



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

**Date:** 2/19/2009

**GAIN Report Number:** TW9004

## Taiwan

### Grain and Feed

### Extension Permits PRC Corn Imports in 2009

### 2009

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**Report Highlights:**

Taiwan has extended its market opening for corn imports from China for one year through 2009. Taiwan imported 138,000 tons of PRC corn in 2008 under two periods of extended permit, which accounted for 3 percent of Taiwan's total corn imports on a calendar year basis. Import volume of PRC corn in 2009 is anticipated to reach about the same level as in 2008, according to Taiwan's Feed Industry Association (TFIA). Taiwan experienced extreme price fluctuations in 2008 that encouraged the government to maintain its current policy.

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

## Extension of Temporary Opening Permits Continued PRC Corn Imports in 2009

Taiwan has extended its market opening for corn imports from China for one year through 2009. Taiwan imported 138,000 tons of PRC corn in 2008 under two periods of extended permit, which accounted for 3 percent of Taiwan's total corn imports on a calendar year basis. Import volume of PRC corn in 2009 is anticipated to reach about the same level as in 2008, according to Taiwan's Feed Industry Association (TFIA). Taiwan experienced extreme price fluctuations in 2008 that encouraged the government to maintain its current policy.

Continuing diversification of the corn import market has dented the near monopoly position of U.S. supply in the Taiwan market of recent years. During the first four months of the 2009 October-September Marketing Year, Taiwan has imported 1.2 million metric tons of corn, according to Council of Agriculture (COA) statistics. The United States accounted for just 64 percent of these shipments followed by Brazil (16 percent), India (8 percent), China (7 percent), and Thailand (4 percent), with the remaining percentage split between Pakistan and Myanmar. According to trade sources, Taiwan has purchased 9 shipments of Brazilian second crop corn for delivery by March because of more attractive price offers compared with U.S. corn. Taiwan imports corn from Asian countries because the geographic proximity affords short delivery time and freight advantage over the U.S. Another advantage is that Asian suppliers are offering smaller cargoes with 6,000 ton, 10,000 ton, and 20,000 ton options that can be shipped by containers if requested. This provides Taiwan importers with a flexible importation schedule. Therefore, Taiwan imported corn from Asian countries to meet Taiwan's interim corn import demand during the first four months of MY2009 when CBOT corn prices were in downward trend creating too much risk for importers. However, Taiwan importers and feed millers report continued preference for U.S. corn based on its reliable delivery system and consistent high quality.

In MY2008, Taiwan imported 4.43 million metric tons of corn of which 83 percent was sourced from the United States.

## Historical Record of Taiwan's Temporary Openings to PRC Corn Imports

In October 2002, Taiwan allowed for the first time the temporary entry of PRC corn. Until this current 2008-09 policy, the periods of opening were of relatively short duration and supplied volumes relatively modest. With improving cross-strait relations and industry's desire for more imported corn sources, Taiwan may continue to provide access to PRC corn for longer periods of time for the foreseeable future. Below is list of time periods when entry of PRC corn has been permitted:

- October - December 2002, with imports of 71,000 tons.
- November 2003 - January 2004, with imports of 67,502 tons.
- March - May 2004, with imports of 22,946 tons.
- November 20, 2006 – February 2007, with zero imports.
- October 1, 2007 – March 31, 2008, with imports of 8,010 tons.
- April 1 – December 31, 2008, with imports of 129,810 tons.
- January 1 – December 31, 2009, with estimated imports of 140,000 tons.