USDA United States Department of Agriculture
Foreign Agricultural Service

GAIN Global Agricultural Information Network

Required Report: Required - Public Distribution

Date: May 27, 2026

Report Number: KS2026-0013

Report Name: Food Processing Ingredients Annual

Country: Korea - Republic of

Post: Seoul ATO

Report Category: Food Processing Ingredients

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Report Highlights:

The Korean food processing industry relies heavily on imports to manufacture a wide variety of food and beverage products. Given this demand, there is ample opportunity for imported agricultural products for processing use including bulk commodities such as wheat, intermediate ingredients such as fruit juice concentrates, and many other products, such as flavors and coloring agents. In 2024, the food processing industry generated over 111.9 trillion Korean Won (approximately $82.1 billion) in sales.

MARKET FACT SHEET: REPUBLIC OF KOREA

Executive Summary

The Republic of Korea (ROK) had the 13th largest economy in the world with a GDP of $1.87 trillion and a per capita GNI of $36,855 in 2025. It is about the size of Indiana, with a population of 51.7 million. Over 80 percent of Koreans live in urban areas. Domestic production meets only 46 percent of food demand. The United States exported $10.2 billion in agricultural and related products to the ROK in 2025, making it our fifth largest country export market. The United States supplies around 23 percent of the ROK's agricultural imports.

Consumer-Oriented Agricultural Imports

In 2025, the ROK imported consumer-oriented agricultural products totaling around $21 billion. There are many opportunities for U.S. export growth in this segment, including for beef, pork, fruits, tree nuts, dairy products, confectioneries, beverages, and further prepared foods.

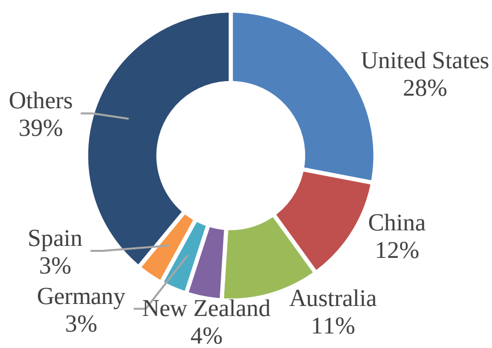


Chart 1: Top Exporting Countries to the Republic of Korea

Food Retail Industry

Korean retail food sales totaled $130 billion in 2025, accounting for 32 percent of total retail sales (excluding automobiles). Among grocery retailers except e-commerce, convenience stores were the leading retail channel, followed by hypermarket discount stores, super supermarkets (SSM), grocery stores in the neighborhood and traditional market.

Food Processing Industry

In 2024, Korea had over 31,771 food processing companies, which generated $66.6 billion in sales. Korean food processing companies rely heavily on imported commodities and ingredients. Imports of basic and intermediate agricultural products totaled $16.9 billion in 2024. Eighteen percent ($3.2 billion) of these imports came from the United States.

Food Service Industry

Korea's HRI sector reached $145.8 billion in 2024, up 3.73 percent from the previous year. Despite rising labor and ingredient costs, and weak consumer confidence, the sector remained relatively stable. The sector is expected to show moderate growth as consumer demand for affordable dining options and delivery services continues, while business operators continue to improve cost efficiency.

Quick Facts CY 2025

Imports of Consumer-Oriented Products
US $21 billion ($6.0 billion from USA)

Top 10 Import Growth (%) Products in the ROK, by value (BICO, 2024-2025)

1) Dairy Products (23%)
2) Chocolate & Cocoa Products (13%)
3) Tree Nuts (12%)
4) Coffee, Roasted and Extracts (10%)
5) Spices (8%)
6) Condiments & Sauces (6%)
7) Meat Products (5%)
8) Beer (5%)
9) Poultry Meat & Prods. (ex. eggs) (4%)
10) Chewing Gum & Candy (4%)

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

Retail Food Industry (2025)	$130
Food Service-HRI (2024)	$145.8
Food Processing (2024)	$66.6
Food and Agriculture Exports (2025)	$13

Top 10 Korean Retailers
Coupang LLC, Shinsegae Co Ltd, Naver Corp, Lotte Group, GS Holdings Corp, Alphabet Inc, BGF Retail Co Ltd, Hyundai Department Store Co Ltd, SK Telecom Co Ltd, Costco Wholesale Corp

