



Foreign Agricultural Service  
**U.S. Agricultural Trade Office**



## **FAS/Seoul Monitoring of Media Reporting on Agricultural Issues**

**Today's Date: Friday, October 27, 2017**

**For Coverage: October 17 ~ 27, 2017**

### ***China Signals Lifting of Unofficial Business Sanction against Korea***

<http://news.hankyung.com/article/2017102667421>

Summary: China has been maintaining unofficial sanctions on Korea-related businesses such as tourism and retail business since July last year to discourage Korea from introducing an American THAAD anti-missile defense system for fear of potential risk to its military interest. As a result of the sanction, many Korean businesses that target the Chinese market saw serious set-backs. For example, the number of Chinese tourists to Korea plunged and numerous Korean retailers and hotels saw a big decline in their sales. Lotte Mart came to a decision to withdraw from China in September this year as many of its 100+ stores in China were forced to close their doors by Chinese authorities for unclear reasons. Recent actions taken by the Chinese government suggest that China is finally moving toward lifting of the business sanction against Korea. China approved an extension of the currency swap agreement with Korea on October 13 that allows Korea to borrow up to \$50 billion of funds from China when needed to stabilize the Korean currency. The largest Chinese tourism company announced on October 24 that it relaunched its group tourist programs to Korea. High-level Chinese government officials have started to attend Korean government events again for the first time since the sanction. Major Korean companies under the pressure of the sanctions, including Shilla Hotel, Paradise Casino, and Amore-Pacific (cosmetics), saw a big rise in their stock price in the Korean Stock Market on October 26.

### ***Travelers to the U.S. are Advised to Come to the Airport Early for Tightened Security Interview & Inspection***

<http://news.hankyung.com/article/2017102667421>

Summary: Due to new requirements by the U.S. government, travelers to the U.S. are now advised to come to the airport at least 4 hours before the flight departure as they must go through an additional security interview and inspection process. This new measure is likely to present much inconvenience and confusion to Korean travelers.

### ***USDA Lowers North Korea's Rice Crop Outlook This Year from 1.6 Million Tons to 1.55 Million Tons***

<http://www.yonhapnews.co.kr/bulletin/2017/10/19/0200000000AKR20171019050500014.HTML?input=1195m>

Summary: The Voice of America (VOA) reported on October 19 that according to the '2017 October Rice Outlook,' released by the United States Department of Agriculture, North Korea is expected to produce 1.55 million metric tons of rice this year, down 50 thousand metric tons from 1.6 million metric tons that USDA forecasted last August and September. Dr. Dath Mita, senior production analyst at USDA, said in an email to VOA that this is the outcome of analysis of North Korea's weather, rainfall patterns, satellite photographs, etc. until the first week of October. In addition, USDA added that North Korea is expected to import 80 thousand metric tons of rice next year, considering North Korea's food supply and demand situation, rice export data, food shortage, etc.

### ***Korean Ministry of Agriculture, Food and Rural Affairs Strengthens Penalties against Owners Who Do Not Leash Their Dogs***

<http://www.kpinews.co.kr/news/articleView.html?idxno=57238>

Summary: As a result of a controversial accident where a Korean celebrity's dog recently bit his neighbor to death, the Ministry of Agriculture, Food and Rural Affairs (MAFRA) said on October 23 that it will strengthen penalties for

owners who are negligent in having a leash or a muzzle on their dogs in public. Due to the increasing public recognition that the existing Korean animal protection law is no longer effective, MAFRA decided to raise the fine for owners that fail to leash their dogs to 200,000 KRW (1<sup>st</sup>), 300,000 KRW (2<sup>nd</sup>), and 500,000 KRW (3<sup>rd</sup>). In case of an accidental homicide where a pet dog bites others to death, the current criminal law, in which the owner could be sentenced to less than two years imprisonment, will be revised. MAFRA will also expand the range of fierce dog breeds that are required to have a leash and a muzzle at the same time, since the current law is limited to American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, Rottweiler, and their hybrids. Furthermore, MAFRA added that 'the report reward system', which is offering rewards to those who report owners of dogs without leashes, will be put into effect from March 22, 2018.

#### ***Starbucks Celebrates 30 Million Mobile Orders***

<http://news.hankyung.com/article/2017102478811>

Summary: Starbucks Korea announced that the number of on-line (mobile) orders (what it calls "silent orders") that it serviced marked 30 million on October 24. The service was launched in May 2014. Starbucks currently receives 60,000 on-line (mobile) orders a day. Starbucks pointed out that consumers who do not want to spend time waiting in line are on an increase particularly among male consumers. Male consumers currently account for 25 percent of the on-line orders, which is a big increase from 1 percent when the service started back in 2014.

