Korea

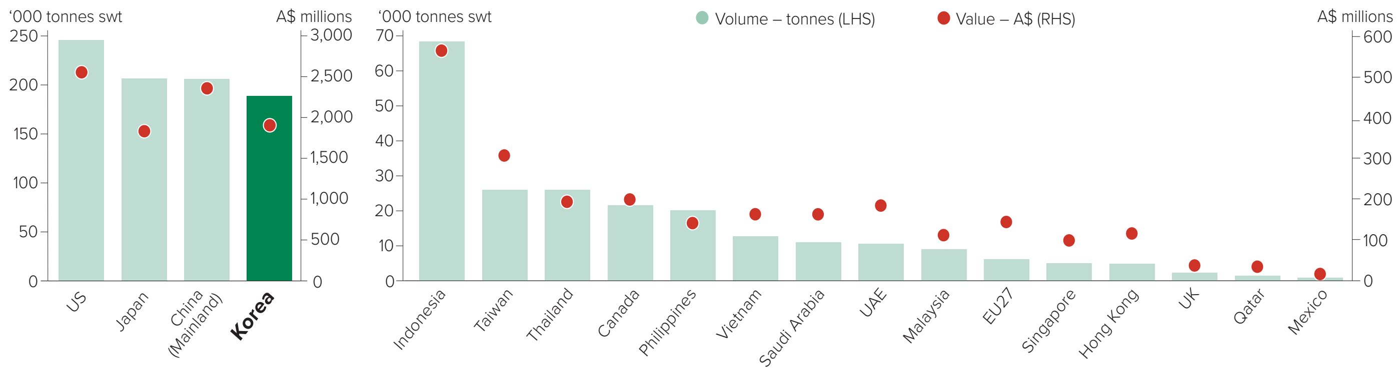
MARKET SNAPSHOT | BEEF & SHEEPMEAT

EXPORTS
Large and stable market for Australian red meat

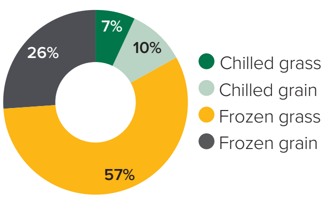
CONSUMERS
Meat-loving consumers – already high and growing meat consumption

GROWTH
Trend driven & digitally savvy consumers seeking convenient & healthy options

Australian beef exports to Korea in a global context [1 and 2]

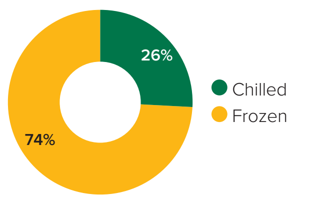


Australian beef exports – volume[1]



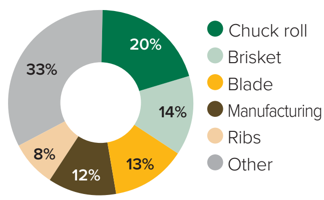
Total 188,924 tonnes swt

Australian beef exports – value[2]

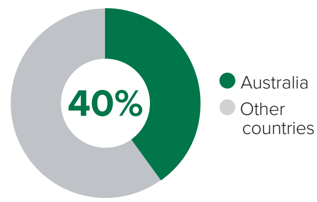


Total A$1.91 billion

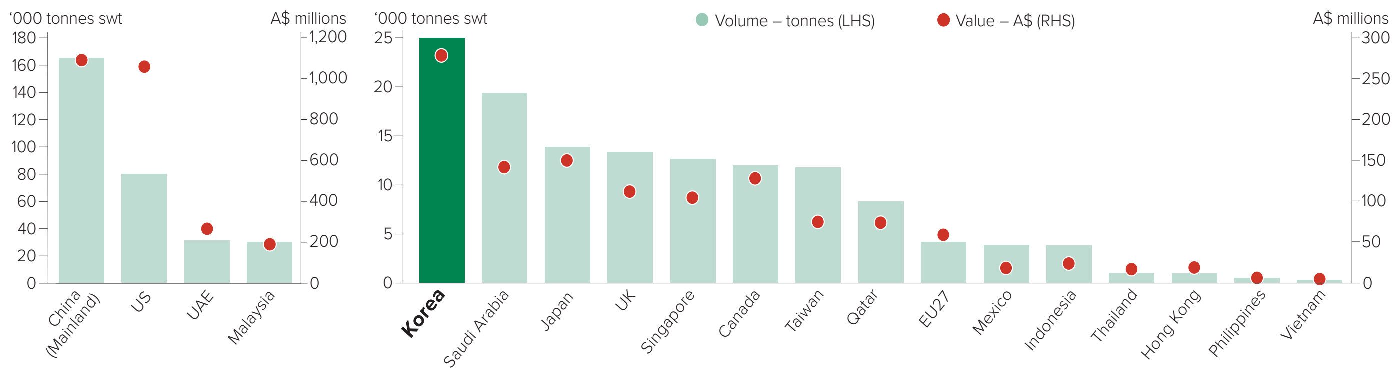
Australian beef exports by cut[1]



