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Date: 7/24/2015

GAIN Report Number: KS1528

Korea - Republic of

Grain and Feed Update

July 2015

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Report Highlights:

This report is an update to the previous forecast. Notable changes for MY 2015/16 include an increase in Korean wheat production to 36,000 MT and increased wheat consumption to 3.85 million tons. For corn, domestic production was increased to 82,008 MT in MY2014. The Minimum Market Access agreement (MMA) requires that Korea purchase 408,700 MT of milled rice from Most Favored Nation (MFN) countries at the duty level of 5 percent under the tariff rate quota (TRQ) regime. As of July 8, the aT has purchased 305,027 metric tons of brown rice for processing purposes, equivalent to 274,524 metric tons (milled), about 67 percent of the entire 2015 TRQ import commitment. The United States has sold 102,352 metric tons of medium grain brown rice (or 92,117 metric tons, milled), 23 percent of the 2015 TRQ. The Korean government is expected to continue purchases of the remaining 134,176 metric tons (milled) within calendar year 2015.

Post:

Seoul

Commodities:

Wheat

Corn

Rice, Milled

Author Defined:**Wheat****Production:**

The Korean government recently released official numbers for wheat production at 23,409 MT in MY2014, down 14 percent from the previous year.

According to a governmental acreage survey conducted from May 16-30, 2015, the area of wheat cultivated in 2015 sharply increased to 10,076 hectares, up 40.3 percent or 2,896 hectares from the previous year due to a greater demand from wheat flour processors, who have made farm contracts with local wheat cooperatives representing wheat farmers. Accordingly, FAS/Seoul revised local production to 36,000 MT, up 44 percent from the initial forecast in MY 2015/16.

Korea: Wheat Production			
Crop Year	Harvested Area(Hectare)	Yield(MT/HA)	Production(MT)
2006	1,738	3.34	5,810
2007	1,928	3.81	7,624
2008	2,549	4.06	10,359
2009	5,067	5.15	26,087
2010	12,548	3.12	39,116
2011	13,044	3.35	43,677
2012	9,467	3.91	37,014
2013	7,373	3.68	27,130
2014 ^{a/}	7,180	3.26	23,409
2015 ^{a/}	10,076	3.55	35,800

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA), Statistics Korea (KOSTAT)

a/ FAS/Seoul forecast; yield is based on five year average.

Consumption:

The MY 2015/16 wheat consumption forecast has been slightly revised up to 3.85 million tons from the earlier forecast due to increasing local production as a result of acreage moving upward. The feed wheat consumption forecast remains unchanged at 1.5 million tons from the earlier forecast.

In MY 2014/15, total wheat consumption is expected to stay at around 3.8 million tons, down 10 percent from the previous year mainly due to lower demand for imported feed grade wheat, which has been less competitive than corn. Feed wheat consumption is estimated at 1.48 million tons used for animal feed processing. Milling wheat consumption recorded 2.36 million tons, which includes imports of flour and pasta, slightly increased from the previous year.

Korea: Post Estimates of Domestic Wheat Use (1,000 MT, July/June)				
Year	2012/13	2013/14	2014/15 ^{c/}	2015/16 ^{c/}

Imported Milling Wheat ^{1/}	2,193	2,132	2,165	2,150
Imported Milling Wheat ^{2/}	167	180	180	180
Flour Imports ^{a/}	39	30	44	35
Flour Exports ^{a/}	62	58	61	65
Pasta Imports ^{a/}	135	150	143	155
Pasta Exports ^{a/}	130	140	135	140
Local Wheat	37	27	23	36
FSI Consumption ^{b/}	2,379	2,321	2,359	2,351
Feed Wheat	2,818	1,936	1,479	1,500
Total Consumption ^{b/}	5,197	4,257	3,838	3,851

Source: Korea Feed Association (KFA), Korea Flour Millers Industry Association (KOFMIA) and Korea Customs Service (KCS)

a/ Wheat basis

b/ include local wheat, flour imports and pasta imports but exclude flour exports and pasta exports

c/ FAS/Seoul forecast

1/ KOFMIA members

2/ non- KOFMIA member

Korea: Monthly Wheat Use (1,000 MT)				
Month	Feed Wheat		Milling Wheat a/	
	MY 2013/14	MY 2014/15	MY 2013/14	MY 2014/15
July	235	129	176	183
August	219	121	173	175
September	226	126	156	166
October	245	134	185	179
November	205	130	180	172
December	159	143	180	186
January	125	115	184	194
February	100	103	161	152
March	101	116	176	183
April	100	117	180	176
May	108	119	177	172
Sub Total	1,823	1,353	1,928	1,937
June	114	125	175	177
Total	1,936	1,479	2,102	2,115

Source: KFA and KOFMIA

a/ includes wheat flour exports, but excludes the portion used in soy-sauce production

Trade:

The MY 2015/16 wheat import forecast remains unchanged from the previous project, of which, 2.5 million tons are for milling (including flour and pasta imports on a wheat equivalent basis) and 1.5 million tons for feed. Milling wheat for processing is expected to stay around 2.3 million tons. The import forecast hinges to a large extent on the continued availability of feed wheat while milling wheat is remaining steady.

MY 2014/15 wheat imports totaled 3.9 million tons, down 8 percent from the previous year due to substitution of more competitively priced corn for animal feed in the global markets. Imports of U.S. wheat in MY 2014/15 stayed at 1.23 million tons, including approximately 77,800 MT of feed grade wheat. In MY 2014/15, the EU was the major supplier of feed grade wheat, followed by Ukraine, Brazil, Canada and the United States.

Flour Trade:

MY2014/15 flour imports increased to 32,207 tons (44,059 tons wheat equivalent), up 48 percent from the previous year due to a greater demand from small-sized restaurants and noodle manufacturers. Flour exports were 45,585 tons (60,780 tons wheat equivalent), up 5 percent from the previous year. Both staples of the pasta trade were decreased by 4 percent from the previous year respectively.

