

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Taiwan

Stone Fruit Annual

Peach and Nectarine Imports Stable, Total Cherry Imports Decrease on U.S. Production Woes

Approved By:
Lucas Blaustein

Prepared By:
Ping Wu

Report Highlights:

In 2018, Taiwan was the third largest export market for U.S. peaches and nectarines and the fourth largest export market for U.S. cherries. Taiwan's peach and nectarine production is forecast to decline from 22,506 metric tons (MT) in 2018 to 17,000 MT in 2019 due to poor bearing. Total Peach and nectarine imports are forecast to be stable during the upcoming U.S. shipping season, in line with the historic trend at 15,000 MT. Total Cherry imports for the full year are forecast to decrease by eight percent to 11,000 tons due to less available U.S. supply attributed to weather related crop damage in the United States.

Commodities:

Fresh Peaches & Nectarines



Local Production of Honey Peaches

Production:

There are three types of peaches produced in Taiwan: sweet peaches, ying-go peaches, and honey peaches. Peaches are mostly grown in hilly areas in Taiwan, with honey peaches grown at higher altitudes. The harvest seasons is from April to May (sweet), June (ying-go), and July to August (honey peaches). Local growers reported that a longer and warmer 2019 winter season negatively impacted pollination. Taichung and Taoyuan counties account for almost 80 percent of domestic production; both counties are reporting crop conditions worse than last year, with over 50 percent of harvested trees rated in poor condition. According to the Taiwan Agro auction database, traded volume for domestic peaches and nectarines from April to July 2019 was down over 60 percent compared to the same period last year. Due to weak demand for domestic peaches and production/quality issues, peach and nectarine production is forecast to decline 25 percent to 17,000 MT in 2019. Weak local demand is directly linked to continued quality issues, which in turn resulted in lower prices for domestic sweet and honey varieties 2018. Ultimately, these factors led to low prices for farmers and this led many to abandon a portion of their 2018 crop, which has also contributed to adjusting 2018 production down three percent to 22,506 MT.

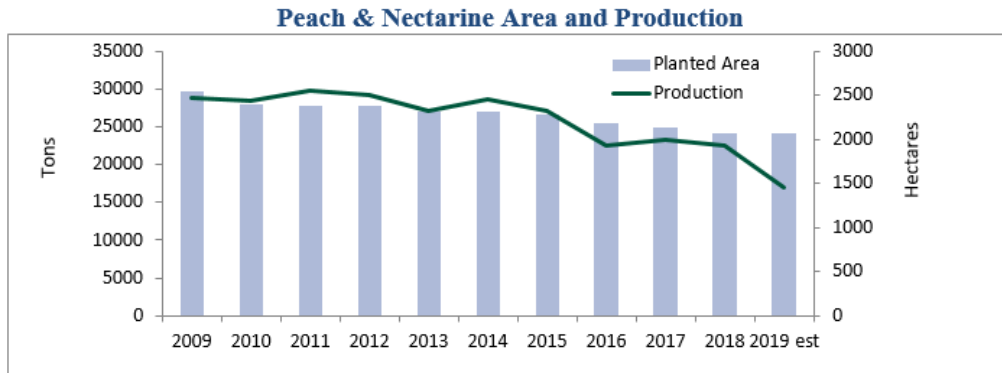
Domestic Peach Prices

Peach Variety	Sweet (NTD/Kg)	Honey (NTD/Kg)	Ying-go (NTD/Kg)
MY 2016	76.5	90.81	39.7
MY 2017	63.31	80.15	40
MY 2018	59.09	79.32	44.75

Crop Area:

Peaches and nectarine seedlings are projected to increase, but not enough for production to recover from damage related to the 2016 typhoon season. Total harvest area is projected to decrease from 2,075 in 2018 to 2,060 hectares in 2019. Moreover, Taiwan's Council of Agriculture (COA) estimates the crop area for peaches and nectarines in 2018 was down three percent from 2017. The shortage of labor and

recent weather anomalies continue to be major concerns for growers considering investing in orchards and recovering lost acreage and production.



Consumption:

Consumers commonly send fruit in gift packages during three major annual holidays: Lunar New Year (usually in February); Dragon Boat Festival (usually in May-June); and, Moon Festival (usually in September). Taiwan growers have adjusted pollinating seasons to meet high demand during these holidays. Imported peaches, cherries, and apples are among the most popular items included in gift packages. U.S. peaches and nectarines are recognized for their high quality and reasonable price point, particularly amongst wholesales chains.

Honey peaches are considered a premium fruit due to their desirable flavor and appearance. They often sell for ten times the price of regular peaches in retail outlets.

Trade:

Peach and nectarine imports are forecast to remain at 15,000 MT in 2019. Imports for the first half of 2019 were 4,967 MT, down 12 percent from the same period last year due to [supply issues in Chile](#).

Chile predominately supplies Taiwan during the U.S. off-season, however due to severe hail storms and declining production in 2018, Chilean market share decreased by 15 percent. Chilean production issues combined with good conditions in the Western United States caused U.S. peach imports to jump 12 percent to 10,856 MT. In 2018, the United States dominated with 79 percent of the peach and nectarine import market.