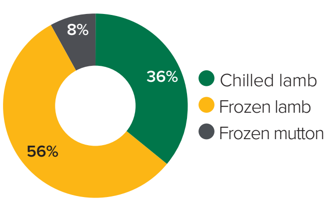
Australia's volume share of beef imports[2]



Australian sheepmeat exports to Korea in a global context [1 and 2]

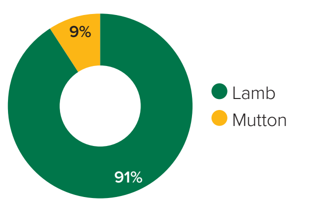


Australian sheepmeat exports – volume[1]



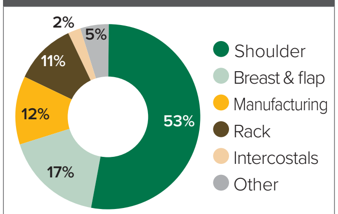
Total 24,987 tonnes swt

Australian sheepmeat exports – value[2]

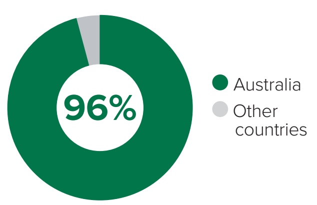


Total A$279 million

Australian sheepmeat exports by cut[1]



Australia's volume share of sheepmeat imports[2]



Data source for charts: [1]DAFF (CY2023), [2]S&P Global MI Global Trade Atlas (GTA) (MAT Nov 2023)

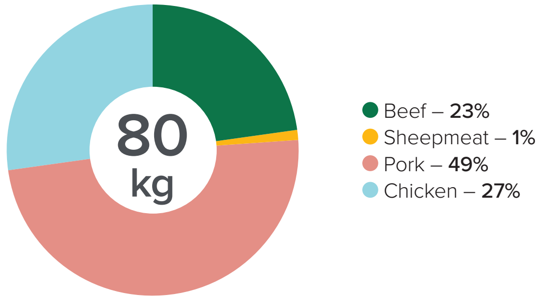
Beef

CONSUMERS

- Beef is considered a premium protein, and the country's per capita beef consumption is the highest in Asia *(Source: Fitch Solutions)**.
- Among imported beef suppliers, Australia is the most trusted by consumers (75% of consumers vs. 52% for US beef) *(Source: MLA Global Consumer Tracker Korea, 2023)*.
- Country of origin is very important to Korean beef buyers. Korea relies on imports for about 64% of its beef requirements *(Source: Fitch Solutions)*.
- Australian and US beef enjoy similar levels of awareness among consumers, with Australian beef perceived as a family favourite, safe and of superior quality *(Source: MLA Global Consumer Tracker Korea, 2023)*. Among imported beef suppliers, Australian beef is also the first choice for Korean customers – traders, distributors, foodservice operators and retailers *(Source: MLA Trade Survey, 2022)*. Further building on consumer confidence and trade loyalty to Australian beef will remain crucial for maintaining Australia's position in the market.
- There has been a long-term shift away from a rice-based diet to eating more meat and vegetables. This trend has been supported by growing affluence in the market, as well as Korean consumers' strong interest in health and weight management. In 2022, Korean meat consumption surpassed rice consumption for the first time *(Source: Fitch Solutions)*.
- Korea is unique for its significant and growing number of single and two-person households, forecast to reach 55% of total households in 2027, a phenomenon which has driven demand for convenience solutions across many categories, including food *(Source: Fitch Solutions)*. Home Meal Replacement (HMR, fully or partially prepared meals), single serve and portion-controlled products as well as e-retail have seen strong growth in recent years.

