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**Report Highlights:**

Taiwan's overall demand for grain and feed is largely unchanged despite the COVID pandemic. The government of Taiwan took early action to control the spread of the disease, and increased retail demand made up for the temporary decline in the restaurant sector. Consumption and import levels for wheat and corn remained stable in MY 2019/20 and are forecast to stay at similar levels in MY 2020/21 and MY 2021/21. Imports of U.S. corn continue to decline in market share, losing ground to South American producers. Low rainfall and lack of typhoons in 2020 will lead to reduced rice production in MY 2020/21. Rice stock levels are expected to draw down in 2021 and recover in 2022. As Taiwan holds high stock levels of rice, therefore total supply will be minimally affected.

## Sources and Common Terms

### Acronyms in this Report Include:

AFA – Agriculture and Food Agency of Taiwan

AIT – American Institute in Taiwan

ASF – African Swine Fever

BOFT – Bureau of Foreign Trade of Taiwan

COA – Council of Agriculture of Taiwan

CSQ – Country Specific Quota

DDGS – Distiller’s Dried Grains with Solubles

FAS – Foreign Agricultural Service

FMD – Foot and Mouth Disease

FSI – Food, Seed, and Industrial

GOT – Government of Taiwan

HA – Hectares

MRL – Maximum Residue Limit

MT – Metric Tons

MMT – Million Metric Tons

MOEA – Ministry of Economic Affairs of Taiwan

MY – Marketing Year

TFMA – Taiwan Feed Manufacturers’ Association

TRQ – Tariff Rate Quota

TY – Trade Year

TDM – Trade Data Monitor

USDA – U.S. Department of Agriculture

All COA data in this report is from 2019 unless otherwise noted. COA national grain and feed data lags one year behind and is updated annually in August or September. All import data is taken from BOFT/MOEA unless otherwise noted. Annual rice production is based upon AFA’s annual rice survey report. Other data sources in the report are referenced directly.

For any questions on any information found in this report, please contact the Agricultural Section at the American Institute in Taiwan.

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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. MY2021/22 wheat production is forecast at 6,000 MT, flat in comparison with the previous two MYs. COA provides rice farmers incentives to grow corn, wheat, soybeans, and other coarse grains in rotation with rice to reduce import demand and decrease rice acreage. However, the impact of these subsidies on wheat imports is negligible due to Taiwan's limited arable land, subtropical climate, and more favorable rice subsidy program.

COA has a wheat breeding program to develop wheat varieties adapted to Taiwan's soil and climate. About 90 percent of wheat grown in Taiwan is Taichung Choice #2, a medium protein hard red wheat variety that was initially bred over three decades ago. In 2017, COA's Taichung District Agricultural Research and Extension Station (DARES) introduced a new variety named Taichung #35, a low protein white wheat with improved yield of 17 percent over Taichung Choice #2. DARES-bred variety Taichung #36 was released in 2019, a medium protein white wheat variety which is resistant to powdery mildew and lodging.

### Consumption

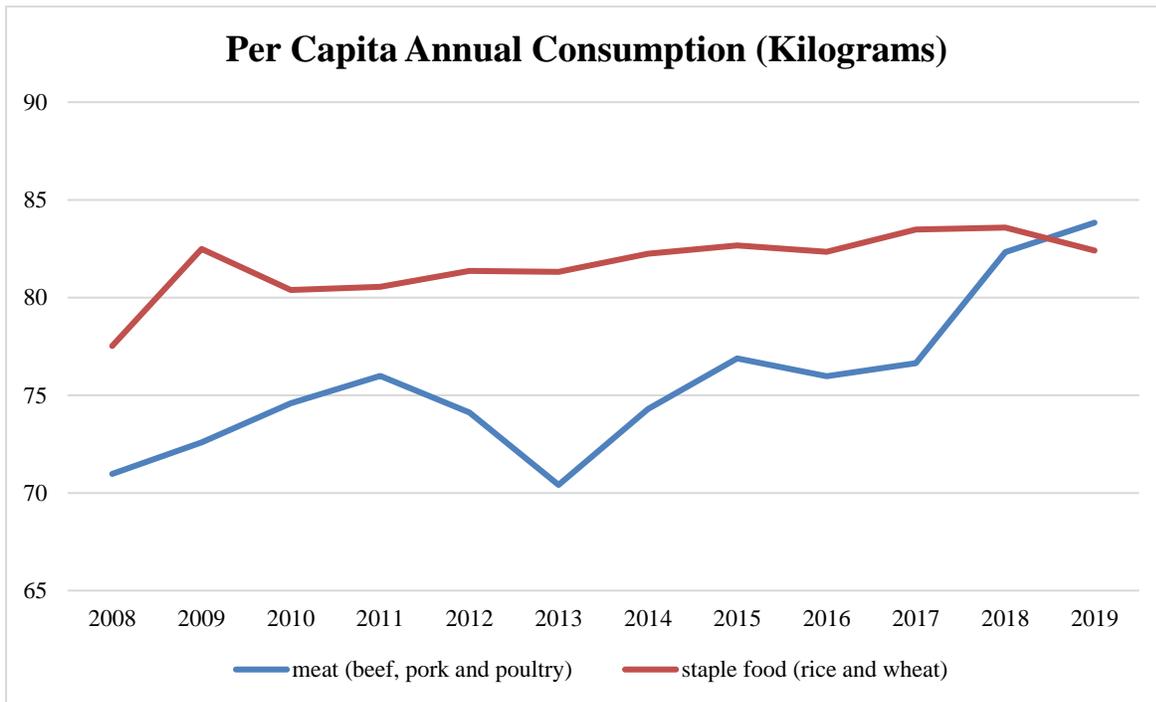
MY2021/22 wheat consumption is forecast stable at 1.325 MMT. MY2020/21 wheat consumption forecast is unchanged at 1.325 MMT based on COA statistics, MOEA flour production statistics, and consumption trends. MY2019/20 wheat consumption is increased 30,000 MT to 1.325 MMT based on COA statistics. The COVID-19 pandemic impacted wheat consumption in the early stage of the outbreak. However, because GOT took early action to effectively control the spread of the disease, the overall impact was minimized. Consumption loss in the restaurant sector was offset by increased retail sales, thereby keeping total consumption stable.

