

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Taiwan

Food Processing Ingredients

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Report Highlights:

Even though Taiwan's food processing and ingredients industries are extremely competitive, there are still great opportunities for U.S. exporters. U.S. exports of high-value food products to Taiwan reached US\$1.3 billion in 2014, and this trend is expected to continue for the next several years. Imports of premium food items from other countries has been increasing, but U.S. products continue to be well-accepted by Taiwan consumers due to competitive prices and consumer confidence in the quality and safety of U.S. food products. Taiwan is the United States' seventh largest agricultural export market due in part to the great success in the food processing and ingredients sector.

SECTION I. MARKET SUMMARY

Taiwan Food Processing and Ingredients Sector Overview and Trends

Opportunities exist to expand U.S. food product sales to Taiwan's food processing and ingredient sector. Given Taiwan's current size and population, the country will continue the trend of looking overseas for food processing and ingredients. In 2013, Taiwan's agricultural industry accounts for less than 2% of GDP and only 5% of employment in Taiwan. Taiwan's food processing and ingredients industry is comprised of the following major sectors: beverage, coffee/cocoa, condiments/seasonings, dairy products, fats/oils, flour/ bakery products, fruits/vegetables, meat/poultry products, snack foods, and sugar and confectionery. Taiwan's continued modernization and increased acceptance of western food tastes makes the country an extremely attractive market for U.S. exporters. It is also a safer market to penetrate for companies interested in exporting goods to mainland China. The demand for U.S. food processing and ingredients is expected to continue increasing over the next several years.

Production

The food processing and ingredient industry in Taiwan started several decades ago and has successfully evolved into a sophisticated and vital contributor to Taiwan's food, agriculture and economic sectors. According to the Department of Statistics of the Ministry of Economic Affairs, Taiwan's total production value of the domestic food processing and ingredients industry in 2013 was valued at US\$19.8 billion, ranking it the seventh largest among manufacturing industries island-wide, behind only electronic/electrical machinery, chemicals, machinery, petrochemical and metal industries. Projected annual growth for 2014 is 3.64% from one year earlier, reaching approximately US\$20.5 billion.

Animal feed continues to be the leading sub-sector, in terms of production volume, in the food processing and ingredient industry, and is followed by: slaughtering sector, non-alcoholic beverages, flour milling and other miscellaneous foods.

Oriented primarily towards domestic sales, the food processing industry consists of more than 6,000 manufacturing enterprises employing more than 123,000 employees. Shortly after the economy began turning around in response to recovery of the global economy, the food & beverage production posted a 6.14% growth in 2011. However, food production has declined since 2011 due to the fierce competition from imported goods. In addition, several recent food safety scares had a ripple effect throughout the food and agricultural sector and attributed to the overall slowdown in Taiwan. The total production output in 2013 posted a negative growth of 1.29% compared to one year ago.

Table-1 outlines the production output of the food processing and ingredients industry from 2009-2013 in Taiwan.

Table 1 - Taiwan's Food Industry Production Output
Unit: US\$ billions & millions
2009 - 2013

Sub-sector	2013	2012	2011	2010	2009
Animal feeds	2.8b	2.86b	2.84b	2,564	2,453
Slaughtering	2,220	2,198	2,044	1,949	1,793
Non-alcoholic beverages	1,735	1,710	1,707	1,645	1,550
Flour milling	1,349	1,289	1,330	1,269	1,242
Other miscellaneous foods	1,158	2,112	2,374	2,212	1,866
Grain husking	1,051	1,196	1,127	946	1,219
Dairy Products	1,012	942	900	889	803
Alcoholic beverages	886 m	881	340	331	341
Prepared foods	878m	922	850	830	797
Edible fat & oil	873m	962	1,020	933	823
Frozen & chilled meat	868m	866	820	704	686
Flour and bakery products	779m	818	797	788	736
Seasoning	597	532	587	609	547
Noodles	457	493	480	448	427
Tea	231	245	160	155	143
Sugar confectionery	230	243	210	204	171
Frozen & chilled seafood	223	236	240	232	183
Processed meat	195	189	187	180	169
Processed vegetables	144	115	127	130	118
Frozen & chilled vegetables	101	103	87	91	67
Total	19.8b	20,072	21,014	19,799	18,565
Growth Rate	-1.29%	-4.49%	6.14%	6.65%	-

Source: Food Industry Research & Development Institute (FIRDI)

Imports

Taiwan is also an important import market for other international food processing and ingredient suppliers. In 2013, Taiwan imported nearly US\$6.9 billion of food processing and ingredients from more than 150 countries or regions, of which US\$1.3 billion (19.09%) was imported from the United States. The United States was the number one food processing and ingredients supplier to Taiwan, followed by Japan (US\$697 million, 10.07%), Australia (US\$550 million, 7.94%), New Zealand (US\$480 million, 6.91%) and Thailand (US\$433 million, 6.26%). The top five supplying countries comprised approximately 50% of the import market.

Ranking in Terms of Import Value	Import Country	Import Value	% of Total Import Market Share
1	U.S.	US\$1.3 billion	19.09%
2	Japan	US\$697 million	10.07%
3	Australia	US\$550 million	7.94%
4	New Zealand	US\$480 million	6.91%
5	Thailand	US\$433 million	6.26%
	Total	US\$6.9 billion	100%

Source: Food Industry Research & Development Institute (FIRDI)

The United States is the leading exporter of food processing and ingredients to Taiwan. The frozen foods sector is first followed by other food ingredients and meat products. Australia and New Zealand are major suppliers of beef, cheese and butter products. Meanwhile, Japan dominates the snack foods, sauces and preparations and biscuit market. Japan is also very competitive in other consumer ready food products.

Taiwan food processors utilize both raw and semi-processed ingredients from imported and domestic sources. Imported raw materials and food processing and ingredients are vital inputs to Taiwan manufacturers. Imported ingredients cover virtually all food categories. In terms of import value, Taiwan's imported food processing and ingredients posted a growth rate of 1.47% in 2013 from the level of US\$6.8 billion in 2012.

Import Volume/Value and Growth Rates Food Processing and Ingredients Industry 2012 and 2013

	2013	2012
Total import volume	4.3 billion KG	4.7 billion KG
Growth rate by volume (%)	-8.39%	4.21%
Total import value (US\$ million)	US\$6.9 billion	US\$6.8 billion
Growth rate by value (%)	1.47%	1.13%

Source: Food Industry Research & Development Institute (FIRDI)

In 2013, the biggest growth sub-sector was meat products, with a record high import growth rate of 48% compared to one year ago, mainly due to fewer restrictions on several import rules and regulations. In terms of import value, frozen foods enjoyed the leading position, followed by: alcoholic beverages, dairy products, cigarettes and edible oil and fats.

**Breakdown of Imported Food Processing and Ingredients
By Product Sub-Sector
2012 and 2013**

	Import Value US\$ million	Import Value Growth Rate 2012/2013
Frozen foods	1,370	-0.13%
Others	1,093	-1.2%
Alcoholic beverage	768	6.51%
Dairy products	649	18.35%
Cigarette	553	3.13%
Edible oils and fats	351	-10.71%
Grain products	331	-5.35%
Animal feeds	287	2.52%
Sugar	278	-27.61%
Dehydrated products	255	6.89%
Meat products	199	48%
Coffee products	159	1.48
Pickled products	112	4.47%
Candy and chocolate	103	-0.55%
Non-alcoholic beverage	102	11.94%
Seasoning and condiment	99	-8.89%
Bakery products	72	13.54%
Tea	69	5.98%
Canned foods	67	-3.45%
Cocoa products	25	-3.5%
Total	6,935	1.52%

Source: Food Industry Research & Development Institute (FIRDI)

Key market drivers include an increasing interest in healthy and functional foods, an aging population, and health conscious consumers that have forced food processors in Taiwan to put more effort into product innovation, personalization and convenience.

Many American food ingredients and products have a competitive edge over goods from other countries, mainly due to the almost universal acceptance and trust in U.S. raw materials and ingredients. Taiwan consumers' favorable preference over U.S. ingredients and food materials is a tremendous advantage for U.S. exporters seeking to develop a market in Taiwan.

Exports

Exports of processed food and beverage products stood at US\$2.8 billion in 2013, a decrease of 6.75 from one year earlier. However, Taiwan posted strong food export growth (13-15% annually) for several years until 2013 due to the fact that several food safety scares happened in Taiwan. Meat products were the most negatively affected sector with more than a 70% decrease in terms of export value, followed by seasoning and condiments (decreased 38%) and frozen foods (decreased 16%). In 2013, the total export of the food processing and ingredients industry was valued at US\$2.8 billion, which decreased 6.7% compared to the previous year. The Food Industry Research and Development Institute forecasted that rebuilding the image of Taiwan's food processing industry in global markets will take 1-2 years.

Exports of Food Processing and Ingredients Industry

	Export Value US\$ billion	Growth Rate
2013	2.8	-6.7%
2012	3.0	15.4%
2011	2.6	13.05%
2010	2.3	15%
2009	2.0	-

Source: Food Industry Research & Development Institute (FIRDI)

Taiwan processed food and beverages are exported all over the world. In 2013, the largest export country was Japan (US\$741.9 million, 18.63%), followed by China (US\$668.5 million, 16.78%), United States (US\$438.9, 11.02%), Hong Kong (US\$338.6 million, 8.5%) and Thailand (US\$334.5 million, 8.4%). The combined export value of the top five countries represented over 60% of the total export market in Taiwan.

