



Foreign Agricultural Service
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Shell Egg Price Remains High

<http://news.donga.com/3/all/20170411/83811564/1>

Summary: Although the local poultry industry is fast recovering from outbreaks of Avian Influenza, the price of eggs in the market remains high. According to Korea Agro-Fishery Marketing Corporation, retail price of shell eggs marked 7,509 won per 30 egg pack on April 10, which was 225 won higher than the previous month or 34 percent higher than a year before.

Cafe Ediya Gains on Its Value Pricing Strategy

<http://news.donga.com/3/all/20170411/83811885/1>

Summary: Ediya Coffee, a leading cafe franchise in Korea, reported that it saw significant growth in its operation in 2016 based on its value pricing strategy. The number of Ediya stores totaled 2,141 and cash-register sales marked 550 billion won in 2016, up from 1,823 stores and 470 billion won in the previous year. Ediya pointed out that other competitors that followed the market leader's, Starbucks Korea, premium strategy all reported poor business outcomes in 2016. Ediya's value pricing strategy targets consumers who are concerned about the economy but still want to enjoy top quality coffee. Ediya launched a new product development lab in 2016 and spent much more on new product development than Starbucks Korea. Ediya's main coffee beverage price is below 3,000 won per cup, while competitors mainly target the 4,000 won level.

Scotch Whiskey Supplier to Enter Soju Business ... Whiskey Market Continues to Shrink

<http://www.hankyung.com/news/app/newsview.php?aid=2017041119941>

Summary: William Grant & Sons Korea (WGSK), a subsidiary of a leading Scotch whiskey producer, has reportedly gained approval from its headquarters to launch soju business in Korea. WGSK commented that it was interested in entering the soju business because the whiskey market in Korea continued to shrink due to increased health concerns as well as reduced demand in bars and for gifts since implementation of the anti-graft act in 2016. WGSK pointed out that it would target the higher end segment of the soju market by launching more expensive bottles distilled from better ingredients.

1.6 Million of City Farmers in Korea ... Grew 10 Times in 6 Years

<http://www.hankyung.com/news/app/newsview.php?aid=2017041090321>

Summary: The Korea Ministry of Agriculture, Food and Rural Affairs (MAFRA) reported that the number of city farmers in Korea increased 10.5 times over the last six years to 1.6 million at the end of 2016. The acreage cultivated by the city farmers also grew 10 times to 1,001 hectares. MAFRA pointed out that the consumers' increased interest in farming as a hobby or a recreational activity as well as a way to secure safe food is the main cause behind the rapid growth of city farmers. Many of the city farmers have other full-time jobs and spend time on the farm on weekends, MAFRA added.

Leading Investment Banks Raise Korean GDP Growth Forecast

<http://www.hankyung.com/news/app/newsview.php?aid=2017040963721>

Summary: According to the Korea International Finance Center (KIFC), GDP growth forecast for the Korean economy in 2017 updated at the end of March by 10 major international investment banks, including Morgan

Stanley and Nomura, marked 2.5 percent on average, which was 0.1 percentage point higher than the previous forecast made at the end of February. Local economic institutes also raised the GDP growth forecast. For example, Korea Economic Institute raised the forecast by 0.4 percentage point from 2.1 percent to 2.5 percent recently.

HMR Market Sales to Grow 30 Percent This Year

<http://www.hankyung.com/news/app/newsview.php?aid=2017040739221>

Summary: Cash-register sales for Home Meal Replacement (HMR) products in retail store are likely to grow 30 percent this year to mark 3 trillion won (\$2.5 billion). The HMR market saw 300 percent sales growth over the last five years mainly driven by busier consumer lifestyles due to the rapid increase of people living alone and more women joining the labor force. Both food processors and retail stores are making extra efforts to expand the HMR business. Products offered in the market are becoming more diversified to cover not only main dishes but also side dishes and desserts.

Seoul Dairy Cooperative to Build the Largest Milk Processing Plant in the World in Yangju City by 2020

<http://www.hankyung.com/news/app/newsview.php?aid=201704073490i>

Summary: Seoul Dairy Cooperative, the leading fluid milk processor in Korea, announced that it had started a project to build a large-scale milk processing plant in Yangju city by 2020. The new plant has the capacity to process 1,690 metric tons of raw milk a day, which is the largest capacity for any dairy processing plant in the world. The plant will produce over 70 different products, including packaged fluid milk, milk powder, and butter.

Good Catch Forecast for Local Crab This Spring ... Price Declines 20%

<http://news.donga.com/3/all/20170406/83735871/1>

Summary: According to a report by the National Fishery Institute, catch of local crab in the west sea is forecast to amount to as high as 2,000 metric tons during the spring season this year (April through June), which is almost twice the catch amount last year. Affluent rainfall and warm water temperature has reportedly increased the crab population in the west sea, which is the leading catch area for local crab. As a result, the price of local crab has declined 20 percent in the first week of April compared to the same period last year. E Mart, the leading hypermarket grocery retailer in Korea, announced that it would offer local fresh crab at 3,950 won per 100 gram between April 6 through 19, which was 21 percent cheaper than the price it offered in the last season.

Consumer Price Index Up 2.2% in March 2017

<http://news.donga.com/3/all/20170404/83694783/1>

Summary: The Korea National Statistics Office (KNSO) reported that the consumer price marked a 2.2 percent increase in March 2017 compared to the same month in the previous year, which was the highest increase since June 2012. KNSO pointed out that the strong price of fresh agricultural products was a part of the reason. The consumer price of fresh agricultural products increased 7.5 percent in March. Key products that led the increase included fresh fruits (15.7 percent); seafood (5.5 percent); and eggs (43.1 percent).

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