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Korea, Republic of

Grain and Feed

Wheat PS&D Update

2000

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Report Highlights: In MY 1999/00, Korea imported 3.8 million metric tons (MMT) of wheat, composed of 2.5 MMT of milling wheat and 1.3MMT of feed wheat. U.S. exports were at 1.5 MMT, composed of 1.35 MMT of milling wheat and 0.15 MMT of feed wheat. In MY 2000/01, Korea's wheat imports are forecast at 3.6, similar to last year's level. Current feed wheat prices are higher than corn, however, Korean feed millers expect feed wheat imports from the EU to be more competitive for the coming marketing year.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Seoul [KS1], KS

In MY2000/01, Korea's wheat imports are forecast at 3.6 million metric tons (MMT), similar to last year's level. U.S. exports to Korea are forecast at 1.4 MMT, unchanged from the previous forecast. Feed wheat imports are expected to be variable dependent upon price fluctuations. Current feed wheat prices are about US\$110/MT on C&F basis, higher than corn prices at US\$100/MT from China and US\$105/MT from the United States. Korean feed millers expect feed wheat imports to be more competitive for the coming marketing year. Heavy rains during the wheat harvest in Europe reportedly caused increases in the supply of feed grade wheat. The expectation of increased feed wheat supplies from the EU is expected to cause some shifting out of corn.

In MY 1999/00, the total amount of wheat imports was 3.8 MMT, composed of 2.5MMT of milling wheat and 1.3MMT of feed wheat. U.S. exports were at 1.5 MMT, composed of 1.35 MMT of milling wheat and 0.15 MMT of feed wheat. Milling wheat imports increased over MY1998/99 on continuous strong demand in the instant noodle sector and increased demand out of the confectionary and bakery sectors as they recovered from the 1998 economic downturn. However, the U.S. milling wheat market share declined 6 percent, to 54 percent, as noodle producers sourced larger quantities of the Australian Standard White Wheat. Feed wheat imports totaled only 1.3 MMT in MY1999/00, a decrease of 47 percent over the prior year due to a sharp decrease of feed wheat supply from East Europe.

PSD Table						
Country	Korea, Republic of					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		07/1998		07/1999		07/2000
Area Harvested	1	1	1	1	1	1
Beginning Stocks	662	662	597	597	502	721
Production	5	5	5	5	5	5
TOTAL Mkt. Yr. Imports	4690	4690	3500	3783	3600	3600
Jul-Jun Imports	4690	4690	3500	3783	3600	3600
Jul-Jun Import U.S.	1340	1340	1400	1493	1400	1400
TOTAL SUPPLY	5357	5357	4102	4385	4107	4326
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Jul-Jun Exports	0	0	0	0	0	0
Feed Dom. Consumption	2465	2465	1300	1302	1300	1300
TOTAL Dom. Consumption	4760	4760	3600	3664	3600	3705
Ending Stocks	597	597	502	721	507	621
TOTAL DISTRIBUTION	5357	5357	4102	4385	4107	4326

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Wheat		
Time period	July/June	Units:	1,000 MT
Imports for:	1998		1999
U.S.	1340	U.S.	1493
Others		Others	
Australia	987	Australia	1159
Canada	103	Canada	143
East Europe	1937	East Europe	517
EU	270	EU	467
Total for Others	3297		2286
Others not Listed	58		4
Grand Total	4695		3783

KOREA: Post Estimates of Wheat Use (1,000 MT, July/June)			
Year	1998/99	1999/00	2000/01 a/
Milling Wheat	2,295	2,362	2,400
Feed Wheat	2,465	1,302	1,300
Total	4,760	3,664	3,700

a/ Agricultural Affairs's forecast

Source: Korean Feed Association (KFA)

Korean Flour Millers Industry Association (KOFMIA)