Required Report: Required - Public Distribution **Date:** April 05, 2023

Report Number: TW2023-0015

Report Name: Grain and Feed Annual

Country: Taiwan

Post: Taipei

Report Category: Grain and Feed

Prepared By: Oscar Lin

Approved By: Erik Syngle

Report Highlights:

Taiwan's domestic wheat production, 4,000 MT in MY2022/2023, is dwarfed by imports at 1.4 MMT for the current MY. Australia is expected to further recover wheat market share from the United States due to competitive pricing and production recovery. Since February 2022, Taiwan removed the import tariffs for wheat and waived business taxes on imported wheat, corn, and soybeans. MY2023/2024 corn imports are forecast at 4.5 MMT, while MY2022/2023 corn imports are estimated 4.4 MMT. In 2022, the United States lost market share to Argentina and South Africa due to lack of competitiveness in bulk shipments, though containerized shipments improved U.S. market share in the second half of 2022. Taiwan feed demand is reduced by HPAI but should recover later in 2023. MY2023/2024 rice production is forecast to slightly recover to 1.1 MMT as Taiwan continues to manage rice production to match consumption. MY2022/2023 rice production is estimated to decline slightly to 1.095 MMT, as drought may soon become an issue.

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Wheat

Production

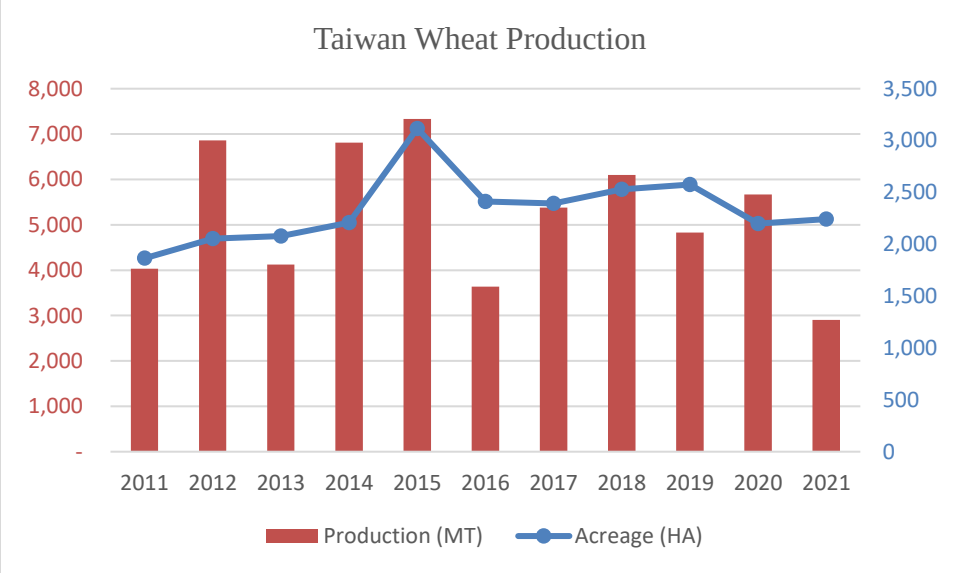
Taiwan produces a small amount of wheat with planting in November and harvest in March of the following year. Currently, 80 percent of planted area is in Kinmen County which is contracted for use as ingredients producing alcohol from seed produced in mainland Taiwan.

MY2023/24 wheat production is forecast to recover to 5,000 MT matching the average yield increase.

Kinmen suffered from two consecutive years of drought in MY2019/2020 and MY2020/2021, resulting in reduced yields. With adequate rainfall in the early half of 2022, production in Kinmen is expected to recover. Total production in MY2022/23 is adjusted downward to 4,000 MT.

In recent years, Taiwan Council of Agriculture's (COA) policy has been to encourage farmers to grow alternative grains instead of rice, including promoting domestic wheat production. Due to the distinctive challenges for growing wheat in Taiwan, focus is shifting to other grains including feed corn and sorghum. Planting area has fluctuated between 2,000 to 3,000 HA in the last ten years; production varies due to fluctuations in yield.

Exhibit 1: Taiwan Wheat Production, 2011-2021



Source: COA

Taichung Choice #2, a medium protein hard red wheat variety that was initially bred nearly four decades ago remains the dominant variety cultivated in Taiwan. This is the case despite newer varieties being developed by COA's Taichung District Agricultural Research and Extension Station (DARES),

