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Report Name: Fresh Deciduous Fruit Annual

Country: Korea - Republic of

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Report Category: Fresh Deciduous Fruit

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Report Highlights:

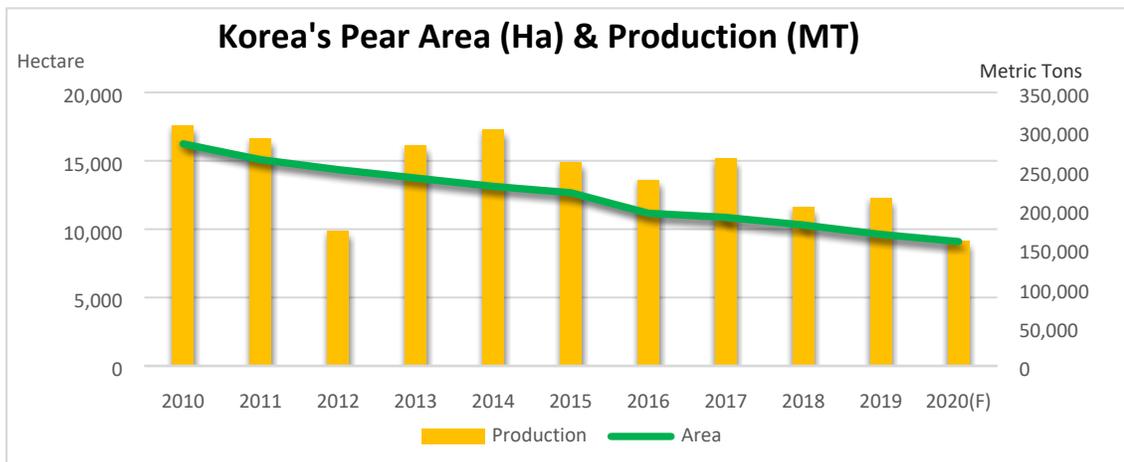
In marketing year (MY) 2020/21 (July-June), FAS Seoul projects Korea's pear production to decrease by 20 percent (to 160,000 MT) mainly due to reduced planted area and unfavorable weather conditions during the flowering and fruit growing seasons. MY 2020/21 fresh pear consumption is also projected to fall by 22.6 percent (to 133,000 MT) mainly due to reduced consumer demand for pears. Subtropical and tropical fruit production (competing directly with pears) continues to expand in Korea with the shifting climate, but remains limited to 164 hectares total, mostly in greenhouses.

Production

MY 2020/21, FAS Seoul projects Korea's pear production to decrease by 20 percent (to 160,000 MT) mainly due to reduced planted area and unfavorable weather conditions during the flowering and fruit growing seasons. As a result, yields (production per unit area: 0.1 ha) are also expected to decline by 17 percent. According to the fruit industry, fruit setting (paper bag count per tree) is much lower than the previous year and the ratio of non-marketable pears is expected to increase.

<Main Causes For Reduced Pear Production in MY 2020/21>

- 1) 5.4 percent (524 ha) reduction in pear planted area
- 2) Reduced quality pear production, with increased frequency of inferior pears due to unfavorable weather conditions (cold damage during flowering in April, long rainy summer moisture damage, and typhoon damage in September)
- 3) Increased pest and fruit disease (fire blight) pressure due to high temperatures and humidity after the longer rainy season
- 4) Lower sweetness level caused by a long rainy season
- 5) Increased number of apple and pear farms infected by fruit fire blight, up to 330 hectares (ha) as of September 18, 2020



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

As a result of high temperatures and humidity after the long summer rainy season, the Korean fruit industry anticipated higher pest and fruit diseases with physiological stress (heat damage, tainted fruit surface and granulation). Overall, it looks like there is diminished production of quality pears for the fruit that has been picked this year due to increased pest presence and fruit diseases.

Climate change and declining consumer preference for fresh pears in recent years has driven steady declines in production and planted area for the past decade. Per capita consumption plummeted from a high of 9.2 kg in 2008 to only 3.5 kg last year.

