

Required Report: Required - Public Distribution

Date: August 11, 2021

Report Number: TW2021-0044

Report Name: Stone Fruit Annual

Country: Taiwan

Post: Taipei

Report Category: Stone Fruit

Prepared By: Hungju Chen

Approved By: Erik Syngle

Report Highlights:

Taiwan's peach production for MY2021/22 is forecast to increase to 17,000MT. Peach and nectarine imports are forecast down to 13,500 MT due to reduced demand at peak fruit season caused by Taiwan's COVID-19 outbreak in May and June. Cherry consumption for MY2021/22 is forecast flat at 12,400 MT. In 2020, total import volume from the United States decreased by almost 25 percent and market share fell to 50 percent, mainly due to decreased supply. Because of COVID restrictions on shopping at wet markets and local fruit shops as well as logistical problems, domestic fruit demand is expected to decrease in MY 2021/22.

PEACHES & NECTARINES

Production:

MY 2021/22 peach production is forecast up to 17,000 metric tons (MT) due to less than expected damage from rain. Taiwan faced severe drought conditions during spring to early summer 2021, the critical period for peach growth. Peach fruit size this year is expected to be smaller but sweeter. Although the previous forecast had MY 2020/21 production recovering and surpassing that of MY 2019/20, 2020 production was essentially flat at 16,000 MT.

Taiwan's peach harvest season runs from March to August depending on the variety and planting elevation. In Taiwan, half of peach production is located near Taichung City, with the remainder followed by Taoyuan City, Hsinchu County, and Nantou County. There are several peach varieties sold through auction market. By order of harvest, there are: early peach (早桃) from March, followed by sweet peach (甜桃), Fu-Shou peach (福壽桃), Ying-Go peach (鶯歌桃), and honey peach (水蜜桃) in July and August. The sweet peach variety is the largest by volume in the local auction market.

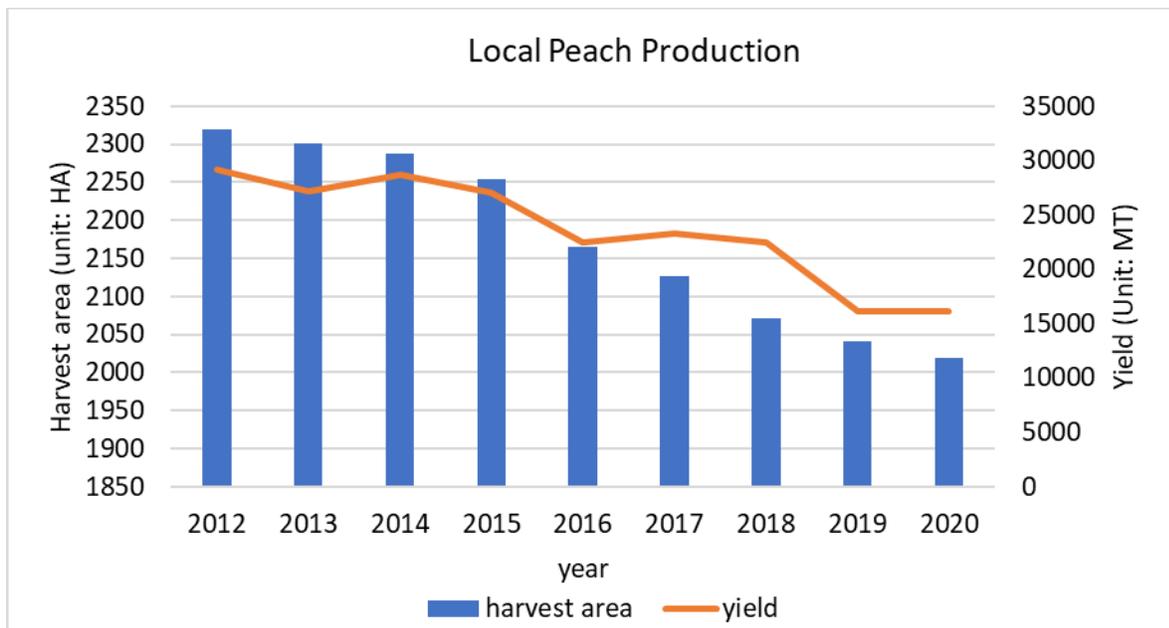


Figure 1: Taiwan peach production area and yield.