GDP/Population (2024)
Population: 51.8 million
GDP: US$ 1.87 trillion
GDP per capita: US$ 36,113

Strengths/Weaknesses/Opportunities/Threats

Strengths	*Weaknesses*
- Well established market with modern distribution channels - Consumer income level continues to increase	- High logistics cost to ship American products - Complex import regulations including food safety and labeling standards
Opportunities	***Threats***
- Strong consumer demand for value, quality, and variety - KORUS FTA reduces tariff barriers for American products.	- Elevated competition from export-oriented competitors - Discrepancies in food safety and labeling regulations

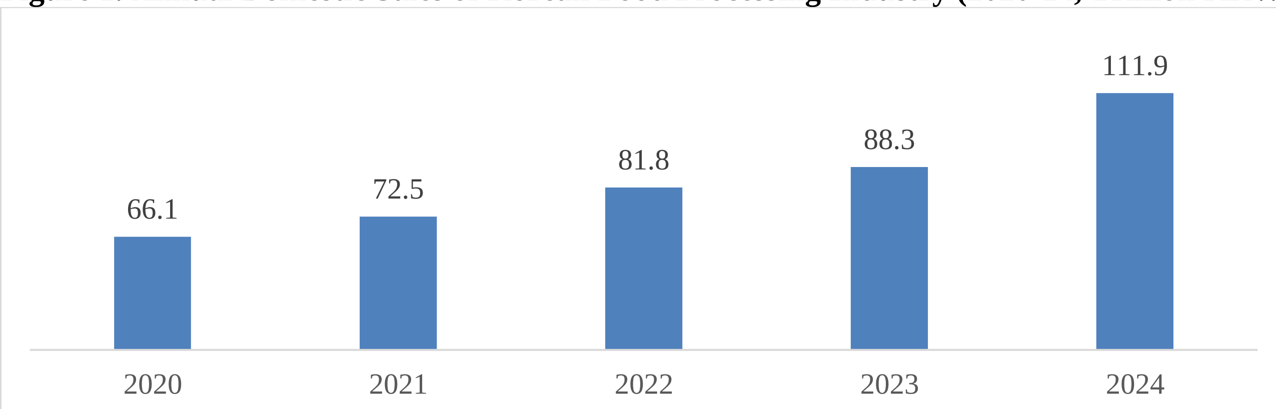
Data and Information Sources: Latest available statistics are used in this publication and will continue to be updated throughout the year as new data is available. Global Agricultural Trade System (GATS), Korea Ministry of Food & Drug Safety, Korea National Statistics Office, CIA Factbook, Int'l Monetary Fund (IMF), Korea Int'l Trade Association, Euromonitor Int'l.

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

SECTION I. MARKET SUMMARY

The ROK relies heavily on imports to fulfill its food and agricultural needs. The Korean food processing sector is the major user of imported agricultural products for processing use, including soybeans, wheat, vegetable oils, fruit juice concentrate, and food additives such as flavors, coloring agents, and preservatives. The Korean food processing industry generated 111.9 trillion Korean Won (KRW), approximately $82.1 billion, in 2024 domestic sales.[1] The industry grew at a compound annual growth rate (CAGR) of 14.1 percent from 2020-24.

Figure 1. Annual Domestic Sales of Korean Food Processing Industry (2020-24, Trillion KRW)



Source: Korea Ministry of Food & Drug Safety (MFDS)

Despite increase competition from other countries, trade experts expect that the United States will remain the leading supplier of food and agricultural products to the ROK for years to come, not only for commodities and intermediate products, but also for consumer-oriented products. The United States accounted for 23.6% percent of total 2025 Korean imports of food and agricultural products.

Table 1. Advantages and Challenges for U.S. Food Products

Advantages	Challenges
▪ Continued tariff reductions under KORUS FTA will make U.S. products more competitive with other foreign suppliers.	▪ Imports of certain products still face restrictive trade barriers. Some food additives and food ingredients that are approved in the United States are not approved in Korea.
▪ Korean consumers are becoming more affluent and health conscious, causing more consumers to focus on quality over price.	▪ Consumers remain concerned about issues such as biotechnology and BSE. Outbreaks of animal diseases such as Avian influenza restrict trade.
▪ Korean consumers perceive U.S. food as equal or superior quality relative to competitors.	▪ Imported products are subject to complicated labeling and food safety standards in Korea. Non-governmental organizations are influential in the implementation of non-science-based standards.
▪ Domestic supply of agricultural products is limited.	▪ Korea has complicated inspection/customs clearance procedures. Korea may categorize some foods differently than the United States and therefore apply different food safety standards and specifications.

