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Report Highlights:

In MY2025/2026, Taiwan's wheat imports are forecast at 1.38 MMT supported by Taiwan consumers' preference for more diverse food offerings including wheat-based products and a vibrant baking industry. MY2025/2026 corn imports are forecast at 4.55 MMT, driven by sustained feed demand. The United States is likely to maintain its market share due to competitive bulk prices from the West Coast in MY2024/2025. MY2024/2025 rice production is forecast at 1.15 MMT, supported by new government plan to support domestic rice production including increasing rice procurement price. Taiwan's temporary removal of import tariffs and business taxes on wheat, corn, and soybeans, initially implemented to alleviate inflationary pressures, is set to expire on September 30, 2025.

WHEAT

Production

Taiwan produces a small amount of wheat with planting in November and harvest in March the following year. Currently, 80 percent of planted area is in Kinmen County which is contracted for use in producing sorghum liquor. The remainder of planted area on Taiwan's main island (primarily in Taichung City) mostly supplies the seeds to Kinmen's production.

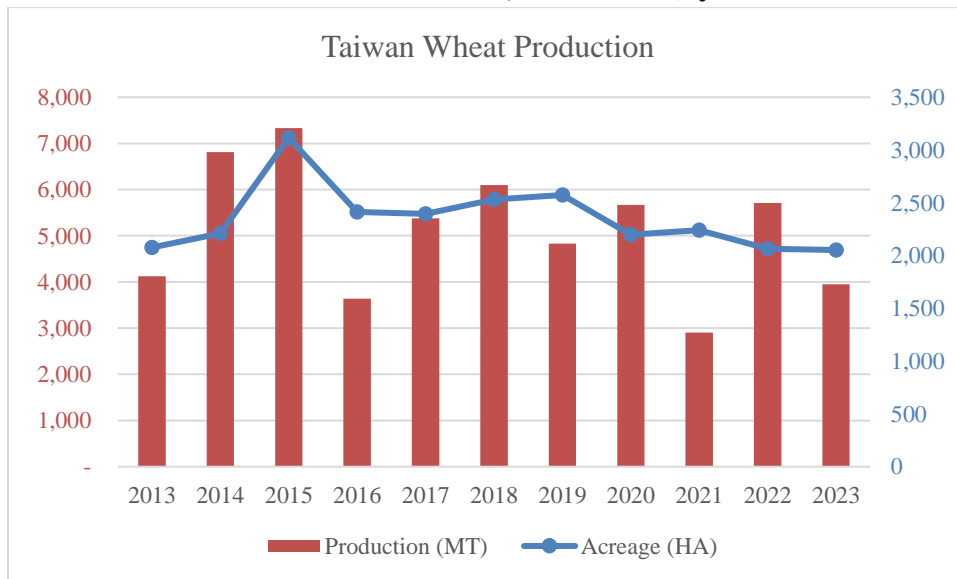
MY2024/2025 and MY2025/2026 wheat production are forecast stable at 5,000 MT, barring any extreme weather events.

For MY2023/2024, growing conditions in Kinmen are less favorable than the previous year, as a result total wheat production is estimated at 4,000 MT.

In recent years, Taiwan Ministry of Agriculture's (MOA) policy has been to encourage farmers to grow alternative grains instead of rice, including promoting domestic wheat production. Due to the distinctive challenges for growing wheat in Taiwan including spring rain causing preharvest sprouting, the focus has shifted toward other grains including feed corn and sorghum. Planting area has been below 2,500 HA over the last five years with production varying due to fluctuations in yield.

Taichung Choice #2, a medium protein hard red wheat variety, initially bred nearly four decades ago, remains the dominant variety cultivated in Taiwan and utilized in producing sorghum liquor. MOA's Taichung District Agricultural Research and Extension Station (DARES) has continued to develop newer varieties including low gluten Taichung #35 (2017) and medium gluten white Taichung #36 (2019).

Exhibit 1: Taiwan Wheat Production, 2013-2023 (by Volume and Area)



Source: MOA

Consumption

MY2024/2025 and MY2025/2026 total wheat consumption are both forecast at 1.3 MMT, slight increase from 1.29 MMT in MY2023/2024 due to projected higher consumption in Food, Seed, and Industrial (FSI) use.

MY2024/2025 and MY2025/2026 FSI consumption are forecast at 1.25 MMT, a slight increase over the previous MY as stable supply environment sustain consumption.

MY2023/2024 FSI consumption is estimated at 1.24 MMT as restocking continues from previous MY. According to MOEA industrial statistics, flour production recorded an increase of three percent versus same period last year.

Taiwan's milling capacity is estimated at 2.0 MMT on an annual operating basis. In recent years, capacity utilization has been estimated at around 60 percent. Flour milling industry has been in consolidation mode with some less efficient ones shuttered.

Taiwan's small amount of domestic-grown wheat is primarily contracted for Kinmen Kaoliang and almost exclusively utilized in liquor production. A minimal amount is used in flour production and marketed separately to promote its Taiwan-specific identity.

While most wheat is milled into flour, about 12,000 MT of wheat annually is used for food fermentation including for soy sauce production.

Feed and residual consumption in MY2024/2025 and MY2025/2026 are forecast at 50,000 MT, while MY2023/2024 is adjusted to 45,000 MT based on feed wheat imports. Taiwan utilizes separate custom codes for wheat imported for feed to better track import wheat uses. Taiwan's animal feed production utilizes mainly corn and soybean meal, other grains including wheat, sorghum, and barley consist only a small portion of ration. Wheat inclusion is heavily dependent on price competitiveness against other grain alternatives.

In 2022, Taiwan Flour Millers' Association (TFMA) and U.S. Wheat Associates in conjunction with China Grain Products Research and Development Institute's (CGPRDI) conducted a survey on domestic flour uses. It is estimated that 36 percent of flour was used for baking and bakery products (with bread taking 26 percent). Another 36 percent was for noodles of all kinds (prepared/instant), while 10 percent was used for traditional steamed buns, eight percent for prepared foods (i.e. pizza crust, frozen dumplings) and 4 percent for seitan and fried bread sticks. Another 4 percent of flour was used in feed.

