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Report Highlights:

Korea's food processing industry relies heavily on imports to fulfill its food and agricultural needs in order to manufacture a wide variety of food and beverage products. Given this demand, there is ample opportunity for imported agricultural products for processing use including bulk commodities such as wheat, intermediate ingredients such as fruit juice concentrates, and many other products, such as flavors and coloring agents. In 2023, the food processing industry generated over 85 trillion Korean Won (approximately $65.0 billion) in sales.

MARKET FACT SHEET: REPUBLIC OF KOREA

Executive Summary

The Republic of Korea (ROK) had the 12th largest economy in the world with a GDP of $1.87 trillion and a per capita GNI of $36,624 in 2024. It is about the size of Indiana, with a population of 51.8 million. Over 80 percent of Koreans live in urban areas. Domestic production meets only 46 percent of food demand. The United States exported $8.9 billion in agricultural and related products to the ROK in 2024, making it our fifth largest country export market. The United States supplies around 22 percent of the ROK's agricultural imports.

Consumer-Oriented Agricultural Imports

In 2024, the ROK imported consumer-oriented agricultural products totaling around $20.6 billion. There are many opportunities for U.S. export growth in this segment, including for beef, pork, fruits, tree nuts, dairy products, confectioneries, beverages, and further prepared foods.

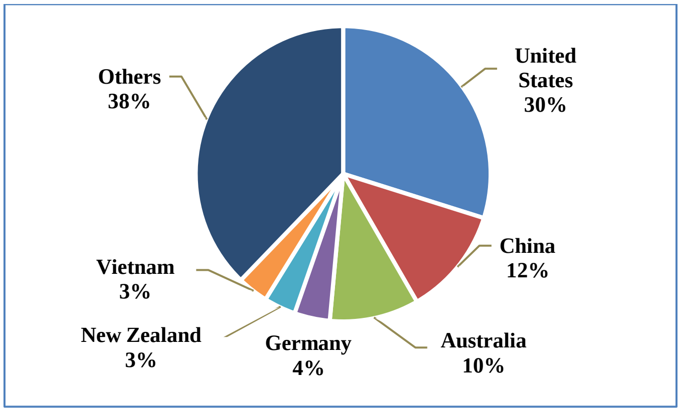


Chart 1: Top Exporting Countries to South Korea

Food Retail Industry

Korean retail food sales totaled $132 billion in 2024, accounting for 31 percent of total retail sales (excluding automobiles). Among grocery retailers except e-commerce, convenience stores were the leading retail channel, followed by grocery supermarkets, hypermarket discount stores, and warehouse clubs.

Food Processing Industry

In 2023, Korea had over 31,075 food processing companies, which generated $65.0 billion in sales. Korean food processing companies rely heavily on imported commodities and ingredients. Imports of basic and intermediate agricultural products totaled $16.9 billion in 2024. Eighteen percent ($3.2 billion) of these imports came from the United States.

Food Service Industry

The Korean HRI sector reached $147 billion in 2023 (the latest official data available), an 8.3% increase from the previous year. The industry faced challenges due to economic uncertainties and weakening consumer confidence in 2024. However, industry is expected to see gradual growth as businesses evolve to meet growing consumer demand for convenience and new experiences.

Quick Facts CY 2024

Imports of Consumer-Oriented Products
US $20.6 billion ($6.1 billion from USA)

Top 10 Import Growth (%) Products in the ROK, by value (BICO, 2023-2024)

1) Fruit & Vegetable Juices (25%)
2) Fresh Fruit (21%)
3) Chocolate & Cocoa Products (18%)
4) Tree Nuts (18%)
5) Processed Fruits (17%)
6) Spices (12%)
7) Condiments & Sauces (12%)
8) Bakery Goods, Cereals, & Pasta (10%)
9) Dog & Cat Food (10%)
10) Fresh Vegetables (9%)

Food Industry by Channels ($U.S. billion)

Retail Food Industry (2024)	$132
Food Service-HRI (2023)	$147
Food Processing (2023)	$65
Food and Agriculture Exports (2024)	$12

Top 10 Korean Retailers
Coupang LLC, Shinsegae Co Ltd, Naver Corp, Lotte Group, GS Holdings Corp, SK Telecom Co Ltd, Hyundai Department Store Co Ltd, BGF Retail Co Ltd, Alphabet Inc, Homeplus Co Ltd