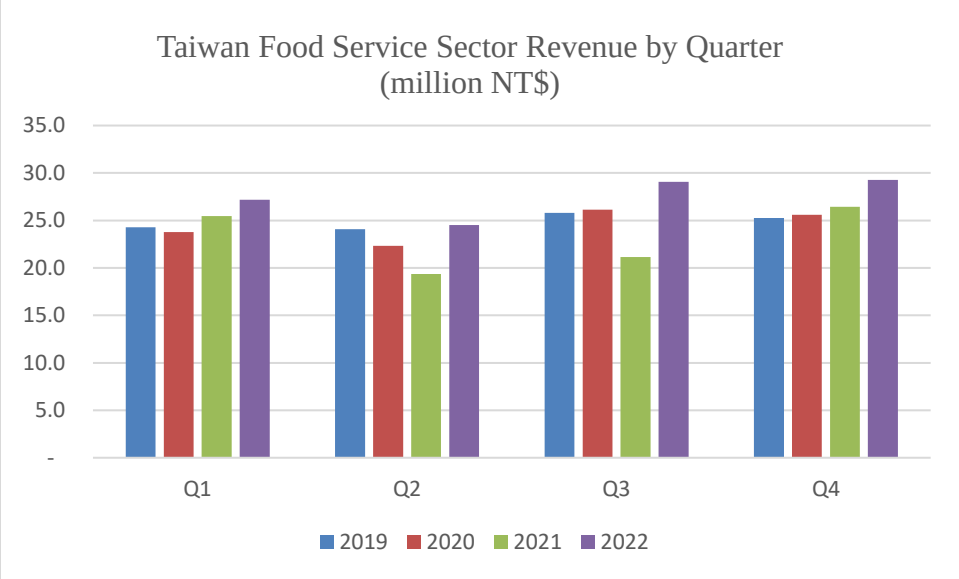
including a low protein white variety Taichung #35 (2017) and a medium protein white variety Taichung #36 (2019).

Consumption

Domestic consumption in MY2022/23 was boosted by pandemic recovery due to Taiwan's high vaccination rate and the success of gradually relaxing control measures despite a short scare due to a surge in infections at the end of MY2021/2022 from April to June.

According to the Ministry of Economic Affairs (MOEA), Department of Statistics, food services sales (which includes restaurant, catering, and beverage shops) grew each quarter in CY2022 over 2021 and even surpassed pre-COVID 2019.

Exhibit 2: Taiwan Food Service Sector Revenue, 2019-2022



Source: MOEA

In recent years, per capita wheat consumption has increased as Taiwan's increasingly sophisticated consumers demand more diverse offerings. Taiwan has a vibrant baking industry including some high-profile award-winning bakers. Besides western style wheat products, Taiwan's consumers also have access to a diverse range of traditional cuisine wheat products including noodles, buns, and dumplings.

However, Taiwan's population is expected to peak soon (in fact may have already) due to an aging population and low birth rate, which will likely offset some of the long-term gain in consumption. Health-conscious consumers are also exploring gluten-free options influenced by consumers in the west.

According to COA statistics for 2021, per capita annual wheat consumption increased 1.6 percent to 36.7 kg while per capita rice consumption decreased 2.5 percent to 43 kg, a new low record for rice.

Taiwan's small amount of domestic-grown wheat is primarily contracted for Kinmen Kaoliang and almost exclusively utilized in liquor production. A minimal amount is used in flour production and marketed separately to promote its Taiwan-specific identity.

MY2022/23 and MY2023/24 FSI consumption are forecast to recover to 1.25 MMT. MY2021/22 FSI consumption is adjusted downward to 1.23 MMT based on lingering pandemic-related impacts on demand.

In 2022, approximately 30 percent of flour was used for noodles and 50 percent of flour was used for baking and steamed buns, according to local market sources. While the vast majority of wheat is milled into flour, about 12,000 MT of wheat was used for food fermentation including for soy sauce production. Taiwan's milling capacity is estimated at 2 MMT on an annual operating basis. Current capacity utilization is estimated to be around 60 percent.

Feed and residual consumption in MY2022/23 and MY2023/24 are forecast at 75,000 MT, similar to MY2021/22. Taiwan's animal feed production utilizes mainly corn and soybean meal with a limited amount of wheat. Wheat inclusion is dependent on price competitiveness against other grain alternatives. If wheat prices continue to stay elevated, it is expected that wheat use in feed will not expand.

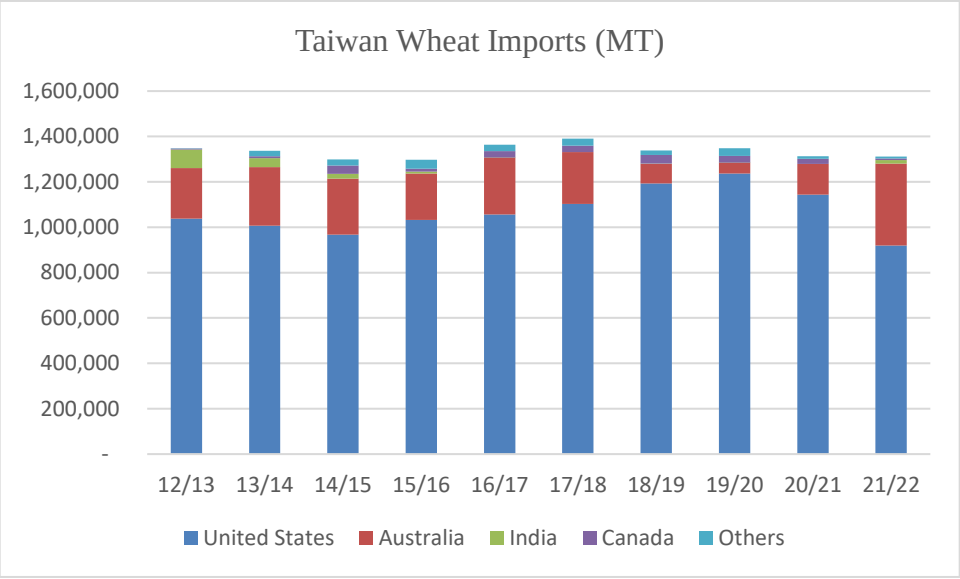
Trade

Taiwan imports 99 percent of its wheat demand while annual import volumes have fluctuated between 1.3-1.4 MMT in the last ten years.

