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Korea - Republic of

Grain and Feed Update

June 2016 Update

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Report Highlights:

Notable updates for MY 2016/17 include an increase in Korean wheat consumption to 4.9 Million Metric Tons (MMT), due to anticipated increases in consumption of competitively-priced feed grade wheat. MY 2015/16 corn consumption forecast is revised up to 10.3 MMT from the previous report. In MY 2015/16, U.S. corn exports to Korea remain unchanged from the previous forecast at 2.5 MMT, down more than 1.5 MMT from the previous year due to strong competition with South American and Eastern European/Black Sea Region countries. Post's forecast for rice production for MY 2016/17 (harvest ends by October & marketing starts in November) is revised down to 3.93 million MMT,

decreasing 70,000 metric tons (MT) from the initial forecast. MY 2016/17 ending stocks (as of the end of October 2017) are forecast to increase to 1.83 MMT or 42 percent of total consumption due to recent years of overproduction caused by higher yielding varieties. In an effort to reduce historically-high stocks, the Korean government is allowing rice from the 2012 crop to be used in animal feed for the first time.

Post:
Seoul

Commodities:
Wheat

Corn

Rice, Milled

Author Defined:
Commodities:
Wheat

Production:

The Korean government is expected to release official numbers for wheat production in MY 2015 and the area of wheat cultivated in MY 2016 around the end of June 2016.

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 ^{a/}	10,076	3.46	34,895
2016 ^{b/}	13,000	3.52	45,000

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

a/ FAS/Seoul forecast 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 2016/17 wheat consumption forecast is revised up to 4.9 million metric tons (MMT), an increase of 0.5 MMT from the previous report due to an anticipated increase in availability of competitively-priced feed grade wheat versus feed corn in recent months (Table 6), with milling wheat consumption remaining stable.

In MY 2015/16, total wheat consumption is expected to stay around 4.13 MMT, slightly down from the previous report due to lower demand for imported feed-grade wheat than the previous estimate, which is slightly offset by the increase of milling wheat consumption for flour production.

Table 2

Korea: Post Estimates of Domestic Wheat Use (1,000 MT, July/June)				
Year	2013/14	2014/15	2015/16 ^{c/}	2016/17 ^{c/}
Imported Milling Wheat ^{1/}	2,132	2,165	2,200	2,150
Imported Milling Wheat ^{2/}	180	180	190	200

Flour Imports ^{a/}	30	44	60	60
Flour Exports ^{a/}	58	61	60	60
Pasta Imports ^{a/}	150	143	150	150
Pasta Exports ^{a/}	140	135	150	150
Local Wheat	27	23	35	45
FSI Consumption ^{b/}	2,321	2,359	2,425	2,395
Feed Wheat	1,936	1,490	1,700	2,500
Total Consumption ^{b/}	4,257	3,849	4,125	4,895

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

a/ Wheat basis

b/ include local wheat, flour imports and pasta imports but exclude flour exports and pasta exports

c/ FAS/Seoul forecast

1/ KOFMIA members

2/ non- KOFMIA member

Table 3

Korea: Monthly Wheat Use (1,000 MT)						
Month	Feed Wheat			Milling Wheat a/		
	MY 2013/14	MY 2014/15	MY 2015/16	MY 2013/14	MY 2014/15	MY 2015/16
July	235	129	124	176	183	181
August	219	121	119	173	175	170
September	226	126	124	156	166	178
October	245	134	151	185	179	182
November	205	130	140	180	172	169
December	159	143	151	180	186	189
January	125	123	135	184	194	191
February	100	103	138	161	152	160
March	101	116	153	176	183	188
April	100	120	142	180	176	178
Sub Total	1,715	1,245	1,377	1,751	1,766	1,786
May	108	119	na	177	172	na
June	114	125	na	175	177	na
Total	1,936	1,490	na	2,102	2,115	na

Source: KFA and KOFMIA

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

Trade:

The MY 2016/17 wheat import forecast is revised up to 5.06 MMT due to an increase of 0.5 MMT of feed grade wheat from previous estimates, as milling wheat imports are expected to remain stable (including flour and pasta imports on a wheat equivalent basis). Korea is expected to import 2.5 MMT of feed grade wheat with remaining imports consisting of milling wheat from the USA, Australia and Canada. For the first ten months of MY 2015/16, the Black Sea region was the major supplier of feed grade wheat followed by the EU.

MY 2015/16 wheat imports are revised down to 4.31 MMT, 40,000 MT less than previous estimates due to slower imports of recognized feed grade wheat contracts for the first ten months (Table 5).

