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Asparagus

Report Categories:

Asparagus

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Report Highlights:

South Korea is the fifth largest export market for U.S. farm products. In 2008, the United States was the third largest supplier of fresh asparagus, and the second largest supplier of preserved asparagus by value. Increased imports of asparagus are expected as the trend for health foods continues. The current 27 percent tariff on U.S. asparagus imports will be eliminated immediately after the ratification of the Korea - U.S. FTA.

General Information:

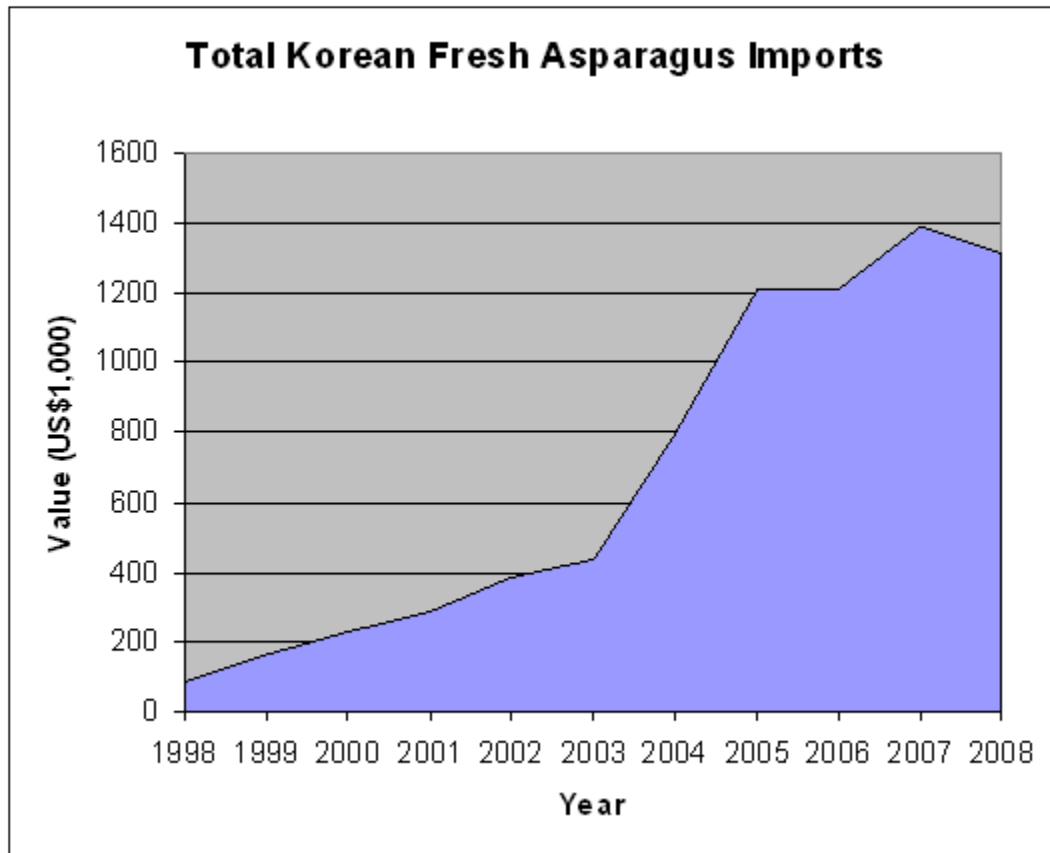
MARKET OVERVIEW

Korea was the world's 14th largest economy in 2008 [1] with a GDP of \$1.34 trillion and per capita GDP (PPP) of \$27,600. Although the Korean economy has been affected by the global economic crisis, it is recovering quickly. In 2008 the United States exported \$6.9 billion worth of agricultural products to Korea, including \$120 million worth of fresh and \$16 million worth of preserved vegetables, making Korea the fifth largest export market for U.S. farm products [2] . The United States is the third largest supplier of fresh asparagus, and the second largest supplier of preserved asparagus by value [3] (2008).

There is currently a limited market for asparagus in Korea, but with proper marketing strategies, this market could be greatly expanded. After the ratification of the Korea-U.S. Free Trade Agreement (KORUS), concluded in April of 2007, a 27 percent tariffs on U.S. imports of fresh asparagus will be eliminated immediately; making this product more price competitive.

