



# Korea National Study on OLIA - Agricultural Policy for Sustainable Agriculture -

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# I. Introduction



## I. Introduction

### 1. Current Issues in Agriculture in Korea

#### ❖ Overall trend

- Share of agricultural sector in GDP fell from 12% in 1980 to 4% in 2000
- Percent of labor force declined from 28.4% in 1980 to 8.6% in 2000
- Agricultural production structure change  
: decreasing rice production and Increasing fruit, vegetable, meat production
- Self-sufficiency rate of grain decreased 43.1% in 1990 to 29.7% in 1999
- Decreasing average farm household annual income and rising income disparities between urban and rural

#### ❖ Rising Issues

- Accelerate of globalization : Market opening pressure, Economic Integration movement → seeking for competitive agricultural goods
- Caring about environment and food safety, pursuing well-being life-style

**?? What can be the solution for Agriculture Sector ??**





## I. Introduction

### 2. Why focusing on OLIA?

#### ❖ Expected impact of EI on agriculture and necessity of OLIA

- EI can cause positive impact on environment by reducing agricultural activities
- But, EI can also cause negative impact as a secondary effect through land use change
- And, Land use change can give more harmful impact to environment than pollutions caused from the agricultural activities
- So, promoting OLIA is needed to protect Korea's agricultural industry by increasing competitiveness and develop new market for exporting agricultural products
- Also, promoting OLIA can help to stop changing agricultural land into built-up area by making more profits than conventional practice and this can lead positive impacts to environment



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## II. Status of OLIA in Korea





## II. Status of OLIA in Korea

### 1. Definition and Type

#### ❖ Definition of OLIA

- Agriculture which do not use or use less of chemical materials (agricultural chemicals, chemical fertilizer, antibiotics)
- Conserve and maintain agricultural ecosystems through recycling
- Producing safe agricultural products



#### ❖ Type of OLIA

- Organic products
- No agricultural chemicals
- Low agricultural chemicals



## II. Status of OLIA in Korea

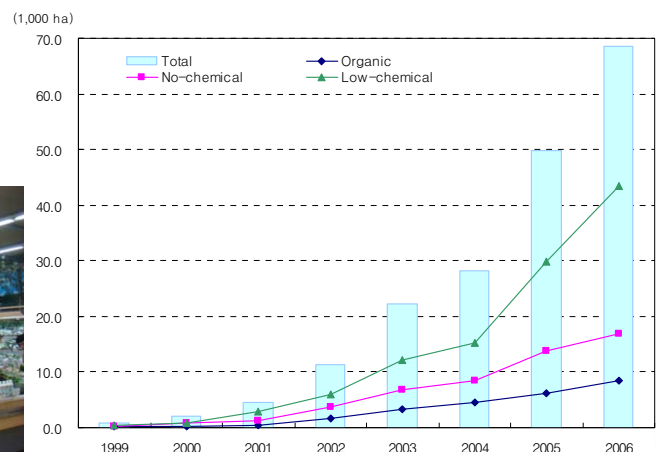
### 2. Current Status

#### ❖ Production

- 4.4% of total agricultural production(2006), 2.7% of total agricultural area
- Rapid production growth : more than 50% per year
- Rapid market growth : \$800 million market size(2006)

#### ❖ Consumer

- Growing demands in OLIA



<Figure> Size of certified OLIA product cultivation area



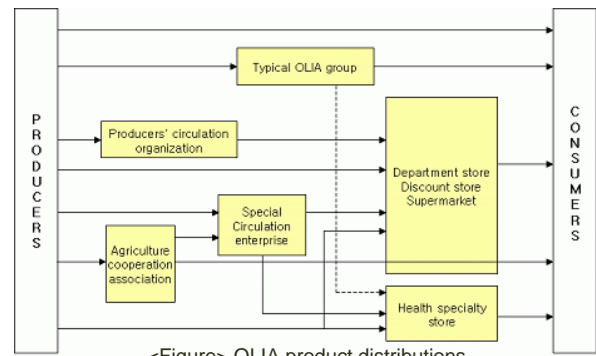
## II. Status of OLIA in Korea

### ❖ Distributions

- 3 marketing channels : direct, indirect, imported products
- Growing retail market mixture channel for OLIA specialization