Korea: Wheat Imports (1,000 MT, Customs Cleared Basis)					
Marketing Year (July/June)	Feed Wheat	Milling Wheat	Flour Imports ^{1/}	Pasta Import ^{1/}	Total
05/06	1,536	2,220	41	101	3,898
06/07	976	2,298	69	108	3,451
07/08	565	2,317	105	117	3,104
08/09	1,151	2,058	69	105	3,383
09/10	2,164	2,071	127	119	4,481
10/11	2,075	2,520	63	123	4,781
11/12	2,868	2,169	42	122	5,201
12/13	2,820	2,461	39	135	5,455
13/14	1,948	2,181	30	150	4,309
14/15 ^{2/}	1,391	2,370	44	143	3,948
15/16 ^{2/}	1,500	2,300	40	160	4,000

Source: Korea Customs Service

1/ Wheat basis

2/ FAS/Seoul forecast

Korea: Monthly Wheat Imports (1,000 MT)				
Month	Feed Wheat		Milling Wheat	
	MY 2013/14	MY 2014/15	MY 2013/14	MY 2014/15
July	249	87	77	178
August	163	35	259	189
September	198	149	91	182
October	316	230	234	237
November	161	117	129	179
December	120	97	267	206
January	130	143	129	212
February	187	64	182	168
March	42	213	247	189
April	125	48	210	227
May	74	143	165	194
June	183	65	191	209
Total	1,948	1,391	2,181	2,370

Source: Korea Customs Service

Korea: MY 2015/16 Feed Wheat Contracts by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of June 30, 2015)		
ETA	Quantity	Price (US\$/MT) ^{1/}
Jul. 2015	0	0
Aug.	233	213.96
Sep.	159	205.77
Oct.	232	203.47
Nov.	69	202.60

Total	693	
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Source: Local Grain Traders
1/ CNF on Weighted Average

Korea: Wheat Flour Imports (H.S.: 1101.00.1000) (Metric Ton, July/June)						
Country	MY2009	MY2010	MY2011	MY2012	MY2013	MY2014
U.S.A.	873	531	1,025	1,318	716	793
Canada	34,213	13,540	1,381	1,037	973	829
Australia	1,252	528	223	395	658	2,041
China	1,328	583	0	121	60	0
Turkey	24,568	11,130	8,784	3,636	1,144	996
Indonesia	7,647	9,956	7,708	9,616	8,011	5,968
Hungary	8,893	110	0	0	0	0
Others	14,112	9,772	11,250	12,478	10,237	21,580
Total	92,886	46,150	30,371	28,600	21,799	32,207
Wheat Basis ^{a/}	127,068	63,133	41,548	39,125	29,821	44,059

Source: Korea Customs Service (KCS)

a/ applied converting factor: 1.368

Korea: Pasta Imports (H.S.: 1902) (Metric Ton, July/June)						
Country	MY2009	MY2010	MY2011	MY2012	MY2013	MY2014
U.S.A.	326	424	429	512	451	375
China	64,123	62,024	61,766	65,716	73,991	70,426
Italy	13,525	16,368	15,169	19,193	20,595	19,481
Thailand	2,584	3,142	3,851	4,359	4,894	4,529
Indonesia	2,102	2,530	1,593	2,007	1,994	2,596
Turkey	2,388	2,507	3,193	3,630	4,094	3,691
Others	2,242	2,960	3,090	3,466	3,717	3,721
Total	87,290	89,955	89,091	98,883	109,736	104,819
Wheat Basis ^{a/}	119,413	123,058	121,876	135,272	150,118	143,392
Source: Korea Customs Service (KCS)						

a/ applied converting factor: 1.368

Korea: Wheat Flour Exports (H.S.: 1901.20.9000, 1901.90.9099) (Metric Ton, July/June)						
Country	MY2009	MY2010	MY2011	MY2012	MY2013	MY2014
Total	44,234	48,056	44,909	46,843	43,230	45,585
Wheat Basis ^{a/}	58,979	64,075	59,879	62,457	57,640	60,780

Source: Korea Customs Service (KCS)

a/ applied converting factor: 1.333

Korea: Pasta Exports (H.S.: 1902) (Metric Ton, July/June)						
Country	MY2009	MY2010	MY2011	MY2012	MY2013	MY2014

USA	18,000	19,189	20,365	23,694	23,979	22,675
Japan	11,106	13,811	12,773	10,989	9,833	8,175
China	4,142	4,595	5,517	5,597	7,918	8,926
Russia	2,265	2,450	3,417	3,465	3,108	2,099
Australia	4,707	5,304	4,875	4,956	5,439	4,955
Hong Kong	4,900	6,145	7,159	9,035	11,195	10,030
Others	24,973	29,435	33,521	36,954	41,090	41,,675
Total	70,093	80,930	87,626	94,689	102,563	98,535
Wheat Basis ^{a/}	95,887	110,712	119,873	129,535	140,306	134,796

Source: Korean Customs Service (KCS)

a/ applied converting factor: 1.368

Production, Supply and Demand Data Statistics:

Wheat PS&D

Wheat	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jul 2013		Jul 2014		May 2016	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	7	7	7	7	7	10
Beginning Stocks	1521	1521	1437	1402	1494	1339
Production	27	27	27	23	25	36
MY Imports	4288	4309	3900	3948	4000	4000
TY Imports	4288	4309	3900	3948	4000	4000
TY Imp. from U.S.	1403	1220	0	1234	0	1300
Total Supply	5836	5857	5364	5373	5519	5375
MY Exports	144	198	150	196	150	200
TY Exports	144	198	150	196	150	200
Feed and Residual	1936	1936	1400	1479	1500	1500
FSI Consumption	2319	2321	2320	2359	2340	2351
Total Consumption	4255	4257	3720	3838	3840	3851
Ending Stocks	1437	1402	1494	1339	1529	1324
Total Distribution	5836	5857	5364	5373	5519	5375
(1000 HA) ,(1000 MT)						

