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Global Agricultural Information Network

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Korea - Republic of

Oilseeds and Products Annual

2014 Annual

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Report Highlights:

MY 2014/15 soybean planting area is forecast to decrease 7 percent from the prior year to 74,452 hectares due to depressed prices as a result of increased production in MY2013/14. Production was up 26 percent to 154,067 MT, an increase of 31,548 MT. MY2014/15 consumption is forecast slightly lower at 1.28 million MT compared to 1.3 Million MT in MY 2013/14 with 850,00MT used for crushing and 400,000 MT for food processing.

Commodities:

Oilseed, Soybean

Production:

Soybeans account for approximately 70 percent of Korea's total oilseed production, while sesame and perilla combine for about 22 percent of the total. The remainder largely consists of rapeseed and peanuts. However, the Korean government has not released rapeseed production numbers since CY 2010.

The Korean Rural Economic Institute (KREI) conducted a nationwide planting intention survey of 868 soybean farmers from December 23-28, 2013. According to the survey results, MY 2014/15 soybean area is forecast to decrease to 74,452 hectares, down 5,579 hectares or 7 percent from the previous year's plantings. This decrease is due to domestic soybean prices that have been bearish since October 2013. Using the KREI survey results as a benchmark, Post is forecasting MY 2013/14 soybean production to decrease by 18 percent from the previous year on a five-year-average yield.

In MY 2013/14, soybean production increased to 154,067 MT, up 31,548 MT or 26 percent from the previous year due to favorable weather conditions coupled with no typhoons and increased sunlight despite a decrease in area, resulting in the highest yield since 2010. The sharp increase in production caused downward pressure on local soybean prices since last fall. Refer to the price series table below.

In CY2013, government soybean purchases were approximately 9,000 MT, while the prior three years purchases were zero as farmers opted to sell their beans through commercial channels at higher prices than the government purchase price. However, bearish commercial market prices caused by a bumper crop forced farmers to sell their soybeans to the government at the prescribed rate which increased by 7 percent from the previous year, fixing at Korean Won 3,868/kg (\$3.54).

Korea: Soybean Production			
Crop Year	Area (ha)	Yield (kg/ha)	Production (mt)
2008	75,242	1,760	132,374
2009	70,265	1,982	139,251
2010	71,422	1,470	105,345
2011	77,849	1,660	129,394
2012	80,842	1,520	122,519
2013	80,031	1,930	154,067
2014 (f) ^{1/}	74,452	1,705	127,000

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

1/ FAS Seoul forecast.

Korea: 2014 Soybean Planting Intention			
Crop Year	Upland (ha)	Paddy Land (ha)	Total (ha)
2013	69,625	10,406	80,031
2014	65,220	9,231	74,452
Growth Rate (%)	-6.3	-11.3	-7.0

Source: Korea Rural Economic Institute (KREI)

Note: Based on KREI telephone survey to 868 farm households for December 23-31, 2013.

Korea: Oilseed Area and Production				
(Hectares and Metric tons)				
Crops	MY 2012		MY 2013	
	Area	Production	Area	Production
Soybean	80,842	122,519	80,031	154,067
Peanuts ^{2/}	4,072	9,939	Na ^{3/}	Na ^{3/}
Sesame	25,076	9,690	23,184	12,392
Perilla	29,765	28,916	Na ^{3/}	Na ^{3/}
Total	139,755	171,064	Na ^{3/}	Na ^{3/}

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

Notes:

1/ FAS/Seoul estimates.

2/ In-shell

3/ Data will be available around May 2014

Korea: Government Purchases of Soybeans					
Year	Grown in rice paddy area		Grown in upland area		Total Purchase (mt)
	Price (KRW/Kg) ^{1/}	Quantity (mt)	Price (KRW/Kg) ^{1/}	Quantity (mt)	
2007	3,017	3,403	3,017	949	4,352
2008	3,017	1,891	3,017	1,025	2,916
2009	3,168	509	3,168	763	1,272
2010	3,168	0	3,168	0	0
2011	3,168	0	3,168	0	0
2012	3,618	0	3,618	0	0
2013	3,868	1,373	3,868	7,571	8,944

Source: Korea Agro-Fishery & Food Trade Corporation (aT)

1/ Price based on No. 1 grade of large-sized kernel

Korea: Wholesale Prices of Domestic Soybeans (High Quality, Korean Won per Kg)												
Month	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
2010	3,761	3,860	4,071	4,283	4,457	4,814	4,929	4,851	4,719	5,410	6,309	6,722
2011	7,027	7,121	7,185	7,250	7,244	7,163	7,080	6,971	6,855	6,145	5,581	5,320
2012	5,177	5,229	5,254	5,436	5,548	5,580	5,583	5,583	5,583	5,647	5,961	6,155
2013	6,229	6,311	6,314	6,314	6,333	6,326	6,338	6,286	6,286	5,885	5,193	4,594
2014	4,474	na										

Source: Korea Agro-Fishery & Food Trade Corporation (aT)

Applicable Exchange Rate (Korean Won per US\$): 1,094 on average in 2013

Consumption:

Soybeans account for the majority of oilseed consumption. Consumption in MY 2014/15 is forecast slightly lower from the current marketing year at 1.28 million MT due to expected smaller domestic production than the previous year, of which 850,000 MT will go for crushing and 380,000 MT for food processing use in items like tofu, soymilk and soy sauce. All domestic production goes to food use. Future growth in overall soybean consumption is expected to be minimal. A leading Korean soybean crusher, CJ Corporation, decided to return to soybean crushing from canola seed crushing in its facilities adapted to process rapeseed/canola seed or soybeans since the second half of 2013. The flexible crushing facilities operated according to a comparison of crushing margins between rapeseed/canola and soybeans since December 2012. In MY 2012/13, CJ Corporation crushed 62,000 MT of canola seed.

In MY 2013/14, soybean consumption is expected to increase to 1.3 million MT due to a greater consumption for both crushing and food processing, consisting of 850,000 MT and 400,000 MT respectively. Because of canola seed's narrow crushing margin, CJ Corporation returned to soybean crushing is expected to increase soybean consumption for crushing to 850,000 MT, up 5 percent from the previous year. Bearish domestic prices caused by a bumper crop will lead to increased domestic soybean use for food processing as well.

