

**Required Report:** Required - Public Distribution

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**Report Name:** Stone Fruit Annual

**Country:** Taiwan

**Post:** Taipei

**Report Category:** Stone Fruit

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**Report Highlights:**

Taiwan is the third largest export market for U.S. peaches and nectarines and the fifth largest export market for U.S. cherries. In MY 2021/22, Taiwan imported 16,330 MT of fresh peaches/ nectarines and 13,851 MT of fresh cherries. The U.S. share of the import market is around 70 percent for peaches/nectarines and 42 percent for cherries. The COVID-19 pandemic has increased the importance of home delivery services in the high-end fruit market. Otherwise, peach and cherry supply chains have not been substantially changed by the COVID-19 pandemic or post-pandemic era. Taiwan's peach consumption continues its long-term slow downward trend while cherry consumption is projected to see a small rise.

## PEACHES & NECTARINES

### **Production:**

MY 2022/23 peach production is forecast to decrease slightly to 16,000 MT due to a warm winter which hindered peach flowering in the spring. MY 2021/22 production is adjusted downward to 16,523 MT. Although recovery from 2020 rain damage was expected, Taiwan faced severe drought conditions from spring to early summer 2021, the critical period for peach growth.

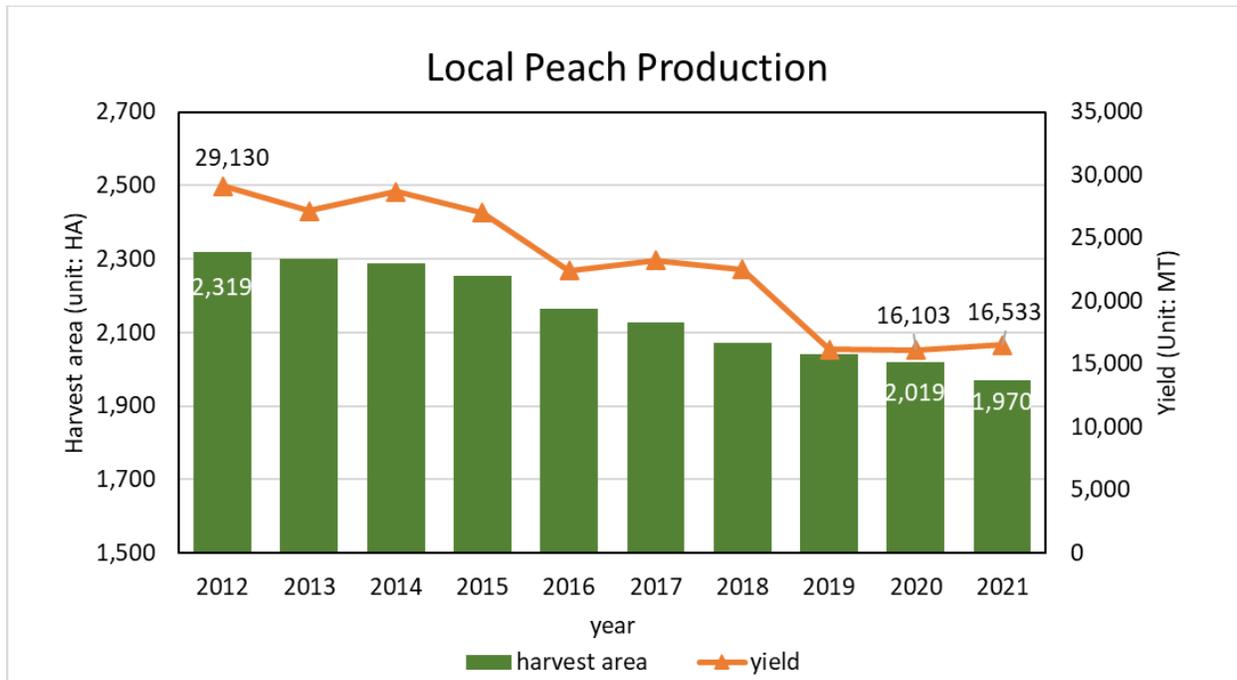
Taiwan's peach harvest season runs from March to August, depending on variety and planting elevation. In Taiwan, half of peach production is located near Taichung City, with the remainder followed by Taoyuan City, Hsinchu County, and Nantou County. Several peach varieties are sold through an auction market system, with the sweet peach variety the largest by volume. Taiwan peach varieties are separated into low-chill and high-chill requirements. Only the honey peach variety requires high-chilling and is usually planted in high mountain areas. March to June is the harvest season for low-chill varieties while July to August is the season for high-chill varieties. Because March and April sees the tail end of seasonal peach imports from Chile and the beginning of imports from the United States, the cultivation of domestic low-chill varieties continues to show a stable increase in proportion to Taiwan peach production. However, the increasing production area of low-chill varieties could not overcome the decline from Hsinchu and Nantou counties due to unfavorable weather and severe pest damage at high-altitudes. Thus, Taiwan peach production will likely continue to decline slowly over the long term.