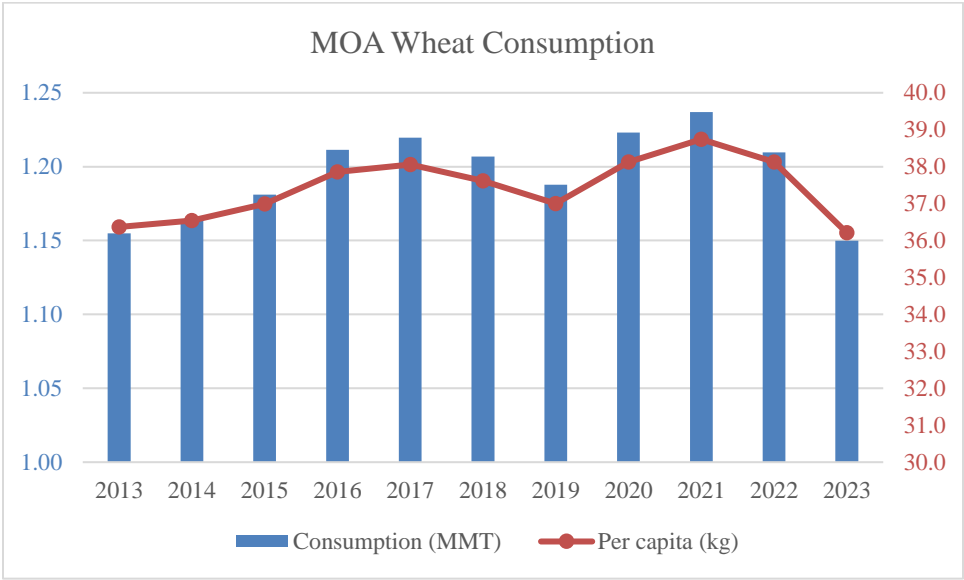
For the breakdown of flour types, 53 percent was medium gluten grade (all-purpose flour), followed by high gluten (bread flour) at 30 percent, low gluten (cake flour) at ten percent and high gluten flour at seven percent.

The report notes that, compared to the Taiwan market in the 1990s, the biggest change is the increase in bakery products (bread, cookies, and cake) and the decrease in traditional steam buns.

In recent years, per capita wheat consumption has increased as Taiwan’s high-income and sophisticated consumers demand more diverse offerings. Taiwan has a vibrant baking industry including some high-profile award-winning bakers. Besides western style wheat products, Taiwan’s consumers also have access to a diverse range of traditional wheat products including noodles, buns, and dumplings.

According to MOA’s Food Balance Sheet, in CY2023, per capita annual wheat consumption declined from 38.3 to 36.2 kg. Per capita rice consumption also declined from 43 to 42 kg, setting another year of record low for consumption by capita.

Exhibit 2: Taiwan Wheat Consumption, 2013-2023



Source: MOA

According to statistics from the Ministry of Economic Affairs (MOEA), food services sales (which includes restaurant, catering, and beverage shops) grew 3.6 percent in CY2024 versus CY2023 reaching another record high year. Market sources indicated this increase in sales is driven more by increasing ingredient and labor costs rather than real increases in consumption.

Taiwan’s stagnant population remains the biggest obstacle to future demand growth.

According to the National Development Council’s (NDC) projection, Taiwan’s population has plateaued and will start to trend lower during the 2030s due to an aging population and low birth rate. This demographic trend will likely offset some of the long-term gains in consumption.

According to data from the Tourism Bureau, Ministry of Transportation and Communications (MOTC), from CY2024, outbound departures has recovered by 90 percent comparing to before the COVID-19

pandemic. However, inbound visitors are still only at 66 percent. The numbers continue to reflect Taiwan’s sustained demand to travel abroad post pandemic.

Trade

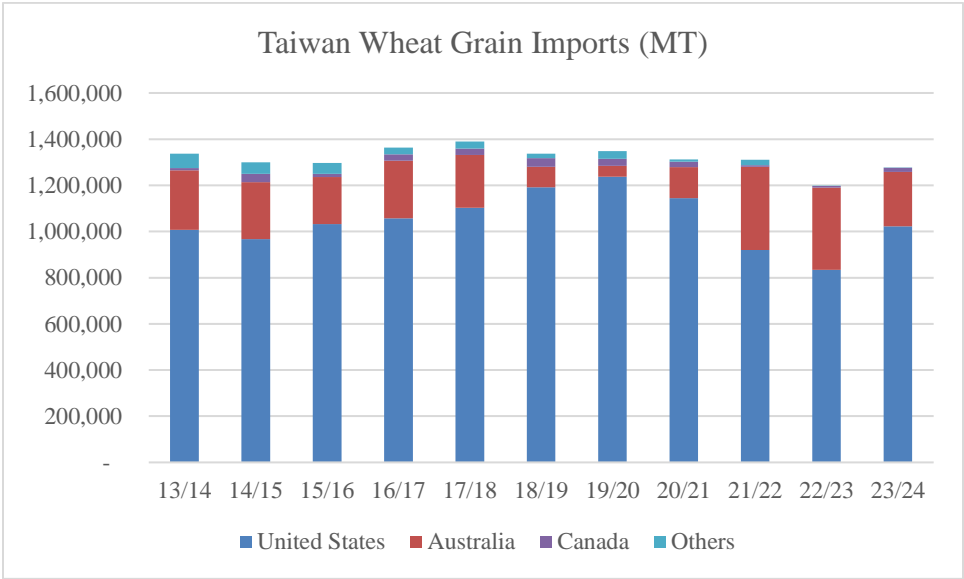
MY2024/2025 and MY2025/2026 wheat imports are forecast at around 1.3 MMT, while all wheat (including flour and wheat products) imports are forecast at 1.38 MMT.

MY2023/2024 all wheat imports were 1.35 MMT based on customs statistics. Of that, 1.28 MMT were wheat grain including 45,000 MT imported as feed. Another 26,000 MT (Wheat Grain Equivalent, WGE) were wheat flour, while the rest were instant noodles and uncooked pasta.

Taiwan imports 99 percent of its wheat demand while annual import volumes have fluctuated between 1.3-1.4 MMT over the last ten years. United States has historically been the major wheat supplier to Taiwan with market share fluctuating between 70-90 percent in the same period.

Australia would take market share from the U.S. when Australia’s pricing is more competitive and with better crop availability. Imports from Australia are almost exclusively transported by containerized shipments. Australian wheat varieties are most competitive against U.S. Hard Red Winter (HRW).

Exhibit 3: Taiwan Wheat Grain Imports by Marketing Year (Export Share by Country)



Source: Taiwan Customs; Trade Data Monitor, LLC

Since December 2021, Taiwan’s import tariff on wheat has been temporarily reduced from 6.5 percent to 0 to address inflationary pressures on food prices. The measure has been extended following the February 2022 Russian invasion of Ukraine. Taiwan’s business tax on imported wheat (normally five

percent) was waived starting in February 2022 along with imported corn and soybeans. Both the tariff and the business tax measures have been extended numerous times with the latest round set to expire on September 30, 2025.

Historically, the 6.5 percent tariff on wheat existed because of Taiwan's policy to protect its domestic rice industry. Imports of soybeans and corn, of which the majority are destined for feed use, are tariff free.

TFMA uses joint purchase tenders to import U.S. wheat in bulk vessels. In CY2024, these purchases accounted for approximately 77 percent of all imports. 62 percent of U.S. wheat imported through group purchases was Dark Northern Spring (DNS), 25 percent was Hard Red Winter (HRW), and 13 percent was Soft White (SW) wheat.

