

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 7/30/2012

GAIN Report Number: KS1238

Korea - Republic of

Grain and Feed Update

Grain and Feed

Approved By:

M. Kathryn Ting

Prepared By:

Sunchul Choi

Report Highlights:

Compared to Post's April 17 estimates (KS1230), for MY2011/2012, final wheat imports were lower than previous Post estimate, but still a record 5.2 MMT. Imports of U.S. wheat reached over 2 MMT, about half for feed. Estimated MY 2011/12 corn imports unchanged at 7.5 MMT, but imports from the U.S. lowered from 5.5 to 4 MMT. For MY 2012/13: wheat consumption and imports are unchanged at 4.9 and 4.6 MMT, respectively. Estimated corn imports unchanged at 8.0 MMT. However, estimated corn imports from the U.S. are lowered from 5.5 MMT to 5.0 MMT. Estimated milled rice production is increased from 4.2 MMT to 4.3 MMT due to higher area; estimated stocks will increase to 0.8 MMT.

Post:
Seoul

Commodities:
Wheat

Corn

Rice, Milled

Author Defined:
Commodities:

Wheat

Production:

Korean government has recently released official numbers of wheat production at 43,677 MT in MY2011, up 12 percent from the previous year.

Korea: Wheat Production			
Crop Year	Harvested Area (Hectare)	Yield (MT/HA)	Production (MT)
2006	1,738	3.34	5,810
2007	1,928	3.81	7,624
2008	2,549	4.06	10,359
2009	5,067	5.15	26,087
2010	12,548	3.12	39,116
2011	13,044	3.35	43,677

Source: Ministry of Food, Agriculture, Forestry & Fisheries (MIFAFF), Statistics Korea (KOSTAT)

Consumption:

MY 2012/13 wheat consumption remains unchanged from the initial forecast at 4.9 million tons, composed of 2.5 million tons for feed and 2.4 million tons (including flour and pasta imports on a wheat basis.)

In MY 2011/12, total wheat consumption reached a record 5.2 million tons, an increase of 732,000 tons from the previous year due to greater demand for feed purpose. Feed millers have substituted competitively priced feed grade wheat for corn. Milling wheat for flour production was consumed at 2.2 million tons, down 7 percent from the previous year when millers increased flour production in the second half of MY 2010/11.

Korea: Post Estimates of Domestic Wheat Use (1,000 MT, July/June)				
Year	2008/09	2009/10	2010/11	2011/12
Imported Milling Wheat	2,041	2,136	2,312	2,152
Flour Imports ^{a/}	69	127	63	42
Flour Exports ^{a/}	56	59	64	60
Pasta Imports ^{a/}	105	119	123	122
Local Wheat	10	26	39	44
FSI Consumption ^{b/}	2,169	2,349	2,473	2,301

Feed Wheat	942	2,172	1,965	2,870
Total Consumption^{b/}	3,111	4,521	4,438	5,171

Source: Korea Feed Association (KFA), Korea Flour Millers Industry Association (KOFMIA) and Korea Customs Service (KCS)

a/ Wheat basis

b/ include wheat flour and pasta imports but exclude flour export

Korea: Wheat Flour Utilization (1,000 MT)						
Calendar Year	2006	2007	2008	2009	2010	2011
Total Consumption ^{1/}	1,772	1,740	1,618	1,615	1,610	1,634
Per Capita (Kg/Year) ^{2/}	33.9	33.7	31.3	31.4	32.9	33.4

Source: Korea Flour Mills Industrial Association (KOFMIA)

1/ based on flour millers' sales including exports, imports and animal feed purposes, but wheat flour production basis excluding animal feed and exports since 2010.

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

Trade:

MY 2012/13 wheat imports remains unchanged from the initial forecast at 4.6 million tons, of which 2.4 million tons are for milling (including flour and pasta imports on a wheat equivalent basis) and 2.2 million tons for feed.

MY 2011/12 wheat imports reached 5.2 million tons, up 9 percent from the previous year due to a greater import of feed grade wheat at much more competitive international prices than corn. Australia was a major supplier of feed wheat, followed by the United States and Canada. U.S. feed wheat exports to Korea reached about one million MT, or 35 percent of total imports of feed wheat in Korea. Accordingly, total imports of U.S. wheat more than two million tons. U.S. feed grade wheat is mainly composed of soft wheat or white wheat containing lower than normal protein contents.

Flour Trade:

MY2011/12 flour imports declined to 30,371 tons (41,548 tons wheat equivalent) because the SPC Group, Korea's biggest bakery company started milling its own flour in lieu of importing flour. Flour exports also declined to 44,909 tons (59,879 tons wheat equivalent), down 7 percent from the previous year. Pasta imports remained unchanged, declining less than one percent from the previous year.