GDP/Population (2024)
Population: 51.8 million
GDP: US$ 1.87 trillion
GDP per capita: US$ 36,113

Strengths/Weaknesses/Opportunities/Threats

Strengths	*Weaknesses*
- Well established market with modern distribution channels - Consumer income level continues to increase	- High logistics cost to ship American products - Complex import regulations including food safety and labeling standards
Opportunities	***Threats***
- Strong consumer demand for value, quality, and variety - KORUS FTA reduces tariff barriers for American products.	- Elevated competition from export-oriented competitors - Discrepancies in food safety and labeling regulations

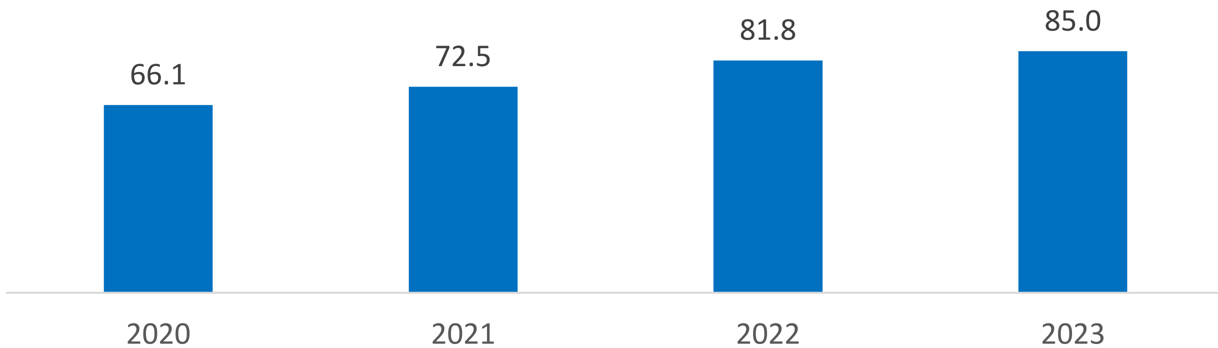
Data and Information Sources: Latest available statistics are used in this publication and will continue to be updated throughout the year as new data is available. Global Agricultural Trade System (GATS), Korea Ministry of Food & Drug Safety, Korea National Statistics Office, CIA Factbook, Int'l Monetary Fund (IMF), Korea Int'l Trade Association, Euromonitor Int'l.

Contact: U.S. Agricultural Trade Office Seoul (atoseoul@usda.gov)

SECTION I. MARKET SUMMARY

Korea relies heavily on imports to fulfill its food and agricultural needs. The Korean food processing sector is the major user of imported agricultural products for processing use, including soybeans, wheat, vegetable oils, fruit juice concentrate, and food additives such as flavors, coloring agents, and preservatives. The Korean food processing industry generated 85.0 trillion Korean Won (KRW), approximately $65.0 billion, in 2023 sales.[1] The industry grew at a compound annual growth rate (CAGR) of 8.74 percent from 2020-23.

Figure 1. Annual Sales of Korean Food Processing Industry (2020-23, Trillion KRW)



Source: Korea Ministry of Food & Drug Safety (MFDS)

Despite increase competition from other countries, trade experts expect that the United States will remain the leading supplier of food and agricultural products to Korea for years to come, not only for commodities and intermediate products, but also for consumer-oriented products. The United States accounted for 21.4% percent of total 2024 Korean imports of food and agricultural products.

Table 1. Advantages and Challenges for U.S. Food Products

Advantages	Challenges
▪ Continued tariff reductions under KORUS FTA will make U.S. products more competitive with other foreign suppliers.	▪ Imports of certain products still face restrictive trade barriers. Some food additives and food ingredients that are approved in the United States are not approved in Korea.
▪ Korean consumers are becoming more affluent and health conscious, causing more consumers to focus on quality over price.	▪ Consumers remain concerned about issues such as biotechnology and BSE. Outbreaks of animal diseases such as Avian influenza restrict trade.
▪ Korean consumers perceive U.S. food as equal or superior quality relative to competitors.	▪ Imported products are subject to complicated labeling and food safety standards in Korea. Non-governmental organizations are influential in the implementation of non-science-based standards.
▪ Domestic supply of agricultural products is limited.	▪ Korea has complicated inspection/customs clearance procedures. Korea may categorize some foods differently than the United States and therefore apply different food safety standards and specifications.