WHEAT -- STATISTICAL TABLES

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Wheat		
Time Period	July/June	Units:	1,000MT
Imports for:	2013		2014
U.S.	1218	U.S.	1232
Others		Others	
Australia	940	Australia	1006
EU	863	EU	560
Canada	444	Canada	306
Ukraine	151	Ukraine	525

India	371	India	10
Russia	72	Brazil	116
Turkey	48		
Serbia	19		
Total for Others	2908		2523
Others not Listed	2		6
Grand Total	4128		3761
Note: exclude the import of wheat flour and pasta			

Corn

Production:

The Korean government recently released official numbers for corn production at 82,008 MT in MY2014, up 2 percent or 1,543 MT from the previous year with higher yields offsetting further declines and a reduction of production area.

Korea: Corn Production			
Crop Year	Area (HA)	Yield (MT/HA)	Production (MT)
2006	13,661	4.73	64,623
2007	16,981	4.82	83,513
2008	18,366	5.05	92,830
2009	15,326	5.02	76,975
2010	15,528	4.79	74,339
2011	15,823	4.65	73,612
2012	17,001	4.89	83,210
2013	15,905	5.06	80,465
2014	15,839	5.18	82,008
2015 ^{a/}	15,800	4.91	77,640

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA), Statistics Korea (KOSTAT)

a/ FAS/Seoul projection based on five-year average yield

Consumption:

Corn consumption for MY 2015/16 remains unchanged from the previous forecast.

MY 2014/15 corn consumption remains unchanged at 10.1 million tons from the previous forecast, which is composed of 8 million tons for feed purposes and 2.1 million tons for food, seed and industrial (FSI) purposes. Greater demand for feed corn will offset the decrease of feed grade wheat, which is less competitive than corn in the global market.

On the basis of the first nine months, MY 2014/15 compound feed production is expected to stay around 18.8 million tons due to strong growth in the poultry sector offsetting the reduction in beef and dairy cattle, while swine numbers stayed strong and steady despite outbreaks of FMD and PED. Feed corn is expected to be the major ingredient used in poultry and swine compound feed, accounting for more than 40 percent of total ingredients for the marketing year.

Korea: Total Corn Utilization (Oct./Sept., 1,000 MT)				
Marketing Year	Feed	Processing a/	Food b/	Total
2008/09	6,368	1,418	108	7,894
2009/10	6,362	1,928	92	8,382

2010/11	6,074	2,051	89	8,214
2011/12	5,690	2,036	89	7,815
2012/13	6,483	1,900	98	8,481
2013/14	7,762	2,034	95	9,891
2014/15 ^{c/}	8,000	2,000	93	10,100
2015/16 ^{c/}	7,900	2,000	95	9,995

Source: Korea Feed Association (KFA), Korea Corn Processing Industry Association (KOCPIA)

a/ Used for wet and dry milling process based on imported corn.

b/ For on-farm human consumption (on-the-cob) or snack food consumed on-the-cob, as puffed kernels or as corn tea. Imported white corn for popping has been included since MY 2004.

c/ FAS Seoul forecast

Korea: Monthly Corn Use (1,000 MT)				
Month	Feed Corn		Processing Corn	
	MY 2013/14	MY 2014/15	MY 2013/14	MY 2014/15
October	588	676	175	180
November	596	621	165	178
December	687	707	164	169
January	703	635	161	170
February	632	602	148	155
March	653	668	180	187
April	664	658	171	178
May	669	679	177	182
S. Total	5,192	5,246	1,341	1,399
June	646	na	176	na
July	659	na	184	na
August	626	na	175	na
September	639	na	159	na
Total	7,762	na	2,034	na

Source: Korea Feed Association (KFA), Korea Corn Processing Industry Association (KOCPIA)

Korea: Feed Ingredient Use for Compound Feed Production (October/September, 1,000 MT)				
Items	MY 2012/13	MY 2013/14	MY 2014/15 ^{a/}	MY 2015/16 ^{a/}
Sub. Total Grains and Grain Substitutes	12,115	12,080	12,100	12,100
- Wheat	2,710	1,633	1,400	1,500
- Corn	6,483	7,762	8,000	7,900
- Other Grains and Grain Substitute ^{b/}	2,992	2,685	2,700	2,700
Others ^{c/}	6,698	6,758	6,700	6,700
Grand Total	18,883	18,838	18,800	18,800

Source: Korea Feed Association (KFA)

a/ FAS Seoul forecast

b/ includes Tapioca, bran and gluten feed.

c/ includes vegetable protein meal, animal protein, minerals/additives, tallow, DDGS and molasses.

Korea: Compound Feed Production by Species (October/September, 1,000 MT)				
Species	MY 2012/13	MY 2013/14 ^{a/}	MY 2014/15 ^{b/}	MY 2015/16 ^{b/}
Poultry	4,726	5,107	5,300	5,200
Swine	6,100	6,015	6,100	6,300

Cattle	6,572	6,388	6,000	5,900
Others ^{c/}	1,483	1,314	1,400	1,400
Total	18,881	18,824	18,800	18,800

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

a/ Preliminary

b/ FAS/Seoul forecast

d/ include ducks, rabbit, horse, sheep, deer, quail etc

Korea: Compound Feed Production Comparison by Species for the First Eight Months (October/May, 1,000 MT)			
Species	MY 2013/14	MY 2014/15	Change
Poultry	3,348	3,582	+7
Swine	4,126	4,086	-1
Cattle	4,342	4,039	-7
Others	886	900	+1.6
Total	12,660	12,606	-0.4

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

Trade:

MY 2015/16 total corn imports are forecast at 9.8 million tons, slightly lower than USDA official forecast, remaining unchanged from post's earlier forecast due to continued high animal inventories in spite of the government inventory reduction program. Processing corn imports should remain stagnant at 2 million tons.

