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Global Agricultural Information Network

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## **Korea - Republic of**

**Post:** Seoul

### **2013 MMA Rice Tendering Results**

**Report Categories:**

Grain and Feed

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**Report Highlights:**

Korea purchased a total of 388,353 metric tons (MT) of rice from the United States, China, Thailand, Australia, Vietnam and India under the 2013 MMA. The U.S. share was 30 percent, with contracts totaling 114,600 MT (milled) worth US\$89 million. U.S. contracts of roughly 52,425 MT were brown rice (equivalent to 47,183 MT on milled basis) for food processing purpose with deliveries from August through December 2013, while the remaining 67,417 MT was milled table rice with delivery dates from March through December 2013.

## General Information:

### Overview:

The Korea Agro-Fisheries and Food Trade Corporation (aT) completed the tendering process for the 2013 Minimum Market Access (MMA) commitments for rice on December 13, 2013. Korea purchased a total of 388,353 metric tons (MT) of rice from the United States, China, Thailand, Australia, Vietnam and India (see table 1). The U.S. share was 30 percent, with contracts totaling 114,600 MT (milled) worth US\$89 million. U.S. contracts of roughly 52,425 MT, were brown rice (equivalent to 47,183 MT on milled basis) for food processing purpose with deliveries from August through December 2013, while the remaining 67,417 MT was milled table rice with delivery dates from March through December 2013 (see table 2).

**Global Quota:** The United States contracted 64,524 MT or 34.3 percent of the total Global Quota (GQ) of 188,251 MT, followed by China with 35,280 MT or 18.7 percent, India with 30,000 MT or 15.9 percent, Thailand with 25,200 MT or 13.3 percent, Australia with 19,447 MT or 10.3 percent and Vietnam with 13,800 MT or 7.3 percent on a milled basis (see table 4). U.S. contracts of 64,524 MT under the global quota were comprised of 39,398 MT for food processing and 25,126 MT for table purpose (see table 1).

**Country Specific Quotas:** The United States successfully contracted 50,076 MT under the 2013 U.S. CSQ, consisting of 42,291 MT of table rice and 7,785 MT of food processing rice. U.S. table rice contracts increased by 5.6 percent to 42,291 MT compared to 40,056 MT in 2012 while U.S. CSQ contracts of processing purpose decreased by 22 percent to 7,785 MT in 2013 from 10,020 MT in 2012 (see table 5).

**Table Rice:** The Korean government allocated 20,000 MT of optional variety between medium and short grain milled rice for table purpose under the 2013 global quota for the first time, which offset the decrease in table rice under the Chinese CSQ. As U.S. bidders won contracts of 20,000 MT of medium grain milled rice for table purpose under the global quota of optional variety, U.S. rice exporters successfully sold 67,417 MT of U.S. medium grain milled rice for table purpose, or 58 percent of total table rice of 116,505 MT, which also included 5,126 MT of Australian CSQ. The Australian CSQ was converted to global quota after three unsuccessful bids. As a result, the total supply of U.S. table rice increased to 58 percent from 36 percent of total table rice quota under the 2012 MMA, reflecting higher Korean consumer confidence in U.S. rice quality (see table 2 & 10).

In general, the increased U.S. table rice allocation is attributed to a redistribution of Chinese and Thai rice for table purpose, reflecting Korean consumers' response to imported rice. The pace of auctioning of table rice imported from China and Thailand has been very slow due to a lack of demand from Korean consumers.

The average contracted price for U.S. #1 table rice was \$765.22/MT, down approximately 0.7 percent from the previous year. Meanwhile, U.S. #3 table rice averaged \$746.24/MT, up 7.5 percent from the previous year's contracted price. Chinese #1 table rice prices remained unchanged at \$928/MT on average from the previous year, while Thai #1 table rice prices decreased to \$636.28/MT, down 5 percent from the previous year respectively (see table 7).

Table 1

<b>Korea: Rice Contracts by Country under 2013 MMA</b>					
<b>(Unit: MT, Milled Basis, as of December 13, 2013)</b>					
Country	Global Quota		CSQ		Total (%)
	Processing	Table	Processing	Table	
USA	39,398	25,126 <sup>b</sup>	7,785	42,291	<b>114,600 (29.5)</b>
China	35,280	0	70,217	45,942	<b>151,439 (39.0)</b>
Thailand	25,200	0	26,817	3,146 <sup>a</sup>	<b>55,163 (14.2)</b>
Australia	19,447	0	3,904	0	<b>23,351 (6.0)</b>
Vietnam	13,800	0	0	0	<b>13,800 (3.6)</b>
India	30,000	0	0	0	<b>30,000 (7.7)</b>

