


Agricultural Policies of Korea :

Achievement, Challenge and Way Forward



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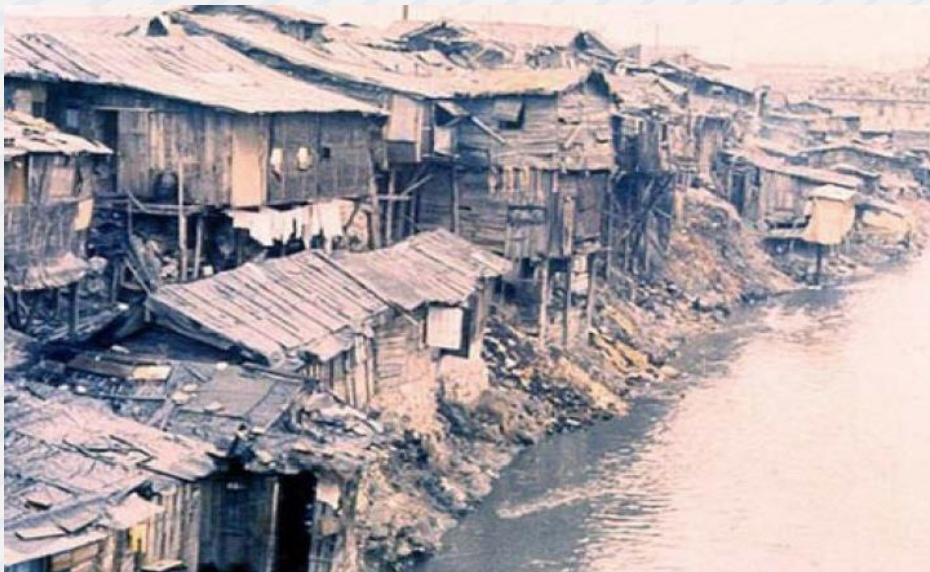
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- II. General Status of Agriculture in the Republic of Korea
- III. Main Challenges
- VI. 2023-2027 Agriculture, Rural and Food Industry Development Plan
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I

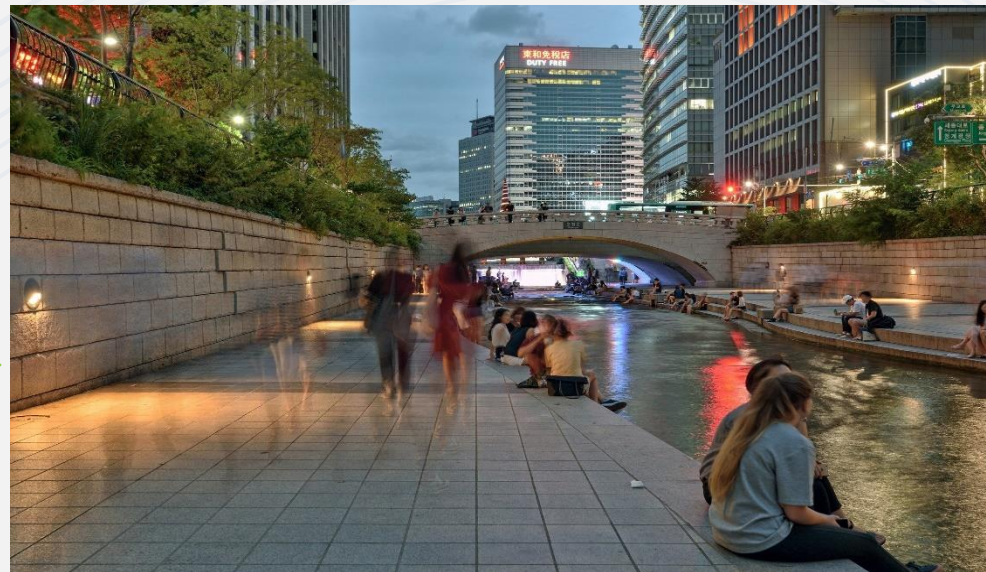
**History of the Agricultural
Situation and Policies**

1950s-60s



Korean War(1950~1953), Poverty & Hunger

2020s



13th(2022) Largest economy in the world

The Chaotic States of Korean Peninsula(1950s)



Orphan



Refugees in Korean War



Food-aid

ROK, a Country of Hope(2020s)



13th(2022) Largest economy in the world



Smart farming



Agricultural machinery

Key Policy Issues by period

Period

**Before Industrialization
(~1960s)**

**During Industrialization
(1960s~1980s)**

Main Issues and Policies

- Food shortage and **food aid**: Efforts to enhance agricultural production, land development
- Creation of owner farming through '**Farm Land Reform**'

- Increased productivity through '**Green Revolution**' → Rice Self-sufficiency
- **Saemaul Movement**(1970s)
- The era of '**White Revolution**' through **commercialized agriculture** in horticultural sector (greenhouse)

Key Policy Issues by period

Period

Main Issues and policies

Policy Restructuring (1990s~2000s)

- Accelerate opening and reform of the agricultural market to enhance Korea's national **competitiveness** with the signing of the **UR Agreement** and **FTAs** with major countries
- Establish a social safety net for increasing farm income and promoting rural development with the **direct payment system**

Expansion of Scope (2010s~)

- **“The 6th Industry”** (farming + processing + tourism)
- **Agricultural export**: from domestic to new export markets
- **Smart agriculture**

Key Policy Issues by period

Self-sufficiency of staple crops

"Tongil" rice Development



1980s ~ 1990s

White Revolution



Functional
151,500 (X 67)

Drink
21,300 (X 9)

Instant
7,500 (X 3)

Rice grain
2,250 KW/Kg

Value creation

1960s

Green Revolution



1960s ~ 1970s



Protected Green house



Year-round supply of vegetable

Quality + Value Revolution



2000s ~

2020s

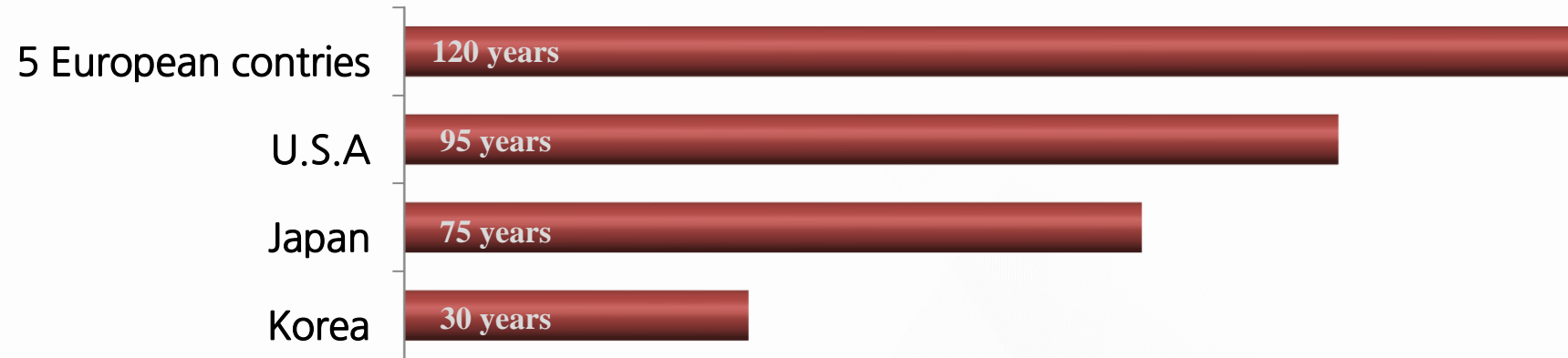
The Changes of Agriculture in the National Economies

