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## Korea - Republic of

**Post:** Seoul

### 2012 MMA Tendering Results

**Report Categories:**

Grain and Feed

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**Report Highlights:**

Korea's contracts for rice imports under the 2012 WTO Minimum Market Access (MMA) system allowed expanded opportunities for U.S. rice suppliers, while the U.S. table rice allocation increased by 46 percent over 2011. The United States won tenders for 50,825 MT or 31 percent of the total Global Quota of 162,778 MT. With a total of 100,901 MT, the U.S. garnered a 27% share of the 2012 MMA with contracts valued at US \$78 million.

## General Information:

### Overview:

The Korea Agro-Fisheries Trade Corporation (aT) completed the tendering process for the 2012 Minimum Market Access (MMA) commitments for rice on December 27, 2012. Korea purchased a total of 368,006 metric tons (MT) of rice from the United States, China, Thailand, Australia, Vietnam, India and Myanmar. The U.S. share was 27 percent, with contracts totaling 100,901 MT (milled) worth US\$78 million. The bulk of the U.S. contracts, roughly 67,605 MT, were for brown rice (equivalent to 60,845 MT on milled basis) with deliveries from June 2012 through April 2013, while the remaining 40,056 MT was for milled table rice with delivery dates from April 2012 through February 2013.

The U.S. Country Specific Quota (CSQ) totaled 50,076 MT. Additionally, the United States contracted to supply 50,825 MT or 31.2 percent of the total Global Quota (GQ) of 162,778 MT, followed by China with 49,911 MT or 30.7 percent, Vietnam with 45,400 MT or 28 percent, India with 11,642 MT or 7.2 percent and Myanmar with 5,000 MT or 3 percent on a milled basis.

Australia contracted to sell 9,030 MT under its CSQ for the first time in seven years, consisting of 4,858 MT of No. 1 grade medium grain for table purpose and 4,172 MT of No. 3 grade medium grain for food processing purpose.

The 2012 U.S. CSQ, totaled 50,076, consisting of 40,056 MT of table rice and 10,020 MT for processing. The U.S. table rice allocation increased by 46 percent to 40,056 MT compared to 27,473 MT in 2011. Meanwhile, the U.S. CSQ allocated to processing decreased by 56 percent from 22,603 MT in 2011 to 10,020 MT in 2012. In general, the increased U.S. table rice allocation is attributed to a redistribution of Chinese and Thai rice for table purpose, reflecting Korean consumers' response to imported rice. The pace of auctioning of table rice imported from China and Thailand has been very slow due to a lack of demand from Korean consumers.

The average contracted price for U.S. #1 table rice was \$770.28/MT, down approximately 7 percent from the previous year. Additionally, U.S. #3 table rice averaged \$693.99/MT, down 7.6 percent from the previous year's contracted price. Chinese #1 table rice prices were down one percent to \$928/MT on average, while Thai #1 table rice prices decreased to \$668.26/MT, down 12 percent from the previous year respectively.

<b>Korea: Rice Contracts by Country under 2012 MMA</b> (Unit: MT, Milled Basis)					
Country	Global Quota		CSQ		Total (%)
	Processing	Table	Processing	Table	
USA	50,825	0	10,020	40,056	<b>100,901(27)</b>
China	49,911	0	53,672 <sup>a/</sup>	62,487	<b>166,070(45)</b>
Thailand	0	0	26,963	3,000	<b>29,963 (8)</b>
Australia	0	0	4,172	4,858	<b>9,030 (2)</b>
Vietnam	45,400	0	0	0	<b>45,400 (12)</b>
Myanmar	5,000	0	0	0	<b>5,000 (1)</b>
India	11,642	0	0	0	<b>11,642 (3)</b>
S.Total	162,778	0	94,827	110,401	<b>368,006</b>
<b>G. Total</b>	<b>162,778</b>		<b>205,228</b>		<b>368,006</b>

Source: Korea Agro-Fishery Corporation (aT)

a/ converted to global quota from CSQ that got through three times of unsuccessful trials in biddings.

<b>Korea: U.S. Rice Sales to Korea under 2012 MMA</b>				
Contracts	Milled rice(MT)	Brown rice(MT)	Arrival unit price	Amount
			(\$/MT)	(\$)
1	16,000 <sup>b/</sup>		719.00	11,504,000

2	4,006 <sup>c/</sup>		693.99	2,780,124
3		11,133	608.62	6,775,766
4		11,111 <sup>a/</sup>	713.88	7,931,921
5		6,000 <sup>a/</sup>	713.17	4,279,020
6		6,000 <sup>a/</sup>	713.91	4,283,460
7	12,000 <sup>b/</sup>		809.00	9,708,000
8	8,050 <sup>b/</sup>		814.49	6,556,645
9		6,000 <sup>a/</sup>	705.42	4,232,520
10		6,000 <sup>a/</sup>	705.42	4,232,520
11		5,000 <sup>a/</sup>	696.88	3,484,400
12		16,361 <sup>a/</sup>	756.62	12,379,060
total	<b>40,056</b>	<b>67,605</b>		<b>78,147,435</b>

