CALIFORNIA KIWIFRUIT COMMISSION
BI- WEEKLY REPORT
SOUTH KOREA

~ February 7th, 2010

1. IMPORT, WHOLESALE AND RETAIL ATTITUDE

The nation's consumer prices grew at the fastest pace in mine months in January. Statistics Korea said that the consumer price index rose three-point-one percent last month from a year ago. The index remained in the two percent range since May of last year, but reached the three percent level for the first time in nine months. Oil prices jumped over 18 percent from a year ago, sending consumer prices higher. Prices of farm and fishery products also posted a significant price rise. An official said that the season's cold spell and heavy snow hurt the supply of vegetables and drove up prices, largely contributing to a hike in overall consumer prices.

The Agriculture Ministry will strengthen quarantine measures on the borders and within the country in March. The new measures require persons traveling to Korea from China and other high-risk countries to undergo disinfection and inspection procedures at least twice. All persons entering via air and sea ports must walk across disinfectant boards. In addition, travelers from 14 countries labeled as high-risk for foot-and-mouth disease will go through stricter inspections for meat products. About 38-hundred control units and 29-hundred inspectors will conduct regular inspections every week. Foot-and-mouth disease, also called "hoof-and-mouth" disease, is highly contagious fatal to cattle and pigs. While people do not get sick from it, they can spread the disease. Due to an outbreak in 2000 and 2002, Korea suffered damages of about 450 billion won, or 470 million dollars.

Domestic industries and economic activities seem to be little affected by H1N1 influenza since December last year. Statistics Korea said that service sector output at theme parks and other entertainment centers posted year-on-year growth of 7.8% in December 2009. The figure had dropped 9.3% in October and 9.7% in November last year. Revenue at hospitals grew 15% and that at clinics went up 8% last year to growing public awareness of personal hygiene.

Import

Most importers are handling Chilean grapes, Philippine banana as their main items and

looking for new favorable items to import between March and May before cherry season begins. As fruits from Australia are available to import and its shipping volume is pretty much, more and more traders are looking for new suppliers of kiwifruit, cherry and mango from Australia.

There are pretty good responses from traders regarding the newsletter we sent and they show still a lot of interests in California kiwifruit import.

The trade for Chilean grape is started from the last week of January and its freshness and quality is quite good as it is the first shipping volume. Importers plan to ship Chilean grapes continuously until June.

And besides, US lemon, US grapefruit and Sweetie from Israel is also available in the market.

Wholesale

Regarding the imported fruit, there are Chilean grapes, US pomegranate, Philippine banana, US orange (Sunkist and Navel), US grapefruit, sweetie from Israel, New Zealand cherry and kiwifruit in the wholesale market now.

These prices are pretty high especially for high quality products for gift because of coming Lunar New Year and this price range is set up since January 30th. The trading tends to be active and most products are 10~30% more expensive than that in 2009.

The quality of New Zealand kiwifruit is not so good because its season is almost ended however its price is still high which is 26,000~33,500won for 10kg due to the Lunar New Year holiday. It seems that most stored volume would be sold out by the Lunar New Year.

The purchasing price of Chilean grapes which are newly handled is 58,000 for 8kg. The quality is very good and most wholesalers plan to continuously increase their purchasing volume upon the sales.

And besides, orange and lemon from the US, Philippine banana, New Zealand cherry are kept being purchased and the best quality products are mainly handled for the gift item for Lunar New Year. The price of Navel orange is 22,000~45,000won for 18kg, Philippine banana is 5,000~23,000won for 13kg, US lemon is 35,000~45,000won for 18kg and US pomegranate is 22,000~28,000won.

For local fruits, green and gold kiwifruits, tangerine, Hanrabong, strawberry, apple, pear

and persimmon are available in the market and the best quality products are actively traded as a gift. The price of green kiwifruit from Jeju Island is 25,000~33,000won for 10kg box.

The Hanrabong is pretty much popular as a gift item and its price rage seem to be kept after Lunar New Year as the quality of imported orange is not quite good enough. Its current price is about 23,000won for 5kg.

