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Oilseeds and Products

Annual Report 2007

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Report Highlights:

Taiwan's soybean imports are forecast at 2.2 to 2.3 million metric tons for the next two years. Taiwan's poultry production is expected to remain at current levels. Taiwan consumes approximately 1.7 million metric tons soybean meal for animal feed annually. Locally crushed soybean meal accounts for about 95 percent of the total. Locally crushed meal faces market challenges from imported soybean meal and DDGS as a substitute for soybean meal. Taiwan's demand for soybean oil from locally crushed beans remains strong, and soybean oil captured a 65 percent share, up by 4 percent, of Taiwan's total vegetable oil consumption in 2006. However, Taiwan's palm oil consumption is expected to increase due to trans-fat concerns in the HRI sector and for biodiesel processing.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Taipei [TW1]
[TW]

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Executive Summary

Taiwan's demand for soybean imports is estimated at 2.25 million metric tons for the coming two years. This is a ten percent decrease from MY2005/06. The projected decrease in soybean imports is attributed to an estimated 2 percent decrease in hog production and higher than usual soybean carry over stocks from MY2005/06. Taiwan advanced its soybean purchases when world soybean prices were rising in late MY2005/06. U.S. soybeans are likely to hold a 75 percent market share mainly due to improvement in 2006 U.S. soybean crop oil and protein content and partially due to increased use of backhaul containers for shipping. Containerized shipping provides new opportunities for U.S. producers and Taiwan importers.

Taiwan's swine sector is expected to remain stable and competitive with imported pork products. This is demonstrated in consistent levels of pork meat imports under HS0203 in previous years. An anticipated 2 percent downward adjustment in 2007 hog production is simply a consequence of an over supply in 2006. The local poultry sector, however, has been significantly affected by continued growth in poultry meat imports. U.S. poultry meat exports to Taiwan registered increases of 30 percent to 200 percent during the 2002-2005 period. Taiwan's Council of Agriculture reached consensus with the local poultry industry to strengthen competitiveness with imports by maintaining production at the current level. In recent years, production was adjusted downward to accommodate increased imports. Under the scenario that Taiwan's poultry production is able to remain at the current level, with no further declines, Taiwan's demand for soybean imports in the near future will remain at 2.2 to 2.3 million metric tons.

In MY2005/06, Taiwan consumed approximately 1.7 million metric tons of soybean meal to manufacture 7.58 million metric tons of animal feed. Locally crushed soybean meal accounted for about 95 percent of the total. The feed inclusion rate of soybean meal was estimated to decrease one percent from a year earlier due to a significant increase in distiller's dried grain soluble (DDGS) imports. Taiwan imported 100 thousand metric tons of DDGS in 2005/06, compared to 40 thousand metric tons a year earlier. Locally crushed meal faces market challenges from imported soybean meal and DDGS as a substitute for soybean meal. Any decrease in locally crushed soybean meal will translate into decreased demand for soybean imports.

Taiwan's total vegetable oil consumption in 2006 remained at the same level as the previous year. Soybean oil captured an additional 4 percent share to reach 65 percent due to an increase in locally crushed soybean oil supply and a decrease in new-to-market oil imports. In the near future, palm oil consumption is anticipated to increase. Palm oil will likely be used as a substitute for soybean oil in the HRI sector use due to trans-fat concerns over hydrogenated soybean oil. It is anticipated that Taiwan will have new demand for palm oil for biodiesel processing in the near future. Currently, there is a new biodiesel facility under construction.

Oilseed Situation and Outlook

1-1. General

Soybean imports are forecast to 2.20 million metric tons for 2006/07 and 2.25 million metric tons for 2007/08. A lower import forecast for 2006/07 is due a higher than normal carry over stocks from 2005/06.