Taiwan's Major Exporting Partners - Processed Foods

Rank	Country	Export Value US\$ million	% of Total Export
1	Japan	741.9	18.63
2	China	668.5	16.78
3	USA	438.9	11.02
4	Hong Kong	338.6	8.5
5	Thailand	334.5	8.4
6	Korea	183.7	4.61
7	Vietnam	167.0	4.19
8	Indonesia	129.2	3.24
9	Malaysia	113.5	2.85
10	Philippines	94.1	2.36
11	Australia	88.4	2.22

12	Singapore	84.5	2.12
Other	Other	600.6	15.08
Total		3,983	100

Source: Food Industry Research & Development Institute (FIRDI)

Foreign Investment

Taiwan's foreign investments in food processing have grown tremendously in recent years. In order to take advantage of lower costs and expand their global markets, many of Taiwan's food processors established production facilities outside Taiwan. According to the Ministry of Economic Affairs, Taiwan's food companies have invested in China and many other countries in Southeast Asia due to lower labor cost and costs of production.

Macro-economic Situation

With a population of 23 million, Taiwan is a thriving democracy, vibrant market economy, and a highly attractive export market, especially for U.S. firms. Taiwan has one of the highest population densities in Asia, over 645 persons per square kilometer. Taiwan is the world's sixth-largest holder of foreign exchange reserves (last reported in August 2014) with over US\$428 billion, a 2.89% increase from 2013 (year-end US\$416 billion). The New Taiwan Dollar (NTD) exchange rate closed at NTD\$29.77 per USD at 2013 year-end, depreciating from NTD\$29.61.

In 2013, Taiwan had an estimated per capita GDP of US\$20,958, registered 2.11% GDP growth. Unemployment has decreased to just above 4.2%, down 0.06% compared with the 2012 average. Local private consumption has remained flat due to declining wages. Real estate sales in several areas, especially the southern city of Kaohsiung, are showing significant growth. Inflationary pressures remain moderate, and the official forecast for consumer prices increased by 1.07% in 2014.

Taiwan ranked 18 out of 152 countries/ regions with a score of 7.71 in the latest Economic Freedom of the World survey released in October 2014 by U.S.-based Cato Institute and Fraser Institute of Canada. The country chalked up significant progress in the categories of freedom to trade internationally and regulation, but decreased slightly in legal system and property rights, size of government and sound money. Hong Kong and Singapore topped the survey with scores of 8.98 and 8.54, respectively, on a 10-point scale. Japan, South Korea and China are the 23rd, 33rd and 115th, respectively.

Total Taiwan exports increased by 1.46% to US\$305.5 billion in 2013 and imports declined 0.2% to US\$269.9 billion. Taiwan is heavily reliant on exports and is therefore very exposed to any international economic crisis. Any drop in its orders from its exporting partners, such as the United States and European countries, will significantly impact Taiwan's overall economic performances. Forecasts for the economic growth in 2014 have been revised to 2.82%. More recently, the economy in Taiwan has been boosted by domestic demand, with services becoming an increasingly important component of the economy.

Key Economic Indicators in Taiwan

2010 – 2013

Indicators	2010	2011	2012	2013
Economic Growth Rate	10.8	4.2	1.5	2.1
GDP (US\$ billion)	428.1	465.2	475.3	489.3
GDP Per Capita (US\$)	18,588	20,122	20,386	20,958
Household Expenditure on Food, Beverage and Tobacco Expenditure (% , per Household)	16.64	16.22	16.54	NA
Average Exchange Rate (1US\$ to NT\$)	30.37	30.29	29.61	29.77
Consumer Price Index	1.0	1.4	1.9	0.8
Unemployment Rate (%)	5.2	4.4	4.2	4.2
Foreign Exchange Reserves (US\$ million)	382,005	385,547	403,169	416,811
Taiwan's Total Imports (US\$ million)	251,236	281,438	270,473	269,897
Taiwan's Total Export (US\$ million)	274,601	308,257	301,181	305,441
Total Agri-Food Imports (billion US\$)	12.8	14.8	14.7	14.8
Total Agri-Food Exports (billion US\$)	4.0	4.7	5.1	5.1

Source: 2014 Taiwan Statistical Data Book, National Development Council, Taiwan

Taiwan's Foreign Trade and GDP up in First 3 Quarters in 2014

For the first nine months of the year, exports increased 3.5 % to US\$234.65 billion, mirrored by imports, up 3.2% to US\$208.3 billion. The accumulated trade surplus increased 6% to US\$26.35 billion. China, including Hong Kong, remained the top destination for Taiwan's exports, accounting for 38.9% of outgoing shipments at US\$10.29 billion. Taiwan's 2014 gross domestic product (GDP) growth is expected to hit a new high in three years due to strong exports, industrial production and retail sales, according to the Directorate General of Budget, Accounting and Statistics (DGBAS).

U.S. – Taiwan Trade Facts

In 2013, Taiwan ranked as the United States' 12th largest trading partner in goods. It was also the 16th largest U.S. export market overall and the seventh largest export market for agricultural products. The United States is Taiwan's third largest trading partner (9.3% of total imports), after China and Japan. Taiwan had a trade surplus with the United States, US\$12.46 billion, which is down from US\$14.52 billion in 2012, according to the United States Census Bureau.

Agricultural Trade

Given Taiwan's relatively small agricultural sector, Taiwan's dependence on imports is expected to continue to grow. In 2013, Taiwan imported US\$3.2 billion of food and agricultural products (including edible fishery products) from the United States. Of the U.S. total, over US\$1 billion was comprised of bulk commodities, including corn, soybeans and coarse grains (US\$614 million) and wheat (US\$390 million). The United States also exports many consumer-oriented agricultural products, the majority of those being red meats, fresh fruit, poultry, and processed fruits and vegetables.

Since 2007, countries that depend on imports of basic agricultural commodities for food and feed purposes have had to deal with significant increases in commodity prices as well as transportation costs. While Taiwan has seen some food price inflation, the well-developed economy has been able to absorb the added costs more easily than other import-dependent parts of the world. The result, however, has been an increase in the number of sources from which Taiwan is willing to import commodities. The United States is still seen as a provider of high-quality, safe products and is the largest supplier of many food products to Taiwan.

Taiwan became a member of the World Trade Organization (WTO) on January 1, 2002, as a customs territory, and is referred to as *Chinese Taipei*. The lowering of tariff and non-tariff trade barriers for imports has provided improved market access for a wide range of U.S. agricultural products including: fresh produce, dairy products, meat, seafood, and processed food products.

Taiwan Food and Agricultural Products Imports and Exports Top 5 Importing and Exporting Countries 2013

Ranking	Importing Countries			Exporting Countries		
		Amount (US\$ million)	Share (%)	Country	Amount (US\$ million)	Share (%)
1	U.S.	3,358	22.7	China	916	18.1
2	Brazil	1,394	9.4	Japan	829	16.3
3	Japan	915	6.2	Hong Kong	522	10.3
4	China	899	6.1	U.S.	472	9.3
5	Australia	812	5.5	Vietnam	388	7.6

Sources: Taiwan Director-General of Budget, Accounting, Statistics (DGBAS)
Council of Agriculture (COA)

The United States has long been the major supplier of Taiwan's food and agricultural product imports, followed by Brazil, Japan, China and Australia. In 2013, Taiwan imported US\$3.4 billion of agri-food products from the United States, representing approximately 22.7% of the total food and agricultural imports, followed by Brazil (US\$1.3 billion, Japan (US\$915 million, China (US\$899 million) and Australia (US\$812 million).

Recent Free Trade Agreements Signed with Key Partners

On June 29, 2010, Taiwan and China concluded the Economic Cooperation Framework Agreement (ECFA). ECFA is an agreement aimed to reduce tariffs and commercial barriers between both sides. More than 800 tariff items will enjoy tariff reductions over the next several years. The import tariff on these goods will be reduced to zero in phases within a number of years after the implementation of

ECFA. Under the ECFA early harvest list, more than a dozen of Taiwan agricultural products saw their tariffs reduced or even tariff-free.

On July 10, 2013, Taiwan and New Zealand signed a new free trade agreement (FTA), the Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation (ANZTEC). Under this agreement, Taiwan will eliminate rates on 99.88% of its tariff lines over a 12-year implementation period, including tariffs on key agricultural imports from New Zealand. Agricultural imports from New Zealand (and the United States) into Taiwan currently face tariffs between 5-20%, on average. The majority of tariff lines will be reduced to zero upon entry into force of the ANZTEC with other high-value or sensitive products facing longer tariff reduction timelines.

On November 8, 2013, Taiwan signed a free-trade agreement (FTA) with Singapore that Taiwan authorities indicated would boost the nation's efforts to pursue further economic engagements with trading partners bilaterally and multilaterally. Taiwan will remove 99.48% of its tariff lines in three stages within 15 years at the latest, with the exception of 40 agricultural products (including rice, mangoes, garlic, shiitake mushrooms, red beans, shelled ground-nuts and liquid milk). The tariff cuts will have a limited impact on Taiwan's agricultural sector because Singapore is not an agricultural-based economy.