Table 4

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 ^{2/}	1,700	2,400	60	150	4,310
16/17 ^{3/}	2,500	2,350	60	150	5,060

Source: Korea Customs Service

1/ Wheat basis

2/ FAS/Seoul forecast based on actual imports of wheat for the first ten months of the marketing year

3/ FAS/Seoul forecast

Table 5

Korea: Monthly Wheat Imports (1,000 MT)						
Month	Feed Wheat			Milling Wheat		
	MY 2013/14	MY 2014/15	MY 2015/16	MY 2013/14	MY 2014/15	MY 2015/16
July	249	87	162	77	178	244
August	163	35	58	259	189	133
September	198	149	211	91	182	224
October	316	230	200	234	237	201
November	161	117	191	129	179	195
December	120	97	110	267	206	216
January	130	143	50	129	212	190
February	187	64	174	182	168	187
March	42	213	143	247	189	192
April	125	48	107	210	227	227
Sub Total	1,691	1,183	1,406	1,825	1,967	2,009
May	74	143	na	165	194	na
June	183	65	na	191	209	na
Total	1,948	1,391	na	2,181	2,370	na

Source: Korea Customs Service

Table 6

Korea: MY 2016/17 Feed Wheat Contracts by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of June 2016)		
ETA	Quantity	Price (US\$/MT) ^{1/}
Jul. 2016	65	181
Aug.	70	198
Sep.	129	185
Oct.	370	188
Nov.	247	196
Total	881	

Source: Local Grain Traders

1/ CNF on Weighted Average

Table 7

Korea: Wheat Flour Imports (H.S.: 1101.00.1000) (Metric Ton, July/June)						
Country	MY2010	MY2011	MY2012	MY2013	MY2014	MY2015 ^{b/}
U.S.A.	531	1,025	1,318	716	793	567
Canada	13,540	1,381	1,037	973	829	577
Australia	528	223	395	658	2,041	1,292
China	583	0	121	60	0	1
Turkey	11,130	8,784	3,636	1,144	996	762
Indonesia	9,956	7,708	9,616	8,011	5,968	6,502
Russia	0	0	0	0	4,1890	12,751
Others	9,772	11,250	12,478	10,237	17,391	28,819
Total	46,260	30,371	28,600	21,799	32,207	38,522
Wheat Basis ^{a/}	63,133	41,548	39,125	29,821	44,059	52,699

Source: Korea Customs Service (KCS)

a/ applied converting factor: 1.368

b/ year round based on the first ten months (July 2015-April 2016)

Table 8

Korea: Pasta Imports (H.S.: 1902) (Metric Ton, July/June)						
Country	MY2010	MY2011	MY2012	MY2013	MY2014	MY2015 ^{b/}
U.S.A.	424	429	512	451	375	386
China	62,024	61,766	65,716	73,991	70,426	71,166
Italy	16,368	15,169	19,193	20,595	19,481	21,751
Thailand	3,142	3,851	4,359	4,894	4,529	5,110
Indonesia	2,530	1,593	2,007	1,994	2,596	3,120
Turkey	2,507	3,193	3,630	4,094	3,691	3,757
Others	2,960	3,090	3,466	3,717	3,721	3,793
Total	89,955	89,091	98,883	109,736	104,819	109,084
Wheat Basis ^{a/}	123,058	121,876	135,272	150,118	143,392	149,226

Source: Korea Customs Service (KCS)

a/ applied converting factor: 1.368

b/ year round based on the first ten months (July 2015-April 2016)

Table 9

Korea: Wheat Flour Exports (H.S.: 1901.20.9000 & 1901.90.9099) (Metric Ton, July/June)						
Country	MY2010	MY2011	MY2012	MY2013	MY2014	MY2015 ^{b/}
Total	48,056	44,909	46,843	43,230	45,585	43,183
Wheat Basis ^{a/}	64,075	59,879	62,457	57,640	60,780	57,578

Source: Korea Customs Service (KCS)

a/ applied converting factor: 1.333

b/ year round based on the first ten months (July 2015- April 2016)

Table 10

Korea: Pasta Exports (H.S.: 1902) (Metric Ton, July/June)						
Country	MY2010	MY2011	MY2012	MY2013	MY2014	MY2015 ^{b/}

USA	19,189	20,365	23,694	23,979	22,675	25,410
Japan	13,811	12,773	10,989	9,833	8,175	8,130
China	4,595	5,517	5,597	7,918	8,926	14,039
Russia	2,450	3,417	3,465	3,108	2,099	1,499
Australia	5,304	4,875	4,956	5,439	4,955	5,029
Hong Kong	6,145	7,159	9,035	11,195	10,030	9,809
Others	29,435	33,521	36,954	41,090	41,675	47,436
Total	80,930	87,626	94,689	102,563	98,535	111,352
Wheat Basis ^{a/}	110,712	119,873	129,535	140,306	134,796	152,329

Source: Korean Customs Service (KCS)

a/ applied converting factor: 1.368

b/ year round based on the first ten months (July 2015- April 2016)

Production, Supply and Demand Data Statistics:

