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Taiwan

Oilseeds and Products Annual

Updates

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Report Highlights:

Taiwan is the fourth largest export market for U.S. soybeans in the world. In marketing year (MY) 2009/10, Taiwan imported a total of 2.47 million metric tons of soybeans, 67 percent of which was supplied by the United States for a market value of $745 million. Taiwan's soybean imports are forecast to decline slightly to 2.33 million metric tons for MY2010/11 and MY2011/2012.

Executive Summary:

Taiwan is the fourth largest export market for U.S. soybeans in the world. In MY2009/10, Taiwan imported a total of 2.47 million metric tons of soybeans, 67 percent of which was supplied by the United States for a market value of $745 million. Taiwan's soybean imports are forecast to decline slightly to 2.33 million metric tons for MY2010/11 and MY2011/2012, reflecting a anticipated modest contraction in domestic poultry meat and egg production.

Taiwan's demand for soybeans is met almost entirely by imported supplies, with demand for soybean meal and oil also highly dependent on local supplies crushed from imported soybeans. In MY2009/2010, locally-produced soybean meal accounted for 98 percent of Taiwan's total soymeal market. At the same time, local production of soybean oil accounted for nearly 100 percent of Taiwan's total soybean oil market, although soybean oil only accounted for approximately 60 percent of Taiwan's total vegetable oil market.

Taiwan recorded an impressive 10.84 percent GDP growth in 2010 with lower but still robust growth predicted for 2011. Soybean imports increased along with Taiwan's strong economic performance to over 2.4 million metric tons in MY2009/10. A slight reduction in soybean imports is anticipated for the forecast year due to a reduction in broiler and egg production following an oversupply situation in 2010. As a result, soybean import forecasts for MY 2010/11 and MY2011/12 are 2.33 million metric tons.

Taiwan's feed demand is driven almost entirely by the swine and poultry sectors. According to Council on Agriculture (COA), the domestic hog production target for 2011 is 8.60 million heads (slaughtered), a 1.5 percent increase from the previous year, while poultry production will see a slight decrease of 2.7 percent to 363 million birds (slaughtered) from the previous year. As a result, total feed demand for the forecast year is 7.1 million metric tons, down by 0.1 million metric tons from MY2009/10.

Commodities:
Oilseed, Soybean

Soybean Situation and Outlook

Oilseed, Soybean Taiwan	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	0	0	0	0		0
Beginning Stocks	80	80	124	119		119
Production	0	0	0	0		0
MY Imports	2,469	2,469	2,500	2,330		2,330
MY Imp. from U.S.	1,662	1,662	1,800	1,750		1,750
MY Imp. from EU	0	0	0	0		0
Total Supply	2,549	2,549	2,624	2,449		2,449
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Crush	2,150	2,150	2,225	2,050		2,050
Food Use Dom. Cons.	275	280	280	280		280
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	2,425	2,430	2,505	2,330		2,330
Ending Stocks	124	119	119	119		119
Total Distribution	2,549	2,549	2,624	2,449		2,449
CY Imports	2,500	2,548	2,500	2,330		2,330
CY Imp. from U.S.	1,800	1,538	1,800	1,750		1,750
CY Exports	0	0	0	0		0
CY Exp. to U.S.	0	0	0	0		0
TS=TD		0		0		0

General

Taiwan recorded an impressive 10.84 percent GDP growth in 2010 with lower but still robust growth predicted for 2011. Soybean imports increased along with Taiwan's strong economic performance to over 2.4 million metric tons in MY2009/10. A slight reduction in soybean imports is anticipated for the forecast year due to a reduction in broiler and egg production following an oversupply situation in the 2010. As a result, soybean import forecasts for MY 2010/11 and MY2011/12 are 2.33 million metric tons.

Taiwan's feed demand is driven almost entirely by the swine and poultry sectors, both of which have shown that they are able to compete with imported products. According to the COA, the domestic hog production target for 2011 is 8.60 million heads (slaughtered), a 1.5 percent increase from the previous year, while poultry production will see a slight decrease of 2.7 percent to 363 million birds (slaughtered) from the previous year. As a result, total feed demand for the forecast year is 7.1

million metric tons, a decline of approximately 0.1 million metric tons from the previous year based on COA's preliminary statistics.

