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Edible Oils Market Brief-Palm and Soy Oils Lead the Way

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Report Highlights:
In MY 2015/16, 37 percent of the total South Korean edible oil supply was palm oil, 35 percent was soybean oil, 9 percent was rapeseed oil, and 20 percent was an assortment of other oils. While South Korea predominantly used soybean oil and corn oil throughout the 1970s and 80s, the industry has shifted to meet the changing demands of the country's cosmetic, food, and biofuel industries.

Palm oil is the cheapest available edible oil. Industry experts estimated that in 2016, 55 percent of palm oil was used for biofuels. However, consumption of palm oil for biofuels is limited by its high freezing point which prohibits its usage between October and February. In 2016, about half of the total food industry usage of palm oil was for instant noodle production.

Soybean oil is the most commonly used oil for food processing and restaurants because of its low cost and physical properties. Rapeseed (canola) is the most commonly purchased oil for home markets because it is low in saturated fat and its price had fallen to only USD19/MT more than soybean oil in MY 2015/16, compared to USD40/MT in MY 2014/15.

In MY 2016/17, total edible oil use for human consumption was expected to stay steady while biofuel consumption is expected to increase. Three trends should continue to affect Korean edible oil consumption. First, more affluent consumers are increasingly influenced by health trends and willing to pay a premium for specialty oils. Second, Koreans are spending more on the convenience of dining out or purchasing pre-made meals, despite these meals having higher oil content and saturated fats than meals made at home. Lastly, biofuel mandates increased from 2.5 percent in 2016 to 3 percent in 2018, which should cause total biofuel consumption to rise, particularly in the case of palm oil.

General Information:

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SECTION I: MARKET OVERVIEW

History and Culture

Historically, vegetable oil and animal fats were used sparingly in Korean cuisine. As only 30 percent of the peninsula's mountainous terrain is arable, limited land resources led farmers to favor vegetable and rice production over oilseeds for crushing. Oilseeds that were produced, like soybean, were predominantly for direct consumption. Additionally, there was a short supply of animal fats due to limited cattle or swine production. While frying in oils or fats was common in China, Koreans predominantly used fermentation to preserve foods for the peninsula's hot summers and cold winters.

Traditionally, the most common vegetable oils in Korea were made from perilla, sesame, camellia, and castor oils. The oils were predominantly used for flavoring, although perilla oil and sesame oil were also used for cooking or shallow frying. Sesame oil was used in guk (soups), namul (cooked greens), or bibimbop (traditional mixed rice and vegetable dish). Perilla seed (a leafy plant from the mint family) would be used for pan frying or stir frying, notably for pajun (Korean pancakes). Even today, the country's most common meals are relatively low in edible oils and are based around staples of cooked rice, soup, and side dishes like preserved fish, sprouts, and fermented vegetables.[1]

Consumption

Per capita consumption of edible oils has risen over time. The increasing availability of both non-Korean and processed foods is the main driver.

Soybean oil is the predominant type used in restaurant preparation and food processing. Restaurants serving Korean food still use comparatively less oil than other types of restaurants: while 52 percent of all dining establishments are Korean restaurants, they use only 10.5 percent of the total soybean oil consumed in restaurants. (U.S. Soybean Export Council)

In the 1970s and 80s, soybean and corn oil made up the majority of sales in the household consumption market. Consumption and purchasing habits have shifted in recent years due to health awareness, market diversity, and the decreasing price spread between soybean oil and other premium oils. In CY 2015, rapeseed oil was the top selling oil for household consumption, followed by soybean oil, olive oil, and grapeseed oil. A 2015 survey found that Korean consumers purchased oils for home consumption first for recipe requirements, followed by quality, taste, health awareness, and cooking qualities (such as the ability to create crispiness).

Edible oil consumption for food processing, restaurants, and household use is expected to remain steady. The household consumption market is the most prone to shifts both in quantity and type of oil purchased because it quickly reflects consumer health trends and market pricing. The food industry is less reactive to market changes because it requires consistency of taste and chemical properties.

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[1] *Source:* Korean diet: Characteristics and historical background (http://ac.els-cdn.com/S2352618116300099/1-s2.0-S2352618116300099-main.pdf?_tid=856fbeb4-66b1-11e7-8473-00000aab0f6b&acdnat=1499830009_034db70c481d91945ed4859407e57e4e)
Source: http://www.sciencedirect.com/science/article/pii/S2352618116300099

A new government regulation has mandated that in 2018 the percentage of biofuel in domestic fuel must increase from what was a stipulation of 2.5 percent to 3 percent. As a result, the use of palm oil for biofuel is expected to rise proportionately.

The price of palm oil is consistently USD100 to USD200 cheaper per metric ton (MT) than soybean oil. Due to its high freezing point, palm oil is only used for biofuel from March through September. While crude soybean or rapeseed oil can be used for biofuels from October through February, their usage for this purpose is rare due to their high price compared to alternatives like Palm Fatty Acid Distillate (PFAD) and used cooking oil.

Imports

South Korea's edible oil imports in MY 2015/16 totaled 990,327 metric tons in MY 2015/16, a 1.2 percent increase from MY 2014/2015. In terms of cost, imports totaled USD846.5 million in MY 2015/2016, down 6.2 percent from MY 2014/2015. The pricing trends are due to falling crude oil prices and reduced tariffs.

Korea's edible oil imports from the United States amounted to USD91.6 million in MY 2015/2016, a 59 percent increase from MY 2014/2015. The increase can be largely attributed to soybean oil imports increasing from USD42.9 to USD73.9 million. In MY 2015/16 imports from the United States in terms of volume totaled 91,591 metric tons, up 58.7 percent from the previous year.

SECTION II: MARKET SUPPLY

Korean edible oil supply increased from 1.186 million metric tons (MMT) in MY 2010/11 to over 1.304 MMT in MY 2015/16. Due to increased biofuel demand, palm oil imports surpassed soybean oil as the top edible oil in Korea in MY 2015/16. Palm oil, soybean oil, and rapeseed oil accounted for over 80 percent of all edible oil supply (compared with 71.6 percent in MY 2010/11). Imported oil totaled one MMT, or 76 percent of the total oil supply. Domestically crushed or produced oils totaled 300,000 MT, or 24 percent of total oil supply. Of domestically produced oils, 88.6 percent came from imported seed.

Table 1

Korea: Total Edible Oil Supply[1]
(Metric Tons, Oct./Sep.)