1-2. Stocks and Containerized Shipments

Ending stocks in 2004/05 were very low due to new opportunities from containerized grain shipments to Taiwan. In 2005, there were 0.5 million metric tons of corn and soybean containerized shipments destined for Taiwan, and approximately 1.5 million metric tons in 2006. Containerized grain shipments in 2005 were arranged in good order and were highly praised by Taiwan importers for better quality grain and flexibility in shipping arrangements. This helped save capital investments by holding stock only at a level needed to secure import supply. In 2006, the rapid increase in containerized grain shipments brought new problems of delayed phyto certificates and shipments. Delays of phyto certificates led to many grain containers arriving at Taiwan ports of entry that couldn't clear Taiwan Customs. Rising world soybean price and delays in containerized shipments led to an increase in soybean imports via vessel shipments. As a result, 2005/06 end year stocks built up to 1.6 months of consumption from last year's 0.75 months. Containerized grain shipments in coming years are anticipated to adjust to a level between 2005's 0.5 million metric tons and 2006's 1.5 million metric tons.

1-3. Market Share: U.S. market share is expected to 70-75 percent

The United States had a 75 percent share of total 2005/06 imports, a 3 percentage-point increase from 2004/05, which was an 11 percentage-point increase from the prior year. In recent years, U.S. soybeans have been facing strong competition from South American soybeans. Price competition may stimulate additional interest in South American beans, or in less expensive soybean meal from India or the U.S. to substitute for locally crushed meal from imported soybeans. Despite these changes, the United States is expected to retain its leading position in the Taiwan soybean market because of increasing U.S. attention to quality, the year-round availability of U.S. soybeans, the reliability of U.S. supplies, and the new shipment method via backhaul containers. In addition, local crushers said, U.S. soybean quality in MY 2005/06 crop was improved in terms of higher oil and protein content.

1-4. PRC Trade

Taiwan still bans imports of PRC feed grains and soybean meal, but Taiwan hog farmers remain interested in alternative import supply from China in order to depress the local feed grain and soybean meal market prices whenever those prices are volatile. In September 2006, Taiwan hog farmers petitioned COA and succeeded in gaining permits to import feed corn from China during the period from November 28, 2006 to February 28, 2007. Although, soybean meal is not listed in the petition, Taiwan has allowed industrial associations of soybean food processors to import a small quantity of PRC soybeans for use in food processing on a special import permit basis. Taiwan imported 40 mt and 42 mt of soybeans from Mainland China in 2003 and 2004, respectively. Although no PRC soybean meal has been imported, Taiwan temporarily lifted the import ban on PRC soybean meal from November 18, 2003 to January 31, 2004. Over the next few years, these restrictions on soybeans and meal and/or other PRC agricultural products may be gradually relaxed.

1-5. Taiwan's Soybean Import Demand

Taiwan imports almost all of its soybeans, and its demand for soybeans is divided between food use, which is relatively constant, and crushing, which is getting more variable after Taiwan liberalized its meat import market in January 2005. Nevertheless, Taiwan still made the top four foreign market for U. S. soybean exports in 2005/06 and its locally crushed meal from imported soybeans still accounts for 95 percent of total soybean meal consumption.

1-5.1. Food Soybeans vs. Biotech Regulations

Although about 87 percent of soybeans are used for animal feed, Taiwan has a strong market for food use soybeans that is estimated at about 260 thousand metric tons. This represents a 5 thousand metric ton increase of IP beans to meet a new demand for fermenting "natto", healthy Japanese style fermented soybeans, and its further processed product, natto kainase. In addition to newly introduced natto products, most food use soybeans are consumed as tofu and soymilk, and the estimate is based on sales by crushers of sorted US#2 beans. Approximately 25 thousand metric tons of food beans were identity-preserved (IP), non-GM "food grade", and/or organic beans. Of this total, the US supplied about 16 thousand metric tons (a 33% increase over last year), Canada 6 thousand metric tons (a 50% increase), Australia 2 thousand metric tons (constant), and all other countries combined supplied the remaining one thousand metric tons (constant).

The market for non-biotech food grade soybeans grew at about 25 percent in 2005/06, due to a new use in natto and natto kitase manufacturing. It has been driven by adoption of mandatory bio-engineered food labeling requirements that came into effect on January 1st 2004 for some products and on January 1st 2005 for more processed products made of soybean and corn. Taiwan's draft biotechnology act requires that all GM products, in addition to current regulated corn and soybeans and products, be labeled. However, the draft act is still pending further interagency discussions. This draft act is unlikely to be finalized in the coming year.

