

Required Report: Required - Public Distribution

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Report Name: Fresh Deciduous Fruit Annual

Country: Korea - Republic of

Post: Seoul

Report Category: Fresh Deciduous Fruit

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Report Highlights:

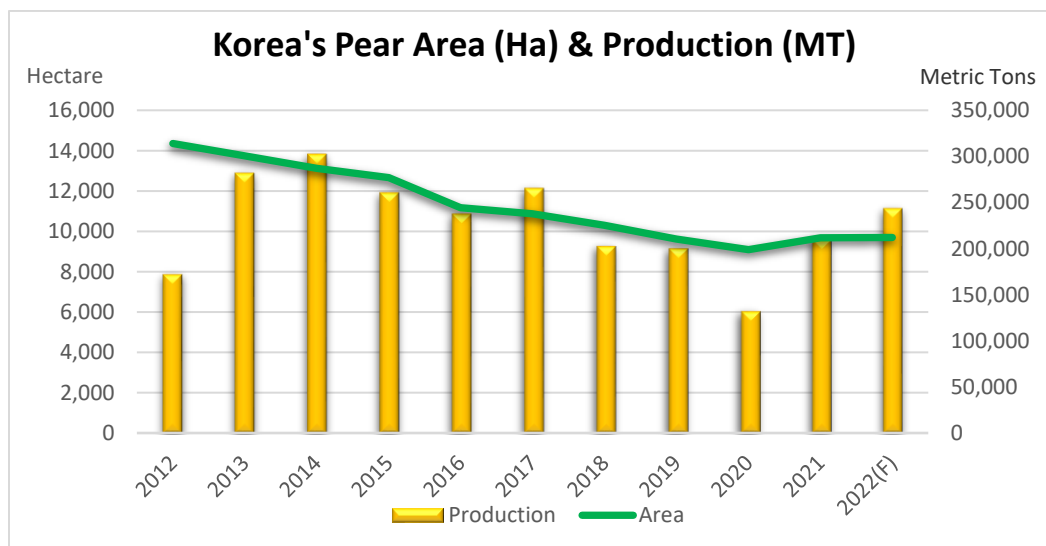
Korea's 2022/23 pear production is projected to increase by 16 percent, driven mostly by increased yields due to favorable weather. Korean pear consumption is projected to rise by 14.3 percent following a 6 percent fall in market prices, with the balance of increased production going to exports. Fresh pear imports (including U.S. origin) are not allowed under Korea's existing phytosanitary regulations.

Production

In marketing year (MY) 2022/23 (July – June), Korea’s pear production is projected to increase by 16 percent to around 244,000 MT, mainly due to increased yields. Yields are expected to reach 2,517 kg per 0.1 hectares (ha) with increased fruit size and quality due to favorable weather conditions during the flowering and fruit growing seasons.

In MY 2021/22, Korea’s fresh pear production increased by 59 percent to 210,293 metric tons (MT), fully recovering from unfavorable weather conditions during the previous marketing year's flowering, fruit growing, and harvest seasons. Pear yields increased by 49 percent to 2,174 Kg per 0.1 hectares. Additionally, there was a 6.4 percent increase in planted area (584 ha) driven by increased farm income reflecting strong market prices during the previous marketing year following reduced production levels.

Graph 1: Korea’s Pear Area (ha) and Production (MT)



Source: Korea Statistical Information Service (KOSIS) & Korea Rural Economic Institute (KREI)

Pear Planted Area

In MY 2022/23, Korea's pear planted area is expected to maintain the previous year's level of about 9,687 ha due to steady consumer demand from the domestic market and increasing demand in export markets such as Taiwan, the United States, and Vietnam.

Korea’s pear planted area has decreased gradually for the past decade due to the aging farm population, disease pressure from fire blight infections, expanding urban development near pear production areas, and many pear growers shifting to other more profitable crops (including shine muscat grapes figs, and

kiwifruit). However, the current pear cultivation area is expected to remain at around 9,100-9,700 hectares for the time being, with the variety of pear cultivars gradually changing to accommodate the evolving domestic consumption patterns.

