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Required Report - public distribution

Date: 4/4/2017

GAIN Report Number: KS1712

Korea - Republic of

Grain and Feed Annual

2017 Annual Report

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Report Highlights:

The Korean government is expected to continue drawing down rice stocks in MY 2017/18 to 1.3 million metric tons (MMT) from 1.7 MMT in the current marketing year, as stocks remain above U.N. Food and Agriculture Organization (FAO) recommended levels. The government aims to decrease rice production and use some of the older stocks for feed. Post forecasts rice production will decrease to 3.9 MMT in MY 2017/18, down from 4.2 MMT in the current marketing year. For corn, production in MY 2017/18 will remain minimal, at 16,000 MT. Post increased the MY 2016/17 projection for corn imports from the United States to 5.0 MMT due to strong trade numbers from increased price competitiveness, and forecasts another 4.0MMT in U.S. imports in MY 2017/18. Wheat production will decrease slightly in MY 2017/18 to 34,000MT. Wheat imports are also forecast to increase slightly

in MY 2017/18, at 4.6MMT, due to expected continued price competitiveness with corn for feed use.

Commodities:

Wheat

Production:

MY 2017/18 wheat production is forecast to decrease to 34,000 tons, down three percent from the current marketing year's estimate, based on a five-year average yield and acreage. The estimate for MY 2016/17 wheat production remains unchanged, as the Korean government is not expected to release official numbers until the end of June 2017.

Table 1

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
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	3.36	35,000a/
2017b/	10,000	3.37	34,000

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
b/ FAS/Seoul forecasts for Crop Year 2017 based on five-year average yield and acreage as released by KOSTAT

Consumption:

MY 2017/18 wheat consumption is forecast at 4.43 million metric tons (MMT), an increase of 50,000 metric tons (MT) from the estimated consumption in the current marketing year. Flour wheat consumption is projected to increase by this margin, while feed wheat consumption will remain stable at 2.0 MMT (Table 2).

In MY 2016/17, wheat consumption is expected to reach 4.39 MMT, up six percent from the previous year, due mainly to greater demand for imported feed-grade wheat, which had benefited from competitive prices against corn during the first half of the marketing year. Milling wheat consumption is expected to be almost unchanged from the previous year at 2.39 MMT, a number that factors in net trade in pasta and flour.

Table 2

Korea: Post Estimates of Wheat Use (1,000 MT, July/June)				
Year	2014/15	2015/16	2016/17[c/]	2017/18[c/]
Imported Milling Wheat [1/]	2,165	2,203	2,150	2,200
Imported Milling Wheat [2/]	180	190	200	200
Flour Imports [a/]	44	50	60	60
Flour Exports [a/]	61	56	60	60
Pasta Imports [a/]	143	149	150	150
Pasta Exports [a/]	135	156	150	150
Local Wheat	23	26	35	34
FSI Consumption [b/]	**2,359**	**2,406**	**2,385**	**2,434**
Feed Wheat	1,490	1,728	2,000	2,000
Total Consumption [b/]	**3,849**	**4,134**	**4,385**	**4,434**

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 2014/15	MY 2015/16	MY 2016/17	MY 2014/15	MY 2015/16	MY 2016/17
July	129	124	180	183	181	176
August	121	119	174	175	170	180
September	126	124	183	166	178	173
October	134	151	211	179	182	178
November	130	140	191	172	169	179
December	143	151	214	186	189	189
January	123	135	183	194	191	184
Subtotal	**906**	**944**	**1,336**	**1,255**	**1,260**	**1,259**
February	103	138	na	152	160	na
March	116	153	na	183	188	na
April	120	142	na	176	178	na
May	119	167	na	172	170	na
June	125	186	na	177	178	na
Total	**1,490**	**1,728**	na	**2,115**	**2,134**	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	2011	2012	2013	2014	2015	2016
Total Consumption 1/	1,634	1,672	1,595	1,660	1,706	1,701
Per Capita (Kg/Year) 2/	32.8	33.4	31.7	32.9	33.7	33.2

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 2017/18 wheat imports are forecast at 4.6 MMT, of which 2.6 MMT are expected to be used for milling (including flour and pasta imports on a wheat equivalent basis) and 2.0 MMT are expected to be used for feed. This import estimate hinges to a large extent on the continued availability of competitively-price feed wheat, with demand for milling wheat remaining steady.

MY 2016/17 wheat imports are expected to reach 4.56 MMT. During the first seven months of the current marketing year, imports for feed wheat were 46 percent higher than the previous year (Table 6), although pending feed-grade wheat contracts for the remaining five months are lower than last year (Table 8). In the first seven months of MY 2016/17, Ukraine is the largest supplier of feed-grade wheat, followed by EU countries (such as France, Bulgaria, and Romania), and then Argentina and Russia. However, milling wheat imports are expected to be slightly lower than in the previous year, based on projections incorporating the lower imports of milling wheat during the first seven months of this year.

Imports of U.S. wheat in MY 2016/17 are expected to stay around 1.1 MMT, not including wheat products such as flour and pasta.

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
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
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	2,415	50	149	4,426
16/17 2/	2,000	2,350	60	150	4,560
17/18 2/	2,000	2,400	60	150	4,610

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 2014/15	MY 2015/16	MY 2016/17	MY 2014/15	MY 2015/16	MY 2016/17
July	87	162	180	178	244	225
August	35	58	130	189	133	160
September	149	212	203	182	224	179
October	230	200	305	237	201	186
November	117	191	208	179	195	211
December	97	110	207	206	217	159
January	143	50	200	212	190	198
Sub Total	**858**	**983**	**1,433**	**1,383**	**1,404**	**1,318**
February	64	174	na	168	192	na
March	213	143	na	189	192	na
April	48	107	na	227	227	na
May	143	214	na	194	207	na
June	65	191	na	209	193	na
Total	**1,391**	**1,812**	na	**2,370**	**2,415**	na

Source: Korea Customs Service

Table 7

Korea: MY 2016/17 Monthly Wheat Imports by Origin (1,000 MT, based on Customs Clearance)						
Country	U. S.	Australia	Canada	Ukraine	Other	Total
Milling Wheat						
July 2016	53	158	14	0	1	226
August	89	70	0	0	1	160
September	114	56	9	0	1	180
October	100	64	22	0	1	187
November	54	147	10	0	1	212
December	125	28	5	0	1	159
January 2017	70	82	45	0	1	198
Total(Jul-Jan) 2016/17	**605**	**605**	**105**	**0**	**7**	**1,322**
Total(Jul-Jan) 2015/16	622	685	92	0	4	1403
Feed Wheat						
July 2016	0	0	0	63	117	180
August	0	0	0	26	104	130
September	0	0	0	118	85	203
October	0	0	0	267	39	306
November	0	0	0	202	6	208

December	0	0	0	188	19	207
January 2017	0	0	0	99	101	200
Total(Jul-Jan) 2016/17	**0**	**0**	**0**	**963**	**471**[a/]	**1,434**
Total(Jul-Jan) 2015/16	0	0	0	708	274	982
Total Wheat						
July 2016	53	158	14	63	118	406
August	89	70	0	26	105	290
September	114	56	9	118	86	383
October	100	64	22	267	40	493
November	54	147	10	202	7	420
December	125	28	5	188	20	366
January 2017	70	82	45	99	102	398
Total(Jul-Jan) 2016/17	**605**	**605**	**105**	**963**	**478**	**2,756**
Total(Jul-Jan) 2015/16	621	685	92	708	274	2,385

