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Update on Taiwan's 2013 Rice CSQ Tender Implementation

Report Categories:

Grain and Feed

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Report Highlights:

The first normal tender of the 2013 U.S. rice CSQ for 10,034 MT of medium/short grain brown rice failed the October 1st tender. Its second tender is scheduled for October 22. As of reporting date, with exception of 2,500 MT of Egypt-origin rice, Taiwan has completed all simultaneous-buy-sell (SBS) tenders of the 2013 rice CSQ, amounted to 50,300 MT. Tender GF4-102-098 for 2,500 MT of Egypt-origin rice has already failed three tenders. Its fourth tender has been scheduled for November 6 on a global basis, without country specification.

General Information:

As of reporting date, Taiwan has announced two normal tenders for 10,034 MT of USA-origin rice and 2,234 MT of Australia-origin rice. As for simultaneous-buy-sell (SBS) tender implementation, Taiwan has completed 95 percent of tenders.

Update on Normal Tenders

- GF4-102-110 for 10,034 MT of U.S.-Origin Medium/Short Grain Brown Rice

The tender failed its 1st tender on October 1 due to all offered bidding prices exceeding the pre-calculated ceiling level, with the lowest of the four bidding participants' offering NT\$21,496/MT (\$727.20/MT) on Duty Paid Delivery (DPD).

The 2nd tender has been scheduled for October 22 for delivery by February 10, 2014, to designated warehouses.

- GF4-102-111 for 2,234 MT of Australia-Origin Medium/Short Grain Brown Rice

The tender failed its 1st tender on October 11 due to offered bidding prices exceeding the pre-calculated ceiling level, with the lower of the two bidding participants offering NT\$21,750/MT (\$741.94/MT) on DPD. The 2nd tender has been scheduled for November 1 for delivery by February 20, 2014.

Results of SBS Tenders

- GF4-102-098 for 2,500 MT of Egypt-origin rice (failed 3 tenders; globalized)

Political instability in Egypt might be the cause of the failure of Egyptian rice tender. This tender has failed three previous tenders conducted on September 10, September 24 and October 8. The 2nd and 3rd tender failed because of absence of bid participations. After three failures, the 4th tender has been scheduled for November 6 on a global basis, without country specification.

- GF4-102-096 for 4,400 MT of Australia-origin rice (completed on the 2nd tender)

The tender completed at its 2nd tender on September 26. Three bidders participated in and succeeded the bid. Two of them received 1,500 MT each at markup price of NT\$4.805/kg (\$162.63/MT) or NT\$4.850/MT (\$164.15/MT), and the other was awarded 1,400 MT at markup price of NT\$4.870/kg (\$164.83/MT).

Its first tender was held on September 17. Three bidders participated in the bid, but tender failed due to offered bidding prices being lower than the pre-set price floor, with the highest offered markup price of NT\$4.776 /kg (\$161.21/MT).

- GF4-102-097 for 3,300 MT of Thai-origin rice (completed at the 1st tender)

The tender was completed at the first tender on September 17. Seven out of nine bid participants succeeded the bid, of which two received 80 MT and 500 MT at the same mark-up price of NT\$7.060/kg (\$238.81/MT), other two received 230 MT and 500 MT also at the same markup price of NT\$7.309/kg (\$246.71/MT), the other three were awarded 500 MT, 800 MT and 690 MT at respective markup price of NT\$ 7.509/kg (\$253.46/MT), NT\$8.909/kg (\$300.72/MT) and NT\$9.300/kg

(\$313.92/MT).

Exchange Rates of US Dollar to New Taiwan Dollar according to US State Department's Bureau of Sources Management

<u>New Taiwan Dollar</u>	<u>Quoted Date</u>
NT\$29.625	09/17/2013
NT\$29.545	09/26/2013
NT\$29.67	10/01/2013
NT\$29.315	10/11/2013

Table 1: Taiwan's 2013 Country Specific Quota (CSQ) for Public Sector Imports of Rice

Metric tons - brown rice basis
(Tender completion dates in parentheses)

Country	SBS Tender		Normal Tender	Total Rice CSQ Allotment
	1 st Tranche (delivery by 12/31/2013)	2 nd Tranche (delivery by 04/30/2014)		
Egypt	0	2,500 (globalized)	0	2,500
Thailand	5,000 (completed 12/19/2012)	3,300 (completed 09/17/2013)	0	8,300
Australia	5,000 (3,000 completed 01/04/2013; 2,000 completed 01/17/2013)	4,400 (completed 09/26/2013)	9,234 (in process)	18,634
USA	16,600 (completed 12/19/2012)	16,000 (completed 09/10/2013)	32,034 (in process)	64,634
Subtotal	26,600	26,200	41,268	94,068
Source: Taiwan Council of Agriculture				