Korea: Soybean Consumption for Crushing			
(Metric Ton)			
Month	MY 11/12	MY 12/13	MY 13/14
October	72,460	59,200	72,100
November	61,140	67,800	59,500
December	63,015	66,700	68,900
January	58,600	66,600	Na
February	63,700	59,700	Na
March	65,500	81,000	Na
April	74,600	78,100	Na
May	77,550	74,000	Na
June	76,330	66,900	Na
July	82,000	54,000	Na
August	57,500	71,300	Na
September	62,400	62,300	Na
Total	814,795	807,600	Na

Source: Korea Soybean Processing Association

Korea: Distribution of Imported Soybeans for Food Manufacturing			
by the Korea Agro Fisheries & Food Trade Corp (aT)			
(Calendar Year, Metric Ton)			
Item\Year	CY 2011	CY 2012	CY 2013
Soybean Curd	119,418	131,655	140,837
Soy Paste	39,557	39,475	44,208
Soy Paste/Soy Flour	4,272	5,458	5,631
Soy Milk	30,347	34,805	38,330
Soy Sprout	29,080	30,375	45,000
Others 1/	305	664	300
Sub. Total	222,979	242,432	274,306
By product 2/	30,418	58,200	36,000
Total	253,397	300,632	310,360
TRQ Allocation to End-Users Direct Commercial Purchases			
Soybean Curd	9,393	6,802	13,012
Soy milk	3,248	3,161	4,033
Soy-Paste/Red Pepper	4,821	4,323	4,970
Soy Sprout Assn.	10,000	10,000	2,985
Total	27,462	24,286	25,000
Soy-sauce/protein (after crushing)	7,190	6,800	5,800
Grand Total	288,049	331,718	341,106

Source: Korea Agro-Fishery & Food Trade Corporation (aT)

Note: Quantity is on the basis of cleaned soybeans.

1/ Government, military employees and others

2/ Feed

Trade:

Soybeans account for more than 85 percent of total oilseed imports of which approximately three-fourths are used for crushing. MY 2014/15 soybean imports are forecast to remain unchanged from the current marketing year estimate of 1.15 million MT. MY 2013/14 soybean imports are expected to increase 3-5 percent from the previous year due to a better crushing margin than canola seed.

Crushing

Imports of crushing soybeans in MY2014/15 are forecast to remain largely unchanged from the current marketing year's estimate of 850,000 MT in consideration of crushers' preference to process soybeans rather than rapeseed.

Imports during the first three months of MY2013/2014 (Oct-Dec) reached slightly less than 200,000 MT with an additional 680,000 MT contracted for delivery during Jan - Sep 2014. As import numbers during the first quarter of MY2013/14 were up 10 percent over the same period of MY 2012/13, crushers are expected to import 3-5 percent more than the previous year's level due to improved crushing margins of soybean complex.

The CY 2014 autonomous crushing soybean quota is one million tons with an adjustable in-quota tariff, which was cut from 3 percent to zero. Under the KORUS FTA, the duty on U.S. crushing soybeans fell to zero immediately as of March 15, 2012. In MY 2012/13 the majority of crushing beans came from the United States and Brazil followed by Paraguay.

The Korean government removed rapeseed from the list of autonomous duty reduction in CY 2014, while 75,000 tons were set at five percent, down from 10 percent of base rate for the first half of CY 2013.

Korea: Crushing Soybean Imports by Origin					
(Unit: MT)					
Marketing Year (Oct/Sep)	USA	Brazil	China	Others	Total
2006/07	485,397	465,529	20	0	950,946
2007/08	374,940	552,887	20	0	927,847
2008/09	327,900	565,545	0	0	893,445
2009/10	492,776	431,715	0	0	924,491
2010/11	485,109	405,551	0	43,621 ^{a/}	934,281
2011/12	173,447	418,292	0	194,915 ^{a/}	786,654
2012/13	374,167	384,262	0	53,461 ^{a/}	811,886

Source: Korea Customs Service (KCS)

a/ Paraguay

Korea: Soybean Contracts for Crushing under MY 2013/14 Arrival by Origin					
(Unit: 1,000 MT, as of February 2014)					
Estimated Time of Arrival	USA	Brazil	Optional ^{1/}	Others	Total
Oct. 2013	0	55	0	0	55
Nov	55	0	0	0	55
Dec	55	0	0	0	55
Jan. 2014	110	0	0	0	110
Feb	55	0	0	0	55
Mar	110	55	0	0	165
Apr	0	55	0	0	55

May	0	55	0	0	55
Jun	0	55	0	0	55
Jul	0	55	55	0	110
Aug	0	0	55	0	55
Sep.	0	55	0	0	55
Total	385	385	110	0	880

Source: Local Traders

1/ optional origin between Brazil and Paraguay

Food Use

The Korea Agro-Fishery and Food Trade Corporation (aT), the government's state trading arm, controls the bulk of marketing of non-GMO food grade soybeans for food processing. aT distributes soybeans to end-users and charges a mark-up for handling costs and cleaning, which involves removing any foreign material and/or broken soybeans upon arrival.

Under its CY 2015 TRQ based procurement plan, aT contracted for 200,000 MT of soybeans on basis trading contracts at the end of 2013, with delivery during the first half of CY 2015.

Accordingly, in MY 2014/15 imports of food grade soybeans are forecast in the range of 300,000-320,000 MT, with the majority coming from the United States followed by China, Canada, and Brazil. The United States is expected to retain 60 – 70 percent of the import market for food use soybeans. The gains under the KORUS FTA will further strengthen the U.S. position. U.S. food grade soybeans are primarily used in products like tofu, soybean paste/sauce and soymilk, while China mainly supplies soybeans for sprouting.

In CY2013, aT distributed about 230,000 MT of imported food-quality soybeans (excluding soy by-products and sprouts) at an average price of Korean Won1,020 per KG (or \$932/MT), which was unchanged from the previous year. During this period, the average price of imported soybeans for food processing was \$766/MT (CIF). Based on these figures, aT made an estimated \$38 million in selling imported food grade soybeans to end-users.

Under its CY 2014 TRQ of 271,950 MT based procurement plan, aT will directly import 251,950 MT of soybeans, of which 216,950 MT is for food processing and 35,000 MT is for sprouting. The import license for the remaining 20,000 MT has been allocated to end-users, who can contract with soybeans suppliers directly. In late 2012, aT purchased 200,000 MT on basis trading contracts from the United States for delivery during the first half of CY 2014. The remaining 16,950 MT will likely be purchased off the spot market sometime in CY 2014 with delivery during the second half of CY 2014.

Korea: Food Grade Soybean Imports by Origin					
(Unit: MT)					
Marketing Year (Oct/Sep)	USA	Brazil	China	Others	Total
2006/07	114,339	8,000	133,917	23,874	280,130
2007/08	60,311	15,890	218,905	227	295,333
2008/09	58,233	4,500	210,728	4	273,465
2009/10	215,932	4,000	47,546	5,255	272,733
2010/11	216,984	35	80,162	7,466	304,647
2011/12	225,084	5,300	109,726	12,225	352,335
2012/13	192,728	1,702	83,449	21,780	299,659

Source: Korea Customs Service (KCS)

The government set the 2014 autonomous TRQ for U.S. #1 grade soybeans at 271,950 MT, consisting of approximately 45,000 MT of soybeans for sprouting and 226,950 MT for food processing. The TRQ also includes a 20,000 MT allocation for direct import under an import license quota, consisting of 10,000 MT of soybeans for sprouting and 10,000 MT of food grade soybeans, which will effectively allow end-users or importers to bypass aT and buy from direct sources. The

applicable in-quota tariff rate is 5 percent, while the out-of-quota tariff rate is a prohibitive 487 percent, or 956 Korean won (or US\$ 0.87) per kg, whichever is greater.