Wheat PS&D

Wheat	2014/2015		2015/2016		2016/2017	
Market Begin Year	Jul 2014		May 2015		Jul 2016	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	7	7	10	10	13	13
Beginning Stocks	1437	1437	1411	1363	1421	1373
Production	23	23	35	35	45	45
MY Imports	3942	3948	4300	4310	4300	5060
TY Imports	3942	3948	4300	4310	4300	5060
TY Imp. from U.S.	1160	1234	0	1100	0	1300
Total Supply	5402	5408	5746	5708	5766	6478
MY Exports	153	196	150	210	150	210
TY Exports	153	196	150	210	150	210
Feed and Residual	1479	1490	1800	1700	1800	2500
FSI Consumption	2359	2359	2375	2425	2395	2395
Total Consumption	3838	3849	4175	4125	4195	4895
Ending Stocks	1411	1363	1421	1373	1421	1373
Total Distribution	5402	5408	5746	5708	5766	6478

(1000 HA) ,(1000 MT)

Commodities:	
Corn	

Production:

Post's corn production estimates remain unchanged from the previous report as the Korean government plans to release official numbers in MY 2015 and area cultivated for MY 2016 around the end of June 2016.

Table 11

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 ^{a/}	15,356	4.91	75,495
2016 ^{b/}	15,985	4.94	78,945

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

a/ FAS/Seoul forecast based on five-year average yield with acreage surveyed by KOSTAT

b/ FAS/Seoul projection based on five-year average yield and acreage

Consumption:

Corn consumption for MY 2016/17 remains unchanged from the previous forecast as increased imports of feed grade wheat are expected to help meet greater demand for compound feed production.

MY 2015/16 corn consumption forecast is revised up 2.5 percent to 10.3 MMT from the previous report and composed of 8.1 MMT for feed purposes and 2.2 million tons for food, seed and industrial (FSI) purposes. Greater demand for feed corn will result from increased compound feed production on the basis of corn consumption for the first seven months in the marketing year (Table 13).

According to the compound feed production comparison for the first seven months between MY 2014 and MY 2015 (Table 16), production in MY 2015/16 is revised up to 19.4 MMT, 2.2 percent up from the previous marketing year. This is due to strong growth in the poultry sector that's offsetting reduced demand from both beef and dairy cattle while swine demand remains relatively constant. Feed corn is expected to be the primary ingredient used in poultry and swine compound feed, accounting for about 42 percent of total ingredients for the current marketing year (Table 14).

Table 12

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 ^{c/}	8,100	2,150	95	10,345
2016/17 ^{c/}	7,600	2,200	100	9,900

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 13

Korea: Monthly Corn Use (1,000 MT)						
Month	Feed Corn			Processing Corn		
	MY 2013/14	MY 2014/15	MY 2015/16	MY 2013/14	MY 2014/15	MY 2015/16
October	588	676	699	175	180	189
November	596	620	660	165	178	186
December	687	707	732	163	169	172

January	703	675	673	161	170	183
February	632	602	648	148	155	160
March	653	668	688	180	187	191
April	664	679	630	171	178	186
S. Total	4,523	4,627	4,730	1,163	1,217	1,267
May	669	679	na	177	183	na
June	646	703	na	176	181	na
July	659	701	na	184	183	na
August	626	655	na	175	181	na
September	639	670	na	159	173	na
Total	7,762	8,035	na	2,034	2,118	na

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

Table 14

Korea: Feed Ingredient Use for Compound Feed Production (October/September, 1,000 MT)				
Items	MY 2013/14	MY 2014/15	MY 2015/16 ^{a/}	MY 2016/17 ^{a/}
Sub. Total Grains and Grain Substitutes	12,080	12,046	12,500	12,600
- Wheat	1,633	1,480	1,800	2,500
- Corn	7,762	8,035	8,100	7,600
- Other Grains and Grain Substitute ^{b/}	2,685	2,531	2,600	2,500
Others ^{c/}	6,758	6,951	6,900	6,800
Grand Total	18,838	18,997	19,400	19,400

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 15

Korea: Compound Feed Production by Species (October/September, 1,000 MT)				
Species	MY 2013/14	MY 2014/15	MY 2015/16 ^{a/}	MY 2016/17 ^{a/}
Poultry	5,107	5,551	5,700	5,700
Swine	6,015	6,049	6,400	6,500
Cattle	6,388	5,978	5,800	5,700
Others ^{b/}	1,314	1,388	1,500	1,500
Total	18,824	18,967	19,400	19,400

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

a/ FAS/Seoul forecast

b/ include ducks, rabbit, horse, sheep, deer, quail etc

Table 16

Korea: Compound Feed Production Comparison by Species for the First Seven Months (October/April, 1,000 MT)			
Species	MY 2014/15	MY 2015/16	Change
Poultry	3,087	3,350	+8.5
Swine	3,612	3,737	+3.5
Cattle	3,569	3,419	-4.2
Others	780	898	+15.1
Total	11,048	11,405	+3.2

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

Trade:

MY 2016/17 imports remain unchanged from the previous forecast at 9.8 MMT despite greater demand of feed ingredients for compound feed production (Table 15). As mentioned before, feed-grade wheat in MY 2016/17 has been competitively-priced in global markets but U.S. corn exports to Korea are expected to remain unchanged from the previous report (Table 17).

