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Taiwan

Grain and Feed

Private Trade Rice Quota Allocation Results for the 2nd Tranche

2007

Approved by:

Alan Hallman
American Institute in Taiwan

Prepared by:

Chiou Mey Perng

Report Highlights:

On February 16, a day before the Chinese New Year holidays, Taiwan allocated the second tranche of 20,652 tons of 2007 private sector rice quota to 31 Taiwan importers thru a competitive bidding process. Importers were only willing to pay a weighted average of NT\$7.603/kg for quota rights because of higher domestic production and the resulting drop in domestic rice prices. The third tranche of the 2007 private sector rice quota will be allocated on April 30, 2007. In 2006, Taiwan imported 50,620 tons of rice with 99.94 percent of quota fill rate for its private sector rice imports.

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

Private Sector Allocations for 2007, Second Tranche

On February 16, Taiwan allocated 20,652 tons of the 2007 private sector rice quota to thirty-one Taiwan importers thru competitive bidding. Sixty local importers participated in the process and half of them were awarded quota allocations at prices ranging from NT\$7,200/kg to NT\$9,600/kg. The weighted average price was NT\$7,603/kg or \$231/mt (See Table 1). (The current exchange rate is \$1=NT\$32.91, quoted on February 16, 2007). The difference between the maximum and minimum bids was lower this time, and the weighted average price was lower, too, compared to previous year's performance (See Table 2). Taiwan importers are developing something of a consensus in offering bid prices for the quota rights as they gain experience in the rice import business. Any increase in market risks is reflected in lower bid prices. For example, in 2007's first tranche high world rice prices led to a decrease in the price advantage of imported rice over domestic rice. In bidding for this tranche, they bid lower prices due to an increased domestic rice production and lower domestic rice prices.

These quota rights are valid from January 1 thru September 15, 2007 and are eligible for an extension to December 31, 2007. The third tranche of 15,000 tons of rice quota will be allocated on April 30 thru a competitive bidding process.

Table 1. Taiwan 2007 Rice TRQ Allocation Results – 1st Tranche

PRODUCT NAME	QUOTA AMOUNT	QUOTA VALIDITY DURATION	ALLOCATION DATE	AVERAGE BID PRICE	MAX. BID PRICE	MIN. BID PRICE	# OF ALLOCATIONS
Rice	15,000 mt	Jan. 1/ Sept. 15	Nov. 24	NT\$9.821	NT\$14.500/kg	NT\$9.098/kg	41
	20,652 mt	March 1/ Sept. 15	Feb. 16	NT\$7.603	NT\$9.600/kg	NT\$7.200/kg	31
	15,000 mt	May 1/ Sept. 15	Apr. 30	NA	NA	NA	NA
Total	50,652 mt						

Table 2. Taiwan 2006 Rice TRQ Allocation Results

PRODUCT NAME	QUOTA AMOUNT	QUOTA VALIDITY DURATION	ALLOCATION DATE	AVERAGE BID PRICE	MAX. BID PRICE	MIN. BID PRICE	# OF ALLOCATIONS
Rice	15,000 mt	Jan. 1/ Sept. 15	Nov. 28	NT\$14.076	NT\$16.500/kg	NT\$13.510/kg	41
	20,652 mt	March 1/ Sept. 15	Feb. 27	NT\$12.450	NT\$15.003/kg	NT\$12.090/kg	34
	15,000 mt	May 1/ Sept. 15	Apr. 28	NT\$12.432	NT\$14.000/kg	NT\$12.210/kg	16
Total	50,652 mt						