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Report Name: Fresh Deciduous Fruit Annual

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Report Highlights:

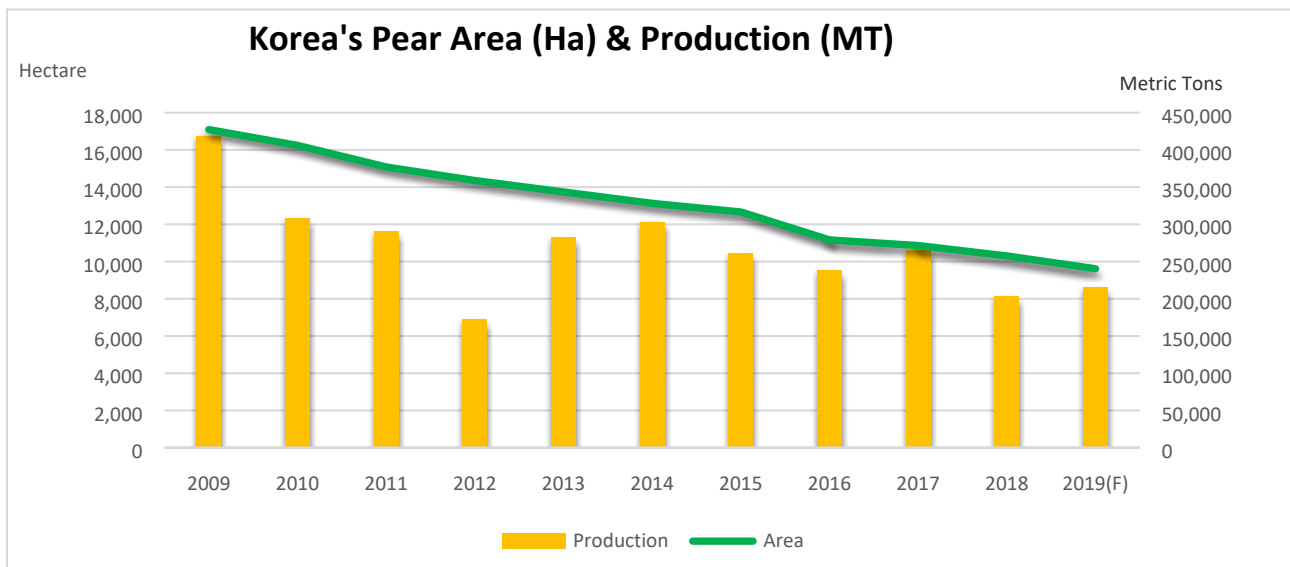
In marketing year 2019/20, Korea's pear production is projected to increase by 3.4 percent to 210,000 metric tons due to increased yield as a result of better weather conditions compared to the previous year. However, pear planted area is projected to continue a downward trend, decreasing about seven percent to 9,625 hectares from the previous marketing year. This will be the Korean pear industry's first time ever below 10,000 hectares, with pears becoming increasingly less attractive to producers as consumer demand declines and alternative crops appear more profitable. Korea's pear exports are projected to rebound by 7.3 percent (about 2,000 metric tons) to 29,000 metric tons from the previous year because of the increasing popularity of Korean culture and products in Southeast Asian countries.

Planted Area

In marketing year (MY) 2019/20 (July-June), Korea's pear planted area is projected to decrease about seven percent to 9,625 hectares (ha) from the previous marketing year. As FAS Seoul reported in previous GAIN reports, Korea's pear planted area has steadily decreased due to the following trends:

- 1) Rapid aging of the farming population
- 2) Rapid urbanization of pear farming areas surrounding cities, and
- 3) Farmers shifting to more profitable and less labor-intensive crops.

It is also estimated that a reduction of area planted to pears will continue in coming years as producers remove old trees, coupled with slower planting of new trees for traditional pear varieties. Meanwhile, new planted area for new varieties of young trees is expected to increase gradually, but this will not reverse the current ongoing trend of declining planted area.



