

Korea Product Brief: Oranges

Overview:

In 2014, Korea was the largest market for U.S. fresh oranges by value and volume. The United States supplied about 91,209 metric tons of fresh oranges worth about \$156 million to Korea in 2014, accounting for about 93 percent of total fresh oranges imports. Chile and South Africa account for 1.8 percent and 4.1 percent, respectively. The decrease in Korean imports of U.S. fresh oranges of 37.4 percent (54,532MT) in 2014 was mainly due to the increased import unit price (34 percent) from 2013 and aftermath of slowdown of west coast harbors during the high season.

Korean Imports of Fresh Oranges:

| Country | 2012 | | 2013 | | 2014 | |
|---------------|----------------|----------------|----------------|----------------|----------------|---------------|
| | \$1,000 | MT | \$1,000 | MT | \$1,000 | MT |
| World | 219,887 | 173,943 | 194,874 | 152,714 | 164,765 | 98,371 |
| United States | 210,773 | 166,931 | 186,169 | 145,741 | 156,281 | 91,209 |
| Chile | 4,225 | 3,136 | 3,365 | 2,355 | 2,638 | 1,807 |
| South Africa | 2,229 | 2,056 | 4,088 | 3,744 | 4,290 | 4,033 |
| Spain | 285 | 230 | 245 | 217 | 1,333 | 1,200 |
| Others | 2,375 | 1,590 | 1,007 | 657 | 223 | 122 |

Source: Global Trade Atlas, HS 080510, Oranges, Fresh or Dried

Tariff Phase-Out Schedule under KORUS FTA:

For oranges imported between March 1 and August 31, the duty will fall from the current 50 percent to 30 percent upon implementation and decrease by 5 percentage points each year.

A 2,500 MT zero-duty tariff-rate quota (TRQ) will be opened for U.S. oranges entering between September 1 and the end of February. The in-quota volume will increase to 2,814 MT by 2016 and will increase by 3 percent annually thereafter. (In 2011 imports of U.S. oranges during these months totaled 27,142 MT.) Imports above the 2,500 MT will be assessed a 50 percent duty.

| HSK 10 | Description | Base Rate | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------|-------------|-----------|-------|-------|-------|-------|-------|
| 0805100000 | Oranges | | | | | | |
| March 1 – end Feb | | 50% | 30% | 25% | 20% | 15% | 10% |
| Sept 1 - end Feb | | | | | | | |
| TRQ Volume (MT)* | | | 2,500 | 2,575 | 2,652 | 2,732 | 2,814 |
| In-quota duty | | | 0 | 0 | 0 | 0 | 0 |
| Out of Quota Duty | | 50% | 50 | 50% | 50% | 50% | 50% |

*After year 5, the in-quota quantity increases by 3% per year, compounded annually.

The Korea Agro-Fisheries Trade Corporation will auction and allocate TRQ import licenses in August of each year.

Export Requirements:

See APHIS' website (http://www.aphis.usda.gov/import_export/plants/plant_exports/index.shtml) for any phytosanitary requirements for shipping fresh oranges to Korea.

For more information, please contact the U.S. Agricultural Trade Office, U.S. Embassy Seoul, Korea, at atoseoul@fas.usda.gov, Tel: 82-2-397-4188, Fax: 82-2-720-7921, or visit www.atoseoul.com