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Korean Consumers Grocery Food Purchases up 23.6% January-February 2020 during COVID19 Outbreaks, KANTAR

<http://www.foodnews.co.kr/news/articleView.html?idxno=73205>

Summary: KANTAR, a global consumer market research firm, reported that grocery food purchases increased 23.6 percent during January and February this year compared to the same period last year according to its survey of Korean households. On the other hand, non-food purchases declined 4.9 percent. The per-purchase spending amount for groceries increased 23.5 percent while the purchase frequency declined 1.2 percent as consumers tried to reduce shopping and stock up on non-perishable foods. Products that saw purchase growth were beverages (30.8 percent), sauces & condiments (11.5 percent), snacks (17.0 percent), instant noodles (26.5 percent), and frozen foods (13.4 percent). Non-food products associated with hygiene also showed strong growth - hand sanitizer (253.8 percent), soap (11.5 percent), household cleanser (28.1 percent), and paper tissues (22.2 percent). On-line grocery shopping increased the most (75.7 percent). However, grocery retail stores also had increased sales, with sales at hypermarkets and supermarkets growing 22.5 percent and 13 percent respectively. However, convenience stores saw a 2.3 percent decline in food sales. KANTAR reported that the impact of COVID19 outbreaks in terms of consumer grocery food purchases were much stronger than during the MERS or SARS virus outbreaks.

COVID19 Impact Will Last a Minimum of 6 Months, Neilson Korea

<http://www.foodnews.co.kr/news/articleView.html?idxno=73172>

Summary: Neilson Korea, a global consumer research firm, reported on March 11 that the impact of coronavirus outbreaks in the consumer market would likely last minimum 6 months. According to Neilson, the switch to on-line shopping will be the most significant outcome. According to Neilson's surveys, the number of on-line purchases and the amount time spent on on-line shopping tools increased 28 percent and 19 percent respectively in February compared to January. At the same time, limited supplies of grocery food through on-line retailers resulted in increased consumer purchases from conventional retail stores in February. For example, the number of purchases from hypermarket stores increased 32 percent in the eighth week in 2020 compared to the previous week. Hypermarkets saw strong sales growth for prepared microwavable soups and stews (44 percent) and frozen pizza (23 percent).

Hanwoo Producers Saw 0.9 Percentage point Increase in First Grade Meat in 2019 ... 73.9 Percent of the Cattle Slaughtered Received First Grade

<http://www.foodnews.co.kr/news/articleView.html?idxno=73211>

Summary: Korea Livestock Quality Evaluation Office (LQEO) reported that 73.9 percent of the 884,635 hanwoo cattle slaughtered in 2019 were graded as grade one, up 0.9 percentage points from the previous year. The average age of cattle slaughtered was 30.5 months, down 0.2 month. The age of cattle slaughtered has been on a gradual decline since 2014. The average auction price for hanwoo meat was 17,965 won (approximately \$15) per kilogram, up 1.1 percent from the previous year due to a higher percentage of meat receiving grade one.

CDC Reports Four Deaths from Eating Enoki Mushroom Imported From South Korea

<http://www.foodnews.co.kr/news/articleView.html?idxno=73203>

Summary: The U.S. Center for Disease Control (CDC) reported that four people died from listeria bacteria contamination after eating enoki mushroom imported from South Korea. FDA ordered a recall on all Korean enoki mushroom in distribution as a result. The Korea Ministry of Agriculture, Food and Rural Affairs (MAFRA) reported on March 12 that it was undergoing an analysis to track down the cause of the contamination. According to MAFRA, 21 Korean producers will be inspected for food safety risks.

Lotte Mart Launches California Orange Promotion

https://newsis.com/pict_detail/view.html?pict_id=NISI20150125_0010561560

Summary: Lotte Mart, a leading hypermarket grocery store chain, launched an in-store promotion on California oranges on March 25. The promotion, announcing the arrival of the new season crop, offers one orange for 900 won (75 cents).



Restaurants Report 60 Percent Decline in Consumer Traffic under COVID19 Outbreaks

<https://blog.naver.com/foodnpeople/221841723487>

Summary: According to the Korea Restaurant Association's (KRA) fourth 'corona virus impact' survey (administered on February 28), restaurants saw a 59.2 percent decline in daily consumer visits on average due to the coronavirus outbreak. The decline in consumer visits increased from the first round survey (-29.1 for the two weeks after the outbreak), the second round survey (-26.1 percent for three weeks after the outbreak), and the third round survey (-32.7 percent for the four weeks after the outbreak). Restaurants in Gyeongsang province reported the highest decline (-66.8 percent), followed by Gangwon (-65.9 percent) and Choongchung (-65.2 percent). Korean cuisine restaurants reported the highest decline (-64.1 percent), followed by Japanese and western cuisine (-55.2 percent).

The Retro Trend Continues to Boom Even in the Food Sector

http://biz.khan.co.kr/khan_art_view.html?artid=202003102135035&code=920401&med_id=phto

The popularity of 'New-tro,' a new term which comes from combination of new and retro, continues to grow in 2020. Food manufacturers are launching 'new-tro' style products to target trendy young consumers. Delmonte is giving out old-style glass bottles that look like the juice bottles in the 80s and 90s to consumers who purchase a special set. Homeplus is conducting an in-store promotion of frozen pork belly. This product used to be popular in the past. Samyang produced a limited quantity of Samyang Ramen in the original package from the 1960s. Retailers expect that food products that reflects the new-tro trend will continue to attract many consumers.



