

Public Sector Initiatives for the Development of Org. Agric. In Korea

Dr. Suh, Chong-Hyuk

President, Korea Organic Agriculture
Institute, KFSAO

Contents

1. An Overview of Korea Org. Agric

2. EFA and Org Agric,

3. Impacts of Gov't Policy Program

4. Conclusion

An overview of Korea Org Agric

□ Classification of EFA products

- m Low-inputs products: 50% of pesticides standards of gov't, no herbicides
- m Pesticide-free products : no pesticides & herbicides, but
fertilizer is possible
- m Org products: no pesticides, herbicides, and fertilizer

□ **Historical change of Korean Org Agric**

m The Period of Struggle:1976-1990

- Emerging Org pioneers and organizations
- Conflicts with the government pursuing Maximization Of Production
- Direct marketing between producers and consumers

m The Period of Institutionalization:1991-2000

- Establishment of EFA Section in MAFF.(1992)
- Enactment of EFA Promotion Law:
- Adopt Direct Payment programs
- The Consumer Cooperation Acts : Consumer Policy

m The Period of Take-off and Rapid Expansion:2001-Present

- Rapid expansion of EFA farms and areas
- Development of different market channels
- The Check-off Systems and the movement of School Lunch Supporting Programs are introduced and its spreading-out effects (Local-foods movement, CSA movements, etc)

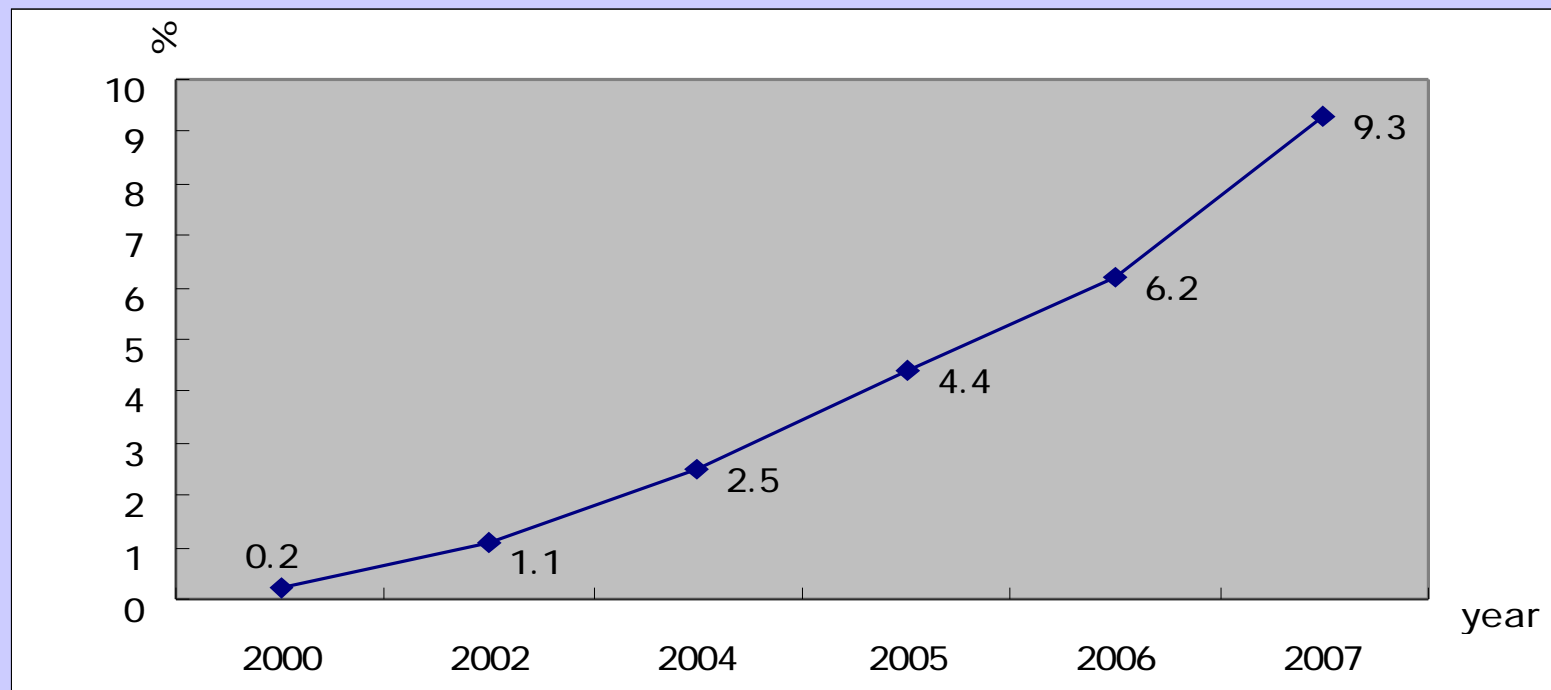
Impact on EFA development

Table 1. changes in the Number of EFA Farms and Areas, 2000-2007

	'00	'02	'04	'05	'06	'07	Annual Growth Rate(%)
No. of Farms (1,000)	2	12	29	53	80	131	86.3
Acreage(1,000 0 ha)	2	11	28	50	75	123	84.3

