

Voluntary Report – Voluntary - Public Distribution

Date: November 10, 2022

Report Number: KS2022-0026

Report Name: Changes to Korean Import Allocation System for Oranges

Country: Korea - Republic of

Post: Seoul

Report Category: Citrus, Citrus

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Report Highlights:

On November 4, 2022, the Korea Agro-Fisheries & Food Trade Corporation (aT) announced the results of the 2022 U.S. orange tariff rate quota (TRQ) allocations. Korea switched to a new license allocation system this year, replacing the import rights auction process used in prior years. A key piece of the new allocation system is that 80 percent of the total TRQ is reserved for importers with historical import volumes, while the remaining 20 percent is reserved for new importers. This report contains a translation of Korea's announcement detailing the implementation process for the new allocation system, as well as a list of the companies that received import volume allocations for the 2022 U.S. orange TRQ.

Note: The following is an unofficial translation of the original Korean text published by the Korean Ministry of Agriculture, Food and Rural Affairs (MAFRA), provided here for informational purposes.

NOTICE: PLAN FOR 2022 ALLOCATION OF ORANGE TRQ UNDER KORUS FTA AND EU FTA

We hereby announce the plan for the 2022 orange tariff rate quota (TRQ) allocation under the U.S. - Korea Free Trade Agreement (KORUS FTA) and European Union (EU) FTA as follows. We ask for your understanding for the delay in allocating the TRQ. The delay was due to the legal consultations, case study, consultations with Embassies, etc. that were needed to prepare the allocation standard caused by the change in import control method (public auction → allocation). We plan to increase the amount available for advance TRQ allocation requests (available only to companies with historical import records) up to 50 percent of the three-year average amount that was imported under the TRQ recommended amount. We hope this information will help you in making your business decisions.

I. PRODUCT AND AMOUNT TO BE ALLOCATED

Unit: Kilograms)

FTA						
Country	Product	Details			Duty	Applicable period
		HS number	Allocation number	Amount		
United States	Orange	0805.10.0000	FTA-20221021-31-0016	3,360,000	0%	Feb. 28, 2023
EU	Orange	0805.10.0000	FTA-20221021-31-0017	60,000		

* Country of origin for each product is applicable to only the products from the respective nation.

II. QUALIFICATION FOR APPLICATION

Country	Product	Qualification
U.S.A., EU	Orange	Companies with business registration

* If any of the representative's name, address, telephone number or fax number overlaps with another company, it will be considered as a duplicate application and only the company that had applied first will receive the allocation.

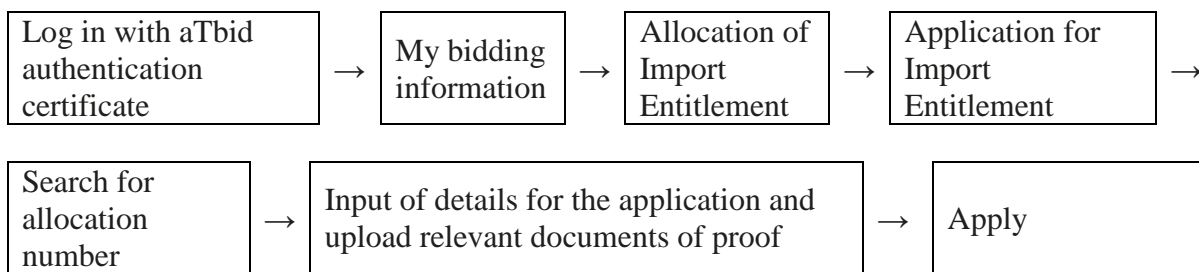
THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

* As for the companies that have historical records for receiving import recommendation for TRQ, only those companies that have fulfilled at least 95 percent of the allocated amount during the previous year will be qualified.

