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Korea - Republic of

Food and Agricultural Import Regulations and Standards Report

FAIRS Annual Country Report

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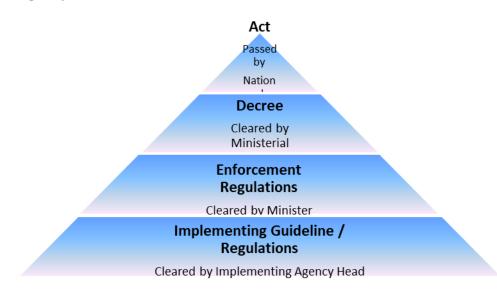
Disclaimer

This report was prepared by U.S. Embassy Seoul's Office of Agricultural Affairs (OAA) for exporters of U.S.-origin food and agricultural products. While every effort was taken to ensure accuracy, some information may have changed since publication or was not fully available while drafting. Post recommends that U.S. exporters verify all import requirements with their international customers before any goods are shipped. Final import approval of any product is subject to the importing country's rules and regulations, as interpreted by border officials at the point of entry and/or the time the product enters into commerce.

Section I. General Food Laws

Korea is well equipped with a modern legal system that is based on a fixed hierarchy. Based on this framework, an act or law legislated by the National Assembly provides the legal basis for government regulations. A draft bill may be submitted by an individual National Assembly member or the competent government ministry for the National Assembly's consideration.

Under each act, an enforcement decree and enforcement regulations are drawn up by the responsible ministry to implement a given law. At about the same time, the competent ministry or agency also promulgates notices and guidelines in order to provide more detailed guidance. The chart below, albeit an oversimplification, shows how this legal hierarchy fits together.



Legal System

Proposed new and/or revised acts, enforcement decrees, enforcement regulations, and the implementing guidelines are published in the government gazette for public comment. These changes are also notified to the WTO for international comments. In addition, over the last decade, the <u>Korea Legislation</u> <u>Research Institute</u> has translated many of these acts and some enforcement decrees into English in order to strengthen cooperation with trading partners and multinational firms doing business in Korea.

Over the past decade, Korea has moved generally towards more science-based food regulations. However, at times Korean regulations lack specificity, which in turn can generate confusion as these can be interpreted in multiple ways. The regulatory process is also heavily influenced by vocal industry and consumer groups, as well as politicians. In some cases, regulators give way to these outside, populistdriven influences when drafting regulations. The best example of this was right after the candlelight beef protests in 2008 when the government embarked on a campaign to win back consumer confidence in the nation's food safety system. Although the plan included some needed science-based improvements, there were several proposed measures like the ban on certain coal-tar colors used in processed foods and beverages that clearly went beyond the realm of established science.

In the food coloring case and several other cases since that time, Korea has pointed to the European Union as the basis for its action. Historically, Korea modeled its regulatory system after the U.S. system. In recent years, however, the regulatory system has been more influenced by the European-based food safety model. Regulators also cite consumers' right to know as a reason for new regulations, such as the measure to expand biotech labeling for processed products containing detectable biotech components.

The major ministries and agencies regulating the Korean food system are the Ministry of Food & Drug Safety (MFDS), the Ministry of Agriculture, Food and Rural Affairs (MAFRA), the Ministry of Trade, Industry and Energy (MOTIE), and the Prime Minister's Office (PMO). In 2013, all safety-related authority including import inspection of livestock products was transferred to MFDS (formerly known as the Food & Drug Administration), and MFDS was upgraded to ministry status. The purpose behind this consolidation of food safety-related authority was to make MFDS more efficient and effective in managing food safety.

The following is a brief description of each organization's role and the relevant acts and regulations that govern their respective operations.

A. Ministry of Food & Drug Safety (MFDS):

After the previous administration took office in March 2013, MFDS was elevated to ministry status. They began to fully exercise legislative authorities, from the act to the implementing guidelines. MFDS's main role is to protect public health and safety, including the safety of food and livestock products. MFDS, with its six regional offices and the National Institute of Food & Drug Safety Evaluation, is responsible for establishing and enforcing the act and its implementing regulations as well as setting standards and specifications for domestic and imported foods to include livestock products (including eggs and dairy products), functional foods, food additives, and food packaging, containers, and equipment. MFDS establishes the guidelines for implementing the Hazard Analysis of Critical Control Point (HACCP) program and labeling of food and livestock products. In addition, MFDS sets and implements regulations governing safety evaluations of agricultural products that have been enhanced through biotechnology and labeling requirements for both agricultural products and processed food products produced using genetically engineered (GE) ingredients. Several key MFDS regulations are listed below.

- The Food Sanitation Act: is the legal basis for the food safety-related work conducted by MFDS. Among other things, pesticide and veterinary drug standards are governed under this law.
- Functional Food Act: provides the legal basis for MFDS's oversight of functional foods, such as health foods and nutritional supplements.
- Special Act on Children's Dietary Life Safety Management: provides the legal basis for MFDS's determination and oversight of food products consumed by children. This act restricts the sales and advertisement of high-calorie, low-nutrient food products and high caffeine food, and introduces a voluntary color-coded labeling system.

- Special Act on Imported Food Safety Management: provides a framework for imported food policies. This act was implemented on February 4, 2016 and consolidated all imported food regulations scattered throughout other acts. Although most provisions in the Special Act already existed in other acts, there are some changes introduced in the Special Act to better manage imported food, such as pre-registration of foreign facilities. For details on the Special Act, See Section VII.
- Food Code: stipulates standards and specifications for the manufacturing, processing, usage, cooking, and storage of food, equipment containers and packaging for food products. It establishes testing methods and specifies maximum residue levels for agricultural chemicals and veterinary drugs, radioactive standards, and contaminants. To unify the management system of food and livestock products, MFDS merged the Livestock Code into the Food Code in 2017 and implemented the unified management system in January 2018 in accordance with standards and specifications for food products and livestock products including egg and dairy products in the Food Code. The English translation of the Food Code provided by MFDS can be found at the following website: Food Code
- Food Additive Code: defines standard specifications for individual food additives and usage standards. See Section II for more details on additive requirements.
- Labeling Standards for Food: provides guidance on how to meet MFDS's Korean language labeling requirements for imported food products. See Section V for details on labeling requirements.
- Labeling Standards for Genetically Modified Food: On April 24, 2014, MFDS combined the three existing labeling standards: Labeling Standards for Recombinant Food, Guidelines for Labeling of Genetically Modified Agricultural Products, and Labeling Standards in the LMO Act to provide standards required for the labeling of biotech crops and food, including processed food products. On February 4, 2017, MFDS implemented new biotech labeling requirement to expand mandatory labeling for all detectable products. See Section V for details.
- Functional Food Code: contains general standards and specifications governing functional foods, and individual standards and specifications for functional food categories.
- Inspection Guidelines for Imported Food: checklist for imported food products detailing testing, sampling and other pertinent inspection standards.
- Livestock Product Sanitary Management Act: specifies requirements for the slaughter and handling of livestock and the processing, distribution and inspection of livestock products. The Act is the legal basis for sanitary standards for livestock products.
- Labeling Standards for Livestock Products: provides the labeling standards for livestock products, containers, equipment, as well as packaging requirements.

B. Ministry of Agriculture, Food and Rural Affairs:

The Ministry of Agriculture, Food and Rural Affairs (MAFRA) establishes and enforces regulations pertaining to overall agricultural policy and quarantine inspection of agricultural products, including livestock, dairy, and forestry products. Several of the key MAFRA regulations are listed below.

On June 15, 2011, the Animal, Plant and Fisheries Quarantine and Inspection Agency (QIA) was created by merging the National Veterinary Research & Quarantine Service, the National Plant Quarantine Service, and the National Fisheries Products into one single agency. The purpose behind the consolidation was to make the ministry more efficient and effective in managing food safety and animal health issues. With the government reorganization in 2013 however, the authority over food safety inspection of livestock products and all fishery-related authorities was transferred to MFDS and the Ministry of Oceans and Fisheries, respectively, and QIA's name changed to the Animal and Plant Quarantine Agency (APQA).

APQA is responsible for quarantine and sanitary control of animal and plant products with the goal of "Improving the Animal Disease Quarantine System and Securing the Safety of Agriculture and Livestock Products." APQA is responsible for preventing the introduction of harmful weeds, pests and diseases originating from imported plants, fruits and vegetables. The agency's <u>organization chart</u> (English) shows the various subdivisions and their respective areas of responsibility.

The National Agricultural Product Quality Management Service (NAQS), an MFDS agency, is responsible for setting quality standards and grades for agricultural products, enforcing country of origin marks, and enforcing organic labeling for fresh fruits, vegetables, grains, and processed food products in the marketplace. They also provide organic certifier accreditation for both non-processed organic produce. In addition, NAQS determines organic equivalency with foreign countries.

Several key MAFRA/APQA/NAQS regulations are listed below.

