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Report Highlights:

Korea was the 5th largest country importer of the U.S. agricultural and related products in 2023. The United States is the leading supplier of imported consumer-oriented agricultural products for Korean retail industry, shipping $4.9 billion in 2023. The outlook for U.S. products in the Korean retail industry is excellent for a wide range of products, including pork, dairy, processed fruit, fruit and vegetable juice, food preparations under HS2106, non-alcoholic beverage, and wine.

MARKET FACT SHEET: SOUTH KOREA

Executive Summary

South Korea had the 13th largest economy in the world with a GDP of $1.71 trillion and a per capita GNI of $33,127 in 2023. It is about the size of Indiana and over 80 percent of Koreans live in urban areas. Domestic production meets only 46 percent of food demand. The United States exported $8.8 billion in agricultural products to Korea in 2023, making it our fifth largest export market. The United States supplies a quarter of Korea's agricultural imports.

Consumer-Oriented Agricultural Imports

In 2023, Korea imported consumer-oriented agricultural products totaling around $20.1 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.

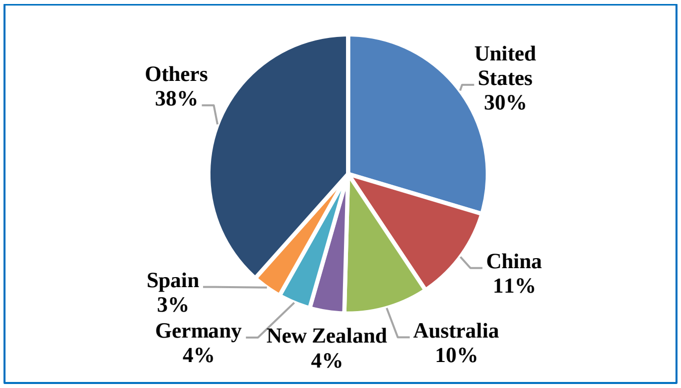


Chart 1: Top Exporting Countries to South Korea

Food Retail Industry

Korean retail food sales totaled $137 billion in 2023, accounting for 31 percent of total retail sales (excluding automobiles). Grocery supermarkets were the leading food retail channel, followed by on-line retailers, hypermarket discount stores, convenience stores, and department stores. Recent years, e-commerce only companies have taken leadership of the Korean food retail market from large offline-based distributors. Out of the total online sales of Korea in 2023, food related online sales including food, agricultural products, and food delivery services became the largest category sold online occupying about 30 percent.

Food Processing Industry

In 2022, Korea had over 31,470 food processing companies, which generated $63.3 billion in sales. Korean food processing companies rely heavily on imported commodities and ingredients. Imports of basic and intermediate agricultural products totaled $18.2 billion in 2023. Fifteen percent ($2.7 billion) of these imports came from the United States.

Food Service Industry

The HRI sector in Korea reached $137 billion in 2022, a 17.5% increase from the previous year. However, moderate growth is expected in the coming years due to consumers' low confidence in Korea's economic situation.

Quick Facts CY 2023

Imports of Consumer-Oriented Products
US $20.1 billion ($5.9 billion from USA)

List of Top 10 Growth Products in Korea (BICO, 2022-2023)

1) Chewing Gum & Candy
2) Beer
3) Tea
4) Poultry Meat & Products (ex. eggs)
5) Bakery Goods, Cereals & Pasta
6) Condiments & Sauces
7) Fruit & Vegetable Juices
8) Non-alcoholic Beverages (ex. juices, coffee, tea)
9) Fresh Fruit
10) Processed Vegetables

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

Retail Food Industry (2023)	$137
Food Service-HRI (2022)	$132
Food Processing (2022)	$63
Food and Agriculture Exports (2023)	$12

Top 10 Korean Retailers
Coupang LLC, Shinsegae Co Ltd (EMART, Ebay Korea, Shinsegae Department Store), Naver Corp, Lotte Group, GS Holdings Corp, Hyundai Department Store, SK Telecom Co Ltd, BGF Retail Co Ltd, Alphabet Inc, Wemakeprice Inc

GDP/Population (2023)
Population: 51.6 million
GDP: US$ 1.71 trillion
GDP per capita: US$ 33,127

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 - Consumers have limited understanding of American products
Opportunities	***Threats***
- Strong consumer demand for value, quality, and diversity - 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: Trade Data Monitor, Korea Ministry of Food & Drug Safety, Korea National Statistics Office, CIA Factbook, Korea Int'l Trade Association, Euromonitor International. To the greatest extent possible, the latest available statistics are used in this publication.