III APPLICATION METHOD

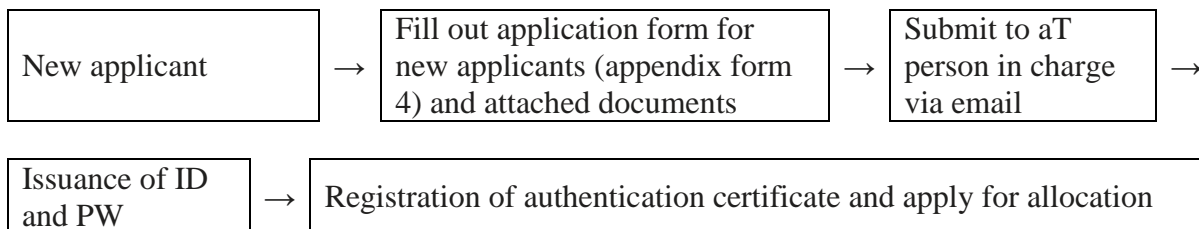
- Application period: **October 21 – November 2, 2022**
- Application venue and method: Online application / www.aTbid.co.kr (E-bidding site)

(1) Application method (aTbid.co.kr)



- * For details procedures for applying, please refer to the aTbid Customer Support [Manual for TRQ Import Recommendation].
- * Applications accompanied with an authentication certificate must be used in applying for the allocation and registration of the authentication certificate under the menu of “My bidding information → Registration of official authentication certificate” is mandatory.
- * Sites for receiving authentication certificate: Korea Information Certificate Authority, Inc., Koscom, Korea Financial Telecommunications & Clearing Institute, Korea Electronic Certification Authority, Korea Trade Network.

(2) New applicants: **Application for new applicants must be submitted by November 1, 2022 (Tuesday)**. (Applications or changes to the application this notice cannot be made after the deadline.)



* The password and ID can be changed after logging in for the first time.

(3) When information of the member company needs to be updated: Please send the business registration form via email to the person in charge at aT.

□ Application documents

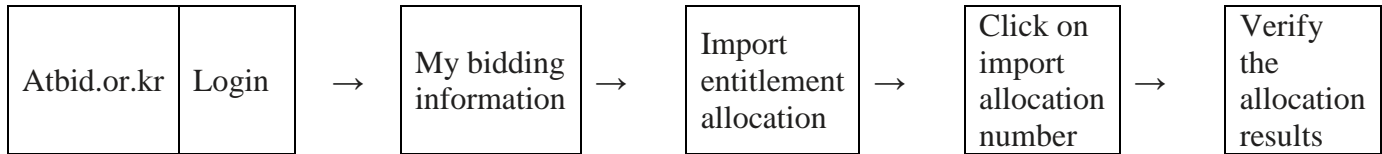
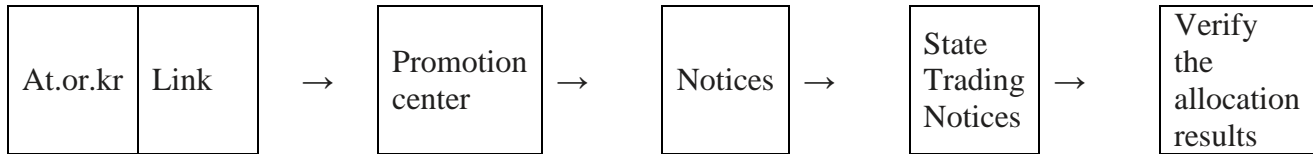
- Certificate of business registration (certificates must be issued on or after October 6, 2022).
- Agreement to provide trade data information linked to the Korea Trade Statistics Promotion Institute – Need to submit agreement for the first time when inputting the information.

