



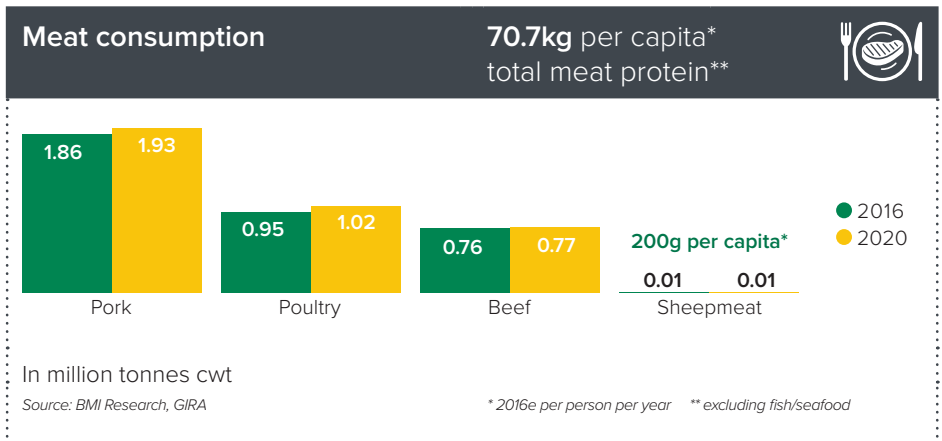
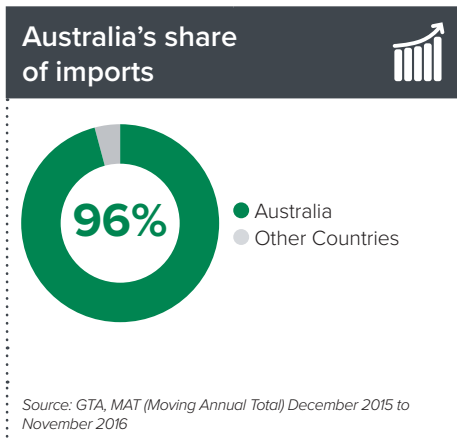
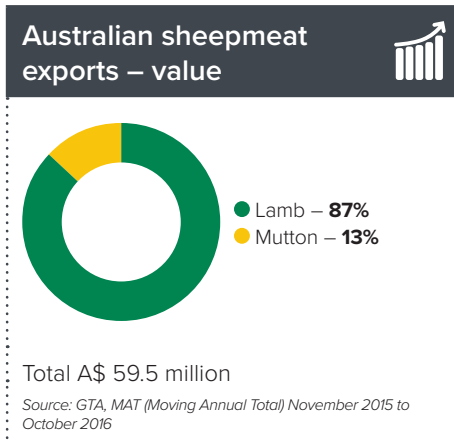
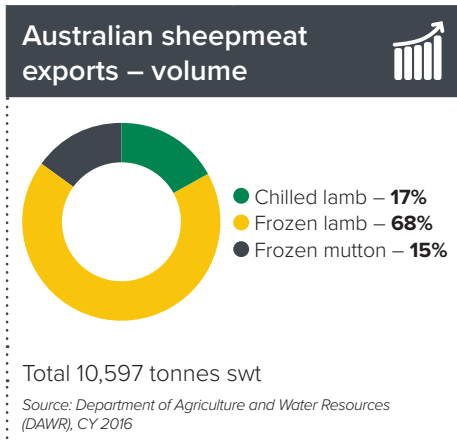
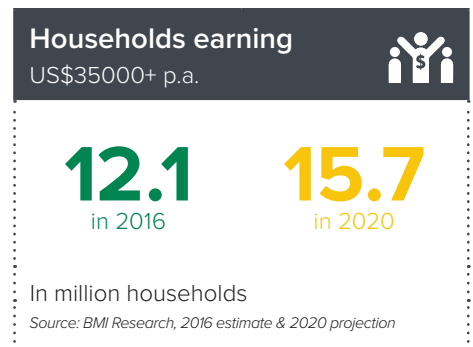
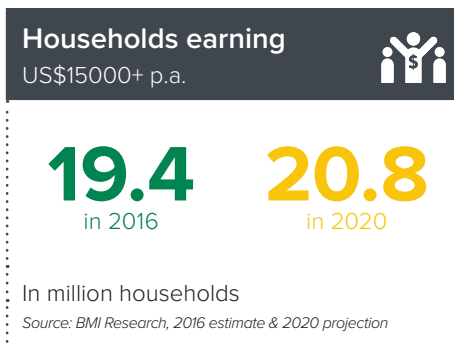
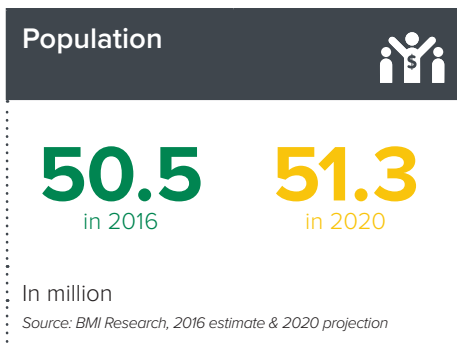
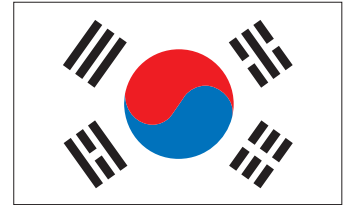
MARKET SNAPSHOT | SHEEPMEAT

Korea

Urban Korean consumers are developing a taste for Australian sheepmeat, largely driven by Chinese-influenced lamb barbecue (BBQ) /skewer outlets. Seeing increased interest in sheepmeat, Genghis Khan style (tabletop sheepmeat BBQ from Japan) restaurants are also opening up in the market.