Based on imports for the first eight months, corn imports for MY 2014/15 have been revised to 10 million tons, up 0.4 million tons from the Post's earlier estimate of 9.6 million tons due to a stronger than expected demand for animal feed from all animal sectors except for beef and dairy cattle. U.S. corn exports to Korea are expected to stay around 3.6 million tons, down more than 20 percent from the previous year due to strong competition with the countries of South America and the Black Sea.

By the end of June 2015, Korean buyers completed corn contract deliveries for MY 2014/2015 (Oct/Sep), and continue to make new contracts for delivery in December 2015. Most of the contracted purchases to date are optional origin at the seller's option from the United States, South America, or Europe including the Black Sea with strong competition from South America (SOAM) and the Black Sea region.

Korea: Corn Imports (1,000MT, Customs Cleared Basis)							
Marketing Year	From World			From the U. S.			U. S. Share
	Feed	Processing	Total	Feed	Processing	Total	%
07/08	7,680	1,629	9,309	7,259	1,077	8,336	90
08/09	5,781	1,431	7,212	4,883	921	5,804	80
09/10	6,457	2,003	8,460	6,097	1,407	7,504	89
10/11	6,060	2,047	8,107	5,183	1,133	6,316	78
11/12	5,600	2,035	7,635	3,450	307	3,757	49
12/13	6,230	1,944	8,174	341	115	456	6
13/14	8,319	2,086	10,405	3,769	842	4,611	44
14/15 ^{a/}	8,000	2,000	10,000	3,000	600	3,600	36
15/16 ^{a/}	7,800	2,000	9,800	3,500	500	4,000	41

Source: Korea Customs Service

a/ FAS/Seoul forecast

Korea: MY 2014/15 Monthly Corn Imports by Origin (1,000 MT, based on Customs Clearance)							
Country	U. S.	Argentina	Brazil	Ukraine	Serbia	Others1/	Total
Feed Corn							
2014 Oct.	480	161	120	0	0	85	846
Nov.	181	32	202	0	0	50	465
Dec.	28	69	425	165	0	63	750
2015 Jan.	50	30	311	352	0	0	743
Feb.	18	2	259	275	0	4	558
Mar.	192	7	249	140	11	37	636
Apr.	541	0	35	177	0	6	759
May	477	0	6	158	0	48	689
Jun.	355	57	0	92	1	131	636
2014/15 (Oct-Jun)	2,322	358	1,607	1,359	12	424	6,082
2013/14 (Oct-Jun)	2,104	112	1,796	1,646	0	672	6,330
Processing Corn							
2014 Oct.	79	0	89	0	0	13	181
Nov.	84	0	86	0	0	13	183
Dec.	17	0	2	0	30	88	137
2015 Jan.	12	0	71	0	39	46	168
Feb.	1	0	42	0	45	50	138
Mar.	50	0	6	77	103	22	258
Apr.	65	0	1	11	55	13	145
May	86	0	2	1	31	42	162
Jun.	35	0	0	75	16	82	208
2014/15 (Oct-Jun)	429	0	299	164	319	369	1,580
2013/14 (Oct- Jun)	501	4	181	60	398	532	1,676
Total							
2014 Oct.	559	161	209	0	0	98	1027
Nov.	265	32	288	0	0	63	648
Dec.	45	69	427	165	30	151	887
2015 Jan.	62	30	382	352	39	46	911
Feb.	19	2	301	275	45	54	696
Mar.	242	7	255	217	114	59	894
Apr.	606	0	36	188	55	19	904
May	563	0	8	159	31	90	851
Jun.	390	57	0	167	17	213	844
2014/15 (Oct-Jun)	2,751	358	1,906	1,523	331	793	7,662
2013/14 (Oct- Jun)	2,605	116	1,977	1,707	398	1,203	8,006

Source: Korea Customs Service

1/ Russia (332,464 MT), Romania (167,268 MT), South Africa (146,627 MT), Hungary (86,084MT) and Australia (30,066 MT)

Korea: Monthly Corn Import (1,000 MT, Customs Cleared Basis)				
Month	Feed Corn		Processing Corn	
	MY 2013/14	MY 2014/15	MY 2013/14	MY 2014/15
October	620	846	131	181
November	631	465	178	183
December	975	750	222	137

January	885	743	118	168
February	829	558	170	138
March	488	636	158	258
April	664	759	234	145
May	698	689	166	162
June	540	636	300	208
Sub Total	6,330	6,082	1,677	1,580
July	591	na	85	na
August	658	na	112	na
September	740	na	212	na
Total	8,319	na	2,086	na

Source: Korea Customs Service

Korea: MY 2015/16 Corn Contracts ^{1/} by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of June 2015)						
ETA	U.S.	Europe ^{4/}	SOAM	Others ^{2/}	Total	Price ^{3/}
Oct. 2015	55	0	888	0	943	195
Nov.	0	232	391	0	623	192
Dec.	0	156	201	0	357	187
Total	55	388	1,480	0	1,923	

Source: Local Grain Traders

1/ reflecting 90-95 percent of actual contracts due to the omission of some data on contracts2/ optional origins at seller's option out of USA, SOAM (South America) or Europe

