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## Taiwan

### Oilseeds and Products Annual

#### Supply and Demand of Oilseeds and By-Products in Taiwan

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**Report Highlights:**

Taiwan remains the fourth largest export market in the world for U.S. soybeans. In MY08/09, Taiwan imported 2.216 million metric tons of soybeans, 74 percent of which were supplied by the United States, a \$677 million market. Soybean import forecasts for MY09/10 and MY10/11 remain stable with slight growth expected to 2.23 million metric tons.

Taiwan's demand for soybeans is met almost entirely by imports. Its demand for soybean meal and oil is also highly dependent on local supplies crushed from imported soybeans. In MY08/09, locally-crushed soybean meal accounted for 93 percent of the Taiwan soybean meal market while locally-crushed soybean oil accounted for nearly 100 percent of that market. The reduced availability and higher cost of shipping containers may increase Taiwan's sourcing from South American suppliers, cutting the dominant U.S. share of Taiwan's soybean imports.

## **Executive Summary:**

Taiwan has been, and remains, the fourth largest export market in the world for U.S. soybeans. In MY08/09, Taiwan imported 2.216 million metric tons of soybeans, 74 percent of which were supplied by the United States, a \$677 million market.

Taiwan's demand for soybeans is met almost entirely by imported supplies. Its demand for soybean meal and oil are also highly dependent on local supplies crushed from imported soybeans. In MY08/09, locally crushed soybean meal accounted for 93 percent of the Taiwan total soybean meal market and locally crushed soybean oil accounted for nearly 100 percent of the Taiwan total soybean oil market -- although soybean oil only enjoyed approximately 60 percent of Taiwan's total vegetable oil market.

Approximately 90 percent of Taiwan's feed production goes to swine and poultry production with most of the rest going to cattle and fishery production. In addition, the Taiwan authorities placed an exemption on the 5 percent VAT for soybeans (and three imported grains) starting from March 10, 2008 to help local crushers cope with current market and economic conditions.

Taiwan economy is recovering from the recent recession with GDP forecast to grow 4.72 percent in 2010 versus negative 1.87 percent growth in 2009. As a result, Taiwan's consumers are gradually regaining their confidence. Pork production is expected to remain stable with 8.60 million heads unchanged from 2009 production numbers. In 2010, local poultry production is expected to increase 1.3 percent to 368 million birds. Feed demand is estimated at 7.245 million metric tons for 2010, compared with 7.159 million metric tons for 2008 according to the latest available government statistic.

Local industries all are aware that Taiwan authorities plan to end a 5% VAT exemption for soybeans, several grains, and meal imports June 2010. However, with an upswing in the economy the loss of VAT exemption is expected to be off set by stronger consumer spending.

**Commodities:**

Oilseed, Soybean

**Production, Supply and Demand Data Statistics:**

Oil, Soybean Taiwan	2008		2009		2010	
	2008/2009		2009/2010		2010/2011	
	Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010	
	USDA Official Data	New Post	USDA Official Data	New Post	USDA Official Data	New Post
		Data		Data		Data
Crush	1,917	1,912	1,970	1,950		1,950
Extr. Rate, 999.9999	0.	0.16	0.	0.1564		0.1615
Beginning Stocks	27	27	9	18		18
Production	342	306	352	305		315
MY Imports	11	11	12	20		20
MY Imp. from U.S.	10	10	8	8		8
MY Imp. from EU	0	0	0	0		0
Total Supply	380	344	373	343		353
MY Exports	11	11	13	10		10
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	15	15	15	15		15
Food Use Dom. Cons.	345	300	335	300		305
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	360	315	350	315		320
Ending Stocks	9	18	10	18		23
Total Distribution	380	344	373	343		353
CY Imports	10	11	10	20		20
CY Imp. from U.S.	8	10	8	8		8
CY Exports	8	10	10	10		10
CY Exp. to U.S.	0	0	0	0		0
TS=TD		0		0		0

# Soybean Situation and Outlook

## General

In response to severe fluctuations in soybean prices over the last several years, Taiwan slowed down its import pace particularly after July 2008, which is reflected partly in MY07/08 and MY08/09 soybean import figures. Currently, Taiwan's recovering economy has revived soybean demand to pre-economic downturn levels. Soybean import forecasts for MY09/10 and MY10/11 are 2.230 million metric tons, a slight increase from 2.216 million metric tons seen during MY08/09.