[1] The report uses an average exchange rate of 1 USD = KRW 1,364.15 for the year 2024.

SECTION II. ROAD MAP FOR MARKET ENTRY

1. Entry Strategy and Import Procedure

The following items provide guidance on how to export to the ROK:

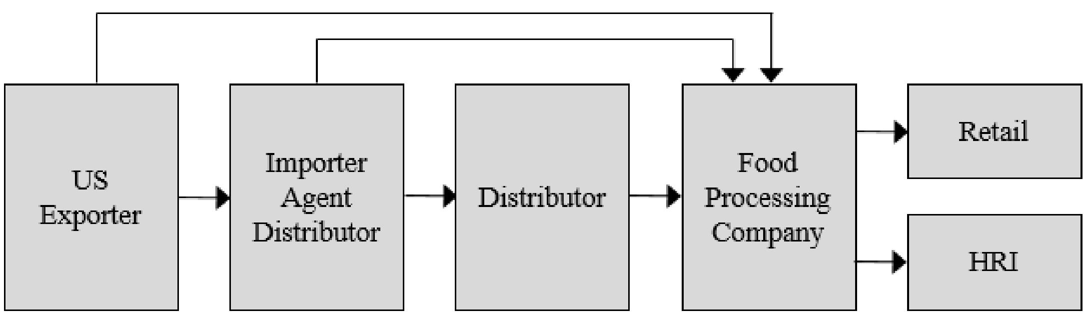
- Korea FAIRS Country Report provides Korean government regulations and standards on imported food and agricultural products.
- Korea FAIRS Certificate Report includes technical information and certificate requirements for food and agricultural product exports to the Republic of Korea.
- Korea Exporter Guide provides market entry guidance for U.S. suppliers.
- FAS Seoul Website provides information about the Korean market, including product briefs, food news clippings, KORUS FTA, and links to other resources and organizations.
- Korea Country Commercial Guide published by the U.S. Commercial Service is another good source of information about exporting to Korea.

The Agricultural Trade Office (ATO) maintains a list of potential importers, but it is highly recommended to visit the ROK and meet with potential buyers in-person. Several of the State and Regional Trade Groups (SRTGs) hold trade missions to Korea and are a good opportunity to see the market. Additionally, ATO hosts a U.S. Pavilion at the Seoul Food and Hotel Show, typically around early June, and participating in the show is an efficient way to connect with local buyers.

2. Distribution Channels and Market Structure

Large food processing companies prefer to source directly from overseas suppliers as they can reduce costs. However, they tend to purchase from local importers, agents, or distributors when the quantities they require are small. Below is an overview of the typical distribution channel for imported food ingredients from U.S. exporters to Korean food processors.

Figure 2. Imported Food Ingredients Distribution Channel



Source: ATO Seoul Analysis

3. Share of Major Segments in the Food Processing Industry

Table 2. Breakdown of Food Processing Industry by Product Category (2020-24)

	Product Category	Annual Sales[2] (Billion USD)[3]					CAGR (2020-24)
		2020	2021	2022	2023	2024	
1	Livestock products	20.6	13.8	31.0	28.8	28.8	8.70%
2	Other Processed Foods	5.1	10.3	2.0	2.0	7.7	10.76%
3	Confectionaries, breads, rice cakes	6.0	6.4	6.7	6.8	7.0	3.95%
4	Beverages	4.4	4.9	5.0	4.1	6.3	9.29%
5	Alcoholic Beverages	4.7	4.5	4.7	3.3	5.7	5.16%
6	Seasonings, Sauces, Spices	5.0	5.8	5.5	6.1	5.7	3.35%
7	Food Additives	1.7	2.2	2.4	2.3	5.1	31.66%
8	Seafood products	1.7	1.7	1.7	1.6	5.0	31.28%
9	Coffee & Tea	3.4	4.0	3.8	3.2	4.9	9.57%
10	Fat & Oil	1.8	2.5	2.8	2.6	3.9	21.54%
11	Health Functional Foods	2.8	3.3	3.2	3.1	2.3	-5.17%
12	Sugars, Syrups, Jams	1.5	2.0	2.0	5.7	2.0	7.21%
13	Chocolates and Cacao products	0.8	0.8	0.8	0.7	1.0	6.30%
14	Noodles	2.8	3.5	3.8	4.1	0.9	-25.76%
15	Tofu & Acorn Jelly	0.7	0.8	0.8	0.7	0.8	4.23%
16	Kimchi & Pickles	2.0	2.2	2.1	2.2	0.5	-29.78%
17	Special Dietary Foods	0.5	0.4	0.2	0.2	0.2	-20.83%