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

Korea's pear production area has decreased significantly, by 63 percent, during the past two decades after reaching a record in MY 2000/01 of 25,719 hectares. In particular, the area for mature trees for fruit production has decreased an average of two percent annually, while the area for new planting (young trees) has decreased drastically by 16 percent annually. In MY 2018/19, total planted area decreased by five percent to 10,303 hectares from the previous marketing year. Pear trees can bear commercial fruit in six to seven years after planting. Korea's pear growing area is relatively evenly spread across four main provinces of South Jeolla, Chungcheong, Gyeonggi and Gyeongsang, each contributing around 20 percent of overall production. The balance is spread across the rest of the country.

Production

In MY 2019/20, FAS Seoul projects Korea's pear production to increase about 3.4 percent (6,834MT) to 210,000 MT from the previous marketing year despite 6.7 percent lower planted area than the previous year. The production increase is mainly due to an 11 percent higher yield as a result of favorable weather conditions during the fruit growing period. However, the ratio of high quality fruit production and marketable fruits is estimated to be lower than the previous year because of typhoon damage right after Chuseok (the Korean Thanksgiving Day) holidays in September and early October and a greater percentage of malformed fruits caused by colder weather during the last flowering period in spring.

Korea's pear production peaked at 470,000 MT in MY 2007/2008 along with the increased ratio of fruit bearing (mature for commercial production) trees in planted area. Subsequently, pear production fell an average of eight percent annually between 2008/9 and 2017/18. In MY 2018/19, Korea's pear production decreased by 24 percent to 203,000 MT due mainly to reduced yield (fruit bearing per tree) caused by exceptionally unfavorable weather throughout the year, especially colder weather in the early spring flowering season and a severe drought and heat wave during the fruit growing period in summer.

Korea's Six Major Fruits	Total	Apple	Citrus	Peach	Grape	Pear	Persimmon	Other
2016 Production Value (KRW 1 billion)	4,752	1,238	973	952	526	462	215	387
2017 Production Value (KRW 1 billion)	4,403	1,110	980	698	594	434	207	380
Share (%)	100	25.2	22.3	15.9	13.5	9.9	4.7	8.6

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

In MY 2018/19, Korea's pear industry mostly produced a single variety known as Singo (also known as Asian pear or sand pear), representing 86 percent (8,902 ha) of total pear planted area (10,303 ha). The rest of production was covered by other varieties: Wonhwang (five percent) and a handful of minor pear types (nine percent). Although the government's Rural Development Administration research center and pear growers have steadily introduced new pear varieties to meet consumer demand, pear growers still mainly produce the Singo cultivar due to its higher quality, larger size, and longer shelf life. As result of the relatively strong consumer demand for Singo pear and the time needed to introduce new varieties (about six to seven years to get commercial production after tree planting), Korean pear growers remain reluctant to try new pear cultivars.

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

Source: Statistics Korea

Consumption

In MY 2019/20, Korea's fresh pear consumption is projected to increase about 2.3 percent to 175,000 MT due to increased pear supply caused by about 11 percent higher yield and expected lower market prices (consumer price and wholesale price) from the previous year. However, many Korean consumers purchase pears mostly for traditional holidays or for ancestral rite day, with half of all consumption falling on the two primary traditional holidays: Chuseok and the Lunar New Year. Additionally, fresh pear demand has decreased gradually in recent years due to a declining trend of families participating in the ancestral rite culture and a strict enforcement of an anti-bribery act in recent years, reducing the demand for gift-giving as well. Moreover, pear demand in general has declined as an increasing number of alternative fruits, including various imported fruits, have become available to consumers.

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/15KG)	Change (%)
MY2016/17	31,703	-	43,125	-
MY2017/18	29,889	-6	40,848	-5
MY2018/19	35,539	19	46,714	14

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

As a result of reduced pear production in MY 2018/19, the consumer and wholesale market prices increased by 19 percent (KRW 35,539/10 fruits) and 14 percent (KRW 46,714/15kg) respectively from the previous annual average market prices (KRW 29,889/10 fruits & KRW 40,848/15kg).

Korea's per capita pear consumption, which reached a peak of 9.2 kg in 2008, has gradually decreased to around 4 kg in recent years due to the aforementioned trends. In 2018, it decreased again by 1.3 kg to 3.3 kg from the previous year because of reduced consumer demand and declining pear supply caused by lower production.

