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Korea - Republic of

Grain and Feed Annual

Rice Production Stays Steady Despite Government's Rice Reduction Program

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Report Highlights:
MY 2019/2020 wheat production will remain negligible at 25,000 metric tons (MT), while wheat consumption is anticipated to grow slightly to 3.85 million MT (MMT). MY 2019/2020 corn consumption, almost all of which is imported, is expected to rise about two percent to 10.6 MMT due to projected increases in swine and poultry inventories. Despite a government rice reduction program, rice production is forecast to stay around 3.88 MMT in MY 2019/2020, while rice consumption is forecast to decrease to 4.5 MMT. Korea will continue to donate rice and use some as feed in an attempt to draw down rice stocks.

Commodities:
Wheat

Production:
MY 2019/20 wheat production is forecast to be close to 25,000 tons due to agronomic challenges and a lack of demand for locally grown wheat, unchanged from the current marketing year's estimate, which is based on a five-year average yield and acreage. The estimate for MY 2018/19 wheat production is expected to fall to 24,000 MT with wheat area reduced by the lack of demand for local wheat coupled with poor yield caused by frequent rains during the growing season. The Korean government is not expected to release official numbers until the end of June 2019.

Table 1

Korea: Wheat Production			
Crop Year	Harvested Area(Hectare)	Yield(MT/ha)	Production(MT)
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	7,180	3.26	23,409
2015	10,076	2.62	26,433
2016	10,440	3.71	38,705
2017	9,283	4.03	37,425
2018a/	6,600	3.65	24,115

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA), Statistics Korea (KOSTAT)
a/ FAS/Seoul production forecast based on five-year average yield and official acreage as released by KOSTAT

Consumption:
MY 2019/20 wheat consumption is forecast at 3.85 million metric tons (MMT), an increase of 100,000 metric tons (MT) from estimated consumption in the current marketing year. Wheat flour consumption is projected to remain stagnant due to saturated market demand, while feed wheat consumption will be increasing from the current marketing year due to an increase in livestock numbers (Table 2).

In MY 2018/19, wheat consumption is expected to decline to 3.75 MMT, down six percent from the previous marketing year due mainly to lower demand for imported feed-grade wheat, which has had less competitive prices against corn during the marketing year based on price at estimated time of arrival (Table 8 & 25). Milling wheat consumption is expected to be unchanged from the previous year at around 2.4 MMT.

Table 2

Korea: Post Estimates of Wheat Use (1,000 MT, July/June)				
Marketing Year	2016/17	2017/18	2018/19[c/]	2019/20[c/]
Imported Milling Wheat [1/]	2,231	2,246	2,250	2,250
Imported Milling Wheat [2/]	200	200	200	200
Flour Imports [a/]	33	29	30	30
Flour Exports [a/]	37	55	50	50
Pasta Imports [a/]	147	155	150	150
Pasta Exports [a/]	200	237	250	250
Local Wheat	39	37	23	23
FSI Consumption [b/]	**2,413**	**2,375**	**2,353**	**2,353**
Feed Wheat	2,117	1,612	1,400	1,500
Total Consumption [b/]	**4,530**	**3,987**	**3,753**	**3,853**

Source: Korea Feed Association (KFA), Korea Flour Millers Industry Association (KOFMIA) and Korea Customs Service (KCS)
1/ KOFMIA members
2/ Non- KOFMIA member
a/ Wheat basis
b/ Includes local wheat and flour and pasta imports, but subtracts flour and pasta exports
c/ FAS/Seoul estimate/forecast

Table 3

Korea: Monthly Wheat Use (1,000 MT)						
Month	Feed Wheat			Milling Wheat a/		
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2016/17	MY 2017/18	MY 2018/19
July	180	136	122	176	178	181
August	174	136	119	180	188	179
September	182	142	106	173	201	158
October	211	140	120	178	160	189
November	191	151	118	179	184	183
December	214	148	108	189	182	174
January	182	138	103	184	198	203
Sub Total	**1,334**	**991**	**796**	**1,259**	**1,291**	**1,267**
February	159	110	na	172	167	na
March	170	123	na	191	199	na
April	146	122	na	178	173	na
May	157	135	na	179	180	na
June	151	131	na	186	177	na
Total	**2,117**	**1,612**	na	**2,165**	**2,186**	na

Source: KFA and KOFMIA
a/ Includes wheat flour exports, but excludes the portion used in soy-sauce production (about 50,000 MT or so)

Table 4

Korea: Wheat Flour Utilization (1,000 MT)

Calendar Year	2013	2014	2015	2016	2017	2018
Total Consumption 1/	1,595	1,660	1,706	1,701	1,739	1,745
Per Capita (kg/Year) 2/	31.7	32.9	33.7	33.2	33.8	33.8

Source: Korea Flour Mills Industrial Association (KOFMIA)

1/ Based on flour millers' sales including exports, imports and animal feed use, on a wheat flour production basis and excluding animal feed and exports.

2/ Excludes animal feed and exports from total consumption, including imports of wheat flour

Trade:

MY 2019/20 wheat imports are forecast at 4.1 MMT, of which 2.6 MMT are expected to be used for milling (including flour and pasta imports on a wheat equivalent basis) and 1.5 MMT are expected to be used for feed. This import estimate hinges to a large extent on the continued availability of competitively-priced feed wheat, with demand for milling wheat remaining steady.

MY 2018/19 wheat imports are expected to be 4.0 MMT, a number that includes flour and pasta imports on a wheat equivalent basis, down six percent from the previous marketing year due to anticipated smaller imports of feed grade wheat. During the first seven months of the current marketing year, imports for feed wheat were 11 percent lower than the previous year (Table 6) and pending feed-grade wheat contracts for the remaining five months are lower than last year (Table 8). In the first seven months of MY 2018/19, Ukraine has been the largest supplier of feed-grade wheat, followed by Russia and the United States. Meanwhile, milling wheat imports are expected to be at the same level as the previous year to meet constant demand.

Imports of U.S. wheat in MY 2018/19 are expected to be 1.3 MMT, slightly lower than the previous year due to lower exports of feed grade wheat from the United States.

Table 5

Korea: Wheat Imports (1,000 MT, Customs Cleared Basis)					
Marketing Year (July/June)	Feed Wheat	Milling Wheat	Flour Imports 1/	Pasta Import 1/	Total
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	1,391	2,370	44	143	3,948
15/16	1,812	2,416	50	142	4,420
16/17	2,174	2,313	33	147	4,667
17/18	1,557	2,526	29	155	4,267
18/19 2/	1,400	2,400	30	150	3,980

Source: Korea Customs Service

1/ Wheat basis

2/ FAS/Seoul forecast

Table 6

Korea: Monthly Wheat Imports (1,000 MT)						
Month	Feed Wheat			Milling Wheat		
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2016/17	MY 2017/18	MY 2018/19
July	180	113	110	226	269	254
August	130	30	95	161	297	106
September	203	243	79	179	183	215
October	305	109	185	186	163	260
November	208	142	156	211	179	159
December	207	186	102	159	176	148
January	200	114	106	198	256	294
Sub Total	**1,433**	**937**	**833**	**1,320**	**1,523**	**1,436**
February	152	119	na	149	228	na
March	210	117	na	255	194	na
April	91	135	na	176	171	na
May	88	118	na	248	150	na
June	198	131	na	165	260	na
Total	**2,174**	**1,557**	na	**2,313**	**2,526**	na

Source: Korea Customs Service
Note: exclude wheat flour and products

Table 7

Korea: MY 2018/19 Monthly Wheat Imports by Origin (1,000 MT, based on Customs Clearance)						
Country	U. S.	Australia	Canada	Ukraine	Other	Total
Milling Wheat						
July 2018	150	92	12	0	1	254
August	87	19	0	0	1	106
September	85	88	41	0	1	215
October	90	166	4	0	0	260
November	104	45	9	0	1	159
December	52	82	13	0	0	148
January 2019	164	91	39	0	0	294
Total(Jul-Jan) 2018/19	732	583	118	0	3	1,436
Total(Jul-Jan) 2017/18	774	624	122	0	2	1,523
Feed Wheat						
July 2018	36	0	0	36	38	110
August	14	0	0	17	63	95
September	18	0	0	52	9	79
October	0	0	0	127	58	185
November	0	0	0	114	42	156
December	0	0	0	68	34	102
January 2019	0	0	0	102	4	106

Total(Jul-Jan) 2018/19	68	0	0	517	248a/	833
Total(Jul-Jan) 2017/18	99	0	0	651	186b/	936
Total Wheat						
July 2018	186	92	12	36	39	364
August	101	19	0	17	64	201
September	103	88	41	52	9	294
October	91	166	4	127	58	446
November	104	45	9	114	42	314
December	52	82	13	68	34	250
January 2019	164	91	39	102	4	400
Total(Jul-Jan) 2018/19	800	583	118	517	248	2,269
Total(Jul-Jan) 2017/18	873	624	122	651	188	2,459

Source: Korea Customs Service
a/ Russia (247,562)
b/ Russia (146,824MT); Brazil (16,421MT); Bulgaria (7,466MT) and France (16,075MT)

Table 8

Korea: MY 2018/19 Feed Wheat Contracts
by Estimated Time of Arrival (ETA)
(Unit: 1,000 MT, as of March 2019)

ETA	Quantity	Price (US$/MT)[1/]
Jul. 2018	65	233.40
Aug.	52.5	232.44
Sep.	190	219.92
Oct.	130	222.27
Nov.	197	222.28
Dec.	65	256.00
Jan.	0	-
Feb. 2019	60	245.00
Mar.	125	257.13
Apr.	0	0
May	95	254.25
Total	**979.5**	

Source: Local Grain Traders
1/ CNF on Weighted Average

Tariffs
In late December 2018, the Ministry of Strategy and Finance (MOSF) released its adjusted tariffs and tariff rate quotas (TRQs) for 2019. MOSF continued to exclude milling wheat from the 2019 list of autonomous TRQs, leaving all milling wheat to be charged the out-of-quota duty rate that remains fixed at 1.8 percent. By comparison, the feed wheat TRQ and its corresponding duty were eliminated in 2007. However, the import duty on all U.S. wheat, both milling and feed wheat, is zero under the KORUS FTA.

