

**Voluntary Report** – Voluntary - Public Distribution

**Date:** February 04,2020

**Report Number:** KS2019-0053

**Report Name:** South Korea Pet Food Market 2019

**Country:** Korea - Republic of

**Post:** Seoul ATO

**Report Category:** Product Brief, Market Development Reports, Market Promotion/Competition

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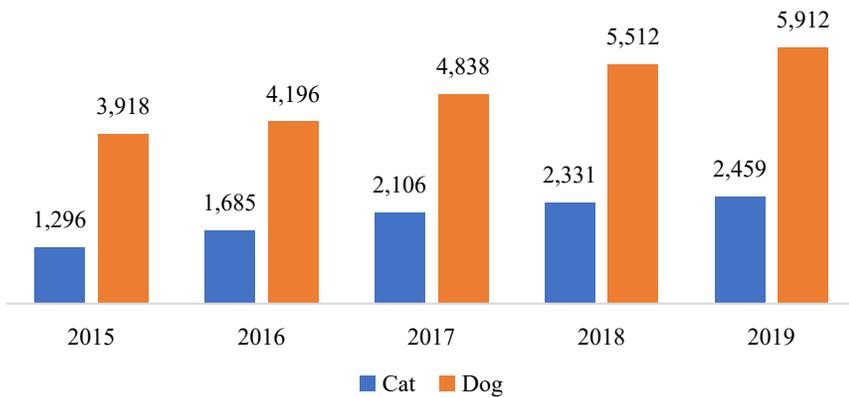
**Report Highlights:**

The pet population in Korea has been steadily increasing. The aging of the population, an increase in single member households, and rising incomes have helped support this trend. This has driven strong growth in pet food sales. The Korean pet food market reached 1.014 trillion Korean Won (\$870 million) in 2019 according to Euromonitor. Premium pet food products are the fastest growing segment. The majority of pet food products on the market are imported. However, many Korean companies have recently entered the pet food market and are launching high quality lower priced products to compete with imported pet food.

## SECTION I. MARKET OVERVIEW

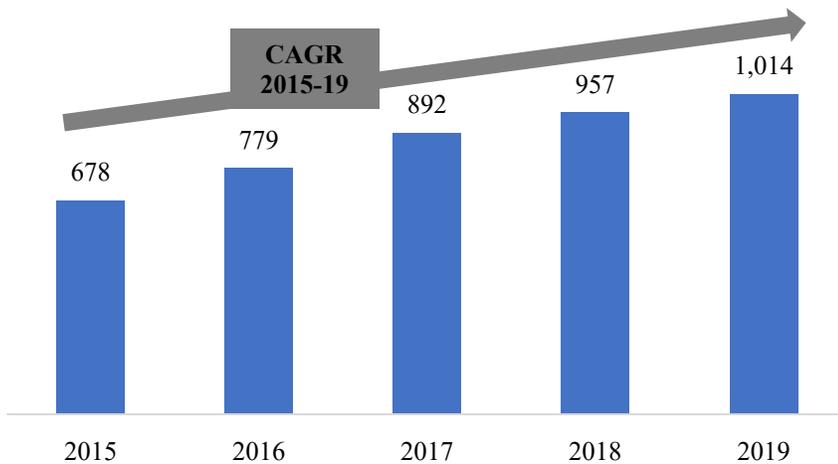
There were an estimated 5.9 million dogs and 2.5 million cats in Korea in 2019, up 50 percent and 90 percent from 2015 respectively.<sup>1</sup> According to Statistics Korea, 4.54 million households own a dog and 1.12 million household own a cat. The pet care industry in reached three trillion Korean Won (KRW) in 2018, up 91 percent from 2014. The Korea Rural Economic Institute estimates that the pet care industry will be worth over six trillion KRW by 2027. Among pet products, pet owners spend the most on pet food. The pet food market is estimated to have reached 1.014 trillion KRW (\$870 million) in 2019.<sup>2</sup>