It is anticipated that local demand for Non-GM, or IP beans will continue to increase. Reportedly, some major #2 bean distributors will occasionally enter the non-GM bean market in 2007. Taiwan's demand for IP beans for 2006/07 is anticipated to increase to 30 thousand metric tons - according to local tofu, soymilk and natto manufacturers.

1-5.2. Soybeans for Crushing vs. Situation and Outlook of Taiwan Livestock Sectors

The demand for soybeans for crushing is forecast to remain at about 2 million metric tons in 2006/07 and 2007/08, in line with local livestock production adjustments. Trade sources said that consumption of chicken drumsticks is increasing due to increasing import supply, which has depressed consumption demand for pork chops in the HRI sector. An increase in 2006 import of poultry meat products has not only depressed the local pork market, it also led to a 3 percent decline in poultry production.

However, the local swine sector has demonstrated it can compete with imported pork products, as imports have not increased in the past year (see table 9). Local hog production accounts for about 15 percent of Taiwan's total agricultural output and has been an important and profitable agricultural sector on Taiwan. The Council of Agriculture (COA) conducts hogs consensus survey twice a year, in May and November, respectively, to monitor the domestic pork market situation. According to survey results from November 2005 and May 2006 and auction market data, total hog production in CY2006 is predicted at 9.65 million heads, a 2 percent increase from a year earlier. Hog production increased along with an increase in the consumption of poultry meat as a substitute for pork meat, which led to declining domestic hog auction prices. Domestic per 100 kilogram-head hog auction prices started off at NT\$5,246 in January then continued to decline to the current price level at NT\$4,670, reaching the COA set break-even point of NT\$4,500. Hog farmers started complaining to COA since last September about poor margins due to the declining hog market price and increasing feed cost driven by high world feed grains prices. According to hog farmers, the break-even point should be adjusted upward to NT\$4,800. They believe domestic hog auction prices should fall in the range of NT\$5,000 and NT\$5,500. The decreasing local hog market price will depress imports of pork meat in early 2007 and adjust local hog production to a more comfortable level in 2005.

Despite the pessimistic atmosphere around Taiwan's livestock sector, COA announced its 2007 target poultry production to remain at the level of 2006, with no further adjustment downward to accommodate any potential increase of imports. Taiwan's poultry production strategic plan has changed to compete with imports by maintaining the current domestic production scale. However, industry views that both swine and poultry sectors will face further downward adjustments from COA target production levels to 9.5 million heads of hog and 368 million birds (see Table 9 & 10).

1-6. Meat Imports vs. Special Safe Guard (SSG)

Imported poultry meat is expected to be limited to HRI use. Imports of poultry meat are forecast to remain at 120 thousand metric tons, based on an estimated production level at 368 million birds, following consecutive steady import increases. U.S. poultry meat imports were valued at \$24 million in 2001 and increased to \$83 million in 2005. However, concerns over bird flu directed Taiwan authorities set a policy prohibiting killing and marketing birds at traditional wet markets. The prohibition on killing and marketing birds at wet markets is anticipated to take effect in April 2007. The COA production target of poultry for 2007 is likely to be adjusted downward further from the target production when the prohibition on wet markets begins in April 2007. This will also likely change local poultry consumption pattern to increase acceptance of imported high quality chilled poultry meat.

SSG triggers for poultry imports in 2007 are adjusted to higher import levels according to Table 8. However, trade sources said imports of poultry and pork meat products are not related to SSG triggers. The competitiveness of locally produced poultry and pork meat products are the key element. This means Taiwan needs a competitive feed industry, efficient livestock production technology and strong marketing tools and strategies to support local livestock sectors.

On the marketing side, in addition to promoting the freshness of locally produced meats, the local poultry and swine sectors are trying to increase their competitiveness with imported meat and poultry products by introducing a traceability system. Consumers can use an identification code to trace production information about the packaged poultry or meat products, such as who was the producer, where the animal was raised and processed, date of processing and the sanitary quality of the meat product, and what kind of feed was used etc. The traceability system is now applied to value added production.