Wheat flours (HS1101), on the other hand, have a higher tariff rate at 17.5 percent to encourage the domestic milling industry. Taiwan imported around 25,000 MT (WGE) of wheat flour annually in recent years, with Japan accounted for more than half as Taiwan's consumers perceive its quality.

Flour and other processed wheat products including instant noodles and pasta accounted for less than 6 percent of total wheat imports after conversion.

Imports and exports of wheat flour and products were almost the same magnitude. In MY2023/24, imports were 2,000 MT (WGE) higher than exports. Taiwan's wheat products exports are split in the forms of wheat flour and pasta/instant noodles. The volume has fluctuated between 70,000 to 80,000 MT (WGE) in recent years with Hong Kong being the main destination.

Stocks

MY2024/2025 and MY2025/2026 ending stocks are estimated at 119,000 and 129,000 MT respectively while MY2023/2024 stocks are estimate at 109,000 MT.

Due to limited storage capacity and regular monthly shipments, Taiwan millers typically will not hold more than one to two months of stock, just enough to avoid production disruptions due to shipment delays. Some individual millers also purchase containerized wheat from Australia and Canada to further optimize inventory. Barring major disruptions in supply, stock levels generally do not differ much year-on-year.

Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jul 2023		Jul 2024		Jul 2025	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2	2	2	2	0	2
Beginning Stocks (1000 MT)	109	109	119	109	0	119
Production (1000 MT)	4	4	6	5	0	5
MY Imports (1000 MT)	1353	1353	1400	1380	0	1380
TY Imports (1000 MT)	1353	1353	1400	1380	0	1380
TY Imp. from U.S. (1000 MT)	1009	0	0	0	0	0
Total Supply (1000 MT)	1466	1466	1525	1494	0	1504
MY Exports (1000 MT)	72	72	80	75	0	75
TY Exports (1000 MT)	72	72	80	75	0	75
Feed and Residual (1000 MT)	75	45	75	50	0	50
FSI Consumption (1000 MT)	1200	1240	1200	1250	0	1250
Total Consumption (1000 MT)	1275	1285	1275	1300	0	1300
Ending Stocks (1000 MT)	119	109	170	119	0	129
Total Distribution (1000 MT)	1466	1466	1525	1494	0	1504
Yield (MT/HA)	2	2	3	2.5	0	2.5

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries. TY 2025/2026 = July 2025 - June 2026

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CORN

Production

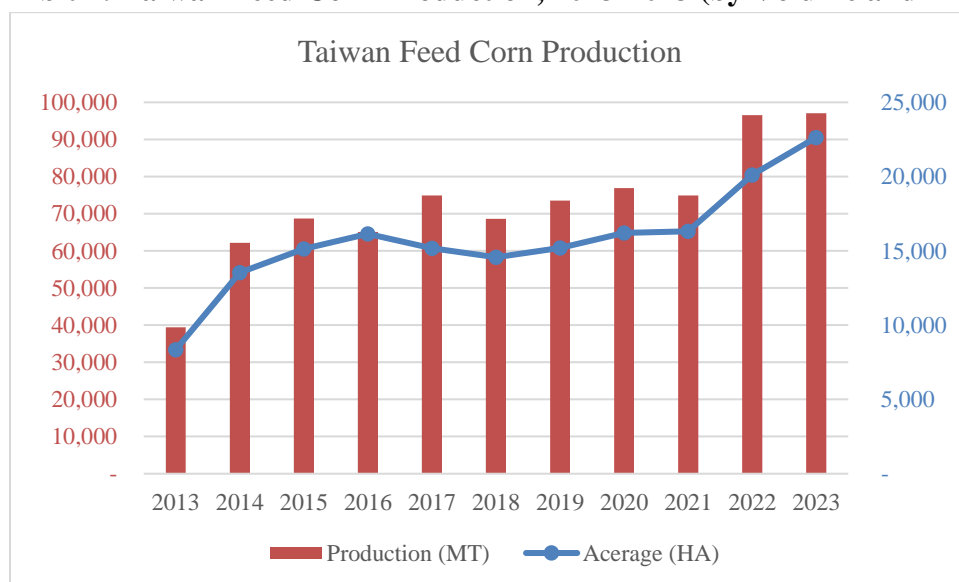
MY2024/2025 and MY2025/2026 corn production is forecast at 100,000 MT, unchanged from MY2023/2024.

For the past ten years, MOA's Agriculture and Food Agency (AFA) has continued to encourage domestic field corn production switching from rice through various support schemes as part of the effort to manage Taiwan's rice supply and demand imbalance. Domestic feed corn production expansion over the last decade can be considered a successful effort in this regard. Most field corn is planted as second crop which will be harvested from December through April.

In December 2024, MOA announced the increase in incentive to plant alternative crops (including corn) by NT\$10,000 per hectare concurrently with the announcement for increase in rice procurement support. The measure is meant to keep the incentive in corn production competitive.

MY2023/2024 corn production was 100,000 MT from MOA production statistics. Production was almost unchanged as last year. AFA has previously stated it is aiming to double corn planted area to 50,000 HA by 2027. Even if the plan come to fruition, domestic corn expansion would still make up only five percent of the total corn demand.

Exhibit 4: Taiwan Feed Corn Production, 2013-2023 (by Volume and Area)



Source: MOA

Consumption

MY2024/2025 and MY2025/2026 total corn consumption are forecast at 4.7 MMT same as MY2023/2024.

Taiwan has a limited corn processing industry producing corn starch and high-fructose corn syrup; therefore corn FSI consumption tends to be very stable.

Taiwan's corn consumption closely tracks feed demand as well as feed production. Due to Taiwan's more conservative-leaning feed formulation, which often favors availability over short-term substitution, corn has remained the major source in feed to provide energy. Other grains including sorghum, barley, and wheat are also utilized in feed but to a much lesser extent and mainly depending on their respective price competitiveness against corn. Feed consumption is expected to be stable in MY2024/2025 and MY2025/2026 as livestock restocking and consolidation in the animal husbandry operation continues.

According to MOA's 2023 Annual Feed Survey, Taiwan feed production was 8.37 MMT, of which poultry feed accounted for 49 percent and hog feed 42 percent. Production was down 230,000 MT versus last year. Over the five-year period from 2019 to 2023, Taiwan's total feed production exhibited a slight decline from 8.63 to 8.37 MMT. Commercial feed's percentage increase from 67% of total production in 2019 to 71% in 2023.

Taiwan's on-farm production is concentrated in hog feed (86 percent). Non-integrated hog farmers still prefer buying corn and soymeal separately versus commercially produced feed. As a result, commercial poultry feed production is higher than hog feed. As consolidation in the livestock industry continues, commercial (compound) feed is expected to gain against on-farm feed.

