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Korea - Republic of

Grain and Feed Annual

Korean Animal Feed to Include More Corn and Wheat, Less Rice

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Report Highlights:
Korean rice production is forecast to decrease in MY 2018/19 as the government's rice reduction program takes effect. Meanwhile, rice imports are anticipated to remain steady. The government will continue to decrease rice stocks, using more limited amounts of rice for feed, and also donating through food aid. Feed wheat consumption is expected to rebound in MY 2018/19 from a drop in 2017/18, while wheat flour use remains steady. Corn feed consumption is forecast to increase steadily, as other uses stay stagnant. Wheat and corn imports are thus expected to increase to meet this improved demand.

Commodities:
Wheat

Production:
MY 2018/19 wheat production is forecast to stay around 32,000 tons, unchanged from the current marketing year's estimate, based on a five-year average yield and acreage. The estimate for MY 2017/18 wheat production is expected to decline to 32,000 MT with wheat area reduced by the lack of demand for local wheat. The Korean government is not expected to release official numbers until the end of June 2018.

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	3.71	38,705
2017a/	9,283	3.44	32,000

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

Consumption:
MY 2018/19 wheat consumption is forecast at 4.36 million metric tons (MMT), an increase of 200,000 metric tons (MT) from the estimated consumption in the current marketing year. Wheat flour consumption is projected to remain stagnant due to saturated market demand, while feed wheat consumption will be increasing from the current marketing year due to international market dynamics (Table 2).

In MY 2017/18, wheat consumption is expected to decline to 4.16 MMT, down eight percent from the previous marketing year due mainly to lower demand for imported feed-grade wheat, which has had less competitive prices against corn during the marketing year based on price at estimated time of arrival

(Table 8 & 25). Milling wheat consumption is expected to be almost unchanged from the previous year at around 2.4 MMT.

Table 2

Korea: Post Estimates of Wheat Use (1,000 MT, July/June)				
Marketing Year	2015/16	2016/17	2017/18[c/]	2018/19[c/]
Imported Milling Wheat [1/]	2,203	2,231	2,200	2,200
Imported Milling Wheat [2/]	190	200	200	200
Flour Imports [a/]	50	33	30	30
Flour Exports [a/]	30	37	50	50
Pasta Imports [a/]	142	147	150	150
Pasta Exports [a/]	147	200	200	200
Local Wheat	26	39	32	32
FSI Consumption [b/]	**2,434**	**2,413**	**2,362**	**2,362**
Feed Wheat	1,728	2,117	1,800	2,000
Total Consumption [b/]	**4,162**	**4,530**	**4,162**	**4,362**

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 2015/16	MY 2016/17	MY 2017/18	MY 2015/16	MY 2016/17	MY 2017/18
July	124	180	136	181	176	178
August	119	174	136	170	180	188
September	124	182	142	178	173	201
October	151	211	140	182	178	160
November	140	191	151	169	179	184
December	151	214	148	189	189	182
January	135	182	138	191	184	198
Sub Total	**944**	**1,334**	**991**	**1,260**	**1,259**	**1,291**
February	138	159	Na	160	172	Na
March	153	170	Na	188	191	Na
April	142	146	Na	178	178	Na
May	167	157	Na	170	179	Na
June	186	151	Na	178	186	Na
Total	**1,728**	**2,117**	Na	**2,134**	**2,165**	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	2012	2013	2014	2015	2016	2017
Total Consumption [1/]	1,672	1,595	1,660	1,706	1,701	Na [3/]
Per Capita (kg/Year) [2/]	33.4	31.7	32.9	33.7	33.2	Na [3/]

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

3/ Official data will be released early April 2018

Trade:

MY 2018/19 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 2017/18 wheat imports are expected to stay around 4.4 MMT, a number that includes flour and pasta imports on a wheat equivalent basis, down six percent from the previous marketing year due to anticipated smaller imports of feed grade wheat. During the first seven months of the current marketing year, imports for feed wheat were 35 percent lower than the previous year (Table 6) and pending feed-grade wheat contracts for the remaining five months are lower than last year (Table 8). In the first seven months of MY 2017/18, Ukraine has been the largest supplier of feed-grade wheat, followed by Russia, EU countries (such as France and Bulgaria), and Brazil. Meanwhile, milling wheat imports are expected to be higher than the previous year, based on projections incorporating the higher imports of milling wheat during the first seven months of this year.

Imports of U.S. wheat in MY 2017/18 are expected to stay around 1.3 MMT, including 100,000 MT of feed grade wheat.

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	2,416	50	142	4,420
16/17	2,174	2,313	33	147	4,667
17/18[2/]	1,800	2,400	30	150	4,380
18/19[2/]	2,000	2,400	30	150	4,580

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 2015/16	MY 2016/17	MY 2017/18	MY 2015/16	MY 2016/17	MY 2017/18
July	162	180	113	244	226	269
August	58	130	30	133	161	297
September	212	203	243	224	179	182
October	200	305	109	201	186	163
November	191	208	142	195	211	179
December	110	207	186	217	159	175
January	50	200	114	190	198	256
Sub Total	**983**	**1433**	**937**	**1,404**	**1,320**	**1,521**
February	174	152	Na	192	149	Na
March	143	210	Na	192	255	Na
April	107	91	Na	227	176	Na
May	214	88	Na	207	248	Na
June	191	198	Na	194	165	Na
Total	**1,812**	**2,174**	Na	**2,416**	**2,313**	Na

Source: Korea Customs Service

Table 7

Korea: MY 2017/18 Monthly Wheat Imports by Origin (1,000 MT, based on Customs Clearance)						
Country	U. S.	Australia	Canada	Ukraine	Other	Total
Milling Wheat						
July 2017	121	100	47	0	1	269
August	212	64	21	0	0	297
September	28	154	0	0	0	182
October	86	77	0	0	0	163
November	77	54	49	0	0	179
December	84	86	5	0	1	175
January 2018	166	90	0	0	0	256

