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GAIN Report

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New Import Demand for Non-GE Defatted Soy Flake

Report Categories:

Biotechnology - GE Plants and Animals

Oilseeds and Products

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Report Highlights:

In Taiwan, soy sauces increasingly feature labels claiming a variety of production methods such as “non-genetically engineered” (non-GE), “pure fermentation,” and “organic.” Some of these production claims have created new markets for U.S. products. Specifically in 2015, Taiwan imported 13,142 MT of non-GE soy flakes destined for soy sauce production, valued at approximately US\$9.6 million; of this, U.S. market share was 28%. Previously, soy flakes were almost exclusively sourced from domestic soy crushers.

General Information:

Background:

Please see GAIN report: [Oilseeds and Products Annual Taipei Taiwan 4-8-2016](#)

General Information:

Under pressure from consumer activists, Taiwan authorities implemented stringent labeling requirements for products containing genetically engineered (GE) events. Even highly processed food products where no DNA or protein residues can be detected, such as soy sauce, are required to carry GE labels. Under these new requirements and to meet new consumer demand, Taiwan soy sauce producers began switching to imported non-GE soy flakes (flakes being the primary soy sauce input). Prior to this, most all soy flakes destined for Taiwan soy sauce production were sourced domestically, from Taiwan soy crushers.

Taiwan's annual commercial soy sauce production is around 150,000 MT from an estimated 20,000 MT of defatted soy flakes. There are many family owned traditional soy sauce manufacturers, reportedly two to three hundred, as well as approximately forty registered commercial manufacturers. Commercial production uses defatted soy flakes to produce soy sauce, whereas traditional produces use whole kernel soybeans.

Before the demand shift to non-GE inputs, the three-year average (2012-2014) for imported soy flakes (GE and non-GE combined but almost all were GE), was only 2,915 MT. In 2015, Taiwan imported 13,142 MT of non-GE soy flakes (or meal) under HS1208-1000-202, valued at approximately US\$9.6 million. GE soy flakes under HS1208-1000-104 account for only 1% of total soy flake imports. The United States had a 28% market share, whereas India supplying almost all of the remaining 72%.

Imports of non-GE soy flakes are forecast to grow with 2016 trade promising to reach 20,000 MT. Additionally, Taiwan consumers claim to be increasingly concerned over the presence of 3-Monochloropropane-1,2-diol (3-MCPD), a potential carcinogen generated in soy sauce production through rapid fermentation using acid-hydrolysis. New product labels thus claim soy sauce production through "pure fermentation" to alleviate consumer concerns.

Finally, it is worth noting that because no DNA proteins can be detected in the final product, some fraudulent soy sauce manufacturers could easily label product as "non-GE" or "organic" while actually sourcing conventionally grown inputs. Taiwan has been subject to many food safety scandals in the past few years, the most serious of which focused on local cooking oil manufacturers.