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## **Report Name:** Oilseeds and Products Annual

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### **Report Highlights:**

FAS Seoul forecasts that Korean soybean production for MY 2020/21 will increase by 3 percent. Due to constant demand for imported soybeans, MY 2020/21 soybean imports are forecast to match the current marketing year estimate of 1.27 MMT. Imports of soybeans for crushing in MY 2020/21 are forecast to remain unchanged from the current marketing year's estimate of one MMT as crushers continue to prefer processing soybeans over rapeseed. Soybean meal imports during MY 2020/21 are forecast at 1.9 MMT, similar level to the current marketing year, as Korean livestock inventories are expected to be stagnant. In MY 2019/20, soybean oil imports are expected to remain at 330,000 MT (with an estimated 80-90% U.S. market share), stagnant from the previous year.

**Commodities:**

Oilseed, Soybean

**Production:**

Soybeans accounted for approximately 56 percent of Korea's total oilseeds production in MY 2018/19, followed by perilla (28 percent), sesame (9 percent) and peanuts (8 percent) (Table 3). Korea also produces a small amount of rapeseed, although the Korean government has not released rapeseed production numbers since 2010.

The Korean Rural Economic Institute (KREI) conducted a nationwide survey December 13-19, 2019 to ascertain the planting intentions of soybean farmers. According to the survey results, MY 2020/21 soybean area is forecast to increase to 59,860 hectares, up 1,323 hectares (2 percent) from official harvested area in MY 2019/20 (Table 1). KREI estimates suggest some continued impact of the efforts to reduce domestic rice area and that encourage rice farmers to cultivate soybeans on their paddy land. Using the KREI survey results and the rice reduction program as a benchmark, FAS Seoul is forecasting that soybean production for MY 2020/21 will increase by 3 percent from KOSTAT official data in the previous year when an Olympic average yield for the most recent five years is applied. Yields are expected to be similar to those of the 2019/20 crop, which had slightly increased from the preceding year due to mixed weather conditions.

In MY 2019/20, KOSTAT announced that soybean production increased to 105,340 metric tons (MT), up 15,930 MT (18 percent) from the previous year. This production growth was due mainly to a sharp increase of acreage in tandem with slightly improved yields (Table 1).

So far in 2020, government purchases of the 2019 soybean crop have sharply increased to approximately 12,004 MT (Table 4) as of January 2020, 28 percent of the purchasing contractual volume of 43,080 MT, or 20 percent of government purchasing plan of 60,000 MT. The Korean government has maintained the purchasing price at Korea won 4,200 per KG (equivalent to USD 3,608 per metric ton) since 2018A trend of relatively low domestic wholesale soybean prices has encouraged farmers to sell their crop under the government purchasing program (Table 5).

Table 1

Korea: Soybean Production			
Crop Year	Area (ha)	Yield (Kg/ha)	Production (MT)
2013	80,031	1,925	154,067
2014	74,652	1,866	139,267
2015	56,666	1,830	103,504
2016	49,014	1,540	75,448
2017	45,556	1,880	85,644
2018	50,638	1,766	89,410
2019	58,537	1,805	105,340
2020	59,860a/	1,800b/	108,000c/

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

a/ KREI estimate based on telephone survey for December 11-17, 2018, reflecting the impact of the rice area reduction program

b/ Based on Olympic average over previous five-years

c/ FAS Seoul forecast

Table 2

Korea: 2020 Soybean Planting Intentions			
Crop Year	Upland (ha)	Paddy Land (ha)	Total (ha)
2019 Harvest (A)	47,100	11,500	58,537
2020 Intention <sup>1/</sup> (B)	49,700	10,100	59,860
Growth Rate (%) (B/A)	+5.7	-11.7	+2.3

Source: Korea Rural Economic Institute (KREI)

1/ Based on KREI telephone survey for December 13-19, 2019

Table 3

Korea: Oilseed Area and Production (Hectares and Metric tons)						
Crops	MY 2017		MY 2018		MY 2019	
	Area	Production	Area	Production	Area	Production
Soybean	45,556	85,644	50,638	80,804	58,537	105,340
Peanuts <sup>1/</sup>	5,190	14,910	4,118	11,002	3,158	NA <sup>2/</sup>
Sesame	29,682	14,258	24,760	12,727	25,159	12,986
Perilla	43,352	50,738	34,863	40,344	37,377	NA <sup>2/</sup>
Total	123,780	165,550	114,379	144,877	124,231	NA <sup>2/</sup>

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

Notes:

1/ In-shell

2/ Data should be available May 2020

Table 4

Korea: Government Purchases of Soybeans		
Year	Price (KRW/Kg) <sup>1/</sup>	Quantity (MT)
2014	3,868	9,409
2015	3,868	11,424
2016	3,868	2,114
2017	4,011	10,729
2018	4,200	547
2019	4,200	43,080 <sup>2/</sup>

Source: Korea Agro-Fishery & Food Trade Corporation (aT); National Agricultural Cooperative Federation (NACF)

Applicable Exchange Rate (Korean Won per USD): 1,164 on average in 2019

1/ Price based on No. 1 grade of large-sized kernel

2/ Plan on pre-contract basis

Table 5

Korea: Wholesale Prices of Domestic Soybeans (High Quality, Korean Won per Kg)												
Month	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
2013	6,229	6,311	6,314	6,314	6,333	6,326	6,338	6,286	6,286	5,885	5,193	4,594

2014	4,435	4,142	4,057	4,057	4,057	4,057	4,057	4,057	4,057	3,931	3,997	3,973
2015	3,977	4,000	3,888	3,886	3,929	3,971	3,971	3,946	3,914	3,952	4,165	4,225
2016	4,255	4,273	4,286	4,286	4,286	4,286	4,316	4,343	4,344	4,343	4,861	5,299
2017	5,086	4,959	4,914	4,914	4,908	4,875	4,891	4,909	4,919	4,949	4,722	4,670
2018	4,686	4,737	4,928	5,031	5,122	5,186	5,166	5,077	5,089	5,249	5,400	5,329
2019	5,263	5,265	5,362	5,447	5,570	5,645	5,653	5,663	5,657	5,621	5,395	5,155
2020	5,103	5,103	na	na	na	na	na	na	na	na	na	na

Source: Korea Agro-Fishery & Food Trade Corporation (aT)  
Applicable Exchange Rate (Korean Won per USD): 1,164 on average in 2019

### Consumption:

Soybeans are the most heavily consumed oilseed in Korea. Total domestic consumption in MY 2020/21 is forecast to stay around 1.39 million MT (MMT), remaining unchanged from the current marketing year's estimate amid stagnant domestic production and flat consumer demand consistent with a mature market. Of this total, one MMT will be used for crushing, 340,000 MT will be used for domestic food use in products like tofu, soymilk and soy sauce, and the remaining 53,000 MT will be consumed as domestic animal feed and waste. All domestic production goes to food use. Future growth in overall soybean consumption is expected to be minimal. Consumption for crushing will be constant at the level of 1 MMT as long as CJ Corporation, the largest Korean soybean crusher, continues soybean crushing in their flexible crushing facilities, which are convertible depending on the comparison of crushing margins between rapeseed and soybeans.

As is projected for the next marketing year, in MY 2019/20, soybean consumption is expected to stay around 1.39 MMT, up 1.3 percent from the previous year due to higher consumption of domestic soybeans as food, caused by lower prices resulting from higher domestic soybean production. This total consists of one MMT for crushing, 337,000 MT for food and 53,000 MT for feed, seed and waste.

In MY 2018/19, Korean soybean crushers reduced soybean crushing to 966,843 MT, down four percent from the previous year (Table 6). Despite a decrease in locally crushed soybeans for soybean meal for feed, total soybean consumption increased to 1.37 MMT, up 15,000 MT (one percent) from the previous year. The increase in consumption was primarily due to greater demands for food processing and feed and waste.

Table 6

Korea: Soybean Consumption for Crushing (Metric Ton)			
Month	MY 17/18	MY 18/19	MY 19/20
October	91,600	81,300	67,730
November	85,500	79,000	82,663
December	92,000	84,000	91,758
January	87,000	82,235	Na
February	81,700	72,211	Na
March	87,600	84,199	Na
April	75,000	86,738	Na
May	84,400	82,085	Na

June	78,700	88,286	Na
July	86,000	86,966	Na
August	80,700	82,637	Na
September	81,700	87,186	Na
Total	1,011,900	996,843	Na

Source: Korea Soybean Processing Association

Table 7

Korea: Distribution of Imported Soybeans for Food Manufacturing by the Korea Agro Fisheries & Food Trade Corp. (aT) (Calendar Year, Metric Ton)			
Item\Year	2017	2018	2019
Soybean Curd	100,993	93,048	92,752
Soy Paste	32,891	28,247	26,067
Soy Paste/Soy Flour	4,344	3,028	3,316
Soymilk	25,772	24,541	25,254
Soy Sprout	17,966	17,372	15,315
Others 1/	237	1,450	923
Sub. Total	182,203	167,686	163,627
By product 2/	38,103	31,677	39,638
Total (A)	220,306	199,363	203,265
TRQ Allocation to End-Users Direct Commercial Purchases			
Soybean Curd			
Soymilk		13,000	14,600
Soy-Paste/Red Pepper	3,500		
Soy Sprout	11,980	12,000	12,000
Total (B)	15,480	25,000	26,600
Soy-sauce/protein (after crushing) (C)	0	0	0
<b>Grand Total (A+B+C)</b>	<b>235,786</b>	<b>224,363</b>	<b>229,865</b>

Source: Korea Agro-Fishery & Food Trade Corporation (aT)

Note: Quantity is based on cleaned soybeans.