Oilmeal Situation and Outlook

2-1. General

On Taiwan, locally crushed meal from imported soybeans accounted for 95 percent of total soybean meal consumption in the last two years, with a 3 percent decrease from the historical baseline. Crushers and feed millers, aiming to reduce feed cost, had imported larger than normal quantities of soybean meal from the United States and India over the last two years. They import soybean meal when locally crushed meal market prices are higher than world soybean meal prices and they increase usage of full fat soybean meal in their feed manufacturing when the global soybean price is comparatively lower than locally crushed soybean meal, and vice versa. It is anticipated that the market space for imported soybean meal as a substitute for locally crushed meal is likely to expand. In addition to imported soybean meal, locally crushed soybean meal is facing a market challenge from increasing imports of distiller's dried grain soluble (DDGS).

2-2. Consumption & Trade

Total feed demand is estimated at 7.58 million metric tons in 2005/06, and is forecast at 7.4 million metric tons in 2006/07 and 2007/08. These estimates are consistent with a 2 percent increase in hog production and a 3 percent reduction in poultry production in 2005/06, and forecast that hog production in 2006/07 and 2007/08 will fall back to the level of 2005. Forecast 2006/07 and 2007/08 poultry production remain at the level of 2005/06.

(Note: Feed demand is estimated based on a feed efficiency factor of 3.2 for hog and 1.7 for poultry, and a constant feed demand for other minor sectors in cattle and dairy and fishery combined.)

Taiwan's demand for feed in terms of soybean meal is forecast at 1.68 million metric tons in 2006/07 and 2007/08. Feed millers and livestock farmers source soybean meal from the lowest cost local supplies and they import when imported prices are competitive with locally crushed meal. In the previous two years, Taiwan imported approximately 60 thousand metric tons of high protein meal from the United States and 30 thousand metric tons of normal soybean meal from India. It is anticipated that Taiwan will continue to import about 90 thousand metric tons of soybean meal when world soybean meal prices are competitive with locally crushed meal. Soybean meal imports in recent years represent approximately 5 percent of total consumption and has potential to increase in the future.

Full fat meal and dehulled high protein meal with CP 47.5% or above remained popular, with a premium of NT\$0.7/kg over conventional soy meal with CP at 42.5%. The production of full fat soybeans is estimated at 300 thousand metric tons, unchanged from a year earlier, and dehulled soy meal is estimated to remain at 200 thousand metric tons because of imported high protein meal from the United States were at about the same in last two years.

(Note: Full fat soy soybeans are included as beans for crushing. Oil extraction rate is adjusted lower accordingly.)

2-3. Soybean Meal Inclusion Remains High but with a Minor Decrease due to Introduction of DDGS

The feed inclusion rate of soybean meal is estimated to decrease to 22.7 percent from a previous 24 percent of feed production in 2004/05. The feed inclusion rate of soybean meal is adjusted downward due to increase in distiller's dried grain soluble (DDGS) import supply, which substitutes for soybean meal and full fat soybean meal. In 2005/06 total DDGS imports are estimated at 100 thousand metric tons, of which only 17 thousand metric tons were imported under HS2303.30 on 3 percent tariff rate and the other 83 thousand metric tons were imported under HS2306.70 and HS2302.10 at a zero percent tariff rate. Taiwan Feed Industry Association has petitioned Taiwan authorities for zero tariffs on DDGS under HS2303.30, and it is expected that Taiwan authorities will grant zero tariff rate on DDGS imports soon to benefit local livestock sectors by increasing their competitiveness with pork and poultry meat imports.

In 2005/06, the use of other oil meals under HS2306 (note: DDGS imports under HS2306 were excluded) and HS2305 remains low and is estimated at 2.86 percent. This is a 0.06 percent decrease from a year earlier due to an estimated 60 thousand metric ton increase of DDGS over last year. The feed inclusion rate of fishmeal under HS2301.20 is estimated at 2.82 percent, a 0.34 percent decrease from a year earlier. A decrease of fishmeal imports or consumption indicates a possible decrease in fishery feed production in MY2005/06 due in part to chemical scandals in fishery products in 2006. Local feed mills have also started to introduce fermented full fat meal as a substitute for dairy products in feed rations. There are

no import statistics for milk powder under HS0402.2910 and whey under HS0404.1010 for feed use.