The United States has historically been the major supplier to Taiwan. U.S. market share of imports has been declining for two consecutive crop years (MY2020/21 and MY2021/2022) as imports from other origins, especially from Australia, gain back market share due to favorable harvests and competitive pricing.

Market sources report that Australian wheat remains price competitive and may continue to claim market share from U.S. wheat in MY2022/23. Containerized shipments from Australia accounted for about 27 percent of total imports in MY 2021/2022 while only 10 percent the previous MY.

Exhibit 3: Taiwan Wheat Imports by Marketing Year



Source: Trade Data Monitor, LLC

MY2022/23 and MY2023/24 wheat imports are forecast at around 1.3 MMT while all wheat (including wheat products converted back to wheat) imports are expected to be at 1.4 MMT.

MY2021/22 wheat imports were 1.39 MMT based on customs statistics, of which 1.24 MMT were wheat and 70,000 MT were imported as feed. Another 20,000 MT (Wheat Grain Equivalent, WGE) was wheat flour, while the rest were instant noodles and uncooked pasta.

Since December 2021, Taiwan's import tariff on wheat has been temporarily reduced from 6.5 percent to zero to address inflationary pressures on food prices. The market was further impacted in February 2022 as a consequence of Russia's invasion of Ukraine. The business tax on imported wheat (normally 5 percent) was waived starting in February 2022 along with imported corn and soybeans. Both measures have been extended numerous times with the latest round set to expire at the end of June 2023. These measures may provide some relief on domestic prices but are likely not enough to offset the global price increase.

Historically, the 6.5 percent tariff on wheat existed because of Taiwan's policy to protect its domestic rice industry, while imports of soybeans and corn, of which the majority are destined for feed use, are tariff free.

Wheat flours (HS1101), on the other hand, have a higher tariff rate at 17.5 percent to encourage the domestic milling industry. Flour and other processed wheat products including instant noodle and pasta accounted for less than 6 percent of total wheat imports after conversion.

The Taiwan Flour Millers' Association (TFMA) uses joint purchase tenders to import U.S. wheat in bulk vessels. In CY 2021, these purchases accounted for approximately 70 percent of all imports; 62

percent of U.S. wheat imported through group purchases was Dark Northern Spring (DNS), 26 percent was Hard Red Winter (HRW), and 12 percent was Soft White (SW) wheat.

Taiwan's wheat exports are split in the forms of wheat flour and pasta/instant noodles. The volume has been fluctuated between 70,000 to 80,000 MT (WGE) in recent years.

Stocks

Due to limited storage capacity and regular monthly shipments, Taiwan millers typically will not hold more than one to two months of stock to avoid production distribution due to shipment delays. Some individual millers also purchase containerized wheat from Australia and Canada to further optimize inventory.

Stocks are forecast at 224,000 and 229,000 MT in MY2022/23 and MY2023/24.

Wheat: Production, Supply, and Distribution

Wheat	2021/2022		2022/2023		2023/2024	
Market Year Begins	**Jul 2021**		**Jul 2022**		**Jul 2023**	
Taiwan	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	3	2	3	2	0	2
Beginning Stocks (1000 MT)	205	205	203	220	0	224
Production (1000 MT)	6	3	6	4	0	5
MY Imports (1000 MT)	1389	1389	1400	1400	0	1400
TY Imports (1000 MT)	1389	1389	1400	1400	0	1400
TY Imp. from U.S. (1000 MT)	887	887	0	0	0	0
Total Supply (1000 MT)	1600	1597	1609	1624	0	1629
MY Exports (1000 MT)	72	72	80	75	0	75
TY Exports (1000 MT)	72	72	80	75	0	75
Feed and Residual (1000 MT)	75	75	100	75	0	75
FSI Consumption (1000 MT)	1250	1230	1230	1250	0	1250
Total Consumption (1000 MT)	1325	1305	1330	1325	0	1325
Ending Stocks (1000 MT)	203	220	199	224	0	229
Total Distribution (1000 MT)	1600	1597	1609	1624	0	1624
Yield (MT/HA)	2.0	1.5	2.0	2.0	0	2.5

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2023/2024 = July 2023 - June 2024

Corn

Production

Taiwan MY2023/2024 corn production is forecast at 80,000 MT, a slight increase from MY2022/2023.