3/ USD/MT, CNF on Weighted Average

4/ include Eastern Europe and Black Sea

Korea: MY 2014/15 Corn Contracts ^{1/} by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of early June 2015)						
ETA	U.S.	Europe ^{4/}	SOAM	Others ^{2/}	Total	Price ^{3/}
Oct. 2014	0	0	0	639	639	265
Nov.	0	0	0	805	805	255
Dec.	110	55	0	497	662	247
Jan. 2015	0	0	0	586	586	222
Feb.	62	55	0	532	649	215
Mar.	372	215	55	0	642	214
Apr.	771	110	0	0	881	215
May	586	444	0	0	1,030	210
June	316	519	0	0	835	207
July	363	498	0	0	861	202
Aug.	136	493	128	0	757	207
Sep.	174	173	308	0	655	205
Total	2,890	2,562	491	3,059	9,002	

Source: Local Grain Traders

1/ reflecting 90-95 percent of actual contracts due to the omission of some data on contracts2/ optional origins at seller's option out of USA, SOAM (South America) or Europe

3/ USD/MT, CNF on Weighted Average

4/ including Eastern Europe and Black Sea

Production, Supply and Demand Data Statistics:

Corn PS&D

Corn	2013/2014		2014/2015		2015/2016	
Market Begin Year	Oct 2013		Oct 2014		May 2016	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	16	16	16	16	16	16
Beginning Stocks	1265	1265	1860	1859	1438	1841
Production	80	80	78	82	77	77
MY Imports	10406	10405	9600	10000	10000	9800
TY Imports	10406	10405	9600	10000	10000	9800
TY Imp. from U.S.	5324	4611	0	3600	0	4000
Total Supply	11751	11750	11538	11941	11515	11718
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	7762	7762	8000	8000	8100	7900
FSI Consumption	2129	2129	2100	2100	2100	2100
Total Consumption	9891	9891	10100	10100	10200	10000
Ending Stocks	1860	1859	1438	1841	1315	1718
Total Distribution	11751	11750	11538	11941	11515	11718

(1000 HA) ,(1000 MT)

Korea: Animal Inventory					
(1,000 Head, 1,000 Birds, as of June 2015)					
Animal	Year	March	June	September	December
Beef Cattle	2011	2,881	3,053	3,044	2,950
	2012	2,940	3,109	3,143	3,059
	2013	2,966	3,064	3,043	2,918
	2014	2,811	2,879	2,820	2759
	2015	2,659	2,748	2694c/	2,680d/
Dairy Cattle	2011	396	403	404	404
	2012	404	410	417	420
	2013	420	419	422	424
	2014	428	424	429	431
	2015	425	418	425-427c/	425d/
Swine	2011	7,036	7,330	7,783	8,171
	2012	8,852	9,432	9,937	9,916
	2013	10,107	10,181	10,188	9,912
	2014	9,698	9,680	9,966	10,090
	2015	9,971	10,018	10,000-10,200c/	10,000-10,200c/
Layer a/	2010	62,524	61,586	60,095	61,700
	2011	61,025	60,723	61,212	62,425
	2012	63,200	61,953	61,326	61,344
	2013	62,340	60,610	62,674	64,824
	2014	64,572	62,851	65,263	67,674
	2015	68,878	67,907	na	na
Broiler b/	2010	72,692	101,690	71,271	77,871
	2011	69,932	110,122	71,038	76,435
	2012	69,387	97,750	68,540	76,130

	2013	71,938	95,898	64,505	76,487
	2014	77,879	103,593	75,846	77,746
	2015	82,749	110,489	na	na

Source: Korea Statistics (KOSTAT) and Korea Rural Economic Institute (KREI)

a/ Excluding breeders.

b/ Excluding multi-use broilers

c/ KREI forecast

d/ FAS Seoul forecast

Rice, Milled

Production:

According to a recent Korea Rural Economic Institute (KREI) survey of rice farmers for the period May 1- 12, 2015, estimated planting area declined to 799,000 HA, down about 0.2 percent from the initial surveyed forecast or down 2.1 percent over last year, due to continued bearish trend in rice prices following harvest of the 2014 rice crop. However Post's forecast for rice production in MY 2015/16 remains unchanged at 4 million metric tons (MMT) as rice farmers prefer planting higher yield varieties that could make up for the small scale reduction of rice planting acreage.

Korea: 2015 Rice Production Forecast		
	2014 Rice Production	2015 Rice Production Forecast
Area (1,000 HA)	816	799
Yield (Kg/10a)	520	493-509
Production (1,000MT)	4,241	3,895-4,067

Source: Korea Rural Economic Institute (KREI)

Korea: Rice Area, Yield and Production			
Crop Year	Area (1,00HA)	Yield (KG/10A)	Production (Milled, 1,000 MT)
2002 a/	1,053	471	4,927
2003 b/	1,016	441	4,451
2004	1,001	504	5,000
2005	980	490	4,768
2006	955	489	4,680
2007	950	464	4,408
2008	936	518	4,843
2009	925	532	4,916
2010	892	482	4,295
2011	854	495	4,224
2012	849	472	4,006
2013	833	508	4,230
2014	816	520	4,241
2015d/	799e/	500c/	3,995

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

a/ Heavy rains during the summer and the effects of typhoon Rusa (Aug 31 – Sep 1)

b/ Cool and rainy days during the growing season and the effects of typhoon Maemi (Sep 9 - 12)

c/ past five year average

d/ FAS/Seoul forecast

e/ based on KREI survey from May 1 - 12, 2015.

Government Rice Purchase Program under the Public Food Grain Stockholding Program (PFSP):

As government made an additional purchase of 77,000MT (milled basis) in May 2015, total government rice purchases reached 610,000 MT, or 14.4 percent of total 2014 crop production under the PFSP program. The Korean government had pledged to purchase 77,000 MT in addition to 533,000 MT, propping up farm gate prices.

