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Report Highlights:

The FAS Seoul June 2021 Grain and Feed update covers changes to the Korean rice situation since the March 2021 Grain and Feed Annual report. MY 2021/22 rice production, consumption, and imports are unchanged from FAS Seoul's initial forecast, which included a projected 8 percent increase in Korean rice production this year. Auctions under the 2021 TRQ for U.S. rice have been slower this year due to COVID-19 related challenges, with 31 percent of the TRQ auctioned as of June 2021.

Commodities:

Rice, Milled

Rice Production

MY 2021/22 rice production remains unchanged from the initial forecast in the [2021 Grain and Feed Annual](#) released on April 1, 2021.

Area

Based on the actual planted acreage survey conducted by KREI from May 12-18, 2021, rice area is revised up slightly (200 ha) from the initial forecast to 728,900 ha.

Table 1

Korea: 2021 Rice Production Forecast		
	2020 Rice Production	2021 Rice Production Forecast ^{1/}
Area (1,000 ha)	726	729 ^{a/}
Yield (kg/ha)	4,827	5,210 ^{b/}
Production (1,000MT)	3,507	3,793

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA) & KOSTAT

a/ KREI Survey for May 12-18, 2021

b/ applied the average yield for past five years

Table 2

Korea: Rice Area, Yield and Production			
Crop Year	Area (1,000ha)	Yield (KG/ha)	Production (Milled, 1,000 MT)
2011	854	4,946	4,224
2012	849	4,718	4,006
2013	833	5,081	4,230
2014	816	5,200	4,241
2015	799	5,416	4,327
2016	779	5,389	4,197
2017	755	5,264	3,972
2018	738	5,244	3,868
2019	730	5,131	3,744
2020	726	4,827	3,507
2021	729 ^{a/}	5,210 ^{b/}	3,797

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)

a/ KREI Survey for May 12-18, 2021

b/ applied slightly lower yield than the average yield for past five years due to newly revised direct payment program is no longer related with the level of yield

Rice Consumption

FAS Seoul estimates for consumption remain unchanged from the previous report.

Table 3

Korea: Rice Utilization Pattern (1,000 MT, milled)				
Rice Year (November – October)	MY 2017/18 ^a	MY 2018/19 ^b	MY 2019/20 ^c	MY 2020/21 ^c
Table Rice	3,161	3,070	2,990	2,926
Processing	1,427	1,197	840	781
(for food)	(568)	(553)	(570)	(580)
(for liquor)	(188)	(191)	(200)	(200)
(for feed)	(671)	(453)	(70)	(1)
Seed	32	32	32	32
Other and Loss	132	351	150	150
Total Demand	4,752	4,650	4,012	3,889
Per Capita Table Rice Consumption (kg)	61.0	59.2	57.7	56.5

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)

a/ MAFRA Revised

b/ MAFRA Preliminary

c/ FAS/Seoul forecast

Table 4

Korea: Rice Consumption for Animal Feed (Marketing Year, Brown rice basis, MT)									
Month	MY 2018/19			MY 2019/20			MY 2020/21		
	Domestic Rice	Imported Rice	Total	Domestic Rice	Imported Rice	Total	Domestic Rice	Imported Rice	Total
November	66,286	1,009	67,295	29,500	2,518	32,018	140	0	140
December	53,349	2,021	55,370	25,168	1,338	26,506	200	0	200
January	42,868	116	42,984	9,927	63	9,990	119	0	119
February	43,781	8	43,789	3,822	0	3,822	136	0	136
March	51,147	26	51,173	1,897	0	1,897	132	0	132
April	42,124	6	42,130	1,042	0	1,042	89	0	89
May	35,510	1,112	36,622	672	0	672	na	na	na
June	37,845	17	37,862	284	0	284	na	na	na
July	42,311	1,808	44,119	318	0	318	na	na	na
August	33,284	3,606	36,890	227	0	227	na	na	na
September	31,142	5,210	36,352	152	0	152	na	na	na
October	33,156	3,535	36,691	119	0	119	na	na	na
Total	512,804	18,474	531,278	73,128	3,919	77,047	na	na	na
Total (milled)	461,523	16,627	478,150	65,815	3,527	69,342	na	na	na

Source: Korea Feed Association (KFA)

Note: actual rice consumption for feed is slightly different from government's estimate of feed use

Rice Trade

Imports:

Rice imports for MY 2020/21 and MY 2021/22 remain unchanged from the previous report.