### Dog and Cat Population in South Korea (in thousands)



Source: Korea Pet Food Association

### Pet Food Market in South Korea (Billion KRW)



Source: Euromonitor

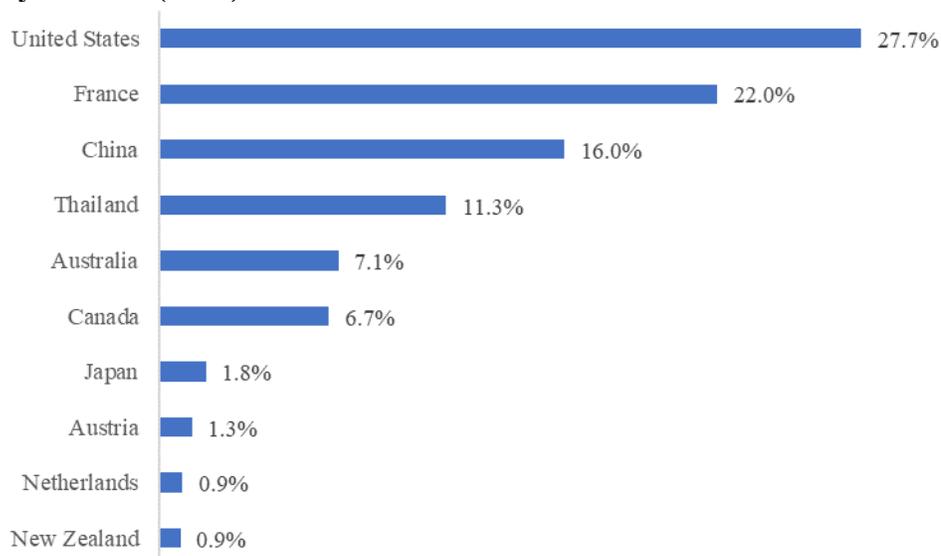
The United States is the largest exporter of pet food to Korea by volume, while China is the largest exporter by value. In 2018 the United States supplied 28 percent of Korea's dog and cat food product imports by volume. Consumers have strong brand loyalty towards U.S. pet food brands and the United States is expected to remain the leading supplier of pet food. However, U.S. pet food companies are

<sup>1</sup> Korea Pet Food Association

<sup>2</sup> Euromonitor

facing increasing competition from other exporters, such as France, China, and Canada. China's pet food import from China expanded 83 percent between 2014 and 2018. This growth has been driven in part by rapid import growth in pet snacks from China.

### Market Share by Volume (2018)



Source: Korea International Trade Association (HS Code 230910, Dog And Cat Food, Put Up For Retail Sale)

### Pet Food Imports to Korea (2014-18, metric tons)

		2014	2015	2016	2017	2018	2018 Market Share	CAGR 2014-18
1	<b>United States</b>	14,499	16,510	16,625	18,546	17,736	27.7%	5.2%
2	<b>France</b>	8,383	8,496	9,664	11,636	14,088	22.0%	13.9%
3	<b>China</b>	5,588	6,762	7,865	9,446	10,236	16.0%	16.3%
4	<b>Thailand</b>	5,565	5,996	6,615	7,270	7,221	11.3%	6.7%
5	<b>Australia</b>	4,167	4,702	4,902	4,653	4,532	7.1%	2.1%
6	<b>Canada</b>	1,674	2,533	3,642	4,089	4,287	6.7%	26.5%
7	<b>Japan</b>	175	236	490	884	1,182	1.8%	61.2%
8	<b>Austria</b>	306	389	512	798	828	1.3%	28.3%
9	<b>Netherlands</b>	541	832	684	631	595	0.9%	2.4%
10	<b>New Zealand</b>	128	209	322	488	553	0.9%	44.2%
11	<b>Other</b>	928	1,200	1,971	2,157	2,757	4.3%	31.3%
	<b>Total</b>	41,954	47,865	53,292	60,598	64,015	100.0%	11.1%

Source: Korea International Trade Association (HS Code 230910, Dog And Cat Food, Put Up For Retail Sale)

## SECTION II. ROAD MAP FOR MARKET ENTRY

### Entry Strategy and Import Procedure

The following resources provide information on regulatory issues and general guidance on market entry.

- [Korea FAIRS Report](#) provides Korean government regulations and standards on imported food and agricultural products.
- [Korea Exporter Guide](#) provides market entry guidance for American suppliers.
- [ATO Seoul Website](#) provides information about the Korean market as well as services offered by ATO Seoul.
- [Korea Country Commercial Guide](#) published by the U.S. Commercial Service is another useful source of information about exporting to Korea.

