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Korean Organizations Involved in the Beef Trade - 1996

The Korean beef trade is dominated by a number of large government, quasi-government and private sector organizations. This "Fact Sheet" provides some information on these organizations.

1. Livestock Products Marketing Organization (LPMO)

Add: 618-3 Shinsa-dong, Kangnam-ku, Seoul
Tel: 011-82-2-548-5241
Fax: 011-82-2-540-7024

Contact: Mr. Lee Si-Woo, General Manager

LPMO is a Korean government agency responsible for beef import formalities. They are authorized to handle the trading of beef through a tender process. LPMO handles beef under the General Tender process. Their quota for 1996 is 88,200 M/T out of total projected Korean beef import quota of 147,000 M/T.

Besides the general beef tenders handled by LPMO, there are a number of organizations that handle beef imports under the SBS (Simultaneous Buy and Sell) system. These "Supergroups" as they are known in Korea, include:

1). National Livestock Cooperatives Federation (NLCF)

Add: 451 Sungnae-dong, Kangdong-ku, Seoul
Tel: 011-82-2-485-3141
Fax: 011-82-2-475-8253

Contact: Mr. Moon Sun-Chang, General Manager

The NLCF is an independent organization established in 1981 under the Korean Livestock Cooperative Act to develop the Korean livestock industry for improving the socio-economic status of livestock farmers. The NLCF is authorized to participate in the SBS (Simultaneous Buy and Sell) within the limit of a given beef quota (8,698 M/T in 1996). The NLCF has delegated its authority to import beef to its subsidiary company, the Korea Livestock Trading Corporation (KLTC). The NLCF handle both beef and pork for balancing the demand and supply of these products in the Korean market.

2). Korea Livestock Trading Corporation (KLTC)

Add: 776-13 Yoksam-dong, Kanagnam-ku, Seoul
Tel: 011-82-2-561-5764
Fax: 011-82-2-564-3097

Contact: Mr. Ok Jae-Kwan, President

The KLTC is a wholly owned subsidiary of NLCF and is currently directly purchasing beef for the Korean market place. The KLTC would like to expand purchases of frozen boxed beef from Canada. They sell the beef to NLCF outlets.

3). **Korea Meat Industries Association (KMIA)**

Add: 1626-8 Socho-dong, Socho-ku, Seoul

Tel: 011-82-2-588-1264

Fax: 011-82-2-522-7812

Contact: Mr. Kim Dong-Kon, Vice-Chairman

The KMIA is a private organization consisting of over 40 meat processing firms who place orders on behalf of their members. KMIA is authorized to participate in the beef SBS system within the limit of their quota (7,420 M/T in 1996).

The KMIA is mainly importing grass-fed frozen carcasses from Australia and New Zealand. They allocate the beef purchased under their quota to their members companies. As of this time, KMIA is only involved with the beef trade.

4). **Korea Superchain Store Association (KOSCA)**

Add: 5th Fl., Hankook Moolyoo Center Bldg., San #164 , Dongcheon-ri, Yongin-kun, Kyunggi-do

Tel: 011-82-331-261-6541

Fax: 011-82-331-261-6548

Contact: Mr. Kim Hee-Yong, President

KOSCA is a private organization consisting of approximately 400 members. KOSCA is authorized to participate in the direct-bidding through the beef SBS system within the limit of their quota (10,073 M/T in 1996). KOSCA members, that are located in the department stores and shopping centres, were excluded from this arrangement. The KOSCA is currently purchasing frozen boxed beef from the U. S. KOSCA have indicated they would like to expand purchases of frozen boxed beef from Canada. They use their beef allocation to provide beef to their members. They are interested in frozen boxed beef, in particular short-rib. KOSCA only handles beef not pork at this time.

5). **Korea Tourist Hotel Supply Centre (KTHSC)**

Add: 255-5 Nung-dong, Sungdong-ku, Seoul

Tel: 011-82-2-458-3291

Fax: 011-82-2-454-2547

Contact: Mr. Yoo Hyo-Hee, President

KTHSC is a private organization consisting of tourist hotels who place orders on behalf of the major tourist hotels in Korea. Usually KTHSC receives orders from tourist hotels, ask "offer" agents to submit bids and after selecting the lowest tender, opens an Letter of Credit and clear the

shipment. However, hotels can also specify the source of products on their order and KTHSC will source from that supplier.

In short, there is only one nominal importer of imported goods including beef, veal, and other foodstuffs for tourist hotels and this is KTHSC.

