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Korea - Republic of

Grain and Feed Update

Heavy Rains Lead to Continued Overproduction of Rice

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Report Highlights:

In Marketing Year (MY) 2018/19, heavy rains during the planting season caused farmers to opt out of the government program to reduce rice acreage and continue planting rice. FAS/Seoul therefore has increased the rice production estimate to 3.88 million metric tons (MMT). Rice consumption estimates are revised upward to 4.67 MMT, reflecting an increasing use of rice for animal feed. Meanwhile, wheat consumption and imports are revised down slightly to 3.9 MMT and 4.1 MMT respectively, reflecting higher global prices for wheat. The MY 2018/19 forecast for corn consumption is unchanged at 10.4 MMT, with about half (49 percent) of imports deriving from the United States (5.0 MMT).

Post:
Seoul

Author Defined:
Commodities:
Wheat

Production:

At the end of June 2018, the Korean government officially released data showing that wheat production in MY 2017 was 37,425 MT. Yields of 4.03 MT per hectare (ha), reached their highest level since 2010, due to favorable weather during both the planting and growing seasons. At the end of July 2018, the Korean government released the official number for wheat area in MY 2018, which was 6,600 ha. Accordingly, FAS/Seoul revised the production estimate down to 23,000 MT, down 28 percent from the previous forecast due to the decrease of wheat acreage from the initial forecast. The official production data will be available in June 2019.

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
2017	9,283	4.03	37,425
2018a/	6,600	3.46	23,000

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:

The MY 2018/19 wheat consumption forecast is revised down to 3.85 million metric tons (MMT), with feed grade wheat decreasing 0.5 MMT due to higher prices in the global market (Table 2).

In MY 2017/18, wheat consumption is revised to 3.99 MMT, down four percent from FAS/Seoul's previous estimate due mainly to lower demand for imported feed-grade wheat, due to wheat prices that were less competitive against corn during the marketing year. Milling wheat consumption remains

almost unchanged from the previous estimate.

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	2,246	2,250
Imported Milling Wheat ^{2/}	190	200	200	200
Flour Imports ^{a/}	50	33	29	30
Flour Exports ^{a/}	30	37	55	50
Pasta Imports ^{a/}	142	147	155	150
Pasta Exports ^{a/}	147	200	237	250
Local Wheat	26	39	37	23
FSI Consumption ^{b/}	2,434	2,413	2,375	2,353
Feed Wheat	1,728	2,117	1,612	1,500
Total Consumption ^{b/}	4,162	4,530	3,987	3,853

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
February	138	159	110	160	172	167
March	153	170	123	188	191	199
April	142	146	122	178	178	173
May	167	157	135	170	179	180
June	186	151	131	178	186	177
Total	1,730	2,117	1,612	2,134	2,165	2,186

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 2018/19 wheat imports forecast is revised down to 4.1 MMT, decreasing 0.5 MMT from the

previous forecast due to a smaller number of feed wheat contracts caused by the current global market situation. Of the 4.1 MMT imported, 2.6 MMT will be wheat for milling (including flour and pasta imports on a wheat equivalent basis) and 1.5 MMT will be wheat for animal feed.

MY 2017/18 wheat imports are revised to 4.27 MMT, down three percent from FAS Seoul's previous estimates due to lower imports of feed grade wheat. Imports of U.S. wheat in MY 2017/18 are revised up to 1.44 MMT due to greater imports of feed grade wheat (232,908 MT) from the United States.

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	1,557	2,526	29	155	4,267
18/19 ^{2/}	1,500	2,400	30	150	4,080

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 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	183
October	200	305	109	201	186	163
November	191	208	142	195	211	179
December	110	207	186	217	159	176
January	50	200	114	190	198	256
February	174	152	119	192	149	228
March	143	210	117	192	255	194

April	107	91	135	227	176	171
May	214	88	118	207	248	150
June	191	198	131	194	165	260
Total	1,812	2,174	1,557	2,416	2,313	2,526

Source: Korea Customs Service

Note: exclude wheat flour and products

Table 6

Korea: MY 2018/19 Feed Wheat Contracts by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of October,2018)		
ETA	Quantity	Price (US\$/MT) ^{1/}
Jul. 2018	65	233.40
Aug.	52.5	232.44
Sep.	190	219.92
Oct.	130	222.27
Nov.	197	222.28
Dec.	65	256.00
Jan.	0	-
Feb. 2019	60	245.00
Total	759.5	228.02

Source: Local Grain Traders

1/ CNF on Weighted Average

Table 7

Korea: Wheat Flour Imports (H.S.: 1101) (Metric Ton, July/June)						
Country	MY2012	MY2013	MY2014	MY2015	MY2016	MY2017
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
Vietnam	1	1,005	4,198	7,369	6,354	4,766
France	821	940	1,458	1,652	1,977	2,519
Sri Lanka	1,285	3,102	3,633	2,981	2,979	2,277
Singapore	5,764	3,927	4,200	2,730	1,764	2,268
Italy	436	480	544	683	717	798
Others	4,170	783	3,358	913	1,012	1,008
Total	28,600	21,799	32,207	36,816	24,395	21,185
Wheat Basis^{a/}	39,125	29,821	44,059	50,364	33,372	28,981