IV STANDARD FOR ALLOCATION AND PUBLIC NOTICE OF THE RESULT

ALLOCATION STANDARD FOR EACH PRODUCT

COUNTRY	PRODUCT	ALLOCATION STANDARD
U.S.A.	Orange	<p>(1) If the amount that was applied for is less than the amount to be allocated:</p> <ul style="list-style-type: none"> • The full amount applied will be allocated <p>(2) If the amount that was applied for is more than the amount to be allocated:</p> <ul style="list-style-type: none"> • (1st round/newcomers) The TRQ will be allocated on a first-come-first-served basis within 20% of the total quota. Each company can be allocated up to a maximum of 18 metric tons (MT). <ul style="list-style-type: none"> - If the amount applied for exceeds 20% of the total quota, companies that applied after 20% of the quota was filled shall not be allocated from the TRQ. • (2nd round/companies with historical import records) The total of 80% of the total quota plus the amount that is remaining after the first round of the allocation shall be allocated based on the import record for the most recent 3 years. <ul style="list-style-type: none"> - Companies with historical import records shall be guaranteed to be allocated a minimum of 18 MT.
EU		<p>※ Standard for historical import records</p> <ul style="list-style-type: none"> - (2022-2024) Amount of orange imports made under the TRQ provided in the respective FTA in recent 3 years. - (2025 and afterwards) Total imports (Imports made under FTA TRQ + Amount outside TRQ that was cleared after paying duties) that was made during the FTA TRQ implementation period (September ~ February of the following year) for the recent 3 years under the respective FTA. <p>* Historical importers: Importers that have historical record of receiving import recommendation for orange from the respective country in recent 3 years.</p> <p>* Newcomers: Importers that do not have historical record of receiving import recommendation for orange from the respective country in recent 3 years.</p>

- Notification of allocation results: Planned to be announced on **November 4, 2022 (Friday)**
- Amount allocated this time can be returned by **November 30, 2022 (Wednesday)**. It cannot be returned afterwards (Appendix form 3).
- The amount that is left over after announcing the allocation result and those that are returned shall be allocated on a first-come-first-served basis.
- Method for verifying the result of the allocation.



□ Advance allocation requests

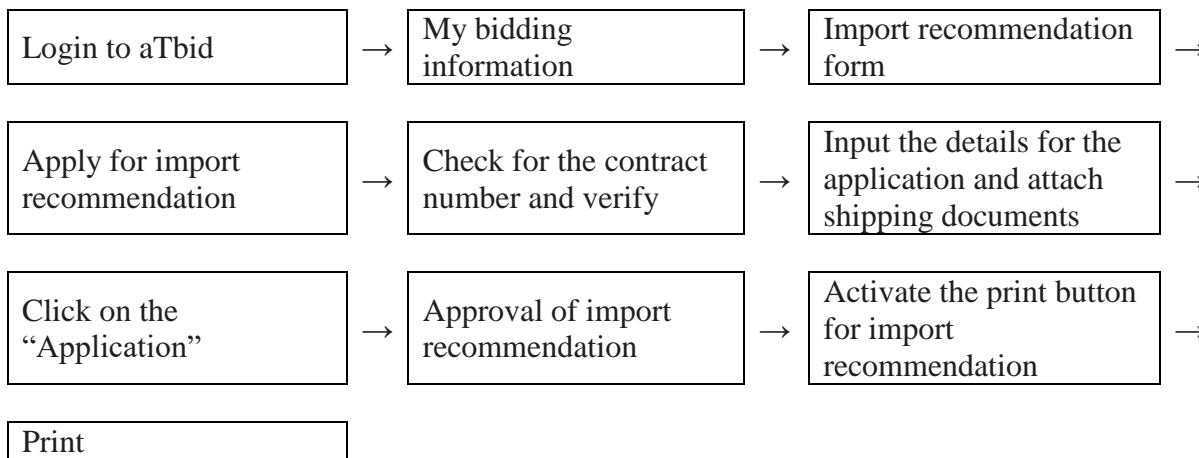
Companies that have historical records of importing TRQ under the KORUS FTA and EU FTA during the period 2019-2021 can apply and receive import recommendations of up to 50% of the average import volume made under the TRQ during the period 2019-2021 prior to the announcement of the 2022 allocation. The amount that these companies receive as an advance recommended allocation shall be subtracted from the final allocation amount. * The applicants must meet the qualification for receiving an allocation in 2022 at the time that they apply.

