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Report Highlights:

While Korea's overall demand for beef and pork remains strong, imports of these products have declined as a result of the global pandemic. COVID-related restrictions have limited Korea's Hotel, Restaurant, and Institutional sectors where imported meat is heavily consumed. Conversely, Korea's market shift to in-home dining has bolstered retail sales of domestically produced meat. Korean cattle producers look to capitalize on high prices and rising demand for domestic beef and will increase slaughter numbers in 2021. In the swine sector, Korea's small-scale operations continue to struggle with balancing production costs and suppressed pork prices. With improved market conditions expected for the second half of 2021, Korea's pork consumption is forecast to rebound modestly by the end of the year.

EXPLANATORY NOTES

Conversion Rates:

In a continuous effort to improve data reliability, the “New Post” trade forecast in this report reflects new conversion rates. Historical data revisions (from 2005 onward) will be published on April 9, 2021 in the PSD database (<http://www.fas.usda.gov/psdonline>).

Beef and Veal Conversion Factors		
Code	Description	Conversion Rate*
020110	Bovine carcasses and half carcasses, fresh or chilled	1.0
020120	Bovine cuts bone in, fresh or chilled	1.0
020130	Bovine cuts boneless, fresh or chilled	1.36
020210	Bovine carcasses and half carcasses, frozen	1.0
020220	Bovine cuts bone in, frozen	1.0
020230	Bovine cuts boneless, frozen	1.36
021020	Bovine meat salted, dried or smoked	1.74
160250	Bovine meat, offal nes, not livers, prepared/preserve	1.79
* Exception		
Argentina - Exports of HS 160250 are excluded.		

Pork Conversion Factors		Conversion factor
HS Code	Description	(T to CWE)
020311	Carcasses/half-carcasses, fr/ch	1.00
020312	Bone-In hams, shoulders and cuts thereof, fr/ch	1.00
020319	Other pork cuts, fr/ch	1.30
020321	Carcasses/half-carcasses, frozen	1.00
020322	Bone-In hams, shoulders and cuts thereof, frozen	1.00
020329	Other pork cuts, frozen	1.30
021011	Bone-In hams, shoulders and cuts thereof, processed	1.10
021012	Bellies (streaky) and cuts thereof, processed	1.20
021019	Other meat of swine, processed	1.16
160241	Hams and cuts thereof, prep/pres	1.30
160242	Shoulders and cuts thereof, prep/pres	1.30
160249	Other meat of swine including mixtures, prep/pres	1.30

The definition of Carcass Weight Equivalent/Product Weight Equivalent remains the same. All quantities (beef and pork) are in Carcass Weight Equivalent (CWE) unless otherwise noted as Product Weight Equivalent (PWE). CWE is the weight of an animal after slaughter and removal of internal organs, head, and skin. PWE is the actual weight of the meat product exported.

Cattle

Production

An increase in Korea's calf production is expected to continue through 2021 as farmers capitalize on high cattle prices. The annual average price of a fully grown cow increased eight percent in 2020 compared to 2019. According to the Korea Rural Economic Institute (KREI), in 2020 the number of cows over 15 months old that can produce calves within 10 months increased 4.8 percent over the previous year. Also, cows aged 11-24 months, which can give birth in 2022, increased 8.0 percent. Finally, semen sales increased 12.7 percent in 2020. Contrary to concerns a 2020 economic downturn would suppress Korea's cattle prices, both live steer and cow values have recorded all-time highs. This was largely due to Korean consumers' switch from restaurant to home dining where Hanwoo beef (domestic beef) is preferred.

Increased cattle inventory will accelerate Korea's slaughter totals for 2021. Compared to 2019 herd totals, Korea's 2020 supply of steers and cows grew 5.9 and 4.7 percent, respectively. As more Hanwoo cattle come onto the market in 2021, total Hanwoo beef supply will increase significantly. It remains unclear if Korea's surge in household demand for Hanwoo beef will be able to compensate for the upswing in market supply and stave-off a potential price drop.

Table 1: Hanwoo Inventory by Age (1,000 head and percent)

Description		2017-2019 Average	2019 (A)	2020 (B)	(B)/(A)
Cow/Steer	Age (Months)				
Cow	1-6	149	160	173	8.0
	7-14	307	317	335	5.7
	Over 15	1,428	1,481	1,552	4.8
	Sub-total	1,884	1,958	2,061	5.2
Steer	1-6	199	215	229	6.2
	7-12	308	317	337	6.2
	13-18	195	206	222	7.7
	19-24	285	289	302	4.5
	Over 25	199	190	204	7.2
	Sub-total	1,186	1,218	1,293	6.2

Note: Cattle inventory as of end of December for each year.