Source: Korea Customs Service (KCS)

a/ applied converting factor: 1.368

Table 8

Korea: Pasta Imports (H.S.: 190219, 190230, 190240) (Metric Ton, July/June)				
Country	MY2014	MY2015	MY2016	MY2017
Total	97,475	103,707	107,357	113,640
Wheat Basis ^{a/}	133,346	141,871	146,864	155,460

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 9

Korea: Wheat Flour Exports (H.S.: 1101) (Metric Ton, July/June)						
Country	MY2012	MY2013	MY2014	MY2015	MY2016	MY2017
Total	16,415	17,437	20,629	21,699	26,958	40,366
Wheat Basis ^{a/}	22,456	23,854	28,220	29,684	36,879	55,221

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 10

Korea: Pasta Exports (H.S.: 190219, 190230, 190240) (Metric Ton, July/June)				
Country	MY2014	MY2015	MY2016	MY2017
Total	88,354	107,455	145,858	173,366
Wheat Basis ^{a/}	120,868	146,998	199,534	237,165

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 Market Begin Year Korea, Republic of	2016/2017		2017/2018		2018/2019	
	Jul 2016		Jul 2017		Jul 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	10	10	9	9	9	7
Beginning Stocks	1507	1507	1442	1446	1291	1471
Production	35	39	32	37	32	23
MY Imports	4667	4667	4269	4267	4100	4100
TY Imports	4667	4667	4269	4267	4100	4100
TY Imp. from U.S.	1394	1222	1440	1436	0	1300
Total Supply	6209	6213	5743	5750	5423	5594
MY Exports	237	237	292	292	300	300

TY Exports	237	237	292	292	300	300
Feed and Residual	2117	2117	1800	1612	1500	1500
FSI Consumption	2413	2413	2360	2375	2400	2350
Total Consumption	4530	4530	4160	3987	3900	3850
Ending Stocks	1442	1446	1291	1471	1223	1444
Total Distribution	6209	6213	5743	5750	5423	5594
Yield	3.5	3.9	3.5556	4.1111	3.5556	3.2857

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

Country Korea, Republic of
Commodity Wheat

Time Period	July/June	Units:	1,000MT
Imports for:	2016		2017
U.S.	1220	U.S.	1434
Others		Others	
Australia	1079	Australia	1098
EU	365	EU	27
Canada	164	Canada	221
Ukraine	1171	Ukraine	939
Argentina	167	Russia	346
Russia	77	Brazil	16
Brazil	233		
Total for Others	3256		2647
Others not Listed	10		3
Grand Total	4486		4084

Note: excludes the import of wheat flour and pasta

Commodities:

Corn

Production:

Corn production in MY 2017 was revised down to 72,587 MT based on the Korean government official numbers released at the end of June 2018. This number is down five percent from post's previous forecast, and two percent lower than a year earlier reflecting a lower yield than the recent five-year average.

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	15,356	5.10	78,243
2016	15,183	4.85	73,681
2017 ^{a/}	15,074	4.82	72,587

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

Consumption:

The MY 2018/19 corn consumption forecast remains unchanged from FAS/Seoul's initial forecast of 10.4 MMT, consisting of 8.0 MMT for feed purposes and 2.4 MMT for food, seed and industrial (FSI) purposes. Feed corn is expected to be the major ingredient used in compound feed, accounting for about 40 percent of total ingredients (8.0 MMT) in the marketing year, with feed wheat remaining at eight percent (1.6 MMT) (Table 14). 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 is estimated at 10.0 MMT, remaining unchanged from the previous forecast based on actual consumption for the first eleven months. This total consists of 7.6 MMT for feed and 2.4 MMT for food, seed and industrial (FSI) purposes (Table 12).

Feed

Compound feed production is forecast to reach around 19.8 MMT for MY 2018/19. This record volume is based on continuous growth in swine inventories, which will partly offset the anticipated reduction in cattle inventories. Poultry numbers are also expected to be stronger than the previous year.

MY 2017/18 compound feed production is estimated to grow three percent from the previous year to reach around 19.6 MMT based on the actual compound feed production for the first eleven months. This increase reflects a strong rebound of poultry inventories from the Highly Pathogenic Avian Influenza (HPAI) outbreak in late 2016 as well as constant growth of swine inventories (Table 21).