### ❖ Import and Export

- Increasing imported OLIA products
- Production shortage of OLIA is main cause of low exportation



<Figure> OLIA product distributions



## III. Policy for Promoting OLIA





## III. Policy for Promoting OLIA

### 1. Current OLIA policy

- Korea already has its own law, policy, measures and plans to promote OLIA
- By “Environmental-friendly Agriculture Promotion Act(1997)”, Korea is now in the 2nd phase of promoting OLIA by “Environmental-friendly Agriculture Promotion Plan(2006-2010)”

### 2. EFA Promotion Plan II (2006-2013)

#### ❖ Vision

: Promote public health and realize environmental-friendly agriculture

#### ❖ Goal and Targets

- Reducing chemical inputs (manure and fertilizer) to 40% by 2013
- Increasing OLIA products from 4%(2005) to 10% by 2010
- Establishing natural circulation system



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## III. Policy for Promoting OLIA

### ❖ Strategies

- S1. Formation of OLIA basis
- S2. Development of OLIA techniques and supplying them to farmers
- S3. Spreading natural-recycling Environment-agriculture system
- S4. Supporting farmhouses' income and give subsidies for OLIA farmers
- S5. Enhancing consumer reliance and find new marketing channel
- S6. Diminishing pollution and strengthen international collaboration
- S7. Fostering sustainable forestry



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# III. Policy for Promoting OLIA