*(2022) This measure to increase the amount for pre-recommendation is due to the delay in publicizing the allocation notice.

○ Application method: Submit the shipping documents and amount of TRQ requested to the person in charge (Contact point provided in section VII of this notice) after applying for the allocation.

V PROCEDURE FOR ISSUANCE OF IMPORT RECOMMENDATION

□ APPLICATION METHOD



DOCUMENTS TO BE SUBMITTED WHEN APPLYING

COUNTRY	PRODUCT	DOCUMENTS TO BE SUBMITTED
Same		Copies of Bill of lading (B/L) that has the net weight (IV), Commercial Invoice (B/L), Packing List
		Contract of import agency and contract for transfer of Bill of lading (Only for the companies where this applies)

This will be issued only for the B/L where the submitted manifest can be confirmed on the Korea Customs Service website (<http://unipass.customs.go.kr>).

VALIDITY PERIOD

Type	Validity period	Period for extending import recommendation	Maximum date where the import recommendation can be extended up to
FTA	90 days	30 days	February 28, 2023

- The validity period will be calculated from the date that it is issued. The import recommendation can be reissued if the extension request is submitted.

RETURN OF IMPORT RECOMMENDATION

- When giving up the total or a portion of the import recommendation amount, or when the validity period has expired, or when it is impossible to import due to other reasons, the import recommendation form must be immediately returned to aT. (Appendix form 2)

VI OBLIGATION OF COMPANIES ALLOCATED THE TRQ AND VERIFICATION OF WHETHER THE COMPANIES HAVE CARRIED OUT THE IMPORTS

OBLIGATION OF COMPANIES ALLOCATED THE TRQ

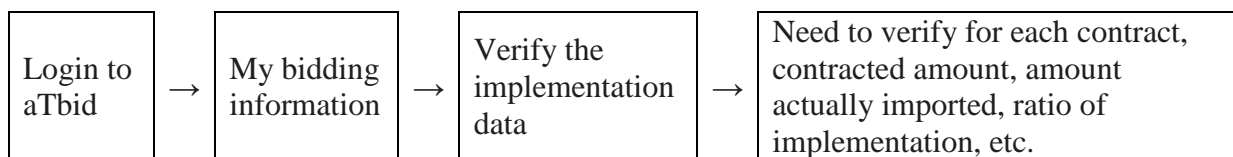
Companies that have been allocated the import entitlement must import at least 95 percent of the amount allocated for each product and each company by February 28, 2023. If the import is not utilized, the company will be excluded from the first round of allocation in the following year unless the company can provide a justifiable reason for failure to utilize the allocation.

- ※ The Import Report must be submitted by February 28, 2023 and must clear customs (import declaration must have been accepted) by March 31, 2023.

SURVEY AND INVESTIGATION OF WHETHER IMPORTS HAVE ACTUALLY BEEN CARRIED OUT

- In accordance with the relevant provisions provided in the “Survey and reporting of actual implementation (MAFRA Notice),” it is requested that the applicant agree to sharing the information provided by the Korea Trade Statistics Promotion Institute.
- ※ Article 23 of KORUS FTA and Article 21 of Korea-EU FTA.
- ※ Method for providing agreement to share information shall be provided at a later date.

- Procedure for Self-Check of Import Implementation: Need to check to see if import implementation has been finished and make corrections within the date that the import declaration has been accepted (Up to March 31, 2023).



Note: The final implementation rate will be based on the actual imports made within the date that the import declaration has been accepted (March 31, 2023). If there are errors, the company should request for corrections to the person in charge at aT and it is impossible to make corrections after the deadline.