Taiwan does not produce nectarines.

### **Crop Area:**

For MY 2021/22, the total harvested area is adjusted downward to 1,970 HA. According to sources at a local peach breeding research project, low-chill varieties are more popular recently. The production area for low-chill varieties is up to 80 percent of total peach production area (1,600 HA). However, total harvested area for all peaches has decreased by 15 percent over ten years. According to the seedling demand report from Taiwan Seed Improvement and Propagation Station, Taiwan's peach cropping area is forecast to decline as peach seedling demand continues to slightly decrease.

**Figure 1: Taiwan Peach Production Area and Yield, 2012-2021**



Source: Taiwan Council of Agriculture (COA)

**Consumption:**

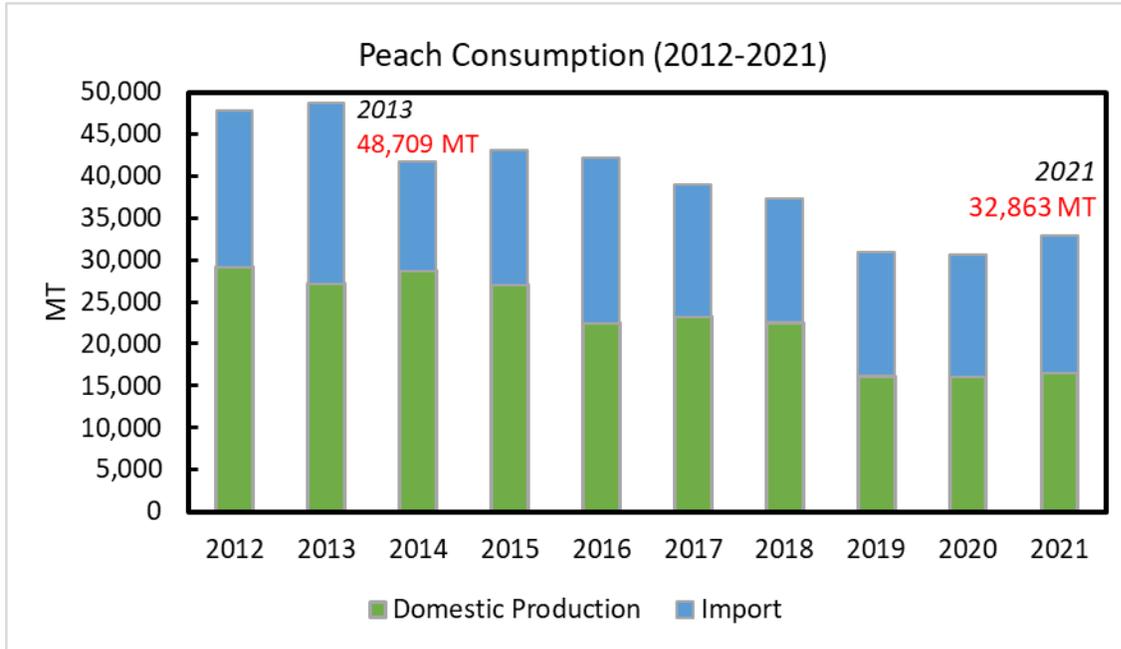
Total peach consumption in MY 2022/23 is forecast stable at 32,000 MT. Increasing import volume will offset lower domestic production.

MY 2021/22 total consumption is adjusted upward to 32,863 MT. (Figure 2) Although total consumption increased in MY 2021/22, Taiwan’s peach consumption is slowly but steadily declining. Because of the incomplete cold chain in mountain area, domestic consumption heavily relies on tourist shopping in locations like Jianshi township in Hsinchu County. A drastic reduction in tourist traffic during Taiwan’s COVID-19 outbreak in summer 2021 led to oversupply. Taiwan faced an even larger COVID-19 outbreak in May and June 2022; early peach consumption from tourist traffic is expected to decline again.

Over the past ten years, total peach consumption has declined by more than one third while domestic peach production has dropped by half. At the same time, Taiwan’s per capita overall fruit consumption does not show a significant change. (Table 1) The various alternative fruit choices, especially and increasingly among imports, contributes to the decline of Taiwan peach consumption.

