

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Korea - Republic of**

## **Livestock and Products Annual**

### **Annual**

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**Report Highlights:**

Korean beef production will increase slightly in 2018, supported by calf production that is marginally higher than previously forecast. Producer outlook turned more positive throughout 2017 as expectations for higher local beef prices grew. Growing consumption will outpace local production, with the gap to be filled by imports, particularly by cost-competitive U.S. beef. The pork sector continues to expand, with producers seeking to fill the void left by reduced poultry consumption and higher demand for domestic pork from the processing industry.

**Commodities:**

Animal Numbers, Cattle

**Production:**

Post forecasts that calf production in 2018 will again move higher after dropping slightly in 2017. The 2017 calf production estimate is lowered based on lower semen sales during the period March 2016 to February 2017, which reflects calf production in 2017(100% of production is via artificial insemination [AI]). This period's semen sales were 94.1 percent of the amount sold during this same period a year before. However, Post sees that semen sales have begun to rise again from March 2017, reflecting farmers' intention to capture profit from rising cattle prices. Semen sales were up 10 percent during the period March 2017 to June 2017 compared to the same period in 2016. In addition, survey data indicates farmers' intentions to either maintain their current herd size or increase it have both been increasing, whereas intention to reduce herd size have been dropping since the beginning of 2017. Finally, the cow slaughter ratio dropped to 46.3 percent in 2017 compared to 49.5 percent in 2016, reflecting farmers' intentions to hold onto cows to facilitate an increase in herd size.

Ending stocks in 2018 are forecast to increase slightly, as farmers increase their herd size and calf numbers begin to increase from higher sales of semen. Despite current optimism in the industry, research institutes are warning producers to be cautious with herd expansion, as profits are squeezed by rising feeder cattle prices.

Post adjusted 2016 estimates based on official data.

**Korea: Farmers' Intention for Cattle Herd Size**

Year	Month	Farmers' Plan		
		Maintain same level	Will Increase herd size	Will reduce herd size
2013	March	96.8	1.4	1.8
	June	95.2	1.1	3.7
	September	90.4	0.5	9.1
	December	94.5	1.0	4.5
2014	March	95.3	1.1	3.6
	June	92.7	2.2	5.1
	September	92.1	1.3	6.6
	December	92.1	1.5	6.4
2015	March	95.8	1.2	3.0
	June	97.4	0.3	2.3
	September	97.0	1.5	1.5
	December	98.3	0.3	1.3
2016	March	96.5	1.5	2.0
	June	92.3	5.2	2.5
	September	94.6	3.5	1.9
	December	96.5	2.5	1.0

2017	March	94.6	3.4	2.0
	June	97.0	2.2	0.8

Source: KREI

**Hanwoo Semen Sales (Unit: 1,000 straws)**

Month	2013	2014	2015	2016	2017	Change (Percent) 1/
Jan	102	121	120	123	141	114.6
Feb	98	108	115	99	47	- 47.5
Mar	133	129	136	149	176	118.1
Apr	150	151	148	145	158	109.0
May	166	159	138	141	160	113.5
Jun	184	188	222	204	211	103.4
Jul	216	206	229	199		
Aug	157	197	162	181		
Sep	162	190	202	167		
Oct	153	163	162	156		
Nov	125	152	153	134		
Dec	131	145	140	137		
<b>Total</b>	<b>1,777</b>	<b>1,909</b>	<b>1,927</b>	<b>1,835</b>		

Source: GS&J and KREI

Note:

1/ The change is a comparison of 2017 sales over the same month in 2016.