Relative to other grains, wheat consumption has been gradually increasing in Taiwan as people enjoy access to a diverse range of wheat-based products that meet consumer demands. Taiwan has a vibrant baking industry, with wheat noodles and buns being a particularly popular part of local dishes. However, demographic trends are expected to offset some of the recent increase in wheat consumption, as Taiwan's population is rapidly aging. Based on statistics from the Department of Household Registration of the Ministry of Interior, Taiwan's population hit a peak in 2019. 2020 marks the first year that the total population shows a decline from the previous year and demographic projections, based on birth rate, immigration, and other trends, indicate that this decline will continue.

According to COA statistics for 2019, per capita wheat consumption decreased 2.6 percent to 36.98 kilograms and per capita rice consumption decreased 0.4 percent to 45.43 kilograms. Consumption of staple food grains (rice and wheat combined) declined to 82.41 kilograms, while meat (beef, pork and poultry combined) increased to 83.83 kilograms, surpassing staple grains for the first time (see Exhibit

1). This reflects Taiwan’s changing eating habits, which include trending toward a Western diet and the increasing popularity of a low-carbohydrate diet.

**Exhibit 1: Taiwan Per Capita Annual Consumption (KG)**



Source: COA

MY2021/22 FSI consumption is forecast flat at 1.25 MMT. MY2020/21 FSI consumption is forecast to decrease 50,000 tons to 1.25 MMT (see explanation below). In 2020, about 23,000 MT were used for food fermentation (e.g., soy sauce and brewery), and most of the rest is milled into flour. According to market intelligence, approximately 30 percent of flour is used for noodles and 48 percent of flour is used for baking and steamed buns. Taiwan’s milling capacity is estimated at 2 MMT on a 24-hour/300-day operational basis. Current capacity utilization is estimated at 60 percent.

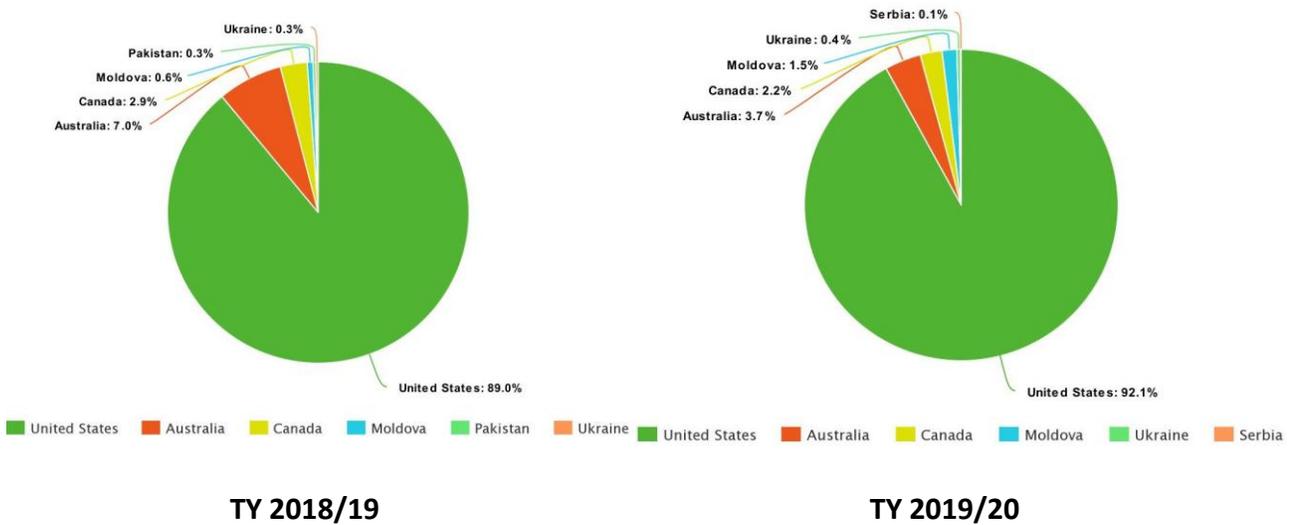
Feed and residual consumption in MY2020/21 and MY2019/20 are raised 50,000 MT to 75,000 MT based on historic COA statistics to properly account for wheat feed use. FSI consumption has been lowered for those years to subtract feed use and to reflect current COA statistics and MOEA flour production estimates.

