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Taiwan's US Beef and Pork Imports Rise 2000

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Report Highlights:

It is estimated that in 1999 beef imports will be a record 95,000 mt (CWE). Beef imports for 2000 are forecast at 99,000 mt (CWE). Over 90 percent of Taiwan's beef demand is met by imports. The US market share is about 20 percent.

Australia dominates the market. Pork imports for 1999 are expected to total 80,000 mt (CWE) and 50,000 mt (CWE) in 2000. The United States had an 82 percent share of the pork import market in 1999, and should continue to dominate the market in 2000 as well.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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LIVESTOCK SEMI-ANNUAL REPORT

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EXECUTIVE SUMMARY

Taiwan's beef cattle population is very small, consisting of about 30,000 buffaloes, yellow cattle and hybrid cattle. Most domestic beef comes from cows culled from Taiwan's small dairy herd of about 130,000 head. In mid-1999, foot-and-mouth disease (FMD) was found in cattle on 10 farms. In January 2000 FMD cases occurred in dairy cows. These smaller incidents of FMD follow the 1997 widespread outbreak which devastated the swine sector in the first FMD outbreak on Taiwan in 50 years. Over 90 percent of Taiwan's beef demand is met by imports. Beef consumption grew substantially in 1999 because low beef prices in the world market encouraged imports. Taiwan's beef consumption will likely continue to grow because consumption patterns are becoming increasingly western. It is estimated that total 1999 beef imports will be a record high 70,000 mt and 2000 beef imports are forecast at 73,000 mt. US market share was 21 percent in 1999, and is expected to remain in that range in 2000. Australia is the main competitor for this market.

Pig production is estimated at 9 million head in 1999, down 8 percent from the 1998 level. Pig production for 2000 total is forecast at 9.5 million head. Pork imports from January through October 1999 totaled about 48,000 mt. The United States had a market share of 82 percent. Pork import quantities are heavily influenced by Taiwan's local production and pig prices. In 2000 pork imports are expected to decrease in line with Taiwan's increased pig supply and declining pig prices. Since the FMD outbreak in March 1997, sporadic and localized FMD cases have continued to occur. The most recent FMD case in pigs occurred on April 29, 1999.

All US meat imports that are accompanied by a USDA/FSIS health certificate meet Taiwan quarantine/food safety standards. However, all documents accompanying meat imports are subject to meticulous scrutiny by Customs officials. Incorrect or incomplete documentation (health certificates, bills of lading, etc.) can lead to delays in the Customs clearance process, and, in extreme cases, to the rejection, confiscation or even destruction of shipments. Exporters are cautioned to take extraordinary measures to ensure that all meat export documents for product exported to Taiwan are accurate and complete.

Imports of bovine hides from January to October 1999 totaled 117,101 mt, roughly the same level as in the first ten months of 1998. US market share grew to 73 percent, from 71 percent in 1999. The market share for Canada, our major competitor, remained at 25 percent. The United States is the principal supplier of imported hides and the US market share should remain at around 70 percent in the year 2000.

Strong prices for domestic pigs, and very low world market tallow prices, boosted Taiwan's tallow imports in 1999. Between January and October 1999, imports totaled 95,157 mt, up 54 percent from imports in the corresponding period in 1998. Total imports for 2000 are projected at 85,000 mt.

BEEF**Table 1. Taiwan Beef Production, Supply and Distribution**

PSD Table						
Country:	Taiwan			1.36	<-Conversion factor for CWE	
Commodity:	Cattle/Beef					
		1998		1999		2000
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1998		01/1999		01/2000
Slaughter (Reference)	34	29	34	32	0	32
Beginning Stocks	0	0	0	0	0	0
Production	6	5	6	5	0	5
Intra EC Imports	0	0	0	0	0	0
Other Imports	72	82	68	95	0	99
TOTAL Imports	72	82	68	95	0	99
TOTAL SUPPLY	78	87	74	100	0	104
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Human Dom. Consumption	78	87	74	100	0	104
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	78	87	74	100	0	104
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	78	87	74	100	0	104
Calendar Yr. Imp. from U.S.	0	19	0	21	0	23
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Production

The conversion factor used to derive the carcass weight equivalent (CWE) for beef in the above PSD table is 1.36. Beef variety meat (offal) imports are not included in the beef PSD table.

