



Foreign Agricultural Service  
U.S. Agricultural Trade Office



## FAS/Seoul Monitoring of Media Reporting on Agricultural Issues

Today's Date: **Tuesday, July 31, 2018**

For Coverage: **July 24 ~ 31, 2018**

### ***DIAGEO Korea Downsizes ... Bacardi Korea Closes ... Whiskey Industry Shrinks under Reduced Market Sales***

<http://news.hankyung.com/article/2018073178621>

Summary: DIAGEO Korea, the leading player in the whiskey market in Korea, is reportedly in the process of reducing about 10 percent of its employees. DIAGEO Korea has seen continued decline in its sales since late 2000's. DIAGEO's sales revenue in FY2017, 326 billion won, was about half of its sales five years ago. Perno Ricard Korea, the number two player in the market, has also implemented labor downsizing recently. Bacardi, the number one rum brand in the world, closed its Korea office earlier this year. Marketers point out that the whiskey market in Korea continues to decline due to consumers' elevated health concerns as well as sluggish sales to bar market under anti-graft act.

### ***CJ Hatban, Microwavable Precooked Rice, Reports 25% Sales Growth***

<http://news.hankyung.com/article/2018073178571>

Summary: CJ Cheiljedang, the leading food processor in Korea, reported that its 'Hatban', microwavable precooked rice, marked 200 million unit sales as of July 31 for this year, which was a 25 percent increase from the same period last year. CJ forecast that the total sales of Hatban this year is likely to exceed 400 million units.

### ***President Moon Jae-in Nominates the Ruling Democratic Party Lawmaker Lee Kai-ho as the New MAFRA Minister Candidate***

[http://news.chosun.com/site/data/html\\_dir/2018/07/27/2018072700329.html](http://news.chosun.com/site/data/html_dir/2018/07/27/2018072700329.html)

Summary: The Blue House announced on July 26 that Lee Kai-ho of the ruling Democratic Party has been appointed as the new minister candidate for agriculture, food and rural affairs in Korea. "We believe Lee can deal with issues such as rice demand and supply, chronic avian influenza, FMD, etc. that Korea has recently been facing. He can also reinforce future competitiveness," a presidential spokesman said. The position of agriculture minister has been vacant for more than 4 months since the resignation of former minister Kim Young-rok to run for local elections last March. Lee is from Damyang in South Jeolla Province, graduated in business management of Chonnam National University, and has been a public official after passing public administration examinations at the age of 21 in 1980.

### ***Heat Wave Causes Farm Product Prices to Skyrocket***

<http://news.kbs.co.kr/news/view.do?ncd=4013638&ref=A#>

Summary: Amid record-breaking heat waves in Korea, prices of some farm products have recently been soaring. According to Korea's Ministry of Agriculture, Food and Rural Affairs, Chinese cabbage in mid-July costs 2,652 KRW each, up by 28 percent compared to average since heavy rains and heat waves in Gangwon Province that is a major producing area of highland cabbage that has suffered severely damaged crops, due to the development of bacterial soft rot disease. In addition, radish costs 1,450 KRW each, skyrocketed by 44 percent due to a 9 percent decrease of its production area along with the scorching heat.

***EMART Extends Hours of Operation to Accommodate Increased Consumer Traffic under Extreme Summer Heat***  
<http://news.hankyung.com/article/2018072589051>

Summary: The Korean peninsula has been experiencing extreme summer heat since July 13. Consumer traffic to large-scale retail stores such as hypermarket grocery stores and shopping malls has increased significantly as consumers are looking for places to spend the hours in an air-conditioned environment. The EMART hypermarket grocery store chain has reported 4.6 percent growth of sales since July 13. Lotte Department Store has reported 10 percent sales growth. EMART has announced that the hours of operation for its stores will be extended by 30 minutes to one hour in the evening until August 19 to accommodate increased consumer traffic.

***Paris Baguette Test Markets '\$5 Brunch Buffet'***  
<http://news.hankyung.com/article/2018072589031>

Summary: Paris Baguette (PB), the number one window bakery store chain in Korea, announced that it has launched its pilot brunch buffet program in 10 select stores in Seoul recently. According to PB, the buffet is offered at a low price (\$5) and targets busy young consumers in their 30-40's who need easy but quality breakfast options. PB pointed out that despite the low price, the buffet program offers a good assortment of quality foods, including breads, salads, sausages, cereals, cheeses, and beverages. The buffet is available from 8 through 11 a.m.

***"Recreational Horseback Riders will Double to 75,000 in 3 Years", New KRA Chairman***  
<http://news. Joins.com/article/22831089>

Summary: Naksoon Kim, the chairman of Korea Racing Authority (KRA), disclosed his plan to expand the recreational riding industry in Korea in a press interview on July 24. It has been six months since he came into the position that is responsible for the national horse industry. Mr. Kim pointed out that the general Korean public will be attracted to recreational horse riding soon as per-capita national income is likely to rise over \$30,000 this year. Mr. Kim added that KRA, better known for its thoroughbred race business, would make serious investment in the coming years to help develop the foundation for recreational riding nationwide. KRA's plan includes building 8 public recreational riding centers in major metropolitan areas in Korea and providing financial supports to the centers to offer riding education to 47,000 people at half price during the next 3 years. KRA's goal is to double the number of recreational riders to 75,000 by 2021.

***Number of Foreign Tourists Visiting Korea Up 6.9 Percent during the First Half***  
<http://news.donga.com/3/all/20180723/91185090/1>

Summary: According to Korea Tourism Agency (KTA), the number of foreign tourists who visited Korea during the first half this year totaled 7.2 million, up 6.9 percent from the same period of last year. KTA pointed out that tourists from the middle east and Japan showed the largest growth. Middle eastern tourists grew 12.4 percent to 2.4 million. Japanese tourists grew 18.0 percent to 1.3 million. On the other hand, Chinese tourists declined 3.7 percent to 2.2 million during the period. Each foreign tourist spent \$1,442 on average during his/her trip to Korea.

***Retail Stores Promote New Crop Fresh American Blueberries [Korean, OSY]***

Summary: Lotte Mart staged a launching promotion for fresh American blueberries on July 23. One 1.36 kilogram pack of fresh blueberries is offered at 6,900 won.



***Milk Supply Plunges under Hot Weather ... Marketers are Concerned about Potential Supply Shortage***  
<http://news.hankyung.com/article/2018072303371>

Summary: According to local dairy farms, production of raw milk has declined by 10 percent in July due to extraordinary hot summer weather. Much of the dairy cattle in Korea is Holstein breed which does not endure hot weather well. Dairy farms forecast that milk production may decline further through July and August if hot weather continues. Reduced raw milk supply may lead to a major problems around mid-August when schools reopen from summer break. Korean schools from elementary thorough high school operate school meal programs inclusive of milk, which consume 800,000 liters of milk a day. Retail stores may find it difficult to secure enough volume of milk to stock their shelves.

*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](http://www.fas.usda.gov) by clicking on "attaché reports.*