

The government controls the importation of foreign commodities, including oilseeds and vegetable oils, through the annual trade plan which covers the period July 1 to June 30 each year. Under the current trade plan, certain seeds, such as copra, palm, linseed, cotton, castor, mustard, and oils, including olive, mustard, linseed, copra, palm, cotton, castor and tung, are unrestricted imports. All other oilseeds and oil are restricted imports except for re-export purpose. For domestic price stabilization purposes, the government has designated the Agriculture and Fishery Development Corporation (AFDC) the exclusive importer of peanuts, sesame and small soybeans (for bean sprout) through tenders. NACF is another exclusive agency authorized to import through tenders canola seed from Canada and soybeans required for food products such as tofu, vegetable milk, soy sauce and soybean paste. Only three oil crushers (Dongbang, Cheil and Samyang) are permitted to import soybeans required for crushing through direct price negotiations on a quota basis. However, they are forced to purchase domestic rapeseed and imported Canadian canola seed at prices set by the Korean government.

The government has already adopted forward pricing systems for sesame and peanut producers and is also planning to adopt the same system for soybean producers. The government also supports rapeseed producers. The subsidies are as follows:

(1) Sesame:

The government purchased sesame in 1986 through NACF at W213,200 (Cdn \$333.13) per 50 kg of NO.1 grade and W194,800 (Cdn \$304.38) per 50 kg of NO.2 grade through the forward pricing system. The government was expected to increase the price of sesame by five per cent for the 1987 crop and to provide sesame producers with loans of W100,000 (Cdn \$156.25) per hectare.

(2) Peanuts:

The government purchased peanuts in 1986 through NACF at W40,100 (Cdn \$62.66) per 30 kg of No.1 grade, and W37,000 (Cdn \$57.81) per 30 kg of No.2 grade and W33,900 (Cdn \$52.97) per 30 kg of No.3 grade also through the forward price system. The government was expected to increase the price of peanuts by five per cent for the 1987 crop and to provide peanut producers with loans of W120,000 (Cdn \$187.50) per hectare.

(3) Soybeans:

For soybeans purchased in 1986 through NACF, the government paid W900 (Cdn \$1.41) per kg of No.1 grade, W856 (Cdn \$1.34) per kg of No.2 grade and W755 (Cdn \$1.18) per kg of No.3 grade soybeans. For the 1987 crop, NACF recommended that the government increase the purchase price by 18 per cent. The Ministry of Agriculture, Forestry and Fisheries provides 50 per cent of seed cost and 30 per cent of fertilizer