Taiwan peach varieties are separated into low-chill and high-chill requirements. Only the honey peach variety requires high-chilling and is usually planted in high mountain areas. March to June is the season for low-chill varieties while July to August is the season for high-chill varieties. Because March and April covers the gap between seasonal peach imports from Chile and the

beginning of seasonal imports from the United States, Taiwan increasingly favors low-chill varieties to maximize the competitiveness of local production.

Taiwan does not produce nectarines.

Variety group	Harvest season	Note
Sweet peach (甜桃)	April to June (Maximum in May)	Low-chilling requirement
Ying-go peach (鶯歌桃)	May and June (Maximum in June)	Low-chilling requirement
Fu-shou peach (福壽桃)	May and June	Low-chilling requirement
Early peach (早桃)	March to June (Maximum in April and May)	Low-chilling requirement
Honey peach (水蜜桃)	July and August	High-chilling requirement /planted in high mountain area

Table 1: Taiwan peach production by variety.

Auction Market Price:

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

Crop Area:

In 2020, the total harvested area remained stable at just over 2,000 HA. According to a peach breeding research project, low-chill varieties are more popular recently. The production area for low-chill varieties is up to 80 percent of total peach production area (1,600 HA). However, total harvested area for peaches has decreased 15 percent in ten years. Taiwan's gradually declining trend in peach consumption is behind the decrease in crop area. According to the seedling demand report from Taiwan Seed Improvement and Propagation Station, Taiwan's peach cropping area is forecast to decline as peach seedling demand continues to slightly decrease.

Consumption:

Taiwan’s peach consumption is slowly but steadily declining. In MY 2020/21, total peach consumption was 30,587 MT. In 2006, peach and nectarine imports were 33,344 MT with domestic peach production at 28,435 MT, for a total consumption of 61,779 MT. In 2016, total peach imports were 22,038 MT and local peach production at 22,429 MT, for total consumption of 44,467 MT. However, Taiwan’s total fruit consumption per capita does not show significant difference over this period. Thus, substitution with various alternative fruit choices is the underlying cause of the decline in peach consumption.

Peach consumption for MY 2021/22 is forecast at 30,500 MT due to reduced imports (see below).