Key Trends in the Food Processing and Ingredients Market

Strengthen the management of food traceability

As seen in the growing concern over food safety, consumers increasingly care about where their food comes from. Taiwan authorities also require food manufacturers to have a better management system, upgrade internal quality controls, and undergo inspections by independent assessors. The management of a traceable system for food products is a hot topic in Taiwan's food processing industry. Reasons for this include concern for the local economy and environmental concerns regarding how far food must travel before it reaches the consumers. The concern is also being driven by high-profile food safety breaches. This trend should be viewed as an opportunity for U.S. exporters since Taiwan consumers view products from the United States safer and of better quality than products from other countries.

Increase of health-conscious consumers

The needs of local consumers are evolving as they become more health conscious. In response, small grocery operators, hypermarkets and supermarkets are bringing in more health and wellness products. Health-conscious consumers tend to be less concerned about prices when shopping for products believed to be healthier and more nutritious.

Food safety is the top concern in Taiwan's food industry

Consumers also receive a great deal of sensational news about food safety, which is causing increased concerns and skepticism. This may provide opportunities for U.S. exporters to promote brand value through emphasis on natural products and food safety.

Ready-to-eat products are in strong demand

In response to the recent demand by time-constrained consumers for quick meal solutions, big name retailers such as 7-Eleven, have added fresh-cooked food menus to their convenience

stores. Strong sales found in the convenience store sector are a result of the consumers' need for fast transactions and one-stop shopping. More and more supermarkets are adding new products of ready-to-eat/ready-to-cook prepared foods. Restaurants' take-out orders (home meal replacements) have grown steadily as more and more full-time housewives and time-constrained consumers' demand quick meals. .

Customization gains popularity

The retailers in Taiwan are shifting their marketing strategies toward customization, and moving away from market segmentation as more consumers respond favorably to new product and service designs around the needs of individual end users. In Nielsen's recent e-shopper survey, the firm identified four elements of customization reorientation for the Taiwan market: price, health and wellness, convenience and fun to shop.

Active aging

Due to its low fertility rate, Taiwan is expected to become an aged society, defined as a society in which over 14% of the population is 65 or above, by 2017, and a super-aged society, in which senior citizens account for at least one-fifth of the total population, by 2025, according to Taiwan 2014 Year Book. To raise the quality of life of the nation's senior citizens and slow the progression of chronic diseases, the Taiwan's Ministry of Health and Welfare supported age-friendly cities, age-friendly health care, health promotion for the elderly, and prevention measures against chronic diseases and cancer, among other initiatives. As a result, U.S. retail foods suppliers will find potential opportunities in the health and wellness products, small-sized packaged foods and fresh-cooked food.

Convenience stores are more convenient than ever

With one store per every 2,300 person, Taiwan has the highest convenience store density in the world. Convenience store chains are now providing oven-prepared, microwavable meals, bakery products and other processed food products via these retail channels. Convenience stores in Taiwan have become even more convenient than before. With the 24-hour operation, when grocery and other retail stores are closed, consumers have the privilege of getting various kinds of services during off business hours.

Taiwan recorded strong travel numbers

Taiwan's tourism revenue in 2013 reached a new high of US\$12.32 billion, according to Tourism Bureau's statistics, boosted by growing numbers of Chinese tourists. According to the Ministry of Transportation and Communications, 7.25 million tourists visited Taiwan, with 6.57 million from Asia. The top three sources of arrivals were China, Japan, Hong Kong and Macau. According to the U.N. World Tourism Organization statistics, Taiwan boasted the highest growth of 26.7 % in foreign tourist arrivals worldwide in the first half of 2014. Other than neighboring countries such as South Korea, Japan and China, North America and European countries are also Taiwan's goal to open its tourism market.

Improved economic growth strengthened consumer confidence

Taiwan is expected to deliver the best economic growth in 2014 compared with the previous two years. Its GDP growth in 2012 and 2013 stood at 1.48% and 2.09%, respectively. Such positive sentiment is also reflected in domestic demand and continuous promotions led to an increase of

16.33% in new automobile licenses and 4.81% in retail sales. Taiwan authorities have stated that unemployment could fall below 4% for the entire year of 2014. Consumer confidence could be strengthened as the economic growth momentum continues and the local job market improves.

Cross-strait trade up

China (including Hong Kong) is Taiwan’s largest trading partner, accounting for 28.7% of total trade and 16.4% of Taiwan’s imports in 2013. Improved economic ties with China are expected to ease current cross-strait and investment restrictions and encourage more foreign investments in Taiwan. Currently, Taiwan is the largest investor in China, where Taiwan companies have invested heavily in high-tech sectors and other food related sectors, especially in the food processing and food and beverage franchise sectors.

Advantages and Challenges for U.S. Exporters

Advantages	Challenges
U.S. food products enjoy an excellent reputation among Taiwan consumers.	U.S. food products are not always price competitive in Taiwan market.
The growing modern retail industry is looking for new imported food products.	Lack of importer and retailer knowledge and training in purchasing, handling, and merchandising U.S. products.
Taiwan is an attractive market for U.S. food exporters. It’s also a safer market penetrate for companies interested in exporting food and agricultural products to China.	Taiwan is the United States 7th largest market for agricultural exports, but is often overlooked by U.S. suppliers eager to export directly to China.
The majority of Taiwan consumers become more health conscious and they tend to be less concerned about costs when shopping.	Lack of brand awareness by consumers
Taiwan concerns over food safety have made U.S. food products as a top choice for quality and reliable products.	U.S. exporters are sometimes reluctant to change product specifications to comply with Taiwan requirements/consumer preferences.
Taiwan consumers are brand-conscious and America is a leader in food brands that set trends.	Many U.S. companies are unwilling to provide low volume, consolidated shipments of high-value products to importers/end users in Taiwan.
There is a wide variety of U.S. food products available to Taiwan consumers.	Taiwan consumers maintain a preference for “fresh” food products over “frozen.”

In general, implementation and application of food related regulations are transparent and open.	Taiwan's labeling and residue standards differ in some cases from internationally accepted requirement, which complicate international trades.
Taiwan's WTO accession in early 2002 resulting in further market liberalization and import tariff reduction has provided U.S. exporters with more market opportunities	Competition among major world agricultural and food exporters for a share of Taiwan's growing food import market is further intensifying due to Taiwan's WTO accession.
Technical barriers to imports of U.S. products are general not high.	Numerous Taiwan food regulations are not in line with U.S. standards, which can impede imports.

SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

ATO Taipei strongly recommends U.S. exporters exhibit in the USA Pavilion of the Taipei International Food Show, which is the most influential trade show in the food industry in Taiwan, taking place in June every year. The USA Pavilion exhibitors will receive on-site consultation services from the ATO Taipei.

Taiwanese buyers in food processing industry tend to buy and import directly those products that are already well known in the market. The reason according to purchasing managers is that they do not want to risk trying out a new product. Instead, stores prefer to buy new-to-market imported products from local suppliers. A trend for food processors is to begin importing directly from a consolidator who can arrange one consolidated shipment for a variety of new and/or already in-the-market products. Furthermore, purchasing managers of these Taiwan food processors welcome offers with market potential from reputable and any reliable U.S. suppliers.

The best method to reach Taiwan's food processor and prospective importers initially is to contact them directly via e-mail or fax. Product catalogues and price lists are essential, and samples are very helpful. U.S. suppliers can obtain lists of Taiwan retail stores and importers from the ATO Taipei.

A visit to Taiwan is imperative in establishing meaningful relationships with Taiwan buyers. Personal relationships and face-to-face meetings are very important in Asian cultures. It is advisable to bring along samples to meetings with potential buyers while visiting Taiwan, as many importers and retailers rely heavily upon subjective factors when deciding on new products to represent.

Product design and packaging is important. Taiwan is very densely populated with a high cost of urban housing. Taiwan consumers keep a low inventory of food and in general prefer smaller units than would be typically sold in the United States. It is necessary for producers of packaged goods to understand the market and its constraints to tailor their products to the consumers in Taiwan.

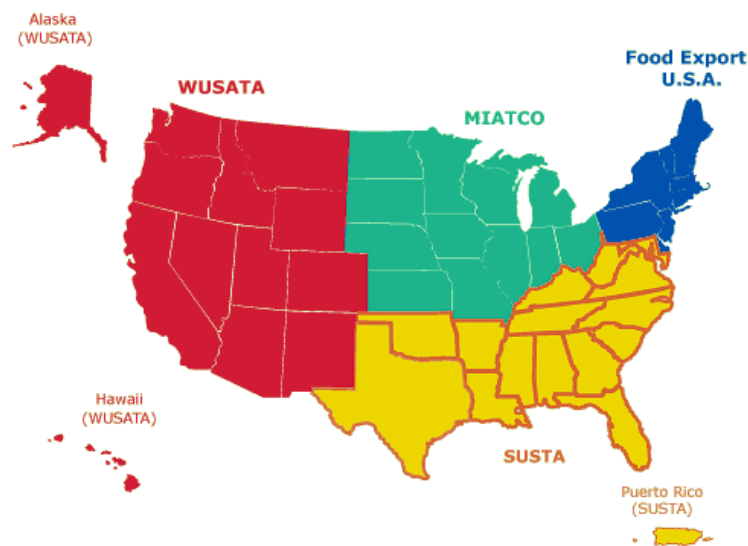
The typical Taiwan businessperson usually has several interests rather than a single product line. In order to meet the Taiwan consumers' increasing demand to try new products, importers constantly keep seeking

for new products, including new-to-market products and new brands of certain products. For new products, it is important that they are supported by advertising and promotional material to generate brand awareness. On the other hand, many importers follow the customary Taiwanese pattern of collecting basic information (samples, catalogues, prices, supply schedules, etc.) and a trial order may be used to test the market response.