According to the Ministry of Agriculture Food and Rural Affairs (MAFRA), Korea's pear planted area decreased by 47.4 percent to 9,616 ha during the past 13 years (2008 – 2019), and the production also declined significantly (by 57.4 percent) to 200,732 MT from 470,743 MT in 2008. Meanwhile, apples (the other major domestic fruit) increased in planted area by 9.8 percent (to 32,954 ha) and production also increased by 13.7 percent (to 535,324 MT) during the same period because consumers increasingly view this fruit as a healthy option for daily consumption.

In 2019/20, Korea's fresh pear production decreased by one percent to 200,732 MT compared to MY 2018/19. Although pear planted area decreased by seven percent from the previous year, a 5.9 increase in yields balanced out the reduced area, resulting in only a slight drop in production.

Pear Planted Area

In MY 2019/20, Korea's pear planted area is projected to have decreased about 5.4 percent to 9,091 ha. As FAS Seoul reported in previous GAIN reports, Korea's pear planted area has steadily decreased due to the following trends:

- 1) Rapid increase in the number of elderly farmers
- 2) Rapid urbanization of pear farming areas surrounding cities
- 3) Farmers shifting to more profitable and less labor-intensive crops
- 4) Increased pear planted area affected by fire blight disease since 2015

Since 2011, Korea's pear farming area has decreased by 40 percent (to 9,091 ha). Overall reduction in planted area was evenly distributed across the main production areas. In recent years, Korean farmers reduced their planting of traditional domestic fruits such as apple and pears while increasingly shifting to new subtropical or tropical fruits in greenhouses (such as mangoes).

Of the total pear planted area in 2019/20, Jeonllanam province was the largest production area (23 percent) followed by Chungcheongnam province with 21 percent, Gyeonggi province with 20 percent, and 12 percent for Gyeongsangbuk province. The remaining 20 percent of pear production is evenly spread among the other provinces.

Korea's Pear Planted Area by Province (Unit: Hectare)				
Province	MY 2011/12	MY 2019/20	MY 2020/21	Change (%)
	Cultivated Area (ha)	Cultivated Area (ha)	Cultivated Area (ha)	
Gyeonggi	2,991	1,908	1,921	0.68
Chungcheongbuk	647	362	315	-12.9
Chungcheongnam	2,668	2,012	1,956	-2.8
Gyeongsangbuk	1,849	1,165	1,081	-7.2
Gyeongsangnam	1,203	435	303	-30.3
Jeollanam	3,672	2,230	2,143	-3.9
Jeonllabuk	681	537	532	-0.9
Other Provinces	1,370	966	840	-13
Total	15,081	9,615	9,091	-5.4

Source: Korea Statistics

In 2020/21, Korea's pear planted area is projected to decrease by 5.4 percent (to 9,091 ha). Pear planted acreage in some of the main pear production areas is expected to decline this season as follows:

3.9 percent reduction in Jeonllanam province,
2.8 percent in Chungcheongnam province, and
7.2 percent in Gyeongsangbuk province.

Subtropical Weather and Reduced Pear Production

Korean Rural Development Administration (RDA) data shows that as of February 2020, Korean subtropical and tropical fruit production was spread across about 528 farms with 164 ha total, mostly in greenhouses and some in open fields. Mangoes cover 62 ha, accounting for 30 percent of total subtropical and tropical fruit area. Subtropical and tropical fruit production is expected to grow steadily on the Korean peninsula as the weather conditions shift to a more distinct subtropical climate in the near future.

As a result of this shift over the past decade, the 2020 pear flowering season also started five to seven days earlier than average. However, the sudden cold snap in early April damaged fruit flower blooming this year.

Due to strong consumer preference (size, shape, and taste) and longer shelf life than other cultivars, "Singo" pears remain the most widely cultivated by Korean pear growers.

