

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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Required Report - public distribution

**Date:** 12/18/2015

**GAIN Report Number:** TW15044

## Taiwan

### Food Processing Ingredients

### Enter a Descriptive Report Name

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**Report Highlights:**

extremely competitive, there are still great opportunities for U.S. exporters. U.S. exports of high value food products to Taiwan reached US\$1.3 billion in 2014 and this trend is expected to continue for the next several years. Imports of premium food items from other countries has been increasing, but U.S. products continue to be well-accepted by Taiwan consumers due to competitive prices and consumer confidence in the quality and safety of U.S. food products. Taiwan is the United States' seventh largest agricultural export market due in part to the great success in the food processing and ingredients sector.

**Post:**

Taipei ATO

**Executive Summary:*****SECTION I. MARKET SUMMARY*****Taiwan Food Processing and Ingredients Sector Overview and Trends**

Opportunities exist to expand U.S. food product sales to Taiwan's food processing and ingredient sector. Given Taiwan's current size and population, the country will continue the trend of looking overseas for food processing and ingredients. In 2014, Taiwan's agricultural industry accounts for less than 2% of GDP and only 5% of employment in Taiwan. Taiwan's food processing and ingredients industry is comprised of the following major sectors: beverage, coffee/cocoa, condiments/seasonings, dairy products, fats/oils, flour/ bakery products, fruits/vegetables, meat/poultry products, snack foods, and sugar and confectionery. Taiwan's continued modernization and increased acceptance of western food tastes makes the country an extremely attractive market for U.S. exporters. It is also a safer market to penetrate for companies interested in exporting goods to China. The demand for U.S. food processing and ingredients is expected to continue increasing over the next several years.

**Production**

The food processing and ingredient industry in Taiwan started several decades ago and has successfully evolved into a sophisticated and vital contributor to Taiwan's food, agriculture and economic sectors. According to the Department of Statistics of the Ministry of Economic Affairs, Taiwan's total production value of the domestic food processing and ingredients industry in 2014 was valued at US\$21.8 billion, ranking it the eighth largest among manufacturing industries island-wide, behind only electronic/electrical machinery, chemicals, machinery, petrochemical and metal industries. Projected annual growth for 2015 is 2.6% from one year earlier, reaching approximately US\$22.4 billion.

Animal feed continues to be the leading sub-sector, in terms of production volume, in the food processing and ingredients industry followed by: the slaughtering sector, non-alcoholic beverages, flour milling and other miscellaneous foods.

Oriented primarily towards domestic sales, the food processing industry consists of more than 6,000 manufacturing enterprises employing more than 125,000 employees. Shortly after the economy began turning around in response to recovery of the global economy, the food & beverage production posted a 6.14% growth in 2011. However, food production has declined since 2011 due to the fierce competition from imported goods. In addition, several recent food safety scares had a ripple effect throughout the food and agricultural sector and attributed to the overall slowdown in Taiwan. The total production output in 2014 posted a growth of 2.03% compared to one year ago.

Table-1 outlines the production output of the food processing and ingredients industry from 2010-2014 in Taiwan.

**Table 1 - Taiwan's Food Industry Production Output**

**Unit: US\$ billions & millions**

## 2010 - 2014

Sub-sector	2010	2011	2012	2013	2014
Animal feeds	2.56 b	2.84 b	2.86 b	2.8 b	2.6 b
Slaughtering	1.95 b	2.04 b	2.19 b	2.22 b	2.6 b
Non-alcoholic beverages	1.64 b	1.71 b	1.71 b	1.73 b	1.8 b
Flour milling	1.27 b	1.33 b	1.29 b	1.35 b	1.4 b
Other miscellaneous foods	2.21 b	2.37 b	2.11 b	1.16 b	2.11 b
Grain husking	946	1.13 b	1.19 b	1.51 b	1.2 b
Dairy Products	889	900	942	1.01 b	987
Alcoholic beverages	331	340	881	886	790
Prepared foods	830	850	922	878	903
Edible fat & oil	933	1,020	962	873	814
Frozen & chilled meat	704	820	866	868	977
Flour and bakery products	788	797	818	779	830
Seasoning	609	587	532	597	607
Noodles	448	480	493	457	403
Tea	155	160	245	231	220
Sugar confectionery	204	210	243	230	213
Frozen & chilled seafood	232	240	236	223	257
Processed meat	180	187	189	195	190
Processed vegetables	130	127	115	144	153
Frozen & chilled vegetables	91	87	103	101	106
<b>Total</b>	<b>19.8 billion</b>	<b>21.01 billion</b>	<b>20.07 billion</b>	<b>19.8 billion</b>	<b>21.8 billion</b>
<b>Growth Rate</b>	<b>6.65%</b>	<b>6.14%</b>	<b>-4.49%</b>	<b>-1.29%</b>	<b>2.03%</b>

Source: Food Industry Research & Development Institute (FIRDI)

## Imports

Taiwan is also an important import market for other international food processing and ingredient suppliers. In 2014, Taiwan imported nearly US\$7 billion of food processing and ingredients from more than 150 countries or regions, of which US\$1.3 billion was imported from the United States, representing 18.6% of the total import market share. The United States was the number one food processing and ingredients supplier to Taiwan, followed by Japan (US\$707 million, 10.1%), New Zealand (US\$563 million, 8.1%), Australia (US\$527 million, 7.5%), and United Kingdom (US\$420 million, 6.1%). The top five supplying countries comprised approximately 50% of the import market.

### Top Five Supplying Countries – Food Processing and Ingredients By Import Value 2014

Ranking in Terms of Import Value	Import Country	Import Value	% of Total Import Market Share
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1	U.S.	US\$1.3 billion	18.6%
2	Japan	US\$707 million	10.1%
3	New Zealand	US\$563 million	8.1%
4	Australia	US\$527 million	7.5%
5	United Kingdom	US\$420 million	6.1%
	Others	US\$3.4 billion	49.6%
	<b>Total</b>	<b>US\$7.0 billion</b>	<b>100%</b>

Source: Food Industry Research & Development Institute (FIRDI)

The United States is the leading exporter of food processing and ingredients to Taiwan. The frozen foods sector is first followed by other food ingredients and meat products. Australia and New Zealand are major suppliers of beef, cheese and butter products. Meanwhile, Japan dominates the snack foods, sauces and preparations and biscuit market. Japan is also very competitive in other consumer ready food products.

Taiwan food processors utilize both raw and semi-processed ingredients from imported and domestic sources. Imported raw materials and food processing and ingredients are vital inputs to Taiwan manufacturers. Imported ingredients cover virtually all food categories. In terms of import value, Taiwan's imported food processing and ingredients posted a growth rate of 0.28% in 2014 from the level of US\$6.9 billion in 2013.

### Import Volume/Value and Growth Rates Food Processing and Ingredients Industry 2013 and 2014

	<b>2014</b>	<b>2013</b>
Total import volume	4.1 billion KG	4.3 billion KG
Growth rate by volume (%)	-4.86%	-8.39%
Total import value (US\$ million)	US\$6.954 billion	US\$6.9 billion
Growth rate by value (%)	0.28%	1.47%

Source: Food Industry Research & Development Institute (FIRDI)

In 2014, the biggest growth sub-sectors include candies and chocolates (23.1% growth rate), meat products (19.82%), dairy products (17.09%) and alcoholic beverages (13.33%) with a total compound import growth rate of 0.28% compared to one year ago, mainly due to fewer restrictions on several import rules and regulations.

### Breakdown of Imported Food Processing and Ingredients By Product Sub-Sector 2013 and 2014

	Import Value US\$ million	Import Value Growth Rate 2013/2014
Frozen foods	1.2 billion	-12.04%

Others	746.6	8.50%
Alcoholic beverage	870	13.33%
Dairy products	759	17.09%
Cigarette	528	-4.45%
Edible oils and fats	358	2.13%
Grain products	330	0.02%
Animal feeds	292	1.78%
Sugar	136	-50.95%
Dehydrated products	220	-13.49%
Meat products	238	19.82%
Coffee products	175	10.26%
Pickled products	113	1.23%
Candy and chocolate	127	23.10%
Non-alcoholic beverage	95	-6.85%
Seasoning and condiment	99	1.08%
Bakery products	81	13.95%
Tea	74	8.17%
Canned foods	55	-16.71%
Cocoa products	26	6.59%
<b>Total</b>	<b>6.954 billion</b>	<b>0.28%</b>

Source: Food Industry Research & Development Institute (FIRDI)

Key market drivers include an increasing interest in healthy and functional foods, an aging population, and health conscious consumers that have forced food processors in Taiwan to put more effort into product innovation, personalization and convenience.