Under the KORUS-FTA, Korea has established a zero tariff rate quota for 10,000 MT of food-grade identity-preserved (IP) soybeans in the first year of the agreement in CY 2012, increasing to 20,000 MT in year two and 25,000 MT in year three. For years four and beyond, the TRQ grows three percent annually in perpetuity. The TRQ is administered by associations of food-grade soybean processors and gives U.S. suppliers direct market access to these companies. However, Korean food soybeans processors imported just 3,453 MT, or 35 percent of the 2012 KORUS FTA quota due to unexpectedly high U.S. soybean prices, short lead time for contracting IP soybeans, and the availability of lower-priced soybeans marketed by aT. In CY 2013, Korean soybean processors who secured 20,000 MT of TRQ under KORUS FTA imported 12,046 MT, or 60 percent of the 2013 TRQ because they failed to purchase IP food grade soybeans in the spot markets on time, which has typically traded on a contract farming basis. Therefore, it would benefit Korean buyers to secure IP food grade soybeans through farming contracts under the KORUS FTA TRQ in the future.

Korea: Soybeans Quota Allocation and Implementation under KORUS FTA (Metric Ton)						
Trade Association of Food Soybeans Processors	2012		2013		2014	
	Allocation	Implementation	Allocation	Implementation	Allocation	Implementation
Korea Federation of Tofu Coop.(KFTC)	4,497	0	8,994	3,388	9,900	na
Korea Jang Cooperative	2,354	1,575	4,708	3,427	4,970	na
Korea Foods Industry Association	1,665	1,330	3,330	2,985	4,033	na
Korea Soybean Foodstuffs Association	662	385	1,324	1,060	1,647 ^{a/}	na
Korea Bean Curd Manufacture Coop.	432	0	864	860	1,207	na
Seoul Kyung In Beancurd Manufacture Cooperation	163	163	326	326	363	na
Seoul Soybean-processed Foods Cooperative	227	0	454	0	2,880	na
Total	10,000	3,453	20,000	12,046	25,000	na

Source: Korea Customs Service (KCS); Korea Agro-Fishery & Food Trade Corporation (aT)

a/ include 105MT of soybeans for sprouting

Policy:

Production, Supply and Demand Data Statistics:

Soybean, Oilseed PS&D

Oilseed, Soybean Republic of Korea,	2012/2013		2013/2014		2014/2015		
	Market Year Begin: Oct 2012		Market Year Begin: May 2013		Market Year Begin: Oct 2014		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	100	81	100	80		74	(1000 HA)
Area Harvested	81	81	82	80		74	(1000 HA)
Beginning Stocks	73	73	29	68		72	(1000 MT)
Production	123	123	138	154		127	(1000 MT)

MY Imports	1,115	1,112	1,200	1,150		1,150	(1000 MT)
MY Imp. from U.S.	570	567	450	550		550	(1000 MT)
MY Imp. from EU	0	0	0	0		0	(1000 MT)
Total Supply	1,311	1,308	1,367	1,372		1,349	(1000 MT)
MY Exports	2	2	0	0		0	(1000 MT)
MY Exp. to EU	0	0	0	0		0	(1000 MT)
Crush	860	808	870	850		850	(1000 MT)
Food Use Dom. Cons.	380	380	380	400		380	(1000 MT)
Feed Waste Dom. Cons.	40	50	50	50		50	(1000 MT)
Total Dom. Cons.	1,280	1,238	1,300	1,300		1,280	(1000 MT)
Ending Stocks	29	68	67	72		69	(1000 MT)
Total Distribution	1,311	1,308	1,367	1,372		1,349	(1000 MT)
CY Imports	1,150	1,116	1,150	1,150		1,150	(1000 MT)
CY Imp. from U.S.	450	553	450	500		500	(1000 MT)
CY Exports	0	2	0	0		0	(1000 MT)
CY Exp. to U.S.	0	0	0			0	(1000 MT)
TS=TD		0		0		0	

Author Defined:

Soybean Import Trade Matrix

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Oilseed, Soybean		
Time Period	OCT/SEP	Units:	1,000MT
Imports for:	2011		2012
U.S.	399	U.S.	567
Others		Others	
Brazil	423	Brazil	386
China	110	China	83
Paraguay	196	Paraguay	53
		Canada	19

Total for Others	729		541
Others not Listed	11		4
Grand Total	1139		1112

Source: Korea Customs Service (KCS)

Korea: Soybean Imports for Oct.-Dec. by Origin					
(Unit: MT)					
Soybean for Crushing (HS1201.90.1000)					
MY2013/14	USA	Brazil	China	Others	Total
Oct. 2013	0	34,863	0	9,900 ^{b/}	44,763
Nov	0	19,639	0	33,538 ^{b/}	53,177
Dec	99,891	0	0	0	99,891
Subtotal	99,891	54,502	0	43,438	197,831
MY2012/13a/	131,588	41,940	0	6,377	179,905
Soybean for Sprouting (HS1201.90.3000)					
MY2013/14	USA	Brazil	China	Others	Total
Oct. 2013	0	0	295	0	295
Nov	0	0	1,835	0	1,835
Dec	0	0	5,772	500 ^{c/}	6,272
Subtotal	0	0	7,902	500	8,402
MY2012/13a/	2,300	0	14,891	0	17,191
Soybean for Food Processing (HS1201.90.9000)					
MY2013/14	USA	Brazil	China	Others	Total
Oct. 2013	19,717	0	10,187	4,738	34,641
Nov	500	0	284	128	912
Dec	2,879	80	1,024	712	4,695
Subtotal	23,096	80	11,495	5,578	40,248
MY2012/13a/	5,558	1,700	36,278	4,403	47,939
Soybeans Total					
MY2013/14	USA	Brazil	China	Others	Total
Oct. 2013	19,717	34,863	10,482	11,538	79,699
Nov	500	19,639	2,119	33,666	55,924
Dec	102,770	80	6,796	1,212	110,858
Subtotal	122,987	54,582	19,397	46,416	246,481
MY2012/13a/	139,446	43,640	51,169	10,780	245,035

Source: Korea Customs Service (KCS)

a/ October – December 2012

b/ Paraguay c/ Canada

Korea: Oilseed Imports

(Metric Tons, \$1,000)				
	MY 2011/12		MY 2012/13	
	Volume	Value	Volume	Value
Soybean	1,138,989	701,501	1,111,545	759,431
Peanuts	800	1,561	963	1,642
Copra	981	1,291	1,303	1,416
Linseed	620	674	1,010	1,142
Rapeseed	28	54	61,945	44,245
Sunflower Seed	2,484	4,353	2,851	5,308
Cottonseed ^{1/}	37,522	12,080	0	0
Castor Bean	1	0	31	24
Sesame Seed	68,989	116,182	75,925	159,535
Mustard Seed	2,058	2,024	1,605	1,507
Safflower Seed	84	69	336	270
Perilla Seed	28,775	28,555	27,310	44,040
Others	6,790	8,081	3,030	3,011
Total	1,288,119	876,425	1,287,854	1,021,571

