

KOREA NATIONAL FOOD CLUSTER

FOODPOLIS

No.11 · February - March, 2015

COVER STORY

NAVIGATING THE BRAVE NEW WORLD OF HEALTHY FOOD



FOODPOLIS GROUNDBREAKING

Foodpolis Construction Set to Begin

DOMESTIC INDUSTRY LEADER

Jounhealth Expands in Foodpolis

INDUSTRY LEADER

Yantai Food Industry Association

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Credits

Publisher

FOODPOLIS

KOREA NATIONAL FOOD CLUSTER

TaeyangB/D 4F 40-9, Jungang-dong,

Gwacheon-si, Gyeonggi-do,

Korea 427-806

Tel. +82-1688-8782

<http://eng.foodpolis.kr>



Content Development

Tower Communications, Inc.

Tel. +82 2 3789 6244 | www.towercom.kr

Chief Editor: Mike Weisbart

Writer: Alicia Baik

Design & Printing Agency

A1 LAB

Tel. +82 2 336 4089 | www.all-1.com

Director: Kim Boil

Manager: Choi Ji-hoon

Sr. Designer: Jang Day-one

Photographer: Lee Byoung-sam

주식회사 초은건강

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1

고품질 프로바이오틱스 공정연구. 생산.

- 프로바이오틱스 특화 대기조건을 제어하는 고청정 특수작업장(Bio Clean Room . BCR)보유
- 독자개발한 생산공정관리로 함량균일성과 최적수율을 보장하는 고품질의 프로바이오틱스 제제 생산



2

건강기능식품 조성개발. 유통.

- KFDA에서 고시한 안전한 성분을 기준으로 한국인에 맞는 영양소와 기능성분을 조성
- 국내외(미국, 독일)제형 선진회사와 계약을 통한 블렌딩, 생산, 포장 (현지법인. 본사직속관리)
- 건강기능식품에 전문성을 갖는 유통루트(약국)를 통해 공급, 관리



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인체기능과 영양성분 연구. 공유.

- 인체항상성기능에 대한 근거중심 연구
- 건강기능식품 성분의 분자형태, 유도체, 염형태에 따른 인체친화성과 생태거동 연구
- 연구결과 공유 웹데이터베이스 운영
- SCI 등재수준 Nutrition Article 발췌정리. 정기 CSU자료 서비스



Understanding the Health Food Industry



2014 closed with a flurry of activity for FOODPOLIS, including with the biggest news of the year: our ground breaking ceremony. With more than 500 people on hand, including President Park Geun-hye, who spoke at the event, we officially launched the development phase of our food cluster project. You can see our story on page 9, and here's hoping that it's just the catalyst FOODPOLIS needs to start 2015 off on the right foot.

Indeed, we had several MOU signings to finish last year, and to start this year, including an agreement with Goldrock International out of Kenya to bring their patented coffee roasting business here to the peninsula. We also signed a deal with Korea's own, Jounhealth, which we have featured as the Domestic Leader for this month's issue. And be sure to check out the deal with the very dynamic Yantai Food Industry Association from China on page 37. The group is doing amazing work to boost food exports from their region, and we're looking forward to working with them on joint opportunities.

For our cover story, we have taken an in-depth look at the growth opportunities in the health food industry around the world. The health food craze is fueling strong demand for health food products in all shapes and sizes, making the perfect chance for innovative companies to scale up with new products. One very interesting example is The Chia Co. out of Australia. The company has seen tremendous growth over the past years of more than 200 percent, and has forecast to generate 100 million dollars in revenue this year.

We also take a look at what's happening in China's beverage industry, where demand for healthy alternatives is once again driving growth. Coca-Cola is the dominant player but it is being challenged by a strategic tie-up between rival PepsiCo and a local concern called Tingyi. 2015 is going to be a big year to see how the market in China shakes out.

We do have plenty of MOU signings to tell you about, and of course we're bringing you a slice of culture as well. Be sure to check out our reading recommendations, and also enjoy a trip to Seoul's Noryangjin Fish Market. It's always just a little bit more magical and alive at night.

I truly hope your 2015 has started off well, and that it is a year of health and happiness for you and your families. And as always, I hope you enjoy this important issue of our magazine.

Yeo In-hong

A handwritten signature in black ink, consisting of stylized Korean characters.

*Vice-minister of Agriculture,
Food & Rural Affairs, Republic of Korea*

FOODPOLIS Begins A Brand New Chapter





“This is a major opportunity for economic activity on the Korean peninsula. I believe the agricultural food industry will lead our economy as a future growth business and strategic exports business.”

- President Park Geun-hye



On November 24th, the Ministry of Agriculture, Food and Rural Affairs (MAFRA) hosted the groundbreaking ceremony for FOODPOLIS, a monumental step forward for the food cluster in its long-term mission to become a world leading global food hub.

President Park Geun-hye attended this meaningful event to show her strong support for the 3,580,000m² industrial food complex located in Iksan city. Also attending the ceremonies were Minister Lee Dong-phil of MAFRA, Jeonbuk Governor Song Ha-jin, and Iksan Mayor Park Kyung-chul. The groundbreaking ceremony also included more than 550 people, many of whom hail from domestic and international

food companies, research centers, local government, and residents.

In her keynote congratulatory address to all those assembled, President Park expressed great appreciation for everyone involved who made the significant day become a reality.

“Many experts and futurologists have chosen the food industry as being the one with the largest future growth potential,” said President Park. “The global food industry continues to grow in size as we speak.”

The President strongly emphasized the significant possibilities of the global food market, indicating that FOODPOLIS is at the right place at the right time. “In 2013, the global food industry was worth



\$5.4 trillion. This is more than the IT and automobile industries put together. The food industry is expected to grow into a \$6.3 trillion industry by 2017.”

She pointed out that Northeast Asia alone has a population of 1.5 billion people, and that Korean trends and food are becoming more popular in this region. “This is a major opportunity for economic activity on the Korean peninsula,” she said.

President Park concluded her speech with a strong motivating message. “I believe the agricultural food industry will lead our economy as the

future growth business and strategic exports business.”

Echoing the president’s speech, Minister Lee Dong-phil promised to work together with farmers, food sector professionals, and companies with the resources and international networks to further develop FOODPOLIS. He expressed high hopes for the industrial food cluster to “become an advanced base to help pioneer the global export market.”

To act upon the government’s commitment to develop the domestic agri-food industry, a Mutual Cooperation

Agreement was also signed at the groundbreaking ceremony. The agreement brought together companies planning to move into FOODPOLIS with domestic agri-food manufacturing organizations. They agreed to coordinate closely for mutual development in the years to come. Companies in various fields of the food sector also participated in the signing.

Hampton Grains, a processed rice manufacturer and distributor based in the U.S., signed an agreement with the Korea Rice Processing Complex Association. China’s Clever Mama,

Foodpolis Groundbreaking



which manufactures a variety of fruit pudding products, and the Korea Fruit Agricultural Co. Federation also agreed to join hands for closer cooperation. And, getting ready to expand into a total foods company with Ginseng chicken soup exports, Harim and Jeonbuk Insam Nonghyup also signed on to a plan that would see them build a successful collaboration together.

FOODPOLIS will receive 553.5 billion won in investments by 2020, and aims to establish itself as an R&D and export-based industrial food cluster with 70-100 food companies and research institutes.

The first stage for leasing plots in the industrial complex officially began on November 28th. Companies are able to apply for plots for the first 340,000m² of the nearly 1.4million m² available for lease in the industrial complex. Applicants will be evaluated and receive leasing contracts beginning in January. The rest of the land will be leased out on a sequential basis after the first stage. MAFRA will also be working closely with the Ministry of Trade, Industry and Energy and the North Jeolla Province to make FOODPOLIS a Foreign Investment Zone.

Mayor Park Kyung-chul said that when all the companies move into the industrial food complex by 2017 and start full operation, that it is expected to bring in 4 trillion won worth of production and approximately 22,000 employment opportunities. One of the main goals for FOODPOLIS is that it will help develop the domestic food industry and generate an annual turnover of 15 trillion won. The cluster is particularly focused on supporting SMEs to expand into the global market and reach \$30 trillion in exports by 2020.



NAVIGATING THE BRAVE NEW WORLD OF HEALTHY FOOD



Health and wellness is one of the most dynamic and exciting sectors of the food industry. But it's not a business for the slow-footed. New research and changing attitudes about health and eating are bringing transformative changes to the health food industry, toppling some former giants and bringing new opportunities to innovative companies that keep up with the times.