Source: MFDS

4. Company Profiles & Products

Annual sales of top 20 Korean food processing companies totaled more than $18.7 billion in 2024. See Table 3 for the list of top 10 companies.

Table 3. 2024 Top 10 Food Processing Companies (Billion USD)

	Company	Main Products	Annual Sales
1	CJ Cheil Jedang Corporation	Flour, noodles, ready-to-serve food, snacks	2.74
2	Lotte Chilsung Beverage Co., Ltd.	Beverages	1.96
3	Hite Jinro Co., Ltd	Alcoholic beverage	1.58
4	Nongshim Co., Ltd	Instant noodles, snacks, beverages	1.40
5	Oriental Brewery Co., Ltd.	Beer	1.22
6	Lotte Wellfood Co., Ltd	Snacks, ice cream	1.12
7	Ottogi Corporation	Curry, instant noodle, frozen food	1.09
8	Dong Suh Food Co., Ltd.	Coffee, creamer, cereal	1.01
9	Daesang Corporation	Sauces, instant noodles, ready-to-serve foods	0.93
10	The Coca-Cola Company	Beverages	0.77

Source: MFDS

[2]Annual sales = shipment amount (domestic sales) + export amount
[3] Values have been converted to U.S. dollars using average exchange rates for each year (2020-24)

5. Sector Trends

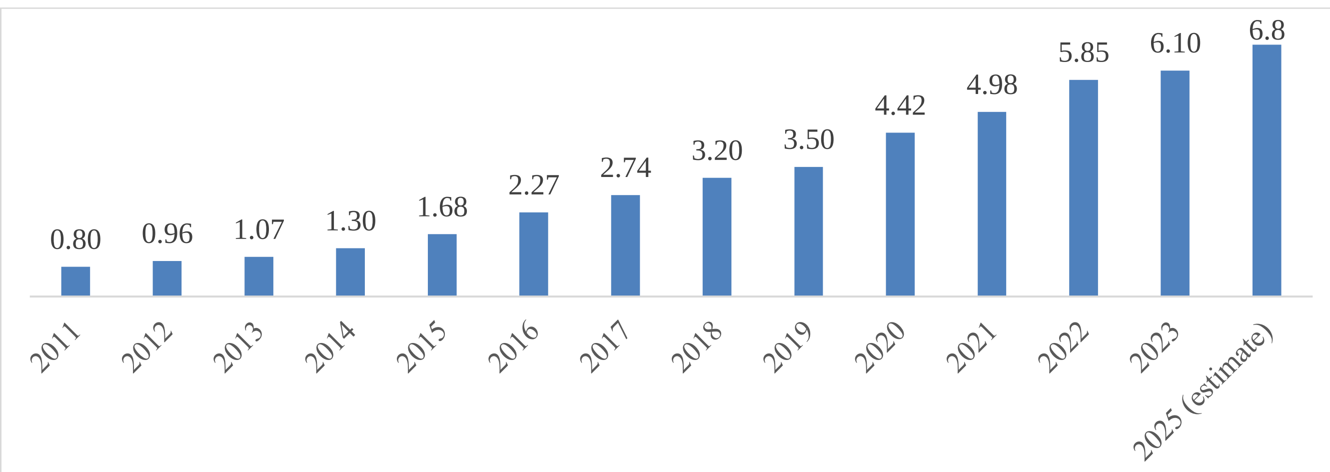
The Korean food industry continues to be reshaped by demographic changes, prolonged inflationary pressure, and evolving consumer preferences centered on convenience, value, and health-conscious consumption. The rise in single-person households, a rapidly aging population, and slower private consumption growth have significantly influenced food purchasing behavior, encouraging demand for convenient yet premium and nutritionally balanced food products.