Korea: Wheat Imports (1,000 MT, Customs Cleared Basis)					
Marketing Year (July/June)	Feed Wheat	Milling Wheat	Flour Imports 1/	Pasta Import 1/	Total
04/05	1,089	2,385	29	99	3,602
05/06	1,536	2,220	41	101	3,898
06/07	976	2,298	69	108	3,451
07/08	565	2,317	105	117	3,104
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

Source: Korea Customs Service

1/ Wheat basis

<p>Korea: MY 2012/13 Feed Wheat Contracts by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of July, 2012)</p>

ETA	Quantity	Price (US\$/MT) ^{1/}
Jul. 2012	165	286
Aug.	255	279
Sep.	330	275
Oct.	165	270
Nov	55	270
Total	970	

Source: Local Grain Traders
1/ CNF on Weighted Average

Korea: Wheat Flour Imports (Metric Ton, July/June)						
Country	MY2006	MY2007	MY2008	MY2009	MY2010	MY2011
U.S.A.	594	771	425	873	531	1,025
Canada	28,595	35,662	11,206	34,213	13,540	1,381
Australia	2,510	1,721	1,979	1,252	528	223
China	12,037	27,045	815	1,328	583	0
Turkey	4,671	1,981	6,685	24,568	11,130	8,784
Indonesia	942	4,709	4,462	7,647	9,956	7,708
Hungary	0	0	5,601	8,893	110	0
Others	1,211	5,103	18,951	14,112	9,772	11,250
Total	50,560	76,994	50,124	92,886	46,150	30,371
Wheat Basis	67,413	105,328	68,570	127,068	63,133	41,548

Source: Korea Customs Service (KCS)

Korea: Pasta Imports (Metric Ton, July/June)							
Country	MY2006	MY2007	MY2008	MY2009	MY2010	MY2011	
U.S.A.	329	327	449	326	424	429	
China	60,805	63,188	57,473	64,123	62,024	61,766	
Italy	11,503	13,910	11,080	13,525	16,368	15,169	
Thailand	1,412	1,988	2,201	2,584	3,142	3,851	
Indonesia	2,758	3,292	1,812	2,102	2,530	1,593	
Turkey	266	749	1,630	2,388	2,507	3,193	
Others	1,885	1,822	2,038	2,242	2,960	3,090	
Total	78,958	85,276	76,683	87,290	89,955	89,091	
Wheat Basis	108,015	116,658	104,902	119,413	123,058	121,876	

Source: Korea Customs Service (KCS)

Korea: Wheat Flour Exports (Metric Ton, July/June)						
Country	MY2006	MY2007	MY2008	MY2009	MY2010	MY2011
Total	61,922	54,740	41,789	44,234	48,056	44,909
Wheat Basis	82,563	72,987	55,719	58,979	64,075	59,879

Source: Korea Customs Service (KCS)

Production, Supply and Demand Data Statistics:

Wheat PS&D

Wheat Korea, Republic of	2010/2011		2011/2012		2012/2013		
	Market Year Begin: Jul 2010		Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	13	13	13	13	13	13	(1000 HA)
Beginning Stocks	1,125	1,125	1,360	1,441	1,779	1,455	(1000 MT)
Production	37	37	44	44	45	45	(1000 MT)
MY Imports	4,761	4,781	5,400	5,201	4,100	4,600	(1000 MT)
TY Imports	4,761	4,781	5,400	5,201	4,100	4,600	(1000 MT)
TY Imp. from U.S.	1,518	1,672	0	2,047	0	1,450	(1000 MT)
Total Supply	5,923	5,943	6,804	6,686	5,924	6,100	(1000 MT)
MY Exports	125	64	125	60	125	60	(1000 MT)
TY Exports	125	64	125	60	125	60	(1000 MT)
Feed and Residual	1,965	1,965	2,500	2,870	2,000	2,500	(1000 MT)
FSI Consumption	2,473	2,473	2,400	2,301	2,400	2,400	(1000 MT)
Total Consumption	4,438	4,438	4,900	5,171	4,400	4,900	(1000 MT)
Ending Stocks	1,360	1,441	1,779	1,455	1,399	1,140	(1000 MT)
Total Distribution	5,923	5,943	6,804	6,686	5,924	6,100	(1000 MT)
Yield	3.	2.8462	3.	3.3846	3.	3.4615	(MT/HA)

WHEAT -- STATISTICAL TABLES

Korea: Import Trade Matrix of Wheat

Import Trade Matrix

Country Korea, Republic of

Commodity Wheat

Time Period Units:

Imports for:	2010		2011
U.S.	1673	U.S.	2047
Others		Others	
Australia	1041	Australia	2236
Canada	1154	Canada	741
Ukraine	214		
EU	161		
Romania	155		
Total for Others	2725		2977
Others not Listed	197		13
Grand Total	4595		5037

Note: exclude the import of wheat flour and pasta

Korea: Monthly Wheat Imports (1,000 MT)				
Month	Feed Wheat		Milling Wheat	
	MY 2010/11	MY 2011/12	MY 2010/11	MY 2011/12
July	163	203	221	158
August	111	219	113	200
September	127	163	225	123
October	241	167	241	226
November	186	261	181	218
December	265	211	86	90
January	91	284	356	231
February	144	226	160	196
March	152	228	155	204
April	136	222	212	167
May	218	377	286	173
June	240	308	283	183
Total	2,075	2,868	2,519	2,168