1/ Government, military employees and others

2/ for feed

### Trade:

Soybeans accounted for more than 84 percent of total oilseed imports, of which approximately 74 percent were used for crushing in the last marketing year (MY2018/19). Due to constant demand for imported soybeans, MY 2020/21 soybean imports are forecast to remain unchanged from the current marketing year estimate of 1.27 MMT. MY 2019/20 soybean imports are expected to stay around 1.27 MMT, a decrease of seven percent from the previous year due to a fluctuation in the arrival of imported soybeans for food processing and crushing with constant total demand on an annual basis. In MY 2018/19, total soybean imports were 1.37 MMT on a customs-cleared basis, consisting of 1,022,312 MT for crushing and 350,512 MT for food processing, respectively (Table 8).

## Crushing

Imports of soybeans for crush in MY 2020/21 are forecast to remain unchanged from the current marketing year's estimate of one MMT based on crushers' continued preference for processing soybeans rather than rapeseed.

Imports during the first three months of MY 2019/20 (Oct-Dec) totaled just under 224,000 MT, down 16 percent compared to the same period of MY 2018/19 (Table 9). For the rest of this marketing year, crushers are expected to import soybeans in quantities similar to MY 2018/19 to meet demand for locally processed soybean meal used for feed (Table 20).

The 2020 autonomous crushing soybean quota (a voluntary quantity above the World Trade Organization (WTO) quota) is 1.2 MMT with an adjustable in-quota tariff, which was cut from three percent (WTO quota) to zero (under the autonomous quota) (Table 17). Under the KORUS FTA, the import duty on U.S. soybeans for crushing fell to zero as of March 15, 2012. In MY 2018/19, the majority of crushing beans came from the United States (81%), followed by Brazil (19%). The U.S. share increased by 36 percentage points over the previous marketing year (Table 10).

Table 8

Korea: Total Soybean Imports (Unit: MT)			
Marketing Year (Oct/Sep)	Crushing Soybean	Food Grade Soybean	Total
2011/12	786,654	352,335	1,138,989
2012/13	811,886	299,659	1,111,545
2013/14	930,277	340,559	1,270,836
2014/15 <sup>a/</sup>	1,005,645	240,127	1,245,772
2014/15	1,005,645	115,284	1,120,928
2015/16 <sup>b/</sup>	1,000,661	248,664	1,249,325
2015/16	1,000,661	373,508	1,374,169
2016/17	1,065,030	220,728	1,285,758
2017/18	982,618	273,562	1,256,180
2018/19	1,022,312	350,512	1,372,824

Source: Korea Customs Service (KCS)

a/ FAS Seoul adjusted imports of food-grade soybeans to 240,127 MT from 115,284 MT based on customs clearance because Korea Customs Service reported cumulative numbers of food-grade soybeans imports in December 2015.

b/ FAS Seoul adjusted the imports of food-grade soybeans to 246,733 MT from 373,508 MT which included cumulative numbers of food-grade soybeans imports in December 2015.

Table 9

Korea: Soybean Imports for Oct.-Dec. by Origin (Unit: MT)					
Soybean for Crushing (HS1201.90.1000)					
MY2019/20	USA	Brazil	China	Others	Total
Oct. 2019	99,264	800	0	0	100,064
Nov	62,663	193	0	67	62,923

Dec	61,204	-	0	100	61,304
<b>Subtotal</b>	<b>223,131</b>	<b>993</b>	<b>0</b>	<b>167</b>	<b>224,291</b>
MY2018/19a/	191,565	75,395	0	100	267,060
<b>Soybean for Sprouting (HS1201.90.3000)</b>					
MY2019/20	USA	Brazil	China	Others	Total
Oct. 2019	100	0	1,040	0	1,140
Nov	0	0	5,980	0	5,980
Dec	788	0	7,762	658	9,208
<b>Subtotal</b>	<b>888</b>	<b>0</b>	<b>14,782</b>	<b>658</b>	<b>16,328</b>
MY2018/19a/	1,139	0	4,309	36	5,484
<b>Soybean for Food Processing (HS1201.90.9000)</b>					
MY2019/20	USA	Brazil	China	Others	Total
Oct. 2019	2,817	0	320	1,469	4,606
Nov	5,592	0	425	4,366	10,383
Dec	4,332	0	695	1,486	6,513
<b>Subtotal</b>	<b>12,741</b>	<b>0</b>	<b>1,440</b>	<b>7,321<sup>b/</sup></b>	<b>21,502</b>
MY2018/19a/	81,024	0	10,397	7,079 <sup>c/</sup>	98,500
<b>Soybeans Total</b>					
MY2019/20	USA	Brazil	China	Others	Total
Oct. 2019	102,181	800	1,360	1,469	105,810
Nov	68,255	193	6,405	4,433	79,286
Dec	66,324	0	8,457	2,244	77,025
<b>Subtotal</b>	<b>236,760</b>	<b>993</b>	<b>16,222</b>	<b>8,146</b>	<b>262,121</b>
MY2018/19a/	273,728	75,395	14,706	7,215	371,044

Source: Korea Customs Service (KCS)

a/ October – December 2018

b/ 3,360MT (Russia), 3,944MT (Canada) and 41 MT (Australia)

c/ 5,501MT (Russia), 1,359MT (Canada) and 355 MT (Australia)

Table 10

Korea: Crushing Soybean Imports by Origin (Unit: MT)					
Marketing Year (Oct/Sep)	USA	Brazil	Paraguay	Others	Total
2010/11	485,109	405,551	43,621	0	934,281
2011/12	173,447	418,292	194,915	0	786,654
2012/13	374,167	384,262	53,461	0	811,886
2013/14	372,504	455,920	101,853	0	930,277
2014/15	326,169	628,209	51,025	200	1,005,603
2015/16	291,894	573,836	134,769	120	1,000,661
2016/17	451,193	484,505	129,123	201	1,065,030
2017/18	437,483	496,269	48,466	400	982,618
2018/19	827,002	192,913	0	2,397	1,022,312

Source: Korea Customs Service (KCS)

a/ Paraguay

### *Food Use*

The Korea Agro-Fishery and Food Trade Corporation (aT), the government's state trading arm, controls the bulk of the marketing of non-GMO food-grade soybeans for food processing under the autonomous WTO Tariff Rate Quota (TRQ). aT distributes soybeans to end-users and charges a mark-up that supports domestic crop production and pays for some costs for handling and cleaning, which involves removing any foreign material and broken soybeans upon arrival.

In preparation for its 2021 WTO TRQ-based procurement plan, aT forward contracted or purchased 150,000 MT of soybeans on basis trading contracts at the end of 2019, with delivery planned during the first half of 2021. Accordingly, in MY 2020/21 imports of food-grade soybeans are forecast to be 270,000 MT under the autonomous WTO TRQ and FTA TRQs, with the majority coming from the United States followed by China, Canada and Australia. The United States is expected to retain 70 – 80 percent of the import market for food-use soybeans. The gains of tariff rate quota under the KORUS FTA have further strengthened the U.S. position. U.S. food-grade soybeans are primarily used in products like tofu, soybean paste/sauce and soymilk, while China mainly supplies soybeans for sprouting.

Despite the fact that the government hasn't announced its 2020 autonomous WTO TRQ for food grade soybeans yet, the volume of the WTO TRQ is estimated to fall between 200,000 MT and 210,000 MT. aT expects the government to release the TRQ in early March 2020, anticipating 88 percent of the WTO TRQ for aT's bidding process with the remainder of 22,120 MT for import license to end-users, who can contract with soybean suppliers directly. The 2020 TRQ will also include 10,120 MT allocated for overseas farming development, up 720 MT from the previous year. In late 2018, under the 2020 TRQ regime, aT already purchased 170,000 MT through basis trading contracts from the United States for delivery during the first half of 2020. The remainder will likely be purchased off the spot market sometime this year, with delivery during the second half of the year. Korea is also expected to import 56,051 MT under 2020 FTA TRQs from the United States (29,851 MT), China (10,000 MT), Australia (800 MT) and Canada (15,400 MT); that is, those countries which have FTA TRQ agreements with Korea. Therefore, total imports of food-grade soybeans will be around 270,000 MT in 2020.

In 2019, Korea imported 284,356 MT of food-grade soybeans, consisting of 246,117 MT of yellow soybeans for food processing and 38,239 MT of soybeans for sprouting, under a combination of the autonomous WTO TRQ and FTA TRQs. Under the autonomous WTO TRQ, the state trading company distributed 203,265 MT of imported soybeans to local food processors and 26,600 MT in import licenses to end-users, respectively (Table 7). Under the 2019 FTA TRQs, Korea also imported 53,580 MT, consisting of 28,848 MT from the United States, 179 MT from Australia, 14,993 MT from Canada and 9,560 MT from China, respectively (Table 15).