VII Sanctions For TRQ Awarded Companies

- The company with TRQ allocated must use the TRQ for the recommended purpose. In case of a violation, aT cancels the issuance of the recommendation letter and imposes sanctions in accordance with the relevant laws.
- If one or more of the representative, address, and phone number of the applicant company is duplicated, it is considered as a false or fraudulent application and the TRQ will be allocated to only one of the relevant companies. A company that falls under the above may file a complaint for obstruction of the execution of official duties and obstruction of business, and if a false or fraudulent application is proven as a result, the existing TRQ recommendation letter can be canceled and the allocated import rights can be returned.
- Matters not specified in this announcement follow the notification of the Ministry of Agriculture, Food and Rural Affairs (MAFRA) and detailed instructions of aT.
- Enquiry details

	Point of Contact		Phone No.	E-mail	office
	Title	Name			
FTA	Manager	Park, Eun-jeong	061-931-0913	blackbird@at.or.kr	Buffer Stock Management Department
	Asst. Manager	Kim, Jeong-geum	061-931-0919	wjdrma@at.or.kr	

□ Related notice

	With	MAFRA Notification
FTA	USA	• Recommendation of customs agreement and import management guidelines under the Korea-US Free Trade Agreement (Ministry of Agriculture, Food and Rural Affairs Notice No. 2021-103, 12/31/2021).
	EU	• Recommendation of customs agreement and import management guidelines under the Korea-EU Free Trade Agreement (Ministry of Agriculture, Food and Rural Affairs Notice No. 2022-4, 1/5/2022).

* In case of revision of the related notice, the revised notice shall be followed.

October 20, 2022

President of Korea Agro-Fisheries & Food Trade Corporation (aT)

Reference 1

FTA TRQ [Orange] Distribution Standard for Import Rights

1. TRQ Distribution Standard

(1) In case the application volume is less than the allocation volume:

◦ Allocation of the total volume of application.

(2) In case the application volume exceeds the allocation volume:

◦ (1st round/newcomer) Up to 18 tons will be allocated on a first-come, first-served basis within 20% of the total quota.

- If the volume requested on a first-come-first-served basis exceeds 20%, the excess volume will not be allocated.

* Example) When the total quota is 3,360 tons and 38 new companies apply for it, it will exceed 672 tons, which is 20% of the quota, so the 38th applicant will not be allocated on a first-come, first-served basis, and the remaining volume is included in the allocation of existing companies.

◦ (Second round/Existing companies) The remaining volume after the first allocation and 80% of the total quota is added up to the existing companies based on the past import performance of the last 3 years.

Past Import Performance:

(2022 – 2024) FTA TRQ [orange] import performance for the relevant country for the past 3 years

(2025 -) Total import performance (FTA TRQ implementation performance + tariff paid volume other than TRQ) during the FTA TRQ implementation period (September to February of the following year) for the last 3 years

At least, 18 tons will be guaranteed for TRQ allocation to existing companies

* Existing companies: Companies that have FTA TRQ import recommendations for oranges originating from the pertinent country for the past 3 years
* Newcomers: Companies that have no FTA TRQ import recommendation for oranges originating from the pertinent country for the past 3 years
- It means the last 3 years from the current year. In other words, in 2022, the standard for the last three years will be 2019-2021.

