USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 2/26/2007

GAIN Report Number: KS7013

Korea, Republic of

Oilseeds and Products

Annual

2007

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Report Highlights:
U.S. market share had been declining in recent years due to competition from India and Brazil. In MY 2005/06, Korea was the 9th largest market for U.S. soybeans, down from the 7th place the previous year. Important trends that could affect U.S. exports in the future include Korea's antidumping petition on imported soybean oil, consumer concerns over trans-fats and biotechnology, and the expected impact of bio-diesel needs in the domestic U.S. market.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Seoul [KS1]
[KS]

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SECTION I. SITUATION AND OUTLOOK

The mature Korean soybean market has seen a decline in the U.S. market share in recent years. Bumper crops in the last two years reduced farm gate prices while planting areas continued to decrease. Domestic production is used primarily for traditional food use, whereas imported soybeans are used for crushing (about 75 percent) and for food processing (about 25 percent). The demand for soybeans for food processing has been stable while the crushing sector is still the driving force. In MY 2005/06, Korea was the 9th largest market for U.S. soybeans, down from the 7th place in the previous year.

The market environment for U.S. soybeans and soybean products will be getting more difficult in the future as local crushers are not competitive with imported meals and oils. Improvement in the quality and marketing system of South American soybeans has resulted in a growing market share for South American soybeans. The Biosafety protocol is also expected to impact soybean-derived products from the United States.

OILSEEDS

Production: In MY 2007/08, Korea's soybean area is expected to decrease slightly to a level of 85,000 hectares. Area is expected to decrease slightly in response to less attractive farm gate prices for soybeans and government plans to decrease the purchasing price of soybean grown in rice paddy areas to equal the price of upland grown soybeans. Soybean production is forecast at 140,000 metric tons in MY 2007/08 based on assuming a five-year average yield. In MY 2006/07, despite the sharply decreasing soybean area, consecutive record yields resulted in 156,404 mt.

Since 2002, the government has been encouraging rice farmers to grow soybeans. Under this program, the government has purchased the soybeans grown in the converted rice paddies; however, two consecutive bumper crops have resulted in lowering the purchasing price. In 2006/07, the government purchased 10,931 tons of soybeans grown in converted rice paddies at a cost of KRW 3,526 per kilogram and 2,112 tons of soybeans grown in upland production areas at a cost of KRW 3, 017 per kilogram. These purchasing prices are expected to remain relatively stable in 2007/08.

Consumption: Total soybean consumption is forecast to remain stagnant in MY 2007/08 at a level of 1.35 million tons comprised primarily of 0.9 million tons for crushing and 0.41 million tons for food use. Crushing use is expected to remain unchanged in MY 2007/08 from previous years while food use is expected to decrease 20,000 tons as local soybean production is decreasing. Lack of growth in the crushing demand reflects the growing competition Korean crushers face from imported oil and meal from Brazil and India.

Trade: Soybean imports are expected to remain at 1.2 million tons in MY 2007/08 reflecting stable demand from crushing and food processing sectors. On August 28, 2006, the Korean Soybean Processors Association (KSPA) filed an antidumping petition with the Korea Trade Commission (KTC) on soybean oil imported from the United States, Argentina and Brazil. The antidumping rate filed by KPSA was 40 percent for Brazilian soybean oil, 26 percent for Argentine soybean oil, and 20 percent for U.S. soybean oil. However, KTC officially adjusted the rates at the beginning of the antidumping investigation to 34.5 percent for Brazil, 23.7 for Argentina and 17.2 percent for the United States after their initial review. On March 12, 2007, KTC decided to conduct on-site visits of the producers and exporters to check the accuracy of the information submitted in the questionnaire. The final determination will be made after a comment period (usually one month) and public hearings. It is expected to take place sometime between August and September 2007. The final rule of the antidumping petition is likely to impact the future level of soybean imports for crushing purposes.

The United States is projected to export .5 million tons of soybeans to Korea in both MY 2006/07 and MY 2007/08. U.S. soybean exports to Korea are dependent on the level of competition from Brazil for crushing soybeans and from China for food grade soybeans. Brazil's share of the Korean soybean market increased from 28 percent in MY 2004/05 to 52 percent in MY 2005/06. Korean crushers perceive Brazilian soybeans to be competitive with U.S. soybeans for at least six months after the Brazilian harvest. Korean crushers claim that Brazilian soybeans purchased during the six-month period following harvest have higher oil and protein content than U.S. soybeans available during the same period.

Under 2007 TRQ, Korea Agro-Fishery Trade Corporation ("aT") purchased 150,000 tons of soybeans, 50,000 tons from China, 25,000 tons from Canada and the remainder from the United States. The aT had previously purchased mainly No. 1 non-GM soybeans for food processing through an identity preserved (IP) certification system from the United States. The "aT" decided to purchase soybeans from other countries this year because U.S. non-GM soybean prices were either too high or non-GM soybeans were unavailable.

The "aT" plans to hold additional non-GM soybean tenders under the TRQ of 80,000 - 100,000 tons for delivery in the second half of 2007. The additional TRQ will be released by MAF in March 2007. However, local traders are worried that they will not be able to meet the bidding requirements for a 25,000-ton cargo size shipment of non-GM soybeans from the United States. Currently, five months of lead-time is needed to make the 25,000 ton-cargo amount, which meets the contract specifications as the production of U.S. non-GM soybean continues to decline.

In the first three months of MY 2006/07 (Oct.-Dec. 2006), total soybean imports were 16 percent lower than the same period of the previous year due to the slow delivery of soybean for food processing purposes. Meanwhile, The increased pace of soybean imports for crushing during the first three months of MY 2006/07 reflects a greater demand for crushing to meet the speculative demand of soybean oil prior to the raising its retail price effective at the end of December 2006. Consequently, the initial pace of imports in MY 2006/07 is not expected to be maintained throughout the entire marketing year.