**Monthly Cattle Slaughter Trend**

Year	Month	Cow		Bulls/steers		Total	
		Head	Percent of total	Head	Percent of total	Sub-total	Percent of annual
2015	Jan	48,953	44.30	61,549	55.70	110,502	10.99
	Feb	40,504	46.32	46,942	53.68	87,446	8.70
	Mar	36,937	45.86	43,608	54.14	80,545	8.01
	Apr	41,380	47.88	45,040	52.12	86,420	8.59
	May	36,557	50.79	35,414	49.21	71,971	7.16
	Jun	40,798	51.67	38,157	48.33	78,955	7.85
	Jul	42,126	53.65	36,395	46.35	78,521	7.81
	Aug	42,783	50.64	41,703	49.36	84,486	8.40
	Sep	54,696	51.19	52,144	48.81	106,840	10.62
	Oct	33,476	47.97	36,305	52.03	69,781	6.94
	Nov	32,370	47.65	35,559	52.35	67,929	6.76
	Dec	39,155	47.64	43,035	52.36	82,190	8.17
	<b>Total</b>	<b>489,735</b>	<b>48.70</b>	<b>515,821</b>	<b>51.30</b>	<b>1,005,586</b>	<b>100.00</b>
2016	Jan	55,137	46.4	63,641	53.6	118,778	13.8
	Feb	26,317	53.3	23,046	46.7	49,363	5.7
	Mar	33,887	51.0	32,503	49.0	66,390	7.7
	Apr	34,406	51.8	31,980	48.2	66,386	7.7
	May	33,947	52.9	30,228	47.1	64,175	7.4
	Jun	32,134	52.9	28,641	47.1	60,775	7.1
	Jul	30,267	53.0	26,888	47.0	57,155	6.6
	Aug	44,764	49.0	46,519	51.0	91,283	10.6
	Sep	37,026	51.9	34,252	48.1	71,278	8.3
	Oct	31,374	46.4	36,206	53.6	67,580	7.8
	Nov	30,998	46.5	35,635	53.5	66,633	7.7
	Dec	36,129	44.2	45,562	55.8	81,691	9.5
	<b>Total</b>	<b>426,638</b>	<b>49.5</b>	<b>435,101</b>	<b>50.5</b>	<b>861,487</b>	<b>100.00</b>
2017	Jan	45,257	43.9	57,946	56.1	103,203	24.6
	Feb	22,137	43.4	28,819	56.6	50,956	12.2
	Mar	30,878	47.0	34,794	53.0	65,672	15.7
	Apr	33,938	47.5	37,489	52.5	71,427	17.1
	May	31,097	48.1	33,493	51.9	64,590	15.4
	Jun	30,405	48.3	32,482	51.7	62,887	15.0
	<b>Total</b>	<b>193,712</b>	<b>46.3</b>	<b>225,023</b>	<b>53.7</b>	<b>418,735</b>	<b>100.0</b>

Source: Quarantine Inspection Agency

**Farm Income per Head of Beef Cattle (estimate based on 600 Kg. cattle)**

Description	Carcass Grade
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			1++	1+	1	2	3
Income	Thousand won	2011	1,420	672	169	-830	-1,764
		2012 a/	1,339	683	108	-998	-1,941
		2013 a/	1,553	750	194	-676	-1,444
		2014 a/	1,906	1,247	776	102	-466
		2015 a/	2,221	1,640	1,197	466	-162
		2016 a/	2,260	1,489	1,037	145	-711
Ratio of carcass in each grade	Percent	2011	9.2	22.6	30.6	25.5	11.6
		2012	8.1	17.8	25.5	26.7	22.0
		2013	9.2	21.0	31.0	27.1	11.2
		2014	9.5	22.8	32.7	25.2	9.5
		2015	10.0	26.4	31.4	24.0	8.0
		2016 b/	10.2	36.1	26.9	20.2	6.3

a/ Estimate

b/ Percentage for December 2016.

Source: KREI and Korea Institute of Animal Products Quality Evaluation

#### Korea: Live Hanwoo Beef Cattle Prices (Thousand won / head)

Month	Calf						Cow			Steer		
	Female			Male			2015	2016	2017	2015	2016	2017
	2015	2016	2017	2015	2016	2017						
Jan	1664	2611	2114	1997	3106	2681	4571	5775	5341	4290	5741	4995
Feb	1490	2676	2390	2066	3198	2578	4571	5769	5456	4020	5559	5018
Mar	1769	2364	2348	2251	3281	3160	4802	5839	5475	4468	5642	4997
Apr	1934	2603	2587	2582	3561	3444	4682	5859	5342	4163	5808	4690
May	2156	2812	2821	2633	3735	3708	4700	5915	5293	4088	5623	4561
Jun	2199	2930	2480	2870	3907	3739	4748	5972	5330	4325	5653	4504
Jul	2423	2923	2445	2902	4008	3601	5107	5996	5271	4880	5715	4582
Aug	2461	2811		3139	3691		5543	5862		5217	5707	
Sep	2500	2779		3359	3727		5599	5777		5459	5577	
Oct	2526	2642		3120	3475		5882	5839		5696	5723	
Nov	2182	2196		2731	2913		5810	5522		5704	5522	
Dec	2227	2387		2896	3046		5842	5580		5799	5650	