- Import Health Requirements for Various Animals: MAFRA's Quarantine Policy Division (QPD) sets quarantine requirements for live animals and animal products. The certification requirements for U.S. livestock products are available on USDA's <u>Food Safety & Inspection</u> <u>Service</u> (FSIS) website.
- <u>Plant Protection Act</u> (excerpts in English): safeguards agricultural and forestry production by establishing quarantine regulations for imported and domestic plants.
- Import Plant Inspection Guideline: defines inspection procedures for imported plants and plant materials and establishes specific principles for the inspection and disposition of imported plants.
- Agricultural Products Quality Management Act: includes provisions governing country of origin marks, geographical indication (GI), trace-back, etc., for agricultural products.
- Act on the Management and Support for the Promotion of Eco-Friendly Agriculture/Fisheries and Organic Foods: to promote a sustainable eco-friendly agriculture/fishery industry. This consolidated act is the legal basis for MAFRA's organic certification program for both fresh

produce and processed food products and equivalency for processed organic products.

• Guideline for Country of Origin (COO) for Agricultural Products: provides COO labeling requirements for domestic agricultural products and raw materials used in domestically processed agricultural products. COO labeling of imported agricultural products is required under Article 33 of the Foreign Trade Act.

C. Ministry of Trade, Industry and Energy

Korea's Ministry of Trade, Industry and Energy (MOTIE) has authority for implementation of the Cartagena Protocol on Biosafety (CPB). Korea ratified the Cartagena Protocol on Biosafety (CPB) on October 2, 2007. On January 1, 2008, Korea implemented the Act on Living Modified Organisms, or LMO Act, which is the implementing legislation for the CPB and the overarching law governing the country's biotechnology-related rules and regulations. For more information on Korea's biotech regulatory system, please refer to the 2018 Biotech Annual Report for Korea from the USDA/FAS website. The LMO Act and its subordinate regulations are identified below.

- LMO Act: implements the Cartagena Protocol on Biosafety to ensure the safe development, production, importation, exportation, and commercialization of living modified organisms. This Act provides guidance on import approval, mandatory risk assessment, and labeling of living modified organisms (LMO) or GMO commodities.
- Enforcement Decree of the LMO Act: establishes the responsibilities of relevant government agencies, procedures for the importation, production, export notification, and transit report of LMOs, procedures for designating the agencies responsible for risk assessments and specialized review agencies, labeling and handling requirements, and procedures for the creation and operation of a bio-safety clearing house.
- Enforcement Regulations of the LMO Act: stipulates the provisions delegated by the LMO Act and its Enforcement Decree and the provisions deemed necessary to implement the Act and Decree. The Enforcement Regulations include document requirements for import approval of LMOs, safety assessments, environmental risk assessments, and production approval.
- Consolidated Notice: this notice provides guidelines for the export and import of LMOs for agricultural use, environmental release, and food/feed processing and other uses.

D. Prime Minister's Office

In the wake of the beef protests in 2008, the National Assembly passed the Framework Act on Food Safety. Under this law, the Prime Minister's Office was given the lead to coordinate the country's food safety controls across the various ministries and agencies.

In accordance with the act, each relevant agency was tasked with developing a comprehensive 3-year food safety plan. In order to facilitate integration of these various plans, the law called for the establishment of a food safety committee with the Prime Minister serving as the chairperson. Committee members include: the Minister of Planning and Finance, the Minister of Education, the Minister of Justice, the Minister of Agriculture, Food and Rural Affairs, the Minister of Health and Welfare, the Minister of Environment, the Minister of Oceans and Fisheries, the Minister of Food &

Drug Safety, Minister of the Prime Minister's Office and experts appointed by the Prime Minister.

On December 27, 2017, the Prime Minister held a Food Safety Policy Committee meeting and confirmed "Overall Measures on Improvement of Food Safety." Announced measures include: 1) advancement of the livestock industry, particularly the poultry industry, 2) improvement of an environmentally friendly certification system and HACCP, 3) strengthening measures for food safety and nutritional management, and 4) aligning the food safety management system. With these measures, the Korean government hopes to continue improving public trust in the food safety system.

Section II. Food Additive Regulations

MFDS's Food Additive Code stipulates how additives should be used in foods. As of December 2018, Korea has a positive list of 618 approved food additives. In addition to individual additives, MFDS allows 7 types of mixed additive substances. The Code also defines 13 sanitizers permitted for use in food equipment.

Most additives and/or preservatives are approved and tolerance levels are established on a product-byproduct basis. This sometimes creates difficulties as tolerances can vary from product to product. Even though there may be an established CODEX standard for a given food additive, if that food additive is not registered in the Korean Food Additive Code, or even if it is registered but usage in a certain food product is not specified, then use of that food additive in the given food product is prohibited.

Getting a new additive added to the approved list can take up to a year. The "Guidelines for Designation of Food Additives" explain the detailed information required for the approval of a new additive.

English translation of Korea's food additive standards is available from the following link: <u>Food</u> <u>Additive Standards</u>

However, for the most up to date information, please refer to the following Korean link: Korean Food Additive Code

Section III. Pesticides and Other Contaminants

Three government agencies –MFDS, MAFRA, and the Ministry of Environment (MOE) – handle pesticide-related matters. MFDS regulates pesticide residues in foodstuffs. MAFRA is responsible for pesticide registration and MOE is responsible for testing pesticide levels in the environment including drinking water and soil.

MFDS is responsible for regulating pesticide residues in foodstuffs, in accordance with the maximum residue levels (MRLs) set in the Food Code. As of December 2018, MFDS has set MRLs for 469 pesticides in agricultural products. The Food Code also lists MRLs for 84 pesticides and 193 veterinary drugs in meat, fish, eggs and milk products. In addition to the Food Code, MFDS has set-up an MRL

database for agricultural products with English subtitles: MRL Database.

MFDS will begin implementation of its previously announced pesticide Positive List System (PLS) on January 1, 2019. As such, a 0.01ppm default tolerance will apply when there is no established MRL in the Korean Food Code. Korea has three categories of MRLs in their Food Code: one is for national MRLs based upon domestic registration, another is for import tolerances that are based upon residue data from the third country, and the other consists of temporary MRLs that are set for a smooth PLS implementation. These temporary MRLs will be deleted after the end of 2021 unless national MRLs or import tolerances are set by that time. MRLs established in the Food Code for a pesticide on a particular agricultural product, apply to both domestic and imported products. For details on Korea's PLS implementation, please refer to GAIN report <u>KS 1843</u>.

MFDS is also planning to implement a PLS for veterinary drugs. No timeline has been determined yet.

Pesticide Registration

The Rural Development Administration (RDA) under MAFRA is responsible for the registration of pesticides, safety usage standards, and notification of pesticides. All pesticides used in Korea should be registered with RDA. The registration process can take several years to complete. As of June 2017, there were a total of 1,917 registered agrochemicals with 496 active ingredients. A list of all registered agrochemical items can be obtained from the Korea Crop Protection Agency (KCPA). Details on pesticide registration can be accessed from the following link provided by KCPA: <u>Pesticide</u> <u>Registration</u>

Maximum Allowable Aflatoxin

MFDS sets the maximum residue limits (MRLs) for aflatoxin, ochratoxin, fumonisin, deoxinyvalenol, zearalenone, and other contaminants. Some of the MRLs for contaminants are as below:

Target Foods	Standards (µg/kg)	
Grains, pulses, ground nuts, tree nuts and their products that		
have undergone simple processing (such as grinding, cutting,		
etc.)		
Processed grain products and processed pulse products		
Bean pastes and soy sauces, red pepper powder, and curry	Not more than 15.0 (however, B1	
powder	shall be not more than 10.0)	
Nutmeg, turmeric, dried pepper, dried paprika, and natural		
spices that contain such listed ingredients		
Wheat flour		
Dried fruit		
Infant formula, follow-up formula, cereal based formula for infant/young children, other food for infant/young children	B1 shall be not more than 0.10	

Total Aflatoxin (Sum of B1, B2, G1 & G2)

Fumonisin

Target Foods	Standards (as sum of B1
	and B2)

Corn	Not more than 4 mg/kg
Corn that is simply processed (such as grinding, cutting, etc.)	Not more than 2 mg/kg
Processed grain products and breakfast cereals that contain 50% or	Not more than 1 mg/kg
more of simply processed corn	
Corn products for popcorn use	

Ochratoxin A

Target Foods	Standards (µg/kg)
Grains and their products that have undergone simple processing (such as grinding, cutting, etc.)	Not more than 5.0
Coffee beans, roasted coffee	Not more than 5.0
Instant coffee	Not more than 10.0
Fermented dry cooked soybean cube	Not more than 20
Red pepper powder	Not more than 7.0
Grape juice, Grape juice concentrate (including raw materials), wine	Not more than 2.0
Dried fruit	Not more than 10.0
Infant formula, follow-up formula, cereal-based formula for infant/young children, other food for infant/young children	Not more than 0.50