[1] The report uses an average exchange rate of 1 USD = KRW 1,307 for the year 2023.

SECTION II. ROAD MAP FOR MARKET ENTRY

1. Entry Strategy and Import Procedure

The following items provide guidance on how to export to Korea:

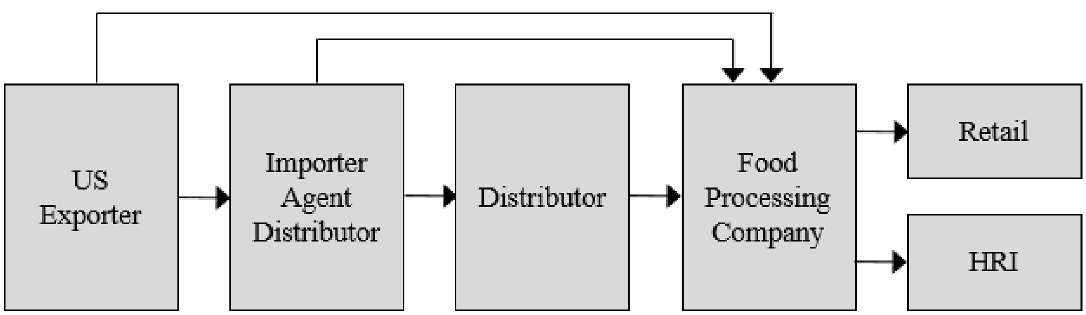
- Korea FAIRS Country Report provides Korean government regulations and standards on imported food and agricultural products.
- Korea FAIRS Certificate Report includes technical information and certificate requirements for food and agricultural product exports to the Republic of Korea.
- Korea Exporter Guide provides market entry guidance for U.S. suppliers.
- ATO Seoul Website provides information about the Korean market, including product briefs, food news clippings, KORUS FTA, and links to other resources and organizations.
- Korea Country Commercial Guide published by the U.S. Commercial Service is another good source of information about exporting to Korea.

The Agricultural Trade Office (ATO) maintains a list of potential importers, but it is highly recommended to visit Korea and meet with potential buyers in-person. Several of the State and Regional Trade Groups (SRTGs) hold trade missions to Korea and are a good opportunity to see the market. Additionally, ATO hosts a U.S. Pavilion at the Seoul Food and Hotel Show, typically at the end of May or early June, and participating in the show is an efficient way to connect with local buyers.

2. Distribution Channels and Market Structure

Large food processing companies prefer to source directly from overseas suppliers as they can reduce costs. However, they tend to purchase from local importers, agents, or distributors when the quantities they require are small. Below is an overview of the typical distribution channel for imported food ingredients from U.S. exporters to Korean food processors.

Figure 2. Imported Food Ingredients Distribution Channel



Source: ATO Seoul Analysis

3. Share of Major Segments in the Food Processing Industry

Table 2. Breakdown of Food Processing Industry by Product Category (2020-23)

	Product Category	Annual Sales[2] (Billion USD)[3]				CAGR (2020-23)
		2020	2021	2022	2023	
1	Livestock Products	20.6	13.8	31.0	29.0	12.08%
2	Confectionaries, Breads, Rice Cakes	6.0	6.4	6.7	6.8	4.26%
3	Seasonings, Sauces, Spices	5.0	5.8	5.5	6.1	6.85%
4	Sugars, Syrups, Jams	1.5	2.0	2.0	5.7	56.05%
5	Beverages	4.4	4.9	5.0	4.1	-2.33%
6	Noodles	2.8	3.5	3.8	4.1	13.56%
7	Alcoholic Beverages	4.7	4.5	4.7	4.0	-5.23%
8	Coffee & Tea	3.4	4.0	3.8	3.2	-2.00%
9	Health Functional Foods	2.8	3.3	3.2	3.1	3.45%
10	Fat & Oil	1.8	2.5	2.8	2.6	13.04%
11	Food Additives	1.7	2.2	2.4	2.3	10.60%
12	Kimchi & Pickles	2.0	2.2	2.1	2.2	3.23%
13	Other Processed Foods	5.1	10.3	2.0	2.0	-26.80%
14	Seafood Products	1.7	1.7	1.7	1.6	-2.00%
15	Tofu & Acorn Jelly	0.7	0.8	0.8	1.0	12.62%
16	Chocolates and Cacao Products	0.8	0.8	0.8	0.7	-4.35%
17	Special Dietary Foods	0.5	0.4	0.2	0.2	-26.32%

Source: MFDS

4. Company Profiles & Products

Annual sales of Korea's top 20 food processing companies totaled more than $18.8 billion in 2023. See Table 3 for the list of top 10 companies.