2. Required Documents for TRQ allocation

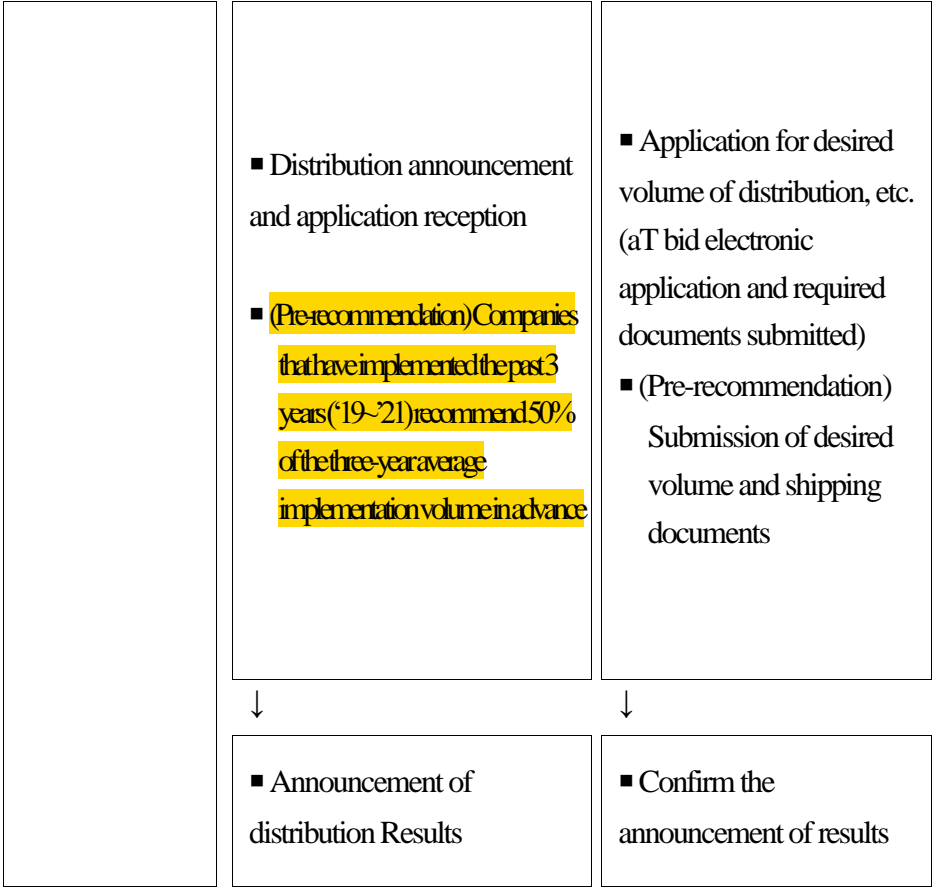
◦ (Documents to be submitted) 1 copy of Certificate of Business Registration (issued after 10/6/2022).

* Other documents (TRQ application, consent to use of personal information, memorandum of implementation, etc.) are replaced by electronic application.

◦ (Check past import performance) No need to submit an import performance certificate such as a report certificate when agreeing to provide information on import performance in connection with the Korea Trade Statistics Promotion Agency. * Detailed procedure: [Reference 2]

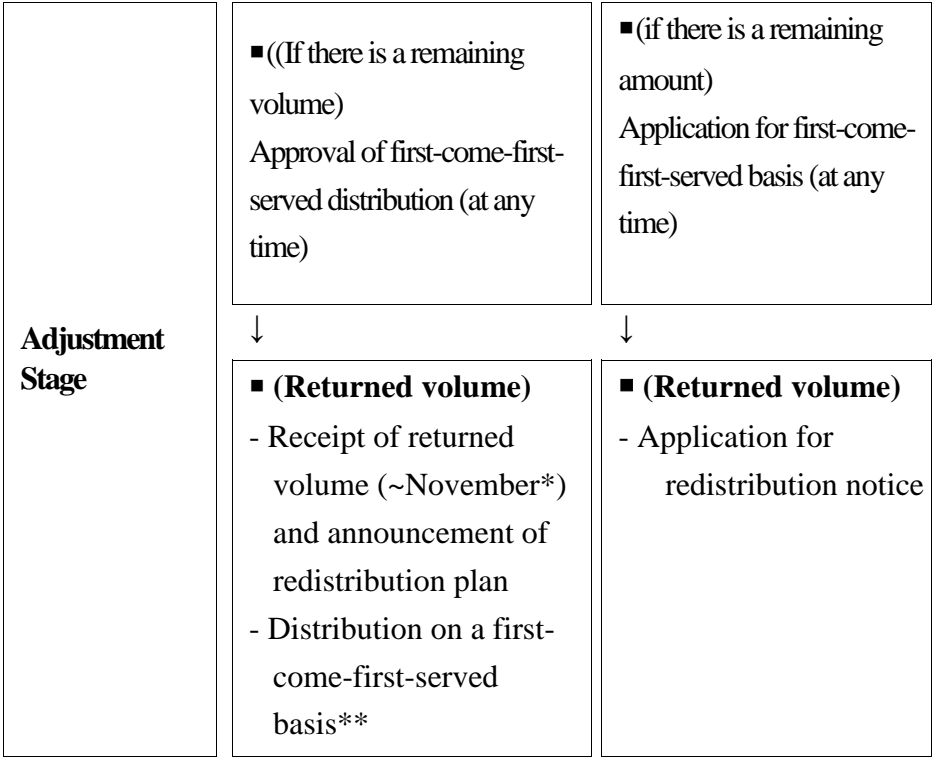
3. Distribution process for Import rights