A strong interest on the part of consumers in healthy eating and weight wellness is certainly nothing new. Food companies have been developing products to meet those demands for decades. But in recent years, attitudes towards food have undergone a transformation, as a flood of scientific research suggests that some of our old assumptions about eating are incorrect. The age of highly processed, low-fat diet food is now coming to an end, as consumers turn to natural, unprocessed foods in order to control their weight.

More broadly, attitudes towards fat, sugar, protein, and carbohydrates have been changing rapidly, particularly among young people. This suggests that established food companies must rise to the challenge of adapting to a completely new environment. At the same time, opportunities are ripe for start-ups to innovate and create new, original products to meet the adventurous tastes of consumers. The potential rewards can be huge. Way Better Snacks, which produces healthy tortilla chips with sprouted ingredients such as flaxseed, chia seeds, quinoa, and

broccoli seeds, launched in 2011 as a small, family-funded business, but grew dramatically to record sales of close to \$25 million in 2014.

Older companies, of course, are not sitting on their heels. Nestle has responded to the gluten-free movement by introducing gluten-free cornflakes. PepsiCo has developed a whole new line of beverages and foods targeting health-conscious Chinese consumers. Danone, the world's fourth-largest health and wellness company, is marketing wellness products in Latin America and Asia, and looks poised to benefit from consumers' growing interest in digestive health. Even fast food chains are mobilizing to reduce their use of artificial ingredients and develop newer, healthier products. "The demand for fresh and real is on the rise," says Greg Creed, CEO of Yum! Brands, which includes KFC, Pizza Hut and Taco Bell.

The roots of all health food trends are the beliefs and preferences of consumers. Concerns about health influenced the food purchasing decisions of 64% of US consumers in 2013, compared to 61% in 2012, according to a study by the International Food



Information Council Foundation. China, for its part, has some of the most health-conscious consumers in the world. Below, we will consider several different ways in which consumer attitudes are changing, and transforming the health and wellness industry as a result.

NEW CONCERNS ABOUT SUGAR

In recent years, sugar has replaced fat and salt as the biggest target of healthy eating advocates. Whereas research now suggests that the naturally-occurring saturated fat in foods like butter and bacon is far less harmful and potentially more beneficial than originally thought, more and more consumers are now focused on reducing sugar intake in order to control weight, or to reduce the likelihood of developing diseases like diabetes. Several governments have even introduced taxes designed to reduce sugar consumption, for example a tax on refined sugar in Norway, and a new 10% tax on sugary drinks in Mexico.

As such, there is even more pressure than usual on food and beverage makers to come up with products that taste good but contain less refined sugar. One sugar substitute that is receiving particular attention is a non-caloric extract taken from the stevia plant that is 250-300 times sweeter than table sugar. With its all-natural pedigree and recent FDA approval, stevia would seem to offer an ideal solution, but it has not been successful for some kinds of food due to a bitter aftertaste, and the fact that it doesn't brown or caramelize like sugar. In late 2014, Coca-Cola and Pepsi both launched new colas that use a combination of stevia and cane sugar, resulting in a mid-calorie drink. Whether customers will adopt Coke Life and Pepsi True over the long term remains to be seen.

Meanwhile, many media outlets are predicting that coconut sugar will be a particularly trendy item in 2015. Made from sap in the flowers of coconut plants, coconut sugar is minimally processed, which should appeal to many customers. Nonetheless, claims that it is healthier than cane sugar have yet to be proven.



SEEKING PROTEIN AND “GOOD CARBOHYDRATES” IN NEW PLACES

Recently, consumers have demonstrated a desire to get more protein into their diets. In 2013, 57% of U.S. consumers made an effort to consume more protein, up from 48% in 2012. These can be divided into three primary categories: those concerned with improving their energy levels and muscle mass as part of an overall fitness plan; older consumers who see protein as an aid in staving off the effects of aging; and vegetarians and vegans, who seek non-animal protein sourced in an ethical, environmentally-friendly manner.

Simultaneously, more customers are starting to distinguish between “good carbohydrates” and “bad carbohydrates” in their diet. On the one hand, refined, highly-processed carbohydrates are being identified as causing more harm than previously thought. Traditional breakfast cereal brands such as Cheerios have seen their sales drop by 5%. But unrefined grains such as

oatmeal or other whole grains are enjoying brisk sales in multiple regions around the world, opening up new opportunities for businesses. Hampton Grains, based in California, recently signed an MOU with Foodpolis in order to target the Asian health food market.

These days, various sorts of grains and high-protein products are being marketed to consumers to meet this new demand. Peas, ground into protein powder, saw an impressive rise in sales in 2014. Following on from the craze over quinoa, other protein-rich natural grains such as barley, farro (from Italy), and freekeh (commonly used in Arabian and North African cuisines) are being more widely exported around the world.

More exotic sources of protein are also being explored, with some success. Protein flours made from algae are showing great potential, in that they are environmentally sustainable, vegan, non-GMO, gluten free, and also mild in taste and heat stable, so they can be easily combined with other foods. For the more adventurous, insects – the most abundant and highest quality source of protein on the planet – offer perhaps even more promise. With far more protein and healthy nutrients than beef, insects leave a small fraction of





the environmental footprint, and are much cheaper to produce. A handful of startups including Hopper Foods, Chapul, Exo, and All Things Bugs are marketing energy bars, tortilla chips and animal feed made with powdered crickets and other insects. Adventurous consumers may discover that the taste is no deterrent to enjoying insects – it's just the mental barrier that needs to be overcome.

GLUTEN-FREE: NOT JUST FOR CELIACS

One unmistakable health food trend of recent years is the gluten-free movement. Gluten, a naturally-occurring protein composite found in wheat, barley, and rye, is known to cause celiac disease (CD), a condition that affects roughly 1% of the population. The only known treatment for CD is to commit to a gluten-free diet, and so initially a small number of food products were produced to cater to people with celiac disease.

However in 2011 a widely read research study suggested that gluten intolerance was present among some proportion of the population who do not suffer from CD. Many people experiencing gastrointestinal problems who embarked on a gluten-free diet reported improved health, and soon gluten-free began to take



off as a health trend. Although some subsequent studies have suggested that the gluten itself may not have been the cause of the gastrointestinal problems, many consumers have since elected to reduce, if not totally eliminate, the amount of gluten they consume. Books such as *Wheat Belly* and *Grain Brain*, though also challenged by scientists, have added to the gluten-free fervor.

Euromonitor estimates that the market for gluten-free products, defined as foods in which wheat flour has been replaced by an alternative ingredient, stood at \$486.5 million in 2013. It also projects growth of 38.5% for the years 2013-2018. Other studies that include all products labeled as gluten-free, including foods that naturally lack gluten, put the market as large as \$10 billion. Regardless of the science behind it, the gluten-free label has proven to have appeal to consumers, so it's a phenomenon that food companies large and small can't afford to ignore.



THE MEGA-TREND: NATURALLY FUNCTIONAL

If there is one trend that arches above all others, it is the increasing focus on naturally functional products. Put simply, these are foods that provide significant health benefits in their natural state, without modifications. Almonds, which lower cholesterol and fight cancer and heart disease, and blueberries with their powerful antioxidants are two notable examples whose benefits are easy to understand, and which have been enthusiastically embraced and promoted by food bloggers and ordinary consumers alike. Particularly when combined with that other mega-trend – the desire for convenience – naturally functional products show tremendous potential both as healthy snack foods, and as ingredients used in cooking.

In this way, the last decade has seen a comparative shift in focus away from foods that are artificially fortified with vitamins and other nutrients, and towards foods which are perceived as intrinsically healthy. This has also helped to drive the increasing globalization of eating, as healthy foods from one culinary culture win over enthusiasts in other cultures. Recently the Colombian dairy group Alpina has found

success in the U.S. with its Avena line of oat-based dairy drinks. Popular in Latin America, drinkable oats had a ready market among Hispanic Americans, and Alpina is now marketing them to the broader American consumer base.

Asian cuisine has much to offer in naturally functional foods, and is seen as particularly trendy. Protein-rich lentils have been a part of the human diet since Neolithic times, but their extensive use in Indian and West Asian cuisines have helped to spread their popularity around the world. As more and more research extolls the benefits of fermented





foods, Korean kimchi and dishes made with fermented soybean paste are finding a foothold in other cultures. In general, the international marketing of Korean food has been given a boost by its healthy and natural qualities.