Support from U.S. State Regional Trade Groups (SRTG)

Small-to-medium sized exporters should work with the appropriate U.S. State Regional Trade Group (SRTG) to take advantage of the SRTG's resources for marketing and promotion support in major export markets. The four SRTGs are non-profit trade development organizations that help U.S. food producers, processors and exporters sell their products overseas. They are jointly funded by USDA's Foreign Agricultural Service (FAS), the individual state departments of agriculture and private industry. The SRTGs provide export assistance to companies located in their geographic region through a variety of export programs and integrated marketing services. To learn more services available from the SRTGs, find the SRTG for your geographic region in the list below and visit the website.

- Western U.S. Agricultural Trade Association ([WUSATA](#))
- Southern U.S. Trade Association ([SUSTA](#))
- Food Export-Midwest (previously named MIATCO) ([Food Export](#))
- Food Export-Northeast (Previously named Food Export USA) ([Food Export](#))



Locating a Broker/Distributor/Importer

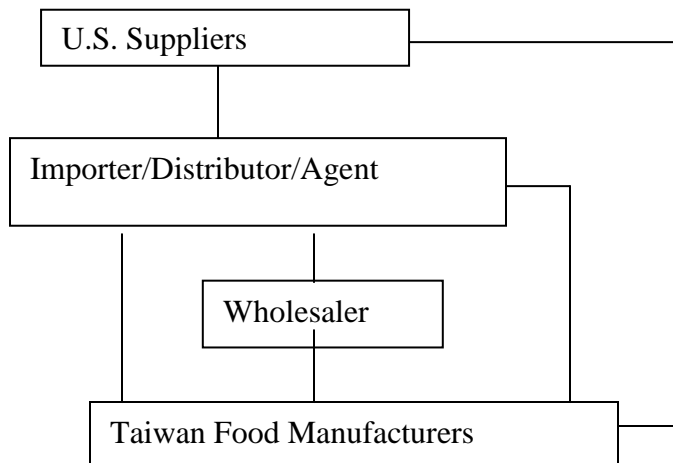
Most new-to-market food ingredient producers entering Taiwan begin by finding a local partner to serve as an agent, distributor, and/or representative. Agents are the most common partnerships used by

foreign firms to gain their initial foothold in Taiwan. Qualified agents are firms active in trading and manufacturing in the food processing industry and offer a large pool of prospective trade partners to represent U.S. companies in Taiwan.

Local representation provides exporters with a domestic advantage of understanding both the local and regional markets and available opportunities. Brokers and distributors provide guidance on best business practices, sales, contacts, market development, logistics and government regulations. Many also provide merchandising and marketing programs, and their volume purchasing power and expertise can help increase potential opportunities to expand in the Taiwan market.

Market Structure

Taiwan’s food manufacturers purchase from local importers, distributors, and wholesalers. However, the current tendency is to increase the volume of direct imports. A majority of the large food processors and manufacturers in Taiwan import full-container loads of raw agricultural materials and ingredients directly, while smaller companies including small-to-medium sized firms and specialty processors purchase from importers and distributors. Most of the importers are based in metropolitan Taipei area and manage their own distribution, while others appoint independent distributors to cover other cities in Taiwan.



Import Food Regulations to Monitor

Taiwan authorities have multiple acts that govern the importation and sales of foods. A more thorough outline of applicable acts and regulations can be found on Taiwan’s Food and Administration’s official web site at www.fda.gov.tw

Taiwan’s Revised or New Food Regulations - 2014

Name of the regulations	Announcement Date
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Standards for Pesticide Residue limits in Foods	August 7, 2014
Regulations Governing the Labeling of Flavoring Ingredients in Food Additive Products	May 20, 2014
Regulations on Nutrition Labeling for Prepackaged food Products	April 22, 2014
Regulations of Inspection of Imported Foods and Related Products	April 3, 2014
Standards for Veterinary Drug Residue Limits in Foods	April 1, 2014
Regulations on Food Safety Control System	March 11, 2014
Regulations Governing Food Allergen Labeling	March 7, 2014
The Establishment Standards of Construction and Equipment of a Food Factory	March 5, 2014
Regulations on Placement and Management of Food Businesses Employment of Professionals with Vocational or Technical Certification	February 24, 2014
Regulations Governing the Product Names and Labeling of Prepackaged Fresh Milk, Sterilized Milk, Flavored Milk, Milk Drink and Milk Powder	February 19, 2014
Regulations for Systematic Inspection of Imported Food	February 14, 2014
Act Governing Food Safety and Sanitation	February 5, 2014

Company Profiles

Major Taiwan Food Manufacturers

Company	Product Types	Sales US\$ million 2013	Production Location(s)	Procurement Channels
Taiwan Tobacco & Liquor Corporation	Liquor, beer, tobacco	2.6 billion	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Uni-President Group	condiments, health foods, baked products, confectionery, dairy, meat, frozen prepared foods, beverages, organic foods, and pet food	1.4 billion	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Great Wall Group	Edible oil, wheat flour, chicken products, frozen foods, canned desserts, soft drinks, and animal feed	782	Taiwan, China, Hong Kong, Vietnam, Philippines, Philippines, Malaysia	Direct, importer, wholesaler, agent, farmers
TTET Union Corp.	Regular Soybean Meal, High-Protein Soybean Meal, Soybean Flakes, Soybean Oil, Canola Oil, Deep Fry	612	Taiwan	Direct, importer, wholesaler, agent, farmers

	Oil, Selected Soybean, Lecithin, etc.			
Charoen Pokphand Enterprise	Processed meats, feedstuffs and poultry meats	533.9	Taiwan, U.S. Mexico, Turkey, EU, Asia	Direct, importer, wholesaler, agent, farmers
Kinmen Kaoliang Liquor	liquor	507.6	Taiwan	Direct, importer, wholesaler, agent, farmers
Wei Chuan Food	Juices, soft drinks, condiments, dairy products	478.5	Taiwan, China, Thailand	Direct, importer, wholesaler, agent, farmers
Taiwan Sugar Corporation	Sugar and sugar products, edible oils and fats, biotechnology products, port products	153.2	Taiwan	Direct, importer, wholesaler, agent, farmers
Standard Foods Corporation	Nutritional foods and supplements, cereal beverages, milk powder, tonic drinks, fresh yogurt products	371.8	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Formosa Oilseed Processing Co., Ltd	Soybean oil, tomato sauces, corn grain and canned fruits	358.1	Taiwan, China	Direct, importer, wholesaler, agent, farmers
Fwusow Industry Co. Ltd	Pet foods, animal feeds, cereal products, edible oil, vegetable protein products	345.3	Taiwan, China	Direct, importer, wholesaler, agent, farmers
Vedan Enterprise Corp.	MSG, instant noodles, beverages, honey, starch, health foods	286.1	Taiwan, China, Vietnam	Direct, importer, wholesaler, agent, farmers
Central Union Oil Corp	Edible oil, soybean meal and other soybean products	269.7	Taiwan	Direct, importer, wholesaler, agent, farmers
Taisun Enterprise	Edible oil, beverages, feeds	240.1	Taiwan, China	Direct, importer, wholesaler, agent, farmers
King Car Food Industrial Co., Ltd	Beverage, coffee, tea, energy drinks, water and soft drinks	179.6	Taiwan, China	Direct, importer, wholesaler, agent, farmers
Lien Hwa Industrial Corporation	Nuts, potato chips and other snack foods, jam, flour, pasta, pizza and frozen dough products	137.6	Taiwan, China	Direct, importer, wholesaler, agent, farmers

Hey Song Corporation	Carbonated beverages	172.6	Taiwan, China	Direct, importer, wholesaler, agent, farmers
I-Mei Foods Co., Ltd.	Snack foods, candy, baked products, dairy, juices, HMR, non-alcoholic beverages	163.3	Taiwan, SE Asia	Direct, importer, wholesaler, agent, farmers
Shuh Sen Co., Ltd	Sausage, cured meats, smoked meats and canned meat	141.1	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Grape King Bio Ltd	Health foods, medicines and bio ingredients	118.5	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Hsin Tung Yang Co. Ltd	Processed meat and seafood, Taiwanese desserts	115.1	Taiwan, China, SE Asia	Direct, importer, wholesaler, agent, farmers
Gallant Ocean Int'l Inc.	Processed seafood	79.1	Taiwan, China, S.E. Asia	Direct

Source: ATO Taipei Office Survey
China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Taiwan Tobacco & Liquor Corporation

www.ttl.com.tw

Ranking in Taiwan's top 5,000 enterprises	24
Sales in 2013(US\$ billion)	2.6
Sales growth (%) 2012/2013	-2.32%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Taiwan Tobacco & Liquor Corporation produces and sells liquor, beer, and tobacco products in Taiwan and internationally. The company's marketing and sales division is involved in the product sales and promotion through various channels including: chain stores, supermarkets, general merchandise stores, welfare centers, and traditional stores, as well as duty-free stores supplying duty-free tobacco and liquor to passengers. The company was formerly known as Taiwan Tobacco and Wine Bureau, but changed its name to Taiwan Tobacco & Liquor Corporation in July 2002.