	aT	Company
Distribution Stage	■ Establishment of a basic plan for distribution of import rights	-
	↓	↓

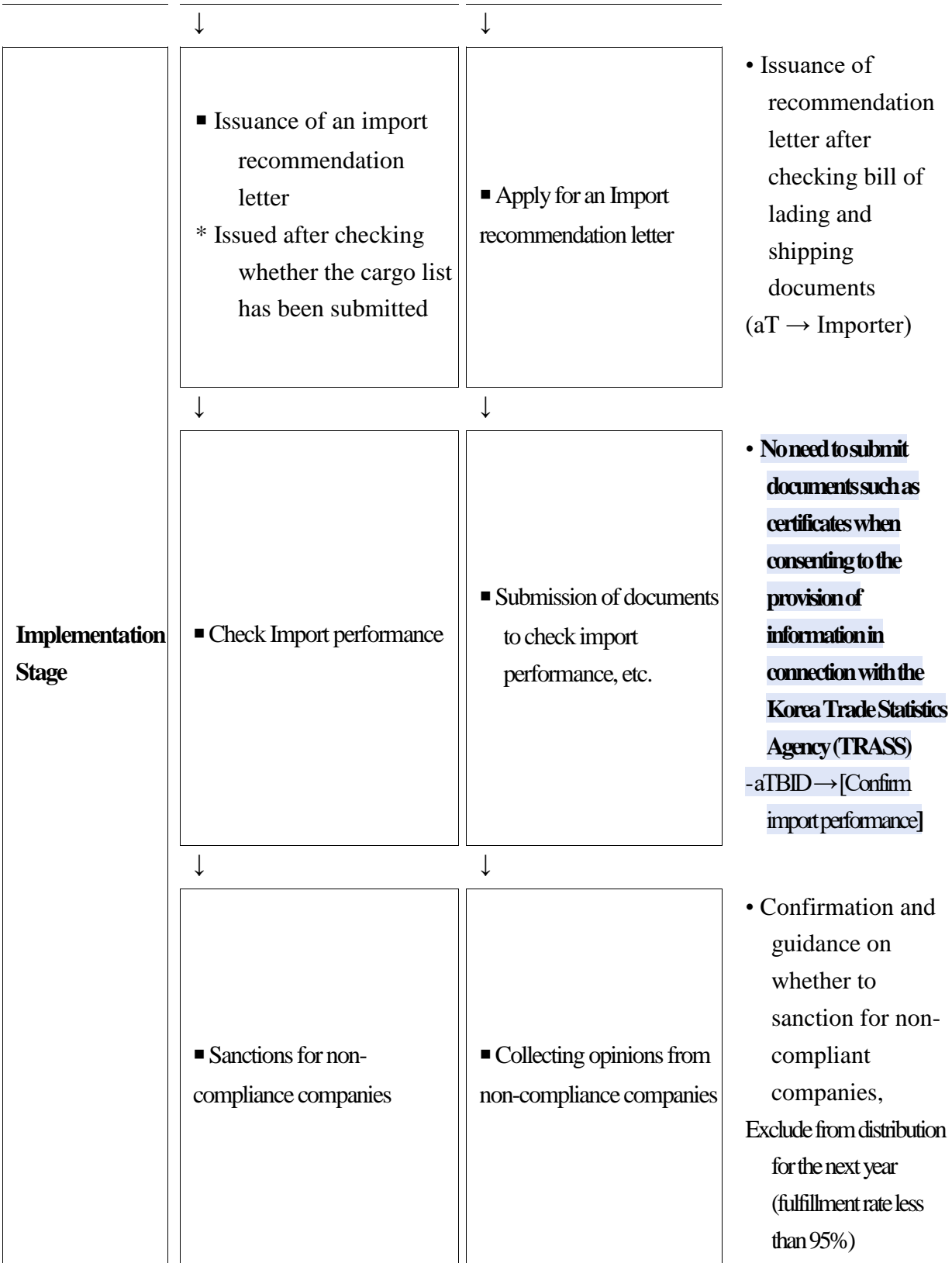


- aT Electronic Bidding System (aT bid and official website)
- **Credential login required**
- **No need to submit documents such as certificates when consenting to the provision of information in connection with the Korea Trade Statistics Agency (TRASS)**

- aT Electronic Bidding System (aT bid and official website)



- First-come-first-served distribution
- * Application limit per company per day (18 tons)



* (First-come-first-served basis) Priority distribution and recommendation before announcing the distribution result of up to 50% of the average (2019-2021) implementation volume for the last 3 years (2019-2021) (The volume of the pre-recommendation is included in the final distribution, and the average fulfillment volume is calculated as 0 for the year in which the bid was not successful.)

* (Receipt for TRQ return) According to Article 19 (Measures to promote the implementation rate) of the detailed guidelines for imports recommendation of our corporation(aT), the expected unfulfilled quota volume must be returned 6 months before the end of the TRQ implementation period. But the orange has only six-month implementation period, so it must be returned 3 months before the end (November) of TRQ implementation period.

Distribution criteria may be changed in the future according to government policies and agreements with pertinent countries.