Source: National Agricultural Cooperative Federation

Exchange rate US\$1 = 1,128.5 won (As of September 13, 2017)

#### Production, Supply and Demand Data Statistics:

Animal Numbers, Cattle Market Begin Year Korea, Republic of	2016		2017		2018	
	Jan 2016		Jan 2017		Jan 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks	3087	3087	3121	3121	0	3093
Dairy Cows Beg. Stocks	293	293	291	291	0	290
Beef Cows Beg. Stocks	1099	1099	1107	1107	0	1170
Production (Calf Crop)	905	905	879	852	0	900
Total Imports	0	0	0	0	0	0
Total Supply	3992	3992	4000	3973	0	3993
Total Exports	0	0	0	0	0	0
Cow Slaughter	426	426	440	403	0	410
Calf Slaughter	0	0	0	0	0	0
Other Slaughter	435	435	445	467	0	470
Total Slaughter	861	861	885	870	0	880
Loss	10	10	10	10	0	10
Ending Inventories	3121	3121	3105	3093	0	3103
Total Distribution	3992	3992	4000	3973	0	3993
(1000 HEAD)						

### Commodities:

Meat, Beef and Veal

### Production:

Post forecast that beef production in 2017 will increase only slightly from USDA's earlier projection, as farmers retain their cow herd to increase their herd size. Cattle aged over two years increased from 1.148 million head in December 2016 to 1.212 million head in June 2017, an increase of 5.6 percent. The increase in this age category will come into the market throughout the second half of 2017 and in 2018. As these cattle come into the market for slaughter, 2018 production is expected to increase slightly. The effort to revise the anti-graft law to lessen its demand-sapping impact on domestic agricultural production is raising farmers' hope that demand will increase for Hanwoo beef. Farmers are requesting that domestic agricultural products be excluded from the anti-graft law, or, at a minimum, allow for an exemption of up to three kilograms of domestic agricultural items. If the anti-graft law is revised in this way, it should support demand for domestic beef, as Hanwoo was traditionally one of the most popular gifts prior to the law's implementation. For more information on Korea's anti-graft law, please review [GAIN KS 1709](#).

### Consumption:

Despite relatively stable production of domestic Hanwoo, total consumption of beef in 2017 and 2018 is projected to continue to increase. Most of this growth will be made up by imports. Imported U.S. beef

will provide the biggest contribution in filling the consumption gap, due to its price competitiveness. Hanwoo beef (Grade 1) prices were 1.85 times higher than chilled U.S. beef in 2017, compared to 1.56 times in 2016. In addition, as the price of Australian beef and domestic pork prices continue to increase, the price competitiveness of U.S. beef over these products has also increased. Chilled Australian beef prices had come up to 92 percent of U.S. beef, compared to 89 percent in 2016. The domestic pork price was 97 percent of U.S. chilled beef, which is a significant increase from 81 percent in 2016. Expectations for increased US beef production next year should ensure these price trends continue in 2018.

In addition to the price competitiveness of U.S. beef, the favorable consumer perception of U.S. beef also contributed to increased demand for U.S. beef. When there was an atypical case of BSE detected in the United States in July 2017, retail stores continued to sell U.S. beef and most consumers continued to purchase U.S. beef. One of the major hyper-markets began to switch over to 100 percent U.S. beef, reflecting consumers’ growing confidence in U.S. beef.

**Comparison of Average Retail Price for Bulgogi Cut Beef and Korean Pork (Won per 100 gram)**

Origin	Quality	2015	2016	2017	Change in price		Price ratio over U.S. chilled beef		
					2016 over 2015	2017 over 2016	2015	2016	2017
Korean Hanwoo	Grade 1	3343	3897	4049	1.17	1.04	1.19	1.56	1.85
	Grade 3	2522	3092	3160	1.22	1.02	0.90	1.24	1.45
U.S. Beef	Chilled	2812	2500	2185	0.89	0.87	1.00	1.00	1.00
	Frozen	1722	1765	1722	1.02	0.98	0.61	0.71	0.79
Australian Beef	Chilled	2206	2218	2018	1.01	0.91	0.78	0.89	0.92
	Frozen	1452	1500	1514	1.03	1.01	0.52	0.60	0.69
Korean Chilled Pork Belly		2049	2019	2125	0.99	1.05	0.73	0.81	0.97

