

Result of Korea-China FTA Negotiations on Agriculture and the Corresponding Plans (Part 1)

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This article is a news release of the Ministry of Trade, Industry & Energy, Republic of Korea which was distributed on November 10, 2014. It mentions about reaching a consensus on FTA between Korea and China.

http://www.motie.go.kr/motie/ne/presse/press2/bbs/bbsView.do?bbs_seq_n=156694&bbs_cd_n=81

<Declaration on the substantial settlement of Korea-China FTA negotiations>

□ On November 10, 2014 (Monday), Presidents of Korea and China have declared the substantial settlement of Korea-China FTA during the summit conference in Beijing, China.

○ After the 14th official negotiations on Korea-China FTA during November 4, 2014 (Tuesday) to November 9 (Sunday), two countries have reached a final conclusion on all essential points including opening of goods and services market and Product Specific Rules (PSR).

□ During the summit conference on November 10, 2014 (Monday), Presidents of Korea and China have officially declared the substantial settlement of Korea-China FTA and ordered negotiation teams to finish the technicalities within this year. Ministers of Trade in both countries (Yoon Sang-jick of Korea and Gao Hucheng of China) signed 'Korea-China FTA Agreement Minute'.

○ Discussions of formulating Korea-China FTA began in 2005 at the joint private research and since the first official negotiations on May 2012, the substantial settlement was achieved in 30 months.

- The technicalities are due to be finished as soon as possible and the initialation is planned to be done by the end of this year.

* 2005 ~ 2006 Joint private research → 2007 ~ 2010 Joint research by the industry, government and academia → 2010 ~ 2012 Prior consultation between the governments → May 2012 The first official negotiation of Korea-China FTA → 14 Official Negotiations

The following is an attached explanation on the press release written by the Ministry of Agriculture, Food and Rural Affairs, Republic of Korea, around the time of substantial settlement of Korea-China FTA.

I Progress of Korea-China FTA

□ Joint private research (2005 ~ 2006) and joint research by the industry, government and academia (2007 ~ May, 2010) between Korea and China were carried out.

□ Based on the Korea-China Summit Conference on January 9, 2012, two countries agreed to proceed with the negotiations as soon as domestic procedures are taken care of.

* (Domestic procedures) Public hearings on Korea-China FTA (February 24, 2012), FTA Progress Committee (April 13, 2012), Minister Meeting on External Economic Affairs (April 16, 2012), Reports to the National Assembly (April 23, 2012)

* (External Procedures) Prior negotiations on detailed regulations on negotiation with China (March ~ April, 2012).

□ Based on Korean-Chinese Ministers of Trade Meetings on May 2, 2012, declaration of the beginning of Korea-China FTA negotiations and joint public statement took place.

* Including negotiations in stages, goods categorized into Normal Track, Sensitive List and Highly Sensitive List, Outward Processing Zones

□ After the declaration of the beginning of the negotiations, the first modality negotiation (outline of negotiation) began. Korea-China FTA Modality was settled on the 7th negotiation (September, 2013 in Weifang).

* Settlement of modality on goods, services/investments, other areas (cooperation on agricultural and fisheries products, SPS)

□ Second stage of negotiations began after the 8th negotiation. After six official negotiations, agreement on concession and rule of origin was reached.

* 8th (November, 2013 in Incheon), 9th (January, 2014 in Xian), 10th (March, 2014 in Goyang), 11th (May, 2014 in Meishan), 12th (July, 2014, Daegu), 13th (September, 2014, in Beijing)

□ Based on the APEC Summit on November 10, 2014, Presidents of both countries declared the substantial settlement of Korea-China FTA.

* Presidents of both countries have ordered to finish the remaining technicalities within this year.

◆ 180 times of meeting for exchanging opinions were held including meetings for particular goods and briefing sessions.

II Major results

37. Concessions on agricultural products

Concessions on the Korean side

37. Introduction

◆ The agreement is as follows: among the total agricultural goods (1,611 items), highly sensitive list contains 581 items (36.1%), sensitive list 441 (27.4%), normal track 589 (36.6%).

* (normal track) abolished within 10 years, (sensitive list) abolished after 10 years and within 20 years, (highly sensitive list) excluded from concession/TRQ/partial reduction

◆ The percentage of sensitive and highly sensitive list is 63.4% (1,022 items), higher than previous FTAs.

* (United States of America) 12.2%, (EU) 14.5%, (Canada) 18.5%, (Chile) 29.7%, (Australia) 38.5%

□ (Highly sensitive list) Among 581 items in highly sensitive list, 548 items (94.3%) are excluded from concession, TRQ is applied to seven items (1.2%) and partial reduction is applied to 26 items (4.5%).

○ (Excluded from concession) Most products that are subjected to domestic production are excluded from concession

* (United States of America) 1.0% (16 items), (EU) 2.8% (41 items), (Australia) 10.5% (158 items), (Canada) 14.1% (211 items)

○ (TRQ) Items that are already subjected to high dependence on imports from China due to WTO/TRQ, TRQ is being applied in order to protect domestic industry and stabilization of supply.

* TRQ supplies (fixed): soybeans 10,000 metric tons, sesame 24,000 metric tons, sweet potato starch 5,000 metric tons, red beans 3,000 metric tons, other feed 38,000 metric tons, malt 5,000 metric tons.

○ (Partial reduction) Domestic sensitive list goods with large amount of imports from China have been subjected to partial reduction in order to minimize the opening of the market.