Many American food ingredients and products have a competitive edge over goods from other countries, mainly due to the almost universal acceptance and trust in U.S. raw materials and ingredients. Taiwan consumers' favorable preference over U.S. ingredients and food materials is a tremendous advantage for U.S. exporters seeking to develop a market in Taiwan.

## Exports

Exports of processed food and beverage products stood at US\$2.5 billion in 2014, a decrease of 13.11% from one year earlier. However, Taiwan posted strong food export growth (13-15% annually) for several years until 2013 due to the fact that several food safety scares happened in Taiwan. Meat products were the most negatively affected sector with more than a 90% decrease in terms of export value, followed by canned foods (decreased 34.6%), edible oil and fats (33.95%), frozen foods (decreased 31.87%) and alcoholic beverages (decreased 30.13%). In 2014, the total export of the food processing and ingredients industry was valued at US\$2.5 billion, which decreased 13.11% compared to the previous year. The Food Industry Research and Development Institute forecasted that rebuilding the image of Taiwan's food processing industry in global markets will take 2-5 years.

Exports of Food Processing and Ingredients Industry

	Export Value	Growth Rate
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	US\$ billion	
2014	2.5	-13.11%
2013	2.8	-6.7%
2012	3.0	15.4%
2011	2.6	13.05%
2010	2.3	15%

Source: Food Industry Research & Development Institute (FIRDI)

Taiwan processed food and beverages are exported all over the world. In 2014, the largest export market for Taiwan was: Japan (US\$486.7 million, 19.8%), followed by China (US\$410 million, 16.7%), Thailand (US\$266.7 million, 10.9%), United States (US\$260 million, 10.6%) and Hong Kong (US\$246.7 million, 10%). The combined export value US\$2.45 billion from the top five countries represented over 68% of the total export market in Taiwan.

### **Taiwan's Major Exporting Partners - Processed Foods 2014**

Rank	Country	Export Value US\$ million	% of Total Export Market Share
1	Japan	486.7	19.8
2	China	410	16.7
3	Thailand	266.7	10.9
4	USA	260	10.6
5	Hong Kong	246.7	10.0
Other		783.9	32.1
<b>Total</b>		<b>2.45 billion</b>	<b>100</b>

Source: Food Industry Research & Development Institute (FIRDI)

## **Foreign Investment**

Taiwan's foreign investments in food processing have grown tremendously in recent years. In order to take advantage of lower costs and expand their global markets, many of Taiwan's food processors established production facilities outside Taiwan. According to the Ministry of Economic Affairs, Taiwan's food companies have invested in China and many other countries in Southeast Asia due to lower labor cost and costs of production.

## **Macro-economic Situation**

With a population of 23 million, Taiwan is a thriving democracy, vibrant market economy, and a highly attractive export market, especially for U.S. firms. In 2014, Taiwan was ranked as the United States' 10th-largest trading partner in goods, placing it ahead of markets such as India and Italy. It was also the 14th-largest U.S. export market overall and the seventh-largest export market for agricultural products. Taiwan was the world's fifth-largest holder of foreign exchange reserves as of December 2014, with holdings of US\$419 billion. In 2014, the Taiwan economy registered 3.74% GDP growth.

Unemployment has decreased to 3.96%.

In 2014, Taiwan exports to emerging markets, especially in East Asia, will continue to increase while

exports to advanced economies are expected to remain flat. Local private consumption has remained flat due to stagnant or declining wages. Real estate sales in several areas, especially the southern city of Kaohsiung, are showing significant growth. Improved economic ties with China are expected to ease current cross-strait and investment restrictions and encourage more foreign investments in Taiwan.

### **Key Economic Indicators in Taiwan** **2011 – 2014**

<b>Indicators</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Economic Growth Rate (%)	3.8	2.1	2.2	<b>3.74</b>
GDP (US\$ billion)	485.7	495.8	511.3	<b>529.6</b>
GDP Per Capita (US\$)	20,939	21,308	21,902	<b>22,635</b>
Average Exchange Rate (1US\$ to NT\$)	30.29	29.62	29.77	<b>30.37</b>
Consumer Price Index (Base: 2011=100)	100	101.93	102.74	<b>103.97</b>
Unemployment Rate (%)	4.39	4.24	4.18	<b>3.96</b>
Foreign Exchange Reserves (US\$ billion)	385.5	403.2	416.8	<b>419.0</b>
Taiwan's Total Imports (US\$ billion)	281.43	270.47	269.89	<b>274.03</b>
Taiwan's Total Exports (US\$ billion)	308.26	301.18	305.44	<b>313.71</b>
Total Agri-Food Imports (billion US\$)	14.8	14.7	14.8	<b>15.6</b>
Total Agri-Food Exports (billion US\$)	4.7	5.1	5.1	<b>5.3</b>

*Source: 2015 Taiwan Statistical Data Book, National Development Council, Taiwan  
Taiwan Director-General of Budget, Accounting, Statistics (DGBAS)*

### **U.S. – Taiwan Trade Facts**

According to the Bureau of Foreign Trade, Ministry of Economic Affairs, total Taiwan exports increased by 2.7% to US\$313.7 billion and imports increased by 1.53% to US\$274 billion in 2014. China (including Hong Kong) is Taiwan's largest trading partner, accounting for 26.7% of total trade and 18.1% of Taiwan's imports in 2014. The United States is Taiwan's second largest trading partner, accounting for 10.6% of total trade, including 10% of Taiwan's imports. Taiwan ran a trade surplus with the United States of US\$7.4 billion in 2014, an increase US\$80 million from the previous year. Japan follows with 10.48% of total trade, including 15.21% of Taiwan's imports.

### **Agricultural Trade**

In 2014, Taiwan was the 14th-largest U.S. export market overall and the seventh-largest export market for agricultural products. Given Taiwan's relatively small agricultural sector, Taiwan's dependence on imports is expected to continue to grow. According to Taiwan's Council of Agriculture, Taiwan imported US\$3.79 billion of food and agricultural products (including edible fishery products) from the United States in 2014, representing 24.4% of the total import market share. The United States also exports many consumer-oriented agricultural products, the majority of those being red meats, fresh fruit, poultry, and processed fruits and vegetables.

Since 2007, countries that depend on imports of basic agricultural commodities for food and feed purposes have had to deal with significant increases in commodity prices as well as transportation costs. While Taiwan has seen some food price inflation, the well-developed economy has been able to absorb the added costs more easily than other import-dependent parts of the world. The result, however, has been an increase in the number of sources from which Taiwan is willing to import commodities. The

United States is still seen as a provider of high-quality, safe products and is the largest supplier of many food products to Taiwan.

Taiwan became a member of the World Trade Organization (WTO) on January 1, 2002, as a customs territory, and is referred to as *Chinese Taipei*. The lowering of tariff and non-tariff trade barriers for imports has provided improved market access for a wide range of U.S. agricultural products including: fresh produce, dairy products, meat, seafood, and processed food products.

### **Taiwan Food and Agricultural Products Imports and Exports Top 5 Importing and Exporting Countries 2014**

Ranking	Importing Countries			Exporting Countries		
		Amount (US\$ million)	Share (%)	Country	Amount (US\$ million)	Share (%)
1	U.S.	3.8	24.4	China	995	18.1
2	Brazil	1.1	7.2	Japan	833	16.3
3	Japan	966	6.2	Hong Kong	535	10.3
4	China	963	6.2	Vietnam	504	9.6
5	Australia	854	5.5	U.S.	502	9.5

Sources: Council of Agriculture (COA)

The United States has long been the major supplier of Taiwan's food and agricultural product imports, followed by Brazil, Japan, China and Australia. In 2014, Taiwan imported US\$3.79 billion of agri-food products from the United States, representing approximately 24.4% of the total food and agricultural imports, followed by Brazil (US\$1.12 billion), Japan (US\$966 million), China (US\$963 million) and Australia (US\$854 million).

#### **Bilateral Taxation Treaties**

Taiwan has concluded various forms of investment agreements with the following 32 countries: Argentina, Belize, Burkina Faso, China, Costa Rica, Dominica, El Salvador, Gambia, Guatemala, Honduras, India, Indonesia, Japan, Liberia, Malaysia, Macedonia, Malawi, the Marshall Islands, Nicaragua, Nigeria, Panama, Paraguay, the Philippines, Saudi Arabia, Senegal, Singapore, St. Vincent, Swaziland, Thailand, the United States, Vietnam and New Zealand.