Commodity	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14	MY 2014/15	MY 2015/16
Palm Oil	284,322	308,093	346,614	402,553	445,071	479,503
Soybean Oil	473,387	492,969	450,463	451,194	452,770	449,298
Rapeseed Oil	91,968	103,432	103,272	88,350	102,915	116,764
Corn Oil	46,335	46,757	42,119	47,928	51,026	53,910
Coconut Oil	61,212	60,452	62,387	58,217	50,432	41,411
Perilla Seed Oil	25,954	24,476	23,437	24,248	29,009	31,346

Sunflower Oil	18,237	22,991	18,699	20,880	25,207	26,849
Rice Bran Oil	27,812	24,796	21,282	23,912	23,775	22,967
Sesame Oil	28,235	20,361	21,864	23,465	23,710	22,003
Olive Oil	12,476	10,557	9,728	14,536	13,326	12,908
Tallow	76,712	36,795	24,013	10,483	22,971	12,512
Castor Oil	6,055	5,982	6,659	7,318	7,420	7,775
Fish Oil	11,186	14,610	9,923	10,085	8,363	6,552
Linseed Oil	6,219	6,173	6,048	6,354	6,197	6,073
Palm Kernel Oil	1,315	5,982	6,659	8,910	9,346	3,584
Cottonseed Oil	386	8,830	3,037	506	245	326
Safflower Oil	105	32	20	33	103	72
Jojoba Oil	46	39	47	46	39	60
Camellia Oil	22	16	18	26	37	49
Peanut Oil	41	52	13	19	26	14
Babassu Oil	8	6	4	9	8	13
Lard	-	209	486	0	93	1
Other Oil	14,446	13,924	13,627	10,010	13,472	10,227
Total	**1,186,479**	**1,207,534**	**1,170,419**	**1,209,082**	**1,285,561**	**1,304,217**

Source: Foreign Agriculture Service (FAS), Seoul, Korea
1) Including Imported Oil and Domestic Production

Table 2

Korea: Percentage of Total Oil Supply By Oil (Percent, Oct./Sep.)						
Commodity	**MY 2010/11**	**MY 2011/12**	**MY 2012/13**	**MY 2013/14**	**MY 2014/15**	**MY 2015/16**
Palm Oil	23.96	25.51	29.61	33.29	34.62	36.77
Soybean Oil	39.90	40.82	38.49	37.32	35.22	34.45
Rapeseed Oil	7.75	8.57	8.82	7.31	8.01	8.95
Corn Oil	3.91	3.87	3.60	3.96	3.97	4.13
Coconut Oil	5.16	5.01	5.33	4.81	3.92	3.18
Perilla Seed Oil	2.19	2.03	2.00	2.01	2.26	2.40
Sunflower Oil	1.54	1.90	1.60	1.73	1.96	2.06
Rice Bran Oil	2.34	2.05	1.82	1.98	1.85	1.76
Sesame Oil	2.38	1.69	1.87	1.94	1.84	1.69
Olive Oil	1.05	0.87	0.83	1.20	1.04	0.99
Tallow	6.47	3.05	2.05	0.87	1.79	0.96
Castor Oil	0.51	0.50	0.57	0.61	0.58	0.60
Fish Oil	0.94	1.21	0.85	0.83	0.65	0.50
Linseed Oil	0.52	0.51	0.52	0.53	0.48	0.47

Palm Kernel Oil	0.11	0.50	0.57	0.74	0.73	0.27
Cottonseed Oil	0.03	0.73	0.26	0.04	0.02	0.02
Safflower Oil	0.009	0.003	0.002	0.003	0.008	0.006
Jojoba Oil	0.004	0.003	0.004	0.004	0.003	0.005
Camellia Oil	0.002	0.001	0.002	0.002	0.003	0.004
Peanut Oil	0.003	0.004	0.001	0.002	0.002	0.001
Babassu Oil	0.001	0.000	0.000	0.001	0.001	0.001
Lard	-	0.02	0.04	0.00	0.01	0.00
Other Oil	1.22	1.15	1.16	0.83	1.05	0.78
Total Percent Palm or Soybean	**63.86**	**66.34**	**68.10**	**70.61**	**69.84**	**71.22**
Total Percent Palm, SBO or Rapeseed	**71.61**	**74.90**	**76.93**	**77.92**	**77.85**	**80.17**
Total Percent Non-Palm, SBO, or Rapeseed	**28.39**	**25.10**	**23.07**	**22.08**	**22.15**	**19.83**

Source: FAS/Seoul

Table 3

Korea: Domestic Production of Vegetable Oils[1] (Metric Ton, Oct/Sep)			
Commodities	**MY 2013/14**	**MY 2014/15**	**MY 2015/16**
Soybean Oil	173,100	195,300	199,500
Corn Oil	45,558	47,443	49,719
Perilla Seed Oil	23,349	27,994	30,491
Sesame Oil	22,988	23,404	21,521
Rice Bran Oil	10,000	10,000	10,000
Rapeseed Oil	436	1,523	1,290
Total	**275,431**	**305,664**	**312,521**

Source: FAS/Seoul
1/ FAS/Seoul estimates except for soybean oil production

Table 4

Korea: Fats and Oils Imports (MT & USD1,000, Oct/Sep)						
Commodity	**MY 2013/14**		**MY 2014/15**		**MY 2015/16**	
	Volume	**Value**	**Volume**	**Value**	**Volume**	**Value**
Palm Oil	402,553	340,786	445,072	299,371	479,503	291,130
Soybean Oil	278,144	272,191	257,472	220,071	249,798	191,436
Rapeseed Oil	87,914	90,445	101,392	89,916	115,474	90,711
Coconut Oil	57,858	73,628	49,852	63,463	41,042	69,050
Olive Oil	14,536	56,799	13,326	55,952	12,908	57,847

Sunflower Oil	20,880	31,186	25,207	33,727	26,849	32,281
Rice Bran Oil	13,912	20,687	13,755	20,114	12,967	19,027
Fish Oil	9,085	19,420	7,363	13,705	5,552	12,429
Castor Oil	7,318	11,356	7,420	11,096	7,775	10,177
Linseed Oil	6,354	8,814	6,197	9,756	6,073	8,566
Tallow	10,483	10,140	22,971	16,055	12,512	7,817
Palm Kernel Oil	8,910	12,005	9,346	10,604	3,584	4,251
Corn Oil	2,370	2,341	3,583	3,255	4,191	3,736
Perilla Oil	899	3,700	1,015	4,188	855	2,850
Sesame Oil	477	2,653	306	1,503	482	1,855
Jojoba Oil	46	1,079	39	879	60	1,285
Camellia Oil	26	393	37	664	49	772
Cottonseed Oil	506	677	245	380	326	499
Safflower Oil	33	137	103	347	72	273
Babassu Oil	9	119	8	73	13	132
Peanut Oil	19	120	26	129	14	88
Lard	0	0	93	79	1	3
Other Oil	10,010	47,075	13,472	45,492	10,227	40,317
Total	**932,342**	**1,005,751**	**978,297**	**900,818**	**990,327**	**846,532**

Source: Korea Customs Service (KCS)