2-4. Kitchen Scraps as Renewable Hog Feed

An official survey on the hog inventory conducted in May 2005 revealed that 10 percent of Taiwan's 7.2 million head hog population is fed kitchen scraps. One year of observation found that kitchen scraps used as hog feed has existed for a long time on Taiwan. It is considered no immediate market threat to U.S. feed grain exports to Taiwan because Taiwan Animal Health and Inspection authority does not encourage further expansion of kitchen scraps to feed swine and Taiwan's environmental agency has agreed to not to promote kitchen scraps as a hog feed, due to concerns over animal health and safe pork meat supply.

Oil Situation and Outlook

3-1. General

Vegetable oil consumption in 2005/06 in Taiwan is estimated at 570 thousand metric tons, about the same level as the previous year (see Table 13). Soybean oil's market share increased 4 percentage points to fill the market gap created by decreased imports of new-to-market oils, while palm oil's share remained at about the same level due to relatively same market prices, compared to a year earlier (see Table 12). However, Taiwan's palm oil consumption is anticipated to increase due to growing trans fat concerns over hydrogenated soybean oil in the HRI sector use and a new use in biodiesel processing. Of the total soybean oil supply, imported soy oil decreased to 10 thousand tons due mainly to increased locally crushed supply taking away import opportunities. Total vegetable oil consumption for the coming two years is forecast to remain at the current level. It is anticipated that Taiwan maintains its relatively high level of oils and fats consumption of 25.11 kg per capita in the coming years. However, it has a potential cut back in a long run because a local diet survey conducted in 2004 revealed its Protein:Fat:Carbohydrate (PFC) ratio was 13:39:48, compared with the recommendation of 12:25:63.

3-2. Competition between Oils in 2005/06 (percent change compared to 2004/05)

There are three segments in the Taiwan vegetable oil market:

- 1) Market leaders: these are soybean oil and palm oil, with market shares of 65% (up 4%) and 25% (no change) respectively in 2005/06.
- 2) New-to-market oils: olive, canola, corn, sunflower, and safflower oils with a combined 7% share (down 4 %).
- 3) Traditional Chinese oils: peanut and sesame oil with a combined 3% share (no change).

Despite post-WTO tariff reductions for new-to-market oils (see Table 11), soybean oil and palm oil are expected to retain their market leading positions because of their widespread use in the HRI and food processing sectors and because of their competitive prices to new-to-market oils.

The relatively high prices of new-to-market oils have prevented them a gaining market share. In 2005/06, imports of new-to-market oils dropped by 4% due partially to conservative consumption attitude by general consumers who were affected by negative press reports about political and economic conditions. It is hoped that recent rising stock prices in the Taiwan exchanges and a better-than-anticipated economic performance, with an above 4 percent economic growth estimate for the coming year, will foster a more optimistic consumption attitude.

The tariff rates on soybean oil, sunflower oil, safflower oil, and corn oil are fixed at 5 percent, however the tariff rates on olive and canola oil will be reduced gradually to 0 and 4 percent,

respectively, by 2007. This is unlikely to increase market competition for olive oil and canola oil. This is because it a small size of the tariff reduction. In addition, olive oil is not well suited to Chinese cuisine and canola oil is under increasing scrutiny since it is derived from biotech crops. However, the increasingly health conscious Taiwan consumer may demand increasing quantities of NuSun oil, which is non-GM and has lower saturated fats, if their is sufficient supply for export markets.