Among local fruits, the fastest price increase has been seen with apples and pears which price is over 20% increased as compared with that in 2009 due to the use of these fruits for gifts at this time of year. The price of apple is 30,000~40,000won for 5kg and 20,000~25,000won for 7.5kg of pear which is based upon the highest quality products.

As the quality of tangerine is not its best, the price is lowered year-on-year so the current price is 6,000~30,000won for 10kg. Its stored volume is forecasted to be sold out within February. As the season of tangerine is over, wholesalers plan to purchase more U.S. orange and Chilean grapes after the Lunar New Year.

Retail

There are some New Zealand green/gold kiwifruit and a little more Jeju green/gold kiwifruit in retail market. 1+1 (buy one get one free) sale promotion is continued and as the stock is decreased, less products with small portion are only displayed. From February there are gift box package also displayed. These are 19,800won for 32 berries of Organic Jeju green kiwifruit, 19,800won for 3kg of New Zealand organic Zespri green kiwifruit.

Even the taste and quality of local kiwifruit is better than New Zealand product, the price of New Zealand kiwifruit it higher than local one. The price of New Zealand green kiwifruit is 498~1400won per a berry, 665~1,500won for New Zealand gold one, 398~1,200won for local green kiwifruit, and 650~1,450won for local gold one.

The high volume items in retail markets are US orange and Philippine banana.
As the stock is clearing out of the wholesale markets, the retail volume of US pomegranate is almost gone. The price of Chilean seedless grape is 977~1,300won for 100gram, Sweetie from Israel is 1,220~1,500won, US grapefruit is 1,400~2,000won, US orange is 1,190~1,700won, a bunch of banana is 1,900~3,000won, and US pomegranate is 2,450~4,000won per piece.

The most common local fruit items are tangerine, strawberry, apple, pear, green and gold kiwifruit and persimmon.

As the tangerine season is almost closed, its quality and sugar content is not very good and its stock will be gone by February. After February, local fruits are not its main stream so more retailers plan to focus on Chilean grapes, US orange and Philippine banana.

The sale volume of gift set for Lunar New Year is almost 20% increased year-on-year. Every hypermarket prepares unique and special gift sets with different price range.

2. KIWIFRUIT COMPETITION AND PRICE DATA

ORIGIN	WHOLESALE PRICE	RETAIL PRICE	CONDITION AT RETAIL
California	N/A	N/A	N/A
Local	Gold kiwifruit $ 2.96 ~ 4.85/kg Green kiwifruit $ 2.18 ~ 2.87/kg	Gold kiwifruit $ 0.57 ~ 1.26 /piece Green kiwifruit $ 0.35 ~ 1.04 /piece	Small ~ Medium in size Sweet with watery taste Soft outside
New Zealand	Green kiwifruit 2.26~ 2.92/kg	Green kiwifruit $ 0.43 ~ 1.22/piece	Medium ~ Large in size High in sugar with watery taste Soft and dried skin
Chile	N/A	N/A	N/A

3. FRUIT RETAIL PRICE

Exchange Rate US$ = 1,148.55

FRUIT	ORIGIN	UNIT	PRICE
Banana	Philippine	100g	$0.17 ~ $0.42
Grape	Chile	100g	$0.85 ~ $1.13
Apple	Local	Piece	$0.56 ~ $5.20
Pineapple	Philippine	Piece	$3.02 ~ $5.12

Tangerine	Local	100g	$0.13 ~ $0.57
Persimmon	Local	Piece	$0.42 ~ $0.88
Melon	Local	Piece	$4.91 ~ $17.48
Tomato	Local	100g	$0.25 ~ $0.76
Lemon	USA	Piece	$0.55 ~ $1.71
Orange	South Africa	Piece	$1.04 ~ $1.74
Orange	USA	Piece	$1.04 ~ $1.48
Grapefruit	USA	Piece	$1.22 ~ $1.74
Sweetie	Israel	Piece	$1.06 ~ $1.31
Pear	Local	Piece	$0.65 ~ $7.16
Pomegranate	USA	Piece	$2.04 ~ $4.47
Strawberry	Local	Pack	$4.57 ~ $10.20