In 2019, aT sold 148,312 MT of imported food-quality soybeans (excluding soy by-products and sprouts) at an average price of 1,100 Korean Won/KG (or USD 945/MT, using the applicable exchange rate of 1,164 Korean Won per USD on average in 2019), unchanged from the previous year. During this period, the average price of imported soybeans for food processing was USD 538/MT (CIF). Based on these figures, aT made an estimated margin of USD 60 million by selling imported food-grade soybeans to end-users. Meanwhile, 15,315 MT of soybeans for sprouting were sold to end-users at an average bidding price of Korean Won 2,440/KG (or USD 2,096/MT) while the average price of imported soybeans for sprouting was USD 974/MT (CIF). The estimated margin is calculated at USD 17



million. Additionally, 39,638MT of soybean by-products (after screening and cleaning food grade soybeans) were sold to feed mills at Korean Won 350/KG (or USD 300/MT) at a total discount of USD 9 million.

Table 11

Korea: Food-Grade Soybean Imports by Origin (Unit: MT)							
Marketing Year (Oct/Sep)	USA	Brazil	China	Canada	Australia	Others	Total
2010/11	216,984	35	80,162	7,449	0	17	304,647
2011/12	225,084	5,300	109,726	11,525	0	700	352,335
2012/13	192,728	1,702	83,449	19,105	0	2,675	299,659
2013/14	247,832	0	80,307	7,584	4,836	0	340,559
2014/15 <sup>a/</sup>	195,737	2,500	33,822	6,848	1,220	0	240,127
2014/15	70,894	2,500	33,822	6,848	1,220	0	115,284
2015/16 <sup>b/</sup>	199,185	1,091	20,371	24,901	1,931	1,185	248,664
2015/16	324,029	1,091	20,371	24,901	1,931	1,185	373,508
2016/17	158,207	0	40,559	20,243	884	1,250	221,143
2017/18	204,910	0	48,124	13,244	926	6,358	273,562
2018/19	282,386	0	42,082	15,595	568	9,881	350,512

Source: Korea Customs Service (KCS)

a/ FAS Seoul adjusted imports of food-grade soybeans to 195,737 MT from 70,894 MT based on customs clearance because Korea Customs Service reported cumulative numbers of food-grade soybeans imported from the United States in December 2015.

b/ FAS Seoul adjusted imports of food-grade soybeans to 199,185 MT from 324,029 MT to include cumulative numbers of food-grade soybeans imported from the United States in December 2015.

## Tariffs

The government is expected to announce the 2020 autonomous WTO TRQ in early March 2020. aT will purchase soybeans for food processing and sprouting purposes with 88 percent of the TRQ, with the remainder of the TRQ being granted as import licenses to end-users under a TRQ auctioning system. The portion for import licenses will effectively allow end-users or importers to bypass aT and buy directly from suppliers. The applicable in-quota tariff rate is five percent, while the out-of-quota tariff rate is a prohibitive 487 percent, or 956 Korean won (or 0.82 USD) per kg, whichever is greater (Table 17).

Under the KORUS-FTA, Korea established a zero-duty TRQ for 10,000 MT of food-grade identity-preserved (IP) soybeans in the first year of the agreement (2012), increasing to 20,000 MT in 2013 and 25,000 MT in 2014. Starting in 2015, the TRQ grows three percent annually in perpetuity. Korea is expected to import 29,851 MT of IP soybeans from the United States under 2020 KORUS FTA TRQ (Table 12 & 14). The FTA TRQ is administered by eleven associations of food-grade soybean processors, which gives U.S. suppliers direct market access to these processing companies (Table 13).

The KORUS FTA TRQ of 29,851 MT in 2020 was allocated to soybean processors a year in advance, as shown in Table 13, so that they could make forward contracts with U.S. farmers. The TRQ fill rate under the KORUS FTA reached almost 100 percent in 2019, a distinct improvement from 35 percent in 2012. In 2019, Korean soybean processors imported 28,848 MT, which included 3,229 MT of soybeans

for sprouting. 2019 imports filled nearly 100 percent of the 28,982 MT KORUS FTA TRQ, as Korean processors secured IP food-grade soybeans through forward contracting with farmers (Table 13).

When the Korea-Canada FTA went into effect on January 1, 2015, Korea established a duty-free quota for 5,000 MT of food-grade identity-preserved soybeans in the first year. This quantity was expanded by 2,500 MT annually up to 15,000 MT in 2019 (the first five years), and then continuing to increase by 400 MT annually up to 17,000 MT in 2024 (the 10<sup>th</sup> year). For years eleven and beyond, the in-quota quantity will be fixed at 17,000 MT annually (Table 14). Accordingly, in 2020, Korea is expected to import 15,400 MT of Canadian IP soybeans under the FTA TRQ. In 2019, Korean soybean processors imported 14,993 MT which included about 1,500 MT of soybeans for sprouting from Canada, a 100 percent FTA TRQ fill rate (Table 15).

Korea set up a duty-free quota for 500 MT of Australian food-grade IP soybeans in 2014 for the first year after the Korea-Australia FTA took effect on December 12, 2014. An annual increment of 50 MT meant 550 MT of duty-free beans in 2015 (the second year), reaching 1,000 MT in 2024 (the eleventh year). The in-quota quantity shall remain fixed at 1,000 MT for years 12 and beyond. In 2020, Korea is expected to import 800 MT of Australian IP soybeans under the FTA TRQ. In 2019, Korean soybean processors imported 179 MT from Australia or 24 percent of the FTA TRQ (Table 15) due to severe drought in recent years.

Korea established a duty-free quota of 10,000 MT of Chinese food-grade IP soybeans under the Korea-China FTA, effective December 20, 2015. This quota consists of 7,000 MT for IP soybeans for food processing and 3,000 MT for soybeans for sprouting, in perpetuity. In 2019, Korea imported 9,560 MT soybeans from China, 96 percent of the FTA TRQ (Table 15).

Table 12

Korea: Food Grade Soybeans Quota Allocation under KORUS FTA (Metric Ton)			
Calendar Year	Allocation	Imported	Fill Rate (%)
2012	10,000	3,453	35
2013	20,000	12,046	60
2014	25,000	23,832	95
2015	25,750	25,293	98
2016	26,523	26,510	100
2017	27,319	27,284	100
2018	28,138	28,135	100
2019	28,982	28,848	100
2020	29,851	na	na

Source: Korea Agro-Fishery & Food Trade Corporation (aT)

Table 13

Korea: KORUS FTA IP Soybeans Quota Allocation and Imports per Processor Association (Metric Ton)			
Trade Association of Food Soybeans Processors	2019		2020
	Allocation	Import	Allocation

Korea Federation of Tofu Coop. (KFTC)	10,032	10,030	10,269
Korea Jang Cooperative	5,545	5,533	5,806
Korea Food Industry Association	4,267	4,267	4,511
Korea Soybean Foodstuffs Association (KSFA)	2,270	2,150	2,427
Korea Bean Curd Manufacture Coop.	2,653	2,653	2,642
Seoul Kyung In Beancurd Manufacture Cooperation	306	306	302
Korea Bean Sprouts Association (KBSA)	2,976	2,976	2,881
Korea Dhyana Food Industry Cooperative	147	147	167
Seoul Soybean-Processed Foods Cooperative	533	533	555
Korea Bean Curd Manufacture Coop. (sprouting bean)	102	102	122
Korea Soybean Sprouts Cooperative	151	151	170
Total	28,982	28,848	29,852

Source: Korea Customs Service (KCS); Korea Agro-Fishery & Food Trade Corporation (aT)

Table 14

Korea: IP Soybeans TRQ Scheme under FTAs (Metric Ton, Calendar Year)											
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
USA	25,000	25,750	26,523	27,319	28,138	28,982	<b>29,851</b>	30,747	31,669	32,619	33,598
Australia	500	550	600	650	700	750	<b>800</b>	850	900	950	1,000
Canada	na	5,000	7,500	10,000	12,500	15,000	<b>15,400</b>	15,800	16,200	16,600	17,000
China	na	na	10,000	10,000	10,000	10,000	<b>10,000</b>	10,000	10,000	10,000	10,000
Total	25,500	31,300	44,623	47,969	51,338	54,732	<b>56,051</b>	57,397	58,769	60,169	61,598

Source: FAS/Seoul based on Korea's FTAs

Table 15

Korea: Actual Imports of Food Grade Soybeans under FTA TRQ (Metric Ton)					
Calendar Year	2015	2016	2017	2018	2019
USA	25,293	26,510	27,284	28,135	28,848
Australia	476	588	625	610	179
Canada	4,847	7,477	9,935	12,494	14,993
China	0	9,300	10,000	9,660	9,560
Total	30,616	43,875	47,844	50,899	53,580

Source: FAS/Seoul based on Korea's FTAs

## Production, Supply and Distribution Data Statistics:

### Soybean, Oilseed PS&D

Oilseed, Soybean Market Begin Year Korea, Republic of	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Planted	60	51	60	58	0	60
Area Harvested	51	51	51	58	0	60
Beginning Stocks	35	35	29	125	0	110
Production	89	89	92	105	0	108
MY Imports	1365	1373	1450	1270	0	1270
MY Imp. from U.S.	700	1109	725	1000	0	1000
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1489	1497	1571	1500	0	1488
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	1100	997	1150	1000	0	1000
Food Use Dom. Cons.	305	322	310	337	0	340
Feed Waste Dom. Cons.	55	53	60	53	0	53
Total Dom. Cons.	1460	1372	1520	1390	0	1393
Ending Stocks	29	125	51	110	0	95
Total Distribution	1489	1497	1571	1500	0	1488
CY Imports	1400	1264	1400	1250	0	1250
CY Imp. from U.S.	725	1074	725	1000	0	1000
CY Exports	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0
Yield	1.7451	1.7451	1.8039	1.8103	0	1.8
(1000 HA), (1000 MT), (MT/HA)						

### Soybean Import Trade Matrix

## Import Trade Matrix

Country

Korea, Republic of

Commodity

Oilseed, Soybean

Time Period

OCT/SEP

Units:

1,000MT

Imports for:

2017

2018

U.S.