Total(Jul-Jan) 2017/18	**774**	**624**	**122**	**0**	**2**	**1,523**
Total(Jul-Jan) 2016/17	605	605	105	0	7	1,322
Feed Wheat						
July 2017	79	0	0	9	25	113
August	14	0	0	0	16	30
September	1	0	0	242	0	243
October	0	0	0	109	0	109
November	1	0	0	110	31	142
December	0	0	0	119	67	186
January 2018	4	0	0	60	50	114
Total(Jul-Jan) 2017/18	**99**	**0**	**0**	**651**	**186a/**	**936**
Total(Jul-Jan) 2016/17	0	0	0	963	471b/	1,434
Total Wheat						
July 2017	200	100	47	9	26	382
August	226	64	21	0	16	327
September	29	154	0	242	0	425
October	86	77	0	109	0	272
November	78	54	49	110	31	321
December	84	86	5	119	68	361
January 2018	170	90	0	60	50	370
Total(Jul-Jan) 2017/18	**873**	**624**	**122**	**651**	**188**	**2,459**
Total(Jul-Jan) 2016/17	**605**	**605**	**105**	**963**	**478**	**2,756**

Source: Korea Customs Service

a/ Russia (146,824MT); Brazil (16,421MT); Bulgaria (7,466MT) and France (16,075MT)

b/ Argentina (166,554 MT); France (68,112MT); Bulgaria (72,301MT); Russia (70,260 MT) and Romania (91,660MT)

Table 8

Korea: MY 2017/18 Feed Wheat Contracts
by Estimated Time of Arrival (ETA)
(Unit: 1,000 MT, as of February 2018)

ETA	Quantity	Price (US$/MT)[1/]
Jul. 2017	0	-
Aug.	65	197
Sep.	188	188
Oct.	196	188
Nov.	132	188
Dec.	65	194
Jan. 2018	65	196
Feb.	68	196
Mar.	125	215
Apr.	65	218
Total	969	194

Source: Local Grain Traders

1/ CNF on Weighted Average

Tariffs

In late December 2017, the Ministry of Strategy and Finance (MOSF) released its adjusted tariffs and tariff rate quotas (TRQs) for CY 2018. MOSF continued to exclude milling wheat from the CY 2018 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 2018, 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 2018 (Percent)					
Commodity		Applied Tariff Rate		Bound Tariff Rate	
		2017	2018	2017	2018
Durum Wheat, Seed	1001.11.0000	3		9.0	
Durum Wheat, Other	1001.19.0000	3		9.0	
Seed, Meslins	1001.91.1000	3		9.0	
Seed, Other	1001.91.9000	1.8		1.8	
Feeding, Meslins	1001.99.1010	3		9.0	
Feeding, Other	1001.99.1090	0		1.8	
Milling, Meslins	1001.99.2010	3		9.0	
Milling, Other[1/]	1001.99.2090	1.8		1.8	
Others, Meslins	1001.99.9010	3		9.0	
Others, Other[1/]	1001.99.9090	1.8		1.8	

Source: Korea Customs Service (KCS)

1/ The number in parenthesis is the in-quota tariff rate.

Flour Trade:

MY 2017/18 flour imports are expected to decrease to close to 30,000 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 50,000 MT (wheat equivalent), while pasta exports could sharply increase to more than 200,000 MT (wheat equivalent) for the year, based on flour trade for the first eight months. The situation is unlikely to change in MY 2018/19.

Table 10

Korea: Wheat Flour Imports (H.S.: 1101) (Metric Ton, July/June)

Country	MY2012	MY2013	MY2014	MY2015	MY2016	MY2017/b
U.S.A.	1,318	716	793	567	352	392
Canada	1,037	973	829	600	797	957
Australia	395	658	2,041	1,246	840	873
China	121	60	0	0	3	5
Turkey	3,636	1,144	996	771	1,493	1,544
Indonesia	9,616	8,011	5,968	6,678	6,050	3,404
Russia	0	0	4,189	10,626	57	0
Others	12,478	10,237	17,391	16,319	14,803	13,962
Total	**28,600**	**21,799**	**32,207**	**36,816**	**24,395**	**21,137**
Wheat Basis[a/]	**39,125**	**29,821**	**44,059**	**50,364**	**33,372**	**28,915**

Source: Korea Customs Service (KCS)
a/ Applied converting factor: 1.368
b/ Year round based on the first eight months (July 2017-February 2018)

Table 11

Korea: Pasta Imports (H.S.: 190219, 190230, 190240) (Metric Ton, July/June)				
Country	MY2014	MY2015	MY2016	MY2017b/
Total	97,475	103,707	107,357	114,670
Wheat Basis [a/]	133,346	141,871	146,864	156,869

Source: Korea Customs Service (KCS)
a/ Applied converting factor: 1.368
b/ Year round based on the first eight months (July 2017-February 2018)

Table 12

Korea: Wheat Flour Exports (H.S.: 1101) (Metric Ton, July/June)						
Country	MY2012	MY2013	MY2014	MY2015	MY2016	MY2017b/
Total	16,415	17,437	20,629	21,699	26,958	40,096
Wheat Basis [a/]	22,456	23,854	28,220	29,684	36,879	54,852

Source: Korea Customs Service (KCS)
a/ Applied converting factor: 1.368
b/ Year round based on the first eight months (July 2017-February 2018)

Table 13

Korea: Pasta Exports (H.S.: 190219, 190230, 190240) (Metric Ton, July/June)				
Country	MY2014	MY2015	MY2016	MY2017b/
Total	88,354	107,455	145,858	168,159
Wheat Basis [a/]	120,868	146,998	199,534	230,041

Source: Korea Customs Service (KCS)

a/ Applied converting factor: 1.368
b/ Year round based on the first eight months (July 2017-February 2018)

Production, Supply and Demand Data Statistics:

Wheat PS&D

Wheat	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jul 2016		Jul 2017		Jul 2018	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	10	10	11	9	0	9
Beginning Stocks	1507	1507	1442	1446	0	1468
Production	35	39	34	32	0	32
MY Imports	4667	4667	4400	4400	0	4600
TY Imports	4667	4667	4400	4400	0	4600
TY Imp. from U.S.	1388	1222	0	1300	0	1300
Total Supply	6209	6213	5876	5878	0	6100
MY Exports	237	237	240	250	0	250
TY Exports	237	237	240	250	0	250
Feed and Residual	2117	2117	2000	1800	0	2000
FSI Consumption	2413	2413	2280	2360	0	2360
Total Consumption	4530	4530	4280	4160	0	4360
Ending Stocks	1442	1446	1356	1468	0	1490
Total Distribution	6209	6213	5876	5878	0	6100
Yield	3.5	3.9	3.0909	3.5556	0	3.5556
(1000 HA) ,(1000 MT) ,(MT/HA)						

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Wheat		
Time Period	July/June	Units:	1,000MT
Imports for:	2015		2016
U.S.	1124	U.S.	1222
Others		Others	
Australia	1104	Australia	1079
EU	367	EU	365
Canada	180	Canada	164
Ukraine	1091	Ukraine	1171
Argentina	289	Argentina	167

