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## Taiwan

**Post:** Taipei

### South American Corn Makes Inroads into Taiwan Market

**Report Categories:**

Grain and Feed

**Approved By:**

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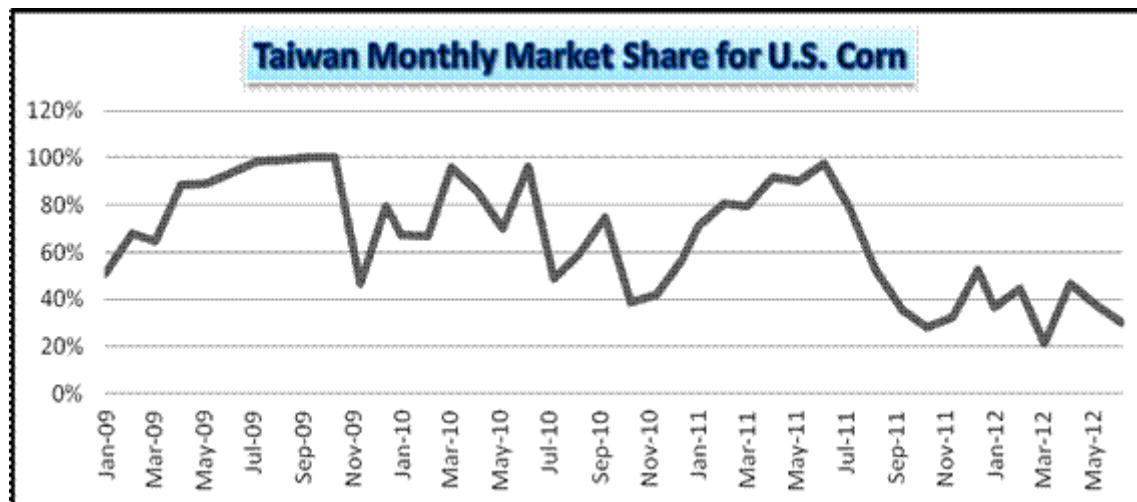
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**Report Highlights:**

This report contains revised projections for Taiwan's imports of U.S. corn in MY2011/12 and MY2012/13. Given the current price disadvantage for U.S. corn, the MY2011/12 and MY2012/13 numbers are revised downward to 1.50 and 2.10 million metric tons, respectively.

## General Information:



While U.S. corn had already lost its once dominant position in the Taiwan market, the price spread between U.S. and other origin corn in recent months has pushed Taiwan buyers to switch to other sources, particularly Brazil and Argentina, at an even faster rate. As a result, Taiwan's imports of U.S. corn during the first nine months of MY2011/12 (Oct-June) fell sharply to only 1.24 million metric tons (MMT) compared to 2.32 MMT during the same period in MY2010/11 (see table below for more detail.) With the continued price gap and greater supplies of South American corn, Post has revised downward the MY2011/12 import estimate to 1.50 MMT.

Similarly, given the negative outlook for the current U.S. corn crop and projected larger supplies of competitively-priced South American corn, Post has lowered the MY2012/13 forecast for imports of U.S. corn to 2.10 MMT.

In addition to the current price advantage, local industry sources also note that Brazilian corn contains less moisture with approximately 0.5 to 1.0 percent higher protein and more desirable color attributes for Taiwan poultry feed formulations. Another factor that has helped erode the United States' once dominant market position is a growing trend among Taiwan importers to diversify suppliers. With this sharp decline in imports of U.S. corn, the U.S. share of the Taiwan corn import market is expected to fall to only 36 percent for MY2011/12 -- a record low U.S. market share.

In response to high world corn prices, Taiwan authorities recently announced the release of about 50 TMT of old stock rice from public warehouses for feed use. This decision will have no impact on our estimate of total corn imports in MY2011/12, however, as Post's previous estimate had already anticipated 90 TMT of feed quality rice substituting for feed corn. Post will continue to monitor for any news on the release of additional quantities of feed quality rice.

**Taiwan: Corn Imports for Oct-Jun MY2009/10 - MY2011/12  
(MMT)**

Country	MY2009/10	MY2010/11	MY2011/12
<b>Total</b>	3.14	3.39	3.29
<b>U.S.</b>	2.42	2.32	1.24
<b>Brazil</b>	0.56	0.89	1.39
<b>Argentina</b>	0.13	0.05	0.34
<b>India</b>	0.02	0.07	0.20
<b>Ukraine</b>	0.01	nil	0.07
<b>South Africa</b>	nil	0.05	nil

**Revised PSD Table for Corn (1,000 HA/1,000 MT):**

Corn Taiwan	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	5	5	7	7	9	9
Beginning Stocks	498	498	383	447	396	415
Production	27	27	38	38	47	47
MY Imports	4,183	4,322	4,200	4,150	4,300	4,250
TY Imports	4,183	4,322	4,200	4,150	4,300	4,250
TY Imp. from U.S.	2,781	2,828	0	1,500	0	2,100
Total Supply	4,708	4,847	4,621	4,635	4,743	4,712
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	4,100	4,180	4,000	4,000	4,100	4,100
FSI Consumption	225	220	225	220	225	220
Total Consumption	4,325	4,400	4,225	4,220	4,325	4,320
Ending Stocks	383	447	396	415	418	392
Total Distribution	4,708	4,847	4,621	4,635	4,743	4,712
Yield	5.	5.4	5.	5.4286	5.	5.2222
TS=TD		0		0		0
Comments						
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