Uni-President Enterprises Corp.

www.uni-president.com.tw

Ranking in Taiwan's top 5,000 enterprises	46
Sales in 2013(US\$ billion)	1.4
Sales growth (%) 2012/2013	-4.4%

Source: China Credit Information and Services, Top 5000 Largest Corporations in Taiwan

Uni-President Enterprises Corporation, the largest food production company in Taiwan, is a leader in the food processing industry with more than 30% of the market share in several food product categories, including: instant noodles, soy sauce, tea-based beverages, milk, yogurt, flavored milk, pudding and processing meat. It is also responsible for running Starbucks, 7-Eleven, Mister Donut and Carrefour in Taiwan.

In Taiwan, 7-Eleven is owned by President Chain Store Corporation under Uni-President Enterprises Corporation. 7-Eleven is the most popular convenience store in Taiwan with 4,992 stores as of the end of 2013. Uni-President applies global source strategies and has established long-term relationships with most suppliers. The United States continues to be a leading supplier of feed and flour to Uni-President.

Uni-President's Top Raw Materials & Suppliers

Product	Raw Materials	Top Supplier
Feed	Corn, soybeans, fish meal	United States, South America
Flour	Wheat	United States, Australia
Edible Oil	Soy	United States, South America
Instant Noodles	Flour	Own production, domestic manufacturers
	Palm oil	Southeast Asia
Drinks, fruit juice	Granulated sugar	Taiwan Sugar, Thailand, Central and South America
	Fructose syrup	Domestic manufacturers
	Fruit juice	South America, China, Europe
	Tea	Domestic manufacturers, Vietnam
Dairy	Coffee	Asia, Central and South America
	Raw milk	Domestic
Meat	Milk powder	New Zealand, Australia
	Pork	Domestic
	Boneless meat	Australia, New Zealand

Source: Company Annual Reports

Great Wall Enterprise Co. Ltd.
www.greatwall.com.tw

Ranking in Taiwan's top 5,000 enterprises	88
Sales in 2013(US\$ million)	782
Sales growth (%) 2012/2013	3.75%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Great Wall Enterprise Co. Ltd. is principally engaged in the manufacture and distribution of animal feedstuffs and meat products. The company operates its business through the provision of feedstuffs for pigs, chicken and fisheries, broiler chicken meat products, and bulk materials, which includes feed ingredients, soybean powders and edible salad oils as well as other consumable food. The company is also active in food processing activities, providing flour mill products under the Ironman and Great Wall

Flour brands. In addition, the company is involved in agribusiness e-trade and services, bio-technology development, and manages several restaurant chains and shopping malls.

TTET Union Corporation

www.ttet.com.tw

Ranking in Taiwan's top 5,000 enterprises	119
Sales in 2013(US\$ million)	612
Sales growth (%) 2012/2013	4.89%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

TTET Union Corporation is principally engaged in the manufacturing, processing and distribution of food and oil products. The company mainly provides soybean powders for feed formula, as well as soybean salad oils. The company is also involved in processing other food products as well as the manufacture of high-protein soybean flours. TTET features soybeans, palm oils, sunflower oils and canola oils.

Charoen Pokphand Enterprises Taiwan Co. Ltd.

www.cptwn.com.tw

Ranking in Taiwan's top 5,000 enterprises	139
Sales in 2013(US\$ million)	533.9
Sales growth (%) 2012/2013	5.48%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Charoen Pokphand Enterprises Taiwan Co., Ltd. is principally engaged in the production and distribution of feedstuffs and meat products. It is also involved in processing a range of meat products, including chicken floss, ginseng chicken, hams, chicken chops, bacon, and chicken wings. Its feedstuffs are used throughout the feeding process for chickens, ducks and pigs.

Kinmen Kaoliang Liquor, Inc.

www.kkl.gov.tw

Ranking in Taiwan's top 5,000 enterprises	144
Sales in 2013(US\$ million)	507.6
Sales growth (%) 2012/2013	0.74%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Kinmen Kaoliang Liquor, Inc. manufactures and distributes liquor products. The company was originally founded in 1952 as a non-profit government agency but was later incorporated in 1998 in Kinmen County, Taiwan. It has sales branches in China and Taiwan.

Wei Chuan Foods Corporation

www.weichuan.com.tw

Ranking in Taiwan's top 5,000 enterprises	157
Sales in 2013(US\$ million)	478.5
Sales growth (%) 2012/2013	2.71%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Wei Chuan Foods Corp. is principally engaged in the manufacture and distribution of food products. The company's products include: dairy(fresh milk, yogurt, fermented milk and soybean milk), beverages (coffee, juice and tea drinks), convenience foods (seasonings, edible oils, soy sauce and flavoring sauces), leisure foods (instant noodles, nutritional and health foods, milk powder cereal flour, bread and cakes). Wei Chuan distributes its products to both the local market and the international market.

Taiwan Sugar Corporation

www.taisugar.com.tw

Ranking in Taiwan's top 5,000 enterprises	192
Sales in 2013(US\$ billion)	1.2
Sales growth (%) 2012/2013	-5%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Taiwan Sugar Corporation, established in 1946, is a state-owned enterprise. The firm now owns four sugar factories with a total milling capacity of 13,000 tons per day, and a sugar refinery with a melting capacity of 1,200 tons per day. Sugar was Taiwan's leading export commodity and accounted for 74% of the Taiwan's total foreign exchange earnings at its peak several decades ago. At present, to seek sustainable growth, the firm has been actively diversifying its businesses. Taiwan Sugar has projects in the animal industry biotechnology, farm management, hypermarkets, land development, , , marketing, petroleum, and property management.

Standard Foods Corporation

www.sfc.sfworldwide.com

Ranking in Taiwan's top 5,000 enterprises	196
Sales in 2013(US\$ million)	371.8
Sales growth (%) 2012/2013	1.29%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Standard Foods Corporation primarily manufactures and markets nutritional foods and supplements in Taiwan. It offers oats, cereal beverages, special nutritional foods, milk powder, tonic drinks, fresh yogurt products, and nutritional drinks as well as olive and sunflower oils, soy sauce, and family soup products and seasonings. Standard Foods also manufactures and distributes baby and toddler food products, such as non-staple foods, baby's milk, grow-up milk, milk formula, children's nutritional supplements, and Quaker Lin-Zhe tonic drinks.

Formosa Oilseed Processing Co. Ltd.

www.fopco.com.tw

Ranking in Taiwan's top 5,000 enterprises	204
Sales in 2013(US\$ million)	358.1
Sales growth (%) 2012/2013	-1.39%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Formosa Oilseed Processing Co. Ltd. produces and sells food products in Taiwan. The company offers soybean oils, tomato sauces, corn grains, corn sauces, and canned fruits. It also provides barley flakes, barley bran, soybean meal, and feed for animals. In addition, the company offers edible vegetable oils (such as palm oil, canola oil, sunflower oil, olive oil, and grape seed oil) and is engaged in general import and export business ventures.

Fwusow Industry Co. Ltd.
www.fwusow.com.tw

Ranking in Taiwan's top 5,000 enterprises	209
Sales in 2013(US\$ million)	345.3
Sales growth (%) 2012/2013	0.81%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Fwusow Industry Co. Ltd. primarily manufactures and sells pet food products in Taiwan. The company's pet food products include aquarium fish, goldfish, ornamental fish, Kio fish, dog and cat, and fancy bird food products. It also provides sesame oil, cereal series, and textured soy protein series products and various fertilizer and gardening products.

Vedan Enterprise Corp.
www.vedan.com.tw

Ranking in Taiwan's top 5,000 enterprises	242
Sales in 2013(US\$ million)	286.1
Sales growth (%) 2012/2013	-2.87%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Vedan Enterprise Corp. engages in the research and development of microbial fermentation technology to manufacture amino acid/amino acid-based products for worldwide markets. It offers enzyme, flavor enhancer, amino acid, organic fertilizer, as well as beverages, noodles and prepared foods, starch/modified starch, sugar. The company also provides acids and chemical biopolymer syntheses for use in pharmaceutical products, cosmetics, health food and nutritional supplements, sanitary products and environmental protection products.

Central Union Oil Corp.
www.cuoc.com.tw

Ranking in Taiwan's top 5000 enterprises	260
Sales in 2013(US\$ million)	269.7
Sales growth (%) 2012/2013	1.78%

Source: China Credit Information and Services, Top 5000 Largest Corporations in Taiwan

Central Union Oil Corp. operates in the oil and fat processing industry in Taiwan. It offers selected soybean, soybean meal and oil, food grade soybean, and organic food grade soybean. It produces 3,000 tons of soybeans per day for an oil-extracting plant and 600 tons of crude soybean oil per day for an oil-refining plant.