**Trade**

Taiwan relies on imports for over 99 percent of its wheat, so imports closely track consumption. MY2021/22 wheat imports are forecast flat at 1.4 MMT. MY2020/21 imports are forecast to stable at 1.4 MMT based on COA statistics and consumption trends. MY2019/20 imports are increased 123,000

MT to 1.417 MMT based on customs statistics. Taiwan’s successful handling of the COVID-19 pandemic minimized the impact on consumption, while total demand remained at similar levels as the pre-COVID period.

**Exhibit 2: Taiwan Wheat Market Share by Trade Year (TY); Value in USD**



Source: TDM

Taiwan’s baking industry relies on imports to meet demand for wheat flour and dairy ingredients. As agricultural commodity prices and freight costs (see insert section) rose in 2020, this combined with challenges in transport/shipping logistics to increase cost pressure. Industry drew down stocks in the first quarter of 2021 and market observers anticipate price increases for bakery products in the near term.

The Taiwan Flour Millers’ Association (TFMA) uses group purchases to import U.S. wheat via bulk vessels. These purchases accounted for approximately 92 percent of imports in TY 2019/20. Containerized shipments from Australia and Canada accounted for about six percent (see Exhibit 2). In 2020, 56 percent of U.S. wheat imported through group purchases was Dark Northern Spring (DNS), 33 percent was Hard Red Winter (HRW), and 11 percent was low protein wheat.

Taiwan’s tariff on wheat (HS 1001) is 6.5 percent, and the tariff on flour (HS 1101) is 17.5 percent. This tariff structure is designed to protect and encourage the domestic milling industry. Flour and other processed wheat products account for only five percent of Taiwan wheat imports. Most of Taiwan’s wheat exports are flour and other processed products.

## Stocks

Millers typically hold at least one to two months of stocks to avoid operational disruptions. Stocks are forecast at 330,000 - 340,000 MT in MY2020/21 and MY2021/22.

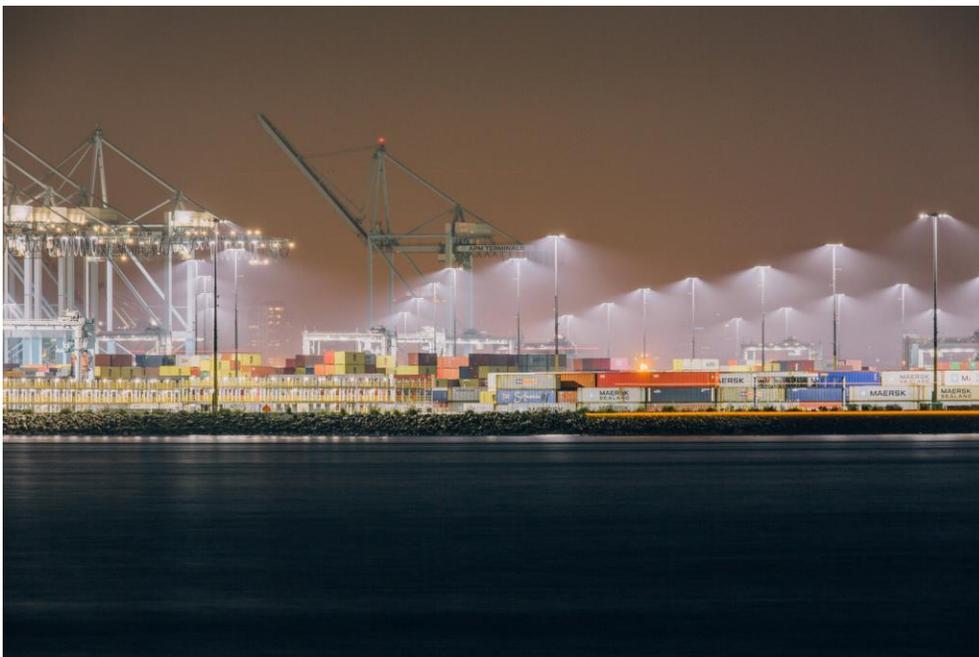
Wheat Market Begin Year  Taiwan	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	3	3	3	3	0	3
Beginning Stocks	327	327	248	340	0	336
Production	7	6	7	6	0	6
MY Imports	1294	1417	1400	1400	0	1400
TY Imports	1294	1417	1400	1400	0	1400
TY Imp. from U.S.	1134	1238	0	0	0	0
Total Supply	1628	1750	1655	1746	0	1742
MY Exports	85	85	75	85	0	85
TY Exports	85	85	75	85	0	85
Feed and Residual	25	75	25	75	0	75
FSI Consumption	1270	1250	1300	1250	0	1250
Total Consumption	1295	1325	1325	1325	0	1325
Ending Stocks	248	340	255	336	0	332
Total Distribution	1628	1750	1655	1746	0	1742
Yield	2.33	2	2.33	2	0	2

(1000 HA), (1000 MT), (MT/HA)

## Exporting to Taiwan – Recent Challenges: Shipping Containers and Port Disruptions

The global shortage of shipping containers and the resultant skyrocketing costs of sea transport is affecting Taiwan imports of U.S. agricultural products. The shortage of shipping containers, widely reported in the financial and mainstream media, is caused by high demand for empty containers in China and disinfection delays. This has driven up the cost of shipping as much as four or five times the usual rate. Shipping lines are choosing to rapidly ship empty containers from the United States to China rather than wait for them to be refilled. Industry contacts in Taiwan report that orders from Taiwan for competitively priced U.S. corn and soy in Q1 2021 are likely to be filled at 50 percent of the contracted volume because of this shipping bottleneck. At the major West Coast ports in the United States, COVID-related labor shortages and delays in turning over shipping vessels are further compounding the bottleneck.

