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Korea, Republic of

Agricultural Situation

2008 Emergency Quota Tariff & Market Access Quota Increase

2008

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Report Highlights:

The Korean government recently reduced tariffs and expanded import quotas for certain agricultural products to help curb rising inflation. In particular, under the Emergency Quota Tariff Schedule tariffs for 33 agricultural products were dropped to zero. Additionally, the CY 2008 Market Access Quotas (MAQ) for 14 different agricultural commodities was expanded.

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

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On March 25, 2008, the Ministry of Strategy and Finance (MSF) released the Emergency Quota Tariff Schedule, which lowers tariffs on 33 agricultural products to zero in order to curb rising food prices, which have been pushed upward due to record-high international grain prices. However, the duty for sugar remains unchanged at 35 percent since imports have surged as food and beverage manufacturers switch from corn-based sweeteners to less expensive sugar. The new tariffs are effective from April 1 - December 31, 2008.

2008 Emergency Quota Tariff Schedule

HS No.	Commodity	2008 Applied Tariff	2008 Quota Tariff ¹	2008 Emergency Quota Tariff ²	Quota (MT)	2007 Total Imports (MT)	2007 Imports from U.S. (MT)
0404	Whey for feed 0404 10	20	2	Zero	46,000	46,792	23,317
0511	Brine shrimp eggs for hatching 0511 91	8	4	Zero	Unlimited	98	22
0714	Manioc chips for alcohol 0714 10	20	10	Zero	180,000	301,814	0
0714	Manioc chips for feed 0714 10	20	10	Zero	400,000		
0714	Manioc pellets for feed 0714 10	3	0	Zero	520,000		
1001	Wheat for milling 1001 90	1.8	0.5	Zero	2,600,000	2,084,711	1,169,720
1003	Malting barley 1003 00	30	20	Zero	31,500	47,610	0
1003	Unhulled barley for feed 1003 00	20	2	Zero	100,000		
1005	Maize for feed 1005 90	1.8	0	Zero	9,000,000	8,571,659	4,409,298
1005	Maize for processing 1005 90	3	0.5	Zero	2,150,000		
1107	Malt 1107 10 1107 20	27	10	Zero	150,000	134,622	11,425
1201	Soybean 1201 00	3	0	Zero	1,200,000	895,748	407,653

HS No.	Commodity	2008 Applied Tariff	2008 Quota Tariff ¹	2008 Emergency Quota Tariff ²	Quota (MT)	2007 Total Imports (MT)	2007 Imports from U.S. (MT)
1214	1214 90 Fodder roots and other vegetables for feed 2308 00	5	2	Zero	852,000 3/	879,246	747,381
2308						134,388	101
1518	Animal or vegetable fat for feed 1518 00	8	6	Zero	50,000	25,671	12,186
1701	Refined sugar 1701 91 1701 99	40	35	35	Unlimited	28,734	1,102
1702	Lactose 1702 11	20	5	Zero	18,000	13,857	8,479
2304	Soybean Oil-cake for feed 2304 00	1.8	1	Zero	2,700,000	1,915,639	123,456
2306	Cotton seed oil cake for feed 2306 10	2	1	Zero	200,000	31,515	1
2306	Coconut oil cake for feed 2306 50	2	1	Zero	500,000	387,479	0
4104	Raw hides and skins 4104 11 4104 19 4104 41 4104 49	5	2.5	Zero	Unlimited	40,786	4,608
Newly Established Items for 2008							
1703	Molasses resulting from the extraction or refining of sugar for feed 1703 10 1703 90	3	New	Zero	540,000	606,401	34
2302	Bran of wheat for feed 2302 30	2	New	Zero	400,000	326,476	0

HS No.	Commodity	2008 Applied Tariff	2008 Quota Tariff ¹	2008 Emergency Quota Tariff ²	Quota (MT)	2007 Total Imports (MT)	2007 Imports from U.S. (MT)
2306	Oil-cake of palm nuts or kernels for feed 2306 60	2	New	Zero	500,000	441,579	0
2308	Cotton seed hulls for feed 2308 00	5	New	Zero	110,000	88,685	0
3501	Casein for coffee creamer 3501 10 3501 90	8	New	Zero	4,000	3,582	0
1108	Wheat starch 1108 11	8	New	Zero	1,000	581	0
1108	Corn starch, excluded for food 1108 12	8	New	Zero	112,000	65,837	22
1108	Manioc starch for paper making 1108 14	9	New	Zero	33,890	34,476	1
1507	Soybean oil for biodiesel 1507 10 1507 90	5.4	New	Zero	305,000	304,599	56,647
4101	Untanned hide & skins	1	New	Zero	Unlimited	197,376	129,797
4408	Veneer	8	New	Zero	200,000 m ³	239,735	801
4408	Patterned veneer	3	New	Zero	20,000 m ³		

Source: The Ministry of Strategy and Finance (MSF), Korea Trade Information Service (KOTIS)

Note:

1/ January 1 – June 30, 2008 period

2/ April 1 – December 31, 2008 period

3/ Consists of 797,000 tons for feed and 55,000 tons for mushroom growing

On March 25, 2008, the Ministry of Strategy and Finance (MSF) also published updated CY 2008 Market Access Quota (MAQ) increases for 14 agricultural commodities including whey, corn and corn products, starches, soybean meal and soybeans, etc. These revisions are also intended to stabilize prices thereby reducing input costs for farmers and food processors. This revision is effective as of March 28, 2008.

