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Lower Alcohol Whiskey Expands Market Share ... Sales of Premium Whiskey on a Continuous Decline

<http://sports.donga.com/NEWS/East/MainNews/3/all/20180319/89178559/1>

Summary: Sales of whiskey in Korea amounted to 1.58 million cases in 2017, down 5 percent from the previous year. Sales of whiskey in Korea has continued a decline after peaking in 2008 (2.86 million cases). The slow-down of the Korean economy, increased consumer health concerns, and introduction of the 'Anti-Corruption Act' that limits corporate spending in bars and salons have been the key causes of the sales decline. The industry has responded by launching new products with lower alcohol content under a strategy of attracting value shoppers and young consumers. For example, sales of whiskey containing less than 40 percent alcohol (mostly diluted Scotch whiskey) amounted to 0.7 million cases in 2017, up 30 percent from 2016. Johnny Walker Red launched by Diageo Korea (35 percent alcohol) saw a remarkable, 58 percent sales growth in 2017. The industry also targets to expand whiskey consumption in regular restaurants and unconventional places such as cafés.

Distribution Cost Accounts for Over Half of the Consumer Price of Seafood, ROKG

<http://news.donga.com/3/01/20180319/89178704/1>

Summary: The Korean Ministry of Maritime & Fisheries (MMF) reported on March 19 that its recent research revealed that distribution cost (including shipping, storage, and distributor mark-ups) accounted for 51.8 percent of the consumer (retail) price of seafood sold in the market on average. MMF pointed out that the supply chain for seafood needs reforms to lower the distribution cost so that both fishermen and consumers receive greater economic benefits.

Online Shopping Purchases Using Mobile Devices Rise Sharply

<http://www.koreaherald.com/view.php?ud=20180313000244>

Summary: According to Statistics Korea, the amount of online shopping transactions using smartphones in Korea rose sharply in January of this year. Online transactions, excluding the service sector, soared 20.9 percent to 6.68 trillion won (\$6.27 billion) in January. The proportion of online transactions to total retail purchases jumped to 18.3 percent from 15.4 percent during the same period last year. Meanwhile, mobile purchases soared 30.4 percent to 3.99 trillion won in January, accounting for 11 percent of total retail transactions. The dramatic rise in mobile transactions is attributed to the growing number of single-person households, which tend to place greater importance on convenience and prefer shopping for goods online. Mobile sales rose sharply in foods (91.4 percent), pet supplies (56.9 percent) and books (124.2 percent).

Starbucks Korea Marks \$1 Trillion Won of Sales in 2017

<http://news.donga.com/3/all/20180315/89125962/1>

Summary: Starbucks Korea reported that its sales revenue in 2017 amounted to 1.3 trillion won. Starbucks Korea's annual sales exceeded the 1 trillion won level for the first time since its launching in 1999. Starbucks Korea currently has 1,140 stores that service 500,000 customs a day.

ROKG Efforts to Reduce Rice Acreage Receive Lukewarm Outcome as Rice Price Runs High

<http://news.hankyung.com/article/2018031521931>

Summary: according to the Ministry of Agriculture, Food and Rural Affairs (MAFRA), its subsidy program offered to rice farmers for the first time this year under the goal of reducing rice acreage in the country has achieved only 18 percent of the set goal so far. The program offers 3 million won of cash for every hectare of rice field turned into non-rice crops such as soybean. So far, only 934 hectare of rice field has signed up for the program, which was 18 percent of the government target, 50,000 hectare. The key reason for lukewarm response among the rice farmers is the significant increase in the price of rice in the market. An 80 kg bag of rice is marketed at 164,840 won in local wholesale markets on average as of February 2018, which is 28 percent higher than a year ago. MAFRA says it will come up with additional compensation plans to attract more farmers to the program.

Lotte Department Store Jamsil Launches Premium Soju Made in USA, 'YOBO'

<http://news.donga.com/3/all/20180314/89105249/1>

Summary: Lotte Department Store Jamsil started to offer 'YOBO' soju on March 14, a premium soju distilled from grapes in New York state's Finger Lakes area. The Finger Lakes area is also famous for its wine in the U.S.



MAFRA Minister Kim Resigns to Join the Election for Jeollanamdo Province Governor

<http://www.yonhapnews.co.kr/bulletin/2018/03/14/0200000000AKR20180314066200030.HTML?input=1195m>

Summary: Youngrok Kim, the Minister of the Korea Ministry of Agriculture, Food, and Rural Affairs (MAFRA) resigned on March 14. Mr. Kim will join the election in June for Jeollanamdo province governor.

Sales of Jack Daniel Whiskey in Retail Stores on the Rise due to Increased Home Cocktail Drinking

<http://news.hankyung.com/article/2018031476611>

Summary: Brown Forman Korea (BFK) reported that the sales of Jack Daniel whiskey in retail stores (including hypermarket grocery stores and convenience stores) accounted for 25 percent of the overall sales of the brand in Korea in 2017, which was a significant increase from 10 percent in the past. BFK explained that increased home drinking trend among young consumers is responsible for the increased sales through retail stores. According to BFK, Korean young consumers are realizing the easy use of Jack Daniel whiskey for cocktail recipes such as Jack-Coke and Jack-Honey-Beer which go very well with various home delivery or ready-to-cook meals.

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."