



Foreign Agricultural Service
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Sales of Lunar New Year's Day Gifts Up 17% due to Increased Ceiling under Revised Anti-Corruption Act

<http://news.donga.com/3/01/20180227/88893803/1>

Summary: According to the Ministry of Agriculture, Food and Rural Affairs (MAFRA), sales of gift products in major retail store chains and on-line retailers during the Lunar New Year's Day shopping season this year saw 17.4 percent growth from last season. In particular, sales of products under 100,000 won, new ceiling allowed under revised Anti-Corruption Act this year, saw the most growth, 18.7 percent. Major products enjoyed the most sales growth included local Hanwoo beef (42.4 percent).

Lotte Super Launches Early Breakfast Food Home Delivery Service for On-line Orders

<http://news.donga.com/3/all/20180226/88876038/1>

Summary: Lotte Super, a leading grocery supermarket chain in Korea, announced that five of its stores in Seoul started to offer early breakfast food deliveries on February 27. Consumers can make on-line orders for the 500 breakfast food items offered until 10 p.m. the night before for home deliveries between 3 and 7 a.m. Lotte Super added that the service will be expanded to other stores in Seoul metropolitan area and Gyeonggi province.

Grocery Stores Offer Healthy Nuts for 'First Full Moon Day'

<http://www.yonhapnews.co.kr/photos/1990000000.html?cid=PYH20180226089800013&input=1196m>

Summary: Grocery stores in Korea now offer an assortment of nuts for the coming 'Jeong-Wol-Dae-Bo-Rum' day (first full moon day of the year in lunar calendar). Koreans traditionally eat various tree nuts on this day along with other healthy vegetables and grains in prayer for good health for the coming year.



'Only Price', New PB by Lotte Mart Reports Outstanding Success

<http://www.newsway.co.kr/view.php?tp=1&ud=2018022608144571934>

Summary: Lotte Mart, a leading hypermarket grocery store chain in Korea, reported that its 'Only Price' private

label brand generated outstanding yearly sales since launching in February 2017. According to Lotte, 100 of 'Only Price' products, including Grade A Milk and 2L Mineral Water, made the top sale products in respective categories. Five of the 'Only Price' products sold over 1 million each. 74 percent of the consumers who bought 'Only Price' products repurchased 'Only Price' products.

WTO Rules that Korea's Import Restriction on Seafood from Hukusima Japan is Violation of WTO Agreement
<http://news.donga.com/3/all/20180224/88826472/1>

Summary: WTO ruled on February 22 that Korea's import restriction on seafood from Hukusima Japan is a violation of the WTO agreement. Korea has been banning imports of seafood from the Hukusima region in Japan since 2010 due to radiation risk. Japan brought the issue to the WTO in 2015. The Korean government has expressed its intention to file an appeal of dissatisfaction to the WTO. Korea imported 72,000 metric tons of seafood from Japan in 2010, which has fallen sharply since the Hukusima nuclear accident to 24,000 metric tons in 2017.

Agricultural Chemical Residues in Foods to be Strictly Supervised by the Ministry of Food and Drug Safety
<http://www.yonhapnews.co.kr/bulletin/2018/02/22/0200000000AKR20180222034300017.HTML?input=1195m>

Summary: Korea's Ministry of Food and Drug Safety (MFDS) announced on February 22 that the 'Positive List System (PLS)' for agricultural chemical residues in all agricultural products will be fully implemented, starting from 2019. PLS is a strict control system targeting domestic and imported foods in which the detection limit of all agricultural chemicals should be below 0.01ppm except agrochemicals that have maximum residue limits (MRLs). The purpose of PLS is to strengthen the agricultural product safety and induce farmers to use agrochemicals properly. In the event that agrochemical exceeding 0.01ppm which does not have MRL is detected, distribution of relevant agricultural products will be shut down. MFDS has been applying PLS to nuts and seeds (coffee, almonds, etc.) and tropical fruits (banana, mango, etc.) since December 31, 2016. PLS is currently being implemented in Japan, EU, Taiwan, etc.

Amid Growing Trade War Tensions Between Korea and the United States, Korea's Ruling Party Considers Strengthening Quarantine Controls on American Agro-Livestock Products and Calls for Retaliatory Measures against U.S. Trade Pressure
<http://www.newstomato.com/ReadNews.aspx?no=807547>

Korea's ruling Democratic Party supported the Moon Jae In Administration in its confident and resolute manner to deal with U.S. unfair protectionist trade measures, urging it to confront U.S. trade pressure head on. It also called for retaliatory measures against U.S. pressure and requested it to strengthen quarantine controls on U.S. agro-livestock products.

Rep. Woo Won-Shik, the floor leader of the ruling Democratic Party, said on February 20, "The Trump Administration's maverick trade protections continues... we have to look closely into whether a series of U.S. measures to strengthen trade barriers are not in violation of World Trade Organization rules, and we should actively consider corresponding retaliatory measures." Woo raised his voice by saying, "It is a far-fetched claim that civilian steel imports from Korea pose a threat to the United States... I express strong regret over the unilateral and dogmatic measure and the inappropriate retaliatory tariff must be withdrawn immediately." Democratic Party lawmaker Hong Ik-Pyo pointed out that we should propose an overall revision of U.S. trade remedies in the KORUS FTA negotiation including a World Trade Organization dispute. "We should strengthen quarantine control on U.S. agro-livestock products, and if there were any problems, we could take equivalent measures on the U.S. agro-livestock products," Hong emphasized.

On the other hand, opposition parties requested the government to try to focus on communications for the restoration of a close alliance between the two countries. The Liberty Korea Party, the leading opposition party, criticized that it was a wrong decision for the government to confront the U.S. trade pressure head on since, in that case, the solid Korea-U.S. alliance can be undermined. Bareun Future Party lawmaker Lee Chan-Yeol also said, "I think this situation happened because the relationship between the two countries is sour. The government's effort to normalize relations with the United States is needed."

On-Line Shopping Shows Sharp Increase under Cold Weather

<http://news.donga.com/3/all/20180206/88544185/1>

Summary: Lotte Mart, a leading hypermarket grocery store chain in Korea, reported that its on-line sales marked 10 percent growth in January this year compared to the same period last year. In particular, daily necessities such as fresh produce and dairy products showed 30 to 50 percent growth. On the other hand, Lotte Mart's sales from conventional hypermarket stores marked a 22 percent decline. Lotte Mart pointed out that consumers were opting for on-line shopping as the weather in January was very cold this year.

Food and Beverage Suppliers Raise Price ... Partly Due to Increased Minimum Wage

<http://news.hankyung.com/article/2018013103731>

Summary: The minimum wage set by the Korean government has increased to 7,530 won per hour for 2018, up 16.4 percent from 2017. The wage increase has pressured local food and beverage suppliers to raise their prices. Coca Cola Korea announced that its ex-factory price of coke was increased by 4.8 percent on average on February 1. Subway raised the retail price of its sandwiches by as high as 8.6 percent from February 1. Many other restaurant franchises announced price increases earlier in January.

"Recreational Horseback Riding for the General Public" will be KRA's Top Priority Project, New Chairman

<http://news.hankyung.com/article/2018013103241>

Summary: Naksoon Kim, the new chairman of the Korea Racing Authority (KRA), said in his first press interview after inauguration on January 31 that one of his top priority projects for KRA will be development of the recreational horseback riding industry in Korea to bring KRA closer to the general public. Mr. Kim pointed out that KRA would not be able to gain any further growth from horse races and new investments under the recreational horseback riding initiative should bring new opportunities to KRA. Mr. Kim was a former national assembly member under the ruling party.

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.