Exhibit 5: Taiwan Feed Production (MMT)

Year	Total Feed	Feed Type	Hog Feed		Poultry Feed	
2019	8.63	Commercial	1.30	3.73	3.82	4.10
		On Farm	2.43		0.28	
2020	8.64	Commercial	1.34	3.82	3.82	4.05
		On Farm	2.48		0.23	
2021	8.59	Commercial	1.40	3.75	3.91	4.09
		On Farm	2.35		0.18	
2022	8.60	Commercial	1.47	3.62	3.97	4.19
		On Farm	2.15		0.22	
2023	8.37	Commercial	1.40	3.51	3.86	4.10
		On Farm	2.11		0.24	

Source: MOA

Feed demand in MY 2023/2024 has recovered, with MOEA feed production industrial statistics showing a 9 percent increase to 6.56 MMT. This recovery reflects the resilience of the commercial feed production sector despite previous challenges. The larger impact was likely for on-farm feed production, for which data is less accessible. The consolidation of the industry and the benefits of economies of scale for larger producers further contribute to the sustained demand for commercial feed. Overall feed demand in 2025 is expected to be sustained, barring any major disease outbreaks in Taiwan.

According to the MOA’s latest twice-annual hog survey from November 2024, hog inventory has continued its decline from the previous surveys as the industry recovers from diseases such as Porcine Reproductive and Respiratory Syndrome (PRRS) and Porcine Epidemic Diarrhea (PED). For the first half of 2025, 93.2 percent of hog producers intend to keep their herd sizes. Producers above 1,000 head (currently accounting for 72 percent of total head) are expected to increase in proportion as small and less efficient operations close. The remainder were split almost evenly between expansion and contraction.

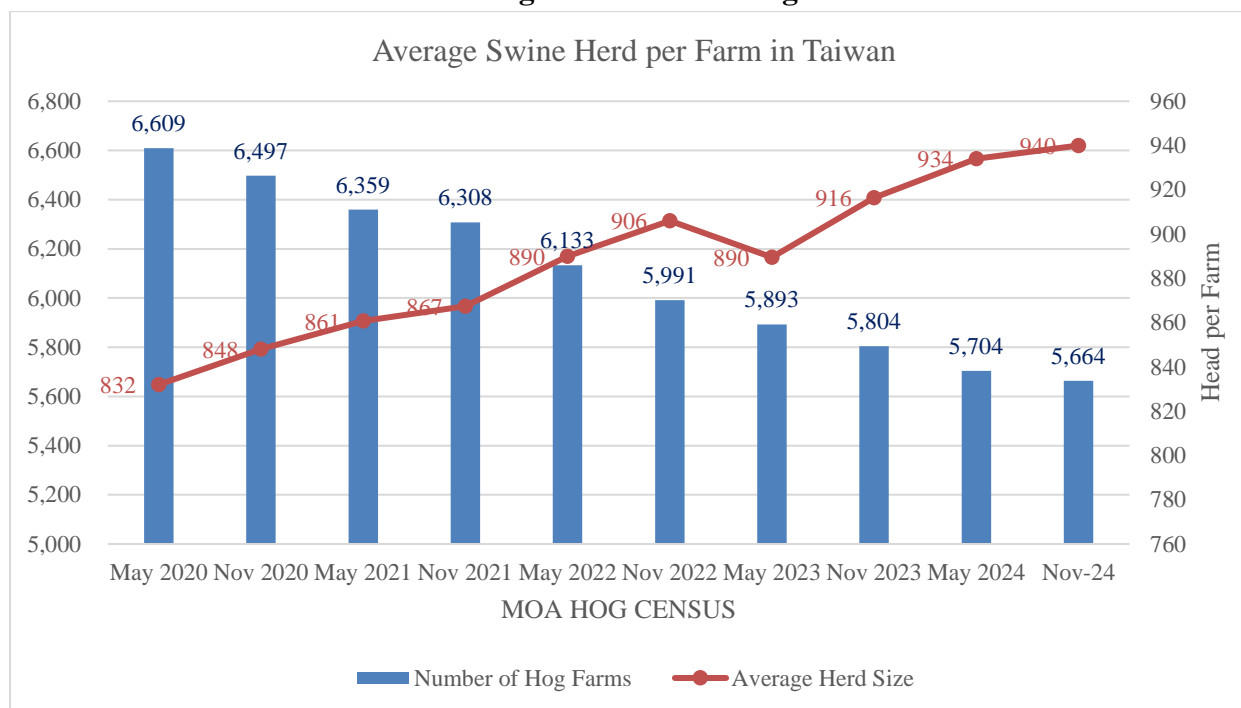
The change in herd size is primarily driven by several factors. Firstly, the ongoing impact of PRRS and PED has led to a reduction in the number of small and less efficient operations. These smaller farms often struggle to meet the increasing environmental regulations and lack the resources to invest in necessary biosecurity measures, leading to their exit from the industry. Additionally, government policies and subsidies aimed at encouraging the modernization and expansion of larger, more efficient operations have further accelerated this trend. The consolidation in the industry is also supported by the economies of scale that benefit larger producers, allowing them to maintain or even increase their herd sizes while smaller producers continue to exit the industry. (See Exhibits 6 and 7)

Exhibit 6: Taiwan Hog Producers Breakdown by Size

Producers by head	Number of producers	% of total head
<199 head	1,748	2.2%
>199 & < 999	2,272	25.8%
>999	1,522	72.0%

