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Report Highlights:

Taiwan's soybean imports are projected to reach 2.63 and 2.65 MMT in MY2021/22 and MY 2022/23. Soybean import demand will be buoyed by steady feed demand as well as exports and demand for soybean oil. In MY 2020/21, Taiwan's COVID-19 control restrictions in Q2-Q3 had some negative impact on demand from the HRI sector, especially for soybean oil and palm oil which are favored in commercial use. Logistical challenges and inflationary pressure from the global pandemic recovery along with the Russia-Ukraine crisis have increased price volatility. Despite much higher soybean prices, declining imports for containerized soybean meal alternatives due to availability and predictability issues also will likely keep bulk soybean imports steady.

Sources and Common Terms

Acronyms in this Report Include:
AFA – Agriculture and Food Agency of Taiwan
AIT – American Institute in Taiwan
ASF – African Swine Fever
BOFT – Bureau of Foreign Trade of Taiwan
COA – Council of Agriculture of Taiwan
CSQ – Country Specific Quota
CY – Calendar Year
FAS – Foreign Agricultural Service
FSI – Food, Seed, and Industrial
GOT – Government of Taiwan
HA – Hectares
KT – Kiloton (1000 MT)
MRL – Maximum Residue Limit
MT – Metric Tons
MMT – Million Metric Tons
MOEA – Ministry of Economic Affairs of Taiwan
MY – Marketing Year
OIE – World Organization for Animal Health
TFMA – Taiwan Feed Manufacturers' Association
TRQ – Tariff Rate Quota
TY – Trade Year
TDM – Trade Data Monitor
USDA – U.S. Department of Agriculture

All import data is taken from BOFT/MOEA unless otherwise noted. Other data sources in the report are referenced directly.

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OILSEED, SOYBEAN

Production

There is minimal soybean production in Taiwan due to the predominance of rice and other crops, lack of available farmland, and the competitiveness of imports.

MY 2022/23 production is forecast at 5,000 MT, unchanged from MY 2021/2022. Forecast planted area is also unchanged at 4,000 HA for both MY 2022/2023 and 2021/2022.

Since 2013, COA has offered subsidies for planting import-dependent crops in rotation with rice to decrease excess rice production and slightly reduce import dependence. However, planting expansion seems to have reached a barrier with lower yields and lack of price competitiveness versus imports limiting the market opportunities for domestically produced soybeans. According to AFA, soybean planted area was 3,303 hectares in CY 2021 with production at 4,820 MT

On January 17, 2022, the Soybean Industry Strategic Alliance was launched by 55 farmer's groups at a COA-hosted event in order to spur increased soy plantings. Its objectives are: 1) Increase Taiwan's soybean production from 5,000 MT to 25,000 MT in 5 years; 2) Increase planted area from the current 3000 HA to 10,000 HA; 3) Increase domestic soybean production to provide 10 percent of food consumption soybean use according to COA.

It remains to be seen how much actual production can be expanded when Taiwan is also aiming to increase corn production to substitute some imports during the current Russia-Ukraine crisis.

Consumption

MY 2022/2023 total domestic consumption is forecast to decline slightly to 2.65 MMT based on tighter supply and higher prices. The MY 2021/2022 consumption estimate is adjusted to 2.7 MMT.

Problems continued to plague U.S. containerized grains exports in 2021 and much higher replacement costs will likely place further constraints on demand in MY 2022/23. Limited growth opportunity for vegetable oil consumption as well as the livestock industry will dampen the prosect of further growth in soybean demand.

MY 2022/23 and MY 2021/22 soybean crush are forecast flat at 2.05 MMT. Domestic meal consumption, exports, and soybean oil demand will likely sustain the crush rate.

MY 2021/22 feed and residual use is expected to increase to 350,000 MT while MY 2022/23 is forecast down to 300,000 MT. The remaining animal feed demand is being met by higher use of full fat soy,

which falls in this category. Buyers would prefer full fat soybeans, which is preferable when vegetable oil supply is tight. Because of the simpler process, some of Taiwan's feed millers can import soybeans directly to make use of full fat soybeans.

MY 2022/23 food use is forecast stable with MY 2021/22 at 300,000 MT. MY 2020/21 is adjusted to 280,000 MT; the prior forecast was not able foresee the impact of Taiwan's COVID outbreak. Taiwan experienced its most significant COVID-19 episode in the second half of 2021 with the hotel, restaurant, and institutional (HRI) sector impacted by dine-in restrictions, which accounts for this decrease in food use.

Trade

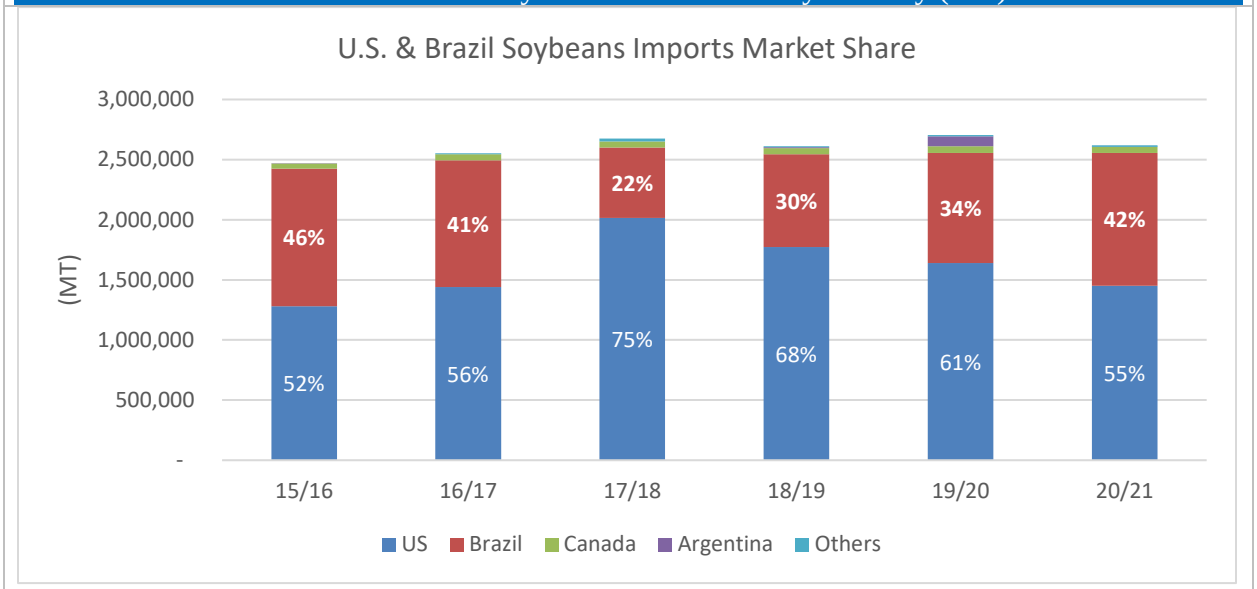
Taiwan relies on imports to meet 96 percent of its soybean demand. MY 2021/22 soybean imports are estimated at 2.625 MMT. MY 2022/23 imports are expected to recover slightly to 2.65 MMT on restocking needs.