Source: Korea Customs Service

1/ mainly for animal feed

Korea: Soybean Powder Imports				
(MT, \$1,000)				
Country	CY 2012		CY 2013	
	Quantity	Value	Quantity	Value
U. S .A	1,900	1,576	1,235	1,094
China	2,959	2,384	2,651	1,922
Australia	1,470	3,123	611	1,308
India	9,735	7,678	11,921	9,884
Others	250	309	2	15
Total	16,314	15,070	16,420	14,223

Source: Korea Customs Service

Korea: Applied Tariff Schedule for Oilseeds				
(Percent)				
Commodity	H.S. Code	2012	2013	2014
Soybean, Seed	1201.10.xxxx	3	3	3
Soybean, Crushing 1/	1201.90.1000	3(0)	3(0)	3(0)
Soybean, Feed 1/	1201.90.2000	3(0)	3(0)	3(0)
Soybean, Sprouting 2/	1201.90.3000	3(5)	3(5)	3(5)
Soybean, Food Grade 2/	1201.90.9000	3(5)	3(5)	3(5)
Peanuts, Seed, in shell	1202.30.1000	40	40	40
Peanuts, Seed, shelled	1202.30.1000	24	24	24
Peanuts, in Shell 3/	1202.41.0000	40	40	40
Peanuts, Shelled 3/	1202.42.0000	24	24	24
Copra	1203.00.0000	3	3	3
Linseed	1204.00.0000	3	3	3
Rapeseed	1205.xx.xxxx	10	10 (5)	10 (5)

Sunflower Seed	1206.00.0000	25	25	25
Cottonseed 4/	1207.29.1000	2 (0)	2 (0)	2 (0)
Sesame Seed 5/	1207.40.0000	40	40	40
Mustard Seed	1207.50.0000	3	3	3
Perilla Seed 6/	1207.99.1000	40	40	40
Castor Beans	1207.99.4000	3	3	3
Safflower Seed	1207.99.5000	3	3	3
Others	1207.99.9000	3	3	3

Source: Korea Customs Research Institute, Tariff Schedules of Korea.

Note: The Seed Industry Act restricts imports of listed commodities for planting seed purposes.

1/The number in parenthesis is the in-quota tariff rate assessed on one million tons of soybeans imported for crushing and feed purposes for CY 2014.

2/ An applied duty rate of 5 percent is applied to 271,950 tons of food grade soybeans imported and administered by the Korea Agro-Fishery & Food Trade Corporation (aT) under the WTO TRQ. Soybeans imported out-of-quota by private importers will be assessed a tariff rate of 487 percent or Korean won 956/Kg, whichever is greater.

3/The in-quota amount is 4,907.3 tons on a shelled basis. Peanuts imported out-of-quota are assessed a tariff of 230.5 percent.

4/The number in parenthesis is the in-quota tariff rate assessed on 160,000 tons of cotton seed for feed in the CY 2014.

5/The in-quota amount under the WTO TRQ is 6,731 tons. Sesame imported out-of-quota is assessed a tariff of 630 percent or Korean won 6,660/Kg, whichever is greater.

6/ 40 percent or Korean won 410/Kg, whichever is greater.

Commodities:

Meal, Soybean

Meal, Rapeseed

Production:

Almost all of the vegetable meal produced in Korea is made from imported soybeans. As CJ Corporation decided to return to soybean crushing from rapeseed crushing since the second half of 2013 due to narrower rapeseed crushing margins, soybean meal production will increase from the previous year in the near future.

There are only two soybean crushers in Korea, namely CJ Corporation and Sajo O&F Co Ltd with a crushing ratio of 66:34 percent.

MY 2014/15 demand for crushing soybeans will remain flat at 850,000 MT as crushing margins remain tight and demand steady. Soybean demand for crushing is steady, but still below the country's 1.0 million MT crushing capacity. Soybean meal production for MY 2014/15 is forecast to hold steady at 670,000 MT with an extraction rate of 79.2 percent and crude protein content of 44 percent, remaining unchanged from the current marketing year.

MY 2013/14 soybean meal production is expected to increase 5 percent to 670,000 MT due to better soybean crushing margins than the previous year.

In an effort to strengthen their competitiveness against imported meal from South America and India, these companies have started producing de-hulled Hi-pro soybean meal with 47.0 percent protein content by blending U.S. and Brazilian soybeans. In CY 2013, production of de-hulled Hi-pro soybean meal with 47 percent protein was up, accounting for 38 percent of total soy meal production, from the previous 25 percent. Local crushers continue to expand de-hulled hi-pro production.

The breakdown of production by company and product follows. In CY 2013, CJ produced 47 percent protein dehulled meal and 45% protein meal in a ratio of 62:38, increasing the production of 47 percent protein meal from the previous 40:60 ratio. However, Sajo produced 46 percent and 45 percent protein meal at a ratio of 30:70, decreasing the production of 46 percent protein meal in view of the previous 50:50 ratio.

Korea: Soybean Crushing Capacity		
(As of February 2014)		
Soybean Crusher	Capacity (mt/day)	Location
Sajo O&F	1,893 ^{a/}	Incheon
CJ Corp	927	Incheon
Total	2,820	

Source: Soybean Crushing Industry

Note: Day=24 hours processing basis for 330 days

a/ of them, 700 MT have been converted to crush for either rapeseed or soybeans depending on crushing margin since December 2012.

Consumption:

Nearly all imported and domestically produced soybean meal is used in compound feed production. Korean feed millers prefer soybean meal since it is more readily available than other oil meals. After corn and feed wheat, soybean meal is the third most widely used ingredient in compound feed production, accounting for about 10.5 percent of the total compound feed production in MY 2012/13, down 0.9 percent point due to bullish prices of imported soybean meal, which was partly offset by cheaper priced copra and palm kernel meals.

MY 2014/15 soybean meal consumption is forecast to remain at 2.2 million MT, unchanged from the current marketing year as local animal inventories are expected to maintain similar levels as MY 2013/14.

MY2013/14 soybean meal consumption is predicted to stay at 2.2 million MT as the livestock sector continues to maintain high animal inventories for the marketing year because pork and beef prices rebounded from the bottom by adjusting excessive inventory numbers in MY 2012/13.

Rapeseed meal consumption for feed in MY 2014/15 is forecast to stay around 410,000 MT. MY2013/14 consumption is expected to remain unchanged from the previous year as animal growers tried to maintain inventories after reducing their excessive inventories during the previous marketing year.

Trade:

Soybean meal imports during MY 2014/15 are forecast to remain at 1.6 million MT, unchanged from the current marketing year as the Korean livestock industry continues to maintain reduced levels of animal inventories. Despite an increase of 15 percent in soybean meal imports for the first three months over the same period of MY 2012/13, the MY 2013/14 soybean meal import estimate is expected to stay around 1.6 million MT, slightly down from the previous year as reduced animal inventories lead to lower compound feed production. Depending on U.S. soybean meal contracts, imports of U.S. soybean meal during this period are expected to stay around 200,000 MT.

