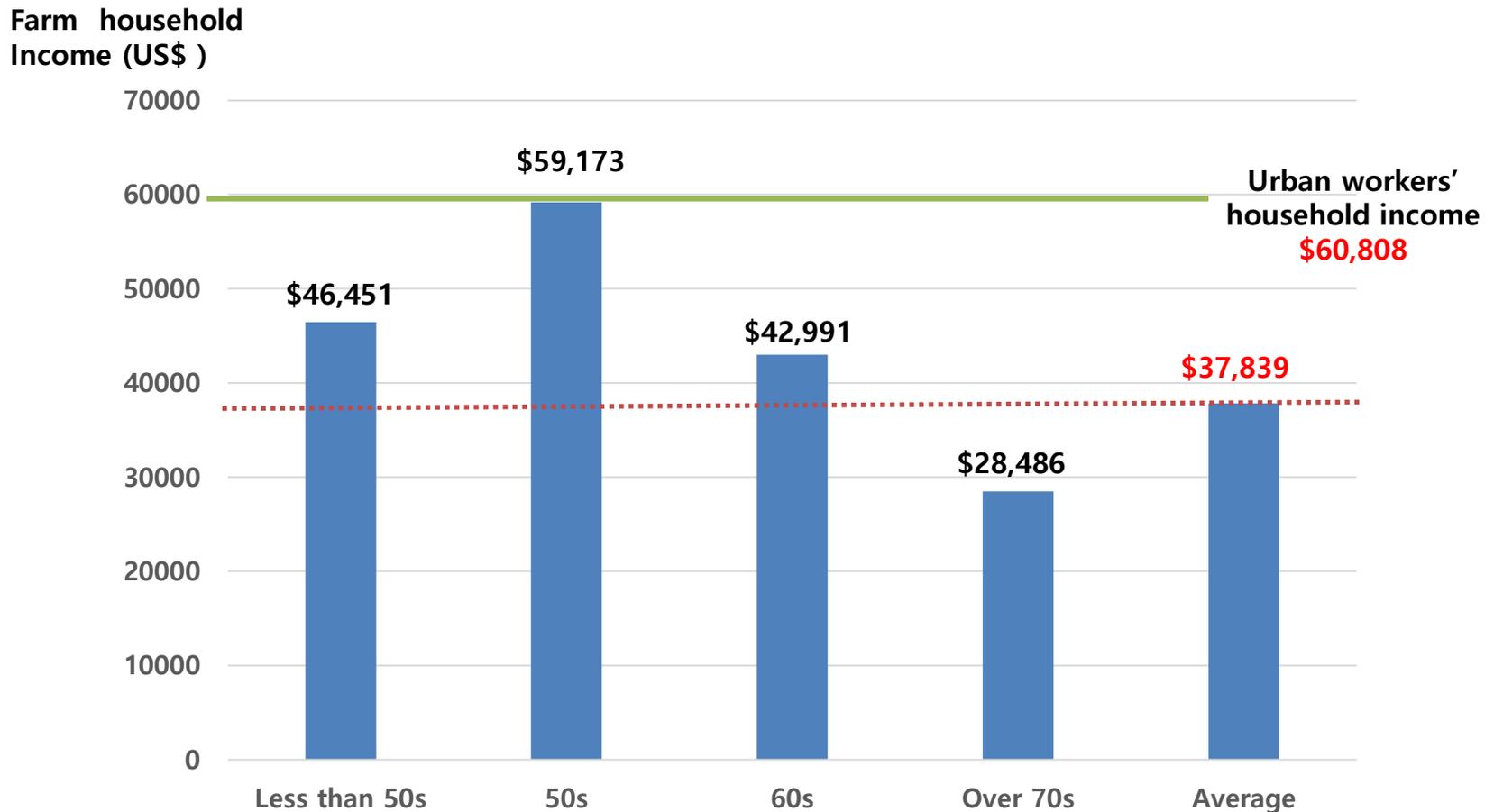
<Change of farm household income and farm-urban income ratio>



* Farm household income : the sum of money earned by individual farm households for one year (Jan.1 – Dec. 31)

- ▶ The average farm income in 2020 was \$37,839, and 62.3% of urban worker household income (\$60,808)
- Farm household income in 50s is similar to that of urban workers

〈The level of farm household income by ages in 2020〉



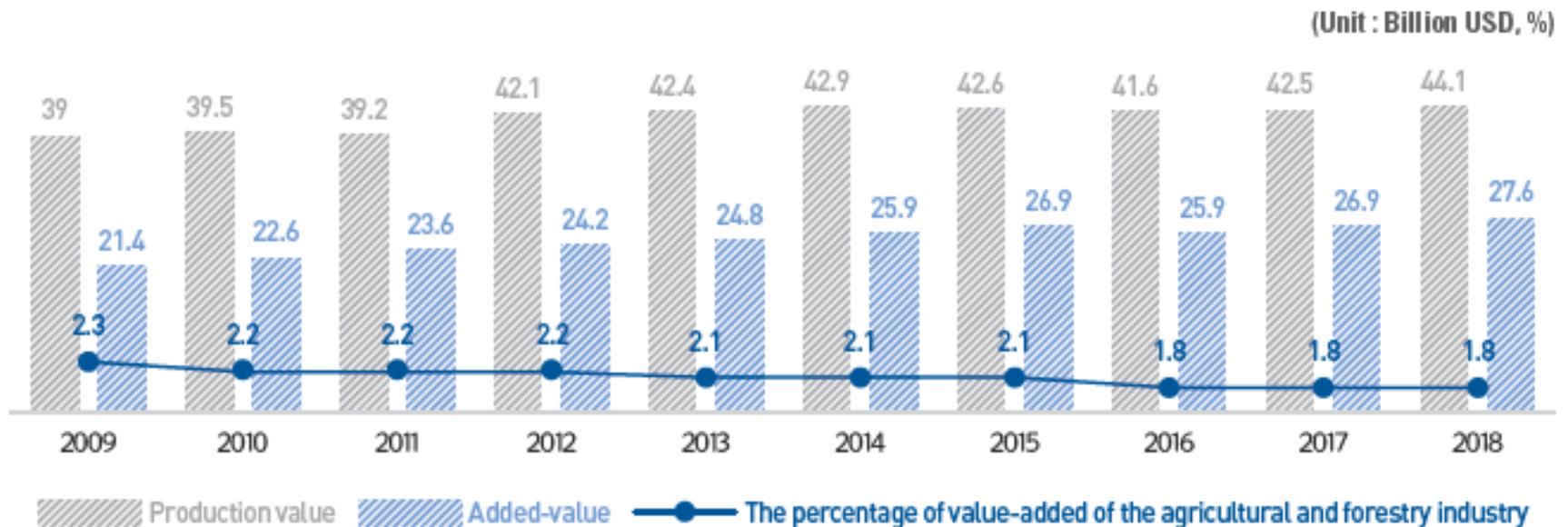
Source: Statistics Korea, *Farm Household Economy Survey*. 2021.

