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Report Name: Food Processing Ingredients Annual

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Report Category: Food Processing Ingredients

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Report Highlights:

In 2023, Taiwan imported US\$3.7 billion agricultural products from the US, which accounted for 24.47 percent of the island's total import value. Its food processing industry produced \$30 billion of processed food and beverages, among which the strongest subsectors are animal feed, meat processing, baked goods, and non-alcoholic beverages. The aging market is attracted to healthy products with added nutritional values, as well as convenient, single portion products to better suit the changing family structure.

Executive Summary

Though it only has a population of 23.26 million, Taiwan is the US' seventh largest trading partner in agricultural goods and eighth largest overall U.S. trading partner. In 2023, the US exported \$3.7 billion in agricultural and related products to Taiwan, which accounted for 24.47 percent of the island's total import market, making the US the leading foreign supplier.

Consumer-Oriented Agricultural Imports

In 2023, Taiwan imported \$2.1 billion consumer-oriented agricultural products from the US, which accounted for 22.15 percent of the total import value. Highest categories include beef, fruit, poultry, dairy and non-alcoholic beverages.

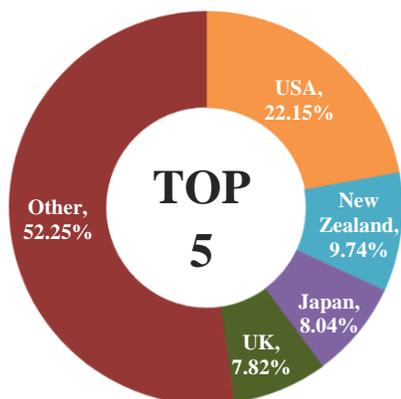


Chart 1: Top Exporting Countries to Taiwan

Food Retail Industry

Taiwan's food and beverage retail sales reached \$9.8 billion in 2023, which increased 2.8 percent from last year. Taiwan has the second highest density of convenience stores with over 10,000 stores island wide. E-retail is booming with supermarkets collaborating with food delivery services such as UberEats to deliver fresh food and agricultural products.

Food Processing Industry

Taiwan's food processing industry produced \$30 billion of processed food and beverages in 2023, which accounted for 5.7 percent of the total manufacturing value. Consumers' preference for convenience and a growing interest in food health and safety have influenced the industry to develop easy-to-prepare meals, healthy options, and clean labels.

Food Service Industry

2023 foodservice revenue in Taiwan grew 84.2 percent to a record-high \$32.6 billion after the society officially moved into its post-COVID era.

2023 Consumer-Oriented Products Imported from the US

\$2.1 billion

Top 10 Growth Products in Host Country

Beef	Poultry
Milk & Cheese	Fresh Fruit
Tree Nuts	Fresh Vegetables
Seafood	Pet Food
Plant Protein	Coffee, Roasted

2023 Food Industry by Channel (\$ billions)

Food and Agricultural Exports	\$5.9
Food Processing	\$30
Retail	\$9.8
Food Service	\$32.6

Population (millions): 23.26

GDP (billions): 791.61

GDP Per Capita: 34,050

2023 Real GDP Growth: 3%

Exchange rate: 1 USD = 31.48 NTD

Source: Department of Statistics, Taiwan Ministry of Economic Affairs; Ministry of Agriculture; International Monetary Fund

SWOT

Strength	Weakness
The US is the market leader in consumer-oriented products, which continue to show robust growth.	Many U.S. companies are unwilling to provide low volume or consolidated shipments of high-value products.
Opportunity	Threat
There is increasing growth of fast-food chains and casual dining restaurants, boosting consumption of food ingredients.	Taiwan's FTA partners offers products at a lower cost, which dampens importers' interest in purchasing U.S. products.

Section I—Market Summary

In 2023, Taiwan’s physical retail, e-retail, and food service industries performed outstandingly with significant growth. With the Luner New Year falling in February 2024, consumers were more inclined to celebrate Christmas and the New Year, which resulted in a 7.5 percent year-on-year increase in overall December sales. As an aged society with people over 65 account for 22.5 percent of its population, the food and beverage trends in Taiwan focus on low additives, additional health benefits, clean label, locally sourced, creative combinations, and strong social media marketing.

