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U.S. Poultry Exports Increase Due to High Pork Prices

Report Categories:

Poultry and Products

Product Brief

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Report Highlights:

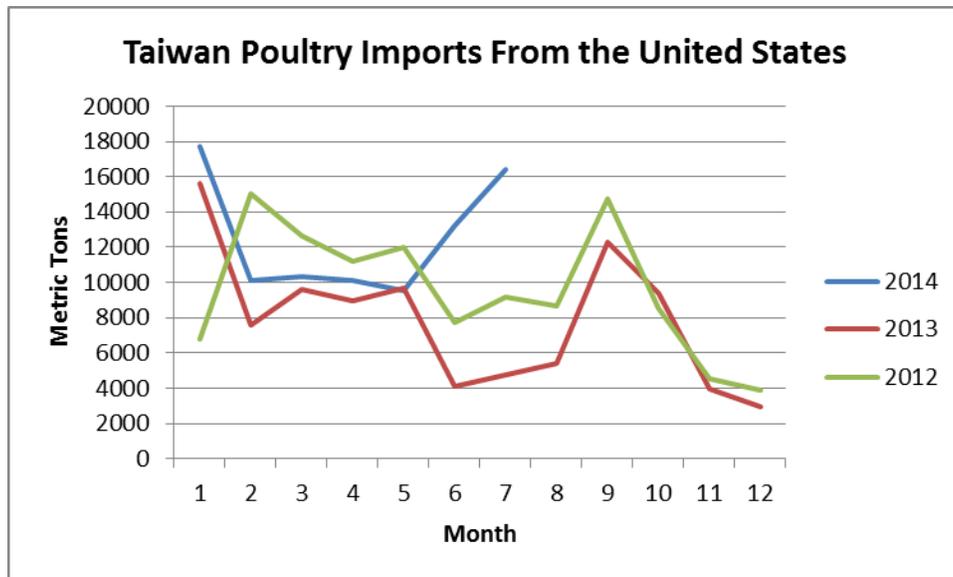
U.S. poultry exports to Taiwan increased significantly during the first half of 2014 due to exceptionally high pork prices. The Agricultural Trade Office (ATO) in Taiwan estimates that U.S. poultry exports to Taiwan could see a record year in 2014 as more Taiwan consumers replace pork with poultry. Chicken leg quarters and drumsticks remain the most popular items in Taiwan, but requests for other chicken products (e.g., chicken breasts) have been increasing. From January to July (2014), U.S. poultry exports increased 44.8% in volume, or 87,415 metric tons (MT), compared to that same time period in 2013. In CY 2013, the United States exported 94,306 MT of poultry products to Taiwan.

General Information:

Due to the Porcine Epidemic Diarrhea Virus (PEDv) outbreak in Taiwan, pork prices have drastically increased since the previous year. According to foodservice operators, especially the catering industry, there are smaller margins in pork meals due to higher pork prices. In Taipei, a lunch box costs an average of NT\$80-90 (U.S.\$2.60-3.00), which is up nearly 10 percent from the previous year. The foodservice industry pays approximately NT\$13.00 (U.S.\$0.43) per portion for the pork loin meal while they only pay NT\$8.00 (U.S.\$0.27) cents for one chicken drum stick. As a result, demands for poultry have been increasing in the second and third quarter of CY2014, which is when local pork prices hit a record high.

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Taiwan's World Trade Organization (WTO) special agricultural safeguards (SSG) for chicken wings and legs are typically triggered in the latter half of the year. Importers in Taiwan import more in the third quarter in order to avoid these tariff surcharges. This year, the chicken legs/wings SSG was triggered on September 5, 2014, with a final volume of 121,426.8 MT. In comparison, the 2013 SSG for the same category was triggered on November 8, 2013, with a volume of 104,455.3 MT.



Taiwan's rate of self-sufficiency for poultry products is generally over 80%. The United States and Canada are the two major poultry product suppliers for Taiwan, with the United States accounting for over 80% of the import market over the past several years. According to Taiwan's Council of Agriculture (COA), pork prices may stabilize in the first quarter of 2015. If this occurs, Taiwan poultry imports from the United States may decrease. However, this is a situation the ATO/Taiwan will

continue to follow throughout the year.

For more information on the Taiwan market and poultry products, please contact the Agricultural Trade Office in Taipei at ATOTaipei@fas.usda.gov.