In recent years, changing consumption patterns toward easier and smaller size fruits resulting from an increasing percentage of single-member households led to an even faster decline in demand for fresh pears. Many single-member households struggle with the consumption of the large-sized pears as they are less convenient to eat than other fruits.

For Processing

The Korean pear industry uses 5,000 to 10,000 MT of fresh pears for processing annually, mainly for pear juice products. Fresh pears for processing are mostly non-marketable fruits with damage occurring during production, such as scratches caused by strong wind or typhoon, or malformed fruit caused by cold weather and drought, etc. In MY 2019/20, out of overall production, about 6,000 MT of fresh pears will be used for processing. As a result of reduced demand caused by shrinking consumer sentiment this year, the Korea's Ministry of Agriculture, Food and Rural Affairs plans to purchase about 5,000 MT of late variety pears (mostly Singo pears) by the end of December 2019 to support pear growers. Government-purchased fresh pears will not enter the commercial fresh fruit market and will be used for processing only.

Trade

Import – To date, no fresh pear imports are allowed under Korea’s phytosanitary regulations.

Export

In MY 2019/20, Korea’s fresh pear exports are projected to increase to 29,000 MT, up about 7.3 percent from the previous year (27,029 MT) due to increased domestic production and the popularity of Korean culture and products in the Southeast Asian markets, principally Taiwan, Vietnam and Hong Kong. Generally, Korea exports about 10 to 15 percent of total pear production. In MY 2018/19, Korea’s pear exports decreased by 14.6 percent to 27,029 MT from 31,657 MT in MY 2017/18 mainly due to the reduced production caused by unfavorable weather throughout the year. The United States was still the top export market for Korean fresh pears in MY 2018/19 (driven by Korean-American consumers), covering 42 percent share and followed by Vietnam (25 percent) and Taiwan (25 percent), respectively.

As a result of reduced production of quality fruit caused by unfavorable weather in MY 2018/19, fresh pear exports to Taiwan decreased by 31 percent (2,973 MT) to 6,740 MT from the previous year, while Korean pear exports to Vietnam were 6,779 MT. The United States remains the top export market for Korean pears, followed by Vietnam. Korea’s fresh pear exports to Vietnam have increased rapidly in recent years from 1,313 MT in MY 2015/16 to 7,741 MT in MY 2017/18 over the past four years. This is a reflection of the popularity of Korean culture and Vietnam’s relatively less restrictive quarantine requirements compared to other major importing countries like the United States and Taiwan.

Pears, Fresh Market Begin Year Korea, Republic of	2017/2018		2018/2019		2019/2020	
	Jul 2017		Jul 2018		Jul 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	10861	10861	10303	10303	0	9615
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	265757	265757	214000	203166	0	210000
Non-Comm. Production	0	0	0	0	0	0
Production	265757	265757	214000	203166	0	210000
Imports	0	0	0	0	0	0
Total Supply	265757	265757	214000	203166	0	210000
Fresh Dom. Consumption	223157	229700	179000	171137	0	175000
Exports	31600	31657	28000	27029	0	29000
For Processing	11000	4400	7000	5000	0	6000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	265757	265757	214000	203166	0	210000
(HA) ,(1000 TREES) ,(MT)						

Production

Korea: Pears Production Situation 1/

Year	Area (Ha)	Production (MT)	Yield (Kg/0.1 Hectare)
2011	15,081	290,494	1,926
2012	14,353	172,599	1,203
2013	13,740	282,212	2,054
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 2/	9,615	210,300	2,186

1/ Calendar year basis

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

Source: Korea Statistical Information Service (KOSIS)

Korea: Pear Utilization (Unit: MT) 1/

Year	Total	Fresh	Export	Processing
2013	282,212	254,443	20,210	7,559
2014	302,731	273,609	23,096	6,026
2015	260,975	228,427	22,493	10,055
2016	238,014	202,407	25,607	10,000
2017	265,757	234,200	27,157	4,400
2018 2/	203,166	N/A	32,925	N/A

