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2011 MMA Rice Buying Tenders Result

Report Categories:

Grain and Feed

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Report Highlights:

Korea's contracts for rice imports under the 2011 WTO Minimum Market Access (MMA) system resulted in expanded sales for U.S. rice suppliers. In addition to the U.S Country Specific Quota of 50,076 MT, the United States successfully supplied 51,414 MT or 34 percent of the total Global Quota of 151,460 MT. With a total 101,490 MT, the U.S. share of the 2011 MMA was 29.2 percent with contracts valued at \$87 million. Under the 2010 MMA the U.S. supplied 93,719 MT or 28.6 percent.

General Information:

The Korea Agro-Fisheries Trade Corporation (aT) completed the tendering process for the 2011 Minimum Market Access (MMA) commitments for rice in early December 2011. Korea purchased a total of 347,658 metric tons (MT) of rice from the United States, China, Thailand, Vietnam and Myanmar. The U.S. share was 29.2 percent, with contracts totaling 101,490 MT (milled) worth \$87 million. The bulk of the U.S. contracts, roughly 76,031 MT, were for brown rice (equivalent to 68,428 MT on milled basis) and the remaining 33,062 MT were for milled rice with delivery dates from January 2012 through June 2012.

The U.S. Country Specific Quota (CSQ) totaled 50,076 MT. In addition, the United States successfully supplied 51,414 MT or 34 percent of the total Global Quota (GQ) of 151,460 MT, followed by China with 44,911 MT or 30 percent, Thailand with 20,694 MT or 14 percent, Vietnam with 19,441 MT or 13 percent and Myanmar with 15,000 MT or 10 percent on a milled basis.

The Australian government announced that it would not fulfill its CSQ obligation due to six consecutive years of severe droughts. As a result, the Korean government converted the Australia CSQ into GQ with tendering opening in November 2011. The United States and Vietnam were awarded the reallocated global quota of 9,030 MT (milled). The United States sold 4,589 MT of No. 1 grade medium grains for table purpose and Vietnam sold 4,441 MT of broken rice (US #4 Brewer's milled rice) for processing purpose. Additional details on the tender results are included in the table at the end of this report.

The 2011 U.S. CSQ, totaled 50,076, is made up of 27,473 MT of table rice and 22,603 MT for processing. The U.S. table rice allocation increased by 4.7 percent to 27,473 MT compared to 26,219 MT in 2010. In addition, the U.S. CSQ allocated to processing decreased by 5.3 percent from 23,857 MT in 2010 to 22,603 MT in 2011. In general, the increased U.S. table rice allocation is due to a redistribution of Thai rice for table purpose.

Of note, Korea also purchased 1,000 MT of glutinous milled rice for processing purpose from the United States for the second year in a row.

The contracted price for U.S. #1 table rice was \$827.83/MT on average, down approximately 13 percent from the previous year. Additionally, U.S. #3 table rice was at \$751.16/MT, down 17 percent from the previous contracted price. Chinese #1 table rice prices were down 4 percent to \$936.27/MT on average while Thai #1 table rice prices increased to \$674 per MT, up 9 percent from the previous year respectively.

Korea: Rice Contracts by Country, 2011 MMA					
(Unit: MT, Milled Basis)					
Country	Global Quota		CSQ		Total (%)
	Processing	Table	Processing	Table	
USA	46,825	4,589	22,603	27,473	101,490(29)
China	44,911	0	49,024	67,135	161,070(46)
Thailand	20,694	0	24,863	5,100	50,657(15)
Vietnam	19,441	0	0	0	19,441(6)
Myanmar	15,000	0	0	0	15,000(4)
S.Total	146,871	4,589	96,490	99,708	347,658
G. Total	151,460		196,198		347,658

Source: Korea Agro-Fishery Corporation (aT)