Korea’s fresh pear production decreased gradually for the past three years, falling by 10.3 percentage points to 3,758 hectares in the three main production regions in the central part of the Korean peninsula (Gyeonggi, North & South Chungcheong provinces). The other main production area is located in the southern part of Korea (North and South Jeolla provinces), where production increased by 32.8 percent to 3,548 hectares during the same period, offsetting production declines in the central producing region.

Table 1: Korea’s Pear Planted Area by Province (Unit: Hectares)

Korea’s Pear Planted Area by Province (Unit: Hectare)				
Province	MY 2020/21	MY 2021/22	MY 2022/23	
	Cultivated Area (ha)	Cultivated Area (ha)	Cultivated Area (ha)	Change (%)
Gyeonggi	1,921	1,597	1,533	- 4
North Chungcheong	315	246	232	-5.7
South Chungcheong	1,956	2,108	1,993	-5.5
North Gyeongsang	1,081	1,106	1,005	-9.1
South Gyeongsang	303	423	492	16.3
South Jeolla	2,143	2,552	2,729	6.9
North Jeonlla	532	730	819	12.2
Other Provinces	840	913	884	-3.2
Total	9,091	9,675	9,687	0.1

Source: Korea Statistical Information Service (KOSIS)

The “Singo” pear variety (a medium maturing cultivar) was widely cultivated in MY 2021/22, accounting for 85 percent of total planted area, followed by “Wonhwang” (early maturing cultivar) with five percent. The “Singo” cultivar is widely viewed by consumers as higher quality (better taste with a long storing period), and is also considered relatively easy to cultivate. This has fueled the cultivar’s dominant popularity currently with Korean pear growers.

However, new cultivars will be introduced to the market over time, while the planted area for the two primary cultivars (Singo and Wonhwang) will gradually decrease in coming years as consumer demand shifts from ancestral rite usage to more daily fruit consumption (and a corresponding trend towards smaller and earlier maturing pears). The Korean government and regional pear grower cooperatives are

both actively working to develop and promote alternative pear cultivars (including earlier maturing cultivars) to diversify the market.

Table 2: Korea’s Pear Planted Area by Cultivars (Unit: Hectares)

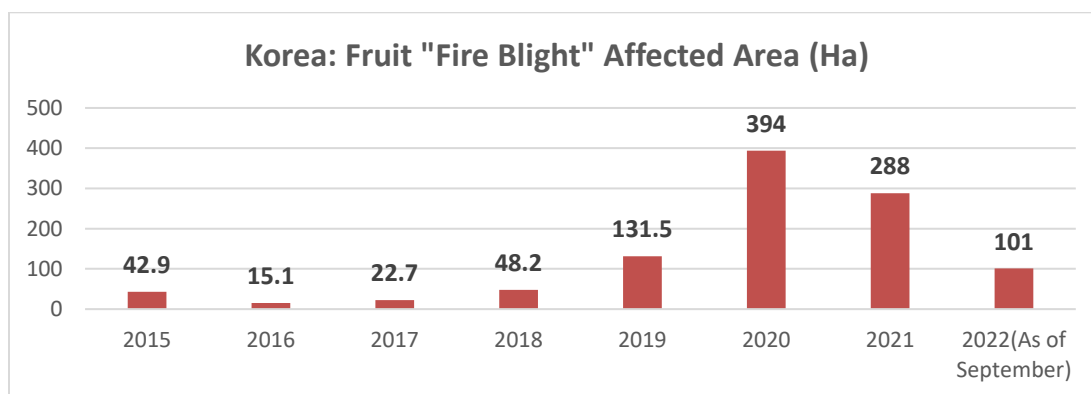
Korea’s Pear Planted Area by Cultivars (Unit: Hectares)				
Calendar Year	Singo	Wonhwang	Other	Total
2013	11,396	819	1,525	13,740
2014	10,891	776	1,460	13,127
2015	10,544	732	1,388	12,664
2016	9,429	646	1,269	11,164
2017	9,426	525	949	10,861
2018	8,902	484	917	10,303
2019	8,250	461	904	9,615
2020	7,733	436	922	9,091
2021	8,282	445	948	9,675

Source: Korea Statistical Information Service (KOSIS)

Fruit “Fire Blight” Disease

Fire blight disease has been a significant concern for the Korean apple and pear industry since the first outbreak in 2015. The Korea Rural Development Administration (KRDA) confirmed that a total of 288 hectares of apple and pear farms (in north Chungcheong and Gyeonggi provinces) were infected by this disease in 2021, about 29 percent lower than in 2020. In 2022, the KRDA confirmed that about 101 hectares were infected as of September, indicating a continued reversal in spread of the disease.