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	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 ^{d/}	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 estimate based on actual consumption for the first eleven months

d/ FAS Seoul forecast

Table 13

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
February	648	521	602	160	176	172
March	688	581	645	191	199	201
April	650	541	626	186	194	189
May	651	597	661	191	194	196
June	634	595	623	191	196	197
July	593	555	596	203	204	198
August	598	591	606	191	194	187
Sub Total	7,226	6,409	6,958	2,043	2,118	2,109
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 14

Korea: Feed Ingredient Use for Compound Feed Production (October/September, 1,000 MT)				
Items	MY 2015/16	MY 2016/17	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	1,600	1,600
- Corn	7,841	7,031	7,600	8,000
- Rice	73	365	750	500
- Other Grains and Grain Substitute ^{b/}	2,571	2,695	2,750	2,800
Others ^{c/}	7,028	6,844	6,900	6,900
Grand Total	19,423	18,960	19,600	19,800

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 Use (October/September, 1,000 MT)				
Species	MY 2015/16	MY 2016/17	MY 2017/18a/	MY 2018/19b/
Poultry	5,797	5,402	5,950	6,000
Swine	6,247	6,327	6,450	6,600
Cattle	5,820	5,807	5,750	5,800
Others ^{c/}	1,529	1,381	1,450	1,400
Sub Total	19,393	18,917	19,600	19,800
Aquaculture	132	148	150	150
Milk Substitute	51	52	55	60
Grand Total	19,576	19,117	19,805	20,010

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

a/ FAS/Seoul forecast based on actual production for the first eleven months.

b/ FAS/Seoul forecast

c/ Include ducks, rabbit, horse, sheep, deer, quail etc.

Table 16

Korea: Compound Feed Production Comparison by Species Use for the First Eleven Months (October/June, 1,000 MT)			
Species	MY 2016/17	MY 2017/18	Change
Poultry	4,944	5,447	+10.2
Swine	5,753	5,930	+3.1
Cattle	5,282	5,259	-0.4
Others	1,259	1335	+6.0
Total	17,238.	17,971	+4.3

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

Table 17

Korea: Monthly Processing Corn Use (MT)						
Month	MY 2016/17			MY 2017/18		
	Wet Milling	Dry Milling	Total	Wet Milling	Dry Milling	Total
October	194,073	6,209	200,282	180,219	5,199	185,418
November	179,528	6,358	185,886	185,286	6,669	191,955
December	178,378	6,264	184,642	185,719	5,880	191,599
January	183,539	6,649	190,188	193,527	6,645	200,172
February	170,261	6,139	176,400	166,131	5,487	171,618
March	192,102	7,007	199,109	194,147	6,631	200,778

April	187,708	6,240	193,948	182,936	6,290	189,226
May	187,247	6,506	193,753	189,964	6,368	196,332
June	190,125	5,922	196,047	190,176	6,420	196,596
July	197,619	6,286	203,905	193,031	5,390	198,421
August	188,188	5,664	193,852	181,366	5,823	187,189
Sub Total	2,048,768	69,244	2,118,012	2,042,502	66,802	2,109,304
September	190,085	6,907	196,992	na	na	na
Total	2,238,853	76,151	2,315,004	na	na	na

Source: Korea Corn Processing Industry Association (KOCPIA)

Trade:

The MY 2018/19 corn import forecast remains unchanged from FAS/Seoul's initial forecast of 10.3 MMT despite expectations that the Korean government will increase the amount of brown rice used for animal feed to 0.5 MMT in CY 2019, up 0.2 MMT from FAS/Seoul's initial forecast, to reduce government held rice stocks. The increase of rice for feed may partly offset the decrease of feed wheat consumption.

Based on the current international corn market situation, MY 2018/19 corn imports from the United States are forecast to stay around 5.0 MMT, or about 49 percent of total Korean corn imports. The U.S corn market share is estimated at 52 percent of total Korean corn imports for the current marketing year.

Total corn imports in MY 2017/18 are estimated to reach 10 MMT, up 0.1 MMT from the previous forecast, in order to meet a greater demand for feed that partly offsets the reduced supply of feed wheat. U.S. market share is estimated to increase to 52 percent of total corn imports. U.S. feed corn exports to Korea are expected to be 4.5 MMT, accounting for 58 percent of total imports of feed grade corn followed by Brazil, Argentina, and Ukraine. Meanwhile, U.S. food grade corn exports to Korea are expected to be 0.7 MMT, accounting for 31 percent of total imports of food grade corn, positioning imports from the United States after Russia but ahead of Brazil, South Africa, Australia and Serbia.

As of early October 2018, importers had contracted about 3.4 MMT of corn for October 2018 through February 2019 estimated time of arrival (ETA), and they continue to make contracts for ETA in March 2019 onward. Most corn contracts for feed are optional origin at seller's option from South America, Eastern Europe/Black Sea, or the United States with a price range of USD 204-217 per metric ton CNF. Conventional corn for processing is contracted from Eastern Europe with a price range of USD 211-227 per metric ton, CNF. Most recent buying contracts stabilized in the range of USD 204-210 per ton for feed corn with delivery of February. Meanwhile, feed wheat prices were USD 245 per MT, CNF (Table 6), and processing corn prices were USD 215 per MT, CNF with delivery of January 2019

(Table 20).