Source: Korea Customs Service
a/ Argentina (166,554 MT); France (68,112MT); Bulgaria (72,301MT); Russia (70,260 MT) and Romania (91,660MT)

Table 8

Korea: MY 2016/17 Feed Wheat Contracts by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of March 2017)		
ETA	Quantity	Price (US$/MT)[1/]
Jul. 2016	65	181
Aug.	70	198
Sep.	129	185
Oct.	529	189
Nov.	307	197
Dec.	185	187
Jan. 2017	129	184
Feb.	65	193
Mar.	65	189
Apr.	60	188
May	65	200
Jun.	60	206
Total	1,729	

Source: Local Grain Traders
1/ CNF on Weighted Average

Tariffs
In late December 2016, the Ministry of Strategy and Finance (MOSF) released its adjusted tariffs and tariff rate quotas (TRQs) for CY 2017. At that time, MOSF excluded milling wheat from the CY 2017 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 (including milling and feed wheat) is zero under the KORUS FTA.

In CY 2017, 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 5-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 2017 (Percent)					
Commodity		Applied Tariff Rate		Bound Tariff Rate	
		2016	2017	2016	2017
Durum Wheat, Seed	1001.11.0000	3	3	9.0	9.0
Durum Wheat, Other	1001.19.0000	3	3	9.0	9.0
Seed, Meslins	1001.91.1000	3	3	9.0	9.0
Seed, Other	1001.91.9000	1.8	1.8	1.8	1.8
Feeding, Meslins	1001.99.1010	3	3	9.0	9.0
Feeding, Other	1001.99.1090	0	0	1.8	1.8
Milling, Meslins	1001.99.2010	3	3	9.0	9.0
Milling, Other[1/]	1001.99.2090	1.8	1.8	1.8	1.8
Others, Meslins	1001.99.9010	3	3	9.0	9.0
Others, Other[1/]	1001.99.9090	1.8	1.8	1.8	1.8

Source: Korea Customs Service (KCS)
1/ The number in parenthesis is the in-quota tariff rate.

Flour Trade:
MY 2016/17 flour imports are expected to decrease to 35,000 MT (wheat equivalent) to meet 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 approximately 60,000 MT (wheat equivalent), while pasta exports might sharply increase to more than 200,000 MT (wheat equivalent) on year-round based on flour trade for the first eight months. The situation is unlikely to change in MY 2017/18.

Table 10

Korea: Wheat Flour Imports (H.S.: 1101.00.1000) (Metric Ton, July/June)						
Country	MY2011	MY2012	MY2013	MY2014	MY2015	MY2016 [b/]

U.S.A.	1,025	1,318	716	793	567	257
Canada	1,381	1,037	973	829	600	758
Australia	223	395	658	2,041	1,246	824
China	0	121	60	0	0	0
Turkey	8,784	3,636	1,144	996	771	1,568
Indonesia	7,708	9,616	8,011	5,968	6,678	6,356
Russia	0	0	0	4,189	10,626	51
Others	11,250	12,478	10,237	17,391	16,319	15,830
Total	**30,371**	**28,600**	**21,799**	**32,207**	**36,816**	**25,644**
Wheat Basis a/	**41,548**	**39,125**	**29,821**	**44,059**	**50,364**	**35,081**

Source: Korea Customs Service (KCS)
a/ Applied converting factor: 1.368
b/ Year round based on the first eight months (July 2016-February 2017)

Table 11

Korea: Pasta Imports (H.S.: 1902)						
(Metric Ton, July/June)						
Country	MY2011	MY2012	MY2013	MY2014	MY2015	MY2016 b/
U.S.A.	429	512	451	375	359	386
China	61,766	65,716	73,991	70,426	70,476	74,391
Italy	15,169	19,193	20,595	19,481	22,037	20,264
Thailand	3,851	4,359	4,894	4,529	5,089	5,843
Indonesia	1,593	2,007	1,994	2,596	3,029	2,112
Turkey	3,193	3,630	4,094	3,691	4,184	4,403
Others	3,090	3,466	3,717	3,721	3,653	4,800
Total	**89,091**	98,883	109,736	104,819	108,826	112,197
Wheat Basis a/	**121,876**	**135,272**	**150,118**	**143,392**	**148,874**	**153,485**
Source: Korea Customs Service (KCS)						

a/ Applied converting factor: 1.368
b/ Year round based on the first eight months (July 2016-February 2017)

Table 12

Korea: Wheat Flour Exports (H.S.: 1901.20.9000 & 1901.90.9099) (Metric Ton, July/June)						
Country	MY2011	MY2012	MY2013	MY2014	MY2015	MY2016 b/
Total	44,909	46,843	43,230	45,585	42,216	43,239
Wheat Basis a/	59,879	62,457	57,640	60,780	56,288	57,652

Source: Korea Customs Service (KCS)
a/ Applied converting factor: 1.333
b/ Year round based on the first eight months (July 2016-February 2017)

Table 13

Korea: Pasta Exports

(H.S.: 1902) (Metric Ton, July/June)						
Country	MY2011	MY2012	MY2013	MY2014	MY2015	MY2016 [b/]
USA	20,365	23,694	23,979	22,675	26,004	26,039
Japan	12,773	10,989	9,833	8,175	8,307	8,756
China	5,517	5,597	7,918	8,926	14,051	34,245
Russia	3,417	3,465	3,108	2,099	1,574	1,833
Australia	4,875	4,956	5,439	4,955	5,472	6,080
Hong Kong	7,159	9,035	11,195	10,030	9,854	9,731
Others	33,521	36,954	41,090	41,,675	49,094	63,989
Total	**87,626**	**94,689**	**102,563**	**98,535**	**114,356**	**150,671**
Wheat Basis [a/]	**119,873**	**129,535**	**140,306**	**134,796**	**156,439**	**260,117**

Source: Korean Customs Service (KCS)
a/ Applied converting factor: 1.368
b/ Year round based on the first eight months (July 2016-February 2017)

Production, Supply and Demand Data Statistics:

Wheat PS&D

Wheat	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	10	10	11	10	0	11
Beginning Stocks	1400	1400	1535	1505	0	1505
Production	26	26	36	35	0	34
MY Imports	4420	4426	4500	4560	0	4600
TY Imports	4420	4426	4500	4560	0	4600
TY Imp. from U.S.	1120	1124	0	1100	0	1200
Total Supply	5846	5852	6071	6100	0	6139
MY Exports	177	213	200	210	0	210
TY Exports	177	213	200	210	0	210
Feed and Residual	1728	1728	2000	2000	0	2000
FSI Consumption	2406	2406	2395	2385	0	2430
Total Consumption	4134	4134	4395	4385	0	4430
Ending Stocks	1535	1505	1476	1505	0	1499
Total Distribution	5846	5852	6071	6100	0	6139
(1000 HA) ,(1000 MT)						

WHEAT -- STATISTICAL TABLES

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Wheat		
Time Period	July/June	Units:	1,000MT
Imports for:	2014		2015
U.S.	1232	U.S.	1124
Others		Others	
Australia	1006	Australia	1104
EU	560	EU	367
Canada	306	Canada	180
Ukraine	525	Ukraine	1091
India	10	Argentina	289
Brazil	116	Russia	64
Total for Others	2523		3095
Others not Listed	6		8
Grand Total	3761		4227
Note: excludes the import of wheat flour and pasta			