Another area which Asia has pioneered is the sale of probiotics dairy brands. Yakult Honsha has been selling its Yakult digestive health products since the 1930s, but in recent times interest in the drinks has surged in places like Southeast Asia and Mexico. In the year to March 31, 2014, the company reported a 48% rise in sales in the Asian region excluding its home market of Japan. Yakult Honsha now ranks as the most formidable global rival to Danone in the probiotics drinks sector.

These are exciting times for the health food industry, offering opportunities for both established brands and new companies alike as consumers become more knowledgeable and conscious about the food that they eat. Predictions of strong future growth, particularly in territories like China where interest in health foods is high, is drawing more and more new startups into the health food industry to compete with established players. The efforts of such companies are already bringing health benefits to people all around the world, and may someday revolutionize the way we all approach eating.



CASE STUDY

CHIA POD

One of the most impressive success stories in today's health and wellness sector is known as The Chia Co.

Launched in 2003 by John Foss, an Australian farmer with a strong commitment to sustainability, The Chia Co. established the world's first large-scale sustainable chia farms in Western Australia, and then went on to introduce its signature product, Chia Pod. A blend of chia seeds, coconut milk, and real fruit, Chia Pods have burst onto the health food scene, helping The Chia Co. to record revenue growth of 237% over the past two years. It is expected to reach \$100 million in revenues in 2015.

To understand the company's success, one should first consider the chia seed, which fulfills all the necessary prerequisites to become a trend item. Consumed by the Aztecs and Mayans as many as 3500 years ago, and a longtime staple of South and Central American cuisines, chia has recently been the focus of wider attention due to its high fiber content, dense nutrients and omega-3 fatty acids. It's also gluten-free, naturally functional, and can be described as an "ancient grain." All these qualities helped set the stage for it to be dubbed as a "superfood" by the health cognoscenti. Just as important, a secure supply chain of farms around the world meant that production could be ramped up to meet increasing global demand, allowing it to maintain its trendy status.

The Chia Co. initially focused its efforts on growing and selling sustainably-grown chia seeds in different markets around the world. But they were able to bring their business to another level by developing a new health food product out of their own produce. Chia Pods make use of another quality of chia seeds: that they absorb up to 16 times their weight in water. When soaked in liquid for more than 24 hours, they turn into a gel-like substance with an unusual texture and a light, nutty taste. The blend of chia seeds, coconut milk and fresh fruit resulted in a range of low-calorie snack foods with an appealing taste and texture.



The Chia Co. markets its Chia Pods with a blizzard of buzzwords that are sure to appeal to health-conscious consumers. They are described as “wholefood nutrition,” “energy boosting,” “dairy and gluten free,” with “3g of omega-3 and 6g of dietary fiber,” “preservative and additive free” and containing “healthy, medium-chain fatty acids.” Furthermore, the products are “vegan and non-GMO,” and come packaged in 30% recycled material. They come in eight flavors including Lemon & Date, Blueberry, Mango, Banana, Vanilla Bean, Strawberry, Dark Cacao and Coffee Bean.

The success of the Chia Pod has led to other chia products containing oats or muesli. Crucially, they are all convenient and easy to eat on the go (Chia Pod comes with its own spoon), appealing to young consumers with busy lifestyles. They have obvious appeal as a snack, but are also marketed as a quick and easy breakfast – recognizing that this meal is the one most likely to be skipped in many cultures around the world.

Another important factor for many health foods is to align the product with the sports and fitness community. The official brand ambassador of Chia Pod is professional surfer Kelly Slater, an 11-time world



champion, and the company also secured a sponsorship deal at the 2014 U.S. Open.

Obviously, the sort of growth experienced by The Chia Co. creates challenges that not all business can handle. But from a business point of view, the company looks poised to become an influential global brand in the health food business. “Part of the reason for the success and profitability of the company is that we are fully integrated from the farm to the consumer,” said Foss in a recent profile in the *Wall Street Journal*, “and we deliver as much profit as possible back to the farmers, so they can continue to grow chia.”



The Health and Wellness Beverage Industry in China



What do you get when you combine a massive and steadily growing economy, cutthroat competition between domestic and international brands, and consumer tastes that are changing quickly in response to urbanization, health concerns, rising living standards, and globalization? The Chinese beverage industry fits this description, and it ranks as a particularly competitive and unpredictable market. However one thing that does seem certain is that in the coming years, Chinese consumers will consume a greater proportion of health and wellness beverages, mostly at the expense of carbonated drinks.



A wide variety of health drinks are currently available to Chinese consumers, ranging from international brands like Minute Maid and Red Bull to well-known local brands such as the traditional herbal tea Wong Lo Kat. The biggest player in the beverage market is Coca-Cola with its wide array of different brands, but it is challenged by a strategic tie-up between PepsiCo and Tingyi (the maker of popular Master Kong food and drinks), as well as by local conglomerate Wahaha, which makes a variety of beverages ranging from dairy and yogurt drinks to fruit juice, soft drinks, and bottled tea.

With urban populations in particular showing increased demand for health and wellness beverages, foreign and domestic firms have taken up differing strategies in a bid to win market share. International firms have focused more on fortified/functional beverages, and have put particular effort into new product launches and ambitious marketing strategies. Domestic firms, meanwhile, have an advantage in herbal teas, and have also used their superior distribution networks to gain an edge.

Some local brands, faced with cutthroat competition from the three majors, have developed new products and marketed them at specific regions. Herun Kirin Tea, for example, is sold only in Beijing and Shanghai, while the herbal tea Shihuatang has been targeted at customers in Xi'an and Chongqing with a strong advertising campaign. The marketing of Shihuatang focuses on its use of ancient Chinese royal recipes, purely natural ingredients (including Chinese traditional herbs, Hawthorn berries, Kudzu, Radish



Seed, Licorice, Lotus Leaf, and Chrysanthemum), and purported health benefits which include protection of the liver, aid with digestion, and hangover prevention.

Meanwhile, the much more famous Jiaduobao herbal tea, which in 2013 took a 15.3% share of the canned beverage market ahead of Red Bull (13%) and Coca-Cola (8.8%), is looking beyond the domestic market to customers in Southeast Asia and South America. Sold in a distinctive red can, the tea is said by proponents of Chinese medicine to counteract the effects of "internal heat," brought about by hot climates as well as drinking and smoking. It will initially target overseas markets with substantial Chinese communities before expanding its scope to other areas.



JOUNHEALTH OUR HEALTH PARTNER





Jounhealth is a fast-growing functional foods company focused on the health food industry. With quality as its top priority, the company is set to expand its reach around the globe with newly improved formulas, and plans to establish domestic manufacturing plants for further research.



Jounhealth has been working together with leading domestic and international companies to distribute healthy functional foods since 2005. Researching and developing its own formulas, the company distributes various products such as vitamins, calcium supplements, and supplements for joints. Jounhealth's key products in particular are probiotics supplements and Omega-3 products.

Maintaining the Highest Quality

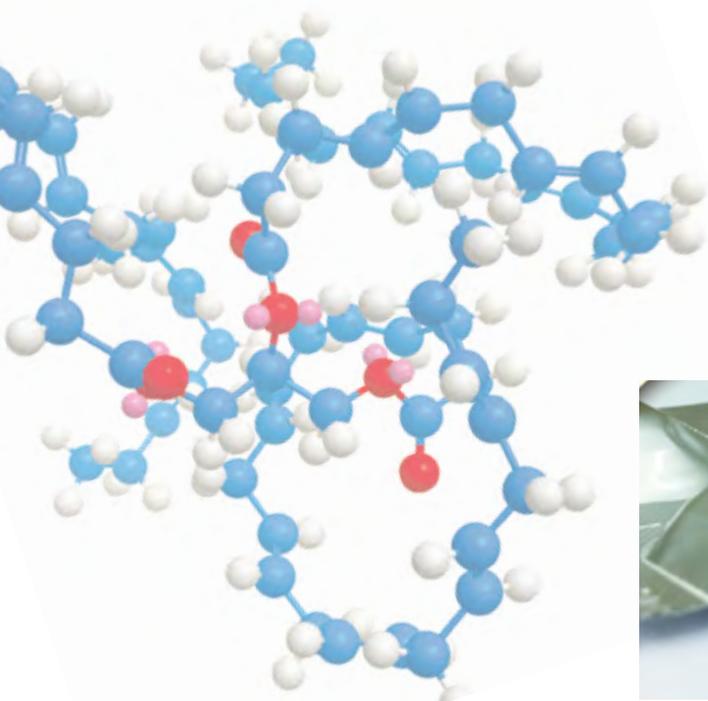
The functional foods company feels very strongly about maintaining the highest quality for all of its products, and the encapsulation process is a very critical part of that. This is why it contracts with

leading encapsulating companies in Korea and abroad, such as the U.S. and Germany. With all the key specifications and standards in hand, they handle the blending, manufacturing, and product packaging.