<b>S.Total</b>	<b>163,125</b>	<b>25,126</b>	<b>108,723</b>	<b>91,379</b>	<b>388,353(100)</b>
<b>G. Total</b>		<b>188,251</b>		<b>200,102</b>	<b>388,353(100)</b>

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

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

b/ include 5,126 MT of Australian CSQ that were converted to global quota after getting through three times of unsuccessful trials in biddings

Table 2

<b>Korea: U.S. Rice Sales to Korea under 2013 MMA</b>						
Contracts	Quota	Milled rice(MT) for Table	Brown rice(MT) for Processing	Arrival unit price	Amount	ETA
		USDA #1	USDA #3	(\$/MT)	(\$)	2013
1	CSQ	7,000		736.00	5,152,000	March-May
2	CSQ	7,000		711.76	4,982,320	March-May
3	CSQ	6,000		750.45	4,502,700	March-May
4	CSQ	4,229 <sup>a/</sup>		739.53	3,127,472	July
5	GQ	6,000		762.40	4,574,400	May-July
6	CSQ	9,062		791.68	7,174,204	July
7	GQ	6,000		787.28	4,723,680	July
8	CSQ		8,650	703.99	6,089,514	August
9	GQ		8,664	712.63	6,174,226	August
10	GQ	6,000		795.24	4,771,440	September
11	CSQ	9,000		797.24	7,175,160	September
12	GQ		11,111	711.98	7,910,810	August
13	GQ		9,000	686.21	6,175,890	October
14	GQ	2,000 <sup>a/</sup>		760.43	1,520,860	October
15	GQ		15,000	731.12	10,966,800	December
16	GQ	5,126		734.70	3,766,072	December
<b>total</b>		<b>67,417</b>	<b>52,425<sup>b/</sup></b>		<b>88,787,548</b>	

Source: Korea Agro-Fisheries and Food Trade Corporation (aT), totaling 114,600 MT in milled basis or 29.5 percent of total 2013 MMA.

a/ USDA #3

b/ equivalent to 47,183 MT, milled basis (90 percent of brown rice)

Table 3

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

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

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

b/ 4,500 MT were converted to global quota from CSQ that got through three times of unsuccessful trials in biddings.

c/ 53,672 MT were converted to global quota from CSQ that got through three times of unsuccessful trials in biddings.  
d/ 5,126 MT were converted to global quota from CSQ that got through three times of unsuccessful trials in biddings  
e/ plan

Table 4

<b>Korea: Global Quota Allocation per Country on the Buying Tenders</b> (Milled basis, MT, as of December 13, 2013)						
Calendar Year	MMA Quota	U.S.A.	China	Thailand	Australia	Others
2005	20,347	6,104	11,191	3,052	0	0
2006	49,724	13,025	23,080	13,619	0	0
2007	70,072	21,643	32,352	16,077	0	0
2008	90,419	19,534	35,126	35,759	0	0
2009	110,766	31,270	43,629	30,347	0	5,520 <sup>a/</sup>
2010	135,613	48,143	42,411	40,347	0	4,712 <sup>a/</sup>
2011	151,460	51,414	44,911	20,694	0	34,441 <sup>b/</sup>
2012	216,450	50,825	103,583	0	0	62,042 <sup>c/</sup>
2013	188,251	64,524 <sup>e/</sup>	35,280	25,200	19,447	43,800 <sup>d/</sup>
Total	1,033,102	306,482	371,563	185,095	19,447	150,515

Source: FAS/Seoul

a/ Pakistan

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

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

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

e/ include 25,126 MT of table purpose

Table 5

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

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

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

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

drought conditions.

c/ included 90MT of Jasmin rice

d/ USA won the Australian CSQ allocation that were converted to global quota from CSQ that got through three times of unsuccessful trials in biddings

Table 6

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

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

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

b/ broken rice

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

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

e/ converted to global quota from CSQ that got through three times of unsuccessful trials in biddings

