

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Required Report - public distribution

**Date:** 8/1/2013

**GAIN Report Number:** KS1340

## **Korea - Republic of**

### **Grain and Feed Update**

#### **Grain and Feed Update-July**

**Approved By:**

Steve Wixom

**Prepared By:**

Sunchul Choi\Mark Myers

**Report Highlights:**

Wheat consumption in MY 2013/14 is expected to increase 0.2 million tons to 4.8 million due to greater demand in feed grade wheat, while MY 2012/13 consumption is estimated to reach 5.1 million tons due to greater demand in the milling and feed sectors. Similarly, wheat imports are up respectively. MY 2013/14 corn consumption is 8.9 million tons, up 0.9 million tons from the previous forecast due to greater demand for feed grade corn in an oversupplied swine sector. MY 2012/13 corn consumption is also revised to 8.9 million tons, up 0.8 million tons from the previous report to meet greater demand in the swine and cattle sectors. As well, MY 2013/14 total corn imports are revised to 9 million tons, up one million tons; and MY 2012/13 imports are expected to increase to 8.6 million tons from the previous estimated 8.1 million tons. Rice remains unchanged.

**Post:**  
Seoul

**Author Defined:**  
**Commodities:**  
Wheat

**Production:**

The Korean government recently released official numbers for wheat production at 37,014 MT in MY2012, down 15 percent from the previous year due to a decrease in planting area caused by heavy rains in the fall of 2011. According to a governmental acreage survey conducted from May 16-30, 2013, wheat cultivated area in 2013 declined to 7,373 hectares, down 22 percent or 2,094 hectares from the previous year due to winterkill last winter and an area shift to barley from wheat which requires a longer growing period than barley, hindering timely rice transplantation as a double crop after wheat cultivation. Additionally, wheat cooperatives did not increase the purchase price, resulting in decreased wheat area as well.

<b>Korea: Wheat Production</b>			
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	3.91 <sup>a/</sup>	29,000 <sup>a/</sup>

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

a/ FAS/Seoul forecast; yield is based on five year average.

**Consumption:**

MY 2013/14 wheat consumption is expected to increase to 4.8 million tons, up 0.2 million tons from the previous forecast due to a greater demand of feed grade wheat caused by constant strong feed demand from the swine sector, which failed to reduce swine inventories.

In MY 2012/13, total wheat consumption is estimated to reach a record 5.1 million tons, an increase of 90,000 tons from the previous year due to greater demand for milling purpose. Milling wheat consumption for flour production is estimated at 2.3 million tons, up 7 percent or 150,000 tons from the previous year. Feed millers have continued using feed grade wheat to meet greater demand from the swine sector.

<b>Korea: Post Estimates of Domestic Wheat Use</b> (1,000 MT, July/June)				
Year	2010/11	2011/12	2012/13 <sup>c/</sup>	2013/14 <sup>c/</sup>
Imported Milling Wheat	2,312	2,153	2,304 <sup>d/</sup>	2,255
Flour Imports <sup>a/</sup>	63	42	39	40
Flour Exports <sup>a/</sup>	64	60	62	65
Pasta Imports <sup>a/</sup>	123	122	135	140

Pasta Exports <sup>a/</sup>	111	120	130	135
Local Wheat	39	44	37	29
<b>FSI Consumption <sup>b/</sup></b>	<b>2,362</b>	<b>2,181</b>	<b>2,323</b>	<b>2,264</b>
Feed Wheat	1,965	2,870	2,817	2,600
<b>Total Consumption <sup>b/</sup></b>	<b>4,327</b>	<b>5,051</b>	<b>5,140</b>	<b>4,864</b>

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

a/ Wheat basis

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

c/ FAS/Seoul forecast

d/ based on the first six months due to delayed release of statistical information

## Trade:

MY 2013/14 wheat imports are revised up to 5 million tons, up 0.2 million tons from the initial forecast to meet a greater demand of feed grade wheat. Of total imports, 2.4 million tons are forecast for milling (including flour and pasta imports on a wheat equivalent basis) and 2.6 million tons for feed.

MY 2012/13 wheat imports reached 5.46 million tons, up 5 percent from the previous year due to greater imports of milling wheat because flour millers had raw materials delivered earlier to receive TRQ benefits in the first half of 2013. Feed grade wheat imports driven by Indian wheat reached 2.8 million tons, a similar level to the previous year, competitive with the international price of feed corn. India was a major supplier of feed wheat (55%), followed by Australia (25%), the United States (7%), Brazil (6%), Ukraine (4%) and Canada (2%).

## Flour Trade:

MY2012/13 flour imports declined to 28,600 tons (39,125 tons wheat equivalent). Flour exports increased to 46,843 tons (52,457 tons wheat equivalent), up 4 percent from the previous year. Pasta imports and exports increased by 11 percent and 8 percent from the previous year's trade respectively.

Korea: Wheat Imports (1,000 MT, Customs Cleared Basis)					
Marketing Year (July/June)	Feed Wheat	Milling Wheat	Flour Imports <sup>1/</sup>	Pasta Import <sup>1/</sup>	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 <sup>2/</sup>	2,600	2,200	40	140	4,980

Source: Korea Customs Service

<sup>1/</sup> Wheat basis

<sup>2/</sup> FAS/Seoul forecast

Korea: MY 2013/14 Feed Wheat Contracts by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of July 15, 2013)		
ETA	Quantity	Price (US\$/MT) <sup>1/</sup>
Jul. 2013	110	303