Table 3. 2023 Top 10 Food Processing Companies (Billion USD)

	Company	Main Products	Annual Sales
1	CJ Cheil Jedang Corporation	Flour, noodles, ready-to-serve food, snacks	2.54
2	Lotte Chilsung Beverage Co., Ltd.	Beverages	2.15
3	Hite Jinro Co., Ltd	Alcoholic beverage	1.55
4	Nongshim Co., Ltd	Instant noodle, snacks, beverages	1.48
5	Ottogi Corporation	Curry, instant noodle, frozen food	1.21
6	Oriental Brewery Co., Ltd.	Beer	1.12
7	Dong Suh Food Co., Ltd.	Coffee, creamer, cereal	1.03
8	Lotte Wellfood Co., Ltd	Snacks, ice cream	1.02
9	Daesang Corporation	Sauces, instant noodles, ready-to-serve foods	1.00
10	The Coca-Cola Company	Beverages	0.81

Source: MFDS

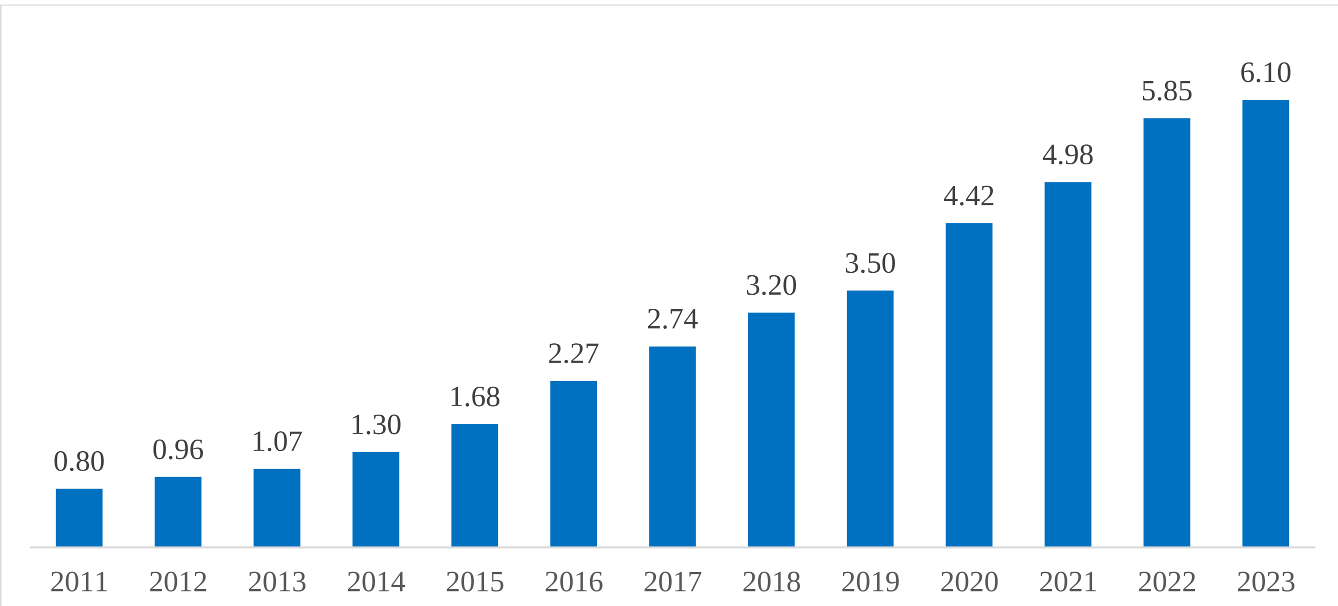
[2]Annual sales = shipment amount (domestic sales) + export amount
[3] Values have been converted to U.S. dollars using average exchange rates for each year (2020-23)

5. Sector Trends

The Korean market reflects global food trends. The rise in single-person households and the increase in women's participation in the workforce are influencing food purchasing patterns. Consumers want convenient and good value food products that suit their lifestyle. At the same time, consumers continue to seek healthier and higher quality food options.