In 2019, the general tariff rate on flour is 4.2 percent. However, under the KORUS FTA, import tariffs for U.S. wheat flour (H.S. 1101.00.1000) were phased out over a five-year period, reaching zero in

2016. Meanwhile, tariffs for meslin flour (H.S. 1101.00.2000), a mixture of rye and wheat flour, immediately fell to zero in 2012.

Table 9

Korea: Wheat Import Tariff Rates for CY 2019 (Percent)					
Commodity		Applied Tariff Rate		Bound Tariff Rate	
		2018	2019	2018	2019
Durum Wheat, Seed	1001.11.0000	3		9.0	
Durum Wheat, Other	1001.19.0000	3		9.0	
Seed, Meslins	1001.91.1000	3		9.0	
Seed, Other	1001.91.9000	1.8		1.8	
Feeding, Meslins	1001.99.1010	3		9.0	
Feeding, Other	1001.99.1090	0		1.8	
Milling, Meslins	1001.99.2010	3		9.0	
Milling, Other[1/]	1001.99.2090	1.8		1.8	
Others, Meslins	1001.99.9010	3		9.0	
Others, Other[1/]	1001.99.9090	1.8		1.8	

Source: Korea Customs Service (KCS)

1/ The number in parenthesis is the in-quota tariff rate.

Flour Trade:

Based on import statistics of the first eight months, MY 2018/19 flour imports are expected to decrease to close to 26,000 MT (wheat equivalent), meeting demand from small-sized restaurants and noodle manufacturers, loyal users of cheaply priced flour. Pasta imports are expected to be more than 150,000 MT (wheat equivalent) based on strong imports for the first eight months of the marketing year. Annual flour exports are expected to be approximately 55,000 MT (wheat equivalent), while pasta exports could sharply increase to more than 220,000 MT (wheat equivalent) for the year, based on flour trade for the first eight months. The situation is unlikely to change in MY 2019/20.

Table 10

Korea: Wheat Flour Imports (H.S.: 1101) (Metric Ton, July/June)						
Country	MY2013	MY2014	MY2015	MY2016	MY2017	MY2018b/
U.S.A.	716	793	567	352	392	287
Canada	973	829	600	797	957	1,043
Australia	658	2,041	1,246	840	873	546
China	60	0	0	3	5	0
Turkey	1,144	996	771	1,493	1,544	2,193
Indonesia	8,011	5,968	6,678	6,050	3,404	2,331
Russia	0	4,189	10,626	57	0	69
Vietnam	1,005	4,198	7,369	6,354	4,766	4,563
France	940	1,458	1,652	1,977	2,519	2,771
Sri Lanka	3,102	3,633	2,981	2,979	2,277	1,119
Singapore	3,927	4,200	2,730	1,764	2,268	2,552

Italy	480	544	683	717	798	770
Others	783	3,358	913	1,012	1,008	1,033
Total	**21,799**	**32,207**	**36,816**	**24,395**	**21,185**	19,277
Wheat Basis[a/]	**29,821**	**44,059**	**50,364**	**33,372**	**28,981**	26,371

Source: Korea Customs Service (KCS)
a/ applied converting factor: 1.368
b/Year round based on the first eight months (July 2018-February 2019)

Table 11

Korea: Pasta Imports (H.S.: 190219, 190230, 190240) (Metric Ton, July/June)				
Country	MY2015	MY2016	MY2017	MY2018b/
Total	103,707	107,357	113,640	110,799
Wheat Basis [a/]	141,871	146,864	155,460	151,573

Source: Korea Customs Service (KCS)
a/ applied converting factor: 1.368
b/ Year round based on the first eight months (July 2018-February 2019)

Table 12

Korea: Wheat Flour Exports (H.S.: 1101) (Metric Ton, July/June)						
Country	MY2013	MY2014	MY2015	MY2016	MY2017	MY2018b/
Total	17,437	20,629	21,699	26,958	40,366	40,558
Wheat Basis [a/]	23,854	28,220	29,684	36,879	55,221	55,483

Source: Korea Customs Service (KCS)
a/ applied converting factor: 1.368
b/Year round based on the first eight months (July 2018-February 2019)

Table 13

Korea: Pasta Exports (H.S.: 190219, 190230, 190240) (Metric Ton, July/June)				
Country	MY2015	MY2016	MY2017	MY2018b/
Total	107,455	145,858	173,366	161,362
Wheat Basis [a/]	146,998	199,534	237,165	220,582

Source: Korea Customs Service (KCS)
a/ applied converting factor: 1.368
b/Year round based on the first eight months (July 2018-February 2019)

Production, Supply and Demand Data Statistics:

Wheat PS&D

Wheat	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jul 2017		Jul 2018		Jul 2019	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	9	9	7	7	0	7

Beginning Stocks	1442	1442	1296	1467	0	1441
Production	37	37	23	24	0	25
MY Imports	4269	4267	4100	4000	0	4100
TY Imports	4269	4267	4100	4000	0	4100
TY Imp. from U.S.	1440	1436	0	1300	0	1300
Total Supply	5748	5746	5419	5491	0	5566
MY Exports	292	292	300	300	0	300
TY Exports	292	292	300	300	0	300
Feed and Residual	1800	1612	1500	1400	0	1500
FSI Consumption	2360	2375	2400	2350	0	2350
Total Consumption	4160	3987	3900	3750	0	3850
Ending Stocks	1296	1467	1219	1441	0	1416
Total Distribution	5748	5746	5419	5491	0	5566
Yield	4.1111	4.1111	3.2857	3.4286	0	3.5714
(1000 HA) ,(1000 MT) ,(MT/HA)						

Country	Korea, Republic of
Commodity	Wheat

Time Period	July/June	Units:	1,000MT
Imports for:	2016		2017
U.S.	1220	U.S.	1434
Others		Others	
Australia	1079	Australia	1098
EU	365	EU	27
Canada	164	Canada	221
Ukraine	1171	Ukraine	939
Argentina	167	Russia	346
Russia	77	Brazil	16
Brazil	233		
Total for Others	3256		2647
Others not Listed	10		3
Grand Total	4486		4084

Note: excludes the import of wheat flour and pasta

Table 14

Korea: Milling Wheat Imports by Variety (Arrival Basis, Calendar Year)							
Origin	Variety	CY 2016		CY 2017		CY 2018	
		Quantity (MT)	%	Quantity (MT)	%	Quantity (MT)	%
United States	No. 1 WW/SW	433,635	19.9	436,469	19.5	430,790	20.1
	No. 1 WW/SW 9.5 max.	17,113	0.8	0	0	0	0
	No. 1 WW/SW	39,884	1.8	48,483	2.1	37,089	1.7

	8.5 max.						
	No. 1 HRW 11.5 min.	191,134	8.8	205,526	9.2	205,040	9.6
	No. 1 DNS 14.0 min.	345,983	15.9	360,312	16.1	334,913	15.6
	No. 2 SRW	4,150	0.2	4,354	0.2	4,870	0.2
	Sub Total	**1,031,899**	47.4	**1,055,144**	47.1	**1,012,711**	47.2
Australia	ASW [a/]	909,682	41.8	863,240	38.6	740,373	34.5
	AH [b/]	122,299	5.6	128,923	5.7	124,602	5.8
	APH [d/]	0	0	0	0	0	0
	APW [e/]	7,920	0.4	46,519	2.1	140,760	6.6
	ANW [c/]	0	0	0	0	0	0
	Sub Total	**1,039,901**	47.8	**1,038,682**	46.4	**1,005,735**	46.9
Canada	No. 2 CWRS 13.5 min.	**99,494**	4.6	137,629	6.2	121,125	5.7
	No. 2 CPSR 11.0 min.	**0**	0	0	0	0	0
	Sub Total	**99,494**	4.6	**137,629**	6.2	**121,125**	5.7
Others	Organic Wheat	**4,794**	0.2	**7,040**	0.3	**4,751**	0.2
	Grand Total	**2,176,088**	100	**2,238,495**	100	**2,144,322**	100

Source: Korea Flour Mills Industrial Association (KOFMIA)
a/ Australian Standard White Wheat
b/ Australian Hard Wheat
c/ Australian Noodle Wheat
d/ Australian Premium Hard
e/ Australian Premium Wheat

Commodities:
Corn

Production:
Corn production is also minimal and accounts for less than one percent of total consumption. Planted area for MY 2019/20 is expected to remain steady at around 15,000 hectares, while production is forecast at 75,000 MT based on the preceding five-year average yield.