The market is also experiencing low birth rate, which is steadily declining at around five percent per year. Newborns are being replaced with pets, such as cats and dogs. In 2023, Taiwan had 136 thousand newborns and 232 thousand newly registered pets. Consequentially, the social structure is gradually shifting from a traditional household to a one-to-two-person household, meaning demand for small portion food and beverage products is increasing. At the same time, consumers are paying attention to high-quality pet food with labels such as zero grain, no allergen, and single-origin protein. It is predicted the market will continue to focus on convenience and health benefits in food and beverages for themselves and their fur babies.

Advantages and Challenges for U.S. Food Ingredients

Advantages	Challenges
The perception that U.S. food quality and grading systems are transparent and consistent.	The negative perception of GMOs may cause some to shy away from products that use U.S. ingredients.
Suppliers from the US are technically advanced and offer diversified ingredient specifications, more so than suppliers from other countries.	Some pesticides allowed in the US have lower MRL levels or are not approved for use in Taiwan. Differences in these MRL levels and in registration timelines can hinder U.S. exports.
Taiwan food processors already have long-standing relationships with U.S. ingredient suppliers.	Retailers often request at least 50 percent of the shelf life remains by the time of stocking. Therefore, food processors would require specific expiration dates of ingredients, which might be difficult for U.S. manufacturers to accommodate.

Section II—Road Map for Market Entry

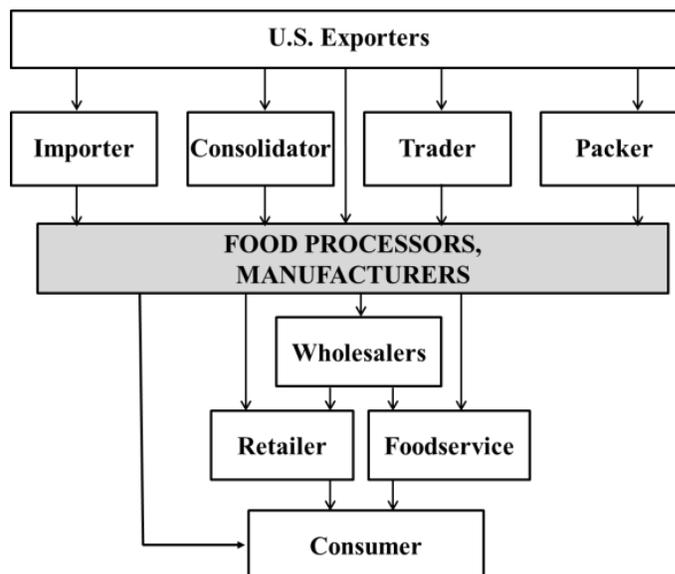
Entry Strategy & Import Procedure

All U.S. suppliers are advised to evaluate the market and product potential through studying applicable tariffs, market access restrictions, and regulatory requirements pertinent to the products. Below is a list of useful websites for suppliers:

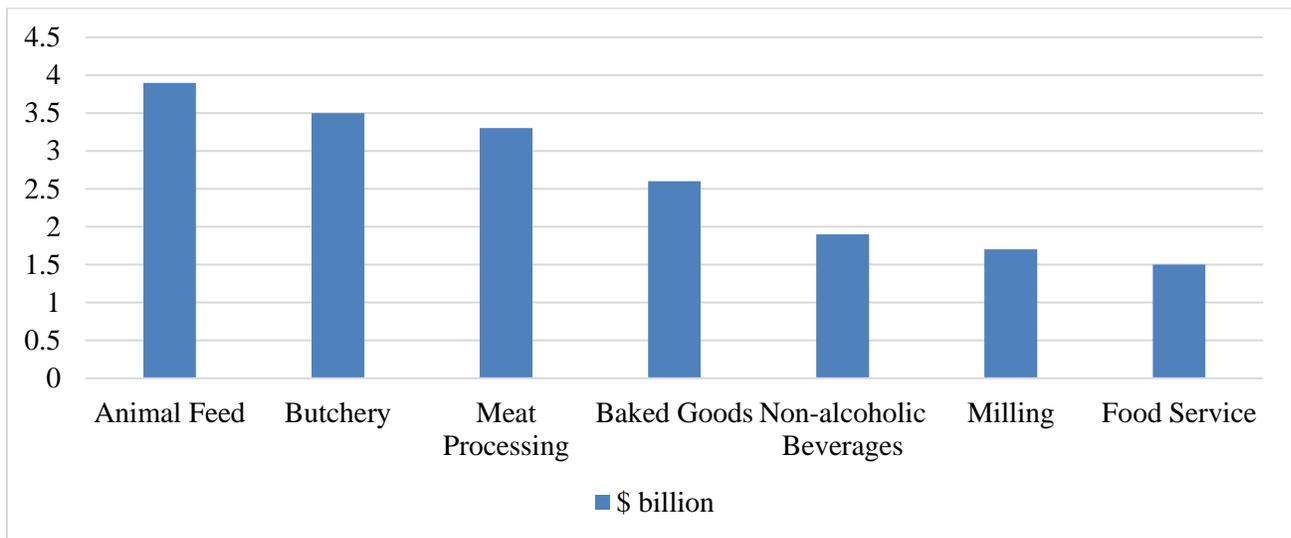
- [Taiwan’s Tariff Rate Quota \(TRQ\) Implementation](#)
- [Taiwan Customs Online Tariff Database](#)
- [USDA Food and Agricultural Import Regulations and Standards \(FAIRS\) Report](#)
- [Taiwan’s Bureau of Trade - Statistics](#)
- [The U.S. State Regional Trade Groups \(SRTG\) Support](#)

While the Agricultural Trade Office (ATO) maintains a list of potential importers, it is highly recommended to visit the market and meet in-person with potential buyers. The USA Pavilion at the Taipei International Food Show every June serves as a platform to promote the overall USA’s image for quality food products and is an efficient way to connect exhibitors to local buyers. 2024 Taipei International Food Show is scheduled for June 26 to 29.

Distribution Channels & Market Structure



Share of Major Segments in the Food Processing Industry



Company Profiles

Although there are more than seven thousand food manufacturers in Taiwan, approximately 27 listed companies dominate production with annual sales amounting to \$25 billion. Below is a list of top firms that are publicly listed and have a diversified product portfolio.

Company	Annual Revenue	Products
Uni-President	\$16.6 billion	Ready-to-eat meals, beverages, snacks, dairy, sauces
Standard Foods	\$916 million	Cereal, dairy, oil, baby food, functional drinks
Namchow Group	\$649 million	Baked goods, oil, frozen treats, snacks, instant noodles
Lian Hwa Foods	\$341 million	Snacks, instant meals, tree nuts
HeySong Corp.	\$303 million	Beverages

Sector Trends

In general, Taiwan consumers are interested in food and beverages that have health and nutritional benefits. Popular keywords include low to no sugar, artificial sweetener, sodium, calories, carbs; high in dietary fiber, vitamin, calcium, protein; added collagen, lecithin, lutein, and anthocyanin; improves heart health, gut health, muscle building, sleep pattern, and metabolism.

Section III—Competition

Given Taiwan’s relatively limited agricultural land of less than two million acres, Taiwan is highly dependent on imports of ingredients and feed. For bulk commodities, such as soybeans, corns, and wheat, Australia and Brazil are key U.S. competitors with a stable supply that provide trade promotional support. For dairy products, the US faces significant price competition from New Zealand. New Zealand’s price advantage results from a free trade agreement signed with Taiwan in 2013 that eliminates tariffs over a 12-year implementation period. [Here is a list of countries](#) that signed similar agreements with Taiwan. For more trade statistics information, please visit [Taiwan’s Bureau of Trade - Statistics](#).

