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Korea - Republic of

Grain and Feed Update

With Plenty of Rice on Hand, Korea Increases Rice Used for Animal Feed

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Report Highlights:

Rice ending stocks are projected to decrease to 1.7 million metric tons (MMT) and 1.2 MMT in marketing year (MY) 2016/17 and MY 2017/18 respectively, as the Korean government has begun allowing the use of rice for consumption in animal feed. Projections of calendar year (CY) 2017 and 2018 rice imports from the United States are revised upward to 165,000 MT and 160,000 MT respectively. Corn consumption numbers for both MY 2016/17 and MY 2017/18 are revised down to 9.4 MMT and 9.8 MMT to reflect the decreased demand for feed grade corn caused by both Highly Pathogenic Avian Influenza (HPAI) and as a result of displacement as rice is beginning to be used in feed. Meanwhile, the projection for MY 2016/17 imports of corn is revised downward to 9.2 MMT as demand for feed grade corn diminished over the year because the poultry sector was hit with HPAI. Wheat production is expected to decrease to 32,000 MT in MY 2017/18 from 39,000 MT in MY 2016/17 due to lower yields and less harvested area. Wheat imports from the United States rose to 1.3 MMT in MY 2016/2017 from 1.2 MMT the previous year thanks to feed grade wheat exports.

Post:
Seoul

Commodities:
Wheat

Corn

Rice, Milled

WHEAT

Production:

At the end of June 2017, the Korean government officially released data showing that wheat production in MY 2016 was 38,705 MT. Yield returned to 3.71 MT per hectare (HA), due to favorable weather during both the planting and growing seasons. The official number for wheat area in MY 2017 released at the end of July 2017 was 9,283 HA, with official production data becoming available in 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 2016/17 wheat consumption is revised up to 4.5 million metric tons (MMT), a rise of three percent from FAS Seoul's previous estimate and an increase of nine percent from the previous year, due to greater consumption of feed grade wheat (Table 2 & 3).

The MY 2017/18 forecast for wheat consumption remains stable at 4.4 MMT due to an anticipated availability of feed grade wheat at prices competitive with feed corn. Milling wheat consumption will also remain stable.

Table 2

Korea: Post Estimates of Wheat Use (1,000 MT, July/June)				
Year	2014/15	2015/16	2016/17	2017/18 ^{c/}
Imported Milling Wheat ^{1/}	2,165	2,203	2,231	2,200

Imported Milling Wheat ^{2/}	180	190	200	200
Flour Imports ^{a/}	44	50	33	40
Flour Exports ^{a/}	28	30	37	40
Pasta Imports ^{a/}	133	142	147	150
Pasta Exports ^{a/}	121	147	200	200
Local Wheat	23	26	39	32
FSI Consumption ^{b/}	2,396	2,434	2,413	2,382
Feed Wheat	1,490	1,728	2,117	2,000
Total Consumption ^{b/}	3,886	4,162	4,530	4,382

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

1/ KOFMIA members

2/ Non- KOFMIA member

a/ Wheat basis

b/ Includes local wheat and flour and pasta imports, but subtracts flour and pasta exports

c/ FAS/Seoul estimate/forecast

Table 3

Korea: Monthly Wheat Use (1,000 MT)						
Month	Feed Wheat			Milling Wheat ^{a/}		
	MY 2014/15	MY 2015/16	MY 2016/17	MY 2014/15	MY 2015/16	MY 2016/17
July	129	124	180	183	181	176
August	121	119	174	175	170	180
September	126	124	182	166	178	173
October	134	151	211	179	182	178
November	130	140	191	172	169	179
December	143	151	214	186	189	189
January	123	135	182	194	191	184
February	103	138	159	152	160	172
March	116	153	170	183	188	191
April	120	142	146	176	178	178
May	119	167	157	172	170	179
June	125	186	151	177	178	186
Total	1,490	1,728	2,117	2,115	2,134	2,165

Source: KFA and KOFMIA

a/ Includes wheat flour exports, but excludes the portion used in soy-sauce production (about 50,000 MT or so)

Trade:

The MY 2017/18 wheat import forecast remains unchanged at 4.6 MMT from FAS Seoul's previous estimates, 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-priced feed wheat, with demand for milling wheat remaining steady.

MY 2016/17 wheat imports are revised to 4.66 MMT, up 100,000 MT over FAS Seoul's previous estimate due to greater imports of feed wheat.

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	1,812	2,416	50	142	4,420
16/17	2,174	2,313	33	147	4,667
17/18 ^{2/}	2,000	2,400	40	150	4,590

Source: Korea Customs Service

1/ Wheat basis

2/ FAS/Seoul forecast

Table 5

Korea: Monthly Wheat Imports (1,000 MT)						
Month	Feed Wheat			Milling Wheat		
	MY 2014/15	MY 2015/16	MY 2016/17	MY 2014/15	MY 2015/16	MY 2016/17
July	87	162	180	178	244	226
August	35	58	130	189	133	161
September	149	212	203	182	224	179
October	230	200	305	237	201	186
November	117	191	208	179	195	211
December	97	110	207	206	217	159
January	143	50	200	212	190	198
February	64	174	152	168	192	149
March	213	143	210	189	192	255
April	48	107	91	227	227	176
May	143	214	88	194	207	248
June	65	191	198	209	194	165
Total	1,391	1,812	2,174	2,370	2,416	2,313