Besides the recovering economy, minor increases in domestic feed demand driven by Taiwan's two important livestock sectors helped revive soybean imports. Taiwan's swine and poultry sectors are still able to compete with imported products. According to Taiwan's Council of Agriculture (COA), the domestic hog production target for 2010 is 8.60 million heads (slaughtered), unchanged from the previous year, while poultry will see a slight increase of 1.3 percent to 368 million birds (slaughtered) from the previous year. Since Taiwan is designated an Avian Influenza (AI) free area, it is able to export a small quantity of poultry to the region. Furthermore, because of its AI free status, only a limited number of exporting countries can meet Taiwan's import quarantine requirements thus aiding the Taiwan domestic poultry production sector to remain competitive with imports.

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 is getting more variable since Taiwan liberalized its meat import market post WTO accession in 2005. Nevertheless, Taiwan remains the fourth largest export market for U.S. soybeans with total export value of \$677 million in MY 2009.

Demand for food-use soybeans remains strong and its estimated at 280 thousand metric tons, primarily sourced from locally-screened U.S. #2 grade soybeans and distributed by domestic crushers. In MY08/09, 15 thousand metric tons of the total food use soybeans were non-GM, including organic and food grade beans, from non-U.S. sources, according to the 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, including specialty varieties for making natto, a fermented soybean used in traditional cooking, or natto kinasase, a health food supplement, via containerized shipments.

## 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, or imports of 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 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 industry U.S. cooperator, American Soybean Association-International Marketing (ASA-IM) Taipei office.

According to sources in the Taiwan crushing industry, 2009/10 U.S. beans on average have higher moisture, 13.6%, and lower oil, 18.9%, and Lower protein content, 33.23%, compared to the 2008/09 U.S. crop with moisture, 12.15%, oil, 19.47%, and protein, 35.11%, respectively.

## Biotechnology and Labeling

Taiwan has granted registration approvals for four soybean biotech events: RR40-3-2; A2704-12; MON89788 and DP-356043-5. The registration is valid for five years for food, feed and processing (FFP) use, not for environmental release or plantation. As of reporting date, Taiwan has granted registration approval for a total of 18 single events, including the above mentioned 4 soybean events and 14 corn events, whereas there are 16 stacked corn events registered and approved, of which 11 are two-way, 3 are three-way, and 2 are four-way.

Food made of biotech soybeans, such as tofu, soy milk, miso, natto and others are required to be labeled containing GMO soybean or soybean ingredient, but limited to commercial packaged food products. However, on March 25, 2009, DOH announced a new labeling requirement for foods in bulk packaging. Starting 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 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, stands, or traditional markets. The new labeling requirement may have 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.

### **Low level Stocks & Containerized Shipments**

Stocks remain low for cost management and for reducing risk in volatile world markets. The availability of containerized shipping has in recent years provided importers with flexibility in shipping arrangements that have allowed Taiwan to keep its stocks very low, but this paradigm shifted during the recent global downturn. Containerized shipments increased rapidly in recent years, growing from one percent of total volume in 2004, to 22 percent in 2005, 33 percent in 2006, 77 percent in 2007, and then declining slightly to 74 percent in 2008. However, during 2009 the global economic downturn resulted in fewer Taiwan exports to the U.S. and subsequently fewer empty backhaul containers reduced containerized shipments to 20 percent.

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

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.

Taiwan has implemented wood packing material requirements in compliance with the IPPC's ISPM-15, since January 1, 2009.

### **Trade Relationship with China under Thawing 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 Code, HS1201-0000-20-1 in September 8, 2008. This resulted in 5 thousand metric tons of black skin soybeans imports from China during MY08/09 for making specialty soymilk or fermenting specialty soy sauce. According to the Taiwan soy sauce sector, estimated demand for PRC specialty beans is 6, thousand metric tons with the potential to grow further. The United States currently doesn't grow the same variety of soybeans.

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 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 the right circumstances. Further speculation on future openings to imports of soybeans from mainland China have been heightened since the Taiwan administration recently initiated Economic Cooperative Framework Agreement (ECFA) consultations with China.