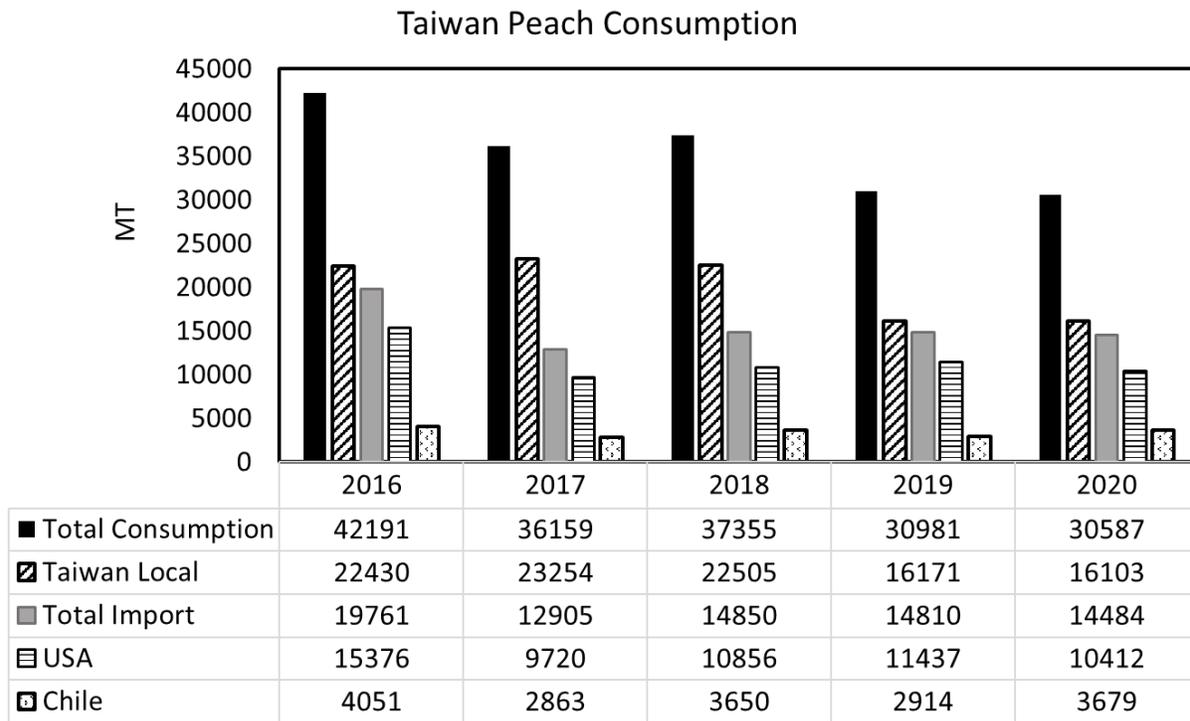


Figure 2: Taiwan peach consumption trends, 2016-2020.

Trade:

MY 2021/22 imports are forecast down to 13,500 MT due to Covid-induced economic slowdown. Import volumes in May and June 2021 declined nearly 30 percent compared to the same period of MY 2020/21. This period coincides with the peak of Taiwan’s recent Covid outbreak. Although Taiwan managed to curb the impact of the outbreak well, there was a sharp decline in food and beverage sales due to public concern and government mandated public health restrictions.

MY 2020/21 imports for peaches and nectarine were 14,484MT, slightly lower than MY 2019/20. U.S. peaches and nectarines held 72 percent imported market share by volume in 2020. Taiwan’s second largest peach supplier is Chile, with around 25 percent; other suppliers all have less than five percent market share.

