Korea - Republic of

Poultry and Products Annual

2015 Annual

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Ross Kreamer

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Report Highlights:
In Marketing Year (MY) 2016, chicken production is forecast to increase slightly by two percent to 848,000 MT from 832,000 MT in MY 2015, due to higher parent stock (PS) and broiler inventories throughout MY 2015, and expected increased demand during the summer 2016 Olympic Games. Chicken imports are projected to increase slightly to 110,000 MT in MY 2015. Competition among domestic producers for increased market share has reduced farm prices and presents obstacles to the local industry. Brazil is expected to be the major supplier of frozen chicken to this market in MY 2016, due to suspension of U.S. chicken imports resulting from the HPAI outbreak in the United States. Increased unit prices due to the weakened Korean won versus the U.S. dollar, and lower farm prices for domestic chicken, are expected to dampen demand for imported chicken.
Commodities:
Poultry, Meat, Broiler

Production:
In Marketing Year (MY) 2016, Korea’s chicken production is projected to increase by 2 percent to 848,000 MT from the previous MY 2015 (832,000 MT) as a result of higher Parental Stock (PS) and broiler inventories since MY 2014 due to the battle for market share between existing and new producers, and an expected increased demand during the summer Olympic Games in August as Korean consumers tend to eat more fried chicken during international sporting events.

In MY 2015, Korea’s chicken production is expected to increase 5 percent to 832,000 MT from 792,000 MT in MY 2014 due to an increase of PS and broiler inventories since the outbreak of HPAI in the United States in December 2014. Expected substitute demand for imported chicken caused the increase in PS inventory and chicken supply by Korean producers during the first six months of MY 2015. In addition, increased competition among chicken producers resulted in an 8.1 percent increase of slaughtered chickens during the first six months of MY 2015.

| Korea’s Monthly Slaughtering Figure for Broilers (Unit: 1,000 birds) |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                             | January | February | March | April | May | June | Sub Total |
| 2013                        | 60,417  | 47,741   | 56,347| 62,056| 68,992| 72,084| 367,637      |
| 2014                        | 63,512  | 64,604   | 62,701| 65,606| 79,184| 81,289| 416,896      |
| 2015                        | 70,032  | 59,809   | 72,065| 75,027| 81,846| 91,856| 450,635      |
| Change (%)                  | 10.3    | -7.4     | 14.9 | 14.4 | 3.4 | 13   | 8.1          |

Source: Korea Chicken Council (KCC)

In MY 2014, Korean chicken producers increased production to prepare for expected higher demand in relation to several international sporting events such as the winter Olympic Games in Russia, the Asian Games in Korea, and the World Cup event in Brazil, which typically created increased demand for chicken based on past experience. Korean importers also increased their import volume due to the same reasoning under a favorable exchange rate throughout MY 2014.

In particular, Korean chicken producers forecast that the import suspension on U.S. poultry and poultry products since the outbreak of HPAI in December 2014 would positively influence domestic chicken demand with some volume shifting from imports to domestic sources during the beginning of MY 2015. However, most of the import volume eventually shifted directly to Brazilian chicken.

Animal Disease

Since Korea had a 5th HPAI outbreak in January 2014, which continued until the middle of June 2015, there was no significant damage to the Korean chicken industry due to the relatively small amount of depopulated chickens compared to other poultry (most damage occurred in the duck industry). The Korean chicken industry entirely depends on the imports of Grand Parental Stock (GPS) for PS supply.
and broiler production. However, as the results of HPAI outbreaks in the United Kingdom in November 2014 and in the United States in December 2014, Korea had to shift its GPS imports from other countries such as France. Thanks to France and the resumption of chicken trade with the UK in June 2015, Korea was able to import the needed GPS for MY 2015.