Deoxynivalenol

Target Foods	Standards (mg/kg)
Grains and their products that have undergone simple processing (such as grinding, cutting, etc.)	Not more than 1
Corn and simple processed corn (such as grinding, cutting, etc.)	Not more than 2
Cereals (breakfast cereal)	Not more than 0.5
Infant formula, follow-up formula, cereal based formula for infant/young	Not more than
children, other food for infant/young children	0.2
Noodles	Not more than 0.75

Zearalenone

Target Foods	Standards
	(µg/kg)
Grains and their products that have undergone simple processing (such as	Not more than
grinding, cutting, etc.)	200

Confectioneries	Not more than 50
Infant formula, follow-up formula, cereal based formula for infant/young children, other food for infant/young children	Not more than 20
Cereals (breakfast cereal)	Not more than 50

Heavy Metals in Agricultural Products

Target Foods	Lead (mg/kg)	Cadmium (mg/kg)	Arsenic, inorganic (mg/kg)
Grains (excluding brown rice)	Not more than 0.2	Not more than 0.1 (0.2 for wheat and rice)	Not more than 0.2 (limited to rice*)
Potatoes	Not more than 0.1	Not more than 0.1	
Pulses	Not more than 0.2	Not more than 0.1 (0.2 for soybean)	
Peanuts and tree nuts	Not more than 0.1	Not more than 0.3	
Oilseeds	Not more than 0.3 (limited to sesame seed)	Not more than 0.2 (limited to sesame seed)	
Fruits	Not more than 0.1 (0.2 for apple, mandarin, and berry group)	Not more than 0.05	
Leafy vegetables (including flower- head brassica)	Not more than 0.3	Not more than 0.2	
Stalk and stem vegetables	Not more than 0.1	Not more than 0.05	
Root and tuber vegetables	Not more than 0.1 (2.0 for ginseng, balloon flower, and bonnet bellflower)	Not more than 0.1 (0.05 for onions, 0.2 for ginseng, balloon flower, and bonnet bellflower)	
Fruiting vegetables	Not more than 0.1 (0.2 for pepper and squash)	Not more than 0.05 (0.1 for pepper and squash)	
Mushrooms	Not more than 0.3	Not more than 0.3	

Heavy Metals in Livestock Products

Target Food	Lead (mg/kg)	Cadmium (mg/kg)
Poultry meat	Not more than 0.1	-
Swine liver	Not more than 0.5	Not more than 0.5
Pork	Not more than 0.1	Not more than 0.05
Swine kidney	Not more than 0.5	Not more than 1.0

Cattle liver	Not more than 0.5	Not more than 0.5
Beef	Not more than 0.1	Not more than 0.05
Cattle kidney	Not more than 0.5	Not more than 1.0
Raw milk and milk	Not more than 0.02	

Heavy Metals in Fishery Products

Target Food	Lead (mg/kg)	Cadmium (mg/kg)	Mercury (mg/kg)	Methyl mercury (mg/kg)
Fish	Not more than 0.5	Not more than 0.1 (limited to fresh water fish and pelagic fish) Not more than 0.2 (limited to marine fish)	Not more than 0.5 (excluding abyssal fish, tunas and marlins)	Not more than 1.0 (limited to abyssal fish, tunas and marlins)
Mollusks	Not more than 2.0 (2.0 for octopus with intestines)	Not more than 2.0 (3.0 for octopus with intestines)	Not more than 0.5	
Crustaceans	Not more than 1.0 (2.0 for swimming crabs with intestines (swimming crabs in Family Portunidae)	Not more than 1.0 (5.0 for swimming crabs with intestines (swimming crabs in Family Portunidae)		
Seaweeds		Not more than 0.3 (laver that includes seasoned laver, basis on fresh laver)		
Frozen fish head	Not more than 0.5		Not more than 0.5 (excluding abyssal fish, tunas and marlins)	Not more than 1.0 (limited to abyssal fish, tunas, and marlins)
Frozen fish intestines	Not more than 0.5 (2.0 for cephalopoda)	Not more than 3.0 (1.0 for fish eggs and 2.0 for cephalopoda)	Not more than 0.5 (excluding abyssal fish, tunas and marlins)	Not more than 1.0 (limited to abyssal fish, tunas and marlins)

Heavy Metal Standards for Processed Food Products

Target Food	Lead (mg/kg)	Arsenic (mg/kg)
Vegetable oil, fish oil, other animal oil & fat, mixed edible oil,	Not more	Not more

flavored oil, processed oil & fat, shortening, margarine	than 0.1	than 0.1
Infant formula, follow-up formula, cereal based formula for infant/young children, other food for infant/young children, special formula for infant/young children, follow-up milk formula	Not more than 0.01	

Section IV. Packaging and Container Regulations

MFDS's "Standards & Specifications for Equipment and Container/Packaging" (so called "Packaging and Container Code") provide general standards for equipment, containers, and packaging for food products and specifications for individual packaging materials. Please see the following link for an English translation of MFDS's Packaging and Container Code: <u>Package</u>

Containers or packages that can be recycled must carry a "separation and discharge" marking. In accordance with the Act on the Promotion of Saving and Recycling of Resources and its corresponding decree, containers or packages made with paper, metal, glass, plastic materials, and synthetic resins must be marked with a "separation and discharge" sign. The mark is to facilitate the recycling of wastes. The sign should indicate the type of material of which the package is composed. For example, PVC, PP, PS, PVDV, PE, PET, or PF should be indicated for containers or packaging made of plastic materials. For metals, either iron or aluminum should be indicated. Either a printed label or a sticker label is acceptable. This requirement has been in place since January 1, 2003.

Section V. Labeling Requirements

A. MFDS Labeling Standards for Food

MFDS's Food Safety Labeling and Certification Division develops labeling standards, while the regional offices inspect imported foods and enforce labeling requirements upon arrival. As an aside, provincial authorities also have the authority to verify labeling of domestic and imported goods in the marketplace.

All imported food products are required to carry legible Korean language labels. Stickers or tags may be used, but should not be easily removable nor should they cover the original label. Labels must contain the following information listed below.

- Product name. The product name should be identical to the product name declared to the licensing/inspection authority.
- Product type. This is the minimum unit of food product categories according to the Standards & Specifications for Food.
- Importer's name and address, and the address where products may be returned or exchanged in the event of defects.
- Name of manufacturer. The foreign manufacturer name shall be stated. If it is written in a

foreign language (e.g. English), no Korean translation is necessary.

- Manufacture date (year, month and day). This is mandatory for specially designated products, such as boxed lunches, rice roll in seaweed, hamburgers, sandwiches, sushi, sugar, edible salts frozen dessert (ice candies) and alcoholic beverages (excluding beer and Korean traditional rice liquor since they are required to indicate shelf life or best before date). For alcoholic beverages, a manufacture number (lot number) or bottling date may substitute for the manufacture date.
- Shelf life or best before date. Food product labels should indicate the manufacturer-determined shelf life. Products that are subject to a manufacturer date may be excluded from the shelf life labeling requirements. Products including jams, saccharide products (e.g. dextrin, oligosaccharide, fructose, and sugar syrup), sterilized liquid teas and coffee, sterilized beverages, bean based sauce and paste, sterilized curry products, vinegar, kimchi, salted and fermented seafood (*jutgal*), pickled products, sterilized hard boiled products, beer, starch, honey, wheat flour, products with long shelf life such as retort foods or canned products may use either a best before date or a shelf life date on the product label. If various kinds of products are packaged together, the shelf life expiration date of the product with the shortest life should be noted on the label.
- Contents (Calories). Weight, volume or number of pieces should be indicated. If the number of pieces is shown, the weight or volume must be indicated in parentheses. Calories are only required for food products subject to nutritional labeling.
- Ingredient names and content. The names of all ingredients are required on the Korean language label. However, for those products with a principal display panel smaller than 30 cm², only the top five ingredients are required.
- Ingredient names used in making composite ingredients. Artificially added purified water and names of ingredients used to make a composite raw ingredient amounting to less than five percent of the product in weight will be excluded from the requirement. In case of a composite raw ingredient amounting to less than five percent of the product by weight, only the name of the composite raw ingredient must be listed on the Korean language label. In the case of a composite raw ingredient amounting to over five percent of the product by weight, the names of all ingredients contained in the composite raw ingredient must be listed on the Korean language label. Ingredients must be listed in order of predominance by weight, that is, the ingredient that weighs the most is listed first, and the ingredient that weighs the least is listed last. As for ingredients amounting to less than two percent of the product in weight, they may be listed without following order by weight. Terms for food additives that are not listed in the Korean Food Additive Code such as MSG are not permitted for use on the label. ("No MSG" on the product label is not permitted). For ethanol and distilled spirits, the raw material labeling requirement for composite ingredients can be omitted. It can be labeled as "Whisky", "Vodka" or "Brandy" without providing the names of the raw materials used in making ethanol or distilled spirits.
- Additives. Food additives must also be listed by full name, abbreviated name, or purpose as they are listed in the Korean Food Additive Code or Labeling Standards for Foods (e.g. Sodium

Saccharin (Sweetener)).