Source: KAMIS  
 Exchange rate US\$1 = 1,128.5 won (As of September 13, 2017)

<b>Retail Prices for Beef Short Ribs (2014 – 2016) Unit: Won per 100 gram</b>							
Year	Month	Domestic Hanwoo (chilled)		U.S. A.		Australia	
		#1 Grade	#3 Grade	Chilled	Frozen	Chilled	Frozen
2015	January	3,921	2,700	-	2,352	2,313	1,839
	February	3,996	2,700	-	2,363	2,446	1,841
	March	4,037	2,700	-	2,352	2,425	1,824
	April	4,074	2,700	-	2,333	2,218	1,825
	May	4,074	-	-	2,335	2,119	1,832
	June	4,059	-	-	2,335	1,925	1,821
	July	4,067	-	-	2,347	1,977	1,819
	August	4,141	-	-	2,327	2,039	1,814
	September	4,280	-	2,400	2,296	2,077	1,819
	October	4,367	-	-	2,275	2,168	1,816
	November	4,368	-	-	2,249	2,166	1,800
	December	4,368	-	-	2,254	2,169	1,800
2016	January	4,388	-	1,518	2,251	2,308	1,800
	February	4,470	-	2,389	2,249	2,448	1,800
	March	4,475	-	1,786	2,249	2,309	1,800
	April	4,443	-	2,003	2,249	1,965	1,797
	May	4,404	-	1,795	2,249	2,220	1,796
	June	4,479	-	1,918	2,257	2,257	1,823
	July	4,483	-	1,781	2,264	2,137	1,850
	August	4,483	-	1,701	2,265	2,174	1,850
	September	4,505	-	2,269	2,237	2,289	1,881
	October	4,538	-	2,028	2,251	2,287	1,898
	November	4,591	-	2,249	2,250	2,248	1,837
	December	4,619	-	2,114	2,264	2,145	1,864
2017	January	4,722	-	1,769	2,269	2,374	1,901
	February	4,717	-	2,187	2,290	2,413	1,918
	March	4,743	-	2,384	2,305	2,144	1,950
	April	4,820	-	2,299	2,315	2,361	1,988
	May	4,822	-	2,265	2,322	2,105	1,957
	June	4,877	-	2,291	2,344	2,144	1,978
	July	4,878	-	2,046	2,353	1,907	1,986
	August	4,876	-	2,438	2,353	2,051	1,985

Source: KAMIS

Exchange rate US\$1 = 1,128.5 won (As of September 13, 2017)

### Trade:

The shortage in domestic beef production is expected to provide an opportunity for increased beef imports in 2017 and into 2018. Also, the increased price competitiveness of U.S. beef, coupled with lower duties coming from the KORUS Free Trade Agreement, will further enhance the competitiveness of U.S. beef in 2017 as well as 2018. Consequently, Post is lifting its 2017 beef import estimate and is forecasting 2018 imports marginally above this year's forecast. The consumer confidence level in U.S.



beef has slowly but gradually increased, as is indicated by the market share of U.S. beef, which has gone up to 44.96 percent in 2017, compared to a market share of 42.57 percent in 2016.

Post updated 2016 data to reflect official government statistics.

**Korea: Beef Imports** (Thousand dollars and metric tons)

Country	Annual 2015		Annual 2016		January – June 2017	
	Value	Volume	Value	Volume	Value	Volume
Australia	974,429	167,788	997,673	179,904	527,135	94,411
United States	749,003	106,492	967,020	156,077	571,573	89,582
New Zealand	78,780	18,230	91,488	22,535	44,795	9,799
Canada	7,562	1,305	21,244	4,485	2,456	686
Uruguay	5,534	1,046	10,641	2,134	12,276	2,786
Chile	2,491	641	3,319	828	7,678	1,637
Mexico	314	144	2,295	623	1,318	323
Others	132	54	226	58	95	36
Total	1,818,245	295,700	2,093,906	366,644	1,167,326	199,260

Source: GTA

Product equivalent basis

Includes HS 0201 (fresh/chilled), HS 0202 (frozen), HS 021020 and 160250 (processed beef products)

