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Pear Annual

Report Categories:

Fresh Deciduous Fruit

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Report Highlights:

Welcome to FAS/Seoul's first annual pear report. Korea, a producer of mainly the "Singo" variety, is a major exporter to the United States accounting for a total of 9,700 metric tons (MT) in MY 2014/15 under the supervision of an APHIS preclearance program. Worldwide, Korea exported approximately 23,300 tons in MY2014/15 of which 10,400 went to the Taiwanese market. Korea's total production is forecast at 259,000 MT in MY 2015/16, down 14 percent from 302,700 MT in MY 2014/15.

Production

In Marketing Year (MY) 2015/16 (July - June), Korea's fresh pear production is expected to decrease by 14 percent to 259,000 metric tons (MT) from 302,731 MT in MY 2014/15, mainly due to effects of drought during the fruit growing season and a continual decline in planted area. Meanwhile, the Brix level for this year's fruit is expected to be higher than the previous year as a result of ample sunshine during the harvest season.

Severe drought in Gyeonggi-do and Chungcheongnam-do provinces caused poor fruit growth in MY 2015/16. Additionally, an outbreak of "Pear Scab" disease and the frequency of insect pest outbreaks increased during the current crop year compared to the previous year. As a result, the quantity of non-marketable pears is expected to increase in MY 2015/16, while the quantity for processing is forecast to increase by 7.8 percent to 6,500 MT.

In MY 2014/15, Korea produced 303,000 MT of fresh pear, a seven percent increase from the previous crop year due to favorable weather conditions, a higher yield rate, and increased production of large size fruits, despite decreased planted area and cold damage during the flowering season.

Table 1

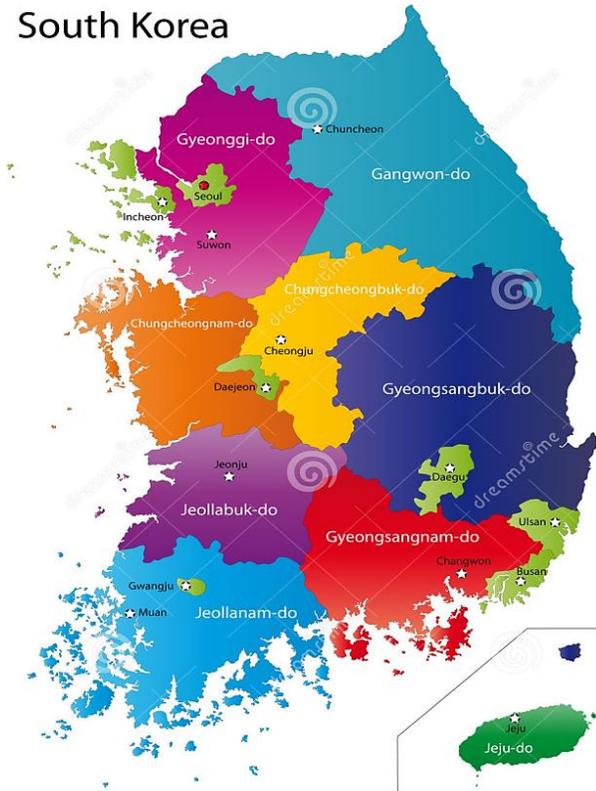
Korea's Pear Production Pattern and Distribution Season	
Month	Season and Activity
April	Flowering and Pollination
May through Early August	Fruit growing period
Mid-August through Early November	Harvest
November – July	Distribution & Storage period

Source: Korea Rural Economic Institute (KREI)

Planted area

Korea's pear planted area has decreased continuously since MY 2009/10, from 26,206 hectares (Ha) to 13,127 Ha in MY 2013/14, due to rapid urban development and aging among residents in rural communities. In MY 2015/16, the declining trend for planted area is expected to continue and is forecast at 12,664 Ha, down 3.5 percent from the previous marketing year.

South Korea



Most Korean fresh pears are produced in four different provinces: Jeollanam-do, Gyeonggi-do, Chungcheongnam-do and Gyeongsangbuk-do provinces accounting for 76 percent of the total share in 2014.