Rapeseed meal imports during MY 2014/15 are forecast at 430,000 MT, remaining unchanged from the current marketing year due to stagnant consumption for feed production. In MY 2013/14, rapeseed meal imports are expected to increase slightly to meet constant demand for feed production due to decreasing local production as a result of narrow crushing margins in rapeseed. India supplies nearly 100 percent of rapeseed meal to Korea, expecting to remain the top supplier for the foreseeable future. Palm kernel meal and copra meal imports are each forecast between 600,000-800,000 MT in both MY 2013 and MY 2014, respectively.

The CY 2014 autonomous soybean meal TRQ was initially set at 2.7 million MT with a zero percent in-quota import duty, unchanged from the previous year. The CY2014 TRQ for DDGS is set at 500,000, down 46 percent from last year due to a zero percent in-quota import duty. In order to help the livestock industry, which has suffered inflated prices of imported raw materials, the Korean government has maintained the autonomous zero duty TRQs for other vegetable protein meals such as cottonseed meal, copra meal, palm kernel meal, and cottonseed hulls. TRQ volumes for copra meal and palm kernel meal have gone down to 100,000 MT each due to the Korean-ASEAN FTA.

Under the Korean-ASEAN FTA, copra and palm kernel meals are imported duty free from South East Asian countries such as Indonesia, Malaysia and the Philippines. Indian soybean meal is imported duty free under the Korea-India Comprehensive Economic Partnership Agreement (CEPA). As part of the KORUS FTA, Korea eliminated import duties on

vegetable protein meals such as soybean meal (2304.00.0000), DDGS (2303.30.0000), and cottonseed meal (2306.10.0000) since March 15, 2012.

Export

Korea exports some locally crushed soybean meal that is less competitive than imported meal. Soybean meal exports for MY 2014/15 are forecast to remain unchanged from the current marketing year's estimate of 80,000 MT on a five year average basis. The major markets for Korean soybean meal are Japan, Indonesia, Malaysia and Vietnam.

Korea: Soybean Meal Exports			
(Metric Ton)			
Country	MY 10/11	MY 11/12	MY 12/13
Japan	57,323	11,954	93,906
Malaysia	6,272	6,172	160
Indonesia	6,600	12,172	11,442
Vietnam	0	7,842	1,759
Cambodia	1,584	168	816
Philippine	0	0	6,620
Others	1,144	180	300
Total	72,923	38,488	114,704

Source: Korea Customs Service

Policy:

Production, Supply and Demand Data Statistics:

Soybean Meal PS&D

Meal, Soybean Republic of Korea,	2012/2013		2013/2014		2014/2015		
	Market Year Begin: Oct 2012		Market Year Begin: May 2013		Market Year Begin: Oct 2014		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Crush	860	808	870	850		850	(1000 MT)
Extr. Rate, 999.9999	1.	0.7921	1.	0.7918		0.7918	(PERCENT)
Beginning Stocks	109	109	73	147		120	(1000 MT)
Production	685	640	694	673		673	(1000 MT)
MY Imports	1,654	1,633	1,700	1,600		1,600	(1000 MT)
MY Imp. from U.S.	160	157	300	200		200	(1000 MT)
MY Imp. from EU	1	0	0	0		0	(1000 MT)
Total Supply	2,448	2,382	2,467	2,420		2,393	(1000 MT)
MY Exports	115	115	50	80		80	(1000 MT)
MY Exp. to EU	0	0	0	0		0	(1000 MT)
Industrial Dom. Cons.	0	0	0	0		0	(1000 MT)
Food Use Dom. Cons.	25	20	25	20		20	(1000 MT)
Feed Waste Dom. Cons.	2,235	2,100	2,319	2,200		2,200	(1000 MT)
Total Dom. Cons.	2,260	2,120	2,344	2,220		2,220	(1000 MT)
Ending Stocks	73	147	73	120		93	(1000 MT)
Total Distribution	2,448	2,382	2,467	2,420		2,393	(1000 MT)

CY Imports	1,635	1,692	1,780	1,600		1,600	(1000 MT)
CY Imp. from U.S.	300	154	300	200		200	(1000 MT)
CY Exports	45	127	45	80		80	(1000 MT)
CY Exp. to U.S.	0	0	0	0		0	(1000 MT)
SME	2,260	2,120	2,344	2,220		2,220	(1000 MT)
TS=TD		0		0		0	

Soybean Meal Import Trade Matrix

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Meal, Soybean		
Time Period	OCT/SEP	Units:	1,000MT
Imports for:	2011		2012
U.S.	10	U.S.	157
Others		Others	
Brazil	955	Brazil	805
India	175	India	204
Argentina	391	Argentina	243
China	18	China	222
Total for Others	1539		1474
Others not Listed	1		2
Grand Total	1550		1633

Source: Korea Customs Service (KCS)

Rapeseed Meal PS&D

Meal, Rapeseed Republic of Korea,	2012/2013		2013/2014		2014/2015		
	Market Year Begin: Oct 2012		Market Year Begin: May 2013		Market Year Begin: Oct 2014		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Crush	63	63	51	1		1	(1000 MT)
Extr. Rate, 999.9999	0.	0.5556	0.	1.		1.	(PERCENT)
Beginning Stocks	40	40	50	64		65	(1000 MT)
Production	28	35	23	1		1	(1000 MT)

MY Imports	421	421	400	430		430	(1000 MT)
MY Imp. from U.S.	0	0	0	0		0	(1000 MT)
MY Imp. from EU	0	0	0	0		0	(1000 MT)
Total Supply	489	496	473	495		496	(1000 MT)
MY Exports	0	0	0	0		0	(1000 MT)
MY Exp. to EU	0	0	0	0		0	(1000 MT)
Industrial Dom. Cons.	49	20	50	20		20	(1000 MT)
Food Use Dom. Cons.	0	0	0	0		0	(1000 MT)
Feed Waste Dom. Cons.	390	412	395	410		410	(1000 MT)
Total Dom. Cons.	439	432	445	430		430	(1000 MT)
Ending Stocks	50	64	28	65		66	(1000 MT)
Total Distribution	489	496	473	495		496	(1000 MT)
CY Imports	350	440	350	430		430	(1000 MT)
CY Imp. from U.S.	0	0	0	0		0	(1000 MT)
CY Exports	0	0	0	0		0	(1000 MT)
CY Exp. to U.S.	0	0	0	0		0	(1000 MT)
SME	312	307	317	306		306	(1000 MT)
TS=TD		0		0		0	

Rapeseed Meal Import Trade Matrix

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Meal, Rapeseed		
Time Period	OCT/SEP	Units:	1,000MT
Imports for:	2011		2012
U.S.	0	U.S.	0
Others		Others	
India	445	India	397
		Canada	24
Total for Others	445		421
Others not Listed	5		0
Grand Total	450		421