Aug.	285	291
Sep.	234	282
Oct.	165	272
Total	794	

Source: Local Grain Traders  
1/ CNF on Weighted Average

<b>Korea: Wheat Flour Imports</b> (Metric Ton, July/June)						
Country	MY2007	MY2008	MY2009	MY2010	MY2011	MY2012
U.S.A.	771	425	873	531	1,025	1,318
Canada	35,662	11,206	34,213	13,540	1,381	1,037
Australia	1,721	1,979	1,252	528	223	395
China	27,045	815	1,328	583	0	121
Turkey	1,981	6,685	24,568	11,130	8,784	3,636
Indonesia	4,709	4,462	7,647	9,956	7,708	9,616
Hungary	0	5,601	8,893	110	0	0
Others	5,103	18,951	14,112	9,772	11,250	12,478
<b>Total</b>	<b>76,994</b>	<b>50,124</b>	<b>92,886</b>	<b>46,150</b>	<b>30,371</b>	<b>28,600</b>
<b>Wheat Basis</b>	<b>105,328</b>	<b>68,570</b>	<b>127,068</b>	<b>63,133</b>	<b>41,548</b>	<b>39,125</b>

Source: Korea Customs Service (KCS)

<b>Korea: Pasta Imports</b> (Metric Ton, July/June)						
Country	MY2007	MY2008	MY2009	MY2010	MY2011	MY2012
U.S.A.	327	449	326	424	429	512
China	63,188	57,473	64,123	62,024	61,766	65,716
Italy	13,910	11,080	13,525	16,368	15,169	19,193
Thailand	1,988	2,201	2,584	3,142	3,851	4,359
Indonesia	3,292	1,812	2,102	2,530	1,593	2,007
Turkey	749	1,630	2,388	2,507	3,193	3,630
Others	1,822	2,038	2,242	2,960	3,090	3,466
<b>Total</b>	<b>85,276</b>	<b>76,683</b>	<b>87,290</b>	<b>89,955</b>	<b>89,091</b>	<b>98,883</b>
<b>Wheat Basis</b>	<b>116,658</b>	<b>104,902</b>	<b>119,413</b>	<b>123,058</b>	<b>121,876</b>	<b>135,272</b>

Source: Korea Customs Service (KCS)

<b>Korea: Wheat Flour Exports</b> (Metric Ton, July/June)						
Country	MY2007	MY2008	MY2009	MY2010	MY2011	MY2012
Total	54,740	41,789	44,234	48,056	44,909	46,843
Wheat Basis	72,987	55,719	58,979	64,075	59,879	62,457

Source: Korea Customs Service (KCS)

<b>Korea: Pasta Exports</b> (Metric Ton, July/June)						
Country	MY2007	MY2008	MY2009	MY2010	MY2011	MY2012
USA	17,855	17,421	18,000	19,189	20,365	23,694

Japan	6,525	8,251	11,106	13,811	12,773	10,989
China	4,030	4,406	4,142	4,595	5,517	5,597
Russia	2,592	1,859	2,265	2,450	3,417	3,465
Australia	3,587	4,118	4,707	5,304	4,875	4,956
Hong Kong	4,916	3,835	4,900	6,145	7,159	9,035
Others	20,654	22,151	24,973	29,435	33,521	36,954
<b>Total</b>	<b>60,159</b>	<b>62,041</b>	<b>70,093</b>	<b>80,930</b>	<b>87,626</b>	<b>94,689</b>
<b>Wheat Basis</b>	<b>82,298</b>	<b>84,872</b>	<b>95,887</b>	<b>110,712</b>	<b>119,873</b>	<b>129,535</b>

Source: Korean Customs Service (KCS)

## Production, Supply and Demand Data Statistics:

Wheat PS&D

Wheat Korea, Republic of	2011/2012		2012/2013		2013/2014		
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: May 2013		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	13	13	9	9	10	10	(1000 HA)
Beginning Stocks	1,471	1,471	1,521	1,485	1,428	1,662	(1000 MT)
Production	44	44	32	37	38	38	(1000 MT)
MY Imports	5,188	5,201	5,500	5,455	4,800	5,000	(1000 MT)
TY Imports	5,188	5,201	5,500	5,455	4,800	5,000	(1000 MT)
TY Imp. from U.S.	2,134	2,047	0	1,407	0	1,500	(1000 MT)
Total Supply	6,703	6,716	7,053	6,977	6,266	6,700	(1000 MT)
MY Exports	131	180	125	192	125	200	(1000 MT)
TY Exports	131	180	125	192	125	200	(1000 MT)
Feed and Residual	2,870	2,870	3,300	2,800	2,400	2,600	(1000 MT)
FSI Consumption	2,181	2,181	2,200	2,323	2,250	2,260	(1000 MT)
Total Consumption	5,051	5,051	5,500	5,123	4,650	4,860	(1000 MT)

							MT)
Ending Stocks	1,521	1,485	1,428	1,662	1,491	1,640	(1000
Total Distribution	6,703	6,716	7,053	6,977	6,266	6,700	MT)
							(1000
Yield	3.	3.3846	4.	4.1111	4.	3.8	MT)
TS=TD		0		0		0	(MT/HA)

## WHEAT -- STATISTICAL TABLES

### Korea: Import Trade Matrix of Wheat

## Import Trade Matrix

Country Korea, Republic of  
Commodity Wheat

Time Period July/June Units: 1,000MT  
Imports for: 2011 2012  
U.S. 2047 U.S. 1404  
Others Others

Australia	2236	Australia	1787
Canada	741	India	1552
		Brazil	175
		Canada	261
		Ukraine	102

Total for Others 2977 3877  
Others not Listed 13 0  
Grand Total 5037 5281

Note: exclude the import of wheat flour and pasta

Korea: Monthly Wheat Imports (1,000 MT)				
Month	Feed Wheat		Milling Wheat	
	MY 2011/12	MY 2012/13	MY 2011/12	MY 2012/13
July	203	271	158	220
August	219	232	200	122
September	163	322	123	215
October	167	309	226	244