NON-GMO SOYBEANS

The "aT" is expected to continue to buy U.S. No. 1 non-biotech-enhanced soybeans for food processing through an identity preserved (IP) certification system under a tariff rate quota (TRQ). The "aT" plans to import non-GMO soybeans to meet the steady demand from manufacturers of soybean curd, soy sauce, soy paste, and soy-based seasonings under the 2007 soybean TRQ of 250,000 - 270,000 tons. About 10,000 tons of soybeans for sprouting purpose are also included in the TRQ. In the past, China has been the major supplier of soybeans for sprouting.

Private importers are expected to continue importing approximately 60,000 tons of soybeans for food purposes mainly from China. Chinese soybeans imported by private sector buyers are subject to the out-of-quota import tariff of 487 percent or Korean Won 956/kg, whichever is greater. Seventy percent of the soybeans imported from China are used for sprouting, 20 percent are used to make soybean curd, and the remaining ten percent are used to make soybean-based seasonings.

MEAL

Production: Local crushers expect the crush flattened at 900,000 tons for the time being. Thus, the production of soybean meal in MY 2007/08 is expected to remain at around 0.7 million tons on a 44 percent crude protein basis.

The domestic crushing industry has shifted to production of dehulled soybean meal (hipro meal) to meet the increasing demand from feed millers in an effort to restore their competitiveness against meal imported from South America and India. Meals produced by local crushers take three different forms, dehulled meal with a minimum of 47.5% protein and semi-dehulled meal with 45% protein or 46% protein. The figures mean that dehulled soybean meal containing 47.5 percent of crude protein (minimum) accounted for 27 percent of locally crushed soybean meal production in CY 2006. The domestic supply of hulls increased from 27,000 MT in 2005 to 34,000 MT in 2006.

Consumption: Feed demand for soybean meal has room for growth given the low soybean meal-inclusion rate in animal rations relative to the levels animal nutritionists generally recommend. Compound feed production in MY 2007/08 is projected to decrease slightly in response to inventory reductions in cattle and swine inventories due to the expected increase in beef imports from the United States. Poultry numbers are expected to remain stable. The projected decrease in compound feed production is expected to offset by improvements in the soybean meal inclusion rate. As a result, soybean meal consumption is expected to decrease slightly to 2.4 million tons in MY 2007/08. Korean feed millers claim to prefer soybean meal to other oil meals because the supply of soybean meal has been more reliable. The rapeseed meal inclusion rate will remain at around less than 2 percent of total compound feed production due to the limited demand.

Trade: In MY 2007/08, the import of soybean meal is forecast to flatten between 1.7 and 1.8 million tons for feed purposes as the needs of the livestock industry is expected to decline. South American and Indian soybean meal dominates the market; however, U.S. soybean meal is expected to reach more than 100,000 tons in 2007/08 to meet the greater demand of feed millers who recognize the value of dehulled soybean meal. Whenever U.S. prices are attractive vis-à-vis South American meals, Korea feed millers usually opt for U.S. dehulled soybean meal for swine, poultry and aquaculture feed. U.S. soybean meal exports to Korea are expected to reach 100,000 tons in 2006/07 based on the buying contracts to date. The Korean Feed Association (KFA) has recently established specifications for hipro meal in its quality standards for imported soybean meal. The revision of standards is expected to make U.S. hipro meal more competitive in price by being shipped in a Panamax vessel.

OIL

Production: Assuming that the final determination of the antidumping petition on imported soybean oil is neutral to the Korean market, narrow crushing margins are expected to continue and limit crusher interest in expanding oil production through MY 2007/08. In MY 2007/08, soybean oil production is forecast to remain unchanged from the previous year at 164,000 tons. The Korea Trade Commission (KTC) expects to make a final determination by September 2007.

Total soybean oil supply is expected to stay around 540,000 tons to meet domestic consumption including the additional demand created by the production of bio-diesel, which is under the two-year bio-diesel project to supply 180,000 kiloliters from July 2006 to June 2008 (Please refer to KS6060 for more information about Korea's biodiesel industry.)

Consumption: Total soybean oil consumption is expected to level off around 500,000 tons in MY 2007/08 due to the limited utilization of soybean oil for processing oil-based foods caused by concerns of trans-fats. Growing concerns among the Korean public about trans-fats from hydrogenated soybean oils have dampened the demand for soybean oil for food processing relative to substitutes. Implementation of mandatory labeling of trans-fats in the United States has focused attention on this issue in Korea. Increasing concerns about trans-fats are expected to eventually result in similar trans-fats labeling regulations in Korea and, in turn, a further reduction in the consumption of products containing hydrogenated soybean oil. In light of the labeling requirement on the use of trans-fats recently enacted by the United States, the Korean food-processing industry announced that it would control using fats and oil containing trans-fats by the end of 2007.

Although soybean oil has dominated the vegetable oil market in Korea, it is not competitive for use in restaurants and processing of oil-based foods. The functionality and price of palm oil has met demand in this area better than soybean oil. Therefore, palm oil consumption is expected to increase gradually because of the issue of trans-fats, which has forced food processors to use more palm oil as good substitutes for soybean oil

Trade: MY 2007/08 soybean oil imports are projected to flatten at 340,000 tons, which will be sharply increased due to a greater demand of bio-diesel in MY 2006/07, due to limited growth of soybean oil consumption caused by trans-fats. Imports of soybean oil have increased to more than half of total oil demand in recent years. Soybean oil imported from South America has been competitive with domestically produced soybean oil derived from imported soybeans. Food processors that use soybean oil as an input and restaurants have come to rely heavily on imported soybean oil.