Source: Korea Customs Service

Table 6

Korea: Wheat Flour Imports (H.S.: 1101) (Metric Ton, July/June)						
Country	MY2011	MY2012	MY2013	MY2014	MY2015	MY2016
U.S.A.	1,025	1,318	716	793	567	352
Canada	1,381	1,037	973	829	600	797
Australia	223	395	658	2,041	1,246	840
China	0	121	60	0	0	3
Turkey	8,784	3,636	1,144	996	771	1493
Indonesia	7,708	9,616	8,011	5,968	6,678	6,050
Russia	0	0	0	4,1890	10,626	57
Others	11,250	12,478	10,237	17,391	16,319	14,803
Total	30,371	28,600	21,799	32,207	36,816	24,395
Wheat Basis ^{a/}	41,548	39,125	29,821	44,059	50,364	33,372

Source: Korea Customs Service (KCS)

a/ applied converting factor: 1.368

Table 7

Korea: Pasta Imports (H.S.: 190219, 190230, 190240)			
(Metric Ton, July/June)			
Country	MY2014	MY2015	MY2016
Total	97,475	103,707	107,357
Wheat Basis ^{a/}	133,346	141,871	146,864
Source: Korea Customs Service (KCS)			

a/ applied converting factor: 1.368

Table 8

Korea: Wheat Flour Exports (H.S.: 1101)						
(Metric Ton, July/June)						
Country	MY2011	MY2012	MY2013	MY2014	MY2015	MY2016
Total	13,504	16,415	17,437	20,629	21,699	26,958
Wheat Basis ^{a/}	18,523	22,456	23,854	28,220	29,684	36,879

Source: Korea Customs Service (KCS)

a/ applied converting factor: 1.368

Table 9

Korea: Pasta Exports (H.S.: 190219, 190230, 190240)			
(Metric Ton, July/June)			
Country	MY2014	MY2015	MY2016
Total	88,354	107,455	145,858
Wheat Basis ^{a/}	120,868	146,998	199,534
Source: Korea Customs Service (KCS)			

a/ applied converting factor: 1.368

Production, Supply and Demand Data Statistics:

Wheat PS&D

Wheat Market Begin Year	2015/2016		2016/2017		2017/2018		
	Jul 2015		Jul 2016		Jul 2017		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Korea, Republic of							
Area Harvested	10	10	10	10	11	9	
Beginning Stocks	1400	1400	1535	1507	1600	1446	
Production	26	26	35	39	34	32	
MY Imports	4420	4420	4667	4667	4500	4600	
TY Imports	4420	4420	4667	4667	4500	4600	
TY Imp. from U.S.	1119	1124	1388	1222	0	1300	
Total Supply	5846	5846	6237	6213	6134	6078	
MY Exports	177	177	237	237	230	240	
TY Exports	177	177	237	237	230	240	
Feed and Residual	1728	1728	2000	2117	1900	2000	
FSI Consumption	2406	2434	2400	2413	2425	2380	
Total Consumption	4134	4162	4400	4530	4325	4380	
Ending Stocks	1535	1507	1600	1446	1579	1458	
Total Distribution	5846	5846	6237	6213	6134	6078	
Yield	2.6	2.6	3.5	3.9	3.0909	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

CORN

Production:

Corn production in MY 2016 was revised down to 73,681 MT based on the Korean government official numbers released at the end of June 2017. This number is down two percent from FAS Seoul's initial forecast, and six percent lower than a year earlier.

Table 10

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/}	15,900	5.04	80,000

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

a/ FAS/Seoul forecast based on five-year average yield and acreage

Consumption:

Corn consumption for MY 2017/18 is revised down to 9.8 MMT from the initial forecast of 10.3 MMT. As old rice stocks are partially substituting for corn in compound feed production, the consumption projection has decreased even though layer

inventories are gradually returning to levels existing prior to the Highly Pathogenic Avian Influenza (HPAI) outbreak in late 2016. However, feed corn is still expected to be the major ingredient used in compound feed, accounting for more than 38 percent of total ingredients in the marketing year with feed wheat accounting for two MMT (about 10 percent of total compound feed production) (Table 11 & 13).

MY 2016/17 corn consumption is estimated at 9.4 MMT, consisting of 7.0 MMT for feed and 2.4 million tons for food, seed and industrial (FSI) purposes. Based on records for the first 11 months, this consumption estimate is down 7.4 percent from a year earlier. Demand for feed corn is estimated to be smaller than the previous year due to: (1) reduced demand for compound feed for a poultry sector hit by HPAI, (2) a greater global availability of feed grade wheat with competitive prices, and (3) a greater supply of old rice for animal feed. Demand for processing corn is estimated to be four percent greater than the year earlier due to greater consumption of high fructose corn syrup (HFCS).

Comparing compound feed production for the first eleven months of MY 2015 and MY 2016 (Table 15), the production forecast for MY 2016/17 is for a decline to 18.9 MMT from the previous year, down 3.1 percent in compound feed production from the year earlier. This is mainly due to declining poultry inventories hit by HPAI in late 2016 (Table 19).

Major corn processors have continued using conventional corn imported from Russia, Ukraine, Serbia, Hungary, Australia, France, South Africa and Brazil. Non-GM corn is imported from the United States for food. Many Korean food processing companies are reluctant to use ingredients sourced from biotech corn. Corn processors have imported GM corn for non-edible starch products consumed by the paper processing industry.

