



South Korea Pork Imports



April 6, 2021

Current Situation:

- ▶ **ASF Update:** While no commercial hog farms have reported cases since October 2020, 26 new wild boar cases were reported in January/February to the World Animal Health organization.
- ▶ **Coronavirus Update:** After a December spike in COVID-19 cases led to a peak of 1,237 cases in a single day, Korean COVID cases declined subsequent to increased restrictions. But Korea's COVID cases have since steadily increased over the past month, now averaging over 500 per day. Korea has now vaccinated 962,730 with a single dose (1.9% of the population) and 27,364 have been fully vaccinated (0.1%). Vaccine supply delays now threaten the national goal of 12 million by June.
- ▶ Korean hog prices were recently reported at 4,222 won/kg (US\$226/cwt carcass equivalent). The seasonal January lows this year bottomed around 3,600 won/kg versus the prior year January lows at 2,458 won/kg. It appears that prices are poised to strengthen into the summer period of stronger demand.
- ▶ Imports are down -13% (-9,744 mt) in the first two months of 2021. Note that imports from Germany averaged 7,910 mt/month in 2020 prior to the September ASF finding and subsequent ban. That lost business is not being made up elsewhere. Even Spanish shipments, up 49% in February, only added 1,637 mt from their prior year volumes. The smaller imports are driving higher prices. The average imported pork price in February was US\$1.72/lb, up +16% from a year ago.
- ▶ The Korean pork market has yet to recover from lost demand when ASF was discovered in September 2019. Imports peaked in early 2019 above 60,000 mt, but have trended lower since then to just 33,259 mt in February 2020. But market supplies have tightened, manifest by higher import prices. Chinese demand for global pork supplies has limited Korean pork imports and supported higher prices. We expect improved Korean pork demand in 2021.
- ▶ While there were reports that Korean officials agreed to allow certain German pork products for import no details have yet been given and trade remains stalled. There has been speculation that perhaps cooked German pork products could be imported. But that would still be a minimal amount of prior volumes. The majority of German pork shipments to Korea were frozen bellies.
- ▶ With Germany out of the Korean market, even rising pork demand will not be able to spur imports higher this year. We expect that German volumes will be minimal at best. And heavy Chinese ASF liquidation suggests stronger Chinese prices and demand in the second half of this year. We are currently forecasting Korean pork imports down -10% in 2021.

While Global AgriTrends believes that the data/information provided is accurate and complete, no warranty is made with respect thereto. Global AgriTrends shall not be liable for decisions or actions taken by the user based on the data/information.

Reproduction of this information without written authorization is strictly prohibited.