Source: MOA

Exhibit 7: Taiwan Hog Farms and Average Swine Herd Size

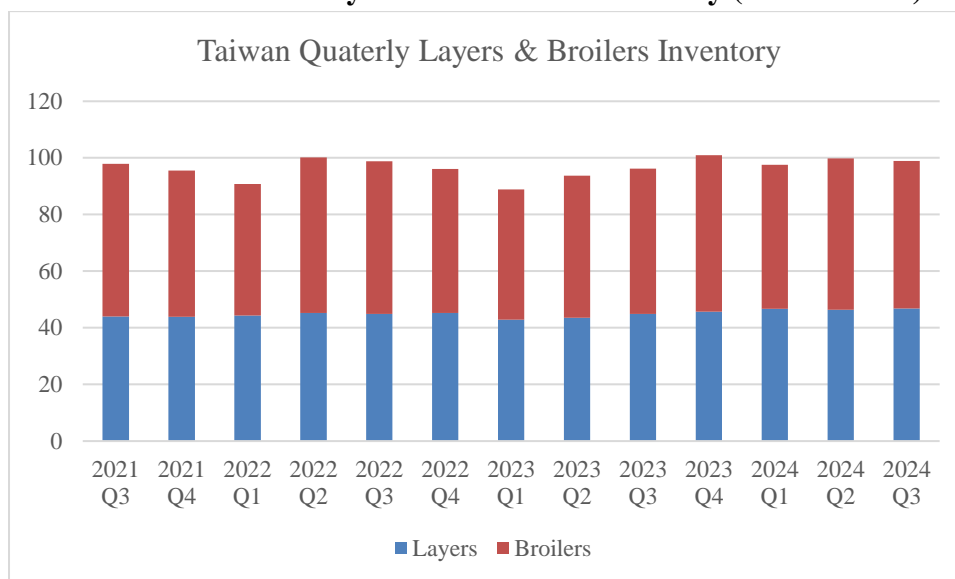


Source: MOA

Taiwan's continued vigilance in preventing African swine fever (ASF) makes it, along with Japan, one of the only two producers within the region free from domestic ASF cases. Since June 2020, the World Organization for Animal Health (OIE) has recognized Taiwan as foot and mouth disease-free without vaccination. MOA continues to prioritize the effort to certify Taiwan's classical swine fever-free status. In a significant development, Taiwan has successfully resumed fresh pork exports to Singapore in 2024 after a 15-year hiatus and has seen substantial growth in exports to the Philippines. Looking ahead, Taiwan aims to expand its market reach to Japan to tap into this high-value market. However, the potential export opportunities are expected to be limited to higher-end and specialty products due to high production costs.

In CY2024, the supply of both meat and egg poultry in Taiwan has stabilized, with inventory levels have recovered. Previously, Taiwan had been dealing with the lingering impact of an HPAI outbreak since the second half of CY2022. The island was desperately in need of imported breeder chickens to rebuild and replenish both meat and egg poultry stocks. The situation was alleviated in the second half of CY2023. To resolve the shortage, MOA encouraged egg imports to fill the gap, as well as importing egg-laying hens for replacement. However, by CY2024, layers inventory has increased enough to depress domestic prices even leading to grumbling from domestic producers to their feed suppliers about feed cost. The industry continues to consolidate while the better-managed operations benefit from scale.

Exhibit 8: Taiwan Layers and Broilers Inventory (million head)



Source: MOA

Demand for animal products was buoyed by domestic consumption. MOA's annual Food Balance Sheet continues to show total meat consumption per capita was higher than total grain consumption per capita for 2022 and 2023 (the latest available).

The government continued its effort in CY2024 to relive food inflationary pressures for consumers. This included several supportive measures on food production and manufacturing, including business tax deductions on imported feed corn and soybeans.

MOA's Animal and Plant Health Inspection Agency (APHIA) statistics also further show that both hog and poultry slaughter rates declined in CY2024 with the rest of demand filled by meat imports.

According to MOA's Food Balance Sheet, meat imports have accounted for 25 percent of total supply in volume in recent years, meaning three-quarters of Taiwan's meat supply is reliant on imported feed ingredients such as corn and soybean.

Exhibit 9: Hog and Poultry Supply (Number of Animals Slaughtered)

Year	Hog (1,000 head)	Poultry (Million birds)
2015	8,200	357
2016	8,144	379
2017	7,947	376
2018	8,073	393
2019	7,980	412
2020	8,184	420
2021	8,034	400
2022	7,845	399
2023	7,290	379
2024	7,243	413

Source: APHIA

Trade

MY2025/2026 corn imports are forecast 4.55 MMT respectively driven by sustained feed demand. Further growth in corn imports is likely to be marginal as demand is constrained by Taiwan's limited opportunity for livestock expansion. MY2024/2025 corn imports are projected at 4.5MMT, import pace recently has been lagging the previous MY, buyers are currently in no rush to purchase more than necessary due to abundant supply.

MY2023/2024 corn imports were 4.59 MMT based on customs statistics driven by recovery in feed demand. In MY2023/2024, U.S. bulk corn offers became more competitive against other origins, leading to a recovery in market share. U.S. market share increased to 38 percent, recovering from 17 percent in the previous MY while Brazil maintained its market share at 48 percent followed by Argentina market share at 11 percent.

In CY2024, logistics issues continued for both the Panama and Suez Canals, which forced vessels from South America to divert around the Cape of Good Hope making bulk shipments from the West Coast of the United States more competitive.

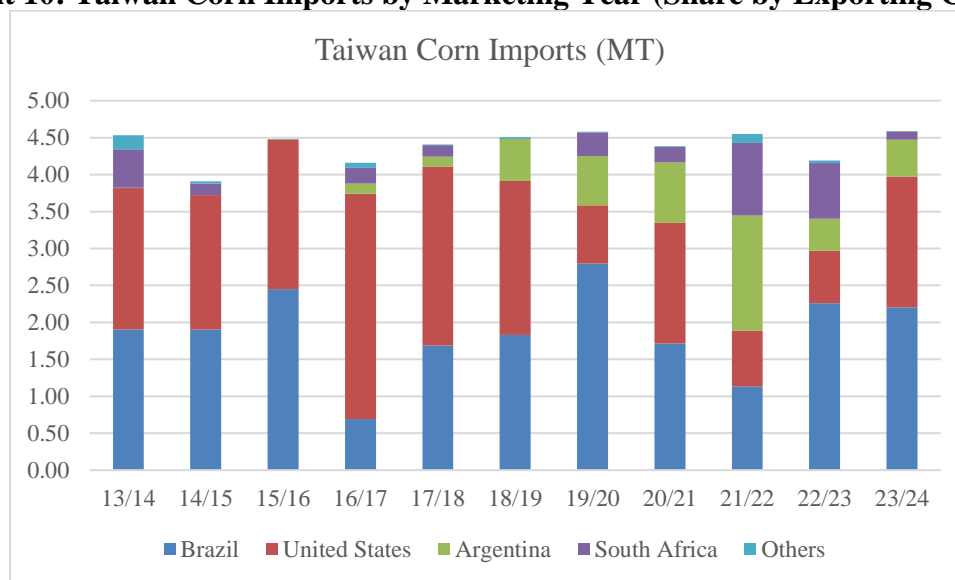
Taiwan's feed industry relies heavily on imports to produce feed. In February 2022, the government announced policies to waive the five percent business tax on corn and soybean imports as a measure to lessen the inflationary pressure from imports and stabilize feed prices. The reduction has been insufficient to offset the increased costs and the effects of a stronger U.S. dollar. However, inflationary pressures have since decreased as grain prices stabilized. The measure has been extended many times and is currently set to expire on September 30, 2025.

Containerized Shipments

In CY2024, Taiwan imported 1.72 MMT of U.S. corn, 38 percent of which was by containerized shipment (versus 54 percent in CY2023). When U.S. bulk offers are competitive, U.S. containerized shipments usually account for less. Containerized shipments can accommodate smaller corn purchasers with limited storage and remains one of the primary competitive advantages for U.S. corn in the Taiwan market.