Container shipping used to represent an advantage for U.S. exports, since buyers can get more regular shipments and use the free time provided at port as a temporary storage solution. Unfortunately, with the logistical and cost challenges for shipping containers throughout 2021, the United States has, at least temporarily, lost some export volume and market share in Taiwan.

To avoid potential supply disruptions in containerized shipping, Taiwan's buyers have purchased more bulk vessels when possible. In December 2021, a bulk soybean shipment from Brazil arrived in Taiwan in the middle of the seasonal U.S. shipping window.

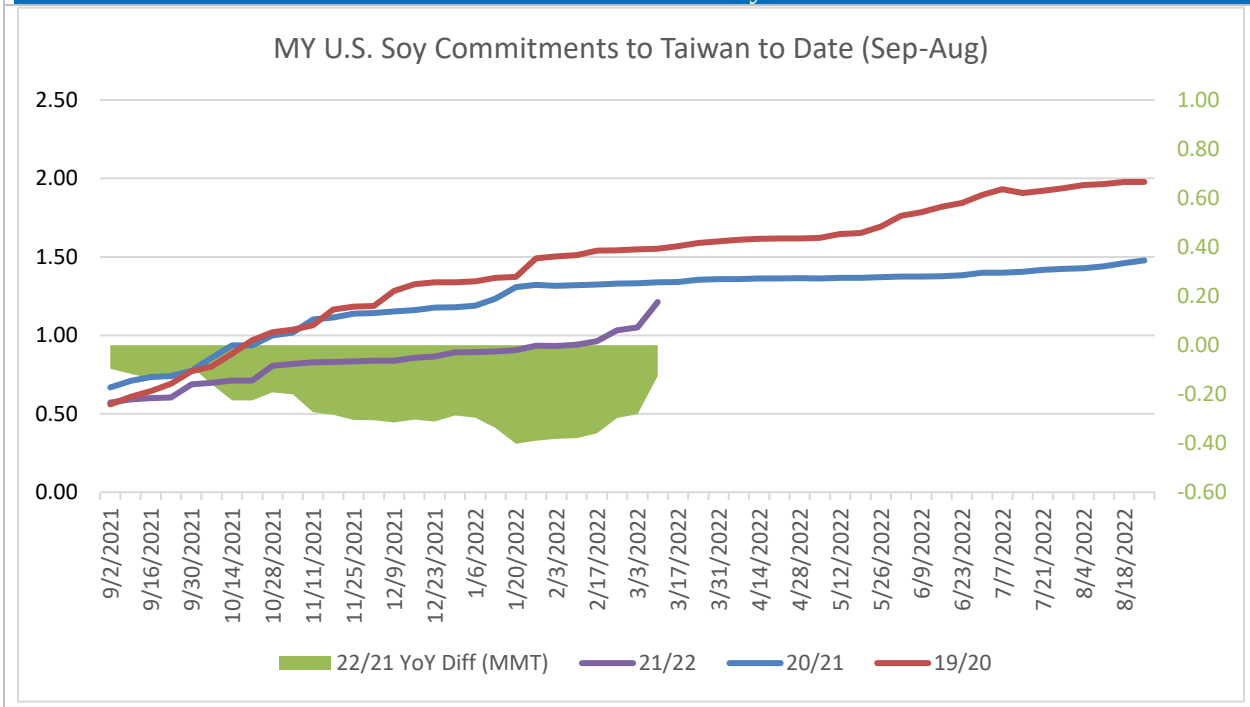
MY 2021/22 U.S. export sales are currently behind the same period in MY 2020/21 (at the time of publication) as the export season switches to South America (See Exhibit 2). The trend to rely on bulk or parcels from Brazil for the remainder of the MY while buying U.S. containers as a supplement looks likely to continue through MY 2021/22 as long as containerized shipping fails to return to its pre-pandemic status.

Exhibit 1: Taiwan Soybean Market Share by Country (MT)



Source: Taiwan Customs Statistics

Exhibit 2: United States to Taiwan Soybean Commitment



Source: USDA FAS

U.S. Containerized Soybean Exports to Taiwan

From January to October 2021, 18 percent of all U.S. containerized grain and oilseed exports went to Taiwan, which was the top destination market. (See USDA Agricultural Marketing Service report, p.21)