* Partial reduction of tariff (average of 20%) goods: kimchi, composite seasoning, other sauces, prepared peanuts, perilla, starch noodles, prepared red beans, other starches, taro for starch products, tapioca, scotch oats, etc

□ (Sensitive list) Goods that are comparatively less sensitive such as lemon, margarine, etc will be subjected to a long-term tariff elimination schedule in order to prepare for sharp increase in imports

○ Other herbal medicine ingredients, other fruit nuts(prepared), other fruits (jam, jelly) are subjected to 20-year non-linear tariff elimination in order to minimize the influence.

* Other herbal medicine ingredients (tariff 8%) will apply tariff elimination after the 13th year, other fruit nuts (tariff 45 %) and other fruit (30%) will apply tariff elimination after the 11th year.

□ (Normal track) Low-rate tariff goods among fresh agricultural products, import-dependent goods such as raw materials of livestock feeds, goods that do not have domestic demand, etc will be subjected to tariff elimination within 10 years.

B. Concessions for major agricultural products

□ (Rice) Rice and rice-related products (16 tariff headings) are excluded from the subject of negotiations.

* All duties are excluded, including duties other than tariff elimination and any other FTA-related duties.

□ (Animal products) Major animal products in domestic market such as cows, pigs, chickens, ducks and other major animal products such as milk and egg are all excluded from the negotiation.

○ Breeding stocks, goods for low-rate tariff (pig fat 3%), processed livestock product (albumin) etc that have less influence on domestic livestock industry, are partially open.

□ (Fruits) Major products that have large amount of supply and demand in domestic market such as Apple, pear, grapes, tangerines, persimmons, strawberries, watermelons, peaches, etc are excluded from the subjects of negotiation.

○ **Oranges**, which have high substitution effects on tangerines and major processed fruits such as **grapes, peaches, strawberries, tomato juices** are **excluded from concession**.

○ Nuts such as chestnut, walnuts, pine nuts, jujube, ginkgo nuts are excluded from concession. Goods that are in competition with imported agricultural products such as bananas are opened.

○ (Vegetable·special production) Seasoning vegetable such as red pepper, garlic, onion, cinnamon, major field crop such as Chinese cabbage, carrot, radish, cucumber, aubergine and ginseng products are excluded from concession.

○ Major vegetable are entirely excluded from concession- regardless whether they are fresh vegetables or products that may be circumvented by being imported in forms such as frozen, dried, prepared, temporarily stored.

○ Among ginseng products, high rate tariff products (222.8% ~ 754.3%) are excluded from concession and only low rate tariff products such as drinks·teas (8%) are agreed to be subjected to tariff elimination in 20 years.

○ Sesame have high dependency on imports and 24,000 tons will be imported every year under TRQ. Perilla is subjected to decrease the current tariff rate (40%) to 36% in five years.

□ (Processed foods) Traditional foods such as soysauce, soybean paste, hot pepper paste,

meju (fermented soybean), soybean oil(for food)·sugar·starch that need to maintain domestic production basis are excluded from concession.

○ Tariff rate for kimchi(20%) is to be decreased within 10% (2%p).

* Although the average partial reduction rate is 20%, the percentage of decrease is within 10% in order to minimize the impact to Chinese cabbage, sauce and kimchi industry.

○ Mixed seasoning, other sauces (so-called seasoned red-pepper sauce) are subjected to minimal decrease in tariff reduction because there are possibilities of negative impacts through circumvention.

○ Sweet potato starch have high dependency rate on the Chinese imports and are to be imported on fixed amount of 5,000 tons per year on TRQ.

The result of concessions on agricultural goods in Korea-China FTA

Type of Concession	Tariff Heading Number	Percentage (%)	Major Items
Immediate Elimination	216	13.4	Cow(beef cattle, dairy cattle, others), ducks (others, for breeding), pigs (for breeding), soy bean (seed, flour, middling), sorgo atsuma (for spirit production), lard (others), poultry fat (others), palm oil and fractions, tomato seed, wool (others/absorbent cotton), variety of cake (common wheat), cabbage seed, mustard seed, fur (others), coconut oil and others, atsuma (others/ for spirit production), lard oil, radish seed, coconut oil (crude oil), vegetable seed (others), rye (others)
Elimination in five years	209	13.0	Sunflower seed oil (crude oil/others), processed food (oatmeal/for infants), ox bezoar, pasta (others), corn gluten feed, sweet rice beverage (<i>sik-hye</i>), musk, beet, hard tack, common wheat (others), cottonseed oil (crude oil/refined oil/others), soybean oil (refind oil/ crude oil), sorgo, spaghetti, brewing vinegar, instant noodle and others
Elimination in ten years	164	10.2	Cognac, white wine (others), coconut (others/dried/in-shell-endocarp), bakery products (others), saffron, sweet biscuits, cookies and crackers, pine tree (for bonsai), red wine (others), vodka, mayonnaise, almond (shell removed) and others
Subtotal	589	36.6	
Elimination in 15 years	202	12.5	Sunflower seed oil(refined oil), palm kernel oil (refined oil), curry, olive (sugar-processed for storage/processed for storage/processed for temporary storage), ice cream (others), shortening, cider, banana (others/plantain),

