

Korea Product Brief: Cheese & Curd

Overview:

In 2013 Korea was the United States' second largest market for cheese and curd with exports of around \$188.4 million. Mozzarella, processed, and ripened cheeses are all significant categories. The U.S. market share in Korea for all cheeses is 47 percent in value and 50 percent in volume, followed by New Zealand with 25 percent, the EU with 17 percent and Australia with 7 percent. Korea's per capita consumption of dairy products is expected to grow about 15 percent over the next decade reflecting the growing economy, Korean's exposure to a Western diet, a rise in fast food outlets, and a growing appetite for pizza and pasta. Most domestic processed cheese is manufactured from imported fresh cheese.

Korea Imports of Cheese & Curd

Country	2011		2012		2013	
	\$1,000	MT	\$1,000	MT	\$1,000	MT
World	357,918	76,222	359,718	77,506	403,037	85,069
United States	140,233	32,473	140,596	31,877	188,381	42,530
New Zealand	93,833	20,583	100,858	23,908	102,242	23,883
Australia	33,285	7,446	33,320	7,483	26,817	5,749
Switzerland	7174	1244	0	0	2830	309
Others	83,393	14,476	84,944	14,238	82,767	12,598

Source: Global Trade Atlas, HS 0406, Cheese and Curd

Tariff Phase-Out Schedule under KORUS FTA:

The KORUS agreement creates a zero-duty tariff-rate quota for cheeses covered under tariff lines 0406101000, 0406200000, 0406300000 and 0406900000. In the first year the in-quota amount is 7,000 MT and rises to 10,280 MT in year 14. All U.S. cheeses will enter duty free by 2026.

HSK	Description	Base Rate	2012	2013	2014
0406101000**	Fresh Cheese**	36%	33.6%	31.2%	28.8%
0406102000	Curd	36%	32.4%	28.8%	25.2%
0406200000**	Grated or powdered cheese of all kinds**	36%	33.6%	31.2%	28.8%
0406300000**	Processed cheese, not grated or powdered**	36%	33.6%	31.2%	28.8%
0406400000	Blue-veined cheese	36%	32.4%	29%	25.4%
0406900000**	Cheese, NES, including cheddar**	36%	33.6%	31.2%	28.8%
	TRQ Volume (MT)		7,000	7,210	7,426

** included in TRQ.

The Korea Dairy Industries Association will administer the TRQs and allocate the in-quota quantity to historical and new importers through a licensing system.

Export Requirements:

See APHIS' website (<http://www.aphis.usda.gov/regulations/vs/iregs/products/>) for any sanitary requirements for shipping cheese to Korea.

For more information, please contact the U.S. Agricultural Trade Office, U.S. Embassy Seoul, Korea, at atoseoul@fas.usda.gov, Tel: 82-2-397-4188, Fax: 82-2-720-7921, or visit www.atoseoul.com