

III. OILSEEDS

1. Import Policy

- a) Import Tariffs: (i) Oilseeds: 10% tariff on soybeans. 40% tariff on groundnuts, sunflower, rapeseed, sesame and perilla seeds. 15% tariff applies to all other oilseeds.
- (ii) Crude Oil: With the exception of a 12% tariff on palm oil, 25% on coconut oil and 40% on groundnut, sunflowerseed, rapeseed, sesame and perilla seed oils - a 30% tariff applies to all other crude oils. (However, see b) below.).
- (iii) Oilseed Meal: 15% tariff applies to all oilseed meals
- (iv) Refined Oil: Same as the tariff rates on crude oils.

b) Non-tariff barriers: With the exception of six kinds of oilseeds (copra, palm and nuts and kernels, linseed, cottonseed, castor oilseed and mustardseed) and nine kinds of oils (palm, coconut, olive, mustard, linseed, palm kernel, castor, tung and camellia) and soybeans which are imported under annual quota - all other seeds and oils are restricted (i.e. prohibited) imports under the current trade plan. For re-export purpose, however, all seeds and oils may be imported.

c) Importation procedure and structure: For those oilseeds other than soybeans and linseed, end users or registered trading companies import through direct price negotiations. For linseed, either Korea Vegetable Oil Industry Association (KVOIA) or registered trading companies import through direct negotiations. In the case of soybeans, however, with the exception of soybeans required for oil crushing which crushers import directly through price negotiations and for sprouts which the Agriculture and Fisheries Development Corporation imports through tenders when requirements exist, soybeans required for all other food purposes are being imported by the National Agricultural Cooperative Federation (NACF) through regular tenders.

2. Additional Factors: As reported in the last year's report, rice bran oil crushers of KVOIA have been constructing eight new plants (one in each province except Cheju) since 1983. The plants are expected to be completed by the end of this year, with a total crushing capacity of 800 tonnes (based on rice bran) per day on 24 hour basis. Once the construction of new plants is completed, KVOIA may request that the Ministry of Agriculture and Fisheries allow them to import rapeseed from Canada. As explained previously the government plans to remove import restrictions on soybean oil starting July 1, 1986. If this happens, the three existing soybean oil crushers would have to compete with imported soybean oils. In order to maintain their respective marketshare and to operate their plants, they may start to source other oilseed raw materials such as Canadian canola.