Russia	64	Russia	77
		Brazil	233
Total for Others	3095		3256
Others not Listed	8		8
Grand Total	4227		4486
Note: excludes the import of wheat flour and pasta			

Table 14

Korea: Milling Wheat Imports by Variety (Arrival Basis, Calendar Year)							
Origin	Variety	CY 2015		CY 2016		CY 2017	
		Quantity (MT)	%	Quantity (MT)	%	Quantity (MT)	%
United States	No. 1 WW/SW	450,780	20.6	433,635	19.9	436,469	19.5
	No. 1 WW/SW 9.5 max.	1,500	0.1	17,113	0.8	0	0
	No. 1 WW/SW 8.5 max.	40,784	1.9	39,884	1.8	48,483	2.1
	No. 1 HRW 11.5 min.	176,122	8.0	191,134	8.8	205,526	9.2
	No. 1 DNS 14.0 min.	336,723	15.4	345,983	15.9	360,312	16.1
	No. 2 SRW	5,089	0.2	4,150	0.2	4,354	0.2
	Sub Total	**1,010,998**	46.2	**1,031,899**	47.4	**1,055,144**	47.1
Australia	ASW [a/]	904,770	41.3	909,682	41.8	863,240	38.6
	AH [b/]	133,460	6.1	122,299	5.6	128,923	5.7
	APH [d/]	249	0.1	0	0	0	0
	APW [e/]	3,960	0.1	7,920	0.4	46,519	2.1
	ANW [c/]	2,200	0.1	0	0	0	0
	Sub Total	**1,044,639**	47.7	**1,039,901**	47.8	**1,038,682**	46.4
Canada	No. 2 CWRS 13.5 min.	**127,960**	5.8	**99,494**	4.6	137,629	6.2
	No. 2 CPSR 11.0 min.	**1,100**	0.1	**0**	0	0	0
	Sub Total	**129,060**	5.9	**99,494**	4.6	**137,629**	6.2
Others	Organic Wheat	**5,156**	0.2	**4,794**	0.2	**7,040**	0.3
	Grand Total	**2,189,853**	100	**2,176,088**	100	**2,238,495**	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 2018/19 is expected to remain steady at around 15,000 hectares, while production is forecast at 75,000 MT based on the preceding five-year average yield.

Statistics Korea (KOSTAT) recently released data on CY 2017, listing planted area at 15,074 hectares, down one percent from 2016. FAS Seoul estimates Korean corn production at about 76,000 MT based on the preceding five-year average yield. The government will release the 2017 official production figures in April 2018.

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	15,183	4.85	73,681
2017[a/]	15,074	5.04	76,000

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

Consumption:

MY 2018/19 corn consumption is forecast to increase to 10.4 MMT, up about four percent from the estimated consumption in the current marketing year (MY2017/18). This number is composed of 8.0 MMT for feed purposes and 2.4 MMT for food, seed and industrial (FSI) purposes. Feed corn consumption is forecast to increase by 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 2.4 MMT to meet a stable demand for high fructose corn syrup (HFCS) and other corn products from Korean food industries.

Corn consumption for MY 2017/18 increased to 10.0 MMT from the previous forecast of 9.8 MMT due to a greater demand for feed corn that offset lack of feed wheat supply, consisting of 7.6 MMT for feed and 2.4 MMT for food, seed and industrial (FSI) purposes. The demand for corn used for compound feed production will climb to 7.6 MMT, up 100,000 MT from the USDA official forecast.

MY 2016/17 corn consumption increased to 9.56 MMT, up two percent from USDA official numbers due to greater use of FSI, consisting of 7.03 MMT for feed and 2.52 MMT for FSI use.

Feed

Compound feed production is forecast to reach around 19.7 MMT for MY 2018/19. 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 2017/18 compound feed production is expected to grow three percent to reach around 19.5 MMT, a similar level prior to the end-of-2016/early 2017 HPAI outbreak (Table 30).

Food

Corn processors use Genetically Modified (GM) corn, non-biotech Identity Preserved (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 2015/16	MY 2016/17	MY 2017/18	MY 2015/16	MY 2016/17	MY 2017/18
October	699	611	589	189	200	185
November	660	628	645	186	186	192
December	732	618	672	172	185	192
January	673	571	693	183	190	200
Subtotal	**2764**	**2428**	**2,599**	**730**	**761**	**769**
February	648	521	na	160	176	na
March	688	581	na	191	199	na

April	650	541	na	186	194	na
May	651	597	na	191	194	na
June	634	595	na	191	196	na
July	593	555	na	203	204	na
August	598	591	na	191	194	na
September	615	622	na	176	197	na
Total	**7,841**	**7,031**	na	**2,220**	**2,315**	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	7,031	2,315	89	9,435
2017/18 c/	7,600	2,300	100	10,000
2018/19 c/	8,000	2,300	100	10,400

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
February	154,768	5,521	160,289	170,261	6,139	176,400
March	184,879	6,126	191,005	192,102	7,007	199,109
April	180,131	6,141	186,272	187,708	6,240	193,948
May	184,283	6,252	190,535	187,247	6,506	193,753

June	185,398	5,804	191,202	190,125	5,922	196,047
July	197,386	5,903	203,289	197,619	6,286	203,905
August	184,634	6,111	190,745	188,188	5,664	193,852
September	169,743	5,763	175,506	190,085	6,907	196,992
Total	2,146,834	72,771	2,219,605	2,238,853	76,151	2,315,004

Source: Korea Corn Processing Industry Association (KOCPIA)

Table 19

Korea: Feed Ingredient Use for Compound Feed Production (October/September, 1,000 MT)				
Items	MY 2015/16	MY 2016/17[a/]	MY 2017/18[a/]	MY 2018/19[a/]
Sub-Total Grains and Grain Substitutes	12,395	12,116	12,700	12,900
- Wheat	1,910	2,025	1,800	2,000
- Corn	7,841	7,031	7,600	8,000
- Rice	73	365	750	300
- Other Grains and Grain Substitute [b/]	2,571	2,695	2,550	2,600
Others [c/]	7,028	6,844	6,800	6,800
Grand Total	**19,423**	**18,900**	**19,500**	**19,700**

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 Use (October/September, 1,000 MT)				
Species	MY 2015/16	MY 2016/17	MY 2017/18a/	MY 2018/19a/
Poultry	5,797	5,402	5,800	5,900
Swine	6,247	6,327	6,500	6,600
Cattle	5,820	5,807	5,800	5,800
Others [b/]	1,529	1,381	1,400	1,400
Sub Total	**19,393**	**18,917**	**19,500**	**19,700**
Aquaculture	132	148	150	**160**
Milk Substitute	51	52	55	**60**
Grand Total	**19,576**	**19,117**	**19,705**	**19,920**

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 2016/17	MY 2017/18	Change
Poultry	1,847	1,981	+7.3
Swine	2,193	2,278	+3.9
Cattle	1,976	1,952	-1.2
Others	480	472	-1.7
Total	6,496	6,683	+2.9

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

Trade:

With expected increases in swine and poultry inventories, MY 2018/19 total corn imports are forecast to increase to 10.3 MMT, up 400,000 MT from the estimate for the current marketing year, consisting of 8.0 MMT of feed corn for compound feed, and 2.3 MMT of processing corn for food processing.