Table 5

Korea: Edible Oil Supply in MY 2015/16 (MT, Oct/Sep)							
	Commodity	**Domestic Production From Domestic Seed**	**Domestic Production From Imported Seed**	**Total Domestic Production (MT) MY 2015/16**	**Total Imported MY 2015/16**	**Total MY 2015/16**	**Percentage of Oil Consumption**
1	Palm oil	-	-	-	479,503	479,503	36.77
2	Soybean oil	-	199,500	199,500	249,798	449,298	34.45
3	Rapeseed oil	420	870	1,290	115,474	116,764	8.95
4	Corn oil	-	49,719	49,719	4,191	53,910	4.13
5	Coconut oil	-	369	369	41,042	41,411	3.18
6	Perilla seed oil	20,373	10,118	30,491	855	31,346	2.40
7	Sunflower seed oil	-	-	-	26,849	26,849	2.06
8	Rice Bran oil	10,000	-	10,000	12,967	22,967	1.76
9	Sesame seed oil	2,919	18,602	21,521	482	22,003	1.69
10	Olive oil	-	-	-	12,908	12,908	0.99

11	Tallow oil	-	-	-	12,512	12,512	0.96
12	Castor oil	-	-	-	7,775	7,775	0.60
13	Fish Oil	1,000	-	1,000	5,552	6,552	0.51
14	Linseed oil	-	-	-	6,073	6,073	0.47
15	Palm Kernel oil	-	-	-	3,584	3,584	0.28
16	Cottonseed oil	-	-	-	326	326	0.03
17	Safflower seed oil	-	-	-	72	72	0.01
18	Jojoba oil	-	-	-	60	60	0.005
19	Camellia oil	-	-		49	49	0.004
20	Peanut oil	-	-	-	14	14	0.001
21	Babassu oil	-	-	-	13	13	0.001
22	Lard	-	-	-	1	1	0.0001
23	Other Oils	-	-	-	10,227	10,227	0.78
	Total	**34,712**	**279,178**	**313,890**	**990,327**	**1,304,217**	

Source: Foreign Agriculture Service/Seoul, Korea Customs Service (KCS)

Table 6

Korea: Top Oil Distributers		
Distributers	Products	Distribution Channels
SAJO	Edible cooking oils, paints, inks, adhesives, and industrial use, soybean oil for PCV floorings, leather, food, industrial, chemical adhesives, HAEPYO Vegetable Oils	Retail outlets, hotel, restaurant and institutional (HRI)
CJ	Beksul Soybean Oil, Beksul High Quality, Beksul Sesame Oil, CJ CheilJedang (specialty oil brand)	CJ World, grocery stores, convenience stores, HRI
Ottogi	Instant noodles, edible oils, mayonnaise, canned foods	Retail outlets, HRI
Lotte	Margarine, butter, shortening, cooking oil, whipped cream, emulsified fats	Lotte Foods (Grocery store) Lotteria (Western-style fast food chain), retail outlets
Samyang	Edible oils, instant noodles	Grocery stores, convenience stores

Source: Distributer's websites, interviews with industry experts

A) **DOMESTIC EDIBLE OIL REFINERIES**

Eleven different companies operate edible oil refineries in Korea. The refining process, also known as RBD (refined, bleached, deodorized) is used to remove impurities and to make the final product uniform. These companies continue to expand their refining facilities to meet demand from different food industry sectors, including food processing, restaurants, catering, and home consumption.

Table 7

Korea: Status of Domestic Refineries

(330 Day Year Cycle)				
Refinery	**Location**	**RBD Oil Sales**	**Products**	**Capacity (MT/day)**
SAJO	Inchon	In-house Package	Soybean Oil/Rapeseed	200
	Chilseo	In-house Package	Soybean Oil/Rapeseed	200
CJ	Inchon	In-house Package/Food	Soybean Oil/Rapeseed	300
	Samyang	In-house Package/Food	Soybean Oil/Rapeseed/Palm	250
Ottogi	Anjung	In-house Package/Food	Soybean Oil/Palm	500
	Anyang	In-house Package/Food	Palm/Shortening/Rapeseed/ Soybean Oil	150
	Wonju	In-house Package/Food	Sunflower	100
	Pyeongtaek*	In-house Package/Food	Soybean Oil/Palm	1000
Lotte	Chonan	In-house Package/Food	Soybean Oil/Rapeseed/Olive/ Sunflower/Palm/Coconut	850
Samyang	Inchon	In-house Package/Food	Soybean Oil/Palm/Rapeseed	300
Umac	Haenam	In-house Package	Soybean Oil/Corn/Rapeseed	100
Jinyuwon	Hwasung	In-house Package	Soybean Oil/ Corn/Rapeseed/Sunflower	100
Youngmi	Yongin	In-house Package	Soybean Oil/Corn	100
Dongnam	Yangsan	In-house Package	Soybean Oil/ Corn/Rapeseed/Sunflower/Palm	100
Nongshim	Pyeongtaek	In-house Food	Sunflower/Palm	250
Dongseo	Changwon	In-house (NDC)	Palm	100
Total				**4600**

Source: Cargill Trading/Korea, Interviews with industry experts

* Ottogi has plans to close the Anyang and Wonju refineries and open the Pyeongtaek refinery at the end of 2017. Pyeongtack will process palm oil and shortening.

• Bunge, ADM, and Cargill are the largest oil traders to Korea.

B) DOMESTIC OILSEED CRUSHERS

CJ and SAJO operate the two largest crushing facilities in Korea. The facilities are converted between processing rapeseed or soybeans depending on the crushing margin. (The soybean crushing margin has been more profitable than the rapeseed crushing margin since the second half of 2013.) MY 2015/16 soybean oil crushing reached 199,500 MT, up two percent over the previous marketing year. Soybean oil production in MY 2016/17 was expected to remain stable at 200,000 MT, unless the rapeseed crushing margin again becomes favorable. MY 2017/18 soybean oil production is forecast to decrease from MY 2016/17 due to saturation in the domestic market.

Even though CJ and SAJO are crushing at full capacity, there are no plans to either expand existing crushing facilities or to develop new ones. This is the result of a currently low crushing margin that is caused by both competitive pricing between retailers and the saturation of soymeal (byproduct of crushed soybeans) in the animal feed market.

In MY 2015/16, only about 12.4 percent of domestically crushed oils and 2.6 percent of total oils came from domestically grown seed. While there is domestic production of corn and soybean, the profit margins for these sources of oil are higher when sold fresh for direct consumption than when sold for crushing.

While the average edible oil import tariff rate is from 3 to 5 percent, perilla and sesame oil have import tariff rates of 36 percent and 40 percent, respectively. Largely because of these duties, 97 percent of perilla oil and 84 percent of sesame seed oil are produced domestically.

Rapeseed oil from domestically grown oilseed is a byproduct of Jeju Island local government programs. These initiatives subsidize growing rapeseed as a means to attract tourism to the island with their photogenic yellow flowers.