2021 TRQ Tendering Process:

In the 2021 Tariff Rate Quota (TRQ) purchasing plan, Korea will purchase 408,700 MT of rice (milled basis) under the newly agreed rice tariffication system in effect since January 2020.

Within the rice TRQ, Korea established a country-specific quota (CSQ) for five major rice exporters and allocated the following volumes on a milled rice basis:

United States: 132,304 MT

China: 157,195 MT

Vietnam: 55,112 MT

Thailand: 28,494 MT

Australia: 15,595 MT

Most-Favored Nation (MFN): 20,000 MT

Under the 2021 TRQ thus far, Korea has purchased 205,106 MT for delivery in 2021, representing 50 percent of the total TRQ as shown in Table 5. However, actual delivery for the remainder of the TRQ is expected to occur in the first half of 2022.

As of June 2021, the United States has sold 41,500 MT (milled) or 31 percent of the 2021 TRQ, due to COVID-19 related bidding process slowdowns. aT plans to hold buying tenders targeting the new crop of U.S. medium grain rice to be delivered in the first half of 2022.

Table 5

Korea: Updated Rice Contracts Status by Country under 2021 CSQ/MFN TRQ				
(Metric Ton, milled, as of June 3, 2021)				
Country	Allocated TRQ	Contracts	Open	Contractual Rate
USA	132,304	41,500	90,804	31
China	157,195	105,000	52,195	67
Vietnam	55,112	30,112	25,000	55
Thailand	28,494	28,494	0	100
Australia	15,595	0	15,595	0
MFN	20,000	0	20,000	0
Total	408,700	205,106	203,594	50

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

Auctions for Imported Table Rice:

The Korea Agro-Fisheries & Food Trade Corporation (aT) sells imported table rice shipments to consumer distribution channels through a public auction system. The Ministry of Agriculture, Food and Rural Affairs (MAFRA) distributes processing rice to end-users, such as food processors and alcoholic beverage producers, at a set price throughout the year.

With the very slow pace of auctions for imported rice for table use since 2013, unsold rice eventually ends up being converted for processing use (such as alcohol) following quality deterioration in storage. Unsold rice imported under the 2014-2016 TRQ has already been converted to alcohol, but the unsold portions imported under the 2017-2018 TRQ are still sitting in the warehouse waiting for conversion (Table 6-8).

As of June 7, 2021, selling auctions for the 2019 TRQ 37,000 MT of U.S. medium grain rice have amounted to 19,986 MT, reaching 54 percent of total imports and representing a significantly faster pace than prior year TRQs. If auctions continue at the current pace, remaining 2019 TRQ volume will be completely auctioned off in four months. As of March 29, 2021, nearly the entire 3,000 MT of Vietnamese long grain was successfully auctioned (Table 9).

Under the 2020 TRQ, Korea has imported 38,500 MT of USDA No. 1 medium grain milled rice from the United States in the first half of 2021 and 1,500 MT of Thai long grain milled rice composed of 1,410 MT of USDA No. 3 long grain and 90 MT of USDA No. 1 Hom Mali (Aroma) in October 2020. Selling auctions for U.S. medium grain are expected to take place in late 2021 or early 2022, soon after completing 2019 TRQ auctions, while as of June 7, 2021 Thai long grain has auctioned off 703 MT (47 percent of total imports) since April 2021 (Table 10).