In MY 2007/08, palm oil imports are projected to increase gradually due to a greater demand from bio-diesel industry. The Korean government reached an agreement with five major local petroleum refineries to voluntarily supply 180,000 kiloliters of bio-diesel through their gas stations across the nation for two years from July 2006 to June 2008. Registered bio-diesel plants with a total annual capacity of 307,000 tons plan to use soybean oil as raw material in MY 2006/07. However, some bio-diesel producers have currently tried to develop a processing technology adapting palm oil that is cheaper than soybean oil.

TARIFFS

The in-quota tariff rate for soybeans for crushing purposes remains unchanged at one percent for the quota amount of 1.2 million tons in 2007. The in-quota tariff rate for soybeans for food processing purposes also remains unchanged at five percent for the quota amount of 185,787 tons. Additional quota amounts will be released at the end of April 2007. The out-of-quota tariff rate for soybeans is 487 percent or Korean won 956/kg, whichever is greater.

A TRQ was established for soybean meal of 1.7 million tons in 2007. In contrast to the 2006 TRQ, the in-quota rate was decreased to one percent from 1.8 percent set under 1994 Uruguay round agreement. The base rate for cottonseed meal, copra meal and palm kernel meal has been reduced to 2 percent for all imported quantities from the previous 5 percent under the TRQ.

Soybean oil and cottonseed oil tariff rates in 2007 remain in line with the terms of the 1993 U.S./Korean bilateral agreement. TRQs for rapeseed oil imports will no longer be applied in 2007 because the base rate for crude rapeseed oil has been reduced to 8 percent from the previous 10 percent and refined rapeseed oil to 10 percent from the previous 30 percent.

MARKET OPPORTUNITIES

Over the next three to five years, the oilseed market is expected to be stagnant due to the narrow crushing margins of the local crushers. The economic recovery currently underway is expected to support strengthening demand for food and feed grade oilseeds as consumer preference for, and consumption of, oilseed-based products and animal protein grows. As domestic production of soybeans is expected to remain limited despite government support programs for soybean crops, oilseed imports will remain necessary because domestic production will always be insufficient to meet market requirements for both feed and food quality beans. Important trends that could affect U.S. exports include changing consumer perceptions of biotechnology and products derived from genetically enhanced ingredients; changes to oilseed, meal and vegetable oil tariffs; the availability of affordable commercial credit; and market development efforts. Concurrent issues of antidumping petition on imported soybean oil, trans-fats and bio-diesel are expected to impact on the trends of U.S. exports of oilseeds and products in the near future.

SECTION II. STATISTICAL TABLES OF OILSEED

Soybean, Oilseed PS&D

PSD Table

Country Korea, Republic of

Commodity Oilseed, Soybean (1000 HA)(1000 MT)

	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		10-2005	10-2005		10-2006	10-2006		10-2007	10-2007	MM/YYYY
rea Planted	0	0	105	0	0	90	0	0	85	(1000 HA)
rea Harvested	105	0	105	100	0	90	0	0	85	(1000 HA)
eginning Stocks	120	0	120	110	0	125	110	0	108	(1000 MT)
roduction	183	0	183	150	0	156	0	0	140	(1000 MT)
IY Imports	1190	0	1190	1275	0	1200	0	0	1200	(1000 MT)
IY Imp. from U.S.	0	0	0	0	0	0	0	0	500	(1000 MT)
IY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
otal Supply	1493	0	1493	1535	0	1481	110	0	1448	(1000 MT)
IY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
IY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
rush	960	0	875	990	0	900	0	0	900	(1000 MT)
ood Use Dom. Cons.	380	0	450	390	0	430	0	0	410	(1000 MT)
eed Waste Dom. Cons	43	0	43	45	0	43	0	0	43	(1000 MT)
otal Dom. Cons.	1383	0	1368	1425	0	1373	0	0	1353	(1000 MT)
nding Stocks	110	0	125	110	0	108	0	0	95	(1000 MT)
otal Distribution	1493	0	1493	1535	0	1481	0	0	1448	(1000 MT)
Y Imports	0	0	1127	0	0	1200	0	0	1200	(1000 MT)
Y Imp. from U.S.	0	0	526	0	0	500	0	0	500	(1000 MT)
Y Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Y Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix

Country Korea, Republic of

Commodit Oilseed, Soybean

Time Period	Oct/Sep	Units:	1,000 MT
Imports for:	2004		**2005**
U.S.	827	U.S.	514
Others		Others	
Brazil	343	Brazil	620
China	69	China	56
Total for Others	412		676
Others not Liste	1		0
Grand Total	1240		1190

Soybean Import Trade Matrix

Source: Korea Customs Service (KCS)

Korea: Oilseed Area and Production (Hectares and Metric tons)				
Crops	2005		2006	
	Area	Production	Area	Production
Soybean	105,421	183,338	90,248	156,404
Rapeseed	979	1,616	900a/	1,400a/
Peanuts b/	3,352	6,604	3,300	7,000
Sesame	33,971	23,461	31,077	15,489
Perilla	23,952	18,142	23,000a/	18,000a/
Total	167,675	227,161	148,455a/	198,293a/

Source: Ministry of Agriculture and Forestry
a/ FAS/Seoul estimates.
b/ In-shell

Korea: Soybean Production			
Crop Year	Area (HA)	Yield (KG/HA)	Production (mt)
1985	155,964	1,500	233,863
1990	152,265	1,529	232,786
1995	105,035	1,520	159,640
1999	87,026	1,334	116,120
2000	86,176	1,314	113,196
2001	78,415	1,501	117,723
2002	80,804	1,423	115,024
2003	80,447	1,306	105,089
2004	85,270	1,625	138,570
2005	105,421	1,739	183,338
2006	90,248	1,733	156,404