Table 14

Korea: Milling Wheat Imports by Variety
(Arrival Basis, Calendar Year)

Origin	Variety	CY 2014		CY 2015		CY 2016	
		Quantity (MT)	%	Quantity (MT)	%	Quantity (MT)	%
United States	No. 1 WW/SW	424,386	20.0	450,780	20.6	433,635	19.9
	No. 1 WW/SW 9.5 max.	0	0	1,500	0.1	17,113	0.8
	No. 1 WW/SW 8.5 max.	62,507	3.0	40,784	1.9	39,884	1.8
	No. 1 HRW 11.5 min.	200,854	9.5	176,122	8.0	191,134	8.8
	No. 1 DNS 14.0 min.	303,211	14.3	336,723	15.4	345,983	15.9
	No. 2 SRW	7,042	0.3	5,089	0.2	4,150	0.2
	Sub Total	**998,000**	47.1	**1,010,998**	46.2	**1,031,899**	47.4
Australia	ASW [a/]	839,394	39.6	904,770	41.3	909,682	41.8
	AH [b/]	117,992	5.5	133,460	6.1	122,299	5.6
	APH [d/]	239	0.1	249	0.1	0	0

	APW [e/]	52,979	2.5	3,960	0.1	7,920	0.4
	ANW [c/]	0	0	2,200	0.1	0	0
	Sub Total	**1,010,604**	47.7	**1,044,639**	47.7	**1,039,901**	47.8
Canada	No. 2 CWRS 13.5 min.	**107,400**	5.0	**127,960**	5.8	**99,494**	4.6
	No. 2 CPSR 11.0 min.	0	0	**1,100**	0.1	**0**	0
	Sub Total	**107,400**	5.0	**129,060**	5.9	**99,494**	4.6
Others	Organic Wheat	**3,599**	0.2	**5,156**	0.2	**4,794**	0.2
	Grand Total	**2,119,603**	100	**2,189,853**	100	**2,176,088**	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 negligible and accounts for less than one percent of total consumption. Planted area for MY 2017/18 is expected to remain steady at around 16,000 hectares, while production is forecast at 80,000 MT based on the preceding five-year average yield.

Statistics Korea (KOSTAT) recently released data on CY 2016, listing planting area at 15,183 hectares, down one percent from the previous year. Post estimates Korean corn production at about 76,000 MT based on the preceding five-year average yield. The government will release the 2016 official production figures in April 2017.

Table 15

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
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[a/]	15,183	4.98	75,550

2017b/	15,900	5.04	80,000

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA), Statistics Korea (KOSTAT)
a/ FAS/Seoul estimate based on five-year average yield with acreage surveyed by KOSTAT
b/ FAS/Seoul forecast based on five-year average yield and acreage

Consumption:

MY 2017/18 corn consumption is forecast to increase to 10.3 MMT, up about four percent from the estimated consumption in the current marketing year. This number is composed of 8.0 MMT for feed purposes and 2.3 MMT for food, seed and industrial (FSI) purposes. Feed corn consumption is forecast to increase up 400,000 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 2.3 MMT to meet a stable demand for high fructose corn syrup (HFCS) and other corn products from Korean food industries.

Corn consumption for MY 2016/17 remains unchanged from the previous forecast of 9.9 MMT, consisting of 7.6 MMT for feed and 2.3 MMT for food, seed and industrial (FSI) purposes. The demand for corn used for compound feed production remains unchanged at 7.6 MMT.

MY 2015/16 corn consumption remains unchanged at 10.2 MMT as reported in the previous report, consisting of 7.84 MMT for feed and 2.31 MMT for food, seed and industrial (FSI) use.

Feed

Compound feed production is forecast to reach around 19.5 MMT for MY 2017/18. This record volume is based on strong growth in swine inventories, partly offsetting 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 is expected to be the major ingredient used in compound feed, accounting for more than 41 percent of total ingredients in the marketing year with feed wheat remaining at 2 MMT.

MY 2016/17 compound feed production forecast remains unchanged at 19 MMT from the previous report due to a sharp reduction of poultry inventories hit by recurrence of HPAI (Table 21). Please refer to the GAIN report KS1648 for more details about the HPAI situation in Korea.

Food

Corn processors use GM corn, non-biotech IP corn, and conventional corn to produce corn starch, HFCS and corn flour. GM corn imported from the United States, South American countries, and Ukraine is used for starch and HFCS. Non-biotech IP corn imported from the United States and Brazil, and traditional corn imported from Russia, Hungary, Serbia, Romania and Australia have been used for corn starch and corn flour. The perceived public concern about biotech continues to exert pressure on 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 2014/15	MY 2015/16	MY 2016/17	MY 2014/15	MY 2015/16	MY 2016/17
October	676	699	612	180	189	200
November	620	660	628	178	186	186
December	707	732	618	169	172	185
January	675	673	571	170	183	190
S. Total	**2,678**	**2,764**	**2,429**	**697**	**730**	**761**
February	602	648	na	155	160	na
March	668	688	na	187	191	na
April	679	650	na	178	186	na
May	679	651	na	183	191	na
June	703	634	na	181	191	na
July	701	593	na	183	203	na
August	655	598	na	181	191	na
September	670	615	na	173	176	na
Total	**8,035**	**7,841**	na	**2,118**	**2,220**	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
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	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 c/	7,600	2,200	100	9,900
2017/18 c/	8,000	2,200	100	10,300

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

Table 18

Korea: Monthly Processing Corn Use (MT)						
Month	MY 2015/16			MY 2016/17		
	Wet Milling	Dry Milling	Total	Wet Milling	Dry Milling	Total
October	182,940	6,243	189,183	194,073	6,209	200,282
November	179,483	6,510	185,993	179,528	6,358	185,886
December	166,320	6,038	172,358	178,378	6,264	184,642
January	176,869	6,359	183,228	183,539	6,649	190,188
S. Total	**705,612**	**25,150**	**730,762**	**735,518**	**25,480**	**760,998**
February	154,768	5,521	160,289	na	na	na
March	184,879	6,126	191,005	na	na	na
April	180,131	6,141	186,272	na	na	na
May	184,283	6,252	190,535	na	na	na
June	185,398	5,804	191,202	na	na	na
July	197,386	5,903	203,289	na	na	na
August	184,634	6,111	190,745	na	na	na
September	169,743	5,763	175,506	na	na	na
Total	**2,146,834**	**72,771**	**2,219,605**	na	na	na

Source: Korea Corn Processing Industry Association (KOCPIA)

Table 19

Korea: Feed Ingredient Use for Compound Feed Production (October/September, 1,000 MT)				
Items	MY 2014/15	MY 2015/16	MY 2016/17[a/]	MY 2017/18[a/]
Sub. Total Grains and Grain Substitutes	12,046	12,395	12,200	12,600
- Wheat	1,480	1,910	2,000	2,000
- Corn	8,035	7,841	7,600	8,000
- Other Grains and Grain Substitute [b/]	2,531	2,644	2,600	2,600
Others [c/]	6,951	7,028	6,800	6,900
Grand Total	**18,997**	**19,423**	**19,000**	**19,500**

Source: Korea Feed Association (KFA)
a/ FAS Seoul forecast
b/ includes Tapioca, bran and gluten feed.
c/ includes vegetable protein meal, animal protein, minerals/additives, tallow, DDGs and molasses.