Table 6

Korea: Status of Table Rice Imports and Distribution					
(MT, Milled rice)					
TRQ (Calendar Year)	Total Rice Imports	Table Purpose	Rate of Table Rice of Total Imports (%)	Distribution to Consumers Market	Conversion to Processing
MMA Quota Regime (2005-2014)					
2005	225,575	22,557	10	22,557	0
2006	245,922	34,429	14	34,429	0
2007	266,270	47,928	18	47,928	0
2008	286,617	63,055 ^{a/}	22	38,121	24,934
2009	306,964	79,810 ^{b/}	26	45,007	34,803
2010	327,311	98,193 ^{c/}	30	92,576	5,617
2011	347,658	104,297	30	104,297	0
2012	368,006	110,401	30	110,401	0

2013	388,353	116,505	30	116,505	0
2014	408,700	122,610 ^{d/}	30	65,072	57,538
Total	3,171,376	799,785	25	676,893	122,892
TRQ Regime (Since 2015)					
2015	408,700	60,000 ^{e/}	15	7,041	52,959
2016	408,700	50,000 ^{f/}	12	26,310	23,690
2017	408,700	40,000 ^{g/}	10	25,914	14,086
2018	408,700	39,800 ^{h/}	9.7	27,689	12,111
2019	408,700	40,000 ^{i/}	10	22,979	na
2020	408,700	40,000 ^{j/}	10	703	na

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

a/ of which, 24,934MT of Chinese rice was diverted to alcohol processing purpose in CY 2010

b/ of which, 33,303 MT of Chinese rice and 1,500 MT of Thai rice were diverted to alcohol processing purpose in CY 2011

c/ of which, 5,671MT of Chinese rice were diverted to alcohol processing purpose in CY 2012.

d/ of which, 8,754 MT of U.S. rice, 43,386 of Chinese rice and 5,395 MT of Australian rice were converted to alcohol processing purpose in CY 2016

e/ of which, 34,035 MT of U.S. rice and 18,924 MT of Chinese rice have been converted to alcohol processing purpose in CY 2018

f/ suspended auctions for 23,084 MT of U.S. medium grain and 546 MT of Vietnamese short grain as of September 24, 2018 but completed auctioning-off for 7,000 MT of Thai long grain as of January 2, 2019. 546 MT of Vietnamese short grain has already converted to alcohol processing immediately. The unsold U.S. medium grain has been converted to alcohol processing since January 2019.

g/ consisting of 37,000MT of U.S. medium grain and 3,000MT of Vietnamese long grain, of which, 13,546 MT of U.S. rice will be converted to alcohol processing after suspending selling auction on Jan. 6, 2020 and 540 MT of Vietnamese long grain was converted to animal feed due to a damage over transportation.

h/ consisting of 2,800 MT of Vietnamese long grain delivered in December 2018 and 37,000 MT of U.S. medium grain delivered during April - May 2019 based on contracts. of which, 12,010 MT of U.S. rice will be converted to alcohol or food processing after suspending selling auction on Dec. 30, 2020 with Vietnamese long grain auctions completed on June 1, 2020

i/ consisting of 3,000 MT of Vietnamese long grain delivered in April 2020 and 37,000 MT of U.S. medium grain delivered during February - June 2020 based on contracts. Selling auctions for Vietnamese long grain completed on March 29, 2021 with U.S. medium grain auctioning off from Jan. 4, 2021.

j/ consisting of 1,500 MT of Thai long grain delivered in October 2020, ongoing selling auctions since April 5, 2021 and 38,500 MT of U.S. medium grain delivered during January - June 2021 based on contracts.

Table 7

Korea: Status of Rice Auction for Table Rice under 2017 TRQ						
(Unit: metric tons, milled basis, as of Jan. 6, 2020)						
Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price 1/
U.S. Medium Grain 2/ (Jan. 23, 2019~Jan 6, 2020)	#1	37,000	23,454	13,546	63	1,828
Vietnamese Long Grain 3/ (Jan. 9 – Oct 19, 2019)	#1	3,000	2,460	540	82	960
Total		40,000	25,914	14,086	65	

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

1/ Weighted average in Korean Won per Kg

2/ imported in the first half of 2018 with 2017 crop. Suspended auctions for U.S. medium grain since January 6, 2020 due to deteriorated quality, the remainder will be converted to alcohol processing purpose.