### **Commodities:**

## Meal, Soybean

### Production, Supply and Demand Data Statistics:

Soybean	Meal, Taiwan	2008		2009		2010	
		2008/2009		2009/2010		2010/2011	
		Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010	
		USDA Official Data	New Post Data	USDA Official Data	New Post Data	USDA Official Data	New Post Data
Crush	1,917	1,912	1,970	1,950		1,950	
Extr. Rate, 999.9999	1.	0.8002	1.	0.7897		0.8	
Beginning Stocks	19	19	22	22		17	
Production	1,508	1,530	1,555	1,540		1,560	
MY Imports	113	110	100	110		100	
MY Imp. from U.S.	9	8	25	10		10	
MY Imp. from EU	0	0	0	0		0	
Total Supply	1,640	1,659	1,677	1,672		1,677	
MY Exports	9	2	10	10		10	
MY Exp. to EU	0	0	0	0		0	
Industrial Dom. Cons.	0	0	0	0		0	
Food Use Dom. Cons.	0	0	0	0		0	
Feed Waste Dom. Cons.	1,609	1,635	1,644	1,645		1,645	
Total Dom. Cons.	1,609	1,635	1,644	1,645		1,645	
Ending Stocks	22	22	23	17		22	
Total Distribution	1,640	1,659	1,677	1,672		1,677	
CY Imports	75	31	75	110		100	
CY Imp. from U.S.	15	3	15	10		10	
CY Exports	10	5	10	10		10	
CY Exp. to U.S.	0	0	0	0		0	
SME	1,609	1,635	1,644	1,645		1,645	
TS=TD		0		0		0	

## Oilmeal Situation and Outlook

### General

In Taiwan, locally crushed meal from imported soybeans dominates the soybean meal market. In MY08/09, locally crushed meal accounted for 93 percent of total soybean meal consumption and imported soybean meal accounted for the remaining seven 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, along with its demand for soybean oil. Soybean oil accounts for approximately 60 percent of Taiwan's total demand for vegetable oil. In addition to occasionally importing soybean meal, locally crushed soybean meal is facing some minor market challenges from increased imports of distiller's dried grain soluble (DDGS) and other oilseed or protein meals during the period of high world soybean prices.

### **Soybeans for Crushing vs. Situation and Outlook of Taiwan Livestock Sectors**

The MY09/10 and MY10/11 forecast demand for soybeans for meal crushing is at 1.9 to 2.0 million metric tons in line with local livestock production adjustments and conditional on the quantity of local soybean oil stock. In addition to an estimated 300 thousand metric tons for food use, and some 300 thousand metric tons of soybeans goes to full fat soybean meal in feed rations. Full fat soybean meal market size varies by many factors and difficult to estimate the actual level. Still, Taiwan's total soybean meal demand is estimated at 1.7 million metric tons, including conventional, de-hulled and full fat meal.

The local swine sector has demonstrated it can compete with imported pork products. An increase in 2009 of pork imports was due primarily to the decrease in domestic production following Typhoon Morako that damaged local production facilities in August 2009. However, imports still represent a small portion of the local market. Approximately, 100 thousand sows were lost in the typhoon and resulted in a smaller herd of piglets for MY2009/2010 production. The hog sector has been an important and profitable agricultural sector for Taiwan. The Council of Agriculture (COA) conducts a hog census twice a year in order to monitor the domestic pork market situation. According to COA's November 2009 census, standing hog population was down by 4.6 percent year-on-year and down by 1.9 percent to 6.15 million head from the numbers reported in the May 2009 survey. The decrease in hog production was also attributable in part to the exit of less competitive farmers, with a 5 percent and 2 percent decreases in hog farm numbers in corresponding time periods, respectively. However, for those efficient hog farmers their production scales tend to upward adjustments. Under the current commodity and meat market situation, the local hog production break-even point is approximately NT\$5,600/100kg per head.

Recently, COA announced its policy to continue allowing live bird markets to remain in operation. In 2008, COA announced, AI prevention measures that called for the prohibition of live bird markets by April, 2010, but later rescinded the measures after public outcry. Imported poultry products would have likely gained market share if the live bird market prohibition measures remained. Imports of poultry products are forecast to remain at the current levels of around 80 thousand metric tons. Local poultry production remains stable. The COA target production of poultry for 2010 is adjusted upward by 1.3 percent to 368 million birds due primarily to a 2.8 percent increase in the broiler sector.