Representatives of the United States and Taiwan signed a Trade and Investment Framework Agreement (TIFA) in 1994 to serve as the basis for consultations on trade and investment issues. The April 2014 TIFA Council meeting welcomed steps by Taiwan authorities to improve trade secrets protection, address pharmaceutical issues, clarify investment criteria, lift data localization requirements in the financial sector, and to revise standards affecting U.S. market access, while also highlighting the need for more meaningful progress on long-standing agricultural trade issues and intellectual property protection.

#### **Market Entry**

Taiwan is a sophisticated consumer market in which consumers are plugged into global consumer trends. U.S. products are well represented in the market, as are products from across the region, especially China and other lower-cost producers. Taiwan is a good target market for high-quality, differentiated products



and commodity items.

Taiwan is a price-sensitive market, and foreign goods must conform to certain local standards and labeling regulations required for importing products into this market. A local agent or distributor should be able to assist with obtaining the necessary certifications and permits required for importation.

## **Key Trends in the Retail Market**

### **Convenience stores are more convenient than ever**

With one store per every 2,300 person, Taiwan has the highest convenience store density in the world.

Convenience store chains are now providing oven-prepared, microwavable meals, bakery products and other processed food products via these retail channels. Convenience stores in Taiwan have become even more convenient than before. With the 24-hour operation, when grocery and other retail stores are closed, consumers have the privilege of getting various kinds of services during off business hours.

### **Increase of health-conscious consumers**

The needs of local consumers are evolving as they become more health conscious. In response, small grocery operators, hypermarkets and supermarkets are bringing in more health and wellness products. Health-conscious consumers tend to be less concerned about prices when shopping for products believed to be healthier and more nutritious.

### **Food safety is the top concern in Taiwan's food industry**

Consumers also receive a great deal of news about food safety, which is causing increased concerns and skepticism. This may provide opportunities for U.S. exporters to promote brand value through emphasis on natural products and food safety issues.

### **E-Commerce makes shopping easier**

Convenience stores offer value-added services by taking advantage of the latest digital technology and offering their services and customer promotions via mobile phones, laptops and home computers.

### **Ready-to-eat products are in strong demand**

In response to the recent demand by time-constrained consumers for quick meal solutions, big name retailers such as 7-Eleven, have added fresh-cooked food menus to their convenience stores. Strong sales found in the convenience store sector are a result of the consumers' need for fast transactions and one-stop shopping. More and more supermarkets are adding new products of ready-to-eat/ready-to-cook prepared foods. Restaurants' take-out orders (home meal replacements) have grown steadily as more and more full-time housewives and time-constrained consumers' demand quick meals. .

### **Active aging**

Due to its low fertility rate, Taiwan is expected to become an aged society, defined as a society in which over 14% of the population is 65 or above, by 2017, and a super-aged society, in which senior citizens account for at least one-fifth of the total population, by 2025, according to Taiwan 2015 Year Book. To raise the quality of life of the nation's senior citizens and slow the progression of chronic diseases, the Taiwan's Ministry of Health and Welfare supported age-friendly cities, age-friendly health care, health promotion for the elderly, and prevention measures against chronic diseases and cancer, among other initiatives. As a result, U.S. retail foods suppliers will find potential opportunities in the health and wellness products, small-sized packaged foods and fresh-cooked food.

### Improved economic growth strengthened consumer confidence

Taiwan is expected to deliver the satisfactory economic growth in 2015 compared with the previous two years. Such positive sentiment is also reflected in domestic demand and continuous promotions led to an increase in retail sales. Consumer confidence could be strengthened as the economic growth momentum continues and the local job market improves.

### Cross-strait trade up

China (including Hong Kong) is Taiwan's largest trading partner. Currently, Taiwan is the largest investor in China, where Taiwan companies have invested heavily in high-tech sectors and other food related sectors, especially in the food processing and food and beverage franchise sectors.

### Advantages and Challenges for U.S. Exporters

Advantages	Challenges
U.S. food products enjoy an excellent reputation among Taiwan consumers.	U.S. food products are not always price competitive in Taiwan market.
The growing modern retail industry is looking for new imported food products.	Lack of importer and retailer knowledge and training in purchasing, handling, and merchandising U.S. products.
Taiwan is an attractive market for U.S. food exporters. It's also a safer market penetrate for companies interested in exporting food and agricultural products to China.	Taiwan is the United States 7th largest market for agricultural exports, but is often overlooked by U.S. suppliers eager to export directly to China.
The majority of Taiwan consumers become more health conscious and they tend to be less concerned about costs when shopping.	Lack of brand awareness by consumers
Taiwan concerns over food safety have made U.S. food products as a top choice for quality and reliable products.	U.S. exporters are sometimes reluctant to change product specifications to comply with Taiwan requirements/consumer preferences.
Taiwan consumers are brand-conscious and America is a leader in food brands that set trends.	Many U.S. companies are unwilling to provide low volume, consolidated shipments of high-value products to importers/end users in Taiwan.
There is a wide variety of U.S. food products available to Taiwan consumers.	Taiwan consumers maintain a preference for "fresh" food products over "frozen."
In general, implementation and application of food related regulations are transparent and open.	Taiwan's labeling and residue standards differ in some cases from internationally accepted requirement, which complicate international trades.
Taiwan's WTO accession in early 2002 resulting in further market liberalization and import tariff reduction has provided U.S. exporters with more market opportunities	Competition among major world agricultural and food exporters for a share of Taiwan's growing food import market is further intensifying due to Taiwan's WTO accession.
Technical barriers to imports of U.S. products are general not high.	Numerous Taiwan food regulations are not in line with U.S. standards, which can impede imports.

## ***SECTION II. ROAD MAP FOR MARKET ENTRY***

### **Entry Strategy**

ATO Taipei strongly recommends U.S. exporters exhibit in the USA Pavilion of the Taipei International Food Show, which is the most influential trade show in the food industry in Taiwan, taking place in June every year. The USA Pavilion exhibitors will receive on-site consultation services from the ATO Taipei.

Taiwanese buyers in food processing industry tend to buy and import directly those products that are already well known in the market. The reason according to purchasing managers is that they do not want to risk trying out a new product. Instead, stores prefer to buy new-to-market imported products from local suppliers. A trend for food processors is to begin importing directly from a consolidator who can arrange one consolidated shipment for a variety of new and/or already in-the-market products. Furthermore, purchasing managers of these Taiwan food processors welcome offers with market potential from reputable and any reliable U.S. suppliers.

The best method to reach Taiwan's food processor and prospective importers initially is to contact them directly via e-mail or fax. Product catalogues and price lists are essential, and samples are very helpful. U.S. suppliers can obtain lists of Taiwan retail stores and importers from the ATO Taipei.

A visit to Taiwan is imperative in establishing meaningful relationships with Taiwan buyers. Personal relationships and face-to-face meetings are very important in Asian cultures. It is advisable to bring along samples to meetings with potential buyers while visiting Taiwan, as many importers and retailers rely heavily upon subjective factors when deciding on new products to represent.

Product design and packaging is important. Taiwan is very densely populated with a high cost of urban housing. Taiwan consumers keep a low inventory of food and in general prefer smaller units than would be typically sold in the United States. It is necessary for producers of packaged goods to understand the market and its constraints to tailor their products to the consumers in Taiwan.

The typical Taiwan businessperson usually has several interests rather than a single product line. In order to meet the Taiwan consumers' increasing demand to try new products, importers constantly keep seeking for new products, including new-to-market products and new brands of certain products. For new products, it is important that they are supported by advertising and promotional material to generate brand awareness. On the other hand, many importers follow the customary Taiwanese pattern of collecting basic information (samples, catalogues, prices, supply schedules, etc.) and a trial order may be used to test the market response.

### **Support from U.S. State Regional Trade Groups (SRTG)**

Small-to-medium sized exporters should work with the appropriate U.S. State Regional Trade Group (SRTG) to take advantage of the SRTG's resources for marketing and promotion support in major export markets. The four SRTGs are non-profit trade development organizations that help U.S. food producers, processors and exporters sell their products overseas. They are jointly funded by USDA's Foreign Agricultural Service (FAS), the individual state departments of agriculture and private industry. The SRTGs provide export assistance to companies located in their geographic region through a variety of

export programs and integrated marketing services. To learn more services available from the SRTGs, find the SRTG for your geographic region in the list below and visit the website.