Although Japan peach has little market share in Taiwan, Taiwanese loves Japan peach the most, for the scent and sweet and juicy taste.

**Figure 2: Taiwan Peach Consumption Trends, 2012-2021**



Source: Taiwan COA

**Table1. Taiwan Per Capita Fruit Consumption**

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Kg	127	132	126	124	126	122	115	130	124	114

Source: Taiwan COA

## Trade:

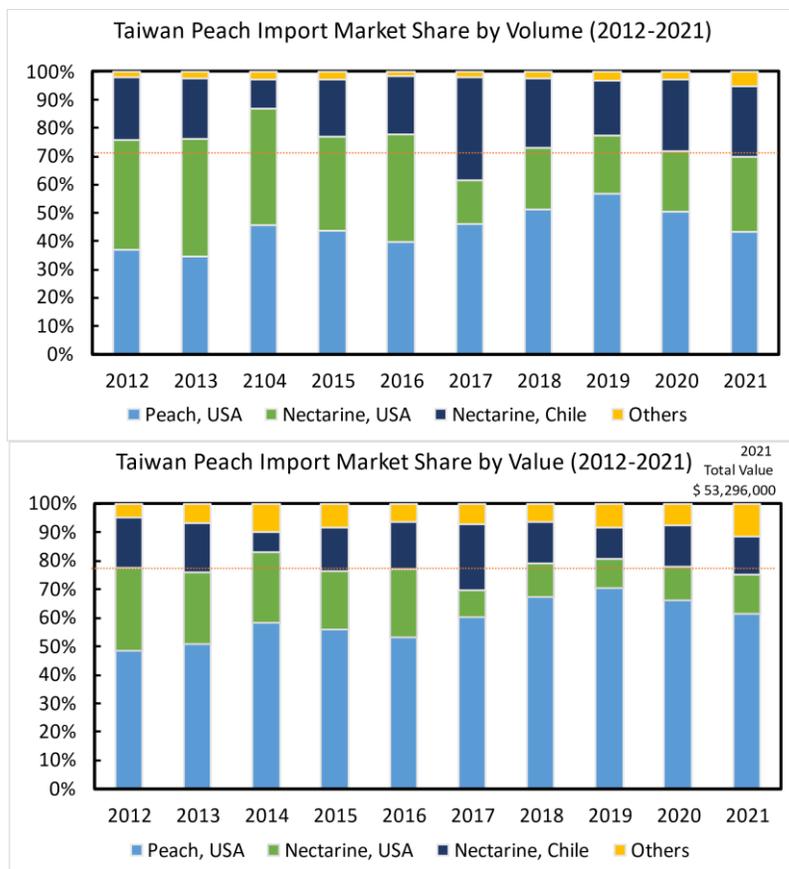
Peach and nectarine imports are forecast essentially flat at 16,000 MT for MY 2022/23. Imports in the first half 2022 were 7,000 MT, closely tracking 2021 figures. MY 2021/22 imports for peaches and nectarine were 16,330 MT, over 1300 MT higher than the previous forecast. The increased import volume was due to large nectarine supply from the United States.

In the longer view, peach imports are expected to remain around 15,000-16,000 MT for the next several years. U.S. peaches and nectarines held over 50 percent of the import market share by volume in MY 2021/22. Taiwan's second largest peach supplier is Chile, with around 25 percent; other suppliers (Japan and Australia) all have less than five percent market share.

U.S. peach and nectarine exports to Taiwan in MY 2021/22 were over 8200 MT. In MY 2021/22, U.S. export value was the second highest on record at over \$32.7 million, according to Taiwan official sources. When considered by value, U.S. peach and nectarine market share rises to 75 percent.