642

U.S.

1109

Others

Others

Brazil	496	Brazil	192
China	48	China	42
Paraguay	49	Paraguay	0
Canada	13	Canada	16

Total for Others

606

250

Others not Listed

8

13

Grand Total

1256

1372

Source: Korea Customs Service (KCS)

Table 16

Korea: Oilseed Imports (Metric Tons, USD1,000)		
	MY 2016/17	MY 2017/18
		MY 2018/19

	Volume	Value	Volume	Value	Volume	Value
Soybean	1,286,131	602,057	1,256,180	586,499	1,372,823	616,728
Peanuts	602	935	549	854	845	1,316
Copra	424	482	331	360	600	588
Linseed	3,204	2,795	187	187	1,105	827
Rapeseed	3,753	2,073	6,974	3,584	3,465	2,091
Sunflower Seed	3,710	5,406	3,465	4,722	3,226	4,100
Cotton Seed	157,003	47,297	145,172	37,732	137,685	33,503
Castor Bean	8	10	6	11	7	7
Sesame Seed	73,660	105,869	69,280	110,562	81,953	152,865
Mustard Seed	1,262	1,209	1,726	1,771	1,883	1,587
Safflower Seed	360	242	462	332	344	277
Perilla Seed	24,976	31,635	17,611	35,282	21,648	43,091
Others	6,386	29,295	6,581	8,146	4,574	4,802
Total	1,561,479	829,305	1,508,524	790,042	1,630,158	861,782

Source: Korea Customs Service

Table 17

Korea: Applied Tariff Schedule for Oilseeds (Percent)				
Commodity	H.S. Code	2018	2019	2020
Soybean, Seed	1201.10.xxxx	3	3	3
Soybean, Crushing 1/	1201.90.1000	3(0)	3(0)	3(0)
Soybean, Feed 1/	1201.90.2000	3(0)	3(0)	3(0)
Soybean, Sprouting 2/	1201.90.3000	3(5)	3(5)	3(5)
Soybean, Food Grade 2/	1201.90.9000	3(5)	3(5)	3(5)
Peanuts, Seed, in shell	1202.30.1000	40	40	40
Peanuts, Seed, shelled	1202.30.1000	24	24	24
Peanuts, in Shell 3/	1202.41.0000	40	40	40
Peanuts, Shelled 3/	1202.42.0000	24	24	24
Copra	1203.00.0000	3	3	3
Linseed	1204.00.0000	3	3	3
Rapeseed	1205.xx.xxxx	10	10	10
Sunflower Seed	1206.00.0000	25	25	25
Cottonseed 4/	1207.29.1000	2 (0)	2 (0)	2 (0)
Sesame Seed 5/	1207.40.0000	40	40	40
Mustard Seed	1207.50.0000	3	3	3
Perilla Seed 6/	1207.99.1000	40	40	40
Castor Beans	1207.99.4000	3	3	3
Safflower Seed	1207.99.5000	3	3	3
Others	1207.99.9000	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 autonomous TRQ tariff rate assessed on 1.2 million tons of soybeans imported for crushing and feed purposes in CY 2020. The number not in parenthesis is the in-quota WTO TRQ tariff rate.

2/ applied duty rate of 5 percent for food grade soybeans imported and administered by the Korea Agro-Fishery & Food Trade Corporation (aT) under the WTO TRQ. Soybeans imported out-of-quota by private importers will be assessed a tariff rate of 487 percent or Korean won 956/Kg, whichever is greater.  
3/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.  
4/The number in parenthesis is the in-quota tariff rate assessed on all cotton seed for feed.  
5/The in-quota amount under the WTO TRQ 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.  
6/ 40 percent or Korean won 410/Kg, whichever is greater.

## **Commodities:**

Meal, Soybean

Meal, Rapeseed

## **Production:**

Essentially all the vegetable meal produced in Korea is made from imported soybeans. Soybean meal production in MY 2018/19 decreased to 789,699 MT (79.2 percent applicable extraction rate basis), down 1.5 percent from the previous year, reflecting less competitive prices than imported protein meals within the mature compound feed market.

There are only two soybean crushers in Korea: CJ Corporation and Sajo O&F Company Ltd, with a crushing ratio of 65:35 percent. In MY 2018/19, CJ Corp's crushing capacity remained unchanged at 2,100 MT per day. Sajo O&F's crushing capacity also remained unchanged from the previous year, at 1,100 MT per day (Table 18).

MY 2020/21 demand for crushing soybeans will remain flat at one MMT if crushing margins remain steady. Soybean demand for crushing is steady, equivalent to the country's one MMT crushing capacity. Soybean meal production for MY 2020/21 is forecast to hold steady at 792,000 MT with an extraction rate of 79.2 percent and crude protein content at 44 percent.

MY 2019/20 soybean meal production is expected at 792,000 MT, a similar level compared to the previous year based on soybean crushing margins with reasonable soybean prices in the international markets.

To strengthen their competitiveness against imported meal from South America, local crushing companies have continued producing de-hulled hi-pro soybean meal with a 47-percent protein content by blending U.S. and Brazilian soybeans. In 2019, production of de-hulled hi-pro, 47-percent protein soybean meal declined to 20 percent of total soybean meal production, one percent lower than the previous year.

## *Production Breakdown by Company and Product*

In 2019, CJ produced 47-percent protein de-hulled meal and 45-percent protein meal in a ratio of 29:71, decreasing the production of 47-percent protein meal by one percentage points from the previous 30:70 ratio.

Sajo produced meal at a 46-percent versus 45-percent protein content at a ratio of 58:42, decreasing the production of 46-percent protein meal by ten percentage points, in view of their previous 68:32 ratio. This change in ratio was made because some feed millers that imported U.S. hi-pro meals substituted with domestic hi-pro meals for compound feed production of poultry and swine. The U.S. Soybean Export Council (USSEC) Seoul office continues to educate Korean feed millers about the economic value of hi-pro meals.

Table 18

Korea: Soybean Crushing Capacity (As of February 2019)		
Soybean Crusher	Capacity (MT/day)	Location
CJ Corp	2,100 <sup>a/</sup>	Incheon
Sajo O&F	1,100	Incheon
Total	3,200	

Source: Soybean Crushing Industry

Note: Day=24 hours processing basis for 330 days

a/ of them, 700 MT have been converted to crush for either rapeseed or soybeans depending on crushing margin since December 2012.

### Consumption:

Nearly all imported and domestically produced soybean meal is used in compound feed production. Given its ready availability, Korean feed millers prefer soybean meal. It is the second most widely used ingredient in compound feed production after corn, accounting for about 11.3 percent of total compound feed production in MY 2018/19, down 0.9 percentage point from the previous year due to an increase of other meals such as rapeseed meal, DDGS and palm kernel meal (Figure 1).

MY 2020/21 soybean meal consumption is forecast to reach around 2.6 MMT, about two percent more than the current marketing year, as local swine and poultry inventories are expected to continue growing.