Jounhealth takes tremendous pride in its products, carefully analyzing the ingredient content for each item, as well as deciding how much of what ingredient is needed for each dose. It also only contracts with manufacturing companies that meet the strict quality criteria of Jounhealth for consignment production.

Through several years of working with manufacturers and ingredient distributors, Jounhealth has built strong relationships based on trust and reliability. The company has a strict policy of using only the best ingredients for all products and nothing less.





Using Only the Best Probiotics

Jounhealth has a probiotics supplement line that is available in two forms, CellTi® for adults and CellTi Kids® for children. These products are made with ingredients from world-renowned probiotics ingredient manufacturer DuPont Danisco, which is a member of the Dow Jones Sustainability Index. When it comes to probiotics, there is a significant price difference according to the probiotics ingredients and the volume of the content. Jounhealth only chooses the best ingredients to help its consumers maintain the best of health.

To maintain the potency and quality of the probiotics, the products are managed under low temperatures from distribution to the moment the consumers receive their products. All probiotics products are packaged in iceboxes for total temperature control, with dry ice and ice packs to keep the products cool.



Working with Leading Omega-3 Manufactures

One of the key products of Jounhealth is the Omega-3 product rTG Omega-3[®]. The rTG Omega-3 DHA[®] was first introduced from Germany, and now Jounhealth works with KD Pharma, a global leader in manufacturing rTG Omega-3[®]. The company's rTG Omega-3[®] line has been improved to have higher absorption compared to other Omega-3 products, and is exclusively sold in pharmacies. Also, the new 'rTG Core Omega-3[®]' was launched in January. It has an even higher volume of content than the existing 'rTG Omega-3[®]'.



Raising the Bar for Manufacturing Facilities

More people are becoming interested in health. The trend is readily apparent from the current popularity of TV health programs, which tend to garner high viewer ratings. This has allowed the healthy and functional food market to expand significantly.

This year, Jounhealth is taking the next big step and will start to produce its own probiotics based on a newly developed formula. Unlike most companies that build manufacturing facilities under the food manufacturing standards, Jounhealth is preparing production on a GMP level for higher quality. Aiming for higher, healthier functional foods for consumers, Jounhealth will continue to strive to expand its market.



Newly Improved Coenzyme Supplement

Jounhealth introduced the new Q10B Plus[®] in January. It is an upgraded version of the existing Q10B Gold[®], which contains coenzyme Q10 and a high concentrate of vitamins. The company works with RP Corp, a subsidiary of the leading Korean pharmaceutical company, Daewoong Pharmaceutical Co., Ltd., to manufacture domestically.

Like all the other products from Jounhealth, the Q10B Plus[®] formula was developed by the company and sent to RP Corp for consignment production. It uses coenzyme Q10 ingredients from Daewoong Pharmaceutical, and Quali-B vitamin B from the world-renowned British vitamin distributor DSM.



WORKING WITH UNIVERSITIES TO BUILD ORGANIC AGRICULTURE RESEARCH CENTERS

Korea's Ministry of Agriculture, Food and Rural Affairs strongly supports the growing domestic organic agri-food market, and is working to provide emerging farmers with the best tools and information.



The Ministry of Agriculture, Food and Rural Affairs (MAFRA) understands the growing need for safer and more environmentally-friendly food, which is why it is working to establish organic agriculture research centers and expand the domestic organic food market.

Currently six research centers have been established: the Eco-friendly Agriculture Research Center at Chonnam National University, the Eco-friendly Agriculture Research Center at Kangwon National University, the Goseong Biology Environmental Agriculture Research Center, the Eco-friendly Agriculture Research Center at Kyungpook National University, the Eco-friendly Agriculture Research Center at Jeju National University, and the Chungbuk Eco-friendly Agriculture Research Center.



The research centers play an important role in developing the environmentally-friendly food market. Their work is divided into four sections: on-site technology development, training and education, analyzing and verification, and pilot farms.

On-site technology development consists of technology testing on location, and developing technology for farms. The first task is to compare and examine whether technologies that have already been developed domestically and internationally can be used at local farms. The second is to research and develop the technology needed to physically help build eco-friendly agricultural complexes.

The training and education section helps train farmers to convert to organic farming, and provide education programs for consumers. Farmers can

receive consultation concerning organic farming, receive information such as success cases and future organic market trends, or even participate in the 'organic expert program,' which takes about 6 months to a year to complete. For consumers, there are education programs about environmentally-friendly and organic foods according to children, adolescents, distributors, housewives, and nutritionists. There are also experience programs with organic pilot farms.

Analysis and verification involves analyzing organic agricultural food products and verifying the quality of agricultural products. There are safety tests to check organic food products for pesticide residue, metal substances and contamination. Organic agricultural products that are commercialized or developed independently will go

through a verification process for functionality and safety.

And finally, pilot farms will be operated according to the type of crop. The research center's farm or a cooperative farm will be chosen as a pilot farm. The research farms, which use existing technology, will be managed separately from the education farms, which use newly developed cultivation technology, to compare results.

MAFRA aims to support existing and emerging organic farmers through these programs at the research centers. The eco-friendly agriculture research centers specialize according to geographic characteristics, thus being able to attract and help future organic farmers meet consumer demands and respond to the demands of the open market.

AZ SYSTEM

Expects Great Synergy Effect Working with FOODPOLIS



AZ System is one of the first companies to apply for a lease in the FOODPOLIS complex. The plan: build a food processing plant as the first step towards becoming a comprehensive food company.



FOODPOLIS started off the year on a positive note with food ingredient distributor AZ System signing an MOU to invest in the industrial food complex and preparing to move in.

The signing ceremony was held on January 6th at the Ministry of Agriculture, Food and Rural Affairs. Members present included MAFRA'S Director-General Lee Ju-myeong, Director Kang Seung-gu of North Jeolla Province, Head of Iksan City Hall Mr. Jang Ju-young, and AZ System CEO Park Jung-un.

Originally starting off as the Gwangju branch office of Zenith Distribution in 2006, AZ System has been distributing food ingredients and imported meat, as well as operating agri-food distribution specializing stores. The company distributes food ingredients to various customers ranging from restaurants to state-owned companies and schools such as Chonnam National University and the

Hanam Industrial Complex.

AZ System is growing at a significant rate, bringing in 50 billion won in sales in 2013. Seeing FOODPOLIS as a great opportunity to grow, the company was quick to register. It has applied for plots in the industrial food complex during the first leasing stage, which was held December 15th-17th.

CEO Park Jung-un said that the industrial food cluster's advanced R&D system makes a huge difference to the company's further growth plans. "We are planning to evolve from just a food ingredients distributor to a food manufacturing company. The Quality & Safety Center and packaging center within FOODPOLIS would greatly benefit our development," he said.

He also expects a significant synergy effect to be gleaned from the move, and clearly the company is keen on the strong networking effect of being located

in an industrial cluster. "Our strong distribution background together with the manufacturing and distributing processed food in FOODPOLIS will help us expand further into the food market," he said.

AZ System is currently planning to invest 2 billion won to build an 11,000m² food processing plant in FOODPOLIS. This initial product line will include the manufacture of sausages and cutlets, and the company is looking to expand aggressively into a more comprehensive food company targeting markets around the world.

Speaking on behalf of FOODPOLIS, Director-General Lee Ju-myeong expressed high hopes for AZ System, while also indicating that FOODPOLIS will spare no effort to ensure the success of its member companies. "We will fully support food companies that move into the complex with R&D and exports support," he said.

BTC Hopes to Achieve 1 Trillion Won Goal with FOODPOLIS



BTC has signed on to build a production plant in the industrial food complex, looking to the strong R&D support within FOODPOLIS to raise the company's competitiveness in overseas markets.



On January 6th, BTC, a raw materials manufacturer for functional foods, signed an MOU to invest 20 billion won to build a 10,000m² production plant in the FOODPOLIS complex.

BTC has been producing raw materials for functional foods since 2006. Its key products include anti-obesity ingredients, fermented Ginseng, Omega-3, and green tea extract with enzymes. The company has many patents such as technology for extracting Ginseng, and extracting minerals from agri-food into powder form.

BTC believes research is the key to success, which is why it has spent many years researching and developing new food materials with Korea University and several universities. It also recently established a company-affiliated R&D institute to further expand its food material line.