Statistics Korea (KOSTAT) recently released data on 2018, listing planted area at 15,472 hectares, up three percent from 2017. FAS Seoul estimates Korean corn production at about 77,000 MT based on the preceding five-year average yield. The government will release the 2018 official production figures in April 2019.

Table 15

Korea: Corn Production

Crop Year	Area (ha)	Yield (MT/ha)	Production (MT)
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	15,356	5.10	78,243
2016	15,183	4.85	73,681
2017	15,074	4.82	72,587
2018a/	15,472	5.00	77,000

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA), Statistics Korea (KOSTAT)
a/ FAS Seoul estimate

Consumption:

MY 2019/20 corn consumption is forecast to increase to 10.6 MMT, up about two percent from the estimated consumption in the current marketing year (MY 2018/19). This number is composed of 8.2 MMT for feed purposes and 2.4 MMT for food, seed and industrial (FSI) purposes. Feed corn consumption is forecast to increase by 200,000 MT from the estimated current marketing year level, in large part due to an anticipated increase in demand for corn in the compound feed production for swine and poultry. However, food, seed and industrial (FSI) corn consumption is expected to stay around 2.4 MMT to meet a stable demand for high fructose corn syrup (HFCS) and other corn products from Korean food industries.

Corn consumption for MY 2018/19 is expected to stay around 10.4 MMT, remaining unchanged from the previous forecast due to a continued greater demand for feed corn that offset lack of feed wheat supply, consisting of 8.0 MMT for feed and 2.4 MMT for food, seed and industrial (FSI) purposes.

MY 2017/18 corn consumption was 9.94 MMT, consisting of 7.56 MMT for feed and 2.38 MMT for FSI use.

Feed

Compound feed production is forecast to reach around 20 MMT in MY 2019/20. This record volume is based on strong growth in swine and poultry numbers, which will partly offset the anticipated reduction in cattle inventories. Poultry numbers are also expected to be strong as they return to the levels existing prior to the Highly Pathogenic Avian Influenza (HPAI) outbreak in late 2016. Feed corn will continue to be the major ingredient used in compound feed, accounting for more than 41 percent of total ingredients (8.2 MMT), with feed wheat remaining at 1.5 MMT.

MY 2018/19 compound feed production is expected to grow one percent to reach around 19.8 MMT from the previous year. Inventories are expected to be maintained at a higher level than inventories prior to the end-of-2016/early 2017 HPAI outbreak (Table 30).

Food

Corn processors use Genetically Modified (GM) corn, non-biotech Identity Preserved (IP) corn, and conventional corn to produce corn starch, HFCS and corn flour. GM corn imported from the United States and South American countries is used for starch production for industrial purposes such as paper sizing and glue. Non-biotech IP corn imported from the United States and Brazil, and traditional corn imported from Russia, South Africa, Serbia, Bulgaria and Australia have been used for corn starch and corn flour. The perceived public concern about biotech continues to influence decisions made about imported processing corn, especially corn that is used to manufacture cooking oil and HFCS. Many food processing companies have been reluctant to use ingredients sourced from biotech corn. Some food processing companies utilizing corn starch products are sourcing ingredients imported from China, since these items are reportedly derived from non-biotech corn.

Table 16

Korea: Monthly Corn Use (1,000 MT)						
Month	Feed Corn			Processing Corn		
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2016/17	MY 2017/18	MY 2018/19
October	611	589	704	200	185	204
November	628	645	687	186	192	192
December	618	672	699	185	192	197
Sub Total	**1,857**	**1,906**	**2,090**	**571**	**569**	**593**
January	571	693	752	190	200	na
February	521	602	na	176	172	na
March	581	645	na	199	201	na
April	541	626	na	194	189	na
May	597	661	na	194	196	na
June	595	623	na	196	197	na
July	555	596	na	204	198	na
August	591	606	na	194	187	na
September	622	607	na	197	183	na
Total	**7,031**	**7,564**	na	**2,315**	**2,287**	na

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

Table 17

Korea: Total Corn Utilization (October/September, 1,000 MT)				
Marketing Year	Feed	Processing a/	Food b/	Total
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	8,035	2,118	97	10,250
2015/16	7,841	2,220	93	10,154
2016/17	7,031	2,315	89	9,435
2017/18	7,564	2,292	88	9,944

2018/19 c/	8,000	2,300	100	10,400
2019/20 d/	8,200	2,300	100	10,600

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 estimate based on actual consumption for the first three months
d/ FAS Seoul forecast

Table 18

Korea: Monthly Processing Corn Use
(MT)

Month	MY 2017/18			MY 2018/19		
	Wet Milling	Dry Milling	Total	Wet Milling	Dry Milling	Total
October	180,219	5,199	185,418	197,563	6,543	204106
November	185,286	6,669	191,955	186,060	6,181	192211
December	185,719	5,880	191,599	191,439	5,991	197430
Sub Total	**551,224**	**17,748**	**568,972**	**575,032**	**18,715**	**593,747**
January	193,527	6,645	200,172	na	na	na
February	166,131	5,487	171,618	na	na	na
March	194,147	6,631	200,778	na	na	na
April	182,936	6,290	189,226	na	na	na
May	189,964	6,368	196,332	na	na	na
June	190,176	6,420	196,596	na	na	na
July	193,031	5,390	198,421	na	na	na
August	181,366	5,823	187,189	na	na	na
September	178,028	5,416	183,444	na	na	na
Total	2,220,530	5,416	2,292,748	na	na	na

Source: Korea Corn Processing Industry Association (KOCPIA)

Table 19

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

Items	MY 2016/17	MY 2017/18	MY 2018/19[a/]	MY 2019/20[a/]
Sub-Total Grains and Grain Substitutes	12,116	12,474	12,800	12,900
- Wheat	2,025	1,546	1,400	1,500
- Corn	7,031	7,564	8,000	8,200
- Rice	365	702	600	400
- Other Grains and Grain Substitute [b/]	2,695	2,662	2,800	2,800
Others [c/]	6,844	7,117	7,000	7,100
Grand Total	**18,960**	**19,591**	**19,800**	**20,000**

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 20

Korea: Compound Feed Production by Species Use (October/September, 1,000 MT)				
Species	MY 2016/17	MY 2017/18	MY 2018/19a/	MY 2019/20a/
Poultry	5,402	5,906	6,000	6,100
Swine	6,327	6,461	6,500	6,600
Cattle	5,807	5,719	5,800	5,800
Others [c/]	1,381	1,456	1,500	1,500
Sub Total	**18,917**	**19,542**	**19,800**	**20,000**
Aquaculture	148	152	150	150
Milk Substitute	52	52	55	55
Grand Total	**19,117**	**19,746**	**20,005**	**20,205**

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA)
a/ FAS/Seoul forecast
b/ Include ducks, rabbit, horse, sheep, deer, quail etc.

Table 21

Korea: Compound Feed Production Comparison by Species for the First Four Months (October/January, 1,000 MT)			
Species	MY 2017/18	MY 2018/19	Change (percent)
Poultry	1,981	2,023	+2
Swine	2,278	2,396	+5
Cattle	1,952	2,102	+8
Others	472	525	+11
Total	6,683	7,046	+5

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

Trade:

With expected increases in swine and poultry inventories, MY 2019/20 total corn imports are forecast to increase to 10.5 MMT, up 200,000 MT from the estimate for the current marketing year, consisting of 8.2 MMT of feed corn for compound feed, and 2.3 MMT of processing corn for food processing.

Based on the average U.S. market share in corn in Korea over the previous five years, MY 2019/20 imports of U.S. corn are forecast to stay around 6 MMT, or about 57 percent of total Korean corn imports. This number is similar to the estimated 58 percent U.S. market share of total Korean corn imports in the current marketing year.

Total corn imports for the current 2018/19 marketing year are expected to reach 10.3 MMT, up three percent from the previous year, in order to meet a greater demand for feed corn that offsets a relatively limited supply of feed wheat. U.S. market share should again surpass 50 percent of total corn imports given that there was a 59 percent share of U.S. corn in total corn imports for the first four months of the marketing year. Local traders also expect the U.S. corn market share to be more than 50 percent of total corn supply due to price competitiveness (Table 23).

As of March 2019, importers had contracted more than nine MMT of corn for October 2018 through part of September 2019 on arrival basis, with deliveries up to September 2019 for feed corn and May 2019 for processing corn. Importers are continuing to make contracts for arrival in June 2019 and onward for processing corn and September 2019 onward for feed corn. Most corn contracts for feed are optional origin at seller's discretion from South American countries, Eastern Europe/Black Sea, or the United States with a price range of USD 191-217 per metric ton CNF. Conventional corn for processing is contracted from Eastern Europe with a price range of USD 209-217 per metric ton, CNF. Most recent buying contracts stabilized in the range of USD 191-194 per ton for feed corn with delivery for August and September and USD 204-228 for processing corn with delivery in May 2019, CNF (Table 25).