Results of 2022 U.S. Orange CSQ Import Allocations (Announced November 4, 2022)

Note: The 9 companies highlighted in yellow have historical import records, the remaining 36 companies are new importers and therefore received fixed 18,000 kg allocations.

Chart 1

No.	Company Name	Awarded TRQ (Unit: Kilogram)
1	Sooil Trading	382,814
2	MakJel Trading	18,000
3	Jumbo Fresh Fruits	254,697
4	Jumbo Plus	18,000
5	JTC Produce	18,000
6	Ara Trading	18,000
7	Inwoo International	18,000
8	PSK International	509,983
9	Baekjin Fruits	18,000
10	Makjel Agribusiness Cooperative	18,000
11	Farm Glory	18,000
12	Hangeun Distribution	18,000
13	Chaegwawon	18,000
14	Chilgong Nongsan	16,150
15	Dole Korea	139,878
16	MY Corporation	18,000
17	Meaga Deal	18,000
18	World Marketing	18,000
19	Gyeongdong Distribution	18,000
20	M's International	18,000
21	June Eleven	18,000
22	NK Corporation	18,000

23	Lees Marketing	93,252
24	Sunwoo Marketing	65,277
25	Ameco Fruit Mine	18,000
26	Fruit Land	18,000
27	Orange C	18,000
28	Hongjin & I	18,000
29	Fruit Love	18,000
30	Jinwon FM	18,000
31	Shinpyeong I&T	874,252
32	Shinsegae Food	18,000
33	AnyFresh	18,000
34	Samjoo Distribution	18,000
35	Jinwon Trading	247,991
36	Berry Sauce Asia	18,000
37	Taebong	18,000
38	S & C Distribution	18,000
39	Global Trading	145,706
40	AK Farm	18,000
41	MS Korea	18,000
42	Wellbeing Marketing	18,000
43	Sun Xi	18,000
44	Evergreen Fresh Produce	18,000
45	Youngpoong agricultural produce	18,000
	Total	3,360,000

Attachments:

No Attachments.