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Taiwan

Grain and Feed

Urgent Demand for U.S. Adzuki Beans

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Report Highlights:

There is an immediate demand for imported adzuki beans in Taiwan. Before Taiwan joined the WTO, Taiwan allowed indirect import of PRC adzuki beans under a special import permit mechanism. The PRC became a major supplier to Taiwan, but Taiwan recently reinstated the ban on PRC adzuki bean imports. Post expects the ban to be lifted in July.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Taiwan [TW1], TW

The Urgent Demand for U.S. Adzuki Beans

Taiwan has an immediate demand for adzuki beans, a kind of small red bean. Taiwan's yearly demand for adzuki beans is about 11,000 mt, of which around 3,500 mt are normally imported. As a result of Taiwan's WTO accession, the Tariff Rate Quota (TRQ) is set at 1,500 mt in 2002 with an in-quota tariff of 22.5 percent. The out of quota tariff is NT\$26/kg. Taiwan importers have paid NT\$21/kg to NT\$23/kg to quota right holders for 2002 quota rights. The quota right payment is rather high, which make import duty differences between in-quota and out-of-quota duties very small. This may promote out-of-quota imports.

Before Taiwan joined the WTO, PRC adzuki bean imports were officially banned, but permitted to enter under a special import permit mechanism. This allowed Mainland China to become a major supplier to Taiwan, followed distantly by Australia. After Taiwan joined the WTO, Taiwan listed an additional 835 agricultural, fishery and food products which may be imported from China. Taiwan's importers assumed that adzuki beans would be on the list of permitted PRC products. Much to their surprise, they found out that the import ban remained while the special import mechanism had ended. Local supplies and imports from Australia are insufficient to meet Taiwan's demand. As a result of the shortage, adzuki bean prices have risen to NT\$70/kg from last year's average of NT\$58/kg. The current exchange rate is approximately US\$1=NT\$35. Importers have approached Post about sourcing supplies from the U.S.

Post anticipates that Taiwan will end the import ban on PRC adzuki beans in July 2002 as it further expands the list of allowable agricultural imports from China. This creates a short-term, but potentially lucrative opportunity for other suppliers.