Taiwan's corn imports volumes have remained relatively stable over the past ten years, with Brazil and the United States being the primary suppliers. Argentina and South Africa have also played significant roles, though their contributions have been more variable. Import origins are largely influenced by origin supply and price fluctuations, which dictate where Taiwan sources its corn from. This dynamic import market reflects Taiwan's strategy to optimize costs while ensuring a steady supply of corn.

Exhibit 10: Taiwan Corn Imports by Marketing Year (Share by Exporting Country)



Source: Taiwan Customs; Trade Data Monitor, LLC

Other Coarse Grains and Products Imports

Apart from corn, Taiwan also imports other grains and feed ingredients including DDGS and corn gluten meal, depending on the formulation's needs. These import volumes closely track availability and price competitiveness against corn.

In MY2023/2024, Taiwan imported 232,214 MT of DDGS (\$65 million) with 99 percent from the United States. Taiwan's imported sorghum and barley volume were dominated by Australia. In MY2023/2024, Taiwan imported about 50,830 MT of sorghum of which 42,884 MT was from Australia. Sorghum imports are mainly utilized for liquor production (Kinmen kaoliang). Despite the Taiwan government's efforts of recent years to grow contracted sorghum to substitute for rice production, imports are still essential. For barley, Taiwan imported about 25,291 MT in MY2023/2024 of which 23,655 MT were from Australia. U.S. imports were 1,610 MT and solely for food use.

Taiwan imported negligible quantities of other coarse grains in MY2023/2024 including 191 MT of rye (HS 1002) and 1,117 MT of millet (HS 100829). There was no record of oat imports under HS 1004; most oat imports came in de-husked (HS 110422).

Exhibit 11: Imports of Coarse Grains and Products (1,000 MT)

Feed Ingredient/HS Code	MY	MY	MY	Note
	2021/22	2022/23	2023/24	
1003: Barley	36	26	25	
1007: Sorghum	53	47	51	
2302.10: Bran, sharps & residues of maize	21	23	23	Corn Gluten Feed
2303.10: Residues Of Starch Manufacture	42	41	46	Corn Gluten Meal
2303.30: Brewing Or Distilling Dregs & Waste	210	242	232	DDGS

Source: Taiwan Customs; Trade Data Monitor, LLC

Stocks

MY2025/2026 corn ending stocks are forecast to be 386,000 MT while MY2024/2025 ending stocks are projected at 436,000 MT. MY2023/2024 ending stocks had been adjusted higher to 536,000 MT due to higher-than-expected imports in MY2023/2024.

Feed millers and corn processors generally hold no more than one to two months of stocks. Containerized shipments are utilized to supplement bulk purchases to optimize stock levels and minimize inventory costs. Market sources expect stocks to remain range bound as importers will continue to be conservative with future prices uncertain relative to current prices.

Corn	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	20	20	20	20	0	20
Beginning Stocks (1000 MT)	546	546	536	536	0	436
Production (1000 MT)	100	100	100	100	0	100
MY Imports (1000 MT)	4590	4590	4500	4500	0	4550
TY Imports (1000 MT)	4590	4590	4500	4500	0	4550
TY Imp. from U.S. (1000 MT)	1733	1733	0	0	0	0
Total Supply (1000 MT)	5236	5236	5136	5136	0	5086
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	4500	4500	4400	4500	0	4500
FSI Consumption (1000 MT)	200	200	200	200	0	200
Total Consumption (1000 MT)	4700	4700	4600	4700	0	4700
Ending Stocks (1000 MT)	536	536	536	436	0	386
Total Distribution (1000 MT)	5236	5236	5136	5136	0	5086
Yield (MT/HA)	5	5	5	5	0	5

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Corn begins in October for all countries. TY 2025/2026 = October 2025 - September 2026

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RICE

Production

MY2024/2025 and MY2025/2026 rice production are forecast at 1.15 MMT (Milled Rice Equivalent, MRE) as the newly announced rice support policy sustain domestic production barring any adverse weather events.

On December 23, 2024, MOA unveiled the "Comprehensive Upgrade Plan for the Grains Industry" to raise the guided purchase price (mid-tier) for rice by NT\$1.5/kg and adjusting procurement volume at higher price tier, marking the first price increase since 2011.

The plan came as a response after a resolution passed by Taiwan's Legislative Yuan (LY) in July 2024 seeking to raise the government rice procurement price by NT\$5/kg. Along with the change to procurement volume the actual increase in procurement price announced by MOA is in average NT\$1.84/kg. (See Exhibit 12 below)

The plan also increases support for farmers not delivering rice through the public procurement program, including those under contract farming, and raises subsidies for planting alternative crops by NT\$10,000 per hectare aiming to benefit not just the 120,000 rice farmers in the public procurement program but 360,000 farmers producing staple food crops. Additionally, further incentive is given to farmer planting alternative crops in the 2nd rice crop season; 2nd crop rice production (July-November) has accounted for 35-40 percent to total production in recent years.

MOA's plan aims to maintain the delicate balance of incentivizing the planting of alternative crops including corn and soybean instead of rice. Due to declining rice consumption per capita, MOA has been trying to manage rice planting area within 240,000 hectares in recent years.

The new policy is expected to incentivize farmers to deliver more rice to the public procurement program, potentially shifting more rice into government reserves. Prior to the policy change, about 30 percent of Taiwan's rice production are delivered directly to the public procurement program.

For MY2023/2024, rice production is estimated at 1.12 MMT. Water supply is abundant throughout the season resulting in increased planting area for both 1st and 2nd crop. Two typhoons came through in October 2024 during critical phase of the 2nd crop season, AFA estimated about 10,848 hectares were affected with average damage degree of 39 percent (converted to 4,200 of unharvest-able hectares or 5 percent of planting.)

Since 2021, MOA has been implementing policies to manage rice production including restricting farmers to growing rice for no more than three out of four crop cycles (per two years) for delivery to reserve and receiving direct subsidies. During the non-rice crop cycle, farmers can choose to maintain the land, grow rice under contract, grow non-rice crops, or receive a fallow subsidy. Rice fields certified as organic, environmentally sustainable, or with traceability are exempt from this policy.

The 1-2-3 Plan

"Comprehensive Upgrade Plan for the Grains Industry" is in addition to the existing 1-2-3 policy promoted by MOA to support farmers.

The “1”, or “1 Group” component encourages rice farmers to join group farming areas, offering additional rewards of NT\$10,000 per hectare and NT\$13,000 per hectare for planting high-quality varieties. It also promotes export expansion in group farming areas to improve the rice industry and contract prices.

The “2”, or “2 Switches” component focuses on promoting dryland cereal crops. In the 1st rice crop, water-saving incentives are increased to NT\$20,000 per hectare in water-scarce reservoir areas and subsidence areas. For the 2nd crop season, incentives are increased to NT\$15,000 per hectare for converting original rice land to alternative crops (including corn and soybean) or local specialty crops. Farmers in group farming areas can receive an additional NT\$5,000 per hectare, and group farming area operators are rewarded NT\$10,000 per hectare with increased subsidies for agricultural machinery.

