Meeting Consumer Concerns for Food Safety in South Korea: The Importance of Food Safety and Ethics in a Globalizing Market

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Abstract As the issue of food safety became one of the important public agenda, consumer concern for food safety became the general public concern. The Korea U.S. Free Trade Agreement (KORUS FTA) completion allowing import of U.S. beef to Korea has turned into a massive public uproar and a series of demonstrations, revealing widespread concerns on the part of Korean producers and consumers about government food safety regulations and mishandling of the beef trade requirement. The mishandling of public concerns for BSE on U.S. beef import by the administrators led to a breakdown of the relationship between the public and the government and a loss of consumer confidence in Korea’s food safety system. The KORUS FTA beef crisis raised the issues of government accountability and the importance of understanding moral and ethical aspects of food safety management that pose perceived risk for BSE by the Korean citizen. The aim of this paper is to address the importance of understanding consumer concerns, food ethics and of appropriate risk communication in dealing with politically and publically sensitive food safety issues. This is achieved by assessing the factors that contributed to the conflict between the Korean government and the Korean public over the KORUS FTA beef agreement.

Keywords Food safety · Risk management · KORUS FTA · Consumer trust · BSE concerns

1 Introduction

Consumer and market demands are critical to the outcome of agricultural, trade, health, and nutrition related policies. Over the last 20 years, issues surrounding food and health have received increasing public attention in the policy, consumer and media arenas (Kramer 1990; Sparks and Shepherd 1994; Hughes 1995; Kafka and von Alvensleben 1998; Micklitz 2000; Meijboom et al. 2006; Worosz et al. 2008). One of the major
drivers of public policy interest in this area is an increase in consumer’s concern that is attributable to health and safety related causes. Food safety emerges as an important issue in society, with increased media attention (Frewer et al. 1994); consumer studies (Miles et al. 2004), and the establishment of new regulatory bodies. This increased attention to food safety may negatively influence consumer perceptions regarding the safety of food products (De Jonge et al. 2004), and consumers’ perceived risk regarding food safety lead to significant losses in the food supply chain and inefficiency in marketing channel (Smith and Riethmuller 2000; Roberts and Smallwood 1991; Palmer 1996). This includes the cost of managing risks (Loader and Hobbs 1996), and the cost of restoring consumer confidence when this has been damaged (Yeung and Morris 2006). Thus, food safety is one of the most critical issues facing producers, marketers, and government since the 1990s.

Particularly, safety controversies of the beef industry has gained a high profile following a few food scares, incidents associated with Bovine Spongiform Encephalopathy (BSE), creating adverse publicity and negative images of the beef sector. The occurrence of the BSE crisis impacted beef consumption around the world and international trade of beef. Consumers have made clear their concerns about food safety related to BSE diseases, use of procedures such as antibiotics in livestock production, and use of biotechnology. Consumers’ concerns toward these food safety issues are heavily impacting their choices. These impacts are felt nationally and internationally, as individual countries are developing regulatory policies associated with labeling, product standards, and phytosanitary measures. Korea, along with other major beef import countries, banned imports of U.S. beef in December 2003, after the detection of a positive case of BSE in Washington State of the U.S. Prior to the ban, Korea was the third largest export market for U.S. beef, with annual exports valued at $1.3 billion in 2003 (GAIN 2008). This shows the magnitude of the importance of food safety issues on international trade of food products. In early 2006, Korea and the U.S. agreed to resume an import protocol with a limited condition to import deboned skeletal muscle meat, however, the importation of U.S. beef to Korea has been suspended eight times in 2007 due to the detection of bones in the meat products. This shows that sanitary and phytosanitary (SPS) measures have become important barriers and constraints to international trade and trade negotiation.

Korea and the U.S. concluded the KORUS free trade agreement (FTA), initiated in 2006, on April 1, 2007. The agreement aimed to improve their bilateral cooperation in the trade sector. One of the key aspects of the KORUS FTA is beef trade. Korean tariffs on U.S. beef import is scheduled to decline to zero from the current 40% tariff in 15 equal annual reductions, which translates into a tariff savings of $15 million in year 1 of the agreement (GAIN 2008). The beef trade liberalization is expected to give significant benefits for U.S. beef exporters. Initially Korea’s agricultural sector, particularly the Korean beef producers, was strongly against the opening of the agricultural market to the U.S., given the high competitiveness of the U.S. in the production and exports of agricultural products. The Korea beef producers anticipated loss of competitive edge as the price for Korean ribs reaches four times as high as the U.S. products and lack of scalability in the operation of the Korean beef production. However, the nature of the opposition toward the agricultural liberalization changed fundamentally and intensified as the Korean public’s concern for the safety of U.S. beef increased tremendously upon the conclusion of the KORUS FTA in April 17, 2008.