Table 22

Korea: Corn Imports
(October/September, 1,000 MT, Customs Cleared Basis)

Marketing Year	From World			From the U. S.			U. S. Share
	Feed	Processing	Total	Feed	Processing	Total	%
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	8,055	2,112	10,167	3,495	527	4,022	40
15/16	7,833	2,289	10,122	2,387	522	2,909	29
16/17	6,912	2,308	9,220	4,988	973	5,961	65
17/18	7,680	2,326	10,006	4,453	717	5,170	52
18/19a/	8,000	2,300	10,300	5,000	1,000	6,000	58

Source: Korea Customs Service, Global Trade Atlas
a/ FAS/Seoul forecast

Table 23

Korea: MY 2018/19 Monthly Corn Imports by Origin
(1,000 MT, based on Customs Clearance)

Country	U. S.	Argentina	Brazil	Russia	Others	Total
Feed Corn						
2018 October	618	99	0	0	11	728
November	491	111	56	0	9	667
December	403	165	49	1	106	724
2019 January	359	90	314	1	61	825
2018/19 (Oct-Jan)	1,870	465	419	2	187	2,944
2017/18 (Oct-Jan)	256	1,144	1,073	4	163	2,640
Processing Corn						
2018 October	63	0	55	16	50	184
November	62	0	8	0	68	138
December	74	0	0	5	111	190

2019 January	147	0	30	0	97	274
2018/19 (Oct-Jan)	345	0	93	22	326	787
2017/18 (Oct-Jan)	12	28	250	359	117	766
Total						
2018 October	680	99	55	16	62	912
November	553	111	64	0	77	805
December	476	165	49	7	217	914
2019 January	505	90	344	1	160	1,100
2018/19 (Oct-Jan)	2,215	465	511	24	516a/	3,731
2017/18 (Oct-Jan)	268	1,172	1323	363	280b/	3406

Source: Korea Customs Service

a/ South Africa (65,238MT), Serbia (83,295MT), Australia (21,741MT), Paraguay (92,292MT), Bulgaria (174,157MT) and Other (37,751MT) for MY2018/19 (Oct/Jan)

b/ South Africa (67,744MT), Serbia (30,119MT), Australia (23,221MT) and Paraguay (159,393MT) for MY2017/18 (Oct/Jan)

Table 24

Korea: Monthly Corn Imports (1,000 MT, Customs Cleared Basis)						
Month	Feed Corn			Processing Corn		
	MY 2016/17	MY 2017/18	MY 2018/19	MY 2016/17	MY 2017/18	MY 2018/19
October	618	627	728	146	125	184
November	659	739	667	171	242	138
December	636	641	724	162	107	190
January	451	714	825	205	292	274
Sub Total	**2,364**	**2,721**	**2,944**	**684**	**766**	**786**
February	627	637	Na	147	180	Na
March	490	558	Na	251	188	Na
April	653	667	Na	165	154	Na
May	655	643	Na	211	253	Na
June	552	646	Na	267	233	Na
July	501	702	Na	209	235	Na
August	417	626	Na	166	196	Na
September	653	478	Na	207	122	Na
Total	6,912	7,680	Na	2,308	2,326	Na

Source: Korea Customs Service, Global Trade Atlas

Table 25

Korea: MY 2018/19 Corn Contracts [1/] By Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of March 2019)				
ETA	Quantity		Price (USD/MT)[2/]	
	Feed	Processing	Feed	Processing
Oct. 2018	459	225	217.53	227.11
Nov.	725	60	210.84	211.41

Dec.	725	285	207.12	224.17
Jan 2019	527	175	210.50	209.91
Feb.	602	175	203.26	218.19
Mar.	403	235	205.73	215.94
Apr	590	175	206.30	215.19
May	1,327	60	209.89	217.90
Jun.	668	55	206.60	224.90
Jul.	672	na	202.84	na
Aug.	673	na	191.02	na
Sep.	331	na	194.32	na
Sub Total	**7,702**	**1,445**		
Grand Total	**9,147**			

Source: Local Grain Traders
1/ reflecting 90-95 percent of actual contracts due to the omission of some data on contracts
2/ USD/MT, CNF on Weighted Average

Tariffs
In late December 2018, the Ministry of Strategy and Finance (MOSF) released its adjusted tariffs and tariff rate quotas (TRQs) for 2019. The autonomous TRQs cover a variety of agricultural products, including feed corn. The TRQ for feed corn was set at 9.2 MMT with zero duty for 2019. However, the government excluded processing corn from the list of duty-free TRQs in 2018 and 2019. This rate will remain at three percent. The out-of-quota duty for both feed and processing corn remained fixed at 328 percent. GAIN report KS1901 provides more details.

The 9.2 MMT of the annual autonomous TRQs for feed corn has been allocated to feed millers who are members of the Korea Feed Association (KFA) and the national farmer's cooperative, Nonghyup Feed Inc. (NOFI). Meanwhile, the Korea Corn Processing Industry Association (KOCPIA) manages about 2.0 MMT of processing corn, being imported at a three percent duty under the current market access quota (CMA).

Under the KORUS FTA, the duty on U.S. feed corn immediately fell to zero. If imports of U.S. corn claim the KORUS preferential duty, those imports do not count against the global autonomous TRQ of 9.2 MMT. In 2019, tariffs were completely phased out on U.S. corn for food processing, and the duty fell to zero. For greater detail, please refer to Chapter 3, Annex 3-A of the trade agreement.

Table26

Korea: Import Tariff Rate for CY 2019							
Commodity	In-Quota				Out-of-Quota Rate	Bound Tariff Rate	
	Current Market Access Quota		Temporary Quota			In-Quota	Out-of-Quota
	Volume	%	Volume	%	%	%	%
Feed Corn 1005.90.1000	6,102,100 MT	1.8	9,200,000 MT	0	328	1.8	328
Processing Corn		3	0	na	328	3	328

1005.90.9000							

Source: Korea Customs Service (KCS)

Production, Supply and Demand Data Statistics:

Corn PS&D

Corn	2017/2018		2018/2019		2019/2020	
Market Begin Year	Oct 2017		Oct 2018		Oct 2019	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	15	15	15	15	0	15
Beginning Stocks	1796	1796	1887	1931	0	1908
Production	73	73	75	77	0	75
MY Imports	10018	10006	10200	10300	0	10500
TY Imports	10018	10006	10200	10300	0	10500
TY Imp. from U.S.	5170	5170	0	6000	0	6000
Total Supply	11887	11875	12162	12308	0	12483
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	7700	7564	8000	8000	0	8200
FSI Consumption	2300	2380	2300	2400	0	2400
Total Consumption	10000	9944	10300	10400	0	10600
Ending Stocks	1887	1931	1862	1908	0	1883
Total Distribution	11887	11875	12162	12308	0	12483
Yield	4.8667	4.8667	5	5.1333	0	5
(1000 HA) ,(1000 MT) ,(MT/HA)						

Corn Import Trade Matrix

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Corn		
Time Period	Oct/Sept	Units:	1,000MT
Imports for:	**2016**		**2017**
U.S.	5961	U.S.	5170
Others		Others	
Brazil	884	Brazil	1603
Argentina	426	Argentina	1479
Russia	907	Russia	1065
South Africa	92	South Africa	271
Serbia	144	Serbia	41
Ukraine	669	Paraguay	309
Hungary	51	Australia	57
Australia	54		
Total for Others	3227		4825
Others not Listed	32		11
Grand Total	9220		10006

Source: Korea Customs Service (KCS), Global Trade Atlas
Note: exclude pop corn

Table 27

Korea: Corn Imports (October/September, 1,000 MT, Customs Cleared Basis)							
Marketing Year	From World			From the U. S.			U. S. Share
	Feed	Food	Total	Feed	Food	Total	%
00/01	6,568	2,155	8,723	2,169	1,120	3,289	38
01/02	6,474	2,128	8,602	1,487	111	1,598	19
02/03	6,657	2,137	8,794	306	24	330	4
03/04	6,659	2,117	8,776	2,921	336	3,257	37
04/05	6,739	1,895	8,634	2,303	190	2,493	29
05/06	6,507	1,975	8,482	4,813	561	5,374	63
06/07	6,860	1,871	8,731	4,036	150	4,186	48
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	8,055	2,112	10,167	3,495	527	4,022	40
15/16	7,833	2,289	10,122	2,387	522	2,909	29
16/17	6,912	2,308	9,220	4,988	973	5,961	65

Source: FAS Seoul

Table 28

Korea: Total Corn Utilization (October/September, 1,000 MT)				
Marketing Year	Feed	Processing a/	Food b/	Total
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	8,035	2,118	97	10,250
2015/16	7,841	2,220	93	10,154
2016/17	7,031	2,315	89	9,435

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.

