

prompted a massive governmental effort to improve the rural-urban terms of trade. The Sae-maul (New Village) Movement was formed, and rice support prices increased. Rural infrastructure construction was hurried. Rural roads and national highways were built and paved, and irrigation expanded. <sup>2/</sup> Fertilizer consumption grew, rising from 308,494 metric tons (MT) in 1961 to 605,137 in 1971, and 886,206 MT in 1975. Mechanization increased. In 1961 there were 12 power tillers in Korea, but by 1971 there were 16,842, and in 1979, 239,909 were in operation.

It was in the context of this growing concern with the rural sector that AID began its support to agricultural research. The genesis of this project was the Korean Agricultural Sector Survey carried out by Michigan State University with AID support. As its highest priority, it recommended efforts to improve agricultural research in rice, barley, wheat, soybeans, and forages.

The study identified the problems facing Korea as a lack of concentration on key research priorities and a shortage of resources to meet these needs. It further characterized the national agricultural research system as relatively unfocused, poorly equipped, short of highly trained personnel, but relatively well-housed with sufficient land for research, well-balanced disciplinary skills, although suffering from a shortage of operating funds.

The study was followed by the publication in 1972 of "Investment Priorities in the Korean Agricultural Sector," also by Michigan State University. That study anticipated cumulative returns to agricultural research to reach 30 times an annual investment of \$2 million by 1975, and 160 times its yearly costs by 1980. After a visit by an external specialist and negotiations with Korean authorities, an AID Intensive Review Request was cabled to Washington on July 13, 1973, outlining the project. A project paper proposing a \$5 million loan was approved by AID's Development Loan Committee on December 5, 1973; authorized December 11 of the same year; and signed by the Korean Government on January 28, 1974. On February 21, Korean Presidential Ordinance #54 announced the agreement and authorized Korean funds (\$3,125,000 in won) for the project. By September 8, 1974 the first expatriate Co-Director was appointed, and on November 14 a service contract was signed with the International Institute for Education covering support for the project and the funding of participants.

The objectives of the project focused on the five areas: rice, barley/wheat, soybeans, white potatoes, and cropping systems. Improvement in research was predicated on forming multidisciplinary teams that were to establish research priorities within each area of concern.

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<sup>2/</sup> For an extensive discussion of this phenomenon see Korea Irrigation, AID Project Impact Evaluation Report No. 12, 1980, especially Appendix F, "Korean Agricultural Pricing Policies" and Appendix G, "Change, Local Government, and Rural Participation in Korean Rural Development."