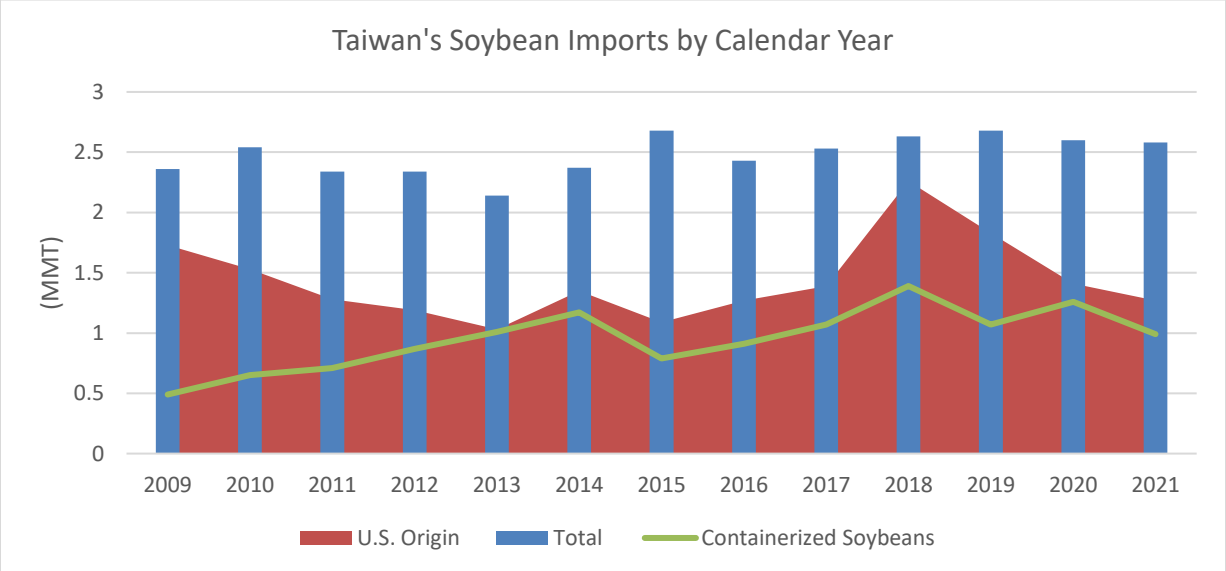
Containers offer flexibility and discretion versus bulk vessels. With limited grain storage facilities in Taiwan, buyers also value the free time and detention provided. Containerized shipping remains the preferred method for importing food grade and non-GE soybeans.

In CY 2021, Taiwan imported less than 1 MMT, or 38 percent, of its soybeans through containers out of 2.58 MMT of total imports, representing a decline of 10 percent from the previous year. Containers accounted for 78 percent of U.S. origin soybeans, a decline from 85 percent last CY (See Exhibit 3).

Soybeans (mt)	Imports Total	Bulk Total	Containers Total	U.S. Imports	U.S. Bulk	U.S. Containers
CY 2020	2,598,647	1,339,534	1,259,113	1,410,679	215,600	1,195,079
CY 2021	2,582,651	1,595,729	986,922	1,268,163	277,888	990,275
YoY	1%	1%	-8%	-3 %	29%	-10 %

* Bulk/containers breakdown is approximate and may not be exact

Exhibit 3: Taiwan Soybean Imports By Year

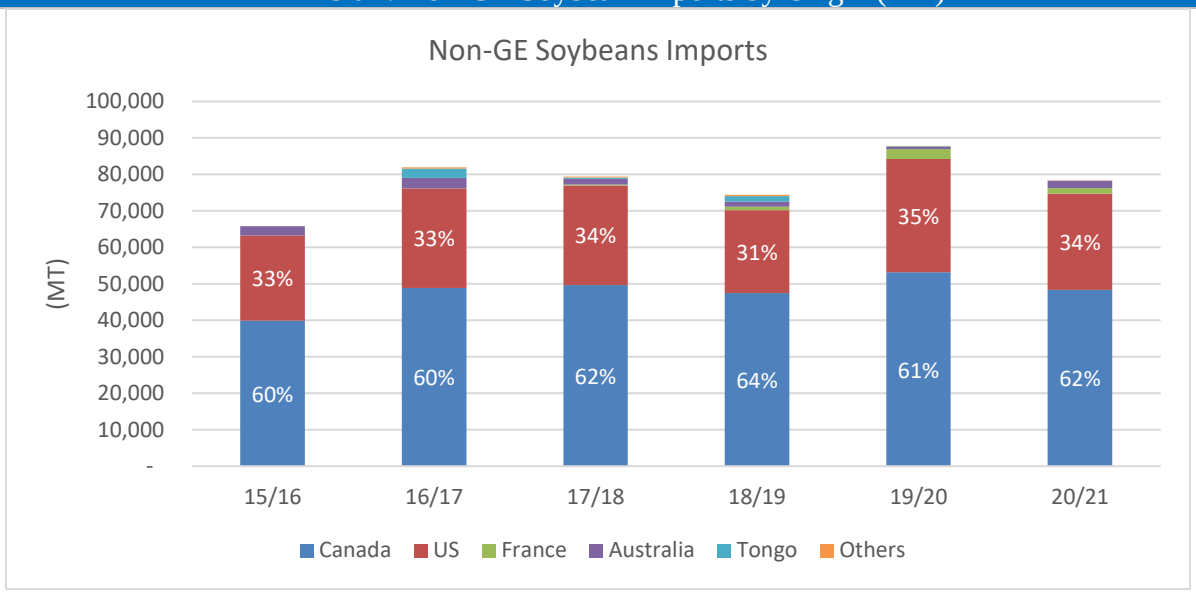


Source: Taiwan Customs Statistics

Non-GE Imports

MY 2020/21 imports of non-GE soybeans were 78,000 MT, a slight decline from MY 2021/22. In MY 2020/21, Canada took 62 percent of the non-GE soy market share, followed by the United States at 34 percent (see Exhibit 4). Non-GE exports, which heavily depend on containerized shipments, have seen a disruption of supply due to logistical issues from both the United States and Canada.

Exhibit 4: Non-GE Soybean Imports by Origin (MT)



Source: Taiwan Customs Statistics

HS Codes Separate Feed or Other Use

Since November 2014, Taiwan has required that GE and non-GE soybean shipments enter under separate HS codes. In May 2019, Taiwan further divided the codes for "other" or feed use. Soybeans are still imported mostly under "other" use, which has the flexibility to go into food or feed.

In MY 2021/22, there were 3,000 MT of U.S. imports filed under the GE feed code (same as the previous MY). FAS Taipei expects most imports will continue to be under the "other" use category (See Exhibit 5) because it retains the flexibility of end use.

