

Overview of Dutch agri-food export to South Korea in 2021

Dutch agricultural exports to South Korea showed impressive growth in 2021, with a total export value of EUR 577 million, an increase of 32.6% compared to the previous year. Korean consumers' growing interest in western food and the impact of the Korea-EU free trade agreement (FTA) had a positive effect on trade. On the other hand, the damage of the COVID-19 pandemic on agri-food trade was limited.

The agriculture team at the embassy of the Netherlands in Seoul monitors the trade between the Netherlands and South Korea and, when necessary, facilitates the businesses, taking away trade barriers. Each year an overview of the exports is provided to assist the companies and highlight the rising opportunities in South Korea for the Dutch companies.

The largest export commodity in 2021 was pork, followed by milk powder preparation, cheese, beer, feed preparation, and butter preparation. Pork, milk powder preparation, and beer were ranked in the second, fourth, and 12th places respectively by export value among all the trade commodities, including non-agricultural products exported from the Netherlands into South Korea.

Fig.1 Agri-food exports from the Netherlands into South Korea by year

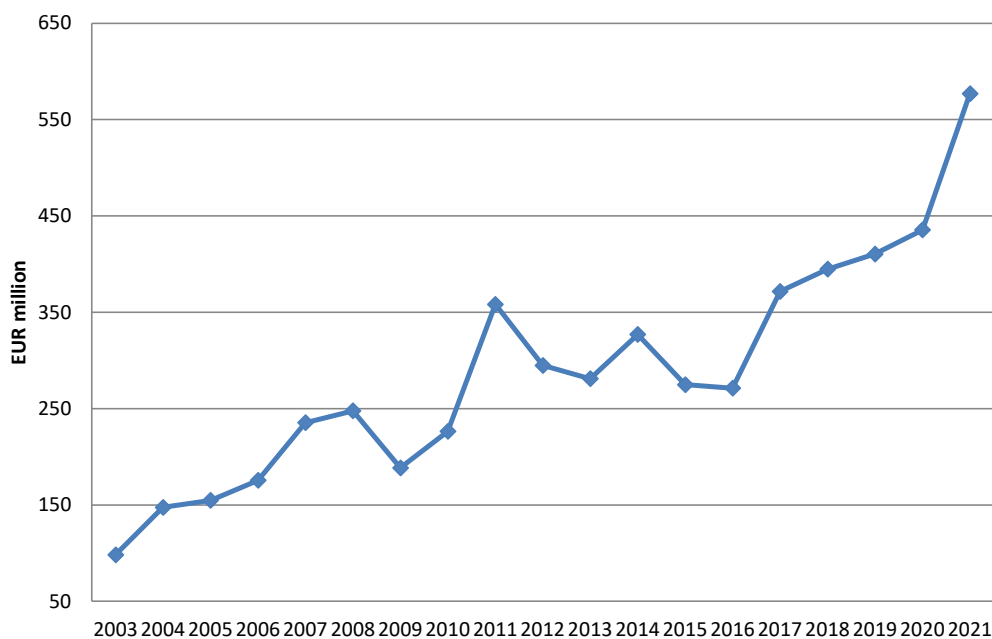


Table 1. Top 10 Dutch agri-food commodities exported into South Korea in 2019, 2020 and 2021

No.	Year 2019		Year 2020		Year 2021	
	Commodities	Exports (EUR Mil.)	Commodities	Exports (EUR Mil.)	Commodities	Exports (EUR Mil.)
1	Milk powder preparation	78	Milk powder preparation	103	Pork	133
2	Pork	62	Pork	51	Milk powder preparation	112
3	Butter preparation	29	Beer	36	Cheese	40
4	Food processing machinery	28	Butter preparation	26	Beer	38
5	Beer	27	Food processing machinery	22	Feed	25
6	Feed	20	Feed	20	Butter preparation	23
7	Farming machinery	13	Cheese	16	Malt extract	17
8	Cheese	13	Malt extract	14	Preserved vegetables	16
9	Cocoa preparation	12	Cocoa preparation	11	Cocoa preparation	13
10	Malt extract	10	Starch	10	Farming machinery	12