Table 20

Korea: Compound Feed Production by Species (October/September, 1,000 MT)				
Species	MY 2014/15	MY 2015/16	MY 2016/17[a/]	MY 2017/18[a/]
Poultry	5,551	5,797	5,400	5,700
Swine	6,049	6,247	6,500	6,700
Cattle	5,978	5,820	5,700	5,600

Others [b/]	1,388	1,529	1,400	1,500
Total	**18,967**	**19,393**	**19,000**	**19,500**

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 2015/16	MY 2016/17	Change
Poultry	1,891	1,847	-2.3
Swine	2,180	2,193	+0.6
Cattle	1,994	1,976	-0.9
Others	515	480	-6.8
Total	6,580	6,496	-1.3

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

Trade:
With expected increases in swine and poultry inventories, MY 2017/18 total corn imports are forecast to increase to 10.2 MMT, up 400,000 MT from the estimated current marketing year, consisting of 8 MMT of feed corn for compound feed, and 2.2 MMT of processing corn for food processing.

Based on the average corn U.S. market share in Korea over the previous five years, MY 2017/18 imports of U.S. corn are forecast to stay around 4.0 MMT, or about 39 percent of total Korean corn imports. This number is down from the estimated 51 percent of total Korean corn imports for the current marketing year.

Total corn imports for MY 2016/17 are expected to remain unchanged from the previous report at 9.8 MMT, with U.S. market share improving to more than 50 percent of total corn imports, based on more than 63 percent share of U.S. corn in total corn imports for the first five months of the year. Local traders 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 early March 2017, importers had contracted about 6 MMT of corn for October 2016 through June 2017 deliveries, and they were continuing to make contracts for arrival in June 2017 onward. Most corn contracts for feed are optional origin at seller's option from South American countries, Eastern Europe/Black Sea, or the United States with a price range of USD 178-226 per metric ton CNF. Conventional corn for processing is contracted from Eastern Europe with a price range of USD 192-226 per metric ton, CNF. Most recent buying contracts stabilized in the range of USD 188-195 per ton for feed corn and USD 196-204 for processing corn, 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	%
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[a/]	7,600	2,200	9,800	4,100	900	5,000	51
17/18a/	8,000	2,200	10,200	3,500	500	4,000	39

Source: Korea Customs Service
a/ FAS/Seoul forecast

Table 23

Korea: MY 2016/17 Monthly Corn Imports by Origin (1,000 MT, based on Customs Clearance)						
Country	U. S.	Argentina	Brazil	Serbia	Others1/	Total
Feed Corn						
2016 October	535	4	79	0	0	618
November	492	0	166	0	1	659
December	430	18	174	0	14	636
2017 January	161	49	38	0	203	451
2016/17 (Oct-Feb)	**1,618**	**71**	**457**	**0**	**218**	**2,364**
2015/16 (Oct-Feb)	269	190	2,083	24	174	2,740
Processing Corn						
2016 October	72	0	10	7	57	146
November	111	0	1	0	59	171
December	49	0	0	0	113	162
2017 January	57	0	0	0	148	205
2016/17 (Oct-Feb)	**289**	**0**	**11**	**7**	**377**	**684**
2015/16 (Oct-Feb)	106	30	365	7	294	802
Total						
2016 October	607	4	90	7	57	764
November	603	0	167	0	60	830
December	479	18	174	0	127	798
2017 January	218	48	38	0	352	656
2016/17 (Oct-Feb)	**1,907**	**70**	**469**	**7**	**595**	**3,048**
2015/16 (Oct-Feb)	375	220	2,448	31	468	3,542

Source: Korea Customs Service
1/ Russia (333,689 MT), Hungary (7,678MT), Australia (21,373 MT) and Ukraine (221,728 MT)

Table 24

Korea: Monthly Corn Imports (1,000 MT, Customs Cleared Basis)						
Month	Feed Corn			Processing Corn		
	MY 2014/15	MY 2015/16	MY 2016/17	MY 2014/15	MY 2015/16	MY 2016/17
October	846	651	618	181	171	146
November	465	673	659	183	175	171
December	750	853	636	137	211	162
January	743	563	451	168	245	205
Sub Total	**2,804**	**2,740**	**2,364**	**669**	**802**	**684**
February	558	528	na	138	112	na
March	636	782	na	258	198	na
April	759	702	na	145	206	na
May	689	620	na	163	193	na
June	636	636	na	208	146	na
July	693	654	na	166	252	na
August	671	680	na	177	127	na
September	609	491	na	188	253	na
Total	8,055	7,833	na	2,112	2,289	na

Source: Korea Customs Service

Table 25

Korea: MY 2016/17 Corn Contracts [1/] **by Estimated Time of Arrival (ETA)** (Unit: 1,000 MT, as of March 2017)		
ETA	Quantity	Price (USD/MT)[2/]
Oct. 2016	799	211
Nov.	1,012	204
Dec.	564	190
Jan 2017	686	186
Feb.	569	187
Mar.	882	186
Apr.	782	185
May	429	195
Jun.	199	195
Total	**5,922**	

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 2016, the Ministry of Strategy and Finance (MOSF) released its adjusted tariffs and tariff rate quotas (TRQs) for CY 2017. The autonomous TRQs cover a variety of agricultural products, including feed corn. The TRQ for feed corn was set at 10 MMT with zero duty for CY 2017. However, the government excluded processing corn from the list of TRQs in 2017. The out-of-quota duty for both feed and processing corn remained fixed at 328 percent. Please refer to GAIN report KS1704 for more details.

Of the annual autonomous TRQs for feed corn, 10 MMT 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, imported at a three percent duty.

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 10 MMT. Additionally, the duty-free volumes for corn for food processing will grow each year, with tariffs being completely phased out by 2019. For greater detail, please refer to Chapter 3, Annex 3-A of the trade agreement.

Table 26

Korea: Import Tariff Rate for CY 2017							
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	10,000,000 MT	0	328	1.8	328
Processing Corn 1005.90.9000		3	0	na	328	3	328

Source: Korea Customs Service (KCS)

Production, Supply and Demand Data Statistics:

Corn PS&D

Corn	2015/2016		2016/2017		2017/2018	
Market Begin Year	Oct 2015		Oct 2016		Oct 2017	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	15	15	15	15	0	16
Beginning Stocks	1860	1860	1936	1905	0	1880
Production	78	78	75	75	0	80
MY Imports	10121	10121	9800	9800	0	10200
TY Imports	10121	10121	9800	9800	0	10200
TY Imp. from	3882	2908	0	5000	0	4000

U.S.						
Total Supply	12059	12059	11811	11780	0	12160
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	7800	7841	7600	7600	0	8000
FSI Consumption	2323	2313	2300	2300	0	2300
Total Consumption	10123	10154	9900	9900	0	10300
Ending Stocks	1936	1905	1911	1880	0	1860
Total Distribution	12059	12059	11811	11780	0	12160
(1000 HA) ,(1000 MT)						