Exhibit 5: MY 2020/21 Imports Breakdown by Customs Code (MT)

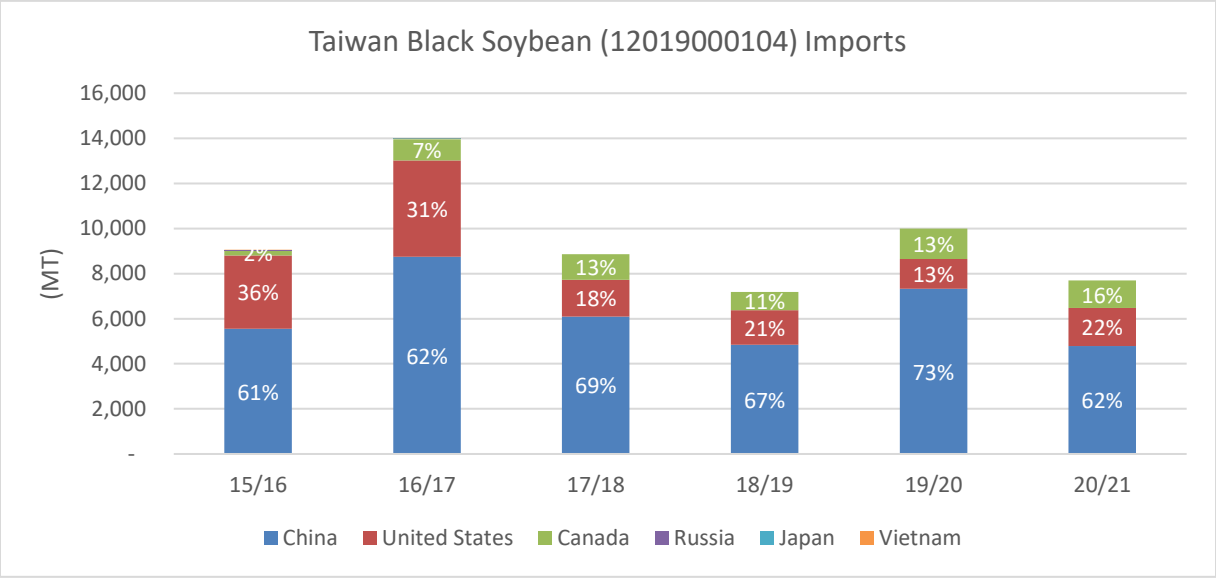
12019000916	GE Imports	Other Use	2,525,655
12019000925	Non-GE Imports	Other Use	78,257
12019000211	GE Imports	Feed Use	3,279
12019000220	Non-GE Imports	Feed Use	0

Source: Taiwan Customs Statistics

Black Soybean Imports

Black soybean is widely utilized in Taiwan for food processing and manufacturing for its supposed health benefit and consumer preference. It is the only category of soybean for which imports from China are permitted, since it was originally classified under a different HS code than soybeans. China is the biggest supplier, while the United States and Canada are a distant second and third. Taiwan has limited local production for black soybean (included in the soybean production statistics) mostly grown under contract. Black soybean production expansion faces the same challenges as regular soybean.

Exhibit 6: Taiwan Black Soybean Imports (MT)



Source: Taiwan Customs Statistics

Stocks

MY 2022/23 ending stocks are forecast to increase to 132,000 MT due to restocking from imports. MY 2021/22 ending stocks are forecast to decline to 127,000 MT. Buyers are more conservative in the current high uncertainty environment (including, among other factors, the Russia-Ukraine conflict) and will further drawn down stock. With limited commercial storage options in Taiwan as well as the frequent but delayed containerized shipment supplementing demand, crushers do not typically keep excess stock levels. MY 2020/21 stocks are estimated at 197,000 MT as demand was slightly impacted due to Covid-19 variants.

Learning from the experience of Q4 2020 (MY2020/21), when delayed shipments of containerized soybeans caused a temporary shortage before Lunar New Year, buyers have switched to purchasing more bulk vessels and using containerized shipments as a supplement. As a result, there was no shortage of soybeans in early 2022 before Taiwan's Lunar Near Year holidays.

Production, Supply, and Distribution						
Oilseed, Soybean	**2020/2021**		**2021/2022**		**2022/2023**	
Market Begin Year	**Oct-20**		**Oct-21**		**Oct-22**	
Taiwan	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted	4	4	4	4	0	4
Area Harvested	4	4	4	4	0	4
Beginning Stocks	333	197	233	197	0	127
Production	5	5	5	5	0	5
MY Imports	2615	2615	2665	2625	0	2650
Total Supply	2953	2817	2903	2827	0	2782
MY Exports	0	0	0	0	0	0
Crush	2225	2050	2225	2050	0	2050
Food Use Dom. Cons.	315	280	315	300	0	300
Feed Waste Dom. Cons.	180	290	180	350	0	300
Total Dom. Cons.	2720	2620	2720	2700	0	2650
Ending Stocks	233	197	183	127	0	132
Total Distribution	2953	2817	2903	2827	0	2782
Yield	1.25	1.43	1.25	1.43	0	1.43
(1000 HA), (1000 MT), (MT/HA)						

MEAL, SOYBEAN

Production

MY 2021/22 and MY 2022/23 soybean meal production from crushing are forecast at 1.61 MMT.

Taiwan's annual soybean crush has fluctuated around 2.0 to 2.1 MMT in recent years. Crushers manage their crushing pace so as to balance their soybean meal and oil stock levels. Crushing operations have consolidated with two large plants (Central Union & TTET) and two smaller crushing plants (Everlight & Tai-Sugar). Daily combined crushing capacity is 9,000 MT with annual total capacity at 3 MMT. Average capacity utilization rate is around 65 percent.

According to industry sources, the final MY 2020/2021 crush is expected to be similar in level to MY 2019/2020. Despite the significant disruption to economic activity that took place in Taiwan during Q2-Q3 2021, with numerous public restrictions impacting demand, crush has stayed fairly constant, with declined soybean meal imports and increased exports taking place to offset.