Korea: U.S. Rice Sales to Korea, 2011 MMA

Contracts	Milled rice(MT)	Brown rice(MT)	Arrival unit price	Amount
			(\$/MT)	(\$)
1		11,111a/	807.00	8,966,577
2		21,810a/	782.00	17,055,420
3	1,000a/b/		965.73	965,730
4		20,114	822.00	16,533,708
5		17,996 a/	749.30	13,484,403
6	14,726		866.00	12,752,716
7		5,000	763.00	3,815,000
8	10,000		799.99	7,999,900
9	2,747		751.16	2,063,437
10	4,589a/c/		766.00	3,515,174
total	33,062	76,031		87,152,064

Source: Korea Agro-Fishery Corporation (aT), totaling 101,490MT in milled basis or 29.2 percent of total MMA.

a/ under the Global Quota

b/ Sweet rice for processing purpose

c/ converted from Australian CSQ

Korea: MMA Rice Allocations (MT, milled rice)							
Calendar Year	Total	Global Quota (MFN)	Country Specific Quota (CSQs)				
			Total	USA	China	Thailand	Australia
2005	225,575	20,347a/	205,228	50,076	116,159	29,963	9,030
2006	245,922	49,724b/	196,198	50,076	116,159	29,963	c/
2007	266,270	70,072d/	196,198	50,076	116,159	29,963	c/
2008	286,617	90,419e/	196,198	50,076	116,159	29,963	c/
2009	306,964	110,766f/	196,198	50,076	116,159	29,963	c/
2010	327,311	131,113g/	196,198	50,076	116,159	29,963	c/
2011	347,658	151,460h/	196,198	50,076	116,159	29,963	c/

Source: Ministry of Food, Agriculture, Forestry & Fisheries (MFAFF) and aT

a/ Global quota allocations: United States 6,104 MT; China 11,191 MT; and Thailand 3,052 MT.

b/ Global quota allocations: United States 13,025 MT; China 23,080 MT; and Thailand 13,619 MT.

c/ Australia CSQ allocation converted to MFN due inability to fulfill quota under drought conditions.

d/ Global quota allocations: United States 21,643MT; China 32,352MT; and Thailand 16,077 MT.

e/ Global quota allocations: United States 19,534MT; China 35,126MT; and Thailand 35,759 MT.

f/ Global quota allocations: United States 31,270MT; China 43,629MT; Thailand 30,347 MT; and Pakistan 5,520MT

g/ Global quota allocations: United States 43,643MT; China 42,411MT; Thailand 40,347 MT; and Pakistan 4,712MT

h/ Global quota allocations: United States 51,414MT; China 44,911MT; Thailand 20,694 MT; Vietnam 19,441 MT and Myanmar 15,000MT

Korea: CSQ Table Rice Allocation (MT, Milled rice)					
Year	USA	China	Thailand	Australia	Total
2005	5,504	12,767	3,293	993	22,557
%	24.4	56.6	14.6	4.4	100
2006	10,414	21,500	1,000	1,515	34,429
%	30.3	62.4	2.9	4.4	100
2007	14,193	29,626	2,000	2,109a/	47,928
%	29.6	61.8	4.2	4.4	100
2008	18,989	39,292	2,000	2,774b/	63,055
%	30.1	62.3	3.2	4.4	100
2009	23,760	49,462	3,078 c/	3,510b/	79,810
%	29.8	62.0	3.8	4.4	100
2010	26,219	65,556	2,100 c/	4,318a/	98,193

%	26.7	66.8	2.1	4.4	100
2011	27,473	67,135	5,100c/	4,589a/	104,297
%	26.3	64.4	4.9	4.4	100

Source: MIFAFF

a/ USA won the Australian CSQ allocation converted to MFN due to Australia's inability to fulfill quota due to drought conditions.

b/ China won the Australian CSQ allocation converted to MFN due to Australia's inability to fulfill quota due to drought conditions.