Corn imports for the first seven months of MY 2015/16 have been revised up to 10.3 MMT, increasing by 0.3 MMT from Post's earlier forecast at 10 MMT. This is a result of stronger than expected demand for feed from all livestock sectors except beef and dairy cattle. In MY 2015/16, U.S. corn exports to Korea remain unchanged from the previous forecast at 2.5 million tons, down more than 1.5 MMT from the previous year due to strong competition with South American and Eastern European/Black Sea Region countries (Table 18).

As of early June 2016, Korean corn importers contracted 8.5 MMT of corn for delivery through September 2016, continuing to contract for October 2016 arrival and onward. At the seller's option, most corn contracts are optional origin from South American, Eastern Europe/Black Sea, or the United States with a monthly average price range of USD 176-201 per metric ton (CNF). Corn processors have contracted for No. 2 GM/non-GM yellow corn from South America and the U.S, as well as conventional corn from Eastern Europe with a price range of USD 181-208 per metric ton (CNF). Most recent buying contracts have been bullish thus reaching USD 206-208 per ton (CNF) for feed corn and USD 216 for processing corn (CNF) (Table 21).

Table 17

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 ^{a/}	8,100	2,200	10,300	2,000	500	2,500	25
16/17 ^{b/}	7,600	2,200	9,800	2,500	500	3,000	31

Source: Korea Customs Service

a/ FAS/Seoul forecast

b/ FAS/Seoul Projection

Table 18

Korea: MY 2015/16 Monthly Corn Imports by Origin (1,000 MT, based on Customs Clearance)						
Country	U. S.	Argentina	Brazil	Serbia	Others1/	Total
Feed Corn						
2015 October	139	75	385	14	38	651
November	91	32	547	1	2	673
December	39	66	671	7	70	853
2016 January	0	17	480	2	64	563
February	0	53	383	0	92	528
March	248	14	489	0	31	782

April	192	282	190	0	38	702
2015/16 (Oct-Apr)	709	539	3145	24	335	4,752
2014/15 (Oct-Apr)	1,490	300	1,601	11	1,354	4,756
Processing Corn						
2015 October	42	30	57	7	35	171
November	50	0	60	0	65	175
December	12	0	143	0	56	211
2016 January	2	0	105	0	138	245
February	1	0	67	0	44	112
March	24	0	65	0	109	198
April	86	40	12	0	68	206
2015/16 (Oct-Apr)	217	70	509	7	515	1,318
2014/15 (Oct-Apr)	309	0	297	272	333	1,211
Total						
2015 October	181	105	442	21	73	822
November	141	32	607	1	67	848
December	51	66	814	7	126	1,064
2016 January	2	17	585	2	202	808
February	1	53	450	0	136	640
March	272	14	555	0	139	980
April	278	321	203	0	106	908
2015/16 (Oct-Apr)	926	608	3,656	31	849	6,070
2014/15 (Oct-Apr)	1,798	300	1,899	282	1,688	5,967

Source: Korea Customs Service

1/ Russia (489,044 MT), Paraguay (216,537 MT), Hungary (58,544MT), Australia (30,905 MT) and Ukraine (47,692 MT)

Table 19

Korea: Monthly Corn Imports (1,000 MT, Customs Cleared Basis)						
Month	Feed Corn			Processing Corn		
	MY 2013/14	MY 2014/15	MY 2015/16	MY 2013/14	MY 2014/15	MY 2015/16
October	620	846	651	131	181	171
November	631	465	673	178	183	175
December	975	750	853	222	137	211
January	885	743	563	118	168	245
February	829	558	528	170	138	112
March	488	636	782	158	258	198
April	664	759	702	234	145	206
Sub Total	5,092	4,757	4,752	1,211	1,210	1,318
May	698	689	na	166	163	na
June	540	636	na	300	208	na
July	591	693	na	85	166	na
August	658	671	na	112	177	na
September	740	609	na	212	188	na
Total	8,319	8,055	na	2,086	2,112	na

Source: Korea Customs Service

Table 20

Korea: MY 2016/17 Corn Contracts ^{1/} by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of June 2016)						
ETA	U.S.	Europe ^{4/}	SOAM	Others ^{2/}	Total	Price ^{3/}
Oct. 2016	0	0	0	65	65	208

Nov.	0	0	0	65	65	216
Total	0	0	0	130	130	

Source: Local Grain Traders

1/ reflecting 90-95 percent of actual contracts due to the omission of some data on contracts2/ optional origins at seller's option out of USA, SOAM (South America) or Europe

