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Prepared By: Sangyong Oh

Approved By: Tymothy Mcguire

Report Highlights:

FAS/Seoul projects Korea's corn imports and consumption to increase in 2022/23 to support anticipated growth in animal inventories, following an expected decrease in corn imports in 2021/22 due to the war in Ukraine. Korean wheat consumption in 2022/23 is forecast to decline 15 percent due to reduced feed wheat supply. 2022/23 domestic rice production is expected to decline 3 percent, after strong prior year production. Korea's rice imports are consistently close to the 408,700 metric ton (MT) tariff rate quota (TRQ), due to exorbitantly high out-of-quota tariffs.

Executive Summary

- Marketing Year (MY) 2022/23 wheat consumption is forecast at 3.7 million metric tons (MMT), down 15 percent from estimated consumption in the current marketing year.
- The MY 2021/22 wheat consumption forecast is revised up to 4.4 MMT, increasing 12 percent from the previous forecast mainly due to greater supply of feed wheat. The recent invasion of Ukraine is expected to have limited impact on wheat consumption during the remaining months of MY 2021/22, reflecting existing available inventory and potential replacement imports from alternative origins.
- MY 2022/23 corn consumption is forecast at 12.0 MMT, up six percent from the current marketing year estimate due to anticipated growth in animal inventories.
- MY 2022/23 total corn imports are forecast to increase by 600,000 MT to 11.9 MMT. Total corn imports for the current marketing year are revised down four percent to 11.3 MMT because of the war in Ukraine.
- MY 2022/23 rice production is forecast at 3.8 million metric tons (MMT), down three percent from the previous year.
- MY 2022/23 rice imports are forecast at 450,000 MT (milled basis) due to anticipated rolling of 2022 TRQ deliveries into 2023. Korea is expected to purchase 408,700 tons (milled basis) of rice under the 2022 TRQ.
- The MY 2021/22 rice import estimate is revised down to 450,000 MT (milled basis).

Wheat

Wheat Production

MY 2022/23 (July 1-June 30) wheat production is forecast at 30,000 metric tons (MT), up one percent from the current marketing year estimate. Planting area for the 2022 crop is forecast at 7,500 hectares (ha) according to a farm planting intentions survey by the Korea Agro-Fisheries and Food Trade Corporation (aT) in December 2021.

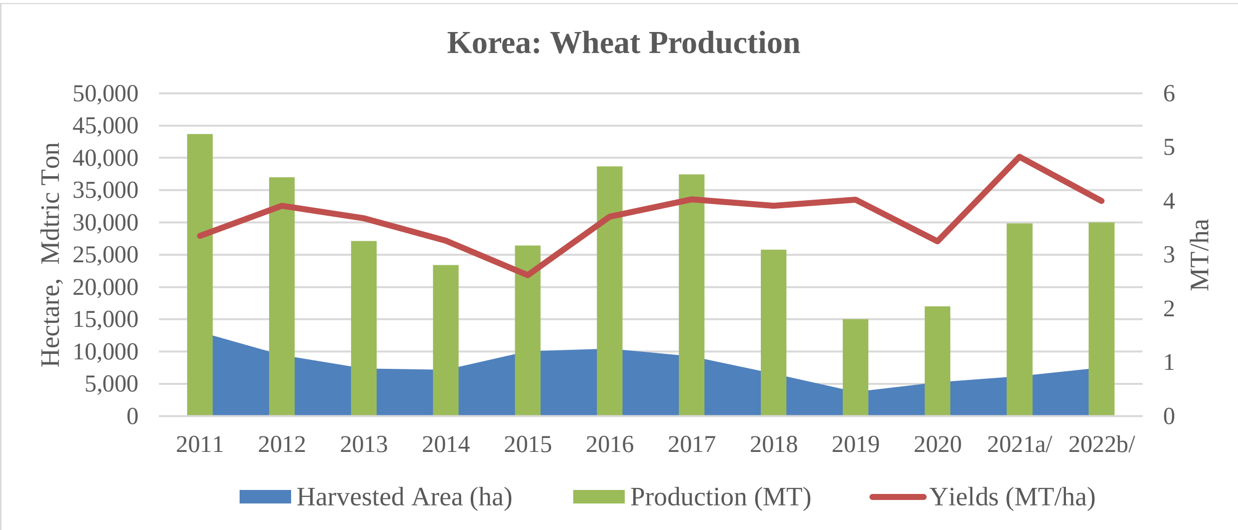
The MY 2021/22 wheat production estimate is revised up to 29,835 MT, increasing 33 percent from the previous forecast (or up 76 percent from the previous year) due to increased planting area and higher yields. The government official production data will be released around June 2022.

MY 2020/21 wheat production was 16,985 MT, up 13 percent from the previous year due to a 18 percent increase in planted area. Yields were 3.25 metric tons (MT) per hectare (ha), down 19 percent from the previous year due to unfavorable weather conditions.

Production Policy

The Korean government provides incentives to wheat growers under the Presidential and Ministerial Decree ‘Fostering Act for Korean Wheat Industry’, effective February 28, 2020. The Act allows the government to provide packaged support to domestic wheat growers, including government purchasing, breeding, and marketing programs. The government’s target for self-sufficiency in milling wheat consumption by 2025 is 5 percent (equivalent to 120,000 MT), rising to 10 percent (equivalent to 240,000 MT) by 2030. However, planting intentions for the 2022 crop (7,500 ha) are still less than the government target (10,000 ha), reflecting limited demand for locally grown wheat, along with low interest among growers in the government incentives.

Chart 1



Source: Ministry of Agriculture, Food, and Rural Affairs (MAFRA), Statistics Korea (KOSTAT)
a/ FAS/Seoul estimate based on industry reports
b/ FAS/Seoul forecast based on a farm planting intention survey by aT (Dec. 2021) and average yields over the previous five years

Wheat Consumption

MY 2022/23 wheat consumption is forecast at 3.7 million metric tons (MMT), down 15 percent from the current marketing year estimate based on an assumption that feed wheat consumption will revert towards the 1.3 MMT five-year average while Food, Seed, and Industrial (FSI) consumption remains steady at 2.4 MMT (Table 1).

In MY 2021/22, the wheat consumption forecast is revised up to 4.4 MMT, increasing 12 percent from the previous FAS/Seoul forecast (or up 23 percent from the previous year) mainly due to greater demand for feed wheat driven by competitive prices in the first half of the marketing year.

Feed wheat consumption is expected to reach 2.0 MMT, up 33 percent from the previous forecast (or up 68 percent from the previous year). During the first seven months of the current marketing year, feed wheat consumption for compound feed production increased 95 percent (or 0.6 MMT) to 1.3 MMT due to greater availability of competitively priced feed wheat from eastern Europe, including Bulgaria, Ukraine, and Romania. Despite the recent invasion of Ukraine, which will likely restrict supply from Ukraine and Russia in coming months, Korea is expected to consume another 0.7 MMT of feed wheat during the remaining five months of the marketing year (through June 30) based on existing inventories in the industry (reportedly enough to cover through July) as well as import contracts secured before the war for deliveries through June (Table 8). According to local grain traders, other suppliers (including India and Australia) will likely have additional feed wheat available to replace feed wheat supply from

Ukraine during the remaining months of this year. FSI consumption, which is largely met by imports from the United States, Australia, and Canada, is forecast to remain unchanged from the previous forecast at 2.4 MMT.

MY 2020/21 wheat consumption was 3.6 MMT, down one percent from the previous year due to stagnant FSI demand under the COVID-19 pandemic coupled with reduced feed wheat supply.

Table 1

Korea: FAS/Seoul Estimates of Wheat Use
(1,000 MT, Wheat Basis, July/June)

Marketing Year	2018/19	2019/20	2020/21	2021/22[c/]	2022/23[c/]
Imported Milling Wheat[1/]	2,432	2,569	2,538	2,578	2,594
Flour Imports[a/]	25	18	16	21	22
Flour Exports[a/]	57	62	58	63	65
Pasta Imports [a/]	160	160	177	181	188
Pasta Exports [a/]	235	302	331	361	401
Local Wheat	26	15	17	30	30
FSI Consumption [b/]	2,351	2,398	2,359	2,381	2,368
Feed Wheat	1,226	1,205	1,192	2,000	1,350
Total Consumption [b/]	3,577	3,603	3,551	4,381	3,718

Source: Korea Feed Association (KFA), Korea Flour Millers Industry Association (KOFMIA), Korea Customs Service (KCS), Trade Data Monitor LLC
1/ Consumption by KOFMIA members and independent mills
a/ Wheat basis (applied converting factor: 1.368)
b/ Includes local wheat and flour and pasta imports, but subtracts flour and pasta exports
c/ FAS Seoul forecast

Table 2

Korea: Monthly Wheat Use						
	Feed Wheat (1,000 MT)			Milling Wheat[1/] (1,000 MT)		
Marketing Year	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
July	99	108	122	192	187	188
August	97	90	133	187	175	174
September	95	95	198	166	187	173
October	113	90	232	185	170	186
November	111	93	242	182	173	194
December	107	100	196	188	182	204
January	105	94	154	185	190	185
Sub Total	727	670	1,277	1,285	1,264	1,304
February	91	94	na	180	163	na
March	94	109	na	183	188	na
April	98	102	na	180	181	na
May	98	107	na	177	183	na
June	98	110	na	178	178	na
Total	1,205	1,192	na	2,184	2,159	na

Source: KFA and KOFMIA

1/ Includes wheat flour exports, but excludes the portion used in soy sauce production (about 100,000 MT a year)

Table 3

Korea: Wheat Flour Utilization (1,000 MT)							
Calendar Year	2015	2016	2017	2018	2019	2020	2021[a/]
Total Consumption[1/]	1,706	1,701	1,739	1,745	1,770	1,783	1,804
Per Capita (kg/Year)[2/]	33.7	33.2	33.8	33.8	34.2	34.3	34.6

Source: Korea Flour Millers Industrial Association (KOFMIA)

1/ Based on flour millers' sales including exports, imports, and animal feed use, on a wheat flour production basis and excluding animal feed and exports.

2/ Excludes animal feed and exports from total consumption, including imports of wheat flour

a/ FAS/Seoul forecast based on trends during the previous five years (actual data will be available in April 2022)

Table 4

Korea: Wheat Flour Utilization (CY 2021)	
Category	Share
Noodle Product Processing	50%
Bakery Product Processing	30%
Confectionery Product Processing	8%
Other Processed Foods[1/]	6%
Non-Foods[2/]	3%
Exports	3%
Total	100%

Source: Korean Flour Industry

1/ Other Processed Foods: Starch & cereal, Brewery, Fermented soy product, Dumpling, Fish meat, Traditional extruded chewy cake

2/ Non-Foods: Industrial use, Pet food

Wheat Trade

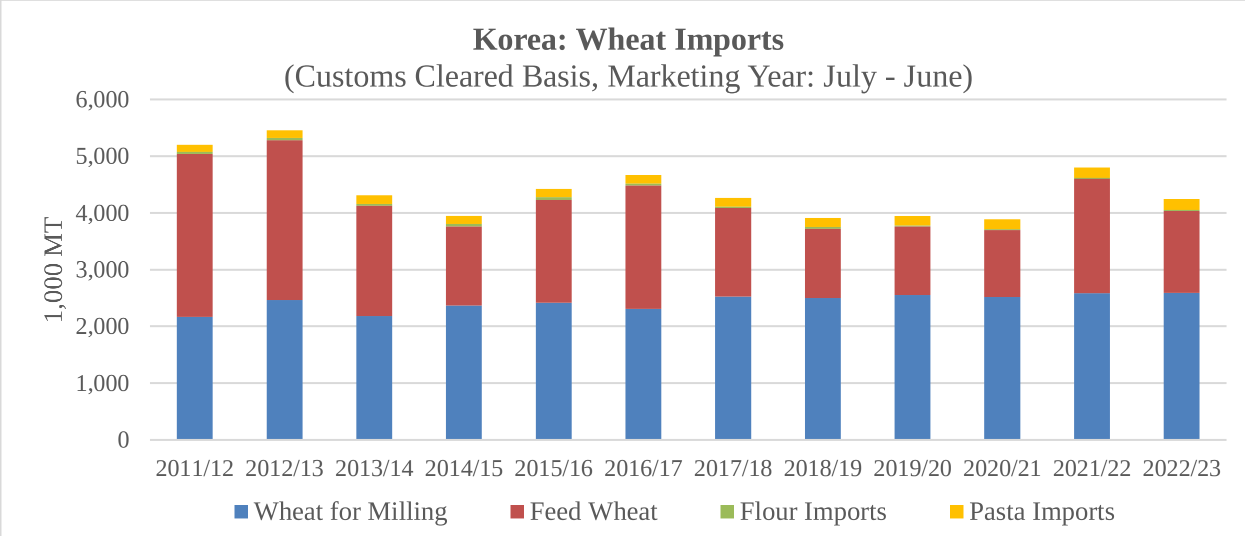
MY 2022/23 wheat imports are forecast at 4.2 MMT (including flour and pasta imports on a wheat equivalent basis), down 12 percent from the current marketing year estimate, based on an assumption that feed wheat imports will move towards the previous five-year averages. Feed wheat imports are forecast to decline 29 percent to 1.4 MMT while milling wheat imports (including flour and pasta imports on a wheat equivalent basis) are forecast to increase slightly to 2.8 MMT due to increased demand for food processing such as instant noodles. The feed wheat import estimate depends to a large extent on the availability and price of feed wheat compared with feed corn, since these are substitute products in the Korean feed market. U.S. market share is forecast at 45 percent (or 1.2 MMT) for milling wheat and 25 percent (or 0.4 MMT) for feed wheat based on the previous five-year averages.