c/ included 90MT of Jasmin rice

Korea: Processing Rice Allocation Based on CSQ (MT, Milled rice)					
Year	USA	China	Thailand	Australia	Total
2005	44,572	103,392	26,670	8,037	182,671
%	24.4	56.6	14.6	4.4	100
2006	39,662	94,659	28,963	7,515	170,799
%	23.2	55.4	17	4.4	100
2007	35,883	86,533	27,963	6,921a/	157,300
%	22.8	55.0	17.8	4.4	100
2008	31,087	76,867	27,963	6,256a/b/	142,173
%	21.9	54.1	19.6	4.4	100
2009	26,316	66,697	26,885	5,520c/	125,418
%	21.0	53.2	21.4	4.4	100
2010	23,857	50,603	27,863	4,712c/	107,035
%	22.3	47.3	26.0	4.4	100
2011	22,603	49,024	24,863	4,441b/d/	100,931
%	22.4	48.6	24.6	4.4	100

Source: MIFAFF

a/ Thailand won the Australian CSQ allocation converted to MFN due Australia's inability to fulfill quota due to drought conditions.

b/ broken rice

c/ Pakistan won the Australian CSQ allocation converted to MFN due to Australia's inability to fulfill quota due to drought conditions.

d/ Vietnam won the Australian CSQ allocation converted to MFN due to Australia's inability to fulfill quota due to drought conditions.

Korea: Global Quota Allocation per Rice Variety (MT, Milled rice)							
Year	Medium Grain	Short Grain	Long Grain	Optional Variety			Total
				Unbroken	Broken	Sweet	
2005	6,104	11,192	3,052	na	na	na	20,347
%	30	55	15	na	na	na	100
2006	13,022	21,568	6,104	na	na	na	40,694
%	32	53	15	na	na	na	100
2007	19,534	32,351	9,156	na	na	na	61,041
%	32.0	53	15	na	na	na	100
2008	19,534	32,352	9,156	20,347 ^{a/}	na	na	81,389
%	24.0	39.8	11.2	25.0	na	na	100
2009	31,270	40,119	9,000	na	20,347 ^{b/}	1,000 ^{c/}	101,736
%	30.7	39.4	8.9	na	20.0	1.0	100
2010	33,325	42,411	15,347	5,000 ^{d/}	25,000 ^{b/}	1,000 ^{c/}	122,083
%	27.3	34.7	12.6	4.1	20.5	0.8	100
2011	35,825	44,911	20,694	10,000 ^{d/}	30,000 ^{b/}	1,000 ^{c/}	142,430
%	25.2	31.5	14.5	7	21.1	0.7	100

Source: MIFAFF

1/ MIFAFF introduced an optional variety allocation in the 2008 MMA in order to minimize outlays due to rising international grain prices.