Graph 2: Fruit “Fire Blight” Affected Area (Ha) in Korea



Source: Korea Rural Development Administration (KRDA)

Consumption

In MY 2022/23, Korea's pear consumption is projected to increase by 14.3 percent to 213,000 MT due to increased quality in pear production under favorable weather conditions and a resulting six percent drop in prices. Accordingly, Korea's per capita pear consumption is projected to increase to around 3.2 kilograms in MY 2022/23, as consumer demand responds to lower prices.

In recent years, Korea's pear consumption during the peak seasons (Lunar New Year's Day and the autumn Chuseok holidays) decreased gradually due to shrinking interest in Korean traditional customs (pears are traditionally presented as gift during ancestral rite ceremonies) among the younger generations. On the other hand, demand for daily consumption of small and medium-sized pears (about 400 – 500 grams per fruit) and smaller packages (two or three pears) have increased steadily due to growing emphasis on convenience by consumers living in single-person or two-person family household sizes in Korea.

A recent consumer survey showed that consumers are now purchasing fresh pears the most as a dessert fruit (60 percent), followed by use for ancestral rites (22 percent), as a food ingredient (five percent), and for gift-giving purposes (12 percent). Additionally, because of the COVID-19 pandemic, pear demand during the traditional Korean holidays sharply decreased due to the government's strict quarantine and social distancing policies (which included restrictions for interactions even between family members).

In MY 2022/23, the annual average consumer price for fresh pears is expected to decrease around six percent to \$2.57 per fruit, as domestic production is projected to increase by 16 percent. Consumer prices decreased by 15.5 percent during the first three months of MY 2022/23 due to increased pear production the past two years (MY 2021/22 -MY 2022/23).

Table 3: Korea's Average Annual Market Prices (Consumer & Wholesale) for Fresh Pears

Korea's Average Annual Market Prices (Consumer & Wholesale) for Fresh Pears (Unit: KRW, Percent)				
Marketing Year (July – June)	Average Annual Consumer Price (KRW/10 fruits)	Change (%)	Average Annual Wholesale Price (KRW/15 kg)	Change (%)
MY 2016/17	31,703	-	43,125	-
MY 2017/18	29,889	-6	40,848	-5
MY 2018/19	35,539	19	46,714	14
MY 2019/20	34,695	-2.4	49,341	5.6
MY 2020/21	41,331	19.1	71,419	44.7
MY 2021/22	38,964	-5.7	62,101	-13

Source: Korea Agro-Fisheries & Food Trade Corporation (aT)

Pears For Processing

The Korean pear industry utilizes around 4,000 – 5,000 MT of fresh pears for processing purposes (mainly juice production) annually. Korea's pear use for processing will be around 5,000 MT in MY 2022/23, as local pear production is expected to maintain a similar quality level as the 2021/22 season. As weather in growing areas was generally good throughout the year, not many fruits are damaged by unfavorable conditions this season such as typhoons, heat waves, and associated pest issues.

Trade

Imports

Fresh pear imports are not allowed under Korea's existing phytosanitary regulations.

Exports

In MY 2022/23, Korea's fresh pear exports are projected to increase by 29 percent to around 31,000 MT mainly due to abundant good quality pear production with increased yield, and reflecting increased demand in Southeast Asian countries, including Taiwan, Vietnam, and Indonesia. Demand for Korean pears in Southeast Asia has risen along with the growing popularity of Korean culture and increased consumer spending power in those markets, trends which are expected to continue for the foreseeable future. Korea's fresh pear export ratio (of total domestic production) increased steadily from seven percent in 2007 to 16 percent in 2019 due to increased overseas demand and declining domestic demand.

In the previous year (MY 2021/22), Korea's pear exports increased by 25 percent (4,835 MT) to 23,964 MT, reflecting recovered domestic pear production and fewer supply chain disruptions versus the height of the COVID-19 pandemic. Taiwan is the largest importing country for Korean pears, with a 41 percent share (9,798 MT), followed by the United States with 37.5 percent (8,994 MT).

