

Peanut Blog

An ounce of information



Taiwan's peanut industry braces for low-cost US imports

Tariff changes may undercut local producers and reduce agricultural support funds

TAIPEI (Taiwan News) – DPP Legislative Caucus Secretary-General Chuang Jui – hsiung (莊瑞雄) on Wednesday called on the government to strengthen support for peanut farmers, citing the potential impact of the Agreement on Reciprocal Trade. Chuang said that although Taiwanese peanuts are known for their quality, farmers could be affected if tariffs protecting domestic products are removed, per Tai Sounds. He warned that if consumers become accustomed to US peanuts, Taiwan's domestic industry could suffer.

Taiwan's peanut import system is designed to protect local producers by increasing the cost of imports outside tariff – rate quotas (TRQs) through special safeguard (SSG) taxes, as well as royalties on TRQ imports that fund agricultural relief programs, per AgriJourney. For example, if imported peanuts arrive at customs costing NT\$50 (US\$1.52) per kilogram, imports outside the TRQ would face tariffs of NT\$64 per kilogram plus an SSG charge of NT\$21.3, bringing the total to NT\$135.3 per kilogram. Within the TRQ, imports are subject to a 25% tariff, or NT\$12.5 per kilogram, plus royalties of NT\$34, totaling NT\$96.5 per kilogram.

A Yunlin peanut farmer surnamed Huang (黃) said domestic peanuts cost about NT\$141 per kilogram. In contrast, US peanuts – not subject to the same safeguards – could cost as little as NT\$57 per kilogram. R.O.C. Peanut Industry Association (中華民國落花生產業協會) Chair Ting Ming – kwei (丁明貴) said the government's focus on freshness overlooks market realities, noting that peanuts sold directly to consumers account for only 15% to 20% of the market. The remainder, he said, is more vulnerable to competition from imports.

Ting criticized the lack of quotas on tariff-free US peanut imports, adding that importers may shift away from peanuts from countries such as India and Brazil, which are subject to TRQ royalties. Ting warned that increased imports could drive down farmgate prices. He said that farmers may face both low prices and weak demand during the upcoming harvest season in May and June.

The loss of approximately NT\$180 million annually in TRQ royalty revenue could also weaken agricultural relief funds. Huwei Farmers Association General Manager Tsai Wu – chi (蔡武吉) said the association has received a surge of calls from concerned farmers, per UDN. He noted that the cost for Huwei farmers, which stands at about NT\$120 per kilogram, could face further downward pressure from US imports.

Industry representatives also raised concerns about labeling rules. Ting said only bulk peanuts are currently required to list their origin, while packaged peanuts and processed foods are not, per UDN. He urged the government to mandate origin labeling for all peanut products so consumers can make informed choices and support domestic products.

The government has proposed measures including helping farmers transition to more profitable crops, promoting industry transformation, building Taiwanese peanut brands, and encouraging production models that allow farmers to focus on cultivation. However, Ting said crop substitution is not a practical solution, noting that peanuts are grown in rotation with rice. He added that farmers would have already switched to other crops if viable alternatives existed. Yunlin grain farmer Huang Chi – yao (黃祈堯) said the government's proposed alternatives, such as sweet potatoes and edamame, offer lower profit margins, per

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Farmers also expressed skepticism about the feasibility and timeline of industry transformation. Huang said the lack of a clear roadmap makes the policy appear unrealistic, while another farmer said significant effort is already required to promote domestically produced peanuts through educational and harvesting events – even before the entry of US peanuts. A Yunlin production and marketing group leader said government consultations tend to focus on large – scale or high – profile farmers, limiting the effectiveness of policy measures for smaller producers.

An industry insider said proposed measures such as green peanut trading and restructuring cultivation models are difficult to implement and too slow to address farmers' immediate needs. Expanding peanut drying capacity is a step in the right direction, the insider said, but progress has been too slow. The insider added that farmers harvesting in June may still turn a profit despite pressure from bulk buyers, but warned that those planning winter crops may need to reconsider, as the full impact of US imports will be felt by then. The insider said US peanut exports are aimed at supporting US agriculture, while Taiwan risks undermining its own. In a potential crisis such as a blockade, the insider added, Taiwan's agricultural sector – not its high – tech industries – would be critical to its resilience.

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