Taisun Enterprise Co. Ltd.
www.taisun.com.tw

Ranking in Taiwan's top 5,000 enterprises	281
Sales in 2013(US\$ million)	240.1
Sales growth (%) 2012/2013	-13.36%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Taisun Enterprise Co. Ltd. is principally engaged in the manufacturing, processing, wholesale and retail of edible oil, food, feedstuff and cold drinks. The company's main products are edible oil products (including, olive oil, grape seed oil, sunflower oil and salad oil), soybean powder products (soybeans, soybean powders and high protein soybean powders), and feedstuffs. The firm also manufactures food products, such as porridge, snacks and soft drinks, as well as refrigerated food products. In addition, it is involved in the management of food, beverages and dessert shop services.

King Car Food Industrial Co. Ltd.
www.lhic.com.tw

Ranking in Taiwan's top 5,000 enterprises	341
Sales in 2013(US\$ million)	179.6
Sales growth (%) 2012/2013	0.98%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

King Car Food Industrial has a strong influence in Taiwan's beverage market. Its products include Mr. Brown coffee, various tea products, energy drinks, natural water and other soft drinks. With its original blend, Mr. Brown coffee is very popular in Taiwan and enjoys almost 70% market share in the ready-to-drink coffee market. Other than Taiwan, King Car also has agents in Australia, Brunei, China, Europe, Guam, Hong Kong, the Middle East, South Africa, and the United States.

Lien Hwa Industrial Corporation
www.lhic.com.tw

Ranking in Taiwan's top 5,000 enterprises	342
Sales in 2013(US\$ million)	137.6
Sales growth (%) 2012/2013	4.45%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Lien Hwa Industrial Corporation is principally engaged in the processing and distribution of wheat flour and bran. The company's products include flour, wheat bran, oatmeal, wheat grains, wheat germs as well as other secondary processed products, including pasta, pizza, and frozen dough. The company is also involved in trading and renting land and properties Lien Hwa mainly distributes its products in the domestic market as well as to overseas markets, including China and Hong Kong.

Hey-Song Corporation
www.heyson.com.tw

Ranking in Taiwan's top 5,000 enterprises	359
Sales in 2013(US\$ million)	172.6
Sales growth (%) 2012/2013	-8.48%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Hey-Song Corporation is involved in the production and distribution of beverages. Hey-Song provides carbonated beverages, including Hey Song Sarsaparilla drinks and sodas, tea drinks (including, oolong teas, green teas and black teas), coffee drinks, fruit drinks, fruit vinegar beverages, milk tea drinks, and sport drinks. The company also offers alcoholic drinks, such as whiskeys, wines and Kaoliang spirits. Hey-Song distributes its products throughout Taiwan, parts of Asia, Europe and North and South America.

I-Mei Foods Co. Ltd.
www.imeifoods.com.tw

Ranking in Taiwan's top 5,000 enterprises	374
Sales in 2013(US\$ million)	163.3
Sales growth (%) 2012/2013	2.08%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

I-Mei Foods Co. Ltd. manufactures, distributes, exports, and imports food products. Its products include: confectionaries and sweets, frozen prepared foods, and frozen desserts. The company, through its subsidiaries, also operates food stores; represents international food brands; markets and distributes dry and ambient-temperature consumer products to hypermarkets, supermarkets, convenient stores, and wholesalers; provides warehousing and delivery services; distributes frozen and refrigerated products; and manufactures and supplies fresh milk in Taiwan. The company exports its products primarily to Australia, Europe, the Middle East, North America, and Southeast Asia.

Shuh Sen Co. Ltd.
www.shuhsen.com.tw

Ranking in Taiwan's top 5,000 enterprises	418
Sales in 2013(US\$ million)	141.1
Sales growth (%) 2012/2013	-2.53%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Shuh Sen. Co. Ltd. was founded in 1989. The company's line of business includes the manufacturing of sausages, cured meats, smoked meats, canned meats and other meat specialties. Shu Sen imports a significant portion of its products from the United States.

Grape King Bio Ltd.
www.grapeking.com.tw

Ranking in Taiwan's top 5,000 enterprises	483
Sales in 2013(US\$ million)	118.5
Sales growth (%) 2012/2013	23.27%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Grape King Bio Ltd. manufactures and sells drinks, health foods, shampoos, and medicines in Taiwan. The company also offers mushroom mycelium products and probiotics and coccus. It provides private label services and manufactures lactic acid bacteria/yeast/mushroom mycelia fermentation, microbial fertilizers, biological pesticides, animal feed supplements, recombinant DNA bacteria, and other customized services by fermentation.

Hsin Tung Yang Co. Ltd.
www.hty.com.tw

Ranking in Taiwan's top 5,000 enterprises	494
Sales in 2013(US\$ million)	115.1
Sales growth (%) 2012/2013	0.66%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Hsin Tung Yang Co. Ltd, produces and sells processed meat products in Taiwan and internationally. It offers pineapple cakes, dried pork, dried beef, pork floss egg rolls, sauces, and tea products. The company offers its products through its own retail stores, and also in stores in shopping malls, international airports, national freeways, and national freeway buses. as well as through online shopping.

Gallant Ocean International, Inc.
www.gallant-ocean.com.tw

Ranking in Taiwan's top 5,000 enterprises	500
Sales in 2013(US\$ million)	79.1
Sales growth (%) 2012/2013	39.6%

Source: China Credit Information and Services, Top 5,000 Largest Corporations in Taiwan

Gallant Ocean International, Inc., a privately-held firm, is in the process and supply of seafood products. The company's main product is frozen seafood, and they have production plants located throughout China, Thailand, Myanmar and Vietnam. Its products include fishes (tilapia, milk fish, catfish, white fish, blue shark and kingfish), squids (illex, arrow and loligo), baby octopus, and shrimp (white, black tiger, freshwater and seawater). The company also produces canned and packed value-added seafood

products such as breaded butterfly shrimp, seafood mix and tempura shrimp.

SECTION III. COMPETITION

Taiwan’s expansion of production facilities in the food processing and ingredients industry presents robust opportunities for U.S. exporters of agricultural raw materials and high-value ingredients to Taiwan. With over 6,000 food processors, Taiwan’s food processing and ingredient industry is anticipated to grow steadily. Progress in food technology, marketing innovations and exports of finished food products are attributable to Taiwan’s increasing demand for quality imported food ingredients.

It has become a common practice for Taiwan food processors to invest more and more in research and development for new agricultural resources and ingredients. In addition, Taiwan consumers focused on quality, food safety and health have pressured the Taiwan food processing industry to continue investing in new innovations.

While maintaining its position as a substantial supplier of bulk commodities, the United States is also a major supplier of key food processing and ingredients: 42% of beef, 33% of pork and products, 30% of cheese and 45% of whey. The United States is the top supplier of most varieties of imported fresh fruits: apples (39%), cherries (50%), peaches and nectarines (76%), table grapes (62%), plums (78%), oranges (81%) and berries (79%). The United States is also the key supplier of most varieties of vegetables including broccoli (96%), onion (87%), lettuce (99%) and potatoes (96%).

Taiwan Agricultural Product Import Statistics

product Category (HS code)	Import Value US\$ million 2012 (2013)	Major Supply Sources and Market Share in 2013	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Meat & Poultry				
Beef and beef offal	504.1 (627.9)	<ol style="list-style-type: none"> 1. USA – 42.48% 2. Australia - 34.87% 3. N. Zealand – 22.81% 	Australia dominates market for cheaper beef cuts while the USA is traditionally the largest chilled beef supplier.	Taiwan's beef production only accounts for 5% of total beef consumed on the island.

Pork and pork offal	96.2 (92.3)	1. Canada – 47.16% 2. USA - 32.99% 3. Netherlands – 12.31% 4. Hungary – 2.8% 5. Denmark- 2.38%	Imports have occurred only in response to occasional short supplies and high local pork prices. U.S. exports slumped due to the feed additive - ractopamine disputes.	Local pork dominates the market.
Poultry	192.4 (162.8)	1. USA – 81.14% 2. Canada – 18.35%	Taiwan consumer's preference for dark meat provides opportunities for western countries. USA products are generally price competitive.	Local chicken dominates the market.
Fish & Seafood				
Fish Fillet and Meat, Chilled or Frozen (0304)	82.7 (74.8)	1. India – 31.71% 2. Vietnam – 21.99% 3. China – 12.12% 4. USA – 10.88%	Taiwan imports frozen fish fillets (esp. cod and pollack) and surimi for further processing.	Taiwan produces more seafood products than it needs and only imports those not available in the region.
Rock Lobster and Other Sea Crawfish, Live/Fresh (030621)	10.8 (8.5)	1. Indonesia – 57.95% 2. Philippines – 12.43% 3. South Africa – 11.62% 4. USA – 8.7%	Indonesia is the key suppliers of live/fresh lobsters.	Lobsters are not often seen along Taiwan's coastlines.
Rock Lobster, Frozen (030611)	9.6 (10.3)	1. Cuba – 55.33% 2. USA – 15.75% 3. Australia – 7.17%	Cuba is the key suppliers of frozen lobsters.	Lobsters are not often seen along Taiwan's coastlines.
Dairy Products				

Cheese (0406)	108.7 (121.5)	1. USA – 30.25% 2. New Zealand – 26.72% 3. Australia – 13.1% 4. Argentina - 10.88% 5. Italy – 3.57%	New Zealand is foreseen to take up more market share due to its pricing competitiveness.	Local production is limited.
Whey (040410)	15 (16.1)	1. USA – 44.99% 2. France - 25.65% 3. Canada – 6.96%	USA is the leading supplier of whey products.	Local production is limited.
Butter (040510)	51.3 (56.5)	1. New Zealand – 58.29% 2. France – 12.58% 3. Australia – 12.4% 4. Argentina – 5.5% 5. USA – 2.85%	New Zealand leads with butter and several other dairy products. France supplies high-end products.	Local production is limited.
Fresh Fruits				
Apples, Fresh (080810)	164.5 (203.9)	1. USA – 39.32% 2. Chile – 28.7% 3. Japan – 22.12% 4. New Zealand – 5.24%	USA leads with several fresh fruits that have limited local production, including apples. Chilean and New Zealand apples gain seasonal advantage.	Taiwan is a significant producer of fresh tropical fruits, and local fruit production is very high quality. Taiwan only imports fruits typically not produced locally.