Korean Agriculture and Rural Society in Industrialized Economy

- GDP share of AFF Sector
 - ✓ from 29% (1970) → 8.4% (1990) → 4.3% (2000) → 2.4% (2010) → less than 2% (2020)
- Between 1970 and 2022
 - ✓ GNI: 770 times increase
 - ✓ GNI of AFF sector 48 times increase
- Farm population
 - ✓ 14.4 million (1970) → 2.2 million (2020)

Agricultural Changes in the Major Economies

- Years taken for the agricultural GDP to be reduced from 40% to 5%



	Share of Agriculture in GDP			Share of Agriculture in Employment		
	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

II

General Status of Agriculture in Korea

Value of Agricultural Production

Value of Agricultural Production

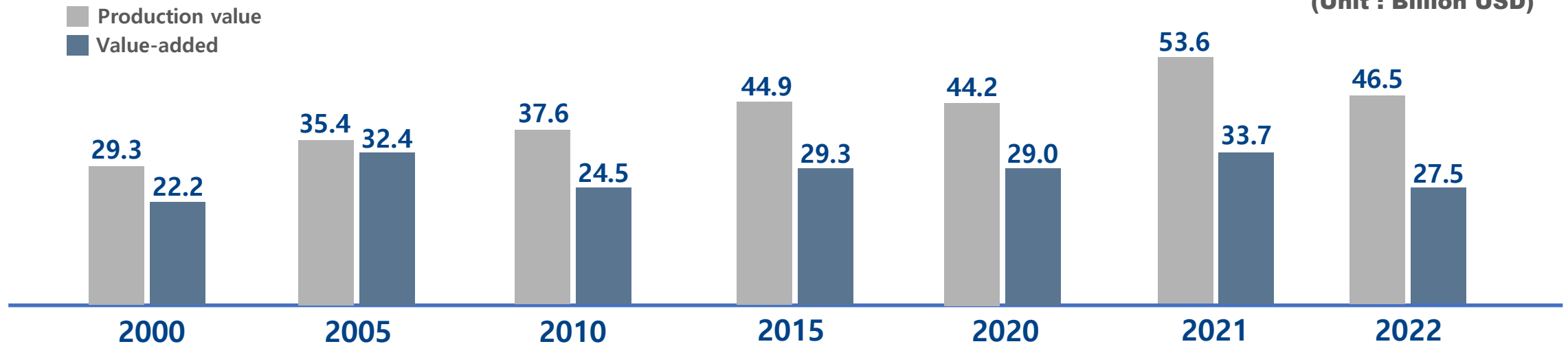
✍ Value of agriculture, forestry (2022) : **\$46.5 billion**

Agriculture, forestry and fishery : **2%** of total value-added

※ ('18) US 0.9%, Japan 1.2%, France 1.6%, Australia 2.6%, China 7.2%, Thailand 8.1%, Vietnam 14.6%, Lao PDR 15.7%, Cambodia 22%

Value / Value-added of Agricultural Production

(Unit : Billion USD)



Exports and Imports

Exports : \$ 8.8 billion (2022)



Exports

932
Million \$



Cigarettes

513
Million \$



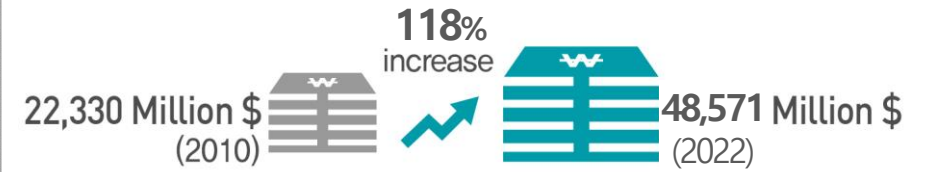
Beverages

413
Million \$



Ramen

Imports : \$ 48.5 billion (2022)



Imports

4,508
Million \$



Beef

4,292
Million \$



Corn

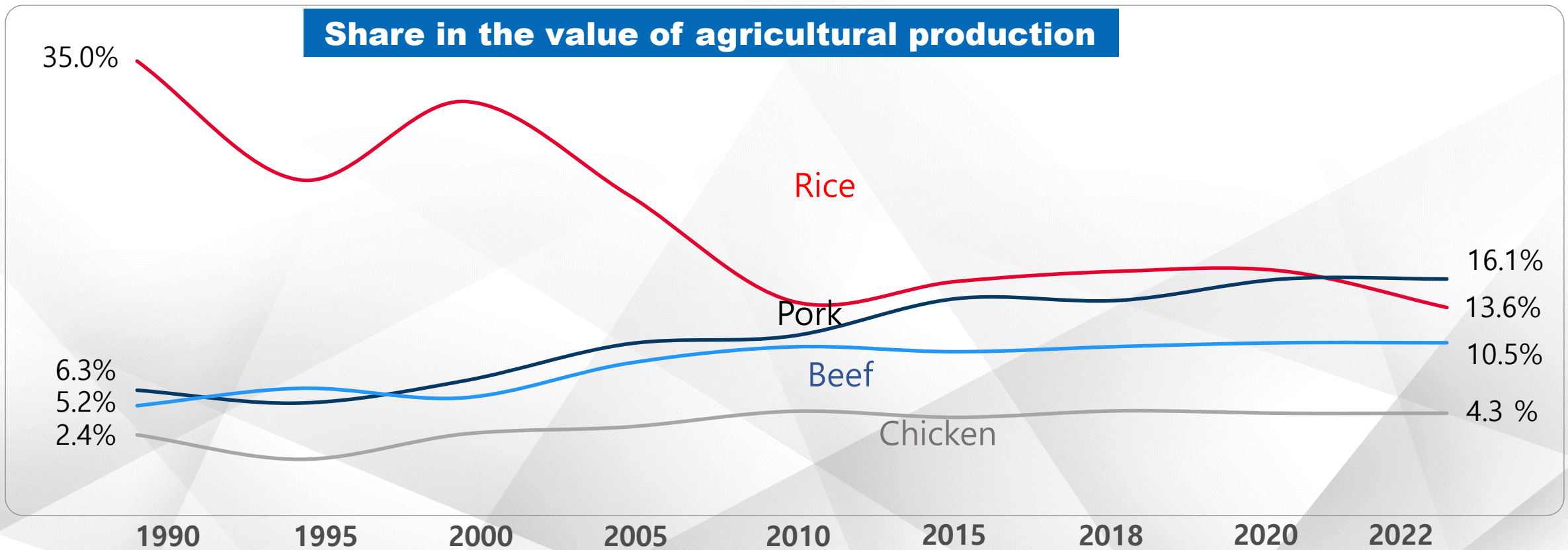
1,861
Million \$



Pork

Agricultural Production Changes

- ✍ Rice production accounts for half of cultivated land and 50.6% of farms(2022)
- ✍ Share of rice in the agriculture value of production decreased