4. ACTIVITY CONDUCTED IN JANUARY 2010

Importer (company name, pic name, title, contact number)

Fruit Bank – Dae-Ho Jeong, Manager, 82 10 2394 0957

Shinsegae Food – Jin-Seok Choi, Chief, 82 2 3397 6212

Global Trading – Seong-Jin Lee, Manager, 82 2 408 0193

Lee's Marketing – Yong-Jin Lee, President, 82 16 246 5609

Jinwon Trading – Jun-Hong Choi, General Manager, 82 2 715 0711

FM Marketing - Kweon-Ho Lee, Sales & Marketing Director, 82 2 3413 3116

Geosang International - Kwang-Woong Lee, Director, 82 2 403 7640

E Mart - Jong-Yeol Lee, , Assistant Manager, 82 2 380 5714

Wholesaler (company name, pic name, title, contact number)

Seoul Sanghoi – Sa-Chae, Choi, President, 82 2 430 5364

Karak Tongsang – Doo-Huee, Lee, President, 82 11 540 1628

Hyundai Fresh – Moon-Joon Suh, President, 82 10 9472 4195

Korea Marketing – Jeong-Jae, Lee, Assistant Manager, 82 2 3435 4700

B.L International Sanghoi - Sa-Chae Choi, President, 82 2 430 5364

Retailer (company name, pic name, title, contact number)

E-Mart, Head Office – Gyu-Cheon Han, Manager, 82 2 380 5324

E-Mart, Head Office - Hyea-Sung Baik, Product Manager 82 2 380 5712

E-Mart, Eungam – Ki-Up Park, Fresh Section Assistant Manager, 82 2 380 5430

E-Mart, Chunho– Tae-Hwan Choi, Fresh Section MD, 82 2 2224 1316

E-Mart, Sung-Su, Sung-Ju Park, Fresh Section MD, 82 2 3408 1217

E-Mart, Yongsan, Kyung-Su Yoon, Fresh Section Assistant Manager, 82 2 2012 1210

E-mart, InCheon, Jun-Woo Park, Fresh Section MD, 82 32 430 1898

Costco, Head Office – Mi-Jung Lee, Buyer, 82 2 2630 2637

Lotte Super, Head Office – Jin-Wook Ko, Manager, 82 2 2290 5197

Lotte Department Store, Head Office – Chang-Mo Yeon, Genaral Manager,

Lotte Mart, Head Office – Seok-Won Kim, Manager, 82 2 411 8621

Lotte Mart, Junggye – Tae-Hong Kim, Fresh Section Chief, 82 11 9035 7802

Lotte Department Store, Gangnam – Maeng-Seok Oh, Fresh Section Manager, 82 10 8721 6522

Hyundai Department Store, Apgujeong, Dae-Hyeon Jo, Fresh Section Assistant Manager, 82 2 3467 6036

Kim's Club, Gangnam – Jae-Yong Kim, Fresh Section Chief, 82 10 3662 2737

Kim's Club, Bundang – Dong-In Gang, Fresh Section Chief, 82 10 2557 5729

Hyundai Department Store, Head Office – Heui-Soo Sohn, Assistant Manager, 82 2 3416 5609

Lotte Mart, Youngdeungpo – You-Il Jo, Fresh Section Chief, 82 11 234 1576

Samsung Tesco Homeplus, Head Office – Yang-Sik Kim, Assistant Manager, 82 2 3459 8146

Samsung Tesco Homeplus, Worldcup Stadium – Jin-Seong Na, Fresh Section Manager, 82 17 356 3865

5. ACTIVITY TO BE CONDUCTED

Contact importers to discuss import volume of New Zealand kiwifruit, sales amount and forecasted shipping volume of California kiwifruit.
Contact retailers to discuss the best selling items, the average price and the preference of consumers, any specific changes of the number of visitors.