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

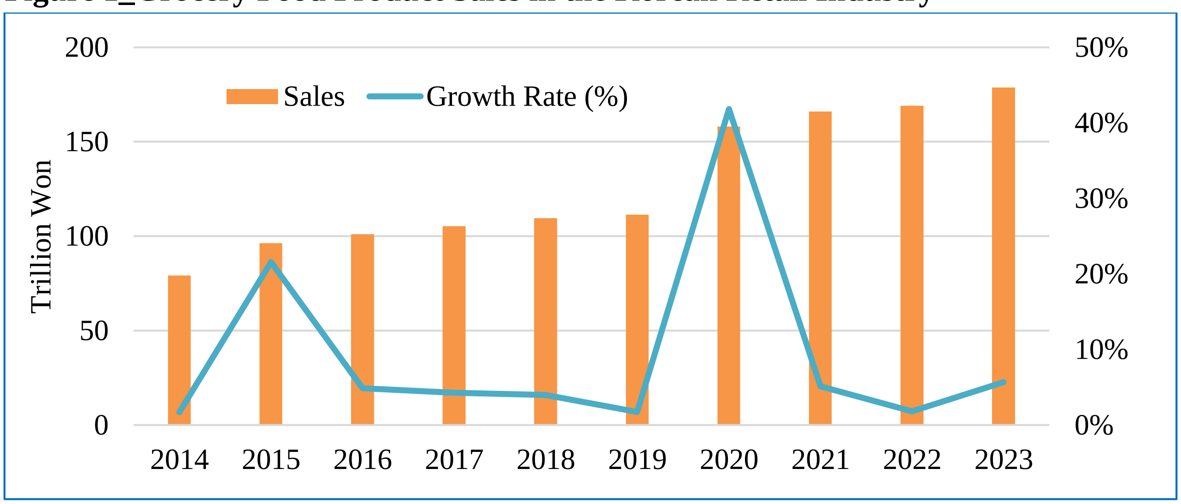
Section 1: Market Summary

National Economy: Korea, the world's 13th largest economy and one of the leaders in high-tech industries, has a strong export-driven economy, with a Gross Domestic Production (GDP) of $1.84 trillion and a per capita Gross National Income (GNI) of $36,194 in 2023. For the last couple of years, the Korean economy faced strong headwinds including elevated interest rates, weakened Korean currency against the U.S. dollars, and a shrinking working-age population resulting in only 2.2 percent increased GDP in 2023 from the year before. Despite stagnate domestic demand, the Korean economy is forecast to show a modest recovery in 2024, with semiconductor exports driving the growth. While the surging exports will have a positive impact on Korea's economy in the short term, the inflation will also remain well above 2 percent for the next year or so. The Korean Consumer Price Index (CPI) for July 2024 already increased 3.6 percent from the same month last year[1] and the Food Price Index also showed an increase of 3.4 percent compared to that of July 2023.

Domestic Retail Market: In 2023, the gross retail sales of Korea (excluding automobiles) reached 574 trillion won ($440 billion), up 1.7 percent from the previous year. Growing consumer demand for better quality, value consumption, and diverse commodities have resulted in fast growth of modernized brick-and-mortar retailers, including hypermarkets, supermarkets, convenience stores. In recent years, on-line only retailers showed remarkable growths at the cost of traditional street markets, small independent grocers, and even large-scale offline retailers.

Partly due to the ongoing inflation, total sales value of grocery food through retail channels kept growing in 2023 and reached a record 178 trillion won ($137 billion), up 5.7 percent from 2022 and accounting for 31 percent of the total retail sales. Figure 1 shows the food product sales in Korean retail market for the past 10 years.

Figure 1_Grocery Food Product Sales in the Korean Retail Industry[2]



Source: Retail Industry Statistics, Korea National Statistics Office (NSO, http://kosis.kr)

[1] Korea Statistics Service (kosis.kr)
[2] NSO adopted new survey data in 2015 and 2020 resulting from the National Economy Census, so the sharp growths in 2015 and 2020 should be interpreted with a caution.

Advantages and Challenges

Korea was the 5th largest country buyer of the U.S. agricultural and related products in 2023, and the United States has been the leading supplier of imported consumer-oriented agricultural products for Korean retail industry. In general, Korean consumers recognize the United States as a trusted origin for high-quality food and the Korea-United States Free Trade Agreement (KORUS FTA) reduced tariffs and market access barriers for U.S. products. The outlook for U.S. products in the Korean retail industry is positive for a range of products including beef, pork, dairy, processed fruit, fruit and vegetable juice, food preparations under HS2106, non-alcoholic beverage, and wine.

However, higher inflation in the United States has led to an increase in prices for food (either processed or fresh products) due to rising materials and labor costs. These higher costs may have substantially impacted the competitiveness of exports of U.S. food products in recent years.

