

# Overview of Dutch agri-food export to South Korea in 2022

Dutch agricultural exports to South Korea showed impressive growth in 2022, with a total export value of EUR 681 million, an increase of 17.6% compared to the previous year. Korean consumers' growing interest in western food and the impact of the Korea-EU free trade agreement (FTA) positively affected 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, removing trade barriers. Each year an overview of the exports is provided to assist the companies and highlight the rising opportunities in South Korea for Dutch companies.

The largest export commodity in 2022 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, third, and 13th places respectively by export value among all the trade commodities, including non-agricultural products exported from the Netherlands to South Korea.

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

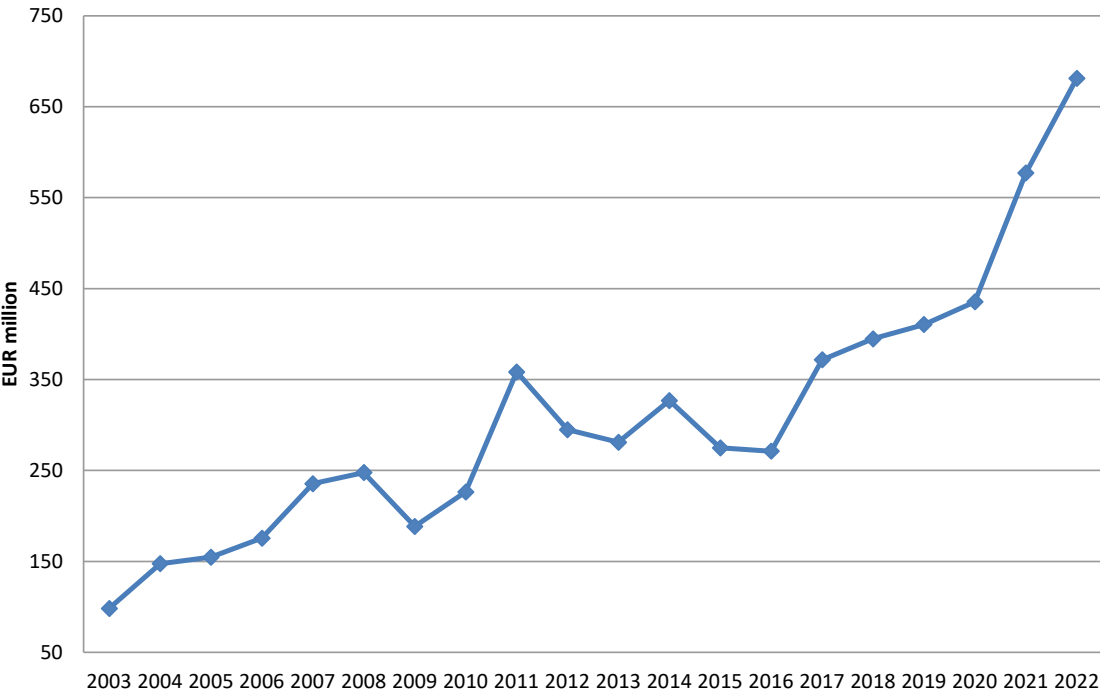


Table 1. Top 10 Dutch agri-food commodities exported to South Korea in 2020, 2021 and 2022

No.	Year 2020		Year 2021		Year 2022	
	Commodities	Exports (EUR Mil.)	Commodities	Exports (EUR Mil.)	Commodities	Exports (EUR Mil.)
1	Milk powder preparation	103	Pork	133	Pork	175
2	Pork	51	Milk powder preparation	112	Milk powder preparation	153
3	Beer	36	Cheese	40	Cheese	43
4	Butter preparation	26	Beer	38	Beer	29
5	Food processing machinery	22	Feed preparation	25	Feed preparation	26
6	Feed preparation	20	Butter preparation	25	Butter preparation	24
7	Cheese	16	Malt extract	23	Cocoa preparation	15
8	Malt extract	14	Preserved vegetables	17	Food processing machinery	14
9	Cocoa preparation	11	Cocoa preparation	16	Preserved vegetables	13
10	Starch	10	Farming machinery	12	Casein	13

