

Market Overview

Korea is the fifth largest export market for U.S. agriculture. This country's dependence on food imports has grown over the last several years. As a result, U.S. food products are becoming more and more popular in Korea. U.S. agricultural and food exports to Korea are expected to total \$7.2 billion USD in 2015. Additionally, U.S. consumer-oriented food products are expected to reach a record \$3.8 billion USD in 2015.

U.S.-Korean relations are being furthered by the Korea-United States Free Trade Agreement, signed in March 2012. This agreement lowered tariffs for U.S. goods being exported to Korea. Moreover, Korea has one of the oldest populations for any advanced country; this demographic has a high level of disposable income and wealth. In turn, consumers have a considerable degree of purchasing power, lessening the harms of fluctuating exchange rates between the USD and South Korean Won.

Exports of food products from the SUSTA region to Korea have hovered around \$1 billion USD since 2010, reaching \$738 million USD in 2014. Top export categories from the SUSTA region include all valued-added food products, specifically seafood, dairy products, and fruits/vegetables.

Opportunities and Advantages

- Korea depends heavily on imports for its food and agricultural needs. In addition, consumers are looking for new and international tastes as the income level continues to rise.
- Partly due to the long and strong tie between the two countries, the United States remains a preferred and trusted origin of agricultural products to many South Koreans.
- The Korea-United States Free Trade Agreement (KORUS) reduced trade barriers in an already favorable environment to conduct business and trade.

Market Challenges

- High cost of shipping, documentation, inspection and labeling required decreases the price competitiveness of many imported products.
- Lack of knowledge of Southern U.S. products
- Korean consumers are biased in favor of locally produced agricultural products. Many Koreans maintain the idea that local products are superior to imported ones.

SUSTA Sponsored Events in South Korea:

Seoul Food and Hotel

- http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporters%20Subsidi_Secouff%20ATO_Korea%20-%20Republic%20of_2015-12-10.pdf
- Euromonitor, Passport Site-Country Profile: South Korea

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