- Western U.S. Agricultural Trade Association ([WUSATA](#))
- Southern U.S. Trade Association ([SUSTA](#))
- Food Export-Midwest (previously named MIATCO) ([Food Export](#))
- Food Export-Northeast (Previously named Food Export USA) ([Food Export](#))

### **Locating a Broker/Distributor/Importer**

Most new-to-market food ingredient producers entering Taiwan begin by finding a local partner to serve as an agent, distributor, and/or representative. Agents are the most common partnerships used by foreign firms to gain their initial foothold in Taiwan. Qualified agents are firms active in trading and manufacturing in the food processing industry and offer a large pool of prospective trade partners to represent U.S. companies in Taiwan.

Local representation provides exporters with a domestic advantage of understanding both the local and regional markets and available opportunities. Brokers and distributors provide guidance on best business practices, sales, contacts, market development, logistics and government regulations. Many also provide merchandising and marketing programs, and their volume purchasing power and expertise can help increase potential opportunities to expand in the Taiwan market.

### **Market Structure**

Taiwan's food manufacturers purchase from local importers, distributors, and wholesalers. However, the current tendency is to increase the volume of direct imports. A majority of the large food processors and manufacturers in Taiwan import full-container loads of raw agricultural materials and ingredients directly, while smaller companies including small-to-medium sized firms and specialty processors purchase from importers and distributors. Most of the importers are based in metropolitan Taipei area and manage their own distribution, while others appoint independent distributors to cover other cities in Taiwan.

## Import Food Regulations to Monitor

Taiwan authorities have multiple acts that govern the importation and sales of foods. A more thorough outline of applicable acts and regulations can be found on Taiwan's Food and Administration's official web site at [www.fda.gov.tw](http://www.fda.gov.tw)

### Taiwan's Revised or New Food Regulations

Name of the regulations	Announcement Date
Standards for Veterinary Drug Residue Limits in Foods	October 16, 2015
Sanitation Standard for Pork Fat	July 16, 2015
Standards for Pesticide Limits in Foods	February 12, 2015
Regulations on nutrition Labeling for Prepackaged Vitamin and Mineral Tablets and Capsules	January 23, 2015
Regulations Governing the Labeling of Flavoring Ingredients in Food Additive Products	May 20 ,2014
Regulations on Nutrition Labeling for Prepackaged food Products	April 22, 2014
Regulations of Inspection of Imported Foods and Related Products	April 3, 2014
Standards for Veterinary Drug Residue Limits in Foods	April 1, 2014
Regulations on Food Safety Control System	March 11, 2014
Regulations Governing Food Allergen Labeling	March 7, 2014

## Company Profiles

### Major Taiwan Food Manufacturers

Company	Product Types	Sales US\$ million 2014	Production Location(s)	Procurement Channels
Taiwan Tobacco & Liquor Corporation	Liquor, beer, tobacco	2.5 billion	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Uni-President Group	condiments, health foods, baked products, confectionery, dairy, meat, frozen prepared foods, beverages, organic foods, and pet food	1.34 billion	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Great Wall Group	Edible oil, wheat flour, chicken products, frozen foods, canned desserts, soft drinks, and animal	794.5	Taiwan, China, Hong Kong, Vietnam, Philippines,	Direct, importer, wholesaler, agent, farmers

	feed		Philippines, Malaysia	
TTET Union Corp.	Regular Soybean Meal, High-Protein Soybean Meal, Soybean Flakes, Soybean Oil, Canola Oil, Deep Fry Oil, Selected Soybean, Lecithin, etc.	665.5	Taiwan	Direct, importer, wholesaler, agent, farmers
Charoen Pokphand Enterprise	Processed meats, feedstuffs and poultry meats	522.3	Taiwan, U.S., Mexico, Turkey, EU, Asia	Direct, importer, wholesaler, agent, farmers
Kinmen Kaoliang Liquor	liquor	443.1	Taiwan	Direct, importer, wholesaler, agent, farmers
Wei Chuan Food	Juices, soft drinks, condiments, dairy products	378.6	Taiwan, China, Thailand	Direct, importer, wholesaler, agent, farmers
Taiwan Sugar Corporation	Sugar and sugar products, edible oils and fats, bio-technology products, port products	1.2 billion	Taiwan	Direct, importer, wholesaler, agent, farmers
Standard Foods Corporation	Nutritional foods and supplements, cereal beverages, milk powder, tonic drinks, fresh yogurt products	382.9	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Formosa Oilseed Processing Co., Ltd	Soybean oil, tomato sauces, corn grain and canned fruits	295.4	Taiwan, China	Direct, importer, wholesaler, agent, farmers
Fwusow Industry Co. Ltd	Pet foods, animal feeds, cereal products, edible oil, vegetable protein products	346.8	Taiwan, China	Direct, importer, wholesaler, agent, farmers
Vedan Enterprise Corp.	MSG, instant noodles, beverages, honey, starch, health foods	307	Taiwan, China, Vietnam	Direct, importer, wholesaler, agent, farmers
Central Union Oil Corp	Edible oil, soybean meal and other soybean products	291.4	Taiwan	Direct, importer, wholesaler, agent, farmers
Taisun Enterprise	Edible oil, beverages, feeds	235.2	Taiwan, China	Direct, importer, wholesaler, agent, farmers
King Car Foods Industrial Co., Ltd	Beverage, coffee, tea, energy drinks, water and soft drinks	179.6	Taiwan, China	Direct, importer, wholesaler, agent, farmers

Lien Hwa Foods Corporation	Nuts, potato chips and other snack foods, jam, flour, pasta, pizza and frozen dough products	196	Taiwan, China	Direct, importer, wholesaler, agent, farmers
Hey Song Corporation	Carbonated beverages	156.7	Taiwan, China	Direct, importer, wholesaler, agent, farmers
Shuh Sen Co., Ltd	Sausage, cured meats, smoked meats and canned meat	140.5	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Grape King Bio Ltd	Health foods, medicines and bio ingredients	46.5	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Hsin Tung Yang Co. Ltd	Processed meat and seafood, Taiwanese desserts	125	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Gallant Ocean Int'l Inc.	Processed seafood	90.2	Taiwan, China, S.E. Asia	Direct

Source: ATO Taipei Office Survey  
China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

### **Taiwan Tobacco & Liquor Corporation** **[www.ttl.com.tw](http://www.ttl.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	60
Sales in 2014(US\$ billion)	2.5
Sales growth (%) 2013/2014	-3.45%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Taiwan Tobacco & Liquor Corporation produces and sells liquor, beer, and tobacco products in Taiwan and internationally. The company's marketing and sales division is involved in the product sales and promotion through various channels including: chain stores, supermarkets, general merchandise stores, welfare centers, and traditional stores, as well as duty-free stores supplying duty-free tobacco and liquor to passengers. The company was formerly known as Taiwan Tobacco and Wine Bureau, but changed its name to Taiwan Tobacco & Liquor Corporation in July 2002.

### **Uni-President Enterprises Corp.** **[www.uni-president.com.tw](http://www.uni-president.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	103
Sales in 2014(US\$ billion)	1.34
Sales growth (%) 2013/2014	-5.00%

Source: China Credit Information and Services, Top 5000 Largest Corporations in Taiwan

Uni-President Enterprises Corporation, the largest food production company in Taiwan, is a leader in the food processing industry with more than 30% of the market share in several food product categories,

including: instant noodles, soy sauce, tea-based beverages, milk, yogurt, flavored milk, pudding and processing meat. It is also responsible for running Starbucks, 7-Eleven, Mister Donut and Carrefour in Taiwan.

**Great Wall Enterprise Co. Ltd.**

**[www.greatwall.com.tw](http://www.greatwall.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	187
Sales in 2014(US\$ million)	794.5
Sales growth (%) 2013/2014	1.55%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Great Wall Enterprise Co. Ltd. is principally engaged in the manufacture and distribution of animal feedstuffs and meat products. The company operates its business through the provision of feedstuffs for pigs, chicken and fisheries, broiler chicken meat products, and bulk materials, which includes feed ingredients, soybean powders and edible salad oils as well as other consumable food. The company is also active in food processing activities, providing flour mill products under the Ironman and Great Wall Flour brands. In addition, the company is involved in agribusiness e-trade and services, bio-technology development, and manages several restaurant chains and shopping malls.

