

Required Report: Required - Public Distribution

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Report Name: Fresh Deciduous Fruit Annual

Country: Taiwan

Post: Taipei

Report Category: Fresh Deciduous Fruit

Prepared By: Wu Ping, Erik Syngle

Approved By: Mark Petry

Report Highlights:

In MY 2019/2020, the United States was the leading supplier of apple exports to Taiwan, valued at \$78 million and accounting for 31 percent market share. U.S. apple imports increased by 45 percent to 61,173 MT in MY2019/20 compared to the previous year, aided by positive quarantine changes in late 2019 and absence of delayed shipments during the COVID pandemic. In MY 2020/2021, total apple imports are forecast to increase slightly to 159,000 MT, while U.S. apple imports are projected stable at 62,000 MT.

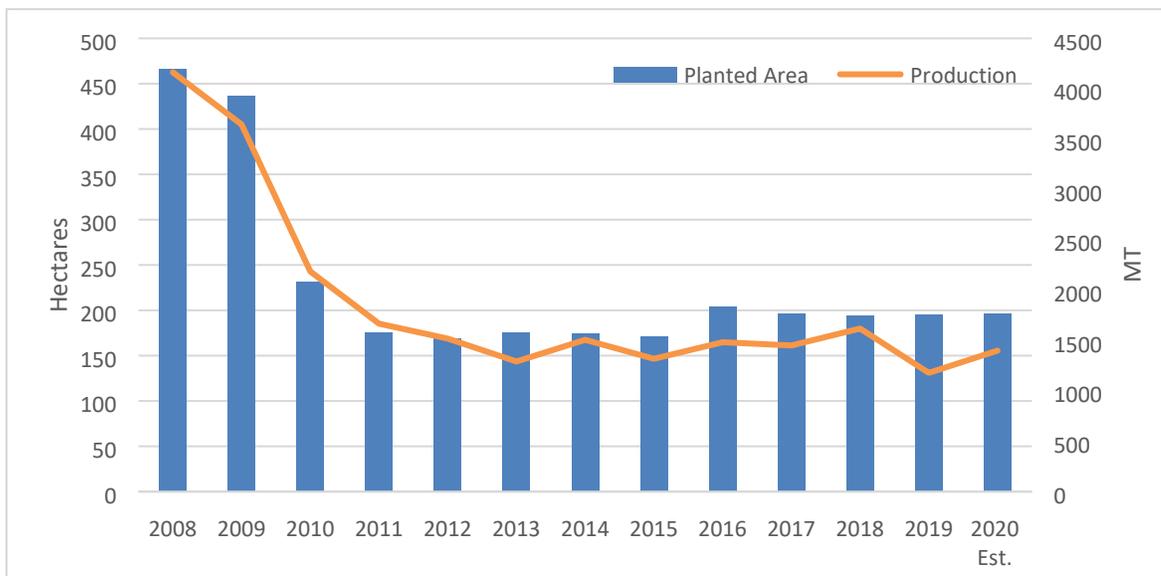
Commodity: Apples

Production:

MY 2020/2021 domestic apple production is estimated at 1,400 MT. The poor pollination problem from 2019 was not repeated in early 2020 and local production of apples and pears are projected to regain 20-30 percent this year. Local production is mainly located in the mountain areas of Taichung city and Nantou county. Taichung accounts for almost 75 percent of domestic apple production. The main varieties produced include Fuji, Five Paw, Gold Crown, and Honey. The most famous apple farms are in Fushou-shan and Li-shan in Taichung, and the harvest season is from September to December.

MY 2019/2020 production was not able to escape the damage from reduced pollination and resulted in short supply, down 27 percent to 1,179 MT. Total planted area in MY 2020/2021 is expected to remain stable due to no major typhoons in 2020. Domestic apple production still supplies less than one percent of total apple consumption. The Honey apple crop is well known by consumers due to the unique texture and flavor from the frosty conditions. Some farms hold promotional activities during the harvest season, such as visiting the farm to “Harvest-By-Yourself” and selling gift boxes directly to consumers on the internet.

