



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



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

**Today's Date: Tuesday, December 26, 2017**

**For Coverage: December 12 ~ 26, 2017**

### ***ROKG Confirms the Fourth Outbreak of High-Pathogenic AI Infection This Winter ... in a Duck Farm in Jungeup, Junranamdo Province***

<http://news.hankyung.com/article/2017122430391>

Summary: Korea Ministry of Agriculture, Food and Rural Affairs (MAFRA) reported on December 24 that its tests had confirmed an outbreak of high-pathogenic Avian Influenza (AI) infection in a duck farm located in Jungeup, Junranamdo province. This was the fourth case of high-pathogenic AI outbreak confirmed in Korea this winter. As a result of the four outbreaks, a total of 200,100 birds had been depopulated to prevent further spread of the disease.

### ***'Power of Local', a Private Label Brand Program for Local Fresh Agricultural Products by EMART Marks 150 Billion Won of Accumulated Sales***

<http://news.hankyung.com/article/2017122546891>

Summary: EMART, the leading hypermarket grocery store chain in Korea, reported that its 'Power of Local' private label brand (PB) program had marked 150 billion won (about \$135 million) of accumulated sales as of this month. 'Power of Local' is a unique private label brand program that EMART launched in 2015. Under the program, some 100 reputable local suppliers of fresh agricultural and seafood products developed partnerships with EMART over the years to supply high-quality, locally produced products to EMART stores. Gapsoo Lee, EMART president, commented that the 'Power of Local' program had been a mutually beneficial project for EMART and local suppliers and EMART would make additional investment to expand the program in the coming year.

### ***Leading Korean Retail Companies Seek New Growth with 'Single Category Specialty Stores'***

<http://news.hankyung.com/article/2017121842021>

Summary: The growth of the Korean retail industry has been mainly driven by large-scale stores such as department stores and hypermarket grocery stores over the years. However, there remains not much room in the market to add additional large-scale stores. As a result, leading Korean retail companies are seeking new growth opportunities elsewhere. In particular, leading retailers are making dedicated investments to expand into 'Single Category Specialty Store' businesses. Outstanding examples include No Brand Shop (private brand only grocery products), Centence (cosmetics), Electro Mart (electronics), L Cube (fashion), Williams Sonoma (home & garden), LOHB's (health & beauty), and Molli's (pet products). Marketers point out that this trend reflects more diversified taste and demand of Korean consumers.

### ***Low Price Private Label European Agricultural Products Expand Presence in Hypermarket Grocery Stores ... Belgian Chocolates, Spanish Orange Juice***

<http://news.hankyung.com/article/2017121706481>

Summary: Hypermarket grocery stores are reportedly allocating more shelves to private label (PB) European agricultural products not only for quality image but also for attractive prices. Some of notable European products that have made entry into leading hypermarket grocery stores recently include Spanish Iberico pork meat, Belgian chocolates, Spanish orange juice, Italian ready to cook frozen meals, and French dessert items. Marketers point

out that Korean consumers maintain favorable image on European countries and are showing increased interest in European products offered in the market. A merchandiser in E Mart commented that European suppliers have long years of experience in private label business and are capable of supplying catered products as specified by Korean retail stores at a competitive price even against Chinese suppliers.

#### ***GS Retail Launches 'Simply Cook', Portioned-Packed Ready-to-Cook Recipes for Home Delivery***

<http://www.yonhapnews.co.kr/bulletin/2017/12/17/0200000000AKR20171217033700030.HTML?input=1195m>

Summary: GS Retail, a leading retail business in Korea, reported on December 17 that it had launched 'Simply Cook', portioned-packed, ready-to-cook recipe ingredients for home-delivery. GS Retail has started to offer 14 recipe kits under the 'Simply Cook' and plans to add additional recipes. GS Retail pointed out that 'Simply Cook' allows general consumers to prepare quality meals at home very easily with less money and time.

#### ***Korea-US FTA 'left open to additional agricultural products'***

<http://hankookilbo.com/v/a6019e1b1eb34482910f9c54b0573352>

Summary: In the first public hearing report ahead of the revision of the KORUS FTA, the damage prediction was removed by the Ministry of Industry. Minister Baek Un Kyu said, "I think it is a methodology in negotiation rules that emphasizes the inability to open". A move has been made to show that the government is considering further opening for agricultural products in the negotiation of the Korea-US free trade agreement (FTA) negotiations, which will begin early next year. Official negotiations will begin soon as the domestic procedure for negotiating the KORUS FTA is finalized at the National Assembly on the 18th of this month. The government has repeatedly said in the negotiations 'red line' that it cannot exceed the opening of agricultural products. But the opposition of the Ministry of Industry and Trade to lead the negotiations is contrary.....At the recent press conference, Minister of Industry Baek Woon-kyu said, "Kim Hyun-Jong, head of the trade negotiations with the Ministry of Commerce, Industry and Energy, believes that the agricultural sector is a red line but I personally think that it is a methodology in negotiation rules"....."Kim pointed out that he emphasized the "red line" in order to gain an advantage in negotiations by posting domestic public opinion against the opening of agricultural products in the revised negotiations. A government official said, "It may be difficult for the United States to protect agricultural products in the process of preventing the automobile sector from opening up in order to resolve the trade deficit. However, in the agricultural products field, political sensitivity is so big in Korea that the worries will be immense". On Tuesday, Commerce Secretary Wilbur Ross said, "It depends on the Korean side, but it is difficult to anticipate when it will come to an end because it has not started yet. We want to proceed quickly and smoothly".

#### ***'Traders' Warehouse Discount Stores by E MART Report 27% Sales Growth This Year ... Compete Against COSTCO Stores***

<http://news.hankyung.com/article/2017121255521>

Summary: Traders, a warehouse discount store chain under the umbrella of EMART, Inc., reported its cash register sales this year through November amounted to 1.4 trillion won, up 27 percent from the same period of last year. Traders currently operates 12 stores in Korea, including 2 new stores opened this year. Traders pointed out that sales growth of existing stores was 13 percent. Traders have two new stores to open in December this year and two more in 2018. As a result, the number of stores under Traders will exceed the leading competitor in the warehouse discount store segment, COSTCO Korea (13 stores). Traders' success has been based on an aggressive product assortment policy in that 60 percent of the 5,000 SKUs of products offered in the store are replaced by new products each year. In addition, Traders has been successful in attracting consumers by emphasizing "freshness". Fresh food accounts for almost 40 percent of the sales of Traders currently, which shows significant growth from 36 percent in 2015.

*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."*