

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Taiwan

Stone Fruit Annual

Cherry Imports Up 33 Percent First Half of 2018 on Strong Demand

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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. Cherry imports in the first half of 2018 are up 33 percent in Taiwan compared to the same period last year. Cherry imports for the full year are forecast to rise 11 percent to 15,000 tons. Peach and nectarine imports, in contrast, were down 24 percent in the first half of 2018 as large harvests of local fruit drove down prices and hurt demand for imported peaches. Cherries are viewed as a specialty fruit in Taiwan and there has been less substitution by consumers.

Commodities:

Peaches & Nectarines

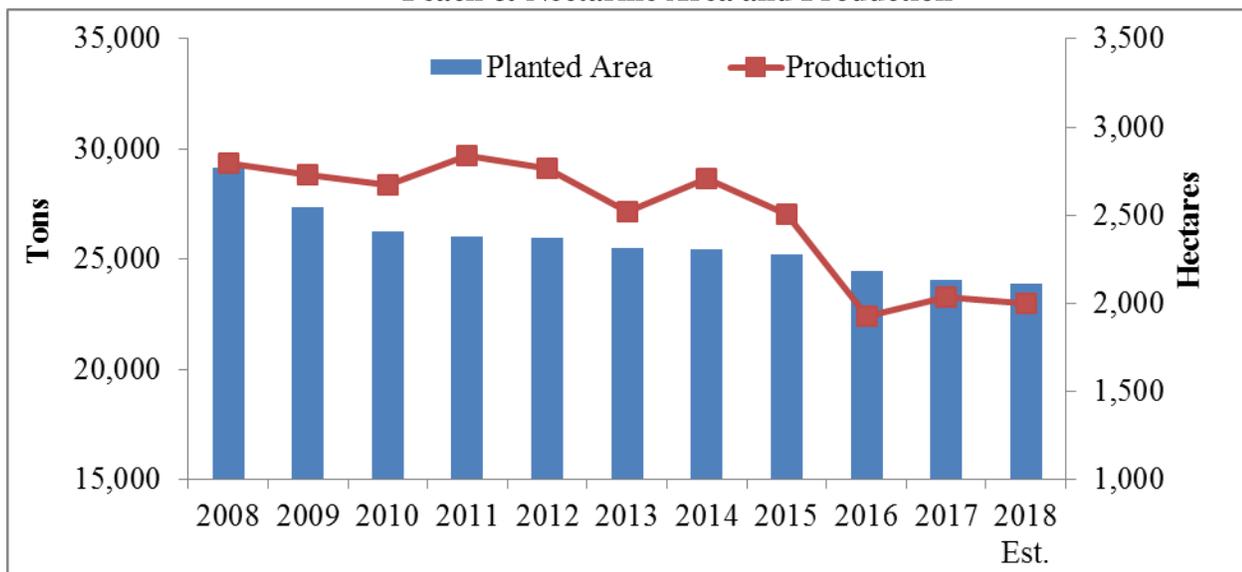
Crop Area:

Peach and nectarine crop area is forecast to drop slightly to 2,110 hectares in 2018. While there was only minimal frost damage in early 2018, growers have expressed concerns over labor shortages. Taiwan's Council of Agriculture (COA) estimates the crop area for peaches and nectarines was 2,133 hectares in 2017, down two percent from 2016. Cold weather and typhoon damage in 2016 hurt trees and reduced crop area for 2017.

Production:

Peach and nectarine production is forecast to stabilize at 23,000 metric tons in 2018. 2017 production is raised 1.7 percent to 23,254 tons based on COA statistics. The increase is due to good harvests in Taichung County, which grows almost 60 percent of the peaches and nectarines in Taiwan. There are three varieties of peaches produced in Taiwan: sweet peach, ying-go peach and honey peach. Peaches are mostly grown in hilly areas in Taiwan, with honey peaches grown at higher altitudes. The harvest seasons are April to May (sweet), June (ying-go), and July to August (honey peach).

Peach & Nectarine Area and Production



Consumption:

Consumers commonly send fruit in gift packages during three major lunar year festivals: Lunar New Year (usually in February), Dragon Boat Festival (usually in May-June), and Moon Festival (usually in September). Domestic producers have adjusted planting times to meet high demand during these festivals. Nonetheless, imported peaches, cherries and apples are among the most popular gift items included in these packages. Moreover, Japanese peaches and nectarines are perceived to be premium fruits and are mainly sold in gift sets.

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. Peaches grown on the plains and flat areas tend to be less sweet and firmer. For instance, ying-go peaches are relatively sour and smaller and can be used for marinades or other processed products.

Trade:

Peach and nectarine imports are forecast to decline to 14,000 tons in 2018. Imports for the first half of 2018 were 5,639 tons, down 24 percent from the same period last year. Taiwan experienced large harvests of other types of fruit, such as bananas, pineapples, and dragon fruit in 2018. These large harvests led to higher consumption of local fruits and lowered demand for imported peaches. Imports from the United States fell 37 percent in 2017, to 9,720 tons, due to weather related crop damage in the United States. Despite this drop, the United States still supplied 70 percent of Taiwan’s peach imports in 2017.