### Distribution Channels and Market Structure

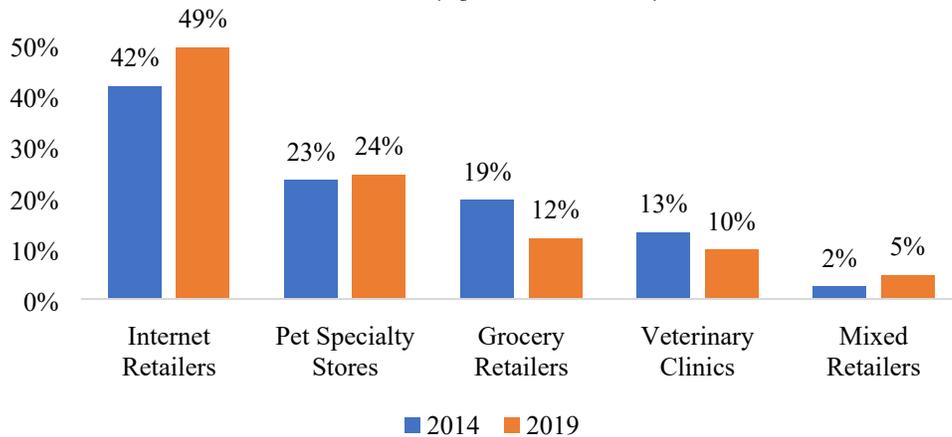
Online retailers are the most popular channel for pet food shopping. Large online retailers offer “dawn delivery” services which promise to deliver products by 7 a.m. the next day. Pet Friends, a startup company launched in 2016, has also become popular. Using Pet Friends consumers can receive orders within two hours.

Several large grocery chains have dedicated in-store pet stores. In 2010 EMART launched Molly’s Pet Shop, providing products and services ranging from food and clothing to pet hotels and beauty salons. There are 39 Molly’s Pet Shops across Korea as of January 2020. Lotte Mart started their pet store Pet Garden in 2012 and now operates 28 stores. Despite large grocery chain’s efforts to promote pet products, sales growth is declining. Many consumers are choosing to purchase pet food online (often at lower prices) instead of going to a store. However, consumers still prefer to purchase other pet related products, such as grooming products or cleaning tools, at grocery stores.

Pet food sales in convenience stores have more than tripled since they were introduced to these stores in 2015. While convenience stores still only accounted for 1.4 percent of pet food sales in 2019 according to Euromonitor, consumers are using convenience stores to buy small portion pet food and snacks as well as pet food prepared to be fed right away. The CU and GS Retail convenience store chains recently launched their own private label for pet food and snacks.

Major department stores have in-store pet stores as well. These stores offer high-end products, such as premium quality imported pet food and hand-made pet snacks. Pet specialty stores and veterinary clinics are also important distribution channels for pet food. Many consumers consult with a specialist at specialty stores or vets about what type of pet food to buy.