4. Value / Value-added of Agricultural Production

▶ The value of agricultural and forestry products recorded 44.1 billion dollars in 2018

- The added-value was 27.6 billion dollars
- Among the total value-added figure, the percentage of value-added of the agricultural forestry is dropping.

<Change of value / value-added of agricultural production>

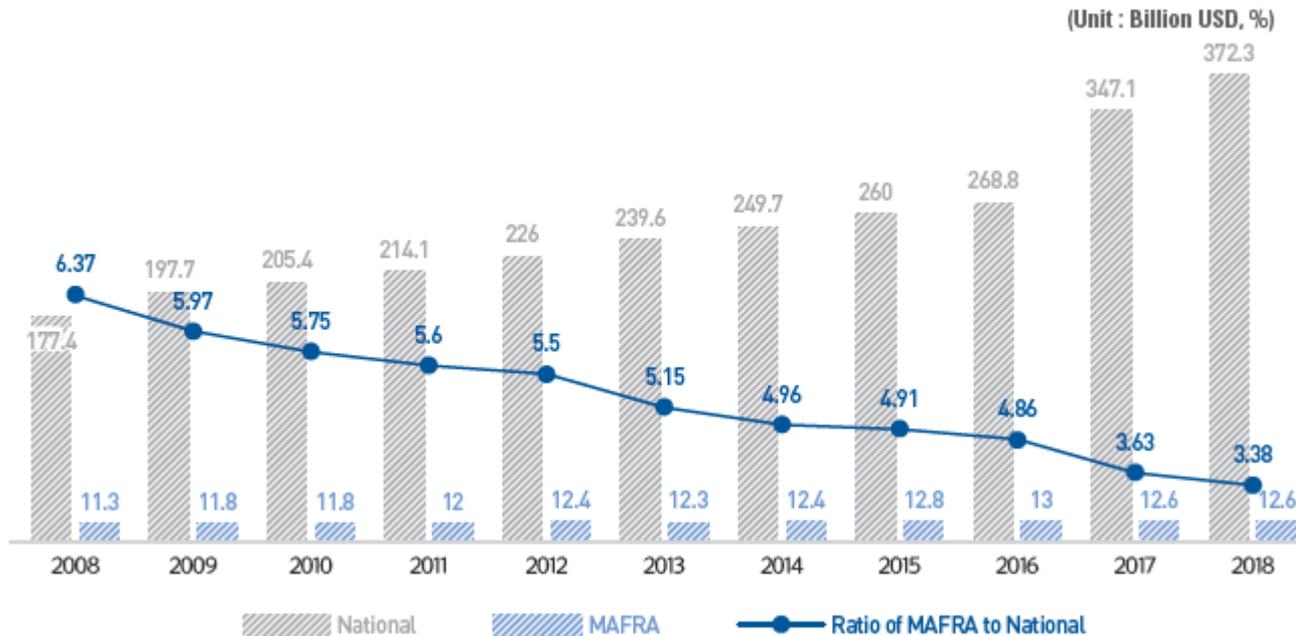


5. Budget

- ▶ The total budget of MAFRA recorded 12.6 billion dollars in 2018.
 - It accounted for 3.38% of the total national budget.



<MAFRA's budget and percentage of total national budget>



6. Exports and Imports

- ▶ The exports of ag-products recorded 6,926 million dollars in 2018, which accounted for 1.1% of the total exports.

