South Korea and Japan: Almonds Make Life Beautiful
SOUTH KOREA
JAPAN
Craig Duerr
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Laura Morin
Melissa Mautz
Japan land is about 4% of the United States. Japan is 377,915 km² (United States is 9,833,517 km²).

Japan population is 38% of the United States. Japan has 126.5 million people (United States has 327.2 million people).
JAPAN OVERVIEW

Language: Japanese
The only country that uses Japanese

Capital: Tokyo
13,686,371
(10% of total population)

Population: 127 million
10th largest population

Land Size: 364,560 km²
Similar to California

GDP Rank: 3rd
5,176 trillion USD

GDP Per Capita: 24th
$44,565

Population Growth Rate: -0.24%
USA is +0.7%
South Korea land is about 1% of the United States. South Korea is 99,720 km² (United States is 9,833,517 km²).
South Korea population is 16% of the United States. South Korea has 51 million people (United States has 327.2 million people).
SOUTH KOREA OVERVIEW

Language
Korean
Both South and North Korea use Korean

Capital
Seoul
11,492,800
(22% of total population)

Population
51 million
28th largest population

Land Size
100,364 km²
Similar to Virginia

GDP Rank
11th

GDP Per Capita
28th
$ 41,350

Population Growth Rate
+0.4%
USA is +0.7%

Similar to Virginia
REGULATORY ISSUES
Korea

- 11th largest export market for US almonds, (56.9 million lbs. in CY 2018/2019)
- KORUS FTA is already in effect, in-shell and shelled almonds pay 0% duty
- So far, regulatory regime in terms of inspections has been quiet
- Aflatoxin rejections in Japan have triggered increased surveillance in Korea. To date, no rejections have been notified. Despite this, as of 7/8/2018, almonds were added to the mandatory import surveillance list in Korea.
- ABC is tracking MRL issues for different compounds

Japan

- 5th largest export market for US almonds (81 million lbs. CY 2018/19)
- US/Japan FTA coming soon; good news for almonds
- Stiff regulatory regime: 100% inspection of almond consignments. Lots of Aflatoxin Rejections this year
Almond Duties under Korea-US FTA

- Shelled almonds 0% duty
- Inshell almonds 0% duty
- Almond flour 0% duty
- Preserved 9% duty
- Paste 6% duty

Maximum Residue Levels MRLs

- (71) MRLs are established or default MRL is okay
- (4) Proposed MRLs – Cyclaniliprole, Fenazaquin, Methoxyfenozide
- Pyrimethanil
- (17) Temporary MRLs will expire Dec 2021 – Permethrin, Clofentezine, Fenbutatinoxide, Piperonyl butoxide, Pyrethrins, Simazine
- Default MRLs at 0.01ppm - Oryzalin, norflurazon, propylene oxide
## Almond Duties under Japan-US FTA

<table>
<thead>
<tr>
<th>Product</th>
<th>HS code</th>
<th>MFN rate (current)</th>
<th>Rate under U.S.-Japan FTA* (upon implementation)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In-shell almonds</strong></td>
<td>0802.11.200.6</td>
<td>2.4%</td>
<td>0% EIF</td>
</tr>
<tr>
<td><strong>Shelled almonds</strong></td>
<td>0802.12.200.5</td>
<td>2.4%</td>
<td>0% EIF</td>
</tr>
<tr>
<td><strong>Roasted almonds</strong></td>
<td>2008.19.222.2</td>
<td>5%</td>
<td>0% EIF;</td>
</tr>
<tr>
<td><strong>Almond meal</strong></td>
<td>1106.30.200.2</td>
<td>15%</td>
<td>7.5% Year 2; 5% Year 3; 2.5% Year 4; 0% Year 5</td>
</tr>
<tr>
<td><strong>Almond paste</strong></td>
<td>2007.99.229.1</td>
<td>25%</td>
<td>20.4% EIF; 18.2% Year 2; 15.9% Year 3; 13.6% Year 4; 11.4% Year 5; 9.1% Year 6; 6.8% Year 7; 4.5% Year 8; 2.3% Year 9; 0% Year 10</td>
</tr>
<tr>
<td><strong>Almond Oil</strong></td>
<td>1515.90.520</td>
<td>10.40 JPY/kg</td>
<td>5.20 JPY/kg EIF; 2.60 JPY/kg Year 2; Free Year 3</td>
</tr>
<tr>
<td><strong>Almond hulls for animal feed</strong></td>
<td>2308.00.000</td>
<td>Free</td>
<td>Free</td>
</tr>
</tbody>
</table>

*EIF = entry into force. The effective date for the agreement has yet to be announced; however, it is understood that the Administration is aiming for an implementation date of on/around January 1, 2020.
Latest Aflatoxin Inspections

- To date, 25 consignments rejected for Aflatoxin; Only Option at present is to Return to US
- This information is public on the MHLW website.
- Japan is still inspecting at the 100% level
- MHLW unwilling to engage with industry on “policy” matters
- Trade supportive of ABC initiative
- Recent meetings in Tokyo with USDA/FAS agreed to a strategy – workplan now being developed
- ABC working with FAS to engage MHLW
- Hoping to build on success of EU recognition of equivalent systems
SOUTH KOREA + JAPAN
K BEAUTY
MOST INNOVATIVE IN THE WORLD

J BEAUTY
HIGHEST QUALITY IN THE WORLD
K BEAUTY
MOST INNOVATIVE IN THE WORLD

J BEAUTY
QUALITY
Beauty Spend (per capita)

