

## Korea anticipates an upward trend in agri-food products export by Q4 2024 reaching upto \$2.27B

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Korean Ministry of Agriculture, Food and Rural Affairs has announced that the estimated export value of Korean agri-food products (K-food) in the first quarter of 2024 reached an all-time high of \$2.27 billion, up by 3.4% from the previous year. This figure marks 8th consecutive year of growth recorded since 2015. Agri-food products means processed and non-processed food, excluding aquatic food products.

### Growth trajectory of Korean agri-food export value

\$6.1 billion in 2015 → \$7.03 billion in 2019 → \$9.16 billion in 2023 (up by 50.2% from 2015) \$1.99 billion in Q1 of 2021 → \$2.22 billion in Q1 of 2022 → \$2.19 billion in Q1 of 2023 → \$2.27 billion in Q1 of 2024 (up by 3.4% from Q1 of 2023).

Rapid export growth of K-food products was seen in the U.S., ASEAN countries, and Europe. As of the first quarter of 2024, the U.S. accounted for the largest share (15.7% worth \$352 million) of worldwide K-food sales among single countries and showed a rapid growth (up by 14.2%).

The **ASEAN market** also showed a robust growth (\$464 million) during this period, backed by a relatively greater popularity of Hallyu (Korean wave) and K-food among consumers. The European market recorded the highest growth rate (up by 27.4% worth \$166 million) and thus had driven the overall export growth. In the U.S. and European markets combined, the recovered

consumer sentiment led to a larger increase in the demand for healthy foods (e.g. vegan foods, gluten-free foods, etc.) than other Korean food products.

Major market export value recorded in Q1 of 2024: \$352 million, up by 14.2% in the U.S.; \$329 million, down by 7.6% in Japan; \$314 million, down by 7.2% in China; \$464 million, up by 3.0% in the ASEAN; \$166 million, up by 27.4% in Europe and the U.K; and \$57 million, down by 18.3% in the G.C.C.

By product category, there was a significant growth in overseas demand for Korean instant noodles and processed rice food products (including kimbap) among processed food products, as well as for Korean grape and kimchi among non-processed food products.

Export value for major food items, recorded in Q1 of 2024: \$270 million, up by 30.1% for instant noodles; \$61 million, up by 34.0% for processed rice food products; \$165 million, up by 6.3% for snacks; \$150 million, up by 18.0% for beverages; \$10 million, up by 21.8% for grape; and \$42.3 million, up by 6.1% for kimchi.

Increases in export of Korean instant noodles were witnessed in markets all across the world, including the U.S. In particular, exports to Europe increased remarkably (up by 34.8%) as import restrictions on Korean instant noodles were lifted in the region.

- Instant noodle export value recorded in Q1 of 2024: \$47 million, up by 112.5% in the U.S.; \$49 million, up by 39.9% in the ASEAN; and \$45 million, up by 34.8% in Europe.
- Korean processed rice food products are also in steady demand among overseas consumers. Processed rice food products, such as frozen kimbap (Korean seaweed rice rolls), which has been gaining popularity with a growing consumer perception that it is a convenient healthy-eating option, recorded a strong sales growth in the U.S., Europe, and the Middle East.
- Processed rice food products export value recorded in Q1 of 2024: \$35 million, up by 47.3% in the U.S; \$5 million, up by 68.6% in Europe; and \$1 million, up by 152.1% in the UAE.
- Korean snacks and beverages, coming immediately after instant noodles in terms of export value, also grew in sales overseas. Exports of beverages grew in most of the overseas markets. This is attributable to the export of new products such as beverages for children, in addition to flagship product items such as aloe juice and healthy beverages. The other possible factor is increases in supply contracts with local big box stores. Sales of snacks grew mainly in the U.S. and Europe where they have reached more shelves of local stores.
- Beverage export value recorded in Q1 of 2024: \$29 million, up by 6.5% in China; \$22 million, up by 11.2% in the U.S.; and \$16 million, up by 50.6% in Cambodia.
- Snacks export value recorded in Q1 of 2024: \$58 million, up by 31.9% in the U.S.; \$24 million, up by 27 % in China; and \$18 million, up by 6% in Japan
- Exports of Korean grape grew substantially in overseas countries, including China and Taiwan. Grape export value recorded in Q1 of 2024: \$2 million, up by 119.7% in Taiwan; \$1 million, up by 68.8% in China; and \$2 million, up by 28.3% in Hong Kong.

Deputy Minister KWON Jae-han of the Agricultural Innovation Policy Office of the Ministry said: "Korean agri-food products are being recognized among overseas consumers for their excellent quality and tastes by taking a ride on the Korean wave sweeping the world. To uphold consumers' trust in Korean agri-food products in the global market, we will provide support on various fronts, including provision of logistical infrastructure both in and out of Korea, facilitation in matching of exporters and importers, and opening up of new markets.