Source: Ministry of Agriculture and Forestry

Korea: Government Purchases of Soybeans					
Year	Grown in rice paddy area		Grown in upland area		Total Purchase (mt)
	Price (KRW/Kg) 1/	Quantity (mt)	Price (KRW/Kg) 1/	Quantity (mt)	
2002	4,770	2,526	2,407	2,500	5,026
2003	4,770	5,438	2,407	0	5,438
2004	4,770	10,462	2,407	0	10,462
2005	4,204	9,200	3,107	3,000	12,200
2006	3,526	10,931	3,107	2,112	13,043

Source: Korea Agro-Fishery Trade Corporation (KATC)
1/ based on No. 1 grade of large-sized kernel

Korea: Soybean Farm Gate Price Index		
Year and Months	Price Index	
2000	100	
2001	91.9	
2002	94.8	
2003	109.7	
2004	125	
2005	104.9	
Month	**2005**	**2006**
January	123.2	91.0
February	124.0	89.2
March	172.2	88.8
April	128.3	88.8
May	126.7	86.7
June	123.5	85.4
July	121.5	84.6
August	120.8	84.1
September	119.0	86.2
October	108.2	84.2
November	99.4	na
December	96.3	na

Source: National Livestock Cooperative Federation (NACF)

Korea: Soybean Imports for Oct.-Dec. by Origin (Unit: MT)					
Soybean for Crushing					
MY2006/07	USA	Brazil	China	Others	Total
Oct. 2006	2,970	73,480	0	0	76,450
Nov	69,641	14,678	20	0	84,339
Dec	78,164	52,215	0	0	130,379
Subtotal	**150,775**	**140,373**	**20**	**0**	**291,168**
MY2005/06 a/	**89,313**	**192,976**	**0**	**60**	**282,349**
Soybean for Food					
MY2006/07	USA	Brazil	China	Others	Total
Oct. 2006	0	2,000	1,062	0	3,062
Nov	2,964	1,000	2,257	0	6,221
Dec	24,754	800	11,085	0	36,639
Subtotal	**27,718**	**3,800**	**14,404**	**0**	**45,922**
MY2005/06 a/	**76,084**	**10,946**	**31,252**	**45**	**118,327**
Total					
MY2006/07	USA	Brazil	China	Others	Total
Oct. 2006	2,970	75,480	1,062	0	79,511
Nov	72,605	15,678	2,277	0	90,560
Dec	102,918	53,015	11,085	0	167,018
Subtotal	**178,493**	**144,173**	**14,424**	**0**	**337,090**
MY2005/06 a/	**165,397**	**203,922**	**31,252**	**105**	**400,676**

Source: Korea Customs Service (KCS)
a/ October – December 2005

Korea: Distribution, by State Trading Entities, of Soybeans for Food Manufacturing (Calendar Year, Metric Ton)			
Item\Year	2004	2005	2006
Soybean Curd	131,435	125,274	123,000
Soy Sauce	45,005	44,500	45,000
Soy Paste	4,700	3,824	3,000
Soy Milk	28,000	26,478	28,000
Others 1/	420	1,360	500
Sub. Total	209,555	201,436	199,500
By product 2/	31,000	30,930	27,000
Grand Total	240,555	232,366	226,500

Note: Quantity is on the basis of cleaned soybeans.
1/ Government, military employees and others
2/ Feed
Source: Korea Agro-Fishery Trade Corporation (KATC)

Korea: Soybean Consumption for Crushing (Metric Ton)			
Month	MY 04/05	MY 05/06	MY 05/06
October	69,135	66,300	81,000
November	87,037	73,100	83,000
December	75,014	65,700	83,300
January	76,609	64,500	Na
February	83,257	57,500	Na
March	83,880	83,300	Na
April	82,606	78,400	Na
May	89,274	78,000	Na
June	79,455	81,300	Na
July	83,000	84,600	Na
August	89,400	79,500	Na
September	76,700	92,700	Na
Total	975,367	874,900	Na

Source: Korea Soybean Processing Association

Korea: Soybean Crushing Capacity (As of November 2006)		
Soybean Crusher	Capacity (mt/day)	Location
Shin Dong Bang Corp	1,150	Inchon
CJ Corp	1,900	Inchon
Total	3,050	

Source: Soybean Crushing Industry
Note: Day=24 hours processing basis for 330 days

Korea: Oilseed Imports (Metric Tons, $1,000)				
	MY 2004/05		MY 2005/06	
	Volume	Value	Volume	Value
Soybean	1,240,095	380,363	1,190,465	348,308
Peanuts, in shell	637	184	317	188
Peanut, shelled	3,151	1,248	2,220	1,572
Linseed	134	128	315	208
Rapeseed	742	254	22	42
Sunflower Seed	1,087	1,392	3,207	3,231
Cottonseed	127,183	24,047	130,993	23,152
Castor Bean	107	50	9	6
Sesame Seed	68,757	64,951	77,504	74,401
Mustard Seed	2,516	1,390	2,225	1168
Safflower Seed	381	152	389	197
Perilla Seed	25,891	12,305	21,367	13,680
Total	1,470,681	486,464	1,428,583	466,153

Source: Korea Customs Service

Korea: Soybean Powder Imports (MT, $1,000)				
Country	2005		2006	
	Quantity	Value	Quantity	Value
U. S .A	1,022	535	1,062	931
China	17,089	8,009	19,303	8,984
Australia	21	21	246	329
Japan	0	0	9	64
Russia	69	24	106	40
Ukraine	0	0	55	23
Total	18,202	8,591	20,781	10,370