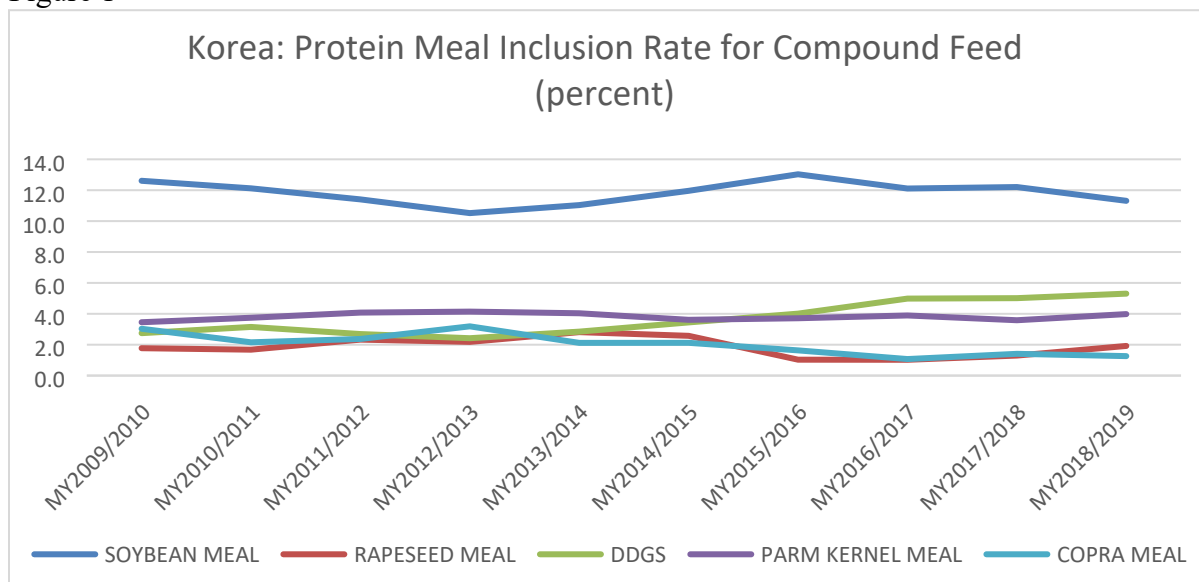
MY 2019/20 soybean meal consumption for animal feed is predicted to increase to 2.54 MMT, up one percent from the previous marketing year, as animal inventories are expected to continue strong despite the existence of outbreaks of ASF and AI.

MY 2018/19 soybean meal consumption was revised down to 2.52 MMT from the previous year due to other protein meals making up for the lack of supply from the protein portion of feed grade wheat, as the inclusion rate of this grain declined by 2.2 percentage points from the previous year. (Tables 21 & 22).

Rapeseed meal consumption for feed in MY 2020/21 is forecast to stay around 300,000 MT, reduced from the previous year due to anticipated supply of rapeseed meal from global markets on the long-term average. MY 2019/20 consumption for feed is expected to decrease 16 percent to 330,000 MT from the previous year based on supply availability for the first four months imports. In MY 2018/19, feed

millers consumed 393,000 MT, up 55 percent from the previous year due to increasing compound feed requirements from poultry and swine sectors coupled with cost competitiveness of lower-priced Indian rapeseed meal compared to other aggressively priced protein meals (Table 21 & 23). The DDGS inclusion rate for compound feed production has continued increasing to 5.3 percent from the previous level of five percent in MY 2018/19. Please refer to [KS1748 DDGS in the Korean Market](#) for more details about DDGS in Korea.

Figure 1



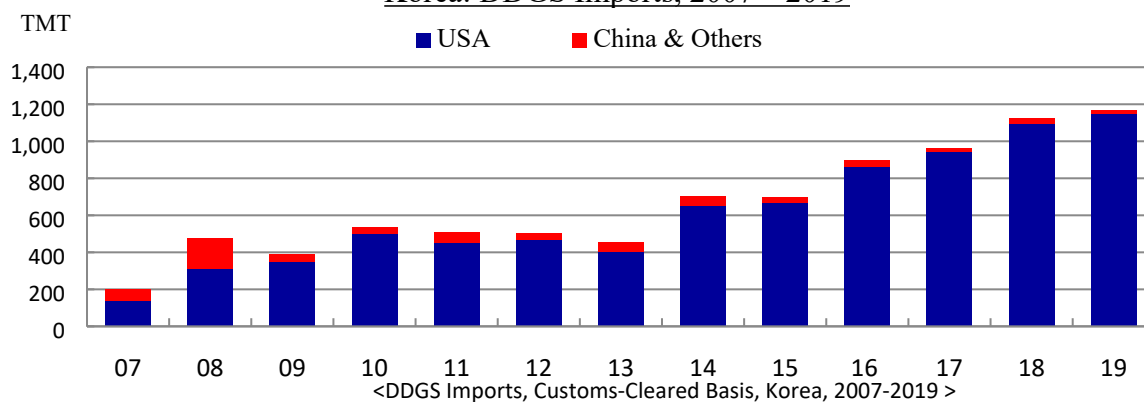
**Trade:**

Soybean meal imports during MY 2020/21 are forecast at 1.9 MMT, at a level similar to the current marketing year, as Korean livestock inventories are expected to be stagnant. Despite an increase of eight percent in soybean meal imports for the first three months over the same period of MY 2018/19 (Table 24), for MY 2019/20 as a whole, soybean meal imports are expected to increase to around 1.87 MMT, about a two percent increase over the previous marketing year. This increase in imports will help meet greater demand for compound feed from expanded poultry and swine inventories. MY 2018/19 soybean meal imports have been revised up to 1.84 MMT, up just 0.4 percent from the previous year due to a lower inclusion rate in total compound feed production, which was offset by the increased inclusion rate of rapeseed meal, DDGS and palm kernel meal (Table 21).

Figure 2



### Korea: DDGS Imports, 2007 – 2019



Rapeseed meal imports during MY 2020/21 are forecast at 300,000 MT, decreasing from the current marketing year to follow demand as rapeseed meal has a limited inclusion rate in feed production. In MY 2019/20, rapeseed meal imports are expected to decrease more than 10 percent based on supply more limited for the first four months imports. Korean feed millers imported 400,194 MT of rapeseed meal in MY 2018/19, a sharp increase of 36 percent from the previous marketing year due to greater supply availability from India, along with more attractive pricing in international rapeseed meal markets. India was the only supplier of rapeseed meal to Korea.

Palm kernel meal and copra meal imports are forecast to remain major protein resources for animal feed in both MY 2019 and MY 2020. DDGS imports are also forecast to be strong to meet a greater demand for vegetable protein from feed sectors in Korea (Table 24).

#### Tariffs

The 2020 autonomous soybean meal WTO TRQ is set at 2.45 MMT with a zero percent in-quota import duty, unchanged from the previous year. The 2020 WTO TRQ for DDGS is set at zero percent for unlimited volume, coupled with a zero percent in-quota import duty for countries under FTAs. In order to help the livestock industry, the Korean government has maintained an autonomous zero duty TRQ for other vegetable protein meals such as cottonseed meal and cottonseed hulls. TRQ volumes for copra meal and palm kernel meal were eliminated when the zero duty under the Korean-ASEAN FTA was implemented.

Under the Korean-ASEAN FTA, copra and palm kernel meals are imported duty free from Southeast Asian countries such as Indonesia, Malaysia and the Philippines. Indian soybean meal is imported duty free under the Korea-India Comprehensive Economic Partnership Agreement (CEPA). As part of the KORUS FTA, Korea eliminated import duties on vegetable protein meals such as soybean meal (2304.00.0000), DDGS (2303.30.0000), and cottonseed meal (2306.10.0000) beginning March 15, 2012.

#### Export

Korea exports some locally crushed soybean meal that is less competitive than imported meal. Soybean meal exports for MY 2020/21 are forecast to remain unchanged from the current marketing year's estimate of 50,000 MT. The major markets for Korean soybean meal are Japan, followed by Vietnam,

Malaysia and Philippines: countries where there are overseas feed mills established by Korean crushers (Table 19).

Table 19

Korea: Soybean Meal Exports (Metric Ton)			
Country	MY 16/17	MY 17/18	MY 18/19
Japan	89,038	31,626	63,336
Vietnam	3,480	2,660	6,260
Malaysia	407	264	320
Philippines	180	141	400
China	6,840	5,587	0
Others	371	736	941
<b>Total</b>	<b>100,316</b>	<b>41,014</b>	<b>71,257</b>

Source: Korea Customs Service

### Production, Supply and Distribution Data Statistics:

#### Soybean Meal PS&D

Meal, Soybean Market Begin Year Korea, Republic of	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Crush</b>	1100	997	1150	1000	0	1000
<b>Extr. Rate, 999.9999</b>	0.7873	0.7924	0.787	0.792	0	0.792
<b>Beginning Stocks</b>	171	171	182	190	0	242
<b>Production</b>	866	790	905	792	0	792
<b>MY Imports</b>	1900	1836	1950	1870	0	1900
<b>MY Imp. from U.S.</b>	15	65	10	50	0	50
<b>MY Imp. from EU</b>	0	0	0	0	0	0
<b>Total Supply</b>	2937	2797	3037	2852	0	2934
<b>MY Exports</b>	60	71	65	50	0	50
<b>MY Exp. to EU</b>	0	0	0	0	0	0
<b>Industrial Dom. Cons.</b>	0	0	0	0	0	0
<b>Food Use Dom. Cons.</b>	25	20	25	20	0	20
<b>Feed Waste Dom. Cons.</b>	2670	2516	2750	2540	0	2600
<b>Total Dom. Cons.</b>	2695	2536	2775	2560	0	2620
<b>Ending Stocks</b>	182	190	197	242	0	264
<b>Total Distribution</b>	2937	2797	3037	2852	0	2934

(1000 MT), (PERCENT)

#### Soybean Meal Import Trade Matrix

# Import Trade Matrix

Country

Korea, Republic of

Commodity

Meal, Soybean

Time Period

OCT/SEP

Units:

1,000MT

Imports for:

2017

2018

U.S.

