

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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What's Hot in South Korea's Food Market?

Report Categories:

Agricultural Trade Office Activities

Approved By:

Kevin Sage-EL

Prepared By:

ATO Staff

Report Highlights:

Happy Holidays and Happy New Year to everyone!!! With the new year coming, things change. So a change from ATO Seoul will be to combine our two separate newsletters for news clippings and consumer trends into one under “What’s Hot in South Korea’s Food Market.”

General Information:

Happy Holidays and Happy New Year to everyone!!! With the new year coming, things change. So a change from ATO Seoul will be to combine our two separate newsletters for news clippings and consumer trends into one under “What’s Hot in South Korea’s Food Market.”

What’s Hot in South Korea’s Food Market?

Outstanding Developments Reported in the Press

and Post Activities

November 2015



Agricultural Trade Office, The U.S. Embassy Seoul (www.atoseoul.com)

Tel: +82-2-6951-6848 Fax: +82-2-720-7921 E-mail: atoseoul@state.gov

Consumer Trends

‘Meokbang’ is everywhere on Korean television, basically everything from professional cooking programs to just about any celebrity or person of interest cooking and/or eating on a TV show. The term Meokbang is made up from two words, 먹다 (to eat) and 방송 (broadcast) or 먹방, meokbang. So the shows are not just about someone cooking but sometimes more focus is on the guest showing his/her experience eating something delicious. While the shows help to focus attention on delicious food, it is also a way to focus attention on Korea’s wide variety of regional cuisines and ingredients.



Korean's Cheese Consumption Soars ... Per Capita Consumption Tripled Over the Last 10 Years ... Imported Products Take Majority Market Share

<http://www.etoday.co.kr/news/section/newsview.php?idxno=1239680>

Summary: According to Korea Ministry of Agriculture & Rural Affairs, total amount of cheese consumed in Korea amounted to 110,867 metric tons in 2014, up about three times from 44,897 metric tons in 2000. Per capita cheese consumption increased to 2.4 kilogram in 2014. However, imported products took the majority of the cheese consumed in Korea as indicated by the fact that Korea imported 97,216 metric tons in 2014. The reason that local cheese takes a small share of the market is high production cost of local cheese because price of raw milk from local dairy farms is three to four times higher than in leading dairy exporting countries around the world.

"There's a new category of buffet restaurant in town"

<http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3010052>

Summary: The pursuit of quality over quantity is growing in popularity among food aficionados in Korea, as people are favoring more focused buffet restaurants specializing in a certain type of cuisine over the traditional style of buffet restaurants. Instead of offering a wide selection of dishes from various countries and of varying quality, these restaurants hone in on one type of cuisine - such as Japanese, Chinese or Indian - and offer customers a range of authentic dishes. Many of them rotate their menus frequently. With the rise of these varied buffet restaurants, the larger hotel buffets are trying to make the dining experience they offer different and unique by having the chefs cook more dishes in front of the customers, right before the food is served.

"Question mark hangs over S. Korea's discount spree"

<http://english.yonhapnews.co.kr/search1/2603000000.html?cid=AEN20151124007800320>

Summary: People love bargain deals. Clearance sales with 80 percent or more off can even lure customers in to buy things they don't need. That's why retailers offer "door buster" deals when they need to handle rising stockpiles or attract customers during holiday shopping seasons, such as "Black Friday", the biggest shopping day of the year in the United States. On top of seasonal sales and occasional promotions, major South Korean retailers have been holding a series of big discount events since summer to create an intense, promotion-heavy atmosphere through the Christmas season and beyond. The discount binge has indeed given a fillip to consumer spending here, but market watchers question its long-term effect as a slowdown in Asia's fourth-largest economy has led to lower incomes for many people, prompting them to tighten their purse strings.

News

Food Safety Issues

A Bag of Pringles Potato Chip Contains High Amount of Saturated Fat Exceeding Recommended Daily Allowance, Korean Consumer NGO

<http://www.hankyung.com/news/app/newsview.php?aid=2015112467501>

Summary: A leading Korean consumer NGO reported on November 24 that its market survey revealed that potato chips sold in the Korea market in general contained high amount of saturated fat and sodium. The NGO added that Pringles brand potato chip contained the highest amount of saturated fat among 21 products surveyed. The amount of saturated fat contained in a bag (can) of Pringles was 15.6 gram, which was higher than the recommended daily allowance set by the Korea Ministry of Food Safety (MFDS). On the other hand, Gu-Woon-Gam-Ja potato snack by Haitai Confectionery Co. showed the highest amount of sodium content among the products surveyed. A bag of Gu-Woon-Gam-Ja contained 817 mg of sodium, which was 41 percent of the recommended daily allowance set by MFDS.

Grain & Oilseed Issues

A Bumper rice crop leads gov't to up its purchase plan

<http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3011671>

Summary: The government and ruling Saenuri Party are planning to purchase an additional 150,000 tons of rice on top of 200,000 tons of rice they had earlier agreed to buy. The measure is intended to prevent a dramatic drop in rice price from the abundant crop of this year, which is expected to hit 4.32 million tons, the highest in six years, according to Statistics Korea. The Ministry of Strategy and Finance is now talking with the Ministry of Agriculture, Food and Rural Affairs to finalize the amount of rice to be bought and the scope of budget to be spent.

Livestock Issues

A Deal set to put hanwoo on HK tables by year end

<http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3011574>

Summary: The Ministry of Agriculture, Food and Rural Affairs announced last Monday that the quarantine procedure to allow the export of hanwoo to Hong Kong is in its final stages, and the first shipment could be made within this year. The Ministry has been negotiating with the Hong Kong government for some time, however the process was halted due to the spread of foot-and-mouth disease last July. Talks resumed this March and in April a risk assessment for the import was completed. By June, quarantine and sanitary certificates were issued and in August domestic workplaces for hanwoo exports were registered by the Hong Kong government.