Korea: Government Rice Purchases under Public Food Grain Stockholding Program (PFSP)			
Crop Year	Production(1,000 MT)	Purchase(1,000 MT)	%
2005	4,768	719	15.1
2006	4,680	504	10.8
2007	4,408	417	9.5
2008	4,843	400	8.3
2009	4,916	370	7.5
2010	4,295	340	7.9
2011	4,224	261	6.2
2012	4,006	363	9.1
2013	4,230	367	8.7
2014	4,241	610 ^{a/}	14.4

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

a/ includes 163,000 MT to stabilize rice market in addition to 370,000 MT under PFSP. In May 2015 the Korean government made an additional purchase of 77,000 MT which was already pledged to farmers in the harvest season.

Consumption:

Consumption remains unchanged from the previous report.

Korea: Rice Utilization Pattern (1,000 MT, milled)				
Rice Year (Nov. - Oct.)	MY 2012/13 ^{a/}	MY 2013/14 ^{b/}	MY 2014/15 ^{c/}	MY 2015/16 ^{d/}
Table Rice	3,435	3,340	3,280	3,220
Processing	526	535	550	600
(for food)	(470)	(457)	(460)	(460)
(for liquor)	(56)	(78)	(90)	(140)
Seed	36	35	35	35
Other and Loss	494	512	583	500
Total Demand	4,491	4,422	4,448	4,355
Per Capita Table Rice Consumption (Kg)	67.2	65.1	63.9	62.7

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

a/ Revised b/ Preliminary c/ Forecast d/ FAS/Seoul forecast

Korea: Processing Rice Consumption Pattern (1,000 MT, milled)				
Purpose	MY 2010/11	MY 2011/12	MY 2012/13 ^{a/}	MY 2013/14 ^{b/}
KRFA	234	248	246	227
KALIA	244	148	56	78
Others c/	166	170	224	238
Total	644	566	526	535

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

a/ MAFRA Revised

b/ MAFRA Preliminary

c/ traditional foods or beverage made of local rice.

Note: Korea Rice Foodstuffs Association (KRFA), Korea Alcohol & Liquor Industry Association (KALIA)

Trade:

In 2015, during the period of special treatment agreed upon under the Minimum Market Access agreement (MMA) ending in December 31, 2014, Korea continues to import the mandatory volume of 408,700 metric tons from Most Favored Nation (MFN) countries at the duty level of 5 percent under the tariff rate quota (TRQ) regime. Accordingly, the aT (Korea Agro-

Fisheries and Food Trade Corporation), the government's state trading arm, manages the purchase of all imported rice through a tendering process and subsequent auctions off imported table rice.

2015 TRQ Tendering Process:

The Korean government has been making purchases for the 2015 TRQ of 408,700 MT since January 2015. As of July 8, the aT has purchased 305,027 metric tons of brown rice for processing purposes, equivalent to 274,524 metric tons (milled), about 67 percent of the entire 2015 TRQ import commitment. The United States has sold 102,352 metric tons of medium grain brown rice (or 92,117 metric tons, milled), 23 percent of the 2015 TRQ. The Korean government is expected to continue purchases of the remaining 134,176 metric tons (milled) within calendar year 2015.

Korea: Rice Contracts by Country under 2015 MFN TRQ^{1/} (Unit: MT, Milled Basis, as of July 8, 2015)			
Country	MFN TRQ		Total
	Processing Use	Table Use	
USA	92,117	0	92,117(22.5)
China	140,330	0	140,330(34.3)
Thailand	6,077	0	6,077(1.5)
Australia	9,000	0	9,000(2.2)
Vietnam	27,000	0	27,000(6.6)
S. Total	274,524	0	274,524(67.2)
Open Quota	134,176		134,176(32.8)
G. Total	408,700		408,700(100)

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

1/ under ongoing process of buying tenders since January 2015

Korea: U.S. Rice Sales to Korea under 2015 TRQ^{1/} (ongoing process of buying tenders as of July 8, 2015)					
Contracts	Milled rice(MT) for Table	Brown rice(MT) for Processing	Unit Price(USD/MT) CIP	Amount (USD)	ETA
1	0	5,000	786.00	3,930,000	20150531
2	0	22,000	856.00	18,832,000	20150531
3	0	5,000	826.98	4,134,900	20150815
4	0	15,000	873.34	13,100,100	20150831
5	0	7,000	825.47	5,778,290	20150915
6	0	5,000	821.95	4,109,750	20150930
7	0	5,000	834.67	4,173,350	20150831
8	0	5,000	836.07	4,180,350	20151015
9	0	5,000	835.40	4,177,000	20151031
10	0	9,000	831.17	7,480,530	20151130
11	0	5,000	840.67	4,203,350	20151130
12	0	5,352	843.80	4,516,018	20151130
13	0	9,000	833.96	7,505,640	20151215
Total	0	102,352a/		86,121,278	

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

a/ equivalent to 92,117 MT, milled basis

1/ under ongoing process of buying tenders since January 2015

Korea: 2015 MMA Rice Tender Results (as of July 8, 2015)									
Bid Date (mm-	Rice Type	Volume (Contract	Volume (Milled Rice Basis)	Origin	Price (US\$/ MT)	Terms and Condi	deliver y Due	Agent	Suppli er