On February 24, 2021, more than 70 agricultural organizations sent a letter to President Biden noting the impact of the shipping crisis on U.S. agricultural exports and requesting Executive action. Due to its small market size and port capacity relative to other economies in the region, Taiwan depends on containerized shipments of agricultural commodities, especially corn and soy.



**Production**

MY2021/22 corn production is forecast to increase 6,000 MT to 80,000 MT. MY2020/21 corn production is forecast to decrease 6,000 MT to 74,000 MT (based on COA estimates), as a result of low rainfall. Taiwan is experiencing abnormal weather; no typhoons hit the island in 2020, for the first time since 1964. This has led to worrying water levels at reservoirs across the island. As of this report, the major reservoirs in central and southern Taiwan hold less than 20 percent of capacity level. Taiwan is expected to continue to have low levels of precipitation until at least June 2021, the start of the next typhoon season.

In November 2020, GOT made the decision to stop irrigation in selected agricultural areas of Taoyuan, Hsinchu, and Miaoli Counties located in northern Taiwan. Rice is the most impacted crop (second season rice), though some coarse grains are also affected. In December 2020 and January 2021, GOT decided to further expand the areas of limited irrigation to Taichung County in central Taiwan, and Chiayi and Tainan Counties in southern Taiwan, impacting first season rice. COA announced a subsidy program to compensate for farmers' losses and provide financial assistance to farmers with difficulties repaying agricultural loans.

MY2019/20 production remains stable at 80,000 MT based on preliminary COA production statistics. COA provides incentives for rice farmers who rotate corn, wheat, soybean, and other coarse grains with rice to reduce import demand and rice acreage. However, it is not expected to significantly impact imports because Taiwan has limited arable land and crops other than corn are generally more profitable—particularly due to the subsidy program for rice.

**Consumption**

MY2021/22 total corn consumption is forecast to decrease 250,000 MT to 4.5 MMT. MY2020/21 total corn consumption is forecast to increase 100,000 MT to 4.75 MMT.

As of January 1, 2021, Taiwan established maximum residue limits for ractopamine in imported pork, put in place strict country-of-origin labeling measures, introduced additional testing/monitoring, and added other new requirements for imported pork products (see [GAIN TW2020-0040](#) and [TW2020-0046](#)). These measures combined with consumer concern and a negative media environment to increase demand for domestic pork and reduce demand for pork imports. Domestic hog production is forecast to increase slightly in 2021 in response. However, as global pork prices are expected to remain significantly lower than domestic prices (both for frozen pork and pork for many processing applications), thus imported products are likely to regain lost market share over time.

Corn consumption closely tracks total feed production, thus higher MY2020/21 total corn consumption is forecast. Since corn import volume is not expected to increase due to rising commodity and freight costs, stocks are forecast to stay at low levels. Pork imports are expected to rebound in late 2021, so MY2021/22 total corn consumption is forecast to reduce slightly. The Taiwan "Pork Industry Upgrade Fund" may lead to certain efficiencies in production and lower environmental impact, but it is not

expected to have a significant impact on the volume of production or feed consumption (see [GAIN TW2021-0015](#)).

MY2019/20 total corn consumption is flat at 4.65 MMT based on COA statistics. In March 2020, COA lowered the livestock production target in anticipation of depressed demand by the COVID-19 pandemic. However, GOT took early actions to effectively control the spread of the disease and the impact was minimized. Total livestock production remained stable in 2020.

Feed production is forecast to increase slightly to 8.5 MMT in 2021. Feed production in 2020 is estimated to decrease 330,000 MT to 8.3 MMT in 2020 based on preliminary COA statistics. Feed production in 2019 is revised up to 8.63 MMT based on COA statistics. Hog feed is increased to 3.74 MMT due to slightly increased hog volume, as well as COA's requirement since 2019 that only farms with certified heating facilities can use treated food scraps as pig feed (for the prevention of ASF). Based on 2019 COA statistics, poultry feed accounts for 48 percent of total feed, followed by hog feed at 43 percent. Dairy cows and aquaculture account for most of the remaining nine percent.

#### Feed Production (MMT)

	2016	2017	2018	2019(revised)	2020*	2021*
Total Feed	7.52	7.62	7.71	8.63	8.3	8.5
Hog Feed	3.26	3.21	3.20	3.74	3.85	3.95
Poultry	3.48	3.66	3.76	4.1	3.7	3.8
Others	0.78	0.75	0.75	0.79	0.75	0.75

Sources: COA (2016 - 2019). \* Post estimates (2020 and 2021)

Poultry production is forecast to increase slightly to 395 million birds in 2021. Poultry production is decreased by 29 million birds to 383 million birds in 2020 based on preliminary COA statistics. Although the impact from the COVID-19 pandemic was minimal, the volume of imported chicken increased in 2020.