Source: Korea Rural Economic Institute and Korea Institute for Animal Products Quality Evaluation

Table 2: Hanwoo Semen Sales (Unit: 1,000 straws)

Month	2016	2017	2018	2019	2020	Change (Percent) 1/
Jan	123	141	134	138	157	113.8
Feb	99	47	119	48	168	350.0
Mar	149	176	166	207	155	74.9
Apr	145	158	55	196	213	108.7
May	141	160	237	195	207	106.2
Jun	204	211	233	196	231	117.9
Jul	199	229	223	231	207	89.6
Aug	181	170	195	183	211	115.3
Sep	167	214	189	183	227	124.0
Oct	156	180	179	185	205	110.8
Nov	134	148	151	192	186	96.9
Dec	137	122	174	141	194	137.6
Total	1,835	1,956	2,055	2,095	2,361	112.7

Source: Global Strategy Networking Journal (GS&J) and Korea Rural Economic Institute

Note: 1/ The change is a comparison of 2020 sales versus the same month in 2019.

2/ The low semen sales in Feb. 2016, Feb. 2017 and Apr. 2018 were due to an outbreak of FMD. The drop in Feb. 2019 is likely due to a price reduction in calves that discouraged farmers from increasing herd size.

Table 3: Live Hanwoo Beef Cattle Prices (Thousand won / head)

Month	Calf						Cow			Steer		
	Female			Male			2018	2019	2020	2018	2019	2020
	2018	2019	2020	2018	2019	2020						
Jan	2563	2453	2840	3105	3021	3246	5599	5685	5895	4696	5422	5672
Feb	2292	3097	2960	3206	3217	3068	5546	5685	5893	4675	5451	5479
Mar	2577	3290	N/A	3233	3307	3132	5729	5619	5943	4640	5495	4983
Apr	2712	2691	3010	3129	3227	3332	5720	5613	5837	4517	5420	5326
May	2836	2830	N/A	3361	3337	3554	5655	5477	6015	4711	5276	5536
Jun	2903	2771	3189	3502	3562	4393	5608	5558	6255	4712	5685	5504
Jul	2791	3059	3196	3278	3577	3426	5551	5605	6051	4814	5022	5171
Aug	2667	2850	2848	3064	3341	3667	5654	5482	6232	4893	5457	5423
Sep	2860	2941	2571	3287	3570	3733	5608	5589	6101	4913	5556	5420
Oct	2656	2158	2629	3463	3742	3736	5792	5686	6291	5368	5644	5232
Nov	2858	2611	3180	3350	3420	3348	5750	5863	6430	5551	5559	5429
Dec	2779	2733	2792	3014	3412	3321	5691	5890	6266	5670	5727	5461

Source: National Agricultural Cooperative Federation

(Exchange rate US\$1 = 1,126.0 won (As of February 26, 2021))

Table 4: Monthly Cattle Slaughter Trend

Year	Month	Cow		Bulls/steers		Total	
		Head	Percent of total	Head	Percent of total	Sub-total	Percent of annual
2019	Jan	52,251	43.9	66,728	56.1	118,979	13.4
	Feb	17,903	43.9	22,863	56.1	40,766	4.6
	Mar	27,865	46.5	32,012	53.5	59,877	6.8
	Apr	34,257	48.1	36,975	51.9	71,232	8.0
	May	30,776	48.2	33,011	51.8	63,787	7.2
	Jun	28,534	48.3	30,524	51.7	59,058	6.7
	Jul	34,034	48.4	36,260	51.6	70,294	7.9
	Aug	45,212	44.9	55,423	55.1	100,635	11.4
	Sep	31,271	45.6	37,288	54.4	68,559	7.7
	Oct	31,868	42.9	42,454	57.1	74,322	8.4
	Nov	28,882	42.9	38,516	57.1	67,398	7.6
	Dec	38,923	42.5	52,774	57.5	91,697	10.3
	Total	401,776	45.3	484,828	54.7	886,604	100.0
2020	Jan	42,770	44.1	54,161	55.9	96,931	10.9
	Feb	25,275	45.3	30,466	54.7	55,741	6.3
	Mar	31,943	48.2	34,361	51.8	66,304	7.5
	Apr	33,230	47.9	36,104	52.1	69,334	7.8
	May	33,278	49.2	34,376	50.8	67,654	7.6
	Jun	36,646	49.4	37,537	50.6	74,183	8.4
	Jul	33,202	48.6	35,178	51.4	68,380	7.7
	Aug	34,696	46.0	40,725	54.0	75,421	8.5
	Sep	47,866	45.6	57,086	54.4	104,952	11.8
	Oct	26,750	41.9	37,141	58.1	63,891	7.2
	Nov	29,960	43.9	38,219	56.1	68,179	7.7
	Dec	34,405	45.1	41,822	54.9	76,227	8.6
	Total	410,021	46.2	477,176	53.8	887,197	100.0