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, etc. But, the traceability system is now only available for value-added and special handled production.

### **Consumption & Trade**

Feed demand forecasts are 7.20 million metric tons for MY2009/10 and 7.24 million metric tons for MY2010/11 due to the stabilizing economic situation and COA's 2010 hog and poultry production targets that remain unchanged for the swine sector and up 1.3 percent increase for the poultry sector from 2009.

Taiwan's demand for soybean meal for use in feed is forecast at approximately 1.7 million metric tons, with soybean meal comprising a steady 22.7 percent of total feed volume. 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 MY2008/09 Taiwan imported a total of 110 thousand metric tons of meal, of which 8 thousand metric tons was imported from the U.S. while the rest was sourced from India. In general, Taiwan imports high protein meal from the United States and conventional meal from India.

In addition to conventional soybean meal, full fat meal and de-hulled high protein meal of crude protein (CP) 47.5% or above remained popular. De-hulled high protein meal is priced with a premium of NT\$0.7/kg over conventional soy meal of CP 42.5%. The production of full fat soybeans, estimated at about 300 thousand metric tons, varies from year to year, and de-hulled soy meal is estimated to remain at about 200 tmt. The remaining 1.0 million metric tons are conventional soybean meal.

Note: Soybeans for full fat soy meal are excluded as beans for oil crushing resulted in lower oil extraction rates in the Soybean Oil PS&D table.

**Estimated Feed Inclusion Rates of Soybean Meal is 22.7 Percent in MY2008/09**

In MY08/09, soybean meal recorded a 22.7 percent feed inclusion rate that falls within the average historical feed inclusion range of 22 to 24 percent. The feed inclusion rate of soybean meal was minimally impacted by the import supply of distiller’s dried grain soluble (DDGS) and other oil meals and protein meals. Feed inclusion rates for DDGS declined to 2.3 percent in MY08/09 from 3.9 percent reported in MY07/08. Inclusion rates for other oil and protein meals increased to 9.3 percent from 8.5 reported in MY 07/08. In addition, the Taiwan authorities implemented an exemption for the 5 percent VAT on soybean (and three other feed grains) imports to help local industry cope with the difficult market situation due to the historically high prices and volatile conditions for grains and oilseeds on world markets.

In MY08/09, Taiwan imported a total of 165 thousand metric tons of DDGS, compared to 28 thousand metric tons in MY07/08. DDGS imports are forecast to remain at MY08/09 levels due to reduced price competitiveness with soybean meal and feed grains. Among the combined total DDGS imports, 53 thousand metric tons were imported under HS2303.30 on tariff rates that varied from 3 percent to 1.5 percent, and currently at zero duty reflecting Taiwan’s decision to cut tariffs for key commodities to address concerns about food and feed cost inflation (see TW9006). Additionally, 33 thousand metric tons were imported under HS2306.70 and 50 thousand metric tons under HS2302.10, both at a zero percent tariff rate. The Taiwan Feed Industry Association (TFIA) has petitioned for a permanent zero tariff on DDGS under HS2303.30, and it is anticipated that Taiwan authorities will eventually grant this request for DDGS imports to help boost the competitiveness of domestic livestock industries vs. pork and poultry meat imports.

The feed inclusion rate for other oil meals and fish meal was estimated at 9.3 percent compared to last year’s 8.5 percent. In MY2008/09, the use of other oil meals under HS2306 (note: total DDGS imports under HS2306 were excluded) and HS2305 combined was 298 thousand metric tons compared with 240 thousand metric tons the previous year. Fishmeal imports under HS2301.20 were 179 thousand metric tons compared with 147 thousand metric tons the previous year while and imports of alfalfa (Lucerne) meal and lupines combined under HS1214 were down slightly to 194 thousand metric tons from 221 thousand metric tons recorded last year.

For dairy products for feed use, there were no import statistics for milk powder under HS0402.2910 and whey imports under HS0404.1010. Imports under HS2309-90 totaled 47 thousand metric tons but Taiwan exported 37 thousand metric tons. According to feed industry sources, Taiwan uses only a very small amount of milk powder or whey products in feed formulation because dairy powder is very expensive.