3/ completed selling auction on October 19, 2019, the remainder was converted to animal feed due to a damage over transportation

Table 8

Korea: Status of Rice Auction for Table Rice under 2018 TRQ (Unit: metric tons, milled basis, as of December 30, 2020)						
Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price 1/
U.S. Medium Grain 2/ (Jan 13 – Dec 30, 2020)	#1	37,000	24,899	12,101	67	1,782
Vietnamese Long Grain3/ (Aug 26, 2019~June 1, 2020)	#1	2,800	2,790	10	100	1,308
Total		39,800	27,689	12,111	70	

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

1/ Weighted average in Korean Won per Kg

2/ imported in the first half of 2019 with 2018 crop, stopped selling auctions as of December 30, 2020 due to deteriorated quality, the unsold will be converted to alcohol or food processing purpose.

3/ imported in December 2018, completed selling auctions as of June 1, 2020

Table 9

Korea: Status of Rice Auction for Table Rice under 2019 TRQ (Unit: metric tons, milled basis, as of June 7, 2021)						
Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price 1/
U.S. Medium Grain 2/ (Jan 4, 2021~)	#1	37,000	19,986	17,014	54	1,848
Vietnamese Long Grain3/ (June 8, 2020~March 29, 2021)	#1	3,000	2,993	7	100	1,170
Total		40,000	22,979	17,012	57	

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

1/ Weighted average in Korean Won per Kg

2/ delivered in the first half of 2020, ongoing selling auctions since January 4, 2021.

3/ delivered in April 2020, completed selling auctions on March 29, 2021

Table 10

Korea: Status of Rice Auction for Table Rice under 2020 TRQ (Unit: metric tons, milled basis, as of June 7, 2021)						
Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price 1/
U.S. Medium Grain 2/	#1	38,500	none	38,500	na	na
Thai Long Grain3/ (April 5, 2021~)	#3	1,500	703	797	47	1,509

Total		40,000	703	39,297	2	na
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Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

1/ Weighted average in Korean Won per Kg

2/ delivered in the first half of 2021

3/ delivered in October 2020, ongoing selling auctions since April 5, 2021.

Exports:

Under the Food Assistance Convention (FAC), Korea shipped 50,000 MT of domestic rice (milled) to six countries in May 2021: 18,000 MT to Yemen, 13,680 MT to Ethiopia, 9,500 MT to Kenya, 4,500 MT to Uganda, 3,000MT to Syria, and 1,320 MT to Laos.

Table 11

Korea: Rice Exports (Milled)				
Calendar Year	To the World		To the United States	
	Quantity (MT)	Value (USD1,000)	Quantity (MT)	Value (USD1,000)
2011	3,782	6,277	161	244
2012	2,223	4,424	90	185
2013	1,517	3,363	86	180
2014	1,684	3,894	123	303
2015	1,987	4,472	365	1,148
2016	2,313	4,847	477	1,175
2017	2,767	5,641	540	1,390
2018	64,164a/	43,823	425	1,171
2019	52,663b/	26,234	425	1,156
2020	55,196c/	27,377	654	1,766