Source: Animal and Plant Quarantine Agency

PS&D

Animal Numbers, Cattle	2019			2020			2021		
	Jan 2019			Jan 2020			Jan 2021		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Korea, Republic of									
Total Cattle Beg. Stks	3521	3488	3521	3645	0	3645	3773	0	3774
Dairy Cows Beg. Stocks	318	315	318	316	0	316	315	0	316
Beef Cows Beg. Stocks	1434	1385	1434	1491	0	1491	1549	0	1553
Production (Calf Crop)	1021	980	1021	1039	0	1026	1050	0	1089
Total Imports	0	0	0	0	0	0	0	0	0
Total Supply	4542	4468	4542	4684	0	4671	4823	0	4863
Total Exports	0	0	0	0	0	0	0	0	0
Cow Slaughter	402	407	402	425	0	410	455	0	460
Calf Slaughter	0	0	0	0	0	0	0	0	0
Other Slaughter	485	496	485	476	0	477	510	0	495
Total Slaughter	887	903	887	901	0	887	965	0	955
Loss and Residual	10	11	10	10	0	10	10	0	11
Ending Inventories	3645	3554	3645	3773	0	3774	3848	0	3897
Total Distribution	4542	4468	4542	4684	0	4671	4823	0	4863

Beef

Production

Attractive prices will drive Korea's total slaughter to increase 12 percent in 2021 over 2020 levels. Average slaughter weight of Hanwoo cattle increased slightly, from 694 kilograms in 2019 to 697 kilograms in 2020. This has been reflected in the total beef production level for 2020 as beef production increased yet slaughter numbers remained unchanged from 2019 figures.

Consumption

Increased supply and a sluggish economy will lower the wholesale price and increase demand for native Korean cattle beef. Likewise, in 2021, Korea's uptick in domestic beef production coupled with lower demand in the restaurant sector will ultimately cause prices to decline. Please refer to the table below for the impact that COVID 19 has on beef consumption.

Table 5: Change in Beef Consumption Pattern

Type of Beef	Consumption Venue	2019	2020
Domestic Beef	Home	68.1	76.4
	Restaurant	31.9	23.6
Imported Beef	Home	51.8	54.9
	Restaurant	48.2	45.1

Source: Korea Rural Economic Institute

COVID fears have increased the consumption of beef at home while reducing restaurant demand. As Korea's private and public mitigation measures to control the spread of the virus will continue for the foreseeable future, so too will the trend in Korea's choice for the more popular domestic Hanwoo beef while dining at home.

Home dining has not only increased the consumption of beef at home, it has also boosted the sale of Home Meal Replacement (HMR) items in Korean convenience stores. This HMR and processed meat consumption pattern is expected to continue for 2021. As a result, imported beef used in these HMR and processed meat categories will also expand.

Table 6: Beef Purchase Intention Among Consumers in 2021 (United: Percent)

Description	Domestic Beef		Imported Beef	
	2020	2021	2020	2021
Will increase consumption	20.3	21.5	17.2	24.2
Will reduce consumption	9.8	16.5	11.3	22.7
No change	69.9	62.0	71.5	53.1
Total	100.0	100.0	100.0	100.0

Source: Korea Rural Economic Institute

Table 7: Comparison of Average Retail Price for Beef Short Ribs and Pork Bellies (Won per 100 gram)

Origin	Quality	2018	2019	2020	Change in price		Price ratio over U.S. frozen beef		
					2019 over 2018	2020 over 2019	2018	2019	2020
Korean Hanwoo	Grade 1	5223	5230	6103	1.00	1.17	2.15	2.09	2.48
U.S. Beef	Chilled	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Frozen	2429	2508	2464	1.03	0.98	1.0	1.0	1.0
Australian Beef	Chilled	2268	2577	2367	1.14	0.92	0.93	1.03	0.96
	Frozen	2001	2190	2368	1.09	1.08	0.82	0.87	0.96
Korean Chilled Pork Belly		1935	1843	2122	0.95	1.15	0.80	0.73	0.86
Imported Frozen Pork Belly		1050	1025	1078	0.98	1.05	0.43	0.41	0.43

Source: Korea Agricultural Marketing Information Service (KAMIS)

Note: Data for 2020 is the average price for the data that is available up to August 2020.