Taiwan's beef cattle population is very small, consisting of about 30,000 buffaloes, yellow cattle and hybrid cattle. Most domestic beef comes from culled dairy cattle. In June and July 1999, foot-and-mouth disease (FMD) was found in 10 ranches, all beef cattle farms, on Taiwan. A *stamping-out* policy was implemented and all cattle on these farms, totaling several hundred head, were depopulated. However, in January 2000, more cases of FMD, this time in dairy cattle, were reported in central Taiwan. After this latest occurrence, officials decided to vaccinate all cloven-hoofed animals against FMD because the spread of FMD to dairy cattle alarmed Taiwan milk consumers, and could ruin Taiwan's small dairy sector. (There are only about 130,000 dairy cows on Taiwan.) FMD ravaged Taiwan's swine population in 1997, crippling the island's pig industry and bringing

an end to its pork exports. FMD vaccination has been required for pigs since 1997.

Consumption

Over 90 percent of Taiwan's beef demand is met by imports. A two-year comparison of meat and seafood consumption is shown in the following table.

Table 2. Per Capita Consumption of Animal Protein by Type (kg per capita)

Year	Beef	Pork	Lamb	Poultry Meat	Other Meat	Seafood
1997	3.44	39.05	1.30	33.49	0.03	42.4
1998	3.29	41.13	1.25	32.94	0.16	40.4

Source: Food Balance Sheet, Council of Agriculture

Official per capita beef intake data for 1999 are not available yet. However, consumption is expected to have grown significantly in line with surging imports (see *Trade* for details). Beef consumption grew substantially in 1999 for the following reasons: 1) consumers substituted beef for pork because of high pork prices (see *Pork Production* for details); 2) low beef prices on the world market encouraged imports; and 3) increased consumer exposure to beef in several newly opened hypermarkets and price club stores has led to a significant increase in beef consumption. Taiwan's beef consumption is expected to continue to grow because the diet of the average Taiwan consumer is increasingly western. However, in the year 2000, because prices for domestic pork are currently falling, and because prices for imported beef are currently rising, growth in beef consumption will be at a slower pace. In 2000, beef consumption is expected to grow by 4 percent.

Trade

Beef imports from January through October 1999 totaled 60,335 mt, up 20 percent from the same period in 1998. The sizeable increase is attributed to consumers' substitution of beef for expensive local pork, a strong domestic economy, and an increased demand for beef (see *Consumption* for details). It is estimated that total 1999 beef imports will be a record high 70,000 mt (95,000 mt CWE). Because Taiwan 2000 pig prices are expected to fall significantly from 1999 highs, 2000 beef imports are forecast at 73,000 mt (99,000 mt CWE), up only 4 percent from 1999. Taiwan imports of US beef during the first 10 months of 1999 grew by 9 percent as compared with the same 10 months in 1998. However, in 1999, US market share declined slightly (from 23 to 21 percent) because other suppliers made even larger gains. Beef imports from Australia and New Zealand grew by 13 percent and 33 percent respectively.

Table 3. Taiwan Beef Imports

Import Trade Matrix				
Country:	Taiwan		Units:	MT, CWE
Commodity:	Beef		Partial Begin:	January
			Partial End:	October
Exports for	1997	1998	1-10/1998	1-10/1999
	Full	Full	Partial	Partial
U.S.	14,316	13,766	11,650	12,740
Others				
Australia	33,369	33,216	26,494	29,980
Canada	1,298	1,507	1,230	1,780
Japan	21	18	15	13
New Zealand	13,464	11,690	10,870	14,484
Panama	0	53	34	255
Argentina	0	0	0	1,083
Total for Others	48152	46484	38643	47595
Others not listed				
Grand Total	62468	60250	50293	60335

Imports of red meat variety meats (offal) are banned entry, except for limited amounts that are allowed entry under quota. US beef variety meats, as agreed to in the US-Taiwan bilateral WTO pre-accession agreement, have been entering Taiwan under a 5,000 mt annual quota since August 1998. On July 1, 1999, Taiwan also opened a 5,000 mt quota for beef offal from countries other than the US. Preliminary beef offal imports in 1999 are shown in the table below.