Source: Korea Customs Service

Korea: MY 2011/12 Monthly Wheat Imports by Origin (1,000 MT, based on Customs Clearance)						
Country	U. S.	Australia	Canada	Ukraine	Other	Total
Milling Wheat						
2011 July	22	104	32	0	0	158
August	105	64	31	0	0	200
September	46	74	2	0	0	122
October	126	86	14	0	0	226

November	116	82	21	0	0	219
December	52	37	2	0	0	91
2012 January	132	89	11	0	0	232
February	86	87	22	0	0	195
March	122	82	0	0	0	204
April	77	61	29	0	0	167
May	89	81	2	0	0	173
June	83	88	12	0	0	183
Total	1,056	934	177	0	0	2,169
Feed Wheat						
2011 July	0	53	150	0	0	203
August	0	57	160	0	1	218
September	0	81	82	0	0	163
October	0	148	18	0	0	166
November	0	216	45	0	0	261
December	0	201	7	0	4	212
2012 January	116	164	0	0	4	284
February	57	166	0	0	2	225
March	165	61	0	0	2	228
April	202	21	0	0	0	222
May	295	43	38	0	0	377
June	155	91	62	0	0	308
Total	991	1302	563	0	13	2,868
Total Wheat						
2011 July	22	157	182	0	0	361
August	105	121	191	0	1	418
September	46	155	84	0	0	285
October	126	234	33	0	0	393
November	116	298	65	0	0	479
December	52	237	9	0	4	302
2012 January	248	252	11	0	4	515
February	143	253	22	0	2	420
March	287	144	0	0	2	432
April	279	81	29	0	0	389
May	385	124	41	0	0	550
June	238	179	74	0	0	491
Total	2,047	2,236	741	0	13	5,037

Source: Korea Customs Service

Korea: Monthly Wheat Use (1,000 MT)				
Month	Feed Wheat		Milling Wheat a/	
	MY 2010/11	MY 2011/12	MY 2010/11	MY 2011/12
July	199	189	183	169
August	141	202	186	186
September	120	203	183	171
October	146	218	195	183
November	165	228	190	185
December	180	252	198	189
January	173	246	222	178
February	134	240	160	162

March	164	266	212	178
April	162	270	197	172
May	186	285	160	172
June	194	272	161	175
Total	1,965	2,870	2,246	2,121

Source: KFA and KOFMIA

a/ Milling wheat use data includes wheat flour exports, but excludes the portion used in soy-sauce production

Commodities:

Corn

Production:

Korean government has recently released official numbers of corn production at 73,612 MT in MY2011, about one percent down from the previous year.

Korea: Corn Production			
Crop Year	Area (HA)	Yield (MT/HA)	Production (MT)
2006	13,661	4.73	64,623
2007	16,981	4.82	83,513
2008	18,366	5.05	92,830
2009	15,326	5.02	76,975
2010	15,528	4.79	74,339
2011	15,823	4.65	73,612

Source: Ministry for Food, Agriculture, Forestry & Fisheries (MIFAFF), Statistics Korea (KOSTAT)

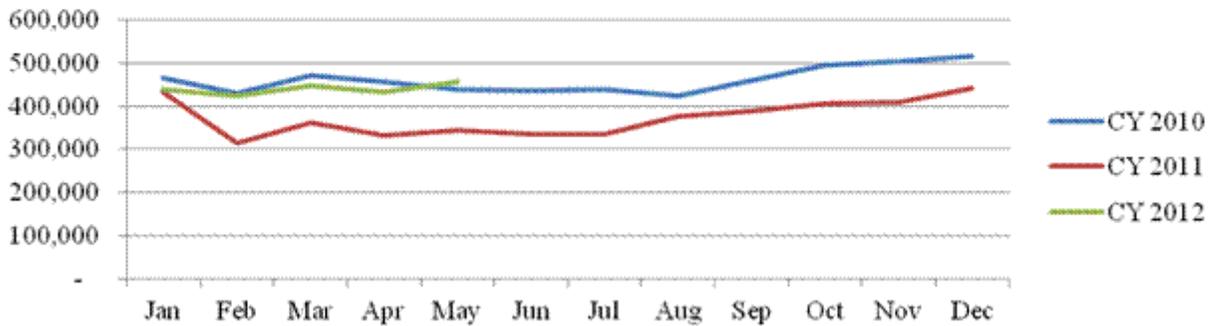
Consumption:

MY 2012/13 corn consumption forecast remains unchanged from the previous report at 8.1 million MT. MY 2011/12 corn consumption also remains unchanged from the previous report at 7.7 million MT based on the first nine months.

On the basis of the first eight months, compound feed production is expected to continue increasing to 17.5 million tons in MY 2011/12 and reaching 17.9 million tons in MY 2012/13 following the recovery of swine inventories. The corn utilization rate in total compound feed production has gradually fallen from 2008/09 (39 percent) to 2011/12. Due to rising feed wheat use, feed corn use ratio in MY 2011/12 is expected to fall to 32 percent of total compound feed production. For MY 2012/2013 Post estimated corn utilization at 35 - 40 percent of total ingredients. This ratio is projected to remain relatively constant for the foreseeable future based on the preferences of local livestock producers.