**Comparison of Beef Import Duties Among Free Trade Agreements**

Commodity		KORUS FTA	Korea – Australia FTA	Korea – Canada FTA
Beef	Content of Free Trade Agreement	Duty phased out in 15 years plus Agricultural Safeguard (Already in 5 <sup>th</sup> year of phase out)	Duty phased out in 15 years plus Agricultural Safeguard (Already in 3 <sup>rd</sup> year of phase out)	Duty phased out in 15 years plus Agricultural Safeguard (In its 2 <sup>nd</sup> year of phase out)
	Base duty	40%	40%	40%
	Applied duty in 2016	26.6%	32.0%	34.6%
	Applicable duty in 2017	24.0%	29.3%	32.0%

**Production, Supply and Demand Data Statistics:**

Meat, Beef and Veal Market Begin Year Korea, Republic of	2016		2017		2018	
	Jan 2016		Jan 2017		Jan 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

<b>Slaughter (Reference)</b>	861	861	885	870	0	880
<b>Beginning Stocks</b>	13	13	13	13	0	25
<b>Production</b>	277	277	285	280	0	283
<b>Total Imports</b>	513	513	535	550	0	560
<b>Total Supply</b>	803	803	833	843	0	868
<b>Total Exports</b>	5	5	5	5	0	5
<b>Human Dom. Consumption</b>	785	785	805	813	0	843
<b>Other Use, Losses</b>	0	0	0	0	0	0
<b>Total Dom. Consumption</b>	785	785	805	813	0	843
<b>Ending Stocks</b>	13	13	23	25	0	20
<b>Total Distribution</b>	803	803	833	843	0	868
(1000 HEAD) ,(1000 MT CWE)						

### Commodities:

Animal Numbers, Swine

### Production:

In June 2017, Korea's sow numbers reached their highest level since 2010, as farmers continued to increase the herd size to capture high pork prices. Pork wholesale prices continued to increase since the beginning 2017. The high swine inventory numbers are projected to continue into 2018 as the wholesale price is expected to continue to be high. Demand is being driven by processed meat producers' growing use of domestic pork. The E type hepatitis scare in sausages from Germany and the Netherlands has not only reduced sausage imports from these nations, it also caused domestic sausage producers to turn to domestic pork as their main ingredient. Also, the Highly Pathogenic Avian Influence (HPAI) outbreak in Korea in the first half of 2017 drove egg prices to historically high levels. Combined with the pesticide-tainted egg problem amongst some Korean egg producers, these two factors will continue to increase demand for domestic pork.

Korea's vaccination and eradication program against Foot and Mouth Diseases (FMD) also helped swine farmers maintain high inventory levels in 2017. However, Korean swine farmers still remain exposed to the risk of FMD. According to a survey conducted by the Animal and Plant Quarantine Agency in May 2017, among the 756 swine farms tested for vaccine-derived FMD antibodies, 21.4 percent of the farms had less than 30 percent of swine test positive for successful antibody creation. In addition, 4.5 percent of the farms (34 farms) had zero percent antibody formation.

### Number of Sows and Swine by Age (Thousand head)

Year	Month	Sow 1/	Number of swine by age				
			Under 2 month	2-4 month	4-6 month	6-8 month	Over 8 month

2010	Dec	976	2966	3020	2875	108	911
2011	Mar	732	2149	2079	2034	85	688
	Jun	793	2272	2217	2003	115	724
	Sep	835	2416	2340	2155	117	756
	Dec	903	2586	2457	2188	119	821
2012	Mar	950	2772	2698	2376	144	862
	Jun	969	2921	2940	2537	144	890
	Sep	962	3075	3077	2770	118	897
	Dec	962	3073	3076	2749	113	904
2013	Mar	973	3089	3109	2882	112	914
	Jun	952	3116	3161	2904	98	902
	Sep	897	3078	3196	2972	88	854
	Dec	895	2940	3130	2900	99	844
2014	Mar	910	2921	3000	2805	112	859
	Jun	925	2934	2980	2789	113	864
	Sep	925	3011	3102	2876	115	861
	Dec	937	3043	3108	2949	120	869
2015	Mar	940	3094	2992	2898	110	877
	Jun	948	3116	3085	2827	111	879
	Sep	943	3155	3191	2993	118	876
	Dec	958	3110	3128	2957	105	886
2016	Mar	968	3210	3183	2922	105	896
	Jun	981	3238	3124	2980	108	905
	Sep	984	3313	3238	3100	104	914
	Dec	974	3216	3099	3041	109	901
2017	Mar	986	3245	3124	2941	109	909
	Jun	1005	3305	3083	3006	118	919

Source: Korea Statistic Administration

1/ Swine over eight months are sows and part of the swine herd that are 6-8 months old are sows.