Cherries, Fresh (080920)	88 (66.5)	1. USA – 50.1% 2. Chile – 17.56% 3. Australia – 11.44% 4. Canada – 11.09% 3. New Zealand – 9.05%	USA provides high quality products. Southern hemisphere countries gain seasonal advantages.	There is no local production.
Peaches & Nectarines, Fresh (080930)	40.9 (48.4)	1. USA- 76.18% 2. Chile - 17.58% 3. Japan – 4.83%	USA products are in good quality and price competitive.	Local products meet about half of local demand.
Grape, Fresh (080610)	38.0 (49.6)	1. USA – 61.95% 2. Chile – 16.52% 3. Japan – 6.98% 4. Peru – 6.24% 5. South Africa – 5.41%	USA supply good quality fresh table grape. Chile and South Africa supply price competitive products.	Local farmers produce different grape varieties - typically sweeter.
Plum, Fresh (080940)	10.6 (8.4)	1. USA – 78.36% 2. Chile – 21.64%	USA is the leading supplier of plums.	Local products are different varieties.
Oranges, Fresh (080510)	10.2 (9.4)	1. USA – 81.47% 2. South Africa – 12.97% 3. Australia – 5.34%	USA is the dominant supplier of imported fresh oranges while South African became more competitive in 2012.	Local products are different varieties.
Berries (081040)	6.4 (6.8)	1. USA – 49.86% 2. Chile – 43.14% 3. Canada - 6.13%	USA is the leading supplying country of cranberries, blueberries and strawberries.	Limited local production of berries.

Fresh Vegetable				
Broccoli and cauliflower, fresh (070410)	12.5 (10.1)	1. USA – 96.72% 2. Vietnam – 2.79%	USA is the major supplier of imported broccoli and cauliflowers.	Local products dominate the market.
Onions and shallots, fresh (070310)	21 (21.1)	1. USA – 87.37% 2. New Zealand – 7.95% 3. Australia – 2.14%	USA is the major supplier of imported onions.	Local production fulfills around 60% of local demand.
Lettuce, fresh (070519)	5 (6.2)	1. USA – 99.64%	USA supplies good quality products with competitive prices.	Local products are different varieties and generally of lower quality.
Potatoes, fresh (0701)	7.83 (8.4)	1. USA – 95.88% 2. Australia - 4.12%	USA is the major supplier of imported potato products, providing good quality products with competitive pricing.	Local products dominate the market and are different varieties.
Alcohol and Other Beverages				
Wine (2204)	130.4 (146.6)	1. France – 59.25% 2. USA – 7.53% 3. Italy – 7.05% 4. Australia - 7.05% 5. Chile – 6.58%	France dominates the market, but new world countries are gaining traction due to growing consumer demand for diversity.	Local companies are not able to produce good quality wine.
Beer (2203)	158 (165.7)	1. Netherlands - 64.26% 2. China - 14.22% 3. USA - 5.34% 4. Japan – 4.78% 5. Thailand – 2.55%	The Netherlands and China are aggressive suppliers with many promotions in restaurants and bars.	Local beer brands are most popular, holding 73% market share.

Coffee				
Coffee, roasted, not decaf (090121)	31.29 (33.3)	1. USA – 55.85% 2. Italy – 12.78% 3. Malaysia – 10.51% 4. Japan – 7.17%	USA supplies over half of roasted coffee while Indonesia, Brazil and other tropical countries supply most of the non-roasted coffee beans.	There is limited local coffee production supplying special local brand.
Processed Foods				
Mixes and Dough (190120)	18.44 (17.52)	1. USA – 55.16% 2. South Korea – 9.41% 3. Japan – 9.32%	USA dominates the mixes and dough market.	Taiwan imports most of its bakery ingredients.
Sauces and Preps (210390)	75 (71.8)	1. Japan - 59.84% 2. USA – 14.24% 3. China – 10.12% 4. Hong Kong - 6.44% 5. Thailand – 4.99%	Taiwan consumers tend to prefer the flavors of Japanese sauces and condiments.	Local products dominate the market.
Sunflower and Cottonseed oil (1512)	23.9 (21.2)	1. Argentina – 53.81% 2. Australia – 20% 3.. Netherland – 9.3% 4. USA – 8.34% 5. Italy – 3.96%	Argentina supplies more than half of the market.	Imported edible oil is expected to be in strong demand due to recent food safety events in Taiwan's edible oil market.

Soups & Broths (210410)	13.4 (13.55)	1. USA – 34.99% 2. Japan – 34.47% 3. China – 10.94% 4. South Korea – 7.78%	USA and Japan are the key suppliers of soups and broths	Local products dominate the market and customers prefer freshly prepared soups.
Snack Foods, exclude nuts (Group 31)	183 (186.9)	1. Japan – 18.32% 2. USA – 15.05% 3. Italy – 12% 4. Malaysia – 7.5%	Japanese and American snack foods are popular in Taiwan. Recent Japanese Yen's depreciation resulted in 10% to 20% price reduction of Japanese snack foods in most of the retail outlets.	Local products provide different varieties.

Foods Preparations	970.1 (1,031)	1. USA – 26.17% 2. Thailand – 16.6% 3. Japan – 6.55% 4. Netherland – 5.62% 5. New Zealand – 5.1%	USA continues to dominate this sector with an impressive import sales volume.	Local products provide different varieties.
Tree Nuts				
Almonds, shelled (080212)	33.58 (43)	1. USA - 94.92% 2. China - 5.05%	USA is the dominant supplier of tree nuts.	There is no local production available.
Walnuts, shelled (080232)	25.21 (26.59)	1. USA – 92.46% 2. India – 5.5% 2. China – 1.08%	USA is the dominant supplier of tree nuts.	There is no local production available.

Source: ATO survey; Council of Agriculture; Global Trade Atlas

SECTION IV. BEST PRODUCT PROSPECTS

Category A: Products Present in the Market That Have Good Sales Potential

Product Category	2013 Import Market size (MT)	2013 Import US\$ million	5-Yr. Avg. Annual Import Growth	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness for USA
Beef and beef offal	98,453	\$627.9	16.4%	Beef: NT\$10 per kilogram Beef variety meat: 15%	The U.S. regained as the largest beef supplier with 42% import market share in 2013 after the Taiwan authority developed the import regulations for beef contains ractopamine. Australia and New Zealand, are perceived by Taiwan consumers who supply acceptable quality beef at lower prices.	The U.S. beef industry is able to supply large volume of “Asian cuts” at compatible prices to other two key suppliers – Australia and New Zealand. Taiwan consumers still have high regards for U.S. chilled beef in terms of quality and safety.
Poultry Meat	115,145	\$162.8	15.8%	20%	Import quotas on poultry meat were eliminated in 2005, but special safe guard (SSG) raises the tariff to about 26%.	U.S. enjoys 81% import market share and is one of only six countries certified to export poultry meat to Taiwan.

Fresh Fruits	289,131	\$515.9	8.67%	Apples - 20% Cherries – 7.5% Peaches – 20% Grape – 20% Plum – 20% Oranges – 20%	Taiwan consumers prefer fresh fruit to frozen fruit. Taiwan is an important producer of fresh tropical fruits with high quality.	U.S. offers different varieties of fresh fruits and enjoy leading positions in several fruit categories, including apples, cherries, peaches & nectarines, grape, plum and oranges. It is anticipated that these seafood will continue to be popular in Taiwan.
Fresh Vegetable	221,541	\$97	4.25%	Broccoli – 20% Onions – 25% Lettuce – 20% Potatoes – 15%	Local production meets majority of the vegetable's demand.	U.S. continues to be in the leading position of broccoli, onions, lettuce and potatoes product categories with import market share between 87% - 99%.
Berries	630	\$6.8	36.67%	7.5%	Local production meets the demand of different varieties.	Consumers in Taiwan are becoming more health conscious. Berries continue to enjoy a steadily increasing share in retail channel. There are strong growth prospects for strawberry, cranberry and

						blueberry categories.
Snack Foods, exclude nuts	186.9	\$183	8.17%	Varies by type	Japan and USA are the top two supplies countries in Taiwan's competitive snack market.	The booming E-commerce and increased number of convenience stores in Taiwan provide business potential for U.S. snack suppliers.
Food Preparations	NA	\$1,031	6.07%	Varies by type	The food processing industry in Taiwan is worth US\$21.4 billion and local producers have secured a niche position in the competitive global market.	Taiwan imports US\$268 million worth of food additives, favoring, specialized food ingredients, preservatives, thickeners, sweeteners, prepared meals, dried goods and condiments.
Fish and Seafood Products	259,533 MT	\$806	8.24%	NT\$5.36 to NT\$225 per kg; or 9% to 50%	Taiwan consumers have preferences for "fresh" fish and seafood products over "frozen".	U.S. fish and seafood products are perceived as high quality and safe. Many high-end hotels and restaurants carry Alaska seafood.