Table 8

Korea: Crushing Capacity (As of February 2016)		
Soybean Crusher	Capacity (MT/Day)	Location
CJ Corp	2,100	Incheon
SAJO O&F	1,100	Incheon
Total	**3,200**	

Source: Soybean Crushing Industry Note: Day=24 hours processing basis for 330 days a/ of them, 700 MT have been converted to crush for either rapeseed or soybeans depending on crushing margin since December 2012.

Table 9

Korea: Domestic Soybean Crushing MY 2015/16 (October/September, Tons)	
Volume of Soybeans Crushed	1,042,000
Domestically Produced Soybean Oil	199,500
Percentage of Soybean Oil From Soybean Oilseed	19.1 percent

Source: Foreign Agriculture Service

C) **IMPORTED REFINED OILS**

Compared to importing crude oil for domestic refining, imported refined oils are more likely to spoil in transit. They are also more difficult for oil distributers to adapt to a uniform taste or physical property expected by end users. Distributers may import refined oils if there is not enough financial incentive to refine domestically, if they are used for non-food purposes like cosmetics, or if they are specialty oils that are refined in the place of export.

SECTION III: MARKET DEMAND

A) KOREA's OIL IMPORTS

While predominantly used in the food industry, edible oils are also found in biofuels, cosmetics, cleaning supplies, and industrial lubricants. Although Korean buyers generally purchase from the same major source countries year-to-year, the competitive domestic market can force importers to quickly switch suppliers depending on price and quality options.

Table 10

Korea: Consumption Pattern of Edible Oils					
	Oil	**Common Usage**	**Common Food Products**	**Major Source Countries**	**Percentage of Oil Consumption MY 2015/16**
1	Palm oil	Food processing, hotel, restaurant and institutional (HRI), biofuel	Instant noodles, snacks, shortening, margarine, coffee creamer, chocolate coating	Malaysia, Indonesia	36.77
2	Soybean oil	HRI, home consumption, biofuel	Mayonnaise, margarine, fish cake, fried bean curd, hot dogs	United States, Vietnam, Argentina	34.45
3	Rapeseed oil	Home consumption, mixed oils, canning, biofuel	Laver, popcorn, canned fish	Canada, Australia	8.95
4	Corn oil	Non-stick cooking oil	Rice based confectionaries	Domestic Crushing	4.13
5	Coconut oil	Food processing	Ice cream, confectionary, cream substitute, shortening	Malaysia, Indonesia	3.18
6	Perilla seed oil	Home consumption, Korean restaurants	Namul, bibimbop, frying traditional Korean pancakes	Domestic	2.40
7	Sunflower seed oil	Fast food frying, high-oleic version used in fryers	Fried chicken, snacks, Krispy Kreme	Spain, Ukraine	2.06
8	Rice Bran oil	Corn oil substitute, used in silicon oil to stabilize fryer oil	Laver, frying bean curd, hot dogs	Domestic	1.76
9	Sesame seed oil	Food spicing	Kimchi	India, Vietnam, China	1.69
10	Olive oil	Home use, mixed oil	Refined olive oil	Spain, Italy	0.99

		product for chicken frying	used in frying, extra virgin used in dressings		
11	Tallow oil	Food processing, animal feed, flavor enhancer, industrial	Confectionary	United States	0.96
12	Castor oil	Medical, cosmetic	N/A	India	0.60
13	Fish Oil	Supplements, canning	N/A	Domestically produced, Chile	0.51
14	Linseed oil	Cosmetics, medicine	N/A	United States, Belgium-Luxembourg, Canada	0.47
15	Palm Kernel oil	Cosmetics, cream substitutes	Cream substitute, confectionary	Indonesia, Malaysia	0.28
16	Cotton Seed oil	Canning	N/A	Australia	0.03
17	Safflower seed oil	Cosmetics, health food	N/A	Spain	0.01
18	Jojoba oil	Cosmetics, creamer substitute	N/A	Israel, US, Spain	0.005
19	Camellia oil		N/A	N/A	0.004
20	Peanut oil	Fryers	N/A	United States	0.001
21	Babassu oil	Cosmetics	N/A	Malaysia, Indonesia	0.001
22	Lard	Industrial, food processing	N/A	United States, France	0.0001
	Other Oils		N/A		0.78

Source: OEC, Korea Customs Service, Foreign Agriculture Service. interviews with industry experts, Yeacoms reconstitutions, Current Status and Prospect on Fats and Oils Consumption in Korea)

B) PALM OIL

Palm oil is produced through crushing African oil palm seeds. The African oil palm is native to west and southwest Africa but is grown within 10 degrees of the equator worldwide. The world's largest producers, Malaysia and Indonesia, account for over 80 percent of global palm oil exports and over 99 percent of South Korea's imports. (Palm oil is imported duty free from both countries due to the Korea-ASEAN FTA.)

Palm oil consumption during MY 2015/16 was 479,503 MT, up 7.7 percent from MY 2014/15. Palm oil consumption was estimated at 490,000 MT in MY 2016/17 because the mandated percentage of biofuels in Korean petroleum-based diesel increased from 2 percent in 2015 to 2.5 percent in 2016 and now to 3 percent in 2018.

While palm oil is the cheapest oil available in Korea, its high saturated fat percentage (49 percent) and flavor profile limits its market potential. Limited amounts are sold for home consumption because Korean consumers view it as unhealthy. It is often found in mixed oils for

fryers because it has specific physical characteristics to both enhance flavor and favorably crisp fried foods. Its use in mixed oils is generally limited to around 10 percent to 30 percent of total product because of its high saturated fat content and because the oil leaves a nutty flavor on fried foods (compared to the comparatively tasteless rapeseed or soybean oils).

An estimated half of all palm oil use in the food production industry is used for instant noodles. It is also found in fried snack foods, confectionaries and creamer substitutes.

Palm oil is imported either as crude oil, olein or stearin. When crude oil is separated, around 20 percent of the final product is a solid, stearin, and 80 percent of the product is a liquid, olein. While Korea has the facilities to separate palm oil into olein and stearin, it generally imports pre-separated oil from facilities in Malaysia or Indonesia. Palm Fatty Acid Distillate (PFAD) is a chemical byproduct of separating stearin and olein. It can be used in biofuels instead of crude palm oil. An estimated 120,000 MT of PFAD was imported in MY 2015/16 for industrial and biodiesel purposes.[2]

Table 11

Korea: Palm Oil, Olein, Stearin, PFAD, and Crude				
Name	Usage	Notes	Percentage of crude	Price Estimate USD per MT (July 2017)
Crude oil	Biofuels, Fryer oil, food processing	• Crude palm oil is semi-solid before it is refined. It will often be separated into its solid form, stearin, and its liquid form, olein. • Crude palm oil is used for biofuel from March through September. There are legal restrictions against using palm from October through February.		750
Olein	Food processing	• Palm olein is generally used as liquid oil for fryers or in food processing for products like instant noodle. • Olein is not used for biofuels because of its unfavorable price spread against crude oil.	80 percent of crude	770
Stearin	Biodiesel during summer (March to September),	• Stearin is used specifically for solid vegetable fat in foods like margarine or in industrial products including paint, chemical, detergent, and soap. • In 2015, stearin was around USD100 per	20 percent of crude	700