The MY 2021/22 wheat import estimate is revised up to 4.8 MMT, increasing 12 percent from the previous forecast (or up 24 percent from the previous year) mainly due to a sharp growth in feed wheat imports in the first half of the year. During the first seven months (July through January) of the current marketing year, feed wheat imports were 102 percent (or 0.7 MMT) higher than the previous year, totaling 1.4 MMT (Table 6). In addition, Korean feed buyers have contracted for an additional 0.6 MMT of feed wheat imports (arrival basis) between February through June this year (Table 8).

The MY2021/22 feed wheat import estimate depends to a large extent on the supply of feed wheat during the remaining months of the year from Ukraine, which accounted for 24 percent (or 335,000MT) of feed wheat imports during the first seven months of the year (Table 7, Chart 3). Even under a likely scenario where Ukraine (and Russia) are unable able to ship feed wheat to Korea during the remaining five months due to the Russian invasion, because existing import contracts will likely be supplied by alternative origins (including India, Australia, and eastern Europe), feed wheat imports in MY 2021/22 are still forecast to increase 72 percent from last year to reach 2.0 MMT. Meanwhile, milling wheat imports are expected to increase slightly from the previous year to 2.8 MMT based on import trends during the first seven months of the year. U.S. market share in MY 2021/22 is estimated at 44 percent (or 1.2 MMT) for milling wheat imports and 47 percent for feed wheat imports (or 1 MMT).

MY 2020/21 overall wheat imports were 3.9 MMT (including flour and pasta imports on a wheat equivalent basis), down 1 percent from the previous year, of which 2.7 MMT was milling wheat and 1.2 MMT feed wheat. Imports of U.S. wheat were 1.8 MMT, up 30 percent from the previous year mainly due to greater imports of feed wheat (up 611 percent to 0.5 MMT) while imports of milling wheat remained steady at 1.3 MMT. For milling wheat, the United States was the largest supplier, followed by Australia (1.0 MMT) and Canada (0.2 MMT). For feed wheat, the United States was also the largest supplier, followed by Ukraine (340,699 MT), Canada (93,526 MT), and Romania (63,000 MT).

Chart 2



Source: Korea Customs Service (KCS), Trade Data Monitor LLC
Note:
1/ Flour, Pasta Imports are wheat basis (applied converting factor: 1.368)
2/ MY 2021/22 figures are FAS/Seoul forecast based on imports during the first seven months (July 2021-January 2022) and existing import contracts through June
3/ MY 2022/23 figures are FAS/Seoul forecast based on compound annual growth rate (CAGR) during the previous five years

Table 5

Korea: Monthly Wheat Imports
(1,000 MT)

	Feed Wheat			Milling Wheat		
Marketing Year	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
July	94	110	128	213	231	246
August	61	69	184	160	184	196
September	79	142	207	233	212	158
October	217	58	301	144	264	312
November	115	116	249	206	88	263
December	128	102	182	239	258	136
January	88	90	134	209	207	195
Sub Total	782	687	1,385	1,404	1,444	1,506
February	106	80	na	258	156	na
March	70	71	na	219	279	na
April	63	93	na	205	223	na
May	141	167	na	179	207	na
June	43	78	na	291	208	na
Total	1,206	1,177	na	2,557	2,517	na

Source: Korea Customs Service (KCS), Trade Data Monitor LLC
Note: exclude wheat flour and products

Table 6

Korea: MY 2021/22 Monthly Wheat Imports by Origin (1,000 MT, based on Customs Clearance)						
Country	U. S.	Australia	Canada	Ukraine	Other	Total
Milling Wheat						
July 2021	107	138	0	0	0	246
August	103	46	47	0	0	196
September	57	89	12	0	0	158
October	154	137	20	0	0	312
November	94	136	32	0	1	263
December	76	50	10	0	1	136
January 2022	115	79	0	0	1	195
Total (Jul-Jan) 2021/22	706	676	121	0	3	1,506
Total (Jul-Jan) 2020/21	747	593	102	0	3	1,444
Feed Wheat						
July 2021	40	33	0	0	56	128
August	60	16	0	0	107	184
September	16	0	0	23	167	207
October	3	0	0	66	232	301
November	0	0	0	127	121	249
December	0	0	0	66	115	182
January 2021	0	0	0	53	81	134
Total (Jul-Jan) 2021/22	120	50	0	336	879[a/]	1,385
Total (Jul-Jan) 2020/21	57	0	94	340	197[b/]	687
Total Wheat						
July 2021	147	171	0	0	56	374
August	163	62	47	0	107	380
September	73	89	12	23	167	365
October	158	138	20	66	232	613
November	94	136	32	127	122	512
December	76	50	10	66	116	318
January 2022	115	79	0	53	82	329
Total (Jul-Jan) 2021/22	826	726	121	336	882	2,891
Total (Jul-Jan) 2020/21	805	593	195	340	200	2,133

Source: Korea Customs Service (KCS), Trade Data Monitor LLC

a/ including Bulgaria (439,247 MT), Romania (312,178 MT), Russia (66,071 MT) and Estonia (24,849 MT)

b/ including Bulgaria (9,848 MT), Russia (64,142 MT), and Estonia (60,294 MT)

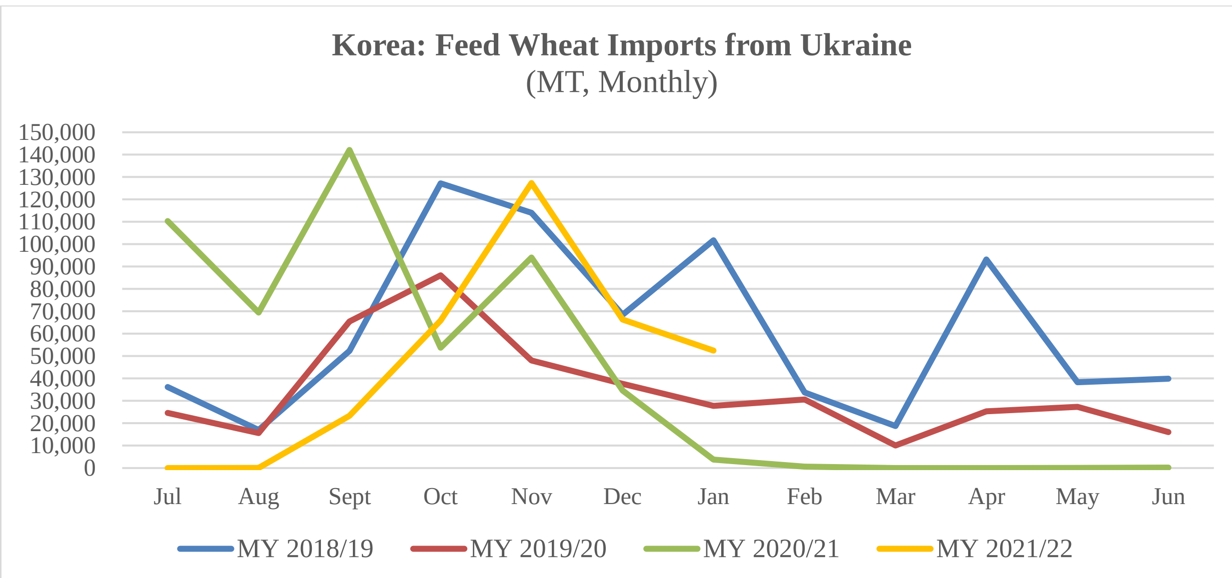
Table 7

Korea: Imports of Feed Wheat from Ukraine and Russia (MT)				
(July – June)	MY 2018/19	MY 2019/20	MY 2020/21	MY 2021/22[a/]
Ukraine	740,819	414,627	340,699	335,521
Russia	251,305	670	87,061	66,071
Sub Total	992,124	415,297	427,760	401,592
Share in Total Feed Wheat Imports	81.0%	34.4%	36.3%	29.0%

Source: Korea Customs Service (KCS), Trade Data Monitor LLC

a/ During the first seven months (July 2021 – January 2022)

Chart 3



Source: Korea Customs Service (KCS), Trade Data Monitor LLC

Table 8

Korea: Feed Wheat Contract Trends by Estimated Time of Arrival (ETA) (Unit: 1,000 MT, as of February 2022)				
	MY 2020/21		MY 2021/22	
ETA	Quantity	Price (US$/MT)1/	Quantity	Price (US$/MT)1/
July	127	243.60	120	309.19
August	0	0	191	299.92
September	263	208.10	325	281.32
October	67	208.90	394	276.31
November	125	225.37	325	301.00
December	65	245.95	0	0
January	0	0	65	349.90
February	65	254.98	0	0
March	125	267.62	240	343.77
April	65	266.84	115	336.63
May	130	267.69	170	331.31
June	65	266.60	110	330.32

Source: Local Grain Traders (data is limited to contracts reported by traders)
1/ CNF (Cost and Net Freight) on Weighted Average

Flour Trade

Based on import statistics for the first seven months of the year, MY 2021/22 flour imports are estimated at 21,000 MT (wheat equivalent), up 31 percent from the previous year, due to increased demand for imported flour in the bakery sector. France will likely remain the leading supplier for imported flour, followed by Italy, the United States, and Turkey. Pasta imports are expected to exceed 181,000 MT (wheat equivalent), up 2 percent from the previous year, reflecting increased consumer demand. China and Italy will likely remain the dominant suppliers for imported pasta.

MY 2021/22 flour exports are expected to remain around 60,000 MT (wheat equivalent), while pasta exports will likely continue expanding to 361,000 MT (wheat equivalent) due to the growing popularity of Korean instant noodles internationally. Key export markets for Korean instant noodles include China, the United States, Japan, and Taiwan.

Table 9

Korea: Wheat Flour Imports (H.S.: 1101) (MT, July/June)					
Country	MY2017	MY2018	MY2019	MY2020	MY2021[b/]
U.S.A.	382	362	469	676	1,534
Total	20,735	18,042	13,498	11,895	15,139
Wheat Basis[a/]	28,365	24,681	18,465	16,272	20,710

Source: Korea Customs Service (KCS), Trade Data Monitor LLC
a/ applied converting factor: 1.368
b/ FAS/Seoul forecast based on imports during the first seven months (July 2021-January 2022)

Table 10

Korea: Pasta Imports (H.S.: 190219, 190230, 190240) (MT, July/June)					
Country	MY2017	MY2018	MY2019	MY2020	MY2021[b/]
USA	449	492	480	637	487
Total	113,631	116,638	116,827	129,387	132,218
Wheat Basis[a/]	155,447	159,561	159,819	177,001	180,874

Source: Korea Customs Service (KCS), Trade Data Monitor LLC
a/ applied converting factor: 1.368
b/ FAS/Seoul forecast based on imports during the first seven months (July 2021-January 2022)

Table 11

Korea: Wheat Flour Exports (H.S.: 1101) (MT, July/June)					
Country	MY2017	MY2018	MY2019	MY2020	MY2021[b/]
USA	5,806	6,416	8,585	7,084	6,814
Total	40,366	42,015	45,460	42,657	46,138
Wheat Basis[a/]	55,221	57,477	62,189	58,354	63,117

Source: Korea Customs Service (KCS), Trade Data Monitor LLC
a/ applied converting factor: 1.368
b/ FAS/Seoul forecast based on imports during the first seven months (July 2021-January 2022)

Table 12

Korea: Pasta Exports (H.S.: 190219, 190230, 190240) (MT, July/June)					
Country	MY2017	MY2018	MY2019	MY2020	MY2021[b/]
USA	28,687	30,555	38,609	45,982	45,230
Total	173,310	171,719	220,732	242,227	264,228
Wheat Basis[a/]	237,088	234,912	301,961	331,367	361,464

Source: Korea Customs Service (KCS), Trade Data Monitor LLC
a/ applied converting factor: 1.368
b/ FAS/Seoul forecast based on imports during the first seven months (July 2021-January 2022)

Tariffs

In late December 2021, the Ministry of Economy and Finance (MOEF) released the adjusted tariffs and autonomous tariff rate quotas (TRQs) for 2022. MOEF continues to exclude milling wheat from the list of autonomous TRQs, leaving all milling wheat to be charged the out-of-quota duty rate that remains fixed at 1.8 percent. By comparison, the feed wheat TRQ and corresponding duty were eliminated in 2007. However, under the KORUS FTA, import tariffs on all U.S. wheat, both milling and feed wheat, are zero.