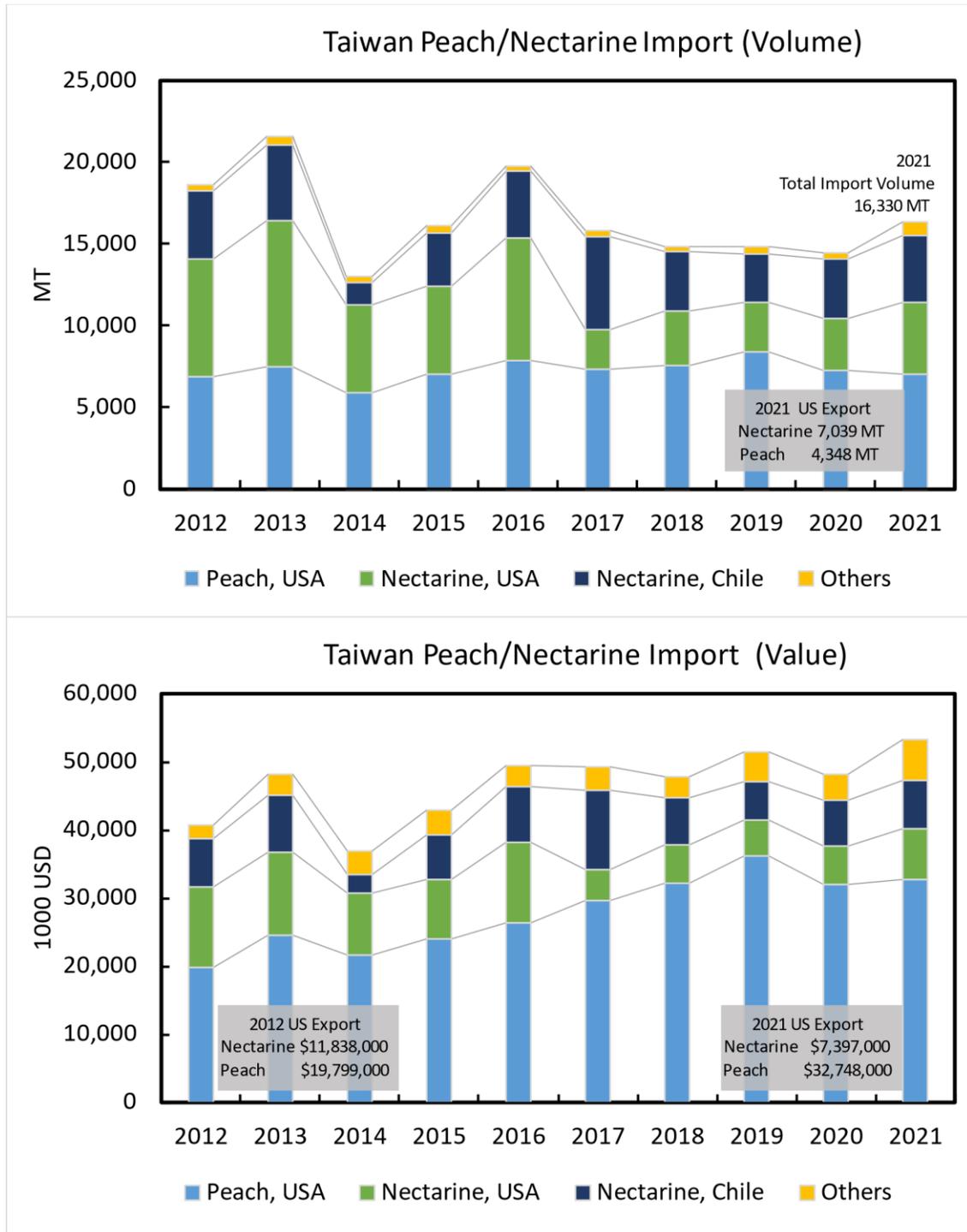
Taiwan imports peaches and nectarines from the Western Hemisphere. The Russia-Ukraine war thus poses no significant change to supply chains. Overall peach and nectarine trade has been quite stable during the COVID-19 pandemic, since peaches are exported by air and the major U.S. export season ended before severe port congestion was underway.