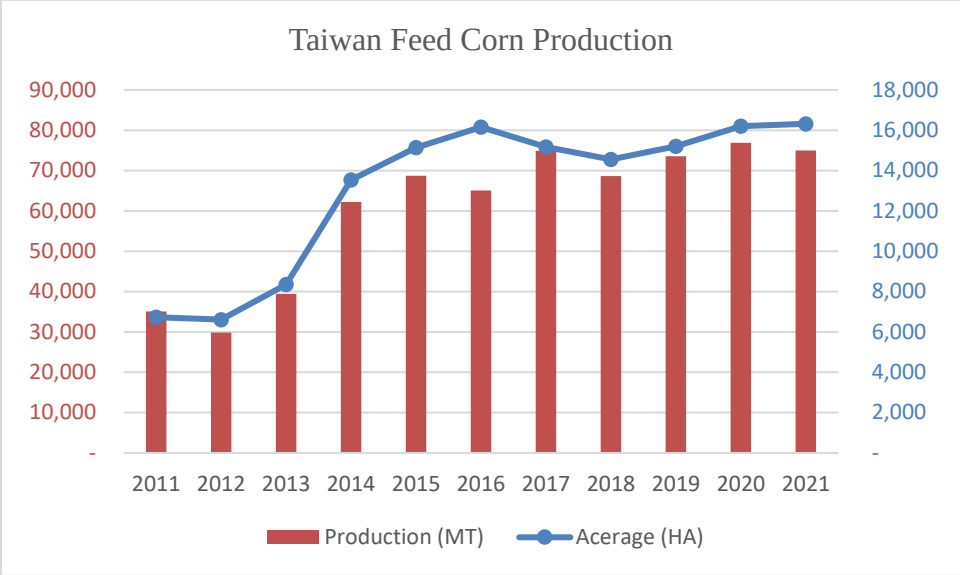
In early 2023, COA announced some early actions on fallowing rice production in southern Taiwan to conserve water due to drought conditions. These conditions are expected to persist into the year; corn planting may be impacted as well.

Since the start of the Russian invasion of Ukraine, food security concerns have been constantly highlighted in Taiwan's public discourse and media. COA's Agriculture and Food Agency (AFA) has used this opportunity to redouble its effort to increase field corn production domestically by encouraging acreage switch from rice to corn.

COA had set a target of 30,000 HA for feed corn production which included expanding field corn planting from 15,000 to 19,000 HA. Along with an additional of 10,000 HA of silage corn, it would bring total domestic corn area for feed close to the target. However, market sources indicate that field corn planting acreage fell short of the target for MY2022/23. In addition, due to poorer growing conditions this year, even with the acreage increase, production was estimated to be less than the previous year. The MY2022/23 corn production estimate is adjusted downward to 70,000 MT based on market estimates and production trends.

As mentioned above, COA has been encouraging farmers to grow alternative grains instead of rice through different support schemes. The doubling of domestic feed corn over the last decades can be considered a successful effort in this regard. Most field corn is planted as second crop which will be harvested from December through April. Nevertheless, domestic production is still trivial compared with Taiwan's total demand for corn.

Exhibit 4: Taiwan Feed Corn Production, 2011-2021



Source: COA

Consumption

MY2023/2024 total corn consumption is forecast to recover to 4.7 MMT as livestock restocking boosts demand. MY2022/2023 total corn consumption is estimated to decline to 4.4 MMT due to weakness in feed demand in the first half CY2023. MY202120/22 total corn consumption was 4.7 MMT, in line with previous estimates.

Taiwan corn consumption in feed use closely tracks annual feed production as corn is the major source for energy in feed. In CY2021, Taiwan feed production was 8.59 MMT with poultry feed and hog feed accounting for 48 percent and 43 percent, respectively.

Overall feed demand in 2023 will remain constrained, as poultry feed demand is unlikely to recover from Highly Pathogenic Avian Influenza (HPAI) losses until the second half of 2023.

Taiwan's on-farm production is concentrated in hog feed. Non-integrated hog farmers still prefer buying corn and soymeal separately versus commercially produced feed. As a result, commercial poultry feed production is higher than hog feed. As consolidation in the livestock industry continues, commercial feed is expected to gain against on-farm feed.

Exhibit 5: Feed Production (MMT)						
	Total Feed	Feed type	Hog feed		Poultry feed	
2017	7.62	Commercial	3.21	1.23	3.66	3.52
		On Farm		1.98		0.14
2018	7.71	Commercial	3.20	1.25	3.76	3.61
		On Farm		1.96		0.15
2019	8.63	Commercial	3.74	1.30	4.10	3.82
		On Farm		2.43		0.28
2020	8.64	Commercial	3.83	1.34	4.05	3.82
		On Farm		2.48		0.23
2021	8.59	Commercial	3.75	1.40	4.09	3.91
		On Farm		2.35		0.18

Sources: Council of Agriculture (COA)

