



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.07

Required Report - public distribution

Date: 07/15/2004

GAIN Report Number: TW4025

Taiwan

Grain and Feed

July 2004 Rice Update

2004

Approved by:

Eric Trachtenberg
American Institute in Taiwan

Prepared by:

Chiou-Mey Perng

Report Highlights:

Overall U.S. market share for imported rice slipped below 50 percent primarily because temporary conditions including the scheduling of medium-grain rice tenders late in the year and the specification of milled glutinous and brown long-grain rice in some public tenders. U.S. market share is expected to rise sharply as publicly tendered rice enters Taiwan later in 2004.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Taipei [TW1]
[TW]

U.S. Market Share Falls Temporarily

The U.S. market share for imported rice slipped below 50 percent primarily because temporary conditions. These include the scheduling of medium-grain rice tenders late in the year and the specification for milled glutinous and brown long-grain rice in some early public tenders. Since only 10 percent of the public rice has entered Taiwan, private sector imports have dominated the local trade so far this year.

As rice from the upcoming medium grain public tenders enters Taiwan, U.S. market share is expected to rise sharply. To give a more accurate picture of the Taiwan rice trade, two sets of tables are used in this report: One is based on actual total imports while the other combines the rice public tender contract results with private imports. The import-based tables illustrate what product has entered Taiwan while the contract-based tables more accurately reveal overall market share trends.

2004 Total Rice Imports: Private Sector Imports & Public Sector Contracts

Total Trade	Metric Tons	Import Share
U.S.A.	29,953	44%
Thailand	19,335	28%
Egypt	18,589	27%
Japan	80	<1%
Australia	49	<1%
Italy	2	<1%
Grand Total	68,008	100%
Quota Fill Rate	47% of 144,720 mt	

Note: Brown Rice Basis, includes Private Sector Imports and Public Rice Contracts
Milled rice is converted to Brown Rice at 1:1.15
Source: Taiwan Council of Agriculture, June 30 data

2004 Total Rice Imports: Private Sector Imports & Public Sector Deliveries

Total Trade	Metric Tons	Import Share
U.S.A.	7,603	17%
Thailand	17,635	40%
Egypt	18,589	42%
Japan	80	<1%
Australia	49	<1%
Italy	2	<1%
Grand Total	43,958	100%
Quota Fill Rate	30% of 144,720 mt	

Note: Brown Rice Basis, includes Private Sector Imports and Public Rice Deliveries
Milled rice is converted to Brown Rice at 1:1.15
Source: Taiwan Council of Agriculture, June 30 data

Private Sector Imports

As of June 30, private sector imports totaled 34,000 mt on a brown rice basis, resulting in a 67 percent of quota fill rate so far in 2004. Egypt captured a 54.6 percent of the total private imports, followed by Thailand with 41.7 percent, the United States 3.2 percent and Japan, Australia and Italy taking a combined total of 0.5 percent.

According to trade sources, Egyptian rice has been especially popular with importers because it is approximately \$100 cheaper per metric ton than U.S. rice and has a kernel size similar to Taiwan medium-short rice. The combination makes the Egyptian rice favored for blending with Taiwan rice -- and very profitable for local millers.

Glutinous rice accounted for 28 percent of total private imports because of the timing of the Dragon Boat Festival. The timing of the June 22 holiday before the first 2004 rice harvest increased imports of glutinous rice beyond normal levels. During most years, imports of glutinous rice are much lower because the Dragon Boat Festival comes after the rice harvest.