The Home Meal Replacement (HMR) market has been growing since 2010. In 2023, it surpassed 6 trillion KRW and is projected to reach 6.8 trillion KRW in 2025more than double its size in 2017. The Korea Rural Economic Institute (KREI) expects the market to continue expanding, and forecasts growth of 6.6% by 2030.[4] Until recently consumers viewed HMRs simple packaged products consumed by single-person households with busy lifestyles. Single-person households accounted for 35.5 percent of total households in 2023 and are expected to continuously rise every year.[5] Small portion HMR products have seen rapid growth due to this trend.

Figure 3. Annual Sales of HMR (Trillion KRW)



Source: Korea Agro-Fisheries & Food Trade Corporation

Moreover, as eating at home became a major trend during COVID-19, demand for HMRs, meal kits, sauces and seasonings have increased. Many thought the people would go back to dining out when social distancing regulations phase out. From 2020 to 2024, consumer prices rose by 14%, while food-away-from-home prices rose by 21%[6] which was driven by higher labor costs and delivery app commission fees. Furthermore, the price of processed foods also saw an increase of 20% from the same period. As a result, many households continue to eat at home to save spendings on food.

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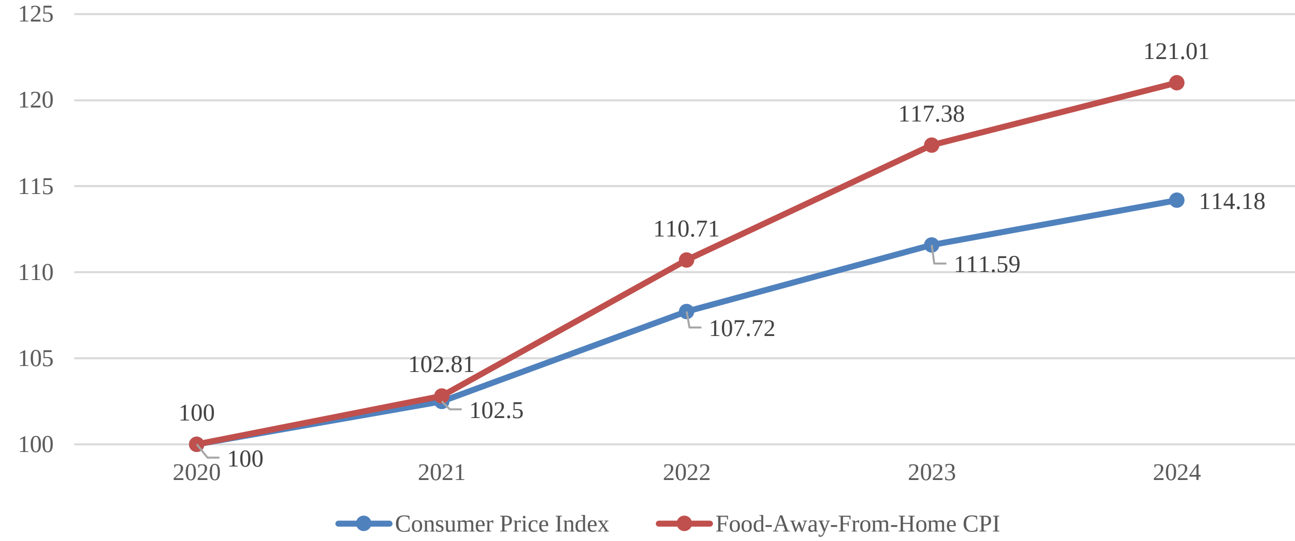
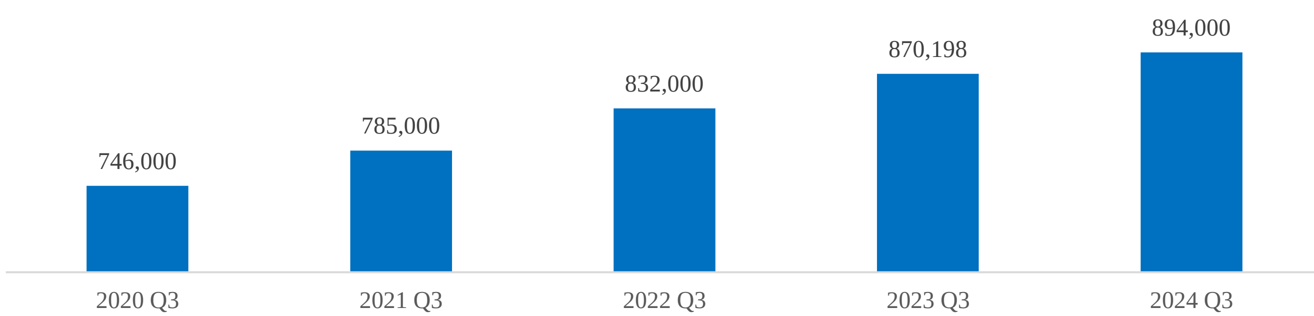
[4] Korea Rural Economic Institute
[5] Statistics Korea
[6] Statistics Korea