[2] *Sources*: Korea Customs Service, OEC and interviews with industry experts

	margarine, shortening	MT cheaper than olein, Factors like the increasing demand for margarine in China has decreased the price spread. • Stearin cannot be used for biofuels during the winter. This causes the price to be higher during the summer and lower in the winter.		
Palm Fatty Acid Distillate (PFAD)	Soaps, detergents, industrial products	• PFAD is a byproduct of separating olein and stearin. • PFAD is used for biodiesel and chemical purposes. • Korean based SK Chemical processes an estimated 120,000 MT of PFAD annually. This total is not tallied in the 490,000 MT of imported palm oil in MY 2015/16.	4-5 percent byproduct of the stearin and olein separation process	700

Source: Interview with industry experts

Table 12

Korea: Palm Oil Consumption		
Usage	Estimated Total Consumption (MT)	Top Products
Biofuel	220,000	Biofuel between March and September
Bioheavy Fuels	50,000	Used in diesel engines
Food Processing	220,000	Instant noodles (estimated half of all palm oil for food processing is used for instant noodles), margarine, shortening, mixed oils
Other	Unknown	Cosmetics, cleaning supplies, industrial lubricants, et al

Source: Interview with industry experts. Consumption numbers are estimates.

C) **SOYBEAN OIL**

Soybean oil consumption in MY 2017/18 (Oct./Sep.) is estimated at 450,000 MT, unchanged from the MY 2016/17 estimate. Soybean oil imports have stayed consistent at around 450,000 MT per annum since MY 2012/13.

Soybean oil is processed at either one of Korea's soybean oil refining facilities or at CJ or SAJO's crushing facilities. The two plants have a combined crushing capacity of 3,200 MT per day. CJ and SAJO sell domestically crushed soybean oil as part of their premium brands at a markup over imported varieties. Crushing margins in 2017 were low due to a saturated domestic soybean meal market and competitive soybean oil pricing for home consumers.

U.S. soybean oil exporters' market share rose from 4.9 percent in 2014 to 30.2 percent in 2016 by gaining market share against Argentina. Three reasons influenced the Korean buyers' pivot to U.S. soybean oil. First, Argentinian drought conditions caused the oil content of their soybeans to fall. Second, Korean end users prefer colorless oil but the Argentinian oil has a red tint. Third,

the KORUS FTA reduced the tariff on U.S. soybean oil from 3.24 percent in 2015 to 2.7 percent in 2016. (The KORUS FTA annually cuts tariff rates on American oil exports over a ten-year period before reaching zero in 2021.)

D) RAPESEED (CANOLA) OIL

Over the last decade, rapeseed oil was consistently around USD100 to USD200 more per metric ton than soybean oil. In MY 2015/16, the price spread declined to USD19 per metric ton due to cheaper Canadian imports and competitive pricing between domestic retailers.

Korean consumers consider rapeseed oil to be higher quality than soybean oil. It has the highest market share for home consumption. Rapeseed oil is also used in food processing for items like popcorn and laver (seaweed product). It is used in mixed oils at different chain restaurants, including Dongee, Gyochon and Kyochon.

Rapeseed oil has made few inroads against the soybean oil market share in the restaurant or food processing industries despite favorable consumer perceptions and a narrowing price spread. Industry buyers are not inclined to switch their oil use based on short term price fluctuations. Their first priority is to standardize their product's flavors, texture, and chemical makeup through consistent oil selection

Canada and Australia are the top rapeseed oil exporters to Korea. Canada has an estimated 90 percent market share while Australia has around 5 percent. Australia generally exports non-GMO rapeseed oil while Canada generally exports oil derived from biotech rapeseed varities. Australian exports dropped in MY 2015/16 because of lowered production levels caused by drought conditions. Canadian exports increased in MY 2015/16 due to reduced tariffs and higher production levels decreasing prices. Australian crude rapeseed oil is now around USD100 more per MT than Canadian crude rapeseed oil. While Korean oils are not labeled as GMO or non-GMO, certain distributers pay a premium for Australian oil to attract customers who are aware of which companies generally purchase non-GMO products.

E) OTHER OILS

Corn Oil: Throughout the 1970s and 80s, soybean oil and corn oil dominated the market. Demand for specialty oils was limited because Korean buyers had less discretionary income, and were not as aware of available varieties or health issues associated with different oils. As the oil market has diversified, corn oil has dropped from second to fourth in overall consumption. This is due in part to price increases and inconsistent supply. It has gone from being cheaper than rapeseed oil in MY 2011/12 to having been 15 percent more expensive in MY 2015/16.

Olive Oil: In Korea, refined olive oil is used for frying and unrefined olive oil is consumed raw in dressings or sauces. It is regarded as premium oil because of its low saturated fat content and taste. In the home and restaurant market, it is sometimes sold as part of oil mixes for fryers. BBQ Chicken, one of Korea's largest fried chicken franchises, exclusively uses olive oil in its fryers. It

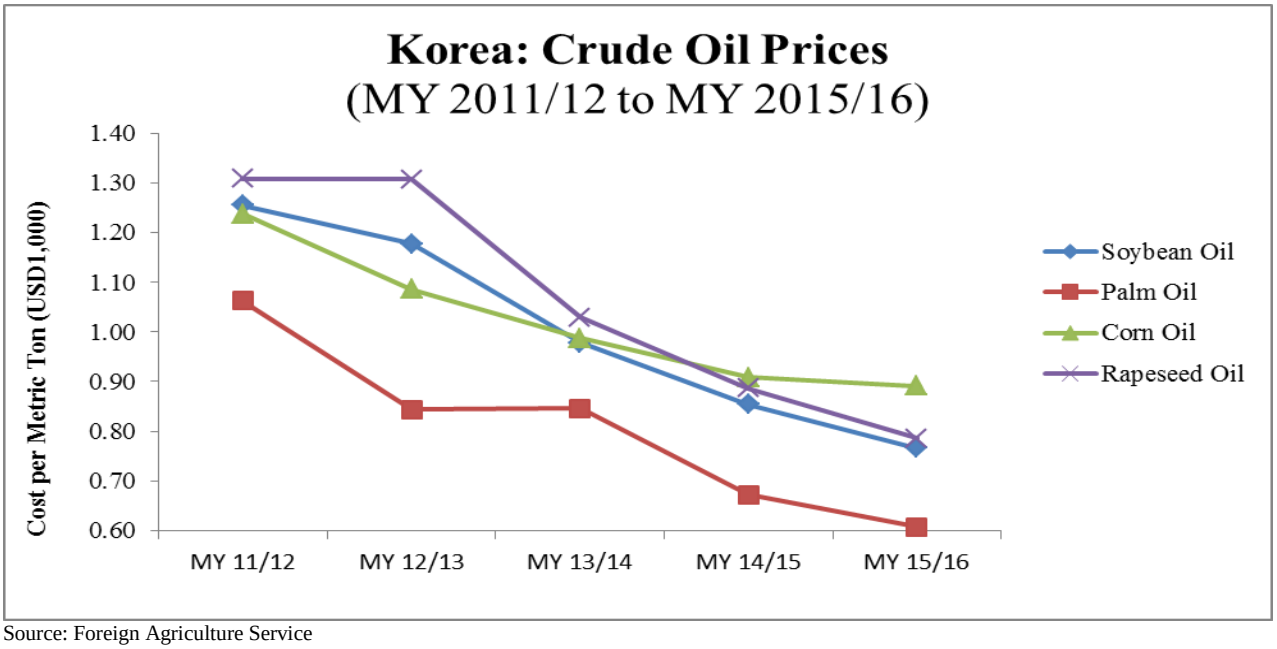
is used as a marketing tool to distinguish its chicken as more healthy and flavorful than its competitors.