a/ Optional Variety among medium, short and long grain

b/ Broken rice with an optional variety

c/ Sweet rice with an optional variety

d/ Optional Variety between medium and short grain

Korea: 2011 MMA Rice Tender Schedule and Results (Milled Rice, Metric Ton, as of 12/6/2011)							
No.	Bidding Date	Specs (contracted date)	Quantity, milled (brown)	Delivery (disport)	Origin (Awarded Price: US\$/MT)	Milling Type	Quota Type
1	6/21/11	SG #3 or MG #3 Optional (6/27/11)	10,000 (11,111)	By 10/31/11 Busan in container or Gunsan in bulk	807.00CIP from SM/ADM USA	Brown	Global
		MG #3 (6/27/11)	19,629 (21,810)	By 10/31/11 Busan in container or Masan in bulk	782.00CIP from SM/ADM USA		
		LG #3 (6/27/11)	4,500 (5,000)	By 9/30/10 Busan in container or Masan in bulk	579.79CIP from LG/Chaipayorn Thailand		
		LG #3 (6/27/11)	12,210 (13,567)	By 9/30/10 Gunsan in bulk	589.68CIP from LG/Chaipayorn Thailand		CSQ
2	6/28/11	Broken Rice US #4 Brewer's Milled Rice (7/4/11)	5,000	By 9/30/2011 Ulsan in bulk	490.00 CIP from Fine Marine/ Vinafood1 Vietnam	Milled	Global
		LG#3 (7/4/11)	7,194 (7,993)	By 10/31/10 Busan in container or Masan in bulk	558.23 CIP from LG/ Chaipayorn Thailand	Brown	Global
		LG#3 (7/4/11)	9,000 (10,000)	By 10/31/10 Mokpo in bulk	567.00 CIP from Fine Marine/ Asian Golden Rice Thailand		
		SG #3 or MG #3 Glutinous Milled Rice Optional (7/4/11)	1000	By 11/31/2011 Busan or Incheon	965.73 CIF from Shin-Song/ American Commodity Company USA	Milled	
3	7/14/11	Broken Rice US #4 Brewer's Milled Rice (7/20/11)	10,000	By 11/31/2011 Incheon	504.78 CIP from Fine Marine/ Vinafood1 Vietnam	Milled	Global
		SG #3 (7/20/11)	17,911 (19,901)	By 12/31/2011 Gunsan (9,901) and Masan (10,000)	872.00 CIP from Daewoo/COFCO China	Brown	
4	8/11/11	SG #3 (8/19/11)	27,000 (30,000)	By 12/31/2011 Donghae with 15,000 in bulk By 11/30/2011 Ulsan with 15,000 in bulk	875.50 CIP from Fine Marine /COFCO China	Brown	Global
		SG #3 (8/17/11)	18,000 (20,000)	By 11/30/2011 Incheon	870.00 CIP from Shin-Song/Jilin Grain Corp. China		CSQ
5	8/18/11	MG#3 (8/25/11)	18,103 (20,114)	By 12/31/2011 Gunsan	822.00CIP from SM/ADM USA	Brown	CSQ
		SG #3 (8/25/11)	13,024 (14,471)	By 12/31/2011 Incheon	879.00 CIP from Daewoo/COFCO China		
		Broken Rice US #4 Brewer's Milled Rice (8/25/11)	15,000	By 12/31/2011 Incheon	515.00 CIP from Shin-Song/xxxxx Myanmar	Milled	Global

		SG #3 (8/25/11)	13,500 (15,000)	By 12/31/2011 Mokpo	879.00 CIP from Daewoo/COFCO China	Brown	CSQ
		LG#3 (8/25/11)	12,653 (14,059)	By 11/30/2011 Donghae	669.47 CIP from Fine Marine/ Asian Golden Rice Thailand		
		LG#3 (8/25/11)	3,000	By 10/31/2012 Busan	674.46 CIF from Hyolim/Chiameng Thailand		
		Aroma LG#1 (8/25/11)	90	By 3/31/2012 Busan	1,207.67 CIF from Hyolim/Chiameng Thailand		
6	8/31/11	MG#3 (9/5/11)	16,196 (17,996)	By 12/31/2011 Gwangyang	749.30 CIP from D&B/Sun Foods USA	Brown	Global
		MG#1 (9/5/11)	14,726	By 2/29/2011 Busan	866. 00 CIF from SM/ADM USA	Milled	CSQ
		SG#3 3rd bid (9/5/11)	4,500 (5,000)	By 12/30/2011 Inchon or Pyengtaek	875.00 CIP from Fine Marine /COFCO China	Brown	
		MG#3 3rd bid (9/5/11)	4,500 (5,000)	By 12/30/2011 Inchon or Busan	763.00CIP from SM/ADM USA		
7	10/18/11	MG#1 (10/25/11)	10,000	By 6/30/2012 Busan	799.99 CIF from Shin- Song/American Commodity Company USA	Milled	CSQ
		MG#3 (10/25/11)	2,747	By 6/30/2012 Busan	751.16 CIF from GS Global/Sun Valley USA		
8	11/18/11	SG #3 (11/23/11)	16,854	By 7/31/2012 Busan, Pyongtaek or Inchon	925.00 CIF from SS/Jilin Grain China		
		SG #3 (11/23/11)	10,000	By 10/31/2012 Busan, Pyongtaek or Inchon	926.00 CIF from DW/COFCO China		
		SG #1 (11/23/11)	23,281	By 4/30/2012 Busan, Pyongtaek or Inchon	935.50 CIF from DW/COFCO China		
		SG #1 (11/23/11)	17,000	By 6/30/2012 Busan, Pyongtaek or Inchon	938.00 CIF from DW/COFCO China		
9	11/18/11	MG#1 (11/23/11)	4,589	By 3/31/2012 Busan or Pyongtek	766. 00 CIF from SM/ADM USA		GQ
		Broken Rice US #4 Brewer’s Milled Rice (11/23/11)	4,441	By 3/31/2012 Busan or Masan	504.78 CIP from Samsung Trading Corp. Vietnam		
10	11/30/11	LG#1 (12/6/11)	2,010	By 4/30/2012 Busan, Pyongtaek or Inchon	758 CIF from DW/Capital Rice Corp Thailand		
Total (milled)			347,658				