- Allergens. Food items known to be food allergens must be indicated on the label even if they are added at minimal levels as part of a mix. Food items considered as food allergens include eggs (limited to poultry eggs), milk, buckwheat, peanuts, soybeans, wheat, mackerel, crab, shrimp, pork, peaches, tomatoes, sulfite-added products (limited to a case where 10mg/g or more of SO2 is present in the finished product), walnuts, beef, chicken, squid, shell fish (including oyster, abalone, and mussel), and pine nut. Any food product containing one or more of these allergens as a raw ingredient(s) or containing raw ingredients made by extracting the above listed allergen items must be indicated on the Korean language label. (e.g. cookies containing egg yolk: "yolk (egg)")
- When products containing raw materials that may cause food allergies and products that are made of raw materials that do not cause any food allergies are produced in the same processing line, a statement such as "This product is manufactured in the same manufacturing facility that produces products with buckwheat" shall be indicated.
- Nutrients. Only designated products are subject to nutritional labeling. Please see nutritional labeling section below for more details.
- Other items designated by the detailed labeling standards for food. This includes cautions and standards for use or preservation (e.g., drained weight for canned products, radiation-processed products, etc.). The use of photos or pictures of fruit is not permitted on the label unless the product contains the corresponding natural flavor or ingredient.
- Photo or picture of cooked food on the principal display panel: If such picture or photo is displayed on the principal display panel of the package, "Cooking Image" or similar term shall be stated along with a picture or photo.
- Juice made of concentrate: A claim of "100%" is allowed for juice made of concentrates even though it contains food additives. In this case, a name or a purpose of additive shall be indicated below "100%" claim. (e.g. 100% Orange Juice (including citric acid) or 100% Orange Juice (including acid controlling agent))
- Certain Marketing Claims of HACCP, ISO 22000, Kosher, Halal, GMP and Vegan: Starting January 1, 2017, MFDS enforced requirements that certification bodies making certain marketing claims be approved by MFDS. In order to apply a mark or claim to packaging, MFDS requires the certification body to be reviewed and recognized by the MFDS Review Committee. Marks or claims that require MFDS's recognition are HACCP, ISO 22000, Kosher, Halal, GMP and Vegan. This means that if a product package that carries any of the aforementioned claims is imported, claims shall be removed or covered unless the certification body that certifies the product with the relevant claim is recognized by MFDS. Please note that this is not the accreditation of the certification body but rather is a process whereby MFDS reviews work done by the certification body and adds the certification body to a list of certification body. To date, a total of 81 certification agencies, including 17

Name	Certification Recognized
Islamic Food & Nutrition Council of America	Halal
Union of Orthodox Jewish Congregation	Kosher
KOF-K Kosher Supervision	Kosher
Star-K Kosher Certification	Kosher
Halal Transactions Inc. (dba Halal Transactions of Omaha)	Halal
OK Kosher Certification	Kosher
(Committee for Advancement of Torah)	
KSA- Kosher Supervision of America	Kosher
CRC, Chicago Rabbinical Council	Kosher
ISA, Inc. (dba Islamic Services of America)	Halal
ISWA (Islamic Society of the Washington Area)	Halal
Triangle K	Kosher
EarthKosher Kosher Certification Agency	Kosher
Orthodox Rabbinic Certifiers of San Francisco	Kosher
Minchas Chinuch Tartkov	Kosher
K-Kosher Certification	Kosher
Council of Orthodox Rabbis of Greater Detroit	Kosher
United Mehadrin Kosher (UM Kosher)	Kosher
As of December, 2018	·

US certifiers, have been recognized by MFDS. A list of US certifiers follows:

- Gluten free claim: allowed for products that do not use wheat, rye, barley, oat or crossbreed of such grains and whose total gluten content in the finished product is not more than 20mg/kg. It is also allowed for products with ingredients that are made by removing gluten from the aforementioned grains, such that the total gluten content in the finished product is not more than 20mg/kg.
- Inner package labeling is voluntary. Product name, net content, calories corresponding to net contents, shelf life or the best before date, and nutrients may be included on the inner package label.
- Products containing flaxseed (excluding flaxseed oil) are required to carry the following statement: "Be cautious in taking flaxseed as total daily intake amount shall not exceed 16 grams and one serving size shall not exceed 4 grams."
- "Non-alcoholic", "alcohol free" and "no alcohol added" may be stated on a label for food products other than alcoholic beverages. In this case, a "for adult only" claim in brackets next to or below "non-alcoholic", "alcohol free" or "no alcohol added" claims shall be made. Also, when a claim of "non-alcoholic" is made, a claim of "less than 1% of ethanol (or alcohol) is contained" shall be stated in the same font size of the "non-alcoholic" claim., e.g. "Non-alcoholic (contains less than 1% of ethanol , for adult only)", "Alcohol free" (for adult only), "No alcohol added" (for adult only)

The following categories are exempt from the abovementioned labeling requirements:

- Agricultural products such as grains, fishery items such as whole frozen fish, and fruits that are not contained in a container or package, etc.
- Foods to be used for manufacturing for a company's own use in Korea. Appropriate documentation must be provided to verify end-use. In this case, the name of the product, the name of the manufacturer, and manufacture date or shelf life or best before date shall be indicated on the original package either in English or in the language of the exporting country.
- Products imported for the purpose of acquisition of foreign currency, under the provisions of Article 26 of the Enforcement Decree to the Foreign Trade Act.
- Agricultural products in a container or packages (e.g. a box of oranges): In this case, the product name, the business name (producer or producer group, importer for imported products), the manufacture date (a packing date or a production year), contents, storage condition or handling methods are only required to be indicated on the package.
- Agricultural products including forestry products, livestock products, and fishery product that are covered with transparent plastic wrap (excluding vacuum package) are exempt from labeling requirement.

Nutritional Labeling Requirements

In accordance with Article 6 of the Enforcement Regulations of the Food Sanitation Act, nutritional labeling (example below) is required for the four food categories listed below. In addition, nutritional labels must be in Korean and must also use the nutrient reference values provided below. The categories are:

- Special purpose food products
- Bread (cake, doughnuts, bread loaf, other bakery goods), noodles, retort foods, edible oil and fats and dumplings
- Candy, chocolate, confectionary goods such as cookies, biscuits, and snacks, jam, beverages, coffee (excluding roasted coffee and instant coffee), and soy sauces and pastes (excluding Korean fermented soy bean cube, Korean soy sauce made of Korean fermented soy bean cube, Korean soy paste and fermented soybean paste) (Note: Nutritional labeling on an outer container or a package that contains retail sales unit products of candies, gums, and chocolates is voluntary.)
- Frozen dessert (ice candies), fish sausages, rice roll, hamburgers, and sandwiches
- Processed cocoa products, cereal (breakfast cereal), and instant food (pre-packaged food for ready to cook), to be enforced from January 1, 2020

The above products are exempt from labeling if used as an ingredient or products with a principal

display panel smaller than 30 cm². Products not included in the above categories are not subject to mandatory nutritional labeling, but are allowed to keep the standard U.S. nutritional fact panel if it is part of the original product label. In addition, if a specific nutrient is emphasized, the exact content must be labeled. For example, if a yogurt is labeled as "calcium enriched", the exact content of calcium must be identified on the label. Information that is required to be stated on nutritional labeling includes: 1) Calories, 2) Sodium, 3) Carbohydrates (sugar), 4) Fat (trans fat, saturated fat), 5) Cholesterol, 6) Protein and 7) any nutrient that is emphasized.

Nutrients	Values	Nutrients	Values
Carbohydrate (g)	324	Vitamin B ₂ (mg)	1.4
Sugar (g)	100	Niacin (mg NE)	15
Dietary fiber (g)	25	Vitamin B6 (mg)	1.5
Protein (g)	55	Folic acid (µg)	400
Fat (g)	54	Molybdenum (µg)	25
Saturated fat (g)	15	Vitamin B ₁₂ (µg)	2.4
Cholesterol (mg)	300	Biotin (μg)	30
Sodium (mg)	2,000	Pantothenic acid (mg)	5
Potassium (mg)	3,500	Phosphorus (mg)	700
Vitamin A (µg RE)	700	Iodine (µg)	150
Vitamin C (mg)	100	Magnesium (mg)	315
Chrome	30	Zinc (mg)	8.5
Calcium (mg)	700	Selenium (µg)	55
Iron (mg)	12	Copper (mg)	0.8
Vitamin D (µg)	10	Manganese (mg)	3.0
Vitamin E (mga – TE)	11	Vitamin B1 (mg)	1.2
Vitamin K (µg)	70		
Vitamin $B_1(mg)$	1.2		

Nutrient Reference Daily Values*

*Vitamin A, Vitamin D, and Vitamin E must be expressed in the units specified above, but the values in International Units (IU) may be stated in parentheses.