<table>
<thead>
<tr>
<th>Item</th>
<th>U.S. Poultry Products</th>
<th>Total Imports</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poultry products Imports</td>
<td>64,937 MT</td>
<td>141,400 MT</td>
<td>46%</td>
</tr>
<tr>
<td>GPS (D-line basis)</td>
<td>87,000 Birds</td>
<td>147,000 Birds</td>
<td>59.1%</td>
</tr>
</tbody>
</table>

Source: Korea Poultry Association (KPA) & Korea Customs Service (KCS)

**Consumption:**

In MY 2016, Korea’s chicken consumption is projected to increase 3 percent to 943,000 MT from 915,000 MT in MY 2015 due to increased PS and broiler inventories, an expected increased demand during the summer Olympic Games in August, and substitute demand caused by increased beef and pork prices.

In MY 2015, chicken consumption is expected to increase to 915,000 MT, up 2.2 percent from the previous marketing year due to recovered demand from the Sewol ferry accident in April 2014, and substitute demand for beef and pork as a result of increased consumer prices, and the expansion of outdoor camping as a popular activity. In addition, the outbreak of MERS (Middle East Respiratory Syndrome corona virus) in May and June, MY 2015 saw increased demand for domestic chicken through online sales and the franchise chicken delivery sectors. However, demand for imported chicken dropped due to the short term school break during the MERS outbreak to prevent the virus from spreading, which caused people to avoid places like public restaurants, shopping centers and discount stores. Those consumers generally consume more imported chicken, which is relatively lower priced than domestic chicken. Most Koreans still prefer to consume a whole chicken rather than buying chicken cuts, such as chicken legs, wings and breasts. Only chicken breast is selling well for diet conscious young consumers.

In MY 2014, Korea’s chicken demand was in trouble due to the Sewol ferry accident in April, and it affected the remainder of MY 2014. However, Korea’s chicken demand has recovered in MY 2015, replacing the demand for pork and beef due to higher consumer prices during the first seven months of MY 2015, which increased by 5.7 percent and 2.4 percent respectively, compared to MY 2014 due to the expansion of outdoor camping for the past 2-3 years.

| Average Consumer Prices for Beef, Pork and Poultry (Unit: Korean won per Kilogram) |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Average Consumer Price      | CY 2014 (January 1 – July 30) | CY 2015 (January 1 – July 30) | Change (%)                  |
| Beef (Boneless base)        | 22,670                      | 23,210                      | 2.4                         |
| Pork (Boneless base)        | 18,950                      | 20,030                      | 5.7                         |
| Broiler (Bone-in base)      | 5,827                       | 5,336                       | -8.4                        |

Source: National Agricultural Cooperative Federation (NACF)

Despite increased demand for domestic chicken in MY 2015, the consumer price decreased due to higher chicken production caused by stiff competition between new and existing producers.
In MY 2014, the farm price for chickens per kilogram dropped significantly by 14.5 percent to 1,574 Korean won per Kg from 1,840 Korean won per Kg in MY 2013, mainly due to increased domestic production. Meanwhile, the import price for U.S. frozen chicken (mainly frozen jumbo whole legs) during the first six months of MY 2014 dropped by 10.4 percent from 1,713 Korean won to 1,534 Korean won per Kg due to a favorable exchange rate in MY 2014.

| 6 Months Average Unit Price for U.S. frozen Chicken Legs (Korean Won per Kilogram) |
|---------------------------------|-----------------|-----------------|-----------------|
| CY 2013 (Jan 1 – June 30)       | CY 2014 (Jan 1 – June 30) | Change (%)      |
| U.S. Frozen Chicken Legs        | 1,713            | 1,534            | -10.4           |

Source: Korea Trade Information Service (KOTIS)

Korea’s per capita meat consumption (beef, pork, and chicken) increased 2.9 Kg to 45.6 Kg in 2014 compared to the previous year. Recently, per capita meat consumption has increased gradually with the expansion of western dietary habits. In 2014, per capita chicken consumption increased by 1.1 Kg to 12.6 Kg due to various chicken menus in franchise family restaurants and the popular “Chi Maek” (Chicken and Beer) meal available in pubs and enjoyed by many Koreans.

**Trade:**

Korea imports chicken mostly from the U.S. and Brazil, with its price competitiveness and adherence to proper specifications for the Korean market, while some processed chicken (heat treated) is also imported from Thailand. Korea imports about 120,000 tons of chicken annually, which accounts for approximately 15 percent of Korea’s annual chicken production. However, U.S. chicken exports have increased due to better tariff rates under the KORUS FTA since 2012.