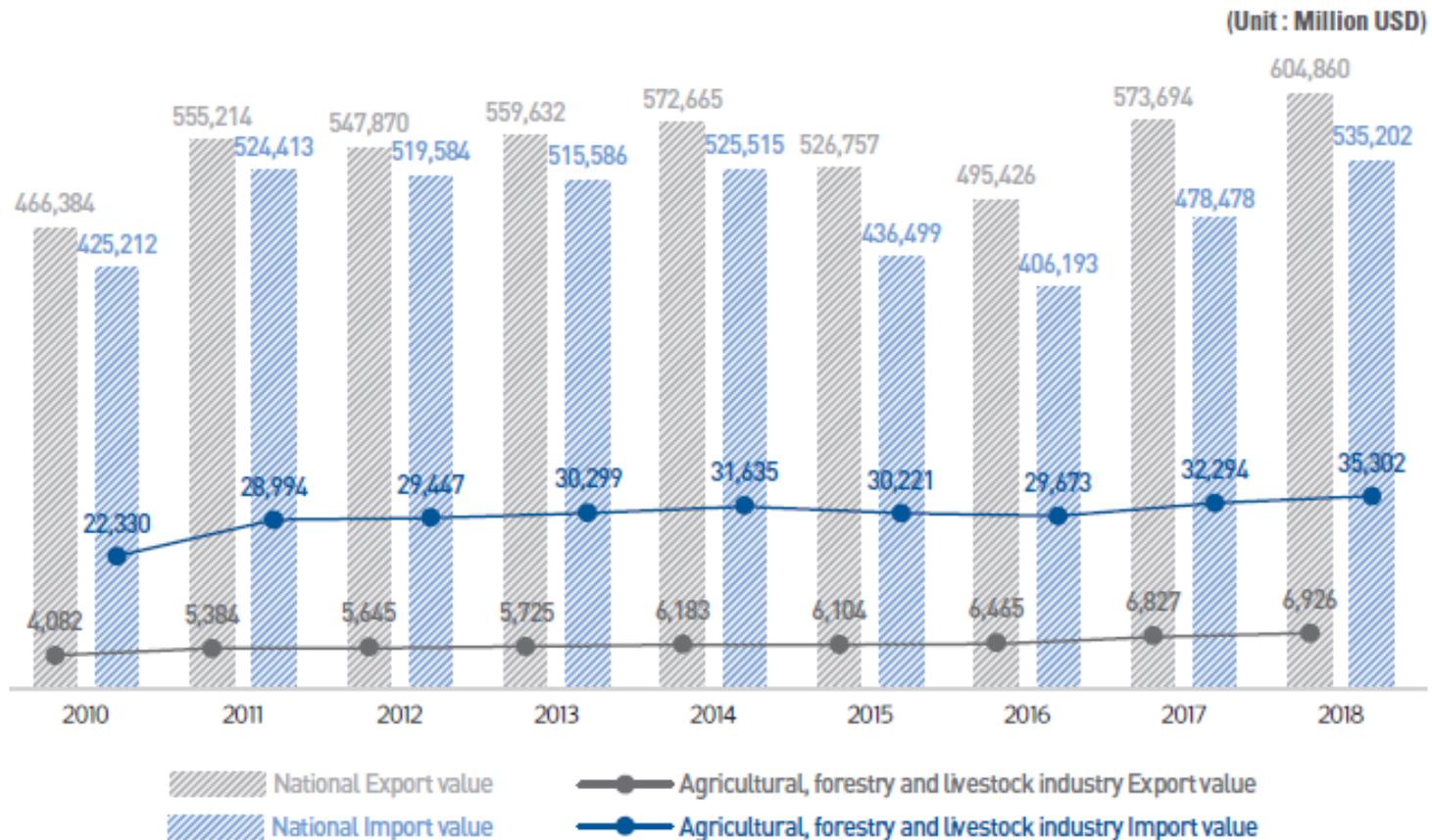


- ▶ The imports of ag-products recorded 35,302 million dollars in 2018, which took up 6.6% of the total imports.



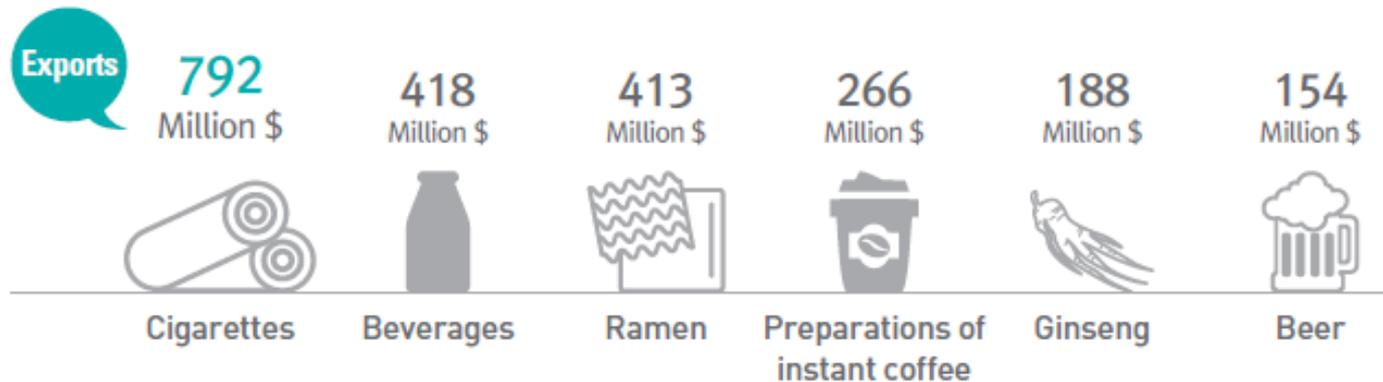
► In 2018, exports of agricultural, livestock and food products were 6,926 million dollars, while imports were 35,302 million dollars, resulting in a trade deficit of 28,376 million dollars.

- Korea's agricultural sector showed a trade deficit.



▶ Top Export and Import Items in 2018

- Korea's top export items in 2018 are cigarettes (792 million dollars), beverages (418), ramen (413), and preparations of instant coffee (266) most of which are processed foods.



- Korea's top import items in 2018 are beef (2,908 million dollars), corn (2,146), pork (1,861), pulp (1,757), composite food preparation (1,606), and wheat preparation (1,014).



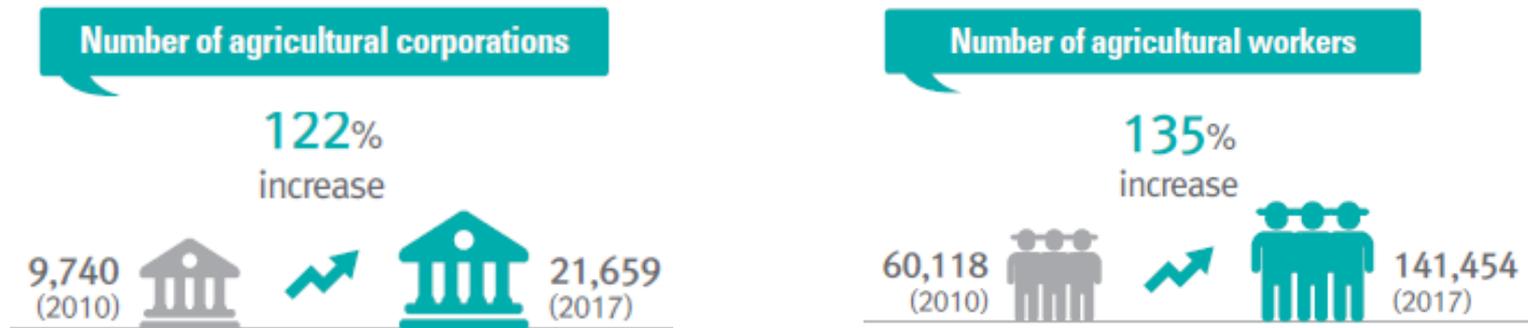
<Top 15 Export and Import Items in 2018>

(Unit : Million USD, 1000 tons)

Ranking	Exports			Imports		
	Item	Volume	Value	Item	Volume	Value
1	Cigarette	54	792	Beef	454	2,908
2	Beverages	442	418	Corn	10,196	2,146
3	Ramen	116	413	Pork	622	1,861
4	Preparations of instant coffee	75	266	Pulp	2,241	1,757
5	Ginseng	8	188	Composite food preparation	280	1,606
6	Beer	212	154	Wheat	3,885	1,014
7	Sugar	300	140	Plywood	1,096	897
8	Biscuits	21	126	Soybean oil meal	1,867	769
9	Prepared milk powder	9	99	Granitic products	2,376	713
10	Soju	72	98	Coffee	158	637
11	Kimchi	28	98	Needleleaf tree Lumber	1,311	608
12	Paprica	32	92	Cane sugar	1,799	603
13	Processed rice food	49	89	Soybean	1,257	595
14	Pear	33	80	Sawdust	3,653	554
15	Third category beer	98	62	Cheese	124	534

7. Agricultural Corporations and Workers

▶ Continuous increase in agri- corporations and and workers



<Change of Agricultural Corporations and Workers>



* Agricultural corporation refers to Agricultural Cooperative or Agricultural Corporation Company which has been established under the Act on Fostering and Supporting Agricultural and Fisheries Business Entities.