3/ USD/MT, CNF on Weighted Average

4/ include Eastern Europe and Black Sea

Table 21

Korea: MY 2015/16 Corn Contracts ^{1/} by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of June 2016)						
ETA	U.S.	Europe ^{4/}	SOAM	Others ^{2/}	Total	Price ^{3/}
October 2015	55	0	0	888	943	195
November	0	108	0	678	786	195
December	0	100	0	610	710	189
January 2016	0	60	0	548	608	190
February	0	60	55	586	701	188
March	110	0	65	715	890	191
April	0	0	183	802	985	190
May	50	0	289	440	779	185
June	0	0	345	295	640	183
July	55	0	60	386	501	176
August	0	0	60	447	507	181
September	65	0	0	388	453	201
Total	335	328	1,057	6,783	8,503	

Source: Local Grain Traders

1/ reflecting 90-95 percent of actual contracts due to the omission of some data on contracts

2/ optional origins at seller's option out of USA, SOAM (South America) or Europe

3/ USD/MT, CNF on Weighted Average

4/ include Eastern Europe and Black Sea

Production, Supply and Demand Data Statistics:

Corn PS&D

Corn	2014/2015		2015/2016		2016/2017	
Market Begin Year	Oct 2014		Oct 2015		Oct 2016	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	16	0	15	15	16	16
Beginning Stocks	1860	1860	1860	1860	1835	1885
Production	82	82	75	75	79	79
MY Imports	10168	10168	10000	10300	10500	9800
TY Imports	10168	10168	10000	10300	10500	9800
TY Imp. from U.S.	3656	4022	0	2500	0	3000
Total Supply	12110	12110	11935	12235	12414	11764
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	8035	8035	7850	8100	8250	7600
FSI Consumption	2215	2215	2250	2250	2300	2300
Total Consumption	10250	10250	10100	10350	10550	9900
Ending Stocks	1860	1860	1835	1885	1864	1864
Total Distribution	12110	12110	11935	12235	12414	11764

(1000 HA) ,(1000 MT)

Table 22

Korea: Animal Inventory (1,000 Head, 1,000 Birds, as of May 2016)					
Animal	Year	March	June	September	December
Beef Cattle	2012	2,940	3,109	3,143	3,059
	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	2694c/	2,682c/	2,638d/
Dairy Cattle	2012	404	410	417	420
	2013	420	419	422	424
	2014	428	424	429	431
	2015	425	418	418	411
	2016	409	407c/	408c/	400d/
Swine	2012	8,852	9,432	9,937	9,916
	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	10,320	10,400c/	10,500c/	10,500d/
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	70,180	71,190c/	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	93,760	111,910c/	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

Commodities:	
Rice, Milled	

Production:

According to a recent Korea Rural Economic Institute (KREI) survey of rice farmers for the period April 29 – May 10, 2016, estimated planting area declined to 775,000 HA, down about 0.8 percent from the initial forecast or three percent lower than the previous year. The Korean government is campaigning to reduce rice acreage in order to lower high level rice ending stocks. Therefore, Post's forecast for rice production for MY 2016/17 is revised down to 3.93 MMT, decreasing 70,000 metric tons (MT) from the initial forecast. KOSTAT is expected to release statistics of actual rice planting acreage in August 2016.

Table 23

Korea: 2016 Rice Production Forecast		
	2015 Rice Production	2016 Rice Production Forecast
Area (1,000 HA)	799	775
Yield (Kg/10a)	542	507
Production (1,000MT)	4,327	3,930

Source: Korea Rural Economic Institute (KREI)

Table 24

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
2016p	775	5,072 ^{c/}	3,930

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/ previous five- year average yield

Consumption:

The Korean government recently revised rice consumption in MY 2013/14 and MY 2014/15 as seen below (Table 25). Domestic rice consumption in MY 2014/15 was revised down to 4,197 thousand metric tons (TMT), a decrease of 153 TMT from previous estimates. Other revisions include adjustments to ‘Other and Loss’ which declined in MY 2014/15 to 348 TMT from the previous 500 TMT.

Domestic rice consumption in MY 2013/14 was revised up to 4,434 TMT, an increase of 12,000 MT from the previous report as ‘Other and Loss’ was revised up to 524 TMT from the previous 512 TMT.

Table 25

Korea: Rice Utilization Pattern (1,000 MT, milled)				
Rice Year (November - October)	MY 2013/14 ^{a/}	MY 2014/15 ^{a/}	MY 2015/16 ^{b/}	MY 2016/17 ^{c/}
Table Rice	3,340	3,239	3,140	3,100
Processing	535	575	700	700
(for food)	(457)	(420)	(450)	(450)
(for liquor)	(78)	(156)	(150)	(150)
(for feed)	0	0	(100)	(100)
Seed	35	35	34	34
Other and Loss	524	348	500	500

Total Demand	4,434	4,197	4,374	4,334
Per Capita Table Rice Consumption (Kg)	65.1	62.9	61.0	59.0

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

a/ Revised

b/ FAS/Seoul estimate

c/ FAS/Seoul forecast

Table 26

Korea: Processing Rice Consumption Pattern (1,000 MT, milled)				
Purpose	MY 2011/12	MY 2012/13	MY 2013/14 ^{a/}	MY 2014/15 ^{b/}
KRFA	248	246	227	197
KALIA	148	56	78	155
Others c/	170	224	238	223
Total	566	526	535	575

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

a/ MAFRA Revised

b/ MAFRA Preliminary

c/ traditional foods or beverage made of local rice.