The MFDS English website for information on food labeling and nutritional labeling is as follows: MFDS Food Label

Voluntary Color Coded Labeling System

The January 18, 2010 revision to the Special Act on Children's Dietary Life Safety Management finalized a voluntary color coded labeling system, which is also referred to as a traffic light label for children's preferred food products. The National Assembly had originally aimed to make the system mandatory. However, due to concerns raised by industry, the proposed system was finalized as a voluntary system. Food products may label the total fat, saturated fat, sugar, sodium and other nutrients using yellow, green and red color. This new system started on January 1, 2011. On July 30, 2013, MFDS introduced a voluntary red-color coded labelling program for high caffeine food in order for children (and their parents) to recognize it easily.

High Caffeine Content Labeling Requirements

The March 7, 2005 revision to the labeling standards for food introduced a "high caffeine content" declaration requirement for liquid products containing high levels of caffeine. Labels for products with artificially added caffeine and liquid products made from raw material containing caffeine where the level of caffeine in the liquid product exceeds 0.15 mg/ml must state that the product has "high caffeine content" on the principal display panel with the exception of coffee and tea. On November 7, 2011, a further revision expanded the aforementioned requirement to coffee and tea and total caffeine content ("XXmg") is required to be stated on the principal display panel. It also required a high caffeine caution label for children, pregnant women and people sensitive to caffeine and mandates the caffeine content be printed on the label. "Children, pregnant women, and people sensitive to caffeine shall be cautious in taking this product" is required to be placed on the label. This requirement has been in force since January 1, 2013.

Functional Food Labeling Requirements

Labeling Standards for Functional Food were established January 31, 2004. The latest version was published on May 2, 2018. The English version provided by MFDS is available from the following link: <u>Functional Food Labeling</u> In accordance with these standards, a manufacturer's printed Korean language label must be on the product. It should have the following information, in addition to those required for general food products listed above: (1) functional food to be indicated (symbol), (2) information on the efficacy claim,; (3) intake directions and cautions, (4) a statement that the product is not a pharmaceutical product that prevents or heals disease, and, (5) other points as required in the detailed labeling guidelines for functional food. As for a simple minor error on the printed label such as a typo, a sticker can be affixed to correct the error. In case of the error in shelf life, a sticker is not allowed.

B. Labeling Standards for Livestock Products (Administered by MFDS)

MFDS labeling guidelines for livestock products including meat, dairy, and egg products are similar to its labeling guidelines for general food products. The latest revision was published on February 23, 2018. The English version provided by MFDS is found at the following link: <u>Livestock Labeling</u>. According to Article 4 of the Labeling Standards for Livestock Products, the items below are required to be listed on the Korean language label:

- Product name
- Type of livestock product
- Name and address of company (both the business name of the livestock processing plant in the exporting country, and the business name and address of importers are required to be indicated. In this case, it is not necessary to translate the name of the exporting processing plant written in English from the original label)
- Manufacture date month and year (only required for ice cream)
- Shelf life (all livestock products except ice cream)
- Content (calories corresponding to one serving size for products requiring nutritional labeling)

- Names of ingredients or raw materials and the percentage content by weight (percentage content is required if any ingredients are part of the product name or indicated on the principal display panel). All raw materials subject to an allergen label should be indicated. For details on allergen labels, please refer to Section V. A. MFDS Labeling Standards.
- Names of component and the percentage content by weight (percentage content is required if any components are part of the product name or indicated on the principal display panel)
- Nutritional labeling is required for milk, fermented milk, processed milk, ice cream, milk formula, milk powder, natural cheese, processed cheese, sausages, hams, and any livestock products that wish to carry nutritional labeling or a nutrient emphasis mark (excluding products whose principal display panel is smaller than 30cm²)
- Other items specified in Article 9 of the Labeling Standards for Livestock Products, according to the "Detailed Labeling Standards for Livestock Product et al."

Imported livestock products may be exempt from the Korean language labeling requirements if the product falls into one of the following categories:

- Carcasses
- Bulk type livestock products on which a label cannot be placed (such as tallow, lard)
- Raw materials imported by manufacturers who will use them for processing livestock products at their own plants (e.g., frozen turkey to be used in making sausages. In this case, the original foreign label must bear product name, producer's name, shelf life or production date (limited to ice cream only))
- Products permitted to be imported for the purpose of earning foreign currency per Article 26 of the Enforcement Decree of the Foreign Trade Act

C. Labeling Standards for Unprocessed Agricultural Products and Processed Food (Administered by MFDS)

MFDS introduced Labeling Standards for Recombinant Food that covered processed food products in August 2000. In April 2014, MFDS established Labeling Standards for Genetically Modified Food that combined labeling standards for non-processed and processed biotech food products. Beginning February 4, 2017, MFDS implemented new biotech labeling requirements that expanded mandatory labeling to all detectable products. Soy, corn, cotton, canola, sugar beet, alfalfa, and any newly approved GM crops or food products containing these crops are subject to this biotech labeling requirement. If detectable biotech DNA is present in the final product, biotech labeling is required. Examples of labels are as follows:

Cases	Examples	
GM grains or oilseeds	GM Corn or GM Soy	
Products containing GM	Containing GM Corn or GM Soy	

grains or oilseeds			
Vegetables grown from	Beansprout grown from GM Soy		
GM grains or oilseeds			
Products containing	Containing beam	sprout grown from GM soy	
vegetable from GM			
grains or oilseeds			
May contain GM Grains		A Corn or GM Soy	
May contain vegetable	May contain bea	ansprout grown from GM soy	
from GM grains or			
oilseeds			
Food Products with	Principal	"GM Food", "GM Food Additive", "GM Health	
detectable GM	Display	Functional Food", "Food product containing GM	
component	Panel	Soy", "Food additives containing GM corn", or	
(labeled on either		"Health functional food containing GM corn"	
principal display panel	Ingredient	"GM" or "GM Soy" or "GM Corn" in parenthesis	
or ingredient panel)	Panel	next to a name of raw ingredient on the ingredient	
		panel	
Food products contain	Principal	"May contain GM Corn and Soy"	
GM raw ingredients	Display		
from multiple sources	Panel		
Food products that for	Principal	"May contain GM Soy" or "May contain GM Corn"	
which a detectable GM		Display	
component is uncertain	Panel		
	Ingredient	"May contain GM Soy" or "May contain GM Corn"	
	Panel	in parenthesis next to a name of raw ingredient on	
		the ingredient panel	

- "Non-GMO" and "GMO Free" claims are permitted when the contents of raw ingredients subject to biotech labeling are 50% or higher or when such ingredient is the top ingredient in volume of the product. In this case, it should not contain any trace of a biotech component (zero tolerance). Please note that such claims are not permitted for products that do not have biotech counterparts (i.e. wheat, rice, etc.)
- Highly-processed products with undetectable recombinant DNA, such as cooking oil, sugar, soy sauce, modified starch, and alcoholic beverages, are exempt from biotech labeling without supporting documents. If any products other than those listed have non-detectable GMO product content, processors may submit a document confirming that a product or a raw ingredient does not contain a foreign DNA or protein. The supporting document can be made based upon a test result or substance purification documents.
- A test certificate issued by a MFDS-accredited domestic or foreign laboratory is acceptable if it confirms the absence of recombinant DNA or foreign protein in the final product. Please refer to <u>KS 6064</u> for details about testing methods. A list of approved laboratories is found in Appendix I of this report.
- MFDS allows for up to three percent unintentional presence of approved biotech components in

unprocessed non-biotech products (e.g. conventional food grade soybeans or corn) which carry an IP or government certificate. This three percent tolerance is the default threshold for processed food products that are subject to biotech labeling requirements. If a finished product is made of raw ingredients originating from non-biotech grain within this three percent tolerance, it is exempt from biotech labeling if a supporting document such as IP document or a government issued certificate is submitted. Please note that this three percent tolerance is not the tolerance for the finished processed product.

- Processing agents, carriers, diluents, and stabilizers including emulsifiers are exempt from biotech labeling. This is because they are not considered to be raw ingredients for food as they are used in extremely small quantity.
- If an imported product arrives without appropriate supporting documents or test certificate, it can be either labeled as GM food or tested by MFDS accredited laboratories in Korea prior to customs clearance. If the product tests negative, it may be exempt from biotech labeling.

For more information on biotech labeling, please see Post's latest <u>Voluntary Report on Biotech Labeling</u> and 2018 Biotech Annual Report.