Table 2

Source: Korea Statistical Information Service (KOSIS)

Korea's Pear Area by Province (Unit: Hectare)			
Province	MY 2012/13	MY 2013/14	MY 2014/15
	Cultivated Area (Ha)	Cultivated Area (Ha)	Cultivated Area (Ha)
Jeollanam-do	3,638	3,602	3,457
Gyeonggi-do	2,911	2,703	2,577
Chungcheongnam-do	2,542	2,382	2,389
Gyeongsangbuk-do	1,789	1,748	1,536
Other Provinces	3,473	3,305	3,168
Total	14,353	13,740	13,127

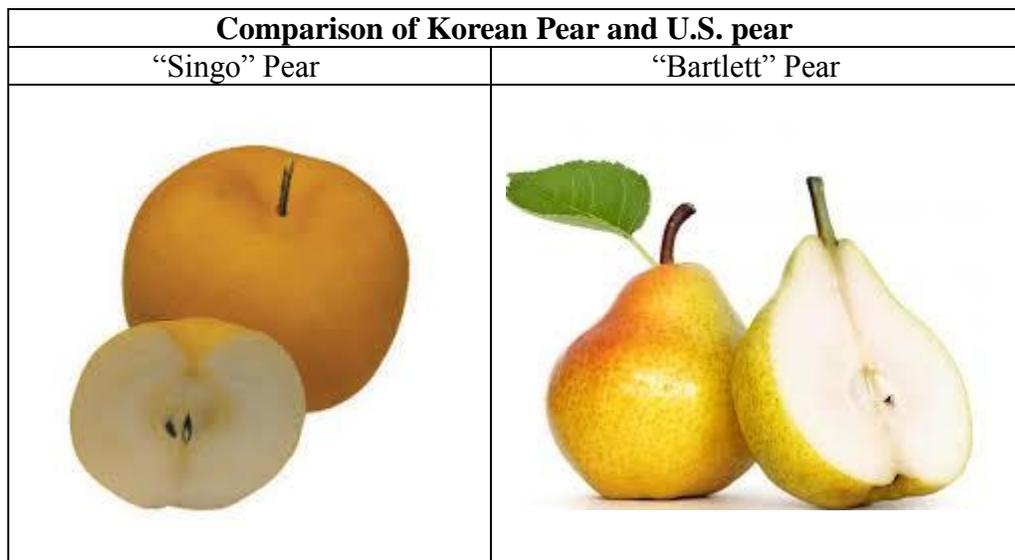
Korea a mainly produces two pear cultivars called

“Singo” with 83 percent, and “Wonhwang” with six percent share in 2014. Korean fresh pear is also known by many names, including: Asian pear, Chinese pear, Korean pear (Singo), Japanese pear (Nitaka), Japanese Apple Pear, Taiwanese pear, and sand pear.

Table 3

Korea's Pear Planted Area By Cultivars (Unit: Hectare)				
	Singo	Wonhwang	Other	Total
Calendar Year				
2007	18,022	1,215	3,326	22,563
2011	12,445	907	1,729	15,081
2012	11,866	855	1,632	14,353
2013	11,396	819	1,525	13,740
2014	10,891	776	1,460	13,127

Source: Korea Statistical Information Service (KOSIS)



Consumption

In MY 2015/16, pear consumption is expected to decrease by about 16 percent to 230,500 MT from 273,369 MT in MY 2014/15 mainly due to reduced supply and production, and drought damage during the fruit growing season.

Korea's per capita consumption for fresh pear, which recorded 9.2 kg in 2008, has decreased to 5.2 kg in 2013 mainly due to reduced domestic production, but increased slightly to 5.5 kg in 2014 helped by increased production. In 2014, per capita fruit consumption was led by citrus (including imported oranges) with 14.3 kg, followed by apple, grape, and pear.

Table 4

Korea: Per Capita Fruit Consumption (Unit: Kg)

Year	Total Fruits	Pear	Apple	Grape	Citrus 1/	Persimmon	Peach	Other
2005	62.7	8.7	7.5	8.2	13.1	4.8	4.6	13.2
2010	62.4	5.8	9.3	6.9	12.5	3.6	2.8	21.5
2011	62.4	5.5	7.6	6.3	13.6	3.3	3.7	22.4
2012	61.8	3.1	7.9	6.6	13.8	3.3	4	23.1
2013	63.2	5.2	9.8	6.3	13.5	3	3.8	21.4
2014	66.5	5.5	9.4	6.5	14.3	3.7	4.2	22.9

1/Including imported oranges

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

In general, almost 40 percent of fresh pears are marketed during two traditional Korean holidays: “Chuseok” (Korean Thanksgiving Day in September or October) and “Seol-Nal” (Lunar New Year’s Day in January or February). In particular, more than 20 percent of pears are marketed as gifts during the two weeks preceding the “Chuseok” holiday. As they are marketed as gifts or for use in traditional ancestral rites tables, large size fruits are preferred by Korean consumers. The Korean pear industry classifies large size pear as weighing between 700 to 800 grams each, while less than 700 grams is classified as medium size. Large size pears are generally marketed as 10 fruits per box (about 7.5kg) and used mainly on ancestral rites tables during the holidays. In contrast, medium size pears are consumed at home during the rest of the year and are preferred by overseas markets as well.