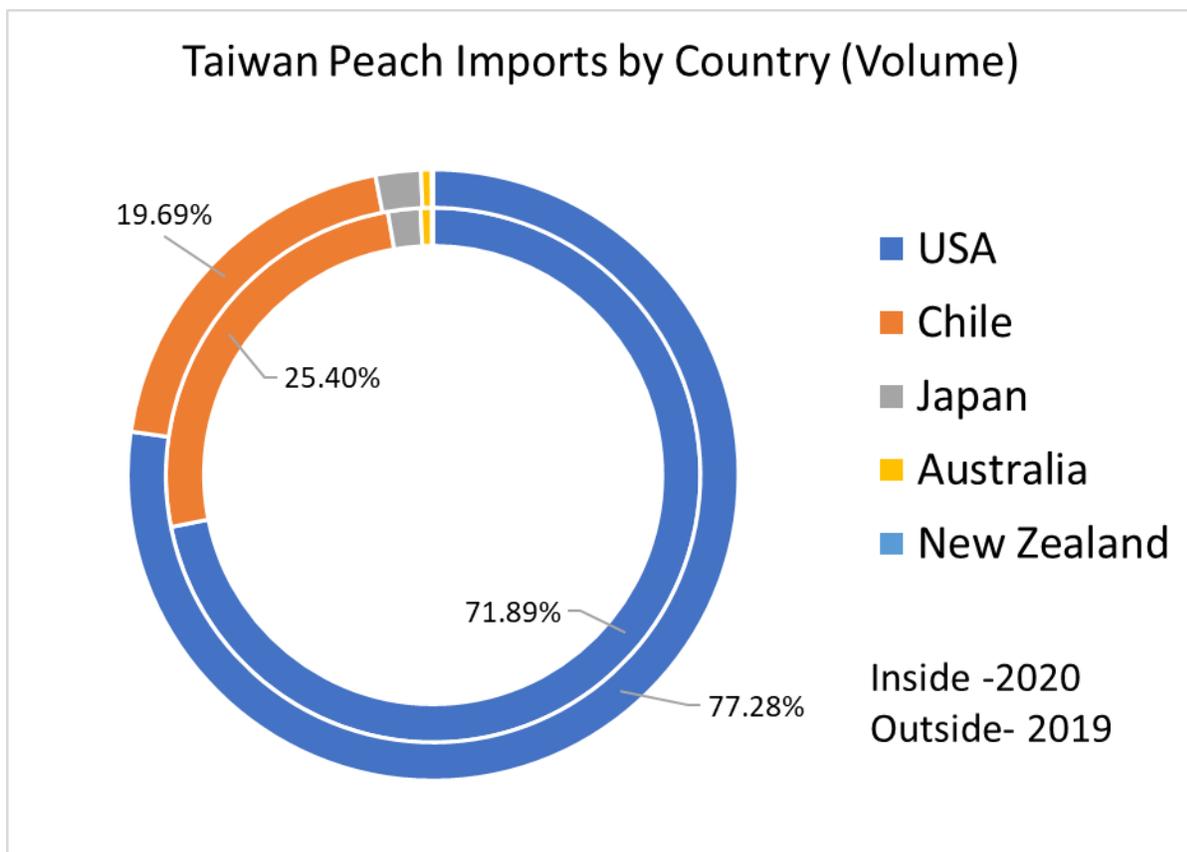


Figure 1: Taiwan peach imports for MY2019 and MY2020.

Marketing:

After successfully controlling the Covid pandemic for over a year with near-normal levels of public and economic activity, Taiwan started to see an uptick in cases beginning in late April 2021. The government announced a Taiwan-wide Level-3 alert starting at the end of May 2021. At Level-3 alert, the public should avoid unnecessary movement, activities, and gatherings. Due to the cancellation of meetings and activities, demand for premium fruit gift boxes declined. Because of restrictions on shopping at wet markets and local fruit shops as well as logistical problems, domestic fruit demand is forecasted to decrease.

In April 2021, the first ever low-chill peach evaluation was hold in Taichung City. The evaluation and exhibition promote local peach production and consumption.



Figure 4: Local peach evaluation (photo from Taiping District Farmer's Association (UDN news))

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

Peaches & Nectarines, Fresh	2019/2020		2020/2021		2021/2022	
	Jan-19		Jan-20		Jan-21	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Begin Year						
Taiwan						
Area Planted	2,060	2,046		2,019	0	2,005
Area Harvested	2,060	2,041	0	2,012	0	2,000
Bearing Trees	715	715	0	707	0	0
Non-Bearing Trees	5	2	0	3	0	0
Total Trees	720	717	0	710	0	0
Commercial Production	16171	16,171	19,000	16,103	0	17,000
Non-Comm. Production	0		0	0	0	0
Production	17,000	16,171	0	16,103	0	17,000
Imports	15,000	14,810	15,000	14,484	0	13,500
Total Supply	30971	30,981	34,000	30,587	0	30,500
Fresh Dom. Consumption	32,000	30,981	34,000	30,587	0	30,500
Exports	0	0	0	0	0	
Withdrawal From Market	0	0	0	0	0	
Total Distribution	30971	30,981	34,000	30,587	0	30,500
(HA), (1000 TREES), (MT)						

FRESH CHERRIES

Production and Crop Area:

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

Consumption:

Taiwan imports sweet cherries and not tart cherries. Cherry consumption for MY2021/22 is forecast flat at 12,400 MT. Final consumption data for MY 2020/21 shows an 11 percent increase in consumption over MY 2019/20.

There is minimal demand for processed or frozen cherries in Taiwan. Due to newly lowered tariffs on cherry juice in 2020, processed cherry imports fell from 672 MT in MY 2019/20 to 487 MT in MY 2020/21.

Trade:

The United States is still the biggest exporter of fresh cherries to Taiwan, with Chile following closely as the second (counter-seasonal) supplier. In 2020, the total volume imported from the United States decreased by almost 25 percent and market share fell to 50 percent, mainly due to decreased supply. Taiwan's demand for cherries significantly increases in January for Chinese New Year fruit gift boxes.

