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Korea, Republic of

Oilseeds and Products

Annual

2005

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Report Highlights:
MY 2005/06 soybean imports, given an improving economic situation and the restructuring of the oilseed crushing industry, are expected to increase to 1.55 million metric tons (MMT) after rebounding to 1.50 MMT in MY 2004/05. Strong demand for compound feed from the beef cattle and poultry sectors is expected to result in soybean meal imports of 1.35 MMT in MY 2004/05 and 1.40 MMT in MY 2005/06. The perception of consumers that vegetable oil-based products are healthful is expected to lead to increased soybean oil imports in MY 2004/05 and MY 2005/06.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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SECTION I. SITUATION AND OUT

The Bank of Korea forecasts that the potential GDP growth rate for 2005 is 5.0 percent as compared to 4.7 to 4.8 percent in 2004. Consumer price increases are expected to remain in the three percent range. The unemployment rate is likely to hover in the mid-three percent range. The current account surplus is expected to reach approximately $20 billion in 2005 because the goods account surplus will shrink somewhat while the service account deficit will grow in comparison to last year. Some economic analysts, however, forecast that the GDP growth rate will be lower than last year's because export growth has been lackluster, the economy lacks a conspicuous engine for recovery, and private debt levels are high.

OILSEED

In MY 2005/06, Korea's soybean area is expected to be in the 86,000 to 87,000 HA range. Increases are due to farmers continuing to convert from rice to soybeans. In 2002 the Korean government initiated a rice area reduction program, which included favorable government purchase prices for soybeans that are grown on former rice paddies. Last marketing year, this program was responsible for a six percent increase in soybean area, which grew to 85,270 HA. Based on average yields for the past five years, MY 2005/06 soybean production is forecast at 120,000 to 130,000 metric tons (MT). It is expected that next year's yields will be six to 14 percent lower than last year's which, due to favorable weather, were the highest yields in recent memory.

MY 2004/05 soybean imports are expected to be 13 percent higher than last year's because Shin Dong Bang, which, in September 2004, merged with the Sajo Industry Company, is now fully recovered from seven years of financial difficulties. In MY 2005/06, total soybean imports are expected to reach 1.60 million metric tons (MMT), which represents only limited growth over 2003/04, when imports for crushing totaled 1.25 MMT and imports for food purposes totaled 0.35 MMT. Last year's robust growth in imports were the result of an improving Korean economy and an overall improving financial environment in the crushing industry.

In MY 2004/05, U.S. soybean exports to Korea are expected to increase to 1.3 MMT, up 18 percent from last year. The additional imports will be necessary to meet the greater demand from the rebounding crushing sector. In MY 2005/06, U.S. soybean exports to Korea will likely remain at 1.3 MMT due to growing competition from South American suppliers.

Soybean crushing and food processing account for most of the demand for imported soybeans. Over 80 percent of imported soybeans are processed into meal and oil. The remaining 20 percent are utilized by the food-processing sector. In recent years, food-processing demand for soybeans has stabilized at 350,000 MT of which the majority is sourced from the United States.

In 2004, Shin Dong Bang closed one of its two crushing facilities. The closed facility was situated in Chinhae, near Busan, and had a daily crushing capacity of 1,100 MT. Shin Dong Bang is building a new vegetable oil refining facility that will have capacity to refine 150 MT of crude soybean oil a day. The facility is expected to open during the second half of 2005.

FOOD GRADE SOYBEANS (NON GMO SOYBEANS)

The Agricultural and Fisheries Marketing Corporation (AFMC), a state trading company, continues to buy U.S. No. 1 non-biotech-enhanced soybeans for food processing through an identity preserved (IP) certification system under a tariff rate quota (TRQ). Due to greater demand from manufacturers of soybean curd, soy sauce, soy paste, and soy-based seasonings, AFMC requested that the government increase the 2005 soybean TRQ to 270,000 MT, up 21,000 MT from last year's TRQ.

Increased demand for food quality beans is partially due to a growing preference for whole soybeans on the part of some food manufacturers who formerly used soybean powder instead of whole beans. Consumers prefer the taste of foods made from whole soybeans. Also, soybean curd made from soybean powder quickly turns brown. Therefore, from January to November 2004, the importation of soybean powder declined to 12,015 MT, down 52 percent as compared with the same 11-month period in the previous year. Even though the Korean food code has allowed soybean powder to be used for food processing purposes since 1991, imports, mostly from China, only became sizeable in 2001. Soybean powder is subject to a three percent tariff.

In MY 2004/05 and MY 2005/06, private importers are expected to continue importing 50,000 to 60,000 MT of soybeans for food processing purposes from China. Chinese soybeans, which are imported strictly by private sector buyers, are subject to the out-of-quota import tariff of 487 percent or Korean Won 956/kg, whichever is greater. Seventy percent of the soybeans imported from China are used for sprouting, 20 percent are used to make soybean curd, and the remaining ten percent are used to make soybean-based seasonings.