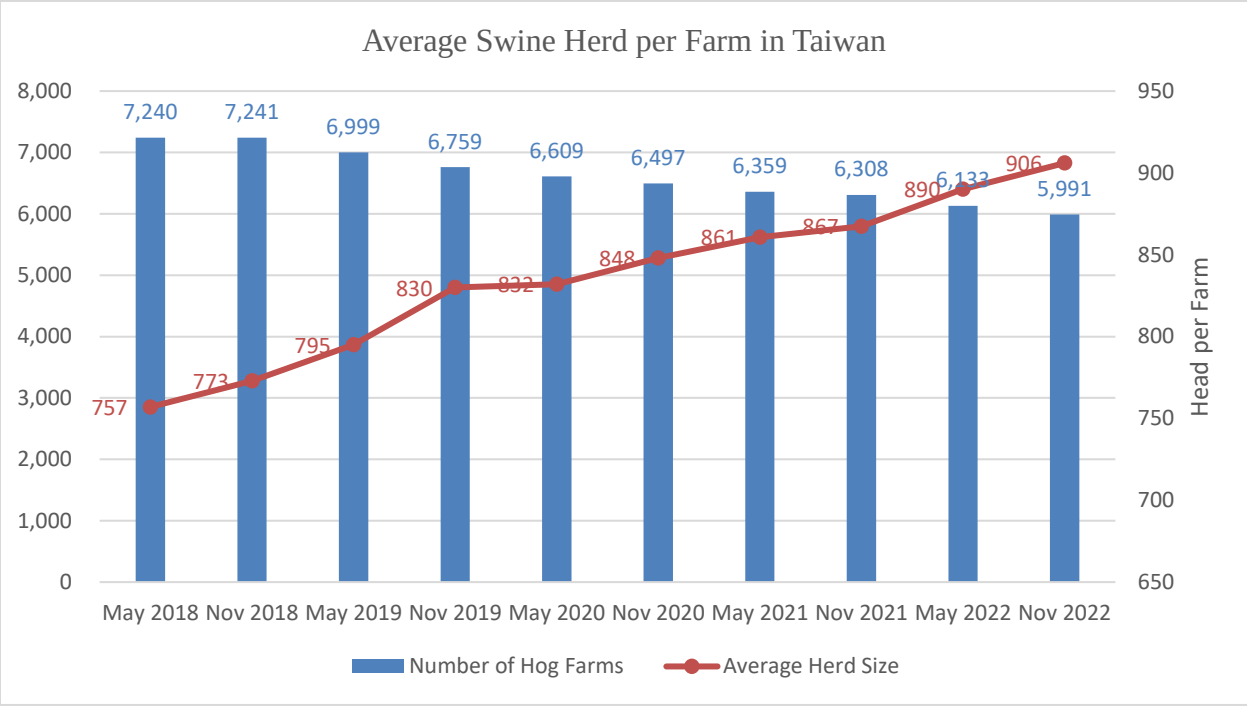
According to the latest survey by COA conducted in November 2022, 90 percent of hog producers in 2023 intend to keep their herd sizes similar to last year. Producers above 1000 head (currently accounting for 72 percent of total head) are expected to increase in proportion as small and less efficient operations go out of business. 95 percent intend to keep a similar scale as the previous year while the remainder split almost evenly on expansion and contraction.

Feed costs, although not as high as in CY2022, are likely to impact margins, and consolidation in the industry is expected to continue (see Exhibit 6).

Taiwan's successful efforts in preventing African Swine Fever (ASF) thus far have allowed the hog industry to operate as normal. New infections continue to appear across Asia; only Japan and Taiwan within the region remain free of domestic ASF cases.

Since June 2020, the World Organization for Animal Health (OIE) has recognized Taiwan as Foot and Mouth Disease- (FMD) free without vaccination. COA continued to put effort into getting Taiwan classic swine fever free status to pave ways for eventual reopening of fresh pork export. However, potential export opportunity is expected to be limited as Taiwan is unlikely to be competitive due to high production costs.

Exhibit 6: Hog Farms and Average Swine Herd Size in Taiwan



Source: COA

With poultry, Taiwan has been facing a supply shortage of eggs intermittently since the beginning of CY2022. The island is desperately in need of imported breeder chickens to rebuild and replenish both meat and egg poultry stock. However, as HPAI spread throughout the world in 2022, the supply of breeder chickens has been constrained. In November 2022, the first local case of H5N1 was first detected in a breeding duck farm in Yilan County. Since then it has spread within Taiwan. From January to March 2023, there were 30 reported cases of on-farm outbreaks further straining supply.

According to COA statistics, 23.6 to 24 million eggs are consumed daily in Taiwan. In late February/early March, daily production can only supply 22.2 million eggs. COA has encouraged egg imports to fill the gap, as well as importing egg-laying hens for replacement. Despite the short-term pressure on feed demand, the longer-term impact should be minimal as replacement and restocking will boost demand.

Demand for animal products was buoyed by domestic consumption from the pandemic recovery. Taiwan only started to remove its travel-related quarantine requirement in late 2022, which incentivized domestic consumption. With the government extremely wary of food inflationary pressure on consumers, a number of supportive measures on food producing and manufacturing, including business tax deductions on imported feed corn, were implemented to reduce the need for price increases, but also reducing the incentive for expansion in the sector.

Preliminary numbers from COA indicate both hog and poultry slaughter rates declined in 2022 with the rest of demand filled by meat imports.

Exhibit 7: Hog and Poultry Supply (Number of Animals Slaughtered)

Year	Hog (1,000 heads)	Poultry (Million birds)
2015	8,200	357
2016	8,144	379
2017	7,947	376
2018	8,073	393
2019	7,980	412
2020	8,184	420
2021 (revised)	8,034	400
2022 (preliminary)	7,844	399

Source: COA

Trade

MY2023/2024 corn imports are forecast to increase to 4.5 MMT due to recovering feed demand. Further growth in corn imports, however, is likely to be minimal as demand is constrained by Taiwan's limited opportunity for livestock expansion.

MY2022/2023 corn imports are estimated to decrease to 4.4 MMT. As HPAI continued to weigh on the domestic poultry industry in MY2022/2023 and the temporary shortage was unable to be fulfilled by restocking, imported meat products were substituted out for domestic feed demand. MY2021/2022 corn imports were 4.55 MMT based on customs statistics.

