



# **Final Report: Seoul Food & Hotel Show 2008**

## Summary:

The International and Intergovernmental Relations' (IIR) Agriculture and Food Branch (AFB) and Alberta Korea Office (AKO) participated in South Korea's leading food and hospitality trade show, Seoul Food & Hotel 2008, to boost Alberta's profile in this key agri-food export market. The Alberta booth enhanced awareness of Alberta's agri-food sector, and assisted Alberta companies in becoming better known by key importers, distributors and the wider food industry. The Alberta booth received numerous inquiries for a wide range of products, including canola oil, pork, and flour. The South Korean market may also provide future opportunities for Alberta agri-food exporters in the areas of functional foods, organics, and processed meat products, especially if they address growing consumer concerns around health and wellness.

## Alberta's Agri-Food Exports to South Korea:

South Korea is an important export market for the agri-food sector because the country's rocky terrain limits its agricultural capacity. As a result, South Korea imports nearly 75% of its food, and represents the third-largest imported food market in Asia Pacific, worth nearly US\$5 billion.

South Korea is Alberta's sixth-largest agri-food export market, valued at \$119.03 million in 2007. Alberta's key exports to South Korea last year were raw hides and skins (\$29.0 million), pork (\$28.0 million), crude canola oil (\$20.1 million), hay and fodder (\$9.4 million), wheat (\$9.4 million), malt (\$8.6 million), and flour (\$4.2 million). And although the province is responsible for more than a third of Canada's total agri-food exports to South Korea, Alberta agri-food products are still not well-known by the Korean food industry.

## Alberta's Results at Seoul Food & Hotel 2008:

The International and Intergovernmental Relations' (IIR) Agriculture and Food Branch (AFB) and Alberta Korea Office (AKO) represented Alberta industry at Seoul Food & Hotel 2008, a four-day trade show that was held at the Korean International Exhibition Center from May 14-17, 2008. This is South Korea's leading food and hospitality trade show; this year, the show attracted 1,070 exhibitors



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from 35 countries and 40,000 visitors, including importers, distributors, wholesalers, manufacturers, retailers, and the HRI sector.

Alberta's booth in the Canada pavilion at Seoul Food & Hotel 2008 dramatically raised the profile of the province's agri-food sector. Jill Stewart, the Agriculture and Food Branch's South Korea Trade Development Officer, fielded numerous trade inquiries during the trade show, while Nicola Stevens of Agriculture and Rural Development (ARD) promoted investment in Alberta's agri-food sector. This was the first time that the province participated in this important food and hospitality show, and assisted Alberta companies in becoming better known by key importers, distributors and the wider food industry. The Alberta booth received numerous inquiries for a wide range of products, including canola oil, pork, and flour, and provided Alberta industry with a number of "hot export leads." As a result of Alberta's presence at the trade show, the province has a heightened profile and credibility in the South Korean market.

### **Market Trends:**

South Korea's food sector is experiencing a "health and wellness" boom. South Korea is already the largest Asian market for functional foods outside of Japan or China, thanks to the high per capita income of the country's 49 million citizens, and by 2010, sales of functional foods in South Korea are projected to double to USD \$4 billion from USD \$2 billion in 2004. Consequently, many of the products on display at Seoul Food & Hotel 2008 sought to appeal to the growing health consciousness of Korean consumers.

Several Canadian companies tried to capitalize on this trend, emphasizing the "healthy attributes" of their products. Some of these products included healthy fruit drinks, vegetable oil and margarine products, and processed meat snacks.

Pure Canadian Product Inc., from Coquitlam, BC, was one of the many Canadian companies in attendance at Seoul Food and Hotel 2008. The company's products included blueberry and cranberry health capsules, concentrated blueberry and blackberry juice, and blueberry and blackberry powder. This year, the "hot" functional food ingredient at the show was blueberries, and the company played up on the berry's healthy attributes, especially to improve vision and lower the risk of heart disease. For more information, please see their web site at: [www.cdnproducts.com](http://www.cdnproducts.com).



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Alberta canola processor, Bunge Canada, was also on hand at Seoul Food and Hotel 2008 to promote their line of canola oil and canola margarine. Canola oil's healthy attributes are increasingly appealing to Korea's food services sector as consumers become more aware of the issue of trans and saturated fats, especially with new legislation that requires many retail products to have trans fat labeling information. Alberta exports of refined canola oil to South Korea have increased substantially in the past few years from almost nothing in 2003 to nearly \$2.3 million in 2007. For more information about this company, please see their web site at: <http://www.bungenorthamerica.com/products/bunge-oils/canada/index.shtml>.



BC snack food company, Country Prime Meats Ltd., promoted their healthy pork pepperoni sticks. The company emphasized that their products were gluten free, lactose free, and contained zero trans fat and no MSG. Canada has not exported a great deal of processed meats into Korea, especially since there has been a ban on Canadian beef since 2003, but there is certainly potential for niche products. For more information about this company, please see their web site at: [www.countryprime.com](http://www.countryprime.com).



Canada's pork and beef industry was well-represented at Seoul Food in the international meat section. Alberta pork processors, Olymel and Maple Leaf, participated in Canada Pork International's (CPI) booth. They marketed pork as "the healthy choice." Last year, Alberta exported \$28 million worth of pork to South Korea. The Canada Beef Export Federation (CBEF) also had a presence at the show. CBEF is hoping that South Korea will lift its ban on Canadian beef shortly (in 2003, Alberta exported \$24.5 million of beef into Korea prior to the ban), and emphasized the country's strict food safety standards and clean environment to woo future clients.



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Organic foods were the other major trend at the Seoul Food and Hotel Show 2008. European and American companies were the most aggressive in terms of promoting a diverse range of organic products from organic jams, pasta, flour, to bottled water, and even candies. Surprisingly, Canadian companies were not seen to be actively marketing organic products at the trade show. This could be a good niche market for Alberta companies to pursue in the coming years as organic foods grow in popularity.



The organic food market in Korea is still in its infancy, but is growing rapidly. Euromonitor reported that organic sales in Korea surged by 25% in 2005 from the previous year (Health and Wellness Foods in South Korea, Euromonitor International, May 2006). In 2005, organic food sales were valued at 183 billion Korean won (CND \$187.6 million). Two areas where organic foods experienced exceptionally strong sales were in the dairy and baby food sector due to the perceived health benefits of these products for children. Additionally, there may be opportunities for Alberta companies to set up private label arrangements with Korean food manufacturers, who are aggressively entering the organic food market, especially in the salad dressing sector.



For further information about the Seoul Food and Hotel 2008 trade show or to discuss future opportunities in the South Korean market, please contact:

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