Mixed Oils: Combining multiple oils allows for end users to maximize each oil's nutrition, taste, cost, and chemical qualities into one product. The mixed oil market grew from 10,000 tons in 2005 to 86,000 tons in 2015. Some franchises that exclusively used soybean oil in the past now use mixes that include rapeseed, olive, rice bran, palm and others. Korea's major sellers like CJ, SAJO, Lotte, and Ottogi will work with different franchises to customize a profile specifically rendered for their needs.

Price Change Relationship Between Palm, Soybean, Corn and Rapeseed:
Palm oil and soybean oil are generally considered substitute goods due to both having mild flavor, high smoking points (453-455 °F) and low prices. As global biofuel demand increases, soy and palm oil prices are likely to remain parallel to each other.

The prices of soybean, palm, corn and rapeseed oil declined from MY 2011/12 to MY 2015/16. The consumption of these oils in terms of respective market shares (exempting changes due to increased palm oil consumption for biofuel) has remained steady.

Table13



Source: Foreign Agriculture Service

F) EDIBLE OIL CONSUMPTION BY INDUSTRY

i. **Food Processing:**

Palm Oil

At an estimated 74 individual serving size packets annually, Korea is the world's top consumer of instant noodles per capita, totaling an estimated 590,000 MT of instant noodles. Instant noodles are fried in palm oil for the oil's low cost and functionality. Considering that by weight, about 20 percent of instant noodle's total weight is palm oil, it is estimated that 100,000 to 120,000 MT of palm oil was used for ramen noodle production in MY 2015/16, accounting for an estimated half of all palm oil used in the food industry.[3]

Soybean Oil

Soybean oil is most commonly used in baked goods, fish cakes, and dressings. Consumer health awareness of trans-fats led to a drop in production in recent years. Between CY 2014 and CY 2015, production levels dropped 24 percent for shortening and 32 percent for mayonnaise.

Soybean oil is sold to the food processing industry in tank trucks holding 5 to 25 tons or in 180 kg drums. Around 76,000 tons of overall consumption, 17 percent of the total soybean oil market, was used in food processing. (USSEC/Seoul)

Table 14

Korea: Soybean Oil Consumption by Food Industry
(MT)

		Bakery	Fish Cake	Source/ Dressing	Convenience Food	Confectionary	Dumplings	Processed Tofu	Noodles	Other Use	**Total**
SBO	Consumed	12,654	11,799	8,873	6,788	5,330	2,171	1,062	61	27,119	**75,857**
	percent	16.7	15.6	11.7	8.9	7	2.9	1.4	-	35.8	**100**

Source: USSEC/Seoul

ii. **Hotel, Restaurant and Institutional (HRI):**

The percentage of Korean household's total food & beverage expenditures spent on dining-out has risen from around 5 percent in the 1980s to 47.3 percent in 2014. Since the country is increasingly urban with more dual-income families and single-member households, spending is expected to continue to grow steadily. The largest HRI growth markets within the HRI are pubs, snack bars, and chicken fryers.

The HRI market is saturated. Korea has roughly one restaurant for every 100 customers. This causes competition which leads owners to seek out both low prices and ways to distinguish their product through a distinct flavor and texture. Soybean oil remains the most commonly used oil in the industry due to its low cost. Some restaurants will incorporate olive, rapeseed, sunflower, or mixed oils either for marketing, flavor, or for physical properties.

To retain a consistency of flavor and texture, franchise restaurants generally have their own unique variety of mixed oil. They will develop mixed oil recipes either separately or in

[3] *Sources:* Current Status and Prospect on Fats and Oils Consumption in Korea, South Korea found the most ramen-eating country *(http://www.koreaherald.com/view.php?ud=20160317000850); http://english.hani.co.kr/arti/english_edition/e_business/670014.html*

coordination with large oil distributers based on a mix of specific guidelines, including price, flavor profiles, fat content and chemical properties.

Palm olein oil will sometimes be included as part of mixed oils for fryers because it is cheap and provides a crispy texture. It is generally limited to 10-30 percent of the total mixed oil because it is high in saturated fat and can give the chicken a nutty flavor specific to palm oil if it is used in higher percentages. Small amounts of rice bran oil can be added to keep oil from splattering.

Franchise restaurant outlets grew from 68,000 in 2011 to 89,000 in 2014. They include a range of foreign chains like KFC, Krispy Kreme, and MOS Burger and domestic chains like Lotteria or Bonchon. Franchise restaurants are required to list calories and fat content on their menus. To stand out in a competitive market while addressing health concerns, Krispy Kreme and KFC have integrated high-oleic sunflower oil.

Table 15

Korea: Number of Restaurants by Food Service Segment

Restaurant Type	Korean Rest.	Chinese Rest.	Japanese Rest.	Western Rest.	Snack bar/fryers	Pub/Bar	Fried Chicken	Pizza/ Hamburger	Institutional Food Service	Catering Food Service	Others	Total
Total Number	301,939	21,550	7,740	12,186	46,221	127,968	31,529	14,630	9,709	560	4,669	578,701
Percentage of Total	52.2	3.7	1.3	2.1	8.0	22.1	5.4	2.5	1.7	0.1	0.8	

Source: Korea Statistics Office

iii. **Home Consumption**

In the 1970s and 80s, the home consumption market was dominated by soybean and corn oil. The country was an emerging economy and Koreans as a whole had limited discretionary income. It is traditional for Koreans to bring gifts for their hosts on holidays like New Years and Chuseok (Korean Thanksgiving). In the 1970s and 1980s and earlier, the gifts would generally consist of basic staples such as sugar, soybean oil and flour.