Chile, Taiwan’s second largest supplier of peaches and nectarines, is gradually gaining import market share due to competitive prices and increasing familiarity. Chile’s market share for the first six months of 2018 reached 50 percent. The average unit price of peaches and nectarines from Chile is almost half the price of imports from the United States.

Peaches and Nectarines	Total Imports		Imports from U.S.		U.S. Market Share
	M.T	\$US (million)	M.T	\$US (million)	Percentage
2015	16,108	42.9	12,411	32.7	77
2016	19,761	49.2	15,376	37.8	77
2017	15803	49.4	9720	34.4	70

Marketing:

Fresh fruits, including peaches and nectarines, are purchased in traditional wet markets and modern retail outlets, with hypermarkets being the most popular store format. These retail chains regularly conduct U.S. fruit promotions, offering significantly lower prices than wet markets to draw in consumers. However, traditional wet markets continue to play an important role in fresh fruit sales. Non-store retailing, such as home shopping, e-commerce, and TV/internet sales, have gained popularity and vendors invest heavily to gain market share in these sales channels. In general, consumers purchasing decisions are based on price, nutrition, appearance, flavor, and country of origin.

Fresh Cherries

Production/Crop Area:

Taiwan does not produce cherries because its subtropical climate and soil are not favorable for cherry production. Retailers rely on imports to meet local demand.

Consumption:

Cherries are perceived as a specialty imported fruit rather than an item for regular consumption. Consumers are willing to pay a premium price for large cherries, with 9-10 row cherries preferred by local buyers. Consumers prefer dark red cherries over Rainier cherries. The most common variety is Bing. Some high-end supermarkets have recently started featuring white cherries from Japan.

Trade:

Cherry imports are forecast to grow 11 percent to 15,000 tons in 2018 on strong demand. Imports for the first half of 2018 reached 6,275 tons, up 33 percent from the same period last year. 2017 cherry imports were raised 11 percent to 13,414 tons based on Taiwan import statistics. Stone fruit are popular with wholesalers and retailers because of their profitability and variety. Many fruit importers have set up offices in China to purchase fruit not only for Taiwan but also for China and other neighboring countries in Asia.

Taiwan is the fifth largest export market for U.S. cherries. U.S. cherries have a 56 percent market share. Chile is the second largest supplier, followed by New Zealand. Chile and New Zealand ship primarily during the off-season in the United States. Most imported cherries face a 7.5 percent tariff. New Zealand cherries can enter Taiwan duty free under their Free Trade Agreement, 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)
	Tons	\$US million	Tons	\$US million	Percentage
2015	9252	75605	4657	30900	41
2016	10908	87481	6309	43601	50
2017	13414	109749	9153	61925	56

Marketing:

Cherries are delicate, highly perishable, and require cold-chain technology to preserve freshness. As a result, most cherries are brought in by large importers that have the ability to handle the fruit properly. The importers act as “gatekeepers” and are critical to maintaining a strong market presence.

Policy:

Stone 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 and BAPHIQ is in charge of animal and plant health 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 inspection. TFDA regularly inspects shipments at the port and closely monitors food products for pesticide and heavy metal residues. Taiwan 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 to TFDA to have the products temporarily released to the importer's warehouse. The cargo cannot enter commerce until it passes all required tests. Noncompliance with Taiwan standards will result in the product being refused entry or ordered destroyed.

Production, Supply, and Demand Data Statistics

	2016/2017		2017/2018		2018/2019	
	Marketing Year Begin: Jan 2016		Marketing Year Begin: Jan 2017		Marketing Year Begin: Jan 2018	
Fresh peaches/nectarine (080930)	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Planted		2185		2133		2110
Area harvested		2165		2126		2100
Bearing Trees		762		745		738
Non-Bearing Trees		7		3		7
Total Trees		769		748		745
Commercial Production	22,430	22430	22,860	23254		23000
Non-Commercial Production	0	0	0	0		
Production	22,430	22430	22,860	23254		23000
Imports	19,800	19761	15,000	15803		14000
Total Supply	42,230	42191	37,860	39057		37000
Fresh Domestic Consumption	42,230	42191	37,860	39057		37000
Exports	0	0	0	0		
For Processing	0	0	0	0		
Withdrawal From Market	0	0	0	0		
Total Distribution	42,230	42191	37,860	39057		38000
HA, 1000 Trees, MT						

Production, Supply, and Demand Data Statistics

Fresh Cherries (080929)	2016/2017		2017/2018		2018/2019	
	Marketing Year Begin: Jan 2016		Marketing Year Begin: Jan 2017		Marketing Year Begin: Jan 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted		0		0		0

Area harvested		0		0		0
Bearing Trees		0		0		0
Non-Bearing Trees		0		0		0
Total Trees		0		0		0
Commercial Production		0		0		0
Non-Commercial Production		0		0		0
Production		0		0		0
Imports	10900	10908	12000	13414		15000
Total Supply	10900	10908	12000	13414		15000
Fresh Domestic Consumption	10900	10908	12000	13414		15000
Exports		0				0
For Processing		0				0
Withdrawal From Market		0				0
Total Distribution	10900	10908	12000	13414		15000
HA, 1000 Trees, MT						