CORN -- STATISTICAL TABLES

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Corn		
Time Period	Oct/Sept	Units:	1,000MT
Imports for:	2014		2015
U.S.	4022	U.S.	2908
Others		Others	
Brazil	2079	Brazil	3947
Argentina	435	Argentina	1756
Russia	623	Russia	942
Romania	198	Paraguay	219
Serbia	492	Serbia	116
Ukraine	1750	Ukraine	68
Hungary	312	Hungary	66
Australia	47	Australia	48
South Africa	147		
Total for Others	6083		7162
Others not Listed	63		51
Grand Total	10168		10121

Source: Korea Customs Service (KCS)

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	%
93/94	4,049	1,647	5,696	199	181	380	7
94/95	6,463	1,760	8,223	6,192	1,420	7,612	93

95/96	7,166	1,797	8,963	6,855	1,699	8,554	95
96/97	6,455	1,881	8,336	3,869	1,629	5,498	66
97/98	5,755	1,773	7,528	1,610	1,699	3,309	44
98/99	5,593	1,921	7,514	4,543	1,891	6,434	86
99/00	6,618	2,060	8,678	1,610	1,620	3,230	37
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

Source: FAS Seoul

Table 28

Korea: Total Corn Utilization (October/September, 1,000 MT)				
Marketing Year	Feed	Processing a/	Food b/	Total
1998/99	5,560	1,886	80	7,526
1999/00	6,541	2,004	79	8,624
2000/01	6,460	2,092	64	8,616
2001/02	6,584	2,094	57	8,735
2002/03	6,569	2,145	68	8,782
2003/04	6,614	2,057	51	8,722
2004/05	6,619	1,966	81	8,666
2005/06	6,510	1,996	73	8,579
2006/07	6,897	1,856	63	8,833
2007/08	7,046	1,495	92	8,633
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	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

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
1998/99	1,670	216	1,886
1999/00	1,783	221	2,004
2000/01	1,880	204	2,092
2001/02	1,911	181	2,092
2002/03	1,929	180	2,109
2003/04	1,892	165	2,057
2004/05	1,837	129	1,966
2005/06	1,896	100	1,996
2006/07	1,752	105	1,857
2007/08	1,405	90	1,495
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

Source: Korea Corn Processing Industry Association (KOCPIA)

Table 30

Korea: Animal Inventory (1,000 Head, 1,000 Birds, as of March 2017)					
Animal	Year	March	June	September	December
Beef Cattle	2013	2,966	3,064	3,043	2,918
	2014	2,811	2,879	2,820	2,759
	2015	2,659	2,748	2,753	2,676
	2016	2,596	2,742	2,768	2,717
	2017	2,628c/	2,757c/	na	2,698e/
Dairy Cattle	2013	420	419	422	424
	2014	428	424	429	431
	2015	425	418	418	411
	2016	409	402	407	404

	2017	405c/	404c/	na	400e/
Swine	2013	10,107	10,181	10,188	9,912
	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	10,600d/	10,600d/	na	10,576e/
Layer a/	2011	61,025	60,723	61,212	62,425
	2012	63,200	61,953	61,326	61,344
	2013	62,340	60,610	62,674	64,824
	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	56,660c/	na	na	na
Broiler b/	2011	69,932	110,122	71,038	76,435
	2012	69,387	97,750	68,540	76,130
	2013	71,938	95,898	64,505	76,487
	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	77,700c/	na	na	na

Source: Korea Statistics (KOSTAT) and Korea Rural Economic Institute (KREI)
a/ Excluding breeders
b/ Excluding multi-use broilers
c/ KREI forecast
d/ FAS/Seoul forecast based on KREI data
e/ FAS/Seoul forecast

Table 31

Korea: Feed Ingredients Use for MY2014-MY2015 (1,000 MT, October/September)						
INGREDIENT	MY2014/2015			MY2015/2016		
	TOTAL	DOM [1/]	%	TOTAL	DOM [1/]	%
GRAINS:						
CORN	8,035	1	42.3	7,842	-	40.4
SORGHUM	-	-	0.0	-	-	0.0
WHEAT	1,480	1	7.8	1,910	0	9.8
BARLEY	28	2	0.1	28	2	0.1
RYE	0	0	0.0	0	0	0.0
OATS	3	1	0.0	4	2	0.0
GSP/BROKEN GRAIN	96	96	0.5	95	94	0.5
TAPIOCA	257	0	1.4	237	-	1.2
LUPIN SEED	134	14	0.7	61	9	0.3
OTHERS	173	168	0.9	238	231	1.2
SUB TOTAL	**10,206**	**283**	**53.7**	**10,415**	**338**	**53.6**
GRAIN BY-PRODUCTS:						

WHEAT BRAN	562	391	3.0	515	395	2.7	
RICE BRAN	193	190	1.0	192	191	1.0	
BARLEY BRAN	0	0	0.0	0	0	0.0	
CORN BRAN	1	1	0.0	4	4	0.0	
GLUTEN FEED	766	366	4.0	964	403	5.0	
OTHERS	318	233	1.7	305	234	1.6	
SUB TOTAL	**1,840**	**1,181**	**9.7**	**1,980**	**1,227**	**10.2**	
ANIMAL PROTEIN:							
FISH MEAL	18	12	0.1	15	9	0.1	
MEAT & BONE MEAL	**24**	**23**	0.1	30	29	0.2	
OTHERS	147	145	0.8	160	157	0.8	
SUB TOTAL	**189**	**180**	**1.0**	**205**	**195**	**1.1**	
VEGETABLE PROTEIN:							
SOYBEAN MEAL	2,272	560	12.0	2,531	631	13.0	
RAPESEED MEAL	489	1	2.6	200	-	1.0	
SESAMESEED MEAL	33	33	0.2	37	37	0.2	
PERILLA SEED MEAL	1	1	0.0	3	3	0.0	
CORN GLUTEN MEAL	82	74	0.4	75	71	0.4	
DDGS	654	215	3.4	779	253	4.0	
COTTONSEED MEAL	1	0	0.0	0	0	0.0	
PARM KERNEL MEAL	686	9	3.6	721	25	3.7	
COPRA MEAL	403	0	2.1	317	1	1.6	
OTHERS	246	205	1.3	274	209	1.4	
SUB TOTAL	**4,867**	**1,098**	**25.6**	**4,937**	**1,230**	**25.4**	
ADDITIVES/MINERALS:							
CALCIUM PHOSPHATE	72	57	0.4	73	59	0.4	
LIMESTONE	503	503	2.6	528	528	2.7	
SALT	67	66	0.4	67	65	0.3	
OTHER	276	272	1.5	273	269	1.4	
SUB TOTAL	**918**	**898**	**4.9**	**941**	**921**	**4.8**	
OTHER INGREDIENTS:							
TALLOW	329	319	1.7	318	310	1.6	
MOLASSES	426	345	2.2	399	323	2.1	
UREA	2	2	0.0	2	2	0.0	
OTHER	220	190	1.2	226	196	1.2	
SUB TOTAL	**977**	**856**	**5.1**	**945**	**831**	**4.9**	
GRAND TOTAL	**18,997**	**4,496**	**100.0**	**19,423**	**4,742**	**100.0**	

Source: Korea Feed Association (KFA)
1/ Domestic Products

Commodities:
Rice, Milled

Production:
MY 2017/18 rice production is forecast to decline to 3.9 million metric tons (MMT) – down seven percent from 4.19 MMT in 2016/17 – based on the five-year average yield and the Korean government's efforts to reduce rice paddy area. According to a Korea Rural Economic Institute (KREI) survey of rice farmers' planting intentions from December 28, 2015 - January 4, 2016, planted area is expected to decline to 762,000 HA, down about 2.1 percent from last year. To influence farmers' intentions to further reduce rice paddy area to 744,000 HA, the government plans to encourage rice farmers to participate in rice reduction programs (Table 32).