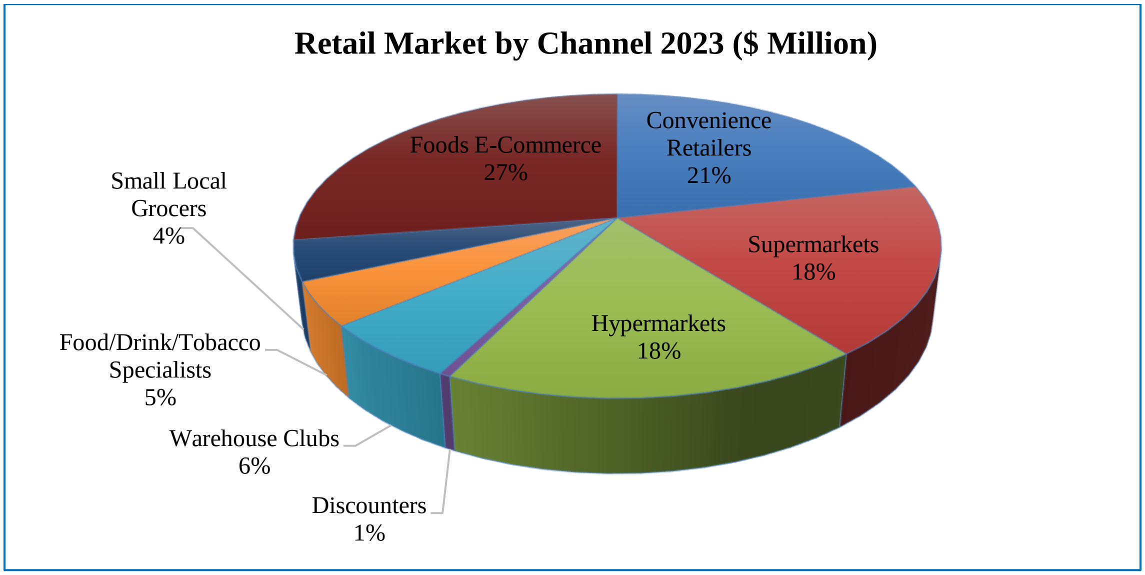
Table 1_Advantages and Challenges for U.S. Products in the Korean Market

Advantages	Challenges
Korea is a fast-paced market where new ideas and trends are eagerly tried and accepted. Rising incomes are creating demand for diverse and high-quality food.	Many Korean consumers are biased toward locally produced agricultural products, believing they are better and safer than imported products.
Korea depends heavily on food and agricultural imports. Consumers closely follow international food and consumption trends.	Imports are subject to strict food safety regulations. Korean food safety standards change frequently and with short notice.
Modern large-scale retailers provide a more efficient marketing environment for imported products.	The supply chain for imported products includes multiple layers of intermediary distributors and agents, which adds cost and inefficiency.
Korean consumers are very concerned about food safety. Many consumers recognize the United States as a trusted origin for quality agricultural products.	U.S. products face strong competition from other exporting countries. Higher inflation in the U.S. food prices substantially impacted the competitiveness of exports of U.S. consumer-ready food products.

Retail Sales by Channel

The Korean grocery retail industry is segmented by several different categories. According to the Euromonitor International's dataset, the total sales amount of those segments amounted to $114 billion in 2023. Figure 2 shows the breakout of sales of Korean grocery retailers including foods e-commerce.

Figure 2_Grocery Sales of Korean Retail Industry by Channel (2023)



Source: Euromonitor International

Section 2: Road Map for Market Entry

Entry Strategy

Any new-to-market U.S. food exporters may have several approaches to enter the Korean retail market including but not limited to:

- Developing a trade relationship with Korean importers and/or trading agents
- Selling through U.S. trading companies (also known as consolidators)
- Setting up a branch office in Korea
- Exporting directly to Korean retailers

In reality, except for a few leading retail companies trying to expand direct imports from foreign suppliers of high-volume products such as fresh fruit, beef, and seafood, Korean retailers rely heavily on independent importers or intermediary distributors (trade agents or wholesalers) for imported food products. Foreign suppliers often find it easier to work with intermediary import distributors in Korea to have their products marketed to multiple retailers instead of selling directly to one retailer exclusively.

For more information on establishing business partners in Korea and on the top imported consumer-ready food products, please refer to the 2024 Exporter Guide report published by Post.

The Department of Commerce's Country Commercial Guide also contains useful information on the Korean market. Socio-economic data can be found in the CIA Factbook.

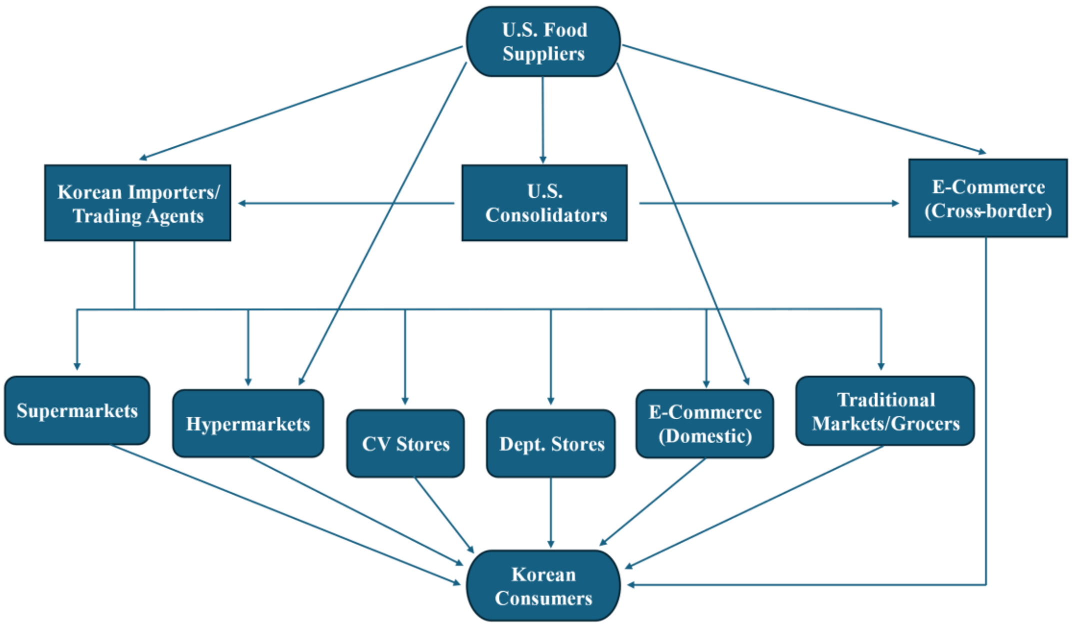
ATO Seoul also offers various marketing tools and trade facilitation help to U.S. suppliers and also offers information about the Korea market on its website (www.atoseoul.com), including:

- Annual reports and periodic briefs on key products and industries
- Korean agricultural import data by 4-digit HS product classification (monthly spreadsheets)

- Local media food news clippings and contact information for industry organizations

Suppliers should also ensure their products meet Korean food regulations and standards. For assistance in identifying or resolving regulatory issues, please contact [the Office of Agricultural Affairs (OAA) Seoul.]

Market Structure



Company Profiles and Top Korean Retailers

The following tables show major retailers under each segment of Korean food retail market.

Table 3_Top Korean E-Commerce Retailers (2023)

Company / Site Name	Sales Value (Billion K/won)	Website
Coupang Co. / Coupang	31,830	coupang.com
Kakao Co. / Kakao Shopping	8,106	store.kakao.com
Naver Co. / Naver Shopping	2,547	naver.com
Kurly Corp.	2,077	kurly.com
Ebay Korea, Inc. / Gmarket & Auction	1,197	gmarket.co.kr auction.co.kr
SK Planet Co. / 11th Street	866	11st.com

Source: Company IR reports, company internet homepages, Euromonitor passports – Retail E-Commerce.

Table 4_Top Korean TV Shopping Channels with Online Mall (2023)

Company / Channel Name	Annual Sales (Billion K/Won)	Website
CJ O Shopping Co. / CJ Onstyle	1,338	cjonstyle.com
GS Retail Co. / GS Shop	1,311	gsshop.co.kr
Hyundai Home Shopping Network Corp. / Hmall	1,074	hmall.com
NS Shopping Co. / NSmall	598	nsmall.com
Home & Shopping Co. / Home&Shopping	435	hnsmall.com
Woori Home Shopping Co. / Lotte Home Shopping	402	lotteimall.com
Shinsegae Live Shopping Co. / Shinsegae Shopping	284	Shinsegaetvshopping.com

Source: Company IR reports, company internet homepages, media news articles.

Table 5_Top Korean Retailers with Offline Stores (2023)

Segment	Company / Brand	Store #
Grocery Supermarkets	Nonghyup Hanaro Yutong Co. / Hanaro Mart	2,184
	GS Retail Co. / GS The Fresh	438
	Lotte Shopping Co. / Lotte Super	358
	Homeplus Co. / Home Plus Express	309
	EMART, Inc. / EMART Everyday	257
	EMART, Inc. / No Brand	252
Hypermarkets	EMART, Inc. / EMART	129
	Homeplus Co. / HomePlus	127
	Lotte Shopping Co. / Lotte Mart	111
	EMART, Inc. / Traders Wholesale Club	22
	COSTCO Wholesale / COSTCO	19
Convenience Stores	BGF Retail Co. / CU	17,762
	GS Retail Co. / GS25	17,390
	Korea Seven Co. / Seven Eleven	13,502
	EMART, Inc. / EMART24	6,598
Department Stores	Lotte Shopping Co. / Lotte Dept. Store	31
	Shinsegae Co. / Shinsegae Dept. Store	13
	Hyundai Dept. Co. / Hyundai Dept. Store	13
	E Land Retail Co. / New Core Dept. Store	13
	Hanwha Galleria / Galleria Dept. Store	6
Organic Grocery Stores	Chorocmaeul Co. / Chorocmaeul	336
	Pulmuone Co. / ORGA Whole Foods	50
	OASIS Corp. / OASIS Market	47
Health & Beauty Stores	CJ Olive Networks Co. / Olive Young	1,339
	Shinsegae Co. / CHICOR	22
	Lotte Shopping Co. / LOHBs +	15

Source: Company IR reports, company internet homepages, media news articles.

Import Procedures

U.S. suppliers seeking entry into Korea should first conduct preliminary research to determine if there is a potential market for their products in Korea. The research should cover key marketing and regulatory issues including consumption trends, size of the market and competition, major distribution channels, import tariffs and local taxes, and labeling and food additive restrictions.

Imported products must meet all local rules to enter the market and suppliers need to check if their products conform to the guidelines. The Food and Agricultural Import Regulations and Standards (FAIRS) Country Report and FAIRS Export Certificate Report provide an overview of relevant standards and regulations. For assistance in identifying or resolving regulatory issues, please refer to the Office of Agricultural Affairs (OAA) Seoul.

