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Olive Young to Offer More Food and Beverage Products

<http://www.hankyung.com/news/app/newsview.php?aid=2017033020161>

Summary: Olive Young, the leading health & beauty store chain in Korea, is revising its product assortment strategy to offer more food and beverage products. Two new flagship stores in Seoul opened by Olive Young in October 2016 have designated areas for food and beverage products which accounts for about 30 percent of store space. According to Olive Young, food and beverage space generates 15 percent of the store sales currently. Most of the food and beverage products offered in Olive Young target young female consumers. For example, diet foods, trendy beverages, and ready-to-cook meals are some of outstanding products offered in Olive Young today.

Price of Onion Up 46%

<http://www.hankyung.com/news/app/newsview.php?aid=2017033020181>

Summary: Price of local onion marked 2,147 won per one kilogram bag in the wholesale market on March 30, up 46 percent from a year ago. According to Korea Rural Economic Institute (KREI), the price hike is mainly due to reduced acreage and harvest of early season onion. Acreage of early season onion this year is 2,377 hectares, down 20 percent from last year. As a result, harvest of early season onion is forecast to decline 21 percent to 147,000 metric tons this year.

Korean Rice Farmers Earn Less Profit due to Falling Rice Price

<http://news.donga.com/3/all/20170329/83594058/1>

Summary: According to 'Rice Farm Income-Expenditure Statistics' released by the Korea National Statistics Office (KNSO) on March 29, the Korean rice farmer earned 182,000 won of profit per 1,000 sq. meter of rice field on average in 2016, down 40 percent from the previous year. KNSO pointed out that the main reason for the sharp decline was weak rice prices. For example, the price of rice in the wholesale market has declined 25 percent since 2014 to 32,000 won per 20 kilogram bag in March 2017.

Consumer Confidence Index on a Rise ... Recovery of Export Sector Brings New Growth Momentum in the Market

<http://www.hankyung.com/news/app/newsview.php?aid=2017032987601>

Summary: According to the Bank of Korea, the Consumer Confidence Index (CCI) marked 96.7 in March, up 2.3 points from the previous month. The Bank of Korea pointed out that the CCI had continued positive growth since January (93.3). The Business Survey Index (BSI), which indicates local manufacturing sector's business forecast for the coming month, also had continued positive growth to mark 82 in March, up 3 points from the previous month. The Bank of Korea explained that the on-going recovery of the export sector was the driving force behind improved consumer and business confidence in the market. Korean exports have continued positive growth since November 2016. The export growth has widened over the months to mark 20.2 percent in February 2017.

South Korean Per-Capita GNI Amounted to \$27,561 in 2016

<http://news.donga.com/3/all/20170329/83574421/1>

Summary: The Bank of Korea reported on March 28 that South Korea's per-capita GNI (Gross National Income)

amounted to \$27,561 in 2016, up 1.6 percent from the year before. The Bank of Korea pointed out that it had been ten years since South Korean per-capita GNI entered the \$20,000 level but it would take additional years for South Korea to move on to the \$30,000 level. For reference, major developed countries took 8.2 years on average to enter the \$20,000 level and move on to the \$30,000 level. According to the Bank of Korea, the slowdown of the economy due to weak performance of export sector and sluggish local consumption growth coupled with the weak value of the Korean won against the U.S. dollar were the reasons for the poor per-capita GNI result in 2016.

Dusty Air Generates Strong Sales of "Anti-Dust" Products, Including Broccoli and Japanese Parsely

<http://news.donga.com/3/all/20170328/83573713/1>

Summary: According to Korean government data, air quality in Korea has been under a "public health warning" level for 85 days this year through March 27, which was a significant increase from 44 days in 2016. As a result, sales of "anti-dust" products such as room air purifiers, face masks and dust cleansers have been robust. For example, Lotte High-Mart reported that its sales of room air purifiers saw 65 percent growth in March this year. Food products that are known for removing dust from the body are also reporting strong sales growth. Auction.com reported that its sales of broccoli and Japanese parsley increased 134 percent and 68 percent, respectively, in March this year.

Six Months After Anti-Graft Act ... Restaurants and Bars Continue to See Sales Decline Whereas Hypermarket Stores Enjoy Solid Sales Growth

<http://news.donga.com/3/all/20170328/83554548/1>

Summary: According to updated 'Retail Industry Sales Statistics' released by the Korea National Statistics Office (KNSO), the cash-register sales of the restaurant and bar industry saw 5.7 percent decline in January 2017 compared to the same month in 2016. KNSO pointed out that the industry sales had continued a decline since the implementation of the Anti-Graft Act in October 2016. On the other hand, sales of hypermarket store industry maintained a solid growth by marking 12 percent growth in January 2017. Marketers explain that large-scale grocery stores are benefitting from reduced consumer traffic to restaurants and bars as consumers increase dining and drinking at home.

E Mart Cancels Price Increase on Chicken Meat due to Government Pressure

<http://www.hankyung.com/news/app/newsview.php?aid=2017032463161>

Summary: Price of chicken meat in E Mart went down 15 percent on March 24 as the retailer canceled the price increase that it implemented the day before (March 23). Korea Ministry of Agriculture, Food and Rural Affairs (MAFRA) reportedly requested E Mart to withdraw the price increase. The Korean government has been making extra efforts recently to maintain a stable chicken meat price in the market, partly by pressuring the retail and foodservice industry not to raise the retail price. However, there is a criticism developing in the market that the government pressure does not reflect the supply and demand in the market.

E Mart Increases Chicken Meat Price by 15% ... Farm Price is on a Rise Due to AI

<http://news.donga.com/3/all/20170323/83479589/1>

Summary: E Mart, the leading hypermarket grocery retail chain in Korea, announced that it had raised the price of chicken meat by 15 percent (5,180 won per kilogram to 5,980 won) on March 23. E Mart pointed out that the price increase was due to a steep rise of ex-farm price as a result of avian influenza (AI) outbreaks. According to E Mart, ex-farm price of local chicken meat increased 30.7 percent in March compared to the same period last year. E Mart also increased the price of shell eggs by 200 won per 30 egg pack on March 23. The new price, 6,880 won, is about 15 percent higher than the price last year. Other hypermarket chains including Lotte Mart and Home Plus reported that they had no plan to raise the price of chicken meat or shell eggs.

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