Crush in MY 2021/2022 will likely be sustained despite higher prices due to the need for soybean meal for feed and export demand as well as soybean oil demand.

Consumption

New Soybean Meal Standard

National Standards of the Republic of China (CNS) have been amended recently to include two different grades for soybean meal and dehulled soybean meal (see below).

Due to multiple factors including environmental, climate change, and breeding, soy protein level has been decreasing in recent years. As a result, soybean meal has had difficulty meeting Taiwan's CNS 1417 (43 percent) & 3731 (48 percent) standards.

Rule 4 of Taiwan's Feed Management Act stipulates that feed and feed additives must be in accordance with CNS. Discounts may have to be given when soybean meal cannot meet the standard.

In theory, this could benefit U.S. west coast soybeans as its protein levels are usually lower than either U.S. east coast or Brazilian soybeans. The impact on soybeans from Argentina remains to be seen, since crushers generally avoid Argentinean soybeans due to inferior and inconsistent quality.

	Before	After
CNS 1417 Soybean Meal, Solvent Extracted (for Feeding)	Crude protein >43%	#1 Grade Crude protein >44% #2 Grade Crude protein >42%
CNS 3731 Dehulled Soybean Meal, Solvent Extracted (for feeding)	Crude protein >48%	#1 Grade Crude protein >48% #2 Grade Crude protein >46%

Feed Demand

MY 2021/22 soybean meal consumption is expected to decline slightly to 1.60 MMT as some feed demand switches to full fat soybeans. For MY 2022/23, consumption is forecast to recover to 1.63 MMT from the switch in MY 2021/22.

Soybean meal consumption closely tracks annual feed production in Taiwan. With the limited growth prospect of poultry feed (47 percent) and hog feed (43 percent) in total feed production, soybean meal consumption is expected to remain stable.

Feed production is expected to stabilize as Taiwan faces limits on further expansion. Regulations and environmental concerns have made greenfield projects or expansion challenging.

Taiwan's on farm production is concentrated in hog feed. Non-integrated hog farmers still prefer buying corn and soymeal separately versus commercial feed. As a result, commercial poultry feed production is higher than for hog (Exhibit 7).

Feed prices rose steadily throughout 2021 even before the current Russia-Ukraine crisis. GOT's efforts to control inflation by discouraging price adjustment has eaten into producers' profit margins.

Exhibit 7: Feed Production (MMT)

	Total Feed	Feed type	Hog feed		Poultry feed	
2017	7.62	Commercial	3.21	1.23	3.66	3.52
		On Farm		1.98		0.14
2018	7.71	Commercial	3.20	1.25	3.76	3.61
		On Farm		1.96		0.15
2019	8.63	Commercial	3.74	1.30	4.10	3.82
		On Farm		2.43		0.28
2020	8.64	Commercial	3.83	1.34	4.05	3.82
		On Farm		2.48		0.23

Sources: Council of Agriculture

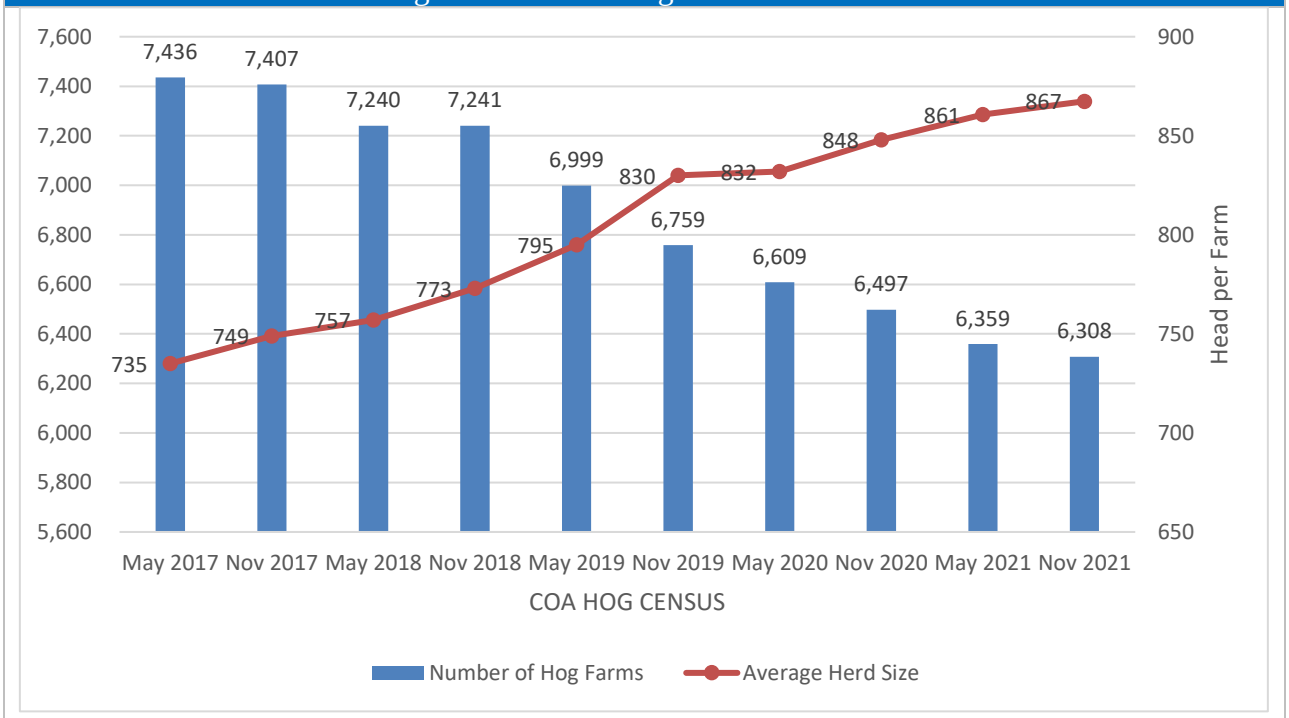
Hog Sector

Hog production is decreased by 147,000 head to 8.034 million head in 2021 (See Exhibit 9 below). In 2020, hog feed production was 3.83 MMT, nearly flat year-over-year. Taiwan's thus far successful efforts in preventing African Swine Fever (ASF) has allowed the hog industry to operate as normal.