Table 7

Korea: 2013 MMA Rice Tender Results (Metric Ton, as of December 13, 2013)									
Quota Type	Bid Date (mm-dd-yy)	Rice Type	Quota Volume	Quota Volume	Origin	Final Bid Price US\$/MT	Delivery date in 2012	Local	Supplier
			(Contract Basis)	(Milled Rice Basis)				Agent	
CSQ	2013-01-08	MG#1 Milled	7,000	7,000	USA	736 CIF	May	Seo-Mok	ADM
CSQ	2012-12-27	MG#1 Milled	7,000	7,000	USA	711.76 CIF	May	Daewoo	FRC
CSQ	2012-12-27	MG#1 Milled	6,000	6,000	USA	750.45 CIF	May	sing-song	ACC
Global	2013-02-05	MG #3 Brown (Indica)	16,333	14,700	India	557 CIP	June	sing-song	sing-song
Global	2013-02-21	MG #3 Brown	9,000	8,100	Australia	660.41 CIP	June	D&B	Sun Rice
CSQ	2013-02-21	MG#3 Milled	4,229	4,229	USA	739.53 CIF	July	GS Global	SunValley
Global	2013-04-03	SG #3 Brown	10,000	9,000	China	859 CIP	July	Daewoo	COFCO
CSQ	2013-04-03	LG #3 Brown	15,556	14,000	Thailand	602.26 CIP	June	LG	Chaiyaporn
Global	2013-03-12	MG or SG #3 Brown (Indica)	17,000	15,300	India	517 CIP	July	Samsung	
Global	2013-03-12	MG #1 Milled	6,000	6,000	USA	762.4 CIF	July	sing-song	ACC
CSQ	2013-04-09	MG#1 Milled	9,062	9,062	USA	791.68 CIF	July	Daewoo	FRC
Global	2013-04-09	MG #1 Milled	6,000	6,000	USA	787.28 CIF	July	Seo-Mok	ADM
CSQ	2013-04-30	MG #3 Brown	8,650	7,785	USA	703.99 CIP	August	sing-song	ACC
Global	2013-04-30	MG #3 Brown	8,664	7,798	USA	712.63 CIP	August	Seo-Mok	ADM

Global	2013-04-30	MG #1 Milled	6,000	6,000	USA	795.24 CIF	September	Seo-Mok	ADM
CSQ	2013-04-30	MG#1 Milled	9,000	9,000	USA	797.24 CIF	September	Seo-Mok	ADM
Global	2013-05-07	MG #3 Brown (Japonica)	11,111	10,000	USA	711.98 CIP	August	LG	FRC
CSQ	2013-05-07	SG #3 Milled	13,942	13,942	China	918 CIP	October	Daewoo	COFCO
CSQ	2013-06-14	SG #3 Brown	19,000	17,100	China	864 CIP	September	sing-song	Jilin Grain
CSQ	2013-06-14	SG #3 Brown	19,319	17,387	China	867 CIP	October	Daewoo	COFCO
CSQ	2013-06-14	SG #3 Brown	12,000	10,800	China	867 CIP	August	Daewoo	COFCO
CSQ	2013-06-14	SG #3 Brown	10,000	9,000	China	864.4 CIP	November	sing-song	Jilin Grain
CSQ	2013-06-14	SG #3 Brown	17,700	15,930	China	865 CIP	December	sing-song	Jilin Grain
Global	2013-06-27	MG #3 Brown (Japonica)	9,000	8,100	USA	686.21 CIP	October	sing-song	ACC
Global	2013-06-27	MG or SG #3 Milled Sweet Rice	3,000	3,000	Vietnam	1017.6 CIF	October	sing-song	sing-song HK
Global	2013-06-27	MG or SG #3 Milled	2,000	2,000	USA	760.43 CIF	October	sing-song	ACC
CSQ	2013-06-27	LG#1 Milled	3,056	3,056	Thailand	636.28 CIF	December	KT Corporation	Siam Grain
CSQ	2013-06-27	LG#1 Milled (Hom Mali/Indica)	90	90	Thailand	1298.69 CIF	December	Daewoo	Capital Rice
Global	2013-07-31	SG #3 Brown	10,000	9,000	China	867 CIP	October	Daewoo	COFCO
Global	2013-07-31	SG #3 Brown	5,492	4,943	China	865.6 CIP	November	sing-song	Jilin Grain
Global	2013-07-31	SG #3 Brown	5,808	5,227	China	877 CIP	October	Daewoo	COFCO
Global	2013-07-31	SG #3 Brown	7,900	7,110	China	877 CIP	November	Daewoo	COFCO
Global	2013-07-31	SG #3 Brown	12,608	11,347	Australia	845.88 CIP	December	D&B	Sun Rice
Global	2013-07-31	MG #3 Brown (Japonica)	15,000	13,500	USA	731.12 CIP	December	Seo-Mok	ADM
CSQ	2013-07-31	LG #3 Brown	14,241	12,817	Thailand	531.83 CIP	October	Daewoo	Capital Rice
CSQ	2013-07-31	SG #1 Milled	15,000	15,000	China	928 CIF	November	Daewoo	COFCO
CSQ	2013-07-31	SG #1 Milled	12,565	12,565	China	928 CIF	November	Daewoo	COFCO
CSQ	2013-07-31	SG #3 Milled	4,435	4,435	China	918 CIF	November	sing-song	Jilin Grain
CSQ	2013-07-31	MG #3 Brown (Japonica)	4,338	3,904	Australia	690 CIP	December	D&B	Sun Rice
Global 1/	2013-10-15	MG #1 Milled	5,126	5,126	USA	734.70 CIF	December	sing-song	ACC
Global	2013-10-22	LG #3 Brown	6,700	6,030	Thailand	439.99 CIP	Jan. 2014	Hyolim	Chiameng
Global	2013-12-10	LG #3 Brown	7,300	6,570	Thailand	450.81 CIP	Mar.2014	Hyolim	Chiameng
Global	2013-12-10	LG #3 Brown	14,000	12,600	Thailand	456.47 CIP	Mar.2014	Hyolim	Chiameng
Global	2013-12-10	LG #3 Brown	12,000	10,800	Vietnam	459.66 CIP	Mar.2014	Samsung	Genra Corp
		Total		388,353					