D. Liquor Labeling (Administered by Korea Tax Administration)

The Ministry of Health and Welfare (MOHW) published the final notice on warning labels for excessive drinking on August 31, 2016. Below is the finalized warning statement:

Warning statement against excessive drinking

- Alcohol is a carcinogen and excessive drinking causes liver cancer, stomach cancer, etc. Drinking in pregnancy raises the risk of birth with a congenital anomaly.
- Excessive drinking is the cause of cancer development. Drinking in youth hinders physical growth and brain development and drinking in pregnancy raises the risk of congenital anomaly or miscarriage.
- Excessive drinking causes stroke, memory impairment, or dementia. Drinking in pregnancy raises the risk of birth of congenital anomaly.

In accordance with the Enforcement Regulation of the National Health Promotion Act, MOHW initially granted grace periods until September 3, 2017 so that industry might use the existing label by that time. However, due to concerns raised by foreign governments, including the United States, and the relevant industry, MOHW accepted an extension to the grace period until February 8, 2018. This allowed more time for industry to prepare labels with the new warning statement.

Liquor product usage must be labeled on the main label or the supplementary label. For soju, beer, whisky, and brandy, the label should state "for home use" or "for large-size stores". These liquors must also carry a statement on the main label or supplementary label that reads: "Not allowed to be sold in restaurants and bars". For wine products, only home consumption use must be labeled, whereas a label is no longer required for other uses. The table below shows which usage label is required for each particular liquor product.

Soju, Beer, Whiskey, Brandy	Fruit Wine	Rice Wine	Others
(1) "for large size stores"(2) "for home use"	(1) "for home use"	No label is required	(1) "For home use"

As noted in the section on MFDS's labeling standards, the use of a photo or a picture of fruit or ingredients on the product label for products that contain only synthetic flavors is prohibited, effective April 30, 2010. This restriction applies to liquor products as well.

E. Country of Origin Labeling (COOL) - (Administered by MAFRA)

According to COOL guidelines, many agricultural products, including most imported products, must carry country of origin marking. As for imported products, the Korea Customs Service (KCS) enforces COOL requirements at customs clearance. The National Agricultural Product Quality Management Service (NAQS) enforces COOL requirements in the marketplace.

In 2006, KCS tightened the enforcement of COOL for meat products, requiring inner package labeling. The following statements are acceptable: "Made in U.S.A.", "Made in U.S.", or the U.S.D.A. mark of inspection – "U.S. inspected and passed". In 2008, KCS agreed that imported fruit such as oranges and bananas did not require COOL on the individual pieces of fruit.

The lower duties granted by the KORUS FTA provide opportunities to U.S. exporters to increase sales volume. Complex country of origin (COO) requirements in the agreement and overly zealous COO verifications investigations initiated by KCS have affected certain U.S. agricultural exports. The KORUS FTA permits both parties' customs services to undertake investigations to verify the origin of goods for which preferential tariff treatment was claimed in order to prevent transshipment or false claims.

Since 2013, Korean customs authorities have initiated origin verification investigations with respect to many categories of U.S. exports, including food and agricultural products. A partial list includes frozen concentrated orange juice, meat products, dietary supplements, dry edible beans, and corn. U.S. industry raised concerns that KCS conducted these verifications in ways that may have created undue difficulties in proving origin and thereby compromised the product's eligibility to receive preferential treatment under the KORUS agreement.

In recently agreed revisions to the KORUS FTA, both parties agreed to establish a Rules of Origin Verification Working Group under the Committee on Trade in Goods to improve the COO verification process.

Post will continue to monitor developments in this area and engage with KCS to find a workable solution as necessary.

Please refer to the following website provided by the U.S. Agricultural Trade Office in Seoul for details about COOL requirements under the U.S. and Korea Free Trade Agreement: <u>KORUS COOL FAQ</u>

F. Other Labeling Requirements

The Korean government requires beef retailers and distributors to keep track of all transactions from the

importing stage to the final retail level. Imported beef must be traceable via a distribution identification number up to the retail store level. See GAIN Report $\underline{KS1033}$ for further details.

MFDS requires a traceability system for infant/baby food, health functional food, and milk formula. MFDS will introduce a traceability system for food for pregnant/lactating woman, special medical purpose food, and weight control food beginning in December 2019, depending on the annual sales value. Importers are required to establish a traceability system from the point when imported products arrive in Korea throughout distribution in Korea.

Section VI. Other Specific Standards

On March 5, 2002, the Korean Fair Trade Commission (FTC) announced new advertising requirements for food containing a biotech-enhanced ingredient that became effective July 1, 2002. The FTC, in its revision of the "Notification of Principle Information on Labeling & Advertisement" guideline, defines the "presence" of a biotech component as principal information that must be provided in an advertisement for any food product that requires biotech labeling. According to FTC's advertisement notification rules, anyone who produces and/or sells biotech-enhanced foods, and advertises such products in one of the identified forms below, needs to indicate the presence of the biotech component:

- Newspapers or magazines;
- T.V. commercials (when its running time is greater than two minutes); and,
- Cable T.V. commercials.

The pertinent information must be noted as follows:

- "Contains biotech-enhanced food" when the presence of a biotech-enhanced component is certain;
- "May contain biotech-enhanced food" when the presence of a biotech-enhanced component is uncertain.

Starting January 1, 2010, the MFDS Minister has the discretion to limit or prohibit TV advertisements of high calorie-low nutrient food products as designated by MFDS. According to the Enforcement Decree of the Special Act on Children's Dietary Life Safety Management, TV advertisements of the designated products are prohibited during the hours between 5:00 p.m. and 7:00 p.m. Also, commercials during children's programs may be restricted. MFDS uploaded a computer program on its website where industry can verify whether a product is classified as high calorie-low nutrient. MFDS also posts a list of food products that are classified as high calorie-low nutrient on its website. For more details about restrictions on children's preferred food products and high calorie-low nutrient food products, please refer to GAIN report <u>KS 9020</u>. In January 2014, MFDS expanded this TV advertisement restriction to high caffeine food.

Organic Food

On June 1, 2012, MAFRA and the National Assembly fully revised the Act on the Management and Support for the Promotion of Eco-Friendly Agriculture/Fisheries and Organic Foods (New Organic Act) by combining two existing acts, the Environment-Friendly Agriculture Promotion Act and the Food

Industry Promotion Act, after lengthy discussion on the two proposed bills, which were comprised of differing opinions on several issues including the scope of an equivalency agreement. The new act, which was fully implemented on June 1, 2013, requires that all domestic and imported organic produce and processed products be certified by a MAFRA/NAQS-accredited certifying agent. However, in lieu of certification by accredited certifying agents, the act allowed MAFRA to have an equivalency agreement on processed organic products with foreign trade partners, which went into effect on January 1, 2014.

US-Korea Organic Equivalency Arrangement

The United States and Korea reached an equivalency arrangement on processed organic food products on July 1, 2014. Under the arrangement, as long as the terms of the arrangement are met, certified organic products in the U.S. may be sold as organic in the Korean market and display the Korean organic logo, and vice versa for Korean products. The scope of the arrangement is as below:

Beginning July 1, 2014, the arrangement covers products which:

- Are certified according to USDA or Korean organic regulations
- Are "processed products" as defined by the Korean Food Code
- Contain at least 95% organic ingredients
- Have their final processing(as defined in the Korean Food Code) occur in the U.S. or Korea
- U.S. products: do not contain apples or pears produced with the use of antibiotics
- Korean products: do not contain livestock products produced with the use of antibiotics

U.S. processed organic products exported to Korea must be accompanied by the NAQS Import Certificate of Organic Processed Foods that includes the statement "Certified in compliance with the terms of the U.S. – Korea Organic Equivalency Arrangement." Also, a copy of USDA/NOP organic certificate shall be submitted for import inspection in Korea. Details about the certificate, labeling, etc. are available from the following link: <u>US-Korea Organic Equivalency</u>

MAFRA's Certification and Labeling Requirements for Processed Organic Foods Not Covered by Equivalency

The Act on the Management and Support for the Promotion of Eco-Friendly Agriculture/Fisheries and Organic Foods (New Organic Act) requires all domestic and imported organic processed products other than those covered by the equivalency to be certified by a NAQS-accredited certifying agent. Each product is required to get an organic certification in order to be sold as organic in Korea. Details are available from the following link: <u>Organic Certification</u>. <u>Certification</u> procedures are listed below.

Certification Procedures for Organic Producers

- 1. Application for certification: A person who desires certification should apply to a certifying agency using the form in Attachment 13 of the Enforcement Regulations of the New Organic Act accompanied by a copy of a food item manufacturing report, an organic handling plan, etc.
- 2. Documentation review: Once the documents have been submitted, the certifying agency reviews the documents to determine whether the content of the documents is in compliance with the standards set forth under the New Organic Act. If any non-compliance is identified during the review, the applicant is notified of the fact and requested to correct the non-compliance.

