



Foreign Agricultural Service
U.S. Agricultural Trade Office



FAS/Seoul Monitoring of Media Reporting on Agricultural Issues

Today's Date: **Tuesday, August 14, 2018**

For Coverage: **August 1 ~ 14, 2018**

Harim, the poultry giant, plans to build cattle and pig slaughterhouses

http://biz.khan.co.kr/khan_art_view.html?artid=201808122121005&code=920501

Summary: Harim, the largest poultry processing company in Korea, plans to build cattle and pig slaughter plants and processing plants in the Seoul vicinity. As its plan was disclosed, local livestock cooperatives are insisting that Harim's new plants will directly affect local slaughterhouses and are against the plan. They claimed that local slaughterhouses will experience decreases in plant utilization rates and increases in competition which will lead to bankruptcy. Moreover, the cooperatives speculated that if Harim expands its business to meat and pork industry, the overall Korean livestock business will more be dominated by conglomerates.

"Rice Subsidy Program will get Reformed", New MAFRA Minister

<http://news.hankyung.com/article/2018081384131>

Summary: Gae-Ho Lee, the new minister for Korea's Ministry of Agriculture, Food, and Rural Affairs (MAFRA), mentioned in his inauguration speech on August 13 that the rice subsidy program will be reformed. He pointed out that MAFRA's new rice subsidy program will take environment and social welfare issues into account. For example, organic rice fields or small-scale farmers would receive an extra amount of subsidy under the new program. MAFRA spent 2.8 trillion won (about \$2.5 billion) under the rice subsidy program in 2017.

National Assembly Endorses Agriculture Minister Nominee Lee, Kai Ho

<http://news.donga.com/3/all/20180810/91450501/1>

Summary: Korea's National Assembly endorsed MAFRA Minister nominee Lee, Kai Ho. The Agriculture, Food, Rural Affairs, Oceans and Fisheries Committee rapidly adopted a joint report after Lee's confirmation hearing was held on August 9. While the report was adopted by bipartisan agreement, opposition parties launched a series of attacks by raising questions during the hearing, on topics such as an illegal building in his possession, improper solicitation abusing his position, and his remarks supporting the culture of eating dog meats. Lee also said that he would run for provincial governor in the next general election in 2020 after serving about a one and a half year term as agriculture minister.

Korea's National Assembly Holds Hearings on the Nominee Lee, Kai Ho for MAFRA Minister

<http://news.mt.co.kr/mtview.php?no=2018080909467693590>

Summary: Korea's National Assembly began confirmation hearings on MAFRA Minister nominee Lee, Kai Ho on August 9, who was appointed by President Moon on July 27. It has been publicly considered that Lee is well acquainted with MAFRA enough to go through hearings with no difficulty, as he served on the Agriculture, Food, Rural Affairs, Oceans and Fisheries Committee during the first session of the 20th National Assembly. However, it is also expected that some issues on his past remarks supporting the culture of eating dog meats and his multiple home ownership would be raised at hearings.

Seoul Dairy Co. Raises Milk Price 3.6%

<http://news.hankyung.com/article/201808082448g>

Summary: Seoul Dairy Co., the leading milk processor in Korea, announced that its packaged consumer milk price would increase by 3.6 percent beginning August 16. As a result, the retail price of a one liter consumer package of milk will increase by 90 won to 2,540 won (about \$2.2). Seoul Dairy added that the price increase was due to increased raw milk price earlier this year. Other milk processors are likely to join the price raise soon.

Halim to Join “Silver Foods” Market ... Food Market for Elderly Population Grows

<http://news.hankyung.com/article/2018080797621>

Summary: Halim, a major food processing company in Korea, announced on August 7 that its new processing facility in Iksan will produce “silver foods” targeting the elderly population. The elderly population of 65 years old or older is likely to account for 36 percent of entire population in Korea by 2050. As a result, the food market for the elderly population will continue to grow. Many leading Korean food companies, including CJ Cheiljedang, Maeil, and Hyundai Green Food have recently launched “silver foods” brands to capitalize on the opportunity. Silver foods are catered for physical challenges of elderly people. For example, easy digestion and soft texture are common themes incorporated in silver foods.

Korean Retailers Expand Efforts to Adopt Environment-Friendly Food Packaging

<http://news.donga.com/3/all/20180805/91386211/1>

Summary: Due to increased social attention to disposable plastic trash, Korean retailers are expanding efforts to reduce disposables in stores by switching to environment-friendly alternatives. For example, GS25, a leading convenience store chain, announced that lunch boxes offered in the store will use bio-degradable containers made from coconut hulls beginning August 14. Plastic spoons and pokes will also be replaced by wood spoons and pokes. GS25 also eliminated vinyl shopping bags in its stores earlier in July. Other convenience stores have announced similar environment-friendly measures recently. On August 2, the Korean government implemented a ‘prevention of disposable cups in foodservice establishments’ regulation that subjects cafes and other quick service foodservice establishments to a 2 million won fine if they offer disposable cups to the consumers.

CJ Pursues Takeover Bid to Acquire Schwan’s Co. to Expand Business in the U.S.

<http://news.hankyung.com/article/2018080117231>

Summary: CJ Cheiljedang, the leading food processor in Korea, is reportedly preparing for a takeover bid to acquire Schwan’s Co., the number two player in retail frozen pizza market in the U.S. Industry sources forecast that CJ will need to offer \$2-3 billion to win the bid.

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.