For assistance in reaching out to established Korean import distributors and retail buyers, please contact the Agricultural Trade Office (ATO) Seoul. ATO Seoul offers various marketing tools and trade facilitation supports to U.S. suppliers on its website (www.atoseoul.com), including:

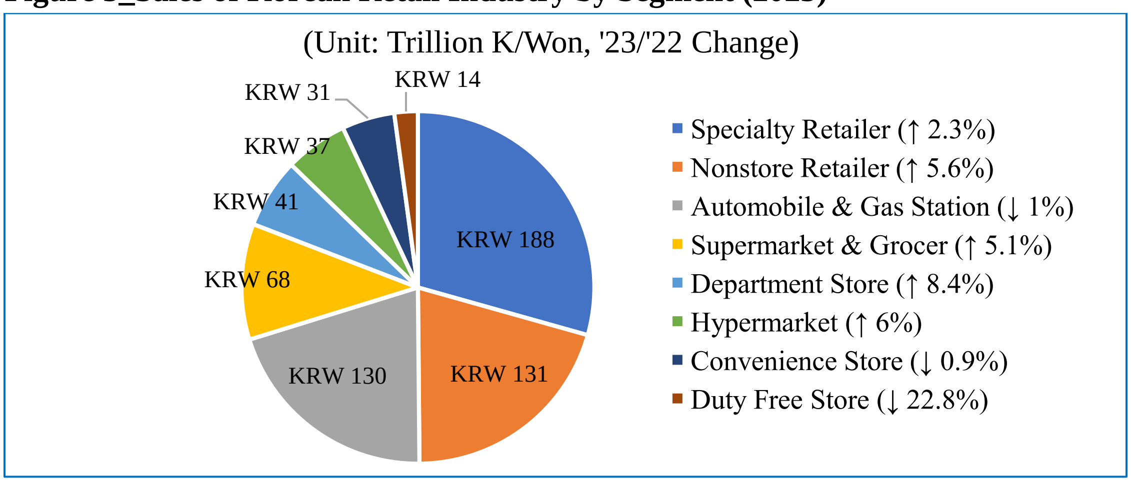
- GAIN Reports: Routine and voluntary reports on key products, industries, and regulatory issues published by FAS Seoul.
- Buyer Alerts: Your product/business offer will be announced via e-mail to pertinent Korean buyers registered in ATO Seoul's Industry Contact Database. The service is free of charge and is limited to U.S. origin food and agricultural products only.

Exporters of meat products should also check export requirements on the Food Safety Inspection Service Export Library. Sanitary and phytosanitary requirements can be found on the Animal & Plant Health Inspection Service (APHIS) IRegs website. Exporters should also consult closely with their Korean importer to ensure they meet the latest regulations.

Distribution Channels and Major Segments

Figure 3 shows the 2023 sales of overall Korean retail industry (640 trillion won) by different channels and year-on-year growth from 2022.

Figure 3_Sales of Korean Retail Industry by Segment (2023)



Source: Korea National Statistics Office (NSO, http://kosis.kr) – 'Retail & Service Industry Statistics'

In terms of food, grocery supermarkets have long been the leading retail channel, followed by other retailers (including independent grocers, specialty retailers, traditional wet markets, duty-free stores), online-only retailers, hypermarkets, convenience stores, and department stores. However, over the past year, the landscape of Korean retail industry's food sales has substantially changed, driven by socio-economic and demographic changes in Korea.

Non-store (Online-only) Retailers: When it comes to the online sales of Korea, food related items including food, agricultural products, and food delivery services became the largest category, occupying about 30 percent. In 2023, according to the Euromonitor International's retail sector research data, foods e-commerce was the largest grocery retail channel followed by convenience stores, supermarkets, and hypermarkets. As purchasing food through mobile devices becomes a new routine, the online sales of grocery items are expected to grow in the coming years. The very active food marketing efforts of Korean food companies through social network service (SNS) will also help accelerating the online sales of food items.

Convenience Stores: The pandemic changed consumers' grocery purchasing route from large scale offline retailers to online and convenience stores in the neighborhood. Korea's aging society and growing number of single-member households have impacted various distribution channels including convenience store. Consumers in smaller households tended to purchase minimum quantities of grocery items from convenience stores nearby, and the channel saw more than 10 percent annual growth in its grocery food sales in 2023. The leading companies of this channel started to carry more variety of grocery items such as rice, fresh fruits, and fish in their stores.

Supermarkets: Thanks to the short-distance delivery services, grocery supermarkets in the vicinities are keeping their food sales by satisfying consumers who have difficulty visiting the store in person.

Hypermarkets: While losing consumers to online shopping channels and convenience stores, this channel saw a slight increase in food sales in 2023, partly due to the inflation and increased home meal preparation to avoid high dining cost.

Department Stores: In 2023, department stores saw a slight increase in their grocery sales as consumers continued to visit department stores to meet their demand for ethnic culture and luxury food experience pent-up during the pandemic. To absorb consumers with these special needs, major retailers are competitively renovating food sections of their department stores in greater Seoul metropolitan area.

Others: As consumers opt for online and offline channels operated by large companies more often, food purchases at traditional markets and small independent grocery stores stagnated for the last couple of years.

Retail Sector Trends

According to a recent analysis presented by Nielsen IQ Korea Executive Director Park Chun Nam at a retail trend seminar held in Seoul, the successful retail brands may follow the 4 different trends capitalized to S.A.V.E.