(Exchange rate US\$1 = 1,126.0 won (As of February 26, 2021))

Table 8: Retail Prices for Beef Short Ribs (2017 – 2019) Unit: Won per 100 grams

Year	Month	Domestic Hanwoo (chilled)	U.S.A.	Australia	
		#1 Grade	Frozen	Chilled	Frozen
2018	January	5,181	2,407	2,177	1,972
	February	5,211	2,445	2,144	1,961
	March	5,262	2,443	2,331	1,956
	April	5,243	2,451	2,283	2,036
	May	5,239	2,454	2,229	2,082
	June	5,069	2,456	2,211	2,085
	July	5,087	2,401	2,222	1,956
	August	5,170	2,384	2,270	1,981
	September	5,224	2,407	2,334	1,989
	October	5,260	2,435	2,399	2,000
	November	5,464	2,436	2,323	2,001
	December	5,254	2,436	2,284	2,005
2019	January	5,203	2,478	2,374	2,051
	February	5,126	2,506	2,500	2,085
	March	5,257	2,527	2,594	2,088
	April	5,361	2,499	2,484	2,104
	May	5,183	2,481	2,451	2,100
	June	5,107	2,459	2,391	2,154
	July	5,190	2,447	2,494	2,161
	August	5,159	2,502	2,657	2,238
	September	5,637	2,572	2,769	2,333
	October	-	2,576	2,986	2,320
	November	-	2,539	2,773	2,293
	December	-	2,515	2,472	2,357
2020	January	6,178	2,514	2,596	2,364
	February	5,883	2,517	2,316	2,370
	March	5,869	2,517	2,316	2,382
	April	-	2,411	2,399	2,248
	May	-	2,491	2,295	2,358
	June	-	2,396	2,374	2,381
	July	-	2,363	2,448	2,271
	August		2,490	2,359	2,403
	September	6,424	2,478	2,491	2,412
	October	6,400	2,468	2,178	2,388
	November		2,470	2,171	2,421
	December		2,472	2,432	2,421

Source: : Korea Agricultural Marketing Information Service (KAMIS)

(Exchange rate US\$1 = 1,126.0 won (As of February 26, 2021))

Trade

The rise in Korean consumer confidence for U.S. beef has helped the United States continue as the largest supplier of imported beef in 2020. Additionally, competitive pricing and a shortage of Australian beef supplies has pushed sales for high-value U.S. beef products in the Korean market. Furthermore, Australia is subject to an Agricultural Safeguard (ASG) under the Korea-Australia Free Trade Agreement (FTA). In 2021, the trigger level for beef is set at 177,569 MT, with a safeguard duty of 30 percent, compared to the FTA duty of 18.7 percent. Traditionally, once Australia reaches the trigger level, it will focus on its more price-competitive chilled product exports.

Despite increased domestic beef production, Korea's total imported beef is projected to increase two percent in 2021 from the previous year. This is due to the appreciation of the Korean won against the U.S. dollar and a lower import duty on imported beef that will improve price competition against domestic beef. Increased U.S. beef production in 2021 and a reduced Australian herd will allow the United States to capture a higher share of Korea's overall beef imports.

Table 9: Korea: Beef Imports (Thousand dollars and metric tons)

Country	Annual 2019		Annual 2020	
	Value	Volume	Value	Volume
United States	1,745,507	235,729	1,731,836	243,198
Australia	1,038,788	177,806	1,026,799	170,238
New Zealand	71,505	16,015	70,077	15,362
Mexico	29,517	6,791	31,887	7,511
Canada	32,312	5,921	31,395	5,965
Uruguay	5,245	1,068	3,935	796
Chile	2,178	502	1,805	457
Argentina	1,087	204	3,095	645
Others	44	19	1,354	280
Total	2,926,183	444,055	2,902,183	444,452

Source: Korea Trade Statistics Promotion Institute

Product weight equivalent basis

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

Table 10: Wholesale price competitiveness of U.S. Beef against Australian Beef

Category	Country	Unit	2020	2021 (P)	2022(P)	2025(P)	2030(P)
Exchange rate		Won / US dollar	1,181	1,125	1,168	1,172	1,158
Import duty	U.S.A.	Percent	16.0	13.3	10.7	2.7	0
	Australia		21.3	18.7	16.0	8.0	0
Import price	U.S.A.	U.S. dollar / Kg.	7.1	7.4	7.8	8.6	9.0
	Australia		6.0	6.2	6.6	7.2	7.6
Wholesale price	U.S.A.	Won / Kg.	10,602	10,264	11,050	11,299	11,528
	Australia		9,279	8,991	9,688	9,936	9,680

* (P) Data for 2021 – 2030 are projection.