Most Korean pears are consumed fresh around 250,000 MT annually, while about 7,500 MT are used in processing. The quantity for processing is not influenced by supply or domestic production, but is influenced by the amount of non-marketable fruits each year. For example, the volume for processing increased in 2012 due to typhoon damage. Non-marketable fresh pears are mainly used to produce heated pear juice for use as a health food and some fruit juice products.

Trade

Export

In MY 2015/16, Korean fresh pear exports are expected to decrease by nearly 6 percent to 22,000 MT from 23,336 MT in MY 2014/15 due to lower production of marketable fruits for export as a result of damage from plant diseases and pests during the fruit growing period. In addition, the Korean pear industry predicts that competition with Chinese “Singo” will be strong in the U.S. market during MY 2015/16.

In general, Korea exports fresh pears accounting for five to nine percent of annual production, and most Korean fresh pears are exported to the U.S. and Taiwan markets with relatively higher export unit prices compared to other countries.

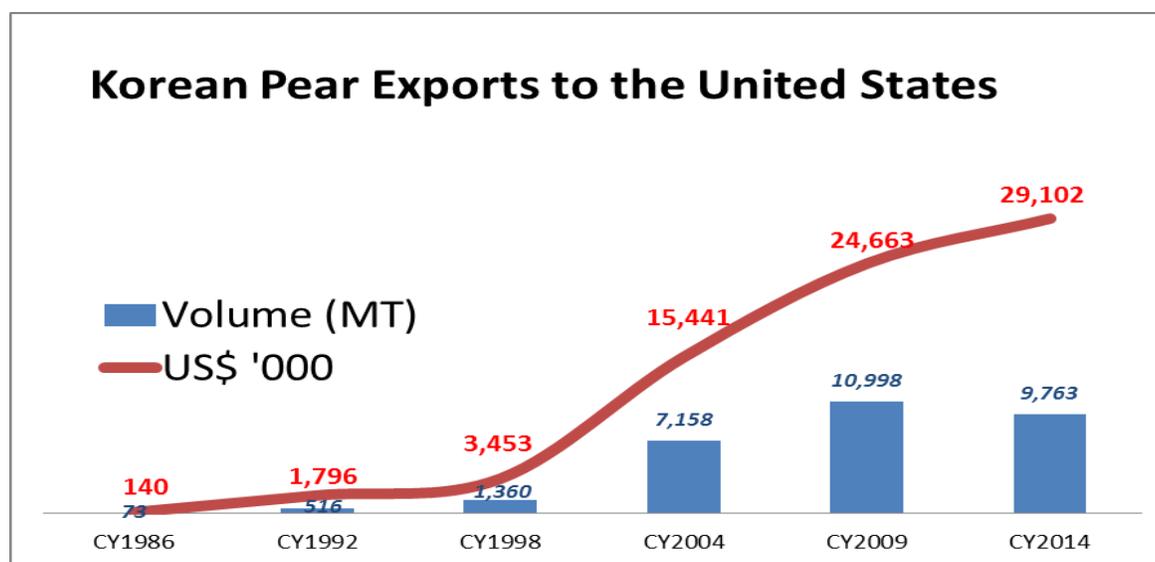
Korea’s fresh pear exports have shown steady increase for the past several years except for 2011 and 2012 as a result of reduced domestic production due to unfavorable weather conditions. The United States and Taiwan are the major importing countries of Korean fresh pears, accounting for over 90

percent of annual exports. Although China, new to the U.S. market as of 2013, will compete with Korea, the Korean industry estimates that the quality of Chinese pears is inferior to Korean pears.

Although the export volume has been stagnant recently, the export value continues to increase as the export unit price continues to rise with higher quality. The export unit price has increased continuously from US\$ 1.96 per kilogram in 2000, to US\$ 2.46/kg in 2007 and US\$ 2.68/kg in 2014.

Korean Pear Preclearance Program by USDA-APHIS

The Korean pear preclearance program has been running for three decades. The first export of 73 tons occurred in 1986 from one export complex. Currently, there are 13 export complexes throughout the country covered by APHIS inspectors, typically between August and December. The total quantity of pears exported to the U.S. in 2014 amounted to 9,700 tons.



Source: aT Kati, Cheonan Cooperative

Import

No fresh pear imports are allowed under Korea's phytosanitary regulations.

