



Foreign Agricultural Service
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Korean Government to Allow Local Microbreweries to Distribute to Grocery Retail Stores Next Year

<http://news.donga.com/3/all/20170803/85643515/1>

Summary: According to the draft tax revision plan that ROK government released on August 2, small scale local breweries under 'microbrewery license' will be allowed to distribute their beer to grocery retail stores such as supermarkets and convenience stores. Currently local microbreweries are allowed to distribute their beer only to on-premise foodservice outlets such as restaurants and pubs.

Ministry of Agriculture Creates a Division for Animal Disease Control

<http://news.donga.com/3/all/20170803/85643867/1>

Summary: Korea Ministry of Agriculture, Food and Rural Affairs (MAFRA) reported on August 2 that it received government approval to create an 'Animal Disease Control Division'. MAFRA explained that creation of the division will allow it to react to outbreaks of animal diseases such as avian influenza and foot-and-mouth disease more efficiently. The division is scheduled to start operation on August 7.

Strong Price of Vegetables and Seafood Drives Up Consumer Price Index in July

<http://news.donga.com/3/all/20170801/85626708/1>

Summary: According to the Korea National Statistics Office (NSO), the consumer price index marked a 2.2 percent increase in July compared to the same month last year. NSO explained that the strong price of fresh food products was the main driver of the consumer price index. Products that showed outstanding price increases included fresh eggs (64.8 percent); squid (50.8 percent); potatoes (41.7 percent); squash (40.5 percent); and fresh fruits (20 percent). The Korean government held a meeting on August 1 and discussed possible government interventions to curve down the consumer price index and decided that it will release its reserves of fresh food products, including fresh cabbages, radish, onions, and squash, into the market at discounted prices in the coming weeks. In addition, the import tariff on fresh eggs will be temporarily eliminated until the end of this year to secure additional supply of eggs into the market.

242,000 Cash Millionaires in Korea as of 2016, Up 30,000 from 2015

<http://www.etnews.com/20170801000147>

Summary: KB Financial Institute reported that the number of cash millionaires in Korea who own over 1 billion won (about \$1 million) of assets in bank accounts or stock accounts numbered 242,000 at the end of 2016, up 14.8 percent from the previous year.

Cold Brew Coffee Continues to Draw Strong Consumer Traffic

<http://news.hankyung.com/article/2017073127141>

Summary: Starbucks Korea reported that it sold 6.6 million cups of cold brew coffee this year through July, which was a 43 percent increase from last year. Starbucks added that the significant sales growth was partly due to the introduction of various flavored cold brew coffees such as 'Vanilla Cream'.

Convenience Stores and On-line Retailers Generated Double Digit Sales Growth in the First Half ... Hypermarket Stores and Department Stores Saw No Growth

<http://news.hankyung.com/article/2017073091101>

Summary: According to the Ministry of Industry, Trade & Resources, convenience stores and on-line retailers led the sales growth of the retail industry in Korea during the first half 2017. Cash-register sales of convenience stores and on-line retailers increased 11.4 percent and 13.1 percent respectively. On the other hand, hypermarket stores and department stores reported 0 percent and 0.9 percent sales growth during the period. Overall retail industry saw 6 percent sales growth.

Consumption of Lamb Meat is on a Sharp Growth ... Imports Increased 2.5 Times over the Last 5 Years

<http://news.hankyung.com/article/2017073089631>

Summary: The number of restaurants that offer lamb meat dishes is on a rapid increase. In the past, many Koreans had a negative image about lamb meat. However, grilled lamb meat skewer recipes introduced by Korean Chinese became quite popular among young Koreans and led to openings of many lamb meat restaurants in various locations in Korea where the population of Korean Chinese was high. As a result, Korea's imports of lamb meat increased almost 2.5 times over the last five years to mark 10,700 metric tons in 2016. Most of the imported lamb meat is from Australia and is consumed by the restaurant industry. Consumption of lamb meat at home is still limited.

"Liquor Tax on Local Craft Beer Should be Lowered", Local Craft Brewers Demand Deregulation

<http://news.hankyung.com/article/2017073089611>

Summary: A group of 80 representatives of the Korean craft beer industry gathered for a conference on July 28 and discussed issues of local taxes and operational regulations. In particular, the participants came to a conclusion that the liquor tax on local craft beer should be lowered by shifting from the current price based taxation system to a volume based system to support the growth of the industry. The event also pointed out that small craft breweries are not allowed to sell directly to large-scale retail stores such as convenience stores and hypermarket stores currently.

Food Market Sees Launchings of Many New Products with Jalapeno Pepper ... Targeting Increased Consumer Demand for Spicy Food

<http://news.hankyung.com/article/2017072720011>

Summary: It is reported that many new products launched recently in Korea were incorporating jalapeno pepper as a key ingredient. For example, CJ Cheiljedang launched 'Max Bong Jalapeno' ready to eat sausage in July. Crispy Cream Doughnuts launched 'Spicy Original' doughnut that blended sliced jalapeno in the dough in April. Mom's Touch launched 'Jalapeno Chicken Nugget' and 'Jalapeno Chicken Sausage' recently. Marketers point out that Korean consumers are generating increased demand for spicy food as they seek ways to refresh and relieve stress.

Price of Fresh Cherries Down 30% Since Last Month

<http://news.hankyung.com/article/2017072720341>

Summary: According to Korea Agro-Fishery Marketing Corporation (aT), the wholesale market price of fresh cherries marked 53,100 won per 5 kilo box on July 27, down 29 percent from one month ago. The price was 8.4 percent lower than the five-year average. aT explained that the sharp decline in the market price for fresh cherries was due to a good harvest in Washington state, USA. Imports of fresh cherries from the USA this year through June increased 40 percent compared to the same period of last year.

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."