- The Korean market for asparagus is growing as consumers demand for healthy, fresh foods increases.
- In 2008, the United States had a 36 percent market share of total preserved asparagus (HS 2005600000) imports and a 12 percent market share of fresh asparagus (HS 0709200000) imports.
- The United States currently holds a 58 percent share of preserved asparagus up to October of 2009, and a 6 percent share of fresh/chilled asparagus.
- U.S. produce such as asparagus is perceived as high-quality, nutritious, and possessing long shelf-life.
- Asparagus imports are expected to maintain growth due to increased demand for health foods following a consumer trend. There is much market potential for asparagus as more consumers are introduced to it and its culinary uses are expanded.

Figure 1

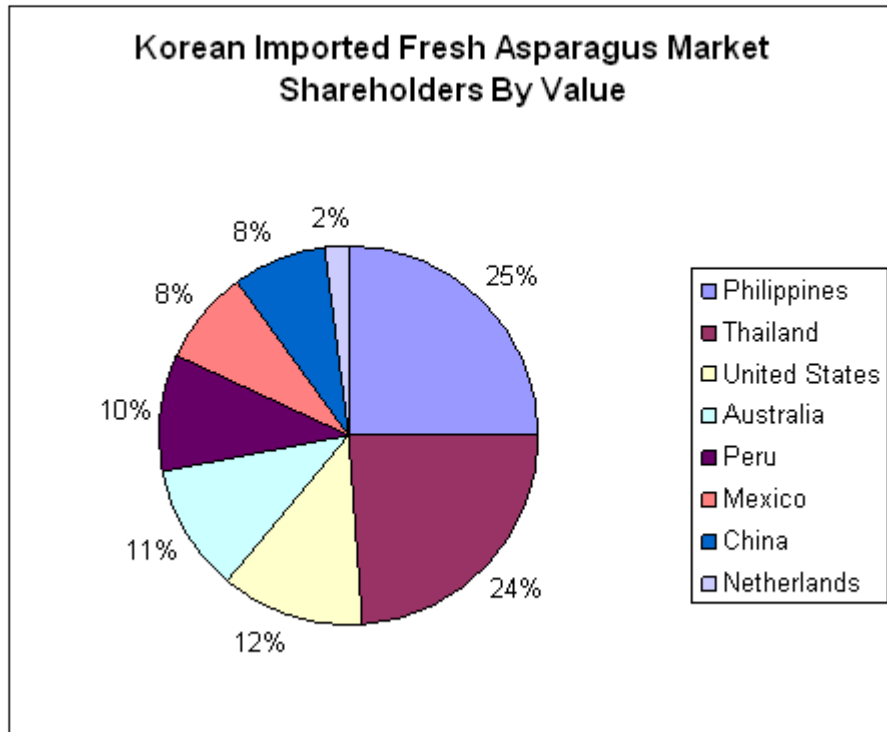


Source of statistics: Korea Trade Information Service (KOTIS), 2009

MARKET SECTOR THREATS AND OPPORTUNITIES

- FTAs with Mexico and Peru, both large asparagus producers, are currently being considered. Ratification of these may be several years in the future.
- The texture, taste and shape of asparagus give it the possibility for use in kimchi [4] .
- The retail price of fresh asparagus is about KRW 7,500 per kilogram, while imported fresh asparagus is traded at KRW 9,000 – 10,000 per kilogram. (1,200 KRW = US\$1)
- The market for fresh asparagus is much larger than the market for canned/prepared asparagus, reflecting consumers' preference for fresh foods.