The general tariff rate on wheat flour is 4.2 percent. However, under the KORUS FTA, import tariffs on U.S. wheat flour (H.S. 1101.00.1000) were phased out over a five-year period, reaching zero in 2016. Tariffs under KORUS for meslin flour (H.S. 1101.00.2000), a mixture of rye and wheat flour, immediately fell to zero in 2012.

Table 13

Korea: Wheat Import Tariff Rates for CY 2022
(Percent)

<table>
<tr><th rowspan="2" colspan="2">Commodity</th><th colspan="2">Applied Tariff Rate</th><th colspan="2">WTO Bound Tariff Rate</th></tr>
<tr><th>2021</th><th>2022</th><th>2021</th><th>2022</th></tr>
<tr><td>Durum Wheat, Seed</td><td>1001.11.0000</td><td colspan="2">3</td><td colspan="2">9.0</td></tr>
<tr><td>Durum Wheat, Other</td><td>1001.19.0000</td><td colspan="2">3</td><td colspan="2">9.0</td></tr>
<tr><td>Seed, Meslins</td><td>1001.91.1000</td><td colspan="2">3</td><td colspan="2">9.0</td></tr>
<tr><td>Seed, Other</td><td>1001.91.9000</td><td colspan="2">1.8</td><td colspan="2">1.8</td></tr>
<tr><td>Feeding, Meslins</td><td>1001.99.1010</td><td colspan="2">3</td><td colspan="2">9.0</td></tr>
<tr><td>Feeding, Other</td><td>1001.99.1090</td><td colspan="2">0</td><td colspan="2">1.8</td></tr>
<tr><td>Milling, Meslins</td><td>1001.99.2010</td><td colspan="2">3</td><td colspan="2">9.0</td></tr>
<tr><td>Milling, Other</td><td>1001.99.2090</td><td colspan="2">1.8</td><td colspan="2">1.8</td></tr>
<tr><td>Others, Meslins</td><td>1001.99.9010</td><td colspan="2">3</td><td colspan="2">9.0</td></tr>
<tr><td>Others, Other</td><td>1001.99.9090</td><td colspan="2">1.8</td><td colspan="2">1.8</td></tr>
</table>

Source: Korea Customs Service (KCS)

Production, Supply, and Distribution Data Statistics:

Wheat PS&D

Wheat	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jul 2020		Jul 2021		Jul 2022	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	5	5	6	6	0	7
Beginning Stocks (1000 MT)	1574	1574	1540	1539	0	1567
Production (1000 MT)	17	17	22	30	0	30
MY Imports (1000 MT)	3889	3888	4500	4803	0	4243
TY Imports (1000 MT)	3889	3888	4500	4803	0	4243
TY Imp. from U.S. (1000 MT)	1881	1755	0	2165	0	1604
Total Supply (1000 MT)	5480	5479	6062	6372	0	5840
MY Exports (1000 MT)	390	389	390	424	0	466
TY Exports (1000 MT)	390	389	390	424	0	466
Feed and Residual (1000 MT)	1200	1192	1750	2000	0	1350
FSI Consumption (1000 MT)	2350	2359	2400	2381	0	2368
Total Consumption (1000 MT)	3550	3551	4150	4381	0	3718
Ending Stocks (1000 MT)	1540	1539	1522	1567	0	1656
Total Distribution (1000 MT)	5480	5479	6062	6372	0	5840
Yield (MT/HA)	3.4	3.4	3.6667	5	0	4.2857

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2022/2023 = July 2022 - June 2023

Korea: Import Trade Matrix of Wheat			
Country	Korea, Republic of		
Commodity	Wheat		
Time Period	July/June	Units:	1,000MT
Imports for:	2019/20		2020/21
U.S.	1345	U.S.	1753
Australia	1072	Australia	1031
Canada	317	Canada	282
Ukraine	415	Ukraine	341
Bulgaria	289	Bulgaria	10
Romania	321	Romania	63
		Russia	87
		Brazil	63
		Estonia	60
Others not Listed	3		6
Grand Total	3762		3696

Source: Korea Customs Service (KCS), Trade Data Monitor LLC
Note: excludes imports of wheat flour and pasta

Table 14

Korea: Milling Wheat Imports by Variety
(Arrival Basis, Calendar Year)

		CY 2019		CY 2020		CY 2021	
Origin	Variety	MT	%	MT	%	MT	%
United States	No. 1 WW/SW	439,987	19.2	448,363	20.5	434,394	19.7
	No. 1 WW/SW 9.5 max.	0	0	0	0	0	0
	No. 1 WW/SW 8.5 max.	39,231	1.7	40,709	1.9	32,480	1.5
	No. 1 HRW 11.5 min.	247,534	10.8	267.815	12.3	238,995	10.9
	No. 1 DNS 14.0 min.	349,112	15.2	358,362	16.4	313,897	14.2
	No. 2 SRW	1,913	0.1	0	0	0	0
	Sub Total	1,077,777	47.0	1,115,249	51.1	1,019,766	46.3
Australia	ASW1/	946,503	41.2	791,757	36.3	943,759	42.8
	AH2/	115,944	5.1	97,222	4.4	108,266	4.9
	APH3/	0	0	0	0	0	0
	APW4/	3,362	0.1	60,334	2.8	1,100	0.1
	ANW5/	10,588	0.5	0	0	0	0
	Sub Total	1,076,397	46.9	949,313	43.5	1,053,125	47.8
Canada	No. 2 CWRS 13.5 min.	135,465	5.9	116,710	5.3	130,749	5.9
	No. 2 CPSR 11.0 min.	0	0	0	0	0	0
	Sub Total	135,465	5.9	116,710	5.3	130,749	5.9
Others	Organic Wheat	5,295	0.2	463	0.1	0	0
Grand Total		2,294,934	100	2,181,735	100	2,203,640	100

Source: Korea Flour Mills Industrial Association (KOFMIA)
1/ Australian Standard White Wheat
2/ Australian Hard Wheat
3/ Australian Premium Hard
4/ Australian Premium Wheat
5/ Australian Noodle Wheat

Corn

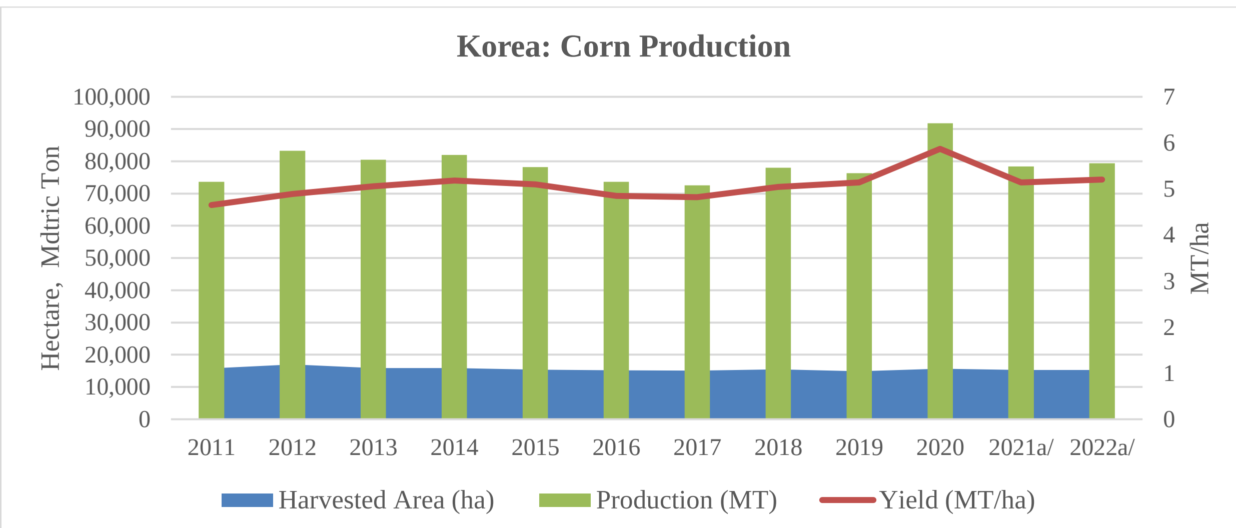
Corn Production

Corn production is minimal in Korea and accounts for less than one percent of total consumption. Planted area for MY 2022/23 is expected to remain unchanged from the current marketing year estimate at 15,200 hectares, and production is forecast at 79,000 MT based on average yields over the previous five years.

The MY 2021/22 (October 1- September 30) corn production estimate remains unchanged from the previous FAS/Seoul forecast at 78,000 MT. The Korean government will release official 2021 crop production data in April 2022.

MY 2020/21 corn production was 91,766 MT, up 20 percent from the previous year, due to higher yields.

Chart 4



Source: Ministry of Agriculture, Food, and Rural Affairs (MAFRA), Statistics Korea (KOSTAT)
a/ FAS/Seoul forecast based on average acreages and yields over the previous five years.

Corn Consumption

MY 2022/23 corn consumption is forecast at 12.0 MMT, up 6 percent from the current marketing year estimate, consisting of 9.6 MMT for feed purposes and 2.4 MMT for food, seed, and industrial (FSI) purposes. Feed corn consumption is forecast to increase by 650,000 MT due to anticipated growth in animal inventories (Table 18, 19, 27) and the anticipated recovery of feed corn availability from Ukraine. Food, seed, and industrial (FSI) corn consumption is expected to remain at 2.4 MMT to meet stable demand for high fructose corn syrup (HFCS) and other corn products from Korean food industries.

The MY 2021/22 corn consumption estimate is revised down 4 percent from the previous forecast to 11.3 MMT. Feed corn imports are expected to decline by 0.5 MMT from the previous forecast to 9.0

MMT following the invasion of Ukraine. On the other hand, food, seed, and industrial (FSI) corn consumption is expected to stay unchanged at 2.3 MMT.

Korean feed buyers reportedly contracted 0.5 MMT of feed corn supply from Ukraine before the war for deliveries in February through June this year (Table 25). Some of the contracts will likely be replaced with alternative origins (including the United States and South America), but overall supply of feed corn in Korea is still expected to decline during the remaining months of the year (through September 30). Greater demand for feed grains during this year from the anticipated recovery of animal inventories is expected to be met by increased consumption of feed wheat. According to the grain traders, the war in Ukraine is expected to have less impact on feed wheat supply in Korea because alternative suppliers (including India and Australia) will likely be able to replace the reduced supply from Ukraine.

MY 2020/21 corn consumption was 11.77 MMT, consisting of 9.43 MMT for feed and 2.34 MMT for food, seed, and industrial (FSI) purposes.

Feed

Compound feed production is forecast to reach 21.3 MMT in MY 2022/23, as livestock (cattle, swine, and poultry) inventories expand to meet increased consumer demand for meat products. This estimate depends on an assumption that corn will continue to be the major ingredient used in compound feed with a 45 percent inclusion rate (9.6 MMT), followed by feed wheat (1.3 MMT).

2021/22 compound feed production is forecast at 21.1 MMT, up one percent from the previous year, due to a recovery of swine and poultry inventories following African Swine Fever (ASF) and High Pathogenic Avian Influenza (HPAI) outbreaks, coupled with an increase in beef cattle inventory.

MY 2020/21 compound feed production was 20.8 MMT, down one percent from the previous year, due to a decline in swine and poultry inventories caused by ASF and HPAI outbreaks respectively.

More details of the Korean livestock industry are available from the GAIN Report: Korea Livestock and Products Update and GAIN Report: Korea Poultry and Products Annual.

Food

Korean corn processors use Genetically Engineered (GE) corn, non-biotech Identity Preserved (IP) corn, and conventional corn to produce corn starch, high fructose corn syrup (HFCS), and corn flour. GE corn imported from the United States and South America is used for starch production for industrial purposes such as paper sizing and glue. Non-GE IP corn imported from the United States and Brazil, and conventional (non-GE) corn imported from Eastern European countries, South Africa, and Australia are used for corn starch and corn flour. The perceived public concern over biotechnology continues to influence imported processing corn decisions, especially for corn used in production intended for human consumption (such as HFCS and corn oil). Many food processing companies are reluctant to use ingredients derived from biotech corn to avoid these perceived public concerns. Some food processing companies utilizing corn starch products are sourcing ingredients imported from China, since these items are reportedly derived from non-biotech corn. (Refer to GAIN Report: Korea Agricultural Biotechnology Annual for more details).