Based on the average U.S. market share in corn in Korea over the previous five years, MY 2018/19 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 similar to the estimated 40 percent of total Korean corn imports for the current marketing year.

Total corn imports for the current marketing year of MY 2017/18 are expected to reach 9.9 MMT, up seven percent from the previous year in order to meet a greater demand for feed that offset reduced supply of feed wheat, with U.S. market share declining to less than 40 percent of total corn imports because there was just an eight percent share of U.S. corn in total corn imports for the first five months of the year. Local traders also expect the U.S. corn market share to be less than 40 percent of total corn supply due to less price competitiveness than South American origin (Table 23).

As of early March 2018, importers had contracted about seven MMT of corn for October 2017 through June 2018 deliveries, and they were continuing to make contracts for arrival in June 2018 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 180-216 per metric ton CNF. Conventional corn for processing is contracted from Eastern Europe with a price range of USD 189-219 per metric ton, CNF. Most recent buying contracts stabilized in the range of USD 211-220 per ton for feed corn with delivery of June and July and USD 204-228 for processing corn with delivery of May 2018, 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	6,912	2,308	9,220	4,988	973	5,961	65
17/18a/	7,600	2,300	9,900	3,500	500	4,000	40

Source: Korea Customs Service
a/ FAS/Seoul forecast

Table 23

Korea: MY 2017/18 Monthly Corn Imports by Origin (1,000 MT, based on Customs Clearance)						
Country	U. S.	Argentina	Brazil	Russia	Others1/	Total
Feed Corn						
2017 October	42	386	196	1	2	627
November	66	367	223	0	2	658
December	30	122	396	2	91	641
2018 January	118	269	258	1	68	714
2017/18 (Oct-Jan)	**256**	**1,144**	**1,073**	**4**	**163**	**2,640**
2016/17 (Oct-Jan)	1,618	71	457	50	168	2,364
Processing Corn						
2017 October	8	0	50	30	37	125
November	1	0	123	103	15	242
December	0	0	17	64	26	107
2018 January	3	28	60	162	39	292
2017/18 (Oct-Jan)	**12**	**28**	**250**	**359**	**117**	**766**
2016/17 (Oct-Feb)	289	0	11	284	100	684
Total						
2017 October	50	386	246	31	39	752
November	67	367	346	103	17	900
December	30	122	413	66	117	748
2018 January	121	297	318	163	107	1,006
2017/18 (Oct-Jan)	**268**	**1,172**	**1323**	**363**	**280**	**3406**
2016/17 (Oct-Jan)	1,907	70	469	334	268	3,048

Source: Korea Customs Service
1/ Serbia (7,678 MT), Hungary (7,678MT), Australia (21,373 MT) and Ukraine (221,728 MT) for MY2016/17 (Oct/Jan); and South Africa (67,744MT), Serbia (30,119MT), Australia (23,221MT) and Paraguay (159,393MT) for MY2017/18 (Oct/Jan)

Table 24

Korea: Monthly Corn Imports (1,000 MT, Customs Cleared Basis)						
Month	Feed Corn			Processing Corn		
	MY 2015/16	MY 2016/17	MY 2017/18	MY 2015/16	MY 2016/17	MY 2017/18
October	651	618	627	171	146	125

November	673	659	658	175	171	242
December	853	636	641	211	162	107
January	563	451	714	245	205	292
Sub Total	**2,740**	**2,364**	**2,640**	**802**	**684**	**766**
February	528	627	na	112	147	na
March	782	490	na	198	251	na
April	702	653	na	206	165	na
May	620	655	na	193	211	na
June	636	552	na	146	267	na
July	654	501	na	252	209	na
August	680	417	na	127	166	na
September	491	653	na	253	207	na
Total	7,833	6,912	na	2,289	2,308	na

Source: Korea Customs Service

Table 25

Korea: MY 2017/18 Corn Contracts [1/] By Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of Early March 2017)				
ETA	Quantity		Price (USD/MT)[2/]	
	Feed	Processing	Feed	Processing
Oct. 2017	675	150	182.58	199.67
Nov.	942	110	180.71	188.78
Dec.	390	230	186.45	194.99
Jan 2018	458	295	187.27	198.48
Feb.	730	60	188.06	192.90
Mar.	662	170	187.72	196.62
Apr.	668	120	191.86	202.72
May	663	180	198.94	218.83
Jun.	193	na	215.52	na
Jul.	137	na	215.78	na
Sub Total	5,518	1,315		
Grand Total	**6,833**			

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 2017, the Ministry of Strategy and Finance (MOSF) released its adjusted tariffs and tariff rate quotas (TRQs) for CY 2018. 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 2018. However, the government excluded processing corn from the list of TRQs in 2018. The out-of-quota duty for both feed and processing corn remained fixed at 328 percent. Please refer to GAIN report KS1805 for more details.

The 10 MMT of the annual autonomous TRQs for feed corn 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 current market access quota (CMA).

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 and reach 412,603 MT in CY 2018, with tariffs being completely phased out by 2019. For greater detail, please refer to Chapter 3, Annex 3-A of the trade agreement.

