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Shinsegae Food - Entering the Seafood Quick Meal Market with Marinated Salmon Steaks

<http://www.foodnews.co.kr/news/articleView.html?idxno=67296>

Summary: Shinsegae Food Company entered the market for MRE/HMR made of seafood ingredients by launching four types of Bonobono Marinated Salmon Steaks jointly developed with the Norwegian fishery company LEROY. The company announced that it plans to hold a series of salmon cooking classes at Olban Lab, Shinsegae Food's Research Institute, Seongdong-gu, Seoul targeting to raise 100 billion won of salmon sales by 2023 and foster 'Bonobono' as a leading brand for seafood quick meal solution.

Liquor Tax on Beer Likely to Remain Unchanged ... Volume-based Liquor Tax Initiative Faces Strong Opposition

<http://news.hankyung.com/article/2018072262651>

Summary: According to sources in the Korea Ministry of Planning & Finance (MPF), the liquor taxation system on beer is likely to remain unchanged as value-based. The National Tax Service (NTS) proposed to MPF earlier in July to change liquor tax on beer to a volume-based system. The volume-based liquor tax initiative was to provide fair taxation for both local beer and imported beer. Local breweries have been claiming that the current value-based liquor tax was favoring imported beer. Even an industry hearing on the issue hosted by NTS in July generated a consensus that volume-based liquor tax should be introduced immediately. However, since the industry hearing, many consumers have expressed opposition to the change because volume-based liquor tax would drive cheap imported beer out of the market. MPF is also concerned about potential confusion in the market when different liquor taxation systems are applied to different alcohol beverages. MPF is likely to exclude the issue of volume-based liquor tax from 'Tax Revision Plan for 2019' that it is scheduled to announce at the end of this month.

Ex-farm Raw Milk Price is Set at 926 Won per Liter, Up 4 Won

<http://news.hankyung.com/article/2018072266231>

Summary: The annual 'milk price committee' meeting between dairy farmers and dairy processors on July 20 generated a decision to set the price of ex-farm raw milk at 926 won per liter, which is 4 won higher than the previous price. As a result, the retail price of dairy products based on local milk, such as fluid milk, cheese, and bakeries, is likely to rise next month. The price increase would be as high as 70 won for fluid milk (1 liter pack).

CJ Becomes the No. 1 Supplier of Concentrated Soy Protein Meal in the World

<http://news.hankyung.com/article/2018071709211>

Summary: CJ Cheiljedang, the leading food and feed processor in Korea, announced on July 17 that it has become the largest supplier of concentrated soy protein meal (CSPM) by accounting for 40 percent of global production. CJ pointed out that its acquisition of a Brazilian CSPM processor, Selecta, last year provided key momentum to become the world leader for CSPM. CSPM is a byproduct of soybean oil processing and is mainly used in aquaculture feed. CJ forecast that its sales revenue from CSPM business will reach \$700 million by 2020.

Ministop Convenience Store Chain Offered for Acquisition

<http://news.hankyung.com/article/2018071711751>

Summary: Ministop Korea, a convenience store franchise chain that has 2,528 stores under its umbrella, is offered for acquisition. Ministop Korea is owned by Eon Japan who also operates Ministop Japan. Eon Japan's decision to

sell off Ministop Korea reflects elevated competition in the Korean convenience store industry. In particular, the industry has been driven by top three players, CU, GS25 and Seven-Eleven Korea, who have pursued aggressive store expansion strategies in recent years. Market analysts in general agree that other players will be interested in acquiring Ministop Korea as it will allow them to expand their business further without conflicting with the Korean government regulation that prohibits opening of new convenience stores under same flag within 250 meters from existing same flag stores.

Stores to Adopt Automated, Self Ordering Systems to Reduce Labor Cost as Minimum Wage Continues to Rise

<http://news.hankyung.com/article/2018071709251>

Summary: The adoption of automated, self-ordering counters is spreading in the foodservice industry. For example, almost half of 1,348 Lotteria hamburger stores has switched to automated, self-ordering counters recently. Other fast food restaurants and café outlets are reportedly switching to automated, self-ordering systems. This is to reduce labor cost as the mandatory minimum wage continues to rise in Korea. The minimum wage set for 2019 earlier this week is 10.9 percent up from 2018.

