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Korea Announces New TRQ for Fresh-Frozen Pork Bellies

Report Categories:

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Agricultural Situation

Trade Policy Monitoring

Approved By:

M. Kathryn Ting, Minister-Counselor

Prepared By:

YongKeun Ban / SunYoung Choi

Report Highlights:

The Korean government has announced the extension of the duty-free tariff-rate quota (TRQ) for chilled/frozen pork bellies, one of the most popular pork cuts in Korea. The TRQ is for 70,000 MT and is effective from April 1 - June 30, 2012. This announcement comes on the heels of an earlier TRQ for chilled/frozen bellies (50,000 MT) and pork for processing (20,000 MT) that runs from January 1 - March 31, 2012.

On March 20, 2012, the Ministry of Strategy and Finance (MOSF) announced that the zero duty tariff rate quota (TRQ) for chilled/frozen pork bellies would be extended in order to stabilize prices as local demand for this popular cut is expected to pick-up with the approaching picnic season. The tariff free quota for fresh/frozen pork bellies is set at 70,000 MT and is effective from April 1 – June 30, 2012.

This announcement comes on the heels of a duty free TRQ for 50,000 tons of chilled/frozen bellies and 20,000 MT of frozen pork for processing, effective from January 1 - March 31, 2012 (see [KS1205](#) for additional details). According to local industry sources, as of March 28, the processing pork portion has been completely filled, while nearly 40,000 MT of the chilled/frozen allocation has been filled.

Local farm groups are protesting this newly announced TRQ, saying that it will erode swine and pork prices even further. However, the government is standing its ground, arguing that belly meat prices are still above the five-year average. Meanwhile, the government will continue to monitor the market situation to determine whether to extend the quota further. However, Post expects that the need for further extensions will diminish in the coming months as the local hog industry recovers from the effects of the food and mouth disease (FMD) outbreaks in late 2010 and early 2011. See our [2012 Semi-Annual Livestock GAIN Report](#) for more details.

Over the last year, the Korean government has cut the duty on imported pork products with the aim of steadying market prices. According to the trade, the quotas for pork for processing have largely been filled whereas the allocations for belly meat have been harder to fill because of tight international supplies. The table below shows the duty free quota announcements made over the last year.

Duty Free Quota Announcements on Imported Pork ¹				
Effective Date	Product	HS Number	Quota	Must be imported by
Jan 28, 2011	Frozen pork bellies	0203.29.1000	10,000	Jun. 30, 2011
	Frozen pork for processing	0203.29.9000	50,000	
Mar 7, 2011	Frozen pork bellies	0203.29.1000	50,000 ²	
May 11, 2011	Other chilled pork	0203.19.0000	20,000	
Jun 27, 2011	Pork	0203	130,000	Dec. 31, 2011
Aug 11, 2011	Chilled pork for processing	0203.19	unlimited	Sep. 30, 2011
January 1, 2012	Chilled/Frozen pork bellies	0203.19.1000	50,000	Mar. 31, 2012
		0203.29.1000		
	Frozen pork for processing	0203.29.9000	20,000	
April 1, 2012	Chilled/Frozen pork bellies	0203.19.1000	70,000	Jun. 30, 2012
		0203.29.1000		

1. The base rate for chilled pork is 22.5 percent and 25 percent for frozen.

2. The combined quota for frozen pork bellies was 60,000 MT from January to June.