Table26

Korea: Import Tariff Rate for CY 2018							
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	2016/2017		2017/2018		2018/2019	
Market Begin Year	Oct 2016		Oct 2017		Oct 2018	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	15	16	15	15	0	15
Beginning Stocks	1936	1936	1832	1675	0	1651
Production	75	74	76	76	0	75
MY Imports	9231	9220	9700	9900	0	10300
TY Imports	9231	9220	9700	9900	0	10300
TY Imp. from U.S.	4770	5961	0	4000	0	5000
Total Supply	11242	11230	11608	11651	0	12026
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	7210	7031	7500	7600	0	8000

FSI Consumption	2200	2524	2300	2400	0	2400
Total Consumption	9410	9555	9800	10000	0	10400
Ending Stocks	1832	1675	1808	1651	0	1626
Total Distribution	11242	11230	11608	11651	0	12026
Yield	5	4.625	5.0667	5.0667	0	5
(1000 HA) ,(1000 MT) ,(MT/HA)						

Corn Import Trade Matrix

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Corn		
Time Period	Oct/Sept	Units:	1,000MT
Imports for:	**2015**		**2016**
U.S.	2908	U.S.	5961
Others		Others	
Brazil	3947	Brazil	884
Argentina	1756	Argentina	426
Russia	942	Russia	907
Paraguay	219	South Africa	92
Serbia	116	Serbia	144
Ukraine	68	Ukraine	669
Hungary	66	Hungary	51
Australia	48	Australia	54
Total for Others	7162		3227
Others not Listed	51		32
Grand Total	10121		9220
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
16/17	6,912	2,308	9,220	4,988	973	5,961	65

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
2016/17	7,031	2,315	89	9,435

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
2016/17	2,239	76	2,315

Source: Korea Corn Processing Industry Association (KOCPIA)

Table 30

Korea: Animal Inventory (1,000 Head, 1,000 Birds, as of March 2018)					
Animal	Year	March	June	September	December
Beef Cattle	2014	3,083	3,149	3,103	3,028
	2015	2,896	2,984	2,996	2,909
	2016	2,821	2,996	3,016	2,963
	2017	2,885	3,034	3,120	2,997
	2018	2,923c/	na	na	3,081d/
Dairy Cattle	2014	437	436	442	445
	2015	439	433	430	428
	2016	425	420	421	418
	2017	416	414	411	409
	2018	408c/	404c/	na	410d/
Swine	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	10,328	10,432	10,782	10,514
	2018	10,600c/	10,600c/	10,900c/	10,875d/
Layer a/	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	51,608	57,383	67,833	72,710
	2018	72,810c/	na	na	na
Broiler b/	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	79,332	104,205	80,546	85,436
	2018	90,290c/	na	na	na

Source: Korea Statistics (KOSTAT)
a/ Excluding breeders
b/ Excluding multi-use broilers
c/ KREI forecast
d/ FAS Seoul forecast
Note: The Korean government changed the basis for estimating cattle inventory as of September 2017. The Korea Statistics Service switched from a sample survey-based cattle inventory estimate to the actual number of cattle registered under the traceability system. As it is mandatory to register cattle under the traceability system, this change will allow for more accurate inventory numbers. However, this change increased cattle inventory statistics by an average of 240,000 heads (KS1810).

Table 31

Korea: Feed Ingredients Use for MY2015-MY2016
(1,000 MT, October/September)

INGREDIENT	MY2015/2016			MY2016/2017		
	TOTAL	DOM 1/	%	TOTAL	DOM 1/	%
GRAINS:						
CORN	7,842	-	40.4	7,031	0	37.1
SORGHUM	-	-	0.0	2	0	0.0
WHEAT	1,910	0	9.8	2,025	0	10.7
BARLEY	28	2	0.1	22	1	0.1
RYE	0	0	0.0	0	0	0.0
OATS	4	2	0.0	4	2	0.0
GSP/BROKEN GRAIN	95	94	0.5	116	116	0.6
TAPIOCA	237	-	1.2	211	0	1.1
LUPIN SEED	61	9	0.3	120	18	0.6
RICE	73	73	0.3	365	365	2.3
OTHERS	165	158	1.2	196	193	0.6
SUB TOTAL	**10,415**	**338**	**53.6**	**10,092**	**695**	**53.2**
GRAIN BY-PRODUCTS:						
WHEAT BRAN	515	395	2.7	537	421	2.8
RICE BRAN	192	191	1.0	206	207	1.1

BARLEY BRAN	0	0	0.0	0	0	0.0
CORN BRAN	4	4	0.0	4	2	0.0
GLUTEN FEED	964	403	5.0	972	443	5.1
OTHERS	305	234	1.6	305	243	1.6
SUB TOTAL	**1,980**	**1,227**	**10.2**	**2,024**	**1,316**	**10.7**
ANIMAL PROTEIN:						
FISH MEAL	15	9	0.1	14	8	0.1
MEAT & BONE MEAL	30	29	0.2	23	22	0.1
OTHERS	160	157	0.8	147	146	0.8
SUB TOTAL	**205**	**195**	**1.1**	**184**	**176**	**1.0**
VEGETABLE PROTEIN:						
SOYBEAN MEAL	2,531	631	13.0	2,296	575	12.1
RAPESEED MEAL	200	-	1.0	194	3	1.0
SESAMESEED MEAL	37	37	0.2	32	32	0.2
PERILLA SEED MEAL	3	3	0.0	1	1	0.0
CORN GLUTEN MEAL	75	71	0.4	68	68	0.4
DDGS 2/	779	253	4.0	945	331	5.0
COTTONSEED MEAL	0	0	0.0	1	1	0.0
PARM KERNEL MEAL	721	25	3.7	738	33	3.9
COPRA MEAL	317	1	1.6	203	0	1.1
OTHERS	274	209	1.4	286	222	1.5
SUB TOTAL	**4,937**	**1,230**	**25.4**	**4,764**	**1,266**	**25.1**
ADDITIVES/MINERALS:						
CALCIUM PHOSPHATE	73	59	0.4	68	55	0.4
LIMESTONE	528	528	2.7	501	501	2.6
SALT	67	65	0.3	65	63	0.3
OTHER	273	269	1.4	309	306	1.6
SUB TOTAL	**941**	**921**	**4.8**	**943**	**925**	**5.0**
OTHER INGREDIENTS:						
TALLOW	318	310	1.6	322	320	1.7
MOLASSES	399	323	2.1	380	309	2.0
UREA	2	2	0.0	2	2	0.0
OTHER	226	196	1.2	249	219	1.3
SUB TOTAL	**945**	**831**	**4.9**	**953**	**850**	**5.0**
GRAND TOTAL	**19,423**	**4,742**	**100.0**	**18,960**	**5,228**	**100.0**

Source: Korea Feed Association (KFA)
1/ Domestic Products
2/ refer to KS1748 for more details

Commodities:

Rice, Milled

Production:
MY 2018/19 rice production is forecast to decline to 3.85 million metric tons (MMT) – down three percent from 3.97 MMT in 2017/18 – based on the five-year Olympic average yield and the Korean government's efforts to reduce rice paddy area under the rice reduction program (Table 32) according to the government survey of farmers' planting intentions as of March 19, 2018.