Avocado Imports Surge ... Food Industry Launches Various Avocado Products as Consumers Recognize Health Benefits

<http://news.hankyung.com/article/2018071667811>

Summary: Korea's imports of fresh avocados amounted to 5,979 metric tons in 2017, up almost 100 percent from the previous year (2,915 metric tons). Avocados have become a new healthy food for many young professionals in Korea. For example, the number of local postings on avocado on Instagram (SNS) were over 340,000 as of July 16. The food industry has also launched many new products that incorporate avocados to capitalize on the consumer trend. Avocado products newly launched in the market include burgers, sandwiches, beverages, salads, steaks, and oils.

Minimum Wage for 2019 Up 10.9% to 8,350 Won

<http://news.hankyung.com/article/2018071531381>

Summary: The Minimum Wage Committee under the Korean government announced on July 14 that minimum wage for 2019 would be 8,350 won (about \$7.5) per hour, up 10.9 percent from 2018. The Korean government has deployed a new initiative to raise minimum wage significantly since 2017. As a result, the minimum wage saw 16.4 percent increase for 2018 and another 10.9 percent for 2019. Small businesses have been against the government initiative for elevated labor cost. It is likely that the price of products and services in retail and foodservice markets in Korea will rise again as the industries will reflect the increased labor cost into their product/service prices.

Only 33% of Koreans Feel Confident about Their Health ... Much Lower than OECD Average, 68%

<http://news.donga.com/3/all/20180713/91034193/1>

Summary: According to 'OECD Public Health Statistics' released by the Korea Ministry of Health & Welfare, only 33 percent of Koreans were thinking that they were in good health, which was much lower than OECD country average, 68 percent. Americans and Canadians showed much higher health confidence rates as 88 percent of Americans and 88.4 percent of Canadians replied that they were in good health. Korean's self-perception about their health somewhat contradicts public health indicators. For example, Koreans showed a much lower obesity rate (34.5 percent) than other OECD countries (71 percent among Americans). Koreans' life expectancy (82.4 years) was also above OECD country average (80.8 years).

New technology may promote development of milk that helps you sleep well

http://biz.khan.co.kr/khan_art_view.html?artid=201807110951001&code=920401

The Rural Development Administration announced that they developed the technology to increase the melatonin ratio in milk. It has been found that when milk cows walk 1km per day, the milk they produce showed increases in melatonin (17.68pg/ml) which is up by 5.4% of milk produced from cows housed in a shed. Melatonin is a type of hormone that promotes deep sleep. Although the total amount of milk produced may decrease when the cows walk more, RDA expects that both producers and consumers will benefit from the new technology.

Home Plus to Expand 'Home Plus Special' Stores, Hybrid Store Format between Hypermarket Grocery Store and Warehouse Discount Store

<http://news.donga.com/3/all/20180711/91012758/1>

Summary: Home Plus, the second largest hypermarket grocery store chain in Korea, reported that its third 'Home Plus Special' store located in Mokdong, Seoul, started operation on July 11. 'Home Plus Special' is a hybrid format store that combines hypermarket grocery stores and warehouse discount stores. Home Plus Special stores target to attract consumers who are looking for good values but at the same time a diversity of choices. To meet this strategy, Home Plus Special stores offer less SKUs than regular hypermarket grocery stores (17,000 SKUs versus 22,000 SKUs). But the store offers more diversified products than warehouse discount stores. Many of the products in the store are offered not only in small, individual packaging units but also in large box packaging units at deep discount prices. Home Plus Special stores have reported a significant sales growth compared to regular Home Plus stores and the company plans to convert some 20 regular stores into Special stores with this year.

GS Retail Invests \$30 Million into Thrive Market, a U.S. On-line Organic Retailer

<http://news.donga.com/3/all/20180711/91012865/1>

Summary: GS Retail, a major retail company in Korea, announced on July 11 that it has become a major shareholder of Thrive Market, Inc., an on-line retailer of organic products in the U.S. The investment was \$30 million. Thrive Market's annual cash register sales amounts to \$200 million this year. GS Retail explained that the investment will allow retail divisions under the company to expand organic product offers at lower prices in Korea.