Beginning in October 2021, COA implemented further restrictions which only allow farms to use food scraps in animal feed if they have certified heat-treating facilities and if the size of the hog herd is larger than 200. With increased regulations and requirement in the sector, swine herd operations are expected to continue to consolidate (See Exhibit 8).

Even though Taiwan has been recognized by the OIE as free from foot and mouth disease (FMD) without vaccinations since 2020, The presence of classical swine fever (CSF) still poses challenges for fresh pork market access to most countries. Thus, Taiwan's prospects for returning to the pork export market is limited in the short term.

Exhibit 8: Hog Farms and Average Swine Herd Size in Taiwan



Source: COA

Poultry Sector

Poultry production increased to 400 million birds in CY 2021 based on preliminary COA statistics.

Before the Lunar New Year in 2022, Taiwan experienced an egg shortage which was not expected to be fully resolved before end of March 2022. The main causes were unprofitable egg production due to higher feed costs, unexpectedly cold weather, and cases of avian influenza (AI) outbreak. In Q2 2021, due to COVID-19 restrictions on dining and indoor events, there was an excess egg supply. As result, farmers were encouraged to balance the supply and demand by getting rid of unproductive birds, which was the catalyst for the current shortage.

It remains to be seen whether poultry production will face headwinds due to the local AI cases in late 2021/early 2022.

Exhibit 9: Pork and Poultry Production (Animals Slaughtered)

Year	Pork (1,000 heads)	Poultry(million birds)
2014	8,067	370
2015	8,200	357
2016	8,144	379
2017	7,947	376
2018	8,073	393
2019	7,980	412
2020 (revised)	8,181	383
2021 (preliminary)	8,034	400

Source: COA

Trade

Soybean Meal & Substitutes Imports

In MY 2020/21, soybean meal imports were close to 53,000 MT, down 60 percent from the previous MY. The United States accounted for almost 29,000 MT, while India and Malaysia accounted for roughly 8,000 MT and 3,000 MT, respectively.

Most soybean meal in Taiwan is produced and consumed domestically. Because the domestic crush industry consists of only a small number of players, crushers are able to balance out supply and demand through production adjustments, making soybean meal imports arbitrage generally unprofitable.

Taiwan does not possess the necessary port facilities or logistics to import or store meal-type feed ingredients in bulk. As a result, most of the imports are containerized. The United States remains the main supplier of containerized soybean meal as well as the most competitive. However, the unpredictability of shipments as well as much higher freight costs resulting from the ongoing container shipping disruptions have made buyers less keen to purchase and time the market.

For MY 2021/22, soybean meal imports are estimated at 70,000 MT based on the current buying pace. Container logistics remain the chief factor of uncertainty. The primary substitute meal among imports is fishmeal, whose high protein content is not easily substitutable.

Exhibit 10: Taiwan Imports of Soybean Meal Substitutes (1,000 MT)					
Meal/HS Code	MY 2018/19	MY 2019/20	MY 2020/21	MY 2020/21 (Oct-Jan)	MY 2021/22 (Oct-Jan)
2301.20: Fish meal	140	141	138	47	54
SME (x1.445)	202	204	200	68	78
2305: Peanut meal	2	1	3	1	1
SME (x1.124)	2	1	3	1	1
2306.49 Rapeseed meal	8	13	8	3	3
SME (x0.7115)	5	9	5	2	2
2306.50 Copra meal	13	13	10	3	3
SME (x0.4515)	6	6	5	1	1
2306.60 Palm kernel meal	0	1	1	0	0
SME (x0.3557)	0	0	0	0	0
Total in SME	215	220	213	72	82
2304.40: Soybean meal	25	86	52	15	31

Source: Taiwan Customs Statistics; Trade Data Monitor, LLC

Exports

In MY 2020/21, soybean meal exports were 55,000 MT based on customs data and market sources. MY 2022/23 and MY 2021/22 exports are expected to be at similar levels.

In recent years, Taiwan has been able to take advantage of exporting opportunities thanks to reduced Chinese soybean meal exports due to weaker crush margin and restrictions on soybean meal exports from Argentina. Market sources report that Taiwan is exporting soybean meal to North Asia (Japan and South Korea) as well as Southeast Asia (Vietnam, Philippines). Both regular and higher-valued fermented soybean meals are being exported. These export flows are expected to continue but timing may depend on price arbitrage.

Stocks

MY 2020/21 soybean meal stocks are estimated at 27,000 MT due to smaller crush and decreased import volume. MY 2021/22 stock is forecast to recover to 56,000 MT due to higher imports in current MY so far.

Since Taiwan's oilseed crushing industry relies on a constant stream of soybean imports, as long as there is a predictable flow of soybeans coming to Taiwan crushers generally do not need to keep their stock level high. With limited storage space and shelf life, crushers can adjust their crush programs to reflect market demand. In recent years, soybean meal stocks usually fluctuate between 10,000 to 70,000 MT, and stocks tend to be lower when supply is tight and prices are high.

Production, Supply, and Distribution						
Meal, Soybean	**2020/2021**		**2021/2022**		**2022/2023**	
Market Begin Year	**Oct-20**		**Oct-21**		**Oct-22**	
Taiwan	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	2225	2050	2225	2050	0	2050
Extr. Rate, 999.9999	0.79	0.79	0.79	0.79	0	0.79
Beginning Stocks	102	44	78	27	0	56
Production	1748	1614	1748	1614	0	1614
MY Imports	53	53	70	70	0	70
Total Supply	1903	1712	1896	1711	0	1721
MY Exports	15	55	10	55	0	55
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1810	1630	1815	1600	0	1630
Total Dom. Cons.	1810	1630	1815	1600	0	1630
Ending Stocks	78	27	71	56	0	56
Total Distribution	1903	1712	1896	1711	0	1721
(1000 MT), (PERCENT)						

SOYBEAN OIL

Production

MY 2021/22 and MY 2022/23 soybean oil production are forecast at 369,000 MT based on similar levels of soybean crush.