### Pet Food Distribution Channels (by Retail Value)

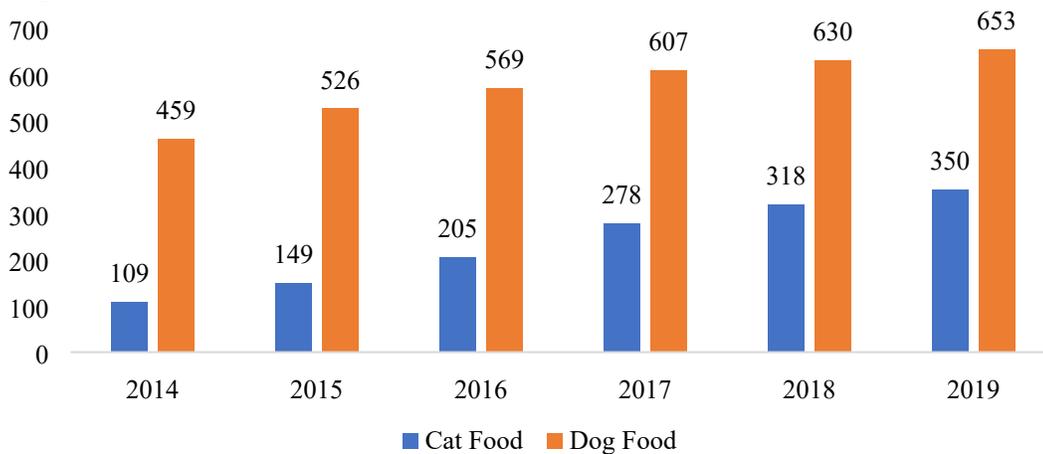


Source: Euromonitor

### Major Segments in the Pet Food Industry

The dog food market in Korea reached 652.6 billion KRW (\$559 million) in 2019 according to Euromonitor, accounting for 64 percent of the pet food market. According to a survey conducted by Korea Pet Food Association, dog owners spent an average of \$232 a year on pet food and \$156 on pet snacks. Premium dog food is the largest and fastest growing segment in the market. Most premium dog food products in Korea are imported or are produced in Korea under foreign brands. Dog and cat food account for 99 percent of pet food sales in Korea.

### Dog and Cat Food Market in South Korea (2014-19, Billion KRW)



Source: Euromonitor

While the cat food market is smaller, it is growing more rapidly. The Korean cat food market was 350.4 billion KRW (\$300 million), more than triple the size in 2014. According to a survey conducted by the Korea Pet Food Association, cat owners spent on average \$148 a year on pet food and \$92 on pet snacks. Cat food sales are growing faster than the cat population. Low-priced dry cat food sales grew the most during this period with a compound annual growth rate (CAGR) of 22 percent. In contrast, sales of low-priced dog food are declining. Low-priced and mid-priced cat food are mostly produced by

Korean food companies or by private labels who recently entered the cat food market. The premium food sector is dominated by imported products.

### Average Annual Pet Food Purchase per Household (USD)

	Dog	Cat
Food	\$232	\$148
Snack	\$156	\$92
<b>Total</b>	<b>\$388</b>	<b>\$240</b>

Source: Korea Pet Food Association

### Cat Food Sales in Korea (billion KRW)

	Dry Cat Food			Wet Cat Food		
	2015	2019	CAGR 2015-19	2015	2019	CAGR 2015-19
<b>Economy</b>	40.2	89.6	22%	-	-	-
<b>Mid-Priced</b>	16.5	33.2	19%	3.6	4.9	8%
<b>Premium</b>	61.1	129.0	21%	19.4	33.7	15%

Source: Euromonitor

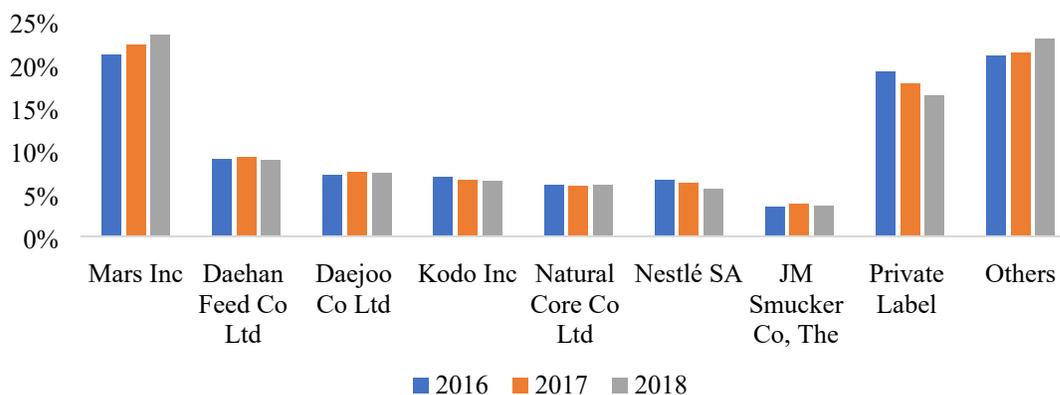
### Dog Food Sales in Korea (billion KRW)

	Dry Dog Food			Wet Dog Food		
	2015	2019	CAGR 2015-19	2015	2019	CAGR 2015-19
<b>Economy</b>	137.2	133.4	-1%	-	-	-
<b>Mid-Priced</b>	57.3	72.6	6%	3.3	2.6	-6%
<b>Premium</b>	215.0	286.5	7%	33.6	46.9	9%