10

U.S.

65

Others

Others

Brazil	1706	Brazil	1636
Argentina	10	Argentina	31
China	37	China	28
India	65	India	63

Total for Others 1818 1758

Others not Listed 0 13

Grand Total 1828 1836

Source: Korea Customs Service (KCS)

Note: H.S. 2304 only

## Rapeseed Meal PS&D

Meal, Rapeseed Market Begin Year Korea, Republic of	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	7	5	8	5	0	5
Extr. Rate, 999.9999	0.5714	0.6	0.5	0.6	0	0.6
Beginning Stocks	24	24	15	14	0	17
Production	4	3	4	3	0	3
MY Imports	337	400	350	350	0	300
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	365	427	369	367	0	320
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	50	20	50	20	0	20
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	300	393	308	330	0	280
Total Dom. Cons.	350	413	358	350	0	300
Ending Stocks	15	14	11	17	0	20
Total Distribution	365	427	369	367	0	320

(1000 MT), (PERCENT)

## Rapeseed Meal Import Trade Matrix

# Import Trade Matrix

**Country**  
**Commodity**

Korea, Republic of  
Meal, Rapeseed

Time Period

OCT/SEP

Units:

1,000MT

Imports for:

2017

2018

U.S.

U.S.

0

Others

Others

India	293	India	400

Total for Others

293

400

Others not Listed

0

0

Grand Total

293

400

Source: Korea Customs Service (KCS)

Table 20

Korea: Soybean Meal Production <sup>1/</sup> (Metric Ton)			
Month	MY 17/18	MY 18/19	MY 19/20
October	65,400	58,700	48,109
November	61,400	57,000	59,232
December	66,230	60,800	65,852
January	62,800	58,700	Na
February	59,300	51,683	Na
March	63,200	60,183	Na
April	54,000	62,124	Na
May	61,400	58,976	Na
June	57,300	64,078	Na
July	62,600	62,898	Na
August	58,500	59,126	Na
September	58,800	62,802	Na
Total	730,930	717,070	Na
Extraction Rate (Percent)	72.23	71.93	Na

Source: Korea Soybean Processing Association

<sup>1/</sup> based on crushers' applicable extraction rate

Table 21

Korea: Feed Ingredients for Animal Use (October/September Basis)						
Items	MY 2016/2017		MY 2017/2018		MY 2018/2019	
	1,000 MT	Percent	1,000 MT	Percent	1,000 MT	Percent
<b>Total Grains and Grain Substitution</b>	<b>12,116</b>	<b>63.9</b>	<b>12,474</b>	<b>63.7</b>	<b>12,976</b>	<b>63.4</b>

- Wheat	2,025	10.7	1,546	7.9	1,168	5.7
- Corn	7,031	37.1	7,564	38.6	8,557	41.8
- Others	3,060	16.1	3,364	17.3	3,251	15.9
<b>Total Vegetable Protein</b>	<b>4,764</b>	<b>25.1</b>	<b>4,973</b>	<b>25.4</b>	<b>5,262</b>	<b>25.7</b>
- Soybean Meal 1/	2,296	12.1	2,391	12.2	2,316	11.3
- Rapeseed Meal	194	1.0	254	1.3	393	1.9
- Cottonseed Meal	1	0.0	0	0.0	0	0.0
- Palm Kernel Meal	738	3.9	702	3.6	815	4.0
- Copra Meal	203	1.1	276	1.4	258	1.3
- Sesame Meal	32	0.2	36	0.2	38	0.2
- Perilla seed Meal	1	0.0	2	0.0	2	0.0
- Corn Gluten Meal	68	0.4	70	0.4	76	0.4
DDGS	945	5.0	982	5.0	1,086	5.3
- Others	286	1.4	260	1.3	278	1.4
<b>Total Animal Protein</b>	<b>184</b>	<b>1.0</b>	<b>198</b>	<b>1.0</b>	<b>206</b>	<b>1.0</b>
- Fish meal	14	0.1	12	0.1	11	0.1
- Meat & Bone Meal	23	0.1	24	0.1	24	0.1
- Others	147	0.8	162	0.8	171	0.8
<b>Total Others</b>	<b>1,896</b>	<b>10.0</b>	<b>1,946</b>	<b>10.0</b>	<b>2,028</b>	<b>9.9</b>
<b>TOTAL COMPOUND FEED</b>	<b>18,960</b>	<b>100.0</b>	<b>19,591</b>	<b>100.0</b>	<b>20,472</b>	<b>100.0</b>

Source: Korea Feed Association

1/ include dehulled locally processed soybean meal

Table 22

<b>Korea: Compound Feed Production by Species Use</b> (October/September, 1,000 MT)				
Species	MY 2017/18	MY 2018/19	MY 2019/20a/	MY 2020/21a/
Poultry	5,906	6,159	6,300	6,400
Swine	6,461	6,784	6,800	7,000
Cattle	5,719	5,961	6,200	6,300
Others <sup>c/</sup>	1,456	1,511	1,500	1,500
<b>Sub Total</b>	<b>19,542</b>	<b>20,415</b>	<b>20,800</b>	<b>21,200</b>
Aquaculture	152	161	150	150
Milk Substitute	52	49	50	50
<b>Grand Total</b>	<b>19,746</b>	<b>20,625</b>	<b>20,800</b>	<b>21,400</b>

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

a/ FAS/Seoul forecast

b/ Include ducks, rabbit, horse, sheep, deer, quail etc.

Table 23

<b>Korea: Feed Ingredients Use for Compound Feed Production</b> (October/September, 1,000 MT)	
--	--

Items	MY 2017/18	MY 2018/19	MY 2019/20 <sup>a/</sup>	MY 2020/21 <sup>a/</sup>
Sub-Total Grains and Grain Substitutes	12,474	12,976	13,300	13,600
- Wheat	1,546	1,168	1,400	1,500
- Corn	7,564	8,557	8,600	8,800
- Rice	702	568	300	100
- Other Grains and Grain Substitute <sup>b/</sup>	2,662	2,683	3,100	3,200
Others <sup>c/</sup>	7,117	7,496	7,500	7,600
-Vegetable Protein	4,973	5,262	5,200	5,342
<b>Grand Total</b>	<b>19,591</b>	<b>20,472</b>	<b>20,800</b>	<b>21,200</b>

Source: Korea Feed Association (KFA)

a/ FAS Seoul forecast

b/ includes Tapioca, brans and gluten feed.

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

Table 24

Korea: Imports of Major Protein Meals (October/September)						
	MY 2016/017		MY 2017/018		MY 2018/019	
	Volume (MT)	Value (1,000USD)	Volume (MT)	Value (1,000USD)	Volume (MT)	Value (1,000USD)
Soybean Meal	1,747,046	687,196	1,828,269	707,128	1,836,246	772,687
Rapeseed Meal	212,026	58,085	293,649	79,004	400,194	102,894
Fish Meal	48,812	84,409	50,055	86,536	56,080	92,362
Bone Meal	322	471	268	594	394	756
Cottonseed Meal	12,351	5,638	9,966	3,975	8,939	4,106
Sunflower Seed Meal	8,668	2,154	2,046	501	14,590	3,838
Copra Meal	210,406	40,952	294,880	48,852	247,935	46,884
Palm Kernel Meal	789,602	92,382	762,151	106,376	865,530	116,366
Corn Germ Meal	25,708	5,009	26,272	5,338	24,774	5,249
Others	391,178	34,595	343,968	31,972	406,274	42,572
<b>Total</b>	<b>3,446,217</b>	<b>1,010,992</b>	<b>3,611,539</b>	<b>1,070,284</b>	<b>3,860,956</b>	<b>1,187,714</b>
DDGS	1,036,935	203,325	1,079,254	229,849	1,155,779	260,394

Source: Korean Customs Service (KCS)

Table 25

Korea: Price Comparison of Major Imported Protein Meals (USD/MT, CIF, Arrival Basis on annual average)						
	MY 2013	MY 2014	MY 2015	MY 2016	MY 2017	MY 2018
Soybean Meal	549.23	480.71	383.68	393.35	386.77	420.80
Rapeseed Meal	276.47	275.11	300.22	273.95	269.04	257.11
Fish Meal	1,654.13	2,004.71	1,724.64	1,729.27	1,728.80	1,646.97
Bone Meal	1,305.88	1,082.44	1,621.95	1,462.73	2,216.42	1,918.78
Cottonseed Meal	479.07	462.22	510.46	456.48	398.86	459.34
Sunflower Seed Meal	424.81	404.75	320.26	248.50	244.87	263.06
Copra Meal	261.21	196.07	184.33	194.63	166.67	189.10

Palm Kernel Meal	189.55	127.73	105.99	117.00	139.57	134.44
Corn Germ Meal	306.84	250.42	178.65	194.84	203.18	211.88
Others	127.40	133.82	115.16	88.44	92.95	104.74
DDGS	320.18	244.49	218.78	196.08	212.97	225.30

