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"Premium Food Only" On-line Retailers Report Solid Growth

<http://news.hankyung.com/article/2018011980911>

Summary: As Korean consumers pay extra attention to quality and safety, on-line retailers that specialize in premium food and fresh agricultural products are reporting a solid growth. For example, Market Curly (www.curly.com) reported that its monthly sales had reached 6 billion won (\$5.5 million) in December 2017. Market Curly is an on-line grocery retailer established in 2016 that offers premium food and fresh agricultural products, mostly organic or environment friendly, only. Market Curly implements a very thorough new product adoption policy which allows only those products that meet all 70 screening standards to be offered in its Internet shop. Jeongyookgak (www.jeongyookgak.com), a premium meat on-line retailer, is another example. Jeongyookgak only offers meat that was slaughtered within four days.

The Number of Layers in Korea Soared to Its Highest Level of 72.7 Million

<http://www.yonhapnews.co.kr/bulletin/2018/01/18/0200000000AKR20180118075600002.HTML?input=1195m>

Summary: According to Statistics Korea (KOSTAT) on January 18, layers being bred in the nation reached 72.7 million, a 2.3 percent increase over the previous year. KOSTAT believes that the main reason for this increase was due to egg price hikes caused by previous avian influenza outbreaks. On the other hand, broilers and ducks decreased by 2.7 percent and 7.1 percent, respectively. While native Korean beef cattle increased by 1.1 percent over the same period as calf prices were good, dairy cattle decreased by 2.1 percent, due to the government's decision to cut production.

Bank of Korea Raises Economic Growth Forecast for 2018 to 3.0%

<http://news.donga.com/3/all/20180118/88238751/1>

Summary: The Bank of Korea announced on January 18 that it had revised its annual growth forecast for the Korean economy from 2.9 percent to 3.0 percent. The Bank of Korea explained that the revision reflected improved international market environment for Korean exports as well as increased consumer spending in Korea.

Korea Saw a Record-High Trade Deficit for Kimchi in 2017, \$47 Million, Mainly Due to Cheap Imports from China

<http://news.hankyung.com/article/2018011796381>

Summary: According to the Korea Customs Office, Korea's trade deficit for Kimchi amounted to \$47 million in 2017, up 11 percent from the previous year. Although Korea exported \$81 million of Kimchi to the world during the year, Korea imported \$129 million of Kimchi mainly from China. The key reason for increased Kimchi imports was stronger demand for low price Kimchi in the foodservice market. The unit price of Korean Kimchi exported was \$3.36 on average whereas the price of imported Kimchi was only \$0.50.

Starbucks Korea to Introduce 'Micro-Dust Free' Stores

<http://news.hankyung.com/article/2018011797631>

Summary: Starbucks Korea announced that its 'Micro-dust Free Store' initiative was launched on January 17 and two of its stores were turned into 'Micro-dust Free' by introducing air purifying filter systems. Starbucks Korea added that the air purifying system will be eventually introduced to all 1,140 Starbucks stores in Korea soon in the future. Starbucks explained that Korean customers were having growing health concerns about the air quality and the 500,000 Korean consumers who visit Starbucks Korea every day will be able to enjoy the clean air inside.

'Benzopyrene' Contained in Convenience Food, such as Lunchbox and Hamburger Being Sold in Hypermarkets and Fast Food Restaurants, is within Safe Level

<http://www.yonhapnews.co.kr/bulletin/2018/01/17/0200000000AKR20180117035000017.HTML?input=1195m>

Summary: Korea's Ministry of Food and Drug Safety (MFDS) announced on January 17 that research showed that the benzopyrene level found in convenience foods, such as lunchbox, pizza, hamburger, smoked duck and chicken, dumpling, ramen, and fried chicken that are being sold in hypermarkets, convenience stores and fast food restaurants, was not harmful and at a very safe levels. This research was conducted to see any health effects of benzopyrene as demand for convenience foods increases. Benzopyrene is naturally produced in the cooking process and MFDS has set standards for benzopyrene content as follows: edible oil and fat (less than 2.0µg/kg), smoked fish (less than 5.0µg/kg), fish (less than 2.0µg/kg), shellfish (10.0µg/kg), and food for infants and toddlers (1.0µg/kg).

Korea's Food Imports in 2017 Reached a Record High Level of \$25 Billion ... the Largest Portion Came from Beef

<http://www.yonhapnews.co.kr/bulletin/2018/01/16/0200000000AKR20180116054900017.HTML?input=1195m>

Summary: According to Korea's Ministry of Food and Drug Safety (MFDS) on January 16, food imports last year reached \$25 billion, a seven percent increase over the previous year (\$23.4 billion). Imports from the United States accounted for the largest amount with \$5.4 billion, followed by China (\$4.1 billion), Australia (\$2.5 billion), Vietnam (\$1.1 billion), and Russia (\$900 million). Korea's major imports from the United States were beef and pork. Korea's major imports from China were rice and apparatus made with stainless steel and polypropylene. Beef and food ingredients for refining and processing took up the largest portion from Australia, frozen shrimp and small octopus from Vietnam, and frozen pollack and corn from Russia were respectively the major items. In terms of imported items, beef took the first place with \$2.4 billion, followed by pork (\$1.6 billion), food ingredients for refining and processing (\$1.5 billion), soybean (\$600 million), and wheat (\$500 million).

Our Home Launches 'Our Kids', a New Line of Premium Foodservice Ingredients

<http://www.asiae.co.kr/news/view.htm?idxno=2018010908340090715>

Summary: Our Home, a leading foodservice distributor in Korea, announced that its new line of premium foodservice ingredients, 'Our Kids', was launched on January 9. According to Our Home, 'Our Kids' line offers some 150 premium quality agricultural and processed food products. Our Home pointed out that 'Our Kids' products are ingredients suitable for foodservice outlets (restaurants) that target families with children. All products under 'Our Kids' line go through some of the toughest inspections and certifications available in the market, such as origin traceability certification, animal welfare certification, and organic certification.

Pet Food Market Continues to Expand as More Koreans Raise Pet Animals

<http://news.hankyung.com/article/2018011470881>

Summary: The pet market in Korea is on a rapid growth as the number of Korean families that raise pet animals continues to increase. According to the Korean Ministry of Agriculture, Food, and Rural Affairs (MAFRA), the number of pet animals in the market exceeded 10 million for the first time in 2017. The ratio of Korean families that raise pet animals has increased sharply from 17.9 percent in 2012 to 28.1 percent in 2017. As a result, pet food suppliers have been making extra investments to capitalize on the market growth. For example, Harim, a leading food/feed conglomerate business group in Korea, opened its first pet food processing plant in Korea in June 2017 under a joint venture partnership with Royal Canine Co., a French pet food processor. Harim points out that its pet food products are all "human consumption grade" and target premium segment of the market. Other

leading pet food suppliers in Korea have also expanded or launched new product lines with premium quality themes recently. While global pet food suppliers such as Nestle Purina are currently taking about 70 percent of the pet food market share in Korea, local Korean pet food processors are also making efforts to expand their shares.

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 by clicking on "attaché reports.