**2023 data and 2027 forecast, total beef/veal, Asia excludes Australia, New Zealand and Hong Kong*

Protein consumption per capita



Source: Fitch Solutions, GIRA, 2023 figures

Meal kit section at Emart hypermarket

FOODSERVICE

- In 2023, Korea's foodservice market is estimated to be worth US$92.15 billion and forecast to reach US$254.17 billion by 2029 *(Source: Mordor Intelligence)*. Full-service restaurants make up the largest share of the market, with Asian and North American cuisines accounting for over half.
- Over 40% of all foodservice outlets serve Korean-style dishes *(Source: MLA Korea industrial statistics, 2022 estimate)*.
- While full-service restaurants are the largest channel and value leader in the market, it is also highly competitive and fragmented with a high proportion of small, independent operators.
- Korea is highly urbanised, with 82% of the population living in cities *(Source: Fitch Solutions)*. Food delivery is very popular, with 84% of Koreans ordering delivery at least monthly, compared with 63% globally *(Source: GlobalData, Global Consumer Survey Q2 2023)*. However, rising cost of living, inflation and the ongoing labour shortage has temporarily impacted the delivery sector.
- Australian beef is consumed across the whole foodservice sector, with products ranging from frozen manufacturing beef to highly marbled Australian Wagyu loin cuts. In the traditional Korean barbecue sector, highly marbled domestic beef is the most popular product, followed by US beef, Australian Wagyu, then grainfed products.

Korean foodservice – key users of Australian beef

Category	Major brands	Major cuts used
Fast food	Hamburger (Lotteria, Burger King, McDonald's)	Manufacturing beef
Casual eatery	Brisket soup (Shinsun Seolongtang, Hanchon SLT), Shabu shabu (Chasundang), BonIF - bonjuk - porridge soup franchise, bibimbap and seollangtang	Chuck roll, briskets, ribs, skirts, tail, oyster blade (BBQ style), Wagyu bbq items (chuck roll, oyster blade, tritip etc), offal
Mid-end	Family restaurant (VIPs, Mad for Garlic), various BBQ chains	Loins, various fore/ hindquarter cuts, oyster blade, offal
High-end	Five-star hotels, independent restaurants, celebrity chef venues and buffets	Loins, thick skirt, bbq cuts, short ribs, Wagyu bbq items
Canteen and catering*	LG Ourhome, Samsung Wellstory, CJ Freshway	Brisket, chuck roll, clod

Source: MLA market intelligence

** Largely supplying to institutions (schools, hospitals, plant canteens) and businesses*

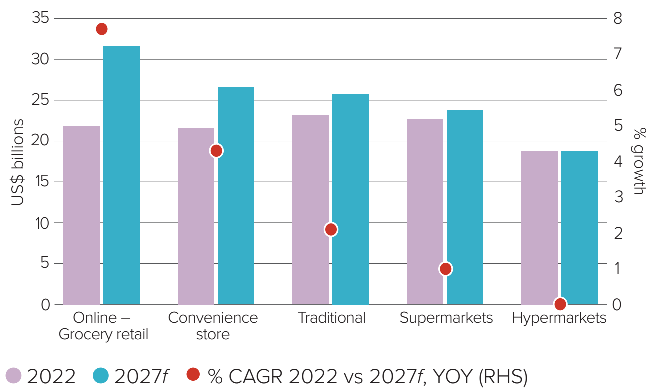
RETAIL

- The Korean retail sector is highly sophisticated and modernised, but also fragmented, with a high number of second tier and regional chains. This drives strong price competition, with consumer and trade loyalty crucial to maintaining market position.
- It is estimated that approximately 41% of Australian beef is distributed via retail and e-commerce, including fresh, value added and cooked products *(Source: MLA trade research)*. Hypermarkets and supermarkets are key channels for Australian (and other imported) beef, while domestic Hanwoo (highly marbled local beef) has a particularly strong presence in department stores.
- Korea's e-commerce channel is well developed and among the largest in the world. Consumers can purchase Australian beef and lamb across numerous online platforms.

Source: MLA Global Consumer Tracker, Korea 2023

- E-commerce retail channels including SSG.com, Coupang, Market Kurly, GS Fresh, Homeplus and Lotte mart online malls have boosted Australian beef sales in recent years.
- Korean shoppers place higher importance on beef origins compared to the global average. Country of origin labelling is mandatory in Korea. As such, on-pack information about origins, along with animal welfare and 'naturalness' credentials, are key considerations for shoppers at the point of purchase *(Source: MLA Global Consumer Tracker Korea, 2023)*.