8. Rural Development

- ▶ Increasing the number of households who are heading for rural areas to enjoy rural life or start farming.
- The number continued to increase by 10%, reaching 340,304 in 2018, from 310,115 in 2014.



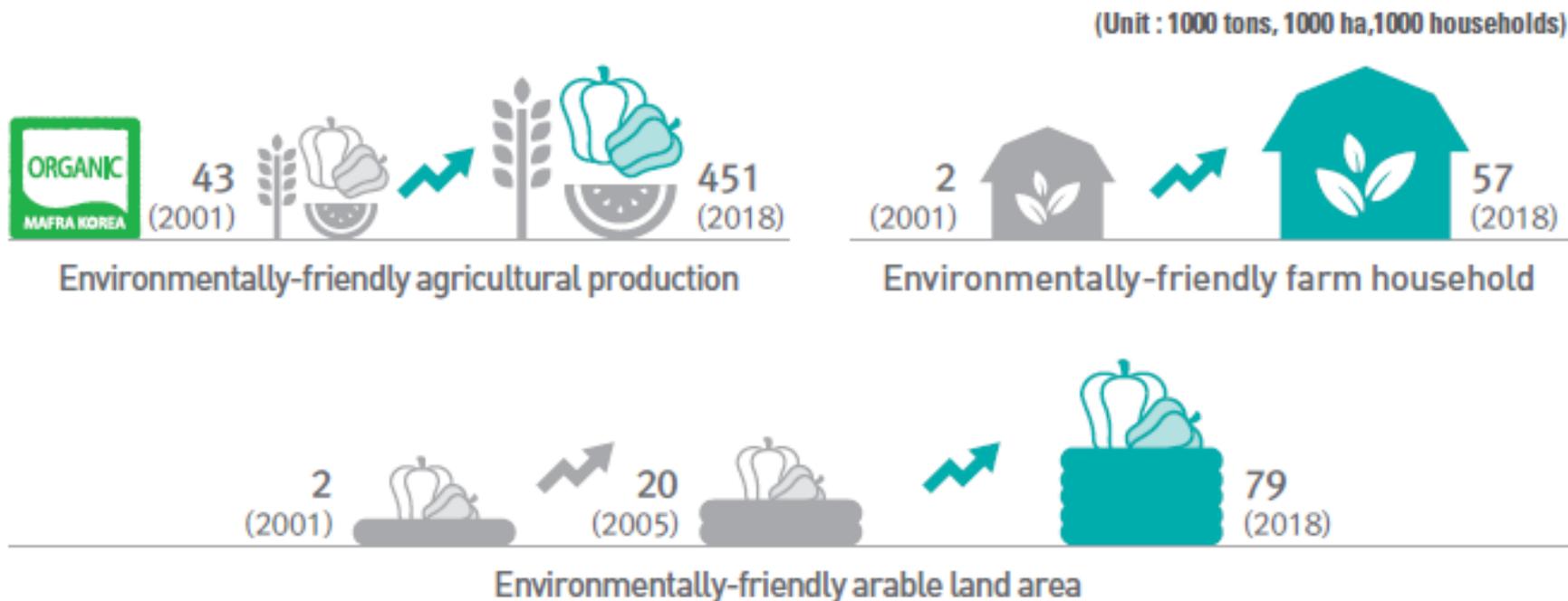
2014	2016	2018
310,115	335,383	340,304

* Families heading for rural areas include two types of families: those who have left cities and moved to rural villages to enjoy a country life ("rural migrant" population) and those who want to earn a living on the farm ("returned farmer" population).