Challenges and opportunities in Korea for Australian sheepmeat include:

- Australian lamb exports to Korea grew from only 1,639 tonnes swt in 2006, to 8,970 tonnes swt in a decade. Steady growth in demand indicates there is an emerging appreciation for this protein, albeit from a small volume.
- Sheepmeat is a minor protein in Korea. Growth in demand almost solely depends on lamb skewer outlets with no other significant end-users to build further volume. Increasing lamb awareness and promoting usage by other restaurants, remain a challenge.
- Lamb sales in the retail sector remain largely untapped. A large number of consumers with middle to high incomes, and an appreciation for high quality protein (originating from its domestic Hanwoo beef) provides opportunities for creating demand in this segment.
- An increase in sheepmeat demand will have to be met by a rise in imports, as the scale of the local sheepmeat industry is limited.



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Market Access Overview

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
KAFTA Korea-Australia Free Trade Agreement	15.75% in 2016 13.5% in 2017 0% in 2023 Under KAFTA	NZ Import tariff – 15.75% (2017) under NZ-Korea Free Trade Agreement*	N/A	No major hurdles

Best access Major challenges

Source: Trade agreements, DFAT, MLA

* Under KNZ FTA (Korea-New Zealand Free Trade Agreement), import tariff on NZ sheepmeat will be eliminated in 2024

Australian sheepmeat exports to Korea – summary table



volume – in tonnes swt		2016		2015		5 year average (2011-2015)		change 2016 vs 5-yr av.	
		% out of total	% out of total	% out of total	% out of total	%	in tonnes swt		
Total		10,597	100	7,775	100	5,145	100	106	5,452
by storage	Chilled	1,770	17	851	11	318	6	457	1,453
	Frozen	8,827	83	6,924	89	4,827	94	83	4,000
by meat type	Lamb	8,970	85	6,267	81	4,005	78	124	4,965
	Mutton	1,627	15	1,508	19	1,140	22	43	487
by storage/ meat type	Chilled lamb	1,769	17	845	11	316	6	460	1,453
	Chilled mutton	1	0	6	0	1.4	0	-37	-1
	Frozen lamb	7,201	68	5,423	70	3,689	72	95	3,512
	Frozen mutton	1,626	15	1,502	19	1,139	22	43	488

Source: DAWR

value – in A\$ 000

		2016		2015		5 year average (2011-2015)		change 2016 vs 5-yr av.	
		%	in A\$ 000	%	in A\$ 000	%	in A\$ 000	%	in A\$ 000
Total		59,539*	100	50,808	100	28,884	100	106	30,656
by meat type	Lamb	52,059*	87	42,327	83	23,085	80	126	28,974
	Mutton	7,480*	13	8,481	17	5,798	20	29	1,682

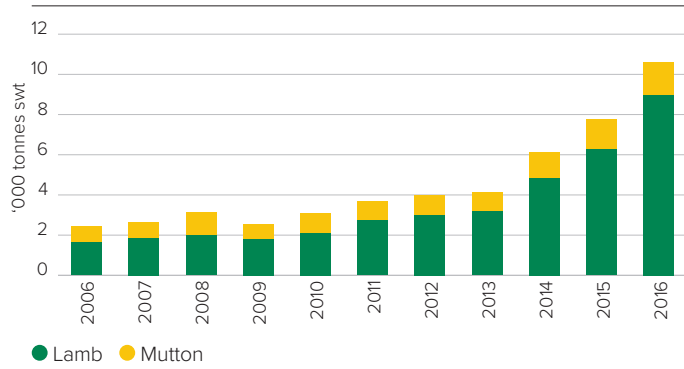
Source: ABS/GTA, 2016* = Moving Annual Total (MAT), November 2015 to October 2016.

Australian lamb exports to Korea – by major cut (in tonnes swt)

	2016		2015		5 year average (2011-2015)		change 2016 vs 5-yr av.	
	%	in tonnes swt	%	in tonnes swt	%	in tonnes swt	%	in tonnes swt
Shoulder	51	4,581	51	3,207	46	1,840	149	2,741
Breast & Flap	23	2,087	18	1,097	19	770	171	1,318
Manufacturing	10	883	13	811	16	632	40	252
Rack	8	704	6	376	5	184	283	520
Intercostals	3	286	4	247	4	171	67	115
other	5	428	8	530	10	408	5	19
Total	100	8,970	100	6,267	100	4,005	124	4,965

Source: DAWR

Australian sheepmeat exports to Korea



Source: DAWR