In MY 2016, Korea’s chicken imports are projected to increase slightly to 110,000 MT, with an expected increased demand during the summer Olympic Games in August; however, the increase will be around 5,000 MT only, due to the increased import price caused by an unfavorable exchange rate since November 2014, and lower domestic chicken prices in the overall oversupply since MY 2014. Brazil will be a dominant exporter to Korea, replacing banned U.S. chicken imports since December 2014. U.S. chickens amounted to 46 percent of total imports and about 7 percent of total supply in Korea before the HPAI outbreak in MY 2014.

In MY 2015, total chicken imports are expected to decrease substantially by about 35,000 MT to 105,000 MT due to the following reasons: 1) Korea suspended U.S. chicken imports since December 20, 2014 due to the outbreak of HPAI; 2) import prices went up due to an unfavorable exchange rate throughout 2015, which burdened Korean importers; and 3) domestic chicken prices decreased due to stiff market competition.

Despite total chicken imports decreasing during the first six months of MY 2015, industry estimates that actual imports did not significantly decrease as most U.S. bone-in frozen chicken shifted to boneless chicken imports from Brazil. U.S. frozen chicken imports were mostly frozen jumbo whole chicken legs and the United States was the top supplier to Korea in MY 2014.

In MY 2014, Korea recorded the highest chicken import level in history with 141,400 MT, which was 11.6 percent higher than the import volume recorded in MY 2013 (126,693 MT). The record high was helped by the following reasons: 1) a lower import price due to favorable exchange rates throughout the
year in 2014; and 2) increased demand in the restaurant sector such as in beer pub serving the popular Chi Maek (Fried Chicken and beer).

The U.S. and Brazil covered the majority of the imported chicken market due to competitive prices and quality amounting to 46 percent and 37 percent respectively in MY 2014. A total of 64,937 MT of U.S. chicken was imported in MY 2014, which was 43 percent higher in volume compared to MY 2013, mainly due to favorable exchange rates and tariff reductions under the KORUS FTA. In MY 2014, the average imported U.S. chicken price was 1.48 U.S. dollars per Kg, compared to 2.64 U.S. dollars per Kg for Brazilian chicken.

Most imported chicken is frozen chicken cuts, such as jumbo whole chicken legs from the U.S., deboned chicken and whole chicken legs from Brazil, chicken wings from Denmark and breasts, etc. These are used in menus like fried chicken or chicken “Gangjeong” at restaurants and street vendors, who use relatively low-priced imported chicken rather than domestic fresh chicken. In particular, U.S. frozen jumbo whole legs are generally imported as bone-in legs and then deboned by Korean importers before further processing.

Export

In MY 2016, Korea’s chicken exports are projected to increase to 25,000 MT from 24,000 MT in MY 2015 due to increased domestic chicken production and “Samgyetang (Chicken ginseng soup)” exports to the United States, which began in August 2014.

**Tariff Phase-Out Schedule under KORUS FTA**

Korea’s 20 percent tariff on imports in the dominant frozen leg quarter category will be phased out by 2021, while tariffs on frozen breasts and wings will be eliminated by 2023. The 18-percent tariff on frozen turkey cuts will be eliminated by 2018.

<table>
<thead>
<tr>
<th>HSK 10</th>
<th>Description</th>
<th>Base Rate</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
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<tbody>
<tr>
<td>0207141010</td>
<td>Frozen Chicken Legs</td>
<td>20%</td>
<td>10%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>0207141020</td>
<td>Frozen Chicken Breast</td>
<td>20%</td>
<td>11.6%</td>
<td>10%</td>
<td>8.3%</td>
</tr>
<tr>
<td>0207141030</td>
<td>Frozen Chicken Wing</td>
<td>20%</td>
<td>11.6%</td>
<td>10%</td>
<td>8.3%</td>
</tr>
<tr>
<td>0207141090</td>
<td>Other Frozen Chicken</td>
<td>20%</td>
<td>10%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>0207271000</td>
<td>Frozen Turkey Cuts</td>
<td>18%</td>
<td>5.1%</td>
<td>2.5%</td>
<td>0%</td>
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</table>