Source: Korea Customs Service (KCS)

Author Defined:

Korea: Soybean Meal Production ^{1/}			
(Metric Ton)			
Month	MY 11/12	MY 12/13	MY 13/14

October	54,446	43,447	55,082
November	45,830	52,621	44,474
December	46,524	51,339	50,662
January	43,445	48,482	Na
February	47,522	45,706	Na
March	48,369	62,810	Na
April	55,446	58,172	Na
May	57,407	54,293	Na
June	56,243	47,585	Na
July	60,741	38,082	Na
August	43,377	51,360	Na
September	45,290	47,227	Na
Total	604,640	601,125	Na
Extraction Rate	74.21%	74.43%	Na

Source: Korea Soybean Processing Association

1/ based on crushers' applicable extraction rate

Korea: Feed Ingredients Use for Animal				
(October/September Basis)				
Items	MY 2011/2012		MY 2012/2013	
	1,000 MT	Percent	1,000 MT	Percent
Total Grains and Grain Substitution	11,569	64.3	12,185	64.5
- Wheat	3,065	17.0	2,710	14.4
- Corn	5,690	31.6	6,483	34.3
- Others	2,814	15.6	2,992	15.8
Total Vegetable Protein	4,451	24.7	4,623	24.5
- Soybean Meal 1/	2,053	11.4	1,986	10.5
- Rapeseed Meal	419	2.3	412	2.2
- Cottonseed Meal	6	0.0	7	0.0
- Palm Kernel Meal	734	4.1	782	4.1
- Copra Meal	427	2.4	602	3.2
- Sesame Meal	22	0.1	23	0.1
- Perilla seed Meal	4	0.0	3	0.0
- Corn Gluten Meal	87	0.5	83	0.4
DDGS	484	2.7	457	2.4
- Others	215	1.2	268	1.4
Total Animal Protein	150	0.8	182	1.0
- Fish meal	20	0.1	22	0.1
- Meat & Bone Meal	17	0.1	20	0.1
- Others	113	0.6	140	0.7
Total Others	1,830	10.2	1,893	10.0
TOTAL COMPOUND FEED	18,000	100.0	18,883	100.0

Source: Korea Feed Association

1/ include dehulled soybean meal

Korea: Imports of Major Protein Meals		
(October/September)		
	MY 2011/2012	MY 2012/2013

	Volume(MT)	Value(1,000\$)	Volume(MT)	Value(1,000\$)
Soybean Meal	1,549,860	660,729	1,633,348	886,912
Rapeseed Meal	450,163	104,878	421,044	142,305
Fish Meal	42,127	65,656	36,711	65,223
Bone Meal	247	378	208	326
Cottonseed Meal	23,457	7,750	22,841	9,705
Sunflower Seed Meal	384	157	802	334
Copra Meal	450,101	102,234	604,925	135,666
Palm Kernel Meal	764,925	113,012	817,996	148,975
Corn Germ Meal	6,684	1,781	29,304	8,864
Others	346,002	49,839	355,664	47,848
Total	3,633,950	1,106,414	3,922,843	1,446,161
DDGS	484,050	147,930	467,309	162,913

Source: Korean Customs Service (KCS)

Korea: Soybean Meal Imports for Oct.-Dec. by Origin							
(Unit: MT)							
MY 2013/14	USA	Brazil	Argentina	India	China	Others	Total
Oct. 2013	0	71,498	392	4,365	243	0	76,498
Nov	215	102,429	54,647	2,079	4,635	3,838	167,842
Dec	44	143,983	0	43,124	6,569	0	193,720
Subtotal	259	317,910	55,039	49,568	11,447	3,838	438,060
MY 2012/13 a/	3,818	127,202	222,733	8,023	15,716	2,338	379,830

Source: Korea Customs Service (KCS)

a/ October – December 2012

Korea: Soybean Meal Contracts under MY 2013/14 Arrival by Origin					
(Unit: 1,000 MT, as of February 2014)					
Estimated Time of Arrival	USA	SOAM	India	China	Total
Oct. 2013	0	170	0	0	170
Nov	0	110	30	0	140
Dec	0	110	0	0	110
Jan. 2014	24	103	70	15	212
Feb	110	0	15	0	125
Mar	32	0	45	0	77
Apr	55	95	0	0	150
May	0	195	0	0	195
Total	221	783	160	15	1179

Source: Local Traders

Korea: Compound Feed Production			
(October/September, 1,000 mt)			
Animal Type	MY 2011/12	MY 2012/13	MY 2013/14 a/
Poultry	4,821	4,726	4,800

Swine	5,322	6,100	5,800
Cattle	6,321	6,572	6,300
Others ^{b/}	1,477	1,483	1,400
Sub. Total	17,940	18,881	18,300
Aquaculture	109	96	100
Milk Substitute	48	43	40
Grand Total	18,098	19,020	18,440

Source: Korea Feed Association (KFA), Ministry for Agriculture, Food, and Rural Affairs (MAFRA)

a/ FAS/ Seoul forecast

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

Korea: Applied Tariff Schedule for Oil Cake and Meals				
(Percent)				
Commodity	H.S. Code	2012	2013	2014
DDGS ^{a/}	2303.30.0000	3 (0)	3 (0)	3 (0)
Soybean Meal ^{b/}	2304.00.0000	1.8 (0)	1.8 (0)	1.8 (0)
Peanut Meal	2305.00.0000	5	5	5
Cottonseed Meal ^{c/}	2306.10.0000	2 (0)	2 (0)	2 (0)
Linseed Meal	2306.20.0000	5	5	5
Sunflower Seed Meal	2306.30.0000	5	5	5
Rapeseed Meal	2306.40.0000	0	0	0
Copra Meal ^{d/}	2306.50.0000	2 (0)	2 (0)	2 (0)
Palm Kernel Meal ^{e/}	2306.60.0000	2 (0)	2 (0)	2 (0)
Cottonseed Hull for feed ^{f/}	2308.00.3000	5 (0)	5 (0)	5 (0)

Source: Korea Customs Service

The figures in parentheses are the autonomous quota tariff rates for CY 2014.

a/ The applied duty is assessed on the first 500,000 tons of residues of brewing or distilling dregs and waste.

b/ The applied duty is assessed on the first 2.7 million tons of soybean meal.

c/ The applied duty is assessed on the first 82,500 tons of cottonseed meal for feed and 15,000 tons for mushroom growing.

d/ The applied duty is assessed on the first 100,000 tons of copra meal.

e/ The applied duty is assessed on the first 100,000 tons of palm kernel meal.

f/ The applied duty is assessed on the first 110,000 tons of cottonseed hull for feed and 15,000 tons for mushroom growing.

Commodities:

Oil, Soybean

Oil, Palm

Production:

Because of narrow price margins resulting from competitive South American oil, MY 2014/15 soybean oil production is forecast to remain unchanged from the current marketing year estimate of 155,000 MT. MY 2013/14 soybean oil production is expected to increase slightly due to better crushing margins than rapeseed, resulting in crushers returning to soybean crushing from rapeseed in its flexible crushing facilities.

