

Required Report: Required - Public Distribution

Date: April 15,2020

Report Number: TW2020-0025

Report Name: Oilseeds and Products Annual

Country: Taiwan

Post: Taipei

Report Category: Oilseeds and Products

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Report Highlights:

Taiwan's soybean imports are projected to fall to 2.45 million metric tons in marketing year 2019/2020 due to slowing demand in both food and feed use driven by the ongoing novel coronavirus pandemic. Crush, soybean meal production, and oil consumption are all revised lower as the hotel, restaurant, and institutional sector remains depressed given changes in consumer behavior due to COVID-19. Container availability issues and cost increases in the United States may negatively impact U.S. soybean market share in Taiwan over the coming year. Demand for cooking oil is falling as COVID-19 effects consumers' willingness to eat out and social distancing has other negative impacts on restaurants. Given the effectiveness of the Taiwan Model in treating COVID-19 and Taiwan authorities continued efforts to buoy domestic livestock producers, demand is expected to recover sometime in marketing year 2020/2021.

Sources and Common Terms

Common Terms in this Report Include:

ASF – African Swine Fever
BOFT – Bureau of Foreign Trade, Taiwan
CAGR – Compound Annual Growth Rate
COA – Council of Agriculture
COVID-19 – Novel Coronavirus 2019
CY – Calendar Year
FGIS – USDA Agricultural Marketing Service Federal Grain Inspection Service
FMD – Foot and Mouth Disease
GE – Genetically engineered
HA – Hectare
HRI – Hotel, Restaurant, Institutional
HS – Harmonized Commodity Description and Coding System
kg – Kilogram
MOEA – Ministry of Economic Affairs
MT – Metric Tons
MMT – Million Metric Tons
MY – Marketing Year
OIE – World Organization for Animal Health
SBM – Soybean Meal
TVOA – Taiwan Vegetable and Oil Manufacturers Association
YSB – Yellow Soybeans

All COA data in this report is from year 2018 unless otherwise noted. COA national oilseed data lags one year behind and is updated annually in August to September. All import data is taken from BOFT, MOEA unless otherwise noted. The PSD extraction rate is derived from MOEA oil production statistics and the TVOA soybean crush number. All maps were created using USDA FAS GADAS. Other data sources in the report are referenced as necessary.

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SOYBEANS

Production

From MY2019/20 to MY2020/21, the area planted to soybeans remains small at only 4,000 HA. MY2020/21 production is forecasted at 5,000 MT. The MY2019/20 production estimate is unchanged at 5,000 MT, but MY2018/19 production is revised downward to 4,000 MT based on COA data.

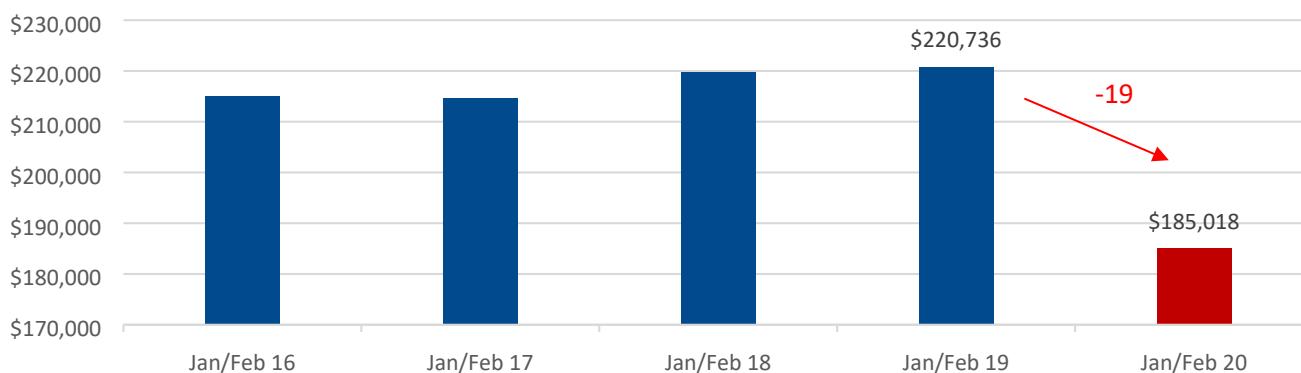
Soybean production in Taiwan is minimal given land, resource, and climate constraints. Taiwan's demand for soybeans is almost exclusively met by import supply. Since 2013, COA has offered subsidies to farmers who plant import-dependent row crops in rotation with rice. COA is doing this to try and incent annual production upward to 6,000 MT. However, from 2014 to 2018 average yield per hectare was less than 1.67 MT/HA (or 23.8 bushels per acre), below half the U.S. average. Taiwan authorities are trying to increase soybean production to address rice overproduction, not to discourage imports. To sell a more premium product, almost all domestic soybean production is marketed as identity preserved.

Consumption

Soybean consumption is forecast to fall by six percent to 2.455 MMT in MY2019/20 before recovering to 2.56 MMT in MY2020/21. While the price of SBM relative to other imported feed ingredients in MY2018/19 led to record crush, in MY2019/20 both crush and food use are falling due to the impacts of COVID-19 on the food and livestock sectors.

