

SOUTH KOREA

South Korea has supported its agricultural sector at a relatively high level compared to the policies of other member countries of the Organization for Economic Cooperation and Development (OECD). Public intervention mainly consists of high prices supported by government purchases together with high tariffs that protect domestic producers from foreign competition, that implicitly tax consumers.

CORN

- The in-quota tariff rate for corn for processing is 0% for 1 MMT for January to June 2009. The feed corn in-quota tariff rate is 0% for 4.5 MMT over the same period.

COTTON

- The WTO bound tariff rate for raw cotton is 2%, but the current applied rate is 0%. Cotton has no import quota.
- A new import quota for cotton seed for feed of 80,000 MT with in-quota duty of 0% for January to June 2009.

RICE

- Under the Rice Income Compensation Act (RICA), rice farmers receive two income supports: area payments and deficiency payments.
- Area payments are made on a per hectare basis and is calculated using the average area of rice production during the base period 1998-2000. In 2007, the area payment was 700,000 won (\$754) per hectare.
- The deficiency payment is 85% of the difference between the national-average market price and the target price, less area payment. The deficiency payment in 2007 was slightly over 61 won (\$0.07) per kilogram for milled rice.
- Total support payments were nearly 1 billion won (\$1.08 M) in 2007.
- The government also supports farmers through direct purchase of domestic rice through the Public Storage System for Emergencies (PSSE) program where the government purchases domestic milled rice at the average market price and then sells it at the prevailing domestic market price.

SOYBEANS

- The Korean government maintains a program to encourage producers to reduce rice area and increase soybean production. In the 2007/08 crop year, the government purchased 3,403 tons of soybeans from converted rice paddies.
- A state trading company makes purchases of U.S. No. 1 non-biotech-enhanced soybeans for food processing through an identity preserved certification system under a tariff rate quota.
- In-quota tariff rate for soybeans is 1% for 600,000 MT for January to June 2009.

SUGAR

- The import tariff on refined sugar is 35% for January to June 2009.
- Imports of refined sugar face no quotas.

WHEAT

- The applied tariff rate for feed wheat has been reduced from 1.8% to 0% for 2007 onward.
- The in-quota tariff rate for milling wheat is 1% for 1.2 MMT (44 M bu) for January to June 2009.
- The import tariff for wheat flour is 2%; there is no quota for wheat flour.