

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary  Public

**Date:** 1/15/2015

**GAIN Report Number:** KS1501

## **Korea - Republic of**

**Post:** Seoul

### **Grain and Feed Update - January**

**Report Categories:**

Grain and Feed

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**Report Highlights:**

The United States won contracts totaling 60,067 MT (milled) of rice, worth \$62 million, under the 2014 Minimum Market Access agreement. The U.S. share of 15 percent of the MMA represents only half of the previous year's share due to higher prices caused by drought conditions in California.

**General Information:**

Overview:

The Korea Agro-Fisheries and Food Trade Corporation (aT) completed the tendering process for the 2014 Minimum Market Access (MMA) commitments for rice on December 10, 2014. Korea purchased a total of 408,700 metric tons (MT) of rice (milled basis) from the United States, China, Thailand, Australia, Vietnam and India (see table 1). The U.S. share was 15 percent, half of the previous year due to less competitive pricing caused by drought in California, with contracts totaling 60,067 MT (milled) worth US\$ 62 million. U.S. contracts of roughly 17,299 MT were brown rice (equivalent to 15,569 MT on milled basis) for food processing purpose, while the remaining 44,507 MT was milled rice for table purpose (see table 2).

Global Quota: The United States contracted just 10,000 MT or 5 percent of the total Global Quota (GQ) of 203,472 MT, while China sold 89,746 MT or 44 percent, Vietnam 41,000 MT or 20 percent, Thailand 32,500 MT or 16 percent, Australia 21,226 MT or 10 percent and India 9,000 MT or 4 percent, respectively, on a milled basis (see table 4). Chinese contracts of 89,746 MT under the global quota were comprised of 68,656 MT for food processing and 21,090 MT for table purpose (see table 1). 68,656 MT for food processing consists of 43,270 MT of Chinese medium grain and 25,386 MT of Chinese short grain rice, respectively.

Country Specific Quotas: The United States successfully contracted 50,076 MT under the 2014 U.S. CSQ, consisting of 44,507 MT of table rice and 5,569 MT of food processing rice. U.S. table rice contracts increased 5.2 percent to 44,507 MT from 42,291 MT in 2013 while U.S. CSQ contracts of processing purpose decreased 28 percent to 5,569 MT in 2013 from 7,785 MT in 2013 (see table 5 & 6).

Table Rice: The Korean government allocated 21,090 MT of optional variety between medium and short grain milled rice for table purpose under the 2014 global quota again, which offset the decrease in table rice under the Chinese CSQ. Because of less competitive U.S. prices compared to Chinese rice, the U.S. failed to win tenders of medium grain milled rice for table purpose under the optional variety global quota. U.S rice exporters sold just 44,507 MT of U.S. medium grain milled rice for table purpose under U.S. CSQ, or 36 percent of total table rice of 122,610 MT. As a result, the total supply of U.S. table rice decreased to 36 percent from 58 percent of total table rice quota under the 2013 MMA.

The average contracted price for U.S. #1 table rice was \$1,055.27/MT, up 27 percent from the previous year. Meanwhile, U.S. #3 table rice averaged \$1,009.80/MT, up 26 percent from the previous year’s contracted price. Chinese #1 table rice prices ranged from \$978/MT to \$1,007/MT, up 5 to 8 percent from the previous average, however Thai #1 table rice prices decreased to \$589.89/MT, down 7 percent from the previous year respectively (see table 2 & 7).

Table 1

<b>Korea: Rice Contracts by Country under 2014 MMA</b>					
(Unit: MT, Milled Basis, as of December 10, 2014)					
Country	Global Quota		CSQ		Total (%)
	Processing	Table	Processing	Table	

USA	10,000	0	5,569	44,507	<b>60,076(14.7)</b>
China	68,656	21,090	67,851	48,308	<b>205,905(50.4)</b>
Thailand	32,500	0	26,653	3,310 <sup>a/</sup>	<b>62,463(15.3)</b>
Australia	21,226	0	3,635	5,395	<b>30,256(7.4)</b>
Vietnam	41000	0	0	0	<b>41,000(10.0)</b>
India	9000	0	0	0	<b>9,000(2.2)</b>
<b>S.Total</b>	<b>182,382</b>	<b>21,090</b>	<b>103,708</b>	<b>101,520</b>	<b>408,700(100)</b>
<b>G. Total</b>	<b>203,472</b>		<b>205,228</b>		<b>408,700(100)</b>