- 3. On-site inspection: If no problems are identified during the document review, the certifying agency sends two inspectors to the applicant's production facility. An inspector should not have a conflict of interest with regard to the certification of the applicant. He or she conducts the evaluation based on objective facts to determine whether the organic handling system of the applicant's production facility complies with the standards set forth under the New Organic Act and then prepares a report on the results of the review.
- 4. Certification decision: Once the review report is submitted, the certifying agency takes into consideration the review report and all other relevant information from the applicant.
- 5. Certificate issuance: If the applicant is determined as having an organic handling system in compliance with the standards set forth under the New Organic Act at his/her production facility, the certifying agency issues a certificate. In the case of non-compliance, the applicant will be notified and another review will be conducted after corrections have been made. Depending on the severity of the non-compliance, other actions may be taken.
- 6. Regular inspections: After issuance of a certificate, the applicant's production facilities will need to be regularly inspected at least once every year. The procedures are the same as those of the initial certification. Three months before the validity of the certification expires, the applicant should submit a regular inspection application (using the form in Attachment 12 of the Enforcement Regulations of the New Organic Act) with required documents to the head of the certifying agency.

To date, 32 certifying agencies in Korea (including Korean offices of two foreign certifying agencies) and 2 foreign certifying agencies located in foreign countries have been accredited by NAQS for certification of organic processed food products. To date, no U.S. certifier has been accredited.

MAFRA's Labeling Regulations for Organic Agricultural Products

Under the Act on the Management and Support for the Promotion of Eco-Friendly Agriculture/Fisheries and Organic Foods (New Organic Act) an organic certification issued by Korea's accredited certifying agents is required for both fresh (unprocessed) produce and livestock products. The certification for organic produce is classified into two categories: organic and no-pesticide. For livestock products, two categories of certification are available: organic livestock and antibiotic-free livestock.

Organic agricultural produce and livestock products complying with the U.S. organic standards or international standards still require certification from a NAQS-accredited certification agency. The overall certification process is the same as shown above for processed organic products.

Section VII. Facility and Production Registration Requirements

A. Product Registration & Import Inspection

No product registration is required to import food products into Korea. However, all new-to- market products are subject to mandatory laboratory testing conducted by the relevant inspection agency. Subsequent shipments of the product that have passed the first laboratory testing will be exempt from additional testing for five years. For more details about import inspection, see Section IX.

B. Facility and Livestock Establishment Registration

MFDS implemented the Special Act on Imported Food Safety Management (hereinafter referred to as

the Special Act) and the implementing regulations on February 4, 2016. In accordance with the Special Act, MFDS requires the pre-registration of foreign facilities that wish to export food products to Korea. Food products include processed food products, agricultural products such as grains, fruits, etc., health functional food, fishery products, food additives, and food packages/containers/equipment. Foreign facilities shall be registered with MFDS prior to import declaration. MFDS set up an electronic registration system at https://impfood.mfds.go.kr so that either foreign manufacturers or local importers can register foreign food facilities on-line. Registration can also be done by postal mail. MFDS completes facility registration within three working days. Once the foreign manufacturer is registered by MFDS, it is valid for 2 years. Renewal of registration shall be completed at least 7 days before the registration expires.

As for establishments of livestock products, MFDS recognizes meat and poultry establishments listed in the FSIS Meat and Poultry Inspection Directory as the system approval. As for establishments of dairy products and egg products, MFDS recognized establishments that have a record of export to Korea prior to the implementation of the Special Act as registered establishments. This means that those establishments with a record do not require any additional registration. For any new establishment of dairy or egg products that wishes to export products to Korea, registration shall be made through the exporting government. For this registration, the following documents shall be submitted to FAS/Seoul (agseoul@fas.usda.gov).

- MFDS Application
- Recent inspection report issued by the exporting government (State or Federal government) and a corrective action report prepared by an establishment for any identified issues in the inspection report
- HACCP plan summary that contains information on critical control point (CCP) or Control Point (CP) monitoring plan (that includes critical limits, monitoring frequency and plan, preventive measures, etc.) and a process flowchart indicating CCP
- A copy of a dairy, eggs, or processed food business permit
- For establishments that do not have HACCP, a summary of Sanitation Standard Operating Procedures (SSOP) and work process chart

If a plant produces both livestock products and food products and exports such products to Korea, the plant is required to be registered not only as a livestock establishment through FAS/Seoul but also as a foreign food facility following the registration process described above.

For details on foreign facility registration and livestock establishments, see FAS Seoul's GAIN report.

Section VIII. Other Certification and Testing Requirements

A. Sanitary and Phytosanitary Certification Requirements – Animals, Meat, Plant, etc.

In accordance with the Livestock Epidemics Prevention & Control Act and the Plant Protection Act, sanitary and phyto-sanitary certificates issued by the exporting country's inspection authority are required for live animals, plants and meat products, such as beef, pork, poultry, etc.

Since August 4, 2016, MFDS has required an original or duplicate copy of the health and sanitary

certificate for livestock products in accordance with the Special Act. Before the implementation of the Special Act, importers submitted the original certificate for meat products to QIA for quarantine inspection and a photocopy of the certificate to MFDS for import sanitary inspection. However, MFDS no longer accepts a photocopy of certificates.

For the United States, the U.S. Department of Agriculture's (USDA) Animal & Plant Health Inspection Service (APHIS) issues sanitary and phytosanitary certificates for live animals and plants, while the Food Safety & Inspection Service (FSIS), issues health certificates for meat products. More details on certification requirements are found in the annual FAIRS Export Certificate Report in the <u>FAS GAIN</u> system.

B. Event 32 Test on U.S. Corn Shipments

During one quarter of each year, MFDS tests all U.S. origin corn shipments for Event 32 (biotech seed variety) to confirm the absence of Event 32. White corn, sweet corn, waxy corn and popcorn are excluded from the testing requirement.

C. MON71800 and MON71700 Test on U.S. Wheat upon Arrival

MFDS requires two tests based upon a combination of wheat type/packing house. After two clean test results, no additional testing of subsequent shipments of the same combination will be required. After the detection of GE wheat in Oregon and Washington, MAFRA expanded the number of samples of U.S. origin wheat for feed use to test for the presence of GE wheat. Testing conducted by the Korean government to date has all turned out negative.

D. Papaya

MFDS requires 100% testing of all incoming papaya and products containing papaya to check for the presence of biotech components.

E. Samples

General processed food products are not subject to import requirements as long as they are considered as samples. For sample shipments, the invoice should be marked as having no commercial value. If the volume or the market value is not considered a sample, it will be subject to import requirements. A phytosanitary certificate and a meat export health certificate are required for products subject to quarantine inspection even if they are shipped as samples.

F. Monitoring at Retail and Wholesale Levels

MFDS conducts monitoring at retail and wholesale levels for agriculture, livestock and fishery products, and processed food products including processed meat products such as canned meat, and non-processed meat products. In addition to MFDS, the municipal government also conducts monitoring testing for residues of any food products distributed at the retail and wholesale levels.

Section IX. Import Procedures

A. Korea Customs Clearance

Imports of agricultural products generally must receive clearance from several agencies and are, thus, more likely to encounter port delays than other imported products. The Korea Customs Service (KCS),

MFDS, the National Quarantine Office (for ports that do not have MFDS regional offices), and the Animal and Plant Quarantine Agency (APQA) are the agencies involved in the import clearance process.

KCS is responsible for ensuring that all necessary documentation is in place before the product is released from the bonded area. The respective quarantine inspection authorities must clear products subject to plant or animal quarantine inspection before KCS will clear them. The import inspection application must be filled-out in Korean and submitted to the relevant agency.

KCS import clearance procedures and additional details are available at the following KCS website: KCS Import Procedures

B. MFDS Import Procedures

MFDS carries out the safety inspection of imported agricultural products including livestock products, processed foods, health functional foods, food additives, food packaging, containers and equipment upon arrival. Details on MFDS's import procedures are available at the following MFDS website: <u>MFDS Food Inspection</u>

MFDS Inspection Duration for Food Products including health functional food

Document Inspection	2 days
Visual Inspection	3 days
Laboratory Inspection	10 days
Irradiated Food Test	14 days
Incubation Test	15 days
Random Inspection	5 days

MFDS Inspection Duration for Livestock Products including egg and dairy

Document Inspection	3 days
Visual Inspection	5 days
Laboratory Inspection	18 days
Random Inspection	18 days

C. APQA Quarantine Inspection Procedures for Animal & Livestock Products

In addition to MFDS food safety inspection, meat, dairy, and egg products are subject to quarantine inspection by the Animal and Plant Quarantine Agency (APQA) and a clean quarantine inspection result from APQA is required for Customs clearance. The APQA quarantine inspection procedures for livestock products and details on quarantine inspection are available at the following APQA website: Animal & Livestock Product Inspection (English)

APQA Quarantine Inspection Duration for Livestock Products including egg and dairyDocument &Visual Quarantine Inspection3 days

D. APQA Inspection Procedures for Plant Products

In addition to MFDS residue testing for agricultural chemical, aflatoxin, and other contaminants, plant

products, including fresh vegetables, fruits and grains, are subject to plant quarantine inspection. Clean inspection results from APQA and MFDS are required for customs clearance. APQA and MFDS inspection can occur simultaneously. Unless subject to further testing, APQA laboratory inspection generally is completed within 10 days. The APQA quarantine inspection procedures and additional details are available from the following APQA website (English): <u>Plant Quarantine</u>.

