

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Date: 12/4/2017

GAIN Report Number: KS1743

Korea - Republic of

Post: Seoul

2017 Rice Production Update

Report Categories:

Grain and Feed

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Report Highlights:

On November 14, 2017, Statistics Korea (KOSTAT) released its revised 2017 rice production estimate of 3.972 million metric tons (MMT), slightly up from 3.955 MMT, the initial rice production estimate surveyed in early September 2017. This represents 5.3 percent lower output than last year's record crop, reflecting a decline in rice area. Lower production is expected to result in a 25 percent stocks-to-use ratio in MY 2017/18, sharply lower than 44 percent in MY 2015/16.

General Information:

Production

On November 14, 2017, Statistics Korea (KOSTAT) released its revised 2017 rice production estimate of 3,972,468 metric tons, representing a minor increase from the recent update of PSD (KS1735) due to continued favorable weather conditions through harvest completion combined with slightly lower planted area and yield. The PSD has been revised accordingly.

Yield

Favorable weather through harvest completion has contributed to a rice yield of 5,264 kg per hectare. Yields were higher than the Olympic average of countrywide yield in 2012-2016 (i.e., with the largest and the smallest yield excluded), but down 2.3 percent from last year.

Korea: Rice Area, Yield and Production			
Crop Year	Area (1,000HA)	Yield (KG/HA)	Production (Milled, 1,000 MT)
2005	980	4,865	4,768
2006	955	4,901	4,680
2007	950	4,640	4,408
2008	936	5,174	4,843
2009	924	5,318	4,916
2010	892	4,815	4,295
2011	854	4,946	4,224
2012	849	4,718	4,006
2013	833	5,081	4,230
2014	816	5,200	4,241
2015	799	5,416	4,327
2016	779	5,389	4,197
2017	755	5,264	3,972

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

Korea: 2017 Rice Area, Yield and Production			
Type of Rice Land	Area	Yield (KG/HA)	Production (Milled, MT)
Paddy Rice	754,339	5,265	3,971,609
Upland Rice	374	2,299	860
Total	754,713	5,264	3,972,469

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

Korea: Rice Area and Production Estimate per Province (September 15 Crop Survey Basis)						
Crop Year	Area (Hectare)			Production (Metric ton)		
	2016	2017	Change (%)	2016	2017	Change (%)
National Total	778,734	754,713	-3.1	4,196,691	3,972,468	-5.3
Kyonggi	80,750	78,484	-2.8	413,916	379,991	-8.2
Kangwon	30,714	29,710	-3.3	166,396	148,347	-10.8

Chungbuk	37,114	35,069	-5.5	201,675	179,837	-10.8
Chungnam	137,354	134,035	-2.4	774,105	720,554	-6.9
Chonbuk	121,026	118,340	-2.2	687,398	655,292	-4.7
Chonnam	166,444	161,442	-3.0	846,236	827,162	-2.3
Kyounbuk	102,941	99,551	-3.3	576,643	549,474	-4.7
Kyongnam	70,626	67,895	-3.9	369,032	359,186	-2.7
Cheju	127	113	-11.0	358	306	-14.5
Cities ^{1/}	31,638	30,074	-4.9	160,931	152,319	-5.4

Source: Statistics Korea (KOSTAT)

1/ paddy land located in seven big cities such as Seoul, Pusan etc

Stocks:

The MY 2017/18 ending stocks forecast (as of the end of October 2018) remains unchanged from the previous report at 1.2 MMT, or 24.9 percent of total consumption. MY 2016/17 ending stocks (as of the end of October 2017) are 36.1 percent of total domestic consumption, slightly down from the previous estimate of 36.5 percent, due to lower actual imports of rice than was previously estimated.

Korea: Status of Rice Stocks						
(Milled rice, 1,000 MT, as of end October)						
Rice Year (Nov.-Oct.)	2012/13	2013/14	2014/15a/	2015/16b/	2016/17c/	2017/18d/
Total Stock	755	887	1,406	1,831	1,701	1,212
Government Stock	755	887	1,406	1,831	1,701	1,212
Total Domestic Consumption	4,489	4,422	4,197	4,212	4,706	4,868
Stock to Use Ratio (%)	16.8	20.0	33.5	43.5	36.1	24.9

Source: FAS/Seoul Estimate based on MAFRA data

a/ MAFRA Revised

b/ MAFRA Preliminary

c/ MAFRA forecast

d/ FAS/Seoul forecast

Production, Supply and Demand Data Statistics:

Rice PS&D

Rice, Milled Market Begin Year	2015/2016		2016/2017		2017/2018	
	Nov 2015		Nov 2016		Nov 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Korea, Republic of						
Area Harvested	799	799	779	779	744	755
Beginning Stocks	1406	1406	1831	1831	1736	1701
Milled Production	4327	4327	4197	4197	3900	3972
Rough Production	5771	5771	5625	5625	5217	5286
Milling Rate (.9999)	7498	7498	7461	7461	7475	7514
MY Imports	312	312	410	382	410	410
TY Imports	313	313	410	340	410	410

TY Imp. from U.S.	112	111	0	165	0	160
Total Supply	6045	6045	6438	6410	6046	6083
MY Exports	2	2	2	3	2	3
TY Exports	2	2	2	3	2	3
Consumption and Residual	4212	4212	4700	4706	4650	4868
Ending Stocks	1831	1831	1736	1701	1394	1212
Total Distribution	6045	6045	6438	6410	6046	6083
Yield (Rough)	7.2228	7.2228	7.2208	7.2208	7.0121	7.0013
(1000 HA) ,(1000 MT) ,(MT/HA)						

Appendix:

Applicable Milling Rate from Brown Rice to Milled Rice:

Based on the outcome of an industry survey in November 2011, the Ministry of Agriculture, Food, and Rural Affairs (MAFRA) acknowledged that the currently estimated average milling rate (paddy to milled) was too high and considered lowering it from 74 percent to 72 percent to reflect current processing practices. Local processors reportedly polished rice to a greater degree in response to consumer demand for well-milled high quality rice.

The table below shows how milling rates change along the Degree of Milling (DOM) spectrum. The higher the number is in the 12 degree spectrum, the whiter and higher quality the rice will be. Korean milling degrees have recently climbed from an average of nine to 12 degrees. While this affects the milling rate, the shelling rate to brown rice from paddy rice remains unchanged at 80 percent.

Korea: Milling Rate to Milled Rice from Paddy Rice (Percent)							
Degree(s)	1	2	5	7	9 ^{a/}	10	12 ^{b/}
% of Brown Rice Removed	0.8	1.6	4.0	5.6	7.2	8.0	9.6
% of Milled Rice Remaining	99.2	98.4	96.0	94.4	92.9	92.0	90.4
% of Shelling Rate	80	80	80	80	80	80	80
% of Milling Rate	79.36	78.72	76.80	75.52	74.32	73.60	72.32

Source: Statistics Korea (KOSTAT)

a/ milling rate applicable to date

b/ milling rate to be revised in the future

The Korean government released rice production statistics that show a comparison of milled rice production based on milling rates of nine degrees and 12 degrees, as presented below. The change in milling rates will result in a production decrease on average of about two to three percent. However, as MAFRA continues to maintain its official data series based on nine degrees, PSD milling rate figures align accordingly.

Korea: Rice Production Comparison per Milling Rate						
Crop Year	Area (1,000 HA)	Rough Rice	Based on 9 Degrees		Based on 12 Degrees	
			Milled	Milling	Milled	Milling

		(1,000 MT)	Rice (1,000 MT)	Rate (%)	Rice (1,000 MT)	Rate (%)
1995	1,056	6,389	4,694	73.47	4,568	71.50
1996	1,050	7,123	5,323	74.73	5,179	72.71
1997	1,052	7,315	5,449	74.49	5,302	72.48
1998	1,059	6,790	5,097	75.07	4,959	73.03
1999	1,066	7,066	5,263	74.48	5,121	72.47
2000	1,072	7,197	5,291	73.52	5,148	71.53
2001	1,083	7,407	5,515	74.46	5,366	72.44
2002	1,053	6,687	4,927	73.68	4,794	71.69
2003	1,016	6,151	4,451	72.36	4,331	70.41
2004	1,001	6,737	5,000	74.22	4,865	72.21
2005	980	6,435	4,768	74.09	4,640	72.11
2006	955	6,305	4,680	74.23	4,554	72.23
2007	950	5,962	4,408	73.93	4,289	71.94
2008	936	6,468	4,843	74.88	4,712	72.85
2009	924	6,502	4,916	75.61	4,787	73.62
2010	892	5,811	4,295	73.91	4,180	71.93
2011	854	5,616	4,224	75.21	4,110	73.18
2012	849	5,405	4,006	74.12	3,898	72.12
2013	833	5,632	4,230	75.11	4,116	73.08
2014	816	5,638	4,241	75.22	4,126	73.18
2015	799	5,771	4,327	74.98	4,210	72.95
2016	779	5,625	4,197	74.61	4,084	72.60
2017	755	5,286	3,972	75.14	3,866	73.14

Source: Statistics Korea (KOSTAT)