“We have been eyeing FOODPOLIS for the past three years and we’re glad

to be able to get on board at this time,” said CEO Kim Tae-young. He also said that he has attended the investment briefing sessions every year, and even visited Food Valley in the Netherlands to see the actual results of an industrial cluster before making the final decision to invest in the FOODPOLIS complex.

The company currently uses several OEMs to manufacture its products, and has been looking into locations to build their own manufacturing plant. Earning 12.4 billion won in sales in 2013, BTC is planning to manufacture its own goods to meet the growing demand in Korea, U.S., and Australia.

“We want to increase competitiveness with our own production line, and FOODPOLIS could be our stepping stone into the global market,” said Kim. The company strongly believes that the Iksan-based industrial food complex will help achieve the company's goal of becoming a functional food company

focusing on health food with 1 trillion won in overseas sales within the next 10 years.

Director-General Lee Ju-myeong of the Ministry of Agriculture, Food and Rural Affairs (MAFRA), Director Kang Seung-gu of North Jeolla Province, Head of Iksan City Hall Mr. Jang Ju-young, BTC CEO Kim Tae-young and several other representatives were present at the Ministry's council chamber for the signing ceremony.

“FOODPOLIS will support domestic and international food companies in various fields, such as workforce, obtaining domestic ingredients, and support solutions for exporting,” said Director-General Lee. He also explained that MAFRA is working nonstop to find detailed and strategic ways to provide a strong foothold for companies within the cluster to confidently jump into the global food industry.

Goldrock International and Kirinyaga County Government Eyes FOODPOLIS





Goldrock International and the Kirinyaga County Government like what they see in the growth potential of FOODPOLIS. With an official MOU in the books, hopes are high for strong expansion into Asia’s burgeoning coffee market.

FOODPOLIS will officially be the new home for Goldrock International. The Kenya-based coffee distribution company, along with the Kirinyaga County Government of Kenya, signed an MOU on November 5th, pledging to invest in the FOODPOLIS industrial food complex. Goldrock International also applied for an Investment Registration Certificate the following day, showing its willingness to move forward quickly in its preparations to invest.

The MOU signing ceremony was held at the council chamber of the Ministry of Agriculture, Food and Rural Affairs (MAFRA) with several key representatives present, including Director-General Lee Ju-myeong of MAFRA, Director Kang Seung-gu of North Jeolla Province, Iksan

city Mayor Park Kyung-chul, Adviser for the Kirinyaga County Government Mr. Julius Wanjohi Karimi, and Goldrock International CEO Samuel S.Y. Park.

Goldrock International was established in 1991, and is currently one of the leading coffee producers in Kenya. The company distributes all types of roasted and unroasted Kenyan coffee beans. It was also introduced the first automatic coffee dispenser in Kenya. Goldrock International also rents and sells coffee dispensers.

Goldrock International has coffee brands such as “Simba” and “Cabrosia.” It has recently released “Masai Coffee” to target the local and international coffee market, and is receiving a very positive response.

Kenyan coffee has become popular because of the different and unique tastes the coffee beans have, such as wine with fruity tones, and strong acidity. Chinese and Korean companies have showed growing interest in these products, which is why Goldrock International is choosing to build a production facility in the FOODPOLIS complex.

“We see FOODPOLIS as an opportunity to export coffee to China and the Northeast Asian market.”

CEO Samuel S.Y. Park said that it was the company support programs in the R&D Center that sealed the deal. The company has a special packaging technique it acquired from years of experience, and many Kenyan coffee companies are benchmarking the technology. With the extra support from FOODPOLIS, Goldrock International has great potential to expand further into the Asian market.

The Kirinyaga County Government has also shown interest in Korea’s cutting-edge food processing technology. Kirinyaga County also has a government agri-food research institute and the largest facility of the Kenya Tea Development Agency (KTDA). The county produces an abundance of food ingredients, but doesn’t have enough manufacturing plants to create added value. It is eyeing FOODPOLIS because it provides the right environment and technology support.

Director-General Lee Ju-myeong explained further about the additional support international companies would receive. He also pointed out that companies such as U.S. Wellspring Inc. and China’s Weihai Unisplendour Biotechnology have already reported investment.

“FOODPOLIS will be designated as a Foreign Investment Zone. This will give international companies various tax benefits, discount for leasing plots, and other incentives, and be a tremendous advantage for them as they look abroad to develop export opportunities.”

Jounhealth Hopes to Expand within FOODPOLIS



Jounhealth is looking to FOODPOLIS as the key location for its new production plant, with a vision to expand its healthy functional foods product line. Utilizing the R&D support programs within the cluster to grow as a health food industry leader.



Joun has been looking to the future for several years now, with plans to expand their production facilities to meet growing demand health food products. The company has been looking into locations to build the new manufacturing plant by 2016. Under the current plan, the new 9,900m² plant will be technology integrated to research and develop a wider range of functional food products.

CEO Kim Han-jun attended the event and expressed his optimism about the prospects for success at FOODPOLIS.

“I was very impressed by the amazing R&D support programs within the cluster. We are strongly considering investing in FOODPOLIS, and believe that we will be able to develop even more functional products with the support,” said Kim.

FOODPOLIS has placed a strong emphasis on developing R&D capabilities within the cluster, and has already embarked on the establishment of several company support programs, such as the Functionality Assessment Center and pilot plants.

Director-General Lee Ju-myeong expressed high hopes for the industrial food cluster, saying that the government would continue to aggressively emphasize R&D to promote investment. “The R&D facility will actively support SMEs through its various programs and help them grow as food industry leaders,” he said.

Jounhealth becomes the 102nd company to sign an MOU to join FOODPOLIS.

On December 15th, Jounhealth signed an MOU with the Korea National Food Cluster in the council chamber of the Ministry of Agriculture, Food and Rural Affairs (MAFRA). The healthy functional foods company hopes to build a new production plant in the FOODPOLIS complex.

Among the dignitaries present, MAFRA'S Director-General Lee Ju-myeong, Director Kang Seung-gu of North Jeolla Province, Head of Iksan City Hall Mr. Lee San-jae, and Jounhealth CEO Kim Han-jun were on hand for the ceremony.

Since it was established in 2005, Jounhealth has become a vibrant functional food manufacturing company that focused on the health food segment, with 16 types of health supplement products such as probiotics (CellTi®), Omega-3, and Vitamins in its lineup. Their products are currently being sold in over 4,000 pharmacies around Korea, and the company has seen much success, raking in 10 billion won in sales in 2013.

In 2006, the company succeeded in commercializing a product with a purity of 70% Omega-3. This achievement made it possible for functional health supplements to have high purity standards.

Jounhealth is currently utilizing an OEM supplier in the U.S. for better ingredient distribution. It also imports its finished products. But for even higher quality control, the company has an ambitious plan to import ingredients directly from Denmark and manufacture their own products domestically.



Yantai Food Industry Association, the Food Industry Developer



renowned brands such as the Changyu Pioneer Wine Co. Ltd., COFCO Great Wall Wine, Shandong Luhua Group Co. Ltd., Siwin Foods Co. Ltd., Yantai Shinho Weiddamei Food Co. Ltd., Longda Foodstuff Group Co. Ltd., and Yantai North Andre Juice Co. Ltd.

YTFIA's primary mission is to provide industrial support for food companies, nurturing cooperation between 506 food companies that have expanded beyond Yantai, and 1,100 companies that have received government license to manufacture food. For the past 30 years, the association has been working nonstop to further develop the Yantai food industry. It has been one of the pioneers in the region's food industry, and has provided strong leadership for government, industrial, and corporate sectors in promoting business.

Building Self-Sufficiency

The association has always placed considerable emphasis on having a strong core structure, and has consistently pushed its membership and

In Chinese, Yantai literally means smoke towers and, historically, they were built to ward against enemy invasion. Today, the mission of the Yantai Food Industry Association (YTFIA) could not be more opposite. Its current role is to foster economic growth and strengthen trading ties between its member companies and counterparts around the world. And, in its 30 years of existence, the association has successfully helped Yantai City and the Shandong province become a food

export powerhouse.

The YTFIA was officially established in 1984, and celebrated its 30th anniversary on December 20th of last year. It is nestled in the heart of the bustling Shandong Province, and has been certified by the Yantai City Government with more than 240 corporate members hailing from across the city and representing a wide range of fields in the food industry.