Hog production is forecast to increase slightly to 8.22 million heads in 2021. Hog production is increased by 198,000 heads to 8.178 million heads in 2020 based on preliminary COA statistics. COA has been successful at combatting animal diseases in hogs and Taiwan has had no confirmed cases of ASF infection despite proximity to China. Furthermore, since June 2020 the World Organization for Animal Health (OIE) recognizes Taiwan as FMD-free without vaccination. COA is working to reopen export markets for local pork and pork products though classical swine fever still poses challenges to the goal of expanding fresh pork market access. The volume is also expected to be small because of high production costs and limited capacity to increase herd size.

**Pork and Poultry Production (Animals Slaughtered)**

Year	Pork (1,000 heads)	Poultry (million birds)
2014	8,067	370
2015	8,200	357
2016	8,144	379
2017	7,947	376
2018	8,073	393
2019 (revised)	7,980	412
2020 (preliminary)	8,178	383
2021 (target)	8,220	395

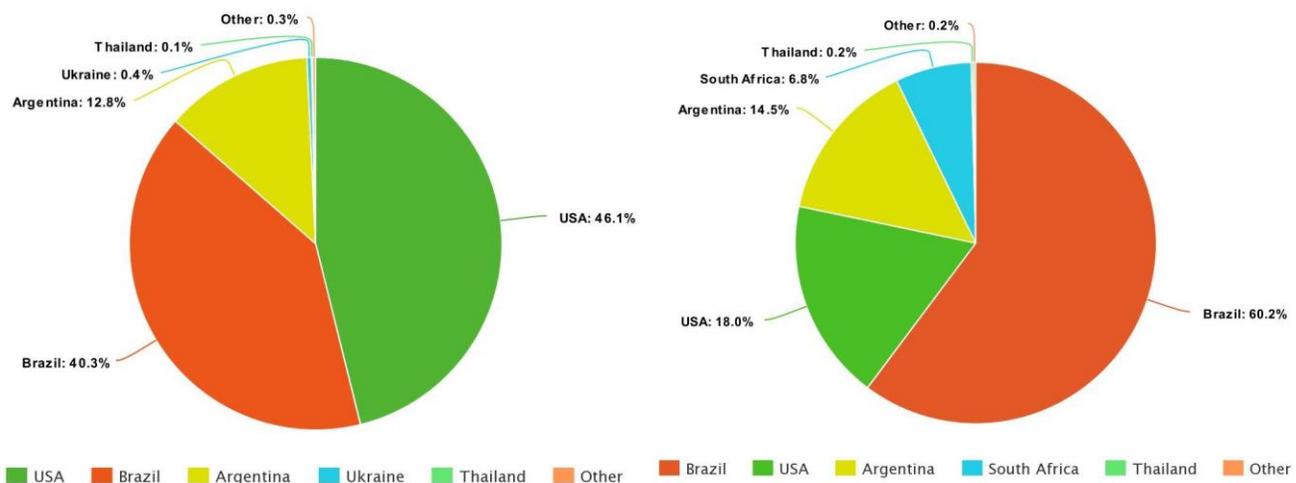
Source: COA

**Trade**

MY2021/22 corn imports are forecast to increase 100,000 MT to 4.4 MMT. MY2020/21 corn imports are forecast to decrease 100,000 MT to 4.3 MMT, based on COA statistics, MOEA feed production statistics, and import trends. Agricultural commodity prices and freight costs rose in 2020. Coupled with the challenges in transport/shipping logistics, import volume is expected to reduce slightly in 2021. Feed demand is expected to remain strong and stocks are forecast to stay at low levels.

Taiwan feed mills increased feed prices slightly in December 2020 and continued raising the price in the first quarter of 2021. High feed prices will force farmers to find ways to control costs, such as changing feed formulas to incorporate cheaper substitutes or reducing the number of animals on farms. Market sources anticipate that the price for local pork and poultry products will rise soon.

**Exhibit 3: Taiwan Corn Market Share by Trade Year (TY); Value in USD**



Source: TDM

**TY 2018/19**

**TY 2019/20**

U.S. market share in corn continues to steeply lose ground to South American producers. The United States accounted for 18 percent of Taiwan’s corn imports in TY2019/20, a decline of 28 percent from the previous TY (see Exhibit 3). Brazil accounts for 60 percent, and Argentina accounts for 14.5 percent in 2019/20. Corn from South America was very competitive in 2020 due to large production and competitive prices. U.S. corn imports were also negatively impacted by shipping container and exchange rate disadvantages (see both “Exporting to Taiwan” side pieces). About 14.4 percent of corn imports were shipped via container in 2020, and the majority of those came from the United States.

Corn faces some competition from other grains and feed products such as DDGS and corn gluten feed. Year-to-year import volume changes closely track with the price fluctuations, and feed inclusion rates for DDGS vary depending on relative prices. As an example, Taiwan imports most barley from Australia; the price is about 50 percent cheaper than U.S. barley. Taiwan imports most of its sorghum from China. The variety is waxy sorghum and used to produce the local spirit *kaoliang*. Australian sorghum has a similar quality for liquor production, but the price is less competitive. U.S. sorghum is not good for liquor production, thus Taiwan imports very little from the United States. The decline in Taiwan’s MY2019/2020 sorghum imports is mainly due to China’s reduced exports from strong domestic demand.