In recent years, Taiwan's soybean crush volume has been driven by soybean meal demand while soybean oil demand would act as a constraint when stock levels are too high.

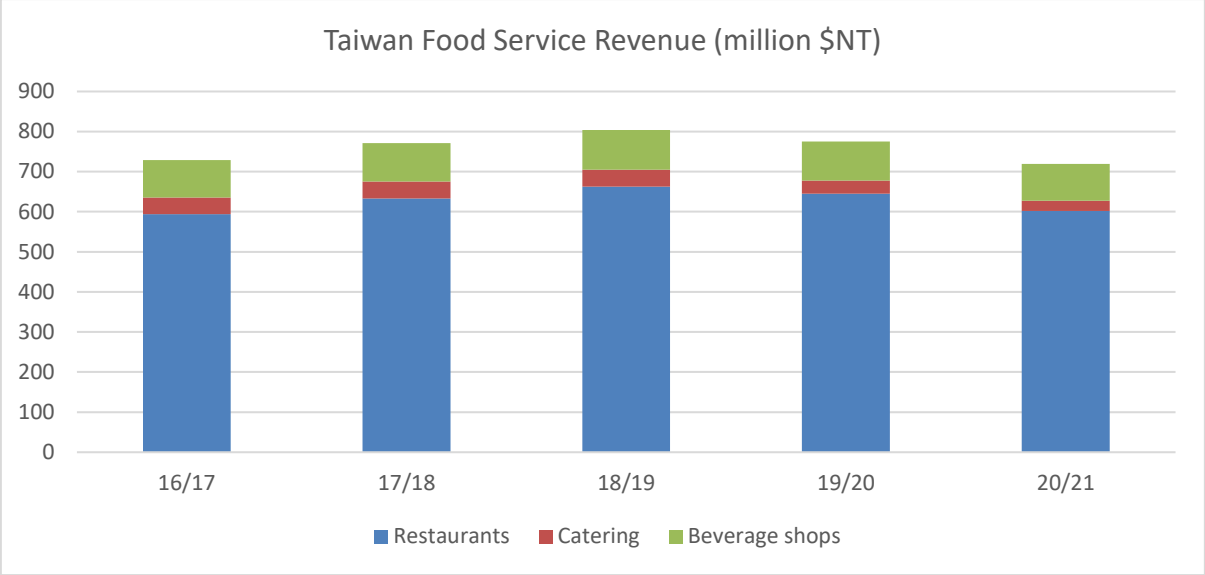
Consumption

MY 2021/22 soybean oil consumption for food use is forecast at 340,000 MT based on price competitiveness with palm oil as well as the likely impact on sunflower oil imports due to the current Russia-Ukraine crisis. MY 2022/23 soybean oil consumption is forecast to decline to 335,000 MT due to recovery in other vegetable oil imports including palm oil.

MY 2020/21 consumption is adjusted downward to 330,000 MT. Taiwan's domestic outbreak of COVID-19 cases in Q2 2021 led to restrictions on indoor dining and large public gatherings. Soybean oil and palm oil for food consumption are widely used in restaurants, public cafeterias, and the catering industry. As a result, these products saw a more substantial impact. With stricter controls and vaccine proliferation, most restrictions were lifted in late Q3 2021.

Based on MOEA data, MY 2020/21 food service revenue is below both MY 2018/19 (pre-pandemic) and MY 2019/20 (See Exhibit 11).

Exhibit 11: Taiwan Food Service Activity by Marketing Year



Source: MOEA

For household consumption, health-conscious consumers usually prefer non-soy single oil alternatives (olive, sunflower, etc.) over blended vegetable oil products (including soybean oil) due to marketing and perceptions of quality.

Local media report that state-owned Tai-sugar will not raise its prices for vegetable oil products at least until the end of March 2022 in order to lessen inflationary pressures. This is despite sunflower prices have risen at least 30 percent recently. It was estimated that they have lost NT$ 30 million (~US$ 1 million) for not raising prices. (Media report in Chinese)

As of March 5, 2022 the cost of a domestic wholesale 18L container of soybean oil had risen to NT$ 905 (~$32), which was last seen 10 years ago. (See Exhibit 12)

Exhibit 12: Taiwan 18L Soybean Oil Price (NT$)

Source: CTWANT

Trade

Taiwan exports a small amount of surplus production soy oil. MY 2021/22 soybean oil exports are forecast to decrease to 10,000 MT due to lower crush and lower palm oil imports.

In MY 2020/21 soybean oil exports were 18,000 MT, similar to MY 2019/20. Hong Kong become the largest export destination with 8,000 MT, which seems to be a new trade flow. Increased exports of surplus soybean oil allowed crushers to sustain a higher level of crush without building excess inventory due to constrained demand for soybean oil.

Palm oil remains the main substitute for soybean oil by volume, although there are other vegetable oil alternatives which are more consumer oriented. (See Exhibit 13).

Exhibit 13: Taiwan Other Oil Imports (1,000 MT) (Oct-Sep)

Type of Edible Oil	MY 2018/19	MY 2019/20	MY 2020/21	MY 2020/21 (Oct-Jan)	MY 2021/22 (Oct-Jan)
Palm Oil (HS1511)	234	224	216	78	85
Canola (Rapeseed) Oil (HS1514)	27	35	35	11	12
Sunflower Oil (HS1512)	19	20	20	6	7
Olive Oil (HS1509; HS1510)	8	10	11	3	4

Coconut Oil (HS151311; HS151319)	7	6	6	2	2
Total Non-Soy Oil Imports	295	295	288	100	110

Source: Taiwan Customs Statistics; Trade Data Monitor, LLC

Exhibit 14: Taiwan Soy Oil Exports (1,000 MT) (Oct-Sep)

	MY 2018/19	MY 2019/20	MY 2020/21	MY 2020/21 (Oct-Jan)	MY 2021/22 (Oct-Jan)
Total Exports	**25,286**	**18,465**	**18,169**	**4,772**	**11,614**
Hong Kong	1	249	9,152	1,787	4,007
Vietnam	6,299	3,397	2,717	144	125
China	46	2,420	2,564	1,345	63
Japan	5,437	3,068	1,520	356	1,086
Malaysia	10,313	6,206	1,094	240	743
Philippines	14	3	856	856	196

Source: Taiwan Customs Statistics; Trade Data Monitor, LLC

Stocks

MY 2020/21 ending stocks are estimated at 12,000 MT, while MY 2021/22 ending stocks are forecast at 6,000 MT as a lower supply of other vegetable oils are expected to draw down soybean oil stocks.