Source: Korea Customs Service

Korea: Tariff Schedule For Oilseeds (Percent)				
Commodity	H.S. Code	2005	2006	2007
Soybean 1/	1201.00.0000	5(0)	5(1)	5(1)
Peanuts, in Shell 2/	1202.10.0000	40	40	40
Peanuts, Shelled 2/	1202.20.0000	24	24	24
Copra	1203.00.0000	3	3	3
Linseed	1204.00.0000	3	3	3
Rapeseed 3/	1205.xx.xxxx	20(10)	20(10)	20(10)
Sunflower Seed	1206.00.0000	25	25	25
Cottonseed	1207.20.0000	3	3	3
Castor Beans	1207.30.0000	3	3	3
Sesame Seed 4/	1207.40.0000	40	40	40
Mustard Seed	1207.50.0000	3	3	3
Safflower Seed	1207.60.0000	3	3	3

Source: Korea Customs Research Institute, Tariff Schedules of Korea.

Note: The Seed Industry Act restricts imports of listed commodities for planting seed purposes.

1/ The number in parenthesis is the in-quota tariff rate assessed on the first 1.2 million tons of soybeans imported for crushing purposes. An applied duty rate of 5 percent is applied to the 185,787 tons of food grade soybeans imported by the “aT” under the TRQ. Soybeans imported out-of-quota by private importers are assessed a tariff rate of 487 percent or Korean won 956/Kg, whichever is greater.

2/ The in-quota amount is 4,907.3 tons on a shelled basis. Peanuts imported out-of-quota are assessed a tariff of 230.5 percent.

3/ The number in parenthesis is the applied (temporary) duty on all rapeseed imported excluding planting seed purpose.

4/ The in-quota amount is 6,731 tons. Sesame imported out-of-quota is assessed a tariff of 630 percent or Korean won 6,660/Kg, whichever is greater.

SECTION II. STATISTICAL TABLES OF MEALS

Soybean Meal PS&D

PSD Table

Country Korea, Republic of
Commodity Meal, Soybean

(1000 MT)(PERCENT)

	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		10-2005	10-2005		10-2006	10-2006		10-2007	10-2007	MM/YYYY
Crush	960	0	875	990	0	900	0	0	900	(1000 MT)
Extr. Rate, 999.9999	0.7917	0	0.792	0.7919	0	0.792222	0	0	0.792222	(PERCENT
Beginning Stocks	188	0	200	275	0	200	203	0	190	(1000 MT)
Production	760	0	693	784	0	713	0	0	713	(1000 MT)
MY Imports	1773	0	1752	1800	0	1800	0	0	1700	(1000 MT)
MY Imp. from U.S.	0	0	11	0	0	100	0	0	100	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	2721	0	2645	2859	0	2713	203	0	2603	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Cons.	25	0	22	26	0	23	0	0	23	(1000 MT)
Feed Waste Dom. Cons	2421	0	2423	2630	0	2500	0	0	2400	(1000 MT)
Total Dom. Cons.	2446	0	2445	2656	0	2523	0	0	2423	(1000 MT)
Ending Stocks	275	0	200	203	0	190	0	0	180	(1000 MT)
Total Distribution	2721	0	2645	2859	0	2713	0	0	2603	(1000 MT)
CY Imports	0	0	1709	0	0	1800	0	0	1700	(1000 MT)
CY Imp. from U.S.	0	0	12	0	0	100	0	0	100	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
SME	2446	0	2445	2656	0	2523	0	0	2423	(1000 MT)

Soybean Meal Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of

Commodit Meal, Soybean

Time Period	Oct/Sep	Units:	1000 MT
Imports for:	2004		**2005**
U.S.	2	U.S.	11
Others		Others	
Brazil	911	Brazil	696
India	153	India	411
Argentina	359	Argentina	609
China	14	China	18
Total for Others	1437		1734
Others not Liste	5		7
Grand Total	1444		1752

Source: Korea Customs Service (KCS)

PSD Table

Country Korea, Republic of

Commodity Meal, Rapeseed

(1000 MT)(PERCENT)

	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		10-2005	10-2005		10-2006	10-2006		10-2007	10-2007	MM/YYYY
rush	2	1	2	1	1	2	0	0	2	(1000 MT)
xtr. Rate, 999.9999	0.5	1	0.5	0	1	0.5	0	0	0.5	(PERCENT
eginning Stocks	43	45	45	43	31	32	33	27	28	(1000 MT)
roduction	1	1	1	0	1	1	0	0	1	(1000 MT)
IY Imports	260	300	260	300	300	300	0	0	300	(1000 MT)
IY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
IY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
otal Supply	304	346	306	343	332	333	33	27	329	(1000 MT)
IY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
IY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
ıdustrial Dom. Cons.	45	30	30	45	20	20	0	0	20	(1000 MT)
ood Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
eed Waste Dom. Cons	216	285	244	265	285	285	0	0	285	(1000 MT)
otal Dom. Cons.	261	315	274	310	305	305	0	0	305	(1000 MT)
nding Stocks	43	31	32	33	27	28	0	0	24	(1000 MT)
otal Distribution	304	346	306	343	332	333	0	0	329	(1000 MT)
Y Imports	0	300	291	0	300	300	0	0	300	(1000 MT)
Y Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Y Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Y Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
ME	185.702	224.1225	194.951	220.57	217.0075	217.0075	0	0	217.0075	(1000 MT)