				mangosteen(fresh/dried), margarine (excluding liquefied forms), durian (fresh), guava (fresh/dried), pineapple (processed for storage/ sugar-processed for storage), mango (fresh/dried), popcorn (processed for storage), coffee creamer, mustard(powder/middling), sausages (others), compound feed (cattle/swine/chicken/fisheries/others), tomato paste, sweet corn (processed for storage/sugar-processed for storage/frozen) and others
Elimination in 20 years	Reduction from 11 th year	2	0.1	Fruit, nuts and others (processed for storage), other fruits (jam, jelly, marmalade, etc)
	Reduction from 13 th year	1	0.1	Other herbal medicine ingredients (other plants – perfume, medicine and others)
	Linear Elimination in 20 years	236	14.6	tlatycodon glaucum (thwn berg) narai (fresh/cold-storage), manioc (frozen), dairy spread, soju, beer, peanut oil (crude oil/refined oil/others/fractions), ginseng drinks, other vegetables (sugar-processed for storage), mixture of vegetable, chung-jang, bean (others/sugar-processed for storage), whey (others/feed) and others
Subtotal		441	27.4	
TRQ		7	0.4	Sesame, red beans (dried/others), soy beans (others/for soy sprout), plant by-products for feeds, malt (non-fried), starch (of sweet potato), soy bean (others/others)
Partial Reduction	20 % partial reduction (average)	11	0.7	Kimchi (processed for storage), mixed seasoning, other sauces, red bean (shell removed/processed for storage), starch noodle, bracken (dried), perilla, saccharides (others), other peanuts (processed for storage), pine mushrooms (frozen), other vegetables (processed for storage)
	130% reduction	15	0.9	Manioc (fresh/cold-storage/others/dried), manioc chips (dried), manioc pellets (dried), wheat (pellet/crushed/middling), sweet corn (others/dried), corn (seed), scotch oats (pressed flakes/crushed/middling/processed grain), yam-Dioscorea(others), taro- Colocasia (others), American taro- Xanthosoma (others)
Excluded from Concession		548	34.0	Rice, barley (hulled barley/naked barley), corn for popcorn, potato (food/frozen,dried/chips/potato flour), beef (fresh/cold-storage/frozen/comminuted meat products), pork (frozen pork belly/ cold-storage pork belly/other cold-storage pork/pig trotter/sealed products), chicken

			(frozen breast meat/ frozen wings/frozen meat/chicken processed products), powdered milk(whole milk powder, condensed milk/ modified milk powder/mixed milk powder), cheese (fresh/processed/others/cheddar), butter, honey (natural/artificial), citrus fruits · oranges(atsuma mandarin/ mandarin/ tangerine/ orange), apple·pear·grape·kiwi, pumpkin, pepper(fresh/cold-storage/dried/frozen), garlic (fresh/cold-storage/temporary storage/dried/frozen), onion (fresh/cold-storage/dried/frozen), ginseng products (root ginseng, other processed products) and others
Subtotal	581	36.1	
TOTAL	1,611	100.0	

Concession on the Chinese side

□ (Highly Sensitive List) 102 Goods that are traditionally sensitive and were excluded from concession in previous FTAs such as rice, sugar, wheat flour, vegetable oil, cigarette and others are excluded from concession.

○ The other 1,029 goods (91%) are subjected to the elimination of tariff in order to maximize the possibility for venturing into the Chinese market.

□ (Sensitive List) Fresh meat such as beef, pork, chicken and others, as well as processed goods of fruits and vegetable, pasta, instant noodle and others will be subjected to tariff elimination in 20 years.

○ Kimchi and other vegetable prepared for storage, prepared coffee and others will be subjected to tariff elimination in 20 years.

□ (Normal Track) Frozen beef, pork, chicken, fresh apple, pear, grape and other fruits will be subjected to tariff elimination in 10 years.

○ Vegetables will be subjected to tariff elimination in 10 years, regardless of whether they are fresh or frozen.

Types of Concession		Korea-China FTA		Major Goods
		Tariff Heading Number	%	
Normal Track	Immediate Concession	221	19.5	Processed products for feeds, jam·fruit jelly, vegetable seed and others
	Concession in 5 years	54	5.7	Protein-type material, wool, animal fur, raw silk, livestock raw hide, frozen orange juice,

				non-roasted coffee
	Concession in 10 years	439	38.8	Apple·pear·grapes·peach·strawberry(fresh), beef·pork·chicken(frozen), sausage, roasted coffee, water and others
Subtotal		725	64.1	
Sensitive List	Concession in 15 years	203	17.9	Beef·pork·chicken(fresh), pasta, fruit juice, vegetable juice, natural honey, processed cheese and others
	Concession in 20 years	101	8.9	Kimchi, non-alcoholic beverages, other seasonings, instant noodle, coffee products, flour products, soy sauce, fermented alcohol, frozen duck meat and others
Subtotal		304	26.9	
Highly Sensitive List	Partial Reduction	1	0.1	Other processed foods (20% → 18.4%)
	Excluded from Concession	101	8.9	Rice, sugar, dried ginseng, chestnut (in-shell), vegetable oil, milk and cream, wheat, wheat flour, saccharides
Subtotal		102	9.0	
TOTAL		1,131	100.0	

2. Sanitary and Phytosanitary measures (SPS)

- Taking into consideration the worries from agricultural industry, Sanitary and Phytosanitary measures were agreed at the level of WTO/SPS Agreement.
- Articles that may violate the quarantine sovereignty such as regionalization are deleted and the dispute resolution process in FTA will not be applied.
- Both sides agreed that the SPS Committee will be established in order to perform WTO/SPS Agreement and to consult an agreement on SPS issues.

3. Non-Tariff Measures (NTM)

- Two countries agreed to enhance clarity on non-Tariff Measures – excluding the matters of sanitation, SPS, Technical Barriers to Trade- and to provide opportunities for consultation.
- Both sides agreed to open a working group on commission of commodity trade on NTM issues that one party has confirmed.