Source: ATO Survey, Customs Administration – Ministry of Finance,
Taiwan Council of Agriculture, Global Trade Atlas

SECTION V. POST CONTACT AND FURTHER INFORMATION

Contact Information for FAS Offices in Taiwan and in the United States

For Trade Policy/Market Access and General Agricultural Issues:

Taiwan

American Institute In Taiwan, AIT, Taipei

Office Hours: 8:00 AM – 5:00 PM

Telephone: (011-866-2) 2162-2316

Fax: (011-886-2) 2162-2238

Email-FAS: agtaipei@fas.usda.gov

For Market Development Assistance:

Taiwan

Agricultural Trade Office - Taipei, ATO, Taipei

Office Hours: 8:00 AM – 5:00 PM

Tel-Direct Line: (011-886-2) 2705-6536

Fax: (011-886-2) 2706-4885

Email-FAS: atotaipei@fas.usda.gov

Major Taiwan Authority Contacts

Food and Drug Administration (FDA)
Department of Health (DOH), Executive Yuan
161-2 Kun-Yang Road, Taipei, Taiwan
Tel: (886) 2-2653-1318
Website: <http://www.fda.gov.tw/eng/index.aspx>

Council of Agriculture (COA), Executive Yuan
37 Nan-Hai Road, Taipei, Taiwan
Tel: (886) 2-2381-2991 Fax: (886) 2-2331-0341
E-mail: COA@mail.coa.gov.tw
Website: <http://eng.coa.gov.tw>

Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ), COA
9F, 51 Chung-Ching South Road, Section 2, Taipei, Taiwan
Tel: (886) 2-2343-1401 Fax: (886) 2-2343-1400
E-mail: BAPHIQ@mail.baphiq.gov.tw
Website: <http://www.baphiq.gov.tw>

Bureau of Standards, Metrology and Inspection (BSMI)/Ministry of Economic Affairs (MOEA)
4 Ji-Nan Road, Section 1, Taipei, Taiwan
Tel: (886) 2-2343-1700 Fax: (886) 2-2356-0998
Website: <http://www.bsmi.gov.tw>

Bureau of Foreign Trade (BOFT) / MOEA
1 Hu-Kou Street, Taipei, Taiwan
Tel: (886) 2-2351-0271 Fax: (886) 2-2351-3603
E-mail: BOFT@trade.gov.tw

Website: <http://eweb.trade.gov.tw>

Directorate General of Customs (DCG) / Ministry of Finance (MOF)

13 Ta-Cheng Street, Taipei, Taiwan

Tel: (886) 2-2550-5500 Fax: (886) 2-2550-8111

E-mail : MGR@webmail.customs.gov.tw

Website : <http://eweb.customs.gov.tw>

Food Industry Research and Development Institute (FIRDI)

331 Shih-Pin Road, Hsinchu, Taiwan

Tel: (886) 3-522-3191 Fax: (886) 3-521-4016

Website: <http://www.firdi.org.tw>

Major Taiwan Trade Association Contacts

Taiwan External Trade Development Council (TAITRA)

5-7F, 333 Kee-Lung Road, Section 1, Taipei, Taiwan

Tel: (886) 2-2725-5200 Fax: (886) 2-2757-6245

Website: <http://www.taiwantrade.com.tw>

Taiwan Chain Stores and Franchise Association (TCFA)

4F, 180 Nan-King East Road, Section 4, Taipei, Taiwan

Tel: (886) 2-2579-6262 Fax: (886) 2-2579-1176

Website: <http://www.tcfa.org.tw>

Importers and Exporters Association of Taipei (IEAT)

350 Sung-Chiang Road, Taipei, Taiwan

Tel: (886) 2-2581-3521 Fax: (886) 2-2523-8782

E-mail: IEATPE@ieatpe.org.tw

Website: <http://www.ieatpe.org.tw>

Importers and Exporters Association of Kaohsiung (IEAK)

4F, 472 Chung Shan Second Road, Kaohsiung, Taiwan

Tel: (886) 7-241-1191 Fax: (886) 7-201-6193

E-mail: KIEANet@ms15.hinet.net

Tainan Importers and Exporters Chamber of Commerce

5F, 50 Cheng Kong Road, Tainan, Taiwan

Tel: (886) 6-226-7121 Fax: (886) 6-226-7124

E-mail: A2267121@ms17.hinet.net

U.S. Government Contact

Foreign Agricultural Service (FAS)

United States Department of Agriculture (USDA)

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Website: <http://www.fas.usda.gov>

SDA Stakeholders

The Agricultural Trade Office (ATO) works with a large number of U.S. industry organizations, several of which are resident or have local representatives in Taiwan. These cooperators share the view that Taiwan is a promising market for agri-food products.

USDA Producer Associations - Taiwan Representatives (and PR Firms)

COOPERATOR	LOCAL AGENT	CONTACT	PHONE	FAX	ADDRESS	E-mail
California Cherry Advisory Board	Steven Chu & Associates	Steven Chu	(8862) 27261939	(8862) 27261815	10F-3, 508 Chung Hsiao E. Rd., Sec. 5, Taipei	scafms@ms11.hinet.net
California Tree Fruit Agreement						
Pear Bureau North-West						
Raisin Administrative Committee						
Washington Apples						
Food Export Northeast/Midwest						
Wisconsin Ginseng Board						
California Table Grape Committee	PR Consultants Ltd.	Rosaline Chen	(8862) 87898939	(8862) 27252155	7D07, 5 HsinYi Rd., Sec. 5, Taipei	rosalinec@prcon.com
U.S. Dairy Export Council						
USA Rice Federation						
Wine Institute of California						
US Potato Board						
Northwest Cherry	n/a	Herman Kuo	(88609) 3212348	(8862) 236276	3F, 14, lane 26,	Yikuo1976@gmail.com

Growers Association			2	76	Tai-shun St. Taipei Taiwan	
U. S. Meat Export Federation	n/a	Davis Wu	(8862) 27361200	(8862) 27361500	12F-1, 23, Keelung Rd., Sec. 2, Taipei	taiwan@usmef.org ; dwu@usmef.org.tw
California Agricultural Export Council	n/a	Irene Tsai	(8862) 87898855	(8862) 87898833	Suite7C-06, Taipei World Trade Center, 5, Hsin-Yi Rd., Sec5, Taipei	CAEC-Asia@umail.hinet.net
Oceanspray (beverage)	n/a	Daisy Hong	(8862) 25184005	(8862) 25184609	9F, 88 Chien Kuo N. Rd., Sec.2, Taipei	d.m.hong@oceanspray.com
Oceanspray (ingredient)	n/a	Kenneth Wang	(8862) 25023331	(8862) 25041094	9F, 88 Chien Kuo N. Rd., Sec.2, Taipei	kenjohn@ms27.hinet.net
U.S. Highbush Blueberry Council, California Fig Producers Association	n/a	Millie Hsia	(8862) 23093130		PO 31-90 PO 31-90	millie@blueberry.org
US Pet Food Institute	Wise Consulting	Echo Lin	(8862) 25140984	(8862) 27184850	8F., No.201, Fu-Shin N. Rd, Taipei	jean@wisecont.com ; joyce@wisecont.com
APA - The Engineered Wood Association	n/a	Charlie Barnes	(8862) 27201624	(8862) 27201646	Taipei World Trade Center,	charlie.barnes@apawood.org

					Suite 7C-08, #5 Hsin- yi Road Section 5, Taipei 110	
ASA - IM	n/a	Anthony Thang	(8862) 2560292 7	(8862) 256838 69	6F, 27 Chang E. Rd. Sec.1, Taipei	asatwn@ms75.hinet.net
U.S. Grains Council	n/a	Clover Chang	(8862) 2507540 1	(8862) 250248 51	7F, 157, Nanking E. Rd., Sec.2, Taipei, Taiwan	usfgctai@ms6.hinet.net ; usgcclvr@ms41.hinet.net
U.S. Wheat Associates	n/a	Ronald Lu	(8862) 2521114 4	(8862) 252115 68	3/3, lane 27, Chung Shan N. Rd., Sec.2, Taipei, Taiwan	rlu@uswheat.org

Other Relevant Reports

Reports on the Taiwan food and agricultural market are available on the FAS website. The search engine can be found at:

<http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx>

Videos:

"Doing Business in Taiwan" - A Day in Taipei

Part I: <http://www.youtube.com/watch?v=wyIlsMjIEWg>

Part II: <http://www.youtube.com/watch?v=4SH3c5EiJm4&feature=related>

ATO Taipei marketing program video clippings:

http://www.youtube.com/user/USFoodTaiwan?ob=0&feature=results_main

Post:

Taipei ATO