1) Changing Household Structure and Growth of At-Home Consumption

The Home Meal Replacement (HMR) market has experienced rapid growth since 2010 and has maintained double-digit annual growth every year since 2019. The market is projected to have exceeded KRW 6.8 trillion in 2025. Previously, HMR products were largely perceived as simple packaged meals consumed mainly by busy single-person households. However, consumer demand has evolved toward more premium, healthier, and restaurant-quality meal solutions.

Single-person households accounted for 36.1 percent of total households in 2024, marking a record high, and are expected to continue increasing in the coming years.[4] As a result, small-portion products and individually packaged meals have seen particularly strong growth in demand.

Figure 3. Annual Sales of HMR (Trillion KRW)



Source: Korea Agro-Fisheries & Food Trade Corporation

Moreover, as eating at home became a major trend during COVID-19, demand for HMRs, meal kits, sauces and seasonings have increased. Many thought the people would go back to dining out when social distancing regulations phase out. From 2020 to 2025, consumer prices rose by 16 percent, while food-away-from-home prices rose by 25 percent[5] which was driven by higher labor costs and delivery app commission fees. Furthermore, the price of processed foods also saw an increase of 25 percent from the same period. As a result, many households continue to eat at home to save on food expenses.

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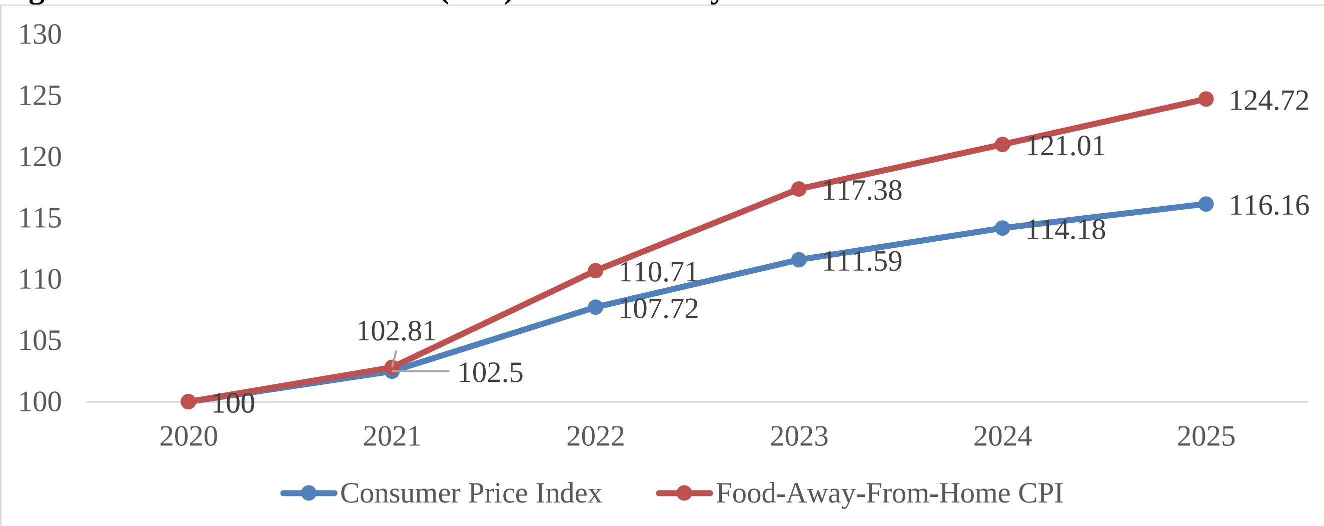
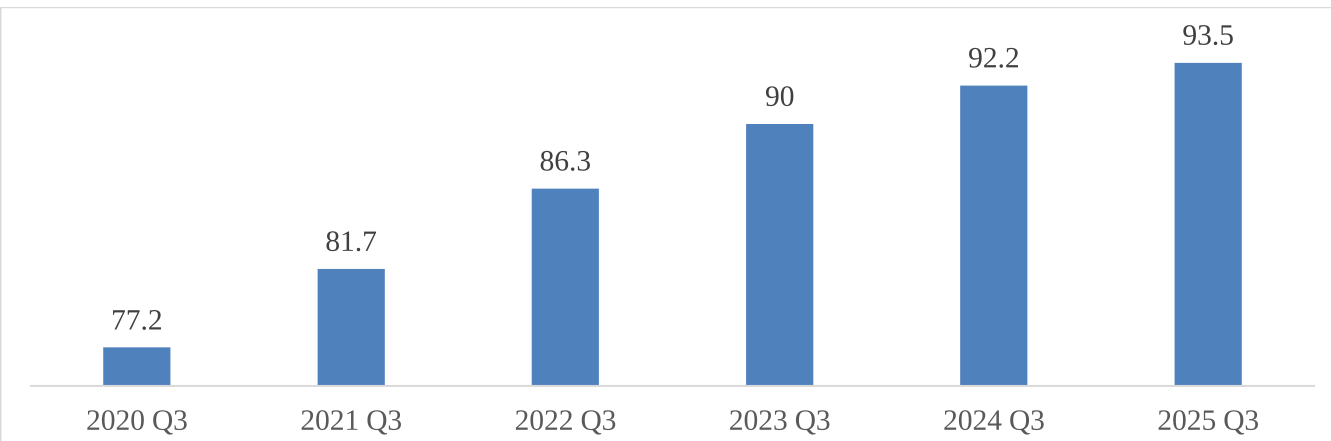
[4] Statistics Korea
[5] Statistics Korea

