

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Taiwan

Food Processing Ingredients

Annual 2016

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Report Highlights:

This report provides an overview of the Taiwan's foodservice industry and its various sub-sectors. Even though Taiwan's food processing and ingredient industry is extremely competitive, there are still enormous opportunities for U.S. exporters as consumers in Taiwan perceive U.S. products are of high quality and safe.

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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. 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, make it an extremely attractive market for U.S. exporters. It also serves as an excellent test market for companies interested in exporting food products to China.

Production

According to the Department of Statistics of the Ministry of Economic Affairs, Taiwan's total output value of the domestic food processing and ingredients in 2015 was US\$21.3 billion. This makes food processing the eighth largest manufacturing sector, behind only electronic/electrical machinery, chemicals, machinery, petrochemical and metal industries. The food processing industry comprises of approximately 6,000 manufacturing enterprises employing more than 125,000 people.

Table-1 below outlines the production output of the food processing and ingredients industry from 2010-2015.

Table 1 - Taiwan's Food Industry Production Output
Unit: US\$ billions & millions
2010 - 2015

Sub-sector	2010	2011	2012	2013	2014	2015
Slaughtering	1.95 b	2.04 b	2.19 b	2.22 b	2.6 b	2.5b
Other miscellaneous foods	2.2 b	2.3 b	2.1 b	1.1 b	2.1 b	2.1b
Non-alcoholic beverages	1.64 b	1.71 b	1.71 b	1.73 b	1.8 b	1.7b
Flour milling	1.27 b	1.33 b	1.29 b	1.35 b	1.4 b	1.2b
Grain husking	946	1.13 b	1.19 b	1.51 b	1.2 b	1.2b
Frozen & chilled meat	704	820	866	868	977	1b
Dairy Products	889	900	942	1.01 b	987	996
Prepared foods	830	850	922	878	903	943
Flour and bakery products	788	797	818	779	830	860
Alcoholic beverages	331	340	881	886	790	753
Edible fat & oil	933	1,020	962	873	814	653
Seasoning	609	587	532	597	607	583
Noodles	448	480	493	457	403	440
Tea	155	160	245	231	220	243
Frozen & chilled seafood	232	240	236	223	257	233

Sugar confectionery	204	210	243	230	213	223
Processed meat	180	187	189	195	190	206
Processed fruit and vegetables	130	127	115	144	153	157
Frozen & chilled fruit and vegetables	91	87	103	101	106	110
Total	19.8 billion	21.01 billion	20.07 billion	19.8 billion	21.8 billion	21.3 billion
Growth Rate	6.65%	6.14%	-4.49%	-1.29%	2.03%	-2.3%

Source: Food Industry Research & Development Institute (FIRDI)

Imports

Taiwan is also a major import market for international food processing and ingredient suppliers. In 2015, Taiwan imported approximately US\$7.9 billion of food processing and ingredients from more than 150 countries or regions, of which US\$1.58 billion was imported from the United States, representing 20% of the total import market share. The United States was the number one food processing and ingredients supplier to Taiwan, followed by Japan (US\$711 million, 9%), New Zealand (US\$553 million, 7%), Australia (US\$553 million, 7%), and Thailand (US\$474 million, 6%). The top five supplying countries comprised approximately 50% of the import market.

Top Five Supplying Countries – Food Processing and Ingredients By Import Value 2015

Import Country	Import Value US\$	% of Total Import Market Share
U.S.	1.58 billion	20%
Japan	711 million	9%
New Zealand	553 million	7%
Australia	553 million	7%
Thailand	\$474 million	6%
Others	\$4 billion	51%
Total	US\$7.9 billion	100%

Source: Food Industry Research & Development Institute (FIRDI)

The United States is seen as a provider of high-quality safe products, and is the largest supplier of many consumer food products. Australia and New Zealand are major suppliers of beef, cheese, and dairy products. Meanwhile, Japan dominates the snack foods, sauces, and preparations and biscuit market. Japan is also very competitive in other consumer-ready food products.

Key market drivers include an increasing interest in healthy and functional foods, an aging population, and health conscious consumers that have forced food processors 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 well acceptance and trust in U.S. raw materials and ingredients. Consumers' favorable preference over U.S. ingredients and food materials is a tremendous advantage for U.S. exporters seeking to develop a market.