Source: Korea Customs Service (KCS) and Trade Data Monitor LLC

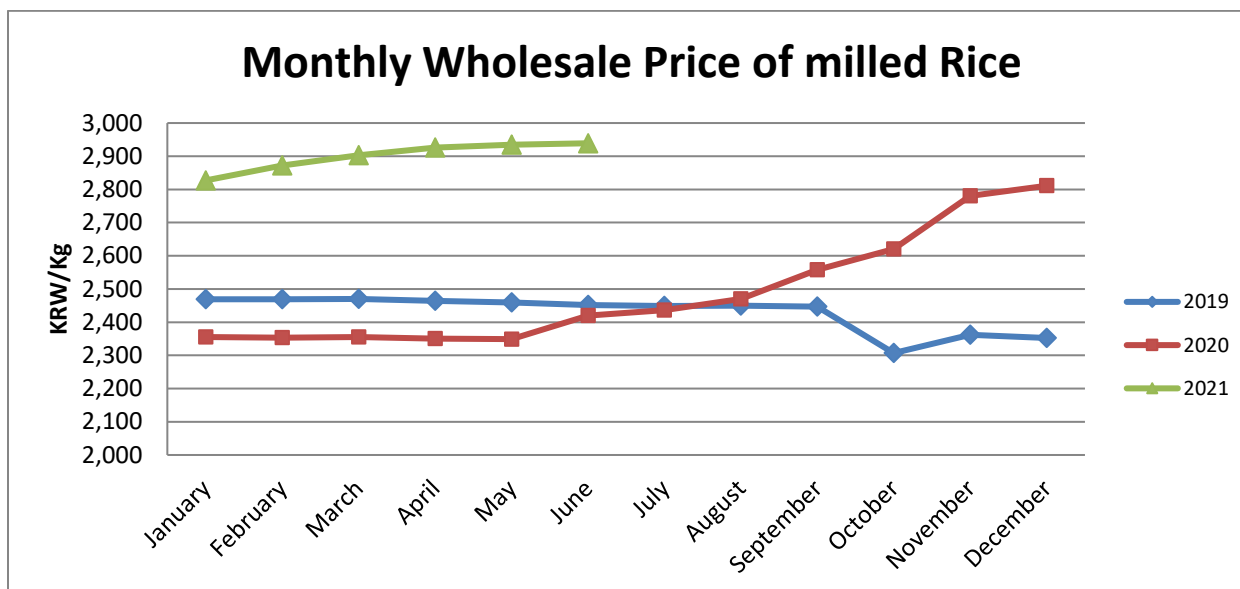
a/ includes 60,000 MT of food assistance in 2018

b/ includes 51,000 MT of food assistance in 2019

c/ includes 52,954 MT of food assistance in 2020

Rice Marketing

Lower rice production in 2020 triggered rice wholesale market prices to increase by 14-20 percent from October through December over the same period in 2019. In response, the Korea government announced a distribution plan for 370,000 MT of government held rice stocks with 116,000 MT as the first batch: 76,000 MT (2020 crop) for table rice and 40,000 MT (2018 crop) for processing in January; 48,000 MT (2019 crop) for processing in February; 46,000MT (2019 crop) for processing in April. Korea released an additional 80,000 MT in June: with 50,000 MT (2020 crop) for table use and 30,000 MT (2019 crop) for processing. The remaining 80,000 MT will be released starting from July 2021 depending on the rice market situation.



Stocks:

Remains unchanged from the previous report.

Table 12

Korea: Status of Rice Stocks (Milled rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2016/17	2017/18a/	2018/19b/	2019/20c/	2020/21c/	2021/22c/
Total Stock	2,000	1,560	1,015	1,236	1,300	1,616
Government Stock	2,000	1,560	1,015	1,236	1,300	1,616
Total Domestic Consumption	4,435	4,746	4,650	4,012	3,888	3,839
Stock to Use Ratio (%)	45.1	32.9	21.8	30.8	33.4	42.1

Source: FAS/Seoul Estimate based on MAFRA data

a/ MAFRA Revised

b/ MAFRA Preliminary

c/ FAS/Seoul forecast

Production, Supply, and Distribution Data Statistics:

Rice PS&D remains unchanged from the previous report.