Fresh apple production



Source: Council of Agriculture

Consumption:

Taiwan apple consumption heavily relies on imports. Post estimates that total consumption in MY 2020/2021 will grow one percent to 160,400 MT due to steady production of the 2020 U.S. exportable crop and minimal impact of the COVID-19 pandemic. MY 2019/2020 consumption increased ten percent to 159,272 MT due to increasing U.S imports. Fuji and Gala are still the most common varieties based on total apple imports. While price and variety are still the most important factors for consumers, Washington apples are prized for their crunchy and juicy qualities. An important market niche remains organic apples. Japanese apples are perceived as a premium product due to their size and are often given in decorated gift boxes at holiday times.

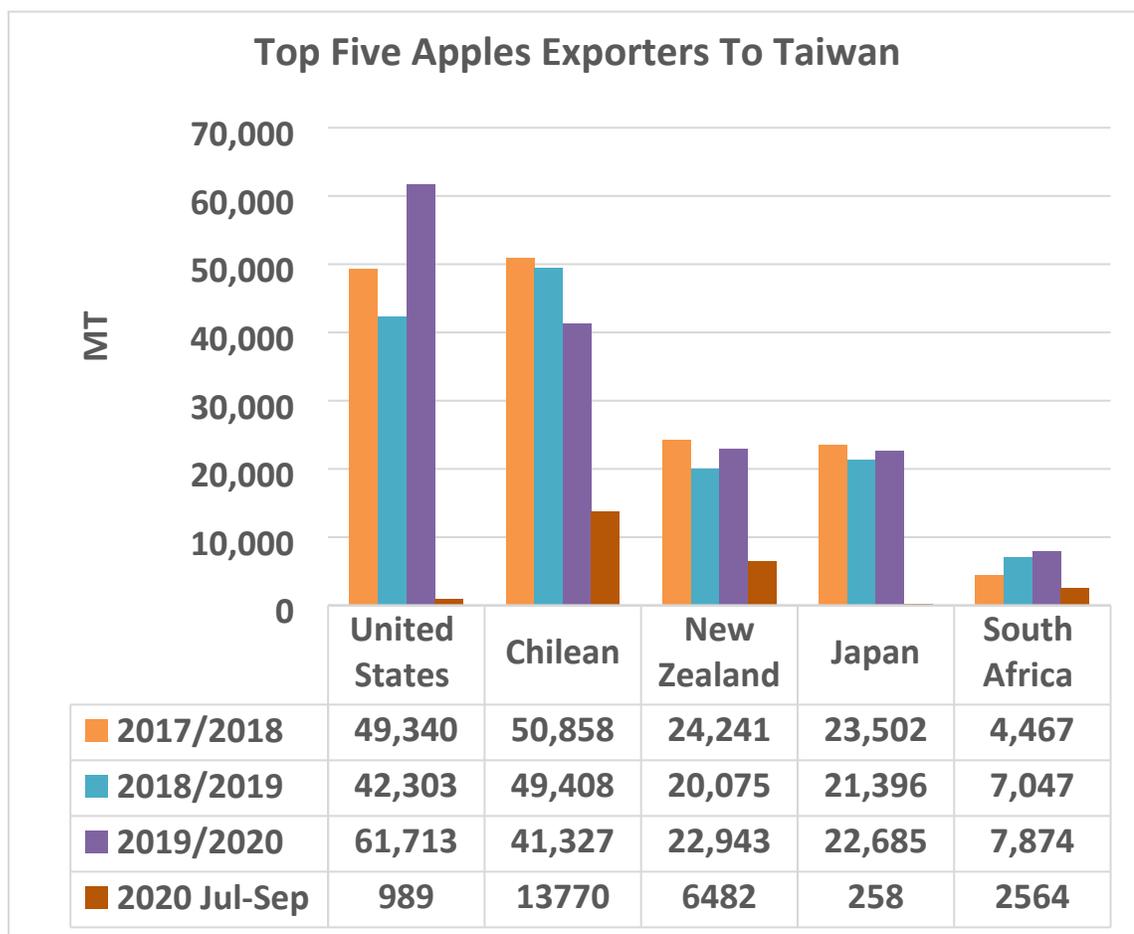
Trade:

On October 29, 2019, Taiwan's Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ) notified the amendment "Quarantine Requirements for the Importation of Fresh Apples from the United States" to the WTO as notification (TPKM/SPS/475/add.1). The amendment extends the duration for shipment after the export inspection has been completed, which can provide shippers valuable extra time to ship the apples and is very important if port operations or transportation is slower than expected. Imports of U.S. apples in MY 2019/2020 increased by 46 percent to 61,713 MT due to no COVID-delayed shipments and steady export/production. Chilean apples continued to suffer from drought and imports fell 16 percent to 41,327 MT, but Chile maintains its position as the second largest supplier. Due to delayed shipments from Japan in the early pandemic stages, New Zealand increased its apple exports to Taiwan by 13 percent, surpassing Japan as the third largest supplier at 22,943 MT. In MY 2020/2021, total apples imports are projected to increase one percent or remain flat at 159,000 MT due to unfavorable U.S currency exchange and stable U.S production.

Taiwan: Imports of Fresh Apples					
	Total Imports		Imports from U.S.		U.S. Market Share (by value)
	M.T.	\$US million	M.T.	\$US million	Percentage
MY2017/2018	154,625	258	49,340	66	27
MY2018/2019	142,356	240	42,303	59	26
MY2019/2020	158,093	249	61,713	78	31

Source: Global Trade Atlas

Washington apples account for over 95 percent of total U.S. apple exports to Taiwan. Nearly five percent of Washington apples are marketed as organic. In August 2020, Washington apple producers projected stable production due to not being impacted by the pandemic. In MY 2020/2021, U.S. apple exports to Taiwan are forecast at 62,000 MT. In addition to stable production, the lower U.S. currency value might be a factor for Taiwan buyers to expand the market.



Marketing:

Hypermarkets and supermarkets represented nearly 70 percent of retail sales of apples and this number is expected to rise. These major channels supply Gala, Fuji, and also certain premium varieties from Japan such as Toki. Instead of distributing to wholesale chains, importers recently began to invest resources in developing online shopping and promotion through social media. Domestic apple distributors have also copied this trend by promoting domestic apple gift boxes during harvest season. Domestic producers also want to gain more popularity online by providing recreational tours of apple orchards.

Policy:

Import Tariff

According to trade agreements with Taiwan, fresh apples (HS code 080810) from Panama (since 2004), New Zealand (since 2013), and Singapore (since 2014) have duty-free entry to Taiwan. Thus, New Zealand is well positioned to maintain or expand its market share. The import tariff for apples from Guatemala is 2.6 percent; Nicaragua, El Salvador, and Honduras are 5.3 percent, also based on trade agreements with Taiwan. Other countries, including United States, face 20 percent tariffs on apple imports.

General Phytosanitary Requirements and Relevant Regulation:

Food imports, including fresh produce, are regulated by the Taiwan Food and Drug Administration (TFDA) under the Ministry of Health and Welfare (MOHW) and BAPHIQ under the Taiwan Council of Agriculture (COA). TFDA is responsible for food safety and BAPHIQ is in charge of animal and plant health quarantine.

Fresh apples from the United States are regulated under BAPHIQ's [Quarantine Requirements for the Importation of Fresh Apples from The United States](#), and must also be accompanied by an Animal and Plant Health Inspection Service (APHIS)-issued phytosanitary certificate (PPQ Form 577). A phytosanitary certificate can be issued by designated APHIS personnel or APHIS-authorized State and County cooperators. Other phytosanitary certificates for shipments of U.S.-origin fresh fruit are no longer accepted by Taiwan plant health regulatory authorities.