Table 11

Korea: Total Corn Utilization (October/September, 1,000 MT)				
Marketing Year	Feed	Processing a/	Food b/	Total
2008/09	6,368	1,418	108	7,894
2009/10	6,362	1,928	92	8,382
2010/11	6,074	2,051	89	8,214
2011/12	5,690	2,036	89	7,815
2012/13	6,483	1,900	98	8,481
2013/14	7,762	2,034	95	9,891
2014/15	8,035	2,118	97	10,250
2015/16	7,841	2,220	93	10,154
2016/17 ^{c/}	7,000	2,300	100	9,400
2017/18 ^{c/}	7,400	2,300	100	9,800

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 12

Korea: Monthly Corn Use (1,000 MT)						
Month	Feed Corn			Processing Corn		
	MY 2014/15	MY 2015/16	MY 2016/17	MY 2014/15	MY 2015/16	MY 2016/17
October	676	699	612	180	189	200
November	620	660	628	178	186	186
December	707	732	618	169	172	185
January	675	673	571	170	183	190
February	602	648	522	155	160	176
March	668	688	581	187	191	199
April	679	650	541	178	186	194

May	679	651	597	183	191	194
June	703	634	595	181	191	196
July	701	593	555	183	203	204
August	655	598	591	181	191	194
Sub Total	7,365	7,226	6,411	1,945	2,043	2,118
September	670	615	na	173	176	na
Total	8,035	7,841	na	2,118	2,220	na

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

Table 13

Korea: Feed Ingredient Use for Compound Feed Production (October/September, 1,000 MT)				
Items	MY 2014/15	MY 2015/16	MY 2016/17 ^{a/}	MY 2017/18 ^{a/}
Sub. Total Grains and Grain Substitutes	12,046	12,395	11,800	12,600
- Wheat	1,480	1,910	2,100	2,000
- Corn	8,035	7,841	7,000	7,400
- Other Grains and Grain Substitute ^{b/}	2,531	2,644	2,700	3,200
Others ^{c/}	6,951	7,028	7,100	6,900
Grand Total	18,997	19,423	18,900	19,500

Source: Korea Feed Association (KFA)

a/ FAS Seoul forecast

b/ includes Tapioca, bran and gluten feed.

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

Table 14

Korea: Compound Feed Production by Species (October/September, 1,000 MT)				
Species	MY 2014/15	MY 2015/16	MY 2016/17 ^{a/}	MY 2017/18 ^{a/}
Poultry	5,551	5,797	5,400	5,700
Swine	6,049	6,247	6,300	6,700
Cattle	5,978	5,820	5,800	5,600
Others ^{b/}	1,388	1,529	1,400	1,500
Total	18,967	19,393	18,900	19,500

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

a/ FAS/Seoul forecast

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

Table 15

Korea: Compound Feed Production Comparison by Species for the First Eleven Months (October/June, 1,000 MT)			
Species	MY 2015/16	MY 2016/17	Change
Poultry	5,343	4,944	-7.5
Swine	5,711	5,753	+0.7
Cattle	5,320	5,282	-0.7
Others	1,408	1,259	-10.6
Total	17,782	17,238.	-3.1

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

Table 16

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	na	na	na
Total	2,146,834	72,771	2,219,605	na	na	na

Source: Korea Corn Processing Industry Association (KOCPIA)

Trade:

The MY 2017/18 corn import forecast is revised down to 9.7 MMT, decreasing by half a million MT from Post's initial forecast of 10.2 MMT, as the Korean government plans to release 750,000 MT of brown rice for animal feed in CY 2018 to reduce government held rice stocks.

Corn imports in MY 2016/17 were revised down to 9.2 MMT due to a lower demand for feed corn caused by the aftermath of the HPAI outbreak in the poultry sector late last year as well as increasing rice consumption for animal feed in CY 2017 (Table 25). However, U.S. corn exports to Korea sharply increased to six MMT due to the strong price competitiveness of U.S. corn for both feed and food corn sectors, accounting for 65 percent of total imports. U.S. feed corn exports to Korea reached five MMT, accounting for 72 percent of total imports of feed grade corn followed by Brazil, Ukraine and Argentina. Meanwhile, U.S. food grade corn exports to Korea were one MMT, accounting for 42 percent of total imports of food grade corn followed by Russia, Serbia, Ukraine and South Africa.

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	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/	7,400	2,300	9,700	3,500	500	4,000	41

Source: Korea Customs Service

a/ FAS/Seoul forecast

Table 18

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

Month	Feed Corn			Processing Corn		
	MY 2014/15	MY 2015/16	MY 2016/17	MY 2014/15	MY 2015/16	MY 2016/17
October	846	651	618	181	171	146
November	465	673	659	183	175	171
December	750	853	636	137	211	162
January	743	563	451	168	245	205
February	558	528	627	138	112	147
March	636	782	490	258	198	251
April	759	702	653	145	206	165
May	689	620	655	163	193	211
June	636	636	552	208	146	267
July	693	654	501	166	252	209
August	671	680	417	177	127	166
September	609	491	653	188	253	207
Total	8,055	7,833	6,912	2,112	2,289	2,308

Source: Korea Customs Service

Production, Supply and Demand Data Statistics:

Corn PS&D

Corn Market Begin Year	2015/2016		2016/2017		2017/2018		
	Oct 2015		Oct 2016		Oct 2017		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Korea, Republic of							
Area Harvested	15	15	15	15	15	16	
Beginning Stocks	1860	1860	1936	1905	1831	1799	
Production	78	78	75	74	76	80	
MY Imports	10121	10121	9300	9220	10200	9700	
TY Imports	10121	10121	9300	9220	10200	9700	
TY Imp. from U.S.	3882	2908	0	5961	0	4000	
Total Supply	12059	12059	11311	11199	12107	11579	
MY Exports	0	0	0	0	0	0	
TY Exports	0	0	0	0	0	0	
Feed and Residual	7800	7841	7280	7000	8000	7400	
FSI Consumption	2323	2313	2200	2400	2300	2400	
Total Consumption	10123	10154	9480	9400	10300	9800	
Ending Stocks	1936	1905	1831	1799	1807	1779	
Total Distribution	12059	12059	11311	11199	12107	11579	
Yield	5.2	5.2	5	4.9333	5.0667	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 19

Korea: Animal Inventory					
(1,000 Head, 1,000 Birds, as of August 2017)					
Animal	Year	March	June	September	December
Beef Cattle	2013	2,966	3,064	3,043	2,918
	2014	2,811	2,879	2,820	2,759
	2015	2,659	2,748	2,753	2,676
	2016	2,596	2,742	2,768	2,717
	2017	2,642	2,786	2,760c/	2,689e/
Dairy Cattle	2013	420	419	422	424
	2014	428	424	429	431
	2015	425	418	418	411
	2016	409	402	407	404
	2017	400	402	406d/	404e/
Swine	2013	10,107	10,181	10,188	9,912
	2014	9,698	9,680	9,966	10,090
	2015	9,971	10,018	10,332	10,187
	2016	10,315	10,355	10,699	10,366
	2017	10,328	10,432	10,700d/	10,600e/
Layer a/	2011	61,025	60,723	61,212	62,425
	2012	63,200	61,953	61,326	61,344
	2013	62,340	60,610	62,674	64,824
	2014	64,572	62,851	65,263	67,674
	2015	68,878	67,907	72,090	71,877
	2016	70,177	68,281	69,853	71,043
	2017	51,608	57,383	66,240c/	na

Broiler b/	2011	69,932	110,122	71,038	76,435
	2012	69,387	97,750	68,540	76,130
	2013	71,938	95,898	64,505	76,487
	2014	77,879	103,593	75,846	77,746
	2015	82,749	110,489	81,184	81,851
	2016	86,541	101,014	76,420	87,830
	2017	79,332	104,205	75,840c/	na

Source: Korea Statistics (KOSTAT) and Korea Rural Economic Institute (KREI)

a/ Excluding breeders

b/ Excluding multi-use broilers

c/ KREI forecast

d/ FAS/Seoul forecast based on KREI data

e/ FAS/Seoul forecast

RICE

Production:

Statistics Korea (KOSTAT) released their 2017 rice production estimate of 3.96 million metric tons (MMT) based on a nationwide survey of 6,300 rice fields conducted September 15-22, 2017, down 5.8 percent from the previous year due to both smaller production area and a lower yield compared to last year.

The survey results show total harvested acreage at 754,716 HA, which is a 3.1 percent decline from the previous year. Yields were also below normal, caused by unfavorable weather in the critical stages such as drought during the planting season and frequent rains in the filling stage. Therefore, declining acreage and decreased yields meant production levels were lower than four MMT for the first time since 1981 when the rice crop suffered considerably from cold damage and resulted in production of only 3.6 MMT. KOSTAT is expected to release its final production estimate shortly after the rice harvest is complete in mid-November.

Accordingly, FAS Seoul forecasts rice production in MY 2017/18 will show some expansion to 3.96 million metric tons (MMT), up 1.4 percent from the post's initial forecast of 3.9 MMT to reflect the results of the survey.

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, in response to greater demand from housing and building complexes and the conversion of rice paddy land to more profitable cash crops. The government also encouraged rice farmers to cultivate other crops in the rice paddy land to reduce the burden of heavy rice stocks accumulated since MY2013/14. In consequence, the Korean government decided to initiate a 'rice reduction program' next year that is designed for rice farmers who cultivate other crops in rice paddy land to receive Korean Won (KRW) 3.4 million per HA (USD2,800 per HA). A government budget of KRW 137 billion (USD114 million), affecting 50,000 HA, is available for the program. If rice farmers actively participate in the program, the program will lead to a reduction of 250,000MT of rice.

Table 20

Korea: 2017 Rice Production Forecast			
	2016 Rice Production	2017 Rice Production Forecast ^{1/}	Change (%)
Area (1,000 HA)	779	755	-3.1
Yield (KG/HA)	5,389	5,240	-2.8
Production (1,000MT)	4,197	3,955	-5.8

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 21

Korea: Rice Area and Production Estimate per Province (September 15 Crop Survey Basis)

Crop Year	Area (Hectare)			Production (Metric ton)		
	2016	2017	Change (%)	2016	2017	Change (%)
National Total	778,734	754,716	-3.1	4,196,691	3,955,227	-5.8
Kyonggi	80,750	78,484	-2.8	413,916	378,290	-8.6
Kangwon	30,714	29,710	-3.3	166,396	149,738	-10.0
Chungbuk	37,114	35,069	-5.5	201,675	182,008	-9.8
Chungnam	137,354	134,035	-2.4	774,105	722,436	-6.7
Chonbuk	121,026	118,340	-2.2	687,398	648,477	-5.7
Chonnam	166,444	161,445	-3.0	846,236	819,500	-3.2
Kyounbuk	102,941	99,551	-3.3	576,643	550,514	-4.5
Kyongnam	70,626	67,895	-3.9	369,032	352,365	-4.5
Cheju	127	113	-11.0	358	307	-14.2
Cities ^{1/}	31,638	30,074	-4.9	160,931	151,592	-5.8

Source: Statistics Korea (KOSTAT)

1/ paddy land located in seven big cities such as Seoul, Pusan etc.