Consumption:

Soybean oil and palm oil account for 72 percent of the country's total oils supply in MY 2012/13. The majority of soybean oil is consumed in the HRI sector and home, and more recently in the biodiesel sector. Food processors and restaurants rely heavily on imported soybean oil while locally processed soybean oil is generally for home use. Palm oil is primarily used for

food processing, especially ramen (instant noodle) production, since it is more functional and cheaper than soybean oil. Palm oil has been increasingly used in local biodiesel production.

Soybean oil consumption in MY 2014/15 is forecast at 440,000 MT, remaining unchanged from the current marketing year's estimate because of dwindling demand for bio-diesel production as it is less cost effective. Meanwhile, palm oil consumption during this period is forecast at 350,000 MT, up 3 percent from the current marketing year because of rising demand from the bio-diesel sector.

Please refer to GAIN report KS 1352 Korea's Biofuel Update for more details on bio-diesel.

Trade:

The biodiesel sector has been the main driver behind rising edible oil imports since MY 2007/08. MY 2014/15 soybean oil imports are forecast at 300,000 MT, remaining unchanged from the current marketing year's estimate due to anticipation of a limited demand for biodiesel caused by lower price competitiveness compared to palm oil. In MY 2013/14, soybean oil imports are stagnant at 300,000 MT, remaining unchanged from the previous year. Soybean oil imported from South America, particularly Argentina, is much more price competitive than domestically produced soybean oil made from imported soybeans.

In MY 2014/15, palm oil imports are forecast to increase 3 percent to 360,000 MT mainly due to rising demand from the biodiesel industry. Palm oil imports for biodiesel are expected to reach 140,000 MT, up 8 percent from the current marketing year estimate as it's more competitively priced than other oil-based feed stocks. Palm oil imports for use in the local soap industry are expected to remain steady at 20,000 MT. In MY 2013/14, palm oil imports are expected to increase to 350,000 MT to meet greater demand for biodiesel purpose than the previous year.

As international edible oil price has stabilized, the government has removed edible oils from the list of autonomous TRQ in CY 2014. Palm oil has been imported duty free under Korea-ASEAN FTA since June 2007.

Under the KORUS FTA effective since March 15, 2012, Korea's 5.4 percent duty on imports of crude soybean oil is scheduled to be phased out in 10 equal annual reductions, while the 5.4 percent on refined soybean oil will be phased out in five equal annual reductions. Korea eliminated the import duty on palm oil immediately.

Production, Supply and Demand Data Statistics:

Soybean Oil PS&D

Oil, Soybean Republic of Korea,	2012/2013		2013/2014		2014/2015		
	Market Year Begin: Oct 2012		Market Year Begin: May 2013		Market Year Begin: Oct 2014		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Crush	860	808	870	850		850	(1000 MT)
Extr. Rate, 999.9999	0.	0.1856	0.	0.1824		0.1824	(PERCENT)
Beginning Stocks	54	54	27	48		43	(1000 MT)
Production	154	150	156	155		155	(1000 MT)
MY Imports	300	300	350	300		300	(1000 MT)
MY Imp. from U.S.	45	47	30	50		50	(1000 MT)
MY Imp. from EU	0	0	0	0		0	(1000 MT)
Total Supply	508	504	533	503		498	(1000 MT)
MY Exports	16	16	20	20		20	(1000 MT)
MY Exp. to EU	0	0	0	0		0	(1000 MT)
Industrial Dom. Cons.	80	40	96	40		40	(1000 MT)
Food Use Dom. Cons.	385	400	385	400		400	(1000 MT)

Feed Waste Dom. Cons.	0	0	0	0		0	(1000 MT)
-	0	0	0	0		0	(1000 MT)
Total Dom. Cons.	465	440	481	440		440	(1000 MT)
Ending Stocks	27	48	32	43		38	(1000 MT)
Total Distribution	508	504	533	503		498	(1000 MT)
CY Imports	340	287	350	300		300	(1000 MT)
CY Imp. from U.S.	30	47	30	50		50	(1000 MT)
CY Exports	25	10	25	20		30	(1000 MT)
CY Exp. to U.S.	0	0	0	0		0	(1000 MT)
TS=TD		0		0		0	

Soybean Oil Import Trade Matrix

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Oil, Soybean		
Time Period	OCT/SEP	Units:	1,000MT
Imports for:	2011		2012
U.S.	5	U.S.	47
Others		Others	
Argentina	264	Argentina	202
Brazil	3	Brazil	0
Vietnam	52	Vietnam	32
Thailand	15	Thailand	13
Total for Others	334		247
Others not Listed	4		6
Grand Total	343		300

Source: Korea Customs Service (KCS)

Palm Oil PS&D

Oil, Palm Republic of	Korea,	2012/2013		2013/2014		2014/2015		
		Market Year Begin: May 2012		Market Year Begin: May 2013		Market Year Begin: May 2014		
		USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted		0	0	0	0		0	(1000 HA)
Area Harvested		0	0	0	0		0	(1000 HA)
Trees		0	0	0	0		0	(1000

							TREES)
Beginning Stocks	24	24	41	36		41	(1000 MT)
Production	0	0	0	0		0	(1000 MT)
MY Imports	347	347	330	350		360	(1000 MT)
MY Imp. from U.S.	0	0	0	0		0	(1000 MT)
MY Imp. from EU	0	0	0	0		0	(1000 MT)
Total Supply	371	371	371	386		401	(1000 MT)
MY Exports	0	0	0	0		0	(1000 MT)
MY Exp. to EU	0	0	0	0		0	(1000 MT)
Industrial Dom. Cons.	135	140	135	150		160	(1000 MT)
Food Use Dom. Cons.	195	195	195	195		195	(1000 MT)
Feed Waste Dom. Cons.	0	0	0	0		0	(1000 MT)
Total Dom. Cons.	330	335	330	345		355	(1000 MT)
Ending Stocks	41	36	41	41		46	(1000 MT)
Total Distribution	371	371	371	386		401	(1000 MT)
CY Imports	315	334	315	350		360	(1000 MT)
CY Imp. from U.S.	0	0	0	0		0	(1000 MT)
CY Exports	0	0	0	0		0	(1000 MT)
CY Exp. to U.S.	0	0	0	0		0	(1000 MT)
TS=TD		0		0		0	

Palm Oil Import Trade Matrix

Import Trade Matrix			
Country	Korea, Republic of		
Commodity	Oil, Palm		
Time Period	OCT/SEP	Units:	1,000MT
Imports for:	2011		2012
U.S.	0	U.S.	0

Others		Others	
Malaysia	269	Malaysia	317
Indonesia	39	Indonesia	29
Total for Others	308		346
Others not Listed	16		1
Grand Total	324		347

Source: Korea Customs Service (KCS)

Author Defined:

