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Taiwan

Tree Nuts

Almonds, Sweet

2001

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Report Highlights:

All the sweet almonds consumed in Taiwan are imported. The imported sweet almond market in Taiwan has rebounded from a low of US \$8.4 million in 1998 to US \$11.2 million in 2000. The recovery is attributable to the rapid growth in consumption of in-shell sweet almonds since 1999. Imports from the United States were US \$10.7 million in 2000, accounting for 96% of the market.

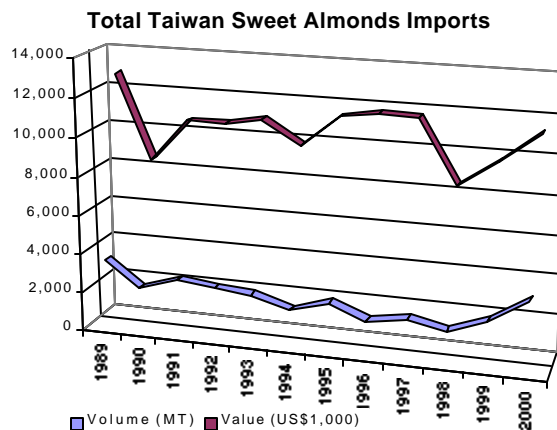
Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Taipei ATO [TW2], TW

Executive Summary

All the sweet almonds consumed in Taiwan are imported. The imported sweet almond market in Taiwan has rebounded from a low of US \$8.4 million in 1998 to US \$11.2 million in 2000. The recovery is attributable to the rapid growth in consumption of in-shell sweet almonds since 1999. Imports from the United States were US \$10.7 million in 2000, accounting for 96% of the market.

Market Overview

All sweet almonds consumed in Taiwan are imported. Taiwan sweet almond imports increased from US \$8.4 million in 1998 to US \$11.2 million in 2000. Sweet almonds imported from the US were valued at US \$10.7 million in 2000, accounting for 96% of the total. The turnaround is attributable to the rapid growth in consumption of in-shell sweet almonds since 1999.



Advantages	Challenges
<ul style="list-style-type: none"> • Importers and wholesalers have an awareness and appreciation for the quality of US sweet almonds. • Most sweet almond products are currently imported from the US. • In-shelled products are relatively new to the market and have good growth potential. 	<ul style="list-style-type: none"> • Limited distribution and consumer awareness of in-shell products. • Shelled snack usage has declined slightly over the past 5 years. • Low consumer awareness of the product quality and health benefits of sweet almonds.

Market Sector Opportunities And Threats

Trade and Competition

In 2000, Taiwan imported 3,676 metric tons equal to US\$11.2 million worth of sweet almonds. In terms of value, in 2000 the US accounted for 99% of shelled almond imports, 92% of the raw in-shell imports, and 49% of processed almonds. The only other source for in-shell (raw) is from Australia, representing 8% of total in-shell imports. As for processed almonds, imports from Hong Kong represent 49% of all the

processed almonds. According to the trade, most of the Hong Kong processed almonds are in-shell American almonds that are processed in Hong Kong and then re-exported.

Total Taiwan Sweet Almonds Imports in Value (US\$1,000)

	1994	1995	1996	1997	1998	1999	2000
Shelled almonds	\$9,715	\$11,147	\$11,430	\$11,399	\$8,176	\$9,584	\$8,372
In-shell almonds	\$0	\$67	\$6	\$23	\$0	\$19	\$2,322
Processed almonds	\$115	\$172	\$218	\$213	\$204	\$121	\$509
TOTAL	\$9,830	\$11,386	\$11,654	\$11,635	\$8,380	\$9,724	\$11,203

Taiwan Sweet Almonds Imports from the United States in Value (US\$1,000)

	1994	1995	1996	1997	1998	1999	2000
Shelled almonds	\$9,689	\$11,121	\$11,365	\$10,954	\$8,141	\$9,464	\$8,320
In-shell almonds	\$0	\$67	\$6	\$23	\$0	\$19	\$2,141
Processed almonds	\$111	\$153	\$195	\$203	\$168	\$90	\$250
TOTAL	\$9,800	\$11,341	\$11,566	\$11,180	\$8,308	\$9,574	\$10,712
US Market Share	100%	100%	99%	96%	99%	98%	96%

Total Taiwan Sweet Almonds Imports in Volume (MT)

	1994	1995	1996	1997	1998	1999	2000
Shelled almonds	1,946	2,475	1,766	2,067	1,676	2,418	2,436
In-shell almonds	0	20	1	3	0	6	1,026
Processed almonds	16	34	38	46	48	32	214
TOTAL	1,962	2,529	1,806	2,117	1,724	2,456	3,676

Taiwan Sweet Almonds Imports from the United States in Volume (MT)