SECTION II. ROAD MAP FOR MARKET ENTRY

Market Entry Strategy

Taiwan is a mature 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. It is a good market for high-quality, differentiated products and commodity items.

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

Product design and packaging is important. Homes are smaller on average than U.S. houses and consumers generally only keep a limited inventory of food, thus prefer smaller packages 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.

The typical businessperson usually has several interests rather than a single product line. To meet the consumers' increasing demand to try new products, importers regularly seek 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 pattern of collecting basic information (samples, catalogs, prices, supply schedules) and trial orders 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 funded by USDA's Foreign Agricultural Service (FAS), 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](#))

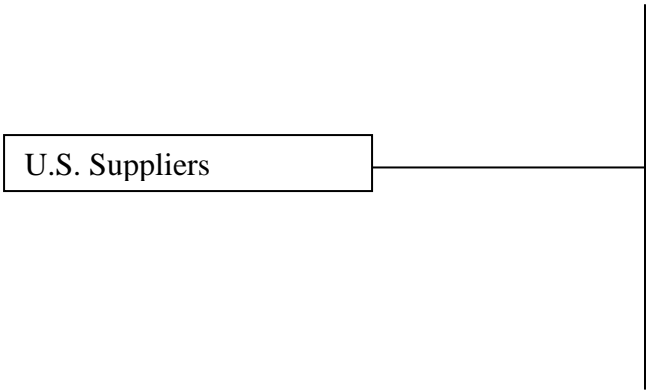
- Food Export-Midwest (previously named MIATCO) ([Food Export](#))
- Food Export-Northeast (Previously named Food Export USA) ([Food Export](#))

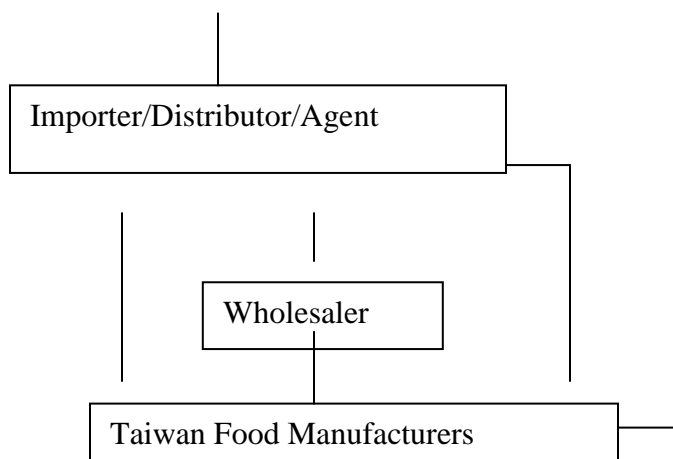


ATO Taipei strongly recommends U.S. exporters exhibit in the USA Pavilion at the Taipei International Food Show, which is the most influential trade show in the food industry in Taiwan, taking place in June every year. The USA Pavilion exhibitors will receive on-site consultation services from the ATO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

Market Structure

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 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 the metropolitan Taipei area and manage their distribution, while others appoint independent distributors to cover other cities.





Import Food Regulations to Monitor

Taiwan authorities have multiple acts that govern the importation and sales of foods. A more thorough outline of applicable laws and regulations can be found on Taiwan's Food and Administration's official website at www.fda.gov.tw

Company Profiles

Major Taiwan Food Manufacturers

Company	Product Types	Sales US\$ million 2015	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	1.56 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 feed	744.6	Taiwan, China, Hong Kong, Vietnam, Philippines, Philippines, Malaysia	Direct, importer, wholesaler, agent, farmers
TTET Union Corp.	Regular Soybean Meal, High-Protein Soybean	552.9	Taiwan	Direct, importer, wholesaler,