**TTET Union Corporation**

**[www.ttet.com.tw](http://www.ttet.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	226
Sales in 2014(US\$ million)	665.5
Sales growth (%) 2013/2014	8.58%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

TTET Union Corporation is principally engaged in the manufacturing, processing and distribution of food and oil products. The company mainly provides soybean powders for feed formula, as well as soybean salad oils. The company is also involved in processing other food products as well as the manufacture of high-protein soybean flours. TTET features soybeans, palm oils, sunflower oils and canola oils.

**Charoen Pokphand Enterprises Taiwan Co. Ltd.**

**[www.cptwn.com.tw](http://www.cptwn.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	296
Sales in 2014(US\$ million)	522.3
Sales growth (%) 2013/2014	-2.17%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Charoen Pokphand Enterprises Taiwan Co., Ltd. is principally engaged in the production and distribution of feedstuffs and meat products. It is also involved in processing a range of meat products, including chicken floss, ginseng chicken, hams, chicken chops, bacon, and chicken wings. Its feedstuffs are used throughout the feeding process for chickens, ducks and pigs.

**Kinmen Kaoliang Liquor, Inc.**

**[www.kkl.gov.tw](http://www.kkl.gov.tw)**



Ranking in Taiwan's top 5,000 enterprises	338
Sales in 2014(US\$ million)	443.1
Sales growth (%) 2013/2014	-12.71%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Kinmen Kaoliang Liquor, Inc. manufactures and distributes liquor products. The company was originally founded in 1952 as a non-profit government agency but was later incorporated in 1998 in Kinmen County, Taiwan. It has sales branches in China and Taiwan.

### **Wei Chuan Foods Corporation**

**[www.weichuan.com.tw](http://www.weichuan.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	393
Sales in 2014(US\$ million)	378.6
Sales growth (%) 2013/2014	-20.88%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Wei Chuan Foods Corp. is principally engaged in the manufacture and distribution of food products. The company's products include: dairy(fresh milk, yogurt, fermented milk and soybean milk), beverages (coffee, juice and tea drinks), convenience foods (seasonings, edible oils, soy sauce and flavoring sauces), leisure foods (instant noodles, nutritional and health foods, milk powder cereal flour, bread and cakes).

Wei Chuan distributes its products to both the local market and the international market.

### **Taiwan Sugar Corporation**

**[www.taisugar.com.tw](http://www.taisugar.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	118
Sales in 2014(US\$ billion)	1.2
Sales growth (%) 2013/2014	-3.17%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Taiwan Sugar Corporation, established in 1946, is a state-owned enterprise. The firm now owns four sugar factories with a total milling capacity of 13,000 tons per day, and a sugar refinery with a melting capacity of 1,200 tons per day. Sugar was Taiwan's leading export commodity and accounted for 74% of the Taiwan's total foreign exchange earnings at its peak several decades ago. At present, to seek sustainable growth, the firm has been actively diversifying its businesses. Taiwan Sugar has projects in the animal industry biotechnology, farm management, hypermarkets, land development, , , marketing, petroleum, and property management.

### **Standard Foods Corporation**

**[www.sfc.sfworldwide.com](http://www.sfc.sfworldwide.com)**

Ranking in Taiwan's top 5,000 enterprises	386
Sales in 2014(US\$ million)	382.9
Sales growth (%) 2013/2014	3.00%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Standard Foods Corporation primarily manufactures and markets nutritional foods and supplements in

Taiwan. It offers oats, cereal beverages, special nutritional foods, milk powder, tonic drinks, fresh yogurt products, and nutritional drinks as well as olive and sunflower oils, soy sauce, and family soup products and seasonings. Standard Foods also manufactures and distributes baby and toddler food products, such as non-staple foods, baby's milk, grow-up milk, milk formula, children's nutritional supplements, and Quaker Lin-Zhe tonic drinks.

**Formosa Oilseed Processing Co. Ltd.**  
**[www.fopco.com.tw](http://www.fopco.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	478
Sales in 2014(US\$ million)	295.4
Sales growth (%) 2013/2014	-17.51%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Formosa Oilseed Processing Co. Ltd. produces and sells food products in Taiwan. The company offers soybean oils, tomato sauces, corn grains, corn sauces, and canned fruits. It also provides barley flakes, barley bran, soybean meal, and feed for animals. In addition, the company offers edible vegetable oils (such as palm oil, canola oil, sunflower oil, olive oil, and grape seed oil) and is engaged in general import and export business ventures.

**Fwusow Industry Co. Ltd.**  
**[www.fwusow.com.tw](http://www.fwusow.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	418
Sales in 2014(US\$ million)	346.8
Sales growth (%) 2013/2014	0.45%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Fwusow Industry Co. Ltd. primarily manufactures and sells pet food products in Taiwan. The company's pet food products include aquarium fish, goldfish, ornamental fish, Kio fish, dog and cat, and fancy bird food products. It also provides sesame oil, cereal series, and textured soy protein series products and various fertilizer and gardening products.

**Vedan Enterprise Corp.**  
**[www.vedan.com.tw](http://www.vedan.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	458
Sales in 2014(US\$ million)	307
Sales growth (%) 2013/2014	7.32%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Vedan Enterprise Corp. engages in the research and development of microbial fermentation technology to manufacture amino acid/amino acid-based products for worldwide markets. It offers enzyme, flavor enhancer, amino acid, organic fertilizer, as well as beverages, noodles and prepared foods, starch/modified starch, sugar. The company also provides acids and chemical biopolymer syntheses for use in pharmaceutical products, cosmetics, health food and nutritional supplements, sanitary products and environmental protection products.

**Central Union Oil Corp.****[www.cuoc.com.tw](http://www.cuoc.com.tw)**

Ranking in Taiwan's top 5000 enterprises	484
Sales in 2014(US\$ million)	291.4
Sales growth (%) 2013/2014	8.07%

Source: China Credit Information and Services, Top 5000 Largest Corporations in Taiwan

Central Union Oil Corp. operates in the oil and fat processing industry in Taiwan. It offers selected soybean, soybean meal and oil, food grade soybean, and organic food grade soybean. It produces 3,000 tons of soybeans per day for an oil-extracting plant and 600 tons of crude soybean oil per day for an oil-refining plant.

**Taisun Enterprise Co. Ltd.****[www.taisun.com.tw](http://www.taisun.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	557
Sales in 2014(US\$ million)	235.2
Sales growth (%) 2013/2014	-2.25%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Taisun Enterprise Co. Ltd. is principally engaged in the manufacturing, processing, wholesale and retail of edible oil, food, feedstuff and cold drinks. The company's main products are edible oil products (including, olive oil, grape seed oil, sunflower oil and salad oil), soybean powder products (soybeans, soybean powders and high protein soybean powders), and feedstuffs. The firm also manufactures food products, such as porridge, snacks and soft drinks, as well as refrigerated food products. In addition, it is involved in the management of food, beverages and dessert shop services.

**King Car Food Industrial Co. Ltd.****[www.lhic.com.tw](http://www.lhic.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	676
Sales in 2014(US\$ million)	179.6
Sales growth (%) 2013/2014	0.00%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

King Car Food Industrial has a strong influence in Taiwan's beverage market. Its products include Mr. Brown coffee, various tea products, energy drinks, natural water and other soft drinks. With its original blend, Mr. Brown coffee is very popular in Taiwan and enjoys almost 70% market share in the ready-to-drink coffee market. Other than Taiwan, King Car also has agents in Australia, Brunei, China, Europe, Guam, Hong Kong, the Middle East, South Africa, and the United States.

**Lian Hwa Foods Corporation****[www.lhic.com.tw](http://www.lhic.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	627
Sales in 2014(US\$ million)	196
Sales growth (%) 2013/2014	9.39%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Lien Hwa Industrial Corporation is principally engaged in the processing and distribution of wheat flour and bran. The company's products include flour, wheat bran, oatmeal, wheat grains, wheat germs as well as other secondary processed products, including pasta, pizza, and frozen dough. The company is also involved in trading and renting land and properties Lien Hwa mainly distributes its products in the domestic market as well as to overseas markets, including China and Hong Kong.

**Hey-Song Corporation**  
**[www.heyson.com.tw](http://www.heyson.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	776
Sales in 2014(US\$ million)	156.7
Sales growth (%) 2013/2014	-9.24%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Hey-Song Corporation is involved in the production and distribution of beverages. Hey-Song provides carbonated beverages, including Hey Song Sarsaparilla drinks and sodas, tea drinks (including, oolong teas, green teas and black teas), coffee drinks, fruit drinks, fruit vinegar beverages, milk tea drinks, and sport drinks. The company also offers alcoholic drinks, such as whiskeys, wines and Kaoliang spirits. Hey-Song distributes its products throughout Taiwan, parts of Asia, Europe and North and South America.