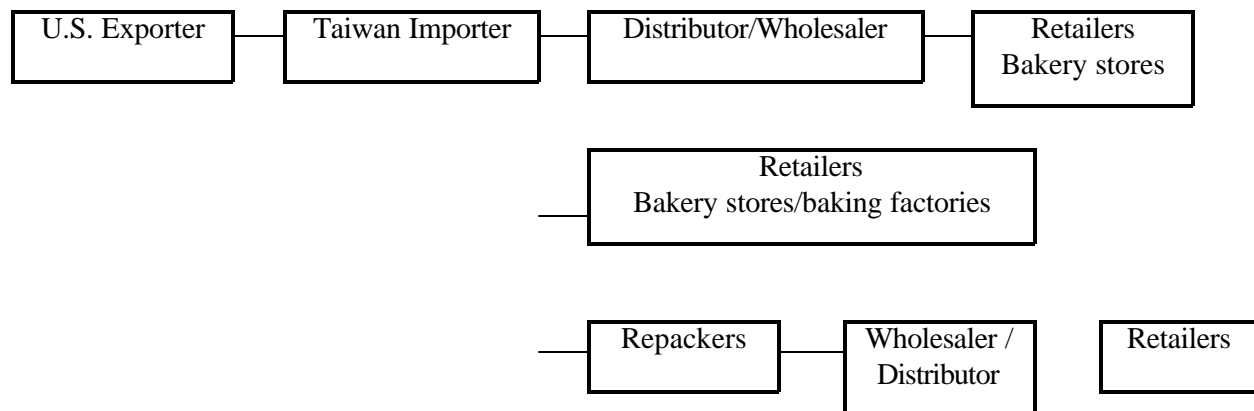
	1994	1995	1996	1997	1998	1999	2000
Shelled almonds	1,931	2,461	1,739	1,978	1,660	2,372	2,414
In-shell almonds	0	20	1	3	0	6	972
Processed almonds	16	28	37	43	37	19	70
TOTAL	1,948	2,509	1,777	2,025	1,697	2,397	3,455
US Market Share	99%	99%	98%	96%	98%	98%	94%

* Data Source: Directorate General of Customs, Ministry of Finance, R.O.C.

Product Forms And Distribution Channels

Sweet almonds are used both as snacks for consumers and as a baking ingredient. Snack packaged shelled almond products are sold through convenience stores and supermarkets/hypermarkets in various package sizes, while shelled products for ingredient usage are available through wholesalers/ distributors in 25 pound boxes. Industry estimates that currently 35% of the imported shelled almonds are consumed as snacks while 65% are for ingredient usage. The popular flavors for shelled snack are honey roasted, garlic, and slivered (alone or mixed with tiny real dehydrated fish). Major brands in the Taiwan market include VIVA (Taiwan), Blue Mountain (Taiwan), and Blue Diamond (USA). Use of sliced almonds (estimated 70% of the ingredient usage), diced almonds (estimated 25%), and blanched meal (estimated 5%), powder as a flavoring with bakery products has become widespread in products including bread, cookies, candy, crackers, and cakes.

In-shell almonds are used for snacking and are only available in “bulk” through wholesale/retail dried food markets such as Dihwa Street in Taipei and Sanfun Chung Street in Kaohsiung. Raw in-shell or processed in Hong Kong in-shell originally did not seem to appeal to consumers, according to retailers in Dihwa Street. However, now most imported raw in-shell products are roasted in Taiwan and repacked in 5-kg bags by repackers, and then distributed to retailers through different levels of wholesalers. It is the product that is domestically roasted according to local tastes that is appealing to consumers and driving the market growth. Currently there are not any shelf stable branded products in the market. Consumers and other end users buy the product unbranded, and in resealable plastic bags in the volume they desire. Current processing creates a soft, easy to open shell (like pistachios) with flavorings.



Industry Preferences and Trends

The ingredient side of the market is well developed and is still growing steadily. This segment is driven by price with the industry primarily motivated in purchasing for the best price (for best/acceptable quality). Shelled almond products for snack usage have declined over the last few years for lack of marketing support and the increasing popularity of pistachios. Pistachios received introductory advertising support in a popular TV campaign that called pistachios “the happy” nut in Chinese, which also became the name of the nut in the Chinese language. The month of Chinese New Year and the month between Ghost Festival and Mid-autumn Festival are peak sales seasons for nuts. Shelled importers are concerned about the freshness of almonds especially those imported at the end of the season in the summertime.

