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## Korea, Republic of

### Grain and Feed

### Annual Report

### 2004

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**Report Highlights:** Korea is expected to shift from Chinese to U. S. suppliers for the bulk of the 9.3 MMT of corn imports projected for MY 2004/05. Rice negotiations ending in 2004 will lead to additional rice imports and improved market access conditions in 2005. MY 2004/05 wheat imports are expected to rise to 3.3 MMT on the basis of additional feed wheat imports.

Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Seoul [KS1]  
[KS]

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## SECTION I. SITUATION AND OUTLOOK

The Bank of Korea forecasts that the GDP growth rate will be 5 percent in 2004 compared to 3.1 percent in 2003. Although increased growth should bolster demand for food and agricultural products in general, stronger demand will be offset somewhat by increased prices for food driven by higher prices of major commodities in international markets. Korea's strengthening currency and escalating oil prices have emerged as potential roadblocks to the nation's export-driven economy. In addition, the surging price of other commodities has also triggered inflationary pressure, deepening economic anxiety. The 3 to 5-year outlook for grain demand in Korea remains promising given the overall direction of the economy.

Rice is the only grain produced in quantities approaching domestic demand. Domestic production of corn and wheat are insignificant. Consequently, Korea will remain reliant on imports to meet food and feed grain requirements. Market prices will dictate the level of substitution among feed grains. Food safety concerns, mostly related to biotechnology, are instrumental in determining suppliers of food grains. In contrast, price is the primary criteria in determining suppliers of feed grains. Faced with rice prices several times higher than world rice prices, Korean per capita consumption of rice will continue to decline as consumers shift dietary patterns. Government efforts to reduce rice production through rice area reduction programs will likely continue. Negotiation of the parameters of future rice market access will occur in 2004.

### Wheat

Wheat area and production are unlikely to increase significantly in MY 2004/05 due to the limited demand for wheat flour made from locally grown wheat. Rice area reduction programs resulted in more wheat area in 2003, up 81 percent from the 2002 crop. Nevertheless, wheat area in Korea remains relatively sparse at 3,281 HA for the 2003 crop.

Per capita flour consumption in CY 2003 decreased to 32.9 Kg or down 1.2 Kg from the previous year due to the lack of flour demand from noodle and bakery/ confectionary purposes. However, milling wheat consumption is expected to grow 1 or 2 percent in MY 2004/05 in line with prospects for an improving economic situation.

In MY 2004/05, FAS/Seoul projects feed wheat consumption at 1 MMT based on the five-year-average. Feed wheat consumption depends largely on feed wheat availabilities and prices of substitutes. In MY 2003/04, feed wheat consumption is expected to decline to 0.9 MMT based on reported feed wheat consumption during the first seven months and contracts for feed wheat deliveries for the remaining period. Overall, reduced feed wheat availabilities from major supplies in MY 2003/04 are expected to result in a 45 percent decrease in feed wheat consumption.

FAS/Seoul forecasts MY 2004/05 Korean wheat imports at 3.3 MMT composed of 2.3 MMT of milling wheat and 1 MMT of feed wheat. Imports of U. S. milling wheat are expected to remain unchanged at 1.3 MMT. Australian wheat is expected to attract importer interest for noodle flour production. The U.S. is expected to maintain a 50 to 55 percent share of Korea's milling wheat market. Australia and Canada, principal competitors in the milling wheat market, rely on wheat boards to negotiate quality and price contracts directly with individual flourmills. These Boards conduct extensive market research on taste preferences to identify acceptable wheat-based products, and provide technical research and train millers to broaden awareness and acceptance of wheat holding more uniform characteristics and quality. The Australian Wheat Board also provides Korean millers a 3-month rotating line of credit of US\$25 - 30 million. Under the FY 2004 GSM-102 credit guarantee program,

Korean flour millers are expected to use around US\$200 million to import U. S. milling wheat. Korean millers used US\$194.6 million to purchase 1.2 MMT of U. S. No. 1 wheat under the FY 2003 GSM-102.

## CORN

Domestic corn production is expected to remain relatively flat at 70,000 MT for the next couple of years. Corn production appears to have peaked in 2002 partially in response to government policy established in 2001 to reduce rice production on marginal farmland.

