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Korea, Republic of

Grain and Feed

Rice PS&D Update

2007

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Report Highlights:

South Korea resumed rice aid shipment to North Korea in June 2007. The first shipment was the remaining 10,500 MT of 2006 flood aid assistance. Shortly thereafter, the South Korean government announced an aid package of 400,000 MT, which consists of 150,000 MT of domestic milled rice and 250,000 MT of foreign rice. The PS&D has been revised to reflect these recent changes.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Trade Report
Seoul [KS1]
[KS]

PSD Table										
Country	Korea, Republic of									
Commodity	Rice, Milled									
							(1000 HA)(1000 MT)(MT/HA)			
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		11/2005	11/2005		11/2006	11/2006		11/2007	11/2007	MM/YYYY
Area Harvested	980	955	980	955	955	955	945	945	945	(1000 HA)
Beginning Stocks	906	852	852	914	815	815	868	877	716	(1000 MT)
Milled Production	4768	4768	4768	4680	4680	4680	4600	4500	4500	(1000 MT)
Rough Production	6435	6435	6435	6324	6324	6324	6216	6081	6081	(1000 MT)
Milling Rate (.9999)	7409	7409	7409	7400	7400	7400	7400	7400	7400	(1000 MT)
MY Imports	218	217	217	265	255	255	265	266	266	(1000 MT)
TY Imports	231	231	231	265	246	246	265	270	270	(1000 MT)
TY Imp. from U.S.	0	56	56	0	63	63	0	70	70	(1000 MT)
Total Supply	5892	5837	5837	5859	5750	5750	5733	5643	5482	(1000 MT)
MY Exports	125	221	221	150	0	161	150	0	0	(1000 MT)
TY Exports	100	90	90	150	0	161	150	0	0	(1000 MT)
Total Consumption	4853	4801	4801	4841	4873	4873	4761	4800	4800	(1000 MT)
Ending Stocks	914	815	815	868	877	716	822	843	682	(1000 MT)
Total Distribution	5892	5837	5837	5859	5750	5750	5733	5643	5482	(1000 MT)
Yield (Rough)	6.5663	6.73822	6.56633	6.62199	6.62199	6.622	6.5778	6.43492	6.43492	(MT/HA)

Domestic Rice Exports to DPRK:

In 2006, the South Korean government approved an aid package totaling 100,000 MT of domestic milled rice to assist North Korea (DPRK) recover from flooding experienced during the summer of 2006. Only 89,500 MT was delivered before aid was suspended after North Korea conducted a nuclear test.

In June 2007, the remaining 10,500 MT was delivered 2007 after the DPRK demonstrated progress towards denuclearization. Shortly thereafter the South Korean government approved a total grain aid package totaling 400,000 MT, which consists of 150,000 MT of domestic milled rice and 250,000 MT of foreign rice.

The South Korean government plans to deliver the local rice to the DPRK beginning in July through September 2007. The foreign rice will be delivered from September to December 2007. Nearly all of the rice will be delivered by sea, while 50,000 MT will be shipped via road.

The decision to supply 160,500 MT of domestic rice to the DPRK will result in a reduction in government held rice stocks. As a result, MY 2006/07 rice ending stocks will decrease to 716,000 MT, and MY 2007/08 ending stocks are forecast at 682,000 MT.

Korea: Domestic Rice Aid to North Korea						
(Unit: MT, Domestic Rice)						
Month of Shipment	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007
January	0	42,200	0	0	0	0
February	0	0	0	0	0	0
March	0	0	0	0	0	0
April	0	0	5,000	0	0	0
May	0	0	0	0	0	0
June	0	0	0	0	0	10,500a/
July	0	76,534	15,926	13,000	0	30,000
August	0	80,231	30,114	83,450	300a/	57,500
September	24,100	64,935	30,955	67,550	85,200a/	62,500b/
October	102,100	72,800	23,085	104,500	4,000a/	Na
November	108,800	78,400	0	81,800	0	Na
December	122,800	27,100	0	49,700	0	Na
Total	357,800	442,200	105,080	400,000	89,500	160,500
Marketing Year (Nov/Oct)	MY 2001/02	MY 2002/03	MY 2003/04	MY 2004/05	MY 2005/06	MY 2005/06
	126,200	568,300	210,500	268,500	221,000	160,500

Source: Ministry of Unification and Ministry of Agriculture and Forestry

a/ donation for flood disaster occurred in 2006

b/ plan

Korea: Grain Aid on Long-Term Credit by South Korean Government					
Year	Commodity	Quantity (MT)	Price (US\$/MT)	Amount (million US\$)	Origin
2000	Corn	200,000	109	22	China
	Rice	300,000	220	66	Thailand
2002	Rice	400,000	265	106	South Korea
2003	Rice	400,000	265	106	South Korea
2004	Rice	100,000	300	30	South Korea
	Rice	300,000	294	88	Thailand
2005	Rice	400,000	300	120	South Korea
	Rice	50,000	315.98	15.8	Thailand
	Rice	50,000	310.23	15.5	Thailand
2007	Rice	150,000a/	380	57	South Korea
	Rice	100,000b/	384	38.4	Thailand
	Rice	102,637b/	371	37.1	Thailand
	Rice	47,633b/	c/	Na	Na

Source: Ministry of Unification, Korea Agro-Fishery Trade Corporation (aT)

A/ ROKG plans to deliver 150,000 MT of local rice to the DPRK from July through September 2007

B/ ROKG tentatively plans to deliver 250,000 MT of imported rice to the DPRK from September to December 2007.

c/ Bid on tender to be held on September 12, 2007

Stocks

Korea: Status of Rice Stocks						
(Milled rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2002/03	2003/04	2004/05	2005/06 a/	2006/07 b/	2007/08 b/
Total	924	850	817	815	716	682
Government Stock	880	842	641	705	585	582
- Domestic Rice	484	346	113	493	491	482
- Imported Rice	396	496	528	212	94	100
Civil Stock	44	8	176	110	131	100

Source: MAF

a/ FAS/Seoul estimate based on MAF data

b/ FAS/Seoul forecast