**Imports of Other Feed Ingredients (in 1,000 tons)**

Feed Ingredient/HS Code	MY2017/18	MY2018/19	MY2019/20
1003: Barley	39	32	40
1007: Sorghum	65	70	40
2302.10: Bran, sharps & residues of maize (corn gluten feed)	21	24	21
2303.10: Corn gluten meal and feed	42	39	39
2303.30: DDGS	204	219	231

Source: Taiwan Customs

**Stocks**

Feed mills and corn processors generally hold one to two months of stocks. Feed mills use smaller container shipments and joint purchases to help manage stock levels and reduce inventory costs. MY2021/22 ending stocks are forecast to decrease 12,000 tons to 490,000 tons. MY2020/21 ending stocks are forecast to decrease 207,000 tons to 610,000 tons based on COA statistics and import and consumption trends. Industry sources expect stocks to stay at low levels due to increasing commodity price and freight cost.

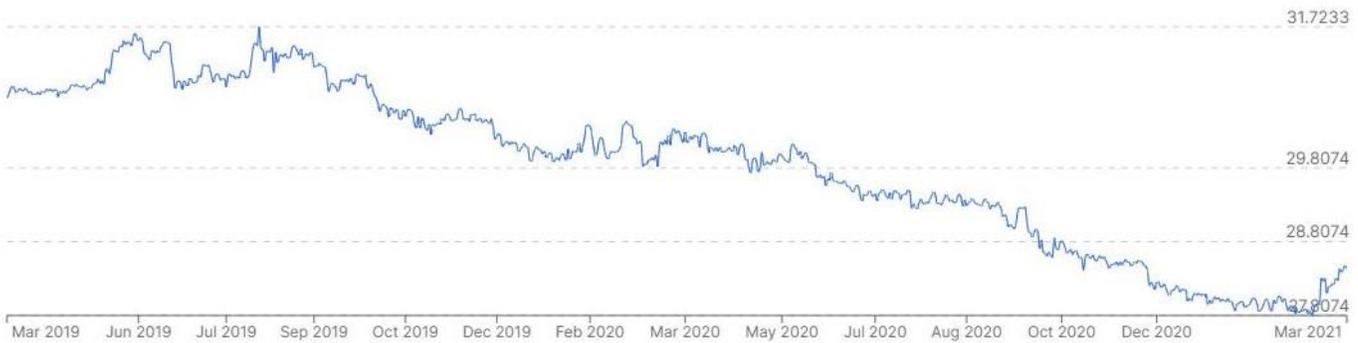
Corn Market Begin Year  Taiwan	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	14	14	14	13	0	14
Beginning Stocks	977	977	987	986	0	610
Production	80	80	80	74	0	80
MY Imports	4580	4579	4400	4300	0	4400
TY Imports	4580	4579	4400	4300	0	4400
TY Imp. from U.S.	782	789	0	0	0	0
Total Supply	5637	5636	5467	5360	0	5090
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	4500	4450	4500	4550	0	4400
FSI Consumption	150	200	150	200	0	200
Total Consumption	4650	4650	4650	4750	0	4500
Ending Stocks	987	986	817	610	0	490
Total Distribution	5637	5636	5467	5360	0	5090
Yield	5.71	5.71	5.71	5.71	0	5.71
(1000 HA), (1000 MT), (MT/HA)						

## Exporting to Taiwan – Recent Challenges: Currency Exchange Rate

The value of the U.S. dollar (USD) relative to the New Taiwan dollar (TWD) declined throughout 2020 and beyond, hitting a 10-year low in late February 2021 (see Exhibit 4). The value of the TWD climbed about 6 percent in 2020. In March 2021, GOT began to take steps to restrain the speed of TWD appreciation and reduce its foreign currency reserves.

For U.S. exporters of agricultural commodities, already facing with increasing shipping container costs and increasing price competition from South America, the exchange rate has placed them at a further disadvantage.

Exhibit 4: Value of 1 USD to TWD (NT\$); March 2019 – March 2021



Mar 21, 2019, 24:00 UTC - Mar 23, 2021, 01:36 UTC  
USD/TWD close: 28.4497 low: 27.7336 high: 31.7233