SOUTH KOREA $45
U.K. $43
U.S. $37
GLOBAL $21

K BEAUTY MOST INNOVATIVE IN THE WORLD

J BEAUTY QUALITY
YEARS AHEAD

K BEAUTY
MOST INNOVATIVE IN THE WORLD

J BEAUTY
QUALITY
BB / CC CREAMS AND FACE MASKS

Share of Umbrella Category Value Sales

- BB/CC Creams
- Face Masks

Source: Euromonitor International
INFLUENCE ON CHINA

SOCIAL MEDIA INFLUENCE
Snail mucin for moisturizing

Pearl for brightening

Green tea for oil control

Propolis from bees for soothing and nourishing

NATURAL INGREDIENTS
FOOD COSMETICS
ALMOND BEAUTY
K BEAUTY
MOST INNOVATIVE IN THE WORLD

J BEAUTY
HIGHEST QUALITY IN THE WORLD
We believe that K-Beauty is about the marketing. We believe Japanese products are about the quality.
Japan rises again as a center of attention. Sensoriality, high quality and technological all capture the essence of the J-Beauty renaissance.
JAPONISM

THE INFLUENCE OF THE JAPANESE CIVILIZATION AND ARTS ON WESTERN ARTISTS IN THE LATE 19TH AND EARLY 20TH CENTURY.
“While oil cleansing may be a relatively new concept in the US, it’s been around in Japan for 50 years, since Shu Uemera introduced it in 1967.”
SHITTORI
SKIN
Sake

Miso

Ginger

Kombu

NATURAL INGREDIENTS
EDIBLE BEAUTY
ALMOND BEAUTY
JAPANESE CONSUMERS
MODERN AND TRENDY FEMALE CONSUMERS
- WOMEN IN THEIR 20S AND 30S

- Very busy with work but also want to take care of their health and beauty
- Eager to try out new trends
- Social media influencers
Japanese like to say “Ii Ne” (“Ii” pronounced like the letter “E”) or “That’s really good!” The phrase is used to express enthusiasm and agreement.

The letter “E” sounds like the Japanese word for **good**

“E” is also a play on words with “Vitamin E”

The “E Ne!” catchphrase demonstrates the almonds with their “Vitamin E” are “good” for your daily routine
Eね！
アーモンド
In order to communicate to our target audience of women in their 20s and 30s and deliver the health and beauty benefits of almonds in a memorable and fun way.

What did we do?
Almond Day 1-23

PR Campaign Promotion

Nuts Day ‘Office Almonds’
Trade

FOODEX Japan 2019

Stakeholder Management

Almond Trade Seminar

E-newsletter
Media Outreach

California Almond Journey

Almond Orchard Tour

Nutrition Research Outreach
Professional Influencers

Consumers

Digital Channel Management
ALMONDS: Best Nut for Beauty

+10 points

29%  39%

2016  2019
THIS YEAR

FY19/20, ABC JAPAN WILL FOCUS ON

BEAUTY MESSAGES
A Beautiful Life with Almonds

アーモンドで、キレイ生活。

California Almonds
SOUTH KOREA
South Korea is the beauty powerhouse. In terms of the aesthetic of Korean women, has become popular, which is now spreading beyond just Asia to the whole world.
BEAUTY STANDARDS HAVE UNDERGONE A SHIFT

In recent years, instead of just focusing on make-up and external beauty, Korean women are now placing a strong emphasis on balancing inner and outer beauty.
Focus on natural BEAUTY benefits of almonds that are distinct from other nuts.

**VITAMIN E**
8mg, 67% DV
- Skin health
- Hair health
- Aging prevention

**Fiber**
4g, 16% DV
- Gut healthy
- Weight management
- Satiety

**PROTEIN**
6g
- Muscle development
- Weight management
- Satiety
ALMONDS. THE PERFECT BEAUTY SNACK.
ALMONDS, YOUR BEAUTY SECRET
ALMONDS BEAUTY CAMPAIGN in S. KOREA

Live Life Beautifully
Almonds are viewed as the perfect beauty snack for enhancing inner and outer beauty
Consumer perception = Our positioning of “Live Life Beautifully”

Tell Our Almonds Story
FY1718

Engage Our Target Audience
FY1819

Share Our Almonds Story With Our Target Audience
FY1920

Discover My Beauty

Show Your Beauty

Almonds, My Beauty Secret

Beauty Snack Vitamin E

Beauty Snack Vitamin E as a Strong Antioxidant
Ideal Plant-Based Protein

Almonds, Your Beauty Secret

Almonds, Our Beauty Secret
Branded Content Video

Online Native Ad

Advertising

Digital Advertising

2,619 Organic Reach
60,333 Paid Reach
1,130 Post Clicks
2,521 Likes, Comments & Shares

1,366 Organic Reach
55,102 Paid Reach
721 Post Clicks
787 Likes, Comments & Shares

18,855 Reach
4,551 Likes
28 Comments
Promotion

PR Campaign Events

Health Professional Outreach

Almonds Girl Photo Shooting

Magazine Tie-up Event
한국인이 가장 사랑하는 견과류!
'비타민 E' 가득한 아몬드로 여름철 지친 피부와 머릿결을 건강하게~

미타인 D 가득한 아몬드로 여름철 지친 피부와 머릿결을 건강하게~

자연에서 지친 피부와 머릿결에 상쾌한 충동은 초과이~

Media Outreach

Beauty Product Placement

Almond Orchard Tour

Paid Media Outreach
Almond Trade

Seoul Food 2019

E-newsletter

January 2019
ALMONDS: Best Nut for Beauty

+20 points
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