MY2020/21 food use is forecast to recover to 290,000 MT after falling to 280,000 MT in MY2019/20 due to COVID-19's effect on the HRI sector. HRI sector activity has decreased with travel seriously curtailed, events canceled, and individuals social distancing since early January 2020 (Exhibit 1). MOEA reports that catering and other food service activity have decreased by 19 percent in January and February over the previous year, normally the height of demand around Lunar New Year. MY2018/19 food use is forecasted at 310,000 MT according to COA.

Exhibit 1: 2020 Catering and Other Food Service Activity – Jan/Feb 2016 to Jan/Feb 2020



Source: MOEA

The MY2020/21 soybean crush is forecast to recover to 2.05 MMT after MY2019/20 is estimated at 1.91 MMT due to lower feed production. MY2018/19 crush is revised down to 2.103 MMT based on statistics from Taiwan’s crushers. Despite a downward revision, low soybean prices in MY2018/19 at the onset of the U.S.-China trade issues provided an opportunity for higher crush margins in Taiwan and the resultant record crush. The crush capacity utilization rate for MY2018/19 was at record levels, up 11 percent year-over-year to 77 percent. Crushing margins from meal increased such that there was temporarily room in the market for approximately 40,000 MT of SBM imports (50,000 MT soybean equivalent) for MY2019/20 delivery.

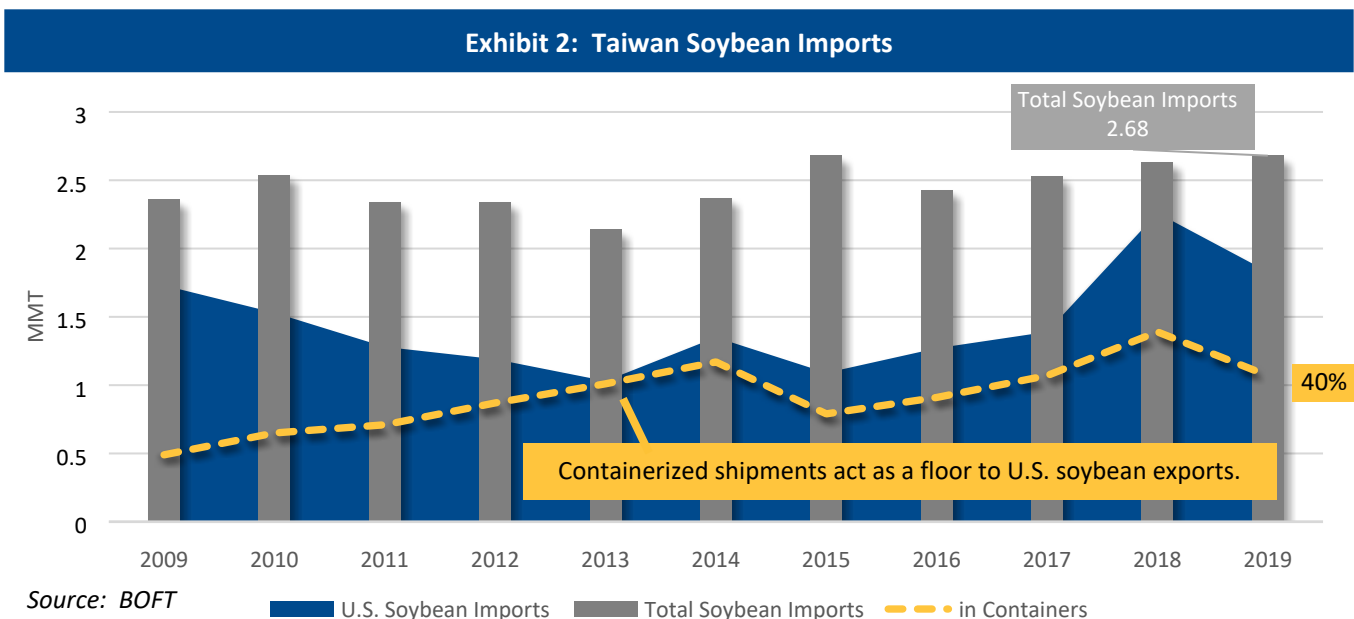
Based on multiple industry sources, the remaining meal demand in feed rations is being met by use of full fat meal that falls under the feed waste/domestic consumption category. Soybeans for feed are forecast to increase in M2019/20 to 265,000 MT due to decreased crush before returning to normal in MY2020/21. MY2018/19 soybeans for feed waste is revised upwards to 210,000 MT due to high demand in feed rations.

Trade

Due to negligible production, Taiwan’s soybean imports closely track consumption. MY2019/20 soybean imports are forecast lower to 2.45 MMT due to COVID-19 demand side factors that are negatively affecting consumption. MY2020/21 soybean imports are forecast up at 2.55 MMT on recovering demand post COVID-19 and expected improvements in Taiwan’s livestock sector. MY2018/19 soybean imports are revised lower to 2.613 MMT based on Taiwan import data.