Information about the 2017 rice crop is available in KS1743 (2017 Rice Production Update).

Area
Rice area has continued to decrease annually – with decreases ranging from 5,000 ha to 38,000 ha every year since 2001. In 2017, rice planting/harvesting area decreased by 24,018 ha, down 3.1 % from last year, as more land went into housing and building construction and the conversion of rice paddy land to more profitable cash crops. The government also encouraged rice farmers to cultivate other crops on what had been rice acreage to reduce the burden of heavy stocks accumulated since MY2013/14. As a consequence, the Korean government initiated a 'rice reduction program' this year that is designed for rice farmers who cultivate other crops on land previously planted to rice to receive Korean Won (KRW) 3.4 million per ha (USD2,800 per ha) on average. A government budget of KRW 137 billion (USD114 million), targeting 50,000 ha, is available for the program. If rice farmers actively participate in the program, the program will lead to a reduction of 250,000 MT of rice. As of March 26, 2018, a Korean government survey of rice farmers' intentions to join the rice reduction program has shown just 14,069 ha, or only 28 percent of the goal of the rice reduction plan. The Korean government has continued to outreach rice farmers to encourage participation in the rice reduction program by extending the closing date of application to April 20, 2018.

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 2018 crop. FAS/Seoul forecasts rice average yields at 5,283 kg/ha based on the 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: 2018 Rice Production Forecast		
	2017 Rice Production	2018 Rice Production Forecast[1/]
Area (1,000 ha)	755	730
Yield (kg/ha)	5,264	5,283
Production (1,000MT)	3,972	3,857

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
2017	755	5,264	3,972
2018d/	730	5,283	3,857
2018e/	705	5,283	3,725

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 farmers' planting intention acreage surveyed as of March 26th 2018
e/ FAS/Seoul forecast based on Korean government reduction plan

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 2017, combined support payments of 1,371 billion Korean Won (USD 1.21 billion) were received from both direct payment systems (Table 34).

An explanation of how these payments are calculated is hereby provided:

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 2017 area payment was 1,003,027 won (USD 888) per hectare. Paddy area covered under this support program decreased to 829,000 hectares in 2017, down one percent from the previous year (Table 34).

Deficiency Payment: The deficiency payment is 85 percent of the difference between the national-average market price during the 2017 harvest season (2017 Oct.-2018 Jan.) and the 2017 target price set by the government, less the area payment.

In CY 2017, the total deficiency payment amounted to Korean Won 539.3 billion (USD 478 million). This payment was the difference between the average harvest price of 1,933 Won (USD 1.71) per kilogram (milled) and the target price of 2,350 Won (USD 2.08) per kilogram (milled). The weighted average area payment of Korean Won 1,000,000 per hectare is converted to a kilogram equivalent (198.4 Won/kg) by dividing it by the 1999-2003 Olympic average yields, which increased to 5,040 kg per hectare from the previous 4,880 kg in CY 2012.

Due to increasing farm gate prices during the harvest season, farmers received deficiency payments at Korean Won 156.4 per kg in CY 2017. 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 1,933] x .85] – W 1,000,000/5,040 kg = W 156.4 per kilogram

Please refer to Page 10 of ERS Report of The Rice Market in South Korea for more details.

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 2017, the Korean government purchased 711,000 MT (milled basis) of paddy rice, which consists of 331,000 MT of PFSP, an additional quantity of 370,000 MT for stabilizing harvest pressure on prices and 10,000 MT for the ASEAN Plus Three Emergency Rice Reserve (APTERR) (Table 35). Korea has purchased 100,000 MT of rice (milled basis) under the APTERR program since 2014.

Rice Millers Purchase:

Korean rice millers, known as Rice Processing Complexes (RPC), purchased 1.84 MMT (milled basis) of paddy rice at a free loan rate under the National Agricultural Cooperative Federation (NACF) loan program during the 2017 harvest season. NACF member RPCs purchased 1.59 MMT, and independent RPCs bought 0.25 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 3.1 trillion Korean won (USD 2.5 billion), consisting of 1.9 trillion Korean Won from NACF and 1.2 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
2017	829	1,003,027	831.5	3,447	156.6	539.3	1,370.8

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	678[c/]	16.1
2017	3,972	711[d/]	17.9

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 349,000 MT under PFSP, but exclude 30,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)
d/ Includes 370,000 MT to stabilize rice markets in addition to 331,000 MT under PFSP and 10,000 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
2017	3,972	1,590	40

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

Consumption:
MY 2018/19 rice consumption is forecast at 4.4 MMT, down nine percent from estimates for the current marketing year due to a decreasing allocation of rice used for feed as old rice stocks have been depleted. Imported rice constitutes about nine percent of total consumption.

Korean consumers prefer short-grain table rice. 76 percent of domestic production (all short-grain) was consumed as table rice in MY 2016/17. 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, declining to 61.9 kg in MY 2015/16 according to preliminary government statistics and is forecast to decline to 61.8 kg in MY 2016/17. FAS/Seoul forecasts per capita table rice consumption at 61.5 kg in MY 2017/18 based on declining consumption trends for table rice, decreasing further to 61.3 kg in MY 2018/19 (Table 37).

In MY 2016/17, the percentage of processed rice consumption increased to 25 percent of total domestic rice consumption from 18 percent in the previous year due to a sharp increase of rice consumption for feed while rice consumption used in food processing has also continued increasing. In MY 2017/18, heavy stocks will lead the share of rice used in processing to increase further to 29 percent, due mainly to a sharp increase of rice used in animal feed. The Korean government is expected to continue rice consumption as animal feed in MY 2018/19 as well (Table 37).

Feed:
In order to reduce high ending stocks, the Korean government as administered by MAFRA has released rice to be used as feed since MY 2015/16. 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, continued overproduction led the Korean government to allow the use of 520,000 MT of old crop brown rice for feed purposes (equivalent to 470,000 MT on milled basis), consisting of 250,000 MT (brown) from the 2013 crop and 270,000 MT (brown) from the 2014 crop. Most of the stocks-for-feed rice were domestic production with the selling price set at 208 Korean Won per kg

(USD 0.18/kg), or 92 percent of the value of feed corn imported in the previous marketing year (2015/16).