9. Environmentally-Friendly Agriculture (EFA)

▶ Continuous Development of EFA

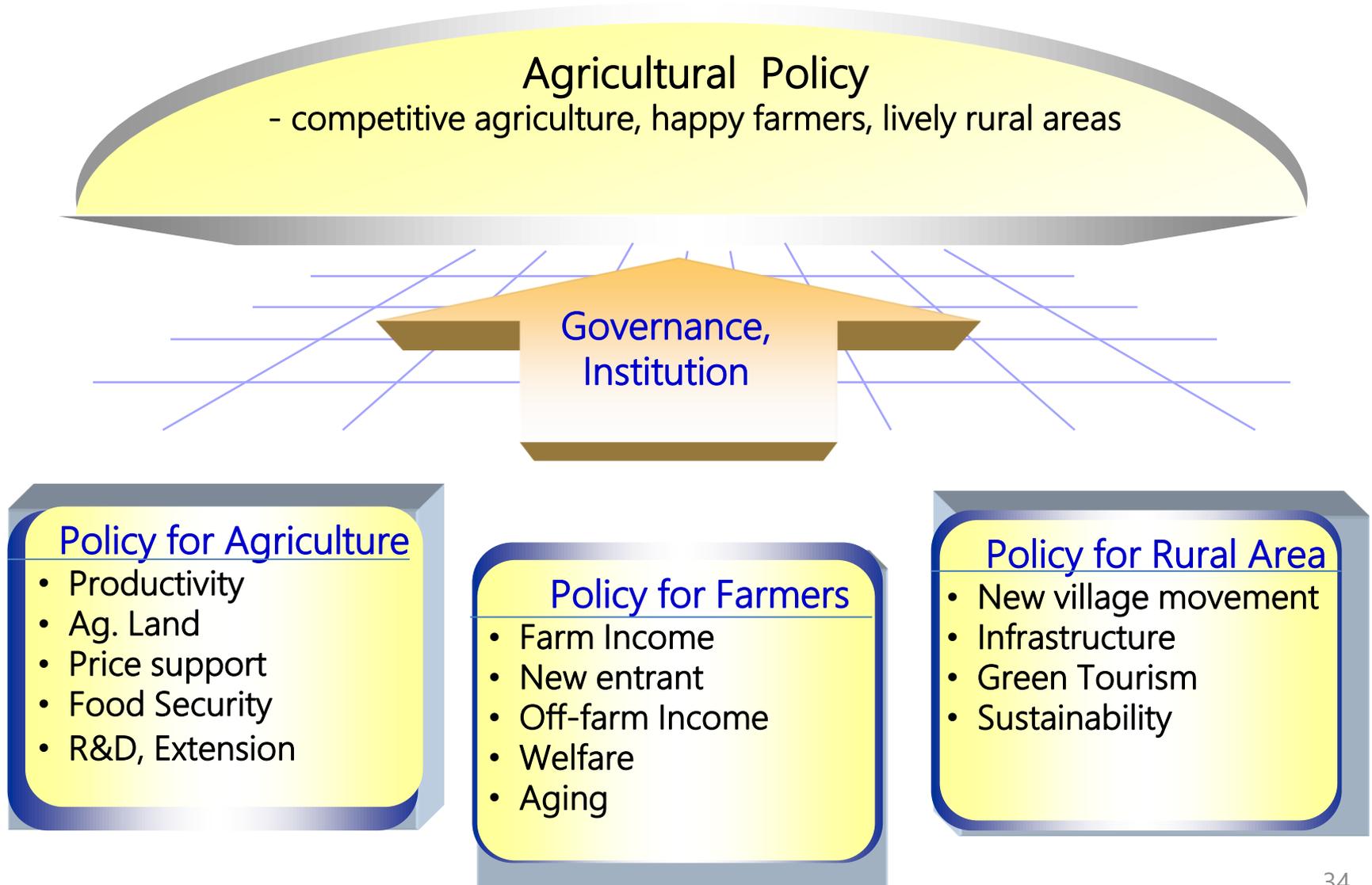
- Established certification system for EFA
 - organic / pesticide-free agricultural products
 - organic / antibiotic-free livestock products



[IV]

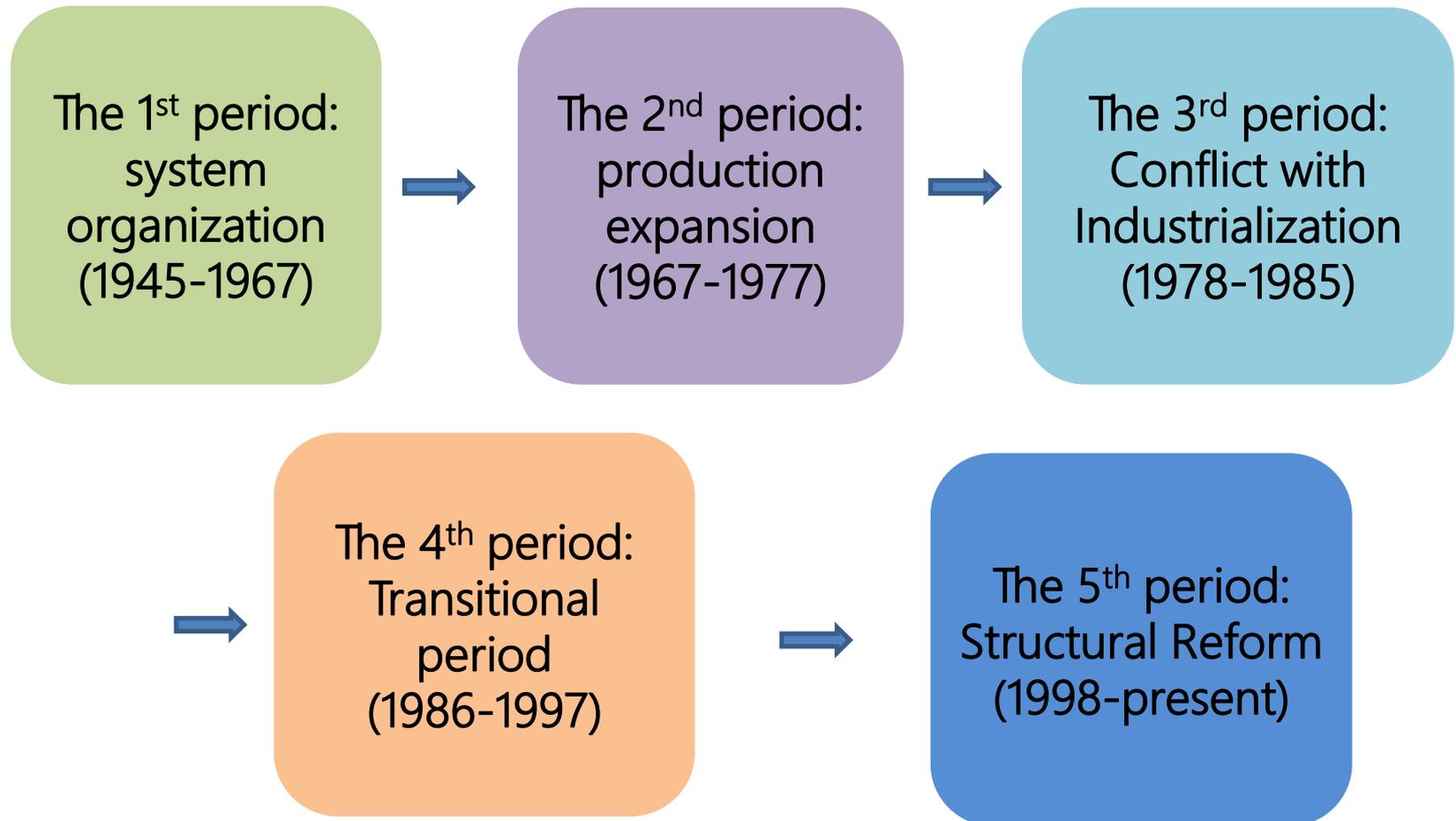
Agricultural Policy in Korea

1. Policy Target of Agricultural Policy



2. Historical Perspective of Agricultural Policy

- ▶ Korea's agricultural policy can be divided into 5 stages



1) System Organization (1945~1966)

▶ Agricultural situation & tasks

- Postwar restoration and food shortage
- Solving the landowner-tenant relationship
- Establishing institutional base