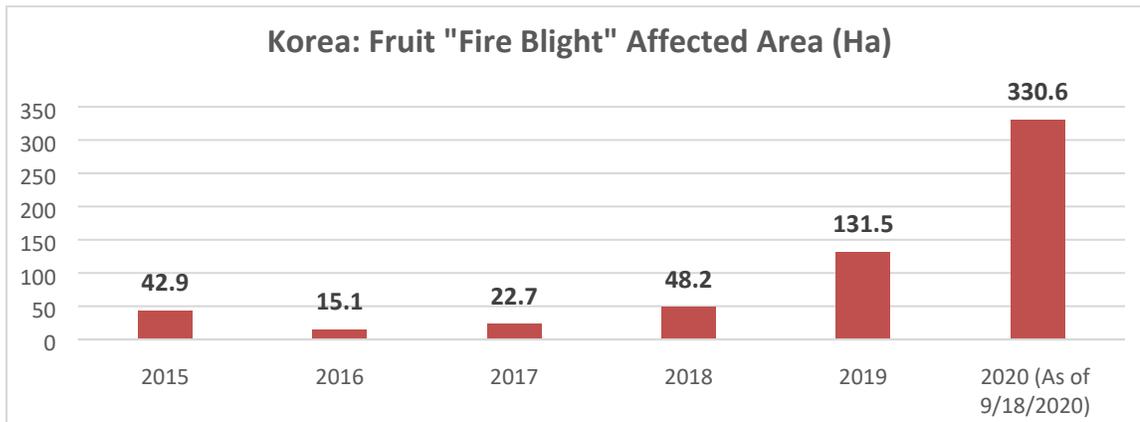
Korea's Pear Planted Area by Cultivars (Unit: Hectare)				
Calendar Year	Singo	Wonhwang	Other	Total
2013	11,396	819	1,525	13,740
2014	10,891	776	1,460	13,127
2015	10,544	732	1,388	12,664
2016	9,429	646	1,269	11,164

2017	9,426	525	949	10,861
2018	8,902	484	917	10,303
2019	8,250	461	904	9,615

Source: Statistics Korea

Fruit Fire Blight Disease

Fire blight was first detected in Korea on a pear farm in Anseong, Gyeonggi province in 2015. Since then, fire blight has been detected on apple and pear farms in several other areas, including Choongcheong and Gangwon provinces. Fire blight is a bacterial disease found in a type of rose plant that also severely affects apple and pear trees, causing them to dry up and die. Many pear and apple farms have been infected by fire blight since 2015, and the farm area impacted has also increased rapidly from 2019 (131.5 ha) to 330.6 ha as of September 18, 2020. As a result, the reduction of pear planted area is expected to accelerate in the coming years.



Source: Korea Rural Development Administration (KRDA)

Consumption

In MY 2020/21, Korea's fresh pear consumption is projected to fall by 22.6 percent (to 133,000 MT), mainly due to reduced consumer demand for pears. Korea's 2020/21 per capita pear consumption is projected to decrease to 3.1 kg following an expected 20 percent drop in domestic supply. Korean consumers have a growing number of quality fruit options to choose from other than pears, so per capita pear consumption will decrease continuously but slowly in the coming years.

More than 50 percent of fresh pears are consumed during the two traditional Korean holidays (the Lunar New Year and Chuseok) for gift-giving or as ancestral rite fruit. However, the trend towards individualism in Korean society and young consumers' demand for unique, exotic, and convenient fruits is reducing overall consumption.

As the Korean pear is too big to eat in one sitting (compared to other daily fruits such as apple, tangerine, strawberry, or bananas) and somewhat challenging to peel, pears are less attractive to young consumers who are strongly driven by convenience.

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 (%)
2016/17	31,703	-	43,125	-
2017/18	29,889	-6	40,848	-5
2018/19	35,539	19	46,714	14
2019/20	34,695	-2.4	49,341	5.6

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

MY 2020/21 consumer pear prices are forecast to increase by 10 to 15 percent as domestic production is expected to decrease by 20 percent, with an additional drop in high-quality fruit supply.

For Processing

As a result of expected reduced pear production and increased market prices, pear use for processing will drop this season. FAS Seoul forecasts 4,500 MT (2.8 percent of total production) of fresh pears will be used for processing, mainly for juice.

Trade

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

Export

Korea's MY 2020/21 fresh pear exports are projected to decrease to 29,000 MT, down about 6.5 percent from the previous year due to reduced fruit quality caused by unfavorable weather conditions. Taiwan and the U.S. will be the main buyers for Korean fresh pears in this marketing year. Korean fresh pears (mostly "Singo" variety) in the U.S. market are mostly purchased by retailers that cater to Asian-origin consumers and particularly those who are Korean- American, although there has been some gradual expansion to Hispanic markets in recent years. However, it is worth noting that there is increased competition from improved quality Chinese fresh pears with which Korean pears will have to contend in foreign markets.

