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2015 Korea's Adjustment and Quota Tariffs Schedule

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Report Highlights:

Korea recently announced revisions made to the 2015 tariff schedule in order to stabilize domestic consumer prices for certain agricultural products; most of which are used for livestock feed production, mushroom growing, and aquaculture farming (Beet-pulp, Oil cake of cotton seeds, Cotton seed hulls and young eels).

Adjustment Tariffs & Voluntary TRQs Announced for 2015

On December 23, 2014, the Ministry of Strategy and Finance (MOSF) announced an updated list of adjustment tariffs (Table I) and voluntary tariff rate quotas (TRQs) for certain agricultural, forestry and fishery products (Table II). These revisions (I & II) are effective through calendar year 2015. These changes are expected to facilitate continued imports of U.S. agricultural products, particularly feed grains and food ingredients. The most notable changes are listed below.

In the 2015 schedule, the Republic of Korea Government (ROKG) lowered adjustment tariffs for four commodities (frozen croaker, frozen Alaskan Pollack, live eels and red pepper paste) because ROKG determined protection of these domestic products was unnecessary. The ROKG also delisted “live croaker” for 2015 in consideration of the fact that there are no aquaculture farms for live croaker in Korea and croaker caught in the domestic sea is an expensive sashimi dish rather than a staple of Korean consumer diets.

Since international prices for agricultural raw materials have decreased substantially the ROKG has reduced the number of commodities with tariff quotas in order to stabilize domestic consumer prices. Thus, “rye for seed”, “malting barley” and “malt for beer brewing” has been delisted accordingly.

ROKG instituted voluntarily tariff rate quota (TRQ) commodities to support and to increase the competitiveness of the domestic agricultural and livestock industries, which are facing more and more pressure as FTA agreements have allowed imports to challenge domestic products. ROKG took the following measures for the commodities listed:

- Feed commodities: whey, manioc pellets, unhulled barley, oats (Korea depends entirely on imports of these commodities).
- Agricultural and aquaculture commodities: Korea established a quota for beet-pulp, cotton seed oil cake for mushroom growing and young eels for aquaculture in order to mitigate high prices for imports of these items.
- Refined sugar: Korea increased the quota from 40,000 MT to 90,000 MT with a 5 percent duty to stabilize domestic retail prices.

Table I. Adjustment Tariffs for CY 2015
(Effective as of January 1, 2015)

HS No.	Commodity	WTO Bound Rate	Adjustment Tariff		
			2014	2015	Changes
0301 (Live)	Eels (Anguilla spp.) 0301 92	None	27 A/	22 B/	-5
	Sea-bream 0301 99	None	28 C/	28 C/	-
	Sea bass 0301 99	None	28	28	-
	Croaker 0301 99	None	26	-	delisted
0303 (Frozen)	Alaska Pollack 0303 67 (Theragra chalcogramma) 0303 69	None	25	22	-3
	Saury, excluding horn fish 0303 89	None	28	28	-
	Croaker 0303 89	None	40	28	-12

0306	Salted or brine shrimp 0306 26 0306 27	None	35 D/	35 D/	-
0307	Squid (Frozen) 0307 49	None	22	22	-
0709	0709 59 Oak mushroom	90 E/	40 E/	40 E/	-
0712	0712 39				
1902	Chinese vermicelli 1902 19	54 F/	26 G/	26 G/	-
1904	Steamed or boiled rice 1904 90	54	50	50	-
2103	Tomato Sauce 2103 20	54	45	45	-
2103	Gochujang (red pepper paste), Other 2103 90	54	45	35	-10
2103	Mixed Seasonings 2103 90	54	45	45	-
2103	Mae Joo (fermented soybean) 2103 90	54 H/	13 I/	13 I/	-
4412	Plywood 4412 31 4412 32 4412 39 4412 99	None	10	10	-

Source: Ministry of Strategy and Finance (MOSF)

Note:

A/ or 1,879 Won/kg, whichever is greater.