For the first nine months of MY 2012/13, corn consumption for processing is down 4.1 percent.

Monthly Trend of Compound Feed Production for Swine (Metric Ton)



Korea: Total Corn Utilization (Oct./Sept., 1,000 MT)

Marketing Year	Feed	Processing a/	Food b/	Total
2007/08	7,046	1,494	98	8,638
2008/09	6,368	1,418	108	7,894
2009/10	6,362	1,928	92	8,382
2010/11	6,074	2,051	89	8,214
2011/12 c/	5,600	2,000	100	7,700

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 forecast based on the first nine months.

Korea: Monthly Corn Use (1,000 MT)

Month	Feed Corn		Processing Corn	
	MY 2010/11	MY 2011/12	MY 2010/11	MY 2011/12
October	573	464	182	171
November	583	461	173	164
December	612	490	173	161
January	550	465	177	156
February	421	448	151	154
March	499	478	185	172
April	464	470	169	168
May	503	493	184	181
June	491	489	174	177
Subtotal	4,696	4,258	1,568	1,504
July	445	Na	167	Na
August	476	Na	168	Na
September	459	Na	148	Na
Total	6,074	Na	2,052	Na

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

Korea: Feed Ingredient Use for Compound Feed Production (October/September, 1,000 MT)				
Items	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12a/
Sub. Total Grains and Grain Substitutes	10,274	10,954	10,935	11,400
- Wheat	1,416	2,149	2,100	3,000
- Corn	6,368	6,362	6,073	5,600
- Other Grains and Grain Substitute b/	2,490	2,443	2,762	2,800
Others c/	6,060	6,301	6,052	6,100
Grand Total	16,334	17,255	16,987	17,500

Source: Korea Feed Association (KFA)

a/ FAS Seoul forecast based on the first eight months.

b/ includes Tapioca, bran and gluten feed.

c/ includes vegetable protein meal, animal protein, minerals/additives, tallow, DDGS and molasses.

Korea: Compound Feed Production by Species (October/September, 1,000 MT)				
Species	MY 2008/09	MY 2009/10	MY 2010/11a/	MY 2011/12 b/
Poultry	4,413	4,564	4,744	4,800
Swine	5,307	5,465	4,738	5,000
Cattle	5,550	5,915	6,116	6,200
Others b/	1,009	1,233	1,367	1,400
Total	16,279	17,177	16,965	17,500

Source: MIFAFF

a/ Preliminary

b/ FAS/ Seoul forecast based on the first eight months.

c/ include ducks, pet food, rabbit, horse, sheep, deer, quail etc.

Trade:

MY 2012/13 total corn imports remains unchanged from the April estimate at 8.0 million MT. however, estimated MY 2012/13 U.S. corn imports are lowered from 5.5 to 5 million MT, or about 62 percent of total Korean corn imports, considering current severe drought impact on U.S. corn exports.

Based on the imports for the first nine months, corn imports for MY 2011/12 are expected to stay around 7.5 million MT, remaining unchanged from the previous report. However, MY 2011/12 U.S. corn imports are expected to decline from 5.5 to 4 million tons due to less competitive prices than other origins such as the Black Sea and South America. In addition, the imports of US corn for processing have sharply declined to 300,000 MT for the first nine months because Korean corn processors have imported non-GM corn from Ukraine (372 TMT), Serbia (395 TMT), Hungary (226 TMT), South Africa (29 TMT), Brazil (44 TMT) Australia (40 TMT), Romania (58 TMT) and China (23 TMT). As of July 2012, Korean buyers have already completed corn contracts delivering in MY 2011/2012 (Oct/Sep) and continue making new contracts to deliver December arrival under MY 2012/13 (Oct/Sep). Most of the contracted purchases to date are for U.S. corn and/or optional origin at seller's option among the United States, South America, South Africa or Europe including Black Sea.

In MY 2011/12, the United States is expected to account for 53 percent of total corn imports in Korea, with an estimated 67 percent of total feed corn imports and 15 percent of total food processing corn imports, respectively.

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

Marketing Year	From World			From the U. S.			U. S. Share
	Feed	Processing	Total	Feed	Processing	Total	%
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 ^{a/}	5,500	2,000	7,500	3,700	300	4,000	53

Source: Korea Customs Service

a/ FAS/Seoul forecast based on imports for the first nine months and remaining buying contracts.