Table 4. Taiwan Beef Offal Imports (MT)

Supplying Source	Quota (including 1998 un-filled quota)	Imports	% Filled
U.S.	8,118*	1,946	23.97
Non-U.S.	5,000	708**	14.15

Source: Board of Foreign Trade

* This includes 5,000 mt quota for 1999 and 3,118 mt rolled over from 1998.

** This includes 57 mt from Canada; 588 mt from Australia; 58 mt from New Zealand and 5 mt from Korea. Preliminary 1999 data show that imports of US beef offal totaled 1,946 mt, about 40 percent of the annual 5,000

mt quota. Taiwan importers have made significant progress in identifying US meat plants that can accommodate Taiwan preferences for this product. The quota was not filled due mainly to high US prices. The utilization of non-US beef offal quota was even lower; only 14 percent of the total quota was used. This was because: 1) non-US suppliers have not yet had time to modify their packing and processing methods to meet Taiwan specifications; and 2) the world supply of beef variety meats is limited. Taiwan competes with buyers from Latin America, Eastern Europe, and other Asian countries for these products.

For the year 2000, Taiwan merged the US and non-US quotas for beef variety meats (offal) into a global quota open to all WTO members on an MFN basis. The global quota for the first half of 2000 (equal to half of the 10,000 mt combined annual quota) was announced by Taiwan's Board of Foreign Trade (BOFT) on January 26, 2000. Countries which meet Taiwan's quarantine/food-safety requirements for beef and beef offal are: the US, Canada, Australia, New Zealand, Japan, Korea, and Sweden. A Taiwan meat inspection team visited the US in July 1999 and reaffirmed the approval that it had agreed to accord to the US meat inspection system in its February 1998 WTO pre-accession agreement with the US. Therefore, all US meat and poultry exports to Taiwan accompanied by USDA/FSIS health certificates are eligible for import into Taiwan. A similar commitment is believed to exist with Canada, and a similar agreement with Australia may be negotiated in the future. For other supplier countries, imports are only allowed when coming from plants that have been individually inspected and approved by Taiwan authorities.

Marketing

Sales of US beef, which, in the past were confined to the hotel, restaurant and institution (HRI) sector, have now penetrated Taiwan wet markets and grocery stores. In 2000, US beef also made successful inroads into the Taiwan food processing industry. A Chinese-style meat ball product made locally from US choice beef was recently introduced into the market.

Canada's market promotion strategy is similar to that of the US. It focuses on promotions in retail outlets, especially supermarkets and hypermarkets. Australian beef, which dominates in the traditional wet markets, is now expanding its marketing focus to include the HRI sector. No extensive marketing activities have been reported for New Zealand beef. Central America beef is not a player in the market. Argentine beef could conceivably compete in this market due to its cheaper prices and good quality. Reportedly, Taiwan importers sent specialists to Argentina to teach packers how to trim product for the Taiwan market. Argentine beef shank is reported to be quite competitive while intercostal beef cuts are less so because they do not yet meet Taiwan specifications.

Policy

All US meat imports that are accompanied by a USDA/FSIS health certificate meet Taiwan quarantine/food safety standards. However, all documents accompanying meat imports are subject to meticulous scrutiny by Customs officials. Incorrect or incomplete documentation (health certificates, bills of lading, etc.) can lead to delays in the Customs clearance process, and, in extreme cases, to the rejection, confiscation or even destruction of shipments. Exporters are cautioned to take extraordinary measures to ensure that all meat export documents for product exported to Taiwan are accurate and complete.