**Figures 3 : Taiwan Peach Imports Market Share by Value and Volume, 2012-2021**



Source: Taiwan COA

**Figure 4: Taiwan Peach and Nectarine Imports, 2012-2021**



Source: Taiwan COA

## Marketing:

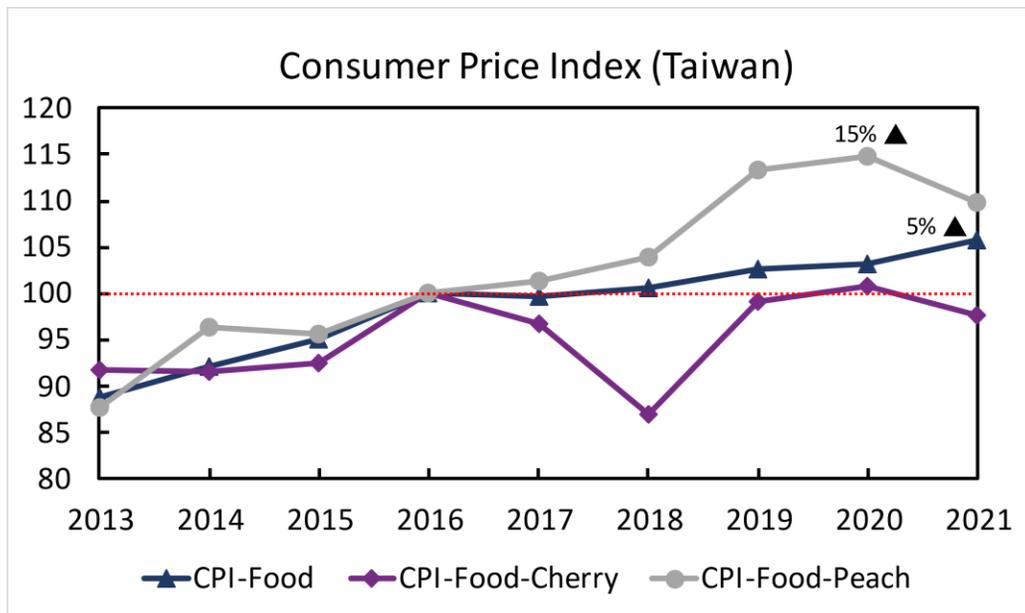
Since the start of the COVID-19 pandemic in Taiwan, online shopping and home delivery services are increasingly important. Fruit can be delivered within a 1-2 day window anywhere on the main island of Taiwan, which allows for high-end fruit market expansion. Hypermarkets and high-end fruit shops are the major distribution channels for peaches while supermarket and wet market are the distribution channels for nectarines. There is minimal local organic peach production and no record of organic peach imports in Taiwan thus far.

According to the Consumer Price Index (CPI) from the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the CPI for peach has risen 10-15 percent in the past 3 years, at a much higher rate than both the general CPI and food CPI.

## Auction Market Price:

Normally, high-chill peach varieties are larger and sweeter and fetch a higher price. The average wholesale price at auction for low-chill varieties is about TWD 56-84/kg (USD 2-3/kg) and for honey peach about TWD 112-140/kg (USD 4-5/kg). The average wholesale price for imported nectarines is about TWD 112/kg (USD 4/kg) and for imported peaches around TWD 168 (USD 6/kg).

**Figure 5: Consumer Price Index (CPI) for Select Categories, 2013-2021**



Source: DGBAS, Executive Yuan, Taiwan

**Figure 6: U.S. Peaches in the Taiwan Market (top: Carrefour; bottom: Costco)**



Source: Author photos

## Peaches and Nectarines, Fresh, Production, Supply, and Distribution

Peaches & Nectarines, Fresh	2020/2021		2021/2022		2022/2023	
	Jan 2020		Jan 2021		Jan 2022	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	2019	2019	2005	1981	0	1970
Area Harvested (HA)	2019	2012	2000	1970	0	1965
Bearing Trees (1000 TREES)	707	707	0	694	0	685
Non-Bearing Trees (1000 TREES)	3	3	0	4	0	4
Total Trees (1000 TREES)	710	710	0	698	0	689
Commercial Production (MT)	16100	16103	17000	16523	0	16000
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	16100	16103	17000	16523	0	16000
Imports (MT)	14500	14484	15000	16330	0	16000
Total Supply (MT)	30600	30587	32000	32853	0	32000
Domestic Consumption (MT)	30600	30587	32000	32853	0	32000
Exports (MT)	0	0	0	0	0	0
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	30600	30587	32000	32853	0	32000
(HA) ,(1000 TREES) ,(MT)						

## FRESH CHERRIES

### Production and Crop Area:

Taiwan does not produce cherries because its subtropical climate is not favorable for cherry production. Local demand relies entirely on imports.