Source: Korean Customs Service (KCS)

Table 26

Korea: Soybean Meal Imports for Oct.-Dec. by Origin (Unit: MT, H.S. 2304 basis)							
MY 2019/20	USA	Brazil	Argentina	India	China	Others	Total
Oct. 2019	906	180,069	0	5,324	379	0	186,678
Nov	163	149,987	12,565	3,468	712	0	166,895
Dec	543	127,044	49,368	5,549	338	0	182,842
<b>Subtotal</b>	<b>1,612</b>	<b>457,100</b>	<b>61,933</b>	<b>14,341</b>	<b>1,429</b>	<b>0</b>	<b>536,415</b>
MY 2018/19 a/	5,940	452,701	0	15,345	11,339	13,090	498,415

Source: Korea Customs Service (KCS)

a/ October – December 2018

Table 27

Korea: Animal Inventory (1,000 Head, 1,000 Birds, as of February 2020)					
Animal	Year	March	June	September	December
Beef Cattle	2015	2,896	2,984	2,996	2,909
	2016	2,821	2,996	3,016	2,963
	2017	2,885	3,034	3,120	3,020
	2018	2,947	3,117	3,168	3,113
	2019	3,059	3,242	3,269	3,211
	2020d/	3,155	3,203	3,251	3300
Dairy Cattle	2015	439	433	430	428
	2016	425	420	421	418
	2017	416	414	411	409
	2018	408	405	407	408
	2019	407	401	404	408
	2020	406-408c/	na	na	na
Swine	2015	9,971	10,018	10,332	10,187
	2016	10,315	10,355	10,699	10,367
	2017	11,005	11,187	11,493	11,273
	2018	11,156	11,304	11,641	11,333
	2019	11,200	11,317	11,713	11,280
	2020c/	11,156	11,197	11,599	11,254
Layer a/	2015	68,878	67,907	72,090	71,877
	2016	70,177	68,281	69,853	71,043
	2017	51,608	57,383	67,833	72,710

	2018	71,324	67,043	71,227	74,741
	2019	70,103	71,405	70,895	72,701
Broiler b/	2015	82,749	110,489	81,184	81,851
	2016	86,541	101,014	76,420	87,830
	2017	79,332	104,205	80,546	85,436
	2018	91,053	112,681	83,278	85,915
	2019	93,599	121,588	88,530	88,738

Source: Korea Statistics (KOSTAT)

a/ Excluding breeders

b/ Excluding multi-use broilers

c/ KREI forecast

d/ FAS Seoul forecast

Note: The Korean government changed the basis for estimating cattle inventory as of September 2017. The Korea Statistics Service switched from a sample survey-based cattle inventory estimate to the actual number of cattle registered under the traceability system. As it is mandatory to register cattle under the traceability system, this change will allow for more accurate inventory numbers. However, this change increased cattle inventory statistics by an average of 240,000 heads ([KS1810](#)). Swine inventory numbers also followed the registration of the traceability system since 2017.

Table 28

Korea: Applied Tariff Schedule for Oil Cake and Meals (Percent)				
Commodity	H.S. Code	2018	2019	2020
DDGS <sup>a/</sup>	2303.30.0000	2 (0)	2 (0)	2 (0)
Soybean Meal <sup>b/</sup>	2304.00.0000	1.8 (0)	1.8 (0)	1.8 (0)
Peanut Meal	2305.00.0000	5	5	5
Cottonseed Meal <sup>c/</sup>	2306.10.0000	2 (0)	2 (0)	2 (0)
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	2306.50.0000	2	2	2
Palm Kernel Meal	2306.60.0000	2	2	2
Cottonseed Hull for feed <sup>d/</sup>	2308.00.3000	5 (0)	5 (0)	5 (0)

Source: Korea Customs Service

The figures in parentheses are the autonomous quota tariff rates. The number not in parenthesis is the in-quota WTO TRQ tariff rate.

a/ The applied duty is assessed on the unlimited volume of residues of brewing or distilling dregs and waste for 2020.

b/ The applied duty is assessed on the first 2.45 million tons of soybean meal for 2020.

c/ The applied duty is assessed on the unlimited volume of cottonseed meal for feed in 2020.

d/ The applied duty is assessed on the unlimited volume of cottonseed hull for feed in 2020.

## Commodities:

Oil, Soybean



**Production:**

Due to the greater crushing margins from soybean processing over rapeseed, CJ Corporation, Korea's largest soybean crusher, has continued processing soybeans rather than canola seed since 2013. MY 2018/19 soybean oil production decreased to 190,954 MT, down two percent from the previous marketing year. Current MY 2019/20 soybean oil production is expected to remain stable at 190,000 MT unless crushing margins between soybeans and rapeseed are flipped. MY 2020/21 soybean oil production is forecast to stay around 190,000 MT, remaining unchanged from the current marketing year due to a saturated domestic market.

**Consumption:**

Soybean oil and palm oil accounted for 76 percent of the country's total oil supply in MY 2018/19 (Table 31). Most soybean oil is consumed in the hotel, restaurant and institutional (HRI) sector and at home, but soybean oil consumption has recently become null in the biodiesel sector due to the lower price of palm oil. Food processors and restaurants heavily rely on imported soybean oil, while locally processed soybean oil is generally for home use. Palm oil is primarily used for food processing, especially ramen (instant noodle) production, since it is more functional and cheaper than soybean oil. Palm oil has been increasingly used in local biodiesel production. Please refer to [KS1801](#) for additional details on the vegetable oil market in Korea.

Soybean oil consumption in MY 2020/21 is forecast at 520,000 MT, unchanged from the current marketing year's estimate. Meanwhile, palm oil consumption during this period is forecast at 690,000 MT, remaining unchanged from the current marketing year because of stable demand from the bio-diesel sector with the unchanged bio-diesel mandate at 3 percent until 2020, and stable demand from other food processing sub-sectors. Palm oil consumption in the current marketing year (MY 2019/20) is expected to increase to 690,000 MT, up five percent from the previous year with the mandate of biodiesel maintained at three percent since 2018 from the previous 2.5 percent minimum.

**Trade:**

The biodiesel sector has been the main driver behind rising edible oil imports since MY 2007/08. However, MY 2020/21 soybean oil imports are forecast at 340,000 MT, marginally increased from the current marketing year's estimate as the vegetable oil content mandate in biodiesel is being met by cheaper palm oil. In MY 2019/20, soybean oil imports are expected to remain at 330,000 MT, stagnant from the previous year given the mature market of soybean oil.

U.S. soybean oil exporters' market share has risen from 19 percent in MY 2014/15 to 47 percent in MY 2016/17 and then further expanded to 87 percent in MY 2018/19, with an expectation of a 80-90 percent share in MY 2019/20 based on import statistics for the first three months (Table 33). In effect, the United States has taken market share directly from Argentina in recent years. Three reasons influenced the Korean buyers' pivot to U.S. soybean oil. First, Argentinian drought conditions caused the oil content of their soybeans to fall. Second, Korean end users prefer colorless oil, but the Argentinian oil has a red tint. Third, the KORUS FTA reduced the tariff on U.S. soybean oil from 1.08 percent in 2019 to 0.54 percent in 2020 with the out-of-quota rate at five percent for non-FTA exporters. (The KORUS

FTA has been cutting tariff rates on American oil exports over a ten-year period before reaching zero in 2021.)

In MY 2020/21, palm oil imports are forecast to stay around 700,000 MT, remaining unchanged from the current marketing year due to uncertainty about any further increases in the veg-oil content of biodiesel from the current level. The Korean government has implemented revised regulations increasing the mandatory inclusion rate from 2.5 percent to three percent since 2018 (through 2020). Palm oil imports for biodiesel are expected to reach 450,000 MT for both MY 2019/20 and MY 2020/21 to meet current mandate levels for biodiesel as it is more competitively priced than other oil-based feedstock. Palm oil imports for use in the local soap industry are expected to remain steady at 20,000 MT. In MY 2018/19, palm oil imports increased to 664,541 MT to meet demand for biodiesel production, up 21 percent from the previous year. Palm oil has been imported duty-free under the Korea-ASEAN FTA since June 2007.

Under the KORUS FTA, effective since March 2012, Korea's 5.4 percent duty on imports of crude soybean oil has been diminishing according to a phase-out schedule of 10 equal, annual reductions (year 2021). Meanwhile, the 5.4 percent rate on refined soybean oil was phased out in five equal annual reductions. Since 2016, U.S. refined soybean oil has been imported duty-free. Korea also eliminated the import duty on palm oil immediately under the KORUS FTA.