Sound Wellness: Going through the pandemic, health has become the top priority for Korean consumers and there is a growing tendency to pursue mental stability in addition to physical health. Keeping up with this trend, sales of protein bars and protein drinks making up nutritional deficiencies, and stress care products helping with mental stability have increased over the past year. According to Euromonitor Korea's research, high-protein & low-sugar products are becoming default health options for Korean consumers in all generation. Korean food processors have increased their number of products with high-protein claims in packaged food and soft drinks. Market sizes of low-or-no sugar snacks and soft drinks are also forecast to keep increasing. Korean consumers recently started paying more attention to food products pursuing eco-friendly, sustainable, and responsible consumption such as no-label mineral water, plant-based proteins, and animal welfare eggs.

Adaptation of Lifestyle: Korean households are getting smaller and older. In 2023, the average number of family members per household was only 2.27. In line with the increase of small households, sales of small-package food and drink products and mini home appliances for seniors have been increasing. With most of the members in smaller households working outside, convenience and cost-effectiveness became the key and markets for meal kits, meals ready-to-eat, and packaged restaurant meals have steadily grown for the past several years. Thanks to the strong and growing consumer interests in fitness and anti-aging, demand for foods with perceived health benefits and functional food supplements has exploded. Also, as Korea is expected to enter a 'super-aging society' from 2025, care food, especially for the elderly, is emerging as a new business model for food industry and Korean government forecasts the market value will reach 3 trillion Korean won in 2025.

Variation of Price: Korean consumers across generations began to prepare for the prolonged economic recession and they are trying to overcome the high price situation by conserving cash as much as possible. Thinking over products based on the category and consuming situation has become important for the consumers becoming more frugal. Sales of fast-moving consumer goods (FMCG) with high cost-effectiveness such as jumbo-sized shampoo, family size instant noodles, and snacks increased. On the other hand, amid the polarization of consumption, there are also items that people are willing to pay a high price for. While more Korean families have less children, affordable parents pay a premium for baby formula imported from European countries and they select top grade Hanwoo beef and organic rice to make weaning food for their one-and-only child. For luxurious consumption experience, consumers open their wallets to high-value home appliances and gourmet food items such as fresh French butter, imported mineral salt, and Dubai-style chocolate.

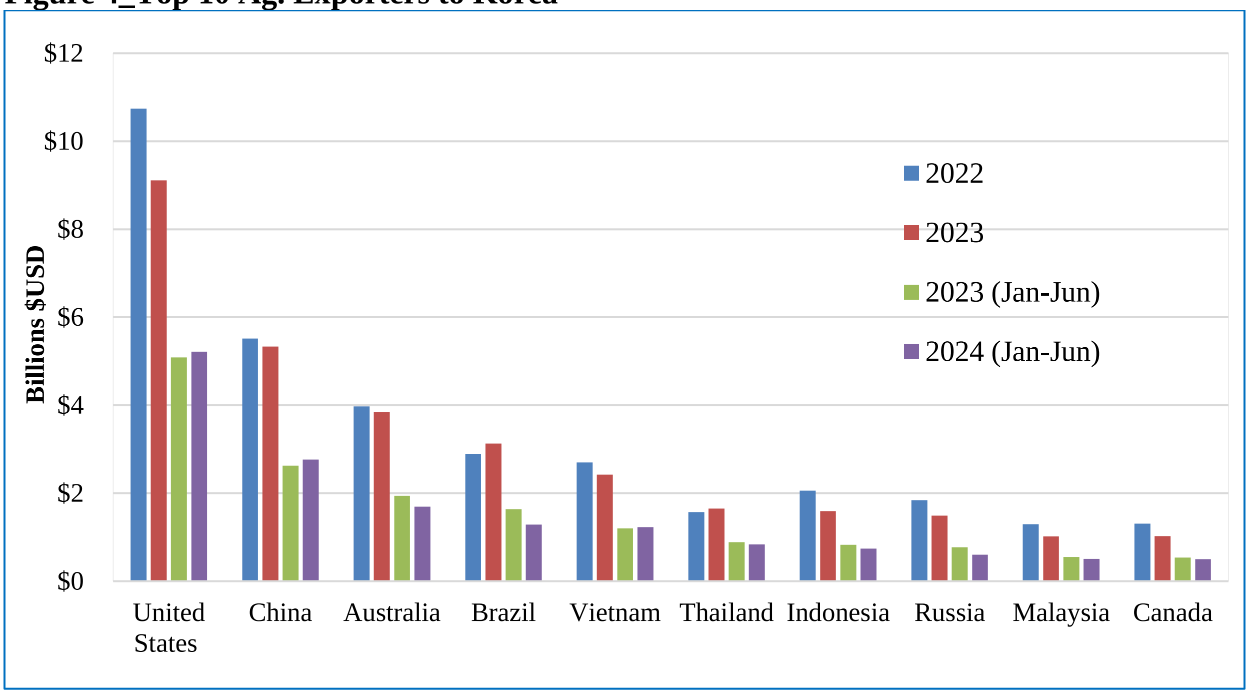
Elaboration: To satisfy consumers' needs for convenience, more sophisticated and customized products are being developed. Products such as capsuled laundry detergents and vacuum cleaning robots, which combine convenience and trendiness, have become popular. To better serve personal lifestyle, seasonings and detergents packaged for single use, and ergonomically customized gaming keyboards have shown significant sales growths over the past year. To keep stepping up with consumers' growing interest in their personal health and diet, more food manufacturers are launching customized food products. In 2024, health supplements based on DNA analysis, formulated probiotics subscription service, sports supplement fit for individual exercise purpose, and stress-relief drinks are getting popularity in Korea. Going forward, it will be important for retailers and distributors to adjust their sales and merchandising plans to meet these changing consumer needs.