Taiwan‘s demand for soybeans is almost entirely met by imports. Soybean import demand is divided between food uses, which are relatively constant, and crushing for meal and oil, which has become more variable since Taiwan was required to liberalize its meat import market after joining the WTO in 2005. Demand for food-use soybeans remains strong and is estimated at 280 thousand metric tons, primarily sourced from locally-screened U.S. #2 grade soybeans and distributed by domestic crushers.

In MY2009/10, an estimated 12,000 metric tons of the total food use soybeans were non-GM, including organic and food grade beans, from non-U.S. sources according to Taiwan Customs statistics. It is difficult to estimate the volume of non-GM soybeans sourced from the U.S. using Taiwan Customs statistics. However, at least four U.S. non-GM soybean suppliers are active in the Taiwan market, so Taiwan soy food manufacturers don’t have any problem importing non-GM beans from the United States via containerized shipments, including specialty varieties for making natto, a fermented soybean used in traditional cooking, or natto kainase, a health food supplement.

Market Share: U.S. is expected to remain dominant supplier

In recent years, U.S. soybeans have been facing stronger competition from South American soybeans. Price competition may stimulate additional interest in South American beans. Alternatively, feed millers or livestock producers may import less expensive soybean meal from India or the United States to substitute for locally-crushed meal from imported soybeans. Despite these changes, the United States is expected to retain its leading position in the Taiwan soybean market, albeit at possibly lower levels, because of increasing U.S. attention to quality, the year-round availability of U.S. soybeans, the reliability of U.S. supplies, and the advantages of shipping from the U.S. via backhaul containers. Taiwan also relies on U.S. supply for screening beans for food use because domestic food manufacturers refuse to use South American beans for their processing lines. In addition, local crushers highly value the trade servicing and marketing support provided by the U.S. cooperator, American Soybean Association-International Marketing (ASA-IM) Taipei office.

In MY 2009/10, the United States had a 67 percent share of Taiwan’s total imports, followed by Brazil with 28 percent, Argentina at four percent and other countries with a combined one percent. This reflected a six percentage point drop in U.S. market share from the previous year largely due to quality issues with some of the U.S. crop in MY2009/10. According to sources in the Taiwan crushing industry, the MY2010/11 U.S. crop quality is significantly better with lower moisture and higher oil and protein content, compared to the MY2009/10 U.S. crop.

Taiwan was the fourth largest export market for U.S. soybeans with total export value of $745 million in MY 2009/10.

Low Stock Levels and Containerized Shipments

Taiwan importers and processors maintain relatively low stock levels for cost management and to reduce risk in an increasingly volatile and uncertain world commodity market. In recent years, the availability of containerized shipping has provided Taiwan importers with flexible shipping arrangements that have allowed Taiwan importers and processors to keep their stocks very low, but this paradigm shifted during the recent global downturn. Containerized shipments dropped rapidly to only two percent of total imports in 2010 from the record level of 77 percent in 2007 due to fewer empty backhaul containers. The availability of containerized shipments, however, has encouraged Taiwan feed mills to use full fat soybean meal in their feed rations.

Policy:

Biotechnology and Labeling

As of March 2010, Taiwan has granted registration approvals for six soybean biotech events: 40-3-2 (RRS); A2704-12; MON89788; DP-356043-5; and two new approvals in the 2010 -- DP-305423-1 and A5547-127. Taiwan also has granted registration approval for a total of 21 single events, including the above mentioned six soybean events and 15 corn events, as well as 17 stacked corn events registered and approved, of which 12 are two-way, three are three-way, and two are four-way

events. The registration is valid for five years for food, feed and processing (FFP) use; registration does not allow environmental release or planting.

Food derived from biotech soybeans, such as tofu, soy milk, miso, natto and others, are required to be labeled as containing GMO soybeans or soybean ingredients. On March 25, 2009, Taiwan's health authorities announced a new labeling requirement for foods in bulk packaging. Starting from January 1, 2010, all food products in bulk packaging for retail sale should indicate (1) product name and (2) country of origin on a card, logo (label), sign board or any other forms prominently displayed in retail venues so that it can be clearly identified by consumers.