#### ***HMR Foodservice Franchises on a Rapid Growth***

<http://news.hankyung.com/article/2017102298281>

Summary: Foodservice franchises that offer home meal replacement (HMR) products are on a rapid growth. The number of stores under the leading five HMR franchises more than tripled from 186 in 2014 to 556 as of September 2017. For example, O'Recipe, a franchise foodservice business that is focused on take out Korean soups and side dishes, currently operates 184 stores throughout Korea. It is likely that the business will see a rapid growth in the coming year due to increased consumer demand for quick meal solution products.

#### ***Shrimp Tops Seafood Section Sales in E Mart for the First Time ... Squid Declines to the Second Position***

<http://news.donga.com/3/all/20171019/86821679/1>

Summary: E Mart reported that shrimp was the top selling product in its seafood section this year through September. Sales of shrimp amounted to 35 billion won, up 48 percent from the same period of last year. Squid, the long-time leader of the seafood section sales, declined to the second position as the sales declined 13 percent to 34 billion won. E Mart explained that increased demand for easy cooking seafood among small or single member families was a key reason for the outstanding sales growth of shrimp this year.

#### ***Shrimp Sales Takes Over First Place among Korean Fishery Products***

<http://news.donga.com/3/all/20171019/86821679/1>

Summary: E-Mart, the leading large-scale hypermarket in Korea, announced on October 18 that shrimp sales ranked first place with 35 billion KRW among fishery products from January to September this year. It is the first time for shrimp products to top the list since E-Mart opened its business in 1993. Shrimp sales in E-Mart took third place with 22.2 billion KRW in 2012, following squid and hair tail fish. But, shrimp sales increased by 48% over the same period last year and took over first place among fishery products this year. The main reasons for the sudden increase in shrimp sales was driven by people who enjoy drinking lightly at home that were looking for processed shrimp products that were easy to cook, and demand for roasting shrimp with pork belly and steak is increasing, as the camping culture in Korea spreads, an E-Mart official added.

#### ***Instant Coffee Mix Processors Launch New Products to Regain Market Share***

<http://news.donga.com/3/all/20171017/86800114/1>

Summary: The instant coffee mix industry, which used to rule the coffee market in Korea in the past before the introduction of Starbucks and the espresso café industry, is making efforts to regain coffee market share by launching new products. In particular, new products are targeting consumers who want premium quality and diversity. Dongsuh, the leading instant coffee processor, has added new recipes under its 'Kanu' premium instant

coffee mix brand. Kanu products, made from premium beans, do not incorporate sugar or other additives. Namyang Dairy has updated its 'Luca's Nine' instant coffee mix line, made 100% from Arabica beans, by switching to grade 1 milk. The Korean coffee market generated 4 trillion won of sales in 2016, up 54 percent from 2014. The espresso café industry accounted for 63 percent of coffee market sales. The market share by instant coffee mixes is on a decline.

***Rice Harvest This Year Likely to Mark Under 4 Million Metric Tons for the First Time in 37 Years ... Rice Price Likely to Go Up***

<http://news.donga.com/3/all/20171017/86800199/1>

Summary: The Korea Statistics Office (KSO) reported on October 17 that Korea's rice harvest this year is forecast to be 3.95 million metric tons, down 5.8 percent from last year. KSO pointed out that the last time that Korea had under a 4 million metric tons of rice harvest was back in 1980. The main reasons for the decline in rice harvest this year are reduced yield per acreage due to drought in spring and reduced planting acreage (754,716 hectare this year, down 24,000 hectare from last year). The reduced harvest is likely to increase the rice market price. As of October 5, the ex-farm price of rice marked 150,892 won per 80 kg bag, up 12.5 percent from last year.

*The information in this report was compiled by the [Agricultural Trade Office \(ATO\)](#) at the U.S. Embassy in Seoul, South Korea. The press summaries contained herein do NOT reflect USDA, the U.S. Embassy, or other U.S. government agency official policy or view point. U.S. food exporters can learn more about market opportunities in South Korea by reviewing ATO Seoul's [Exporter Guide](#) and other reports available at [www.fas.usda.gov](http://www.fas.usda.gov) by clicking on "attaché reports."*