Members include internationally

Mainland China’s Yantai Food Industry Association has blazed the trail for Yantai City for 30 years, turning it into one of biggest food cities in the country. Now its sights are set firmly on making the Shandong province into a food export powerhouse. The association is partnering with international organizations like FOODPOLIS for further mutual growth.

the industry to build self-sufficiency. The results of this drive over the years has been striking indeed. In 1984, prior to the association’s establishment, the food industry in Yantai was worth approximately 663.25 million yuan. By 2013, the industry had seen tremendous growth, with profits up 250 times to a

very stellar 165.7 billion yuan with an annual market growth rate of 21%.

By way of comparison, the profit earned by today’s Yantai food industry in just one and a half days would equal profits for the entire year in 1984. In this same period, exports have soared. The city’s food export rate has increased by a factor of 62 in the past 30 years and is worth just over \$3 billion. Critically, Yantai now ranks among the top three food industrial cities in China, and accounts for 20-25% of manufacturing and exports for the Shandong Province.

which has been further leveraged by the association as it aggressively pushes forward with an action packed events calendar.

For nine consecutive years, the YTFIA has successfully hosted the East Asia International Food Expo, and will host its tenth this coming June, culminating a decade worth of achievement. YTFIA has also proved itself as a major food association in Northern China, where its efforts have received a strong endorsement from the powerful Ministry of Civil Affairs, which could not be more pleased by the company’s performance. In 2010, for example, the ministry recognized the association as the “Nation’s Most Advanced Social Organization.” In 2013, the YTFIA was awarded the highest level “4A Rank for Social Organizations” by the MCA.

YTFIA will continue to strive harder to help local food companies expand into markets around the world. The association looks forward to cooperating with governments and organizations, both domestic and international, for further mutual development.



The City of Chinese Food

In 2009, the association developed its latest branding strategy, introducing Yantai to the world as “The City of Chinese Food.” The concept was to unite the entire industry under one banner, creating a single brand that could capture the imagination of consumers. The idea was to build the city’s food industry as one overarching brand with consistent messaging. To date, the campaign has seen significant success,



News Track

Berkeley became the first city in the U.S to enact soda tax

Berkeley's soda tax took effect on January 1st. The soda tax is levying a 1-cent-per-ounce tax on sugary drinks. Berkeley, California became the first city in the U.S. to implement a soda tax on November 4th after receiving 75% of the voters' support. San Francisco also held an election for a soda tax but the vote only received 55% of the vote, falling just short of the 60% it needed to be approved. The movement to reduce sugar consumption is spreading fast as more consumers and

health organizations are pointing to sugar as one of the major culprits for the growing populations suffering from obesity and diabetes. The National Health and Nutrition Examination Survey database shows that Americans take in almost 20 teaspoons of sugar on a daily basis. According to a study in the American Journal of Clinical Nutrition, sugary drinks including sodas, energy drinks and fruit juice, account for nearly half of added sugars in an average U.S. diet. The beverage in-

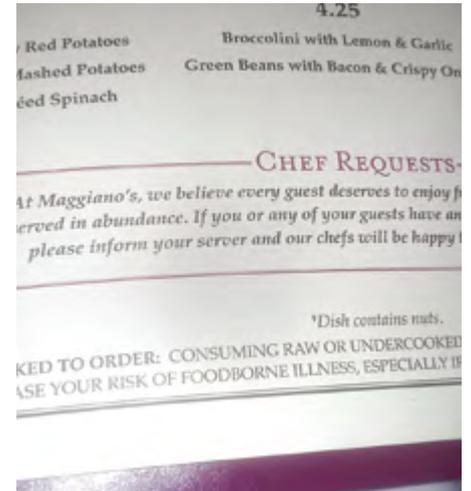
dustry, which spent over \$11 million to prevent the soda tax in Berkeley and San Francisco, isn't the only one on the opposition on soda taxes. Some organizations are also against the idea of soda taxes, claiming it as "elitist" because the extra tax would fall heavily amongst the lower income consumers. Although some people are questioning where the taxes will end up being used, the move for soda taxes is slowly yet steadily making its way to Congress.



FDA's new calorie label regulations may cost food companies \$5.27 billion

The FDA published new regulations in November concerning calorie labels in chain restaurants and stores selling prepared food. The regulations require restaurants with 20 or more chains, pizza parlors, movie theaters, and grocery stores that sell prepared food to have “clear and prominent” calorie labels on all their menus and menu boards by December 1st. According to information published by Reuters, US health regulators estimated the cost for “lost pleasure” among consumers to approximately \$5.27 billion over the 20 years due to the calorie counts on the menus. Food companies and organizations such as the National Grocers Association (NGA) are showing deep concern

as they claim the new rules are an “expensive regulatory burden.” Laura Strange, a spokeswoman for the NGA, said that they would work with supporters in the Congress to change the rule. The new labeling regulations is an attempt by the FDA to control the increasing rate of obesity in the U.S. by providing consumers with more information about their food and to help make healthier choices. But there is some skepticism about how effective calorie labels will be as some studies, including one published in the American Journal of Public Health, showed that calorie information on menus did not improve consumer choices.



The EU's new allergen labeling rules face mixed concerns

The new allergen regulations approved by the European Commission has gone into effect on December 13th despite mixed opinions among consumers and restaurants. Restaurants and food outlets are now required to list details of 14 allergen ingredients such as eggs, nuts, gluten, and soy on their menus to prevent the risk of allergic reactions among their customers. Mandatory labeling for processed food will take effect from December 13th, 2016. The EU regulations are expected to reduce allergic reactions and also require all staff to be trained in providing allergy information to customers. This is good news for people with allergies, particularly the ones who have suffered allergic reactions because restaurant staff either didn't know the actual components of the menu or just assumed the customer was a fussy eater. But some small and medium size restaurants are pushing back, labelling the regulations as an “administrative burden” and time-consuming to put together the information. Some consumers without food allergies found menus with every ingredient listed as “off-putting” and think asking the staff beforehand for allergens as the better option.

One of the biggest problems the allergen labeling regulations is facing is that many restaurants are still not aware of the new rule and haven't been informed of it. But with time, UK's Food Standards Agency believe the rules will significantly reduce accidents relating to food allergens.

FSA criticized for late response on contaminated fresh chickens in supermarkets

The UK's Food Standards Agency (FSA) published a report in November revealing that over 70% of fresh chicken sold in major supermarkets around the country are contaminated with campylobacter, with 18% carrying high levels of the bacteria. And despite the strong opposition of supermarket retailers, the agency went as far as to name individual retailers along with the percentage of chickens contaminated. Although campylobacter can be eliminated with thorough cooking, it is still the most common type of food poisoning, accounting for nearly 280,000 cases a year and causing as many as 100 deaths. But the

retailers are not the only ones receiving criticism from the public. According to an article published in *The Guardian*, the FSA originally planned to publish the report in June but delayed it due to a request from Group Technical Director Tim Smith of Tesco, the second largest retailer in the world. Smith was a former chief executive for the FSA. The agency denied these allegations stating that it did not have sufficient samples to support the results. Several major retailers have expressed disappointment in the test results, and have vowed to find solutions to reduce the bacteria and educate consumers to cook their chicken safely.



Fast-food giant hit with another food scandal in Japan

McDonald's has had yet another food safety incident early this year in Japan, as objects were reportedly found in customers' food. Since facing its biggest food scandal ever last summer, which involved one of its China-based meat suppliers using expired meat, McDonald's has been trying to regain its customers' trust and regrow sales. It switched to more reliable meat suppliers in Thailand, two of which are owned by the giant international food processing company, Cargill Inc. The incident leading to McDonald's Japan's public apology was a 4cm strip of vinyl found by a customer in a Chicken McNugget. The fast-food giant has removed all the products that were produced on the same day at the plant that had the contaminated product. Cargill also announced that it is working closely with McDonald's to investigate the food safety cause. There have been other recent incidents, including a human tooth in a customer's French fries last March, and a child suffering a cut wound in his mouth from a piece of broken plastic in a Chocolate Sundae in December. McDonald's Japan said that the plastic was due to the broken sundae machine, and has removed it from the store.

McDonald's announced that it is enforcing more strict quality standards, including unannounced audits of suppliers and providing more food information for customers.