Containerized Soybean Exports (Exhibit 2)

The Taiwan trade has booked approximately 2.20 MMT of soybeans in vessel shipments on a more or less fixed delivery schedule for MY2019/20 imports. The remaining import amount in a normal year would be shipped via backhaul containers from the United States. Historically, mixing bulk containers and bulk vessels has allowed Taiwan’s trade to adjust to market demands more quickly. Containerized shipments are also favored for their small size and the discretion that comes with a private transaction



(versus a public tender where the price is known to all competitors in the market). However, due to COVID-19's impacts on container availability in the United States and on the price of container freight, containerized shipments have become more expensive than bulk vessels in MY2019/20. The soybean trade reports that steamship lines have announced a \$20 to \$40 per MT twenty-foot equivalent unit freight increase in May and continue to skip sailing periods. [From January to September 2019, 18 percent of all U.S. containerized grain exports were destined for Taiwan.](#) But containerized soybean shipments in CY2020 are forecast to be lower than CY2019's 40 percent.

The United States generally has a comparative advantage in exporting bulk grain containers due to a larger consumer economy than South America. Because containers act as a floor to U.S. soybean exports, lower container imports are very likely to negatively impact overall U.S. soybean market share in Taiwan. This situation will also lower non-GE soybean imports from the previous year's 75,000 MT. Cheaper South American currencies will also likely put further downward pressure on U.S. soybean exports to Taiwan. The United States soybean market share in MY2018/19 was 67 percent, down seven percent from a ten-year record in MY2017/18.

Non-GE Imports

MY2018/19 imports of non-GE soybeans were 81,000 MT (74,000 MT yellow soybeans and 7,000 MT black soybeans). This is a 7,000 MT decrease from the previous year (79,000 MT yellow soybeans and 9,000 MT black soybeans), and the second annual fall. The decrease was due to sharply higher premiums for non-GE soybeans as trade tensions with China drove down the price of generic U.S. soybeans. In M2018/19, Canada held a 59 percent non-GE soybean market share, followed by the United States with a 30 percent share. The soybean-based food sector often promotes non-U.S. origin, with Canadian and French non-GE soybeans regularly advertised. This marketing ploy takes advantage of consumer perception that the United States only produces GE soybeans, and not many other varieties.

New HS Codes Divide Feed or Other Use

In November 2014, Taiwan started requiring that GE and non-GE soybean shipments be imported under separate HS codes. In May 2019, Taiwan further divided soybeans under feed or other use (food use) categories. Soybeans declared to customs as imported for food use are eligible to be utilized in both food or feed, while soybeans for feed use may only be used for animal feed. As predicted by the industry in Taiwan, there have been no recorded imports of soybeans (HS 1201.9000.211 GE soybeans for feed and HS 1201.900.220 non-GE for feed) for feed use under the newly established feed category since May 2019.

Stocks

Ending stocks at crushers are forecast to remain stable, although the trade predicts that fewer container shipments in CY2020 due to COVID-19 related logistical delays could lead to lower stocks. Given Taiwan's limited commercial storage, Taiwan importers regularly use containers and vessels at destination for storage to manage domestic stocks. For this reason, soybean stocks tend to range between 100,000 MT and 400,000 MT. Taiwan has a 10-year average stock-to-use ratio of 10 percent. M2018/19 stock-to-use ratio is a little high around 14.8 percent but projected to fall back to normal in the coming years.

Oilseed, Soybean	2018/2019		2019/2020		2020/2021	
Market Begin Year	Oct 2018		Oct 2019		Oct 2020	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	3	0	3	0	4
Area Harvested	3	3	3	3	0	4
Beginning Stocks	411	411	290	405	0	405
Production	5	4	5	5	0	5
MY Imports	2614	2613	2850	2450	0	2550
MY Imp. from U.S.	2200	1773	2275	1600	0	1700
MY Imp. from EU	0	0	0	0	0	0
Total Supply	3030	3028	3145	2860	0	2960
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	2250	2103	2350	1910	0	2050
Food Use Dom. Cons.	310	310	315	280	0	290
Feed Waste Dom. Cons.	180	210	180	265	0	220
Total Dom. Cons.	2740	2623	2845	2455	0	2560
Ending Stocks	290	405	300	405	0	400
Total Distribution	3030	3028	3145	2860	0	2960
CY Imports	2679	2678	2850	2450	0	2700
CY Imp. from U.S.	2100	1834	2275	1600	0	1830
CY Exports	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0
Yield	1.6667	1.3333	1.6667	1.6667	0	1.25
(1000 HA), (1000 MT), (MT/HA)						

SOYBEAN MEAL

Production

Meal production from local crush in MY2018/19 reached a record 1.656 MMT. MY2019/20 meal production from local crush is projected 10 percent lower at 1.5 MMT. The decrease in production is due to COVID-19 lowering domestic soybean oil consumption, a downward adjustment in hog feed production because of a local oversupply of pork and the additional 40,000 of SBM imports. MY2020/21 SBM production is forecast to recover by seven percent to 1.61 MMT from a local soybean crush of 2.05 MMT.