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

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<tr>
<th></th>
<th></th>
<th></th>
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<tr>
<td>Market Begin Year</td>
<td>Jan 2014</td>
<td>Jan 2015</td>
<td>Jan 2016</td>
</tr>
<tr>
<td>Korea, South</td>
<td>USDA Official</td>
<td>New Post</td>
<td>USDA Official</td>
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<td>Inventory (Reference)</td>
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<td>86</td>
<td>86</td>
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<tr>
<td>Slaughter</td>
<td>844</td>
<td>885</td>
<td>854</td>
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<tr>
<td>-------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Beginning Stocks</td>
<td>8</td>
<td>8</td>
<td>19</td>
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<tr>
<td>Production</td>
<td>746</td>
<td>792</td>
<td>753</td>
</tr>
<tr>
<td>Total Imports</td>
<td>141</td>
<td>141</td>
<td>110</td>
</tr>
<tr>
<td>Total Supply</td>
<td>895</td>
<td>941</td>
<td>882</td>
</tr>
<tr>
<td>Total Exports</td>
<td>19</td>
<td>19</td>
<td>15</td>
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<tr>
<td>Human Consumption</td>
<td>857</td>
<td>895</td>
<td>855</td>
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<tr>
<td>Other Use, Losses</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Dom. Consumption</td>
<td>857</td>
<td>895</td>
<td>855</td>
</tr>
<tr>
<td>Total Use</td>
<td>876</td>
<td>914</td>
<td>870</td>
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<tr>
<td>Ending Stocks</td>
<td>19</td>
<td>27</td>
<td>12</td>
</tr>
<tr>
<td>Total Distribution</td>
<td>895</td>
<td>941</td>
<td>882</td>
</tr>
<tr>
<td>CY Imp. from U.S.</td>
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<td>65</td>
<td>0</td>
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<tr>
<td>CY Exp. to U.S.</td>
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<td>0</td>
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<td>Balance</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Inventory Balance</td>
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<td>19</td>
<td>-7</td>
</tr>
<tr>
<td>Production Change</td>
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<td>1</td>
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<tr>
<td>Import Change</td>
<td>11</td>
<td>0</td>
<td>-22</td>
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<tr>
<td>Export Change</td>
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<td>0</td>
<td>-21</td>
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<tr>
<td>Consumption Change</td>
<td>5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Imports Percent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports Percent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population</td>
<td>49,039,986</td>
<td>49,039,986</td>
<td>49,115,196</td>
</tr>
<tr>
<td>Per Capita Consumption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TS=TD</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Author Defined:**

Price Comparison (Unit: Korean Won per Kilogram) 4/

<table>
<thead>
<tr>
<th>Cuts</th>
<th>Domestic 1/</th>
<th>Imports 2/</th>
<th>U.S.</th>
<th>Brazil 3/</th>
<th>Denmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leg</td>
<td>5,955</td>
<td>1,519</td>
<td>2,765</td>
<td>2,245</td>
<td></td>
</tr>
<tr>
<td>Wing</td>
<td>7,007</td>
<td></td>
<td>2,967</td>
<td>3,010</td>
<td></td>
</tr>
<tr>
<td>Breast</td>
<td>6,740</td>
<td>5,708</td>
<td>3,001</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1/ Chilled products, average retail price for January 1 – June 30, 2015 period
2/ Average CIF prices January 1 - June 30, 2015
3/ Frozen Trimmed bone-less products (Mostly)
4/ Average exchange rate (1$ = 1098.66 Korean won) for January – June 2015 period
Source: Korea Chicken Council & Korea Customs Service

Countries that are currently allowed to export to Korea are as follows (As of July 15, 2015):