4. Country of origin

- Fresh agricultural products (1~14 class) are subjected to strict criteria in order to protect the domestic market. Processed foods (15~24) are subjected to eased criteria, considering the possibilities for export.
- For dairy products, flowers, vegetables, fruits, grain·grain flour, preferential tariff is applied only when domestic material are used, setting up wholly obtained criterion.

○ For sausage, chocolate, instant coffee, fruit and vegetable products country of origin criteria is being eased to allow the foreign material usage in order to enhance competitiveness in exports.

III Domestic supplement plans

□ Korea-China FTA concludes the previous FTAs and signifies that the Korean agriculture is completely incorporated into the open market system in the FTA

○ Upon the agreement of Korea-China FTA, the percentage of agricultural product import from FTA countries increase from 64% (including the Commonwealth) to 80% (in 2013).

□ Considering the unique characteristic of the agricultural goods trading between Korea and China, the Government of Republic of Korea (“**Government**”) plans to establish a comprehensive plan in order to improve the fundamentals of the Korean agriculture and to raise it as future growth industry.

○ The Government have considered plans for reaction with farmers, local governments, professionals and others for possible scenarios while progressing with the negotiation.

○ The Government plans to analyze the effects based on the final negotiations and prepare measures to preserve damages, enhance competitiveness and utilize the opportunities for expanding exports to China.

Major contents for comprehensive plans (proposals)

* (Enhancing competitiveness for field crop) Maintenance of field basis, mechanization of field, ICT convergence

* (Expanding consumption and export basis) Expansion of GAP, raising of agricultural food industry, expansion of export

* (Stabilizing farm household income) Expansion of field direct payment, Introduction of revenue guarantee insurance

* (Manpower, Financial Policies) Raising agricultural manpower, decrease of bank rate policy

○ A comprehensive plan will be prepared by making a T/F team with Rural Development Administration, Korea Forest Service and local governments.

□ Moreover, the Government will duly listen to opinions from farmers, professionals and others and start working with areas that need proactive action

○ Works that have long-term investments and effects will be actively engaged even before FTA takes effect.

IV Upcoming schedule

- The Government will carefully cope with the upcoming procedures until the official signing.

Cooperation on technicalities → Legal scrub → Initialing → Translation → Signing

- After the signing, ratification submitted to the National Assembly and the domestic supplements will be submitted simultaneously.

Analysis on the effect → First draft of countermeasures → Collection of opinions and consultation → Committee for supporting farmers → Domestic countermeasure projects committee on commercial treaties → Economic ministers meeting → Request for ratification of the National Assembly

- (Analysis on the effect) Damages occurred by the result of the negotiation of goods will be analyzed.
 - The announcement of the analysis will be held by joint research group after collecting and reviewing the data.
- (First draft of countermeasures) First draft of domestic measures will be prepared based on the aforementioned data.
 - Rural Development Administration, Korea Forest Service and local governments will establish and run a joint TF.
- (Collection of opinions and consultation) Opinions of farmers, local governments, professionals will be collected and consultation will be made between the departments.
 - Various opinions of farmers, local governments and other interested parties will be collected by holding farmers association meeting(nationwide, association per goods), committee for national cohesion, general managers meeting on city and provincial government.
 - First draft of countermeasures will be discussed in the Hope Agricultural Forum (희망 농업 포럼).
 - Related departments will finalize the analysis on damages and consult on the investment and loan plans.
- (Legal procedures) The plans for countermeasures will be introduced and discussed in committee for supporting farmers, Domestic countermeasure projects committee on commercial treaties and Economic ministers meeting
- (Submission at the National Assembly) Ratification and domestic plans will be simultaneously submitted.

Appendix 1 **Current situation of Korea-China trade**

□ Comprehensive trade trends with China: US \$ 228.8 billion (Trade surplus US \$ 62.8 billion)

(Unit: US \$ billion)

Classification	2009	2010	2011	2012	2013	Total Amount of International Trade (Percentage of Trade with China)
Exports	867	1,168	1,342	1,343	1,458	5,596 (26.1%)
Imports	542	716	864	808	830	5,156 (16.1%)
Trade Balance	325	453	478	535	628	
Total Turnover	1,409	1,884	2,206	2,151	2,288	

□ Agricultural and animal products trade trends with China: US \$ 5.7 billion (Trade deficit US \$ 3.8 billion)

(Unit: US \$ million)

Classification		2009	2010	2011	2012	2013
Export (A)	Total	419	556	915	907	947
	Agricultural products	327	447	816	654	675
	Animal products	18	23	37	131	145
	Forest products	74	86	62	122	127
Import (B)	Total	2,822	3,227	3,999	4,214	4,714
	Agricultural products	1,702	1,946	2,463	2,364	2,747
	Animal products	42	53	60	138	142
	Forest products	1,078	1,228	1,476	1,712	1,825
Trade balance (A – B)		△2,403	△2,671	△3,084	△3,307	△3,767

□ Top 10 agricultural and animal products in trade with China

(Unit: US \$ million)

Rank	Exports		Imports	
1	Sucrose	128.7	Granite products	540.8
2	Processed dry milk	56.4	Plywood	288.4
3	Processed coffee products	52.1	Rice	284.4
4	Composite food preparation	45.7	Starch pulp	224.0
5	Paper board	44.5	Composite food preparation	182.6
6	Other bakery products	44.4	Other forest products	136.7
7	Biscuits	37.8	Soybean meal	131.7
8	Instant noodle	37.8	Kimchi	117.4
9	Other forest products	36.7	Other furniture	113.3
10	Leather	33.9	Pepper	111.8