Bidart Bros. recalls 2014 apple shipments due to Listeria risk

The California-based apple packing facility Bidart Bros. has announced that it is expanding the recall to include all of its Granny Smith Apples and Gala Apples that were shipped from its Shafter, California facility in 2014. According to the Centers for Disease Control and Prevention, the deadly outbreak has sickened 32 people in 11 states and caused 5 deaths so far in the U.S. since October, and is still ongoing. The Public Health Agency of Canada announced that two cases of

people sickened by Listeria had the same strain as the outbreak in the U.S. Bidart Bros. issued its first recall on December 22nd to customers that produce caramel apples, shortly after when the outbreak was traced back to caramel apples using the company's products. The recall was later expanded to all products in the U.S. and Canada on January 8th after several samples from the Bidart Bros. facility tested positive for listeria. The Food and Drug Administration announced

two days later that additional tests results have verified the listeria strains found in the packing facility matches the strains of the outbreak. Leonard Bidart, President of Bidart Bros., made a statement that they would fully cooperate with the Food and Drug Administration, the Centers for Disease Control and Prevention, and other agencies for further investigations.



Subway under investigation for altered expiration dates in China

U.S. sandwich chain Subway is investigating claims from local Chinese media that one of its Beijing franchises used expired ingredients. Chinese media reported that a Subway chain altered expiration and production dates on drinks, meat and vegetable produce to use beyond its expiry date. Subway made a statement that they are currently investigating these allegations and that it would enforce strict operational processes. Local regulators have also launched an investigation to look into the claims. The sandwich company currently has 489 franchises in China, and has been considered as one of the more reliable foreign food

brands by the local consumers. In the recent years several foreign food franchises have been involved in major food scandals in China, tarnishing the high quality brand image. Gao Jianfeng, an analyst for the fast-food industry at Shanghai-based Bogo Consultants, said that Subway is less likely to have a big impact on sales due to the media's allegations because only the one store in Beijing is being accused of altering expiration dates. But he also pointed out that this could add up to consumers having doubt about foreign fast-food chains and the "loopholes in their franchise management."



Supermarket price war is taking a toll on food producers

Major supermarket retailers in the UK are trying to fight off German competition by offering record low prices and even launching their own value range, while food producers are left with much slimmer margins to struggle amongst themselves. With more than half of British consumers shopping at German discount stores Aldi and Lidl, major UK retailers are lowering their prices in hopes to win back customers. In order to maintain their profit margin, retailers have resorted to pressuring food producers. This has resulted in a significant number of food producers that had to shut down business. According to accountancy firm Moore Stephens, 146 food producers filed for insolvency in 2014. Among these were wholesale bakeries, pasta makers and ready meal producers. Duncan Swift, a partner at Moore Stephens, pointed out the seriousness of the situation as retailers are currently in the “bloodiest price war in nearly two decades,” adding that food producers are the “cannon fodder.” There are growing concerns that the insolvency numbers may be underestimated because many food producers are sole traders and not recorded at Companies House.



Egg-alternative food technology startup raises \$90 million in investments

Hampton Creek, a San Francisco-based food technology company, has raised \$90 million in investments backed by Horizons Ventures and Khosla Ventures in the Series C round, bringing the company’s total capital to \$120 million. The startup, known for its plant-based egg replacement technology, will use the funds to improve its R&D and accelerate distribution. Other billionaire investors such as Salesforce’s head Marc Benioff and Facebook co-founder Eduardo Saverin are also eyeing the three-year-old company. Hampton Creek is a food technology company that uses plant-based substitutes for eggs. The future-focused company believes that utilizing plants would not only make food healthier, but also more sustainable and affordable. Hampton Creek’s plant-based products has made healthy

food affordable, as it is 48% cheaper than chicken eggs. Founder and CEO of Hampton Creek, Joshua Tetrick has set his sights on expanding further into markets in Asia. He strongly believes that his products will fit be a perfect fit for consumers in China, which has been struggling with food safety scandals. Tetrick explained that his plant-based alternatives provide the protein in eggs without the risk of contamination in poultry products. The food technology startup distributes to some of the largest food companies in the world, selling its products in over 15,000 locations in the U.S. and Asia. Opening a branch office in Singapore in 2013, Hampton Creek has recently signed with Hong Kong’s largest grocery store chain PARKn-SHOP to expand into the Asian market.



JBS Australia buys Primo Group for \$1.3 billion

JBS SA, the world's largest meat producer, has signed a \$1.3 billion deal to acquire Australia's Primo Group as part of its plan to expand operations with value-added products. Primo Group is the largest producer of ham, bacon, and small goods producer in Australia and New Zealand. It has five processing plants nationwide and employs over 3,000 people. CEO Paul Hitchcock said that the transaction offers Primo to grow its business internationally, and that the company is looking forward to being part of JBS. Wesley Batista, CEO of JBS Australia, said that the acquisition was part of the company's strategy to expand operations in value-added products, as well as strengthen its position in the Asia-Pacific meat processing market. The deal gives JBS an opportunity to aggressively push into China's food market, which thinks highly of Australia's product quality. Primo has been exporting pork to China in only minimal quantities due to import fees. But the free-trade pact between China and Australia in November has reduced or removed some of the import fees on agricultural products. This gives JBS a chance to increase imports to meet the rising demand. Experts say that the purchase of Primo may be one of the wisest moves by JBS in the past few years.



Dunkin' Donuts announces big plans to open 1400 outlets in China

U.S. coffee chain Dunkin' Donuts has signed a development agreement with Golden Cup Pte Ltd. to open and operate more than 1,400 Dunkin' Donuts stores across China for the next 20 years. This is the largest agreement in the coffee company's history. Dunkin' Donuts is taking an aggressive approach in expanding internationally as its domestic sales continue to slow. Currently there are 16 Dunkin' Donuts stores in China, and around 2,200 stores in the Asia Pacific region. Golden Cup Pte. Ltd., a joint venture between Jollibee Worldwide Pte Ltd. and Jasmine Asset Holding Ltd., will have rights to expand Dunkin' Donuts stores in China, Hong Kong, and Macau. Philippines-based

Jollibee Worldwide Pte Ltd. is known for localized franchising for Asian fast food chains. With the expertise in the industry, Golden Cup plans to open its first new store in the fourth quarter. CEO of Dunkin' Brands Nigel Travis expressed high hopes for the franchise development agreement saying it would "significantly expand and accelerate Dunkin' Donuts presence in China." Dunkin' Donuts will also be returning to Mexico after a five-year absence and will be operating over 100 stores in central and western region. The company recently opened stores in Brazil, UK, Sweden and Denmark, and plans to expand into Austria and Finland.

Food shopping online for unready and ready-meals is a growing trend



After growing in fits and starts, the online market for selling food—both ready-made and ingredients—finally appears to be on a sustainable upward track. HelloFresh, an on demand grocery delivery business in the UK is currently shipping out more than 1 million meals per month, with the lion's share of the meals going to repeat customers. The company touts the fact that it goes beyond quality, delivering freshness and flexibility at the same time, providing customers with reams of information with which to make solid choices. Critically, none of the food shipped by the company is ever frozen. There is so much interest in the company that it was recently able to raise

more than \$50 million dollars in financing. Just a few months ago, the same amount was raised by another big player in the nascent industry, Blue Apron. It reportedly has a \$500 million dollar valuation. In the case of HelloFresh, the model is not based on ready-made meals but rather all the ingredients required. People who subscribe to the serve are generally shelling out some 60 to 70 dollars per week for three meals. HelloFresh is looking to expand quickly, and has plans to set up shop in 37 states, up from the current 30. It is also planning a major sales and marketing push to gain traction.



Seven food trends for 2015 from Innova Market Insights

1. Labelling: more and more companies will move to introduce clear labelling that, for example, indicates where food has been produced. Companies will use more labels to address concerns about using marketing terms like “natural.”
2. Food bloggers and cooking shows are driving more interest in cooking and using natural ingredients at home. It's suddenly become trendy to be a foodie.
3. Millennials, those aged 15-35, are now a huge part of the population. They are plugged in

and informed, and they want products and brands with stories behind them.

4. Formal mealtimes are going the way of the Dodo, as snacks gradually come to the fore. This has brought about an increase in the number of food options available that would qualify as quick, healthy snacks.
5. Butter is back! Concerns about obesity are driving consumers towards unsaturated and natural fats and oils. Real butter is seen a tasty natural alternative to margarines which can be high in

trans fats.

6. Everyone is searching for the next great protein source. Soy protein is high on the list because it is cheap. It is joined by whey protein and also pulse proteins. Insects could be next.
7. It's time to get real. Innova points out that food companies are increasingly opting for real fruit and vegetables. It meets demand for natural foods, while also fulfilling specific functions naturally, like coloring food and providing real flavors.

Should we be worrying about a chocolate shortage?