Source: Euromonitor

## Major Companies & Products

### Top 7 Pet Food Companies (by market share)



Source: Euromonitor

## Pet Food Companies and Brands

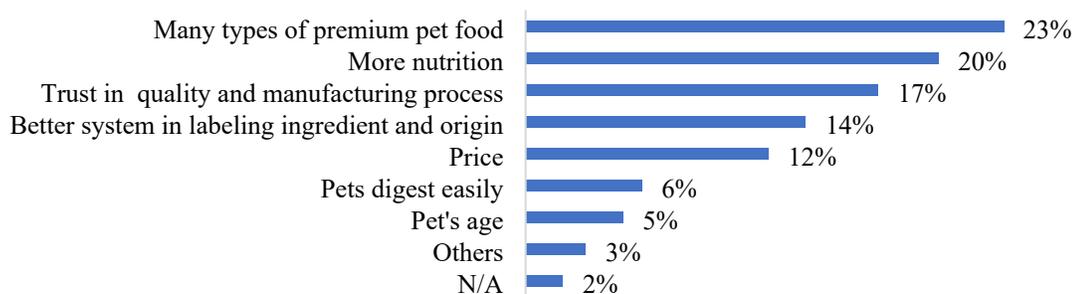
	Dog Food	%	Cat Food	%
1	Royal Canin (Mars Inc)	14.3	Royal Canin (Mars Inc)	16.6
2	ANF (Kodo Inc)	7.6	Catsrang (Daejoo Co Ltd)	12.3
3	Natural Core (Natural Core Co Ltd)	7.6	Ciao (Inaba Pet Food Co Ltd)	6.3
4	Cesar (Mars Inc)	4.7	Natural Balance (JM Smucker Co, The)	5.2
5	Dograng (Daejoo Co Ltd)	4.0	ANF (Kodo Inc)	4.2
6	Prunus (CHD Medics Co Ltd)	3.8	Probest (Daehan Feed Co Ltd)	4.1
7	Probest (Daehan Feed Co Ltd)	3.3	Temptation (Mars Inc)	3.7
8	Jeil Feed (Harim Co Ltd)	2.9	Nutro Choice (Mars Inc)	3.5
9	Natural Balance (JM Smucker Co, The)	2.7	Purina Friskies (Nestlé SA)	3.5
10	Iskhan (Daehan Feed Co Ltd)	2.5	Purina Fancy Feast/Gourmet (Nestlé SA)	2.8

Source: Euromonitor

## Sector Trends

There are some new terminologies that are often used when discussing pet industry trends. “Pet-fam-ers,” a combination of the word pet and family, refers to pet owners who consider their pets as one of their family members. The term “pet-me-ers” is a new term that has started to be used more than “pet-fam-ers.” “Pet-me-ers” refers to pet owners who consider their pets the same as themselves and would spend even more effort on their pets. Many self-described “pet-me-ers” buy luxury products for their pets. The term “pet-xury,” combining pet and luxury, is being used to describe luxury products and services for pets. These trends have driven demand for premium products. Consumers willing to pay more to buy high quality pet food in general still prefer imported products over domestic brand.

## Reasons for Purchasing Imported Pet Food Products



Source: Korea Pet Food Association

While the premium segment is doing well, there is also strong demand for value-priced products. This trend is prevalent across all types of consumer goods, including pet care products. China has become an important supplier of inexpensive pet snacks in Korea despite some lingering consumer distrust stemming from past cases of contaminated pet snacks made in China.

Home Meal Replacements (HMR) have become a hot sector in South Korea’s food scene. Hana Financial Investment Company forecasts that the HMR market will reach \$8.8 billion by 2023, more than three times its size in 2018. Companies have recently introduced HMR pet food products in Korea, such as frozen pet snacks. The “healthy pet snack” market is also growing. Pet owners are giving their pets treats not only for pleasure but also for their perceived health benefits. Some of the snacks in the market contain probiotics, cheese or ginseng.

### SECTION III. COMPETITION

Pet owners tend to show brand loyalty towards their preferred pet food brands. Brand loyalty is less pronounced for pet snack brands. While brand loyalty gives established brands an advantage, they are facing increased competition from new imported and domestic pet food products.

Imports are estimated to account for over 70 percent of the pet food market in Korea. China is the largest supplier of imports by value while the United States is the largest supplier by volume. The largest French pet food brand in the market is Royal Canin. Imported Chinese pet food products are sold under a wide range of brand names, including local Korean brands.