<table>
<thead>
<tr>
<th>Approved Suppliers</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia, New Zealand, Denmark, France, Spain, Netherlands, Poland, Sweden and Philippines (only for pet bird).</td>
<td>Poultry birds (include pet or wild bird), hatching eggs, day old chicks, table eggs.</td>
</tr>
<tr>
<td>Australia, France, Chile, Denmark, Sweden, Brazil, Netherlands, Poland and Philippines (only for broiler).</td>
<td>Fresh, chilled, or frozen poultry meat</td>
</tr>
<tr>
<td>Australia, United Kingdom, France, Chile, Denmark, Sweden, Japan, Brazil, United States, Thailand, Netherlands, Hungary, China, Poland and Canada</td>
<td>Heat-treated poultry meat</td>
</tr>
</tbody>
</table>

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

Frozen Chicken Cut Imports by Country

<table>
<thead>
<tr>
<th>Country</th>
<th>CY 2014</th>
<th>CY 2015 (January- June)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Volume (MT)</td>
<td>Value (US$1,000)</td>
</tr>
<tr>
<td>&lt;Leg&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>64,584</td>
<td>94,620</td>
</tr>
<tr>
<td>Brazil</td>
<td>49,601</td>
<td>130,061</td>
</tr>
<tr>
<td>Denmark</td>
<td>157</td>
<td>377</td>
</tr>
<tr>
<td>Chile</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Hungary</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sub Total</td>
<td>114,342</td>
<td>225,058</td>
</tr>
<tr>
<td>&lt;Wing&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Brazil</td>
<td>877</td>
<td>2,469</td>
</tr>
<tr>
<td>Denmark</td>
<td>3,940</td>
<td>10,708</td>
</tr>
<tr>
<td>Hungary</td>
<td>219</td>
<td>660</td>
</tr>
<tr>
<td>Other</td>
<td>125</td>
<td>297</td>
</tr>
<tr>
<td>Sub Total</td>
<td>5,160</td>
<td>14,134</td>
</tr>
<tr>
<td>&lt;Breast&gt;</td>
<td></td>
<td></td>
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<tr>
<td>U.S.</td>
<td>189</td>
<td>920</td>
</tr>
<tr>
<td>Brazil</td>
<td>1,876</td>
<td>5,626</td>
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<tr>
<td>Chile</td>
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<td>0</td>
</tr>
<tr>
<td>Sub Total</td>
<td>2,064</td>
<td>6,546</td>
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<tr>
<td>&lt;Total by Country&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>64,773</td>
<td>95,540</td>
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<tr>
<td>Brazil</td>
<td>52,354</td>
<td>138,156</td>
</tr>
<tr>
<td>Denmark</td>
<td>4,097</td>
<td>11,085</td>
</tr>
<tr>
<td>Country</td>
<td>CY 2014</td>
<td>CY 2015 (January-June)</td>
</tr>
<tr>
<td>-----------</td>
<td>---------</td>
<td>------------------------</td>
</tr>
<tr>
<td></td>
<td>Volume (MT)</td>
<td>Value (US$1,000)</td>
</tr>
<tr>
<td>China</td>
<td>2,384</td>
<td>9,270</td>
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<td>Thailand</td>
<td>14,406</td>
<td>62,706</td>
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<td>United States</td>
<td>144</td>
<td>802</td>
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<tr>
<td>Other</td>
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<tr>
<td>Total</td>
<td>16,934</td>
<td>72,781</td>
</tr>
</tbody>
</table>

Source: Korea Customs Service (KCS)

### PRODUCTION AND CONSUMPTION

**Korea: Broiler Inventories** 1/

(Unit: 1,000 birds)

<table>
<thead>
<tr>
<th>Year</th>
<th>Farms</th>
<th>Birds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>2,016</td>
<td>84,279</td>
</tr>
<tr>
<td>2007</td>
<td>2,028</td>
<td>87,359</td>
</tr>
<tr>
<td>2008</td>
<td>1,807</td>
<td>77,853</td>
</tr>
<tr>
<td>2009</td>
<td>2,249</td>
<td>99,983</td>
</tr>
<tr>
<td>2010</td>
<td>2,238</td>
<td>101,690</td>
</tr>
<tr>
<td>2011</td>
<td>2,266</td>
<td>110,122</td>
</tr>
<tr>
<td>2012</td>
<td>2,058</td>
<td>97,750</td>
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<tr>
<td>2013</td>
<td>1,972</td>
<td>95,898</td>
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<tr>
<td>2014</td>
<td>2,035</td>
<td>103,593</td>
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<tr>
<td>2015</td>
<td>2,120</td>
<td>110,489</td>
</tr>
</tbody>
</table>