Table 15

Korea: Total Corn Utilization (October/September, 1,000 MT)				
Marketing Year	Feed	Processing[a/]	Food[b/]	Total
2011/12	5,690	2,036	89	7,815
2012/13	6,483	1,900	98	8,481
2013/14	7,762	2,034	95	9,891
2014/15	8,035	2,118	97	10,250
2015/16	7,841	2,220	93	10,154
2016/17	7,031	2,315	89	9,435
2017/18	7,564	2,292	88	9,944
2018/19	8,556	2,298	93	10,947
2019/20	9,502	2,204	91	11,797
2020/21	9,432	2,236	107	11,775
2021/22[c/]	9,000	2,250	93	11,343
2022/23[c/]	9,650	2,250	104	12,004

Source: Korea Feed Association (KFA), Korea Corn Processing Industry Association (KOCPIA)
a/ Wet and dry milling based on imported corn.
b/ On-the-cob consumption or snack food consumption (such as puffed kernels or corn tea) largely based on domestic production. Imported white corn for popping has been included since MY 2004.
c/ FAS/Seoul forecast

Table 16

Korea: Monthly Corn Use

(1,000 MT)						
	Feed Corn			Processing Corn		
Marketing Year	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
October	785	822	692	190	185	187
November	745	813	738	190	190	184
December	790	894	824	194	188	193
January	798	809	789	180	183	188
Sub Total	3,118	3,338	3,043	754	746	752
February	746	731	na	182	164	na
March	814	834	na	185	193	na
April	819	780	na	168	189	na
May	814	782	na	188	190	na
June	793	787	na	186	200	na
July	837	755	na	192	196	na
August	730	730	na	164	188	na
September	832	695	na	183	168	na
Total	9,502	9,432	na	2,204	2,236	na

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

Table 17

Korea: Monthly Processing Corn Use
(MT)

	MY 2020/21			MY 2021/22		
	Wet Milling	Dry Milling	Total	Wet Milling	Dry Milling	Total
October	179,931	5,333	185,264	181,663	5,338	187,001
November	183,335	6,399	189,734	178,061	5,589	183,650
December	182,493	5,849	188,342	186,831	5,867	192,698
January	176,980	6,088	183,068	182,357	5,689	188,064
February	158,799	5,388	164,187	na	na	na
March	186,973	5,937	192,910	na	na	na
April	183,227	5,929	189,156	na	na	na
May	184,486	5,548	190,034	na	na	na
June	194,287	6,158	200,445	na	na	na
July	190,902	4,874	195,776	na	na	na
August	183,855	4,491	188,346	na	na	na
September	163,579	4,689	168,268	na	na	na
Total	2,168,847	66,683	2,235,530	na	na	na

Source: Korea Corn Processing Industry Association (KOCPIA)

Table 18

Korea: Feed Ingredients Use for Compound Feed Production

(October/September, 1,000 MT)				
Items	MY 2019/20	MY 2020/21	MY 2021/22[a/]	MY 2022/23[a/]
Sub-Total Grains and Grain Substitutes	13,481	13,364	13,600	13,750
- Wheat	1,209	1,351	2,000	1,350
- Corn	9,502	9,432	9,000	9,650
- Rice (brown)	113	1	0	0
- Other Grains and Grain Substitutes[b/]	2,657	2,581	2,600	2750
Others[c/]	7,523	7,439	7,500	7,550
Grand Total	21,004	20,803	21,100	21,300

Source: Korea Feed Association (KFA)
a/ FAS/Seoul forecast based on animal inventory outlook reports by the Korea Rural Economic Institute (KREI).
b/ includes Tapioca, brans and gluten feed.
c/ includes vegetable protein meal, animal protein, minerals/additives, tallow, DDGs, and molasses.

Table 19

Korea: Compound Feed Production by Species Use
(October/September, 1,000 MT)

Species	MY 2019/20	MY 2020/21	MY 2021/22[a/]	MY 2022/23[a/]
Poultry	6,281	5,975	6,100	6,200
Swine	6,947	6,890	6,900	6,950
Cattle	6,186	6,505	6,700	6,700
Others[b/]	1,538	1,396	1,400	1,450
Total	20,952	**20,765**	21,100	21,300

Source: Ministry of Agriculture, Food, and Rural Affairs (MAFRA)
a/ FAS/Seoul forecast based on animal inventory outlook reports by the Korea Rural Economic Institute (KREI).
b/ Includes ducks, rabbits, horses, sheep, deer, quail, etc.

Table 20

Korea: Compound Feed Production Comparison by Species for the First Four Months
(October/January, 1,000 MT)

Species	MY 2020/21	MY 2021/22	Change (percent)
Poultry	2,012	2,074	3.1
Swine	2,425	2,490	2.7
Cattle	2,186	2,330	6.6
Others	487	465	-4.5
Total	7,110	7,359	3.5

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

Corn Trade:

MY 2022/23 corn imports are forecast at 11.9 MMT, up five percent from the current marketing year estimate. Feed corn imports are forecast to increase seven percent to 9.6 MMT to support further growth in animal inventories while imports of corn for food processing are expected to remain around 2.3 MMT. Based on average U.S. market share over the previous five years, MY 2022/23 imports of U.S. corn are forecast to increase to 3.9 MMT, about 33 percent of total Korean corn imports.

The MY 2021/22 corn import estimate is revised down four percent from FAS/Seoul's previous forecast to 11.3 MMT, consisting of 9.0 MMT for feed purposes and 2.3 MMT for food processing purposes.

The recent war in Ukraine is expected to negatively impact imports of feed corn. Feed corn imports from Ukraine and Russia during the first four months of MY 2021/22 were 260,505 MT, accounting for eight percent of total Korean feed corn imports (Table 24, Chart 5). Korean buyers reportedly contracted another 500,000 MT of feed corn imports from Ukraine for deliveries in February through June this year. While some of the contracts will likely be replaced by imports from alternative origins, overall feed corn imports during the remaining months of this year will likely be reduced. This estimate depends on the availability of competitively priced feed wheat from alternative suppliers in the coming months since wheat has also seen tightening supply and rising global prices since the war. Ukraine has also been a leading supplier for feed wheat to Korea.

Import trends during the first four months of the year suggest that U.S. market share in MY 2021/22 will likely decline sharply this year due to competition from lower priced South American feed corn. In addition, Korean food processors are expected to expand non-GE corn consumption at the expense of GE corn, leading to a decline in U.S. market share for processing corn imports. Local traders expect the U.S. corn market share this year to fall to between 20 and 30 percent of total corn imports (Table 21, 23).

In MY 2020/21, Korea imported 11.7 MMT of corn, down 0.4 percent from the previous forecast (down 1.4 percent from the previous year), due to increased supply of competitively priced feed wheat. Feed corn imports were 9.4 MMT, down 2.8 percent from the previous year, while imports of corn for food processing were 2.3 MMT, up 4.4 percent. Imports from the United States totaled 3.7 MMT (consisting of 3.2 MMT of feed corn and 0.5 MMT of processing corn), up 30 percent from the previous year. U.S. market share recovered significantly to 32 percent from 22 percent in the previous year.

Market Constraints and Opportunities:

Korean buyers have expressed a preference for lower ratios of broken corn and foreign material (BCFM) in recent years, driving increased interest in South American corn.

Korea introduced a positive list system (PLS) as the new maximum residue limit (MRL) regulation in 2019, requiring agricultural chemicals to have registered import tolerances. Concerns over PLS complications and risks have reportedly driven some major U.S. suppliers to not participate in the bidding for Korean corn contracts.

Korean corn processors intend to expand use of non-GE corn at the expense of GE corn due to perceived biotech concerns from the public. Some suppliers are reluctant to offer non-GE corn to Korea due to the burden of non-GE certification or IP documentation.

Korean buyers face unprecedented challenges due to the COVID-19 pandemic and war in Ukraine. Heightened trade risks (such as higher costs, reduced supply, and shipping delays) may encourage Korean buyers to expand business with more stable and reliable partners, including the United States, especially if the trade is supported by assistance programs such as GSM-102.

Table 21

Korea: Corn Imports
(October/September, 1,000 MT, Customs Cleared Basis)

Marketing Year	From World			From the U.S.			U.S. Share
	Feed	Processing	Total	Feed	Processing	Total	%
11/12	5,600	2,035	7,635	3,450	307	3,757	49
12/13	6,230	1,944	8,174	341	115	456	6
13/14	8,319	2,086	10,405	3,769	842	4,611	44
14/15	8,055	2,112	10,167	3,495	527	4,022	40
15/16	7,833	2,289	10,122	2,387	522	2,909	29
16/17	6,912	2,308	9,220	4,988	973	5,961	65
17/18	7,680	2,326	10,006	4,453	717	5,170	52
18/19	8,519	2,326	10,845	3,519	895	4,414	41
19/20	9,695	2,187	11,882	2,243	361	2,603	22
20/21	9,420	2,286	11,706	3,225	467	3,692	32
21/22[a/]	9,000	2,300	11,300	2,000	400	2,400	21
22/23[a/]	9,600	2,300	11,900	3,500	400	3,900	33

Source: Korea Customs Service, Trade Data Monitor LLC
a/ FAS/Seoul forecast

Table 22

Korea: Monthly Corn Imports (1,000 MT, Customs Cleared Basis)						
	Feed Corn			Processing Corn		
Marketing Year	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
October	871	961	611	175	184	159
November	768	821	818	127	176	144
December	934	628	920	265	144	201
January	759	984	818	282	289	202
Sub. Total	3,332	3,394	3,166	849	793	707
February	847	601	na	149	143	na
March	744	805	na	111	162	na
April	783	847	na	149	143	na
May	810	794	na	224	260	na
June	754	952	na	197	171	na
July	863	670	na	188	278	na
August	733	570	na	139	210	na
September	826	787	na	180	126	na
Total	9,695	9,420	na	2,187	2,286	na

Source: Korea Customs Service, Trade Data Monitor LLC

Table 23

Korea: MY 2021/22 Monthly Corn Imports by Origin (1,000 MT, based on Customs Clearance)						
Country	U. S.	Argentina	Brazil	Russia	Others	Total
Feed Corn						
October 2021	0.4	532	68	0.8	10	611
November	0.2	726	35	0.2	56	818
December	0.4	729	31	4	156	920
January 2022	53	498	100	4	164	818
2021/22 (Oct-Jan)	54	2,485	234	8	385	3,166
2020/21 (Oct-Jan)	363	1,574	1,287	12	158	3,394
Processing Corn						
October 2021	1	0	62	0	96	159
November	2	0	60	0	83	144
December	2	0	0	22	177	201
January 2022	1	0	67	9	126	202
2021/22 (Oct-Jan)	5	0	189	31	481	706
2020/21 (Oct-Jan)	105	0	319	119	250	793
Total						
October 2021	1	532	130	1	106	770
November	2	726	95	0	139	962
December	2	729	31	26	333	1,121
January 2022	53	498	167	12	289	1,019
2021/22 (Oct-Jan)	59	2,485	423	39	867[a/]	3,872
2020/21 (Oct-Jan)	468	1,574	1,606	131	408[b/]	4,187

Source: Korea Customs Service, Trade Data Monitor LLC

a/ Including Ukraine (313,307MT), Bulgaria (254,552MT), South Africa (120,871MT), Serbia (67,061MT), and Australia (49,155MT)

b/ Including South Africa (118,395MT), Serbia (98,929MT), Paraguay (84,290MT) and Australia (37,726MT) for MY2020/21 (Oct/Jan)

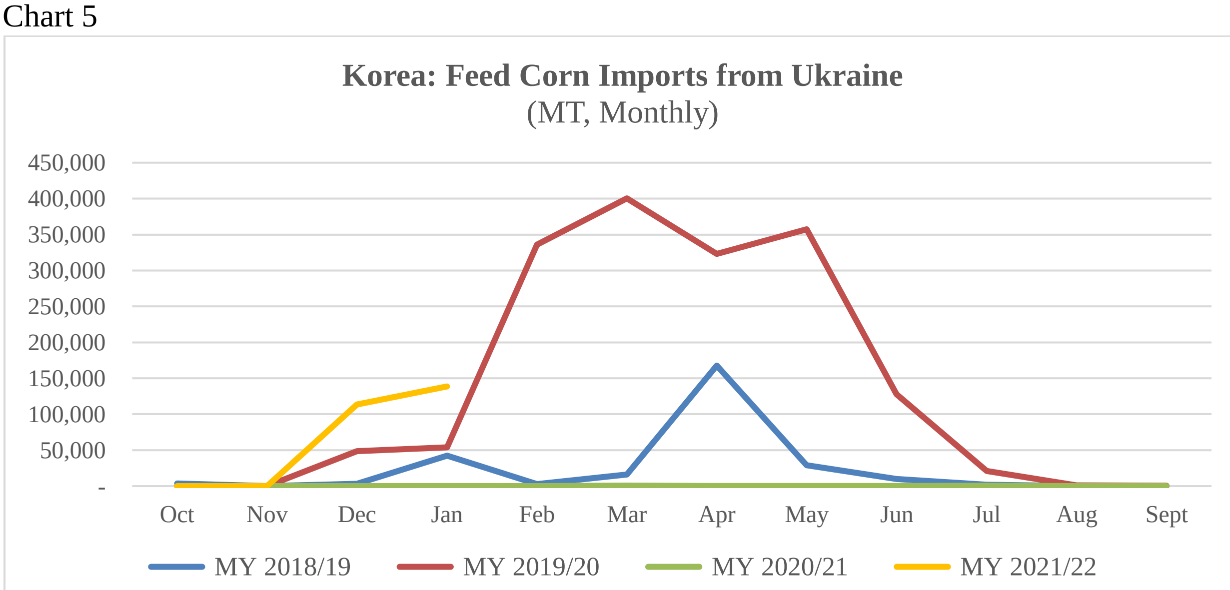
Table 24

Korea: Corn Imports from Ukraine and Russia (MT)				
(Oct – Sept)	MY 2018/19	MY 2019/20	MY 2020/21	MY 2021/22[a/]
Corn for Food Processing (H.S. 1005.90.9000)				
Russia	30,844	196,429	456,081	30,953
Ukraine	62,321	292,132	50,296	61,080
Sub Total	93,165	488,561	506,377	92,033
Share in Total Imports	4.0%	22.3%	22.2%	13.0%
Corn for Feed (H.S. 1005.90.1000)				
Russia	11,937	26,638	80,034	8,278
Ukraine	277,436	1,669,814	2,270	252,227
Sub Total	289,373	1,696,452	82,304	260,505
Share in Total Imports	3.4%	17.5%	0.9%	8.2%
Total Corn Imports				
Russia	42,781	223,067	536,115	39,231
Ukraine	339,757	1,961,946	52,566	313,307
Sub Total	382,538	2,185,013	588,681	352,538
Share in Total Imports	3.5%	18.4%	5.0%	9.1%