▶ Goals & major policies

- Farmland reform (maximum 3 ha/farm)
- Grain management Act (Gov't buy rice)
- Founding of the RDA; enactment of the Agricultural Cooperatives Act (NACF)

2) Production Expansion (1967~1977)

▶ Agricultural situation & tasks

- Rapid economic growth and rural exodus
- An increase in food production

▶ Goals & major policies

- The green revolution and the dual grain price system
- Modernization of agriculture and rural areas (Saemaeul Movement)

3) Conflict with Industrialization (1978~1985)

▶ Agricultural situation & tasks

- Debates on comparative advantage and open economy
- An increase in farm household debts

▶ Goals & major policies

- Expansion of commodities including fruit, livestock, and vegetables
- A switch to the low rice price policy
- Fostering farming successors project

4) Transitional period (1986~1997)

▶ Agricultural situation & tasks

- A need to respond to market opening due to the UR negotiations (1993)
- Income gap between farm and urban

▶ Goals & major policies

- The beginning of the Structural Improvement Project (1992)
- Off-farm income policy

5) Structural Reform (1998~ Present)

▶ Agricultural situation & tasks

- Financial crisis (IMF, 1997)
- Progress in FTAs with Chile, the EU, and US
- The national economy's switch to the low growth period

▶ Goals & major policies

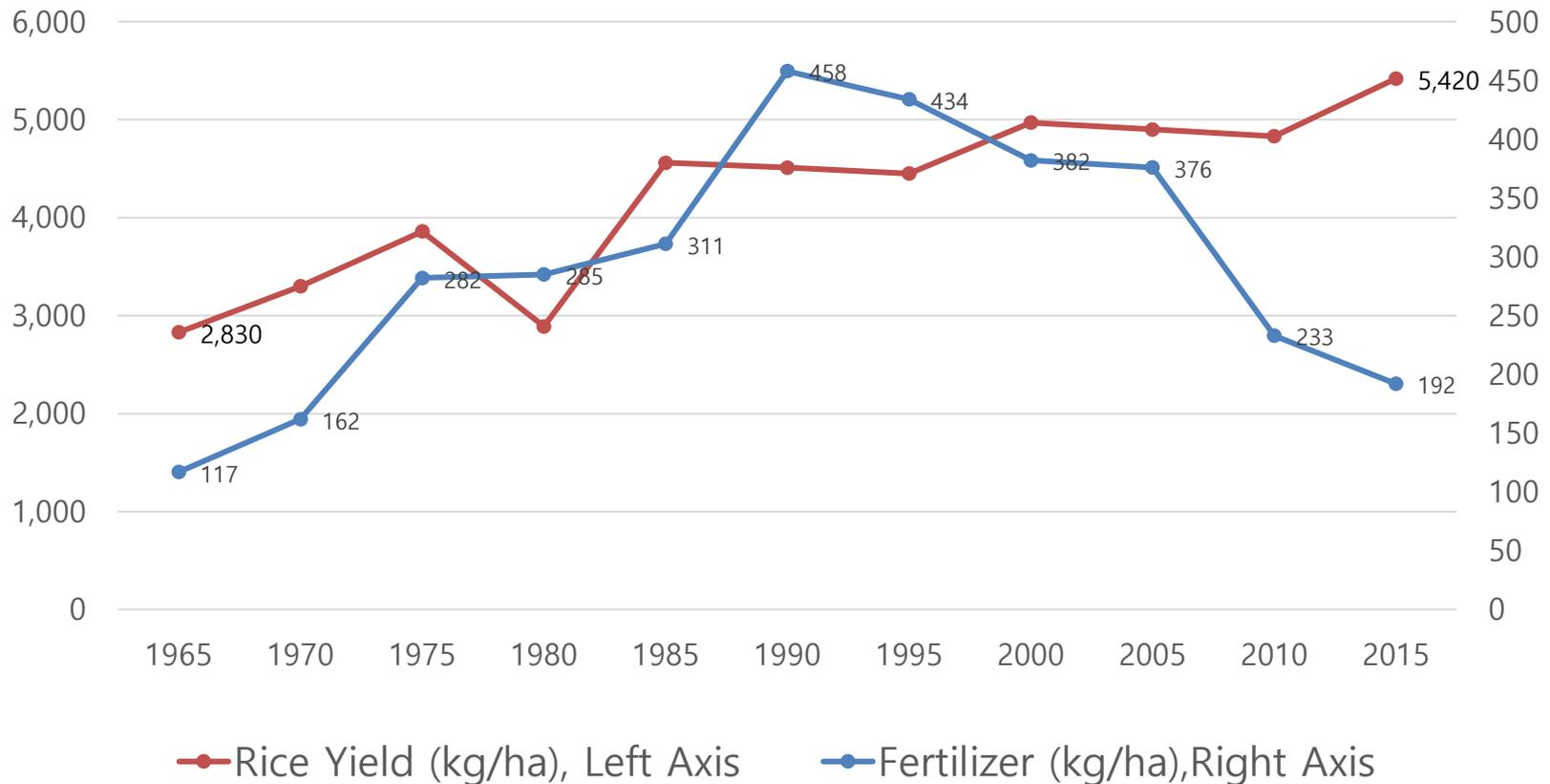
- Continued implementation of the Structural Improvement Project
- Abolition of the government rice purchase program (2004) : expansion of direct payment

3. Major Agricultural Policy Change before 1990s

1) Ag Policy before 1990s: Expansion of Grain Production

- ▶ Food Shortage and the Aid through U.S. PL 480 until 1967
 - Productivity of Ag. was poor due to lack of technology, infrastructure, fertilizer, pesticide and farm equipment
 - Food shortage was solved by U.S. food aid(PL480), but excessive aid vanished domestic production of some crops (corn, cotton, wheat)
- ▶ Food Production Expansion Five-Year Plans (1953-57, 1958-1962) to increase food production with a focus on rice production expansion.
- ▶ The most important measures were
 - Expansion of cultivated land through land reclamation
 - Increasing supply of fertilizer and appropriate application of pesticides and herbicides.
 - Developing high-yield varieties

< Trend of Fertilizer Usage and Rice Yield in Korea >



⇒ Proper amount of Fertilizer be needed to increase yield,
but overuse of it resulted in environmental degradation

