



FFTC Agricultural Policy Platform (FFTC-AP)

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Work Plan 2018 for Creating a Better Agricultural Production Conditions and Food Quality

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Introduction

On January 29, 2018, the Korean Ministry of Agriculture, Food and Rural Affairs (MAFRA) released its annual Work Plan for 2018. The Work Plan is to show the core tasks to implement in 2018. The main goals of 2018 MAFRA work plan are to increase jobs in the agricultural and livestock sector, and to expand the income safety net for farmers. Also MAFRA is going to enhance the ability to provide healthy and safe agro-foods to the people by thoroughly managing factors affecting safety and the environment from the stage of production. In order to achieve these goals, MAFRA set up three core tasks which will be implemented in 2018 as follows:

Stabilization of Agricultural Price and Expansion of Farm Income Safety Net

First, the MAFRA plans to reduce rice cultivation areas to around 50,000 hectares in 2018. It is a way to stop the vicious cycle of decreasing rice consumption, accumulating rice inventory and falling rice prices through achieving a rice supply and demand balance. Rice farmers who switch to another crop will get 3.4 million won (approximately US\$ 3,170) subsidies for each hectare in case of planting other crops such as beans and feed grains instead of rice. This project is for stabilizing the rice price and income through reduction of rice production by promoting different crop cultivation instead of rice in paddy lands.

Second, the MAFRA plans to expand the vegetable price stabilization program for stabilizing the prices of horticultural products. This program is operated by the funds which are collected by central government (30%), local government (30%), agricultural cooperatives (20%), and farmers (20%), respectively. The vegetable price stabilization program was introduced in 2017. It focused on four crops namely radish, oriental cabbage, garlic and onions. If the price drops below the reference price which is the Olympic average price of the last five years, farmers would receive 80 % of the reference price.

Third, the government plans to reform the agricultural direct payment system for both stabilizing the farmers' income and satisfying the public interests. The current direct payment

system which has mainly focused on farm income conservation will be changed into the system of remuneration for creating public service and for the benefit of the public. To do so, the direct payment will be increased to support agricultural activities that generate environmental and social public benefit in the name of public direct payment program.

However farmers who receive the expanded direct payment have to comply with stricter mandatory obligations and cross-compliance for maintaining the level of environmental and ecological preservation regulated by the government. More specific guidelines for new direct payment system to support agricultural activities that create environmental and social benefits will be made by the second half of 2018.

Fourth, the MAFRA will intensify the agricultural disaster insurance program through increasing the number of products covered and by reinforcing the security level by disaster insurance program. The number of insured crops has been increased from 53 crops in 2017 to 57 crops in 2018. Buckwheat, broccoli, button mushroom, king trumpet mushroom have been added to new insured items in 2018. It is for strengthening the safety net for farmers by expanding the coverage of agricultural disaster insurance. The Korean crop insurance is a policy insurance subsidized by the government. The government's share of total premium is 75% (50% by central government and 25% by local government). Thus, the insured farm generally pays 25 % of the total insurance premium.

Support for sustainable development of the agri-food industry

First, the MAFRA plans to expand the support for young farmers' settlement of farming and strengthen their ability to start businesses in the food and food service sector. The government will provide up to 1 million won (US\$ 1,000) per month to 1,200 selected young farmers for settlement support with comprehensive support for farmland, finance, and education. This is for attracting young people into agricultural industry through easing various difficulties faced by young farmers before and after starting their own farms.

Second, the MAFRA will expand the smart farming in the era of the Fourth Industrial Revolution. Smart Farm is a farm that is automated for growing crops and raising farm animals with the application of advanced technology. The target of smart farm area in Korea will be increased to 4,510 hectares in 2018 and 7,000 hectares in 2022 from 4,000 hectares in 2017, mainly in greenhouse farming. Also the government will support the development of high value-added, technology-intensive farm management SW(Software) and standardization. With the construction of smart farm, more quality jobs will be created in the agri-food industry in order to embrace various experts and a new influx of workers.

Third, the MAFRA plans to strengthen the agricultural R&D system focused on field-oriented projects. To do so, the voucher system of R&D support will be expanded, which is the system for farmers and farm-related company to choose research institutes to solve the difficulties in terms of R&D. Such a voucher type of R&D support will significantly increase from 3.4 billion won in 2017 to 15 billion won in 2018. Also the government will focus its R&D resources on the following seven major areas: upland farming mechanization; development of functional foods; prevention of livestock disease; food safety; development of agricultural equipment and machinery; and smart farm with application of advanced ICT technology. By supporting R&D and venture start-up, the government plans to create 13,000 new jobs in 2018.

Fourth, the MAFRA will provide opportunities for young entrepreneurs through nurturing core human resources in food processing and restaurant industry. In order to foster these agricultural related industries, the government is going to abolish the barriers preventing young people from entering these promising industries. Also the MAFRA will introduce a

guarantee insurance policy to ensure the purchase of domestic agricultural products by small food company on credit which is able to buy domestic agricultural materials within the maximum 50 million won limit per company. It is intended to strengthen the link between local agriculture and the food industry.

Effective Production and Environment Management for better agri-food quality and safety

First, the MAFRA is planning to convert the current post-management system on agri-food safety into the pre-management system from the initial stage of raw agricultural production through reforming the safety license system. By reinforcing the agri-food safety management, the government will improve the safety of the consumers from 54.8% in 2017 to 58.5% in 2018 and 70% in 2022. It is a way to increase consumer demand for domestic agri-food products.

Second, the MAFRA will further increase the intensity of key factors' management on those which could make a huge effect on food safety during the production process, such as soil and water. And Korean government will strengthen the investigation into heavy metal residues where there is a possibility of land pollution such as abandoned mines and industrial zones. Meanwhile, soil fertility detection will be conducted as well. The government will adopt Positive List System (PLS) for agricultural chemicals remaining in food, therefore, other relevant regulations will also be prepared until 2019.

Third, MAFRA will legislate the standardization of safe use of pesticides, if violations will occur, a penalty will be imposed. As to HACCP system, it will be mandatory in stages, and the government will lead the company and farmers to create hygienic breeding environment step by step from now on. Furthermore, the government will increase the type of animal antibiotics prescribed by veterinarians (32 types in 2018) and will strengthen the management of non-antibiotic authentication system.

Fourth, the government will provide healthy food to the public through conducting the National-Regional Food Program. It is for balancing the people's dietary habit and improving nutritional intake. Particularly, the government will provide fruit snacks to 6,000 primary schools (240,000 students) nationwide since 2018 in order to improve children's nutritional intake and these fruit-snacks are all processed by HACCP-accredited facilities. Also the government will develop the diversified diet education programs for enhancing the awareness of the importance of agriculture and building a balanced diet habit for young students.

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