	Meal, Soybean Flakes, Soybean Oil, Canola Oil, Deep Fry Oil, Selected Soybean, Lecithin, etc.			agent, farmers
Charoen Pokphand Enterprise	Processed meats, feedstuffs and poultry meats	498.8	Taiwan, U.S. Mexico, Turkey, EU, Asia	Direct, importer, wholesaler, agent, farmers
Kinmen Kaoliang Liquor	liquor	397.5	Taiwan	Direct, importer, wholesaler, agent, farmers
Wei Chuan Food	Juices, soft drinks, condiments, dairy products	253.6	Taiwan, China, Thailand	Direct, importer, wholesaler, agent, farmers
Taiwan Sugar Corporation	Sugar and sugar products, edible oils and fats, biotechnology products, port products	1.1billion	Taiwan	Direct, importer, wholesaler, agent, farmers
Standard Foods Corporation	Nutritional foods and supplements, cereal beverages, milk powder, tonic drinks, fresh yogurt products	391.6	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Formosa Oilseed Processing Co., Ltd	Soybean oil, tomato sauces, corn grain, and canned fruits	257.7	Taiwan, China	Direct, importer, wholesaler, agent, farmers
Fwusow Industry Co. Ltd	Pet foods, animal feeds, cereal products, edible oil, vegetable protein products	319.3	Taiwan, China	Direct, importer, wholesaler, agent, farmers
Vedan Enterprise Corp.	MSG, instant noodles, beverages, honey, starch, health foods	304.8	Taiwan, China, Vietnam	Direct, importer, wholesaler, agent, farmers
Central Union Oil Corp	Edible oil, soybean meal and other soy products	215.9	Taiwan	Direct, importer, wholesaler, agent, farmers
Taisun Enterprise	Edible oil, beverages, feeds	217	Taiwan, China	Direct, importer, wholesaler, agent, farmers
King Car Foods Industrial Co., Ltd	Beverage, coffee, tea, energy drinks, water and soft drinks	198.7	Taiwan, China	Direct, importer, wholesaler, agent, farmers
Lien Hwa Foods	Nuts, potato chips and other snack foods, jam, flour,	215.2	Taiwan, China	Direct, importer, wholesaler,

Corporation	pasta, pizza and frozen dough products			agent, farmers
Hey Song Corporation	Carbonated beverages	169.2	Taiwan, China	Direct, importer, wholesaler, agent, farmers
Shuh Sen Co., Ltd	Sausage, cured meats, smoked meats and canned meat	168	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Grape King Bio Ltd	Health foods, medicines and bio ingredients	51.5	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Hsin Tung Yang Co. Ltd	Processed meat and seafood, desserts	104.2	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Gallant Ocean Int'l Inc.	Processed seafood	60.9	Taiwan, China, SE 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

Ranking in Taiwan's top 5,000 enterprises	58
Sales in 2015(US\$ billion)	2.5
Sales growth (%) 2014/2015	-1.61%

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

Ranking in Taiwan's top 5,000 enterprises	113
Sales in 2015 (US\$ billion)	1.28
Sales growth (%) 2014/2015	-4.8%

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

Ranking in Taiwan's top 5,000 enterprises	195
Sales in 2015 (US\$ million)	744.6
Sales growth (%) 2014/2015	-6.27%

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

Great Wall Enterprise Company 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. Also, the company is involved in agribusiness e-trade and services, biotechnology development, and manages several restaurant chains and shopping malls.

TTET Union Corporation

www.ttet.com.tw

Ranking in Taiwan's top 5,000 enterprises	284
Sales in 2015 (US\$ million)	552.9
Sales growth (%) 2014/2015	-21.42%

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

TTET Union Corporation is 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 manufacturer 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

Ranking in Taiwan's top 5,000 enterprises	300
Sales in 2015 (US\$ million)	498.8
Sales growth (%) 2014/2015	-4.5%

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

Charoen Pokphand Enterprises Taiwan Co. 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

Ranking in Taiwan's top 5,000 enterprises	359
Sales in 2015 (US\$ million)	397.5
Sales growth (%) 2014/2015	-10.3%

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

Kinmen Kaoliang Liquor Company 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

Ranking in Taiwan's top 5,000 enterprises	501
Sales in 2015 (US\$ million)	253.6
Sales growth (%) 2014/2015	-33%

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

Wei Chuan Foods Corp. is primarily engaged in the manufacture and distribution of food products. The company's products include flavoring sauces, 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

Ranking in Taiwan's top 5,000 enterprises	130
Sales in 2015 (US\$ billion)	1.1
Sales growth (%) 2014/2015	-8.06%

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

Ranking in Taiwan's top 5,000 enterprises	370
Sales in 2015 (US\$ million)	391.6
Sales growth (%) 2014/2015	2.25%

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

Standard Foods Corporation 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, milk, milk formula, children's nutritional supplements, and Quaker Lin-Zhe tonic drinks.