As Korea's economy developed and consumer's disposable incomes rose, companies saw a market for a greater diversity of products. They began to include oil varieties that had previously been either unavailable or unknown to consumers. Specialty oils such as rapeseed, olive, and grape seed were introduced and advertised for their frying potential. They were specifically packaged as gift sets to present to one's hosts on these holidays. The gift sets were instrumental in introducing and gaining acceptance of these new types of oils by Korean consumers.

Today, the market is much more diverse and many Koreans, particularly those in urban centers, are willing to pay a premium for quality, nutrition, taste, and specific recipe requirements. Mandatory trans-fat and saturated fats labeling laws increased consumer awareness of different oils' nutritional content. Shifts in oil demand are reflective of consumer trends and price changes. Total home consumption is down as consumers are frying less. As a reflection of decreased consumption, distributers sell oil in smaller bottles. Rapeseed has overtaken soybean oil as the largest oil consumed in the home market due to its decreasing price spread and

increasing consumer preference for soybean oil alternatives. While distributers once exclusively sold 1.8 liter bottles of oil to home consumers, now they offer smaller-sized bottles to reflect changing demand.

Table 16

Korea: Household Cooking Oil Sales By Oil Type (One Hundred Million KRW, Calendar Year)								
	2012		**2013**		**2014**		**2015**	
	Sales	percent	Sales	percent	Sales	percent	Sales	percent
Rapeseed Oil	975	30.0	1,100	35.1	1,220	37.9	1,230	37.0
Soybean Oil	845	26.0	750	23.9	740	23.0	790	23.8
Grapeseed Oil	712	21.9	630	20.1	480	14.9	476	14.3
Olive Oil	390	12.0	380	12.1	480	14.9	487	14.7
Others	325	10.0	280	8.9	300	9.3	338	10.2
Total	**3,250**		**3,140**		**3,220**		**3,321**	

Source: LinkAztec Retail Survey, 2015

Table 17

Korea: Household Cooking Oil Sales by Channel (One Hundred Million KRW, Calendar Year)								
	2012		**2013**		**2014**		**2015**	
	Sales Volume	percent	Sales Volume	percent	Sales Volume	percent	Sales Volume	percent
Big Discount Store	153,133	46.9	156,311	49.8	162,675	50.6	146,944	51.2
Chain Supermarket	84,224	25.8	77,844	24.8	80,428	25.0	71,614	25.0
Independent Supermarket	61,868	19.0	57,047	18.2	57,509	17.9	51,809	18.1
General Grocery	23,723	7.3	20,238	6.4	18,505	5.8	14,311	5.0
Convenience Store	3,522	1.1	2,560	0.8	2,400	0.7	2,232	0.8
Total:	**326,470**		**314,000**		**321,517**		**286,910**	

Source: A.C Nielsen Korea, USSEC/Seoul

Table 18

Korea: Reason to Purchase of Cooking Oil recently (multiple responses)						
Reason	"Matched With Cuisine"	"Better quality"	"Better taste"	"Healthy"	"High-class"	“Crispy”
percent	40.4	21.3	17	10.6	4.3	4.3

Source: Consumer CLT survey in July 2016

iv. **Biofuels:**

It is estimated that Korea annually consumes 20 to 23 MMT of petroleum-based fuels. Starting in 2007, the Korean government mandated that petroleum-based fuels include a percentage of biofuel. In 2018, mandated biofuel amounts will increase by .5 percent to reach a total of 3 percent. This is expected to increase palm oil demand by 50,000 MT and bring total imports to 550,000 MT in 2018.

Korean law forbids palm oil from being used as a biofuel from October through February because it can freeze in cold temperatures. During these months, PFAD and used cooking oil are predominantly used instead.

While soybean and rapeseed oil can be used in the winter, they are rarely used because of their unfavorable price spread compared to alternatives. An estimated 12,000 MT of rapeseed oil was used for biofuels in MY 2015/16. Soybean oil was used for biofuel between 2009 and 2014 but has been phased out due to its price.

Table: 19

Korea: Mandated Percentage of Fuel That Must Be Biofuel						
Year	2007	2008	2009	2010	2016	2018
Percent	0.5	1	1.5	2	2.5	3

Sources*:* Quality Characteristics of BTL Diesel in Korea, Current Biofuel Situation & Prospect of Biofuels in Korea

Table 20

Korea: Sources of Biofuel		
Compound	Estimated MT	Notes
Palm oil	270,000	Palm oil can be used from March through September. It is legally prohibited from being used during the winter. An estimated 50,000 MT of the total was used for heavy fuels.
Palm Fatty Acid Distillate (PFAD)	120,000	SK Chemical only uses PFAD, which is not included in the 490,000 MT of annual imports. SK Chemical is currently the one company in Korea that has the facilities to process PFAD. PFAD was used over olein because it was cheaper but the price difference is getting smaller. PFAD can be used throughout the winter
Used Cooking Oil (UCO)	160,000	UCO is collected from fryers and other sources of used oils.
Other Oils	12,000	Rapeseed and soybean can be used instead of palm oil during the winter. Due to their high price compared to alternatives like UCO or PFAD, they are seldom used.
Total	**500,000 MT**	2.5 percent of estimated 20 MMT of fuel demand.

Exports	100,000	Korea's exports used cooking oil to the United States. Despite domestic demand, exporting is profitable because there are American tax incentives in place.

Source: FAS/Seoul based on interviews with Korea biofuel industry

G) EDIBLE OIL MARKET TRENDS IN KOREA

Korea's aging and largely urban population is growing more aware of health issues related to different oils' saturated and trans-fat content. To cater to certain consumers' willingness to pay a premium for alternatives to soybean, palm or corn oil, distributers have diversified their products and imported a wider variety of oils. Certain restaurants spend more to use mixed or specialty oils in order to attract customers in a competitive market.

Simultaneously, Korean consumers' increasingly busy lifestyles have led to increased spending on dining out and processed foods. Oil used in most restaurants and processed foods are generally not chosen for health or quality reasons, but rather for low cost and standardization. Considering restaurants and food processors are already dealing with intense competition and low margins, they are not going to pay more for premium oils unless customers are willing to pay more in turn.

With Koreans trending towards both health and low-cost convenience, it is fair to anticipate that producers who are able to cater to both simultaneously will be set up to succeed in future markets.

High-Oleic

High oleic oilseeds are genetically modified to produce oil that is low in saturated fat, reduces trans-fat in preserved foods, and extends the amount of time the oil can be used in fryers before spoiling. Considering Korean consumers' preference towards healthier oils and restaurant owners' preference towards reducing costs by means of extending their fryer oil's frying yields, high-oleic oilseed has significant market opportunities. While high-oleic rapeseed oil, soybean oil and sunflower oil exist, only sunflower oil has been adopted in Korea. Chain restaurants like Dunkin Donuts, Orion, and Krispy Kreme use high-oleic sunflower oil seed in their fryers.