Yield

Unfavorable weather developments from planting to growing stages resulted in lower rice yields at 5,240 kg per HA, which is down 2.8 percent from 2016 but still the third highest yield in the most recent five years.

Table 22

Korea: Rice Area, Yield and Production			
Crop Year	Area (1,000HA)	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
2017c/	755	5,240	3,955

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

Government Rice Purchase Program under the Public Food Grain Stockholding Program (PFSP)

The government also purchases rice for price stabilization purposes. Under the Public Food Grain Stockholding Program for Food Security, the Korean government will purchase domestic paddy rice during the harvest season (October-December) at the average market price and sell it during non-harvest periods at the prevailing domestic market price.

Between October and December 2017, the Korean government plans to purchase 320,000 MT (milled basis) of paddy rice, representing around nine percent of the estimated 2017 rice crop production. Additionally, the government plans to purchase 30,000 tons for the APTERR (ASEAN Plus Three Emergency Rice Reserve), which was established to provide member countries with rice in the event of natural disasters. The total amount of rice agreed upon in July 2013 by the 13 member countries and stored in reserve was targeted at 787,000 metric tons, including 150,000 metric tons promised by Korea.

In addition to government rice purchased under PFSP, the Korean government announced that it would buy more rice from farmers to support rice farm gate prices. Markets have been depressed by overproduction estimated to be within the range of about 250,000-300,000 MT above the 3.7 MMT estimated as actual human consumption in MY 2017/18. The Korean government is expected to buy 370,000 MT (milled) of rice to prop up the farm gate price in the harvest season, reaching 720,000 MT in total under government purchasing programs.

Table 23

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	640 ^{a/}	15.1
2015	4,327	747 ^{b/}	17.3
2016	4,197	689 ^{c/}	16.4
2017 plan	3,955	720d/	18.2

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 and 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 and 30,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)

c/ Includes 299,000 MT to stabilize rice markets in addition to 360,000 MT under PFSP and 30,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)

d/ Includes 370,000 MT to stabilize rice markets in addition to 320,000 MT under PFSP and 30,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)

Government and NACF's Loan Programs

The Korean government is expected to provide loans for rice millers worth more than 1.4 trillion Korean Won (USD1.2 billion) with a special loan rate between zero and two percent per annum this year. The National Agricultural Cooperative Federation (NACF), the national farmers group, also continues to provide about 1.9 trillion Korean Won (USD1.7 billion) worth of loans to rice farmers/millers with zero interest rate. The main goal of the loan programs is to encourage rice millers to purchase more rice from farmers, minimizing the downward pressure of harvest on prices in the rice market. Another bumper crop has caused concerns among rice farmers over the collapsing farm gate price.

Most rice purchases under the loan programs provided by the Korean government and the NACF will be introduced into the rice retail market through NACF's Rice Processing Complexes (RPCs) and independent RPCs throughout the 2017/18 (Nov/Oct) rice marketing year. Korean rice farmers expect the purchasing measures will help prop up prices during the rice harvest season.

Rice farmers are expected to sell approximately 2.5 MMT during the harvest season, including 720,000 MT of government direct purchases under the Public Food Grain Stockholding Program, APTERR (ASEAN Plus Three Emergency Rice Reserve) and additional government purchasing as well as 1.8 MMT of rice under loan programs.

Table 24

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	1,770	41
2016	4,200	1,800	43
2017 plan	3,955	1,800	46

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

a/ exclude independent RPC purchases

Consumption:

MY 2017/18 rice consumption is forecast at 4.87 MMT, up 162,000 MT from the estimated total consumption in the current marketing year due to the government plan to increase the use of government held old stocks of rice for animal feed as human consumption continues declining. Imported rice constitutes about nine percent of total consumption.

Korean consumers prefer short-grain table rice. Three quarters of domestic production (all short-grain) was consumed as table rice during marketing year 2015/16. Per capita table rice consumption continues declining as eating habits change due to rising incomes and the growing popularity of Western foods. Annual per capita table rice consumption reached its peak at 136.4 Kg in 1970, and has gradually declined to 61.4 Kg in MY 2015/16, according to preliminary government statistics. FAS/Seoul forecasts per capita table rice consumption at 60.1 Kg in MY 2016/17 based on declining consumption trends for table rice, further decreasing to 59.0 Kg in MY 2017/18.

In MY 2015/16, the percentage of processing rice consumption increased to 17 percent of total rice domestic consumption from 13 percent in the previous year. Rice was allowed to be used as feed for the first time, as rice consumption used in food processing has maintained constant growth in the past few years. In MY 2016/17, heavy stocks will lead the share of rice used in processing to increase further to 25 percent, due mainly to a sharp increase of rice used in animal feed. The Korean government plans to allow 750,000 MT of brown rice (675,000 in milled) of old stock held by government to be used for animal feed in MY 2017/18, reaching 1.4 MMT of rice (milled) for processing or 29 percent of total domestic consumption.