Note: Korea Rice Foodstuffs Association (KRFA), Korea Alcohol & Liquor Industry Association (KALIA)

Trade:

Korea continues to import the mandatory import volume of 408,700 metric tons from Most Favored Nation (MFN) countries at the current duty level of 5 percent under the tariff rate quota (TRQ) regime implemented in 2015. Korea deleted provisions about usage purpose, such as the ratio of table rice (30 percent) and guaranteed access to the domestic market. Accordingly, aT (Korea Agro-Fisheries and Food Trade Corporation), the government's state trading arm, manages the purchase of all imported rice through a tendering process and subsequent auctions off imported table rice.

2016 TRQ Tendering Process:

Under the 2016 **Tariff Rate Quota (TRQ)** purchasing plan, Korea will purchase 408,700 MT of rice (milled basis) under rice tariffication (in effect since 2015). Under the 2016 TRQ thus far, Korea has bought 178,300 MT (milled basis) or 43.6 percent of total TRQ, which consists of 153,300 MT of brown rice for processing purposes and 25,000 MT of milled rice for table purpose. The United States has sold 71,500 MT of medium grain rice worth USD 52 million, or 17.5 percent of total TRQ followed by China, Australia, Vietnam, Thailand and India (Table 27). Korea purchased 25,000 MT of USDA No. 1 grade milled rice as well, consisting of 20,000 MT of U.S. medium grain milled rice, 3,000 MT of Vietnamese short grain milled rice and 2,000 MT of Thai long grain milled rice, respectively (Table 27-29).

Table 27

Korea: Rice Contracts by Country under 2016 MFN TRQ^{1/} (Unit: MT, Milled Basis, as of June 9, 2016)			
Country	MFN TRQ		Total
	Processing Use	Table Use	
USA	51,500	20,000	71,500(17.5%)
China	66,300	0	66,300(16.2%)
Thailand	7,000	2000	9,000(2.2%)
Australia	14,500	0	14,500(3.5%)
Vietnam	9,000	3000	12,000(2.9%)
India	5,000	0	5,000(1.2%)
S. Total	153,300	25,000	178,300(43.6%)
Open Quota	230,400		230,400(56.4%)
G. Total	408,700		408,700(100%)

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

1/ under ongoing process of buying tenders since February 2016

Table 28

Korea: U.S. Rice Sales to Korea under 2016 TRQ^{1/}
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(ongoing process of buying tenders as of June 9, 2016)					
Contracts	Milled rice(MT) for Table	Brown rice(MT) for Processing	Unit Price(USD/MT) CIP	Amount(1000 USD)	ETA
1	0	10,000	734.42	7,344	05/31/2016
2	0	10,000	698.61	6,986	06/30/2016
3	0	16,667	679.27	11,321	09/30/2016
4	0	5,555	651.17	3,617	09/30/2016
5	0	10,000	568.39	5,684	11/30/2016
6	0	5,000	568.98	2,845	11/30/2016
7	10,000	0	704.87	7,049	12/31/2016- 01/31/2017
8	10,000	0	715.98	7,160	01/30/2017- 02/28/2017
Total	20,000	57,222a/		52,006	

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

a/ equivalent to 51,500 MT, milled basis

1/ under ongoing process of buying tenders since February 2016

Table 29

Korea: 2016 TRQ Rice Tender Results (as of June 9, 2016)									
Bid Date (mm-dd-yy)	Rice Type	Volume (Contract Basis)	Volume (Milled Rice Basis)	Origin	Price (US\$/MT)	Terms and Conditions	Delivery Date	Agent	Supplier
2/29/2016	MG #3 Brown	10,000	9,000	USA	734.42	CIP	05/31/2016	Philasun	ADM
2/29/2016	MG #3 Brown	10,000	9,000	USA	698.61	CIP	06/30/2016	Philasun	ADM
2/29/2016	#4 Brewer's Milled	5,000	5,000	India	383.46	CIP	05/31/2016	Singsong	KRBL Limited
3/29/2016	SG #3 Brown	22,222	20,000	China	869.00	CIP	09/30/2016	Daewoo	COFCO
3/29/2016	MG #3 Brown	16,667	15,000	USA	679.27	CIP	09/30/2016	Philasun	ADM
3/29/2016	MG #3 Brown	5,555	5,000	USA	651.17	CIP	09/30/2016	Philasun	ADM
3/29/2016	LG #3 Brown	7,778	7,000	Thailand	427.80	CIP	09/30/2016	Daewoo	Capital Rice Co., Ltd
5/04/2016	SG #3 Brown	12,000	10,800	China	867.00	CIP	10/31/2016	Daewoo	COFCO
5/04/2016	SG #3 Brown	10,000	9,000	China	867.97	CIP	11/30/2016	Singsong	Jilin Grain
5/04/2016	MG #3 Brown	10,000	9,000	USA	568.39	CIP	11/30/2016	Singsong	ACC

