



USDA Foreign Agricultural Service

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## Korea, Republic of

## Grain and Feed

## 2003 Rice Buying Tender Plan under MMA Quota

## 2003

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**Report Highlights:**

The Ministry of Agriculture and Forestry released a rice tendering plan to cover the 2003 minimum market access quota. Under the plan, tenders for U.S. #1 medium grain quality rice will be increased to 55,000 metric tons, up 37.5 percent from the previous year's plan.

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

Korea's minimum market access (MMA) quota for CY 2003 is set at 179,575 MT on a milled rice basis or 199,528 MT on a brown rice basis, up 16.6 percent from the previous year. The actual import tonnage, however, is expected to amount to 199,528 MT because Korea imports brown rice under the MMA quota. More than half the increase in the 2003 quota has been earmarked for rice meeting specifications for U.S. #1 or better medium grain rice. As a result, the CY 2003 tendering plan will include 55,000 MT of U.S. #1 or better medium grain brown rice compared to 40,000 MT in CY 2002.

The MMA quota is administered by the Ministry of Agriculture and Forestry (MAF) through two government-selected importers: Public Procurement Service (PPS) and the Agricultural and Fishery Marketing Corporation (AFMC). The AFMC is a state trading company under the auspices of the MAF. PPS is government purchasing organization under the Ministry of Finance and Economy. MAF has allocated 70,000 MT of the 2003 MMA quota to PPS and 129,528 MT to AFMC on a brown rice basis. Expected tender quantities and specifications are listed in the following table.

KOREA: 2003 Rice Purchasing Plan under MMA Quota (Brown Rice Basis)			
Commodity	Grade	2002 Purchase	2003 Plan
Long Grain	U.S. # 3 or better	25,000 MT	30,000 MT
Medium Grain	U.S. # 1 or better	40,000 MT	55,000 MT
Short Grain	U.S. # 1 or better	20,000 MT	20,000 MT
	U.S. # 3 or better	86,023 MT	94,528 MT
Total		171,023 MT	199,528 MT

MAF recently issued purchasing orders to PPS for 20,000 MT of rice meeting specifications for U.S.# 3 or better short grain brown rice and to AFMC for 15,000 MT of rice meeting U.S.#3 or better long grain brown rice specifications. On August 7, AFMC announced an invitation for a tender to be held August 27, 2003. PPS also released an invitation for a tender to be held September 2, 2003.

The tender invitations are available in English at [www.afmc.co.kr/hwp/03\\_08\\_14-4.hwp](http://www.afmc.co.kr/hwp/03_08_14-4.hwp) and <http://www.pps.go.kr>. However, Korean language-capable software is necessary to open the file after it is downloaded. Suppliers can also obtain the tender invitation by contacting [AgSeoul@usda.gov](mailto:AgSeoul@usda.gov). Excerpted conditions for the tender including some changes from past year conditions follow:

**Eligible Bidder:** This Invitation for Bids is open to all suppliers who have the capability to supply brown rice to the Republic of Korea. However, their bids shall be submitted to the PPS/AFMC through their local agent as a bidder. The local agent as a bidder must be one company and it must be a corporate body under the law of the Republic of Korea.

The capability of the supplier mentioned in shall be proven by the submission of sales records of rice to third countries. Suppliers who do not have **sales records of rice (milled basis) for more than 40,000 M/T** during the previous two years from **July 1st, 2001** to the bidding date shall be deemed unable to supply the rice and shall not be allowed to participate in the rice bidding. The bidder and the supplier who want to participate in this rice bidding shall submit the following documents to verify their eligibility with their bid to the PPS/AFMC:

-Agency Agreement between supplier and local agent

-Registration of Corporate Body (corporation) Certificate issued by the Registry Office (only applied to the agent of the supplier).

-Sales Record of Rice (milled) to third countries using the attached format. The certificate must be certified by one of the following authorities in the supplier's country of origin.

\*Korean Mission

\*Government agency concerned, or Chamber of Commerce

Changes in the tender invitation from the previous tenders are:

1. Delivery: Supplier must complete customs clearance at the designated port by December 31, 2003. The date of customs clearance means the date of acceptance of import declaration on the form of import declaration.
2. PACKING: All rice furnished shall be packed in a 40Kg new woven polypropylene bags or jute bags, at the supplier's option. The bags must meet the following requirements and kinds of bags must not be mixed in the same vessel.

colour : white(PP bag)

Size : 880mm±10mm × 570mm±10mm

weight : 690g ± 10% per bag (in case jute bag)

130.4g ± 10% per bag (in case P.P. bag)

Stitching method: After folding twice or folding it inside for about 5 cm, stitch the middle part of the folded area with an interval less than 5 mm. In case it is difficult to fold twice due to the characteristics of the machine, it can be allowed to fold one time after getting confirmation in advance from an inspector expressing that it is safe to transport brown rice in single stitched bag.

### 3. MARKING

Marking shall consist of the following information in sequence commensurate with the size of the container :

a) Contract number :

**b) Name of goods and Grade : Brown rice US NO1(or NO3)**

**c) Weight : 40kg(net)**

d) End-User : Ministry of Agriculture and Forestry(MAF)

e) Origin :

f). Shipper's name :