SWINE & PORK**Table 5. Taiwan Swine Production, Supply and Distribution**

PSD Table						
Country:	Taiwan					
Commodity:	Swine					
		1998		1999		2000
	Old	New	Old	New	Old	New
Calendar Year Begin						
TOTAL Beginning Stocks	7967	7967	6539	6539	0	7242
Sow Beginning Stocks	998	998	799	799	0	772
Production (Pig Crop)	11500	9154	11000	10100	0	10200
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	3	9	0	3
TOTAL Imports	0	0	3	9	0	3
TOTAL SUPPLY	19467	17121	17542	16648	0	17445
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Sow Slaughter	0	0	0	0	0	0
OTHER SLAUGHTER	9900	9800	9800	9000	0	9500
Total Slaughter	9900	9800	9800	9000	0	9500
Loss	3028	782	1242	406	0	955
Ending Inventories	6539	6539	6500	7242	0	7000
TOTAL DISTRIBUTION	19467	17121	17542	16648	0	17455
Calendar Yr. Imp. from U.S.	0	0	0	9	0	3
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Table 6. Taiwan Pork Production, Supply and Distribution

PSD Table						
Country:	Taiwan			1.43	<-Conversion factor for CWE	
Commodity:	Pork					
		1998		1999		2000
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1998		01/1999		01/2000
Slaughter (Reference)	9900	9800	9800	9000	0	9500
Beginning Stocks	100	100	40	40	0	0
Production	890	892	885	820	0	850
Intra EC Imports	0	0	0	0	0	0
Other Imports	22	22	25	80	0	50
TOTAL Imports	22	22	25	80	0	50
TOTAL SUPPLY	1012	1014	950	940	0	900
Intra EC Exports	0	0	0	0	0	0
Other Exports	3	3	5	0	0	0
TOTAL Exports	3	3	5	0	0	0
Human Dom. Consumption	969	971	945	940	0	900
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	969	971	945	940	0	900
Ending Stocks	40	40	0	0	0	0
TOTAL DISTRIBUTION	1012	1014	950	940	0	900
Calendar Yr. Imp. from U.S.	18	18	20	65	0	40
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Production

The conversion factor used to derive the carcass weight equivalent (CWE) for pork in the above PS&D Table is 1.43. Imports of pork bones and pork offal are not included in the pork PS&D Table. Imports of pork variety meats (offal) and several pork cuts, which are generally banned entry, have been imported under quota in limited quantities since August 1998 (see *Trade* for more details). Since the FMD outbreak in March 1997, sporadic and localized FMD cases have continued to occur. The most recent FMD case in pigs occurred on April 29, 1999. The hog census conducted in November 1999 indicated that the population for both standing and breeding pigs (except boars) was up significantly from six months earlier. The outcome of the survey is shown on the following table.

Table 7. Taiwan Hog Population Data

	Nov. 1998	May 1999	Nov. 1999
No. of farms	17,072	18,739	16,024
Pigs on farm	6,538,596	7,124,779	7,242,330
Boars	40,830	44,699	43,345
Sows/gilts	799,220	820,546	891,633
Sows	712,219	741,983	771,565
Gilts	87,001	78,563	120,068
Fattening pigs	5,698,546	6,259,534	6,307,349
Piglets	956,142	1,018,398	1,082,762
Under 30 kg	1,601,547	1,806,445	1,767,763
30-60 kg	1,561,011	1,697,922	1,724,094
Above 60 kg	1,579,846	1,736,769	1,732,730

Source: Council of Agriculture

In October 1998, Taiwan launched a hog farm buyout program to help inefficient producers leave the sector after the FMD outbreak shut Taiwan out of the Japan market and demand for pigs plummeted. A total of 5,070 pig farms, over 70 percent of which raised fewer than 500 pigs, took advantage of the buyouts.

The 2-year grace period for the implementation of a stricter Chemical Oxygen Demand (COD) standard for pig farm waste water ended in December 1999. Beginning January 1, 2000, the COD requirement became 250 ppm from a previous level of 400 ppm. Farmers have petitioned for a relaxation of the COD requirement. Reportedly, they have no difficulty meeting two other waste water standards: Biological Oxygen Demand (BOD) at 80 ppm, and Suspension Solid (SS) at 150 ppm. The stringent waste water standards are expected to result in the exit from the sector of the few smaller and less efficient producers that remained after the previous wholesale exit occasioned by the 1997 FMD outbreak.