Formosa Oilseed Processing Company
www.fopco.com.tw

Ranking in Taiwan's top 5,000 enterprises	492
Sales in 2015 (US\$ million)	257.7
Sales growth (%) 2014/2015	-12.77%

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. Also, 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.
www.fwusow.com.tw

Ranking in Taiwan's top 5,000 enterprises	420
Sales in 2015 (US\$ million)	319.3
Sales growth (%) 2014/2015	-7.92%

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

Fwusow is 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

Ranking in Taiwan's top 5,000 enterprises	439
Sales in 2015 (US\$ million)	304.8
Sales growth (%) 2014/2015	-0.7%

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

Vedan Enterprise 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

Ranking in Taiwan's top 5000 enterprises	583
Sales in 2015 (US\$ million)	215.9
Sales growth (%) 2014/2015	-25.92%

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

Ranking in Taiwan's top 5,000 enterprises	581
Sales in 2015 (US\$ million)	217
Sales growth (%) 2014/2015	-7.72%

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. Also, it is involved in the management of food, beverages and dessert shop services.

King Car Food Industrial Co. Ltd.

www.lhic.com.tw

Ranking in Taiwan's top 5,000 enterprises	618
Sales in 2015 (US\$ million)	198.7
Sales growth (%) 2014/2015	10.62%

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

Ranking in Taiwan's top 5,000 enterprises	584
Sales in 2015 (US\$ million)	215.2
Sales growth (%) 2014/2015	9.79%

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

Lien Hwa Industrial Corporation is chiefly 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.heysong.com.tw

Ranking in Taiwan's top 5,000 enterprises	712
Sales in 2015 (US\$ million)	169.2
Sales growth (%) 2014/2015	8%

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 sports drinks. The company also offers 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

Ranking in Taiwan's top 5,000 enterprises	718
Sales in 2015 (US\$ million)	168
Sales growth (%) 2014/2015	19.65%

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

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.

SECTION III COMPETITION

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 increasing demand for quality imported food ingredients.

Taiwan Agricultural Product Import Statistics

Product Category (HS code)	Import Value US\$ million 2014 (2015)	Major Supply Sources and Market Share in 2015	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Dairy Products				
Cheese curd (0406)	135.8 (131.7)	<ol style="list-style-type: none"> 1. USA – 27.72% 2. New Zealand – 26.37% 3. Australia – 11.67% 4. Argentina – 7.89% 5. Italy – 3.70% 	New Zealand is foreseen to take up more market share due to its pricing competitiveness.	Local production is limited.
Whey (040410)	16.7 (11.7)	<ol style="list-style-type: none"> 1. USA – 46.30% 2. France – 18.21% 3. Norway – 9.05% 	USA is the leading supplier of whey products.	Local production is limited.
Butter (040510)	70.4 (67.3)	<ol style="list-style-type: none"> 1. New Zealand – 53.88% 2. France – 15.46% 3. Australia – 11.80% 4. Netherlands – 3.83% 5. Belgium – 3.83% 4. USA – 3.38% 	New Zealand leads with butter and several other dairy products. France supplies high-end products.	Local production is limited.
Processed Foods				