KTHSC is authorized to participate in the direct bidding through SBS system within the limit of their quota (7,961 M/T in 1996). The KTHSC is currently purchasing frozen boxed beef and veal from the U. S. and Canada. They have expressed an interest in expanding purchases of boxed beef and veal from Canada. They are interested in a variety of frozen boxed beef including short-rib and veal. KTHSC handles beef and pork imports.

6). Korea Restaurant Supply Centre (KRSC)

Add: 186-3 Songpa-dong, Songpa-ku, Seoul
Tel: 011-82-2-425-4981
Fax: 011-82-2-425-4624

Contact: Mr. Park Bong-Soo, President

KRSC, a subsidiary company of the Korea Non-tourist Hotel Restaurant Business Association, sources beef and pork for its members. KRSC is authorized to participate in the beef SBS system within the limit of their allocated quota (6,290 M/T in 1996). The KRSC is purchasing frozen boxed beef from the U. S. and Canada but they would like to expand their purchases of frozen boxed beef from Canada. In particular, they are interested in short-rib and rib-eye roll.

Note: The KRSC also handle pork import under the MMA.

7). Korea Cold Storage Co., Ltd (KCSC)

Add: 13-8 Noryangjin-dong, Tongjak-ku, Seoul
Tel: 011-82-2-815-9331
Fax: 011-82-2-823-8138

Contact: Mr. Park Moon-Sang, Managing Director

KCSC is one of subsidiaries of the Agriculture, Fishery & Marketing Corporation (a wholly government-invested enterprise with the objectives to modernize marketing structure of fisheries and livestock products). KCSC is involved in meat processing, freezing, cold storage, ice-making and cold chain transportation, etc.

KCSC is authorized to participate in the direct bidding through the beef SBS system within the limit of their quota (8,698 M/T in 1996). The KCSC is currently purchasing frozen carcasses and boxed beef from Australia and the U. S. but they would like to import frozen boxed beef from Canada. They sell the beef to customers through their own outlets.

Two new organizations (supergroups) have received SBS beef quotas for 1996. They are:

8). Korea Federation of Meat Purveyors (KFMP)

Add: Daedo Bldg., 299 Hongik-dong, Songdong-ku, Seoul
Tel: 011-82-2-293-1671

Fax: 011-82-2-295-3603

Contact: Mr. Yang Myong-Hwan, Chairman

KFMP is a private organization consisting of over 34,000 butchershops across the nation who place orders on behalf of their members. KFMP is authorized to participate in the beef SBS system within the limit of their newly allocated quota of 6,660 M/T during 1996.

9). Korea Livestock Marketing Corporation (KLMC)

Add: 195-3 Chamsil-dong, Songpa-ku, Seoul

Tel: 011-82-2-424-2691

Fax: 011-82-2-424-2695

Contact: Mr. Suh Ki-Sang, Managing Director

KLMC is a subsidiary company of the National Livestock Cooperative Federation (NLCF). KLMC currently has 14 Hanwoo meat marketing shop and 5 imported beef marketing shop across the nation. We feel that KLMC will expand more their imported beef sales outlets starting this year. KLMC is authorized to participate in the SBS system within the limit of their newly allocated quota (3,000 M/T) starting in 1996.

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Questions?

If you have any questions , please do not hesitate to contact the Canadian Embassy in Korea:

Agriculture & Food Component
Commercial/Economic Division
Canadian Embassy, C.P.O. Box 6299
Seoul, Korea
Tel: (82-2) 753-2605,
Fax: (82-2) 755-0686

SOME OTHER NOTES:

1. Under the SBS beef quota category, the respective ratios between General LPMO tender volume and SBS quotas are:

YEAR	TOTAL QUOTA	GENERAL TENDER	SBS
1996	147,000 M/T	88,200 M/T (60%)	58,800 M/T (40%)
1997	169,000 M/T	84,500 M/T (50%)	84,500 M/T (50%)
1998	187,000 M/T	74,800 M/T (40%)	112,200 M/T (60%)
1999	206,000 M/T	61,800 M/T (30%)	144,200 M/T (70%)
2000	225,000 M/T	67,500M/T (30%)	157,500 M/T (70%)

2. The SBS beef quotas for 1997, 1998, 1999 and 2000 for each super group are determined early

in each calendar year.

3. The import statistics on beef are based on the boneless product.

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Prepared by: J.H. Kim, Ph. D
Commercial Officer
Agriculture and Food Component
Seoul, 960315

Canada