**Commodities:**

Oil, Soybean

**Production, Supply and Demand Data Statistics:**

<b>Soybean</b>	<b>Oil, Taiwan</b>		<b>2008</b>		<b>2009</b>		<b>2010</b>	
			<b>2008/2009</b>		<b>2009/2010</b>		<b>2010/2011</b>	
			<b>Market Year Begin: Oct 2008</b>		<b>Market Year Begin: Oct 2009</b>		<b>Market Year Begin: Oct 2010</b>	
			<b>USDA Official Data</b>	<b>New Post</b>	<b>USDA Official Data</b>	<b>New Post</b>	<b>USDA Official Data</b>	<b>New Post</b>

			Data			Data		Data
Crush	1,917		1,912	1,970		1,950		1,950
Extr. Rate, 999.9999	0.		0.16	0.		0.1564		0.1615
Beginning Stocks	27		27	9		18		18
Production	342		306	352		305		315
MY Imports	11		11	12		20		20
MY Imp. from U.S.	10		10	8		8		8
MY Imp. from EU	0		0	0		0		0
Total Supply	380		344	373		343		353
MY Exports	11		11	13		10		10
MY Exp. to EU	0		0	0		0		0
Industrial Dom. Cons.	15		15	15		15		15
Food Use Dom. Cons.	345		300	335		300		305
Feed Waste Dom. Cons.	0		0	0		0		0
Total Dom. Cons.	360		315	350		315		320
Ending Stocks	9		18	10		18		23
Total Distribution	380		344	373		343		353
CY Imports	10		11	10		20		20
CY Imp. from U.S.	8		10	8		8		8
CY Exports	8		10	10		10		10
CY Exp. to U.S.	0		0	0		0		0
TS=TD			0			0		0

## Oil Situation and Outlook

### General

Taiwan's demand for soybean oil is primarily met by local crushing of imported soybeans. Each year Taiwan has a small soybean oil trade. In MY2008/09, Taiwan imported and exported the same quantity of 11 thousand metric tons of soybean oil. Taiwan is expected to export approximately 10 thousand metric tons of refined oil to the region, mainly the Philippines and Japan, according to export records in recent years. Its imports are in small quantity for balancing domestic demand. Soybean oil trade is forecast to remain quiet for the near future.

Total vegetable oil consumption in CY2009 is estimated at 501 thousand metric tons, down 8 percent from CY 2008. A minor increase in vegetable oil consumption is expected as the economy recovers. Taiwan's palm oil consumption is anticipated to increase due to growing concerns about trans fats in partially hydrogenated soybean oil use in the HRI sector. Taiwan health authorities also regularly inspect deep fry oil quality in fast food chains after a media scandal about some restaurants not changing their oil elevated consumer concerns over the quality oil used in deep-frying.

Competition among Oils (percent change comparing MY08/09 and MY07/08)

There are three segments in the Taiwan vegetable oil market:

- Market leaders are soybean oil and palm oil, with soybean oil holding a market shares of 61 percent, up 3 percent from MY07/08, while palm oil holds a 26 percent market share, down 3 percent from MY07/08.
- New-to-market oils: olive, canola, corn, sunflower, and safflower oils with a combined 10% share, up slightly from MY07/08.
- Traditional Chinese oils: peanut, sesame and other oil with a combined 3% to 5% share (no change in terms of total quantity).

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 a gaining market share, particularly in household use.

One example of Nutrition Labeling is as follows:

Nutrition Labeling	
Serving size	gm (ml)
This package contains	xx servings
Per serving	
Energy	Kcal
Protein	gm
Fat	gm
Saturated fat	gm
Trans fat	gm
Carbohydrate	gm
Sodium	mg
Content of other nutrient claimed	
Content of other nutrients	

## **Biodiesel**

Taiwan has three small-scale batch type biodiesel facilities with a combined production capacity of 13 billion liters. The plants are running at about 10 percent capacity using recycled cooking oil and a small amount of feedstocks from government-subsidized soybeans, rapeseed and sunflower seed produced on fallowed rice land. However, Taiwan ended its miniscule energy crop plantation in 2008 after the Ma Administration took office in favor of food and feed production a symbolic measure to address the worldwide food security concern.