Korea: Monthly Corn Import (1,000 MT)				
Month	Feed Corn		Processing Corn	
	MY 2010/11	MY 2011/12	MY 2010/11	MY 2011/12
October	589	344	133	163
November	350	497	202	126
December	649	354	74	155
January	577	586	281	214
February	480	503	137	112
March	435	376	155	180
April	579	550	161	198
May	458	476	248	185
June	485	452	178	154
Subtotal	4,602	4,138	1,569	1,487
July	423	Na	119	Na
August	652	Na	180	Na
September	383	Na	179	Na
Total	6,060	Na	2,047	Na

Source: Korea Customs Service

Korea: MY2011/12 Corn Contracts by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of July 2012)					
ETA	U.S.	EU	SOAM	Others 1/	Total
Oct. 2011	110	0	0	500	610
Nov.	55	0	0	540	595
Dec.	165	0	0	234	399
Jan. 2012	242	0	0	265	507
Feb.	176	0	0	220	396
Mar.	243	0	55	415	713
April	382	0	171	110	663
May	184	0	0	55	239
June	294	105	50	479	928
July	357	110	0	352	819
Aug.	0	55	0	429	484
Sep.	173	90	0	553	816
Total	2,381	360	276	4,152	7,169

Source: Local Grain Traders

1/ optional origins at seller's option out of USA, SOAM, Europe or South Africa

Korea: MY 2012/13 Corn Contracts by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of July 2012)					
ETA	U.S.	EU	SOAM	Others 1/	Total
Oct. 2012	116	0	0	543	659
Nov.	184	0	0	375	559
Dec.	0	0	0	264	264
Total	300	0	0	1,182	1,482

Source: Local Grain Traders

1/ optional origins at seller's option out of USA, SOAM, Europe or South Africa

Production, Supply and Demand Data Statistics:

Corn PS&D

Corn Republic of Korea,	2010/2011		2011/2012		2012/2013		
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	16	16	16	16	16	16	(1000 HA)
Beginning Stocks	1,615	1,615	1,582	1,582	1,460	1,456	(1000 MT)
Production	74	74	78	74	78	78	(1000 MT)
MY Imports	8,107	8,107	7,000	7,500	8,000	8,000	(1000 MT)
FY Imports	8,107	8,107	7,000	7,500	8,000	8,000	(1000 MT)
FY Imp. from U.S.	6,065	6,316	0	4,000	0	5,000	(1000 MT)
Total Supply	9,796	9,796	8,660	9,156	9,538	9,534	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
FY Exports	0	0	0	0	0	0	(1000 MT)
Feed and Residual	6,074	6,074	5,100	5,600	6,000	6,000	(1000 MT)
FSI Consumption	2,140	2,140	2,100	2,100	2,100	2,100	(1000 MT)
Total Consumption	8,214	8,214	7,200	7,700	8,100	8,100	(1000 MT)
Ending Stocks	1,582	1,582	1,460	1,456	1,438	1,434	(1000 MT)
Total Distribution	9,796	9,796	8,660	9,156	9,538	9,534	(1000 MT)
Yield	5.	4.625	5.	4.625	5.	4.875	(MT/HA)

Korea: MY 2011/12 Monthly Corn Imports by Origin (1,000 MT, based on Customs Clearance)						
Country	U. S.	Ukraine	Argentina	Serbia	Others1/	Total
Feed Corn						
2011 Oct.	238	0	0	0	106	344
Nov.	476	0	0	0	21	497
Dec.	354	0	0	0	0	354
2012 Jan.	527	0	0	0	60	587
Feb.	392	52	0	0	59	503
Mar.	218	154	0	0	3	375
Apr.	374	97	69	0	10	550
May	292	23	161	0	0	476
Jun.	223	58	156	0	15	452
Subtotal	3,094	383	387	0	274	4,138
Processing Corn						
2011 Oct.	99	0	0	31	33	163
Nov.	82	0	0	16	28	126
Dec.	65	0	0	24	66	155
2012 Jan.	37	25	0	66	86	214
Feb.	11	42	0	19	40	112
Mar.	1	57	0	74	48	180
Apr.	4	103	0	49	42	198
May	2	51	0	73	59	185
Jun.	2	94	0	43	15	154
Subtotal	303	372	0	395	417	1,487
Total						
2011 Oct.	337	0	0	30	141	508
Nov.	558	0	0	16	49	623
Dec.	419	0	0	24	66	509
2012 Jan.	564	25	0	66	145	800
Feb.	403	95	0	19	98	615
Mar.	219	211	0	74	51	555
Apr.	377	200	69	49	52	747
May	294	73	161	73	61	662
Jun.	225	153	156	43	29	606
Grand Total	3,396	756	387	394	692	5,625

Source: Korea Customs Service

1/ mainly non-GM corn originated from Hungary (225,603 MT), South Africa (157,121 MT), Brazil (61,539 MT) Australia (43,456 MT), Paraguay (42,054 MT), India (59,532 MT), Romania (57,685 MT) and China (22,560 MT)