TFDA is the competent authority responsible for border food safety inspection. TFDA regularly inspects shipments at the port and closely monitors food products for pesticide and heavy metal residues. Taiwan's maximum residue limits (MRLs) can differ from those established in the United States or by international standard-setting bodies. For pesticide/crop combinations where Taiwan has not yet set a standard, the default standard is 0.01 parts per million. TFDA's regulation "[Pesticide Residue Limits in Food](#)" lists allowable residue tolerances in fruit and vegetables. Standards for heavy metals are listed in [TFDA's Sanitation Standard for Contaminants and Toxins in Food](#).

If fresh produce is selected for testing, the importer can apply to TFDA to have the products temporarily released to the importer's warehouse. The cargo cannot enter commerce until it passes all required tests. Noncompliance with Taiwan standards will result in the product being refused entry or ordered destroyed.

Production, Supply and Demand Data:

Apples, Fresh	2018/2019		2019/2020		2020/2021	
Market Year Begins	Jul 2018		Jul 2019		Jul 2020	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	195	195	195	195	0	196
Area Harvested (HA)	194	194	195	195	0	196
Bearing Trees (1000 TREES)	70	70	70	69	0	70
Non-Bearing Trees (1000 TREES)	0	0	0	0	0	0
Total Trees (1000 TREES)	70	70	70	69	0	70
Commercial Production (MT)	1619	1619	1500	1179	0	1400
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	1619	1619	1500	1179	0	1400
Imports (MT)	142400	142356	145000	158093	0	159000
Total Supply (MT)	144019	143975	146500	159272	0	160400
Domestic Consumption (MT)	144019	143975	146500	159272	0	160400
Exports (MT)	0	0	0	0	0	0
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	144019	143975	146500	159272	0	160400
(HA) ,(1000 TREES) ,(MT)						

Source: Taiwan Council of Agriculture; Global Trade Atlas

Addendum-

Commodity-Pear (HS code 080830)

Summary

In Taiwan, all domestic fruit production was damaged by poor pollination in early 2019. Taiwan pear production was down 23 percent to 91,032 MT. The main variety is *Pyrus pyrifolia*, native to East Asia. Total production area in MY 2019/2020 was 5,191 HA and is mainly located in the mountainous areas of Taichung city, which accounts for almost 65 percent of domestic production. Pears are planted at a higher altitude than apple production. Local pear is also a seasonal fruit and is especially given as a gift during Chinese New Year.

Pear imports account for 13 percent of total consumption at 14,120 MT in MY2019/2020. Pear imports increased 57 percent in MY2019/20 compared to MY2018/2019, due to continuing market penetration by Korean pears in spite of high tariff rates. Korea is the top supplier of other pears (HS code 08083090) at 11,317 MT in MY2019/2020. Imports of U.S./European-variety pears (*Pyrus communis*, HS code 08083010) came in second at 1,222 MT, which also represents an increase of 70 percent over the previous MY. The main sales channels for U.S. pears are hypermarket/supermarket chains, while traditional wholesale markets may carry them during festival or holidays. Taiwanese consumers are more familiar with varieties of U.S. pear. Due to the advantage of lower tariff, it is still a potential market for further expansion. (Note: U.S. pear imports are not subjected to the tariff-rate quota. U.S. pear imports have a tariff of NT \$10/kg)

Policy

Taiwan replaced its ban on Other Pear imports with a TRQ and an SSG mechanism following its accession to the WTO in 2002. The annual TRQ volume for Other Pear is 9,800 MT while the in-quota tariff is NT\$ 49/kg, while the out-of-quota rate is NT \$58/kg. For imports above the SSG's quantity trigger (12,137 MT in 2020), an additional 33.3 percent surcharge is applied.

Attachments:

No Attachments