Source : MAFF, 2008

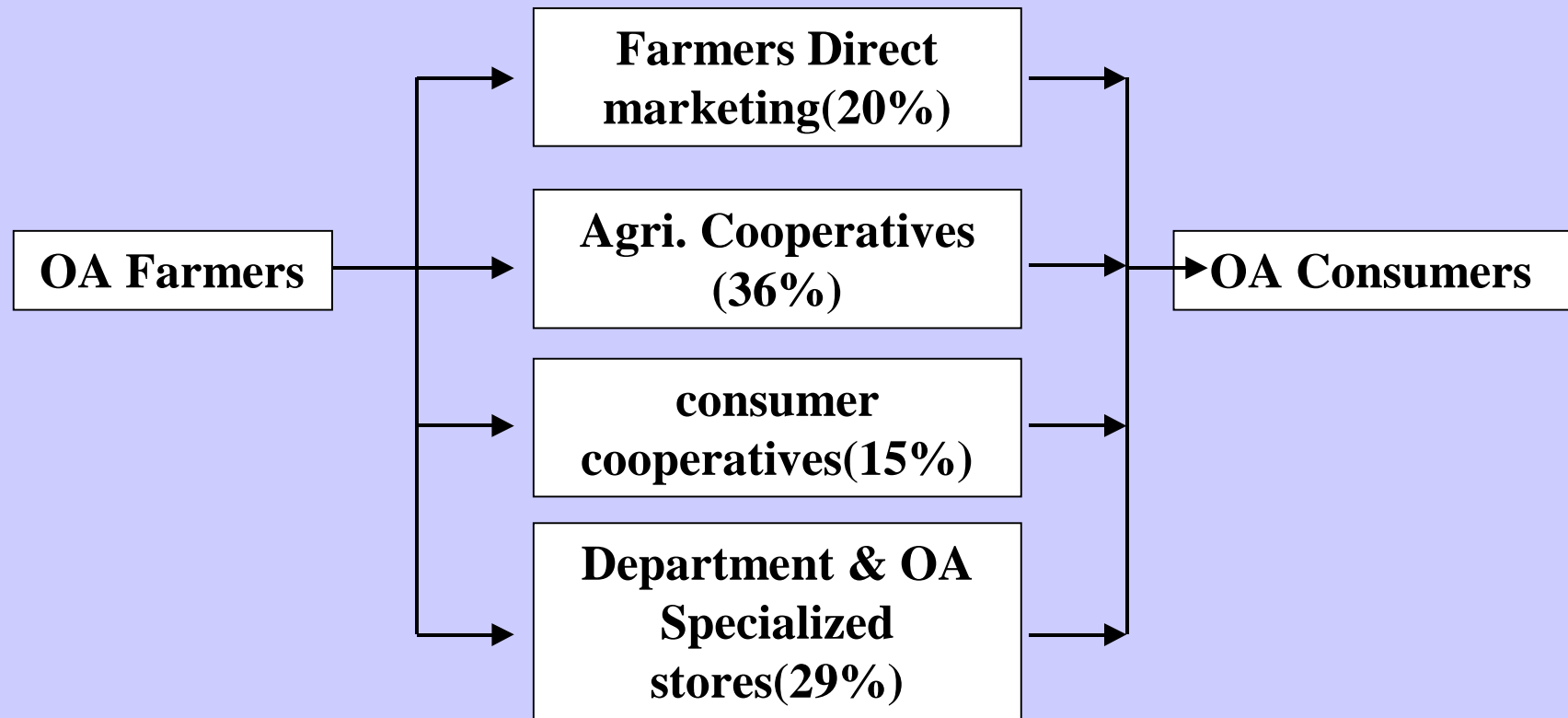
□ **Graph.1 The share of EFA production in total Agric. Production, 2000-2007.**



Source: MAF, major Government Agricultural Statistics, 2000-2007, and pesticides-free

note: 1)The share of organic agricultural products is about 9% and 28% of total EFA production respectively

□ **Graph. 2 Distribution of OA products through various marketing channels**



note: 1) Farmers' direct marketing includes e-market and postal-market
2) Percentage numbers in () are shares in total sales

Table 2. Sales Amounts of Various EFA Products in 2007

unit: billion won

commodity	Amounts	%
Grains	585	31
Vegetables	614	32
Fruits	401	21
Special crops	299	16
Total	1,899	100

Source :KREI, 2008

Impacts on Production & consumption

□ Certification of Products

m Three types of EFA products

- Low - Inputs : 60%
- Pesticides - Free : 30%
- OA Products : 10%

□ Production - Oriented Programs

m The direct payments : 3 years of conversion period

- OA(770,000 won/ha), Pesticides-Free(650,000),
Low-Input (500,000) in rice farming
- increasing the number of production area, but maintaining
Low-Input farming

m The large-scale(1,000 ha) and small & medium-scale(20~33 ha) EFA Areas.

- increasing EFA area in the environmentally sensitive regions
- decreasing production costs due to recycling animal wastes

m Financial subsidies when purchasing composts made of animal wastes

- decreasing labor inputs and production cost

□ **Consumer- Oriented Programs**

m The Consumers Cooperatives (CC) Act:

- Increasing the number of the consumer cooperative :
- Helping the OA beginners for their marketing
- Operating exchange programs (products & people)

m The Check- Off System : 2 billion won(2008)

- Matching fund system between producers and government
- Sales promotion & educational opportunities for OA

Conclusion: Role of Government

- Institutionalization of OA in the Korea Agricultural Development Paradigm**
- Rapid expansion of EFA but not same as OA**
- Over-production of OA & unbalanced supply-demand : production- oriented policy**
- Under-investments to the R&D sector by the government**