MEAL

In MY 2004/05 and MY 2005/06, the production of soybean meal is expected to increase gradually because it is anticipated that feed industry demand for soybean meal will strengthen, and that crushing margins will improve. (Since MY 1999/2000, the soybean meal extraction rate has declined from 79 to 75 percent because crushers have increased the production of dehulled soybean meal.)

In MY 2004/05, compound feed production is projected to increase only slightly because growing beef cattle and poultry numbers will be offset by decreasing swine and dairy cattle inventories. Korean beef cattle numbers, which reached a low point in March 2003, have continued to increase steadily since then. Beef cattle numbers are expected to continue to increase for the time being because of record level farm gate prices for beef cattle and calves. Farmers expect even more growth in demand for beef because the Korean economy is expected to do well in 2005. Beef cattle numbers are expected to contract, however, when U.S. beef returns to the Korean market. Meanwhile, dairy cattle numbers are declining due to the overproduction of milk and a herd reduction program.

In MY 2003/04 swine inventories declined due to disease outbreaks. In MY 2004/05, swine numbers will likely continue to fall due to mandatory livestock registration regulations, which were recently announced by the Korean government. These regulations require that livestock farmers register their operations with the municipal government. Farmers must demonstrate that they have a minimum amount of space per animal and they must agree to attend extension classes on environmentally friendly agriculture once a year. (See KS5007.)

Meanwhile, layer and broiler production is expected to increase because the demand for poultry products is on the rise, buoyed by the recovery of the Korean economy, and by dwindling consumer concerns over avian influenza. Anticipated lower compound feed prices have also contributed to the expansion in poultry numbers. In the first ten months of 2004, due to sharp increases in prices for inputs, compound feed prices increased by 23 percent. But, these prices fell by five percent in November 2004, and by another five percent in January 2005.

In MY 2003/04, soybean meal inclusion rates, on a total compound feed basis, were reported at 13.7 percent, down from 14.6 percent the year before. The inclusion rate fell, not only because the import price of soybean meal was about 83 percent higher as compared with MY 2002/03, but also because compound feed production for the poultry sector declined. However, in MY 2004/05, the inclusion rate is expected to rebound to the 14.0 to 14.5 range because, since November 2004, soybean meal prices have declined to levels similar to those in MY 2002/03.

In MY 2003/04, the large price difference between U.S. and Indian/South American soybean meal made it impossible for U.S. soybean meal exports to compete in the Korean market. Since the first quarter of MY 2004/05, however, U.S. soybean meal prices have been more in line with India and South America's, and therefore, in MY 2004/05 and MY 2005/06, U.S. soybean meal exports are projected in the 50,000 MT to 100,000 MT range. Korean feed millers, who have used about 140,000 MT of U. S. dehulled soybean meal since 2001, under the American Soybean Association's (ASA) dehulled soybean meal program, remain potential buyers of U. S. soybean meal and they are willing to pay premiums ranging from $11 to $18 per ton over South American and Indian soybean meal for U.S. product.

ASA surveys recently found that 28 feed mills recognize the comparative economic advantage of dehulled U.S. meal over Indian and South American meal. Three of those feed mills are willing to pay a premium of as much as $18 per metric ton for dehulled U.S. meal. ASA will continue to work to differentiate U.S. soybean meal from other origins by demonstrating the value of dehulled U.S. meal to Korean feed millers and livestock producers through the use of technical support, direct communications, technical assistance, and marketing assistance.

Thus, in summary, in MY 2004/05, because soybean meal prices since November 2004 have been stable and relatively competitive vis-à-vis substitutes, the soybean meal inclusion rate in compound feed is expected to increase, and thus, despite little overall projected growth in compound feed production, soybean meal consumption is expected to increase five to ten percent, as compared with 2003/04. Assuming that current U.S. soybean meal price trends continue, 2005/06 growth of soybean meal consumption is forecast at around three percent. In MY 2005/06, total compound feed production is projected at 15.2 MMT, which suggests only limited growth in overall feed consumption.

OIL

In MY 2004/05, soy oil production is expected to be about five percent above last year's production level due to greater demand brought about by the economic upturn that began just prior to Lunar New Year in early February 2005. In MY 2005/06, due to the improving economy, and the restructuring of the Korean crushing industry, Korea's oil production is forecast to increase to 214,000 tons, up four percent over current marketing year projections.

In 2004/05, because of the stronger economy, and because of growing consumer preference for processed foods that contain vegetable oil, which is considered to be a healthful ingredient, soybean oil imports are also expected to grow. Growth in mayonnaise exports has also contributed to the stronger demand for soybean oil. Annual mayonnaise exports grew to 20,000 MT between 1999 and 2004. Exports in coming years are expected to be in the 20,000 to 30,000 MT range.