Feed:

In order to reduce high ending stocks, the Korean government released rice to be used as feed for the first time in MY 2015/16. This occurred when the Korean government released 101,000 MT of brown rice (91,000 MT on a milled basis) from the 2012 crop for feed use in February 2016. The released price was 200 Korean Won per Kg (USD 0.18/Kg), a tenth of the purchasing price in the harvest season when it was procured under the government purchasing program.

In MY 2016/17, the Korean government allowed the use of 480,000 MT of domestic old crop brown rice for feed purposes (432,000 MT on milled basis), consisting of rice from the 2013 crop and 2014 crop. However, feed millers declined to consume 82,000 MT of brown rice (73,800 MT, milled basis) imported mainly from China under the 2014 Minimum Market Access agreement (MMA, 2013 crop) because of the additional cost of removing 40 Kg "PP" bags that contain imported brown rice for processing purposes. In response, the imported rice for feed is expected to be delivered to feed millers on the basis of one-ton tote bags next year. The selling price was set at 208 Korean Won per Kg (USD 0.18/kg), reflecting 88 percent of the feed value of corn imported in CY 2016.

The Korean government recently released a plan to use more rice for feed in MY 2017/18 in order to further reduce ending stocks, expecting to use 750,000 MT of brown rice (675,000 MT, milled) for animal feed in CY 2018.

Table 25

Korea: Rice Utilization Pattern
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(1,000 MT, milled)				
Rice Year (November - October)	MY 2014/15 ^{a/}	MY 2015/16 ^{b/}	MY 2016/17 ^{c/}	MY 2017/18 ^{d/}
Table Rice	3,239	3,110	3,074	3,040
Processing	575	711	1,165	1,395
(for food)	(426)	(451)	(560)	(550)
(for liquor)	(149)	(169)	(173)	(170)
(for feed)	0	(91)	(432)	(675) ^{e/}
Seed	35	35	33	33
Other and Loss	348	356	434	400
Total Demand	4,197	4,212	4,706	4,868
Per Capita Table Rice Consumption (Kg)	62.9	61.4	60.1	59.0

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

a/ Revised

b/ Preliminary

c/ Forecast

d/ FAS/Seoul forecast

e/ Includes 74,000MT of imported rice, mainly from China

Table 26

Korea: Rice Consumption Pattern for Processing Purpose (1,000 MT, milled)				
Purpose	MY 2013/14	MY 2014/15 ^{a/}	MY 2015/16 ^{b/}	MY 2016/17 ^{c/}
KRFA	227	197	222	250
KALIA	78	155	169	173
Others ^{d/}	238	223	229	310
Feed	0	0	91	432
Total	535	575	711	1,165

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)

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 five percent under the tariff rate quota (TRQ) regime implemented in 2015. In late 2014, as Korea prepared to implement rice tariffication through the WTO, Korea deleted provisions about usage purposes, 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 subsequently auctions off imported table rice.

Imports:

The MY 2017/18 rice import forecast remains unchanged at about 410,000 MT (milled basis) from Post's initial forecast, as Korea is expected to continue purchasing 408,700 tons (milled basis) of rice under the CY 2018 TRQ.

MY 2016/17 rice imports are revised down to 400,000 MT, slightly lower than the initial forecast of 410,000 MT (milled basis), based on actual rice imports for the first 11 months and buying contracts, while actual delivery of some portion of the TRQ will roll over into the following year. U.S. rice exports to Korea are estimated at 165,000 MT (milled) based on actual rice imports for the first nine months in CY 2017, which accounted for about 52 percent of total estimated rice imports of 320,000 MT (milled) in CY 2017.

2017 TRQ Tendering Process:

Under the 2017 Tariff Rate Quota (TRQ) purchasing plan, Korea will purchase 408,700 MT of rice (milled basis) following the rice tariffication system that has been in effect since 2015. Under the 2017 TRQ thus far, Korea has filled 54 percent of the total 2017 TRQ by purchasing 220,500 MT (milled), consisting of 217,200 MT of USDA No. 3 grade brown rice (195,500 MT, milled) for processing purposes and 25,000 MT of USDA No.1 grade milled rice for table purpose,

respectively (Table 27).

This quantity consists of 70,000 MT of medium-grain brown rice (63,000 MT on a milled basis) from the United States (60,000 MT) and Australia (10,000MT), 117,200 MT of short-grain brown rice (105,500 on a milled basis) from China (62,200 MT) and Vietnam (55,000 MT), and 30,000 MT of long-grain brown rice (27,000 MT, milled) from Thailand (Table 29).

As Korean farmers have made strong demands that the government suspend buying foreign rice during the harvest season of Korean rice, aT has tentatively stopped the tender process since September 2017. Korea is expected to resume the process of buying tenders for the open quota of 188,200 MT (milled) from November through December to complete the mandatory purchases under 2017 TRQ of rice within this year.