Effective September 27, 2022, APHIS published a notice in the Federal Register allowing the importation of fresh, non-precleared sand pear fruit from the Republic of Korea into all ports of the United States as an alternative to the preclearance program. Prior to this notice, all Korean pears intended for U.S. export were required to participate in the APHIS preclearance program. While viewed as welcome new flexibility by the ROKG and Korean producers, it is too early to tell what, if any, impact this change will have on Korean pear exports to the United States.

Table 4: PSD for Fresh Pears

Pears, Fresh Market Year Begins	2020/2021		2021/2022		2022/2023	
	Jul 2020		Jul 2021		Jul 2022	
Korea, Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	9091	9091	9774	9675	0	9687
Area Harvested (HA)	0	0	0	0	0	0
Bearing Trees (1000 TREES)	0	0	0	0	0	0
Non-Bearing Trees (1000 TREES)	0	0	0	0	0	0
Total Trees (1000 TREES)	0	0	0	0	0	0
Commercial Production (MT)	132580	132580	184800	210293	0	244000
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	132580	132580	184800	210293	0	244000
Imports (MT)	0	0	0	0	0	0
Total Supply (MT)	132580	132580	184800	210293	0	244000
Domestic Consumption (MT)	113480	113451	159800	186329	0	213000
Exports (MT)	19100	19129	25000	23964	0	31000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	132580	132580	184800	210293	0	244000
(HA) ,(1000 TREES) ,(MT)						

Production

Table 5. Korea: Pears Production Situation 1/

Year	Area (Ha)	Production (MT)	Yield (Kg/0.1 Hectare)
2014	13,127	302,731	2,306
2015	12,664	260,975	2,061
2016	11,164	238,014	2,132
2017	10,861	265,757	2,447
2018	10,303	203,166	1,972
2019	9,615	200,732	2,088
2020	9,091	132,580	1,458
2021	9,675	210,293	2,174
2022 2/	9,687	244,000	2,517

1/ Calendar year basis

2/ Preliminary forecast by Korea Rural Economic Institute (KREI)

Source: Korea Statistical Information Service (KOSIS)

Table 6. Korea: Pear Utilization (Unit: MT) 1/

Year	Total	Fresh	Export	Processing
2016	238,014	202,407	25,607	10,000
2017	265,757	234,200	27,157	4,400
2018	203,166	166,141	32,925	4,100
2019	200,732	164,522	30,710	5,500
2020	132,580	100,624	23,556	8,400
2021 2/	210,293	N/A	21,841	N/A

1/ Calendar year basis

2/ Preliminary forecast by KREI & FAS Seoul

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)

Table 7. Korea: Pear Production as Ratio to Total Fruit Production (Unit: 1,000 MT, Ratio: Percent)

Year	Total Fruits (1,000 MT)	Pear (1,000 MT)	Ratio (%)
2014	2,347	303	12.9
2015	2,364	261	11.0
2016	2,387	239	10.0
2017	2,358	266	11.3
2018	2,160	203	9.4
2019	2,206	201	9.1
2020	1,976	133	6.7
2021	2,109	210	10.0

Source: Korea Statistical Information Service (KOSIS)

Table 8. Korea: Per Capita Fruits Consumption (Unit: Kg)

Korea: Per Capita Fruit Consumption (Unit: Kg)								
Year	Total Fruits	Apple	Pear	Peach	Grape	Persimmon	Citrus	Others
2016	60.6	11.2	4.1	4.0	5.4	2.3	11.9	21.7
2017	61.2	10.5	4.6	4.3	4.7	2.1	11.6	23.4
2018	57.5	9.2	3.3	4.0	4.5	1.9	12.0	22.6
2019	56.6	10.3	3.3	4.1	4.5	1.8	12.1	20.6
2020	51.5	8.1	2.1	3.6	4.3	1.6	12.6	19.1
2021 1/	N/A	9.9	3.6	3.8	4.5	1.3	11.8	N/A

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)