Consumption

Thought no cases have been recorded on the main island, ASF has been a constant threat to Taiwan's domestic swine production. Local pig farmers have been reticent to expand herds for fear of the economic loss that would occur from a detection. Taiwan pork production operates on a hub-and-spoke system; pigs are sent from each individual farm to a regional live auction house and co-located slaughter facility. Despite the biosecurity challenges that are inherent in a hub-and-spoke system, Taiwan authorities have done an excellent job implementing robust measures to keep ASF out. These same biosecurity measures have helped Taiwan maintain FMD free without vaccine status for over one year. The OIE is expected to update Taiwan's designation in May 2020, after which Taiwan hopes to regain export market access to Japan and other regional markets. For these reasons, MY2020/21 feed waste/domestic consumption is expected to recovery to 1.625 MMT as local confidence and demand post COVID-19 recovers.

Besides swine production, Taiwan also has a sizeable domestic poultry industry. According to COA, swine and poultry feed combined to account for 91 percent of Taiwan's total feed output in CY 2018. However, as COVID-19 drags on demand for livestock products, total feed production is falling and estimates for MY2019/20 and MY2020/21 are lower at 7.45 MMT and 7.70 MMT, respectively. COA projects lower demand for livestock products to last into the second half of MY2020/21. Although MY2018/19 total feed output is projected to reach a decade record of 7.80 MMT, SBM feed waste consumption was adjusted downward slightly as other feed ingredients also remained quite price competitive in rations due to lower feed grain prices at the onset of the U.S.-China trade issues.

The Hog Sector

COA conducts a semi-annual hog census in May and September of Taiwan's total hog population. The 2019 hog census showed Taiwan's standing hog population continued to grow in small increments following the previous year's census. At the same time, Taiwan's pork imports have increased to 101,367 MT in 2019, 28 percent above the 10-year average. However, COVID-19 is having a marked impact on demand. Local live pig auction market prices fell below NTD \$60 per kg, down from NTD \$82.48 per kg in August 2017. Due to decreasing demand, COA cut its 2020 target production to 7.85 million head, three percent lower than their 2020 preliminary target of 8.1 million head. COA is incentivizing auction houses or packers to increase slaughter by providing subsidies to farmers for culling sows and/or piglets in order to stabilize domestic hog prices. AIT's Agricultural Section forecasts hog production for 2021 to recover to 8 million head on the assumption that demand will

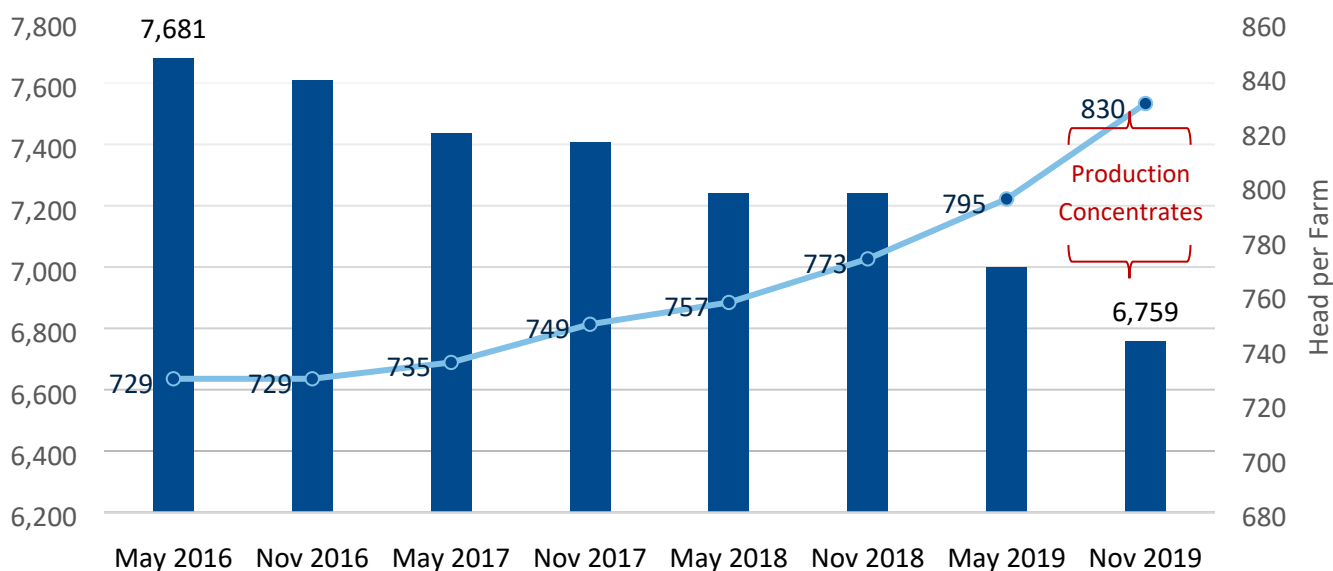
recover post-COVID-19 in early MY2020/21. Due to these production factors, hog feed demand is estimated at 3.15 MMT for CY2020 and 3.25 MMT for CY2021 (Exhibit 3).