U.S. soybean oil exports to Korea compete directly with soy oil from South America. In MY 2003/04, Korea imported 10,775 MT from the United States, five percent of total imports.

Due to tight U.S. soybean oil inventories, the limited presence of U.S. soybean oil in the Korean market continued for all of 2004.

However, when the premium for U.S. soybean oil, vis-à-vis Argentine soybean oil, fell to just $10 per MT, a Korean refinery purchased 14,000 MT of U.S. soy oil for March 2005 delivery. In recent months, the spread between U. S. and South American export prices to Korea has been from $25 to $30 per MT. Because Korean crude oil refiners are reluctant to purchase U.S. soy oil when the premium exceeds $10 per MT, U.S. MY 2004/05 and MY 2005/06 exports of soybean oil are forecast in the 30,000 MT to 50,000 MT range.

In MY 2003/04, palm oil imports grew to 213,000 MT, up 2.4 percent from a year earlier. In MY 2004/05, imports of palm oil are expected to grow again, mainly due to stable international market prices. In MY 2005/06, palm oil imports are expected to continue to exhibit gradual growth, due to increased familiarity with palm oil, and the economic recovery which is currently underway.

TARIFFS

The 2005 minimum-market-access quota tariff for the 1.3 MMT of in-quota soybeans was set at five percent. Out-of-quota soybeans will be assessed a tariff of 487 percent or Korean won 956/kg, whichever is greater. Soybean meal, soybean oil, and cottonseed oil tariff rates announced for 2005 remain in line with the terms of a 1993 U.S./Korean bilateral agreement. (See the tables below for details.)

MARKET OPPORTUNITIES

Over the next three to five years, the oilseed market is expected to grow at a rate of three to five percent a year. The economic recovery currently underway is expected to support strengthening demand for food and feed grade oilseeds as consumer preference for, and consumption of, oilseed-based products and animal protein grow. Despite the increased domestic production of soybeans, oilseed imports will remain necessary because domestic production will always be insufficient to meet market requirements for both feed and food quality beans. Important trends that could affect U.S. exports include changing consumer perceptions of biotechnology and products derived from genetically enhanced ingredients; changes to oilseed, meal and vegetable oil tariffs; the availability of affordable commercial credit; and market development efforts.

SECTION II. STATISTICAL TABLES OF OILSEED

Soybean, Oilseed PS&D

PSD Table

Country	**Korea, Republic of**						
Commodity	**Oilseed, Soybean**			(1000 HA)(1000 MT)			
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [	New]
Market Year Begin		10-2003		10-2004		10-2005	MM/YYYY
Area Planted	81	80	80	85	0	86	(1000 HA)
Area Harvested	80	80	80	85	0	86	(1000 HA)
Beginning Stocks	118	119	118	119	118	120	(1000 MT)
Production	105	105	110	139	0	125	(1000 MT)
MY Imports	1368	1368	1550	1500	0	1550	(1000 MT)
MY Imp. from U.S.	1101	1101	1250	1250	0	1300	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	1591	1592	1778	1758	118	1795	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumptior	1089	1089	1250	1150	0	1200	(1000 MT)
Food Use Dom. Consum[	340	340	367	445	0	432	(1000 MT)
Feed,Seed,Waste Dm.Cr	44	44	43	43	0	43	(1000 MT)
TOTAL Dom. Consumpti	1473	1473	1660	1638	0	1675	(1000 MT)
Ending Stocks	118	119	118	120	0	120	(1000 MT)
TOTAL DISTRIBUTION	1591	1592	1778	1758	0	1795	(1000 MT)
Calendar Year Imports	1550	1300	1550	1550	0	1600	(1000 MT)
Calendar Yr Imp. U.S.	1200	1100	1250	1300	0	1350	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Soybean Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of
Commodit Oilseed, Soybean

Time Period	OCT/SEPT	Units:	1,000MT
Imports for:	2002		**2003**
U.S.	1231	U.S.	1101
Others		Others	
Brazil	216	Brazil	202
China	50	China	64
Argentian	19		
Total for Others	285		266
Others not Liste	0		1
Grand Total	1516		1368

Source: Korea Customs Service

KOREA: Korean Economic Forecast for 2005		
Item	2004a/	2005b/
GDP (%)	4.5-4.7	5
Current Account (billion U.S.$)	27.6	20
Consumer Prices (%)	3.6	3-3.5
Unemployment (%)	3.6	3-3.5