Table 18

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
17/18	7,680	2,326	10,006	4,453	717	5,170	52
18/19a/	8,000	2,300	10,300	4,500	500	5,000	49

Source: Korea Customs Service, Global Trade Atlas

a/ FAS/Seoul forecast

Table 19

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	739	175	171	242
December	853	636	641	211	162	107
January	563	451	714	245	205	292
February	528	627	637	112	147	180
March	782	490	558	198	251	188
April	702	653	667	206	165	154
May	620	655	643	193	211	253
June	636	552	646	146	267	233
July	654	501	702	252	209	235
August	680	417	626	127	166	196
September	491	653	478	253	207	122
Total	7,833	6,912	7,680	2,289	2,308	2,326

Source: Korea Customs Service, Global Trade Atlas

Table 20

Korea: MY 2018/19 Corn Contracts ^{1/}

By Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of September 19 2018)				
ETA	Quantity		Price (USD/MT) ^{2/}	
	Feed	Processing	Feed	Processing
Oct. 2018	459	225	217.53	227.11
Nov.	659	60	210.84	211.41
Dec.	725	225	207.12	225.34
Jan 2019	458	175	211.11	215.86
Feb.	396		204.57	
Sub Total	2,697	685		
Grand Total	3,382			

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

Production, Supply and Demand Data Statistics:

Corn PS&D

Corn Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	15	15	15	15	15	15
Beginning Stocks	1936	1936	1832	1795	1908	1874
Production	75	74	76	73	76	75
MY Imports	9231	9220	10000	10006	10200	10300
TY Imports	9231	9220	10000	10006	10200	10300
TY Imp. from U.S.	4770	5961	0	5170	0	5000
Total Supply	11242	11230	11908	11874	12184	12249
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	7210	7031	7700	7600	8000	8000
FSI Consumption	2200	2404	2300	2400	2300	2400
Total Consumption	9410	9435	10000	10000	10300	10400
Ending Stocks	1832	1795	1908	1874	1884	1849
Total Distribution	11242	11230	11908	11874	12184	12249
Yield	5	4.9333	5.0667	4.8667	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:	2016		2017
U.S.	5961	U.S.	5170
Others		Others	

Brazil	884	Brazil	1603
Argentina	426	Argentina	1479
Russia	907	Russia	1065
South Africa	92	South Africa	271
Serbia	144	Serbia	41
Ukraine	669	Paraguay	309
Hungary	51	Australia	57
Australia	54		
Total for Others	3227		4825
Others not Listed	32		11
Grand Total	9220		10006

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

Note: exclude pop corn

Table 21

Korea: Animal Inventory (1,000 Head, 1,000 Birds, as of October 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	3,020
	2018	2,497	3,065	3,134c//	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	408	405	406-408c/	405-407c/
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	11,005	11,187	11,493	11,273
	2018	11,156	11,304	11,600c/	11,500c/
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	71,324	67,043	68,030c/	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	91,053	112,681	82,040c/	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 head ([KS1810](#)). Swine inventory numbers also became part of the traceability system in 2017.

Commodities:

Rice, Milled

Production:

Based on a nationwide survey of 6,300 rice fields conducted September 15-21, 2018, Statistics Korea (KOSTAT) released their 2018 rice production estimate of 3.88 million metric tons (MMT), down 2.4 percent from the previous year due to both smaller production area and a lower yield.

The survey results show total harvested acreage at 737,769 ha, which is a 2.2 percent decline from the previous year. Yields were also below normal due to unfavorable weather in the critical growing stages such as a heat wave in the boot stage (early July – early August), frequent rains during the heading and flowering season (middle – end of August) and reduced sunshine duration in the grain filling stage. KOSTAT is expected to release its final survey showing production estimates shortly after the rice harvest is complete in mid-November.

In consequence, FAS Seoul revised rice production up in MY 2018/19 to 3.88 MMT, increasing 3.9 percent from the post's initial forecast of 3.73 MMT, an initial prediction that was based on the government program to reduce rice acreage under a government support program targeting a reduction in acreage of 50,000 ha. However, rice farmers who had initial intentions to cultivate other crops in their paddy lands have instead decided to cultivate rice due to heavy rains in the planting seasons combined with a bullish price trend in the rice market.

Area

Rice area has continued to decrease annually – with decreases ranging from 5,000 ha to 38,000 ha every year since 2001. In 2018, rice planting/harvesting area decreased by 16,944 ha, down 2.2 % from last year, in response to continued demand for construction of residential and commercial complexes and the conversion of rice paddy land to other crops under the government rice reduction program. The Korean government is expected to continue the rice reduction program to relieve the burden of heavy stocks next year, despite its lack of success in reaching the targeted scale of rice acreage reduction in 2018.