Section 3: Competition

In 2023, Korea imported $47 billion of agricultural and related products from the world and the United States was the biggest supplier taking 20 percent of the market. Other key competing countries included China (11 percent), Australia (8 percent), Brazil (7 percent), and Vietnam (5 percent).

The following chart shows Korea's import of food and agricultural products for the last two years and the 1st halves of 2023 and 2024.

Figure 4_Top 10 Ag. Exporters to Korea



Source: Trade Data Monitor, South Korea Imports from _World (BICO - Agricultural and Related Products)

Out of the $47 billion of food and agricultural products that Korea imported from the world, the largest category was consumer-oriented products ($18.6 billion), accounting for 41 percent of all Korean agricultural imports. Most imported consumer-oriented agricultural products are selling through the grocery retail sector and about 32 percent of the total consumer-oriented agricultural imports came from the United States, the largest supplier.

ATO Seoul's website continuously provides up-to-date information about Korea's food and agricultural imports and market competition:

- Korea's Agricultural Import Statistics: monthly updates on Korean agricultural imports (four-digit HS product code level). Both U.S. export data (FOB value) and Korean import data (CIF value) are provided.
- Korea's Agricultural Import Trends Presentation: quarterly summary of competition between the U.S. and competitors in key products.

Section 4: Best Product Prospects

Top Consumer-Oriented Products Imported from the World

Beef (frozen/chilled) was the number 1 consumer ready product Korea imported from all sources last year, followed by food preparations, pork, coffee, cheese and curd, poultry meat, and wine. The following table shows top 10 consumer ready food products Korea imported from the world and leading suppliers as of 2023.

Table 6_Top 10 Korean Imports of Consumer-Oriented Products and Competition

Product Category/HS Code	Gross Imports 2023 ($ million)	1st Supplier (Share)	2nd Supplier (Share)	USA Rank (Share)
Beef, Frozen/HS0202	2,346	USA (52%)	Australia (39%)	1st (52%)
Food Preparations NESOI[3]/HS2106	2,286	USA (50%)	Germany (16%)	1st (50%)
Pork, Fresh, Chilled or Frozen/HS0203	1,918	USA (28%)	Spain (23%)	1st (28%)
Beef, Fresh or Chilled/HS0201	1,254	USA (71%)	Australia (29%)	1st (71%)
Coffee/HS0901	1,111	Brazil (18%)	Colombia (14%)	3rd (12%)
Cheese and Curd/HS0406	863	USA (34%)	N.Z. (18%)	1st (34%)
Poultry Meat & Offals/HS0207	525	Brazil (81%)	Thailand (15%)	3rd (1%)
Wine/HS2204	506	France (40%)	USA (16%)	2nd (16%)
Bread, Pastry, Cakes/HS1905	473	China (17%)	Malaysia (17%)	3rd (12%)
Other Preserved Fruits & Nuts/HS2008	452	China (31%)	Vietnam (22%)	3rd (17%)

Source: Korean government import data released by Korea Int'l Trade Association (www.kita.net). CIF value.

[3] NESOI: Not Elsewhere Specified or Included

Top Consumer-Oriented Products Imported from the United States

Beef (frozen/chilled) again was the top consumer ready product Korea imported from the United States in 2023, followed by pork, food preparations (including protein concentrate, drink base, sugar syrup, coffee creamer, and flavors), high-volume ethyl alcohol and other spirits, nuts, cheese and curd, citrus, and coffee.

For the first half of 2024, Korean imports of beef (fresh), pork (fresh/frozen), milk and cream, nuts, citrus fruits from the United States increased comparing to the same period last year.

The following Table 7 shows top 15 U.S. consumer-ready food products exported to Korea in high value for the last 3 years.

Table 7_Top 15 USA Consumer-Oriented Products Exported to Korea ($1,000)

Rank	4 Digit HS Code	Product Description	CY 2021	CY 2022	CY 2023	Growth ’23/ '22
1	0202	Beef, Frozen	1,304,706	1,707,563	**1,080,965**	-37%
2	0201	Beef, Fresh/Chilled	1,011,971	956,299	**964,216**	1%
3	0203	Pork, Fresh/Chilled/Frozen	507,847	562,999	**598,027**	6%
4	2106	Food Preparations NESOI	584,691	506,363	**380,606**	-25%
5	2207	Ethyl Alcohol and Other Spirits	344,410	413,599	**257,646**	-38%
6	0802	Nuts Except Coconut, Brazil & Cashew Nuts	319,282	244,784	**242,468**	-1%
7	0406	Cheese and Curd	282,145	369,229	**219,128**	-41%
8	0805	Citrus Fruit, Fresh	242,600	190,168	**181,864**	-4%
9	0901	Coffee, Coffee Husks	91,951	136,253	**115,158**	-15%
10	2004	Vegetables Prepared	102,378	124,029	**114,322**	-8%
11	0809	Stone Fruit, Fresh[4]	109,149	58,953	**99,621**	69%
12	2008	Fruit and Nut, Prepared	65,022	65,322	**67,275**	3%
13	0206	Edible Offal	46,435	60,305	**66,280**	10%
14	2204	Grape Wines	71,904	83,488	**62,382**	-25%
15	1806	Chocolate	67,612	60,650	**47,641**	-21%