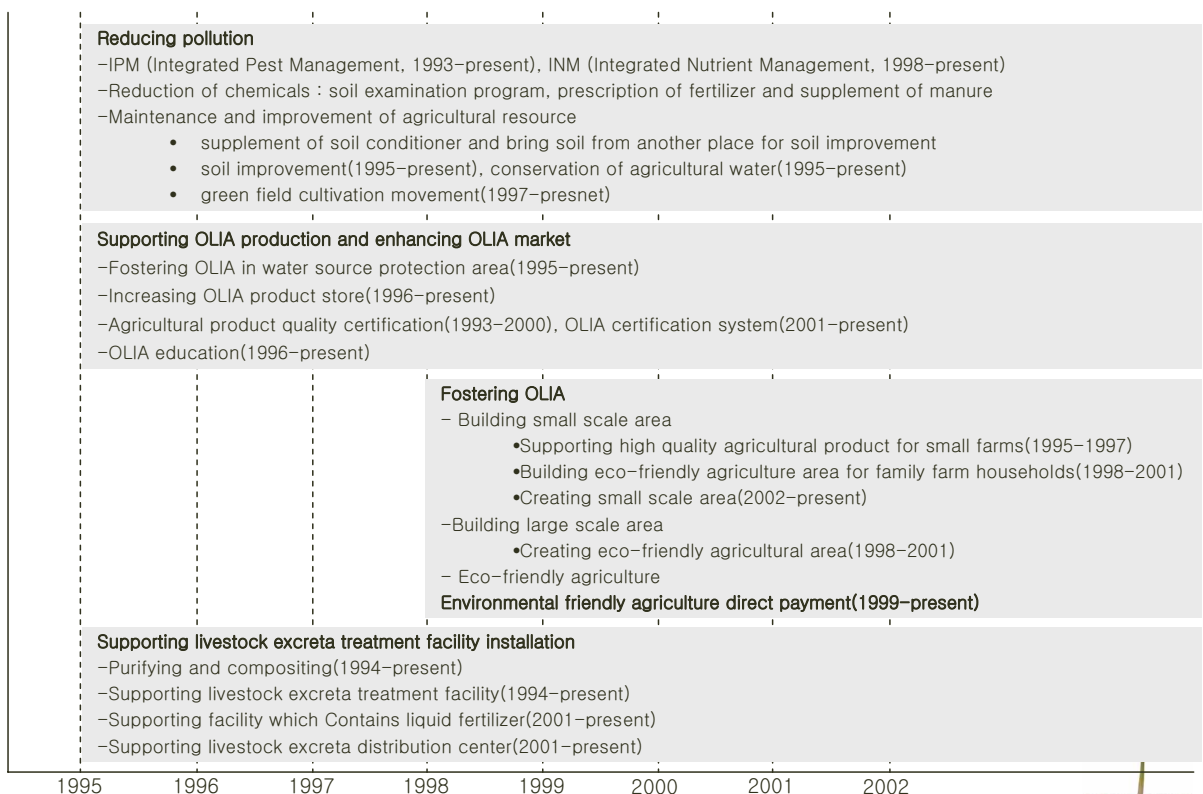
## ❖ Policy measure and programs

- Economic measure : Subsidy for environment conservation facility, compensation for fallow land, taxes for livestock waste water discharge
- Regulation measure : agri-chemical registration system, standards for environmental friendly materials, land use regulation
- Cross-compliance : direct payment
- Education : IPM, INM
- Certification : Certification system, specialized OLIA brands
- Agreement : GFP (Good Farming Practice)



# III. Policy for Promoting OLIA

Programs For Promoting OLIA





## III. Policy for Promoting OLIA

### 3. A brief assessment of current policy

- Korea is now promoting OLIA by Environmental-Friendly Agriculture Plan II from 2006 to 2010
- By EFA Plan II, Korea set goals to reduce agri-chemicals to 40% and increase OLIA production to 10% and it is on going now
- Korea has many policy measures to realize OLIA strategies, and those are quite well organized and carrying out successively
- Farmers, consumers and government regards OLIA as the key solution for environment protection and preparation of EI



## IV. Policy Recommendation and Analysis





## IV. Policy Recommendation and Analysis

### 1. Background idea of policy recommendation

- Korea is promoting OLIA very strongly with well organized policy
- Share of OLIA product in total agriculture is already high at 4% in 2005, compared to other countries in region
- Share of OLIA product is expected to reach 10%, the target of Korean government, by 2010 as it shows rapid increase
- **Idea 1. Starting from general agricultural policy**
- **Idea 2. Integrating environmental aspects into general agricultural policy**
- **Idea 3. Enlarging and strengthening environmental standards to both general agriculture and OLIA**

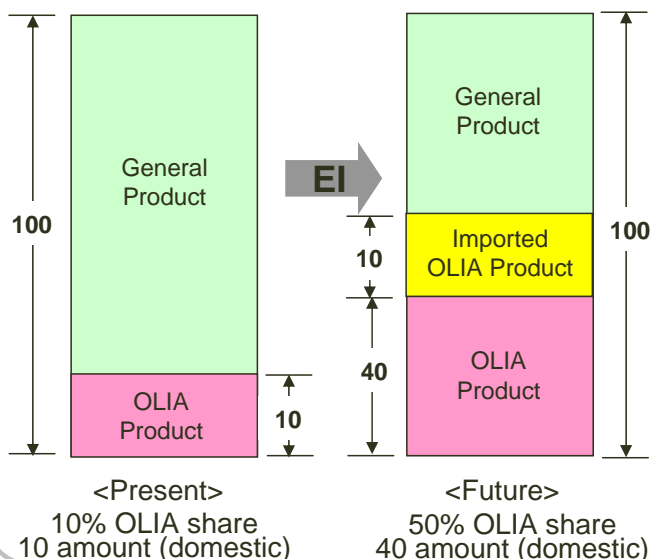


## IV. Policy Recommendation and Analysis

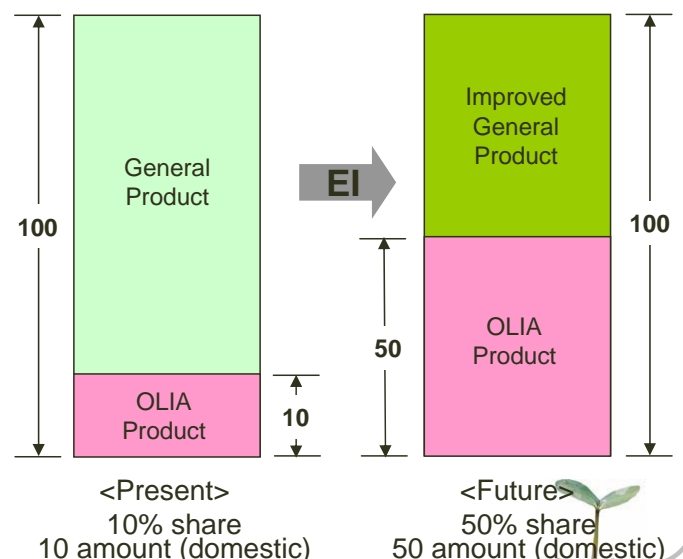
### 2. Policy recommendation and main expected effects