### Production, Supply and Distribution Data Statistics:

#### Soybean Oil PS&D

Oil, Soybean Market Begin Year Korea, Republic of	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1100	997	1150	1000	0	1000
Extr. Rate, 999.9999	0.1773	0.1916	0.1783	0.19	0	0.19
Beginning Stocks	41	41	44	38	0	33
Production	195	191	205	190	0	190
MY Imports	300	328	295	330	0	340
MY Imp. from U.S.	225	285	225	300	0	300
MY Imp. from EU	0	0	0	0	0	0
Total Supply	536	560	544	558	0	563
MY Exports	2	2	2	5	0	5
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	50	20	50	20	0	20
Food Use Dom. Cons.	440	500	445	500	0	500
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	490	520	495	520	0	520
Ending Stocks	44	38	47	33	0	38
Total Distribution	536	560	544	558	0	563
(1000 MT), (PERCENT)						

#### Soybean Oil Import Trade Matrix

### Import Trade Matrix

Country Korea, Republic of

## Commodity Oil, Soybean

Time Period	OCT/SEP	Units:	1,000MT
Imports for:	2017		2018
U.S.	225	U.S.	285
Others		Others	
Argentina	29	Argentina	10
Vietnam	11	Vietnam	21
Thailand	1	Thailand	1
		China	4
Total for Others	41		36
Others not Listed	10		7
Grand Total	276		328

Source: Korea Customs Service (KCS)

## Palm Oil PS&D

Oil, Palm Market Begin Year Korea, Republic of	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Trees	0	0	0	0	0	0
Beginning Stocks	71	71	121	76	0	86
Production	0	0	0	0	0	0
MY Imports	665	665	650	700	0	700
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	736	736	771	776	0	786
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	325	420	345	450	0	450
Food Use Dom. Cons.	290	240	310	240	0	240
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	615	660	655	690	0	690
Ending Stocks	121	76	116	86	0	96
Total Distribution	736	736	771	776	0	786
CY Imports	650	641	650	700	0	700
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0
Yield	0	0	0	0	0	0

(1000 HA), (1000 TREES), (1000 MT), (MT/HA)

## Palm Oil Import Trade Matrix

# Import Trade Matrix

**Country** Korea, Republic of  
**Commodity** Oil, Palm

Time Period **OCT/SEP** Units: **1,000MT**  
 Imports for: **2017** **2018**  
 U.S. **0** U.S. **0**  
 Others Others

Malaysia	242	Malaysia	279
Indonesia	306	Indonesia	366

Total for Others 548 645

Others not Listed **2** **20**

Grand Total 550 665

Source: Korea Customs Service (KCS)

Table 29

Korea: Domestic Production of Vegetable Oils <sup>1/</sup> (Metric Ton)			
Commodities	MY 2016/17	MY 2017/18	MY 2018/19
Soybean Oil	189,600	194,890	190,954
Corn Oil	51,520	51,520	51,730
Sesame Oil	21,809	20,885	23,670
Rice Bran Oil	10,000	10,000	10,000
Rapeseed Oil	1,996	3,349	1,875
Perilla Seed Oil	30,200	27,339	24,797
Total	306,315	307,983	303,026

Source: Foreign Agriculture Service, Seoul, Korea

<sup>1/</sup> FAS/Seoul estimates

Table 30

Korea: Soybean Oil Production (Metric Ton)			
Month	MY 17/18	MY 18/19	MY 18/19
October	18,000	16,000	12,932
November	16,800	15,300	15,901
December	17,790	16,200	17,686
January	16,600	15,606	Na
February	15,400	13,658	Na

March	16,300	16,004	Na
April	13,800	16,649	Na
May	16,300	15,688	Na
June	15,300	16,663	Na
July	16,600	16,432	Na
August	15,800	15,886	Na
September	16,200	16,868	Na
Total	194,890	190,954	Na
Extraction Rate	19.26	19.16	Na

Source: Korea Soybean Processing Association (KSPA)

Table 31

Korea: Total Supply of Edible Oils (Metric Ton)			
Commodity	MY 2016/17	MY 2017/18	MY 2018/19
Soybean Oil	496,005	474,312	519,404
Palm Oil	527,137	550,460	664,541
Corn Oil	58,319	57,405	58,468
Rapeseed Oil	128,870	150,618	126,637
Coconut Oil	42,787	56,428	54,899
Olive Oil	13,378	14,757	34,988
Cottonseed Oil	204	328	252
Sesame Oil	22,519	21,413	24,017
Rice Bran Oil	22,273	21,454	21,270
Perilla Seed Oil	31,066	28,263	25,980
Fish Oil	8,162	7,005	9,168
Sunflower Oil	25,265	26,095	34,998
Total	1,375,985	1,408,537	1,555,103

Source: Foreign Agriculture Service, Seoul, Korea

Table 32

Korea: Fats and Oils Imports (MT & US\$1,000, Oct/Sep)						
Commodity	MY 2016/17		MY 2017/18		MY 2018/19	
	Volume	Value	Volume	Value	Volume	Value
Palm Oil	527,137	374,846	550,460	365,315	664,541	363,014
Tallow	10,824	8,025	20,231	12,305	16,462	10,037
Lard	4	8	51	55	47	104
Coconut Oil	42,596	76,108	56,279	83,591	54,629	51,149
Cottonseed Oil	204	362	328	455	252	503
Fish Oil	7,162	12,205	6,005	10,963	8,168	33,034
Soy Oil	306,405	260,717	279,422	234,049	328,461	246,904
Corn Oil	6,799	6,278	5,885	5,445	6,738	5,290

Rapeseed Oil	126,874	107,869	147,269	126,532	124,762	103,383
Palm Kernel Oil	8,091	11,625	9,688	12,721	9,769	8,844
Rice Bran Oil	12,273	18,611	11,454	17,059	11,270	16,805
Castor Oil	9,133	13,975	9,538	15,349	9,680	17,124
Linseed Oil	5,645	6,608	5,591	6,250	3,992	4,534
Sunflower Oil	25,265	30,243	26,095	31,820	34,998	41,687
Safflower Oil	70	349	87	232	147	374
Olive Oil	13,378	64,547	14,757	74,204	15,469	66,463
Jojoba Oil	63	1,302	81	1,607	88	1,819
Peanut Oil	23	142	29	177	42	208
Sesame Oil	710	2,497	528	2,073	347	1,548
Perilla Oil	866	1,768	923	3,699	1,183	3,314
Camellia Oil	44	682	39	693	24	304
Babassu Oil	15	144	17	185	22	232
Other Oil	10,555	42,899	11,093	44,454	15,038	49,039
Total	1,114,136	1,041,810	1,155,850	1,049,233	1,306,129	1,025,713

Source: Korea Customs Service (KCS)

Table 33

Korea: Soybean Oil Imports for Oct.-Dec. by Origin (Unit: MT)						
MY 2019/20	USA	Argentina	Brazil	Vietnam	Others	Total
Oct. 2019	22,607	2,731	0	0	4,796	30,134
Nov	26,162	2,012	0	0	1,994	30,168
Dec	22,355	2,945	0	20	5,058	30,378
<b>Subtotal</b>	<b>71,124</b>	<b>7,688</b>	<b>0</b>	<b>20</b>	<b>11,848</b>	<b>90,680</b>
MY2018/19 a/	48,350	1,981	0	16,989	802	68,122

Source: Korea Customs Service (KCS)

a/ October – December 2018

Table 34

Korea: Applied Tariff Schedule for Fats and Oils (Percent)				
Commodity	H.S. Code	General Rate	2019	2020
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 for Food, Crude	1507.10.1000	5	5	5
Soybean Oil for Biodiesel, Crude	1507.10.2000	5	5	5
Soybean Oil for Other, Crude	1507.10.9000	5	5	5
Soybean Oil for Food, Refined	1507.90.1010	5	5	5
Soybean Oil for Biodiesel,	1507.90.1020	5	5	5

Refined				
Soybean Oil for Other, Refined	1507.90.1090	5	5	5
Soybean Oil, Other	1507.90.9000	5	8	8
Peanut Oil	1508.xx.xxxx	27	27	27
Olive Oil	1509.xx.xxxx	5	5	5
Palm Crude Oil	1511.10.0000	3	3	3
Palm Oil	1511.90.xxxx	2	2	2
Sunflower Oil	1512.1x.xxxx	5	5	5
Safflower Oil	1512.1x.xxxx	5	5	5
Cotton Seed Oil	1512.2x.xxxx	5	5	5
Coconut Oil	1513.1x.xxxx	3	3	3
Palm Kernel Oil	1513.2x.xxxx	8	8	8
Rapeseed Oil, Crude	1514.11.0000	5	5	5
Rapeseed Oil, Refined	1514.19.xxxx	5	5	5
Rapeseed Oil, Other, Crude	1514.91.1000	5	5	5
Linseed Oil	1515.1x.xxxx	5	5	5
Corn Oil	1515.2x.xxxx	5	5	5
Castor Oil	1515.30.xxxx	5	8	8
Tung Oil	1515.90.9040	8	8	8
Sesame Oil <sup>1/</sup>	1515.50.0000	40	40	40
Perilla Seed Oil	1515.90.1000	36	36	36
Rice Bran Oil	1515.90.9010	5	5	5
Other, Crude	1515.90.9090	5	5	5

Source: Korea Customs Research Institute, Tariff Schedules for Korea

<sup>1/</sup> In-Quota tariff rate under the WTO TRQ. Quota is 668 tons. The out-of-quota tariff rate is 630 percent or 12,060 Won/Kg, whichever is greater.

#### Attachments:

No Attachments