dd-yy)		Basis)				ons			
1/28/2015	MG #3 Brown	5,000	4,500	USA	786.00	CIP	20150531	Seo-Mok	ADM
1/28/2015	LG #3 Brown	15,000	13,500	Vietnam	442.00	CIP	20150430	Daewoo	Vinafood1
1/28/2015	LG #3 Brown	15,000	13,500	Vietnam	449.60	CIP	20150630	Daewoo	Vinafood1
2/26/2015	SG #3 Brown	22,000	19,800	China	870.00	CIP	20150531	Daewoo	COFCO
2/26/2015	MG #3 Brown	22,000	19,800	USA	856.00	CIP	20150531	Seo-Mok	ADM
3/24/2015	SG #3 Brown	12,000	10,800	China	879.85	CIP	20150630	Singso ng	Jilin Grain
3/24/2015	SG #3 Brown	10,000	9,000	China	879.95	CIP	20150630	Singso ng	Jilin Grain
3/24/2015	SG #3 Brown	11,897	10,707	China	890.00	CIP	20150930	Daewoo	COFCO
4/21/2015	SG #3 Brown	20,000	18,000	China	893.50	CIP	20150815	Daewoo	COFCO
4/21/2015	SG #3 Brown	10,000	9,000	China	890.00	CIP	20150831	Singso ng	Jilin Grain
4/21/2015	SG #3 Brown	10,000	9,000	China	890.00	CIP	20150915	Singso ng	Jilin Grain
4/21/2015	SG #3 Brown	10,000	9,000	Australia	872.90	CIP	20150915	D&B	Sun Rice
4/21/2015	SG #3 Brown	5,000	4,500	USA	826.98	CIP	20150815	Singso ng	ACC
4/21/2	MG	5,000	4,500	USA	834.67	CIP	20150	Seo-	ADM

015	#3 Bro wn						831	Mok	
4/21/2 015	MG #3 Bro wn	15,000	13,500	USA	873.34	CIP	20150 831	Seo- Mok	ADM
4/21/2 015	MG #3 Bro wn	7,000	6,300	USA	825.47	CIP	20150 915	Singso ng	ACC
4/21/2 015	MG #3 Bro wn	5,000	4,500	USA	821.95	CIP	20150 930	Singso ng	ACC
5/21/2 015	SG #3 Bro wn	10,000	9,000	China	860.00	CIP	20151 015	Singso ng	Jilin Grain
5/21/2 015	SG #3 Bro wn	17,026	15,323	China	890.00	CIP	20151 031	Daew oo	COFC O
5/21/2 015	MG #3 Bro wn	5,000	4,500	USA	836.07	CIP	20151 015	Singso ng	ACC
5/21/2 015	MG #3 Bro wn	5,000	4,500	USA	835.40	CIP	20151 031	Singso ng	ACC
5/21/2 015	MG #3 Bro wn	9,000	8,100	USA	831.17	CIP	20151 130	Singso ng	ACC
7/3/20 15	SG #3 Bro wn	15,000	13,500	China	893.00	CIP	20151 130	Daew oo	COFC O
7/3/20 15	MG #3 Bro wn	18,000	16,200	China	849.00	CIP	20151 031	Daew oo	COFC O
7/3/20 15	MG #3 Bro wn	5,000	4,500	USA	840.67	CIP	20151 130	Seo- Mok	ADM
7/3/20 15	MG #3 Bro wn	5,352	4,817	USA	843.80	CIP	20151 130	D&B	Sun Rice

7/3/20 15	MG #3 Brown	9,000	8,100	USA	833.96	CIP	20151 215	Daew oo	FRC
7/3/20 15	LG #3 Brown	6,752	6,077	Thaila nd	438.34	CIP	20151 031	Hyoli m	Chiame ng
	Tot al	305,027	274,524						

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

Auctions:

The aT sells table rice shipments through a public auction system. The Ministry for 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.

aT should have begun selling U.S. milled rice under the 2014 MMA in January 2015 as an initial cargo of 4,451 metric tons of USDA No. 3 grade arrived in Korea at the end of 2014. However, port disputes in the West Coast prevented other U.S. rice cargoes from timely arrival at destination. Consequently, aT delayed U.S. rice selling auctions till early February 2015.

Even though aT belatedly started auctioning off U.S. milled rice imported under the 2014 MMA, greater demand for U.S. milled rice than other origins made the selling auctions of USDA No. 3 completing early June 2015. The ongoing auction prices of U.S. medium grain milled rice are higher than Chinese short grain milled rice, reflecting greater consumer confidence than other origins. The progress of auctioning for Chinese origin has been comparably slow while Thai and Australian milled rice are still sitting in warehouses. Auctions for Thai milled rice are still pending under the 2013 MMA.

Korea: Status of Rice Auction for Table Rice under 2014 CSQ (Unit: metric tons, milled basis, as of July 10, 2015)					
Commodity	USDA Grade	Total Table Rice CSQ	Auctioned Off	Balance	Auctioned Off (%)
U.S. Medium Grain	#1	40,056	9,117	30,939	23
	#3	4,451	4,450	0	100 (as of June 3, 2015)
Chinese Short Grain	#1	47,965	8,621	39,344	18
	#3	21,433	0	21,433	0
Australian Medium Grain	#1	2,697	0	2,697	0
	#3	2,698	0	2,698	0
Thai Long Grain	#1	3,220	0	3,220	0
Thai Jasmine Rice	#1	90	0	90	0
Total		122,610	22,188	100,421	18

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

Korea: Status of Rice Auction for Table Rice under 2013 CSQ (Unit: metric tons, milled basis, as of July 8, 2015)					
Commodity	USDA Grade	Total Table Rice CSQ	Auctioned Off	Balance	Auctioned Off (%)
U.S. Medium Grain	#1	61,188	61,188	0	100 (as pf Dec. 24 2014)
	#3	6,229	6,229	0	100 (as of Oct. 13, 2014)
Chinese Short Grain	#1	24,507	24,504	3	100(as of Feb 27, 2015)
	#3	21,435	21,435	0	100(as of Feb 11, 2015)
Thai Long Grain	#1	3,056	2,708	348	89
Thai Jasmine Rice	#1	90	90	0	100(as of Oct. 31, 2014)

Total		116,505	116,154	351	99.7
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Source: Korea Agro-Fisheries and Food Trade Corporation (aT)