A/ Estimate
B/ Forecast
Source: Bank of Korea

KOREA: Oilseed Area and Production (Hectares and Metric tons)				
Crops	2003		2004	
	Area	Production	Area	Production
Soybean	80,447	105,089	85,270	135,570
Rapeseed 1/	1,127	868	1,148	1,000
Peanuts 1/, 2/	4,079	7,177	3,454	6,600
Sesame	35,036	11,977	31,843	20,863
Perilla 1/	28,703	20,704	24,368	19,000
Total	149,392	145,815	146,083	186,033

1/ FAS/Seoul estimates for 2003 peanuts, sesame and perilla
2/ In-shell
Source: Ministry of Agriculture and Forestry

KOREA: Soybean Production			
Crop Year	Area (HA)	Yield (KG/HA)	Production (MT)
1985	155,964	1,500	233,863
1990	152,265	1,529	232,786
1995	105,035	1,520	159,640
1999	87,026	1,334	116,120
2000	86,176	1,314	113,196
2001	78,415	1,501	117,723
2002	80,804	1,423	115,024
2003	80,447	1,306	105,089
2004	85,270	1,625	138,570

Source: Ministry of Agriculture and Forestry

KOREA: Imports, by State Trading Entities, of Soybeans for Food Manufacturing (Calendar Year, Metric Ton)			
Item\Year	2002	2003	2004
Soybean Curd	106,190	107,665	131,435
Soy Sauce	40,000	40,995	45,005
Soy Paste	4,290	4,287	4,700
Soy Milk	28,000	30,461	28,000
Others 1/	1,351	472	420
Sub. Total	179,831	183,880	209,555
By product 2/	25,641	30,158	31,000
Grand Total	205,472	214,038	240,555

Note: Quantity is on the basis of cleaned soybeans.
1/ Government, military employees and others
2/ Feed
Source: Agricultural & Fisheries Marketing Corporation

KOREA: Soybean Crush (Metric Ton)			
Month	MY 02/03	MY 03/04	MY 04/05
October	110,113	97,863	69,135
November	108,508	115,975	87,037
December	111,707	117,442	
January	108,673	84,334	
February	102,386	98,243	
March	110,162	100,503	
April	106,423	93,969	
May	95,080	75,925	
June	73,613	78,691	
July	99,905	84,006	
August	100,687	75,157	
September	83,880	66,811	
Total	1,211,137	1,088,919	

Source: Korea Soybean Processing Association

KOREA: Soybean Crushing Capacity (As of January 2005)		
Soybean Crusher	Capacity (MT/day)	Location
Shin Dong Bang Corp	1,150	Inchon
CJ Corp	1,850	Inchon
Samyang Fat and Oil Co.	700	Inchon
Total	3,700	

Note: Day=24 hours processing basis for 330 days
Source: Soybean Crushing Industry

KOREA: Oilseed Imports (Metric Tons, $1,000)				
	MY 2002/03		MY 2003/04	
	Volume	Value	Volume	Value
Soybean	1,516,050	394,425	1,368,032	480,522
Peanuts, in shell	528	106	612	148
Peanut, shelled	1,471	386	2,841	929
Linseed	209	92	75	37
Rapeseed	323	134	6	14
Sunflower Seed	1,391	1,340	1,233	1,296
Cottonseed	122,556	21,504	106,250	21,855
Castor Bean	441	76	610	88
Sesame Seed	80,138	58,432	75,119	77,510
Mustard Seed	1,706	855	1,857	1,039
Safflower Seed	801	232	572	205
Perilla Seed	8,642	6,043	22,969	11,494
Total	1,734,256	483,625	1,580,176	595,137

Source: Korea Customs Service

KOREA: Soybean Powder Imports (MT, $1,000)				
Country	2003		2004 (1-11)	
	Quantity	Value	Quantity	Value
U. S .A	1,768	785	1,006	521
China	25,095	10,651	10,732	5,640
Australia	35	24	9	7
Japan	4	10	0	0
India	19	8	0	0
Ukraine	0	0	251	123
Myanmar	0	0	17	8
Total	26,921	11,478	12,015	6,299

Source: Korea Customs Service

KOREA: Tariff Schedule For Oilseeds (Percent)				
Commodity	H.S. Code	2003	2004	2005
Soybean 1/	1201.00.0000	5(0)	5(0)	5(0)
Peanuts, in Shell 2/	1202.10.0000	40	40	40
Peanuts, Shelled 2/	1202.20.0000	25.6	24	24
Copra	1203.00.0000	3	3	3
Linseed	1204.00.0000	3	3	3
Rapeseed 3/	1205.00.0000	20(10)	20(10)	20(10)
Sunflower Seed	1206.00.0000	25	25	25
Cottonseed	1207.20.0000	3	3	3
Castor Beans	1207.30.0000	3	3	3
Sesame Seed 4/	1207.40.0000	40	40	40
Mustard Seed	1207.50.0000	3	3	3
Safflower Seed	1207.60.0000	3	3	3