Figure 4 Consumer Price Index (CPI) vs. Food-Away-From-Home CPI



Source: Statistics Korea

Figure 5. Monthly spending on food per household (KRW)



Source: Statistics Korea, Korea Rural Economic Institute

Although individual consumption began to recover after the pandemic, its growth has slowed. The Korea Development Institute projects that private consumption will rise by 1.6% in 2025. According to the 2025 National Consumption Expenditure Plan Survey conducted by Korea Economic Association in December 2024, 53.0% responded that they plan to reduce their spending, and that they would first reduce spending on dining out and traveling. As this trend continues, food processors are developing healthier and more high-quality HMR products to attract single-member households looking for complete meals that require minimal preparation for their convenience.

At the 2025 Food and Restaurant Industry Outlook, the Korea Food Service Industry Management Institute selected “Food Balance” as one of the keywords for this year’s food industry trend, particularly stressing the continuation of “Free” and “Low” products, such as sugar-free. This trend can not only be seen in the HMR market but also can be found in the low-calorie, high-protein, high-fiber movement, zero-sugar movement in noodle, snack, and beverage market.

Air fryers have become commonplace in Korean households in the last few years. This trend led food processors to manufacture more frozen HMRs. Many of these products are air-fryer-only products or have instructions on how to cook with an air fryer. Consumers view air fryers as a healthier and more convenient way to prepare food. Consumers can also use air fryers to cook food that is crispy on the outside and moist inside, resulting in a better texture than HMRs cooked using a microwave.

Although Korean consumers prefer price-competitive products, health considerations are equally, if not more, important. In 2024, Korea had 9.9 million people aged 65 and over, 19.2 percent of the total population. Statistics Korea forecasts the elderly population to increase to 30.9 percent of the total population by 2036. With the increase in both life expectancy and concerns regarding the rapidly aging population, demand for nutritious products is increasing. Additionally, since the pandemic, as more people have started working out at home, demand for healthier HMR products has risen. As a result, several new products that enhance the quantity of protein, vitamins and minerals while reducing the number of calories and fat have significantly increased. These nutritionally balanced products target the elderly and those who maintain high levels of exercise.

The health trend can be also found in the beverage market. Sales of fruit juice with high sugar content have been decreasing while low sugar content products such as mineral water, sparkling water and tea are increasing in popularity. The drinking water market is estimated to have reached $4.3 billion in 2024 and is expected to grow even further.[7] The sparkling water market has been growing rapidly as well. Manufacturers entered the market with new flavors such as lemon, lime and grapefruit, and retailers launched more affordable private brand products. Zero-sugar beverage products that share similar flavor profiles as original products have been growing in popularity as well as protein drinks in the ready-to-drink (RTD) beverage market, especially among men in their 20s and 30s who care for their health. RTD teas that provide additional health benefits compared to traditional teas are also gaining popularity. These products emphasize benefits such as dietary therapy and reducing swelling, which are popular among consumers and those that give special care to their health.

While the frequency of consumption of alcoholic beverages is decreasing, the combination of hard liquor, oak flavor and soda has been on the rise. As the imports of various distilled liquors such as Kaoliang liquor and tequila are increasing, so has the mid- to low-priced whiskey struck by the interest in highballs. Highballs are especially sought-after among women in their 20s and 30s triggering the sales of RTD highballs purchases at convenience stores. Additionally, the mixology trend of using distilled liquor with carbonated beverages has led consumers to perceive oak barrel-aged, distilled soju as a premium product.