1/ Calendar year basis

2/ Preliminary forecast by KREI & FAS Seoul

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

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 (%)
2011	2,102	290	13.8
2012	2,027	173	8.5
2013	2,207	282	12.8
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

Source: Korea Statistical Information Service (KOSIS)

Korea: Per Capita Fruits Consumption (Unit: Kg)

Korea: Per Capita Fruit Consumption (Unit: Kg)								
Year	Total Fruits	Apple	Pear	Peach	Grape	Persimmon	Citrus	Others
2013	59.6	9.7	5.2	3.8	6.3	3.0	13.4	18.0
2014	61.8	9.3	5.5	4.1	6.5	3.0	14.2	19.2
2015	59.8	11.4	4.7	3.0	5.7	2.9	12.5	19.6
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

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

Korea: Monthly Korean Pears Exports (Unit: MT)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
'19	3,119	878	1,062	485	276	27	2	4,671	-	-	-	-
'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
'15	3,219	686	1,627	322	148	64	68	1,977	2,379	4,707	3,562	3,748
'14	2,693	1,322	1,333	371	87	20	2	3,359	1,719	4,608	3,514	4,068
'13	525	209	615	68	19	30	0	1,619	2,645	5,057	4,073	5,260

Source: Korea Customs Service & Korea International Trade Association

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

Month	2017	2018	2019
Jan.	1134.40	1066.70	1175.31
Feb.	1144.92	1079.58	1122.45
Mar.	1134.77	1071.89	1130.72
Apr.	1132.73	1067.76	1140.95
May	1125.28	1076.39	1183.29
Jun.	1130.04	1092.80	1175.62
Jul.	1134.40	1122.80	1175.31
Aug.	1130.79	1121.15	1208.98
Sep.	1131.59	1120.60	1197.55
Oct.	1131.57	1130.81	-
Nov.	1105.04	1128.58	-
Dec.	1085.78	1122.90	-

Source: Industrial Bank of Korea

Trade Matrix

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 2016/17 (July 16 – June 17)		MY 2017/18 (July 17 – June 18)		MY 2018/19 (July 18 – June 19)	
Country	Volume	Value	Volume	Value	Volume	Value
U.S.	10,686	30,528	11,487	32,955	11,320	33,629
Taiwan	9,742	22,095	9,713	21,151	6,740	17,554
Hong Kong	588	1,165	732	1,509	607	1,381
Vietnam	3,432	6,989	7,741	14,002	6,779	14,018
All Others	1,719	4,421	1,984	5,126	1,579	4,468
Grand Total	26,167	65,198	31,657	74,743	27,029	71,050

Source: Korea Customs Service & Korea International Trade Association

Price

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

Month	High Quality		Medium Quality	
	CY 2018	CY 2019	CY 2018	CY 2019
Jan.	28,309	37,606	18,051	23,849
Feb.	28,168	38,836	19,138	25,816
Mar.	27,664	38,703	19,010	25,848
Apr.	28,033	38,805	19,056	26,597

May	28,201	39,812	18,714	29,062
Jun.	28,006	41,595	19,157	29,143
Jul.	28,594	44,897	19,300	32,481
Aug.	28,312	45,619	19,999	34,324
Sep.	31,270	35,458	23,514	23,840
Oct.	33,787	-	22,353	-
Nov.	33,789	-	21,546	-
Dec.	35,353	-	23,077	-

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

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

Month	High Quality		Medium Quality	
	CY 2018	CY 2019	CY 2018	CY 2019
Jan.	2,358	3,455	1,994	3,102
Feb.	2,607	3,374	2,230	3,018
Mar.	2,603	3,395	2,220	3,047
Apr.	2,549	3,332	2,169	2,985
May	2,417	3,534	2,043	3,159
Jun.	2,483	3,859	2,091	3,467
Jul.	2,341	4,402	1,935	4,002
Aug.	2,336	4,871	1,944	4,385
Sep.	3,167	2,667	2,769	2,311
Oct.	2,559	-	2,208	-
Nov.	2,873	-	2,521	-
Dec.	3,147	-	2,800	-

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

Attachments:

No Attachments