In-shell products on the other hand represent a “hot” new product category, which is in the early stages of

development. Product form and offering have not yet evolved into final dominant designs. In-shell almonds took off in 2000 primarily because the trade gambled on in-shell almonds instead of pistachios. Almost two thirds of the volume for the year was sold during the month of Chinese New Year. It is reported that a few retailers took advantage of the high nut consumption period and dumped their in-shell product from last year to consumers at a lower price. In-shell products are still widely available through retailers at Dihwa Street after the Chinese New Year. However, for long-term market growth and volume opportunities, the local snack companies are currently working on the technology to extend the shell life of in-shell almonds in small packages. Current hurdles are shelf stability or oils stability and hence shelf life problems. In-shell importers are concerned about the consistency of product quality.

Consumer Preferences And Trends

Consumers have adopted the usage of shelled almonds for hand to mouth (HTM) snacking. Nut snacking customs in the local market often revolve around doing something first with the product prior to eating. HTM snacking for the newer in-shell form is still in the early market development stages. Not many people are aware of the in-shell form. The in-shell products have become a “hot” new novelty New Year’s product, but the demand for a year around branded snack product has yet to be developed. Ingredient usage of shelled products by consumers in their homes is limited. Since ovens are not common in homes, ingredients used in baking are more commonly acquired in already baked goods from bakeries. There has not been any consumer research done related to sweet almond perception and usage. The current reported user and usage situation for shelled is male 35+ with tea, beer, or wine watching TV or in social situations. However, in general, consumers and even nutritional experts are unaware of the nutritional benefits of almonds. Almonds are generally perceived as a fattening product, and therefore “bad” for you.

The bakery channel has consistently been developing new products with almonds for consumers. Bakery shops, grocery retail bakery sections, and packaged mass confectionary products frequently have visible almonds in the product. It appears that consumers are attracted to the use of visible almonds in/on baked products. The tops of some baked goods are just “jammed” with sliced almonds, and there appears to be continued innovation about how to use almonds on/in baked goods.

Costs And Prices

There are no quotas in effect for almond imports. The following is a list of harmonized system codes and the respective import tariffs for imported almonds. The import tariff is levied on a CIF basis, ad valorem, unless it is otherwise indicated. Imports are subject to random inspection upon entry by Taiwan authorities.

Tariff Item #	Description of Products	Rate of Duty (for US)		
		Current	WTO Accession	WTO Final
08021110005	Sweet almonds, in-shell, fresh or dried	5%	5%	5%
08021210004	Sweet almonds, shelled, fresh or dried	5%	2.5%	2.5%
20081910005	Almonds, otherwise prepared or preserved	7.5%	7.5%	7.5%
08135000	Mixtures of nuts or dried fruits	30%	29%	25%

There are also several miscellaneous fees, as listed below:

Harbor construction fee	0.3% of CIF value (sea shipment only)
Trade promotion fee	0.0425% of CIF value
Customs clearance fee per shipment	NT \$3,500 (Approximately US\$114)

The average price for almonds in 2000 is as follows:

In-shell raw (wholesale)	NT\$55-70/catty
In-shell processed (wholesale)	NT\$55-80/catty
In-shell (retail)	NT\$100-120/catty
Shelled (wholesale)	NT\$1,500/25 lb box

Average exchange rate: US\$1=NT\$32; 1 catty=600 grams

Market Access

Labeling Requirements

According to Taiwan's Law Governing Food Sanitation, promulgated in 1975 and amended in 1998, pre-packed foods or food additives shall conspicuously indicate in Chinese and common symbols the following material facts on the container or packaging:

- Product name
- Name, weight, volume or quantity of the content or, in the case of a mixture of two or more ingredients, each of the ingredients
- Name of food additive
- Name, telephone number, and address of the manufacturer and importer
- Expiry date; the date of manufacture, shelf life or storage instructions shall also be indicated
- For those, which need change of packages, repackaging or processing otherwise domestically, the Chinese labeling may be completed prior to sale.

Food Additive Regulations

Imported processed food products, which contain artificial food additives, are subject to strict tolerance levels

and acceptable use requirements for food additives as prescribed by Taiwan's Department of Health (DOH). The DOH's "Compilation of Food Sanitation Regulations" covers several hundred food additive standards and regulations. DOH has a useful website with the additives listed in English (<http://www.doh.gov.tw>).

Inspection And Quarantine

While a phytosanitary certificate issued by the government of the product of origin is currently not required, it is highly advisable to provide one when exporting raw almond products to Taiwan. Importation of raw almonds is subject to inspection at random by the Bureau of Commodity Inspection & Quarantine, Ministry of Economic and the Department of Health. The food safety inspection focuses on labeling, food hygiene, and food additives.

Key Contacts: Taiwan Importers of Sweet Almonds

To obtain a list of Taiwan importers, please contact:

Agricultural Trade Office
AIT Taipei
54 Nanhai Road
Taipei, Taiwan
Tel: (886-2) 2305-4883 ext. 248
Fax: (886-2) 2305-7073
Email: ato@mail.ait.org.tw