

**WORLD TRADE
ORGANIZATION**

G/AG/N/KOR/44
16 September 2011

(11-4457)

Committee on Agriculture

Original: English

NOTIFICATION

The attached notification concerning new domestic support measures exempt from reduction (**Table DS:2**) was received from the delegation of the **Republic of Korea** on 2 September 2011.

Table DS:2

DOMESTIC SUPPORT: Republic of Korea

*Notification under Article 18:3 of the Agreement:
New or modified domestic support measures exempt from reduction*

- (1) **Full title of measure:** Public Rice Stockholding Programme
- (2) **Domestic legislation reference:** Grain Management Act
- (3) **Detailed description of measure with reference to criteria:** Annex 2, paragraph 3.

In 2005, Korea abolished the decades-old Rice Purchase Programme and introduced the Public Rice Stockholding Programme for food security. The purpose of the Programme is to stabilize the supply of rice, the staple food for Koreans, as stipulated by Article 10 of the Grain Management Act. The volume of such stocks corresponds to a predetermined target, i.e. 17 per cent of the annual consumption (864 thousand tonnes in 2005) considering the FAO guideline. Rice purchases and sales are made at market price pursuant to Article 10 of the Grain Management Act.

- (4) **Cost of measure:** 169 billion won (2005)
- (5) **Date of entry into effect:** 1 January 2005
- (6) **Period of application:** No limit
- (7) **Products to principally benefit:** Rice

Table DS:2

DOMESTIC SUPPORT: Republic of Korea

*Notification under Article 18:3 of the Agreement:
New or modified domestic support measures exempt from reduction*

- (1) **Full title of measure:** Fixed Payment Scheme for Paddy Fields
- (2) **Domestic legislation reference:** Act on Income Support for Farmers Producing Rice and Other Crops
- (3) **Detailed description of measure with reference to criteria:** Annex 2, paragraph 6.

The scheme is consistent with the criteria in Annex 2, paragraph 6. Eligible recipients are those (i) who engage in farming under their own expense and responsibility; (ii) on a paddy field enrolled for the 1998-2000 crop years; (iii) as long as maintaining the original form and the function of the farmland. Production is not required to receive the payments. The amount of payments is not related to the type or volume of production. The payments are based on a fixed price (700,000 won/ha).
- (4) **Cost of measure:** 607 billion won (2005)
- (5) **Date of entry into effect:** 1 January 2005
- (6) **Period of application:** No limit
- (7) **Products to principally benefit:** Rice, dropwort, lotus root, *cyperus exaltatus*

Table DS:2

DOMESTIC SUPPORT: Republic of Korea

*Notification under Article 18:3 of the Agreement:
New or modified domestic support measures exempt from reduction*

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- (1) **Full title of measure:** Direct Payment Scheme for Disadvantaged Regions
- (2) **Domestic legislation reference:** Special Act for the Improvement of the Quality of Lives of Farmers, Forestry Workers and Fishermen and the Facilitation of Rural Development; Enforcement Provisions on Direct Payment for Agricultural Producers.
- (3) **Detailed description of measure with reference to criteria:** Annex 2, paragraph 13.

Direct Payment Scheme for Disadvantaged Regions is introduced to help farmers continue farming in disadvantaged regions by covering a part of the additional costs or foregone incomes due to natural handicaps, thereby to sustain rural communities.

In land areas, a disadvantaged region is defined as *ri* (ward, subdivision of a town), more than 50 per cent of farmland of which has a gradient of 14 per cent or higher, and arable land rate of 22 per cent or lower. In islands, all *ri* of towns or townships are defined as disadvantaged, regardless of gradient or arable land rate. To be eligible for the payments, recipients must reside in the disadvantaged region and cultivate farmlands or manage grasslands that were actually used for agricultural purposes during the base period of 2003-2005. The farmlands or grasslands should be at least 0.1 ha to receive payments. The payments are not related to the type or volume of production, or price after the base period. The payment rates are 500 thousands won/ha for farmlands (field or orchard), and 250 thousands won/ha for grasslands. This is roughly equivalent to 50 per cent of the gap of income between disadvantaged regions and other regions.

- (4) **Cost of measure:** 47 billion won (2006)
- (5) **Date of entry into effect:** 1 January 2006
- (6) **Period of application:** No limit
- (7) **Products to principally benefit:** None

Table DS:2

DOMESTIC SUPPORT: Republic of Korea

*Notification under Article 18:3 of the Agreement:
New or modified domestic support measures exempt from reduction*

- (1) **Full title of measure:** Direct Payment Scheme for Landscape Conservation
 - (2) **Domestic legislation references:** Special Act for the Improvement of the Quality of Lives of Farmers, Forestry Workers and Fishermen and the Facilitation of Rural Development; Enforcement Provisions on Direct Payment for Agricultural Producers.
 - (3) **Detailed description of measure with reference to criteria:** Annex 2, paragraph 12.

Direct Payment Scheme for Landscape Conservation is designed to secure public interests in rural areas by supporting rural landscape management practices through cultivation of ornamental crops and community scenery conservation activities. Ornamental crops are approved by the local government for their effective use in creating superb natural landscapes. Community scenery conservation activities include management of community environment and preservation of historic sites.

Under this scheme, rural communities take initiatives in formulating and implementing a landscape management plan. To be eligible for the payments, communities must engage in cultivation of ornamental crops and community scenery conservation activities under the landscape management agreement with local government. The payment covers the extra costs for farmers to implement the conservation Programme.
 - (4) **Cost of measure:** 6.8 billion won (2008)
 - (5) **Date of entry into effect:** 1 January 2008
 - (6) **Period of application:** No limit
 - (7) **Products to principally benefit (if any individual product(s)):** None
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