1/ under global quota converted from CSQ that got through three times of unsuccessful trials in biddings.

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

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

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

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

CIF: Cost, Freight and Insurance

Table 8

Korea: U.S. Table Rice Delivery Schedule Based on Contracts under 2013 MMA (Non-Glutinous Milled Rice Medium Grain, Metric Ton)					
Supplier	Contractual Quantity	Grade	Shipment	ETA Busan Port	
ADM	7,000	U.S. No. 1	3,000	March 2013	
			2,000	April 2013	
			2,000	May 2013	
FRC	7,000		3,000	March 2013	
			2,000	April 2013	
			2,000	May 2013	
ACC	6,000		2,000	March 2013	
			2,000	April 2013	
			2,000	May 2013	
Sun Valley	4,229	U.S. No. 3	4,229	July 2013	
ACC	6,000	U.S. No. 1	2,000	May 2013	
			2,000	June 2013	
			2,000	July 2013	
FRC	9,062			9,062	by July 2013
ADM	6,000			6,000	by July 2013
ADM	6,000			6,000	by September 2013
ADM	9,000			9,000	by September 2013

ACC	2,000	U.S. No. 3	2,000	by October 2013
ACC	5,126	U.S. No. 1	5,126	by December 2013
Total	67,417			

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

Table 9

Korea: Rice Allocation per Country on the Buying Tender under MMA (Milled basis, MT)						
Calendar Year	MMA Quota	U.S.A.	China	Thailand	Australia	Others
1995	51,307	0	0	0	0	51,307 <sup>b</sup>
1996	64,134	0	64,134	0	0	0
1997	76,961	0	58,961	18,000	0	0
1998	89,787	0	83,487	6,300	0	0
1999	102,614	0	80,114	13,500	0	9,000 <sup>c</sup>
2000	102,614	0	84,614	18,000	0	0
2001	128,268	27,000	63,000	18,000	20,268	0
2002	153,921	36,000	95,421	22,500	0	0
2003	179,575	49,500	103,075	27,000	0	0
2004	205,228	58,500	117,028	29,700	0	0
2005	225,575	56,179	127,351	33,015	9,030	0
2006	245,922	63,101	145,343	37,478	0	0
2007	266,270	71,719	148,511	46,040 <sup>a</sup>	0	0
2008	286,617	69,610	151,285	65,722	0	0
2009	306,964	81,346	159,788	60,310	0	5,520 <sup>d</sup>
2010	327,311	93,719	158,570	70,310	0	4,712 <sup>d</sup>
2011	347,658	101,490	161,070	50,657	0	34,441 <sup>e</sup>
2012	368,006	100,901	166,070	29,963	9,030	62,042 <sup>f</sup>
2013	388,353	114,600	151,439	55,163	23,351	43,800 <sup>g</sup>
Total	<b>3,917,085</b>	<b>923,665</b>	<b>2,119,261</b>	<b>601,658</b>	<b>61,679</b>	<b>210,822</b>

Source: FAS/Seoul

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

b/ India

c/ Vietnam

d/ Pakistan

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

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

g/ Vietnam (13,800 MT), India (30,000 MT)

Table 10

Korea: Import Schedule of Table Rice (MT, Milled Rice)			
Calendar Year	Total	Table Purpose	Rate of Table Rice (%)
2005	225,575	22,557	10
2006	245,922	34,429	14
2007	266,270	47,928	18
2008	286,617	63,055 <sup>a/</sup>	22
2009	306,964	79,810 <sup>b/</sup>	26
2010	327,311	98,193 <sup>c/</sup>	30
2011	347,658	104,297	30
2012	368,006	110,401	30
2013	388,353	116,505	30
2014	408,700	122,610	30

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

a/ Of them, 24,934MT of Chinese rice was diverted to alcohol processing purpose in CY2010

b/ Of them, 33,303 MT of Chinese rice and 1,500 MT of Thai rice were diverted to alcohol processing purpose in CY2011

c/ Of them, 5,671MT of Chinese rice were diverted to alcohol processing purpose in CY2012.