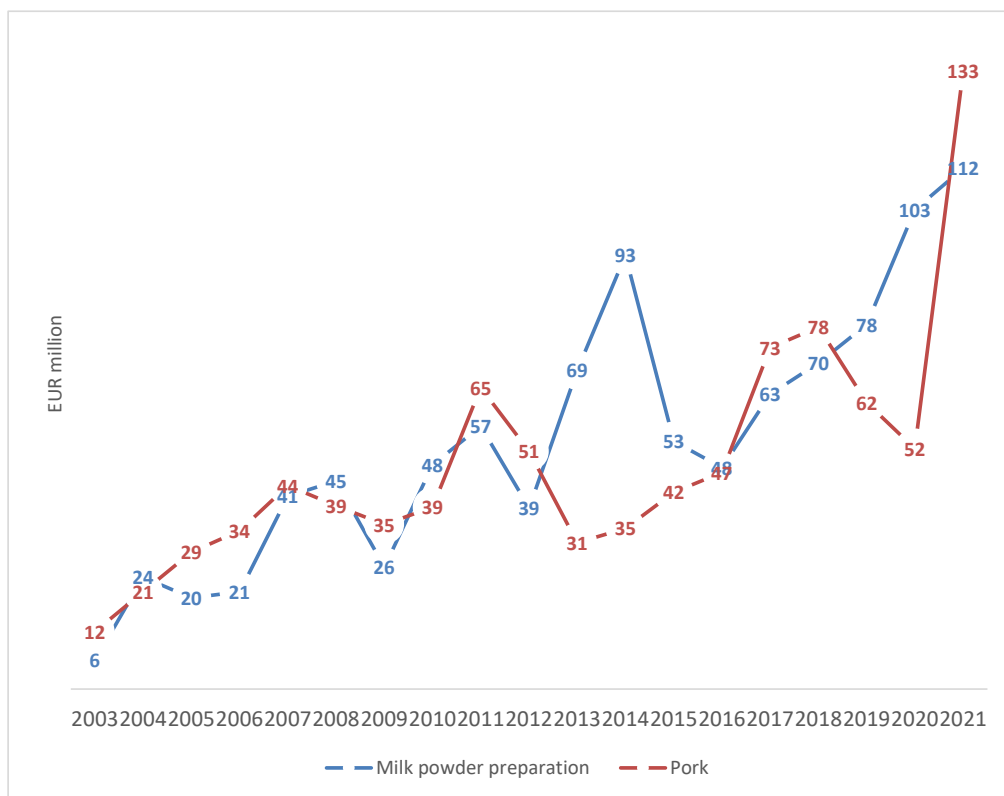
Pork

Dutch pork exports hit a record high of EUR 133 million in 2020, increasing 158 % compared to the previous year. Korean consumers have increasingly demanded imported pork products since local pork price is about twice as expensive as imported pork. Especially in 2021, the demand for Dutch pork soared due to outbreaks of African Swine Fever in Germany and Belgium. The Netherlands was the 4th largest exporter of pork after the US, Spain, and Austria. Around 73% of pork exported from the Netherlands into Korea was frozen pork belly (called Samgyeopsal in the Korean language), which is mainly used for Korean BBQ.

Milk powder

Milk powder preparation is a blend of milk and whey powder created to lower customs when exported into South Korea. Milk powder preparation exports continued to grow and reached EUR 112 million in 2020, increasing 8.8% compared to the previous year. The Netherlands is the largest exporter of milk powder preparation, accounting for 63% of the market. As local raw milk in South Korea costs more than twice as much as the world average raw milk, the demand for high-quality dairy ingredients from abroad is high. The Netherlands has a good name in the Korean market for its high-quality dairy chain. Dutch milk powder preparation is mainly used in the Korean dairy and confectionary sectors.

Fig.2 Pork and milk powder preparation exports from the Netherlands into South Korea by year



Cheese

Dutch cheese exports hit a record high of EUR 40 million in 2021, 145% up on-year. The Netherlands has exported mainly Gouda cheese and some processed cheese into South Korea. In 2021, the Netherlands started exporting mozzarella cheese into South Korea with an export value of EUR 22 million. The Netherlands became the 4th largest exporter of cheese through this market development after the US, New Zealand, and Germany. That is four ranks up compared to the previous year.

Beer

Dutch beer exports hit a record high in 2020, amid the Covid-19 pandemic, as more Koreans stayed at home and enjoyed drinking at home. Unlike other beers, Dutch beer tends to be enjoyed at home rather than in bars or restaurants. This trend continued in 2021, and Dutch beer exports continued to grow, with an export value of EUR 38 million, 6.7% up on-year. The Netherlands gained first place in beer exports again in a row, followed by China, Belgium, Poland, the US, and Ireland.

Preserved vegetables

The self-sufficiency rate of vegetables in South Korea is as high as 83%. This is because Korean food culture prefers fresh vegetables for side dishes or BBQ rather than preserved or frozen vegetables. Despite this culture, preserved vegetable exports had quadrupled in the last three years, with an export value of EUR 16 million in 2021. As income grows in Korean society, people increasingly enjoy western food using western vegetables. The Netherlands was the 3rd largest exporter of preserved vegetables after the US and Belgium, followed by China and Canada.

Others

Food and feed ingredients such as feed preparation, casein, and malt extract showed steady growth in the export value. Similarly, ornamental plants such as cut flowers, live plants, and flower bulbs also grew. Finally, Dutch beverages, sauces, coffee/tea, veal, and liquor emerged as a new market.