Since the pandemic, the restaurant meal replacement (RMR) industry in Korea has been witnessing significant expansion in distribution channels, offering a wide range of options including local, gourmet and Michelin Guide-selected upscale restaurants. Due to the increasing demand for reasonably priced meals amid economic downturns, the convenience of enjoying signature dishes from famous restaurants at home has been sought out. Convenience store chains such as CU and GS25 are actively collaborating with renowned restaurants to launch RMR products, with CU introducing options from the original army stew restaurant 'Odeng Sikdang,' surpassing 500,000 sales within a month of launch.[8] 7-Eleven alone

[7] Samil PwC
[8] Company Data

has released around 30 RMR products in collaboration with various gourmet restaurants, experiencing higher sales growth rates compared to regular HMR products, particularly among customers in their twenties and thirties. According to GS Retail, RMR product sales increased by 27% last year compared to 2023. Seven Eleven also saw similar trends, where RMR product sales increased by 40% compared to 2023.[9]

Recently, the vegan sector has been growing as well. In 2024, the Korean vegan and vegetarian population reached over 2.6 million, up 73% since 2008.[10] In contrast to the past when there were only soy protein products available, now there are many new vegetable protein products available. The market is still small, but food processors are trying to expand the business in the vegetarian sector as they consider environment and sustainability issues are becoming more important. Major food processing companies have launched their own vegetarian product brands, are investing more in research and development, and are opening vegetarian restaurants. To match the growing global demand, pasta made from soybeans has been released and is expected to grow – projecting to reach $2.31 billion in 2025 and $3.29 billion by 2030.[11] In Korea, food manufacturers have launched soybeans and tofu noodles as alternative noodle products and are attracting much attention.