Section X. Copyright and/or Trademark Laws

The Korea Industrial Property Office is responsible for registration of trademarks and for review of petitions related to trademark registration. In accordance with the Trademark Law, the trademark registration system in Korea is based on a "first-to-file" principle. A company that registers a trademark first has a preferential right to that trademark and Korean law protects the company that has the right over the trademark. To prevent trademark disputes, U.S. companies considering conducting business in Korea are encouraged to register their trademarks prior to beginning their business operations.

Appendix I. Government Regulatory Key Agency Contacts

A. Primary Korean Food Agencies

Ministry of Agriculture, Food and Rural Affairs: Overall agricultural policy General Division of International Cooperation MAFRA # 94 Dasom 2ro, Sejong-si, Korea 339-012 Phone: 82-44-201-2034; Fax: 82-44-868-0431 http://www.mafra.go.kr

Ministry of Food & Drug Safety: Overall safety policy and inspection of food and livestock products

International Cooperation Office MFDS #187 Osongsaengmyung 2-ro, Osong-eup, Cheongwon-gun Chungcheongbukdo, Korea 363-700 Phone: 82-43-719-1551~1553; Fax: 82-43-719-1550 E-mail: intmfds@korea.kr http://www.mfds.go.kr

Animal and Plant Quarantine Agency (Headquarters): Overall quarantine measures

175 Anyangro, Manan-gu, Anyang City Kyunggi-do, Korea 430-757 Phone: 82-31-467-1700; Fax: 82-31-467-1717 http://www.qia.go.kr

B. WORLD TRADE ORGANIZATION (WTO) Enquiry Point

Names of the SPS Enquiry Points are as follows:

Animal or Plant Health or Zoonosis

Quarantine Policy Division, International Cooperation Bureau MAFRA # 94 Dasom 2-ro, Sejong-si, Korea 339-012 Phone: 82-44-201-2080; Fax: 82-44-868-0449 Website: www.mafra.go.kr

Food Safety and Food Labeling

International Cooperation Office Ministry of Food & Drug Safety #187 Osongsaengmyung 2-ro, Osong-eup, Cheongwon-gun Chungcheongbukdo, Korea 363-700 Phone: 82-43-719-1551~1553; Fax: 82-43-719-1550 E-mail: intmfds@korea.kr Website: www.mfds.go.kr

Aquatic Animal Health and Sanitation

International Commerce and Trade Division Ministry of Oceans and Fisheries # 94 Dasom 2 -ro, Sejong-si, Korea 339-012 Phone: 82-44-200-5383; Fax: 82-44-200-5399 Website: www.mof.go.kr

C. Websites for other Important Agencies

Ministry of Environment: <u>http://www.me.go.kr</u> Ministry of Trade, Industry and Energy: <u>http://www.motie.go.kr</u> Rural Development Administration: <u>http://www.rda.go.kr</u> National Agricultural Product Quality Management Service: <u>http://www.naqs.go.kr</u> Korea Forestry Administration: <u>http://www.foa.go.kr</u> Korea Rural Economic Institute: <u>http://www.krei.re.kr</u> Korea Industrial Property Office: <u>http://www.kipo.go.kr</u>

D. Useful Acronyms

AMS: Agricultural Marketing Service (USDA) APHIS: Animal and Plant Health Inspection Service (USDA) COO: Country of Origin COOL: Country of Origin Labeling FSIS: Food Safety & Inspection Service (USDA) FTC: Korea Fair Trade Commission **GI:** Geographical Indications GMO: Genetically Modified Organism KCPA: Korea Crop Protection Agency KCS: Korea Customs Service MFDS: Ministry of Food & Drug Safety KTA: Korea Tax Administration LMO: Living Modified Organisms ME: Ministry of Environment MHW: Ministry of Health & Welfare MAFRA: Ministry of Agriculture, Food & Rural Affairs MOTIE: Ministry of Trade, Industry and Energy NAQS: National Agricultural Product Quality Management Service NOP: National Organics Program (USDA) APQA: Animal and Plant Quarantine Agency **RDA: Rural Development Administration** USDA: U.S. Department of Agriculture WTO: World Trade Organization

Appendix II. Other Import Specialist Technical Contacts

Accredited Laboratories

A. U.S. Laboratories Accredited by MFDS

MFDS authorizes foreign laboratories to conduct inspection and testing and to issue the necessary certifications. This enhances the efficiency of conducting inspection of imported foods and reduces the likelihood of rejection. There are currently four accredited U.S. laboratories – Oregon Department of Agriculture (ODA), OMIC, Genetic ID, and Eurofins.

For GMO testing, since January 1, 2012, MFDS only accepts GMO test certificates from MFDSaccredited laboratories. To date, three foreign laboratories, which are all US laboratories; OMIC USA, Genetic ID, and Eurofins have been accredited for GMO qualitative testing.

Oregon Department of Agriculture

Export Service Center 1207 N.W. Naito Parkway, Suite 204 Portland, Oregon 97217 Tel: 503-872-6644; Fax: 503-872-6615 Authorized for activally and food values

Authorized for agriculture and food-related testing, such as residue and microbiological testing on food and beverages, food package, and health functional food, which are bound for Korea

OMIC, USA Inc.

3344 N.W. Industrial Street Portland, Oregon 97210 Tel: 503-223-1497; Fax: 503-223-9436 Authorized for agriculture and food-related testing, such as residue and microbiological testing on food, beverages, and health functional food and GMO testing, which are bound for Korea

Genetic ID NA, Inc.

504 N. 4th Street Fairfield, Iowa 52556 Tel: 641-472-9979; Fax: 641-472-9198 Authorized for GMO testing

Eurofins Analytical Laboratories

2219 Lakeshore Drive, Suite 500 New Orleans, Louisiana 70122 Tel: 504-297-3000/4300; Fax: 504-297-4335 Email) <u>ecalquality@eurofins.com</u>

Authorized for agriculture and forestry products related testing (physics and chemistry testing, ag. chemical residues) and GMO testing, which are bound for Korea

B. Korean Laboratories Accredited by MFDS

There are 144 Korean laboratories that have been accredited by MFDS for testing of imported food products.

No.	Name	Web Address	Accredited Testing
1	Korea Advanced Food Research Institute	www.kafri.or.kr	Food*, Health functional food, Additives, Packages, Qualitative GMO testing, Irradiated food testing
2	Korea Advanced Food Research Institute – Pusan Branch	<u>www.kafri.or.kr</u>	Food, Health functional food, Additives, Packages, Qualitative GMO testing
3	Korea Basic Science Institute – Seoul Center	www.kbsi.re.kr	Dioxin
4	Korea Research Institute of Analytical Technology	www.anapex.com	Food, Health functional food, Additives, Packages, Qualitative GMO testing
5	Korea Health Supplement Institute	www.khsi.re.kr	Food, Health functional food, Additives, Packages, Irradiated food testing, Radioactivity testing, Qualitative GMO testing
6	Kogene Biotech	www.kogene.co.kr	Qualitative GMO testing
7	SGS Testing Korea	www.kr.sgs.com/kr	Food, Health functional

			food, Packages, Qualitative GMO testing, and Radioactivity testing in food
8	JPNC	www.jnc.co.kr	Qualitative GMO testing
9	Industry-Academic Cooperation Foundation, Chosun University	http://iacf.chosun.ac.kr/	Radioactivity testing in food
10	Institute for Nuclear Science and Technology, Jeju National University	http://wcms.jejunu.ac.kr/arsri/index.jsp	Radioactivity testing in food
11	NeosisKorea	http://www.neosiskorea.com/	Radioactivity testing in food
12	Radioactivity Testing Center, Hana Nuclear Power Engineering Co., Ltd.	http://hanarad.com	Radioactivity testing in food
13	Radioactivity Testing Center, HDX Corporation	www.hdx.co.kr	Radioactivity testing in food, health functional food, food additives, and food containers, packages and utensils
14	Pinnacle CALS Branch	Phone: 82-70-8879-0623 Fax: 82-2-6280-2362	GMO testing for food, health functional food and food additives

*Food testing may include physical/chemical, microorganisms, chemical residues, and veterinary drug residues testing.