Table 27

Korea: Rice Contracts by Country under 2017 MFN TRQ^{1/} (Unit: MT, Milled Basis, as of August 10, 2017)			
Country	MFN TRQ		Total
	Processing Use	Table Use	
USA	54,000	25,000	79,000(19.3)
China	56,000	0	56,000(13.7)
Thailand	27,000	0	2,7000(6.6)
Australia	9,000	0	9,000(2.2)
Vietnam	49,500	0	49,500(12.1)
S. Total	195,500	25,000	220,500(54.0)
Open Quota	188,200		188,200(46.0)
G. Total	408,700		408,700(100%)

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

1/ under ongoing process of buying tenders since March 2017

Table 28

Korea: U.S. Rice Sales to Korea under 2017 TRQ^{1/} (ongoing process of buying tenders as of August 10, 2017)					
Contracts	Milled rice(MT) for Table	Brown rice(MT) for Processing	Unit Price(USD/MT) CIP	Amount (1000 USD)	ETA
1	0	22,222	636.52	14,144	6/30/2017
2	0	15,556	642.30	9,991	6/30/2017
3	0	11,111	605.60	6,728	6/30/2017
4	0	11,111	594.33	6,603	6/30/2017
5	10,000	0	770.82	7,708	2/28/2018
6	10,000	0	747.86	7,478	2/28/2018
7	5,000	0	767.88	3,839	March 2018
Total	25,000	60,000a/		56,495	
G. Total	79,000 (milled)			56,495	

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

a/ equivalent to 54,000 MT, milled basis

1/ under ongoing process of buying tenders since March 2017

Table 29

Korea: 2017 TRQ Rice Tender Results (as of August 10, 2017)									
Bid Date (mm-dd-yy)	Rice Type	Volume (Contract Basis)	Volume (Milled Rice Basis)	Origin	Price (US\$/MT)	Terms and Conditions	Delivery Due	Agent	Supplier
3/8/2017	SG #3 Brown	10,000	9,000	Vietnam	820.90	CIP	5/31/2017	The Ground Korea	Green Mountain

	n								
3/8/2017	SG #3 Brown	20,000	18,000	Vietnam	827.90	CIP	5/31/2017	The Ground Korea	Green Mountain
3/8/2017	MG #3 Brown	22,222	20,000	USA	636.52	CIP	6/30/2017	Philasun	ADM
3/8/2017	MG #3 Brown	15,556	14,000	USA	642.30	CIP	6/30/2017	Philasun	ADM
3/8/2017	MG #3 Brown	11,111	10,000	USA	605.60	CIP	6/30/2017	Daewoo	FRC
3/8/2017	MG #3 Brown	11,111	10,000	USA	594.33	CIP	6/30/2017	Singsong	ACC
3/8/2017	LG #3 Brown	10,000	9,000	Thailand	418.88	CIP	5/31/2017	Daewoo	Capital Rice Co., Ltd
5/16/2017	SG #3 Brown	30,000	27,000	China	801.00	CIP	6/15/2017	Daewoo	COFCO
5/16/2017	LG #3 Brown	10,000	9,000	Vietnam	425.68	CIP	9/30/2017	Daewoo	Vinafood
5/16/2017	MG #1 Milled	10,000	10,000	USA	770.82	CIF	2/28/2018	Philasun	ADM
5/16/2017	MG #1 Milled	10,000	10,000	USA	747.86	CIF	2/28/2018	D&B	Sun Rice
5/16/2017	MG #1 Milled	5,000	5,000	USA	767.88	CIF	3/31/2018	Daewoo	FRC
8/7/2017	SG #3 Brown	22,222	20,000	China	757.97	CIP	9/30/2017	Singsong	Jilin Grain
8/7/2017	SG #3 Brown	15,000	13,500	Vietnam	750.00	CIP	11/30/2017	D&B	na
8/7/2017	SG #3 Brown	10,000	9,000	China	757.99	CIP	10/31/2017	Singsong	Jilin Grain
8/7/2017	MG #3 Brown	10,000	9,000	Australia	655.00	CIP	11/30/2017	D&B	Sun Rice
8/7/2017	LG #3 Brown	20,000	18,000	Thailand	435.80	CIP	10/31/2017	Singsong	Toumi
Total		242,222	220,500						

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

Auctions for Imported Table Rice:

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

The current pace of auctions for imported rice for table use has been very slow, effectively reducing the volume of auctioned rice due to heavy stocks of domestic rice caused by consistent crop overproduction since 2013. As large rice stocks have led to low domestic prices, farmers' groups have petitioned the government to slow down auctions for imported rice for table use and then asked the government to stop conducting auctions for imported medium and short grains competing with domestic rice. Accordingly, as of September 18, 2017, the government suspended auctions for medium and short grain table rice imported under the 2015 TRQ but maintained auctions for long grain table rice imported under 2016 TRQ.

Table 30

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 31

Korea: Status of Rice Auction for Table Rice under 2016 TRQ (Unit: metric tons, milled basis, as of October 11, 2017)						
Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price 1/
U.S. Medium Grain	#1	40,000	0	40,000	0	na
Vietnamese Short Grain (Feb. 2017 ~)	#1	3,000	5	2,995	0	1,250
Thai Long Grain (Oct. 2016 ~)	#1	7,000	2,660	4,340	38	957
Total		50,000	2,665	47,335	5.3	

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

1/ Weighted average in Korean Won per Kg

Exports:

Korea's rice exports were 2,285 MT for the first nine months of CY 2017, and they are expected to reach about 3,000 MT on annual basis. U.S. imports of Korean rice are also expected to be higher than the previous year.

