



South Korea – Alberta Agriculture Highlights



Alberta-South Korea Relations

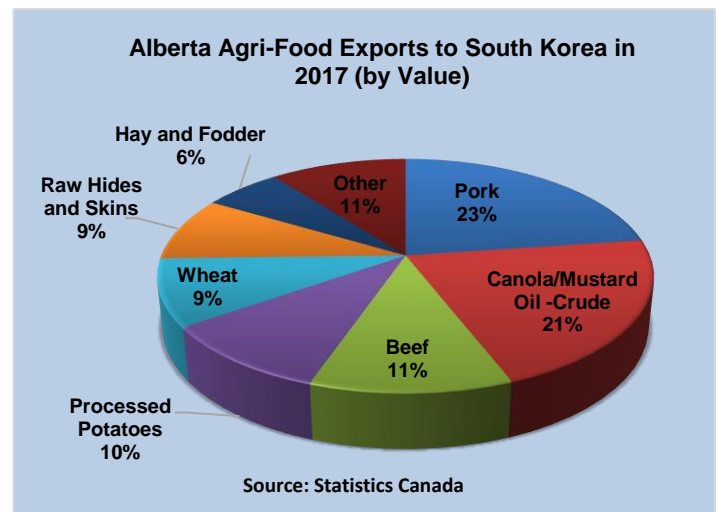
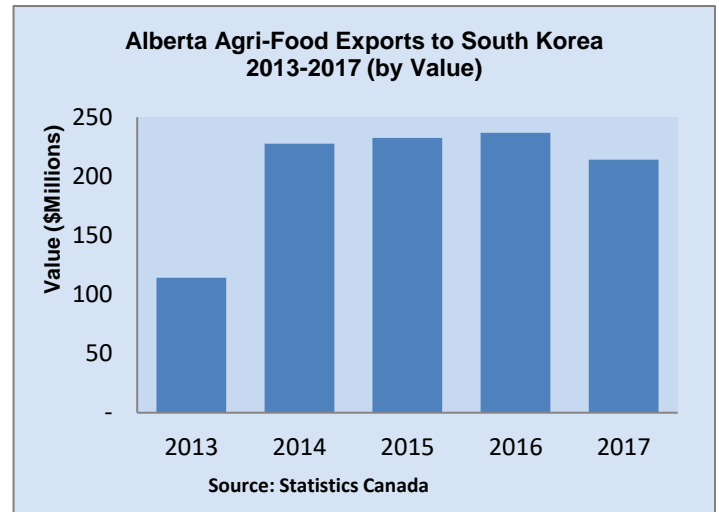
- The Republic of Korea (South Korea) was Alberta's fifth largest destination country for agri-food products in 2017.
- In 1974, Alberta was twinned with South Korea's Gangwon province. Edmonton has a friendship agreement with the South Korean municipality of Wonju.
- Alberta maintains an international office in Seoul located within the Embassy of Canada.

Agriculture in South Korea

- South Korean government entities involved in agriculture and agri-food include the Ministry of Agriculture, Food and Rural Affairs (MAFRA) and the Ministry of Food and Drug Safety (MFDS).
- MAFRA is Korea's equivalent of Agriculture and Agri-Food Canada and is responsible for all areas of South Korean agriculture. The Quarantine Inspection Agency (QIA) falls within MAFRA.
- The MFDS undertakes policy-making functions related to food and drug safety as well as the sanitation and safety of agro-livestock and fishery products.
- South Korea imports over 70% of its food consumption requirements, relying on imports to feed its population of 51 million people.
- South Korea's domestic agricultural production consists largely of rice, pork, vegetables, milk, poultry meat, beef, and hen eggs.

Trade

- Alberta comprised approximately one-third of Canada's total agri-food exports to South Korea, which were valued at \$652 million in 2017.
- In that year, South Korea was Alberta's fifth largest destination country for agri-food products, with exports valued at \$214 million.
- Top products in 2017 included pork (\$48.8 million), crude canola oil (\$45.5 million), beef (\$24.1 million), processed potatoes (\$21.4 million), wheat (\$19.9 million) and raw hides and skins (\$18.9 million)
- In 2017, South Korea's total agri-food imports were valued at just under \$33 billion. The U.S. is South Korea's top supplier, with other key suppliers including Australia, China, Brazil, Germany, and Southeast Asia.