Seoul Dairy Cooperative Launches 'Jersey' Milk for the First Time in Korea

<http://news.hankyung.com/article/2018071117511>

Summary: Seoul Dairy Cooperative (SDC), the leading milk company in Korea, announced on July 11 that it has launched 'Jersey Milk' and 'Jersey Ice Cream' for the first time in Korea. SDC pointed out that the milk is from Jersey breed dairy cattle originated from England. According to SDC, Jersey cattle is known for producing premium quality milk in countries with advanced dairy industries such as England, Australia, New Zealand, and Japan. Jersey milk contains more calcium, mineral, protein, and carotene than regular milk. Jersey milk also offers smooth texture and deep flavor due to higher milk fat content. SDC currently produces limited amounts of Jersey milk from environment-friendly dairy farms.

ROKG to Change Liquor Tax for Beer to a Volume-based System

<http://news.hankyung.com/article/2018071074161>

Summary: The Korea Institute of Public Finance hosted a public hearing on July 10 on a "Volume-based Liquor Tax for Beer". The hearing, which presented discussions among a panel of 9 experts from the government, industry, and academy, proposed that the current value-based liquor tax should be changed to a volume-based system for beer as soon as possible. The panel speakers pointed out that the current system provides unfair competition ground for locally brewed beer. They in general agreed that a volume-based liquor tax will promote consumption of higher quality beer in the market which was in line with on-going trend of increased consumption of craft beer among local consumers. On the other hand, volume-based liquor tax would restrict sales of cheap imported beer. Industry sources indicated that the new liquor tax for beer would likely to be about 850 won per liter.

Starbucks Korea to Introduce Paper Straws within This Year

<http://news.hankyung.com/article/2018071074241>

Summary: Starbucks Korea announced 'Greener Starbucks Korea Plan' on July 10. According to the plan, all Starbucks stores in Korea will ban plastic straws within this year. Instead, Starbucks will offer paper straws to the consumers. The plan also targets to reduce vinyl and plastic materials in Starbucks stores such as wraps and pokes.

Nongshim enters the convenient meal market

<https://news.naver.com/main/read.nhn?mode=LS2D&mid=sec&sid1=101&sid2=261&oid=277&aid=0004273465>

On July 9, Nongshim launched 'Spaghetti Tomato,' cup noodle that serves as original Italian spaghetti. By utilizing its own noodle making technology and using durum wheat which is the main ingredient of original spaghetti, Nongshim announced that it will enter the convenient meal market. Although the instant noodle market is stagnant these days, Nongshim expects that unique dry noodle products, such as its Spaghetti Tomato, will help expand the dry noodle market as well as the instant noodle market.

Radiation Risk from Food Increases Sharply ... 15 Products Contaminated by Cesium were Distributed

<http://news.donga.com/3/all/20180709/90959341/1>

Summary: According to the Korea Ministry of Food and Drug Safety (MFDS), its regular monitoring has found 18 consumer food products that were contaminated by Cesium above safety limit (100 Bq) so far this year, which is a sharp increase from 1 product in 2016 and 5 products in 2017. MFDS's recall orders prevented three of the 18 products from being distributed to the market. However, some 480 kilograms of the remaining 15 products were distributed to the market as the recall orders came late. MFDS points out that all the 18 products with radiation risk were berry products imported from Poland. MFDS assumes that Cesium contamination in these berry products is a result of Chernobyl nuclear power plant explosion in Russia back in 1986. MFDS plans to strengthen import safety inspections on related products.

Prapiroon Flooded 8,500 hectares of Farmland ... Killed 50 Thousand of Fowl

<http://news.kbs.co.kr/news/view.do?ncd=4004033&ref=A>

Summary: According to Korea's Ministry of Agriculture, Food and Rural Affairs (MAFRA), heavy rain caused by the recent typhoon Prapiroon has flooded 8,500 hectares of farmland and killed more than 50 thousand fowl such as chickens and ducks across the country. As for crops, 7,200 hectares of rice paddies, 700 hectares of soybean fields and 119 hectares of watermelon farms have been damaged, MAFRA added.

Leading Restaurant Meal Delivery Service Reports 18 Million Orders a Month

<http://news.hankyung.com/article/2018070473241>

Summary: Bae-Dal-Eui-Min-Jok (BDM), the leading restaurant meal delivery service in Korea that bridges restaurants and consumers via a smart phone app reported that the average number of consumer orders it services a month has increased to 18 million this year, a significant growth from 15 million last year. According to BDM, its service is likely to generate \$3 billion of sales to 200,000 restaurant clients registered in 2018. About 6.5 million Korean consumers are using the service on a regular basis.

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."