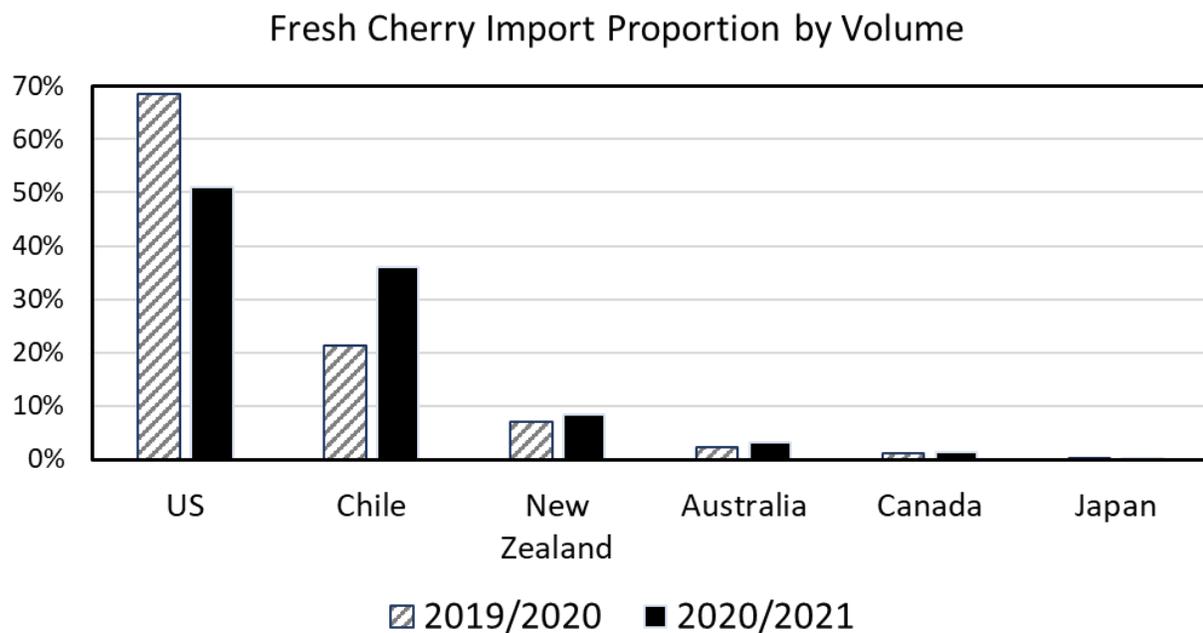


Figure 5: Taiwan cherry imports market share by country (by volume)