Source: Korea Agro-Fishery Trade Corporation (aT)

Note: Milling rate for milled rice is applicable at 90 percent of brown rice, and vice versa.

LG denotes long grain, SG short grain and MG medium grain, respectively.

CIP: Carriage and insurance Paid to—Commodity + Ocean Freight + Insurance (about 0.33% of CNF) + Unloading Charge (about US\$20/MT) + Customs Clearance Fee (about one million Korean Won)

CFR: Cost and Freight— Commodity + Ocean Freight

CIF: Cost, Freight and Insurance

Korea: U.S. Table Rice Delivery Schedule Based on Contracts under 2011 MMA (Non-Glutinous Milled Rice Medium Grain, Metric Ton)				
Supplier	Contractual Quantity	Grade	Shipment	ETA Busan Port
ADM	14,726	U.S. No. 1	6,000	December 2011
			4,000	January 2012
			4,726	February 2012
	4,589a/		4,589	March 2012
			4,000	April 2012
	American Commodity Company		10,000	4,000
2,000				June 2012
Sun Valley	2,747	U.S. No. 3	2,747	June 2012
Total	32,062			

Source: Korea Agro-Fishery Trade Corporation (aT)

a/ Australian CSQ allocation converted to MFN

Korea: Rice Allocation per Country on the Buying Tender under MMA (Milled basis, MT)						
Calendar Year	MMA Quota	U.S.A.	China	Thailand	Australia	Others
1995	51,307	0	0	0	0	51,307b/
1996	64,134	0	64,134	0	0	0
1997	76,961	0	58,961	18,000	0	0
1998	89,787	0	83,487	6,300	0	0
1999	102,614	0	80,114	13,500	0	9,000c/
2000	102,614	0	84,614	18,000	0	0
2001	128,268	27,000	63,000	18,000	20,268	0
2002	153,921	36,000	95,421	22,500	0	0
2003	179,575	49,500	103,075	27,000	0	0
2004	205,228	58,500	117,028	29,700	0	0
2005	225,575	56,179	127,351	33,015	9,030	0
2006	245,922	63,101	145,343	37,478	0	0
2007	266,270	71,719	148,511	46,040a/	0	0
2008	286,617	69,610	151,285	65,722	0	0
2009	306,964	81,346	159,788	60,310	0	5,520d/
2010	327,311	93,719	158,570	70,310	0	4,712d/
2011	347,658	101,490	161,070	50,657	0	34,441e/
Total	3,160,726	708,164	1,801,752	516,532	29,298	104,980

Source: FAS/Seoul

a/ Thai suppliers delivered only 8,470 MT of the total contracted amount

b/ India

c/ Vietnam

d/ Pakistan

e/ Vietnam (19,441 MT) and Myanmar (15,000 MT)