3-3. Concerns over Trans Fat

Due to gradually increasing concern over trans fats, Taiwan may develop new demand for new soybean varieties characterized low linoleic acid soybeans to reduce trans fat content in soybean oil refining. The local press has picked up trans fat stories since 2005, and Taiwan's Bureau of Food Safety is currently working with academia and industry to establish standards for trans fat inspection methodology and labeling for fat and oils and food products. In mid 2006, Taiwan Sugar Company launched the first "No Trans Fat" labeled soybean oil. Reportedly, Kentucky Fried Chicken Chains on Taiwan announced it will gradually switch its oil to palm oil from hydrogenated soy oil beginning the end of 2006. The food industry's reaction to trans fat issue provides market potential for an expansion of palm oil imports to Taiwan.

3-4. Biodiesel

Taiwan has three small-scale batch type biodiesel facilities with a combined production capacity of 13 billion liter. The plants are running at about 10 percent capacity using recycled cooking oil and a small amount of feedstocks from government subsidized soybeans, rapeseeds and sunflower seeds produced on fallow rice land. Reportedly, there is a new continuous type facility under construction. This new facility is going to create a new use of palm oil in Taiwan's biodiesel processing.

At the present time, imports of biofuels are not subject to import regulations on petroleum products, but manufacturers and sellers of biofuels are subject to the same rules as that of petroleum products. Reportedly, the Taiwan Environmental Protection Administration is drafting Taiwan standards for biofuels. This movement further endorses a for-go signal in Taiwan biofuel policy.

Tables

Table 1: Soybean PSD

PSD Table

Country Commodity	Taiwan			Oilseed, Soybean			(1000 HA)(1000 MT)		UOM
	2005	Revised	Post	2006 Estimate	Post	Post	2007	Forecast	
Market Year Begin	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Post Estimate
		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Area Planted	0	0	0	0	0	0	0	0	0 (1000 HA)
Area Harvested	0	0	0	0	0	0	0	0	0 (1000 HA)
Beginning Stocks	71	146	71	130	141	269	145	0	209 (1000 MT)
Production	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Imports	2400	2210	2498	2400	0	2200	0	0	2250 (1000 MT)
MY Imp. from U.S.	0	1540	1867	0	0	1650	0	0	1685 (1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Supply	2471	2356	2569	2530	141	2469	145	0	2459 (1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Crush	2081	1960	2040	2120	0	2000	0	0	2000 (1000 MT)
Food Use Dom. Cons.	260	255	260	265	0	260	0	0	265 (1000 MT)
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Dom. Cons.	2341	2215	2300	2385	0	2260	0	0	2265 (1000 MT)
Ending Stocks	130	141	269	145	0	209	0	0	194 (1000 MT)
Total Distribution	2471	2356	2569	2530	0	2469	0	0	2459 (1000 MT)
CY Imports	2446	2210	2446	0	0	2300	0	0	2200 (1000 MT)
CY Imp. from U.S.	1769	1540	1769	0	0	1750	0	0	1700 (1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)

TS=TD

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Table 2: Soybean Meal PSD

PSD Table

Country Commodity	Taiwan Meal, Soybean			(1000 MT)(PERCENT)						UOM
	2005	Revised	Post	2006	Estimate	Post	2007	Forecast	Post	
Market Year Begin	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	
		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007	MM/YYYY
Crush	2081	1960	2040	2120	0	2000	0	0	2000	(1000 MT)
Extr. Rate, 999.9999	0.788083	0.816327	0.79902	0.787736	0	0.795	0	0	0.795	(PERCENT)
Beginning Stocks	29	123	29	50	123	29	60	0	29	(1000 MT)
Production	1640	1600	1630	1670	0	1590	0	0	1590	(1000 MT)
MY Imports	90	10	90	80	0	90	0	0	90	(1000 MT)
MY Imp. from U.S.	0	0	57	0	0	60	0	0	60	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	1759	1733	1749	1800	123	1709	60	0	1709	(1000 MT)
MY Exports	10	0	0	10	0	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Cons.	1699	1610	1720	1730	0	1680	0	0	1680	(1000 MT)
Total Dom. Cons.	1699	1610	1720	1730	0	1680	0	0	1680	(1000 MT)
Ending Stocks	50	123	29	60	0	29	0	0	29	(1000 MT)
Total Distribution	1759	1733	1749	1800	0	1709	0	0	1709	(1000 MT)
CY Imports	0	10	94	0	0	90	0	0	90	(1000 MT)
CY Imp. from U.S.	0	0	70	0	0	60	0	0	60	(1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
SME	1699	1610	1720	1730	0	1680	0	0	1680	(1000 MT)