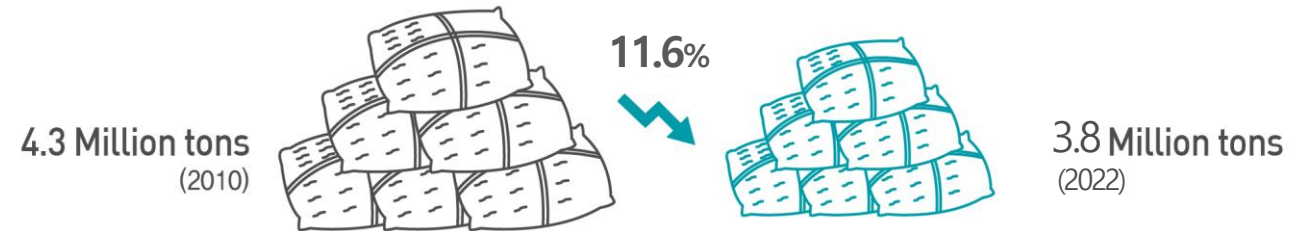


Agricultural Production – Food Crop

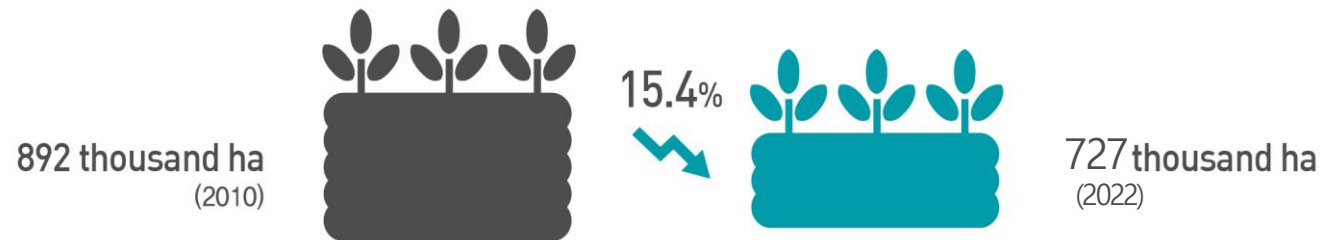
Food Crop : 4.4 million tons (2022)

☑ Rice : **3.8 million tons**

Rice production



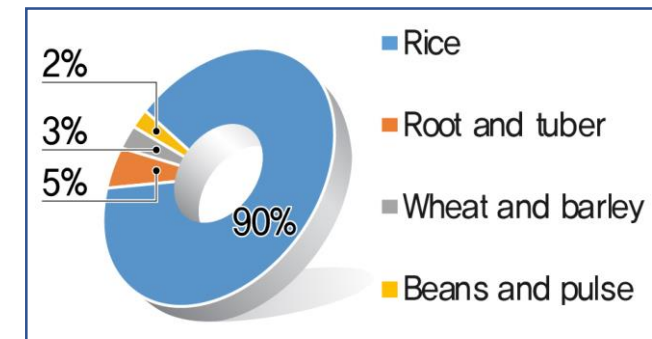
Arable land for rice



☑ Root and Tuber (ex. Potato, sweet potato, etc.): **0.9 mil tons**

Wheat and Barley : **0.1**

Beans and Pulse : **0.1**



Fruits and Vegetables : 11.8 million tons (2022)