Source: Korea Customs Service, Trade Data Monitor LLC

a/ During the first four months of MY (October 2021 through January 2022)

Chart 5



Source: Korea Customs Service (KCS), Trade Data Monitor LLC

Table 25

Korea: Feed Corn Contract Trends
by Estimated Time of Arrival (ETA)
(Unit: 1,000 MT, as of February 2022)

	MY 2020/21		MY 2021/22	
ETA	Quantity	Price (US$/MT)[1/]	Quantity	Price (US$/MT)[1/]
October	1,311	177.81	604	281.00
November	666	185.22	940	318.72
December	534	211.71	734	328.00
January	391	235.34	671	328.95
February	593	246.93	602	318.48
March	798	252.91	803	323.51
April	855	245.66	697	332.60
May	868	248.62	584	336.55
June	1,073	270.46	na	na
July	403	291.81	na	na
August	402	310.56	na	na
September	455	315.54	na	na

Source: Local Grain Traders (data is limited to contracts reported by traders)
1/ CNF (Cost and Net Freight) on Weighted Average

Tariffs

In late December 2021, the Ministry of Economy and Finance (MOEF) released the adjusted tariffs and autonomous tariff rate quotas (TRQs) for 2022. The autonomous TRQs cover a variety of agricultural products, including corn. The TRQ for feed corn was set at 11 MMT with zero duty for 2022. The TRQ for processing corn was newly set at 2.0 MMT for 2022 (after being eliminated from the TRQ list in 2020 and 2021). The out-of-quota duty for both feed and processing corn remained fixed at 328 percent. Please refer to the GAIN report 2022 Korea's Adjustment and Quota Tariffs Schedule for more details.

11 MMT of the annual autonomous TRQ for feed corn has been allocated to feed millers who are members of the Korea Feed Association (KFA) and the national farmer's cooperative, Nonghyup Feed Inc. (NOFI). Meanwhile, the Korea Corn Processing Industry Association (KOCPIA) manages the 2.0 MMT TRQ for processing corn.

Under the KORUS FTA, the duty on U.S. feed corn immediately fell to zero in 2012. If imports of U.S. corn claim the KORUS preferential duty, those imports do not count against the global autonomous TRQ of 11 MMT. Since 2019, tariffs were completely phased out on U.S. corn for food processing, and the duty fell to zero. For greater detail, please refer to Chapter 3, Annex 3-A of the KORUS trade agreement.

Table 26

Korea: Corn Import Tariff Rates for CY 2022 (Percent)					
Commodity	In-Quota				Out-of-Quota Bound Tariff Rate
	WTO Current Market Access Quota		Autonomous Quota (CY 2022)		
	Volume	%	Volume	%	%
Feed Corn (1005.90.1000)	6,102,100 MT	1.8	11 MMT	0	328
Processing Corn (1005.90.9000)		3	1,980,000 MT	0	328

Source: Korea Customs Service (KCS)

Production, Supply and Distribution Data Statistics:

Corn PS&D

Corn	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	15	16	15	15	0	15
Beginning Stocks (1000 MT)	1998	1998	1933	2021	0	2056
Production (1000 MT)	78	92	75	78	0	79
MY Imports (1000 MT)	11714	11706	11700	11300	0	11900
TY Imports (1000 MT)	11714	11706	11700	11300	0	11900
TY Imp. from U.S. (1000 MT)	3317	3692	0	2400	0	3900
Total Supply (1000 MT)	13790	13796	13708	13899	0	14035
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	9500	9432	9500	9000	0	9650
FSI Consumption (1000 MT)	2357	2343	2350	2343	0	2354
Total Consumption (1000 MT)	11857	11775	11850	11343	0	12004
Ending Stocks (1000 MT)	1933	2021	1858	2056	0	2031
Total Distribution (1000 MT)	13790	13796	13708	13899	0	14035
Yield (MT/HA)	5.2	5.75	5	5.2	0	5.2667

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Korea: Import Trade Matrix of Corn			
Country	Korea, Republic of		
Commodity	Corn		
Time Period	Oct/Sept	Units:	1,000MT
Imports for:	2019/20		2020/21
U.S.	2603	U.S.	3692
Brazil	2534	Brazil	2374
Argentina	2482	Argentina	3669
Ukraine	1962	Ukraine	53
Bulgaria	234	Bulgaria	121
Paraguay	567	Paraguay	212
Serbia	670	Serbia	507
South Africa	247	South Africa	316
Russia	223	Russia	536
Romania	230	Romania	8
Australia	43	Australia	64
Others not Listed	87		152
Grand Total	11882		11706

Source: Korea Customs Service (KCS), Trade Data Monitor LLC
Note: exclude popcorn (HS: 1005.90.2000)

Table 27

Korea: Animal Inventory
(1,000 Head, 1,000 Birds, as of February 2022)

Animal	Year	March	June	September	December
Beef Cattle	2016	2,821	2,996	3,016	2,963
	2017	2,885	3,034	3,120	3,020
	2018	2,947	3,117	3,168	3,113
	2019	3,059	3,242	3,269	3,237
	2020	3,197	3,383	3,435	3,364
	2021	3,374	3,568	3,623	3,555
	2022[a/]	3,666			
Dairy Cattle	2016	425	420	421	418
	2017	416	414	411	409
	2018	408	405	407	408
	2019	407	401	404	408
	2020	409	406	408	410
	2021	406	400	400	401
	2022[a/]	389			
Swine	2016	10,315	10,355	10,699	10,367
	2017	11,005	11,187	11,493	11,273
	2018	11,156	11,304	11,641	11,333
	2019	11,200	11,317	11,713	11,280
	2020	11,208	11,088	11,365	11,078
	2021	11,147	11,150	11,465	11,217
	2022[a/]	11,312	11,256	11,480	11,270
Layers	2016	70,177	68,281	69,853	71,043
	2017	51,608	57,383	67,833	72,710
	2018	71,324	67,043	71,227	74,741
	2019	70,103	71,405	70,895	72,701
	2020	72,811	74,921	73,853	72,580
	2021	62,110	65,871	70,722	72,612
	2022[a/]	74,180	73,600	74,230	74,030
Broilers	2016	86,541	101,014	76,420	87,830
	2017	79,332	104,205	80,546	85,436
	2018	91,053	112,681	83,278	85,915
	2019	93,599	121,588	88,530	88,738
	2020	96,350	110,842	88,203	94,835
	2021	96,361	109,720	83,699	93,604
	2022[a/]	96,790			

Source: Korea Statistics (KOSTAT)
a/ Forecast by Korea Rural Economic Institute (KREI)
Note: The Korean government changed the basis for estimating cattle inventory as of September 2017. The Korea Statistics Service switched from a sample survey-based cattle inventory estimate to the actual number of cattle registered under the traceability system. As it is mandatory to register cattle under the traceability system, this change will allow for more accurate inventory numbers. However, this change increased cattle inventory statistics by an average of 240,000 head (KS1810). Swine inventory numbers also followed the registration of the traceability system since 2017.

Table 28

Korea: Feed Ingredients Use for MY2018-MY2020 (1,000 MT, October/September)						
Ingredient	MY2018/19		MY2019/20		MY2020/21	
	TOTAL	%	TOTAL	%	TOTAL	%
GRAINS:						
Corn	8,557	41.8	9,502	45.2	9,432	45.3
Sorghum	22	0.1	0	0	0	0.0
Wheat	1,168	5.7	1,209	5.8	1,351	6.5
Barley	18	0.1	21	0.1	30	0.1
Rye	0	0	0	0	0	0.0
Oats	4	0	4	0	4	0.0
Broken Grain	99	0.5	107	0.5	107	0.5
Tapioca	101	0.5	99	0.5	81	0.4
Lupin Seed	130	0.6	86	0.4	132	0.6
Rice	568	2.8	113	0.5	2	0.0
Others	218	1.1	225	1.1	201	1.0
Sub Total	10,885	53.2	11,366	54.1	11,341	54.5
GRAIN BY-PRODUCTS:						
Wheat Bran	494	2.4	513	2.4	545	2.6
Rice Bran	215	1.1	199	0.9	189	0.9
Barley Bran	1	0	0	0	0	0.0
Corn Bran	5	0	13	0.1	23	0.1
Gluten Feed	1,141	5.6	1,136	5.4	969	4.7
Others	235	1.1	254	1.2	298	1.4
Sub Total	2,091	10.2	2,115	10.1	2,024	9.7
ANIMAL PROTEIN:						
Fish Meal	11	0.1	10	0	10	0.0
Meat & Bone Meal	24	0.1	27	0.1	24	0.1
Others	171	0.8	184	0.9	180	0.9
Sub Total	206	1	221	1.1	214	1.0
VEGETABLE PROTEIN:						
Soybean Meal	2,316	11.3	2,465	11.7	2,310	11.1
Rapeseed Meal	393	1.9	338	1.6	401	1.9
Sesame Seed Meal	38	0.2	41	0.2	44	0.2
Perilla Seed Meal	2	0	1	0	2	0.0
Corn Gluten Meal	76	0.4	68	0.3	72	0.3
DDGS[1/]	1,086	5.3	1,085	5.2	1,056	5.1
Cottonseed Meal	0	0	0	0	0	0.0
Palm Kernel Meal	815	4	876	4.2	912	4.4
Copra Meal	258	1.3	135	0.6	133	0.6
Others	278	1.4	263	1.3	282	1.4
Sub Total	5,262	25.7	5,272	25.1	5,211	25.1
ADDITIVES/MINERALS:						
Calcium Phosphate	66	0.3	70	0.3	71	0.3
Limestone	576	2.8	599	2.9	578	2.8

Salt	71	0.3	72	0.3	73	0.4
Others	323	1.6	330	1.6	333	1.6
Sub Total	1,036	5.1	1,071	5.1	1,054	5.1
OTHER INGREDIENTS:						
Tallow	346	1.7	337	1.6	314	1.5
Molasses	368	1.8	332	1.6	347	1.7
Urea	3	0	2	0	4	0.0
Others	275	1.3	288	1.4	294	1.4
Sub Total	992	4.8	959	4.6	959	4.6
GRAND TOTAL	20,472	100	21,004	100	20,803	100.0

Source: Korea Feed Association (KFA)

1/ refer to KS1748 for more details

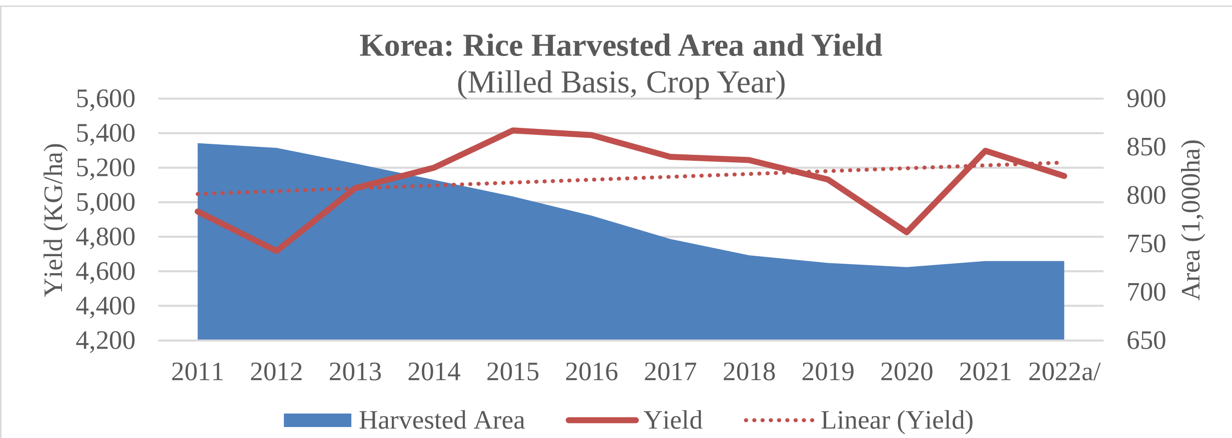
Milled Rice

Rice Production

MY 2022/23 (November 1-October 31) rice production is forecast at 3.8 million metric tons (MMT, milled basis), down 3 percent (or 100,000 MT) from the previous year. Yields are expected to be three percent lower than the previous year when the past five-year averages are applied. Farmers' planting intentions totaled 732,000 ha in a survey by the Korea Rural Economic Institute (KREI) in December 2021, down 0.1 percent from the previous year.