#### Integrating Environment into General Agriculture Policy

#### ❖ Scenario1 : Focusing on OLIA policy

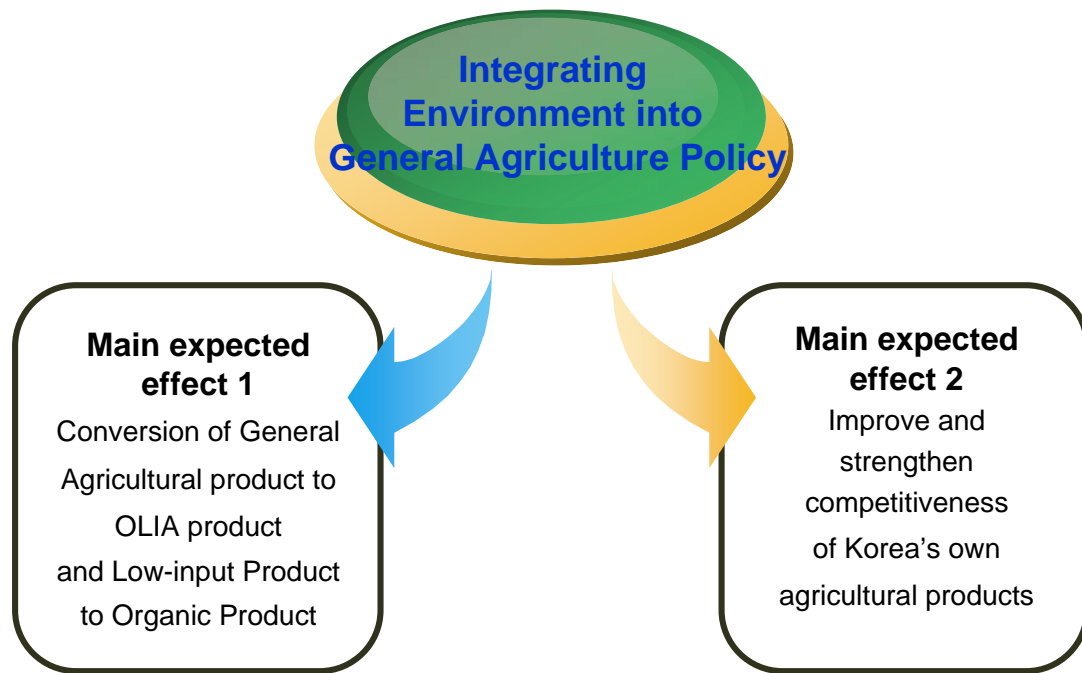


#### ❖ Scenario2 : Focusing on general policy





## IV. Policy Recommendation and Analysis



## IV. Policy Recommendation and Analysis

### 3. Driving forces and pressures of implementing policy

#### Production

- Changes in farmer's thinking
- OLIA can get more profits
- Increasing consumer needs in OLIA

#### Consumption

- Preference in OLIA product (safety, well-being, environment)
- Consumers intend to pay more money in OLIA product

#### Market

- Government encourage to promote OLIA
- OLIA can give competitiveness to native product
- Integration of environment into agriculture is a global trend : OECD, EU



## V. Conclusion



## V. Conclusion

- Korea is now promoting OLIA by Environmental-Friendly Agriculture Plan II from 2006 to 2010
- Korea has many policy measures to realize OLIA strategies, and those are quite well organized and carrying out successively
- Farmers, consumers and government regards OLIA as the key solution for environment protection and preparation of EI
- Under EI, Korea will be a importer side so Korea has task to protect our own agriculture sector with consideration of environment
- For these reasons, integration of environmental aspects into general agriculture policy is recommended not only limit in OLIA policy
- To make sustainable agriculture, further studies will be needed





**Thank You !**