Rapeseed Meal Import Trade Matrix

Import Trade Matrix

Country	Korea, Republic of		
Commodit	Oilseed, Rapeseed		
Time Period	Oct/Sep	Units:	1,000 MT
Imports for:	2004		**2005**
U.S.	0	U.S.	0
Others		Others	
India	274	India	254
Canada	10	Canada	0
China	8	China	5
Total for Others	292		259
Others not Liste	0		1
Grand Total	292		260

Source: Korea Customs Service (KCS)

Korea: Soybean Meal Production [1/] (Metric Ton)			
Month	MY 04/05	MY 05/06	MY 06/07
October	52,007	50,275	59,712
November	63,602	55,745	60,590
December	60,863	49,249	60,675
January	58,126	48,119	Na
February	63,673	43,386	Na
March	63,324	61,052	Na
April	62,109	56,887	Na
May	67,986	57,248	Na
June	60,931	58,940	Na
July	63,288	62,728	Na
August	67,821	62,302	Na
September	59,080	47,076	Na
Total	742,808	653,007	Na
Extraction Rate	76.16%	74.64%	73.18%

Source: Korea Soybean Processing Association
1/ based on crushers' applicable extraction rate.

Korea: Feed Ingredients Use for Animal				
Items	MY 2004/05		MY 2005/06	
	1,000 mt	Percent	1,000 mt	Percent
Total Grains and Grain Substitution	**9,896**	**65.5**	**10,118**	**65.4**
- Wheat	1,153	7.6	1,440	9.3
- Corn	6,619	43.8	6,510	42.1
- Others	2,124	14.1	2,168	14.0
Total Vegetable Protein	**3,510**	**23.2**	**3,619**	**23.4**
- Soybean Meal	2,116	14.0	2,223	14.4
- Rapeseed Meal	285	1.9	244	1.6
- Cottonseed Meal	53	0.4	29	0.2
- Palm Kernel Meal	343	2.3	352	2.3
Copra Meal	397	2.6	440	2.8
- Others	316	2.0	331	2.1
Total Animal Protein	**129**	**0.9**	**123**	**0.8**
- Fish meal	41	0.3	37	0.2
-Meat & Bone Meal	19	0.1	18	0.1
-Others	69	0.5	68	0.4
Total Others	**1,575**	**10.4**	**1,609**	**10.4**
TOTAL COMPOUND FEED	**15,110**	**100**	**15,469**	**100**

Source: Korea Feed Association

Korea: Imports of Major Protein Meals (October/September)				
	MY 2004/05		MY 2005/06	
	Volume (MT)	Value (1,000$)	Volume (MT)	Value (1,000$)
Soybean Meal	1,444,410	374,555	1,752,162	416,365
Rapeseed Meal	292,267	44,560	259,641	37,976
Fish Meal	48,260	36,681	48,606	50,135
Bone Meal	199	561	214	439
Cottonseed Meal	59,771	9,634	25,394	4,707
Sunflower Seed Meal	7,806	1,103	75	16
Copra Meal	402,878	45,716	447,834	42,002
Palm Kernel Meal	412,599	29,684	394,995	30,537
Corn Germ Meal	0	0	1,745	257
Others	150,580	15,707	122,394	12,930
Total	2,818,770	558,201	3,053,070	595,423

Source: Korean Customs Service (KCS)

Korea: Soybean Meal Imports for Oct.-Dec. by Origin (Unit: MT)							
MY 2006/07	USA	Brazil	Argentina	India	China	Others	Total
Oct. 2006	1,441	32,804	67,098	1,519	2,832	240	105,934
Nov	0	90,023	29,412	26,291	775	120	146,622
Dec	784	73,947	2,597	42,383	11,210	120	131,041
Subtotal	**2,225**	**196,774**	**99,107**	**70,193**	**14,817**	**480**	**383,596**
MY 2005/06 a/	1,383	299,057	118,070	2,014	5,686	400	426,610

Source: Korea Customs Service (KCS)
a/ October – December 2005

Korea: Compound Feed Production (October/September, 1,000 mt)		
Animal Type	MY 2004/05	MY 2005/06
Poultry	4,188	4,238
Swine	5,244	5,176
Cattle	4,812	5,096
Others a/	815	898
Sub. Total	15,059	15,408
Aquaculture b/	90	103
Milk Substitute	101	111
Grand Total	15,250	15,622

Source: Korea Feed Association (KFA)
a/ include ducks, pet food, rabbit, horse, sheep, deer, quail etc.
b/ on extruded pellet basis

Korea: Animal Inventory (1,000 Head, 1,000 Birds)					
Animal	Year	March	June	September	December
Beef Cattle	2003	1,337	1,423	1,464	1,480
	2004	1,521	1,627	1,667	1,666
	2005	1,654	1,757	1,825	1,819
	2006	1,836	1,959	2,021	2,020
	2007	2,010c/	na	na	2,140c/
Dairy Cattle	2003	552	541	526	519
	2004	517	509	503	497
	2005	497	491	485	479
	2006	482	471	468	464
	2007	462c/	na	na	453c/
Swine	2003	9,027	9,051	9,287	9,231
	2004	9,189	9,017	9,046	8,908
	2005	8,838	8,786	8,993	8,962
	2006	9,010	9,030	9,369	9,307
	2007	9,342c/	na	na	na
Layer a/	2003	48,740	49,080	49,380	48,350
	2004	47,910	48,060	49,090	48,000
	2005	51,370	54,390	55,020	53,392
	2006	53,520	55,200	55,390	56,810
	2007	57,300c/	na	na	Na
Broiler b/	2002	52,436	72,193	47,118	45,005
	2003	47,490	66,756	42,451	44,803
	2004	36,493	62,170	47,714	50,120
	2005	52,740	88,137	65,830	50,422
	2006	61,920	98,880	69,380	46,990