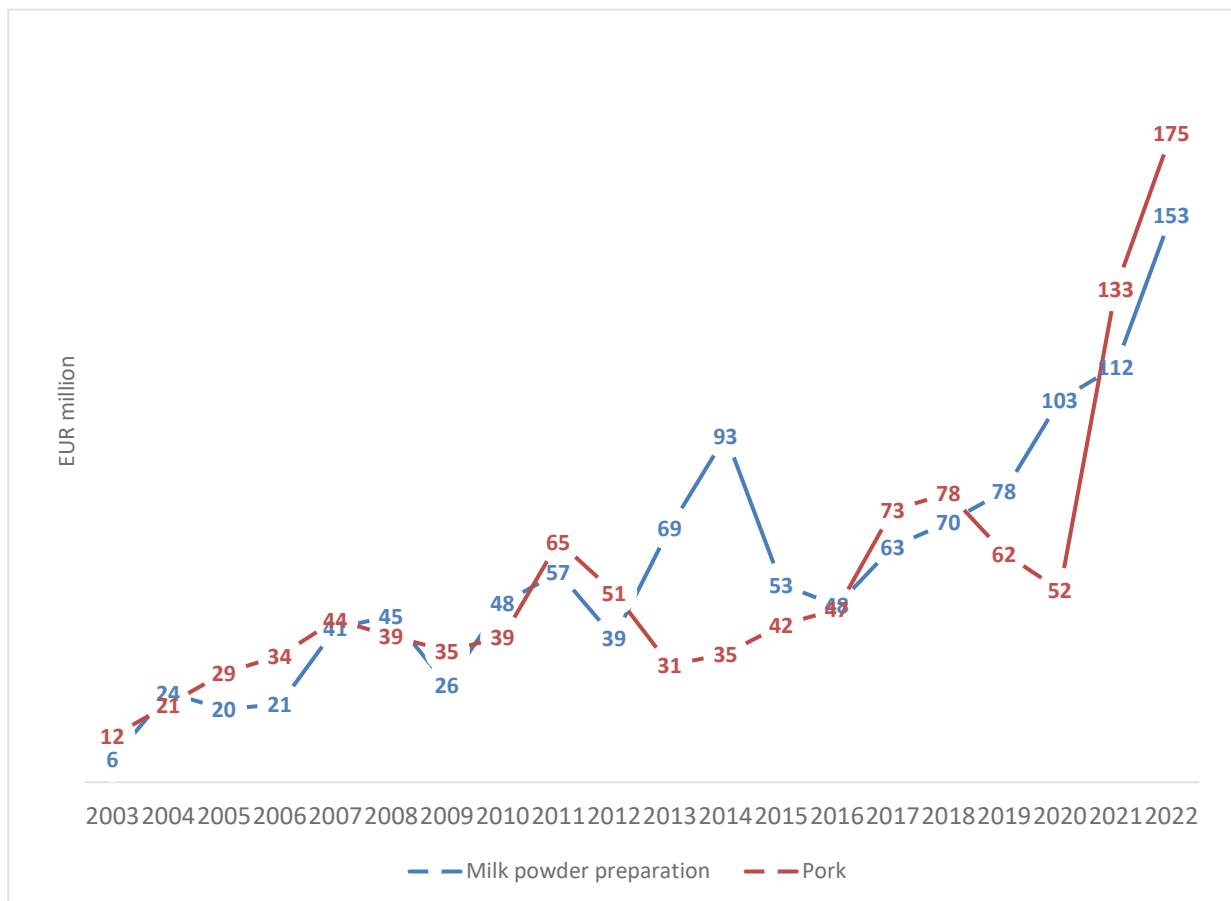
## Pork

Dutch pork exports hit a record high of EUR 175 million in 2022 again, increasing 31.2 % 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 and 2022, the demand for Dutch pork soared due to outbreaks of African Swine Fever in Germany and Belgium. The Netherlands was the 3rd largest exporter of pork after Spain and the US. Around 66% of pork exported from the Netherlands to Korea was frozen pork belly (called Samgyeopsal in the Korean language), mainly for Korean BBQ.

## Milk powder preparation

Milk powder preparation is a blend of milk and whey powder created to lower customs when exported to South Korea. Dutch pork exports hit a record high of EUR 153 million in 2022, increasing 36.7% 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's 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. Especially in 2022, protein products became popular among adult consumers for diet, sports, and immunity. South Korea imported Dutch milk powder products, such as whey protein, goat milk protein, and lactoferrin, as raw materials for the protein products.

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



## Cheese

Dutch cheese exports grew and reached EUR 43 million in 2022, increasing 6.4 % compared to the previous year. The Netherlands has exported mainly Gouda cheese and some processed cheese to South Korea. In 2021, the Netherlands started exporting mozzarella cheese to South Korea. 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 2020.

## **Beer**

Dutch beer exports continued growing until 2021, amid the Covid-19 pandemic, as more Koreans stayed and enjoyed drinking at home. Unlike other beers, Dutch beer tends to be enjoyed at home rather than in bars or restaurants. In 2022, people started going out for dinner as the pandemic was near the end, and the sales of Dutch beer also went down by 22.8%. The Netherlands lost 1st place to China in the export value of beer to South Korea.

## **Others**

Food and feed ingredients such as feed preparation, casein, and cocoa powder showed steady growth in the export value. Similarly, agriculture, food, and dairy (milking robot) machinery also grew. Finally, Dutch beverages, sauces, coffee/tea, soybean milk, and liquor emerged as a new market.