



Australian Government  
Australian Trade Commission



International Mission

## South Korea Grains Mission 2015

Meet and connect with key grain customers and industry contacts in South Korea to capture new trade opportunities, and take advantage of increased competitiveness under the Korea-Australia Free Trade Agreement.

### Introduction

The Korean market for grains is changing, with growing interest in Australian supply capability across a range of products, as industry requirements around diversity of import sources and food safety increase over time. Australian suppliers are now more competitive following the entry-into-force of the Korean-Australian Free Trade Agreement (KAFTA) from 12 December 2014.

The 3 day program in March 2015 builds on the successful Australian Grains Mission hosted by Austrade Seoul in February 2014, delivered jointly with the New South Wales and Queensland State Governments. The 2014 delegation was comprised of professional growers, exporters, grain industry associations, and logistics and shipping companies from NSW and Queensland. The program included a forum with 50 grains industry leaders from Korea, briefings on Korea's grain tender system and related business opportunities, and a comprehensive and targeted site visit program designed to help the Australian delegates understand the value chain for imported grain in the market. It included Incheon port storage and inspection facility, grain wholesale markets, tofu manufacturing and sprouting facilities operated by large Korean food manufacturers.

Commercial outcomes resulting from the 2014 program covered non-GMO soy beans, mung beans, lentils and organic grains.

In 2015, the 3-day program will take place in March and is timed to immediately follow the AGIC and Global Grains Asia conferences in Singapore.

Interest is sought from organisations across Australia and the product categories listed below.

The group program listed below provides a critical opportunity for the Australian grain industry to promote Australia's supply capability and integrity as a whole. This part of the program is also complemented by the opportunity to secure one-to-one business meetings with interested Korean companies.

### Recommended product coverage – the view from the market

- **Wheat:** In view of existing relationships among the Australian bulk wheat handlers and Korean wheat flour millers, this mission may be more relevant for small and medium sized wheat exporters who could target niche market opportunities for containerised wheat export. The reduction of import duties for wheat to zero under KAFTA may create new niche market opportunities in 2015.
- **Malt and Malting barley:** The KAFTA provides 10,200 tons of duty free quotas in 2015 for malt and malting barley, which will be in addition to Korea's WTO tariff rate quota on



### Important information

#### Dates

March 16 – 18, 2015

#### Location

Seoul, South Korea

#### Apply by

Friday 9 February 2015

### Who should attend?

- Plant Breeding
- Plant Agronomy
- Grain Growers
- Grain exporters/ Quality assurance & IP
- Grain Industry Representative/s

malt and malting barley of 30,000 tonnes and 40,000 tonnes respectively. Since there has been no specific promotion of the Australian barley industry in the Korean market to date, there is an opportunity to increase Australian profile in the market.

- **Non-GMO soy bean and Corn:** This product was purchased through the tender system run by Korea Agro-Fisheries & Food Corporation (aT), the Korean government enterprise, through which Australian companies saw good success in 2014. Also under KAFTA, there are 550 tons of duty free quota is allocated in 2015 for Australian soy beans. Australian non-GMO corn is purchased by local food processors to make grits or other forms as ingredient for premium snack products.
- **Pulses:** Korea has strong demand for adzuki beans, buckwheat and mung beans, which are traded through the government tender system. aT is interested in diversifying their import sources to procure more product from Australia. Australia exported its first container of mung beans to Korea in 2014 and although it is known by the local importers that Australian adzuki beans have good quality standards, securing increased volume has been challenging.
- **Speciality grains:** Due to Korean consumers' health-oriented consumption attitude for food items, there is ongoing strong interest for speciality grains such as **oats, lentils, chickpeas, quinoa and chia seed**. Korea's imports of oats increased sharply from 4,405 tonnes 2013 to 19,325 tonnes as of November 2014. Australia is the 2nd biggest exporter after Canada exporting 2,133 tonnes in 2013 to 6,339 tonnes in November 2014. Although there are some unsold oat stocks in the market, the market growth makes participation worthwhile for the oats industry. Under KAFTA, the import duty of 3% on oats (unhulled) is reduced to zero.

Lentils are a relatively new pulse to Korea but with its health focus kindled by a prominent Korean celebrity, Korea's import of lentils soared from 366 tonnes to 11,386 tonnes between 2013 and 2014, of which Australia took more than 60% of market share.

The import volume of chickpeas also increased from 308 tonnes in 2013 to 1,181 tonnes as of November 2014. USA, Australia and India are the major suppliers for chickpeas.

- **Fodder and feed:** Fodder and feeds, particularly oaten hay and feed grains, would be a new addition to the Australian Grain Mission, but are justified by strong interest in the market.

## Mission program

Below are the proposed programs of activities. Detailed timings and logistics will be confirmed closer to the date.

Dates and Time	Details
<b>Monday, 16 March</b>	<b>Day 1: Seminar day</b>
AM	Market briefing from Austrade <ul style="list-style-type: none"> <li>• Presentation on Korea's imported Grain Logistics covering a tender system and its related logistic process. We plan to recruit two presenters from local grain importing company and Korea Agro-Fisheries &amp; Food Corporation.</li> </ul>
PM	Australian Grain Seminar <ul style="list-style-type: none"> <li>• 6 – 7 presentations covered by mission members at 5 star hotel in downtown Seoul</li> <li>• Austrade will undertake active marketing for this seminar to invite major grain importers, food processors, wholesalers, and industry associations as an effort to cover whole of supply channels.</li> </ul>
PM	Networking Reception with mission members & seminar participants
<b>Tuesday, 17 March</b>	<b>Day 2 : Industry visits</b>
AM	Visit to Grain Wholesale market to understand distribution channel of imported grains
PM	Visit to grain processing plant using imported grains <ul style="list-style-type: none"> <li>• Selection of companies will be decided afterwards to match with mission members' product coverage</li> </ul>

<b>Wednesday, 18 March</b>	<b>Day 3: Business matching day</b>
AM	Individual business meeting with Korean customers facilitated by Austrade Seoul

### Cost of participation

Total cost	The costs covered by Austrade	Participation fee
<b>A\$1,375</b>	<ul style="list-style-type: none"> <li>Austrade Seoul will cover hiring seminar room at 5 star hotel in downtown Seoul, interpreter and networking reception after the seminar as an effort to support KAFTA implementation.</li> </ul>	<ul style="list-style-type: none"> <li>For covering other work (preparation &amp; printing of mission profile and business matching session), Austrade charges 5 hours of service to individual company, which will be A\$1,375 (A\$275 per hour).</li> <li>Individual participants are expected to pay for the costs of airfare, accommodation and personal expenses.</li> </ul>
<ul style="list-style-type: none"> <li>You may also be eligible to claim some of your marketing and promotion costs associated with this mission through the Export Market Development Grant (EMDG) scheme. For more information visit <a href="http://www.austrade.gov.au">www.austrade.gov.au</a> or call 13 28 78.</li> </ul>		

### Mission recruitment

- Direct by Austrade, and coordinated with participating state governments and the Tradestart network as a joint event

### Key contacts

To discuss your participation options further, please contact:

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