#### Top Five Pet Food Exporters to Korea 2018

	Import Value (USD)	Import Volume (Ton)
<b>China</b>	65,695,435	10,236
<b>United States</b>	50,425,056	17,736
<b>France</b>	35,140,072	14,088
<b>Thailand</b>	22,586,362	7,221
<b>Canada</b>	16,230,372	4,287

Source: Korea International Trade Association HS 230910

There has been a surge in Korean companies entering the pet food market in recent years. Korean companies are launching products using high quality, fresh ingredients and marketing them at lower prices to attract consumers. Food processing companies have created pet food brands and invested to develop their pet business sector. These companies are leveraging their food technology and infrastructure to aggressively market a range of pet products.

- CJ CheilJedang is among the first Korean companies to enter the market. CJ CheilJedang has been manufacturing feed since 1988 and launched the pet food brand ‘O’fresh’ and ‘O’nature’ in 2013 to target the pet sector.
- Dongwon F&B, a major tuna manufacturer, has been exporting wet cat food to Japan for more than thirty years. In 2014, Dongwon F&B launched the pet food brand Nutri Plan. It recently built an additional manufacturing plant and signed business agreements with the Canadian pet food brand Nutram and the Thai CP Group.
- The Sajo Group launched an organic pet food brand called Opti-One. It has its own well-established pet research center. Sajo markets pet food with “superfoods” and organic ingredients.

- Binggrae’s pet food brand Evergrow focuses on strengthening gut health. Binggrae has conducted joint research with the Veterinarian Medicine Department of Konkuk University. Binggrae launched raw probiotics for pets in March 2018 based on this research.

As the pet sector is growing, retailers are also launching house brand pet products.

- EMART has its own private label No brand pet products, ranging from organic pet food to clothing. EMART’s Molly’s Pet Shop launched a pet food private label in 2016 called Molly’s.
- Coupang, the online retail giant, manufactures pet products under its own private label brand Tamsaa. Coupang started out by launching cat products in July 2017. After the products’ success, Coupang launched dog products in February 2018. Coupang’s low prices and fast delivery service have helped make Tamsaa popular amongst consumers.
- Convenience store chain CU launched its pet brand ‘Howl Go’ in January 2018. The products are mostly small packaged products, such as snacks and toys.
- Convenience chain GS 25 launched pet food and snack products under its ‘You Us’ brand and its stores include a pet product section.

## SECTION V. KEY CONTACTS AND FURTHER INFORMATION

### U.S. Agricultural Trade Office Seoul (ATO)

Address: Room 303, Leema Building, 42 Jongro 1-gil, Jongro-gu, Seoul, Korea

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E-mail: [atoseoul@fas.usda.gov](mailto:atoseoul@fas.usda.gov)

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### Agricultural Affairs Office, U.S. Embassy Seoul (AAO)

Address: U.S. Embassy, 188 Sejong-daero, Jongro-gu, Seoul, Korea

Telephone: +82-2 397-4297

Fax: +82-2 738-7147

E-mail: [agseoul@fas.usda.gov](mailto:agseoul@fas.usda.gov)

### U.S. Animal Plant and Health Inspection Service Seoul (APHIS)

Address: Room 303, Leema Building, 42 Jongro 1-gil, Jongro-gu, Seoul, Korea

Telephone: +82-2 725-5495

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E-mail: [yunhee.kim@aphis.usda.gov](mailto:yunhee.kim@aphis.usda.gov)

Webpage: [www.aphis.usda.gov](http://www.aphis.usda.gov)

Please refer to [Korea Exporter Guide](#) for contact information of USDA cooperators, state offices, and industry organizations that offer various export assistances. For more information, ATO Seoul website ([www.atoseoul.com](http://www.atoseoul.com)) provides up-to-date information about Korea’s food and agricultural imports:

- [Korea’s Agricultural Import Statistics](#): This spreadsheet, updated monthly, provides a summary of Korea’s agricultural imports on four-digit HS product code level.
- [Korea’s Agricultural Import Trends Presentation](#): This presentation, published quarterly, provides a summary of competition between the U.S. and competitors for key products.

**Attachments:**

No Attachments.