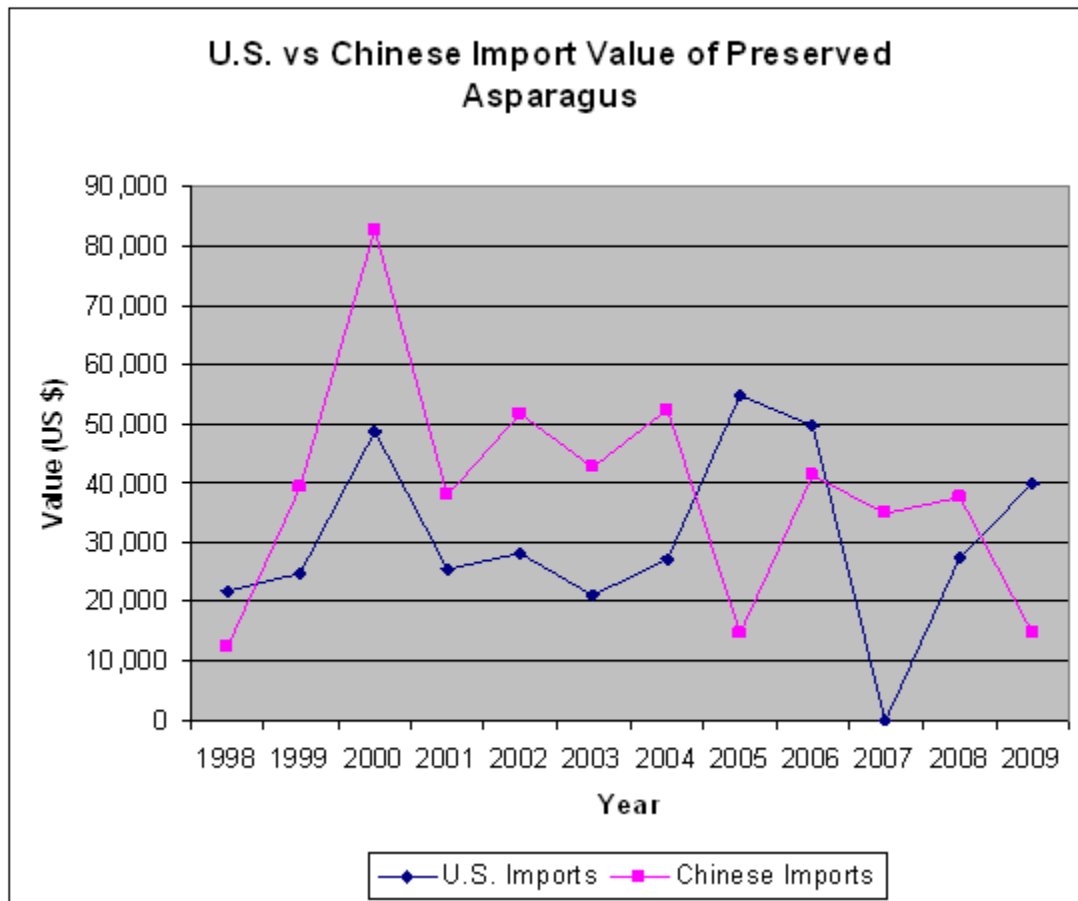
Figure 2



Source: Global Trade Atlas, 2008

- Organic asparagus may be imported into Korea because no mandatory fumigation applications (which negate organic certification) currently exist for this type of fresh produce import.
- China and the United States control the vast majority of preserved asparagus market shares (figure 3, Appendix).
- A high-end restaurant owner stated that he preferred U.S. canned asparagus to Chinese because of its higher quality and price competitiveness, noting the brand Del Monte®

Figure 3



Source of statistics: KOTIS, 2009

- The sharp spikes and dips in the amount of imported preserved asparagus (figure 3) are market responses to price fluctuations in fresh asparagus.

MARKETING

- Korean consumers respond well to health/functional food advertising and any foods with a perceived health benefit.
- There are currently few known uses for asparagus in Korean cuisine. Marketing this product in ways which showcase its potential as an ingredient or substitute/compliment to dishes would be beneficial to producers and exporters.
- Asparagus is ranked amongst the world's healthiest foods for its myriad of nutritional values and functional properties. The chart below outlines the nutritional values of one serving of boiled asparagus.