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

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

Table 2

<b>Korea: U.S. Rice Sales to Korea under 2014 MMA</b>						
Contracts	Quota	Milled rice(MT) for Table	Brown rice(MT) for Processing	Arrival unit price	Amount	ETA
		USDA #1	USDA #3	(\$/MT)	(\$)	2014
1	CSQ		6,188	878.95	5,438,943	July
2	GQ		11,111	902.78	10,030,789	BY 12/15/2014
3	CSQ	4,451 <sup>a/</sup>		1,009.80	4,494,620	BY 12/31/2014
4	CSQ	10,000		1,078.00	10,780,000	BY 12/31/2014
5	CSQ	10,000		1,046.64	10,466,400	By 1/31/2015
6	CSQ	10,000		1,048.68	10,486,800	By 2/28/2015
7	CSQ	10,056		1,047.74	10,536,073	By 2/28/2015
<b>Total</b>		<b>44,507</b>	<b>17,299<sup>b/</sup></b>		<b>62,233,624</b>	

Source: Korea Agro-Fisheries and Food Trade Corporation (aT), totaling 60,076 MT in milled basis or 29.5 percent of total 2013 MMA.

a/ USDA #3

b/ equivalent to 15,569 MT, milled basis (90 percent of brown rice)

Table 3

<b>Korea: MMA Rice Allocations by Bidding Results</b> (MT, Milled rice)							
Calendar Year	Total	Global Quota	Country Specific Quota (CSQs)				
			Total	USA	China	Thailand	Australia
2005	225,575	20,347	205,228	50,076	116,159	29,963	9,030
2006	245,922	49,724	196,198	50,076	116,159	29,963	a/
2007	266,270	70,072	196,198	50,076	116,159	29,963	a/
2008	286,617	90,419	196,198	50,076	116,159	29,963	a/
2009	306,964	110,766	196,198	50,076	116,159	29,963	a/
2010	327,311	135,613	191,698	45,576 <sup>b/</sup>	116,159	29,963	a/
2011	347,658	151,460	196,198	50,076	116,159	29,963	a/
2012	368,006	216,450	151,556	50,076	62,487 <sup>c/</sup>	29,963	9,030
2013	388,353	188,251	200,102	50,076	116,159	29,963	3,904 <sup>d/</sup>
2014	408,700	203,472	205,228	50,076	116,159	29,963	9,030

Source: Ministry for Agriculture, Food, and Rural Affairs (MAFRA) and Korea Agro-Fisheries and Food Trade Corporation (aT)

a/ Australia CSQ allocation converted to MFN due to inability to fulfill quota.

b/ 4,500 MT was converted to global quota from CSQ after three consecutive failed bids.

c/ 53,672 MT was converted to global quota from CSQ after three consecutive failed bids.

d/ 5,126 MT was converted to global quota from CSQ after three consecutive failed bids.

Table 4

<b>Korea: Global Quota Allocation per Country on the Buying Tenders</b> (Milled basis, MT, as of December 10, 2014)						
Calendar Year	MMA Quota	U.S.A.	China	Thailand	Australia	Others

2005	20,347	6,104	11,191	3,052	0	0
2006	49,724	13,025	23,080	13,619	0	0
2007	70,072	21,643	32,352	16,077	0	0
2008	90,419	19,534	35,126	35,759	0	0
2009	110,766	31,270	43,629	30,347	0	5,520 <sup>a/</sup>
2010	135,613	48,143	42,411	40,347	0	4,712 <sup>a/</sup>
2011	151,460	51,414	44,911	20,694	0	34,441 <sup>b/</sup>
2012	216,450	50,825	103,583	0	0	62,042 <sup>c/</sup>
2013	188,251	64,524 <sup>c/</sup>	35,280	25,200	19,447	43,800 <sup>d/</sup>
2014	203,472	10,000	89,746 <sup>e/</sup>	32,500	21,226	50,000 <sup>g/</sup>
Total	1,236,574	316,482	461,309	217,595	40,673	200,515

Source: FAS/Seoul

a/ Pakistan

b/ Vietnam (19,441 MT) and Myanmar (15,000 MT)

c/ Vietnam (45,400 MT), India (11,642 MT) and Myanmar (5,000MT)

d/ Vietnam (13,800MT) and India (30,000MT)

e/ include 25,126 MT of table purpose

f/ include 21,090 MT of table purpose

g/ Vietnam (41,000MT) and India (9,000MT)