In MY 2017/18 Korea plans to use 782,000 MT of brown rice for feed again at Korean Won 206 per kg (USD 0.18/kg), or 92 percent of feed corn value imported in the previous marketing year, in order to further reduce rice ending stocks. Feed rice includes 82,000 MT of brown rice (73,800 MT, milled basis) imported mainly from China under the 2014 Minimum Market Access agreement (MMA).

Rice consumption for feed is expected to drop to 300,000 MT in MY 2018/19 as most of cumulative old rice stocks will have been depleted by the end of CY 2018. Rice approved for sale from the Ministry for Agriculture, Food, and Rural Affairs (MAFRA) storage for feed use has been beneficial for millers who produce compound feed for piglets for both price and the intrinsic characteristic of rice. The released rice price for feed has been 92 percent of the average imported corn price in the previous marketing year.

FAS/Seoul forecasts Korea allocating about 300,000 MT (milled basis) of rice for feed in MY 2018/19 for rice stocks to reduce to the level of FAO's recommendation (Table 37).

Table 37

Korea: Rice Utilization Pattern (1,000 MT, milled)				
Rice Year (November - October)	MY 2015/16[a/]	MY 2016/17[b/]	MY 2017/18[c/]	MY 2018/19[c/]
Table Rice	3,199	3,190	3,180	3,170
Processing	745	1,178	1,420	1,020
(for food)	(437)	(492)	(500)	(500)
(for liquor)	(222)	(216)	(220)	(220)
(for feed)	(86)	(470)	(700)d/	(300)
Seed	34	33	33	33
Other and Loss	241	250	250	250
Total Demand	4,219	4,651	4,883	4,437
Per Capita Table Rice Consumption (kg)	61.9	61.8	61.5	61.3

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)
a/ Preliminary
b/ Forecast
c/ FAS/Seoul forecast
d/ Includes 73,800MT (milled) of imported rice, mainly from China

Table 38

Korea: Rice Consumption Pattern for Processing Purpose (1,000 MT, milled)				
Purpose	MY 2014/15 [a/]	MY 2015/16 [b/]	MY 2016/17 [c/]	MY 2017/18 [c/]
KRFA	197	222	220	220
KALIA	155	222	216	220

Others [d/]	223	215	272	280
Feed	0	86	470	700
Total	575	745	1,178	1,420

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)			
Marketing Year (Nov/Oct)	Local Rice	Imported Rice	Total
1995/96	130,632	3,000	133,632
1996/97	30,171	57,957	88,128
1997/98	933	77,259	78,192
1998/99	0	74,214	74,214
2099/00	0	67,112	67,112
2000/01	0	66,850	66,850
2001/02	79	73,884	73,963
2002/03	306	84,851	85,157
2003/04	249	91,624	91,873
2004/05	215	96,020	96,235
2005/06	67	97,250	97,317
2006/07	210	101,064	101,274
2007/08	572	109,552	110,124
2008/09	806	131,344	132,150
2009/10	24,887	154,821	179,708
2010/11	125,910	108,215	234,125
2011/12	147,462	100,249	247,711
2012/13	118,344	127,544	245,888
2013/14	63,654	162,893	226,547
2014/15	11,803	185,630	197,433
2015/16	35,907	185,853	221,760
2016/17	41,404	178,794	220,198

Source: Korea Rice Foodstuffs Association (KRFA)

Table 40

Korea: Rice Supply for Processing Purposes to KRFA Members (Metric Ton, Milled, Marketing Year (Nov/Oct))						
	MY 2014/15		MY 2015/16		MY 2016/17	
Item	Quantity	Ratio (%)	Quantity	Ratio (%)	Quantity	Ratio (%)
Cake/Noodle	86,946	44	90,736	41	90,925	41
Alcohol	39,795	20	44,259	20	41,212	19
Flour	50,968	26	58,874	27	59,049	27

Seasoning/Sweetness	3,213	2	5,878	3	4,332	2
Confectionary	9,051	4	11,755	5	12,385	6
Others	7,460	4	10,258	5	12,295	5
Total	197,433	100	221,760	100	220,198	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 with a view to ensuring 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 in CY2014 under MMA regime) and a country specific quota that guaranteed access to the domestic market. Tariffs outside the quota remain prohibitively high at 513 percent.

Imports:

MY 2018/19 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 2017/18, 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 160,000 MT (milled basis).

In MY 2016/17, Korea's rice imports were 410,519 MT, consisting of 258,083 MT imported under the 2016 TRQ quota, and 152,436 MT imported under the 2017 TRQ. In CY 2016, U.S. exports to Korea amounted to 164,400 MT, composed of 103,529 MT imported under the 2016 TRQ and 60,871 MT imported under the 2017 TRQ.

2018 TRQ Tendering Process:

Under the 2018 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 2018 TRQ thus far, however, Korea has not started to announce tender invitations and is expected to hold the first international opening tender in April 2018.

2017 TRQ Tendering Results:

The Korea Agro-Fisheries and Food Trade Corporation (aT) completed the tendering process for the 2017 TRQ commitments for rice on December 27, 2017. Korea purchased a total of 408,700 MT of rice (milled basis) from the United States, China, Thailand, Australia and Vietnam. The U.S. share was at

33.9 percent, down 6.72 percentage points from the previous year, due to more competitive pricing from other countries despite greater demand for the medium-grain variety. Contracts totaled 138,610 MT (milled), worth USD 112.6 million. U.S. contracts of 112,900 MT were for brown rice (equivalent to 101,610 MT on a milled basis) for food processing purposes, while the remaining 37,000 MT was milled rice for table use. Please refer to GAIN Report KS1804 for more details.

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

Due to heavy stocks of domestic rice caused by consistent crop overproduction since 2013, the current pace of auctions for imported rice for table use has been very slow, effectively reducing the volume of auctioned rice.

Since September 18, 2017, the government has suspended auctions for medium and short grain table rice imported under the 2015 TRQ, because farmers' groups have petitioned the government to slow down auctions for imported rice for table use. They have also asked the government to stop conducting auctions for imported medium and short grains that compete with domestic rice. However, the Korean government has continued selling auctions for long grain table rice imported from Thailand under the 2016 TRQ, as long grain rice doesn't compete with domestic short grain rice.