	wn								
5/04/2016	MG #3 Brown	5,000	4,500	USA	568.98	CIP	11/30/2016	Singsong	ACC
5/04/2016	LG #3 Brown	10,000	9,000	Vietnam	441.18	CIP	10/31/2016	Daewoo	Vinafood1
6/7/2016	SG #3 Brown	15,000	13,500	China	866.7	CIP	11/30/2016	Daewoo	COFCO
6/7/2016	SG #3 Brown	14,445	13,000	China	866.3	CIP	11/30/2016	Daewoo	COFCO
6/7/2016	SG #3 Brown	16,111	14,500	Australia	861.2	CIP	12/31/2016	D&B	Sun Rice
6/7/2016	SG #1 Milled	3,000	3,000	Vietnam	888.9	CIF	12/31/2016	The Ground Korea	Green Mountain
6/7/2016	MG #1 Milled	10,000	10,000	USA	704.87	CIF	12/31/2016	Singsong	ACC
6/7/2016	MG #1 Milled	10,000	10,000	USA	715.98	CIF	5,000 for 12/31/2016 & 5,000 for 01/31/2017	Singsong	ACC
6/7/2016	LG #1 Milled	2,000	2,000	Thailand	511.21	CIF	5,000 for 01/31/2017 & 5,000 for 02/28/2017	Singsong	Toumi
Total		194,778	178,300						

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

Auctions:

Korea Agro-Fisheries & Food Trade Corporation (aT) sells table rice shipments through a public auction system, while 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.

In response to more favorable consumer confidence in U.S. medium grain milled rice, greater demand for U.S. milled rice

made auctioning of USDA No. 1 higher than Chinese origin. The overall progress of auctioning has been comparably slower than normal in order to prop up domestic rice prices caused by the record harvest in CY 2015. However, auctioning for Thai rice has shown progress as stocks are depleting due to wholesalers securing Thai rice for stockpiling purposes.

Table 30

Korea: Status of Rice Auction for Table Rice under 2014 CSQ (Unit: metric tons, milled basis, as of June 15, 2016)					
Commodity	USDA Grade	Total Table Rice CSQ	Auctioned Off	Balance	Auctioned Off (%)
U.S. Medium Grain	#1	40,056	29,059	10,997	73
	#3	4,451	4,450	1	100 (as of June 3, 2015)
Chinese Short Grain	#1	47,965	23,224	24,741	48
	#3	21,433	227	21,206	1
Australian Medium Grain	#1	2,697	0	2,697	0
	#3	2,698	0	2,698	0
Thai Long Grain	#1	3,220	2,583	637	80
Thai Jasmine Rice	#1	90	90	0	100 (as of Aug. 26, 2015)
Total		122,610	59,633	62,977	49

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

Table 31

Korea: Auctioned-Off Prices of Imported Table Rice (Unit: Korean Won per Kg on Average)							
Auctioning-off Period	U.S. Medium Grain		Chinese Short Grain (Medium Grain)		Thai Long Grain	Australian Medium Grain	
	#1	#3	#1	#3	#1	#1	#3
April-September 2006 (2005 MMA)	1,138	991	1,274	1,133	555	none	none
March-August 2007 (2006 MMA)	1,363	1,211	1,357	1,303	953	none	none
February-August 2008 (2007 MMA)	1,542	1,510	1,487	1,558	1,132	none	none
February 2009 -May 2010 (2008 MMA)	1,160	994	1,125 (1,100)	none	1,329	none	none
February 2010-March 2011 (2009 MMA)	970	881	914 (850)	893	672	none	none
April 2011-January 2012 (2010 MMA)	913	1,074 ^{a/}	707	612	518	none	none
December 2011- June 2013 (2011 MMA)	1,258	1,452	1,297	1,501	(802 ^{c/}) 944	none	none
August 2012-September 2014 (2012 MMA)	1,677	1,634	1,378	1,374	903	1,299	1,128
July 2013- July 2015 (2013 MMA)	1,594	1,573	1,284	1,318	844	none	none
December 2014- June 15, 2016 (2014 MMA)	1,406 ^{b/}	1,472	1,063 ^{b/}	1,238 ^{b/}	917 ^{b/}	na	na

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

a/ Auctioned-off during October-December 2011

b/ ongoing

c/ #3

Exports:

Despite Korea and China mutually agreeing upon SPS requirements and ratified by both governments on January 13, 2016, rice export volume for the first four months of calendar year indicates that Korea's rice export is expected to stay around 2,000 MT for both MY 2015/16 and MY 2016/17.

