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## Taiwan

### Fresh Deciduous Fruit Annual

## Taiwan Apple Demand Drops in Face of Large Local Fruit Harvest

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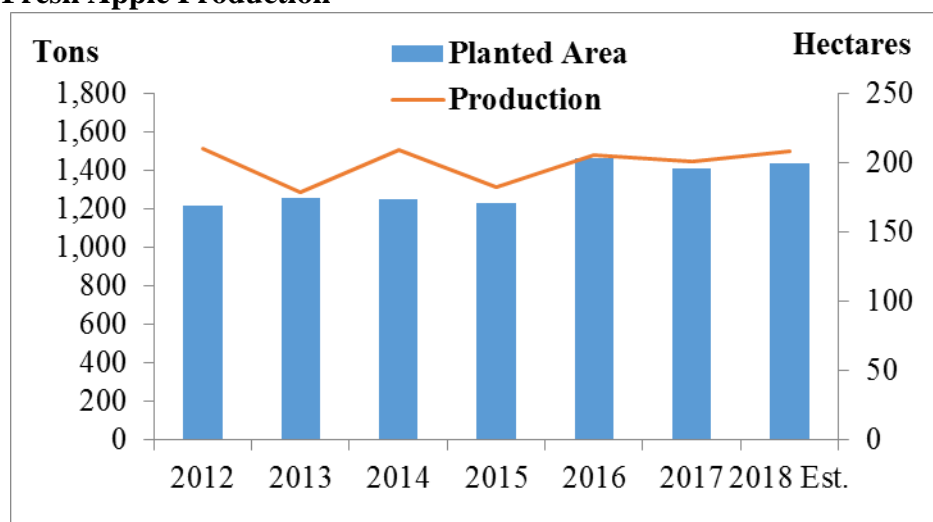
**Report Highlights:**

Abundant local fruit harvests drove down fruit prices and reduced demand for apples and other imported fruit in the first half of 2018. As a result, MY2017/18 apple consumption fell eight percent, to 156,051 tons. Over 99 percent of apples in Taiwan are imported. U.S. apple exports to Taiwan fell 18 percent in MY2017/18, to 49,340 tons. U.S. organic apple exports, boosted by strong consumer demand for organics, escaped this downward momentum and grew one percent, to 4,307 tons. Apple consumption is forecast to rebound 3.5 percent to 161,500 tons in MY2018/19.

**Commodities: Apples, Fresh    Production:**

Taiwan has limited apple production, supplying less than one percent of local demand. Production is forecast at 1,500 tons in marketing year (MY) 2018/19 based on normal weather. MY2017/18 production is lowered slightly to 1,451 tons based on Council of Agriculture (COA) statistics. Taiwan had 73,000 bearing trees on 196 hectares in 2017 according to COA statistics.

Apple production is concentrated in the mountainous central regions of Taiwan in Nantou and Taichung county. Locally planted varieties include Fuji, Five Paw, Gold Crown, and Honey. The harvest season is from September to December.

**Fresh Apple Production**

Source: Council of Agriculture

**Consumption:**

Apple consumption fell eight percent to 156,051 tons in MY2017/2018 according to COA statistics. Taiwan experienced large harvests of many local fruits in early 2018, including bananas, pineapples and mangoes. The price of domestic fruits fell 20 percent on average in MY2017/2018 compared to the year before due to the large harvests. Consumers responded to the lower prices by increasing consumption of domestic fruit and reducing consumption of apples and other imported fruit. Fuji and Gala are still the most common varieties of apples in Taiwan based on import statistics.

**Trade:**

Apple imports are forecast to bounce back to 160,000 tons in MY2018/19 based on historical trends. A large domestic fruit harvest in early 2018 lowered fruit prices and reduced fruit import demand. Estimated MY2017/2018 imports are lowered six percent to 154,600 tons based on import statistics.

Chilean apple exports fell only one percent in MY2017/18 and overtook the United States to become the top apple exporter to Taiwan. U.S. apple exports fell 18 percent, to 49,340 tons, in

MY2017/18. Bucking this negative trend, U.S. organic apple exports to Taiwan increased one percent in MY2017/18, to 4,307 tons. Over 95 percent of U.S. apple exports to Taiwan were shipped from Washington State. Meanwhile, Japan has successfully promoted its apples as premium products for gift boxes, and Japanese apple exports rose 17 percent, to 23,502 tons, in MY2017/18.

### Apple Imports

	Total Imports		Imports from U.S.		U.S. Market Share
	Tons	USD \$million	Tons	USD \$million	Percentage
MY2015/16	169,054	265	53,883	70	31
MY2016/17	168,109	265	59,939	85	36
MY2017/18	154,600	262	49,340	70	32

Source: Global Trade Atlas

### Marketing:

Hypermarkets and supermarkets represent nearly 70 percent of retail apple sales. The main varieties sold in these markets are Gala and Fuji. They also feature certain premium priced varieties from Japan, such as Toki. Importers have also invested in on-line shopping and promotions through social media. Organic apples are popular, but face a range of trade barriers (see [Growing Demand for Organics in Taiwan Stifled by Unique Regulatory Barriers](#)). Domestic apples are often sold locally. Farmers use farm tourism, gift boxes, and internet sales to promote their apples and boost revenue. Local apples are also available through wet markets.

### Policy:

#### Import Tariff

Preferential trade agreements do play a role in Taiwan apple imports, particularly the agreement with New Zealand. Fresh apples New Zealand (also Panama and Singapore) have duty-free entry to Taiwan under their trade agreements. Additionally, the tariff on apples from Guatemala is 2.6 percent, while the tariff on apples from Nicaragua, El Salvador, and Honduras is 5.3 percent. Apples from other countries, including the United States, face a 20 percent tariff, which puts them at a disadvantage compared to New Zealand.

#### General Phytosanitary Requirements and relevant regulation:

Fresh apple imports are regulated by the Taiwan Food and Drug Administration (TFDA) under the Ministry of Health and Welfare (MOHW) and the Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ) under COA. FDA is responsible for food safety and BAPHIQ is in charge of animal and plant health quarantine.

Fresh apples from the United States are subject to BAPHIQ's [Quarantine Requirements for the Importation of Fresh Apples from The United States](#). These rules include requirements for orchards, packing houses, and shippers. U.S. apples must be accompanied by an APHIS-issued phytosanitary certificate.

TFDA regularly inspects shipments at the port and closely monitors food products for pesticide and heavy metal residues. Taiwan's maximum residue limits (MRLs) often differ from those established in the United States or by international standard-setting bodies. For pesticide/crop combinations where