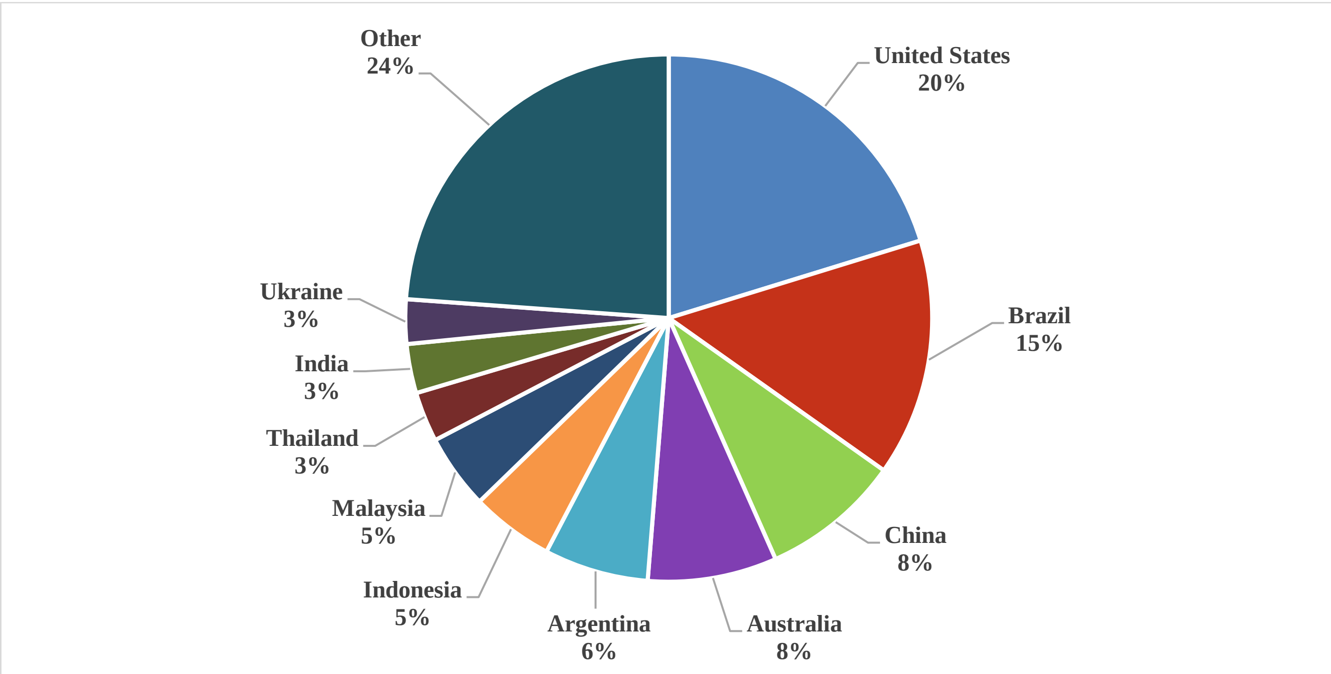
SECTION III. COMPETITION

Despite South Korea’s efforts to increase domestic production, due to multiple environmental constraints such as mountainous terrain and limited arable land, South Korea still heavily relies on agricultural imports to meet its demand. They import a wide range of agricultural commodities from their key trading partners that include the United States, Australia, and Brazil.

The United States remains as a leading supplier for several agricultural products such as beef, pork, corn, wheat, and soybeans, among many others. However, the United States still faces stiff competition from many other countries as shown in Figure 6. Especially within the wheat and meslin market as well as the beef market, Australia has become highly competitive and continues to reach record exports both to Korea and globally. Additionally, Brazil’s soybean imports remain strong, bolstered by a five-year compound annual growth rate (CAGR) of 52.6% recorded just the previous year, underscoring the competitive nature of the current agricultural environment.

[9] Company Data
[10] Korean Vegan Union
[11] Knowledge Sourcing Intelligence

Figure 6. Foreign Suppliers of Bulk and Intermediate Products in 2024 (by value)



Source: Trade Data Monitor

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

1. Products present in the market which have good sales potential

U.S. products in general have a good image among Korean consumers and U.S. products have a high market share. Some of the products that are present in the market and still have good sales potential are beef, pork, dairy, soybeans, and snacks. Due to the high quality of U.S. beef and Korean cuisine heavily incorporating it, beef has been consistently popular among consumers. In 2024, Korea imported $3.7 billion of beef globally, with 57 percent being from the United States. For more detailed data with HS code, please refer to the Appendix.

2. Products with low presence in market but which have good sales potential

The Korean food market is saturated, making it difficult to find products with low presence but that have good sales potential. However, due to the growing prioritization of health and wellness, U.S. exporters may target this market by exporting products that have health benefits. This trend can be found in the beverage market, where zero-sugar and low-calorie products are trending. Also, distilled spirits market has been growing while U.S. whiskies still have low market share. Additionally, sustainable food as well as vegetarian or vegan options could be a promising opportunity with 2.6 million people being vegetarian and over a third of the population either interested in vegetarian cuisine or familiar with vegetarian options, according to the Korean Vegan Union (KVU). Although it is essential to research local market trends, consumer preferences and regulatory requirements to effectively enter the market.

3. Products not present because they face significant barriers

Korea restricts the imports of some U.S. products due to regulatory and phytosanitary issues. For example, several types of fresh fruits and vegetables, such as apples and pears, are still awaiting approval by Korean authorities. Exports of novel food ingredients such as ancient grains are not allowed unless Korean authority approves them as food ingredients. Although now there are stricter safety measures set in place and increased transparency in the inspection and labeling of U.S. livestock products, outbreaks of animal diseases and outdated concerns related to BSE can continue to restrict imports of related livestock products. Finally, despite the Korea-U.S. Free Trade Agreement (KORUS), some products continue to face high tariff barriers in the Korean market or import volumes may be limited by tariff rate quotas (TRQs).

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Agricultural Trade Office Seoul (ATO)	atoseoul@fas.usda.gov
Agricultural Affairs Office Seoul (AAO)	agseoul@fas.usda.gov
Plant and Health Inspection Service Seoul (APHIS)	yunhee.kim@aphis.usda.gov

Please refer to the Korea Exporter Guide *for contact information for USDA cooperators, state offices, and industry organizations that offer export assistance.* ATO Seoul's website *provides up-to-date information about Korea's food and agricultural imports, including:*

- Korea's Agricultural Import Statistics: This spreadsheet, updated monthly, provides a summary of Korea's agricultural imports at the four-digit HS product code level.
- Korea's Agricultural Import Trends Presentation: This presentation, published quarterly, provides a summary of competition between the U.S. and competitors for key products.

Attachments: 2025 FPI - Appendix - Market Opportunities Table.pdf