Table 22

Korea: 2018 Rice Production Forecast		
	2017 Rice Production	2018 Rice Production Forecast ^{1/}
Area (1,000 ha)	755	738
Yield (kg/ha)	5,264	5,253
Production (1,000MT)	3,972	3,875

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

1/ KOSTAT estimate on the basis of September 15 crop survey

Table 23

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
2017	755	5,264	3,972
2018 c/	738	5,253	3,875

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/ KOSTAT estimate by the crop survey from September 15-21, 2018

Yield

Unfavorable weather developments from planting to growing stages resulted in a lower rice yield of 5,253 kg per HA, which is down 0.2 percent from 2017.

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

The government purchases rice for price stabilization purposes. Under the Public Food Grain Stockholding Program (PFSP) 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 2018, the Korean government plans to purchase 350,000 MT (milled basis) of paddy rice, representing around nine percent of the estimated 2018 rice crop production, which includes an additional purchase of 10,000 MT for the APTERR (ASEAN Plus Three Emergency Rice Reserve). The APTERR 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 may purchase more rice from farmers to support rice farm gate prices, because estimated rice production is approximately

90,000 – 100,000 MT more than the actual requirement for human consumption in MY 2018/19. Accordingly the scale of government purchase may reach 440,000 MT in total under government purchasing programs.

Table 24

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
2018	3,875	350 ^{e/}	9.0

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)

e/ Includes 340,000 MT under PFSP and 10,000 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 1.28 trillion Korean Won (USD 1.13 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 in 2018 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 2018/19 (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 2.05 MMT or 53 percent of total estimated production during the harvest season, including 350,000 MT through government direct purchases under the PFSP (Public Food Grain Stockholding Program) and APTERR (ASEAN Plus Three Emergency Rice Reserve), and 1.7 MMT of rice under NACF loan programs.

Table 25

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
2018 ^{b/}	3,875	1,700	44

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

a/ Excludes independent RPC purchases

b/ Plan

Consumption:

The MY 2018/19 rice consumption forecast is revised up to 4.67 MMT, up 0.2 MMT or 4.4 percent from the initial forecast of 4.47 MMT, due to increasing rice use for animal feed to eliminate burdens of heavy rice ending stocks caused by greater new crop production than expected. Total rice consumption is composed of 3.17 MMT for table rice and 1.5 MMT for FSI.

MY 2017/18 rice consumption remains unchanged at 4.88 MMT from the previous forecast, consisting of 3.18 MMT for table rice and 1.7 MMT for FSI (Table 26).

Feed:

In an attempt to reduce high ending stocks, the Korean Ministry of Agriculture, Food and Rural Affairs (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.

MY 2017/18 rice use for animal feed remains at 700,000 MT (equivalent to about 780,000 MT of brown rice), unchanged from the previous forecast. The government-released price for feed rice is Korean Won 206 per kg (USD 0.18/kg), or 92 percent of feed corn value imported in the previous marketing year (Table 28).

MY 2018/19 rice consumption for feed is revised up to 0.5 MMT, an increase of 0.2 MMT from the previous forecast as new crop production is estimated to be more than the initial forecast. The government released price for feed is estimated to be Korean Won 215 per kg (USD 0.19/kg), or 93 percent of the value of feed corn imported in the previous marketing year.

Table 26

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	1,220
(for food)	(437)	(492)	(500)	(500)
(for liquor)	(222)	(216)	(220)	(220)
(for feed)	(86)	(470)	(700) ^{d/}	(500)
Seed	34	33	33	33
Other and Loss	241	250	250	250
Total Demand	4,219	4,651	4,883	4,673
Per Capita Table Rice Consumption (kg)	61.9	61.8	61.5	61.3

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

a/ Revised

b/ Preliminary

c/ FAS/Seoul forecast

d/ Includes 73,800MT (milled) of imported rice for processing purpose, mainly from China

Table 27

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 28

Korea: Rice Consumption for Animal Feed (Brown rice basis, MT)	
Month	MY 2017/18

	Domestic Rice	Imported rice	Total
October 2017	48,695	-	48,695
November	53,806	-	53,806
December	48,340	-	48,340
January 2018	43,163	-	43,163
February	54,117	-	54,117
March	62,448	-	62,448
April	64,516	-	64,516
May	64,816	850	65,666
June	64,187	1,655	65,842
July	58,654	2,235	60,889
August	65,027	913	65,940
Sub Total	627,769	5,763	633,422
September	NA	NA	NA
Total	NA	NA	NA

Source: Korea Feed Association (KFA)

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 2018/19 rice import forecast remains at about 410,000 MT (milled basis), unchanged from Post's initial forecast, as Korea is expected to purchase 408,700 tons (milled basis) of rice under the CY 2019 TRQ.