Table 29

Korea: Processing Corn Consumption (October/September, 1,000 MT)			
Marketing Year	Wet Milling	Dry Milling	Total
2008/09	1,343	74	1,417
2009/10	1,864	76	1,940
2010/11	1,979	72	2,051
2011/12	1,969	67	2,036
2012/13	1,832	68	1,900
2013/14	1,963	71	2,034
2014/15	2,039	79	2,118
2015/16	2,147	73	2,220
2016/17	2,239	76	2,315

Source: Korea Corn Processing Industry Association (KOCPIA)

Table 30

Korea: Animal Inventory (1,000 Head, 1,000 Birds, as of Feb, 2019)					
Animal	Year	March	June	September	December
Beef Cattle	2014	3,083	3,149	3,103	3,028
	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	3,090
	2019	3,021c/	3,137c/	3,250c/	3,159d/
Dairy Cattle	2014	437	436	442	445
	2015	439	433	430	428
	2016	425	420	421	418
	2017	416	414	411	409
	2018	408	405	407	408
	2019	405-407c/	na	na	400d/
Swine	2014	9,698	9,680	9,966	10,090
	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				11,620
Layer a/	2014	64,572	62,851	65,263	67,674
	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
Broiler b/	2014	77,879	103,593	75,846	77,746
	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

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 31

Korea: Feed Ingredients Use for MY2016-MY2017
(1,000 MT, October/September)

INGREDIENT	MY2016/2017			MY2017/2018		
	TOTAL	DOM [1/]	%	TOTAL	DOM [1/]	%
GRAINS:						
CORN	7,031	0	37.1	7,564	-	38.6
SORGHUM	2	0	0.0	52	1	0.3
WHEAT	2,025	0	10.7	1,546	-	7.9
BARLEY	22	1	0.1	20	1	0.1
RYE	0	0	0.0	-	-	-
OATS	4	2	0.0	4	2	0.0
GSP/BROKEN GRAIN	116	116	0.6	108	108	0.6
TAPIOCA	211	0	1.1	152	-	0.8
LUPIN SEED	120	18	0.6	140	17	0.7
RICE	365	365	2.3	702	695	3.6
OTHERS	196	193	0.6	188	180	1.0
SUB TOTAL	**10,092**	**695**	**53.2**	**10,476**	**1,004**	**53.5**
GRAIN BY-PRODUCTS:						
WHEAT BRAN	537	421	2.8	494	418	2.5
RICE BRAN	206	207	1.1	202	202	1.0
BARLEY BRAN	0	0	0.0	1	1	0.0
CORN BRAN	4	2	0.0	7	-	0.0
GLUTEN FEED	972	443	5.1	1,044	486	5.3
OTHERS	305	243	1.6	250	203	1.3
SUB TOTAL	**2,024**	**1,316**	**10.7**	**1,998**	**1,310**	**10.2**
ANIMAL PROTEIN:						
FISH MEAL	14	8	0.1	12	7	0.1
MEAT & BONE MEAL	23	22	0.1	24	23	0.1
OTHERS	147	146	0.8	162	160	0.8
SUB TOTAL	**184**	**176**	**1.0**	**198**	**190**	**1.0**
VEGETABLE PROTEIN:						
SOYBEAN MEAL	2,296	575	12.1	2,391	630	12.2
RAPESEED MEAL	194	3	1.0	254	2	1.3
SESAMESEED MEAL	32	32	0.2	36	36	0.2
PERILLA SEED MEAL	1	1	0.0	2	2	0.0
CORN GLUTEN MEAL	68	68	0.4	70	69	0.4

DDGS 2/	945	331	5.0	982	361	5.0
COTTONSEED MEAL	1	1	0.0	-	-	-
PARM KERNEL MEAL	738	33	3.9	702	50	3.6
COPRA MEAL	203	0	1.1	276	37	1.4
OTHERS	286	222	1.5	260	184	1.3
SUB TOTAL	**4,764**	**1,266**	**25.1**	**4,973**	**1,371**	**25.4**
ADDITIVES/MINERALS:						
CALCIUM PHOSPHATE	68	55	0.4	58	55	0.3
LIMESTONE	501	501	2.6	541	541	2.8
SALT	65	63	0.3	67	65	0.3
OTHER	309	306	1.6	325	312	1.7
SUB TOTAL	**943**	**925**	**5.0**	**991**	**973**	**5.1**
OTHER INGREDIENTS:						
TALLOW	322	320	1.7	324	324	1.7
MOLASSES	380	309	2.0	362	295	1.8
UREA	2	2	0.0	2	2	0.0
OTHER	249	219	1.3	267	241	1.4
SUB TOTAL	**953**	**850**	**5.0**	**955**	**862**	**4.9**
GRAND TOTAL	**18,960**	**5,228**	**100.0**	**19,591**	**5,710**	**100**

Source: Korea Feed Association (KFA)
1/ Domestic Products
2/ refer to KS1748 for more details

Commodities:

Rice, Milled

Production:

MY 2019/20 rice production is forecast to stay around 3.88 million metric tons (MMT) – essentially unchanged from 3.87 MMT in the previous marketing year – based on the five-year average yield. Despite the Korean government's attempt to reduce rice paddy area under the rice reduction program, rice farmers prefer rice to other crops in their paddy field because the crop's pricing continues to be supported.

Information about the 2018 rice crop is available in 2018 Rice Production Update.

Area

Rice area has continued to decrease annually – with decreases ranging from 5,000 ha to 38,000 ha every year since 2001. In 2018, rice planting/harvesting area decreased by 17,035 ha, down 2.3% from the previous year, as more land went into housing and building construction and the conversion of rice paddy land to alternative crops.

The government has also encouraged rice farmers to cultivate other crops on what had been rice acreage to reduce the burden of heavy stocks accumulated since MY 2013/14. As a consequence, the Korean government initiated a 'rice reduction program' last year that is designed for rice farmers who cultivate other crops on land previously planted to rice to receive Korean Won (KRW) 3.4 million per ha (USD

3,157 per ha) on average. A government budget of KRW 187 billion (USD 170 million), targeting 55,000 ha, is available for the program this year. If rice farmers fully subscribe in the program, that could result in a reduction of 290,000 MT of rice. However, as of December 2018, a KREI survey of rice farmers' planting intentions to cultivate rice was estimated at 732,000 ha, reflecting rice famers' strong intention to cultivate rice due to a bullish domestic rice market (table 49 & 50) as well as more attractive rice subsidy programs compared to other crops.

Yield

Rice farmers plant high-yield varieties to maximize returns under the current rice direct payment program. Consequently, higher yields are expected to partially offset the effects of declining paddy land in the 2019 crop. FAS/Seoul forecasts rice average yields at 5,302 kg/ha based on the previous five-year average yield.

Table 32

Korea: 2019 Rice Production Forecast		
	2018 Rice Production	2019 Rice Production Forecast[1/]
Area (1,000 ha)	738	732
Yield (kg/ha)	5,244	5,302
Production (1,000MT)	3,868	3,881

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)
1/ FAS/Seoul forecast based on planting intention acreage surveyed by KREI over previous five year average yield

Table 33

Korea: Rice Area, Yield and Production			
Crop Year	Area (1,00ha)	Yield (kg/ha)	Production (Milled, 1,000 MT)
2010	892	4,815	4,295
2011	854	4,946	4,224
2012	849	4,718	4,006
2013	833	5,081	4,230
2014	816	5,200	4,241
2015	799	5,416	4,327
2016	779	5,389	4,197
2017	755	5,264	3,972
2018	738	5,244	3,868
2019	732a/	5,302b/	3,881

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)
a/ KREI Survey for December 11-18, 2018
b/ based on average yield for past five years

Production Policy:

Rice farmers receive two types of income support payments under the Rice Income Compensation Act (RICA): an area payment and a deficiency payment as seen below (Table 34).

An explanation of how these payments are calculated is hereby provided:

Area Payment: This payment is made on a 'per hectare' basis and is calculated using the average area of rice production during the base period 1998-2000. The average 2018 area payment was Korean Won 998,899 (USD 909) on average per hectare. Paddy area covered under this support program decreased to 818,000 hectares in 2018, down one percent from the previous year (Table 34). Total area payment in 2018 amounted to Korean Won 817.1 billion (USD 743 Million).

Deficiency Payment: The deficiency payment is 85 percent of the difference between the national-average market price during the 2018 harvest season (Oct. 2018 - Jan. 2019) and the 2018 target price set by the government, less the area payment. As target price is scheduled to be reviewed by the National Assembly every five years, the 2018 target price is still pending a discussion between the National Assembly and government agencies. Please refer to KS1909 for more details.

The total deficiency payment for the 2018 rice crop is subject to the level of the revised target price. If it is revised up to more than Korean Won (KW) 210,988 per 80 Kg (equivalent to 2,637 KW per Kg), the deficiency payment will take place.

Please refer to Page 10 – 13 of ERS Report of The Rice Market in South Korea for more details.

Government Rice Purchase Program under the Public Food Grain Stockholding Program (PFSP):
The government purchases rice to ensure food security and price stability. Under the Public Food Grain Stockholding Program (PFSP), the Korean government procures domestic paddy rice during the harvest season (October-December) at the average market price, and later sells it during the non-harvest periods at the prevailing domestic market price. For October - December 2018, the Korean government purchased 350,000 MT (milled basis) of paddy rice consisting of 340,000 MT of PFSP, and 10,000 MT for the ASEAN Plus Three Emergency Rice Reserve (APTERR) (Table 35). Korea has purchased 110,000 MT of rice (milled basis) under the APTERR program since 2014.