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

1/ The number in parenthesis is the applied (temporary) duty. The applied duty of 0 percent in 2005 is assessed on the first 1.3 MMT of soybeans imported for crushing purposes. An applied duty of 5 percent is applied for 185,787 MT of food grade soybeans imported by AFMC under the tariff rate quota. Soybeans imported out-of-quota by private importers are assessed a tariff of 487 percent or Korean won 956/Kg, whichever is greater.
2/ The In-quota amount is 4,907.3 MT on a shelled basis. Peanuts imported out-of-quota are assessed a tariff of 230.5 percent.
3/ The number in parenthesis is the applied (temporary) duty on all rapeseed imported.
4/ The In-quota amount is 6,731 MT. Sesame imported out-of-quota is assessed a tariff of 630 percent or Korean won 6,660/Kg, whichever is greater.

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

SECTION II. STATISTICAL TABLES OF MEALS

Soybean Meal PS&D

PSD Table

Country Korea, Republic of

Commodity Meal, Soybean

(1000 MT)(PERCENT)

	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		10-2003		10-2004		10-2005	MM/YYYY
Crush	1089	1089	1250	1150	0	1200	(1000 MT)
Extr. Rate, 999.9999	0.798898	0.757576	0.7976	0.756522	0	0.758333	(PERCENT)
Beginning Stocks	365	797	200	771	250	761	(1000 MT)
Production	870	825	997	870	0	910	(1000 MT)
MY Imports	1293	1293	1450	1350	0	1400	(1000 MT)
MY Imp. from U.S.	1	1	0	50	0	50	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	2528	2915	2647	2991	250	3071	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump	42	26	42	30	0	30	(1000 MT)
Feed Waste Dom. Consu	2286	2118	2355	2200	0	2280	(1000 MT)
TOTAL Dom. Consumpti	2328	2144	2397	2230	0	2310	(1000 MT)
Ending Stocks	200	771	250	761	0	761	(1000 MT)
TOTAL DISTRIBUTION	2528	2915	2647	2991	0	3071	(1000 MT)
Calendar Year Imports	1575	1370	0	1350	0	1400	(1000 MT)
Calendar Yr Imp. U.S.	104	1	0	50	0	50	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Soybean Meal Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of

Commodit Meal, Soybean

Time Period	OCT/SEPT	Units:	1,000 MT
Imports for:	2002		**2003**
U.S.	104	U.S.	1
Others		Others	
Brazil	899	India	726
India	322	Brazil	431
China	108	Argentina	102
Argentina	59	China	21
Total for Others	1388		1280
Others not Liste	5		12
Grand Total	1497		1293

Source: Korea Customs Service

Rapeseed Meal PS&D

PSD Table

Country	**Korea, Republic of**						
Commodity	**Meal, Rapeseed**				(1000 MT)(PERCENT)		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		10-2003		10-2004		10-2005	MM/YYYY
Crush	2	1	2	1	0	1	(1000 MT)
Extr. Rate, 999.9999	0.5	1	0.5	1	0	1	(PERCENT)
Beginning Stocks	35	70	30	67	35	68	(1000 MT)
Production	1	1	1	1	0	1	(1000 MT)
MY Imports	309	309	290	300	0	300	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	345	380	321	368	35	369	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	44	30	47	30	0	30	(1000 MT)
Food Use Dom. Consump	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Consu	271	283	239	270	0	280	(1000 MT)
TOTAL Dom. Consumptio	315	313	286	300	0	310	(1000 MT)
Ending Stocks	30	67	35	68	0	59	(1000 MT)
TOTAL DISTRIBUTION	345	380	321	368	0	369	(1000 MT)
Calendar Year Imports	270	300	0	300	0	300	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Rapeseed Meal Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of
Commodit Meal, Rapeseed

Time Period	OCT/SEPT	Units:	1,000 MT
Imports for:	2002		**2003**
U.S.	0	U.S.	
Others		Others	
India	249	India	277
China	23	China	30
Total for Others	272		307
Others not Liste	0		2
Grand Total	272		309

Source: Korea Customs Service

KOREA: Soybean Meal Production (Metric Ton)			
Month	MY 02/03	MY 03/04	MY 04/05
October	83,345	74,166	52,007
November	82,281	87,160	53,602
December	82,975	87,760	
January	81,592	64,761	
February	77,119	74,277	
March	82,279	76,996	
April	79,514	71,085	
May	71,182	57,934	
June	55,369	59,835	
July	74,507	64,305	
August	75,708	56,856	
September	62,681	50,078	
Total	908,552	825,212	115,609