Appendix 2 **Comparison of concessions in Korea-China/The United States/European Union/Australia/Canada FTA on major pgricultural products**

Products		Korea-China FTA	Korea-US FTA	Korea-EU FTA	Korea-Australia FTA	Korea-Canada FTA
Rice	o Rice and 16 rice-related tariff heading numbers	Excluded from Concession	Excluded From Concession	Excluded From Concession	Excluded From Concession	Excluded From Concession
Barley	o Hulled barley (324%), Naked barley (299.7%)	Excluded from Concession	15 years + ASG + TRQ	Excluded From Concession	Excluded From Concession	15 years + ASG + TRQ
	o Malt (269%), Malting barley (513%)	TRQ/ Excluded from Concession	15 years + ASG + TRQ	15 years + ASG + TRQ	15 years + ASG + TRQ	12 years + TRQ, 15 years
Corn	o Corn for popcorn (630%)	Excluded from concession	7 years + ASG	13 years	18 years	10 years
	o Corn for seeding (328%)	Reduced to 130% for 10 years	5 years	5 years	18 years	10 years
Soybean	o Soybean for food (487%)	Current tariff is maintained + TRQ	Current Tariff is maintained + TRQ	Excluded From Concession	Current Tariff is maintained + TRQ	Current tariff is maintained + TRQ (Immediate application for soy sauce and soybean meal)
	o Others (487%)	Excluded from concession (Vegetable oil, For defatted soybean meal, For feeder)	Immediate Elimination (Vegetable oil, For defatted soybean meal, For feeder)	5 years (Vegetable oil, For defatted soybean meal), Excluded from concession (For feeder)	50 % Reduction in 10 years (For defatted soybean meal, feeder)	10 years (Vegetable oil, defatted soybean meal), Excluded from Concession (Feeder)
Potato	o Potato for food (304%), Freeze drying (27%)	Excluded from concession	Current Tariff is maintained + TRQ (Frozen, Dried 5	Excluded from concession (Frozen, dried 5 years, For	Excluded from Concession	Excluded from concession(frozen, dried 5 years, For seed 10 years)

			years, For seed 10 years)	seed 10 years)		
	o Potato for chips (304%)	Excluded from concession	Seasonal Tariff (Immediate / 8 years)	Excluded from concession	Seasonal tariff (Immediate / 15 years)	Seasonal tariff (Immediate / 15 years)
	o Potato flour (304%)	Excluded from concession	10 years + ASG	13 years	Excluded from concession	10 years + ASG + TRQ
Starch	o Potato starch (455%)	Excluded from concession	15 years + ASG	15 years + ASG	50 % Reduction in 10 years	Excluded from concession
	o Manioc starch (455%), Sweet potato starch (241.2%)	Excluded from concession	15 years + ASG	15 years	50 % Reduction in 18/10 years	11 years
	o Modified starch (385.7%)	Excluded from concession	12 years + ASG + TRQ	12 years + ASG + TRQ	15 years	10 years
Beef	o Fresh meat-frozen (40%)	Excluded from concession	15 years + ASG	15 years + ASG	15 years + ASG	15 years + ASG, Excluded from concession
	o Edible meat offal (18%)	Excluded from concession	15 years	15 years	15 years	11 years
Pork	o Frozen pork belly (25%)	Excluded from concession	Jan 1, 2014 (Frozen pork neck Jan 1, 2016)	10 years	Excluded from concession	13 years + ASG
	o Cold-storage pork belly, other cold-storage products (22.5%)	Excluded from concession	10 years + ASG	10 years + ASG	10 years	13 years + ASG
	o Pork foot (18%), Airtight processed products (30%)	Excluded from concession	Jan 1, 2014	6 years	7 / 5 years	5 years / 6 years
	o Other frozen products (25%)	Excluded from concession	Jan 1, 2016	5 years	5 years	5 years + ASG
Chicken	o Frozen chicken breast, Frozen chicken wing (20%)	Excluded from concession	12 years	13 years	18 years	Excluded from Concession
	o Uncut chicken meat (18-20%)	Excluded from concession	12 years	12 years	18 years	11 years
	o Cold-storage meat (18%), processed chicken meat products (30%)	Excluded from concession	10 years	10 years	18 / 10 years	10 years / Excluded from concession
Duck meat	o Cold-storage meat (18%), Frozen meat (18%)	Excluded from concession	10 years/ 12 years	11 years/ 14 years	15 years/ 18 years	10 years / Excluded from concession
Dry milk	o Whole milk powder (176%)	Excluded from concession	Current tariff is maintained + TRQ	Current tariff is maintained + TRQ	Excluded from concession	Excluded from concession
	o Skim milk powder (176%)	Excluded from concession	Current tariff is maintained + TRQ	Current tariff is maintained + TRQ	Excluded from concession	Excluded from concession