**Shuh Sen Co. Ltd.**  
**[www.shuhsen.com.tw](http://www.shuhsen.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	833
Sales in 2014(US\$ million)	140.5
Sales growth (%) 2013/2014	-0.40%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Shuh Sen. Co. Ltd. was founded in 1989. The company's line of business includes the manufacturing of sausages, cured meats, smoked meats, canned meats and other meat specialties. Shu Sen imports a significant portion of its products from the United States.

**Grape King Inc.**  
**[www.grapeking.com.tw](http://www.grapeking.com.tw)**

Ranking in Taiwan's top 5,000 enterprises	1894
Sales in 2014(US\$ million)	46.5
Sales growth (%) 2013/2014	-60.72%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Grape King Bio Ltd. manufactures and sells drinks, health foods, shampoos, and medicines in Taiwan. The company also offers mushroom mycelium products and probiotics and coccus. It provides private label services and manufactures lactic acid bacteria/yeast/mushroom mycelia fermentation, microbial fertilizers, biological pesticides, animal feed supplements, recombinant DNA bacteria, and other customized services by fermentation.

**Hsin Tung Yang Co. Ltd.**

**www.hty.com.tw**

Ranking in Taiwan's top 5,000 enterprises	905
Sales in 2014(US\$ million)	125
Sales growth (%) 2013/2014	8.64%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Hsin Tung Yang Co. Ltd, produces and sells processed meat products in Taiwan and internationally. It offers pineapple cakes, dried pork, dried beef, pork floss egg rolls, sauces, and tea products. The company offers its products through its own retail stores, and also in stores in shopping malls, international airports, national freeways, and national freeway buses. as well as through online shopping.

**Gallant Ocean International, Inc.**  
**www.gallant-ocean.com.tw**

Ranking in Taiwan's top 5,000 enterprises	1165
Sales in 2014(US\$ million)	90.2
Sales growth (%) 2013/2014	14.07%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Gallant Ocean International, Inc., a privately-held firm, is in the process and supply of seafood products. The company's main product is frozen seafood, and they have production plants located throughout China, Thailand, Myanmar and Vietnam. Its products include fishes (tilapia, milk fish, catfish, white fish, blue shark and kingfish), squids (illex, arrow and loligo), baby octopus, and shrimp (white, black tiger, freshwater and seawater). The company also produces canned and packed value-added seafood products such as breaded butterfly shrimp, seafood mix and tempura shrimp.

### **SECTION III. COMPETITION**

Taiwan's expansion of production opportunities for U.S. exporters of agricultural raw materials and high-value ingredients to Taiwan. With over 6,000 food processors, Taiwan's food processing and ingredient industry is anticipated to grow steadily. Progress in food technology, marketing innovations and exports of finished food products are attributable to Taiwan's increasing demand for quality imported food ingredients.

It has become a common practice for Taiwan food processors to invest more and more in research and development for new agricultural resources and ingredients. In addition, Taiwan consumers focused on quality, food safety and health have pressured the Taiwan food processing industry to continue investing in new innovations and facility in the food processing and ingredients industry presents robust

While maintaining its position as a substantial supplier of bulk commodities, the United States is also a major supplier of key food processing and ingredients: 41.48% of beef, 18.17% of pork and products and 29.48% of cheese. The United States is the top supplier of most varieties of imported fresh fruits: apples (30.94%), cherries (45.91%), peaches and nectarines (83.09%), table grapes (47.89%), plums (91.3%), oranges (85.99%) and berries (52.89%). The United States is also the key supplier of most varieties of vegetables including broccoli (92.36%), onion (59.95%), lettuce (99.12%) and potatoes (94.58%).

### Taiwan Agricultural Product Import Statistics

Product Category (HS code)	Import Value US\$ million 2013 (2014)	Major Supply Sources and Market Share in 2013	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
<b>Meat &amp; Poultry</b>				
Beef and beef offal	627.9 <b>(709.0)</b>	<b>1. USA – 41.48%</b> 2. Australia - 33.43% 3. N. Zealand – 17.55%	Australia dominates market for cheaper beef cuts while the USA is traditionally the largest chilled beef supplier.	Taiwan's beef production only accounts for 5% of total beef consumed on the island.
Pork and pork offal	92.3 <b>(177.8)</b>	1. Canada – 27.9% 2. Denmark – 22.68% 3. Netherlands – 19.12% <b>4. USA – 18.17%</b> 5. Hungary – 6.72%	Imports have occurred only in response to occasional short supplies and high local pork prices. U.S. exports slumped due to the feed additive - ractopamine disputes.	Local pork dominates the market.
Poultry	162.8 <b>(185.8)</b>	<b>1. USA – 82.61%</b> 2. Canada – 17.08%	Taiwan consumer's preference for dark meat provides opportunities for western countries. USA products are generally price competitive.	Local chicken dominates the market.
<b>Fish &amp; Seafood</b>				

Fish Fillet and Meat, Chilled or Frozen (0304)	74.8 <b>(87.2)</b>	1. India – 29.29% 2. Vietnam – 22.98% 3. Indonesia – 12.50% 4. China – 11.26% <b>5. USA – 10.21%</b>	Taiwan imports frozen fish fillets (esp. cod and pollack) and surimi for further processing.	Taiwan produces more seafood products than it needs and only imports those not available in the region.
Rock Lobster and Other Sea Crawfish, Live/Fresh (030621)	8.5 <b>(8.9)</b>	1. Indonesia – 61.95% 2. South Africa – 13.90% 3. Philippines – 10.49% <b>4. USA – 7.07%</b>	Indonesia is the key suppliers of live/fresh lobsters.	Lobsters are not often seen along Taiwan's coastlines.
Rock Lobster, Frozen (030611)	10.3 <b>(22.3)</b>	1. Cuba – 39.54% 2. <b>USA – 17.58%</b> 3. Australia – 11.86%	Cuba is the key suppliers of frozen lobsters.	Lobsters are not often seen along Taiwan's coastlines.
<b>Dairy Products</b>				
Cheese (0406)	121.5 <b>(135.8)</b>	<b>1. USA – 29.48%</b> 2. New Zealand – 27.70% 3. Australia – 10.29% 4. Argentina – 9.77% 5. Italy – 4.25%	New Zealand is foreseen to take up more market share due to its pricing competitiveness.	Local production is limited.
Whey (040410)	16.1 <b>(16.7)</b>	<b>1. USA – 31.66%</b> 2. France – 26.12% 3. Canada – 7.35%	USA is the leading supplier of whey products.	Local production is limited.

Butter (040510)	56.5 <b>(70.4)</b>	1. New Zealand – 60.12% 2. France – 13.68% 3. Australia – 8.91% <b>4. USA – 5.4%</b> 5. Belgium – 3.35%	New Zealand leads with butter and several other dairy products. France supplies high-end products.	Local production is limited.
<b>Fresh Fruits</b>				
Apples, Fresh (080810)	203.9 <b>(244.6)</b>	<b>1. USA – 30.94%</b> 2. Chile – 26.69% 3. Japan – 23.26% 4. New Zealand – 15.32%	USA leads with several fresh fruits that have limited local production, including apples.  Chilean and New Zealand apples gain seasonal advantage.	Taiwan is a significant producer of fresh tropical fruits, and local fruit production is very high quality. Taiwan only imports fruits typically not produced locally.
Cherries, Fresh (080920)	<b>66.5 (0.2)</b>	1. Chile – 45.94% <b>2. USA – 45.91%</b> 3. Canada – 8.15%	USA provides high quality products.  Southern hemisphere countries gain seasonal advantages.	There is no local production.
Peaches & Nectarines, Fresh (080930)	48.4 <b>(36.9)</b>	<b>1. USA- 83.09%</b> 2. Japan – 8.90% 3. Chile – 7.73%	USA products are in good quality and price competitive.	Local products meet about half of local demand.