2) Ag Policy before 1990s: Farmland Reform in 1950

- ▶ For a long time, farmland was owned by small numbers of landlord
- ▶ Land Reform in 1950 had two components
 - Prohibit tenant farming + 3 ha ceiling per farm
 - Tenant Farmer : (1945) 48.9% → (1964) 5.2%
- ▶ Farmland cannot be owned by anyone other than those who use it or intend to use it for farming
- ▶ 3 ha ceiling accomplished equity, but resulted in inefficiency and prevented commercial farming
- ▶ There are critics that land reform prevented capital formulation in rural areas
 - In 1992, 3 ha ceiling was abolished

3) Ag Policy before 1990s: Income Related Policy

- ▶ In the mid-1960s, farm income was poor because of small land and large family.
- ▶ $\text{Income} = (\text{sale price} - \text{production cost})/\text{unit} * \text{Production Quantity}$
 - To receive high price, Gov't recommended farmers' organizations by commodity and introduced price support programs
 - To reduce production cost, farm size enlargement programs, mechanization programs, input(fertilizer, pesticide,,) subsidy programs were implemented
 - To increase production quantity, high yield varieties were provided
- ▶ Government recommended (Crop+Livestock) farming (1983~1986).
 - However, sudden increase of cattle heads resulted in sharp decrease in cattle price in 1984
- ▶ Farm income alone is not enough, thus there were needs for increasing the opportunity of off-farm income
 - Small industrial complexes were built in rural areas, and government provided many incentives (tax, funding etc)
 - But, failed to produce meaningful results because not so attractive to rural people

4) Ag Policy before 1990s: Price Support

- ▶ In the early 1960s, ensuring a certain level of the self-sufficiency rate was top on the government's policy agenda.
- ▶ In the mid-1960s, price support for grain production was introduced.
 - Gov't bought rice from farmers at higher price than market price
- ▶ Higher purchasing price coupled with higher purchasing volume boosted farmer's income. And rice production also expanded
- ▶ But cost of price support was very high
 - In 1992, farmer's income support effect by the government's purchase program was 200 million US\$, but financial deficit was 1,200 million\$
- ▶ Overall, despite the costs associated with this price support policy, it enabled South Korea to at least maintain a reasonably high level of rice self-sufficiency, but now Korea has rice over-supply problem

5) Ag Policy before 1990s: Foreign Aid for Development

- ▶ In 1950s~60s, Korea was characterized as a poor agricultural economy and densely populated economy with a high rate of inflation and heavy dependence on foreign aid
 - From 1953 to 1960, foreign aid reached almost 2 billion \$, which generated more than half of government revenue and financed nearly all investment
- ▶ In 1960, foreign loan were the major source of financing investment due to the extremely low domestic savings rate
 - Domestic Savings Rate was 4.5 % of GDP
 - Borrow money from World Bank, IMF, FAO, IFAD, US etc.
- ▶ Government began to reconstruct infra-structure and factories using foreign aid and foreign direct investment, and almost completed it by late 1960s.

4. Recent Agricultural Policy Development

- ▶ In 1990, New Development Plan was established in response to trade liberalization trend
- 1) Facilitating Structural Changes in Agriculture to enhance competitiveness of domestic agricultural products
- 2) Trade liberalization had a negative impact on farm income. Thus, expanding farm income through off-farm income and direct payment
- 3) Sustainable Agriculture is emphasized in consideration of environmental impact and food safety
- 4) Improving Rural Living Environment and Welfare by pension program and large scale development program

► Structural Changes

- Increasing Large Scale, Full-time Farms ⇒ Commercial Farms
- Number of rice farms with 3 ha or above is increasing
 - (2000) 41,000 farms, 192,000ha → (2021) 53,000 farms, 375,000ha
- Livestock farms, especially, are growing larger and fewer

► Farm Income Issues

- Market Opening → Heavy Investment → Productivity Improvement
→ Supply Increase → Price Drop → Farm Income Drop
⇒ The Low prices benefit consumers, but farmers suffered
 - Import Increase + Price Support Reducing after UR also contributed to the price drop
- ⇒ Income gap between urban and farm household widened and farm household debt increased.

-
- ▶ Targeted Policy is recommended in DDA, OECD
 - Price support was considered as most trade distortive measure
 - Decoupled (from production and price) income support was recommended
 - ▶ Korea gov't introduced several Direct Payments
 - Early Retirement DP in 1997
 - Environment Friendly Farming Practice DP in 1999
 - Less Favored Area DP in 2006
 - Rice Income Assurance DP in 2005 (Fixed DP + Variable DP)
 - ▶ Expansion of Value-Added Agriculture is pursued
 - Encouraging farmers to organize firm/cooperatives to participate in local agricultural processing plants
 - Agro-tourism and Interaction between Urban –Rural People became active

6. Lessons from Korea's Experience

- ▶ Support to Agriculture is necessary to maintain agriculture. But subsidy to farmers are to be carefully designed from the beginning. It's very difficult to stop support once started.
- ▶ Price support can boost production. But it needs huge budget and excessive support may cause over-supply of that commodity
- ▶ Food aid can help food shortage problems, but abuse of it could result in turmoil in domestic production.
- ▶ Loan to farmers with low interest rate might be better than subsidy. Subsidy can induce farmers to start not urgent, non-profitable business
- ▶ Foreign Direct Investment is essential for investment at the initial stage of development on infrastructure such as roads, reservoirs, marketing facilities

-
- ▶ Intensive farming may result in detrimental impact on environment. Korea is reducing amount of fertilizer, pesticide, herbicide applied to crop land. Cross-compliance is needed to get government support.
 - ▶ Food Security became an eminent issue because of rapid trade liberalization process. And income support requires huge government budget
 - ▶ Aging Issues in farm labor is serious. Support program for young farmers need to be augmented.
 - ▶ Participation of Stakeholders in policy design can not be overemphasized to encourage active Public-Private Partnership
 - ▶ Consumers' preference is changing rapidly. Producers should pay more attention on Food Safety and Nutritional concern of consumers. Government should consider consumer first.

[V]

Building Agricultural Growth Engine

1. Expanding Export Markets

▶ Explore new markets for export

- Pushing information on consumer preference, major distribution channels, quarantine and clearance procedures, etc. of other countries to support Korean agricultural business to advance into new markets

▶ Boost export capacity

- Taking the FTAs and market opening as an opportunity, the government has strengthened promotion and marketing activities and streamlined the export procedures, enhancing the country's competitiveness in the global market.