	○ Modified milk powder (36%)	Excluded from concession	10 years + ASG	10 years + ASG	15 years + ASG	Excluded from concession
	○ Mixed milk powder (36%)	Excluded from concession	10 years	10 years	15 years	Excluded from concession
Cheese	○ Fresh, processed, other cheese (36%)	Excluded from concession	15 years + ASG	15 years + ASG	20 / 18 years + ASG	Excluded from concession
	○ Cheddar cheese (36%)	Excluded from Concession	10 years + ASG	10 years + ASG	13 years + ASG	Excluded from concession
Honey	○ Natural honey (243%)	Excluded From concession	Current tariff is maintained + TRQ	Current tariff is maintained + TRQ	Excluded from concession	Current Tariff is maintained + TRQ
	○ Artificial honey (243%)	Excluded From concession	10 years	10 years	Excluded from concession	10 years
Feeds	○ Subsidiary feeder (50.6%)	20 years	12 years + ASG	12 years + ASG	15 years	10 years + ASG
	○ Corn for feeder (328%)	Excluded from concession	Immediate Elimination	5 years	18 years	10 years
Citrus fruits, Orange	○ Satsuma mandarin (144%)	Excluded from concession	15 years	Excluded from concession	Excluded from concession	Excluded from concession
	○ Mandarin, Tangerine (144%)	Excluded from concession	15 years	15 years	Seasonal tariff	11 years
	○ Orange (150%)	Excluded from concession	Seasonal tariff + ASG	Seasonal tariff + ASG	Seasonal tariff + ASG	Excluded from concession
Apple, Pear, Grapes	○ Apple (45%)	Excluded from concession	Fuji-produced 20 years (others 10 years) + ASG	Fuji-produced 20 years (others 10 years) + ASG	Excluded from concession	Fuji-produced excluded from concession (others 10 years) + ASG
	○ Pear (45%)	Excluded from concession	Chinese pear 20 years (other variety 10 years)	Chinese pear 20 years (other variety 10 years)	Excluded from concession	Fuji-produced excluded from concession (others 10 years) + ASG
	○ Grapes (45%)	Excluded from concession	Seasonal tariff	Seasonal tariff	Seasonal tariff	Excluded from concession
Pepper	○ Fresh, Cold-storage, Dried pepper (270%)	Excluded from concession	15 years + ASG	Excluded from concession	Excluded from concession	Excluded from concession
	○ Frozen pepper (27%)	Excluded from concession	15 years	15 years	18 years	11 years
Garlic	○ Fresh, Cold-storage, temporary storage, dried garlic (360%)	Excluded from concession	15 years + ASG	Excluded from concession	Excluded from concession	Excluded from concession
	○ Frozen garlic (27%)	Excluded from concession	15 years	15 years	18 years	11 years
Onion	○ Fresh, Cold-storage, Dried onion (135%)	Excluded from concession	15 years + ASG	Excluded from concession	Excluded from concession	Excluded from concession
	○ Frozen onion (27%)	Excluded from concession	12 years	12 years	15 years	11 years

Ginseng	○ Root ginseng, seven tariff heading numbers (222.8~754.3%)	Excluded from concession	18 years + ASG	Excluded from concession	Excluded from concession	Excluded from concession
	○ Other ginseng processed products	Excluded From concession	10 – 15 years + ASG	10 – 15 years + ASG	10 – 15 th year, Excluded from concession	10 years – Excluded from concession
Noodles	○ Instant noodle (5%), pasta (5%)	5 years / 10 years	Immediate elimination	Immediate elimination	Immediate elimination/10years	Immediate elimination

Appendix 3 **Result of Korea-China FTA on agricultural goods (in detail)**

37. Food crops

Products	Result of FTA negotiations
Rice	○ Rice and rice related 16 tariff heading number: Excluded from concession
Soybean	○ Soybean for food(487%, for soy sprout, others): Current tariff is maintained + TRQ 10,000 tons - Vegetable oil and defatted soybean meal: Excluded from concession - For feeder: Excluded from concession
Potato, potato flour	○ Potato for chips (304%), other potato for food (304%): Excluded from concession - Potato for chips: Excluded from concession - Potato for seed (304%): Excluded from concession - Frozen·dried: Excluded from concession ○ Potato flour (304%): Excluded from concession
Barley	○ Hulled barley (324%), naked barley (299.7%): Excluded from concession - Malt (non-fried, 269%): Current tariff is maintained + TRQ 5,000 tons - Malting Barley (513%): Excluded from concession - Other barley (299.7%): Excluded from concession
Corn	○ For popcorn (630%), for feeder (328%): Excluded from concession - For seed (328%): Reduced to 130% (in uniform for 10 years) - Other corn (328%): Excluded from concession
Starch	○ Potato starch (455%), corn starch (226%), other starch (800.3%): Excluded from concession - Wheat starch (50.9%), manioc starch (455%): Excluded from concession - Sweet potato starch (241.2%): Current tariff is maintained + TRQ 5,000 tons
Others	○ Sweet potato (385%, Frozen is 45%), other root and tuber crops (385%): Excluded from concession - Fermented spirits (270%): Excluded from concession - Red bean seed (420.8%): Excluded from concession - Other red beans (420.8%): Current tariff is maintained + TRQ 3,000 tons - Buck wheat (256.1%): Excluded from concession - Adlay (800.3%), other processed grains (800.3%): Excluded from concession