MY 2017/18 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 revised to 120,000 MT (milled), down 27 percent from the previous forecast of 165,000 MT (milled), based on actual rice imports for the first eight months in CY 2018. Sales contracts of U.S. rice have been very slow due to uncompetitive prices in the tendering process under the 2018 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 rice tariffication (in effect since 2015). Under the 2018 TRQ thus far, Korea has bought 221,305 MT (milled basis) or 54.1 percent of the total TRQ, which is composed of 242,783 MT

of brown rice (equivalent to 218,505 MT, milled) for processing purpose and 2,800 MT of milled rice to be used for table purposes. The open quota for further bidding is 187.395 MT (milled) or 45.9 percent of total TRQ (Table 29). The pace of the tendering process under the 2018 TRQ regime has been slower than other years.

The total quantity of 221,305 MT (milled basis) that Korea has purchased under the 2018 TRQ so far consists of:

- 80,000 MT (72,000 milled basis) of medium-grain brown rice - 30,000 MT from the United States and 50,000 MT from China
- 130,000 MT (117,000 milled basis) of short-grain brown rice - 20,000 MT from China and 110,000 MT from Vietnam, and
- 32,783 MT (29,205 milled basis) of long-grain brown rice - 20,000 MT from Thailand and 12,783 MT from Vietnam. Vietnam also sold 2,800 MT of long grain milled rice for table use (Table 31).

Table 29

Korea: Rice Contracts by Country under 2018 MFN TRQ^{1/} (Unit: MT, Milled Basis, as of September 17, 2018)			
Country	MFN TRQ		Total (%)
	Processing Use	Table Use	
USA	27,000	0	27,000 (6.6)
China	63,000	0	63,000(15.4)
Thailand	18,000	0	18,000 (4.4)
Australia	0	0	0
Vietnam	110,505	2,800	113,305(27.7)
India	0	0	0
S. Total	218,505	2,800	221,305(54.1)
Open Quota	187,395		187,395 (45.9)
G. Total	408,700		408,700 (100.0)

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

1/ under ongoing process of buying tenders since May 2018

Table 30

Korea: Rice Varieties of Contracts by Country under 2018 MFN TRQ^{1/} (Metric Ton, milled, as of September 17, 2018)				
Rice Variety	Medium Grain	Short Grain	Long Grain	Total
USA	27,000	0	0	27,000
China	45,000	18,000	0	63,000
Thailand	0	0	18,000	18,000
Vietnam	0	99,000	14,305	113,305

Total	72,000	117,000	32,305	221,305
Ratio (%)	32.53%	52.87%	14.60%	100.00%

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

1/ under ongoing process of buying tenders since May 2018

Table 31

Korea: 2018 TRQ Rice Tender Results (as of September 17, 2018)									
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
5/4/2018	SG #3 Brown	20,000	18,000	Vietnam	668	CIP	Jun-18	The Ground Korea	Green Mountain
5/4/2018	SG #3 Brown	20,000	18,000	Vietnam	638	CIP	Jun-18	The Ground Korea	Green Mountain
5/4/2018	SG #3 Brown	20,000	18,000	China	706	CIP	Jun-18	Daewoo	COFCO
5/4/2018	SG #3 Brown	10,000	9,000	Vietnam	608	CIP	Jun-18	The Ground Korea	Green Mountain
6/28/2018	SG #3 Brown	20,000	18,000	Vietnam	638	CIP	15-Sep-18	The Ground Korea	Green Mountain
6/28/2018	SG #3 Brown	20,000	18,000	Vietnam	648	CIP	15-Sep-18	The Ground Korea	Green Mountain
6/28/2018	SG #3 Brown	20,000	18,000	Vietnam	638	CIP	15-Sep-18	The Ground Korea	Green Mountain
6/28/2018	LG #3 Brown	10,000	9,000	Thailand	468.95	CIP	Sep 30, 2018	Daewoo	Capital Rice Co., Ltd
6/28/2018	LG #3 Brown	10,000	9,000	Thailand	467.4	CIP	Sep 30, 2018	Daewoo	Capital Rice Co., Ltd
6/28/2018	LG #1 Milled	2,800	2,800	Vietnam	513.80	CIF	Dec-18	The Ground Korea	Green Mountain
9/3/2018	MG #3 Brown	10,000	9,000	China	810.4	CIP	Nov 30, 2018	Daewoo	COFCO
9/3/2018	MG #3 Brown	10,000	9,000	USA	835.34	CIP	Dec 31, 2018	Philasun	ADM
9/3/2018	MG #3 Brown	20,000	18,000	USA	902.87	CIP	Dec 31, 2018	Philasun	ADM
9/3/2018	MG #3 Brown	20,000	18,000	China	852.1	CIP	Dec 31, 2018	Daewoo	COFCO
9/3/2018	MG #3 Brown	20,000	18,000	China	852.3	CIP	Dec 31, 2018	Daewoo	COFCO
9/3/2018	LG #3 Brown	12,783	11,505	Vietnam	449.9	CIP	Nov 30, 2018	The Ground Korea	Green Mountain
Total		245,583	221,305						

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.