B/ or 1531 Won/kg, whichever is greater.

C/ or 2,052 Won/kg, whichever is greater.

D/ or 236 Won/kg, whichever is greater.

E/ or 1,625 Won/kg, whichever is greater.

F/ or 427 Won/kg, whichever is greater

G/ or 206 Won/kg, whichever is greater

H/ or 218 Won/kg, whichever is greater.

I/ or 52 Won/kg, whichever is greater.

Table II. Voluntary Tariff Rate Quota (TRQ) Quantities and In-quota rates for January 1 – December 31, 2015 Period

HS No.	Commodity	Base Tariff Rate	Quota Tariff Rate (%)		Trade (Metric ton)	
			2015 1/	2015 Quota (MT) 1/	2014 Total Imports 2/	2014 Imports from U.S. 2/
0301	Young eels (Anguilla), exceeding 0.3g and not exceeding 50g per unit, for aquaculture 0301 92	5	3	200	7	1
0404	Whey for feed Modified whey for feed Other whey for feed 0404 10	20	0	23,166	8,837	3,364
0714	Manioc chips for spirits 0714 10	20	10	253,000	230,621	0

0714	Manioc pellets for feed 0714 10	7	0	700,000	286,127	0
1003	Unhulled barley for feed 1003 90	5	0	50,000	29,439	747
1004	Oats for feed 1004 90	3	0	15,000	21,414	198
1005	Maize for feed (includes for mushroom growing) 1005 90	3	0	8,000,000	8,153,515	4,355,564
1201	Soybean for oil crushing & oil cake for feed 1201 90	3	0	1,100,000	950,794	377,092
1207	Cotton seeds for feed 1207 29	2	0	160,000	178,062	76,776
1214	Lucerne(alfalfa) meal and pellets for feeding 1214 10	1	0	Unlimited	17,166	2,427
1214	Other lucerne(alfalfa) meal and pellets for feeding 1214 90	1	0	Unlimited	187,840	184,066
1214	1214 90	20	0	550,000	277,987	185,661
2308	Fodder roots and other vegetables for feed 2308 00	5				
1518	Animal or vegetable fat for feed (excludes dehydrated castor oil and epoxidised soya oil) 1518 00	5	0	50,000	16,798	0
1701	Sugar, Other; containing added flavoring or coloring matter 1701 91 1701 99	30	5	90,000	122,373	1,429
1702	Lactose and lactose syrup for feed 1702 11 1702 19	20	0	5,916	19,616	12,828
1703	Cane molasses for feed 1703 10 1703 90	3	0	160,000	837,076	11,423
2302	Wheat bran for feed 2302 30	2	0	150,000	207,490	0
2303	Beet-pulp for feed (including for mushroom farming) 2303 20	5	0	180,000 3/	162,807	24,038
2303	Brewing or distilling dregs & waste for feed 2303 30	2	0	400,000	705,705	653,394
2304	Soybean Oil-cake for feed 2304 00	1.8	0	2,000,000	1,779,589	189,008
2306	Oil cake of cotton seeds 2306 10	2	0	85,000 4/	16,579	415
2308	Cotton seed hulls for feed (including for mushroom farming) 2308 00	5	0	115,000 5/	64,054	416
2309	2309 90	5	0	4,780	1,154	0

	Other Preparations of a kind used in animal feeding.					
4104	Hides and skins of bovine 4104 11 4104 19 4104 41 4104 49	3	1	Unlimited	46,040	17,471
5205	Cotton yarn 5205 33	8	4	Unlimited	9,624	0

Source: The Ministry of Strategy and Finance (MSOF), Korea Trade Information Service (KOTIS)

Note:

1/ January 1 – December 31, 2015 period

2/ January 1 – December 31, 2014 period

3/ Consists of 150,000 MT for feed and 30,000 MT for mushroom growing

4/ Consists of 70,000 MT for feed and 15,000 MT for mushroom growing

5/ Consists of 100,000 MT for feed and 15,000 MT for mushroom growing