This is Taiwan's first initiative requiring this sort of labeling for marketing of food in bulk, and it might have a market influence on biotech soybeans and soy food sold in restaurants, street stalls, or traditional markets. The new labeling requirement may also have the potential to increase Taiwan's demand for non-GM food soybeans given the small but growing segment of Taiwan's population demanding alternative, natural-grown or organic products as part of a larger movement for healthier eating/lifestyle.

New Quarantine Enforcement on Wood Packing Material in Oilseeds/Grain Containerized Shipments

Taiwan has implemented wood packing material requirements in compliance with the IPPC's ISPM-15 since January 1, 2009. All shipments without ISPM-15 compliance stamps on wood packing materials, such as bulk head, must be fumigated at port of entry according to Taiwan import requirements for wood packing materials. There were only a few cases of noncompliance reported by Taiwan authorities in 2010.

Impact of the Enhanced Cross Straits Relationship

Taiwan bans imports of commodity soybeans and soybean meal and oil from China, but lifted its ban on specialty soybeans from China under a separate HS Code 1201-0000-20-1 in September 8, 2008. This resulted in 6,000 metric tons of black skin soybeans imports from China during MY2009/10 for making specialty soymilk or fermenting specialty soy sauce. According to the Taiwan soy sauce sector, estimated demand for PRC specialty beans is 6,000 metric tons worth US$5 million with the potential of further growth.

Although no PRC soybean meal has been imported to date, Taiwan temporarily lifted the import ban on PRC soybean meal from November 18, 2003 to January 31, 2004 at the request of the Taiwan livestock sector. Similar openings have been implemented more frequently for imports of feed-use corn from China. This suggests that Taiwan authorities are willing to lower restrictions under certain circumstances. Further speculation on future openings to imports of soybeans from mainland China have been heightened since Taiwan authorities signed the Economic Cooperative Framework Agreement (ECFA) with China on June 29, 2010. Under the ECFA framework, China and Taiwan plan to initiate talks on the "Trade of Goods" portion of the Agreement in 2011. The Ma Administration has indicated that Taiwan will not open the market to the 830 agricultural products from mainland China that are currently banned for importation.

Commodities:
Meal, Soybean

Oilmeal Situation and Outlook

Meal, Soybean Taiwan	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2,150	2,150	2,225	2,050		2,050
Extr. Rate, 999.9999	1.	0.8265	1.	0.8293		0.8293
Beginning Stocks	22	22	37	35		31
Production	1,691	1,777	1,750	1,700		1,700
MY Imports	25	25	40	35		35
MY Imp. from U.S.	2	2	6	2		2
MY Imp. from EU	0	0	0	0		0
Total Supply	1,738	1,824	1,827	1,770		1,766
MY Exports	8	6	10	6		6
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	3	0	3		3
Feed Waste Dom. Cons.	1,693	1,780	1,770	1,730		1,730
Total Dom. Cons.	1,693	1,783	1,770	1,733		1,733
Ending Stocks	37	35	47	31		27
Total Distribution	1,738	1,824	1,827	1,770		1,766
CY Imports	18	46	20	35		35
CY Imp. from U.S.	2	3	6	2		2
CY Exports	15	7	15	6		6
CY Exp. to U.S.	0	0	0	0		0
SME	1,693	1,783	1,770	1,733		1,733
TS=TD		0		0		0

Note: Please see the General Section under Soybean Meal for more information about meal extraction rates.

General

In Taiwan, locally crushed meal from imported soybeans dominates the soybean meal market. In MY2009/10, locally crushed meal accounted for over 98 percent of total soybean meal consumption and imported soybean meal accounted for less than 2 percent. Crushers and feed millers, aiming to reduce feed cost, pay close attention to the world soybean and meal market. They import meal only when the global soybean meal price is comparatively lower than locally crushed soybean meal. Taiwan's demand for soybean meal is the main driver for Taiwan's imports of soybeans. In addition to occasionally importing soybean meal, locally crushed soybean meal is facing some minor market challenges from imports of distiller's dried grain soluble (DDGS) and other oilseed or protein meals during periods of high world soybean prices.

The MY2010/11 and MY2011/12 forecast demand for soybeans for crushing is 2.05 million metric tons in line with local livestock production adjustments. Taiwan's total soybean meal demand is estimated at little over 1.7 million metric tons, including conventional, de-hulled and full fat meal.

Note: F*ull fat meal use is estimated at 350,000 metric tons for MY2009/10 and 30,000 metric tons for the forecast years. Soybean meal and oil extraction rates are adjusted accordingly. Meal extraction factors used for MY2009/2010 are 80 percent for South American beans and 78.8 percent for U.S. beans, whereas oil extraction rates are 19.20 percent for South American beans and 18.46 percent for U.S. beans. For forecast years, both South American and U.S. beans are set at the same extraction rates of 80 percent for meal and 19 percent for oil based on local crushers' lab data.*

Soybeans for Crushing versus Situation and Outlook for Taiwan Livestock Sectors

The local swine and poultry sectors have demonstrated that they can compete with imported pork and poultry products since Taiwan liberalized its meat and poultry import market in 2005 as part of its WTO accession. On the marketing side, in addition to promoting the freshness of locally produced poultry and pork products, the local poultry and swine sectors are trying to increase their competitiveness with imported meat and poultry products by introducing a traceability system. Consumers can use an identification code to trace production information about the packaged products to find out the producer's name, where the animal was raised and processed, the date of processing, the sanitary quality of the product, and what kind of feed was used. However, Taiwan does have sporadic Food and Mouth Disease (FMD) outbreaks with four cases reported in 2010 and two cases reported in March 2011. Low Pathogen Avian Influenza (LPAI), commonly known as H5N2, has also been reported. Despite these setbacks, Taiwan remains committed to the resumption of processed pork and poultry product exports to other markets in the region.

The COA conducts a hog census twice a year to monitor the domestic pork market situation. According to the COA's November 2010 census, the standing hog population was 6.21 million head, up by 0.96 percent year-on-year and up by 1.3 percent from the May 2010 survey. The hog herd is gradually recovering from the August 2009 Morakout Typhoon that caused major disruption and losses in the local hog sector. The Taiwan hog sector also continues to improve its competitiveness as small-scale and uncompetitive farms go out of business. Based on the COA's preliminary statistics, the number of hogs available for marketing is estimated at 4.27 million head for the first half of 2011. Thus, COA sets its hog production target for 2011 at 8.6 million head, a 1.5 percent increase from the previous year's 8.47 million head. Hog feed demand is therefore is forecast slightly higher at 3.125 million metric tons.

In the poultry sector, the COA is aiming to push domestic broiler prices higher and has set broiler production targets for the 2011 at 190 million birds, a four percent reduction from the previous year. Production targets for native birds (tugi) remain unchanged at 120 million birds. The domestic tugi consumption trend is predicted to move downward because of local life style changes and a more western diet, along with requirements for slaughtering at registered slaughter sites. Taiwan's periodic LPAI findings have also resulted in fewer duck exports. As a result, the 2011 duck production target will be reduced by 3.3 percent to 29 million birds. The 2011 chicken egg production target will be reduced by 3.79 percent to 6.35 billion eggs following the previous year's oversupply situation. Duck egg production target is set at 480 million eggs in 2011 a 2.13 percent increase from the previous year. The total poultry production target for 2011 is 363 million birds, a 2.7 percent reduction from the preliminary production target of 373 million birds. Poultry feed demand is forecast at 3.190 million metric tons.
With additional feed demand in the dairy and fishery sectors, total feed demand is 1.73 million metric tons for the forecast years, down by 1.3 percent from the 2010 feed output estimate.

Consumption and Trade

Taiwan's demand for soybean meal for feed use is forecast at approximately 1.7 million metric tons, with soybean meal comprising a steady 24.4 percent of total feed production. Feed millers and livestock farmers source soybean meal from the lowest cost suppliers and will import soybean meal whenever imported meal is price competitive with locally crushed products. In MY2009/10, Taiwan imported a total of 25,000 metric tons of meal, of which 2,000 metric tons was imported from the United States while the rest was sourced from India. In general, Taiwan imports high-protein meal from the United States and conventional meal from India. Soybean meal imported from the United States included approximately 3,000 metric tons under HS Code 1208 intended for food use. Taiwan has reduced the tariff from 3 percent to 1.5 percent on soybean meal under the HS Code 1208 from December 1, 2010 thru May 31, 2011 to help cope with the recent rise in soybean prices.

Taiwan crushers have invested in de-hulling facilities to increase production of high protein de-hulled meal. In addition to conventional soybean meal, full fat meal and de-hulled high protein meal with crude protein (CP) of 47 percent or above remained popular. De-hulled high protein meal is priced with a premium of NT$0.7/kg over conventional soy meal with 43 percent CP. In Taiwan, CP 43% is the national standard for soybean meal. The production of full fat soybean meal, which is estimated at about 350,000 metric tons in 2009/10 and 300,000 metric tons for the forecast years, varies from year to year. De-hulled soy meal is estimated to remain at about 200,000 metric tons. The balance is conventional soybean meal.

Estimated Feed Inclusion Rate of Soybean Meal was 24.4 Percent in MY2009/10

In MY2009/10, soybean meal recorded a 24.4 percent feed inclusion rate that is in line with the historical feed inclusion rate of 22 to 24 percent. The feed inclusion rate for soybean meal was minimally impacted by imports of distiller's dried grain soluble (DDGS) and other oil meals and protein meals. Feed inclusion rates for DDGS declined to 1.6 percent, down by 0.7 percent from a year earlier. Inclusion rates for other oil meal, fish meal and other protein meals combined also decreased by 0.6 percent to 8.7 percent. This may be attributed to the decision by Taiwan authorities to waive the five percent VAT on soybean (as well as corn, barley and wheat) imports to help the local industry cope with the difficult market situation caused by historically high and volatile prices for grains and oilseeds on world markets during the period of March 10, 2008 through June 9, 2010.

In MY2009/10, Taiwan imported a total of 119,000 metric tons of DDGS under HS2303.30, a 46,000 metric ton drop from a year earlier. Imports of corn gluten meal under HS 2301.10 amounted to 36,000 metric tons, about the same level of the previous year. (Please note that Taiwan has deleted HS 2306.70, therefore there were no DDGS imported under that code in MY2009/10.) The imports of other oil meals under HS2306 and HS2305 combined was 235,000 metric tons, 63,000 metric tons less than the previous year. Fishmeal imports under HS2301.20 were 156,000 metric tons, 23,000 metric tons less than the previous year. Imports of alfalfa (Lucerne) meal and lupines combined under HS1214 were 203,000 metric tons, 7,000 metric tons more than the previous year. For dairy products for feed use, there were no import statistics for milk powder under HS0402.1010, HS0402.1019, HS0402.2119, and HS0402.2929 or whey imports under HS0404.1011 and HS0404.1019. Imports under HS2309-9021, HS2309-9022, and HS2309.9023 were also zero. Only 47,000 metric tons were imported under HS2303.9030. According to feed industry sources, Taiwan uses very little milk powder or whey products in feed formulation because of the high cost.

Commodities:
Oil, Soybean

Oil Situation and Outlook

Oil, Soybean Taiwan	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2,150	2,150	2,225	2,050		2,050
Extr. Rate, 999.9999	0.	0.1572	0.	0.161		0.161
Beginning Stocks	7	7	1	19		14
Production	383	338	397	330		330
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	390	345	398	349		344
MY Exports	11	11	10	10		10
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	15	15	15	15		15
Food Use Dom. Cons.	363	300	369	310		300
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	378	315	384	325		315
Ending Stocks	1	19	4	14		19
Total Distribution	390	345	398	349		344
CY Imports	0	0	0	0		0
CY Imp. from U.S.	0	0	0	0		0
CY Exports	10	10	10	10		10
CY Exp. to U.S.	0	0	0	0		0
TS=TD		0		0		0

Note: Please see the General Section under Soybean Meal for oil extraction rates.

General

Taiwan's demand for soybean oil is primarily met by local crushing of imported soybeans with minimal imports of soybean oil. In MY2009/10, Taiwan exported 11,000 metric tons of soybean oil, mainly to the Philippines and Japan. Taiwan typically exports approximately 10,000 metric tons of refined oil to markets in the region annually according to Taiwan statistics in recent years. Taiwan only occasionally imports a small amount of soybean oil for balancing domestic demand. Soybean oil imports are expected to remain small due to an efficient local crushing sector. In addition to the two large crushers, Taiwan has one state-run corporation and a smaller crusher that combine for about 10 percent market share. The stat-run corporation's main purpose is to stabilize the domestic soybean oil market.

Total vegetable oil consumption in 2010 is estimated at 544,000 metric tons, up eight percent from a year earlier, returning to levels before the 2008/09 economic downturn. A minor increase in vegetable oil consumption was expected as the economy recovered and may be partly attributed to a decision by Taiwan's Health Department to increase frying oil inspections in restaurants according to the July 17, 2009 announcement of the Good Hygienic Practices of Food Preparation in the HRI

Sector. Taiwan health authorities began regular inspections of deep frying oil quality in fast food chains after a media scandal about some restaurants not changing their oil elevated consumer concerns over the quality of oil used in deep-frying. In addition, Taiwan uses recycled cooking oils for B100 production to meet its B2 biodiesel mandate. Taiwan implemented B2 production on June 15, 2010, with an estimated demand for 100 million liters of B100. Taiwan has approximately 130 million liters of local production capacity for B100 biodiesel made from recycled cooking oil.

Competition among Oils (Comparing MY2008/09 and MY2009/10)

There are three segments in the Taiwan vegetable oil market:

- Market leaders were soybean oil and palm oil, with soybean oil holding a steady market share of 60 percent, while palm oil held a 28 percent market share, up two percent from the previous year. Palm oil benefits from concern about trans-fats in partially hydrogenated soybean oil use in the HRI sector.

- New-to-market oils: olive, canola, corn, sunflower, and safflower oils had a combined nine percent share, down from 10 percent in the previous year.

- Traditional Chinese oils, such as peanut and sesame, had a combined three percent share, which was unchanged from the previous year.

Despite post-WTO tariff reductions for new-to-market oils, soybean oil and palm oil are expected to retain their market leading positions because of their widespread use in the HRI and food processing sectors and because of their competitive prices versus new-to-market oils. The relatively high prices of new-to-market oils have prevented them from gaining market share, particularly in household use.

Statistical Tables

Table 1- Pork Imports vs. Domestic Production and Wholesale Market (on a calendar year basis)

Year	Pork Imports in 1,000 metric tons (tmt)		Domestic Pork Production in 1,000 head slaughtered	Auction Price in NT$/100kg-head
	Meat (HS0203)	Offal (HS0206)		
2006	18	23	9,625	4,918
2007	13	23	9,419	5,146
2008	29	27	8,727	6,566
2009	54	28	8,745	6,343
2010	44	29	8,470 (preliminary)	6,899 (preliminary)
2011 (forecast)	44	29	8,600 (COA target)	6,500

Source: Council of Agriculture (COA) and Taiwan Customs Statistics.
Hog production for 2010 is adjusted down from the previous target 8.6 million head due to high mortality.

Table 2- Total Poultry Meat Imports vs. Domestic Production

Year	**Imports of Poultry Meat & Products in thousand metric tons (tmt) (HS0207)**	**Domestic Poultry Production in 1,000,000 birds slaughtered**	**Farm Price in NT$/kg (Broiler)**
2006	105	390	33.71
2007	63	377	36.55
2008	82	353	43.52
2009	83	363	42.28
2010	115	373 (pre.)	41.85
2011 (forecast)	115	363	43.00

Source: Council of Agriculture (COA) and Taiwan Customs Statistics.

Table 3- Feed Production for CY2008-2011 in Thousand Metric Ton

FEED PRODUCTION	2008	2009	2010 (PRELIMINARY)	2011 (FORE.)
Total Feed Produced	7,158	7,139	7,232	7,102
Hog Feed	3,179	3,169	3,078	3,125
Poultry Feed	3,228	3,189	3,364	3,190
Others	751	781	781	787

Source: Council of Agriculture (COA).

Table 4- Tariff Rates Reductions Table (refer to TW9006)

Commodity/HS Code	Current Rate	Temporary Rate: Temporary 50% Reduction during 08/06/2007 –	Temporary Rate: Temporary 50% cut or zero rate starting 08/06/2008	Temporary Rate: Temporary 50% cut or zero rate starting 02/10/2011 thru 08/09/2011 (with * mark from

		08/05/2008	thru 08/05/2009	12/01/2010 thru 05/31/2011)
Drum wheat for feeding/1001-1000-10-3	6.50%	3.25%	3.25%	3.25%
Other drum wheat/1001-1000-90-6	6.50%	3.25%	3.25%	3.25%
Soft wheat for feeding/1001-9000-10-6	6.50%	3.25%	3.25%	3.25%
Other wheat and meslin/1001-9000-90-9	6.50%	3.25%	3.25%	3.25%
Wheat flour/1101-0010-00-4	17.50%	8.75%	8.75%	8.75%
Maiz flour/1102-2000-00-1	6.00%	3.00%	Zero	3%*
Groats of wheat/1103-1100-10-9	20.00%	10.00%	10.00%	10.00%
Meal of wheat/1103-1100-20-7	20.00%	10.00%	10.00%	10.00%
Groats and meal of meiz/1103-1300-009	10.00%	5.00%	Zero	Zero
Flour and meal of soy beans/1208-1000-00-6	3.00%	1.50%	1.50%	1.50%*
Brewing or distilling dregs and wastes/2303-3000-00-4	Zero **(changed to zero percent tariff permanently since October 16, 2010)**	1.50%	Zero	--

Table 5- Tariff Rates for Edible Oils and Oil Seeds in Calendar Year

HS Code	Seed/Oil	Tariff before WTO accession	Current Tariff
1201.00	Soybeans	0	0
1507	Soybean Oil	6	5
1513.21.10 & 1513.29.10	Palm Kernel Oil	1.25	0
1511	Palm Oil	2.5	0
1513.11 & 1513.19	Coconut Oil	3	0
1509 & (1510)	Olive Oil	5	0
1205.00.10	Rape Seeds	3.5	0
1514	Rape (Canola) Oil	6	4
1515.21 & 1515.29	Corn Oil	7.5	5
1207.60.00	Safflower Seeds	9	0
1512.11.20 & 1512.19.20	Safflower Oil	12.5	5
1206.00.00	Sunflower Seeds	11	0
1512.11.10 & 1512.19.10	Sunflower Oil	15	5
Source: Taiwan Customs Tariff Schedule			

Table 6- Oil Prices, CIF Taiwan, USD/Kg

Type of Edible Oil	MY 2007/08	MY 2008/09	MY 2009/10
Palm Oil (HS1511)	$1.07	$0.724	$0.810
Canola Oil (HS1514)	$1.51	$0.942	$0.724
Sunflower Oil (HS1512.1110, Crude)	$1.75	$1.056	$0.920
Soybean Oil (HS150710, Crude)	$1.11	$0.883	$1.345
Source: Taiwan Customs			

Table 7- Net Oil Imports & Production, 1,000 MT

Type of Edible Oil	MY	MY 2008/09	MY 2009/10 (net

	2007/08		imports)
Palm Oil (HS1511)	153.0	129.7	152.8
Coconut Oil & Palm Kernel Oil (HS1513)	10.7	9.8	10.4
Olive Oil (HS1509)	3.9	3.4	3.0
Canola Oil (HS1514)	18.2	19.0	19.4
Sunflower Oil (HS1512)	7.1	11.7	13.0
Corn and Other Veg. Oils (HS1515)	10.8	7.7	2.3
Total Non-Soy Imports	**203.7**	**181.3**	**200.9**
Soybean Oil Net Imports (HS1507)	32 (40/8)	0 (10.5/11.2)	-11 (exports)
Taiwan Soybean Oil Production	287.0	308	338 (balance: 327)
Domestically crushed Chinese traditional oil: Peanut Oil (use calendar year data)	6.7	6.8	6.8
Domestically crushed Chinese traditional oil: Sesame Oil (use calendar year data)	5.2	8.4	6.0
Domestically crushed Other Veg. Oils	2.7	3.0	3.0
Source: Taiwan Customs Statistics and Post estimates			