Grocery retail sales by channel forecast

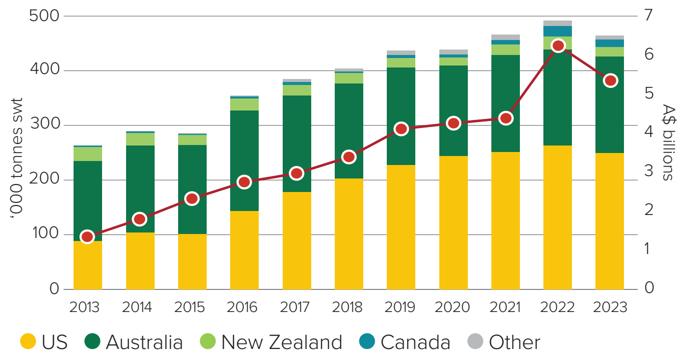


Source: IGD, Compound annual growth rate (CAGR) 2022–2027

COMPETITIVE LANDSCAPE

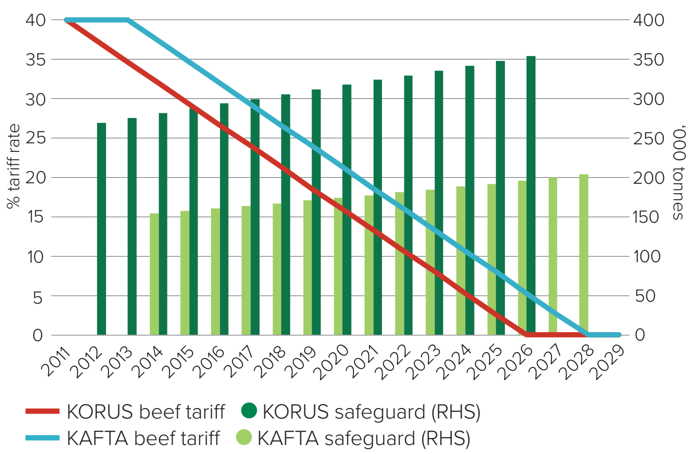
- Korea's local beef production is relatively small, estimated to reach 360,000 tonnes in 2023 *(Source: USDA FAS)*, making up approximately 36% of total beef consumption *(Source: Fitch Solutions)*. Slaughter has increased over the past few years, however a sluggish economy, rising inflation and low consumer confidence has seen consumption remain flat, especially as decreases in wholesale prices for local Hanwoo beef have not been passed on to retail.
- Australia and the US are the two major suppliers of imported beef to Korea, together accounting for almost 90% of total beef imports.
- The tariff for Australian beef into Korea has reduced to 10.6% in 2024 under the Korea-Australia Free Trade Agreement (KAFTA). However, the tariff on US beef is 5.3% lower than Australia (at 5.3%) under the US-Korea free trade agreement (KORUS FTA), a distinct competitive advantage.
- The US also has a significantly larger safeguard trigger volume* under KORUS than Australia. It has not been triggered since the agreement came into effect in 2012, in comparison to Australia which has reached the safeguard trigger volume every year since KAFTA was signed. The exception to this was in 2022, when the Korean government allowed 100,000 tonnes across all suppliers to be excluded from the safeguard in response to increased inflation.
- Brazil and India do not have access to the Korea market due to Korea's stringent animal health and food safety requirements. The Netherlands and Denmark were granted access to the market in 2019, however both are yet to supply significant volumes.

Korea beef imports by supplier*



*Source: S&P Global MI Global Trade Atlas (GTA), *MAT year ending September*

KAFTA and KORUS beef tariff schedules



Source: Austrade and USDA FAS

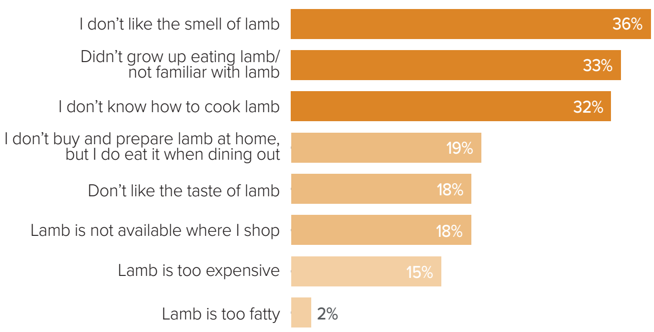
** 342,000 tonnes swt for the US in 2024*

Sheepmeat

CONSUMERS

- Lamb is not a traditional part of the Korean diet but has been growing in popularity in recent years. Korean consumers typically eat lamb in restaurants rather than at home, largely due to low familiarity with the meat and lack of cooking knowledge.
- Lamb has a strong association as having high nutritional value as well as tasting delicious *(Source: MLA Global Consumer Tracker, 2021)*.
- While taste per se is not a barrier to purchasing lamb in Korea, some consumers have concerns about its smell and are hesitant to cook it at home. Considering Koreans are already among the highest per capita consumers of meat in Asia, inspiring consumers' curiosity to try lamb and improving their familiarity with it will help grow consumption.