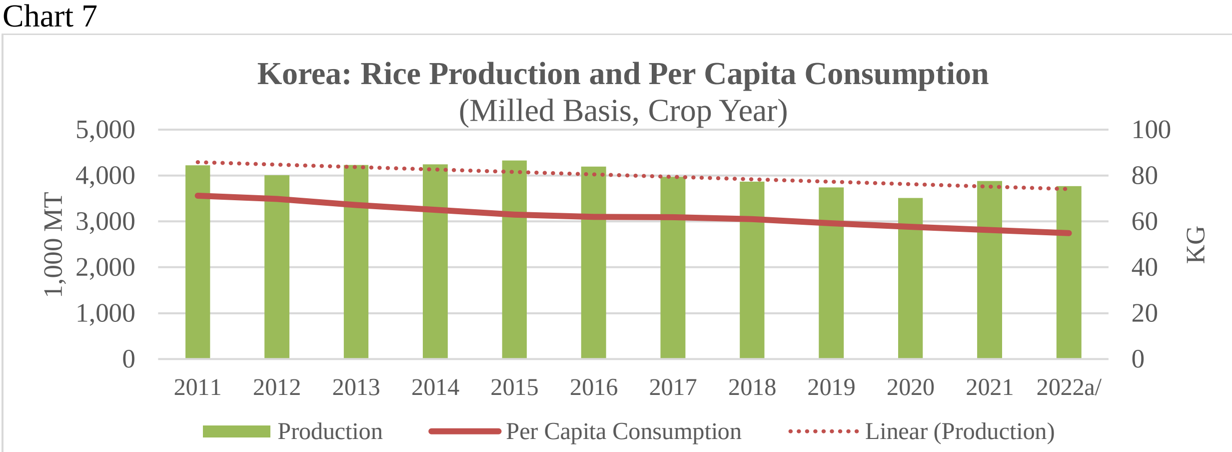
The MY 2021/2022 rice production estimate remains unchanged from the previous report 2021 Rice Production Update at 3.9 MT, up 11 percent from the previous year.

Chart 6



Source: Ministry of Agriculture, Food, and Rural Affairs (MAFRA)
a/ FAS/Seoul forecast based on KREI planting intention survey in December 2021 and average yields over the previous five years

Chart 7



Source: Ministry of Agriculture, Food, and Rural Affairs (MAFRA)
a/ FAS/Seoul forecast based on compound annual growth rate over the past five years

Production Policy

Public Welfare Direct Payment (PWDP)

On February 21, 2020, Korea revised the Presidential and Ministerial Decree of RICA (Rice Income Compensation Act), which defined a 'Public Welfare Direct Payment (PWDP) for Agriculture and Rural Community' to create a new subsidy program to replace the established Direct Payments, effective May 1, 2020. A GAIN report with additional details is available: New Direct Payment Program for Korean Rice Producers. Details on the previous rice policy is available in an ERS report: The Rice Market in South Korea (2016).

Through the PWDP, the government paid 2.3 trillion Korean Won (about $2 billion) in 2021, almost unchanged from the previous year, consisting of the Basic PWDP (2.2 trillion Won) to 1.1 million farm households and Selective PWDP (0.1 trillion Won) to 98,000 farm households respectively.

Government Rice Purchase Program (PFSP)

The Korean government purchases rice from farmers to ensure food security and price stability. Under the Public Food Grain Stockholding Program (PFSP), the government procures domestic paddy rice during the harvest season (October-December) at the average market price, and later sells it during the non-harvest periods at the prevailing domestic market price. For the 2021 crop, the Korean government plans to purchase 550,000 MT (milled basis) under PFSP, which is 200,000 MT higher than the previous year to support rice market prices. PFSP includes 10,000 MT for the APTERR (ASEAN Plus Three Emergency Rice Reserve) program that Korea joined in 2017. PFSP will purchase 14 percent of the overall 2021 crop.

Government Loan Programs for Rice Millers

The Korean government provides loans for local rice millers, including both millers under the National Agricultural Cooperative Federation (NACF) and independent millers, to support efficient procurement and market distribution of newly harvested rice. In 2021, the government provided 1.2 trillion Korean won (about $1 billion) via this loan program with a special annual interest rate between zero and two percent. NACF also provided 2.2 trillion won (about $2 billion) via a loan program for member rice millers at zero interest rate.

Using the loan programs, Korean rice millers, known as Rice Processing Complexes (RPCs), purchased 2.2 MMT of 2021 crop rice from farmers, up 33 percent from the previous year. NACF member RPCs purchased 1.9 MMT and independent RPCs purchased 0.25 MMT. RPCs purchased 57 percent of the 2021 crop using these loan programs.

Table 29

Korea: Government Rice Purchases Under Public Food Grain Stockholding Program (PFSP)			
Crop Year	Production (1,000 MT)	Purchase (1,000 MT)	%
2011	4,224	261	6.2
2012	4,006	363	9.1
2013	4,230	367	8.7
2014	4,241	610[a/]	14.4
2015	4,327	717[b/]	16.5
2016	4,197	678[c/]	16.1
2017	3,972	711[d/]	17.9
2018	3,875	350[e/]	9.0
2019	3,744	346[f/]	9.3
2020	3,507	331[g/]	10.0
2021	3,882	550[h/]	14.2

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)
a/ Includes 240,000 MT of additional purchase to stabilize rice market prices
b/ Includes 357,000 MT of additional purchase to stabilize rice market prices
c/ Includes 299,000 MT of additional purchase to stabilize rice market prices
d/ Includes 370,000 MT of additional purchase to stabilize rice market prices and 10,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)
e/ Includes 10,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)
f/ Includes 10,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)
g/ Includes 10,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)
h/ Includes 200,000 MT of additional purchase to stabilize rice market prices and 10,000 MT for APTERR (ASEAN Plus Three Emergency Rice Reserve)

Table 30

Korea: Rice Purchases by NACF Member Rice Mills[a/]			
Crop Year	Production (1,000 MT)	Purchase (1,000 MT)	%
2011	4,224	1,327	31
2012	4,006	1,331	33
2013	4,230	1,465	35
2014	4,241	1,649	39
2015	4,327	1,741	40
2016	4,197	1,799	43
2017	3,972	1,590	40
2018	3,868	1,686	44
2019	3,744	1,633	44
2020	3,507	1,422	41
2021	3,882	1,935	50

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)
a/ Excludes purchases by independent rice millers

Rice Consumption

MY 2022/23 rice consumption is forecast at 4.0 MMT (milled basis), up one percent from the current marketing year estimate as the government will likely distribute additional rice for processing uses to balance rice reserves. Table consumption will continue declining to 2.8 MMT (Table 31).

The MY 2021/22 rice consumption estimate is revised up to 3.96 MMT, increasing one percent from the previous forecast due to higher processing consumption. Total consumption, however, will be two percent lower than the previous year as table rice consumption continues to decline.

MY 2020/21 rice consumption was 3.99 MMT, down two percent from the previous year as a slight increase in processing consumption was offset by a decline in table consumption.

Table 31

Korea: Rice Consumption Pattern
(1,000 MT, Milled Basis)

	MY2018/19	MY2019/20	MY2020/21	MY2021/22[a/]	MY2022/23[b/]
Table Rice	3,070	2,991	2,924	2,877	2817
Processing	744	650	680	704	800
(for food)	(553)	(492)	(475)	(500)	(550)
(for liquor)	(191)	(158)	(205)	(204)	(250)
Feed	453	42	1	0	0
Seed	32	31	31	31	31
Other and Loss	351	362	350	350	350
Total Demand	4,650	4,076	3,986	3,962	3,998
Per Capita Table Rice Consumption	59.2 Kg	57.8 Kg	56.5 Kg	55.7 Kg	54.6 Kg

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)
a/ MAFRA Preliminary
b/ FAS/Seoul forecast

Table Rice

Korean consumers prefer short-grain rice for table use. Over 80 percent of domestic production (all short grain) was consumed as table rice in MY 2020/21. However, per capita table rice consumption continues to decline, as consumer diets incorporates more diversified ingredients and cuisines. Annual per capita table rice consumption peaked in 1970 at 136.4 kg but declined to 56.5 kg in MY 2020/21. FAS/Seoul forecasts per capita table rice consumption at 55.7 kg for current marketing year (MY 2021/22) based on declining consumption trends, decreasing further to 54.6 kg in MY 2022/23.

Consumption of medium and long-grain table rice is filled with imports, although imports are tightly controlled under a Tariff Rate Quota (TRQ) import agreement that Korea established with key trading partners. The annual import TRQ for medium grain imported rice is 40,000 MT (supplied entirely by the United States, milled basis). The annual import TRQ for long-grain table rice is about 4,000 MT (supplied by Thailand and Vietnam, milled basis).

Processing Rice

Korean food processors (including alcoholic beverage processors) consume about 700,000 MT of rice each year. Imported rice (brown or milled broken rice) accounts for about 364,000 MT (milled basis) of processing rice consumption. Supply of imported rice for processing uses is also limited by the TRQ import agreement.

Feed

Between MY 2015/16 and 2019, the Korean Ministry of Agriculture, Food and Rural Affairs (MAFRA) frequently released rice for animal feed use to alleviate the burden of high ending stocks of old rice. During MY 2015-2019, cumulative brown rice consumption for animal feed reached 1.82 MMT (equivalent to 1.64 MMT milled basis), consisting of 1.79 MMT of domestic brown rice and 30,662 MT of imported brown rice. Since MY 2019 MAFRA has not made any feed conversions from rice.

Rice Trade

In accordance with the World Trade Organization (WTO) special treatment clause, Korea continues to import the mandatory volume of 408,700 MT (milled basis) each year from Most Favored Nation (MFN) countries at the current duty level of five percent under the Tariff Rate Quota (TRQ) regime implemented in 2015. At the end of 2019, through negotiations with trading partners Korea allocated 388,700 MT (milled basis) of country specific quotas (CSQ) within the TRQ for five trading partners as below. The remaining 20,000 MT is allocated for all Most-Favored Nation (MFN) countries, including the five parties with CSQs. Tariffs outside the quota remain prohibitively high at 513 percent.

United States: 132,304 MT
China: 157,195 MT
Vietnam: 55,112 MT
Thailand: 28,494 MT
Australia: 15,595 MT
MFN countries: 20,000 MT
Total: 408,700 MT

Table 32

Calendar Year	TRQ	USA	China	Thailand	Vietnam	Australia	Others
Korea: WTO Rice TRQ Allocations by Country (MT, Milled Basis)							
2015	408,700	157,117	198,506	6,077	38,000	9,000	0
%	100	38.4	48.6	1.2	9.3	2.2	0
2016	408,700	165,865	187,335	14,000	22,000	14,500	5,000[a/]
%	100	40.6	45.8	3.4	5.4	3.5	1.2
2017	408,700	138,610	162,590	27,000	62,500	18,000	0
%	100	33.9	39.8	6.6	15.3	4.4	0
2018	408,700	158,163	119,232	18,000	113,305	0	0
%	100	38.7	29.2	4.4	27.7	0	0
2019	408,700	134,188	176,400	0	98,112	0	0
%	100	32.8	43.2	0	24.0	0	0
2020	408,700	132,304	172,790[b/]	28,494	55,112	0	20,000[a/]
%	100	32.4	42.3	7.0	13.5	0	4.9
2021	408,700	132,304	157,195	48,494[c/]	55,112	15,595	0
%	100	32.4	42.3	11.9	13.5	3.8	0

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)
a/ India
b/ China took 15,595 MT of Australian CSQ after the CSQ tender failed to generate contracts and was turned into MFN quota.
c/ includes 20,000 MT of MFN quota

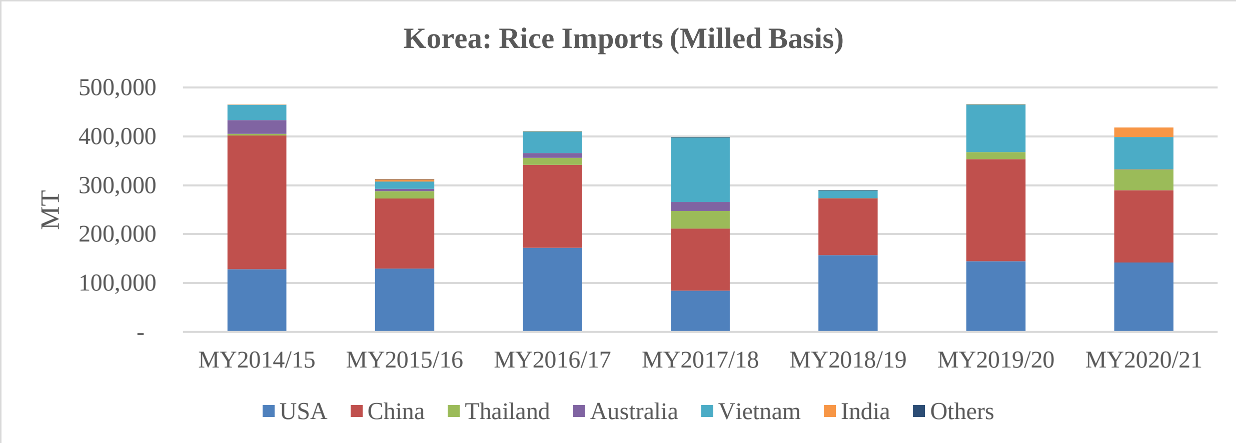
<u>Imports</u>

MY 2022/23 rice imports are forecast at 450,000 MT (milled basis), consisting of 210,000 MT from 2022 TRQ contracts and 240,000 MT from 2023 TRQ contracts. Korea is expected to continue purchasing the mandatory 408,700 tons (milled basis) of rice under the 2022 TRQ, including 132,000 MT from the United States.