Mixes and Dough (190120)	18.8 (19.8)	<ol style="list-style-type: none"> 1. USA – 48.42% 2. Japan – 10.89% 3. South Korea – 10.69% 4. Thailand – 9.53% 5. New Zealand – 5.06% 	USA dominates the mixes and dough market.	Taiwan imports most of its bakery ingredients.
Sauces and Preps (210390)	72.8 (79.0)	<ol style="list-style-type: none"> 1. Japan – 49.59% 2. USA – 13.69% 3. China – 9.55% 4. Thailand – 5.74% 5. South Korea – 4.17% 	Taiwan consumers tend to prefer the flavors of Japanese sauces and condiments.	Local products dominate the market.
Sunflower and Cottonseed oil (1512)	26.3 (23.3)	<ol style="list-style-type: none"> 1. Ukraine – 49.95% 2. UK – 19.72% 3. Italy – 9.99% 4. USA – 7.57% 5. Argentina – 3.13% 6. France – 2.84% 7. Spain – 1.75% 	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)	11.9 (15.2)	1. Japan – 42.05% 2. USA – 31.72% 3. China – 8.72% 4. South Korea – 4.91% 5. Thailand – 3.52%	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)	223.9 (214.2)	1. Japan – 18.58% 2. USA – 16.61% 3. Italy – 12.98% 4. Malaysia – 6.56% 5. Germany – 5.66%	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	1,075 (1,077)	1. USA – 28.28% 2. Thailand – 14.94% 3. Japan – 7.04% 4. Netherland – 6.61% 5. Singapore – 4.33% 6. South Korea – 4.18% 7. New Zealand – 3.65%	USA continues to dominate this sector with an impressive import sales volume.	Local products provide different varieties.
Tree Nuts				
Almonds shelled (080212)	44.8 (48.1)	1. USA - 95.91% 2. China – 3.99%	USA is the dominant supplier of tree nuts.	There is no local production available.

Walnuts shelled (080232)	27.9 (34.6)	1. USA – 94.50% 2. Turkey – 3.90% 2. China – 0.84%	USA is the dominant supplier of tree nuts.	There is no local production available.
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SECTION IV BEST PRODUCT PROSPECTS

Product Category	2015 Import US\$ million	2014 Import US\$ million	5-Yr. Avg. Annual Import Growth	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness for the USA
Fresh Fruits	\$623.6	\$612.9	10.42%	Apples - 20% Cherries – 7.5% Peaches – 20% Grape – 20% Plum – 20% Oranges – 20%	Taiwan consumers prefer fresh fruit to frozen fruit. Taiwan is an important producer of fresh tropical fruits with high quality.	U.S. offers different varieties of fresh fruits and enjoy leading positions in several fruit categories, including apples, cherries, peaches & nectarines, grape, plum, and oranges.
Fresh Vegetable	\$114.0	\$95.4	9.43%	Broccoli – 20% Onions – 25% Lettuce – 20% Potatoes – 15%	Local production meets the 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	\$9.7	\$10.4	32.57%	7.5% 20% for strawberries	Local production meets the demand of different	Consumers in Taiwan are becoming more health conscious.

					varieties.	Berries continue to enjoy a steadily increasing share in the retail channel. There are strong growth prospects for strawberry, cranberry and blueberry categories.
Snack Foods, excluding nuts	\$214.2	\$223.9	5.95%	Varies by type	Japan and USA are the top two suppliers in Taiwan's competitive snack market.	The booming E-commerce and increased number of convenience stores in Taiwan and provide a business potential for U.S. snack suppliers.
Food Preps	\$1,077	\$1,075	2.51%	Varies by type	The food processing industry in Taiwan is worth US\$21.4 billion and local producers have secured a niche position in the competitive global market.	Taiwan imports US\$268 million worth of food additives, flavoring, specialized food ingredients, preservatives, thickeners, sweeteners, prepared meals, dried goods and condiments.
Fish and Seafood Products	\$994.2	\$932	8.33%	NT\$5.36 to NT\$225 per kg; or 9% to 50%	Taiwan consumers have preferences for "fresh" fish and seafood	U.S. fish and seafood products are perceived as high quality and safe. Many

					products over “frozen.”	high-end hotels and restaurants carry Alaska seafood.
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Source: ATO Survey, Customs Administration – Ministry of Finance,
Taiwan Council of Agriculture, Global Trade Atlas

SECTION V. POST CONTACT AND FURTHER INFORMATION

- For Trade Policy/Market Access and General Agricultural Issues, please contact the Agricultural Affairs Section via email at agtaipei@fas.usda.gov.
- For Market Development Assistance, please contact the Agricultural Trade Office via email at atotaiepi@fas.usda.gov.