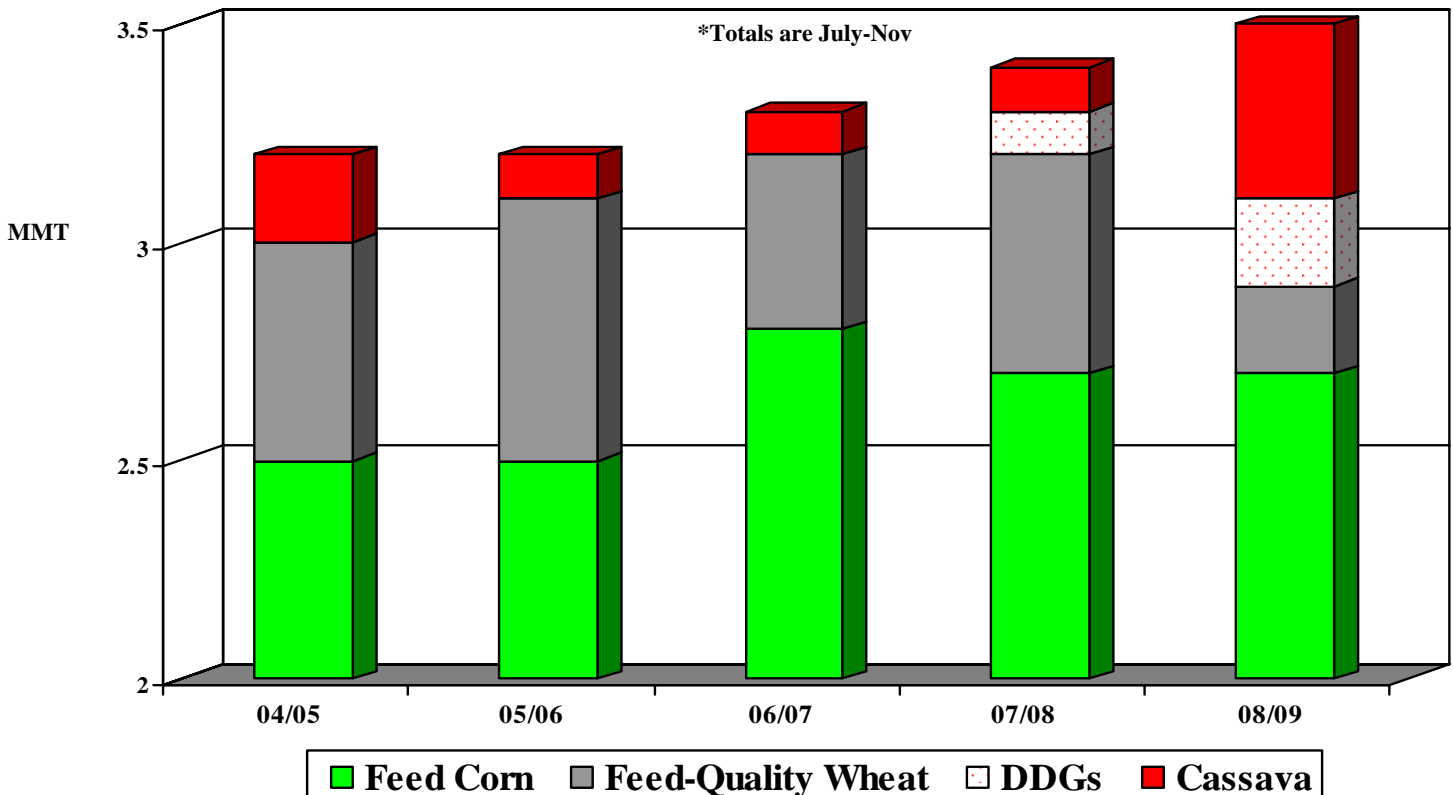




# Grain: World Markets and Trade

## South Korea Boosts Feeding of Non-Grain Substitutes



With record exportable supplies of wheat worldwide, price-sensitive buyers like South Korea would be expected to shift from corn to more competitively priced feed-quality wheat. South Korea's sophisticated and flexible compound feeding industry incorporates different ingredients, based on the relative price and feed value. Biofuel mandates in the United States have increased ethanol production, creating large supplies of competitively priced, high-protein corn byproducts. Furthermore, with the EU no longer a major buyer of cassava, abundant supplies from nearby countries such as Thailand make a cheap replacement for grain-based carbohydrates. South Korean feed compounders have been quick to take advantage of this opportunity to lower their demand for relatively high-priced grain. We would expect South Korea to continue to replace traditional feed ingredients (corn and wheat) with non-traditional feed ingredients (cassava and distillers dried grains), as long as they remain competitively priced.





































































































