The “3”, or “3+3” component involves enhanced rice income insurance, aiming to increase the target price by at least NT\$3 per kilogram within three years to provide better income protection for farmers growing high-quality rice. It aims to strengthen industry risk resilience, promote rice industry upgrades, develop various rice products, enhance marketing capabilities, increase rice consumption, and boost rice product exports.

Overall, farmers can expect to receive payment up to NT\$20,000 per hectare.

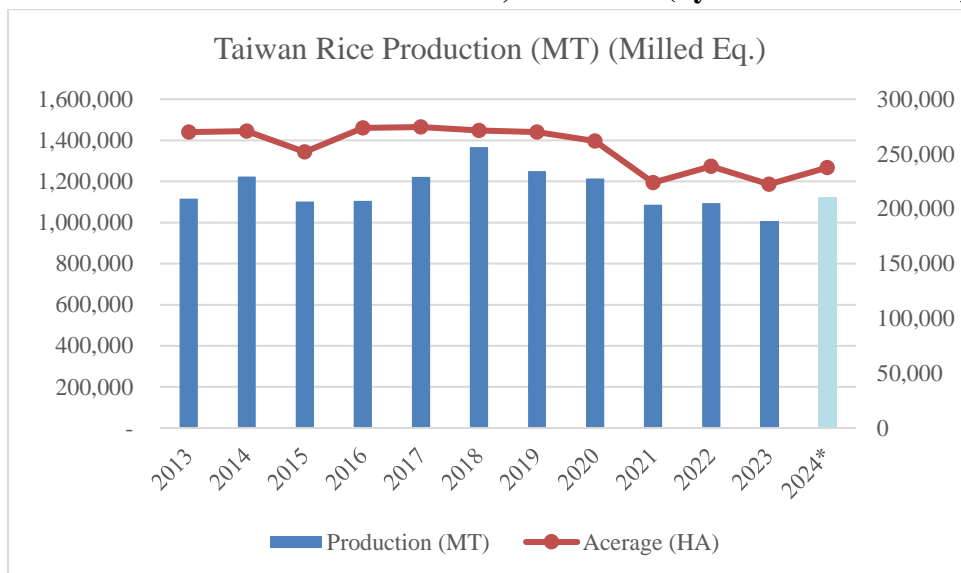
Exhibit 12: Change to Rice Procurement for 2025 Crop

Type of Purchase	Price (NT\$/kg)	Purchase Quantity (kg/ha)	
		1 st Crop	2 nd Crop
Planned Purchase	26.0	3,250 (+1250)	2,500 (+1000)
Guided Purchase	24.5 (+1.5)	2,550 (+1350)	1,900 (+1100)
Surplus Purchase	21.5	400 (-2600)	300 (-2100)
Total		6,200	4,700

Source: MOA

Note: Taiwan has a three-tier price support system. The highest tier, Planned Purchase Price, primarily aims to increase the income of rice farmers. The mid-tier, Guided Purchase Price, focuses on stabilizing market prices and balancing supply & demand. The lowest tier, Surplus Purchase Price, is designed to support market prices and ensure that the selling price of rice does not fall below the production cost.

Exhibit 13: Taiwan Rice Production, 2013-2024 (by Volume and Area)



Source: MOA; *2024 number is not yet final

Consumption

MY2025/2026 and MY2024/2025 rice consumption are forecast at 1 MMT (MRE), compares to 1.05 MMT for MY2023/2024.

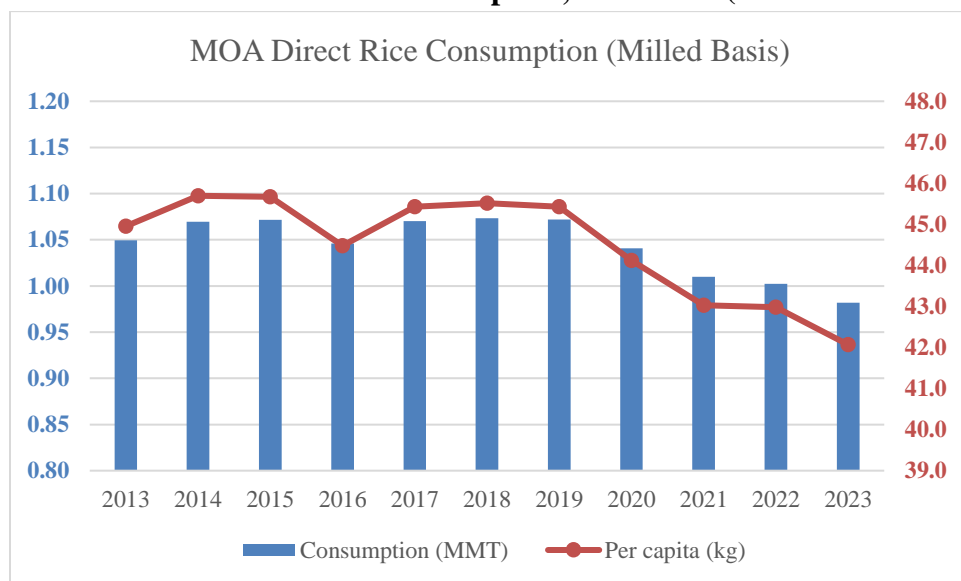
Taiwan's aging population and low birth rate limits any potential consumption growth. As its economy matures, Taiwan consumers continue to value varieties in staple food consumption and in essence substituting for rice.

According to MOA's Food Balance Sheet, in 2023 Taiwan's annual per capita rice consumption decreased further to 42.07 kg from the previous 42.98 kg. 2023 is also notable for being the second year that meat per capita consumption (87.2kg) surpassed total grain per capita consumption (84.1kg).

Faced with gradually declining rice consumption but sustained production due to support policies, MOA is under pressure to reduce publicly held rice stocks through exports, food aid, and feed and processing use. MOA also continues to promote increased rice consumption and alternative uses directly to Taiwan's population, including promoting rice-derived products including rice flour as a substitute for other flours. It remains to be seen how successful these efforts will be.

The declining trend for rice consumption per capita is expected to plateau soon, otherwise MOA may need to manage rice production even more aggressively.

Exhibit 14: Taiwan Direct Rice Consumption, 2013-2023 (Total and Per Capita)



Source: MOA

Trade

Imports

Based on WTO commitments, Taiwan's negotiated worldwide Tariff Rate Quota (TRQ) for rice is 144,720 MT (brown basis). The TRQ is divided into private sector imports (35 percent) and public sector imports (65 percent). The public sector quota is divided by country of origin and tender type with U.S. Country Specific Quota (CSQ) set at 64,634 MT (brown basis).