Production

Korea: Pears Production Situation 1/

Year	Area (HA)	Production (MT)	Yield (Kg/Acre)
2000	26,206	324,166	1,237
2005	21,735	443,265	2,033
2010	16,239	307,320	1,896
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 2/	12,664	259,000	2,200

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
2010	307,320	276,235	23,048	8,037
2011	290,494	264,994	17,996	7,504
2012	172,599	142,695	15,677	14,227
2013	282,212	254,443	20,210	7,559
2014	302,731	273,609	23,096	6,026
2015 2/	259,000	229,500	23,000	6,500

1/ Calendar year basis

2/ Preliminary forecast by 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 (%)
2000	2,249	324	14.4
2005	2,593	443	17.1
2010	2,489	307	12.3
2011	2,458	290	11.8
2012	2,374	173	7.3
2013	2,523	282	11.2
2014	2,697	303	11.2

Source: Korea Statistical Information Service (KOSIS)

Korea: Per Capita Fruits Consumption (Unit: Kg)

Year	Total Fruits	Pears	Apple	Grape	Citrus 1/	Persimmon	Peach	Other
2005	62.7	8.7	7.5	8.2	13.1	4.8	4.6	13.2

2010	62.4	5.8	9.3	6.9	12.5	3.6	2.8	21.5
2011	62.4	5.5	7.6	6.3	13.6	3.3	3.7	22.4
2012	61.8	3.1	7.9	6.6	13.8	3.3	4	23.1
2013	63.2	5.2	9.8	6.3	13.5	3	3.8	21.4
2014	66.5	5.5	9.4	6.5	14.3	3.7	4.2	22.9

1/Including imported oranges

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
'15	3,219	686	1,627	322	148	64	68	1,977	2,379	4,707		
'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
'12	1,125	672	1,226	359	41	25	0	1,647	1,792	3,240	3,343	2,208

Source: Korea Customs Service & Korea International Trade Association

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

Month	Year 2013	Year 2014	Year 2015
Jan.	1065.35	1064.75	1088.86
Feb.	1086.68	1071.30	1098.40
Mar.	1102.20	1070.89	1112.57
Apr.	1121.83	1044.55	1088.66
May	1110.67	1024.99	1091.27
Jun.	1135.21	1019.36	1112.20
Jul.	1127.23	1019.93	1143.22
Aug.	1116.98	1025.36	1179.10
Sep.	1087.35	1033.24	1184.76
Oct.	1066.80	1060.28	1148.18
Nov.	1062.82	1095.10	-
Dec.	1056.67	1104.33	-

Source: Industrial Bank of Korea

Trade Matrix

Export Matrix for Korean "Singo" Pears (Sand Pears)

Export Trade Matrix						
Country: Korea						
Commodity: Commodity: Fresh Pears (HS 0808.30) Unit: MT & US\$1,000						
Exports to	MY 2012/13 (July 12 – June 13)		MY 2013/14 (July 13 – June 14)		MY 2014/15 (July 14 – June 15)	
Country	Volume	Value	Volume	Value	Volume	Value
U.S.	6,890	23,104	9,734	27,619	9,725	29,325
Taiwan	5,792	19,583	12,586	32,080	10,367	25,431
Hong Kong	194	380	467	921	610	1,231
Vietnam	33	67	310	473	927	1,752

All Others	787	2,553	1,383	3,710	1,707	4,498
Grand Total	13,696	45,686	24,480	64,802	23,336	62,236

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 2014	CY 2015	CY 2014	CY 2015
Jan.	31,824	29,471	22,807	19,351
Feb.	32,280	31,509	24,146	21,143
Mar.	33,796	30,861	24,009	19,152
Apr.	34,904	28,838	23,332	18,790
May	35,843	29,691	24,616	18,711
Jun.	36,495	30,191	29,002	18,671
Jul.	39,907	29,428	30,945	18,166
Aug.	37,414	27,931	31,203	19,411
Sep.	30,033	27,329	20,277	19,806
Oct.	26,866	27,981	17,760	18,905
Nov.	27,256	-	16,494	-
Dec.	28,742	-	18,795	-

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 2014	CY 2015	CY 2014	CY 2015
Jan.	3,107	2,345	2,516	1,941
Feb.	3,139	2,413	2,490	1,958
Mar.	2,982	2,606	2,356	2,173
Apr.	3,008	2,687	2,382	2,238
May	3,299	2,727	2,669	2,248
Jun.	3,961	2,676	3,288	2,165
Jul.	5,349	2,640	4,588	2,133
Aug.	5,200	2,370	4,422	1,907
Sep.	2,589	2,463	2,063	2,024
Oct.	1,893	2,641	1,533	2,159
Nov.	2,015	-	1,647	-
Dec.	2,253	-	1,867	-

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