Korea: Animal Inventory					
(1,000 Head, 1,000 Birds)					
Animal	Year	March	June	September	December
Beef Cattle	2008	2,241	2,448	2,470	2,430
	2009	2,481	2,599	2,645	2,635
	2010	2,706	2,889	2,949	2,915
	2011	2,881	3,053	3,044	2,950
	2012	2,940	3,076d/	3,054d/	na
Dairy Cattle	2008	451	445	445	446
	2009	448	439	438	445
	2010	449	432	429	430
	2011	396	403	404	404
	2012	404	405-407d/	407-409d/	na
Swine a/	2008	8,981	9,153	9,284	9,087
	2009	9,177	9,044	9,381	9,585
	2010	9,768	9,728	9,901	9,881
	2011	7,036	7,330	7,783	8,171
	2012	8851	9,350-9,450d/	9,700-9,800d/	9,800-9,900d/
Layer b/	2007	56,525	56,542	55,117	56,093
	2008	57,850	59,720	58,200	59,170
	2009	60,240	61,140	61,998	62,967
	2010	62,524	61,586	60,095	61,700
	2011	61,025	60,723	61,212	62,425
	2012	63,200	64,250d/	65,610d/	na
Broiler c/	2007	63,350	87,359	59,946	56,227
	2008	67,010	77,850	55,560	54,480
	2009	68,690	99,983	68,123	67,194
	2010	72,692	101,690	71,271	74,050
	2011	69,932	110,122	71,038	76,435
	2012	70,970	110,090	na	na

Source: Korea Rural Economic Institute, MIFAFF

a/ includes 864,000 heads of statistical difference between FAS/Seoul and Korean government.

b/ Excluding breeders.

c/ Excluding multi-use broilers.

d/ KREI forecast

Commodities:

Milled Rice

Production:

MY 2012/13 rice production forecast is revised up to around 4.3 million tons – up 100,000 MT from the initial forecast due to higher actual planting area compared to planting intentions. In response to higher farm gate price since last fall, rice farmers increased rice area offsetting reductions by rice farmers who participated in rice reduction program. The completion of Four River Projects added some area in the rivers basin into the total rice planting acreage.

Korea: 2012 Rice Production Forecast		
	2011 Rice Production	2012 Rice Production Forecast
Area (1,000 HA)	854	867
Yield (Kg/10a)	495	482-532

Production (1,000MT)	4,224	4,180-4,612
----------------------	-------	-------------

Source: Korea Rural Economic Institute (KREI)

Korea: Farm Gate Price Index of Non-Glutinous Rice (2005=100)			
Year and Months	Price Index		
2001	104.6		
2002	103.6		
2003	107.0		
2004	109.3		
2005	100.0		
2006	93.8		
2007	98.8		
2008	104.4		
2009	98.1		
2010	84.9		
2011	99.1		
Quarterly	2010	2011	2012
First	87.4	92.5	107.9
Second	83.8	99.7	108.0
Third	82.4	100.0	na
Fourth	85.8	104.1	na

Source: Statistics Korea (KOSTAT)

Trade:

The aT, the government's state trading arm, manages the purchasing of all imported rice through tendering process and auctioning of imported table rice.

2012 MMA Tendering Process:

The Korean government has started purchasing 368,006 MT under 2012 MMA since February 2012. As of July 25, the aT, the state trading arm of the Korean government, has just purchased 119,031 metric tons (milled), about 32 percent of the entire the 2012 MMA import commitments with the remainder still being processed.

The United States was awarded 30,026 metric tons (milled) comprised of 11,133 metric tons (10,020 metric tons on milled basis) of brown medium grain rice at US\$608.62 per metric ton, CIP under global quota (GQ) and 16,000 metric tons of #1 milled medium grain rice at US\$ 719 per metric ton, CIF and 4,006 metric tons at US\$ 693.99 per metric ton for table purpose, respectively, under country specific quota (CSQ). Post expects the United States to sell medium grain rice ranging from 90,000 up to 100,000 metric tons (milled) under the 2012 MMA.

See tender results in detail as below:

Korea: U.S. Rice Sales to Korea, 2012 MMA				
Contracts	Milled rice(MT)	Brown rice(MT)	Arrival unit price	Amount
			(\$/MT)	(\$)
1	16,000		719.00	11,504,000
2	4,006		693.99	2,780,124
3		11,133 ^{ai}	608.62	6,775,766
4				

5				
6				
7				
8				
9				
total	20,006	11,133		21,059,890

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

a/ under the Global Quota (GQ)

Korea: 2012 MMA Rice Tender Results (Milled Rice Basis, Metric Ton, as of End July 2012)									
Quota Type	Bid Date (mm-dd-yy)	Rice Type	Quota Volume (Contract Basis)	Quota Volume (Milled Rice Basis)	Origin	Final Bid Price US\$	Delivery date in 2012	Local Agent	Supplier
GQ	2/3/2012	Broken #4 Milled	5,000	5,000	Myanmar	359.49 CIP	May	sing-song	na
CSQ	2/24/2012	MG#1 Milled	16,000	16,000	USA	719 CIP	June	Seo-Mok	ADM
CSQ	2/24/2012	MG#3 Milled	4,006	4,006	USA	693.99 CIP	June	sing-song	ACC
GQ	2/21/2012	MG #3 Brown	11,133	10,020	USA	608.62 CIP	June	D&B	Sun Foods
GQ	2/21/2012	Broken #4 Milled	6,000	6,000	Vietnam	357.83 CIP	June	Daewoo	Vinafood1
GQ	4/13/2012	LG #3 Brown	8,000	7,200	Vietnam	508.7 CIP	July	LG Trading	na
CSQ	3/20/2012	Broken #4 Milled	6,500	6,500	Vietnam	398.94 CIP	June	Samsung	Gentra Corp
CSQ	4/18/2012	LG #3 Brown	14,444	13,000	Thailand	559.92 CIP	July	H yolim	Chiameng
GQ	4/18/2012	LG #3 Brown	8,000	7,200	Vietnam	518.86 CIP	September	Samsung	Gentra Corp
GQ	4/18/2012	Broken #4 Milled	6,475	6,475	Vietnam	402 CIP	September	Daewoo	Vinafood1
GQ	5/16/2012	LG #3 Brown	12,936	11,642	India	514.45 CIP	November	sing-song	na
GQ	5/16/2012	Broken #4 Milled	12,025	12,025	Vietnam	408.45 CIP	October	Daewoo	Vinafood1
CSQ	7/18/2012	LG #3 Brown	15,515	13,963	Thailand	597.2 CIP	November	Daewoo	Capital Rice Co. Ltd
		Total		119,031					

