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# PINEAPPLE MARKETING SYSTEM IN TAIWAN

S. Y. Liao

Associate Professor of Agricultural Economics  
Provincial College of Agriculture

## SUMMARY

Pineapple is an important exportable agricultural product in Taiwan. During 1956, the acreage planted to pineapple was 7,650 hectares (6,440 hectares at the stage of fruit bearing) producing 83,065 metric tons of raw pineapple. Of this amount about 30,734 metric tons, or 37 per cent, were consumed domestically in fresh form and 52,331 metric tons, or 63 per cent, were processed into 985,229 cases of canned pineapple. The export in 1956 was 987,414 cases, earning US\$6,109,000 of foreign exchange, which ranked the fourth in export value of agricultural products in the year.

The present pineapple marketing system is built up through the interplay of four factors: (1) pineapple farms, though concentrated in a few hilly areas of Changhua, Tainan and Kaohsiung, are owned and operated by a large number of small growers (each grower cultivating an average of only 0.5 hectare); (2) harvesting is concentrated in two seasons, December-February and July-September; (3) the fruit serves either for fresh eating or for canning; and (4) a large number of canneries are in operation with a combined capacity far exceeding the fruit production.

Pineapple reaches the end-consumers in two forms, it is either eaten raw by domestic consumers, or canned for export or domestic consumption.

### I. Marketing of Pineapple for Domestic Fresh Consumption

The growers bring their fruit by cart or carry on their shoulders to nearby markets which generally consist of a few thatched simple sheds owned by the pineapple dealers for grading, weighing and short-period storing. They are usually located at highway conjunction points where buyers gather, including pineapple wholesalers from big consumption cities or retailers from nearby villages. In case the production center is close to a town, transactions may take place at the fruits and vegetable wholesale market owned and operated by the township office or by the township office and township farmers association jointly. The growers usually sell their pineapple to dealers-wholesalers in the production center after grading and weighing by the latter at the sheds, who then sell it to city wholesalers and village retailers. The city wholesalers usually transport their cargo by truck to consumption centers and sell it to retailers there. Where transactions with Taipei City wholesalers are involved, the shipments are sent on consignment basis. The retailers, either in city or village, sell their fruit in cut pieces or in its original form at their booths or parlours to consumers.

Pineapple for fresh eating is allowed to ripen more than that intended for canning purpose and usually commands a higher price. Its grading however, does not count as much.

## II. Marketing of Pineapple for Canning and Canned Pineapple

Pineapple processing factories, particularly those of the Taiwan Pineapple Corporation, usually enter into contracts with the growers and collect the raw fruit at the collection sheds close to production centers or at the factories. The grading is strict while the price for each grade is comparatively uniform and stable. For canneries without entering into contract with farmers, their pineapple is bought at the transaction centers. The grading is not so strict and the price is more flexible, usually negotiated lot by lot.

Because of the discrepancy between the pineapple production and canning capacity on the island, the fluctuation of the canned pineapple price in the international market affects greatly the domestic price of raw pineapple, sometimes even jeopardizing the steady operation and quality control of the canneries. To remedy this situation, a price agreement plan was worked out by the canneries' guild and has been put into practice in recent years under the close watch by the government.

The factories handle the export themselves or sell their canned product to exporters for shipping abroad. Canned pineapple is also sold to canned food wholesalers in cities who in turn distribute to food retailers. The main foreign markets for Taiwan canned pineapple are Japan and Western Europe.

Strict inspection of canned pineapple is carried out by the government and at present only twenty canneries are licensed to produce canned pineapple for export with high quality cans supplied by the government. Only export surplus and products processed by canneries not licensed by the government are available for domestic consumption, which amount to around ten percent of the total production.