Grape, Fresh (080610)	49.6 <b>(57.9)</b>	1. USA – <b>47.89%</b> 2. Chile – 23.91% 3. Peru – 12.60% 4. Japan – 6.28% 5. India – 3.68%	USA supply good quality fresh table grape.  Chile and South Africa supply price competitive products.	Local farmers produce different grape varieties - typically sweeter.
Plum, Fresh (080940)	8.4 <b>(7.0)</b>	1. USA – <b>91.63%</b> 2. Chile – 8.37%	USA is the leading supplier of plums.	Local products are different varieties.
Oranges, Fresh (080510)	9.4 <b>(9.8)</b>	1. USA – <b>85.99%</b> 2. South Africa – 7.5% 3. Australia – 6.04%	USA is the dominant supplier of imported fresh oranges while South African became more competitive in 2012.	Local products are different varieties.
Berries (081040)	6.8 <b>(10.4)</b>	1. USA – <b>52.89%</b> 2. Chile – 42.18% 3. Canada - 4.41%	USA is the leading supplying country of cranberries, blueberries and strawberries.	Limited local production of berries.
<b>Fresh Vegetable</b>				
Broccoli and cauliflower, fresh (070410)	10.1 <b>(10.0)</b>	1. USA – <b>92.36%</b> 2. Vietnam – 7.34%	USA is the major supplier of imported broccoli and cauliflowers.	Local products dominate the market.
Onions and shallots, fresh (070310)	21.1 <b>(17.0)</b>	1. USA – <b>59.95%</b> 2. South Korea – 29.68% 3. New Zealand – 6.86%	USA is the major supplier of imported onions.	Local production fulfills around 60% of local demand.

Lettuce, fresh (070519)	6.2 <b>(6.5)</b>	<b>1. USA – 99.12%</b> 2. Vietnam – 0.32%	USA supplies good quality products with competitive prices.	Local products are different varieties and generally of lower quality.
Potatoes, fresh (0701)	8.4 <b>(5.9)</b>	<b>1. USA – 94.58%</b> 2. Australia -- 5.42%	USA is the major supplier of imported potato products, providing good quality products with competitive pricing.	Local products dominate the market and are different varieties.
<b>Alcohol and Other Beverages</b>				
Wine (2204)	146.6 <b>(146.7)</b>	<b>1. France – 53.93%</b> <b>2. USA – 8.85%</b> 3. Italy – 8.71% 4. Chile – 6.96% 5. Spain – 6.44%	France dominates the market, but new world countries are gaining traction due to growing consumer demand for diversity.	Local companies are not able to produce good quality wine.
Beer (2203)	165.7 <b>(183.9)</b>	<b>1. Netherlands – 66.11%</b> 2. China -- 14.04% 3. Japan – 4.70% <b>4. USA – 4.07%</b> 5. Thailand – 2.12%	The Netherlands and China are aggressive suppliers with many promotions in restaurants and bars.	Local beer brands are most popular, holding 73% market share.
<b>Coffee</b>				
Coffee, roasted, not decaf (090121)	33.3 <b>(33.2)</b>	<b>1. USA – 46.13%</b> 2. Malaysia – 17.56% 3. Italy – 13.37% 4. Japan – 7.88%	USA supplies over half of roasted coffee while Indonesia, Brazil and other tropical countries supply most of the non-roasted coffee beans.	There is limited local coffee production supplying special local brand.
<b>Processed Foods</b>				

Mixes and Dough (190120)	17.5 <b>(18.8)</b>	<b>1. USA – 50.04%</b> 2. Japan – 13.03% 3. Thailand – 10.68% 4. South Korea – 8.24% 5. New Zealand – 5.85%	USA dominates the mixes and dough market.	Taiwan imports most of its bakery ingredients.
Sauces and Preps (210390)	71.8 <b>(72.8)</b>	1. Japan – 50.70% <b>2. USA – 14.45%</b> 3. China – 9.66% 4. Thailand – 5.25% 5. Hong Kong – 4.30%	Taiwan consumers tend to prefer the flavors of Japanese sauces and condiments.	Local products dominate the market.
Sunflower and Cottonseed oil (1512)	21.2 <b>(26.3)</b>	1. Ukraine – 57.92% 2. Argentina – 21.62% 3. Italy – 6.79% 4. China – 2.88% 5. Netherlands – 2.20% 6. Malaysia – 2.12% <b>7. USA – 1.77%</b>	Argentina supplies more than half of the market.	Imported edible oil is expected to be in strong demand due to recent food safety events in Taiwan's edible oil market.

Soups & Broths (210410)	13.5 <b>(11.9)</b>	1. Japan – 41.01% <b>2. USA – 30.61%</b> 3. China – 8.54% 4. South Korea – 6.35%	USA and Japan are the key suppliers of soups and broths	Local products dominate the market and customers prefer freshly prepared soups.
Snack Foods, exclude nuts (Group 31)	186.9 <b>(223.9)</b>	1. Japan – 22.86% <b>2. USA – 13.30%</b> 3. Italy – 13.01% 4. Malaysia – 5.65%	Japanese and American snack foods are popular in Taiwan. Recent Japanese Yen's depreciation resulted in 10% to 20% price reduction of Japanese snack foods in most of the retail outlets.	Local products provide different varieties.
Foods Preparations	1,031 <b>(1,075)</b>	<b>1. USA – 25.99%</b> 2. Thailand – 16.15% 3. Japan – 7.96% 4. Netherland – 5.85% 5. Germany – 4.92%	USA continues to dominate this sector with an impressive import sales volume.	Local products provide different varieties.
<b>Tree Nuts</b>				
Almonds, shelled (080212)	43.0 <b>(44.8)</b>	<b>1. USA - 94.11%</b> 2. China – 4.94%	USA is the dominant supplier of tree nuts.	There is no local production available.
Walnuts, shelled (080232)	26.6 <b>(27.9)</b>	<b>1. USA – 92.96%</b> 2. India – 5.40% 2. China – 0.83%	USA is the dominant supplier of tree nuts.	There is no local production available.

Source: ATO survey; Council of Agriculture; Global Trade Atlas

## SECTION IV. BEST PRODUCT PROSPECTS

### Category A: Products Present in the Market That Have Good Sales Potential

Product Category	2014 Import Market size (MT)	2014 Import US\$ million	5-Yr. Avg. Annual Import Growth	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness for USA
Beef and beef offal	104,831	\$709.0	16.4%	Beef: NT\$10 per kilogram Beef variety meat: 15%	The U.S. regained as the largest beef supplier with 42% import market share in 2013 after the Taiwan authority developed the import regulations for beef contains ractopamine. Australia and New Zealand, are perceived by Taiwan consumers who supply acceptable quality beef at lower prices.	The U.S. beef industry is able to supply large volume of “Asian cuts” at compatible prices to other two key suppliers – Australia and New Zealand. Taiwan consumers still have high regards for U.S. chilled beef in terms of quality and safety.
Poultry Meat	143,073	\$185.8	15.8%	20%	Import quotas on poultry meat were eliminated in 2005, but special safe guard (SSG) raises the tariff to about 26%.	U.S. enjoys 81% import market share and is one of only six countries certified to export poultry meat to Taiwan.
Fresh Fruits	298,703	\$612.9	8.67%	Apples - 20% Cherries – 7.5% Peaches – 20% Grape – 20% Plum – 20%	Taiwan consumers prefer fresh fruit to frozen fruit. Taiwan is an important producer of fresh tropical fruits with high	U.S. offers different varieties of fresh fruits and enjoy leading positions in several fruit categories, including apples, cherries, peaches

				Oranges – 20%	quality.	& nectarines, grape, plum and oranges. It is anticipated that these seafood will continue to be popular in Taiwan.
Fresh Vegetable	194,667	\$95.4	4.25%	Broccoli – 20% Onions – 25% Lettuce – 20% Potatoes – 15%	Local production meets majority of the vegetable's demand.	U.S. continues to be in the leading position of broccoli, onions, lettuce and potatoes product categories with import market share between 87% - 99%.
Berries	930	\$10.4	36.67%	7.5%	Local production meets the demand of different varieties.	Consumers in Taiwan are becoming more health conscious. Berries continue to enjoy a steadily increasing share in retail channel. There are strong growth prospects for strawberry, cranberry and blueberry categories.
Snack Foods, exclude nuts	43,687	\$223.9	8.17%	Varies by type	Japan and USA are the top two supplies countries in Taiwan's competitive snack market.	The booming E-commerce and increased number of convenience stores in Taiwan provide business potential for U.S. snack suppliers.
Food Preparations	NA	\$1,075	6.07%	Varies by type	The food processing industry in Taiwan is worth US\$21.4 billion	Taiwan imports US\$268 million worth of food additives, favoring,

					and local producers have secured a niche position in the competitive global market.	specialized food ingredients, preservatives, thickeners, sweeteners, prepared meals, dried goods and condiments.
Fish and Seafood Products	265,031	\$932	8.24%	NT\$5.36 to NT\$225 per kg; or 9% to 50%	Taiwan consumers have preferences for “fresh” fish and seafood products over “frozen”.	U.S. fish and seafood products are perceived as high quality and safe. Many high-end hotels and restaurants carry Alaska seafood.