Source: Korea Soybean Processing Association

KOREA: Feed Ingredients use				
Items	MY 2002/03		MY 2003/04	
	1,000 MT	Percent	1,000 MT	Percent
Total Grains and Grain Substitution	**10,124**	**65.7**	**9,831**	**65.8**
- Wheat	1,608	10.4	859	5.8
- Corn	6,569	42.6	6,614	44.3
- Others	1,947	12.7	2,358	15.7
Total Vegetable Protein	**3,558**	**23.1**	**3,398**	**22.8**
- Soybean Meal	2,252	14.6	2,052	13.7
- Rapeseed Meal	262	1.7	283	1.9
- Cottonseed Meal	107	0.7	45	0.3
- Palm Kernel Meal	280	1.8	310	2.1
Copra Meal	365	2.4	374	2.5
- Others	292	1.9	334	2.3
Total Animal Protein	**137**	**1.0**	**143**	**1.0**
- Fish Meal	39	0.3	43	0.3
-Meat & Bone Meal	27	0.2	23	0.2
-Others	71	0.5	77	0.5
Total Others	**1,601**	**10.3**	**1,564**	**10.4**
TOTAL COMPOUND FEED	**15,420**	**100**	**14,936**	**100**

Source: Korea Feed Association

KOREA: Soybean Meal Inclusion Rate for Compound Feed				
Animal Type	MY2002/03		MY2003/04	
	Soybean Meal Inclusion Rate (Percent)	Compound Feed Production (1,000M/T)	Soybean Meal Inclusion Rate (Percent)	Compound Feed Production (1,000M/T)
Layer	15-20	2,057	13-18	
Broiler 1/	20-25	1,860	18-23	
Swine	17-23	5,769	15-21	5,473
Dairy Cattle	less than 5	1,755	less than 5	
Beef Cattle 2/	less than 2	2,856	less than 2	
Others	15-20	1,051	13-18	866
Total (1,000MT)	2,252	15,348	2,052	14,848

1/ Include chicks
2/ Include Breeding Cattle
Source: America Soybean Association/Seoul

KOREA: Imports of Major Protein Meals (October/September)				
	MY 2002/03		MY 2003/04	
	Volume (MT)	Value (1,000$)	Volume (MT)	Value (1,000$)
Soybean Meal	1,496,782	314,190	1,292,642	378,334
Rapeseed Meal	272,459	34,110	308,864	52,448
Fish Meal	37,460	25,714	40,778	31,316
Bone Meal	1,431	1,204	805	517
Cottonseed Meal	91,894	12,529	40,066	8,068
Sunflower Seed Meal	0	0	243	26
Copra Meal	371,933	32,220	387,372	44,062
Palm Kernel Meal	320,035	20,095	348,820	30,604
Corn Germ Meal	0	0	3,873	655
Others	48,810	3,703	78,031	7,982
Total	2,640,914	443,758	2,501,494	554,012

Source: Korean Customs Service

KOREA: Feed Production per Animal (October/September, 1,000 MT)			
Animal Type	MY 2002/03	MY 2003/04	MY 2004/05 a/
Poultry	3,917	3,796	3,900
Swine	5,769	5,473	5,400
Cattle	4,611	4,713	4,900
Others b/	1,052	866	900
Total	15,349	14,848	15,100

a/ FAS/Seoul forecast
b/ Includes ducks, pets, rabbits, horses, sheep, deer, quail, etc.
Source: Ministry of Agriculture and Forestry

KOREA: Animal Inventory (1,000 Head, 1,000 Birds)					
Animal	Year	March	June	September	December
Beef Cattle	2002	1,371	1,448	1,461	1,410
	2003	1,337	1,423	1,464	1,480
	2004	1,521	1,627	1,667	1,680
	2005	1,700	na	na	1,840c/
Dairy Cattle	2002	548	545	543	544
	2003	552	541	526	519
	2004	517	509	503	502
	2005	500	na	na	484c/
Swine	2002	8,719	8,791	9,033	8,974
	2003	9,027	9,051	9,287	9,231
	2004	9,189	9,017	9,046	8,930
	2005	8,860	na	na	8,830c/
Layer a/	2002	50,471	49,589	50,299	50,191
	2003	48,740	49,080	49,380	48,350
	2004	47,910	48,060	49,090	48,000
	2005	48,180	na	na	49,360c/
Broiler b/	2002	52,436	72,193	47,118	45,005
	2003	47,490	66,756	42,451	44,803
	2004	36,493	68,526	47,714	44,730
	2005	na	na	na	52,420c/

a/ excluding breeders.
b/ excluding multi-use broilers.
c/ Korea Rural Economic Institute projection
Source: Korea Rural Economic Institute