In MY2021/2022, U.S. bulk corn offers were uncompetitive against other origins, with most bulk vessels coming from Argentina, Brazil, and South Africa. As a result, a majority of imports from the United States came in by containerized shipment. U.S. market share dropped from 37 percent to 17 percent. Argentina and South Africa both increased market share at the expanse of the United States and Brazil.

In 2022, high agricultural commodity prices and freight costs, partly from the impact from Russian invasion of Ukraine, pressured feed manufacturers to increase feed price several times. Not until late MY2022/2023 did agricultural commodity prices appear to stabilize.

Taiwan's feed industry relies heavily on imports to produce feed. In February 2022, the government announced policies to waive the five percent business tax on corn and soybean imports as a measure to lessen the inflationary pressure from imports and stabilize feed prices to lessen the burden on the livestock and poultry industries. However, the reduction has been insufficient to offset the increased costs and the effects of a stronger U.S. dollar. The measure has been extended five times and is currently set to expire on June 30, 2023.

Market sources indicate feed prices remain elevated year-on-year (YoY) even with the latest decrease in February 2023.

Rumors that the tax waiver would end before January 2023 front-loaded some corn bulk imports, creating a temporary excess of stock. For the first three months (October to December) of MY2022/2023, imports by volume increased 11 percent YoY.

In CY2022, Taiwan imported 467,551MT of U.S. corn in containers, down 17 percent from 2021 (accounting for 62 percent of U.S imports). Containerized shipments were still impacted by the pandemic-related shipping logistics challenges including container availability, port congestion, and labor shortages.

Apart from corn, Taiwan also imports other grains and feed ingredients including DDGS and corn gluten meal, depending on the formulation's needs. These import volumes closely track availability and price competitiveness against corn.

In MY2021/2022, Taiwan imported 210,000 MT of DDGS ($73 million) with 99 percent from the United States. The DDGS import value was the highest in 10 years. However, the volume was still lower than ten-year average of 213,600 tons.

Taiwan's imported sorghum and barley volume were dominated by Australia. In MY2021/2022, Taiwan imported about 55,000 MT of sorghum of which 42,000 MT was from Australia. Sorghum imports are mainly utilized for liquor production (Kinmen *kaoliang*). Despite the Taiwan government effort to grow contracted sorghum to substitute for rice production in recent years, imports are still essential. For barley, Taiwan imported about 36,000 MT in MY2021/2022 of which 34,300 MT were from Australia. U.S. imports were 1,100 MT and solely for food use.

Taiwan imported negligible quantities of other coarse grains in MY2021/2022 including 125 MT of rye (HS1002) and 1,236 MT of millet (HS100829). There was no record of oat imports under HS 1004; most oat imports came in de-husked (HS 110422).

Exhibit 8: Imports of Other Feed Ingredients (in 1,000 tons)

Feed Ingredient/HS Code	MY 2019/20	MY 2020/21	MY 2021/22	Note
1003: Barley	40	30	36	
1007: Sorghum	40	56	53	
2302.10: Bran, sharps & residues of maize	21	24	21	Corn Gluten Feed
2303.10: Residues Of Starch Manufacture	39	44	42	Corn Gluten Meal
2303.30: Brewing Or Distilling Dregs & Waste	231	204	210	DDGS

Source: Taiwan Customs

Stocks

Feed millers and corn processors generally hold no more than one to two months of stocks. Containerized shipments are utilized to supplement bulk purchases to optimize stock levels and minimize inventory costs. Market sources expect stocks to remain flat as importers will continue to be conservative with future prices uncertain relative to current prices.

MY2023/20 24 corn ending stocks are forecast to be 629,000 MT. MY2022/2023 ending stocks are estimated at 749,000 MT, an increase over precious estimates due to lower feed consumption but sustained imports. MY2021/2022 ending stocks were 679,000 MT from COA statistics and distribution.

Corn: Production, Supply, and Distribution

Corn	2021/2022		2022/2023		2023/2024	
Market Year Begins	**Oct 2021**		**Oct 2022**		**Oct 2023**	
Taiwan	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	14	16	14	16	0	16
Beginning Stocks (1000 MT)	747	747	679	679	0	749
Production (1000 MT)	80	80	80	70	0	80
MY Imports (1000 MT)	4552	4552	4300	4400	0	4500
TY Imports (1000 MT)	4552	4552	4300	4400	0	4500
TY Imp. from U.S. (1000 MT)	799	799	0	0	0	0
Total Supply (1000 MT)	5379	5379	5059	5149	0	5329
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	4500	4500	4300	4200	0	4500
FSI Consumption (1000 MT)	200	200	200	200	0	200
Total Consumption (1000 MT)	4700	4700	4500	4400	0	4700
Ending Stocks (1000 MT)	679	679	559	749	0	629
Total Distribution (1000 MT)	5379	5379	5059	5149	0	5329
Yield (MT/HA)	5.7	5.0	5.7	4.4	0	5.0

