



MARKET INTELLIGENCE UPDATE

South Korea, January 2023

I. MARKET INTELLIGENCE UPDATE

- 1. Korea's Food Import Trends in 2022:** According to the Korea International Trade Association, Korea's food and agricultural products imports totaled \$51.26 billion in 2022. This is the record high ever and a 15.5% up from the imports in 2021. The USA took the 21% of Korea's total food products imports, i.e., the largest food-supplying country, with \$10.57 billion of food shipments to Korea. This is a 4% up from the imports in 2021. China took 11%, Australia 8%, Brazil 6% and Vietnam 5% Korea's total food imports.

In the meantime, Korea imported \$1.89 billion of basic, \$1.67 billion of intermediate, \$6.65 billion of consumer-oriented products, \$0.09 billion of forest products, and \$0.23 of seafood products from the USA in 2022.

- 2. Korea's Coffee Imports:** In 2022, Korea's imports of coffee, including green beans and roasted beans, hit an all-time high. Korea's Coffee imports amounted to \$1.3 billion in 2022, up 42.4 % from the previous year, according to the Korea Customs Service. This Import reached a record high of 200,000 tons, up 9.5% from the 2021 imports by volume.

Imports surged as imports increased in addition to rising international prices due to the logistics disruptions and a drop in coffee production. In 2022, the import of raw green bean (without roasting among coffee) was 180,000 tons, up 10.0% from the previous year, and 20,000 tons of roasted beans were imported, 4.9% more than the previous year. Also, as interest in health has increased since COVID-19, decaffeinated beans, both green beans and roasted beans, showed a high increase in imports, although the quantity was small. Decaffeinated green beans were imported at 6,000 tons, up 53.2% from the previous year, and decaffeinated beans were imported at 1,000 tons, 21.0% more than the previous year.

Raw beans were imported from Brazil, Vietnam, Colombia, and Ethiopia, major coffee producing regions, and most of roasted beans supplied through overseas coffee brands were imported from the United States, Switzerland, and Italy.

II. REGULATION & TRADE UPDATE

- 1. Korea will expand foreign grain supply chains:** In January, the Ministry of Agriculture, Food and Rural Affairs (MAFRA) announced its goal of raising the food self-sufficiency rate to 55.5% by 2027 and speeding up the development of new industries such as food tech and green bio that combine cutting-edge technologies such as IT and biotechnology (BT) in agriculture.

Among others, according to the ministry's work plan for 2023, the MAFRA plans to expand and stabilize the overseas grain supply chains. The local companies will increase the grain imports supported by the government to 3 million metric tons by 2027 from the currently imports of 610 metric tons. In addition, \$50 million loans is to be provided to private grain importers to secure the overseas grain distribution networks.

Also, the ministry plans to foster new agri-food industries that will lead the future of agriculture and the growth of the national economy and closely support corporate development so that food tech, green bio, and pet-related industries combine cutting-edge technologies such as IT and BT can grow. Furthermore, to grow the pet-related sector, it will prepare standards for the classification and labeling of feed specialized in pet food to help the stable growth of the domestic pet food market, reduce dependence on domestic pet food imports, and raise it as a promising export industry.

- 2. Updated Food Additive Code:** Korea Food Additive Code is the positive listed system, and the Ministry of Food and Drug Safety newly announced 7 food additives will be newly listed at the code. Currently, there are 625 food additives to allow to be used at food in Korea, and 6 food additives, including “5'-guanylic acid”, “Dispotassium 5'-guanylate”, Calcium 5'-guanylate”, 5'-Inosinic Acid”, “Dispotassium 5'-Inosinate”, “Calcium 5'-Inosinate” for “Flavor Enhancer” and 1 additive, “acetylated oxidized starch”, belonging to “Food Starch Modified”. “Korea Food Additive Code” is available at the MFDS’s website. (<https://various.foodsafetykorea.go.kr/fsd/#/ext/Document/FA>)