

## Changes in the South Korean Agricultural Structure in the 1990s (Summary)

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This paper mainly uses official government statistics, such as agricultural censuses, to analyze and examine changes in the South Korean agricultural structure in the 1990s. The term 'agricultural structure' refers to the agricultural labor structure, the agricultural production structure and issues relating to the lease of agricultural land. The following is a summary of the results of this analysis.

### 1) The agricultural labor structure

In the 1990s, the majority of South Korean farming households consisted of couples aged over 60 or elderly single people due to an increasingly ageing population and a fall in the number of families. However, the sizes of the farms run by such elderly farming households is shrinking, with many of them renting out part or all of their arable land, or contracting out some of the work, if they are still actively running their farm. On the other hand, farming households equipped with machinery, where the head of the household is in his/her 40s or 50s, tend to cultivate a fairly large area, renting agricultural land or accepting contracts to carry out work for others.

### 2) The agricultural production structure

With the total area of land on which agricultural crops are cultivated falling, land used for cultivating rice still accounts for more than half of all cropland and there has been no change in the focus of South Korea's agricultural structure on rice. Even in the 1990s, we continued to see signs of growth crops such as fruit and vegetables increasing further, while declining crops such as oats and miscellaneous cereals continued to decrease. In livestock farming, the number of farming families keeping animals other than poultry is decreasing dramatically, but the actual number of animals is not declining, and is actually increasing in some cases, so we can say that there has been a further shift towards large-scale livestock farming.

### 3) Issues relating to the lease of agricultural land

In the 1990s, the percentage of leased land continued to rise; furthermore, the larger the scale of the arable land owned by a farming household, the greater the percentage that is rented out. This fact demonstrates that, while farms run by elderly people are decreasing, as stated earlier, the scale of those run by farmers in their 40s and 50s is increasing due to their lease of land.

We can summarize the foregoing information about South Korean farming in the 1990s as follows. Many farming households are still clinging to rice cultivation, while some, more businesslike farming households are expanding into livestock farming and greenhouse horticulture. Most of the farming households clinging to rice cultivation are those in which the members are elderly. Accordingly, elderly farming households contract out work such as tilling, planting and harvesting, or rent out part or all of the agricultural land that they own, so the area that they farm is shrinking. On the other hand, farming households that have machinery and some relatively young staff lease agricultural land or accept contracts to carry out work, so the area that they farm is expanding.

Incidentally, these changes began to become apparent in the 1980s, but became even clearer in the 1990s. The changes that occurred in the 1990s were instigated to some extent by a policy shift in response to the opening up of agricultural markets, amid the internationalization of South Korea's economy. This was because, for a long time, agriculture had been based on the principle of *kyong-ja yu-jeon* (only people who farm the land may own it), but this was fundamentally abandoned in the mid-1990s and the government began actively to support an increase in the scale of farming through the lease of land.

This paper has merely clarified the basic nature of the changes in South Korea's agricultural structure, but in the future, the following issues should be examined, on the basis of this analysis.

- i) A more detailed study of the actual situation regarding large-scale rice farms and businesslike farms involved in livestock farming and vegetable cultivation, who have been becoming an important pillar of South Korean agriculture since the 1990s.
- ii) Analysis of policies regarding each region's agriculture and the actual situation thereof, following the development of local authorities in South Korea.

- iii) Specific problems relating to the internationalization of agriculture, such as the normalization of diplomatic relations with China and the effect on South Korea of China's accession to the WTO; in addition, various problems in the agriculture sector with regard to a Japan-Korea free trade agreement, which is currently under consideration, should be examined.
- iv) With regard to the aforementioned internationalization issue, analysis should focus in particular on policies relating to the price of agricultural produce and actual movements in the price of such produce.
- v) It is also necessary to analyze and examine the effects of the spread of IT, which progressed rapidly in the 1990s, on agriculture in South Korea.