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Rice

Production

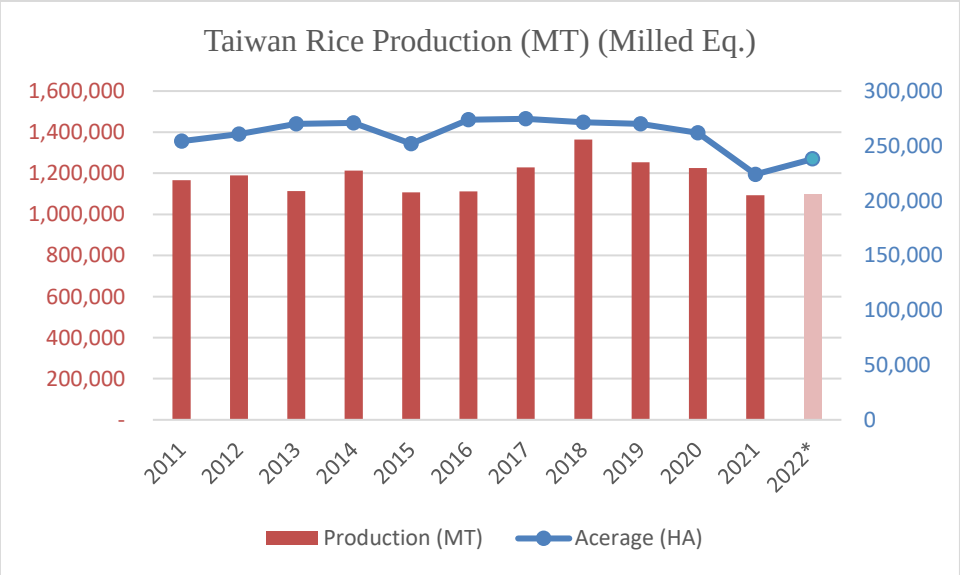
COA continues its policy of limiting domestic rice production to better match demand. Since 2021, COA has implemented a policy in which farmers can only grow rice three of out four crop cycles (over two years) for delivery to reserve and receive direct subsidies to manage Taiwan's rice stock. During the non-rice crop cycle, farmers can choose to maintain the land, grow rice under contract, grow non-rice crops, or receive a fallowing subsidy. Rice fields which are certified organic, environmentally sustainable, or with traceability are exempted from the rules.

MY2023/2024 rice production is forecast at 1.1MMT (Milled Rice Equivalent) as COA continues its efforts to manage rice production to better match consumption trends.

MY2022/2023 rice production is estimated at 1.095 MMT. In December 2022, it was announced that irrigation would stop for 19,000 HA of first crop rice in southern Taiwan (Chiayi & Tainan) as a preventive measure to conserve water. In recent history, Taiwan experienced a serious water drought from late 2020 through the first half of 2021. A record of 74,000 hectares of first crop rice had irrigation stopped to conserve water.

MY2021/2022 rice production was 1.097 MMT based on the latest production data from COA. Due to the new policy, there was only a slight production increase from MY2020/2021 (1.092 MMT) a year during which production was heavily impacted by the drought which caused harvest area to decline by 14 percent and production to decline by 10 percent.

Exhibit 9: Taiwan Rice Production by Volume, 2011-2022



Source: COA; 2022 is Post estimates*

Consumption

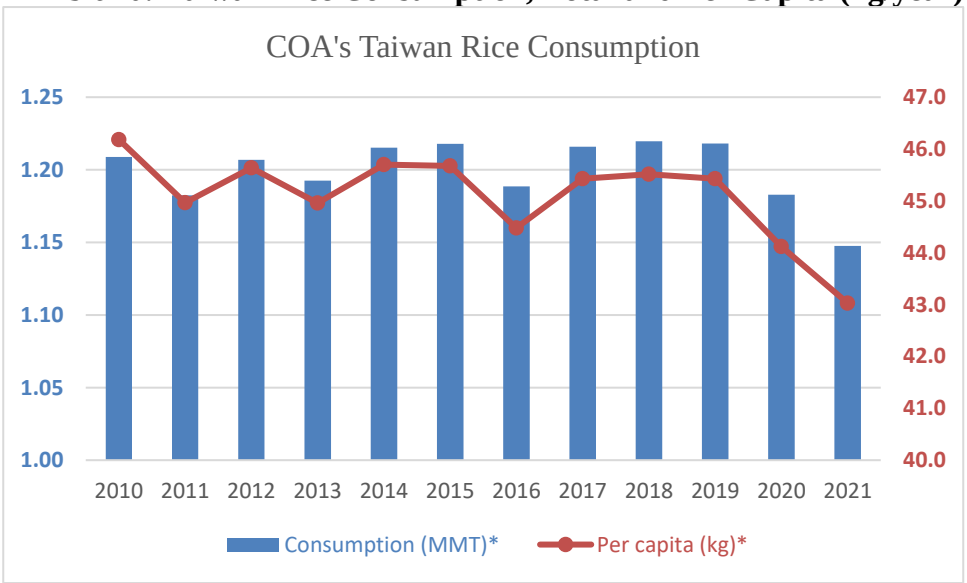
MY2022/2023 and MY2023/2024 rice consumption are forecast to be at 1.1 MMT, similar to MY2021/2022.

In MY2021/2022, increased economic activity due to the pandemic recovery boosted rice consumption from domestic travel and dining out as well as HRI sector. Taiwan's aging and decreasing population limits any potential consumption growth. Faced with gradually declining rice consumption and strong production, COA is under pressure to reduce publicly held rice stocks through exports, food aid, and feed and processing use.