Section IV—Best Product Prospects

Products Present in the Market That Have Good Sales Potential (Unit: \$ million)

Product Category (HS Code)	2023 Imports from the US	2023 Total Imports	Key Constraints for Market Development	Market Attractiveness for U.S. Exporters
Cheese (0406): cheddar, mozzarella, cream cheese, string cheese	\$37	\$188	Compliance with allowable levels of preservatives in processed cheese	Young market for dairy consumption with room to grow. Expanding consumption driven by ready-to-eat sector of convenience store chains
Tree Nuts (0802/080132): walnut, almond, pecan, pine, pistachio, macadamia, cashew	\$58	\$114	Price competition from Australia and Iran	Health-conscious market with versatile applications in snacks, beverages, and baked goods
Non-GMO Soybeans (1201900092)	\$22	\$80	Price competition from Canada	Significant vegetarian market with growing demand for plant-based protein
Dried Fruits (0813/080620): raisin, cranberry, cherry, date, fig	\$9	\$35	Compliance with allowable uses and levels of pesticides	Growing demand from the baking industry
Pork (0203)	\$39	\$330	Local and political perception that U.S. pork contains ractopamine	Strong market demand for intestines and other edible parts
Seafood (03)	\$45	\$1,904	Price competition from neighboring Asian countries	Local perception that U.S. seafood is high-quality and sustainable

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Products Not Present in Significant Quantities with Good Sales Potential (Unit: \$ million)

Product Category (HS Code)	2023 Imports from the US	2023 Total Imports	Key Constraints for Market Development	Market Attractiveness for U.S. Exporters
Frozen Fruit (081190): berries	\$1.0	\$13	Lack of awareness of U.S. suppliers	Growing demand from consumers
Whey Protein Concentrate (350290)	\$2.4	\$4	Lack of awareness about product specs and applications	Aging population demands added nutritional value
Hop Cones, Fresh or Dried (1210)	\$0.3	\$1.4	Price competition from Germany	Growing popularity for IPA and local brewer's recognition for U.S. hops
Concentrated Fruit Juice (2106907000)	\$0.1	\$2.5	Compliance with Taiwan's Chinese National Standards (CNS)'s classification of base fruits for concentrate juice uses	Expanding applications for beverage manufacturers in making not just fruit juices, but flavored sparkling water
Coffee (not roasted) (090111)	\$0.2	\$194	Price competition from Central and South America	Expanding consumption driven by independent coffee shops

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Product Not Present Due to Significant Barriers

Product Category (HS Code)	2023 Total Imports	Current Exporters	Key Constraints for Market Access	Market Attractiveness for U.S. Exporters
Fresh Ginseng (12112040)	\$8.3	Canada China	Certain MRLs have not been registered	Aging population is attracted to traditional medicine

Links to Top Food Processing Companies

[Uni-President](#)

[Standard Foods](#)

[Namchow Group](#)

[Lian Hwa Foods](#)

[HeySong Corp.](#)

Section V— Key Contacts and Further Information

Name	Official Website
Taiwan Ministry of Agriculture	https://eng.moa.gov.tw/
Taiwan Food and Drug Administration	https://www.fda.gov.tw/ENG/index.aspx
Taiwan Food Industry Development	http://www.tfida.org.tw/
Food Association of Taiwan	http://www.foodtw.org.tw/
Taiwan Quality Food Association	https://www.tqf.org.tw/en
Taiwan Beverages Industry Association	http://www.bia.org.tw/zh-tw/a1-10647/English.html
Taiwan Flour Mills Association	http://tfma.industry.org.tw/
Taiwan Feed Industry Association	http://www.taiwanfeed.org.tw/Company_en/about1.asp
Food Industry Research and Development	https://www.firdi.org.tw/En_Firdi_Index.ASPX
China Grain Products Research &	https://www.cgprdi.org.tw/
Food Next Media	https://www.foodnext.net/

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For Trade Policy/Market Access and General Agricultural Issues contact Agricultural Affairs Office at:

Office Hours: 8:00 AM – 5:00 PM
Telephone: (011-886-2)2162-2238
Fax: (011-886-2)2162-2316
Email-FAS: agtaipei@usda.gov

For Market Development Assistance contact the Agricultural Trade Office at:

Office Hours: 8:00 AM – 5:00 PM
Telephone: (011-886-2)2705-6536
Fax: (011-886-2)2754-4031
Email-FAS: atotaipei@usda.gov

Headquarters Contact Information:

Foreign Agricultural Service (FAS)
United States Department of Agriculture (USDA)
1400 Independence Avenue, SW Washington, D.C. 20250
E-mail: info@fas.usda.gov
Website: <http://www.fas.usda.gov>

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Attachments:

No Attachments