Table 5

<b>Korea: CSQ Table Rice Allocation</b> (MT, Milled rice)					
Year	USA	China	Thailand	Australia	Total
2005	5,504	12,767	3,293	993	22,557
%	24.4	56.6	14.6	4.4	100
2006	10,414	21,500	1,000	1,515	34,429
%	30.3	62.4	2.9	4.4	100
2007	14,193	29,626	2,000	2,109 <sup>a/</sup>	47,928
%	29.6	61.8	4.2	4.4	100
2008	18,989	39,292	2,000	2,774 <sup>b/</sup>	63,055
%	30.1	62.3	3.2	4.4	100
2009	23,760	49,462	3,078 <sup>c/</sup>	3,510 <sup>b/</sup>	79,810
%	29.8	62.0	3.8	4.4	100
2010	26,219	65,556	2,100 <sup>c/</sup>	4,318 <sup>a/</sup>	98,193
%	26.7	66.8	2.1	4.4	100
2011	27,473	67,135	5,100 <sup>c/</sup>	4,589 <sup>a/</sup>	104,297
%	26.3	64.4	4.9	4.4	100
2012	40,056	62,487	3,000	4,858	110,401
%	36.3	56.6	2.7	4.4	100
2013	42,291	45,942	3,146	5,126 <sup>d/</sup>	96,505
%	43.8	47.6	3.3	5.3	100
2014	44,507	48,308	3,319	5,395	101,520
%	43.8	47.6	3.3	5.3	100

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

a/ USA won the Australian CSQ allocation converted to global quota due to Australia's inability to fulfill quota due to drought conditions.

b/ China won the Australian CSQ allocation converted to global quota due to Australia's inability to fulfill quota due to drought conditions.

c/ included 90MT of Jasmin rice

d/ USA won the Australian CSQ allocation that were converted to global quota from CSQ after three consecutive failed bids.

Table 6

<b>Korea: Processing Rice Allocation Based on CSQ</b> (MT, Milled rice)	
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Year	USA	China	Thailand	Australia	Total
2005	44,572	103,392	26,670	8,037	182,671
%	24.4	56.6	14.6	4.4	100
2006	39,662	94,659	28,963	7,515	170,799
%	23.2	55.4	17	4.4	100
2007	35,883	86,533	27,963	6,921a/	157,300
%	22.8	55.0	17.8	4.4	100
2008	31,087	76,867	27,963	6,256a/b/	142,173
%	21.9	54.1	19.6	4.4	100
2009	26,316	66,697	26,885	5,520c/	125,418
%	21.0	53.2	21.4	4.4	100
2010	23,857	50,603	27,863	4,712c/	107,035
%	22.3	47.3	26.0	4.4	100
2011	22,603	49,024	24,863	4,441b/d/	100,931
%	22.4	48.6	24.6	4.4	100
2012	10,020	53,672 <sup>e/</sup>	26,963	4,172	94,827
%	10.6	56.6	28.4	4.4	100
2013	7,785	70,217	26,817	3,904	108,723
%	7.1	64.6	24.7	3.6	100
2014	5,569	67,851	26,653	3,635	103,708
%	5.4	65.4	25.7	3.5	100

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

a/ Thailand won the Australian CSQ allocation converted to MFN due Australia's inability to fulfill quota due to drought conditions.

b/ broken rice

c/ Pakistan won the Australian CSQ allocation converted to MFN due to Australia's inability to fulfill quota due to drought conditions.

d/ Vietnam won the Australian CSQ allocation converted to MFN due to Australia's inability to fulfill quota due to drought conditions.

e/ converted to global quota from CSQ after three consecutive failed bids.

