

FEED BARLEY

ISSUE

The Republic of Korea (ROK) is one of Canada's high priority markets for feed barley exports. However, the ROK government's support of domestic barley production for food use results in a virtual ban on the import of lower cost Canadian barley for feed.

BACKGROUND

Despite considerable effort on the part of the Canadian Wheat Board (CWB), no success has been realized in penetrating the huge Korean feed grain market with Canadian feed barley. Although the Korean government has steadfastly refused to allow feed barley imports, a few "test" shipments have been recorded.

Korean feed millers are very familiar with the nutritive feeding value of barley and have advised that they would like to import barley if the government would allow it, as they see barley as a competitive alternative to U.S. corn and sorghum.

The reason the Korean government does not allow barley imports is that Korean farmers receive a very high support price (ten times the world price) for their production, which goes into food use. The government maintains that imported barley for animal feed could be diverted to human food, thus undercutting their support program.

The current fragile political climate in Korea suggests that the government is unlikely to change its attitude on barley imports in the near future unless considerable external pressure is applied.

KOREAN POSITION

The Korean Ministry of Agriculture, Forestry and Fisheries maintains that imported barley cannot be effectively separated from domestic barley for human consumption. The ROK government is continuing its efforts to guide farmers out of barley production, cushioning the adjustment by maintaining a high price support scheme. Korean officials continue to contend that imported barley for animal feed would be diverted into human food use in spite of repeated assurances that Canadian barley could be denatured to make it unfit for human consumption. The Korean government has, however, stated that they would provide minimum market access as part of a successful Uruguay Round.