Exhibit 3: Feed Production (MMT)							
	2015	2016	2017	2018	2019*	2020*	2021*
Total Feed	7.38	7.52	7.62	7.71	7.8	7.45	7.70
Hog Feed	3.26	3.26	3.21	3.20	3.30	3.15	3.25
Poultry Feed	3.29	3.48	3.66	3.76	3.7	3.6	3.70
Others	0.83	0.78	0.75	0.75	0.75	0.70	0.75

Sources: Council of Agriculture (2015-2018). * AIT estimates (2019-2021)

As a means to help combat ASF, Taiwan implemented new feed rules banning improperly heat-treated food scraps from pig feed in January 2019. Traditionally, food scraps were primarily used to feed Taiwan’s local black pig breed. As these black pigs have switched to commercialized feed sources, hog feed production numbers have been amended upward. According to the May 2019 COA census, the black pig herd in Taiwan remains roughly unchanged at around 12 to 13 percent of the total herd, down by 2.3 percent since the last inclusion of black pigs in the census in May 2015. This significant change in Taiwan’s new feed rules have resulted in the elimination of some small backyard producers, with production concentrating in the hands of fewer farmers (Exhibit 4). The removal of non-industrial feed is long-term supportive of higher SBM consumption and slightly increased crush.

Exhibit 4: Average Swine Herd Size per Farm in Taiwan



Source: COA Hog Census

■ Number of Hog Farms ● Average Herd Size

The Poultry Sector

Though a very popular local delicacy, overall consumption of breaded, deep-fried chicken fillets is falling at street stalls and markets as tourism decreases and demand suffers due to COVID-19. COA's target poultry production for 2020 is 373 billion birds, down three percent from 2019 and a five percent reduction from 2018. Based on COA statistics, total 2019 poultry production is estimated at 380 million birds (slaughtered). However, lower 2019 poultry feed consumption is offset by increases in Taiwan's layer flock, up 370 thousand birds in January 2019 versus January 2018. The United States has provided a significant amount of the birds that Taiwan is using to rebuild its layer flock, with baby layer chick exports up 1,247 percent from 2018 to 2019. According to the 2018 COA Agricultural Statistics Yearbook, broiler production (slaughtered) accounts for approximately 58 percent of total poultry production, native tugi birds are 28 percent, ducks are nine percent, layers account for only four percent, and geese and turkeys account for the remainder (Exhibit 5). Poultry feed demand is projected at 3.6 MMT in MY2019/20 and 3.7 MMT in MY2020/21, down slightly from 2018 due to COVID-19 but an overall larger proportion of total feed production (Exhibit 6).

Exhibit 5: Birds on Farm in 2018 (1,000 birds)

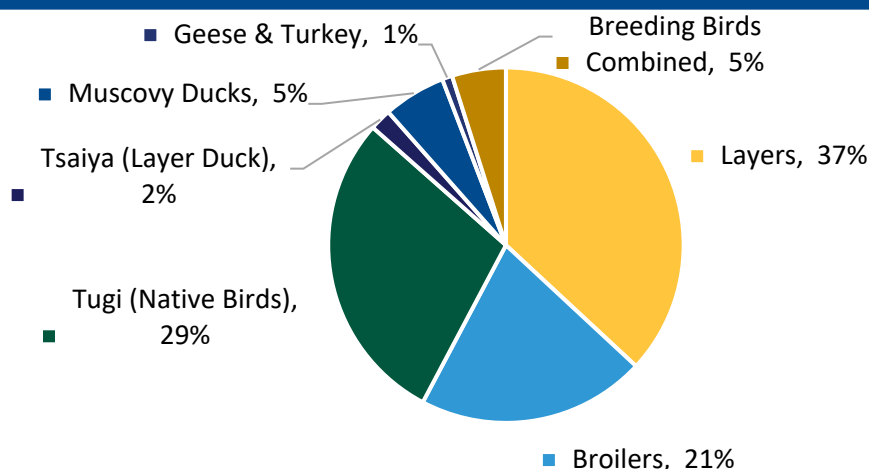


Exhibit 6: Pork and Poultry Production (Animals Slaughtered) & Imports

Year	Pork Production (thousand head)	Pork Imports HS0203 (TMT)	Poultry Production (million birds)	Poultry Imports HS0207 (TMT)
2013	8,720	30	347	115
2014	8,067	48	370	143
2015	8,200	82	357	182
2016	8,144	59	379	164
2017	7,947	85	376	160
2018 (revised)	8,073	83	393	216
2019 (preliminary)	8,050	84	380*	214
2020 (target)	7,850	NA	373*	NA

Sources: Council of Agriculture (2013-2018). *AIT estimates (2019-2020)

Trade

Most soybean meal in Taiwan is produced and consumed domestically. MY2020/21 imports and exports are forecast to remain flat, based on sufficient domestic production and normal import volume. However, MY2019/20 imports were raised to 65,000 MT due to high domestic margins providing an opening for competitively priced imports of SBM. According to industry reports, most of Taiwan's exported soybean meal is specialty high nutrition, fermented meal. Note that Taiwan's import statistics do not cover that level of detail, so it is not shown in the data.