Figure 4 Consumer Price Index (CPI) vs. Food-Away-From-Home CPI



Source: Statistics Korea

Figure 5. Monthly spending on food per household (KRW)



Source: Statistics Korea, Korea Rural Economic Institute

Although individual consumption began to recover after the pandemic, its growth remains uneven amid ongoing economic uncertainty and inflationary pressure. According to the “2026 National Consumption Expenditure Plan Survey” conducted by the Federation of Korean Industries, 54.8 percent of respondents indicated plans to increase consumer spending compared to the previous year, particularly on travel, dining out, groceries, and healthcare. However, the survey also highlighted different consumption plans by income level, as lower-income households remained more cautious about spending due to elevated living costs. Food processors will continue to develop healthier, premium, and convenience-oriented HMR products targeting consumers seeking complete meals that require minimal preparation.

2) Premiumization and Health-Focused Consumption

Health and wellness trends continue to strongly influence the ROK's processed food market. This trend has expanded well beyond traditional foods into broader processed food categories, including beverages, snacks, bakery products, dairy products, noodles, and HMRs. Consumers are increasingly seeking products that not only reduce sugar and calorie content but also provide functional nutritional benefits such as high protein, high dietary fiber, digestive health support, and balanced nutrition.

The high-protein food segment continues to expand rapidly as wellness trends become more mainstream among Korean consumers. According to the Korea Agro-Fisheries & Food Trade Corporation (aT), the ROK's protein food market grew from KRW 81.3 billion in 2018 to KRW 450 billion in 2023 and is projected to reach KRW 800 billion in 2026. While the dairy industry previously led the category, major food manufacturers are increasingly entering the market with protein-focused snacks, beverages, meal replacements, and nutritional supplements.

The ready-to-drink (RTD) protein beverage market has also experienced substantial growth. According to Euromonitor International, the ROK became the world's fifth-largest RTD protein beverage market in 2025, reflecting strong demand among younger consumers engaged in fitness and wellness trends.

At the same time, dietary fiber has emerged as a new wellness keyword, particularly among younger consumers. The "Fiber Maxing" trend, which encourages intentionally increasing dietary fiber intake, has expanded and is driving demand for high-fiber beverages, snacks, and bakery products. Food manufacturers are launching products that combine high fiber, low sugar, and digestive health benefits.

The ROK's rapidly aging population is also contributing to rising demand for nutritionally balanced foods. In 2025, Korean population aged 65 and older reached 10.5 million, accounting for 20.3 percent of the total population. Statistics Korea projects the elderly population to increase to 30 percent by 2036 and 40 percent by 2050. As concerns regarding healthy aging continue to grow, food processors are increasingly developing products fortified with protein, vitamins, minerals, and functional ingredients while reducing sugar, calories, and fat content.