Source: Korea Rural Economic Institute
a/ Excluding breeders.
b/ Excluding multi-use broilers.
c/ Korea Rural Economic Institute Forecast.
d/ Annual Average by Korea Rural Economic Institute Forecast

Korea: Applied Tariff Schedule for Oil Cake and Meals (Percent)				
Commodity	H.S. Code	2005	2006	2007
Soybean Meal a/	2304.00.0000	3 (1.8)	3 (1.8)	3 (1) c/
Peanut Meal	2305.00.0000	5	5	5
Cottonseed Meal b/	2306.10.0000	5 (2)	5 (2)	2
Linseed Meal	2306.20.0000	5	5	5
Sunflower Seed Meal	2306.30.0000	5	5	5
Rapeseed Meal	2306.40.0000	0	0	0
Copra Meal b/	2306.50.0000	5(2)	5(2)	2
Palm Kernel Meal b/	2306.60.0000	5(2)	5(2)	2

Source: Korea Customs Service

a/ The figure in parentheses is the agreed rate under the Uruguay Round Agreement.

b/ Base rate has been reduced to 2 percent from the previous 5 percent for all imported quantities.

c/ The in-quota tariff rate is in parentheses. The applied duty is assessed on the first 1.7 million tons of soybean meal.

SECTION II. STATISTICAL TABLES OF OILS

Soybean Oil PS&D

PSD Table

Country Korea, Republic of

Commodity Oil, Soybean

(1000 MT)(PERCENT)

	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		10-2005	10-2005		10-2006	10-2006		10-2007	10-2007	MM/YYYY
:rush	960	0	875	990	0	900	0	0	900	(1000 MT)
:xtr. Rate, 999.9999	0.17813	0	0.186286	0.17879	0	0.182222	0	0	0.182222	(PERCENT
3eginning Stocks	12	0	50	12	0	36	16	0	35	(1000 MT)
?roduction	171	0	163	177	0	164	0	0	164	(1000 MT)
/IY Imports	265	0	265	270	0	340	0	0	340	(1000 MT)
/IY Imp. from U.S.	0	0	14	0	0	0	0	0	0	(1000 MT)
/IY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
otal Supply	448	0	478	459	0	540	16	0	539	(1000 MT)
/IY Exports	4	0	4	4	0	5	0	0	5	(1000 MT)
/IY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
ndustrial Dom. Cons.	17	0	18	19	0	80	0	0	80	(1000 MT)
ood Use Dom. Cons.	415	0	420	420	0	420	0	0	420	(1000 MT)
eed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
otal Dom. Cons.	432	0	438	439	0	500	0	0	500	(1000 MT)
:nding Stocks	12	0	36	16	0	35	0	0	34	(1000 MT)
otal Distribution	448	0	478	459	0	540	0	0	539	(1000 MT)
:Y Imports	0	0	271	0	0	340	0	0	340	(1000 MT)
:Y Imp. from U.S.	0	0	35	0	0	0	0	0	0	(1000 MT)
:Y Exports	0	0	4	0	0	5	0	0	5	(1000 MT)
:Y Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

Soybean Oil Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of

Commodit Oil, Soybean

Time Period	Oct/Sep	Units:	1000MT
Imports for:	2004		2005
U.S.	14	U.S.	14
Others		Others	
Argentina	202	Argentina	241
Brazil	17	Brazil	10
Total for Others	219		251
Others not Liste	11		0
Grand Total	244		265

Source: Korea Customs Service (KCS)

Palm Oil PS&D

PSD Table

Country Korea, Republic of

Commodity Oil, Palm

(1000 HA)(1000 TREES)(1000 MT)

	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		10-2005	10-2005		10-2006	10-2006		10-2007	10-2007	MM/YYYY
rea Planted	0	0	0	0	0	0	0	0	0	(1000 HA)
rea Harvested	0	0	0	0	0	0	0	0	0	(1000 HA)
rees	0	0	0	0	0	0	0	0	0	(1000 TREI
eginning Stocks	7	10	10	6	10	10	8	10	10	(1000 MT)
roduction	0	0	0	0	0	0	0	0	0	(1000 MT)
IY Imports	227	230	219	240	235	230	0	0	240	(1000 MT)
IY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
IY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
otal Supply	234	240	229	246	245	240	8	10	250	(1000 MT)
IY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
IY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
ıdustrial Dom. Cons.	18	20	20	18	20	20	0	0	25	(1000 MT)
ood Use Dom. Cons.	180	200	189	190	205	200	0	0	205	(1000 MT)
eed Waste Dom. Con:	30	10	10	30	10	10	0	0	10	(1000 MT)
otal Dom. Cons.	228	230	219	238	235	230	0	0	240	(1000 MT)
nding Stocks	6	10	10	8	10	10	0	0	10	(1000 MT)
otal Distribution	234	240	229	246	245	240	0	0	250	(1000 MT)
Y Imports	0	230	223	0	235	230	0	0	240	(1000 MT)
Y Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Y Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Y Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)

Palm Oil Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of
Commodit Oil, Palm

Time Period	Oct/Sep	Units:	1,000MT
Imports for:	2004		**2005**
U.S.	0	U.S.	
Others		Others	
Malaysia	224	Malaysia	219
Total for Others	224		219
Others not Liste	4		8
Grand Total	228		227

Source: Korea Customs Service (KCS)

Korea: Vegetable Oil Production 1/ (Metric Ton)			
Commodities	MY 2003/04	MY 2004/05	MY 2005/06
Soybean Oil	194,294	177,903	163,300
Corn Oil	46,077	43,299	44,038
Sesame Oil	21,774	22,413	23,906
Rice Bran Oil	10,000	10,000	10,000
Rapeseed Oil	402	640	460
Perilla Oil	17,470	17,694	18,127
Total	290,017	271,949	259,831