Soybean meal is traded according to Taiwan's Chinese National Standards, which sets a national crude protein level of 43 percent. Because of this and other price factors, locally crushed soybean meal faces only minor competition from other imported high protein meals. A reduction in the imports of other protein meals in MY2019/20 indicates their falling percentage in feed rations as SBM prices in Taiwan stabilize post U.S.-China trade issues (Exhibit 7).

Exhibit 7: Imports of Soybean Meal Substitutes (in 1,000 MT)				
Meal/HS Code	MY2017/18	MY2018/19	MY2018/19 (Oct-Jan)	MY2019/20 (Oct-Jan)
2301.20: Fish meal	147	140	50	43
<i>SME (x1.445)</i>	212	202	72	62
2305: Peanut meal	3	2	1	-
<i>SME (x1.124)</i>	3	2	1	-
2306.50 Copra meal	11	13	3	3
<i>SME (x0.4515)</i>	5	6	1	1
2306.49 Rapeseed meal	10	8	3	3
<i>SME (x0.7115)</i>	7	6	1	1
2306.60 Palm kernel meal	0	0	-	-
<i>SME (x0.3557)</i>	0	0	-	-
Total in SME	227	216	75	64

Source: Taiwan Customs Statistics

Stocks

SBM stocks at crushers follow demand closely given Taiwan's limited storage abilities. As no major changes are expected with worldwide soybean availability, MY2019/20 and MY2020/21 stocks are predicted to remain around 65,000 MT.

Meal, Soybean	2018/2019		2019/2020		2020/2021	
Market Begin Year	Oct 2018		Oct 2019		Oct 2020	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2250	2103	2350	1910	0	2050
Extr. Rate, 999.9999	0.7853	0.7874	0.7872	0.7853	0	0.7854
Beginning Stocks	62	62	75	69	0	62
Production	1767	1656	1850	1500	0	1610
MY Imports	26	26	30	65	0	25
MY Imp. from U.S.	15	15	15	50	0	15
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1855	1744	1955	1634	0	1697
MY Exports	5	7	7	7	0	7
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1775	1668	1870	1565	0	1625
Total Dom. Cons.	1775	1668	1870	1565	0	1625
Ending Stocks	75	69	78	62	0	65
Total Distribution	1855	1744	1955	1634	0	1697
(1000 MT), (PERCENT)						

SOYBEAN OIL

Production

MY2018/19 oil production is revised down 15,000 MT to 386,000 MT, crushed from 2.103 MMT of soybeans. According to data provided by private crushers, the oil extraction rate improved in MY2018/19 due to a recovery in the quality of U.S. soybean exports (Exhibit 8). MY2019/20 and MY2020/21 oil production are forecast at 345,000 MT and 375,000 MT as COVID-19 dents near-term demand, with an expected recovery sometime the following year.

Exhibit 8: Average Oil and Protein Levels of Imported Soybeans

Marketing Year		Oil, %	Crude Protein, %
2018	U.S. West Coast	18.42	33.89
	U.S. East Coast	18.65	34.66
	Brazil	21.02	35.49
2019	U.S. West Coast	18.70	33.37
	U.S. East Coast	19.50	34.31
	Brazil	20.90	34.36

Source: Taiwan Crushers' Monitoring Data, FGIS #2 YSB Imports at 13 percent moisture basis

Consumption

MY2018/19 total soy oil consumption in food use is revised to 340,000 MT on MOEA and TVOA data. As Taiwan's HRI sector slows due to COVID-19, the business-to-business cooking oil trade is also slowing. MY2019/20 soybean oil consumption is anticipated to drop by 40,000 MT to 300,000 MT. Social distancing continues to dampen the outlook for events, catering, and restaurants as Taiwan consumers shift to eating at home and home delivery. Given HRI soybean oil consumption is normally significantly higher than residential consumption, crush continues to slow as Taiwan companies adjust to changing economic behavior. On the assumption that consumptive demand normalizes fully by 2021 given Taiwan's robust economic and biosecurity measures, MY2020/21 consumption is estimated to recover to 325,000 MT. Taiwan does not use soybean oil for biodiesel or other transportation fuels. The largest substitute for soybean oil is imported palm oil (refer to the Palm Oil section on page 15), though Taiwan imports other oils primarily for use in household cooking (Exhibit 9).

Exhibit 9: Taiwan Other Oil Imports (per 1,000 MT)

Type of Edible Oil	MY 2017/18	MY 2018/19	MY 2018/19 (Oct-Jan)	MY 2019/20 (Oct-Jan)
Palm Oil (HS1511)	219	233	84	66*
Coconut Oil & Palm Kernel Oil (HS1513)	7	7	2	2
Olive Oil (HS1509; HS1510)	8	8	3	3
Canola (Rapeseed) Oil (HS1514)	32	27	5	13*
Sunflower Oil (HS1512)	19	19	6	6
Corn and Other Veg. Oils (HS1515)	3	0	-1	0
Total Non-Soy Oil Imports	288	294	99	90

*Source: BOFT. *AIT estimate.*

Trade

In April 1952, the Taiwan Vegetable Oil Manufacturers' Association (TVOA) was founded. TVOA has 16 members that crush and trade oil. Their members are divided into two separate groups based upon geographic region. In large part, this separation is because two joint ventures conduct most of the bulk tendering into either Kaohsiung or Taichung ports and the imports distributed within either the north or south. Additionally, crushers drive Taiwan's soybean demand with byproduct margins significantly impacting import decisions. However, all members control a degree of individual purchasing decisions.

