

## FOOD MILES/SUSTAINABILITY MARKET INTELLIGENCE

### April 2009 Quarterly Report

The growing importance of sustainability as a market driver in some of New Zealand's food and beverage export markets has led the Ministry of Foreign Affairs and Trade and New Zealand Trade and Enterprise to prepare a quarterly report for business people highlighting trends and issues in key markets.

## TAIWAN

### IN SUM:

- Food safety a greater concern than environment: Food safety remains a primary concern for Taiwanese consumers, and awareness of the environmental impacts of food production remains low. Recent enquiries to NZTE reflect this interest in food safety, and in New Zealand as a safe source of food. To address concerns sharpened by last year's melamine-tainted milk crisis, the authorities are establishing a Taiwan Food and Drug Administration.
- Organics continue to grow: The organics sector has grown an estimated 20-25% year-on-year (albeit from a low base) and shows potential for significant price premiums.
- Organic agricultural product certification: Taiwan's Agricultural Production and Certification Act came into effect on 29 January. Information on requirements for certification and labelling of organic foods for the Taiwan market is available from the New Zealand Food Safety Authority (<http://www.nzfsa.govt.nz/organics/exporters/organics-export-to-taiwan.htm>).
- Country of origin labelling for loose food: A new law coming into effect 1 January 2010 requires stores to display the country of origin of loose foods and will affect, for example, unpackaged seeds, fruit, vegetables, and deer velvet.

### CONSUMER TRENDS

#### *Food safety a greater concern than environment*

Food safety remains the primary concern of Taiwanese consumers. The impact of food production methods on the environment are little understood by consumers and do not appear to factor in the purchasing decision process.

#### *Organics continue to grow*

The organics sector continues to grow in Taiwan with estimates of year-on-year growth of 20% to 25% (albeit from a low base). One importer/wholesaler of organic meat and butter has suggested that the price premium for organics can be in the order of 30% to 50% over non-organic products and still in a price range accessible to most consumers.

*US study linking red meat to cancer reported by media (with no discernible public reaction)*

Recent research findings from the US National Cancer Institute drawing a relationship between eating red meat and increased risk of premature death have been reported in both English and Chinese media in Taiwan. One article also drew a connection between eating less meat and reducing greenhouse gas emissions produced by farming animals for meat. However, there appears to be no significant public reaction.

## **PRIVATE SECTOR ACTIVITY**

### *Food Safety*

A number of recent importers' trade enquiries to NZTE in Taiwan have had an underlying theme related to food safety. Specific requests have related to dairy, seafood, and pet-food products. When asked, importers have said that New Zealand is seen as a safe source of food.

## **GOVERNMENT ACTIVITY**

### *Organic agricultural product certification*

Taiwan's Agricultural Production and Certification Act came into effect on 29 January 2009, requiring all agricultural products (including imports), that are labelled or sold as organic to conform to new certification requirements.

The Agricultural Food Agency, Council of Agriculture, has announced New Zealand equivalence for the production and management of organic agricultural and animal products. This enables importers of New Zealand organic goods to apply to label and sell goods as organic in the Taiwan market.

New Zealand certifying organisations, producers, and exporters of organic products to Taiwan need to liaise closely with the New Zealand Food Safety Authority (NZFSA) on the new organic certification and labelling requirements. Exporters of organic goods will need to provide Taiwanese importers with organic certificates as importers will need to submit labelling applications to Taiwan's Council of Agriculture in order to label imported products as organic prior to sale.

For further details on producing organic products for the Taiwan market please refer to the New Zealand Food Safety Authority's Official Organic Programme:  
<http://www.nzfsa.govt.nz/organics/exporters/organics-export-to-taiwan.htm>

### *Country of origin labelling for loose food*

The Department of Health has announced a new food safety law requiring stores to list the name and country of origin of loose foods (e.g. unpackaged seeds, fruit, vegetables, and deer velvet). The new law comes into effect on 1 Jan 2010. It appears that the new regulation is intended to help customers differentiate between locally produced goods and imported goods.

### *Establishment of the Taiwan Food and Drug Administration*

Food safety continues to be a strong driver for new policy affecting the food and beverage sector. Late last year Taiwan passed a law to establish the Taiwan Food and Drug Administration (TFDA). The concept of establishing a TFDA has been bandied about for more than 10 years, but it was the widely criticized handling of last year's melamine-tainted milk crisis that provided the impetus to push it across the line. The Department of Health (DOH) estimates it will take approximately a year to set up the TFDA.

The new organisation will be responsible for regulating food safety, and its sphere of control will include food and beverage businesses, border controls and testing. Currently, imported goods are inspected by the Ministry of Economic Affairs' Bureau of Standards, Metrology and Inspection. DOH Minister Yeh Ching-chuan has said that the new organisation is intended to strengthen control, speed up customs procedures, and enhance consumer safety.

This new organisation, likely to be roughly modelled on the US Food and Drug Administration, will have over 500 staff and be formed from the integration of four bureaus currently under DOH - Bureau of Food Safety, the Bureau of Pharmaceutical Affairs, the Bureau of Food and Drug Analysis and the National Bureau of Controlled Drugs.

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