## Background 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)		
2005	26	28	9,500	5,352
2006	18	23	9,625	4,918
2007	13	23	9,447	5,193
2008	29	27	8,727	6,619
2009	54	28	8,600 (preliminary)	6,300 (preliminary)
2010 (forecast)	54	28	8,600 (COA target)	6,200

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

Hog target production for 2009 is adjusted down by 2.1 percent from 2008 due to volatile commodity market and recent global economic downturn.

**Table 2- Total Poultry Meat Imports vs. Domestic Production**

Year	Poultry Meat Imports in (tmt) (HS0207)	Domestic Poultry Production in 1,000,000 birds slaughtered	Farm Price in NT\$/kg
2005	88	378	36.81
2006	105	390	33.71
2007	63	377	36.55
2008	82	353	43.52
2009	83	363	42.28 (pre.)
2010 (forecast)	83	368	43.00

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

**Table 3- Feed Production for 2007-2010 in Thousand Metric Ton**

Feed Production	2007	2008	2009 (Preliminary)	2010 (forecast)
Total Feed Produced	7,484	7,159	7,200	7,245
Hog Feed	3,363	3,179	3,131	3,131
Poultry Feed	3,364	3,228	3,317	3,362
Others	758	752	752	752
<i>Source: Council of Agriculture (COA).</i>				

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

Commodity/HS Code	Current Rate	Temporary Rate: Temporary 50% Reduction during 08/06/2007 – 08/05/2008	Temporary Rate: Temporary 50% cut or zero rate starting 08/06/2008 thru 05/31/2010
Drum wheat for feeding/1001-1000-10-3	6.50%	3.25%	3.25%
Other drum wheat/1001-1000-90-6	6.50%	3.25%	3.25%
Soft wheat for feeding/1001-9000-10-6	6.50%	3.25%	3.25%
Other wheat and meslin/1001-9000-90-9	6.50%	3.25%	3.25%
Wheat flour/1101-0010-00-4	17.50%	8.75%	8.75%
Maiz flour/1102-2000-00-1	6.00%	3.00%	Zero
Groats of wheat/1103-1100-10-9	20.00%	10.00%	10.00%
Meal of wheat/1103-1100-20-7	20.00%	10.00%	10.00%
Groats and meal of meiz/1103-1300-009	10.00%	5.00%	Zero
Flour and meal of soy beans/1208-1000-00-6	3.00%	1.50%	1.50%
Brewing or distilling dregs and wastes/2303-3000-00-4	3.00%	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
<i>Source: Taiwan Customs Tariff Schedule</i>			

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

Type of Edible Oil	MY 06/07	MY 07/08	MY 08/09
Palm Oil (HS1511)	\$0.64	\$1.07	\$0.724
Canola Oil (HS1514)	\$0.82	\$1.51	\$0.942
Sunflower Oil (HS1512.1110, Crude)	\$0.80	\$1.75	\$1.056
Soybean Oil (HS150710, Crude)	\$0.95	\$1.11	\$0.883
<i>Source: Taiwan Customs</i>			

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

Type of Edible Oil	MY 2006/07	MY 2007/08	MY08/09
Palm Oil (HS1511)	136.6	153.0	129.7
Coconut Oil & Palm Kernel Oil (HS1513)	9.3	10.7	9.8
Olive Oil (HS1509)	3.8	3.9	3.4
Canola Oil (HS1514)	26.8	18.2	19.0
Sunflower Oil (HS1512)	24.8	7.1	11.7
Corn and Other Veg. Oils (HS1515)	11.5	10.8	7.7
Total Non-Soy Imports	212.8	203.7	181.3
Soybean Oil Net Imports (HS1507)	6 (11/5)	32 (40/8)	0 (10.5/11.2)
Taiwan Soybean Oil Production	315.0	287.0	305
Domestically crushed Chinese traditional oil: Peanut Oil (use calendar year data)	8.5	6.7	6.7
Domestically crushed Chinese traditional oil: Sesame Oil (use calendar year data)	11.0	5.2	5.2
Domestically crushed Other Veg. Oils	3.0	2.7	2.7
Source: Taiwan Customs Statistics and Post estimates			