Rice, Milled Market Year Begins Korea, Republic of	2019/2020		2020/2021		2021/2022	
	Nov 2019		Nov 2020		Nov 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	730	730	726	726	0	729
Beginning Stocks (1000 MT)	1093	1093	1136	1236	0	1300
Milled Production (1000 MT)	3744	3744	3507	3507	0	3800
Rough Production (1000 MT)	5016	5016	4713	4713	0	5110
Milling Rate (.9999) (1000 MT)	7464	7464	7441	7441	0	7437
MY Imports (1000 MT)	454	466	450	500	0	410
TY Imports (1000 MT)	465	477	450	500	0	410
TY Imp. from U.S. (1000 MT)	150	153	0	160	0	132
Total Supply (1000 MT)	5291	5303	5093	5243	0	5510

MY Exports (1000 MT)	55	55	55	55	0	55
TY Exports (1000 MT)	55	55	55	55	0	55
Consumption and Residual (1000 MT)	4100	4012	4000	3888	0	3839
Ending Stocks (1000 MT)	1136	1236	1038	1300	0	1616
Total Distribution (1000 MT)	5291	5303	5093	5243	0	5510
Yield (Rough) (MT/HA)	6.8712	6.8712	6.4917	6.4917	0	7.0386
(1000 HA),(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Rice, Milled begins in January for all countries.TY 2021/2022 = January 2022 - December 2022						

Table 13

Korea: Monthly Wholesale Price of Milled Rice (High Quality)						
Month\Year	CY 2019		CY 2020		CY 2021	
	Won/kg	USD/kg	Won/kg	USD/kg	Won/kg	USD/kg
January	2,469	2.20	2,355	2.02	2,827	2.58
February	2,469	2.20	2,353	1.97	2,872	2.59
March	2,470	2.18	2,355	1.93	2,903	2.57
April	2,464	2.16	2,350	1.92	2,926	2.62
May	2,459	2.08	2,349	1.92	2,935	2.75
June	2,452	2.09	2,420	2.00	2,939a/	2.64
July	2,449	2.08	2,436	2.03	na	na
August	2,450	2.03	2,470	2.08	na	na
September	2,447	2.06	2,536	2.15	na	na
October	2,307	1.95	2,620	2.29	na	na
November	2,362	2.03	2,780	2.49	na	na
December	2,352	2.00	2,811	2.57	na	na
Average	2,429	2.09	2,487	2.11	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied

a/ June 1-7, 2021

Table 14

Korea: Monthly Retail Price of Milled Rice (High Quality)						
Month\Year	CY 2019		CY 2020		CY 2021	
	Won/kg	USD/kg	Won/kg	USD/kg	Won/kg	USD/kg
January	2,665	2.38	2,586	2.22	2,999	2.73
February	2,662	2.37	2,586	2.17	3,019	2.72
March	2,658	2.35	2,578	2.12	3,000	2.65
April	2,653	2.33	2,575	2.11	3,000	2.68
May	2,645	2.24	2,581	2.11	3,055	2.86
June	2,634	2.24	2,585	2.14	3,063a/	2.75
July	2,607	2.22	2,588	2.16	na	na

August	2,598	2.15	2,618	2.21	na	na
September	2,580	2.17	2,637	2.24	na	na
October	2,554	2.16	2,816	2.47	na	na
November	2,585	2.22	2,945	2.64	na	na
December	2,618	2.23	3,023	2.76	na	na
Average	2,622	2.25	2,676	2.27	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

a/ June 1-7, 2021

Table 15

Korea: Foreign Exchange Rate (Korean Won against USD)			
Month	CY 2019	CY 2020	CY 2021
January	1,121	1,165	1,097
February	1,121	1,194	1,111
March	1,131	1,218	1,130
April	1,140	1,223	1,118
May	1,182	1,226	1,067
June	1,174	1,208	1,112a/
July	1,175	1,199	na
August	1,208	1,186	na
September	1,190	1,177	na
October	1,183	1,142	na
November	1,166	1,115	na
December	1,175	1,095	na
Average	1,164	1,180	na

Source: Global Financial Service

a/ June 1-8

Attachments:

No Attachments