Auctions:

The aT sells table rice shipments through a public auction system. On the other hand, the Ministry of Food, Agriculture, Forestry, and Fisheries (MIFAFF) distributes processing rice to end-users such as food processors and alcoholic beverage producers at a set price throughout the year. The 2011 MMA shipments have arrived from late 2011 till June 2012. Approximately 104,297 MT of table rice have been delivered over this period.

The aT kicked off table rice auctions for U.S. rice in December 2011, Thai rice in February 2012 and Chinese rice March 2012, respectively, under 2011 MMA. As of July 25th 2012, the auctions for U. S. rice imported under 2011 MMA have been successful to achieve auctioned off rate at 93 percent for #1 and 100 percent for #3, respectively, due to more favorable

market response for U.S. table rice than other origins. The progress of auctioning for other origins has been comparably slow. In the second half, U.S. table rice imported under 2012 MMA will continue to be marketed through aT's selling auctions. The average selling price of the #3 US milled rice was higher than the #1 because Korean government set the selling price about Korean Won 1,000 per Kg in the beginning of auctions in order to curb the inflated trend of domestic rice markets and then increased the selling price to the level of Korean Won 1,600 per Kg over time. The #3 US milled rice was sold out for May – July 2012 with the #1 US milled rice selling from December 2011 through July 2012.

Korea: Status of Rice Auction for Table Rice under 2011 CSQ (Unit: metric tons, milled basis, as of July 25, 2012)					
Commodity	USDA Grade	Total Table Rice CSQ	Auctioned Off	Balance	Percentage Auctioned Off (%)
U.S. Medium Grain	#1	29,315	27,278	2,037	93
	#3	2,747	2,747	0	100
Chinese Short Grain	#1	40,281	28,851	11,430	72
	#3	26,854	3,401	23,453	13
Thai Long Grain	#1	2,100	90 ^{a/}	2,010	4
	#3	3,000	1,071	1,929	36
Total		104,297	63,438	40,895	60

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

a/ #1 Long Grain Aroma Rice sold at Korean won 1,510/kg on average.

Korea: Auctioned-Off Prices of Imported Table Rice Comparing with Local Rice (Unit: Korean Won per Kg on Average)							
Auctioning-off Period	U.S. Medium Grain		Chinese Short Grain (Medium Grain)		Thai Long Grain	Korean Short Grain Wholesale	
	#1	#3	#1	#3	#1	High Quality	Medium Quality
April-September 2006 (2005 MMA)	1,138	991	1,274	1,133	555	1,861	1,812
March-August 2007 (2006 MMA)	1,363	1,211	1,357	1,303	953	1,961	1,916
February-August 2008 (2007 MMA)	1,542	1,510	1,487	1,558	1,132	2,034	1,983
February 2009 -May 2010 (2008 MMA)	1,160	994	1,125 (1,100)	na	1,329	1,913	1,845
February 2010-March 2011 (2009 MMA)	970	881	914 (850)	893	672	1,692	1,635
April 2011-January 2012 (2010 MMA)	913	1,074 ^{c/}	707	612	518	1,959	1,886
December 2011- July 17, 2012 (2011MMA) ^{b/}	1,231	1,452	1,141	1,129	803 ^{d/}	2,096	2,036

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

a/ Plans to start auctioning off soon after completion of selling auctions for #1 grade rice.

b/ ongoing

c/ Auctioned-off during October-December 2011

d/ #3

Stocks:

MY 2012/13 ending stocks (at the end of October 2013) are forecast to increase to about 0.8 million tons from the previous report, 16 percent of total consumption, as 2012 domestic rice production is expected to increase by 100,000 MT due to increased planting area.

Korea: Status of Rice Stocks (Milled rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2006/07	2007/08	2008/09	2009/10a/	2010/11b/	2011/12c/
Total	702	683	990	1,513	1,034	878
Government Stock	596	608	805	821	984	811
-Domestic Rice	456	510	698	639	696	362
-Imported Rice	140	98	107	182	288	449
NACF d/	0	0	151	616	0	0
Civil Stock	106	75	34	76	50	67

Source: FAS/Seoul Estimate based on MIFAFF data – starting 2007/08 there has been difference between Post & FAS estimates

a/ MIFAFF Preliminary

b/ FAS/Seoul Preliminary

c/ FAS/Seoul forecast

d/ NACF purchase under the government loan program.