☑ Fruits : **2.2 million tons**

☑ Vegetables : **8.4 million tons**

1

2.02
million ton



Napa cabbage

2

1.20
million ton



Onion

3

1.17
million ton



White radish

4

0.64
million ton



Citrus

5

0.57
million ton



Apple

6

0.49
million ton

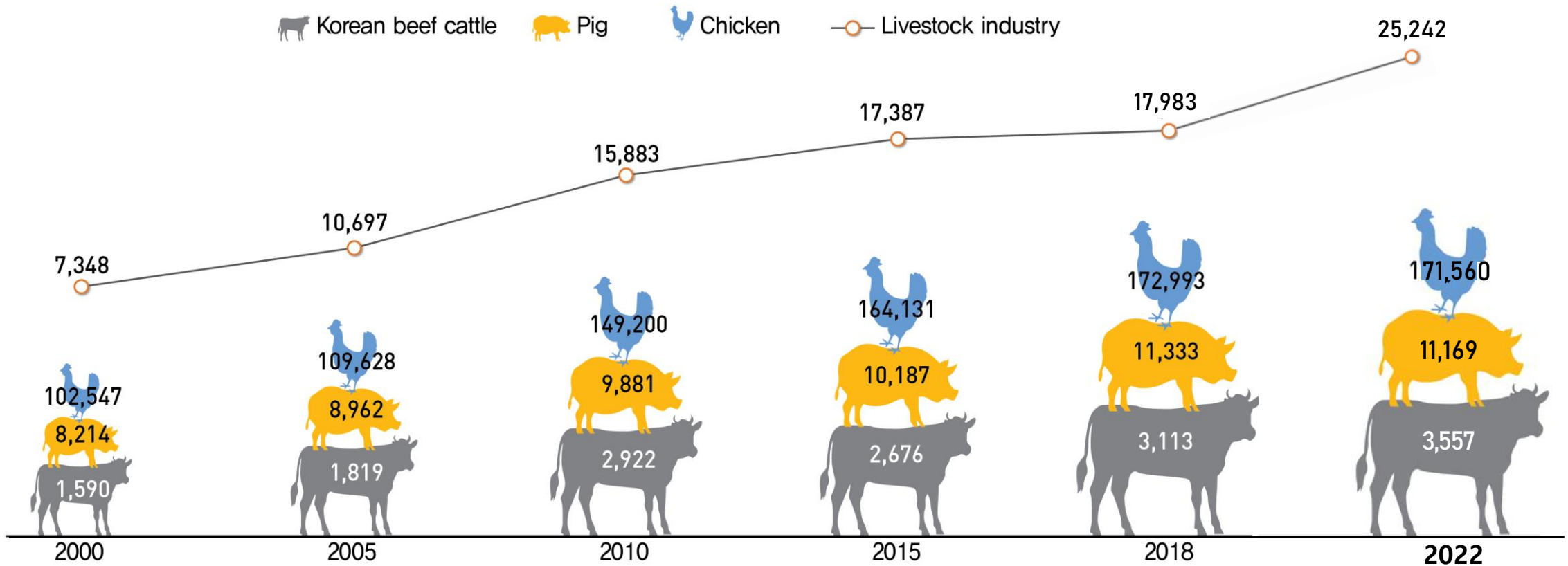


Watermelon

Production value & number of Livestock

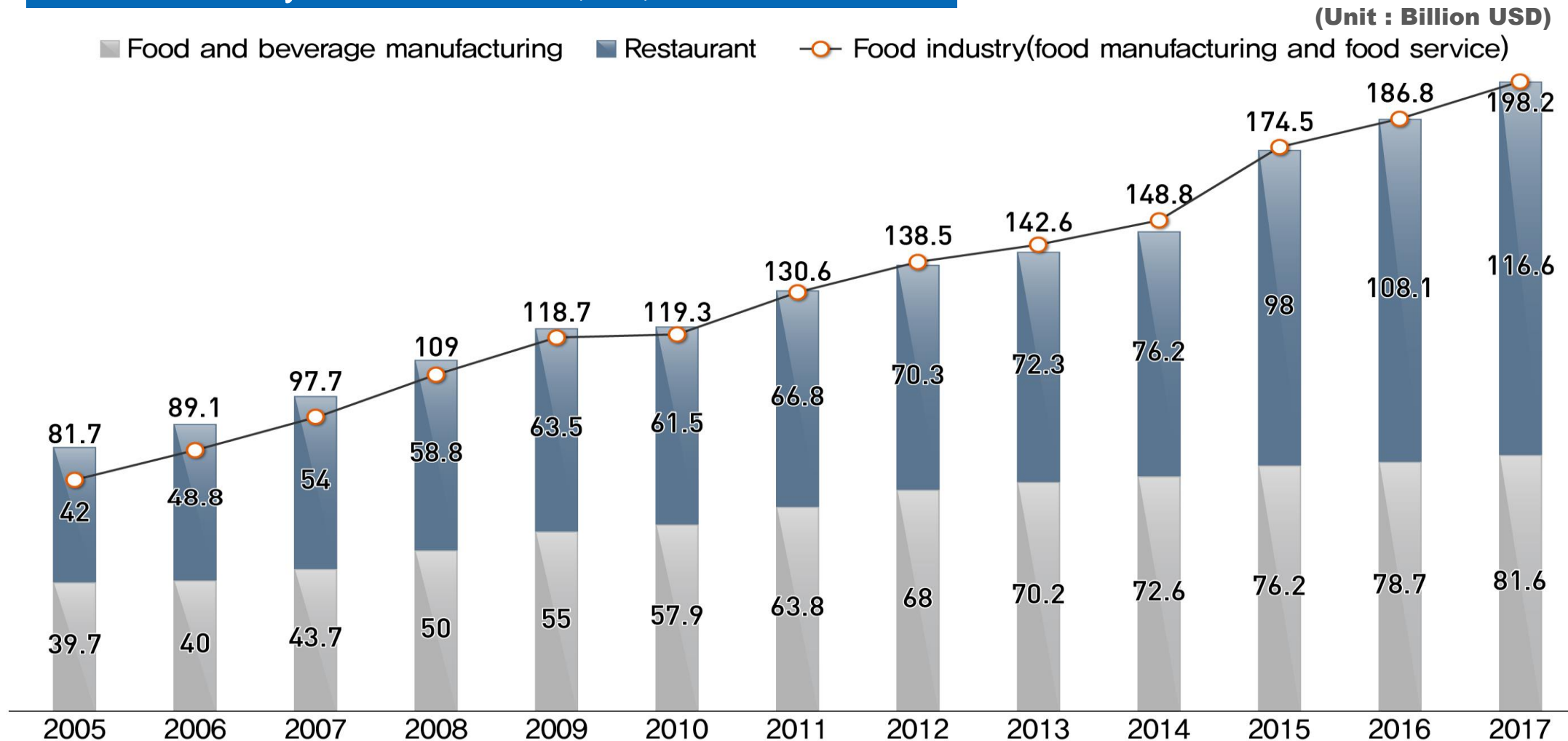
Production value & number of Livestock (2022)

Unit: Million USD
thousand heads



The Korean Food Industry

Food Industry : \$230.6 billion (2021)



III

Main Challenges

Food Insecurity under Climate Change

- ✍ Uncertainties on the supply side including **frequent natural disasters, decreased arable land*** are expected to persist

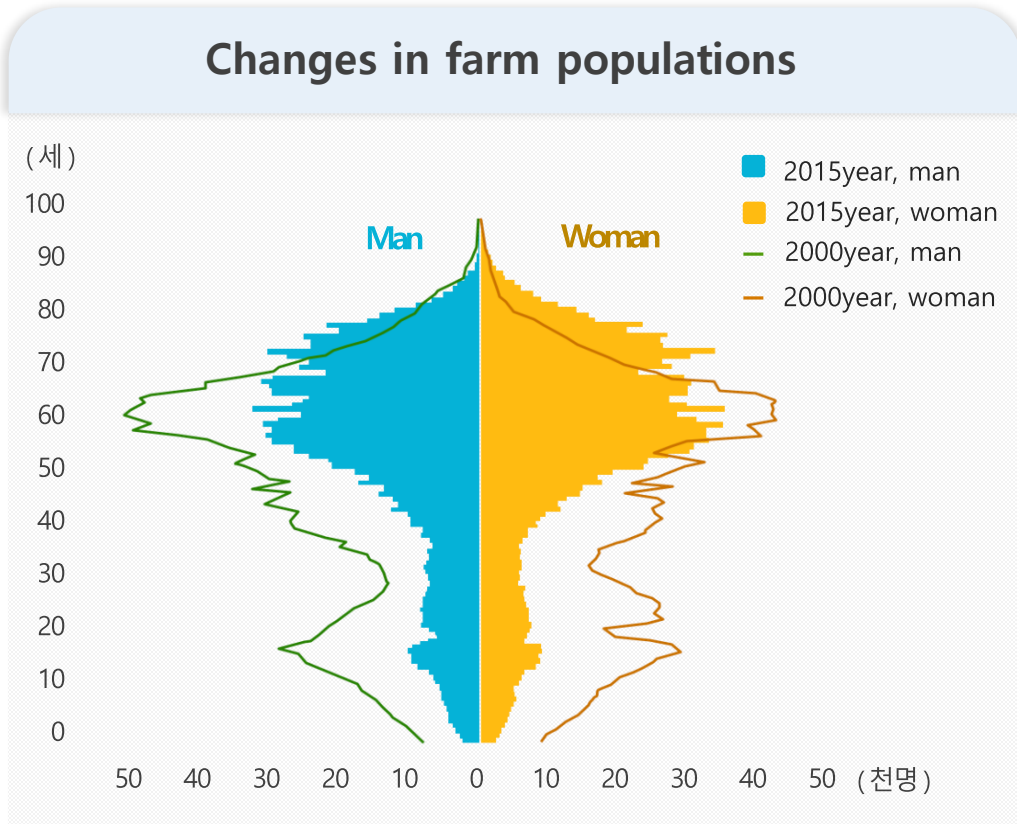
* Size of the land (1,000ha): 1,547 (2021) → 1,503 (2027) → 1,480 (2032)

- ✍ International political instability provoked by various factors such as the US-China trade conflict and the war in Ukraine is **fueling food protectionism**, making food security a constant concern for countries all over the world



Aging Farm Populations

✍ Aging and Declining Farm Populations

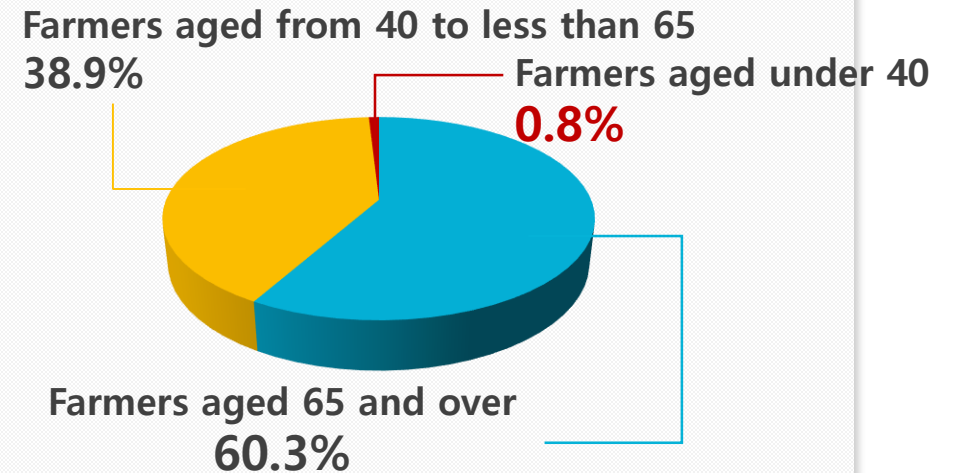


▶ Farm population (thousand) : 4,031 (2000) → 2,569 (2015) → **2,315** (2018)