However, the 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 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 because they compete with domestic rice in the harvest seasons. As a result of the slow pace of auctions, as of September 18, 2017 the government suspended auctions for medium and short grain table rice imported under the 2015 TRQ, because it was too rancid to be sold in the domestic table rice market in MY 2017/18. The unsold imported rice of 52,959 MT for table use, which includes 34,035 of U.S. medium grain, has been converted to be used for alcohol processing purposes beginning in January 2018. Conversion is expected to be completed by the end of year (Table 35).

In April 2018, the Korean government resumed selling medium and short grain rice imported under 2016 TRQ, auctioning off 51 percent of total imported rice to date (Table 36). However, since September 24, 2018, the Korean government has suspended auctions for medium and short grain rice for table purposes as the domestic rice harvest began in September 2018. However, selling auctions for long grain continue. Medium and short grain rice auctions are not expected to resume until the end of 2018 in an effort to prop up domestic rice prices during the period of harvest.

Table 32

Korea: Status of Table Rice Imports and Distribution (MT, Milled rice)					
Calendar Year	Total Rice Imports	Table Purpose	Rate of Table Rice of Total Imports (%)	Distribution to Consumers Market	Conversion to Processing
MMA Quota Regime (2005-2014)					
2005	225,575	22,557	10	22,557	0
2006	245,922	34,429	14	34,429	0
2007	266,270	47,928	18	47,928	0
2008	286,617	63,055 ^{a/}	22	38,121	24,934
2009	306,964	79,810 ^{b/}	26	45,007	34,803
2010	327,311	98,193 ^{c/}	30	92,576	5,617
2011	347,658	104,297	30	104,297	0
2012	368,006	110,401	30	110,401	0
2013	388,353	116,505	30	116,505	0
2014	408,700	122,610 ^{d/}	30	65,072	57,538
Total	3,171,376	799,785	25	676,893	122,892
TRQ Regime (Since 2015)					
2015	408,700	60,000e/	15	7,041	52,959
2016	408,700	50,000	12	25,572f/	24,428
2017	408,700	40,000 g/	10	na	na

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

a/ of which, 24,934MT of Chinese rice was diverted to alcohol processing purpose in CY 2010

b/ of which, 33,303 MT of Chinese rice and 1,500 MT of Thai rice were diverted to alcohol processing purpose in CY 2011

c/ of which, 5,671MT of Chinese rice were diverted to alcohol processing purpose in CY 2012.

d/ of which, 8,754 MT of U.S. rice, 43,386 of Chinese rice and 5,395 MT of Australian rice were converted to alcohol processing purpose in CY 2016

e/ of which, 34,035 MT of U.S. rice and 18,924 MT of Chinese rice have been converting to alcohol processing purpose in CY 2018

f/ suspended auctions for 23,084 MT of U.S. medium grain and 546 MT of Vietnamese short grain as of September 24, 2018 but continues auctioning-off for Thai long grain.

g/ waiting for auction-off

Table 33

Korea: Status of Table Rice Distribution per Country under MMA Regime (2005-2014) (MT, Milled rice, Calendar Year Basis, as of Oct. 7, 2016)					
Year	USA	China	Thailand	Australia	Total
Total Imports (A)	289,548	470,964	28,027	11,246	799,785
Conversion to Processing (B)	8,754	107,294	1,500	5,395	122,943
Quantity for auctions (A-B)	280,794	363,670	26,527	5,851	676,842
Distribution to Markets	280,285	362,708	25,662	5,851	674,506
Loss	509	962	865	-	2,336

Source: FAS/Seoul

Table 34

Korea: Status of Rice Auction for Table Rice under 2014 CSQ (Unit: metric tons, milled basis, as of October 7, 2016)					
Commodity	USDA Grade	Total Table Rice CSQ	Auctioned Off	Balance	Auctioned Off (%)
U.S. Medium Grain	#1	40,056	31,302	8,754	78
	#3	4,451	4,450	1	100 (as of June 3, 2015)
Chinese Short Grain	#1	47,965	25,785	22,180	54
	#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	3,218	2	100 (as of Oct. 7, 2016)
Thai Jasmine Rice	#1	90	90	0	100 (as of Aug. 26, 2015)
Total		122,610	65,072	57,538a/	53

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

a/ conversion to alcohol processing in CY 2016

Table35

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~ Sep. 2017)	#1	40,000	5,965	34,035	15	1,357
Chinese Short Grain (Oct. 2016 ~ Sep. 2017)	#1	20,000	1,076	18,924	5	1,307
Total		60,000	7,041	52,959a/	12	