3) Functional Beverage and Evolving Alcohol Consumption Trend

Health-oriented consumption trends are also reshaping the Korean beverage market. Sales of high-sugar fruit juices continue to decline, while sparkling water, zero-sugar beverages, RTD teas, and functional beverages continue gaining popularity. The sparkling water market has expanded rapidly as manufacturers introduce new flavors and retailers launch more affordable private-label products.

Zero-sugar products have become firmly established across beverage, snack, dairy, and dessert categories as consumers increasingly prioritize health-conscious consumption. Functional RTD beverages promoting benefits such as digestive health, dietary management, and wellness support are also becoming more common.

Alcohol consumption patterns are evolving as well. While the overall frequency of alcohol consumption has declined, demand for premium distilled spirits and RTD alcoholic beverages continues to rise. Highball cocktails, which combine whiskey or other distilled liquors with carbonated beverages, remain especially popular among younger consumers.

At the same time, non-alcoholic beverages are gaining popularity as social drinking culture changes and health-conscious lifestyles become more common among Gen Z consumers. Beverage companies are actively expanding zero-alcohol beer and cocktail product lines in response to growing demand.

4) Expansion of the Restaurant Meal Replacement (RMR) Market

The ROK's Restaurant Meal Replacement (RMR) market continues to expand rapidly as consumers seek restaurant-quality meals at more affordable prices. Convenience stores and food manufacturers are increasingly collaborating with popular restaurants, gourmet brands, and Michelin Guide-recognized establishments to launch premium RMR products.

Due to continued economic uncertainty and higher dining-out costs, consumers are showing greater interest in enjoying signature restaurant dishes at home. Convenience store chains such as CU, GS25, and 7-Eleven continue actively expanding RMR product lines through collaborations with well-known restaurants and food brands.

According to CU, sales of HMR products, including RMR items, increased by 24 percent in 2023, 20.2 percent in 2024, and 22.1 percent during the January–September period of 2025, maintaining consistent double-digit growth.[6] As convenience, affordability, and premium quality become increasingly important purchasing factors, demand for RMR products is expanding beyond younger consumers to a broader range of age groups.

5) Growth of Plant-Based and Alternative Protein Products

The plant-based and alternative protein sector in the ROK continues to expand as consumers place greater emphasis on sustainability, wellness, and dietary diversity. As of 2025, the ROK's vegan and vegetarian population is estimated at approximately 2.5 million people, accounting for around 5 percent of the total population and representing a substantial increase from approximately 150,000 people in 2008.[7] The growth has been driven by increasing consumer interest in animal welfare, environmental sustainability, and personal health.

Although still relatively small compared to Western markets, the sector continues to grow as major food manufacturers expand investments in plant-based product development and alternative protein research. Food companies are increasingly launching plant-based product lines and expanding vegetarian-friendly dining options.

SECTION III. COMPETITION

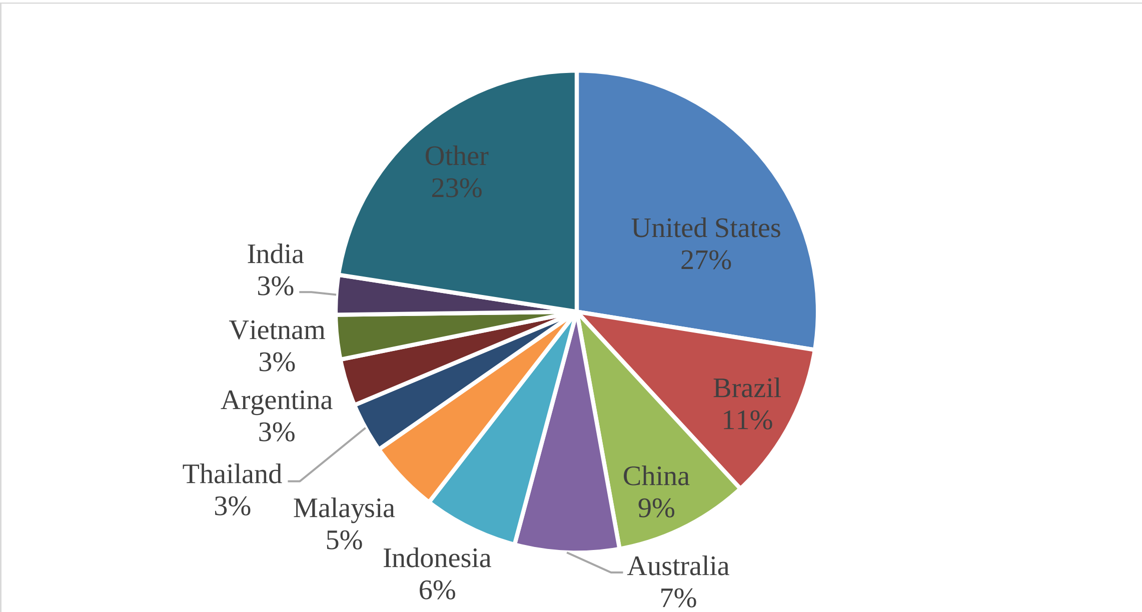
Despite efforts to increase domestic production, due to multiple environmental constraints such as mountainous terrain and limited arable land, the ROK still heavily relies on agricultural imports to meet its demand. They import a wide range of agricultural commodities from their key trading partners that include the United States, Australia, and Brazil.

