

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary    Public

**Date:** 10/1/2014

**GAIN Report Number:** TW14035

## Taiwan

**Post:** Taipei

### Taste a Sip of Green

**Report Categories:**

Trip Report

**Approved By:**

Emily Scott, Deputy Chief

Agricultural Section, American Institute of Taiwan

**Prepared By:**

Katherine Lee & Chiou Mey Perng

**Report Highlights:**

Trip report for Post visit to Taiwan's tea producing region. Review of tea and organic production in Taiwan.

## General Information:

### Summary

To learn about Taiwan's tea production and organic farming practices, AIT Deputy Chief, Emily Scott and ATO Katherine Lee and AAO Taipei Chiou Mey Perng visited Nantou County on September 15-16, 2014. Located in central Taiwan and surrounded by high mountains, Nantou is considered one of the most important artisan tea production sites in Asia. Nantou's famous Sun Moon Lake is a popular destination for local and foreign tourists who purchase the tea as souvenirs.

Market:	unit:
Taiwan	metric ton
Production	14,718
Import	30,188
Export	3,782
Total Market Size	41,124

### Background

#### **Taiwan Organic Agriculture**

Taiwan's Council of Agriculture (COA) seeks to promote sustainable farming with a goal to reduce chemical pesticides and fertilizer inputs. In line with global trends, Taiwan consumers increasingly look for organic or sustainably produced food products. Despite strong promotion and support (including subsidies), total organic production area is only 6,000 hectares [1], accounting for just 0.7% of the total arable land but effectively doubled from 2,960 hectares in 2009. Taiwan seeks to expand organic production to 15,000 hectares by 2020 with 2% of farmers engaging in organic production, an increase from the current 0.7%. Local organic produce are mostly leafy vegetables and rice. With the exception of a very small amount of organic chicken eggs, Taiwan does not have organic meat production.

Contamination is a major concern in Taiwan organic production, as small scale farms often border conventional operations. COA, therefore, encourages neighboring farmers to collectively engage in organic farming, forming an organic production "cluster." For any cluster farmer, COA subsidizes 70% of the organic certification fee. COA also provides assistance to organic farmers to market their produce via online channels and weekend farmer's markets.

#### **Taiwan Tea Production**

Taiwan's organic tea farm area grew fivefold in six years, from 100 hectares in 2007 to 500 hectares in 2013. Tea farms encompass 11,903 hectares in Taiwan, producing 14,718 tons. Tea is a significant crop in Taiwan's agricultural landscape, first planted more than 200 years ago and now holding 1.3% of Taiwan's agricultural production value.

In 2013, Taiwan imported 30,188 metric tons of tea. Vietnam is the dominant foreign supplier (70% market share of all imports), which offers mainly low-priced black tea. Taiwan imports little tea from the United States due to taste differences.

## **Trip Report**

### **Tea Research and Extension Station of the Council of Agriculture**



**Of all counties that grow tea trees in Taiwan, Nantou is the biggest one with 6,557 hectares of tea plantation. It is especially famous for producing Taiwan No. 18 Black Tea.**

The Tea Research and Extension Station was established in 1936 under Japanese rule. At that time, Japan could not produce sufficient supplies of high quality tea and, thus, relied heavily on Taiwan to meet demand. As Japan returned Taiwan to the Republic of China in 1946, the station was governed by Taiwan authorities and is now a separate division under Taiwan's (COA). Presently, the station plays a key role in promoting Taiwanese tea including experimenting on tea cultivars, improving tea cultivation, and counseling domestic tea farmers on their daily operations including production techniques. The station also coordinates tea exhibitions to assist farmers in promoting domestic consumption. The majority of tea demand comes from domestic consumption and overseas tourists.

#### **Organic Tea Farms in Hsin Yi Township, Nantou**

Post visited an organic tea farmer, Mr. Chen Rong-Gi, who owns and operates a 3.1 hectare in the upper hills of Hsin Yi Township. While many organic farmers in Taiwan struggle pesticide drift, or unintentional contamination due to

neighboring conventional operations, Mr. Chen's farm has an advantage where most neighboring farms are at lower altitudes or physically separated from his land.

Mr. Chen is one of the organic tea entrepreneurs in Taiwan, owing not just a tea farm but also a factory. With 20 years of tea farming experience, he started organic farming ten years ago upon a request from a trader who planned to sell Taiwan organic tea to Germany. It took five years to convert the land from conventional to organic. According to Mr. Chen, growing tea trees organically takes significantly more time and the yield is never stable. As Taiwan is located in a subtropical zone, Mr. Chen's biggest challenge is pest control. Rather than conventional pesticides, he relies on natural controls such as neem oil. Although he reported losing several million NTD over the years, Mr. Chen believes in organic farming and the benefits such practice yields to the land. His tea farm is certified to many organic standards, including JAS, EU-834, and Taiwan Organic; his organic tea products are available in Taiwan, Germany, and Japan.

---

<sup>[1]</sup> 1 hectare is equal to 2.47 acre.