In MY2019/20, Korea exported 31,019 MT of fresh pears, up 14.8 percent from the previous marketing year due to increased demand in Taiwan which imported 11,437 MT.

Production, Supply, and Distribution for Fresh Pears

Pears, Fresh Market Year Begins Korea, Republic of	2018/2019		2019/2020		2020/2021	
	Jul 2018		Jul 2019		Jul 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	10303	10303	9615	9615	0	9091
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)	203166	203166	210000	200732	0	160000
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	203166	203166	210000	200732	0	160000
Imports (MT)	0	0	0	0	0	0
Total Supply (MT)	203166	203166	210000	200732	0	160000
Domestic Consumption (MT)	176166	176137	180000	169713	0	133000
Exports (MT)	27000	27029	30000	31019	0	27000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	203166	203166	210000	200732	0	160000
(HA) ,(1000 TREES) ,(MT)						

Production

Korea: Pears Production Situation 1/

Year	Area (Ha)	Production (MT)	Yield (Kg/0.1 Hectare)
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	9,615	200,732	2,088
2020 2/	9,091	160,000	1,733

1/ Calendar year basis

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

Source: Korea Statistical Information Service (KOSIS)

Korea: Pear Utilization (Unit: MT) 1/

Year	Total	Fresh	Export	Processing
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	203,166	166,141	32,925	4,100
2019 2/	200,732	N/A	30,710	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 (%)
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
2019	2,204	201	9.1

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
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
2019	56.6	10.3	3.3	4.1	4.5	1.8	12.1	20.6

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
'20	2,626	1,525	1,231	567	195	12	28	1,251	-	-	-	-
'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
'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

Source: Korea Customs Service & Korea International Trade Association

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

Month	2018	2019	2020
Jan.	1066.70	1122.00	1164.28
Feb.	1079.58	1122.45	1193.79
Mar.	1071.89	1130.72	1220.09
Apr.	1067.76	1140.95	1225.23
May	1076.39	1183.29	1228.67
Jun.	1092.80	1175.62	1210.01
Jul.	1122.80	1175.31	1198.90
Aug.	1121.15	1208.98	1186.85
Sep.	1120.60	1197.55	-
Oct.	1130.81	1184.13	-
Nov.	1128.58	1167.45	-
Dec.	1122.90	1175.84	-

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 2017/18 (July 2017 – June 2018)		MY 2018/19 (July 2018 – June 2019)		MY 2019/20 (July 2019 – June 2020)	
Country	Volume	Value	Volume	Value	Volume	Value
U.S.	11,487	32,955	11,320	33,629	10,934	33,692
Taiwan	9,713	21,151	6,740	17,554	11,437	29,404
Hong Kong	732	1,509	607	1,381	510	1,224
Vietnam	7,741	14,002	6,779	14,018	6,208	13,528
All Others	1,984	5,126	1,579	4,468	1,930	5,396
Grand Total	31,657	74,743	27,029	71,050	31,019	83,244

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 2019	CY 2020	CY 2019	CY 2020
Jan.	37,606	32,031	23,849	20,454
Feb.	38,836	31,611	25,816	21,112
Mar.	38,703	32,943	25,848	20,346
Apr.	38,805	32,460	26,597	19,973
May	39,812	32,879	29,062	19,983
Jun.	41,595	33,506	29,143	21,368
Jul.	44,897	34,815	32,481	22,882
Aug.	45,619	35,634	34,324	22,919
Sep.	35,458	34,796	23,840	26,121
Oct.	32,694	-	19,680	-
Nov.	30,898	-	19,716	-
Dec.	31,343	-	19,911	-

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 2019	CY 2020	CY 2019	CY 2020
Jan.	3,455	2,895	3,102	2,441
Feb.	3,374	3,005	3,018	2,547
Mar.	3,395	3,017	3,047	2,641
Apr.	3,332	3,155	2,985	2,709
May	3,534	3,660	3,159	3,137
Jun.	3,859	3,768	3,467	3,259
Jul.	4,402	3,846	4,002	3,298
Aug.	4,871	3,771	4,385	3,235
Sep.	2,667	4,320	2,311	3,969
Oct.	2,380	-	2,034	-
Nov.	2,724	-	2,300	-
Dec.	2,929	-	2,493	-

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

Attachments:

No Attachments