Source: XE.com

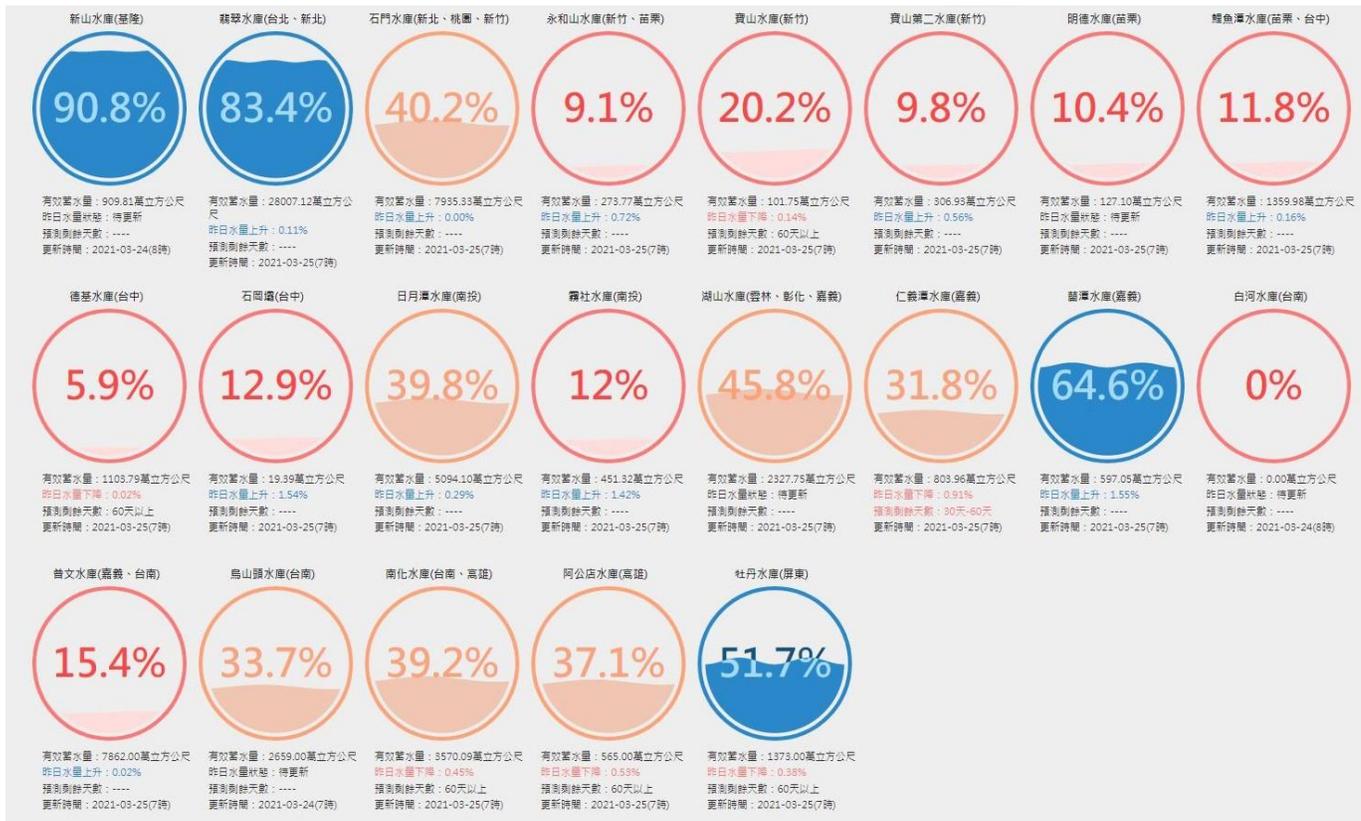
**Production**

MY2021/22 rice production is forecast to increase 301,000 MT to 1.2 MMT. MY2020/21 rice production is forecast to decrease 325,000 MT to 0.9 MMT based on COA rice production forecasts. The reduction is a result of low rainfall. Taiwan is experiencing abnormally dry weather, with no typhoons hitting the island in 2020 (unprecedented since 1964). This has led to worrying water levels at reservoirs across the island. As of the reporting date, the major reservoirs in central and southern Taiwan hold less than 20 percent of their capacity level. Taiwan is expected to continue to have low levels of precipitation until at least June 2021, the start of the next typhoon season. Another disappointing typhoon season would have a very serious impact on next season's production given the already low reservoir levels.

In November 2020, GOT made the decision to stop irrigation in selected agricultural areas of Taoyuan, Hsinchu, and Miaoli Counties located in northern Taiwan. Rice is the most impacted crop (second season rice), though some coarse grains are also affected. In December 2020 and January 2021, GOT decided to further expand the areas of limited irrigation to Taichung County in central Taiwan, and Chiayi and Tainan Counties in southern Taiwan, impacting first season rice. COA announced a subsidy program to compensate for farmers' losses and provide financial assistance to farmers with difficulties repaying agricultural loans.

For decades, Taiwan has struggled with excessive rice surpluses. In recent years, COA attempted to revise its rice support policies to reduce excess production and stocks. However, farmers strongly opposed any change to direct government rice purchases. COA issued [Instructions for Direct Payment for Rice Crops](#) (in Chinese) in 2018. The announcement offered NT\$13,500/HA direct payment for the first rice crop and NT\$10,000 for the second rice crop if farmers sell their crop commercially instead of to the government. As a result, rice farmers can choose between receiving a direct payment or selling their rice to COA. COA also offers subsidies to rice farmers to plant rotational crops or, in some cases, fallow their fields to reduce surplus rice production.

## Exhibit 5: Taiwan's 21 Reservoir Levels as of March 25, 2021 (percent full)



Source: [water.taiwanstat.com](http://water.taiwanstat.com)

### Consumption

MY2021/22 rice consumption is forecast flat at 1.15 MMT. MY2020/21 rice consumption is forecast to decrease 70,000 tons to 1.15 million tons based on consumption trends. MY2019/20 rice consumption is 1.15 MMT based on COA data.