Korea: Auctioned-Off Prices of Imported Table Rice (Unit: Korean Won per Kg on Average)							
Auctioning-off Period	U.S. Medium Grain		Chinese Short Grain (Medium Grain)		Thai Long Grain	Australian Medium Grain	
	#1	#3	#1	#3	#1	#1	#3
April-September 2006 (2005 MMA)	1,138	991	1,274	1,133	555	none	none
March-August 2007 (2006 MMA)	1,363	1,211	1,357	1,303	953	none	none
February-August 2008 (2007 MMA)	1,542	1,510	1,487	1,558	1,132	none	none
February 2009 -May 2010 (2008 MMA)	1,160	994	1,125 (1,100)	none	1,329	none	none
February 2010-March 2011 (2009 MMA)	970	881	914 (850)	893	672	none	none
April 2011-January 2012 (2010 MMA)	913	1,074 ^{a/}	707	612	518	none	none
December 2011- October 8, 2013 (2011MMA)	1,258	1,452	1,297	1,501	(802 ^{c/}) 944	none	none
August 2012-September 24, 2014 (2012 MMA)	1,677	1,634	1,378	1,374	903	1,299	1,128
July 2013- July 8, 2015 (2013 MMA)	1,594	1,573	1,284	1,318	861 ^{b/}	none	none
December 2014- July 10, 2015 (2014 MMA)	1,419 ^{b/}	1,472 ^{b/}	1,264 ^{b/}	na	na	na	na

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

a/ Auctioned-off during October-December 2011

b/ ongoing

c/ #3

Exports:

Korea's rice exports have been improved for the first six months in CY 2015 compared to the same period in the previous year, with the expectation of being limited to around 2,000 MT per annum. U.S. imports of Korean rice are expected to be negligible.

Korea: Rice Export (Milled)				
Calendar Year	To the World		To the United States	
	Quantity (MT)	Value (US\$1,000)	Quantity (MT)	Value (US\$1,000)
2005	18	89	5	5
2006	9	40	0.2	1
2007	507	1,322	333	876
2008	356	829	115	285
2009	4,183	7,300	443	777
2010	3,765	6,394	272	587
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(1-6)	953	2,048	78	220

Source: Korea Customs Service (KCS)

Production, Supply and Demand Data Statistics:

Rice PS&D

Rice, Milled	2013/2014		2014/2015		2015/2016	
Market Begin Year	Nov 2013		Nov 2014		May 2016	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	833	833	816	816	800	799
Beginning Stocks	780	780	899	899	1158	1250
Milled Production	4230	4230	4241	4241	4100	4000
Rough Production	5632	5632	5638	5638	5451	5318
Milling Rate (.9999)	7511	7511	7522	7522	7522	7522
MY Imports	313	313	470	560	410	410
TY Imports	379	379	450	470	410	410
TY Imp. from U.S.	38	38	0	150	0	120
Total Supply	5323	5323	5610	5700	5668	5660
MY Exports	2	2	2	2	2	2
TY Exports	2	2	2	2	2	2
Consumption and Residual	4422	4422	4450	4448	4360	4355
Ending Stocks	899	899	1158	1250	1306	1303
Total Distribution	5323	5323	5610	5700	5668	5660

(1000 HA) ,(1000 MT)

Korea: Monthly Wholesale Price of Milled Rice (High Quality)						
Month\Year	CY 2013		CY 2014		CY 2015	
	Won/Kg	USD/Kg	Won/Kg	USD/Kg	Won/Kg	USD/Kg
January	2,200	2.07	2,180	2.05	2,070	1.90
February	2,200	2.03	2,180	2.03	2,069	1.88
March	2,204	2.00	2,180	2.04	2,046	1.84
April	2,210	1.97	2,169	2.08	2,040	1.88
May	2,213	2.00	2,137	2.09	2,019	1.85
June	2,220	1.96	2,130	2.09	1,990	1.79
July	2,220	1.97	2,130	2.09	1,990	1.77
August	2,220	1.99	2,130	2.08	na	na
September	2,220	2.05	2,215	2.06	na	na
October	2,222	2.09	2,076	1.96	na	na
November	2,183	2.15	2,088	1.91	na	na
December	2,180	2.06	2,073	1.88	na	na
Average	2,208	2.02	2,133	2.03	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

Korea: Monthly Retail Price of Milled Rice (High Quality)						
Month\Year	CY 2013		CY 2014		CY 2015	
	Won/Kg	USD/Kg	Won/Kg	USD/Kg	Won/Kg	USD/Kg
January	2,311	2.17	2,321	2.18	2,277	2.09
February	2,325	2.14	2,323	2.17	2,263	2.06
March	2,329	2.12	2,307	2.16	2,252	2.03
April	2,341	2.09	2,293	2.20	2,211	2.04
May	2,331	2.10	2,289	2.24	2,239	2.05
June	2,340	2.06	2,275	2.23	2,243	2.02
July	2,334	2.07	2,245	2.20	2,201	1.96
August	2,341	2.10	2,236	2.18	na	na
September	2,340	2.16	2,262	2.19	na	na
October	2,343	2.20	2,320	2.19	na	na
November	2,346	2.31	2,301	2.10	na	na
December	2,336	2.21	2,283	2.07	na	na
Average	2,335	2.13	2,288	2.17	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

Korea: Foreign Exchange Rate (Korean Won against USD)			
Month	CY 2013	CY 2014	CY 2015
January	1,065	1,065	1,087
February	1,086	1,072	1,099
March	1,102	1,070	1,112
April	1,121	1,044	1,086
May	1,109	1,024	1,091
June	1,135	1,019	1,112
July	1,126	1,020	1,124a/
August	1,116	1,025	na
September	1,084	1,034	na
October	1,065	1,059	na
November	1,016	1,095	na
December	1,056	1,102	na
Average	1,094	1,052	na

Source: Global Financial Service

a/ July 1-8, 2015