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

1/ Weighted average in Korean Won per Kg

a/ conversion to alcohol processing in CY 2018

Table 36

Korea: Status of Rice Auction for Table Rice under 2016 TRQ ^{2/} (Unit: metric tons, milled basis, as of September 21, 2018)						
Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price 1/
U.S. Medium Grain (Apr. 2018 ~Sep. 21, 2018)	#1	40,000	16,916	23,084	42	1,585
Vietnamese Short Grain (Apr. 2018 ~Sep. 21, 2018)	#1	3,000	2,454	546	82	1,332
Thai Long Grain (Oct. 2016 ~)	#1	7,000	6,202	798	86	943
Total		50,000	25,572	24,428	51	

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

1/ Weighted average in Korean Won per Kg

2/ Suspended auctions for U.S. medium grain and Vietnamese short grain since September 21, 2018 but continues auctions for Thai long grain during harvest season.

Exports:

Korea's rice exports were 61,294 MT for the first eight months in CY 2018, expecting to reach about 63,000 MT on an annual basis. This total includes a 50,000 MT donation to Yemen, Ethiopia, Kenya and Uganda through the World Food Program (WFP) under the Food Assistance Convention (FAC), and a 10,000 MT donation to Vietnam under ASEAN Plus Three Emergency Rice Reserve (APTERR).

Table 37

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
2018(Jan-Aug)	61,294a/	38,815	295	833

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

a/ includes 60,000 MT of food assistance in 2018.

Stocks:

MY 2018/19 ending stocks (at the end of October 2019) are revised down 0.77 MMT, or 16.6 percent of total consumption, as rice consumption forecast is revised up. Other data points remain unchanged from the previous report.

MY 2017/18 ending stocks forecast (as of the end of October 2018) is estimated to decline to 1.2 MMT, or 24.9 percent of total consumption, as the government has expedited rice consumption for animal feed in CY 2018.

Table 38

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	769
Government Stock	887	1,406	1,831	1,784	1,220	769
Total Domestic Consumption	4,422	4,197	4,212	4,651	4,883	4,673
Stock to Use Ratio (%)	20.0	33.5	43.5	38.4	25.0	16.6

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 Korea, Republic of	2016/2017		2017/2018		2018/2019	
	Nov 2016		Nov 2017		Nov 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	779	779	755	755	705	738
Beginning Stocks	1831	1831	1784	1784	1228	1210
Milled Production	4197	4197	3972	3972	3730	3875
Rough Production	5596	5625	5296	5286	4973	5167
Milling Rate (.9999)	7500	7461	7500	7514	7500	7500
MY Imports	411	411	410	400	410	410
TY Imports	412	412	410	430	410	410
TY Imp. from U.S.	138	164	0	120	0	160
Total Supply	6439	6439	6166	6156	5368	5495
MY Exports	4	4	63	63	53	53
TY Exports	4	4	63	63	53	53
Consumption and Residual	4651	4651	4875	4883	4475	4673
Ending Stocks	1784	1784	1228	1210	840	769

Total Distribution	6439	6439	6166	6156	5368	5495
Yield (Rough)	7.1836	7.2208	7.0146	7.0013	7.0539	7.0014

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

Table 39

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	2,174	2.03
April	1,810	1.58	1,590	1.40	2,234	2.09
May	1,810	1.54	1,590	1.41	2,227	2.07
June	1,810	1.55	1,590	1.41	2,236	2.05
July	1,810	1.58	1,598	1.41	2,286	2.04
August	1,802	1.62	1,626	1.44	2,299	2.05
September	1,705	1.54	1,677	1.48	2,320	2.07
October	1,546	1.37	1,814	1.61	2,320a/	2.06
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/ October 1-13, 2018

Note: Monthly Average Exchange Rate is applied.

Table 40

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	2,286	2.14
April	2,027	1.77	1,804	1.59	2,368	2.22
May	1,998	1.70	1,768	1.57	2,367	2.20
June	1,990	1.71	1,745	1.54	2,380	2.18
July	1,992	1.74	1,728	1.53	2,403	2.14
August	1,983	1.79	1,742	1.54	2,443	2.18
September	1,970	1.78	1,931	1.71	2,473	2.20
October	1,895	1.68	2,023	1.79	2,577a/	2.29
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/ October 1-13, 2018

Note: Monthly Average Exchange Rate is applied.

Table 41

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	1,070
April	1,146	1,132	1,067
May	1,172	1,126	1,075
June	1,167	1,130	1,092
July	1,142	1,133	1122
August	1,110	1,129	1120
September	1,107	1,130	1122
October	1,125	1,128	1127a/
November	1,160	1,101	Na
December	1,182	1,083	Na
Average	1,158	1,129	Na

Source: Global Financial Service

a/ October 1-23, 2018