Source: Korea Rural Economic Institute

Table 11: 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 7 th year of phase out)	Duty phased out in 15 years plus Agricultural Safeguard (Already in 5 th year of phase out)	Duty phased out in 15 years plus Agricultural Safeguard (In its 4 th year of phase out)
	Base duty	40%	40%	40%
	Applicable duty in 2021	13.3%	18.6%	21.3%
	Applicable duty in 2022	8.0%	16.0%	18.6%
	Applicable duty in 2023	5.3%	13.3%	16.0%

PS&D

Meat, Beef and Veal	2019			2020			2021		
	Jan 2019			Jan 2020			Jan 2021		
Market Begin Year	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Korea, Republic of									
Slaughter (Reference)	887	903	887	901	0	887	965	0	955
Beginning Stocks	11	11	11	15	0	15	15	0	20
Production	286	290	286	290	0	287	314	0	309
Total Imports	550	560	550	550	0	549	540	0	560
Total Supply	847	861	847	855	0	851	869	0	889
Total Exports	0	1	0	0	0	0	0	0	0
Human Dom. Consumpt	832	845	832	840	0	831	849	0	868
Other Use, Losses	0	0	0	0	0	0	0	0	0
Total Dom. Consumption	832	845	832	840	0	831	849	0	868
Ending Stocks	15	15	15	15	0	20	20	0	21
Total Distribution	847	861	847	855	0	851	869	0	889

Swine

Production

A drop in wholesale pork prices after a May 2020 peak caused Korean farmers to voluntarily reduce their sow inventory in the second half of the year. Sow numbers fell from 1,041,000 head in March 2020 to 1,010,000 in December 2020. However, the wholesale price plunged below production costs for small-scale farms in October 2020. The average production cost per head of swine was 3,698 won per kilogram with wholesale prices valuing 3,335 won per kilogram before recovering in November 2020. The 2021 wholesale prices are expected to range between 4,200 – 4,300 won. Although this figure is below the average production cost for farms raising under 1,000 head, these facilities account for around 15 percent of the swine operations in Korea. Most farms are expected to turn a profit at the anticipated price point as well as increase herd size in 2021.

Table 12: Average Hog Production Cost by Farm Size (Won per 100 kilograms)

Description	Under 1,000 head	1,000 – 1,999 head	2,000 – 2,999 head	Over 3,000 head	Average	2021 Wholesale price
Production cost (Won/100 Kg.)	350,692	308,967	282,038	264,658	283,662	4,200 ~ 4,300 won/Kg.
Converted into wholesale price (Won/Kg.)	4,572	4,028	3,677	3,451	3,698	

Source: Korea Statistics Service and Korea Rural Economic Institute
(Exchange rate US\$1 = 1,126.0 won (As of February 26, 2021))

Table 13: Farm Gate Hog Prices (Thousand Won/Head, 110 kg./head)

Month	2017	2018	2019	2020
January	358	325	273	247
February	362	347	265	274
March	374	343	318	330
April	415	375	369	362
May	425	391	351	432
June	485	438	354	399
July	456	432	344	412
August	476	408	353	363
September	457	414	404	399
October	361	330	265	339
November	380	310	313	356
December	367	303	282	356
Annual average	417	368	285	353

Source: National Agricultural Cooperative Federation

(Exchange rate US\$1 = 1,126.0 won (As of February 26, 2021))

The pig crop per sow increased in 2020 due to environmental conditions and lower porcine disease outbreaks. Although African Swine Fever (ASF) continues to be detected in wild boars, Korea had only two cases of ASF outbreaks in commercial farms in 2020. Depopulated farms along Korea's northern military border have now begun to restock their operations. Also, in 2020 the prevalence of Porcine Reproductive and Respiratory Syndrome (PRRS) as well as Porcine Epidemic Disease (PED) remained fairly low compared to previous years.