November	261	248	218	196
December	211	213	90	263
January	284	179	231	249
February	226	211	196	170
March	228	183	204	181
April	222	219	167	212
May	377	206	173	179
June	308	228	183	208
<b>Total</b>	<b>2,868</b>	<b>2,820</b>	<b>2,168</b>	<b>2,461</b>

Source: Korea Customs Service

<b>Korea: Monthly Wheat Use</b> (1,000 MT)				
Month	Feed Wheat		Milling Wheat a/	
	MY 2011/12	MY 2012/13	MY 2011/12	MY 2012/13
July	189	260	169	178
August	202	261	186	190
September	203	268	171	187
October	218	277	183	198
November	228	268	185	200
December	252	244	189	200
January	246	199	178	Na
February	240	176	162	Na
March	266	199	178	Na
April	270	215	172	Na
May	285	228	172	Na
June	272	222	175	Na
<b>Total</b>	<b>2,870</b>	<b>2,817</b>	<b>2,121</b>	<b>Na</b>

Source: KFA and KOFMIA

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

## Commodities:

Corn

### Production:

The Korean government recently released official numbers for corn production at 83,210 MT in MY2012, up 13 percent or 9,598 MT from the previous year.

<b>Korea: Corn Production</b>			
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 <sup>a/</sup>	17,000	4.89	83,000

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

a/ FAS/Seoul projection based on five-year average yield

### Consumption:

MY 2013/14 corn consumption is revised up to 8.9 million tons, up 0.9 million tons from the previous forecast due to a greater demand of feed grade corn caused by strong feed demand from an oversupply of swine inventories that are expected to maintain for this marketing year.

MY 2012/13 corn consumption is also revised up to 8.9 million tons, up 0.8 million tons from the previous report at 8.1 million MT to meet greater demand from the swine and cattle sectors.

On the basis of the first eight months, compound feed production is expected to continue increasing to 18.9 million tons for both MY 2012/13 and MY 2012/13 due to greater feed requirements from an oversupply in of the swine and cattle sectors.

For the first eight months of MY 2012/13, swine compound feed production increased by 17 percent over the same period of the previous marketing year and cattle increased by 6 percent, respectively, while compound feed production for poultry and other animals declined slightly.

The corn inclusion rate in total compound feed production is expected to grow to 36 percent in MY 2012/13, up 4 percent from the previous year due to declining feed wheat use.

<b>Korea: Total Corn Utilization</b> (Oct./Sept., 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 <sup>c/</sup>	6,800	2,000	100	8,900
2013/14c/	6,800	2,000	100	8,900

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

a/ Used for wet and dry milling process based on imported corn.

b/ For on-farm human consumption (on-the-cob) or snack food consumed on-the-cob, as puffed kernels or as corn tea. Imported white corn for popping has been included since MY 2004.

c/ FAS Seoul forecast

<b>Korea: Monthly Corn Use</b> (1,000 MT)				
Month	Feed Corn		Processing Corn	
	MY 2011/12	MY 2012/13	MY 2011/12	MY 2012/13
October	464	581	171	168
November	461	512	164	162
December	490	559	161	154



January	465	580	156	152
February	448	513	154	137
March	478	533	172	134
April	470	571	168	152
May	493	574	181	155
<b>Subtotal</b>	<b>3,769</b>	<b>4,423</b>	<b>1,327</b>	<b>1,214</b>
June	489	na	177	na
July	488	na	188	na
August	472	na	177	na
September	471	na	167	na
<b>Total</b>	<b>5,690</b>	<b>na</b>	<b>2,036</b>	<b>na</b>

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

Korea: Feed Ingredient Use for Compound Feed Production (October/September, 1,000 MT)				
Items	MY 2010/11	MY 2011/12	MY 2012/13 <sup>a/</sup>	MY 2013/14 <sup>a/</sup>
Sub. Total Grains and Grain Substitutes	10,935	11,569	12,400	12,200
- Wheat	2,100	3,065	2,800	2,600
- Corn	6,073	5,690	6,800	6,800
- Other Grains and Grain Substitute <sup>b/</sup>	2,762	2,814	2,800	2,800
Others <sup>c/</sup>	6,052	6,431	6,500	6,400
Grand Total	16,987	18,000	18,900	18,600

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.

Korea: Compound Feed Production by Species (October/September, 1,000 MT)				
Species	MY 2010/11	MY 2011/12 <sup>a/</sup>	MY 2012/13 <sup>b/</sup>	MY 2013/14 <sup>b/</sup>
Poultry	4,744	4,821	4,700	4,800
Swine	4,738	5,322	6,300	6,200
Cattle	6,116	6,321	6,500	6,200
Others <sup>c/</sup>	1,367	1,477	1,400	1,400
Total	16,965	17,940	18,900	18,600

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

a/ Preliminary

b/ FAS/Seoul forecast

c/ include ducks, pet food, rabbit, horse, sheep, deer, quail etc.

Korea: Compound Feed Production Comparison by Species for the First Eight Months (October/May, 1,000 MT)			
Species	MY 2011/12	MY 2012/13	Change
Poultry	3,185	3,120	-2
Swine	3,460	4,151	17
Cattle	4,182	4,443	6
Others	1,016	1,009	-0.7
Total	11,844	12,724	7

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

## Trade:

MY 2013/14 total corn imports forecast is revised up to 9 million tons, increasing by one million tons from the post's initial forecast of 8.0 million tons due to a greater demand in the swine sector with processing corn imports remaining unchanged at 2 million tons.