Due to the volume of domestic crush, the price competitiveness of locally produced soybean oil largely excludes most other oil import activity, excluding small palm oil imports. Taiwan crushes soybeans for SBM and exports surplus soybean oil to nearby markets. MY2018/19 soybean oil exports amounted to 25,000 MT, the highest in recent years given Taiwan's record crush. MY2019/20 exports are forecast to return the historic 5-year export volume norm of around 10,000 MT.

Stocks

Soybean crushers report soybean oil stocks to Taiwan authorities, insuring a good and current public estimate of total stocks. MY2018/19 stocks dropped back to 18,000 MT based on MOEA statistics. MY2019/20 and MY2020/21 ending stocks are higher than historic levels due mainly to lower demand from the HRI sector.

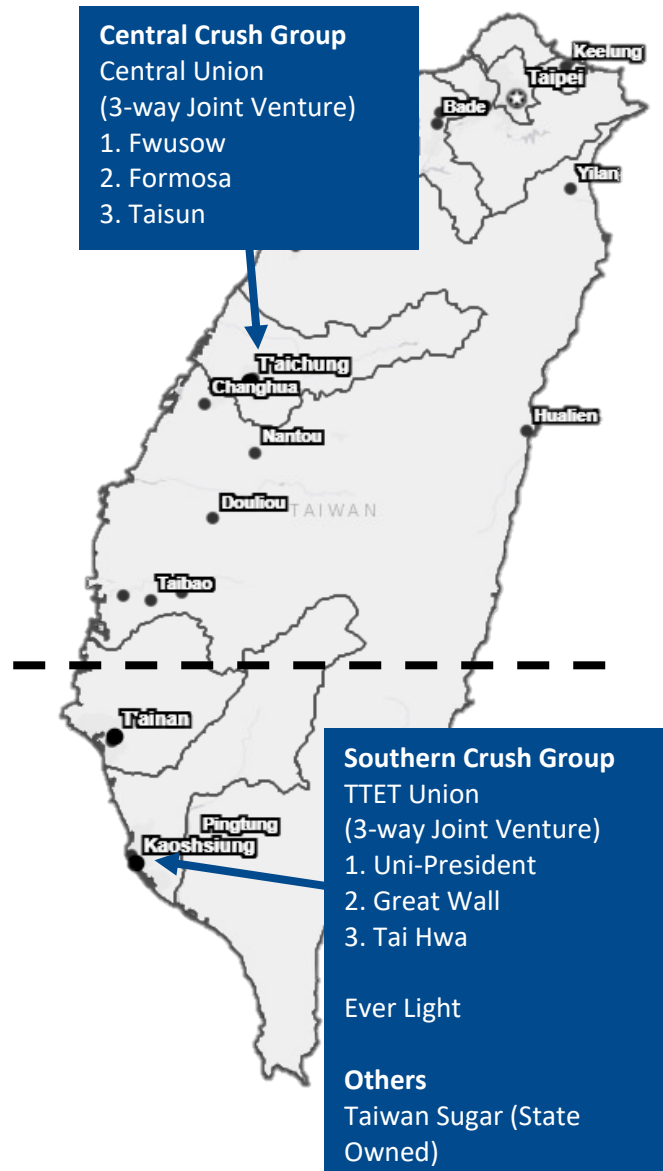
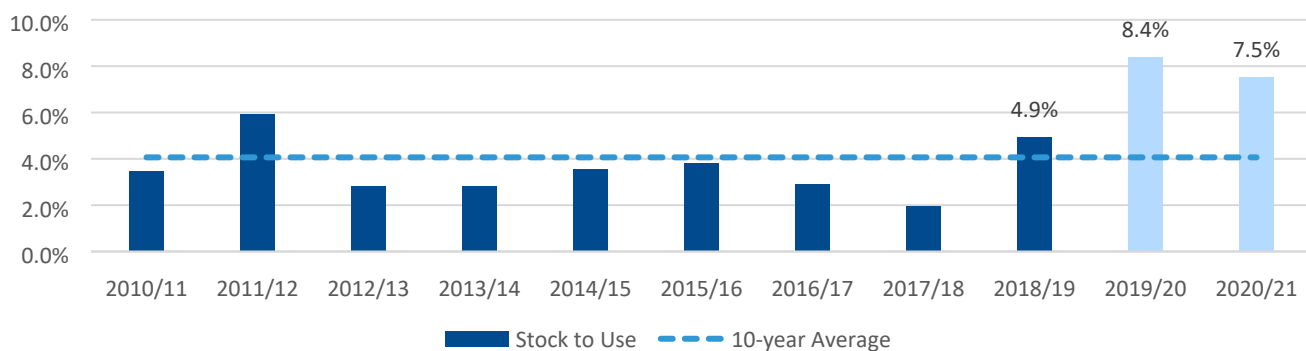