In 1999, buyouts, increased pork imports (see *Trade* for details), and waste water controls, resulted in the lower domestic production of pigs and strong pig prices. Pig production (i.e., *pigs slaughtered*) is estimated at 9 million head in 1999, down 8 percent from the 1998 level. In response to lower production, auction prices began to rise in the second semester of 1998, and production has risen steadily since then in response to the attractive prices. In the fourth quarter of 1999 prices leveled off, and are now falling. In early 2000 pig production continued to rise, but the rate of increase will likely turn negative by the second semester in response to sagging prices. Nonetheless, total slaughter in 2000, projected at 9.5 million, is still expected to be greater than in 1999. Pig auction prices from May 1999 through January 2000 are as shown on the following table.

Table 8. Taiwan Pig Auction Prices (NT\$/100 kg)

Month	May 1999	Jun. 1999	Jul. 1999	Aug. 1999	Sep. 1999	Oct. 1999	Nov. 1999	Dec. 1999	Jan. 2000 (est)
NT\$	6,417	6,981	7,204	7,165	5,840	5,283	5,341	5,194	5,000

Source: Pig Report

On Taiwan , the average direct cost of live weight hog production is roughly NT\$ 4,000 to NT\$ 5,000/100 kg (199 average exchange rate: roughly NT\$32.3 = US\$1).

Trade

Pork imports from January through October 1999 totaled 47,897 mt (68,493 mt CWE), approaching Taiwan's level of beef imports. The United States, which dominated the market, took 82 percent of the import share. In 1999, due to high local prices, and very low pork prices in the United States, even some non-quota pork cuts, such as loins, and picnic shoulders were imported. These US items are usually not competitive in this market. According to trade sources, imports of bellies and other quota items become attractive when local hog prices go above NT\$5,500/100 kg and imports of non-quota (i.e. non-restricted) items become profitable when local hog prices exceed NT\$6,000/100 kg. The most popular pork import items have been belly and picnic shoulders. Pork imports are heavily influenced by Taiwan's local production and pig prices. In 2000 pork imports are expected to decrease in line with Taiwan's increased pig supply and declining pig prices. However, imports of picnic shoulders will likely continue, regardless of local pig prices, because the food processing industry has become accustomed to the quality and stability of US pork supplies.

Table 9. Taiwan Pork Imports

Import Trade Matrix				
Country:	Taiwan		Units:	mt, CWE
Commodity:	Pork		Partial Begin:	Jan
			Partial End:	October
Exports for	1997	1998	1-10/1998	1-10/1999
	Full	Full	Partial	Partial
U.S.	0	11,504	3,358	39,230
Others				
Australia	0	26	0	185
Canada		1,337	149	8,482
Total for Others	0	1363	149	8667
Others not listed				
Grand Total	0	12867	3507	47897

Imports of pork variety meats, pork bellies, and several pork cuts are banned entry, except for certain amounts that are allowed entry under quotas. Imports from the US, as agreed to in the February 1998 US-Taiwan bilateral WTO accession agreement, have been entering Taiwan since August 1998. Quota imports of non-US pork belly and offal have been allowed since July 1999. The most popular offal items are stomachs, intestines, and tendons.

Before the 1997 FMD outbreak, about one-third of all pigs on Taiwan was raised for the export market, virtually all going to Japan. High quality pork was exported, while the non-meat portions were retained for local consumption. As a result of the FMD outbreak, Taiwan's pig population has dropped by nearly one-third which has resulted in a serious shortage of pork variety meats, lard and pig bones. Therefore, the demand for pork variety meats and pork bones will continue strong in 2000 regardless of domestic hog prices. These imports are not included in the above pork PS&D and trade tables. In the first 10 months of 1999, pork bone imports totaled 6,152 mt, with 3,131 mt from Canada; 1,767 mt from Korea; 100 mt from Australia; and 1,155 mt from the United States. Preliminary pork belly and pork offal imports in 1999 are shown on the following table.