Based on the imports for the first nine months, corn imports for MY 2012/13 are expected to increase to 8.6 million tons from the previous estimated 8.1 million tons, up 0.5 million tons due to strong animal feed demand from the swine and cattle sectors. However, drought stricken U.S. corn exports to Korea are expected to be the lowest since MY 2002/03 as a result of the StarLink issue.

As of July 15, 2013, Korean buyers have already completed corn contracts delivering in MY 2012/2013 (Oct/Sep), continuing to make new contracts for delivery in December under MY 2013/14 (Oct/Sep). Most of the contracted purchases to date are for South American (SOAM) origin and/or optional origin at seller's option among the United States, South America, or Europe including the Black Sea.

Korea: Corn Imports (1,000MT, 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 <sup>a/</sup>	6,600	2,000	8,600	500	100	600	7

Source: Korea Customs Service

a/ FAS/Seoul forecast based on corn imports for the first nine months and buying contracts to date.

Korea: Monthly Corn Import (1,000 MT)				
Month	Feed Corn		Processing Corn	
	MY 2011/12	MY 2012/13	MY 2011/12	MY 2012/13
October	344	460	163	103
November	497	470	126	235
December	354	706	155	242
January	586	689	214	149
February	503	492	112	111
March	376	489	180	185
April	550	528	198	119
May	476	533	185	175
June	452	407	154	285
<b>Subtotal</b>	<b>4,138</b>	<b>4,774</b>	<b>1,487</b>	<b>1,604</b>
July	559	Na	145	Na
August	386	Na	165	Na
September	516	Na	237	Na

<b>Total</b>	<b>5,600</b>	<b>Na</b>	<b>2,035</b>	<b>Na</b>
--------------	--------------	-----------	--------------	-----------

Source: Korea Customs Service

Korea: MY 2013/14 Corn Contracts <sup>1/</sup> by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of July 15, 2013)					
ETA	U.S.	Europe	SOAM	Others <sup>2/</sup>	Total
Oct. 2013	0	0	55	468	523
Nov.	0	0	0	673	673
Dec.	0	0	0	360	360
Total	0	0	55	1,501	1,556

Source: Local Grain Traders

1/ reflecting 90-95 percent of actual contracts due to some omitted contracts data

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

Korea: MY 2012/13 Corn Contracts <sup>1/</sup> by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of July 15, 2013)					
ETA	U.S.	Europe	SOAM	Others <sup>2/</sup>	Total
Oct. 2012	171	110	433	0	714
Nov.	184	55	425	55	719
Dec.	0	110	321	130	561
Jan. 2013	0	25	425	0	450
Feb.	0	0	1,138	0	1,138
Mar.	0	155	278	0	433
Apr.	0	55	422	0	477
May	0	55	589	40	684
Jun.	0	55	505	45	605
Jul.	55	0	40	673	768
Aug.	0	55	70	379	504
Sep.	0	0	0	614	614
Total	410	675	4,646	1,936	7,667

Source: Local Grain Traders

1/ reflecting 90-95 percent of actual contracts due to some omitted contracts data

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

## Production, Supply and Demand Data Statistics:

Corn PS&D

Corn Korea, Republic of	2011/2012		2012/2013		2013/2014		
	Market Year Begin: Oct 2011		Market Year Begin: Oct 2012		Market Year Begin: Oct 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	16	16	17	17	17	17	(1000 HA)
Beginning Stocks	1,589	1,589	1,484	1,483	1,468	1,266	(1000 MT)
Production	74	74	84	83	83	83	(1000 MT)
MY Imports	7,636	7,635	8,000	8,600	8,200	9,000	(1000 MT)
TY Imports	7,636	7,635	8,000	8,600	8,200	9,000	(1000 MT)

TY Imp. from U.S.	3,227	3,757	0	600	0	3,000	(1000 MT)
Total Supply	9,299	9,298	9,568	10,166	9,751	10,349	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
TY Exports	0	0	0		0	0	(1000 MT)
Feed and Residual	5,690	5,690	6,000	6,800	6,200	6,800	(1000 MT)
FSI Consumption	2,125	2,125	2,100	2,100	2,100	2,100	(1000 MT)
Total Consumption	7,815	7,815	8,100	8,900	8,300	8,900	(1000 MT)
Ending Stocks	1,484	1,483	1,468	1,266	1,451	1,449	(1000 MT)
Total Distribution	9,299	9,298	9,568	10,166	9,751	10,349	(1000 MT)
Yield	5.	4.625	5.	4.8824	5.	4.8824	(MT/HA)
TS=TD		0		0		0	

Korea: MY 2012/13 Monthly Corn Imports by Origin (1,000 MT, based on Customs Clearance)						
Country	U. S.	Argentina	Brazil	Serbia	Others1/	Total
<b>Feed Corn</b>						
2012 Oct.	102	17	334	0	7	460
Nov.	91	134	243	0	2	470
Dec.	146	25	529	0	6	706
2013 Jan.	2	181	393	0	113	689
Feb.	0	48	412	0	32	492
Mar.	0	28	447	0	14	489
Apr.	0	95	429	0	4	528
May	0	398	133	0	2	533
Jun.	0	374	32	0	1	407
<b>2012/13 (Oct-Jun)</b>	<b>341</b>	<b>1,300</b>	<b>2,952</b>	<b>0</b>	<b>181</b>	<b>4,774</b>
2011/12 (Oct-Jun)	3,093	387	18	0	640	4,138
<b>Processing Corn</b>						
2012 Oct.	1	0	61	28	13	103
Nov.	44	0	97	63	31	235
Dec.	1	0	141	48	52	242
2013 Jan.	1	0	91	7	50	149
Feb.	1	0	56	13	41	111
Mar.	2	0	91	17	75	185
Apr.	1	0	78	0	40	119
May	1	0	60	44	70	175
Jun.	1	0	118	0	166	285
<b>2012/13 (Oct-Jun)</b>	<b>53</b>	<b>0</b>	<b>793</b>	<b>220</b>	<b>538</b>	<b>1,604</b>
2011/12 (Oct-Jun)	303	0	44	394	746	1,487
<b>Total</b>						
2012 Oct.	103	17	395	28	20	563
Nov.	135	134	339	63	35	705
Dec.	147	25	670	48	58	948
2013 Jan.	3	181	484	7	163	838

Feb.	1	48	468	13	73	603
Mar.	2	28	538	17	88	673
Apr.	1	95	507	0	45	648
May	1	398	193	44	71	707
Jun.	1	374	150	0	168	692
<b>2012/13 (Oct-Jun)</b>	<b>394</b>	<b>1,300</b>	<b>3,744</b>	<b>220</b>	<b>720</b>	<b>6,377</b>
2011/12 (Oct-Jun)	3,396	387	62	394	1,386	5,625

Source: Korea Customs Service

1/ for feed corn from Ukraine (114,398 MT), Paraguay (44,546 MT) and Russia (12,745 MT); and non-GM corn from Hungary (140,803 MT), South African (49,137 MT), Australia (59,916 MT) and France (283,121 MT)

<b>Korea: Animal Inventory</b> (1,000 Head, 1,000 Birds, as of July 2013)					
Animal	Year	March	June	September	December
Beef Cattle	2009	2,481	2,599	2,645	2,635
	2010	2,706	2,889	2,949	2,915
	2011	2,881	3,053	3,044	2,950
	2012	2,940	3,109	3,143	3,059
	2013	2,966	3058	3005d/	2,950e/
Dairy Cattle	2009	448	439	438	445
	2010	449	432	429	430
	2011	396	403	404	404
	2012	404	410	417	420
	2013	420	418-420d/	419-421d/	420e/
Swine a/	2009	9,177	9,044	9,381	9,585
	2010	9,768	9,728	9,901	9,881
	2011	7,036	7,330	7,783	8,171
	2012	8,852	9,432	9,937	9,916
	2013	10,107	10,200-10,300d/	10,200-10,300d/	10,000-10,100d/
Layer b/	2009	60,240	61,140	61,998	62,967
	2010	62,524	61,586	60,095	61,700
	2011	61,025	60,723	61,212	62,425
	2012	63,200	61,953	61,326	61,344
	2013	62,340	60,610	na	na
Broiler c/	2009	68,690	99,983	68,123	67,194
	2010	72,692	101,690	71,271	77,871
	2011	69,932	110,122	71,038	76,435
	2012	69,387	97,750	68,540	76,130
	2013	71,130	94,660	na	na

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

a/ includes 864,000 heads of statistical difference between FAS/Seoul and Korean government until CY 2010.

b/ Excluding breeders.

c/ Excluding multi-use broilers.

d/ KREI forecast

e/ FAS/Seoul forecast

## Commodities:

Rice

### Production:

Production remains unchanged from the previous report.

### Consumption:

Consumption remains unchanged from the previous report.

### Trade:

The aT, the government's state trading arm, manages the purchasing of all imported rice through a tendering process and subsequent auctions of imported table rice.

### 2013 MMA Tendering Process:

The Korean government began purchasing 388,353 MT under the 2013 MMA since late December 2012. As of July 12, the aT, the state trading arm of the Korean government, has purchased 247,379 metric tons (milled), about 64 percent of the entire 2013 MMA import commitments with the remainder still being processed.

The United States was awarded 95,974 metric tons (milled) comprised of 62,291 metric tons of medium grain milled rice and 37,425 metric tons of medium grain brown rice (or 33,683, milled) for both CSQ and GQ. The Korean government has purchased milled rice for table purpose under the global quota (GQ) for the first time and the United State has been successful to date. Please refer to following tables for more details. Post expects the United States to sell more medium grain rice in addition to the established contracts through pending tendering processes for the remainder of the 140,974 metric tons.

<b>Korea: Rice Contracts by Country under 2013 MMA<sup>1/</sup></b>					
(Unit: MT, Milled Basis)					
Country	Global Quota		CSQ		Total (%)
	Processing	Table	Processing	Table	
USA	25,898	20,000	7,785	42,291	<b>95,974 (24.7)</b>
China	9,000	0	70,217	13,942	<b>93,159 (24.0)</b>
Thailand	0	0	14,000	3,146 <sup>a/</sup>	<b>17,146 (4.4)</b>
Australia	8,100	0	0	0	<b>8,100 (2.1)</b>
Vietnam	3,000	0	0	0	<b>3,000 (0.8)</b>
India	30,000	0	0	0	<b>30,000 (7.7)</b>
<b>S.Total</b>	<b>75,998</b>	<b>20,000</b>	<b>92,002</b>	<b>59,379</b>	<b>247,379(63.7)</b>
Open Quota	87,127		53,847		<b>140,974(36.3)</b>
<b>G. Total</b>	<b>183,125</b>		<b>205,228</b>		<b>388,353(100)</b>

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

1/ under ongoing process of buying tenders since late December 2012

a/ include 90 MT of aroma rice (Hom Mali variety)

<b>Korea: U.S. Rice Sales to Korea under 2013 MMA<sup>1/</sup></b>					
(ongoing process of buying tenders as of July 12, 2013)					
Contracts	Quota	Milled rice(MT) for Table	Brown rice(MT) for Processing	Arrival unit price	Amount
		USDA #1	USDA #3	(\$/MT)	(\$)
1	CSQ	7,000		736.00	5,152,000
2	CSQ	7,000		711.76	4,982,320

3	CSQ	6,000		750.45	4,502,700
4	CSQ	4,229 <sup>a/</sup>		739.53	3,127,472
5	GQ	6,000		762.40	4,574,400
6	CSQ	9,062		791.68	7,174,204
7	GQ	6,000		787.28	4,723,680
8	CSQ		8,650	703.99	6,089,514
9	GQ		8,664	712.63	6,174,226
10	GQ	6,000		795.24	4,771,440
11	CSQ	9,000		797.24	7,175,160
12	GQ		11,111	711.98	7,910,810
13	GQ		9,000	686.21	6,175,890
14	GQ	2,000 <sup>a/</sup>		760.43	1,520,860
total		<b>62,291</b>	<b>37,425<sup>b/</sup></b>		<b>74,054,676</b>

Source: Korea Agro-Fisheries and Food Trade Corporation (aT), totaling 95,974MT in milled basis or 24.7 percent of total 2013 MMA.

a/ USDA #3

b/ equivalent to 33,683 MT, milled basis

1/ under ongoing process of buying tenders since late December 2012

<b>Korea: 2013 MMA<sup>1/</sup> Rice Tender Results</b>									
(Milled Rice Basis, Metric Ton, as of July 12, 2013)									
Quota Type	Original Bid Date (mm-dd-yy)	Rice Type	Quota Volume (Contract Basis)	Quota Volume (Milled Rice Basis)	Origin	Final Bid Price US\$	delivery date in 2013	Agent	Supplier
CSQ	1/8/2013	MG#1 Milled	7,000	7,000	USA	736.00 CIF	May	Seo-Mok	ADM
CSQ	12/27/2012	MG#1 Milled	7,000	7,000	USA	711.76 CIF	May	Daewoo	FRC
CSQ	12/27/2012	MG#1 Milled	6,000	6,000	USA	750.45 CIF	May	sing-song	ACC
GQ	2/5/2013	MG #3 Brown (Indica)	16,333	14,700	India	557.00 CIP	June	sing-song	sing-song
GQ	2/21/2013	MG #3 Brown	9,000	8,100	Australia	660.41 CIP	June	D&B	Sun Rice
CSQ	2/21/2013	MG#3 Milled	4,229	4,229	USA	739.53 CIF	July	GS Global	SunValley
GQ	4/3/2013	SG #3 Brown	10,000	9,000	China	859.00 CIP	July	Daewoo	COFCO
CSQ	3/12/2013	LG #3 Brown	15,556	14,000	Thailand	602.26 CIP	June	LG	Chaiyaporn
GQ	3/12/2013	MG or SG #3 Brown (Indica)	17,000	15,300	India	517.00 CIP	July	Samsung	na
GQ	3/12/2013	MG or SG #1 Milled	6,000	6,000	USA	762.40 CIF	July	sing-song	ACC
CSQ	4/9/2013	MG#1	9,062	9,062	USA		July	Daewoo	FRC

		Milled				791.68 CIF			
GQ	4/9/2013	MG or SG #1 Milled	6,000	6,000	USA	787.28 CIF	July	Seo-Mok	ADM
CSQ	4/30/2013	MG #3 Brown	8,650	7,785	USA	703.99 CIF	August	sing-song	ACC
GQ	4/30/2013	MG #3 Brown	8,664	7,798	USA	712.63 CIF	August	Seo-Mok	ADM
GQ	4/30/2013	MG or SG #1 Milled	6,000	6,000	USA	795.24 CIF	Septemb er	Seo-Mok	ADM
CSQ	4/30/2013	MG#1 Milled	9,000	9,000	USA	797.24 CIF	Septemb er	Seo-Mok	ADM
GQ	5/7/2013	MG or SG #3 Brown (Japonic a)	11,111	10,000	USA	711.98 CIF	August	LG	FRC
CSQ	5/7/2013	SG #3 Milled	13,942	13,942	China	918.00 CIF	October	Daewoo	COFCO
CSQ	6/14/2013	SG #3 Brown	19,000	17,100	China	864.00 CIF	Septemb er	sing-song	Jilin Grain Corp
CSQ	6/14/2013	SG #3 Brown	19,319	17,387	China	867.00 CIF	October	Daewoo	COFCO
CSQ	6/14/2013	SG #3 Brown	12,000	10,800	China	867.00 CIF	August	Daewoo	COFCO
CSQ	6/14/2013	SG #3 Brown	10,000	9,000	China	864.40 CIF	Novembe r	sing-song	Jilin Grain Corp
CSQ	6/14/2013	SG #3 Brown	17,700	15,930	China	865.00 CIF	Decembe r	sing-song	Jilin Grain Corp
GQ	6/27/2013	MG #3 Brown (Japonic a)	9,000	8,100	USA	686.21 CIF	October	sing-song	ACC
GQ	6/27/2013	MG or SG #3 Milled Sweet Rice	3,000	3,000	Vietna m	1,017.6 0 CIF	October	sing-song	sing-song Hong Kong
GQ	6/27/2013	MG or SG #3 Milled	2,000	2,000	USA	760.43 CIF	October	sing-song	ACC
CSQ	6/27/2013	LG#1 Milled	3,056	3,056	Thailan d	636.28 CIF	Decembe r	KT Corporatio n	Siam Grain Co., Ltd
CSQ	6/27/2013	LG#1 Milled (Hom Mali/ Indica)	90	90	Thailan d	1,298.6 9 CIF	Decembe r	Daewoo	Capital Rice Co., Ltd
		<b>Total</b>		<b>247,379</b>					

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)  
1/ under ongoing process of buying tenders since late December 2012

Auctions:



The aT sells table rice shipments through a public auction system. On the other hand, the Ministry of Food, Agriculture, Forestry, and Fisheries (MIFAFF) distribute processing rice to end-users such as food processors and alcoholic beverage producers at a set price throughout the year. The 2012 MMA shipments have arrived from May 2012 through May 2013. Approximately 110,401 MT of table rice has been delivered over this period while U.S. table rice of 40,056 MT was delivered from April 2012 to February 2013, which is earlier than other origins in order to meet timely rice auctions for U.S. milled rice.