Source: FAS/USDA/GATS/BICO – Standard Query, Compiled by ATO Seoul. FOB value.

[4] Category includes apricots, cherries, peaches, and plums. For U.S. exports, cherries represented 99.9 percent.

Products Present in Market with Good Sales Potential

In 2023, sales of processed tomato products under HS2002 showed the highest annual growth due to the increased demand on tomato paste. Close behind China (29 percent), the United States took 28 percent of this product market followed by Italy (26 percent). The U.S. products such as cherry, sugar confectionery, beer, and vinegar also came into Korea in high values showing strong growth from the year before. As Korean consumers look for more diverse food products serving their health and wellness needs, the U.S. food products with natural ingredients have a good potential in the market.

The following Table 8 shows 10 imported products with the biggest growth in 2023.

Table 8_Top 10 Fastest Growing Korean Imports of Consumer-Oriented Products[5]

Product Category/HS Code (4)	Gross Imports 2023 ($ million)	Growth from 2022	Imports from U.S. ($1,000)	U.S. Growth
Tomatoes, Prepared/Preserved/HS2002	75	29%	20,634	**13%**
Vinegar/HS2209	24	28%	6,243	**47%**
Cherries, Peaches, Apricots, Plums, etc./HS0809	143	22%	88,312	**51%**
Sugar Confectionery/HS1704	303	20%	18,421	**31%**
Lettuce, Fresh/Chilled/HS0705	22	20%	4,025	12%
Poultry Meat & Offals/HS0207	525	16%	7,228	-11%
Ginger, Saffron, Turmeric, Thyme, etc./HS0910	14	14%	546	-13%
Bread, Pastry, Cakes, Biscuits, etc./HS1905	473	13%	56,312	-9%
Beer made from malt/HS2203	218	12%	16,939	**32%**
Coconuts, Brazil Nuts & Cashew Nuts/HS0801	48	10%	237	8%

Source: Korean government import data released by Korea Int'l Trade Association (www.kita.net). CIF value.

(U.S.) Products Not Present in Market with Good Sales Potential

Lemon Juice: During the first half of 2024, lemon juice products were popular among health-and-beauty conscious consumers in Korea. Importers and distributors directly worked with influencers marketing lemon juice in various product types. The following photos are some

[5] Listing is limited to top 10 growth products that Korean imports were $10 million or larger.

samples of products predominantly imported from Western European countries such as Spain and Italy (Sicily) being sold in Korea.

(U.S.) Products Not Present in Market due to Significant Barriers

Processed Beef Products and Petfood with Ruminant Ingredients: Since the discovery of bovine spongiform encephalopathy (BSE) in the United States at the end of 2003, Korea still maintains restrictions on processed U.S. beef and beef produced from over thirty-month-old cattle. Beef produced from Canadian cattle must be fed for at least 100 days in the United States to become eligible for export to Korea. As of 2024, products using U.S. beef ingredients, including but not limited to, beef jerky, burger patties, and petfood processed in the United States with ingredients originating from ruminant animal have no access to Korean market. Following photos show the competing products imported from New Zealand and Australia to Korean market.

Section 5: Key Contacts and Further Information

Host Country Government
Ministry of Agriculture, Food and Rural Affairs (MAFRA)
Ministry of Foreign Affairs (MOFA)
Ministry of Food and Drug Safety (MFDS)
Ministry of Trade, Industry and Energy (MOTIE)

USDA Cooperators, SRTG, State Offices and AMCHAM in Korea
USDA Cooperators in Korea
U.S. State Regional Trade Groups (SRTG)
U.S. State Offices in Korea
American Chamber of Commerce (AMCHAM)

U.S. Animal Plant and Health Inspection Service Seoul (APHIS)
Address: Room 303, Leema Building, 42 Jongro 1-gil, Jongro-gu, Seoul, Korea
Phone: +82-2 725-5495 E-mail: yunhee.kim@usda.gov

Agricultural Trade Office Seoul (ATO)
Address: Room 303, Leema Building, 42
Jongro 1-gil, Jongro-gu, Seoul, Korea
http://www.atoseoul.com
Phone: +82-2 6951-6848
Email: atoseoul@usda.gov

Agricultural Affairs Office, Seoul (AAO)
Address: U.S. Embassy, 188 Sejong-daero
Jongro-gu, Seoul, Korea
https://kr.usembassy.gov/agricultural-affairs/
Phone: +82-2 397-4297
Email: agseoul@usda.gov

Attachments:

No Attachments