The United States remains as a leading supplier for several agricultural products such as beef, pork, corn, wheat, and soybeans, among many others. However, the United States still faces stiff competition from many other countries as shown in Figure 6. Especially within the wheat and meslin market as well as the

[6] Company Data
[7] Korean Vegan Union

beef market, Australia has become highly competitive and continues to reach record exports both to Korea and globally.

Figure 6. Foreign Suppliers of Bulk and Intermediate Products in 2025 (by value)



Source: Trade Data Monitor

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

1. Products present in the market which have good sales potential
U.S. products in general have a good image among Korean consumers and have a high market share. Some of the products that are present in the market and still have good sales potential are beef, pork, dairy, soybeans, and snacks. Due to the high quality of U.S. beef and Korean cuisine heavily incorporating it, beef has been consistently popular among consumers. In 2024, the ROK imported $3.8 billion of beef globally, with 55.7 percent being from the United States. For more detailed data with HS code, please refer to the Appendix.

2. Products with low presence in market but which have good sales potential
The Korean food market is saturated, making it difficult to find products with low presence but that have good sales potential. However, due to the growing prioritization of health and wellness, U.S. exporters may target this market by exporting products that have health benefits. This trend can be found in the beverage market, where zero-sugar and low-calorie products are trending. Also, Korean distilled spirits market has continued to grow, particularly for whisky. In 2024, the United Kingdom accounted for nearly 82% of whisky imports to Korea, while the United States, despite being the second largest exporter, held less than 10% of the market, suggesting room for further growth for U.S. whisky exporters. Additionally, sustainable food as well as vegetarian or vegan options could be a promising opportunity with 5% of population being vegetarian and the trend of value-driven consumption is expanding among younger consumers, according to the Korean Vegan Union (KVU).

3. Products not present because they face significant barriers

The ROK restricts the imports of some U.S. products due to regulatory and phytosanitary issues. For example, several types of fresh fruits and vegetables, such as apples and pears, are still awaiting approval by Korean authorities. Exports of novel food ingredients such as ancient grains are not allowed unless Korean authority approves them as food ingredients. Although now there are stricter safety measures set in place and increased transparency in the inspection and labeling of U.S. livestock products, outbreaks of animal diseases and outdated concerns related to BSE can continue to restrict imports of related livestock products. Finally, despite the Korea-U.S. Free Trade Agreement (KORUS), some products continue to face high tariff barriers in the Korean market or import volumes may be limited by tariff rate quotas (TRQs).

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

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Plant and Health Inspection Service Seoul (APHIS)	yunhee.kim@aphis.usda.gov

Please refer to the Korea Exporter Guide *for contact information for USDA cooperators, state offices, and industry organizations that offer export assistance.* FAS Seoul's website *provides up-to-date information about Korea's food and agricultural imports, including:*

- Korea's Agricultural Import Statistics: This spreadsheet, updated monthly, provides a summary of Korea's agricultural imports at the four-digit HS product code level.
- Korea's Agricultural Import Trends Presentation: This presentation, published quarterly, provides a summary of competition between the U.S. and competitors for key products.

Attachments: 2026 FPI Appendix.pdf