Table 14: Number of Porcine Disease Outbreak Cases

Disease	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	Number of Cases									
PED	5	1	12	169	94	82	77	221	137	45
PRRS	44	47	69	47	44	40	20	29	29	22
ASF									14	2

Source: Animal and Plant Quarantine Agency, Korea Animal Health Integrated System

Table 15: Number of Sows and Swine by Age (Thousand head)

Year	Month	Sow 1/	Number of swine by age				
			Under 2 months	2-4 month	4-6 month	6-8 month	Over 8 months
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	1045	3422	3284	3215	120	963
	Jun	1062	3473	3391	3222	135	966
	Sep	1052	3534	3508	3365	118	969
	Dec	1058	3438	3362	3374	124	974
2018	Mar	1058	3488	3279	3302	113	974
	Jun	1069	3545	3411	3252	116	981
	Sep	1063	3619	3598	3313	139	971
	Dec	1063	3508	3474	3248	131	972
2019	Mar	1063	3512	3434	3160	116	977
	Jun	1070	3554	3468	3196	122	977
	Sep	1063	3660	3586	3374	117	976
	Dec	1026	3497	3453	3257	132	941
2020	Mar	1041	3525	3415	3188	127	954
	Jun	1023	3505	3314	3205	125	939
	Sep	1010	3522	3429	3363	121	930
	Dec	1001	3399	3379	3257	120	923

Source: Korea Statistics 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 may not match with PS&D sow numbers, which are based on Dec, 31.

3/ The Korea Statistics Administration changed the data basis from sampling basis to traceability numbers from April 2018 and swine numbers have been updated based on traceability numbers from the March 2017 data.

Table 16: Monthly Swine Slaughter

Year	Month	Slaughter number (heads)		
		Total	Gilt/Sows	Boar
2018	Jan	1,600,818	776,285	824,533
	Feb	1,358,197	658,318	699,879
	Mar	1,467,841	710,139	757,702
	Apr	1,465,140	696,957	768,183
	May	1,443,726	677,326	766,400
	Jun	1,300,789	607,232	693,557
	Jul	1,292,104	607,214	684,890
	Aug	1,300,137	636,012	664,125
	Sep	1,263,318	609,171	654,147
	Oct	1,687,322	813,605	873,717
	Nov	1,663,459	799,285	864,174
	Dec	1,526,181	735,134	791,047
	Total	17,369,032	8,326,678	9,042,354
2019	Jan	1,733,052	834,167	898,885
	Feb	1,301,415	626,677	674,738
	Mar	1,436,185	691,346	744,839
	Apr	1,489,680	716,442	773,238
	May	1,482,836	714,009	768,827
	Jun	1,278,971	613,222	665,749
	Jul	1,475,724	714,233	761,491
	Aug	1,393,022	673,612	719,410
	Sep	1,241,562	598,812	642,750
	Oct	1,712,780	820,120	892,660
	Nov	1,650,646	790,392	860,254
	Dec	1,629,376	784,669	844,707
	Total	17,825,249	8,577,701	9,247,548
2020	Jan	1,562,642	766,028	826,614
	Feb	1,566,810	754,242	812,568
	Mar	1,583,419	758,429	824,990
	Apr	1,604,913	767,901	837,012
	May	1,410,414	676,240	734,174
	Jun	1,398,273	675,198	723,075
	Jul	1,485,424	713,511	771,913
	Aug	1,341,670	650,946	690,724
	Sep	1,496,322	732,666	763,656
	Oct	1,546,152	747,053	799,099
	Nov	1,616,111	779,277	838,834
	Dec	1,685,802	812,280	873,522
	Total	18,329,952	8,833,771	9,496,181

Source: Animal and Plant Quarantine Agency

Table 17: Pork Wholesale Prices

Month Year	2015	2016	2017	2018	2019	2020
	Won per kilogram					
January	4590	4396	4582	3853	3241	2923
February	4717	3920	4536	4114	3143	3248
March	4657	4246	4710	4063	3768	3915
April	5044	4461	5153	4439	4370	4286
May	5845	4969	5222	4635	4159	5115
June	5623	5437	5751	5192	4200	4734
July	5664	4881	5528	5120	4076	4889
August	5472	4829	5643	4838	4179	4303
September	4840	4970	5421	4909	4791	4727
October	4313	4415	4281	3911	3143	3335
November	4745	4540	4507	3675	3705	4221
December	4361	4335	4345	3597	3341	4217

Source: Korea Meat Trade Association, National Agricultural Cooperative Federation
(Exchange rate US\$1 = 1,126.0 won (As of February 26, 2021))

PS&D

Animal Numbers, Swine	2019			2020			2021		
	Jan 2019			Jan 2020			Jan 2021		
Korea, Republic of	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Total Beginning Stocks	11333	0	11333	11280	0	11280	11360	0	11078
Sow Beginning Stocks	1063	0	1063	1045	0	1026	1023	0	1001
Production (Pig Crop)	19889	0	19889	19950	0	19733	19077	0	19596
Total Imports	1	0	1	1	0	1	1	0	1
Total Supply	31223	0	31223	31231	0	31014	30438	0	30675
Total Exports	0	0	0	0	0	0	0	0	0
Sow Slaughter	0	0	0	0	0	0	0	0	0
Other Slaughter	17825	0	17825	18270	0	18330	17500	0	17683
Total Slaughter	17825	0	17825	18270	0	18330	17500	0	17683
Loss and Residual	2118	0	2118	1601	0	1606	1688	0	1550
Ending Inventories	11280	0	11280	11360	0	11078	11250	0	11442
Total Distribution	31223	0	31223	31231	0	31014	30438	0	30675

Pork Production

Note: Please refer to the explanatory notes in the cattle section for conversion rates.

Total hog inventory in December 2020 dropped to 11.08 million head, down from 11.37 million head in September 2020. The largest drop was in piglets under two months old, followed by hogs aged four to six months. This will cause the overall slaughter number to drop during the first half of 2021. As pork wholesale prices are projected to increase due to low slaughter (4,200 – 4,300 won/kilogram), farmers will increase inventory during the second half of 2021. However, total pork production in 2021 is projected to drop due to low slaughter caused by the low hog inventory during the second half of 2020. As it takes ten months (114 days of pregnancy plus six months of feeding) for farmers to react to price changes, total inventory will not recover until the fourth quarter of 2021.

Consumption

The sudden decline in pork consumption in 2020 was caused by the COVID pandemic. In general, 50 percent of meat consumption is through restaurants, 30 percent through retail stores and 20 percent through institutional use. However, due to COVID-19, schools switched to online classes and no longer needed the pork products regularly served during lunch. Also, as the government restricted gatherings, catering companies suffered huge declines in business. Restaurants were restricted from seated dining and only allowed to serve carry-out food after 10 pm. Over 70 percent of Korea's total meat consumption venues suffered a drop in demand due to the pandemic. While pork demand for in-home dining has increased, overall pork consumption dropped in 2020. In anticipation of improved conditions and some loosened virus restrictions, Korea's pork consumption is expected to rebound modestly in 2021.

According to a survey conducted by the Korea Rural Economic Institute, pork was the favorite type of meat for dining at home. In the survey, pork consumption at home accounted for 78.5 percent of total pork consumption whereas pork consumed in restaurants accounted for 21.5 percent in 2020. This is comparable to the 63 percent for home dining and 37 percent in restaurants in 2019, prior to the pandemic. As imported pork is generally consumed more in restaurants than at home, increased home dining has had a negative impact on imported pork consumption. As more consumers increased their pork consumption for home dining, domestic pork consumption increased 6.2 percent in 2020 over the 2019 level. Conversely, the consumption of imported pork dropped 14.6 percent during this period.

As domestic production slows in 2021 due to lower slaughter, pork imports are projected to rebound in 2021 to offset the supply gap.

Table 18: Production of Processed Meat Products (Unit: Metric tons)

Year	Sausage	Ham	Bacon	Canned meat and other processed meat products
2012	56,470	61,425	5,856	39,483
2013	65,667	62,332	6,710	46,637
2014	67,512	59,778	7,268	50,885
2015	65,447	61,345	8,440	47,230
2016	70,597	64,660	9,265	56,270
2017	77,542	64,620	10,325	58,713
2018	77,158	63,158	10,832	63,723
2019	83,043	61,182	11,361	58,003

Source: Korea Meat Industry Association

Trade

Pork imports that largely went for processing purposes soared in 2018, but somewhat stabilized in 2019. This trend continued into 2020 due to high inventory of domestic ham and the high inventory of pork in storage due to the lack of demand. Some industry reports indicate that Korea's warehouse inventory was used as a hedge by speculators in anticipation of an ASF outbreak in Korea, an event that has not transpired. In addition to the high inventory in picnic ham, import prices have begun to increase in 2020 as China resumed pork imports to meet its demand. A September 2020 ASF outbreak in Germany, the second largest pork exporter to Korea, had minimal repercussions in Korea as most of these imports were for institutional and restaurant use, where the demand has dropped considerably due to the pandemic.

Table 19: Average Pork Import Price (Unit: U.S. dollar per kilogram, percent)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg.
2020 (A)	3.12	3.24	3.40	3.19	3.31	3.07	3.49	3.32	3.29	3.24	3.51	N/A	3.29
2019 (B)	2.85	2.93	2.91	2.86	2.90	2.90	3.13	3.25	3.17	3.11	3.15	3.11	3.02
(A)/(B)	9.5	10.7	16.8	11.7	14.4	5.8	11.6	2.0	3.7	4.1	11.3	N/A	8.8

Source: Global Trade Atlas and Korea Rural Economic Institute

The following table shows the cuts that account for the highest increase in pork imports. Tenderloin and loins are used for producing pork cutlets and sweet and sour pork. Picnic and hams are for producing processed meat products, and collar butt, single rib belly, and ribs are used for household sales. As seen in Table 20, reductions in picnic imports were the most pronounced. Imports of the most popular retail cut (single rib belly) also dropped during this period due to weak demand in the restaurant sector.

