

Market brief Republic of Korea

Financial year 2023/24

Global exports to Korea

Rank #11 in the global dairy market (by volume).

Destination for over 430,000 tonnes of dairy product, worth over US\$1.5 billion (in 2023/24).

Exports to Korea have increased by 22% over five years (2019/20-2023/24).

The biggest volume growth (product categories exceeding US\$20 million) has been in:

- Milk (370%)
- Ice Cream (93%)
- Butter (61%).

The biggest volume decline (product categories exceeding US\$20 million) has been in:

- SMP (-49%)
- Lactose (-25%)
- Infant Powder (-7%).

Australian market share

Rank #4 in the share of Korea import volume.

Destination for over 21,000 tonnes of Australian dairy product, worth US\$83 million (in 2023/24).

Exports to Korea have increased by 44% over five years (2019/20 – 2023/24).

The biggest volume growth (product categories exceeding US\$1 million) has been in:

- Condensed Milk (509%)
- Butter Blend (316%)
- Ice Cream (234%).

The biggest volume decline (product categories exceeding US\$1 million) has been in:

- Whey Powder (-41%)
- Skim Milk Powder (-35%).

Tariff environment

The Korea Australia Free Trade Agreement (KAFTA) came into force on the 12th of December 2014. While duty-free quotas for some dairy products and the gradual reduction of tariff rates support exportation to Korea as part of the KAFTA, the United States (US), European Union (EU) and New Zealand also have their own trade agreements with Korea. The faster and broader tariff-reduction schedules of these agreements have made for a highly competitive environment for Australian exporters. Duty-free quotas are scheduled to increase 3% every year on January 1st. Australian cheddar cheese will be duty free by 2026, butter by 2028 and mozzarella and cream cheese by 2031. A summary of the duty-free quotas, in quota and out of quota tariffs for key products can be found in Table 2.

Figure 1 Dairy imports

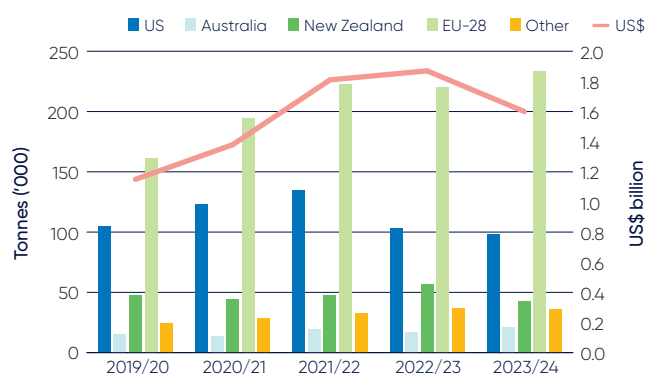


Figure 2 Top dairy exports to Korea by volume

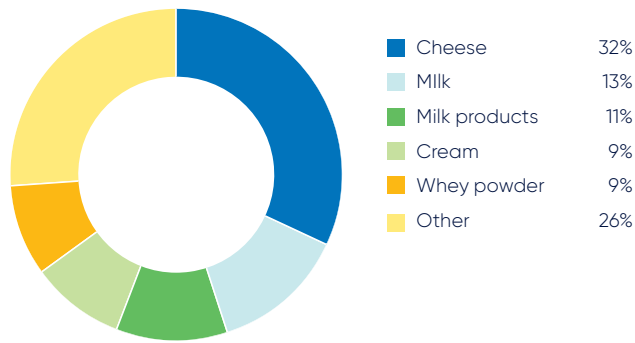


Figure 4 Top Australian dairy exports by volume

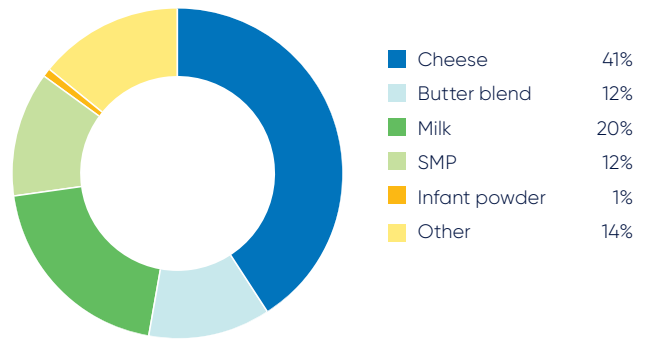


Figure 3 Top dairy exports to Korea by US\$ value

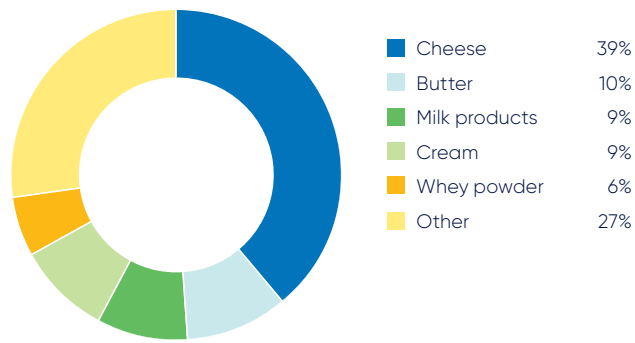


Figure 5 Top Australian dairy exports by US\$ value

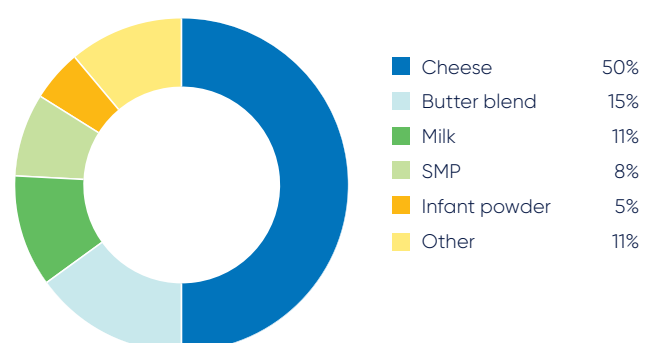


Table 1 Australia exports

Product group	Market share (US\$ %)		Volume ('000)		Value (million US\$)	
	2019/2020	2023/2024	2019/2020	2023/2024	2019/2020	2023/2024
Cheese	7	6	8.14	8.21	33.63	41.17
Butter Blend	4	8	0.59	2.45	2.48	12.75
Milk	23	19	1.59	3.94	2.31	9.14
SMP	19	21	3.64	2.38	10.70	6.44
Infant Powder	5.6	5.5	0.28	0.30	3.21	3.97
Total imports	5	5	15.0	21.6	56.0	83.7

Table 2 Dairy tariffs

Tariff category	Product category	Applied tariff %
0405.1	Butter and other fats and oils.	0.0
0406.1	Cheese except curd and blue vein.	0.0
1901.1	Prepared milk/infant formula.	0.0

Further information

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Disclaimer

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Acknowledgement

Dairy Australia acknowledges the funding from levy payers and contribution by Commonwealth Government.
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