Due to soybean oil being a co-product of soybean crush, crushers do not usually retain a large soybean oil inventory, especially with limited capacity and high storage cost. To maintain crush operations, crushers may decide to export or sell at a discount to maintain soybean meal production.

Production, Supply, and Distribution						
Oil, Soybean	**2020/2021**		**2021/2022**		**2022/2023**	
Market Begin Year	**Oct-20**		**Oct-21**		**Oct-22**	
Taiwan	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	2225	2050	2225	2050	0	2050
Extr. Rate, 999.9999	0.18	0.18	0.18	0.18	0	0.18
Beginning Stocks	25	11	27	12	0	6
Production	398	369	398	369	0	369
MY Imports	0	0	0	0	0	0
Total Supply	423	380	425	381	0	375
MY Exports	18	18	20	15	0	15
Industrial Dom. Cons.	20	20	20	20	0	20
Food Use Dom. Cons.	358	330	360	340	0	335
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	378	350	380	360	0	360
Ending Stocks	27	12	25	6	0	5
Total Distribution	423	380	425	381	0	375
(1000 MT), (PERCENT)						

PALM OIL

Summary on Production, Trade, Consumption, and Stocks

MY 2020/21 palm oil imports were 215,000 MT according to Taiwan customs data, down 5 percent from the previous MY. MY 2021/22 and MY 2022/23 palm oil imports are forecast at 206,000 MT and 215,000 MT respectively. Ending stocks for MY 2021/2022 and MY 2022/2023 are forecast to decline to 1,000 MT.

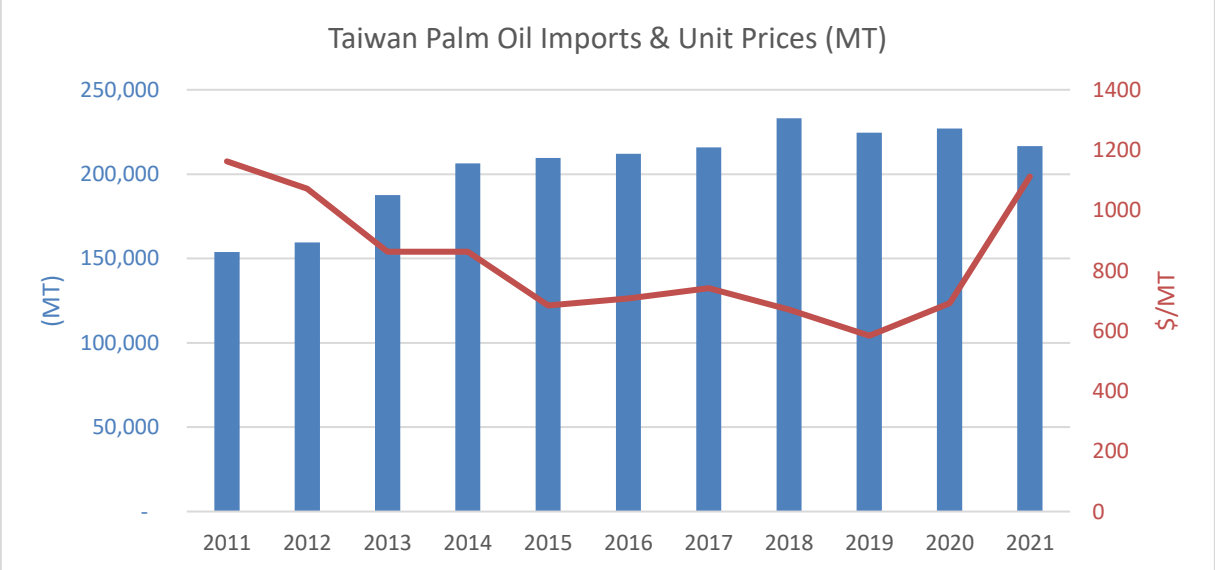
All of Taiwan's palm oil demand is met through imports. Palm oil serves as a cheaper alternative to locally crushed soybean oil and benefits from a zero percent import tariff. Palm oil also has other benefits for the food manufacturing sector. Historically, palm oil imports have been relatively stable (See Exhibit 12).

The COVID-19 restrictions in Q2-Q3 2021 also impacted palm oil use in the HRI sector. The surge in price of palm oil along with other vegetable oils dampened demand during MY 2020/21. Post estimates consumption declined 5 percent from MY 2019/20.

Continued high palm oil prices are expected to encourage substitutions from other vegetable oils. Soybean oil will likely be the beneficiary with its constant supply from soybean crush.

97 percent of Taiwan's palm oil imports originated from Malaysia due to existing joint ventures with Taiwan companies. This is not expected to change.

Exhibit 15: Taiwan Palm Oil Imports



Source: Taiwan Custom Statistics, Trade Data Monitor, LLC

Production, Supply, and Distribution						
Oil, Palm	**2020/2021**		**2021/2022**		**2022/2023**	
Market Begin Year	**Jan 2021**		**Jan 2022**		**Jan 2023**	
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	5	0	1
Production	0	0	0	0	0	0
MY Imports	215	215	233	206	0	215
Total Supply	220	220	238	211	0	216
MY Exports	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	215	215	233	210	0	215
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	215	215	233	210	0	215
Ending Stocks	5	5	5	1	0	1
Total Distribution	220	220	238	211	0	216
Yield	0	0	0	0	0	0
(1000 HA), (1000 TREES), (1000 MT), (MT/HA)						

Attachments:

No Attachments