B. Beef

Products	Result of FTA negotiations
Beef	<ul style="list-style-type: none"> ○ Eight sensitive tariff heading number goods: Excluded from Concession ○ Edible meat offal (Leg, Tail, Tongue and others, 18%), meat and edible meat offal (27%): Excluded from concession
Pork	<ul style="list-style-type: none"> ○ Carcass and carcass in half, thigh, shoulder, pork belly and others (cold-storage/frozen, 22.5%/25%): Excluded from concession ○ Edible meat offal (18%): Excluded from concession ○ Processed pork product (27~30%): Excluded from concession ○ Sausage (18%): Excluded from concession - Other sausages (30%): Eliminated in 15 years
Chicken	<ul style="list-style-type: none"> ○ Chicken leg-breast-wings (cold-storage/frozen, 18/20%): Excluded from Concession ○ Fried chicken (18~20%): Excluded from Concession, Other un-cut chicken mean (18%): Excluded from concession ○ Processed chicken product (30%): Excluded from concession ○ Ginseng-chicken soup (30%): Excluded from concession
Egg	<ul style="list-style-type: none"> ○ Egg (41.6%), Yolk (27%): Excluded from concession ○ Parent egg (27%): Excluded from Concession ○ Other mature eggs (27%): Excluded from concession
Other meat products	<ul style="list-style-type: none"> ○ Duck meat (18~27%): Excluded from concession ○ Goat· Sheep meat (22.5%): Excluded from concession ○ Turkey meat (18~27%): Eliminated in 20 years ○ Antler powder (20%): Excluded from Concession ○ Other antler (20%): Excluded from concession

C. Dairy products, honey, feeders

Products	Result of FTA negotiations
Milk powder, Condensed milk, Lactose	<ul style="list-style-type: none"> ○ skim milk powder·whole milk powder (176%)·condensed milk(89%): Excluded from concession ○ Mixed milk powder (36%): Excluded from concession ○ Modified milk powder (36~40%): Excluded from concession ○ Lactose (49.5%): Excluded from concession
Cheese	<ul style="list-style-type: none"> ○ Cheese (36%): Excluded from concession
Milk and Cream	<ul style="list-style-type: none"> ○ Milk and Cream (36%): Excluded from concession - Less than 6% fat: Excluded from concession - More than 6% other fat: Excluded from concession - More than 6% frozen cream fat: Excluded from concession
Butter	<ul style="list-style-type: none"> ○ Butter (89%): Excluded from concession
Whey	<ul style="list-style-type: none"> ○ Whey for food (49.5%): Excluded from concession ○ Whey for feeder (39.5%): Eliminated in 20 years
Honey	<ul style="list-style-type: none"> ○ Natural honey, artificial honey (243%): Excluded from concession ○ Royal jelly (7%): Excluded from concession ○ Royal jelly·processed honey products (8%): Excluded from concession
Feeder	<ul style="list-style-type: none"> ○ Root vegetable for feeder (100.5%): Excluded from concession ○ Subsidiary feeder (50.6%), Formula feeder (milk replacer, 71%): Eliminated in 20 years ○ Formula feeder (raising pork/chicken/ fish/ cow/others, 4.2~5%): Eliminated

	in 15 years ○ Other feeder (46.4%): Current tariff maintained + TRQ 38,000 tons
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D. Fruit and Fruit Vegetable

Products	Result of FTA negotiations
Apple, Pear, Sweet persimmon, Watermelon, Strawberry, Grapes, Peach	○ Apple, Pear, Sweet persimmon, Watermelon, Strawberry, Grapes, Peach (45%): Excluded from concession
Citrus Fruit	○ Citrus fruit (144%): Excluded from concession ○ Mandarin (144%): Excluded from concession
Orange	○ Orange (50%): Excluded from concession
Kiwi	○ Kiwi (45%): Excluded from concession
Melon	○ Melon (45%): Excluded from concession
Other Strawberries	○ Berry (Fresh 45%, Frozen 30%): Excluded from concession ○ Herbaceous Strawberries (Temporary Storage, 30%): Excluded from concession ○ Strawberries (Processed for Storage, 45%): Excluded from concession ○ Strawberry juice (50%): Excluded from concession
Tomato	○ Tomato (Fresh· Cold-storage, 45%): Excluded from concession ○ Tomato juice (30%): Excluded from concession ○ Processed for Storage (30%): Eliminated in 20 years ○ Tomato ketchup (8%), Tomato sauce (45%): Eliminated in 20 years - Tomato paste (5%): Eliminated in 15 years
Cucumber, Pumpkin	○ Cucumber (27%): Excluded from concession ○ Pumpkin (27%): Excluded from concession
Aubergine	○ Aubergine (27%): Excluded from concession

E. Sauced Vegetable, Ginseng, Special crops

Products	Result of FTA negotiations
Pepper	○ Fresh pepper, dried pepper, red pepper spice (270%), frozen pepper (27%): Excluded from concession
Garlic	○ Whole garlic·peeled garlic·dried garlic·temporary storage processed (360%): Excluded from concession ○ Frozen garlic (27%): Excluded from concession ○ Processed for storage (30%): Excluded from concession
Onion	○ Fresh and dried onion (135%): Excluded from concession ○ Frozen onion (27%): Excluded from concession ○ Processed for storage (30%): Excluded from concession
Ginger	○ Fresh·dried·other ginger (377.3%): Excluded from concession ○ Sugar-processed for storage (30%): Excluded from concession