Table 10. 1999 Taiwan Pork Belly Imports (mt)

Supplying Source	Quota (including 1998 un-filled quota)	Imports	% Filled
U.S.	5,856*	5,748	98.16
Non-U.S.	1,160	953**	82.20

Source: Board of Foreign Trade

* This includes 5,000 mt of quota for 1999 and 856 mt rolled over from 1998.

** This includes 933 mt from Canada, and 20 mt from Korea

Table 11. 1999 Taiwan Pork Offal Imports (mt)

Supplying Source	Quota (including 1998 un-filled quota)	Imports	% Filled
U.S.	8,062*	7,148	74.99
Non-U.S.	2,500	1,875**	74.99

Source: Board of Foreign Trade

* This includes 7,500 mt of quota for 1999 and 562 mt rolled over from 1998.

** This includes 1,363 mt from Canada; 86 mt from Australia and 426 mt from Korea.

For the year 2000, Taiwan merged the US and non-US quotas for pork variety meats (offal) and pork belly into global quotas open to all WTO members on an MFN basis. The global quotas for the first half of 2000 for 5,000 mt of pork offal, and 3,080 mt of pork bellies were announced by Taiwan's Board of Foreign Trade (BOFT) on January 26, 2000. Countries that meet Taiwan's quarantine/food safety requirements for pork and pork offal are: the US, Canada, Australia, New Zealand, Japan, Korea, and Sweden. A Taiwan meat inspection team visited the US in July 1999 and reaffirmed the approval that it had agreed to accord to the USDA meat inspection system in its February 1998 WTO pre-accession agreement with the US. Therefore, all US meat and poultry exports to Taiwan accompanied by USDA/FSIS health certificates are eligible for import into Taiwan. A similar commitment is believed to exist with Canada, and a similar agreement with Australia may be negotiated in the future. For other supplier countries, imports are only allowed when coming from plants that have been individually inspected and approved by Taiwan authorities. Denmark is currently applying for Taiwan's quarantine/food safety approval. This process may take some time because Denmark has not exported pork to Taiwan in the past.

Marketing

The most serious competition for Taiwan's pork import market will likely come from Canada which exports a greater portion of its pork production, and has had longer experience adjusting packaging and processing to meet the requirements of its foreign buyers. Korea is new to the market but competitive, especially in pork offal. Currently, the only EU country that meets Taiwan's quarantine/food safety requirements for pork and pork offal exports to Taiwan is Sweden, and its exports are limited to a few packing plants that have exported

product to Taiwan in the past. EU pork feet, stomachs, rectums and large intestines are price competitive in this market.

Policy

All US meat imports that are accompanied by a USDA/FSIS health certificate meet Taiwan quarantine/food safety standards. However, all documents accompanying meat imports are subject to meticulous scrutiny by Customs officials. Incorrect or incomplete documentation (health certificates, bills of lading, etc.) can lead to delays in the Customs clearance process, and, in extreme cases, to the rejection, confiscation or even destruction of shipments. Exporters are cautioned to take extraordinary measures to ensure that all meat export documents for product exported to Taiwan are accurate and complete.

HIDES

Table 12. Taiwan Bovine Hides Production, Supply and Distribution

PSD Table						
Country:	Taiwan				<MT piece conversion	
Commodity:	Hides & Skins, Bovine					
		1997		1998		1999
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1997		01/1998		01/1999
Beginning Stocks	0	0	0	0	0	0
Production In MT	0	0	0	0	0	0
Production In Pieces	10	12	10	12	0	12
Intra EC Imports	0	0	0	0	0	0
Other Imports	140	140	145	142	0	145
TOTAL Imports	140	140	145	142	0	145
TOTAL SUPPLY	140	140	145	142	0	145
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Domestic Consumption	140	140	145	142	0	145
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	140	140	145	142	0	145
Calendar Yr. Imp. from U.S.	0	94	0	85	0	90
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Trade

Imports of bovine hides from January to October 1999 totaled 117,101 mt, roughly the same level as in the first ten months of 1998. US market share grew to 73 percent, from 71 percent in 1999. The market share for Canada, our major competitor, remained at 25 percent. The United States has been the major supplier of Taiwan's hide imports and US share is expected to continue to be at least 70 percent in the year 2000.