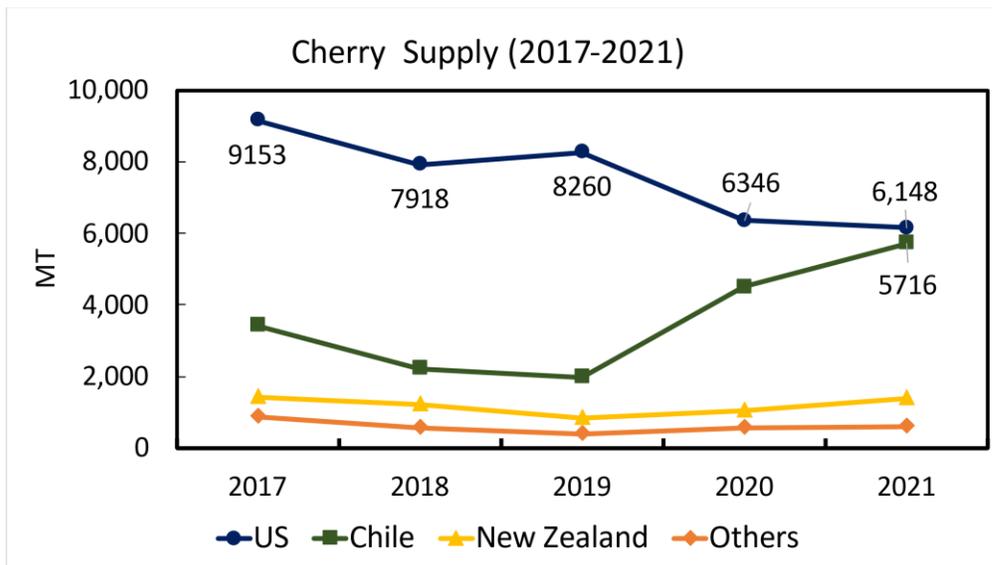
### Consumption:

Cherry consumption is expected to grow for a second straight year. . Forecast for MY 22/23 consumption increases slightly again to 14,000 MT. In MY 2021/22 consumption rose 1,400 MT to 13,851 MT on stronger demand for lunar new year gift boxes in the winter season

Taiwan imports only sweet cherries and not tart cherries. Taiwanese prefer large, dark red color and sweet cherry. The most frequently import cherry varieties are *Lapin*, *Dark Sweet* and *Skeena*.

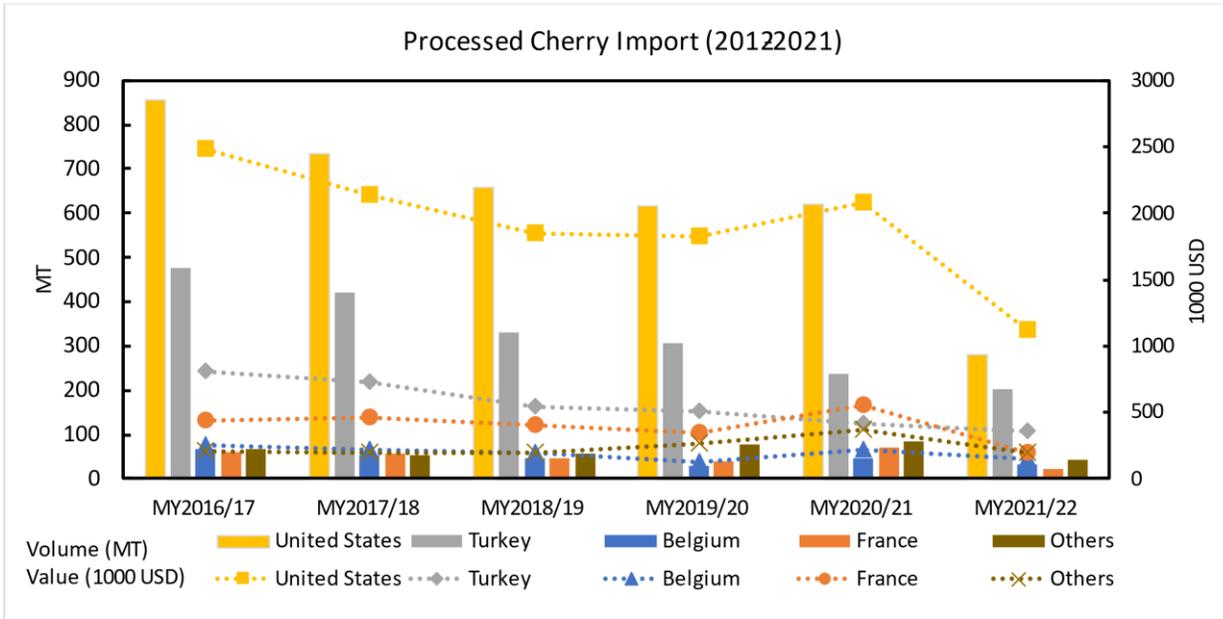
There is minimal demand for processed or frozen cherries in Taiwan. Taiwan imports less than 100 MT of frozen cherries annually. Processed cherry demand continues a long downward trend for the last decade.