1/ Preliminary forecast by KREI & FAS Seoul

Table 9. Korea: Monthly Korean Pears Exports (Unit: MT)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
'22	1,787	635	913	352	103	61	21	4,120	-	-	-	-
'21	1,109	333	236	35	10	6	3	2,746	3,091	4,946	5,095	4,231
'20	2,626	1,525	1,231	567	195	12	28	1,230	4,359	4,393	4,486	2,904
'19	3,119	878	1,062	485	276	27	2	4,658	3,251	5,720	5,873	5,359
'18	5,110	2,029	2,533	1,411	543	118	17	2,991	2,719	5,532	5,673	4,250
'17	2,980	1,964	1,450	537	317	13	0	3,127	4,675	3,742	4,583	3,769
'16	3,167	1,180	1,225	378	493	257	1	3,847	2,866	4,584	3,708	3,900

Source: Korea Customs Service & Korea International Trade Association

Table 10. Korea: Monthly Average Foreign Exchange Rate (Unit: Korean Won / 1US\$)

Month	2020	2021	2022
Jan.	1164.28	1097.49	1194.01
Feb.	1193.79	1111.72	1198.34
Mar.	1220.09	1131.02	1221.03
Apr.	1225.23	1119.40	1232.34
May	1228.67	1123.28	1269.88
Jun.	1210.01	1121.30	1277.35
Jul.	1198.90	1143.98	1307.40
Aug.	1186.85	1160.34	1318.44
Sep.	1178.80	1169.54	1391.59
Oct.	1144.68	1182.82	-

Nov.	1116.76	1182.91	-
Dec.	1095.13	1183.70	-

Source: Industrial Bank of Korea

Trade Matrix

Table 11: Export Matrix for Korean Pears (Sand Pears)

Export Trade Matrix						
Country: Korea						
Commodity: Commodity: Fresh Pears (HS 0808.30) Unit: MT & US\$1,000						
Exports to	MY 2019/20 (July 2019 – June 2020)		MY 2020/21 (July 2020 – June 2021)		MY 2021/22 (July 2020 – June 2021)	
Country	Volume	Value	Volume	Value	Volume	Value
U.S.	10,934	33,692	8,436	28,189	8,994	33,363
Taiwan	11,437	29,404	6,530	21,589	9,798	28,474
Hong Kong	510	1,224	443	1,457	564	1,843
Vietnam	6,208	13,528	2,461	6,627	2,905	7,639
All Others	1,930	5,396	1,259	4,237	1,703	5,854
Grand Total	31,019	83,244	19,129	62,099	23,964	77,173

Source: Korea Customs Service & Korea International Trade Association

Prices

Table 12. Korea: Average Retail Prices for Korean “Singo” Pear (Sand pear), Nationwide (Unit: Korean Won per 10 Fruits)

Month	High Quality		Medium Quality	
	CY 2021	CY 2022	CY 2021	CY 2022
Jan.	43,131	34,963	31,959	28,404
Feb.	47,609	38,492	36,853	27,084
Mar.	46,491	39,505	38,079	26,860
Apr.	46,923	38,443	38,606	27,664
May	46,776	38,162	37,488	30,499
Jun.	48,568	39,919	39,365	30,786
Jul.	51,767	40,074	42,652	33,675
Aug.	52,763	40,100	45,015	33,162
Sep.	34,179	36,971	30,275	28,678

Oct.	32,965	-	26,610	-
Nov.	31,995	-	24,359	-
Dec.	34,454	-	24,393	-

Source: Korea Agro-Fisheries & Food Trade Corporation (aT)

Table 13. Korea: Average Wholesale Prices for Korean “Singo” Pear (Sand pear), Nationwide
(Unit: Korean Won per Kilogram)

Month	High Quality		Medium Quality	
	CY 2021	CY 2022	CY 2021	CY 2022
Jan.	5,003	3,783	4,653	3,379
Feb.	5,240	3,498	4,875	3,123
Mar.	5,258	3,544	4,881	3,194
Apr.	5,285	3,763	4,905	3,414
May	5,389	3,934	4,995	3,570
Jun.	5,683	4,859	5,270	4,447
Jul.	6,782	5,007	6,328	4,595
Aug.	6,873	4,647	6,424	4,231
Sep.	3,263	3,063	2,877	2,710
Oct.	2,885	-	2,530	-
Nov.	3,069	-	2,728	-
Dec.	3,431	-	3,084	-

Source: Korea Agro-Fisheries & Food Trade Corporation (aT)

Attachments:

No Attachments