Peach & Nectarine Import Market Share



Peaches and Nectarines	Total Imports		Imports from U.S.		U.S. Market Share (by value)
	MT	\$USD (millions)	MT	\$USD (millions)	Percentage
MY2016	19,761	49	15,376	38	77
MY2017	15,803	49	9,720	34	69
MY2018	14,849	48	10,856	38	79

Marketing:

In Taiwan, fresh fruit like peaches and nectarines are purchased in both traditional wet markets and modern retail outlets, with hypermarkets being the most popular store format. These retail chains regularly conduct U.S. fruit promotions and surpass traditional wet markets in both quality and price. Recently, expanding distribution of supermarkets and wholesalers have become more critical in promoting fresh fruit sales ([see GAIN report TW1804](#)). Non-store retailing, especially internet sales, have gained popularity as vendors invest heavily to gain market share in new sales channels.

Consumers purchasing decisions are based on price, nutrition, appearance, flavor, and country of origin.

Peaches & Nectarines, Fresh, Production, Supply, and Demand Data Statistics

Peaches & Nectarines, Fresh Market Begin Year	2017/2018		2018/2019		2019/2020	
	Jan 2017		Jan 2018		Jan 2019	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	2,133	0	2,110	2,075		2,060
Area Harvested	2,126	0	2,100	2,072	0	2,060
Bearing Trees	745	0	738	727	0	715
Non-Bearing Trees	3	0	7	2	0	5
Total Trees	748	0	745	729	0	720
Commercial Production	23,254	0	23,000	22,506	0	17,000
Non-Comm. Production	0	0	0	0	0	0
Production	23,254	0	23,000	22,506	0	17,000
Imports	15,800	0	14,000	14,849	0	15,000
Total Supply	39,054	0	37,000	37,355	0	32,000
Fresh Dom. Consumption	39,054	0	37,000	37,355	0	32,000
Exports	0	0	0	0	0	0
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	39,054	0	37,000	37,355	0	32,000

(HA), (1000 TREES), (MT)

Commodities:

Fresh Cherries,(Sweet&Sour)



Local Imports of Washington Rainier Cherries

Production/Crop Area:

Taiwan is a subtropical environment and does not produce cherries. Local demand relies entirely on imports.

Consumption:

Cherries are perceived as a luxury good rather than as staple good. Consumers are willing to pay a premium price for large cherries, with 9-10 row cherries preferred by local buyers. Rainier cherries have become preferred for their bright color compared to other darker varieties like Bing or Montmorency. Some high-end supermarkets have recently started featuring white cherries from Japan. In particular, U.S. cherries from Washington have been recognized as high-end and are preferred when in season.

Trade:

[\(Note: The marketing year for Northern Hemisphere countries has been changed. Total trade was modified accordingly in the PSD table.\)](#)

In 2018, Taiwan was the fourth largest export market for U.S. cherries. U.S. cherries have a 57 percent market share and the United States is the number one supplier. However, in 2018 cherry imports are down 20 percent to 11,918 MT due to lower U.S. sweet cherry production. It is forecasted that 2019 cherry imports from the United States will drop to 11,000 MT because of a [February frost in California coupled with cool wet weather in Washington and Oregon](#) (Taiwan's preferred suppliers).

Chile is Taiwan's second largest supplier, followed by New Zealand. New Zealand, Chile, Canada, and Australia are primarily complimentary suppliers during the U.S. off-season. While most imported cherries face a 7.5 percent tariff, New Zealand cherries can enter Taiwan duty free under the Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Cooperation (ANZTEC), but limited supply makes it difficult for them to increase market share.

Fresh Cherries	Total Imports		Imports from U.S.		U.S. Market Share (by value)
	MT	\$USD (millions)	MT	\$USD (millions)	Percentage
MY 2016	10,933	89	6,309	44	49
MY 2017	14,864	122	9,153	62	51
MY 2018	11,918	96	7,918	55	57

Marketing:

Cherries are delicate, highly perishable, and require cold-chain technology to preserve freshness. Taiwan's hottest months coincide with the U.S. cherries marketing season, so most importers rely on air cargo to preserve quality and appearance. Stone fruit are also popular with wholesalers and retailers because of their profitability and variety.

Commodities:

Fresh Cherries,(Sweet&Sour)

Fresh Peaches & Nectarines

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 is in charge of 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. Taiwan's maximum residue limits (MRLs) often differ from those established in the United States or by international standard-setting bodies. For pesticide/crop combinations where Taiwan has not yet set a standard, the default standard is 0.01 parts per million. TFDA's regulation "[Pesticide Residue Limits in Food](#)" lists allowable residue tolerances in fruit and vegetables. Standards for heavy metals are listed in [TFDA's Standard for the Tolerance of Heavy Metals in Plant Origin](#).

If a perishable product is selected for testing, the importer can apply for a special dispensation 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.

Cherries (Sweet & Sour), Fresh, Production, Supply, and Demand Data Statistics

Cherries (Sweet & Sour), Fresh Market Begin Year	2017/2018		2018/2019		2019/2020	
	Apr 2017		Apr 2018		Apr 2019	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	0	0	0	0	0	0
Non-Comm. Production	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	14,864	0	15,000	11,918	0	11,000
Total Supply	14,864	0	15,000	11,918	0	11,000
Fresh Dom. Consumption	14,864	0	15,000	11,918	0	11,000
Exports	0	0	0	0	0	0
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	14,864	0	15,000	11,918	0	11,000

(HA), (1000 TREES), (MT)