Information about the 2016 rice crop is available in KS1643.

Yield
Rice farmers prefer planting 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 2017 crop. FAS/Seoul forecasts rice average yields at 5,223 Kg/HA based on previous five-year Olympic average yield. (An Olympic average yield is the average yield during a 5-year period, dropping the highest and lowest values.)

Table 32

Korea: 2017 Rice Production Forecast		
	2016 Rice Production	2017 Rice Production forecast1/
Area (1,000 HA)	779	744
Yield (KG/HA)	5,389	5,223
Production (1,000MT)	4,197	3,886

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 Olympic average yield

Table 33

Korea: Rice Area, Yield and Production			
Crop Year	Area (1,00HA)	Yield (KG/HA)	Production (Milled, 1,000 MT)
2002 a/	1,053	4,679	4,927
2003 b/	1,016	4,381	4,451
2004	1,001	4,995	5,000
2005	980	4,865	4,768
2006	955	4,901	4,680
2007	950	4,640	4,408
2008	936	5,174	4,843

2009	924	5,318	4,916
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
2017d/	744	5,161	3,840
2017e/	744	5,223	3,886

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)
a/ Heavy rains during the summer and the effects of typhoon Rusa (Aug 31 – Sep 1)
b/ Cool and rainy days during the growing season and the effects of typhoon Maemi (Sep 9 - 12)
c/ Based on September 15 crop survey conducted by KOSTAT
d/ FAS/Seoul forecast based on planting intention acreage surveyed by KREI over previous five year average yield
e/ FAS/Seoul forecast based on planting intention acreage surveyed by KREI over previous five year Olympic average yield

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. In CY 2016, combined support payments of 2,328 billion Korean Won (USD 2.01 billion) were received from both direct payment systems. It was a record level of combined support payment since the programs were implemented in 2005 (Table 34).

An explanation of how these payments are calculated follows.

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 2016 area payment was 1,001,010 won (USD 864) per hectare. Paddy area covered under this support program decreased to 837,426 hectares in 2016, down 0.7 percent from the previous year.

Deficiency Payment: The deficiency payment is 85 percent of the difference between the national-average market price during the 2016 harvest season (2016 Oct.-2017 Jan.) and the 2016 target price set by the government, less the area payment.

In CY 2016, the total deficiency payment amounted to 1,490 billion Korean Won (USD 1,287 million). This payment was the difference between the average harvest price of 1,621 Won (USD 1.40) per kilogram (milled) and the target price of 2,350 Won (USD 2.08) per kilogram (milled). The weighted average area payment of 1,001,010 Won per hectare is converted to a kilogram equivalent (198.6 Won/Kg) by dividing it by the 1999-2003 Olympic average yield, which increased to 5,040 Kg per hectare from the previous 4,880 Kg in CY 2012.

Due to lower farm gate prices during the harvest season, farmers received deficiency payments in CY 2016. The deficiency payment calculation is shown as below.

[(Target Price W/kg - Average Harvest Price W/kg) x .85] - Area Payment per HA /Avg. National Yield per HA

[W 2,350 – W 1,621] x .85] – W 1,001,010/5,040 kg = W 420.7 per kilogram

However, the Korean government couldn't pay rice farmers the calculated 420.7 Won per Kg because this value was greater than Korea's total allowable WTO Aggregate Measure of Support (AMS) of 1,490 billion Won. Therefore, the government paid only 418.7 Won per Kg to farmers (Table 34).

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 2016, the Korean government purchased 659,000 MT (milled basis) of paddy rice. The year's purchase included an additional quantity of 299,000 MT, or 16 percent of the 2016 rice production under PFSP, in order to stabilize pressure on prices caused by another bumper crop (Table 35).

Additionally, the government purchased 30,000 tons for the APTERR (ASEAN Plus Three Emergency Rice Reserve), which was established to provide member countries with rice in the event of natural disasters. The total amount of rice agreed upon in July 2013 by the 13 member countries, and stored in reserve, was 787,000 MT, including 150,000 MT promised by Korea. Korea has purchased 90,000 MT of rice (milled basis) under the APTERR program since 2014.

Rice Millers Purchase:
Korean rice millers, known as Rice Processing Complexes (RPC), purchased 2.2 MMT (milled basis) of paddy rice at a free loan rate under the National Agricultural Cooperative Federation (NACF) loan program during the 2016 harvest season. NACF member RPCs purchased 1.8 MMT, and independent RPCs bought 0.4 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 based on government guidelines. The total value of loan programs was 2.9 trillion Korean won (USD 2.5 billion), consisting of 1.3 trillion Korean Won from NACF and 1.6 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)		
2005	1,007	600,000	603.8	4,587	196.4	900.7	1,504.5	
2006	1,024	700,000	716.8	4,641	94.2	437.1	1,153.9	
2007	1,018	700,000	712.0	4,548	61.3	279.1	991.1	
2008	1,013	700,000	711.8	4,490	none	0	711.8	
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	

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.

Table 35

Korea: Government Rice Purchases under **Public Food Grain Stockholding Program (PFSP)**			
Crop Year	Production(1,000 MT)	Purchase(1,000 MT)	%
2005	4,768	719	15.1
2006	4,680	504	10.8
2007	4,408	417	9.5
2008	4,843	400	8.3
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	659[c/]	15.7

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 360,000 MT under PFSP, but excludes 30,000 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)	%
2005	4,768	1,071	22
2006	4,680	1,306	28
2007	4,408	1,227	28
2008	4,843	1,617	33
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

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

Consumption:
MY 2017/18 rice consumption is forecast at 4.6 MMT, down slightly from estimates for the current marketing year based on lower demand. Imported rice constitutes about nine percent of total consumption.

Korean consumers prefer short-grain table rice. 74 percent of domestic production (all short-grain) was consumed as table rice in MY 2015/16. 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, and has gradually declined to 61.4 Kg in MY 2015/16 according to preliminary government statistics. FAS/Seoul forecasts per capita table rice consumption at 60.1 Kg in MY 2016/17 based on declining consumption trends for table rice, decreasing further to 59.0 Kg in MY 2017/18.

In MY 2015/16, the percentage of processed rice consumption increased to 17 percent of total rice domestic consumption from 13 percent in the previous year. Rice was allowed to be used as feed for the first time, as rice consumption used in food processing has maintained constant growth in the past few years. In MY 2016/17, heavy stocks will lead the share of rice used in processing to increase further to 25 percent, due mainly to a sharp increase of rice used in animal feed. The Korean government is expected to allow rice consumption as animal feed in MY 2017/18 (Table 37).