Table 7

Korea: 2014 MMA Rice Tender Results (Metric Ton, as of December 10, 2014)									
Quota Type	Bid Date (mm-dd-yy)	Rice Type	Quota Volume	Quota Volume	Origin	Final Bid Price US\$/MT	Delivery date in 2012	Local	Supplier
			(Contract Basis)	(Milled Rice Basis)				Agent	
CSQ	2014-02-21	LG #3 Brown	15,000	13,500	Thailand	487.87 CIP	5/31/14	LG	Chaiyaporn
GQ	2014-02-21	MG or SG #3 Brown (Indica)	10,000	9,000	India	508.51 CIP	6/30/14	sing-song	KRBL
GQ	2014-02-21	Broken #4 Milled	10,000	10,000	Thailand	388.2 CIP	5/31/14	Daewoo	Capital Rice Co., Ltd
GQ	2014-02-21	LG #3 Brown	12,222	11,000	Vietnam	442.5 CIP	5/31/14	Samsung	Genra Corp
GQ	2014-02-21	MG #3 Brown	10,000	9,000	China	945 CIP	5/31/14	Daewoo	COFCO
CSQ	2014-03-14	LG #3 Brown	14,614	13,153	Thailand	458.45 CIP	6/30/14	LG	Chaiyaporn
GQ	2014-03-14	LG #3 Brown	10,000	9,000	Vietnam	472.72 CIP	6/30/14	LG	TMC
GQ	2014-03-14	Broken #4 Milled	10,000	10,000	Thailand	381.38 CIP	6/30/14	LG	Chaiyaporn
GQ	2014-03-14	Broken #4 Milled	12,500	12,500	Thailand	382 CIP	6/30/14	Hyolim	Chiameng
GQ	2014-03-14	MG or SG #3 Brown (Indica)	10,000	9,000	Vietnam	487 CIP	7/31/14	Daewoo	Vinafood1
CSQ	2014-04-15	MG #3 Brown	6,188	5,569	USA	878.95 CIP	7/31/14	sing-song	ACC
GQ	2014-04-15	MG or SG #3 Brown (Indica)	13,333	12,000	Vietnam	478.68 CIP	9/30/14	Daewoo	Vinafood1
GQ	2014-05-09	SG #3 Brown	10,000	9,000	Australia	927.8 CIP	9/30/14	D&B	Sun Rice
GQ	2014-05-19	MG #3 Brown	10,353	9,318	China	928 CIP	9/30/14	Daewoo	COFCO
GQ	2014-07-08	SG #3 Brown	12,627	11,364	China	927.98 CIP	12/15/14	sing-song	Jilin Grain
GQ	2014-07-08	SG #3 Brown	13,584	12,226	Australia	927.8 CIP	12/15/14	D&B	Sun Rice
GQ	2014-07-25	SG #3 Brown	15,580	14,022	China	927 CIP	12/15/14	sing-song	Jilin Grain
CSQ	2014-07-25	SG #3 Brown	31,230	28,107	China	928 CIP	12/15/14	Daewoo	COFCO
CSQ	2014-07-25	SG #3 Brown	24,418	21,976	China	928 CIP	12/15/14	sing-song	Jilin Grain
CSQ	2014-07-25	SG #1 Milled	15,000	15,000	China	1007 CIF	11/30/14	Daewoo	COFCO
CSQ	2014-07-25	SG #3 Milled	8,584	8,584	China	997 CIF	10/31/14	Daewoo	COFCO
CSQ	2014-08-07	SG #3 Brown	10,000	9,000	China	928 CIP	11/30/14	Daewoo	COFCO
CSQ	2014-08-07	SG #1 Milled	13,985	13,985	China	1007 CIF	12/31/14	Daewoo	COFCO
CSQ	2014-08-07	SG #3 Milled	10,739	10,739	China	997 CIF	12/31/14	sing-song	Jilin Grain
CSQ	2014-08-07	MG #3 Brown	4,039	3,635	Australia	928.2 CIP	12/15/14	D&B	Sun Rice

CSQ	2014-08-07	MG #1 Milled	2,697	2,697	Australia	1007 CIF	12/31/14	D&B	Sun Rice
CSQ	2014-08-07	MG #3 Milled	2,698	2,698	Australia	997 CIF	12/31/14	D&B	Sun Rice
GQ	2014-08-26	MG #3 Brown	12,725	11,453	China	908 CIP	12/15/14	Daewoo	COFCO
GQ	2014-08-26	MG #3 Brown (Japonica)	11,111	10,000	USA	902.78 CIP	12/15/14	Daewoo	FRC
CSQ	2014-08-26	MG #3 Milled	4,451	4,451	USA	1009.8 CIF	12/31/14	sing-song	ACC
GQ	2014-08-26	SG or MG #1 Milled 1/	6,980	6,980	China	998 CIF	12/31/14	Daewoo	COFCO
GQ	2014-08-26	SG or MG #3 Milled 1/	2,110	2,110	China	997 CIF	12/31/14	Daewoo	COFCO
GQ	2014-09-23	SG or MG #1 Milled 1/	6,000	6,000	China	978 CIF	12/31/14	Daewoo	COFCO
CSQ	2014-09-23	MG #1 Milled	10,000	10,000	USA	1078 CIF	12/31/14	Seo-Mok	ADM
GQ	2014-09-23	MG #3 Brown	15,000	13,500	China	870 CIP	1/31/2015	Daewoo	COFCO
GQ	2014-09-30	SG or MG #1 Milled 1/	6,000	6,000	China	985 CIF	1/31/2015	Daewoo	COFCO
CSQ	2014-09-30	MG #1 Milled	10,000	10,000	USA	1046.64 CIF	1/31/2015	LG	FRC
CSQ	2014-09-30	MG #1 Milled	10,000	10,000	USA	1048.68 CIF	2/28/2015	LG	FRC
CSQ	2014-09-30	MG #1 Milled	10,056	10,056	USA	1047.74 CIF	2/28/2015	LG	FRC
CSQ	2014-10-29	LG #1 Milled	3,220	3,220	Thailand	589.89 CIF	1/31/2015	Hyolim	Chiameng
CSQ	2014-10-29	SG #3 Brown	9,742	8,768	China	898 CIP	1/31/2015	Daewoo	COFCO
CSQ	2014-11-25	LG #1 Milled, Hom Mali	90	90	Thailand	1045 CIF	1/31/2015	Hanwha	Amru & Hanwha Int'l Corp
		Total		408,700					