TS=TD

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Table 3: Soybean Oil PSD

Taiwan

Oil, Soybean

2005 Revised			2006 Estimate			(1000 MT)(PERCENT) 2007 Forecast			UOM
USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
10/2005	10/2005	10/2005	10/2006	10/2006	10/2006	10/2007	10/2007	10/2007	MM/YYYY
2081	1960	2040	2120	0	2000	0	0	2000	(1000 MT)
0.171072	0.153061	0.177941	0.171226	0	0.1775	0	0	0.1775	(PERCENT)
30	40	30	26	40	30	39	0	30	(1000 MT)
356	300	363	363	0	355	0	0	355	(1000 MT)
25	80	10	35	0	18	0	0	18	(1000 MT)
0	0	0	0	0	0	0	0	0	(1000 MT)
0	0	0	0	0	0	0	0	0	(1000 MT)
411	420	403	424	40	403	39	0	403	(1000 MT)
0	0	0	0	0	0	0	0	0	(1000 MT)
0	0	0	0	0	0	0	0	0	(1000 MT)
15	15	15	15	0	15	0	0	15	(1000 MT)
370	365	358	370	0	358	0	0	358	(1000 MT)
0	0	0	0	0	0	0	0	0	(1000 MT)
385	380	373	385	0	373	0	0	373	(1000 MT)
26	40	30	39	0	30	0	0	30	(1000 MT)
411	420	403	424	0	403	0	0	403	(1000 MT)
0	0	41	0	0	0	0	0	0	(1000 MT)
0	0	22	0	0	0	0	0	0	(1000 MT)
0	0	0	0	0	0	0	0	0	(1000 MT)
0	0	0	0	0	0	0	0	0	(1000 MT)

TS=TD

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Table 4: Soybean Imports

Import Trade Matrix

Country Taiwan

Commodity Oilseed, Soybean

Time Period	10/2005	Units:	1,000 mt
Imports for:	2005		2006
U.S.	1867	U.S.	1650
Others		Others	
Brazil	604	Brazil	500
Argentina	19	Argentina	42
Canada	6	Canada	6
Australia	2	Australia	2
Total for Others	631		550
Others not Listed			
Grand Total	2498		2200

Table 5: Soybean Meal Imports

Import Trade Matrix

Country Taiwan

Commodity Meal, Soybean

Time Period	10/2005	Units:	1,000 mt
Imports for:	2005		2006
U.S.	57	U.S.	60
Others		Others	
India	32	India	30
Others	1		
Total for Others	33		30
Others not Listed			
Grand Total	90		90

Table 6: Soybean Oil Imports

Import Trade Matrix

Country Taiwan

Commodity Oil, Soybean

Time Period Units:

Imports for: **2006**

U.S. U.S.

Others Others

Argentina	9	Argentina	15
Brazil	1	Brazil	3

Total for Others 10 18

Others not Listed

Grand Total 10 18

Table 7: Soybean Meal Prices

Country Taiwan**Commodity** Meal, SoybeanPrices in per uom

Year	2005	2006	% Change
Jan	1069	1047	-2%
Feb	1052	1025	-3%
Mar	1061	1005	-5%
Apr	1070	1006	-6%
May	1068	1007	-6%
Jun	1058	999	-6%
Jul	1054	997	-5%
Aug	1060	1002	-5%
Sep	1056	1006	-5%
Oct	1063	1014	-5%
Nov	1052		-100%
Dec	1052		-100%

Exchange Rate Local Currency/US \$Date of Quote MM/DD/YYYY

Table 8: SSG Triggers for imports in 2007

Category/Year	2007 Trigger Volume (MT)	Current Tariff Rate (%)	2007 Trigger Price (NT\$/kg)
Pork Belly	11,563.6	12.5	30
Pork Offal	21,979.6	15	Not-established
Poultry Meat: legs & wings	55,367.5	20	30
Poultry Meat: other cuts	3,633.0	20	42
Poultry Offal	1,394.4	25	Not-established

Source: Taiwan Council of Agriculture

Table 9: Pork Imports vs. Domestic Production and Wholesale Market in Calendar Year.