Table 32

Korea: Rice Export (Milled)				
Calendar Year	To the World		To the United States	
	Quantity (MT)	Value (US\$1,000)	Quantity (MT)	Value (US\$1,000)
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(Jan.-Apr.)	633	1,261	135	332

Source: Korea Customs Service (KCS)

Stocks:

MY 2016/17 ending stocks (as of the end of October 2017) are forecast to increase to 1.83 MMT or 42 percent of total consumption due to recent years of overproduction caused by higher yielding varieties. MY 2015/16 stocks (as of the end of October 2016) are forecast at 1.83 MMT or 42 percent of total domestic consumption. MY 2014/15 stocks (as of the end of October 2015) were estimated at about 1.4 MMT or 36 percent of total domestic consumption, consisting of 60 percent of domestic rice and 40 percent of imported rice. In an effort to reduce historically-high stocks, on February 2016, the Korean government allowed 99 TMT of brown rice from the 2012 crop to be used in animal feed for the first time.

Table 33

Korea: Status of Rice Stocks (Milled rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2011/12	2012/13	2013/14a/	2014/15b/	2015/16c/	2016/17c/
Total	730	755	887	1,406	1,827	1,831
Government Stock	730	755	887	1,406	1,827	1,831
-Domestic Rice	487	na	na	60%	na	na
-Imported Rice	243	na	na	40%	na	na
Civil Stock	0	0	0	0	0	0

Source: FAS/Seoul Estimate based on MAFRA data

a/ MAFRA Preliminary

b/ FAS/Seoul Preliminary

c/ FAS/Seoul forecast

Production, Supply and Demand Data Statistics:

Rice PS&D

Rice, Milled	2014/2015		2015/2016		2016/2017	
Market Begin Year	Nov 2014		Nov 2015		Nov 2016	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Harvested	816	816	799	799	782	775
Beginning Stocks	899	899	1253	1406	1672	1827
Milled Production	4241	4241	4327	4327	4000	3930
Rough Production	5638	5638	5771	5771	5333	5241
Milling Rate (.9999)	7522	7522	7498	7498	7500	7498
MY Imports	465	465	470	470	410	410
TY Imports	372	372	410	410	410	410
TY Imp. from U.S.	143	143	0	140	0	140
Total Supply	5605	5605	6050	6203	6082	6167
MY Exports	2	2	4	2	4	2
TY Exports	2	2	4	2	4	2
Consumption and Residual	4350	4197	4374	4374	4334	4334
Ending Stocks	1253	1406	1672	1827	1744	1831
Total Distribution	5605	5605	6050	6203	6082	6167
(1000 HA) ,(1000 MT)						

Table 34

Korea: Monthly Wholesale Price of Milled Rice (High Quality)						
Month\Year	CY 2014		CY 2015		CY 2016	
	Won/Kg	USD/Kg	Won/Kg	USD/Kg	Won/Kg	USD/Kg
January	2,180	2.05	2,070	1.90	1,810	1.51
February	2,180	2.03	2,069	1.88	1,810	1.49
March	2,180	2.04	2,046	1.84	1,810	1.53
April	2,169	2.08	2,040	1.88	1,810	1.61
May	2,137	2.09	2,019	1.85	1,810	1.54
June	2,130	2.09	1,990	1.79	na	na
July	2,130	2.09	1,990	1.74	na	na
August	2,130	2.08	1,990	1.69	na	na
September	2,215	2.06	2,004	1.70	na	na
October	2,076	1.96	2,951	1.70	na	na
November	2,088	1.91	1,852	1.61	na	na
December	2,073	1.88	1,826	1.56	na	na
Average	2,133	2.03	1,986	1.76	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

Table 35

Korea: Monthly Retail Price of Milled Rice (High Quality)						
Month\Year	CY 2014		CY 2015		CY 2016	
	Won/Kg	USD/Kg	Won/Kg	USD/Kg	Won/Kg	USD/Kg
January	2,321	2.18	2,277	2.09	2,132	1.78
February	2,323	2.17	2,263	2.06	2,112	1.74
March	2,307	2.16	2,252	2.03	2,085	1.76
April	2,293	2.20	2,211	2.04	2,027	1.80
May	2,289	2.24	2,239	2.05	1,998	1.70
June	2,275	2.23	2,243	2.02	na	na

July	2,245	2.20	2,225	1.95	na	na
August	2,236	2.18	2,218	1.88	na	na
September	2,262	2.19	2,241	1.90	na	na
October	2,320	2.19	2,233	1.95	na	na
November	2,301	2.10	2,184	1.90	na	na
December	2,283	2.07	2,181	1.86	na	na
Average	2,288	2.17	2,230	1.97	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

Table 36

Korea: Foreign Exchange Rate (Korean Won against USD)			
Month	CY 2014	CY 2015	CY 2016
January	1,065	1,087	1,196
February	1,072	1,099	1,216
March	1,070	1,112	1,184
April	1,044	1,086	1,126
May	1,024	1,091	1,172
June	1,019	1,112	na
July	1,020	1,143	na
August	1,025	1,177	na
September	1,034	1,182	na
October	1,059	1,146	na
November	1,095	1,151	na
December	1,102	1,172	na
Average	1,052	1,130	na

Source: Global Financial Service