KOREA: Applied Tariff Schedule for Oil Cake and Meals (Percent)				
Commodity	H.S. Code	2003	2004	2005
Soybean Meal a/	2304.00.0000	3 (1.92)	3 (1.8)	3 (1.8)
Peanut Meal	2305.00.0000	5	5	5
Cottonseed Meal b/	2306.10.0000	5(2)	5 (2)	5 (2)
Linseed Meal	2306.20.0000	5	5	5
Sunflower Seed Meal	2306.30.0000	5	5	5
Rapeseed Meal b/	2306.40.0000	2	0	0
Copra Meal c/	2306.50.0000	5	5	5(2)
Palm Kernel Meal d/	2306.60.0000	5	5	5(2)

a/ the figure in parentheses is the agreed rate under the 1993 bilateral agreement.
b/ the in-quota tariff rate is in parentheses. The duty is assessed on the first 255,000 MT of cottonseed meal. The out-of-quota tariff rate is five percent.
c/ the in-quota tariff rate is in parentheses. The duty is assessed on the first 510,000 MT of copra meal. The out-of-quota tariff rate is five percent
d/ the in-quota tariff rate is in parentheses. The applied duty is assessed on the first 510,000 MT of palm kernel meal. The out-of-quota tariff rate is five percent.
Source: Korea Customs Service

SECTION II. STATISTICAL TABLES OF OILS

Soybean Oil PS&D

Commodity	Oil, Soybean					(1000 MT)(PERCENT)	
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		10-2003		10-2004		10-2005	MM/YYYY
Crush	1089	1089	1250	1150	0	1200	(1000 MT)
Extr. Rate, 999.9999	0.177227	0.178145	0.176	0.178261	0	0.178333	(PERCENT)
Beginning Stocks	18	18	12	20	16	20	(1000 MT)
Production	193	194	220	205	0	214	(1000 MT)
MY Imports	211	211	225	220	0	230	(1000 MT)
MY Imp. from U.S.	8	11	0	35	0	50	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	422	423	457	445	16	464	(1000 MT)
MY Exports	5	5	5	5	0	5	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	17	18	18	18	0	18	(1000 MT)
Food Use Dom. Consump	388	380	418	402	0	139	(1000 MT)
Feed Waste Dom. Consu	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumpti	405	398	436	375	0	375	(1000 MT)
Ending Stocks	12	20	16	20	0	20	(1000 MT)
TOTAL DISTRIBUTION	422	423	457	445	0	464	(1000 MT)
Calendar Year Imports	210	220	0	220	0	230	(1000 MT)
Calendar Yr Imp. U.S.	50	0	0	35	0	5	(1000 MT)
Calendar Year Exports	10	5	0	5	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Soybean Oil Import Trade Matrix:

Import Trade Matrix

Country Korea, Republic of
Commodit Oil, Soybean

Time Period	OCT/SEPT	Units:	1,000 MT
Imports for:	2002		2003
U.S.	39	U.S.	11
Others		Others	
Argentina	113	Argentina	189
		Brazil	9
Total for Others	113		198
Others not Liste	5		2
Grand Total	157		211

Source: Korea Customs Service

Palm Oil PS&D

PSD Table

Country Korea, Republic of
Commodity Oil, Palm (1000 HA)(1000 TREES)(1000 MT)

	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		10-2003		10-2004		10-2005	MM/YYYY
Area Planted	0	0	0	0	0	0	(1000 HA)
Area Harvested	0	0	0	0	0	0	(1000 HA)
Trees	0	0	0	0	0	0	(1000 TREES)
Beginning Stocks	10	10	5	10	7	10	(1000 MT)
Production	0	0	0	0	0	0	(1000 MT)
MY Imports	213	213	230	220	0	225	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	223	223	235	230	7	235	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	30	20	30	20	0	20	(1000 MT)
Food Use Dom. Consump	188	183	198	190	0	195	(1000 MT)
Feed Waste Consumptio	0	10	0	10	0	10	(1000 MT)
TOTAL Dom. Consumpti	218	213	228	220	0	225	(1000 MT)
Ending Stocks	5	10	7	10	0	10	(1000 MT)
TOTAL DISTRIBUTION	223	223	235	230	0	235	(1000 MT)
Calendar Year Imports	0	217	0	220	0	225	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Palm Oil Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of

Commodit Oil, Palm

Time Period	OCT/SEPT	Units:	1,000 MT
Imports for:	2002		**2003**
U.S.	0	U.S.	0
Others		Others	
Malaysia	190	Malaysia	207
Indonesia	16	Indonesia	2
Total for Others	206		209
Others not Liste	2		4
Grand Total	208		213

Source: Korea Customs Service

KOREA: Vegetable Oil Production 1/ (Metric Ton)			
Commodities	MY 2001/02	MY 2002/03	MY 2003/04
Soybean Oil	214,354	217,301	194,294
Corn Oil	46,906	48,041	46,077
Sesame Oil	25,806	25,989	21,774
Rice Bran Oil	10,000	10,000	10,000
Rapeseed Oil	914	431	402
Perilla Oil	12,600	12,610	17,470
Total	310,580	315,378	290,017