2/ Sow numbers are based on the first day of each month and do not match with PS&D sow numbers, which are based on Dec, 31.

### Monthly Swine Slaughter

Year	Month	Slaughter number (heads)		
		Total	Gilt/Sows	Boar
2015	Jan	1,366,402	696,574	669,828
	Feb	1,165,598	593,112	572,486
	Mar	1,422,262	710,240	712,022

	Apr	1,372,147	691,010	681,137
	May	1,188,375	600,116	588,259
	Jun	1,225,876	628,910	596,966
	Jul	1,287,986	655,585	632,401
	Aug	1,173,489	600,566	572,923
	Sep	1,277,886	653,502	624,384
	Oct	1,508,440	763,126	745,314
	Nov	1,430,006	726,830	703,176
	Dec	1,488,131	752,455	735,676
	<b>Total</b>	<b>15,906,598</b>	<b>8,072,026</b>	<b>7,834,572</b>
2016	Jan	1,411,936	709,898	702,038
	Feb	1,299,040	656,112	642,928
	Mar	1,510,625	763,038	747,587
	Apr	1,353,123	687,036	666,087
	May	1,350,794	688,440	662,354
	Jun	1,246,641	637,255	609,386
	Jul	1,219,703	624,704	594,999
	Aug	1,288,178	663,228	624,950
	Sep	1,310,488	667,176	643,312
	Oct	1,456,715	739,418	717,297
	Nov	1,570,371	793,119	777,252
	Dec	1,528,139	775,497	752,642
	<b>Total</b>	<b>16,545,753</b>	<b>8,404,921</b>	<b>8,140,832</b>
2017	Jan	1,371,397	662,551	708,846
	Feb	1,392,944	677,071	715,873
	Mar	1,508,216	728,723	779,493
	Apr	1,344,793	646,629	698,164
	May	1,369,589	663,190	706,399
	Jun	1,303,829	633,238	670,591
	<b>Total</b>	<b>8,290,768</b>	<b>4,011,402</b>	<b>4,279,366</b>

Source: NACF

### Pork Wholesale Prices

Month	Year	2012	2013	2014	2015	2016	2017
		Won per kilogram					
January		4725	3003	3462	4590	4396	4582
February		4451	2881	3903	4717	3920	4536
March		4401	2812	4653	4657	4246	4435

April	4309	3512	4692	5044	4461	4924
May	4873	3549	4902	5845	4969	5037
June	4971	4374	5771	5623	5437	5423
July	4600	3891	5064	5664	4881	
August	4356	4166	5150	5472	4829	
September	3561	3929	4936	4840	4970	
October	2992	3270	4755	4313	4415	
November	3814	3934	5415	4745	4540	
December	3485	3868	4890	4361	4335	

Source: KMTA

Exchange rate US\$1 = 1,128.5 won (As of September 13, 2017)

### Production, Supply and Demand Data Statistics:

Animal Numbers, Swine Market Begin Year Korea, Republic of	2016		2017		2018	
	Jan 2016		Jan 2017		Jan 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Beginning Stocks	10187	10187	10367	10366	0	10600
Sow Beginning Stocks	958	958	974	974	0	998
Production (Pig Crop)	18383	18383	18750	18801	0	19200
Total Imports	3	3	3	3	0	3
Total Supply	28573	28573	29120	29170	0	29803
Total Exports	0	0	0	0	0	0
Sow Slaughter	0	0	0	0	0	0
Other Slaughter	16545	16546	16855	16880	0	17200
Total Slaughter	16545	16546	16855	16880	0	17200
Loss	1661	1661	1690	1690	0	1726
Ending Inventories	10367	10366	10575	10600	0	10877
Total Distribution	28573	28573	29120	29170	0	29803

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### Commodities:

Meat, Swine

### Production:

As total swine inventory continues to rise in 2017 and into 2018, total swine slaughter is projected to increase through 2018. Total 2017 slaughter is projected based on six months of actual slaughter. Pork

production is projected to increase further in 2018, due to increased swine inventory in 2017 that is projected to carry over into 2018.

**Consumption:**

The increased price competitiveness of Korean pork compared to Hanwoo beef and other proteins, coupled with increased supply, is projected to increase pork consumption in 2017. This trend is expected to continue in 2018, due to concerns over type E Hepatitis in imported pork from Germany and Netherlands. Also, due to HPAI, demand for pork has increased as a substitute for poultry products in school lunch programs as well as other institutional use. Also, the demand for domestic hams used for processed meat products continues to increase due to high imported ham prices.