**Commodities Subject to Current Market Access Quota (WTO Appendix 1-B)
Increases effective, March 28, 2008**

HS Code	Commodity	Tariff Rate (%)		CMA for CY 2008 (Metric tons)		
		In-quota	Out-of-quota	Current (A)	Increase (B)	Total (A+B)
0103.10.0000	Live Swine (Pure-bred breeding animals)	0	18	1,850 Heads	1,150 Heads	3,000 Heads
0105.11.1000	Live Chicken (Pure-bred breeding animals) weighing not more than 185g	0	9	461,000 birds	100,000 birds	561,000 birds
0105.94.1000	Live Chicken (Pure-bred breeding animals) weighing more than 185g	0	9			
0404.10.1010	Whey powder	20	49.5	54,233	12,000	66,233
0404.10.1090	whey powder (other)	20	49.5			
0404.10.2110	Modified whey (Lactose removed)	20	49.5			
0404.10.2120	Modified whey (Demineralized)	20	49.5			
0404.10.2130	Modified whey (whey protein concentrated)	20	49.5			
0404.10.2190	Modified whey (other)	20	49.5			
0404.10.2900	Whey Other	20	49.5			
0713.31.1000	Mung bean (for seed only)	30	607.5	14,694	2,056	16,750
0713.31.9000	Other mung bean (excluding for seed)	30	607.5			
0713.32.1000	Red beans (for seed only)	30	420.8			

HS Code	Commodity	Tariff Rate (%)		CMA for CY 2008 (Metric tons)		
		In-quota	Out-of-quota	Current (A)	Increase (B)	Total (A+B)
0713.32.9000	Other red beans (excluding for seed)	30	420.8			
1005.90.1000	Maize (for feeding only)	1.8	328	6,690,000	6,663,915	13,353,915
1005.90.2000	Maize (for popcorn only)	1.8	630			
1005.90.9000	Other Maize (excluding for seed or feed and popcorn)	3	328			
1103.13.0000	Cereal groats, meal and pellets of corn	3	162.9			
1104.23.0000	Other processed corn (hulled, pearled, sliced or kibbled)	3	167			
1108.12.1000	Corn starch	1.8	226			
1108.12.9000	Other corn starch	1.8	226			
0712.90.2092	Of sweet corn (excluding for seed)	3	370			
1105.10.0000	Flour, meal and powder of potato	5.4	304			
1105.20.0000	Flakes, granules and pellets of potato	5.4	304			
1108.11.0000	Wheat starch	8	50.9	227.4	807.6	1,035
1108.19.9000	Other starches (excluding for wheat, corn, potato, manioc and sweet potato)	8	800.3			
1108.20.0000	Inulin	8	800.3			
1108.13.0000	Potato starch	8	455	45,692	125,945	171,637
3505.10.3000	Roasted starch	8	385.7			
3505.10.4010	Pre-gelatinised or swelling starch (for food)	8	385.7			
3505.10.4090	Pre-gelatinised or swelling starch (for other)	8	385.7			

HS Code	Commodity	Tariff Rate (%)		CMA for CY 2008 (Metric tons)		
		In-quota	Out-of-quota	Current (A)	Increase (B)	Total (A+B)
3505.10.5010	Etherified or esterified starches (for food)	8	385.7			
3505.10.5090	Etherified or esterified starches (for other)	8	385.7			
3505.10.9010	Other modified starches (soluble starch, roasted, pre-gelatinised or swelling, etherified or esterified starches.	8	385.7			
3505.10.9090	Other modified starches (soluble starch, roasted, pre-gelatinised or swelling, etherified or esterified starches.	8	385.7			
3505.20.1000	Starch glues	8	201.2			
3505.20.2000	Dextrin glues	8	201.2			
3505.20.9000	Other glues (excluding starch glues and dextrin glues)	8	201.2			
1108.14.1000	Manioc starch	9	455	2,400	31,490	33,890
1108.14.9000	Manioc starch	9	455			
1108.19.1000	Sweet potato starch	11	241.2	4,376	20,124	24,500
1201.00.1010	Soybean for oil & oil cake	5	487% or 956 won/kg			
1201.00.1020	Soybean for feed	5	whichever is greater	846,365	568,635	1,415,000
1201.00.9010	Soybean (whether or not broken, excluding for soy bean oil and oil cake)	5	487% or 956 won/kg	185,787	109,218	295,005

HS Code	Commodity	Tariff Rate (%)		CMA for CY 2008 (Metric tons)		
		In-quota	Out-of-quota	Current (A)	Increase (B)	Total (A+B)
1201.00.9090	Soybean (whether or not broken, excluding for soy bean oil and oil cake)	5	whichever is greater			
1207.40.0000	Sesame seed	40	630% or 6660 won/kg, which is greater	6,731	68,269	75,000
1214.90.1000	Fodder roots	5	100.5	424,000	433,000	857,000
1214.90.9090	Other fodder roots	5	100.5			
2308.00.9000	Other vegetable materials and vegetable waste, vegetable residues and by-products for feed	5	46.4			
2309.90.2010	Supplementary feeds, chiefly on the basis of inorganic substances or minerals (excluding chiefly on the basis of micro-minerals)	5	50.6	4,171.4	85,828.6	90,000
2309.90.2020	Supplementary feeds (chiefly on the basis of flavorings)	5	50.6			
2309.90.2099	Other supplementary feeds	5	50.6			
2309.90.9000	Other preparations of a kind used in animal feeding (excluding feed for dog or cat, mixed feeds and supplementary feeds or feed additives)	5	50.6			

Source: The Ministry of Strategy and Finance (MSF)