Activities and Engagement

- May 2018: For the past several years, Alberta delegations have attended the Seoul Food tradeshow to exhibit a wide range of products within the Canadian Pavilion and gather market intelligence in Korea.
- October 2017: For the past two years, Alberta Agriculture and Forestry (AF) and the Alberta Korea Office (AKO) have organized business-to-business meeting programs in Korea for Alberta health ingredients companies.
- September 2017: An Alberta forage and feed industry delegation attended the Korean

International Livestock Expo (KISTOCK), as well as conduct B2B meetings with Korean industry.

- November 2016: Alberta participated in a tabletop showcase featuring value-added products in Seoul.
- November 2016: Alberta's Minister of Agriculture and Forestry led a mission to South Korea to raise the profile of Alberta as a preferred supplier of agri-food and forestry products and as an investment destination of choice for South Korean companies.
- Alberta industry, AF and the AKO continue to engage in opportunity identification, matchmaking, and promotional initiatives to support the growth of Alberta exports to the South Korean market.

Canada-South Korea Relations

- January 2015: The Canada Korea Free Trade Agreement (CKFTA) came into effect on January 1, 2015, and will allow for significantly improved market access for Alberta's/Canada's agricultural and agri-food products to South Korea. The CKFTA allows for the progressive elimination of tariffs on more than 86 per cent of agricultural products. Under this agreement Alberta is realizing enhanced market access for its agricultural and agri-food products over time.

Alberta Priorities in South Korea

- Expansion of the current trade of Alberta agriculture and agri-food goods and services with South Korea.
- Profiling Alberta as a preferred supplier of agri-food products and services, as well as an investment destination of choice, in the South Korean market.
- Reduction or elimination of tariffs and non-tariff trade barriers for Alberta products.
- Enhanced relationships, including mutually beneficial partnerships and trade agreements.

Opportunities

- South Korea provides a significant export opportunity for Alberta agri-food products. It has remained one of Canada's and Alberta's top export markets due to its reliance on food imports to meet domestic consumption needs.
- The implementation of the CKFTA has enhanced Alberta's medium and long-term prospects for maintaining and expanding market share for key agri-food export products, and suppliers can take advantage of lower tariffs as the agreement comes into full effect.
- South Korean consumers demand high quality and safe food products. Canada overall has a highly regarded reputation in the Korean market, and Alberta agri-food suppliers should apply this "branding image" to their products and services.
- Rising incomes, busier lifestyles and concerns over food safety and quality have increased demands for premium, and convenience products as well as healthy foods, while remaining price sensitive.
- South Korean consumers increasingly enjoy western style foods, healthy food and beverages, natural products, and more wheat and protein in their diet.

- Despite limited land resources, there are opportunities to supply products such as forages, feed, genetics and smart agricultural technologies into the South Korean agriculture sector.

Challenges

- South Korea has free trade agreements with a number of competing suppliers, including Chile, Australia, New Zealand, China, the European Union, ASEAN and the United States.
- Despite the CKFTA, remaining price competitive in the South Korean market will be more difficult to accomplish in the short term as Canada plays "catch up" with previously established free trade agreements, as well as competes with domestically produced foods, which may be preferred by local consumers.
- Alberta suppliers may face challenges navigating Korea's regulatory environment, market access restrictions, and distribution system. Import licensing, quantitative restrictions or other duties and charges may impede increased exports. Suppliers must be aware of these challenges and commit the time necessary for these procedures.
- Due to Bovine Spongiform Encephalopathy (BSE) concerns, only beef derived from cattle under thirty months is permitted. Elk velvet antler and other elk products are banned due to Chronic Wasting Disease concerns.

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The information contained in this document is for general information purposes only. Alberta Agriculture and Forestry makes reasonable efforts to obtain reliable content from third parties, but does not guarantee the accuracy or completeness of this overview.

Sources

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