Table 20: Pork Imports by Cuts

Unit: MT and percent

Cut		2018 (A)	2019 (B)	2020 (C)	(C) / (B)
Chilled	Tenderloin	0	0	0	N/A
	Loin	1	7	33	4.71
	Collar butt	7,130	6,604	5,924	0.90
	Picnic	440	448	613	1.37
	Ham	6	0	0	N/A
	Single rib belly	16,264	14,173	12,203	0.86
	Rib	0	1	0	N/A
Frozen	Tenderloin	8	3	2	0.67
	Loin	13,858	15,933	5,295	0.33
	Collar butt	42,715	59,290	48,426	0.82
	Picnic	197,047	152,029	109,754	0.72
	Ham	5,645	9,555	1,045	0.11
	Single rib belly	168,564	150,650	116,756	0.78
	Rib	10,081	10,756	9,691	0.90
	Other	1,762	1,893	725	0.38
TOTAL		463,521	421,342	310,467	0.74

Source: Ministry of Food and Drug Safety (The above data is based on inspection conducted for imported pork on a Product Weight Equivalence (PWE) basis.)

Table 21: Price competitiveness of U.S. Pork against EU Pork

Category	Country	Unit	2020	2021 (P)	2025 (P)	2030 (P)
Exchange rate		Won / US dollar	1,181	1,125	1,172	1,158
Import duty	U.S.A.	Percent	0.0	0.0	0.0	0.0
	EU		2.3	0.0	0.0	0.0
	Other		7.3	7.3	7.3	7.3
Import price	U.S.A.	U.S. dollar / Kg.	2.71	2.84	3.32	3.48
	EU		3.70	3.88	4.53	4.75
	Other		2.96	3.10	3.63	3.81
Wholesale price	U.S.A.	Won / Kg.	3,523	3,514	4,282	4,439
	EU		4,907	4,795	5,843	6,057
	Other		4,042	4,032	4,896	5,076

* (P) Data for 2021 – 2030 are projection.

(Exchange rate US\$1 = 1,126.0 won (As of February 26, 2021))

Source: Korea Rural Economic Institute

Table 22: Korea: Pork Imports

Unit: Thousand dollars and Metric Tons

Country	Annual 2019		Annual 2020	
	Value	Volume	Value	Volume
United States	537,739	189,432	468,022	162,864
Germany	343,108	109,868	289,771	81,812
Spain	263,659	77,560	203,965	49,445
Chile	116,718	30,695	112,186	27,092
Canada	127,874	43,475	120,084	39,550
Netherlands	70,545	20,396	59,329	13,281
Austria	48,612	13,544	55,054	13,463
Mexico	41,601	11,694	25,564	6,943
Denmark	39,048	15,110	33,698	10,836
Finland	14,836	4,067	19,499	5,036
France	22,394	5,374	20,021	4,268
Brazil	7,451	3,454	11,789	4,037
Others	21,257	9,563	18,236	7,925
Total	1,654,842	534,232	1,437,218	426,552

Source: Korea Trade Statistics Promotion Institute

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)

PS&D

Meat, Swine	2019			2020			2021			
	Jan 2019			Jan 2020			Jan 2021			
	Market Begin Year	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Korea, Republic of										
Slaughter (Reference)	17825	18500	17825	18270	0	18330	17500	0	17683	
Beginning Stocks	180	251	180	225	0	225	252	0	201	
Production	1364	1415	1364	1400	0	1403	1340	0	1353	
Total Imports	694	680	694	570	0	554	635	0	635	
Total Supply	2238	2346	2238	2195	0	2182	2227	0	2189	
Total Exports	2	2	2	1	0	1	2	0	1	
Human Dom. Consumpt	2011	2000	2011	1942	0	1980	1980	0	1988	
Other Use, Losses	0	0	0	0	0	0	0	0	0	
Total Dom. Consumption	2011	2000	2011	1942	0	1980	1980	0	1988	
Ending Stocks	225	344	225	252	0	201	245	0	200	
Total Distribution	2238	2346	2238	2195	0	2182	2227	0	2189	

Attachments:

No Attachments