The MY 2021/22 rice import estimate is revised down 40,000 MT from the previous forecast of 450,000 MT (milled basis) due to anticipated shipment delays for a major portion of 2022 TRQ contracts that will roll into the following year. Shipments from 2021 TRQ contracts will account for 247,896 MT of imports (up 88,672 MT from the previous forecast due to shipping delays) while 2022 TRQ shipments are expected to fill the remaining 200,000 MT. Imports of U.S. rice in MY 2021/22 are expected to decline to 90,805 MT, all of which will be shipments from 2021 TRQ contracts, as all 2022 TRQ contracts for U.S. rice will likely be scheduled for deliveries in 2023.

In MY2020/21, Korea imported 418,336 MT (milled basis) of rice, down 10 percent from the previous year due to shipping delays in some 2021 TRQ contracts (88,672 MT) that rolled over to the following year. Imports of U.S. rice were 142,291 MT (milled basis), consisting of 40,016 MT for milled table rice and 102,275 MT for brown processing rice (milled basis). Overall rice imports totaled $378 million in value by Cost Insurance and Freight (CIF), up 1.7 percent from the previous year. Imports from the United States amounted to $140 million, up 7.1 percent.

Chart 8



Source: Korea Customs Service (KCS), Trade Data Monitor LLC

2022 TRQ Tender Status (aT Import Contracts)

As of March 18, 2022, the Korea Agro-Fisheries and Food Trade Corporation (aT) has hosted three batches of tenders under the 2022 TRQ and generated 25,112 MT of contracts (Table 33), down 68 percent from the previous year's pace. The January batch of tenders (for Chinese brown rice and Thailand milled rice) and February batch of tenders (for U.S. brown rice and Vietnamese milled rice) failed to generate contracts due to high prices and limited supplier interest. aT currently plans to delay tenders for U.S. rice to the second half of the year when the new 2022 crop becomes available. As a result, all 2022 TRQ contracts for U.S. rice will be scheduled for delivery in 2023.

Table 33

Korea: Rice Contracts by Country under 2022 CSQ/MFN TRQ
(MT, Milled Basis, as of March 18, 2022)

Country	Allocated TRQ	Contracts	Open	Contractual Rate (%)
USA	132,304	0	132,304	0
China	157,195	0	157,195	0
Vietnam	55,112	24,112	31,000	43.8
Thailand	28,494	1,000	27,494	3.5
Australia	15,595	0	15,595	0
MFN	20,000	0	20,000	0
Total	408,700	25,112	383,588	6.1

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

2021 TRQ Tender Results (aT Import Contracts)

On December 22, 2021, the Korea Agro-Fisheries and Food Trade Corporation (aT) completed the tendering process for 2021 rice **TRQ** contracts. Under the 2021 TRQ, Korea purchased a total of 408,700 MT of rice (milled basis), worth $421.9 million, from five countries: the United States, China, Vietnam, Thailand, and Australia. Country Specific Quotas (CSQ) accounted for 388,700 MT of the 2021 TRQ, and Most Favored Nation Quotas (MFN) filled the remaining 20,000 MT (Table 34).

The U.S. share of the 2021 TRQ contracts was 32.4 percent, unchanged from the previous year. Contracts for U.S. rice totaled 132,304 MT (milled basis), worth $170.5 million. Of this total, 90,804 MT (milled basis) was brown rice for food processing, and the remaining 41,500 MT was milled rice for table consumption. Contracts for table rice increased by 3,000 MT from the previous year (38,500 MT in 2020). Korea intends to maintain table rice purchases from the United States at 40,000 MT a year on average.

The average contracted price for U.S. brown rice for processing (USDA #3 medium grain) was $1,098.58/MT (based on Carriage and Insurance Paid (CIP) rates), up 23.8 percent from the previous year. The average contracted price for U.S. table rice (USDA #1 medium grain) was $1,437.50/MT (based on Cost Insurance and Freight (CIF) rates), up 46.1 percent from the previous year. The substantial increase in contracted prices was partly due to higher shipping costs.

Regarding shipment timing, 59 percent of the 2021 TRQ contracts were scheduled for delivery (imports into Korea) in 2021, with the remaining 41 percent scheduled for delivery in 2022. Actual deliveries of the contracts will likely experience some delays due to on-going global logistics challenges.

Table 34

Korea: Rice Contracts by Country under 2021 CSQ/MFN TRQ
(MT, Milled Basis, as of December 22, 2021)

Country	Allocated TRQ	Contracts	Open	Contractual Rate (%)
USA	132,304	132,304	0	100
China	157,195	157,195	0	100
Vietnam	55,112	55,112	0	100
Thailand	48,494[a/]	48,494[a/]	0	100
Australia	15,595	15,595	0	100
Total	408,700	408,700	0	100

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)
a/ include 20,000 MT of MFN quota

Table 35

Korea: Rice Qualities of Contracts by Country under 2021 CSQ/MFN TRQ

(MT, Milled Basis, as of December 22, 2021)

Country	Quality		Total	Market Share (%)
	Processing	Table		
USA	90,804	41,500	132,304	32.4
China	157,195	0	157,195	38.5
Thailand	46,994	1,500	48,494	11.9
Australia	15,595	0	15,595	3.8
Vietnam	54,112	1,000	55,112	13.5
Sub Total	364,700	44,000	408,700	100.0
Grand Total			408,700	100.0

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

Table 36

Korea: Rice Varieties of Contracts by Country under 2021 CSQ/MFN TRQ

(MT, Milled Basis, as of December 22, 2021)

Rice Variety	Medium Grain	Short Grain	Long Grain	Total
USA	132,304	0	0	132,304
China	0	157,195	0	157,195
Thailand	0	0	48,494	48,494
Australia	15,595			15,595
Vietnam	0	9,000	46,112	55,112
Total	147,900	166,195	94,606	408,700
Ratio (%)	36.2	40.7	23.2	100.0

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

Table 37

Korea: Monthly Delivery Schedule for Rice Contracts under 2021 TRQ (MT, Milled Basis)	
Contractual Estimated Time of Arrival (ETA)	Volume of Contracts
April, 2021	20,000
May	1,500
June	51,612
July	33,994
August	7,000
September	51,595
October	31,000
November	19,000
December	27,195
2021 Arrivals Subtotal	242,896 (59%)
February, 2022	30,000
March	40,000
April	28,000
June	27,805
July	18,000
December	22,000
2022 Arrivals Subtotal	165,805 (41%)
Grand Total	408,700

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

Market Distribution of Imported Table Rice (aT Selling Auctions)

The Korea Agro-Fisheries & Food Trade Corporation (aT) continues to sell imported table rice to consumer distribution channels on a weekly basis through a public auction system (www.atbid.co.kr). The weekly aT auction offers around 700 MT of medium grain U.S. rice and 70 MT of long grain Vietnamese or Thai rice to local table rice distributors (wholesalers). aT decreases the auction volume from October through December during the period when new crop domestic rice is marketed. aT distributes imported processing rice directly to end-users, such as food processors and alcoholic beverage producers, at a set price throughout the year.

In 2021, aT auctioned U.S. medium grain table rice imported under the 2019 TRQ (37,000 MT delivered into Korea in the first half of 2020) starting on January 4 and completed selling 36,879 MT on September 29, 2021 (Table 39). The remaining 121 MT of damaged rice was diverted for processing use. On October 5, aT began auctioning for 38,500 MT of U.S. medium grain table rice imported under the 2020 TRQ (delivered into Korea in the first half of 2021). The pace of aT auctions for U.S. table rice in 2021 was much faster than previous years as the Korean government prioritized increasing rice distribution to alleviate high domestic rice prices.

Vietnamese long grain rice imported under the 2019 TRQ (3,000 MT) was auctioned starting in June 2020 and completed on March 22, 2021 (Table 39). Thai long grain rice imported under the 2020 TRQ (1,500 MT) was auctioned starting in April 2021 and completed on August 16, 2021 (Table 40). aT started auctioning Thai long grain rice imported under the 2021 TRQ (delivered into Korea in May 2021) on August 23, 2021. aT started auctioning of 1,000 MT of Vietnamese long grain rice imported under the 2021 TRQ (delivered into Korea in October 2021) on January 24, 2022 (Table 41).

Table 38

Korea: Table Rice Imports and Distribution
(MT, Milled Rice)

TRQ (Calendar Year)	Total Rice Imports	Table Purpose	Rate of Table Rice in Total Imports (%)	Distribution to Consumers Market	Diversion to Processing
WTO MMA Quota Regime (2005-2014)					
2005	225,575	22,557	10	22,557	0
2006	245,922	34,429	14	34,429	0
2007	266,270	47,928	18	47,928	0
2008	286,617	63,055	22	38,121	24,934
2009	306,964	79,810	26	45,007	34,803
2010	327,311	98,193	30	92,576	5,617
2011	347,658	104,297	30	104,297	0
2012	368,006	110,401	30	110,401	0
2013	388,353	116,505	30	116,505	0
2014	408,700	122,610	30	65,072	57,538
Total	3,171,376	799,785	25	676,893	122,892
WTO TRQ Regime (Since 2015)					
2015	408,700	60,000	15	7,041	52,959
2016	408,700	50,000	12	26,310	23,690
2017	408,700	40,000	10	25,914	14,086
2018	408,700	39,800	9.7	27,689	12,111
2019	408,700	40,000	10	39,879	121
WTO TRQ CSQ Regime (Since 2020)					
2020	408,700	40,000	10	na	na
2021	408,700	44,000	11	na	na

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

Table 39

Korea: Status of Rice Auction for Table Rice under 2019 TRQ (MT, Milled Rice)						
Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price[1/]
U.S. Medium Grain[2/] (Jan. 4 ~ Sept. 29, 2021)	#1	37,000	36,879	121[a/]	100	1,857
Vietnamese Long Grain[3/] (Jun. 8, 2020 ~ Mar. 29, 2021)	#1	3,000	2,993	7 [a/]	100	1,170
Total		40,000	39,872	128	100	

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)
1/ Weighted average in Korean Won per Kg
2/ delivered to Korea in the first half of 2020
3/ delivered to Korea in April 2020
a/ damaged kernels diverted to processing uses

Table 40

Korea: Status of Rice Auction for Table Rice under 2020 TRQ (MT, Milled Rice, as of March 14, 2022)						
Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price[1/]
U.S. Medium Grain[2/] (Oct. 5, 2021 ~)	#1	38,500	10,008	28,492	26	1,993
Thai Long Grain[3/] (Apr. 5 ~ Aug. 16, 2021)	#3	1,410	1,410	0	100	1,366
	#1[a/]	90	90	0	100	3,278
Total		40,000	11,508	28,492	29	

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)
1/ Weighted average in Korean Won per Kg
2/ delivered to Korea in the first half of 2021
3/ delivered to Korea in October 2020
a/ Hom Mali