Exhibit 10: Taiwan Soybean Oil Stock-to-Use Ratio



AIT estimates (MY2019/20 and MY2020/21), Source: MOEA

Oil, Soybean	2018/2019		2019/2020		2020/2021	
Market Begin Year	Oct 2018		Oct 2019		Oct 2020	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2250	2103	2350	1910	0	2050
Extr. Rate, 999.9999	0.1782	0.1835	0.1787	0.1806	0	0.1805
Beginning Stocks	18	18	18	18	0	27
Production	401	386	420	345	0	370
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	419	404	438	363	0	397
MY Exports	25	25	20	15	0	25
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	21	21	25	21	0	21
Food Use Dom. Cons.	355	340	370	300	0	325
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	376	361	395	321	0	346
Ending Stocks	18	18	23	27	0	26
Total Distribution	419	404	438	363	0	397
(1000 MT), (PERCENT)						

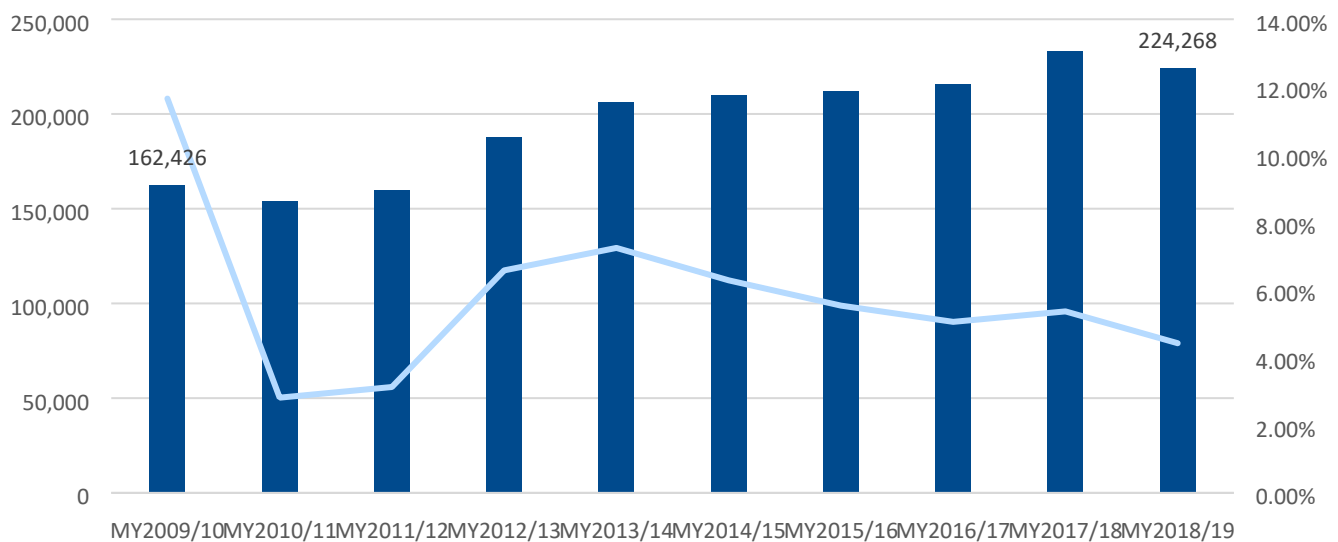
PALM OIL

Summary on Production, Trade, Consumption and Stocks

MY2018/19 palm oil imports are 225,000 MT as reported by Taiwan customs, while MY2019/20 and MY2020/21 palm oil imports are forecasted flat at 225,000 MT. However, palm oil has entered feed rations in Taiwan due to competitive prices; increases in feed use have offset decreases in food use due to COVID-19. Ending stocks are revised upwards to 9,000 MT.

As Taiwan does not grow palm oil trees, all of Taiwan's palm oil demand is met through imports. Over the last ten years Taiwan's palm oil imports have grown modestly by a CAGR of 4.4 percent (Exhibit 11). This growth is reflective of demand in the food manufacturing sector for a cheap alternative to locally manufactured soybean oil and a zero percent import tariff on imported palm oil. In MY2018/19, 97 percent of Taiwan's palm oil imports originated from Malaysia due to joint ventures with Taiwan companies.

Exhibit 11: Taiwan Palm Oil Imports Last 10-years



Source: TDM

■ Palm Oil Imports
 — CAGR Palm Oil Imports

Oil, Palm	2018/2019		2019/2020		2020/2021	
Market Begin Year	Jan 2019		Jan 2020		Jan 2021	
Taiwan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Trees	0	0	0	0	0	0
Beginning Stocks	5	5	5	9	0	9
Production	0	0	0	0	0	0
MY Imports	225	224	230	225	0	225
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	230	229	235	234	0	234
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	225	170	230	165	0	170
Feed Waste Dom. Cons.	0	50	0	60	0	55
Total Dom. Cons.	225	220	230	225	0	225
Ending Stocks	5	9	5	9	0	9
Total Distribution	230	229	235	234	0	234
CY Imports	245	0	250	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0
Yield	0	0	0	0	0	0

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