Reasons for not buying lamb



Source: MLA Global Consumer Tracker, Korea 2023

FOODSERVICE

- Foodservice is the key channel for lamb in Korea, with around 80% of lamb purchased through the channel *(Source: MLA market intelligence)*.
- *Genghis Khan* restaurants are a popular cuisine for lamb in the format of tabletop BBQ using a Japanese style grill (which resembles a helmet), commonly enjoyed in the Korean style with thicker cuts of lamb and vegetables.
- *Malatang* (Chinese spicy soup) and *Huoguo* (Chinese hot pot) are other popular dishes that often feature Australian lamb. These restaurants tend to be dominated by independent owners rather than chained franchises.

Korean style Genghis khan lamb table top BBQ

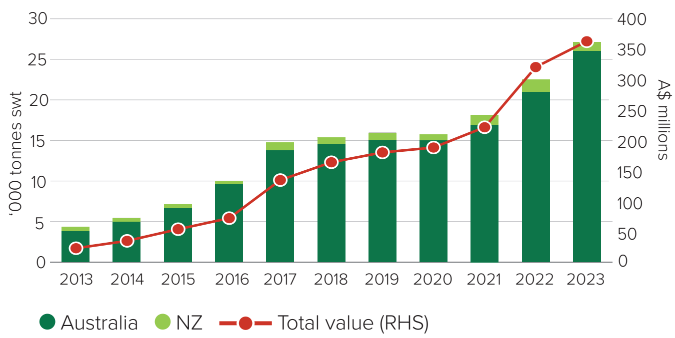
RETAIL

- Lamb is sold across many different retail channels in Korea, with major places of purchase including warehouse-type stores (e.g. Emart Trader, Costco Korea), hypermarkets (e.g. Emart, LotteMart, and Homeplus), supermarkets (e.g. Emart Everyday, GS Fresh, Lotte Super) and e-commerce.
- MLA estimates that 14% of Australian lamb in the market is bought through online channels and a further 6% is bought at 'brick and mortar' retail. 'Home shopping' and 'live commerce' channels, where presenters can demonstrate preparing and cooking the product on a livestream and consumers can order directly via the platform, are growing in the market. This approach can support consumers to have greater confidence in trying lamb at home.
- Since the COVID-19 pandemic, more consumers are enjoying lamb at home, as it gains traction alongside popular trends like air-frying and camping – reflected in and amplified by popular TV reality shows and on social media.

COMPETITIVE LANDSCAPE

- As the size of Korea's local lamb industry is small, sheepmeat consumption in Korea is predominantly supported by imports. Consequently, any increase in sheepmeat demand in Korea will provide opportunities for growth in imports.
- The Korean imported sheepmeat market has increased significantly over the past 10 years (from a very low base), with Australia mostly taking advantage of the growth, representing 96% of imports in 2022–23 and supplying a range of chilled and frozen, bone-in and boneless products. Total imports reached 27,528 tonnes swt in 2022–23, an increase of 33% year-on-year with increased supply in Australia meeting growing demand *(Source: S&P Global MI Global Trade Atlas (GTA))*.
- New Zealand has also taken advantage of the rise in imports, however its market share remains small (~4% of imports) and mostly comprised of bone-in frozen cuts.

Korea sheepmeat imports by supplier*



*Source: S&P Global MI Global Trade Atlas (GTA), *MAT year ending September*

Beef

Market access overview – beef

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
Korea-Australia Free Trade Agreement (**KAFTA**)	**2024 – 10.6%** 0% in 2028 Under **KAFTA**	**US:** **2024 – 5.3%** 0% in 2026 under **KORUSFTA***	**Safeguard** Tariff bounces back to 30% when Australian imports exceed trigger level**	No major hurdles

Best access — Major challenges

Source: DFAT, USMEF
**Korea-US Free Trade Agreement*
*** Trigger volume is 188,437 tonnes swt in 2024*

Sheepmeat

Market access overview – sheepmeat

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
Korea-Australia Free Trade Agreement (**KAFTA**)	**2024 – 0.0%** under **KAFTA**	**NZ:** 0% in 2024 under **NZ-Korea FTA***	Zero	No major hurdles

Best access — Major challenges

Source: DFAT, NZFAT
** New Zealand-Korea Free Trade Agreement*