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Korea, Republic of

Grain and Feed

Rice Buying Tender Plan under 2004 MMA Quota 2004

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Report Highlights: The Ministry of Agriculture and Forestry released a rice tender plan on July 21, 2004 to cover about half of the 2004 minimum market access (MMA) quota. Plans for purchasing the remainder of the 2004 MMA quota will be released after completion of tender from the first invitations. Tenders for 30,000 MT of U.S. #1 medium grain are included in the purchasing plan MAF has outlined up to now.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Seoul [KS1]
[KS]

The Korean minimum market access (MMA) quota for CY 2004 is set at 205,200 metric tons (MT) on a milled rice basis, or 228,000 MT on a brown rice basis, a 14.3 percent increase from last year. The actual import tonnage, however, is expected to amount to 228,000 MT because Korea imports brown rice under the MMA quota system.

As in past years, MAF will again administer the MMA quota through two government-selected importers: the Public Procurement Service (PPS) and the Agricultural and Fishery Marketing Corporation (AFMC). Of the purchase plans announced to date, MAF has authorized PPS to purchase 80,000 MT of U.S. #3 or better short grain brown rice under the 2004 MMA. The remaining 148,000 MT has been allocated to AFMC. Expected tender quantities and specifications are listed in the following table.

KOREA: Rice Purchasing Plan under MMA Quota (Brown Rice Basis, MT)					
Commodity	Grade	2002	2003	2004 Plan	
Long Grain	U.S. # 3 or better	25,000	30,000	20,000	no details provided
Medium Grain	U.S. # 1 or better	40,000	55,000	30,000	
Short Grain	U.S. # 1 or better	20,000	20,000	20,000	
	U.S. # 3 or better	86,023	94,528	40,000	
Total		171,023	199,528	110,000	118,000

MAF recently issued purchasing orders to PPS for 20,000 MT of U.S.# 3 or better short grain brown rice. MAF also issued a purchasing order to AFMC for 20,000 MT of U.S. #3 or better long grain brown rice and 15,000 MT of U.S. # 1 medium grain brown rice. On July 30, 2004, AFMC announced an invitation for a tender to be held August 19, 2004. On August 4, 2004, PPS also released an invitation for a tender to be held August 26, 2004.

2004 Brown Rice Tender Schedule and Results							
No.	Specification 1/	Tendering Organization	Tender Date	Quantity (MT)	Price (US\$/M T)	Bidder	Origin
1	LG #3	AFMC	8/19/04	20,000			
2	SG #3	PPS	8/26/04	20,000			
3	SG #3	PPS		20,000			
4	MG #1	AFMC	8/19/04	15,000			
5	MG #1	AFMC		15,000			
6	SG #1	AFMC		20,000			
	First part of total			110,000			
	Second part of total			118,000			
	Grand Total			228,000			

1/ LG denotes long grain, SG short grain and MG medium grain.

Details of tender invitations are unchanged from preceding tenders (see GAIN report KS3044) except for dunnage. Under the 2004 tender requirements for dunnage, pallets thicker than 15 cm shall be used. Also, waterproof mats, ventilators and separating materials necessary for loading rice shall be prepared and installed by the supplier and the supplier shall pay the cost. In addition, the deck walls shall be covered with polyethylene film or mat for waterproofing. If pallets in the hold of a vessel are unloaded at the Korean port, the supplier will pay the unloading cost. If the pallet is made of wood restricted by the Plant Quarantine Act of Korea, it will be destroyed at the supplier's cost.

The tender invitations are available in English at <http://www.afmc.co.kr> and <http://www.g2b.go.kr>. However, Korean language-capable software is necessary to open the file after it is downloaded. Suppliers can also obtain the tender invitation by contacting the Agricultural Affairs Office at the U.S. Embassy in Seoul at AgSeoul@usda.gov.