According to the experts, the answer is yes. Amidst a general surge in chocolate prices, many of the world's most important players in the chocolate market, companies like Mars, Inc., are saying that they are seeing major shortages of chocolate. Analysts are suggesting that there is already something called a chocolate deficit and that it could last for 50 years. To be specific, in 2013 the world ate 70,000 metric tons more cocoa than it actually produced. Why is cocoa in such short supply? Experts point to drought and fungal disease in the key regions where it is grown. Also, China has clearly developed a sweet tooth and there is fast growing demand in the country for chocolate as its economy continues to develop at breakneck pace. Finally, there is a strong preference for dark chocolate, which is more pure and therefore requires more cocoa to make. But not everyone is as concerned with the situation. The International Cocoa Organization, for example, disagrees with the predictions of shortage. It suggests that everything will be normal for the next 5 years.



The latest trend in coffee – a spoonful of butter

How about a little butter in your coffee? It sounds strange but it's a new trend that is quickly gaining popularity, so much so that people have a new nickname for it: "bulletproof coffee". Others call it "fat black". The craze reportedly began several years ago, and was influenced by Tibetans, who have traditionally added a bit of yak butter to their tea as a tasty source of energy. If it's done right, one cup of bulletproof coffee can hold up to 500 calories. But apparently it is a natural appetite suppressor, keeping you full for hours and lending a hand to weight loss

plans. The brew was initially concocted by tech millionaire Dave Asprey, who stumbled upon it in Tibet. He went from 300 pounds to be slim and trim, and immediately began an effort to popularize and market the drink. In London, the juice café Cruss, is selling the drink for about 5 dollars, although it is marketing the drink as Smart Coffee and prepared with butter from grass fed cows. The company tops it off with a bit of coconut oil. Experts are still divided, however, on whether it really works or is merely a matter of hype.



Gangwon-do's Dynamic Ice Fishing Festivals



It's the season for ice fishing festivals all across Korea, particularly in Gangwon-do. The festivals typically begin around the end of December and go on till early mid-February. Hundreds of thousands of visitors swarm the area from all around the country to try their luck at catching mountain trout under the thick ice.

Visitors pay a small entrance fee for the festivals, and if you thought the festivals are just about trying to catch fish, think again. From actual fishing to sledding, zip-lining, create-your-own-sled competitions, ice sculpture and lantern exhibits, and of course, food, there is never a dull moment.

There is one particular activity that might come off a bit weird, or barbaric even, to foreign visitors at first glance—people in uniform t-shirts and shorts in a big 10-meter length tub of water clambering about trying to catch trout with their

bare hands. It's a one of a kind hands-on experience for visitors to literally jump in on the trout craze.

Those who would rather remain dry can find an empty fishing hole in the 40cm thick ice and settle in to fish for trout. But do note, it takes a lot of patience and not everyone is lucky enough to see a fish flapping at the end of the fishing line. In some locations, the water is so clear that you can see the fish through the ice. It's quite a sight.

People can also transport themselves back to their childhood memories and go sledding on the ice. There are even sled-making competitions to see who has the most creativity. And if you are brave enough, try out the bobsledding or zip-line activities. Ice soccer is another popular activity that can be found at several of the bigger ice fishing festivals. Team up with family and friends, and the loser will end up buying dinner.



Also, almost all the festivals have their own ice sculpture show. Some are actually quite large scale, building long tunnels and castles out of ice. These ice masterpieces are exceptionally beautiful at night with colorful lighting.

Food is always a highlight when it comes to festivals. Some have barbeque areas which visitors who have brought their own ingredients and food can use to cook. Or, you can go to the surrounding restaurants for fresh trout in sashimi or roasted form. If you managed to catch a trout yourself, restaurants will cook it for you or make it into a sashimi for a very cheap price. Gangwon-do is also famous for its little potato ball soups, stir-fried chicken, and buckwheat noodles called makguksu. So get your winter gear, and head out to fish.



Cauliflowers make a comeback



Who would have thought cauliflower would make such a big comeback as one of the biggest health trends in 2015? The white broccoli-like vegetable is already widely known to be appreciated by vegan celebrities such as Gwyneth Paltrow and people on the Paleo diet. But what makes this simple vegetable so special?

Many food experts always see cauliflower as the next big thing because it is packed with nutrients and has a lot of versatility when it comes to cooking choices. Despite the very low calories involved, cauliflowers are packed with vitamin C and vitamin K, and the antioxidants are great for detoxing the body. The rich fiber content in cauliflower helps support the digestive system, and its anti-inflammatory nutrients decreases the risk of cancer.



Not all healthy vegetables become trends. With the increasing popularity of the gluten-free and paleo diets, people are turning to cauliflower as an alternative for rice and other carbohydrates.

Cauliflower fried rice is one of the most popular recipes used by cooks everywhere, and even some moms who want to sneak in the vegetable into the family dinner. Instead of using actual rice, you grate the cauliflower to give it a rice-like texture. Stir-fry the cauliflower and some vegetables, put in a pinch of seasoning, and voilà, cauliflower fried rice.

If you like your herbs and spices, there are many Indian curry recipes that use cauliflower as the main ingredient. Cauliflower and chickpea curry with a little bit of coconut milk will have your taste buds dancing.

There are also Chinese cauliflower recipes, from simple stir-fry to deep fried cauliflower fritters with sweet and sour sauce.

Trendy food hipsters may have heard of cauliflower crust pizza. That's right, cauliflower crust pizza. Instead of using traditional pizza dough, grated cauliflower serves as the base. It is a



much healthier version of pizza with very low calories and carbohydrates. And as a huge plus, it's gluten-free!

People on diets may want a hearty meal, like a steak for instance, but feel guilty about the calories. No worries. Cauliflower is so versatile in cooking that you can use it as a puree for your steak, or even better, make a cauliflower steak. Take a big slab of cauliflower and just roast it to give it a nice golden brown color. Even if you are not a big vegetable fan, try out some of the cauliflower recipes today. You might be pleasantly surprised.



A Glimpse of the Past and Present

풍경 | Scenery

Seoul's vibrant Noryangjin Fisheries Wholesale Market is one of Korea's largest, providing visitors straight-from-the-wharf seafood and rough-and-tumble eateries where the order of the day can be summarized in one word: fresh. After 85 years, Noryangjin is relocating to a newly built complex in February. These are the final moments of market's bustling present, and soon-to-be past.

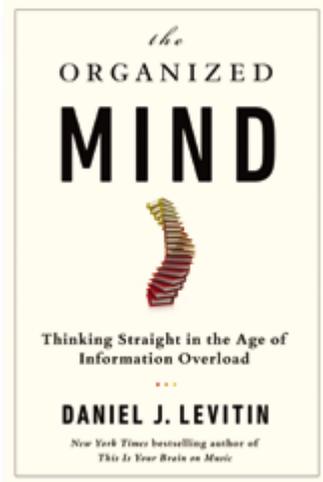
Photo by Sam Lee





Spring Reading

BOOK RECOMMENDATION



THE ORGANIZED MIND

By *Daniel J. Levitin*

If you think about it, the amount of information we process in our daily lives is astronomical. Although we may seem to rely heavily on digital technology to keep track of things, in reality, our minds do most of the work.

The author, a cognitive neuroscientist at McGill University, connects neuroscience and cognitive psychology to how we think and act out

our everyday routines. He explains that it's not about teaching our brain new tricks, but finding ways to improve the surroundings to help it navigate better. To give us an easier understanding, Levitin gives tips and even points out the guy who used to sort out President Obama's mail as an example.

Many people may think the ability to multitask is a gift, but taking one thing at a time is actually the best way to organize our mind. So take some time, relax, read what Levitin has to say, and see for yourself how rearranging even the smallest details in your routine can start to change your lifestyle.



LAUNCH

By *Jeff Walker*

The digital and internet business market keeps on growing as we speak, and so are the hidden opportunities that have yet to be found. One man saw the potential when the market was still in the developing stages back in 1996, and now the internet millionaire is sharing his insight to support new entrepreneurs begin their journey.

Jeff Walker gives us a step-by-step formula on how to prepare and what to expect while launching a business whether it's online or offline. He has guided many beginning entrepreneurs with his book, but do keep in mind, the

process will not be easy.

The most important factor that the author points out is "influence." You need to reach out to people, and inspire them to do something. It's no secret, businesses and product launches depend on numbers. Walker suggests special offers for early customers are a great way to help nudge purchases.

If you're planning to start a new business, or want some guidance to draw attention to your existing products, pick up Walker's book for some helpful steps. Remember, the process takes time and good preparation. It took Walker four months to prepare a business launch, so don't hurry, be patient, and understand the launch process.