



Foreign Agricultural Service
U.S. Agricultural Trade Office



FAS/Seoul Monitoring of Media Reporting on Agricultural Issues

Today's Date: **Thursday, May 10, 2018**

For Coverage: **April 20 ~ May 20, 2018**

Pesticide Residues were Found on Nearly Half of Imported Fruits

http://health.chosun.com/site/data/html_dir/2018/05/07/2018050701465.html

According to the Korean Rural Economic Institute, per capita annual consumption of imported fruit in Korea increased from 6.8kg in 2000 to 13.8kg in 2016. Concerns are growing over pesticide contamination used to protect imported fruits from mold and insects during transportation. Postharvest pesticides on domestic fruits are banned under the current law. Pukyong National University researchers tested 96 cases of imported fruits currently on the market and detected pesticide residues in 47% of the fruits including lemons, blueberries, mangosteen, sweeties, oranges, grapes, cherries, and grapefruits. The researchers said that the residues did not exceed acceptable limits, but that even the slightest amount can be harmful to the human body if ingested for a long period. Washing fruit with water helps remove agricultural chemicals and it is safe to eat peeled fruits, a researcher added.

Price of Local Crab Soars due to Low Catch

<http://news.donga.com/list/3/01/20180507/89969301/1>

Summary: The price of local crab has shown a steep increase this spring. Retail prices of local crab run about 50,000 won per kilogram currently, almost three times higher than the price last year. According to the fishery industry, cold weather in early spring has led to decreased crab population and catch in the west sea.

Lower Alcohol, Non-vintage Products Expand Shares in Whiskey Market

<http://news.donga.com/list/3/01/20180507/89969465/1>

Summary: Products that contain less than 40 percent alcohol (thus do not qualify for 'Scotch' definition) accounted for five of the top ten whiskey products sold in Korea in 2017. These lower alcohol 'unconventional Scotch' whiskeys have enjoyed strong sales growth due to local consumers' elevated health and budget concerns in recent years. Most of these lower alcohol products do not carry vintage labeling either. Among the top ten whiskey products sold in Korea, products without vintage labeling accounted for almost 60 percent of the sales in volume in 2017, which was a sharp increase from 24 percent in 2014.

ROK to Revise 'Rice Farming Incentive' Program by 2022

<http://news.hankyung.com/article/2018050770301>

Summary: The Korean Ministry of Agriculture, Food and Rural Affairs (MAFRA) is reportedly planning to revise the 'rice farming incentive' program by 2022. The program currently provides direct financial compensation to local rice farmers if the rice market price falls under the target price set by the national assembly (every five years). The Korean government paid 1.49 trillion won (about \$1.2 billion) and 0.6 trillion won (about \$500 million) of compensation to local farmers in 2016 and 2017, respectively. The target market price, 170,000 won per 80 kilogram currently, is likely to go higher when the new price is decided later this year. MAFRA is worried that the program would add additional budgetary pressure unless the program is revised.

Hypermarket Retail Stores to Offer Reduced SKUs ... A Strategy to Focus on High Sales Products

<http://news.hankyung.com/article/2018050769231>

Summary: Leading hypermarket retail stores are trying to reduce the number of products (SKU, stock keeping units) offered in stores for efficiency. EMart, the leader in the industry, currently carries about 50,000 SKUs in its stores but 80 percent of the products are making minor contribution to sales. Overall sales of EMart have been on a stagnant growth in recent years. On the other hand, Traders (a warehouse discount store division under EMart) which carries only 5,000 SKUs has continued a double digit annual growth since its launching in 2010. EMart plans to reduce the number of SKUs offered in its hypermarket stores and provide more shelf space to high sales products. Lotte Mart launched 'Market D' store in April this year that offers only 1,000 SKUs.

Franchise Bread Shops Enjoy Niche Growth Opportunity

<http://news.hankyung.com/article/2018042444311>

Summary: Bread shops under franchise operation are reporting an outstanding expansion. There are some 20 bread shop franchises newly established over the last couple of years in Korea. These franchises have been busy opening new stores due to solid demand for new small business opportunities as well as affordable quick meal products in the market. It is reported that the number of shops under these franchises is over 400 now. The bakery market in Korea is still driven by a small number of large-scale window bakery store franchises, such as Paris Baguette and Tour les Jours. But the small-scale franchises for bread only shops are likely to enjoy a niche growth opportunity for some years to come.

Instant Noodle Market in Korea Shrinks due to Consumers' Diversified Taste for Quick Meal Solution

<http://news.donga.com/3/all/20180422/89742552/1>

Summary: According to an AC Nielsen survey report, cash register sales of instant noodles in Korea amounted to 1.98 trillion won in 2017, down from 2.04 trillion won in 2016. Marketers point out that Korean consumers' diversified taste for quick meal solution products is likely to limit further growth of instant noodle sales in Korea in the coming years. Leading instant noodle manufacturers are making efforts to launch new recipes reflecting on-going changes in the consumer taste.

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."