Table 41

Korea: Status of Rice Auction for Table Rice under 2015 TRQ
(Unit: metric tons, milled basis, as of September 18, 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	5,965	34,035	15	1,357
Chinese Short Grain (Oct. 2016 ~)	#1	20,000	1,076	18,924	5	1,307
Total		60,000	7,041	52,959	12	

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

Table 42

Korea: Status of Rice Auctions for Table Rice under 2016 TRQ
(Unit: metric tons, milled basis, as of March 21, 2018)

Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price 1/
U.S. Medium	#1	40,000	0	40,000	0	na

Grain						
Vietnamese Short Grain (Feb. 2017 ~)	#1	3,000	5	2,995	0	1,250
Thai Long Grain (Oct. 2016 ~)	#1	7,000	4,352	2,648	62	954
Total		50,000	4,357	45,643	8.7	

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

Exports:
Korea's rice exports were 2,767 MT in CY 2017, up 19 percent from the previous year, with U.S. imports of Korean rice higher than the previous year. When including rice donations from Korea, the actual volume of Korean rice exports is forecast at 63,000 MT for MY 2017/18 and 53,000 MT for MY 2018/19, respectively. Please refer to GAIN Report (KS1804) for more details of rice donation.

Table43

Korea: Rice Exports (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
2017	2,767	5,641	540	1,390

Source: Korea Customs Service (KCS), Global Trade Atlas (GTA)

Stocks:
MY 2018/19 ending stocks (at the end of October 2019) are forecast to decrease to 0.95 MMT, or 22 percent of total consumption. The government continues its efforts to reduce rice in storage with rice stocks approaching the FAO recommended level of 800,000 MT. MY 2017/18 stocks (at the end of October 2018) are forecast to decline to 1.2 million tons, or 25 percent of total domestic consumption, due to a government policy to increase rice consumption for animal feed in CY 2018. MY 2016/17 ending stocks (through the end of October 2017) are estimated at 1.78 MMT, or 38 percent of total

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

Table 44

Korea: Status of Rice Stocks (Milled rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2013/14	2014/15a/	2015/16b/	2016/17c/	2017/18d/	2018/19d/
Total Stock	887	1,406	1,831	1,784	1,220	954
Government Stock	887	1,406	1,831	1,784	1,220	954
Total Domestic Consumption	4,422	4,197	4,212	4,651	4,883	4,473
Stock to Use Ratio (%)	20.0	33.5	43.5	38.4	25.0	22.0

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	2016/2017		2017/2018		2018/2019	
Market Begin Year	Nov 2016		Nov 2017		Nov 2018	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	779	779	755	755	0	730
Beginning Stocks	1831	1831	1729	1784	0	1220
Milled Production	4197	4197	3972	3972	0	3850
Rough Production	5596	5625	5296	5286	0	5067
Milling Rate (.9999)	7500	7461	7500	7514	0	7500
MY Imports	411	411	410	410	0	410
TY Imports	412	412	410	410	0	410
TY Imp. from U.S.	138	164	0	160	0	160
Total Supply	6439	6439	6111	6166	0	5430
MY Exports	4	4	13	63	0	53
TY Exports	4	4	13	63	0	53
Consumption and Residual	4706	4651	4870	4883	0	4473
Ending Stocks	1729	1784	1228	1220	0	954
Total Distribution	6439	6439	6111	6166	0	5430
Yield (Rough)	7.1836	7.2208	7.0146	7.0013	0	6.989
(1000 HA) ,(1000 MT) ,(MT/HA)						

Korea: Import Trade Matrix of Rice			
Country	Korea, Republic of		
Commodity	Rice, Milled		
Time Period	Jan/Dec	Units:	1,000MT
Imports for:	2016		**2017**
U.S.	111	U.S.	164
Others		Others	
China	163	China	141
Thailand	9	Thailand	32
Australia	15	Australia	9
Vietnam	10	Vietnam	64
India	5	India	2
	202		248
	0		0
	313		412

Appendix

Table 45

Korea: Monthly Wholesale Price of Milled Rice (High Quality)						
Month\Year	CY 2016		CY 2017		CY 2018	
	Won/kg	USD/ kg	Won/kg	USD/kg	Won/kg	USD/kg
January	1,810	1.51	1,602	1.35	1,994	1.87
February	1,810	1.49	1,590	1.39	2,094	1.94
March	1,810	1.53	1,590	1.40	2,165a/	2.02
April	1,810	1.58	1,590	1.40	na	na
May	1,810	1.54	1,590	1.41	na	na
June	1,810	1.55	1,590	1.41	na	na
July	1,810	1.58	1,598	1.41	na	na
August	1,802	1.62	1,626	1.44	na	na
September	1,705	1.54	1,677	1.48	na	na
October	1,546	1.37	1,814	1.61	na	na
November	1,620	1.40	1,917	1.74	na	na
December	1,620	1.37	1,952	1.80	na	na
Average	1,747	1.51	1,678	1.49	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

a/ March 1-26, 2018
Note: Monthly Average Exchange Rate is applied.

Table 46

Korea: Monthly Retail Price of Milled Rice (High Quality)						
Month\Year	CY 2016		CY 2017		CY 2018	
	Won/kg	USD/ kg	Won/kg	USD/kg	Won/kg	USD/kg
January	2,132	1.78	1,805	1.53	2,167	2.03
February	2,112	1.74	1,806	1.58	2,215	2.06
March	2,085	1.76	1,803	1.59	2,273	2.12
April	2,027	1.77	1,804	1.59	na	na
May	1,998	1.70	1,768	1.57	na	na
June	1,990	1.71	1,745	1.54	na	na
July	1,992	1.74	1,728	1.53	na	na
August	1,983	1.79	1,742	1.54	na	na
September	1,970	1.78	1,931	1.71	na	na
October	1,895	1.68	2,023	1.79	na	na
November	1,850	1.59	2,118	1.92	na	na
December	1,809	1.53	2,136	1.97	na	na
Average	1,985	1.71	1,867	1.65	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)
a/ March 1-26, 2018
Note: Monthly Average Exchange Rate is applied.

Table 47

Korea: Foreign Exchange Rate (Korean Won against USD)			
Month	CY 2016	CY 2017	CY 2018
January	1,196	1,183	1,065
February	1,216	1,143	1,077
March	1,184	1,133	1,070a/
April	1,146	1,132	na
May	1,172	1,126	na
June	1,167	1,130	na
July	1,142	1,133	na
August	1,110	1,129	na
September	1,107	1,130	na
October	1,125	1,128	na
November	1,160	1,101	na
December	1,182	1,083	na
Average	1,158	1,129	na

Source: Global Financial Service
a/ March 1-22, 2018