1/ FAS/Seoul estimates

Source: Foreign Agriculture Service, Seoul, Korea

Korea: Soybean Oil Production (Metric Ton)			
Month	MY 04/05	MY 05/06	MY 06/07
October	12,562	12,000	15,500
November	16,026	13,700	16,000
December	14,173	12,000	15,000
January	14,097	13,000	Na
February	14,810	10,500	Na
March	14,819	13,700	Na
April	14,536	13,500	Na
May	16,208	15,400	Na
June	14,672	16,000	Na
July	15,000	15,500	Na
August	17,000	15,500	Na
September	14,000	12,500	Na
Total	177,903	163,300	Na
Extraction Rate	18.24%	18.66%	18.80%

Source: Korea Soybean Processing Association (KSPA)

Korea: The Supply of Edible Oils (Metric Ton)			
Commodity	MY 2003/04	MY 2004/05	MY 2005/06
Soybean Oil	405,527	421,550	428,138
Palm Oil	212,799	228,351	228,108
Corn Oil	55,732	57,096	47,716
Rapeseed Oil	19,455	20,341	21,711
Coconut Oil	52,694	55,882	54,143
Olive Oil	18,893	26,630	22,819
Cottonseed Oil	7,239	9,526	7,508
Sesame Oil	22,232	23,218	24,644
Rice Bran Oil	13,435	13,149	12,516
Perilla Oil	17,959	18,325	19,019
Fish Oil	9,288	10,104	10,256
Sunflower Oil	1,076	1,568	3,135
Total	836,329	885,740	879,713

Source: Foreign Agriculture Service, Seoul, Korea

Korea: Fats And Oils Imports (MT & US$ 1,000, Oct./Sep.)				
Commodity	MY 2004/05		MY 2005/06	
	Volume	Value	Volume	Value
Palm Oil	228,351	100,946	218,685	95,326
Tallow	80,322	34,855	113,891	49,705
Coconut Oil	55,882	38,253	54,169	32,991
Cottonseed Oil	9,526	5,815	7,508	4,038
Fish Oil	9,104	10,895	9,256	12,232
Soy Oil	243,647	137,659	264,838	136,385
Corn Oil	13,797	10,364	3,678	2,647
Rapeseed Oil	19,701	12,696	21,251	13,569
Palm Kernel Oil	7,146	5,213	6,113	4,264
Tung Oil	4,242	7,437	1,458	2,048
Rice Bran Oil	3,149	2,697	2,516	2,468
Castor Oil	6,230	9,213	3,371	5,702
Linseed Oil	6,085	7,271	5,732	5,006
Sunflower Oil	1,568	2,461	3,135	4,259
Safflower Oil	165	368	180	451
Olive Oil	26,630	98,914	22,819	109,534
Jojoba Oil	26	293	23	319
Peanut Oil	65	128	17	35
Sesame Oil	805	1,455	738	1,528
Perilla Oil	631	615	892	1,002
Camellia Oil	15	94	7	59
Other Oil	5,868	17,383	14,392	44,465
Total	722,955	505,025	764,092	532,783

Source: Korea Customs Service (KCS)

Korea: Soybean Oil Imports for Oct.-Dec. by Origin (Unit: MT)					
MY 2006/07	USA	Argentina	Brazil	Others	Total
Oct. 2006	24	23,806	0	13	23,845
Nov	6,638	17,557	0	11	24,206
Dec	14,454	12,488	996	7	27,945
Subtotal	**21,116**	**53,851**	**996**	**33**	**75,996**
MY2005/06 a/	108	62,688	6,896	28	69,720

Source: Korea Customs Service (KCS)
a/ October – December 2005

Korea: Applied Tariff Schedule For Fats And Oils (Percent)				
Commodity	H.S. Code	General Rate	2006	2007
Lard	1501.00.10XX	3	3	3
Beef Tallow	1502.00.10XX	2	2	2
Other Tallow	1502.00.90XX	3	3	3
Fish Oil	1504.XX.XXXX	3	3	3
Soybean Oil a/	1507.XX.XXXX	8	5.4	5.4
Peanut Oil a/	1508.XX.XXXX	40	27	27
Olive Oil	1509.XX.XXXX	8	8	8
Palm Crude Oil	1511.10.0000	3	3	3
Palm Oil	1511.90.XXXX	2	2	2
Sunflower Oil	1512.1X.XXXX	10	10	10
Safflower Oil	1512.1X.XXXX	8	8	8
Cotton Seed Oil a/	1512.2X.XXXX	8	5.4	5.4
Coconut Oil	1513.1X.XXXX	3	3	3
Palm Kernel Oil	1513.2X.XXXX	8	5	5
Rapeseed Oil, Crude b/	1514.10.1000	8	8	8
Rapeseed Oil, Refined c/	1514.19.XXXX	10	10	10
Linseed Oil	1515.1X.XXXX	8	8	8
Corn Oil	1515.2X.XXXX	8	8	8
Castor Oil	1515.30.XXXX	8	8	8
Tung Oil	1515.40.XXXX	8	8	8
Sesame Oil d/	1515.50.XXXX	40	40	40

Source: Korea Customs Research Institute, Tariff Schedules for Korea
a/ Per Country Schedule.
b/ Base rate has been reduced to 8 percent from the previous 10 percent.
c/ Base rate has been reduced to 10 percent from the previous 30 percent under HS Code 1514.19.1000, 1514.19.9000, 1514.19.9000, 1514.99.1010 and 1514.99.9000.
d/ In-Quota tariff rate. Quota is 668 tons. The out-of-quota tariff rate is 630 percent or 12,060 Won/Kg, whichever is greater.