**Figure 7: Taiwan Fresh Cherry Imports by Season, 2017-2021**



Source: Taiwan COA

**Figure 8: Taiwan Processed Cherry Imports, 2012-2021**



Source: Taiwan COA

**Trade:**

The United States remains the biggest exporter of fresh cherries to Taiwan, with Chile following closely as the second (counter-seasonal) supplier. However, in MY 2021/22 the total volume imported from the United States decreased by 7 percent and U.S. market share continued a downward trend to fall to 45 percent. Decreased supply in the U.S. due to weather related issues was the main factor in reducing Taiwan cherry consumption over the summer season when the U.S. is the dominant supplier. Chile’s market share has increased to over 40 percent because Taiwan’s demand for cherries significantly increases in January for Lunar New Year fruit gift boxes.

In June 2021, Turkey gained market access to export fresh cherries to Taiwan. Turkey has the same cherry harvest season as the United States and has the potential to be a strong competitor in the future. However, Turkey has not exported any fresh cherries to Taiwan so far.

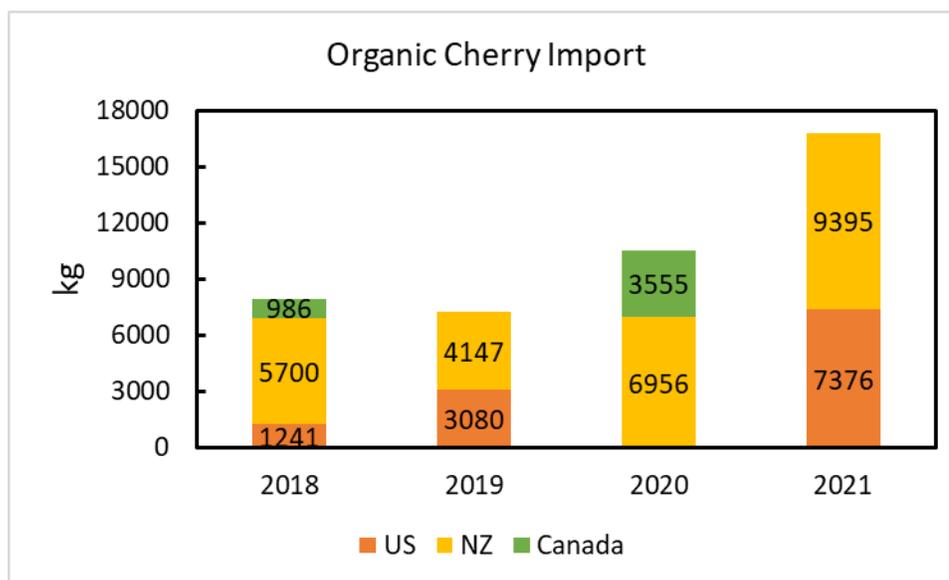
Organic cherry demand in Taiwan is very small, comprising 0.1 percent of total market share. In MY2021/2022, organic cherry imports were 16.7 MT. Sources report that increasing demand is expected to drive imports up to 18 tons in MY 2022/2023. New Zealand is the biggest organic cherry supplier to Taiwan.

**Table 2: U.S. Market Share of Imported Cherries in Taiwan (by value and volume)**

Fresh Cherry, Sweet	Total Imports		Import from U.S.		U.S. Market Share (By Volume)	U.S. Market Share (By Value)
	MT	\$USD (millions)	MT	\$USD (millions)	%	%
MY 2021/2022	13,851	126	6,148	54	44	42
MY 2020/2021	12,464	110	6,346	52	51	47
MY 2019/2020	11,199	85	7,984	51	71	60
MY 2018/2019	11,918	96	7,918	55	66	57
MY 2017/2018	14,864	122	9,153	62	62	51

Source: Taiwan COA

**Figure 9. Taiwan Organic Cherry Imports By Volume, 2018-2021**



Source: Agriculture and Food Agency, COA

## Marketing:

In Taiwan, fresh fruits are purchased in traditional wet markets, supermarkets, and hypermarkets. Since cherries require a cold chain to preserve freshness, increasing transport costs would be likely to raise prices. However, unlike peaches, the relative price increase for cherries does not show a significant increase over the past decade (see Figure 6 above). Since Taiwan's fresh fruit buyers are quite price sensitive, this is one factor in why cherry consumption is expected to continue to rise.