Government and National Agricultural Cooperative Federation's (NACF's) Loan Programs to Rice Millers
The Korean government has provided loans for local rice millers such as NACF rice millers and independent rice millers worth more than 1.28 trillion Korean Won (USD 1.16 billion) in 2018 with a special loan rate between zero and two percent per annum. The NACF, the national farmers group, also continued providing about 1.9 trillion Korean Won (USD 1.7 billion) worth of loans to rice farmers/millers at zero interest rate. The main goal of the loan programs is to encourage rice millers to purchase more rice from farmers, minimizing the downward pressure of harvest on prices in the rice market.

Most rice purchases under the loan programs provided by the Korean government and the NACF will be introduced into the rice retail market through NACF's Rice Processing Complexes (RPCs) and independent RPCs throughout the 2018/19 (Nov/Oct) rice marketing year.

In 2018, rice farmers sold approximately 2.3 MMT or 60 percent of total production during the harvest season, including 0.35 MMT through government direct purchases under the PFSP (Public Food Grain Stockholding Program) and APTERR (ASEAN Plus Three Emergency Rice Reserve), 1.69 MMT purchased by NACF member rice millers and 0.25 MMT purchased by independent rice millers under the loan programs. (Table 35 & 36).

Rice Millers Purchase:

Korean rice millers, known as Rice Processing Complexes (RPC), purchased 1.94 MMT (milled basis) of paddy rice at a free loan rate under the National Agricultural Cooperative Federation (NACF) loan program during the 2018 harvest season. NACF member RPCs purchased 1.69 MMT, and independent RPCs bought 0.25 MMT. The Korean government also supported rice millers in the purchase of paddy rice under an incentive loan program at a loan rate ranging from zero to two percent according to an evaluation of RPCs. The total value of loan programs was 3.1 trillion Korean won (USD 2.5 billion), consisting of 1.9 trillion Korean Won from NACF and 1.2 trillion Korean Won from government support (Table 36).

Table 34

Korea: Direct Payment Program for Rice Income Compensation

Year	Area Payment (A)			Deficiency Payment (B)			Total (Billion Won) (A)+(B)
	Area (1,000 ha)1/	Payment (Won/ha)	Total (Billion Won)	Production (1,000 MT) 2/	Payment (Won/kg)	Total (Billion Won)	
2009	893	703,684	632.8	3,948	150.4	594.5	1,227.3
2010	883	700,704	622.3	3,850	194.9	750.1	1,372.4
2011	875	700,169	617.4	na	none	0	617.4
2012	866	702,071	610.1	na	none	0	610.1
2013	855	800,926	686.6	na	none	0	686.6
2014	835	901,304	756.0	3,632	52.8	194.1	950.1
2015	844	998,892	843.1	3,624	198.6	718.7	1,561.8
2016	837	1,001,010	838.3	3,557	418.7	1,490.0	2,328.3
2017	829	1,003,027	831.5	3,447	156.6	539.3	1,370.8
2018	818	998,899	817.1	3,484	na	na	na

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

1/ Those eligible for payment include farmers, farming union corporations, agricultural corporations, or anyone producing rice on a minimum of 0.1 HA of farmland between Jan 1, 1998 and Dec 31, 2000.

2/ based on the Olympic average rice yield of 4,880 kg per hectare from 1999-2003 and actual cultivated area registered under the program. The applicable rice yield has been revised up to 5,040kg per hectare since 2012 and then revised up to 5,360 Kg per hectare again in 2018.

Table 35

Korea: Government Rice Purchases

Under Public Food Grain Stockholding Program (PFSP)

Crop Year	Production(1,000 MT)	Purchase(1,000 MT)	%
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
2015	4,327	717[b/]	16.5
2016	4,197	678[c/]	16.1

2017	3,972	711[d/]	17.9
2018	3,868	350[e/]	9.0

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)
a/ Includes 240,000 MT to stabilize rice market in addition to 370,000 MT under PFSP, but excludes 30,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)
b/ Includes 357,000 MT to stabilize rice markets in addition to 360,000 MT under PFSP, but excludes 30,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)
c/ Includes 299,000 MT to stabilize rice markets in addition to 349,000 MT under PFSP, but exclude 30,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)
d/ Includes 370,000 MT to stabilize rice markets in addition to 331,000 MT under PFSP and 10,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)
e/ Includes 340,000 MT under PFSP and 10,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)

Table 36

Korea: NACF Rice Purchases [a/]			
Crop Year	Production(1,000 MT)	Purchase(1,000 MT)	%
2009	4,916	1,950	40
2010	4,295	1,380	32
2011	4,224	1,327	31
2012	4,006	1,331	33
2013	4,230	1,465	35
2014	4,241	1,649	39
2015	4,327	1,741	40
2016	4,197	1,799	43
2017	3,972	1,590	40
2018	3,868	1,690	44

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)
a/ Excludes independent RPC purchases

Consumption:

MY 2019/20 rice consumption is forecast at 4.5 MMT, down 4.7 percent from estimates for the current marketing year due to a decreasing allocation of rice used for feed as the surplus of old rice stocks is being pared. Imported rice constitutes about nine percent of total consumption.

Korean consumers prefer short-grain table rice. 78 percent of domestic production (all short-grain) was consumed as table rice in MY 2017/18. Per capita table rice consumption continues to decline, as eating habits change due to rising incomes and the growing popularity of western foods. Annual per capita table rice consumption reached its peak at 136.4 kg in 1970, declining to 61.8 kg in MY 2016/17 according to preliminary government statistics, and is estimated to have declined to 60.0 kg in MY 2017/18. FAS/Seoul forecasts per capita table rice consumption at 59.2 kg in the current marketing year (MY 2018/19) based on declining consumption trends for table rice, decreasing further to 58.4 kg in MY 2019/20 (Table 37).

In MY 2017/18, the percentage of processed rice consumption increased to 30 percent of total domestic rice consumption from 25 percent in the previous year due to a sharp increase in rice consumption for feed while rice consumption used in food processing has continued to expand. In MY 2018/19, heavy stocks will lead the share of rice used in processing to increase further to 29 percent, due mainly to a sharp increase of rice used for animal feed. The Korean government will continue to sell off older rice stocks for animal feed in MY 2019/20, albeit on a smaller scale than the previous year as the level of rice stocks will be balanced to 18 percent of total domestic consumption (Table 37, 41 & 48).

Feed:

In order to reduce high ending stocks, the Ministry of Agriculture, Food and Rural Affairs (MAFRA) has released rice to be used as feed since MY 2015/16. The released price was 200 Korean Won per kg (USD 0.18/kg), a tenth of the purchasing price in the harvest season under the government purchasing program.

In MY 2017/18, continued overproduction led the Korean government to allow the use of 746,000 MT of old crop brown rice for feed purposes (equivalent to 671,000 MT on milled basis). Most of the stocks-for-feed rice was from domestic production with the selling price set at 206 Korean Won per kg (USD 0.19/kg), or 92 percent of the value of feed corn imported in the previous marketing year (2016/17). Feed rice includes some portion of the 82,000 MT of brown rice (73,800 MT, milled basis) imported mainly from China under the 2014 Minimum Market Access agreement (MMA).

In MY 2019/20 Korea is forecast to use 450,000 MT of brown rice (equivalent to 400,000 MT on milled basis) for feed as most of the cumulative old rice stocks will have been depleted by the end of 2020. Rice approved for sale from MAFRA storage for feed use has been beneficial for feed millers who produce compound feed for piglets for both price and the intrinsic characteristic of rice. The released rice price for feed has been 93 percent of the average imported corn price in the previous marketing year.

Table 37

Korea: Rice Utilization Pattern (1,000 MT, milled)				
Rice Year (November - October)	MY 2016/17[a/]	MY 2017/18[b/]	MY 2018/19[c/]	MY 2019/20[c/]
Table Rice	3,199	3,100	3,060	3,020
Processing	1,086	1,414	1,420	1,240
(for food)	(492)	(500)	(520)	(540)
(for liquor)	(216)	(243)	(300)	(300)
(for feed)	(378)	(671)	(600)	(400)
Seed	33	32	32	32
Other and Loss	117	200	200	200
Total Demand	4,435	4,746	4,712	4,492
Per Capita Table Rice Consumption (kg)	61.8	60.0	59.2	58.4

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

A/ Revised

B/ Preliminary

B/ FAS/Seoul forecast

Table 38

Korea: Rice Consumption Pattern for Processing Purpose (1,000 MT, milled)				
Purpose	MY 2015/16	MY 2016/17 [a/]	MY 2017/18 [b/]	MY 2018/19 [c/]
KRFA	222	220	260	270
KALIA	222	216	213	270
Others [d/]	215	272	270	280
Feed	86	378	671	600
Total	745	1,086	1,414	1,420

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)
a/ Revised
b/ Preliminary
c/ FAS/Seoul forecast
d/ Traditional foods or beverage made of local rice.
Note: Korea Rice Foodstuffs Association (KRFA), Korea Alcohol & Liquor Industry Association (KALIA)