2004 Private Sector Rice Imports

Private Trade	Metric Tons	Import Share
U.S.A.	1,103	3%
Thailand	14,185	42%
Egypt	18,589	55%
Japan	80	<1%
Australia	49	<1%
Italy	2	<1%
Grand Total	34,008	100%
Quota Fill Rate	67% of 50,652 mt	

Note: Brown Rice Basis

Milled rice is converted to Brown Rice at 1:1.15

Source: Taiwan Council of Agriculture, June 30 data

Public Sector Imports

As of June 30, Taiwan has tendered and contracted for 34,000 mt, accounting for 36 percent of the 2004 public import quota. The United States has contracted to supply Taiwan with 28,850 tons of medium brown rice while Thailand will supply 3,000 tons of long grain milled glutinous rice and 1,700 tons of long brown rice. Imports continue to lag behind contracts: Only 6,500 mt of U.S. brown medium rice and 3,000 mt of milled glutinous rice have arrived in Taiwan. Current market share calculations do not include the remaining 60,518 tons of public tenders (64 percent) that have not been awarded.

It is expected that Taiwan will announce the next 20,000 mt public rice tender during the week of July 12, with the tender likely to be held around July 30.

2004 Public Sector Rice Contracts

Public Trade	Metric Tons	Import Share
U.S.A.	28,850	85%
Thailand	5,150	14%
Egypt	0	0%
Japan	0	0%
Australia	0	0%
Italy	0	0%
Grand Total	34,000	100%
Quota Fill Rate	36% of 94,068 mt	

Note: Brown Rice Basis

Milled rice is converted to Brown Rice at 1:1.15

Source: Taiwan Council of Agriculture, June 30 data

2004 Public Sector Rice Deliveries

Public Trade	Metric Tons	Import Share
U.S.A.	6,500	65%
Thailand	3,450	35%
Egypt	0	0%
Japan	0	0%
Australia	0	0%
Italy	0	0%
Grand Total	9,950	100%
Quota Fill Rate	10% of 94,068 mt	

Note: Brown Rice Basis

Milled rice is converted to Brown Rice at 1:1.15

Source: Taiwan Council of Agriculture, June 30 data

Results and Schedule for the 2004 Public Rice Tenders

Tender Number	Quantity/Type/Price	Date	Awarded by Origin
1st			
Glutinous long: GF4-930058 Glutinous short: GF4-930059 Medium: GF4-930060	*500 mt milled glutinous long at NT\$14,375/mt (\$437/mt) *No tender participants to 500 mt of milled glutinous short grain *8,850 mt of medium brown at NT\$14,196/mt (\$431/mt)	April 9	*Glutinous long –Thailand * Glutinous short-Incomplete * Medium grain-U.S.
Additional tender for glutinous rice Short: GF4-930059 (re-tendered) Long: GF4-930080	*No tender participants to re-tendered 500 mt of milled glutinous short grain *1,000 mt of milled glutinous long grain at NT\$14,025 (\$423.6/mt)	April 22	*Glutinous short-incomplete *Glutinous long-Thailand
Additional tender for glutinous rice Long: GF4-930088 Short: GF4-930089	*200 mt milled glutinous grain at NT\$13,995/mt (\$423/mt), and the other 1,300 mt at NT\$14,587/mt (\$441/mt) * No tender participants to 500 mt of milled short glutinous	April 28	*Glutinous long-Thailand *Glutinous short-incomplete
Additional tender for glutinous rice Short: GF4-930059-1	* No tender participants to 1,000 mt of milled glutinous short grain	May 7	*Glutinous short - canceled
2nd			
Medium: GF4-930116 & GF4-930117 (two tranches, 10,000 mt each) Long: GF4-930118	*20,000 mt of medium brown at NT\$11,275/mt, NT\$11,280/mt (\$337/mt) *1,700 mt of Long brown at NT\$12,392/mt (\$370/mt)	June 10	*Medium grain-U.S. *Long grain-Thailand
3rd	20,000 mt	July 30 (Est.)	
4th	20,000 mt	August	
5th	20,068 mt	September	
2004 Total Quota	Of the 94,068 mt, 36% had been tendered and 10% imported as of June 30		

Source Taiwan Council of Agriculture

Note: Rice measured on a brown basis exception for glutinous rice