1/ FAS/Seoul estimates

Source: Agricultural Affairs, U.S. Embassy, Seoul

KOREA: Soybean Oil Production (Metric Ton)			
Month	MY 02/03	MY 03/04	MY 04/05
October	20,043	17,495	12,562
November	19,908	20,711	16,026
December	20,419	21,765	
January	19,297	15,156	
February	18,253	17,089	
March	19,498	17,372	
April	18,789	16,538	
May	17,045	13,423	
June	13,135	14,180	
July	17,888	15,099	
August	18,015	13,507	
September	15,011	11,959	
Total	217,301	194,294	28,588

Source: Korea Soybean Processing Association

KOREA: The Supply of Edible Oils (Metric Ton)			
Commodity	MY 2001/02	MY 2002/03	MY 2003/04
Soybean Oil	402,993	374,608	405,527
Palm Oil	227,935	207,704	212,799
Corn Oil	64,424	55,437	55,732
Rapeseed Oil	15,852	17,562	19,455
Coconut Oil	51,487	43,616	52,694
Cottonseed Oil	9,695	10,385	7,239
Sesame Oil	26,286	26,441	22,232
Rice Bran Oil	15,673	13,185	13,435
Perilla Oil	12,598	12,745	17,959
Fish Oil	9,866	6,658	9,288
Sunflower Oil	2,104	1,139	1,076
Total	838,852	769,479	817,436

Source: Agricultural Affairs, U.S. Embassy, Seoul

KOREA: Fats And Oils Imports (MT & $1,000, Oct./Sep.)				
Commodity	MY 2002/03		MY 2003/04	
	Volume	Value	Volume	Value
Palm Oil	207,704	91,840	212,799	107,370
Tallow	67,555	26,474	64,664	30,384
Coconut Oil	43,616	20,893	52,694	32,011
Cottonseed Oil	10,385	6,800	7,239	4,748
Fish Oil	5,658	8,581	8,288	9,864
Soy Oil	157,307	83,884	211,233	138,287
Corn Oil	7,370	4,512	12,130	9,655
Rapeseed Oil	17,131	11,013	19,052	13,398
Palm Kernel Oil	11,148	5,490	7,467	4,607
Tung Oil	6,577	8,436	5,041	7,306
Rice Bran Oil	3,185	2,202	3,435	2,906
Castor Oil	7,220	4,737	6,496	8,805
Linseed Oil	5,824	4,660	6,252	5,123
Sunflower Oil	1,139	1,528	1,076	1,525
Safflower Oil	134	289	104	306
Oilve Oil	5,016	13,590	11,893	42,051
Jojoba Oil	14	243	23	369
Peanut Oil	5	12	6	13
Sesame Oil	452	849	458	834
Perilla Oil	135	149	490	556
Camellia Oil	9	59	9	57
Other Oil	781	3,471	1,872	5,987
Total	558,365	299,712	632,721	426,162

Source: Statistical Yearbook of Foreign Trade.

KOREA: Applied Tariff Schedule For Fats And Oils (Percent)			
Commodity	H.S. Code	2004	2005
Lard	1501.00.10XX	3	3
Beef Tallow	1502.00.10XX	2	2
Other Tallow	1502.00.90XX	3	3
Fish Oil	1504.XX.XXXX	3	3
Soybean Oil a/	1507.XX.XXXX	5.4	5.4
Peanut Oil	1508.XX.XXXX	27	27
Olive Oil	1509.XX.XXXX	8	8
Palm Crude Oil	1511.10.0000	3	3
Palm Oil	1511.90.XXXX	2	2
Sunflower Oil	1512.1X.XXXX	10	10
Safflower Oil	1512.1X.XXXX	8	8
Cotton Seed Oil a/	1512.2X.XXXX	5.4	5.4
Coconut Oil	1513.1X.XXXX	3	3
Palm Kernel Oil	1513.2X.XXXX	5	5
Rapeseed Oil, Crude	1514.10.1000	10	10
Linseed Oil	1515.1X.XXXX	8	8
Corn Oil	1515.2X.XXXX	8	8
Castor Oil	1515.30.XXXX	8	8
Tung Oil	1515.40.XXXX	8	8
Sesame Oil b/	1515.50.XXXX	40	40

a/ Per 1993 US/ROKG bilateral agreement.
b/ In-quota tariff rate. Quota is 668 MT. The out-of-quota tariff rate is 630 percent or 12,060 Won/Kg, whichever is greater.
Source: Korea Customs Research Institute, Tariff Schedules for Korea