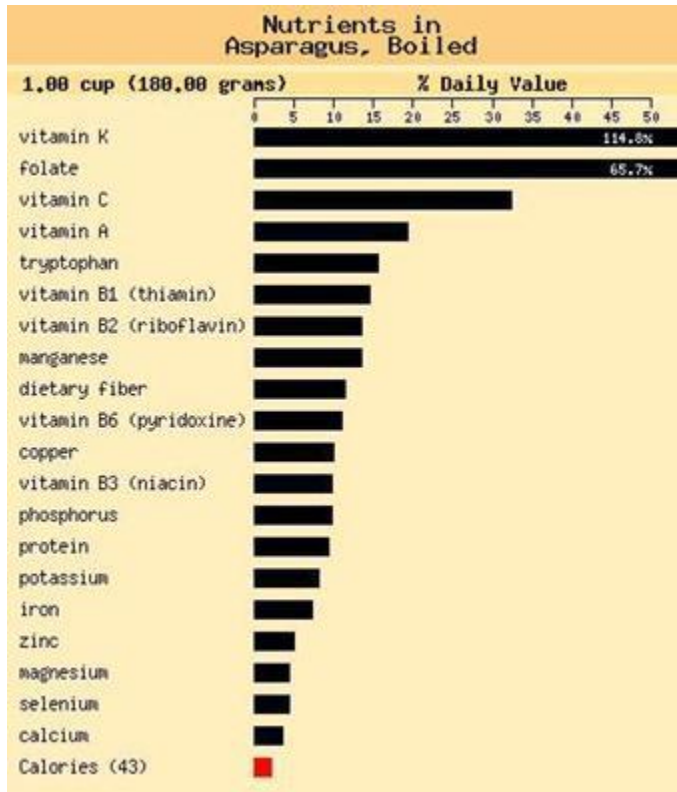


Chart: The World's Healthiest Foods, 2009

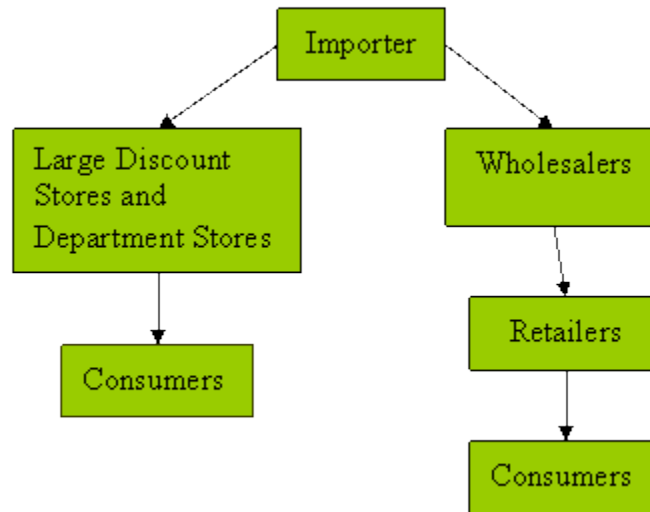
<http://www.whfoods.com/genpage.php?tname=foodspice&dbid=12#healthbenefits>

- There are dozens of health claims for asparagus including: It limits birth defects (folic acid), is good for your heart, reduces the risk of cancer, reduces menstrual cramping, fights chronic fatigue and scurvy, improves the success of chemotherapy, and can be used as a hangover remedy.
- There is a current trend and increased demand for organic products, and as mentioned above, U.S. asparagus may be imported organically. The regulations concerning organic produce certification change often and are currently undergoing revisions by the Ministry of Food, Agriculture, Forestry and Fisheries (MFAFF); the agency through which Korea's organic certifications are processed. For current organic certification requirements, it is advised that importers contact ATO Seoul [here](#).
- Attending a Korean food show is a great way to gain access to the market. Seoul Food & Hotel Korea is a trade-only international food show event that is endorsed by USDA's Foreign Agricultural Service. Seoul Food & Hotel is recommended for U.S. suppliers of fresh produce. For more information on attending this show, please contact ATO Seoul.

Distribution

- Local asparagus production has declined in recent years, while demand has increased, thus increasing the demand for imported asparagus.

- HRI accounts for 70 percent of asparagus consumption, while the remainder is consumed at home. Restaurants and hotels generally serve asparagus as a side dish with red meat. Consumers dining at home also eat asparagus as a side dish, including salads and bacon wrapped asparagus. The flow of distribution of imported asparagus is outlined in the chart below:



Labeling

- Asparagus imports need to obtain a Phytosanitary Certificate (PPQ Form 577). Contact the USDA Animal and Plant Health Inspection Service (APHIS), in Korea [here](#) for more information on inspection requirements and how to obtain necessary forms prior to entry.
- The Korea Food and Drug Administration (KFDA) is in charge of establishing labeling standards and conducting food inspections upon arrival. A typical label must include the following information in English and must be accompanied by a Korean language label sticker that can be applied at port:
 1. **Product Name.** The product name should be identical to the product name declared to the licensing/inspection authority.
 2. **Product type.** This is mandatory for specially designated products, such as teas, health supplementary foods, etc.
 3. **Country of Origin**
 4. **Importer's name and address, and the address where products may be returned or exchanged** in the event of defects.
 5. **Manufacture date** (date, month, and year).
 6. **Shelf life:** If various kinds of products are packaged together, the shelf life expiration date of the product with the shortest life should be noted on the label.
 7. **Contents.** Weight, volume or number of pieces should be indicated. If the number of pieces is shown, the weight or volume must be indicated in parentheses.
 8. **Ingredient names and content.** Effective September 7, 2006, the names of all ingredients have to be included on the Korean language label. Artificially added purified water and names of ingredients used to make a composite raw ingredient

amounting to less than five percent of the product in weight will be excluded from the requirement. In this case, only the name of the composite raw ingredient must be listed on the Korean language label. In the case of a composite raw ingredient amounting to over five percent of the product by weight, the names of all ingredients contained in the composite raw ingredient must be listed on the Korean language label. Ingredients must be listed in order of predominance by weight. Food additives must also be listed by full name, abbreviated name, or purpose on the label (e.g. Ferric Citrate, FECitrate, or nutrient fortified substance).