Year	Pork Imports in 1,000 mt		Domestic Pork Production in 1,000 head	Auction Price in NT\$/100kg -head
	Meat (HS0203)	Offal Meats (HS0206)		
2002	19	17	10,060	4,383
2003	33	28	9,460	5,354
2004	40	34	9,410	5,960
2005 (revised)	26	24	9,500	5,364
2006 (estimate)	20	18	9,650	4,900
2007 (forecast)	20	18	9,500	5,200

Source: Council of Agriculture (COA) for revised data.

Table 10: Total Poultry Meat Imports vs. Domestic Production in Calendar Year.

Year	Chicken Meat Imports in 1,000 mt (HS0207)	Domestic Poultry Production in 1,000,000 birds	Farm Price in NT\$/kg
2002	31	415	34.55
2003	49	409	30.96
2004	67	417	33.70
2005 (Revised)	88	378	36.81
2006 (Estimate)	118	368	34.00
2007 (Forecast)	120	368	33.00
<i>Source: Council of Agriculture (COA) for revised data.</i>			

Table 11: Tariff Rates for Edible Oils and Oil Seeds in Calendar Year

HS Code	Seed/Oil	Tariff before WTO accession	Current Tariff	Tariff in 2007
1201.00	Soybeans	0	0	0
1507	Soybean Oil	6	5	5
1513.21.10 & 1513.29.10	Palm Kernel Oil	1.25	0	0
1511	Palm Oil	2.5	0	0
1513.11 & 1513.19	Coconut Oil	3	0	0
1509 & (1510)	Olive Oil	5	0.8 (5)	0
1205.00.10	Rape Seeds	3.5	0	0
1514	Rape (Canola) Oil	6	4.3	4
1515.21 & 1515.29	Corn Oil	7.5	5	5
1207.60.00	Safflower Seeds	9	0	0
1512.11.20 & 1512.19.20	Safflower Oil	12.5	5	5
1206.00.00	Sunflower Seeds	11	0	0
1512.11.10 & 1512.19.10	Sunflower Oil	15	5	5
<i>Source: Taiwan Customs Tariff Schedule</i>				

Table 12: Oil Prices, CIF Taiwan, USD/Kg

Type of Edible Oil	MY 2003/04	MY 2004/05	MY 2005/06
Palm Oil (HS1511)	\$0.50	\$0.44	\$0.44
Canola Oil (HS1514)	\$0.72	\$0.64	\$0.64
Sunflower Oil (HS1512.1110, Crude)	\$0.70	\$0.70	\$0.66
Soybean Oil (HS150710, Crude)	\$0.62	\$0.52	\$0.53
<i>Source: Taiwan Customs</i>			

Table 13: Oil Imports & Production, 1,000 MT

Type of Edible Oil	MY 2003/04	MY 2004/05	MY 2005/06
Palm Oil (HS1511)	109.5	138.3	140.5
Coconut Oil & Palm Kernel Oil (HS1513)	6.7	8.4	8.5
Olive Oil	4.5	4.5	4.2
Canola Oil (HS1514)	25.2	27.0	15.2
Sunflower Oil (HS1512)	26.3	24.2	13.2
Total Non-Soy Imports	172.3	202.4	181.6
Soybean Oil Imports (HS1507)	61.0	34.6	10.2
Taiwan Soybean Oil Production	315.0	310.0	363.0
Chinese traditional oil: Peanut Oil (use calendar year data)	8.1	8.1	8.8
Chinese traditional oil: Sesame Oil (use calendar year data)	13.2	13.5	6.5
<i>Source: Taiwan Customs Statistics and Post estimates</i>			

References

TW6002 on Kitchen Scrape as Renewable Hog Feed
TW6017 on Taiwan Bio-Fuels Policy
TW6022 on A New Movement in Taiwan's Agricultural Policy
TW6037 on Containerized Grain Shipment Opportunities