1/ June Inventories

Source: Korea Statistical Information Service (KOSIS)

**Korea: Production Costs of Broilers** 1/

(Korean Won per Kilogram in Live Weight)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cost</th>
<th>Production Cost</th>
<th>Farm Price</th>
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<tbody>
<tr>
<td>2006</td>
<td>954</td>
<td>1,001</td>
<td>1,195</td>
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</table>
### Korea: Production Cost of Broilers
(Korean Won per Kilogram in Live Weight)

<table>
<thead>
<tr>
<th>Item</th>
<th>CY 2013</th>
<th>CY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Cost</td>
<td>Component Ratio (%)</td>
</tr>
<tr>
<td>Feed</td>
<td>835</td>
<td>62</td>
</tr>
<tr>
<td>Chicks</td>
<td>284</td>
<td>21</td>
</tr>
<tr>
<td>Family Labor</td>
<td>53</td>
<td>4</td>
</tr>
<tr>
<td>Vet &amp; Medicine</td>
<td>32</td>
<td>2</td>
</tr>
<tr>
<td>Water, Power, etc.</td>
<td>59</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>74</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>1337</td>
<td>100</td>
</tr>
<tr>
<td>By Product</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Cost Total</td>
<td>1,339</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Korea Statistical Information Service (KOSIS)

### Korea: Per Capita Consumption of Livestock Products
(Unit: Kilogram, boneless basis)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Meat</th>
<th>Beef</th>
<th>Pork</th>
<th>Chicken</th>
<th>Egg</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>31.7</td>
<td>6.7</td>
<td>17.4</td>
<td>7.6</td>
<td>10.8</td>
</tr>
<tr>
<td>2006</td>
<td>33.5</td>
<td>6.8</td>
<td>18.1</td>
<td>8.6</td>
<td>11.2</td>
</tr>
<tr>
<td>2007</td>
<td>35.7</td>
<td>7.6</td>
<td>19.2</td>
<td>8.9</td>
<td>11.3</td>
</tr>
<tr>
<td>2008</td>
<td>35.6</td>
<td>7.5</td>
<td>19.1</td>
<td>9.0</td>
<td>11.2</td>
</tr>
<tr>
<td>2009</td>
<td>36.8</td>
<td>8.1</td>
<td>19.1</td>
<td>9.6</td>
<td>11.9</td>
</tr>
<tr>
<td>2010</td>
<td>38.7</td>
<td>8.8</td>
<td>19.2</td>
<td>10.7</td>
<td>11.8</td>
</tr>
<tr>
<td>2011</td>
<td>40.4</td>
<td>10.2</td>
<td>18.8</td>
<td>11.4</td>
<td>11.6</td>
</tr>
<tr>
<td>2012</td>
<td>40.5</td>
<td>9.7</td>
<td>19.2</td>
<td>11.6</td>
<td>12.1</td>
</tr>
<tr>
<td>2013</td>
<td>42.7</td>
<td>10.3</td>
<td>20.9</td>
<td>11.5</td>
<td>12.1</td>
</tr>
<tr>
<td>2014</td>
<td>45.6</td>
<td>10.8</td>
<td>22.2</td>
<td>12.6</td>
<td>12.7</td>
</tr>
<tr>
<td>2015 1/</td>
<td>45</td>
<td>10.7</td>
<td>21.7</td>
<td>12.6</td>
<td>13.1</td>
</tr>
</tbody>
</table>

1/ Preliminary forecast by the Korea Rural Economic Institute (KREI)
Korea: Year Average Broiler Prices
(Korean Won/Kg, boneless basis)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 1/</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Price</td>
<td>1,858</td>
<td>1,693</td>
<td>1,839</td>
<td>1,574</td>
<td>1,638</td>
</tr>
<tr>
<td>Wholesale Price</td>
<td>3,468</td>
<td>3,255</td>
<td>3,412</td>
<td>3,108</td>
<td>3,211</td>
</tr>
<tr>
<td>Consumer Price</td>
<td>6,050</td>
<td>5,755</td>
<td>5,971</td>
<td>5,615</td>
<td>5,359</td>
</tr>
</tbody>
</table>