Feed:
In order to reduce high ending stocks, the Korean government released rice to be used as feed for the first time in MY 2015/16. This occurred when the Korean government released 101,000 MT of brown rice (91,000 MT on a milled basis) from the 2012 crop for feed use in February 2016. 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 2016/17, yet another instance of overproduction led the Korean government to allow the use of 520,000 MT of old crop brown rice for feed purposes (470,000 MT on milled basis), consisting of 250,000 MT of the 2013 crop and 270,000 MT of the 2014 crop. Most of the stocks-for-feed rice is domestic production, with 82,000 MT (73,800 MT, milled basis) imported mainly from China under the 2014 Minimum Market Access agreement (MMA) (2013 crop). The selling price was set at 208 Korean Won per Kg (USD 0.18/kg) based on the value of feed corn imported in CY 2016. Post expects Korea to use rice for feed again in MY 2017/18 in order to further reduce ending stocks. However, there are no indications yet from MAFRA on their intention to release rice imports for feed in MY 2017/18 (Table 37).

Table 37

Korea: Rice Utilization Pattern

(1,000 MT, milled)				
Rice Year (Nov.-Oct.)	MY 2014/15[a/]	MY 2015/16[b/]	MY 2016/17[c/]	MY 2017/18[d/]
Table Rice	3,239	3,110	3,074	3,040
Processing	575	711	1,203	1,170
(for food)	(426)	(451)	(560)	(550)
(for liquor)	(149)	(169)	(173)	(170)
(for feed)	0	(91)	(470)	(450)[e/]
Seed	35	35	33	33
Other and Loss	348	356	434	400
Total Demand	4,197	4,212	4,744	4,643
Per Capita Table Rice Consumption (Kg)	62.9	61.4	60.1	59.0

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)
a/ Revised b/ Preliminary c/ Forecast d/ FAS/Seoul forecast e/Includes 74,000MT of imported rice, mainly from China

Table 38

Korea: Rice Consumption Pattern for Processing Purpose (1,000 MT, milled)				
Purpose	MY 2013/14	MY 2014/15 [a/]	MY 2015/16 [b/]	MY 2016/17 [c/]
KRFA	227	197	222	250
KALIA	78	155	169	173
Others [d/]	238	223	229	310
Feed	0	0	91	470
Total	535	575	711	1,203

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)
a/ Revised
b/ Preliminary
c/ 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)			
Calendar Year	Local Rice	Imported Rice	Total
1996	130,632	3,000	133,632
1997	30,171	57,957	88,128
1998	933	77,259	78,192
1999	0	74,214	74,214
2000	0	67,112	67,112
2001	0	66,850	66,850
2002	79	73,884	73,963
2003	306	84,851	85,157
2004	249	91,624	91,873
2005	215	96,020	96,235

2006	67	97,250	97,317
2007	210	101,064	101,274
2008	572	109,552	110,124
2009	806	131,344	132,150
2010	24,887	154,821	179,708
2011	125,910	108,215	234,125
2012	147,462	100,249	247,711
2013	118,344	127,544	245,888
2014	63,654	162,893	226,547
2015	11,803	185,630	197,433
2016	35,907	185,853	221,760

Source: Korea Rice Foodstuffs Association (KRFA)

Table 40

Korea: Rice Supply for Processing Purposes to KRFA Members (Metric Ton, Milled)						
	2014		2015		2016	
Item	Quantity	Ratio (%)	Quantity	Ratio (%)	Quantity	Ratio (%)
Cake/Noodle	89,538	40	86,946	44	90,736	41
Alcohol	43,596	19	39,795	20	44,259	20
Flour	68,870	30	50,968	26	58,874	27
Seasoning/Sweetness	4,515	2	3,213	2	5,878	3
Confectionary	11,066	5	9,051	4	11,755	5
Others	8,962	4	7,460	4	10,258	5
Total	226,547	100	197,433	100	221,760	100

Source: Korea Rice Foodstuffs Association (KRFA)

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 to urge it to ensure that the new arrangement takes appropriate account of the strong U.S. trade in this commodity.

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

Imports:

MY 2017/18 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 CY 2018 TRQ.

In MY 2016/17, rice imports are expected to remain unchanged at 410,000 MT (milled basis) from the previous report, while actual delivery of some portion of the TRQ will roll over into the following year. U.S. rice exports are expected to stay around 140,000 MT (milled basis).

In MY 2015/16, Korea's rice imports were 312,280 MT, consisting of 161,663 MT imported under the 2015 TRQ quota, and 150,617 MT imported under the 2016 TRQ. In CY 2016, U.S. exports to Korea amounted to 111,698 MT, composed of 48,425 MT imported under the 2015 TRQ and 63,273 MT imported under the 2016 TRQ.

2017 TRQ Tendering Process:

Under the 2017 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 2017 TRQ thus far, Korea has filled 22 percent of the total 2017 TRQ through purchases of 100,000 MT of USDA No. 3 grade brown rice (90,000 MT, milled) for processing purposes. This quantity consists of 60,000 MT of medium-grain brown rice (54,000 MT on a milled basis) from the United States, 30,000 MT of short-grain brown rice (27,000 on a milled basis) from Vietnam, and 10,000 MT of long-grain brown rice (9,000 MT on a milled basis) from Thailand (Table 41).

Table 41

Korea: 2017 TRQ Rice Tender Results (as of March 30, 2016)

Bid Date (mm-dd-yy)	Rice Type	Volume Contract Basis)	Volume (Milled Rice Basis)	Origin	Price (US$/MT)	Terms and Conditions	Delivery Due	Agent	Supplier
3/8/2017	SG #3 Brown	10,000	9,000	Vietnam	820.90	CIP	5/31/2017	The Ground Korea	Green Mountain
3/8/2017	SG #3 Brown	20,000	18,000	Vietnam	827.90	CIP	5/31/2017	The Ground Korea	Green Mountain
3/8/2017	MG #3 Brown	22,222	20,000	USA	636.52	CIP	6/30/2017	Philasun	ADM
3/8/2017	MG #3 Brown	15,556	14,000	USA	642.30	CIP	6/30/2017	Philasun	ADM
3/8/2017	MG #3 Brown	11,111	10,000	USA	605.60	CIP	6/30/2017	Daewoo	FRC
3/8/2017	MG #3 Brown	11,111	10,000	USA	594.33	CIP	6/30/2017	Singsong	ACC
3/8/2017	LG #3 Brown	10,000	9,000	Thailand	418.88	CIP	5/31/2017	Daewoo	Capital Rice Co., Ltd
	Total	100,000	90,000						

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

2016 TRQ Tendering Results:

The Korea Agro-Fisheries and Food Trade Corporation (aT) completed the tendering process for the 2016 TRQ commitments for rice on December 29, 2016. Korea purchased a total of 408,700 MT of rice (milled basis) from the United States, China, Thailand, Australia, India, and Vietnam. The U.S. share was a record 40.6 percent, up about 2.2 percentage points from the previous year, due to more competitive pricing than other countries, combined with greater demand for the medium-grain variety. Contracts totaled 165,865 MT (milled), worth USD 112.7 million. U.S. contracts of 139,849 MT were for brown rice (equivalent to 125,865 MT on a milled basis) for food processing purposes, while the remaining 40,000 MT was milled rice for table use. Please refer to GAIN Report KS1703 for more details.