Marketing Issues

Cold Stone Creamery Withdraws from the Korean Market after 9 Years of Operation

<http://news.mk.co.kr/newsRead.php?no=1112888&year=2015>

Summary: CJ Foodville Co. reported on November 23 that it had reached an agreement with the U.S. partner to close down the Cold Stone Creamery business in Korea on December 20. CJ Foodville, a leading foodservice company in Korea under the umbrella of CJ Group, brought the American ice cream franchise business into Korea in 2006. The number of stores under the franchise has been on a sharp decline after hitting the highest, 66 in 2010. Currently there are only two Cold Stone Creamery stores in operation in Korea.

"Koreans Do Not Need to Reduce Consumption of Processed and Fresh Red Meat", Korean Ministry of Food & Drug Safety

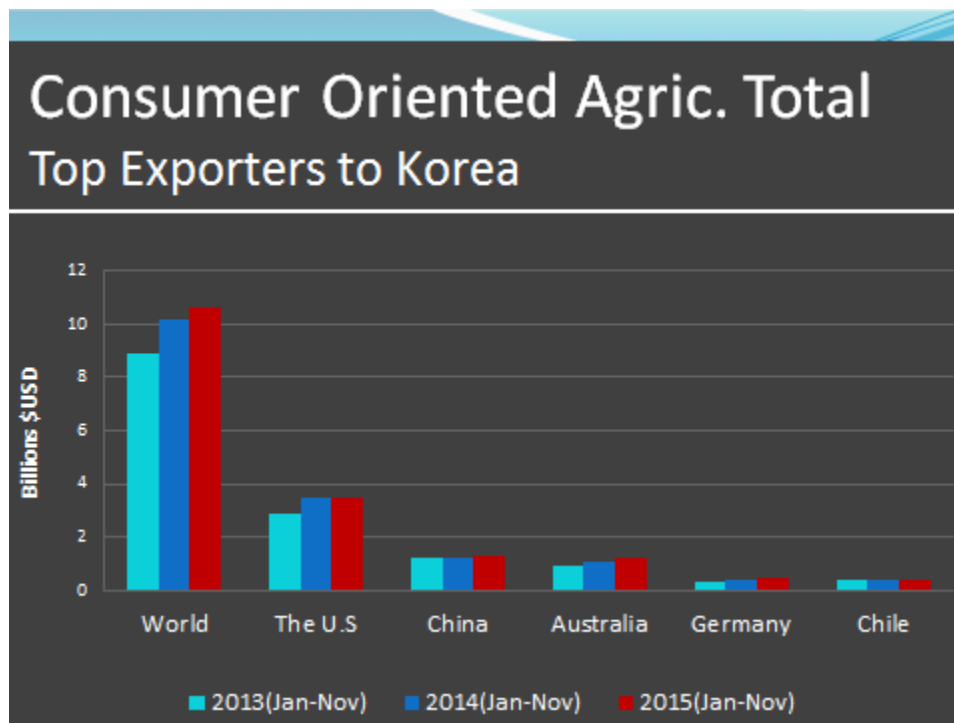
<http://news.donga.com/3/all/20151103/74560888/1>

Summary: Korean Ministry of Food & Drug Safety (MFDS) briefed to the press on November 2 that Koreans do not need to reduce the consumption of processed and fresh red meat. MFDS pointed out that the amount of processed (6 gram) and fresh red meat (61.5 gram) that Koreans consume daily on average is far below the WHO's recommended allowance, 50 gram and 100 gram respectively.

- *Please note: ATO Seoul can only offer the above 'Snapshots' of selected Korean-language press articles.*

SNAPSHOT from inside the KORUS-FTA

This year, despite the west coast port strike, MERs, the strong U.S. dollar and implementation of Korea's other FTAs with competitors, this category has managed to remain strong, showing that U.S. consumer products are favored in the Republic of Korea.



Recent Local Events

Under Secretary Scuse visited Seoul, Korea in November and met with the entire USDA team, including APHIS and also met with the local cooperator representatives.



Under Secretary Scuse visited a horse park in Seoul. While touring the facilities, the horse park manager was very impressed with the Under Secretary's knowledge of horses. The ATO has been working with the Korean equine industry, assisting in the purchase of approximately 50 quarter horses in each of the past two years with plans to purchase 50 more early next year.

Left: Officials from Florida Department of Citrus kick off this season's promotions for Florida grapefruit. Right: After 36 years as the country director for USGC, Dr. Byong Ryol Min, center, retires.



Left: The ATO joins many of the long-time Korean industry contacts and importers for a hike up Cheong-gye San. Right: Ag Affairs' Ross Kremer attends an industry reception to help congratulate Mr. Say Young Jo on his retirement from USSEC after 35 years as country director.



Ambassador Lippert (center), Ross Kreamer (far left) and Amy Jackson with AmCHAM (far right) join in the opening ceremonies for Cargill Agri Purina's Pyeongtaek, Korea feed mill. The plant is now the largest and most modern feed processing plant in the world with capacity up to 875,000 tons a year.



- Please let us know if you plan to join or discontinue the subscription of these monthly market updates.
- Please visit ATO Seoul website (www.atoseoul.com) for various information about the South Korean market, including:
 - 1) [Market Reports](#): particularly Exporter Guide, FAIRS Report, Retail Food Sector Report, and HRI Food Service Sector Report are recommended to new-to-market suppliers. Newest addition is Wine Market Brief (July 2015).
 - 2) [Korea's Agricultural Import Statistics](#): it tells import trends by four digit HS code, updated monthly.