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**U.S. Agricultural Trade Office**

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

**Today's Date: Thursday, March 23, 2017**

**For Coverage: March 14 ~ 23, 2017**

### ***Food Safety Concerns for Brazilian Chicken Meat Hit the Korean Restaurant Industry***

<http://www.hankyung.com/news/app/newsview.php?aid=2017032200371>

Summary: The food safety issue of Brazilian chicken meat is snowballing in the Korean restaurant market as many of the restaurants are pressured to remove those recipes that incorporate Brazilian chicken meat from the menu. For example, Mom's Touch, a leading hamburger restaurant franchise that operates over 1,000 stores, announced on March 22 that it is considering to stop selling hamburgers and fried chicken menus made with Brazilian chicken meat. About 15 percent of menus that are offered in Mom's Touch restaurant are made with Brazilian chicken meat currently. Burger King Korea has already removed the menus incorporating Brazilian chicken meat right after the report on potential food safety risk of Brazilian chicken meat.

### ***Korean Government Lifts Import Suspension on Brazilian Chicken Meat***

<http://news.donga.com/3/all/20170322/83438581/1>

Summary: The Korea Ministry of Food and Drug Safety (MFDS) announced on March 21 that it lifted import suspension on Brazilian chicken meat which was implemented the day before. MFDS explained that its survey found no Brazilian meat from BRF corporation, the cause of the import suspension, had entered the Korean market. MFDS added that it would continue to monitor the safety of Brazilian chicken meat in the market, including strengthened import quarantine inspections on Brazilian chicken meat. By the way, leading grocery store chains in Korea, including E Mart, Lotte Mart and Home Plus, have voluntarily removed Brazilian chicken meat from their shelves reflecting local consumers' safety concerns. Leading convenience store chains, including Seven Eleven and CU, have also removed from their stores those take out meal products that incorporated Brazilian chicken meat.

### ***Lotte World Tower, the Tallest Building in Korea to Open on April 3***

<http://news.donga.com/3/all/20170321/83437884/1>

Summary: Lotte World Tower, the tallest building in Korea (123 story, 555 meter high) is now scheduled to open to the public on April 3. It took over six years and almost \$4 billion to complete the construction. The building is filled with luxury space including office, residence, hotel, shopping mall, and has a observatory deck on the 120th floor for the public visitors.



**MFDS Suspends Sales of Brazilian Chicken Meat for Food Safety Concerns**

<http://news.donga.com/3/all/20170321/83418940/1>

Summary: Korea Ministry of Food and Drug Safety (MFDS) announced on March 20 that the sales and distribution of Brazilian chicken meat from BRF corporation, Brazil, was suspended as BRF was recently indicted by the Brazilian authority for violating food safety and labeling regulations. BRF has reportedly used unapproved chemical agent in the packing house and inserted faulty expiration date on the label. BRF accounted for almost half of the chicken meat that Korea imported from Brazil in 2016. Korea's total imports of chicken meat from Brazil amounted to 88,000 metric tons in 2016, which accounted for about 10 percent of total chicken meat consumed in Korea. Marketers pointed out that the suspension would further increase the price of chicken meat in the market in the middle of avian influenza outbreaks.

**Courier Delivery Service Industry Continues a Double Digit Growth**

<http://news.donga.com/3/all/20170316/83366465/1>

Summary: The courier delivery service industry in Korea continues double digit growth each year due to increased demand from on-line shopping and TV home shopping. According to the Korea Logistics Service Industry Association, the industry delivered 20.4 billion packages in 2016, up 10 percent from 2015. In other words, each Korean used 41 courier deliveries in 2016. Leading players in the industry are making efforts to provide more efficient service. For example, the industry leader, CJ Daehantongwoon, has announced that it will introduce automated sorting systems in its 200 distribution centers in Korea by 2018.

### ***Korean Fish Farms to Offer More Premium Fish ... Farmed Sturgeon Appears in E Mart***

<http://news.donga.com/3/all/20170316/83366479/1>

Summary: It is reported that Korean fish farms are trying to develop a new market by offering premium fish as they face increased competition from imported fish. For example, a fish farm in Pochun city started to supply farmed sturgeon to E Mart recently. Globefish and snapper are other premium fish that local fish farms have recently started to produce commercially. The premium fish, in general, target ready-to-eat, sashimi products in grocery stores as well as sashimi restaurants.

### ***BBQ Withdraws Its Planned Price Increase under Gov't Pressure***

<http://www.hankyung.com/news/app/newsview.php?aid=2017031521371>

Summary: BBQ, the leading fried chicken restaurant franchise in Korea, announced on March 15 that it has canceled the plan to increase the retail price of its chicken menus in the third week of March. BBQ was going to increase the retail price as much as 10 percent based on its conclusion that increased cost of operation, including ingredients and wages, was calling for a price increase. BBQ pointed out that its last price increase was back in 2009. However, the Korean government did not agree with BBQ and argued that given the current, weak price of chicken meat in the market it could not accept BBQ's price increase. The Korean government has even reportedly implemented indirect measures to force BBQ to withdraw the price increase plan. For example, the Korea National Tax Service and Fair Trade Committee commented recently that BBQ could be subject to an audit if it moves along with the planned price increase.

### ***Hypermarket Grocery Store Chains in a Price War Again***

<http://www.hankyung.com/news/app/newsview.php?aid=2017031487941>

Summary: Hypermarket store chains in Korea are reportedly competing for lower price again. Home Plus has started the price war by launching a special sales promotion earlier this year under the theme of "Home Plus 20th Anniversary". Under the promotion, Home Plus has been offering deep discounts on 20 select grocery food products each month. E Mart has responded with "The End of Price" promotion since early February that offers the lowest price on select food products each month. Lotte Mart announced on March 14 that it launched a special sales promotion on "Top 100 Products" that offers deep discounts on some of the most popular grocery food products through April.

### ***Starbucks Korea Opens Its 100th Drive-thru Store***

<http://www.fnnews.com/news/201703140923093232>

Summary: Starbucks Korea announced that its 100th drive-thru store opened in Pohang city. Drive-thru stores account for 10 percent of overall Starbucks stores in Korea currently.

*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"*