The number of single person households in Korea continues to increase. This has increased the demand for Home Meal Replacement (HMR) dishes. TV dinner style lunch boxes have become more and more popular among these single person households as a HMR. However, as the beef price is not a price competitive ingredient for these HMR, the use of pork has increased in this market.

**Trade:**

Post forecasts 2017 pork imports will climb higher, thanks to record high pork imports during the first half of 2017. Moving forward, pork imports are projected to stabilize during the second half of 2017 as the supply of domestic pork increases. However, as the domestic pork supply continues to increase in 2018, pork imports are projected to decline slightly. U.S. pork has enjoyed increasing market share in 2017 thanks to a five percent increase in its pork production over the 2016 level. The market share of U.S. pork has jumped from 29.9 percent in 2016 to 32.2 percent in 2017. The United States is most competitive in shoulder clod followed by Spain. As domestic pork belly prices continue to increase, and as consumers seek less fatty meat due to health concerns, shoulder clod has begun to slowly replace pork bellies in Korea.

Post’s 2016 data was adjusted to reflect official government statistics.

**Price competitiveness of U.S. Pork against EU Pork**

Category	Country	Unit	2015	2016	2020	2025
Exchange rate		Won / US dollar	1,130	1,159	1,168	1,178
Import price	U.S.A.	U.S. dollar / Kg.	3.08	3.03	3.16	3.44
	EU		2.86	2.81	2.94	3.20
	Other		2.25	2.15	2.21	2.41
Import duty	U.S.A.	Percent	5.0	0.0	0.0	0.0
	EU		14.0	11.0	2.0	0.0
	Other		20.8	16.8	3.7	3.7
Purchase price by wholesaler	U.S.A.	Won / Kg.	3,999	3,865	4,065	4,460
	EU		3,993	3,960	3,853	4,142
	Other		3,321	3,165	2,940	3,226

Source: KREI

**Korea: Pork Imports**

Unit: Thousand dollars and Metric Tons

Country	Annual 2015		Annual 2016		January-June, 2017	
	Value	Volume	Value	Volume	Value	Volume
United States	428,269	139,753	377,478	141,273	228,910	83,817
Germany	231,934	80,816	245,127	86,813	199,088	56,662
Spain	164,729	62,966	174,432	71,655	92,010	33,068
Canada	86,332	41,083	81,311	35,237	46,318	17,857
Chile	122,832	31,560	116,197	32,979	58,738	14,214
Denmark	59,127	20,761	45,958	18,384	25,241	9,446
Austria	61,313	19,301	57,936	18,122	33,314	8,409
Netherlands	49,011	14,854	53,674	17,097	42,275	11,880
Mexico	34,087	10,158	48,382	13,762	28,262	7,692
Belgium	36,483	11,645	38,430	12,617	18,610	4,893
France	37,679	9,464	28,102	7,480	16,192	3,825
Hungary	14,450	4,297	15,647	4,466	7,666	1,968
Others	34,854	14,069	28,194	13,306	15,647	6,507
<b>Total</b>	<b>1,361,100</b>	<b>460,727</b>	<b>1,310,868</b>	<b>473,191</b>	<b>812,271</b>	<b>260,238</b>

Source: GTA

Product Weight Equivalent basis

Includes: HS 020311, 020312, 020319 (fresh/chilled), HS 020321, 020322, 020329 (frozen), 021011, 021012, 021019, 160241, 160242, and 160249 (processed pork products)

**Production, Supply and Demand Data Statistics:**

Meat, Swine Market Begin Year	2016		2017		2018	
	Jan 2016		Jan 2017		Jan 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Korea, Republic of						
Slaughter (Reference)	16545	16546	16855	16880	0	17200
Beginning Stocks	118	118	103	103	0	110
Production	1266	1266	1305	1307	0	1332
Total Imports	615	615	630	680	0	655
Total Supply	1999	1999	2038	2090	0	2097
Total Exports	2	2	2	2	0	2
Human Dom. Consumption	1894	1894	1931	1978	0	1990
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	1894	1894	1931	1978	0	1990
Ending Stocks	103	103	105	110	0	105
Total Distribution	1999	1999	2038	2090	0	2097

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