

Voluntary Report – Voluntary - Public Distribution

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Report Name: Taiwan Completes 100 Percent of 2019 US Rice Country Specific Quota

Country: Taiwan

Post: Taipei

Report Category: Grain and Feed, Trade Policy Incident Report, Trade Policy Monitoring

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Report Highlights:

Taiwan has completed 100 percent of its 2019 U.S. Rice country specific quota (CSQ) of 64,634 metric tons (MT). 28,800 MT were filled under the Simultaneous-Buy and Sell (SBS) regime for delivery from May 1, 2019 through April 30, 2020, and 35,834 MT under the normal tender regime for delivery by December 31, 2020. Egypt and Australia have both failed to fill their 2019 CSQ, with 2,500 MT and 17,764 MT respectively opening to global tender.

In March 2007, Taiwan reached a rice importation agreement with trading partners following its World Trade Organization accession. The Agriculture and Food Agency (AFA) under Taiwan’s Council of Agriculture operates a CSQ system, with normal and SBS tenders. The Bank of Taiwan under the Ministry of Finance is responsible for reporting tender results. Please refer to the table on Page 4 of this report for country specific quota amounts.

On November 22, 2019, AFA completed its 2019 U.S. CSQ by awarding the last tender of 7,809 MT for U.S. origin medium/short grain (M/S G) brown rice for delivery by April 30, 2020. Taiwan has completed tenders of the entire 64,634 MT of the 2019 U.S. rice CSQ tender (see table below), including 28,800 MT under the Simultaneous-Buy and Sell (SBS) regime for delivery from May 1, 2019 through April 30, 2020 and 35,834 tons under normal tender regime for delivery by December 31, 2020.

Summary of the 2019 U.S. Rice CSQ Tender Results

Tender Regime	Quota Amount in MT	Type of Rice	Tender Completion Date	Delivery Due Date
SBS - 1 GF4-108-006	18,500	Brown	Mar. 13, 2019	Apr. 30, 2020
SBS – 2 GF4-108-090	10,300	Brown	Sept. 25, 2019	Apr. 30, 2020
Normal GF4-108-098	12,000	Long-grain Brown	Oct. 08, 2019	Dec. 31, 2020
Normal GF4-108-094	500 (575 on brown)	M/S G, Sweet Milled	Oct. 08, 2019	Apr. 30, 2020
Normal GF4-108-107	12,000	M/S G Brown	Oct. 18, 2019	Dec. 31, 2020
Normal GF4-108-088	3,000 (3,450 on brown)	M/S G Milled	Oct. 18, 2019	Dec. 31, 2020
Normal GF4-108-136	7,809	M/S G Brown	Nov. 22, 2019	Apr. 30, 2020
Total U.S. Rice CSQ: 64,634 tons				

Source: Bank of Taiwan, Ministry of Finance

Details of the 2019 U.S. Rice CSQ Tender Results

First Tranche SBS Tender

GF4-108-006 for 18,500 MT of U.S. Origin Brown Rice

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

AFA successfully completed the first SBS tender for U.S. origin brown rice on March 13, 2019. AFA awarded two winning bidders 8,000 MT and 10,500 MT each, at the same price of NTD \$3.339 per kilogram (kg) (USD \$108 per MT).

Second Tranche SBS Tender

GF4-108-090 for 10,300 MT of U.S. Origin Brown Rice

While the first tranche of the U.S. SBS tender was awarded after the first tender date, the second tranche took three open tenders, closing on September 25, 2019 with five successful bids out of ten at NTD \$3.034 per kg (USD \$98 per MT).

Below are details of the two failed tenders:

On August 28, 2019, there were thirteen failed trades, with offered prices from NTD \$3.508 per kg to NTD \$0.601 per kg (USD \$112 per MT to USD \$19 per MT).

On September 10, 2019 twelve bids failed to close, with offered bidding prices from NTD \$2.610 per kg to NTD \$0.601 per kg (USD \$84 per MT to USD \$19 per MT).

October 8 Normal Tenders

GF4-108-098 for 12,000 MT of U.S. origin long grain brown rice divided by 12 shipments, 1,000 MT each with final shipments due by December 31, 2020

On October 8, 2019, the first tender finished with the entire 12,000 MT awarded to one successful bidder out of three at NTD \$9,375 per MT (USD \$304 per MT). This is the first time Taiwan contracted for No. 3 U.S. grade long grain rice and specified grade at loading final.

GF4-108-094 for 500 MT, 575 MT brown equivalent, of U.S. origin medium/short grain milled glutinous rice for delivery by April 30, 2020:

On October 8, 2019, the first tender finished with two out of three participating offers closing at the same price of NTD \$35,340 per MT (USD \$1,147 per MT) for 300 MT and 200 MT.

October 18 Normal Tenders

GF4-108-107-1 for 12,000 MT of U.S. origin medium/short grain brown rice divided by 12 shipments, 1,000 MT each with final shipment due by December 31, 2020:

On October 18, 2019 the tender completed on the second try, with the entire 12,000 MT offer awarded to one out of three bids at NTD \$23,366 per MT (USD \$765 per MT).

Below are details of the first failed tender:

On October 4, 2019, there were four failed bids with the highest bid at NTD \$23,998 per MT (USD \$777 per MT).

GF4-108-088 for 3,000 MT (3,450 MT brown equivalent) of U.S. origin medium/short grain milled rice delivered by six shipments, bimonthly 500 MT, final shipment delivered by December 31, 2020:

On October 18, 2019, the tender closed on the first try with the entire 3,450 MT awarded to one bidder out of three at NTD \$25,265 per MT (USD \$827 per MT).

November 22 Normal Tender

GF4-108-136 for 7,809 MT of U.S. origin medium/short grain brown rice for delivery by April 30, 2020

On November 22, 2019 the first tender closed with two out of four bidders winning 4,500 MT and 3,309 MT at the same price of NTD \$22,188 per MT (USD \$728 per MT).

Taiwan's 2019 Rice Tender Allotments and Tenders in MT (brown basis)

Country	Status	SBS Tenders		Normal Tender	Global Tender	Completed	Total CSQ	Percent Filled
		1 st Tranche	2 nd Tranche					
Egypt	Completed	-	-	-	575	0	2,500	0%
	Ongoing	-	-	-	1,925			
Thailand	Completed	-	-	1,150	-	1,150	8,300	14%
	Ongoing	-	-	7,150	-			
Australia	Completed	260	610	-	-	870	18,634	5%
	Ongoing	-	-	12,634	5,130			
USA	Completed	18,500	10,300	35,834	-	64,634	64,634	100%
	Ongoing	-	-	-	-			

Source: Bank of Taiwan, Ministry of Finance

Egypt

None of Egypt's 2019 CSQ has filled, with all 2,500 MT reverting to global basis.

GF4-108-129 for 1,674 MT, 1,925 MT brown equivalent of Egypt origin high (≥27%) amylose long grain milled rice for delivery by May 31, 2020

The 4th tender is scheduled for December 23 on a global basis due to three failures, held on November 12, November 22, and December 4, 2019. A lack of bidder participation was the major cause for all three tenders failing.

GF4-108-109 for 500 MT, 575 MT brown equivalent of Egypt origin short grain milled glutinous rice on global basis, delivery by April 30, 2020

Egypt failed three tenders on October 8, October 17, and October 25, 2019. As a result, its 4th tender held on November 22, 2019 was on a global basis. One out of three bidders won the bid for 575 tons milled at NTD \$21,899 per MT (USD \$717 per MT).

Thailand

GF4-108-128 for 7,150 MT of Thailand origin high ($\geq 27\%$) amylose long grain brown rice delivery by May 31, 2020

The 1st tender failed on December 10, 2019 due to a lack of bidder participation. The 2nd tender is scheduled for December 23, 2019.

GF4-108-131 for 1,000 MT, 1,150 MT brown equivalent of Thailand origin long grain milled glutinous rice for delivery by April 30, 2020

On December 4, 2019 the first tender succeeded with one out of six bidders closing at NTD \$34,896 per MT (USD \$114.56 per MT).

Australia

Only 5 percent of Australia's 2019 CSQ has been filled, with 17,764 MT reverting to global basis.

First Tranche SBS Tender: GF4-108-005 for 4,000 MT of Australian Rice

The first two tenders on March 13 and March 21, 2019 failed. The highest offered bidding price was NTD \$0.980 per kg (USD \$31 per MT) on March 13 and NTD \$1,560 per kg (USD \$51/MT) on March 21, 2019. Of the 4,000 MT tendered, only 260 MT were awarded after the close of the third tender to one winning bidder at NTD \$2.350 per kg (USD \$76 per MT). The remaining 3,740 MT reverted to a global basis on April 30, 2019. Eight rice handlers participated in the bid with the highest offered bidding price at NTD \$9.201 (USD \$298 per MT), but no bids closed with all offers below AFA's pre-set floor price level.

Second Tranche SBS Tender: GF4-108-091 for 2,000 MT of Australian Rice

On August 28, three Australian rice handlers participated in but failed to close the tender, with offered bidding prices ranging between NTD \$0.500 per kg (USD \$16 per MT) and NTD \$0.650 per kg (USD \$21

per MT). On September 10, 2019 only one bidder participated asking for NTD \$1.356 per MT (US\$43 per MT). On the third tender held September 25, 2019 there were two successful bidders, but only 610 MT traded, 510 MT at NTD \$1.508 per kg (USD \$49 per MT) and 100 MT at NT\$1.357/kg (US\$44/MT).

The remaining 1,390 MT failed to trade on October 18, 2019 and reverted to global basis. 5 bidders participating in the failed bid, with offered prices ranging between NTD \$8.602 per kg (USD \$282 per MT) and 7.000 per kg (USD \$229 per MT).

GF4-108-137 for 12,634 MT of Australian origin medium or short grain brown rice for delivery by April 30, 2020

The tender has failed three times on November 22, December 4, and December 12, 2019 due mainly to a lack of bidder participation. On January 3, 2019 the fourth and final tender will be held on a global basis.

Exchange Rates:

USD \$ 1 to NTD \$ 30.897 on 03/13/2019

USD \$ 1 to NTD \$ 30.805 on 03/21/2019

USD \$ 1 to NTD \$ 30.805 on 04/02/2019

USD \$ 1 to NTD \$ 30.882 on 04/30/2019

USD \$ 1 to NTD \$ 31.362 on 08/28/2019

USD \$ 1 to NTD \$ 31.221 on 09/10/2019

USD \$ 1 to NTD \$ 30.886 on 10/04/2019

USD \$ 1 to NTD \$ 30.818 on 10/08/2019

USD \$ 1 to NTD \$ 30.551 on 10/18/2019

USD \$ 1 to NTD \$ 30.533 on 11/22/2019

USD \$ 1 to NTD \$ 30.462 on 12/04/2019

Attachments:

No Attachments.