Source: ATO Survey, Customs Administration – Ministry of Finance,  
Taiwan Council of Agriculture, Global Trade Atlas

## SECTION V. POST CONTACT AND FURTHER INFORMATION

### Contact Information for FAS Offices in Taiwan and in the United States

*For Trade Policy/Market Access and General Agricultural Issues:*

<b>Taiwan</b>	
American Institute In Taiwan, AIT, Taipei	
<b>Office Hours:</b> 8:00 AM – 5:00 PM	
<b>Telephone:</b> (011-866-2) 2162-2316	
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*For Market Development Assistance:*

<b>Taiwan</b>	
Agricultural Trade Office - Taipei, ATO, Taipei	
<b>Office Hours:</b> 8:00 AM – 5:00 PM	
<b>Tel-Direct Line:</b> (011-886-2) 2705-6536	
<b>Fax:</b> (011-886-2) 2706-4885	
<b>Email-FAS:</b> <a href="mailto:atotaiepi@fas.usda.gov">atotaiepi@fas.usda.gov</a>	

### Major Taiwan Authority Contacts

Food and Drug Administration (FDA)  
Department of Health (DOH), Executive Yuan  
161-2 Kun-Yang Road, Taipei, Taiwan  
Tel: (886) 2-2653-1318

Website: <http://www.fda.gov.tw/eng/index.aspx>

Council of Agriculture (COA), Executive Yuan  
37 Nan-Hai Road, Taipei, Taiwan  
Tel: (886) 2-2381-2991 Fax: (886) 2-2331-0341  
E-mail: [COA@mail.coa.gov.tw](mailto:COA@mail.coa.gov.tw)  
Website: <http://eng.coa.gov.tw>

Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ), COA  
9F, 51 Chung-Ching South Road, Section 2, Taipei, Taiwan  
Tel: (886) 2-2343-1401 Fax: (886) 2-2343-1400  
E-mail: [BAPHIQ@mail.baphiq.gov.tw](mailto:BAPHIQ@mail.baphiq.gov.tw)  
Website: <http://www.baphiq.gov.tw>

Bureau of Standards, Metrology and Inspection (BSMI)/Ministry of Economic Affairs (MOEA)  
4 Ji-Nan Road, Section 1, Taipei, Taiwan  
Tel: (886) 2-2343-1700 Fax: (886) 2-2356-0998  
Website: <http://www.bsmi.gov.tw>

Bureau of Foreign Trade (BOFT) / MOEA  
1 Hu-Kou Street, Taipei, Taiwan  
Tel: (886) 2-2351-0271 Fax: (886) 2-2351-3603  
E-mail: [BOFT@trade.gov.tw](mailto:BOFT@trade.gov.tw)  
Website: <http://eweb.trade.gov.tw>

Directorate General of Customs (DCG) / Ministry of Finance (MOF)  
13 Ta-Cheng Street, Taipei, Taiwan  
Tel: (886) 2-2550-5500 Fax: (886) 2-2550-8111  
E-mail : [MGR@webmail.customs.gov.tw](mailto:MGR@webmail.customs.gov.tw)  
Website : <http://eweb.customs.gov.tw>

Food Industry Research and Development Institute (FIRDI)  
331 Shih-Pin Road, Hsinchu, Taiwan  
Tel: (886) 3-522-3191 Fax: (886) 3-521-4016  
Website: <http://www.firdi.org.tw>

### **Major Taiwan Trade Association Contacts**

Taiwan External Trade Development Council (TAITRA)  
5-7F, 333 Kee-Lung Road, Section 1, Taipei, Taiwan  
Tel: (886) 2-2725-5200 Fax: (886) 2-2757-6245  
Website: <http://www.taiwantrade.com.tw>  
Taiwan Chain Stores and Franchise Association (TCFA)  
4F, 180 Nan-King East Road, Section 4, Taipei, Taiwan  
Tel: (886) 2-2579-6262 Fax: (886) 2-2579-1176  
Website: <http://www.tcfa.org.tw>



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Wisconsin Ginseng Board						
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U.S. Dairy Export Council						
USA Rice Federation						
Wine Institute of California						
US Potato Board						
Northwest Cherry Growers Association	n/a	Herman Kuo	(88609) 32123482	(8862) 23627676	3F, 14, lane 26, Tai-shun St. Taipei Taiwan	<a href="mailto:Yikuo1976@gmail.com">Yikuo1976@gmail.com</a> ;
U. S. Meat Export Federation	n/a	Davis Wu	(8862) 27361200	(8862) 27361500	12F-1, 23, Keelung Rd., Sec. 2, Taipei	<a href="mailto:taiwan@usmef.org">taiwan@usmef.org</a> ; <a href="mailto:dwu@usmef.org.tw">dwu@usmef.org.tw</a>
California Agricultural Export Council	n/a	Irene Tsai	(8862) 87898855	(8862) 87898833	Suite7C-06, Taipei World Trade Center, 5, Hsin-Yi Rd., Sec5, Taipei	<a href="mailto:CAEC-Asia@umail.hinet.net">CAEC-Asia@umail.hinet.net</a>
Oceanspray (beverage)	n/a	Daisy Hong	(8862) 25184005	(8862) 25184609	9F, 88 Chien Kuo N. Rd., Sec.2, Taipei	<a href="mailto:d.m.hong@oceanspray.com">d.m.hong@oceanspray.com</a>
Oceanspray (ingredient)	n/a	Kenneth Wang	(8862) 25023331	(8862) 25041094	9F, 88 Chien Kuo N. Rd., Sec.2, Taipei	<a href="mailto:kenjohn@ms27.hinet.net">kenjohn@ms27.hinet.net</a>
U.S. Highbush Blueberry Council, California Fig Producers Association	n/a	Millie Hsia	(8862) 23093130		PO 31-90 PO 31-90	<a href="mailto:millie@blueberry.org">millie@blueberry.org</a>
US Pet Food	Wise	Echo Lin	(8862)	(8862)	8F.,	<a href="mailto:jean@wisecont.com">jean@wisecont.com</a> ;

Institute	Consulting		25140984	27184850	No.201, Fu-Shin N. Rd, Taipei	<a href="mailto:joyce@wisecont.com">joyce@wisecont.com</a>
APA - The Engineered Wood Association	n/a	Charlie Barnes	(8862) 27201624	(8862) 27201646	Taipei World Trade Center, Suite 7C-08, #5 Hsin-yi Road Section 5, Taipei 110	<a href="mailto:charlie.barnes@apawood.org">charlie.barnes@apawood.org</a>
ASA - IM	n/a	Anthony Thang	(8862) 25602927	(8862) 25683869	6F, 27 Chang E. Rd. Sec.1, Taipei	<a href="mailto:asatwn@ms75.hinet.net">asatwn@ms75.hinet.net</a>
U.S. Grains Council	n/a	Clover Chang	(8862) 25075401	(8862) 25024851	7F, 157, Nanking E. Rd., Sec.2, Taipei, Taiwan	<a href="mailto:usfgctai@ms6.hinet.net">usfgctai@ms6.hinet.net</a> ; <a href="mailto:usgcclvr@ms41.hinet.net">usgcclvr@ms41.hinet.net</a>
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### Other Relevant Reports

Reports on the Taiwan food and agricultural market are available on the FAS website. The search engine can be found at:

<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>

Videos:

"Doing Business in Taiwan" - A Day in Taipei

Part I: <http://www.youtube.com/watch?v=wyIlsMjIEWg>

Part II: <http://www.youtube.com/watch?v=4SH3c5EiJm4&feature=related>

ATO Taipei marketing program video clippings:

[http://www.youtube.com/user/USFoodTaiwan?ob=0&feature=results\\_main](http://www.youtube.com/user/USFoodTaiwan?ob=0&feature=results_main)

### Contact Information of USDA's Foreign Agricultural Service Office in Taiwan

- For Trade Policy/Market Access and General Agricultural Issues, please contact the Agricultural Affairs section via email at: [agtaipei@fas.usda.gov](mailto:agtaipei@fas.usda.gov).

- For Market Development Assistance, please contact the Agricultural Trade Office via email at: [atotapei@fas.usda.gov](mailto:atotapei@fas.usda.gov).

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