▶ Share of farmers aged 65 and over : 49% (1970) → **44.7%** (2018)


✍ Lack of Young Farmers


Share of farmers of different age groups (2018)

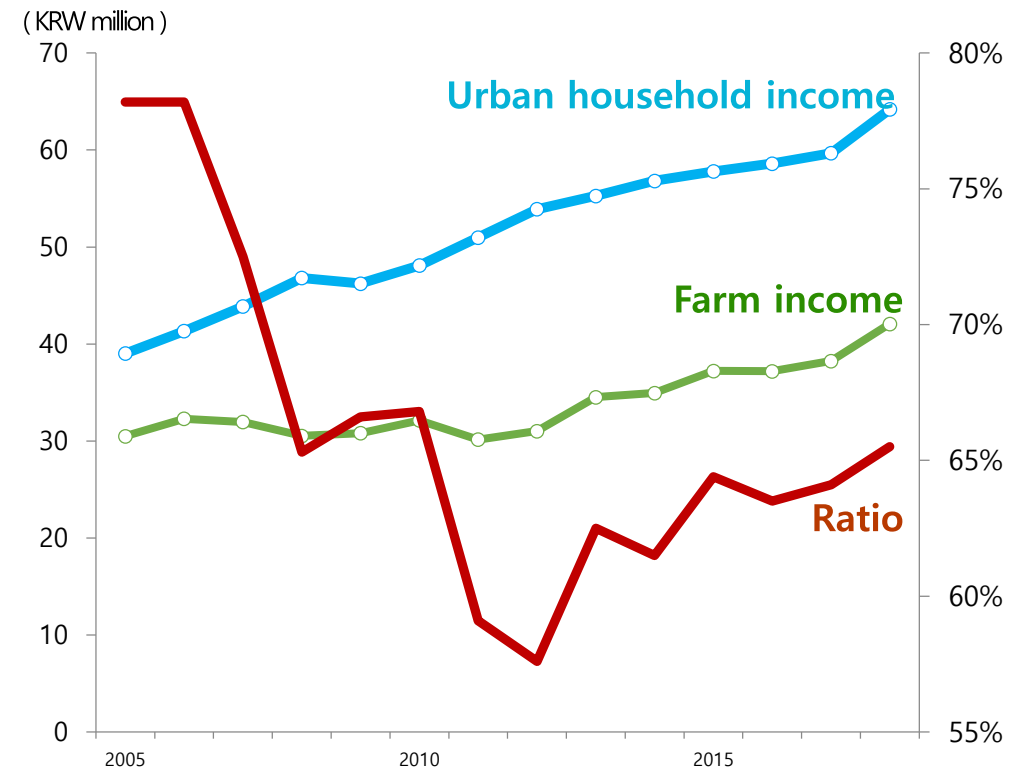


Farm Income

- 
 Farm income has increased very slowly due to the increased volume of import and the price fall

- 
 The gap between urban and rural household income has widened

- 
 A disproportionate share of people in low-income households are the elderly



► Urban-farm income ratio
 : (2005) 78.2% → (2022) 59.1%

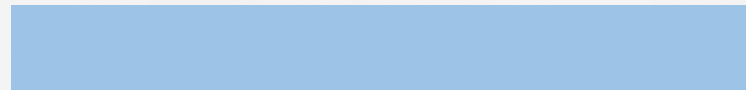
- ☑ Rapid expansion of intensive livestock production resulted in water and soil pollution due to manure emissions
- ☑ Outbreaks of infectious animal diseases such as FMD, HPAI, ASF

▶ Growing concern over the safety of agricultural food products

Are domestic agricultural food products safe?

(Gallup Korea, 2017)

August 2013



YES 75%

August 2017



NO 58%

VI

2023-2027

**Agricultural, Rural and Food Industry
Development Plan**

VISION

Agriculture for Tomorrow, Rural Areas for ALL

GOAL

- Secure robust and powerful food sovereignty**
- Solid foundation for the future agri-food industry**
- Support for stable farm management**
- Healthy and safe food for all**
- Vibrant and attractive rural Areas**

Background

Innovative Agricultural Policy, Communication with the Field, Rural-Oriented Agricultural policy, Strategic Agricultural Policy for International Cooperation

Goal 1: Secure robust and powerful food sovereignty

Indicators (2022-27)

- **Food self-sufficiency rate:** 44.4% (2021) → 55.5%
- **Wheat/bean self-sufficiency rate:** 1.1% / 23.7% (2021) → 8.0% / 43.5%

Key Tasks

- **Improve food self-sufficiency**
 - Set the target rate of food self-sufficiency
 - Transform the existing production and consumption systems for food crops
 - Conserve arable land and expand agricultural Infrastructure
- **Secure stable domestic food reserves and overseas distribution channels for grains**
 - Secure stable domestic food reserves and overseas distribution channels for grains

Goal 2: Solid foundation for the future agri-food industry

Indicators (2022-27)

- **Foster 30,000 young farmers**
- **Smart agriculture dissemination rate:**
Greenhouses 12.8% → 30%, Livestock husbandry 19.8% → 30%
- **Exports of agri-food products:** USD 8.83 billion → 15 billion

Key Tasks

- **Foster young farmers for the future**
- **Transition to sustainable agriculture for the future**
 - Disseminate smart agriculture
 - Establish a more climate resilient agri-food system
 - Promote R&D innovation and technology entrepreneurship
- **Develop future growth engine**
 - Foster green-bio industry
 - Promote the food tech industry
 - Increase the export of K-Food⁺
 - Promote companion animal related industries and modernize the systems

Goal 3: Support for stable farm management

Indicators⁽²⁰²²⁻²⁷⁾

- **Budget for the agricultural direct payment system:**
successfully secured about KRW 5 trillion
- **Formed an additional agri-food fund worth of KRW 1 trillion**

Key Tasks

- **Expand the safety net for farm management**
 - Provide support for the damage incurred by agricultural disasters
 - Respond to agricultural management risks
- **Reform the direct payment system**
- **Improve management conditions of farms**
 - Reduce the burden of production costs on the farms
 - Attract more private investment in the agri-food sector
 - Ensure stable supply of agricultural manpower
 - Strengthen economic businesses of agricultural and livestock cooperatives

Goal 4: Healthy and safe food for all

Indicators (2022-27)

- **Reduce the distribution costs:** 48% → 45%
- **Fluctuation rate of major vegetables:** 14.4% (2018-22) → 13.4% (2023-27)

Key Tasks

- **Improve the distribution and supply and demand management systems for agricultural and livestock products**
 - Modernize the existing agri-food distribution channels
 - Improve the autonomous supply and demand management system for the agricultural and livestock products
 - Stabilize supply and demand and the price of major agricultural and livestock products
- **Supply of safe and high-quality agri-food products**
 - Reinforce preliminary safe management of the agri-food products
 - Secure consumer trust with the labeling of the country of origin, etc.
 - Advance the animal disease control system and reinforce the responsibility of the private sector
 - Supply high-quality agri-food products
- **Provide food support for the vulnerable and promote local food consumption**

Goal 5: Vibrant and attractive rural areas

Indicators('22→'27)

- **Satisfaction rate for the quality of life in rural areas:** (on a scale from 1 to 10) 5.7 in 2021 → 6.7
- **Scale of the rural convergence industry:** KRW 2.7 trillion → 5 trillion

Key Tasks

- **Support restructuring and revitalization of rural areas**
 - Introduce rural space planning and support rural revitalization
 - Improve the settlement conditions in rural areas
- **Ensure provision of social services tailored to rural areas**
 - Support provision of essential living services for rural areas
 - Provide support for women farmers and women living in rural areas
- **Establish the foundation for rural revitalization**
 - Diversify farm and rural incomes
 - Encourage return to farming and rural areas
 - Activate rural exchange and residency programs

The image features a large blue circle with a white center. Inside the white center, the text "# Our Plan for Climate Change" is written in a bold, dark blue font. The background of the white center is filled with faint, light blue geometric shapes, including circles, rectangles, and lines, creating a subtle pattern. The blue circle is set against a solid blue background.

Our Plan for Climate Change

Establish a More Climate-resilient Agri-food System

◆ **Transform the agri-food system into a low-carbon structure to achieve carbon neutrality in agriculture and rural areas and promote agricultural sustainability** through systematic management

* Korea aims to reduce the emissions in the agricultural and livestock sector by 22.5% (17.2 million tons) by 2030 compared to 2018 levels (22.2 million tons)

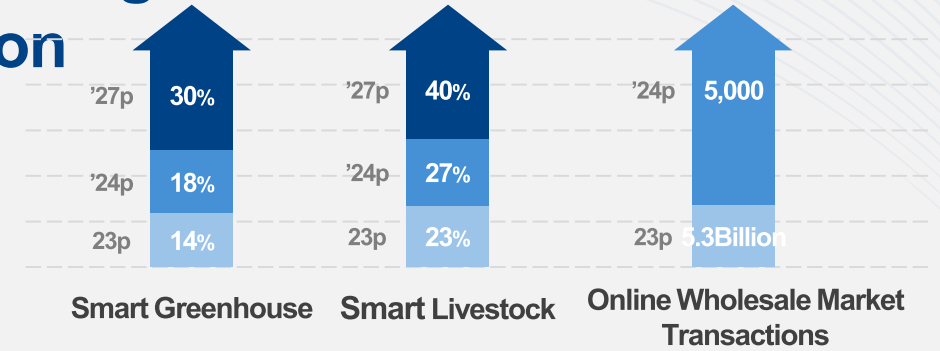
- ☑ **Promote carbon reduction throughout the entire food system, from production to distribution and consumption**
- ☑ **Reduce carbon emissions by accelerating the transition to renewable energy and enhancing efficiency of energy use**
- ☑ **Improve climate adaptation and resilience of the agricultural sector in response to climate crisis**
- ☑ **Establish a foundation for facilitating GHG reduction and climate adaptation**



2024 Agricultural Policies of Korea

1. Promote Agriculture as Future Growth Engine through Digital Transformation and Technological Innovation

Digital Transformation in Production, Distribution, and Processing



Advanced smart farming in the fields of greenhouse, livestock, and open field cultivation

Mechanization · Automation
(1st Gen, Remote Control)

Field Crop Mechanization
Open Field

Intelligence
(2nd Gen, Big Data · AI)

Optimal Technology Support
Horticulture(Greenhouse),
Livestock

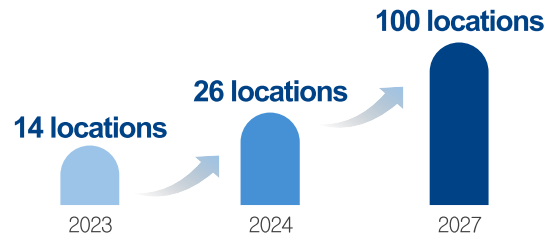
Unmanned Autonomy
(3rd Gen, Robots)

Expansion of Exemplary Models
Ganong Bio Co., LTD

Promotion of Online Wholesale Markets and Advanced Food Industries

- Achieve KRW 500 billion in transactions at online wholesale markets

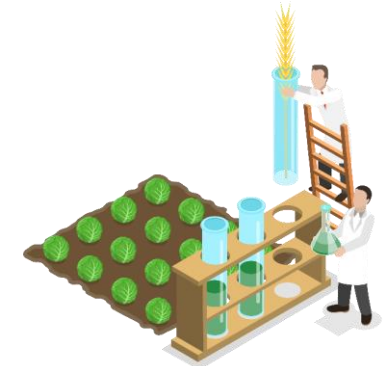
Expansion of Smart APC (Cumulative)



- Build facilities based on the food tech and green bio industries

R&D Restructuring and Facilitation of Technology Financing

- Devise R&D innovation strategies (March)



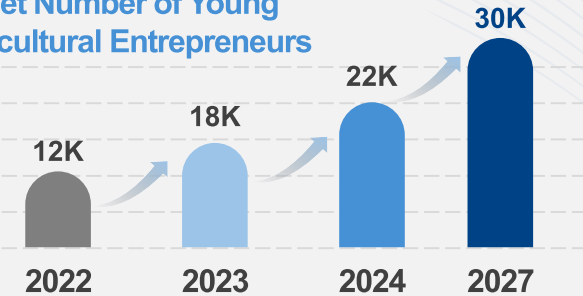
- Establish an information sharing platform for agri-food companies (March) and private fund of funds

1. Promote Agriculture as Future Growth Engine through Digital Transformation and Technological Innovation

Fostering Young Farmers



Target Number of Young Agricultural Entrepreneurs



Expansion of Farmland Supply and Settlement Support

- Expand targeted farmland support

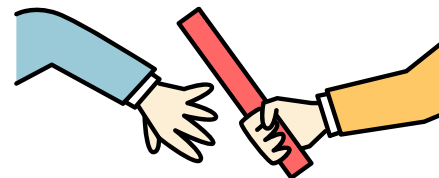


- Increase the size of fund and preferential guarantee limit
- Expand settlement support for young farmers



Support for Farm Succession

- Provide support for successful farm succession
 - Ease the requirements for establishing family farming cooperatives (by the second half of 2024)
- Support modernization of facilities and technologies, fundraising, and consulting services for successor farmers



Employment and Entrepreneurship Support for Youth in Agribiz+

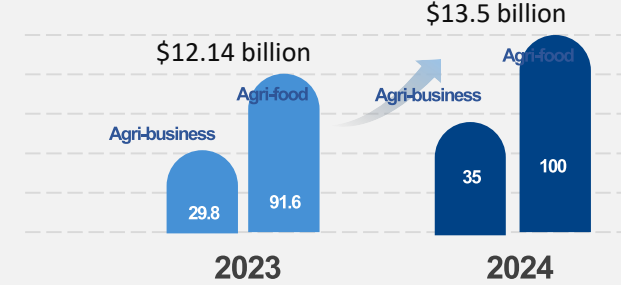
- Provide one-stop service for youth entrepreneurship (from June)
 - Offer consulting services for employment and entrepreneurship
- Support start-up funds such as agri-food funds (KRW 200 billion)