Production, Supply and Demand Data Statistics:

Rice PS&D

Rice, Milled Republic of Korea,	2010/2011		2011/2012		2012/2013		
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	892	892	854	854	847	867	(1000 HA)
Beginning Stocks	1,513	1,513	1,034	1,034	878	878	(1000 MT)
Milled Production	4,295	4,295	4,224	4,224	4,200	4,300	(1000 MT)
Rough Production	5,810	5,810	5,616	5,616	5,666	5,801	(1000 MT)
Milling Rate (.9999)	7,392	7,392	7,522	7,522	7,413	7,413	(1000 MT)
MY Imports	405	405	600	600	400	400	(1000 MT)
TY Imports	532	532	600	600	400	400	(1000 MT)
TY Imp. from U.S.	143	143	0	150	0	120	(1000 MT)
Total Supply	6,213	6,213	5,858	5,858	5,478	5,578	(1000 MT)
MY Exports	4	4	3	3	3	3	(1000 MT)
TY Exports	4	4	5	3	5	3	(1000 MT)
Consumption and Residual	5,175	5,175	4,977	4,977	4,800	4,800	(1000 MT)
Ending Stocks	1,034	1,034	878	878	675	775	(1000 MT)
Total Distribution	6,213	6,213	5,858	5,858	5,478	5,578	(1000 MT)
Yield (Rough)	7.	6.5135	7.	6.5761	7.	6.6909	(MT/HA)
TS=TD		0		0		0	

Korea: Monthly Wholesale Price of Milled Rice
(High Quality)

Month\Year	CY 2010		CY 2011		CY 2012	
	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg
January	1,710	1.50	1,764	1.58	2,090	1.83
February	1,710	1.48	1,794	1.60	2,099	1.87
March	1,693	1.49	1,873	1.67	2,100	1.87
April	1,677	1.50	1,938	1.79	2,100	1.85
May	1,639	1.41	1,950	1.80	2,100	1.82
June	1,630	1.34	1,950	1.81	2,100	1.80
July	1,630	1.35	1,950	1.84	2,100	1.84
August	1,619	1.37	1,950	1.82	Na	Na
September	1,605	1.38	1,950	1.74	Na	Na
October	1,605	1.43	2,022	1.74	Na	Na
November	1,710	1.52	2,051	1.76	Na	Na
December	1,740	1.52	2,076	1.81	Na	Na
Average	1,665	1.44	1,939	1.75	Na	Na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

Korea: Monthly Retail Price of Milled Rice (High Quality)						
Month\Year	CY 2010		CY 2011		CY 2012	
	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg
January	2,101	1.84	2,064	1.84	2,194	1.92
February	2,090	1.81	2,098	1.87	2,202	1.96
March	2,080	1.83	2,138	1.91	2,195	1.95
April	2,102	1.88	2,217	2.04	2,200	1.94
May	2,086	1.80	2,235	2.06	2,203	1.91
June	2,057	1.70	2,254	2.09	2,188	1.88
July	2,052	1.70	2,234	2.11	2,169	1.90
August	2,054	1.74	2,203	2.05	Na	Na
September	2,031	1.74	2,201	1.97	Na	Na
October	2,039	1.82	2,234	1.94	Na	Na
November	2,017	1.79	2,214	1.96	Na	Na
December	2,020	1.76	2,190	1.91	Na	Na
Average	2,061	1.78	2,190	1.98	Na	Na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

Korea: Import Schedule of Table Rice (MT, Milled Rice)			
Calendar Year	Total	Table Purpose	Rate of Table Rice (%)
2005	225,575	22,557	10
2006	245,922	34,429	14
2007	266,270	47,928	18
2008	286,617	63,055 ^{a/}	22
2009	306,964	79,810 ^{b/}	26
2010	327,311	98,193 ^{c/}	30
2011	347,658	104,297	30
2012	368,006	110,401	30
2013	388,353	116,505	30
2014	408,700	122,610	30

Source: Ministry of Food, Agriculture, Forestry & Fisheries (MIFAFF)

a/ Of them, 24,934MT of Chinese rice was diverted to alcohol processing purpose in CY2010

b/ Of them, 33,303 MT of Chinese rice and 1,500 MT of Thai rice were diverted to alcohol processing purpose in CY2011

c/ Of them, 5,671MT of Chinese rice were diverted to alcohol processing purpose in CY2012.

Korea: Foreign Exchange Rate (Korean Won against US\$)		
Month	CY 2011	CY 2012
January	1,119	1,144
February	1,119	1,123
March	1,120	1,126
April	1,085	1,135
May	1,083	1,154
June	1,080	1,164
July	1,058	1,141 ^{a/}
August	1,073	Na
September	1,120	Na
October	1,152	Na
November	1,131	Na
December	1,147	Na
Average	1,107	Na

Source: Global Financial Service

a/ an average for July 1-15, 2012