Table 32

Korea: Rice Export (Milled)				
Calendar Year	To the World		To the United States	
	Quantity (MT)	Value (USD1,000)	Quantity (MT)	Value (USD1,000)
2005	18	89	5	5
2006	9	40	0.2	1

2007	507	1,322	333	876
2008	356	829	115	285
2009	4,183	7,300	443	777
2010	3,765	6,394	272	587
2011	3,782	6,277	161	244
2012	2,223	4,424	90	185
2013	1,517	3,363	86	180
2014	1,684	3,894	123	303
2015	1,987	4,472	365	1,148
2016	2,313	4,847	477	1,175
2017 (Jan-Sep)	2,285	4,630	401	1,069

Source: Korea Customs Service (KCS)

Stocks:

MY 2017/18 ending stocks forecast (as of the end of October 2018) is revised down to 1.2 MMT, or 24.9 percent of total consumption because the government plans to increase rice consumption for animal feed in CY 2018. The government continues its efforts to reduce heavy rice stocks, but stocks are still higher than the FAO recommended level of 800,000 MT or 18 percent of stock to use ratio. MY 2016/17 ending stocks (as of the end of October 2017) are estimated at 1.7 million tons, or 37 percent of total domestic consumption, down from the previous year due to a government rice policy to use rice for animal feed in CY 2017 for the first time. MY 2015/16 ending stocks (through the end of October 2016) were estimated at 1.8 MMT, or 43.5 percent of total domestic consumption. Rice production in the past four consecutive years has been greater than actual demand, amid declining per capita table rice consumption attributable to rising incomes (and more diverse food intake).

Table 33

Korea: Status of Rice Stocks						
(Milled rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2012/13	2013/14	2014/15a/	2015/16b/	2016/17c/	2017/18d/
Total Stock	755	887	1,406	1,831	1,719	1,213
Government Stock	755	887	1,406	1,831	1,719	1,213
Total Domestic Consumption	4,489	4,422	4,197	4,212	4,706	4,868
Stock to Use Ratio (%)	16.8	20.0	33.5	43.5	36.5	24.9

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 Market Begin Year	2015/2016		2016/2017		2017/2018	
	Nov 2015		Nov 2016		Nov 2017	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	799	799	779	779	744	755
Beginning Stocks	1406	1406	1831	1831	1736	1719
Milled Production	4327	4327	4197	4197	3900	3955
Rough Production	5771	5771	5625	5625	5217	5309
Milling Rate (.9999)	7498	7498	7461	7461	7475	7450
MY Imports	312	312	410	400	410	410
TY Imports	313	313	410	340	410	410
TY Imp. from U.S.	112	111	0	165	0	160
Total Supply	6045	6045	6438	6428	6046	6084
MY Exports	2	2	2	3	2	3
TY Exports	2	2	2	3	2	3
Consumption and Residual	4212	4212	4700	4706	4650	4868

Ending Stocks	1831	1831	1736	1719	1394	1213	
Total Distribution	6045	6045	6438	6428	6046	6084	
Yield (Rough)	7.2228	7.2228	7.2208	7.2208	7.0121	7.0318	

(1000 HA) ,(1000 MT) ,(MT/HA)

Table 34

Korea: Monthly Wholesale Price of Milled Rice (High Quality)						
Month\Year	CY 2015		CY 2016		CY 2017	
	Won/Kg	USD/Kg	Won/Kg	USD/Kg	Won/Kg	USD/Kg
January	2,070	1.90	1,810	1.51	1,602	1.35
February	2,069	1.88	1,810	1.49	1,590	1.39
March	2,046	1.84	1,810	1.53	1,590	1.40
April	2,040	1.88	1,810	1.58	1,590	1.40
May	2,019	1.85	1,810	1.54	1,590	1.41
June	1,990	1.79	1,810	1.55	1,590	1.41
July	1,990	1.74	1,810	1.58	1,598	1.41
August	1,990	1.69	1,802	1.62	1,626	1.44
September	2,004	1.70	1,705	1.54	1,691	1.50
October	2,951	1.70	1,546	1.37	1,803	1.59
November	1,852	1.61	1,620	1.40	na	na
December	1,826	1.56	1,620	1.37	na	na
Average	1,986	1.76	1,747	1.51	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

Table 35

Korea: Monthly Retail Price of Milled Rice (High Quality)						
Month\Year	CY 2015		CY 2016		CY 2017	
	Won/Kg	USD/Kg	Won/Kg	USD/Kg	Won/Kg	USD/Kg
January	2,277	2.09	2,132	1.78	1,805	1.53
February	2,263	2.06	2,112	1.74	1,806	1.58
March	2,252	2.03	2,085	1.76	1,803	1.59
April	2,211	2.04	2,027	1.77	1,804	1.59
May	2,239	2.05	1,998	1.70	1,768	1.57
June	2,243	2.02	1,990	1.71	1,745	1.54
July	2,225	1.95	1,992	1.74	1,728	1.53
August	2,218	1.88	1,983	1.79	1,742	1.54
September	2,241	1.90	1,970	1.78	1,947	1.72
October	2,233	1.95	1,895	1.68	2,086	1.84
November	2,184	1.90	1,850	1.59	na	na
December	2,181	1.86	1,809	1.53	na	na
Average	2,230	1.97	1,985	1.71	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

Table 36

Korea: Foreign Exchange Rate (Korean Won against USD)			
Month	CY 2015	CY 2016	CY 2017
January	1,087	1,196	1,183

February	1,099	1,216	1,143
March	1,112	1,184	1,133
April	1,086	1,146	1,132
May	1,091	1,172	1,126
June	1,112	1,167	1,130
July	1,143	1,142	1,133
August	1,177	1,110	1,129
September	1,182	1,107	1,130
October	1,146	1,125	1,134a/
November	1,151	1,160	na
December	1,172	1,182	na
Average	1,130	1,158	1,137

Source: Global Financial Service

a/ Oct 1-13, 2017