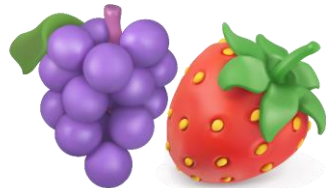
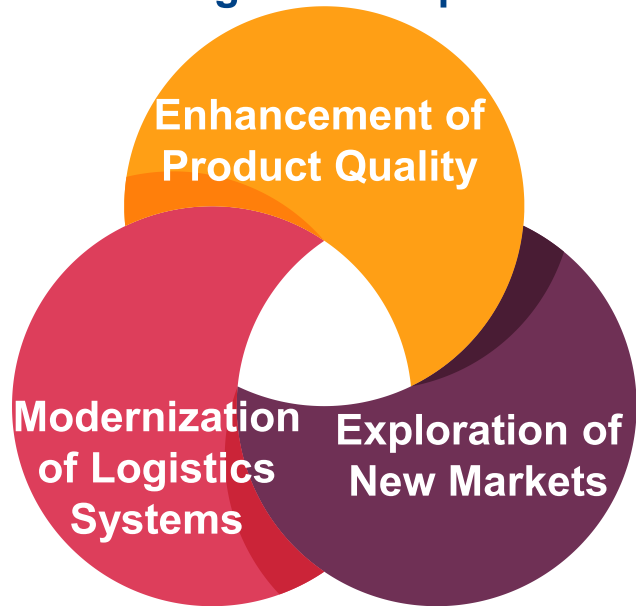
1. Promote Agriculture as Future Growth Engine through Digital Transformation and Technological Innovation

Expanding K-Food+ Export and Strengthening Cooperation with Emerging Markets such as the Middle East

Target for K-Food+ Export Revenue

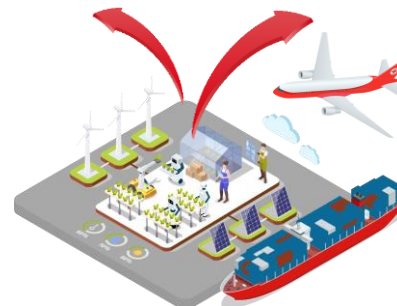


Achievement of USD10 Billion in Agri-Food Exports



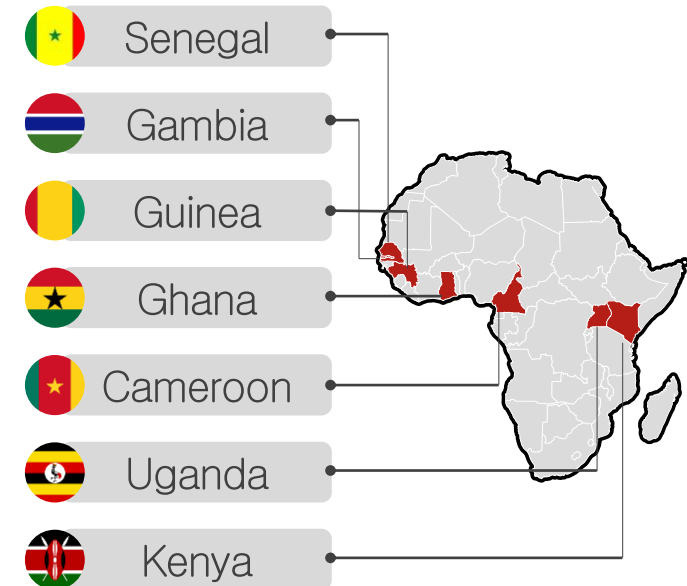
Achievement of USD 3.5 Billion in Exports from the Upstream and Downstream Industries

- Expand the export of smart farming packages



Overseas Dissemination of K-Agricultural Technologies

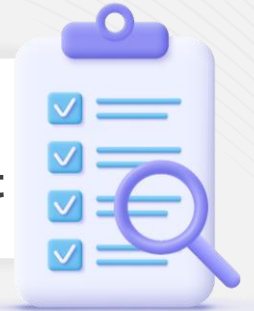
- Produce 3,000 tons of rice seeds in 7 African countries



2. Establishing a Safety Net for Farm Income and Management and Strengthening Food Security

Building a Strong Safety Net for Farm Income and Management

Establishment of a Korean Safety Net Model for Farm Income and Management

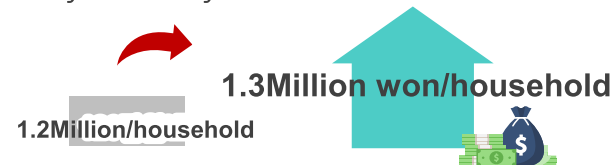


Development of a Korean Safety Net Model for Farm Income and Management

- Expand the items covered by import insurances



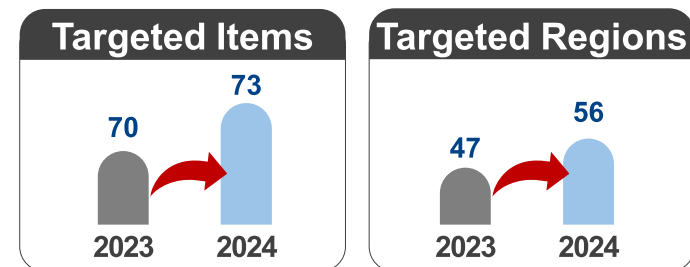
- Increase the unit price of the Direct Payment system for smallholders



- Establish a “Basic Plan for the Public Direct Payment System” (by 2024)

Enhanced Risk Management for Agricultural Disasters Preparedness

- Expand the coverage of disaster insurance for agricultural crops



- Establish measures to strengthen support for agricultural disaster recovery (by 2024)

Alleviation of Farm Management Burdens and Expansion of the Agricultural Workforce

- Provide financial support for farm management



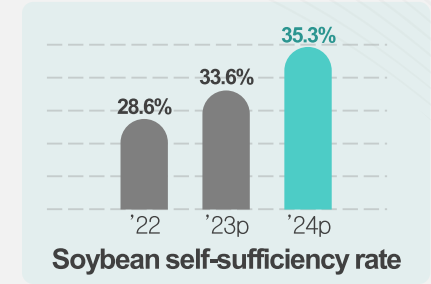
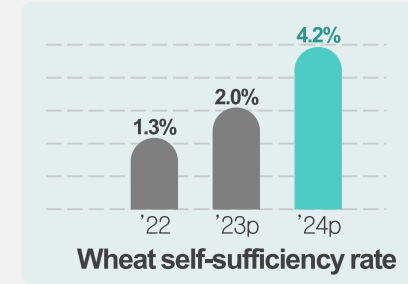
- Increase the quota of foreign workforce



- Increase the number of public centers for seasonal workers (from 19 to 70 centers)

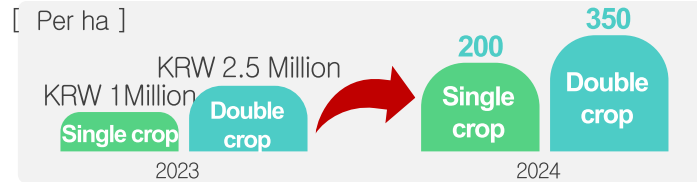
2. Establishing a Safety Net for Farm Income and Management and Strengthening Food Security

Establishment of a Robust Food Security System

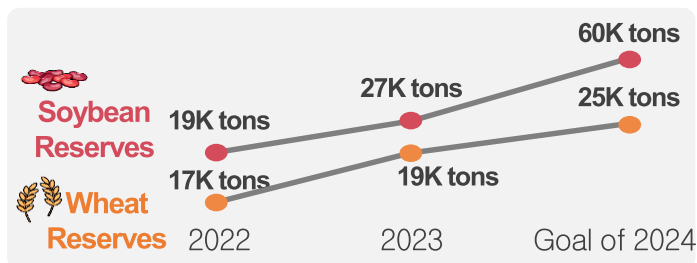


Expansion of Self-Sufficiency in Major Grains

- Expand the Direct Payment System for strategic crops



- Increase the production of flouy rice (from 2,000 ha to 10,000 ha)
- Improve self-sufficiency in wheat and soybeans



Stabilization of Rice Supply

- Establish a triple-layered rice supply stabilization system



- Increase public reserves (from 400,000 tons to 450,000 tons) and expand food assistance (from 50,000 tons to 100,000 tons)
- Expand the “One Thousand Won Breakfast Program”, an affordable meal initiative for university students.



