

Korea Product Brief: Whey

Overview:

Whey powder is not produced locally in Korea. Seventy percent of imported whey powder is utilized for animal feed and milk replacer. Other whey imports are used primarily for bakery items, ice cream manufacturing and baby formula production. The United States accounted for 52 percent of the Korean whey market by volume in 2013. The major competitors for the United States in the Korean market are the EU and Canada.

Korean Imports of Whey and Whey Products:

| Country | 2011 | | 2012 | | 2013 | |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | \$1,000 | MT | \$1,000 | MT | \$1,000 | MT |
| World | 42,939 | 30,432 | 66,687 | 42,451 | 60,835 | 35,091 |
| United States | 13,583 | 12,893 | 23,324 | 20,158 | 22,514 | 18,201 |
| EU | 19,470 | 10,272 | 22,020 | 8,617 | 29,017 | 9,697 |
| Canada | 3,770 | 3,440 | 3,612 | 3,058 | 3,393 | 2,709 |
| South Africa | 99 | 75 | 160 | 125 | 175 | 150 |
| Others | 6,017 | 3,752 | 17,571 | 10,493 | 5,736 | 4,334 |

Source: Global Trade Atlas, HS 040410, Whey, Including Modified Whey, Whether Or Not Concentrated or Sweetened

Tariff Phase-Out Schedule under KORUS:

Duties on whey powder for feed use were removed immediately upon implementation of the Agreement. Also, upon implementation, 3,000 tons of non-feed use whey products were eligible to enter the Korean market under a zero-duty tariff rate quota (TRQ). Duties on these products exceeding the TRQ volume were reduced to 20 percent upon implementation and will be phased out over a 9 year period and will enter duty free on year 10 of the agreement. The TRQ volume will be increased by 3 percent each year until year 10 when the duty on non-feed use whey products is eliminated.

| HSK 10 | Description | Base Rate | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------|---|-----------|------|------|------|------|------|
| 0404101010 | Whey powder | 49.5 | 20 | 17.8 | 15.5 | 13.3 | 11.1 |
| 0404101010 | Whey powder for feeding | 49.5 | 0 | 0 | 0 | 0 | 0 |
| 0404101090 | Whey powder | 49.5 | 20 | 17.8 | 15.5 | 13.3 | 11.1 |
| 0404101090 | Whey(other, for feeding) | 49.5 | 0 | 0 | 0 | 0 | 0 |
| 0404102110 | (a) Lactose removed | 49.5 | 20 | 17.8 | 15.5 | 13.3 | 11.1 |
| 0404102110 | Modified whey(1)(a. lactose removed, for feeding) | 49.5 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | |
|------------|---|------|----|------|------|------|------|
| 0404102120 | (b) Demineralized | 49.5 | 20 | 17.8 | 15.5 | 13.3 | 11.1 |
| 0404102120 | Modified whey(1)(b. demineralized, for feeding) | 49.5 | 0 | 0 | 0 | 0 | 0 |
| 0404102130 | (c) Whey protein concentrates | 49.5 | 20 | 17.8 | 15.5 | 13.3 | 11.1 |
| 0404102130 | Modified whey(1)(c. whey protein concentrates, for feeding) | 49.5 | 0 | 0 | 0 | 0 | 0 |
| 0404102190 | (d) Other | 49.5 | 20 | 17.8 | 15.5 | 13.3 | 11.1 |
| 0404102190 | Modified whey(1)(d. other, for feeding) | 49.5 | 0 | 0 | 0 | 0 | 0 |
| 0404102900 | (2)Other | 49.5 | 20 | 17.8 | 15.5 | 13.3 | 11.1 |
| 0404102900 | Modified whey(2)(other, for feeding) | 49.5 | 0 | 0 | 0 | 0 | 0 |

Export Requirements:

Please refer to the National Veterinary Research & Quarantine Service (NVRQS) www.nvrqs.go.kr to learn about the requirements for shipping U.S. whey powder 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