9. **Nutrients:** Only designated products are subject to nutritional labeling. Please refer to the following section on functional foods and health claims.
10. **Other** items designated by the detailed labeling standards for food. This includes cautions and standards for use or preservation (e.g., drained weight for canned products, radiation-processed products, etc.).
11. **Organic or GMO** – if these conditions apply, they should be noted visibly on the label.

- Agricultural Products such as whole fruits and vegetables that are not contained in a package or container are exempt from Korean labeling requirements but still must undergo inspections.
- Because of consumers' positive response to health/functional food claims and high nutrition foods, it is advised that importers market asparagus on points of its high nutritional values and health benefits through media

To be labeled as a functional food, a product label must include:

1. Functional food to be indicated
2. Information on the efficacy claim (i.e. gains from protein, vitamins, etc.)
3. Intake direction and cautions
4. A statement that the product is not a pharmaceutical product that prevents or heals disease
5. Other points as required in the detailed labeling guidelines for functional foods in the June 2009 edition of the Labeling Standards for Functional Food Act that can be found [here](#).

KEY CONTACTS AND FURTHER INFORMATION

- For more information about the Korean market, please review the Exporter's Guide (KS9047) and the FAIRS Country Report (KS9039) [here](#). More Korea specific reports can be found at <http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>.
- General information about the Korean Market can be found on the Agricultural Trade Office Website at <http://www.atoseoul.com/> or about the Foreign Agricultural Service at <http://www.fas.usda.gov/>.

For organic labeling:
Food Safety Policy Division
Food Headquarters, KFDA
#5 Nokbeon-dong, Eunpyung-ku

For nutrition labeling:
Nutrition Evaluation Team
Nutrition & Functional Food Headquarters
#5 Nokbeon-dong, Eunpyung-ku

Seoul, Korea 122-704
 Phone: 82-2-380-1726/27
 Fax: 82-2-388-6396

Seoul, Korea 122-704
 Phone: 82-2-380-1678/80
 Fax: 82-2-380-1358

- Please contact ATO Seoul directly for questions, importer lists and information on market promotion opportunities.

U.S. Agricultural Trade Office
 American Embassy Seoul, Unit #15550-ATO, APO AP 96205-5550
 Tel: 82-2-397-4188
 Fax: 82-2-720-7921
 E-mail: Atoseoul@fas.usda.gov
 Internet: www.atoseoul.com

- The United States Department of Agriculture's Foreign Agricultural Service (USDA/FAS) offers information and services that can be beneficial to both new and experienced exporters.

You can register online for this service at <http://fas1.agexportservices.org/apps/logon3.asp>

APPENDIX

South Korea Import Statistics							
Commodity: HS Code 070920; Asparagus, Fresh Or Chilled							
Partner Country	Unit	2006		2007		2008	
		USD	Quantity	USD	Quantity	USD	Quantity
Total Imports	T	932,943	162	1,084,920	178	1,040,085	167
Philippines	T	450,412	85	557,773	88	2,644,64	38
Thailand	T	81,648	19	119,006	24	2,459,76	48
United States	T	86,120	15	123,694	20	122,411	19
Australia	T	120,960	13	108,152	18	113,734	16
Peru	T	71,805	10	70,044	9	106,006	14
China	T	9,339	3	20,943	7	83,126	17
Mexico	T	78,203	13	55,823	8	79,397	14
Netherlands	T	13,390	2	23,465	2	23,097	2

Source: Global Trade Atlas Navigator, 2009

South Korea Import Statistics				
Commodity: 2005600000; Asparagus, Preserved				
Year To Date: January - November				
Partner	Unit	Quantity	% Share	% Change

Country		2007	2008	2009	2007	2008	2009	2009/2008
World	T	10	22	20	100.00	100.00	100.00	- 9.54
United States	T	0	8	10	0.00	35.74	52.21	32.14
China	T	10	14	9	99.99	64.26	46.80	- 34.12
Spain	T	0	0	0	0.00	0.00	0.96	0.00
New Zealand	T	0	0	0	0.00	0.00	0.03	0.00
Germany	T	0	0	0	0.01	0.00	0.00	0.00

Source: Global Trade Atlas Navigator, 2009

^[1] Source: World Factbook

^[2] Korea Trade Information Service, 2009.

^[3] Global Trade Atlas, 2009

^[4] Traditional Korean side dish made of fermented vegetables and red pepper paste, eaten with nearly every meal at restaurants and in the home.