Enhancement of Agricultural Production Infrastructure Management

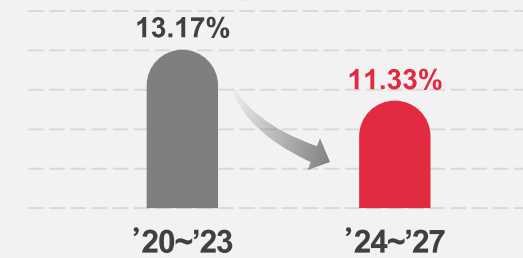
- Expand the investment in agricultural repair facilities
- Establish a flood forecasting and warning system utilizing ICT technology



3. Enhancement of Scientific Supply Management and Environmental and Ecological Functions of the Agricultural and Livestock Industries

Autonomous and Proactive Supply Management based on Supply Predictions

Average Price Fluctuation Rate of Top 5 Vegetables



Mitigating Price Volatility of Major Vegetables and Fruits

- Strengthen preliminary management of suitable cultivation areas

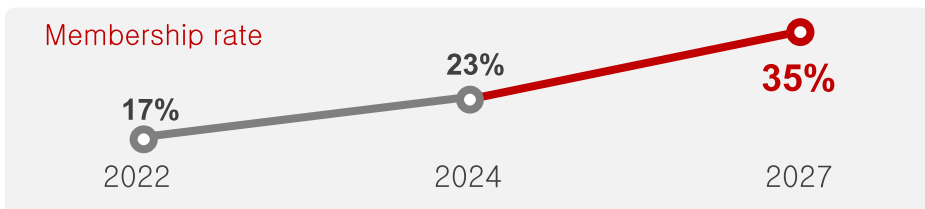


2023 **Garlic, Onion**



2024 **Winter radish**

- Expand the vegetable price stabilization system



- Support growth management of fruits (from January, a consultative body) and establish a mid- to long-term strategies for enhancing competitiveness of the fruit industry (March)

Improvement of Livestock Supply Management System

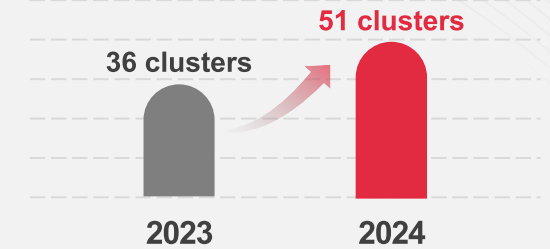
- Refine the Hanwoo (Korean beef) Supply Manual and facilitate advancement of the monitoring system
- Develop strategies to strengthen the function of livestock industry fund (June)



3. Enhancement of Scientific Supply Management and Environmental and Ecological Functions of the Agricultural and Livestock Industries

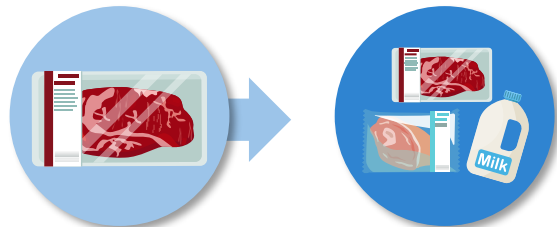
Promotion of Environmentally Friendly Agriculture and Livestock Industries and Prevention of Livestock Diseases

Eco-friendly Farming Clusters



Expansion of Eco-friendly and Low-carbon Farming

- Introduce the carbon neutrality program (KRW 90 billion)
- Make it mandatory to install GHG reduction processes at livestock manure composting facilities (April)
- Expand the scope of the low-carbon livestock product certification

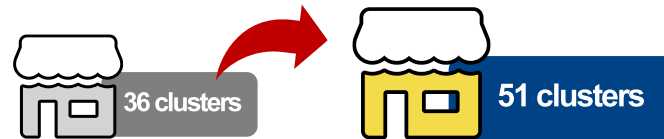


Hanwoo

Hanwoo, Pork, Milk

Promotion of Eco-friendly Agricultural and Livestock Industries

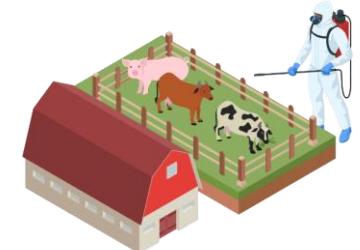
- Establish a revised plan for eco-friendly direct payment system (by 2024)
- Designate the eco-friendly farming clusters



- Promote consumption of eco-friendly agricultural products (throughout the year)

Improvement of Livestock Disease Control System

- Reinforce the responsibility of farms and subsidiaries
- Conduct special management for 18 cities and counties where poultry farms are concentrated
- Establish a registration and management system for private disease control agencies (by 2024)



4. Transformation of Rural Areas into a Place to Live, Work and Rest through Rural Restructuring

Activation of Rural Economy Utilizing Various Resources

Development of Measures to Address Rural Depopulation (March)



Increased Influx of Population and Capital

- Facilitate conversion of empty homes into residential accommodation
- Extend the application of the regulatory special cases for demonstration in the accommodation industry
- Operate an “Empty Home Bank” in collaboration with the private sector
- Provide special tax deductions for second homes
- Establish measures to introduce the “Regulatory Innovation Zones” (by 2024)

Ease of Regulations on Farmland

- Exclude small farmland less than 3 ha from the designation of the agricultural development region (approximately, a total of 21,000 ha)
- Approve construction of rural residential facilities



Expansion of Rural Businesses

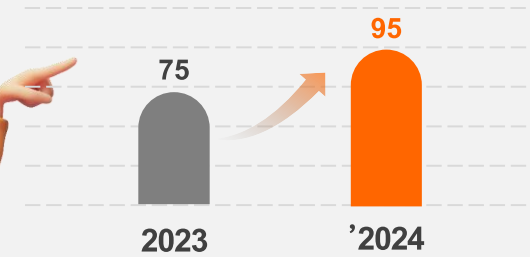
- Support establishment of certified management bodies and expand special cases for facility installation
- Promote tourism and rural workcations



4. Transformation of Rural Areas into a Place to Live, Work and Rest through Rural Restructuring

Establishment of Rural Spatial Planning and Improvement of Settlement Conditions

Cities and Counties Selected for Rural Conventions



Development of Rural Spatial Plans at City and County Level

- Formulate a 10-Year National Plan (April)
- Develop a pilot plan for local governments (5 cities/counties)



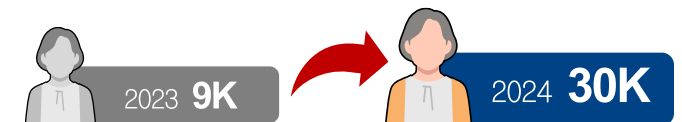
Promotion of New Rural Convention System Centered on Rural Spatial Planning

- Expand rural conventions and improve the existing systems



Expansion of Welfare Services Utilizing ICT

- Conduct a pilot run of telemedicine
- Improve the living service delivery system using smart transportation models
- Provide bus services for on-demand doctor house call visit in rural areas and expand special medical check-ups for women farmers



Thank you !