Generally, out-of-quota imports are not commercially viable due to prohibitively high tariffs. The tariff rates are NT\$45/kg (\$1.58/kg) for brown rice and milled rice and NT\$49/kg (\$1.73/kg) for processed rice products.

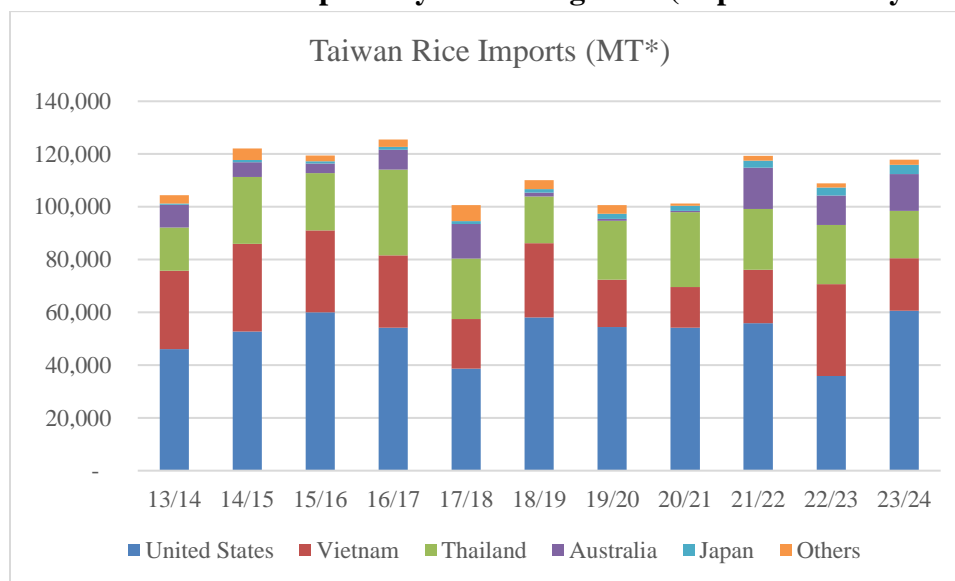
Imports for MY2025/2026 and MY2024/2025 are forecast at 110,000 MT (MRE), consistent with imports in recent years.

MY2023/2024 imports were 117,812 MT (MRE) based on customs data, an increase of eight percent. Imports from the United States recovered from 35,898 MT to 60,680 MT as 2023 U.S. CSQ (imports throughout 2024) was filled at 100 percent.

Imports from Vietnam decreased by 43 percent from 34,773 MT to 19,832 MT, many of the volume from Vietnam last MY was the result of unfilled 2022 U.S. CSQ quota turned into global tenders. Thailand also saw a decline in imports, dropping 20 percent from 22,491 MT to 17,983 MT.

In 2024, the U.S. rice CSQ (shipment in MY2024/2025) again was filled at 100 percent due to better crop conditions and supply in the United States.

Exhibit 15: Taiwan Rice Imports by Marketing Year (Export Share by Country)



*Source: Trade Data Monitor, LLC; Taiwan Customs *Milled Rice Equivalent*

Exports

Exports in MY2025/2026 and MY2024/2025, including food aid, are forecast to increase to 150,000 MT with exports as the expected outlet for the increase in production.

MOA is expected to continue its efforts to optimize production to better match consumption. Taiwan has exported rice in recent years to relieve some of the pressure of rising rice stocks. MOA will regularly auction out old reserve rice to qualified exporters.

MY2023/2024 rice exports were 140,116 MT (MRE) based on customs data. Papua New Guinea (41,875 MT) and Vanuatu (14,672 MT) are the two largest destinations for Taiwan's non-food aid exports. Exports to the Solomon Islands also remained significant, reaching 13,131 MT.

MOA is also promoting higher quality fresh rice for export to target markets in the United States, Australia, and rest of Asia. In MY2023/2024, Taiwan exported 10,011 MT to Australia, 4,384 MT to the United States and 3,890 MT to Japan. These higher value exports accounted for less than 17 percent of total export volume.

According to AFA, in MY2023/2024 about 19,620 MT were exports in the form of food aid, with Haiti as the largest recipient (accounting for 55 percent). In recent years, food aid has been less than 15 percent of exports.

Stocks

MY2024/2025 ending stocks are projected at 628,000 MT, while MY2025/2026 stocks are forecast at 738,000 MT. MY2023/2024 ending stocks were 518,000 MT based on preliminary MOA production data and consumption estimates.

Most stocks are government held and acquired through the domestic government purchase program or TRQ public tenders. In accordance with [Article 5](#) of the Food Administration Act, the Domestic Rice Safety-Stock Standard (in [Chinese](#)) stipulates the government should keep at least three months stock by consumption in reserve.

MOA frequently points out that Taiwan's rice stock was ample whenever food security or supply chain disruptions captured public attention, stock levels were at least two to three times of that required by the Act. MOA continues to aim to maintain a modest amount of rice stocks for food security purposes as rice remains the only grain commodity for which Taiwan can claim a high self-sufficiency rate. In September 2024, as MOA unveiled its Food Security Resiliency Plan, it stated that Taiwan's rice stock stand around 595,000 MT (MRE) or 7 months of use.

MOA has utilized multiple approaches to manage its stock level, such as disincentivizing farmers to grow rice, incentivizing rotation with other crops, providing rice as food aid, expanding export markets, promoting diverse processing use, and using aging stocks for animal feed. MOA will also occasionally release mashed brown rice to livestock farmers from its reserve to be used in feed. Starting in MY2023/2024, countries in East Asia around Taiwan including Japan and the Philippines have experienced some forms of rice shortage, if the situation persists, there may be opportunities for Taiwan to unload some of the excess stock.

Rice, Milled	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	222	242	230	250	0	250
Beginning Stocks (1000 MT)	470	470	371	518	0	628
Milled Production (1000 MT)	1023	1120	1119	1150	0	1150
Rough Production (1000 MT)	1461	1600	1599	1643	0	1643
Milling Rate (.9999) (1000 MT)	7000	7000	7000	7000	0	7000
MY Imports (1000 MT)	118	118	125	110	0	110
TY Imports (1000 MT)	118	118	125	110	0	110
TY Imp. from U.S. (1000 MT)	65	0	0	0	0	0
Total Supply (1000 MT)	1611	1708	1615	1778	0	1888
MY Exports (1000 MT)	140	140	130	150	0	150
TY Exports (1000 MT)	140	140	130	150	0	150
Consumption and Residual (1000 MT)	1100	1050	1100	1000	0	1000
Ending Stocks (1000 MT)	371	518	385	628	0	738
Total Distribution (1000 MT)	1611	1708	1615	1778	0	1888
Yield (Rough) (MT/HA)	6.5811	6.6116	6.9522	6.572	0	6.572
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2025/2026 = January 2026 - December 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments