



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

Date: 12/3/2008

GAIN Report Number: TW8051

Taiwan

Agricultural Situation

Taiwan's New Regulations for Imported Organic Agricultural Products

2008

Approved by:

Keith Schneller, ATO Director
American Institute in Taiwan

Prepared by:

Katherine Lee, Agricultural Marketing Specialist

Report Highlights: Taiwan's Council of Agriculture began developing new regulations for "Imported Organic Agricultural Product and Organic Agricultural Processed Products" in 2007 and will implement them on January 29, 2009. From this date, both domestic and imported raw and processed organic agricultural products are required to include a special approval number issued by the Council of Agriculture (COA) on package labels. Otherwise, the retailer/distributor will be fined for illegitimate labeling of "organic" claims. The new regulations are anticipated to require longer lead time and additional application/documentation costs for the import of organic food products.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Taipei ATO [TW2]
[TW]

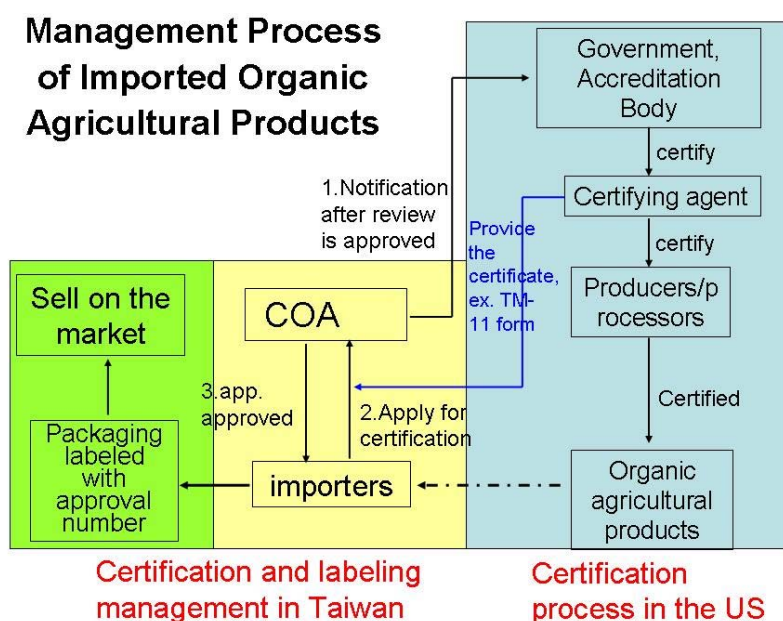
Background

The new regulations of “Imported Organic Agricultural Product and Organic Agricultural Processed Products” were promulgated in 2007 and are intended to come into effect on January 29, 2009. During these two years, the Taiwan Council of Agriculture (COA) has been slow to develop concrete procedures in implementing the new regulations. Although the most recent public hearing was held in September 2008, much uncertainty remains regarding the actual import requirements and what will happen to the many organic products already in the marketplace or on the way to Taiwan, that do not include an “official” COA approval number. Many importers, retailers, and local representatives of foreign governments complained at the hearing about the delays in sharing information regarding clear and updated import requirements for the pending January deadline and warned that the lack of information may disrupt availability of certified organic products to consumers up to and after January 2009. The COA was also criticized because they had not notified the World Trade Organization of the new regulations in light of their firm January 29 implementation deadline.

Changes and Requirements

The COA first will consider recognition of foreign organic standards, before allowing importers to import “organic” products from outside Taiwan. After a foreign country's organic standards receive approval or recognition by the COA, each import on a transaction basis will require separate documentation by lot number and application for an official COA approval number. This number must be received and applied to the products' label in order to claim “organic”. The documentation must be approved by the COA and ensure that the products are certified by COA approved certifying agents.

COA will require the reviews in terms of two steps (see flowchart):



- (1) First step: equivalence review of USDA organic certification standards
- (2) Second step: transaction documentation review of each importation of raw and processed agricultural products

Based on a translation of the current, proposed regulations, the import requirements are listed below:

1. The first-step review is conducted by COA to recognize the USDA National Organic Program (NOP) standards of raw and processed organic agricultural products. This one-time review will compare the certification standards between the new Taiwan regulations, "Organic Agricultural Product and Organic Agricultural Processed Product Certification Management Regulations" and the "USDA National Organic Program (NOP)." As long as the USDA NOP is recognized as close to equivalent of the Taiwan COA standards, the certifying agents under the USDA NOP will be notified by Taiwan's COA.

The COA has received all the necessary information from USDA and is waiting for a final review by a special committee including University specialists, COA officials, industry and consumer representatives. COA should make a final decision in near future and will also hold more public meetings in next two months to explain the new regulations to retailers, importers, distributors, and consumer groups.

2. The second-step review is conducted by COA to rectify the authenticity of each importation of the USDA certified raw and processed organic agricultural products. The second-step review will have a direct impact on importers in terms of longer lead-time and extra documentation and applications costs. Based on the new regulations, as of January 29, 2009, all organic products should have a COA approval number clearly displayed on its label. In order to obtain the approval number, the importer must present to COA the following documents:

- a. Proof of certification from the USDA NOP accredited certifying agent.
- b. Information required in article 5 of the new regulations (refer to GAIN #....) can be presented by using USDA's TM-11 form. However, the COA may accept other forms if they can provide the required information. COA will charge NT\$500 (about US\$18) for each application with less than five items.

- (1) The name and address of the factory (farm) in foreign countries;
- (2) The name and batch number of the product, and the percentage content of organic raw materials in processed agricultural products;
- (3) The weight or volume of the product;
- (4) The name of the importer or buyer;
- (5) The name and address of the certification body;

- (6) The date of issuance; and
- (7) Other items required by the central competent authority.

Recent updates indicated by COA officials:

- COA will hold a committee meeting in near future to decide whether or not to recognize USDA organic stands. This recognition must be received before importers can apply for the approval number for US organic products.
- If products do not have the COA approval number on the labels after January 29, 2009, the "organic" wording will have to be removed to avoid fines. This procedure applies to all products on Taiwan store shelves even they are imported before January 29th, 2009.
- If products are found to have traces of any non-approved chemical compounds the "organic" wording must be removed and retailers will be fined if it is found that the products were purposely miss-labeled or adulterated. When products are randomly tested and found positive for non-approved chemicals, the producer will have a chance to ask for a second test. If the second test is also found to be positive, the certifier must explain how the contamination occurred.
- The new regulations are confirmed announced to World Trade Organization on November 14.
- COA officials reported they will hold at least seven public meetings before the January implementation date to explain the new organic standards and import requirements to effected parties.
- The new regulations will not allow for organic labeling on any products containing less than 95% organic content.