Starbucks Korea Temporarily Closes Stores in Daegu and Gyeongbuk Province

<http://www.foodnews.co.kr/news/articleView.html?idxno=73146>

Summary: Starbucks Coffee Korea will temporarily close some stores in Daegu and Gyeongbuk Province from March 9 through 22 in response to COVID-19. 39 out of 74 stores in the area will be closed during this period; nine of the stores have already been closed since the end of February. The other 35 stores, including drive-through stores, will operate normally and be regularly disinfected by professionals.

EMART Reports 30% Sales Growth for Key Agricultural Products in February due to Increased Home Dining

<https://www.hankyung.com/economy/article/2020030597641>

Summary: EMART, the leading hypermarket grocery retail chain in Korea, reported 30 percent sales growth for key agricultural products in February compared to the same month last year: 26 percent for eggs; 32 percent for onions; 29 percent for carrots; 11 percent for potatoes; 35 percent for mackerel fish; 21 percent for rice; and 35 percent for kimchi. EMART explained that increased home dining during the coronavirus outbreaks was the cause for the growth.

Hyundai Green Food Launches a HMR Processing Facility

<https://www.hankyung.com/economy/article/202003045428i>

Summary: Hyundai Green Food, a leading contract foodservice company in South Korea, reported that its new 'Smart Food Center' in Sunnam city started operation on March 4. The facility has the capacity to process up to 200,000 servings of Home Meal Replacement (HMR) prepared foods a day, including meal kits for retail store distribution and specialty nutrition meals for elderly consumers in hospitals and silver-care institutions. Hyundai Green Food said that the advanced systems used in the center allow it to produce up to 1,000 different recipes at the same time.

Korean Per Capita Income Fell to \$32,047 in 2019 – Lowest Level in Recent 4 Years

<https://www.hankookilbo.com/News/Read/202003031686088112?NClass=HB01>

Summary: The Bank of Korea announced on March 3, 2020 that last year's per capita GNI was \$32,047, down 4.1% from 2018, which is the largest decline since 2015. The drop was attributed to low inflation that slowed nominal GDP growth significantly and the depreciation of the Korean Won. The largest drop occurred in 2009 (-10.4%) as a result of the global financial crisis.

Restaurants Report 32.7 Percent Decline in Consumer Visits during the Four Weeks after the Coronavirus Outbreaks

<http://www.foodbank.co.kr/news/articleView.html?idxno=59391>

Summary: The Korea Restaurant Association (KRA) reported on February 28 that restaurants saw a 32.7 percent decline in daily consumer visits on average during the four weeks after the first coronavirus outbreak reported on January 19 according to its third 'coronavirus impact' survey. KRA reported that the decline in consumer visits was

larger than the first survey (-29.1 percent during the two weeks after the outbreak) and the second survey (-26.1 percent during the three weeks after the outbreak). Restaurants in Gangwon province reported the highest decline (-47.5 percent), followed by Jeju (-40.6 percent) and Seoul (-38.1 percent). Korean cuisine restaurants reported the highest decline (-36.5 percent), followed by Japanese and western cuisine (-36.3 percent), and Chinese cuisine (-30.9 percent).

Ebay Korea, Leading On-line Retailer in South Korea, is Offered for Acquisition at \$4.2 Billion

<https://www.hankyung.com/economy/article/2020030332831>

Summary: Ebay USA has reportedly decided to spin off its business in South Korea, Ebay Korea. Ebay Korea is the leading on-line shopping retailer in South Korea. Its on-line marketplace platforms, Auction.com, Gmarket.com, and G9.com, together generated over \$13 billion in sales in 2019, accounting for 12 percent of overall on-line retail sales in the country. The acquisition deal will likely bring a major restructuring to the industry.

Korean Businesses Express Serious Concerns over Travel Restrictions to the U.S.

<https://www.hankyung.com/international/article/202003031889i>

Summary: Many Korean companies are worried about elevated travel restrictions to the United States. The United States is the leading export market as well as processing hub for many Korean companies. As a result, there is high business travel traffic between Korean and the United States. The U.S. government has implemented an entry ban for Korean travelers from the Daegu region, the epicenter of the coronavirus outbreak in Korea. In addition, all Korean travelers to the U.S. are required to have their temperature checked at the boarding gate. Travelers with a 37.5 degree Celsius or higher body temperature are rejected. There is a possibility for even tougher travel restrictions in the coming weeks if the risk of coronavirus further increases.

Foreign Travelers to South Korea Decline 80 Percent due to the Coronavirus Outbreaks

<https://www.hankyung.com/society/article/2020030335761>

Summary: According to the Korean government, the number of foreign travelers visiting Korea declined 80 percent from 38,059 people on February 1 down to 6,920 on March 1. In particular, Chinese travelers marked the largest decline during the period from 10,000 people a day down to 500.

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."