

Nonghyup ends Indonesia venture

June 26, 2010

Nonghyup Feed Inc., Korea's biggest feed-grain buyer, said it scrapped a plan to farm corn in Indonesia because the Southeast Asian nation lacks adequate storage and transport facilities.

"This is not the type of business that we can do," Lee Young-il, the company's general manager for foreign trade, said in an interview in Seoul on Thursday.

"We are not proceeding. It's not profitable."

Nonghyup Feed in 2008 agreed with Seoul-based Daewoo Logistics Corporation to farm the crop in Indonesia after global corn and wheat prices soared to record highs.

Korea, which relies on imports for 99 percent of its corn, is the world's third-biggest buyer of the crop.

"Let's say you reaped your corn there. Then what are you going to do with it? There are no facilities to dry, store and export it," Lee said.

The Korean feed maker had planned to import about 500,000 metric tons of corn from Indonesia, including grain from the farming project, meeting 20 percent of its annual need of 2.5 million tons, the company said at the time.

It sources more than 90 percent of its corn requirements from the U.S., the biggest supplier to Korea.

Daewoo Logistics filed for bankruptcy protection, the second among Korean shipping companies since the global financial crisis in 2008, The Korea Economic Daily reported on July 6 last year.

Bloomberg

Market Data

2015-07-15

KOSPI	KOSDAQ	Exchange Rate
2,072.91	761.59	1,144.50
▲ 13.68 0.66%	▲ 4.47 0.59%	▲ 2.4 0.21%

Bilingual Column

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It's not a question of phrasing

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