### Cherries (Sweet and Sour), Fresh, Production, Supply, and Distribution

Cherries (Sweet and Sour), Fresh	2020/2021		2021/2022		2022/2023	
	Apr 2020		Apr 2021		Apr 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Taiwan</b>						
<b>Area Planted (HA)</b>	0	0	0	0	0	0
<b>Area Harvested (HA)</b>	0	0	0	0	0	0
<b>Bearing Trees (1000 TREES)</b>	0	0	0	0	0	0
<b>Non-Bearing Trees (1000 TREES)</b>	0	0	0	0	0	0
<b>Total Trees (1000 TREES)</b>	0	0	0	0	0	0
<b>Commercial Production (MT)</b>	0	0	0	0	0	0
<b>Non-Comm. Production (MT)</b>	0	0	0	0	0	0
<b>Production (MT)</b>	0	0	0	0	0	0
<b>Imports (MT)</b>	12500	12464	10000	13851	0	14000
<b>Total Supply (MT)</b>	12500	12464	10000	13851	0	14000
<b>Domestic Consumption (MT)</b>	12500	12464	10000	13851	0	14000
<b>Exports (MT)</b>	0	0	0	0	0	0
<b>Withdrawal From Market (MT)</b>	0	0	0	0	0	0
<b>Total Distribution (MT)</b>	12500	12464	10000	13851	0	14000
(HA) ,(1000 TREES) ,(MT)						

### **Peaches, Nectarines, and Fresh Cherry Policy:**

Fruit 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. TFDA is responsible for food safety inspection, while BAPHIQ oversees animal and plant health, pests, diseases, and quarantine.

Fresh fruit exported to Taiwan from the United States must be accompanied by an 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 inspections. TFDA regularly inspects shipments at the port and closely monitors food products for pesticide and heavy metal residues. TFDA's regulation "[Pesticide Residue Limits in Food](#)" lists allowable residue tolerances in fruit and vegetables. On August 15, 2019, the Standard for the Tolerance of Heavy Metals in Plant Origin has been nullified but being included to [Sanitation Standard for Contaminants and Toxins in Food](#). Various standards, including heavy metal, are listed in this regulation. (Please see MRLs comparison chart as attachment)

If a perishable product is selected for testing, the importer can apply for a special request from TFDA to have the products temporarily released to the importer's warehouse. In the event of a detection, clearing quarantine at the importer's warehouse can greatly reduce import costs. The cargo cannot enter commerce until it has cleared quarantine by passing all required tests. Noncompliance with Taiwan standards will result in the product being refused entry, ordered for re-export or destruction.

HS Code	Item	Major exporter	General Tariff rate	Import regulation*
0809.29.00	Other Cherries, fresh	United States /Chile	7.5 %	B01/F01
0809.30.00.10.5	Fresh peaches	United States	20 %	B01/F01/MW0
0809.30.00.20.3	Fresh nectarine	United States/ Chile	20 %	B01/F01/MW0

- B01: Importation shall be subject to the prescription set forth in the Table of Commodities Subject to Legal Animal & Plant Quarantine compiled by the Bureau of Animal and Plant Health Inspection and Quarantine Council of Agriculture, Executive Yuan.
- F01: Importation of foods shall follow the "Regulations of Inspection of Imported Foods and Related Products". The importer shall apply for inspection to the Food and Drug Administration, Ministry of Health and Welfare (FDA).
- MW0: Importation of Chinese products is prohibited.

**Appendix:**

**Table 3: Comparison of Maximum Residue Levels for the United States and Taiwan**

Chemical	Cherry		Peach	
	USA	Taiwan	USA	Taiwan
Acetamiprid	1.5	1	1.5	1
Bifenazate	2.5	2	2.5	2
Boscalid	3.5	1.7	3.5	2.5
Buprofezin	2	1.5	9	1
Carbaryl	10	⚠ 0.5	10	⚠ 0.5
Chlorantraniliprole	2.5	1	2.5	1
Cyantraniliprole	6	⚠ -	1.5	⚠ -
Cyflufenamid	0.6	0.5	-	-
Fluopyram	2	1.5	1	0.4
Flutianil	0.4	⚠ -	1.5	⚠ 0.4
Flutriafol	1.5	1	3	2
Fluxapyroxad	3	2	3	1
imidacloprid	3	2	3	1
Myclobutanil	5	1	2	1
permethrin	4	2	2	2
Propiconazole	4	⚠ 1	4	⚠ 1
Pyraclostrobin	2.5	1	2.5	1
Spinetoram	0.3	0.2	0.3	0.2
Sulfoxaflor	3	1.5	3	0.5
Thiophanate-Methyl	20	5	3	3
Tolfenpyrad	2	⚠ 0.01	2	⚠ 1

⚠ Warning: Pesticides which are frequently used and which the MRLs in Taiwan are much lower than in U.S. Exporters are encouraged to make sure all MRLs comply with Taiwan's standards before export.

**Attachments:**

No Attachments