COA also continues to promote increased rice consumption and alternative uses directly to Taiwan's populace, including promoting rice-derived products such as rice flour as a substitute for other flours. It remains to be seen how successful these efforts will be as Taiwan's mature consumers continue to value varieties in staple food consumption.

According to COA statistics, CY2021 (MY 2020/21) per capita rice consumption further decreased 2.4 percent to 43 kg, a new record low, while consumption for wheat and potato increased in the same period.

Exhibit 10: Taiwan Rice Consumption, Total and Per Capita (kg/year)



*Source: COA; * COA used brown rice basis to calculate per capita consumption*

Trade

Imports

Rice imports for MY2022/2023 and MY2023/2024 are forecast at 110,000 MT.

MY2021/2022 imports were 119,268 MT (MRE) based on customs data, an increase of 18 percent. Import data suggests that some of Taiwan's WTO quota was not fully filled. The increase in imports can be largely attributed to an increase in Australian imports, up from 546 MT to 15,675 MT due to Australia's better crop season. The volume from Australia was the largest since 2018.

Based on WTO commitments, Taiwan's negotiated worldwide Tariff Rate Quota (TRQ) for rice is 144,720 MT (brown basis). The TRQ is divided into private sector imports (35 percent) and public sector imports (65 percent). The public sector quota is divided by country of origin and tender type.

Generally, out-of-quota imports are not commercially viable due to prohibitively high tariffs. The tariff rates are NTD $45/kg (USD $1.58/kg) for brown rice and milled rice and NTD$49/kg (USD $1.73/kg) for processed rice products.

For the Country Specific Quota (CSQ) for U.S. rice in 2022, Taiwan's purchases completed 61 percent or 39,355 out of 64,634 MT on a brown rice equivalent basis. Due to limited supply and high prices, many U.S. tenders were not successful and went to other origins instead when unfilled portions turned into global tenders.

Exports

Exports in MY2022/2023 and MY2023/2024 (including food aid) are forecast to decline from MY2021/2022 levels down to 100,000 MT from the previous high of 141,000 MT.

Taiwan has exported more rice in recent years to relieve the pressure of rising rice stocks. COA will auction out old reserve rice to qualified exporters. As COA continues to optimize domestic production to better match production to consumption, the need to export surplus rice will likely be reduced.

MY2021/2022 rice exports are lowered to 140,522 MT (MRE) based on customs data. Papua New Guinea (51,344 MT) and China (18,323 MT) remain the two largest destinations for Taiwan's non-food aid exports. Exports to China, however, declined 73 percent from 67,126 MT YoY due to less supply and increased tension in the cross-Strait relationship. In MY2022/23, rice exports to China will likely remain at a minimum level.

According to AFA, about 16,000 MT were exports in the form of food aid, with Haiti as the largest recipient.

Stocks

MY2022/2023 and MY2023/2024 ending stocks are forecast at 623,000 MT and 633,000 MT, respectively. MY2021/2022 ending stocks were 618,000 MT based on preliminary COA production data and consumption estimates.

Most stocks are government held and acquired through the domestic government purchase program or TRQ public tenders. Despite decreased production due to drought in MY2020/2021, ending stocks did not change significantly.

In accordance to Article 5 of the Food Administration Act, Domestic Rice Safety-stock Standard (in Chinese) stipulates the government should keep at least 3 months stock of consumption in reserve. In recent years, actual stock levels are at least 2 to 3 times that amount. COA frequently points out that Taiwan's rice stock is ample whenever food security or supply chain disruptions capture public attention.

COA has utilized multiple approaches to reduce stocks, such as disincentivizing farmers to grow rice (discussed above), incentivizing rotation with other crops, providing rice as food aid, expanding export markets, promoting diverse processing use, and using aging stocks for animal feed. COA will also occasionally release reserve rice to livestock farmers of mashed brown rice from its reserve to be used in feed. COA will likely continue to maintain a modest amount rice stocks for food security purposes whether it is warranted or not.

Rice: Production, Supply, and Distribution

Rice, Milled	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jan 2022		Jan 2023		Jan 2023	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	260	238	255	230	0	230
Beginning Stocks (1000 MT)	643	643	671	618	0	623
Milled Production (1000 MT)	1200	1097	1197	1095	0	1100
Rough Production (1000 MT)	1714	1567	1710	1564	0	1571
Milling Rate (.9999) (1000 MT)	7000	7000	7000	7000	0	7000
MY Imports (1000 MT)	119	119	100	110	0	110
TY Imports (1000 MT)	119	119	100	110	0	110
TY Imp. from U.S. (1000 MT)	59	0	0	0	0	0
Total Supply (1000 MT)	1962	1859	1968	1823	0	1833
MY Exports (1000 MT)	141	141	150	100	0	100
TY Exports (1000 MT)	141	141	150	100	0	100
Consumption and Residual (1000 MT)	1150	1100	1150	1100	0	1100
Ending Stocks (1000 MT)	671	618	668	623	0	633
Total Distribution (1000 MT)	1962	1859	1968	1823	0	1833
Yield (Rough) (MT/HA)	6.6	6.6	6.7	6.8	0	6.8

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2023/2024 = January 2024 - December 2024

Attachments:

No Attachments