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

The current pace of auctions for imported rice for table use has been very slow, effectively reducing the volume of auctioned rice due to heavy stocks of domestic rice caused by consistent crop overproduction since 2013. As large rice stocks have led to low domestic prices, farmers' groups have strongly requested the government to quit auctions for imported rice for table use. As a result, the government decided to stop auctions for table rice imported under the 2014 MMA early October 2016, due to a problem from the deterioration of the imported rice as it awaited government auctions. The unsold rice for table use was diverted to liquor processing.

aT has resumed rice auctions for tenders of table rice imported under 2015 TRQ since February 1, 2017, after a four month temporary break, which led to an even slower sales pace than normal (Table 42). Thai long-grain rice imported under the 2016 TRQ has been auctioned off more quickly in order to meet market demand for long-grain rice, and also because it does not compete with domestic markets for short-grain rice (Table 43).

Table 42

Korea: Status of Rice Auction for Table Rice under 2015 TRQ
(Unit: metric tons, milled basis, as of March 13, 2017)

Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price 1/
U.S. Medium Grain (Oct. 2016~)	#1	40,000	3,201	36,799	8	1,355
Chinese Short Grain (Oct. 2016 ~)	#1	20,000	374	19,626	2	1,303
Total		60,000	3,575	56,425	6	

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

Table 43

Korea: Status of Rice Auction for Table Rice under 2016 TRQ
(Unit: metric tons, milled basis, as of March 15, 2017)

Commodity (Period of	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price 1/

Auctions)						
U.S. Medium Grain	#1	40,000	0	40,000	0	na
Vietnamese Short Grain (Feb. 2017 ~)	#1	3,000	5	2,995	0	1,250
Thai Long Grain (Oct. 2016 ~)	#1	7,000	1,715	5,285	25	984
Total		50,000	1,720	48,280	3.4	

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

Exports:
Korea's rice exports were 2,313 MT in CY 2016, up 16 percent from the previous year, with U.S. imports of Korean rice higher than the previous year. Korean rice exports to China increased due to new SPS requirements agreed upon in early 2016. Please refer to GAIN Report KS1602 (Grain and Feed Update) for more details.

Table 44

Korea: Rice Export (Milled)				
Calendar Year	To the World		To the United States	
	Quantity (MT)	Value (USD1,000)	Quantity (MT)	Value (USD1,000)
2005	18	89	5	5
2006	9	40	0.2	1
2007	507	1,322	333	876
2008	356	829	115	285
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

Source: Korea Customs Service (KCS)

Stocks:
MY 2017/18 ending stocks (at the end of October 2018) are forecast to decrease to 1.36 MMT, or 29 percent of total consumption. The government continues its efforts to reduce heavy rice stocks, but stocks are still higher than FAO recommended level of 800,000 MT. MY 2016/17 stocks (at the end of October 2017) are forecast to decline to 1.7 million tons, or 36 percent of total domestic consumption, due to a government policy to increase rice consumption for animal feed in CY 2017. MY 2015/16 ending stocks (through the end of October 2016) are estimated at 1.8 MMT, or 43 percent of total

domestic consumption. Rice production in the past four consecutive years has been greater than actual demand, amid declining per capita table rice consumption caused by rising incomes.

Table 45

Korea: Status of Rice Stocks (Milled rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2012/13	2013/14	2014/15a/	2015/16b/	2016/17c/	2017/18d/
Total	755	887	1,406	1,831	1,692	1,356
Government Stock	755	887	1,406	1,831	1,692	1,356

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	2015/2016		2016/2017		2017/2018	
Market Begin Year	Nov 2015		Nov 2016		Nov 2017	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	799	799	779	779	0	744
Beginning Stocks	1406	1406	1831	1831	0	1692
Milled Production	4327	4327	4197	4197	0	3900
Rough Production	5771	5771	5625	5625	0	5235
Milling Rate (.9999)	7498	7498	7461	7461	0	7450
MY Imports	312	312	410	410	0	410
TY Imports	313	313	410	410	0	410
TY Imp. from U.S.	112	111	0	140	0	140
Total Supply	6045	6045	6438	6438	0	6002
MY Exports	2	2	2	2	0	3
TY Exports	2	2	2	2	0	3
Consumption and Residual	4212	4212	4700	4744	0	4643
Ending Stocks	1831	1831	1736	1692	0	1356
Total Distribution	6045	6045	6438	6438	0	6002
(1000 HA) ,(1000 MT)						

Korea: Import Trade Matrix of Rice			
Country	Korea, Republic of		
Commodity	Rice, Milled		
Time Period	Jan/Dec	Units:	1,000MT
Imports for:	2015		**2016**
U.S.	143	U.S.	111
Others		Others	
China	168	China	163
Thailand	9	Thailand	9
Australia	14	Australia	15
Vietnam	38	Vietnam	10
		India	5
Total for Others	229		202
Others not Listed	0		0
Grand Total	372		313

Appendix

Table 46

Korea: Monthly Wholesale Price of Milled Rice (High Quality)						
Month\Year	CY 2015		CY 2016		CY 2017	
	Won/Kg	USD/Kg	Won/Kg	USD/Kg	Won/Kg	USD/Kg
January	2,070	1.90	1,810	1.51	1,602	1.35
February	2,069	1.88	1,810	1.49	1,590	1.39
March	2,046	1.84	1,810	1.53	1,590	1.39
April	2,040	1.88	1,810	1.58	na	na
May	2,019	1.85	1,810	1.54	na	na
June	1,990	1.79	1,810	1.55	na	na
July	1,990	1.74	1,810	1.58	na	na
August	1,990	1.69	1,802	1.62	na	na
September	2,004	1.70	1,705	1.54	na	na
October	2,951	1.70	1,546	1.37	na	na
November	1,852	1.61	1,620	1.40	na	na
December	1,826	1.56	1,620	1.37	na	na
Average	1,986	1.76	1,747	1.51	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)
Note: Monthly Average Exchange Rate is applied.

Table 47

Korea: Monthly Retail Price of Milled Rice (High Quality)						
Month\Year	CY 2015		CY 2016		CY 2017	
	Won/Kg	USD/Kg	Won/Kg	USD/Kg	Won/Kg	USD/Kg
January	2,277	2.09	2,132	1.78	1,805	1.53
February	2,263	2.06	2,112	1.74	1,806	1.58
March	2,252	2.03	2,085	1.76	1,802	1.58
April	2,211	2.04	2,027	1.77	na	na
May	2,239	2.05	1,998	1.70	na	na
June	2,243	2.02	1,990	1.71	na	na
July	2,225	1.95	1,992	1.74	na	na
August	2,218	1.88	1,983	1.79	na	na
September	2,241	1.90	1,970	1.78	na	na
October	2,233	1.95	1,895	1.68	na	na
November	2,184	1.90	1,850	1.59	na	na
December	2,181	1.86	1,809	1.53	na	na
Average	2,230	1.97	1,985	1.71	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)
Note: Monthly Average Exchange Rate is applied.

Table 48

Korea: Foreign Exchange Rate (Korean Won against USD)			
Month	CY 2015	CY 2016	CY 2017
January	1,087	1,196	1,183
February	1,099	1,216	1,143
March	1,112	1,184	1,141[a/]
April	1,086	1,146	na
May	1,091	1,172	na
June	1,112	1,167	na
July	1,143	1,142	na
August	1,177	1,110	na
September	1,182	1,107	na
October	1,146	1,125	na
November	1,151	1,160	na
December	1,172	1,182	na
Average	1,130	1,158	na

Source: Global Financial Service
a/ March 1-22, 2017