1/ Average price, January through June 2015
Source: National Agricultural through June Cooperative Federation

Korea: Farm Price for Chicken Meat

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Chicken Meat, Farm Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unit: Korean Won per Kilogram</td>
</tr>
<tr>
<td></td>
<td>Year</td>
</tr>
<tr>
<td>Month</td>
<td></td>
</tr>
<tr>
<td>Jan.</td>
<td>1,446</td>
</tr>
<tr>
<td>Feb.</td>
<td>1,953</td>
</tr>
<tr>
<td>Mar.</td>
<td>2,123</td>
</tr>
<tr>
<td>Apr.</td>
<td>1,679</td>
</tr>
<tr>
<td>May</td>
<td>1,730</td>
</tr>
<tr>
<td>Jun.</td>
<td>1,829</td>
</tr>
<tr>
<td>Jul.</td>
<td>1,983</td>
</tr>
<tr>
<td>Aug.</td>
<td>2,004</td>
</tr>
<tr>
<td>Sep.</td>
<td>1,679</td>
</tr>
<tr>
<td>Oct.</td>
<td>2,098</td>
</tr>
<tr>
<td>Nov.</td>
<td>1,894</td>
</tr>
<tr>
<td>Dec.</td>
<td>1,649</td>
</tr>
</tbody>
</table>

Source: National Agricultural Cooperative Federation (NACF) and Agricultural & Fishery Marketing Corporation

Korea: Wholesale Price for Chicken Meat

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Chicken Meat, Wholesale Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unit: Korean Won per Kilogram</td>
</tr>
<tr>
<td></td>
<td>Year</td>
</tr>
<tr>
<td>Month</td>
<td></td>
</tr>
<tr>
<td>Jan.</td>
<td>3,015</td>
</tr>
</tbody>
</table>
#### Korea: Consumer Price for Chicken Meat

<table>
<thead>
<tr>
<th>Commodity</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>% Change comparing to previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td>2013</td>
<td>2014</td>
<td>2015</td>
<td>% Change comparing to previous year</td>
</tr>
<tr>
<td>Month</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan.</td>
<td>5,646</td>
<td>5,610</td>
<td>5,511</td>
<td>-2</td>
</tr>
<tr>
<td>Feb.</td>
<td>5,818</td>
<td>5,525</td>
<td>5,115</td>
<td>-7</td>
</tr>
<tr>
<td>Mar.</td>
<td>6,358</td>
<td>6,036</td>
<td>5,486</td>
<td>-9</td>
</tr>
<tr>
<td>Apr.</td>
<td>6,065</td>
<td>6,132</td>
<td>5,386</td>
<td>-12</td>
</tr>
<tr>
<td>May</td>
<td>5,362</td>
<td>6,241</td>
<td>5,318</td>
<td>-15</td>
</tr>
<tr>
<td>Jun.</td>
<td>5,855</td>
<td>5,997</td>
<td>5,338</td>
<td>-11</td>
</tr>
<tr>
<td>Jul.</td>
<td>6,280</td>
<td>5,246</td>
<td>-</td>
<td>-16</td>
</tr>
<tr>
<td>Aug.</td>
<td>6,040</td>
<td>5,343</td>
<td>-</td>
<td>-12</td>
</tr>
<tr>
<td>Sep.</td>
<td>5,728</td>
<td>5,084</td>
<td>-</td>
<td>-11</td>
</tr>
<tr>
<td>Oct.</td>
<td>6,393</td>
<td>5,416</td>
<td>-</td>
<td>-15</td>
</tr>
<tr>
<td>Nov.</td>
<td>6,208</td>
<td>5,562</td>
<td>-</td>
<td>-10</td>
</tr>
<tr>
<td>Dec.</td>
<td>5,901</td>
<td>5,188</td>
<td>-</td>
<td>-12</td>
</tr>
</tbody>
</table>

Source: National Agricultural Cooperative Federation (NACF) and Agricultural & Fishery Marketing Corporation