Table 41

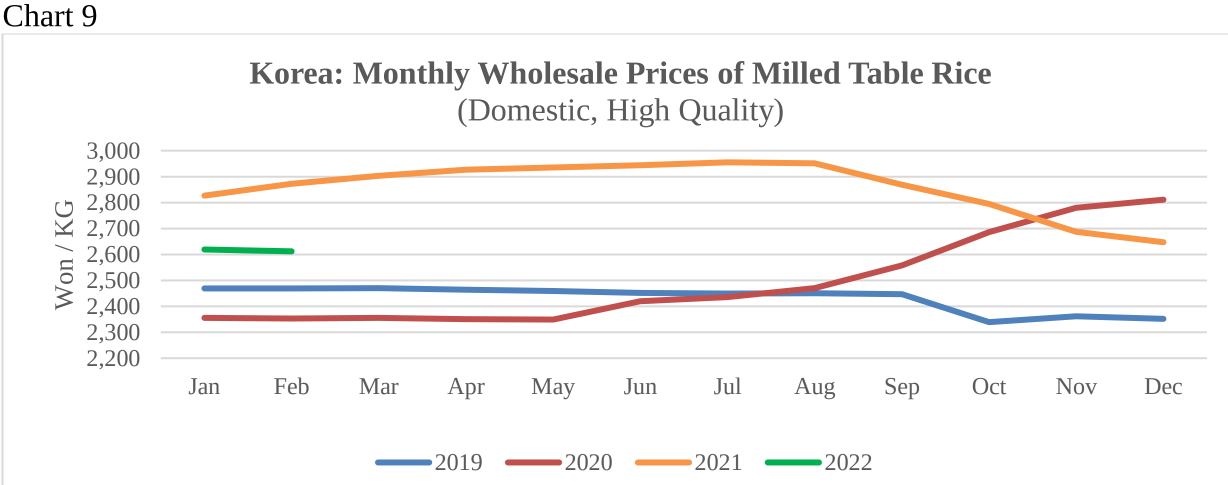
Korea: Status of Rice Auction for Table Rice under 2021 TRQ (Unit: MT, Milled Basis, as of March 14, 2022)						
Commodity (Period of Auctions)	USDA Grade	Total Table Rice TRQ	Auctioned Off	Balance	Auctioned Off (%)	Auctioned Price[1/]
U.S. Medium Grain[2/]	#1	41,500	none	41,500	na	na
Thai Long Grain[3/] (Aug. 23, 2021 ~)	#1	1,400	1,400	0	100	1,245
	#1[a/]	100	32	68	32	3,026
Vietnamese Long Grain[4/] (Jan. 24, 2022 ~)	#1	1,000	301	699	30	1,217
Total		44,000	1,733	42,267	4	

Source: Korea Agro-Fisheries and Food Trade Corporation (aT)
1/ Weighted average in Korean Won per Kg
2/ 1,500 MT delivered to Korea in July 2021 with remaining 40,000 MT to be delivered in 2022
3/ delivered to Korea in May 2021
4/ delivered to Korea in October 2021
a/ Hom Mali

Rice Prices and Marketing

Due to below average rice production in 2020, domestic rice prices (high grade, 2020 crop) in wholesale markets were 20-25 percent higher in 2021 compared to the previous year. Domestic rice prices dropped substantially from September when the 2021 crop (10.7 percent larger than 2020 crop) entered the supply chain (Chart 9).

Chart 9



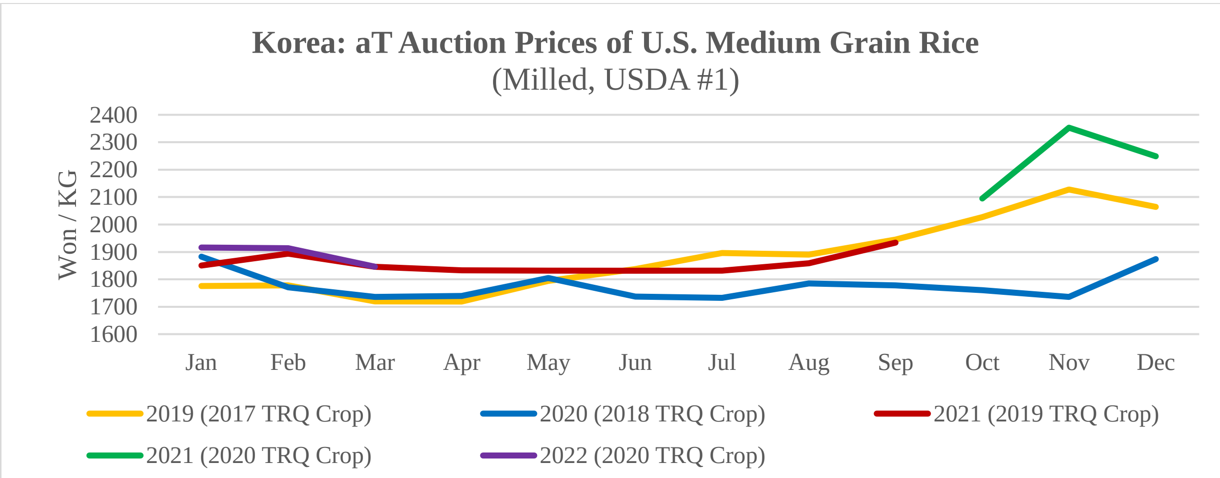
Source: Korea Agricultural Market Information Service (KAMIS), aT
Note: exchange rate per $1 USD at Korean won 1,164 in 2019, 1,180 in 2020, and 1,145 in 2021

The Korean government initially purchased 350,000 MT of 2021 crop rice according to the annual rice reserve plan. However, the government decided at the end of December to purchase an additional

200,000 metric tons of 2021 crop, as farmer groups demanded additional government purchases to support market prices.

Prices of 2019 TRQ imported U.S. medium grain table rice distributed to wholesalers through aT auctions in 2021 (January through September) averaged 1,857 won per kilogram, which was 4.2 percent higher than the 2018 TRQ. Prices of 2020 TRQ U.S. rice distributed in aT auctions during October through December 2021 averaged 2,268 won per kilogram, 22.1 percent higher than the 2019 TRQ.

Chart 10



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

Korea Rice Exports

In MY2020/21, Korea exported 52,547 MT (milled) of domestically produced rice, down 4.6 percent. Most of the exports (50,000 MT) were for food aid donations under the Food Assistance Convention (FAC) that Korea joined in 2018: 18,000 MT to Yemen, 13,680 MT to Ethiopia, 9,500 MT to Kenya, 4,500 MT to Uganda, 3,000 MT to Syria, and 1,320 MT to Laos.

Table 42

Korea: Rice Exports (Milled)				
Calendar Year	To the World		To the United States	
	Quantity (MT)	Value (USD1,000)	Quantity (MT)	Value (USD1,000)
2011	3,782	6,277	161	244
2012	2,223	4,424	90	185
2013	1,517	3,363	86	180
2014	1,684	3,894	123	303
2015	1,987	4,472	365	1,148
2016	2,313	4,847	477	1,175
2017	2,767	5,641	540	1,390
2018	64,164[a/]	43,823	425	1,171
2019	52,663[b/]	26,234	425	1,156
2020	55,196[c/]	27,377	654	1,766
2021	52,429[d/]	22,553	467	1,495

Source: Korea Customs Service (KCS), Trade Data Monitor LLC
a/ includes 60,000 MT of food aid donations
b/ includes 51,000 MT of food aid donations
c/ includes 52,954 MT of food aid donations
d/ includes 49,948 MT of food aid donations

Rice Stocks

MY 2022/23 ending stocks (at the end of October 2023) are forecast at 1.5 MMT, up 13 percent from the current marketing year estimate due to stagnant consumption. Stock to use ratio is estimated to increase to 37.7 percent of total consumption.

The MY 2021/22 ending stocks forecast (at the end of October 2022) is revised down to 1.4 MMT, declining 8 percent from the previous forecast due to higher consumption for processing. Stock to use ratio is expected to increase 8.1 percent points from the previous year to 33.7 percent due to higher 2021 crop production.

The MY 2020/21 ending stock estimate is revised down 6 percent from the previous forecast to 1.02 MMT, due to higher consumption for processing. Stock to use ratio declined 3.1 percent points from the previous year to 25.6 percent of total consumption at the end of October 2021.

Table 43

Korea: Status of Rice Stocks (Milled Rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2017/18	2018/19[a/]	2019/20[b/]	2020/21[b/]	2021/22[c/]	2022/23[c/]
Total Stock	1,560	1,015	1,172	1,022	1,337	1,506
Government Stock	1,560	1,015	1,172	1,022	1,337	1,506
Total Domestic Consumption	4,746	4,650	4,076	3,986	3,962	3,998
Stock to Use Ratio (%)	32.9	21.8	28.8	25.6	33.7	37.7

Source: FAS/Seoul Estimate based on MAFRA data
a/ MAFRA Revised
b/ MAFRA Preliminary
c/ FAS/Seoul forecast

Production, Supply, and Distribution Data Statistics (PS&D)

Rice, Milled	2020/2021		2021/2022		2022/2023	
Market Year Begins	Nov 2020		Nov 2021		Nov 2022	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	726	726	732	732	0	732
Beginning Stocks (1000 MT)	1136	1136	1018	1022	0	1337
Milled Production (1000 MT)	3507	3507	3882	3882	0	3772
Rough Production (1000 MT)	4713	4713	5211	5211	0	5054
Milling Rate (.9999) (1000 MT)	7441	7441	7450	7450	0	7464
MY Imports (1000 MT)	428	418	440	450	0	450
TY Imports (1000 MT)	439	430	440	450	0	450
TY Imp. from U.S. (1000 MT)	148	154	0	91	0	150
Total Supply (1000 MT)	5071	5061	5340	5354	0	5559
MY Exports (1000 MT)	53	53	55	55	0	55
TY Exports (1000 MT)	52	52	55	55	0	55
Consumption and Residual (1000 MT)	4000	3986	3950	3962	0	3998
Ending Stocks (1000 MT)	1018	1022	1335	1337	0	1506
Total Distribution (1000 MT)	5071	5061	5340	5354	0	5559
Yield (Rough) (MT/HA)	6.4917	6.4917	7.1189	7.1189	0	6.9044

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2022/2023 = January 2023 - December 2023

Korea: Import Trade Matrix of Rice		
Country	Korea, Republic of	
Commodity/ Units	Rice, Milled (1,000 MT)	
Time Period	Jan/Dec	Jan/Dec
Imports for:	2020	2021
U.S.	153	154
China	185	162
Thailand	28	28
Australia	0	7
Vietnam	111	59
India		20
Others Not Listed	0	0
Grand Total	477	430

Table 44

Korea: Monthly Wholesale Price of Milled Rice
(High Quality, Domestic Short Grain)

Month	CY 2020		CY 2021		CY 2022	
	Won/kg	USD/kg	Won/kg	USD/kg	Won/kg	USD/kg
January	2,355	2.02	2,827	2.58	2,619	2.19
February	2,353	1.97	2,872	2.59	2,612	2.18
March	2,355	1.93	2,903	2.57	na	na
April	2,350	1.92	2,926	2.62	na	na
May	2,349	1.92	2,935	2.75	na	na
June	2,420	2.00	2,944	2.63	na	na
July	2,436	2.03	2,955	2.58	na	na
August	2,470	2.08	2,951	2.54	na	na
September	2,536	2.15	2,869	2.44	na	na
October	2,620	2.29	2,794	2.36	na	na
November	2,780	2.49	2,687	2.27	na	na
December	2,811	2.57	2,647	2.23	na	na
Average	2,487	2.11	2,858	2.50	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)
Note: Monthly Average Exchange Rate is applied

Table 45

Korea: Monthly Retail Price of Milled Rice
(High Quality, Domestic Short Grain)

Month	CY 2020		CY 2021		CY 2022	
	Won/kg	USD/kg	Won/kg	USD/kg	Won/kg	USD/kg
January	2,586	2.22	2,999	2.73	2,673	2.24
February	2,586	2.17	3,019	2.72	2,630	2.20
March	2,578	2.12	3,000	2.65	na	na
April	2,575	2.11	3,000	2.68	na	na
May	2,581	2.11	3,055	2.86	na	na
June	2,585	2.14	3,062	2.73	na	na
July	2,588	2.16	3,086	2.70	na	na
August	2,618	2.21	3,066	2.64	na	na
September	2,637	2.24	2,866	2.44	na	na
October	2,816	2.47	2,766	2.33	na	na
November	2,945	2.64	2,769	2.34	na	na
December	3,023	2.76	2,757	2.33	na	na
Average	2,676	2.27	2,954	2.58	na	na

Source: Korea Agricultural Marketing Information Service (KAMIS)
Note: Monthly Average Exchange Rate is applied.

Table 46

Korea: Foreign Exchange Rate (Korean Won against USD)			
Month	CY 2020	CY 2021	CY 2022
January	1,165	1,097	1,196
February	1,194	1,111	1,198
March	1,218	1,130	na
April	1,223	1,118	na
May	1,226	1,067	na
June	1,208	1,121	na
July	1,199	1,144	na
August	1,186	1,161	na
September	1,177	1,174	na
October	1,142	1,186	na
November	1,115	1,184	na
December	1,095	1,185	na
Average	1,180	1,145	na

Source: Global Financial Service

Attachments:

No Attachments