Scallion	<ul style="list-style-type: none"> ○ Dried scallion (30%), shallot (27%): Excluded from concession ○ Processed shallot for storage (30%): Excluded from concession
Ginseng	<ul style="list-style-type: none"> ○ Major 23 Ginseng products <ul style="list-style-type: none"> - Raw ginseng (222.8%) and red ginseng (754.3%)·white ginseng (222.8%) and other root ginseng: Excluded from Concession - Red ginseng powder (754.3%)·white ginseng powder (18%): Excluded from concession - Red ginseng extract·red ginseng extract powder (754.3%), White ginseng extract·white ginseng extract powder (20%): Excluded from Concession - Red ginseng tablet (754.3%)·white ginseng tablet (18%): Excluded from concession - Ginseng leaf·cane, ginseng seed, red ginseng tea (754.3%): Excluded from concession ○ Ginseng tea (8%): Eliminated in 20 years ○ Ginseng drinks (8%): Eliminated in 20 years - Extracted oleoresin (white ginseng·other ginseng 20%, red ginseng 754.3%): Excluded from concession
Sesame, Sesame oil, Peanut, Perilla, Perilla oil	<ul style="list-style-type: none"> ○ Sesame (630%): Maintaining current tariff + TRQ (24,000 tons) - Perilla (40%): 10% reduced from current tariff (equal reduction for 5 years) ○ Sesame oil (630%), perilla oil (36%): Excluded from concession ○ Peanut (230.5%): Excluded from concession - Processed for storage (63.9%): 10% reduced from current tariff (equal reduction for 5 years) - Peanut butter (50%): Eliminated in 20 years

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F. Leaf and Root Vegetables

Products	Result of FTA negotiations
Carrot	○ Fresh carrot (30%), Frozen (27%), Dried (30%): Excluded from concession
Radish	○ Fresh radish (30%), Dried (30%): Excluded from concession ○ Fresh turnip (27%): Excluded from concession
Chinese Cabbage	○ Fresh, others (27%): Excluded from concession
Cabbage	○ Fresh (27%), Dried (30%): Excluded from concession
Others	○ East Indian Lotus (sugar-processed for storage, 30%), Taro cane (30%): Eliminated in 20 years ○ Sweet potato cane (30%): Excluded from concession
Other Vegetables	○ Codonopsis lanceolata (Fresh 27%, Dried 30%), Dried tlatycodon glaucum (8%): Excluded from concession - Fresh/ Cold-storage tlatycodon glaucum (27%): Eliminated in 20 years ○ Sweet corn (Processed for storage/Frozen 30%, Sugar-processed for storage 15%): Eliminated in 15 years - Sweet corn (Others/Dried 370%): Reduced to 130% (Equal reduction for 10 years) - Sweet corn (For seed 370%): Excluded from concession
Other vegetable mix, Homogenized vegetables	○ Mixture of vegetables (Dried/frozen 27%): Excluded from concession - Mixture of vegetables (27%): Eliminated in 20 years ○ Other vegetables (Frozen/Processed for temporary storage 27%, Dried 30%): Excluded from concession - Other vegetables (Processed for storage 20%): 10% Reduction from the original tariff (Equal reduction for 5 years) ○ Homogenized vegetables (purée corn for infants, 20%): Eliminated in 20 years

G. Processed Food

Products	Result of FTA negotiations
Kimchi	○ Kimchi (20%): Within 10% reduction from the original tariff
Sugar	○ Other saccharides (8%): 10% Reduction from the original tariff (Equal reduction for 5 years)
Soybean oil, Corn oil	○ Soybean oil for food (5%): Excluded from concession - Soybean for Biodiesel (5%): 5 years - Soybean and its fractions (8%): Eliminated in 10 years ○ Corn oil and its fractions (8%): Excluded from concession - Other corn oil/crude oil (5%): Eliminated in 5 years
Mixed seasoning and sauce	○ Mixed seasoning (45%), other sauce (45%) : Within 10% reduction from the original tariff
Pastes	○ Fermented salty soybean paste (8%), Soy sauce (8%), Red pepper paste (45%), other pastes (45%): Excluded from concession ○ Chun-jang (8%): Eliminated in 20 years

Confection, bread, Other foods	<ul style="list-style-type: none"> ○ Chocolates (8%): Eliminated in 5 years ○ Scotch oat bread, pie, cake and breads (8%), Hard tack (8%): Eliminated in 5 years ○ Biscuit, cookie and crackers (5%), Bakery products (8%): Eliminated in 10 years - rice cookies (8%): Eliminated in 15 years ○ Coffee (Non-roasted/Not decaffeinated (2%)): Eliminated in 10 years - Coffee (Roasted/Decaffeinated (2%)), Coffee husks and skins: Immediate Elimination - Roasted coffee (8%): Eliminated in 5 years - Coffee creamer (8%): Eliminated in 15 years ○ Instant noodle (5%): Eliminated in 5 years ○ Wine (15%): Eliminated in 10 years - Other grape juice (30%): Excluded from concession ○ Soju (30%): Eliminated in 20 years
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Appendix 4 **Korea-China FTA TRQ products and corresponding amount**

(Unit: Tons, %)

Products	In-quota	WTO TRQ			Quota Tariff Amount	World Export Amount	Import from China		Korea-China FTA	
		Total	Basic Amount	Increased Amount			Total Import Amount (A)	WTO TRQ Import Amount	TRQ Amount	B/A (%)
Soybean (Others, for soy sprout)	487 (5)	321,805	185,787	136,018		318,836	118,018	116,131	10,000	8.5
Sesame	633(40)	88,431	6,731	74,969		73,401	29,685	27,987	24,000	80.8
Sweet potato starch	241.2(11)	20,176	4,376	15,800		29,218	27,794	27,794	5,000	18.0
Red beans (dried/others)	420.8(30)	29,500	14,694 (including green gram)	14,806 (including green gram)		24,984	24,984	24,654	3,000	12.0
*Other feeders (vegetable by-products)	46.4(5)	32,133	32,133		860,000	109,703	91,926	91,750	38,000	41.3
Malt	269(30)	40,000	40,000		274,000	199,739	13,481	13,481	5,000	37.1

* Other feeders include root vegetables for feeder and mushroom for seeds.

(To be continued)

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