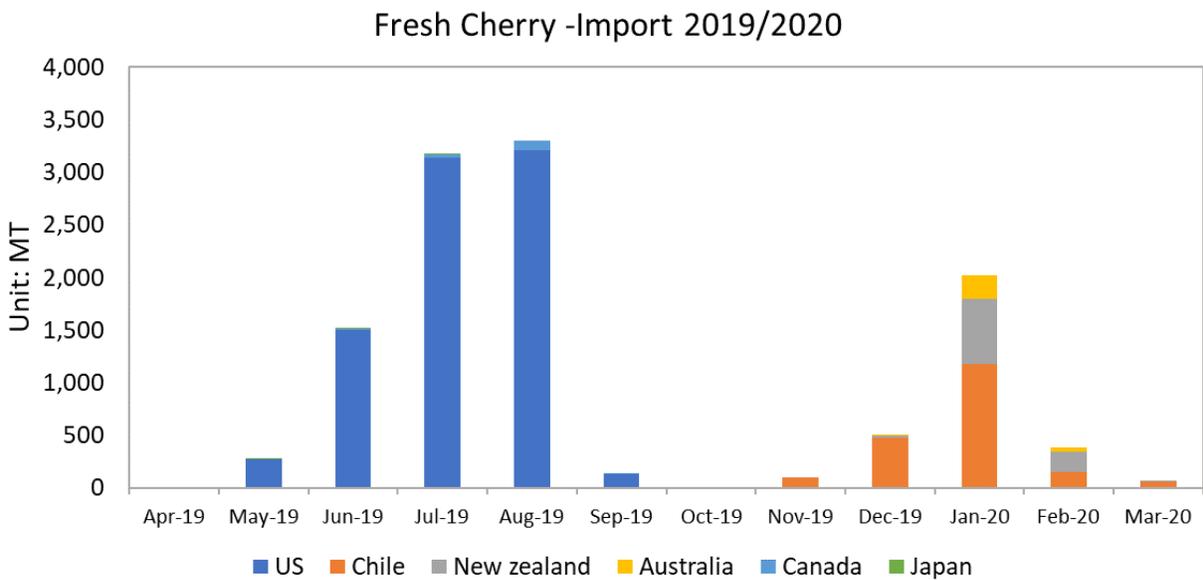


Figure 2: Taiwan fresh cherry imports by month, MY 2019/2020 and 2020/21.

In June 2021, Turkey gained access to export fresh cherries to Taiwan. Turkey has the same cherry harvest season as the United States and has the potential to be a strong competitor in the future. However, the price of Turkish cherries in the Taiwan market is not yet clear. According to the CIF (cost, insurance, and freight), the value of Turkish cherry in China and Hong Kong are 3.3 and 4.8 USD/kg and the CIF of U.S. and Chilean cherries in Taiwan are 8.2 and 6.7 USD/kg. Although Turkish cherries need to undergo a 16-day low temperature quarantine process, they still have the potential for a competitive price in the Taiwan market.

Due to the outbreak of COVID-19 in Taiwan since May 2021, restrictions on public gatherings have lowered demand for fruit gift boxes. Unlike peaches, however, imported cherries did not show a significant decrease from May and June 2021 compared to 2020. Thus, total cherry consumption is forecast to remain stable or only slightly decline in MY 2021/22.

Fresh Cherry, Sweet	Total Imports		Import from US		US Market Share (By Volume)
	MT	\$ USD (millions)	MT	\$ USD (millions)	%
MY 2020/2021	12,464	110	6,346	52	51
MY 2019/2020	11,199	85	7,984	51	71
MY 2018/2019	11,918	96	7,918	55	66
MY 2017/2018	14,864	122	9,153	62	62

Table 2: U.S. market share of imported cherries in Taiwan (by value)

Marketing:

In Taiwan, fresh fruits are purchased in traditional wet markets, supermarkets, and hypermarkets. Due to this year's Covid outbreak, marketing has increasingly moved online compared to last year. Even local wet market vendors have started to build their own online services. Since cherries require a cold-chain to preserve freshness, transport costs would likely raise prices.

Peaches, Nectarines, and Fresh Cherry Policy:

Fruit imports are regulated by the Taiwan Food and Drug Administration (TFDA) under the Ministry of Health and Welfare (MOHW) and the Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ) under COA. TFDA is responsible for food safety inspection, while BAPHIQ oversees animal and plant health, pests, diseases, and quarantine.

Fresh fruit exported to Taiwan from the United States must be accompanied by an APHIS-issued phytosanitary certificate (PPQ Form 577). A phytosanitary certificate can be issued by designated APHIS personnel or APHIS-authorized State and County cooperators. Other phytosanitary certificates for shipments of U.S.-origin fresh fruit are no longer accepted by Taiwan plant health regulatory authorities.

TFDA is the competent authority responsible for border food safety inspections. TFDA regularly inspects shipments at the port and closely monitors food products for pesticide and heavy metal residues. 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. On August 15, 2019, the Standard for the Tolerance of Heavy Metals in Plant Origin was nullified, replaced with the [Sanitation Standard for Contaminants and Toxins in Food](#). Various standards, including heavy metals, are listed in this regulation.

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	2019/2020		2020/2021		2021/2022	
Market Begin Year	Apr-19		Apr-20		Apr-21	
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	11,000	11,199	12,000	12,463	0	12,400
Total Supply	11,000	11,199	12,000	12,463	0	12,400
Fresh Dom. Consumption	11,000	11,199	12,000	12,463	0	12,400
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	11000	11199	12,000	12,463	0	12,400
	0	0	0	0		

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

Attachments:

No Attachments