Table 13. Taiwan Bovine Hide Imports

Import Trade Matrix			
Country:	Taiwan	Units:	mt
Commodity:	Bovine Hides		
Time period:	CY1998 & Jan.-Oct., 1999		
Imports for	1998		1-10/1999
U.S.	101,043	U.S.	85,979
Others		Others	
Australia	1,913		985
Canada	35,679		29,474
Ireland	76		234
New Zealand	40		280
U.K.	129		0
Japan	0		129
Total for Others	37837		31102
Others not listed	69		20
Grand Total	138949		117101

Policy

Taiwan is one of the world's leading producers of footwear. In the past 10 years, many of Taiwan's shoe manufacturers have moved their operations to the PRC where costs of production are lower. Nonetheless, shoe manufacturers still like the quality of Taiwan-tanned leather and demand remains strong. Tanners are regarded as a nuisance by most people on this densely populated island, and the tannery industry is regarded as "sunset" industry. However, the tannery industry, which claims to still be profitable, has requested that the authorities relax current waste water standards. These standards, COD at 100 ppm; BOD at 30 ppm; and SS at 30 ppm, will likely be somewhat relaxed within a couple of months. Taiwan's cattle hide imports are expected to remain at current levels for the foreseeable future.

TALLOW

Table 14. Taiwan Tallow Production, Supply and Distribution

PSD Table						
Country:	Taiwan					
Commodity:	By-Products, Tallow & Grease					
		1998		1999		2000
	Old	New	Old	New	Old	New
Calendar Year Begin		01/1998		01/1999		01/2000
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
Intra EC Imports	0	0	0	0	0	0
Other Imports	75	76	75	105	0	85
TOTAL Imports	75	76	75	105	0	85
TOTAL SUPPLY	75	76	75	105	0	85
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Domestic Consumption	75	76	75	105	0	85
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	75	76	75	105	0	85
Calendar Yr. Imp. from U.S.	3	6	3	20	0	10
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Trade

Strong prices for domestic pigs and extremely low world market tallow prices greatly boosted Taiwan's tallow imports in 1999. Tallow imports from January to October 1999 totaled 95,157 mt, up 54 percent from imports for the corresponding period in 1998. International prices for tallow rose greatly during the fourth quarter of 1999 and purchases slowed. Total 1999 imports are estimated at 105,000 mt. Tallow prices have been fluctuating markedly since 1999. During 1999 summer months, prices for first-grade tallow dropped to US\$ 335/mt, C&F. Then, in September 1999 they jumped to US\$ 460/mt. Now (January 2000) they are down at US\$ 360/mt. Import levels are highly dependent on international prices.

During the first 10 months of 1999, Taiwan imports of US tallow were 19,435 mt, up from only 3,153 mt during the same 10 months a year earlier. US exports grew because Taiwan importers purchased large amounts of US tallow during the window of time in 1999 when US tallow prices were lower than those of its international competitors. In 1999 tallow imports from Australia grew from 39,576 mt to 50,834 mt but its market share dropped to 53 percent (from 64 percent), because total imports were up considerably. Imports from New Zealand were 17,533 mt, about the same as for the first 10 months of 1998. Its market share dropped to 18 percent, from 28 percent in 1998.

Table 15. Taiwan Tallow Imports

Import Trade Matrix			
Country:	Taiwan	Units:	mt
Commodity:	Tallow		
Time period:	CY1998 & Jan.-Oct., 1999		
Imports for	1998		1-10/1999
U.S.	5,672	U.S.	19,435
Others		Others	
Australia	49,807		50,834
Argentina	0		0
Japan	1		2
New Zealand	19,298		17,533
Canada	1,496		7,345
Total for Others	70602		75714
Others not listed			8
Grand Total	76274		95157