In MY 2004/05, total corn consumption is forecast at 9.3 MMT, composed of 2.3 MMT for food and 7 MMT for feed corn. Total compound feed production in MY 2004/05 is projected to grow less than 1 percent from the current forecast of 15.4 MMT in MY 2003/04. Outbreaks of highly pathogenic avian influenza in poultry and diseases in the hog sector plagued Korean producers in 2003 and 2004. The repeated outbreaks of animal disease threaten to slow the growth of feed industry. Compound feed production for beef cattle has continued positive growth since MY 2001/02. Feed demand for other animals (horses, pets, turkeys, duck, etc), which comprised 6.9 percent of overall compound feed production in MY 2002/03, is expected to stay around about 1.1 MMT due to the sharp decrease of duck inventory resulting from measures taken to combat avian influenza outbreaks in 2003.

Wet milling, forecast to reach 2.1 MMT in 2004/05, is expected to grow annually 1-2 percent due to the increased consumption of carbonated soft drinks. In contrast, dry milling is expected to remain at 180,000 MT as imports of corn grits (included hominy) continue to cover breakfast cereal manufacturers' demand. Breakfast food manufacturers cite better quality of granule size and puffing grade as the reason they prefer imported corn products over domestic produced products.

In MY 2004/05, Korea's corn imports are forecast at 9.3 MMT to meet the demand of feed and food sectors, a slight decrease from the forecast of MY 2003/04. Decreased corn imports reflect expectations that Korea will import 1 MMT of feed wheat during MY 2004/05 (Oct/Sep). In MY 2003/04, Korean corn imports are estimated to reach a record level of 9.6 million metric tons (MMT); an 800,000 MT increase over MY 2002/03 driven by the reduced world supplies of feed wheat.

Since China's retreat from corn exports in CY 2004, Korean buyers have continued buy on the basis of optional origin contracts. Grain suppliers have sold feed corn with the option to declare loading ports from China, Argentina or the United States. Similarly, processing corn contracts provide for loading in China, Brazil or the United States. So far in CY 2004, suppliers have opted to fulfill their optional origin contracts for feed corn by supplying corn primarily from the United States and, to a lesser extent, Argentina. Brazil has been the primary origin for processing corn. The estimate of MY 2003/04 U. S. corn exports to Korea has been revised from 2 MMT to 5 MMT to reflect the U. S. as the predominate origin of optional origin feed corn purchases. Chinese corn exports were projected to fall from 8 MMT in MY 2003/04 to 2 MMT in MY 2004/05 (see CH4005). Accordingly, U.S. corn exports to Korea in MY 2004/05 are projected at 7 MMT; a 5 MMT increase from MY 2003/04.

When logistical constraints preclude Brazil, identity preserved non-GM corn from the United States can become attractive for the Korean processing sector. Nevertheless, total sale volume of non-GM U.S. corn to Korea are expected to remain under .25 MMT.

## Rice

While failing to find political will to reduce government-supported rice procurement prices, the Korean government has attempted to stem overproduction of rice by paying farmers not to grow rice in recent years. Nevertheless, declining consumption and increasing imports tied to Korea's commitments under international agreements have largely overshadowed the effects of the area reduction programs. In 2004, planted area is expected to be slightly less than one million hectares. Area reduction programs are expected to result in 37,000 hectares less rice plantings in 2004. Direct payments to farmers provided under the area reduction programs began in 2003 and are scheduled to continue through 2005.

Changes in farmland ownership laws have allowed urban Koreans to hold up to 1,000 square meters of farmland since January 2003. Reduced restrictions on farmland ownership have facilitated the conversion of some rice area into other purposes. The Ministry of Agriculture and Forestry has announced that the maximum area allowed to be owned by urban Koreans will be increased to 3,000 square meters effective January 2005.

Additional changes in land ownership and use regulations may surface in 2004. The Korean government recently indicated intentions to unify all regulations relevant to land into a "National Land Planning Act" during the first half of 2004 in order to increase the supply of land available for the commercial development purposes. MAF has agreed in principle with the land reform scheme as a means to promote rural development.

In MY 2004/05, rice production is forecast at 4.7 MMT assuming the 5-year-average yield per HA. Crop yields for the 2004 crop are forecast 5 percent higher than the 2003 crop which was impacted by severe weather damage.

Adjustments in recent years to the Korean government's rice price support program for rice were targeted at encouraging higher quality rice production. The Government purchasing program also encouraged rice farmers to convert marginal paddy fields unfit for high quality rice production into land for other crops. The Ministry of Agriculture and Forestry (MAF) released a list of 18 rice varieties approved for the government-purchasing program in 2004. The intent of limiting the varieties eligible for the government purchasing product is to promote production and marketing of high quality rice.

The official rice procurement price has remained at KRW 2,097 per Kg since 2001. However, the Food Grain Marketing Committee, which advises the Minister of Agriculture, has recommended a 4 percent reduction in the government procurement price in CY 2004. If the National Assembly approves the 4 percent reduction, it will be the first reduction in the procurement price of rice since the nation initiated the procurement system in 1948. The National Assembly rejected an attempt to reduce the rice procurement price by 2 percent in CY 2003.

A new government purchasing program called the Public Storage System (PSS) is expected to replace the current government procurement system beginning with the 2005 crop. The PSS is described as a means for the government to buy rice at market prices during harvest and sell rice during non-harvest periods at market prices.

In MY 2003/04, per capita rice consumption is expected to continue to decrease from the per capita consumption of 83.2 kg in MY 2002/03, down 4.4 percent from the previous year. Korean dietary patterns have shifted from rice to wheat-based products. Similarly, availability and affordability of other foods such as meats and fruits have reduced the consumption of table rice in urban areas. Usage of rice as a raw material for alcohol processing is expected to be reduced in 2004 reflecting lower stock levels. Stock levels decreased in 2002 and 2003 as South Korea shipped 400,000 MT of rice per year to North Korea under government agreements.

Rice imports remain restricted under the Ministry of Agriculture's administration of Korea's Minimum Market Access (MMA) quota commitment under international agreements. In CY 2004, the MMA-quota amount is set at 205,228 MT on a milled rice basis, up 14 percent from the previous year. China has supplied the majority of rice purchased under the MMA quotas. All rice purchased under the MMA quota is required to be used for processing purchases. Consequently, no imported rice is allowed to be marketed as table rice through retail channels. The Korean government oversees distribution of imported rice to rice processors. Processors are charged the cost of the rice including handling and storage charges.

In CY 2003, Korea purchased 55,000 MT of U. S. No. 1 medium grain brown rice (equivalent to 49,500 MT on a milled basis worth US\$ 29 million) under its MMA program. In CY 2004, the U.S. is expected to export roughly 60,000 MT of U. S. No. 1 medium grain on a milled basis. As with all other imported rice, the U.S. rice is not permitted to be marketed through retail channels to Korean consumers.

Korea will complete the final year of Uruguay Round market access commitments for rice in 2004. Korea has requested negotiations within the WTO to extend special treatment provisions on rice imports. Negotiations are required to be completed by the end of 2004. Consequently, the restrictions currently in place on rice imports are expected to undergo significant change for 2005. Consequently, access to the Korean rice market is expected to improve sharply. However, in order to not pre-judge the outcome of the 2004 rice negotiations, Post has carried over the 2004 MMA quota amount for 2005.

## SECTION II. WHEAT -- STATISTICAL TABLES

## Wheat PSD

## PSD Table

Country Commodity	Korea, Republic of Wheat						UOM
	2002	Revised	2003	Estimate	2004 Forecast	(1000 HA)(1000 MT)	
Market Year Begin	USDA Official [1	Estimate [1	USDA Official [1	Estimate [1	USDA Official [1	Estimate [New]	MM/YYYY
	07/2002	07/2002	07/2003	07/2003	07/2004		
Area Harvested	2	1	2	2	0	3	(1000 HA)
Beginning Stocks	1100	617	985	603	941	509	(1000 MT)
Production	6	6	6	6	0	10	(1000 MT)
TOTAL Mkt. Yr. Imports	4052	3936	3100	3050	0	3300	(1000 MT)
Jul-Jun Imports	4052	3936	3100	3050	0	3300	(1000 MT)
Jul-Jun Import U.S.	1235	1272	0	1300	0	1300	(1000 MT)
TOTAL SUPPLY	5158	4559	4091	3659	941	3819	(1000 MT)
TOTAL Mkt. Yr. Exports	123	0	100	0	0	0	(1000 MT)
Jul-Jun Exports	123	0	100	0	0	0	(1000 MT)
Feed Dom. Consumption	1670	1628	750	900	0	1000	(1000 MT)
TOTAL Dom. Consumption	4050	3956	3050	3150	0	3310	(1000 MT)
Ending Stocks	985	603	941	509	0	509	(1000 MT)
TOTAL DISTRIBUTION	5158	4559	4091	3659	0	3819	(1000 MT)

**Import Trade Matrix of Wheat**

**Commodity** Wheat

Time period	July/June	Units:	1,000MT
Imports for:	<b>2001</b>		2002
U.S.	1295	U.S.	1272
Others		Others	
Australia	975	Australia	1012
Canada	295	Canada	123
Ukraine	496	Ukraine	617
China	592	China	572
India	206	India	183
		EU	45
		Russia	108
Total for Others	2564		2660
Others not Listed	5		4
Grand Total	3864		3936

**Korea: Wheat Production**

KOREA: Wheat Production			
Year	Harvested Area (Hectare)	Yield (MT/HA)	Production (MT)
1996	2,787	3.92	10,923
1997	1,838	4.04	7,433
1998	1,372	3.48	4,781
1999	1,533	3.67	5,626
2000	919	2.55	2,339
2001	915	3.1	2,841
2002	1,808	3.23	5,834
2003 a/	3,281	3.2	10,000

a/ FAS/ Seoul estimate.

Source: Ministry of Agriculture and Forestry (MAF)

**Korea: Wheat Imports**

Korea: Wheat Imports (1,000 MT, Customs Cleared Basis)			
Marketing Year (July/June)	Feed	Flour	Total
95/96	272	2,235	2,507
96/97	1,197	2,253	3,450
97/98	1,717	2,200	3,917
98/99	2,453	2,237	4,690
99/00	1,304	2,479	3,783
00/01	691	2,410	3,101
½	1,498	2,369	3,867
02/03	1,669	2,267	3,936
03/04 a/	800	2,250	3,050

a/ FAS/Seoul forecast

Source: Korea Customs Service

**Korea: Post Estimates of Wheat Use**

Korea: Post Estimates of Wheat Use (1,000 MT, July/June)				
Year	2000/01	2001/02	2002/03	2003/04 a/
Milling Wheat	2,475	2,366	2,328	2,250
Feed Wheat	820	1,415	1,628	900
Total	3,295	3,779	3,956	3,150

a/ FAS/Seoul forecast

Source: Korean Feed Association (KFA)

Korean Flour Millers Industry Association (KOFMIA)

**Korea: Wheat Flour Utilization**

Korea: Wheat Flour Utilization (1,000 MT)		
Calendar Year	Total Consumption (1,000 MT)	Per Capita (Kg per Year)
1996	1,618	34.4
1997	1,708	35.6
1998	1,632	33.6
1999	1,770	36.0
2000	1,803	35.5
2001	1,779	34.1
2002	1,778	34.1
2003	1,733	32.9

Data include animal feed use ranging from 85,000 to 86,000 MT annually prior to CY2000.  
Source: Korea Flour Mills Industrial Association (KOFMIA)

**Korea: Milling Wheat Imports by Variety**

Korea: Milling Wheat Imports by Variety (Arrival Basis)					
Origin	Variety	CY2002		CY2003	
		(1,000 MT)	%	(1,000 MT)	%
United States	WW	637.9	26.9	649.1	28.7
	HRW	256.1	10.8	228.7	10.1
	DNS	364.7	15.4	371.9	16.5
	Sub Total	1,258.7	53.2	1,249.7	55.3
Australia	AS a/	9.7	0.4	8.4	0.4
	ASW b/	860.5	36.3	778.2	34.5
	AH c/	97.2	4.1	97.7	4.3
	Sub Total	967.4	40.8	884.3	39.2
Canada	CWRS d/	142.9	6.0	125.0	5.5
	Grand Total	2,369.0	100	2,259.0	100

a/ Australian Soft

b/ Australian Standard White

c/ Australian Hard

d/ Canada Western Red Spring

Source: Korea Flour Mills Industrial Association (KOFMIA).

**Korea: Import Tariff Rates for Wheat**

Korea: Import Tariff Rates for Wheat (percent)					
Commodity		Applied Tariff Rate		Bound Tariff Rate	
		2003	2004	2003	2004
Durum Wheat	1001.10.0000	3	3	9.3	9.0
Meslin	1001.90.1000	3	3		
Seed Wheat	1001.90.9010	1.92	1.8	2.6	1.8
Feed Wheat	1001.90.9020 a/	1	0		
Milling Wheat	1001.90.9030 b/	1	1		
Others	1001.90.9090	1.92	1.8		

a/ In-quota rate for 2 MMT in CY 2004.

b/ In-quota rate for 2.6 MMT in CY 2004.

Source: Korea Customs Service (KCS)

## SECTION II. CORN -- STATISTICAL TABLES

## Corn PS&amp;D

## PSD Table

Country Commodity	Korea, Republic of Corn						UOM
	(1000 HA)		(1000 MT)		(1000 MT)		
Market Year Begin	2002	Revised	2003	Estimate	2004	Forecast	
	USDA Official [t	Estimate [t	DA Official [t	Estimate [t	DA Official [t	Estimate [New]	MM/YYYY
	10/2002		10/2003		10/2004		
Area Harvested	17	17	17	17	0	17	(1000 HA)
Beginning Stocks	1172	1341	1249	1462	1249	1462	(1000 MT)
Production	73	73	70	70	0	70	(1000 MT)
TOTAL Mkt. Yr. Imports	8786	8794	9500	9600	0	9250	(1000 MT)
Oct-Sep Imports	8786	8794	9500	9600	0	9250	(1000 MT)
Oct-Sep Import U.S.	274	330	0	5000	0	7000	(1000 MT)
TOTAL SUPPLY	10031	10208	10819	11132	1249	10782	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	6569	6569	7300	7400	0	7000	(1000 MT)
TOTAL Dom. Consumption	8782	8746	9570	9670	0	9320	(1000 MT)
Ending Stocks	1249	1462	1249	1462	0	1462	(1000 MT)
TOTAL DISTRIBUTION	10031	10208	10819	11132	0	10782	(1000 MT)

**Korea: Import Trade Matrix for Corn**

**Import Trade Matrix**

**Country** Korea, Republic of

**Commodity** Corn

Time period	OCT/SEP	Units:	1,000MT
Imports for:	<b>2001</b>		2002
U.S.	1598	U.S.	330
Others		Others	
China	4044	China	7811
Argentina	1076	Brazil	635
Brazil	1874		
Total for Others	6994		8446
Others not Listed	10		18
Grand Total	8602		8794

**Korea: Corn Production**

Korea: Corn Production			
Crop Year	Area (HA)	Yield (MT/HA)	Production (MT)
1997	21,097	4.11	86,763
1998	20,140	4.00	80,203
1999	20,134	4.09	79,333
2000	15,808	4.06	64,205
2001	14,208	4.03	57,218
2002	17,344	4.22	73,223
2003	16,966	4.14	70,242

Source: Ministry of Agriculture and Forestry (MAF)

**Korea: Corn Imports**

Korea: Corn Imports (1,000MT, Customs Cleared Basis)							
Marketing Year	From World			From the U. S.			U. S. Share
	Feed	Ind.	Total	Feed	Ind.	Total	%
93/94	4,049	1,647	5,696	199	181	380	7
94/95	6,463	1,760	8,223	6,192	1,420	7,612	93
95/96	7,166	1,797	8,963	6,855	1,699	8,554	95
96/97	6,455	1,881	8,336	3,869	1,629	5,498	66
97/98	5,755	1,773	7,528	1,610	1,699	3,309	44
98/99	5,593	1,921	7,514	4,543	1,891	6,434	86
99/00	6,618	2,060	8,678	1,610	1,620	3,230	37
00/01	6,568	2,155	8,723	2,169	1,120	3,289	38
01/02	6,474	2,128	8,602	1,487	111	1,598	19
02/03	6,657	2,137	8,794	306	24	330	4
03/04a/	7,400	2,200	9,600	na	na	5,000	52
04/05a/	7,000	2,300	9,300	na	na	na	na

a/ FAS/Seoul forecast.

Source: FAS Seoul

**Korea: MY 2003/04 Monthly Corn Imports By Origin**

Korea: MY 2003/04 Monthly Corn Imports By Origin and Use (1,000 mt, based on Customs Clearance)					
Country	U. S.	China	Brazil	Other	Total
<b>Feed Corn</b>					
2003 Oct.	0	666	0	0	666
Nov.	33	416	0	0	449
Dec.	38	833	0	0	871
2004 Jan.	17	663	0	0	680
Feb.	252	105	0	0	356
<b>Processing</b>					
2003 Oct.	2	100	98	1	201
Nov.	1	91	63	0	155
Dec.	1	157	75	1	234
2004 Jan.	2	115	5	1	124
Feb.	2	114	19	0	136
<b>Total</b>					
2003 Oct.	2	766	98	1	867
Nov.	33	506	63	0	603
Dec.	39	990	75	1	1105
2004 Jan.	19	779	5	1	804
Feb.	254	219	19	0	492

Source: Korea Customs Service

**Korea: Total Corn Utilization**

Korea: Total Corn Utilization (Oct./Sept., 1,000 MT)				
Marketing Year	Feed	Processing a/	Food b/	Total
1997/98	5,875	1,715	83	7,673
1998/99	5,560	1,886	80	7,526
1999/00	6,541	2,004	79	8,624
2000/01	6,460	2,092	64	8,616
2001/02	6,584	2,094	57	8,735
2002/03	6,569	2,145	68	8,782
2003/04 c/	7,400	2,200	70	9,670
2004/05 c/	7,000	2,250	70	9,320

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 corn tea.

c/ FAS Seoul forecast.

Source: Korean Feed Association (KFA)

Korea Corn Processing Industry Association (KOCPIA)

**Korea: Industrial Corn Consumption**

Korea: Industrial Corn Consumption (Oct./Sept., 1,000 MT)			
Marketing Year	Wet Milling	Dry Milling	Total
1997/98	1,511	204	1,715
1998/99	1,670	216	1,886
1999/00	1,783	221	2,004
2000/01	1,880	204	2,092
2001/02	1,911	181	2,092
2002/03	1,970	180	2,150
2003/04 a/	2,050	180	2,250
2004/05 a/	2,100	180	2,280

a/ FAS/ Seoul forecast

Source: Korea Corn Processing Industry Association(KOCPIA)

**Korea: Feed Ingredient Use for Compound Feed Production**

Korea: Feed Ingredient Use for Compound Feed Production (October/September, 1,000 MT)				
Items	MY 2001/02	MY 2002/03	MY 2003/04 a/	MY 2004/05 a/
<b>Sub. Total Grains and Grain Substitutes</b>	<b>10,078</b>	<b>10,124</b>	<b>10,150</b>	<b>10,250</b>
- Wheat	1,508	1,608	700	1,000
- Corn	6,584	6,569	7,400	7,000
- Rye	83	52	100	Na
- Barley	30	3	30	Na
- Other Grains and Grain Substitute	1,873	1,892	2,020	2,250
<b>Others</b>	<b>5,302</b>	<b>5,296</b>	<b>5,300</b>	<b>5,300</b>
<b>Grand Total</b>	<b>15,380</b>	<b>15,420</b>	<b>15,450</b>	<b>15,550</b>

a/ FAS Seoul forecast.

Source: Korea Feed Association (KFA)

**Korea: Feed Production per Animal**

Korea: Feed Production per Animal (October/September, 1,000 MT)			
Animal Type	MY 2001/02	MY 2002/03	MY 2003/04 a/
Poultry	4,021	3,917	3,800
Swine	5,856	5,769	5,800
Cattle	4,440	4,611	4,700
Others b/	1,022	1,052	1,100
Total	15,339	15,349	15,400

a/ FAS/ Seoul forecast

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

Source: Korea Feed Association (KFA)

**Korea: Animal Inventory**

Korea: Animal Inventory (1,000 Heads, 1,000 Birds)					
Animal	Year	March	June	September	December
Beef Cattle	2002	1,371	1,448	1,461	1,410
	2003	1,337	1,423	1,464	1,448
	2004	1,458	na	na	na
Dairy Cattle	2002	548	545	543	544
	2003	552	541	526	527
	2004	529	na	na	na
Swine	2002	8,719	8,791	9,033	8,974
	2003	9,027	9,050	9,287	9,150
	2004	9,120	na	na	na
Layer a/	2002	50,471	49,589	50,299	50,191
	2003	48,740	49,100	49,380	49,510
	2004	48,720	na	na	na
Broiler b/	2002	52,436	72,193	47,118	45,005
	2003	47,490	66,760	41,960	42,140
	2004	44,000	na	na	na

a/ excluded breeder.

b/ excluded Multi-Use broilers.

Source: Korea Rural Economic Institute(KREI)

**Korea: Import Tariff Rate for CY 2004**

Korea: Import Tariff Rate for CY 2004							
Commodity	In-Quota				Out-of-Quota Rate	Bound Tariff Rate	
	Current Market Access Quota		Temporary Quota			In-Quota	Out-of-Quota
	Volume	%	Volume	%	%	%	%
Feed Corn 1005.90.1000	6,102,100 MT	1.8	7,900,000 MT a/	0	328	1.8	328
Industrial Corn 1005.90.9000		3	2,450,000 MT a/	1	328	3	328
Pop Corn 1005.90.2000		1.8	na	na	630	1.8	630

a/ Temporary reduced tariff quota rate for CY 2004

Source: Korea Customs Service (KCS)

## SECTION II. RICE -- STATISTICAL TABLES

## Rice, Milled PSD

Country Commodity	Korea, Republic of		Rice, Milled		(1000 HA)(1000 MT)		UOM
	2002	Revised	2003	Estimate	2004 Forecast		
Market Year Begin	USDA Official [1	Estimate [1	DA Official [1	Estimate [1	DA Official [1	Estimate [New]	MM/YYYY
	11/2002		11/2003		11/2004		
Area Harvested	1053	1053	1016	1016	0	990	(1000 HA)
Beginning Stocks	1681	1681	1098	1098	607	699	(1000 MT)
Milled Production	4927	4927	4450	4451	0	4700	(1000 MT)
Rough Production	6687	6687	6014	6015	0	6351	(1000 MT)
MILLING RATE (.9999)	7368	7368	7400	7400	0	7400	(1000 MT)
TOTAL Imports	133	154	160	180	0	205	(1000 MT)
Jan-Dec Imports	180	129	205	210	0	205	(1000 MT)
Jan-Dec Import U.S.	0	14	0	70	0	100	(1000 MT)
TOTAL SUPPLY	6741	6762	5708	5729	607	5604	(1000 MT)
TOTAL Exports	574	568	100	106	0	0	(1000 MT)
Jan-Dec Exports	442	442	100	0	0	0	(1000 MT)
TOTAL Dom. Consumption	5069	5096	5001	4924	0	4844	(1000 MT)
Ending Stocks	1098	1098	607	699	0	760	(1000 MT)
TOTAL DISTRIBUTION	6741	6762	5708	5729	0	5604	(1000 MT)

Import Trade Matrix

**Import Trade Matrix**

**Country** Korea, Republic of

**Commodity** Rice, Milled

Time period JAN/DEC Units: 1,000MT

Imports for: 2002 2003

U.S. 50 U.S. 14

Others Others

China	66	China	93
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Australia	20	Thailand	22
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Total for Others	86		115
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Others not Listed	0		0
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Grand Total	136		129
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**Korea: Rice Area, Yield, And Production**

Korea: Rice Area, Yield, And Production				
CROP		AREA	YIELD	PRODUCTION
YEAR		(1,000HA)	(KG/HA)	(MILLED, 1,000 MT)
1991		1209	4454	5385
1992		1157	4608	5331
1993	a/	1136	4181	4750
1994		1103	4587	5060
1995	b/	1056	4445	4694
1996		1050	5070	5323
1997		1052	5180	5449
1998		1059	4813	5097
1999		1066	4937	5263
2000		1072	4936	5291
2001		1083	5092	5515
2002	c/	1053	4679	4927
2003	d/	1016	4381	4451
2004	e/	990	4747	4700

a/ Wet and unseasonably cool weather during the summer.

b/ Flood damage in August in the central regions and unfavorable weather throughout the peninsula during the latter part of the growing season.

c/ Heavy rains during the summer and the effects of typhoon Rusa (Aug. 31 – Sep.1)

d/ Cool and rainy days in growing season and the effects of typhoon Maemi (September 9 - 12)

e/ FAS/Seoul forecast based on five-year-averaged yield.

Source: Ministry of Agriculture and Forestry

**Korea: Government Program for Rice Purchases**

Korea: Government Program for Rice Purchases					
Crop Year	Production (1,000 MT)	Purchase (1,000 MT)	%	Price a/	
				Korean Won/Kg	US\$/MT c/
1996	5,323	1,267	24	1,725	2,144
1997	5,449	1,224	22	1,725	1,816
1998	5,097	928	18	1,818	1,296
1999	5,263	876	17	1,911	1,607
2000	5,291	906	17	2,016	1,784
2001	5,515	828	15	2,097	1,625
2002	4,927	789	16	2,097	1,675
2003	4,451	750	17	2,097	1,760
2004 b/	na	na	Na	2,013	1,725

a/ #1 grade basis.

b/ Korea Food Grain Marketing Committee as a Ministerial Advisor has recommended government to discount the purchasing price of 2004 crop by 4 percent from the previous year.

c/ Applied exchange rate is on the annual average except for 2004 applied the monthly average of February 2004.

Source: Ministry of Agriculture and Forestry (MAF)

**Korea: Rice Utilization Pattern**

<b>Korea: Rice Utilization Pattern (1,000 MT)</b>			
Rice Year (Nov.- Oct.)	MY 2001/02	MY 2002/03 a/	MY 2003/04 b/
Beginning Stock	1,335	1,447	1,100
Production	5,515	4,927	4,451
Import	154	180	205
Total Supply	7,004	6,554	5,756
Table Rice	4,145	3,987	3,900
Processing	337	312	280
Seed	46	44	44
Others included loss	629	711	700
Total Demand	5,156	5,054	4,924
Export c/	400	400	0
Ending Stock	1,447	1,100	832
Total Distribution	7,004	6,554	5,756
Per Capita Consumption (Kg)	87.0	83.2	80.9
Population (1,000)	47,651	47,926	48,213
Self-Sufficient Rate (%)	107.0	97.5	90.4
Ending Stock Rate (%)	28.1	21.8	16.9

a/ MAF's Preliminary.

b/ FAS/Seoul forecast.

c/ Food aid to the DPRK on the long-term credit.

Source: Ministry of Agriculture and Forestry

**Korea: Rice Aid to North Korea**

<b>KOREA: Rice Aid to North Korea (Unit: MT)</b>			
Month of Shipment	MY2001/02	MY 2002/03	MY 2003/04
November	0	108,800	78,400
December	0	122,800	27,100
January	0	42,200	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	76,534	0
August	0	80,231	0
September	24,100	64,935	0
October	102,100	72,800	0
Total	126,200	568,300	105,500

Source: Ministry of Unification

**Korea: Rice allocation per Country on the buying tender under MMA**

Korea: Rice allocation per Country on the buying tender under MMA (Milled rice basis, MT)							
Calendar Year	MMA Quota	U.S.A.	China	Thailand	India	Vietnam	Australia
1995	51,307	0	0	0	51,307	0	0
1996	64,134	0	64,134	0	0	0	0
1997	76,961	0	58,961	18,000	0	0	0
1998	89,787	0	83,478	6,300	0	0	0
1999	102,614	0	80,114	13,500	0	9,000	0
2000	102,614	0	84,614	18,000	0	0	0
2001	128,268	27,000	63,000	18,000	0	0	20,268
2002	153,921	36,000	95,421	22,500	0	0	0
2003	179,575	49,500	103,075	27,000	0	0	0
2004	205,228	Na	Na	Na	Na	Na	Na
Total (1995-2003)	949,181	112,500	632,806	123,300	51,307	9,000	20,268

Source: FAS/Seoul

**Korea: 2003 Rice Tender Results under MMA TRQ**

Korea: 2003 Rice Tender Results under MMA TRQ				
Specification	Quantity (MT)		Price (US\$/MT, CIP) on Brown Rice	Origin
	Brown Basis	Milled Basis		
Long Grain # 3	15,000	13,500	225.87	Thailand
Short Grain # 3	20,000	18,000	395.38	China
Short Grain # 1	20,000	18,000	469.50	China
Medium Grain # 1	20,000	18,000	533.75	U.S.A.
Short Grain # 3	20,000	18,000	394.50	China
Short Grain # 3	20,000	18,000	394.50	China
Medium Grain # 1	20,000	18,000	539.95	U.S.A.
Long Grain # 3	15,000	13,500	224.49	Thailand
Short Grain # 3	10,000	9,000	393.00	China
Short Grain # 3	24,528	22,075	391.80	China
Medium Grain # 1	15,000	13,500	515.70	U.S.A.
Total	199,528	179,575		

Note: Korean government has purchased rice on the brown basis in 40 Kg bag for local storage.

Source: FAS/Seoul

**Korea: Monthly Wholesale Price of Milled Rice**

Korea: Monthly Wholesale Price of Milled Rice (High Quality)						
Month\Year	CY 2002		CY 2003		CY 2004	
	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg	Won/Kg	US\$/Kg
January	2,025	1.54	2,100	1.78	2,130	1.80
February	2,034	1.54	2,100	1.76	2,140	1.83
March	2,040	1.54	2,100	1.70	na	na
April	2,040	1.55	2,100	1.70	na	na
May	2,040	1.61	2,102	1.75	na	na
June	2,063	1.69	2,114	1.77	na	na
July	2,070	1.75	2,130	1.80	na	na
August	2,072	1.73	2,130	1.81	na	na
September	2,146	1.78	2,130	1.83	na	na
October	2,118	1.71	2,130	1.83	na	na
November	2,110	1.74	2,134	1.80	na	na
December	2,100	1.74	2,131	1.79	na	na
Average	2,072	1.66	2,117	1.78	na	na

Note: Monthly Average Exchange Rate is applied.

Source: Korea Agricultural Marketing Information Service (KAMIS)

**Korea: Import Tariff Rate for Rice**

Korea: Import Tariff Rate for Rice (Milled Rice, MT)						
Commodity	Minimum Market Access Quota				Bound Rate	
	2003		2004		In-Quota	Out-of Quota
	Volume	%	Volume	%	%	%
Rice (HS 1006)	179,575	5	205,228	5	5	na

Source: Korea Customs Service (KCS)