#### Korea: Monthly Average Foreign Exchange Rate

(Unit: Korean Won / 1US)

<table>
<thead>
<tr>
<th>Month</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.</td>
<td>1065.35</td>
<td>1064.75</td>
<td>1088.86</td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
<td>---------</td>
<td>----------------</td>
</tr>
<tr>
<td></td>
<td>Vol</td>
<td>Val</td>
<td>Vol</td>
</tr>
<tr>
<td>U.S.</td>
<td>45,308</td>
<td>71,273</td>
<td>64,937</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>13,717</td>
<td>55,141</td>
<td>14,406</td>
</tr>
<tr>
<td>P.R.C.</td>
<td>2,468</td>
<td>8,970</td>
<td>2,384</td>
</tr>
<tr>
<td>Canada</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Denmark</td>
<td>5,422</td>
<td>12,141</td>
<td>6,483</td>
</tr>
<tr>
<td>France</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>U.K.</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Chile</td>
<td>22</td>
<td>62</td>
<td>0</td>
</tr>
<tr>
<td>Japan</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Brazil</td>
<td>59,411</td>
<td>147,192</td>
<td>52,377</td>
</tr>
<tr>
<td>Australia</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>345</td>
<td>597</td>
<td>815</td>
</tr>
<tr>
<td>Total for Others</td>
<td>81,385</td>
<td>224,103</td>
<td>76,465</td>
</tr>
<tr>
<td>Grand Total</td>
<td>126,693</td>
<td>295,376</td>
<td>141,400</td>
</tr>
</tbody>
</table>

1/ HS 0207.1X.XXXX plus HS 1602.32.XXXX
Korea: Export Matrix for Chicken Meat  1/

Export Trade Matrix

Country: Korea

Commodity: Chicken Meat  
Unit: MT & US$1,000, RTC Basis

<table>
<thead>
<tr>
<th>Country</th>
<th>Vol</th>
<th>Val</th>
<th>Vol</th>
<th>Val</th>
<th>Vol</th>
<th>Val</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>0</td>
<td>0</td>
<td>213</td>
<td>1,268</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hong Kong</td>
<td>5,244</td>
<td>7,950</td>
<td>369</td>
<td>1,241</td>
<td>211</td>
<td>636</td>
</tr>
<tr>
<td>Japan</td>
<td>1,166</td>
<td>5,222</td>
<td>837</td>
<td>3,557</td>
<td>385</td>
<td>1,791</td>
</tr>
<tr>
<td>P.R.C.</td>
<td>1</td>
<td>9</td>
<td>13</td>
<td>114</td>
<td>8</td>
<td>35</td>
</tr>
<tr>
<td>Taiwan</td>
<td>344</td>
<td>1,417</td>
<td>269</td>
<td>1,065</td>
<td>89</td>
<td>359</td>
</tr>
<tr>
<td>Thailand</td>
<td>0</td>
<td>0</td>
<td>16</td>
<td>64</td>
<td>16</td>
<td>63</td>
</tr>
<tr>
<td>Vietnam</td>
<td>19,296</td>
<td>22,091</td>
<td>17,350</td>
<td>25,041</td>
<td>7,730</td>
<td>11,523</td>
</tr>
<tr>
<td>Iraq</td>
<td>0</td>
<td>0</td>
<td>12</td>
<td>75</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Turkey</td>
<td>0</td>
<td>0</td>
<td>45</td>
<td>171</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Australia</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Russia</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>54</td>
</tr>
<tr>
<td>Other</td>
<td>66</td>
<td>358</td>
<td>156</td>
<td>833</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Total for Others</td>
<td>26,117</td>
<td>37,047</td>
<td>19,067</td>
<td>32,161</td>
<td>8,523</td>
<td>14,902</td>
</tr>
<tr>
<td>Grand Total</td>
<td>26,117</td>
<td>37,047</td>
<td>19,280</td>
<td>33,429</td>
<td>8,524</td>
<td>14,907</td>
</tr>
</tbody>
</table>

1/ HS 0207.1X.XXXX plus HS 1602.32.XXXX

Source: Korea Customs Service