▶ Provide systematic support for export

- To export safer and better quality agro-food products, the government provides a systematic support at each stage – production, commercialization, clearance, logistics, marketing and branding - in order to expand the export.

2. Applying ICT Smart Technology

▶ Promoting Smart Farms

- Smart farm allows farmers to control and manage growing conditions for crops and livestock in a remote and automatic manner, helping Korean agriculture tackle its typical challenges such as aging population and labor shortage.

▶ Large-scale and effective facilities for Smart Farms

- The government endeavors to create large-scale smart farm complex for export. To make them more effective and efficient, it is developing a tailored software to local conditions which can collect big data on domestic growth and development conditions and the environment.

※ Large-scale facilities for Smart Farms

- 7,000ha of smart farms for facility horticulture, 5,000 smart livestock farms, and expansion of related R&D investment by 2022.



<Gimje, Smart farm innovation valley>



<Korea Wheel, Trolley farm>



<MANNA Control Environment Ag>



<Korea Livestock Data, Facial recognition technology>

3. Promoting Urban Agriculture

▶ Facilitating Urban Farming

- Promoting urban farming to help people understand the value of investing in agriculture and rural areas and to attract people to return to rural villages in order to revitalize agriculture and rural communities.
- ☞ Urban agriculture is an agriculture that takes place in and around the city, and plays a productive role in supplying fresh agricultural products close to consumers, as well as providing a place for intimate agricultural experience and providing green space



4. Fostering New Growth Engine

▶ Encouraging the companion animal industry

- Encouraging people to register their companion animals to develop a matured pet culture, and promoting related industries to create new jobs.

▶ Support agri-food venture startups

- Promoting venture companies and startups that apply information and communications technology and biochemical technology to agriculture.

▶ Promote insect industry

- Adding insects to the list of the general food material register, the government is facilitating and expanding the size of the insect industry.

▶ Facilitate seed industry

- Recognizing that the seed industry is directly linked to food security as a new growth engine of agriculture, the government has been proceeding national seed R&D, Golden Seed Project.

▶ Nurture environmentally-friendly agriculture

- The government is actively working to promote a new value-added of the environmentally-friendly agricultural industry and increase consumers' demand for environmentally-friendly products to expand the size of certified cultivated lands. (4.8% in 2016 to 8% in 2022)

5. Stabilizing Farmers' Income

▶ Upscaling agricultural industry

- The government is combining the agricultural industry with food manufacturing and processing industry or with distribution and tourism services to create value-added.

▶ Reinforce the agricultural disaster insurance

- The government seeks to stabilize farmers' income and agricultural businesses by compensating farmers for damages caused by natural disasters. A 50% of the insurance premium is covered by the government.

▶ Improve disease control system against AI and FMD

- The government has prevented the outbreak of Avian Influenza and Foot & Mouth Disease and strengthened disease control activities led by farmers. It strives the early containment of FMD outbreaks by conducting swift and strong disease control measures.

▶ Attract visitors to rural villages

- To attract more Korean and foreign visitors to rural villages, the government has been developing various contents, improving the accessibility and convenience of rural villages and conducting strategic promotion for different seasons and themes.

6. Food Security

▶ Rice tariffication

- The government is actively implementing 'rice industry development' strategies. The strategies include controlling rice production, strengthening quality management, encouraging rice consumption, and expanding foreign aid in order to enhance the competitiveness of the rice industry.

▶ Raise food self-sufficiency ratio

- The government has steadily increased the food self-sufficiency ratio by improving institutions for food cultivation and establishing systems for production and distribution. It has built a stable food supply chain by strengthening the foundation for rice self-sufficiency and facilitating double-cropping and field farming.

▶ Stabilize rice supply and demand

- The government is seeking to stabilize the supply and demand of rice by handling the oversupply of rice, managing proper production, nurturing the rice processing, expanding consumption, reducing inventory and finding a new source of demand such as foreign aid.

▶ Accede to the Food Assistance Convention

- Korea will diversify consumers for our rice and build a foreign aid system by joining the FAC. As the first country that has transformed itself from a recipient to a donor of food aid, Korea is contributing to reduction of hunger, sending a hopeful message to them.

☞ Accede to the Food Assistance Convention

- Korea has provided 750 tons of rice in the form of food aid to Myanmar and Cambodia through APTERR (ASEAN Plus Three Emergency Rice Reserve).
- Once the FAC accession process is finalized the country will be able to provide big aid as much as 50 thousand tons a year.

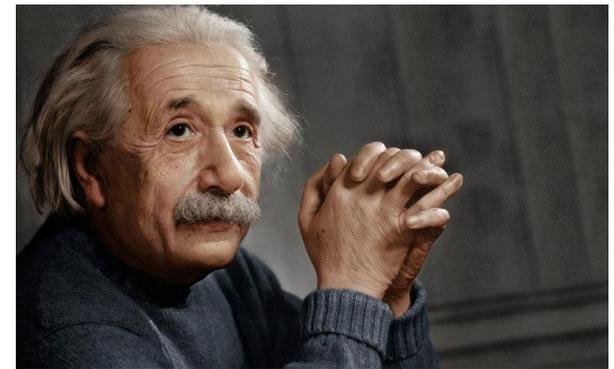
[VI]

Concluding Remarks

-
- ▶ There is **no “one-size-fits-all” solution** leading to agricultural and rural development, and each country has its own priorities.
 - ▶ In Korea case, the focus have focused on getting out of hunger and living well in agriculture and rural sector, but each country should find its own priorities and solutions, taking geography, climate, farming/other conditions into account.
 - ▶ We hope that the training program organized by the ADB and MAFRA to strengthen the capacity for the development of the Asian agriculture will help you not only innovate your work but also establish agricultural policies in your country.

-
- ▶ In order to become a country that responds to the new agricultural revolution, a positive change of perspective and idea on agriculture is essential.
 - Think Different · Think Another · Think Positive!
 - ▶ For the new development of the agricultural and rural sectors, we all have to stop wrong practices and boldly take the path of drastic change and innovation.
 - ▶ I would like to finish my lecture by quoting Albert Einstein.

“Insanity is doing the same thing over and over again and expecting different results.”





**Thank you
for your attention!**