Korea: Domestic Production of Vegetable Oils ^{1/}			
(Metric Ton)			
Commodities	MY 2010/11	MY 2011/12	MY 2012/13
Soybean Oil	173,200	150,100	150,000
Corn Oil	46,326	45,609	41,132
Sesame Oil	27,407	19,626	21,404
Rice Bran Oil	10,000	10,000	10,000
Rapeseed Oil	381	513	26,937
Perilla Seed Oil	25,294	23,723	22,490
Total	282,608	249,571	271,963

Source: Foreign Agriculture Service, Seoul, Korea

1/ FAS/Seoul estimates

Korea: Soybean Oil Production			
(Metric Ton)			
Month	MY 11/12	MY 12/13	MY 13/14
October	13,600	12,000	14,300
November	11,700	12,600	11,500
December	11,800	14,000	13,300
January	11,000	13,200	Na
February	11,000	12,000	Na
March	13,000	15,300	Na
April	13,500	15,200	Na
May	13,500	14,500	Na
June	13,000	12,700	Na
July	15,000	10,300	Na
August	11,000	13,600	Na
September	12,000	11,900	Na
Total	150,100	157,300	Na
Extraction Rate	18.42%	19.48%	Na

Source: Korea Soybean Processing Association (KSPA)

Korea: Total Supply of Edible Oils			
(Metric Ton)			
Commodity	MY 2010/11	MY 2011/12	MY 2012/13
Soybean Oil	473,387	492,969	450,463
Palm Oil	284,322	308,093	346,614
Corn Oil	46,335	46,757	42,119
Rapeseed Oil	91,968	103,432	103,272
Coconut Oil	61,212	60,452	62,387
Olive Oil	12,476	10,557	9,728
Cottonseed Oil	386	8,830	3,037
Sesame Oil	28,235	20,361	21,864
Rice Bran Oil	27,812	24,796	21,282
Perilla Seed Oil	25,954	24,476	23,437
Fish Oil	11,186	14,610	9,923
Sunflower Oil	18,237	22,991	18,699
Total	1,081,510	1,138,324	1,112,825

Source: Foreign Agriculture Service, Seoul, Korea

Korea: Fats and Oils Imports				
(MT & US\$1,000, Oct/Sep)				
Commodity	MY 2011/12		MY 2012/13	
	Volume	Value	Volume	Value
Palm Oil	308,093	327,458	346,614	292,333
Tallow	36,795	41,705	24,013	23,241
Lard	209	189	486	471
Coconut Oil	60,001	84,152	61,801	58,814
Cottonseed Oil	8,830	9,435	3,037	2,739
Fish Oil	13,610	22,268	8,923	20,436
Soy Oil	342,869	430,217	300,463	353,753
Corn Oil	1,148	1,421	987	1,072
Rapeseed Oil	102,681	134,341	76,355	99,762
Palm Kernel Oil	8,955	20,177	7,195	7,310
Rice Bran Oil	14,796	23,427	11,282	18,241
Castor Oil	5,982	11,245	6,659	10,595
Linseed Oil	6,173	9,480	6,048	9,710
Sunflower Oil	22,991	36,790	18,699	31,675
Safflower Oil	31	154	20	81
Olive Oil	10,557	33,947	9,728	39,799
Jobba Oil	39	1,207	47	1,348
Peanut Oil	52	307	13	111
Sesame Oil	735	2,129	460	2,172
Perilla Oil	753	1,891	947	2,582
Camellia Oil	16	294	18	294
Babassu Oil	6	75	4	51
Other Oil	13,627	50,318	13,924	25,137
Total	958,949	1,242,627	897,723	1,001,727

Source: Korea Customs Service (KCS)

Korea: Soybean Oil Imports for Oct.-Dec. by Origin

(Unit: MT)

MY 2013/14	USA	Argentina	Brazil	Vietnam	Others	Total
Oct. 2013	16	18,770	0	0	199	18,985
Nov	0	34,687	0	0	314	35,001
Dec	1	25,079	0	0	144	25,224
Subtotal	17	78,536	0	0	657	79,210
MY2012/13 a/	16	79,387	43	12,968	527	92,941

Source: Korea Customs Service (KCS)

a/ October – December 2012

Korea: Applied Tariff Schedule For Fats And Oils

(Percent)

Commodity	H.S. Code	General Rate	2013	2014
Lard	1501.00.10xx	3	3	3
Beef Tallow	1502.00.10xx	2	2	2
Other Tallow	1502.00.90xx	3	3	3
Fish Oil	1504.xx.xxxx	3	3	3
Soybean Oil for Food, Crude 1/	1507.10.1000	5	5 (3)	5
Soybean Oil For Biodiesel, Crude	1507.10.2000	5	5	5
Soybean Oil for Other, Crude	1507.10.9000	5	5	5
Soybean Oil for Food, Refined	1507.90.1010	5	5	5
Soybean Oil For Biodiesel, Refined	1507.90.1020	5	5	5
Soybean Oil for Other, Refined	1507.90.1090	5	5	5
Soybean Oil, Other	1507.90.9000	5	8	8
Peanut Oil	1508.xx.xxxx	27	27	27
Olive Oil	1509.xx.xxxx	5	5	5
Palm Crude Oil	1511.10.0000	3	3	3
Palm Oil	1511.90.xxxx	2	2	2
Sunflower Oil	1512.1x.xxxx	5	5	5
Safflower Oil	1512.1x.xxxx	5	5	5
Cotton Seed Oil	1512.2x.xxxx	5	5	5
Coconut Oil	1513.1x.xxxx	3	3	3
Palm Kernel Oil	1513.2x.xxxx	8	8	8
Rapeseed Oil, Crude	1514.11.0000	5	5	5
Rapeseed Oil, Refined	1514.19.xxxx	5	5	5
Rapeseed Oil, Other, Crude	1514.91.1000	5	5	5
Linseed Oil	1515.1x.xxxx	5	5	5
Corn Oil	1515.2x.xxxx	5	5	5
Castor Oil	1515.30.xxxx	5	8	8
Tung Oil	1515.90.9040	8	8	8
Sesame Oil 2/	1515.50.0000	40	40	40
Perilla Seed Oil	1515.90.1000	36	36	36
Rice Bran Oil (6,500) 3/	1515.90.9010	5	5 (3)	5
Other, Crude 4/	1515.90.9090	5	5 (3)	5

Source: Korea Customs Research Institute, Tariff Schedules for Korea

1/The number in parenthesis is the in-quota tariff rate assessed on 175,000 tons of soybean oil for food for the first half of CY 2013.

2/ In-Quota tariff rate under the WTO TRQ. Quota is 668 tons. The out-of-quota tariff rate is 630 percent or 12,060 Won/Kg, whichever is greater.

3/The number in parenthesis is the in-quota tariff rate assessed on 6,500 tons of rice bran oil for food for the first half of CY 2013.

4/The number in parenthesis is the in-quota tariff rate assessed on 7,500 tons of grape seed refined oil for food for the first half of CY 2013.