However, both consumers and the food industry are generally unaware of the advantages of high-oleic oils. Buyers have less incentive to purchase high-oleic oils at a premium if there is no consumer demand. For example, a leading Korean oil distributer phased out high-oleic sunflower oil from its brand of premium oils due to low sales. They attributed low sales to lack of awareness. Distributers noted that they would be willing to purchase high-oleic oil if it is priced the same as the standard variety.

Despite the market being currently neutral towards high-oleic, Korean food consumption habits change quickly and are receptive to food trends. High-oleic has the potential to attract health conscious consumers because of its low-saturated fat content or lose customers that are more concerned with avoiding GMO products.

While international producers that transition to high-oleic oil cannot be guaranteed an inevitable price markup over standard oil varieties, they should at least anticipate being able to sell it for the

same price. In the case that high-oleic gains popularity, it could give early adapters a higher profit margin.

H) EDIBLE OIL MARKET OUTLOOK

Overall, the edible oil market is expected to remain relatively steady. An exception is palm oil consumption which is expected to increase between 50,000 and 60,000 metric tons because mandated biofuel consumption has increased from 2.5 in 2016 to 3 percent in 2018. At the same time, the use of palm oil in the food processing industries is expected to stay steady while its consumption in HRI and home usage remains minimal. Soybean oil is expected to maintain its status as the predominant oil in the HRI and food processing industries. Rapeseed oil is anticipated to continue to perform well against soybean oil in the in-home consumption market segment, and the market share of the latter is expected to grow if the price spread against soybean oil continues to diminish.

SECTION IV: MARKET ACCESS

A) IMPORT TARIFF AND TAXES

Table 21

Korea: Applied Tariff Schedule For Fats And Oils
(Percent)

Commodity	H.S. Code	General Rate	2016	2017
Lard	1501.00.10xx	3	3	3
Beef Tallow	1502.00.10xx	2	2	2
Other Tallow	1502.00.90xx	3	3	3
Fish Oil	1504.xx.xxxx	3	3	3
Soybean Oil for Food, Crude	1507.10.1000	5	5	5
Soybean Oil For Biodiesel, Crude	1507.10.2000	5	5	5
Soybean Oil for Other, Crude	1507.10.9000	5	5	5
Soybean Oil for Food, Refined	1507.90.1010	5	5	5
Soybean Oil For Biodiesel, Refined	1507.90.1020	5	5	5
Soybean Oil for Other, Refined	1507.90.1090	5	5	5
Soybean Oil, Other	1507.90.9000	5	5	5
Peanut Oil	1508.xx.xxxx	27	27	27
Olive Oil	1509.xx.xxxx	5	5	5
Palm Crude Oil	1511.10.0000	3	3	3
Palm Oil	1511.90.xxxx	2	2	2
Sunflower Oil	1512.1x.xxxx	5	5	5
Safflower Oil	1512.1x.xxxx	5	5	5
Cotton Seed Oil	1512.2x.xxxx	5	5	5
Coconut Oil	1513.1x.xxxx	3	3	3
Palm Kernel Oil	1513.2x.xxxx	8	8	8
Rapeseed Oil, Crude	1514.11.0000	5	5	5

Rapeseed Oil, Refined	1514.19.xxxx	5	5	5
Rapeseed Oil, Other, Crude	1514.91.1000	5	5	5
Linseed Oil	1515.1x.xxxx	5	5	5
Corn Oil	1515.2x.xxxx	5	5	5
Castor Oil	1515.30.xxxx	5	8	8
Tung Oil	1515.90.9040	8	8	8
Sesame Oil [1/]	1515.50.0000	40	40	40
Perilla Seed Oil	1515.90.1000	36	36	36
Rice Bran Oil	1515.90.9010	5	5	5
Other, Crude	1515.90.9090	5	5	5

Source: FAS/Seoul

B) FREE TRADE AGREEMENT

KORUS-FTA: The United States signed the KORUS-FTA on June 30, 2007. It set an annual drop of the soybean oil duty.

Table 22

Korea: Scheduled Duty for Imported Soybean Oil under KORUS FTA (Percent)										
Base Rate	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
5.4	4.86	4.32	3.78	3.24	2.7	2.16	1.62	1.08	.84	0

Source: Office of the United States Trade Representative

Korea-ASEAN FTA: Palm oil has been imported duty-free from Indonesia and Malaysia under the Korea-ASEAN FTA since June 2007.

CKFTA: Canada exported over 90 percent of total rapeseed oil exports to Korea in 2016. The 2015 Canada Korea Free trade agreement reduced the tariff on crude rapeseed oil from the previous rate of 8 percent to 2.8 percent in 2017. The tariff is set to be eliminated in 2021. The refined rapeseed oil tariff of 5 percent was eliminated in 2017.[4]

MERCOSUR: Brazil, Argentina, Uruguay, and Paraguay formed a trade bloc known as Mercosur effective 1995. In 2017, talks began to discuss a free trade agreement between Mercosur and Korea. Argentina was the top exporter of crude soybean oil in 2015.[5]

C) LABELING

Edible oil is subject to mandatory nutritional labeling. In accordance with Article 6 of the Enforcement Regulations of the Food Sanitation Act, nutritional labeling (example below) is required for several food products including edible oil. Nutritional labels must be in Korean and must also use the Korean nutrient reference values provided in Korean Labeling Standards for

[4] *Source*: http://international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/korea-coree/export-gains-exportation.aspx?lang=eng)

[5] *Source*: http://www.sice.oas.org/TPD/MER_KOR/Negotiations/MER_KOR_Joint_Statement_03_17_e.pdf

Food.

Information that is required to be stated on nutritional labeling include: 1) Calories, 2) Sodium, 3) Carbohydrates (sugar), 4) Fat (trans fat, saturated fat), 5) Cholesterol, 6) protein and 7) any nutrient that is emphasized.

Serving size 00 (00 g)
Total serving size (00g)

Amount per serving		* percent daily value
Calories	000kcal	
Carbohydrate	00g	**00**
Sugars	00g	
Protein	00g	**00**
Fat	00g	**00**
Saturated	00g	**00**
Trans Fat	00g	
Cholesterol	00mg	**00**
Sodium	00mg	**00**

percent daily values: percentages of daily reference values

Edible oil is exempted from GMO food labeling requirements. Korea does not require GMO labeling for products that do not contain a foreign DNA or protein in the finished products and therefore, oil is exempted from mandatory GMO labeling.

For more information on labeling, please visit the Food and Agricultural Import Standards (FAIRS) report at
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Seoul_Korea%20-%20Republic%20of_12-30-2016.pdf

SECTION V: KEY CONTACTS AND FURTHER INFORMATION

For more information, please contact Agricultural Affairs Office of the U.S. Embassy in Seoul, Korea and U.S. Soybean Export Council (USSEC)/Seoul.

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