Table 39

Korea: Rice Supply for Processing Purposes to KRFA Members (Metric Ton, Milled)			
Marketing Year (Nov/Oct)	Local Rice	Imported Rice	Total
2008/09	806	131,344	132,150
2009/10	24,887	154,821	179,708
2010/11	125,910	108,215	234,125
2011/12	147,462	100,249	247,711
2012/13	118,344	127,544	245,888
2013/14	63,654	162,893	226,547
2014/15	11,803	185,630	197,433
2015/16	35,907	185,853	221,760
2016/17	41,404	178,794	220,198
2017/18	69,364	190,767	260,131

Source: Korea Rice Foodstuffs Association (KRFA)

Table 40

Korea: Rice Supply for Processing Purposes to KRFA Members (Metric Ton, Milled, Marketing Year (Nov/Oct))						
	MY 2015/16		MY 2016/17		MY 2017/18	
Item	Quantity	Ratio (%)	Quantity	Ratio (%)	Quantity	Ratio (%)
Cake/Noodle	90,736	41	90,925	41	100,508	39
Alcohol	44,259	20	41,212	19	44,127	17
Flour	58,874	27	59,049	27	73,205	28
Seasoning/Sweetness	5,878	3	4,332	2	5,073	2
Confectionary	11,755	5	12,385	6	17,796	7
Others	10,258	5	12,295	5	11,372	7
Total	221,760	100	220,198	100	260,131	100

Source: Korea Rice Foodstuffs Association (KRFA)

Table41

Korea: Rice Consumption for Animal Feed (Marketing Year, Brown rice basis, MT)									
Month	MY 2016/17			MY 2017/18			MY 2018/19		
	Domestic Rice	Imported Rice	Total	Domestic Rice	Imported Rice	Total	Domestic Rice	Imported Rice	Total
November	7,530	86	7,616	53,806	0	53,806	66,286	1,009	67,295
December	4,853	12	4,865	48,340	0	48,340	53,349	2,021	55,370
January	4,652	0	4,652	43,163	0	43,163	42,407	116	42,523
February	24,796	0	24,796	54,117	0	54,117	na	na	na
March	36,128	0	36,128	62,448	0	62,448	na	na	na
April	36,820	0	36,820	64,516	0	64,516	na	na	na
May	40,923	0	40,923	64,816	850	65,666	na	na	na
June	44,980	0	44,980	64,187	1,655	65,842	na	na	na
July	45,140	0	45,140	58,654	2,235	60,889	na	na	na
August	52,046	0	52,046	65,027	913	65,940	na	na	na
September	55,944	0	55,944	67,160	1,003	68,163	na	na	na
October	48,695	0	48,695	72,529	1,428	73,957	na	na	na
Total	**402,505**	**98**	**402,603**	**718,763**	**8,084**	**726,847**	na	na	na
Total (milled)	**362,255**	**88**	**362,343**	**646,887**	**7,276**	**654,162**	na	na	na

Source: Korea Feed Association (KFA)

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

Trade:

On September 30, 2014, the Korean government submitted a draft containing modifications and rectifications to "Schedule LX - Republic of Korea" to the WTO, which allowed Korea to change its regime to ordinary customs duties (without an MMA component) on rice beginning on January 1, 2015. However, five countries, including the United States, reserved their positions with respect to the proposed rectification and modification of the Republic of Korea's tariff schedule concerning rice market access. Rice tariffication remains a priority for Korea, and the government continues to engage in bilateral discussions with the concerned countries for settlement of the issue. The United States is working closely with Korea with a view to ensuring that the new arrangement takes appropriate account of the strong U.S. trade in this commodity.

In the meantime, Korea has continued to annually import the mandatory import volume of 408,700 MT from Most Favored Nation (MFN) countries at the current duty level of five percent, as agreed in the special treatment clause. Korea deleted provisions about usage requirements, such as the ratio of table rice (30 percent in CY2014 under MMA regime) and a country specific quota that guaranteed access to the domestic market. Tariffs outside the quota remain prohibitively high at 513 percent.

Imports:

MY 2019/20, rice imports are forecast at about 410,000 MT (milled basis). Korea is expected to continue purchasing 408,700 tons (milled basis) of rice under the 2019 TRQ.

In MY 2018/19, rice imports are expected to remain unchanged from the previous report at 410,000 MT (milled basis), while actual delivery of some portion of the TRQ will roll over into the following year. Annual U.S. rice exports are expected to stay around 160,000 MT (milled basis).

In MY 2017/18, Korea's rice imports were 397,852 MT (milled), consisting of 256,264 MT imported under the 2017 TRQ quota, and 141,588 MT imported under the 2018 TRQ. In 2018, U.S. exports to Korea amounted to 91,186 MT, composed of 84,146 MT imported under the 2017 TRQ and 6,752 MT imported under the 2018 TRQ.

2019 TRQ Tendering Process:
Under the 2019 Tariff Rate Quota **(**TRQ) purchasing plan, Korea will purchase 408,700 MT of rice (milled basis) under the rice tariffication system that has been in effect since 2015. Under the 2019 TRQ thus far, however, Korea has not started to announce tender invitations and is expected to hold the first international tender soon after completing rice negotiations on tariffication, likely within the first half of 2019.

2018 TRQ Tendering Results:
The Korea Agro-Fisheries and Food Trade Corporation (aT) completed the tendering process for 2018 rice TRQ commitments on January 7, 2019. Korea purchased a total of 408,700 MT of rice (milled basis) from four countries: The United States, China, Thailand, and Vietnam. The U.S. share reached 38.7 percent, up 4.8 percentage points from the previous year, due to more competitive pricing than other countries, and a greater demand for medium grain variety rice. Contracts for U.S. rice totaled 158,163 MT (milled), worth USD 151.9 million. Of this total, 134,625 MT was brown rice (equivalent to 121,163 MT on a milled basis) used for food processing purposes, and the remaining 37,000 MT was milled rice for table use (Table 42). Please refer to GAIN Report KS1904 for more details.

Table 42

Korea: Rice Contracts by Country under 2018 MFN TRQ[1/]
(Unit: MT, Milled Basis, **as of January 7, 2019**)

Country	MFN TRQ		Total (Percent)
	Processing Use	Table Use	
USA	121,163	37,000	**158,163(38.7)**
China	119,232	0	**119,232(29.2)**
Thailand	18,000	0	**18,000(4.4)**
Vietnam	110,505	2,800	**113,305(27.7)**
S. Total	368,900	39,800	**408,700(100.0%)**
G. Total	**408,700**		**408,700(100%)**

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

Auctions for Imported Table Rice:
(aT) sells table rice shipments to consumers through a public auction system. Meanwhile, MAFRA distributes processing rice to end-users, such as food processors and alcoholic beverage producers, at a set price throughout the year.

Due to heavy stocks of domestic rice caused by overproduction since 2013, the pace of auctions for imported rice for table use has been very slow, effectively reducing the volume of auctioned rice. As large rice stocks have dampened domestic prices, farmers' groups have petitioned the government to slow down auctions for imported rice for table use, and during the harvest season they have asked the government to stop conducting auctions for imported medium and short grains, which compete with domestic short grain rice.

Accordingly, the Korean government has suspended auctions for medium and short grain rice imported under the 2016 TRQ regime for table purposes since September 24, 2018 to prop up domestic rice prices during the harvest period. However, selling auctions for long grain rice imported under the 2016 TRQ have been completed (Table 44), and selling auctions for long grain imported under 2017 TRQ began in early January 2019 (Table 45). As of January 23, 2019 aT started selling auctions for U.S. medium grain rice imported under the 2017 TRQ (despite not having auctioned all of the 2016 TRQ medium grain rice), auctioning off 6,877 MT or 19 percent of total U.S. medium grain for table use as of March 20, 2019.

Table 43

Korea: Status of Table Rice Imports and Distribution
(MT, Milled rice)

Calendar Year	Total Rice Imports	Table Purpose	Rate of Table Rice of Total Imports (%)	Distribution to Consumers Market	Conversion to Processing
MMA Quota Regime (2005-2014)					
2005	225,575	22,557	10	22,557	0
2006	245,922	34,429	14	34,429	0
2007	266,270	47,928	18	47,928	0
2008	286,617	63,055[a/]	22	38,121	24,934
2009	306,964	79,810[b/]	26	45,007	34,803
2010	327,311	98,193[c/]	30	92,576	5,617
2011	347,658	104,297	30	104,297	0
2012	368,006	110,401	30	110,401	0
2013	388,353	116,505	30	116,505	0
2014	408,700	122,610[d/]	30	65,072	57,538
Total	**3,171,376**	**799,785**	**25**	**676,893**	**122,892**
TRQ Regime (Since 2015)					
2015	408,700	60,000e/	15	7,041	52,959
2016	408,700	50,000f/	12	26,310	23,690
2017	408,700	40,000g/	10	100	na
2018	408,700	39,800h/	9.7	na	na

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)
a/ of which, 24,934MT of Chinese rice was diverted to alcohol processing purpose in CY 2010
b/ of which, 33,303 MT of Chinese rice and 1,500 MT of Thai rice were diverted to alcohol processing purpose in CY 2011
c/ of which, 5,671MT of Chinese rice were diverted to alcohol processing purpose in CY 2012.