The aT kicked off table rice auctions for 2012 CSQ U.S. milled rice from August 2012 and completed selling in early May 2013. After a two month break, the aT started auctioning off U.S. milled rice imported under the 2013 MMA to meet a greater demand of U.S. milled rice. The progress of auctioning for other origins has been comparably slow. Auctions for Chinese milled rice are still pending under the 2012 MMA with Thai milled rice auctioning off under the 2011 MMA, respectively.

<b>Korea: Status of Rice Auction for Table Rice under 2013 CSQ<sup>1/</sup></b>					
(Unit: metric tons, milled basis, as of Jul. 15, 2013)					
Commodity	USDA Grade	Total Table Rice CSQ	Auctioned Off	Balance	Percentage Auctioned Off (%)
U.S. Medium Grain	#1	56,062	1,705	54,357	3
	#3	6,229	0	6,229	na
Chinese Short Grain	#1	0	0	0	na
	#3	13,942	0	13,942	na
Thai Long Grain	#1	3,146	0	3,146	na
Australian Medium Grain	#1	0	0	0	na
	#3	0	0	0	na
<b>Total</b>		<b>79,379</b>	<b>1,705</b>	<b>77,674</b>	<b>2</b>

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

1/ under ongoing process of buying tenders since late December 2012

<b>Korea: Status of Rice Auction for Table Rice under 2012 CSQ</b>					
(Unit: metric tons, milled basis, as of Jul. 15, 2013)					
Commodity	USDA Grade	Total Table Rice CSQ	Auctioned Off	Balance	Percentage Auctioned Off (%)
U.S. Medium Grain	#1	36,050	36,050	0	100 (as of May 3, 2013)
	#3	4,006	3,997	9	100 (as of Jan 9, 2013)
Chinese Short Grain	#1	37,492	34,951	2,541	93
	#3	24,995	10,126	14,869	41
Thai Long Grain	#1	3,000	None	0	Na
Australian Medium Grain	#1	2,429	801	1,628	33
	#3	2,429	23	2,406	1
<b>Total</b>		<b>110,401</b>	<b>85,948</b>	<b>21,453</b>	<b>78</b>

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

<b>Korea: Status of Rice Auction for Table Rice under 2011 CSQ</b>					
(Unit: metric tons, milled basis, as of Jul. 11, 2013)					
Commodity	USDA Grade	Total Table Rice CSQ	Auctioned Off	Balance	Percentage Auctioned Off (%)
U.S. Medium Grain	#1	29,315	29,315	0	100 (as of Aug. 13, 2012)
	#3	2,747	2,745	2	100 (as of Aug. 3, 2012)

Chinese Short Grain	#1	40,281	40,281	0	100 (as of Jan 9, 2013)
	#3	26,854	26,854	0	100 (as of Jan 9, 2013)
Thai Long Grain	#1	2,100	2,100	0	100 (as of May 2, 2013)
	#3	3,000	2,315	685	77
<b>Total</b>		<b>104,297</b>	<b>103,610</b>	<b>687</b>	99

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

<b>Korea: Auctioned-Off Prices of Imported Table Rice</b> (Unit: Korean Won per Kg on Average)							
Auctioning-off Period	U.S. Medium Grain		Chinese Short Grain (Medium Grain)		Thai Long Grain	Australian Medium Grain	
	#1	#3	#1	#3	#1	#1	#3
April-September 2006 (2005 MMA)	1,138	991	1,274	1,133	555	none	none
March-August 2007 (2006 MMA)	1,363	1,211	1,357	1,303	953	none	none
February-August 2008 (2007 MMA)	1,542	1,510	1,487	1,558	1,132	none	none
February 2009 -May 2010 (2008 MMA)	1,160	994	1,125 (1,100)	none	1,329	none	none
February 2010-March 2011 (2009 MMA)	970	881	914 (850)	893	672	none	none
April 2011-January 2012 (2010 MMA)	913	1,074 <sup>a/</sup>	707	612	518	none	none
December 2011- July 11, 2013 (2011MMA)	1,258	1,452	1,297	1,501	(802 <sup>b/c/</sup> ) 944	none	none
August 2012-July 15, 2013 (2012 MMA)	1,677	1,634	1,378 <sup>b/</sup>	1,300 <sup>b/</sup>	na	1,472 <sup>b/</sup>	1,401 <sup>b/</sup>
July 1-15, 2013 (2013 MMA)	1,799 <sup>b/</sup>	na	na	na	na	na	na

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

a/ Auctioned-off during October-December 2011

b/ ongoing

c/ #3

### Tariffication

Korea delayed tariffication on rice for ten years from 1995~2004 during the Uruguay Round(UR) agricultural negotiations of 1994, and later through the re-negotiations on rice in 2004, extended the grace period for 2005~2014 under the condition that Korea increase the minimum market access(MMA) volume by 20,347 tons each year.

To prepare for the expiry of delayed tariffication on rice next year, Korea launched a 'Research Forum for Development of the Rice Industry (working name)' with participation by former and incumbent officials from the government, national research institutes, farmers' associations, consumer groups and academia with expertise in rice and trade at the end of June 2013 to begin discussions on core issues relating to rice tariffication.

