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U.S. Beef Regains Its No. 1 Place in 14 Years, Beating Australian Beef

<http://www.yonhapnews.co.kr/bulletin/2018/03/02/0200000000AKR20180302083800030.HTML?input=1195m>

Summary: U.S. beef has regained its first place in Korea's imported beef market, beating Australian beef for the first time in 14 years. According to the Korea Rural Economic Institute on March 5, beef imports from the United States in 2017 accounted for 177 thousand tons, a 13.5% increase over the previous year. U.S. beef had maintained first place in the imported beef market after trade liberalization in 2001. However, imports from the United States were banned in December, 2003 after a BSE case was reported in the United States. According to the industry, U.S. beef's takeover of the lead position shows that Korean consumer's concerns about the safety of the U.S. beef have been eased and that its stable price has also helped in recovering the lead. On the other hand, Australian beef which had maintained the first place ever since 2004 dropped to the second place, accounting for 172 thousand tons, a 3.95% decrease from last year.

Korea Donates a Record-High \$42.5 Million to the WFP

<http://www.yonhapnews.co.kr/bulletin/2018/02/28/0200000000AKR20180228193800109.HTML?input=1195m>

Summary: Korean Agriculture Minister Kim visited the World Food Programme (WFP) Headquarters in Rome and pledged to donate \$42.5 million (46 billion KRW) to developing countries such as Syria and Yemen. Minister Kim said in a special speech at the WFP that the Korean government will support developing countries suffering from starvation with 50,000 metric tons of Korean rice. He also emphasized that Korea is trying to increase international development assistance in order to pay back the international help that Korea received in the past. In this regard, WFP Executive Director Beasley responded by saying that a country depending on international aid from the WFP in the past has now become one of the most powerful partners of the WFP. Until 1984, Korea had received \$105 million worth of aid from the WFP in its 23 fields, such as food aid, flood control, road construction, etc. But Korea is now listed as one of the top 20 donor countries of the WFP.

Canada Eases Quarantine Standards for Korean Pears

http://www.koreaherald.com/view.php?ud=20180225000081&ACE_SEARCH=1

Summary: The Korean Ministry of Agriculture, Food and Rural Affairs (MAFRA) said that Canada has eased quarantine standards for pear imports from Korea. Pear orchards located within 200 meters of certain plants such as cherry blossoms and peach trees, where relevant quarantine pests may live, have not been allowed to export their products to Canada, but the two countries have agreed to remove the quarantine standards after 10 months of negotiations. With this revised rule, pear exports to Canada are expected to increase in the future. Last year, 345 tons of pears were exported to Canada, which is the fifth largest market, and exports to the United States accounted for about 40% of Korea's total pear exports, according to MAFRA.

Retailers Explore New Origins for Imported Agricultural Products for Lower Price and Variety

<http://news.donga.com/3/all/20180305/88966544/1>

Summary: Korean retailers are paying extra attention to explore new supply origins for imported agricultural products, particularly fruits, meat and seafood, for lower price and variety. For example, E Mart launched apple

mangos from Peru in January as the supply from Taiwan was reduced due to frost and wind damage. Lotte Mart has expanded imported beef from Canada and New Zealand for lower price. Retailers have also expanded imported seafood from Indonesia, Philippines and Ireland as supply from existing origins are on a decline.

Price of Local Potatoes Up 63% This Winter

<http://news.hankyung.com/article/2018030132911>

Summary: According to the Korea Agro-Fishery Marketing Corporation (aT), the price of local potatoes in wholesale auction markets marked 58,900 won per 20 kg bag on average as of March 1, which was 63 percent higher than last season. aT explained that reduced supply due to cold weather has driven up the price of local potatoes this winter.

Engel's Coefficient Reaches its Highest Level in 17 Years While Salaries Remain the Same

http://www.dt.co.kr/etc/article_print.html?article_no=2018022102109919040003

Summary: The Engel's coefficient, which is the proportion of expenditure that is spent on food in household consumption out of total disposable income, has reached its highest level in 17 years. Official statistics of the Bank of Korea, released on February 20, showed that domestic household consumption expenditure during the first three quarters last year amounted to 573.6 trillion KRW, a 3.3 percent increase over the previous year. Out of this figure, spending on food and non-alcoholic beverages accounted for 78.9 trillion KRW, up by 4.7 percent. The Engel's coefficient, based on these results, is 13.8 percent which is the highest level since 2000 (13.9%). This increase in Engel's coefficient means that the income level is not rising as fast as the food prices, considering the fact that as income rises, the coefficient decreases. Average inflation rate of food and non-alcoholic beverages skyrocketed by 3.4 percent in 2017, following 2.3 percent in 2016 and 1.7 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 by clicking on "attaché reports."