Source: Korea Agro-Fishery Corporation (aT), totaling 100,901MT in milled basis or 27 percent of total MMA.

a/ under the Global Quota

b/ USDA #1

c/ USDA #3

<b>Korea: MMA Rice Allocations by Bidding Results</b> (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/
2012	368,006	162,778i/	205,228	50,076	116,159j/	29,963	9,030

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

i/ Global quota allocations: United States 50,825MT; China 49,911MT; Vietnam 45,400 MT; India 11,642 MT and Myanmar 5,000MT

j/ of them, 53,672 MT were converted to global quota from CSQ that got through three times of unsuccessful trials in biddings.

<b>Korea: CSQ Table Rice Allocation</b> (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
2012	40,056	62,487	3,000	4,858	110,401
%	36.3	56.6	2.7	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
2012	10,020	53,672 e/	26,963	4,172	94,827
%	10.6	56.6	28.4	4.4	100

Source: MIFAFF

a/ Thailand won the Australian CSQ allocation converted to MFN due to 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.

e/ converted to global quota from CSQ that got through three times of unsuccessful trials in biddings.

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 <sup>b/</sup>	1,000 <sup>c/</sup>	101,736
%	30.7	39.4	8.9	na	20.0	1.0	100
2010	33,325	42,411	15,347	5,000 <sup>d/</sup>	25,000 <sup>b/</sup>	1,000 <sup>c/</sup>	122,083
%	27.3	34.7	12.6	4.1	20.5	0.8	100
2011	35,825	44,911	20,694	10,000 <sup>d/</sup>	30,000 <sup>b/</sup>	1,000 <sup>c/</sup>	142,430
%	25.2	31.5	14.5	7	21.1	0.7	100
2012	40,825	49,911	26,042	10,000 <sup>d/</sup>	36,000 <sup>b/</sup>	0	162,778
%	25.1	30.7	16.0	6.1	22.1	0	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 with Thai long grain awarded

b/ Broken rice with an optional variety with long grain variety awarded

c/ Sweet rice with an optional variety

d/ Optional Variety between medium and short grain with U.S. medium grain awarded

Korea: 2012 MMA Rice Tender Results									
Quota Type	Bid Date (mm-dd-yy)	Rice Type	Volume (Milled Basis)	Origin	Price (US\$/MT)	Terms and Conditions	delivery Due	Agent	Supplier
Global	2/3/2012	Broken #4 Milled	5,000	Myanmar	359.49	CIP	May 2012	sing-song	na
CSQ	2/3/2012	MG#1 Milled	16,000	USA	719.00	CIF	June 2012	Seo-Mok	ADM
CSQ	2/3/2012	MG#3 Milled	4,006	USA	693.99	CIF	June 2012	sing-song	American Commodity Company
CSQ	2/21/2012	MG #3 Brown	10,020	USA	608.62	CIP	June 2012	D&B	Sun Foods
Global	2/21/2012	Broken #4 Milled	6,000	Vietnam	357.83	CIP	June 2012	Daewoo	Vinafood1
Global	3/20/2012	LG #3 Brown	7,200	Vietnam	508.70	CIP	July 2012	LG Trading	na
Global	3/20/2012	Broken #4 Milled	6,500	Vietnam	398.94	CIP	June 2012	Samsung	Gentra Corp
CSQ	4/18/2012	LG #3 Brown	13,000	Thailand	559.92	CIP	July 2012	Hyolim	Chiameng
Global	4/18/2012	LG #3 Brown	7,200	Vietnam	518.86	CIP	Sep 2012	Samsung	Gentra Corp
Global	4/18/2012	Broken #4 Milled	6,475	Vietnam	402.00	CIP	Sep 2012	Daewoo	Vinafood1
Global	5/16/2012	LG #3 Brown	11,642	India	514.45	CIP	Nov 2012	sing-song	na
Global	5/16/2012	Broken #4 Milled	12,025	Vietnam	408.45	CIP	Oct 2012	Daewoo	Vinafood1
CSQ	7/18/2012	LG #3 Brown	13,964	Thailand	597.20	CIP	Nov 2012	Daewoo	Capital Rice Co. Ltd
Global	10/23/2012	SG or MG #3 Brown	10,000	USA	713.88	CIP	Jan 2013	LG Trading	FRC
Global	10/23/2012	MG #3 Brown	5,400	USA	713.17	CIP	Feb 2013	Daewoo	FRC
Global	10/23/2012	MG #3 Brown	5,400	USA	713.91	CIP	Feb 2013	Daewoo	FRC
CSQ	10/23/2012	MG#1 Milled	12,000	USA	809.00	CIF	Feb 2013	Seo-Mok	ADM
CSQ	10/23/2012	MG#1 Milled	8,050	USA	814.89	CIF	Feb 2013	Daewoo	FRC