The Forum is composed of three sections and one advisory committee. The Food Grain Policy Section is responsible for studying the history of rice policy from the 1970s to date seeking a future direction of rice policy. The Foreign Strategy Section is in charge of analyzing the impact on whether or not to convert to tariffication. The Internal Strategy Section is trying to find ways for future domestic rice policy in relationship to the policy direction of rice market liberalization. The advisory committee is mainly composed of farmers groups and consumer groups with a function to deliver various field opinions to the Forum, reflecting their concerns and suggestions in the studies.

In particular, the Forum is expected to spearhead efforts in setting the basic direction for the negotiation strategy and calculation of the tariff equivalent assuming Korea converts to rice tariffication, management of imported rice, projections on import prices for each country after tariffication, forecasts on supply and demand of domestic rice, and measures to stabilize supply and demand, among others. The Forum is slated to complete its activities by the end of the year.

Exports:

Korea's rice exports have been slow for the first five months in CY 2013, with an expectation of slightly less than 2,000 MT. U.S. imports of Korean rice are expected to remain stable for the period.

Korea: Rice Export (Milled)				
Calendar Year	To the World		To the United States	
	Quantity (MT)	Value (US\$1,000)	Quantity (MT)	Value (US\$1,000)
2005	18	89	5	5
2006	9	40	0.2	1
2007	507	1,322	333	876
2008	356	829	115	285
2009	4,183	7,300	443	777
2010	3,765	6,394	272	587
2011	3,782	6,277	161	244
2012	2,223	4,424	90	185
2013 (1-5)	709	1,567	45	110

Source: Korea Customs Service (KCS)

### Production, Supply and Demand Data Statistics:

Rice PS&D remains unchanged from the previous report.

Korea: Monthly Wholesale Price of Milled Rice (High Quality)						
Month\Year	CY 2011		CY 2012		CY 2013	
	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg
January	1,764	1.58	2,090	1.83	2,200	2.07
February	1,794	1.60	2,099	1.87	2,200	2.03
March	1,873	1.67	2,100	1.87	2,204	2.00
April	1,938	1.79	2,100	1.85	2,210	1.97
May	1,950	1.80	2,100	1.82	2,213	2.00
June	1,950	1.81	2,100	1.80	2,220	1.96
July	1,950	1.84	2,100	1.84	2,220 <sup>av</sup>	1.95 <sup>av</sup>
August	1,950	1.82	2,098	1.85	Na	Na

September	1,950	1.74	2,090	1.86	Na	Na
October	2,022	1.74	2,113	1.91	Na	Na
November	2,051	1.76	2,195	2.02	Na	Na
December	2,076	1.81	2,200	2.04	Na	Na
<b>Average</b>	<b>1,939</b>	<b>1.75</b>	<b>2,115</b>	<b>1.88</b>	<b>Na</b>	<b>Na</b>

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

a/ Weighted average for July. 1-12, 2013

<b>Korea: Monthly Retail Price of Milled Rice</b> (High Quality)						
Month\Year	CY 2011		CY 2012		CY 2013	
	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg
January	2,064	1.84	2,194	1.92	2,311	2.17
February	2,098	1.87	2,202	1.96	2,325	2.14
March	2,138	1.91	2,195	1.95	2,329	2.12
April	2,217	2.04	2,200	1.94	2,341	2.09
May	2,235	2.06	2,203	1.91	2,331	2.10
June	2,254	2.09	2,188	1.88	2,340	2.06
July	2,234	2.11	2,172	1.90	2,323 <sup>a/</sup>	2.04 <sup>a/</sup>
August	2,203	2.05	2,173	1.92	Na	Na
September	2,201	1.97	2,179	1.94	Na	Na
October	2,234	1.94	2,242	2.03	Na	Na
November	2,214	1.96	2,316	2.13	Na	Na
December	2,190	1.91	2,311	2.15	Na	Na
<b>Average</b>	<b>2,190</b>	<b>1.98</b>	<b>2,214</b>	<b>1.96</b>	<b>Na</b>	<b>Na</b>

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Monthly Average Exchange Rate is applied.

a/ Weighted average for July. 1-12, 2013

<b>Korea: Import Schedule of Table Rice</b> (MT, Milled Rice)			
Calendar Year	Total	Table Purpose	Rate of Table Rice (%)
2005	225,575	22,557	10
2006	245,922	34,429	14
2007	266,270	47,928	18
2008	286,617	63,055 <sup>a/</sup>	22
2009	306,964	79,810 <sup>b/</sup>	26
2010	327,311	98,193 <sup>c/</sup>	30
2011	347,658	104,297	30
2012	368,006	110,401	30
2013	388,353	116,505	30
2014	408,700	122,610	30

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

a/ Of them, 24,934MT of Chinese rice was diverted to alcohol processing purpose in CY2010

b/ Of them, 33,303 MT of Chinese rice and 1,500 MT of Thai rice were diverted to alcohol processing purpose in CY2011

c/ Of them, 5,671MT of Chinese rice were diverted to alcohol processing purpose in CY2012.

<b>Korea: Foreign Exchange Rate</b> (Korean Won against US\$)			
Month	CY 2011	CY 2012	CY 2013
January	1,119	1,144	1,065

February	1,119	1,123	1,086
March	1,120	1,126	1,102
April	1,085	1,135	1,121
May	1,083	1,154	1,109
June	1,080	1,164	1,135
July	1,058	1,143	1,136 <sup>a/</sup>
August	1,073	1,131	na
September	1,120	1,124	na
October	1,152	1,106	na
November	1,131	1,087	na
December	1,147	1,076	na
<b>Average</b>	<b>1,107</b>	<b>1,127</b>	<b>na</b>

Source: Global Financial Service

a/ an average for July 1-15, 2013