Taiwan's aging and decreasing population limits any potential consumption growth. Faced with gradually falling rice consumption and strong production, COA is under pressure to reduce publicly held rice stocks through exports, food aid, and feed and processing use. Additionally, COA has been promoting increased rice consumption directly to Taiwan's populace. This effort has had limited success but may help slow down the decline of rice consumption. According to COA statistics, 2019 per capita rice consumption decreased 0.4 percent to 45.43 kilograms.

### Trade

MY2021/22 rice imports are forecast flat at 110,000 MT. MY2020/21 rice imports are forecast to decrease 5,000 MT to 110,000 MT based on import trends. MY2019/20 imports are 100,000 MT based on customs data. Taiwan's negotiated worldwide TRQ for rice is 144,720 MT. Generally, out-of-quota imports are not commercially viable due to prohibitively high tariffs. The tariff rates are NT\$45/kg

(\$1.58/kg) for brown rice and milled rice and NT\$49/kg (\$1.73/kg) for processed rice products. 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. Taiwan completed the full 2020 CSQ for U.S. rice, totaling 64,634 MT on a brown equivalent basis.

MY2021/22 and MY2020/21 rice exports are forecast flat at 90,000 MT, including food aid. Taiwan has exported rice in recent years to relieve the pressure of rising rice stocks. MY2019/20 rice exports are increased 42,000 MT to 222,000 MT based on customs data, of which food aid accounts for 24,610 MT. The increase in rice exports is due to the COVID pandemic; some rice exporting countries put in place temporary export restrictions during the peak of the outbreak. Since those restrictions are mostly lifted, Taiwan’s rice export is expected to return to normal level in 2021.

In 2002, GOT established guidelines for overseas rice donation for humanitarian purposes. Government agencies and registered non-profit organizations can submit their plan to COA to apply. COA will invite inter-agency review of factors including the status of the recipient areas, the recipient parties, and quantity of rice before giving consent. Recipients of Taiwan’s rice food aid are largely the small subset of nations that maintain official diplomatic relations with Taiwan. Frequent applicants to donate include the Ministry of Foreign Affairs, Tzu Chi Foundation, World Vision Taiwan, The Red Cross Society of Taiwan, and Rotary Club.

#### Taiwan 2020 Rice Food Aid Shipments

Recipient Destination	MT
Haiti	11,100
Honduras	5,440
Nicaragua	2,800
Guatemala	1,000
Sierra Leone, Rep. of	800
Philippines	760
Eswatini	630
South Africa	600
Cambodia	400
Zimbabwe	400
Other countries	680
<b>Total</b>	<b>24,610</b>

Source: COA

#### Stocks

MY2021/22 ending stocks are forecast to increase 71,000 MT to 361,000 MT. MY2020/21 ending stocks are forecast to decrease 351,000 MT to 290,000 MT based on COA production forecasts and consumption trends. MY2019/20 ending stocks are estimated to decrease 91,000 MT to 520,000 MT based on preliminary COA statistics and consumption estimates. The decreased stock level in

MY2019/20 and MY2020/21 is due to lower production associated with Taiwan's water shortage. Low rainfall is expected to persist until June 2021. If precipitation levels can return to normal in late 2021, production of the second season rice crop will increase and stocks will rise in 2022.

Most stocks are government held and acquired through the domestic government purchase program or TRQ public tenders. Except under very rare conditions, like severe abnormal weather, rice supply always exceeds demand. COA uses multiple approaches to reduce stocks, such as disincentivizing farmers to grow rice, incentivizing rotation with other crops, providing rice as food aid, expanding export markets, promoting diverse processing use, and using aging stocks for animal feed. According to feed miller industry sources, using rice in feed rations poses some challenges. They report a reluctance to use rice because it must be milled into broken rice, is difficult to store, and is an imperfect substitute for corn. COA is also researching other ways to use excess rice, like replacing wheat flour with rice flour to make bakery products and noodles. Despite these efforts, rice stocks will likely continue to grow unless Taiwan lowers subsidies for rice growers.

Rice, Milled Market Begin Year Taiwan	2019/2020		2020/2021		2021/2022	
	Jan 2020		Jan 2021		Jan 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	270	250	268	200	0	260
Beginning Stocks	627	627	611	520	0	290
Milled Production	1254	1165	1225	900	0	1201
Rough Production	1791	1664	1750	1285	0	1716
Milling Rate (.9999)	7000	7000	7000	7000	0	7000
MY Imports	110	100	115	110	0	110
TY Imports	110	100	115	110	0	110
TY Imp. from U.S.	0	54.5	0	0	0	0
Total Supply	1991	1892	1951	1530	0	1601
MY Exports	180	222	90	90	0	90
TY Exports	180	222	90	90	0	90
Consumption and Residual	1200	1150	1220	1150	0	1150
Ending Stocks	611	520	641	290	0	361
Total Distribution	1991	1892	1951	1530	0	1601
Yield (Rough)	6.63	6.656	6.53	6.425	0	6.6
(1000 HA), (1000 MT), (MT/HA)						

**Exchange Rate:**

US\$1 to NT\$28.47 on 03/22/2021

**Attachments:**

No Attachments