CSQ	10/23/2012	MG #3 Brown	4,172	Australia	713.17	CIP	Feb 2013	D&B	Sun Rice
CSQ	10/29/2012	MG#1 Milled	2,429	Australia	809.00	CIF	Feb 2013	D&B	Sun Rice
CSQ	10/29/2012	MG#3 Milled	2,429	Australia	800.00	CIF	Feb 2013	D&B	Sun Rice
Global	11/7/2012	MG #3 Brown	5,400	USA	705.42	CIP	Apr 2013	Seo-Mok	ADM
Global	11/7/2012	MG #3 Brown	5,400	USA	705.42	CIP	Apr 2013	Seo-Mok	ADM
Global	11/7/2012	MG #3 Brown	4,500	USA	696.88	CIP	Feb 2013	sing-song	American Commodity Company
Global	11/7/2012	MG #3 Brown	14,725	USA	756.62	CIP	Mar 2013	Seo-Mok	ADM
CSQ	11/20/2012	LG#1 Milled	2,910	Thailand	668.26	CIF	May 2013	Hyolim	Chiameng
CSQ	11/20/2012	Aroma LG#1 Milled,	90	Thailand	1,244.16	CIF	May 2013	Hyolim	Chiameng
Global	12/11/2012	SG #3 Brown	13,500	China	862.00	CIP	Mar 2013	Daewoo	COFCO
Global	12/11/2012	SG #3 Brown	10,000	China	862.00	CIP	Mar 2013	Daewoo	COFCO
CSQ	12/6/2012	SG #1 Milled	20,000	China	928.00	CIF	Mar 2013	Daewoo	COFCO
CSQ	12/6/2012	SG #1 Milled	17,492	China	928.00	CIF	Apr 2013	Daewoo	COFCO
CSQ	12/6/2012	SG #3 Milled	9,995	China	918.00	CIF	May 2013	sing-song	Jilin Grain Corp.
CSQ	12/6/2012	SG #3 Milled	15,000	China	918.00	CIF	May 2013	Daewoo	COFCO
Global	12/27/2012	SG #3 Brown	17,000	China	862.00	CIP	Apr 2013	sing-song	Jilin Grain Corp.
Global	12/27/2012	SG #3 Brown	9,411	China	862.00	CIP	Apr 2013	Daewoo	COFCO
Global 1/	12/27/2012	SG #3 Brown	19,800	China	862.00	CIP	Mar 2013	Daewoo	COFCO
Global 1/	12/27/2012	SG #3 Brown	14,072	China	862.00	CIP	Mar 2013	Daewoo	COFCO
Global 1/	12/27/2012	SG #3 Brown	19,800	China	862.00	CIP	Mar 2013	Daewoo	COFCO
		<b>Total</b>	<b>368,007</b>						

1/ under global quota converted from CSQ that got through three times of unsuccessful trials in biddings.

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 2012 MMA (Non-Glutinous Milled Rice Medium Grain, Metric Ton)				
Supplier	Contractual Quantity	Grade	Shipment	ETA Busan Port
ADM	16,000	U.S. No. 1	4,000	April 2012
			8,000	May 2012
			4,000	June 2012
	12,000		4,000	December 2012
			4,000	January 2013
			4,000	February 2013
			FRC	8,050

			4,050	February 2013
American Commodity Company	4,006	U.S. No. 3	4,006	June 2012
Total	40,056			

Source: Korea Agro-Fishery Trade Corporation (aT)

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	51,307 <sup>b/</sup>
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	9,000 <sup>c/</sup>
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	46,040 <sup>a/</sup>	0	0
2008	286,617	69,610	151,285	65,722	0	0
2009	306,964	81,346	159,788	60,310	0	5,520 <sup>d/</sup>
2010	327,311	93,719	158,570	70,310	0	4,712 <sup>d/</sup>
2011	347,658	101,490	161,070	50,657	0	34,441 <sup>e/</sup>
2011	368,006	100,901	166,070	29,963	9,030	62,042 <sup>f/</sup>
Total	<b>3,528,732</b>	<b>809,065</b>	<b>1,967,822</b>	<b>546,495</b>	<b>38,328</b>	<b>167,022</b>

Source: FAS/Seoul

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

b/ India

c/ Vietnam

d/ Pakistan

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

f/ Vietnam (45,400 MT), India (11,642 MT) and Myanmar (5,000MT)