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

Note: Milling rate for milled rice is applicable at 90 percent of brown rice, and vice versa.

LG denotes long grain, SG short grain and MG medium grain, respectively.

CIP: Carriage and insurance Paid to—Commodity + Ocean Freight + Insurance (about 0.33% of CNF) + Unloading Charge (about US\$20/MT) + Customs Clearance Fee (about one million Korean Won)

CIF: Cost, Freight and Insurance

1/ Supplier plans to deliver short grain milled rice.

Table 8

Korea: U.S. Table Rice Delivery Schedule Based on Contracts under 2014 MMA (Non-Glutinous Milled Rice Medium Grain, Metric Ton)				
Supplier	Contractual Quantity	Grade	Shipment	ETA Busan Port
ACC	4,451	U.S. No. 3	4,451	BY 12/31/2014
ADM	10,000	U.S. No. 1	10,000	BY 12/31/2014
FRC	10,000		10,000	By 1/31/2015
	10,000		10,000	By 2/28/2015
	10,056		10,056	By 2/28/2015
Total		44,507		

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

Table 9

Korea: Rice Allocation per Country on the Buying Tender under MMA (Milled basis, MT)						
Calendar Year	MMA Quota	U.S.A.	China	Thailand	Australia	Others
1995	51,307	0	0	0	0	51,307 <sup>b/</sup>
1996	64,134	0	64,134	0	0	0
1997	76,961	0	58,961	18,000	0	0
1998	89,787	0	83,487	6,300	0	0
1999	102,614	0	80,114	13,500	0	9,000 <sup>c/</sup>
2000	102,614	0	84,614	18,000	0	0
2001	128,268	27,000	63,000	18,000	20,268	0
2002	153,921	36,000	95,421	22,500	0	0
2003	179,575	49,500	103,075	27,000	0	0
2004	205,228	58,500	117,028	29,700	0	0
2005	225,575	56,179	127,351	33,015	9,030	0
2006	245,922	63,101	145,343	37,478	0	0
2007	266,270	71,719	148,511	46,040 <sup>d/</sup>	0	0

2008	286,617	69,610	151,285	65,722	0	0
2009	306,964	81,346	159,788	60,310	0	5,520 <sup>d/</sup>
2010	327,311	93,719	158,570	70,310	0	4,712 <sup>d/</sup>
2011	347,658	101,490	161,070	50,657	0	34,441 <sup>e/</sup>
2012	368,006	100,901	166,070	29,963	9,030	62,042 <sup>f/</sup>
2013	388,353	114,600	151,439	55,163	23,351	43,800 <sup>g/</sup>
2014	408,700	60,076	205,905	62,463	30,256	50,000 <sup>h/</sup>
<b>Total</b>	<b>4,325,785</b>	<b>983,741</b>	<b>2,325,166</b>	<b>664,121</b>	<b>91,935</b>	<b>260,822</b>

Source: FAS/Seoul

a/ Thai suppliers delivered only 8,470 MT of the total contracted amount due to agflation

b/ India

c/ Vietnam

d/ Pakistan

e/ Vietnam (19,441 MT) and Myanmar (15,000 MT)

f/ Vietnam (45,400 MT), India (11,642 MT) and Myanmar (5,000MT)

g/ Vietnam (13,800MT), India (30,000MT); however Vietnamese domestic conditions failed to make contract performance of 10,800 MT.

h/ Vietnam (41,000 MT) and India (9,000 MT)

Table 10

<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.