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Report Name: Stay-at-Home Economy Sparks Opportunities for US
Ingredients

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Report Highlights:

Covid-19 has accelerated digitalization and propelled emergence of new trends in Taiwan – rapidly growing cloud kitchens, popularizing at-home cooking, and expanding retail presence of frozen and prepared meals. The new phenomenon presents great opportunities for U.S. food ingredients that address versatility and adaptability in all types of recipes. In 2021, the United States exported \$3.94 billion worth of farm and food products to Taiwan, making Taiwan its 6th largest overseas market. This report intends to provide inspirations for U.S. food and ingredient suppliers to tap into the trends and materialize potential with Taiwan food industry partners.

Background

Taiwan experienced its first severe Covid-19 outbreak in May 2021. During that period, restaurants were forced to close, pushing consumers to seek out dining alternatives. Consumers started to cook more at home and opt for take-out meals via online¹ delivery platforms. The gradually changed consumer behaviors pivoted the food industry's strategy to weigh more on convenience of food preparation, novelty of product offering, and collaboration with cloud kitchen partners. The trends show no signs of abating in the post-pandemic era.

In 2021, the United States exported \$3.94 billion worth of farm and food products to Taiwan, making Taiwan its 6th largest overseas market. Estimates for the first half of 2022 put consumer-oriented products trade at a thirty percent growth over 2021, at \$1 billion USD. The post-pandemic culinary trends present great opportunities for U.S. food ingredients that address versatility and adaptability in all types of recipes. This report intends to provide inspirations for U.S. food and ingredient suppliers to tap into the trends and materialize potential with Taiwan food industry partners.

Rapid Growth of Cloud Kitchens Appealing to Health-, Novelty-seeking Consumers

Cloud kitchens function as take-out-only operations without physical space for dine-in, aiming to save costs of personal service and rental. In Taiwan, cloud kitchens operate in various ways targeting different clienteles. Some cloud kitchen operators simply rent out kitchen space and facilities with entrepreneur home cooks, others collaborate with prestigious local restaurateurs to provide Original Equipment Manufacturer (OEM) services, while finally some ally with internationally famous restaurant brands to introduce pop-up take-out menus.



Just Kitchen, a pioneering cloud kitchen startup in Taiwan and a Toronto Stock Exchange-listed company, evolves to partner with U.S. popular restaurants to introduce pop-up take-out menus, like MrBeast burgers, iHOP pancakes as examples. It commented, “Taiwan consumers are receptive to popular U.S. chain restaurants. Given the required quarantine discourages consumers to travel at this moment, consumers become more eager to invest in special dining experience even at home.”

¹ According to Taiwan's Ministry of Economic Affairs (MOEA), the foodservice industry declined by six percent to 24 billion USD in 2021, while the online food delivery industry posted a robust growth, nearly threefold, reaching 1 billion USD in the same year.

According to Taiwan iChef’s 2021 whitepaper, the ratio of on-line order revenues more than doubled, from only 2.5 percent in 2019 to 8.6 percent in 2021. Tapping into increasing demand for restaurant take-outs, the concept of a cloud kitchen is foreseen to prevail, and the trend of take-out dining is unstoppable.

洽洽創灶CloudKitchen, a community-based incubator for lesser-known restaurants, provides shared kitchen and consulting services to strategize product offering. Many of its incubated restaurants highlight healthy cooking, quality ingredients, and a diversified selection of meals in lunchbox form, targeting busy office workers



(Photo Credit: 洽洽創灶CloudKitchen)

Increased At-Home Cooking as Part of a Trendy Lifestyle

In the fallout of first Covid-19 outbreak, an increasing number of consumers chose to cook at home and avoid spending too much time on grocery shopping. This was a change for Taiwan, as previously, small kitchens and limited living space prevented elaborate meal preparation; rather, eating out with family and friends is a national pastime. Since then, supermarkets have constantly launched one-shop-for-all grocery kits to attract this clientele. According to Taiwan’s Ministry of Economic Affairs (MOEA), supermarkets reported 13 percent growth in revenues in the first quarter of 2022 vs. 2021, crediting to its refreshing, fun promotions to meet at-home cooking demand.



Breeze Supermarket, an upscale supermarket featuring high-end imported food and beverages, appeals to gourmand consumers by launching Michelin Chef at Home campaign – offering consumers one-stop-shop fancy grocery kits of needed ingredients to cook luxurious meals at home.

(Photo Credit: Breeze Supermarket)

Shi Yan Shi, a local hotpot restaurant chain, rolled out a one-shop-for-all BBQ kit equipped with high-end beef and a mini-grill set to target Mid-Autumn Festival family reunions at home.



(Photo Credit: ShiYanShi Restaurant)

Expanding Retail Presence of Frozen and Prepared Meals

To capitalize on increasing work-from-home population, supermarkets collaborate with celebrity chefs to launch prepared meals. These products feature convenience and Michelin chef's exclusive recipes. In addition to prepared meals, frozen foods are getting popular, as consumers perceive the need of advanced stockpiling. The official MOEA data showed that the frozen food posted strong growth during the Covid-19 outbreak, reaching nearly \$520 million USD in the first half of 2021, up six percent over the same period. In the past, Taiwan consumers tended to prefer fresh food over frozen, but the pandemic forced preferences to adapt, encouraging more consumers to expand into more frozen foods. Consumer bias against frozen food has gradually eased.

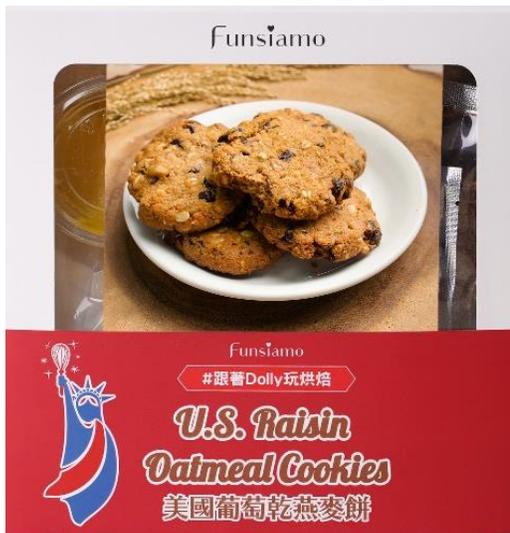


(Photo Credit: GREEN & SAFE)

GREEN & SAFE, an organic supermarket chain, collaborated with Michelin restaurant Chef Richie Lin to launch a series of prepared frozen meals through its physical and online stores.

Moving Forward

On a forward-looking basis, the above-mentioned trends are anticipated to extend well into the post-pandemic era. For the U.S. food ingredients, major growth opportunities will depend on not only how successfully U.S. business partners can leverage the stay-at-home driven demand for Western-style fare, but also how adaptively it can connect with influential users to integrate these ingredients into a range of cuisines and applications. It is crucial to guide the trade's perception of U.S. ingredients as versatile in meeting the demand for diversified specifications.



This September, ATO Taipei just launched a special Dolly Baking Kit project in collaboration with Funsiamo, a creative baking kit developer. Funsiamo will roll out four U.S. baking kits online to enrich consumers how to utilize pre-measured U.S. bakery ingredients to bake yummy California raisin cookies, Washington apple tarts, Georgia pecan tassies, and classic American brownies.

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Attachments:

No Attachments.