d/ of which, 8,754 MT of U.S. rice, 43,386 of Chinese rice and 5,395 MT of Australian rice were converted to alcohol processing purpose in CY 2016
e/ of which, 34,035 MT of U.S. rice and 18,924 MT of Chinese rice have been converted to alcohol processing purpose in CY 2018
f/ suspended auctions for 23,084 MT of U.S. medium grain and 546 MT of Vietnamese short grain as of September 24, 2018 but completed auctioning-off for 7,000 MT of Thai long grain as of January 2, 2019
g/ consisting of 37,000MT of U.S. medium grain and 3,000MT of Vietnamese long grain
h/ consisting of 2,800 MT of Vietnamese long grain delivered in December 2018 and 37,000 MT of U.S. medium grain to be delivered during April - May 2019 based on contracts

Table 44

Korea: Status of Rice Auction for Table Rice under 2016 TRQ 2/
(Unit: metric tons, milled basis, as of January 2, 2019)

Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price 1/
U.S. Medium Grain (Apr. 2018 ~Sep. 21, 2018)	#1	40,000	16,916	23,084	42	1,585
Vietnamese Short Grain (Apr. 2018 ~Sep. 21, 2018)	#1	3,000	2,454	546	82	1,332
Thai Long Grain (Oct. 2016 ~Jan. 2, 2019)	#1	7,000	6,940	60	99.1	966
Total		50,000	26,310	23,690	52.6	

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)
1/ Weighted average in Korean Won per Kg
2/ Suspended auctions for U.S. medium grain and Vietnamese short grain since September 21, 2018 but completed auctioning-off for 7,000 MT of Thai long grain as of January 2, 2019

Table 45

Korea: Status of Rice Auction for Table Rice under 2017 TRQ
(Unit: metric tons, milled basis, as of March 20, 2019)

Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price 1/
U.S. Medium Grain (Jan. 23, 2019~)	#1	37,000	6,877	30,123	19	1,764
Vietnamese Long Grain (Jan. 9, 2019 ~)	#1	3,000	950	2,050	32	977
Total		40,000	7,827	32,273	20	

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)
1/ Weighted average in Korean Won per Kg

Table 46

Korea: Status of Rice Auction for Table Rice under 2018 TRQ
(Unit: metric tons, milled basis)

Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price 1/
U.S. Medium Grain 2/	#1	37,000	none	37,000	0	na
Vietnamese Long Grain3/	#1	2,800	none	2,800	0	na
Total		39,800	none	39,800	0	

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)
1/ Weighted average in Korean Won per Kg
2/ to be imported in the first half of 2019

3/ imported in December 2018, sitting in the warehouse

Exports:

Korea's rice exports were 64,164 MT in 2018. This number sharply increased from 2017 due to a rice donation of 60,000 MT, which includes a 50,000 MT donation to Yemen, Ethiopia, Kenya and Uganda through the World Food Program (WFP) under the Food Assistance Convention (FAC), and a 10,000 MT donation to Vietnam under the ASEAN Plus Three Emergency Rice Reserve (APTERR). The remainder, 4,164 MT, was rice exported on commercial basis. Korea plans to continue donating 50,000 MT of domestic rice (milled basis) to developing countries through the World Food Program (WFP) under the Food Assistance Convention (FAC) in 2019.

Table 47

Korea: Rice Exports (Milled)				
Calendar Year	To the World		To the United States	
	Quantity (MT)	Value (USD1,000)	Quantity (MT)	Value (USD1,000)
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	1,987	4,472	365	1,148
2016	2,313	4,847	477	1,175
2017	2,767	5,641	540	1,390
2018	64,164a/	43,823	425	1,171

Source: Korea Customs Service (KCS), Global Trade Atlas (GTA)
a/ includes 60,000 MT of food assistance in 2018.

Stocks:

MY 2019/20 ending stocks (at the end of October 2020) are forecast to decrease to 0.82 MMT, or 18 percent of total consumption. The government continues its efforts to reduce rice in storage with rice stocks approaching the FAO recommended level of 0.8 MMT. MY 2018/19 stocks (at the end of October 2019) are expected to decline to 1.1 million tons, or 23 percent of total domestic consumption, due to a government policy to continue rice consumption for animal feed in 2019. MY 2017/18 ending stocks (through the end of October 2018) are estimated at 1.56 MMT, or 33 percent of total domestic consumption. Rice production in the past six consecutive years has been greater than actual demand, amid declining per capita table rice consumption fueled, in part, by rising incomes.

Table 48

Korea: Status of Rice Stocks (Milled rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2014/15a/	2015/16a/	2016/17b/	2017/18c/	2018/19d/	2019/20d/

Total Stock	1,406	1,831	2,000	1,560	1,073	818
Government Stock	1,406	1,831	2,000	1,560	1,073	818
Total Domestic Consumption	4,197	4,212	4,435	4,746	4,712	4,492
Stock to Use Ratio (%)	33.5	43.5	45.1	32.9	22.8	18.2

Source: FAS/Seoul Estimate based on MAFRA data
a/ MAFRA Revised
b/ MAFRA Preliminary
c/ MAFRA forecast
d/ FAS/Seoul forecast

Production, Supply and Demand Data Statistics:

Rice PS&D

Rice, Milled	2017/2018		2018/2019		2019/2020	
Market Begin Year	Nov 2017		Nov 2018		Nov 2019	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	755	755	738	738	0	732
Beginning Stocks	2000	2000	1423	1560	0	1073
Milled Production	3972	3972	3868	3868	0	3880
Rough Production	5296	5286	5157	5193	0	5173
Milling Rate (.9999)	7500	7514	7500	7448	0	7500
MY Imports	398	398	410	410	0	410
TY Imports	386	386	410	410	0	410
TY Imp. from U.S.	0	91	0	160	0	160
Total Supply	6370	6370	5701	5838	0	5363
MY Exports	64	64	53	53	0	53
TY Exports	64	64	53	53	0	53
Consumption and Residual	4883	4746	4673	4712	0	4492
Ending Stocks	1423	1560	975	1073	0	818
Total Distribution	6370	6370	5701	5838	0	5363
Yield (Rough)	7.0146	7.0013	6.9878	7.0366	0	7.0669
(1000 HA) ,(1000 MT) ,(MT/HA)						

Korea: Import Trade Matrix of Rice

Country	Korea, Republic of		
Commodity	Rice, Milled		
Time Period	Jan/Dec	Units:	1,000MT
Imports for:	2017		2018
U.S.	164	U.S.	91
Others		Others	
China	141	China	144
Thailand	32	Thailand	18
Australia	9	Australia	9
Vietnam	64	Vietnam	124
India	2		
Total for Others	248		295

Others not Listed	0	0
Grand Total	412	386

Appendix

Table 49

Korea: Monthly Wholesale Price of Milled Rice (High Quality)						
Month\Year	CY 2017		CY 2018		CY 2019	
	Won/kg	USD/kg	Won/kg	USD/kg	Won/kg	USD/kg
January	1,602	1.35	1,994	1.87	2,469	2.20
February	1,590	1.39	2,094	1.94	2,469	2.20
March	1,590	1.40	2,174	2.03	2,470a/	2.19
April	1,590	1.40	2,234	2.09	na	na
May	1,590	1.41	2,227	2.07	na	na
June	1,590	1.41	2,236	2.05	na	na
July	1,598	1.41	2,286	2.04	na	na
August	1,626	1.44	2,299	2.05	na	na
September	1,677	1.48	2,330	2.08	na	na
October	1,814	1.61	2,428	2.15	na	na
November	1,917	1.74	2,478	2.20	na	na
December	1,952	1.80	2,469	2.20	na	na
Average	1,678	1.49	2,271	2.07	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)
a/ March 1-22, 2019
Note: Monthly Average Exchange Rate is applied.

Table 50

Korea: Monthly Retail Price of Milled Rice (High Quality)						
Month\Year	CY 2017		CY 2018		CY 2019	
	Won/kg	USD/kg	Won/kg	USD/kg	Won/kg	USD/kg
January	1,805	1.53	2,167	2.03	2,665	2.38
February	1,806	1.58	2,215	2.06	2,662	2.37
March	1,803	1.59	2,286	2.14	2,660a/	2.35
April	1,804	1.59	2,368	2.22	na	na
May	1,768	1.57	2,367	2.20	na	na
June	1,745	1.54	2,380	2.18	na	na
July	1,728	1.53	2,403	2.14	na	na
August	1,742	1.54	2,443	2.18	na	na
September	1,931	1.71	2,473	2.20	na	na
October	2,023	1.79	2,664	2.36	na	na

November	2,118	1.92	2,678	2.38	na	na
December	2,136	1.97	2,676	2.39	na	na
Average	1,867	1.65	2,427	2.21	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)
a/ March 1-22, 2019
Note: Monthly Average Exchange Rate is applied.

Table 51

Korea: Foreign Exchange Rate
(Korean Won against USD)

Month	CY 2017	CY 2018	CY 2019
January	1,183	1,065	1,121
February	1,143	1,077	1,121
March	1,133	1,070	1,130a/
April	1,132	1,067	na
May	1,126	1,075	na
June	1,130	1,092	na
July	1,133	1,122	na
August	1,129	1,120	na
September	1,130	1,122	na
October	1,128	1,130	na
November	1,101	1,126	na
December	1,083	1,122	na
Average	1,129	1,099	na

Source: Global Financial Service
a/ March 1-25, 2019