Asian markets show high growth

By Annemarie Kruse

The international market for organic food and lifestyle products is booming. In the East Asian markets in particular, the demand for organic food has been growing strongly. And while Japan is probably the biggest organic food market in the region, Korea has been catching up over the last few years.

There are a number of reasons for this increased consumer demand: Korean consumers tend to be health-conscious, disposable income has been rising over the last few years and negative media headlines over unhealthy ingredients such as trans-fats or GMO have contributed to a growing interest in organic products which are perceived as being safer.

Although certified organic cosmetics are still very much a niche market, the Korean C&T sector is showing a similar trend: many major beauty brands are emphasizing the green positioning and eco ingredients of their products although these “natural products” have little to do with organic cosmetics in the European sense. Still, it is noticeable that several larger Korean cosmetics brands, like AmorePacific’s Innisfree, have started to add individual certified organic products to their portfolio.

In Korea, organic food is mostly distributed through specialist retailers. The food and delicatessen sections of large department stores also tend to offer an organic corner selling primarily international organic food and beauty brands.

Two of the biggest domestic organic supermarket chains are Dure-Coop and Orga Whole Food. Dure-Coop stores focus on smaller and local Korean food manufacturers – the business is run along the lines of a classic cooperative – while Orga Whole Food outlets tend to be larger, more stylish and sophisticated. Dure-Coop has branches all over the country while Orga Whole Food has more of an urban presence and the majority of outlets are located in the country’s capital Seoul.

It is noticeable that both chains primarily sell Korean and Asian food brands with only few imported European and US brands. However, this is set to change soon. In 2014 the Korean government and the US signed an Organic Equivalency Agreement which means that processed food brands carrying a US certification may be sold in Korea as organic and vice versa. As soon as the OEA is fully implemented, the number of international organic foods sold in Korea will grow strongly.

And the organic food sector in Korea already has established industry structures. The idea of organic farming has been around since the 1970s; there are several regional Organic Farmers Associations and a number of smaller regional organic and natural trade shows are held in various cities in Korea.

One of the latest additions to the Korean trade show roster is Seoul-based Organic Industry Expo which took place this year from 28th to 30th April for the third time, concurrently with C&T trade show Cosmobeauty and Health Industry Expo. They were part of Health & Beauty Week in Seoul’s COEX exhibition centre.

One of the organizers was Oreneul Trustworthy Organic Works. The company was founded in 2013 and
has become one of the largest organic food processing, manufacturing and distribution companies in Korea. Oreneul also exhibits at other major international organic product shows, including BIOFACH Germany in 2016. At their Organic Industry Expo booth, the company presented a selection of its product range.

Oreneul’s line-up includes vinegars, rice wine and soju liquor, corn snacks and freeze-dried fruits berries and roots, and health drinks.

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